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FIRST SESSION

VOLUME 105—PART 14

SEPTEMBER 1, 1959, TO SEPTEMBER 9, 1959

(PAGES 17469 TO 18872)

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PROCEEDINGS AND DEBATES OF THE 86th CONGRESS, FIRST SESSION

SENATE

TUESDAY, SEPTEMBER 1, 1959

(Legislative day of Monday, August 31, 1959)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal and blessed God, in the midst of toiling days when the fever and fret of perilous times take their toll of bodies and spirits, we are grateful for quiet arbors of peace where, at an altar of contrition, we may bow for Thy forgiveness and cleansing.

Without Thee, our striving would be losing, for our strength is unequal to our tasks.

To Thy servants in this Chamber of Governance has been given, in Thy providence, and because of the people's trust, a place of awesome responsibility in this supreme hour of history. May they exercise with anxious care and deep humility that stewardship of power.

Help us here to consecrate ourselves anew to the fulfillment of the aims and dreams of a new world of justice and equality for which America's sons died on the battlefields of the world.

Send us forth to serve the present age in the triumphant certainty that though willful men imagine a vain thing, and though the earth were removed and the mountains cast into the midst of the sea, the Lord of hosts is with us, the God of Jacob is our refuge.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 31, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Hawks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

TRANSACTION OF ROUTINE BUSINESS

The PRESIDENT pro tempore. Morning business is in order, under the 3-minute limitation ordered on yesterday.

REPORT OF AMERICAN INSTRUCTORS OF THE DEAF

The PRESIDENT pro tempore laid before the Senate a letter from the president and editor of proceedings, the convention of American Instructors of the Deaf, transmitting, pursuant to law, a report of the proceedings of the 39th meeting of that organization, held in Colorado Springs, Colo., June 28, 1959, through July 3, 1959, which, with the accompanying papers, was referred to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

H.R. 7225. An act for the relief of Sylvester L. Gardner (Rept. No. 855).

By Mr. ERVIN, from the Committee on the Judiciary, without amendment:

H.R. 8461. An act to amend the act of September 2, 1958, establishing a Commission and Advisory Committee on International Rules of Judicial Procedure (Rept. No. 856).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 1735. An act to provide for conveyance of certain real property of the United States in Yalobusha County, Miss., to W. A. Nolen and Wiley W. Walker (Rept. No. 858);

H.R. 4714. An act to quiet title and possession with respect to certain real property adjacent to the Rocky Mountain Arsenal, Denver, Colo. (Rept. No. 857);

H.R. 5892. An act to provide for the establishment of Minute Man National Historical Park in Massachusetts, and for other purposes (Rept. No. 860); and

H.R. 6781. An act to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historical Park (Rept. No. 859).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 2565. A bill to amend the act of August 9, 1955 (69 Stat. 539), relating to leases of Indian lands (Rept. No. 861).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 8587. An act to provide for the equalization of allotments on the Agua Caliente (Palm Springs) Reservation in California, and for other purposes (Rept. No. 866).

By Mr. DWORSHAK, from the Committee on Interior and Insular Affairs, with an amendment:

S. 2379. A bill to donate to the Nez Perce Tribe of Idaho approximately 11.25 acres of Federal land in Idaho County, Idaho (Rept. No. 867).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 839. An act to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands under the Wapato Indian irrigation project, Washington, and for other purposes (Rept. No. 868).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, without amendment:

S. 2085. A bill to authorize the use of funds arising from a judgment in favor of the Kiowa, Comanche, and Apache Tribes of Indians of Oklahoma, and for other purposes (Rept. No. 864); and

S. 2485. A bill to authorize the sale of 40 acres of land owned by the Creek Tribe of Indians (Rept. No. 862).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, with an amendment:

S. 2596. A bill to provide for the division of the tribal assets of the Catawba Indian Tribe of South Carolina among the members of the tribe, and for other purposes (Rept. No. 863).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, with amendments:

S. 1352. A bill to authorize enrolled members of the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., to acquire trust interests in tribal lands of the reservation, and for other purposes (Rept. No. 865).

By Mr. ANDERSON, from the Joint Committee on Atomic Energy, with amendments:

S. 2568. A bill to amend the Atomic Energy Act of 1954, as amended, with respect to cooperation with States (Rept. No. 870); and

S. 2569. A bill to amend the Atomic Energy Act of 1954, as amended (Rept. No. 871).

PAYMENT IN LIEU OF TAXES—REPORT OF A COMMITTEE—MINORITY VIEWS

Mr. HUMPHREY. Mr. President, from the Committee on Government Operations, I report favorably, with an amendment, the bill (S. 910) to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes, and I submit a report (No. 869) thereon. I ask unanimous consent that the report be printed, together with the minority views of the Senator from South Dakota [Mr. MUNDT].

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Minnesota; and the bill will be placed on the calendar.

Mr. KUCHEL. Do I understand that the able Senator has placed on the desk the report on S. 910, the in lieu tax bill?

Mr. HUMPHREY. Yes. I filed it for the committee, and may I add that it is cosponsored by my good friend, the deputy leader and the minority whip, who has been a tower of strength in getting this bill through the committee and to the Senate. I am honored to be with him on the bill.

Mr. KUCHEL. I thank my friend. I ask consent that these comments may appear in the same position as those made by the able Senator at the time he submitted the report on the desk.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, I congratulate my friend, the able Senator from Minnesota, in bringing to the floor a bill that has no partisanship in it whatsoever, the so-called in lieu tax bill which has been before Congress for many years and for which he and I and Democrats and Republicans of bygone Congresses have stood together.

I do hope very much, Mr. President, that we can have S. 910 set down for debate here prior to the adjournment sine die of this Congress, because local government in America, the cities and counties of our Nation, particularly those areas where the real property holdings are largely owned by the U.S. Government, which, of course, pays no local taxes, will welcome the news that Congress is on its way to debating—and, I hope, approving—legislation in this field which is certainly long overdue.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Harry F. Stimpson, Jr., of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary to Paraguay;

Henry Cabot Lodge, James G. Fulton, Clement J. Zablocki, Walter S. Robertson, and George Meany, to be representatives to the 14th session of the General Assembly of the United Nations; and

Virgil M. Hancher, Charles W. Anderson, Erle Cocke, Jr., Mrs. Oswald B. Lord, and Harold Riegelman, to be alternate representatives to the 14th session of the General Assembly of the United Nations.

By Mr. EASTLAND, from the Committee on the Judiciary:

Carl A. Weinman, of Ohio, to be U.S. district judge for the southern district of Ohio.

By Mr. CARROLL, from the Committee on the Judiciary:

Walter A. Gordon, of California, to be judge of the District Court for the Virgin Islands.

By Mr. McCLELLAN, from the Committee on the Judiciary:

J. Smith Henley, of Arkansas, to be U.S. district judge for the eastern and western districts of Arkansas; and

Gordon E. Young, of Arkansas, to be U.S. district judge for the eastern district of Arkansas.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. EASTLAND:

S. 2627. A bill for the relief of Nicholas Anthony Marcantonakis; to the Committee on the Judiciary.

By Mr. BARTLETT (for himself and Mr. GRUENING):

S. 2628. A bill to establish the U.S. Study Commission on the Development of the Rivers, Ports, and Drainage Basins (and intervening areas) of the State of Alaska; to the Committee on Public Works.

(See the remarks of Mr. BARTLETT when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 2629. A bill for the relief of Clifford J. Benson; to the Committee on the Judiciary.

PARTICIPATION BY FEDERAL AGENCIES IN FIFTH INTERNATIONAL CONGRESS ON HIGH-SPEED PHOTOGRAPHY

Mr. MAGNUSON submitted the following concurrent resolution (S. Con. Res. 75); which was referred to the Committee on Interstate and Foreign Commerce:

Whereas photographic techniques which can magnify the time scale of scientific phenomena are extremely important to the research and engineering activities of every nation; and

Whereas the First International Congress on High-Speed Photography was held in Washington, District of Columbia, in 1952, having been organized and conducted under the sponsorship of the Society of Motion Picture and Television Engineers; and

Whereas subsequent meetings were held at two-year intervals in Paris, France; London, England; and Cologne, Germany; and in each instance these meetings have received the recognition and the support of the governments of the respective host countries; and

Whereas, with each meeting, the International Congress on High-Speed Photography has grown in stature and in prestige; and

Whereas the Society of Motion Picture and Television Engineers is once again sponsoring the International Congress on High-Speed Photography in Washington, District of Columbia (this fifth congress will be held in October 1960); and

Whereas the Congress is fully appreciative of the importance of assuring that this international scientific meeting is conducted in a manner which will bring credit and enhanced prestige to the United States of America as the host nation; and

Whereas it is the belief of the Congress that—

(1) the democratic environment of the free world is the best environment for achievement in science; and

(2) scientists and engineers have special advantages and opportunities to assist in achieving international understanding since the laws and concepts of science cross all national and ideological boundaries; and

Whereas the Congress is interested in (1) promoting international understanding and good will; (2) enhancing the excellence of American science, both basic and applied; and (3) furthering international cooperation in science and technology by creating the necessary climate for effective interchange of ideas: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that all interested agencies of the Federal Government should participate actively to the greatest practicable extent in the Fifth International Congress on High-Speed Photography to be held in Washington, District of Columbia, in October 1960 under the sponsorship of the Society of Motion Picture and Television Engineers.

THREE-YEAR LIMITATION ON REPAYMENTS OF DISASTER LOANS TO FARMERS AND STOCKMEN

Mr. HUMPHREY submitted the following resolution (S. Res. 185); which was referred to the Committee on Agriculture and Forestry:

Resolved, That it is hereby declared to be the sense of the Senate that a maximum repayment period of not less than three years should be authorized by the Secretary of Agriculture with respect to disaster loans made to farmers and stockmen under the provisions of subsections (a) and (b) of section 2 of the Act of April 6, 1949 (63 Stat. 43; 12 U.S.C. 1148a–2).

STUDY COMMISSION ON DEVELOPMENT OF RIVERS, PORTS, AND DRAINAGE BASINS, ALASKA

Mr. BARTLETT. Mr. President, on behalf of myself, and my colleague, the junior Senator from Alaska [Mr. GRUENING], I introduce, for appropriate reference, a bill to establish the U.S. Study Commission on the Development of the Rivers, Ports, and Drainage Basins (and Intervening Areas) of the State of Alaska.

This bill, Mr. President, would establish a study commission modeled after similar commissions which have been of great assistance to the executive department, the Congress and the regions of the United States which these previous commissions have studied. Now that Alaska is a State, it is appropriate that representatives of Federal departments selected by the President and resident Alaskans selected by the Governor of Alaska work in common effort to formulate a comprehensive and coordinated program for the utilization of Alaska's water resources in the public interest. In Alaska we have a great need for the information which such a commission could provide. Our great rivers can be put to work for navigation, power, recreation, irrigation, and other beneficial purposes.

Mr. President, under my proposal, the U.S. Study Commission established thereunder would submit a report to the President of the United States containing its recommendations for the development of the water and land resources of the State of Alaska. This report would be submitted after thorough study by the Commission itself, after consultation with Federal departments and agencies concerned and with the Governor of Alaska, and would be accompanied by the views, comments, and recommendations of the Governor and the interested Federal departments and agencies.

The President would transmit the Commission's report to Congress, together with his views and recommendations.

Mr. President, this proposed legislation is an expression of the desire of Alaskans to participate in the thoughtful and careful study processes which will make possible an ever greater contribution by Alaska to the well-being of the Nation, and which will insure that governmental efforts to develop rivers, ports, and drainage basins in Alaska on a comprehensive basis will be

preceded by sound research by knowledgeable persons.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2628) to establish the U.S. Study Commission on the Development of the Rivers, Ports, and Drainage Basins (and Intervening Areas) of the State of Alaska, introduced by Mr. BARTLETT (for himself, and Mr. GRUENING), was received, read twice by its title, and referred to the Committee on Public Works.

PAYMENTS IN LIEU OF TAXES—AMENDMENTS

Mr. MUNDT submitted amendments, in the nature of a substitute, intended to be proposed by him to the bill (S. 910) to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes, which were ordered to lie on the table and to be printed.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—AMENDMENTS

Mr. HUMPHREY submitted amendments, intended to be proposed by him, to the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, which were ordered to lie on the table and to be printed.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO—AMENDMENT

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes, which was ordered to be printed.

Mr. PROXMIRE also submitted amendments, intended to be proposed by him, to House bill 1, supra, which were ordered to lie on the table and to be printed.

LIBERALIZATION OF TARIFF LAWS FOR WORKS OF ART AND OTHER EXHIBITION MATERIAL—BILL PLACED ON CALENDAR

Mr. BYRD of Virginia. Mr. President, on August 26, 1959, the Senate received a message from the House of Representatives, announcing that the House had passed the bill (H.R. 6249) to liberalize the tariff laws for works of art and other exhibition material, and for other purposes. Since that time, the bill has remained at the desk. I ask unanimous consent that the bill be taken from the desk and placed on the calendar.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Virginia? The Chair hears none, and it is so ordered.

The bill (H.R. 6249) to liberalize the tariff laws for works of art and other exhibition materials, and for other purposes, was read twice by its title, and placed on the calendar.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Extracts from an address delivered by him on the occasion of the dedication of the Berkeley County War Memorial Park, near Martinsburg, W. Va., Saturday, August 29, 1959.

By Mr. McCARTHY:

Statement by him entitled "Books and the Cold War," and a letter to him from Mr. Harry Tyson Carter, of the U.S. Information Agency, dated August 13, 1959, on the same subject.

By Mr. BRIDGES:

Editorial entitled "Prayers, Not Cheers," written by Edward Seavey and published in the Hampton Union of August 27, 1959.

By Mr. WILEY:

Text of interview on AFL–CIO broadcast "Washington Reports to the People," on the subject of the forthcoming visit of Premier Khrushchev.

NOTICE OF HEARING ON NOMINATION OF HENRY A. STEBBINS TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY TO THE KINGDOM OF NEPAL

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received the nomination of Henry F. Stebbins, of Massachusetts, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

In accordance with the committee rule, the pending nomination may not be considered prior to the expiration of 6 days.

NOTICE OF POSTPONEMENT ON HEARING OF NOMINATION OF JAMES DURFEE TO BE JUDGE OF THE U.S. COURT OF CLAIMS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, notice is hereby given that the public hearing scheduled for 10:30 a.m., Wednesday, September 2, 1959, in room 2228, New Senate Office Building, on the nomination of James Durfee, of Wisconsin, to be judge of the U.S. Court of Claims, vice Benjamin H. Littleton, retired, has been postponed.

NOTICE OF HEARING ON THE NOMINATION OF J. JOSEPH SMITH TO BE U.S. CIRCUIT JUDGE FOR THE SECOND CIRCUIT

Mr. DODD. Mr. President, on behalf of the Committee on the Judiciary I desire to announce that a public hearing has been scheduled on the nomination of J. Joseph Smith, of Connecticut, to be U.S. circuit judge for the second circuit, vice Carroll C. Hincks, retired, for 10:30 a.m. Wednesday, September 9, 1959, in the committee room, room 2226, New Senate Office Building.

At the indicated time and place all persons interested in the nomination may make such representations as are pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

PARK SERVICE ANSWERS QUESTIONS ABOUT OREGON DUNES NATIONAL SEASHORE AREA

Mr. NEUBERGER. Mr. President, during 1957 and 1958 a Pacific coast recreation area survey conducted by the National Park Service pointed out the national significance of the Oregon Dunes area. Studies later showed that the area contained unique scenic, biological, geological, and recreational attributes.

Due to that survey, the National Park Service recommended the establishment of an Oregon Dunes National Seashore Area which would include the Sea Lion Caves. Of course, congressional approval is needed before the department can begin any concrete measures, such as land acquisition, for the park.

Since agitation for an Oregon Dunes Park began, many interested persons have posed questions concerning a seashore preserve. At my request, the National Park Service has prepared a series of answers to some most thoughtful inquiries submitted by Mr. Ralph Middleton, division manager of the Central Lincoln People's Utility District, in Florence, Oreg.

Mr. President, I ask that this memorandum be included at the conclusion of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NEUBERGER. Mr. President, although the National Park Service cannot predetermine Federal policies regarding proposed legislation, its responses to Mr. Middleton's questions are pertinent and illuminating. They are based on the general laws and policies for the administration of the national park system and previous experience which the Park Service has had in establishing national parks.

Mr President, through the preceding weeks, I have been calling attention to the merits of a national seashore area at the Oregon Dunes. However, in all my comments I cannot find a better statement than that included in the National Park Service's memorandum, which I wish to read into the RECORD:

The advantages to the general public would be the preservation intact of this unique area embracing closely related scenic, biological and geological features. The dunes, the Sea Lion Caves, the ocean beach, the forest and the outstanding recreation opportunities offered by the fresh-water lakes, combine to produce an area of national significance. To use its resources by permitting an assortment of unrelated and conflicting uses would gradually reduce its

character and benefits to mediocrity. Its preservation, development and operation under a unified and consistent plan for public park purposes would seem to be the logical way to realize its greatest public benefits.

These comprehensive replies from the National Park Service were sent to me by the Honorable Roger Ernst, the Assistant Secretary of the Interior. I am grateful for his cooperation.

EXHIBIT 1

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 27, 1959.

Hon. RICHARD L. NEUBERGER,
U.S. Senate, Washington, D.C.

DEAR SENATOR NEUBERGER: In our letter to you on August 3 we promised to send you a list of questions and answers relating to establishment of the proposed Oregon Dunes National Seashore. A list of questions had been submitted to you by Mr. Ralph Middleton, division manager of the Central Lincoln People's Utility District on June 24.

This material is now enclosed.

Sincerely yours,

ROGER ERNST,
Assistant Secretary of the Interior.

QUESTIONS AND ANSWERS CONCERNING THE PROPOSED OREGON DUNES NATIONAL SEASHORE

(Since the proposal is still under review, the discussion of the questions herein should not be construed as indicative of either approval or disapproval by the Department of the Interior.)

A Pacific coast recreation area survey, conducted by the National Park Service in 1957–58 with donated funds identified the Oregon Dunes area as one of the finest relatively undeveloped natural areas on the Pacific coast. Further studies showed that the area is of national significance because of the unusual combination of science, biological, geological and other recreation values. The proposal to establish an Oregon Dunes National Seashore, including Sea Lion Cave, is under study by the Department of the Interior. The approval of Congress would be required before any Federal seashore acquisition program could proceed.

The studies and the proposal have prompted many pertinent questions about such a seashore preserve: What is a national seashore? How large would this area be? How would the land be acquired? Could property owners continue to enjoy their homes?

Answers to these and many other such important questions follow. Most of the questions were framed by Mr. Ralph Middleton, division manager of the Central Lincoln People's Utility District. The answers are based on the general and specific laws and policies established by the Congress for the administration of the areas of the National Park System. They are based also on the experience and practices of the National Park Service in similar instances over the years. More specific answers will depend on the nature and provisions of whatever legislation the Congress may enact to authorize establishment of national seashores.

Although the answers necessarily cannot constitute an advance commitment by the Federal Government regarding proposed legislation, they are meant to be as helpful, specific, and informative as possible.

Question. What is a national seashore?

Answer. A national seashore is a natural coastal area set aside for the preservation and public enjoyment of its nationally significant scenic, scientific, historic, or recreation values, or a combination of such values.

Question. What is a national park?

Answer. A national park is a spacious land area essentially of primitive or wilderness character which contains scenery and natural wonders so outstanding in quality that its preservation intact has been provided for by its having been designated and set aside by the National Government for the benefit, enjoyment, and inspiration of the people.

Question. What is the difference between the two?

Answer. Essentially they are similar, and both are administered under the general laws and policies which apply to all units of the National Park System, unless the Congress specifies otherwise.

In general, a national park might be larger, might be less modified by man, and might require more stringent application of protective controls to conserve the delicate balance of its natural qualities.

A national seashore is a classification of equal importance and significance, but more descriptive of the special qualities and appropriate uses of a seashore. It is an area capable of sustaining in part, at least, some special public uses, such as possibly the hunting of migratory waterfowl, which would be inappropriate in a national park.

Question. Presuming that private property acquired for a seashore area would be removed from the property tax rolls, what offset provision is made by the Government to the following types of local tax bodies: School districts, port districts, rural fire protection districts, and other miscellaneous tax districts?

Answer. Payments by the Department of Health, Education, and Welfare to local educational agencies for current operating expenses are authorized by Public Law 874, 81st Congress (20 U.S.C., ch. 13) as amended by Public Law 85–620, enacted August 12, 1958. Section 2 of the law provides for financial assistance to local educational agencies in cases where revenues available from local sources have been reduced by more than 10 percent as a result of the acquisition of real property by the Federal Government. Instructions issued by the Department of Health, Education, and Welfare state that "any local educational agency which desires to seek to establish eligibility for Federal assistance should request advice, application forms and instructions from its State department of education."

We know of no general authority for payments to other types of tax bodies in lieu of taxes from lands acquired for national park purposes. However, past experience has indicated that park establishment usually creates increased tourist travel and expenditures, resulting in increased overall tax revenue. Also, as land acquisition progresses, there is a gradual decrease in the need for tax-supported community services within the area as people who sell their properties move outside the area boundaries.

Question. What is the effect to a local tax group where a long-term bonded indebtedness has been incurred and a portion of the taxable property within the district is subsequently removed from support of a bond issue already obligated? For example, where a bond issue for school building construction might yet have 10 to 15 years until maturity.

Answer. Frankly, there is no simple answer to this question. Each case must be individually considered in the light of applicable laws and negotiated to minimize financial hardship. It should be remembered, of course, that several years would be required between project authorization by the Congress, appropriation of funds, and final acquisition of the lands involved. Undeveloped land could be purchased first, with development properties being acquired as sales could be negotiated.

Question. What is the procedure for acquisition of private property desired to be included in a seashore area, including:

1. How is purchase price determined? (a) Assessed value? (b) A percentage of fair market value based on an authoritative and distinterested appraisal of individual ownerships? (c) Full market value, also based on a knowledgeable appraisal?

2. What steps and procedures are followed before the right of condemnation of private property is exercised?

Answer:

1. Subject to the availability of funds, acquisition of private lands is normally conducted through direct negotiation with the landowner based upon fair market value appraisals by qualified non-Federal appraisers.

2. Unless there is a special reason to initiate condemnation procedures, i.e., to clear title or to acquire land for a critically needed public facility or to prevent adverse types of development, every reasonable effort is made to reach amicable agreements with the owners for the acquisition of their property.

Question. Presuming that acquisition of private property would include some existing business installations, what would be the application of the following?

1. Would any of the businesses be allowed to remain?

2. If some are retained, what criteria would be applied to determine which enterprises would be left?

3. Would the owner get first priority to operate the business on a lease or concession basis, or must he bid against others for the right to operate the business he originally developed?

4. If the owner has priority, what is the formula to determine what he would pay as rental, and for how long could he continue to operate?

5. What would be the situation in regard to two churches located within the proposed boundaries?

Answer 1. Generally speaking, it is the policy of the Park Service to permit the development of commercial enterprises within the areas administered by this Service only to the extent that such facilities are necessary and appropriate for the use and enjoyment of the public, yet consistent with the preservation and conservation of the areas. Where adequate accommodations exist or can be developed by private enterprise outside of parks, accommodations are not provided within them. It is possible that some of the existing businesses within the proposed national seashore would be required to serve park visitors and would be continued, probably under concession contracts if such properties were purchased by the Government.

2. First, the criteria for which businesses might be continued in the proposed seashore would be the determination that they are necessary and suitable to public use and enjoyment of the area. Secondly, at the time a master plan for the area is drawn, a determination could then be made as to which of the facilities should remain. Location and condition of existing facilities and quality of services would be factors to be considered.

3. Depending on the pertinent circumstances in any particular case, it seems probable that an original owner, selling his business to the Government, would be in a favorable position to negotiate a mutually satisfactory concession contract. Also, there have been instances where existing facilities have been purchased through a deferred purchase plan which allowed the operator to continue for a specified number of years.

4. Franchise fees for concessions are set through negotiation. There is enclosed a statement on the concession policies of the National Park Service that fully explains this subject. There is also enclosed a statement of general information regarding the granting of concession permits and contracts which, we believe, will furnish you with full information on this subject.

5. If churches are located within the boundaries of a national seashore area, their continuance would generally be compatible with the objectives of the area. However, it

is possible that as acquisition of private lands within the park boundary progresses, the need for churches within the area might diminish and their congregations might wish to locate them outside the park. In the long-time view, such course of action would seem logical.

Question. Presuming that acquisition of private land would include dwelling buildings, would the present owners be able to continue residing in them, and if so:

1. What is the formula for determining what price would be paid by the occupant for use of the dwelling after it is acquired by the Government?

2. For how long would the occupant be permitted to remain in possession of the dwelling: (a) For life, or (b) for specified term?

3. Would there be a right of succession to such a dwelling by the former owners and occupant's heirs, such as a widow or children?

4. What would the Government permit the occupant to do in regard to improvements or alterations to the dwelling and/or property?

5. What would the Government require the occupant to do on the property other than the specified rental payments, such as (a) general upkeep? (b) repairs, and to what degree? (c) insurance? (d) other services?

6. In cases where private property was acquired against the will of the private owner in a forced sale, would the seller then be required to pay income or capital gains taxes on the difference between original cost to him of the property and a higher forced sale price, as in the case of property originally purchased perhaps 25 or 30 years ago, and where the sale is for the convenience of the Government?

Answer:

1. The computation of the value of a life estate or life lease is based upon the "expectation of life" of the record owner computed from life insurance tables of mortality. It necessarily will be dependent upon the age and number of the sellers involved. Likewise, the present-day value of the property and a reasonable rental return for the property are involved. Qualified appraisers, such as would be used by the National Park Service, frequently are called upon to compute such life estate or life lease values. The method used, as illustrated below, will give a prospective seller an idea as to the formula followed.

Assume that a male seller, 45 years of age, owns a piece of property worth $20,000. His life expectancy would be 25 years. Where more than one owner is involved an adjustment is made in actuarial tables to reflect a proper period considering their ages. Assume further that a net yearly rent of $600 is determined to be fair for the property of the seller. (Note: Net rent is that amount remaining after maintenance, repairs, taxes, depreciation, and insurance have been paid.) A discount is then applied against future rentals to reduce them to present-day worth. A commonly used table is called the Inwood (compound interest) premise. Reference to this table reflects that the present-day worth of 25 years' occupancy for this owner, discounted at 5 percent for the sake of illustration, equals $8,456.40 as the life interest value. The owner would be paid $11,543.60 cash for his property and could occupy and use it for the remainder of his life regardless of the number of years he might live.

2. An occupant remaining under a life tenancy agreement may remain for life. If the owner so desired it would be possible to make arrangements for a specified period not to exceed his life expectancy span.

3. For property owned by more than one person, the value of the life tenancy is computed on the basis of the age of the youngest party who is in ownership. Thus, if a husband and wife are joint owners and the present-day value is computed with respect to the age of the younger spouse, the life tenancy would continue during the lifetime of the surviving spouse. No right of succession is contemplated with respect to persons not in ownership. To do so would perpetuate private ownership within the park.

4. Major improvements such as new structures would have to be approved by the park superintendent. Minor alterations could be made at the occupant's discretion.

5. The occupant would be expected to do normal maintenance on the property and to have insurance coverage.

6. The tax laws make no exception on capital gains under forced sales. However, if the moneys received from the sale of property are reinvested to replace the sold property, there is no capital gains or income tax levied.

Question. If a seashore area were set up to include the sand dunes, would:

1. The present overall program for dune control to prevent encroachment of the sand on highways, both Government and private lands, lakes, and other properties, be continued as it is now outlined?

2. Would such a program be given the present rate of accomplishment, a decreased, or an accelerated rate of program achievement?

Answer. 1. The area is still under study and no definite plan has yet been formulated with regard to dune stabilization. It would seem certain, though, that vital areas such as highways and developed areas would have to be protected from dune encroachment. The Park Service has carried out extensive dune stabilization work at Cape Hatteras and has a continuing program.

At Cape Hatteras, expenditures for dune stabilization have amounted to about $100,000 a year during the past 3 years. Under the Mission 66 program expenditures amounting to $1,470,000 have been contemplated for erosion control, but studies are continuing on whether the program will need to be expanded. The National Park Service is also cooperating with the State of North Carolina in developing an adequate erosion control program.

2. It is difficult to predict the rate of accomplishment that would be possible in this work until the problem has been studied more thoroughly. Also, the progress of the work would necessarily be governed by the annual appropriation of funds.

Question. Where a considerable portion of land adjacent to both Siuslaw and Umpqua Harbors appears to be in the proposed area, what would be the effect on harbor development of a seashore facility? Would it slow down or accelerate port improvement, and how?

Answer. The Park Service does not foresee that the national seashore area, if established, would have any effect on harbor developments or port improvements.

Question. As recent surveys in the coastal area indicate a firm potential of available industrial water trapped in the sand dunes, could this water be utilized by pumping it to industries whose plants might be located outside the boundaries of any seashore area?

Answer. The Park Service has not investigated the water resources of the proposed area to date, but the Geological Survey made a study of the ground water in the vicinity of Coos Bay, some 20 miles south of the proposed area. The 1956 study report has not yet been edited and released for public distribution.

The report, "Ground Water Resources of the Sand Dunes Area North of Coos Bay, Oreg.," indicates a probable fairly uniform infiltration of about 780 million gallons per year, or an average of 2 million gallons per day, per square mile under the dunes. It would seem, therefore, that water for commercial purposes might be obtained adjacent to the proposed seashore without invading that area. If, however, some development of the water resources became necessary to the economic life of adjacent communities, the Service would be receptive to a reasonable proposal that could be accomplished without significant impairment of the recreation area.

Question. 1. Would existing State and county roads in the area be acquired? And if so, how would they be administered for improvement and maintenance? Would free public usage, both private and commercial, be allowed on these present State and county highways?

2. Would fishing and hunting be allowed in the seashore area? If so, to what extent and under what regulations?

Answer. 1. State highways normally are retained by the State. Major county roads that are required for travel and commerce would normally be retained by the county. However, as the area takes shape, many minor roads might no longer be necessary. All roads used primarily for access to the various features of the proposed area would be built and maintained by the Park Service. Free public use of the present highways, for both private and commercial traffic, would be permitted to continue. It is entirely possible, however, that at some future time highway realinement might be made to minimize commercial and through traffic in the area.

2. Fishing would be permitted in the area as would the shooting of migratory waterfowl, subject to existing State and Federal laws, except in areas of concentrated public use. The Service proposes that it be authorized to enter into an agreement with the State for the continuation of migratory waterflowl hunting in such locations as agreed upon. The National Park Service believes, however, that the hunting of upland game within the national seashore area would not be consistent with the conservation and public use objectives.

Question 1. What improvements and developments would be made in such a seashore area as the one proposed?

2. How many people would be employed in such a seashore area?

3. Presuming such a seashore area were approved, how long would it take to reach its full potential development by the National Park Service?

Answer 1. Since the primary purpose of a national seashore is the preservation of its natural and historic qualities for appropriate public use and enjoyment, the facilities provided should be consistent with the conservation objective and should be only those essential to public enjoyment and protection of the area. Facilities and developments for unrelated activities, which can be performed just as well elsewhere, need not be provided within the national seashore. It would be desirable that all developments within the national seashore be kept to a minimum.

More specifically, the Park Service suggests that only those forms of active recreation facilities need be provided that are associated with the natural outdoor conditions in the area, such as trails for hiking and horseback riding, campgrounds and picnic areas with water and adequate sanitary facilities, fishing, boating and swimming facilities and services, and such access roads as may be required. Interpretive facilities, such as visitor centers, nature trails, and appropriate markers and signs, add to public understanding and enjoyment of the area and are customarily provided by the Government, as well as certain administrative buildings—headquarters, ranger stations, maintenance shop, etc.

2. The Park Service estimates that a staff of approximately 20 Federal employees would be necessary as the proposed development is completed, plus additional seasonal

personnel and those needed during construction periods. A much larger work force would be required by the privately owned service industries that would cater to the needs of the visiting public. It is expected that these would be in communities adjacent to the proposed national seashore unless certain ones were found to be essential within it.

3. Progress in development would be dependent upon the rate of annual appropriations by the Congress and upon how those amounts fitted into the overall program of the Park Service. The normal procedure would be for the Service to prepare a development plan and a 10-year development schedule.

Question:

1. Is it true that final boundary authority rests solely with the Secretary of the Interior, and if not, who would make the ultimate boundary decisions?

2. What provisions are built into the procedure necessary to make such an area a reality to assure that people in the areas affected will have a voice in the final decision on boundaries and what is to be done in such an area?

Answer:

1. It is true that the pending bills to authorize establishment of the national seashore provide for the designation of boundaries by the Secretary of the Interior. There is, however, a limitation in the bills of "not to exceed thirty-five thousand acres of land and such adjoining waters and submerged lands as he finds are required for the national seashore."

2. The National Park Service, in recommending boundaries, has always given local people opportunity to express their views on these matters. It recognizes that in any such public venture there must be give and take, insofar as that is consistent with the essential purposes of the venture. In many instances adjustments have been made to avoid hardships. The final decision on establishment, of course, rests with the Congress. Hearings by the Interior and Insular Affairs Committees of Congress provide opportunity for all parties to be heard.

Question: To what extent do the desires and opinions of residents of the affected areas bear weight in the final decision on not only the possible boundaries, but even the creation of such an area?

Answer: The answer to the preceding question applies to this question also.

Question: From the present, what is the maximum time that might elapse before a decision is made as to whether a seashore area would be accomplished and final, definite boundaries set?

Answer: Following enactment of legislation to authorize establishment of the area, it is reasonable to believe that not more than a year should be required to set definite boundaries. It should be remembered, however, that land purchases and other circumstances might make minor boundary changes desirable at some future date within the maximum authorized acreage.

Question. Would the total land needed for maximum seashore area development be acquired at one time, or might a nucleus of desired land be established, with undefined areas to be added at some future time?

Answer. It is unlikely that funds would be available at once to finance acquisition of the entire authorized area. Therefore, acquisition would be concentrated on key sites in the interest of preserving natural values and acquiring administrable units. The acquisition of undeveloped land should probably have the first priority.

Question. What are the sources and amounts of funds deemed necessary at this time by the National Park Service for:

1. Initial and feasibility surveys?

2. Acquisition of property for a proposed seashore area?

3. Improvements, installations and operations of a seashore area?

Answer. There are no funds presently available which are specifically earmarked for this project. The Park Service feels that sufficient initial surveys have already been made to establish the feasibility and desirability of an Oregon Dunes National Seashore should the people of Oregon want it and the Congress see fit to authorize its establishment. Funds for land acquisition might be appropriated by the Congress or donated by interested individuals, organizations, and agencies. Park development and operation funds are appropriated by the Congress annually.

Question. Has the National Park Service made a study of the economic effect that a seashore area would have on this central coastal territory, by city? If so, what are the findings of that study?

Answer. The Service is making a study of the economic effect of the proposed national seashore on the surrounding area and expects that a report will be available early this fall.

Question. What advantages to the general public would a seashore area under operation of the National Park Service have over existing and planned installations and improvements by Federal, State, and county agencies who now all have varying amounts of ownership in the proposed area, and whose control guarantees public access to the resources of the area?

Answer. The advantages to the general public would be the preservation intact of this unique area embracing closely related scenic, biological, and geological features. The dunes, the Sea Lion Caves, the ocean beach, the forest and the outstanding recreation opportunities offered by the fresh-water lakes, combine to produce an area of national significance. To use its resources by permitting an assortment of unrelated and conflicting uses would gradually reduce its character and benefits to mediocrity. Its preservation, development and operation under a unified and consistent plan for public park purposes would seem to be the logical way to realize its greatest public benefits.

THE OREGONIAN CORRECTS DISTORTIONS AND CRITICISM OF BONNEVILLE CORPORATION BILL

Mr. NEUBERGER. Mr. President, in the August 24 issue of Newsweek magazine, Mr. Raymond Moley contributed an article entitled "A TVA in the Northwest?" The theme of Mr. Moley's article was that our proposed Bonneville Power Corporation bill in reality calls for a facsimile of the Tennessee Valley Administration. Since the publication of the Moley article, quite a few Senators have questioned me regarding its particulars, because the Bonneville Corporation bill (S. 1927) presently pends before the Senate Public Works Committee, where it has been the subject of extensive hearings.

I think I can state flatly that the Moley article is based largely on distortions, misrepresentations, omissions, or half-truths. I regret that a periodical of the caliber of Newsweek has provided a forum for so many misstatements.

On its editorial page of August 30, 1959, the Oregonian, of Portland, published a thoughtful and comprehensive reply to Mr. Moley. The title of the editorial is "Power Bill Distortions." As most Members of the Senate are aware, the Oregonian is no wild-eyed, leftwing newspaper. It is the daily of largest circulation in the Pacific Northwest, if I am not mistaken, and it is definitely Republican in its political orientation.

Having said that, I should like to cite a few of the instances in which the editors of the Oregonian have held up a mirror of facts and evidence with which to reflect the distortions in Mr. Moley's Newsweek article. Mr. Moley's article contained the claim that S. 1927 would "put the private, investor-owned companies out of business."

Of course, as the Oregonian editorial emphasizes, the proposed legislation would make it possible for private utilities to share in the supply of federally generated power on a basis which is far more satisfactory to their interests than the present one. Moreover, Mr. Moley's assertion that the Bonneville Corporation bill would infringe on State water rights is without any substance. One section of the bill specifically recognizes historic State jurisdiction in this field.

Mr. President, I ask consent that the Oregonian editorial of August 30, 1959, entitled "Power Bill Distortions," be included in the CONGRESSIONAL RECORD, so the Senate may know of the analysis made by the editors of this outstanding newspaper of the criticisms aired by Mr. Moley.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Oregonian, Portland (Oreg.), Aug. 30, 1959]

POWER BILL DISTORTIONS

Raymond Moley's "Perspective" column in Newsweek magazine August 24 is headlined, "A TVA in the Northwest?" Under that misleading question, he packs an astonishing amount of misinformation into several hundred words about S. 1927, the bill introduced by Senator RICHARD L. NEUBERGER, Democrat, of Oregon, to convert the Bonneville Power Administration into a Federal corporation and allow it to finance new power generation by selling revenue bonds.

Although some private utility spokesmen in the Northwest who oppose Bonneville self-financing have quit likening the corporation proposal to a Columbia Valley Authority, as proposed by New Dealers a decade and more ago, Mr. Moley continues to dwell on this hackneyed and untrue shibboleth. If he has read the bill, he has chosen to disregard the provisions which assure that the Bonneville Power Corporation would have no such authority as TVA.

In brief, BPC and TVA would be alike in these respects: (1) Each would be a Federal corporation. (2) As a result of the President's signature of the TVA self-financing bill the other day, each would be empowered to sell revenue bonds and use its power revenues to build new generation. (3) The budgets and plans of each would be subject to Presidential and congressional review and alteration. (4) Each would be administered by a Board appointed by the President (except that BPC Board members must be residents of the Northwest).

But the differences between TVA and the proposed BPC are so vast and unreconcilable that there would not be even a superficial resemblance in operation.

TVA, most importantly, is the sole supplier of power for a population of more than 5 million persons in an area of 80,000 square miles, and these residents are served exclusively by 151 municipal and rural cooperative systems which buy power at wholesale from TVA's hydroplants and steamplants. No private utilities exist in TVA territory.

But, as Mr. Moley himself pointed out, without noting the distinction, there is neither a Federal power monopoly nor a local public power monopoly in the Pacific Northwest. The Federal system of Columbia Basin dams serves public agencies, private utilities, and industries, to the availability of its power. All private utilities and several of the larger publicly owned utilities, both municipal and PUD, have extensive generation of their own. All utilities with generation are members of the Northwest Power Pool, to the benefit of all. The people in each community or area have the right to decide whether they wish to be served at retail by public or private systems.

Another great difference between TVA and BPC lies in authority over nonpower functions.

Congress gave TVA control over navigation, irrigation, flood control, forest and farm improvements, including manufacture and sale of fertilizers, and many related activities. The centralization of Federal authority there is extreme, although it has helped, not impeded, the growth of private business and agriculture, and has contributed vastly to tax values.

But the Bonneville Power Corporation would be strictly limited to the generation and sale at wholesale of power.

BPC would not, as Mr. Moley charged, be "in full control." It could not, as he charged, "shove" the Army Corps of Engineers and the Bureau of Reclamation "out of the picture." BPC would not be authorized by S. 1927 to build any hydroelectric dams. These would be built, as they are now, by either the Army engineers or the Bureau of Reclamation. Each such multiple-purpose project would require the authorization of Congress, as it does now. Joint planning would be required.

The main difference would be that BPC would raise the money needed for the cost of power facilities—generation and transmission to load centers—by selling revenue bonds and reinvesting revenues, instead of depending on congressional appropriations. Congress would continue to appropriate funds for flood control and navigation. Congress would establish the subsidy which would be contributed by BPC to irrigation out of power revenues.

Mr. Moley says the bill would have "the essence of a 'basic account,' another public power objective for a long time." If he means a "basin account," in which a portion of power revenues from all Federal dams in the region would be pooled to help irrigation projects not necessarily supplied with water by such dams, the bill does not provide it. Congress, however, could establish a basin account whether or not Bonneville were incorporated. Public power advocates are not all in favor of it, because it might increase wholesale power costs.

It is not true, as Mr. Moley stated, that BPC would either establish a monopoly in power production or further invade the water rights of the States. One provision now in the bill would give private utilities a better break by modifying the preference clause. A first-draft section giving the Federal corporation a veto over non-Federal applications for power sites was removed. BPC would transmit power to areas of need, but it would not distribute it. Distribution would be limited to local utilities, public or private.

In short, Mr. Moley, the onetime Roosevelt brain truster now far to the right among the extremists, has seriously misrepresented the purposes and the provisions of S. 1927, entitled the "Bonneville Reorganization Act of 1959." He owes it to his readers to study the bill and either document or retract his statements and inferences which appear to have been written strictly from prejudice.

GHOSTS IN THE CONSTITUENCY

Mr. KEATING. Mr. President, I hold in my hands two groups of telegrams which I received on August 17. The first batch of 427 identical telegrams reads as follows:

Laws to help stop crooked people in unions and management are good, but a law that will hurt decent unions like the Griffin-Landrum bill is bad. Please do what you can to see that some changes are made by the Senate conference committee. I would not want my union harmed or its job made more difficult.

The second batch of 362, also identical, reads as follows:

According to the newspapers the pressure is on to get the Senate to approve the Landrum-Griffin bill without change instead of it going to the Senate-House conference where some of its worst features that would harm decent run unions could be turned down. Please help in stopping approval of the House bill without these changes.

Mr. President, on August 21, I sent replies to all of these telegrams. I bring the matter to the attention of the Senate for the reason that, among this group of people, so far about 100 of them have turned out to be ghosts.

I hold in my hand the replies which I sent which have so far been returned by the post office with notations such as "no such street," "unknown," "not at address given," and so forth.

Mr. President, I like to receive mail from my constituents, as I am sure all Senators do. There is no better way to keep in touch with the thoughts of the people back home. Each week, I receive thousands of letters on the many issues which come up; and I keep the letters separated according to the proposed legislation which is mentioned, and then go over the letters again shortly before the various bills come to a vote.

But now I am worried. I have always proceeded on the assumption that each letter had a real person attached to the other end. But now I guess ghosts are writing to me, and that is pretty scary. I wonder whether any of the other Members of this great body, who surely must have seen everything by now, can give me any help and advice on what to do about ghosts in the constituency.

INCREASING RATE OF ILLEGITIMACY

Mr. TALMADGE. Mr. President, it is never easy to face up to unpleasant facts. One which we, in this country, have ignored too long is the mounting rate of illegitimacy which is fast approaching proportions of a national disgrace.

More and more of our respected national publications are giving voice to the swelling public concern over a situation which is getting out of hand and is threatening to destroy the moral fiber of our Nation. Almost every statistical report emphasizes that this is one of the greatest social problems of our times—a problem which is not limited to any one State or region.

According to the best available figures, more than 200,000 children are being born out of wedlock in this country every year—a rate which has more than doubled since 1951. One out of every 50 white births and 1 out of every 5 nonwhite births are now illegitimate. More than 5,000 of those births each year are to mothers who are under 15 years of age.

It is out of the conviction, Mr. President, that this problem can no longer be swept under the national carpet that I have proposed that the Senate Committee on Finance at the next session undertake a thorough study of the relationship between the alarming increase in illegitimacy and Federal policies governing welfare assistance to dependent children.

While I would not presume to advocate any one solution to the problem, I think it is generally agreed that Federal policies with respect to such assistance constitute a major factor in the worsening situation with which the country is faced in this regard. To my mind, the Finance Committee could perform no greater public service than by undertaking such a study; and I am confident that it can be undertaken without jeopardizing in the slightest our Christian and humanitarian obligation to provide for the welfare of unfortunate children.

I hope, Mr. President, that the Members of this Senate will agree with me that such a study is warranted by the facts and would be in the national interest.

I ask unanimous consent, Mr. President, to have printed herewith in the RECORD as a portion of my remarks the text of my letter to members of the Senate Committee on Finance setting forth my proposal for such a study, and material dealing with the magnitude of the problem—two memorandums from the Legislative Reference of the Library of Congress, an article from the June 15, 1959, issue of U.S. News & World Report entitled "Illegitimacy—Growing Problem for the Taxpayer," an article from the Wall Street Journal entitled "Welfare Dilemma," an article from the August 30, 1959, issue of the Washington Sunday Star, entitled "Illegitimacy on the Upsurge Throughout the Nation," and an editorial from the Athens (Ga.) Banner-Herald of August 2, 1959, entitled "Illegitimacy Problem Continues To Grow."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TEXT OF LETTER WRITTEN BY U.S. SENATOR HERMAN E. TALMADGE TO MEMBERS OF THE SENATE COMMITTEE ON FINANCE

U.S. SENATE,
COMMITTEE ON FINANCE.

One of the greatest social problems of our time is the mounting rate of illegitimacy. It is a problem which is not limited to any State or region.

While I would not presume to advocate any one solution to the problem, I think it is generally agreed that the policies of the Federal Government with respect to welfare assistance to dependent children constitute a major factor in the worsening situation with which the country is faced in this regard.

It is my considered opinion that the Senate Committee on Finance could perform a great and much-needed public service by undertaking a thorough study of all facets of the question with a view toward determining

and recommending whatever changes may be needed in the law to eliminate any sanction or encouragement of illegitimacy through Federal welfare assistance. I am confident that such a determination could be made without jeopardizing in the least the obligation of the Nation to assist in providing for the welfare of unfortunate children.

I know it is too late for this question to be considered this year, but I am writing at this time in the hope that you will agree with me that the problem should have the committee's attention as soon as possible after the convening of the 2d session of the 86th Congress next January.

For your information I am herewith enclosing thermofax copies of two memorandums on this subject prepared at my request by the Legislative Reference Service of the Library of Congress and amplifying articles published recently by the Wall Street Journal and U.S. News & World Report.

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C., May 20, 1959.

To: Hon. HERMAN E. TALMADGE.
From: Education and Public Welfare Division.
Subject: Current figures on illegitimacy as a factor relating to the aid to dependent children program including rough estimates, by State, of amounts expended on such cases.

The following figures have been assembled in response to your request of May 18, 1959, for information on the above subject and are based on data for 1956, which is the latest period for which this information is available.

The proportion of cases in the aid to dependent children program in which illegitimacy is listed as the cause of dependency has more than doubled between 1951 and 1956. In 1951 illegitimacy was the cause of dependency in only 11 percent of the cases, but by 1956 it had increased to 22.7 percent. To some extent this change in proportion results from the fact that more widowed mothers with children under 18 are receiving less under public assistance, or none at all, as they are qualifying for survivor benefits under the old-age and survivors insurance program because its coverage has been substantially extended beginning in 1951. The aid to dependent children program has thus shifted in emphasis from one designed primarily to aid widowed mothers and their children to one in which family problems are the cause of broken homes, desertion and illegitimacy. For example, in 1951 death or incapacitation was the cause of dependency in 51 percent of the cases, a figure which dropped to 35.1 percent in 1956.

Although no figures are available as to exact amount of money expended on behalf of aid to dependent children cases involving illegitimacy, a very rough idea of the amounts involved can be obtained by applying the 1956 percentage figures for the total cases involved to total expenditures under this program. These figures must, of course, be qualified, especially by the fact that family payments in the program are related to the number of individuals in the family, so that a family of two within the same jurisdiction and under identical circumstances of need would receive less than, say, a family of four or five. Other factors influencing total expenditures are the varying standards of need between States as to the amount of the payments made to each individual under the program, and the varying eligibility requirements. For example, the amounts of payment per individual under this program in February, 1959, ranged from $7.02 for Alabama to $47.96 in Connecticut.

The following figures, then, are presented with the above qualifications:

State	Total annual expenditure in thousands for aid to dependent children	Percentage of cases involving illegitimacy	Amounts expended for aid to dependent children where illegitimacy is cause of need
Alabama	$9,793	23.1	$2,262,183
Arizona	5,769	15.3	882,657
Arkansas	5,313	17.7	940,401
California	92,328	30.8	28,437,024
Colorado	8,464	15.1	1,278,064
Connecticut	9,533	20.6	1,963,798
Delaware	1,312	29.2	383,104
District of Columbia	3,165	34.7	1,098,255
Florida	16,099	24.4	3,928,156
Georgia	14,048	11.6	1,629,568
Idaho	2,921	6.6	192,786
Illinois	43,145	42.2	18,207,190
Indiana	10,769	20.9	2,250,721
Iowa	9,745	8.7	847,815
Kansas	6,889	10.7	737,123
Kentucky	15,662	21.5	3,367,330
Louisiana	19,413	23.0	4,464,990
Maine	4,819	19.2	925,248
Maryland	8,219	27.6	2,268,444
Massachusetts	22,481	17.2	3,866,732
Michigan	28,374	19.8	5,618,052
Minnesota	13,180	7.5	988,500
Mississippi	4,532	23.4	1,060,488
Missouri	18,456	24.1	4,447,896
Montana	2,839	10.8	306,612
Nebraska	3,456	15.7	542,592
Nevada	602	8.3	49,966
New Hampshire	1,691	7.7	130,207
New Jersey	10,392	26.3	2,733,096
New Mexico	6,869	30.8	2,115,652
New York	109,091	38.9	42,436,399
North Carolina	16,000	19.6	3,136,000
North Dakota	2,564	12.5	320,500
Ohio	20,751	17.6	3,652,176
Oklahoma	16,345	20.4	3,334,380
Oregon	5,811	11.0	639,210
Pennsylvania	43,119	24.5	10,564,155
Rhode Island	5,006	20.7	1,048,662
South Carolina	5,131	7.9	405,349
South Dakota	2,988	17.5	522,900
Tennessee	15,388	28.4	4,370,192
Texas	17,880	18.2	3,254,160
Utah	4,199	8.9	373,711
Vermont	1,128	12.2	137,616
Virginia	8,033	29.5	2,369,735
Washington	14,408	11.7	1,685,736
West Virginia	17,061	18.9	3,224,529
Wisconsin	14,014	14.7	2,060,058
Wyoming	900	10.0	90,000
Alaska	1,618	17.9	289,622
Hawaii			
Total expenditures for all States			181,839,740

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C., June 10, 1959.

To: Hon. HERMAN E. TALMADGE.
From: Education and Public Welfare Division.
Subject: Most recent figures on illegitimacy as a factor relating to the aid to dependent children program including rough estimates, by States, of the amounts of Federal money expended on such cases.

The following figures are based on data for 1956, which is the latest period for which this information is available.

The same qualifications apply to this information as to that sent to you May 20, 1959, regarding this general subject. There are no figures available for the amount of Federal money expended on behalf of aid to dependent children cases involving illegitimacy in each State to the Federal grant for that particular State's aid to dependent children program.

These figures must also be qualified by the fact that family payments under the aid to dependent children program are related to the number of individuals in the family, so that a family of two within the same jurisdiction and under identical circumstances of need would receive less than, say, a family of four or five. Other factors influencing total expenditures are the varying standards of need among States as to the amount of payment made to each individual under the program; for example, the amounts of payment per individual under this program in February 1959 ranged from $7.02 in Alabama to $47.96 in Connecticut.

The following figures, then, are presented with the above qualifications:

State	Total annual amount of Federal expenditures in thousands for aid to dependent children	Percentage of cases involving illegitimacy	Amount of Federal money expended annually in thousands for aid to dependent children where illegitimacy is cause of need
Alabama	$7,998	23.1	$1,847
Alaska	976	17.9	174
Arizona	3,709	15.3	567
Arkansas	4,365	17.7	772
California	42,673	30.8	13,143
Colorado	4,619	15.1	697
Connecticut	3,796	20.6	781
Delaware	833	29.2	243
District of Columbia	1,838	34.7	637
Florida	11,721	24.4	2,859
Georgia	9,686	11.6	1,123
Idaho	1,427	6.6	94
Illinois	18,272	42.2	7,710
Indiana	6,267	20.9	1,309
Iowa	4,777	8.7	415
Kansas	3,379	10.7	361
Kentucky	11,316	21.5	2,432
Louisiana	12,700	23.0	2,921
Maine	3,183	19.2	611
Maryland	4,961	27.6	1,369
Massachusetts	9,678	17.2	1,664
Michigan	13,514	19.8	2,675
Minnesota	5,790	7.5	434
Mississippi	3,316	23.4	775
Missouri	13,081	24.1	3,152
Montana	1,489	10.8	160
Nebraska	1,971	15.7	309
Nevada	265	8.3	21
New Hampshire	806	7.7	62
New Jersey	4,672	26.3	1,128
New Mexico	3,943	30.8	1,214
New York	47,399	38.9	18,438
North Carolina	11,858	19.6	2,324
North Dakota	1,160	12.5	145
Ohio	12,290	17.6	2,163
Oklahoma	9,956	20.4	2,031
Oregon	2,807	11.0	308
Pennsylvania	22,668	24.5	5,553
Rhode Island	2,496	20.7	516
South Carolina	3,938	7.9	311
South Dakota	1,877	17.5	328
Tennessee	11,544	28.4	3,278
Texas	12,593	18.2	2,291
Utah	2,114	8.9	188
Vermont	764	12.2	93
Virginia	5,685	29.5	1,677
Washington	6,827	11.7	798
West Virginia	11,570	18.9	2,186
Wisconsin	5,783	14.7	850
Wyoming	459	10.0	45
Total			95,182

[From U.S. News & World Report, June 15, 1959]

ILLEGITIMACY: GROWING PROBLEM FOR THE TAXPAYER

Here's a new complaint by taxpayers: It's costing them $210 million a year to support more than 300,000 illegitimate children.

Drastic remedies are being proposed. But the number of unwed mothers continues to rise.

In city after city, a new problem is causing growing concern to budget-worried officials. This is the problem of financing the care of the sharply rising number of illegitimate children.

Aid to dependent children has become a $1.1-billion-a-year expense for Federal, State and local governments. Of that burden, $210 million will be spent in the next 12 months on aid to children born out of wedlock.

Still other millions will go for free medical care, free nurseries and salaries of social workers to help the unwed mothers and their children.

BIG-CITY TROUBLE

This is largely a big-city problem. Official figures indicate that it is a problem that has grown with migration of Negroes from the

South to cities of the North, as shown in the charts on these pages.

The number of babies born out of wedlock in the United States has been increasing both in number and in the proportion of total births. Latest figures compiled by the U.S. Office of Vital Statistics give an estimate of 201,700 illegitimate births in 1957.

Most officials familiar with the situation agree, however, that for a variety of reasons the total of such births is vastly understated. The problem is of such a size and is growing so rapidly, that some drastic remedies are being proposed.

FOR REPEATERS: PENALTIES

In New York City, a grand jury has proposed that aid be denied to mothers of more than one illegitimate child. Instances are cited of some mothers with as many as 10 or 11 children born out of wedlock. Relief payments in such cases climb above $330 a month, with each new child increasing the amounts of the checks.

The Pennsylvania Legislature has before it a proposal that would deny State aid to unwed mothers of more than two children if they failed to provide suitable homes for their offspring. Families with three or more illegitimate children would be broken up, and the children placed in suitable institutions. No hearings have yet been held on this measure.

In North Carolina, the General Assembly was asked this year to approve sterilization of women who gave birth to two or more illegitimate children. The proposal would give a State eugenics board authority to order the operation only if the mother involved failed to respond to psychiatric treatment.

A survey in North Carolina recently showed that in 1957 some 1,600 white births and 8,700 nonwhite births were registered as illegitimate. The State currently is spending nearly $2.9 million a year in Federal, State, and county funds to help support a total of 13,000 children born out of wedlock.

WASHINGTON: 1 IN 5

Close to 1 in 5 of the children born in Washington, D.C., last year was illegitimate—highest record of illegitimacy in the Nation. The cost to the District of Columbia and Federal Government of supporting 4,000 children of unwed mothers approached $4.5 million, including services and salaries charged to the welfare department.

One Washington mother on relief—still under 30—is reported to have given birth to 10 children by at least 4 different men, one of them her husband. This woman's eldest daughter became pregnant at the age of 11.

District of Columbia officials now are seeking to strengthen a law which empowers them to bring fathers of illegitimate children into court to make them pay for the children's support.

The experience in another area with a large Negro population is told in a report of the Department of Social Welfare of Erie County, N.Y., which includes the city of Buffalo. The department at present is providing $600,000 a month for aid to dependents, of which $240,000 goes for the care of illegitimate children.

Illegitimacy in the big cities

	Number of illegitimate births in 1957 [1]		Ratio of illegitimacies per 1,000 births	
	White	Nonwhite	White	Nonwhite
Akron, Ohio	176	164	27.4	143.1
Atlanta, Ga.	146	1,674	21.3	292.9
Birmingham, Ala.	66	1,010	12.5	243.5
Chicago, Ill.	1,662	7,126	26.0	248.3
Cincinnati, Ohio	340	950	29.4	275.8
Cleveland, Ohio	368	1,558	21.1	192.3

[1] Latest available.

Illegitimacy in the big cities—Continued

	Number of illegitimate births in 1957		Ratio of illegitimacies per 1,000 births	
	White	Nonwhite	White	Nonwhite
Columbus, Ohio	300	386	27.8	172.0
Dallas, Tex.	268	956	20.6	224.4
Detroit, Mich.	708	2,418	24.1	157.7
Fort Worth, Tex.	140	408	17.2	220.8
Houston, Tex.	392	1,210	26.0	199.1
Indianapolis, Ind.	334	610	30.8	187.7
Jersey City, N.J.	156	176	29.7	139.9
Kansas City, Mo.	226	678	26.3	248.5
Louisville, Ky.	182	550	20.9	230.5
Memphis, Tenn.	120	1,712	17.5	276.1
Milwaukee, Wis.	424	342	24.5	135.1
Newark, N.J.	198	730	32.0	165.8
New Orleans, La.	298	1,108	32.7	138.1
Philadelphia, Pa.	618	3,296	20.1	208.0
Pittsburgh, Pa.	322	472	19.6	164.9
Portland, Oreg.	316	116	46.0	196.6
St. Louis, Mo.	276	1,880	20.2	278.8
San Antonio, Tex.	526	216	30.4	150.0
Seattle, Wash.	338	154	28.7	108.0
Toledo, Ohio	168	246	25.9	188.4
Washington, D.C.	450	3,394	58.8	265.3

Welfare Commissioner Paul F. Burke reported recently that there are numerous cases in the county where grown-up children of out-of-wedlock families become out-of-wedlock mothers themselves and in many instances form a new family in separate living quarters.

In South Dakota, a survey found that half of the unmarried mothers receiving public assistance from the State had borne more than one illegitimate child. In February, 1958, 264 babies were born to unmarried women on relief. Some of the new mothers, the survey found, were the daughters of unwed mothers getting welfare aid. Both the underage mothers and their babies received assistance as dependent children.

Why count is low. The mounting cost of illegitimate births is masked, social workers say, by the difficult task of gathering accurate statistics.

Definitions of illegitimacy differ in the various States. Some States recognize so-called common law marriages in which couples live together without a marriage ceremony, and their children are given the father's name.

Many out-of-wedlock births are hidden by mothers who falsely register in hospitals as married women. In some hospitals, the mother simply is asked: "Are you married?" There is no checkup.

Also, when a married mother gives birth to a child whose father is not her husband, the birth generally is recorded as a legitimate one.

In the District of Columbia, it has been the rule since 1954 that children are ineligible for aid if the mother associates with a man in a relationship similar to that of husband and wife * * * regardless of whether such a man is the father of her children.

Many families of this kind go on and off relief repeatedly. Aid is withdrawn if the case worker finds a man living on the premises. Shortly afterward, the mother is likely to reapply for relief on the ground that the man has deserted her. By this time she may be pregnant again.

HOW AID IS GIVEN

Fear of losing the Federal contribution for aid to all dependent children, including those whose fathers have died, are disabled, or have deserted their mothers, deters many States and cities in their search for ways to cut down the mounting costs of illegitimate births.

The Federal contribution, on the average, pays for 60 percent of the cost of aid to a dependent child. In some States, the Federal payment amounts to as much as 80 percent of the total.

States that have considered reducing or withholding relief payments to unwed mothers of more than one or two children, have been warned that under Federal law they cannot deny assistance to children because of the circumstances of their birth. The threat is that all Federal aid to dependents in that State would be withheld if such restrictions were imposed.

Just before World War II, the United States was spending about $135 million a year on aid to dependent children. Today, that figure has risen to $1.1 billion.

BY 1965: 1 MILLION

The number of illegitimate children being cared for out of public funds has risen sharply—from about 231,000 in 1953 to somewhere between 340,000 and 350,000 today. By 1965, if current trends continue, some authorities say that nearly 1 million children born out of wedlock will be getting public aid.

Welfare officials, at this time, see no hope of reversing this rise in the number of illegitimate births. Unwed mothers are turning up in larger numbers at younger ages.

Year by year, especially in the big cities, authorities are faced with the growing costs of a problem that rests on the shoulders of the American taxpayers.

Up to a billion dollars a year and still rising

	Total Federal, State, and local aid for dependent children (annual rates)	Estimated share of this aid going to illegitimate children (annual rates)
At end of 1953	$600,000,000	$117,000,000
In early 1956	728,000,000	167,000,000
In early 1958	1,045,000,000	200,000,000
Estimate for year ending in mid-1960	1,100,000,000	210,000,000

Source: Estimates by U.S. Department of Health, Education, and Welfare.

WELFARE DILEMMA—IN AIDING FATHERLESS CHILD, IT SPURS ILLEGITIMACY

(By Edwin A. Roberts, Jr.)

NEW YORK.—Critics of the public relief system in the United States believe that in one area particularly the quality of mercy shows signs of strain.

This is the division known as aid to dependent children (ADC), a program that costs U.S. taxpayers $815 million annually and which will soon pass the billion-dollar mark. It is the second most expensive relief category (old-age assistance is first at $1.8 billion) and by far the fastest growing. There are now 2,092,000 children in the United States receiving ADC support; about 20 percent of these were born out of wedlock. But this national figure fails to show the extent of illegitimacy in those places where it is an acute problem—a problem that accounts for most of the attacks on ADC.

Established under the Social Security Act of 1935, aid to dependent children was originally intended to provide for youngsters who were fatherless due to death or desertion. In recent years, however, it has been depicted as a contributing factor to the sharp rise in the number of unwed mothers because, its critics charge, it helps encourage illicit sex behavior through eliminating the financial burden that ordinarily would follow an illegitimate birth.

GOTHAM'S PROBLEM

The ADC problem is nowhere greater than in New York City, which spends $84 million a year caring for 200,000 mothers and children. This cost is shared by all U.S. taxpayers who, through the Federal Government, pay $42 million of the total. The State and city each contribute $21 million.

The average monthly ADC payment is $156.60 per case. It is given to any youngster under 16, or under 18 if he is still in school, whose parents (usually just the mother) are unable to provide for him.

Of the 150,000 ADC children in New York, some 40 percent are illegitimate, and 34 percent of the 50,000 mothers are unwed. And 80 percent of the ADC illegitimate children are reported to be in so-called "repeater" families—that is, the mother has two or more illegitimate offspring. The "repeaters" are the chief target of ADC critics.

There are, of course, thousands of ADC cases in New York involving only the most deserving unfortunates: Widows with young children, mothers whose husbands become mentally or physically disabled, and mothers who have been deserted and left without resources. The community responsibility in such cases is clear. It is less clear, however, in instances where the relief client purposely becomes an ADC parasite. A Brooklyn grand jury is currently investigating this aspect of public relief and several women have already been sent to jail.

There are two principal types of ADC chiselers. One is the mother who knows where her deserter-husband is, but doesn't want him back (the husband is usually satisfied with this, too). The other is the unmarried woman who regularly produces children but denies knowledge of the father or fathers. The man in this case sometimes chips in on expenses and claims his illegitimate offspring as income-tax exemptions while the mother collects ADC money.

Welfare investigators are sometimes aware of these situations and raid apartments at night to catch the father. The raiders almost always find some man. Social workers smile ruefully as they recall surprised men in pajamas loudly asserting they were "just visiting"; others sometimes risk their necks with hasty escapes.

REPEAT PERFORMANCE

But even when the men are caught, the welfare people have a difficult time proving who is the father of which child. Often a man will freely admit he's the father and the family will be dropped from the relief rolls. A short time later, however, the mother will notify Welfare that he has disappeared and the whole process starts all over again.

One solution that has been considered, but rarely adopted, in various sections of the country is to bar mothers with more than one illegitimate child from the relief rolls. Most sociologists agree that these "repeaters" are practically incorrigible. But the problem here is that society's sympathy is with the children and no one is anxious to penalize a youngster for the misbehavior of parents.

Whenever possible, ADC children under such influences are placed either in institutions or in foster homes. When left with their "repeater" mothers they often do not get much benefit from the money disbursed in their behalf. Social workers, when out of earshot of their superiors, tell of "ADC parties" that are common in some poor neighborhoods: When the mother receives the monthly check for her child or children, her first stop is the liquor store and then there is a celebration, which may land the mother back in her original predicament.

The welfare employee, knowing his client is misbehaving, is impeded by real fear of getting too tough with some of the reliefers. One mother, for instance, who became angry at a social worker, purposely starved her children, had them committed to a hospital suffering from malnutrition, and the welfare agent on the case was fired.

There is, unfortunately, another side to this coin. Because the welfare department finds it difficult to keep fully staffed, it has been forced to hire some substandard personnel. A few such male employees have demanded favors of ADC mothers and, if the women refuse, the agents cut off their relief checks. Meanwhile, the conscientious caseworker often gets bogged down in redtape. There are dozens of forms to fill out and one employee declared it was possible for him to have to complete 186 in a single day.

The ADC problem is compounded for New York because there is no minimum residence law to put a check on newcomers to the city who immediately apply for relief.

Take the case of Maria R., of Puerto Rico, for example. With two children in tow she stepped from the airliner at Idlewild Airport and walked over to a policeman. Half in tears, she said she expected to meet her husband but he hadn't shown up. Her husband's name was the Spanish equivalent of John Smith, she didn't know where he lived, and she had no money. Yes, she said, the children were hers.

Within a matter of hours the woman and the youngsters were put on the New York City relief rolls. Soon after, they were installed in a $55-a-month flat in Manhattan's upper West Side and began receiving about $60 a week in welfare checks.

SUPPORTED INDEFINITELY

Maria may have told the truth, but social workers say the odds are against it. More likely, they say, Maria decided one day in Puerto Rico that life would be better in New York. Knowing her ADC's and being unmarried, she went to a neighbor in her village who had many children. Maria "borrowed" two of these, raised the plane fare from relatives, and came north. She will now be supported indefinitely and in comparative comfort by U.S. taxpayers.

While acknowledging that such things happen, the Commonwealth of Puerto Rico contends that only 15 percent of the Puerto Ricans who come to New York ever go on relief. Social workers say this figure is low.

But certainly the Puerto Ricans have no monopoly when it comes to welfare maneuvering on the New York City front. Scores of other women, usually single and pregnant, skirt the raised eyebrows at home by moving to New York to have their babies while receiving welfare aid. And southern Negroes, many with relatives in New York, come north in droves, especially when the employment situation is rumored to be good.

One cannot study ADC and illegitimacy very long before it becomes clear that the trend reflects some other great socio-economic problems of our day. Henry L. McCarthy, New York City welfare commissioner, has estimated that 83 percent of the children receiving ADC assistance are Negroes and Puerto Ricans, and one good reason for this is that Negro and Puerto Rican children have almost no chance of being adopted. White youngsters, by comparison, have a 70 percent chance. This same high percentage of nonwhites on the ADC rolls is found in almost every section of the country, largely for the same reason.

In New York City, the total number of white children decreased 5 percent between 1920 and 1950. During the same span the nonwhite juvenile population rose 350 percent. Sociologists say this has happened because New York administrations have adopted policies calculated to force middle-income families to the suburbs and, they add, most nonwhites are at the low end of the pay scale.

Whatever the reason, New York City faces ever greater social problems, and these problems are at least in part the problems of the whole Nation. As one welfare critic put it: "There are thousands of people who believe the world owes them a living, and in ADC they see a good way to collect."

[From the Washington Sunday Star, Aug. 30, 1959]

ILLEGITIMACY ON THE UPSURGE THROUGHOUT THE NATION

(EDITOR'S NOTE.—A new furore looms over the Nation's rising tide of illegitimacy, highest in history. What should be done to curb it? Is punishment the answer? Here is a closeup of an old but never-ending problem.)

(By Roger Greene)

An alltime record of babies born out of wedlock—more than 200,000 a year—has set off a new storm of controversy over ebbing standards of American morality and the resulting burden on U.S. taxpayers.

In some communities, officials are discussing possible sterilization of women who stray too often from the paths of orthodoxy.

Elsewhere, the debate centers on proposals to cut down relief payments to mothers who produce more than one illegitimate child. In Raleigh, N.C., authorities cite as an example the case of an unmarried mother of 10 children, nine of them receiving public-support funds.

"We are literally paying a bonus for illegitimacy," says State Representative Walter A. Chachere of Louisiana, member of a special legislative committee which is investigating the problem.

Yet some top-ranking sociologists argue that more—not less—should be done to ease the distress of young women caught in the dark web of disgrace, guilt, fear, and panic involved in bearing a child out of wedlock.

CENSURE WON'T HELP

"Punishment is not the answer to the crisis of the unmarried mother," says Mrs. Katherine B. Oettinger, Chief of the U.S. Children's Bureau.

"No amount of censure or hardship will abolish the problem."

Underscoring the financial impact of illegitimacy, the U.S. Department of Health, Education, and Welfare (HEW) says Federal, State, and local taxpayers this year will pay $210 million toward the support of children born out of wedlock. Payments average $27.29 a month per child.

The money is provided under the Government-supported aid to dependent children (ADC) program, with the Federal Government paying 60 percent. State and local taxes contribute 40 percent.

The Nation's exploding population accounts, in part, for the upsurge in illegitimate births from 87,900 in 1938 to 201,700 in 1957, the latest official figure. An HEW estimate for 1958 puts the number at 205,000. But experts say this doesn't tell the whole story.

Latest figures show the rate of such births per 1,000 unmarried females has tripled in the last 2 decades, with a particularly alarming rise among teenage girls.

On a nationwide basis, the Office of Vital Statistics says illegitimacy now accounts for 19.6 per 1,000 total white births and 206.7 per 1,000 nonwhite.

The Federal agency's figures show that while illegitimacy among whites has actually decreased slightly over the last 2 decades, the rate among nonwhites has shot up by leaps and bounds.

Thus, white illegitimacy has dropped from 20.5 per 1,000 total white births in 1938 to 19.6 in 1957, while the nonwhite rate has soared from 166.5 to 206.7 in the same period.

Sociologists declare, however, that the figures may not be a true reflection of the facts. They say well-to-do white families often conceal the plight of an unmarried pregnant daughter, and the baby is quietly put out to adoption by another family.

Mrs. Oettinger says nearly 5,000 illegitimate babies are born each year to girls under

15. Some have even confessed they deliberately became pregnant so they could quit school.

"Unwed motherhood among adolescents is on the rise and will continue," says Mrs. Oettinger. "By 1962, if the rate remains the same, between 110,000 and 120,000 babies will be born out of wedlock to teenage girls."

Mrs. Oettinger says it was "a bright new day" when New York's Governor Nelson A. Rockefeller recently signed a law permitting public welfare officials to give aid to an unmarried mother and her child without communicating with her parents.

Worried parents and officials in some communities are calling for action to halt the rising tide of illegitimacy.

Local authorities in Elizabeth, N.J., alarmed over relief payments hitting a 20-year high, ruled in April that benefits will no longer be paid to mothers for more than one child born out of wedlock.

In Buffalo, N.Y., the Erie County Welfare Department reports it spent more than $2½ million, or 10 percent of its budget, in aid to illegitimate children in 1958.

And in Louisiana, the State legislature found that 17,000 of the State's estimated 100,000 illegitimate children are on public relief rolls. The legislature said that since the aid program began "there has been an appalling increase in the number of illegitimate children born."

ACTION HERE

Disturbed over the sharp upswing in teenage pregnancies in Washington, where segregation in the schools was abolished in 1954, education authorities launched a pioneer program of sex education in seven elementary schools this year.

Youngsters 11 and 12, with the consent of their parents, were shown films of the reproductive process. The educational program's effect has yet to be measured.

Dr. John R. Pate, chief of the District of Columbia Bureau of Disease Control, says there has been an "alarming increase" in the number of pregnant girls in the 7th, 8th, and 9th grades.

During a single school year, he says, 178 Negro girls and 12 white girls, all under 16, were found to be pregnant. Seven of the girls were 11, the youngest was 10.

Tragic as the situation appears, the tragedy would be compounded many times were it not for the nationwide network of homes for unwed mothers without fanfare by the Salvation Army, the Florence Crittenton Association and many religious organizations.

[From the Athens (Ga.) Banner-Herald, Aug. 28, 1959]

ILLEGITIMACY PROBLEM CONTINUES TO GROW

It is indefensible that a nation which professes and practices a wide latitude of sophistication in the humanities should allow the process of human reproduction—truly one of the most amazing and wonderful feats man is capable of performing—to be dragged through the gutters of smut and innuendo, mainly because snickering adolescents of all ages continue to perpetuate the myth which holds there is something indecent about it.

Even more tragic is the heavy penalty centuries of misinformation and coverups have awarded to the young generation of today. Obviously aware of the confused and insecure attitude of their parents toward sex, teenagers too often follow their curiosity without the guidance needed to prevent them from committing tragic errors.

One of the results is a record 200,000 illegtimate births each year, with teenagers becoming increasingly involved. One of every 50 white births and one of five nonwhite births are now illegitimate, and 5,000 babies are born out of wedlock each year to mothers who are less than 15 years old.

One after another, communities across the country have found relief payments to unwed mothers soaring, until some have found it necessary to place limitations on public assistance to those on relief rolls simply because of illegitimate pregnancy. More than $2.5 million was spent by New York's Erie County, containing the city of Buffalo, for aid to illegitimate children in 1958. Elizabeth, N.J., after watching its relief payments soar to new 25-year highs, cut off payments to all but the first child born out of wedlock. Many cities have uncovered cases of women with as many as three or four illegitimate children who are on the rolls at tax payers' expense.

The situation cannot be corrected by deciding how much the community should subsidize the errant steps of ill-informed residents, but at least the sizable chunk now being taken from every budget for this purpose has awakened some relief officials from their lethargy.

PRESIDENT EISENHOWER'S VISIT ABROAD

Mr. WILEY. Mr. President, certain headlines in the papers read as follows: "Eisenhower Melts British Calm"; "Glowing Scotland Enfolds President"; "Eisenhower Magic Working Its Spell."

These and other headlines, including the wonderful reception by the German people of the President and the overwhelming welcome that he received in Britain, indicate that he is a very good salesman of the American way of life. Of course, we Americans have a right to feel that a lot of this enthusiasm in the greeting of the head of this Nation reflects the affection of the people for other Americans.

The President is really demonstrating a new Mr. Eisenhower, and some of us who saw him just before his departure feel that he is in wonderful health and is enjoying this new experience.

I rather feel that the spirit of the former Secretary of State, Mr. Dulles, has entered into him. Perhaps the prayers of the American people, and also the prayers of people all over this earth, that he can break through the mist and break through the barriers that seem to confuse this world in this day of challenges, have stimulated him to renewed effort.

Yes, perhaps the prayers of the American people have stimulated him to go forward in his great effort to find the way, to find the truth, and to find a life that will not mean another war.

I am sure it is the hope of all that guidance—yes, divine guidance—will be given the President to work out the unity which is necessary in this troubled world to bring an understanding into the picture we are confronting, not only in Europe, with the Kremlin, but really all over the world, so that there will result a unity between our allies and ourselves that will not be subject to being broken up by any one human factor.

Furthermore, we are hoping this great experience our great public servant is having will have an impression upon Khrushchev. I notice by the papers that Khrushchev is bringing his wife and family.

Yes, it is a day of real challenges, Mr. President, when we can hope and pray that the leadership of this Nation will again lead the world, as he led it in a time of war, to success.

There appeared in the Christian Science Monitor of August 28 a couple of very short editorials entitled "Eisenhower in Bonn," and "And in London." I ask unanimous consent that they be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

EISENHOWER IN BONN

The enthusiastic reception accorded to President Eisenhower between Wahn airport and Bonn on his visit to Chancellor Adenauer is an indication of the degree to which Germany and America have grown together in the little more than 10 years since they were enemies.

There are a number of reasons why a feeling of kinship could arise. Some trace back to early Saxony through the first English settlers in what is now the United States. Some derive from waves of immigration which made German-Americans the most numerous group of new citizens early this century.

There is an area of understanding in the American and the German disposition to go to work and get things done. Even through wars an American liking for German cultural qualities, as represented notably in music, has survived.

But of course the great tie between the United States and West Germany today is the fact that America and the self-governing portion of Germany now are on the same side in the division of the world as between Communist totalitarianism and individual freedom. That issue is sharpened in the pressures on West Berlin. It gave urgency and seriousness to the whole range of private talks between President and Chancellor.

To be sure, only West Germany could express itself in the cheering, welcoming throng of a quarter of a million persons along the President's arrival route. But in contrast with this demonstration the cool impassiveness of crowds which saw Soviet Premier Khrushchev in Leipzig and East Berlin last March is clear indication that East Germans also look toward the West for hope of national reunification and a better life.

Americans in general can feel that some of the greeting bestowed on Mr. Eisenhower was intended also for them. And noting the readiness of West Germans and West Berliners to defend the freedom they have, they will echo the President's assurance that "the American people stand by your side."

AND IN LONDON

Is this a visit to a foreign capital, or a homecoming? The suddenly overflowing warmth of stately little Bonn, remarkable as that was, could hardly forecast the floodtides of affection on which the President has been borne up in London.

As one report put it: "Not since the coronation of Queen Elizabeth II has this staid old city paid such tribute to an individual."

This was not a matter of Ike's being the first American President to visit Britain officially since Woodrow Wilson's day. It was a recapturing of some of "our finest hours." These were hours of British history of which the wartime Churchill had spoken. But they were to be shared, and can be shared again, in the pursuit of peace, by all the Western World.

The British welcome augurs well for the business Ike must accomplish on this trip.

British methods for dealing with the problems which have taken the President to Europe are almost the opposite of the West German approach. Prime Minister Macmillan seems as intent on a summit meeting to climax the Eisenhower tour as Dr. Adenauer is skeptical about its usefulness. And where Dr. Adenauer would naturally like to know in advance just what subjects the President will discuss with his Soviet visitor at Washington next month, the British appear eager to remove just as many Presidential inhibitions as possible.

The British have more than one reason to be satisfied with the way things are developing around the Eisenhower visit.

Even if a four-power summit proves elusive, "summits" are already being touched by the President and Prime Minister in London now, and looming for Nikita and Ike in Washington in mid-September. These will give Mr. Macmillan somewhere to hang a well-feathered cap as election time rolls around in Britain.

It is worth risking an oversimplification here to emphasize that "summitry" is the key to British attitudes right now. And for other than political reasons.

Some of these reasons may need reexamination. Can the West afford, for example, to base its diplomacy on fears that if the Soviets get really tough at Berlin the job of supplying West Berliners with material and moral support may prove beyond Western capacity? Some British reports stress this problem.

But other reasons express a more positive approach. The British say they are under no illusions that two-power talks will bring an end to the cold war, or that even a four-power summit would be more than a prelude to a long contest at innumerable conference tables. They do not think Soviet aims have changed at Berlin or in the cold war generally or that Soviet pressures on the West will lighten during these talks.

But they believe the West will gain advantages if the cold war can be transformed from its present frozen state into a struggle of maneuver. So in London the new phase of cold war opened up by the Eisenhower visit is viewed not as a retreat and softening under Soviet pressure, not as a disengagement but as a reengagement on new ground with new weapons of negotiation in which the British have an age-tested faith.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. DOUGLAS. Has the Senator from Wisconsin exceeded the 3-minute limit?

The PRESIDENT pro tempore. The time of the Senator has expired. The Chair wanted to recognize the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, does the Senator from Wisconsin desire unanimous consent to continue? I shall be glad to yield to him so that he may make a unanimous-consent request.

Mr. WILEY. I did not hear the Senator.

Mr. CLARK. While I have been recognized by the Chair, I shall be glad to afford the Senator from Wisconsin the courtesy of permitting him to make a unanimous-consent request for further time, if he desires to do so. I have morning business to transact.

Mr. WILEY. I have more matters to put in the RECORD, but our beloved friend from Illinois is much annoyed and very irritable nowadays. Yesterday, when he presided, he permitted Senators to talk 5 to 7 to 8 to 10 minutes, and he never exercised his authority to tell them they were overstepping their time limit.

EFFECTS OF THE STEEL INDUSTRY WORK STOPPAGE ON EMPLOYMENT IN PENNSYLVANIA

Mr. CLARK. Mr. President, the effects of the work stoppage in the steel industry on employment in Pennsylvania are being surveyed weekly by the bureau of employment security and reports made to Gov. David L. Lawrence at regular intervals.

I ask unanimous consent that the latest of such reports may appear in the RECORD at this point in my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The effects of the work stoppage in the steel industry on employment in Pennsylvania are being surveyed weekly by the bureau of employment security and reports made to Gov. David L. Lawrence at regular intervals according to William L. Batt, Jr., secretary of labor and industry. The following is the most recent report prepared as of August 25, 1959:

Effects of the steel industry work stoppage on employment in Pennsylvania as of Aug. 25, 1959

		Change from Aug. 18
32,238 workers in industries covered by the Pennsylvania unemployment compensation law are unemployed as an indirect effect of the work stoppage in the steel industry		+2,742
They are distributed by industry as follows:		
Nonmanufacturing industries, subtotal	23,067	+1,480
Mining	15,572	+631
Construction	4,337	+454
Transportation other than railroads	1,503	+168
Trade and service	1,302	+222
Public utilities	353	+5
Manufacturing industries, subtotal	9,171	+1,262
Metals and metal products	6,056	+876
Stone, clay, and glass	1,982	+249
Lumber	239	−6
Chemicals	291	+18
Other manufacturing	603	+125
12,957 railroad workers, most of whom are covered for unemployment compensation through the Federal railroad unemployment compensation program, are unemployed as an indirect effect of the steelwork stoppage		+130
168,200 steelworkers are directly involved in the work stoppage and are not drawing Pennsylvania unemployment compensation benefits		None

The following tabulation shows the workers directly and indirectly affected by the steelwork stoppage in the various Pennsylvania State Employment Service administrative districts:

PSES administrative district	Steelworkers directly involved	Workers indirectly affected	
		Railroad workers	Other workers
Total	168,200	12,957	32,238
7. Pittsburgh	91,800	8,120	7,443
2. Allentown	21,200	903	1,080
8. Greensburg	17,600	1,088	14,398
6. Altoona	13,300	1,111	5,184
9. Erie	8,000	195	1,093
1. Philadelphia	7,800	550	2,320
5. Harrisburg	7,300	567	357
4. Williamsport	1,200	411	77
3. Wilkes-Barre	0	2	196
10. Stroudsburg	0	10	90

The 67 counties are divided into the following Pennsylvania State Employment Service districts:

District No.	District office	Counties
1	Philadelphia	Philadelphia, Delaware, Bucks (southern portion).
2	Allentown	Northampton, Lehigh, Berks, Bucks (except southern portion), Montgomery, Chester.
3	Wilkes-Barre	Susquehanna, Wayne, Wyoming, Lackawanna, Luzerne (except western and southern portions).
4	Williamsport	Potter, Tioga, Bradford, Clinton, Lycoming, Sullivan, Union, Snyder, Montour, Columbia, Northumberland, Luzerne (western portion).
5	Harrisburg	Mifflin, Juniata, Perry, Dauphin, Lebanon, Cumberland, Lancaster, Franklin, Adams, York, Fulton.
6	Altoona	Elk, Cameron, Jefferson, Clearfield, Centre, Indiana, Cambria, Blair, Huntingdon, Somerset, Bedford.
7	Pittsburgh	Lawrence, Butler, Beaver, Allegheny.
8	Greensburg	Armstrong, Westmoreland, Washington, Greene, Fayette.
9	Erie	Erie, Crawford, Warren, Mercer, Venango, Forest, Clarion, McKean.
10	Stroudsburg	Pike, Monroe, Carbon, Schuylkill, Luzerne (southern portion).

Mr. CLARK. Mr. President, this report shows a very serious condition with respect to unemployment in Pennsylvania not only as it affects steel workers directly, but indirectly other workers who are out of jobs because of the effects of the strike.

I should like to join my colleagues from New York and Vermont in the statements they made in this body yesterday in urging that those who are involved in this unfortunate situation get together for an agreement before the Taft-Hartley injunction is applied, which will only make matters worse.

HIGHWAY CONSTRUCTION

Mr. CLARK. Mr. President, during the last few days the distinguished junior Senator from Tennessee [Mr. GORE] has suggested on the floor of the Senate a method of handling the highway revenue problem without the necessity of increasing the gasoline tax. I find myself in complete accord with my distinguished friend from Tennessee in hoping it will not be necessary to increase the tax on gasoline. On the other hand, I am not in favor of his suggestion of cutting appropriation by 1 percent as a wise way to handle the problem.

I should like to suggest an alternative for the consideration of the Members of the Senate. It is this: We should transfer to the highway trust fund the receipts from excise taxes on passenger cars, auto parts and accessories, and trucks and buses, in an amount sufficient to permit the highway program to go forward. I shall not deal with the detailed figures at this point, but there is more than enough money provided by those excise taxes to permit the highway program to go forward.

Then, so as to avoid a deficit in the general fund of the Treasury, let us enact some of the tax loophole closing pro-

visions which have already been before the Senate. I suggest enactment of three such provisions.

The first has already been passed by the Senate, in the form of the amendment sponsored by the Senator from Minnesota [Mr. McCARTHY], to repeal the 4-percent dividend credit. This would yield $335 million in the year starting January 1, 1960.

Second, I suggest the enactment of a provision withholding taxes on dividends at the source, which would yield some $180 million during calendar 1960. We should consider seriously the same action with respect to interest payments, which would yield three times that amount.

Finally, we should tighten the rules on business expense deductions in the area of luxury expense account expenditures.

If these actions were taken, Mr. President, we would be able to go forward with the highway program, and we would not have to increase the tax on gasoline, which is a regressive tax.

We could trim close a number of inequitable tax loopholes, so that the Treasury will not suffer one cent of deficit as the result of our actions in keeping the highway program in funds.

I hope my colleagues will give some attention to this suggestion, so that when the matter comes before the Senate we can give it serious consideration.

Mr. President, I ask unanimous consent that a tentative memorandum indicating the extent of the figures about which I have been talking may be printed in the RECORD at this point in my remarks. This memorandum is not definitive or final, but will give some guidance to my fellow Senators in their consideration of the matter.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

A. Highway trust fund deficit: At present rate of expenditure, the highway trust fund balance will be exhausted by October 1959. Budget Director Stans stated on July 22, 1959: "In the absence of (congressional) action, the highway trust fund will incur a deficit now estimated at about $500 million in the fiscal year 1960 and, even though no further apportionment is made, the cumulative deficit will increase to about $1 billion by the close of fiscal 1961."

B. Auto excise tax receipts now going to general fund which could be transferred to highway trust fund: Budget estimates for fiscal 1960: Passenger cars, $985 million; auto parts and accessories, $120 million; trucks and buses, $114 million (this sum is 50 percent of the budget estimate; the other 50 percent already goes to the highway trust fund).

C. Revenue by closing loopholes:

1. Repeal of dividend credit, $335 million.

2. Withholding of taxes on dividends at source, $180 million.

3. Prevent business expense deductions for luxury expense account expenditures; business gifts; certain travel expenses to foreign countries; and dues and initiation fees in social organizations, $800 million.

PROPOSED WORLD'S FAIR IN 1964

Mr. JAVITS. Mr. President, I have a number of items in the morning hour business.

I wish to address myself to Senate Resolution 169, which is on the calendar, which relates to the World's Fair contemplated for 1964.

Mr. President, I should like to say a word upon this subject. With the greatest respect and regard for the views which are contained in the resolution, Senate Resolution 169, I wish to make it clear that there are certain preliminary acts which must be taken if any American city is to qualify, whether it be New York City, Washington, D.C., Los Angeles, Chicago, or any other great American city. Certainly, we do not wish to close the door to that kind of qualification, whatever may be the ultimate choice of a city.

Mr. President, the purport of my view is to leave the door open, so that all cities which have any serious purpose in this matter can qualify preliminarily. Then I would vest the President with the necessary authority, if he chooses to pick out one American city; and, if the President does not so choose, and I really do not see why he should wish to do so, I would leave it to the international agency which is functioning in these matters to pick out an American city.

I think all of us wish collectively to guard against the exigency that we may do something which will prevent any city from doing anything. I am sure that is not the intention of anyone.

I wish to emphasize very clearly that the city of New York, in this particular matter of a World's Fair, has the right to feel such a sense of confidence in its own capability to do what is necessary to make for the United States a fair truly representative of the world and of the United States that it does not have to go around cutting out other cites, and does not have to fear the competition of other cities. If any other city or place in the United States can do better than New York, that will be in New York's tradition of sportmanship, fine with New York; but we do not think other cities can. I think most anyone who looks at the matter reasonably—judging from my knowledge of the great city in which I have the honor to have been born, and which my colleague [Mr. KEATING] and I represent in the Senate of the United States—will feel that we certainly do not have to fear competition from other cities.

I wish to emphasize, Mr. President—and I invite the attention of Members of the Senate—that the suggestion I am making this morning, should be examined with the most critical eye, because what we are trying to do is to see that any city which can qualify does qualify. We are perfectly willing to see the choice made based upon all the proper elements of choice. We are quite confident that in that respect New York City can at the very least hold its own.

Mr. KEATING. Mr. President, will the Senator yield to me?

Mr. JAVITS. I yield to my colleague.

Mr. KEATING. Mr. President, one of the Washington, D.C., newspapers, in commenting upon the proposed World's Fair, made a statement to the effect that a promoter's dream, in reference, I suppose, to the efforts of New York to have the fair held in New York, should not be allowed to interfere with the choice of Washington as the most logical city as the site of the next fair. It is perfectly natural and understandable that the Washington papers would support having the fair in Washington. They would not be very good citizens if they did not.

The fact of the matter is that the proposed fair will require a substantial amount of money. New York City has in the past handled such events with great success, as in the case of the World's Fair held in New York some years ago.

I do not believe that the Congress would be disposed to put up the money which would be required if the fair were to be held in Washington, D.C. I do not think anything like the amount of the Federal contribution which would be required in the case of a Washington fair would be required if the fair were held in New York City.

I am gratified that in the other body the resolution of the distinguished Representative, Mrs. KELLY, has been favorably reported by the House Committee on Foreign Affairs. I hope that we will be able to hammer out in the Senate a piece of legislation which will either designate New York as the site of the fair or which will leave the competition open. In any such open competition, I am confident that New York City will be able to hold its own, and in fact do a great deal more than that.

Mr. JAVITS. Mr. President, I thank my colleague for joining me in this proposal. I know my colleague is as dedicated as I am to seeing how we can work this matter out in the best way for our country and for our great city of New York.

Mr. President, I desire to address myself to another subject.

The PRESIDENT pro tempore. The Senator from New York has the floor.

DESEGREGATION OF SCHOOLS PROGRESS REPORT

Mr. JAVITS. Mr. President, I wish to refer to a very interesting analysis published in the New York Times of Sunday entitled "Report on Integration: The Outlook as Term Begins."

Mr. President, September is traditionally the back-to-school month. Throughout the Nation youngsters are returning to classes—with some exceptions—in the traditional American custom which assures an education to all its children, whatever may be their color.

This report indicates, Mr. President, that progress is being made in integration of the public schools in accordance with the 1954 Supreme Court decision. Many communities have found that integration of schools does not hold the terrors so many had imagined, and that, indeed, desegregation has proceeded without incident. Other communities have provided terrors of their own manufacture in an effort to forestall the law of the land. Still other communities have turned their backs on the Supreme Court decision and have sought every device to avoid what in our country, in my opinion, is inevitable; that is, equal opportunity for all to have the same kind of education.

Mr. President, whatever may be our individual views—certainly it is well known what my views are in terms of carrying out the Supreme Court decision—this analysis and report will be interesting to all, and I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection to the request of the Senator from New York?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REPORT ON INTEGRATION: THE OUTLOOK AS TERM BEGINS

(By Claude Sitton)

ATLANTA, August 29.—One development stands out as school bells sound across the South for the beginning of the sixth year of classes under the Supreme Court's desegregation ruling. This is the emergence of a growing determination to maintain public education even at the price of token compliance with that ruling.

From Norfolk to Little Rock and from Memphis to Miami, there are indications that many southerners have weighed the doctrine of bitter-end resistance and found it wanting. Closed schools have proved to be too great a sacrifice in both educational and economic terms.

Pockets of unyielding opposition remain in the upper South; the Deep South is still locked in a posture of defiance. Many observers consider it more than likely that some communities and possibly entire States will abolish public education for a time before swinging into line. But the tide of protest against such a drastic course is rising and the overall picture presented by the region is one of slow and sometimes halting progress toward desegregation.

Reaction to the 1954 ruling has varied widely among the 17 States affected. There was a burst of compliance in the border area even before the Court handed down its implementation decision a year later. In the middle South, the attitude ranged from one of grudging acceptance to massive resistance. The Deep South presented a solid front of opposition.

FIGURES TELL STORY

This pattern of compliance and defiance is shown in the statistical summary of the Southern Education Reporting Service. This is a factfinding agency directed by southern editors and educators and financed by the Ford Foundation.

Out of a total of 786 school districts in the border area with both white and Negro students, 590 had some desegregation at the end of the 1958–59 school year. This area embraces Missouri, Oklahoma, Kentucky, West Virginia, Maryland, Delaware, and the District of Columbia.

With the exception of the Nation's Capital, all have relatively small percentages of Negroes in their populations. Race relations have followed a less rigid pattern than in the lower South. The leadership of these States has generally taken a stand for obedience to the ruling.

Only Delaware, where 17 of 51 biracial districts were integrated last year, has lagged. However, Negroes were scheduled to be admitted throughout the State this year under a 12-year stair-step plan proposed by the Delaware Board of Education and approved by a Federal court. Desegregation will begin with the first grade.

DEEP SOUTH

Five States of the old Confederacy—Alabama, Georgia, Louisiana, Mississippi, and South Carolina—have moved further away from the court's directive with each passing year. New laws and constitutional amendments have been passed to strengthen segregation statutes already on the books.

This area has the heaviest density of Negroes in its population. Although industrialization and urbanization have modified its attitude somewhat, it remains a stronghold of bitter resistance to racial change. With few exceptions, its leaders have followed a policy of dead-end opposition to desegregation, and there has been none.

Of the six States remaining, all but Florida have lowered racial bars in their public schools to some degree and Florida is scheduled to do so this fall. The others in this group are Arkansas, North Carolina, Tennessee, Texas, and Virginia. That their compliance has been of a token nature is shown by the fact that of 1,461 biracial school districts, only 144 had any integration last term.

OUTLOOK FOR 1959

The outlook as schools reopened was for limited extension of desegregation in Arkansas, North Carolina, Tennessee, and Virginia.

In Arkansas the four Little Rock High Schools reopened August 12, two with token integration.

Forty miles to the south, a potentially explosive situation developed at the Dollarway High School. The rural school has been ordered to admit three Negroes when it opens September 8.

The Dollarway School Board has appealed the decision and is expected to postpone the opening until the outcome is finally decided. Law-enforcement officers and civic leaders interviewed at nearby Pine Bluff this week declared there would be violence if the school were desegregated.

START IN FLORIDA

In Florida the Dade County Board of Public Instruction directed the admission of four Negroes to Orchard Villa Elementary School in Miami. It also approved the admission of other Negroes to a county-operated school at Homestead Air Force Base.

This marked the first official move toward desegregation in Florida. However, a check of Dade County school records showed that a white girl attended an all-Negro school during the 1956–57 year and that in 1957–58 three Negroes and five students of mixed parentage were enrolled in an all-white school.

The third year of token compliance in North Carolina will see desegregation spread to three new communities. This will bring to seven the number that have opened previously white schools to Negroes.

While Nashville schools will desegregate the third grade under the city's stairstep plan of integrating a grade at a time, attention in Tennessee has been focused on Memphis State University. The State institution has announced that it will admit Negroes for the first time this year.

The prospect in Virginia ranges from substantial compliance to the ultimate in resistance. The second year of desegregation will start in Norfolk, Alexandria, and Arlington Counties.

Charlottesville, a city with great symbolic stature because it was the home of Thomas Jefferson and is the site of the State university, will admit three Negroes to a white high school and eight to a white elementary school.

At Front Royal a citizens' group has delayed a decision whether to reopen a private high school there. About 780 white students attended the institution last year but only 530 enrolled for the coming term. A total of 336 whites and 18 Negroes registered at Warren County High, which is scheduled to open September 8.

SCHOOLS CLOSED

Prince Edward County, in the center of southside Virginia, has become the first southern community to abolish its public school system rather than comply with the Supreme Court's decision. NAACP lawyers are expected to test this action in the Federal courts.

But throughout the region there is evidence that all save the five "hard-core" States would come to terms with the Federal courts in the not-too-distant future. This is the result of the growing realization that the choice is one of at least token compliance or no schools at all.

There is also the economic lesson of Little Rock. Business and professional men there threw their full weight behind the move to open the schools after becoming convinced that the situation threatened the city with economic strangulation.

With the examples of Arkansas and Virginia before them, even some of the larger cities in the Deep South are beginning to rebel against the policy of no compromise.

BIG CITIES

Atlanta and New Orleans have been told by the Federal courts that some start toward compliance must be made in the 1960–61 school year. There is a growing demand in both cities for the right to decide the matter by local option.

The past year has also seen the organization of citizens' groups dedicated to the task of keeping the schools open. In a report on the desegregation question, the Southern Regional Council noted that much of the membership of these groups was made up of those who believe in segregation.

The council, an interracial agency that seeks to promote better white-Negro relations in the South, called this fact "profoundly impressive."

"For southerners to affirm publicly that racial traditions are of only secondary value in their social structure is a long, crucial step toward abandonment of racial snobbery and inequalities," the council declared. "It is moreover, another demonstration that race is not the central concern of large segments of the southern electorate."

Mr. JAVITS. Mr. President, I point out that the report shows five States—Alabama, Georgia, Louisiana, Mississippi, and South Carolina—which have moved further away from the Court's directive, rather than closer to it, with each passing year. New laws and constitutional amendments have been passed to strengthen segregation statutes already on the books in those States.

Mr. President, I point that out because I think it is very important, when we are talking about proposed legislation, to bear in mind how the process has gone in the Southern States, when we talk about the fact that enlightenment and education will bring about reforms. I think enlightenment and education are critically important, but I think they have to be backed up by law.

Mr. President, I desire to address myself to another subject.

The PRESIDING OFFICER. The Senator from New York has the floor.

CIVIL DEFENSE—THE QUICK AND THE DEAD

Mr. JAVITS. Mr. President, on the subject of civil defense, I noted with great interest the comments of my colleague, the Senator from Minnesota [Mr. HUMPHREY] upon that subject. I wish to call attention to the fact that backing up and outlining in the clearest terms this title, which could very well be "The Quick and the Dead in Terms of Civil

Defense," is the fact that we ourselves have become tied up in conference on the independent offices appropriation bill over what is a miniscule sum of $12 million, intended to match funds spent by State and local governments for personnel and administrative costs of civil defense. This $12 million can be the seed money which gets going on a solid basis all of the individual efforts of the individual 50 States.

These "matching funds are required," Mr. President—and these are the words of the President of the United States—"to strengthen civil defense at the State and local levels, the very heart of civil defense, and to give tangible evidence of Federal leadership in encouraging State and local governments to prepare the defenses for the people."

This excerpt which I have read is from the message of the President of the United States, sent up to Congress on August 25, 1959, referring specifically to this appropriation which is hung up in the independent offices conference.

Mr. President, it is shocking to me that with a report, not of some Government bureau, but of a congressional committee, which pictures a toll of 50 million in an atomic attack on the United States and which says that civil defense can cut fallout fatalities from 25 percent to 3 percent—just think of it; from 25 percent to 3 percent—here we are denying and having tied up in conference all this time, in a bill of enormous appropriations, incidentally, which involves billions of dollars, this minor appropriation of $12 million, to get the output in terms of skill and ability of the people of our States and communities to help in the civil defense program.

Mr. President, it is almost inconceivable to me that this could be the case, and it seems to me that the report of the Joint Committee on Atomic Energy, for which we all must be very grateful, should be the final and absolutely certain determination that Congress should move forward without any further delay to allow this $12 million, this rather miniscule sum which is involved.

Mr. President, may I point out that the whole shelter program, which the committee estimates at $20 billion, represents less than 10 percent of the average per capita annual tax burden of about $568 today in America, an expenditure of $50 for each life saved.

Mr. President, I again urge upon the conferees on the independent offices appropriation bill their prompt and immediate action with respect to these civil defense matching funds.

The PRESIDING OFFICER. The time of the Senator has expired. Does the Senator yield the floor?

Mr. JAVITS. I yield the floor.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

Mr. DOUGLAS. Mr. President, it should be apparent by now that the opponents of the lake diversion bill are carrying on a filibuster with the intent of wearing out the advocates of the bill, so that as a result of fatigue the bill will either be killed or referred to a committee which will kill it. The opponents have at various times tried to entice the Senator from Illinois into entering into a discussion with them on the floor, thus helping them in their filibuster, and later enabling them to blame the Senator from Illinois for delaying discussion of the bill. In order to prevent this from happening, I have refused to enter into full discussion.

From time to time, however, they do make criticisms which I think should be answered. I therefore ask unanimous consent that memorandums which I have had prepared dealing with some of the criticisms which have been voiced by the opponents of the pending bill be printed in the RECORD at this point in my remarks.

There being no objection, the memorandums were ordered to be printed in the RECORD, as follows:

1. LAKE DIVERSION AND CANADA

The Senator from Wisconsin and the Senator from Ohio have stated that the adoption of this legislation would be in disregard of a treaty of the United States with Canada. Both gentlemen know (or should know) that in the negotiations for the 1909 Boundary Waters Treaty, a reservation was made for the diversion of water at Chicago, in the amount of 10,000 cubic feet per second. This was the reason for the disparity of 16,000 cubic feet per second in favor of Canada, in the distribution of water for power purposes at Niagara. Canada was allocated 36,000 cubic feet per second and the United States 20,000 cubic feet per second.

The monetary value of this excess diversion to Canada, from 1910 to 1949, was about $172 million. The Chicago diversion averaged 5,238 cubic feet per second during this period, or about 53 percent of the 10,000 cubic feet per second reserved for it (pp. 20–22 of hearings on H.R. 1 and S. 308).

The matter of this reservation of 10,000 cubic feet per second of water for Chicago was adequately explained, to the Senate, in 1910 by Secretary of State Elihu Root, when the treaty was before the Senate for ratification. He stated that Lake Michigan was not a boundary water and he would not let them put anything in the treaty about Lake Michigan.

The Chicago drainage canal had been constructed by 1900 to its flow capacity, 10,000 cubic feet per second, and its supply channel, the South Branch of the Chicago River, was being improved to that same flow capacity. However, in 1900 the capacity of the Chicago River had been improved only to capacity to flow 5,000 cubic feet per second, without currents which would be obstructive to navigation. So, the permit from the Secretary of War to open the channel and cause the waters of the Chicago River to flow into the same, carried a limitation of 5,000 cubic feet per second in the flow. This was subsequently fixed at 4,167 cubic feet per second, in December 1901.

By 1912, the Chicago River improvement had been completed to its planned flow capacity of 10,000 cubic feet per second, and in that year, the Sanitary District of Chicago applied to Secretary of War Stimson for a removal of the limitation of 4,167 cubic feet per second and for a permit to flow 10,000 cubic feet per second. Canada objected at the hearings before Secretary Stimson. This objection was made despite the reservation of 10,000 cubic feet per second made just 3 years before, in 1909 treaty negotiations. Secretary Stimson denied the request for an increase in the diversion and suggested that the sanitary district seek action in Congress. The sanitary district, however, elected to have its rights tried in the Federal Court. Suit was filed by the Government in 1913, decided by the Supreme Court January 1925. The authority of the Secretary of War was upheld. The Secretary of War granted a permit, March 3, 1925, for a diversion of 8,500 cubic feet per second, in addition to domestic pumpage for 5 years. Canada did not object to this. The Lake States case then ensued from November 1926 to the Supreme Court decree of April 21, 1930. Canada took no part in this.

The United States has never failed to keep its word; and could not be charged with unilateral action now if it approved the pending legislation.

Chicago, in constructing the drainage canal and improving the Chicago River, was cooperating completely with the Federal Government in its efforts to develop a commercially useful waterway, from the Great Lakes to the Gulf of Mexico. The study to be authorized by the pending legislation can determine what is needed to provide decent conditions for navigation in this Federal waterway. It is not for local sanitation.

Chicago is already conducting the largest and most complete sewage treatment operation that can be found in any large city in the world. It can do no more; and should be commended, not only for its effective efforts in matters of sanitation, but for its very important contributions to navigation.

2. THE ACTUAL DIVERSION OF ADDITIONAL WATER FROM LAKE MICHIGAN IS NECESSARY FOR A SIGNIFICANT TEST

It has been suggested that the bill H.R. 1 be amended to provide for the 3-year study without the authority for a 1-year additional diversion of 1,000 cubic feet per second at Chicago. Except for the study of lake currents, and perhaps some other features, such a theoretical study would not reveal much more than has been already computed by sanitary engineers of the sanitary district.

In order to put the difficult sanitary situation of the Chicago metropolitan area into proper perspective, consider that this is probably the largest concentration of population and its resulting pollution which is not adjacent to an ocean or a large river; the latter conditions make sewage disposal comparatively easy. Chicago's position makes its waste disposal critical, difficult and expensive; probably the most difficult in the world. The Chicago Sanitary District has done an extraordinary job toward solving this problem; it has constructed and operates the largest and most advanced sewage treatment facilities in the world in order to give what is usually accepted as complete treatment. However, this nominally complete treatment is not dependable for more than about 90 percent removal of polluting material. The untreated residual, equivalent to the raw sewage from a city with a population of approximately 800,000, cannot be put back into the lake without seriously contaminating its water supply and bathing beaches as has recently been experienced on a small scale by Milwaukee, Toronto, Cleveland, and other Great Lakes cities. The alternative is to discharge the effluent, with its residual pollution, into the Illinois Waterway, as is now being done. However, the Illinois Waterway has inadequate dilution capacity to absorb the residual pollution. The result is an unpleasant environmental condition for some distance below the city of Joliet. Also, the city of Peoria, which has a critical shortage of domestic water, is planning to use Illinois River water, but is faced with considerable difficulty in treating this water to obtain an acceptable degree of safety.

Thus Chicago is in a position which can be remedied only by unusual sanitary measures or by moving its location. Studies of Chicago's problem will be useful to other Great Lakes cities, and the results may save them many deaths and their governments

much criticism as their populations increase in step with the commercial growth resulting from the St. Lawrence Seaway.

Specifically, this actual diversion for 1 year is necessary to a really significant test because there are factors such as temperature, degree of undersaturation, rate of utilization, and coefficient of absorption which either must be determined for the actual conditions or are seasonal, thereby requiring a full year of data.

Temperature effects are important because the saturation level of oxygen dissolved in water decreases with increases in temperature; for fresh water this saturation level is 14.6 parts per million at 32° F., 9.0 parts per million at 70° F., and 7.3 parts per million at 90° F. These are subject to variation due to different amounts of pollution in the water. Additional diversion is necessary to test these effects.

The degree of undersaturation is the difference between the actual amount of oxygen dissolved in the water and the saturation level. The rate of absorption of oxygen varies inversely as the degree of undersaturation.

The rate of utilization of oxygen, by the dissolved and suspended organic matter in the water, is affected by temperature, nature of the pollution, and amount of mixing which takes place. This rate of utilization affects the degree of undersaturation. Additional diversion is necessary to test these effects.

The coefficient of absorption is an emperical factor which is applied to other factors in determining the rate at which oxygen goes into solution in the water; it is affected by the quantity and nature of impurities in the water, and the amount of mixing which results from the velocity of flow and characteristics of the stream bed. Additional diversion is necessary to test these effects.

Another feature, about which there has been much speculation but to which only an actual test can supply the answer, is whether or not an additional amount of fresh water would sufficiently dilute the concentrated nitrogenous material carried into the Illinois River from the treated sewage effluent to reduce the excessive growth of algae and obnoxious water plants.

In summary, the actual additional diversion is necessary to supply data on the several emperical factors which are necessary to determine if this method would provide the necessary relief for this overall public health problem and for a desirable improvement in conditions of navigation.

3. THEORETICAL POWER LOSS

Total flow in St. Lawrence: 240,000 cubic feet per second.

Maximum reduction of flow in St. Lawrence due to a 1,000 cubic feet per second diversion at Chicago is about 220 cubic feet per second. (Smith, 218 c.f.s. p. 408; Ramey, 220 c.f.s. p. 345). This maximum reduction is about one-tenth of 1 percent of total flow.

After diversion has been in effect for 1 year and diversion has ceased, the recovery in water levels and flow quantities will start.

The reduction in flow at Massena will be about as follows:

	Cubic feet per second, end of year
Start	0
1st year, diversion	220
2d year, recovery	140
3d year, recovery	90
4th year, recovery	60
5th year, recovery	40
6th year, recovery	25
7th year, recovery	15
8th to 15th year, reduction	10–0

"It, therefore, has accepted the loss at Niagara and on the St. Lawrence as $608,000. Subtracting the gain in hydroelectric power at the Lockport plant of $67,000 would leave a net loss of $541,000 over the 15-year period during which the 1-year diversion would have an effect. This is an annual loss of $36,000 which the committee considers to be infinitesimal in comparison to the $50 million a year estimated gross annual value of the output of the U.S. plants at Niagara and on the St. Lawrence" (p. 10, H. Rept. No. 191, 86th, 1st, "Diversion of Water from Lake Michigan").

4. DOES THE SUPREME COURT HAVE AUTHORITY TO INCREASE DIVERSION?

It is our understanding that the Supreme Court, in the case now pending before it, may have authority to increase the flow of water in the Illinois Waterway.

However, no constitutional lawyer of any consequence would say that this ousts Congress of its jurisdiction under the commerce clause. The Senate is not required to abdicate its power over navigation because a matter is pending before the Supreme Court, and in the famous Wheeling Bridge case the Congress specifically reversed a decree of the Court, and the Court ruled properly so.

Congress authorized this present diversion in the Rivers and Harbors Act of 1950 and there is no argument that continued exercise of Court authority destroys the power of Congress.

There is no pleading now before the Court specifically asking for more water.

The Appalachian Power Co. case indicated Congress had the widest possible authority over navigable streams even though not used for navigation and there is no reason in law or conscience why Congress should neglect its proper functions out of an unwarranted deference to the Supreme Court.

Further, the Court, were it to increase diversion, would undoubtedly do so on a permanent basis. The passage of H.R. 1 would undoubtedly assist the master, through the proposed report, in arriving at valid conclusions.

Basically, the power of the Court and Congress are independent, Congress can foreclose the Court but the Court in this field cannot foreclose Congress. Until Congress ousts the Court of jurisdiction, their actions can be concurrent and there is no reason why either cannot act, being mindful of the fact that the power of Congress is paramount.

Mr. DOUGLAS. Mr. President, on another subject, yesterday my good friend, the senior Senator from Wisconsin in discussing the lake diversion bill stated, as appears on page 17373 of the RECORD, that apparently the lake diversion bill had its chief strength because of commitments which the dean of the Illinois delegation, the Honorable THOMAS J. O'BRIEN, had been able to obtain from Members of the Senate.

I do not know what the Senator from Wisconsin was seeking to prove by this, but the implication is clear. Let me say that both Representative O'BRIEN and I want this issue to be considered on its merits. I am very glad to acknowledge the help which Representative O'BRIEN has given. He has served in the House for 25 years, and he has won a deserved reputation for his fairness, for his integrity, and for his willingness to help other Members of the House and the Senate when their wishes coincide with the general welfare.

I am very happy that Representative O'BRIEN has thrown his great influence behind this bill, and this seems to me to strengthen the bill, and present a further argument in its defense rather than an objection to it.

I wish to pay tribute to the Representative for his long service and for his splendid work.

Mr. WILEY. Mr. President, I am sorry that the brilliant mind of the distinguished Senator from Illinois missed the point entirely. Without reflecting upon the distinguished congressional group in the House, we called attention to the fact that the bill which was reported "out"—and we will argue that late—is not the bill that was reported "in." It is not the bill the distinguished Representative from Illinois was discussing when he apparently firmed up a few of the Senators here who were in the House last year. Consequently, when we get to discussing the issue, which I have not discussed at all today, or yesterday, or the day before, I take exception to the remark that we are filibustering. I submit that if the Senator will look up the RECORD and count the time that was consumed by Senators who did not talk on the subject at all, the Senator will find that we have not taken half of the time they took.

FREE WORLD MUST ALERT ITSELF TO FAR EAST CRISIS

Mr. WILEY. Mr. President, I want to get into the morning hour again so that I can put something else into the RECORD and not be accused of filibustering.

Mr. President, the step-up of aggressive acts by the Chinese Communists in the Far East is a serious danger sign, and, I believe, merits a "new alert" by the free world.

The acts of genocide reported in Tibet, itself, are enough to inflame the conscience of the world. Too, we find the Chinese Communists stirring up trouble on the India-Chinese border—in addition to the Red dragon's crisesmaking in Formosa and Laos.

DEALING WITH THE NEW CRISES

What can be done about this increasingly critical situation?

First of all, the United Nations—I would hope—would give a sympathetic ear to the pleas of the Dalai Lama and take a new look at Chinese aggression in Tibet.

Second, the Southeast Treaty Organization certainly must alert itself to the new dangers exemplified by these brazen, aggressive acts of the Chinese Communists. Naturally, it is difficult to attempt to predict when or where the Red Chinese aggressions may strike next—and in what force. However, in view of the Communist willingness to utilize military force to expand the Bamboo Curtain, the SEATO nations must be ready to withstand unjustified and unwarranted attack—any time or any place.

Third, the so-called uncommitted nations of the world—whether in southeast Asia or elsewhere—should now be able to correctly read the handwriting on the wall, as it reflects the true character of the ruthless, aggressiveness of the Communists—wherever it exists.

REASONS BEHIND COMMUNIST AGGRESSION

What are the reasons behind the Red Chinese barrage of military aggressive activity? Naturally, it is impossible to

read the Communist mind or to get a periscope view of conditions behind the Bamboo Curtain. However, there is enough evidence available, I believe, to justify the following conclusions:

First, these actions are integral to the overall pattern of Communist aims for world domination. And second, and very important—the Communist regime is facing serious problems at home. Why? Among other things: First, the Red Chinese dragon has literally fallen on its face by failing to meet its own production goals; and second, the hard, uncompromising way in which the Communists are attempting to impose their atheistic, political and economic philosophy upon the Chinese people is resulting in serious disruption of home life among the Chinese, creating a condition contrary to traditions and still is not meeting the economic needs of the Chinese people.

In view of these problems, the Communist leaders may well consider it necessary to stir up trouble outside the Chinese borders to keep the Chinese people's minds off the Communist failures at home. The Red Chinese willingness to risk alienating India and other countries of Asia by flagrantly aggressive acts makes it seem reasonable to assume that China's home predicament and/or urge to expand are serious—and should be taken seriously by the rest of the world.

STRIKE OF OPERATING ENGINEERS AT CAPE CANAVERAL

Mr. HOLLAND. Mr. President, I was disturbed yesterday to receive several telegrams and telephone messages from contractors doing important construction work at Cape Canaveral, at the guided missile base in Florida, indicating that a complete shutdown of construction work had ensued there yesterday because of the striking of a very few operating engineers employed by one of the contractors, and because of the fact that they had picketed all construction operations.

I place in the RECORD at this time two of these telegrams, one from Edwin R. Brown, of the central Florida chapter of Associated General Contractors, at Orlando, Fla., and the other from Grover J. Carter, vice president of the Paul Smith Construction Co., both indicating that all construction operations were shut down by that relatively small strike.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ORLANDO, FLA., *August 31, 1959.*
Senator SPESSARD HOLLAND,
Senate Office Building,
Washington, D.C.:

A picket placed today by members of Operating Engineers Union in dispute with B. B. McCormick Co., at Canaveral stopped all construction work at this vital defense installation. This is example of how union boycott against one company can cause loss of work for employees of many other companies and can paralyze industry. We urge you to fight for law against secondary boycotts.

EDWIN R. BROWN,
Central Florida Chapter,
Associated General Contractors.

ORLANDO, FLA., *August 31, 1959.*
Senator SPESSARD HOLLAND,
U.S. Senate, Washington, D.C.:

Am informed that our Cape Canaveral operation is shut down today because of strike against another company. Our national defense demands legislation which would prevent such irresponsibility on the part of union leadership.

GROVER J. CARTER,
Vice President,
Paul Smith Construction Co.

Mr. HOLLAND. I noted that the United Press International covered this subject yesterday in a dispatch from Cape Canaveral, reading as follows:

AUGUST 31, 1959.

CAPE CANAVERAL.—Several dozen members of the Operating Engineers Union (AFL–CIO) set up picket lines at the Air Force Missile Test Center today and halted construction activity at the base.

The Air Force indicated missile operations were not affected by the walkout, but a spokesman for the construction firm employing the strikers said, "We are crippled."

Officials said the strikers were members of local 673 of the Operating Engineers Union. No official estimate of the number of workers affected was immediately available.

An Air Force statement said "the majority of the building trades unions are supporting the strikers," but added that members of other unions reported for work.

The statement said only that the workers "began a strike this morning over alleged grievances." It did not specify the nature of the grievances.

The strikers are employed by the B. B. McCormick Construction Co. of Jacksonville Beach, Fla.

I note this morning another dispatch by United Press International, reading as follows:

SEPTEMBER 1, 1959.

CAPE CANAVERAL.—A negotiating session was planned today to settle a strike of union equipment operators whose walkout has crippled construction activities at the Air Force Missile Test Center.

Missile operations were not affected by yesterday's strike, officials said.

The firm employing the striking workers said a negotiation session was planned for some time today.

J. T. McCormick, president of the B. B. McCormick Construction Co., said the workers were demanding double time pay for overtime work.

Of course, at this distance and at this time we have no complete showing of the grounds of dispute, but I call attention to the fact that relatively few men, for some grievance, real or fancied, at this very time when the Congress of the United States is trying its best, at a conference of very dedicated men from both Houses, to reach some solution of the disturbing question of what should be done better to control the labor union situation, have assumed the responsibility of calling this strike in such a way as to completely shut down all construction activities at probably the most vital defense base in our Nation.

I hope that a better and more patriotic public relations philosophy will prevail among the union leaders and union members than that which seems to have dominated yesterday's strike, which is still continuing today, and is slowing down our Nation's defense program both by strike and by secondary boycott.

TWENTIETH ANNIVERSARY OF INVASION OF POLAND BY HITLER

Mr. WILLIAMS of Delaware. Mr. President, just 20 years ago today an infamous event took place that shocked and stunned the world and violently altered the history of the world.

The infamous event of which I speak was, of course, the brutal and thoroughly unprovoked invasion of Poland by the armies of a ruthless madman, Adolph Hitler, on September 1, 1939. Despite the immediate reaction of the Western democracies in coming to the aid of their ally, the brute force of Hitler's well-trained and well-equipped military machine was simply too much, and Poland fell under the iron heel of tyranny.

The sickening stories of atrocities committed against the defiant people of Poland and against their homeland and cherished institutions are well known to the world and need not be repeated here. The stories of Poland's patriotic people will live as long as freedom is sought and guarded by man.

That day 20 years ago marked the beginning of what has been referred to as the war that would make the world safe for democracy. In a sense that has been true, but as we enjoy our many jealously guarded freedoms in this country, we should not forget that Poland—which suffered the initial onslaught of that great and devastating war—is still, 20 years later, without the freedoms that we consider basic to all human being.

For 20 years, the people of Poland have had to live under the dictates of a totalitarian government and have been ruled from a foreign land. First, it was Hitler and the Nazi occupation. Then Hitler was defeated, and the world rejoiced in its freedom from that brand of tyranny. But Poland was not spared for long. Next it was Stalin and a Communist rule from Moscow, which still holds the brave Polish people in bondage.

On this 20th anniversary of the invasion of Poland, we in this country should pause to reflect on the eternal patience that has been shown by our friends in that land. That they look to us for hope was amply demonstrated recently by the response to the visit of Vice President NIXON and the overwhelming reception he was accorded there. It was a warm display of sincere friendship that was especially meaningful when contrasted to the cool reception given a few weeks earlier to the Soviet Premier on his visit. It should serve to prove that the United States has a firm ally in the Polish people.

We should think back on this day that marks the beginning of the subjugation of the Polish people and reaffirm the friendship that exists between us. At the same time, may we look with hope to the inevitable day to come when Poland will once more be free.

ANNIVERSARY OF START OF WORLD WAR II— WHAT HAVE WE LEARNED?

Mr. JAVITS. Mr. President, on this the solemn anniversary of the beginning

of World War II in Europe, remembering its legacy of over 10 million casualties, incalculable destruction of civilization's goods and values and its toll of the millions through genocide, we must at the very least recapitulate what we have learned. It seems to me that we have learned six fundamental truths:

First. Effective security requires effective defense, and effective defense must be organized in concert with the other free peoples.

Second. Demilitarization and disarmament including the reduction of nuclear armaments can proceed only under effective inspection and control through an international agency like the United Nations on a reciprocal step-by-step basis.

Third. The response to aggression by force of subversion is collective international action.

The best proof of the efficacy of collective action is the U.N. defense of the Republic of Korea.

Fourth. The peoples of the free world have a collective responsibility for the improvement of standards of living and of health, of those who live under less than tolerable standards; they have a responsibility too for an opportunity for peoples to have self determination as to how they shall be governed and to live under free institutions.

The best examples of that are found in our sympathy for the captive nations of northern and eastern Europe and in the U.N. trusteeships bringing former colonial areas peacefully into newly self-governing nationhood.

Fifth. World debate is the way in which to marshal the moral power of mankind for the resolution of causes of international tension.

Person-to-person programs, cultural, economic and sports exchanges and the open and public hearing afforded to statesmen as in the current impending Eisenhower-Khrushchev visits as well as U.N. debates are examples of this practice.

Sixth. The role of law through adjudications by the World Court, and perhaps tomorrow regional courts, of international disputes on legal issues is vital to world peace.

This movement is being led so effectively by the American Bar Association as an added tool in the search for peace.

All of this experience is being epitomized for us today in President Eisenhower's current trip to visit the great members of the free world family in Western Europe and in the impending exchange of visits with Khrushchev. The President has summed it up in these words:

> Indeed, I think the people want peace so much that one of these days governments better get out of their way and let 'em have it.

This is from the President's TV discussion with Prime Minister Macmillan yesterday.

IMPENDING VISIT OF NIKITA KHRUSHCHEV

Mr. JAVITS. Mr. President, I now address myself to another subject on the same general theme, namely, Mr. Khrushchev's impending visit to the United States.

I deeply appreciate and sympathize fully with the disquiet of many about the Khrushchev visit here. There is no question about the fact that it is a visit fraught with dangers and that Khrushchev is likely to get more out of it than we are. For example, differences could be so bitter that it would worsen relations between the U.S.S.R. and ourselves; perhaps even worse, our people could be lulled into a sense of complacency which would be as horrible and false as the post-Munich spirit. Nor is the possibility of an accident to either participant to be discounted. Nor, finally, is the real moral taint which attaches to Khrushchev and all his works to be laid aside and glossed over under the guise of traditional American hospitality. Nonetheless compared to all of these real and grave dangers stand the President's words of yesterday:

> Well, this is something (peace) that lies so close to my own heart that any trouble that it is for me to come to any capital in Europe, including Moscow—I'm perfectly glad to do if it will advance something.

The President knows as we all do that notwithstanding all we have been able to do, all our successes and those of the free world, the situation is more tense today than ever in the fundamental sense that armament preparations in the nuclear fission and the H-fusion field are going forward more intensively than ever. The German Federal Republic with the heavy legacy of conscience carried by its people has learned this terrible lesson, too. Chancellor Adenauer in his letter of August 30 to Khrushchev says:

> The truly decisive question, which will determine the whole future of all of us, is that of all-out armament with conventional and nuclear weapons. It is devouring immeasurable sums, which would otherwise benefit the social and cultural advancement of mankind. Moreover, it is creating an atmosphere of tension such as precedes the outbreak of a devastating storm in nature.

Obviously, we have not yet found the way in which to break the continuity of the accelerated armaments race which has historically and inevitably led to war. The President is trying to find the way to break this terrible continuity—it is a new way, an untried way, a difficult and a dangerous way; yet on this the anniversary of World War II who would not support him at least in the effort? Take every precaution, yes, do not pretend a cordiality to Khrushchev certainly we do not feel, do not mislead the Communist regimes into thinking we approve in any way of them or condone in any way what they have done, or intend to lower our guard for an instant—to all of this, the lessons of World War II dictate a resounding "yes." But, to refrain from allowing Khrushchev with his obviously real hunger for a high level encounter with the President to make some constructive proposals himself if at all possible, to allow the people of the Soviet Union or of the world to believe that we are unwilling to listen or to talk, to lose the opportunity for presenting to the Russian people through President Eisenhower imaginative and courageous proposals for ending the cold war, definitely "no"—this would be defying the lessons of World War II.

We have the challenge and the opportunity now. We have touched greatness beginning with our military, economic and technical assistance programs since Greek-Turkish aid in 1947, with the Baruch-Hancock plan for disarmament in 1945, with the open skies proposals in 1955 and with the Berlin airlift in 1948 and the defense of Korea in 1950. The President's voice in the Soviet Union gives us another enormous opportunity. Let us not waste our strength in wishing that what is was not. Let us rather utilize our strength in the resourcefulness, the courage, the validity, and the boldness of our proposals.

DEATH OF DR. RAPHAEL LEMKIN

Mr. DODD. Mr. President, I wish to express my deep sorrow over the passing of a dear friend and a very great man, Dr. Raphael Lemkin.

Dr. Lemkin suffered the terrible experience of seeing his entire family, except for one brother, murdered by the Nazis. From then on, in the words of the New York Times, "the burden of his days was his crusade against slavery, degradation, and murder. It was a heavy burden, and last Friday it killed him, at the age of 58."

For 15 years he worked ceaselessly and tirelessly for the ratification by the nations of the world of the Genocide Convention to formally establish the criminal nature of persecution and attempted annihilation of national, ethnical, racial, or religious groups.

It was Dr. Lemkin who coined the term "genocide," a term which summed up in one word a monstrous crime which has left such a mark on our age.

I first met Raphael Lemkin when he was a consultant to the American delegation at the Nuremberg war crimes trials. I treasure the memories of a great many conversations with him at Nuremberg as well as his continued friendship and close association in the United States in subsequent years.

It was largely because of my association with him that I came to Washington in 1947 to testify before the Senate Committee on Foreign Relations to urge that the United States join in ratifying the Genocide Convention.

Largely through the efforts of this great man, almost 60 nations have now ratified the Genocide Convention. It was always a matter of deep regret to him and to me that the United States has remained outside the fold. The failure of our country to ratify this convention stands to our great discredit.

Dr. Lemkin's lifelong crusade was motivated by an intense hatred of tyranny of any kind. I know from my personal friendship with him that he abhorred communism and nazism with the same intensity. Unlike many in our time, Dr. Lemkin recognized that both nazism and communism were of the same cloth.

Knowing of his keen understanding and hatred of communism, I fear that his last days must have been anguished

as he contemplated the preparations in this country to welcome Nikita Khrushchev, a man whose name and career are synonymous with genocide.

I ask unanimous consent to have printed in the body of the RECORD a New York Times editorial of August 31, 1959, and a Washington Post editorial of September 1, 1959.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 31, 1959]

RAPHAEL LEMKIN: CRUSADER

Diplomats of this and other nations who used to feel a certain concern when they saw the slightly stooped figure of Dr. Raphael Lemkin approaching them in the corridors of the United Nations need not be uneasy any more. They will not have to think up explanations for a failure to ratify the Genocide Convention for which Dr. Lemkin worked so patiently and so unselfishly for a decade and a half. Government by government, until the number of ratifications approached three score, this devoted man did more than any other individual to win formal acceptance of the principle that it is criminal to injure or destroy national, ethnical, racial, or religious groups.

Raphael Lemkin, once a successful lawyer in Warsaw, had suffered the loss of all his family, except one brother, at the hands of the Nazis. In this country he had a distinguished career as a teacher, lecturer, and writer, but the burden of his days was his crusade against slavery, degradation, and murder. It was a heavy burden, and last Friday it killed him, at the age of 58.

Death in action was his final argument—a final word to our own State Department, which has feared that an agreement not to kill would infringe our sovereignty.

[From the Washington Post, Sept. 1, 1959]

RAPHAEL LEMKIN

Dr. Raphael Lemkin, a survivor of the Nazi attempt to exterminate the intellectual and cultural identity of the Polish people, dedicated the remainder of his life to recognition of this kind of mass murder as a crime under international law. In a distinguished work of scholarship, "Axis Rule in Occupied Europe," he coined the term "genocide" to designate such planned extermination. His extraordinary zeal and eloquence had much to do with the approval of a Genocide Convention by the United Natons General Assembly in 1948—a convention endorsed by 56 nations, the United States, lamentably, not among them. In this country which had been his home ever since he left his native Poland in 1941 he carved a notable career as a professor of international law at Duke, Yale, Rutgers, and Princeton Universities. His life was symbolic, in a sense, of the invincibility of the human spirit; and his death on Sunday ended a career which contributed significantly to the growth of world law.

HIGH HONORS WON BY AMERICANS AT INTERNATIONAL CERAMIC SHOW

Mr. KEATING. Mr. President, the American Craftsmen's Council recently announced that the U.S. exhibit of 73 ceramics sent to the Second International Congress of Contemporary Ceramics at Ostend, Belgium, had won the Grand Prix des Nations. In addition, the council reported that American entries received more gold and silver medals than any of the 24 other countries represented.

Instrumental in forging this splendid record were a number of New Yorkers, led by Mr. David Weinrib of Stony Point, N.Y. Mr. Weinrib received a gold medal for his contribution to the show.

I am proud to report that a number of other New York craftsmen—11 in number—also participated in this important ceramic exhibition. They included the following:

Fong Chow, New York; James A. Crumrine, New York; Hui Ka Kwong, New York; Ted Bielefeld, Port Chester; Dean Maxfield Mullavey, Port Chester; Val M. Cushing, Alfred; Theodore Randall, Alfred; Robert Turner, Alfred Station; Frans Wildenhain, Pittsford; and James and Philip Secrest, Canandaigua.

I salute each of these artists for their work and their part in the excellent American showing. I also commend the American Craftsmen's Council, which has its headquarters in New York City, for its part. The council, which has contributed so much to the American art scene, and has served to inspire so many fine craftsmen in this country, arranged the U.S. exhibit in Ostend at the request of the U.S. Information Agency. When the Ostend exhibition ends in October the American pieces will go on a tour of Europe.

Mr. President, although the outstanding performance of our craftsmen at this ceramics exhibition is of course secondary to the overall importance of the show to art in our world today, I am delighted that our representatives fared so well. Our showing is indeed, as David R. Campbell, president of the American Craftsmen's Council has written me, "a job well done—by European standards as well as our own." It is another exemplification of the high standards of excellence, ingenuity and talent so many Americans are today exhibiting in the world of art.

INSTRUCTIONS TO SENATE CONFEREES ON S. 1555, THE LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959—RESOLUTIONS PLACED ON CALENDAR

The PRESIDING OFFICER. Is there further morning business?

Mr. TALMADGE. Mr. President, if there is no further morning business, I ask that the Chair lay before the Senate Senate Resolution 180 and Senate Resolution 181, and that they take their regular places on the calendar.

The PRESIDING OFFICER. The resolutions will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 180) giving certain instructions to the Senate conferees on the Labor-Management Reporting and Disclosure Act of 1959.

The PRESIDING OFFICER. Without objection, the resolution will be placed on the calendar.

The CHIEF CLERK. A resolution (S. Res. 181) giving certain instructions to the Senate conferees on the Labor-Management Reporting and Disclosure Act of 1959.

The PRESIDING OFFICER. Without objection, the resolution will be placed on the calendar.

MEETING OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

Mr. AIKEN. Mr. President, I have today sent a letter to the Vice President enclosing a report, required by Public Law 86–42, on the record meeting of the Canada-United States Interparliamentary Group which was held in Montreal and Ottawa, Canada, on June 25–28, 1959. This report supplements an informal report which I made in the Senate on July 8 and contains a financial record of expenditures of the delegation to the June meeting. Copies of it are available at the Committee on Foreign Relations.

I shall not take the time of the Senate to discuss my conclusions thus far about the activities of the Canada-United States Interparliamentary Group because they are set forth in this report. I would like to put them in the RECORD, however, at this point in my remarks, and I ask unanimous consent, Mr. President, that I may do that.

There being no objection, the conclusions were ordered to be printed in the RECORD, as follows:

CONCLUSIONS OF THE CHAIRMAN OF THE SENATE DELEGATION

1. The June 1959 meeting of the Canada-United States Interparliamentary Group fully justifies the hopes of the sponsors of Public Law 86–42 which authorized "participation by the United States in parliamentary conferences with Canada." The discussion of common goals and problems by legislators of the two countries clearly promotes better relations. The activities of the group have received favorable comment in the press and elsewhere in both the United States and Canada.

2. The procedural arrangements which have been agreed upon—private, off-the-record discussions, a minimum of staff and experts, and a single agreed statement to the press at the end—have contributed to the success of the meetings. Twenty-four delegates on each side is probably the maximum useful number. The desirability of having as many legislators as possible benefit from the interchange of ideas with their counterparts from Canada must be balanced against the desirability of frankness and specificity in the talks, which is made easier in a small group.

3. I discerned no conflict between the activities of legislators from the two countries meeting for the currently understood purposes, on the one hand, and the function of diplomatic and other official intercourse between the two Governments on the other hand. The Department of External Affairs of Canada and the Department of State have been kept fully informed of the activities of the Canada-United States Interparliamentary Group.

The Prime Minister, Mr. Diefenbaker, the Secretary of State of Canada, Mr. Howard Green, and the American Ambassador to Canada, Mr. Richard B. Wigglesworth, entertained the parliamentary delegates of both countries during our visit in Canada.

4. It is probably too much to expect that legislators interested in the Canada-United States Interparliamentary Group will be able to carry on much work between meetings of the group. It has been agreed that there will be no joint full-time staff for the group. Except for a nucleus of members of the Senate Committee on Foreign Relations and the

House Committee on Foreign Affairs, there may be little continuity of membership, on the American side at least, from meeting to meeting. Members of both Legislatures are, of course, extremely busy with their own legislative responsibilities throughout the year. Therefore, no elaborate collection of data or studies by the Canada-United States Interparliamentary Group between its meetings should be anticipated. I would suggest, however, that members of congressional committees dealing with matters of common interest to the United States and Canada would find it very helpful to meet with their counterparts in the Canadian Parliament as much as possible.

It would also be to the advantage of our Members of Congress to visit joint defense installations and agricultural and mineral-producing areas, as well as those areas along the boundary where water problems exist. Firsthand inspection of such places will make us better able to deal with legislation of mutual concern.

5. Looking ahead to the next meeting of the group, perhaps in the early spring in Washington, agenda topics should be selected at a relatively short time prior to the next meeting so that—as was the case with the June 1959 meeting—the subjects on the agenda will be of current interest and substantial importance.

FISCAL STABILITY

Mr. BRIDGES. Mr. President, on countless occasions I have stood before this body and elsewhere to speak about the dangers of inflation which, together with the menace of international communism, form the greatest double-barrel threat to this country's survival. Unfortunately, Mr. President, there still exists an element which advocates that a little inflation is a healthy situation.

In a column which was published in the Boston Sunday Herald of August 30, Sylvia Porter presents an objective analysis on what fiscal stability means to the average citizen. I believe this fine columnist performs a distinct public service with an accurate portrayal of this problem and I ask unanimous consent that her column, entitled "Your Money's Worth—Signs of Stability Seen in Dollar's Buying Power," be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YOUR MONEY'S WORTH—SIGNS OF STABILITY SEEN IN DOLLAR'S BUYING POWER

(By Sylvia Porter)

Let's say that America is on the threshold of a new cycle of stable living costs. What would this mean to you?

There are provocative signs that the forces which have spurred a leapfrogging of prices ever since the start of World War II finally are losing steam. Propelling us toward a new phase of reasonable stability in the dollar's buying power are such factors as: a balanced Federal budget, restraint on credit, intense competition among U.S. businessmen, soaring competition from foreign imports of goods, the vast, new productive capacity of our industries and of foreign corporations too, a mounting consciousness of inflation's evils throughout the Western World.

Let's say, then, that this impressive combination of forces does make price stability a reality at last. What would this mean?

TO YOU AS A SAVER OF DOLLARS

It would permit you to save dollars with confidence that they will have just about as much buying power a couple of years from today as today. You could buy high-grade bonds paying you a fixed annual income or deposit your cash in a savings account and be satisfied that the income you earn on the savings would much more than cover any gentle rise in the price level.

TO YOU AS A PERSON LOOKING FORWARD TO A PENSION

You could dismiss the gnawing fear that the pension being accumulated for you which appears adequate now might be painfully inadequate a few years from now. You could build a financial retirement program on the basis of your social security with assurance that the program would allow you to live out your senior years in dignity.

TO YOU AS A HOLDER OR BUYER OF STOCKS

An era of stable prices would let the corporation in which you are an owner plan properly and intelligently for a normal, sustained growth in production, sales, and profits. It could base its expansion plans on its belief in the Nation's future prosperity instead of on its dread of future inflation of costs. You could buy and hold stocks as an investment anticipating a share in your country's sound growth rather than as a gambler anticipating a share in its unsound speculative bubbles.

TO YOU AS A HOME BUYER

A steady dollar would help end today's feverish and dangerous speculation in land and real estate. It would give you a chance to buy more quality and quantity of house with your housing dollar.

TO YOU AS A SMALL BUSINESSMAN

Stable prices would give you a better chance to survive. You've been at a heavy disadvantage because you haven't had the cash or borrowing power to load up on goods as bigger firms have and thus you've not been able to benefit from the periodic "windfalls" of inflationary price rises. Steady prices would cut your competitive disadvantage.

TO YOU AS A HOUSEWIFE

You could pass on to your family the benefits of its rising income. No longer would you be under the destructive strain of trying to manage in a period of ever-rising prices and of knowing your choices are to reduce your family's standards or nag your husband for more money.

TO YOU AS A WAGE OR SALARY EARNER

You wouldn't see your extra pay dollars disappearing into extra living costs. You could get off the treadmill and could really move up the living standard ladder as your paycheck rose.

The PRESIDING OFFICER. Morning business is closed.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

Mr. TALMADGE. Mr. President, I move that the Senate resume the consideration of Calendar No. 817, House bill 1.

The motion was agreed to; and the Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CRIME AND ENFORCED INTEGRATION

Mr. JOHNSTON of South Carolina. Mr. President, the September 7, 1959, issue of Newsweek magazine contains two extremely interesting articles, one entitled "Massacre in New York," and the second entitled "Epidemic in Washington."

The article "Massacre in New York" relates how two rival gangs, one of Negro youths and the other of Puerto Rican youths, erupted in one of the worst gang wars in Manhattan's lower east side history. Four died and 15 were hospitalized as a result of knifings, gunshot, or bludgeon wounds.

I believe it would be a fair question to ask the proponents of integration why, in the city of New York, where integration has been practiced for years, and where many statutes prevail on the books to enforce integration, are there gangs of youths who, in the midst of all this legal integration, have segregated themselves into such hate gangs? I believe it is a fair question for proponents of civil rights legislation to ponder before they vote to force more integration upon more unwilling people in our country.

The article "Epidemic in Washington" describes the National Capital as "a crime-infested morass in a miasma of brutality." This is one of our leading national magazine's description of our once universally beloved Capital City.

This article relates the cold statistics of crime in Washington, and reiterates the appalling incident recently involving Representative CHARLES DIGGS, JR., of Michigan, a Negro Member of Congress. The article quotes Representative DIGGS as saying, "I know that there are certain conditions which produce this kind of antisocial attitude."

Mr. President, there are many Members of the Congress who knew in advance that the practice of forcing integration upon people would produce this kind of antisocial attitude. However, there were, and there still are, people in high office who insist that forced integration has nothing to do with the crime rate, the immorality rate, and the general rate of decline of respect for law enforcement found in large cities where integration is forced on people against their will.

I hope every Member of the Senate will read these two articles and ponder the grave question raised by these statistics and these descriptions of conditions in America's largest city and in America's National Capital, two places where forced integration has been experimented with more than any other places in the United States. I ask that they heavily weigh these facts before they go forward to vote for more civil rights legislation that will force inte-

gration upon other areas in the Nation where it is not wanted.

I ask unanimous consent that these two articles be printed in the RECORD following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Newsweek, Sept. 7, 1959]

MASSACRE IN NEW YORK

It started as the week started, and when the chill rain ceased and the heat became fierce again, it spread like a dread contagion. At first, the Sportsmen, mostly Negro, and the Forsyth Street Boys, mostly Puerto Rican, breached a 3-year truce to launch a deadly rumble in Manhattan's Lower East Side. Next, violence flared in Brooklyn and in the Bronx, and in Jamaica, where the Chaplains, Sinners, Bishops, and Cheyennes fight to the death for territorial rights. At the weekend the West Side of midtown Manhattan erupted. The week's toll in New York City's interminable teenage gang wars: Four dead; at least 15 hospitalized with serious knife, gunshot, or bludgeon wounds. Two of those slain were 16; one, 15, and a girl; one 14.

Among the gang arsenals seized by police in the aftermath were zip guns, switch-blade knives, daggers, blackjacks, chains, lengths of iron pipe, meat cleavers, and a sword cane.

Julio Rosario, 14, was an active combatant when war broke out anew between his Forsyth Street Boys and the Sportsmen as the week began. Two days later he died in a hospital, of knife wounds in the back. Theresa Gee was simply getting some fresh air on a doorstep when one of a fusillade of .22-caliber bullets killed her instantly. Her 17-year-old slayer, leader of the Forsyth Boys, was quickly apprehended and offered only one appalling excuse. "I didn't know I was shooting a girl," he said.

As the week ended, Robert Young and Anthony Kerzenski, both 16, were sitting with friends on a bench in an unlighted Hell's Kitchen playground after a movie, when the assailants struck, yelling, "No gringos in the park."

Bleeding from stab wounds, Young and Kerzenski staggered to the nearby apartments of friends. Both fell dead as they crossed the threshold. An 18-year-old companion, Ewald Riemer, stabbed in the abdomen, was rushed to a hospital where his condition was listed as satisfactory. Harold Luken, 16, was treated at a hospital for injuries suffered when he was struck on the head with a bottle during the melee.

The survivors estimated that their knife-wielding, bottle-brandishing attackers had barely reached their teens.

TIME OF MOURNING

The deaths of Julio Rosario and Theresa Gee turned the Feast of St. Augustine, normally a gay and festive occasion for the members of St. Augustine's Chapel of Trinity (Episcopal) Parish on the Lower East Side of Manhattan, into a time of solemn prayer and mourning.

Instead of dancing in the streets until well past midnight, more than 200 men, women, and children, led by the Reverend C. Kilmer Myers, held a solemn procession. They walked through block after block in double file, in slow, measured steps, bearing aloft a statue of St. Augustine and carrying lighted candles. And, wherever they went, they handed out leaflets, in English and Spanish: "The people of St. Augustine's Chapel ask you to join them in public prayer that God will reconcile us, one to another, and bring an end to fear and hatred."

But even before Julio Rosario was buried, the phone rang in the home of his grief-stricken parents, and a threat was made that his brother would be "knocked over next."

And while the prayers of Trinity Parish still echoed in the East Side, Robert Young and Anthony Kerzenski died 3 miles to the west.

[From Newsweek, Sept. 7, 1959]

EPIDEMIC IN WASHINGTON

To the tourist, Washington, D.C., was still the same inspiring city of monumental buildings, tree-lined avenues, and statue-studded parks, exuding an atmosphere of pride in history and confidence in the future.

To its alarmed residents, however, the Capital of the United States was beginning to look last week more and more like a crime-infested morass in a miasma of brutality.

In the first 6 months of the year, the crime rate had rocketed 15.3 percent and juvenile crime, over a 12-month period, had increased by 25 percent, compared with a national average of 6.5. Washington, which ranked only ninth in population among the Nation's cities, was 6th in murder, 4th in aggravated assault, 12th in forcible rape.

Muggings had become so widespread that not even the most fashionable neighborhoods were immune.

The experience of Rosina Quarles, widow of Deputy Defense Secretary Donald Quarles, was typical. Mrs. Quarles was waiting for her car on the well-lighted corner of 29th Street and Woodley Road in a fashionable section of Washington. "A boy came out of nowhere like a flash," she recalled from her bed in Walter Reed Hospital. "He hit me and I hit the sidewalk."

The hoodlums seemed to have little fear of police. On the alert for members of a gang that had slain an Air Force sergeant when he caught them looting his car, Patrolman William Maginnis stopped a man for questioning.

"All of a sudden * * * the man swung around and hit me in the mouth with a bottle," Maginnis said later. "I had him nearly subdued when someone hit me on the head from behind."

Maginnis recovered consciousness in a hospital. He was one of nearly 150 officers assaulted since January of this year. There were 26 such attacks in July alone.

"We saw a man being kicked and beaten," reported Representative CHARLES DIGGS, JR., of Michigan recently. "We yelled at them to stop * * *. Then a couple of them, one with a knife, came toward us and we drove away to call police."

The assailants were a gang of Negro toughs. Next day Representative DIGGS, a liberal Democrat and himself a Negro, said: "I know that there are certain conditions which produce this kind of antisocial attitude, but we need more responsibility on the part of the Negro community, too. We can't just blame conditions and let it go at that."

THE REASONS WHY

DIGGS was aware that in recent years Negroes had been pouring into integrated Washington as fast as whites moved to the suburbs of Maryland and northern Virginia, until they constituted 54 percent of an estimated 1 million population. And he also knew that the crime rate had increased apace. But there were other basic reasons for the epidemic of violence.

For one, the voteless District of Columbia, governed by Congress through a Board of Commissioners, was limited by congressional act to only 2,500 policemen. (New York, with about eight times the population has nearly 10 times the number of police, and needs more.)

For another, Congress had authorized only one juvenile court judge, and he was so swamped that of 2,116 delinquency cases in the past fiscal year, 948 had been swept under the carpet without so much as a court hearing. (One of the suspects arrested for the attack witnessed by DIGGS was a 16-year-old who had been awaiting trial 8 months on a mugging charge.)

What would Congress, traditionally indifferent to District of Columbia woes, do about the increasingly critical situation?

Last week, as the Senate Appropriations Committee ended hearings on the Capital's crime wave, Chairman CARL HAYDEN of Arizona said: "I think a pretty good showing was made for more police."

But most Congressmen were preoccupied with other matters and hope of early adjournment, and few, even of those who expressed concern, spoke with the urgency of Representative DIGGS. Apparently he was right: "You don't really understand it until you see it * * *."

Mr. WILEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPATRIATION OF KOREAN NATIONALS BY JAPAN

Mr. BRIDGES. Mr. President, I am sure that all the Members of the Senate recall with pride the great sacrifice for freedom American boys made on the battlefields of Korea. It is one of the proudest chapters in our history. Their heroism and blood—and the treasure of America—were poured out in full measure to halt the unprovoked aggression of the North Korean Communists against the Republic of Korea. And we must not forget in this era of so-called relaxed tensions between the free world and the Soviet Union that the aggressors in that tragic war were aided and abetted in no small measure with arms, munitions, soldiers, and technical assistance from Communist China.

America and the United Nations, in unison with the heroic soldiers of the Republic of Korea, did halt the challenge of North Korean aggression—but only at a terrible price.

I am sure that Members of the Senate would react with grave concern if anything was done by the free world which might—even indirectly—serve to build up the armed strength of North Korea which has been branded as an aggressor by the United Nations.

There are roughly 60,000 American boys in uniform stationed in the friendly nation of South Korea. They are there to insure continued peace in this troubled land, to insure one of the most heroic allies this Nation has ever had that its future will be secure.

Recent press announcements have carried the news that the Japanese Red Cross and the North Korean Red Cross, operating under the guidance of the International Committee of the Red Cross in Geneva, signed an agreement in Calcutta making it possible for those Koreans living in Japan who wish to return to North Korea to do so.

Now, Mr. President, when I first heard about this, I was determined to investigate the matter fully—not only because I could not, in good conscience, remain silent if Koreans were being forcibly returned to North Korea, but because my genuine affection for the South Korean Government automatically prompts me to defend their cause in these perilous times.

This is a matter in which two very stanch allies of the United States are involved and one, therefore, which must be considered with strict impartiality and without emotion.

The State Department has assured me that any repatriation that is undertaken under this agreement will be on a strictly voluntary basis; that there will be no enforced deportation of Korean nationals to either North or South Korea; as a matter of fact, they have assured me that the Japanese Government is perfectly willing to allow those Koreans who wish to remain in Japan to do so.

The North Korean Communist government, naturally, is conducting a campaign, backed by Peiping and Moscow, to encourage Koreans resident in Japan to return to North Korea. However, since the International Committee of the Red Cross has agreed to see to it that those returning are returning by free choice, it is my hope that the pressures and propaganda of the North Korean Communists will not be successful in sabotaging this repatriation program.

The Japanese Government, one of the stanchest outposts of freedom in the Pacific, has given its assurances that free choice will be insisted upon in this program—that there will be no enforced deportation of unwilling Korean nationals. The International Committee of the Red Cross has agreed to oversee this operation and apprise those Koreans involved of their rights of free choice under the agreement. But we must never underestimate the tactics of the Communists. There is no doubt that attempts will be made to frustrate the purpose of this repatriation program.

I am sure all my colleagues will agree that it is incumbent upon us to watch this program carefully. If there is any evidence whatever that the Communist North Koreans are attempting to deny basic rights to those Koreans who wish to return to South Korea, or are attempting to make a mockery of the good offices of the International Red Cross, then, as the allies of the Japanese and South Korean people, it is our duty to expose their activities.

Mr. President, in dealing with the Communists, a suspicious nature is a must. I share the concern of our heroic wartime allies, the South Koreans. I also have faith in our Japanese friends and the International Red Cross. To them both I want to say that I, for one, will not remain silent if the North Korean Communists attempt to go back on their solemn agreement to allow free choice to reign supreme in the repatriation of Korean nationals from Japan to the Korean Peninsula.

STEEL PROFITS

Mr. KEFAUVER. Mr. President, when on August 19 Secretary of Labor Mitchell presented his report, "Background Statistics Bearing on the Steel Dispute," I commended him for having issued it, stating that it would have "general usefulness." At the same time, however, I observed that it contained certain deficiencies which I planned to discuss at a later date. On August 20 I did discuss one of these deficiencies—his handling of the figures on productivity—CONGRESSIONAL RECORD, August 20, 1959, pages 16541–16543. Now I wish to discuss Secretary Mitchell's treatment of profits. This is a difficult field of analysis in which the Department of Labor has no particular expertise. It is regrettable that in presenting data in this unfamiliar area the Department has unwittingly, I am sure, followed procedures which seriously impair its findings.

The profit data in Secretary Mitchell's report are presented in the form of charts showing profits as a percent of revenue—or sales—and as a percent of stockholders' equity—or net worth. In the former the trend is slightly downward, and in the latter distinctly downward.

Except for one chart which includes the year 1940, the trend lines begin with 1947 and end with 1958. The year 1947, of course, was a period of pronounced steel shortages and followed hard on the heels of the repeal of the excess profits tax, the effect of which of course was to result in a sharp rise in profits after taxes. Beginning a trend line in a year such as that and ending it with the recession year of 1958 would almost inevitably produce the impression of a general decline in profits. I recognize that by the use of small dots the report does show profit levels in the first half of this year. Members of the general public to whom this report is addressed can certainly be excused if they fail to recognize the significance of these rather inconspicuous dots.

But the principal basis for criticizing the handling of the profit data lies in the fact that the report ignores the effect on profit rates of the level of steel production as a percent of capacity, or the operating rate, as it is termed. It is a matter of demonstrated fact that in the steel industry profits are determined to a very considerable extent by the operating rate. To show that the industry had a lower profit rate in a recession year, such as 1958, than in a year of high production does not in any way indicate a decline in the industry's profitability. This can only be determined by using methods of analysis which take the variations in the operating rate into account. The simplest of these methods is to compare profits in 2 years of roughly similar operating rates.

I have had prepared a comparison of this type between the first half of 1959 and 1953, both periods of high production. Profits are compared on the basis of three measures: Profits as a percent of net worth, profits as a percent of sales, and profits per ton of finished steel shipped. They are presented for the industry's four largest companies—United States Steel, Bethlehem, Republic, and Jones & Laughlin:

	Operating rate	Profits (after taxes)		
		Per ton shipped	As percent of—	
			Net worth	Sales
United States Steel:				
1953	98.4	$8.85	9.9	5.7
1959 (1st half)	87.3	18.88	16.7	10.1
Bethlehem Steel:				
1953	100.4	10.53	13.9	6.4
1959 (1st half)	90.9	15.95	15.1	8.5
Republic Steel:				
1953	94.5	7.27	12.5	5.0
1959 (1st half)	87.9	16.74	18.8	8.6
Jones & Laughlin Steel:				
1953	96.0	7.25	9.9	4.9
1959 (1st half)	94.0	(1)	15.6	7.6

[1] Not available.

As between these two periods of high operating rates, there occurred in this relatively short span of 6 years, sharp increases for each company in each of these measures of profitability. In the case of United States Steel, its profits per ton more than doubled; its profits as a percent of net worth increased over 60 percent; and its profits as a percent of sales nearly doubled. For the steel industry as a whole, profits as a percent of net worth rose from 11.2 percent in 1953 to 15 percent in the first half of 1959. The general showing is therefore not one of decreasing profitability, as might be inferred from the Secretary's report, but of increasing profitability.

In addition to his failure to relate profit rates to operating rates, Secretary Mitchell also used a statistical measure which significantly understates the level of profits in the steel industry. The industry category which he uses for his profit figures, "primary iron and steel," includes not only steel companies but firms in a number of other industries which are separate and apart from the steel industry. These other industries are principally "gray-iron foundries," "malleable iron foundries," and "steel foundries." By comparison with the steel industry they are distinctly small business industries, numbering over 1,500 separate firms and having an average value added by manufacture in 1954 of less than $1 million per company, as compared to approximately $40 million per company for the steel industry.

In the aggregate, however, they represent about one-fifth of the value of primary iron and steel. Since foundries tend to be highly competitive and have been adversely affected by substitute products, it is not surprising that their inclusion tends to depress the profit rate of the industry group used by Secretary Mitchell. In 1957, for example, the profit rate as a percent of net worth for primary iron and steel was 11.4 percent. This, however, was an average of a higher figure for steel companies alone of 12.4 percent and a lower figure for the foundries of 8 percent. The profit rate used by Secretary Mitchell was ac-

tually 11.1 percent, but this is based on stockholders' equity at the end of the year. The figures presented here, like those for the steel industry as published by the Federal Trade Commission, are based on the average of stockholders' equity at the beginning and end of the year.

The title of Secretary Mitchell's report, it will be remembered, is "Background Statistics Bearing on the Steel Dispute." It is unfortunate that in presenting his figures on profits he uses a measure which is biased downward by the inclusion of companies that are not parties to the steel dispute nor even part of the steel industry.

Mr. President, while I have been somewhat critical of certain aspects of the Secretary's report, I wish again to compliment him for his foresight and energy in having had it prepared. It contains a great deal of information which is useful, pertinent and accurate. My remarks of today and last week were motivated not out of any animus toward the Secretary, whom I hold in the highest esteem, nor out of any partisanship to the cause of labor. They were motivated simply by my conviction that a price reduction in the steel industry is not only desirable but necessary to protect the consuming public against further inroads of inflation. The question of whether there is room for a price reduction will hinge very largely on these two issues of productivity and profits. I hope that my remarks will constitute at least a small contribution toward greater understanding of these two complex issues.

THE NAZIS' ATTACK ON POLAND 20 YEARS AGO—A TRIBUTE TO POLISH COURAGE

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared relating to the attack on Poland 20 years ago by the Nazis.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

The date of September 1 will be remembered in history for a tragic affair: the invasion of Poland by Nazi Germany under Hitler in 1939. Today, 20 years after that terrible Friday morning, we can see that the fate of the United States and of the world was tied up in that event.

I think it is good to remember, Mr. President, that Poland was a victim of the Molotov-Ribbentrop nonaggression pact and that but for this assurance that Russian troops would be "quiet on the eastern front," Hitler would not have dared extend his lines to the east and to expose his western flank. I don't want to use any sort of hindsight here to say what might have been done, but I do want to emphasize that free Poland was the first country to resist the encroachment of Nazi Germany and she suffered for her courage. Twenty years ago in the ruins of Warsaw, I'm certain the good Polish people would never have dreamed that in 1959 on September 1, there would still be bomb scars to remind them of that day and that their history would have been so tragically changed in one generation.

There is no need for me to recall how the gallant Polish farmers, workers, and soldiers tried to stem the tide of Nazi tanks, and how the people of Warsaw were the first to learn of saturation bombing as carried out by Luftwaffe Stukas. The entire resources of a proud and fierce nation were marshaled against the most powerful war machine in Europe. We learned the meaning of the word "blitzkrieg." But I do not want to stop with the year 1939, but to go on to our present date, September 1, 1959.

The Polish people have only recently been able to start slow recovery from the crushing effect of the German occupation and the subsequent oppression of the Stalin era. When, today, we talk with Polish intellectuals and Members of the Diet, when we understand the depth of student and cultural exchange programs, when we read Polish books and see Polish films, then we can begin to comprehend the true soul of this nation, enslaved so many times during its long history.

And this can help us to understand Poland today. We must never forget that September 1, 1939, marked the beginning of World War II and we have obligations stemming from the outcome of that conflict. We must place on the agenda of all international East-West meetings the freedom of the captive nations of Eastern Europe, and we must open our doors to their refugees—particularly, to those who have been homeless since that day in September of 1939. It is time we looked at our immigration laws from this point of view, and it is time we recognized the shame of deporting refugees of good character to Poland rather than allowing them to stay in our land. America has been enriched and made stronger by the immigration of people from Poland.

To offer encouragement to the Polish people we should extend to them economic assistance, quantities of our food and fiber, and engage in exchange programs. As a symbol of our friendship it would be well to provide funds for a children's hospital such as I have proposed in the form of an amendment to the mutual security appropriation bill. We must realize that Poland's western border—on the Oder-Niesse River—is a historical and traditional boundary, and that we should take steps to recognize this line as the boundary of postwar Poland.

A tremendous change has taken place in Poland since 1956, and we should do all we can in the best interests of the Polish people to encourage for them a greater measure of freedom. We must visibly demonstrate our belief in the importance of Poland and the other countries of Eastern Europe as nations in their own right, and we should do all possible to keep our faith with the peoples of these countries.

THE LITERARY APPROACH IN FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, in recent months there have been many unfortunate and inaccurate allegations published in books and magazines. Riots have been inspired and ill feeling toward the United States is often generated by these publications. I realize that there is no medium of communication, including the CONGRESSIONAL RECORD, which can begin to reach the enormous public that these magazines serve. However, even though it is a futile gesture, I wish to insert in the RECORD at this point in my remarks the copy of a letter recently addressed to the editor of Time magazine by Dr. Frederic H. Young, of New Jersey, who recently served as a professor in India. The letter speaks for itself and is but further proof of what all of us know about the nature of the dramatic and flamboyant allegations which continue to appear in our press.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UPPER MONTCLAIR, N.J., *August 11, 1959.*

Senator FULBRIGHT,
Chairman, Senate Committee on Foreign Relations, Washington, D.C.

DEAR SENATOR FULBRIGHT: I knew you would be interested in the copy below of a letter to the editor of Time. Have sent copies to Premier Nehru, Sri Radhakrishnan, vice chancellors at the universities in India where I was visiting professor, and the U.S. Educational Foundation in New Delhi. Again, let me say we enjoyed meeting you and Mrs. Fulbright at the reception in New Delhi last October.

Ever yours,

FREDERIC H. YOUNG.

AUGUST 9, 1959.

The EDITOR OF TIME MAGAZINE,
New York City.

DEAR SIR: As a Fulbright professor of philosophy to Indian universities, including Calcutta (my host university), Poona, Punjab, Kerala, Madras, Bombay, Jadavpur, and Baroda, and who has recently returned to America a few months ago, I was disturbed deeply by the item, "Factories of Futility" under "Education," in the August 10 issue of Time. In justice I must object sharply in respect of one or two points.

In general the report on the situation in higher education in India is correct; there is a critical condition indeed in the universities with respect to pressure for admission, and with regard to the lack of opportunities for professional employment after graduation. My objections are specific; namely, the reference to "badly trained professors," and to Calcutta University as "so completely a factory that it runs classes in three shifts a day." Both of these statements (with full recognition of their contexts), bear the aspect of superficial generalization.

The reference to "badly trained professors" is unfortunate, since, though there are no doubt some in that category, the professors in philosophy whom I met were some of the finest trained and intellectually gifted men I have met in any universities around the globe. There should have been more qualifications connected with the phrase (after all, we have enough of "badly trained professors" here, and their number is increasing).

As for Calcutta University being a factory—well, is this any less true of some of our American metropolitan universities, who also virtually run classes in three shifts.

Finally, I found in philosophy that the students were anything but perfunctory in response—seminars and discussions after my lectures would run from 3 to 4 hours. And the lectures by Indian professors whom I heard, were the opposite of mechanical. Now I know the danger of generalizing from my experience in philosophy, to a view of the total university situation in India. But I am equally conscious of the same danger, or rather, the mistake, of generalizing without proper qualifying statements, which mistake has been committed in "Factories of Futility."

Mrs. Young and I came home with much respect and affection for the Indian people. They have vast and critical problems in all aspects of their national life. They deserve our most sympathetic understanding, but we

cannot indulge in reports which, however unintentionally, are unjust in their effect.

Sincerely,

Dr. FREDERIC H. YOUNG,
Fulbright Professor of Philosophy to India, New Jersey State College, Upper Montclair, N.J.

Mr. FULBRIGHT. Mr. President, I also ask unanimous consent that there be printed in the RECORD at this point an article entitled "The Ugly Cult," by Ernest K. Lindley, in Newsweek magazine of August 31, 1959, and a copy of a letter from Edward S. Prentice of Palo Alto, Calif., to Roy W. Howard, president of Scripps-Howard newspapers.

Mr. Lindley succinctly points out six mistakes which we are making in our approach to foreign relations. Among the most serious of these mistakes in my judgment—and apparently in Mr. Lindley's also—is the sensational type of journalism and pseudojournalism exemplified by the Colegrove articles on Vietnam and the book, "The Ugly American," which I am sure will lose none of its sensationalism in its adaptation for the screen.

One of the most unfortunate results of books and articles of this kind is that they divert attention from the real problems we face and lead us to fritter away our energies in disputes among ourselves and over matters which are not peculiar to the foreign program but are rather typical of our governmental administration. Our mass media bear an enormous responsibility for this state of affairs. Mr. Lindley is one of too few voices crying in the wilderness. I am pessimistic of our ability to do the things which we imperatively must do so long as so much of the information reaching the public misses the point and confuses rather than clarifies the real issues.

There being no objection, the article and letter were ordered to be printed in the RECORD, as follows:

[From Newsweek magazine, Aug. 31, 1959]

THE UGLY CULT

(By Ernest K. Lindley)

Against the ominous backdrop of the Communist aggression against Laos, I should like to point to some of the mistakes we are making, or seem to be slipping toward, in the struggle for Asia. By "we" I mean not just our Government, or parts of it, but unofficial Americans. And I am not concerned here with past mistakes. The favorable tide I found on my recent survey of 17 Asian nations and colonies exists in spite of them. My concern is about current and possible future mistakes that might reverse this tide:

1. The worst general mistake is to pay attention to such a preposterous book as "The Ugly American," a grotesque cartoon of a few misfits and errors of the past. Some of its suggestions for improving American operations in Asia are out of date—already having been put into effect. Some are ridiculous. At the same time, it ignores some of the things Asians most need from us. As a result, anyone who takes this book seriously is misinformed about the present situation and badly advised as to the future. (For an informed American's critique, see the article by Thomas W. Wilson, Jr., in Harper's for June.)

Few free Asians I saw on this trip had read this book. They were too intelligent to take it seriously, although some remarked that it furnished propaganda for our common enemies and one noted that it was insulting to Asians. The distinguished Thai editor, Kukrit Pramoj, has written an urbane reply (with implied reference also to Graham Greene's "The Quiet American"). He calls it: The Loud and Beautiful American. Due to appear in the September issue of Pacifica, it deserves an audience throughout America.

It is the effect of "The Ugly American" on Americans, including some of Congress and certain sections of the press, which disturbs a U.S. observer just returned from Asia. One shudders to think how many more people, here and throughout the world, may be misled by the movie version.

2. Sensational journalism in "The Ugly American" vein. A recent series of largely unverified charges concluded that our aid program in South Vietnam is a "fiasco." Even if every charge were true—which is not the case—the net effect was a wrong impression of the situation and what has been achieved. Vietnam has made more striking progress in more ways than any other of the 17 Asian nations and colonies I revisited on my recent tour. Overall, the American aid program there has been a great success. These articles were an affront to an ally who has accomplished wonders but is still battling the Communists. They made propaganda for the enemy. And the Communists are also making propaganda use of the resultant congressional inquiries: Saying that they prove we regard our Asian allies as colonies, not as independent nations.

3. Congressional rehashes of bad situations that had already been cleaned up. Prime example: Laos. This inquiry directed attention to an obsolete past at the very time that a new, clean, courageous government was braving the gathering storm that has now broken.

4. Cuts in military aid. It is folly to reduce the military forces of the frontline free nations of Asia. Laos is a stark warning. We may have overarmed one ally—Pakistan—although I don't think so. The solution is a settlement between India and Pakistan, followed by a joint defense of the subcontinent, as advocated by President Ayub Khan of Pakistan.

5. The failure to put our development loans on a 5-year basis, so that Asian development programs can be more systematically planned.

6. Too much redtape. It slows and hampers our aid programs. Congress should try to reduce it.

These are the serious mistakes, a prescription for defeat. Of course, we should always be on guard against corruption and waste—although it's unreasonable to expect Western standards of all the new Asian governments. But we can't win the struggle for Asia—and the world—by beating the heads of our friends and the many competent, experienced, dedicated Americans who represent us overseas. Let us rid ourselves of this ugly cult, this masochistic defamation of American intelligence and character and of the Asian leaders and peoples who stand with us in the struggle for freedom.

PALO ALTO, CALIF., *July 27, 1959.*

Mr. ROY W. HOWARD,
President, Scripps-Howard Newspapers, New York, N.Y.

DEAR MR. HOWARD: I should like to take serious issue with a matter of distorted and unfair reporting. I refer to Mr. Albert Colegrove's series of articles on U.S. aid in free Vietnam. In these articles, Mr. Colegrove is grossly unfair to the field personnel, and he fails completely to reach the heart of the problem of administering the foreign aid program.

Having worked overseas in aid programs for 8 years, I am convinced that foreign aid can be improved only by finding better leadership and understanding both in Washington and in the field. Better leadership means trained professional personnel of the highest caliber. Unfortunately, stories such as those written by Mr. Colegrove do great damage to those all too few able people who by reason of sincere dedication of purpose still belong to the International Cooperation Administration. They also seriously hamper efforts to attract new, highly qualified employees.

As to the specific program in Vietnam, there is no question that some of the projects mutually agreed upon between the Vietnamese and the United States may not have been those which you or I would choose as destined to make the greatest contribution to this joint effort in nation building. However, most of the ineffectiveness in this and other programs can be laid at the feet, not of the ICA mission director or his subordinates, but of the slow-moving, cumbersome machinery of government in Washington and the prevalence of a timid leadership which trembles at the query of a hostile Congressman or the critical pen of a Mr. Colegrove.

Should you wish to do a real public service as an able and public-spirited newspaper publisher and journalist, I would suggest that you strike at the heart of the problem of aid. This does not lie in any field mission; rather it lies squarely in Washington where the lack of positive policies and inspired leadership, such as that provided by Mr. Paul Hoffman during the Marshall plan days, has resulted in a steady exodus of able brains into private enterprise at the expense of well-planned and well-conceived policies and their execution.

Sincerely yours,

EDWARD S. PRENTICE.

AMENDMENT OF TITLE 46, UNITED STATES CODE, RELATING TO TYPES OF ARRESTMENT PROHIBITED WITH RESPECT TO WAGES OF CERTAIN SEAMEN—CONFERENCE REPORT

Mr. TALMADGE. Mr. President, the senior Senator from Washington [Mr. MAGNUSON] has a conference report to submit, and of course it is a privileged matter.

Mr. MAGNUSON. Mr. President, I submit a report of the committee on conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1958) to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 31, 1959, pp. 17401–17402, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question now is on agreeing to the report.

The report was agreed to.

WATER POLLUTION CONTROL

Mr. HUMPHREY. Mr. President, one of the bills pending on the Senate Calendar, having been already acted upon by the House of Representatives, and,

having been favorably reported by the Senate Committee on Public Works, due to the very able and efficient leadership of my distinguished colleague, the present Presiding Officer [Mr. McCARTHY], is the Blatnik-Humphrey water pollution control bill, to extend assistance for local communities to build sewage treatment plants.

This particular bill is of such vital importance that I am hopeful that it will be given priority consideration before the Congress adjourns.

I ask unanimous consent that a newsletter which I have prepared explaining this particular bill be printed at this point as a part of my remarks.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

CLEAN WATER: THE NATION'S NEED

Without clean, fresh water, we simply could not live on this planet. Water-supply experts see a top limit of 600 billion gallons a day on the supply of water. Already we use 270 billion gallons a day, and the experts predict America will be using the full 600 billion gallons a day by 1980. By 1980 we won't be able to waste a single gallon of water. Yet pollution of our water supply by sewage and industrial use is a growing threat to this vital national resource. Thanks to the hard work of Senator EUGENE J. McCARTHY, the Senate Public Works Committee last week approved the Blatnik-Humphrey water pollution control bill to expand Federal assistance to local communities to build sewage treatment plants.

ACTION BY CONGRESS

Since the Federal water pollution control program began 3 years ago, construction of sewage treatment plants by local communities has increased from an average of $222 million to more than $380 million a year. But to catch up with the backlog of sewage treatment needs, to replace obsolete sewage plants and to keep up with the growing needs of our people and our industries, we must invest at least $575 million a year on sewage plants, according to the Public Health Service. Our legislation calls for $100 million a year in grants, with local communities paying 70 percent of the total costs of their projects. The House has approved the full figure, and the Senate Public Works Committee, last week supported a figure of $80 million a year. We are assured, then, of getting a substantial increase over the present $50 million annual program.

BENEFITS FOR MINNESOTA

During the past 3 years under the Blatnik-Humphrey Water Pollution Control Act, 29 Minnesota communities have received Federal grants to help build needed sewage treatment plants at an estimated total cost of $11,300,000. Three-fourths of these communities have less than 25,000 population. Without the 30 percent Federal contribution, many communities would not be able to go ahead on these urgent self-help water pollution control projects. Dr. R. N. Barr of the Minnesota Department of Health estimates that Minnesota sewage plant construction in the next 3 years will total about $21 million if there is sufficient Federal aid. Other new sewage plant construction and improvement needs in Minnesota would total another $110 million.

WATER POLLUTION CONTROL

The pollution control program is primarily a community self-help program. Federal grants can stimulate and encourage municipalities to take care of their sewage treatment needs, especially when they need just a little help to get over the hump. Under the new Blatnik-Humphrey proposal, we will also encourage many small communities to join together in building areawide sewage facilities by increasing the maximum project grant from $250,000 to $500,000. This program will promote good engineering practices and community responsibility. It will also protect our water resources—resources vital to our industry and farms, wildlife, and recreation and vital to the health of every American.

NUCLEAR WEAPONS AGREEMENTS AND DISARMAMENT EFFORTS

Mr. HUMPHREY. Mr. President, in order that a subject which was discussed some time ago in the Senate may be given the final treatment it requires because of the seriousness of the situation, I invite the attention of Senators to an exchange of letters between the Acting Secretary of State, Mr. Douglas Dillon and the distinguished Senator from New York [Mr. JAVITS], and between Acting Secretary of State Douglas Dillon and the senior Senator from Minnesota. Mr. Dillon's letters were in reply to communications which Members of the Senate had sent to the President, relating to the transfer of information regarding nuclear weapons and nuclear weapons testing. A letter dated July 25, 1959, and signed by 13 Democratic Senators, was sent to the President, calling to his attention the agreement on nuclear sharing, and urging the President to state affirmatively and directly that these agreements and the sharing of nuclear weapons materials and data in no way prejudiced our position on disarmament, and in no way limited the willingness of our Government to engage in discussions relating to arms control arrangements in Europe, or agreement on the reunification of Germany.

I ask unanimous consent that the exchange of letters to which I have just alluded, including letters from the Acting Secretary of State as well as letters to the President of the United States, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, August 19, 1959.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: At the President's request the Department has given careful consideration to the letter addressed to the President by you and 13 other Members of the Senate on July 25 in which you suggested a declaration of policy concerning the agreements between the United States and certain other members of NATO on atomic cooperation for mutual defense.

As the President pointed out in transmitting the agreements to Congress, they are a partial implementation of the decisions taken at the NATO heads of government meeting of December 1957 in which the President participated. The decisions taken at that meeting were based upon political and defense objectives, which have remained the principal elements of NATO policy since that time. Among the political objectives which the heads of government of all NATO countries set forth at the conclusion of that meeting was disarmament, as follows:

"We continue firmly to stand for comprehensive and controlled disarmament, which we believe can be reached by stages. In spite of disappointments, we remain ready to discuss any reasonable proposal to reach this goal and to lay a solid foundation for durable peace. This is only way to dispel the anxieties arising from the armaments race."

In its statement of May 7 of this year refuting Soviet allegations concerning the modernization of NATO defenses, the North Atlantic Council, which is, as you know, the permanent civilian body which defines and controls the policy of the alliance, reaffirmed the bases of the policy as laid down by the heads of government in December 1957.

The members of NATO have had the consistent objective of maintaining the peace through the maintenance of defensive military strength. You may be assured that disarmament is and will continue to be a prime objectives of NATO. These agreements are not inconsistent with this objective. They are permissive in nature and in no way preclude their participants from entering into international arrangements either for the control and reduction of armaments or for the reunification of Germany, if such arrangements can be achieved.

I believe, therefore, that this clear record of common NATO policy and purpose with respect to these agreements makes unnecessary a special policy statement of the sort which you propose. It has been a source of satisfaction to NATO that the agreements have gone into effect, and I am appreciative of the opportunity to explain the position of this Government with respect to these agreements and the vital problem of disarmament.

Sincerely yours,

DOUGLAS DILLON,
Acting Secretary.

JULY 30, 1959.

Hon. DWIGHT D. EISENHOWER,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: I write regarding the agreements between the United States and seven NATO countries on the transfer by the United States of certain information and material relating to nuclear weapons.

I have concurred with my colleagues in allowing these agreements to become effective, as I agree with you that they are needed in the security interest of the NATO alliance and therefore of the United States. It is a fact, though, that many citizens from my constituency have written me and called upon me urging that the result of these agreements may be to embarrass our efforts to attain agreements for the control and inspection of nuclear weapons testing and protection against surprise attack, and for the resolution of the problems of a divided Berlin and Germany. While the agreements are becoming effective, unanswered questions and developments of which these agreements may be a starting point appear to continue to trouble many Americans. I respectfully submit therefore that it would be helpful to the support for the President's foreign policy, in connection with the effectiveness of these agreements, for the President at a suitable opportunity to make a declaration on the subject. This declaration could be that the agreements in no way preclude the United States and the other parties to the agreements from entering into treaties in the future with the Soviet Union and other nations concerning the control and reduction of armaments, that they in no way prejudice the negotiations for the reunification of Germany, and that they in no way bind the United States to continue to supply the recipient governments with nuclear information and materials if this action should be prohibited by international compacts.

Such a declaration by the President would, I feel, be helpful to the President's peace leadership and evidence again the willingness of the United States at any time to consider

suitable proposals for the solution of outstanding differences such as the reunification of Germany and the reduction and control of nuclear weapons and other armaments.

Respectfully,

JACOB K. JAVITS.

JULY 25, 1959.

THE PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: We write to you regarding the proposed agreements between the United States and seven NATO countries on the transfer of U.S. nuclear weapons information and equipment.

As you are aware, the Atomic Energy Act of 1954, as amended, specifies that agreements on nuclear sharing go into effect unless Congress, within 60 days after the agreements have been submitted to the Joint Committee on Atomic Energy, acts by concurrent resolution to reject the agreements.

Although we have misgivings with respect to the United States entering into these agreements at this particular time, we have concluded that the problems involved in these agreements cannot be solved by the Senate and House passing a resolution of rejection.

A number of people in this country and abroad, nevertheless, question the necessity and wisdom of these agreements on sharing nuclear weapons materials and data. In view of this concern here and abroad, we respectfully suggest, Mr. President, that serious consideration be given to the issuance of a declaration of policy by you on behalf of the United States. We have in mind a declaration which would clearly show that the dictates of military policy do not take precedence over U.S. political and diplomatic policies. It could reassure our people that the agreements in no way preclude the United States from entering into agreements in the future with the Soviet Union and other nations concerning the control and reduction of armaments, that they in no way prejudice the reunification of Germany, and that they in no way bind the United States to continue to supply the recipient governments with nuclear information and materials if this action should be prohibited by international agreements dealing with arms control arrangements in Europe or agreement on the reunification of Germany.

Such a declaration by you or by all the governments to be parties to the agreements would demonstrate that military decisions are subordinate to larger political and diplomatic objectives. It would also indicate the peaceful intentions of the United States and our willingness at any time to consider proposals for the solution of outstanding political differences such as the reunification of Germany and for the reduction and control of nuclear weapons and other armaments.

Respectfully,

HUBERT H. HUMPHREY, JOHN A. CARROLL, FRANK CHURCH, EUGENE MCCARTHY, WAYNE MORSE, PHILIP A. HART, DICK NEUBERGER, JOSEPH S. CLARK, JOHN KENNEDY, WILLIAM PROXMIRE, STEPHEN YOUNG, HARRISON WILLIAMS, EDMUND S. MUSKIE, MIKE MANSFIELD.

ANALYSIS OF CIVIL DEFENSE

Mr. HUMPHREY. Mr. President, I invite the attention of Senators to an item which appeared in the Washington Post of this morning, a headlined story which I believe does not accurately reflect the position which was stated in the Senate by the senior Senator from Minnesota.

I hold in my hand an Associated Press dispatch from the Washington Post of this morning, entitled "Voluntary Shelters Plan Opposed by HUMPHREY."

The opening paragraphs read:

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, yesterday opposed a New York plan for voluntary construction of atomic bomb fallout shelters.

He urged instead a Federal program of direct or matching assistance to States and communities to build realistic protection against radioactive fallout.

HUMPHREY said in a Senate speech he was opposed to either a voluntary or mandatory plan of shelter construction which does not include Federal grants.

I ask unanimous consent that the entire story as reported be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VOLUNTARY SHELTERS PLAN OPPOSED BY HUMPHREY

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, yesterday opposed a New York plan for voluntary construction of atomic bomb fallout shelters.

He urged instead a Federal program of direct or matching assistance to States and communities to build realistic protection against radioactive fallout.

Humphrey said in a Senate speech he was opposed to either a voluntary or mandatory plan of shelter construction which does not include Federal grants.

"Certainly the average American can hardly be expected to take a voluntary shelter program seriously when the Federal Government does not itself require that its own public buildings * * * be equipped with shelters," he said.

HUMPHREY said the full resources of the Government from the White House down must be marshaled to provide fallout protection.

The Governors' conference early this month urged immediate action on a nationwide fallout shelter program based on a plan organized in New York.

A group of advisers to Gov. Nelson A. Rockefeller had suggested mandatory construction of shelters by citizens and stockpiling of emergency supplies to enable families to exist during and after a nuclear attack.

HUMPHREY did not say how much money would be needed to provide Federal grants for shelter construction but stated that $50 million would be nothing more than a gesture.

He said military leaders have given tacit recognition to the value of shelter programs by building underground command centers. He added:

"But what about the people our military leaders are trying to defend?

"It would be a hollow victory indeed if the leaders should survive and the people perish—simply because of a reluctance to develop a prudent and simple fallout shelter program."

HUMPHREY estimated that 25 million lives could be saved in the medium-sized nuclear attack if adequate fallout shelters are provided.

Mr. HUMPHREY. I call the attention of Senators to exactly what I did say in my speech yesterday. I shall read only a few paragraphs. First, I said:

It is important to distinguish between a "fallout shelter" program and the enormously more expensive program to provide not only protection against radioactive fallout, but also against heat and blast. While even the fallout shelter program would require major investment, the return from such an investment would be fantastically large—perhaps 25 million American lives saved in the case of a medium-sized nuclear attack—that it must be given the most serious consideration.

I said further:

I maintain, therefore, Mr. President, that if the United States is to survive a potential nuclear attack, it is imperative that the Federal Government develop an aggressive, commonsense approach to radiation protection, either through direct Federal financing or matching financing with the States, which would provide maximum protection for the population, assure that the national economy would continue to function, and enable the Nation to swiftly recover from initial attack.

This is the paragraph which is controlling.

The Federal Government will abdicate its responsibilities if it is content with only a voluntary, do-it-yourself shelter building program. As appealing as a voluntary home shelter program is, and of course the more Americans who become interested in building home shelters the better, we are never going to have a realistic program of civilian survival in the case of nuclear attack without vigorous and aggressive governmental leadership from the White House on down.

While there is a great deal the average American householder in the fallout zone can do to protect his family, even if he begins during the first 30 minutes after a nuclear explosion, it is sheer folly to delay the bringing to bear of all the resources of the community, State and Federal levels of government in a comprehensive fallout shelter program, sparked and maintained by Federal example and Federal leadership.

What I said was that we need both a voluntary program and Federal cooperation. The senior Senator from Minnesota did not say that we should abandon voluntary efforts. What I said was that we cannot expect voluntary efforts alone to do the job that needs to be done if we are to have a truly effective fallout shelter program.

I called upon the Federal Government, in cooperation with State and local governments, to work in cooperation with citizen groups and with voluntary action to get this job done. I urged on the Federal Government either grants or matching funds with States for the purpose of encouraging a broadly conceived and fullfilled fallout shelter program. I think this program is essential to our national security program, and should be undertaken forthwith.

WATER POLLUTION

Mr. McCARTHY. Mr. President, the Nation faces a continuing problem of water pollution. We must meet this problem with an adequate and effective water pollution control program. In the Milwaukee Journal of August 23, 1959, R. G. Lynch clearly shows that our present water pollution control efforts are inadequate to keep our water supplies pure.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOULING OF U.S. WATER OUTRUNS PURIFICATION—POLLUTION PROBLEM GROWS IN MANY STATES DESPITE CONTROL EFFORTS, SEWAGE PLANTS BUILT WITH FEDERAL AID; BIGGER PROGRAM SOUGHT

(By R. G. Lynch)

Milwaukee beaches are empty these hot days, bathing forbidden. Swans and ducks died on the Estabrook Park lagoon last week and more wild ducks, dead and dying, were found on the Milwaukee River. From any downtown bridge this summer dead fish could be seen—or smelled—floating and bloating in the river.

Milwaukee is being forced to look at evidence of one of the Nation's most pressing problems, contamination of water supplies. Pollution no longer describes what is happening, with enormous quantities of detergents, pesticides, and industrial chemicals and metals being added to the sewage—and garbage sometimes—of a rapidly increasing population.

FEDERAL AID SPURS 1,400 SEWAGE PLANTS

Streams, lakes, and coastal waters are receiving torrents of contaminating stuff. The Federal Government, at the request of various States, is pressing for control of pollution in half a dozen rivers. Last April Federal authorities ordered Sioux City, Iowa, to stop sending sewage down the Missouri River to Omaha, Nebr. In 1957 Arkansas was ordered to prevent oil field pollution from going down Corney Creek into Louisiana.

Federal aid, voted by the 1956 Congress, has stimulated construction, starts or authorization of more than 1,400 sewage treatment plants.

Great strides have been made under an eight State compact to clean up the Ohio River Basin and seven States are making progress under a New England compact.

A National Technical Task Committee on Industrial Wastes has been working for 7 years and various industries have their own projects.

Yet, the Nation is not keeping pace with the increase in the load of contamination that goes into its waters.

TAFT CENTER RESEARCH

Industries which pour their wastes into municipal sewers are complicating problems of sewage treatment plants. The Federal Government is carrying on investigations at the Robert A. Taft sanitary engineering center, Cincinnati, Ohio, and in the field at places of extraordinary pollution problems. The center also conducts training programs for sanitary engineers and scientists.

Contamination of the seas led the United Nations to query 42 nations and publish a report in 1956. The most serious international problem is the dumping of oil in the seas. The United States has had such messes on all of its coasts and the Great Lakes. Canada has talked of 50-mile off coast ban as a result of oil contamination of Vancouver Bay.

More than 150 areas along the Michigan shore are having serious trouble this summer with oil that continues to escape from a barge which sank last winter in Lake Michigan.

If it is any consolation to Milwaukeeans, conditions are as bad in many other places as they are here, far worse in some. Madison closed a beach on Lake Monona this summer and swimming was banned in the Embarrass River above Clintonville.

BEACHES HAVE CLOSED IN MOST COAST STATES

Beaches have been closed to bathers in recent years in almost every State along the Atlantic and Pacific coasts and the Gulf of Mexico. Santa Monica Beach in southern California was quarantined as long ago as 1943. A New York newspaper recently commented that all but 36 miles of the city's 400-mile waterfront had become unfit for bathing. Boston has had to close beaches.

While hazard to human health commands greatest attenton, contamination of waters also is a serious threat to fisheries. About 500,000 people depend on commercial fishing for a living, and fish are an important source of both protein food and industrial products. Already both food and sport fisheries have been destroyed.

The lower Fox River in Wisconsin is practically a sewer for paper mills, in parts barren of aquatic life, and fish are not palatable from parts of other papermill rivers in the State. The pulp industry, incidentally, has reduced the pollution load per ton of product by half over the last decade at a cost of $85 million but still is one of the worst offenders.

The south shore of Lake Erie no longer supports aquatic life because rivers have coated the bottom with filth for miles out.

THE DIRTY MISSOURI

Fishing has been wiped out in the Mississippi River for miles below St. Louis, Mo., because of sewage, garbage, and industrial wastes from the metropolitan area. The Missouri River is not much better below Kansas City. The Missouri, incidentally, receives raw or inadequately treated sewage and waste from 700 communities and 250 industries, besides the effluent of those with adequate treatment plants.

Atlantic salmon runs in Maine waters have been reduced almost to nothing by pulpmills and power dams. Gross pollution from the Philadelphia-Camden industrial complex has practically eliminated shad runs in the Delaware River and estuary. The Virginia water control board only this year fined a mill $155,000 for waste kill of about half a million fish for 35 miles downstream.

Dave Wallace, director of the Oyster Institute of America, told a congressional committee in 1956 that at least 100,000 acres of oyster and clam beds no longer were fished because of pollution, and estimated the annual loss to the industry at $15 million.

SEAFOOD GATHERS RADIOACTIVE FALLOUT

Oysters and clams concentrate polluting materials. This is a characteristic which all aquatic life manifests to a degree that is causing anxiety about radioactive fallout.

Plant and animal forms of plankton, at the beginning of the aquatic food chain, assimilate radioactive material, and other organisms all the way up to food fish accumulate more or less long-lived radioactive stuff in various parts of their bodies. And fish the world over are a more important human food supply than land animals.

Wisconsin's slow progress against the contamination problem looks good by comparison with what is happening in less progressive States.

This State has had a good pollution law since 1927, a full-time director and staff since 1950. In 1930, treatment removed 531,000 pounds of polluting material from State waters; by 1954, additional treatment plants had raised the total to 1,410,000 pounds. But in the same period, the potential load increased from 1,540,000 pounds to 2,351,000. So all there was to show for a quarter century of effort was a net reduction of 7 percent.

THE NATIONAL PICTURE

A Missouri survey in 1949 showed that some 900 miles of streams were polluted in 69 counties. This year another survey showed 1,200 miles of polluted streams in 74 counties and the St. Louis metropolitan area.

The story in most States has been "too little and too late." The national picture was sketched thus by a U.S. Public Health Service official:

In 1920, municipal and organic industrial wastes discharged into the Nation's streams were equivalent to the untreated sewage from 90 million people. Despite construction of $7 billion worth of municipal treatment plants and a good deal of progress by industry in treating wastes, the load in 1955 was equal to the untreated sewage from 165 million people. Municipal pollution was up 37½ percent; industrial contamination, up 120 percent.

Dr. L. E. Burney, Surgeon General of the Service, thinks that natural streams in many cases just will not be able to absorb increased pollution.

"As population and industries continue to close the gaps between major sources of pollution along our rivers," he has said, "we can look forward to nothing less than continuous streams of sewage and industrial waste, instead of streams of usable water."

ONE CITY'S SEWAGE IS ANOTHER'S DRINK

Reuse of water looms ever larger in the Nation's future. The natural supply cannot be materially increased, either by cloud seeding or conversion of saline water. Already there is a great deal of reuse along rivers. Even if it is only industrial use, water quality is important, and where a river supplies municipal needs, the sewage of one city becomes the drinking water of the next.

Ohio River water is used over and over by 116 communities and 80 major industries. Twelve communities depend on the Neosho River in Kansas and at times in a recent drought year the whole flow available to each waterworks was no more than the sewage discharged by the city above. Treatment made it relatively fit to drink—if bottled water or something else was not obtainable.

U.S. AID FOR PLANTS

Wartime material shortages practically stopped construction of treatment plants. Postwar population increase did the rest. Not only was sewage polluting streams; it stood and stank in ditches where suburban septic tanks or soil conditions could not handle it.

Congress passed a bipartisan water pollution control act in 1948 after more than 100 bills had been introduced. It called for Federal cooperation with States in research and technical aid and gave limited authority to the Public Health Service over interstate waters.

The President recommended stronger legislation in 1954 and 2 years of study and discussion led to a new law in 1956, offering grants-in-aid to localities up to a total of $50 million a year. A grant cannot be more than $250,000 or 30 percent of the project cost, whichever is smaller.

About that time the Health Service estimated that 8,000 sewage plants and 9,000 other plants, chiefly for industry wastes, were needed to clean up the Nation's waters, and put the cost at $9 to $12 billion. Strong efforts are being made in the present Congress to increase the program to $100 million a year and raise the maximum for any single project.

NEW YORK SHIPS SLUDGE TO SEA

Pending also is a House bill to increase Federal police powers. The 1956 law empowered the Welfare Secretary (boss of PHS) to take action at the request of any State where interstate waters were being contaminated by another State. This was the basis of the Corney Creek and Sioux City orders. The new bill would extend Federal authority to all navigable streams and authorize the Secretary to act at the request of

any municipal government. This would give Illinois River cities a weapon against Chicago's flushing of sewage downstream.

The proportions of the contamination problem cannot be described merely in terms of untreated sewage and wastes. So enormous is the volume to be disposed of that even the products of treatment plants pose serious problems.

Treatment of sewage converts solids into sludge, liquids into effluent. Drying eliminates the odor of sludge and in this form it makes good fertilizer, such as the Milwaukee sewage plant produces. Few cities do this.

New York barges its sludge out to sea. This is better than dumping in offshore waters, but the long-range result is a matter of speculation, particularly if many cities resort to this method.

The Public Health Service has refused to approve grants for plants which would discharge sludge into waters. Surgeon General Burney has insisted on substantially complete removal of settleable solids before sewage effluents are discharged into waters.

Boston, Mass., and Asbury Park, N.J., were the latest applicants turned away.

DETERGENT PROBLEM

The effluent of sewage plants creates problems where current does not disperse it. Available nitrogen is present in such quantities that algae and bottom plants are stimulated. Wisconsin has this problem to a degree. In the South, where the growing season is longer, shallow lakes may become peat bogs in time.

Detergents pass through treatment plants practically intact and interfere with processing. There is anxiety about the eventual accumulation of such "stuff" which is being used at the rate of 2½ billion pounds a year in this country.

Mark D. Hollis, the Nation's Chief Sanitary Engineer, has described streams as "giant test tubes."

"Chemicals react on one another," he explained. "Two parts per million of copper will not hurt fish, nor eight parts of zinc; but if you combine as little as one-tenth of those amounts of copper and zinc you kill all of the fish in the stream."

This reporter recently discussed the awesome proportions of sewage and waste disposal with Dr. Clarence Tarzwell, chief of aquatic biology for the Public Health Service.

"What we call complete treatment of sewage," said Dr. Tarzwell, "is not going to be enough. When we remove 95 percent of 1,000 pounds of polluting material, only 50 pounds remain, but when it is 95 percent of 1 million pounds, 50,000 pounds remain.

"We have got to convert waste organic materials into useful products. We must harvest a crop of nutrients—fertilizer, protein food."

OUR POLLUTED WATERS

The subject of water pollution has been in the news almost constantly of late. It is an unpleasant matter to consider; one that many would prefer to ignore.

The results of past failures to learn more about the problem, and to insist on doing something about it, now confront us with a disgusting and truly alarming situation. It has reached proportions far beyond anything most of us yet realize.

So you are urged to read the article in this section of the Journal today by R. G. Lynch about the fouling of U.S. water.

It is hard to believe that clean Americans have allowed such filthy practices in waste disposal to continue and expand. It is astounding that there has been so little public demand for correction of these conditions.

Quite a bit has been accomplished in Wisconsin through use of the State's police power—cracking down on municipalities and industries not doing what they could to reduce pollution. The proposed use of Federal police power to check interstate spread of pollution would certainly be in order.

There is room for argument as to the soundest, fairest, and most effective methods for cleaning up America's water supply. The need for redoubling efforts is beyond argument.

ADDRESS BY SENATOR McCLELLAN AT PEPPERDINE COLLEGE FREEDOM FORUM

During the delivery of Mr. PROXMIRE's speech,

Mr. TALMADGE. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. Mr. President, I ask unanimous consent to yield to the Senator from Georgia for an insertion in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. TALMADGE. I appreciate the courtesy of the junior Senator from Wisconsin in yielding to me.

Mr. President, I ask unanimous consent that the insertion I am about to make in the RECORD appear before the remarks of the junior Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. On June 23 of this year the distinguished senior Senator from Arkansas [Mr. McCLELLAN] delivered an address at the Pepperdine College's Freedom Forum, in Los Angeles, Calif.

As always, the distinguished senior Senator from Arkansas presented his views in a forthright manner. I feel that Members of Congress, as well as other readers of the CONGRESSIONAL RECORD, would be interested in what our distinguished colleague had to say. I ask unanimous consent that excerpts from his remarks at that time be printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM ADDRESS OF SENATOR JOHN L. McCLELLAN, PEPPERDINE COLLEGE'S FREEDOM FORUM, BILTMORE HOTEL, LOS ANGELES, CALIF., JUNE 23, 1959

Mr. Chairman, distinguished guests, ladies, and gentlemen, I am highly pleased and happy to be your guest today. It is an esteemed privilege and honor indeed to address this magnificent audience of representative citizens of this great west coast section of our Nation. Needless to say I have looked forward to this delightful occasion with keenest anticipation and pleasure.

I congratulate and heartily commend Dr. Benson, Pepperdine College, and others who have sponsored or aided in the promotion of freedom forums that are designed to inculcate in our people a higher sense of patriotic duty and a deeper consciousness of their individual citizenship responsibilities.

Stimulating public discussions by eminent authorities of important current topics and issues, such as those included in these forum programs, contribute immeasurably to a better informed citizenry and to a sounder and more vigorous public opinion. I only wish that the people in every community in America might have the opportunity to attend one of these meetings and to enjoy and profit by the valuable instruction and information that these forums provide.

For the subject of my remarks today, you have asked me to answer a question—one of the gravest and most vital—"Can American Freedom Survive?" Obviously the question is quite simple, but the answer is not, and if you expect me to give you the full answer within the next 20 minutes or so, I tell you now it can't be done.

The positive, affirmative answer that we would all hope for and would like to hear cannot be given unequivocally and without reservations. A "Yes" answer is fraught with many contingencies and is subject to a multitude of qualifications. The mere inquiry itself seems prompted by a measure of fear that connotes understandable doubts and apprehensions.

Perhaps in all truth I should be asking you this question—not trying to answer it for you—for I am persuaded the real answer is not to be found in Washington, D.C., or in any other place of government. I believe it lies in every city, town, hamlet, village, and crossroads community; in every farm and factory, in every business, labor union, and in all other organized human activity.

Ultimately the final answer is reposed in the hearts and minds, and in the consecrated will and dedicated purpose, of our people. We shall have freedom if we really want it—if we are ready and willing to pay the price for its survival. If, however, we take freedom for granted, become complacent, relax our vigilance, and give to it only lip service while we devote ourselves to the pursuit of objectives which are inconsistent with freedom, then we shall surely lose it.

At no time in our generation has our country faced more intricate and perplexing problems or graver dangers than those that now confront us, and that will likely confront us in the immediate years ahead. Some of them are of a nature and magnitude that seriously threaten national security and the survival of many of our social, political, and economic freedoms.

They present a compelling challenge. We cannot be insensitive or indifferent to their inevitable consequences should they be left unresolved. And the issues they involve can only be resolved by the exercises of a high order of statesmanship that rises above the common level of partisan politics. On how effectively and successfully we face up to our responsibilities within the next few years and meet that challenge may well depend the destiny of our Nation and the fate of the entire free world.

The propriety of time for my remarks will not permit me to cover the full range of all dangers that threaten our survival and the impairment or destruction of our freedom; but I should like to make some passing reference to three of them and then discuss a fourth.

The first of the three is instability in international affairs. With the cold war continuing, with what may be mounting intensity while hope for the success of the (presently recessed) Geneva conference diminishes, the issue of war or peace still remains paramount and supreme. Tragically, in our pursuit of peace we are forced to cope with governments of low order and bankrupt integrity, which by doctrine and practice disdain and repudiate as mere scraps of paper their solemn international and treaty obligations.

Thus, the chief obstacle athwart the path to peace and understanding is the manifest disregard of the Communists for their own pledges and solemn commitments. Their demonstrated lack of good faith and their willful refusal to settle international differences, are wholly responsible for having divided the world into two armed camps, and for the ever-present explosive tensions that could and that some day may erupt into a universal catastrophe. In this unhappy situation we have no alternative—no

choice—but to build and maintain a powerful arsenal of military strength of convincing deterrent proportions. Failure to do so would expose us to military defeat and Communist conquest, and that is unthinkable.

The second of the three is instability in our fiscal affairs. Habitual deficit spending, pyramiding the national debt, and the tolerating of a permanently unbalanced budget, are potent factors that are moving us swiftly toward disastrous inflation. I agree with the President of the United States; the budget should be balanced. That, we know, will not be easy to do. It will be a mountainous task but it is the duty of Congress to stop deficit spending just as quickly as it is possible to do so without jeopardizing our national defense and security. Those who ridicule the idea, who scoff at a balanced budget, and who vote accordingly, may well be inviting economic chaos and national insolvency, which could well do irreparable harm and injury to the quality and standard of economic and political freedom that is our cherished heritage.

The third and next danger to which I draw your attention is one that could easily undermine the very foundations of our Republic. It is the instability and lack of constitutional and judicial soundness of some of our Supreme Court decisions within the past few years. In these decisions the Court has, among other things, usurped legislative powers vested in the Congress; encroached upon State sovereignty; tended to favor the Communist and criminal elements of this country; ignored and practically nullified the 10th amendment to the Constitution by giving no probative force to its provisions that reserve to the States respectively, or to the people thereof, all powers not delegated by the Constitution to the Federal Government; glibly overruled and set aside decisions made and precedents established at a time when the Court was composed of Justices learned in the law and schooled in the rudiments of American jurisprudence.

These decisions of the Court have provoked strong criticism from unimpeachable sources because those sources recognize, as we do, the consequences of such decisions are frightening to contemplate. Unless these trends can be checked and reversed, the usurpation of legislative powers stopped, State sovereignty will be destroyed and an all-powerful centralized Federal Government will be enthroned in Washington.

I am unwilling to stand silently by, acquiesce in, and see the sovereign States of our Republic reduced to a provincial status. Make no mistake about it, when State sovereignty is destroyed or rendered impotent, the range of our freedoms will be substantially narrowed and their vigor materially suppressed.

The fourth great peril to our security and welfare is the instability or, more accurately stated, the lack of integrity in many areas of labor-management relations.

The sordid disclosures made and improper practices revealed by the Senate select committee in the course of 2½ years of investigations are appalling and shocking to the extreme. We have exposed many, many evils that are outrageously cruel, corrupt, contemptible, and criminal. It has been clearly established that the infiltration of gangsters, racketeers, and underworld characters into some labor unions and businesses is primarily responsible for the rotten, nauseating situations that now prevail.

The task of this select committee has been enormous. We have had to deal with people of no character, with manipulators, conspirators, crooks, thieves, mobsters, extortionists, and murderers. In trying to get the facts, we have repeatedly encountered exasperating hindrances and efforts at obstruction. On the witness stand we have been confronted with forgetfulness experts, bald-faced prejurers, and 5th amendment artists. Out of more than 1,300 witnesses heard during 250 days of public hearings, some 225 or 230 fifth amendment slackers have paraded before us in sickening and disgusting succession invoking the privilege against self-incrimination.

These unwholesome conditions the committee has exposed must be corrected. They cannot be condoned by a decent society nor tolerated or permitted to exist by a government of law and order. Understand we do not condemn the labor movement as a whole. There is yet much good in organized labor and in the great majority of unions, but the unfortunate fact is that some segments of the labor movement are no longer marked by the highest ethics or a uniform standard of moral soundness.

On the contrary, the classical concept of ideals in unionism have, in too many instances, been willfully exploited and perverted to private ends. In short, and tragically, too many unions have fallen into the hand of parasitically brutal, cynical men, to whom unionism means only a royal road to personal riches and power; men of beastly instinct who regard union members not as human beings but as mere chattels to be subjugated and manipulated to serve the malicious greed and avarice of their labor boss masters, or to be destroyed if they dare to protest or resist.

To such men, union charters (which are sometimes bought and traded as a rare and prized commodity of great value) have become a form of hunting license, letters of mark and reprisal, to prey upon and exploit working men and women in commerce and industry. Those who are perpetrators of this criminal exploitation have become brazenly arrogant and defiant. Some of them are threatening to go so far as to challenge the very supremacy of the Government.

We now know that labor cannot clean its own house. The AFL–CIO's code of ethics is ineffective. It has not stopped corruption or improper activities. The truth is that code is flouted at will and with reckless abandon and contemptuous disregard by the Hoffas, the Brennans, the Cohns, the Becks, the Dioguardias, and others who neither respect nor observe it. Effective legislative remedies will have to be applied. That is now the only course we can pursue.

The Senate select committee has done its job of developing the facts and presenting to the Congress the information it needs to legislate in this field. The burden and responsibility for enacting adequate laws now rests squarely and heavily upon the Congress. Failure of Congress to act will expose our Government and our economy to domination by gangster-type racketeers and the hoodlum elements that have infiltrated labor-management relations.

The Senate select committee has sampled the results of some instances where city and county governments have come under the influence of exploiters and terrorists. We know what it is like. Freedom ends. The man who dares to object or interfere is frequently marked for extinction. The internal government of unions dominated by these criminal elements is a ghastly burlesque on democracy. A rank and file member of such a union has no freedom. He is a helpless serf. His type of employment becomes a vested interest of the union. His job—his very means of livelihood—is treated as a property of the union. He is made dependent, and acceptance of his unhappy lot is enforced upon him by economic coercion and physical brutality.

It may well be impossible for you or anyone else who has not sat through the long hours of hearings as I have to grasp even dimly the fullness and extent of oppression imposed on some union members and the suppression of their natural rights as men and their political rights as citizens.

We think that couldn't happen in America, but it has happened; and I tell you now if that pattern of democracy and justice should ever become our way of life, if such disreputable elements to which I have made reference should ever come to influence, make and administer our laws and control our economy, then the answer to the question before us, "Can American freedom survive?" would have to be a resounding "No." Freedom would be dead.

I regret to note that there is increasing doubt and growing concern about what Congress will do. I had confidently hoped that Congress would measure up and face up to the issue and do its duty, but I must confess I am beginning to wonder if it will.

The Kennedy-Ervin bill with the many strengthening amendments adopted by the Senate will do some good if it is enacted into law. It will not be a total loss, but it will not by any means do the whole job that is needed.

It is greatly deficient in that it fails to provide a solution for the "no man's land" problem, and thus leaves, throughout the country, many small businesses and their employees wronged and without a remedy. The NLRB still refuses to accept jurisdiction of their complaints, and they are still denied the right of court action for redress of their grievances. This situation is unjustified. It is totally un-American and should be corrected, but the Senate refused to do anything about it.

Again, the bill is wholly inadequate to deal with the abuses of secondary boycotts and the vicious practice of blackmail picketing and coercive top-down organization induced by recognitional picketing. These are devices frequently used for the shakedown of management by labor-racket extortionists and to compel employees to join a union against their will, or to force their employer to recognize as their bargaining agent and without their consent a union of which they are not members and to which they do not want to belong. Such tactics cannot be reconciled without traditional American concept of freedom and the dignity of man, and they should be outlawed.

The House of Representatives, now considering this legislation, has not only the opportunity but also, I believe, the solemn duty to correct these deficiencies by appropriate provisions in any bill that it may pass.

The House of Representatives also has the duty to hold the line and preserve the gains made by amendments adopted in the Senate to the Kennedy-Ervin bill—the most essential and important of which is title I, the bill of rights for union members.

This bill of rights amendment, which I sponsored, has become the most controversial provision in this legislation. It is now being subjected to vicious and malicious false criticism and distorted interpretation. These unjustifiable assaults are being made by those who are opposed to rank and file union members having the rights, freedoms, and protection that the amendment seeks to guarantee.

And what are these rights and freedoms? Simply stated, in part they are:

(a) The right of free speech and assembly;

(b) The right to attend union meetings, to discuss union business, take part in deliberations, to vote on all issues, to nominate candidates, run for office, and to vote in all elections;

(c) The right to be protected from arbitrary and unwarranted disciplinary action, to be served with written specific charges, given reasonable time to prepare a defense, and be afforded a full and fair hearing before any punishment or penalty is imposed; and

(d) The right to sue the union or any person who violates or infringes upon these rights guaranteed to union members.

A criminal penalty of a fine up to $10,000 and up to 2 years in jail is provided for those

who by violence, force, threats, economic coercion, or reprisal deny to, restrain, or prevent any member from exercising any right to which he is entitled under this bill of rights.

The effect of such a law would simply be to carry into the union halls of organized labor throughout this country and make applicable to union members the basic human rights and protections that are vouchsafed to all of us by the Bill of Rights to the Constitution of the United States.

What is wrong with that? I tell you there is nothing wrong with it. It compels the arrogant union bosses and dictators to respect the dignity of man; it curbs the arbitrary and excessive powers that many of them have been exercising to suppress and oppress dues-paying members; it restores to union members the democratic processes that they have been denied; and, it gives to them the tools with which they can help to drive the thieves, racketeers, and criminal elements out of their union. It will emancipate many workers who are now enslaved. It should be made the law and a basic fundamental of our national labor policy.

The challenging issue now is: Will the Congress enact effective laws to deal with corruption and racketeering in labor organizations and to prevent the exploitation of union members by dishonest, arrogant, dictatorial, and sometimes criminal, labor bosses; and restore to union members the right, authority, and power to manage and control their union affairs by recognized and respected democratic processes? Will the Congress do its duty and meet this vital responsibility?

Needless to say, every racketeering, criminal, and hoodlum labor official in the country is hoping the Congress will shirk its duty and either pass no bill at all or pass one that is so weak that it will be ineffectual. Those elements, of course, are now doing everything in their power to obstruct and prevent the enactment of laws adequate to do the job that is needed.

On the other hand, millions of rank and file union members and good citizens everywhere, and in all walks of life, are hoping and praying that the Congress will have the intestinal fortitude and political courage to do its duty and pass laws to outlaw and prevent the corruption, abuses, and exploitation that the Senate select committee has exposed—laws that will help restore decency and integrity in labor-management relations.

We don't—we can't—fool anybody about freedom. Not what we say but what we do will determine the course of events. If freedom is what we really want, we shall have it. Our forefathers in words, deeds, and sacrifices pledged their lives, their fortunes, and their sacred honor to secure it. We should be willing to pay that price, too, for its growth and survival. American freedom can survive if we really want it to. The answer lies within us.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The question before the Senate is on agreeing to the amendment offered by the Senator from Wisconsin to the committee amendment.

The Chair recognizes the junior Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, yesterday the junior Senator from New York [Mr. KEATING] and the junior Senator from Alabama [Mr. SPARKMAN] discussed the implications of the vote taken in the Senate on H.R. 1 yesterday.

The Senator from New York [Mr. KEATING] asked how was it that the Senate voted against tabling the motion to send H.R. 1 to the Foreign Relations Committee, and then later voted against sending it there, and I said that the only solution which makes sense to me is that some Senators at least wanted to hear more debate. Upon reflection I believe it is clear that that is the only explanation which makes sense, and the Senator from Alabama confirmed that by specifying the debate and the explanations he desired to hear when he said this, and I quote from page 17394 of the RECORD:

The question then comes to my mind, Why did we not receive the additional debate? I will say to the Senator from Wisconsin, I think his analysis is exactly correct. That was my own thinking. If the motion were voted down, then I thought we would have a debate on the question relating to the interest which Canada had in the matter, but instead of debate, immediately there came a vote on the motion to refer the bill to the committee, so we did not hear the debate.

I will say as one Senator, to me all of this is very confusing. There are many things concerning this matter I do not understand. I have not understood them yet. I will say, so far as I am concerned, the principal point is the interest which Canada has in this matter and the effect our action might have upon a friendly government.

Then later the Senator from Alabama said:

Why does not the International Joint Commission have jurisdiction over this subject? Does it have any jurisdiction over it?

There was a discussion at that point about the International Joint Commission and its jurisdiction. Unfortunately, I did not have at my fingertips at that time the position of Canada on the jurisdiction of the International Joint Commission. I have it now, and I should like to read that at this point for the information of the Senate, because I think it bears very, very directly on the kind of answers the Senator from Alabama and others felt were necessary before the Senate decided whether to send the bill to the Foreign Relations Committee or not. This is a note from the Canadian Ambassador to the Acting Secretary of State. It is dated April 9, 1959.

Incidentally, there have been some people who say, "If Canada objects, why do they not make a formal protest?" I do not know how the Canadian Government could be any more formal than for the Ambassador of their country to send a note to the Secretary of State of this Government.

The note says:

The Government of Canada considers that many agreements and understandings between the United States of America and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties, in particular.

(a) The Boundary Waters Treaty, 1909—

Then the Canadian Ambassador says:

The applicability of either article II, paragraph 2 or article III of this treaty depends upon the interpretation of physical facts.

If Lake Michigan physically flows into the boundary water Lake Huron, article II preserves to Canada the right to object to such a diversion which would be productive of material injury to the navigation interests in Canadian waters.

Here is the direct answer to the question raised by the Senator from Alabama:

If, as has been asserted by eminent U.S.A. jurists, article III of the treaty applies, no further diversion shall be made except with the approval of the International Joint Commission.

In other words, the position of Canada is that the International Joint Commission has jurisdiction, and it noted that no further diversion should be permitted under any circumstances except with the approval of the International Joint Commission. The note from the Ambassador of Canada then proceeds:

(b) Niagara Treaty, 1950: This treaty allocates water for scenic and power purposes. The amount of water which shall be available for these purposes is the total outflow from Lake Erie. The specific inclusion of certain added waters in article III of the treaty emphasizes the underlying assumption that existing supplies will continue unabated.

I now skip some of the material, because I do not want to delay, but a little later the note from Canada says the following:

The order of approval of the International Joint Commission of October 29, 1952, as supplemented on July 2, 1956, and accepted by both our governments, forms the basis for the construction and operation of the hydroelectric power installations in the international section of the St. Lawrence River. Criterion (a) of this order of approval assumes a continuous diversion out of the Great Lakes Basin limited to the present 3,100 cubic feet per second at Chicago.

The figure 3,100 assumes a total of 1,500 cubic feet plus domestic pumpage, which would make a total of about 3,100 cubic feet.

I submit that this is a direct answer to the question of the Senator from Alabama, who said, as appears on pages 17394–17395 of the CONGRESSIONAL RECORD for August 31, 1959:

I wonder why Canada, if she feels aggrieved, does not refer the case to the International Joint Commission. In fact, it would seem to me, from reading this provision that the International Joint Commission, if the situation is a problem involving both Canada and the United States, would automatically have jurisdiction over it and could assume jurisdiction, or could intervene in any one of the attempts to divert water.

This is exactly the position of the Canadian Government. It could not be more explicitly or clearly stated. Canada emphatically objects to our diverting this water. She asserts that the International Joint Commission, under any circumstances, has jurisdiction. I think the case is as clear as a case could possibly be.

Later today I expect to have ready a brief on the entire subject, which I am

having prepared by experts on the subject of the treaty. The brief will go into some detail and point out exactly why the diversion of additional water at Chicago would constitute a violation of this treaty, not only in the judgment of Canada, but in the judgment of our own competent lawyers, who have competence and qualifications to judge questions of this kind.

Mr. President, unfortunately this is a one-sided debate. Our good friends who are proponents of the bill have the notion that, having put their case in the RECORD on the first day, they should not reply to our argument.

WITHHOLDING STATE INCOME TAXES FROM FEDERAL EMPLOYEES

Mr. SALTONSTALL. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Massachusetts?

Mr. PROXMIRE. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, on behalf of myself, the Senator from Massachusetts [Mr. KENNEDY], the junior Senator from Vermont [Mr. PROUTY], the Senator from Alabama [Mr. SPARKMAN], the senior Senator from Vermont [Mr. AIKEN], the Senator from Maryland [Mr. BEALL], and the Senator from New York [Mr. JAVITS], I submit amendments to the bill (S. 2282) to amend the act of July 17, 1952, and I ask unanimous consent that they be held at the desk until the close of business tomorrow, September 2, in order that other Senators may join in their sponsorship, and that they be printed and lie on the table until the Senate takes up the bill.

The amendments will be received, printed, and lie on the table, as requested by the Senator from Massachusetts.

Mr. SALTONSTALL. Briefly, Mr. President, my amendments would delete that portion of the Finance Committee's amendment to S. 2282, the effect of which is to prohibit the Federal Government from withholding State income taxes from Federal employees who are not residents of the State whose income tax is being withheld. I ask unanimous consent to have printed in the body of the RECORD a copy of the amendments, together with a letter dated July 28, 1959, from Fred C. Scribner, Jr., Acting Secretary of the Treasury to the chairman of the Finance Committee reporting the Treasury Department's disapproval of the Finance Committee amendment. There are 17 States in which the Secretary of the Treasury has entered into agreements for withholding State income taxes from Federal employees. These are: Oregon, Vermont, Delaware, Arizona, Kentucky, Colorado, Maryland, Idaho, Montana, Alabama, Indiana, Massachusetts, New York, Utah, Oklahoma, Hawaii, and Alaska; also the District of Columbia. Agreements are in process of consummation with North Carolina and South Carolina.

There being no objection, the amendments and letter were ordered to be printed in the RECORD, as follows:

On page 3, lines 9 and 10, strike out "and who are residents of such State or Territory."

On page 3, line 12, beginning with "A statement" strike out all through the period in line 16.

THE SECRETARY OF THE TREASURY,
Washington, July 28, 1959.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in response to your request, communicated by the chief of staff to the Joint Committee on Internal Revenue Taxation, for this Department's views on a proposal to add to the bill, S. 2282, a provision to prohibit Federal agencies from withholding State income taxes from the compensation of their employees who work in a State and are liable for its income tax but who do not live in that State.

The purpose of S. 2282 is to provide that agencies of the Federal Government shall not accept compensation for services performed in withholding State income taxes pursuant to agreements entered into between individual States and the Secretary of the Treasury in accordance with the provisions of Public Law 587, 82d Congress. This objective is desirable in the interest of Federal-State reciprocity and good relationships between private employers and the Federal Government, since the Federal Government does not compensate States or private employers for services performed in withholding Federal taxes.

Eighteen States, Hawaii, and the District of Columbia now have withholding laws and several additional States are currently considering such legislation. Of these, only Massachusetts and Oklahoma provide for the compensation of employers. The Oklahoma statute is very recent and has not yet become effective. In Massachusetts, Federal agencies have been instructed to hold compensation in suspense accounts pending enactment of S. 2282. It is therefore desirable that S. 2282, which is believed to be noncontroversial, be enacted promptly.

In contrast, the proposed addition to S. 2282, which is totally unrelated to the purpose of the bill, is likely to prove controversial. We urge, therefore, that it be considered separately and that action be taken on S. 2282 on the merits of the purpose for which it is proposed.

The proposal to prohibit Federal agencies to withhold State income taxes from the compensation of their employees who do not live in the State in which they are employed, even though they are liable for such taxes by virtue of their earnings within the State, embodies a policy to which this Department is opposed. This proposal is apparently an outgrowth of differences which have developed between some States with and some States without individual income taxes. In the early days of State income taxation, provisions of State law varied with respect to the treatment of income received within the State by nonresidents. The authority to tax such income was settled by the Supreme Court 40 years ago in a case involving the Oklahoma income tax. Since then the State practice of taxing nonresidents on compensation received within the State has become almost universal and its legality accepted. This produces problems of double taxation, which are generally alleviated by States granting reciprocal credits for each other's taxes. The credit arrangements are of course inoperative in the case of nonresidents receiving compensation within an income tax State if their State of residence imposes no income tax. In these situations the employee pays no income tax to his home State which he can claim as a credit in his State of employment.

It will be noted that the proposal to prohibit withholding from Federal employees in these situations would not affect Federal employees' State tax liabilities, which are necessarily governed by State law. Enactment of the proposal would be interpreted as congressional intercession in behalf of one group of States to the handicap of another group of States, and at variance with long-established principles governing State tax jurisdiction. Indeed, enactment of the provision could be interpreted as an action to enable Federal employees to evade State taxes for which they are liable under State laws. Viewed in this light, the legislation would constitute a reversal of established congressional policy to cooperate with the States in the enforcement of their tax laws. Since the legislation would facilitate the avoidance of State taxes by some Federal employees, it would place these employees in a preferential status as compared with the employees of private employers, who are not afforded a similar Federal shelter from the collection of legally imposed State taxes. For these reasons, the Department would oppose legislation prohibiting Federal agencies from withholding State income taxes from the compensation of their employees who work in a State and are liable for its income tax but do not live in that State.

It appears unimportant to the Department whether a limitation on Federal withholding turns upon "residence" or upon "place of abode." The foregoing objections to the limitation would be the same in either case. Neither of these terms has a precise meaning, and problems of interpretation can be eliminated only to the extent that the intent is made clear.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,
FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

Mr. PROXMIRE. Mr. President, before the amendments are sent to the desk, will the Senator from Massachusetts tell me if they are amendments to House bill 1?

Mr. SALTONSTALL. They are not. They are amendments to a technical bill which the Treasury Department has requested in connection with the withholding of local and State taxes by the Federal Government from Federal employees.

Mr. PROXMIRE. For a moment my hopes soared. I had hoped that the Senator's amendments were a compromise proposal which would solve the problem which has arisen between the proponents and opponents of House bill 1.

Mr. SALTONSTALL. I appreciate the Senator's thought that the Senator from Massachusetts possessed sufficient wisdom to accomplish that purpose.

Mr. PROXMIRE. The Senator does have the requisite wisdom.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield for a parliamentary inquiry?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Illinois for a parliamentary inquiry.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Did the Senator from Wisconsin obtain unanimous consent to yield to the Senator from Massachusetts for a statement?

The PRESIDING OFFICER. He received the consent of the Senate.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I should like to inform my good friend from Minnesota that our mutual good friend from Illinois [Mr. DOUGLAS] is being a real martinet today, and is making it very difficult for us to extend the usual courtesies to our colleagues.

I ask the Senator from Illinois if he will indulge me to yield to the Senator from Minnesota for a few brief insertions in the RECORD.

I ask unanimous consent that I be permitted to yield to the Senator from Minnesota for that purpose.

Mr. DOUGLAS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Minnesota for a parliamentary inquiry?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Minnesota for a parliamentary inquiry.

Mr. DOUGLAS. I object.

Mr. PROXMIRE. It is my understanding that I can always yield to the Senator from Minnesota for a question.

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin yield to the Senator from Minnesota for the purpose of asking a question?

Mr. PROXMIRE. I yield to the Senator from Minnesota for a question.

Mr. HUMPHREY. Under what peculiar set of circumstances is it that the Senator from Wisconsin and the Senator from Illinois have the situation so well in hand that the business of government, aside from the water diversion bill, cannot be conducted?

Mr. PROXMIRE. The Senator from Minnesota asks an excellent question. The Senator from Wisconsin is very eager to cooperate, but the Senator from Illinois refuses to permit him to do so.

Yesterday it was necessary for the Senator from Wisconsin to relinquish the floor entirely in order to permit the Senator from Connecticut [Mr. BUSH] to make a brief speech. I would be glad to accommodate the Senator from Minnesota in the same way, if I possibly could. However, I find that if I relinquish the floor again, I shall have no further opportunity to speak on the pending amendment. This is an important amendment to me, so unfortunately I must decline to yield.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a question.

Mr. HUMPHREY. Has the Senator any idea how the senior Senator from Minnesota, acting on behalf of the Senate Committee on Government Operations, might be able to file a report on an important piece of legislation, including both a majority report and minority views?

Mr. PROXMIRE. I believe that if the Senator from Minnesota, who is one of the most persuasive men I have ever known, would talk with the Senator from Illinois, the Senator from Illinois would agree to permit unanimous consent for me to yield for 2 minutes or 1 minute—long enough to place this extremely important report before the Senate.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. The Senator from Wisconsin is, of course, aware of the fact that my affection and esteem for the Senator from Illinois is of such a degree that under no circumstances would I want to embarrass him. Therefore, of course, the Senator is aware of the fact that I would not want to ask for unanimous consent under those circumstances. Is that correct?

Mr. PROXMIRE. I presume that is correct. On the other hand, the Senator from Illinois has such a loving, generous, affectionate, and cooperative nature that I think a man of the talents of the Senator from Minnesota could prevail upon him to yield for just a few seconds in order to accomplish the request.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield to the Senator from Minnesota for a further question.

Mr. HUMPHREY. Does the Senator have any idea as to when the Senator from Wisconsin will be through with his dissertation on this very important, vital amendment, and as to whether or not there will be a quorum call following that, so that if one were of an alert nature and quick of foot, and also somewhat quick of tongue, he might be able to get in on the discussion and be able to present his report and make a few insertions in the RECORD?

Mr. PROXMIRE. I reply to the Senator from Minnesota by saying that if the Senator from Illinois had not prevented the Senator from Wisconsin from yielding, by now the Senator from Minnesota would have got into the RECORD everything he wants to get into the RECORD; the Senator from Wisconsin would then have proceeded with his argument; and the Senate would have been much closer to a vote on H.R. 1.

On the other hand, there is a great deal of information which various Senators have asked us to put into the RECORD. The only explanation for the vote yesterday not to refer H.R. 1 to the Committee on Foreign Relations is that more debate is wanted. The Senate refused to table the bill and refused to refer it to the Committee on Foreign Relations for that reason.

Mr. HUMPHREY. Mr. President, will the Senator further yield for a question?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. Is the Senator aware of the fact that one of the bills now on the Senate Calendar is the Blatnik-Humphrey water pollution bill, to extend sanitation facilities to communities as a public health measure?

Mr. PROXMIRE. I was not aware of that.

Mr. HUMPHREY. Does the Senator believe that that would be good legislation?

Mr. PROXMIRE. I have not had a chance to study it; but anything which is authored by the distinguished senior Senator from Minnesota and the able Representative from Minnesota is excellent proposed legislation.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. Does the Senator believe that an explanation of the proposed legislation, which would mean so much to the health of the American people and the public health facilities of the Nation, would be a documentation which would be a credit to the CONGRESSIONAL RECORD?

Mr. PROXMIRE. Indeed, I do.

Mr. HUMPHREY. I thank the Senator. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a further question.

Mr. HUMPHREY. Does the Senator from Wisconsin recall that the senior Senator from Minnesota, some 10 days ago, addressed the Senate on the subject of the continuation of the nuclear test ban discussion at Geneva?

Mr. PROXMIRE. I well recall it. I wanted very much to engage in that discussion. One of the reasons why I did not is that I did not want to detain the Senate on H.R. 1. I wanted to get to a vote on this mesaure as soon as I could. There have been a number of occasions when I wanted very much to get into the debate, but I have hesitated to do so, so that we could have a vote on this measure as soon as possible.

I wanted to say at that time, and now I can say it, that I think the Senator from Minnesota did a marvelous job. I am deeply concerned with that matter, and I enthusiastically support the Senator's position in the matter.

Mr. HUMPHREY. I thank the Senator. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a question.

Mr. HUMPHREY. Is the Senator aware of the fact that one of the eminent, leading columnists of our country, the distinguished writer, Mr. Roscoe Drummond, severely criticized the speech delivered by the senior Senator from Minnesota and took exception to what appeared to the Senator from Minnesota to be points which were not really raised in the speech? Is the Senator aware of Mr. Drummond's column?

Mr. PROXMIRE. I am aware of his column. I am not aware of his comment on this particular speech. I have been tremendously engrossed in the debate on H.R. 1, so I have not had an opportunity to study some of the very extremely important problems pending, and some of the pertinent columns which have been written on the subject to which the Senator has referred.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. Would the Senator agree with me that a column which, although not intentionally, misrepresented or misinterpreted the point of view expressed by the senior Senator from Minnesota should be answered on the floor of the Senate?

Mr. PROXMIRE. I agree 100 percent. I think it is extremely important that such columns be answered. Such columns are published all over the country and are read by, literally, millions of Americans. Unless the facts are set straight—and this great forum is the place to do it—many persons will be deceived and will make improper judgments on matters of the most crucial importance to the survival of the country.

Mr. HUMPHREY. Mr. President, will the Senator yield further for a question?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. Does the Senator recall that in a speech relating to the Geneva Conference with respect to the prohibition of further nuclear tests, the senior Senator from Minnesota urged the President of the United States to announce that the ban on further testing would be continued until and at such time as the possibilities of any agreement were completely exhausted or proved futile?

Mr. PROXMIRE. I remember that very well. Once again, I commend the Senator from Minnesota for his position. It was a sensible, practical position, as well as one which was certainly in the great interest of humanity.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. Does the Senator from Wisconsin recall that the President of the United States subsequently announced that the moratorium on the further testing of nuclear weapons would be continued beyond the October 31 date and into the month of December?

Mr. PROXMIRE. The Senator is correct. It is my understanding that the moratorium has been extended by the other powers, so the effect of the Senator's suggestion has been that there will be a further suspension of nuclear tests, to the great benefit of mankind.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. As I understand it, then, the Senator from Wisconsin joins with me in the belief that the action taken by the President is one which is commendable and one which will relate itself to a more constructive policy.

Mr. DOUGLAS. Mr. President, a point of order. That is not a question.

Mr. PROXMIRE. I agree with the Senator from Minnesota.

The PRESIDING OFFICER. The Senator will suspend, so that the Senate may receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 53) to amend the acts approved April 16 and July 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont., with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 2457) to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 24. An act to provide that certain real property of the United States situated in the State of Nevada shall be held in trust for members of the Fort McDermitt Paiute and Shoshone Tribe of Indians of the Fort McDermitt Indian Reservation, Nev.;

H.R. 268. An act to amend title 38 of the United States Code to provide additional compensation for veterans having the service-incurred disability of deafness of both ears;

H.R. 283. An act to amend section 314(k) of title 38, United States Code, to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb;

H.R. 2247. An act to authorize the conveyance of certain real property of the United States to the county of Sacramento, Calif.;

H.R. 2386. An act to direct the Administrator of General Services to convey to the city of Mobile, Ala., all the right, title, and interest of the United States in and to certain land;

H.R. 2449. An act to authorize the Secretary of the Army to lease a portion of Twin Cities Arsenal, Minn., to Independent School District No. 16, Minnesota;

H.R. 3722. An act to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus property to volunteer firefighting organizations, and for other purposes;

H.R. 4781. An act to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects, and for other purposes;

H.R. 4874. An act to amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to provided that for certain purposes of this section, farms on which the farm marketing excess of wheat is adjusted to zero because of underproduction shall be regarded as farms on which the entire amount of the farm marketing excess of wheat has been delivered to the Secretary or stored to avoid or postpone the payment of the penalty;

H.R. 5270. An act to authorize the Secretary of the Interior to convey to the Metropolitan Water District of Salt Lake City, Utah, all right, title, and interest of the United States in certain lands located in Salt Lake County, Utah;

H.R. 5431. An act to provide a further increase in the retired pay of certain members of the former Lighthouse Service;

H.R. 5711. An act granting the consent and approval of Congress to the Wabash Valley Compact, and for related purposes;

H.R. 6108. An act to provide for the establishment of the Arkansas Post National Memorial, in the State of Arkansas;

H.R. 6128. An act to provide for the division of the tribal assets of the Catawba Indian Tribe of South Carolina among the members of the tribe and for other purposes;

H.R. 6669. An act to amend the act of July 14, 1945, to provide that the Louisiana State University and Agricultural and Mechanical College may use certain real property heretofore conveyed to it by the United States for general educational purposes;

H.R. 6817. An act to amend sections 1 and 3 of the Foreign Agents Registration Act of 1938, as amended;

H.R. 7437. An act to authorize the use of funds arising from a judgment in favor of the Kiowa, Comanche, and Apache Tribes of Indians of Oklahoma, and for other purposes;

H.R. 7571. An act to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341f), to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution;

H.R. 8315. An act to authorize the Secretary of the Army to lease a portion of Fort Crowder, Mo., to Stella Reorganized Schools R–I, Missouri;

H.R. 8514. An act to authorize the sale of 40 acres of land owned by the Creek Tribe of Indians;

H.R. 8728. An act to amend the Federal Boating Act of 1958 to extend for an additional year the period when certain provisions of that act will take effect;

H.J. Res. 80. Joint resolution providing for the erection of a memorial tablet at Garden Key, Fla., in honor of Dr. Samuel Alexander Mudd; and

H.J. Res. 465. Joint resolution approving certain additional powers conferred upon the bi-State development agency by the States of Missouri and Illinois.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes, and it was signed by the President pro tempore.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED OR PLACED ON THE CALENDAR

The following bills and joint resolutions were severally read twice by their titles and referred or placed on the calendar as indicated:

H.R. 24. An act to provide that certain real property of the United States situated in the State of Nevada shall be held in trust for members of the Fort McDermitt Paiute and Shoshone Tribe of Indians of the Fort McDermitt Indian Reservation, Nev.;

H.R. 5270. An act to authorize the Secretary of the Interior to convey to the Metropolitan Water District of Salt Lake City, Utah, all right, title, and interest of the United States in certain lands located in Salt Lake County, Utah; and

H.R. 6108. An act to provide for the establishment of the Arkansas Post National Memorial, in the State of Arkansas; to the Committee on Interior and Insular Affairs.

H.R. 268. An act to amend title 38 of the United States Code to provide additional compensation for veterans having the service-incurred disability of deafness of both ears; and

H.R. 283. An act to amend section 314(k) of title 38, United States Code, to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb; to the Committee on Finance.

H.R. 2247. An act to authorize the conveyance of certain real property of the United States to the county of Sacramento, Calif.;

H.R. 2449. An act to authorize the Secretary of the Army to lease a portion of Twin Cities Arsenal, Minn., to Independent School District No. 16, Minnesota; and

H.R. 8315. An act to authorize the Secretary of the Army to lease a portion of Fort Crowder, Mo., to Stella Reorganized Schools R–I, Missouri; to the Committee on Armed Services.

H.R. 2386. An act to direct the Administrator of General Services to convey to the city of Mobile, Ala., all the right, title, and interest of the United States in and to certain land;

H.R. 6128. An act to provide for the division of the tribal assets of the Catawba Indian Tribe of South Carolina among the members of the tribe and for other purposes;

H.R. 6669. An act to amend the act of July 14, 1945, to provide that the Louisiana State University and Agricultural and Mechanical College may use certain real property heretofore conveyed to it by the United States for general educational purposes;

H.R. 7437. An act to authorize the use of funds arising from a judgment in favor of the Kiowa, Comanche, and Apache Tribes of Indians of Oklahoma, and for other purposes; and

H.R. 8514. An act to authorize the sale of 40 acres of land owned by the Creek Tribe of Indians; placed on the calendar.

H.R. 3722. An act to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus property to volunteer firefighting organizations, and for other purposes; to the Committee on Government Operations.

H.R. 4781. An act to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects, and for other purposes; and

H.R. 4874. An act to amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to provide that for certain purposes of this section, farms on which the farm marketing excess of wheat is adjusted to zero because of underproduction shall be regarded as farms on which the entire amount of the farm marketing excess of wheat has been delivered to the Secretary or stored to avoid or postpone the payment of the penalty; to the Committee on Agriculture and Forestry.

H.R. 5431. An act to provide a further increase in the retired pay of certain members of the former Lighthouse Service; to the Committee on Interstate and Foreign Commerce.

H.R. 6817. An act to amend sections 1 and 3 of the Foreign Agents Registration Act of 1938, as amended;

H.R. 7571. An act to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341f), to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution; and

H.J. Res. 465. Joint resolution approving certain additional powers conferred upon the bi-State development agency by the States of Missouri and Illinois; to the Committee on the Judiciary.

H.J. Res. 80. Joint resolution providing for the erection of a memorial tablet at Garden Key, Fla., in honor of Dr. Samuel Alexander Mudd; to the Committee on Rules and Administration.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. DOUGLAS. Mr. President, a point of order.

Mr. PROXMIRE. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor. It is the understanding of the Chair that he may yield only for a question.

Mr. PROXMIRE. I thank the Chair.

Mr. DOUGLAS. Mr. President, is not a point of order in order?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield for a point of order?

Mr. PROXMIRE. Mr. President, I ask for a parliamentary ruling whether I have a right to refuse to yield for a point of order.

The PRESIDING OFFICER. The Senator from Wisconsin is not required to yield for a point of order if he does not desire to do so.

Mr. PROXMIRE. I will be happy to yield to the Senator from Illinois for a point of order.

Mr. DOUGLAS. I make the point of order that the Senator from Wisconsin replied to a statement, not to a question, and that therefore he has lost his right to the floor.

The PRESIDING OFFICER. The Chair will state that he understood the Senator from Minnesota to ask a question. The Chair overrules the point of order. The Senator from Wisconsin may proceed.

Mr. PROXMIRE. I am sure that anyone examining the RECORD or the transcribed notes of the Official Reporter will recognize that every vocal expression from the Senator from Minnesota was phrased in an interrogatory manner; and that every noun was preceded by a verb and every pronoun with a verb, which is the grammarian's way of asking a question. I do not know how anyone, particularly a man having the great learning, understanding, and professorial experience of the Senator from Illinois, could possibly misconstrue the very carefully phrased questions of the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, will the Senator yield for one final question?

Mr. PROXMIRE. I yield for a question.

Mr. HUMPHREY. Would the Senator from Wisconsin be interested to know that I am deeply grateful to him for permitting this exchange this morning, under the questioning procedure relating to debate in the U.S. Senate?

Mr. PROXMIRE. I thank the Senator from Minnesota very much. I thought his questions were on issues of great moment and importance to the American people.

Mr. President, earlier today the Senator from Illinois placed in the RECORD a statement of some length in reply to the position of those of us who oppose the bill.

The statement or memorandum the Senator from Illinois [Mr. DOUGLAS] submitted for the RECORD is extremely well written, as is everything that comes from him. It is a statement of competence and understanding. I think it probably makes as good a case as any that can be made against the arguments of those of us who oppose the bill.

Because the statement is of such importance, and because the Senator from Alabama, the Senator from New York, and other Senators have asked us to debate this matter, I do not know whether it can be fully and sufficiently called to the attention of the Senate except by having us go over the arguments set forth in the brief or memorandum and reply clearly and fully to them. So at this time I shall do so.

The memorandum submitted by the Senator from Illinois began by referring to the very issue which the Senator from Alabama raised yesterday, and on which the Senate as a whole, by means of the vote which was cast, seemed to tell Senators that more debate was desired on the question of whether the bill should be referred to the Foreign Relations Committee.

In the brief, the Senator from Illinois referred to that matter as follows:

> The Senator from Wisconsin and the Senator from Ohio—
>
> I believe he was referring to the senior Senator from Wisconsin [Mr. WILEY] and to the senior Senator from Ohio [Mr. LAUSCHE]—
>
> have stated that the adoption of this legislation would be in disregard of a treaty of the United States with Canada. Both gentlemen know (or should know) that in the negotiations for the 1909 Boundary Waters Treaty, a reservation was made for the diversion of water at Chicago, in the amount of 10,000 cubic feet per second. This was the reason for the disparity of 16,000 cubic feet per second in favor of Canada, in the distribution of water for power purposes at Niagara. Canada was allocated 36,000 cubic feet per second and the United States 20,000 cubic feet per second.
>
> The monetary value of this excess diversion to Canada, from 1910 to 1949, was about $172 million. The Chicago diversion averaged 5,238 cubic feet per second during this period, or about 53 percent of the 10,000 cubic feet per second reserved for it (p. 20–22 of hearings on H.R. 1 and S. 308).
>
> The matter of this reservation of 10,000 cubic feet per second of water for Chicago was adequately explained, to the Senate, in 1910 by Secretary of State Elihu Root, when the treaty was before the Senate for ratification. He stated that Lake Michigan was not

a boundary water and he would not let them put anything in the treaty about Lake Michigan.

Mr. President, I submit that if the case is as good as was set forth there, the Senator from Illinois should have no objection to having this matter go to the International Joint Commission for decision.

Furthermore, Mr. President, it seems to me that the big point which is made by those of us who disagree with the Senator from Illinois—regardless of whether he is correct or whether he is incorrect, and even if we accept as correct every statement, every sentence, and every implication from what is set forth in the brief or memorandum the Senator from Illinois submitted—is that we also must recognize that Canada firmly and emphatically disagrees.

Mr. President, what happens when two good friends, two good neighbors, two sovereign nations, disagree under these circumstances, assuming, of course, that the United States accepts the position set forth in the memorandum submitted by the Senator from Illinois? Under those circumstances, we refer the matter to some sort of joint body or joint commission or some sort of arbitration procedure or world court or someone else who can settle the disagreement or controversy. The International Joint Commission was established for precisely that purpose.

In view of the fact that Canada vehemently objects, and has at least as much interest in this water as the United States does—at least in the whole Great Lakes watershed—it is our position that our country, as a good neighbor, should permit Canada to have some opportunity to protest, and should have the International Joint Commission or some similar body decide the matter.

In the brief or memorandum submitted by the Senator from Illinois, we next find the following:

The Chicago drainage canal had been constructed by 1900 to its flow capacity, 10,000 cubic feet per second, and its supply channel, the south branch of the Chicago River, was being improved to that same flow capacity. However, in 1900 the capacity of the Chicago River had been improved only to capacity to flow 5,000 cubic feet per second, without currents which would be obstructive to navigation. So, the permit from the Secretary of War to open the channel and cause the waters of the Chicago River to flow into the same, carried a limitation of 5,000 cubic feet per second in the flow. This was subsequently fixed at 4,167 cubic feet per second in December 1901.

By 1912, the Chicago River improvement had been completed to its planned flow capacity of 10,000 cubic feet per second, and in that year the Sanitary District of Chicago applied to the Secretary of War Stimson for a removal of the limitation of 4,167 cubic feet per second and for a permit to flow 10,000 cubic feet per second. Canada objected at the hearings before Secretary Stimson.

Mr. President, let us notice that Canada objected as long ago as 1912 to a change in the diversion.

I read further from the memorandum or brief submitted by the Senator from Illinois:

This objection was made despite the reservation of 10,000 cubic feet per second made just 3 years before, in 1909 treaty negotiations.

Mr. President, once again I point out that the most recent Canadian note was not in 1912, but was in 1959. Perhaps I should not say the most recent note, because there was one on August 21, 1959. But perhaps the most emphatic and most detailed objection by Canada was made last April; and at that time Canada made clear that she would consider the passage of this proposed legislation as constituting the breaking of understandings and agreements which had been made between the United States and Canada.

Once again I emphasize that this is the important point, regardless of whether the Senator from Illinois is correct or whether the Senator from Wisconsin is correct in regard to the proper interpretation of the treaty.

As I said earlier, at a later time today I expect to submit a brief which will place before the Senate the reason why I believe Canada is correct. But I say that even if every Senator should say that that brief is not convincing, and that the Senator from Illinois has taken the correct position in regard to this matter, I think that Senators still would be persuaded that, in view of the fact that Canada thinks she is correct and thinks that the United States is wrong, the Senate should not pass this bill until it has given some impartial and qualified body an opportunity to pass on this matter.

I say that, of course, because it cannot be emphasized enough that Canada is in a position to cut off the very lifeblood of the Northwest part of our country, by diverting the waters of the Columbia River, at or near its headwaters, to the Fraser River, so the Columbia River will flow directly into the Pacific Ocean, and not pass through Montana, Idaho, Oregon, and Washington at all. If that happened, it would tremendously reduce the supply of power obtained from the Columbia River at various points, particularly in Oregon and Washington. In fact, that could reduce the production of power there by 25 percent, and that would enormously hamper the Hanford atomic energy works and the considerable number of enormous dams which have been constructed in that part of the United States.

Mr. President, as I have stated, at a later time I shall return to this subject. But at this time I shall read further from the brief of memorandum submitted by the Senator from Illinois, as follows:

Secretary Stimson denied the request for an increase in the diversion and suggested that the sanitary district seek action in Congress. The sanitary district, however, elected to have its rights tried in the Federal court. Suit was filed by the Government in 1913, decided by the Supreme Court January 1925. The authority of the Secretary of War was upheld. The Secretary of War granted a permit, March 3, 1925, for a diversion of 8,500 cubic feet per second, in addition to domestic pumpage for 5 years. Canada did not object to this.

Mr. President, notice that in that instance the initiative was taken by the Sanitary District of Chicago. The brief submitted by the Senator from Illinois points out that the Sanitary District of Chicago did not elect to seek action in Congress, but, instead, chose to go to the Supreme Court of the United States. Evidently, the sanitary district felt then, as well as subsequently, that the Supreme Court should have jurisdiction over this matter of regulating or reducing or increasing or modifying the diversion on the basis of the quotas, as the Supreme Court might view them.

I read further from the memorandum:

The Lake States case then ensued from November 1926 to the Supreme Court decree of April 21, 1930.

The memorandum submitted by the Senator from Illinois does not state that at that time the Supreme Court limited the diversion to 1,500 cubic feet of water a second, plus domestic pumpage.

I read further from the brief submitted by the Senator from Illinois:

Canada took no part in this.

Nevertheless, Mr. President, it is very clear that from the very beginning, more than 50 years ago, the position of Canada has consistently been that any substantial diversion from Lake Michigan was of deep concern to Canada, and would have an adverse effect upon power production and navigation in Canada.

I read further from the memorandum submitted by the Senator from Illinois:

The United States has never failed to keep its word; and could not be charged with unilateral action now if it approved the pending legislation.

Mr. President, I am glad the Senator from Illinois [Mr. DOUGLAS] has brought up this point about having the United States keep her word. I am sure that he feels we could act and pass H.R. 1 and keep our word. I am sure he would not vote for it otherwise. Obviously other Senators agree with him.

On the other hand, it is clear that Canada disagrees; that she has a very intelligent and reasonable case. Whether one feels on balance that it is not merited, nevertheless it is a case which Canada has every reason to believe in.

Under those circumstances, it is perfectly apparent that if we pass this proposed legislation, Canada will think we have not kept our word; and, as the Senator from Illinois has indicated in his own brief, the record of the United States is keeping her word is of great importance. As he said, the United States has never failed to keep its word.

I want to say it is of great importance to me, as a U.S. Senator, whether or not Canada thinks we have kept our word. It is true that if Canada's protests were not based on any kind of sound reason or logic, if she were obviously insincere, we perhaps would have reason to act unilaterally; but when her protest is very reasonable, when it has the enthusiastic and emphatic support of eminent constitutional lawyers in this country, it seems to me it is very bad and very insulting to that country to refuse to abide by treaties, or at least refuse to submit this matter to arbitration, so that Canada's position or sovereignty can be respected.

The Senator from Illinois proceeds to say:

Chicago, in constructing the drainage canal and improving the Chicago River, was cooperating completely with the Federal Government in its efforts to develop a commercially useful waterway, from the Great Lakes to the Gulf of Mexico. The study to be authorized by the pending legislation can determine what is needed to provide decent conditions for navigation in this Federal waterway. It is not for local sanitation.

If the Senator from Illinois wished to put that proposition to any jury of 12 persons in America, there is no question what the verdict would be.

He says:

The study to be authorized by the pending legislation can determine what is needed to provide decent conditions for navigation in this Federal waterway.

Where should we go to find out whether additional diversion can or cannot improve navigation in the waterway? We cannot go to the junior Senator from Wisconsin, because he has a biased point of view. I think if someone came to me, asking my opinion, since also I am not a qualified engineer, he would not be coming to the right person for an answer. For the same reason, a person going to the Senator from Illinois would not be going to the right person. He obviously has a reason for advancing this proposed legislation. He is not an objective expert, either. Neither of us is an expert in this matter.

Experts have testified before the Public Works Committee of the House or of the Senate, and they have testified at enormous length, to the extent of more than 1 million words of testimony in the record. I have only some of the hearings here; there are more. In all that abundance of testimony there is not one word of objective, impartial, qualified testimony to indicate that this diversion will be of any benefit to navigation on the Illinois Waterway.

As a matter of fact, there is the clearest kind of denial of such benefit, the most emphatic kind. Colonel Nauman, who is the representative of the Corps of Engineers, addressed the Public Works Committee and said that this diversion would be of no benefit to navigation. He has said so repeatedly. I do not at the moment have the specific reference to his testimony, but I will do my best to secure that reference and have it put in the RECORD at a later time. But the fact is that the experts have testified on this point. They say they know that the additional diversion would have no effect on navigation. They say the effect would be nil. The specific question was asked by the Senator from Oklahoma [Mr. KERR] last year, and the answer was that there would be no effect whatsoever.

So that argument by the Senator from Illinois has been answered in the most emphatic, the most expert, way.

I notice that in the very excellent address by this extremely competent Senator there is not one word of corroboration of the flat statement coming from the Senator from Illinois that the additional diversion would improve navigation on the Illinois Waterway.

The Senator from Illinois goes on to say:

Chicago is already conducting the largest and most complete sewage treatment operation that can be found in any large city in the world. It can do no more; and should be commended, not only for its effective efforts in matters of sanitation, but for its very important contributions to navigation.

That is all right. I think Chicago has worked hard. It has spent $400 million, or more, for sanitation. In many ways Chicago has done a good job. The fact is, however, that the expenditure of $400 million for Chicago and for the Chicago metropolitan district is not a very great investment per capita. As has been testified by the Senator from Illinois and others many times, there is a population of well over 4 million in this district, and it has an enormous industrial capacity, with fantastic industrial wealth. It is not a very great investment in terms of the enormous wealth of this area. There has been no showing it is a greater investment than any other city has made. The fact is Chicago is the only major city in the country—the only major city in the world, so far as I know—that takes water from one watershed, uses it for sanitation purposes, and then sends it down into an entirely different watershed, to the detriment of other States and another nation that is in the same watershed.

The Senator from Illinois goes on to discuss what I think is the best answer I have yet seen to the argument that has been made by the junior Senator from Michigan [Mr. HART], and myself in a letter addressed to all Senators. I suggest that all Senators who are interested in this matter, and who have read the letter read the insertion the Senator from Illinois put in the RECORD. I think it is as competent an answer as one can get, but I think on every single point he is wrong and has not answered our position, and it shows that the position of the Senator from Illinois cannot be supported.

The Senator from Illinois has stated:

The actual diversion of additional water from Lake Michigan is necessary for a significant test. It has been suggested that the bill, H.R. 1, be amended to provide for the 3-year study without the authority for a 1-year additional diversion of 1,000 cubic feet per second at Chicago. Except for the study of lake currents, and perhaps some other features, such a theoretical study would not reveal much more than has been already computed by sanitary engineers of the sanitary district.

Once again the Senator from Illinois makes a flat statement. There is no authority, no expert who is qualified, no objective authority, to support the notion that the 1,000 additional cubic feet of water per second is necessary.

Mr. President, this is the heart and soul of the bill. This is the only reason why Canada objects to it. Canada would go along with the study without the diversion.

The State of Ohio, the State of the distinguished occupant of the chair, the Senator from Ohio [Mr. YOUNG], would go along with the proposal if there were no additional diversion. My State would go along with the proposal if there were no additional diversion.

If the statement of the Senator from Illinois were correct, one would think he would be able to get some corroboration of it. The reason the Senator cannot is that there is not any. The reason the Senator cannot is that, as we have said, both of the agencies which have expert understanding and knowledge have come before the committee to testify the other way. The testimony is very clear. It has been testified that the diversion is not necessary. That is covered in the majority report on page 6.

I think it is even more emphatically covered on page 13, so I will read a portion of the report, beginning at the bottom of page 12:

The Secretary of the Army would report the results of the study to Congress by June 1, 1962, with recommendations as to continuance of diversion in increased or decreased amounts.

A report entitled "Effect on Great Lakes and St. Lawrence River of an increase of 1,000 cubic feet per second in the diversion at Chicago," printed as Senate Document No. 28, 85th Congress, contains data pertaining to the effect of increased diversion on Lake Michigan and on navigation on the Illinois Waterway.

That means the expert on navigation, the expert on power, the expert on erosion of the lake shore, which is the Corps of Engineers, tells us the additional diversion is not needed. As a matter of fact, the proposed legislation is not needed at all to give us the answer.

The statement of the Senator from Illinois, that it is essential this be done, would seem to rely entirely on the sanitary aspects of the question, because that is the only aspect which is left.

What does the outstanding national expert on pollution tell us? That, of course, is the Department of Health, Education, and Welfare, specifically the Public Health Service, and particularly Gordon McCallum, in charge of this matter for the Public Health Service.

I am not asking Senators to take the word of the Senator from Illinois or of the Senator from Wisconsin. The Senator from Illinois is a wonderful man. He is a very honest and a very wise man. However, he is not qualified in this particularly technical area.

The statement of the Department of Health, Education, and Welfare is as emphatic as it can be. It is said that additional diversion is not necessary and, as a matter of fact, the recommendation is specifically against it. The Department agrees with the Bureau of the Budget that diversion should not be permitted. The Department agrees with the Bureau of the Budget that instead a study should be made of the sanitation problem, with no additional diversion. It is said that such a study could be conducted as easily without diversion as with diversion.

In view of all this, one would think the Senator from Illinois would be able to produce at least a single expert of some kind who would come before the Senate to testify that the additional diversion is necessary, but in the excellent answer of the Senator, which is so beautifully ref-

erenced and so compelling and persuasive, there is not a word, not an authority, not a reference.

I proceed to read from the brief of the Senator from Illinois:

In order to put the difficult sanitary situation of the Chicago metropolitan area into proper perspective, consider that this is probably the largest concentration of population and its resulting pollution which is not adjacent to an ocean or a large river; the latter conditions make sewage disposal comparatively easy. Chicago's position makes its waste disposal critical, difficult and expensive; probably the most difficult in the world. The Chicago Sanitary District has done an extraordinary job toward solving this problem; it has constructed and operates the largest and most advanced sewage treatment facilities in the world in order to give what is usually accepted as complete treatment. However, this nominally complete treatment is not dependable for more than about 90 percent removal of polluting material. The untreated residual, equivalent to the raw sewage from a city with a population of approximately 800,000, cannot be put back into the lake without seriously contaminating its water supply and bathing beaches as has recently been experienced on a small scale by Milwaukee, Toronto, Cleveland, and other Great Lakes cities.

Mr. President, I think this is an interesting argument of the Senator from Illinois, but I submit it is totally irrelevant. The people who are best qualified to pass on this problem have already informed the Senate, through the Committee on Public Works—and their testimony is before us—that they do not need additional diversion to make a study as to whether the way to solve this admittedly perplexing problem for Chicago is to divert an additional 1,000 cubic feet of water per second, or to try other methods, such as aeration, chlorination, stopping pollution at the source, or what not.

The Senator from Illinois proceeds:

The alternative is to discharge the effluent, with its residual pollution, into the Illinois Waterway, as is now being done. However, the Illinois Waterway has inadequate dilution capacity to absorb the residual pollution. The result is an unpleasant environmental condition for some distance below the city of Joliet. Also, the city of Peoria, which has a critical shortage of domestic water, is planning to use Illinois River water, but is faced with considerable difficulty in treating this water to obtain an acceptable degree of safety.

Mr. President, once again I state, How does one solve this kind of problem? One solves it not on the basis of whether one likes and respects, as so many of us do, the distinguished Senator from Illinois and the very fine Representative, who is such a powerful and influential member of the Ways and Means Committee of the House, Mr. O'BRIEN; but instead one solves it based on what the experts tell us is correct. The fact is that the Senator from Illinois has stated the case quite well, but when we come to consider the answer, the only authority the Senator can give for his position is his own. The Senator cannot cite a single qualified expert who is objective to support the position he has taken.

The Senator goes on to say:

Thus Chicago is in a position which can be remedied only by unusual sanitary measures or by moving its location. Studies of Chicago's problem will be useful to other Great Lakes cities, and the results may save them many deaths and their governments much criticism as their populations increase in step with the commercial growth resulting from the St. Lawrence Seaway.

Mr. President, I expect to go into some detail later as to the health situation, but at this point I should like to say that Chicago has had this problem for a great many years. As a matter of fact, Chicago has had the problem since the Civil War. Chicago has solved the problem, or has tried to solve the problem, by diverting the water from Lake Michigan into the Illinois Waterway since about the turn of the century. One would think that by now there would be some kind of a statistical record on the health of the people of Chicago which would corroborate the contention that there is a great deal of illness—amebic dysentery, or some other illness—as a result of pollution, which would persuade us that there is a health menace.

The fact is that Chicago is a city where the people are among the most healthy in the country, on the basis of statistics which I will later put in the RECORD. A very careful and exhaustive study has been made of the incidence of various waterborne diseases. Chicago does extremely well on a per capita basis, as compared with any other major city anywhere.

So, Mr. President, the argument that there is a terrible health problem for Chicago, with people dying like flies and people getting ill, can be disproved easily by simply looking at the facts. There is not a health problem for Chicago. No showing has been made that there is a health problem for Chicago.

In all of the years that this matter has been before the Congress, the Senator from Illinois and the Representative from Illinois, both of whom are such extremely competent men, have failed to bring before the Congress a single health expert to demonstrate there is a health problem.

I have in my hand something which I intend to bring to the attention of the Senate later. It is the most definitive study ever made of the health problems of any community. It is a Chicago health survey, made in 1947, which goes into this problem in great detail and which, as a matter of fact, recommends against additional diversion of water.

Mr. President, the Senator from Illinois proceeds in his remarks, which he put in the RECORD this morning, to say:

Specifically, this actual diversion for 1 year is necessary to a really significant test because there are factors such as temperature, degree of undersaturation, rate of utilization, and coefficient of absorption which either must be determined for the actual conditions or are seasonal, thereby requiring a full year of data.

Mr. President, I ask Senators: How many men in this body are experts on the rate of utilization and the coefficient of absorption? I can hardly pronounce those words.

I submit that this is not the proper kind of decision for U.S. Senators to have to make. We should be able to turn to competent, qualified experts and ask them, "What is the answer?" We have done that, and they come back unanimously and say, "The answer is that additional diversion is not needed to make a study."

They say that unanimously. There is no question about it. So the argument of the Senator from Illinois that there are coefficients of absorption and undersaturation and all kinds of complicated developments that can only be studied by a 1,000 cubic feet per second diversion for a year it seems to me is answered completely by the fact that the people who understand these matters, who have devoted a lifetime to them, who have been qualified through their education, through their training, and through their experience to pass on these matters, say, "Additional diversion is not needed."

The Senator goes on to say:

Temperature effects are important because the saturation level of oxygen dissolved in water decreases with increases in temperature; for fresh water this saturation level is 14.6 parts per million at 32° F., 9 parts per million at 70° F., and 7.3 parts per million at 90° F., These are subject to variation due to different amounts of pollution in the water. Additional diversion is necessary to test these effects.

The degree of undersaturation is the difference between the actual amount of oxygen dissolved in the water and the saturation level. The rate of absorption of oxygen varies inversely as the degree of undersaturation.

After all, Mr. President, we are supposed to pass on this kind of extremely complex, highly technical, very specialized material. Obviously no Senator is going to read the record and come to some kind of judgment as to whether additional diversion is necessary. What he is going to do, what any intelligent person will do, is to go to a technical expert whom we can trust and say, "What is the answer?"

Nobody has challenged the integrity or honesty of the Public Health Service in this matter. They do not have any ax to grind.

As we have pointed out, the unmistaken leader of the Republican Party in the U.S. Senate is a leading proponent of this bill. He has used great influence, and he has been very effective in getting support for this bill.

If this were a matter of partisanship I should think that the administration would take a position and tell their agencies to take a position for the bill and against our position. Obviously the administration has not done this, because the experts uniformly and unanimously have told the Public Works Committee that additional diversion is not necessary.

Mr. FULBRIGHT. Will the Senator yield for an insertion in the RECORD?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Arkansas for an insertion, and that I shall not lose the floor.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the junior Senator from Wisconsin? The Chair hears none, and it is so ordered.

(At this point Mr. FULBRIGHT addressed the Senate. His remarks appear elsewhere under the appropriate heading.)

Mr. DOUGLAS. Mr. President——

Mr. PROXMIRE. Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator from Illinois for so graciously yielding to the Senator from Arkansas.

Mr. DOUGLAS. I did not yield.

Mr. PROXMIRE. For so graciously not objecting to my unanimous-consent request that I yield to the Senator from Arkansas. I know that only his great affection for the Senator from Arkansas persuaded him to do this, because a number of fine Senators who are very close friends of the Senator from Illinois have been denied the floor. Only the Senator from Arkansas has been permitted to have the floor by the Senator from Illinois.

Mr. FULBRIGHT. Mr. President, I appreciate very much this sign of generosity on the part of the Senator from Illinois.

Mr. PROXMIRE. The only other way I can understand this unusual courtesy is that the Senator from Illinois has mellowed. I have not taken very long on this speech, but perhaps as time has passed, the factor of time and consideration has persuaded him that perhaps in the future it would be perfectly all right to cooperate, and that it is unnecessary to object to these courtesies we extended to our good friends in the Senate.

Mr. President, I ask unanimous consent that the remarks of the Senator from Arkansas appear elsewhere in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. The Senator from Illinois went on to say:

> The rate utilization of oxygen, by the dissolved and suspended organic matter in the water, is affected by temperature, nature of the pollution, and amount of mixing which takes place. This rate of utilization affects the degree of undersaturation. Additional diversion is necessary to test these effects.
>
> The coefficient of absorption is an empirical factor which is applied to other factors in determining the rate at which oxygen goes into solution in the water; it is effected by the quantity and nature of impurities in the water, and the amount of mixing which results from the velocity of flow and characteristics of the stream bed. Additional diversion is necessary to test these effects.

Is it? Is it? I submit that whether it is necessary or not is a question for Gordon McCallum to answer, a question for the Public Health Service to answer, a question for the Department of Health, Education, and Welfare to answer, a question for qualified, dispassionate, objective experts who understand this matter, who are not representatives of Illinois or Chicago or of Wisconsin or Ohio, but men who have devoted their whole lives to this matter, who understand it, and who say unanimously and with one voice, "Additional diversion is not necessary," contrary to what our distinguished friend from Illinois says.

The Senator from Illinois says further:

> Another feature, about which there has been much speculation but to which only an actual test can supply the answer, is whether or not an additional amount of fresh water would sufficiently dilute the concentrated nitrogenous material carried into the Illinois River from the treated sewage effluent to reduce the excessive growth of algae and obnoxious water plants.
>
> In summary, the actual additional diversion is necessary to supply data on the several empirical factors which are necessary to determine if this method would provide the necessary relief for this overall public health problem and for a desirable improvement in conditions of navigation.

Indeed it is the overall public health problem. And who decides the overall public health problem? The Senator from Illinois? He has given us his partisan opinion on it, and it is a very good one, but I am sure that any Senator who wants to decide this on the merits is going to consider primarily in this technical field as to whether this public health problem can be solved by asking the experts of the Public Health Service, whose whole training, background, and education qualify them to give them an answer, and their position assures us that they will give us an answer that is unbiased, that is objective, that is fairminded, as well as qualified.

Then, Mr. President, the Senator from Illinois proceeds to state something on the theoretical power loss, that is quite interesting to me, although again it is a little technical. He argues that the total flow in the St. Lawrence is 240,000 cubic feet per second. The maximum reduction of flow in the St. Lawrence is about 220 cubic feet per second. Here he quotes a Smith, at page 408, for 210 cubic feet per second, and Ramey, page 345, for 220 cubic feet per second. I do not know who Smith is. There is no identification of Smith, other than his name. I presume he is an authority, but there are many Smiths in America, and I submit that this could be almost anyone.

The second authority, Mr. Ramey, is a fine man; and I understand—I ask the Senator from Illinois to correct me if I am wrong—he is an employee of the Metropolitan Chicago Sanitary District. I ask the Senator from Illinois to correct me if I am wrong, or to shake his head if he does not wish to delay me. Is Mr. Ramey an employee of the Metropolitan Chicago Sanitary District?

Mr. DOUGLAS. Mr. Ramey was the chief engineer of the Chicago Sanitary District, but he is now retired. He is one of the most eminent sanitary engineers in the world.

Mr. PROXMIRE. Is he a consulting engineer?

Mr. KUCHEL. Mr. President, I was about to ask unanimous consent that my friend from Illinois could shake his head, in the affirmative or in the negative, without the Senator from Wisconsin losing his right to the floor.

Mr. PROXMIRE. Will the Senator from Illinois tell me whether or not Mr. Ramey is now a consulting engineer?

Mr. DOUGLAS. He was the chief engineer of the sanitary district, but he is now retired. He is an independent engineer.

Mr. PROXMIRE. On that basis, I think it is pretty clear that Mr. Ramey, while a very well qualified man, is a man who speaks on the basis of his former connections and interests, and his whole association of a lifetime. Therefore his testimony, while given weight, should be considered in the same category with the testimony of the Senator from Illinois, that is, the testimony of a person who has a specific interest.

The Senator from Illinois continues:

> This maximum reduction is about one-tenth of 1 percent of total flow.
>
> After diversion has been in effect for 1 year and diversion has ceased, the recovery in water levels and flow quantities will start.
>
> The reduction in flow at Massena will be about as follows—

I will not delay the Senate by reading each of these figures, but it is interesting to note that the Senator from Illinois speaks with absolute authority. He does not say that he thinks the reduction will be about as follows; he says it will be. He knows what the effect of an additional 1,000 cubic feet per second diversion will be. In that event, why have the diversion as a concomitant of the test? Why not have the study without the diversion? If the Senator from Illinois already knows the effect of the diversion, why indulge in an action which is vigorously protested by the sovereign nation of Canada, and by six of our States, as well as by many Senators?

The Senator from Illinois concludes by quoting from page 10 of the House Report, No. 191, 86th Congress, as follows:

> It, therefore, has accepted the loss at Niagara and on the St. Lawrence as $608,000.

Without stipulating as to that loss, I should say, on the basis of information I have seen, that it is far greater. New York emphatically says it is greater, and furnishes competent evidence that it is greater.

Without questioning that figure, the point is that the Senator from Illinois has now told the Senate that there will be a power loss.

As I have said before, a great Senator has told me that if I could show him that there would be as much as $1 loss to any State for the benefit of another, he would vote against the bill.

I do not have to argue the question of loss. The Senator from Illinois has done it for us. The Senator from Illinois has said there will be a loss at Niagara and on the St. Lawrence of $608,000. He continues:

> Subtracting the gain in hydroelectric power at the Lockport plant of $67,000 would leave a net loss of $541,000 over the 15-year period during which the 1-year diversion would have an effect.

That is very interesting. New York loses $608,000. As I understand, the Senator from Illinois has just said—and I hope he will shake his head if I am wrong—that the Metropolitan Sanitary District owns or controls the power installation at Lockport. I presume I am right. The benefit at Lockport would accrue to the Metropolitan Sanitary District. In other words, we are giving them at least $67,000, on the basis of the testimony of the Senator from Illinois himself, which comes out of the pocket

of New York and goes into the pocket of the Chicago Sanitary District. There is no question about it.

Of course, the loss to Canada is an admitted loss, too.

The Senator from Illinois continues:

> This is an annual loss of $36,000 which the committee considers to be infinitesimal in comparison to the $50 million a year estimated gross annual value of the output of the U.S. plants at Niagara and on the St. Lawrence (p. 10, H. Rept. No. 191, 86th Cong., 1st sess., "Diversion of Water from Lake Michigan").

The $36,000 figure is very much disputed. It is vigorously disagreed to.

Furthermore, the whole point of the test is based upon whether or not there is a permanent diversion. I think the Senator from Illinois would agree that a permanent diversion, instead of losing $36,000, would result in a great deal higher loss.

I think it can be conclusively shown, by the evidence which I hope to place in the RECORD at a later time, that the economic loss would be far greater than the economic benefit. This is a matter of economics. There is no question, on the basis of the evidence we have so far, that Chicago could solve its problem by the use of alternative methods—by aeration, chlorination, restricting pollution at its source, or by some other method of that kind—costly, but nevertheless practical and possible.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Ohio, provided I do not lose the floor.

Mr. DOUGLAS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. PROXMIRE. I yield to the Senator from Ohio for a question.

Mr. LAUSCHE. Is it not a fact that in the report filed by the division engineer of the North-Central Division, Corps of Engineers of the U.S. Army, on page 43, paragraph 146, there appears the following statement:

> In the United States and in Ontario it is considered that the decrease in available hydroelectric energy that would result from a permanent increase in diversion could best be evaluated in terms of the cost of alternative generation in modern, efficient, thermal plants, currently estimated at 2.87 mills per kilowatt-hour. The monetary value of the loss of 246,800,000, kilowatt-hours of energy in the United States and Ontario plants is computed to be about $708,000 annually.
>
> Information is not available as to the appropriate basis for evaluating the decrease in hydroelectric energy that would result in Quebec. The total computed annual loss in energy at the United States and Ontario plants represents 81 percent of the total computed annual loss in energy at Niagara and St. Lawrence River plants resulting from a permanent increase in diversion of 1,000 cubic feet per second from Lake Michigan. The value of the corresponding gain at the Lockport plant on the Illinois Waterway of 23,500,000 kilowatt-hours, would be about $67,000 annually. A monetary value has not been placed on the theoretical losses or gain in dependable capacity.

Is it not a fact that this study, made by the Corps of Army Engineers, shows that a definite loss of $708,000 would be suffered by the United States and Ontario hydroelectric generating plants, and a gain of $67,000 annually would be enjoyed by the Lockport-Chicago drainage-canal-operated generating plant?

Mr. PROXMIRE. I thank the Senator from Ohio. I say that the answer is emphatically "Yes." I say that, recognizing the testimony of the Senator from Illinois, who is, as I have said, an honorable man and a wise man. But I think in this case, as I have shown, the authorities he has quoted are Horace P. Ramey, a fine man, but whose advice in this case is not correct, and a fellow named Smith, who is not otherwise identified except that his last name is Smith.

The Senator from Ohio has cited, on the other hand, the unquestioned authority in the country, the Corps of Engineers. I know of no one in all the hearings we have had who has questioned the integrity, the competence, the accuracy, or the ability of the Corps of Engineers to give us a final, accurate answer in this matter.

So, in view of what the Senator from Ohio has said, it seems to me this is a complete answer to the point made by the Senator from Illinois. I think any fairminded person would say there may be some reason for the metropolitan district engineers arriving at the conclusion they did reach; but the fact is that the Corps of Engineers will be honest with Congress. They will tell us the facts as they see them. They have no political ax to grind. They do not take any position on the bill. They simply wish to give a competent, honest, correct answer. They say the loss will be $708,000 annually—not over 15 years, but annually.

I think the different points of view may be reconciled—perhaps I am wrong—by saying that Corps of Engineers may be talking about a permanent diversion. If that is the case, I think we can reconcile both these points of view and say that the Senator from Illinois is correct in what he has said here, and that our position is correct, too, because that difference would be approximately what one would expect under those circumstances.

But the point the Senator from Ohio and the Senator from Wisconsin are making is that what we are using is a study to determine whether the permanent diversion is necessary. No one has the slightest interest in the effect of a temporary diversion, except in this ad hoc instance, and everyone who is an expert tells us a temporary diversion is not wanted.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield for a question.

Mr. LAUSCHE. Is it not a fact that all that has been said on the floor of the Senate by the proponents of the bill definitely establishes that while they ask for a 1-year diversion of water to make a pretended test, what they really contemplate is a permanent diversion of 1,000 cubic feet a second?

Mr. PROXMIRE. I am sure that they earnestly hope to get it. That is their objective. I am positive that if this were not their objective, they would not even have dreamed of introducing the proposed legislation. I am sure they want it. I think it is pretty clear in their remarks in the debate and elsewhere that they have every expectation of getting it.

They have said, over and over again, that if the test shows this cannot be supported economically or on some other ground, they will be the first to admit it and will not introduce any further proposed legislation.

Our answer is that this is not a fair test. The Public Health Service says it is not a fair test, or at least that it is not necessary. The Bureau of the Budget recommends a different kind of test. We feel that a fair test would put all alternatives on an equal basis, and the proposed legislation does not do that.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a question.

Mr. LAUSCHE. Is it not also a fact that based upon impartial, objective studies made by the Corps of Army Engineers throughout the years, the Corps of Engineers has stated that we have the information covering what the lowering of the lake levels will be, and we need not make any further study; that we have that information now at hand. It is contained in the reports which have been submitted to us. Is not that a fact?

Mr. PROXMIRE. That is an absolute fact. The Corps of Engineers has said that in the most emphatic, clearest kind of language. They say, as a matter of fact, on page 13 of the committee report:

> Accordingly, legislation is not necessary to obtain data in relation to those items.

The antecedent of "those items" is the lake levels and the effect on navigation and power on the Great Lakes.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a question.

Mr. LAUSCHE. Is the Senator from Wisconsin aware of the fact, if I may ask permission to read from the committee report——

Mr. PROXMIRE. The report of the majority.

Mr. LAUSCHE. That the report of the majority included a letter which was sent to the committee by the Corps of Army Engineers?

Mr. PROXMIRE. That is correct.

Mr. LAUSCHE. The Corps of Engineers says it has made studies and can give us figures; that another test need not be made. Is not that the fact, if I may ask the Senator from Wisconsin?

Mr. PROXMIRE. That is a fact. The Senator from Ohio is correct. If I may reply at a little greater length to the question of the Senator from Ohio, the study of the Corps of Engineers reports:

> That the 1,500 cubic feet per second of direct diversion presently entering the waterway pursuant to the decree of April 21, 1930, is sufficient to sustain navigation was borne out by the report made by the division engineer, North Central Division Corps of Engineers, U.S. Army, in January 1957 on the subject "Effects of an Additional Diversion of Water from Lake Michigan at Chicago," and published as Senate Document No. 28 of

the 85th Congress, 1st session. At paragraph 184 it is stated:

"184. Commerce on the Illinois Waterway has increased from a total of 1,695,120 tons in 1935 to 21,362,852 tons in 1955, the latest year for which statistics have been compiled. Recent studies of present and prospective water requirements for navigation on the Illinois Waterway show that the authorized diversion of 1,500 cubic feet per second from Lake Michigan is adequate to meet those requirements."

Let me read the last sentence again:

Recent studies of present and prospective water requirements for navigation on the Illinois Waterway show that the authorized diversion of 1,500 cubic feet per second from Lake Michigan is adequate to meet those requirements.

I thank the Senator from Ohio.

Mr. LAUSCHE. Is it not a fact, then, that from the standpoint of the impairment of electrical generating capacity, if this plan of Chicago is accomplished by the action of the Senate and is made an ultimate reality, all of the hydroelectric generating plants along the Great Lakes and the St. Lawrence River will suffer financial loss, while Chicago will be the only one to enjoy a profit?

Mr. PROXMIRE. That is absolutely correct. There is no question about it. The Senator from Illinois agrees. He has said so.

Mr. LAUSCHE. Does the Senator from Illinois agree to that? May I ask the Senator from Illinois, without causing the Senator from Wisconsin to lose the floor, if the accomplishment of this proposal will mean that all the power generating plants will suffer a loss, but that Chicago will profit?

Mr. PROXMIRE. The Senator from Illinois is completely silent. I can only construe the silence of this most eloquent man to mean that he agrees that Chicago will gain, and the other States will lose.

Mr. LAUSCHE. Mr. President, will the Senator from Wisconsin yield for another question?

Mr. PROXMIRE. I yield for a question.

Mr. LAUSCHE. On the subject of navigational benefits, is it not a fact that the Corps of Army Engineers, based upon recent studies and statistical information gathered during the last 50 years, reported that if this proposed diversion is granted and finally becomes permanent, the water level of Lake Erie will drop five-eighths of an inch, and the level of Lakes Michigan and Huron will drop 1 inch?

Mr. PROXMIRE. That is my understanding. I believe those figures are correct, and it would be hard to dispute them in view of the fact that they come from the Corps of Engineers.

I may say, however, that the position of the proponents of the bill is: "What is an inch? What is five-eighths of an inch?" The answer is that 1 inch or five-eighths of an inch means literally hundreds of thousands of dollars in power losses and hundreds of thousands of dollars in navigation losses. There will also be other damage such as that which will be done to recreational facilities.

Mr. LAUSCHE. If I may ask another question without the Senator from Wisconsin losing the floor, looking at the situation from the standpoint of financial loss through the impairment of navigational capacity, is it not a fact that the Corps of Army Engineers points out in dollars what that loss will be to the American and Canadian users of the Great Lakes?

Mr. PROXMIRE. They do, indeed.

Mr. LAUSCHE. Has anyone disputed the fact that there will be financial loss?

Mr. PROXMIRE. No one has. I think many Senators do not realize that. It is unfortunate. But I think if Senators realized that fact and also that this proposal would take money from the citizens of one State and, in effect, give it to the citizens of another State, I am sure Senators would say, on principle, that regardless of anything else in the bill, they could not vote for it.

Mr. LAUSCHE. Am I correct in understanding that if this bill is passed and is enacted into law, first, from the standpoint of electricity or power, property rights will be taken from all of the States and from the Dominion of Canada, bordering on the Great Lakes and on the St. Lawrence Seaway, and will be given to Chicago; and does the same principle apply with reference to the subject of transportation on the Great Lakes?

Mr. PROXMIRE. The Senator from Ohio is absolutely correct. The subject of transportation on the Great Lakes of course is of immense importance, in view of the construction of the St. Lawrence Seaway and in view of the enormous expenditures which Cleveland, Milwaukee, and many other ports on the Great Lakes have made to dredge and to provide access for the large oceangoing steamers. This waterway is the very lifeblood that has made Cleveland, Milwaukee, and other cities in the area ocean ports.

Mr. LAUSCHE. Does the Senator from Wisconsin understand that this year the Congress will have appropriated $31 million to be used in dredging the Great Lakes, so to make them better usable for transportation?

Mr. PROXMIRE. That figure does not surprise me. Although I may be mistaken, I believe that Canada has appropriated many times that amount for the St. Lawrence Seaway. In view of the fact that Canada is not as wealthy as our country and does not have nearly so large a population as does our country, one can well realize that Canada feels very deeply and very strongly that what she has built at great cost to herself should not be the subject of a refusal by the United States to consider the Canadian protest or even to let the Foreign Relations Committee of the Senate, the only committee of this body competent to pass on treaties, so much as look at the bill. Certainly such a position by our country would seem to me to be an insult to our good neighbor, Canada.

Mr. LAUSCHE. Mr. President, will the Senator from Wisconsin yield further?

Mr. PROXMIRE. I yield for a question, but only for a question.

Mr. LAUSCHE. Yes. One of my colleagues——

Mr. PROXMIRE. Is the Senator from Ohio asking a question?

Mr. LAUSCHE. Yes, I am. Will the Senator from Wisconsin please answer this question: Yesterday, a Senator, after he had voted, said to me that he voted in the manner in which he did because he wanted to spare Chicago from a health endangering epidemic, and said that he understood that unless this water was made available in Chicago, then, on the basis of what the Department of Health had said, Chicago would be struck with a menace to health. What are the facts with reference to that understanding, based upon the reports we have had, and based upon the expert opinions?

Mr. PROXMIRE. The facts are—and later in my remarks I expect, if I have an opportunity to do so, to place in the RECORD the documentation of the facts—that Chicago is one of the very healthiest cities in the world; and the Chicago authorities have said so, and have said that Chicago has an excellent health record, particularly as regards waterborne diseases. There is no statistical evidence or any other evidence of any kind that a health problem exists at Chicago. As I shall later show when I quote quite extensively from the book which is a study of the situation at Chicago and in Cook County—a book of some 1,200 pages, and it constitutes the greatest health survey of the situation at Chicago or in Canada or elsewhere in that part of the world—the problem can be solved without additional diversion.

Furthermore, the Public Health Service, which is the competent, qualified, unbiased expert on this matter, says the same thing.

So it seems to me that any Senator who says this is a matter which involves the health of the people of Chicago will vote against the proposed additional diversion, because all the health experts say the study can be made without permitting additional diversion, and all of them say that the additional diversion will serve no health purpose.

Mr. LAUSCHE. Is it not fair to assume that if a health matter were involved, the Department of Health, Education, and Welfare of the U.S. Government, with its responsibility to protect the health of the people of the country, would be the first to urge that the Congress provide for this diversion?

Mr. PROXMIRE. I am absolutely sure the Department would do so, particularly since the distinguished minority leader, the junior Senator from Illinois [Mr. DIRKSEN], who is a very fine Senator, and is the spokesman of the administration in this body, could—in view of his great interest in and his support of this measure—if there were any merit in it, get the Public Health Service to support it. Heaven knows, under those circumstances, the Public Health Service as an agency of the administration would give the bill as much support as it could; and I am sure it has done all it could to consider the merits of this proposal. After all, the Public Health Service has the responsibility of caring for the health of the Nation, and it is dedicated to that service. Those in the

Public Health Service have devoted their entire lives to protecting the public health. They have made that a crusade. Undoubtedly, they could earn larger salaries in other occupations; but they have chosen to serve in the Public Health Service. And their answer is that the diversion is not needed.

Mr. LAUSCHE. Mr. President, in other words, the Department of Health——

Mr. PROXMIRE. I was referring to the Public Health Service, of the Department of Health, Education, and Welfare.

Mr. LAUSCHE. In other words, that agency has not urged us to authorize this diversion; but, instead, it submitted a report——

Mr. PROXMIRE. Is the Senator from Ohio asking a question?

Mr. LAUSCHE. Yes, I am—but it sent in a report specifically stating that this diversion is not necessary for health purposes?

Mr. PROXMIRE. The Senator from Ohio is correct.

Mr. DOUGLAS. Mr. President, I must protest; that was not a question. Instead, it was a statement. I must ask that the Senator from Wisconsin be declared to have lost the floor.

Mr. PROXMIRE. Mr. President, the Senator from Ohio made perfectly clear, by the inflection of his voice, that he was asking a question. In fact, I interrupted him, and asked whether he was asking a question; and he said he was. He asked whether that statement was correct; and my reply was that it was correct.

Mr. DOUGLAS. Mr. President, an examination of the RECORD will show that the statement of the Senator from Ohio was not grammatically in the form of a question. The Senator from Wisconsin has replied to it; and I ask that the Senator from Wisconsin be declared to have lost his right to the floor.

Mr. LAUSCHE. Mr. President, the Senator from Wisconsin asked me specifically whether I was asking a question; and my reply was "yes." And the question was put in that form.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The Chair wishes to state that the Senator from Wisconsin can yield only for an interrogation. If he persists in yielding, the Senator from Wisconsin must make sure that he yields only for questions.

Mr. DOUGLAS. Mr. President, I ask for a ruling in regard to whether the Senator from Ohio asked a question or made a statement.

The PRESIDING OFFICER. The Chair wishes to advise that the Senator from Ohio prefaced his words with the statement that he was asking a question. If at one point he veered from that understanding, the Senator from Illinois should have made his point there.

The Chair would like to advise the Senator from Wisconsin that he may yield only for a question.

From now on, the Chair is going to be very careful to make sure that only questions are asked of the Senator who has the floor. Under the rule, a Senator who has the floor may yield only for a question; otherwise, the point of order may properly be made.

Mr. DOUGLAS. Mr. President, will the Chair rule on whether the Senator from Wisconsin has lost his right to the floor?

The PRESIDING OFFICER. The Senator from Wisconsin has not yet lost the floor.

Mr. PROXMIRE. Mr. President, I continue to read from the very fine brief or argument the Senator from Illinois earlier today inserted in the RECORD, and which I am attempting to answer point by point.

On the last page of his argument or memorandum, the Senator from Illinois tried to meet this question:

> Does the Supreme Court have authority to increase the diversion?

The statement submitted by the Senator from Illinois sets forth, in reply, the following:

> It is our understanding that the Supreme Court, in the case now pending before it, may have authority to increase the flow of water in the Illinois Waterway.
>
> However, no constitutional lawyer of any consequence—

Believe me, Mr. President, those are the words of the Senator from Illinois [Mr. DOUGLAS]; they are not my words—

> would say that this ousts Congress of its jurisdiction under the commerce clause. The Senate is not required to abdicate its power over navigation because a matter is pending before the Supreme Court, and in the famous Wheeling Bridge case Congress specifically reversed a decree of the Court, and the Court ruled properly so.

Mr. President, I submit that the Supreme Court has jurisdiction, and the argument of the Senator from Illinois in this matter seems to me not to be pertinent in view of the fact that the Supreme Court is perfectly free to give additional diversion. As recently as 1956 it gave additional diversion, not the 1,000 feet extra, but 6,000 feet extra.

So the point made by the Senator from Illinois in this regard, it seems to me, does not stand up. The fact is that the Supreme Court, ever since at least the turn of the century, and certainly since the study made by Charles Evans Hughes and the report made by him in 1930, has insisted it has jurisdiction over this matter, that it can decide whether, with all the equities concerned, the interests of Canada, Wisconsin, Michigan, Ohio, New York, Vermont, the rights and the needs of Chicago should take precedence over the perfectly legitimate and just needs of navigation and power on the Great Lakes.

The Supreme Court has acted—and I do not see how anybody can question it—on the basis of fairness, justice, intelligence, and understanding. It has acted impulsively. Nobody has accused the Court of being arbitrary or political. It has acted obviously on the basis of the most competent and comprehensive understanding. For the Senator from Illinois to say Congress can step in and authorize the Court in doing so seems to me wrong on the whole history of the question.

The Senator from Illinois went on to say:

> Congress authorized this present diversion in the Rivers and Harbors Act of 1950 and there is no argument that continued exercise of Court authority destroys the power of Congress.
>
> There is no pleading now before the Court specifically asking for more water.

That is simply because the sanitary district is not asking for it. After all, it is hardly the fault of Ohio, Wisconsin, or Canada that Chicago is not asking for more water if it needs it. It is the fault of the Chicago Sanitary District. It has gotten water before by asking for it. The Supreme Court has shown that, if it feels it is justified, it is perfectly willing to grant additional water if it is requested.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Ohio for a question.

Mr. LAUSCHE. Is it not a fact that about a year ago there was a drought condition in that area and the city of Chicago went to the Supreme Court, related to it the fact that there was a drought and that water was needed, and the Supreme Court granted a temporary right to divert more water?

Mr. PROXMIRE. The Senator is absolutely correct. I was trying to get across the point that in 1956 the city of Chicago went to the Supreme Court and said, "We need additional water, a temporary additional diversion," and the Court granted the diversion. In fact, the Court authorized 8,000 cubic feet per second, instead of the increase of 2,500 feet Chicago is now asking.

Obviously, the Supreme Court has shown that, when there is merit, it will grant the additional water needed.

I should like to quote from a statement by the power authority of the State of New York in a brief that was filed. Reading from page 11:

> In November 1956, Illinois petitioned the Supreme Court for a temporary modification of the decree of April 21, 1930, so as to increase the diversion to 10,000 cubic feet per second for a period of 100 days to relieve a critical navigation emergency on the Mississippi River due to unprecedented drought conditions. In an amicus curiae memorandum on behalf of the United States, the Court was informed that the Corps of Engineers had expressed the opinion that the proposed diversion would serve to alleviate the emergency.
>
> All the complainant States except Wisconsin—
>
> My State protested—
>
> agreed to a temporary increase in the diversion because of the navigation emergency. Their agrement, however, was without prejudice to the positions they had consistently taken in opposition to Illinois' efforts to increase the diversion [permanently].

The word "permanently" is my word. I continue to read:

> On December 17, 1956, the Court temporarily modified the April 21, 1930, decree to permit diversion until January 31, 1957, at 8,500 cubic feet per second in addition to domestic pumpage, without prejudice to the rights of the parties (*Wisconsin* v. *Illinois*, 352 U.S. 945).
>
> At the same time that Illinois petitioned in 1956 for this temporary modification of the

1930 decree, the sanitary district again moved the Court for clarification of that decree so as to provide that the Congress could determine and authorize the amount of diversion required. On motion of the complainant States the Supreme Court on December 17, 1956, denied the sanitary district's petition for clarification of the decree.

Let me read that paragraph again. This is a direct and immediate answer to the Senator from Illinois' statement that Congress has some kind of concurrent jurisdiction, that Congress' action will help the Supreme Court, that the Supreme Court wants Congress to authorize the diversion. Here is what the Supreme Court actually said:

At the same time that Illinois petitioned in 1956 for this temporary modification of the 1930 decree, the sanitary district again moved the Court for clarification of that decree so as to provide that the Congress could determine and authorize the amount of diversion required. On motion of the complainant States the Supreme Court on December 17, 1956, denied the sanitary district's petition for clarification of the decree.

Mr. President, what could be clearer? The Supreme Court said, "We have jurisdiction." The sanitary district has said, "Let Congress decide it." The Supreme Court has said, "No. We will decide it on the basis of riparian rights and the legal problems involved," and I think the Supreme Court was dead right.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Ohio for a question.

Mr. LAUSCHE. Is it not a fact that the decision of the Supreme Court rendered in the 1956 proceeding was completely predicated upon the decision which the Supreme Court rendered in 1930, fixing the volume of water which Chicago had the right to divert?

Mr. PROXMIRE. Absolutely, and that is a most important point. The Supreme Court has not varied from that 1930 decree. As a matter of fact, in flat contradiction and usurpation of the jurisdiction of the Supreme Court, this proposed legislation would say that we are going to violate that decree of 1930 and say that what the Supreme Court has decided is invalid; "we say 2,500 cubic feet per second and the Supreme Court can peddle its papers elsewhere."

Mr. LAUSCHE. Will the Senator yield further?

Mr. PROXMIRE. I yield to the Senator from Ohio for a question.

Mr. LAUSCHE. Is it not a fact that the Supreme Court in 1930, after it had listened to the arguments of the States downstream and downlake from Chicago, and I think those uplake and upstream from Chicago, decided that Chicago be permitted to take out the natural water needed for domestic purposes, which amounted to about 1,800 cubic feet per second, and 1,500 feet to be used in the drainage canal?

Mr. PROXMIRE. That is my understanding.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a question.

Mr. LAUSCHE. Is it not a fact that from 1930 to this very day the Supreme Court has stood firm in its decision that the removal of more than 3,300 cubic feet of water per second would economically, unlawfully, and wrongfully damage the States downstream?

Mr. PROXMIRE. The Senator from Ohio is absolutely correct. That is another point which has been generally overlooked.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a question to the Senator from Ohio.

Mr. LAUSCHE. Is it not a fact that we generally overlook the fact that the city of Chicago has gone to the Supreme Court, has complained that the decision was wrong, and that the Supreme Court time and again and repeatedly has told Chicago, "You are taking property from other States, which belongs to them, and trying to use it for yourself"?

Mr. PROXMIRE. The Senator from Ohio is absolutely correct. There is no question about it. Anyone who studies the legal history of this situation can come to only that conclusion.

What the proposed legislation would do is ignore and usurp the jurisdiction of the Supreme Court, which it has in the past asserted, by insisting that Congress is going ahead regardless of the position of the Supreme Court.

Mr. LAUSCHE. Mr. President, is it not a further fact that when the Supreme Court rendered its decision in 1930 it declared it would keep the case before it, to see if conditions changed; and it further stated that, if conditions changed, it would consider the changed conditions? Furthermore, the Supreme Court directed the city of Chicago to file reports with the Supreme Court, showing what water was taken and what was being done with it?

Mr. PROXMIRE. That is absolutely correct.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield for a question.

Mr. LAUSCHE. Does the Senator from Wisconsin know whether the city of Chicago has complied with that order as to filing reports?

Mr. PROXMIRE. There is no question about the fact that the city of Chicago has not complied with the order. The last report was filed in 1939, 20 years ago; so the city of Chicago is delinquent on some 40 reports.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Ohio for a question.

Mr. LAUSCHE. If the city of Chicago were to file 2 reports a year, it is now delinquent 40 reports?

Mr. PROXMIRE. The Senator from Ohio is correct. There is no question about that.

Mr. LAUSCHE. I have one further question, Mr. President, if the Senator will yield?

Mr. PROXMIRE. I yield to the Senator from Ohio for a question.

Mr. LAUSCHE. It is now within the power of the city of Chicago, is it not, to go to the Supreme Court, to prove that conditions have changed, and under the law that will entitle Chicago to have more water, and Chicago will get relief, if it can prove a case?

Mr. PROXMIRE. The Senator from Ohio, a distinguished former judge and lawyer, has stated the case with complete correctness. The fact is that the Sanitary District can go to the Supreme Court, and if it can make a case it can get an additional diversion of water. The situation is that simple.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a question to the Senator from Ohio.

Mr. LAUSCHE. Is it not a fact that after Chicago was told by the Supreme Court, "You are unlawfully taking the water which belongs to these States downstream," the city of Chicago tried to persuade President Roosevelt and President Truman to do something about getting the water for them?

Mr. PROXMIRE. That is my understanding. I think the Senator from Ohio brought out that information. I think that is correct.

Mr. LAUSCHE. Mr. President, a further question.

Mr. PROXMIRE. I yield for a question.

Mr. LAUSCHE. Is it not also a fact that although Chicago knew it was violating the law and knew that the Supreme Court had told it it was violating the law, the city of Chicago has now come to the U.S. Congress and wants the Congress to validate the taking of water which the Supreme Court says is unlawful?

Mr. PROXMIRE. I think the Senator from Ohio is making an absolutely devastating case. There are many, many reasons for objecting to this proposal. There is the position of Canada, the position of all the expert agencies— the position of the Public Health Service, of the Department of the Army, of the Bureau of the Budget, and of the State Department. Now, as the Senator from Ohio has argued, even if we did not have all the other objections, the fact is that the Supreme Court has jurisdiction, and the Supreme Court has exercised jurisdiction. The Supreme Court has permitted the additional diversion of water in the past. It could do so again. It is making a study of the situation. If the Supreme Court feels that additional diversion of water is desirable, after the study, it could grant the diversion very easily.

No man in this body will question the integrity and the honesty of the Supreme Court on this kind of an issue. There are not any matters of emotion involved. This is a matter of technical determination, based upon an understanding of the public health factors, of the navigation factors, of the power factors, and that sort of thing. The Supreme Court is perfectly equipped to act on the matter. The Supreme Court has acted in the past and should be permitted to do so again.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield for a question only.

Mr. CASE of New Jersey. The fact is that the unemotional way in which the

debate is being carried on in the Senate corroborates the statement of the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator from New Jersey. I think that is correct. Not only is it a fact, as the Senator rightly implies, that there has been some emotion in this debate, but also there have been men of great stature and integrity, and also of enormous influence, who, with every right, have exercised their influence to persuade Senators, as the Senator from Ohio has pointed out, on an ad hominem basis, rather than on the merits of the case. That indicates the great weakness of bringing this matter before the Congress.

Mr. HUMPHREY rose.

Mr. PROXMIRE. Mr. President, I think the Senator from Minnesota [Mr. HUMPHREY] would appreciate it if I would ask unanimous consent to yield to him to put something in the RECORD, without losing my right to the floor.

Mr. HUMPHREY. Mr. President, I would appreciate that request. I have an item for the RECORD.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Minnesota for that purpose, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

SUSPENSION OF NUCLEAR TESTS

Mr. HUMPHREY. Mr. President, earlier today in a colloquy with the distinguished Senator from Wisconsin, I discussed a speech I delivered in the Senate about 10 days ago on the subject of the prohibition of further nuclear tests. That speech has been the subject of discussion and columns, one in particular by the distinguished and eminent writer, Mr. Roscoe Drummond.

The substance and the main point of the speech was to encourage the President of the United States, first, to coordinate American Government policy relating to our attitude on the prohibition of further nuclear tests. I cited, for example, that there were conflicting statements coming from the Atomic Energy Commission and from the Department of Defense which lent themselves to a lack of support of the administration's declared policy of pursuing the effort of obtaining an agreement to prohibit further nuclear tests, provided such agreement had within it a system of safeguarded inspection which would be effective and which could be applied upon all the participating countries and those who were signatories to the treaty.

This position is still the Government's official position. I have noted of late that the President has reaffirmed our desire to pursue an agreement with the Soviet Union and Great Britain to prohibit further nuclear tests.

I was particularly pleased that the second suggestion in my speech—namely, that the President should extend the period of time of suspension of nuclear bomb tests by our Government—was accepted by the President.

President Eisenhower this past week has stated that the U.S. Government will not begin testing again, as had been indicated, following the date of October 31.

My colleagues may remember that about a year ago the President announced that we would impose a ban upon further tests, a self-imposed prohibition upon further testing of nuclear weapons. It was the main argument of my speech in the Senate that while there was still an opportunity or any possibility of reaching an agreement with the Soviet Union on the prevention and prohibition of further nuclear testing, it would be unwise for our Government to engage again in nuclear testing following the October 31 deadline. I felt that the requirements of an effective foreign policy dictated the necessity of a further extension of the moratorium upon nuclear testing. I am particularly pleased that the President of the United States has seen fit to make the announcement which many of us have urged upon him, and has indicated that the Government will continue to press for an agreement for the prohibition of nuclear tests.

Mr. President, I shall ask unanimous consent to have printed in the RECORD a column by Mr. Roscoe Drummond, and a copy of a letter I wrote to him regarding this column.

Mr. Drummond's article is entitled "The Test Ban Talks: Danger in HUMPHREY's Speech."

In this article, Mr. Drummond discusses a speech I delivered on the floor of the Senate on August 18, 1959. Many of the points he makes, I regret to say, are in error and need to be corrected.

He also suggests that I have subjected the vital issue of arms control and test ban negotiations to partisan politics. I completely repudiate that charge. It has been my responsibility, as chairman of the Senate Subcommittee on Disarmament, to work closely with the administration and our Government officials, and I have done just that. I have been privy to most of the official communiques between our Government and the governments of other countries relating to these discussions, starting back in the spring of 1958 and continuing up to date.

I worked closely with the former special assistant on disarmament, Mr. Stassen. I have continued to have a close working relationship with Mr. Farley of the State Department, who is currently the spokesman on this subject matter of disarmament. I shall continue to work in close cooperation with the Secretary of State and others of the administration who have the responsibility for developing disarmament policy.

I do feel, however, that when the Atomic Energy Commisison, the Department of Defense, or any other department, seeks to promote its own particular position which appears in contradiction to the announced official position of the Government of the United States, it is not only right but that it is my duty to point it out.

I support the position which has been taken by the President on this matter of nuclear tests, and I commend him for it, as I did in the speech of August 18 and in speeches that had been delivered prior to that time.

Mr. President, the charge made by Mr. Drummond of partisan politics is not true. This charge saddened me, because I thought it was clear to everyone in the 4 years I have been chairman of the Disarmament Subcommittee I have not treated this matter in a partisan manner. In fact, the reports of our subcommittee have been unanimous, and that surely does not indicate partisanship. There is no room for partisanship on issues of national security.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. One would be unworthy of his duty and of his seat in the U.S. Senate if he treated matters of national security in a partisan spirit.

I yield to my good friend, the Senator from North Dakota.

Mr. LANGER. Mr. President, as a member of the Subcommittee on Disarmament I want to say that there has never been a time, with respect to any witness who has appeared, regardless of who he was and to what party he belonged, that the distinguished chairman has not asked him to testify. The hearings have usually been open. The public has been invited. I do not know of any subcommittee I can think of that has been fairer in every respect than the Subcommittee on Disarmament.

All that the distinguished chairman has been trying to do is to get results for the people of the United States of America. I think he made a fine record.

Mr. HUMPHREY. I am deeply grateful to the Senator from North Dakota for his very fine statement, one I shall long remember, because it relates to most serious business.

Mr. BYRD of Virginia. Will the Senator yield for the purpose of bringing up conference reports?

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. PROXMIRE. I ask unanimous consent that I may yield—Has the Senator from Minnesota completed his remarks?

Mr. HUMPHREY. I am about to complete them.

Mr. LAUSCHE. Will the Senator yield?

Mr. HUMPHREY. I yield.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. HUMPHREY. Did not the Senator from Wisconsin yield to me by unanimous consent of the Senate?

The PRESIDING OFFICER. For a specific purpose.

Mr. HUMPHREY. As I understand, the Senator from Ohio is inquiring relating to the subject matter of my discussion.

Mr. PROXMIRE. I ask unanimous consent that the Senator from Ohio may ask a question of the Senator from Minnesota, without my losing my right to the floor.

Mr. LAUSCHE. I should like to make a brief statement.

Mr. PROXMIRE. I amend my request so that the Senator from Ohio may make a brief statement.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. LAUSCHE. Mr. President, I have served with the senior Senator from Minnesota on the Foreign Relations Committee for the last 9 months. I have been with him in the Senate for the last 3 years and 9 months. I merely wish to say that all throughout my contact with him I have felt that he has genuinely and with great intensity attempted to pursue a course of public service that will insure the security of our country and bring the greatest good into international relations.

Mr. HUMPHREY. I thank the Senator from Ohio for his very kind and generous statement.

Mr. President, I ask unanimous consent that Mr. Drummond's column and my letter to him of August 27, be printed at this point in the RECORD.

There being no objection, the article and letter were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 23, 1959]

THE TEST BAN TALKS: DANGER IN HUMPHREY'S SPEECH

(By Roscoe Drummond)

Nothing could be more harmful to the cause of reaching agreement with the Soviet Union on ending nuclear tests than to allow the negotiations to get pushed into the arena of 1960 presidential politics.

I don't mean that Senator HUBERT HUMPHREY, Democrat, of Minnesota, is anything other than a sincere and dedicated advocate of finding some way to get an East-West ban on testing. But he is faced with an understandable temptation. If a test ban can be brought about in the next 6 months he can't but feel that it would be a boon to his campaign for the Democratic presidential nomination, since he has long been identified with this issue.

The temptation would be for Senator HUMPHREY to dilute his demands for dependable inspection, to deceive himself a little about the Soviet proposals and to heap blame for nonprogress at Geneva upon the Eisenhower administration.

It seems to me that Mr. HUMPHREY has, perhaps unconsciously, yielded somewhat to this temptation in his latest speech on the floor of the Senate.

He charges that it is the President's failure to assert leadership which is jeopardizing the test-ban negotiations at Geneva.

He contends that only one major issue stands in the way of agreement with the Soviets and implies that if we would only put a little push behind it the disagreement could be resolved.

The facts are—and I believe I can demonstrate them to be facts:

That there are three major issues, not just one, blocking agreement at Geneva and that every one of them represents a Soviet effort to build a veto into the functioning of the inspection machinery.

That until the Kremlin shows that it will accept unencumbered inspection of suspicious explosions—which Britain and the United States have accepted—it is pretty farfetched to argue that it is President Eisenhower's lack of interest and lack of leadership which are blocking agreement.

The consequence, however unintended, of Senator HUMPHREY'S stance is to help persuade Premier Khrushchev that if he will just hold out long enough we will in the end accept a watered-down inspection system. I don't think the American Government or the American people will accept a watered-down inspection system and, therefore, the effect of Mr. HUMPHREY'S argument is either to delay agreement or to delay finding out whether the Soviets will accept dependable control.

Here are the three unresolved issues in the negotiations and you can see how each one involves a Soviet effort to put a veto into the inspection machinery:

Suspicious explosions: Moscow wants to limit nonvetoable inspections in each other's territory to a few. We propose freedom to inspect any unexplained explosion. We would be willing to agree to leave the number of nonvetoable yearly inspections to the judgment of the seismological experts on what would be a probable average. Moscow says no.

Staff control posts: Moscow wants the personnel control of post staffs in Russia to be at least 3 to 1 Soviet. We want the staff to have a majority of nonnationals in each other's country on the ground that anything else would provide an automatic veto.

Financial control: On this point Henry S. Hayward, writing from Geneva for the Christian Science Monitor, reports:

"The Soviets have amended their veto over the numbers of points of day-to-day control. But they still claim a veto over all budgetary and financial aspects of control posts, which, in effect, leaves them the power to wreck the entire project."

If the Soviets have any reason to think they can get a diluted and delusive inspection system they'll sit and sit, talk and talk, wait and wait. The only way to speed up the acceptable agreement is to show that we will not abandon nuclear testing unless possibly illegal testing can be freely inspected.

AUGUST 27, 1959.

Mr. ROSCOE DRUMMOND,
New York Herald Tribune,
National Press Building,
Washington, D.C.

DEAR ROSCOE: I was disturbed, and frankly, saddened, to read your column appearing in the Washington Post of August 23, 1959. Apparently, there has been a failure of communications somewhere, and I shall try to make my position clear to you, as well as to call your attention to the record of the discussions on this whole question of nuclear testing.

First of all, my address was one of a continuing series on the disarmament problem, a series in which I have repeatedly emphasized the absolute necessity of coming to agreements on arms control only when we have an effective control and inspection system. Indeed, I have been in the forefront of those who have tried to urge an improvement in our inspection system, as proposed in the Berkner report.

Surely you must be aware that I have not subjected this vital matter to partisan politics. Indeed, I have supported the executive branch when I believed it to be right. An examination of the 14 statements which I have made in Congress on the subject of arms control this year, will reveal that 10 were in support of the administration or offering suggestions, while 4 were critical.

Again, I must emphasize that I have stressed consistently and forcefully the need for adequate controls. Frankly, Roscoe, I feel that you have done me a serious disservice, and a disservice to the terribly important effort to find a coherent and logical way out of this staggering arms race, to suggest that I have been partisan in my approach to this subject.

I think, perhaps, that I failed in the address in question to get across to you this major point: I was urging the President not to let the matter of coming to a decision on the resumption of nuclear testing continue to drift, not to permit the Atomic Energy Commission and the Pentagon to go their way in defiance of the President's policy, through their practice of leaking stories to the press. The AEC and the Pentagon, I strongly submit, were undermining the President's position in this matter, and the position advocated by the Department of State.

It is noteworthy that President Eisenhower last night did announce the further suspension of nuclear testing until the end of the year—as I have previously called on him to do. This gives us further time to try to work out the remaining problems at the Geneva Conference. I strongly support the President's decision, and I said so publicly last night. It is gratifying to be able to commend him—as you may recall I commended him for his part in the Geneva negotiations.

Now, in detail, may I respectfully point out that in my address of August 18, which was fully printed in the CONGRESSIONAL RECORD, I underlined not one, not two, but six unresolved issues, and alluded to a seventh. I not only listed them; I discussed them in detail and told the positions of the two sides where positions existed. I did say of the unresolved issues, one was a major stumbling block and that on this the executive branch was divided, and hence no negotiating position had been reached. Any knowledgeable person in the executive branch would agree with me. The President has referred to it in press conferences. The Vice President mentioned it on his trip to the Soviet Union. In my speech I acknowledged that even if the administration had a negotiating position on the on-site inspection problem, an agreement would not follow if the Soviets refused to agree to a reasonable number of inspections.

Because I wish to write to each of the newspapers who publish your column, in an effort to set the record straight, I would very much appreciate your furnishing me at your earliest convenience a list of these newspapers.

Sincerely yours,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. I ask unanimous consent that an editorial which appeared in the Washington Post this morning entitled "Footing for the World Court," which again endorses the resolution I introduced calling for the repeal of the so-called Connally amendment, which limits the jurisdiction of the World Court, be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOOTING FOR THE WORLD COURT

Attorney General Rogers has made an effective plea for resuscitation of the World Court. His speech to the General Assembly of the American Bar Association at Miami Beach pointed out that the United States was "the first Nation to provide that the jurisdiction of the Court should be determined not by the Court but by us"—in other words, to undercut it. Following the lead of this country, seven other nations made similar reservations, and the rule of reciprocity allows every country with which the United States has a dispute to decline to accept the jurisdiction of the Court.

Suppose that our domestic courts could decide only those cases in which both parties were willing to accept their jurisdiction. The effect on the judicial system would be disastrous. Instead of genuine courts, we should have only arbitration tribunals functioning in such cases as might be submitted to them voluntarily by all the parties concerned. That would leave us not far removed from the law of the jungle.

No one should have any illusions about the establishment of a universal rule of law while the world is divided between freedom and communism. But at least the United States should be moving toward wider ap-

plication of law to disputes within the free world, and it can scarcely do this while continuing to cripple the World Court. It is highly desirable that the Attorney General has spoken out clearly on this subject, as have Vice President NIXON, Senator HUMPHREY and many others. Much more will be required, however, before the Senate can be induced to correct its ill-advised reservation to the International Court of Justice convention. We still hope that President Eisenhower will find time to stir the conscience of the Senate on this matter so vitally related to his campaign for peace and justice.

ADDITIONAL TIME WITHIN WHICH CERTAIN STATE AGREEMENTS UNDER SOCIAL SECURITY ACT MAY BE MODIFIED—CONFERENCE REPORT

Mr. PROXMIRE. Mr. President, I ask unanimous consent to yield to the Senator from Virginia [Mr. BYRD] without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of Virginia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 213) to provide additional time within which certain State agreements under section 219 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

HARRY F. BYRD,
of Virginia,
ROBERT S. KERR,
J. ALLEN FREAR,
JOHN J. WILLIAMS,
of Delaware,
FRANK CARLSON,
Managers on the Part of the Senate.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
of California,
RICHARD M. SIMPSON,
of Pennsylvania,
NOAH M. MASON,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

EXTENSION OF TIME FOR FILING CERTAIN CLAIMS FOR CREDIT OR REFUND OF OVERPAYMENTS OF INCOME TAXES — CONFERENCE REPORT

Mr. BYRD of Virginia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2906) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2906) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

HARRY F. BYRD,
of Virginia,
ROBERT S. KERR,
J. ALLEN FREAR,
JOHN J. WILLIAMS,
of Delaware,
FRANK CARLSON,
Managers on the Part of the Senate.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
of California,
RICHARD M. SIMPSON,
of Pennsylvania,
NOAH M. MASON,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from California without losing my right to the floor.

Mr. KUCHEL. To make a brief comment.

Mr. PROXMIRE. To make a brief comment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, on behalf of the people and the government of California, I thank the distinguished senior Senator from Virginia and his fellow Senate conferees for insisting on our Senate amendments and prevailing in the conference on the social security legislation. There is thus provided in the bill benefits to certain public employees in the State of California which now run to a number of other States. The House regrettably saw fit to object to our Senate amendment placing California in the social security bill alongside those other States which authorize local policemen and firemen to enjoy the benefits of social security.

The fact is that the Legislature of California passed legislation a short time ago, which the Governor signed, under which policemen and firemen in the several communities of California would be able to enjoy the benefits of social security protection without being penalized at all for any benefits they might have under retirement systems of their own. This State law was, of course, subject to appropriate Federal legislation.

In a very persuasive letter to the California congressional delegation the Governor of California requested that the Federal social security laws be amended so that policemen and firemen in the cities and towns in the State from which I come might take advantage of the provisions of this beneficent statute in the same fashion as policemen and firemen in other States of the Union. I offered the appropriate amendment in the Senate. It was approved. The House objected, but now has agreed. This would not be possible were it not for the Senator from Virginia [Mr. BYRD] and his Senate conferees, who prevailed in the conference.

I repeat my thanks to him for one more public service well done.

Mr. BYRD of Virginia. I thank the Senator from California.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 539. An act for the relief of Mrs. Joyce Freeman;

S. 669. An act to authorize the Secretary of Agriculture to convey certain lands to the Bethel Baptist Church of Henderson, Tenn.;

S. 696. An act for the relief of Mrs. Annie Voisin Whitley;

S. 1071. An act for the relief of Nettie Korn and Manfred Korn;

S. 1298. An act for the relief of Concetta Meglio Meglio;

S. 1392. An act for the relief of Isabel M. Menz;

S. 1557. An act for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim;

S. 1650. An act for the relief of Edmund A. Hannay;

S. 1667. An act for the relief of the widow of Col. Claud C. Smith;

S. 1792. An act for the relief of Lilia Alvarez Szabo;

S. 1915. An act for the relief of Chung Ching Wei;

S. 1921. An act to exempt from taxation certain property of the United Spanish War Veterans, Inc., in the District of Columbia;

S. 2021. An act for the relief of Irene Milios;

S. 2027. An act for the relief of William James Harkins and Thomas Lloyd Harkins;

S. 2050. An act for the relief of Leokadia Jomboski;

S. 2081. An act for the relief of Yadwiga Boczar;

S. 2102. An act for the relief of Irene Wladyslawa Burda; and

S. 2238. An act for the relief of Kenzo Hachtmann, a minor.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. PROXMIRE. Mr. President, to continue with the excellent argument of the Senator from Illinois [Mr. DOUGLAS], which unfortunately was placed in the RECORD this morning without being read or without being discussed, the Senator from Illinois did this, as I have said before, because, in his judgment, delay would work against the bill; and I agree that the more we talk about the bill and the more we consider its merits and discuss it, the more the likelihood is that the bill will be defeated.

Mr. LAUSCHE. Mr. President, will the Senator from Wisconsin yield before he goes into that subject?

Mr. PROXMIRE. I yield for a question to the Senator from Ohio.

Mr. LAUSCHE. Is it not a fact that in the year 1950, specifically in October, the Supreme Court denied a petition of Illinois for a clarification of the decree of April 21, 1930, because, as the Court said:

> The decree is clear and unambiguous, and requires no clarification?

Mr. PROXMIRE. The Senator is correct. My understanding is that in 1950 Illinois and the sanitary district petitioned the Supreme Court for an interpretation and clarification of the decree of April 21, 1930. The need for such an interpretation and clarification was allegedly based on an increase in the population in the sanitary district and on an extension of the territorial limits of the district.

I may say at this point that this is exactly the argument which the Senators from Illinois have been making. They say that because Chicago now has a bigger population, it should be permitted to divert additional waters.

The complainant States moved to dismiss the petition on the ground that the decree was unambiguous and that the change in conditions since its entry gave no cause for clarification or interpretation because the increases in population and size were taken into consideration in the formulation of the decree. The Supreme Court granted the motion to dismiss on October 23, 1950. This, in effect, is what the Senator from Ohio has been saying.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a question to the Senator from Ohio.

Mr. LAUSCHE. Is it not a fact that the decree which the State of Illinois asked to be amended was rendered on April 20, 1930, and that in that decree the Court declared what were the just rights of Chicago, namely, the use of so much water as was needed for domestic purposes, and an additional 1,500 cubic feet a second in their drainage canal?

Mr. PROXMIRE. That is correct, and that is an excellent clarification. That is right.

Mr. LAUSCHE. Is it not a fact that in that decision which was rendered in 1930, the Court said, in effect, "These are your rights, and you will have to comply with these rights"?

Mr. PROXMIRE. The case is absolutely clear. The decision of the Supreme Court in 1950 was that that was the situation, exactly as the Senator from Ohio has just expressed it.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a question.

Mr. LAUSCHE. Is it not a fact that in that decision the Supreme Court, to make certain that Chicago would comply with the order, required Chicago to file reports?

Mr. PROXMIRE. That is correct.

Mr. LAUSCHE. But is it not a fact that the city of Chicago failed to file those reports?

Mr. PROXMIRE. That is correct. I should like to make it clear that this was the requirement, because there is no question that the city of Chicago has not filed a report since 1939. I make it emphatically clear that this was a part of the decree.

I read from the State of Illinois, sanitary district, et al., defendants, dated April 21, 1930, paragraph 5, as follows:

> That the defendant Sanitary District of Chicago shall file with the Clerk of this Court semiannually on July 1 and January 1 of each year, beginning July 1, 1930, a report to this court adequately setting forth the progress made in the construction of the sewage treatment plants and appurtenances outlined in the program as proposed by the Sanitary District of Chicago, and also setting forth the extent and effects of the operation of the sewage treatment plants, respectively, that shall have been placed in operation, and also the average diversion of water from Lake Michigan during the period from the entry of this decree down to the date of such report.

These reports have not been filed since 1939. Chicago has been delinquent for 20 full years.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from New York for a question.

Mr. KEATING. I am very much interested——

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from New York for a statement.

Mr. McCARTHY. I object.

Mr. PROXMIRE. I yield for a question.

Mr. KEATING. Does the Senator from Wisconsin feel that the impression made by the arguments, which I know, with modesty he would not regard as entirely his own, but the arguments made by the Senator from Wisconsin and the Senator from Michigan and others, in connection with the bill, are having an effect upon Senators to the extent that some Senators might well reconsider their position if a motion were again made to refer the bill to the Committee on Foreign Relations for further consideration?

Mr. PROXMIRE. I earnestly hope so. That would be my understanding. I think the Senator from New York made a tremendously important point yesterday, one which I think was of great service to the Senate, with respect to what appeared to be a strange vote, a vote not to table a motion to refer the bill to the Committee on Foreign Relations. That is, they voted against tabling; and then the Senate turned around and voted against referring the bill to the Committee on Foreign Relations.

The junior Senator from New York brought out by his question that the only conclusion to be reached is that Senators wanted more argument. We have tried to present them with additional argument. We have pleaded with the proponents to make their arguments. The Senator from Illinois [Mr. DOUGLAS] has placed a statement in the RECORD. We have been making a reply point by point. I think every fair-minded person will agree that we have answered it clearly. I expect to place in the RECORD a statement which will meet their argument further.

The argument that House bill 1 should be referred to the Foreign Relations Committee is overwhelming. We are trying to make that point. If we are given a little time in which to make it, I believe other Senators will see our point of view.

Mr. KEATING. But does not the Senator from Wisconsin believe, from his contacts with other Members of the Senate at times when he is not addressing the Senate, that there is a growing feeling among them—even among those on the side of the aisle on which I sit, who are very anxious to have the sewage in Chicago properly disposed of, because Chicago is the site of the next national convention——

Mr. PROXMIRE. I assure the Senator from New York that the Democrats are just as anxious to have sewage disposed of as are the Republicans——

Mr. KEATING. I am sure of that.

Does not the Senator from Wisconsin believe that, apart from the desire of both Republicans and Democrats—either for political or for other purposes—to have the sewage in Chicago properly disposed of, there is, in addition, a growing feeling that the international ramifications of this problem, in terms of our relations with our good neighbor to the north, are more and more important in their own minds—and in their thinking in regard to this matter?

Mr. PROXMIRE. The Senator from New York is correct. I am very much encouraged by the conferences I have had with other Senators. I think there is such a growing recognition. It has been stated by a number of Senators who in the past have favored the bill. They have said they now believe that, under the circumstances, the bill should certainly be referred to the Foreign Relations Committee, because Canada is a good friend of ours, and certainly deserves at least that much consideration.

Mr. KEATING. Without in any way impugning the motives of any Senator, does not the Senator from Wisconsin find it unusual that the proponents of this measure, who normally are in the forefront in the fight in favor of the

good neighbor policy with our neighbors, both those to the north and those to the south, would push for the passage of a measure which certainly has the appearance of setting back our good relations with our neighbors in the immediate future?

Mr. PROXMIRE. Yes, it is most surprising; and I believe that adequate consideration of that point might be very persuasive to many Senators.

On yesterday, I was very much interested to observe that the Senator from Alabama, whom I regard as being as well informed as any Member of this body—stated that he did not know a majority of the members of the Public Works Committee wanted to have the bill referred to the Foreign Relations Committee. Obviously, the Foreign Relations Committee takes the same position.

If those facts—particularly the effect on our good-neighbor policy, as well as the other facts I have stated—are called to the attention of all Senators, it seems to me that then the Senate might well vote by a substantial vote to refer the bill to the Foreign Relations Committee, where the bill belongs.

Mr. KEATING. Then does not the Senator from Wisconsin think that perhaps some time later today or some time tomorrow or at some other time in the course of the further debate on the bill, a motion might be made to refer the bill to the Foreign Relations Committee, with instructions to report it to the Senate at a date different from the one called for by the previous motion? In that event, does not the Senator from Wisconsin think such a motion probably would be agreed to?

Mr. PROXMIRE. I think it undoubtedly would be agreed to.

Mr. DIRKSEN. Mr. President——

Mr. PROXMIRE. Let me say to the Senator from Illinois [Mr. DIRKSEN] that we realize the great interest he has in this matter; and I submit to him that the proper way to handle this measure is to refer the bill to the Foreign Relations Committee, with instructions to report it to the Senate by a certain date. In that way, the bill could not possibly be killed.

Mr. KEATING. Is the Senator from Wisconsin aware of the fact that in the encomiums which I have showered upon the proponents of this measure who favor the maintenance of good relations with our neighbors to the north and to the south, I specifically had in mind the distinguished minority leader [Mr. DIRKSEN]?

Mr. PROXMIRE. Yes; I am very much aware of that fact. I am also aware, and I am also sure, that one little word—the word "yes"—if uttered by the Senator from Illinois [Mr. DIRKSEN] would at once end this debate; and then the bill would immediately be referred to the Foreign Relations Committee, and equity would be done. All of us know that the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], has that power right in the palm of his hand.

Mr. DIRKSEN. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield to the Senator from Illinois, for a question.

Mr. DIRKSEN. With the utmost of respect——

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield for a statement by the Senator from Illinois, without losing the floor.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there objection? The Chair hears none; and it is so ordered.

Mr. DIRKSEN. Mr. President, with the utmost of respect for my friend, the Senator from Wisconsin, I must disclaim any such influence either in this body or in the Dominion of Canada.

Besides, I must remind my distinguished friend that the Senate formally passed on the question of referring this measure to the Foreign Relations Committee. So, if an alternative date were to be proposed, it still would not go to the substance of the motion on which the Senate formally acted by manifesting its will.

Mr. PROXMIRE. Let me say to my good friend the Senator from Illinois [Mr. DIRKSEN] that the whole difficulty is that that decision was made without debate. The Senate rejected the motion to lay on the table the motion to refer the bill to the Foreign Relations Committee; and then the Senate immediately voted—as the Senator from New York has pointed out—on the motion to refer the bill to the Foreign Relations Committee; there was no debate on that motion. Under those circumstances, it was perfectly clear—inasmuch as the Senate decided that it did not wish to lay on the table the motion to refer the bill to the Foreign Relations Committee, and next voted that it did not then want the bill to be referred to the Foreign Relations Committee—that what the Senate wants to have is a full discussion and debate in regard to the international-relations aspects of this measure.

We are now engaging in a debate on the international-relations aspects. It is obvious that the Senate wishes to have the merits of that matter considered fully. Let me point out that of course Senators are very busy, and most of them have not heretofore had that opportunity. But after they do, then undoubtedly the Senate will vote—and I point out that it would take a change of mind on the part of only 3 of the 100 Senators to bring about that result—to refer the bill to the Foreign Relations Committee.

Mr. DIRKSEN. Mr. President——

Mr. PROXMIRE. I yield again to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, even with my unbounded respect for the distinguished Senator from Wisconsin—although at times I differ with him—I wish to state that certainly in this case the Senate should follow the instruction which was written on ancient parchment:

> But let your communication be yea, yea; nay, nay; for whatsoever is more than these cometh of evil.

So I think there will be less calculated confusion in the Chamber if we act by means of the simple motions which often are made here, rather than to have lengthy debate.

Mr. PROXMIRE. Mr. President, I know that the Senator from Illinois will agree that in no other body on the face of the earth is the opportunity to engage in debate more revered or respected than it is in the Senate of the United States.

I believe that the Senator from Illinois also would have to reach the conclusion—although perhaps he differs with me—that the vote taken on yesterday indicated the desire of a majority of the Members of the Senate to have this matter explored further. Otherwise, how could one explain the fact that after the Senate voted not to lay on the table the motion to refer the bill to the Foreign Relations Committee, the Senate then voted against the motion to refer the bill to the Foreign Relations Committee?

Mr. DIRKSEN. Mr. President, I learned long ago that no souls are saved after the first 20 minutes of discussion.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the various interjections in our remarks appear either before or after the discussion of H.R. 1. Otherwise, I fear the discussion of H.R. 1 is going to be so interrupted and broken up that it will be hard for those reading the discussion to learn what developed in the Senate. So I ask unanimous consent that at the various times, times we have yielded for extraneous matters, those remarks come either at the beginning or the end of the discussion on H.R. 1.

Mr. McCARTHY. Mr. President, reserving the right to object, I assume that the Senator refers to remarks which are in no way relevant to the bill, and that the request does not include the remarks of the Senator from Illinois.

Mr. PROXMIRE. I thank the Senator for that suggestion. The Senator from Illinois was discussing H.R. 1. My request related to the conference reports, the statement of the Senator from Minnesota, and other matters not relevant to H.R. 1.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. In answering the question about the Supreme Court and its relationship to diversion, the Senator from Illinois concluded by saying:

> Further, the Court, were it to increase diversion, would undoubtedly do so on a permanent basis. The passage of H.R. 1 would undoubtedly assist the master, through the proposed report, in arriving at valid conclusions.

Both of those sentences are wrong, flatly wrong. On the record they can both be shown to be wrong. First, it states that the Court, were it to increase diversion, would undoubtedly do so on a permanent basis. The fact is that the Court has increased diversion on a temporary basis. There is no reason why the Court will not do it again now on a temporary basis. It did so in 1956. We have read into the RECORD the Court decree doing that. The Court could do it again. It could provide for temporary

diversion for the purposes of test if it decided there was merit in it.

The next passage of the statement of the Senator from Illinois reads, as follows:

> The passage of H.R. 1 would undoubtedly assist the master, through the proposed report, in arriving at valid conclusions.

The fact is that the Supreme Court has asserted, as emphatically as it could, that it has jurisdiction in this situation and that the Congress, in its judgment, does not have jurisdiction. We brought that fact out in the RECORD. I do not know how anybody can question that view.

There is no question in my mind that the Supreme Court would regard it as interference and as usurpation of its power if the Congress passed a law that a study of this matter be engaged in, when the Supreme Court has gone to the trouble of appointing a distinguished judge, who is the senior judge of a U.S. circuit court, to conduct a complete and thorough investigation of this whole situation. What is being proposed is a duplication of this investigtion, at a waste of $1 million.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield for a question to the Senator from Ohio.

Mr. LAUSCHE. Is it not a fact that when the Supreme Court in 1930 declared Chicago was taking water out of the Great Lakes basin and transferring it into the Mississippi Valley, it did so on the basis that Chicago had no right to take water out of the Great Lakes if the taking had an adverse impact upon navigation?

Mr. PROXMIRE. That is my understanding.

Mr. LAUSCHE. Is it not a fact that this Congress cannot at all assist the Supreme Court by, in a bill, providing for the taking of water out of the Great Lakes basin and giving it to Chicago; and is it not a fact that the only way the Supreme Court will be able to determine the facts is by expert testimony, such as the Corps of Army Engineers or other engineers who would testify to the facts?

Mr. PROXMIRE. The Senator from Ohio is absolutely correct on both points. The junior Senator from Alabama made the point yesterday that such legislation might be unconstitutional inasmuch as it might violate a treaty which the United States has signed. The more I study this matter, the more I am convinced it would be unconstitutional on that ground. It seems to me that the body to decide constitutional questions is the Supreme Court.

Mr. LAUSCHE. Is it not a fact that when the Supreme Court says that 3,300 feet is the maximum that will be allowed to be taken——

Mr. PROXMIRE. Let me say at that point it is my understanding it is 1,500 feet plus domestic consumption, whatever that may be, 1,800 feet or 2,000 feet; but it is 1,500 plus domestic consumption.

Mr. LAUSCHE. My question is, Is it not a fact that the Supreme Court said that there can be taken out 1,500 feet for the canals and whatever is needed for domestic purposes in homes?

Mr. PROXMIRE. That is correct.

Mr. LAUSCHE. And is it not a fact that that total quantity amounts to about 3,300 cubic feet per second?

Mr. PROXMIRE. Between 3,100 and 3,300 feet, is my understanding.

Mr. LAUSCHE. Will the Senator yield further for a question?

Mr. PROXMIRE. I yield for a question.

Mr. LAUSCHE. Is it not a fact that 3,300 cubic feet per second amounts to about 2,200 million gallons a day?

Mr. PROXMIRE. That is my understanding. That is a fantastic amount. The figure is so enormous that it can hardly be imagined.

Mr. LAUSCHE. Is it not a fact that when 3,300 cubic feet per second of water is used, the mind cannot grasp the true impact of the quantity of water, by way of number of gallons, that has been taken?

Mr. PROXMIRE. That is correct. What is more, I am going shortly to put into the RECORD information showing that Chicago is by far the most extravagant user of water for domestic purposes in the country; that it fails to meter its water, and because of that fact there is extravagant use of water. This is another reason why industry locates in Chicago rather than in Cleveland or Milwaukee. Milwaukee meters about 100 percent of its water. Industry is more desirous of locating in a place where it does not have to worry about metering or payment for water. If water is not metered, industry has an advantage. It is an advantage to industry in Chicago, but at the expense of other Great Lakes cities like Cleveland or Milwaukee.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield to the Senator from Ohio for a question.

Mr. LAUSCHE. Is it not a fact that if the 1,000 additional feet of water is taken out of the lake, the quantity of water taken out will increase from 2,200 million gallons a day to 3 billion gallons a day?

Mr. PROXMIRE. I think the Senator from Ohio is correct.

Mr. LAUSCHE. Will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a question to the Senator from Ohio.

Mr. LAUSCHE. Is it a fact that yesterday the Senator from Wisconsin had a dialog with the Senator from Alabama [Mr. SPARKMAN] on the constitutional question involved in this proceeding?

Mr. PROXMIRE. That is true, and I thought that colloquy was, from my standpoint, the most enlightening colloquy we have had on this whole issue, because the Senator from Alabama brought out so emphatically, in the first place, that the Senate wanted more debate on this matter and more understanding and consideration of it; and, secondly, the fact that the interests of Canada were legitimately concerned. In his judgment it seemed that the treaties with Canada might well be violated and that, for that reason, the only body in the Senate that has competence and jurisdiction to pass on the violation of those treaties should be called upon by the Senate for its advice, and that therefore the bill should go to the Foreign Relations Committee.

Mr. LAUSCHE. Is it not also a fact that in this subject of involvement with Canada, that country, in its note to our State Department, pointed out four treaties and conventions which it believes would be violated if the Congress authorized the increased diversion of water?

Mr. PROXMIRE. I think the Senator from Ohio is correct.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a question.

Mr. LAUSCHE. In the memorandum No. 184——

Mr. PROXMIRE. Is the Senator asking a question?

Mr. LAUSCHE. Yes.

In the memorandum No. 184, did not the Canadian Ambassador say:

> The Government of Canada considers that many agreements and understandings between the United States and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties in particular—

Mr. PROXMIRE. That is absolutely correct. I hold in my hand the note from the Canadian Ambassador, A. D. P. Heeney, dated April 9, 1959, to the Acting Secretary of State at that time, the Hon. Christian A. Herter. Those are the exact words of the note of the Ambassador.

Mr. LAUSCHE. Is it not a fact that in specifying the treaties which would be violated in particular, Mr. Heeney said:

> (a) The Boundary Waters Treaty of 1909: The applicability of either article II, paragraph 2, or article III of this treaty depends upon the interpretation of physical facts.

Mr. PROXMIRE. That is correct.

Mr. LAUSCHE. And did not the Ambassador, Mr. Heeney, further say in that letter:

> If Lake Michigan physically flows into the boundary water Lake Huron, article II preserves to Canada the right to object to such a diversion which would be productive of material injury to the navigation interests in Canadian waters.

Mr. PROXMIRE. That is correct.

Mr. LAUSCHE. And is it not also a fact that in the same letter Mr. Heeney said:

> If, as has been asserted by eminent U.S. jurists——

Mr. PROXMIRE. May I interrupt the Senator from Ohio at that point?

Mr. LAUSCHE. Yes.

Mr. PROXMIRE. I should like to invite the particular attention of the Senator from Alabama [Mr. SPARKMAN] to this colloquy, because he raised this specific point in a question which I was not able to completely answer yesterday. The answer is in the note written by the Canadian Ambassador. I think this is

the proper answer at this point, as well as the answer to be found a little later in the same note, as shown on page 20 of the committee report.

Mr. LAUSCHE. Is it not a fact that Mr. Heeney said:

If, as has been asserted by eminent U.S. jurists, article III of the treaty applies, no further diversion shall be made except with the approval of the International Joint Commission.

Mr. PROXMIRE. That is correct.

Mr. LAUSCHE. Is it not a fact that Mr. Heeney then went on to the other treaty; that is, the Niagara Treaty of 1950; and is it not a fact that he said:

(b) Niagara Treaty of 1950: This treaty allocates water for scenic and power purposes. The amount of water which shall be available for these purposes is the total outflow from Lake Erie. The specific inclusion of certain added waters in article III of the treaty emphasizes the underlying assumption that existing supplies will continue unabated.

Mr. PROXMIRE. That is correct.

I should like to return once again, Mr. President, because it must be emphasized, to the fact that Canada says no further diversion shall be made except with the approval of the International Joint Commission. How can Canada be any more emphatic than that?

Mr. McCARTHY. Mr. President, will the Senator yield to me for a question?

Mr. PROXMIRE. I yield to the Senator from Minnesota for a question.

Mr. McCARTHY. Has the administration taken a clear position in support of or in opposition to the bill?

Mr. PROXMIRE. The administration has taken a clear position in opposition to the bill, as evidenced by a letter from the Bureau of the Budget, which recommends against enactment of the bill. That is shown in the majority report, on page 16, at the end of the second paragraph, in which it is stated:

In the face of these protests from Canada and in view of the pending application by certain Great Lakes States before the Supreme Court for a review of the decree of April 21, 1930, the Bureau of the Budget must recommend against the enactment of S. 308.

As the Senator from Minnesota knows, S. 308 is the sister bill, an identical bill to H.R. 1.

Mr. McCARTHY. Have officials of the State Department spoken out in any way, other than to transmit the views of the Canadian government?

Mr. PROXMIRE. Yes. The State Department has spoken out. That letter is shown on pages 16 and 17 of the committee report.

Mr. McCARTHY. That is the letter from William B. Macomber, Jr.?

Mr. PROXMIRE. There is a letter from William B. Macomber, Jr., Assistant Secretary, and there is a further statement on pages 18 and 19 of the report, by Woodbury W. Willoughby. The second statement is the more emphatic one.

Mr. McCARTHY. Can the Senator tell me whether there has been a statement on the part of the administration spokesmen to the effect that the President would veto the bill if passed by Congress?

Mr. PROXMIRE. There is no such statement to my knowledge. I will say to the Senator from Minnesota, it seems to me it has been the policy of President Eisenhower, as well as the policy of most other Presidents, not to indicate, on pending legislation, whether he would veto it or not.

Mr. McCARTHY. I do not think the Senator should say that it has been the policy of the President not to indicate his view.

Mr. PROXMIRE. I will say the indications have been subtle, and subject to various interpretations, and so forth.

I will answer the question of the Senator from Minnesota by saying I think there has been no such indication.

Mr. McCARTHY. The subtlety was not of the same nature as the subtlety involved in the indications as to what the President was going to do, let us say, with regard to two or three farm bills which he vetoed or the housing bill which he vetoed?

Mr. PROXMIRE. The subtlety was perhaps a little less subtle.

Mr. McCARTHY. There was more subtlety in those cases?

Mr. PROXMIRE. In the case of the housing bill the indication was much more subtle, perhaps, than in this case, although I have answered the Senator from Minnesota by saying I think there was no such indication.

Mr. McCARTHY. I thank the Senator from Wisconsin.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. If the Senator will defer for a minute, in answer to the question of the junior Senator from Minnesota I should like to say it is my understanding that on page 17 of the committee report the State Department made a statement. I do not know how the State Department could be more emphatic. If I may have the attention of the Senator from Minnesota, the State Department said:

The Department believes that enactment of S. 308 would have unfortunate repercussions on our relations with a friendly foreign government and it is therefore unable to support this legislation.

While that statement does not recommend against the enactment of the bill, it would seem to me, since the Department says it cannot support the bill, and since it says passage of the bill would have unfortunate repercussions on our relations with a friendly foreign government, that the only construction I can put on the statement is that the State Department is saying, "Do no pass the bill."

Mr. McCARTHY. If the Congress were to act favorably, then there is a very good possibility that the bill would be vetoed by the President; and, if that did not happen, there is a chance that the action might be overruled by the court?

Mr. PROXMIRE. Of course, I would hope, in the event the bill passes the President would veto it. In the event the President fails to veto the bill, if it passes, I would hope the courts would act against it. It seems to me both of these factors would tend to make most thoughtful Senators vote against the bill.

Regardless of whether we agree or disagree with President Eisenhower on most issues, I think this is a nonpartisan issue, and all of us have respect for the President's judgment on matters pertaining to international affairs, particularly. If there is any indication that the President might veto the bill, and if there is any indication that the court might hold it invalid, it seems to me these are fairly compelling arguments that the Congress should look at the bill more carefully. It is perhaps even a more compelling argument that we should send the bill to the Committee on Foreign Relations, to have their expert advice on it.

Mr. McCARTHY. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield to the Senator from Minnesota for a further question.

Mr. McCARTHY. So far as the exercise of a veto is concerned, is it the Senator's opinion that, if there is an area in which the Congress should risk a veto, and in which the President ought to feel somewhat more free to use the veto, it should be that area which has to do with international relations and affairs, rather than that which has to do with legislation of a particularly domestic character?

Mr. PROXMIRE. I think that might well be true.

Mr. McCARTHY. This is a general distinction.

Mr. PROXMIRE. I think there might well be such a distinction, in view of the fact that the President has a peculiar and unusual degree of authority and information—and has to have a peculiar and unusual degree of authority and information—with regard to our foreign relations and the actions of other governments.

Mr. McCARTHY. So is it really somewhat more defensible for Congress to risk a Presidential veto, or to take action which might be subjected to veto in the complicated field of international affairs, than it might be in the case of domestic legislation?

Mr. PROXMIRE. That is perfectly possible, but it is my position, and it has been my consistent position in regard to economic affairs, as well as other affairs, at least as a Democrat, that while I respect the President, and while I pay great attention to his recommendations, I try to decide questions clearly on their merits. If there is an indication that the President will veto legislation, I try to find out why. If I think he is right in considering a veto, then I might be somewhat persuaded by the argument he makes. If I think he is wrong, I may ignore it.

Mr. McCARTHY. Would the Senator be somewhat more willing to have us vote on this bill and pass it if the Senate should vote to override the President on the housing bill, since if that were done, this could be sent to him and he could then build up his batting average?

Mr. PROXMIRE. To be frank with my good friend from Minnesota, I do not

see very much of a connection between the two. I think the President's batting average on some legislation, unfortunately, perhaps, from my standpoint, has been 1,000 percent. However, I cannot imagine any thoughtful Senator, any responsible Senator, voting to pass a measure under the assumption that the President might veto it, however firmly he felt that was the situation, because he thinks so voting is an escape hatch from responsibility.

On the contrary, I think that about the only effect the feeling that the President might veto legislation, could have on a fair-minded Senator would be to make him reflect, "Well, I had better take a look at this. The President is the man who has the best sources of information in our Government, and if the President feels adverse to this proposal, it should get greater scrutiny than it has had in the past."

Mr. McCARTHY. I do not quite agree that he is the best informed official in the Government.

Mr. PROXMIRE. I did not say that the President was the best informed official of the Government. I said he had the best sources of information of anyone in the Government, and I think that on some issues he may well be the best informed, although I am sure the Senator from Minnesota would agree that there are some issues on which he has not been well informed.

Mr. McCARTHY. Of course, the other consideration is that however much information might be available, an individual has to absorb it and make application of it.

Mr. PROXMIRE. That is true, and if the Senator from Minnesota, for whom I have great affection and great admiration, were to find that the Budget Bureau was saying "don't sign," the State Department was saying "it is going to have an adverse effect on relations with a foreign power," if the Department of the Army, which is one of the two agencies responsible for making the proposed study, says "we do not need this legislation to make a study," and if the Public Health Service, which is the other agency to make the study, says "we can make this study without the additional diversion," I think the Senator from Minnesota would be constrained to say that he, from the information he had, would be apt to say "don't sign the bill" or "don't vote for the bill."

Mr. McCARTHY. In this case there are really two points. One is as to the amount of information.

Mr. PROXMIRE. The Senator is asking a question?

Mr. McCARTHY. Yes.

Mr. PROXMIRE. I ask unanimous consent that the Senator may make a statement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McCARTHY. I want to ask a question. I ask that the Senator from Wisconsin yield to me for a question.

Mr. PROXMIRE. I yield for a question.

Mr. McCARTHY. In this particular case, is it not true that we go into a field of foreign policy and international relations in which the President has a special responsibility, and that therefore for Congress to risk a veto is not wholly irresponsible? This is not in the nature of a challenge, but rather we say "here is an area of confusion, an area of some conflict. So we act and we send it on to you, and if you in your good judgment, in fulfilling the duties of your office, feel the bill should be vetoed, well and good."

As the Senator I think knows, I have voted to override every veto I have had a chance to vote on in this session of Congress, but I feel that if this bill were vetoed, the President should be sustained, because in this case it is my opinion that he is exercising the veto in the area in which he has more or less a superior right to exercise it.

Mr. PROXMIRE. I should say to my good friend from Minnesota that everything he has said suggests to me that we should pay the closest attention to any expression that comes from an office close to the President of the United States. The State Department has spoken out in unmistakeable terms. They say the enactment of the bill would have an unfortunate effect on our relations with a friendly foreign power. The Budget Bureau has spoken out and has recommended very emphatically against enactment of the bill.

In view of those statements coming from sources close to the President in an area in which the Senator from Minnesota says he is peculiarly expert, and in which he is peculiarly qualified——

Mr. McCARTHY. Not expert.

Mr. PROXMIRE. Well, peculiarly qualified.

Mr. McCARTHY. Peculiarly responsible.

Mr. PROXMIRE. I think he should give great weight to the testimony of the Federal agencies and to the testimony that is so overwhelming and so emphatic, so clearcut, it would seem to me, that these considerations should lead most prudent Senators to vote against the bill.

Mr. McCARTHY. I assure the Senator from Wisconsin that I want him to understand that I am really trying to make it easier for him to let this measure come to a vote because of the many assurances he has that if it is passed, it will be vetoed; and I would even go so far——

Mr. PROXMIRE. May I say to the Senator from Minnesota that there is absolutely no assurance, no assurance whatever, that the President will veto it. We can come to the conclusion, perhaps based on the evidence that we have, that he might veto it, but I call the attention of the Senator from Minnesota to the fact that the Senator from Illinois [Mr. DIRKSEN] is the President's spokesman in this body. He is the man who perhaps has more influence with the President than any other Senator. He has sacrificed many things for the President. He wants this bill passed very much. He represents Chicago. If the Senator from Illinois should plead with the President of the United States for the bill, I think his plea would have very great influence.

This concerns me very deeply. This is a particular reason why, it seems to me, it is incumbent upon those of us who oppose the bill to urge our fellows in the Senate not to count on a Presidential veto, because a man with very great power and influence on a matter of this kind feels very strongly that the President should sign the bill, and he would undoubtedly use all of the great influence he has to persuade the President to sign the bill.

Mr. McCARTHY. Is the Senator suggesting that after all these protestations on the part of various members of the administration, the President might sign the bill simply to show public support for the minority leader of the Senate?

Mr. PROXMIRE. I am saying to the Senator from Minnesota that I have great faith in the integrity and the honor of the President of the United States. I agree that he will act on the basis of his best judgment, but I am saying that he is a fantastically busy man. He is concerned with many, many things. He has enormously important problems to discuss with the Premier of Russia and with many, many other people. He has tremendously complicated economic problems before him, and frankly, I cannot see the President of the United States sitting down and spending an hour or a half an hour or even 15 minutes studying this legislation with great care. While it is a matter of importance to us—is very important to us—if the junior Senator from Illinois, the minority leader, comes to the President, and makes a fervent plea, I think it is possible that the President of the United States might not have the opportunity, because he is a terribly busy man, to get the information that would persuade him not to sign it.

Mr. McCARTHY. I think the Senator from Wisconsin will not be reassured on this matter. I could only add, if this is of any help to him, that if the President should veto the bill, I would vote to sustain the veto.

Mr. LAUSCHE. Mr. President, will Senator yield for a question?

Mr. PROXMIRE. I thank the Senator from Minnesota, and I very much appreciate his concluding observations.

Mr. McCARTHY. It should be reassuring.

Mr. PROXMIRE. I am doubly reassured.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. LAUSCHE. Is it not a tribute to the candidate of the junior Senator of Minnesota for the Presidency of the United States, the senior Senator from Minnesota [Mr. HUMPHREY], that last night when he voted to send the pending bill to the Foreign Relations Committee he indicated a purpose to abide by treaties and by solemn compacts made with foreign countries? Is that not a tribute to the candidate for the Presidency?

Mr. McCARTHY. If the Senator will yield for a question, I should like to ask either the Senator from Ohio or the Senator from Wisconsin whether they do not think that this is an indication that the senior Senator from Minnesota is

anticipating the office of the Presidency, and is already beginning to take to himself special responsibilities?

Mr. PROXMIRE. May I say to the Senator from Ohio and the Senator from Minnesota that it is a great tribute to the senior Senator from Minnesota that he recognized that. The senior Senator from Minnesota is eminently qualified for the Presidency. He is a candidate I should be delighted to support. He would make a great President of the United States.

Mr. McCARTHY. As I recall, the senior Senator from Minnesota in times past has voted for water diversion.

Mr. PROXMIRE. Let me say to my good friend from Minnesota that in all fairness to his senior colleague, the fact is that this bill is entirely different. Circumstances are different. In 1958 Canada did not protest. The State Department stated that it had no objection. It appeared at that time that there would be no question of offending a foreign power.

In 1959, on the other hand, it is clear that Canada has objected. It could hardly be more emphatic. The language which the Senator from Ohio has so emphasized shows that Canada would consider the proposed action a grievous kind of insult, involving the breaking of treaties.

Mr. McCARTHY. Were not the same treaties in effect in 1958 as are in effect now?

Mr. PROXMIRE. Indeed they were; but in 1958 the situation was different, because our good friends in Canada apparently did not believe at that time that the proposed diversion would be a violation of a treaty. What we think treaties provide is very important; but it is even more important what our friends in Canada think they provide. We cannot decide this question strictly on the basis of our own interpretation of the treaties. If a good friend says, "You are violating a solemn agreement," the very least one can do is to consult with the experts and ask them the question, "Am I?"

Mr. McCARTHY. It seems that the Canadian position changes—I will not say from day to day, but at least there have been some variations in it. In view of that fact, might it not be well for us to pass the bill and let the man who holds the office of President, decide, with his advisers, whether it should be approved or whether it should be vetoed? There is such a thing as the grace of office, which we must recognize.

Mr. PROXMIRE. Let me say to my good friend from Minnesota that the fact that Canada changes its mind indicates that it has had an opportunity to study the problem and has become concerned over it. Canada finds out that the principle is extremely important, and that the consequences of the proposed diversion would be severe and serious. It seems to me that is perfectly understandable, perfectly human. I am sure the Senator from Minnesota would be among the first to recognize that all governments are human institutions, composed of fallible human beings. Perhaps in this case Canada is wrong. Perhaps in the other case she was right. The fact is that at the present time Canada believes that we would be violating a treaty if we were to enact the proposed legislation. We should at least honor the protest of Canada by asking our own foreign policy experts in the Senate for their advice with respect to the treaty.

Mr. McCARTHY. I thank the Senator for his courtesy in yielding.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield for a question.

Mr. WILEY. Is it not a fact that Senators, independent of the President or anyone else, owe a responsibility to ascertain what the truth is and to vote their convictions, and not be under the thumb of any individual or any group? Is not that our responsibility?

Mr. PROXMIRE. I thank my senior colleague from Wisconsin. I think he states the situation very well. There is no question that we should make up our minds on the basis of the merits of an issue. Members of Congress, particularly Democrats, have said a great deal in criticism of the administration. I am one of those who have criticized "government by veto." If that criticism has any validity or makes any sense whatever, it means that we insist that Congress has a responsibility not to count on a veto, not to enact legislation merely because it is said the President will veto it, but to make up our minds on the merits, as to the effect of the proposed legislation, and then decide.

I thank my colleague very much for his question.

Mr. WILEY. Mr. President, will the Senator further yield for a question?

Mr. PROXMIRE. I yield for a question.

Mr. WILEY. That is our personal responsibility. If we cannot "pass the buck," if it is up to us, under our oaths, to make a decision, does the Senator see any justification for asking the question, "What is the President going to do?"

Mr. PROXMIRE. I see no justification. I think the implications of the question of the Senator from Wisconsin are very clear. The answer is that, as responsible Senators, it is up to us to make up our own minds, and not to "pass the buck" merely because there are fine men, whom we like very much, for whom we have a deep affection, who want to see the bill passed. We should not vote to pass the bill on the assumption that the President will take care of it by vetoing it. I believe that that sort of attitude is very destructive, and if it is applied to legislation, the results can be extremely bad. Such an attitude can result in extremely bad legislation and a terrible burden on the President. He has many decisions to make. While this is an important piece of legislation to us, the President has hundreds of bills to sign, and has a vast responsibility in foreign affairs. He cannot spend many hours familiarizing himself with the issues involved in connection with the proposed legislation.

We know that the party of my good friend the minority leader [Mr. DIRKSEN], the leader of the Republican Party in the Senate, will urge the President to sign the bill. I think we should be very careful about passing that kind of legislation. We know that the distinguished junior Senator from Illinois has great influence with the President of the United States. If we are to be sure that our sacred word is protected in this case, we have very little alternative but to defeat the bill, or to send it to the Committee on Foreign Relations for advice.

Mr. KEATING. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield for a question.

Mr. KEATING. Is not the fear of the distinguished Senator grounded also on the fact that our distinguished majority leader, the Senator from Texas [Mr. JOHNSON], is apparently also in favor of this measure? So there is a very powerful combination in favor of the measure.

Also, our distinguished friend from Texas might talk with the President. This powerful combination presents us with a really serious situation, which makes it imperative that we should not act quickly and leave it to the President to take care of the situation when the bill reaches him.

Mr. PROXMIRE. I thank the Senator. I believe the Senator from New York recognizes the great influence, power, ability, and character of our fine majority leader. He has very great influence. I am sure he has great influence with the President of the United States. As the Senator from New York has indicated in his question, the minority leader, the present spokesman of his party in this body, tells the President to sign House bill 1. The distinguished majority leader, being in the same position, could very well urge the same course. Under such circumstances House bill 1 might pass, notwithstanding the conviction on the part of many of us that it should not be passed, that it would be a very grave error, that it would insult Canada, that it would usurp the power of the Supreme Court, and violate the recommendations of every executive agency which has been asked to pass upon it. Notwithstanding all that, House bill 1 might still become law. So it is particularly vital that Senators consider the proposed legislation very carefully and give the greatest consideration to sending it to the Foreign Relations Committee, which is our expert body, to advise us on whether or not the proposed legislation would indeed constitute an insult to our good friend, Canada.

Mr. President, I have not had an opportunity to begin my speech, because I have been dealing only with the speech of my good friend the Senator from Illinois [Mr. DOUGLAS], who placed a brief in the RECORD earlier in the day, feeling that thereby he could save time. I admire him for that. Such action is always helpful. This is such an important brief that I feel I should discuss it line by line. Then I can begin my own speech.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield for a question.

Mr. LAUSCHE. Does not the fact that yesterday, on the basis of the leadership of the Senator from Illinois [Mr. DIRKSEN], the majority leader, the distinguished Senator from Texas [Mr. JOHNSON], Representative O'BRIEN, and the Senator from Illinois [Mr. DOUGLAS], it was possible to develop 46 votes, indicate an absence of meritorious facts supporting the conclusions which were reached?

Mr. PROXMIRE. I will say to my good friend from Ohio that there is no question about the fact that there is a great power complex working for the bill. The minority leader, the distinguished junior Senator from Illinois [Mr. DIRKSEN], is primarily interested in the bill.

The fact is that the Senator from Texas has not indicated at all what the position of the leadership is on the bill. It is not a policy bill. He has voted, as he has every right to, as a Senator from Texas. But he has made no speech on the bill. He has not urged any Senator, to my knowledge, to vote for or to vote against the bill. He has acted with complete propriety, so far as I am concerned, on the bill. But we still have a power situation here. We have the minority leader, on the one hand, with the distinguished senior Senator from Illinois [Mr. DOUGLAS], who is a great influence in this body, on the other. We have the very powerful, influential Representative O'BRIEN, of Illinois, working night and day on the bill. When we are confronted with that kind of situation, I think it is really amazing that we were almost able to refer the bill to the Committee on Foreign Relations, considering that terrific amount of power.

Mr. McCARTHY. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield for a question.

Mr. McCARTHY. Does the Senator from Wisconsin want to infer that those who voted for diversion were voting on the basis of personality, and that those who voted the other way were voting on the merits of the proposal?

Mr. PROXMIRE. I certainly would not admit that the Senators who voted for the bill were voting only on the basis of personality. I am sure no Senator would vote for the bill if he felt that it was wrong to do so. But I think it is true that most Senators have not given the bill much study. That is perfectly understandable. The bill does not affect the States of many Senators. It is not a national bill; primarily, it affects the Great Lakes States. So Senators have done what is perfectly sensible. They have followed the first principle of a good executive. They have delegated their judgment to people whom they trust in life. They have said, in effect, to such persons, "You are a fine person, having good judgment. In this case, if you say it is all right, I will give the bill all the study I have a chance to give it, which is only a matter of minutes." There is no reflection on the judgment, honor, or ability of any Senator.

Mr. McCARTHY. That is not the point I wanted to make. I was concerned, I might say, with possible reflections on the personality of the opponents. I do not want the RECORD to show that in a personality contest the senior Senator from Michigan [Mr. MCNAMARA], for example, fell short of some other Senator or some Member of the House, or the Senator from Wisconsin [Mr. PROXMIRE], or even the Senator from New York [Mr. KEATING]. I would not want the RECORD to show that his personality was, by comparison, deficient.

Mr. PROXMIRE. I say to the Senator from Minnesota that it may well be that my colleagues are men of great personal persuasiveness. I know they have been extremely effective in this matter. The point is—and I think the RECORD shows it—that we have been spending our time arguing the merits of the bill on the floor of the Senate. We have not been spending our time trying to persuade Senators how to vote on it. We have been trying to call the attention of Senators exactly to what the issues are. While I would agree that the personality of my good friends is matchless, or is not at least——

Mr. McCARTHY. Comparable.

Mr. PROXMIRE. Comparable in every way, nevertheless the fact is that most of them, with the possible exception of a very few of us, have been deeply concerned with other proposed legislation now pending and have not devoted as much time or as much effort to persuading our colleagues as have the proponents of the bill.

Mr. KEATING. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield for a question.

Mr. KEATING. Does the Senator from Wisconsin feel that the junior Senator from New York would have some reason to resent the reference by the Senator from Minnesota [Mr. McCARTHY], after listening to these various Senators, saying "Even the Senator from New York?" It seemed to me to be a highly disparaging statement. I am sure it was not intended to be so, because of the long friendship the Senator from Minnesota and I have enjoyed and because of our close work together in the House. I hope the Senator from Minnesota will be more careful in the future.

Mr. McCARTHY. The CONGRESSIONAL RECORD often fails to show the tone of voice which a Senator uses. If I did use the word "even," as the Senator points out, that would really indicate my surprise that the Senator from Wisconsin could have thought that personality was not running on his side rather than on the other side, when he indicated that there was personality only on one side, and merits only on his side.

Mr. KEATING. I think that is a wonderful clarification. I appreciate the fine statement of the Senator from Minnesota. It makes me feel much better.

Mr. McCARTHY. I am sure we are both relieved.

Mr. PROXMIRE. Mr. President, I am about finished with my comments on the statement of the Senator from Illinois. The last paragraph, however, is a paragraph which I must read. I think it is perhaps the strongest and best paragraph in his statement. I call it to the attention of the Senate. He says:

> Basically, the power of the court and Congress are independent. Congress can foreclose the court, but the court in this field cannot foreclose Congress. Until Congress ousts the court of jurisdiction, their actions can be concurrent, and there is no reason why either cannot act, being mindful of the fact that the power of Congress is paramount.

Let us assume that that is correct. I shall not argue the point; I am not a constitutional lawyer. I am sure many Senators are eminent constitutional lawyers. I cannot dispute that. The fact is that Congress can recognize in some cases that matters of riparian rights, matters of complex, technical, public health factors, matters of power and navigation, can very often be left to the determination of a judicial body, particularly when that judicial body has demonstrated competence over a period of many years, particularly when there has been no substantial complaint that that body was acting in an unfair or biased way. Certainly the Supreme Court of the United States has met this test in every way.

Up to 1936, the Supreme Court exercised jurisdiction. They have restricted diversion; sometimes they have reduced it; at other times they have permitted an increase. The Supreme Court has exercised jurisdiction continuously. No one questions their competence. The Senator from Illinois has not made any statement to question the ability or competence of Circuit Judge Albert B. Maris, who has been appointed as a referee to study this case.

It seems to me that the last paragraph of the memorandum of the Senator from Illinois, while it might be used as a justification for Congress to act if Congress felt that the Supreme Court was incompetent to do the job, or if it felt that the Supreme Court was not going to do a complete job, considering the interest of Chicago and the States concerned, it would seem to me that when the case is overwhelming that the Supreme Court has given this matter great attention, a large amount of time, and has given Judge Maris every power to subpena witnesses to inquire into this matter in great detail; under those circumstances I can see no reason why Congress should step in and arbitrarily usurp the power the Court has had in this matter and say that a decision carefully reached by the Court to limit diversion to 1,500 cubic feet a second, plus domestic pumpage, should be increased, is an action which is not responsible or thoughtful or considerate, or that recognizes the great competence and care which the Court has demonstrated in the past.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from New York for a question.

Mr. JAVITS. Is the Senator from Wisconsin aware of a telegram which I have just received from Rene Dupuis, Commissioner of the Quebec Hydroelectric Commission, bearing on additional losses to the Province of Quebec which would result from a diversion of 1,000

cubic feet per second of water, as proposed by the bill?

Mr. PROXMIRE. If the Senator would read the telegram, I could answer the question. I am not certain I understand its purport.

Mr. JAVITS. I ask the Senator from Wisconsin whether he is aware of the following telegram I have just received, addressed to me, from Rene Dupuis, Commissioner, Quebec Hydroelectric Commission:

MONTREAL, CANADA.

Senator JACOB JAVITS,
Senate Office Building, Washington D.C.:

Electrical losses to hydro Quebec for a 1-year period with increased diversion of 1,000 c.f.s. will actually be 52,596,000 kilowatt-hours and 6,750 kilowatts. Permanent diversion when contemplated Lachine site is developed will bring above figures to 85,468,000 kilowatt-hours and 10,900 kilowatts. Market is always available for such productions.

RENE DUPUIS,
Commissioner, Quebec Hydro-Electric Commission.

May I ask the Senator whether he is aware of that communication?

Mr. PROXMIRE. I am not aware of that communication. I am very happy that the Senator from New York has called it to the attention of the Senate.

Mr. JAVITS. Mr. President, I should like to propound my question to the Senator. I assume the Senator, not being aware of the telegram, or at least not in the detail I have just given it, is also not aware of the computation of the cost of this diversion to Canada, which would result.

I should like to ask the Senator whether he would adopt as a part of his argument the figures which I have had computed by the engineers for the New York State Power Authority as to the additional loss which would be involved?

Mr. PROXMIRE. I should like to hear what those figures are.

Mr. JAVITS. I might add that even the question can be somewhat extended in its detail, so I hope the Senator will bear with me while I put this question to him.

I ask the Senator whether he would be prepared to adopt a figure computed for me by the engineers for the New York State Power Authority, namely, the figure of $264,131, as the additional loss represented by the power loss specified in this telegram from the Commissioner of the Quebec Hydroelectric Power Commission; and also the additional figure—should the proposed diversion become permanent—of $427,691, assuming that the proposed 1,000 cubic feet of water a second diversion became permanent, as being the computed loss to the Quebec plants?

Mr. PROXMIRE. If the Senator from New York will question me on whether I would accept that loss figure if it were for the annual loss or if it were for the loss over the 15-year period during which, as I understand, it is generally agreed that the diversion would have its effect, then I would be able to answer the question.

Mr. JAVITS. I ask those questions in exactly the way the Senator from Wisconsin has stated them. In other words, would the Senator from Wisconsin accept as the proper figures for the losses the figures I have just now submitted to him?

Mr. PROXMIRE. I would be glad to accept the opinion of that body, which I understand is the most authoritative and the most competent one to pass on that loss, since it has jurisdiction and responsibility for that power facility, and it seems to me that its estimates should be accepted as authoritative.

I may point out to the Senator from New York that those figures contradict the position taken by the Senator from Illinois [Mr. DOUGLAS], which is that a 1-year test would result in an annual power loss, at Niagara and the St. Lawrence, of $36,000 a year, or $608,000 over the 15-year period.

Mr. JAVITS. Would the Senator from Wisconsin prefer to rely on the figures I gave in my speech on this issue—namely, $1,125,800, as given by the engineers for the New York State Power Authority; or would he prefer to accept the figures given by the Senator from Illinois [Mr. DOUGLAS] in his speech?

Mr. PROXMIRE. I would prefer to accept the figures given by the Senator from New York, for the reason that the Senator from Illinois cited two authorities, one of whom was identified only as "Smith," and of course that gentleman could be one of the many thousands of Smiths in the Nation, and no indication was given in regard to his occupation. The other authority cited by the Senator from Illinois was a Mr. Ramey, who, as most of us know, has been in the employ of the Chicago Sanitary District. Although he is a fine engineer, it is my understanding that he is not well qualified to pass on the question of power losses; or, at least, certainly he is not as well qualified as is in the New York Power Authority.

Mr. JAVITS. Is the Senator from Wisconsin also aware of the fact that the loss figure I cited—namely $1,125,800—is quite different and apart from the loss figures I submitted just now, which are in regard to the Quebec plants, irrespective of the International Rapids and Niagara Falls—namely, $264,131 and $427,691?

Mr. PROXMIRE. I was not aware of that. In other words, the two are to be added together, in order to compute the total loss?

Mr. JAVITS. Yes. My question is whether either the $264,131, if one is considering only the diversion specified in this bill, is used——

Mr. PROXMIRE. Is the Senator from New York asking me a question?

Mr. JAVITS. I am asking the Senator from Wisconsin a question in regard to the acceptance of these figures. I point out that I ask the Senator from Wisconsin whether he understands clearly that the $264,131 loss, which relates to the diversion specified in the bill, or the $427,691 loss, which relates to the loss if the diversion were made permanent, must be added to the $1,125,800 loss attributable to the operations at Niagara Falls and the International Rapids?

Mr. PROXMIRE. I understand it now, although I did not understand it before. I think the Senator from New York has made that very clear, and that is a real contribution to the debate.

Although I had discussed those losses before, and had said I would question them, I had not been able to pin down the New York Power Authority loss figures. With the help of the Senator from Ohio [Mr. LAUSCHE] I had been able to show that the navigation loss would be more substantial, on a permanent basis, than that which the Senator from Illinois [Mr. DOUGLAS] seemed to have indicated in the course of his statement.

Mr. JAVITS. Does the Senator from Wisconsin also understand the contractual relationships arising out of the treaty between the United States and Canada, which would require the State of New York, in its power operations, to take up such losses as were suffered by Canada, as a result of the proposed water diversion, in the case of the operations at Niagara Falls? Is the Senator from Wisconsin aware of the relationship or the privity of interest there?

Mr. PROXMIRE. I understand that would be very likely the case—namely, that Canada would be free to appeal to the International Joint Commission and to show—and would have great merit for showing—that even if the entire loss were to be absorbed by New York, and even if as little of the loss as possible were to be absorbed by Canada, even then Canada would not be fully compensated for the loss which she necessarily would have to suffer—and there are technical reasons for that; namely, that Canada could not take the loss at Niagara, but would have to take it where the fall was shorter—and that, therefore, the United States would have to bear almost the entire loss; and, therefore, the loss suffered by the New York Power Authority would be very great.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. The Senator from New York [Mr. JAVITS] was asking me a series of questions.

Mr. JAVITS. I would prefer to continue with my questions, unless the Senator from Illinois wishes to ask a question about this particular matter.

Mr. DOUGLAS. No.

Mr. JAVITS. Very well.

Does the Senator from Wisconsin find, from the computations made by the proponents of the bill, that they give any consideration whatever to the claims of Canada for compensation for the losses we have been discussing?

Mr. PROXMIRE. I see nothing in the proposed legislation, I see no amendment, I see no proposal, that Canada or New York or the shippers would be compensated.

I have at the desk some amendments which I may call up; and they would provide for such compensation.

Mr. JAVITS. Then will the Senator from Wisconsin give me his view on the questions of constitutionality and expropriation without compensation, which might be involved in this situation, in the absence of even any pretense to make compensation for these at least realizable losses, as well as the losses of which New York might find itself the underwriter?

Mr. PROXMIRE. That could amount to a violation of the due process clause. However, I am not a lawyer. Of course I recognize that the distinguished Senator from New York [Mr. JAVITS], who is questioning me, was formerly a great attorney general of New York State, and also that he has devoted his life's work to the law, and understands this matter very thoroughly. From his questioning, I understand that it is his conviction that this proposal might very well be unconstitutional.

Mr. JAVITS. Certainly the Senator from Wisconsin would see, would he not, as a nonlawyer, that this matter presents that serious question? The Senator from Wisconsin is aware of that, is he not?

Mr. PROXMIRE. I see that very clearly. It seems to me that it does, indeed, raise that question.

Mr. JAVITS. Could the Senator from Wisconsin also tell me what he sees in the present relationships with Canada which, in his view, would make those relationships either better or worse if the Senate were to proceed unilaterally—in the face of the Canadian protest, which it seems to me is abundantly clear by now—to take action in this situation, by means of passing this bill?

Mr. PROXMIRE. In the first place, I saw a statement by the expert adviser of the U.S. Government—to wit, the State Department—that, "the Department believes that enactment of this bill would have unfortunate repercussion on our relations with a friendly foreign government, and is therefore unable to support the legislation."

I also see a note—and there has been a series of notes; an almost unprecedented number of notes in such a brief time—from Canada, the latest one being dated August 21, after the meeting of the Public Works Committee.

On April 9, there was a note, which has about the clearest language that I have seen in a diplomatic message, in which the Ambassador from Canada wrote the Acting Secretary of State, at that time Christian Herter, and said that the Government of Canada considers that many agreements and understandings between the United States and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago. The note goes on to specify the treaties the Government of Canada thinks would be violated.

There is no question this is a very sincere, well documented conviction on the part of Canada. It is not a matter of saying, We are going to stand up to our big neighbor to the south. It is not simply based on a psychological objection in Canada. It is based on a sincere interpetation of the treaty which, as I understand, competent constitutional authorities say would be violated by this act.

Mr. JAVITS. I shall have some further questions on that matter, and I shall return to make them in a few moments. In the meantime, I should like to hand the Senator a memorandum and ask the Senator to peruse it carefully. Perhaps he will find it worthy of insertion in his remarks as bearing upon the questions which he has answered. I refer to a memorandum on value of power loss by the Quebec Hydroelectric Commission. The memorandum was prepared by engineers of the New York Power Authority.

Mr. PROXMIRE. I thank the Senator from New York very much. I expect at a later moment to insert this memorandum into the RECORD.

Mr. PROXMIRE subsequently said: Mr. President, the Senator from New York has made available to me a memorandum on power loss. It is an extremely brief memorandum. I ask unanimous consent that this memorandum, from a competent authority, be placed in the RECORD immediately after the colloquy between the Senator from New York and myself. It seems to me that is the place for it. It should clarify the dispute as to the cost of this additional diversion.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON VALUE OF POWER LOSS BY QUEBEC-HYDRO FROM 1,000 CUBIC FEET PER SECOND DIVERSION

Ontario Hydro has stated that the value of electric energy and power generated by steam powerplants to replace the energy and power lost as a result of the proposed additional diversion would be 3.17 mills per kilowatt-hour and $14.43 per kilowatt per year. On this basis the value of the energy and power which Quebec-Hydro would lose as a result of a 1-year diversion at the rate of 1,000 cubic feet per second would be:

52,590,000 kilowatt-hours × $0.00317	$166,729
6,750 kilowatts × $14.43	97,402
Quebec Hydro loss from 1 year's diversion	$264,131

The annual Quebec Hydro loss from a permanent diversion of 1,000 cubic feet per second would be:

85,468,000 kilowatt-hours × $0.00317	$271,504
10,900 kilowatts × $14.43	156,187
Quebec Hydro annual loss from permanent diversion	$427,691

The annual loss is larger than the loss from a 1-year temporary diversion as a result of the contemplated Lachine plant.

Mr. PROXMIRE. I now yield to my good friend from Illinois for a question.

Mr. DOUGLAS. Mr. President, if the Senator from Illinois were to present a petition for cloture, in order to stop the filibuster which the Senator from Wisconsin is now conducting, would the Senator from Wisconsin then vote to apply cloture so that we could get on with the business of the Senate?

Mr. PROXMIRE. I say to my good friend from Illinois that his question is as loaded as the traditional question of when the Senator from Wisconsin is going to stop beating his wife. The Senator from Wisconsin has never beaten his wife. The Senator from Wisconsin is not engaged in a filibuster. The Senator from Illinois should know that the Senator from Wisconsin is not engaged in a filibuster. We have had a number of votes on this bill. We expect to have more votes. We contemplate a vote after we have had a chance to explain the merits or demerits of the bill. As the Senate clearly indicated by its vote yesterday, it wished the proponents and opponents of the bill to discuss it further.

Mr. DOUGLAS. Does the Senator from Wisconsin remember the fact that when the Senator from Illinois proposed that cloture be applied by majority vote the Senator from Wisconsin voted in the affirmative? Does he remember that?

Mr. PROXMIRE. The Senator from Wisconsin recalls that very well. The Senator——

Mr. DOUGLAS. Does the Senator——

Mr. PROXMIRE. The Senator will please desist so that I may complete my answer. The Senator from Wisconsin is very much in favor of a stronger cloture rule. He will be glad to invoke cloture at any time there is an indication that Senators favor ending the debate. I call the attention of my friend from Illinois to the fact that his cloture proposal would have, in his own words, provided 2 months of debate—2 months. The fact is that this bill has been before the Senate for a relatively short time, a tiny fraction of 1 month, let alone 2 months. I will be delighted to tell the Senator from Illinois I have every intention to stop talking on this bill within the next 2 months. [Laughter in the galleries.]

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senate will be in order, and visitors in the galleries will remain silent.

Mr. DOUGLAS. Does the Senator remember that his assistants in this filibuster, namely, the senior Senator from Wisconsin [Mr. WILEY], the senior Senator from New York [Mr. JAVITS], the junior Senator from New York [Mr. KEATING], the senior Senator from Michigan [Mr. MCNAMARA], and the junior Senator from Michigan [Mr. HART], all voted for a change in the rules so that the majority could apply cloture? Does he remember that?

Mr. PROXMIRE. The Senator from Wisconsin remembers it very well. I do not think it is in the least embarrassing. I am glad the Senator from Illinois has finally entered the debate. I regret that he has refused to debate any of the issues relating to the Supreme Court, Canada, and the opposition of agencies to the bill. Instead, the Senator from Illinois chooses to attack the Senator from Wisconsin on the ground that the Senator from Wisconsin is conducting a filibuster, when the Senator from Illinois recognizes that his own provision for cloture permitted 2 months of discussion.

I thank the Senator from Illinois.

Mr. JAVITS. Mr. President, will the Senator yield to me for a further question?

Mr. PROXMIRE. I yield for a question to the Senator from New York.

Mr. JAVITS. I should like to ask the Senator what is his characterization of the quality of the note from the Government of Canada, dated April 9, 1959, as it affects this controversy. May I read the note to my colleague as a part of the question?

Mr. PROXMIRE. Will the Senator identify the date of the note again?

Mr. JAVITS. April 9, 1959.

Mr. PROXMIRE. Fine.

Mr. JAVITS. I read from that letter:

Every diversion of water from the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the basin for all purposes. The Government of Canada is opposed to any action which will have the effect of reducing the volume of water in the Great Lakes Basin. Careful inquiry has failed to reveal any sources of water in Canada which could be added to the present supplies of the basin to compensate for further withdrawals in the United States.

The Government of Canada considers that many agreements and understandings between the United States and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago.

Because of the importance attached by the United States and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin. Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford.

I am instructed, therefore, to express the hope of the Government of Canada that the United States will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings to which I have referred.

I ask the Senator, what is his opinion as to the quality of that kind of protest from the Government of Canada to the Government of the United States as it bears on the pending legislation?

Mr. PROXMIRE. I would say to the Senator from New York that it is firm, it is emphatic, it is clear, it states the position of a proud sovereign nation, which is convinced that such legislation will violate solemn treaties, and the Government of Canada says so in the most unequivocal language which the Senator has yet read. I am particularly delighted he has read the last sentence, which I had not read before. I do not think it has been called to the attention of Senators before. It is such a modest and reasonable request. That is why the bill should go to the Foreign Relations Committee. I should like to read it again. This is the Canadian ambassador solemnly saying to the Acting Secretary of State:

I am instructed, therefore, to express the hope of the Government of Canada that the United States will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings to which I have referred.

I submit, whether we think they are correct or whether we think they are incorrect, the least we can do is to honor the solemn note, by letting the Committee on Foreign Relations of this body take a look at the matter and consider it.

Mr. President, I should like to invite the attention of the Senate to the fact that the proponents of the bill could not be inconvenienced by such action. I have counted the votes on the Committee on Foreign Relations. As I understand, there are 17 members of the committee. The proponents of the bill have some 10 or 11 votes, and the opponents have some 5 or 6 votes.

The fact is that the bill would come back to the Senate, because we would put instructions on the action. We would tell the committee when to report the bill. It would be early in the next session.

There is no question that we should have the advice of the Committee on Foreign Relations. There is no question that the bill would have a hospitable, understanding, and courteous consideration by the Committee on Foreign Relations. This is the most modest kind of a request.

Mr. JAVITS. Mr. President, will the Senator yield for another question?

Mr. PROXMIRE. I yield to the Senator from New York for a question.

Mr. JAVITS. Mr. President, will the Senator yield to me further?

Mr. PROXMIRE. I yield to the Senator from New York for a question.

Mr. JAVITS. Mr. President, I should like to continue these questions of the Senator, which we did not quite finish before.

I should like to ask the Senator to tell me what in his view would be the effect upon our relations with Canada if we should pass the bill, in the light of the following statement culled from the Canadian note of August 21, 1959:

In the view of my Government any additional diversion of water out of the Great Lakes watershed would be inconsistent with existing agreements and arrangements which together constitute an agreed regime with respect to these waters. The proposed unilateral derogation from the existing regime therefore occasions serious concern in Canada.

What does my colleague believe would be the effect upon Canadian-United States relations if, in the face of that statement, the Senate should pass the bill under consideration?

Mr. PROXMIRE. Well, of course, the critical words are: "Occasions serious concern in Canada." As I understand the situation, this is the strongest kind of diplomatic language. It is a matter of grave import, particularly, for a good friend and a good neighbor to use this kind of language with regard to a bill which is under consideration.

In the brief time in which I have been a Member of the Senate, and the opportunity I had to study the Senate before I became a Member, I know of no other bill—there may have been a few—with regard to which any foreign power indicated it had a serious concern, or that it would occasion serious concern among its people.

I think this language means that Canada is saying, in effect, "If you do this, we will feel you have done it against our express understandings; that you have broken your word on the basis of what we think is your word."

I think any person would expect Canada to feel it would be perfectly free to act with respect to the Columbia River any way it wished. It could act, furthermore, with great damage to New York with respect to the diversion from the Hudson Bay watershed of the water which is diverted, some 5,000 cubic feet per second, into Lake Superior. It could take all of that water, which it shares with the United States, although Canada has gone to great expense to divert the water, has indulged in all the labor, and has made all the sacrifice for it.

Mr. JAVITS. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield for a question.

Mr. JAVITS. Does the Senator place in the words in this note which I have read, "unilateral derogation," the same impact and effect I place in them; that it is really an accusation that the United States is proceeding on its own without reference to the international responsibilities and obligations which are involved?

Mr. PROXMIRE. There can be no question about it. The words are "unilateral derogation." They mean it is the understanding of Canada that we will act without consultation, without reference, and without consideration of the Canadian interests. It means Canada feels we are acting by ourselves, that we arrogate this power to ourselves, and that we are ignoring the perfectly legitimate power and influence Canada should have in these circumstances.

Mr. JAVITS. Does the Senator feel that if a bill like this passes in the face of these protests, we would be hearing the end of it with these protests, or does the Senator feel we would hear more about it from Canada?

Mr. PROXMIRE. There is no question in my mind that if this bill were passed in these circumstances, Canada as a proud nation would feel that although they had informed us that we were breaking our word in acting in this way, we had gone ahead and done it, that we had ignored its protests; and that Canada would have little choice but to take action which could be very damaging to this country.

Mr. JAVITS. As a person in political life himself, does the Senator envisage a situation in which a political storm could blow up in Canada over just such an act as this by the Senate of the United States?

Mr. PROXMIRE. The Senator from New York raises an excellent point, because those who have observed the Canadian Government recognize that while they have been wonderful friends, and while Canada is a source of tremendous importance to us, both in a friendly way and as a great ally, and as a great place for investments, and so forth, the fact is that Canada is a smaller nation than ours. They have fewer people. They have less wealth. The psychology under these circumstances is always bound to be nationalistic with reference to the smaller country.

That has been brought out in many ways. Any realistic observer would recognize that the reason why Mr. Diefenbaker was elected by an overwhelming majority in the last election was that he was going to operate with independence of the colossus to the south, that

he was representing a nation that was proud of its sovereignty, a nation that was nationalistic in the good sense, and that was going to insist that it be respected. If we enact the pending measure, I think Canadians will have reason to feel that their sovereignty is being challenged, is being disregarded, is being insulted, and that it is not being respected by the Congress of the United States.

Mr. JAVITS. If a political storm is blowing up as a result of the unilateral derogation of the relationships to which Canada referred in this note, does the Senator know of a whole list of vexatious issues which could be raised between the United States and Canada, quite apart from this one, and which would be extremely harmful to us? They might be to them, too, but they would certainly be extremely harmful to us.

Mr. PROXMIRE. The Senator is absolutely correct. One area I have referred to very briefly and inadequately has been an area the distinguished junior Senator from Vermont [Mr. PROUTY] discussed at some length yesterday, and the junior Senator from Oregon [Mr. NEUBERGER] has discussed it before today, one which I think must be called to the attention of the Senate again. It is that Canada is in a position to divert waters from the Columbia River into the Fraser River and send them into the Pacific Ocean without their going through the United States at all, water from the Columbia River which would reduce the power potential of the Columbia River in Oregon and Washington by the huge amount of 23 percent. This would be jeopardizing the Hanford atomic work. It would be very, very harmful to dams in these States. Anyone who knows anything about the Northwest recognizes that one of its great strengths is that it has an abundance of power, and that when that abundance is cut, the very economic life of the area is damaged and compromised.

The Dominion of Canada could act, has every right to consider acting, and it would be certainly sorely tempted to act.

Also, as I said a moment ago, the Dominion of Canada could act with regard to the present diversion of 5,000 cubic feet per second from the Hudson Bay watershed, which they have accomplished by investing a great deal of money and a great deal of time and a great deal of effort, diverting this additional water into Lake Superior so that it would come down the Niagara, come down Niagara Falls and down the St. Lawrence. We have some advantage in this, and they have been generous in that they have shared it with us. They could take all of this away from us, at great loss to us, a loss of several million dollars. I have been advised by the New York Power Authority that this is a very real possibility. These are just two of the most immediate instances.

The fact is that Canada has been a wonderful ally in every respect. They worked closely with us in the United Nations and in NATO, and in many other ways.

So it would seem to me that in the great sweep of Canadian-American relations, it is fantastically unwise for the Congress of the United States to pass a bill not only over the objections of Canada, but without even referring that bill to the Foreign Relations Committee, so that that committee can tell us whether or not we should be concerned about the Canadian objection.

Mr. JAVITS. And does the Senator feel that the fact that Canada is our largest customer in terms of exports—I believe it is our largest—and that Canada is the situs of a very large proportion of the total foreign profit investments of the United States, also gives us a tremendous national interest in not allowing a political storm to break out in Canada over a matter of unilateral derogation of this character?

Mr. PROXMIRE. Absolutely. The Senator from New York is absolutely correct. It is by far our best customer. It is the country in which we have made extremely important and valuable investments. There is no question that they have been mutually beneficial.

There is also the question that a worsening of political relations could easily lead to a worsening of economic relations, and at great and serious damage to our investments and to our economy, and in many other ways.

Mr. JAVITS. I thank my colleague.

Mr. PROXMIRE. I thank the Senator from New York for his excellent questions, and the extremely valuable colloquy we have had.

During the colloquy between Mr. PROXMIRE and Mr. JAVITS:

Mr. KERR. Mr. President, will the Senator yield to me so that I may ask the distinguished Senator a question?

Mr. JAVITS. I am pursuing a particular line of inquiry. It is up to the Senator from Wisconsin as to whom he wishes to yield. I would be perfectly happy to have him yield to the Senator from Oklahoma.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Oklahoma for a question, with the understanding that the ensuing colloquy with the Senator from New York will follow our present colloquy in the RECORD, and that my colloquy with the Senator from Oklahoma will be printed after I finish my colloquy with the Senator from New York.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. KERR. Mr. President, is the pending amendment by the Senator from Wisconsin one to change the language on page 3 of the bill, in lines 22 and 23, from "one hundred and seventy-five miles of Lake Michigan" to "one hundred and eighty miles of Lake Michigan"? Is that the pending amendment?

Mr. PROXMIRE. The Senator from Oklahoma is correct.

I might explain to my good friend, the Senator from Oklahoma, the reason why I introduced the particular amendment at the particular time. I think it is a good amendment, and I think it should be agreed to. I introduced the amendment at the particular time—and I made clear to the Senate at the time why—because I wanted to yield to my good friend from Connecticut [Mr. BUSH], who wanted the floor yesterday and wanted an opportunity to speak for 10 minutes. The senior Senator from Illinois refused to permit me to yield without losing my right to the floor, so, in order that I could speak more than two times, as I desired, I introduced the amendment to provide for the 180 miles, so that I would be able to speak on the bill and on the particular issue which seems to concern the Senate at this moment especially, as to whether the proposed legislation should go to the Committee on Foreign Relations.

Mr. KERR. I wanted to say to the distinguished Senator from Wisconsin, if he really thinks it is a good amendment, Mr. President, as the manager of the bill on the floor I am willing to accept the amendment.

Mr. PROXMIRE. Mr. President, as I have explained to my good friend from Oklahoma, I very much appreciate his willingness to accept the amendment. I should like to consider that matter a little later on, with the Senator's indulgence.

Mr. KERR. My willingness is not binding either on the Senator or on the Senate, but I did want to make the announcement, as manager of the bill on the floor. I yield to the Senator's judgment in the matter. It is a good amendment, and I wished to say to the Senator that I would be glad to accept the amendment.

Mr. PROXMIRE. I appreciate the very generous proposal of the Senator from Oklahoma. Under the circumstances I would greatly prefer, since the Senator has said this is no commitment, but his mind will be open, to make that decision at a later time.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield for a question.

Mr. DOUGLAS. Does the Senator from Wisconsin mean he does not know whether he is in favor of his own amendment?

Mr. PROXMIRE. No. The position of the Senator from Wisconsin is that he favors his amendment enthusiastically.

I want to have my amendment agreed to. However, I want to have an opportunity to speak on the proposed legislation, because I think it is extremely important. I want to be able to speak at sufficient length to get my views across.

There is a parliamentary situation in which, if I accept the generous offer of my good friend from Oklahoma, I would be able to speak only one time more.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield for a question.

Mr. DOUGLAS. Does the Senator from Wisconsin mean that he offered the amendment merely as a subterfuge, in order to get a chance to talk interminably on this issuse?

Mr. PROXMIRE. Absolutely not. If my good friend from Illinois had had an opportunity to hear what I said, he would recognize that I said, as I said yesterday when I offered the amendment, it is a good amendment. It has merit.

I am in favor of the amendment. It would include Kewaunee, Wisconsin; and Kewaunee is very important to me.

However, I wanted to offer the amendment at the time so that I could talk without being taken off my feet by the very expert parliamentarian who is opposing my viewpoint.

Mr. DOUGLAS. Do I correctly understand that the Senator is not in favor of his amendment?

Mr. PROXMIRE. I say to my good friend from Illinois, I favor the amendment enthusiastically. I am deferring, however, the request or the suggestion of the Senator from Oklahoma until a later time, when the parliamentary situation may be a little different.

In view of the fact that the Senator has conceded, by his suggestion to me, that the amendment has some merit, I hope and I presume the Senator will accept it at a later time. He may not. The Senator is perfectly free not to accept the amendment.

However, I make the point, first, it is a good amendment. I favor it. I am proud of it.

Mr. DOUGLAS. Mr. President, if it is a good amendment, why does the Senator not accept the proposal?

Mr. PROXMIRE. Because it would put the Senator from Illinois in a position where he could take the Senator from Wisconsin off his feet. The Senator from Illinois knows perfectly well that the parliamentary situation permits him to prevent the Senator from Wisconsin from yielding to another Senator who wants to be accommodated, as Senators do during the course of a discussion of this kind. If the Senator should yield to other Senators, he could speak only twice. Therefore, if I yielded within a period of 5 minutes to two different Senators I would be through, as an example.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Illinois for a question.

Mr. DOUGLAS. Do I correctly understand that what the Senator from Wisconsin is interested in is the chance to talk without let or hindrance, interminably, and to tie up the business of the Senate; and that the Senator is not interested in getting the pending amendment agreed to?

Mr. PROXMIRE. The Senator from Illinois is wrong on both counts. The position of the Senator from Wisconsin is that he wishes to talk on the amendment, probably at a later time. The Senator from Wisconsin is using the introduction of the amendment at this time, however, so that he will be able to talk on the issue which seems to concern the Senate very deeply, which is the issue of whether the bill should go to the Committee on Foreign Relations. In order to discuss that subject adequately and properly, we have to have time for discussion. Therefore, I introduced the amendment.

We also should have a discussion of whether there is any positive merit in the bill, which would influence the Senate to vote for the bill, even though it might offend Canada.

Mr. LAUSCHE. Mr. President, will the Senator yield? I did not quite clearly hear the complete statement made by the Senator from Wisconsin which had in it a reference to the Senator from Illinois and some mention of counts.

Mr. PROXMIRE. Some mention of what? Is the Senator asking me a question?

Mr. LAUSCHE. Yes, I am asking the Senator a question. Will the Senator from Wisconsin repeat what he said about the Senator from Illinois and some counts? Did the Senator from Wisconsin say the Senator from Illinois was wrong on both counts?

Mr. PROXMIRE. Yes. I thank the Senator from Ohio. I said that the Senator from Illinois was wrong on both the two counts.

Mr. LAUSCHE. I did not hear what the Senator from Wisconsin said.

Mr. KEATING. On how many counts was the Senator wrong?

Mr. PROXMIRE. Two out of two. [Laughter.]

Mr. CASE of New Jersey. Mr. President, I wonder if the Senator from Wisconsin would make a unanimous-consent request that I be permitted to make some extraneous remarks at this point.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from New Jersey without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECENT CHINESE COMMUNIST ACTS OF BELLIGERENCE

Mr. CASE of New Jersey. Mr. President, on the borders of India, in Laos, and in Tibet, the Western World is now faced with three new instances of Red Chinese belligerence and disrespect for human rights.

On Friday the Prime Minister of India, Pandit Nehru, announced that Chinese troops had crossed from Tibet into the northeast frontier area of India and into the Province of Kashmir. This morning, there are reports that a Red Chinese force of nearly 400 has invaded the Indian protectorate of Bhutan. These open acts of hostility must come as further unpleasant notice to the Government of India of the aggressive nature of its powerful northern neighbor.

This country has not always shared the expressed views of Mr. Nehru on the nature of communism, nor has our Government always seen eye to eye with Mr. Nehru on matters of policy, but I suggest, Mr. President, that the realities of Communist power and Communist intentions must now be coming into focus throughout south and southeastern Asia.

I would therefore urge, Mr. President, that we remain alert and sympathetic to the needs of India in her trials with her aggressive neighbor to the north. It may be that we can be of assistance to India in building her military defenses against communism as we are now assisting her to build her economic defenses. These defenses are not only India's but those of all free nations. Indian independence as well as successful Indian economic development are crucial to the success of constitutional government in Asia and much of Africa.

It may be that India will at some point wish to appeal for assistance to the United Nations to patrol her borders or for some other U.N. procedures for the settlement of disputes. To any such appeals from India, Mr. President, we should give most careful and sympathetic consideration.

In the tiny kingdom of Laos, Mr. President, Communist guerrillas have infiltrated from the Communist country of North Vietnam under the Ho Chi Minh regime. There can be no doubt of the support given to Ho Chi Minh and the Communist guerrillas from the Peiping government to the north.

I am glad to note that our Government is already airlifting military equipment to Laos, in addition to increasing our economic aid. It is not yet known whether large-scale assistance will be necessary.

I understand that representatives of the Government of Laos have conferred informally with the Secretary General of the United Nations, Mr. Hammarskjold, on the possible courses of action open to it. Here too the United Nations may be able to play a constructive role.

A third area where the belligerence of recent Red Chinese actions belies Peiping's assurances of peaceful intent is the once independent land of Tibet. This peaceful land of the Lamas received assurances of respect for its internal autonomy and religious and cultural freedom in its agreement of 1951 with the Chinese Communists. Despite continuing heroic resistance by Khamba tribesmen in some parts of the country, the Red Chinese tide has engulfed the land. The hollowness of Red China's promises was dramatized for all the world to see in the forced flight of the Dalai Lama and his followers.

Mr. President, the International Commission of Jurists has prepared a carefully documented study of the recent deplorable events in Tibet, entitled "The Question of Tibet and the Rule of Law." This report finds, among other things, that there is a prima facie case of a systematic Red Chinese intention to destroy in whole or in part the Tibetans as a separate nation and the Buddhist religion in Tibet. The Commission, an unofficial body representing some 30,000 jurists from 50 countries expresses the earnest hope that this matter will be taken up by the United Nations. "Somewhere," the report's section on the violation of human rights concludes, "there must be sufficient moral strength left in the world to seek the truth through the world's highest international organ." On Monday of this week, the Dalai Lama appealed to the United Nations to take up the Communist suppression of his kingdom.

Mr. President, the complicated situations surrounding the Chinese Communist belligerence in India, in Laos, and in Tibet must each be met in different ways appropriate to the local circumstances. But I submit they have many things in common which we can neglect only at our peril. All of these cases reflect the

aggressive expansionism of Red China, compounded of economics and the lust for power, and fired by a particularly pugnacious variant of the Communist ideology. Each of these cases must be met with vigilance and with firm strength—military, economic, and moral. And in each of these cases there is, given these prior conditions, an opportunity for the peaceful settlement processes of the United Nations and for the mobilized power of world public opinion to play a role.

We certainly have new evidence, if any were needed, of the continued aggressiveness and expansionism of Red China. But this has long been true. What is new is that the countries of the Far East are now beginning to realize the true nature of the Red Chinese regime. This is a hopeful sign, and tremendously important. The first essential in building resistance to Communist aggression is for countries to recognize the threat. Only after this has happened can outside help, whether military or economic, be truly effective.

I do not mean to imply, Mr. President, that this change in Asia is something that has occurred wholly within the past few days or weeks, important as the events of this period have been. Rather, this has been only the climax of a gradual change stemming both from improved internal conditions in Asiatic countries, and from the shattering of illusions held in these countries as to the nature of communism and of Western democracy.

Early last month, Ernest K. Lindley summarized the conclusions he drew from a 3-month survey of 17 nations or other political units, from the Middle East to Korea. He wrote in Newsweek, August 10:

> My overall conclusion: The tide has turned in our favor. The appeal, influence, and prestige of communism is waning. Naivete about the objectives of Peiping and Moscow has diminished. Communist techniques are better understood, and most free Asian governments are dealing vigorously with internal subversion. Most free Asian nations have made appreciable gains—in political stability, economic growth, or both. Confidence in us has risen, in both allied and neutralist nations. It is more widely appreciated that we seek nothing special for ourselves—that our only purpose is to help the free Asian peoples to preserve their independence and to advance economically and socially.

Mr. President, the encouraging point in the overall situation is this: Wherever the Communist challenge has been met with vigilance and firm strength, military, economic, and moral, the expansion of communism has been stopped in its tracks. In 11 years the Communists have not gained a square foot of soil in Europe. Now at long last, there are signs that this type of strength in freedom is beginning to develop in Asia, too. And the events on the frontiers of India, in Laos, and in Tibet are certainly speeding this process.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. KEATING. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. Mr. President, I ask unanimous consent to yield to the Senator from New York without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Mr. President, I commend the distinguished Senator from Wisconsin for the very fine argument he has been making, and express the view that I believe it will be highly effective in enlightening Members of this body on the issues involved. I feel reasonably confident that when another motion is made to refer the bill to the Committee on Foreign Relations—and I intend to make such a motion during the course of this debate, perhaps tomorrow afternoon, or at some other appropriate time—the Senate will fix a more satisfactory date than that contained in the previous motion, for the Committee on Foreign Relations to report the bill back to the Senate.

That motion will be made because I feel very certain that the majority of the membership now realize that this is a question which should be reviewed and surveyed by the committee.

I feel quite confident that due to the excellent presentation made by our distinguished friend from Wisconsin and other Senators, Members will be given an opportunity—which I shall afford them by making a motion sometime during the course of the debate—to consider the question of referring the bill to the Committee on Foreign Affairs. Perhaps Senators will be enlightened enough by tomorrow afternoon to make it appropriate again to have another opportunity to express themselves on the question of referring the bill to the Committee on Foreign Relations for study. Certainly the international ramifications of the problem should be very persuasive in our consideration of the issues involved.

ORDER OF BUSINESS—ORDER FOR RECESS TO 10 O'CLOCK A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. PROXMIRE. I ask unanimous consent that I may yield to the majority leader without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in recess until 10 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I ask unanimous consent that when the Senate convenes tomorrow there be the usual morning hour, with limitation on statements of 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the majority leader yield for a question? I wish to be sure that I understood the Senator from Texas. Did the Senator from Texas ask that the Senate convene tomorrow at 10 o'clock a.m.?

Mr. JOHNSON of Texas. Yes. The Senate will convene at 10 o'clock a.m., and there will be the usual morning hour.

Mr. PROXMIRE. I presume that the hour of meeting has no bearing on the hour when the Senator from Texas feels that a yea-and-nay vote may be taken.

Mr. JOHNSON of Texas. A yea-and-nay vote can occur whenever it is desired.

THE PRESIDENT'S INTEREST RATE PROPOSAL

Mr. KEATING. Mr. President, will the Senator from Wisconsin further yield in order that I may make a few observations on the subject of interest rates?

Mr. PROXMIRE. I yield with the same understanding, that I do not thereby lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Mr. President, President Eisenhower in his message to Congress on Tuesday of last week again requested that the ceiling on long-term Treasury bonds be removed. And yet the leadership of Congress does not even seem to be disposed to acknowledge his request. Simply because the issue is a highly complicated one, there are many who would rather play politics with it than give it the forthright and serious consideration which it so urgently requires.

Mr. President, I want to take a few moments this afternoon to discuss what I believe to be the major facts in the controversy over the proposed removal of the interest-rate ceiling on long-term Treasury obligations. It is my strong feeling that these facts should be clearly and fully stated for the RECORD—so that the American people can better understand and judge the meaning of Congress' failure to take action on this vital matter.

THE IMPORTANCE OF THIS LEGISLATION

In actuality, what we are talking about when we discuss raising the long-term interest rate is the entire management of the public debt. What sort of bonds should be sold? What maturity? To whom should we try to sell them?

Our huge national debt of over $280 billion is a potentially inflationary force of hurricane proportions. It need not be inflationary, however, if in the management of the debt, we keep it out of the banking system as much as possible. I wish to discuss this subject for a minute.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KEATING. I do not have the floor.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senator from New York may yield to the Senator

from Tennessee without my losing the right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GORE. Does not the Senator consider an inflationary spiral of interest rates one of the extremely inflationary factors in our economy?

Mr. KEATING. It depends on just where the interest rates are increased, particularly as regards the holding of Government bonds. It depends upon whether those bonds are forced into the banking system or not. That is a very important point. It may not be the only factor, but it is a very important factor in determining whether the huge debt which our country owes is going to cause the entire economy to get out of balance.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. GORE. One of the results—one of the intended results—of the tight money policy, the high interest rate policy, of the Eisenhower administration is reflected in an Associated Press dispatch from New York City today, which I read:

> First National City Bank of New York today boosted the prime lending rate from 4½ to 5 percent, effective immediately.

This is the first time in a great many years that the prime rate has been so high. I should like to read another result of this unfortunate, this unwise, this uneconomic, this inflationary tight money policy. I read again from the Associated Press report:

> Government bonds were slipping further below par today, after reaching an all-time low on yesterday. Victory bonds sold at $80^{22}/_{32}$.

That is very serious news for the people who hold those bonds.

Mr. KEATING. I agree with the Senator from Tennessee that this is serious news. The failure of Congress to meet up with this problem is one of the reasons why we are in the situation in which we find ourselves today with regard to the status of Government bonds.

Congress has not faced up to the problem of meeting the competition for investment funds on a long-range basis. The Government is forced, under the policy which is now being pursued by the Government, to do all of its financing on a short-term basis.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KEATING. I will yield, but I should first like to make my statement. Then perhaps I shall be able to enlighten the Senator from Tennessee, although I do not expect to enlighten him by some of the things I propose to say. I should like to be able to continue with my discussion; then I will yield, if the Senator has further questions along this line.

Mr. GORE. First, I express appreciation for the willingness of the able junior Senator from New York to undertake to enlighten the junior Senator from Tennessee. I am surprised that he acknowledges his incapacity to do so. The junior Senator from Tennessee has a mind which is reasonably retentive and is open to hear the suggestions which the able Senator from New York may make, and is regretful that the junior Senator from New York does not recognize his capacity to do so.

Mr. KEATING. I recognize that to be true on many subjects, but not on interest rates. The Senator from Tennessee has made many speeches on this subject which are quite contrary to the remarks I am about to make. The Senator from Tennessee, I would expect, has gotten so far out on a limb on this subject that it would be very difficult for him to retrace his steps. But that is not a general reflection on my good friend from Tennessee. On most matters, with perhaps this one exception, he has an extremely open mind. I regret that on this one subject I am afraid I would not be able to assist him.

Mr. GORE. Mr. President, will the Senator from New York further yield?

Mr. KEATING. I yield.

Mr. GORE. Then the junior Senator from Tennessee will undertake to impart some enlightenment to the junior Senator from New York. The conclusion which he stated earlier that the refusal of Congress to approve higher interest rates had forced interest rates up is without justification or foundation. Had Congress approved the high-interest-rate policy, the prime rate might well be 6 percent today instead of 5 percent. One of the proudest acts of this session of Congress is its demonstration of courage and fortitude to resist pressures to place its stamp of approval upon the high-interest-rate policy, which has brought about the disastrous results to which I have already referred.

Mr. KEATING. It is an indication of something, but I would not care to characterize it as courage and fortitude. I would not, because of the rules of the Senate, feel free to characterize it in the manner which is going through my mind. But it is certainly not a demonstration, in my judgment, of courage and fortitude.

If we sell Government bonds to nonbank investors, the money we get is money that has been earned and saved. It represents what economists call the real savings of the community. This course is not inflationary.

On the other hand, selling Government bonds to banks is directly inflationary.

When the Treasury sells bonds to a commercial bank, the Treasury in effect opens an account in the bank for the full amount of the bonds. Then, when the Treasury pays a bill to, for example, a defense contractor, the contractor draws the money out of the Government's account into an account in his own bank. The money supply has thus been expanded by the full amount of the bonds.

THE COMING CRISIS IN DEBT MANAGEMENT

The alarming thing is that banks are coming to hold more and more of the public debt. Last year the total debt rose by $6.2 billion. The amount owned by banks rose by almost twice this amount—by $11.4 billion. Banks now hold 33 percent of the debt.

The converse of this is the way private, nonbank investors have been shunning U.S. debt obligations. In 1958, less of the debt was held by nonbank investors, percentagewise, than at any time since the war. While gross public debt rose last year, the amount owned by private nonbank investors actually declined by $5.6 billion.

Particularly ominous is the fact that the movement out of U.S. Government securities has been most pronounced among the more informed or, let us say sophisticated investors. Insurance companies, for example, used to hold around 19 percent of the Federal debt. They now own less than 5 percent. In dollars and cents, the assets of insurance companies have risen from about $45 billion to over $100 billion since 1945. That is well over twice as much. Yet their ownership of Government securities has dropped from $20 billion to $7 billion since 1945. Mutual savings banks have also cut their holdings of Treasury bonds sharply.

THE REASON FOR THE CRISIS

The basic explanation for all of this is simple. We are riding the wave of a tremendous economic advance. Employment, income, and output have been rising rapidly. The demands for investment funds are great and are going to be greater. Corporations, large and small, all want cash to expand. The demand for mortgage funds has grown just as rapidly. The current rate at which we are building houses is an all-time high. Local and State governments, having vital public services to finance, are increasingly becoming reconciled to the need to compete actively for the necessary credit. The Federal income tax exemption on municipal and State bonds puts them in a particularly advantageous position.

THE ONLY REALISTIC COURSE

The Nation's growing economic boom has created a highly competitive demand for real savings. The Treasury, if it is going to continue to seek nonbank investors for long-term Federal obligations, must compete with the several other contenders for the Nation's real savings, for these savings are the only source of credit—other than the printing press. The Treasury must offer a competitive interest rate. It cannot continue to have its hands tied by an unrealistic interest-rate ceiling.

Mr. President, we have heard what I regard as a great deal of nonsense—namely, statements to the effect that the bankers are getting the lion's share from any increase in Treasury rates. The fundamental reason for making long-term Treasury rates competitive is just the opposite. It is to keep the national debt out of the banking system, so that it will not be inflationary. If banks are in favor of this proposal, it is simply because of their long-run self-interest in a stable price level. This is a self-interest which all of us could share.

Mr. GORE. Mr. President, will the Senator from New York yield?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senator from Tennessee may ask a question of the Senator from New York, without causing me to lose the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr GORE. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. GORE. Does the Senator from New York realize that the former Secretary of the Treasury, George M. Humphrey, made the same argument that the junior Senator from New York is now making, as the reason why he artificially increased the interest rate, thus offering Government bonds at needlessly high interest rates? He stated as his excuse for doing so that he wanted to sell more long-term bonds. But at the time when Secretary Humphrey left office, there were fewer long-term bonds outstanding than there were at the time when he entered that office.

The same argument has been made over and over and over. So what the able Senator is saying is nothing new. It has been tried, and has been proven to be fallacious.

Mr. KEATING. Mr. President, the comments of the distinguished Senator from Tennessee, made in support of the arguments he has been making on this floor day after day, are all very well and good. I do not know about the argument made by the former Secretary of the Treasury. But I am stating a few facts which I wish to have understood. Of course, those who keep shouting about low interest rates do not like to have those facts brought to their attention.

These facts are not being brought out by the former Secretary of the Treasury. But the junior Senator from New York is presenting them at this time, and desires to present a few more of them before he yields the floor.

Mr. President, the very highly respected financial writer, J. A. Livingston, has discussed in the following strong terms the President's interest rate proposal:

> In the meantime, Congress has no alternative. It must grant Secretary Anderson freedom to finance in the open market. It will have to raise the interest ceiling on bonds above 4¼ percent—in case he has to use it. Anderson's fix is everybody's fix.

I may say that every financial writer whose articles I have read—although I may have missed some—more or less *supports* the same position.

The Washington Post and Times Herald put the matter this way in a recent editorial:

> It is simply a case of the Piper having done his work and having to be paid. All the congressional breast beating in favor of cheaper money cannot alter that situation. Bond rates and the debt limit must be raised if the Treasury is to operate in a rational manner, and we trust that when the opportunities for exploiting the lamentable public ignorance on money matters have been exhausted, Congress will do what must be done.

AN ALTERNATIVE—RELY EXCLUSIVELY ON SHORT-TERM NOTES

Not long ago, the junior Senator from Wisconsin suggested here on the floor, as a feasible alternative to raising the long-term rate, that the Treasury use short-term obligations exclusively in the management of the public debt.

This is a remarkable position. Why is it all right for the Treasury to jump into the short-term market with both feet, but morally reprehensible to put out an issue in the long-term market at competitive rates? If the Treasury put all the debt into short-term issues, the short-term interest rate would skyrocket. But, according to the junior Senator from Wisconsin, raising short-term rates would be all right; raising long-term rates would not be all right.

In a colloquy which occurred here on the floor a short time ago, my good friend, the junior Senator from Wisconsin [Mr. PROXMIRE], who has been so kind as to yield to me at this time, said to me:

> There is no limit, as the Senator from New York well knows, on short-term obligations of less than 5 years. There is no reason why the short-term debt which comes due during the next 18 months cannot be refunded on the same basis.

Mr. President, I fail to understand why those who advocate the so-called easy-money policy or the low-money policy are willing to let the Treasury compete in the short-term market, but are unwilling to move an inch to change the arbitrary 4¼ percent long-term ceiling.

I should like to have the critics of higher long-term rates answer several questions. Why has the administration chosen a course of interest-rate flexibility? If it is so easy and painless to proceed in another way, why does the administration choose this politically unpopular way?

There is no question that it is very easy to sell the idea of low interest rates. That idea has a great appeal on the surface, until we dig into the problem and realize what our country is up against, not only here at home, but also in its relationships with the other countries of the world.

I believe that on September 28 there is to be a meeting of the financial representatives of all the principal nations of the world. If it becomes apparent at such a meeting that this country cannot handle and cannot properly finance its obligations, that would be an extremely serious problem in connection with our relationship with the other nations of the world. The critics of the policy which the administration has requested know full well how difficult it is for responsible people to talk about interest rate flexibility, when it is so easy to make irresponsible charges and insinuations about a field with which few are conversant. I would be the first to concede my own shortcomings in this very complex field.

But I believe it is crystal clear that the administration would not have chosen to brave this politically unpopular course, were it not for one reason: Interest-rate flexibility is the only sound course for America. It is the only honest way of facing the debt management crisis and dealing with the root of the problem.

Earlier this year, I think we demonstrated the wisdom and the realism of Congress, when it was proposed to freeze below the competitive level interest rates on veterans' housing mortgages. At that time, we heard all the arguments. We then moved quietly to vote, by a comfortable margin of 58–27, in favor of competitive interest rates and houses for veterans.

We all recognized the simple fact that veterans would not have housing if we did not permit the interest rate to rise. Investment funds have many alternatives and no sensible investor is going to put money in veterans' housing if the interest rate is artificially depressed. If the interest rate is right however, investors will come forth—and veterans will have houses.

THE FACTS OF THE MATTER

It has frequently been implied that the President's proposal would tend to increase interest rates across the board and raise the cost of borrowing for everyone. Let us look at this a minute.

The Treasury has had difficulty selling long-term 4¼-percent securities because of the current high demand for investment capital and the relatively short supply of available real savings. Thus it has been increasingly necessary to use short-term bonds in the management of the Federal debt. This injects an unfortunate measure of instability into the economy which affects every one of us.

William McChesney Martin, Chairman of the Federal Reserve Board, made this abundantly clear in his recent testimony before the Joint Economic Committee. Mr. Martin is a brilliant man, with whom I had the honor to serve in the last war. I remember he was the youngest man ever to be elected as president of the New York Stock Exchange. He has been Chairman of the Federal Reserve Board since long before the time when this administration came into power. Mr. Martin used the example of an individual consumer:

> The real problem on short-term versus long-term securities at the present time on financing can be put very simply. The U.S. Government is in about the same position that you would be as an individual if you had time payments coming due on an automobile, a refrigerator, and the television set, and you had a mortgage on your house that instead of being financed for 20 or 25 years was coming due every 90 days, and you had not been able to save any fat, you did not have much in the way of reserves, and then you were going to the market and saying, well, now, these notes, these charge accounts are due, and I don't have the money to pay them, but I have to borrow some more money.

In addition to the instability that this injects into the economy as a whole, the continual churning of the public debt in this manner places a heavy administrative burden on the Treasury.

The end result of the switch to short-term issues has not been a savings for the Government. On the contrary, rates on short-term Treasury bonds now exceed those on long-term bonds. This was dramatically illustrated several weeks ago when an auction of 1-year Federal obligations was won by a bidder who offered 4¾ percent—a full half point above the ceiling on long-term bonds.

I want to make one point very clear. The President's request for the removal of the long-term interest rate ceiling need not raise rates across the board. It is very likely that a moderate increase in the long-term rate would bring about a larger decline in the short-term rate, and consequently would have a generally favorable impact on the structure and level of the market for investment capital. I am of the opinion that this outcome is highly probable.

I appreciate the kindness of the Senator from Wisconsin [Mr. PROXMIRE], who, I am aware, disagrees with much of what I have said, for permitting me to make these observations and to put into the RECORD these views that Congress should act on President Eisenhower's request that the interest-rate ceiling on long-term Government bonds be removed. As I said when I began my remarks, I believe that these facts should be established so that the American people can better understand and judge Congress' failure to take action on this vital matter.

Mr. President, I want to comment in closing on the heartening assurances of the chairman and the ranking minority member of the Senate Finance Committee that if the House can get to work on this vital legislation, the Senate Finance Committee will remove every obstacle, so that the Senate will be able to act on such legislation before the end of the session. Knowing of the long experience and great ability in this field of both Senator BYRD of Virginia and Senator WILLIAMS of Delaware, I want to associate myself with their position. I strongly urge the other body to initiate action forthwith on the President's proposal to remove the artificial interest rate ceiling on long-term Government bonds. The American people will suffer, in my judgment, from further delay on this matter.

Mr. KEATING subsequently said: Mr. President, will the Senator yield for a unanimous-consent request?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from New York for a unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

Mr. DOUGLAS. Mr. President, I must object, relucantly.

The PRESIDING OFFICER. Objection is heard.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois permit me to yield for a minute for a unanimous-consent request, so that the Senator may make a series of brief insertions in the RECORD?

Mr. DOUGLAS. Mr. President, I am willing to have the Senator yield, provided no insertion takes more than 1 minute.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from New York without losing my right to the floor, with the understanding the Senator from Illinois propounded, and I ask the Presiding Officer to inform me in the event the Senator from New York exceeds 1 minute, so that I can protect my rights.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none. and it is so ordered.

Mr. KEATING. Mr. President, I assure both Senators—and I appreciate their cooperation—that I will not take more than 1 minute.

Mr. President, I simply ask unanimous consent to have printed at the conclusion of my remarks with relation to interest rates an editorial from the New York Times and a column written by David Lawrence, published in the New York Herald Tribune.

There being no objection, the editorial and column were ordered to be printed in the RECORD, as follows:

[From the New York Times]

INVITING INFLATION

The House Ways and Means Committee acted yesterday to pigeonhole the request of President Eisenhower that it authorize him to raise the prevailing ceiling on Government bond interest rates, which are 4¼ percent in the case of marketable securities and 3.26 percent for savings bonds.

This move, which reverses the committee's approval of such a request only last week, comes not only as a complete surprise but as an extraordinary example of fiscal irresponsibility. It makes strange reading, indeed, when one considers it against the background of the general directive the committee included in last week's approval of the President's request.

"It is the sense of Congress," declared that directive, "that the Government shall take into account * * * the importance of achieving the maximum sustainable rate of economic growth, maintaining reasonable stability of the purchasing power of the dollar, and assuring that the cost of managing the public debt is kept to the minimum consistent with these vital objectives."

In the early postwar years, when the Treasury was insisting on the maintenance of "pegged" rates on Government securities, at least it confined its arguments to (1) the low cost at which the Treasury was able to raise its money, and (2) the bugaboo of a possible collapse of the Government bond market if the "peg" should be removed. Its policies were indefensible in terms of fiscal policy, but at least the Government was not hypocritical enough to argue that it was pursuing this program in the knowledge and belief that it was furthering the policy of achieving the maximum of sustainable rates of economic growth coincident with the maintenance of reasonable stability in the purchasing power of the dollar.

What yesterday's action by the Ways and Means Committee means is that, by denying the Treasury the authority to liberalize the terms under which it can raise the funds it has to raise in the months ahead through the sale of long or medium long securities, thus tapping to that extent the savings of the people, it has compelled it to raise such funds through the sale of short-term paper. Since such paper finds its way largely into the commercial banking system, it is purchased by credit created for the purpose—that is, by an inflation of the supply of credit.

[From the New York Herald Tribune]

NEGLECT OF INTEREST RATE IN CONGRESS CALLED MISTAKE

(By David Lawrence)

WASHINGTON, August 24.—Smoldering fires often do not attract attention whether in Government or anything else. Then when a conflagration comes those who are responsible for the neglect run to cover.

The Democratic Party today controls both Houses of Congress and is, therefore, responsible for the smoldering fire on the subject of interest rates. Despite urgent appeals from the executive branch of the Government heretofore, nothing has been done by the lawmakers to remove the ceiling that keeps the interest rates on Government bonds frozen.

This means that nobody really knows what the real rate for Government borrowing is and the consequence is a worldwide apprehension that the dollar is deteriorating.

LENDERS WON'T LEND

The answer that some Democrats make is that there has been too much talk about inflation and that the less said about it the better. Actually the lenders of money in the markets don't do much talking—they simply refuse to lend their money to the Government at existing rates. They know money should bring higher rates and they are under no compulsion to lend when they can get better rates from private borrowers.

Politically, it is supposed to be bad to allow interest rates to rise. But the fact is the politicians are driving the interest rates up artificially by refusing to let the market for Government securities find its natural level.

BLAMES FEAR OF INFLATION

Secretary of the Treasury Robert B. Anderson, in a copyrighted interview this week in U.S. News & World Report, said flatly that the fear of inflation has made the price of money go up. He declared:

"If people who have money to lend begin to worry that the dollars they are loaning out now won't be worth as much when they get them back, then they are going to ask for a higher price. They'd like a little insurance against the likelihood of an inflationary price rise, and the only way they can get it is to charge more interest. Part of the additional interest is really an insurance premium."

When asked if the removal of the ceiling as now fixed by law would cause interest rates to rise, Secretary Anderson replied:

"I do not believe that they would rise because of this recommended change in law. In the first place, while interest rates are influenced by government borrowing, interest rates in free credit markets are by no means determined by the rates we put on our new issues of securities. It's the other way around: the rates we select are determined, after considerable study and consultation, on the basis of what's been going on in the market, the rates on existing government securities, on corporate bonds, and the like. So, removing the ceiling would simply permit us to meet the market.

AID TO LOWER RATES

"Secondly, since ability to do some long-term borrowing would help hold back inflation, removal of the 4¼ percent ceiling would tend to promote lower—not higher—rates of interest. Nothing shoots up interest rates as fast as fear of inflation. That's one reason rates rose so fast in the summer of 1958. Investors are understandably reluctant to tie up their funds in long-term bonds if they believe the value of the dollar will go down. If they become convinced that we'll protect the value of the dollar, partly through sound debt management, they'll be more likely to buy long-term bonds at lower interest rates."

The Secretary thinks that continuation of the ceiling on interest rates must inevitably force the United States more and more into a controlled economy. It's the same old struggle between the believers in the law of supply and demand with a naturally operated economy and those who think the Government should manipulate money even if it has to resort to the printing press. It is the possibility that this latter kind of situation may arise which is causing widespread

fears of a run on American gold by Europeans who hold vast sums of dollars on deposit in this country.

MONTHS AND NO ACTION

The problem has been before Congress for many months without any action. The results of the tragic failure to act are already emerging. Thus this week the Department of Commerce revealed that, although personal income rose in 1958, price increases wiped out the gains in purchasing power. This means further weakness in the dollar.

Many of the Democrats in Congress are actually urging that the Government peg bond prices. This has been done before and it has led to serious consequences. Marriner Eccles, who was once Chairman of the Federal Reserve Board during a Democratic administration, recently said:

"A large part of the postwar price inflation was a result of the Federal Reserve's purchasing billions of dollars of Government securities at fixed prices in order to prevent an increase in interest rates."

The whole situation is smoldering now and Democratic leaders in Congress are apparently drifting along on the mistaken theory that the interest problem can be further neglected. They never made a bigger mistake.

Mr KEATING. I thank the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator from New York. The Senator from New York did a brilliant job of keeping his word. He did it, unfortunately, in far less than the allotted time.

Mr. President, I ask unanimous consent that the insertion of the Senator from New York be printed at some other place in the RECORD, rather than during consideration of H.R. 1.

The PRESIDING OFFICER. That has been the order.

RABBI ALEXANDER ZISSU PORTUGAL

Mr. KEATING. Mr. President, if the Senator from Wisconsin will permit me, I should like to call attention to what I consider the very fortunate outcome of something which has been troubling many of us for some time. It has to do with the arrest in Rumania last April, on suspicion of what was called treason, of Rabbi Alexander Zissu Portugal and his son.

I have just been informed by the State Department that Rabbi Portugal has been released by the Rumanian Communist Government. On a humanitarian basis, I want to express my personal gratification that this action has been taken.

The New York Times published a letter to the editor this summer, written by Reinhold Niebuhr, professor of theology, Union Theological Seminary, and Louis Finkelstein, chancellor, Jewish Theological Seminary in New York, regarding Rabbi Portugal, in which they said, in part:

A large concern for man's fate begins with empathy with one man's fate. It is this belief that we feel impelled to call attention to the tragic situation of a remarkable religious figure now under detention in Rumania, and to voice a public appeal of conscience in his behalf.

His name is Rabbi Alexander Zissu Portugal. Since April 23, when he, his son, and several friends were arrested on suspicion of treason, he has languished in prison under investigation by the Rumanian authorities, and without trial. Anyone who has ever known this dedicated man, or who has been touched by his charism, even at a distant remove, can only regard the charge against him as a tragically grievous error.

During World War II Rabbi Portugal was deported by the Nazis to Trans-Dniestria. His first act at the end of the war was to gather orphaned Jewish children and provide a home for them. When the authorities would not let him keep "his" children, he simply proceeded to make them his literally—he adopted them.

He then took a large group of the children with him to the city of Czernowitz, then under Soviet occupation. His fame as a father to children spread widely in the immediate postwar years. At one time he had as many as 40 boys and girls sharing his living quarters. At another point a group of Jewish children in a Russian orphanage in Odessa left that institution to join the rabbi in Czernowitz, as a result of which the Soviet authorities detained him for a few days.

FURTHER ARRESTS

Following this, the rabbi removed to Bucharest, where he taught the children of the Jewish orphanage. When the Rumanian authorities undertook in 1948 to dissolve this institution, the younger children especially pleaded that they be permitted to remain with the rabbi and not be transferred to the state orphan asylums. In consequence, the rabbi was once more arrested and confined for investigation for a period of 4 months.

In recent years Rabbi Portugal traveled from town to town in Rumania, visiting the Jewish communities, dispensing what alms he could gather, counseling the troubled, and himself living a life of poverty. He was twice warned that he must cease this activity and stay at home. It was after he had complied with the second warning that he was suddenly arrested last April.

This time he is far less able than before to cope with the harsh circumstances of imprisonment and investigation. He is 65, frail, and sickly; his weight has reportedly dropped to 90 pounds, in part, probably, because he has been unable in prison to obtain the kosher food which his faith enjoins upon him.

His very survival, then, may depend on his being released. And this letter is written in the prayerful hope that the Rumanian authorities, aware of the profound concern felt for Rabbi Portugal and mindful of the most elementary demands of humane charity, will be moved to release him and so to spare him the rigors which he cannot withstand in his enfeeblement and advanced years.

I realized, when this matter was brought to my attention, that it was inappropriate for our Government to make demands as to how some other sovereign government should handle its own internal affairs and the treatment of its own people. The rabbi is a Rumanian citizen, although he has been called to a synagogue in New York and, if his health permits, will, in due course, be able to take up work there.

I did, however, make several inquiries as to the rabbi's fate. It had been my plan to carry out a protest against his arrest to Mr. Khrushchev during the Communist leader's visit to the United States, but I am delighted, Mr. President, with the news that the rabbi has now been released. Free men everywhere will rejoice in this correction of a grave injustice to a great and good man.

Mr. William B. Macomber, Jr., Assistant Secretary of State, has written me in part:

The Rumanian Legation in Washington has confirmed informally to the Department of State that Rabbi Portugal and his son have been released from custody by the Rumanian authorities. This information has also been confirmed by the American Legation in Bucharest.

I know other Members of the Senate are interested in the fate of this fine man, a preacher of the Bible, and I thought it was desirable to make this report at this time.

Mr. President, I am extremely grateful to my friend from Wisconsin for permitting me to intervene with these remarks.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. PROXMIRE. Mr. President, I thank the Senator from New York.

Mr. President, I should like to invite the attention of my good friend, the Senator from Illinois, once again to the fact that it is my position to discuss the issues, to talk on the point, and to do all I can to avoid dilatory tactics. I was sorely tempted to engage my good friend, the Senator from New York, in debate with regard to interest rates. I disagree with his position as strenuously as does my good friend, the Senator from Tennessee [Mr. GORE].

There is a great deal of material which I have available, if the Senator is interested in a filibuster. I have received replies from over 100 economists on this matter, some 10 or 15 pages long. I could have discussed all those. I did not do so. I did not ask the Senator from New York one question on this issue, although I feel very strongly about it.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield for a question.

Mr. DOUGLAS. Is the Senator from Wisconsin very grateful to the Senator from New York for the aid which the Senator from New York has given to him in conducting this filibuster of the Lake States against the just claims of Chicago and the region south of Chicago?

Mr. PROXMIRE. Now, my good friend from Illinois knows this is not a filibuster. The Senator really knows it is not a filibuster.

The fact is that the Senator from New York made an extremely intelligent argument, an argument with which I disagree, but about as strong an argument as one could make for high interest rates. The argument was on the wrong side, but it was a compelling argument, and the Senator well argued the case.

Mr. GORE. Mr. President, will the Senator yield to me?

Mr. PROXMIRE. I yield to the Senator from Tennessee for a question.

Mr. GORE. Is it not true that the prime interest rate which went into effect in New York today is the highest interest rate the country has suffered since the administration of former President Hoover?

Mr. PROXMIRE. That is my understanding. It is very close to the highest interest rate we have had, I believe, in this century.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Tennessee for a question.

Mr. GORE. Is it not true that victory bonds selling at 80 cents on the dollar today represent the lowest price for Government bonds since the depression days of the administration of former President Hoover?

Mr. PROXMIRE. The Senator from Tennessee is absolutely correct.

Mr. GORE. Is it not true that the high interest rate, tight money policy of this administration has brought about these results?

Mr. PROXMIRE. There is no question about it. The first and firmest and most clearcut policy of this administration has been to increase interest rates. The administration has done it persistently and with very, very little change in that attitude ever since it took office.

There was a period during 1958—and previous to that there were a few months—when the administration did not follow this restrictive policy. Actually, it is the most restrictive policy this Nation has had on interest rates in a long, long time.

I think the country should have its attention called to the fact that the administration has adopted this policy in such a way that we now have the smallest supply of money in relation to the gross national product that we have had since Andrew Mellon was Secretary of the Treasury.

Mr. GORE. There is an article in the afternoon newspaper which indicates that President Eisenhower may summon the Congress into special session to consider the interest rate question. I think it would be a good thing to set a time aside to discuss——

Mr. PROXMIRE. The Senator from Illinois is a very astute parliamentarian. If the Senator from Tennessee will phrase his question as an interrogatory he will protect the Senator from Wisconsin.

Mr. GORE. Does the Senator from Wisconsin agree with the junior Senator from Tennessee that it might serve the public interest, after we have had a few days with our families and our constituencies, to return to Washington, D.C., to discuss, at considerable length, the disastrous consequences of the tight money, high interest rate policy of the Government?

Mr. PROXMIRE. Indeed it would. I wish to assure my good friend from Tennessee that the very brief discussion we have had on H.R. 1 would seem brief indeed—like a 1-minute after dinner speech—compared to the length at which we intend to discuss the interest rate question if we come back. It is a very complex question. It will take the most careful consideration by the Congress. It would seem to me it would be very wise for Congress to remain in session at length, because we must call the attention of the country to the issues regarding interest rates, which are complex and are beyond the ordinary understanding of many Americans. It will take a great deal of time on the part of the Senate to call this matter properly to the attention of the country.

Mr. GORE. Does the Senator agree with the junior Senator from Tennessee that as a result of this high interest rate policy the planned construction of many schools and hospitals and public projects have been postponed?

Mr. PROXMIRE. I would agree with the Senator from Tennessee. The studies I have seen by the Federal Reserve Board indicate that it has two effects: No. 1, postponement; and No. 2, a perfectly fantastic increase in the cost of what the country needs the greatest.

We hear talk about inflation. The fact is that when interest rates are increased 1 percent, the effect on constructing a school, or constructing any of the facilities mentioned by the Senator from Tennessee, over a period of 30 or 40 years, is enormously increased and discouraged, as well as inflated in cost.

Mr. GORE. To what extent has this increased the cost of a home? To what extent has this increased the monthly payments of a veteran on a home which he buys under an amortized long-term credit arrangement?

Mr. PROXMIRE. It has increased the cost of a home, which would be paid for, say, over a 30-year period, if the interest is increased, say, from 4 to 5 percent, to take a simple example——

Mr. GORE. Let us go to six. We have already passed five.

Mr. PROXMIRE. From 4 percent to 6 percent the increased interest cost would obviously be a 50-percent increase in the interest cost by itself. If the interest is paid over a 30-year period, we can take that 2 percent, multiply it by 30 for 30 years, and get 60 percent. Divide that by 2, because there are diminishing balances, and we get 30 percent, and one can see that the increased interest would be 30 percent of the basic cost of the house—30 percent, or practically one-third.

This is a fantastic increase in the cost of a home to an American, and I think that there is no investment an American can make that is better or that should be more encouraged than investment in a home.

Talk about growth. If our economy should grow, I think most of us will agree that we can forgo an increase in the size of our automobiles, we can forgo some of the luxuries and some of the extravagances, but to forgo homeownership and the construction of homes for Americans is a sacrifice that is unnecessary at a time when there is substantial unemployment.

Mr. GORE. In view of the fact that most Americans buy not only homes on time, but that they also buy automobiles, refrigerators, furniture, television and radio sets, and general appliances, on the installment plan, does this policy not increase the cost of living by tremendous strides?

Mr. PROXMIRE. Very, very greatly. As a matter of fact, about 6 weeks ago, anticipating an increase in the interest rates, the National City Bank of New York—which has a different name now since the enormous mergers have taken place—the old National City Bank, announced the increase in consumer payments not only for appliances and the like, as the Senator from Tennessee has stated, but also television sets, as well as automobiles, and the increase was very substantial. It was in the neighborhood of an increase of more than 10 percent on payments for television sets, an increase of some 12 percent, as I recall, on automobiles. It was a very, very great increase, and obviously if this is not inflation, what is inflation? It is caused by high interest rates, caused by a policy which the Federal Reserve Board apologizes for by saying they want to defeat inflation.

Mr. GORE. Would not the average American think that an increase in the cost of living was inflationary?

Mr. PROXMIRE. The average American would think so, and the average American would be correct.

Mr. GORE. In view of all these facts, does the Senator find any justification whatsoever—whatsoever, I repeat—for the high interest rate, the tight money policy that is being foisted upon the American people?

Mr. PROXMIRE. I find no justification. I should like to say, however, that there are a number of economists who believe in the old Ricardian theory that the way to stop inflation is to increase the cost of money so that business will not borrow, and so that business therefore will not exert pressure on resources and labor that is in short supply.

This theory is about as antedated, is about as accurate a description of economic facts, as anything I can imagine. The fact is that this old Ricardian theory simply does not apply to them. The fact is also that by increasing the cost of money we increase the cost of everything one buys on time. We increase the cost, as the Senator from Tennessee has brought out, on homes, on schools, on automobiles, on appliances. All these are inflated in cost.

Furthermore, our experience indicates that in every hard-money period we have had, every period of rising interest rates, business has not postponed its borrowing or its investment in plant and equipment. From 1955 to 1957 the Federal Reserve Board increased rates. From 1955 to 1957 we had a fantastic expansion in business plant and equipment. It had no effect there, but it did have an effect, as the Senator from Tennessee has pointed out, in discouraging people from buying homes.

Mr. GORE. Will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Tennessee for a question.

Mr. GORE. In view of the statements made by the distinguished Senator from

New York with respect to the competition for money and the short supply of money, I should like to know if the junior Senator from Wisconsin thinks that an increase in the interest rate creates more money. Does it not in fact really increase the price people must pay for the use of money?

Mr. PROXMIRE. Exactly. What the Federal Reserve Board does is to fail to increase the supply of money as the gross national product increases, as the demand for the use of money increases, and by doing so, of course, it makes money scarcer. It raises the cost of money. That is exactly what happens, and what has happened is that the gross national product has gone up and the increase in the supply of money has gone up less rapidly, with the result that we have something like 29 percent as much money as we have a gross national product or demand for money as compared with the situation in 1946, when we had 50 percent as much money as we had gross national product or demand for money.

We are now back, as I have said before, to the situation when Andy Mellon was Secretary of the Treasury. Even at that time the increased rates were very high and the administration was not satisfied with that.

As the Senator from Tennessee has brought out so well, the fact is that increased rates are climbing ever higher.

Mr. GORE. And the administration wants to push the rate higher than it is.

Mr. PROXMIRE. Exactly, and the administration wants to come in now and say, "We will take the responsibility for this." The administration wants Congress to relinquish the one string we have for keeping interest rates on long-term bonds within the 4¼-percent limit.

Mr. GORE. Has not that limit been in effect since World War I?

Mr. PROXMIRE. It has indeed. For 40 years the Government has not had to exceed it.

Mr. GORE. Was not that ceiling in effect during World War II?

Mr. PROXMIRE. It was indeed. During that entire period we were able to fight two world wars, with a fantastic demand for capital by the Government, and a fantastic demand for the savings of our people, without exceeding 4¼ percent.

Mr. GORE. Was it not sufficient to finance the requirements of the Korean conflict?

Mr. PROXMIRE. It was indeed.

Mr. GORE. Why, then, in a peacetime economy, does this administration find it impossible to manage the public debt within a ceiling that has been applicable and that has worked well for all these many years and through these emergencies?

Mr. PROXMIRE. Because this administration has a theory, and that theory, putting the best possible light on it, is that the way to keep prices from going up is to make money precious and scarce; that if they do that, people will not borrow; if people will not borrow, they will not spend; and if people will not spend, demand will be discouraged; and if demand is discouraged, prices will go down.

The Senator from Tennessee knows perfectly well, as does the Senator from Wisconsin, that we have an entirely different reason for inflation. Inflation has been caused very largely, on the basis of the most comprehensive studies, in part, perhaps, by demand, but not at this time, and not for the last 4 or 5 years. It has been caused largely by the power of a number of industries, particularly steel and insurance and tobacco and a number of others, to unilaterally increase their prices without regard for demand. They increase prices whether demand falls off or not. The best example is that last year, when demand began falling off to the point where United States Steel was operating at 50-percent capacity, prices went up. According to all Ricardian laws, prices should have gone down, but they went up.

Mr. GORE. If this theory, which, as the Senator has said, has already been proved by experience to be fallacious, were true, why is it that the cost of living has continued to go up and up and up, while interest rates have likewise continued to go up and up and up?

Mr. PROXMIRE. That is an excellent question. It seems to me that it draws attention to the principal experience which every American can taste, feel, and smell. He knows from his own experience that today when he goes out to buy he must pay more. He also knows that the administration has followed a policy of driving interest rates up. The fact is that a couple of months ago—I believe in April—it was announced that the cost of living had gone up. There was one reason why it had gone up. It is very interesting to me. The reason it had gone up was that State and local taxes had increased.

Why have State and local taxes gone up? Because State and local governments found they had to pay more for capital improvements. They had to pay more for money, in order to finance capital improvements. They had to pay more for their bond issues, to build streets, schools, hospitals, and so forth. The only way they could get the money was by increasing taxes, and that increased the cost of living. That was said to be the principal factor in increasing the cost of living.

Mr. GORE. What good national purpose, then, would be served by the enactment of a law removing all ceilings from interest rates?

Mr. PROXMIRE. I am sure the administration is perfectly sincere in saying that the national purpose that would be served, as the Senator from New York has said, is that the Federal Government could then get into the competitive market and sell its long-term bonds in competition with private bonds, and could put the debt on a long-term basis instead of a short-term basis.

There is a very long answer to that, in part constituted by the fact that for years the administration had every opportunity to do this. It has rarely done it. We have had periods of as much as 18 months when the Federal Government has not tried to sell long-term bonds. Again it has reached the point where it can do so, at great cost to the taxpayer, and put him in a position where he will have to pay 5 or 6 percent interest for many years, because the bonds are long-term bonds. Now the administration says it wants this power. It is a fantastic request, and it seems to me, on the basis of inflation theory, on the basis of any kind of assumption one wishes to make, we can show that the policy is unwise, and that the power asked for should not be granted.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. EASTLAND. How is it possible to build the country and expand the economy on high interest rates?

Mr. PROXMIRE. The question of the Senator from Mississippi is an excellent question, because the fact is that the country cannot be built on high interest rates.

Mr. EASTLAND. Is it not true that the greatest industrial expansion in the history of the world was the industrial expansion of the United States built on low-interest rates?

Mr. PROXMIRE. The Senator from Mississippi is absolutely correct. When the Democratic administration took over in 1933 one of the first things it did was to adopt a low-interest-rate policy. Every American will recall the enormous expansion of the country's industrial power, its homes, and the opportunity for the people to grow and develop.

Mr. EASTLAND. And the added happiness of its people.

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. EASTLAND. Is it not a fact that for many generations under Republican administrations, when there have been high interest rates and special privileges to New York bankers, our development and progress have been stifled and held down?

Mr. PROXMIRE. The Senator from Mississippi is 100 percent correct. The fact is that this is what interest rates do: They are, in effect, price supports for bankers. As a matter of fact, they are prices for bankers, as the Senator from Illinois has pointed out.

Mr. EASTLAND. They are subsidies for bankers.

Mr. PROXMIRE. They are subsidies for bankers, at the expense of every American who must borrow money to finance the purchase of a home, a farm, an automobile, or any other commodity which costs more than $100.

Mr. EASTLAND. It is enrichment of the few at the expense of the many.

Mr. PROXMIRE. Absolutely.

Mr. EASTLAND. That is sound Republican doctrine, is it not?

Mr. PROXMIRE. The Senator from Mississippi is absolutely correct. It is enrichment of the few at the expense of the many, because the Federal Reserve Board has shown that some 10 percent of the people own two-thirds of the wealth. This means that when interest rates are increased, people who owe money and who pay interest—and that constitutes, of course, the great majority of the American people—have to pay that interest to the people who have two-thirds of the wealth. There is a transfer of income, a transfer of wealth, in the simplest terms, as the

Senator from Mississippi has so eloquently stated.

Mr. EASTLAND. It is a transfer of wealth by law.

Mr. PROXMIRE. A transfer of wealth by law.

Mr. EASTLAND. And by the policy of the U.S. Government.

Mr. PROXMIRE. By the policy of the Republican administration. I earnestly hope that it will not be the policy of the Democratic Congress.

Mr. EASTLAND. Nor of the next Democratic administration, 2 years from now.

Mr. PROXMIRE. Nor of the next Democratic administration, which will take office in 2 years.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. KEATING. Does not the Senator feel that he owes to the junior Senator from New York a debt of gratitude for being the catalyst to bring together the Senator from Wisconsin and the Senator from Mississippi, who so often find themselves at variance? They have been brought together on this issue.

Mr. PROXMIRE. The Senator from New York is a very astute gentleman. I call his attention to the fact that he and I are working together in behalf of House bill 1, which is the unfinished business before the Senate.

Mr. KEATING. That is correct.

Mr. PROXMIRE. I do not believe the Senator from New York wishes to provoke any differences among Senators. I am very happy to associate myself with the distinguished Senator from Mississippi on this issue. We agree on a number of things. We may disagree on some things, but he has excellent judgment in the area of monetary management. I agree with him.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. EASTLAND. The Senator knows that high interest rates will break any business. High interest rates will enslave any people. That, fundamentally, is the issue.

Mr. PROXMIRE. The Senator from Mississippi is correct. High interest rates will break any business that is in a position where it must borrow money, which means that they will not break most banks, the big bankers, the Wall Street bankers. They will not break large industries.

Mr. EASTLAND. They will break country banks.

Mr. PROXMIRE. They will not break enormous steel companies, which are in a position to finance their own growth through raising the prices of steel. Small business, farmers, and those who have to borrow money to keep alive can be broken.

Mr. EASTLAND. The small banks can be broken.

Mr. PROXMIRE. The small banks can be broken.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. GORE. Is it not true that thousands of small banks would now be bankrupt if they listed their portfolios of Government bonds at market prices?

Mr. PROXMIRE. The Senator from Tennessee makes an excellent point. A few weeks ago I received a letter from a country banker in Waukesha, Wis., who owns and operates a small bank. That is exactly his position. He feels that it would be a great mistake for us to increase the interest rate on long-term bonds. He feels that it would be a great mistake for Congress to do anything that would increase interest rates and greatly diminish the value of his portfolio. He would be placed in a position where, if he had to liquidate, he would have to do so at a great loss.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. EASTLAND. The distinguished Senator knows that the average bank makes a loan on a given price level for land or for personal property; and when the policies of the Government force that price level down, it means that the security is not worth the amount which the bank has loaned. It further means that with high-interest rates, when prices go down, the farmer, the small businessman, and the workingman cannot pay the high interest, and the debt must be liquidated on the basis of low prices. It ends by being a bankrupt lending institution. That is true of every small bank in the Nation.

The greatest thing Franklin Roosevelt accomplished when he was President of the United States was to break the stranglehold of Wall Street on the money market of the Nation. The Eisenhower administration has put us under the yoke of Wall Street once again.

Mr. PROXMIRE. I thank the Senator from Mississippi. That was an excellent statement. I agree with it. I am delighted he brought out that point.

What is happening to the farmer today is what happened to him under the previous Republican administrations from 1920 to 1932. As his prices went down, his costs went up. The farmer has to borrow money with which to finance his crop, to buy land, to buy stock, to buy implements. The farmer is one of the most important debtors in the Nation. Of course, it becomes extremely difficult for him to pay the interest and to pay off the principal of his loan.

As the Senator from Mississippi pointed out so well, because the small banks have farmers and small businessmen as their customers, it means that farmers and small businessmen are in a position where it is extremely difficult for them to pay their loans themselves, and this constitutes a real loss to the small bankers.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield for a question.

Mr. EASTLAND. Does the Senator from Wisconsin recall that before the administration of Franklin Roosevelt, in the great days of Harding, Coolidge, and Hoover, days of disaster, the strongest, most powerful, and most influential people in the country were J. P. Morgan and three or four other great Wall Street banking houses?

Mr. PROXMIRE. The Senator from Mississippi is correct. I should say in all honesty that I used to work for J. P. Morgan & Co., away back in 1940 or 1941. They are fine people to work for. They are good Americans. They are decent people. But I think their policies, or the policies they seem to favor, are not necessarily the policies which the Federal Government should adopt. I think that in many cases their influence and the policies they have favored have been damaging to small business and to farmers.

Mr. EASTLAND. In 1940 and 1941 their influence was on the decline, but the Senator knows that high interest rates and their control of the finance of this country brought on the great depression and critically injured millions of American citizens.

Mr. PROXMIRE. The Senator from Mississippi makes an excellent point. There is no question that the tendency of Republican administrations to be influenced in the interest of big financiers and of Wall Street was really a factor in causing the depression. I say that, recognizing once again that the Wall Street bankers serve a tremendously useful, important, and economic purpose in this country. They are men of great ability as well as of good character. But we can go too far in that direction, as we can go too far in any other direction, in giving any kind of great economic power and dominance such as was held by the Republican administrations before Franklin Roosevelt.

Mr. KEATING. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield for a question.

Mr. KEATING. I ask the Senator if he shares the confusion of the junior Senator from New York over the very strong, ardent speech of the Senator from Mississippi in support of Franklin D. Roosevelt. Did it come as a surprise to the Senator from Wisconsin to hear what the Senator from Mississippi said?

Mr. PROXMIRE. No, it did not come as a surprise to me. I know that the Senator from Mississippi has supported Franklin D. Roosevelt. The Senator is a good Democrat.

Mr. EASTLAND. Mr. President, will the Senator yield for a further question?

Mr. PROXMIRE. I yield for a question.

Mr. EASTLAND. I voted for Franklin D. Roosevelt every time he ran for President. Would the Senator from Wisconsin please ask the Senator from New York how many times the Senator from New York voted for Franklin Roosevelt?

Mr. PROXMIRE. I ask the distinguished Republican junior Senator from New York how many times he voted for Franklin D. Roosevelt.

Mr. KEATING. I am happy to respond to that question. While I had great respect for President Roosevelt and his office after he was elected, I never voted for him for President or for Governor of New York.

I must say, in answer to the Senator's inquiry, that I was quite surprised to hear the statement of the Senator from Mississippi. I would not want to reveal any confidences, but I am sure I have heard the Senator from Mississippi criticize many of the policies advocated by President Roosevelt. I was much surprised to hear this enthusiastic embrasure by the Senator from Mississippi of the views and principles of President Roosevelt. It may be of interest in connection with other issues, although I must in all fairness say that the Senator from Mississippi has not at any time said he saw eye to eye with President Roosevelt.

Mr. PROXMIRE. I want to be sure the Senator has asked a question. I want to protect my right to the floor.

Mr. DOUGLAS. Mr. President, I make the point of order that the Senator is out of order.

Mr. KEATING. Which Senator?

Mr. DOUGLAS. The Senator from New York is out of order. He did not ask a question; he made a statement, contrary to the rules of the Senate. I make the point of order that the Senator from New York is out of order, and that the Senator from Wisconsin has lost his right to the floor.

Mr. KEATING. I point out that I was answering a question put to me by the Senator from Wisconsin without any objection, and asked at the request of the Senator from Mississippi.

Mr. DOUGLAS. Mr. President, I make the further point of order that the junior Senator from New York is not asking a question but is making a statement. I ask that he be compelled to take his seat. I further ask that the Senator from Wisconsin be deprived of his right to the floor.

Mr. KEATING. I am speaking to the point of order.

The PRESIDING OFFICER. Will the Senators please suspend until the Chair rules on the point of order? The Chair hopes that Senators will bear with him while he is briefed by the Parliamentarian on this subject.

Mr. PROXMIRE. Mr. President, in order to avoid delay, I will withdraw my amendment and offer another amendment. I ask that the clerk read my amendment.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question.

Mr. PROXMIRE. I will yield after the clerk reads the amendment.

The LEGISLATIVE CLERK. On page 3, lines 22 and 23, it is proposed to strike out "one hundred and seventy-five" and insert in lieu thereof "one hundred and eighty-five."

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Illinois.

Mr. DOUGLAS. It is not a frivolous amendment?

Mr. PROXMIRE. It is not a frivolous amendment, as the Senator from Illinois has suggested. I was deeply concerned about the fact that the study of the currents of Lake Michigan extended only up to a little below Kewaunee, Wis. I was concerned with how it would affect Kewaunee and Algoma. Therefore, I said I was interested in an amendment which would extend the distance to 180 or 185 miles. I also have amendments which would extend the distance to 190, 195, and 200 miles, respectively. I do not want to be dilatory about them, but I believe this to be a matter of concern to me. I am trying to get the best information I can from my State in order to determine at what distance they wish the study to be made.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield for a question.

Mr. DOUGLAS. Is it not true that the Senator from Oklahoma [Mr. KERR] agreed to accept the Senator's amendment to provide for 180 miles; and is it not true that the Senator from Wisconsin refused to put his own amendment into effect? If, as I think, I can persuade the Senator from Oklahoma to accept the present amendment, will the Senator from Wisconsin stand by his amendment and begin to discuss the issue, instead of indulging in this shadowboxing and these delaying tactics on the floor of the Senate? Is it not true that the Senator from Wisconsin is making a mockery of the legislative process?

Mr. PROXMIRE. The Senator from Illinois could not be more wrong. I spoke to the point all day. The only time I departed from the point was when the proponents of the bill, including the Senator from Tennessee [Mr. GORE] and the Senator from Mississippi [Mr. EASTLAND] both of whom voted for the bill, asked me a series of questions on interest rates. Except for that, I have been speaking right to the point of the bill all day long. I have done my best to talk to the very point with which the Senate has said it is concerned.

Mr. DOUGLAS. Will the Senator from Wisconsin reply to my question?

Mr. PROXMIRE. I would reply to the question of the Senator from Illinois by saying that if the Senator from Oklahoma is interested in accepting my amendment, after I have had a chance to explain the amendment and after I have had a chance to speak twice on my amendment, I would certainly be glad to have him accept it.

But, Mr. President, I also wish to have the parliamentary opportunity to speak in this Chamber without having this expert parliamentarian take me off my feet. The Senator from Illinois knows perfectly well that all he has to do is object whenever a Senator who asks me to yield fails to ask a question in precisely the form of an interrogatory. If a Senator who asks me to yield fails to place the verb before the pronoun or the noun, the Senator from Illinois can rise and can state, "I object"; and if his objection is sustained, I will be required to take my seat; and if that happens twice, I will be through.

Therefore, Mr. President, I am taking advantage of my own parliamentary rights; and I point out to the Senator from Illinois that I have not started my speech; I have not had a chance to do it. [Laughter.]

Mr. KEATING. Mr. President, I rise to a point of order.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The Senator from New York will state it.

Mr. KEATING. Mr. President, I make the point of order that the Senator from Illinois [Mr. DOUGLAS] is not in order, inasmuch as he is not in his seat or at his desk; instead, he is wandering all over the floor. [Laughter.]

Mr. LONG of Louisiana. Mr. President, will the Senator from Wisconsin yield to me?

Mr. DOUGLAS. Mr. President——

Mr. PROXMIRE. Mr. President, after I yield to the Senator from Louisiana, I shall be glad to yield to the Senator from Illinois for a question—when he has returned to his seat and has gotten behind his desk, and is in order. [Laughter.]

I yield now to the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, in view of the national and the international implications of this measure, would it be fair to the other Members of the Senate to permit this amendment to be voted on before the entire Senate had an opportunity to understand what the amendment is?

Mr. PROXMIRE. Of course not; and I think the Senator from Louisiana is entirely correct in suggesting that the amendment should be fully understood by all Members of the Senate. Much as I would like to have my amendment adopted, I would not want the Senate to take hasty action on it. [Laughter.] The fact is that not all of the 100 Members of the Senate are in the Chamber—although they should be here—to hear our discussion of this amendment.

Mr. LONG of Louisiana. Mr. President, will the Senator from Wisconsin yield for a further question?

Mr. PROXMIRE. I yield.

Mr. LONG of Louisiana. Does the thought occur to the Senator from Wisconsin that although it might be agreeable to the Senator from Wisconsin and the Senator from Illinois to have the study conducted in regard to the effect of currents and flows of water throughout the south 180 miles of Lake Michigan, a majority of the Members of the Senate might have objection to such a provision, after they heard it discussed?

Mr. PROXMIRE. The Senator from Louisiana is correct; and certainly I believe that only one or two Senators should not proceed to make arrangements for the adoption of amendments which might be the subject of serious objection by a majority of the Members of the Senate. [Laughter.]

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mr. DOUGLAS. Has the Senator from Wisconsin noticed the shining eyes of admiration which have been leveled at him by our friends from south of the Mason-Dixon line? Is the Senator from Wisconsin aware that from time to time I have heard comments that they would

like to sign him up on their team? [Laughter.]

Mr. PROXMIRE. Mr. President, coming from the Senator from Illinois [Mr. DOUGLAS], who has admitted that he spoke three consecutive days on the natural gas bill, and that he and his colleagues held the floor for more than a month, on that bill—in fact, for approximately 6 weeks, I believe—this is, indeed, a high compliment. [Laughter.]

I may also say to the Senator from Illinois that this is one of the most extraordinary debates, because the Senator from Illinois has refused to answer questions in regard to the merits of the bill. I have repeatedly asked him to defend his position vis-a-vis that of the Supreme Court and that of various agencies and Members; but the Senator from Illinois has risen only to denounce the Senator from Wisconsin for conducting a filibuster—although the Senator from Illinois knows that such a denunciation is not an argument on the merits of the pending measure and has nothing to do with the merits of the bill.

If the Senator from Illinois had paid as much attention to considering the merits of this amendment as he has paid in connection with his determination not to discuss the merits of the pending measure, he might have more chance of attracting to his side of the issue more Senators, instead of having the Senate prepare to vote, on tomorrow, to refer the bill to the Foreign Relations Committee. [Laughter.]

Mr. President, earlier in the day I said that when I had an opportunity to do so, I would call the attention of the Senate to the extremely important treaty of 1909. In the majority report itself we find the statement by Canada that in her judgment that solemn treaty would be violated if the United States were to take unilateral action in connection with this matter.

Furthermore, the Senator from New York [Mr. JAVITS] brought out very eloquently, during the debate, that Canada had stated, in a letter from her Ambassador to our then Acting Secretary of State:

> I am instructed, therefore, to express the hope of the Government of Canada that the United States will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings to which I have referred.

In other words, Canada is convinced that this bill would constitute a violation of that treaty; and Canada has used the strongest possible diplomatic language to call that point to our attention.

Mr. President, at this time I should like to refer to a memorandum which I have had prepared in regard to this issue. The memorandum shows that not only should this position on the part of Canada be considered by our experts in this field—namely, our Committee on Foreign Relations—and that careful consideration should be given to Canada's claim, even if she were wrong about it, but that, as a matter of fact, it is particularly important for this point to be very carefully considered, in view of the fact that we clearly believe that Canada is correct.

I read now from the memorandum:

> The following questions have been raised during debate on the bill:
>
> (1) Does the 1909 Boundary Waters Treaty with Great Britain (for Canada) apply to Lake Michigan?
>
> (2) If the treaty applies to Lake Michigan, why has the International Joint Commission, established by the treaty, taken no action with respect to the diversion of waters from the lake?
>
> (3) Why has the matter not been referred to the Commission?
>
> I
>
> It is absolutely clear that the 1909 treaty does apply to the waters of Lake Michigan, whether or not the lake is a boundary water.

Incidentally, Mr. President, I should like to say that this is the key issue, insofar as many Senators are concerned. I have heard some of the most distinguished Members of this body who favor this bill say that Lake Michigan is an American lake, and therefore is completely outside the jurisdiction of any international agreement with Canada. But I submit that Lake Michigan is a boundary water; and the treaty could hardly be more explicit with regard to boundary water.

I read further from the memorandum:

> It may plausibly be argued that Lake Michigan is not a boundary water because it is entirely within the United States. However, geologists and engineers consider Lake Michigan and Lake Huron as one lake. There is no natural division between them, and whatever affects one necessarily and promptly affects the other. The two lakes—if considered as such—have the same level.

Mr. President, because my good friend, the Senator from Illinois [Mr. DOUGLAS], is being so stringent a parliamentarian, it will be impossible for me to walk over to the map in the rear of the Chamber and demonstrate on the map the fact that Lake Michigan and Lake Huron are but one lake. It will be impossible for me to proceed to the map to do that, because if I were to do so, I realize that my good friend, the Senator from Illinois, would object, and would say I was in violation of the rule, because I was not standing at my desk.

But I shall point to the map, and shall stress the point that Lake Michigan-Lake Huron have a very broad connection, as shown on the map. It is not a narrow channel; it is a broad body of water. At that point the waters intermingle, and there is but one lake. In fact, all the charts show that Lake Michigan-Huron is considered to be but one lake. Lake Superior is considered to be a separate lake. Lake Erie is also considered to be a separate lake. So is Lake Ontario. But all the charts show the name "Lake Michigan-Lake Huron"; that is shown in several places on the charts.

Mr. President, I now read further from the memorandum:

> However, for the purpose of determining whether the 1909 treaty applies to Lake Michigan, it makes no difference whether Lake Michigan-Huron is one lake or two.
>
> If Michigan-Huron is one lake, it is of course a boundary water as defined in the preliminary article of the treaty (R. 204) and is governed by articles III and VIII (R. 205–206, 207).

Mr. President, as I have said, even the distinguished Senator from Illinois [Mr. DOUGLAS] must consider it as one lake. He has told the Senate, by means of the use of sign language that is clearly to be understood, that Lake Michigan-Huron is treated as one lake.

If the Senator from Illinois wishes to rely on semantics and to say that, somehow, up to a certain point, the water is Lake Michigan, and a little farther along it becomes Lake Huron, of course he is entitled to do so.

But the fact is, on the basis of any commonsense definition, that both Lake Michigan and Lake Huron seem to be a single body of water, as the Senator from Illinois has very properly treated them by means of his charts.

However, Mr. President, let us assume for the moment that the worst possible view of this matter were the correct one—namely, that Lake Michigan is one lake and Lake Huron is a separate lake. In that event, if it be true that they are two different lakes, then Lake Michigan is a tributary water—

> Water on [our] own side of the line which in [its] natural channel would flow across the boundary or into boundary waters.

That is article II, R. 205.

With respect to such waters, the treaty provides that any interference with or diversion thereof by the United States or Canada "shall give rise to the same rights and entitle the injured parties to the same legal remedies as if such injury took place in the country where the diversion or interference occurs."

That is article II, R. 205.

That could hardly be clearer, Mr. President. The treaty provides that any interference with or diversion thereof by the United States or Canada "shall give rise to the same rights and entitle the injured parties to the same legal remedies as if such injury took place in the country where the diversion or interference occurs."

This is why Canada looks at Lakes Michigan and Huron and says, "Even if you think they are not the same lake, the fact is that everybody knows, who has ever visited this part of the Middle West, that Lake Michigan flows into Lake Huron. They know Lake Michigan, on the basis of any definition, is a tributary of Lake Huron. The treaty specifically treats of that tributary, and therefore to take water out of Lake Michigan prevents it from going into Lake Huron."

Continuing with the provisions: the two Nations expressly reserved to themselves the right to object to any interference with or diversion of such tributary waters which would produce material injury to navigation on its side of the boundary.

That is article II, R. 205.

This is precisely what Canada has done. It states, in its notes of protest to the United States of April 9 and August 20 of this year—as in earlier

protests—that the diversion contemplated by this bill would produce material injury to Canada.

Mr. President, at this point I should like to make a parliamentary inquiry, because I understand I may have been mistaken.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. PROXMIRE. Is there a rule of the Senate that a Senator is not in order if he speaks from a place other than behind his desk or if he walks away from his desk? Is he out of order at that time, and is it proper to say that he is out of order and to take him off the floor?

The PRESIDING OFFICER. The Chair is advised there is no rule in the Senate on that subject.

Mr. PROXMIRE. In other words, a Senator can speak from anywhere on the floor, he can walk to and look at a map, and he can stroll, and cannot be said to be out of order. Is that correct?

The PRESIDING OFFICER. The rules of the Senate do not speak on that point.

Mr. LONG of Louisiana. Mr. President, a parliamentary inquiry.

Mr. PROXMIRE. I ask unanimous consent that I may yield to the Senator from Louisiana for a parliamentary inquiry, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LONG of Louisiana. Do not the rules clearly state that a Senator shall speak from his desk?

The PRESIDING OFFICER. The Chair will read rule XIX (1):

> When a Senator desires to speak, he shall rise and address the Presiding Officer, and shall not proceed until he is recognized, and the Presiding Officer shall recognize the Senator who shall first address him. No Senator shall interrupt another Senator in debate without his consent, and to obtain such consent he shall first address the Presiding Officer, and no Senator shall speak more than twice upon any one question in debate on the same day without leave of the Senate, which shall be determined without debate.

There is no reference in the language which has been read or in the remainder of rule XIX which is to the effect that a Senator must speak from his desk.

Mr. PROXMIRE. If I understand the ruling of the Chair, it is that a Senator is free to walk to the map to make his point, and if an objection is made, he cannot be called out of order and he will not be taken off the floor.

The PRESIDING OFFICER. There is nothing in the rules that requires a Senator to speak from behind his desk.

Mr. PROXMIRE. The Senator from Wisconsin asks specifically of the Presiding Officer, in the event the Senator from Wisconsin should move away from his desk, specifically, to the map at the rear of the room, and in the event that at that point another Senator should make the point of order that the Senator from Wisconsin is not in order because he is not speaking from his desk, or because he has walked away from his desk while he is talking, and that therefore the Senator from Wisconsin should take his seat, will the Senator from Wisconsin be compelled to give up and lose the floor?

The PRESIDING OFFICER. The Chair will rule that if the Senator from Wisconsin should find it expedient, in order to make his point, to go to the map, he would not lose the floor as a result of that act.

Mr. PROXMIRE. I thank the Senator from Maine, and also I thank the Presiding Officer, who is also the Senator from Maine [Mr. MUSKIE].

Mr. President, I want to make clear the point I just made in this very important matter with regard to the treaty rights of Canada. I want to repeat the last paragraph:

The two nations expressly reserved to themselves the right to object to any interference with or diversion of such tributary waters which would produce material injury to navigation on its side of the boundary.

That is article II, R. 205.

This is precisely what Canada has done. It states, in its notes of protest to the United States of April 9 and August 20 of this year—which Senators have had before them since the debate started—as in earlier protests, that the diversion contemplated by the bill would produce material injury to Canada.

Let me repeat that: The two nations expressly reserved to themselves the right to object to any interference with or diversion of such tributary waters which would produce material injury to navigation on its side of the boundary.

That is article II, R. 205.

As I have said, this is precisely what Canada has done. It has done all it can, under the treaty; and the Senate of the United States, if it passes this bill, will be flaunting the bill at Canada, and will be enacting legislation which Canada has specifically objected to, and rightly objected to, on the basis of the treaty.

I submit that, although the Senator from Illinois has vehemently protested our explanation of the bill and has condemned us for filibustering, he has failed to answer this question. He has failed to make any case except what he put in the RECORD, which we discussed and pointed out as not being pertinent. He has failed to make any case against the position that Canada has a right to make this protest.

The International Joint Commission has not acted on diversion from Lake Michigan because the matter has not been referred to it. It has no power to undertake an investigation on its own initiative.

Under article VIII of the treaty, the Commission has jurisdiction to pass upon the question of diversion from Lake Michigan if it is a boundary water. The Commission would have power to prohibit the diversion, under article III.

If Lake Michigan is not a boundary water, either Government could nevertheless submit the question to the International Joint Commission under article IX of the treaty. In that case, however, the Commission could not make a final decision, but would merely report on the facts and the law, and it would be up to the two Governments to accept or reject the decision.

Does not that seem to be a perfectly fair, proper, and logical way to proceed?

After all, we have set up the International Joint Commission. We have our representatives on the Commission. We have an equal number of representatives. We are not bound to accept their recommendations. At least we should give them the right to speak out on the matter. It seems to me this is the kind of question as to which an inquiry should be made by the Committee on Foreign Relations before the Senate passes the bill.

Mr. President, under article VIII of the treaty, the Commission has jurisdiction to pass upon the question of diversion from Lake Michigan, if it is a boundary water.

I should like to repeat that, because it is extremely important.

Under article VIII of the treaty, the Commission has jurisdiction to pass upon the question of diversion from Lake Michigan if it is a boundary water. The Commission would have power to prohibit the diversion, under article III.

If Lake Michigan is not a boundary water, either Government could nevertheless submit the question to the International Joint Commission under article IX of the treaty. In that case, however, the Commission could not make a final decision, but would merely report on the facts and the law, and it would be up to the two Governments to accept or reject the decision.

In this connection our State Department's legal adviser said, with respect to the proposed diversion by Canada of the upper waters of the Columbia River:

> 3. (a) A riparian (nation) which proposes to make, or allow, a change in the existing regime of a system of international waters which could interfere with the realization by a coriparian of its right to share on a just and reasonable basis in the use and benefits of the system, is under a duty to give the coriparian an opportunity to object.

This is exactly what we are pleading for. This is why we want to send the bill to the Committee on Foreign Relations, to consider exactly that kind of a right, which the State Department's legal adviser, a competent authority, says Canada should have.

> (b) If the coriparian, in good faith, objects and demonstrates its willingness to reach a prompt and just solution by the pacific means envisaged in article 33(1) of the Charter of the United Nations, a riparian is under a duty to refrain from making, or allowing, such change, pending agreement or other solution (1958 hearings, p. 289).

Neither the United States nor Canada has referred the question of additional diversion at Chicago to the International Joint Commission. Since both Governments have taken the position that such diversion would be undesirable, there has been no dispute to submit.

If either Government were in doubt as to the facts, or if further study were necessary or useful, the International Joint Commission would, of course, be obliged to undertake such a study and make recommendations upon the request of either Government.

Certainly it would be more in line with the principles and practice of international law to request such a study by the International Joint Commission, before diversion, than for the United States to order the study to be carried out by a domestic agency, and at the same time and by the same law authorize the commencement of additional diversion. Such unilateral action would violate the clear intent of the 1909 treaty.

Mr. President, I submit that this position, in view of the attitude of Canada, in view of the very vigorous Canadian protest, is unanswerable. I have challenged the proponents of the bill to answer the argument. They have had ample opportunity. They have accused us of filibustering, but they have not answered that vital point.

Mr. President, it is my understanding that this year—as a matter of fact, June 28 of this year—there was a U.S. delegation to the Canada-United States Interparliamentary Group. Attending that meeting were the distinguished Senator from Vermont [Mr. AIKEN], as chairman, and the Senator from Indiana [Mr. CAPEHART], the Senator from Montana [Mr. MANSFIELD], the Senator from Oregon [Mr. MORSE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Wisconsin [Mr. WILEY], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Kansas [Mr. CARLSON], the Senator from Idaho [Mr. CHURCH], the Senator from Delaware [Mr. FREAR], the Senator from Nebraska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from South Dakota [Mr. CASE], the Senator from Maine [Mr. MUSKIE], and the Senator from Vermont [Mr. PROUTY].

In the course of this meeting an agreement was made, which is stated on page 7 of the document entitled "Report of the Second Meeting of the Canada-United States Interparliamentary Group, June 25–28, 1959," held at Montreal and Ottawa, Canada, Union Calendar No. 317, House Report No. 730, 86th Congress, 1st session:

> The group agreed that unilateral action should not be taken in legislative or administrative matters affecting the interests of both countries without entering into discussions aimed at reconciling divergent views.

Mr. President, what does that language mean if it does not mean that the United States should not take unilateral action, or any action, even, if we were convinced that Canada had expressed an interest? What does the language mean if it does not mean that Canada, if Canada felt we were wrong, should have a right to be consulted and should have a right to be listened to?

This is all that Canada asks for. Its notes are extremely emphatic.

As the Senator from New York [Mr. JAVITS] pointed out, the language is extraordinarily strong, yet the Senate of the United States is refusing to even let the Committee on Foreign Relations look into the matter. Some Senators are saying, "After all, Lake Michigan is one lake, which is separate from Lake Huron. Lake Huron is the only boundary water."

The fact is that every authority, including the Senator from Illinois, views Lake Michigan and Lake Huron together as one lake. It so says at the chart. In fact, if they are two lakes, Lake Michigan can only be a tributary of Lake Huron. If Lake Michigan is a tributary of Lake Huron, it is covered by the 1909 treaty. If Lake Michigan is covered by the 1909 treaty, it would be against the explicit provisions of the treaty to increase the diversion of water unilaterally without consultation with Canada.

This is the reasonable position which Canada has taken. Whether the position is reasonable or unreasonable, Canada certainly has a right to its day in court before the Committee on Foreign Relations.

Mr. President, I should like to read a little more from this very interesting report of the second meeting of the Canada-United States Interparliamentary Group, also at page 7:

> A presentation was made to the section on the problem of the Chicago diversion and the group expressed its hope that consultation between the United States and Canada on this subject might lead to constructive proposals. The group recommended that the steering committee of the Canada-United States Interparliamentary Group collect all existing reports, studies, and other data relating to problems of pollution, recreation, conservation, power utilization, industrial development, port facilities, and navigation in the Great Lakes area. It was recommended to the steering committee that it review and evaluate this material looking toward the making of further suggestions at the next meeting of the steering committee.

Mr. President, if this group is to act in good faith and in justice to our good neighbor Canada, it seems that we can hardly act on a matter which they consider unilateral, which obviously affects the Great Lakes, which we said we wanted to work out on a cooperative basis, without directly insulting them and affronting an agreement our own Senators made in good faith with Canada just a little more than 2 months ago.

Mr. President, possibly at a later date, before we vote on sending the bill to the Foreign Relations Committee, there is more material that should be called to the attention of the Senate. I realize that the hour is late and that really it is about time that I started on the main portion of my statement, because so far I have been talking in answer to the brilliant statement made by the Senator from Illinois this morning. I thought in fairness to the other Senators that it was necessary first to discuss his speech in detail. I have spent the day so far in discussing the very excellent statement the Senator from Illinois made, discussed it line by line, and I do hope that tomorrow he will reply to the remarks made today, so that we can carry on tomorrow in the same vein and enlighten the Senate on both viewpoints, so that we can have a balanced presentation and understand fully the positions of the Senator from Illinois and the Senator from Wisconsin. Then Senators can make up their minds based on having heard both sides of the case.

Mr. President, I return to the bill itself and to the first amendment to the bill.

My amendment which is pending, to insert 185 miles instead of 175 miles, relates to the first amendment. The amendment starts:

> The studies described above shall include, but not be limited to, the effect of the diversion of an additional one thousand cubic feet per second on the levels of the Great Lakes, and shall also include a study of the effect of currents and flows of water throughout the south one hundred and seventy-five miles of Lake Michigan—

The amendment would provide for 185 miles. I initially had offered an amendment to provide 180 miles. I withdrew that for two reasons: first, a parliamentary reason; second, a substantive reason.

The parliamentary reason was that the Senator from Illinois was in a position, with his very acute and alert parliamentary sense and his tremendous concentration on what various Senators were saying, to take the Senator from Wisconsin possibly off his feet. So in order to protect myself I offered another amendment, which also had substantial merit, and which I think was an improvement on the other.

Mr. DOUGLAS. Will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Illinois.

Mr. DOUGLAS. Does the Senator from Wisconsin realize that I can guarantee that we will accept this second amendment if the Senator from Wisconsin will only get into a discussion of this measure instead of resorting to these delaying tactics?

Mr. PROXMIRE. The Senator from Illinois knows perfectly well that all day long we have been talking about the merits of this case. He knows that the only time, with a few exceptions of discussion on interest rates, raised by proponents of the bill, largely, the only time we have departed from the merits of the bill is when the Senator from Illinois has arisen, as he does periodically about every hour, to give a dissertation on filibustering, a very interesting subject, one which I think we could discuss profitably at great length. I have a 300-page book on it, and I think perhaps we should discuss it, but I want to speak to the point at issue. I do not want the Senator from Illinois to divert me from that point by challenging me to discuss the merits of the filibuster.

I agree that his speech of 3 days, which he delivered some time ago, and the speech of his colleagues of some 6 weeks on the gas bill, were justified, and were not in violation of a procedure against filibuster. I think the Senator from Illinois knows perfectly well that his proposal, for which I voted enthusiastically, which certainly was the most important procedural amendment that faced this Congress, which we were called upon to vote upon when we first arrived here in January, was an excellent proposal. I enthusiastically supported it. That proposal, as the Senator from Illinois emphatically stated, would not have cut off debate, would not have gagged debate, would not have ended debate. It would

not have prevented Senators from explaining their position in detail. It would have permitted 2 full months of debate.

The Senator from Illinois took the position it would end the filibuster. I would have agreed with the Senator from Illinois. The Senator from Illinois knows that we have not taken 2 months. It is true that the bill has been before the Senate for a week now.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that it has seemed like 2 years while the Senator was speaking?

Mr. PROXMIRE. To the Senator from Illinois perhaps it may have seemed quite a while. I think that the reason for that is psychologically very interesting. The Senator from Illinois loves a good fight. He loves a debate. He is extremely effective in it. It does not become his nature to have to sit silently by and sniff the flowers as the Ferdinand he chooses to be. He would much prefer, I am sure, to charge in and take on the picadors and matadors and blunt their instruments. He is willing to shed blood, but somehow he is insisting on not enlightening the Senate with his own viewpoint.

Mr. KUCHEL. Mr. President, I wonder if the able Senator would yield to me so that I may make a brief statement with no one being harmed.

Mr. DOUGLAS. I object.

Mr. PROXMIRE. Mr. President, I should like to call to the attention of my good friend from Illinois that his objections have prolonged the speech of the Senator from Wisconsin, who has been trying desperately to get into his speech, and every time the Senator from Wisconsin is about to do it, the Senator from Illinois rises like Old Faithful every 45 minutes and gushes up and says he objects, that we are filibustering, and then we engage in a 5- or 10-minute discussion as to whether or not it is a filibuster. In the meantime, distinguished Senators like the Senator from California could have put into the RECORD whatever they wished to insert. The Senate could have proceeded on its way. No time would have been consumed. The Senator from Illinois has been so strict in enforcing the rules that I am afraid he has delayed the Senate in considering this very important matter.

I see the Senator shaking his head. Would he care to reply? Apparently not.

Mr. President, to return to the committee amendment, I have two other amendments I should like to offer that bear on the committee amendment. I am going to offer these amendments now and very briefly explain them, too. I should like to discuss them in detail when I call them up.

The first amendment provides, on page 3, lines 21, 22, and 23, for striking out "of currents and flows of water throughout the south one hundred and seventy-five miles of" and inserting in lieu thereof the following: "of experimentally returning substantial quantities of completely treated sewage treatment plant effluent to."

Mr. President, in explanation of this amendment, the proponents of the bill have shown an astonishing lack of confidence in what they term theoretical studies of the effect of diversion even in the face of unanimous agreement by the experts as to the validity and accuracy of such studies. Nevertheless, when they inserted the amendment asking for a study of "currents and flows of the water throughout the south 175 miles of Lake Michigan," they were expressing their willingness to accept extraordinary extrapolation of data of theoretical nature.

Presumably the purpose of such a study would be to determine the feasibility of returning all or a portion of the Chicago sewage treatment plant effluent to Lake Michigan. There is no apparent or simple correlation between flows and currents and the probability or improbability of pollution by returning treated effluent to the lake. Many variables are involved such as the temperature extent of treatment, the distance offshore and depth of discharge of the effluent, the method of injection in addition to the currents. Yet the proponents of the 1-year diversion study ask that the feasibility of returning effluent to Lake Michigan be based on a partial evaluation of only one variable; namely, surface currents.

This is a very serious amendment. I believe this current study makes sense, but I think it cannot make sense unless it has some practical basis; and it will not have a practical basis unless some of the effluent is discharged into Lake Michigan, so that it can be studied.

There is no question that the Senator from Illinois will rise in horror and say that we are polluting Lake Michigan. The fact is that every Great Lakes city except Chicago returns to Lake Michigan its treated sewage. No health problem is charged, except by the Senator from Illinois. We believe that this practical study makes sense; and it makes sense for another reason.

The objection by Canada is that the water of Lake Michigan will be diminished by diverting it into the Mississippi River out of the Great Lakes watershed. If an ample amount of the treated sewage is returned, there can be additional diversion to improve the quality of the water of the Illinois Waterway, and enough could be returned to the lake to compensate for that diversion, and to test the effect of currents on improving the quality of water that is put into Lake Michigan. That is the only way to test the effect sensibly.

Mr. President, I should like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROXMIRE. In the event I should present this amendment now, to be called up later, would I thereby lose the floor?

The PRESIDING OFFICER. There is another amendment pending.

Mr. PROXMIRE. I recognize that. In the event that I ask that this amendment lie on the table and be printed, so that it can be available to Senators tomorrow for their consideration, may I do so without asking unanimous consent, or without losing my right to the floor?

The PRESIDING OFFICER. That would be in order.

Mr. PROXMIRE. Very well, Mr. President, I ask that the amendment which I have just described be printed and lie on the table, so that I can call it up.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. PROXMIRE. I now come to the second amendment I have, which pertains to the same committee amendment which is now pending before the Senate. My second amendment is as follows:

On page 3, line 21, after the word "Lakes", to insert the words "and the effect of such diversion on the flows in the Niagara and St. Lawrence Rivers."

This amendment is offered to clarify the scope of the study, since the downstream riparian owners are just as interested in the quantity of water flowing in the rivers as they are in the level of the water surface of the lakes. In fact, the production of hydroelectric power at Niagara Falls, Massena, and Beauharnois will be affected primarily by the fact that the actual volume of water which would be available to run through the turbines would be reduced by the proposed diversion. Power production by hydroelectric plants depends upon the product of two factors, head times flow. While the drop in water level would not appreciably reduce production of power, the reduction in flow certainly would be appreciable and in direct proportion to the quantity of water which Chicago diverts. The advocates of H.R. 1 have consistently ignored this fact and the above amendment is vital if the study proposed is to be at all realistic of the total loss involved.

I believe anyone can see that this is a very serious amendment. It makes all the sense in the world to give full economic consideration to the effect on power. We are not doing that in the bill as now written. This amendment would therefore improve the bill. I send the amendment to the desk, with the understanding that I may call it up at a later time.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. PROXMIRE. I return once again to the first committee amendment. The remainder of the committee amendment, other than the effect of the first three or four lines, which deal with lake levels, is concerned entirely with the health of the people of Chicago. I think it is extremely important for the Senate to recognize that this is the primary purpose of the bill, because we all know, and it has been said over and over again, and never denied, that the Corps of Engineers can now tell us precisely what the effect would be on power. We know what the effect would be on navigation. We know what the effect would be on shore properties. So far as I know, neither the Senator from Oklahoma nor the Senator from Illinois has questioned the competence of the Corps

of Engineers to tell us the answers to these questions. So the problem is one of health.

I should like to invite the attention of Senators to a colloquy which took place about a year ago between the Senator from Illinois and the Senator from Wisconsin. This colloquy, it seems to me, dramatizes the fact that there has been no expert testimony in support of the bill to show that the health problem would be solved by passing the bill.

I read from the CONGRESSIONAL RECORD volume 104, part 15, page 19129:

Mr. PROXMIRE. First, I should like to ask the distinguished Senator from Illinois if, on the basis of the 758 pages of transcribed hearings, there is any basis for the contention that the diversion would safeguard or improve the health of the people of Chicago?

Mr. DOUGLAS. Yes; I think so.

Mr. PROXMIRE. Has any study been made by the Chicago Board of Health to support this assertion, or has any study been made by any other health agency in Chicago?

Mr. DOUGLAS. Studies have been made by the sanitary district.

Mr. PROXMIRE. I am talking about a health organization, a health agency, or a health bureau which has responsibility.

Mr. DOUGLAS. The Sanitary District of Chicago includes a number of suburbs. I may say that there is some health hazard for the down-State communities along the Illinois River. Of course, their drinking water is treated.

Mr. PROXMIRE. Is there any officer, official, or person in the Chicago Metropolitan Sanitary District, which controls sewage, who has a medical degree of any kind, or who is in any position to make an evaluation of the effect of effluent on health? If so, will the Senator please identify him?

Mr. DOUGLAS. We have the most eminent hydraulic engineer in the world, in the person of Horace Ramey.

Mr. PROXMIRE. I agree that Horace Ramey is a distinguished engineer. But if the distinguished Senator from Illinois were ill would he go to an engineer or to a doctor?

Mr. DOUGLAS. Does the Senator from Wisconsin need elaboration on the effect of effluent material on health? We are trying to disguise unpleasant realities with as disinfected verbiage as possible.

Mr. PROXMIRE. I appreciate that reply. I assume, then, that the answer is that no competent health authority has given any testimony to the effect that this diversion would have any influence whatsoever on the health of the people of Chicago. If such testimony has been given, I should be delighted to hear about it.

Mr. JOHNSON of Texas. Mr. President, does the Senator from Wisconsin desire to retain the floor this evening, or is he willing to yield to me for the purpose of making a motion to recess?

Mr. PROXMIRE. I am perfectly willing to yield to my leader for the purpose of making a motion to recess. I am just beginning my speech. I shall be very eager to carry on tomorrow.

RECESS TO 10 O'CLOCK A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, in accordance with the order previously entered, I move that the Senate take a recess until 10 o'clock a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 48 minutes p.m.) the Senate took a recess, under the order previously entered, until tomorrow, Wednesday, September 2, 1959, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 1 (legislative day of August 31), 1959:

DIPLOMATIC AND FOREIGN SERVICE

Henry E. Stebbins, of Massachusetts, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

To be junior assistant sanitary engineer

Phillip E. Searcy

To be assistant pharmacist

Donald B. Hare

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be appointed ensign

James H. Blumer

HOUSE OF REPRESENTATIVES

TUESDAY, SEPTEMBER 1, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 25: 4: *Show me Thy ways, O Lord.*

O Thou blessed and eternal God, may we sense Thy guidance more vividly as we undertake the arduous task of finding ways of ministering to the welfare of all mankind.

We humbly acknowledge that our plans and purposes, our efforts, and endeavors for the establishment of a finer social order are frequently so futile and fruitless.

Inspire our Speaker and the Members of this legislative body with a deep concern for the honor and security of our beloved country and may they always perceive what is needful and propose what is right.

May we earnestly strive to keep inviolate the faith of our God-fearing fathers who were guided by lofty spiritual principles in their labors to build a great nation.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 994) entitled "An act to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws."

STATE TAXATION OF INCOME DERIVED FROM INTERSTATE COMMERCE

Mr. CELLER submitted a conference report and statement on the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Intergovernmental Taxation Problems.

THE SPIRIT OF LIBERTY STILL LIVES IN POLAND

Mr. BOGGS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS. Mr. Speaker, today is the 20th anniversary of Hitler's rape of the city of Warsaw, Poland. That city, 85 percent destroyed, that country, which lost over 6 million people in World War II, still courageously strive for freedom.

I was there on yesterday as one of our delegates to the Interparliamentary Union. Mr. Speaker, our congressional delegation to the 47th Interparliamentary Union Conference distinguished itself. Our colleague, THADDEUS MACHROWICZ, of Michigan, a native of Poland, a former officer in the Polish Army, made the opening address. He spoke in Polish. He recounted the events of 20 years ago—the Hitler-Stalin Pact, the attack on Poland, first by Hitler's legions and then by the Soviet masses. When he had concluded, he received a wild ovation and though the Communist press reported little of what he had said, the Voice of America and Radio Free Europe soon dispensed the news throughout Poland. Our colleague, by the time I left Poland, was becoming a national hero.

I can report to all of you that the spirit of liberty still lives in this land. That the people, despite propaganda, love and admire our great country. That the churches are open and crowded each day with devout worshipers.

I believe, Mr. Speaker, that we performed a unique function in going behind the Iron Curtain and speaking freely and without hesitation to the parliamentarians of the world.

The Iron Curtain cannot stand too many events such as this.

COMMITTEE ON PUBLIC WORKS

Mr. FALLON. Mr. Speaker, I ask unanimous consent that the Public Works Committee may have until midnight tonight to file a report on the bill H.R. 8678.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Mr. Speaker, was the gentleman asking to transact business on behalf of a committee?

The SPEAKER. The gentleman's request was that the committee have until midnight tonight to file a report.

Mr. GROSS. Mr. Speaker, I suggest that in the future those transacting business on behalf of a committee take one of the microphones so that we may be able to hear what the requests are.

The SPEAKER. The Chair thinks that is a good idea.

CONSIDERATION OF DISTRICT BUSINESS TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Speaker may recognize a Member on tomorrow to call up and the House to consider District of Columbia business.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. ARENDS. Mr. Speaker, reserving the right to object, I wish the gentleman from Massachusetts would inform the House as to what bills will be considered.

Mr. McCORMACK. The following bills will be called up:

First. S. 2035, amend an act to establish a code of law.

Second. H.R. 6123, amend the law relating to indecent publications and gambling.

Third. S. 685, Association for Childhood Education International, exempt from taxation, property.

Fourth. S. 1372, jurisdiction, domestic relations branch, municipal court.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING PUBLIC LAW 85–880

Mr. BROOKS of Louisiana submitted a conference report and statement on the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes.

PRIVATE CALENDER

The SPEAKER. This is Private Calendar Day. The Clerk will call the first bill on the Private Calendar.

MRS. JOYCE LEE FREEMAN

The Clerk called the bill (S. 539) for the relief of Mrs. Joyce Lee Freeman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Joyce Lee Freeman shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MELVIN H. BAKER AND FRANCES V. BAKER

The Clerk called the bill (H.R. 1593) for the relief of Melvin H. Baker and Frances V. Baker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $12,760.04 to Melvin H. Baker and Frances V. Baker, of Buffalo, New York, in full settlement of all claims against the United States. Such sum represents overpayment in income tax for the year 1953 as a result of the inclusion of a dividend from National Gypsum Company declared on October 27, 1953, but not payable until January 4, 1954: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WORTHINGTON OIL REFINERS, INC.

The Clerk called the bill (H.R. 2582) for the relief of the Worthington Oil Refiners, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Worthington Oil Refiners, Incorporated, a Virginia corporation of Arlington County, Virginia, the sum of $60,000 in full settlement of all claims against the United States for compensation for the Federal share of the fair and agreed value of the real property known as the "Worthington Tract" situated at 2201 North Oak Street, Arlington County, Virginia, formerly owned by Worthington Oil Refiners, Incorporated, and acquired through purchase at a foreclosure sale by the Reconstruction Finance Corporation and deeded to the Commonwealth of Virginia for the purpose of utilizing the said tract for an approach to the George Washington Memorial Parkway, a part of the National Capital Park parkway and playground system: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike "$60,000" and insert "$37,000".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUSTAV K. BROECKER

The Clerk called the bill (H.R. 2707) for the relief of Gustav K. Broecker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Gustav K. Broecker, of Cincinnati, Ohio, in full settlement of all claims against the United States. Such sum represents a departure bond posted on May 29, 1950, for Miss Elfriede Steinhaus, which was breached on August 27, 1954: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $500.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL LEVITT

The Clerk called the bill (H.R. 7447) for the relief of Paul Levitt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Paul Levitt, of Boston, Massachusetts, the sum of $381.55. Such sum represents reimbursement to the said Paul Levitt for paying out of his own funds a judgment rendered against him in the courts of the State of Massachusetts, arising out of an accident occurring on July 26, 1954, when the said Paul Levitt was operating a Government vehicle in the course of his duties as an employee of the Post Office Department: *Provided,* That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SISTER CAROLINA ET AL.

The Clerk called the bill (H.R. 3524) for the relief of Sister Carolina (Antonietta Vallo), Sister Noemi (Francesca Carbone), Sister Luciana (Gemma Antonello, Sister Marta (Sabina Guglielmi), Sister Rafaella (Angela Sicolo), Sister

Maria Annunziata (Teresa Carbone), and Sister Marisa (Carolina Nutricati).

There being no objection, the Clerk read the bill, as follows.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Sister Carolina (Antonietta Vallo), Sister Noemi (Francesca Carbone), Sister Luciana (Gemma Antonello), Sister Marta (Sabina Guglielmi), Sister Rafaella (Angela Sicolo), Sister Maria Annunziata (Teresa Carbone), and Sister Marisa (Carolina Nutricati) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

With the following committee amendment:

On page 1, line 5, strike out "Sister Luciana (Gemma Antonello),".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Sister Carolina (Antonietta Vallo), Sister Noemi (Francesca Carbone), Sister Marta (Sabina Guglielmi), Sister Rafaella (Angela Sicolo), Sister Marie Annunziata (Teresa Carbone), and Sister Maria (Carolina Nutricati)."

A motion to reconsider was laid on the table.

MISS REMEDIOS VILLANUEVA

The Clerk called the bill (H.R. 7256) for the relief of Miss Remedious Villanueva.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Remedious Villanueva, who lost United States citizenship under the provisions of section 349(a)(2) of the Immigration and Nationality Act, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Remedious Villanueva shall have the same citizenship status as that which existed immediately prior to its loss.

With the following committee amendments:

On page 1, line 3, strike out the name "Remedious" and substitute "Remedios".

On page 1, lines 4 and 5, strike out the language "section 349(a)(2) of the Immigration and Nationality Act" and substitute in lieu thereof "section 401(e) of the Nationality Act of 1940".

On page 1, line 11, strike out the name "Remedious" and substitute "Remedios".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Miss Remedios Villanueva."

A motion to reconsider was laid on the table.

SALE OF LAND OF CHIPPEWA INDIANS, WISCONSIN

The Clerk called the bill (H.R. 6136) to authorize the sale of certain tribal land of the Lac du Flambeau Band of Lake Superior Chippewa Indians, Wisconsin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of perfecting land titles and resolving conflicts or disputes in boundaries caused by erroneous original cadastral surveys, the Lac du Flambeau Band of Lake Superior Chippewa Indians is authorized to sell, with the approval of the Secretary of the Interior, any tribal trust land or interest therein, at not less than the fair market value thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

U.S. OIL AND GAS LEASE BLM 028500

The Clerk called the bill (H.R. 8437) to provide for the reinstatement and validation of U.S. oil and gas lease BLM 028500.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding error in the amount of rental for the years 1958 and 1959 which was billed to and paid by the lessees under United States oil and gas lease numbered BLM 028500, dated February 1, 1952, said lease shall be held not to have terminated by operation of law but to be in full force and effect if, within thirty days from receipt of notice from the Secretary of the Interior of the correct amount owing to the United States, which notice shall be given by said Secretary within thirty days from the date of this Act, the lessees tender payment of said amount and if there are no intervening rights of third parties in the lands subject to said lease which will be adversely affected by its reinstatement and validation as herein provided.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND TO BETHEL BAPTIST CHURCH OF HENDERSON, TENN.

The Clerk called the bill (S. 669) to authorize the Secretary of Agriculture to convey certain lands to the Bethel Baptist Church of Henderson, Tenn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, (a) notwithstanding the provisions of title III and title IV of the Bankhead-Jones Farm Tenant Act, the Secretary of Agriculture is authorized and directed to convey to the Bethel Baptist Church, Henderson, Tennessee, by quitclaim deed, all right, title, and interest of the United States in and to any parcel of land, not to exceed six-tenths of an acre, which may hereafter be conveyed, without consideration, to the United States by the State of Tennessee from lands located in the Chickasaw State Park, Tennessee, and which were previously conveyed by the United States to the State of Tennessee under the provisions of title III of the Bankhead-Jones Farm Tenant Act.

(b) The conveyance herein authorized to be made by the Secretary shall be conditional upon payment to the United States for the land conveyed of an amount equal to the fair market value of such land as determined by the Secretary; and such conveyance shall be made without reversionary rights in the United States.

SEC. 2. In the event the State of Tennessee fails, within one year after the date of enactment of this Act, to convey a parcel of land to the United States for reconveyance to the Bethel Baptist Church as provided in the first section of this Act, the authority granted by this Act shall terminate and be of no further force or effect.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXEMPT FROM TAXATION CHILDHOOD EDUCATION INTERNATIONAL

The Clerk called the bill (S. 685) to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore (Mr. FORAND). Is there objection to the request of the gentleman from Kansas?

PAGE A. WILSON

The Clerk called the bill (S. 36) for the relief of Page A. Wilson.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

EXEMPTING FROM TAXATION THE UNITED SPANISH WAR VETERANS

The Clerk called the bill (S. 1921) to exempt from taxation certain property of the United Spanish War Veterans, Inc., in the District of Columbia.

Mr. O'HARA of Illinois. Mr. Speaker, for the surviving veterans of the war with Spain, fought over 60 years ago by land and by sea, in the Atlantic and Pacific, I am extending to the distinguished gentleman from South Carolina [Mr. MCMILLAN], the great chairman of the District Committee, and all the members of that committee, expression of deepest appreciation for reporting out this bill, and bringing it to the floor of the House in time for passage before we adjourn.

S. 1921 merely gives tax exemption to the property in the District of Columbia owned by the United Spanish War Veterans, the oldest functioning war veteran organization in our country, and used as national headquarters. The American Legion, the Veterans of Foreign Wars, and other veteran organizations enjoy similar tax exemption.

The USWV previously had not sought tax exemption on its property, which doubtless would have been granted, as it had been to other veteran organizations, because of the pride the Spanish War veterans had in paying their own way. But now there are not many veterans left of that war of the long past. The average age of the veterans is 82. Naturally the dues from members do not make a very heavy total, still sufficient to keep things going, insufficient to provide for the retirement of four faithful workers at the national headquarters who have given 30 to 40 years of their lives in the service of the United Spanish War Veterans. Under the circumstances exemption from an annual tax of little more than $600 has an importance far beyond the normal measure in dollars.

The appreciation of the Spanish War veterans is deep and real for the cooperation of the majority and minority leaderships in bringing up this bill in time for its enactment into law prior to the National Encampment of the USWV, Commander in Chief Hammond is one of the relatively few members of our Army in 1898 who served both in the combat army in Cuba, in the siege of Santiago, and in the period of combat in the Philippines. I know the joy it will give him to announce to his comrades at the National Encampment that in the 86th Congress, most of the Members of which are veterans of one or both of the larger World Wars, there has been no forgetting of the boys of '98. Adjutant General McElroy has requested me to give especial mention to Congressman ROY WIER, always a stout friend of the Spanish War veterans, who undertook to guide the bill in the House District Committee after its passage by the other body.

Mr. Speaker, I cannot close without repeating the sentiment I expressed when my colleagues in the House in the 85th Congress unanimously passed the bill increasing the pension of our Spanish War widows. When the time shall come that in this body there is left only one Member who served in World War I and later only one Member left who served in World War II, younger colleagues will give what you have given me. They will feel, when only one remains, the responsibility that I have felt, and the understanding of their colleagues will open their hearts to affectionate emotions as your generous understanding has opened mine.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That that part of the real property described as lot 886, in square 677, situated in the city of Washington, District of Columbia, which comprises the undivided one-half interest owned by the United Spanish War Veterans, Incorporated, is hereby exempt from all taxation so long as the same is owned and occupied by the United Spanish War Veterans, Incorporated, and is not used for commercial purposes, subject to the provisions of sections 2, 3, and 5 of the Act entitled "An Act to define the real property exempt from taxation in the District of Columbia", approved December 24, 1942 (56 Stat. 1089).

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ISABEL M. MENZ

The Clerk called the bill (S. 1392) for the relief of Isabel M. Menz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Isabel M. Menz, of Saint Paul, Minnesota, the sum of $717.95. The payment of such sum shall be in full satisfaction of all her claims against the United States for payment of certain money orders payable to Clifford J. Menz (deceased), which were issued during the period from March 15, 1916, through November 22, 1937, but which, due to the illness of the said Clifford J. Menz, were not presented for payment within the period in which they could have been received by the Post Office Department: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDMUND A. HANNAY

The Clerk called the bill (S. 1650) for the relief of Edmund A. Hannay.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any time limitation contained in section 15 of the War Claims Act of 1948 (62 Stat. 1240), as amended, any claim for benefits under such section filed by Edmund A. Hannay, of Clarksdale, Mississippi, within one year after the date of the enactment of this Act shall be considered in accordance with the provisions of the War Claims Act of 1948.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WIDOW OF COL. CLAUD C. SMITH

The Clerk called the bill (S. 1667) for the relief of the widow of Col. Claud C. Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the widow of Colonel Claud C. Smith, 7015041, the sum of $6,675. Such sum shall be in full satisfaction of all claims for compensation for a dwelling house which was erected by the said Colonel Claud C. Smith in 1934 and 1935 on the Fort Jackson Military Reservation, South Carolina, and which has been used by the Army since the said Colonel Claud C. Smith was forced to vacate the same on March 9, 1942, no compensation having been received for such house by the said Colonel Claud C. Smith or his heirs: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JULIA MYDLAK

The Clerk called the bill (S. 464) for the relief of Julia Mydlak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Julia Mydlak shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out lines 3 through the language "quota is available:" on line 11, and insert in lieu thereof the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Julia Mydlak. From and after the date of the enactment of this Act, the said Julia Mydlak shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued:".

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNIBALE GIOVANNI PELLEGRINI

The Clerk called the bill (S. 640) for the relief of Annibale Giovanni Pellegrini.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act the minor child, Annibale Giovanni Pellegrini, shall be held and considered to be the natural born alien child of Mr. and Mrs. Mose G. Quilici, citizens of the United States: *Provided,* That the natural parent of Annibale Giovanni Pellegrini shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That, in the administration of the Immigration and Nationality Act, Annibale Giovanni Pellegrini, shall be eligible for a visa as a nonimmigrant temporary visitor: *Provided,* That the administrative authorities find that the said Annibale Giovanni Pellegrini is coming to the United States for the purpose of adoption by Mr. and Mrs. Mose G. Quilici, citizens of the United States, and that he is found otherwise admissible under the immigration laws. In the event the adoption of the said Annibale Giovanni Pellegrini by the said Mr. and Mrs. Mose G. Quilici does not occur within the time necessary to conclude final adoption proceedings under the laws of the State in which the said Annibale Giovanni Pellegrini is to be adopted, he shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event the adoption of the said Annibale Giovanni Pelligrini by the said Mr. and Mrs. Mose G. Quilici shall occur, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Annibale Giovanni Pellegrini as of the date of the payment by him of the required visa fee: *Provided further,* That the natural parent of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ANNIE VOISIN WHITLEY

The Clerk called the bill (S. 696) for the relief of Mrs. Annie Voisin Whitley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Annie Voisin Whitley shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NASSIBEH MILDRED MILKIE

The Clerk called the bill (S. 977) for the relief of Nassibeh Mildred Milkie.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Nassibeh Mildred Milkie, who lost United States citizenship under the provisions of section 401(a) of the Nationality Act of 1940, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Nassibeh Mildred Milkie shall have the same citizenship status as that which existed immediately prior to its loss.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That, for the purposes of the Immigration and Nationality Act, Nassibeh Mildred Milkie shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the fist year that such quota is available."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NETTIE KORN AND MANFRED KORN

The Clerk called the bill (S. 1071) for the relief of Nettie Korn and Manfred Korn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Nettie Korn and Manfred Korn shall be deemed to have been born in Austria.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARSHALOUIS SIMEONIAN

The Clerk called the bill (S. 1081) for the relief of Arshalouis Simeonian.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

KATHARINA HOEGER

The Clerk called the bill (S. 1171) for the relief of Katharina Hoeger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Katharina Hoeger shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of the Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Katharina Hoeger. From and after the date of the enactment of this Act, the said Katharina Hoeger shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONCETTA MEGLIO MEGLIO

The Clerk called the bill (S. 1298) for the relief of Concetta Meglio Meglio.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Concetta Meglio Meglio, shall be held and considered to be the natural-born alien child of Marianna Marcella, a citizen of the United States: *Provided,* That the natural parents of Concetta Meglio Meglio shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALLEN HOWARD PILGRIM, CHERYL ANN PILGRIM, ROBB ALEXANDER PILGRIM, AND JOCELYN MARIE PILGRIM

The Clerk called the bill (S. 1557) for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees: *Provided,* That the natural parents of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim shall not, by virtue of such parentage, be accorded any

right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MATILDA KOLICH

The Clerk called the bill (S. 1613) for the relief of Matilda Kolich.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MRS. PAULA DEML

The Clerk called the bill (S. 1627) for the relief of Mrs. Paula Deml.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Paula Deml shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon the payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Paula Deml. From and after the date of the enactment of this Act, the said Mrs. Paula Deml shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LILIA ALVAREZ SZABO

The Clerk called the bill (S. 1792) for the relief of Lilia Alvarez Szabo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Lilia Alvarez Szabo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARGUERITE FUELLER

The Clerk called the bill (S. 1837) for the relief of Marguerite Fueller.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Marguerite Fueller shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Marguerite Fueller. From and after the date of the enactment of this Act, the said Marguerite Fueller shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IRENE MILIOS

The Clerk called the bill (S. 2021) for the relief of Irene Milios.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Irene Milios, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Nicholas Milios, citizens of the United States: *Provided,* That the natural parents of Irene Milios shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KENZO HACHTMANN, A MINOR

The Clerk called the bill (S. 2238) for the relief of Kenzo Hachtmann, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Kenzo Hachtmann, shall be held and considered to be the natural-born alien child of Charles W. Hachtmann, a citizen of the United States: *Provided,* That the natural mother of Kenzo Hachtmann shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JUAN D. QUINTOS AND OTHERS

The Clerk called the bill (H.R. 1516) for the relief of Juan D. Quintos, Jaime Hernandez, Delfin Buencamino, Soledad Gomez, Nieves G. Argonza, Felididad G. Sarayba, Carmen Vda de Gomez, Perfecta B. Quintos, and Bienvenida San Agustin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitation, jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claims of Juan D. Quintos, Jaime Hernandez, Delfin Buencamino, Soledad Gomez, Nieves G. Argonza, Felididad G. Sarayba, Carmen Vda de Gomez, Perfecta B. Quintos, and Bienvenida San Agustin for losses of jewelry, coins, relics, and currency deposited in the Philippine National Bank and delivered to the High Commissioner by order of Cable Numbered 727, dated Washington, District of Columbia, on December 26, 1941.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ANNE MORGAN

The Clerk called the bill (H.R. 1607) for the relief of Mrs. Anne Morgan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Anne Morgan, Leicester, Massachusetts, the sum of $50,000. The payment of such sum shall be in full settlement of all claims of Mrs. Anne Morgan against the United States arising out of the fact that she was transfused with incompatible blood at the United States Army Hospital, Indiantown Gap, Pennsylvania, on February 10 and 12, 1953: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the provisions of the Act of June 25, 1948, chapter 646, section 1, as amended, and as it now appears in title 28, United States Code, section 2401 (b), barring tort claims against the United

States unless action is begun within two years after such claim accrues is hereby waived in favor of any claims of Mrs. Anne Morgan against the United States arising out of the fact that she was transfused with incompatible blood at the United States Army Hospital, Indiantown Gap, Pennsylvania, on February 10 and 12, 1953, if suit thereon is commenced within one year after date of enactment of this Act."

Mr. LANE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANE to the committee amendment: Page 2, line 13, strike out "waiver" and insert "waived".

The amendment to the amendment was agreed to.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATRICK MULDOON

The Clerk called the bill (H.R. 1639) for the relief of Patrick Muldoon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 to 20 of the Federal Employees' Compensation Act are hereby waived in favor of Patrick Muldoon, of Staten Island, New York, and his claim for compensation for personal injuries alleged to have been sustained in September of 1932 while he was employed as a gardener at the United States Quarantine Station, Rosebank, Staten Island, New York, shall be acted upon under the remaining provisions of such Act in the same manner as if such claim had been timely filed, if such claim is filed within sixty days after the date of the enactment of this Act: *Provided,* That no benefits shall accrue by reason of the enactment of this Act for any period prior to its enactment, except in the case of such medical or hospitalization expenditures which may be deemed reimbursable.

With the following committee amendment:

Page 1, line 9, after the word "upon" insert "by the Employees' Compensation Bureau, Department of Labor".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOO W. YUEY

The Clerk called the bill (H.R. 2310) for the relief of Hoo W. Yuey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Hoo W. Yuey (Army serial number 39559184) the sum of $2,976. The payment of such sum shall be in full settlement of all claims of the said Hoo W. Yuey for family allowance accrued during the period from March 1, 1943, to October 7, 1945, both dates inclusive, but not heretofore paid: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DORIS A. REESE

The Clerk called the bill (H.R. 3115) for the relief of Doris A. Reese.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of all laws administered by the Veterans' Administration, the death of Marshall Hudson Reese, a commissioned officer of the Coast and Geodetic Survey, shall be held and considered to have resulted from injury sustained in the line of duty while he was in the active military service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ANNA LOFTIS

The Clerk called the bill (H.R. 3781) for the relief of Mrs. Anna Loftis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Anna Loftis, widow of Ben A. Loftis, Gallatin, Tennessee, the sum of $50,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Anna Loftis and of the estate of the said Ben A. Loftis against the United States for compensation for the death of the said Ben A. Loftis, who was drowned in the Cumberland River near Woods Ferry Landing, Gallatin, Tennessee, on August 7, 1954, as the result of an accident involving a United States Corps of Engineers river inspection boat, the Clermont. Such claims are not cognizable under the tort claims procedure as provided in title 28, United States Code: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$50,000" and insert in lieu thereof "$10,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF WILLARD PHILLIPS

The Clerk called the bill (H.R. 3782) for the relief of the estate of Willard Phillips.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Willard Phillips, Coalinga, California, the sum of $50,000. The payment of such sum shall be in full settlement of all claims of such estate against the United States for compensation for the death of the said Willard Phillips, who was drowned in the Cumberland River near Woods Ferry Landing, Gallatin, Tennessee, on August 7, 1954, as the result of an accident involving a United States Corps of Engineers river inspection boat, the Clermont. Such claims are not cognizable under the tort claims procedure as provided in title 28, United States Code: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$50,000" and insert in lieu thereof "$10,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR E. COLLINS

The Clerk called the bill (H.R. 4826) for the relief of Arthur E. Collins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur E. Collins, , Missouri, the sum of $10,000. The payment of such sum shall be in full settlement of all claims of Arthur E. Collins against the United States on account of the loss of his left hand and forearm as a result of injuries sustained by him on February 2, 1956, while he was attempting to repair a pressure cooker retort located in the vegetable preparation room of the United States Prison at Fort Leavenworth, Kansas. It has been held by the United States District Court for the District of Kansas that this claim is not cognizable under the Tort Claims Procedure as provided in title 28, United States Code: *Provided,* That no part of the amount appropriated in this Act in excess of 33⅓ per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike "$10,000" and insert "$8,320."

Page 2, line 6, strike "33⅓" and insert "10."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM JOSEPH VINCENT

The Clerk called the bill (H.R. 5160) for the relief of William Joseph Vincent.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of William Joseph Vincent, of Albany, New York, with the sum of $1,102.50. Such sum represents an overpayment of pension benefits which was made by the Veterans' Administration, and which he received in good faith.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM J. KAISER

The Clerk called the bill (H.R. 6023) for the relief of William J. Kaiser.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That William J. Kaiser, of the Bronx, New York, is hereby relieved of all liability to refund to the United States any amounts paid to him as sickness benefits and unemployment benefits under the Railroad Unemployment Insurance Act in registration periods beginning after July 27, 1952, and ending before September 24, 1954, while he was also receiving pension payments as a retired member of the fire department of the city of New York and was accordingly prevented from receiving such benefits by section 4 (a–1) (ii) of such Act; and no portion of such amounts shall hereafter be recoverable under such Act. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amounts for which liability is relieved by this Act.

SEC. 2. The Railroad Retirement Board is authorized and directed to pay to the said William J. Kaiser in a lump sum from the railroad unemployment insurance account, an amount equal to the total of any amounts which have been recovered from him by the Board prior to the date of the enactment of this Act in partial satisfaction of the claim of the United States for refund of the amounts for which liability is relieved by the first section of this Act.

With the following committee amendment:

Page 1, line 8: Strike "September 24, 1954" and insert "August 21, 1957."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M. SGT. EMERY C. JONES

The Clerk called the bill (H.R. 6081) for the relief of M. Sgt. Emery C. Jones.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Master Sergeant Emery C. Jones, of Augusta, Maine, the sum of $1,421.43, in full settlement of all claims against the United States based on his expenditure of a like sum on behalf of the United States as payment of a claim for personal injuries of Aliborg Kalantaree, arising out of an accident which occurred in Shiraz, Iran, on May 16, 1958, involving a United States Army vehicle: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VICTOR STIGLIC

The Clerk called the bill (H.R. 6402) for the relief of Victor Stiglic.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Victor Stiglic, of Los Angeles, California, is hereby relieved of all liability to pay to the United States the sum of $2,032.20. Amounts aggregating such sum were paid as compensation to Victor Stiglic during the calendar years 1954 through 1957, as an employee of the Veterans' Administration in contravention of prohibitions which were included in annual appropriation Acts covering such years against the payment by the United States of compensation to certain persons not citizens of the United States. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for all amounts for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. VIRGINIA MILES

The Clerk called the bill (H.R. 6449) for the relief of Mrs. Virginia Miles.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,040 to Mrs. Virginia Miles in full settlement of her claims against the United States for the disability pension which would have been paid to her husband in the period immediately prior to the date he was declared presumed dead by court order: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike "$5,040" and insert "$5,445".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANDREW CHOA

The Clerk called the bill (H.R. 6720) for the relief of Andrew Choa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for all purposes of section 316(a)(1) of the Immigration and Nationality Act, Andrew Choa shall be held and considered to have been physically present in the United States from May 28, 1956, to June 30, 1956.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES W. LITTLE

The Clerk called the bill (H.R. 6809) for the relief of Lieutenant (junior grade) James W. Little.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Lieutenant (junior grade) James W. Little, 320157/1100, United States Navy, retired, is hereby relieved of liability to the United States in the amount of $10,646.10, the amount of his salary as a civilian employee of the Navy during the period from November 19, 1956, through April 17, 1959, his employment havivng been in violation of the Act of July 31, 1894 (5 U.S.C. 62), but without knowledge on his part of any violation of law. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for any amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lieutenant (junior grade) James W. Little, 320157/1100, United States Navy, retired, an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty

of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, lines 11 and 12, strike out "in excess of 10 per centum thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS MARION A. CRAMER

The Clerk called the bill (H.R. 6948) for the relief of Miss Marion A. Cramer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Miss Marion A. Cramer, Longwood Lake, New Jersey, and her claim for compensation for personal injuries alleged to have been sustained on August 11, 1943, while she was a member of the Women's Army Auxiliary Corps stationed at Fort Devens, Massachusetts, shall be acted upon under the remaining provisions of such Act if she files such claim with the Bureau of Employees' Compensation, Department of Labor, within sixty days after the date of enactment of this Act; except that no benefits shall accrue to the said Marion A. Cramer by reason of the enactment of this Act for any period prior to the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM J. BARBIERO

The Clerk called the bill (H.R. 7036) for the relief of William J. Barbiero.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GEORGE W. GIBSON

The Clerk called the bill (H.R. 7116) for the relief of George W. Gibson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,089.95 to George W. Gibson, of Saint Louis, Missouri, in full settlement of all claims against the United States. Such sum represents hospital and medical expenses incurred after discharge from the United States Air Force for alleged service-connected disability and outside hospitalization was necessary during the year 1953: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, lines 1 and 2: Strike "in excess of 10 per centum thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. NELL C. PLAYER

The Clerk called the bill (H.R. 7365) for the relief of Mrs. Nell C. Player.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Mrs. Nell C. Player, an employee of the Department of State, and her claim for compensation for the death of her husband, William O. Player, a former employee of the Department of State, who died while on duty on March 30, 1951, shall be acted upon under the remaining provisions of such Act if she files such claim with the Bureau of Employees' Compensation, Department of Labor, within six months after the date of enactment of this Act.

With the following committee amendment:

At the end of the bill insert the following: "*Provided,* That no benefits shall accrue by reason of this Act for any period before the date of its enactment, except in the case of such medical or hospitalization expenditures which may be deemed reimbursable."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES F. CONROY

The Clerk called the bill (H.R. 7640) for the relief of James F. Conroy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James F. Conroy, Boston, Massachusetts, the sum of $199.25. Such sum represents the amount of the judgment for which the said James F. Conroy was held liable on November 1, 1957, in the courts of the State of Massachusetts, as the result of an accident which occurred during November 1952, and which involved a Government vehicle being driven by the said James F. Conroy in the course of his duties as an employee of the United States Post Office Department, at Milton, Massachusetts. Such sum shall be paid only on condition that the said James F. Conroy shall use such sum, or so much thereof as may be necessary, to pay such judgment in full: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 10, strike "November" and insert "October".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ORVILLE J. HENKE

The Clerk called the bill (H.R. 8217) for the relief of Orville J. Henke.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Orville J. Henke, Minneapolis, Minnesota, the sum of $120.50. Such sum represents reimbursement to the said Orville J. Henke for paying out of his own funds a judgment rendered against him and costs in the conciliation court, city of Minneapolis, county of Hennepin, State of Minnesota, arising out of an accident occurring when said Orville J. Henke was operating a Government motor vehicle in the course of his duties as an employee of the Post Office Department: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TATSUMI AJISAKA AND OTHERS

The Clerk called the bill (H.R. 8251) for the relief of Tatsumi Ajisaka and others.

There being no objection, the Clerk read the bill, as follows :

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each of the following claimants, or to his survivors, the sum designated, in full satisfaction of his claim against the United States, which sum represents the reasonable value of each claimant's personal property lost, damaged, or destroyed as a result of typhoon "Olive" which occurred at Wake Island on September 16, 1952, where each claimant was required to be incident to his service as an employee of the United States Government:

Tatsumi Ajisaka, $184; Paul Baker, $418.75; George S. Baldwin, $338; Renato Bisagni,

$162; Louis A. Bove, $2,152.94; Lional A. Broad, $702.95; Edward H. Brown, $706; Harold Burguess, $189; Rocco J. Caporaso, $426; Grant Byron Carver, $648; Louis A. Casses, Junior, $175; Elmer M. Chadsey, $741; Clifton J. Champion, Junior, $410; Joe Chang Chang, $950.50; Stanley S. Chapman, $73; Civil Aero Club, $2,505.50; William Edward Cobb, $71; Vivian Eugene Cole, $2,083.94; Francis J. Cooper, Junior, $1,133.50; R. Gerald Cowles, $317.25;

J. Victor Cox, $1,831.45; Joseph H. Cunningham, $210; Keith C. Elliott, $24.15; Paul Ellis, $105; Harold J. Emery, $319; Walter D. Erwin, Junior, $206.25; Joseph K. Ezaki, $61; Ben H. Fancher, $70.54; Harry Feurstein, $325; Alexander Fisher, Senior, $1,205.85; Walton A. Follansbee, $684; James Garrigan, $94.10; John Zell Gaston, doctor of medicine, $1,468.80; William I. Gordon, $595; Attilio F. Gramolini, $687.65; Emil E. Guenther, $119.25; Richard H. Hagenmeyer , $468; Harry H. Hangai, $69; Donald S. Harkins, $60;

Milbur R. Harrington, $276.26; Sadahiro Hatada, $131.40; Gonzalo T. Hernandez, $491.60; Harry V. Hightman, $1,233.49; Richard F. Jipp, $207; Newton O. Johnson, $153; George Kaheiki, $420.60; Kahalepea Kaheiki, $148; Abraham Kamahana, $215.50; Warren A. Kernaghan, $263.50; James Kiakona, $942; Tetusuo Kobayaski, $145.50; Tandy Kualii, $89.20; Samuel K. Lee Loy, $58; F. William LeFevre, $243.50; Emil C. Lohrke, $372.75; James D. Lott, $555; Adolphus A. Mason, $3,858.06; Philip J. Maxted, $1,741.50; Frank Mazewski, $589;

Jimmie M. McAdams, $1,196; Von McFarland, $154.95; Ralph M. Mitsui, $20; James T. Moran, $352; Frederick A. Morse, $506.25; Minoru Murakami, $40; John A. Murray, Junior, $391; Thomas D. Musson, $749.30; Frederick E. Mustermann, $180; Soyel Nakasone, $340.30; Luther Nathaniel, $220.50; Harold B. Ohata, $76; Larry Y. Okamoto, $140; Yutaka Okimoto, $161.05; Patrick L. O'Sullivan, $169.15; Eugene M. Owens, $489.75; James L. Parr, $112.90; Howard Robert Pearson, $52; Thomas F. Plumley, $204.25; John J. Ponikvar, $75; Clyde V. Preece, $966; George A. Puckett, $515.60; Haden E. Rogers, $1,031.50;

Pablo Santos, $144.40; Masakazu Sasaki, $241.95; John W. Schneider, $1,775.78; Ellend A. Sime, $210.79; Robert B. Stein, $541.70; Frederick A. Stolz, $253.95; David S. Sugimoto, $259.70; Edward Tom Hoon, $1,126.50; Archibald B. Trent, $1,145.46; Emil C. Treskon, $173; Roland S. Tsuhako, $286; Harold Q. Van Dyke, Junior, $191; Nathan S. Waldrop, $760.60; Clyde L. Walsworth, $40; Daniel A. Ward, $346; Charles R. Whitfield, $159; Charles W. Wiedeman, $267; Homer L. Willess, $2,552.50; Raymond E. Wiseman, $2,888.65; Edward T. S. Wong, $477; Chester W. Yasuda, $41.35: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. This Act shall become effective immediately upon its enactment.

With the following committee amendment:

Page 2, line 21, after "Guenther, $119.25;" insert "Carl H. Gustaveson, $126;".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR C. BERRY AND OTHERS

The Clerk called the bill (H.R. 8312) for the relief of Arthur C. Berry and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the hereinafter named persons are relieved of all liability to refund to the United States the amounts listed opposite their names or such lesser amounts as may be outstanding on the date of enactment of this Act. Said amounts represent overpayments of retired or retainer pay resulting, through no fault of the payees, from erroneous computations of retired and retainer pay, due them from the Department of the Navy, or the amount of service on which such pay was based in the several amounts set opposite their respective names as listed herein: Chief Yeoman Arthur C. Berry, United States Fleet Reserve, $1,801.72; Chief Boatswain's Mate William W. Brewer, United States Fleet Reserve, $236.75; Lieutenant Commander William R. Davis, United States Naval Reserve (retired), $90; Machinist's Mate First Class Rufino De Las Penas, United States Fleet Naval Reserve, $190; Chief Commissaryman Theodore E. Denno, United States Fleet Reserve, $44; Chief Boatswain's Mate Albert T. Diedrich, United States Fleet Reserve, $462.77; Chief Pay Clerk (W–3) Stephen Hruska, United States Navy (retired), $320.58; Lieutenant (junior grade) Thomas C. Ingle, United States Navy (retired), $123.60; Lieutenant (junior grade) Bruce C. Jeppson, Medical Corps, United States Naval Reserve (retired), $37.02; Chief Machinist's Mate James L. Keppel, United States Fleet Reserve, $1,439.28; Commander Austin S. Kibbee, United States Naval Reserve (retired), $5,847.85; Chief Aviation Structural Mechanic Lee J. King, United States Fleet Reserve, $85.68; Lieutenant John J. Lowe, United States Navy (retired), $1,161.76; Chief Machinist Donald A. McFarland, United States Navy (retired), $1,395.64; Chief Boatswain Hugh F. MacNichol, United States Navy (retired), $9,686; Chief Machinist's Mate Everett Murphy, United States Fleet Reserve, $340; Chief Storekeeper Arthur V. Newell, United States Fleet Reserve, $1,839.21; Lieutenant Commander Benjamin D. Parish, Medical Corps, United States Naval Reserve (retired), $48.42; Chief Warrant Officer Opie G. Ray (W–2), United States Navy (retired), $742; Ensign Nathan R. Sewell, Junior, United States Naval Reserve (retired), $549.18; Rear Admiral Kirby Smith, Civil Engineer Corps, United States Naval Reserve (retired), $4,400; Boatswain's Mate First Class Anastacio Torres, United States Navy (retired), $184.24; Chief Pharmacist James W. Walker, United States Navy (retired), $665.28; Lieutenant George A. Whitlock, United States Navy (retired), $1,783.92.

SEC. 2. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMERICAN PRESIDENT LINES, LTD., ET AL.

The Clerk called the bill (H.R. 8653) for the relief of American President Lines, Ltd., Nitto Shosen Co., Ltd., and Koninklijke Java-China-Paketvaart Lijnen N.V. (Royal Interocean Lines).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to American President Lines, Ltd., 311 California Street, San Francisco, California, the sum of $2,578.50, in full settlement of all claims against the United States for damages to the steamship Albion Victory, which occurred on June 14, 1951, at Pusan, Korea; to Nitto Shosen Co., Ltd., Kishimoto Building, 18 Marunouchi 2-Chome, Chiyoda-Ku, Tokyo, Japan, the sum of $5,555.55, in full settlement of all claims against the United States for damages to the steamship Ritsuei Maru, which occurred on November 5, 1953, at Inchon, Korea; and to Koninklijke Java-China-Paketvaart Lijnen N.V. (Royal Interocean Lines), Prins Hendrikkage 108–114, Amsterdam C., Holland, the sum of $470.20, in full settlement of all claims against the United States for damages to the motorship Tjisadane, which occurred on February 18, 1956, at Naha, Okinawa: *Provided,* That no part of the amounts appropriated in this Act, in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon his conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 11, strike out "in excess of 10 per centum thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES H. BIEDERMAN

The Clerk called the bill (H.R. 8761) for the relief of Charles H. Biederman.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SENDING THE BILL (H.R. 7694) WITH ACCOMPANYING PAPERS TO THE U.S. COURT OF CLAIMS

The Clerk called the resolution (H. Res. 351) providing for sending the bill (H.R. 7694) with accompanying papers to the U.S. Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H.R. 7694) entitled "A bill for the relief of Robert H. Point," together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections, and report to the House of Representatives at the earliest practicable date, giving findings of

fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable against the United States, and the amount, if any, legally or equitably owing by the United States to the claimant.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WILLIAM JAMES HARKINS AND THOMAS LLOYD HARKINS

The Clerk called the bill (S. 2027) for the relief of William James Harkins and Thomas Lloyd Harkins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, William James Harkins and Thomas Lloyd Harkins, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Lewis James Harkins, citizens of the United States: *Provided,* That the natural mother of William James Harkins and Thomas Lloyd Harkins shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEOKADIA JOMBOSKI

The Clerk called the bill (S. 2050) for the relief of Leokadia Jomboski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Leokadia Jomboski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee: *Provided,* That the natural parents of Leokadia Jomboski shall not, by virtue of such parentage, be accorded any right, privilege or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IRENE WLADYSLAWA BURDA

The Clerk called the bill (S. 2102) for the relief of Irene Wladyslawa Burda.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Irene Wladyslawa Burda, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Edward Burda, citizens of the United States: *Provided,* That the natural parents of the said Irene Wladyslawa Burda shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMITTING THE VESSEL "JOHN F. DREWS" TO AMERICAN REGISTRY

The Clerk called the bill (H.R. 3792) to admit the vessel *John F. Drews* to American registry and to permit its use in the coastwise trade while it is owned by Merritt-Chapman & Scott Corp. of New York.

Mr. JOHNSON of Maryland. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

CHUNG CHING WEI

The Clerk called the bill (S. 1915) for the relief of Chung Ching Wei.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Chung Ching Wei shall be held and considered to have been lawfully admitted to the United States for permanent residence as of March 18, 1947.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YADWIGA BOCZAR

The Clerk called the bill (S. 2081) for the relief of Yadwiga Boczar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Yadwiga Boczar, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Joseph Pelczar, citizens of the United States: *Provided,* That the natural parents of the said Yadwiga Boczar shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OURIANIA BEN BLIKAS

The Clerk called the bill (S. 2101) for the relief of Ourania Ben Blikas.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RECONVEYANCE TO SOPHRONIA SMILEY DELANEY AND HER SONS

The Clerk called the bill (S. 6) to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture shall convey by quitclaim deed to Sophronia Smiley Delaney, Woodworth, Louisiana, and her sons Charles Franklin Delaney, Junior, Jimmie Scott Delaney, and Jack Richard Delaney, upon the payment by them to the United States of the sum of $2,500, all right, title, and interest of the United States in and to the real property described in section 2, which land was acquired by the United States at a cost of $2,500 for use in connection with Camp Claiborne, Louisiana, during World War II.

SEC. 2. The real property referred to in the first section of this Act is more particularly described as follows: South half of northeast quarter and north half of southeast quarter of section 8, township 2 north, range 2 west, Louisiana meridian, containing 160 acres, more or less, Rapides Parish, Louisiana.

With the following committee amendment:

Page 1, line 7, strike out "$2,500" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that the further call of the Calendar be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

NET OPERATING CARRYBACKS RESULTING FROM RENEGOTIATION

Mr. MILLS submitted a conference report and statement on the bill (H.R. 2906) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts.

GOVERNMENT EMPLOYEES HEALTH BENEFITS PROGRAM

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2162) to provide a health benefits program for Government employees, with an amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert: That this Act may be cited as the 'Federal Employees Health Benefits Act of 1959'.

"DEFINITIONS

"SEC. 2. As used in this Act—

"(a) 'Employee' means an appointive or elective officer or employee in or under the executive, judicial, or legislative branch of the United States Government, including a Government-owned or controlled corporation (but not including any corporation under

the supervision of the Farm Credit Administration, of which corporation any member of the board of directors is elected or appointed by private interests), or of the municipal government of the District of Columbia, and includes an Official Reporter of Debates of the Senate and a person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties, and an employee of Gallaudet College, but does not include (1) a member of a 'uniformed service' as such term is defined in section 1072 of title 10 of the United States Code, (2) a noncitizen employee whose permanent-duty station is located outside a State of the United States or the District of Columbia, or (3) an employee of the Tennessee Valley Authority.

"(b) 'Government' means the Government of the United States of America (including the municipal government of the District of Columbia).

"(c) 'Annuitant' means—

"(1) an employee who on or after the effective date of the provisions referred to in section 15 retires on an immediate annuity, under the Civil Service Retirement Act or other retirement system for civilian employees of the Government, after twelve or more years of service or for disability,

"(2) a member of a family who receives an immediate annuity as the survivor of a retired employee described in clause (1) or of an employee who dies after completing five or more years of service,

"(3) an employee who receives monthly compensation under the Federal Employees' Compensation Act as a result of injury sustained or illness contracted on or after such date of enactment and who is determined by the Secretary of Labor to be unable to return to duty, and

"(4) a member of a family who receives monthly compensation under the Federal Employees' Compensation Act as the surviving beneficiary of (A) an employee who, having completed five or more years of service, dies as a result of illness or injury compensable under such Act or (B) a former employee who is separated after having completed five or more years of service and who dies while receiving monthly compensation under such Act on account of injury sustained or illness contracted on or after such date of enactment and has been held by the Secretary of Labor to have been unable to return to duty.

For the purpose of this subsection, "service" means service which is creditable for the purposes of the Civil Service Retirement Act.

"(d) 'Member of family' means an employee's or annuitant's spouse and any unmarried child (1) under the age of nineteen years (including (A) an adopted child, and (B) a stepchild or recognized natural child who lives with the employee or annuitant in a regular parent-child relationship), or (2) regardless of age who is incapable of self-support because of mental or physical incapacity that existed prior to his reaching the age of nineteen years.

"(e) 'Dependent husband' means a husband who is incapable of self-support by reason of mental or physical disability which can be expected to continue for more than one year.

"(f) 'Health benefits plan' means a group insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar group arrangement provided by a carrier for the purpose of providing, paying for, or reimbursing expenses for health services.

"(g) 'Carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the cost, of health services under group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of premiums or other periodic charges payable to the carrier, including a health benefits plan duly sponsored or underwritten by an employee organization.

"(h) 'Commission' means the United States Civil Service Commission.

"(i) 'Employee organization' means an association or other organization of employees which—

"(1) is national in scope or

"(2) in which membership is open to all employees of a Government department, agency, or independent establishment who are eligible to enroll in a health benefits plan under this Act,

and which on or before December 31, 1959, applies to the Commission for approval of a plan provided for by section 4(3) of this Act.

"ELECTION OF COVERAGE

"SEC. 3. (a) Any employee may, at such time, in such manner, and under such conditions of eligibility as the Commission may by regulation prescribe, enroll in an approved health benefits plan described in section 4 either as an individual or for self and family. Such regulations may provide for the exclusion of employees on the basis of the nature and type of their employment or conditions pertaining thereto, such as, but not limited to, short-term appointments, seasonal or intermittent employment, and employment of like nature, but no employee or group of employees shall be excluded solely on the basis of the hazardous nature of their employment.

"(b) Any annuitant who at the time he becomes an annuitant shall have been enrolled in a health benefits plan under this Act—

"(1) for a period not less than (A) the five years of service immediately preceding retirement or (B) the full period or periods of service between the last day of the first period, as prescribed by regulations of the Commission, in which he is eligible to enroll in such a plan and the date on which he becomes an annuitant, whichever is shorter, or

"(2) as a member of the family of an employee or annuitant—

may continue his enrollment under such conditions of eligibility as may be prescribed by regulations of the Commission.

"(c) If an employee has a spouse who is an employee, either spouse (but not both) many enroll for self and family, or either spouse may enroll as an individual, but no person may be enrolled both as an employee or annuitant and as a member of the family.

"(d) A change in the coverage of any employee or annuitant, or of any employee or annuitant and members of his family, enrolled in a health benefits plan under this Act may be made by the employee or annuitant upon application filed within sixty days after the occurrence of a change in family status or at such other times and under such conditions as may be prescribed by regulations of the Commission.

"(e) A transfer of enrollment from one health benefits plan described in section 4 to another such plan may be made by an employee or annuitant at such times and under such conditions as may be prescribed by regulations of the Commission.

"HEALTH BENEFITS PLANS

"SEC. 4. The Commission may contract for or approve the following health benefits plans:

"(1) SERVICE BENEFIT PLAN.—One Government-wide plan (offering two levels of benefits) under which payment is made by a carrier under contracts with physicians, hospitals, or other providers of health services for benefits of the types described in section 5(1) rendered to employees or annuitants, or members of their families, or, under certain conditions, payment is made by a carrier to the employee or annuitant or member of his family.

"(2) INDEMNITY BENEFIT PLAN.—One Government-wide plan (offering two levels of benefits) under which a carrier agrees to pay certain sums of money, not in excess of the actual expenses incurred, for benefits of the types described in section 5(2).

"(3) EMPLOYEE ORGANIZATION PLANS.—Employee organization plans which offer benefits of the types referred to in section 5(3), which are sponsored or underwritten, and are administered, in whole or substantial part, by employee organizations, which are available only to persons (and members of their families) who at the time of enrollment are members of the organization, and which on July 1, 1959, provided health benefits to members of the organization.

"(4) COMPREHENSIVE MEDICAL PLANS.—

"(A) GROUP-PRACTICE PREPAYMENT PLANS.—Group-practice prepayment plans which offer health benefits of the types referred to in section 5(4), in whole or in substantial part on a prepaid basis, with professional services thereunder provided by physicians practicing as a group in a common center or centers. Such a group shall include physicians representing at least three major medical specialities who receive all or a substantial part of their professional income from the prepaid funds.

"(B) INDIVIDUAL-PRACTICE PREPAYMENT PLANS.—Individual-practice prepayment plans which offer health services in whole or substantial part on a prepaid basis, with professional services thereunder provided by individual physicians who agree, under certain conditions approved by the Commission, to accept the payments provided by the plans as full payment for covered services rendered by them including, in addition to in-hospital services, general care rendered in their offices and the patients' homes, out-of-hospital diagnostic procedures, and preventive care, and which plans are offered by organizations which have successfully operated such plans prior to approval by the Commission of the plan in which employees may enroll.

"TYPES OF BENEFITS

"SEC. 5. The benefits to be provided under plans described in section 4 may be of the following types:

"(1) SERVICE BENEFIT PLAN.—

"(A) Hospital benefits.

"(B) Surgical benefits.

"(C) In-hospital medical benefits.

"(D) Ambulatory patient benefits.

"(E) Supplemental benefits.

"(F) Obstetrical benefits.

"(2) INDEMNITY BENEFIT PLAN.—

"(A) Hospital care.

"(B) Surgical care and treatment.

"(C) Medical care and treatment.

"(D) Obstetrical benefits.

"(E) Prescribed drugs, medicines, and prosthetic devices.

"(F) Other medical supplies and services.

"(3) EMPLOYER ORGANIZATION PLANS.—Benefits of the types specified in this section under paragraph (1) or (2) or both.

"(4) COMPREHENSIVE MEDICAL PLANS.—Benefits of the types specified in this section under paragraph (1) or (2) or both.

"All plans contracted for under paragraphs (1) and (2) shall include benefits both for costs associated with care in a general hospital and for other health service costs of a catastrophic nature.

"CONTRACTING AUTHORITY

"SEC. 6. (a) The Commission is authorized, without regard to section 3709 of the Revised Statutes or any other provision of law requiring competitive bidding, to enter into contracts with qualified carriers offering plans described in section 4. Each such contract shall be for a uniform term of at least one year, but may be made automati-

cally renewable from term to term in the absence of notice of termination by either party.

"(b)(1) To be eligible as the carrier for the plan described in section 4(2), a company must be licensed to issue group health insurance in all the States of the United States and the District of Columbia.

"(2) Each contract for a plan described in paragraph (1) or (2) of section 4 shall require the carrier—

"(A) to reinsure with such other companies as may elect to participate, in accordance with an equitable formula based on the total amount of their group health insurance benefit payments in the United States during the latest year for which such information is available, to be determined by the carrier and approved by the Commission, or

"(B) to allocate its rights and obligations under the contract among such of its affiliates as may elect to participate, in accordance with an equitable formula to be determined by the carrier and such affiliates and approved by the Commission.

"(c) Each contract under this Act shall contain a detailed statement of benefits offered and shall include such maximums, limitations, exclusions, and other definitions of benefits as the Commission may deem necessary and desirable.

"(d) The Commission is authorized to prescribe regulations fixing reasonable minimum standards for health benefits plans described in section 4 and for carriers offering such plans. Approval of such a plan shall not be withdrawn except after notice, and opportunity for hearing without regard to the Administrative Procedure Act, to the carrier or carriers concerned.

"(e) No contract shall be made or plan approved which excludes any person because of race, sex, health status, or, at the time of the first opportunity to enroll, because of age.

"(f) No contract shall be made or plan approved which does not offer to each employee and annuitant whose enrollment in the plan is terminated, other than by a cancellation of enrollment, a temporary extension of coverage during which he may exercise the option to convert, without evidence of good health, to a nongroup contract providing health benefits. An employee or annuitant who exercises this option shall pay the full periodic charges of the nongroup contract, on such terms or conditions as are prescribed by the carrier and approved by the Commission.

"(g) The benefits and coverage made available pursuant to the provisions of subsection (f) shall, at the option of the employee or annuitant, be noncancelable by the carrier except for fraud, overinsurance, or nonpayment of periodic charges.

"(h) Rates charged under health benefits plans described in section 4 shall reasonably and equitably reflect the cost of the benefits provided. Rates under health benefits plans described in section 4 (1) and (2) shall be determined on a basis which, in the judgment of the Commission, is consistent with the lowest schedule of basic rates generally charged for new group health benefit plans issued to large employers; rates determined for the first contract term shall be continued for subsequent contract terms, except that they may be readjusted for any subsequent term, based on past experience and benefit adjustments under the subsequent contract; any readjustment in rates shall be made in advance of the contract term in which they will apply and on a basis which, in the judgment of the Commission, is consistent with the general practice of carriers which issue group health benefit plans to large employers.

"CONTRIBUTIONS

"SEC. 7. (a)(1) Except as otherwise provided in this subsection, the contribution of the Government to the subscription charge of a plan for each enrolled employee or annuitant shall be such amounts as the Commission by regulation may from time to time prescribe. The amounts so prescribed shall not—

"(A) be less than $1.25 or more than $1.75 biweekly for an employee or annuitant who is enrolled for self alone, or

"(B) be less than $3 or more than $4.25 biweekly for an employee or annuitant who is enrolled for self and family, except that if a nondependent husband is a member of the family of a female employee or annuitant who is enrolled for herself and family the amount so prescribed shall not be less than $1.75 or more than $2.50 biweekly.

"For an employee or annuitant enrolled in a plan described under section 4 (3) or (4) whose biweekly subscription charge is less than $2.50 for an employee or annuitant enrolled for self alone or $6 for an employee or annuitant enrolled for self and family, the contribution of the Government shall be 50 per centum of such subscription charge, except that if a nondependent husband is a member of the family of a female employee or annuitant who is enrolled for herself and family the contribution of the Government shall be 30 per centum of such subscription charge.

"(2) There shall be withheld from the salary of each enrolled employee or annuity of each enrolled annuitant so much as is necessary, after deducting the contribution of the Government, to pay the total charge for his enrollment. The amount withheld from the annuity of an annuitant shall be equal to the amount withheld from the salary of an employee when both are enrolled in the same plan providing the same health benefits.

"(3) The contributions of the Government as initially determined by the Commission and the contributions of the employees and annuitants may from time to time be readjusted, subject to the limitations on amounts contained in paragraph (1), on the basis of past experience and proposed benefit adjustments, such readjustment to be in the same ratio as the contributions of the Government bear to the contributions of the employees and annuitants at the time of the initial determination by the Commission.

"(b) An employee enrolled in a health benefits plan under this Act who is placed in a leave without pay status may have his coverage and the coverage of members of his family continued under such plan for a period not to exceed one year in accordance with regulations prescribed by the Commission. Such regulations may provide for the waiving of contributions by the employee and the Government.

"(c) The same authorized to be contributed by the Government with respect to any employee shall be paid from—

"(1) the appropriation or fund which is used for payment of the salary, wage, or other compensation of such employee,

"(2) in the case of an elected official, from such appropriation or fund as may be available for payment of other salaries of the same office or establishment,

"(3) in the case of an employee in the legislative branch whose salary, wage, or other compensation is disbursed by the Clerk of the House of Representatives, from the contingent fund of the House, and

"(4) in the case of an employee in a leave without pay status, from the appropriation or fund which would be used for the payment of the salary of such employee if he were in a pay status.

The sums authorized by subsection (a)(1) to be contributed by the Government with respect to any annuitant shall be paid from annual appropriations which are hereby authorized to be made for such purpose.

"(d) The Commission shall provide for conversion of rates of contribution specified in this section in the cases of employees and annuitants paid on other than a biweekly basis, and for this purpose may provide for adjustment of any such rate to the nearest cent.

"EMPLOYEES HEALTH BENEFITS FUND

"SEC. 8. (a) There is hereby created an Employees Health Benefits Fund, hereinafter referred to as the "Fund", to be administered by the Commission, which is hereby made available without fiscal year limitations for all payments to approved health benefits plans. The contributions of employees, annuitants, and the Government described in section 7 shall be paid into the Fund.

"(b) Portions of the contributions made by employees, annuitants, and the Government shall be regularly set aside in the Fund as follows: (1) a percentage, not to exceed 1 per centum of all such contributions, determined by the Commission as reasonably adequate to pay the administrative expenses made available by section 9; (2) for each health benefits plan, a percentage, not to exceed 3 per centum of the contributions toward such plan, determined by the Commission as reasonably adequate to provide a contingency reserve. The income derived from any dividends, rate adjustments, or other refunds made by a plan shall be credited to its contingency reserve. The contingency reserves may be used to defray increases in future rates, or may be applied to reduce the contributions of employees and the Government to, or to increase the benefits provided by, the plan from which such reserves are derived, as the Commission shall from time to time determine.

"(c) The Secretary of the Treasury is authorized to invest and reinvest any of the moneys in the Fund in interest-bearing obligations of the United States and to sell such obligations of the United States for the purposes of the Fund. The interest on and the proceeds from the sale of any such obligations shall become a part of the Fund.

"ADMINISTRATIVE EXPENSES

"SEC. 9. (a) There are hereby authorized to be expended from the Employees' Life Insurance Fund, without regard to limitations on expenditures from that Fund, for the fiscal years 1960 and 1961, such sums as may be necessary to pay administrative expenses incurred by the Commission in carrying out the health benefits provisions of this Act. Reimbursements to the Employees' Life Insurance Fund for sums so expended, together with interest at a rate to be determined by the Secretary of the Treasury, shall be made from the Employees Health Benefits Fund.

"(b) The Employees Health Benefits Fund is hereby made available (1) to reimburse the Employees' Life Insurance Fund for sums expended by the Commission in administering the provisions of this Act for the fiscal years 1960 and 1961 and (2), within such limitations as may be specified annually by the Congress, to pay such expenses for subsequent fiscal years.

"ADMINISTRATION

"SEC. 10. (a) The Commission is authorized to promulgate such regulations as may be necessary to carry out the provisions of this Act.

"(b) Regulations of the Commission shall include regulations with respect to the beginning and ending dates of coverage of employees and annuitants and members of their families under health benefits plans, and for such purpose may permit such coverage to continue, exclusive of the temporary extension of coverage described in section 6(f), until the end of the pay period in which an employee is separated from service or until the end of the month in which an

annuitant ceases to be entitled to annuity, and in case of the death of such employee or annuitant may permit a temporary extension of the coverage of the members of his family for a period not to exceed ninety days.

"(c) Any employee enrolled in a plan under this Act who is removed or suspended without pay and later reinstated or restored to duty on the ground that such removal or suspension was unjustified or unwarranted shall not be deprived of coverage or benefits for the interim but shall have his coverage restored to the same extent and effect as though such removal or suspension had not taken place, and appropriate adjustments shall be made in premiums, subscription charges, contributions, and claims.

"(d) The Commission shall make available to each employee eligible to enroll in a health benefits plan under this Act such information, in a form acceptable to the Commission after consultation with the carrier, as may be necessary to enable such employee to exercise an informed choice among the types of plans referred to in section 4. Each employee enrolled in such a health benefits plan shall be issued an appropriate document setting forth or summarizing the services or benefits (including maximums, limitations, and exclusions), to which the employee, or the employee and members of his family, are entitled thereunder, the procedure for obtaining benefits, and the principal provisions of the plan affecting the employee or members of his family.

"STUDIES, REPORTS, AND AUDITS

"SEC. 11. (a) The Commission shall make a continuing study of the operation and administration of this Act, including surveys and reports on health benefits plans available to employees and on the experience of such plans.

"(b) The Commission shall include provisions in contracts with carriers which would require carriers to (1) furnish such reasonable reports as the Commission determines to be necessary to enable it to carry out its functions under this Act, and (2) permit the Commission and representatives of the General Accounting Office to examine records of the carriers as may be necessary to carry out the purposes of this Act.

"(c) Each Government department, agency, and independent establishment shall keep such records, make such certifications, and furnish the Commission with such information and reports as may be necessary to enable the Commission to carry out its functions under this Act.

"REPORTS TO CONGRESS

"SEC. 12. The Commission shall transmit to the Congress annually a report concerning the operation of this Act.

"ADVISORY COMMITTEE

"SEC. 13. The Chairman of the Commission shall appoint a committee composed of five members who shall serve without compensation, to advise the Commission regarding matters of concern to employees under this Act. Each member of such committee shall be an employee enrolled under this Act or an elected officer of an employee organization.

"JURISDICTION OF COURTS

"SEC. 14. The district courts of the United States shall have original jurisdiction, concurrent with the Court of Claims, of any civil action or claim against the United States founded upon this Act.

"EFFECTIVE DATE

"SEC. 15. The provisions of this Act relating to the enrollment of employees and annuitants in health benefits plans and the withholding and payment of contributions shall take effect on the first day of the first pay period which begins on or after July 1, 1960."

The SPEAKER pro tempore. Is a second demanded?

Mr. REES of Kansas. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. MURRAY] will be recognized for 20 minutes, and the gentleman from Kansas [Mr. REES] for 20 minutes.

The gentleman from Tennessee is recognized.

Mr. MURRAY. Mr. Speaker, I have requested consideration of S. 2162 under suspension of the rules in order that a Federal employees health benefits program may receive final approval in this session of Congress. The period between date of enactment and the effective date—next July 1—will be needed for the Civil Service Commission to work out the necessary regulations and the contracts with the various carriers.

Legislation providing for voluntary health insurance for Federal employees has been before the Congress for the past 5 years. On each occasion it seems there has been difficulty in meeting objections voiced by those who would provide the health benefits and by the employees who would pay a share of the costs, as well as objections by the Government which would be called upon to pay a substantial amount toward the health program proposed for its employees.

I believe that I can say, Mr. Speaker, that this legislation now represents a meeting of the minds of all concerned. It has been greeted with enthusiasm on the part of Federal employees and I think it is considered a very happy solution by those who will provide the services. I also feel assured that the Government agencies concerned are pleased with the committee bill.

In general this legislation provides for the establishment of a health benefits program for Federal employees which will include both basic hospitalization and medical services and extended, or "catastrophic illness," coverage. The minimum biweekly contributions by the Government will be $3 for an employee and family and $1.25 for an individual employee, except that if 50 percent of the subscription charge is less than such minimum the Government will pay the 50 percent. The bill fixes the maximum biweekly Government contribution at $4.25 for an employee and family and $1.75 for an individual employee. Each employee will pay the difference between the Government contribution and the total subscription charge. This will permit employees to obtain coverage best suited to their individual needs. For example, an employee with only one dependent may obtain a plan, suited to his income, to which the Government contributes substantially one-half of the cost, while another employee with heavier responsibilities may obtain a plan with broader benefits to suit his needs by paying somewhat over 50 percent of the cost.

Under the bill as reported by our committee, Federal employees will be given a choice of four different types of health insurance plans. They may select any one of these and it is expected as between the different types there will be sufficient competition to require that those providing the services or indemnities will have to come forth with their very best proposals. In fact, the Civil Service Commission, which is charged with carrying out this program, is enjoined to be sure that the services and charges are at least comparable with the largest group health insurance programs existing in private industry.

The choices of plans which the Federal employees may select are as follows:

First. The service plan or the type of plan generally carried out by Blue Cross-Blue Shield organization;

Second. The indemnity type plan provided by insurance companies;

Third. Certain specific plans presently carried by Federal employee organizations; and

Fourth. The group practice prepayment plan, among the best known being Group Health Association here in Washington and Group Health Insurance Plan in New York State.

The bill differs from the Senate passed bill in a number of important respects. These differences, in the judgment of our committee, represent improvements and meet objections that were presented to us at our hearings.

I might say to you that the committee held full and complete hearings on this legislation. Following these hearings, we drew up the amendment to the Senate bill which is a new bill and represents the committee's views. It has the unanimous approval of our committee.

The following are the major differences between our committee bill and the bill as it passed the Senate:

First, we eliminated the retroactive provision of the bill as it would have applied to employees retiring involuntarily after the passage of the bill but before its effective date on July 1, 1960.

Our bill revises the definition covering employee group health plans which would be eligible under the bill. As it passed the Senate, the bill would make eligible only the health plans of national employee groups which are bona fide labor organizations. It would have excluded nearly 300,000 individuals covered by other plans—including groups presently enrolled under health plans—such as employees of the Federal Bureau of Investigation, the Central Intelligence Agency, the National Security Agency, and others. Our bill provides a definition which permits these organizations to continue their plans and come under the provisions of S. 2162.

The most important provision, of course, is the sharing of the cost by the Government. Under our bill the service plan and indemnity contracts will have two levels of benefits. This will

permit those requiring greater coverage to obtain such a program. The Federal Government, however, would pay the same toward each plan regardless of level of benefits. The additional cost would be paid by the employee.

The bill as passed the Senate contained considerable detail with respect to the service benefit plan. It was the view of our committee that this was misleading and that if all the benefits listed were to be provided, they could be provided at best for no more than 1 year without an increase in the maximum payment contained in the bill for the Federal Government. These descriptions are eliminated in our committee bill, permitting the Civil Service Commission more latitude in working out a health program which is adequate.

While the Senate bill established maximum biweekly employee contributions under the bill, with a matching Government contribution, there is no provision for a minimum contribution.

The Civil Service Commission testified before our committee that they interpreted the Senate-passed bill to permit them to provide any type of a health benefits plan up to the maximum cost. Our committee bill retains the same maximum contribution on the part of the Federal Government. However, it writes in a minimum contribution provision, which in our judgment, is needed in order to establish an adequate program. It also provides sufficient flexibility between the minimum contribution and the maximum contribution so that the program may be operated for a reasonable period of time before rising hospital and medical costs require increases in premiums.

The House bill requires the Civil Service Commission to set aside a contingency reserve of not more than 3 percent of the total contributions. The Senate bill did not contain such a provision, but in the Senate committee report on their bill recommended that this reserve be set aside.

The Senate bill recommended the establishment of an Advisory Council with considerable authority and responsibility for administration and operations. This was opposed strongly by the Civil Service Commission and our committee was besieged by requests from almost every branch of the medical profession—and others—to be represented on this Advisory Council. The committee bill replaces this Advisory Council with an authorization to the Chairman of the Civil Service Commission to appoint a five-member advisory committee, to be selected from among Federal employees or officers of Federal employee organizations, to advise on employee problems relating to the program.

The Senate bill would have established a Bureau of Retirement and Insurance within the Civil Service Commission, thus creating a new bureau. This is omitted from our committee bill.

The Senate bill would have required prior submission of contracts to the House and Senate Post Office and Civil Service Committees. This is also omitted from our committee bill.

The estimated first year cost of the legislation, based upon the minimum Government contributions, is $214,000,000—half of which will be paid by the Federal Government and the remaining half by the Federal employees who participate.

Mr. Speaker, I am convinced that we have a good sound health benefits program for our Federal employees as contained in the proposed committee amendment to S. 2162. I do not expect any controversy with respect to this measure. I hope it will receive the overwhelming approval of the House.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I desire to commend the chairman of the Committee on Post Office and Civil Service, Mr. MURRAY, for the manner in which he expedited consideration of this difficult bill in committee; also for the fairness and adequacy of the hearings. I want to join the gentleman in support of this bill.

Mr. MURRAY. I thank the gentleman from Iowa.

Mr. REES of Kansas. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I believe the distinguished chairman of our committee has made a fair explanation of the provisions in this proposed legislation. The intent and purpose of the measure have been pretty well explained. I believe the subject matter is familiar to all Members of the House.

I want to pay special tribute to the chairman who has always favored a sound and workable health benefits program. I know something of the long hours and personal attention he has devoted to this complex legislation.

This is an amended Senate bill. Our committee hearings demonstrated the necessity of resolving the many questions involved in the preparation of this measure. Our committee made many improvements, as I see it, in the bill that came from the other body.

This bill has the unanimous approval of the members of the House Post Office and Civil Service Committee. It has the enthusiastic support of Federal employees. It is approved by the Civil Service Commission. It has the recommendation of all major insurance companies and others who provide for health services. Private enterprise will participate in carrying out the terms of this legislation.

Mr. Speaker, I believe Members of the House are in general support of this program known as the Federal employees' health benefits program. Legislation to establish a health benefits program for Federal employees has been before the House in each Congress beginning with the 83d. It will close a wide gap between Government in its capacity as employer and the employer in private enterprise with respect to health benefits for employees.

Mr. Speaker, reduced to its simplest terms, this legislation is an authorization for the Civil Service Commission, by contract or other suitable arrangement and within certain dollar limitations, to provide Federal civilian employees protection against expenses of medical care and treatment for themselves and families and the often crushing burden of major, or extended, illness or injury.

In other words, the contracting and related authority under which the Civil Service Commission will provide these health benefits for employees is similar, in effect, to contracting authority under which Government departments and agencies procure goods and services to carry out all essential Government programs. In this instance, the services to be procured represent health benefits for Government employees—a type of service now generally recognized as necessary to an effective working relationship between the Government as an employer and its employees.

Viewed in this light, one of the important results under this legislation will be to facilitate and strengthen the conduct of Government activities in general through improved employee relations. The health program will assist in improving the competitive position of the Government, with respect to private enterprise, in the recruitment and retention of competent civilian personnel needed for the conduct of our defense and other essential Government programs.

This benefit to the Government goes hand in hand with the very valuable health protection made readily available to the employees because the Government will share approximately half of the cost. The addition of health benefits to the existing fringe benefits package for Government employees—which now includes retirement and survivor annuities, group life insurance, annual and sick leave, compensation for job-connected injury or death, uniform allowances, and other benefits—will place Government employees' fringe benefits on a par with those offered by the most progressive private industries.

I will touch briefly on several additional points in the bill which I believe warrant special attention by the Members.

The new health benefits plan will be made available to some 2 million employees and their families, or an estimated 4.5 million individuals, without having to pass any physical examination. Should a covered employee leave Government service, he will have the option to convert his coverage to a private plan without having to pass a physical examination. As all of us know, eligibility for health protection under such a liberal provision will be most helpful, particularly among the senior employees and others who would find it difficult to pass physical examinations.

From a standpoint of clarity, also, the reported bill demonstrates the value of the careful consideration given this measure by your Post Office and Civil Service Committee. A great deal of surplus and confusing language has been

eliminated, especially in describing the health benefits which employees will have, making the measure completely understandable for the first time. We have had ample evidence that Government employees and the general public were being completely misled as to the scope and nature of the benefits to be provided under the bill. The proposed committee amendment now before this House removes any possibility of misinterpretation.

During the past several years my studies of proposed health benefit programs for Federal employees have convinced me that the greatest need lies in the area of protection against the cost of extended or "catastrophic" illness or injury. Our committee hearings confirmed this conclusion. We have known that Government employees' participation in so-called basic hospital, medical, and surgical health plans is about on a par with participation by the general public in such plans. Enrollment in these basic plans throughout the United States has grown from 4 million in 1940 to 123 million today, representing 70 percent of the population. Approximately 70 percent of Federal employees presently have this coverage. However, although extended medical coverage for the public has grown from 700,000 in 1952 to 17 million in 1959, only a handful of Federal employees have this protection. This was a matter of primary concern to the committee. The reported bill makes this extremely important protection available to Federal employees, along with the more generally prevalent basic coverage, at a cost within their means.

I also want to point out that no person will be excluded from the new health benefits program because of race, sex, health status, or hazardous nature of employment. Nor will age be any bar at the time of any individual's first opportunity to enroll in the program.

Another major improvement contained in the reported bill is the requirement that the service benefit plan and the indemnity plan—which are expected to be the two largest plans—each must offer at least two levels of benefits. This will enable each and every employee to choose a level of benefits which suits individual and family needs and income. For example, a young employee, in good health and with relatively lesser family responsibilities, may choose a lower level of benefits which will provide protection adequate for his responsibilities, while a senior employee—who well may anticipate the need for a higher level of health benefits—will have access to superior benefits by paying a reasonable additional cost.

It is to be observed, in this connection, that in the original contracts the Government contribution will be exactly the same for the employee who selects the lower level of benefits and the employee who selects the higher level of benefits.

Each employee will have a free choice among health benefit plans in four general categories—a service benefit plan, an indemnity benefit plan, an employee organization plan, and a comprehensive medical plan. There will be one service benefit plan and one indemnity benefit plan, each with two levels of benefits. There may be several employee organization plans and several comprehensive plans, depending upon qualification of existing plans of these types under the standards written into the bill and Civil Service Commission regulations to apply these standards.

Each employee will be furnished full information on all types of plans before he makes his selection, in order to permit him to make an informed choice. Each enrollee under a plan will be given a certificate summarizing the benefits under his plan.

Since this is a program for employees, who will pay half the cost, the reported bill authorizes the Chairman of the Civil Service Commission to appoint a committee of five employees to advise the Commission regarding matters of employee concern. Each member of the committee must be either an employee enrolled in a health benefits plan or an elected officer of an employee organization. This provision insures that the new program will be continued with the same primary objectives intended in the enactment of the legislation, that is, that it shall be a joint Government-employee cooperative health benefit program for Federal employees. Both the Civil Service Commission and the employees will be free at any time to obtain independent advice from medical authorities and from insurance and other providers of health services and benefits.

The Civil Service Commission will submit annual reports covering operations under this legislation, and the Post Office and Civil Service Committee will conduct a continuing review to carry out its responsibility for legislative oversight as provided by section 136 of the Legislative Reorganization Act of 1946.

Mr. Speaker, only in a few instances has there been greater unanimity among the members of the House Post Office and Civil Service Committee than there is with respect to this measure, as reported by the committee. I believe that this enthusiastic and unanimous agreement foretells the overwhelming approval that the bill will receive in this Chamber, so that the Federal employees' health benefits program may become a reality in this session of Congress.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Ohio.

Mr. BOW. The bill provides that it shall include the Official Reporters of Debates in the Senate. Do I understand that it also includes the Official Reporters of Debates in the House?

Mr. REES of Kansas. The House reporters are also included in this bill.

Mr. BOW. The Senate reporters are provided for. I just want the legislative history to show that it includes the Official Reporters of Debates in the House.

Mr. REES of Kansas. I thank the gentleman. The legislative history will show this legislation includes Official Reporters of Debates in the House.

Mr. Speaker, I now yield 4 minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Speaker, I have commented on more than one occasion that the Federal Government has, among many other roles, the role and responsibility of an employer. It is my belief that in the legislation now before the House the Congress and the Government are meeting a very definite and a long-needed responsibility of the Government as an employer. I strongly urge the support and the adoption of this bill.

Mr. Speaker, there is no need to discuss it in great detail, but I should like to point out first of all that the unanimity of the committee in voting out the bill is a tribute to the chairman and the minority leader who both insisted that we have painstaking and thorough hearings on the legislation, and the bill before you is better because those hearings were held. No. 1: The bill is sound in that it provides a maximum of choices to the employee. It provides a maximum of choices both with respect to type of insurance program, covering hospitalization and medical care, and as to the choice that they have between a major emphasis on the catastrophic type of coverage, and the first-cost type of coverage. The fact that they have choices, and that four categories of plans are provided, is the best assurance that we could ask for that the plans will be competitive, and that the maximum benefits will be provided at a minimum of cost to the employee.

I particularly commend the legislation before this House because it provides not only for the so-called service type of program, Blue Cross and Blue Shield, and for the insurance, indemnity underwritten types of programs, but it also preserves those plans which have long been in effect and which are a tribute to the initiative of the employees, sometimes as long as 25 and 20 years ago, in setting up their own group hospitalization programs. Those programs are protected, and the option of continuing under them is provided with Government participation in the contributions being added.

Finally, this legislation clearly vests in the Civil Service Commission administrative responsibility for the program. It provides that that responsibility shall go to the matter of starting with a modest type of program costwise, and yet one which has under it a floor of minimum participation and of minimum benefits. I think the fruits of the efforts of the committee testify to the thoroughness with which it has done its work. We have the opportunity here to provide a major advance in the realm of personnel relations between the Government as an employer and the more than 2 million employees and the members of their families.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. JOHANSEN. I am happy to yield to my colleague on the committee.

Mr. GROSS. Mr. Speaker, while we on the Committee on Post Office and Civil Service think we have brought in a good bill, we are fully aware that we are entering a new and completely untried field so far as the Federal Government is concerned, and there will have to be adjustments made on the basis of trial and error.

Mr. JOHANSEN. The gentleman is entirely correct. That is one reason why we have insisted on a modest start on this program.

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. MORRISON].

Mr. MORRISON. Mr. Speaker, the cost of hospitalization and medical treatment has increased so much in the past few years that it is almost necessary to be either a pauper or a millionaire to obtain adequate medical and hospital treatment. In other words, if you are in poverty, you get it free; you get the finest hospitalization all over the United States in various charity hospitals. On the other hand, if you are a millionaire, you can afford the finest in medical treatment. But, as far as Government employees are concerned, people in an average walk of life, when misfortune strikes them and they need hospitalization, many of them have all their savings wiped out and others in many instances go into debt and remain in debt for the balance of their lives. This bill is the answer, this is it, as far as solving this very serious problem is concerned for all the Federal employees of this great country of ours.

It is necessary that this be enacted into law at this session of Congress because it will take over a year to get this in proper shape, to put it into effect by next July. For 5 years we have tried many times to get an adequate hospitalization bill, something that would come within the responsibilities of the U.S. Government as well as within the reach of the Federal employees. We failed on many occasions. But this time it looks as though we have arrived at a suitable bill. It certainly fills a great need for every Federal employee in this great Nation of ours.

This legislation has been carefully considered in the other body, which passed it. It has been carefully considered by our committee and passed out unanimously.

Mr. Speaker, one of my most gratifying experiences during this session has been the unanimous sentiment of my fellow members of the Post Office and Civil Service Committee in favor of enactment of a health insurance program for Federal civilian employees and their families. The committee voted unanimously to report out the bill S. 2162 which is now before the House. This bill, if enacted, would provide a health insurance program for Federal employees to which both the employees and the Government, as their employer, would make financial contributions.

This enthusiastic and unanimous agreement among the members of our committee followed hard on the heels of the overwhelming approval which this bill, S. 2162, received in the other body. I am certain that it foretells the overwhelming approval the bill will receive in this chamber.

Mr. Speaker, at the end of 1958, 123 million people—70 percent of our population—had some kind of insurance protection against the expenses of illness or injury. During our committee's careful and extensive hearings on S. 2162, it was developed that out of the 123 million who had some form of health insurance protection, approximately 89 million were nongovernment employees and their dependents whose insurance was acquired in connection with their employment. I regret to say that, up to now, our Federal employees cannot be counted among the 89 million citizens covered by an insurance plan which is sponsored by an employer.

The U.S. Government month after month compiles statistics on the ever-increasing costs of medical care and on the trend among employers to help insure their employees against these costs. It is hard to understand why this same Government, in the role of employer, should have gone so long without sponsoring a health insurance plan for its own employees.

Perhaps the explanation for our failure to sponsor a health insurance program is that for an organization as large as the Government, it is an extremely complicated proposition. In any event, it is a matter of record that for at least the last 5 years attempts have been made to enact legislation which would have provided health insurance to Federal employees. It is also a matter of record that each time legislation was introduced, it failed of enactment because the various parties in interest could not agree on the kind of program the Government should sponsor.

Now we have this bill, S. 2162, which would provide the kind of health insurance program upon which all parties in interest are in wholehearted agreement; this includes the administration, the employees, and the insurance companies. I must say that I sincerely admire the chairman and members of the Post Office and Civil Service Committee of the other body for their ability to formulate a legislative measure with which all parties are in accord. It remains only for Members of this body to signify their agreement.

Mr. Speaker, during the extensive hearings before our committee, I was much impressed by two earnest young men who came to testify from New York at their own expense in favor of health insurance legislation. These two young men stated that they were representing some 800 supervisors of the Navy Department who were responsible for the efforts of more than 4,000 scientific personnel in naval establishments across the Nation who were engaged in perfecting nuclear propulsion systems, antisubmarine warfare systems and guided missiles.

These two young men—and I think they are representative of all the scientific and technical people in the Government upon whom our national security largely depends—explained the difficulties they were having in recruiting the scientists and engineers we so badly need. One of the young men stated:

> During recruitment interviews the medical area is painfully avoided. The applicant, however, well aware of the fringe benefits commonly offered by outside industries, invariably raises this issue. Such remarks as, "You mean the Government doesn't have this coverage?" or "Why doesn't the Government have medical coverage? The other two companies I was interviewed by did" are common during any college recruitment session.

This short simple statement eloquently says what many witnesses before our committee tried to communicate: Our continued failure to provide a health insurance program for Federal employees has not only put the Government far behind industry in this respect, it is affecting us where it hurts most—in the area of maintaining our national defense and prestige.

It was my pleasure and privilege to introduce H.R. 8210 which is a companion bill to S. 2162. If this legislation is enacted into law, and I sincerely trust and hope it will be, it will be a great day for the loyal employees of our Government and will help to prevent untold suffering and thereby greatly help those people when they are in need of adequate hospital care and medical treatment.

Mr. REES of Kansas. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, as the sponsor of two Federal employee health insurance bills very similar to S. 2162, I view the consideration of the present proposal with considerable interest. May I therefore urge the passage of this worthy legislation without delay.

We have deprived the employees of the Federal Government of benefits taken for granted by the other segments of our economy long enough. More than 75 percent of the 123 million persons who are enrolled in prepaid health benefit plans in the United States today are enrolled through the places where they work. This is indeed a clear indication of the wide acceptance by private employers of their employees' right to certain health benefits. I can see no reason for the Federal Government to provide less for the more than two million persons it employs than does private industry. Certainly the financial rewards of Government service are not so great that we can afford to ignore the importance of job-related health benefits.

We are most fortunate that the legislation before us today has received close and thorough scrutiny. For a dozen years measures to provide health insurance coverage to Federal employees have been presented to Congress. S. 2162 is very similar to a number of bills, including my own, introduced in both Houses of Congress during this session. It is a careful compromise with the wishes of the administration. The Senate has given the measure overwhelming endorsement. This House, I hope, will do the same. S. 2162 also has the support

of interested organizations—the insurance industry and the voluntary plans, the American Medical Association and the American Hospital Association, as well as Federal employee unions.

There has been some discussion as to whether the Government's share of this program would constitute too great a financial burden. May I remind the critics of S. 2162 that the original bill considered by the Senate committee provided for a Government payment of two-thirds of the cost of the bill. The 50–50 sharing of cost under this proposal seems to me to be an equitable and reasonable compromise.

Perhaps the outstanding merit of this bill is that it would provide Federal employees with generous health benefits at a cost which they can afford, and without having to pass physical examinations. Studies of popular attitudes toward health insurance reveal that a primary reason for lack of coverage is the expense of certain plans. The range of minimum and maximum biweekly premiums under this plan—from $1.25 to $1.75 for individual employees and from $3 to $4.25 for employees with families eliminates this drawback.

Another reason frequently cited for lack of coverage is that insurance benefits have been lost upon change of job. S. 2162 would not only provide that retired employees continue to receive benefits upon payment of their share of the premium, but also permit employees to convert their coverage if they left the Government.

I want to emphasize, too, that the health benefits provided by the bill are broadly protective. There is no fine print. Under S. 2162 Federal employees could receive not only generous basic health benefits but also major medical expense benefits. Hospital care, surgery, and limited care for tuberculosis and nervous or mental conditions would be included among the basic health benefits. We were gratified to hear Blue Cross officials promise that they would be willing to provide the maximum basic benefits, such as 120 days of hospital care under the maximum contribution rates, as spelled out in the bill.

The major medical provisions of S. 2162, which supplement the basis benefits of the bill, would provide Federal employees with coverage frequently excluded from voluntary health insurance plans. Enrollment in major medical plans providing protection for expenses of so-called "catastrophic" illness or injury has grown from 500,000 in 1952 to 17 million today—yet only a handful of Federal employees have been able to afford this protection. S. 2162 will close this serious gap in health benefits for Federal employees and their families.

There is yet another important advantage to this proposal. S. 2162 has combined simplicity of administration and freedom of choice for the individual. The individual employee would be able to choose between several health insurance plans, a factor I am sure we all consider important. Yet part of the choice would be limited to two nationwide plans. These are representative of the two major types of health insurance in this country—voluntary, nonprofit plans and commercial plans. In addition, the employee would be free to participate in group practice plans and plans sponsored by employee organizations where these were available.

It is my considered opinion that S. 2162 is in every respect a health benefits bill for Federal employees of which we can all be proud. Moreover, this particular bill has been strongly supported by interested groups. We have the opportunity to give untold relief to thousands of Federal employees who often go from month to month without knowing how their medical bills will be paid.

There has been ample time for careful study and deliberation over this question. The time is ripe. I respectfully urge the members of this body to hesitate no longer. Let us do our part in insuring the continuation of high standards which will make Government service an attraction and not a sacrifice. Let us enact S. 2162, as amended, into the law of the land.

Mr. MURRAY. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, as author of two health insurance bills, H.R. 494 and H.R. 8222, I am glad to support legislation which would establish a health insurance program for Federal employees.

The Federal employees, in my opinion, definitely need a program which will provide them with health insurance benefits during their active service with the Government and after their retirement. Such a program should also provide similar care for the dependents of these employees.

I introduced H.R. 494 at the beginning of the present Congress, which provided that the Government and the employees would share the cost of the benefits proposed for a health program, the Government to contribute two-thirds and the employees one-third.

I felt at that time that this division of cost was sound and that the Government should pay the larger share of the cost. I realize that at times we must be guided by the practicalities of the legislative situation. Also, I recognize the fact that there is considerable difference of opinion as to the extent to which the Government should share the cost. Much of this opinion favors a smaller Government contribution than I proposed in H.R. 494.

Mr. Speaker, the big difference between H.R. 494 and H.R. 8222 is on the ratio of costs between the employee and the Government. H.R. 494 provided that employees pay one-third, the Government pay two-thirds, and covered those already retired. H.R. 8222 provided a 50–50 ratio for payment and covers only active employees and those who are involuntarily retired before the active date of this legislation. This bill is similar to the Senate-approved bill, S. 2162, and my purpose in introducing it was to expedite action on this legislation.

While the contribution of the Government has been reduced in the second bill, that portion which would have to be paid by the employee still is within the means of a person who has the limited income of many Federal employees. In my opinion, to have a program that is acceptable to our employees, we must provide sufficient contribution for a practical health program, plus an adequate insurance plan against the catastrophic illnesses.

For some 12 years the legislation to provide health benefits to Federal employees has been before the House and Senate Post Office and Civil Service Committees. I strongly feel that the time is right for consideration and approval of a health insurance program for our Federal employees. Today the average employee in the Government makes only about $100 per week. It is therefore not at all difficult to understand the need that these employees have for health protection to themselves and for their dependents. All of us recognize the costs involved for a catastrophic illness or extended illness, such as tuberculosis, cancer, muscular dystrophy, and heart attacks.

This extended illness with the accompanying terrific expense, without some form of catastrophic sickness insurance, can hardly be borne financially by the Government employees in the top pay brackets, much less by the average Government employee. The legislation now before us will provide this much needed protection to our Federal employees.

Of equal importance in this health insurance program is the opportunity which employees should have to choose one of several different types of coverage. This is also a feature of this bill. I feel very strongly that our employees should be able to choose the plan which best fits their needs. This legislation will allow the individual to choose between a benefit service plan, and indemnity-type plan, and in some instances, a group prepayment plan, or a program in his own employee organization. This choice of plans must certainly be in any piece of legislation passed by the House.

There is one other aspect of this legislation which we should consider at this time. We are all most interested in maintaining the high quality of employees in the Federal Government. If the Federal Government in the future is to be able to attract able young people, it must be regarded by them as a progressive employer. It is well recognized that practically all of the progressive employers in this country today have health insurance programs for their employees. This legislation should prove, therefore, to be an effective means of attracting and retaining the well-qualified career type employees who are so necessary for an efficient and effective civil service.

Mr. Speaker, I appreciate this opportunity to present my views and I commend my colleagues for their hard work on this type of legislation. I commend our chairman for scheduling and holding hearings and I believe that the legislation which the Congress adopts will be a bill which will meet in large part the hospital and medical needs of our Federal employees.

Mr. REES of Kansas. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. WALLHAUSER].

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. WALLHAUSER. I yield.

Mr. BALDWIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD immediately following the remarks of the gentleman from New Jersey.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WALLHAUSER. Mr. Speaker, I rise in support of S. 2162 and wish to pay my respects to the distinguished chairman of the Post Office and Civil Service Committee, the Honorable TOM MURRAY, of Tennessee, and the ranking minority member, the Honorable EDWARD H. REES, of Kansas, for their capable leadership and untiring efforts to bring legislation before the full membership that is carefully designed to give the maximum protection to the loyal army of Federal employees within reasonable governmental budgetary limits. This has been a truly bipartisan effort by all members of this committee.

I believe that the Federal Government has the utmost responsibility with respect to prepaid health service protection for its employees and their families. The action of the Federal Government undoubtedly will exert great influence upon other employers by the example it provides, thereby effectively increasing the welfare of the entire Nation.

Our legislation is the result of long and detailed hearings during which we had the benefit and advice of experts in the field, and in my opinion, is a completely reasonable effort to solve this complex problem.

The administration of the program by the Civil Service Commission guarantees that it will be effectively and honestly administered. We will have the benefit of a continued study by the Commission of the operation and administration of the act, including surveys and reports on health benefits plans available to employees and on the experience of such plans, so that it is evident that we will be able to make improvements in the plan whenever this action is indicated. This provides essential flexibility.

It goes without saying that the need for health insurance has developed as one of the most important requirements of modern life. The medical and allied professions have made such an outstanding contribution to the raising of the standard of healthful living, even within the last decade, that it is important that we enable the several millions of dedicated governmental employees to take full advantage of this forward step in the history of mankind.

It is my sincere hope that all Members, recognizing the great need, will join together today in voting to pass this legislation.

Mr. BALDWIN. Mr. Speaker, I rise in support of S. 2162. This bill provides for a much-needed health and hospitalization program for Federal civilian employees. With this program in operation, our Federal employees will have greater security against disastrous illnesses. I hope this bill passes by an overwhelming vote.

Mr. MURRAY. Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. CARNAHAN]

Mr. CARNAHAN. Mr. Speaker, I support S. 2162 and express appreciation to the gentleman from Tennessee [Mr. MURRAY], chairman of the Committee on Post Office and Civil Service, and to the gentleman from Kansas [Mr. REES], ranking minority member of the committee, for the excellent work which this committee has rendered to the health of our approximately 2 million Government employees and their dependents.

The general purpose of this legislation is to facilitate and strengthen the administration of the activities of the Government generally and to improve personnel administration in the Government by providing a measure of protection for civilian Government employees against the high, unbudgetable, and, therefore, financially burdensome costs of medical services through a comprehensive Government-wide program of insurance for Federal employees and their dependents, the costs of which will be shared by the Government, as employer, on a 50–50 basis with its employees.

At the present time, a wide gap exists between the Government, in its capacity of employer, and employers in private enterprise, with respect to health benefits for employees. Enlightened, progresssive private enterprise almost universally has been establishing and operating contributory health benefit programs for its employees. Until now, the Government has made scant progress in this area.

This bill is designed to close the gap which now exists and bring the Government abreast of most private employers. It will enable Government employees to purchase protection, at a cost which is within their means.

Employees will be eligible for enrollment in health benefits plans without having to pass any physical examination and, in the event of their separation from Government service, may convert their coverage to a private health benefits plan without undergoing any physical examination. It is intended that the health benefits authorized through this legislation will provide a wide range of hospital, surgical, medical, and related benefits designed to afford the employees full or substantially full protection against expenses of both common and catastrophic illness or injury.

It is a pleasure to support this legislation which provides benefits for a deserving group of dedicated and hard working Federal employees including a large number of Federal employees in the Eighth Congressional District of Missouri, the district I have the honor and privilege of representing.

Mr. REES of Kansas. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Speaker, the bill S. 2162 now before the House is the culmination of many years of effort and struggle with a most difficult and complex situation.

As long as 15 years ago, the need to provide a system of voluntary health insurance for Federal employees was recognized. This need has grown more acute with the years. At this late date, the U.S. Government, the largest employer in the Nation, does not provide a health insurance program for its own employees. This omission contributes in considerable measure to the expensive turnover among Federal personnel and to the handicap the Government suffers in attracting employees to the civil service.

During the past 10 years, various bills have been introduced which would have permitted health insurance payments to be deducted from employees' salary checks or which would have provided some contributory health insurance. None of these bills held out the promise of solving all the problems connected with a health insurance program and, in spite of the fact that the need for such a program became more pronounced as time went on, none of these bills was ever enacted.

The difficulties which confronted the sponsors of these bills were of at least three kinds:

First, the field of medical practice and therefore the field of health insurance were, and still are, undergoing rapid changes.

Second, the sheer size of the Government—the number and dispersion of its employees—presents a staggering technical problem in devising an administratively workable health insurance system.

Finally, the differing philosophies and objectives of the administration, the Federal employees, and those who would have to underwrite the program—the nonprofit Blue Cross/Blue Shield and the commercial insurance companies—have made agreement difficult.

The bill, S. 2162, as it came to us from the other body is a tribute to the members of the Senate committee who had only a few short weeks to cope with the problems I have mentioned. That committee solved practically all of the technical complexities which confronted it and reconciled the conflicting views of the different parties in interest.

Aside from some perfecting changes which I am sure the committee in the other body would have made had time permitted, and a few substantive ones to which I will allude later, the bill now being considered here is substantially the same one as was enacted by the other body.

I would like to take a moment and review its principal features.

Practically all officers and employees of the Federal Government would be covered. With the exception of Tennessee Valley Authority employees who have their own contributory health insurance program, the bill would cover all employees who are now included under the Government's life insurance program, as well as their dependents. A large majority of insured employees who retire on or after July 1, 1960, and their dependents will be able to continue their coverage. Similarly, the bill permits survivors of deceased employees to remain insured if they wish to do so.

S. 2162 will give employees an unrestricted choice of enrolling in either of two Government-wide plans. One of these plans will be of the service type which pays expenses direct to the doctor and the hospital and the other will be of the indemnity type which reimburses the employee himself for his hospital and medical expenses.

Each of these Government-wide plans will have at least two options, with each option offering benefits at a different level and at a different subscription charge. This will permit an employee to choose not only between the service and indemnity types of benefits, but within each type he will also be able to choose the option which will best take care of the health needs of his family.

Many employees who belong to an association which sponsors a health insurance plan or who live in an area which has a comprehensive medical care plan in operation will have the additional choice of enrolling in one of these plans.

The bill provides that each plan, and the options within each plan, may furnish a wide assortment of benefits, including hospitalization, surgical, medical, obstetrical, and major medical benefits which are designed to protect against the high cost of catastrophic or prolonged illness.

Unlike the bill enacted by the other body, this bill does not attempt to spell out all the specific benefits. In both bills the benefits which will ultimately be provided were left largely to the discretion of the Civil Service Commission which is charged with the responsibility of administering the program. This bill gives the Commission even more flexibility in negotiating with the carriers for the best benefit bargain it can arrange.

S. 2162 requires the Commission to enter into two contracts—one for each of the Government-wide plans—and to approve any employee association plan or comprehensive medical plan which participates in the program. The Commission cannot contract for or approve any plan which is discriminatory in accepting enrollments. This will enable those of our older or disabled employees who cannot now buy insurance, except perhaps at a prohibitively high price, to get this protection at the same price as other employees.

In negotiating the first and subsequent contracts for the two Government-wide plans, the bill requires the Civil Service Commission not only to get the best benefits possible but also to assure itself that the premiums payable under the contracts are reasonable and equitable and that they are competitive with premiums charged other large employers for similar insurance. The specific mandate to make the premium competitive was not contained in the bill passed by the other body; while it is perhaps unnecessary, it will clarify the intent of the Congress on this score and strengthen the Commission's hand when it negotiates with the insurance carriers.

Another feature of this bill which was not included in the bill as it was enacted by the other body is a clause which requires the prime carriers of the two Government-wide plans to allocate an equitable portion of their rights and obligations under their contracts to other eligible carriers who elect to participate. This is a requirement which is very similar to the one the Congress wrote into the life insurance law and it is designed to allow all eligible carriers, large and small, throughout the country to participate in the program.

S. 2162, as it has been reported by our committee, provides that the employee and the Government shall contribute generally on a 50–50 basis to the cost of the health insurance. The bill reported by the other body would have required contribution on a 50–50 basis in every instance.

There are some plans in which the employee may wish to enroll which offer a very high level of benefits. If the 50–50 ratio were to be observed in every case, employees could not enroll in these high benefit-level plans because the subscription charges would exceed the total of the maximum contributions authorized by the bill. To avoid this situation, the reported bill permits an employee who joins a high benefit-level plan to make up the difference, which of course will mean that he will contribute more than the usual 50 percent. Those employees—and it is anticipated they will be in the large majority—who enroll in a plan offering an intermediate but completely adequate level of benefits, will share their subscription charge on a 50–50 basis with the Government.

The maximum level of contributions specified in the bill passed by the other body has been retained in the reported bill. The reported bill expressly permits the Civil Service Commission to fix the amount which the Government can contribute to a plan. However, under the bill passed by the other body, the Commission could similarly but indirectly have controlled the Government's contribution by negotiating for a level of benefits which would have cost no more than an amount 50 percent of which the Commission had predetermined as the maximum total contribution to be made by the Government.

Both the bill now being considered and the bill reported by the other body contain provisions for the setting aside of a fund to pay the expenses of the Civil Service Commission in administering this legislation and of a modest contingency reserve fund to absorb for a time anticipated increases in premium rates. In its report on the bill, the committee in the other body stated it contemplated that 3 percent of contributions were to be set aside as a contingency reserve. The bill now before the House has been changed to provide specifically that this percentage be set aside for this purpose.

This bill provides for an advisory committee composed of five employees who are insured under the legislation or who are officers of employee organizations. In contrast, the bill passed by the other body provided for an 11-member advisory council, only three members of which would have represented employee interests, with the other eight members having no real direct interest in the health insurance program.

Mr. Speaker, our committee has unqualified assurance that the reported bill is entirely acceptable to the administration, to Federal employees, and to the insurance carriers.

It is a very pleasant thought that within the hour we are certain to pass and move along a bill to provide health insurance for the hundreds of thousands of Federal employees. This legislation has been long overdue. Thousands of Government employees have suffered catastrophic illnesses since we first contemplated this legislation seriously in 1954. Other thousands have certainly suffered disabling illnesses and have gone without needed medical benefits for themselves and their families simply because of the financial factor. So it is a very fine thing what the House of Representatives is doing here today. It is something that is bound to improve the health conditions of our employees and their families. It is something that is bound to remove the fear of financial disaster accompanying severe illnesses. With all the hundreds of thousands that will participate in this bill, it becomes certain, as the years go by and as this pilot program—that is basically what it is—is improved and worked over, we are going to be able, because of the great number of participants, to bring more medical benefits per dollar than could possibly have been bought by individuals acting alone.

So, Mr. Speaker, I submit that this is long overdue and desirable legislation. It will, I am sure, become the law of the land and become effective as of July 1, 1960. It will constitute a real milestone in the personnel history of the Federal Government. I believe every Member can conscientiously vote for this bill knowing that he is doing something fine for the many people who will benefit.

Mr. MURRAY. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Speaker, I support this legislation. I supported it in committee and I will support it here on the floor. I take this time to call the attention of the House to a provision in the bill which I had hoped could have been brought before the full House, but I recognize the need for having this legislation enacted this year and for that reason I am glad we are able to consider it now under suspension of the rules.

I refer to section 6, wherein the necessity for competition under section 3709 of the revised statutes is removed. This is important only with regard to the service benefit plan. It would have been much better had we allowed the nine insurance companies who each could handle a plan like this to compete and thus to have maintained competition. The administrative expenses of these companies range from 5 to 10 percent. There would have been leeway for the most efficient organization to make a better bid with the result that there would have been a lower price to the Government worker.

We offered such an amendment in committee but it was defeated. I wish that we had an opportunity here today to consider it on the floor, I think it would have made for lower cost to the

Government employee. I have great respect for Roger Jones, Chairman of the Civil Service Commission, and his fellow Commissioners and staff. I think Chairman Jones is an able and conscientious servant. I know he will do everything he can to get the best deal for the Government employee, but I still regret that in this bill we did not adhere to the principle of competition.

Mr. REES of Kansas. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, I rise in support of S. 2162.

Mr. Speaker, yesterday I read in the newspaper of a report to the effect that the Federal Government was losing out to private industry in attracting good college students. The students were of the opinion the reward was greater with private industry.

The bill under consideration is a good example of some of the things that should be done in order to make certain the Federal Government can effectively compete with private industry for the young talented working force in the Nation.

At the present time, a gap exists between the Government, in the capacity of employer, and employers in private enterprise, with respect to health benefits for employees. Private enterprise has made great strides in establishing contributory health benefit programs for its employees. The Federal Government has made little progress.

The form of fringe benefit has become a condition of employment for a large segment of private enterprise. It is only sensible that the Government should not fall behind the times by failing to provide for the better health care of its employees.

According to the National Association of Manufacturers the employers' expense of this type of program more than pays for itself—in the form of lowered absenteeism and improved morale.

The bill offers the Federal employee a free choice subject only to the enrollment requirements of the carrier to select the plan of coverage which seems best to fit his needs. The four major categories are as follows:

(a) A Government-wide service benefit plan, such as is offered by Blue Cross/Blue Shield.

(b) A Government-wide indemnity benefit plan, such as is currently offered by several insurance companies.

(c) One of several employee organization plans, such as the present health plans of the National Association of Letter Carriers and the National Federation of Post Office Clerks.

(d) A comprehensive medical plan, which may be either a group-practice prepayment plan, or an individual-practice prepayment plan.

The Government-wide service benefit plan and the Government-wide indemnity benefit plan each will include at least two levels of benefits.

I am pleased to note the Post Office and Civil Service Committee plans to conduct a continuing review of the operation of the program since such is an entirely new area of Federal employees' fringe benefits. This is necessary to protect both the Government and its employees.

I urge passage of the measure by the House.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. FOLEY].

Mr. FOLEY. Mr. Speaker, I rise in support of S. 2162, a bill to provide a health and medical benefits program for Federal Government employees. The House Committee on Post Office and Civil Service of which I am pleased to be a member, held 12 days of hearings on this bill and similar bills. Among the bills considered by the committee was my own, H.R. 764. As a new Member of Congress, it was my first official act to introduce H.R. 764 on January 7, 1959, the opening day of the 86th Congress. Providing a health and medical benefit program for the Federal Government employees has been long overdue. Since our Government started in 1789, 170 years ago there never has been a program that provides needed, basic and essential protection for Federal Government employees and their dependents from the health and medical hazards.

Thus, the bill before the House today is historic. But more than this, it is further but belated recognition that the largest employer in the United States, the Federal Government, at long last has seen fit to adopt the most enlightened programs for the improvement of the well-being of its employees that long experience in private industry has amply demonstrated is meritorious.

S. 2162, as amended by the House Committee, provides that the Government and the employee shall share the cost of the benefits on a 50–50 basis. It equitably permits the covered employee to select coverage from every type of existing health benefit plan whether service benefit, indemnity benefit, employee organization plan, or a prepayment plan of a comprehensive nature. The bill authorizes the Civil Service Commission to provide by contract for every basic, essential type of benefit that experience in private industry indicates meets the most pressing health and medical needs of a worker and his family.

Thus the Congress, by passing S. 2162 as amended, is taking a major step in the direction of improving further its relationship with its employees. And not only do the employees benefit, but also the dependents of the covered employees will be eligible under certain restrictions for benefits. As time moves on and experience is gained under the provisions of this new act, there will of necessity be changes. But changes that will be made in the future will be indicated by the best possible guide, namely proven experience.

In such a vast undertaking as the new health and medical program provided by S. 2162 there will be demands upon the Civil Service Commissioners for great prudence in the exercise of their judgment; there will be demands upon the covered employees and their dependents for patience in the evaluation of the benefits of the program; and there will be, finally, demands upon the Members of Congress to forbear in any hasty criticism that might appear to a Member unfamiliar with this highly technical type of program. Thus, this is an historic step that the House will take in passing S. 2162 today. The costs are nominal in comparison with the inestimable human values and resources that will be gained in healthier, happier, and more efficient Federal Government employees. I strongly endorse this program and urge every Member of the House to do likewise.

Mr. REES of Kansas. Mr. Speaker, I yield such time as he may desire to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Speaker, I rise in support of S. 2162 and commend the committee for bringing the bill to the floor. The Federal Government is the largest employer in the United States, yet it has not kept pace with other employers who provide medical care and health programs for their employees. As the report accompanying this bill states, the Government has made scant progress in this area. The bill will enable Federal employees to purchase protection from the high costs of medical care and treatment at a cost which is within their means. The Government itself, as the employer, will contribute 50 percent of the cost of the program. It is a good bill and I trust that the House approves it.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas [Mr. ALFORD].

Mr. ALFORD. Mr. Speaker, I wish to associate myself with the distinguished chairman of the committee in support of this bill.

Mr. Speaker, we have the chance here today to write another chapter in American history. It is the history of democratic government taking democratic action to guarantee to a large segment of its citizens financial protection in time of sickness and distress.

But I emphasize that this is democratic action—not paternalistic action. It is action in which the employee of the Government, and justly so, shares his portion of the burden of the cost in the same manner that employees of private enterprise all across the Nation participate in their own health insurance programs. It is the American way of doing things that we are confronted with at this time.

Private enterprise long has recognized the need for assisting its workers in having some measure of protection against the sudden and damaging inroads of illness. The Government has lagged sadly in this field. But we have here today the golden opportunity to take up the slack; to say to the employees of this Government everywhere that they have the same rights and privileges as do the employees of private enterprise.

This is legislation that has been sorely needed for some time. The best thinking of many capable men in the Congress has gone into the plan. Likewise, the best thinking of many capable men in the fields of insurance, medicine, hospitalization and allied efforts also has been written into the program.

There is nothing mandatory in this proposal to offer health insurance to all those in Government employment. Rather, it is a strictly voluntary program as it should be. But I know from the hundreds and hundreds of messages that have come to me from Federal employees everywhere that they will accept this plan readily and with thanks. This is the answer to a need they have felt keenly for years.

Some author once wrote:

The historic moment is always simple and brief.

Let us be simple and brief in this historic moment today as we place our unqualified stamp of approval on this forward-looking and vital piece of legislation.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, I wish to commend the distinguished chairman of the committee, the ranking minority member, and the other members for bringing out this valuable legislation.

I think the Federal Government has for too many years lagged behind private industry in not making it possible for Federal workers to purchase health insurance at group rates by authorizing payroll deductions.

Through my association with health legislation during my congressional work, I have become very keenly aware of the health needs of this Nation.

We are fighting an uphill battle against disease, and it is a costly battle. The people are having to pay the bills.

Americans have demonstrated their desire to be able to budget medical expenses by signing up, 123 million of them, for group medical and hospitalization insurance.

Federal workers certainly deserve the same opportunity.

It is a field in which we should be providing leadership, instead of hindrances.

I was delighted by the forward-looking reception which this session of Congress has given this legislation. Its authorization of payroll deductions and equal contributions by the Government to meet program costs make this bill one which properly faces the problem of financing medical expenses. It is a fair bill in that employees may choose whether they want to participate and may select from several plans offered.

I wholeheartedly endorse this legislation.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. LEVERING].

Mr. LEVERING. Mr. Speaker, I rise in support of this long overdue legislation. As a former member of the House Post Office and Civil Service Committee which has jurisdiction over legislation affecting the lives and well-being of our postal and other Federal employees, I have taken a keen interest in and made a detailed study of the provisions of this bill. I am one of those who believes that Uncle Sam has too long lagged behind industry in providing a low-cost health program. As we know in this day of high cost of hospitalization, a single illness for a sustained period can wipe out the financial resources of the average low-to-medium-income family. It is significant to consider that prepaid health benefits are available to some 123 million people in this country and help to pay more than half of the hospital bills and a large part of the doctor bills of the entire Nation. The fact that the voluntary health system has grown into a $4½ billion industry strongly indicates that the American people welcome the opportunity to budget their medical expenses. An overwhelming majority of the persons participating in prepaid health programs are enrolled at the place of their employment. This points up the fact that private employers recognize the importance of cooperating with their employees in obtaining health insurance; programs that have historically contributed to the well-being and efficiency of the workers. I compliment the committee for bringing S. 2162 to the floor. I hope it will be overwhelmingly adopted in the House.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I also rise at this time to endorse this bill now before the House. The fact that it is easy for us to vote for this bill today is due to the long hours of tedious and hard work of your committee on Post Office and Civil Service. They are to be complimented and congratulated for bringing to the floor of the House today this bill that is so important and helpful to the Federal employees.

Although a hospitalization plan for Federal employees has been in the works for many years. I am glad that I have the opportunity at this time to vote in behalf of these worthy servants. This legislation is long overdue.

It is well known that some corporations have voluntarily provided life insurance and health insurance programs for their employees.

The turnover among Government employees continues at a disturbing rate that is inefficient and wasteful. These employees compare what they have with those who work for private industry, and they realize that they are not gaining anything by staying with the Government.

Many companies pay the full costs of hospitalization, not only for their employees, but also for their dependents and for their retired employees and their dependents as well.

As we all know, the Federal Government is the largest employer in the Nation. Under the terms of this bill, more than 2 million Federal employees, plus their dependents, would become eligible for the protection enjoyed by most of those who are in private industry.

The individual Government employee would pay not less than $1.25 or more than $1.75 biweekly, or less than $3 or more than $4.25 biweekly for an employee or annuitant who is enrolled for self and family.

It is unfortunate that this bill does not cover presently retired Federal employees. It is my hope that the Congress will in the near future consider my proposal and other similar ones along this line.

I urge the passage of S. 2162, which will be one of the most constructive pieces of legislation to be enacted at this session. It will mark another milestone in our efforts to make employment with the Federal Government attractive and rewarding.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Speaker, I rise to support this legislation and wish to commend the chairman of the Committee on the Post Office and Civil Service and the members of the committee for introducing and reporting this legislation.

In my opinion, this bill is one of the greatest measures that ever emanated from the Committee on Post Office and Civil Service upon which I was once privileged to serve. Under this bill, as I understand it, all Federal employees, regardless of their health, can obtain medical coverage, and no physical examination is required. This is one of the great steps which this country through this committee has taken so far as the welfare of the Federal employees of the United States are concerned.

Under the provisions of this bill employees will have free choice among health benefit plans. The Government contributes one-half of the cost and the cost is shared equally between the Government and the employee. The bill establishes a biweekly maximum of $1.75 for an individual employee, and $4.25 for an employee and his family. I am proud to support this measure, because I believe the cost is reasonable, the coverage is ample, and a Federal employee has a choice of several medical plans.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Speaker, I welcome this opportunity to join this outstanding committee in expressing support for this much needed legislation.

Mr. Speaker, I do not believe there is any question about the widespread demand among Federal personnel for this legislation, nor is there any question about the careful study and consideration which have been given in committee to the proposal before us.

The distinguished chairman of the committee has assured me that the committee plans to move on to consideration of similar legislation for retired civil service employees, and the justification for such a program appears to me to be clear and unmistakable.

I hope the House will soon have the opportunity to act favorably upon it.

Mr. DIXON. Mr. Speaker, I wholeheartedly support S. 2162 and look upon it as a means through which our Federal Government can do for its employees the same as enlightened, progressive private business enterprises do for their employees.

This bill will enable Government employees to buy, at a cost which they can afford, insurance which will protect them from unusually heavy medical costs in the event of sickness, injury, or a catastrophe.

The bill will cost only $3.50 a month for an employee with a like amount paid by the Government and give him a free choice among health benefits in four categories: First, Blue Cross-Blue Shield and the like; second, an indemnity plan offered by insurance companies; third, a plan similar to the National Association Letter Carriers; or fourth, a plan like the Kaiser Foundation plan.

Mr. Speaker, the Government will be amply repaid through better morale and greater achievement of its employees.

Mr. KARTH. Mr. Speaker, the Federal Government has the responsibility of providing a prepaid medical and health insurance plan for its employees. The plan being debated today is not as complete and comprehensive as it should be, but is a good start and certainly well within the scope of employees needs. It is long overdue. It will undoubtedly improve as time goes on, and may I state at this point, I am one who will work toward that end.

It has become a customary practice for private industry to provide medical and surgical services of this kind, and in many cases superior, to their employees. It is no more than proper that the Government do the same thing. It would please me more however, if the Federal Government took the lead in this whole area of employee benefits rather than an attitude of follow the leader. May we look forward in other areas then, as this bill becomes law, and especially in the field of union recognition.

Mr. BURDICK. Mr. Speaker, I rise in support of S. 2162, the bill to provide for a Government employees health benefits program. I am happy to declare myself wholeheartedly in support of the bill which when enacted into law will provide for the Government to contribute 50 percent of the cost of basic health and hospitalization coverage to persons employed by the Federal Government.

There was a time in the United States when Federal employment was considered to be the very finest type of occupation and when the Government, as employer, was thought to provide the very finest benefits to those whose services it employed.

In recent years we have seen the economic position of Federal civil servants decline. Although a great deal has been said about the fringe benefits available to Federal employees, these loyal workers lag behind the scale of benefits available to those in industrial employment.

Mr. Speaker, the contribution system whereby employers assist, either entirely or in part, in underwriting health programs for their employees is only now being expanded to Federal service. This is one instance in which the number of Federal employees may prove beneficial to the general public. If it is assumed that virtually all Federal employees will enroll under the health benefits program, then it must be assumed also that the health program and the health plan which will be developed by the Civil Service Commission will be such as to set new standards for general health coverage throughout the Nation.

Mr. Speaker, it is a source of satisfaction to me to know that S. 2162 provides that employees retiring in the future will be protected and will be allowed to continue their health insurance coverage under the provisions of S. 2162.

I am told that hearings will be held tomorrow in the Senate on a bill S. 2575, to provide coverage of civil servants currently retired, provided that they meet the necessary standards of tenure, and so forth. I hope that the bill to protect current retirees may be brought before the House at this session in order that we may have a chance also to approve that legislation.

It is significant that no less a personage than Secretary Flemming, of the Department of Health, Education, and Welfare, in recommending approval of S. 2162 said:

> We consider it essential that legislation for active employees and future retirees be supplemented in the near future by providing similar protection for those already retired.

Mr. Speaker, civil servants both active and retired are urgently in need of the fullest possible health protection; I feel certain that the House this afternoon will have approved by an overwhelming majority the program to make this coverage a reality.

I am happy indeed to rise in support of this very worthwhile legislation.

Mr. PELLY. Mr. Speaker, I urge the suspension of the rule on S. 2162 and passage of this legislation to provide Federal employees with an essential voluntary health benefits program.

My only criticism of this legislation, which incidentally has the blessing of the executive branch of Government as well as the Civil Service Commission which will administer the act, is that it fails to provide this vital protection to those already retired.

Consequently, I, along with many others of my colleagues in both the House and Senate, have introduced related legislation triggered to the passage of this bill, to provide these same benefits to all who are not eligible for coverage under S. 2162.

In these days of spiraling costs of hospitalization and medical fees, our Federal career employees are certainly entitled to protection at least comparable to that afforded in private industry. In addition, those already retired are all too frequently faced with catastrophic illnesses that literally destroy everything they have spent a lifetime accumulating.

I urge passage of S. 2162 and expeditious consideration of related legislation to include those not otherwise eligible for this coverage.

Mr. PHILBIN. Mr. Speaker, I am strongly committed to the passage of this legislation and am gratified that the very able distinguished gentleman from the great State of Tennessee, my valued friend, Mr. MURRAY, and his very capable committee has reported the bill to the House.

Action on this desirable program to provide for appropriate health benefits for Government employees is actually long overdue. The Federal Government has been seriously lagging behind most private industry in adopting this type of forward-looking, social program.

The health and well-being of Government employees as well as all other employees, workers and people in the Nation is of great and paramount importance. Skilled medical and nursing care, abundant up-to-date hospital facilities available at reasonable cost to all our people is unquestionably necessary today if we are to make effective use of modern medical and hospital services for the care of the sick and the cure and prevention of disease, and keep the Nation physically and mentally well.

The high cost of sickness, like the high cost of living is denying to many the kind of medical and hospital treatment which they need. Some of the costs in this area are extremely high and extremely deterrent to the securing of needed medical care and treatment.

The disparity between Government employees and private enterprise employees cannot be justified. It is causing hardship and lowered morale. It is impairing very seriously the creation and maintenance of decent health standards.

I think that the Congress must be more conscious of the great magnitude of our national health problems and give much more attention to providing adequate solutions at a time when medical science has achieved such amazing power to raise general health standards and extend the expectancy span of human life.

The Federal employees employed by our great Government are and should be the special concern of the Congress.

I am very happy indeed to support this bill and am sure it will be overwhelmingly passed by the House.

Mr. BREEDING. Mr. Speaker, I rise in support of S. 2162, a bill to provide health and hospitalization insurance for Federal employees.

The bill before us is the first and very significant step in the program of this Congress to provide health benefits to Federal employees and their families. The bill is a very wholesome one for several reasons. On the one hand it allows the free choice of several types of plans.

Under the first type, the service benefit plan, the Federal civil servant would be able to secure hospital benefits, surgical benefits, and medical treatment both in and out of hospitals. Obstetrical protection is also included. This is the type of plan which is included in the familiar Blue Cross-Blue Shield protection system.

The second type is that in which insurance companies or other indemnity organizations provide actual cash payment to employees who require hospitalization, surgical attention, or medical care.

The third major type is the employee organization plan which protects the Federal employee groups. In most Federal employee associations there is provided a plan of health protection for which the individual employee makes

payment in the form of a supplement to his basic duties. In return for this payment, he and his family are given hospital coverage. It is essential for the stability of employee organizations that these plans not be discontinued, and accordingly the feature to allow participation by these plans is highly commendable.

The final type of coverage is the comprehensive medical plan which is developing in some parts of the country. Under this type of plan, all sorts of medical attentions are available to those enrolled in the plan.

We have pased a terrific milestone on the road of progress to the general health of our Nation, and even though the bill before us applies only to Federal employees, the impact on the health of the country must be significant.

The competitive system is certain to develop new types of health plan coverage for the great family of Federal employees. In view of the fact that many industrial employers are already providing more comprehensive coverage for their employees than is included in S. 2162, the type of plan which will be developed by the Civil Service Commission will enable those private groups to secure a greater return on their health insurance dollar.

The most significant departure incorporated in S. 2162 is the concept of Government contribution to the program. Federal employee leaders originally requested that the Federal Government contribute two-thirds to the employees' one-third. The Government in turn proposed that the reverse balance be applied and that the employee contribute two-thirds. The solution as included in S. 2162 is a happy medium, one which is fairer to both parties, one which will have a very beneficial result throughout the country and one which is deserving of speedly passage and enactment into law.

Mr. Speaker, I hope that approval today will be virtually unanimous.

Mr. FULTON. Mr. Speaker, I rise in support of the bill, S. 2162.

Provision for health insurance benefits for Federal employees should be enacted into law at the current session of Congress. The urgency of such a program appears to me to be so great that we cannot afford further loss of time to make additional studies or to collect additional information.

Already a great deal of factual material has been amassed and its general tenor is that the Government is lagging behind other large employers who already have provided extensive programs of health benefits for their employees. This material which has been gathered and analyzed by congressional committees, Government agencies, insurance organizations, and the unions demonstrates rather conclusively that the benefits of such a program are so advantageous to the Government as well as to the employee that there is no sound reason for delay.

When I introduced my bill, H.R. 6167, it represented my thinking on this subject. I am still of the belief that the program comprised in that bill is sound and is more nearly proportioned to the need for medical care and to the financial circumstances of the greater number of Federal employees. However, I realize that it would be more practical to put into effect as soon as possible even a partial program than to delay legislation by striving for terms which seem to be more nearly adequate. Government employees as a group are so much in need of these benefits that early action is imperative.

It is with that purpose in mind that I support the proposal which is presently pending before the House. The equal division of cost between the Government and the employees would still be a real step toward the establishment of health benefits in keeping with the Federal Government's role as the largest single employer in our good country.

Employers in private business have found it to their own as well as to the employee's advantage to inaugurate a health insurance program and continually improve it. The fact that so many of these firms provide this benefit on a noncontributory basis is in itself impressive evidence that it must be materially worthwhile. It is evidently profitable for the employer to relieve his employees of the worry which accompanies family illness in particular. Then, too, the employee's own health is important because it is so closely related to his efficient performance.

An employee with a relatively small income, and this is true of the majority of Federal employees, may be able to budget his outlays for ordinary medical care out of his regular income, but it so often happens that the need becomes unusually great and costly. Then, too, an unexpected need for surgery or for special types of therapy may develop at any time. Such things are entirely unpredictable, and the only solution that is of any great benefit to the individual is to be covered by a systematic prepayment plan.

The health insurance program which is established now should cover the major part of hospitalization, medical, and surgical expenses. It should also make some substantial provision for those long illnesses which may entirely deplete a person's savings and then leave him with a huge debt. Whatever is done in this regard will be tremendously helpful.

I believe, therefore, that a health insurance program for Federal employees should be established immediately and that, if there cannot be agreement on a program as liberal as in my bill, H.R. 6167, the terms of the bill approved should be such that it can gain wide support and early enactment. Hospitalization and other types of health care are as necessary as adequate food, clothing, and housing. They are among the basic necessities of life. It is with that in mind that I urge immediate passage on this legislation.

Mr. DONOHUE. Mr. Speaker, I am happy to speak in support and urge the passage of this bill, S. 2162, that is fundamentally designed to improve personnel administration in the Government by providing a reasonable measure of protection for civilian Government employees against the extremely high costs of medical services through a comprehensive program of insurance for Federal employees and their dependents.

For several years, both the executive and legislative branches of Government have recognized the wide gap that exists between the Government, as an employer, and employers in private enterprise, with respect to health benefits for employees. Progressive private enterprise almost universally today operate contributory health benefit programs for its employees.

This bill is an attempt to bring the Government in line with the modern practices of most private employers. It will enable Government employees to purchase protection, at a cost which is within their means, from the unanticipated and usually oppressive costs of medical care and treatment in the event of sickness or injury, as well as the often crushing expense of so-called catastrophic illness or serious injury. Availability of this health protection program to Government employees will be of material assistance in improving the competitive position of the Government with respect to private enterprise in the recruitment and retention of competent civilian personnel so urgently needed to assist in maintaining and improving our strong national defense and in the operation of other essential Government programs.

The addition of the health insurance program provided by this bill will fill a long required need and place the Government on a substantially equal level with progressive industry in the field of employee fringe benefits.

Mr. Speaker, this type of legislation has been under consideration and study, by House and Senate committees, for nearly 10 years. Out of all the evidence and testimony and statistics that have been presented to the committee has come this particular measure after long and diligent effort of the committee chairman and his membership. It is a sound, moderate, reasonable beginning in meeting a challenging legislative problem and I believe that the distinguished chairman of the House Post Office and Civil Service Committee, together with all the members of that committee, deserve our gratitude for the conscientious and painstaking manner in which they have patriotically attempted to deal with this difficult subject. On this score, I would like to emphasize to my colleagues here that the chairman and committee have registered their intention to conduct a continuing review of the operation of the program to make sure that it is projected with economic efficiency and that any deficiencies or abuses will be adequately amended and corrected as they arise.

I submit that this is a meritorious measure completely in accord with our traditional and fundamental principles of progressive government, and I most earnestly hope that it will be overwhelmingly approved without undue delay.

Mr. COHELAN. Mr. Speaker, the Federal Employees Health Benefits Act will, for the first time, enable Federal workers to enjoy health benefits comparable to those available to private employee groups by authorizing payroll deductions and equal benefit contributions

by their employer, the Federal Government, and the legislation has my full support.

This is an equalization measure which gives the Federal employee benefits he would probably have realized in previous years had he chosen another line of work. It will, therefore, encourage our Government workers to stay on the job and attract new individuals of ability and competence into this work. In testifying at hearings on this bill, I expressed the interest of the many, many Federal employees working in the Seventh District of California which I represent, and I would again convey their support of this measure now that it is on the floor. Their support is entirely justifiable because they are asking only for equal treatment, not for special consideration.

I urge that the Federal Employees Health Benefits Act receive the very strong support of my colleagues.

Mr. BOLAND. Mr. Speaker, I rise in favor of S. 2162, a bill to provide a health benefits program for Government employees.

This is an area in employer-employee relations in which the Federal Government has fallen way behind private enterprise in this country. Large corporations and business firms have established, or are offering in wage negotiations, contributory health benefit programs for employees, recognizing how financially burdensome can be the costs of medical services to them and their dependents. As a matter of fact, some private firms have assumed the full cost of the health benefit programs.

This bill will give the same protection to Government employees. It will enable them to purchase health benefits, at a cost which is within their means, as a cushion against expensive medical treatment and hospitalization in the event of sickness or injury. Half of the cost will be paid by the employees themselves, and the remaining half will be paid by the Government.

Mr. Speaker, I think that this is much needed legislation to help close the gap between the Government as an employer and private enterprise employers with respect to health benefits for employees. I urge my colleagues to suspend the rules and pass this legislation.

The SPEAKER pro tempore (Mr. WALTER). The question is on suspending the rules and passing the bill.

Mr. CORBETT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 383, nays 4, not voting 48, as follows:

[Roll No. 151]

YEAS—383

Abbitt	Ayres	Bennett, Mich.
Abernethy	Bailey	Bentley
Adair	Baker	Berry
Addonizio	Baldwin	Betts
Albert	Baring	Blatnik
Alexander	Barr	Blitch
Alford	Barrett	Boggs
Alger	Barry	Boland
Anderson, Mont.	Bass, N.H.	Bolling
	Bass, Tenn.	Bonner
Arends	Bates	Bosch
Ashmore	Becker	Bow
Aspinall	Beckworth	Bowles
Auchincloss	Belcher	Boykin
Avery	Bennett, Fla.	Boyle
Brademas	Halpern	Morgan
Bray	Hardy	Morris, N. Mex.
Breeding	Hargis	Morrison
Brock	Harmon	Moss
Brooks, La.	Harris	Moulder
Brooks, Tex.	Harrison	Multer
Broomfield	Hays	Mumma
Brown, Ga.	Healey	Murphy
Brown, Mo.	Hébert	Murray
Brown, Ohio	Hechler	Natcher
Broyhill	Hemphill	Nelsen
Buckley	Henderson	Nix
Budge	Herlong	Norblad
Burdick	Hiestand	Norrell
Burke, Ky.	Hoeven	O'Brien, Ill.
Burke, Mass.	Hoffman, Ill.	O'Hara, Ill.
Burleson	Hoffman, Mich.	O'Hara, Mich.
Bush	Hogan	O'Neill
Byrne, Pa.	Holifield	Oliver
Byrnes, Wis.	Holland	Osmers
Cahill	Holt	Ostertag
Cannon	Holtzman	Passman
Carnahan	Horan	Patman
Casey	Hosmer	Pelly
Cederberg	Huddleston	Perkins
Chamberlain	Hull	Pfost
Chelf	Ikard	Pilcher
Chenoweth	Inouye	Pillion
Chiperfield	Irwin	Pirnie
Church	Jarman	Poff
Clark	Jennings	Porter
Coad	Jensen	Preston
Coffin	Johansen	Price
Cohelan	Johnson, Calif.	Prokop
Collier	Johnson, Colo.	Pucinski
Colmer	Johnson, Md.	Quie
Conte	Johnson, Wis.	Quigley
Cook	Jonas	Rabaut
Corbett	Jones, Ala.	Randall
Cramer	Judd	Ray
Cunningham	Karsten	Reece, Tenn.
Curtin	Karth	Rees, Kans.
Curtis, Mass.	Kasem	Reuss
Curtis, Mo.	Kastenmeier	Rhodes, Ariz.
Daddario	Kearns	Rhodes, Pa.
Daniels	Kee	Riley
Davis, Ga.	Keith	Rivers, Alaska
Davis, Tenn.	Kelly	Rivers, S.C.
Dawson	Keogh	Roberts
Delaney	Kilburn	Robison
Dent	Kilday	Rodino
Denton	Kilgore	Rogers, Colo.
Derounian	King, Calif.	Rogers, Fla.
Devine	King, Utah	Rogers, Mass.
Dingell	Kirwan	Rooney
Dixon	Kitchin	Roosevelt
Dollinger	Kluczynski	Rostenkowski
Donohue	Knox	Roush
Dorn, N. Y.	Kowalski	Rutherford
Dorn, S.C.	Lafore	Santangelo
Dowdy	Laird	Saund
Downing	Landrum	Saylor
Doyle	Lane	Schenck
Dulski	Langen	Scherer
Durham	Lankford	Schwengel
Dwyer	Latta	Scott
Edmondson	Lennon	Selden
Elliott	Levering	Shelley
Everett	Libonati	Sheppard
Evins	Lindsay	Shipley
Fallon	Lipscomb	Short
Farbstein	Loser	Siler
Fascell	McCormack	Simpson, Ill.
Feighan	McCulloch	Simpson, Pa.
Fenton	McDowell	Sisk
Fino	McFall	Slack
Fisher	McGinley	Smith, Calif.
Flood	McIntire	Smith, Iowa
Flynn	McMillan	Smith, Kans.
Flynt	McSween	Smith, Miss.
Fogarty	Macdonald	Spence
Foley	Mack, Ill.	Springer
Forand	Mack, Wash.	Staggers
Forrester	Madden	Steed
Fountain	Magnuson	Stratton
Frelinghuysen	Mahon	Stubblefield
Friedel	Mailliard	Sullivan
Fulton	Marshall	Teller
Gallagher	Matthews	Thomas
Garmatz	May	Thompson, Tex.
Gary	Meader	Thomson, Wyo.
Gathings	Merrow	Thornberry
Gavin	Metcalf	Toll
George	Meyer	Tollefson
Giaimo	Michel	Trimble
Goodell	Miller, Clem	Tuck
Granahan	Miller, George P.	Udall
Grant		Ullman
Green, Oreg.	Miller, N.Y.	Utt
Green, Pa.	Milliken	Vanik
Griffin	Mills	Van Zandt
Griffiths	Minshall	Vinson
Gross	Moeller	Wainwright
Gubser	Monagan	Wallhauser
Hagen	Montoya	Walter
Haley	Moore	Wampler
Halleck	Moorhead	Watts
Weaver	Williams	Yates
Weis	Willis	Young
Wharton	Wilson	Younger
Whitener	Winstead	Zablocki
Whitten	Withrow	Zelenko
Widnall	Wolf	
Wier	Wright	

NAYS—4

Andersen, Minn.	O'Konski	Taber
	Rogers, Tex.	

NOT VOTING—48

Allen	Ford	O'Brien, N.Y.
Andrews	Frazier	Philbin
Anfuso	Glenn	Poage
Ashley	Gray	Powell
Barden	Hall	Rains
Baumhart	Hess	Riehlman
Bolton	Jackson	St. George
Brewster	Jones, Mo.	Sikes
Canfield	Lesinski	Smith, Va.
Carter	McDonough	Taylor
Celler	McGovern	Teague, Calif.
Cooley	Machrowicz	Teague, Tex.
Dague	Martin	Thompson, La.
Derwinski	Mason	Thompson, N. J.
Diggs	Mitchell	Van Pelt
Dooley	Morris, Okla.	Westland

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Anfuso with Mr. Allen.
Mr. Sikes with Mr. Taylor.
Mr. Thompson of New Jersey with Mr. Martin.
Mr. Lesinski with Mr. Glenn.
Mr. Machrowicz with Mr. Baumhart.
Mr. Thompson of Louisiana with Mr. Van Pelt.
Mr. Brewster with Mr. Westland.
Mr. Carter with Mrs. Bolton.
Mr. Diggs with Mr. Jackson.
Mr. O'Brien of New York with Mr. Hess.
Mr. Philbin with Mr. Canfield.
Mr. Andrews with Mr. Teague of California.
Mr. Cooley with Mr. Riehlman.
Mr. Frazier with Mr. Mason.
Mr. McGovern with Mr. Ford.
Mr. Powell with Mr. Dooley.
Mr. Mitchell with Mr. Dague.
Mr. Ashley with Mrs. St. George.
Mr. Hall with Mr. McDonough.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SOCIAL SECURITY COVERAGE FOR CERTAIN STATE AND LOCAL EMPLOYEES

Mr. MILLS submitted a conference report and statement on the bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees.

REDUCING THE CABARET TAX

Mr. FORAND. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2164) to repeal the cabaret tax, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (6) of section 4231 of the Internal Revenue Code of 1954 (relating to imposition of tax with respect to roof gardens, cabarets, and other similar places) is amended by striking out "20 percent" and inserting in lieu thereof "10 percent".

SEC. 2. The amendment made by the first section of this Act shall apply only with respect to periods after 10 antemeridian on the first day of the first month which begins more than 10 days after the date of the enactment of this Act.

Amend the title so as to read: "A bill to reduce the cabaret tax from 20 percent to 10 percent."

The SPEAKER pro tempore. Is a second demanded?

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Rhode Island [Mr. FORAND] is recognized for 20 minutes.

Mr. FORAND. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on this bill before the vote.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FORAND. Mr. Speaker, the bill H.R. 2164 now under consideration is one of 16 bills introduced in this Congress providing for the repeal of the cabaret tax. H.R. 2164 has been amended in the committee to provide for a reduction of the tax from 20 percent to 10 percent, rather than outright repeal.

The fact that 16 similar bills have been introduced in this Congress and that 17 similar bills were introduced in the 85th Congress demonstrates the widespread realization that this 20 percent tax is unfair. It is one of very few excise taxes remaining at 20 percent. Most others have been reduced to 10 percent.

The principal reason why this has happened is, in my opinion, the failure to recognize that the term "cabaret tax" is a misnomer. It should be called a tax on musicians or on entertainment because it is applied in any establishment where music or entertainment or dancing is permitted in the same room where food is served.

This tax has long been unreasonably identified with the sale of liquor, even though it is collected in eating places where music is furnished but liquor by the glass is not sold. This is true in 11 States, namely, Arkansas, Georgia, Iowa, Kansas, North Carolina, South Carolina, Tennessee, Texas, Utah, Virginia, and West Virginia.

Two basic considerations prompted me to introduce this bill: First, the favorable effect it would have on the economic welfare of a substantial number of our citizens and; second, it involves the principle of tax equality and fairness.

With respect to the first consideration, I invite your attention to the wealth of public testimony before the Subcommittee on Excise Taxes, of which I was chairman during the 85th Congress. This convincingly demonstrates that the 20-percent cabaret tax acts as a serious depressant to the entertainment industry and to those types of establishments that virtually are compelled to provide some form of entertainment in addition to dining and refreshment facilities, if they are to stay in business.

Public places that offer food or beverage along with refreshing diversion in the form of dancing, singing, music, and humor are traditional on the American scene. They comprise an integral and necessary part of the various entertainment facilities that provide the relaxation and amusement necessary for well-balanced living and should not be discouraged. It is evident, however, that this type of business has been discouraged by the cabaret tax. This is true not only of hotel dining rooms and supper clubs but applies as well to more modest establishments that cater to persons in the middle- and low-income groups.

The testimony presented during our hearings shows that this distressing condition has in turn accelerated the steady decline in the development of professional musicians, singers, and other entertainers. It has also eliminated the jobs of waiters, busboys, chefs, cooks, and other employees when dining rooms in many of the large hotels were forced to close because of the cabaret tax.

A survey conducted in 1955 by the Research Co. of America for the American Federation of Musicians revealed that from 1943, when the cabaret tax was raised from 5 percent to 20 percent, employment of musicians declined 50 percent.

The survey also showed that: First, average annual earnings of musicians was $3,043; second, that for every musician employed five to six other employees were needed in establishments where the cabaret tax applied; and third, owner-operators in 33 cities said that if the 20 percent tax was repealed it would result in an almost immediate gain of 63 percent in working hours of 41,000 musicians, increasing their earnings by about $2,000 a year.

Reducing the tax to 10 percent will mean employment for an additional 150,000 musicians, according to the American Federation of Musicians.

The magazine, Catering Industry Employees, after a check of 10 cities, from Boston to California, estimates 20,000 catering employees lost their jobs in the last 5 years because of establishments closed on account of the 20 percent tax. Hotel dining rooms, of which there were 700 in 1946, now number only 200. The closing of 500 such rooms is attributed to the 20 percent tax.

Legislative action surely is needed when a tax has such adverse consequences for thousands of our citizens. This need has been recognized by responsible officials of the present administration and, as an example, I cite a radio interview on May 29, 1957, when the Honorable James P. Mitchell, Secretary of Labor, expressed the view that the cabaret tax is discriminatory and should be repealed. With this particular view I wholeheartedly concur.

The cabaret tax is classed in the Internal Revenue Code under the general heading of admissions tax. Another category under this heading is the tax on general admissions, which was reduced by the 1954 act from a rate of 20 percent to 10 percent. Subsequently, congressional action provided an exemption of the first dollar from the tax on admissions.

By an earlier amendment to the law, establishments qualifying as ballrooms, dance halls, or similar establishments are excluded from the definition of places subject to the cabaret tax even though there is incidental selling of food and refreshments in conjunction with the operation.

These various actions have resulted in an incongruous situation. Payments for admission to a ballroom or dance hall, either are not taxed or are taxed at the 10 percent rate, depending on the charge, while payment by patrons for food and refreshments are not taxed at all. In contrast, an establishment where the selling of food and beverages is more than incidental, but which provides dancing facilities similar to that of a ballroom is subject to a tax of 20 percent on all receipts whether for admission, food or beverage.

If a person can afford to belong to a swanky club, he can take his wife, his family and his friends to dine and dance without having to pay the 20 percent cabaret tax, but if Bill Jones who can not afford club membership takes his wife out for dinner and a dance, he must pay the 20 percent tax. This is an obvious inequity.

The Treasury Department estimates that reducing this tax from 20 to 10 percent will result in a $21 million loss in revenue. I do not believe this will happen.

I maintain that this loss will be more than made up by an increase in revenue from the business taxes and the income taxes that will result from the increase in business and employment.

The record shows that the imposition of this tax at the 20 percent rate has decreased revenue. In 1946 the cabaret tax yielded $72 million. Today it is yielding only $43 million a year.

While many of us believe that repeal of the cabaret tax would be desirable, the Committee on Ways and Means concluded that repeal of the cabaret tax at this time, without repeal of some other excise taxes, would in a sense be discriminatory to those commodities and services which now enjoy the advantage of a lower rate. Therefore, the bill has been amended in committee to provide for a reduction in the rate of the tax to 10 percent. This would bring the cabaret tax in line with most other items in the Excise Tax Schedule. Although this action will not completely remedy the adverse economic effects referred to, it is anticipated that the partial relief will do much to relieve unemployment distress among musicians and entertainers, aid existing business and encourage the establishment and growth of new businesses.

This bill has the support of the American Federation of Musicians, the National Federation of Music Clubs, the American Hotel Association, the National Restaurant Association, and the

Hotel and Restaurant Employees and Bartenders International Union.

I urge a favorable vote on this bill so that the beneficial results may be realized, and submit the following letters in support of this legislation:

AMERICAN FEDERATION OF MUSICIANS,
August 12, 1959.

HON. AIME J. FORAND,
New House Office Building,
Washington, D.C.

DEAR CONGRESSMAN FORAND: The Federation of Musicians has made a quick spot check of typical cities and regions to document the continuing job losses for instrumentalists during the past 3- to 5-year period in which one segment of Congress has fiddled with the 20-percent excise tax while musicians fiddled rarely or not at all.

You will recall, and the records of the 84th and 85th Congresses will reflect in detail, that in 1955 the Research Co. of America reported to the American Federation of Musicians the findings of a national survey to determine the impact of the 20-percent excise on employment and business, that revealed:

1. Since 1943, the last year in which this tax was at 5 percent, that man-hours of employment available to musicians in establishments subject to the tax, have declined by more than 50 percent.

2. These job losses for musicians in places subject to the tax exceeded all other job losses since 1929, including the substantial unemployment attributable to technological change and the mechanization of music-making.

3. The surviving establishments subject to the 20-percent tax today still provide almost as many man-days of employment for musicians as all other sources combined. Thus, their business acceleration under tax repeal or relief constitute the single greatest area of potential reemployment and new employment for musicians.

4. The average earnings of musicians now employed in such establishments was, in 1954, only $3,042 per annum; thus, the musician is one of the most economically distressed of all American workingmen.

5. The survey of owner-operators in 33 cities revealed that repeal of the 20-percent tax would result in an almost immediate gain of 63 percent in working hours for 41,000 musicians, and thus increase their annual earnings by $2,000; up to 35 percent more musicians would be employed—a total employment gain of nearly 100 percent.

6. In the event of repeal, owner-operators testified they would expand operations and employ more musicians to the extent that $36 million more in Federal income taxes would flow to the Treasury. An added $16 million in Federal income taxes would derive, the survey showed, from longer hours of employment for musicians. These two normal tax accrual items alone balance off the cabaret tax revenues without taking into account a far greater excess of revenue that would accrue from widespread employment for other than musicians.

7. The survey statisticians estimated conservatively that for every musician reemployed there would be jobs created for from five to six entertainers, waiters, waitresses, bartenders, cooks, and other service help.

In summary, the economists told the Treasury and the Congress that some 250,000 jobs would be created through the repeal of the cabaret tax, which they described as a tax on employment.

Those were the findings up to 1955, truly a grotesque reflection of futile, nonproductive Federal taxing policy.

What has happened since 1955? The report is one of continuing and increasing blackout of employment.

The federation cannot, on short notice, venture a total estimate, but its spot check referred to in my opening paragraph is, we believe, both revealing and representative of the downward employment trend attributable directly to the 20-percent tax.

New York area: Our large New York City local reports that over the last 3 to 5 years approximately 1,000 jobs for musicians have been lost to this tax in New York City and Long Island. "To this total," the local reports—and I attach the telegram reporting these conditions—"should be added an additional figure, possibly even larger, where the tax has been a major deterrent to the opening of new establishments."

Los Angeles area: The federation's second largest local, in Los Angeles, documents in the attached telegram by name of establishment and number of musicians formerly employed the very current loss of some 188 music jobs in the metropolitan area. The report goes on to observe that "there are hundreds of other establishments" which it cannot list on short notice that have either closed or discontinued entertainment because of the 20-percent tax. It further notes that the California Tavern Owners Association says that outright repeal would make it possible for that industry to employ throughout the Nation "at least 100,000 more musicians and entertainers," and the association estimates that the resulting income tax and business tax accruals to the Federal Treasury "would be far greater than the 20-percent tax now being collected."

Cleveland area: Our local in Cleveland reports: "In last 2 years the Vogue Room in Hollenden Hotel has closed. Cleveland Hotel's Bronze Room has cut back to five musicians. A large theater restaurant that employed 15 musicians has gone into bankruptcy. Hotel Statler's Terrace Room will employ no musicians this fall. All employers insist that the major factor contributing to the present status is ever-increasing customer resistance to 20-percent tax. In addition, many small neighborhood nightclubs have discontinued music for the same reason."

Boston area: The federation's Boston local No. 9 reports loss of 300 music jobs and the closing of 30 establishments in the last 5 years due to the tax.

San Francisco area: San Francisco local reports that within the last year 40 entertainment places in that area have either closed or discontinued their entertainment, affecting a conservatively estimated 120 jobs for instrumental musicians alone.

Albuquerque, N. Mex., area: Twenty-five musicians would have had employment in hotels of this medium-sized southwest city over the last 5 years except for the 20-percent tax that has prompted hotelmen there to avoid entertainment that is taxable at the prohibitive rate.

San Diego area: "Employment of our members in the San Diego area," our federation local there reports in the attached telegram, "has been seriously curtailed due to 20-percent tax. Club Royal, formerly employing five musicians and singer 7 nights weekly, now using jukebox only. Aloah Cafe, formerly employing three musicians 6 nights, now has jukebox only. Paris Inn was using two 5-piece bands and a floor show, now closed. Skippers, Twin Inn, Club Romance, Shermandine Clubs, and Pacific and Dance Ballrooms, with potential of 25 musicians, are now dark, and other places have cut live music from 6 nights a week to from 1 to 2 nights, with jukebox music only during most nights. Relief under this tax would open many places in this area where employment for our members is critical."

Pittsburgh area: In response to questionnaires sent to owners of entertainment establishments in this area, somewhat more than half are subject to the 20 percent tax, but the days and hours of employment for musicians and other entertainers, as well as total job opportunities are dwindling progressively, the Pittsburgh local reports. An interesting phase of this survey revealed that if the tax was eliminated owners-operators of entertainment places said they would employ 43 percent more musicians.

Philadelphia area: Of the more than 5,000 members of the Federation of Musicians in Philadelphia more than one-half are forced to seek subsidiary employment in nonmusical occupations, a survey shows. Of the total of regularly employed musicians more than half are dependent upon establishments subject to the 20 percent tax and these job opportunities have diminished sharply in the last 3 to 5 years, our Philadelphia local reports.

Cincinnati area: Within the past year, the federation's Cincinnati local reports, two clubs subject to the 20 percent tax have gone out of business, and another discontinued its entertainment policy, denying employment to 14 musicians and 3 entertainers, as well as numerous culinary and service help. Formerly six first class hotels in the area employed bands. These employment opportunities have now dwindled to seven pianists.

Seattle area: In a single Seattle hotel, the Olympic, a music payroll of $1,000 a week giving 8 to 10 instrumentalists regular employment, has been revised downward as a direct result of the 20 percent tax, so that today only two pianists and no other entertainers are employed, the Seattle local reports.

I shall have by August 17 additional area spot checks on dwindling employment for musicians attributable directly to the 20 percent tax and shall place them in your hands as addenda to this letter report:

Chicago metropolitan area: The Chicago local, third largest of the federation's 700 locals, reports currently on the closing or elimination of entertainment policies in 26 establishments which were or are subject to the 20-percent excise tax. Employment for 98 instrumentalists alone was denied as a direct result of customer resistance to the excise. Attached is the telegraphic documentation, listing names of establishments and number of musicians formerly employed, as received this date from the recording secretary of Chicago Local 10, American Federation of Musicians.

Milwaukee area: Twenty-five establishments have discontinued entertainment because of customer resistance to the 20-percent tax. These places once provided a total annual payroll of $520,000 for instrumentalists alone. Our Milwaukee local (letter attached) reports that 30 additional establishments have indicated the desire and intent to employ musicians from 2 to 4 nights per week if the tax is discontinued, representing an additional annual payroll loss of $78,000 for instrumentalists. Thus, the Milwaukee local points to a combined loss of $598,000 per annum in employment per year for the last 5 years which it attributes directly to the excise tax.

Cleveland area: One major hotel in Cleveland has closed out its music completely because of the 20-percent tax. Two other major hotels do not use music part of the year because of the tax. In addition, there are at least 40 nightclubs which have discontinued music because the tax has created a burden under which they were no longer able to operate.

Meanwhile, I have been informed by the American Guild of Variety Artists that it will shortly send to you certain documented information reflecting a virtual wholesale closing of entertainment places across the Nation because of growing customer resistance to this possible 20-percent excise.

With all good wishes and kindest personal regards, I am,

Cordially,

HAL LEYSHON,
Executive Director.

AMERICAN HOTEL ASSOCIATION,
Washington, D.C., August 17, 1959.
Hon. AIME J. FORAND,
House of Representatives,
Washington, D.C.

DEAR MR. FORAND: Following our pleasant meeting with you a week or 10 days ago, I made a quick canvass of some of the key cities in the United States, in an effort to learn the identity of some of the hotels which had closed entertainment rooms in the last year or two.

The attached statement gives a partial list of such hotels. Without doubt, the closing of these rooms, due to guest resistance to the 20 percent cabaret tax, caused the loss of thousands of jobs for waiters, waitresses, entertainers, musicians, etc.

We have every reason to believe that the enactment of your bill, H.R. 2164, reducing the tax to 10 percent, would bring about the prompt reopening of many of these rooms.

Cordially,

M. O. RYAN.

ENTERTAINMENT ROOMS CLOSED

NEW YORK

Starlight Roof, Waldorf-Astoria Hotel; Cafe Rouge, Statler Hilton Hotel: These two are among the entertainment rooms in New York City hotels which closed during the past year.

SEATTLE

The Olympic Bowl, Olympic Hotel: The outstanding entertainment room in any of the hotels in Seattle, closed last winter. It had closed once before, but was reopened a second time, and a vigorous attempt was made to make it successful. But the public simply would not pay the 20 percent tax on food and beverage, so it was closed permanently.

ST. LOUIS

The Zodiac Room, Chase Hotel: Closed last week (Aug. 6).

Town and Country, Congress Hotel: Discontinued music and dancing last summer. Room continues open for the service of beverage and food, but no tax is applicable.

Terrace Room, Statler Hilton: This main dining room in the leading hotel of the city discontinued music and dancing a year or two ago. It now is only open for the service of food at noon each day.

Boulevard Room, Sheraton-Jefferson Hotel: This room formerly had stage shows and dancing. These were discontinued in March 1959. Only luncheon is now served.

Gourmet Room, Park Plaza Hotel: This room formerly offered stage shows and dancing, and remained open until 2 a.m. However, all entertainment and dancing were discontinued, and the room now closes at 9 p.m., following the service of dinner.

KANSAS CITY

Terrace Grill, Hotel Muehlebach: After 40 years of continuous operation, this room was closed in June 1959. It regularly employed more than 50 persons, all of whom lost their jobs when the room closed. Throughout that section of the country, it was known as the leading room for entertainment and dancing.

The Tropics, Hotel Phillips: Dancing was terminated in this room a year ago, and it now affords only food and beverage service.

Penguin Room, Hotel Continental: This dining and dancing room was closed early in 1958, and there are no plans for reopening it, so long as the cabaret tax remains at 20 percent.

The Casbah, Hotel Bellerive: This popular entertainment room closed last year.

The Branding Iron, Hotel LaSalle: This dining and dancing room was closed early this year.

ROCHESTER, MINN.

Royal Coach Room, Kahler Corp. hotels: Due to public resistance to cabaret tax, this room was closed recently.

CHICAGO

Terrace Casino, Morrison Hotel; College Inn, Sherman Hotel; Marine Room, Edgewater Beach Hotel; Gold Coast Room, Drake Hotel; Glass Hat, Pick-Congress Hotel; Mayfair Room, Sheraton-Blackston Hotel; Walnut Room, Bismarck Hotel: All of these rooms have been closed during the last 2 or 3 years. In the Drake and in the Edgewater Beach, smaller rooms have been established wherein periodic dancing and entertainment are offered, but they are not open 6 nights a week, as were the former entertainment rooms.

LOS ANGELES

Biltmore Bowl, Biltmore Hotel: One of the most famous entertainment rooms on the continent, the Biltmore Bowl was forced to close a year ago, due to declining public patronage.

NATIONAL RESTAURANT ASSOCIATION,
Washington, D.C., August 14, 1959.
Congressman AIME J. FORAND,
U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN FORAND: On behalf of the National Restaurant Association and the approximately 80,000 restaurants it represents through its affiliated State restaurant associations, I wish to express our gratitude for your very excellent efforts to eliminate or reduce the burdensome cabaret tax.

At our meeting in your office on Tuesday, August 4, you requested up-to-date figures which might be helpful to you when H.R. 2164 reaches the House floor. I regret to advise that we do not have any valid statistical information which would indicate employment or sales potential should this burdensome tax be eliminated or reduced. The effect of reducing or eliminating this tax from an economic standpoint, however, should be obvious when consideration is given to some of the economic factors affecting the restaurant industry. The average profit nationally for the restaurant industry is 2 percent. Restaurants, like food stores, operate successfully through a large volume of sales. In this type of industry, price has a tremendous effect on sales. Obviously any increase in price would result in such a curtailment of sales that any corresponding increase in profits would be more than offset by a loss in sales. Were this not the case, management could raise prices but 2 percent and thereby double profits.

The cabaret tax increases prices 20 percent where it is applied. This oppressive tax does not result in the complete elimination of that business to which it is applied (although it comes close to it) simply because the cabaret tax is applied equally to all competition in the business. In the restaurant industry, however, competition is primarily with the housewife and her family budget. Consequently any increased cost like that brought about by a 20 percent cabaret tax will obviously result in a far greater curtailment of sales in the restaurant industry than if the tax were applied to a food or service where no alternative is available. From the standpoint of production of Federal revenue alone, without regard to justice, any creditable economist would advise against such an oppressive tax. Theoretically at least a 50-percent reduction of the cabaret tax should produce more revenue in cabaret taxes alone than the present levy of 20 percent. It is our considered opinion that sales subject to Federal cabaret taxes might easily double if the tax is reduced 50 percent.

Such has been our experience in the restaurant industry and such is a contention which we believe will be supported by many competent economists familiar with restaurant industry sales. At any rate, no competent economist would advise such a high tax on a service for which there is such a readily available substitute, produced by an industry which depends on a large volume of sales, and which experience a relatively small percentage of sales as profit. In our judgment, the only economic justification for the tax is to discourage the activity to which it is applied. Perhaps this was a good end during the war years when it was initiated. It does not justify its continuation at this time.

Most assuredly the production of Federal revenue has never been a sound economic justification for this tax, and it certainly is not an economic justification for its continuance or for the refusal to reduce it. In our judgment, the cabaret tax was initially applied and subsequently increased accidentally during war periods during which there was a substantial upsurge in the activity to which it was applied and consequently its crushing effect on sales has never been truly appreciated. If we were in a position to advise management to reduce an arbitrary 20-percent additional charge to 10 percent under like circumstances for the purpose of increasing sales, we most assuredly would. We think that Congress can and should find just as much economic justification for a 50-percent reduction in cabaret taxes without in any way fearing a loss in Federal revenue from cabaret taxes alone.

There are some, we are certain, that would continue cabaret taxes not for economic reasons but rather to discourage the activity to which the tax is applied. Historically the tax has been unreasonably identified with the sale of liquor. It is not realistically or economically designed to affect liquor sales. If such a tax were desirable, it would be more economically sound to apply it directly as an addition to excises presently levied on all liquor. There are 11 States, as you know, where cabaret taxes operate on sale of food alone. If anything, this tax encourages the consumption of liquor at other establishments, at private parties, or at home where its cost is considerably less than at establishments where the cost of providing dancing, music, and entertainment must be added to the price of the liquor and food sold.

Cordially yours,

THOMAS W. POWER,
Washington Representative.

AMERICAN GUILD OF VARIETY ARTISTS,
New York, N.Y., August 13, 1959.
Representative AIME J. FORAND,
New House Office Building,
Washington, D.C.

DEAR CONGRESSMAN FORAND: I am taking the liberty of writing to you, relative to the 20-percent Federal amusement tax. I have been heartened by recent reports in the public press indicating that the bill has a possibility of being reduced to 10 percent. While I personally feel the theatrical industry would be in a far better position, employmentwise, if the tax was abolished completely, I am not that naive not to understand that half a loaf is better than none.

I am enclosing for your information, which you may feel free to use at your discretion, a list of the establishments that have closed due to a lack of business. In 90 percent of the instances, the lack of business is definitely and mainly attributed to the fact that the general overall public cannot subscribe to any form of entertainment which proves to be in excess of their earning capacity. For example: The average income earner going to a nightclub as a couple, would necessitate the spending of some $30 or more in order to have an evening's entertainment. Certainly, in light of present earning capacities, this is totally far from being realistic. The average night club or supper club will charge any-

where from $15 to $20 for dinner for two, excluding beverages, plus the 20-percent tax. Yes, and in some cities there are local as well as additional State taxes to be added. In some cities, coupled with the 20-percent tax there is an additional 8-percent tax—3 percent city and 5 percent State. Twenty-eight percent, on top of your already proffered bill for the evening, is an exorbitant amount of money for anyone to pay. This does not include the babysitter, the parking of car, or other means of transportation plus gratuities.

The elimination of the 20-percent tax, or even its reduction to 10 percent, I am quite confident, will inure to the benefit of the U.S. Government and to its citizenry. Our union, the American Guild of Variety Artists, which represents the variety performer in nightclubs, vaudeville theaters, parks, expositions, ice shows, water shows, skating shows, and industrial shows of all types has been one of the hardest hit by the 20-percent tax these many years. The American Federation of Musicians has been hit even harder than we have because of their greater membership. The stagehands, the catering employees, the press agents union, and all of the other crafts that go to service nightclubs and other areas of entertainment which I have enumerated above, have been greatly hurt to the extent where avenues of employment for all of our members have decreased to a practical standstill. Our union requires that all employers desirous of hiring our members place a bond in escrow with us in a non-interest-bearing account in the amount of 1 week's salary for each performer employed.

I am enclosing for your information and perusal a list of over 250 establishments that have been forced to shut their doors in every part of the United States as well as Canada and Hawaii, where our union has jurisdiction. You will note that I have had this information arranged as follows: Name of the establishment, city, the date when entertainment was discontinued and the amount of money which we returned to that establishment. This covers the year of 1958. The year 1959, which has yet to terminate, is even worse. The combined amount of money we have returned in the form of 1 week's salary is $182,994.02. Mind you, sir, this is 1 week's salary. The monthly salary would come to $731,976.08. The yearly salary, if these places were still open, would have been approximately $8,783,701.96. This does not include the salaries for musicians, stagehands, public relations, culinary and catering help, etc.

If relief is not forthcoming this time, I shudder to think what the future holds in store for all those connected with the theatrical profession.

Your help and understanding, support and aid is appreciated and welcomed. We would like you to know, sir, that our entire membership of over 20,000 performers is most grateful for all that you have done to bring this to pass. We shall never forget your kindnesses and considerations, not only in our behalf, but in behalf of the entertainment industry. No matter what the outcome, please rest assured of our genuine thanks for your complete cooperation.

If we can be of any further service to you, please do not hesitate to call on us.

With every good wish, I am,

Sincerely yours,

JACKIE BRIGHT,
National Administrative Secretary.

Bond refunds, 1958

Name of establishment	City	Entertainment discontinued	Amount	Name of establishment	City	Entertainment discontinued	Amount
Cardenas Place	Thermal, Calif	Dec. 3, 1957	$250.00	Frank Barbaro's Bowery Supper Club.	Detroit, Mich	Feb. 24, 1958	$500.00
Orchid Lounge	Springfield, Ill	Dec. 6, 1957	200.00	Knotty Bar	Philadelphia, Pa	Feb. 25, 1958	250.00
Cafe de L'Est	Montreal, Quebec	do	600.00	Wagon Wheel	Darby, Pa	do	149.00
Cafe de la Paix	Portsmouth, R.I	Dec. 9, 1957	75.00	Casino Royal	New Orleans, La	Feb. 27, 1958	500.00
Redskin Lounge	Washington, D.C	do	200.00	Vanity Fair	Miami Beach, Fla	Feb. 28, 1958	125.00
Club Boston	Chicago, Ill	do	82.70	Squadron Club	Fairbanks, Alaska	do	350.00
Orchid Club	Tulsa, Okla	do	200.00	Pal's Cafe	Montreal, Quebec	Mar. 2, 1958	600.00
Happy Go Lucky Jerry's	Huntington Park, Calif	do	200.00	Folies Bergeres	do	do	952.35
Gray's Inn	Miami Beach, Fla	Dec. 10, 1957	900.00	Hotel Shawinigan	Shawinigan Falls, Quebec	Mar. 3, 1958	500.00
The Showplace	New York City, N.Y	Dec. 14, 1957	500.00	The Flame	Phoenix, Ariz	do	2,250.00
Ringside Club	Houston, Tex	do	25.00	Vogue Club	Inkster, Mich	Mar. 6, 1958	500.00
Catalina Lounge	do	Dec. 16, 1957	250.00	El Mombo	Long Island, N.Y	do	150.00
Silhouette Lounge	Detroit, Mich	do	125.00	Circus Lounge	New Orleans, La	Mar. 8, 1958	50.00
Flamingo Club	Terre Haute, Ind	do	125.00	Smarek's Restaurant and Lounge.	Cicero, Ill	do	250.00
Deluxe Nite Club	Superior, Wis	Dec. 17, 1957	250.00	Clarence's Crazy Cottage	Cincinnati, Ohio	Mar. 10, 1958	100.00
Shalimar Club	Shalimar, Fla	do	750.00	Chad's Rose Room	Phoenix City, Ala	do	250.00
Rocking M. B	Miami Beach, Fla	do	500.00	Intercontinental Hotels Corp.	Puerto Rico	do	10,000.00
Rustic Cabin	Colmar Manor, Md	do	300.00	Patio Club	Valley Stream, Long Island, N.Y.	Mar. 11, 1958	100.00
Franklin Park Cafe	Washington, D.C	Dec. 20, 1957	125.00	Cafe De Paris	Miami Beach, Fla	Mar. 17, 1958	2,500.00
Sahara Club	Eugene, Oreg	Dec. 23, 1957	250.00	Tower Club	Hot Springs, Ark	Mar. 18, 1958	300.00
Beachwater Club	Biloxi, Miss	Dec. 24, 1957	150.00	Club One-Two	Toronto, Canada	do	500.00
La Lune Club	New Orleans, La	do	1,000.00	Blue Crystal Nite Club	Girard, Ohio	do	300.00
Club Boston	Chicago, Ill	Dec. 27, 1957	250.00	Bonnie's Black Angus	St. Louis, Mo	Mar. 24, 1958	2,000.00
Holiday Inn	Morrisville, Pa	Dec. 30, 1957	230.00	Chateau Salaberry	Valleyfield, Quebec	Mar. 22, 1958	200.00
Hotel Villa	Lisbon, Maine	Dec. 31, 1957	200.00	Persian Palms	Minneapolis, Minn	Mar. 28, 1958	600.00
Pappy's Showland	Dallas, Tex	do	150.00	The Patio	Palm Beach, Fla	do	1,500.00
Club Diplomat	Des Moines, Iowa	do	300.00	Chez Joey	Miami, Fla	do	750.00
Italian Village	Lincoln, Nebr	Jan. 4, 1958	300.00	Harem Club	Miami Beach, Fla	do	400.00
Club Rondevoo	Detroit, Mich	do	200.00	Queen Hotel	York, Pa	Mar. 25, 1958	75.00
Pier 66	Fort Lauderdale, Fla	do	700.00	Circus Lounge	Atlanta, Ga	do	275.00
Caruso's	Waterbury, Conn	do	50.00	Echo Lounge	Tampa, Fla	Apr. 2, 1958	200.00
Pappalardos Supper Club	Ridgecrest, Calif	do	75.00	Freid's	do	Apr. 5, 1958	150.00
Zephyr Room	Cleveland, Ohio	Jan. 6, 1958	1,000.00	121 Club	Lakewood, N.J	do	200.00
Paramount Lounge	Binghamton, N.Y	do	1,000.00	Gray's Inn	Miami Beach, Fla	Apr. 7, 1958	650.00
Chuck's	Lowell, Mass	do	250.00	2011 Club	Washington, D.C	do	200.00
Royal Room	Hollywood, Calif	Jan. 11, 1958	225.00	Louie's 29 Club	Oklahoma City, Okla	do	750.00
39 Club	Kansas City, Mo	Jan. 14, 1958	140.00	Moro-Landis Productions	North Hollywood, Calif	Apr. 9, 1958	3,200.00
Billy's Club	Cleveland, Ohio	do	300.00	Old Mill	Bronx, N.Y	do	45.00
Kin-Wa-Low	Toledo, Ohio	do	525.00	Faust Club	Peoria, Ill	do	221.50
Crossroads Supper Club	Bladensburg, Md	Jan. 18, 1958	658.30	Danube Bleu	St. Sulpice, Quebec	Apr. 12, 1958	400.00
616 Club	Green Bay, Wis	do	150.00	Empress Hotel	Miami Beach, Fla	do	1,000.00
Gene's Sho Bar	Akron, Ohio	do	300.00	O. T.'s Grill	Mount Morris, N.Y	Apr. 16, 1958	100.00
120 Club	Cheyenne, Wyo	Jan. 21, 1958	300.00	Manoir De Brucy	Ile Perrot, Quebec	do	250.00
Petrino's Supper Club	Derby, Colo	do	300.00	Pearl City Tavern	Oahu, Hawaii	Apr. 20, 1958	1,500.00
El Dorado Cafe, Inc	Montreal, Quebec	do	300.00	The Reef	Fort Lauderdale, Fla	Apr. 23, 1958	375.00
Toddle Inn	East St. Louis, Ill	do	100.00	Pines Supper Club	Hot Springs, Ark	Apr. 26, 1958	505.00
Locust Top Hat Club	Philadelphia, Pa	Jan. 24, 1958	150.00	Club Internationale	Philadelphia, Pa	do	37.00
Mike's South Pacific Club	Homewood, Ala	Jan. 25, 1958	500.00	Owl Club	Winterhaven, Calif	Apr. 29, 1958	175.00
The Bank Club	Ely, Nev	Jan. 27, 1958	1,000.00	The Clock	Morristown, Pa	do	100.00
Mandy's Lounge	Buffalo, N.Y	Jan. 28, 1958	250.00	Skyline Club	Baltimore, Md	do	300.00
The Keynoter	Hollywood, Calif	do	375.00	Dick's Inn	Buffalo, N.Y	do	100.00
Club St. Maurice	Three Rivers, Quebec	do	300.00	Barclay Hotel	Toronto, Ontario	do	1,000.00
The Patio	Miami Beach, Fla	Feb. 4, 1958	300.00	Scenic Club	Modesto, Calif	May 2, 1958	102.50
Roma Cafe	Brockton, Mass	do	100.00	Skyline Club	Las Vegas, N. Mex	May 6, 1958	20.00
All New Carroll's	Philadelphia, Pa	Feb. 6, 1958	250.00	George Washington Hotel	West Palm Beach, Fla	May 13, 1958	100.00
Musical Bar	Akron, Ohio	do	250.00	Palace Restaurant	East Monongahela, Pa	do	200.00
Moulin Rouge	San Francisco, Calif	do	300.00	La Von Club	Peoria, Ill	May 16, 1958	1,200.00
New Wigwam	Chicopee, Mass	Feb. 11, 1958	200.00	K.C. Starlight Theatre	Kansas City, Mo	May 17, 1958	30,000.00
La Conga Club	Miami, Fla	Feb. 12, 1958	31.60	Koko Theatre Restaurant	Phoenix, Ariz	May 19, 1958	2,000.00
Sahara Musical Bar	Philadelphia, Pa	Feb. 14, 1958	400.00	New Comers of 1958	Hollywood, Calif	May 20, 1958	11,000.00
Four Leaf Clover Club	Tynsboro, Mass	do	200.00	Chicopee AMVETS Post No. 12.	Chicopee Falls, Mass	do	250.00
Monico Club	Sorel, Quebec	do	200.00	Columbia	Tampa, Fla	do	500.00
Riot Room	Miami Beach, Fla	Feb. 21, 1958	350.00	Manchester Club	Los Angeles, Calif	May 23, 1958	120.00
Bobby Fife's Bar	Pittsburgh, Pa	do	80.00	Monte Carlo Club	Jacksonville, Fla	May 24, 1958	200.00
Chez Paree	Chicago, Ill	Feb. 20, 1958	5,000.00	Club Morocco	Denver, Colo	do	1,000.00
White Elephant	McKeesport, Pa	Feb. 21, 1958	25.00	Marty Rubins Playgoers	Boston, Mass	do	80.00
Jesse James Club	Stanfield, Oreg	do	114.00	Miami Club	El Cerrito, Calif	do	15.00
Club Provincial	Montreal, Quebec	do	500.00				
Ziggy's Bar and Lounge	Pawtucket, R.I	do	385.00				
Graystone Ballroom	Detroit, Mich	Feb. 12, 1958	200.00				
Comedy Club	Baltimore, Md	Feb. 24, 1958	300.00				
Club Rainbow	Buffalo, N.Y	do	200.00				

Bond refunds, 1958—Continued

Name of establishment	City	Entertainment discontinued	Amount
The Playroom	New York City, N.Y.	May 27, 1958	$100.00
Coral Room	Washington, D.C.	do	200.00
Flamingo Club	Orlando, Fla.	do	200.00
Gene's Sho Bar	Akron, Ohio	May 30, 1958	240.00
Papa Bouche's Villa Venice	Hallandale, Fla.	do	165.00
Cafe Hale Hakala	Montreal, Quebec	June 2, 1958	200.00
B and B Lounge	Indianapolis, Ind.	June 8, 1958	141.66
Van's Brockton	Brockton, Mass.	June 11, 1958	75.00
Andy's New Log Cabin	Gloucester Heights, N.J.	do	400.00
Carillon Hotel	Miami Beach, Fla.	do	2,000.00
Elbow Room	Tucson, Ariz.	June 14, 1958	375.00
Revere Celebrity Lounge	Revere, Mass.	do	255.00
South Shore Terrace	Merrick, Long Island	June 15, 1958	100.00
Alamo Club	Detroit, Mich.	June 18, 1958	525.00
Town House	Gloucester, N.J.	June 22, 1958	200.00
Villa Venice	Milwaukee, Wis.	do	500.00
Shelborne Hotel	Miami Beach, Fla.	do	750.00
Place Vallee	Lac Poulin, St. Benoit Beauce, Quebec.	do	210.35
Cavalier Cafe	Williamansett, Mass.	do	150.00
Shore Club Hotel	Miami Beach, Fla.	do	150.00
Paul's Cocktail Lounge	Baton Rouge, La.	June 24, 1958	400.00
Ambassador Restaurant	Long Island, N.Y.	June 22, 1958	150.00
Petroleum Club	Houma, La.	June 24, 1958	100.00
El Patio Club	Cairo, Ill.	do	200.00
Mocambo	Hollywood, Calif.	do	250.00
Hesperia Inn	Azusa, Calif.	do	1,650.00
Thunderbird Supper Club	Seattle, Wash.	July 4, 1958	350.00
Ringside Club	Houston, Tex.	do	150.00
Turf Club	Rome, N.Y.	July 7, 1958	200.00
Majestic Theatre	Vancouver, British Columbia.	do	300.00
Shamrock Club	Odessa, Tex.	do	337.80
Reno's Club	Oakland, Calif.	do	100.00
Luau 400 Restaurant	New York City, N.Y.	do	100.00
Chez Paree	Albuquerque, N. Mex.	July 12, 1958	150.00
Cafe St. Jacques	Montreal, Quebec	do	600.00
Host Restaurant	Jersey City, N.J.	do	150.00
Forest Inn	Jacksonville, Fla.	do	200.00
Leb's Pigalley	Atlanta, Ga.	do	500.00
Petrino's	Albuquerque, N. Mex.	do	350.00
Windmill Club	Jacksonville, Fla.	July 13, 1958	125.00
Club 400	South Daytona Beach, Fla.	July 15, 1958	300.00
Actors Colony	Seymour, Conn.	July 18, 1958	200.00
Vick's Bar and Restaurant	Miami, Fla.	July 19, 1958	500.00
Silver Slipper	Memphis, Tenn.	do	225.00
Cat and Fiddle Club	Cincinnati, Ohio	July 21, 1958	400.00
Frolic Bar and Restaurant	Goulds, Fla.	do	400.00
Jimi's Inn	Detroit, Mich.	July 22, 1958	207.80
Bandstand	Philadelphia, Pa.	Aug. 8, 1958	500.00
Bolero Club	Wildwood, N.J.	Aug. 9, 1958	5,000.00
Ye Old Tavern	West Brookfield, Mass.	Aug. 11, 1958	300.00
Dream Bar	Cicero, Ill.	Aug. 18, 1958	400.00
Cold Springs Resort	Hamilton, Ind.	do	1,000.00
Bowery	Salisbury Beach, Mass.	do	1,500.00
Cafe Paree	Washington, D.C.	Aug. 25, 1958	1,550.00
Polish-American Club	Philadelphia, Pa.	Aug. 26, 1958	120.00
Rally Club	Baltimore, Md.	do	35.00
Diamond Beach Lodge	Wildwood, N.J.	do	5,700.00
Hi Hat Barbecur	Boston, Mass.	do	100.00
Club Palmetto	New Britain, Conn.	do	100.00
Oak Club	Wildwood, N.J.	Aug. 29, 1958	250.00
Cal Neva Lodge	Lake Tahoe, Nev.	Aug. 30, 1958	10,000.00
Frolics	Salisbury Beach, Mass.	Sept. 1, 1958	5,000.00
Club Avalon	Wildwood, N.J.	do	400.00
White City Park	Worcester, Mass.	Sept. 2, 1958	350.00
Hotel Larogque	Valleyfield, Quebec	Sept. 3, 1958	200.00
Old Red Barn	East Aurora, N.Y.	do	250.00
The Paddock	Ocean City, Md.	Sept. 6, 1958	800.00
Club Moulin Rouge	New Orleans, La.	Sept. 9, 1958	200.00
Martin's Club	Ruidoso, N. Mex.	Sept. 9, 1958	$150.00
Brunswick Hotel	Old Orchard, Maine	Sept. 13, 1958	125.00
Crescent Hotel	Waterville, Maine	do	300.00
Club Madrid	Atlantic City, N.J.	do	200.00
Gay Ninety's Club	Biloxi, Miss.	Sept. 16, 1958	200.00
Hotel Montlieu	St. Eustache, Province of Quebec.	do	200.00
Weathering Heights	Provincetown, Mass.	Sept. 17, 1958	457.10
Moulin Rouge	Canesue, N.Y.	do	150.00
Marty Bohn's Nut Club	North Wildwood, N.J.	Sept. 21, 1958	300.00
Hotel St. Maurice	Three Rivers, Quebec	Sept. 23, 1958	525.00
Pinehurst Inn	Val Morin, Quebec	do	200.00
La Ronde, Inc	Sherman Oaks, Calif.	do	150.00
Swamp Club	Atlantic City, N.J.	do	500.00
Freddies Cafe	Minneapolis, Minn.	Sept. 24, 1958	250.00
Elbow Room	Tucson, Ariz.	do	175.00
Club Savoy	Buffalo, N.Y.	do	100.00
Waller's Post Lodge	Larchmont, N.Y.	Sept. 27, 1958	100.00
The Empire Club	Hamilton, Bermuda	do	600.00
Capri Restaurant	Clearwater Beach, Fla.	Sept. 28, 1958	500.00
Monahan's	Lake Boone, Hudson, Mass.	Oct. 3, 1958	200.00
Castle Des Monts	Ste. Agathe Des Monts, Quebec.	Oct. 4, 1958	100.00
Di Lido Hotel	Miami Beach, Fla.	Oct. 6, 1958	1,000.00
Rendezvous Club	Fairbanks, Alaska	Oct. 7, 1958	348.40
Edgewater Hotel	Pte. Claire, Quebec, Canada	Oct. 10, 1958	100.00
Las Vegas Club	Coral Hills, Md.	Oct. 13, 1958	300.00
Golden Slipper	Philadelphia, Pa.	do	415.00
Colony Club	McClure, Ill.	do	500.00
Beach Plaza	Revere Beach, Mass.	Oct. 14, 1958	500.00
Nautilus Hotel	Miami Beach, Fla.	Oct. 18, 1958	1,000.00
The Lariat Club	San Francisco, Calif.	Oct. 20, 1958	300.00
Zutz' Mirror Club	Vancouver, British Columbia, Canada.	do	250.00
Hank Arnold (Circus Room).	Dallas, Tex.	Oct. 21, 1958	200.00
Jack Rowe's	Washington, D.C.	do	100.00
Club Di Napoli	Waterbury, Conn.	Oct. 24, 1958	250.00
John Walsh's 881	Los Angeles, Calif.	do	150.00
Club Social Ritz	Granby, Province of Quebec, Canada.	do	350.00
Murry's Mau Mau Lounge	Miami Springs, Fla.	Oct. 25, 1958	100.00
Mario's Gay 90's	Dallas, Tex.	do	190.00
Persian Room	Philadelphia, Pa.	Oct. 28, 1958	150.00
Matty's Club	Stockton, Calif.	do	175.00
Lancer Music, Inc. (Big Rock Show).	Philadelphia, Pa.	Nov. 2, 1958	3,000.00
Antlers Hotel	Colorado Springs, Colo.	do	150.00
Sparky's Avenue Restaurant.	Rochester, N.Y.	do	322.50
Party House Club	Jacksonville, Fla.	Nov. 3, 1958	150.00
Playgoers Cafe	New York City, N.Y.	do	400.00
Cordial Lounge	Chicago, Ill.	Nov. 12, 1958	100.00
Becky's Club Charming	Cairo, Ill.	Nov. 15, 1958	140.00
Victory Theatre	Denver, Colo.	Nov. 19, 1958	300.00
Bettye Mills Nite Club	Baltimore, Md.	do	140.00
Club Zanzibar	Buffalo, N.Y.	do	200.00
Lou's Moravian	Philadelphia, Pa.	do	67.05
Milla Vista	Sioux Falls, S. Dak.	do	210.00
Debra Hayes Sextet	Baltimore, Md.	Nov. 23, 1958	500.00
Key West Club	Hot Springs, Ark.	do	200.00
Ole French Opera House	New Orleans, La.	do	100.00
Guys and Dolls	do	do	100.00
Chez Paree	do	do	200.00
Stagecoach Inn	South Hackensack, N.J.	Nov. 24, 1958	518.70
Monte Carlo Hotel	Miami Beach, Fla.	Nov. 29, 1958	703.50
La Tour Coliseum	Quebec	do	200.00
Palms Club	Jacksonville, Fla.	do	1,500.00
Thorndike Hotel	Rockland, Maine	do	200.00
Lamp Lite Inn	Muskegon, Mich.	Nov. 30, 1958	200.00

NATIONAL FEDERATION OF MUSIC CLUBS,
Canton, Pa., July 27, 1959.

Re cabaret tax repeal.

To Members of the House Ways and Means Committee.

MY DEAR SIR: This is to respectfully request your immediate consideration and favorable action on bills H.R. 2164 (Forand) and H.R. 8010 (Mason). This request comes not alone from me personally, but the National Federation of Music Clubs, a philanthropic music service organization of some 600,000 members from across the nation.

It is for these reasons:

1. Our talented American musicians are being denied employment, not only because of technological development—a change in entertainment habits—but by the cabaret tax, which is taxing out of existence many establishments which employ musicians.

2. This is discouraging the development of our musical talent and a greater musical and cultured country.

3. This is discrimination against musicians and art.

A country is known by its art as well as its science; let us keep them in balance for a great cultured nation.

Thank you in advance for your consideration and support.

Very truly yours,

MRS. C. ARTHUR BULLOCK.

AUGUST 15, 1959.

DEAR CONGRESSMAN FORAND: President Ed S. Miller, of the Hotel & Restaurant Employees and Bartenders International Union, who is in Holmes Hospital, Cincinnati, recovering from chest surgery, has asked me to send you his heartfelt thanks for your unflagging interest in getting action on reduction of the cabaret tax. It's a goal of greatest importance to our members, as you can readily understand.

At Miller's request I queried locals in 10 cities on the jobs the tax has cost. The replies to my wire are attached. Figures cited in the attached are based on these messages.

At the same time, Miller asked that I tell you our best guess as to jobs likely to be restored or created nationwide. Repeal, we think, would yield 250,000; adoption of H.R. 2164 about 150,000.

Best wishes,

FREDERICK B. SWEET,
Managing Editor.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. I want to congratulate the gentleman on the fine statement he has made and I concur with his remarks. Recently I had some substantial businessmen in my area, visiting here in Washington, come to my office. They are in the cigarette vending machine business. During your remarks you made mention that the cabaret tax applied to food and beverages. I have been informed by the vending machine business people of my area that the Internal Revenue Service is attempting to collect a cabaret tax on cigarettes that are sold in vending machines. It is my opinion that such sales have no connection with the activities that make an establishment a cabaret. The sales are through machines only, and neither employees of the cabarets, nor concession-

aires are involved. The independent lessee has no connection with activities which make an establishment either a full-time or a part-time cabaret. In cases of those establishments which operate as cabarets only at certain times, it is impossible to regulate the machine to charge different prices at different times; it is impossible to identify sales made during the cabaret period, and it is impossible to pass on the tax to the purchaser. For some time now, the cigarette vending machine lessees have been operating under the position that they are not taxable. To rule at this time that the 20-percent cabaret tax applies would be a crippling blow to the industry, and would work a most unjust hardship in that all machines would have to be removed from any location that is at any time a cabaret. Further, to rule that the tax must be applied retroactively would amount to a confiscatory assessment.

Has your committee undertaken any study in regard to this matter, or has the point been brought before you? Do you believe that this tax is just for food and beverages, or has your committee in any way formed any kind of an opinion as to whether cigarettes sold in vending machines should be subject to the cabaret tax?

Mr. FORAND. I will tell you this, that I have personally had complaints, and I have asked the Internal Revenue Service to look into it. But, our chairman is familiar with that question, and if he desires to answer it, I will yield to him for that purpose.

Mr. MILLS. The Service is looking into this very point at the request of all of us. They have not as yet reported back. They expect to report back very shortly.

Mr. O'NEILL. I thank the gentleman.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, in urging support of this legislation which came unanimously from the Committee on Ways and Means, I do want to pay tribute to the gentleman from Rhode Island [Mr. FORAND] and other Members who have sponsored legislation having a similar purpose. This legislation has been before the Congress in the past but, for one circumstance or another, the legislation has failed of final passage. I respect the perseverance and the ability of the sponsors of this proposal and hope that this time they will be successful in having a law result from this legislation.

As we look into the future, keeping in mind the great growth of this Nation of ours, and as we tell our constituents we want tax reduction, I am persuaded to suggest that one of the things we should strive for in addition to tax reduction is sound tax adjustment as being a goal for which we should hope. In other words, I think as our country is growing and as our expenses are mounting, it is possible that the take from the American taxpayer will not be greatly reduced in the years ahead. The bill now before us illustrates this principle. On the other hand, it is unquestioned that by wise adjustment in certain of our tax areas we will get more money out of the taxpaying public at lower rates. I can think now of a number of areas, and I will cite one, where, for example, the 90-percent income tax level might apply, and where the individual taxpayer, for one reason or another, does not care to earn additional dollars if he could retain only 10 to 15 cents out of each dollar earned; where it would seem to me that a wise tax adjustment would lower those excessive and exceedingly high rates to a lower rate, inducing that worker to earn more money and thereby pay more taxes.

I make the point, Mr. Speaker, that the legislation now before this body would do just that; namely, increase the revenue from the American taxpaying public and reduce the rates under which that revenue is paid. Let us take an industry which is adversely affected by the present tax rate. If we lessen the rate, we provide more jobs and in the long run get more money from those who are employed.

I repeat what I said earlier that as we look into the future I am persuaded that we will be able to find many areas in the tax field where we can, by wisely adjusting the tax rates, increase the opportunity for employment and improve the capital structure of our country. In short, we would be acting to provide jobs, raise higher taxes at lower rates, as a result of making more employment so that our workers will have better jobs at higher wages.

Mr. Speaker, in the bill, H.R. 2164, the House has before it legislation that has been approved by the membership of the House on two previous occasions. The bill has as its purpose, as amended by the Committee on Ways and Means, the reduction from 20 percent to 10 percent of the so-called cabaret tax. It will be recalled during the 83d Congress that the House in acting on the Excise Tax Reduction Act of 1954 approved a provision which would have reduced the cabaret tax to 10 percent. This action was taken in recognition of the fact that the 20-percent rate depresses employment opportunities among musicians and the other employment undertakings involved in the operation and servicing of restaurants providing entertainment for their customers. It is to be regretted that this change was deleted in the other body. In the 85th Congress similar legislation passed the House, H.R. 17, but received no consideration beyond that point.

This legislation was unanimously reported by the Committee on Ways and Means. It is my expectation that a reduction of this tax will considerably improve the employment opportunities in the entertainment industry and that any revenue loss that is occasioned by this excise tax reduction will be substantially offset by revenue gain from the income taxes arising from the increased employment.

Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, I rise in support of this legislation. This is the third time this matter will have been voted on by the House. We provided in 1954 in legislation passed by the House for a reduction of this cabaret tax from 20 percent to 10 percent. We again passed legislation to accomplish that objective in 1957. It is here with us again today. It would be my hope, Mr. Speaker, that this time another body that also has something to say about it will concur in the judgment expressed by the House on these several occasions.

Mr. Speaker, I would like to comment on one thing; that is, that I think the name of this tax, the so-called cabaret tax, is a misnomer. Fundamentally this is a tax on employment, a tax on the employment of a particular group of our people, people who are professional entertainers or musicians. In fact it can apply even though the entertainers happen to be amateurs.

There are too many people who have the idea that this is just a tax on someone who may operate a nightclub or who sells liquor. Basically this tax applies only when entertainers are hired and entertainment is provided in connection with the serving of food and beverages. If there was ever a tax that is unjustified in times like these, it is a tax on employment, no matter what group of our people is involved. As far as I am concerned, Mr. Chairman, I have favored and I would favor the complete repeal of the tax. I find it very difficult in my own mind to justify going only halfway in this matter. In fact, I have introduced legislation for several years now—in this Congress it is H.R. 331—which would repeal the tax completely.

Mr. BECKER. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from New York.

Mr. BECKER. Mr. Speaker, I concur in the remarks made by my colleague, the gentleman from Wisconsin [Mr. BYRNES], that this is actually a tax on employment. I know that my own area in New York is very adversely affected, in that the employment of the very people the gentleman has mentioned is adversely affected. I also agree with the gentleman that the best thing we could do would be to eliminate this tax entirely. It is not helping industry generally.

Mr. BYRNES of Wisconsin. Mr. Speaker, I thank the gentleman. I am not going to suggest, however, that I would oppose this particular action. If I cannot get the whole loaf, I am willing to take a half loaf.

Mr. Speaker, there is probably some justification for the feeling that perhaps this is as far as we should go at this time in view of what we have had to face in the other body. Maybe a full repealer would run into even greater difficulty there. So I am not criticizing the gentlemen who propose simply a reduction of the tax to 10 percent from 20 percent. But I am suggesting that this tax, even 1 percent of it, in my judgment, is an unjustifiable tax and we should look to the day when we can repeal this tax completely. We should take this partial step today, but then our next step should be, as soon as it is practically possible, to eliminate the entire tax.

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. BALDWIN. Mr. Speaker, I rise in support of H.R. 2164. I introduced a bill to repeal the cabaret tax in both the 85th Congress and in this 86th Congress. This tax has caused a loss of employment to many waitresses, musicians, and other employees. It is an unfair and inequitable tax. It should be repealed entirely. However, the bill, H.R. 2164, is at least a step in the right direction, as it reduces the tax from 20 percent to 10 percent. I hope the bill will be passed.

Mr. FORAND. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Speaker, I should like to associate myself with the gentleman from Rhode Island [Mr. FORAND] and the gentleman from Wisconsin [Mr. BYRNES] in the statements they have both made. I agree with the statement made by the distinguished gentleman from Wisconsin that there is ample justification for removing this tax in full. And I would hope that that could ultimately be accomplished.

If I may, Mr. Speaker, I am going to dwell on another matter for just one moment. Twenty years ago this day, almost to this hour, our time, German bombers moved from Berlin and bombed the open city of Warsaw, Poland, beginning the bloodiest war ever known to mankind. I left Poland together with some of my colleagues, Mr. ADAIR, Mr. MONTOYA, and Mr. SAUND—all of whom I see on the floor—the day before yesterday.

Mr. Speaker, several of our colleagues, Mr. POAGE, Mr. MACHROWICZ, Mr. DERWINSKI, and the others that I have mentioned, distinguished themselves in a way that I feel should be brought to the attention of this body at the meeting of the Interparliamentary Union in Warsaw, which is still in progress. Mr. MACHROWICZ, my old friend and able colleague, opened the meeting as our first speaker.

Speaking in the ancient language of the brave Polish people, he told them that he, himself, was a native of Poland, born in that country, with many of the members of his family still living there; that he had served as an officer in their army during World War I. From there on, he talked about the events of 1939 and the cynical pact between Hitler and Stalin which made it possible for him to march into undefended Poland and then permitted the Russians to march in to grab their share of the loot 2 weeks thereafter.

Mr. Speaker, it would have gratified every Member of this body, if each and every one of you could have seen the spontaneous reaction of the people of Poland to that speech by one of the fine and able Members of this great body. They literally acclaimed him everywhere in Warsaw, and by the time we left there, he, in a sense, had become a new hero of a great and distinguished country.

Mr. Speaker, I say that the spark of freedom still burns very, very deeply and very strongly in the bosom of every person who calls himself a Pole. The demonstrations in behalf of Vice President NIXON were real and genuine and were not promoted by anyone, in contrast to that for Mr. Khrushchev who had been there only a few weeks before and for whose visit a holiday had been declared. I would hope, Mr. Speaker, we would preserve among ourselves a firm affection for the people of this great nation who are striving desperately despite their Communist masters to regain their freedom.

Twenty years ago they lost thousands upon thousands in Warsaw and ultimately 6 million people in their small nation. Here is a country that looks with affection and devotion to the United States of America. We must remember that.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I associate myself with the remarks of my colleagues of the Committee on Ways and Means in support of this remedial legislation. I think the point has been well made that this tax is a misnomer and therefore a tax to which it has been difficult to bring sense. This is, indeed, a tax on employment. The only point I want to emphasize further and, in fact, bring out is this point of the revenue aspect of this tax. I happen to believe this is an example, and a very good example, of how a tax rate can get beyond the point of diminishing return. I am satisfied that if we reduce this tax from 20 percent to 10 percent, we actually will see more revenue collected in the ensuing years beginning in about 2 years, I would say, than we presently collect under the 20-percent rate.

If we do no more than establish this factor in the minds of the Treasury Department and others, that there is such a thing as a point of diminishing returns in tax rates, we will have achieved real advancement in fiscal consideration.

One final thing, and that is to disabuse the minds—and I hope they have already been disabused—that this in any sense has anything to do with the serving of liquor, because there are some States where liquor is not permitted to be served, yet the cabaret tax applies.

In the finest hotels and the finest restaurants in the country, whether liquor is served or not, the fact that food is served and there is entertainment means that the tax applies. It is indeed a tax on employment and has really worked a hardship on our people who are in the field of music and entertainment.

Mr. FORAND. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Speaker, I am opposed to the repeal of the cabaret tax. If taxes are to be reduced this should be one of the least important areas to command the attention of Congress.

My fear is that this tax reduction will not create or save a single job. The tax loss to the Government will simply end up as a profit gain for the cabaret operator with no advantage to the citizen.

If the present 20-percent cabaret tax is a depressant to the cabaret business, it is no more a depressant than most carbarets.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, I would like to associate myself with the remarks made a few minutes ago by the gentleman from Louisiana [Mr. BOGGS] about the work done in the Warsaw Interparliamentary Conference by the gentleman from Michigan [Mr. MACHROWICZ], and in fact by the other members of the delegation as well, including the gentleman himself. It was excellent.

I think it is worthwhile also to note that we had another Member of this House who spoke the Polish language, the gentleman from Illinois [Mr. DERWINSKI]. He, too, contributed a great deal to the constructive activity of this Conference. Certainly it was the feeling of all of us who were there that our colleagues, and particularly those who speak the language of the host country, are doing a great deal to assure respect for our views and to further the cause of democracy.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Speaker, I rise in support of suspension of the rules on H.R. 2164, and urge that the House pass this legislation, which would reduce the so-called 20-percent cabaret tax to 10 percent.

Three times the House in its wisdom has seen fit to pass legislation reducing this discriminatory tax, and three times the Senate unfortunately has not seen fit to concur. It is my sincere hope that in this 86th Congress, history will not again repeat itself and this onerous tax, which in effect substantiates the law of diminishing returns, will at least be cut in half.

For my own part, I would have preferred outright repeal to modification at this time. Reams of testimony of unimpeachable source have been presented to the Ways and Means Committee, to the point where it would be impossible to offer further evidence that would not in itself be repetitious. Suffice to say that the overwhelming weight of evidence supports the fact beyond any doubt that a substantial reduction or elimination of this tax would result in no monetary loss to the Treasury, but rather on the basis of objective statistical research would increase revenue, not to mention the reemployment of thousands of presently unemployed or part-time-employed musicians, in addition to substantially increasing employment in related crafts such as waiters, culinary workers, entertainers, and so forth.

As a classic example of the effect this tax has in just one case with which I am personally acquainted, I should like to include the text of two telegrams which I received recently from my own district in Seattle. One is from the manager of the Olympic Hotel in Seattle, Wash., one of the leading luxury hotels in the Northwest, Mr. Thomas A. Gildersleve, and states:

Information for your use in connection with H.R. 2164. Reopened Olympic Bowl March 1958, closed October 1, 1958, after experiencing substantial loss mainly due to

opposition to cabaret tax, Federal, State, and city, which amounted to a total of 26⅓ percent. Also keen competition from clubs such as the large operation on Eighth Avenue which are not subject to Federal taxes. Bowl had 27 employees including manager, captains, waitresses, busboys, plus entertainment cost including music approximately $1,000 per week. I am certain that a reduction or elimination of the cabaret tax would be a great help to the restaurant and hotel industries.

The second telegram is from the Secretary of local 76, American Federation of Musicians of Seattle, Wash., Mr. L. D. "Larry" McDonell, stating:

We earnestly solicit your support and vote for H.R. 2164, a bill seeking reduction of the 20-percent job-destroying tax. We firmly believe this tax is responsible for a large percentage of unemployment not only in our ranks but in other affiliated crafts as well. The Olympic Bowl and the Georgian Room of the Olympic Hotel are a concrete example. At one time these rooms employed 8- to 10-piece orchestras nightly as well as waiters, waitresses and bartenders. Today they are closed because the public will not absorb the tax. The resultant loss in wages to our members alone amounts to well over $1,000 per week. This is one case of many here in Seattle. Multiply this by the number of similar cases over the entire United States and the resultant loss is a staggering sum.

These telegrams in themselves are relatively unimportant in the overall picture, but multiplied a thousandfold as they are, they represent the death throe of a dying industry.

I urge the passage of this legislation.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I would like to direct a question to the gentleman from Rhode Island. I am surprised by the unusualness of the report accompanying this bill. Nowhere do I find a single line or word representing the sentiment or the views of any of the executive agencies with respect to this bill.

This is probably the first report of its kind in this session of Congress. Can the gentleman tell me the reaction of the administrative agencies of Government regarding this loss of $21 million of revenue?

Mr. FORAND. I said during my remarks that the Treasury estimates a loss of $21 million. For that reason the Treasury is opposed to it. I deny that there will be any such loss. I maintain that we are going to pick up more than the $21 million that will be lost as the result of this reduction.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield for a further comment?

Mr. GROSS. I yield.

Mr. CURTIS of Missouri. I might remind the gentleman from Rhode Island too that the reduction of this tax will result in increased employment and that will probably result in a greater increase in revenue.

Mr. GROSS. There is no word from the Bureau of the Budget or any agency of Government. I am surprised that there is nothing contained in this report.

Mr. FORAND. I will say to the gentleman that personally I do not care about a report from any of the agencies. We are the ones responsible for the action we take here.

Mr. GROSS. I will say to the gentleman that we are wasting a lot of paper and time of employees if the reports from the executive branch of the Government on other bills are unworthy of consideration; we are wasting a lot of paper, time, and pay of employees in preparing the reports and so on, and so forth.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Yes, I am happy to yield to the gentleman.

Mr. FORAND. Has the gentleman ever found himself in the position of requesting a report from an agency and failing to get it?

Mr. GROSS. Yes, and I will say to the gentleman that I am not always bound by what the various agencies of the Government have to say with respect to a bill, but I like to have their views and I am surprised that there are none for or against this bill.

Mr. FORAND. I, too, like to have their views, but I am opposed to their method of vetoing consideration of a bill by refusing to turn in a report or give the committee their views, and that has happened time and time and time again during my service here, particularly since I have been a member of the Ways and Means Committee, the last 17 years.

I have reached the point where I am not going to be disturbed by their efforts to veto a piece of legislation by not sending in their report. We ask for reports in ample time on all these bills. As soon as the bill is introduced before our committee a report is immediately requested. In fact, only about 2 weeks ago in a meeting of the Ways and Means Committee in this little room P–15, I made the statement that I was ready to offer a resolution providing that if an agency failed to make a report within 90 days of the time they were requested to make it, we would assume they were in favor and go ahead with consideration of the legislation. That is the answer to the gentleman's question.

Mr. GROSS. I wish to associate myself with the remarks of the gentleman from Ohio [Mr. VANIK]. I do not believe this is the place to start cutting taxes. If we are going to cut taxes I think a better place to start would be on luggage and many other items which are in common usage.

Mr. FORAND. We are bringing this cabaret tax down to the same level as other excise taxes.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. FORAND. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Speaker, I want to compliment the gentleman from Rhode Island for making it possible for us to vote on this very important legislation today, and I want to praise the Ways and Means Committee for approving this measure.

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. KLUCZYNSKI. I yield to the gentleman from New York.

Mr. KEOGH. I am delighted to join with the gentleman from Illinois. I find it much more comfortable being on his side than against him.

Mr. Speaker, I want to commend the gentleman from Rhode Island, Mr. FORAND, for the diligence with which he has pursued the objective of this bill. The tax he has sought to be reduced is a graphic example of the retrogressive nature of excise taxes imposed at an unduly high rate. While it is termed "cabaret," we know that that term does not mean what was thought in the mauve and other decades. The tax rate imposes restrictions on the operation by responsible hotels and dining places of entertainment of a high quality. The enactment of this bill would, in the opinion of those sponsoring it and in my opinion, do much to increase the employment of musicians and other artists who are unduly burdened by the tax. The enactment of the pending bill will leave only one other admissions tax of 20 percent; namely, the admissions tax imposed on racetracks. Regardless of our feelings with respect to the industries here involved, it is obviously unfair unduly to impose on otherwise lawful enterprises burdensome taxes. I trust this bill will be enacted, and I further hope that our Committee on Ways and Means will before long undertake a comprehensive review of our existing excise structures to eliminate any that are unduly burdensome or an economic hindrance to the development of legitimate enterprises.

Mr. KLUCZYNSKI. Mr. Speaker, I thank the gentleman from New York. I am sorry, I regret my opposition to his amendment last week, but of course I was endeavoring to protect the interests of Chicago.

Mr. Speaker, I am sorry this bill has been misnamed "a cabaret tax." It is, in fact really an entertainment tax. To be sure although this tax is levied where liquor is sold in a cabaret, it is also a tax on the finest hotels and restaurant establishments where orchestrations are given throughout the Nation.

Some years ago we had an orchestra performing at my restaurant, where family gatherings of Polish people danced Polish dances. But the tax discouraged a continuation of this music program of entertainment. This bill would stimulate the employment of more people, including musicians, cooks, waiters, waitresses, busboys, bartenders, and so forth. Businessmen would return to their former music programs for the entertainment of their customers. It is estimated that 60,000 men and women would be reemployed in this field if the 20-percent tax were reduced to 10 percent.

I am sure the House will vote in favor of this bill today. However, to transgress a moment while I am on my feet—we fans in Chicago have been waiting for 40 years for something to happen. It certainly happened on Sunday afternoon in Cleveland. So I want to invite all of you to Chicago where the world's series will be played this year.

Mr. HALPERN. Mr. Speaker, it is a pleasure to join the many other commendations of the gentleman from Rhode Island, Congressman FORAND, for his fine work in bring to the floor H.R. 2164, the bill to reduce the cabaret tax from 20 to 10 percent. This bill goes a long way toward eliminating the tax inequity which has plagued restaurants, banquet halls, cabarets, roofgardens, and other places where entertainment is furnished in connection with the serving of food or merchandise.

I was pleased to join as a cosponsor of legislation to repeal the tax entirely as was provided for in H.R. 2164 when introduced by Congressman FORAND. The purpose was to enable cabarets and similar places of "live" entertainment to survive against the public reluctance to pay the tax and to compete against the vast mechanical entertainment industry which has expanded so tremendously in the last 10 years.

The 20-percent tax was, in effect, a toll on musicians and entertainers, on waiters and other employees of such places of entertainment, although it was supposed to be assessed against patrons. The diminution of trade at cabarets and other places of entertainment has meant the loss of countless jobs and the means of livelihood for musicians and other entertainers—not to mention the other employees of such establishments. And the continuation of the tax is jeopardizing the livelihood of many who are currently employed.

Although I would prefer to see the tax repealed in its entirety, I am very pleased that H.R. 2164 has been reported out for action today. It certainly is a step forward. If its passage serves to revive an important segment of the "live" entertainment industry, it is quite possible that the increase in business will produce a tax revenue under the new formula that will more than offset the $21 million which it is estimated will be lost in excise tax collections as a result of the passage of this bill.

It is only just that the cabaret industry not be taxed at a higher rate than that imposed by other excise taxes. The passage of H.R. 2164 will help to remedy an undeniable need. I urge that it be supported by all Members of the House.

Mr. PRICE. Mr. Speaker, I support this measure and sincerely hope there will be sufficient votes here this afternoon to suspend the rules and pass it and bring relief to the entertainment industry which has suffered a great deal under the weight of an unfair tax.

I believe the reduction in this tax will result in increased employment for musicians and entertainers as well as for employees in hotels, restaurants and cafes throughout the country.

The consumer will benefit in a 10 percent reduction in his food bill in those dining establishments which provide entertainment.

Mr. LINDSAY. Mr. Speaker, I rise to support H.R. 2164, unanimously recommended for passage by the Committee on Ways and Means. The report accompanying the bill clearly explains the patent inequity in this tax, constituting as it does an exception to the standard 10 percent rate on ad valorem excise taxes.

But the most telling point, in my judgment, is the fact that the tax has severely injured the entertainment industry. This is brought out in a paragraph in the report which deserves to be read into the RECORD:

> In recent years the employment of musicians and entertainers as a class has been at a relatively low level as a result of the drastic technological changes which have occurred in the entertainment business. The decline in employment, begun with the passing of the silent movies and vaudeville in the early thirties, has continued as first radio and then television has increased the emphasis on home entertainment. The trend away from live entertainment also has been accelerated by the increase in the use of records in the home and places of entertainment * * *. Statistics show that the present high rate of the cabaret tax has been an important factor in adding to this decline.

The 17th District of New York, Mr. Speaker, embraces the single area in our Nation most affected by this unfair tax. The famous hotels and cabarets of my city are located there; Times Square and Broadway are within its borders; most of the great theaters. I have heard from a great many of my constituents—all urging my support of this bill. I realize that some loss of revenue may result; I am inclined to believe it will be speedily replaced even at the lower rate, by the impetus this legislation will give to the entertainment industry. But whether revenue is lost or gained, we should not permit this one great industry to continue to bear an undue burden.

Mr. ZABLOCKI. Mr. Speaker, I wish to commend and congratulate the gentleman from Rhode Island for his untiring efforts in behalf of legislation to repeal the cabaret tax and for bringing this legislation before the House.

In past Congresses, as in this Congress, I introduced legislation to provide for the repeal of the discriminatory 20-percent tax on amounts paid for admission, refreshment, service, or merchandise, at any roof garden, cabaret, or other similar place.

This tax has had a serious effect on the employment of musicians and other entertainers. Where food and beverages alone have been served, there has been, in most cases, no tax at all. However, when the owner combines food and beverages with entertainment, a tax of 20 percent is imposed. This tax rate applies not only to admissions but also to amounts paid for refreshments, services, and merchandise. Needless to say, this tax has discouraged the proprietors of cabarets from hiring entertainment of any kind.

There is another reason why a repeal of this tax is long overdue. The rate of this tax is discriminatory and unfair. A ceiling of 10 percent applies at present to most ad valorem excise taxes. This ceiling was affirmed by the Excise Tax Reduction Act of 1954. Unfortunately, it does not apply to the cabaret tax and to a few other taxes. The cabaret tax has remained at the 20 percent level. This has proved to be neither fair nor wise.

I have long advocated an outright repeal of this discriminatory and burdensome tax. As I already mentioned, I repeatedly introduced bills to provide for this repeal. The number of my current bill on this subject is H.R. 688, 86th Congress.

I believe, however, that half a loaf is better than none, and I therefore support the legislation before us, to reduce the cabaret tax from 20 to 10 percent. This, to my mind, constitutes an overdue adjustment of an inequality which we have permitted to continue too long. This is the least that should be done to correct the discrimination against cabarets, against people employed in them, and against entertainers.

I am fully aware of the fact that a bill similar to H.R. 2164 was approved by the House last year. It was not, however, passed by the other body. I sincerely hope that the bill before us today will not meet with similar fate. I hope that it will be approved by both Houses of Congress and enacted into law. I will continue in my efforts to this end.

Mr. CAHILL. Mr. Speaker, I rise to support the bill reducing the cabaret tax from 20 percent to 10 percent. I congratulate the Committee on Ways and Means for their recognition of the necessity of following the established ceiling rate of 10 percent for ad valorem excise taxes. There is no doubt in my mind that the 20 percent cabaret tax has had as its direct effect the lessening of business in those establishments which sold food and beverages and provided entertainment for their customers.

In addition, there is no doubt that the musicians of America have been irreparably harmed by the impact of this 20 percent tax. I am certain that many of the taverns, restaurants, and hotels throughout the country will on the basis of this reduction find more customers willing to pay the reduced Federal tax for "live" entertainment. This is a step in the right direction. It is my hope that the day will come in the near future when all of the excise taxes imposed as a temporary measure for the war effort, will be eliminated.

Mr. BARING. Mr. Speaker, I want to compliment Mr. FORAND, who introduced H.R. 2164, to reevaluate the tax structure as it relates to the cabaret tax. Last year I introduced a bill to eliminate the tax altogether. My bill was amended in committee to reduce the tax from 20 percent to 10 percent, and in that form it passed the House, but because of the time element it failed to pass the Senate. Again in this session of the Congress, I introduced H.R. 1779 and Mr. FORAND introduced a similar bill, H.R. 2164, to repeal the cabaret tax. Again the committee amended it, to reduce the tax to 10 percent.

For a number of years, those who have engaged in various fields of entertainment have found they have related their talents to a dying industry. Progress has taken a terrific toll in the fields of music and entertainment. Back in the days of the silent movie, musicians supplied background entertainment. With the advent of sound film, they were no longer needed. Then came the passing of vaudeville, and these same entertainers exchanged memories of better days

in second-rate boardinghouses. Now, the top-level performers and musicians have little left to aspire to but nightclub entertainment, and with the imposition of a 20 percent ad valorem excise tax, the average income family can no longer enjoy this form of entertainment. Entertainers, except those stars who play in plush hotels, are in scarce demand.

I feel that the public, by and large, should be able to buy the sort of entertainment it enjoys without having the Governmet tax this pleasure out of existence. The committee, in considering H.R. 2164, has observed that the present 20 percent tax rate is burdensome and onerous to the cabaret business because it only applies to a combination of entertainment and the serving of food or beverages. It has noted in its report that where entertainment only is provided, a 10 percent admission tax usually applies, and where there is only the serving of food and beverages, there is generally no tax whatsoever. Yet under the present law if these two are offered in combination, there is today a 20 percent cabaret tax.

I admit, on the one hand, our Government will lose possibly a $21 million revenue by a reduction in the cabaret tax, and, of course, millions more if the tax were eliminated. On the other hand, if H.R. 2164 is enacted into law, there will be a marked increase in employment, especially of musicians and cabaret-type entertainers. I would predict that in the final analysis the immediate loss to the Government in tax revenue would be more than compensated by an increase in business taxes and earned income taxes on the part of both cabaret operators and of the individuals who would be returned to work. Furthermore, the average American family would not be prohibited from enjoying dinner out and an evening of recreation because of excessive taxation.

Mr. BOSCH. Mr. Speaker, yesterday, August 31, 1959, my distinguished colleague, Hon. EUGENE J. KEOGH, and I introduced identical bills, H.R. 8955 and H.R. 8956, to amend the act of October 19, 1949, entitled "An Act to Assist States in Collecting Sales and Use Taxes on Cigarettes." These bills have been referred to the Committee on Ways and Means.

During legislative sessions in 1959, New York and several other States imposed a tax on cigars for the first time. At the time the imposition of tax was under consideration the tobacco industry brought to the attention of authorities in New York the fact that there already existed a considerable interstate traffic in cigars. It was argued, with much force, that the imposition of a 15-percent tax by New York, when many other States either imposed no tax or imposed a lesser rate of tax, would result in an increase in the flow of cigars into New York from other jurisdictions.

The same situation existed, and continues to exist to some extent, with respect to cigarettes when cigarette taxes were first imposed by the States. The differential in tax per unit which exists from State to State led to a considerable mail-order business in cigarettes. Federal legislation, commonly known as the Jenkins Act, was passed to overcome problems created by this interstate traffic. The problems are identical with respect to cigars, and consequently this amendment is urged.

As in the case of cigarettes, the requirement of notification of the State fiscal authority in the State to which the product is shipped accomplishes two main purposes. First, a factor of unreal competition based on the tax differential is eliminated if the same tax must be paid on products shipped into the State as is paid on products passing to the consumer from a retail outlet located within the State. Secondly, the State imposing the tax minimizes its loss of revenue through the collection of tax on all products shipped into a State for ultimate consumption therein.

The ease and simplicity of evading the tax on cigars through mail order and other purchases from outlets located in sister States, must be self-evident. Furthermore, the consumer has more economic incentive to order from a low-tax or no-tax area because of the relatively higher price per unit than in the case of cigarettes. For example, on a box of 50 25-cent cigars, a purchaser in New York could save roughly $1.87, less postage, by having cigars shipped to him from a no-tax State.

This measure will have no fiscal effect on the Federal Government. It merely seeks to protect State revenues and, at the same time, eliminate an artificial competitive disadvantage that may be suffered by the cigar industry in New York and other States imposing taxes on cigars.

In addition to the State of New York, the following States impose sales taxes on cigars: Alabama, Arizona, Georgia, Louisiana, Minnesota, Mississippi, New Hampshire, Oklahoma, South Carolina, Tennessee, Vermont, and Washington.

Mr. WOLF. Mr. Speaker, I shall not oppose this bill reducing the amount of the cabaret tax, but I wish to take this opportunity to point out a basic paradox in which this Congress is involved. As a result of reducing the amount of the cabaret tax, the Federal Government is losing revenues of some $21 million. Yet tomorrow we will be voting on the question of raising the gasoline tax an additional penny a gallon since, we are told, there is not enough revenue to pay for the highway program.

If one was to decide the question of taxes on items that were considered unnecessary, it would seem to me that we would not remove the tax on cabarets and other such classes of entertainment so that we would not have to raise taxes in areas which have become a necessity.

Recognizing that class discriminatory tax legislation is not the kind of legislation that is good for the country, however, I will support the bill—but only reluctantly.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and on a division (demanded by Mr. FULTON), there were—ayes 209, noes 4.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. FULTON. Mr. Speaker, I withdraw my point of order.

So (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

DETENTION OF MAIL FOR TEMPORARY PERIODS

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7379) to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes, as amended.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 27, 1956 (70 Stat. 699; Public Law 821, Eighty-fourth Congress; 39 U.S.C. 259b and 259c), is amended to read as follows:

"That (a) (1) when the Postmaster General determines that such action is in the public interest because of the obscene, lewd, lascivious, indecent, filthy, vile, or fraudulent nature of the material involved, during proceedings before him in the administration of section 3929 of the Revised Statutes (17 Stat, 322; 39 U.S.C. 259), as amended and extended by the Act of March 2, 1895 (28 Stat. 964; 39 U.S.C. 259), section 4041 of the Revised Statutes (17 Stat. 323; 39 U.S.C. 732), as amended, and the Act of August 16, 1950 (64 Stat. 451; 39 U.S.C. 259a), he may enter an interim order directing that mail addressed to any person be detained by the postmaster at the post office of delivery for forty-five days from the effective date of the order. Notice of the order, advising the person of the detention and setting forth in specific detail the reasons therefor, together with a copy of this Act and such Act of August 16, 1950, shall be sent forthwith by registered or certified mail to the person at the post office at which such mail is to be detained.

"(2) Any person against whom an interim order is issued may petition in the United States district court for the district in which the post office at which such mail is held or detained is situated for an injunction restraining the postmaster from enforcement of the order if the issuance of the order was arbitrary or capricious.

"(3) Unless (A) the Postmaster General has been so restrained or (B) the Postmaster General files, within twenty days of the date of the interim order, a petition in the United States district court for the district in which the mail is detained is situated, and prior to the expiration of the interim order obtains an order directing that mail addressed to the person be detained for such further period as the court determines, an order for the detention of mail addressed to a person expires at the end of the forty-five days after the issuance thereof. Notice of the filing of such a petition shall be given forthwith by the clerk of the court in which it is filed to the person, at the post office at which the mail is being detained, or otherwise as the clerk of the court determines to be appropriate, and the person shall have five days in which to appear and show cause why the order should not issue.

"(4) If, upon all the evidence before it, the court determines that the continued detention of the mail is in the public interest, it shall forthwith issue an order directing that mail addressed to that person be detained by the postmaster at the office of delivery until conclusion of the proceeding

by the Postmaster General or until further order of the court.

"(5) If, upon all the evidence before it, the court determines, that the continued detention of the mail addressed is not in the public interest, it shall dismiss the petition and order all mail addressed to him detained in any post office to be released forthwith for delivery.

"(6) An appeal from the order of the court shall be allowed as in civil cases. An order of the Postmaster General or of the district court, under this section, may be dissolved by that court at any time for cause, including failure to conduct expeditiously the proceedings instituted against the person before the Postmaster General with respect to the Act of August 16, 1950 (39 U.S.C. 259a). When, under any order authorized by this Act and such Act of August 16, 1950, to be issued by the Postmaster General or the district court, a person's mail is detained by the postmaster at the office of delivery, that person may examine the mail and receive such mail as clearly is not connected with the alleged unlawful activity.

"(b) Action by the Postmaster General in issuing the interim order provided for herein and petitioning for a continuance of an order under this section, is not subject to the requirements of the Administrative Procedure Act (5 U.S.C. 1001 and the following).

"(c) A person aggrieved by a final order of the Postmaster General issued pursuant to the authority contained in the Act of March 3, 1879 (20 Stat. 359; 39 U.S.C. 224), the Act of March 2, 1889 (25 Stat. 873; 39 U.S.C. 255), section 3929 of the Revised Statutes (17 Stat. 322; 39 U.S.C. 259) as amended and extended by the Act of March 2, 1895 (28 Stat. 964; 39 U.S.C. 259), the Act of August 16, 1950 (64 Stat. 451; 39 U.S.C. 259a), section 4041 of the Revised Statutes (17 Stat. 323; 39 U.S.C. 732), as amended, and sections 1461 and 1463 of title 18, United States Code, may obtain a review of the order in the United States court of appeals for the circuit in which he resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, by filing with the court, within thirty days after the entry of the order, a written petition praying that the order of the Postmaster General be modified or be set aside in whole or in part. He shall file a copy of the petition with the Postmaster General, and thereupon the Postmaster General shall certify and file in the court a transcript of the record upon which the order complained of was entered. The finding of the Postmaster General as to the facts shall be conclusive if supported by substantial evidence in the administrative record. The filing of an appeal under this subsection shall not operate as a stay of the order of the Postmaster General.

"(d) The provisions of subsections (a) and (b) of this section shall not apply to mail addressed to publishers of publications which have entry as second-class matter under the Act of March 3, 1879, as amended (20 Stat. 358; 39 U.S.C. 221, and the following), or to mail addressed to the agents of such publishers."

The SPEAKER. Is a second demanded?

Mr. REES of Kansas. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. MURRAY. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as chairman of the Committee on Post Office and Civil Service, I have been concerned with the increasing use of the mail being made by the dealers of filth and smut to peddle obscene and pornographic material.

Our Postal Operations Subcommittee, under the chairmanship of the gentlewoman from Pennsylvania [Mrs. GRANAHAN], has conducted a very intensive study of this problem. I am pleased with the way the subcommittee has concerned itself with the problem and commend them for the report which will be ready for release shortly. Their study has served to point up the casual relationship between obscene literature and sex crimes and juvenile delinquency. Their report will contain a suggested program for community action in the crusade against obscenity.

This legislation before us today deals with the administrative procedures of the Post Office Department which provide for the impounding of mail addressed to any person using the mail to conduct a fraud or send obscene matter.

I might point out that provision was initially made to impound such mail for a period of 20 days. Experience has proven that this is an inadequate period for the Post Office Department to complete the necessary administrative proceedings. The 45-day period for such interim impounding of mail provided in this legislation is more realistic and will serve to provide both parties with adequate time to prepare their case.

This legislation also substitutes the standard of "public interest" because of the obscene, lewd, lascivious, indecent, filthy, vile, or fraudulent nature of the material subject to the interim order, for the presently existing standard "necessary to the effective enforcement of the section." This standard has been successfully applied for over 20 years in the Securities and Exchange statutes and in other basic acts. Furthermore, the legislative history of this bill will include the elements enumerated by the General Counsel of the Post Office Department in his testimony as considerations going into a determination of what is in the public interest.

In view of the seriousness of the problem that the Postmaster General is faced with in regard to the exclusion of obscene matter from the mail, I urge that the Members of this body give unanimous support to this legislation.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Several years ago the Post Office Department requested legislation, which was enacted into law, under which prosecutions could be brought for the dissemination of this filth. Those of us who worked on that legislation and were responsible for bringing it to the House and having it enacted into law are wondering why the Postmaster General of the United States has not insisted that the Attorney General bring prosecution in these cases.

Mr. MURRAY. Well, I think the Postmaster General has insisted all along that the Department of Justice initiate prosecution in these matters.

Mr. WALTER. Well, why has not the Attorney General initiated prosecutions? We do not need laws. What we need is enforcement of the existing laws.

Mr. MURRAY. Well, I cannot answer for the actions of the Attorney General of the United States.

Mr. REES of Kansas. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I realize that this is not world-shaking in importance, but it is an important piece of legislation. It is one to which some members of our committee have given a great deal of time and it ought to be approved.

Mr. Speaker, this bill will amend legislation which I introduced in the 83d Congress and of which I was cosponsor in the 84th Congress, when it was enacted an became Public Law 821.

The legislation initially provided for the impounding for a period of 20 days of mail addressed to any person using the mail to conduct a fraud or send obscene matter. At the time it was recognized that the number of days for impounding might have to be increased, based on actual experience. In the hearings held on H.R. 7379, the Post Office Department reported that the 20-day span for an interim impounding order has proven unworkable and that the Department has generaly found it impossible to complete administrative proceedings in this limited period of time. I, as a cosponsor of the initial legislation, support this change to 45 days.

With reference to the term "public interest," I would like to point out that the use of this standard is restricted to those situations which the Postmaster General determines to be in the public interest because of the obsence, lewd, lascivious, filthy, vile, or fraudulent nature of the material involved.

The Administrative Procedure Act requires elaborate formal procedures, resulting in procedural delays which have seriously impeded the Postmaster General in the performance of his duty to protect the public from illegal use of the mails. These procedural delays create an ideal climate for persons of low moral character, who promote schemes which tend to debase public morals, to cash in on their operations. These delaying tactics are being used to literally flood the mails with foul literature, pornographic pictures, and other obscenity. The Postmaster General has been deprived of adequate means to combat these revolting practices. When he finally catches up with these people after legal delays, they have made their profits and have opened business under another name.

This condition, to my mind, amounts to no less than a public scandal and we certainly owe it to the public to take corrective action. In my opinion this legislation is worthy of the support of every Member of this body because it will serve to strengthen the efforts of the Postmaster General in carrying out existing law which provides for the exclusion of obscene matter from the mail.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman.

Mr. DIXON. Mr. Speaker, I commend the gentleman for his statement and the committee upon its position to check the

circulation of this vile literature. It is long overdue.

Mr. Speaker, the sale of obscene literature in this country is running at more than $500 million annually. Last year alone the Postal Inspection Service investigated 14,000 complaints about obscenity in the mails.

Postmaster General Summerfield, with whom a number of us recently conferred on this problem, pointed out that nearly two-thirds of the complaints about obscenity in the mails come from parents objecting to the receipt of lewd materials by their adolescent children.

He also estimated that 700,000 to 1 million children this year will receive pornographic materials through the family mailbox. The assistance of parents is vital in catching up with these "smut sellers." Because of our guaranteed privacy of the mail, postal people can only act on the complaints of citizens who receive the material.

If obscene literature is mailed to your home, report it promptly to the postmaster and forward it on to him as evidence, including the envelope and any enclosures.

Last year I introduced a bill making it possible to prosecute filth peddlers in the area where the material is received as well as at the point of origin. The first case following the passage of this legislation was in our neighboring State at Boise, Idaho, and had to do with mailings made from California and Oregon. The offenders, a man and his wife, each received a 10-year prison sentence and a fine.

Under this bill H.R. 7379 it would be more difficult for obscene literature distributors to get around post office orders by using court delays and legal technicalities. It would permit the postmaster to enter an interim order directing that mail addressed to any person be detained for 45 days or until the U.S. District Court issues an injunction restraining the postmaster from holding such mail.

I strongly favor such legislation. It is long overdue.

Mr. REES of Kansas. May I say to the gentleman that this condition in my mind amounts to nothing less than a public scandal. We owe it to the public to take corrective action and do it now.

Mr. POFF. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman.

Mr. POFF. Mr. Speaker, I most warmly commend the gentleman from Kansas as well as the chairman of this committee, for this splendid piece of legislation. I certainly support it in every particular.

I call the attention of the gentleman to the fact that I am the author of another bill pending before his committee which would supplement the pending legislation in a functional fashion.

H.R. 7506, which I introduced on June 2, 1959, would establish in the Post Office Department as a matter of statute a position which already exists as a matter of administrative decree, viz: judicial officer for the Post Office Department. The judicial officer renders the final agency decision on all obscenity and fraud matters for the Post Office Department. He is the alter ego of the Postmaster General in that respect. He is, by necessity, experienced in the legal and practical problems of curbing obscenity and fraud in the mails. He is an independent officer of the Post Office Department in the sense that he is not responsible to the General Counsel, to the inspectors, or to any person in the Post Office Department except the Postmaster General himself. Normally he renders his decisions as to whether a mailing is obscene or fraudulent on appeal by either the complainant—who is the General Counsel of the Post Office Department—or the accused.

However, the Post Office Department has only two hearing examiners, and it is not likely that in the foreseeable future it will have any more hearing examiners. Therefore, as a matter of economy and practicality, inasmuch as these hearings are held all over the country, it is sometimes advisable to have the judicial officer preside at the reception of evidence—that is to say, at the trial—and render one decision which is both the trial decision and the administrative appellate decision.

More important, however, is the fact that sometimes it is impossible for the General Counsel of the Post Office Department to seek successfully an interim impounding order; or, as often happens, after the General Counsel once obtains the order, a purveyor of obscenity goes to court and gets the order dissolved or restrained. In such cases, it is sometimes advantageous for the General Counsel to be able to move the judicial officer to hear the case and render the final agency decision all in one proceeding, thereby avoiding a long delay, during which the purveyor of obscenity is successfully distributing his pornographic poison to the homes of America. This procedure for bypassing the hearing examiners has in the past been utilized selectively by the Post Office Department. However, I believe it is a weapon that the Post Office Department should have and employ as a matter of statute. After all, if a purveyor can make all his profits during the pendency of the administrative proceeding, what good is the administrative proceeding?

The rules of procedure for administrative hearings in the Post Office Department already provide that the judicial officer has this authority. However, a Federal district court in New York City, in the case of Borg-Johnson against Christenberry, held that the judicial officer, not being statutory and not being a regular hearing examiner within the purview of section 11 of the Administrative Procedure Act, could not be permitted to preside at the reception of evidence.

Thus, my bill is simply designed to overcome the effect of the Borg-Johnson decision, and to reestablish the authority of the judicial officer as the Postmaster General had established it by the regulations published in the Federal Register prior to this court decision in New York City.

The need for these procedures was mentioned by the General Counsel of the Post Office Department in his April 23, 1959, statement. Accordingly, I feel confident that my bill will receive the complete endorsement of the Post Office Department, and I urge the committee to hold early hearings and give the matter expeditious consideration.

Mr. MURRAY. Mr. Speaker, I yield 10 minutes to the charming and gracious young woman from Pennsylvania [Mrs. GRANAHAN], who was the chairman of the subcommittee which handled this legislation.

Mrs. GRANAHAN. Mr. Speaker, H.R. 7379, introduced by myself, and identical bills, H.R. 7416, introduced by our colleague [Mr. CUNNINGHAM], and H.R. 7441, introduced by our colleague [Mr. WALLHAUSER], will assist the Postmaster General in carrying out existing law which provides for the exclusion of obscene matter from the mail. H.R. 7379, as amended, was reported favorably by the Committee on Post Office and Civil Service by a unanimous vote.

Basically, this proposed legislation extends the time for impounding the mail addressed to any person using the mails for sending obscene matter from the present 20 days to 45 days and authorizes a like impounding of mail addressed to any person using the mails for fraudulent purposes.

H.R. 7379 also substitutes the standard of "public interest" because of the obscene, lewd, lascivious, indecent, filthy, vile, or fraudulent nature of the material subject to the interim order, for the presently existing standard "necessary to the effective enforcement of the section." This new standard, which is broad in concept, would allow consideration to be given to the variables and intangibles, which may vary in each case. Provision is made for any mailer against whom an interim order is issued to petition an appropriate U.S. district court for an injunction restraining the enforcement of the interim impounding order.

The proposed legislation also clarifies the right of appeal to the appropriate court of appeals from the district court's order with respect to an interim order and recognizes the right of the district court to dissolve its own order or the order of the Postmaster General at any time for cause.

Existing law authorizes the Postmaster General to enter an interim order directing that mail addressed for any person using the mail for sending obscene matter be held and detained by the postmaster at the post office of delivery for a period of 20 days from the effective date of such order.

The Post Office Department has reported that the 20-day span for an interim impounding order has proven unworkable in that the Post Office Department has generally found it impossible to complete administrative proceedings in this limited period of time. It is felt that a 20-day life span for an interim impounding order is completely unrealistic. If provision for a 45-day period were to be enacted, the Post Office Department would attempt to complete its

administrative proceedings within 45 days.

The interim impounding order is similar in nature to an injunction, in that it temporarily prevents an individual or an enterprise believed to be using the mails to disseminate obscene matter or to perpetrate a fraud, from receiving further remittances of money until the right thereto has been established. It should be noted that there is no irreparable injury which will result to the respondent should the respondent prevail in his case, he will get his mail within a reasonable time, but if he fails to overcome the complainant's case, because it is proven that he was sending obscene matter or conducting a fraudulent enterprise through the mails, he will be denied his ill-gotten gain.

The bill would in no way preclude the right of a person whose mail is detained to examine his mail and receive such mail as is clearly not connected with the alleged unlawful activity.

With reference to the term "public interest," I wish to point out that the following language has been included in the committee amendment: "Because of the obscene, lewd, lascivious, indecent, filthy, vile, or fraudulent nature of the material involved,". Thus, it should be clear that any action taken by the Postmaster General under this legislation must relate to individuals or enterprises using the mails to disseminate obscene matter or to perpetrate a fraud. Furthermore, the committee report sets forth the factors that the General Counsel of the Post Office Department testified would be considered before the Department would impose an interim impounding order.

The use of the U.S. mails for the wholesale promotion and conduct of mail order business in obscene and pornographic materials is a serious problem that should be of genuine concern to the citizens of our Nation. The vicious aspect of this matter is the fact that these purveyors of filth are aiming their products more and more at the youth of our land.

Censorship, as such, was not involved when the provision for impounding mail for 20 days was enacted into law. Neither is censorship involved in this measure, which extends to 45 days the period for impounding mail addressed to any person using the mails for sending obscene matter or conducting a fraudulent enterprise through the mails.

Enactment of this legislation will not result in any additional cost to the Government but will provide a more effective means for the Post Office Department to carry out its responsibilities.

The Post Office Department feels strongly that this legislation is essential if its administrative procedures are to be effective to keep the flow of obscenity and fraudulent schemes from the mail and at the same time preserve a practical procedural similarity between its fraud, mailability second-class, and obscenity responsibilities.

I urge adoption of H.R. 7379, as amended.

Mr. McCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I congratulate the gentlewoman from Pennsylvania for the leadership she has given for many months in conducting public hearings throughout the country and for the effective work she and other members of her subcommittee did in connection with the public hearings and the reporting of this bill to the full committee. I commend her further for the leadership the gentlewoman from Pennsylvania gave in the full Committee on Post Office and Civil Service in having this bill reported out. Countless millions of Americans have followed the action of your subcommittee under your leadership, and I know of no bill in many years on which there has been such widespread approval as the bill that your subcommittee and the full committee have reported. The country owes the gentlewoman from Pennsylvania a debt of gratitude and through you to the members of your subcommittee for the remarkable work you have done in this important field. I know I speak the sentiments of my colleagues and the sentiments of the people of America in saying, "Thank you."

I also want to congratulate the gentlewoman for one of the most powerful arguments in support of any bill that I have heard in all my years in Congress.

Mrs. GRANAHAN. I thank the gentleman from Massachusetts for his very kind remarks.

Mrs. KELLY. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to my colleague from New York.

Mrs. KELLY. I want to join the gentleman from Massachusetts in his remarks in complimenting the gentlewoman from Pennsylvania and the entire committee for bringing this bill before us at this time. I am sure there is no one who realizes the importance of protecting our homes more than the gentlewoman from Pennsylvania. I thank the gentlewoman and the committee for bringing this bill to the floor at this time.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, I, too, would like to congratulate the gentlewoman from Pennsylvania for her very effective work in this regard. Obviously, the Post Office Department should be equipped with whatever instrumentality is necessary to permit it to cope effectively with matters of obscenity and obvious fraud.

The reason for my inquiry at this moment is to ascertain that it is the purpose of the committee in recommending this legislation that this power now given to the Post Office Department to seize and hold mail is to be limited to matters of obvious obscenity and fraud and not to be extended by general interpretations to other classes of mail.

Mrs. GRANAHAN. The gentleman is correct.

Mr. REES of Kansas. Mr. Speaker, I yield 4 minutes to the gentleman from Nebraska [Mr. CUNNINGHAM], ranking member of the subcommittee bringing this legislation before us.

Mr. CUNNINGHAM. Mr. Speaker, having sponsored this legislation with the very distinguished gentlewoman from Pennsylvania, I wholeheartedly support it. I want to congratulate all members of the committee upon a very fine job in this very difficult field. It seems that all people, or most of them, throughout the United States, want something done about this problem, but it is a very difficult one to deal with because of the very many ramifications, legal and otherwise, involved.

This legislation that we are talking about here today is already on the books. There are some minor changes in wording, but essentially the gist of this legislation is now a part of our statutes. What this bill does is simply to extend the impounding power to a full 45 days rather than 20, because the postal officials have found that 20 days is not sufficient time in which to do the processing necessary. They have a staff of legal experts in the Department who believe that one main drawback is not sufficient time to do the administrative work necessary, and that is the reason for the request for an extension to 45 days.

I hope the Members of the House will look favorably upon this legislation. It is the result of many, many weeks of hard work by the subcommittee. We have had hearings here in Washington and other sections of the country. The people throughout the country, I repeat, are aroused. They are anxious that something be done in this field.

Because of the many problems we have had to consider, Supreme Court decisions and otherwise, we believe that this is one of the principal ways in which we can deal with this problem.

In answer to the question of the gentleman from Pennsylvania which indicated that there might be some lack of cooperation by the Department of Justice, I would say that they have done all they can with the problems in connection with this particular statute. I will say that in the field of obscenity the Post Office Department through its legal staff, and the Justice Department have done an outstanding job, as well as in the field of fraudulent materials sent through the mails.

So I urge the passage of this bill on the part of all those who want to answer the queries and the interest in the minds of the people throughout the United States. This is one of the very finest ways in which they can do it.

Mr. Speaker, as ranking minority member of the Postal Operations Subcommittee, as I mentioned previously, I cosponsored this legislation with our gracious chairwoman, Mrs. GRANAHAN. Our colleague from New Jersey [Mr. WALLHAUSER], also joined us in introducing similar legislation, and may I add that Mr. WALLHAUSER is a valuable addition to the subcommittee and one who has worked diligently on this problem. We appreciate his fine cooperation and his attention to the problems facing the subcommittee.

This legislation before the House today has been carefully drawn with the

complete cooperation of the Post Office Department. It is a bipartisan measure, designed with one and only one purpose—to help the Post Office officials put the dealers of pornographic matter out of operation.

I have compared this racket to the sale of dope to minors, for the sickening type of material that these dealers put out is certainly a poison to healthy young minds, just as dope is an attack on healthy young bodies.

This bill before us today will expand—but within definite limits—the power of the Post Office Department to deal with known distributors and producers of this type of filth. This is not a censorship bill, nor does it try to define what is pornographic or objectionable. That is for the courts.

As I said a few moments ago, it is designed solely to give additional tools to the Post Office Department to help put these dealers in pornographic material out of operation.

Mr. JOHNSON of Maryland. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield.

Mr. JOHNSON of Maryland. Mr. Speaker, I ask unanimous consent to extend my remarks immediately following those of the gentleman from Nebraska [Mr. CUNNINGHAM].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. JOHNSON of Maryland. Mr. Speaker, I advocate the passage of H.R. 7379, which would amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes.

The time has arrived when Federal laws to curb the mailing and transportation of obscene material are necessary. Approximately 1 million minor children will be solicited this year through the mails for the sale of obscene materials.

Traffic in obscenity has doubled in the last 5 years, and if action is not taken, can double again by 1963. Certainly this traffic by pornographic literature dispensers has had an effect on our Nation. We read with saddened hearts the tragic incidents that occur on the streets of our cities caused by so-called juvenile delinquents. I wonder how much we contribute to the deterioration of our youth by our failure to enact laws to stop the mail order obscenity racket.

I feel every community in our Nation should be alerted to the traffic in obscenity. The youth of our country should be protected from this heinous practice. Filth racketeers aim their evil literature at our youth. This evil practice poses a threat at the moral fiber of our Nation and should be eradicated.

It is time that promiscuous material, which has certainly polluted the minds of many of our minor children, cause us great concern. There are some who are deeply concerned about censorship when it comes to removing some of this material from the mail, but I feel that people who desire their children to develop real moral and Christian character want this flood of smutty material be kept from their homes. I urge the passage of this bill.

Mr. MURRAY. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. SHIPLEY].

Mr. SHIPLEY. Mr. Speaker, I rise in support of the legislation before us today. This bill has received a lot of attention at the hands of the subcommittee. I want to associate myself with the remarks of the gentlewoman from Pennsylvania who has done a wonderful job in handling the meetings we have had. We have had testimony from many, many people interested in this legislation, and most of it has been real good.

The gentlewoman from Pennsylvania has given a good explanation of the bill.

I would like to comment just briefly on one down-to-earth angle of it, as it affects each Member of Congress who has children or grandchildren. We are all affected by the filth that has been sent through the mails. It has been available to our youth for many, many years, and I know personally that it is responsible for much of the crime that is committed. We worked very hard for this legislation, and I have no doubt but what it will pass.

Mr. REES of Kansas. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. WALLHAUSER].

Mr. WALLHAUSER. Mr. Speaker, it is a real privilege for me to join with my distinguished colleagues in urging the passage of this legislation. Under the capable chairmanship of the Honorable KATHRYN E. GRANAHAN, the Subcommittee on Postal Operations of the Post Office and Civil Service Committee has thoroughly investigated the need for providing additional legislative tools to assist the Post Office Department in properly dealing with the staggering volume of pornographic material that is being sent through our mails. I would like to note that my distinguished colleague from Nebraska, the Honorable GLENN CUNNINGHAM, the ranking minority member, and I introduced companion bills to indicate our sincere belief in the need for this legislation and also to emphasize that this is a bipartisan effort.

The purpose of the basic laws now on the statute books which this legislation seeks to aid is to protect the prospective victims of this pornographic filth in the easiest possible way, namely, by preventing them from becoming victims.

Without going into technical details, which are well explained in the committee report and by our chairman, suffice it to say that the Post Office Department requires this legislative assistance to increase the effectiveness of its fight against the vicious and degrading business of the distribution of pornographic material.

The public is aroused and has joined in the fight, through organized community efforts at the local level, and leaders in all walks of life in many sections of the country are working shoulder to shoulder with the Post Office Department and Postmaster General Summerfield and our committee to awaken our citizenry to the spreading disease to which we are being exposed when obscene material is allowed to come into our homes.

War has been declared against this dread enemy to our moral well-being, and I sincerely hope that every Member of this great body will join in the crusade to win the victory.

Mr. MURRAY. Mr. Speaker, I yield 2 minutes to the gentleman from Maine [Mr. OLIVER].

Mr. OLIVER. Mr. Speaker, as a member of the Post Office Subcommittee on Postal Operations, it has been my privilege to work with our able Chairman, the gracious and hard-working gentlewoman from Pennsylvania, to bring this bill to the floor of the House, today, for action.

For several weeks, we have held hearings to gather the facts for this further attack upon those who profit from the pornographic and smut material, being sent through our mails. The evidence, Mr. Speaker, piles up every day which unmistakably proves that Congress must fight continuously and even more aggressively against this scourge which is attacking the very foundations of America.

This bill has been explained in detail by our distinguished chairman and needs no further amplification from me. It is well to note that the Post Office officials need more effective tools with which to work against these unscrupulous merchants of filth. No quarter or mercy whatsoever, can be shown them. They are engaged in this shady and shoddy business, accounting in volume to $500 million annually. They are crafty and they are resourceful. Our officials, who have the responsibility to protect our mails against this illicit traffic, have requested this additional weapon to do the job. The great preponderance of the testimony before our committee was in support of this approach and suggestions for even stronger legislation have been made.

Personally, I do not feel this bill goes far enough. I strongly believe that we should impose penalties against these violators of decency and exploiters of filth, of similar severity as those which are levied against narcotic peddlers and kidnapers. This problem, Mr. Speaker, will never be met with inadequate fines and mild prison sentences. This is big business and big penalties are required. The purveyors of pornography, in my opinion, are the scum of society and should be handled as such.

It is interesting to note that Hungarian refugees in our large cities cannot understand our relatively placid acceptance of the "rot" on our news stands. They ask why does America tolerate the traffic in such poison for the brainwashing of our youth and the undermining of our society.

Congress must lead in this crusade to clean up these sewers of communication which are despoiling and fouling our Nation. In many areas of the country, civil groups are organizing to help our law enforcement officers to meet the great need for the elimination of this threat. I know, Mr. Speaker, that the membership of this House will unanimously back up our committee in the passage of this bill. In the weeks and

months ahead, the Postal Operations Subcommittee, under the combined leadership of the gentlewoman from Pennsylvania [Mrs. GRANAHAN] and the ranking minority member, the gentleman from Nebraska [Mr. CUNNINGHAM], will continue to fight to alert America to the objective which we intend to reach; namely, the liquidation of these unconscionable and ruthless exploiters of indecency and filth.

There is no need, Mr. Speaker, for me to urge the passage of this bill because it is obvious that the House unanimously supports it.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks in the RECORD on the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. FASCELL. Mr. Speaker, I rise in support of the bill under consideration authorizing the Postmaster General to more effectively exclude from the U.S. mails all obscene matter.

During the 84th Congress, I enjoyed the privilege of membership on the House Post Office and Civil Service Committee, a subcommittee of which conducted extensive study into the current practice of using the U.S. mails to distribute obscene and fraudulent matters. As a result of this study, Congress enacted legislation authorizing the Postmaster General to impound mail directed to a person or firm known to be engaged in the distribution of such literature. During the 85th Congress, Congress authorized the detention of such mail, both at point of origin and point of destination. As a result of this law, the Post Office Department completed approximately 10,000 separate investigations, almost two-thirds of which were based on complaints of parents whose children received solicitations for sales of obscene material through the mails.

The need for additional legislation to render this law more effective was pointed up by the charming and able lady from Pennsylvania, Mrs. KATHRYN GRANAHAN, whose bill I am pleased to cosponsor.

Experience has shown that the present 20-day limit on the detention of mail is insufficient for the Post Office Department to complete the necessary administrative proceedings of its impounding order. Under this 20-day limit, respondents were able to secure from the courts a temporary restraining order against the enforcement of the impounding order, thereby receiving their mail and securing their profit, before the administrative proceeding could be completed. The extension to 45 days for the detention of obscene literature will enable the Post Office Department to complete its administrative proceedings in most cases.

The bill also applies to all fraudulent material being distributed through the mails.

It also substitutes the standard of "public interest" for the presently existing standard "necessary to the effective enforcement of the section." This new standard, which is broad in concept, would allow for consideration to be given to variables and intangibles which may vary in each case, such as the nature or character of the enterprise, its method of operation and the size or extent of that operation.

The enactment of this legislation will not result in any additional cost to the Government, but will provide a more effective means for the Post Office Department to carry out its responsibilities. This legislation, together with the cooperation of alert citizenry, will arrest the establishment of and prevent the growth of vicious business practices which have developed which seek to poison the minds of our youth and impose fraudulent business schemes upon the public in general.

Mr. ZABLOCKI. Mr. Speaker, I rise in support of H.R. 7379, a bill intended to help us stop the dissemination of indecent and obscene literature through the mails.

This is a subject which has been of deep interest to me for many years. Since my first election to Congress, I have worked for the enactment of legislation which would provide a strong and effective prohibition on the use of mails for the distribution of indecent matter. The distribution of such material is a menace and an everlasting threat to the morals of our youth and of our society. It should not be condoned. It must be fought with every legal and just means at our disposal.

Back in the 82d Congress, almost a decade ago, I supported the enactment of Public Law 531 which outlawed the transportation in interstate commerce of indecent material, including motion picture films, letters, phonograph records, and printed matter. We had hoped, when that law was placed on our statute books, that we had licked the problem. We found that this was not the case. And so, in the 84th Congress, I worked for the enactment of Public Law 95 which strengthened the original prohibition on the distribution of indecent mail. Both of those laws—Public Law 531, 82d Congress, and Public Law 95, 84th Congress—were good laws. They are sound, and they are in the public interest. Unfortunately, the disseminators of indecent literature and other obscene matter—who are very unscrupulous and very cunning—have been able to escape the full effect of these measures. They have been able in some cases to get around them.

The bill before us—H.R. 7379—would strengthen the hand of the Post Office Department in dealing with people who use the mails for the distribution of smutty literature. It would make the enforcement of our existing laws more effective. I am very much in favor of this.

Under our present law, the Post Office Department has the authority to detain, for a period of 20 days, mail addressed for any person using the mails for sending obscene matter. This authority to impound mail pending a hearing is essential to effective enforcement of our laws outlawing the use of mails for the dissemination of indecent matter. If persons guilty of such practices are permitted to use the mails during the course of administrative proceedings, they can reap their ill-gotten gains by the time the decision is rendered and an appropriate order issued. This should not be permitted to happen.

In a number of cases, the Post Office Department has found that 20 days is insufficient to enable it to complete administrative proceedings. Therefore, the bill before us would give the Department additional authority in this respect: under the bill, the mail could be impounded for a period of 45 days. The bill would also authorize a like impounding of mail addressed to any person using the mails for fraudulent purposes.

I strongly support this proposal. It will not hurt anyone. If the respondent prevails in his case, he will get his mail within a reasonable time. However, if he fails to prove that he is not engaging in illegal activities, he will be denied his ill-gotten gains.

This proposed change in the law is necessary to temporarily prevent persons using the mails to disseminate obscene matter or to perpetrate a fraud from receiving further remittances of money until their right to it has been established. By being able to move swiftly and effectively against such persons, the Post Office Department—with the alert cooperation of our citizenry—will be in a better position to clamp down on such illegal activities.

It is my sincere hope that this legislation will be approved promptly and enacted into law.

Mr. DOWDY. Mr. Speaker, there should be no question but this bill be adopted. This bill will amend the law sponsored by myself and the gentleman from Kansas [Mr. REES] in the 84th Congress, which provides 20-day impoundment. I felt 20 days insufficient at that time, but it was all we could get. Furthermore, these impoundment orders will be brought within the substantial-evidence rule on appeals, as is true of other administrative orders.

This proposal should not be confused with criminal prosecutions. This is to deprive offenders of the fruits of their crimes by impounding the mail containing remittances from their customers.

Because of decisions of the U.S. Supreme Court, prosecutions for crimes arising from dealing in pornography have become impossible for all practical purposes, because of the holding that the first amendment protects advocation of immorality, and so forth. Surely, however, Congress still has a right to decide what is and is not mailable, just as scorpions, dynamite, and so forth, are not mailable under the law, even though it is not a crime to own same. This is a matter that should have the consideration of the subcommittee which reported H.R. 7379, and I here and now tender to that committee and to the Post Office Department the benefit of my services in that connection, for whatever it is worth.

Mr. WOLF. Mr. Speaker, I wish to congratulate the great and good lady from Pennsylvania [Mrs. GRANAHAN] for her fight against obscenity in the mails.

Indeed this has become a serious problem and one which should not go unnoticed by Members of Congress. The purveyors of filth through the mails must be stopped. I believe that this drastic problem demands a drastic solution. I believe that Mrs. GRANAHAN's bill goes a long way in dealing with this drastic situation which faces our Nation. It is my hope, however, that the bill will be applied strictly, and will not destroy certain constitutional liberties which are basic to our society. We should not forget that the basic job of the Postmaster General and the Post Office is to deliver mail—not censor it.

This bill, I believe, helps the Postmaster General in deciding what is obscene. If correctly applied, we will have done much to protect our society from obscenity while protecting basic constitutional guarantees.

Mr. TOLL. Mr. Speaker, I have introduced a companion bill to that sponsored by my distinguished and gracious colleague from Philadelphia, the Honorable KATHRYN GRANAHAN. Its aim is also to drive out of the mailing facilities of the Government the vast quantity of obscene material which is sold to the people of the country. Drastic action is taken by Government to curtail the sale of illegal drugs because it is against the interest of the public and dangerous to the health of the people. In the same manner the distribution of obscene material contributes to the delinquency of our youth and to the possible commission of crime among the adults. It is definitely against the interest of the public to permit the flow of obscenity to continue and this bill gives the authorities more time to obtain the information necessary to exclude such material from the mails. I commend Mrs. GRANAHAN for the leadership and efforts which she has put forth on behalf of the people of our country.

Mr. BRADEMAS. Mr. Speaker, I also wish to congratulate the charming and gracious gentlewoman from Pennsylvania [Mrs. GRANAHAN], on the splendid leadership she has shown on this important measure.

One of the finest statements I have seen on the necessity of this bill is the following excellent editorial published in the South Bend (Ind.) Tribune of August 25, 1959, entitled "Congress Should Pass It."

CONGRESS SHOULD PASS IT

A bill intended to help the Postmaster General enforce the law against obscene matter in the mails has been approved by the House Post Office and Civil Service Committee.

Time is running out fast in the current session of Congress. There are some indications that the House and the Senate are striving to adjourn before the premier of the Soviet Union visits the United States next month.

With many vital matters commanding consideration, it is possible that the House and the Senate will have to sidetrack some lesser bills.

The House bill extending the time for impounding mail in obscenity cases from the present 20 days to 45 days shouldn't be treated as if it were relatively unimportant.

This is a reasonable bill. The Postmaster General considers it of vital importance to his Department in fighting filth in the mails. Therefore, now that it has been approved by the House committee it should be expedited in both houses.

The current campaign against obscenity in the mails is beginning to pay off.

The bill to give the Department a little more elbow room where impounding material is concerned is highly important.

Its prompt passage would raise morale in the ranks of the army locked in battle with the scum capitalizing on obscenity.

Mr. ROGERS of Florida. Mr. Speaker, the Post Office Department has estimated that the annual income realized by the promotion of the nationwide network of mail-order obscenity approximates $500 million and that the volume of filth disseminated annually can be measured in tons.

The tactics employed by these individuals in peddling their wares is well known to all. They frequent school and recreation areas in their constant search for young minds to corrupt. They compile their mailing lists often using innocent advertisements as a bait to lure the unsuspecting young. I suspect that the sharp increase in teenage crimes since Word War II amply reflects the effect of this conspiracy against the moral well-being of our young people.

Steps have been and are being taken to rid the mails of this filth. The 85th Congress passed a measure allowing prosecution of the smut peddlers not only at the point of depositing this matter in the mail but also at any point along the line. This law, which I was pleased to support, has already been implemented and has resulted in the conviction of persons who were normally almost prosecution proof due to the liberal decisions of the courts of some areas as to what constitutes obscenity. Already this year, the number of persons arrested for mailing pornographic matter is substantially higher than for a similar period during fiscal 1958, which saw the highest number of arrests on record for the same offense.

In testimony before the Postal Affairs Subcommittee of the House Post Office and Civil Service Committee, the Post Office Department, through its General Counsel, suggested certain changes in existing Federal law aimed at strengthening its campaign against obscenity. These changes dealt primarily with the detention of suspect mail for a period of time sufficient to allow postal authorities to complete the necessary administrative proceedings prior to the filing of criminal charges.

In addition, the Department suggested a redefinition of the term "legitimate list of subscribers" contained in title 39, United States Code, section 226. This suggested change was intended to get at those publications which are less than "hard core" by defining the term "subscribers" in such a way as to tighten requirements governing the second class mailing privileges now enjoyed by many of this type of publication. It was the feeling of the Department that such a restriction would eliminate from mailing lists the names of many persons who find themselves recipients of unordered, offensive literature.

Acting on the recommendations of the Department, I offered a bill, H.R. 7478, which is similar to the measure now under discussion except that it adds a provision embodying the proposed change in the aforementioned section 226.

Mr. Speaker, I want to commend the Postal Affairs Subcommittee which is headed so ably by the gentlewoman from Pennsylvania [Mr. GRANAHAN], for the forthright and constructive manner in which it considered this problem. I feel that this bill will go a long way toward closing the loopholes in our Federal antiobscenity statutes so that Federal authority can be combined with the efforts of our State officials, clergy, and lay leaders in a concerted effort to stamp out this network of mail-order smut.

In conclusion, Mr. Speaker, I strongly urge that the House act favorably on this legislation.

Mr. REES of Kansas. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Speaker, I take this time in order to ask a few questions of the author of the bill and the distinguished chairman of the subcommittee, the gentlewoman from Pennsylvania [Mrs GRANAHAN].

It is a fact, is it not, that for the first time in the history of this type of problem a new concept has been introduced under which the burden of proof is entirely shifted to the mailer to prove that the order of the Postmaster General has been arbitrary and capricious in issuing an impounding order; is that not a fact? Is this not a rather drastic new introduction into this area?

Mrs. GRANAHAN. No, there is nothing drastic about this provision which is to the best interest of the public. Such standards have been applied successfully in other areas in the law.

Mr. LINDSAY. Well, I refer the gentlewoman to page 3 of the committee report, about the middle of the page, where it says:

This legislation establishes a new concept which requires the mailer to show that the interim impounding order was issued arbitrarily or capriciously in order to contest it. Thus, the mailer would have the burden of proof and it would be up to him to establish to the judge's satisfaction that the Postmaster General acted arbitrarily or capriciously—

And so forth.

Mrs. GRANAHAN. Well, this could be used in the case of fraud, and I think fraud is very closely linked with the subject matter.

Mr. LINDSAY. I think this is a rather drastic new concept to introduce in an area where we are talking about constitutional rights. And when we introduce a standard called the public interest, we are also breaking new ground. It is too loose and it raises constitutional questions.

Mrs. GRANAHAN. Well, it is strengthening the law; there is no question about that. But, I intended to do that, and I think it is high time that we did do that, because I am shocked and amazed at the filth that is being distributed around today. I emphasize that the matter of public interest must go to the question of obscenity or fraud.

Mr. LINDSAY. I am sure that we are all shocked and amazed. I agree with

you. I am shocked and amazed also, but must we burn down the whole barn in order to catch the rat? My question is, Is this not rather a drastic step to take, when it is completely unprecedented, as the report indicates it is? But, there are other important considerations here as well, namely, constitutional ones.

Mrs. GRANAHAN. While this is a new concept in this area of the law, it is not a new concept in other areas of the law.

Mr. LINDSAY. Well, is the general principle that the establishment of the burden of proof on the mailer to establish that the order of the Postmaster General is capricious, something new or not? My understanding is that it is a new concept.

Mr. DOWDY. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Texas.

Mr. DOWDY. I think I can answer that question. All this does is to bring this kind of an order under the substantial evidence rule, which is used in administrative agencies. Whenever you go into court the record comes there for review by the court. If that record reflects substantial evidence sustaining the Department's position, the court will uphold the Department.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. REES of Kansas. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. LINDSAY. I refer to page 9 of the committee report, second line from the top. The report reads:

> Thus, it would preclude the mailer from inviting the judge into the position of making a determination upon the final issue of obscenity.

Does this mean that the bill is to be construed as precluding the courts from passing upon the question of obscenity, and does not that go to the heart of the question?

Mrs. GRANAHAN. If the offender wanted to go into court and get a restraining order, he could do that. But, I am sure he would not.

Mr. LINDSAY. Well, in order to determine whether or not the order of the Postmaster General is arbitrary and capricious, and the burden is on the mailer to establish that, as I understand under this legislation, the court is not allowed to pass on the question of obscenity.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. REES of Kansas. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a Supreme Court decision.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

POSTMASTER GENERAL ARTHUR E. SUMMERFIELD ATTEMPTS TO STOP CIRCULATION OF "FILTH" THROUGH THE U.S. POST OFFICE DEPARTMENT

Mr. HOFFMAN of Michigan. Mr. Speaker, the bill before us is an effort to aid Postmaster General Arthur E. Summerfield in his commendable, determined effort to lessen and, if possible, stop the circulation through the Post Office Department of nasty, dirty, filthy publications—publications which are sold by greedy individuals, who, to quote U.S. Supreme Court Justice Frankfurter, are engaged in the public sale and distribution of "dirt for money's sake."

The Postmaster General has for a long time been fighting a powerful financial group, the members of which apparently care not at all for common decency, for morality, for any of the long accepted thinking of our people, and who are willing for financial gain to publicly, brazenly disregard our people's accepted idea of morality.

But the Postmaster General will have difficulty in accomplishing his desire for a clean mail service.

Recently the Supreme Court unanimously held (though it wrote six opinions) that a license to exhibit a motion picture could not be denied "because its subject matter is adultery presented as being right and desirable for certain people under certain circumstances."

A copy of that decision will be found at the end of these remarks, and the reasoning therein, if adhered to, will make it extremely difficult for the Postmaster General to see to it that matter obnoxious to the overwhelming majority of our citizens is barred from the mail.

We commend him for his present effort and we know that he will courageously adhere to his purpose.

The Supreme Court decision is as follows:

> SUPREME COURT OF THE UNITED STATES—No. 394—OCTOBER TERM, 1958—KINGSLEY INTERNATIONAL PICTURES CORP., APPELLANT, *v.* THE REGENTS OF THE UNIVERSITY OF THE STATE OF NEW YORK—ON APPEAL FROM THE COURT OF APPEALS OF NEW YORK—JUNE 29, 1959

Mr. Justice Stewart delivered the opinion of the Court.

Once again the Court is required to consider the impact of New York's motion picture licensing law upon first amendment liberties, protected by the 14th amendment from infringement by the States. Cf. *Joseph Burstyn, Inc.* v. *Wilson,* 343 U.S. 495.

The New York statute makes it unlawful "to exhibit, or to sell, lease, or lend for exhibition at any place of amusement for pay or in connection with any business in the State of New York, any motion picture film or reel [with certain exceptions not relevant here], unless there is at the time in full force and effect a valid license or permit therefor of the education department."[1] The law provides that a license shall issue "unless such film or a part thereof is obscene, indecent, immoral, inhuman, sacrilegious, or is of such a character that its exhibition would tend to corrupt morals or incite to crime."[2] A recent statutory amendment provides that "the term 'immoral' and the phrase 'of such a character that its exhibition would tend to corrupt morals' shall denote a motion picture film or part thereof, the dominant purpose or effect of which is erotic or pornographic; or which portrays acts of sexual immorality, perversion, or lewdness, or which expressly or impliedly presents such acts as desirable, acceptable, or proper patterns of behavior."[3]

As the distributor of a motion picture entitled "Lady Chatterley's Lover," the appellant Kingsley submitted that film to the motion picture division of the New York Education Department for a license. Finding three isolated scenes in the film "'immoral' within the intent of our law," the division refused to issue a license until the scenes in question were deleted. The distributor petitioned the regents of the State of New York for a review of that ruling.[4] The regents upheld the denial of a license, but on the broader ground that "the whole theme of this motion picture is immoral under said law, for that theme is the presentation of adultery as a desirable, acceptable and proper pattern of behavior."

Kingsley sought judicial review of the regents' determination.[5] The appellate division unanimously annulled the action of the regents and directed that a license be issued (4 App. Div. 2d 348, 165 N.Y.S. 2d 681). A sharply divided court of appeals, however, reversed the appellate division and upheld the regents' refusal to license the film for exhibition (4 N.Y. 2d 349, 175 N.Y.S. 2d 39).[6]

The court of appeals unanimously and explicitly rejected any notion that the film is obscene.[7] See *Roth* v. *United States,* 354 U.S.

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[1] McKinney's New York Laws, 1953, education law, sec. 129.

[2] McKinney's New York Laws, 1953, education law, sec. 122.

[3] McKinney's New York Laws, 1953, education law, sec. 122(a).

[4] "An applicant for a license or permit, in case his application be denied by the director of the division or by the officer authorized to issue the same, shall have the right of review by the regents." McKinney's New York Laws, 1953, education law, sec. 124.

[5] The proceeding was brought under art. 78 of the New York Civil Practice Act, Gilbert-Bliss' New York Civil Practice, vol. 6B, 1944, 1949 supp., sec. 1283 et seq. See also, McKinney's New York Laws, 1953, education law, sec. 124.

[6] Although four of the seven judges of the court of appeals voted to reverse the order of the appellate division, only three of them were of the clear opinion that denial of a license was permissible under the Constitution. Chief Judge Conway wrote an opinion in which Judges Froessel and Burke concurred, concluding that denial of the license was constitutionally permissible. Judge Desmond wrote a separate concurring opinion in which he stated: "I confess doubt as to the validity of such a statute, but I do not know how that doubt can be resolved unless we reverse here and let the Supreme Court have the final say." Judge Dye, Judge Fuld, and Judge Van Voorhis wrote separate dissenting opinions.

[7] The opinion written by Chief Judge Conway stated: "[I]t is curious indeed to say in one breath, as some do, that obscene motion pictures may be censored, and then in another breath that motion pictures which alluringly portray adultery as proper and desirable may not be censored. As stated above, 'The law is concerned with effect, not merely with but one means of producing it.' It must be firmly borne in mind that to give obscenity, as defined, the stature of the only constitutional limitation is to extend an invitation to corrupt the public morals by methods of presentation which craft will insure do not fall squarely within the definition of that term. Precedent, just as sound principle, will not support a statement that motion pictures must be 'out and out' obscene before they may be censored."

Judge Desmond's concurring opinion stated: "[It is not] necessarily determinative that this film is not obscene in the dictionary sense." Judge Dye's dissenting opinion stated: "No one contends that the film in question is within the narrow legal limits of obscenity as recently defined by the Supreme Court." Judge Van Voorhis' dissenting opin-

476. Rather, the court found that the picture as a whole "alluringly portrays adultery as proper behavior." As Chief Judge Conway's prevailing opinion emphasized, therefore, the only portion of the statute involved in this case is that part of sections 122 and 122(a) of the education law requiring the denial of a license to motion pictures "which are immoral in that they portray 'acts of sexual immorality * * * as desirable, acceptable, or proper patterns of behavior.'"[8] A majority of the court of appeals ascribed to that language a precise purpose of the New York Legislature to require the denial of a license to a motion picture "because its subject matter is adultery presented as being right and desirable for certain people under certain circumstances."[9]

We accept the premise that the motion picture here in question can be so characterized. We accept too, as we must, the construction of the New York Legislature's language which the court of appeals has put upon it. *Albertson* v. *Millard*, 345 U.S. 242; *United States* v. *Burnison*, 339 U.S. 87; *Aero Mayflower Transit Co.* v. *Board of R.R. Comm'rs*, 332 U.S. 495. That construction, we emphasize, gives to the term "sexual immorality" a concept entirely different from the concept embraced in words like "obscenity" or "pornography."[10] Moreover, it is not suggested that the film would itself operate as an incitement to illegal action. Rather, the New York Court of Appeals tells us that the relevant portion of the New York Education Law requires the denial of a license to any motion picture which approvingly portrays an adulterous relationship, quite without reference to the manner of its portrayal.

What New York has done, therefore, is to prevent the exhibition of a motion picture because that picture advocates an idea—that adultery under certain circumstances may be proper behavior. Yet the first amendment's basic guarantee is of freedom to advocate ideas. The State, quite simply, has thus struck at the very heart of constitutionally protected liberty.

It is contended that the State's action was justified because the motion picture attractively portrays a relationship which is contrary to the moral standards, the religious precepts, and the legal code of its citizenry. This argument misconceives what it is that the Constitution protects. Its guarantee is not confined to the expression of ideas that are conventional or shared by a majority. It protects advocacy of the opinion that adultery may sometimes be proper, no less than advocacy of socialism or the single tax. And in the realm of ideas it protects expression which is eloquent no less than that which is unconvincing.

Advocacy of conduct proscribed by law is not, as Mr. Justice Brandeis long ago pointed out, "a justification for denying free speech where the advocacy falls short of incitement and there is nothing to indicate that the advocacy would be immediately acted on." *Whitney* v. *California*, 274 U.S. 357, at 376 (concurring opinion). "Among free men, the deterrents ordinarily to be applied to prevent crime are education and punishment for violations of the law, not abridgment of the rights of free speech." Id., at 378.[11]

The inflexible command which the New York Court of Appeals has attributed to the State legislature thus cuts so close to the core of constitutional freedom as to make it quite needless in this case to examine the periphery. Specifically, there is no occasion to consider the appellant's contention that the State is entirely without power to require films of any kind to be licensed prior to their exhibition. Nor need we here determine whether, despite problems peculiar to motion pictures, the controls which a State may impose upon this medium of expression are precisely coextensive with those allowable for newspapers,[12] books,[13] or individual speech.[14] It is enough for the present case to reaffirm that motion pictures are within the 1st and 14th amendments' basic protection. *Joseph Burstyn, Inc.*, v. *Wilson*, 343 U.S. 495. Reversed.

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Mr. Justice Black, concurring.

I concur in the Court's opinion and judgment but add a few words because of concurring opinions by several Justices who rely on their appraisal of the movie "Lady Chatterley's Lover" for holding that New York cannot constitutionally bar it. Unlike them, I have not seen the picture. My view is that stated by Mr. Justice Douglas, that prior censorship of moving pictures like prior censorship of newspapers and books violates the first and fourteenth amendments. If despite the Constitution, however, this Nation is to embark on the dangerous road of censorship, my belief is that this Court is about the most inappropriate supreme board of censors that could be found. So far as I know, judges possess no special expertise providing exceptional competency to set standards and to supervise the private morals of the Nation. In addition, the Justices of this Court seem especially unsuited to make the kind of value judgments—as to what movies are good or bad for local communities—which the concurring opinions appear to require. We are told that the only way we can decide whether a State or municipality can constitutionally bar movies is for this Court to view and appraise each movie on a case-by-case basis. Under these circumstances, every member of the Court must exercise his own judgment as to how bad a picture is, a judgment which is ultimately based at least in large part on his own standard of what is immoral. The end result of such decisions seems to me to be a purely personal determination by individual Justices as to whether a particular picture viewed is too bad to allow it to be seen by the public. Such an individualized determination cannot be guided by reasonably fixed and certain standards. Accordingly, neither States nor moving picture makers can possibly know in advance, with any fair degree of certainty, what can or cannot be done in the field of movie making and exhibiting. This uncertainty cannot easily be reconciled with the rule of law which our Constitution envisages.

The different standards which different people may use to decide about the badness of pictures are well illustrated by the contrasting standards mentioned in the opinion of the New York Court of Appeals and the concurring opinion of Mr. Justice Frankfurter here. As I read the New York court's opinion this movie was held immoral and banned because it makes adultery too alluring. Mr. Justice Frankfurter quotes Mr. Lawrence, author of the book from which the movie was made, as believing censorship should be applied only to publications that make sex look ugly, that is, as I understand it, less alluring.

In my judgment, this Court should not permit itself to get into the very center of such policy controversies, which have so little in common with lawsuits.

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Mr. Justice Frankfurter, concurring in the result.

As one whose taste in art and literature hardly qualifies him for the avant-garde, I am more than surprised, after viewing the picture, that the New York authorities should have banned "Lady Chatterley's Lover." To assume that this motion picture would have offended Victorian moral sensibilities is to rely only on the stuffiest of Victorian conventions. Whatever one's personal preferences may be about such matters, the refusal to license the exhibition of this picture, on the basis of the 1954 amendment to the New York State education law, can only mean that that enactment forbids the public showing of any film that deals with adultery except by way of sermonizing condemnation or depicts any physical manifestation of an illict amorous relation. Since the denial of a license by the Board of Regents was confirmed by the highest court of the State, I have no choice but to agree with this Court's judgment in holding that the State exceeded the bounds of free expression protected by the "liberty" of the 14th amendment. But I also believe that the Court's opinion takes ground that exceeds the appropriate limits for decision. By way of reinforcing my brother Harlan's objections to the scope of the Court's opinion, I add the following.

Even the author of "Lady Chatterley's Lover" did not altogether rule out censorship, nor was his passionate zeal on behalf of society's profound interest in the endeavors of true artists so doctrinaire as to be unmindful of the facts of life regarding the sordid exploitation of man's nature and impulses. He knew there was such a thing as pornography, dirt for dirt's sake, or, to be more accurate, dirt for money's sake. This is what D. H. Lawrence wrote:

"But even I would censor genuine pornography, rigorously. It would not be very difficult. In the first place, genuine pornography is almost always underworld, it doesn't come into the open. In the second,

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ion stated: "[I]t is impossible to write off this entire drama as 'mere pornography.'" Judge Van Voorhis, however, would have remitted the case to the board of regents to consider whether certain "passages" in the film "might have been eliminated as 'obscene' without doing violence to constitutional liberties."

[8] This is also emphasized in the brief of counsel for the regents, which states, "The full definition is not before the court—only these parts of the definition as cited—and any debate as to whether other parts of the definition are a proper standard has no bearing in this case."

[9] In concurring, Judge Desmond agreed that this was the meaning of the statutory language in question, and that "the theme and content of this film fairly deserve that characterization."

[10] See by way of contrast, *Swearingen* v. *United States*, 161 U.S. 446; *United States* v. *Limehouse*, 285 U.S. 424.

[11] Thomas Jefferson wrote more than 150 years ago, "But we have nothing to fear from the demoralizing reasonings of some, if others are left free to demonstrate their errors. And especially when the law stands ready to punish the first criminal act produced by the false reasoning. These are safer correctives than the conscience of a judge." Letter of Thomas Jefferson to Elijah Boardman, July 3, 1801, Jefferson Papers, Library of Congress, vol. 115, folio 19761.

[12] Cf. *Near* v. *Minnesota*, 283 U.S. 697.

[13] Cf. *Kingsley Books, Inc.*, v. *Brown*, 354 U.S. 436; *Alberts* v. *California*, 354 U.S. 476.

[14] Cf. *Thomas* v. *Collins*, 323 U.S. 516; *Thornhill* v. *Alabama*, 310 U.S. 88.

you can recognize it by the insult it offers invariably, to sex, and to the human spirit.

"Pornography is the attempt to insult sex, to do dirt on it. This is unpardonable. Take the very lowest instance, the picture post card sold underhand by the underworld, in most cities. What I have seen of them have been of an ugliness to make you cry. The insult to the human body, the insult to a vital human relationship. Ugly and cheap they make the human nudity ugly and degraded, they make the sexual act trivial and cheap and nasty." (D. H. Lawrence, "Pornography and Obscenity," p. 13.)

This traffic has not lessened since Lawrence wrote. Apparently it is on the increase. In the course of the recent debate in both Houses of Parliament on the obscene publications bill, now on its way to passage, designed to free British authors from the hazards of too rigorous application in our day of Lord Cockburn's ruling, in 1868, in *Regina* v. *Hicklin*, L.R. 3 Q.B. 360, weighty experience was adduced regarding the extensive dissemination of pornographic materials.[1] See 597 Parliamentary Debates, H.C., No. 36 (Tuesday, December 16, 1958), cols. 992 et seq., and 216 Parliamentary Debates H.L., No. 77 (Tuesday, June 2, 1959), cols. 489 et seq. Nor is there any reason to believe that on this side of the ocean there has been a diminution in the pornographic business which years ago sought a flourishing market in some of the leading secondary schools for boys, who presumably had more means than boys in the public high schools.

It is not surprising, therefore, that the pertinacious, eloquent and free-spirited promoters of the liberalizing legislation in Great Britain did not conceive the needs of a civilized society, in assuring the utmost freedom to those who make literature and art possible—authors, artists, publishers, producers, booksellers—easily attainable by sounding abstract and unqualified dogmas about freedom. They had a keen awareness that freedom of expression is no more an absolute than any other freedom, an awareness that is reflected in the opinions of Mr. Justice Holmes and Mr. Justice Brandeis, to whom we predominantly owe the present constitutional safeguards on behalf of freedom of expression. And see *Near* v. *Minnesota*, 283 U.S. 697, 715–716, for limitations on constitutionally protected freedom of speech.[2]

In short, there is an evil against which a State may constitutionally protect itself, whatever we may think about the questions of policy involved. The real problem is the formulation of constitutionally allowable safeguards which society may take against evil without impinging upon the necessary dependence of a free society upon the fullest scope of free expression. One cannot read the debates in the House of Commons and the House of Lords and not realize the difficulty of reconciling these conflicting interests, in the framing of legislation on the ends of which there was agreement, even for those who most generously espouse that freedom of expression without which all freedom gradually withers.

It is not our province to meet these recalcitrant problems of legislative drafting. Ours is the vital but very limited task of scrutinizing the work of the draftsmen in order to determine whether they have kept within the narrow limits of the kind of censorship which even D. H. Lawrence deemed necessary. The legislation must not be so vague, the language so loose, as to leave to those who have to apply it too wide a discretion for sweeping within its condemnation what is permissible expression as well as what society may permissibly prohibit. Always remembering that the widest scope of freedom is to be given to the adventurous and imaginative exercise of the human spirit, we have struck down legislation phrased in language intrinsically vague, unless it be responsive to the common understanding of men even though not susceptible of explicit definition. The ultimate reason for invalidating such laws is that they lead to timidity and inertia and thereby discourage the boldness of expression indispensable for a progressive society.

The New York legislation of 1954 was the product of careful lawyers who sought to meet decisions of this Court which had left no doubt that a motion-picture licensing law is not inherently outside the scope of the regulatory powers of a State under the 14th amendment. The Court does not strike the law down because of vagueness, as we struck down prior New York legislation. Nor does it reverse the judgment of the New York Court of Appeals, as I would, because in applying the New York law to "Lady Chatterley's Lover" it applied it to a picture to which it cannot constitutionally be applied without invading the area of constitutionally free express. The difficulty which the Court finds seems to derive from some expressions culled here and there from the opinion of the chief judge of the New York Court of Appeals. This leads the court to give the phrase "acts of sexual immorality * * * as desirable, acceptable or proper patterns of behavior" an innocent content, meaning, in effect, an allowable subject matter for discussion. But, surely, to attribute that result to the decision of the court of appeals, on the basis of a few detached phrases of Chief Judge Conway, is to break a faggot into pieces, is to forget that the meaning of language is to be felt and its phrases not to be treated disjointly. "Sexual immorality" is not a new phrase in this branch of law and its implications dominate the context. I hardly conceive it possible that the Court would strike down as unconstitutional the Federal statute against mailing lewd, obscene, and lascivious matter, which has been the law of the land for nearly a hundred years, see the act of March 3, 1865, 13 Stat. 507, and March 3, 1873, 17 Stat. 599, whatever specific instances may be found not within its allowable prohibition. In sustaining this legislation this Court gave the words "lewd, obscene and lascivious" concreteness by saying that they concern "sexual immorality."

Unless I misread the opinion of the Court, it strikes down the New York legislation in order to escape the task of deciding whether a particular picture is entitled to the protection of expression under the 14th amendment. Such an exercise of the judicial function, however onerous or ungrateful, inheres in the very nature of the judicial enforcement of the due-process clause. We cannot escape such instance-by-instance, case-by-case application of that clause in all the variety of situations that come before this Court. It would be comfortable if, by a comprehensive formula, we could decide when a confession is coerced so as to vitiate a State conviction. There is no such talismanic formula. Every term we have to examine the particular circumstances of a particular case in order to apply generalities which no one disputes. It would be equally comfortable if a general formula could determine the unfairness of a State trial for want of counsel. But, except in capital cases, we have to thread our way, term after term, through the particular circumstances of a particular case in relation to a particular defendant in order to ascertain whether due process was denied in the unique situation before us. We are constantly called upon to consider the alleged misconduct of a prosecutor as vitiating the fairness of a particular trial or the inflamed state of public opinion in a particular case as undermining the constitutional right to due process. Again, in the series of cases coming here from the State courts, in which due process was invoked to enforce separation of church and state, decision certainly turned on the particularities of the specific situations before the Court. It is needless to multiply instances. It is the nature of the concept of due process, and I venture to believe its high serviceability in our constitutional system that the judicial enforcement of the due-process clause is the very antithesis of a Procrustean rule. This was recognized in the first full-dress discussion of the due-process clause of the 14th amendment when the Court defined the nature of the problem as a "gradual process of judicial inclusion and exclusion, as the cases presented for decision shall require, with the reasons on which such decision may be founded" (*Davidson* v. *New Orleans*, 96 U.S. 97, 104). The task is onerous and exacting, demanding as it does the utmost discipline in objectivity, the severest control of personal predilections. But it cannot be escaped, not even by disavowing that such is the nature of our task.

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Mr. Justice Douglas, with whom Mr. Justice Black joins, concurring.

While I join in the opinion of the Court, I adhere to the views I expressed in *Superior Films* v. *Department of Education*, 346 U.S. 587, 588–589, that censorship of movies is unconstitutional, since it is a form of "previous restraint" that is as much at war with the 1st amendment, made applicable to the States through the 14th, as the censorship struck down in *Near* v. *Minnesota*, 283 U.S. 697. If a particular movie violates a valid law, the exhibitor can be prosecuted in the usual way. I can find in the 1st amendment no room for any censor whether he is scanning an editorial, reading a news broadcast, editing a novel or a play, or previewing a movie.

Reference is made to British law and British practice. But they have little relevance to our problem, since we live under a written Constitution. What is entrusted to the keeping of the legislature in England is protected from legislative interference or regulation here. As we stated in *Bridges* v. *California*, 314 U.S. 252, 265, "No purpose in ratifying the Bill of Rights was clearer than that of securing for the people of the United States much greater freedom of religion, expression, assembly, and petition than the people of Great Britain had ever enjoyed." If we had a provision in our Constitution for "reasonable" regulation of the press such as India has included in hers,[1] there would be room for argument that censorship in the

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[1] "In the course of our inquiries, we have been impressed with the existence of a considerable and lucrative trade in pornography." Report of the Select Committee on Obscene Publications to the House of Commons, March 20, 1958, p. IV.

[2] "The objection has also been made that the principle as to immunity from previous restraint is stated too broadly, if every such restraint is deemed to be prohibited. That is undoubtedly true; the protection even as to previous restraint is not absolutely unlimited. But the limitation has been recognized only in exceptional cases" (283 U.S., at 715–716).

[1] Sec. 19(2) of the Indian Constitution permits "reasonable restrictions" on the exercise of the right of freedom of speech and expression in the interests, inter alia, of decency or morality * * * defamation or incitement to an offense." This limitation is strictly construed; any restriction amounting to an "imposition" which will "operate harshly" on speech or the press will be held invalid. See *Seshadri* v. *District Magistrate, Tangore*, 41 A.I.R. (Sup. Ct.) 747, 749.

interests of morality would be permissible. Judges sometimes try to read the word "reasonable" into the first amendment or make the rights it grants subject to reasonable regulation (see *Beauharnais* v. *Illinois*, 343 U.S. 250, 262; *Dennis* v. *United States*, 341 U.S. 494, 523–525); or supply to the States a watered-down version of the first amendment. See *Roth* v. *United States*, 354 U.S. 476, 505–506. But its language, in terms that are absolute, is utterly at war with censorship. Different questions may arise as to censorship of some news when the Nation is actually at war. But any possible exceptions are extremely limited. That is why the tradition represented by *Near* v. *Minnesota, supra*, represents our constitutional ideal.

Happily Government censorship has put down few roots in this country. The American tradition is represented by *Near* v. *Minnesota, supra*. See Lockhart and McClure, "The Law of Obscenity," 38 Minn. L. Rev. 295, 324–325; Alpert, "Judicial Censorship of Obscene Literature," 52 Harv. L. Rev. 30, 53 et seq. We have in the United States no counterpart of the Lord Chamberlain who is censor over England's stage. As late as 1941 only six States had systems of censorship for movies. Chafee, "Free Speech in the United States (1941)," p. 540. That number has now been reduced to four[2]—Kansas, Maryland, New York, and Virginia—plus a few cities. Even in these areas, censorship of movies shown on television gives way by reason of the Federal Communications Act. See *Allen B. Dumont Laboratories* v. *Carroll*, 184 F. 2d 153. And from what information is available, movie censors do not seem to be very active.[3] Deletion of the residual part of censorship that remains would constitute the elimination of an institution that intrudes on first amendment rights.

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Mr. Justice Clark, concurring in the result.

I can take the words of the majority of the New York Court of Appeals only in their clear, unsophisticated, and common meaning. They say that sections 122 and 122–a of New York's education law "require the denial of a license to motion pictures which are immoral in that they portray 'acts of sexual immorality * * * as desirable, acceptable, or proper patterns of behavior.'" That court states the issue in the case in this language:

"Moving pictures are our only concern and, what is more to the point, only those motion pictures which alluringly present acts of sexual immorality as proper behavior."

Moreover, it is significant to note that in its 14-page opinion that court says again and again, in fact 15 times, that the picture "Lady Chatterley's Lover" is proscribed because of its espousal of sexual immorality as desirable or as proper conduct for the people of our State.[1]

[2] See 71 Harv. L. Rev. 326, 328, n. 14.

[3] Id., p. 332.

[1] The phrase is not always identical but varies from the words of the statute "acts of sexual immorality * * * as desirable, acceptable, or proper patterns of behavior," to such terms "as proper conduct for the people of our State"; "exaltation of illicit sexual love in derogation of the restraints of marriage"; "as a proper pattern of behavior"; "the espousal of sexually immoral acts"; "which debase fundamental sexual morality by portraying its converse to the people as alluring and desirable"; "which alluringly portrays sexually immoral acts as proper behavior"; "by presenting * * * [adultery] in a clearly approbatory manner"; "which alluringly portrays adultery as proper behavior"; "which alluringly portray acts of sexual immorality (here adultery) and recommend them as a proper way of life"; "which alluringly portray adultery as proper and desirable"; and "which alluringly portray acts of sexual immorality by adultery as proper behavior."

The minority of my brothers here, however, twist this holding into one that New York's act requires "obscenity or incitement, not just abstract expressions of opinion." But I cannot so obliterate the repeated declarations above-mentioned that were made not only 15 times by the court of appeals but which were the basis of the board of regent's decision as well. Such a construction would raise many problems, not the least of which would be our failure to accept New York's interpretation of the scope of its own act. I feel, as does the majority here, bound by their holding.

In this context, the act comes within the ban of *Burstyn* v. *Wilson*, 343 U.S. (1952). We held there that "expression by means of motion pictures is included within the free speech and free press guaranty of the first and and fourteenth amendments." Id., at 502. Referring to *Near* v. *Minnesota*, 283 U.S. 697 (1931), we said that while "a major purpose of the first amendment guaranty of a free press was to prevent prior restraints upon publication" such protection was not unlimited but did place on the State a heavy burden to demonstrate that the limitation challenged was exceptional. Id., at 503–504. The standard applied there was the word sacrilegious and we found it set the censor adrift upon a a boundless sea amid a myriad of conflicting currents of religious views. Id., at 504. We struck it down.

Here the standard is the portrayal of "acts of sexual immorality * * * as desirable, acceptable or proper patterns of behavior." Motion picture plays invariably have a hero, a villain, supporting characters, a location, a plot, a diversion from the main theme and usually a moral. As we said in Burstyn: "They may affect public attitudes and behavior in a variety of ways, ranging from direct espousal of a political or social doctrine to the subtle shaping of thought which characterizes all artistic expression" (343 U.S., at 501.) What may be to one viewer the glorification of an idea as being "desirable, acceptable or proper" may to the notions of another be entirely devoid of such a teaching. The only limits on the censor's discretion is his understanding of what is included within the term "desirable, acceptable, or proper." This is nothing less than a roving commission in which individual impressions become the yardstick of action, and results in regulation in accordance with the beliefs of the individual censor rather than regulation by law. Even here three of my brothers "cannot regard this film as depicting anything more than a somewhat unusual, and rather pathetic, 'love triangle.'" At least three—perhaps four—of the members of New York's highest court thought otherwise. I need only say that the obscurity of the standard presents such a choice of difficulties that even the most experienced find themselves at dagger's point.

It may be, as Chief Judge Conway said, "that our public morality, possibly more than ever before, needs every protection government can give." And, as my brother Harlan points out, "each time such a statute is struck down, the State is left in more confusion." This is true where broad grounds are employed leaving no indication as to what may be necessary to meet the requirements of due process. I see no grounds for confusion, however, were a statute to ban "pornographic" films, or those that "portray acts of sexual immorality, perversion, or lewdness." If New York's statute had been so construed by its highest court I believe it would have met the requirements of due process. Instead, it placed more emphasis on what the film teaches than on what it depicts. There is where the confusion enters. For this reason, I would reverse on the authority of Burstyn.

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Mr. Justice Harlan, whom Mr. Justice Frankfurter and Mr. Justice Whittaker join, concurring in the result.

I think the Court has moved too swiftly in striking down a statute which is the product of a deliberate and conscientious effort on the part of New York to meet constitutional objections raised by this Court's decisions respecting predecessor statutes in this field. But although I disagree with the Court that the parts of sections 122 and 122–a of the New York education law, 16 N.Y. Laws Ann. section 122 (McKinney 1953), 16 N.Y. Laws Ann. section 122–a (McKinney supp. 1958), here particularly involved are unconstitutional on their face, I believe that in their application to this film constitutional bounds were exceeded.

I

Section 122–a of the State education law was passed in 1954 to meet this Court's decision in *Commercial Pictures Corp.* v. *Regents*, 346 U.S. 587, which overturned the New York Court of Appeals' holding in *Matter of Commercial Pictures Corp* v. *Board of Regents*, 305 N.Y. 336, 113 N.E. 2d 502, that the film La Ronde could be banned as "immoral" and as "tend[ing] to corrupt morals," under section 122.[1] The Court's decision in *Commercial Pictures* was but a one line per curiam with a citation to *Joseph Burstyn, Inc.* v. *Wilson*, 343 U.S. 495, which in turn had held for naught not the word "immoral" but the term "sacrilegious" in the statute.

New York, nevertheless, set about repairing its statute. This it did by enacting section 122–a which in the respects emphasized in the present opinion of Chief Judge Conway as pertinent here defines an "immoral" motion picture film as one which portrays "acts of sexual immorality * * * (as desirable, acceptable or proper patterns of behavior'" (4 N.Y. 2d 349, 351, 151 N.E. 2d 197.)[2] The Court now holds this part of

[1] Section 122 provides: "The director of the [motion picture] division or, when authorized by the regents, the officers of a local office or bureau shall cause to be promptly examined every motion picture film submitted to them as herein required, and unless such film or a part thereof is obscene, indecent, immoral, inhuman, sacrilegious, or is of such a character that its exhibition would tend to corrupt morals or incite to crime, shall issue a license therefor. If such director or, when so authorized, such officer shall not license any film submitted, he shall furnish to the applicant therefor a written report of the reasons for his refusal and a description of each rejected part of a film not rejected in toto."

[2] Sec. 122–a provides:

"1. For the purpose of sec. 122 of this chapter, the term 'immoral' and the phrase 'of such a character that its exhibition would tend to corrupt morals' shall denote a motion picture film or part thereof, the dominant purpose or effect of which is erotic or pornographic; or which portrays acts of sexual immorality, perversion, or lewdness, or which expressly or impliedly presents such acts as

New York's effort unconstitutional on its face under the 14th amendment. I cannot agree.

The court does not suggest that these provisions are bad for vagueness.[3] Any such suggestion appears to me untenable in view of the long-standing usage in this court of the concept "sexual immorality" to explain in part the meaning of "obscenity." See, e.g., *Swearingen* v. *United States*, 161 U.S. 446, 451.[4] Instead, the court finds a constitutional vice in these provisions in that they require, so it is said, neither "obscenity" nor incitement to "sexual immorality," but strike of their own force at the mere advocacy of "an idea—that adultery under certain circumstances may be proper behavior"; expressions of "opinion that adultery may sometimes be proper." I think this characterization of these provisions misconceives the construction put upon them by the prevailing opinions in the court of appeals. Granting that the abstract public discussion or advocacy of adultery, unaccompanied by obscene portrayal or actual incitement to such behavior, may not constitutionally be proscribed by the State, I do not read those opinions to hold that the statute on its face undertakes any such proscription. Chief Judge Conway's opinion, which was joined by two others of the seven judges of the court of appeals, and in the thrust of which one more concurred, to be sure with some doubt, states (4 N.Y. 2d, at 356, 151 N.E. 2d, at 200):

"It should first be emphasized that the scope of section 122–a is not mere expression of opinion in the form, for example, of a filmed lecture whose subject matter is the espousal of adultery. We reiterate that this case involves the espousal of sexually immoral acts (here adultery) plus actual scenes of a suggestive and obscene nature."

The opinion elsewhere, as indeed is also the case with sections 122 and 122–a themselves when independently read in their entirety, is instinct with the notion that mere abstract expressions of opinion regarding the desirability of sexual immorality, unaccompanied by obscenity[5] or incitement, are not proscribed. See 4 N.Y. 2d 349, especially at 351–352, 354, 356–358, 361, 363–364, 151 N.E. 2d 197, at 197, 199, 200–201, 203, 204–205; and notes 1 and 2, supra. It is the corruption of public morals, occasioned by the inciting effect of a particular portrayal or by what New York has deemed the necessary effect of obscenity, at which the statute is aimed. In the words of Chief Judge Conway, "There is no difference in substance between motion pictures which are corruptive of the public morals, and sexually suggestive, because of a predominance of suggestive scenes, and those which achieve precisely the same effect by presenting only several such scenes in a clearly approbatory manner throughout the course of the film. The law is concerned with effect, not merely with but one means of producing it * * * the objection lies in the corrosive effect upon the public sense of sexual morality" (4 N.Y. 2d, at 358, 151 N.E. 2d, at 201).

I do not understand that the Court would question the constitutionality of the particular portions of the statute with which we are here concerned if the Court read, as I do, the majority opinions in the Court of Appeals as construing these provisions to require obscenity or incitement, not just mere abstract expressions of opinion. It is difficult to understand why the Court should strain to read those opinions as it has. Our usual course in constitutional adjudication is precisely the opposite.

II

The application of the statute to this film is quite a different matter. I have heretofore ventured the view that in this field the States have wider constitutional latitude than the Federal Government. See the writer's separate opinion in *Roth* v. *United States* and *Alberts* v. *California*, 354 U.S. 476, 496. With that approach, I have viewed this film.

Giving descriptive expression to what in matters of this kind are in the last analysis bound to be but individual subjective impressions, objectively as one may try to discharge his duty as a judge, is not apt to be repaying. I shall therefore content myself with saying that, according full respect to, and with, I hope, sympathetic consideration for, the views and characterizations expressed by others, I cannot regard this film as depicting anything more than a somewhat unusual, and rather pathetic "love triangle," lacking in anything that could properly be termed obscene or corruptive of the public morals by inciting the commission of adultery. I therefore think that in banning this film New York has exceeded constitutional limits.

I conclude with one further observation. It is sometimes said that this Court should shun considering the particularities of individual cases in this difficult field lest the Court become a final "board of censorship." But I cannot understand why it should be thought that the process of constitutional judgment in this realm somehow stands apart from that involved in other fields, particularly those presenting questions of due process. Nor can I see, short of holding that all State "censorship" laws are constitutionally impermissible, a course from which the Court is carefully abstaining, how the Court can hope ultimately to spare itself the necessity for individualized adjudication. In the very nature of things the problems in this area are ones of individual cases, see *Roth* v. *United States* and *Alberts* v. *California, supra*, at 496–498, for a "censorship" statute can hardly be contrived that would in effect be self-executing. And, lastly, each time such a statute is struck down, the State is left in more confusion, as witness New York's experience with its statute.

Because I believe the New York statute was unconstitutionally applied in this instance I concur in the judgment of the Court.

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desirable, acceptable or proper patterns of behavior.

"2. For the purpose of sec. 122 of this chapter, the term 'incite to crime' shall denote a motion picture the dominant purpose or effect of which is to suggest that the commission of criminal acts or contempt for law is profitable, desirable, acceptable, or respectable behavior; or which advocates or teaches the use of, or the methods of use of, narcotics or habit-forming drugs."

[3] The bill that became sec. 122–a was introduced at the request of the State Education Department, which noted in a memorandum that "the issue of censorship, as such, is not involved in this bill. This bill merely attempts to follow out the criticism of the U.S. Supreme Court by defining the words 'immoral' and 'incite to crime.'" N.Y.S. Legis. Ann., 1954, 36. In a memorandum accompanying his approval of the measure, the then Governor of New York, himself a lawyer, wrote:

"Since 1921, the education law of this State has required the licensing of motion pictures and authorized refusal of a license for a motion picture which is 'obscene, indecent, immoral' or which would 'tend to corrupt morals or incite to crime.'

"Recent Supreme Court decisions have indicated that the term 'immoral' may not be sufficiently definite for constitutional purposes. The primary purpose of this bill is to define 'immoral' and 'tend to corrupt morals' in conformance with the apparent requirements of these cases. It does so by defining them in terms of 'sexual immorality.' The words selected for this definition are based on judicial opinions which have given exhaustive and reasoned treatment to the subject.

"The bill does not create any new licensing system, expand the scope of motion picture censorship, or enlarge the area of permissible prior restraint. Its sole purpose is to give to the section more precision to make it conform to the tenor of recent court decisions and proscribe the exploitation of 'filth for the sake of filth.' It does so as accurately as language permits in 'words well understood through long use.' [*People* v. *Winters*, 333 U.S. 507, 518 (1948)].

* * * * *

"The language of the Supreme Court of the United States, in a recent opinion of this precise problem, should be noted:

"'To hold that liberty of expression by means of motion pictures is guaranteed by the 1st and 14th amendments, however, is not the end of our problem. It does not follow that the Constitution requires absolute freedom to exhibit every motion picture of every kind at all times and all places.' [*Burstyn* v. *Wilson*, 343 U.S. 495, at 502].

"So long as the State has the responsibility for interdicting motion pictures which transgress the bounds of decency, we have the responsibility of furnishing guide lines to the agency charged with enforcing the law." Id., at 408.

[4] Certainly it cannot be claimed that adultery is not a form of "sexual immorality"; indeed adultery is made a crime in New York. N.Y. Penal Law, secs. 100–103, 39 N.Y. Laws Ann., secs 100–103 (McKinney 1944).

[5] Nothing in Judge Dye's dissenting opinion, to which the court refers in note 7 of its opinion, can be taken as militating against this view of the prevailing opinions in the court of appeals. Judge Dye simply disagreed with the majority of the court of appeals as to the adequacy of the section 122–a definition of "immoral" to overcome prior constitutional objections to that term. See 4 N.Y. 2d, at 371, 151 N.E. 2d, at 209–210; see also the dissenting opinion of Judge Van Voorhis, 4 N.Y. 2d, at 374, 151 N.E. 2d, at 212.

The SPEAKER. The question is on suspending the rules and passing the bill H.R. 7379, with amendments.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EXTENDING AIR POLLUTION CONTROL ACT

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7476) to extend for 2 additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution control.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(a) of the Act entitled "An Act to provide research and technical assistance relating to air pollution control", approved July 14, 1955 (42 U.S.C. 1857d), is amended (1) by striking out "five" and inserting in lieu thereof "seven" and (2) by striking out "June 30, 1960" and inserting in lieu thereof "June 30, 1962".

The SPEAKER. Is a second demanded?

Mr. SCHENCK. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HARRIS. Mr. Speaker, carrying out the suggestion of the Speaker of a few moments ago, which I thought appropriate, we shall take only a very few minutes of the 40 minutes granted under the rule.

This bill merely extends for 2 additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution control. We have had such a program for the past 4 years which expires with the end of this year. Consequently it was felt advisable to extend this program for an additional period of time.

The Subcommittee on Health and Safety conducted hearings, considered this bill at length and reported to the committee. It has done an excellent job. I want to compliment the gentleman from Alabama [Mr. ROBERTS], the chairman of the subcommittee, and the members of the subcommittee for the fine work they have done in reporting this legislation.

The Federal program for assistance in the control of air pollution was set up by Public Law 159 of the 84th Congress. Under that act the Public Health Service is authorized to conduct a program of research, technical assistance, and training.

The act, passed in 1955, provided for a 5-year program and authorized appropriations of $5 million a year for that period, so that authority for appropriations expires with this fiscal year. Passage of the pending legislation would permit appropriations at the rate of $5 million a year for 2 additional years.

Public Law 159 specifically declares it to be the policy of Congress to preserve and protect the primary responsibility and rights of the States and local governments in controlling air pollution.

This problem, however, does not always respect local and State boundaries. Air pollution has become a national problem in which we need the guidance and assistance of scientists in the Public Health Service.

The Department of Health, Education, and Welfare recommended to the committee that the Surgeon General be given permanent authority to conduct the air pollution program and that the ceiling on appropriations be eliminated. The committee, however, is recommending a 2-year extension to give the appropriate committees an opportunity to review the program in the next Congress.

As the committee report shows, the Public Health Service spent approximately $1.7 million during fiscal year 1956; $2.7 million in 1957; $4 million for each of 1958 and 1959; and has budgeted $4,212,000 for the current fiscal year. Thus, a continuation of the $5 million annual limitation should impose no hardships in continuing this program.

The quality of the air we breathe affects all of us. With the increased concentration of our people in urban areas, the harmful effects of air pollution threatens more and more of our population.

In carrying out the directive of Congress, the Public Health Service has set up a large number of research projects to investigate the causes, nature, extent, effects, and control of air pollution. The projects are being conducted in Public Health Service laboratories but also through contract and financial support of projects in other Federal agencies, in universities and research institutes, or wherever specific competencies and facilities exist. There are nearly 200 of these projects, involving the facilities of the Public Health Service and over 50 universities and other research organizations. In addition, one project alone, the national air sampling network, involves over 160 local health and air pollution agencies in sampling of air contaminants in all the States and Puerto Rico.

Mr. Speaker, I yield 5 minutes to the chairman of the subcommittee, the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, the purpose of this legislation is to extend the present Federal air pollution control program for 2 years.

Under Public Law 159, 84th Congress, approved July 14, 1955, appropriations of $5 million a year were authorized for 5 years to assist in the formulation and execution of air pollution abatement and research programs. Authority for appropriations expire this fiscal year.

This act vests in the Surgeon General of the Public Health Service and the Secretary of Health, Education, and Welfare, specific authority to conduct a program of research and technical assistance relating to air pollution.

The law authorizes the Surgeon General to conduct the following programs:

First. Prepare and recommend research programs designed to reduce or eliminate air pollution.

Second. Collect and disseminate information relating to air pollution.

Third. Conduct technical research in the Public Health Service and support, by grants-in-aid and by contract, technical research programs of both public and private agencies relating to air pollution.

Fourth. On request of a State or local government air pollution control agency, investigate and survey any specific air pollution problem facing the requesting agency.

Fifth. Prepare and publish reports or surveys, studies, investigations, and research done under this law.

Under this program, approximately $1.7 million was expended during fiscal year 1956; $2.7 million for 1957; $4 million for each of 1958 and 1959; and the budget for the current fiscal year is $4,212,000.

The Department of Health, Education, and Welfare and the Bureau of the Budget favor extending Public Law 159, 84th Congress, on a permanent basis, and eliminating the ceiling on appropriations. The committee, however, is recommending a 2-year extension of the act, without increasing the ceiling on appropriations.

While significant progress has been made in recent years in developing and improving the techniques for controlling air pollution, more basic knowledge of the effects of air pollutants on humans is needed in many areas. We need, also, to know more about the effect of air pollutants on agriculture. It is estimated that in the Los Angeles area alone that air pollution results in a loss of $5 million a year to agriculture.

No one, of course, expects that the problems confronting us can be solved in 2 years, but a 2-year extension will enable the committee to review the program in the next Congress and to go into more detail regarding recommendations made by the Department of Health, Education, and Welfare, and others concerned about the problem of air pollution.

Air pollution is a national problem. It affects the total human environment. All affected interests must cooperate in seeking effective solutions.

Since 1955, the accelerated program of the Public Health Service has assisted the various agencies and groups concerned in developing information on the problems and in contributing to their solution.

Valuable information has been provided about the extent of air pollution in the United States, and about practical means of measuring, assessing, and controlling air pollution.

Specific information or indications have come out of some of the research that certain pollutants in the air have affected health, as in the case of the drastic air pollution episodes in Donora, Pa., and London, England. These pollutants have increased the death rates, particularly during the period of the smog, and more particularly in old and debilitated people. But most of the health effects of air pollutants are much more subtle than that. They are long-term detractors of good health. In the hearings, the subcommittee was told that it is known there are pollutants in the air which cause cancer, particularly in laboratory animals, and that death rates for certain types of cancer and respiratory conditions are greater in urban areas where the smog is more common.

Valuable information has been developed about ways in which air pollution subtly affects human health, including specific knowledge about the effects of agents such as ozone and sulfur dioxide, which are directly toxic and physiologically damaging, and certain olefin compounds which can cause eye irritation in humans and serious toxic effects in experimental animals.

States and communities have taken advantage of, and benefited by, the technical assistance offered by the Public Health Service.

This has led to the appraisal of many local and regional air pollution problems and contributed toward appropriate local action.

Many research projects under way relate to the causes, nature, extent, effects, and control of air pollution. The projects are being conducted not only in the Public Health Service laboratories, but also through contract and grant support of projects in other Federal agencies, in universities and research institutes, or wherever specific competencies and facilities exist. There are nearly 200 of these projects, involving the Public Health Service facilities and over 50

universities and other research organizations. In addition, one project alone, the national air sampling network, involves over 160 local health and air pollution agencies in the sampling of air contaminants in all the States and Puerto Rico.

Medical research is concerned not only with those well-known acute air pollution episodes which resulted in sudden death—ranging from 20 fatalities in Donora—1948—to 4,000 or more in a single week in London—1952—but also with the potentially greater problem of long-term cumulative injury to community populations from day-after-day exposure to air pollution.

Two principal kinds of studies have been intiated, first, statistical and epidemiological studies designed to determine the extent to which variations in community health are related to air pollution indexes; and, second, laboratory studies to determine the effects on health of certain constituents of polluted air—alone and in combination—known or suspected to be potentially harmful. Thus, the health studies program is divided into epidemiology and laboratory investigations, with such activities as lung function testing falling into both groups.

The Committee on Interstate and Foreign Commerce recommends enactment of this legislation so that additional appropriations can be made for this important work by the Surgeon General during fiscal years 1961 and 1962.

Mr. SCHENCK. Mr. Speaker, our Subcommittee on Health and Safety conducted rather extensive hearings on this bill. I believe the bill has great merit and urge its approval.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SCHENCK. I yield to the gentleman.

Mr. GROSS. This is getting to be a pretty expensive program, is it not? I totaled up the figures and including the budget for the fiscal year 1960, it runs to some $12½ million actual spending. Is that correct or are my figures wrong?

Mr. SCHENCK. I do not have my figures at hand; does the gentleman mean for the past programs?

Mr. GROSS. For the past programs and for the fiscal year 1960.

Mr. SCHENCK. This legislation merely extends the present authorized program for a 2-year period beginning July 1, 1960. It is necessary to do that in order for the Public Health Service to make its case before the Committee on Appropriations early in the next session of Congress.

Mr. GROSS. The appropriation for this purpose is going up all the time. It went up from $4 million for 2 years, 1958 and 1959, to $4,212,000 for fiscal year 1960 alone. Can the gentleman foresee any end to this?

Mr. ROBERTS. Mr. Speaker, will the gentleman yield?

Mr. SCHENCK. I yield.

Mr. ROBERTS. I will say to the gentleman from Iowa that this is a most modest approach that has been made. The other body passed a bill calling for 4 years at the rate of $7½ million a year.

The budget said that there should be no ceiling on the appropriation and the committee took the view that we could hold it down to $5 million a year. I will say to the gentleman further that the matter of air pollution is growing, but we do not want to authorize more than is needed to accomplish the desired results in handling the problem of air pollution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SCHENCK. I yield.

Mr. GROSS. I am not very much impressed, I will say to the gentleman, by the fact that the other body asked for a much higher expenditure for this purpose. It seems to me all the Members are pretty well acquainted with the fact that the other body is notorious for upping appropriations and spending money for purposes of this kind. I still have no answer to my question as to how long this is going on and how much money is going to be spent in this connection?

Mr. SCHENCK. Mr. Speaker, may I say in answer to my colleague from Iowa that this is an authorization bill not to exceed $5 million each for 2 years, and that it will be entirely up to the Department of Health, Education, and Welfare to justify its own request, and that we, as Members of the Congress, will have full opportunity to study the budget or the Appropriation Committee recommendations at the proper time.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. SCHENCK. I yield.

Mr. HARRIS. I think the RECORD should show, I will say to the gentleman from Iowa, that there are certain areas in the United States where this problem is extremely serious. For example, on the coast of California, it has been brought to the attention of the committee that it is growing more and more serious all the time. In the State of Pennsylvania, there are certain areas that have the same problem. There are other areas of the United States that have this problem. It is those areas where there is such a serious problem concerning the health and welfare of the people that have brought this problem to our committee and caused the Department of Health, Education, and Welfare to make this request.

The SPEAKER. The question is: Will the House suspend the rules and pass the bill?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

RICE MARKETING QUOTAS

Mr. THOMPSON of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7889) to require marketing quotas for rice when the total supply exceeds the normal supply.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That section 354 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out of subsection (a) thereof the words "by more than 10 per centum".

The SPEAKER. Is a second demanded?

Mr. McINTIRE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. THOMPSON of Texas. This bill is unique in several respects. For one thing, it is not opposed as such by anybody as far as I have heard. For another, it is designed to lower surplus stocks of rice by as much as 50 percent without costing anybody anything except possibly some people in the warehouse business. It passed the Committee on Agriculture unanimously, and it has the favorable endorsement of the Department of Agriculture.

Those two facts, I think, are pretty nearly unique.

Mr. Speaker, under the present law, marketing quotas do not go into effect until the normal supply of rice is exceeded by more than 10 percent. One purpose of that excess 10 percent was to give the Department some extra latitude before the old escalator clause would go into effect. This clause no longer applies to rice. Therefore, there is no remaining reason to continue the 10 percent surplus, and this bill now under consideration removes it.

Mr. Speaker, I would call to your attention the fact that the rice industry has always stood on its own two feet. It would, if it were permitted, get out from under controls of every character within the next few years. We tried to do that for the industry through what is known as the domestic allotment plan. The surplus in rice is virtually nil. The industry in the case of the present bill would profit only remotely and the farmers would not profit at all. The industry would profit because orderly marketing would come about more quickly.

Mr. Speaker, I see no reason to continue the present situation unless you like surpluses and want them continued.

Mr. Speaker, I now yield 5 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I think the record shows very clearly that the Republican Secretary of Agriculture, Mr. Benson, has offered none and hindered all efforts to have a rounded, overall, complete agricultural program.

We have here today a measure the merits of which have been well explained by its very able author. The gentleman from Texas [Mr. THOMPSON] has an outstanding record of voting and working for measures of overall national benefit. But I think it is also well at this time to point out that the road to the solution of the farm problem is not piecemeal legislation. The treatment of the problem under the present Secretary of Agriculture, Mr. Benson, has had the result of hurting the farmers and making the consumers and urban groups feel more burdened by the taxes they have had to pay to support the farm program.

So I cannot help but express at this time on behalf of many people on this side the feeling that the welfare of our country demands the kind of leadership that will not continue piecemeal farm legislation but that believes in farm legislation that will really do the job.

Many of us, I believe, hope and will certainly fight in the next session of Congress for that kind of allover program. We want a bill that will help the farmer.

Those of us who come from city areas want to work with the farming groups on a program that we may be able to support in the name of the consumers whom we represent; and I would just simply emphasize once again that as far as I personally am concerned, and I think I speak for a few others, the time for piecemeal legislation has come to an end.

Mr. SANTANGELO. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from New York.

Mr. SANTANGELO. I wish to associate myself with the views expressed by the gentleman from California. As a member of the House Appropriations Subcommittee on Agriculture I have been deeply concerned with this problem of piecemeal legislation. It is high time we took a definite stand to solve the problem of the farmers which will be satisfactory to the farmers and to the consumers in the big cities. I agree with the gentleman and I think it is high time that the Democratic Party took that leadership to bring out an all-inclusive agricultural bill.

Mr. ROOSEVELT. I thank the gentleman. I would simply reiterate that we must point out to the country that the Republican leadership has given us no such program and therefore they will have to look to the Democratic Party for this program.

Mr. HOEVEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I listened with interest to the political speech of the gentleman from California [Mr. ROOSEVELT]. I have been one of those who has tried desperately hard to keep the farm problem out of politics.

The gentleman does confess that there is a duty upon the majority party to present comprehensive farm legislation which can actually be enacted into law.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. ROOSEVELT. If it cannot be enacted into law, it is only because of the threat of veto by the present administration. All I can say is we should present it as an issue in 1960 and get a President who will sign it into law and a Secretary of Agriculture who will put it into effect.

Mr. HOEVEN. Again the gentleman has sounded a political note which has no business in discussion of farm legislation.

The gentleman has admitted that there is a duty upon the majority party to enact legislation. Let me remind the gentleman, that the Democrats have complete control of the Committees on Agriculture in both the House and the Senate, and they have complete control of the Congress. They have the votes to enact any kind of farm program if they choose so to do. Incidentally, they also have the votes to override a veto.

But getting to the bill presently before us, this is a good piece of legislation.

Full hearings were held on the bill. It was supported by virtually all organizations representing the rice producers of this country, as well as having the approval of practically all of the farm organizations. Not a single witness appeared in opposition to this legislation.

The bill has the full approval of the Department of Agriculture and it recommends the enactment of this legislation. The most important thing of all is that the bill will cut the cost of CCC holdings of surplus rice. The bill is a step in the right direction and I urge the enactment of the legislation.

Mr. THOMPSON of Texas. Mr. Speaker, I have listened with interest to this discussion of the need for an overall program on agriculture. Not all of us on the Committee on Agriculture, of course, have been in favor of what is going on. I myself have a few suggestions along that line. At least the gentlemen who have spoken have not opposed this bill, and I want to say to them I appreciate their forbearance and trust that another year and in another session we can bring in a complete farm bill that will suit the purposes of the city boys and those of us who are from the country, too.

Mr. GATHINGS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of Texas. I yield to the gentleman from Arkansas.

Mr. GATHINGS. I want to commend the gentleman from Texas for bringing this bill to the floor. It is very meritorious legislation.

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks at this point in the RECORD on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. YATES. Mr. Speaker, will the gentleman yield to me?

Mr. THOMPSON of Texas. I yield to the gentleman from Illinois.

Mr. YATES. As I understand this bill, it will reduce the overall cost of the Commodity Credit Corporation in its price-support program, and would be of benefit to the taxpayers of this country?

Mr. THOMPSON of Texas. That is correct.

Mr. YATES. May I say to the gentleman I favor the bill and will vote for it.

Mr. THOMPSON of Texas. I thank the gentleman.

The SPEAKER pro tempore (Mr. MILLS). The question is on suspending the rules and passing the bill.

The question was taken; and on a division (demanded by Mr. SANTANGELO), there were—ayes 122, noes 26.

Mr. HAYS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 330, nays 52, not voting 53, as follows:

[Roll No. 152]

YEAS—330

Abbitt	Derounian	Kitchin
Abernethy	Devine	Kluczynski
Adair	Dixon	Knox
Addonizio	Dollinger	Lafore
Albert	Donohue	Laird
Alexander	Dorn, S.C.	Lane
Alford	Dowdy	Langen
Alger	Downing	Lankford
Andersen, Minn.	Doyle	Latta
Anderson, Mont.	Durham	Lennon
Arends	Dwyer	Levering
Ashmore	Edmondson	Libonati
Aspinall	Elliott	Lipscomb
Auchincloss	Everett	Loser
Avery	Evins	McCormack
Ayres	Fallon	McCulloch
Bailey	Fascell	McDowell
Baker	Feighan	McFall
Baldwin	Fenton	McGinley
Baring	Fisher	McIntire
Barr	Flood	McMillan
Barrett	Flynn	McSween
Barry	Flynt	Mack, Ill.
Bass, N.H.	Fogarty	Mack, Wash.
Bass, Tenn.	Foley	Magnuson
Bates	Forand	Mahon
Becker	Forrester	Mailliard
Beckworth	Fountain	Marshall
Belcher	Frelinghuysen	Matthews
Bennett, Fla.	Friedel	May
Bennett, Mich.	Gallagher	Meader
Bentley	Garmatz	Merrow
Berry	Gary	Michel
Betts	Gathings	Miller, Clem
Blitch	Gavin	Miller, George P.
Boggs	George	Miller, N.Y.
Bolling	Giaimo	Milliken
Bonner	Goodell	Mills
Bosch	Granahan	Minshall
Bow	Grant	Montoya
Bowles	Green, Pa.	Moore
Boykin	Gross	Moorhead
Boyle	Gubser	Morgan
Brademas	Hagen	Morris, N. Mex.
Bray	Haley	Morris, Okla.
Breeding	Halleck	Morrison
Brock	Hardy	Moss
Brooks, La.	Hargis	Moulder
Brooks, Tex.	Harmon	Multer
Brown, Ga.	Harris	Mumma
Brown, Mo.	Harrison	Murphy
Brown, Ohio	Healey	Murray
Broyhill	Hébert	Natcher
Buckley	Hechler	Nelsen
Budge	Hemphill	Nix
Burdick	Henderson	Norblad
Burke, Ky.	Herlong	Norrell
Burke, Mass.	Hiestand	O'Brien, Ill.
Burleson	Hoeven	O'Hara, Ill.
Bush	Hoffman, Ill.	O'Hara, Mich.
Byrne, Pa.	Hoffman, Mich.	O'Konski
Byrnes, Wis.	Hogan	O'Neill
Cahill	Holland	Oliver
Cannon	Holt	Ostertag
Carnahan	Horan	Passman
Casey	Huddleston	Patman
Cederberg	Hull	Perkins
Chamberlain	Ikard	Pfost
Chelf	Inouye	Philbin
Chenoweth	Jarman	Pilcher
Chiperfield	Jennings	Pillion
Church	Jensen	Pirnie
Coad	Johansen	Poff
Coffin	Johnson, Calif.	Preston
Collier	Johnson, Md.	Price
Colmer	Johnson, Wis.	Prokop
Conte	Jonas	Pucinski
Cook	Jones, Ala.	Quie
Cramer	Judd	Randall
Cunningham	Karsten	Ray
Curtin	Kearns	Reece, Tenn.
Curtis, Mass.	Kee	Rees, Kans.
Curtis, Mo.	Keith	Reuss
Daniels	Keogh	Rhodes, Ariz.
Davis, Ga.	Kilburn	Riley
Davis, Tenn.	Kilday	Rivers, Alaska
Dawson	Kilgore	Rivers, S.C.
Denton	King, Calif.	Roberts
	King, Utah	Robison
	Kirwan	

Rodino	Smith, Iowa	Vinson
Rogers, Colo.	Smith, Kans.	Wallhauser
Rogers, Fla.	Smith, Miss.	Walter
Rogers, Mass.	Smith, Va.	Wampler
Rogers, Tex.	Springer	Watts
Rooney	Staggers	Weaver
Rutherford	Steed	Weis
Saund	Stratton	Whitener
Schenck	Stubblefield	Whitten
Scherer	Sullivan	Widnall
Schwengel	Taber	Wier
Scott	Thompson, Tex.	Williams
Selden	Thomson, Wyo.	Willis
Sheppard	Thornberry	Wilson
Shipley	Toll	Winstead
Short	Tollefson	Wolf
Siler	Trimble	Wright
Simpson, Ill.	Tuck	Yates
Simpson, Pa.	Udall	Young
Sisk	Ullman	Younger
Smith, Calif.	Utt	Zablocki

NAYS—52

Blatnik	Halpern	Porter
Boland	Hays	Quigley
Broomfield	Holifield	Rabaut
Celler	Holtzman	Rhodes, Pa.
Clark	Hosmer	Roosevelt
Cohelan	Irwin	Rostenkowski
Corbett	Karth	Roush
Daddario	Kasem	Santangelo
Delaney	Kastenmeier	Saylor
Dent	Kelly	Shelley
Dingell	Kowalski	Slack
Dorn, N.Y.	Lindsay	Teller
Dulski	Macdonald	Vanik
Farbstein	Martin	Van Zandt
Fino	Meyer	Wainwright
Fulton	Moeller	Zelenko
Green, Oreg.	Osmers	
Griffiths	Pelly	

NOT VOTING—53

Allen	Gray	Poage
Andrews	Griffin	Powell
Anfuso	Hall	Rains
Ashley	Hess	Riehlman
Barden	Jackson	St. George
Baumhart	Johnson, Colo.	Sikes
Bolton	Jones, Mo.	Spence
Brewster	Landrum	Taylor
Canfield	Lesinski	Teague, Calif.
Carter	McDonough	Teague, Tex.
Cooley	McGovern	Thomas
Dague	Machrowicz	Thompson, La.
Derwinski	Madden	Thompson, N.J.
Diggs	Mason	Van Pelt
Dooley	Metcalf	Westland
Ford	Mitchell	Wharton
Frazier	Monagan	Withrow
Glenn	O'Brien, N.Y.	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Rains with Mr. Allen.
Mr. Anfuso with Mr. Mason.
Mr. Lesinski with Mr. Derwinski.
Mr. O'Brien of New York with Mr. Hess.
Mr. Diggs with Mr. Glenn.
Mr. Carter with Mr. Baumhart.
Mr. Hall with Mrs. Bolton.
Mr. Andrews with Mrs. St. George.
Mr. McGovern with Mr. Taylor.
Mr. Machrowicz with Mr. Teague of California.
Mr. Monagan with Mr. Canfield.
Mr. Brewster with Mr. Westland.
Mr. Mitchell with Mr. Dague.
Mr. Madden with Mr. Withrow.
Mr. Thompson of Louisiana with Mr. Ford.
Mr. Sikes with Mr. Dooley.
Mr. Teague of Texas with Mr. Van Pelt.
Mr. Powell with Mr. Wharton.
Mr. Thompson of New Jersey with Mr. Riehlman.
Mr. Frazier with Mr. McDonough.
Mr. Cooley with Mr. Jackson.
Mr. Thomas with Mr. Griffin.

Mr. O'HARA of Michigan, Mr. COLLIER, and Mr. BOYLE changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AGRICULTURAL RESEARCH DEVELOPMENT COMMISSION

Mr. ABERNETHY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8639) to create an Agricultural Research and Development Commission, to provide for more effective research programs designed to expand markets for agricultural and forestry products, to reduce surpluses, to increase farm income, and to benefit consumers, and for other purposes, with a committee amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATIONS AND FINDINGS

SECTION 1. That the Congress of the United States hereby makes the following declarations and findings concerning the development of expanded markets for American farm products:

(a) It is in the national interest of the United States to increase the level of farm income in order that farmers may share equitably in the general prosperity of the Nation.

(b) It is in the national interest that the United States have efficient, low-cost agricultural production and distribution, not only to increase farm income through reduced costs and expanded markets, but also to benefit consumers through such efficient operations.

(c) Research can make major contributions toward expanding markets, increasing farm income, benefiting consumers, and reducing surpluses through greater utilization, by its influence in cutting the costs and improving the methods of producing, marketing, processing, and distributing farm products, and by its influence on quality and also on new and improved processes and products.

(d) Development of expanded industrial and other uses for farm products, and of new products from agricultural commodities, will enlarge income opportunities for farmers. It will also reduce the need for Government acquisition, storage, and ultimate disposition of commodities now in surplus.

(e) The expansion of markets for agricultural products requires that they be competitive as to quality of the raw product and as to quality at every subsequent stage of processing and distribution, and as to new and improved products.

(f) Because in many instances the relationship of price and quality exert a powerful influence on consumer acceptance and market volume, research should be directed toward reducing the costs of producing, marketing, processing, and distributing and to improve methods to pave the way to higher per-family farm income.

(g) A dynamic agricultural research program requires a balance of effort between production, marketing, and utilization research—including, but not restricted to, nutritional research, industrial research, and product development—and between basic and applied studies, that most effectively meets the problems and needs of agriculture and of individual commodities and farm situations at all times.

(h) Public and private research agencies, including the Department of Agriculture, the land-grant colleges, other universities and research institutions, as well as private firms, can and should be utilized for an all-out research effort on agriculture's problems and opportunities. All phases of agricultural research, experimentation and testing, marketing and market development, pilot plant, product development, and trial commercialization with corollary economic and related studies should be included in this research effort. Facilities should be established as needed to permit adequate experimentation and testing, and production and market development, or promising new and improved products, and the evaluation of new and improved processes.

PURPOSES

SEC. 2. The purposes of this Act are to promote the increased effectiveness of agricultural research, including forestry, and thereby to expand the markets for and increase the utilization of farm and forest products, increase farm income opportunities, benefit consumers, and strengthen the national economy.

COMMISSION CREATED

SEC. 3. There is hereby created an independent agency in the executive branch of the Government to be known as the Agricultural Research and Development Commission (hereinafter referred to as the "Commission"), which shall be composed of seven members appointed by the President, by and with the advice and consent of the Senate, who shall serve at the pleasure of the President, and one of whom he shall designate as chairman. The first members of the Commission shall be appointed for terms of one, two, and three years, respectively, from the date of the enactment of this Act, the term of each to be designated by the President. Their successors shall be appointed for terms of three years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed: *Provided*, That upon the expiration of his term of office a member shall continue to serve until his successor shall have been appointed and shall have qualified. A vacancy in the Commission shall not impair the right and duty of the remaining members to exercise all the powers of the Commission.

POWERS AND DUTIES OF THE COMMISSION

SEC. 4. (a) The Commission shall have the duty of appraising agriculture's research needs, opportunities, and accomplishments and developing authoritative recommendations and reports thereon. This appraisal shall include the effectiveness of current research programs, to meet existing problems and to achieve the fullest potentialities of agriculture. The Commission shall recommend areas of research which should be initiated, expanded, terminated, or redirected.

(b) In the discharge of these duties the Commission is empowered to:

(1) Consult with the officials of the United States Department of Agriculture, land-grant colleges, other universities, and research institutions, trade associations and private firms, and others performing or sponsoring research on agricultural commodities or problems.

(2) When it deems necessary, meet with the Commodity Research Advisory Committees of the Department of Agriculture.

(3) Seek advice from general farm organizations, commodity organizations, industry associations and organizations, scientific societies, specialists and experts, and others who can contribute to developing dynamic and efficient programs of agricultural research.

(c) The Commission shall emphasize in its studies and reports, ways and means for increased industrial utilization of agricultural products. The Commission shall also emphasize in its studies and reports major problem areas for agricultural research, opportunities to reduce cost and improve quality, and problems of marketing and merchandising agricultural commodities. The Commission shall recommend the nature and extent of agricultural research which may be effectively conducted in foreign countries with foreign currencies available to the United States.

(d) The Commission shall include in its reports recommendations on the proper balance in research effort on both agricultural and commodity problems, including the emphasis needed in production, marketing, utilization, and home economics research, and the balance between applied and basic studies, from time to time, and such other recommendations as it deems appropriate or necessary.

(e) The Commission shall review the organizational structure of the Department of Agriculture charged with the administration of research in the Department and make recommendations to the Secretary of Agriculture for changes therein which will facilitate administration and strengthen the research program of the Department.

(f) The Commission may obtain the services of experts and consultants in accordance with the provisions of section 15 of the Act of August 2, 1946, as amended (5 U.S.C. 55a), and such experts and consultants shall receive the same compensation and reimbursement for expenses as that provided in section 6(c) of the Act of July 10, 1953, c. 184.

SALARIES, EMPLOYEES, ETC.

SEC. 5. (a) Members of the Commission shall receive the same compensation and reimbursement for expenses as that provided in section 6(c) of the Act of July 10, 1953, c. 184.

(b) There shall be an Executive Director of the Commission who shall be appointed by the Secretary of Agriculture from among persons nominated by the Commission, and who shall serve at the pleasure of the Commission. The Executive Director shall be appointed without regard to the civil service laws and the Classification Act of 1949, as amended, and shall receive an annual salary not to exceed $19,000.

(c) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws but in conformity with the standards set forth in the Classification Act of 1949, as amended, except that not more than five professional positions may be established at a level of compensation equivalent to the position of GS–18 in the classified service.

(d) The employees of the Commission, including the executive director of the Commission, while traveling on official business and away from their designated post of duty shall be allowed, in lieu of their actual expenses for subsistence and all fees or tips to porters and stewards, a per diem allowance and transportation expense equivalent to that prescribed for civilian officers and employees of the Department of Agriculture. Said employees shall be subject to the provisions of and entitled to the benefits under the Civil Service Retirement Act of May 22, 1920, as amended.

(e) The Commission may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for such books of reference, periodicals, and for printing and binding) as may be necessary to carry out its functions under this Act.

MEETINGS OF THE COMMISSION

SEC. 6. The Commission shall meet at least four times each year and at such other times as it deems necessary.

REPORTS OF THE COMMISSION

SEC. 7. The Commission shall make an annual report (and such other reports as is deemed necessary) to the Secretary of Agriculture and Congress not later than June 30 of each year. The annual report shall include an analysis of the research program necessary to meet the needs of agriculture and an appraisal of the benefits to be obtained in relation to the cost of such program, with special emphasis on the industrial utilization of agricultural products.

LIMITATION UPON POWERS OF THE COMMISSION

SEC. 8. The Commission shall not conduct or administer research.

ADDITIONAL AUTHORITIES

SEC. 9. The Secretary of Agriculture is authorized and empowered:

(a) To make contracts with and grants to, for periods not to exceed five years' duration, State agricultural experiment stations, colleges, universities, and other research institutions and organizations, and to private firms, associations, and individuals for research intended to carry out the purposes of this Act, including experimental commercialization of new crops, new or improved processes and products, and new uses for agricultural products.

(b) To grant exclusive licenses with or without payment of royalty for a fixed period of not to exceed five years for the use of patents under the control of the Department of Agriculture.

AMENDMENT TO RESEARCH AND MARKETING ACT OF 1946

SEC. 10. Title III of the Act entitled "An Act to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products"; approved August 14, 1946, is amended as follows:

(1) By striking out section 301, and

(2) By deleting in section 302 the words "in addition to the National Advisory Committee" and the commas immediately preceding and following said words.

DEFINITION OF AGRICULTURAL PRODUCTS

SEC. 11. The terms "agricultural products," "farm products," and "agricultural" or "farm commodities" as used in this Act shall have the same meaning as the term "agricultural products" in section 207 of the Act of August 14, 1946 (7 U.S.C. 1626).

SAVINGS PROVISION

SEC. 12. The authorities under this Act are in addition to and not in substitution for authorities otherwise available under existing law.

APPROPRIATIONS

SEC. 13. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

The SPEAKER. Is a second demanded?

Mr. HOEVEN. Mr. Speaker, I demand a second.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Is the gentleman opposed to the bill?

The SPEAKER. Is the gentleman from Iowa [Mr. HOEVEN] opposed to the bill?

Mr. HOEVEN. The gentleman from Iowa is in favor of the bill.

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Mississippi [Mr. ABERNETHY] is recognized for 20 minutes and the gentleman from Iowa [Mr. GROSS] will be recognized for 20 minutes.

The gentleman from Mississippi will proceed.

Mr. ABERNETHY. Mr. Speaker, we are all aware of the problems faced by the farmers of this country. We are all, I think, deeply and sincerely concerned with finding a means to solve the so-called farm problem. But that problem should be solved in a way that will enable the Nation's farmers to share equitably in the economic progress of our Nation, and at the same time, strengthen the economy and security of the Nation as a whole, including direct benefits to consumers themselves. This is not an easy problem. The House Committee on Agriculture, of which I have the honor of being a member, has struggled long and hard with this dilemma. A fully satisfactory answer is yet to be reached.

We have tried a good many ideas. Some of them have been helpful, some have been necessary for emergency situations, but none has created the substantial new markets which are essential.

We have tried acreage reductions, price supports, export subsidies, plowing under, and we have handed out Federal checks—soil bank checks—as compensation for doing nothing—all of these things and more in an earnest effort to solve the farm problem. Results have been no more than partly satisfying.

But there is one method, the most promising of all, that we have not tried, and that is to make agriculture an equal participant in the scientific revolution. Up to now, agriculture has not been able to go modern, except to a limited extent, in production.

Though I doubt it, some say we face the possibility of socialized farming. The farmer does not want it. The people do not want it. If that is what we are heading for, it is not the farmer's fault. It is the fault of government mainly, and of industry, both of which have failed to give the farmer a fair shake in the great scientific revolution that is now performing such wonders in our economy and way of living.

The farmer has participated substantially in one-half of this revolution—the half that has to do with production; but he has been denied the rich fruits of the other half that has to do with markets, utilization, cheaper production and new crops. He knows how to produce more than the markets will buy. The burdensome crop surpluses now in warehouses are ample evidence in support of that statement. Giving commodities away at home and abroad will not solve the surplus problem; neither will cutrate sales.

There are certain constructive, positive measures, however, which we can all be sure will benefit the farmer, the consumers, and the Nation as a whole. Research is the prime example. Research has had much to do with building our great industrial Nation. It has also given us the most efficient agriculture in the world. Just as research can do so much for industry—and industry steps up its research spending by almost a billion dollars each year—research can yet do wonders for agriculture. Using research to help work out our problems is the sound, constructive, American way to do business, to progress and to expand.

Unfortunately, agriculture has lagged far behind industry in the application of research. Especially in our federally supported research programs we see major attention given to other areas. Agriculture, which 20 years ago received

about 40 cents of each Federal research dollar, now gets less than 3 cents. Of course, national defense, public health, space exploration and atomic powerplants are important. They all depend heavily on research. We would not want to see that research cut one cent. But agriculture is still one of our big problems, and we must do everything we can, everything that is possible, to insure that the future health and prosperity of American agriculture, and our country's strength in what its farms and ranches produce, does not wither and sicken the lack of research support.

Research may not solve the whole farm problem. I do not think it can. But it can do much to cut farm costs, improve income opportunities for farmers, to produce higher quality products for consumers, and to reduce surpluses by expanding present markets and creating new uses, particularly new industrial uses, for the products of farm, ranch and forest. What we do toward improving our agricultural research we can be sure is a move in the right direction for farmers, for consumers, and for the nation as a whole.

Industry has been invading the markets which naturally and historically belong to agriculture. Synthetic fibers have displaced cotton and wool; synthetic detergents have replaced fats and oils; and synthetic resins are now pushing natural oils out of the paint market.

How has industry done this? By research. Industry has studied the needs of the market and has set its scientists to figuring out means to produce things the people will buy.

Manufacturing industry invests about 2 percent of its gross sales in research. Some fast-growing lines, such as chemical and petroleum, invest up to 7 percent in research. But in agriculture the investment is only about one-half of 1 percent of total sales. No other important segment of the national economy is compelled to risk its present and its future on such limited efforts to expand and improve.

Farmers themselves cannot solve this problem. There are 5 million of them scattered from coast to coast, from Canada to Mexico, growing some 150 different crops. It is impossible for them to operate as a compact unit, building their own laboratories, carrying on their own research, studying the growing needs of industry for new raw materials, for improved qualities, for lower costs. Industries can perform these functions for themselves and are doing so at great profit. It is sensible and right that they should progress and prosper as they are. We will never protest that. But we do protest the fact that agriculture, our most essential activity, is not given the chance to participate as an equal in all-around scientific research, which now is a necessity for economic survival.

In 1956 Congress provided for the appointment by the President of a bipartisan Commission on Increased Industrial Use of Agricultural Products. That Commission has explored the entire field with great seriousness.

This Commission called to its assistance more than 180 leading men in American science and industry, specialists in agricultural materials and their uses. These experts, working in task groups appropriate to their specialties, suggested to the Commission more than 400 important proposals by which, through research, the markets for farm products can be expanded.

The Commission presented the Congress with a report which may well be a document historic in American agriculture. The report lists as illustrative examples only a few of the more than 400 proposals advanced by the task groups. Among them are ways by which research can substantially expand the markets for cotton, for soybeans, for corn, rice, wheat, and for almost every product of American soil.

Moreover, it has suggested definite approaches to the development of wholly new crops for which markets await or can be created. Most present crops, it points out, were in agriculture centuries ago, long before man had laboratories to examine plants for their chemical uses. Sufficiently profitable new crops can prevent surpluses, because they will naturally take over acres on which now we may be growing too much cotton or grain.

The Commission also pointed out that American farmers are now producing 4 or 5 percent more total output than the markets are consuming. It indicates that the momentum of technology is such that for several years ahead surpluses may be expected to increase rather than grow less.

The present markets, domestic and export, are not expected to expand that fast. Therefore, the necessity to create new markets, especially new industrial markets, is highly urgent.

The little research done in this field—and it is only a little—has been immensely profitable. I need to point not further than to the profits the citrus industry has gained from the process for concentrating and freezing citrus juices. That is, of course, a food use, but it came from research.

Congress is now providing only about $20 million for research in new uses and new crops—a little less than the cost for storing surpluses 3 weeks. The Commission urges that this outlay should at least be trebled.

The report points sharply to the great lag in basic research. It is filled with constructive suggestions and should be studied by everyone interested in sound solutions for agriculture.

There is one simple fact about industrial uses for farm products that I wish everyone understood. When a consumer buys enough for three good meals a day, that is all the food he wants. You cannot sell him any more. But hardly anyone ever acquires all the industrial products he wants. He can use radios in every room, one in his car, and one to carry around. He can use two or three TV sets. He can use two or three cars. He may even have two homes. The potential consumption of industrial products has no limit except buying power. We want to see farmers get a bigger chance at this great market for industrial goods.

Research appeals to me for many reasons. It is the modern way to improve existing products, to discover new products and new uses, and to lower costs. It is the affirmative way to tackle a difficult situation. Restrictions are negative, essential though they may be at this time. They are contrary to the experience of our American free enterprise system. They do not give the individual full use of his abilities and ambitions. In approaching the continuing problem of farm surpluses, let us think affirmatively, expansively, not restrictively. The American farmer shows an ever-increasing capacity and willingness to produce. It is up to us, through our government, educational institutions, and our industries, to find ways to use what he can grow, to lower costs, and to provide new crops and new uses.

What has happened to cotton and other natural fibers illustrates the need for scientific agricultural research. A few years ago the only fibers used were from natural sources, such as cotton, wool, hemp, and silk, but today about 45 percent of the fabrics market is taken over by synthetics. While this great change was taking place, all of it the result of scientific research, there was no comparable research going on in the interest of cotton. Vegetable oils suffered similar inroads in the manufacture of paints, leather was pushed out of more than half the shoe sole market, animal fats and oils lost heavily in the soap market to detergents made from petroleum, and so on. The chemical and petroleum people were busy in their laboratories, while farm products were left largely to get along without the kind of modern help that is essential.

No one knows exactly what the economic status of farmers would be today if, from the outset of the scientific revolution, they had been able to drive forward on equal terms with industry. We do know it would have been far better than it is now. The scientist rarely knows what he will find when he begins his work, but generally he finds something. He is the pioneer of today, exploring the unknown, and his frontier is an infinite distance ahead. The Commission, whose report I have mentioned, suggests seven new uses for cotton, every one of them a distinct possibility if adequately researched. This Commission also finds that new crops are needed, but here again the development of these crops must be preceded by research.

The time is here for action if we are to save the American farmer and the American economy from greater surpluses than we ever have known or from permanently restricted, controlled farming, under which the farmer cannot be a free American.

The President's Commission, after studying the whole farm problem, aided by numerous task groups composed of the ablest and best qualified business and scientific men, comes to the conclusion that the best hope for agriculture lies in research.

The House Committee on Agriculture as approved a research bill which is a constructive measure. The bill is H.R. 8639, coauthored by myself and the dis-

tinguished gentleman from Utah [Mr. DIXON]. The stated purpose of this bill is to increase the effectiveness of agricultural and forestry research in order to expand the markets for farm products, thereby benefiting consumers, increasing farm income, and strengthening the national economy.

In formulating this legislation our committee had the valuable counsel and assistance of the Nation's leading farm and commodity organizations, each of which supports the measure wholeheartedly. They are as follows: American Farm Bureau Federation, National Grange, National Council of Farmer Cooperatives, United Fresh Fruit and Vegetable Association, Beet Sugar Association, American Meat Institute, National Cotton Council, National Milk Producers Federation, Millers' National Federation, National Plant Food Institute.

A more adequate program of agricultural research depends on four basic factors: First, a sound balance of effort that brings research to bear wherever it is needed, on the most pressing problems or the most promising opportunities, at all times; second, imaginative program development and independent program appraisals to ensure effective research execution; third, coordinated and determined administration; and, fourth, adequate financing. We believe that the bill which the House Committee on Agriculture has reported will quickly bring about the first two of these needs—proper balance and independent program appraisal. It will strengthen research administration and lay a foundation for bigger, better overall effort in agricultural research.

How are these goals to be accomplished? In addition to the statement of declarations and finding of the Congress, the bill has two major features. The most important is the creation of an independent commission to appraise agriculture's research needs and opportunities and make recommendations thereon. The second consists of the additional authorities given the Secretary of Agriculture to conduct research more efficiently. These deal with contracts and grants and with new licensing provisions with regard to patents.

Our bill would establish an Agricultural Research and Development Commission as an independent agency in the executive branch of Government. The Commission would consist of seven members appointed by the President and subject to Senate confirmation. The Commission would be responsible for reviewing not only the total agricultural research effort, but also the research programs of individual commodities. The Commission's appraisal would be for the purpose of determining the effectiveness of present research programs to meet existing problems and to achieve agriculture's fullest research potential. The Commission is also authorized to recommend, as it sees fit, the initiation, expansion, redirection, or termination of areas of agricultural research. It would be convened not less than four times a year, and report its findings and recommendations not later than each June 30, to the Secretary of Agriculture and to the Congress.

The Commission is directed in its studies and reports to emphasize means to increase the industrial utilization of farm products. It would give special attention to major problem areas of agriculture research, cost reduction and quality improvement possibilities, and marketing and merchandising problems of farm commodities. The Commission would also recommend the nature and extent of research that can be most effectively conducted in foreign countries with foreign currencies available to the United States.

In its reports the Commission shall make recommendations as to the proper balance in research efforts on both overall agricultural and commodity problems. This will include the emphasis needed in production, utilization, marketing, and home economics research as well as the balance between applied and basic research.

The Commission is also charged with the responsibility of reviewing the research structure of the Department of Agriculture and recommending to the Secretary changes in organizational structure to strengthen the research program of the Department.

An Executive Director of the Commission would be appointed by the Secretary of Agriculture from persons nominated by members of the Commission.

The Commission is specifically directed not to engage in or administer any type of research. The reason should be obvious. Research cannot be effective as a two-headed monster. Our subcommittee considered several bills which would have set up new research agencies, either inside or outside the Department of Agriculture, to sponsor or conduct agricultural research. The subcommittee rejected these approaches, recognizing the damage and waste that would inevitably result from overlapping, duplicating research programs.

At this point it might be worth while to note some of the things which the House bill does not do. It does not, as I have just noted, create a two-headed, wasteful research administration. It does not unbalance the agricultural research effort. It does not put the Government in business, as some bills proposed. It does not divert research from rising farm costs. And it does not contain hidden subsidy provisions.

Turning to the other principal features of the bill, the additional authorities granted the Secretary of Agriculture for the conduct of research are as follows: First, the authority to make contracts with and grants to public and private agencies for the conduct of research to achieve the purpose of the bill, including experimental commercialization of new crops and new uses for agricultural products; and, second, the authority to grant exclusive licenses, with or without royalty payments, for periods not in excess of 5 years for the use of patents under the control of the Department of Agriculture.

Why are these two new authorities needed? They are aimed at increasing the effectiveness of the federally supported research programs.

Let us consider the new contract and grant authority first. Research, by its nature, is difficult to contract. It is frequently impossible for a contractor to guarantee a tangible product. Contractual terms, therefore, necessarily deal with effort to be expended which is difficult to measure. Many private organizations are skeptical of research contract terms which are too exacting and are reluctant to sign a research contract with the Government.

Grants to responsible research organizations offer more flexibility and a wider range of agencies would be willing to undertake research for the Government.

The second authority deals with exclusive licenses. The Department of Agriculture obtains public patents for all patentable research findings financed by appropriations for USDA research. These may be used by any private individual or company. The fact that at any time another company may begin using such a public patent deters many organizations from spending the money to develop and promote that product. An exclusive license, granted to a company for a 5-year period, would offer the necessary incentive to that company to carry out the necessary development work and promotion and to have a chance to recover its investment before competition moves in. This provision is vitally important to commercializing many federally developed processes.

Moving now to the Commission, let us examine the purposes for which it is established. One of its major functions is to provide an independent program appraisal of research activities conducted by the Department of Agriculture. There is no question but that the lack of such an independent review is a serious shortcoming of our agricultural research programs.

Research is a highly complex, technical field. Proper guidance of research activities of any organization, whether public or private, requires highly qualified management experienced in the particular service.

The best way, perhaps, to approach the problem is to look at the way private industry operates its research program. In almost every individual firm, a single individual is responsible for the administration of that firm's research operations.

Generally speaking, however, this man does not make the basic managerial decisions as to the amount invested in research, the initiation or termination of research areas, or the emphasis given to various fields of research. This function is performed by some authority over research administration, such as a board of directors or executive committee.

Now, Mr. Speaker, there are good and valid reasons for this separation of responsibilities. The administration of a research program—the responsibility for its success or failure—is in itself a full-time job. An individual responsible for the conduct of a research program simply does not have, nor can he have, an independent viewpoint in regard to the programs which he administers. It takes

an individual or group divorced from the responsibility of supervising the day-to-day operation of the research program to perform this vital function.

The Commission which this bill proposes would provide the answer. Because of its separation from the Department of Agriculture, it would give the competent, independent review of agriculture's research needs and opportunities so vitally needed. It should be added at this point that the Commission does not, in the performance of this function, usurp any of the Department's prerogatives. It merely recommends. But it makes its recommendations both to the Secretary of Agriculture and to the Congress, so that the Congress can work with the Department to bring about the kind of research program that agriculture needs and must have.

The achievement of proper balance in agricultural research is another extremely important function of the Commission. What is proper balance in agricultural research? We think it can be said at the outset that there can never be any one formula for determining just how the total research effort should be divided for all of agriculture at any one time. If we want an effective, productive agricultural research effort no one field of research can receive all the emphasis, attention, and funds, while other critical problems remain untouched for want of an adequate research budget.

Balance in agricultural research can only be achieved when we fit research to the needs, the problems, and the potential of individual commodities and of particular situations of agriculture, at any given time.

Mr. Speaker, the Research and Extension Subcommittee of the House Committee on Agriculture, of which it is my honor to serve as chairman, held extensive hearings on agriculture's research needs. We received testimony from many, many interested groups. Our deliberations in executive session were painstaking. The bill which resulted from these sessions, and which has been reported by the Committee on Agriculture, is supported by the major national farm and commodity organizations. It is our firm conviction that this is vital and necessary legislation. We are most hopeful that the House will receive it favorably.

Farmers need this job done now. Let us get it underway.

I wish to pay tribute to the members of my subcommittee, all of whom have worked long and hard in formulating this legislation. Joining me in the introduction of the various bills were the gentleman from Virginia [Mr. JENNINGS], the gentleman from Iowa [Mr. HOEVEN], the gentleman from Utah [Mr. DIXON], the gentlewoman from Washington [Mrs. MAY], the gentleman from Maine [Mr. MCINTIRE], the gentleman from Oklahoma [Mr. ALBERT], the gentleman from Nebraska [Mr. BROCK], the gentleman from California [Mr. SAUND], the gentleman from Oklahoma [Mr. STEED], the gentleman from South Carolina [Mr. HEMPHILL], the gentleman from Iowa [Mr. JENSEN], the gentleman from South Dakota [Mr. SCHWENGEL], and others. Their cooperation has been wonderful and their assistance has been immeasurable.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Utah.

Mr. DIXON. Mr. Speaker, I feel impelled at this time to make a few remarks about our very esteemed chairman, the gentleman from Mississippi [Mr. ABERNETHY], and to ask a couple of questions for clarification. He has worked for 3 years on one of the most difficult problems that we have ever had. He has done what I thought would be the impossible. That is, he united at least 22 of the major farm organizations and commodity groups on one bill. I think it includes every one of them, as far as I know. They have come to a unity on the bill. It is the finest and most skilled statesmanship I have seen in a long, long time. I predict it will not be more than 2 or 3 years before people generally throughout the United States will point to this legislation—the Abernethy bill—as the most outstanding contribution to agriculture passed by the 86th Congress.

Mr. ABERNETHY. Of course, I appreciate the very generous remarks of the gentleman. The gentleman himself made a very material contribution to this effort. He worked hard throughout all of these years, and joined in the introduction of the bill now before the House.

Mr. DIXON. There are two questions I wish to ask. On page 10 of the bill the Secretary is granted power "to grant exclusive licenses with or without payment of royalty for a fixed period of not to exceed 5 years for the use of patents under the control of the Department of Agriculture."

Now, as I understand, he has not the power to issue exclusive licenses at the present time.

Mr. ABERNETHY. That is correct.

Mr. DIXON. Why is it advisable to give him power to issue exclusive licenses.

Mr. ABERNETHY. Well, the reason for that is this: When, through research, the Department of Agriculture develops a particular process which it thinks will be good in moving a particular item on the market, if it contracts now with a business institution to develop that process, the institution has no protection because the Secretary has no authority to grant an exclusive license. Once the institution begins to prove that the process will be a success, then other concerns move in and the original institution loses the benefit of the investment made in proving the market acceptability of the process. Therefore, these business institutions hesitate to experiment with these matters which the Secretary of Agriculture or the Department of Agriculture might desire to contract to them. So, this bill gives the Secretary the authority to grant exclusive licenses by contract not to exceed 5 years with a particular institution or group of institutions.

Mr. DIXON. That clears up that point. Now, the second point. The Secretary is given the right to contract for experimental commercialization of any of these findings of its research. That does not mean that he can go into the manufacturing business.

Mr. ABERNETHY. Oh, no. It does not permit the Department of Agriculture to go into business in competition with anyone.

Mr. DIXON. He makes a contract for that commercialized experimentation.

Mr. ABERNETHY. That is correct.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I desire also to commend the distinguished gentleman and his subcommittee on the work they have done in bringing this bill to the floor. May I ask the gentleman whether in the study of this matter his subcommittee gave consideration to the need for additional facilities at experimental stations?

Mr. ABERNETHY. Yes; we did. In fact, we gave considerable study to it. We had the assistance and the advice of Dr. Louis Hawkins who, I believe, is the director of the Agriculture Experiment Station at Oklahoma State University, in the gentleman's own State, and also of Dr. Myers, who serves in a similar capacity in the State of Arizona, as well as others in that field.

Now, we looked with considerable favor upon their recommendations, however we did not feel that we should include that in the bill at this time. It was a high cost item. We felt that inasmuch as this bill was more or less a nominal cost item we did not want to encumber it with an item which would carry with it an authorization for large sums of money. Now, it was our intention to include in the report accompanying this bill a statement regarding the matter. In fact, the statement was prepared, and it was inadvertently omitted. I think I should read it into the record of this debate, and I shall do so at this time. It is as follows:

> The committee heard testimony on several proposals, one of which concerned research into enlarged utilization of products of the farm and forest; and also would authorize appropriation of Federal-grant funds on a matching basis to help finance laboratories and other physical facilities for the conduct of basic and applied research in the State agricultural experiment stations. The committee believes this latter subject should stand separately and be justified on its own merits, with appropriate reference to the existing authorization for Federal-grant support of research at the State agricultural experiment stations.

I would like to say to the gentleman that we plan to renew hearings on this subject next year. I wish to assure him and other interested parties that we will thoroughly and sympathetically consider the proposal. I think it has merit, and I think we should do something about it.

Mr. ALBERT. I thank the gentleman.

Mr. GROSS. Mr. Speaker, I yield 3 minutes to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Speaker, the total 1960 allotment for research for new and industrial uses of farm crops is $16 million. It has stood at practically the same figure for the past several years,

except for a new provision which permits the use of $8 million this year in foreign currencies for research abroad with an additional $12 million for 1960.

This lack of emphasis upon utilization research is difficult for me to understand in the light of its accomplishments.

Utilization research liquidates its cost many times over every single year. We have utilization research laboratories at Philadelphia; Peoria, Ill.; New Orleans; and Albany, Calif. They and their substations received all of the $16 million.

Now to cite just a few examples of the achievements of USDA through cooperation with other agencies:

First. The Southern Laboratory in conjunction with the Florida Citrus Commission developed frozen orange juice concentrate. Last year alone this product returned $180 million with a net return to growers of $121 million, and is given credit for saving the citrus fruit industry in Florida. This saving alone is more money than the Government has spent on the four laboratories in the last 15 years.

Second. While penicillin was discovered by Fleming in England, the British did not know how to manufacture it in quantity at reasonable cost. Scientists at the Northern Laboratory found a higher producing organism from a half spoiled cantaloup. Now, as far as we know, all the penicillin is made from the progeny of this organism. The Northern USDA Laboratory succeeded in reducing the cost from $20 to 60 cents per 100,000 units. In the period 1943 to 1957 the 5 million pounds produced sold for $748 million. This alone amounts to more money than we have given the laboratories in their history and will give them in many future generations.

Third. Industry spends an average of $2 out of every $100 received for research. The comparable figure for farm research is only 50 cents and the larger share of that is spent on production—not utilization or marketing research.

Fourth. Ten to fifteen years ago soybean oil was a rather small item because of its instability and its tendency to develop off flavors. The Northern Laboratory in conjunction with industry eliminated the small traces of copper and iron and through this research soybean oil is now the principal food oil in the United States. The annual market value is $200 million.

Fifth. Synthetic detergents—largely petroleum based—as a result of research in the oil industry, took from the farmers half of their market for animal fats. Our Eastern Laboratory has now developed animal fat based plasticizers and animal fat based detergents as well as livestock feed which now consume, at approximately 6 cents a pound, 600 million pounds of animal fats. The time is not far off when greater research and more factories will consume far more than this amount and be able to pay livestock people as much as 10 cents a pound instead of the 2 to 3 cents a pound which would have been the market without these research developments.

The results of research of the experiment station at the Utah State University pays to the State of Utah in actual cost and savings more money each year than the State and Federal Governments have spent on the Department in its entire history.

WHY DO WE NEED A COMMISSION TO STIMULATE RESEARCH FOR NEW AND INCREASED INDUSTRIAL USES OF AGRICULTURAL PRODUCTS?

Mr. Speaker, for 5 years I have looked forward to this day when the House would pass a bill to support and speed up research for new and additional uses of farm crops in industry. The Commission to be set up under authority of H.R. 8639 can become so effective that our utilization research program will constitute one of the major solutions to the farm surplus problem.

The present administration and the 84th Congress were so convinced that stepped-up research would result in the industrial consumption of far more of our farm crops that the 84th Congress passed Public Law 540. This law resulted in the President appointing a Commission to recommend legislation providing for increased industrial uses of agricultural products. In its report of April 17, 1957, the President's Commission pointed out that research holds fascinating and unbelievable promise. It went so far as to recommend immediate passage of legislation to stimulate utilization research and the annual appropriation of $50 million as a bare minimum.

Your subcommittee has, under the able chairmanship of the gentleman from Mississippi [Mr. ABERNETHY] held extensive hearings in which the witnesses were unanimous in supporting utilization research legislation and in maintaining that utilization research is one permanent solution to the farm problem.

As a result of these hearings, your Committee on Agriculture recommends the establishment of a commission to speed up utilization research. The reasons as I see them are as follows:

First. During the three war periods when food was in such demand, marketing and utilization research were greatly curtailed in favor of an all-out effort for production research. This stop-and-start procedure has been extremely damaging to utilization and marketing research.

Second. Funds provided for research have been spread so thin that maximum results were impossible.

Third. Our farmers are definitely production minded and exert great pressure on the Department for production research while the pressure for utilization research is now just beginning to make itself universally felt. As a result of the greater demand for production research more scientists have been trained in that field and are consequently to a considerable extent production minded.

Fourth. Twenty-two great farm commodity groups such as the American Farm Bureau, the National Grange, the National Council of Farm Cooperatives, National Milk Producers Federation, National Cotton Council and many others appear to share with the members of the committee the feeling of urgency in this movement. It was also the general feeling that without a commission assigned to the specific responsibility of promoting more effective research programs designed to expand markets and reduce surpluses such a program would not get off the ground fast enough to help meet our critical farm needs. Therefore they support unanimously H.R. 8639.

Personally I do not think that H.R. 8639 goes far enough. It should carry an adequate appropriation and also provide money to construct building and research facilities at the land grant colleges in the various States where the lack of buildings and research facilities now present such a formidable barrier to progress. The bills that I have introduced over the last 3 years have contained a specific authorization for an appropriation and the bill I submitted last year provided for research building and facilities. I do feel though that the building and facilities provision is necessary and that the next Congress should by all means pass such legislation.

Fifth. The Commission is necessary because it would be independent. It has the power to nominate persons for Executive Director of Research and Development. This Director shall serve at the pleasure of the Commission. Furthermore it is required to report to the Secretary of Agriculture and to the Congress. By keeping in close communication with the Commission and helping to provide money, the Committee on Agriculture and the Congress can work its will in the promotion of utilization and marketing research. The USDA has made marvelous progress in utilization research in spite of the handicaps I have mentioned above. In fact, if it were not for the remarkable progress the USDA has made, the President's Commission would not have come out so boldly in support of a rapidly stepped-up program.

Sixth. Interesting illustrations of USDA progress in utilization research include water hoses and attractive-looking raincoats made out of animal fats, fluorescent coats for nightwear, flame resistant materials not affected by drycleaning, nonshrinkable wool, fish net undershirts, wool which looks like cotton and cotton which looks like wool, spindly plants which through "intermarriage" have been transformed into large healthy flowers, and peanut butter oil which will not separate.

Let me illustrate further in greater detail some achievements of utilization research in various commodities. Utilization research is responsible for the markets that cotton now enjoys. Faced with formidable competition from synthetic fibers, the cotton industry moved to machine harvesting and drying at the gin. These processes, designed to reduce cost and thus help cotton compete with synthetics, introduced foreign materials and brought about changes in the cotton fiber, thus placing markets for these products in further jeopardy. Utilization research solved the problem of efficient, low-cost cleaning of machine-harvested cotton and of avoiding quality damage at the gin. More recently, utilization research has developed the wash-and-wear cotton fabrics now on the market. These are so much superior to synthetics or blends that consumers are

turning more and more to all cotton in the wash-and-wear field. These developments have literally saved the cotton industry.

Utilization research began at about the same time. Utilization research solved the problems that permitted soybean oil to become the primary food oil, and soybean meal the primary protein feedstuff in the United States. It developed industrial chemicals from soybean oil that now form the basis of paints and other formulations that are providing outlets for millions of bushels of soybeans annually. The soybean industry has grown rapidly but only as rapidly as research has permitted it. There is no better example of the value of research in agriculture today.

Inedible animal fats—tallows and greases—formerly used by the millions of pounds to produce soap, were thrown out of this market almost overnight by public acceptance of synthetic detergents. Utilization research has provided alternative markets for these fats that have converted this situation from one of crisis to the livestock industry to one where animal fats now enjoy substantial acceptance on the domestic market. Utilization research has already provided markets for 600 million pounds of animal fats annually in plastics and in animal feed. Current research is adding regularly to the annual demand for animal fats as industrial raw materials.

Cottonseed meal, for decades used almost entirely as a cattle feed, is now being used extensively in mixed feeds for poultry and swine. Utilization research, spearheading a vast cooperative program with Federal, State and commercial groups, discovered the causes of toxicity of cottonseed meal for poultry and swine and prescribed means for overcoming them. This achievement removed the handicap that prevented cottonseed meal from sharing fully in the tremendous mixed feed market. As a result, more than 1¼ million tons of cottonseed meal, having a value of $50 million, were used in broiler and swine rations up to January 1958, and the rate of use now exceeds one-fourth million tons annually.

Dehydrated foods were essential in feeding our Armed Forces overseas during wartime. Utilization research solved many of the problems associated with production of nutritious, palatable, stable, dried foods for the Quartermaster Corps. Noteworthy in this respect was solution of the problem of storage stability of dried eggs. The research was not only successful in solving the problem for the military but it has placed dried eggs on the pantry shelf in the form of stable, egg-containing prepared cake and pastry mixes. More than 25 million pounds of dried eggs are used annually for this purpose and their use is expanding rapidly.

Many other significant accomplishments of utilization research can be mentioned.

The 50-million-pound annual market for animal fats as emulsifiers for the production of synthetic rubber was saved.

Wartime research on cereals made important contributions to the alcohol-from-wheat program which utilized 258 million bushels, and to wheat wet milling which produced starch and sirup from 3 million bushels.

Our penicillin process, growing steadily in application from the beginning, has required steep liquor from 15 million bushels of corn, and the dextran process has required 3 million pounds of sugar.

Soft grit blasting has utilized 5 million tons of corn cobs. Pulp and paper have consumed 7 million tons of straw.

The value of dehydrated fruits and vegetables to which we made substantial contributions, rose to $140 million per year during the war. While it subsided immediately afterward, there is a flourishing industry today whose product is worth $8 million annually and is increasing steadily. A substantial part of this production is exported.

Our new belt-trough dryer should save the fruit and vegetable dehydration industry $500,000 annually.

The dehydrated mashed potato industry, to which our research has contributed greatly, paid $4 million to growers in 1957 and will grow steadily. Our new potato flakes will increase this outlet substantially.

Research on frozen poultry has made it possible to realize the important economies of high temperature scalding and has brought under control the post mortem development of toughness. Annual worth to the industry is estimated at $8 million.

As a result of Department research, 85,000 tons of feathers per year are processed into meal selling at $90 per ton for feed.

These are but a few examples taken from the list of 150 developments, illustrating the effect of Department research on the utilization of farm commodities. And these 150, representing as they do developments that are now in commercial use, do not include many that may soon become commerical realities, nor do they reflect fully the vast intangible benefits that utilization research findings have brought to those who produce, process and consume our Nation's crops. Each is making a significant contribution to improved agriculture. Each year sees major additions to the list.

We are confident that an expanded program will accelerate the development of additional new and expanded uses, and thus more rapidly achieve the objective of full, profitable utilization of our agricultural output.

Many of the utilization research discoveries need further help to become commercial. H.R. 8639 will speed the process of getting research achievements into actual production by, first, setting up the seven-member Agricultural Research and Development Commission to help follow through with commercialization of research discoveries; second, granting the Secretary of Agriculture authority to make contracts for experimental commercialization; third, giving the Secretary authority to grant exclusive licenses to a company or a group of companies acting jointly; fourth, encouraging more appropriations for this activity.

Seventh. Utilization research liquidates its cost. These few examples that I have cited are sufficient to prove: First, that such research more than liquidates its cost; second, that it is not an expenditure but a most profitable investment for the Federal Government, because one or two discoveries alone produce more wealth each year than the annual $3 to $16 million which the Government has invested in utilization research over the past 18 years since the four laboratories were established; third, that there are scores of equally promising undeveloped or partially developed research projects awaiting the touch of the scientist's hand to spring into full fruition; and fourth, that it has the power to reduce price depressing agricultural surpluses by increasing the demand and, therefore, by bringing supply and demand more into balance. These results will not spring forth overnight, but they will come, nevertheless, if only given more encouragement.

Eighth. What can we expect as a result of stepped-up utilization research? The following are just a few dramatic examples of the new uses and new crops which will probably be developed.

WHOLE MILK POWDER

Think of the saving in cost, refrigeration, bottling, and marketing of whole milk that would result from a whole milk powder producing milk just as palatable and nutritious as milk itself. We are almost assured of such a product within the next few years.

CORN

If we could increase from 80 percent to 100 percent the amylose starch produced by corn it could provide a use for up to 200 million bushels of grain. This starch is particularly promising for edible packaging of food products, plastics, transparent films, sizing, coating, and adhesive materials for paper and paper products.

EXPANDED USE OF ANIMAL FATS

Dr. Waldo Ault at the Philadelphia Laboratory said to me:

The use of detergents instead of soap, plastics instead of leather and vegetable oils instead of lard (all the results of research) has almost put the livestock man out of the byproducts business. I am confident that research will put him back in. We cannot afford not to do research.

In 1947 the soap industry alone used 1.5 billion pounds, or 71 percent, of our animal fats. Recent figures are only 812,720,000 pounds or 27 percent of total inedible fats. This is all due to the development of competitive detergents by industry. Synthetic detergents put animal fats on the skids. Most detergents have a petroleum base of 20 to 30 percent. Dr. Ault told me there are some disadvantages to petroleum-based detergents. Soap is better in soft waters but poor in hard waters. Soap can be produced in bar form. Petroleum-based detergents cannot. Detergents are less effective in keeping soil suspended in the water.

The USDA has research underway designed to make an animal-fat-based detergent that will compete successfully with petroleum-based detergents. The USDA has also developed oils from animal fats which oils will compete suc-

cessfully with petroleum oils as additives. Their product is fully as good as the commercial oils and better for some purposes. To illustrate—as the parts of machinery get smaller and smaller and the pressure greater and greater, oil plays an important role. Commercial oils break down under 1,700 pounds pressure, while the oils being developed from animal fats in the Philadelphia Laboratory stand up under 2,000 pounds pressure. This development has significant possibilities and could have a positive influence on livestock prices and markets. Its potential could reach 300 million pounds or 10 percent of the production of animal fats.

In addition to uses in detergents and oils, fats have an increasing outlet in plastics. Plastics are tending to put leather out of business and research on animal and plant fat-based plastics could replace the losses to farmers from low-priced hides. A number of the larger plastic manufacturers are using more and more fats in the manufacture of plastics. You will be interested to note that the new soft pliable plastic lawn hose is a rather recent result of research in the use of fats to give the softness and pliability to plastics. The same is true of plastic seat covers and Armstrong's vinyl floor tile.

The discovery and use of antioxidents to prevent melted fats from becoming rancid has opened up the fertile field of fats in mixed livestock and poultry feeds.

It is entirely possible that our farmers can increase their income through the production of completely new commercial crops even more than through increased uses of existing crops. Many new crops are almost ready. More than a dozen others show considerable promise and hundreds of others are in the early testing stages. Plants which have been grown successfully in other parts of the world are being tested to see if they can be adapted for commercial production in parts of the United States.

Soybeans, for example, the Korean Lespedeza, were developed this way. Of more than 250,000 plants grown in the world only 150 are grown commercially in the United States and only 80 have markets exceeding a million dollars a year. The following are illustrations:

BAMBOO

As many as 50 million acres, twice the current acreage of soybeans, might be grown for industrial uses. Bamboo is roughly four times as productive as well-managed Southern pine as a source of cellulose for the manufacturer of high quality paper and much more profitable. It is also a valuable structural material for furniture and special products. All of our bamboo, however, is imported at present. Acres of bamboo could replace acres now in cotton, peanuts, and dryland rice in the southeast. It is believed that through research in production methods, utilization and marketing the remaining obstacles can soon be overcome.

CASTOR BEANS

Likely the most profitable new crop in the offing is castor beans. Acreage might ultimately expand from 75,000 acres to more than one million acres. At present 90 percent of the United States' needs are imported. Oil from castor beans has unique qualities for use in paints, varnishes, fungicides and cosmetics. Until disease problems are beaten, production is likely to be confined to the southwest. The high cost of harvesting machinery is the main obstacle to expanded production at present. However, the USDA as well as industry engineers are working to trim these costs now.

SAFFLOWER

Safflower is a dry-climate thistle producing oil used in varnishes, enamels and high quality paints. The meal is a good source of protein for livestock. It can be a replacement for wheat in high plains areas and in the winter in some cotton sections of California and Arizona. Continued research, however, is needed in breeding high-yielding and early maturing varieties and on new uses for the oil.

SESAME

Some researchers believe that sesame may become an industrial crop for the South nearly as important as soybeans are to the North, although this may be some time off. Sesame was first grown in 1950, and approximately 25,000 acres are now grown. Under favorable conditions sesame can produce more oil per acre than any other edible seed crop.

CANAIGRE

The winter-warm valleys of the Southwestern States may sometime produce canaigre roots as a commercial source of tannin. The leather industry now imports 75 percent of its tannin.

Other potential new crops include jojoba, for the production of oil and wax; candelilla, another promising source of vegetable wax with 34 uses already known; and kenaf, to produce a fiber useful in the manufacture of burlap, twine, carpet yarn and paper pulp.

In conclusion the cost of utilization research is small and the benefits are enormous. We might already be producing many of these new crops, and we might already have expanded uses for our farm crops had we been dedicating greater financial resources to utilization research. For every hundred dollars of farm income we spend 50 cents for research—a small fraction of the $3 per hundred spent by industry on its research. Only 4½ cents of this 50 cents has gone to marketing and utilization research. The cost has been negligible, yet the results are already admirable.

When you think of the billions of dollars which have been lost in unsuccessful price support programs, it highlights the need to expand the small appropriation given for utilization research which will help cure the farm problem rather than be like an aspirin and merely deaden the pain.

Mr. GROSS. Mr. Speaker, I yield 2 minutes to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Speaker, may I, with relation to H.R. 8639, extend my warmest congratulations to the gentleman from Misissippi [Mr. ABERNETHY], chairman of the Subcommittee on Research and Extension, a subcommittee of the House Committee on Agriculture.

All members of the subcommittee have worked diligently to bring before the House a bill that deals constructively with this vitally important field of agricultural research, and there has been required many months of work in resolving diverse interests.

Extensive hearings have been held and long hours spent in trying to bring research objectives into focus, in developing the proper language that would build constructively on existing research capabilities and still provide a vehicle for proper analysis and direction in this area so vital to the future of American agriculture.

I would call to your attention the fact that in the 85th Congress 21 bills were introduced dealing with this subject, and in the 86th Congress 16 bills, including H.R. 2720, my own legislative recommendation in this field, have been introduced.

It is my feeling that this legislation does not in any manner serve as a criticism of the work of USDA scientists in the research field, and it can, in fact, result in material assistance to those in charge of agricultural research by providing a constructive orientation.

There is a great need for research that will open new markets and new uses for the products of our farms. Such research can result in greater service to consumers and improved opportunities for the producer. In fact, I believe that all elements of our economy will prove the beneficiaries of the objective involved in this legislation.

Through research and its application in production, processing, and distribution, the American farmer has performed miracles in supplying an abundance of the finest foods the world has ever known, and the costs in hours of labor are the lowest that mankind has ever enjoyed.

Although this bill promises to open new doors of opportunity for both the consumer and the farmer, it will not solve all problems. Research is not an overnight answer to the farmer's problem of lack of bargaining power, but in being a sound approach to the full utilization of our agricultural resources, it will assist materially in meeting the challenging problems as related to the needs of an expanding economy.

In closing may I pay a tribute to those in agricultural research. They have brought us a multitude of blessings against the background of many problems. We hope this legislation will prove of constructive service in a more comprehensive utilization of the capabilities of agricultural research in the future.

Mr. Speaker, Mr. Alan Rains, executive vice president of United Fresh Fruit and Vegetable Association, wrote me under date of August 28, 1959, that his organization supports this legislation.

Under date of August 31, 1959, Mr. Homer Brinkley, executive vice president of the National Council of Farmer Cooperatives, has also indicated the support of that organization to the principles of this legislation.

Mr. Speaker, I urge that the House suspend the rules and pass H.R. 8639.

Mr. GROSS. Mr. Speaker, I yield to the gentlewoman from Washington [Mrs. MAY] for a unanimous-consent request.

Mrs. MAY. Mr. Speaker, I represent a district in the State of Washington where the wheatgrowers have long supported a program of more emphasis on the utilization aspect of agricultural research. Because we are one of the largest traditional wheatgrowing areas of the Nation, we share the country's concern over how best to handle our ever-mounting surplus stocks, which so seriously threaten the economic future of our wheatgrowers. It has long been the consensus of opinion among us that it is a strange paradox that the great production record which American agriculture has achieved should today be a matter of regret rather than a cause for rejoicing. Therefore, a practical program of planning and action by the Department of Agriculture for utilizing this surplus would seem to present one of the most sound and sensitive approaches to solution. This is why I am giving my complete support to the bill before us, and join my colleagues in commending the distinguished gentleman from Mississippi who has performed such an able and difficult job as the chairman of our Subcommittee on Research in getting the legislation before Congress.

Several members of our committee have already commented on the need for and the purpose of this legislation, and I should like to direct my remarks at this point to what has already been accomplished in the field of utilization research by the Department of Agriculture. I believe this record of past achievement will emphasize the great potential—what yet might be accomplished in this field through major breakthroughs in research projects already underway.

The record of achievement of utilization research in the Department of Agriculture is long and impressive. This can be illustrated most dramatically by the accomplishments of utilization research for several of our major commodities.

Utilization research is responsible for the markets that cotton now enjoys. Faced with formidable competition from synthetic fibers, the cotton industry moved to machine harvesting and drying at the gin. These processes, designed to reduce cost and thus help cotton compete with synthetics, introduced foreign materials and brought about changes in the cotton fiber, thus placing markets for these products in further jeopardy. Utilization research solved the problem of efficient, low-cost cleaning of machine-harvested cotton and of avoiding quality damage at the gin. More recently, utilization research has developed the wash-and-wear cotton fabrics now on the market. These are so much superior to synthetics or blends that consumers are turning more and more to all cotton in the wash-and-wear fields. These developments have literally saved the cotton industry.

Utilization research has made possible the development of the soybean as a food and industrial crop in the United States. Extensive soybean farming and utilization research began at about the same time. Utilization research solved the problem that permitted soybean oil to become the primary food oil, and soybean meal the primary protein feedstuff in the United States. It developed industrial chemicals from soybean oil that now form the basis of paints and other formulations that are providing outlets for millions of bushels of soybeans annually. The soybean industry has grown rapidly but only as rapidly as research has permitted it. There is no better example of the value of research in agriculture today.

Inedible animal fats—tallows and greases—formerly used by the millions of pounds to produce soap, were thrown out of this market almost overnight by public acceptance of synthetic detergents. Utilization research has provided alternative markets for these fats that have converted this situation from one of crisis to the livestock industry to one where animal fats now enjoy substantial acceptance on the domestic market. Utilization research has already provided markets for 380 million pounds of animal fats annually in plastics and in animal feed. Current research is adding regularly to the annual demand for animal fats as industrial raw materials.

Utilization research, in cooperation with the Florida Citrus Commission, developed frozen, concentrated orange juice, a product that may well have been the salvation of the Florida citrus industry. As a result of this research, larger crops can now be processed and marketed efficiently to provide the consumer with a stable, high quality product in all seasons. Frozen concentrated orange juice has absorbed over 350 million boxes of fruit worth over a billion dollars to growers.

Cottonseed meal, for decades used almost entirely as a cattle feed, is now being used extensively in mixed feeds for poultry and swine. Utilization research, spearheading a vast cooperative program with Federal, State, and commercial groups, discovered the causes of toxicity of cottonseed meal for poultry and swine and prescribed means for overcoming them. This achievement removed the handicap that prevented cottonseed meal from sharing fully in the tremendous mixed-feed market. As a result, more than 1¼ million tons of cottonseed meal, having a value of $50 million, were used in broiler and swine rations up to January 1958, and the rate of use now exceeds one-fourth million tons annually.

Dehydrated foods were essential in feeding our armed forces overseas during wartime. Utilization research solved many of the problems associated with production of nutritious, platable stable dried foods for the Quartermaster Corps. Noteworthy in this respect was solution of the problem of storage stability of dried egg. The research was not only successful in solving the problem for the military but it has placed dried egg on the pantry shelf in the form of stable, egg-containing prepared cake and pastry mixes. More than 25 million pounds of dried egg are used annually for this purpose and their use is expanding rapidly.

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As a result of Department of Agriculture research, 85,000 tons of feathers per year are processed into meal selling at $90 per ton for feed.

These are but a few examples, taken from the list of 150 developments attached, illustrating the effect of Department research on the utilization of farm commodities. And these 150, representing as they do developments that are now in commercial use, do not include many that may soon become commercial realities, nor do they reflect fully the vast intangible benefits that utilization research findings have brought to those who produce, process and consume our Nation's crops. Each is making a significant contribution to improved agriculture. Each year sees major additions to the list.

I am confident that an expanded program as proposed under this bill will accelerate the development of additional new and expanded uses, and thus more rapidly achieve the objective of full, profitable utilization of our agricultural output.

Mr. GROSS. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Speaker, I take this opportunity to commend the gentle-

man from Mississippi [Mr. ABERNETHY] and the gentleman from Utah [Mr. DIXON], as well as all members of the Subcommittee on Research and Development, for the diligent effort they have put forth in presenting a constructive and workable bill to the House. We all know the great problems confronting our agricultural economy today in trying to get rid of surplus agricultural commodities. We have devoted too little time in research in getting that job done.

The purpose of the bill is to stimulate and guide more adequate and effective agricultural research into new uses for agricultural products. There has been a growing conviction among Members of Congress and others interested in agriculture that if agriculture is to go forward, the field of research, the program must be substantially stepped up in order to keep pace with the research being devoted to development in other fields.

H.R. 8639 has been carefully worked out after long hearings. It is compromise legislation worked out with the Department of Agriculture, the National Grange, the American Farm Bureau, the National Council of Farmer Cooperatives, the National Milk Producers Federation, the National Cotton Council, the National Plant Food Institute, the United Fresh Fruit and Vegetable Association, the American Meat Institute, the Millers National Federation, and the U.S. Beet Sugar Association.

A strong program of research is essential to maintain this Nation's agriculture in a position of world leadership. The solvency of this important segment of the Nation's economy and the quality of our food and fiber in the future depend upon imaginative planning and sound management of our research program.

H.R. 8639 would create an independent Agricultural Research and Development Commission appointed by the President with the advice and consent of the Senate. This Commission would have the duty to appraise agriculture's research needs, opportunities, and accomplishments, and to furnish authoritative recommendations to the Secretary of Agriculture and to the Congress designed to meet the future needs of agriculture. The effectiveness of current research programs would be evaluated, with guidance for the most effective programs of research into new uses for agricultural products, the development of new crops, and the improvement of basic crop and livestock practices, marketing, forestry and home economics.

The Commission would have a competent small staff headed by an executive director. In addition, it would have the services of specialists in many fields and would consult freely with the experts in the Department of Agriculture, meet with the commodity research advisory committees of the Department, and seek advice from the general farm organizations, commodity organizations, industry associations, scientific societies, and many others who may be in a position to contribute to this important work.

The bill gives the Secretary of Agriculture authority to make contracts and grants to State agricultural experiment stations, colleges, universities, and other research institutions, and also to private firms and individuals for special research to carry out the purposes of the act. There is provision for the extension of this authority to include experimental commercialization of new crops and of new or improved processes and new uses for agricultural products.

The Secretary also would be authorized to grant exclusive licenses for a period not to exceed 5 years for the use of patents under the control of the Department in order to facilitate commercialization of new products and new processes.

The Commission established by the bill would take the place of the National Advisory Committee previously established under the Research and Marketing Act of 1946. The Commission would have much broader powers than the Advisory Committee.

The dramatic advances in agriculture due to research have made it possible to relieve a large share of the manpower previously devoted to agriculture for employment in industry, in commerce, and in our great national defense effort. In addition, our people enjoy food of unprecedented quality due to advances in the breeding of plants and animals and the control of agricultural diseases and pests. We also enjoy foods delivered to our kitchens prepared ready for use with a minimum of work and without any waste.

Our agricultural research program in this country is second to none. Let us help to make it better. H.R. 8639 is a step in the right direction and I urge that the bill be passed.

Mr. GROSS. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Speaker, I support H.R. 8639 because I believe this legislation would greatly assist our program of research into the utilization of agricultural products.

In my opinion the chairman of the subcommittee, who is also the author of the bill, has done a tremendous job in bringing together the various agricultural groups interested in utilization research, with the result that they all support this measure.

In committee, I had a question about one part of this bill, section 5(b). I feel very strongly that the Executive Director of the Commission should be appointed, and have his salary fixed, by the Commission. As this subsection is presently worded, the Secretary of Agriculture appoints the Executive Director from persons nominated by the Commission. Thus the Commission can choose two or more desirable candidates, from which number a person can be selected to fill the post of Executive Director.

The subsection also states that the Executive Director shall serve at the pleasure of the Commission—meaning that at any time the Commission is dissatisfied with his work, it would have the power and right to fire him.

My question about the wording of the last sentence of this subsection—and a question I directed to the gentleman from Mississippi [Mr. ABERNETHY]—dealt with who should set the salary of the Executive Director. He stated that the Commission shall set the salary, which would not exceed $19,000.

Since this is the case, the subsection is acceptable to me because, to reiterate, the Commission nominates acceptable persons, one of which is appointed by the Secretary. The Commission has the right to fire him at any time and sets the salary. In that way the Executive Director feels responsible to the Commission for his position.

Mr. GROSS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this bill provides for the creation of another new and expensive commission in government; it is just about that simple. It was only a few days ago that a bill came before the House and I opposed it, providing for a brandnew commission for research and development in the field of coal. What has not been mentioned here this afternoon thus far is the fact that in addition to the commission, there will be set up a highly paid professional staff. Nor has there been reference to the millions of dollars already being expended upon research in the Department of Agriculture. Nothing has been said about the huge amounts of money being spent by the various State colleges on research. Where I ask you is this business of establishing new commissions in the Government going to end? I could very well be in favor of this bill. I represent an agricultural district. I am for research and development in the field of agriculture. I am for research and development in the field of coal. But, when the commission was established the other day with respect to research and development in the field of coal, nothing was eliminated in the Department of Interior, Bureau of Mines. There was simply loaded upon the research already being carried on another commission, and so it will be in this case.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. ABERNETHY. As the gentleman well knows, I have a very high regard for the gentleman from Iowa and I agree with what he says in part. But, I think the gentleman has overlooked the main point in the bill. I think the gentleman has overlooked the fact that this bill replaces a National Advisory Committee of 11 men and places in their stead a commission of 7 men. You can call it a commission or call it a committee—it makes no difference.

Mr. GROSS. I cannot yield any further to the gentleman because I demanded a second in order to obtain time to offer some argument in opposition to the bill. Yes; there has been an advisory committee composed of anything but farmers, and it was an advisory committee to the entire Department of Agriculture.

Mr. ABERNETHY. No; the gentleman is mistaken about that. The gentleman is absolutely mistaken about that. The act of 1946 created a National Advisory Committee of Research consisting of 11 men. There were several other committees established. This was a National Research Advisory Committee set up under the act of 1946.

Mr. GROSS. Does that committee have a staff?

Mr. ABERNETHY. I do not know whether they do.

Mr. GROSS. You have the bill here. In your hearings, did you determine whether that committee has a staff?

Mr. ABERNETHY. Will the gentleman permit me to answer his question?

Mr. GROSS. I yield.

Mr. ABERNETHY. I do not want to argue with the gentleman. I want to try to help. Such staff, as they have, is supplied by the Department of Agriculture.

Mr. GROSS. Yes; and in this bill you propose in addition to the commission, a $19,000 executive secretary, plus at least five scientific and professional employees at salaries up to $19,000 a year.

Incidentally the Department of Agriculture is presently before the House Post Office and Civil Service Committee of which I am a member, asking for 41 supergrade employees.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Speaker, I yield myself 5 additional minutes.

Then there is additional authority in this bill for the new Commission to hire consultants on contracts for a period of up to 5 years—go out and hire all the consultants they want.

Mr. ABERNETHY. They are already doing that.

Mr. GROSS. But you have not had a commission up to this point.

Mr. ABERNETHY. They call it the National Advisory Committee.

Mr. GROSS. The new Commission can go out on an unlimited basis and hire consultants and research organizations.

Mr. ABERNETHY. How are you going to get research done unless you do?

Mr. GROSS. This bill provides for at least five scientific and research positions in the new Commission, plus all the researchers presently available in the Department.

Mr. COHELAN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. COHELAN. Can the gentleman tell me how many land-grant colleges in the United States are doing research? Has this matter been coordinated?

Mr. GROSS. No; I have not had time to research this matter thoroughly, but there are many colleges conducting research.

Mr. COHELAN. The gentleman has a college in his district that is very famous for this kind of work.

Mr. GROSS. That is right.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. CUNNINGHAM. It is true that they are spending a lot of money on research, but most of it is going toward the production of bigger and better crops.

The purpose of this legislation is to develop industrial uses for the surplus crops that we have in such great abundance; and, therefore, we need this legislation in order to liquidate this tremendous surplus problem that faces us.

Mr. GROSS. Not necessarily, but doing research in all phases of agriculture. I recognize that.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PUCINSKI. Is it the gentleman's contention that this agricultural development and research commission would ultimately control the research that is now going on in the private institutions and universities?

Mr. GROSS. The Commission does not control them.

Mr. PUCINSKI. Would this set up a method for doing it?

Mr. GROSS. I do not know that they would exert complete control, but I know that under this bill you are setting up a new and expensive commission in Government that we do not need. This can only be justified if it eliminates substantial expenditures now being made for the same purpose, and there is no showing to that effect.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Very briefly.

Mr. DIXON. Does the gentleman from Iowa not know that we have developed a species of corn in our laboratories that contains over 80 percent amylose starch?

Mr. GROSS. It was done without a new commission in Government.

Mr. DIXON. Corn produced in the gentleman's State has only 25 percent starch. This new strain we have will become very important. It will take 250 million bushels of your corn off surplus and use it in sizing, for paper, and packaging.

Mr. GROSS. That may be, and I repeat that it was accomplished without this commission you are proposing.

Mr. DIXON. But we cannot go on providing this experimental work longer; we are at the point where we have to have a commission to handle it.

Mr. GROSS. I cannot agree. In this bill you are proposing a commission which will be an added expense to the taxpayers.

Let me call the gentleman's attention to section 12 of the bill, on the last page, a beautiful little grandfather clause:

> The authorities under this act are in addition to and not in substitution for authorities otherwise available under existing law.

So by the very terms of the bill this simply imposes another costly operation in the Department of Agriculture.

Mr. Speaker, I am opposed to this bill and I hope it will be defeated.

Mr. ABERNETHY. Mr. Speaker, I yield such time as he may desire to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Speaker, I want to join in support of this important legislation, which can mean so much not only to the American farmer but also to the industrial worker and the consumer. This bill will offer added impetus to the great need for expanded research in the field of industrial uses of agricultural products. I am glad to join in support of it and to help dispel some of the fears that are being advanced here today.

I want to commend especially the chairman of the subcommittee [Mr. ABERNETHY] for his diligent effort in bringing out a bill that can be passed. I realize that the necessities of compromise have brought about some changes in the legislation which I had hoped could be avoided, but I recognize that under the circumstances the bill must be written in such a fashion to secure the approval of the Department of Agriculture. Mr. ABERNETHY and his subcommittee have done a splendid job of getting this legislation to its present stage.

Mr. ABERNETHY. Mr Speaker, I yield such time as he may desire to the gentleman from South Carolina [Mr. HEMPHILL].

Mr. HEMPHILL. Mr. Speaker, I favor this legislation and wish to commend the subcommittee, and the committee, for bringing out this excellent legislation. It holds out great potential in finding a way to utilize the agricultural products we produce.

I testified in favor of the principle included in this bill I also introduced a bill to accomplish the same thing.

When I think of the cost to the American taxpayer, of maintaining our agricultural program, I know our people want us to seek some way to reduce that expense. If we accomplish utilization of a part of our surplus we will have done much good.

Mr. ABERNETHY. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Speaker, I rise in support of this bill. I want to congratulate the distinguished gentleman from Mississippi and the distinguished gentleman from Utah for bringing this measure to the attention of the Committee on Agriculture, both the subcommittee and the full committee.

Mr. Speaker, how else can we get a reduction of agricultural surpluses through basic research to find new uses for these products?

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. NORBLAD. Mr. Speaker, I feel that this legislation is unnecessary. It simply adds another expensive commission to the multitude we already have and will add to the overburdened Federal budget.

There are certainly ample funds being spent for agricultural research at the present time. The large research station just outside Washington at Beltsville is doing a fine job and I might point to the fine work being done in this field by Oregon State College at Corvallis and at the many other land-grant colleges throughout the country.

Mr. WOLF. Mr. Speaker, I wish to congratulate Mr. Abernethy on his fine presentation and his bill, H.R. 8639, which creates an Agricultural Research and Development Commission. It is the purpose of this Commission to seek better programs of research which will ultimately have the effect of expanding markets for agricultural and forestry products.

It is my hope that this Commission will work on ways to bring together the vast needs of our industry and the many uses which our agricultural products may be put. If more industrial products can have as their ingredients, agricultural surpluses, we will have done much to find important uses for our agricultural resources. Furthermore, the cost of items made from agricultural products will be significantly cheaper, thus benefiting considerably the consumer.

We in Iowa know that his program will benefit the industry of Iowa in a most practical way—especially those industries that could, with the help of high level research and consultation, aid in turning our agricultural abundance into industrial products. I look forward to the Commission's studies which, hopefully, will bring many advantages to the American farmer and the average consumer.

Mr. AVERY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

Mr. SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. AVERY. Mr. Speaker, the House Committee on Agriculture has as many or more problems than any other legislative committee in the Congress, and I want to commend it for the difficult task that it has undertaken in resolving problems that have developed in the field of agriculture since the close of the Korean war in 1952. We all recognize that there are honest differences of opinion in proposed solutions to these problems.

The bill before the House this afternoon, however, is one of which there is complete agreement, I believe, as to objectives but with the usual amount of differences among legislators and administrators as to how best to achieve these objectives.

The objective of this legislation is not a new one. It has received attention in the Congress even before World War II when modest appropriations were made to establish four research centers to develop new uses for agricultural commodities. Although these laboratories have developed over 125 new processes to utilize agricultural commodities, they have never been able to concentrate their full effort to the extent for which they were intended.

Hardly had they commenced their work and World War II was upon us, and not only was our surplus problem immediately resolved but the resources and personnel of the laboratory were needed for the war effort. Their laboratory effort only was resumed after World War II for a brief period of time and then was also again interrupted by the Korean war. The end result has been that in the past 20 years of their existence, only the last 5 or 6 years have been wholly dedicated to the purpose for which they were originally created. This research effort in my judgment is somewhat comparable to our missile program, acceleration of activity is necessary to offset some periods of no action in the past few years. There is no reason to pause now to consider who should be named as responsible for this neglected research and development. It is only a matter of coordinating our entire potential capacity to make needed and tangible progress in the immediate years ahead.

In 1957, it was quite a different story, and I found it extremely difficult to interest many Members of Congress, even members of this committee, in the need for this program. Since I represent a highly productive agricultural area in Kansas, I was sincerely interested in the work of the original Commission on Increased Industrial Use of Agricultural Products that was appointed in 1956. Its Chairman, J. Leroy Welsh, was from our neighbor State of Nebraska, so I felt that the surplus problems of Kansas and Nebraska and other Midwestern States were viewed in their proper perspective by the Commission.

It was largely the outstanding work done by this Commission and the reports rendered by them that stimulated the imagination of Members of Congress, agricultural colleges, and even persons in the Department of Agriculture to the extent that passage of this legislation now appears to be approaching a reality.

Reviewing the history of this legislation, it appears there has been one basic question on which agreement could not be found. This was to determine whether or not the research effort should be conducted within the present framework of the Department of Agriculture or whether a separate agency should be established. I have read previous hearings on this legislation and have visited with many persons who are considered to be well informed in this field.

There are persuasive arguments supporting both points of view, but in my opinion, it would not be in the best interest to authorize the establishment of another separate and independent agency to perform this work. There are three reasons for this.

In the first place, it would create an entirely new group of Government employees and from experience we know that once a department has been created it is virtually impossible to terminate such department or allow the authorization to expire. I am convinced it could be done with less expense within the Department.

In the second place, there is an obvious need for a close coordination between the persons or department directing this research and the existing State agricultural colleges and experiment stations. The Department of Agriculture is already well aware of the location, capability, and their special adaptations and, therefore, could commence this overall project much sooner than could a new agency.

In the third place, there will be a continuing need for modifying and developing certain characteristics in agricultural products now in production in order to comply with the needs that will be determined as a result of the research for greater usage.

I feel these three reasons outweigh the apprehension held by many persons, some of whom are members of your committee and the Department of Agriculture. I believe it now will place sufficient emphasis and dispatch on this program if the responsibility is placed upon it. In my opinion, the debate on this proposal for the last 3 years has so emphasized the lack of confidence in the Department to do this work that now they are making even greater effort to offset this criticism.

Although the bill brought to the House by the committee follows the same general format as bills earlier introduced by several Members of the House, it does not authorize the newly created Agricultural Research and Development Commission to proceed in and to assume the responsibility for the research. Instead, the Commission will further study the overall problem of increased research and also methods of implementing the results of research already completed in such a way as to utilize surplus agricultural commodities. The Commission will have an independent staff and also an independent administrative operation. They are required under the terms of the bill to report at least annually to the Secretary of Agriculture and to Congress.

Also in the bill is an important provision to allow the Secretary of Agriculture to make research contracts for a period of up to 5 years with non-Government facilities for experimentation with new crops and for new uses for agricultural commodities. The Secretary is further authorized to license to non-Government facilities processes patented by the Department of Agriculture for commercial development.

I am glad that provision was made to include the available services of private enterprise in the legislation. This is a fine example of a great potential accomplishment from the combined effort of Government and private enterprise.

I note that the committee estimates the cost of the legislation to be less than $200,000 per year. I am apprehensive that the objectives of the bill can be accomplished for that amount of money, but even if the cost should exceed that amount it would be well within the public interest to invest some additional sums for research that will ultimately reduce existing surplus commodities.

It is possible to draw some comparisons to establish reasonable limitations that might be anticipated. I am told that industry generally invests about 3 percent of its gross sales into a research program both to develop new products and to possibly discover new uses for the products they have already produced. Some specialized industries, particularly the chemical, invests as high as 7 percent of its gross sales in research and development programs.

By comparison, agriculture invests only one-half of 1 percent of its gross sales in research and development. About one-half of this is provided from

Federal and State sources and the other half from industry.

Even if we did invest one-half of 1 percent in a program, it would require approximately $190 million a year inasmuch as the total gross sales from agriculture were in excess of $38 billion.

Assuming that half of the amount needed was to flow from public funds, approximately $100 million could well be utilized. Even at this rate, I think agriculture would still be on the defensive in attempting to catch up to the synthetics that have preempted a substantial portion of our market.

There is no reason to believe that the research effort of our competitors will in any way decrease, so it is all the more important that considerable emphasis be placed on this program both from adequate financing as well as administrative priority.

I urge the passage of the bill.

Mr. GROSS. Mr. Speaker, I yield myself such time as I may need to ask the gentleman from Mississippi, in regard to the statement just made by the gentleman from Kansas, if he thinks the establishment of this Commission is going to eliminate the farm surplus problem?

Mr. ABERNETHY. I do not think anyone would come to the floor and make a claim of that kind, but I would say to the gentleman that I sincerely believe it will help. All of the agricultural organizations in America support this bill.

Mr. GROSS. Oh, well, that may be, but that is not the determining factor as far as I am concerned. I am opposed to continuing the building of this Federal bureaucracy with more commissions, more advisory councils, and the hiring of consultants to do work that ought to be done by those already on the payroll. Tell me, where are you going to get the money to pay all of these bureaucrats?

Mr. ABERNETHY. We are going to use the same money that is being paid the Advisory Committee and its staff at the present time.

Mr. GROSS. I did not hear the gentleman.

Mr. ABERNETHY. They will use the same money that is being paid to the National Advisory Committee and certain members of the staff.

Mr. GROSS. Of course, the gentleman knows that the Advisory Committee does not have a staff as provided for in this bill. He knows they do not have, for instance, a $19,000-a-year executive secretary.

Mr. ABERNETHY. It could use the experts of the Department of Agriculture.

Mr. GROSS. For the highly paid employees, the clerical help, office space and equipment, tell me where you are going to get the money to pay all these bills.

Mr. ABERNETHY. I have answered the gentleman's question. I realize it does not satisfy him, but I cannot satisfy him.

Mr. KOWALSKI. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Connecticut.

Mr. KOWALSKI. How much money is now being expended in this country for research in agriculture?

Mr. ABERNETHY. I am unable to answer that question. The gentleman might get that question answered by some member of the Appropriations Committee.

Mr. KOWALSKI. I think it is a very important question. If we are going to spend more money on agricultural research, we ought to have some idea how much is now being spent.

Mr. ABERNETHY. I cannot think of this bill costing any more than is now being expended.

The SPEAKER pro tempore (Mr. BOGGS). The question is on suspending the rules and passing the bill.

The question was taken, and the Speaker pro tempore announced that two-thirds had voted in favor of suspending the rules and passing the bill.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and twenty-two Members are present, a quorum.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

WITHHOLDING, FOR PURPOSES OF INCOME TAX IMPOSED BY CERTAIN CITIES, ON THE COMPENSATION OF FEDERAL EMPLOYEES

Mr. MILLS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3151) relating to withholding, for purposes of income tax imposed by certain cities, on the compensation of Federal employees, with an amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act relating to withholding, for State income tax purposes, on the compensation of Federal employees", approved July 17, 1952 (Public Law 587, Eighty-second Congress; 5 U.S.C. 84b), is hereby amended—

(1) by striking out "State or Territory" each place it appears and inserting in lieu thereof "State, Territory, or city"; and

(2) by adding at the end thereof the following new sentence: "For the purposes of this section, the term 'city' means only a city which is incorporated under the law of a State or Territory and which had a population (according to the last decennial census) of fifty thousand or more individuals."

The SPEAKER pro tempore (Mr. BOGGS). Is a second demanded?

Mr. CURTIS of Missouri. Mr. Speaker, I demand a second.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER pro tempore. The Chair appoints the gentleman from Arkansas [Mr. MILLS] and the gentleman from Iowa [Mr. GROSS] as tellers. As many as favor the motion of the gentleman from Arkansas will pass between the tellers and be counted.

Mr. MILLS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MILLS. The question before the House, the Speaker having appointed tellers, is on ordering a second, is it not?

The SPEAKER pro tempore. The gentleman is correct.

The House divided, and the tellers reported that there were—ayes 146, noes 1.

So a second was ordered.

Mr. CURTIS of Missouri. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CURTIS of Missouri. Under this procedure does the gentleman from Iowa control the time or does the gentleman from Missouri who demanded the second have control of the time?

The SPEAKER pro tempore. The gentleman from Missouri demanded a second, and the gentleman from Missouri will control the time.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. MILLS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, present law, in general, provides that where State or territorial laws require the collection of a tax by withholding by employers, the Federal Government upon request is to enter into an agreement to withhold the State or territorial tax from compensation paid Federal employees who are employed in the State or territory. H.R. 3151, which was introduced by our colleague on the Committee on Ways and Means, the Honorable THOMAS B. CURTIS, amends this statute to also provide for withholding of city taxes by the Federal Government, with respect to its employees who are employed in a city with such a tax, if the city has a population, according to the most recent decennial census, of 50,000 or more.

The bill provides for withholding by the Federal Government only in the case of incorporated cities with populations of 50,000 or more in order to limit the administrative burden being assumed by the Federal Government. Municipal taxes which provide for withholding on compensation presently are in effect in five States: Alabama, Kentucky, Missouri, Ohio, and Pennsylvania.

It should be noted that this bill merely provides for a method of collecting taxes already imposed by the device of withholding of municipal income taxes by the Federal Government on its employees. Issues such as the jurisdiction of a city to tax any employee or group of employees would still be matters to be settled by the appropriate courts, unaffected by the fact that the Federal Government has withheld tax.

The Treasury Department has indicated its approval of the principal involved in this legislation, and the Committee on Ways and Means was unanimous in recommending its enactment.

It should be borne in mind, Mr. Speaker, that the cities that are involved under this bill are at the present

time withholding the Federal income tax from city employees.

We followed this procedure with respect to States and territories. These cities that have this tax under their city ordinances have asked for this legislation that would authorize the Federal Government to do nothing more for them than they at the present time do for the Federal Government.

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I am happy to yield to the gentleman.

Mr. WIER. I am interested in the history of this bill in the committee of which the gentleman from Arkansas is chairman. As I get the information here, in the last couple of weeks, this has been quite a controversial bill.

Mr. MILLS. In the committee?

Mr. WIER. Yes.

Mr. MILLS. I will advise the gentleman that this bill was reported from the Ways and Means Committee unanimously. It was not called up on the floor for passage by unanimous consent, because the committee was aware of the fact that there was some opposition on the part of some Members who are not members of the Committee on Ways and Means.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I would be glad to yield.

Mr. PRICE. I note in the report on this bill that there is no statement from the Treasury.

Mr. MILLS. The Treasury Department endorsed, as did other departments of Government, the bill reported by the committee which applied this treatment to cities of 75,000 or more. The committee adopted an amendment which changed the 75,000 figure to 50,000. While the Treasury Department prefers to have the bill apply to cities of 75,000 or more, on the theory that they thought 75,000 was a reasonable line of demarcation, we did adopt this amendment to make it available to cities of 50,000 on that same theory.

Mr. PRICE. How many more cities would that add?

Mr. MILLS. The best information we have, as the gentleman from Illinois knows, is that there are about 5 States where cities have this tax. We are advised by the Census Bureau that the possible total of cities over 50,000 in those States is 41. We do not know that all these 41 cities do have the tax, but that is the maximum number to which it could apply.

Mr. PRICE. Has the Treasury made any estimate of the cost of this service to the local government?

Mr. MILLS. No, we had no estimate of that. I am sure the gentleman understands, that the cities withhold for the Federal tax and what we are proposing to do is to have the Federal Government withhold from its Federal employees the city tax.

Mr. PRICE. Many localities of 50,000 population do not have the resources to pay for this service.

Mr. MILLS. No administrative costs to the cities are involved in this. The Federal Government would do the withholding.

Mr. PRICE. My inquiry was directed at the cost to the Federal Government.

Mr. MILLS. It would be very, very small. It would be a small amount of cost. No one has raised any objection on the basis of cost.

Mr. PRICE. It would not be a small amount if you had to have a separate collection agency in any city of 50,000 or more.

Mr. MILLS. The Federal Government would serve as any other employer when the payment is made to a Federal employee within one of these cities where such a tax applies. The Federal Government would do what every other employer does under the circumstances; in preparing a check, it would withhold the amount of the city tax. We expect the city to do that for us and these cities are asking us to do that for them.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield.

Mr. GARY. Is it true that this bill does nothing more to Federal employees than is now done to other employees in cities?

Mr. MILLS. Exactly.

Mr. GARY. It would only operate where a city is requiring other employers in the city to withhold the city tax.

Mr. MILLS. The gentleman is exactly correct. Some Members are concerned because there is such a thing as a city tax. This just does not affect that question one way or the other.

Mr. GARY. At the present time Federal employees enjoy a preference because there is no deduction.

Mr. MILLS. The gentleman is correct. Of course, the liability is there. This is simply a means of collecting the tax currently.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield.

Mr. WILLIAMS. As I understand it, this only applies to Federal employees who may be liable for taxes within their city.

Mr. MILLS. That is right. That is the city tax.

Mr. WILLIAMS. Does this also include military officers who may be liable for taxes in the city in the same manner?

Mr. MILLS. It is my understanding it does not. This applies to Federal and civilian employees.

The SPEAKER. The time of the gentleman has expired.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks; and I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the legislation that is before us today would provide for the withholding by the Federal Government of income, earnings, and similar taxes imposed by cities. The withholding in this case would be applicable to Federal employees and the legislation would therefore tend to equalize the tax procedures applicable to Federal employees on the one hand and the balance of the citizenry on the other hand.

This legislation does not increase anybody's tax burden. Instead, it is designed to improve the administrative technique of city tax collection.

It will be recalled that under existing law authority is granted to the Secretary of the Treasury to enter into agreements with the States to provide for the withholding of State income taxes from the salaries of Federal employees. It is appropriate that the Federal Government should enter into such cooperative arrangements with other echelons of government in view of the fact that these other echelons withhold Federal income taxes with respect to their employees.

Under the legislation before the House the authority provided to enter into agreements with cities would be applicable only in the case of communities with populations of 50,000 or more as proposed in the committee approved floor amendment. The purpose of this population limitation is to avoid excessive administrative burdens being assumed by the Federal Government.

Mr. Speaker, this legislation has been before the House of Representatives for some time and has been the subject of committee hearings as well as careful consideration in executive session by the Committee on Ways and Means. It should be stressed, as I previously mentioned, that the legislation does not increase anyone's legal tax liability.

In closing, I would like to commend my distinguished colleague from Missouri, the Honorable THOMAS B. CURTIS, for sponsoring this equitable proposal. TOM CURTIS has served on the Committee on Ways and Means since the 83d Congress and during that 7 years of service he has distinguished himself by his knowledge and understanding of tax matters as well as the other important legislative subjects within the jurisdiction of the committee. He has proved himself to be not only an able lawyer but is also a knowledgeable authority on the economics of taxation. Mr. CURTIS deserves the commendation of the House for his effective work on this legislation as well as for the conscientious work he does on all legislative issues.

Mr. Speaker, I urge the membership of the House to vote to suspend the rules and pass H.R. 3151.

Mr. SCHERER. Mr. Speaker, for many years cities of this country—in fact, all employers, all industries—have been compelled to act as tax collectors for the Federal Government without any compensation or remuneration whatsoever for the costs involved.

One of the reasons that many cities have been compelled to enact city income or payroll taxes is that the Federal Government has siphoned off so much of

the tax dollar that cities have had insufficient funds to carry on costly municipal functions.

In this bill cities are merely asking the Federal Government to reciprocate, to do what is equitable and fair, namely; withhold city income or payroll taxes from the salaries of Federal employees who are employed within the corporate limits of the city. With the ever-expanding bureaucracy of the Federal Government, many cities have a considerable number of Government workers employed within their corporate limits.

Cincinnati is such a city. I regret to report that some Federal employees for some reason are among the chief offenders when it comes to defaulting on the payment of city payroll taxes. Frankly, in Cincinnati suits for the collection of the tax had to be brought against some of these workers. In my district, many who pay—as all of us do—a substantial part of their incomes to the Federal Government in income tax, resent Federal employees dodging the city payroll tax when they are among the chief beneficiaries of the Federal income tax.

Mr. BARRETT. Mr. Speaker, I am indeed pleased the membership of the House is at last going to have the opportunity to vote on H.R. 3151, the so-called withholding tax bill, because for the past 5 years I have been a strong advocate of such legislation which, if enacted into law, will be in the best interests of our thousands of Federal employees in the Philadelphia metropolitan area.

This bill, which permits the Federal Government to withhold from wages of Government employees income taxes imposed by municipalities of over 75,000, will definitely alleviate the hardship our Federal workers are experiencing in paying the wage tax. As we all know, total lump-sum payments are now demanded and, as a result, a majority of these people are forced to obtain outside loans at exorbitant interest rates in order to meet the tax deadline. Many of them cannot negotiate such a loan and become involved in civil suits. Of course, a few refuse to pay the tax and are arrested and jailed.

My files contain letters from postal and Federal unions as well as from individual citizens who favor the enactment of this bill. These people believe the withholding of the tax would not create a hardship on them and would be the most convenient method for them to meet this obligation.

Mr. Speaker, I strongly urge the immediate passage of this bill.

Mr. THOMPSON of New Jersey. Mr. Speaker, ever since coming to Congress I have been very interested in the problem posed by H.R. 3151, sponsored by Congressman CURTIS, which I strongly oppose. The proposal would compel the Federal Government to collect taxes for local governments. This amounts to a rank injustice to residents of New Jersey who are employed in Philadelphia. Taxes are imposed for services rendered by a government, but what services does Philadelphia render to my constituents, who must pay the same taxes as Philadelphians, who receive all the benefits and services provided by that great city? To set the Federal Government up as a collector of such taxes creates as much resentment among my constituency as taxation without representation created in the hearts of the original colonists.

Can there be any question about the injustice of taxing residents of the State of New Jersey who go directly to a place of work on Federal property protected and maintained by the Federal Government? Why should they pay tribute to Philadelphia? The Philadelphia Navy Yard employees receive no services of the city. The Navy provides its own fire and police protection. There is a reason why constitutents of mine have gone to jail rather than pay this noxious tax. None of us love taxation, but we have to have a pretty strong feeling of injustice to face jail in protest against a tax. It bespeaks a real confidence that when dramatically demonstrated to be so unfair, such injustice shall not prevail in this country.

STATEMENT OF THE HONORABLE FRANK THOMPSON, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. THOMPSON. There is real hope, I think, that the present unfair tax treatment of the citizens of New Jersey who reside in New Jersey and work in New York will be ameliorated in the near future.

These hearings this morning are deeply appreciated by the citizens of New Jersey, for they demonstrate the interest of the Congress in this matter and they are most helpful to a solution which will be equitable to those most directly involved.

These taxes have been levied for a long time, and they are not going to be ended overnight. But the fact that the Congress is holding hearings shows that justice, though sometimes tardy, is on the way.

It has been estimated that 174,000 New Jersey residents pay approximately $23 million in nonresident income taxes annually to the State of New York on income earned in that State.

On the other hand, 50,000 New Yorkers working in New Jersey pay no income taxes to the State of New Jersey.

This, of course, parenthetically, is partly the fault of New Jersey. Both political parties will convene this week or next week, and piously both of them will incorporate a no-new-tax plank in their platform, a completely unrealistic position, in my view.

Nevertheless, the New Yorkers do not pay New Jersey taxes.

Each of 20,000 New Jerseyites pay approximately $30 a year to Philadelphia. A substantial number of New Jersey residents also pay sizable sums yearly to the State of Delaware under its personal income tax law.

New Jerseyites are not contending that they should not pay taxes to the State of New York, Philadelphia, or the State of Delaware. The question as New Jerseyites see it is how to protect themselves from double taxation on out-of-State income they earn.

It is extremely interesting to note that reciprocity agreements exist between New York State and 15 other States, all of which impose income taxes. These reciprocal agreements cushion the impact of these levies on nonresidents to some degree. In general, these agreements provide that a taxpayer can credit taxes paid to another State against this liability to his home State.

No such reciprocal agreements exist between New York State and the States of New Jersey and Connecticut.

In seeking relief from out-of-State taxes, New Jerseyites are completely dependent upon the good will and the sense of justice of the citizens of New York, Pennsylvania, and Delaware—their neighbors.

New Jersey is barred from taking a number of steps to defend themselves which suggest themselves.

They are barred by their own sense of justice.

In addition, the interstate commerce clause of the Federal Constitution bars New Jersey from taking reprisal measures which some feel the circumstances dictate.

A number of bills seeking equity in this matter have been introduced in the Congress and referred to this distinguished committee.

Among these bills are some seeking a constitutional amendment, but this route seems most unpromising to me since such measures require the assent of 38 of the 50 States. How such assent could reasonably be expected to be obtained at a time when 32 of the 50 States are taxing nonresidents is difficult to see.

I recognize that the ideal solution to this situation might well be a constitutional amendment. However, I question the judgment or the vision of those who consider it feasible at any time in the near future, although by no means do I question their motives or the fact that this would be the ideal situation.

In this connection I note that Joseph H. Murphy, Commissioner of Taxation and Finance of the State of New York told the Senate judiciary subcommittee that the State of New York was "unalterably opposed" to any constitutional amendment restricting a State's power to tax nonresidents. He added, that the New York tax was "not an equitable system on deductions."

You can be certain that the 32 States presently taxing nonresidents would, likewise, be unalterably opposed to such a constitutional amendment restricting their taxing powers.

They would fight such an amendment to the bitter end, in my opinion.

I now come to a second point, the court decisions upholding the power of a State to tax in-State income of nonresidents which have prevailed for nearly 40 years and the extreme unlikelihood of a judicial change of mind which seems as remote a possibility as the constitutional amendment route.

The reports of the Special Committee on Interstate Taxation of the Federal Bar Association of New York, New Jersey and Connecticut, and the Subcommittee of the State Taxation Committee of the New Jersey Bar Association hold out no hope whatever for a judicial change of mind on this subject of a State's right to tax nonresidents on income earned within its borders.

The treasurer of the State of New Jersey, Aaron K. Neeld, testifying before the New Jersey Commission on Out-of-State Taxation of New Jersey Residents, reviewed these matters and then said:

"Though reversal of the longstanding decisions of the U.S. Supreme Court appears highly improbable and relief by constitutional amendment seems very doubtful, there is an area within the reach of legislation where some benefit can be provided for the nonresident taxpayer. This relates to a broadening of the deductions allowed to nonresidents under the New York personal income tax law so as to make them more nearly comparable to those allowed residents. It has no application to the Philadelphia wage tax since in determining that tax no deductions are allowed from gross wages to either residents or nonresidents, nor to the Delaware personal income tax, as identical deductions are allowed to both residents and nonresidents in that State."

New York permits its citizens to deduct from gross income, in determining the amount of taxes they shall pay, the municipal taxes on their residence property, Fed-

eral amusement, telephone, and safe-deposit-box rental taxes, sales taxes, motor fuel taxes, interest on their residence property, mortgage and personal loans, medical expenses and premiums paid for hospitalization insurance, life insurance premiums paid up to $150, alimony payments, and gifts for charitable, religious and benevolent purposes.

On the other hand, New Jersey residents working in New York may deduct from their gross income only an amount equal to 10 percent of such income or $1,000, whichever is less.

A fair system of taxation would permit the New Jersey resident to claim as deductions not only those expenses incurred in connection with his New York income but, also, those deductions ordinarily allowed resident New York taxpayers.

Deductions for taxes, interest on indebtedness, medical expenses, gifts to charity, et cetera, should be allowed the New Jerseyite working in New York so as to provide a more equitable basis upon which to determine the extent of his tax liability to New York.

Where the New Jerseyite's entire income is from employment in New York, he should not be required, by curtailment of deductions permitted residents of New York, to pay greater personal taxes than he would if he lived in New York State.

If the New Jerseyite has income not subject to tax in New York because it did not come from business, trade, a profession or occupation within New York State, then the amount of allowable deductions should be prorated on the basis of gross income arising in New York to the taxpayer's total gross income.

In a brilliant editorial deploring the double taxation to which citizens of New Jersey and Connecticut have been and are being subjected by New York, the New York Times said on April 20, this year, that:

"New Jersey and Connecticut support State and local government completely without personal income taxation. Each raises its revenue otherwise, by real estate taxation, by sales tax, by both, or by other forms of taxation. But one way or another the resident pays the full bill for government in those States.

"If he comes into New York to earn his living, he also fully supports the New York State government. In the Rockefeller budget of about $2 billion $634,600,000 goes to State aid to localities for education. The man from New Jersey or Connecticut is helping to foot this bill, and when he gets home at night he writes a check for real estate taxes to support his local school in New Jersey or Connecticut."

I submit that nothing could be clearer than that, and it is becoming equally clear to New York's political leaders.

For instance, Senator JACOB K. JAVITS told the Senate Judiciary Subcommittee that Governor Rockefeller had told him and Senator KEATING that he was "eminently desirous" of working this problem out at the State level. Governor Rockefeller has himself assured New Jerseyites he wants to work this problem out equitably.

He said that to Governor Meyner in the past, and only yesterday I understand he said substantially the same thing to State Senator Jones.

The position taken by New Jersey in this matter of taxation of its citizens by other States is eminently fair, and its very fairness and the high-minded way in which New Jersey is presenting its case is carrying conviction to, and is recognized by, fair-minded citizens and voters of our neighboring States.

This is all to the good, since it is the only way that our New Jersey citizens will obtain justice in this matter.

The interstate compact approach embodied in my own H.R. 4175 and similar bills before this committee sponsored by members of the New Jersey delegation would give congressional approval to agreements between the States looking toward uniform tax treatment of nonresidents.

I recognize the tradition that in the usual course of events, these compacts are entered into and then approved. I think in this instance a departure from that usual tradition is indicated in order to alleviate this very bad situation, because I feel that unless there is the opportunity presented to it by the Congress, the action by the States will not be forthcoming, except on a one-State-to-another basis, rather than a larger or broader basis.

By the enactment of H.R. 4175 and similar bills Congress could make clear its own deep interest in an expanded program of reciprocity between the States which would provide uniform tax treatment of residents and nonresidents.

The enactment of such legislation would be of the very greatest assistance, I feel, in working these matters out.

New Jersey demands only that its citizens be treated fairly.

The fact that New Jersey does not have an income tax is not something that New York State should take advantage of any longer.

An interstate compact between New Jersey and New York which had congressional approval and support would permit these two States to make binding agreements containing penalties and other provisions.

The New York Times, in the editorial I referred to earlier, made the point that New York State officials are exaggerating the benefits the citizens of New Jersey who work in New York enjoy. What else can one expect from officials who are hard pressed to pay for the services provided the citizens of New York State? However, the extreme statements of some New York officials are not believed by the fairminded citizens of the State of New York and, I suspect, they are not believed by Gov. Nelson Rockefeller. The editorial declares that:

"Governor Harriman appointed Theodore Tannenwald, Jr., to study this question of inequitable treatment of the nonresident taxpayer. Now Joseph H. Murphy, Governor Rockefeller's commissioner of taxation and finance, has taken over. Neither of these experts, based in New York, has been able to detach himself fully from provincialism. Each exaggerates, in our opinion, the benefits the nonresident enjoys from New York services."

The New York Times concludes that:

"If New York wants to be just, the tax politicians will have to start their inquiry from the home in New Jersey or Connecticut and work upward, searching for fairness to the individual, not necessarily to the State."

I should like to point out that New Jersey does have some recourse to methods, other than the inherent fairness of its case, to bring this matter of unjust taxation vividly to the attention of New York officials and citizens.

Earlier this month, for instance, the New Jersey Attorney General's office called on the Prudential Insurance Co. to stop withholding New York taxes from residents of New York who work for Prudential in New Jersey.

The Prudential Co. was advised by Deputy Attorney General David M. Satz that such withholding practices were illegal under the statutes of New Jersey. Mr. Satz acted after the Prudential Co. announced it had been deducting the New York income tax from wages of 100 employees since April 1 of this year.

The New Jersey Wage Payment Act expressly forbids tax deductions, other than Federal, from the wages of any employee in the State. New Jersey has no income or local wage tax, and New York State has asked that this Wage Payment Act be modified.

Perhaps New Jersey should refuse to "roll over" in this instance.

This spirit of independence can be infectious. Yesterday, New Jersey's Republican State senators, through one of their members, proposed a barter with New York and offered to approve commuter legislation—in which New York is deeply interested—in exchange for action to eliminate discrimination with regard to taxes on residents of New Jersey.

This is a doubtful approach, but perhaps politically fruitful. I think that this could lead to all sorts of vendettas between the two States. And it might be extremely appealing to the residents of New Jersey, who are treated so unfairly, but I do not think that it does credit either to Governor Rockefeller's integrity, based on his promise to Governor Meyner earlier, or to the attitude toward other human beings that the people of New Jersey have and are so proud of.

I think that New Jersey should continue to look for ways and means with which to bring this tax situation to the attention of New York's political leaders and citizens.

A ship, you know, has a Plimsoll mark so that it will not be overloaded.

A willing horse is often worked to death.

But a mule refuses to carry more than is good for it.

Perhaps more mulishness in this tax matter by New Jersey would help. I do not know.

Perhaps New Jersey must be less docile regarding these taxes.

I think, however, that we have got to be reasonable and realistic, and we have got to take the politics out of this business.

Doubtless there are a number of sound steps which can be used to bring home to New Yorkers the injustice of the taxes they levy on their New Jersey neighbors, and I think these steps should be taken. The matter will be resolved by the fairminded people of both States. I have no doubt about it.

I would like to include, Mr. Chairman, the New York Times editorial which I have quoted, and to say in conclusion that it is my firm conviction that although the constitutional amendment approach would be ideal, it is unrealistic.

It is my equally firm conclusion that this body, if it does have a tradition of waiting until the compacts are entered into before ratifying them, in effect, should depart from that procedure in these instances, especially in view of the fact that so much talk of reprisal is going on. The people who pay the Philadelphia tax and the New York and Delaware taxes are very upset about this, and I think with reason. I do not think, however, that any war between the States in the form of legislative reprisals is the answer. I think that the answer resides entirely in the Congress at this point. The Congress at least can give its stamp of approval to the principle so that the States can go forward and enact constructive legislation and enter into equitable compacts.

H.R. 4175

A bill granting the consent of Congress to the several States to enter into compacts providing for the uniform tax treatment of nonresidents

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to any two or more States to enter into compacts designed to provide uniform tax treatment of nonresidents through agreements not to discriminate between residents and nonresidents in the levying and collection of taxes.

SEC. 2. No compact shall be effective until it has been ratified by the legislatures of each of the States who are a party to it and

it is thereafter approved by the Congress of the United States.

[From the Camden (N.J.) Courier-Post, May 20, 1959]

GETTING SOMEWHERE AT LAST?

Is hope for relief of New Jersey residents from Philadelphia's wage tax really beginning to dawn?

Perhaps so. Certainly the statement issued by Mayor Dilworth after his meeting with members of the Commission on Out-of-State Taxation of New Jersey Residents is the most conciliatory on the subject that he has issued in many a year, if not the most conciliatory any mayor of Philadelphia has ever made.

"We believe our wage tax to be a fair means of raising needed revenue for our city government, but we understand how New Jersey residents feel about it," Dilworth says. "We recognize that we are the center of a great metropolitan area and should do all in our power to assure a fair and equitable tax system for all those living, working, or doing business in the area."

Willingness to appreciate that New Jersey victims of the tax really believe they have a justifiable grievance has not always characterized the attitude of Philadelphia officials. Neither has the emphasis Mayor Dilworth lays on fairness, not only to the people of Philadelphia but to everyone within the metropolitan area.

So long as Philadelphia approaches the problem in the way in which Mayor Dilworth now defines it, and with the stress he puts on fairness to everyone concerned, he and the city may be assured that nonresidents will reciprocate and join in the effort to work out the most equitable tax system possible within the area.

State Senator Dumont, chairman of the commission, points to the incontrovertible fact that the courts have upheld the right of municipalities to levy nonresident taxes like Philadelphia's. But he hopes eventually it may be possible to have the taxes Philadelphia and New York State levy on Jerseyites set at a lower rate than for their own residents.

This would be based on the altogether sound premise that nonresidents do not receive as much service from the taxing government as it provides for its own citizens, and should be taxed only in rough proportion to the amount of service they do receive.

Should New York and Philadelphia accept that premise and modify their present taxes accordingly, it might be possible, as Dumont hints, that New Jersey would strike a bargain with them and pass legislation to withhold taxes from wages paid their residents who work in this State. This might work out to the mutual advantage of all.

Whether the Philadelphia meeting eventually turns out to have paved the way to any concrete results along these lines cannot be foretold now. But it is encouraging to note that it was held in a friendly atmosphere, which has not always been the case in interchanges over the wage tax, and that counsel for Philadelphia and the commission are to meet again late this month to discuss the issues involved.

Where both sides are willing to negotiate such matters in a spirit of amicable give and take, it is always possible that benefits to both will result.

[From the Camden (N.J.) Courier-Post, May 13, 1959]

NEW JERSEY GROUP AND DILWORTH TALK PAY TAX

The Commission on Out-of-State Taxation of New Jersey Residents conferred Tuesday with Mayor Dilworth, of Philadelphia, on that city's wage tax as applied to nonresidents of the city.

Headed by Senator Wayne Dumont, Jr., other members of the commission attending the meeting in Dilworth's office were Assemblyman C. William Haines, R. Burlington, Arthur L. Gleason, John H. Reiners, Jr., William Miller, counsel and secretary, and Samuel A. Alito, research associate.

FRIENDLY MEETING

Following the closed meeting, Dilworth said it had been "a friendly one and covered much ground and that it would be followed by another meeting between counsel for Philadelphia and the commission."

"We believe our wage tax to be a fair means for raising needed revenue for our city government," said Dilworth, "but we understand how New Jersey residents feel about paying it. We recognize that we are the center of a great metropolitan area and should do all in our power to assure a fair and equitable tax system for all those living, working, or doing business in the area."

Dumont, after endorsing Dilworth's statement that the meeting was friendly and covered much ground, said "we must realize that high courts have upheld the right of municipalities to levy taxes on nonresidents in the form of income or wage taxes."

MANY PROBLEMS

"We hope that some benefit may result from the meeting of counsel from both sides. There are many problems involved but we hope something may be worked out not only to the benefit of New Jersey residents, but those from other areas subjected to the tax," he said.

Dumont said he hoped ultimately that it might be possible to have New Jersey residents pay a lesser tax than residents.

"Withholding of taxes from the wages of out-of-state residents is not legal in New Jersey," he said. "If we could get a better tax rate for our residents who work out of the State, it may be possible to pass enabling legislation for the withholding of taxes from wages paid by New Jersey firms."

Following the meeting, Reiners said that a meeting between Philadelphia City Solicitor David Berger and William Miller had been arranged for May 28, in City Hall Annex.

[From the Camden (N.J.) Courier-Post, May 16, 1959]

AFL LEADER CITES FIGHT AGAINST TAX

ATLANTIC CITY, May 16.—The hue and cry over the taxes New Jerseyites who work in New York and Pennsylvania have to pay to those States should serve as a lesson to politicians to heed the proposals of organized labor, the secretary of the New Jersey AFL said tonight.

Vincent J. Murphy said in a speech before the New Jersey State Building and Construction Trades Council convention here that the AFL launched a campaign to abolish the taxes 17 years ago, "but it fell on the ears of disinterested politicians."

Murphy said he made the issue a part of his campaign for Governor in 1943, when he ran on the Democratic ticket.

But in exchange for his proposal to abolish the taxes, the labor leader said, he was accused of advocating a State income tax for New Jersey.

"We have always been interested in the welfare of all of the people in the State," Murphy said, "and it is about time the politicians come to the realization that the working people are learning what it is all about."

He added that there is no reason "why we have to go to the legislature year after year and beg for what is right and just."

This is the case, the labor leader said, in the AFL demands for broader coverage in unemployment insurance, temporary disability benefits and workmen's compensation.

The Building Trades Council passed a resolution petitioning the Governor and the legislature to use every legal means either to get New York and Pennsylvania to stop taxing New Jerseyites or to provide for reciprocation.

Earlier in the day, Sol Maso, of Paterson, president of the council, called on organized labor to drive home to the public that, as a whole, unions are democratic and law abiding.

Decrying what he called assaults on the labor movement in Senate committee hearings, Maso said:

"It is especially important in these times to preserve our good public relations against the assault on organized labor by nonunion groups who are attempting to cast mud on all of organized labor by seizing on headlines."

[From the New York Times, Aug. 1, 1959]

TALKS TO EASE TAX ON NONRESIDENTS OPEN WITH JERSEY—ALBANY AND TRENTON AIDS REPORT A "HARMONIOUS EXCHANGE" OF DATA

(By Douglas Dales)

Committees representing the New York and New Jersey Legislatures began negotiations yesterday to resolve the complaint of nonresidents that the New York income tax law discriminate against them.

The meeting was mainly exploratory and the conferees said in a statement that there had been "a harmonious exchange of information in a spirit of interstate cooperation." Negotiations will be resumed early in September.

The main complaint of nonresident taxpayers, of whom there are 200,000 or more, is that the New York law does not permit them to itemize deductions. Instead they have been permitted to claim a flat deduction of 10 percent, but not more than $500. This year, the ceiling was raised to $1,000.

The statement issued as the 2-hour meeting ended said three subjects had been taken up. They were the income tax deductions available to nonresidents; interstate exchange of information and cooperation in tax enforcement, and the possible use of an interstate compact in regard to common tax problems of the two States.

Yesterday's meeting was believed to be the first time that representatives of the two legislatures had negotiated on the problem.

JERSEY'S AID SOUGHT

The groundwork for the discussions was laid in May at a meeting between Governor Rockefeller and members of the New Jersey Commission on Out-of-State Taxation. The Governor said then that he would recommend "an equitable solution" in his annual message to the legislature next winter.

The reference in yesterday's statement to an "exchange of information and cooperation in tax enforcement" was seen as a bid to New Jersey officials to soften their attitude toward New York.

When New York instituted a withholding system for the collection of income taxes last April, Gov. Robert Meyner issued orders that New Jersey concerns employing New Yorkers were not to withhold taxes. About 50,000 New York residents work in New Jersey. Governor Meyner also directed that employers give no information to Albany on these employees.

Mr. Meyner indicated, however, that his attitude might change if some relief were granted his constituents who work in New York.

One of the matters taken up yesterday was the report made last November on the nonresident tax to Gov. Averell Harriman by Theodore Tannenwald, Jr. One suggestion in the report was that nonresidents be allowed deductions and exemptions in the proportion that their New York income bore to their total income.

Some of the figures in the report, it was pointed out, have become obsolete because of changes in the tax law made last winter.

CONNECTICUT SESSION PLANNED

Albert C. Petite, who has been designated to represent State Tax Commissioner Joseph H. Murphy on the New York committee, said a meeting with officials from Connecticut would probably be held separately before the next meeting with the New Jersey representatives.

Yesterday's meeting was held in Governor Rockefeller's office at 22 West 55th Street.

Besides Mr. Petite, the New York negotiators were John J. Sullivan of Buffalo, representing Majority Leader Walter J. Mahoney, and William Embler of Albany, representing Speaker Joseph F. Carlino of the assembly. State Senator Elisha T. Barrett, Republican of Suffolk, and chairman of the joint legislative committee on interstate cooperation, sat in as an observer.

The New Jersey delegation was composed of Senator Wayne Dumont, Jr., Republican of Warren, who is chairman of the Commission on Out-of-State Taxation; Assemblyman Elmer Matthews, Democrat of Essex, and William Miller of Princeton, counsel to the commission.

[From the New York Times, July 27, 1959]

THREE STATE NEGOTIATORS TO MEET JERSEY UNIT ON NONRESIDENT TAX

(By Douglas Dales)

A three-member committee has been designated to negotiate with New Jersey on a solution to the complaints about New York's nonresident income tax.

The committee represents the Rockefeller administration and the New York Legislature. On Thursday or Friday it will hold its first meeting with representatives of the 12-member New Jersey Commission on Out-of-State Taxation. The meeting will be held here.

New York's negotiators will be Albert C. Petite, a New York City tax attorney designated by State Tax Commissioner Joseph H. Murphy to serve as his deputy; John Sullivan of Buffalo, appointed by Majority Leader Walter J. Mahoney of the senate and William Embler of Albany, designated by Speaker Joseph F. Carlino of the assembly.

RELIEF PLAN TO BE DRAFTED

Mr. Petite has been serving since last January as a consultant to the State's department of taxation and finance on the revision and simplification of the tax law. Both Mr. Sullivan and Mr. Embler have been consultants to the Republicans in the senate and assembly, respectively, for several years.

As a result of the series of meetings starting this week, the committee will draft a program of tax relief for nonresidents to be submitted by Governor Rockefeller to the legislature next winter.

The groundwork for interstate negotiations on the subject was laid last May 4 at a meeting of Governor Rockefeller with members of the New Jersey commission.

In a statement after that meeting, Mr. Rockefeller said he expected to recommend some form of adjustment in his annual message that would "constitute an equitable solution."

As its representatives at the New York negotiations, the New Jersey commission last week designated Senator Wayne Dumon, Jr., Republican of Warren County; Assemblyman Elmer Matthews, Democrat of Essex, and William Miller, commission counsel. Senator Dumont is the chairman of the commission.

JERSEY CHIEF OPTIMISTIC

"It looks very good for a settlement of of this issue," Senator Dumont said. "The very fact that New York has named its three certainly indicates interest in resolving the problem."

The complaint of the nonresidents working in New York State is that they are treated differently from residents in the matter of deductions on income tax returns.

Nonresidents have not been permitted to itemize deductions but have been allowed instead a flat credit of 10 percent of their gross New York income, this credit not to exceed $500.

As a result of this difference in credits for deductions, the nonresident has been paying about 45 percent more in taxes than the resident with similar income and a similar number of exemptions.

FIGURES ON NONRESIDENTS

In 1956, the last time the department of taxation and finance made a check, 190,000 nonresidents were paying New York income taxes. Most of them, 137,000, were living in New Jersey, 20,000 in Connecticut and the rest in other States. In that year the nonresidents paid a total of $33 million in taxes.

A report submitted to former Gov. W. Averell Harriman last November suggested that nonresidents might be permitted to make deductions in the proportion that their New York income bore to their total income.

Since then the tax department has estimated that this would cost the State $4,500,000 a year. If deductions were permitted without prorating, the State's loss would be $6,200,000, the study showed.

With the start of the withholding system for State income taxes last April, nonresidents and residents were treated equally with respect to taxes withheld. However, unless the law is changed before next April 15, when individual income tax reports are due, the present system of a flat reduction for nonresidents will be in force.

STATEMENT OF GOV. ROBERT E. MEYNER, OF NEW JERSEY, TO SUBCOMMITTEE ON CONSTITUTIONAL AMENDMENTS, COMMITTEE ON THE JUDICIARY, U.S. SENATE, AT HEARINGS APRIL 15, 1959, ON SENATE JOINT RESOLUTION 29 AND SENATE JOINT RESOLUTION 67

It is appropriate to appear before this distinguished committee on the day which has become known throughout our Nation as Income Tax Day. Not too many years ago, it coincided with the ides of March, but the foreboding significance of that date happily does not apply to April, in which the ides do not fall on the 15th.

The effect of State income taxes on nonresidents is a troublesome one, with many aspects of plain injustice. Most of the technical aspects fall outside the scope of the two proposals to amend the Constitution of the United States which are before you. I will not explore them except as may be essential to a proper understanding.

It would be of little help to talk about the fine points of existing law. The decisional law in our highest Court is too meager to display any distinct pattern of policy. Besides, we are concerned with what the law ought to be, in reason, in fairness, and in justice, and not with what it seems to be today.

There is an important point to keep in mind: the nature and degree of the injustices of existing income tax laws imposed by the States will vary considerably—not only according to what is in those laws but also according to the number, proximity, and relationship of the nonresidents upon which their heavy impact falls.

There are some States with income tax laws, I am sure, where population is thin and where there are not great clusters of residents of other States who daily work within the taxing State. I am sure that Arizona, for example, whose entire population is less than that of Essex County, N.J., has relatively few daily commuters from California, Nevada, Utah, Colorado, or New Mexico. The same is doubtless true of Montana, Oregon, Idaho, and Utah with respect to their bordering States.

Very much different, however, is the nature and degree of the problem in my State, where some 155,000 or more New Jersey residents, mostly just across the Hudson River, felt the impact of about $23 million in taxes levied on their incomes by the State of New York in 1957.

These people are close together; they are close to New York, and they have an intimate relation to New York because they commute there and work there. In such circumstances, the injustice of the tax law shows sharp and clear, and its aggregate mass is large.

It is sometimes said that they have no basis for complaint, because they do not have to work in New York. This is not a valid argument; it is only a convenient one. Manhattan Island has become a work center, and a vast number of people commute daily from Long Island, from Westchester County, from Connecticut, and from New Jersey. These areas happen to be the residential, suburban areas surrounding New York, and working in New York is not a purely voluntary matter. The point is that the work must be done there, and the selection of a residence depends largely on what is available and within a person's means.

It would be a great help toward a solution if many of these offices were moved across the river to New Jersey. It would reduce the impact of New York's income tax, and largely resolve the interstate commuter problem. But I doubt that New York would regard this as a solution.

I do not think any but a few of these people contend that they should not be subject to the New York income tax at all. They spend there some 8 hours, or about one-third of each working day and it is no doubt fair, since their fellow workers who live in New York must pay income tax, that they should also contribute a fair share to the cost of government. But it will never be understood, nor will it ever be satisfactorily explained, why the New Jersey resident, with exactly the same income, exactly the same family, and exactly the same expenses as his New York counterpart, should be expected to pay a tax about 45 percent higher merely because he lives across the river. It will not do to say that the courts of New York have concluded that this is legal, or that the U.S. Supreme Court would not review that ruling, in Goodwin against New York.

In fact, while it is clear that the New Jersey resident in fairness should pay an income tax to New York when he earns his living there, it is also perfectly obvious that the amount should be somewhat less than he would pay on the same facts and figures if he and his family lived in New York.

I do not suggest that the amount of his tax should be directly related, for example, to the number of hours he spends in New York. Taxation for general revenue cannot be rested solely on a quid pro quo theory, else families with many children in school and small incomes would be called upon to pay more in taxes than families with no children and large incomes.

Yet, in considering the relative fairness of the manner in which a general tax operates upon a resident as compared to a nonresident, the facts of life do not permit the quid pro quo concept to be entirely discarded. It must be given some weight, else the burden of taxation will weigh more heavily on the nonresident. No reasonable notion of fairness can tolerate this.

We know, for example, that a very large share of the tax revenues in a State like New York is devoted to the building and operation of public schools. We know, too, that there is no real relation between that activity and the presence of the nonresident at his job. Another substantial part of a State's tax revenues is used for roads, highways, bridges, and other public works in all parts of the State, and these have little, if any, relation to the nonresident who commutes across the river to work.

On the other hand, we also know that the nonresident commuter maintains the same family facilities, and bears the same family burdens, as the New Yorker does. He will have, by and large, local taxes on his residence; he will have medical expenses, sometimes extraordinary; he will pay registration fees and gasoline taxes on the family auto; he will pay Federal taxes on his telephone and telegraph messages, he will contribute to charity; he will have the expense of interest, as on mortgage loans, and, we hope, premiums on some life insurance.

None of these may he ordinarily itemize as deductions in computing his income tax. He is permitted only a standard deduction in most cases. When the New Jersey resident is permitted to itemize his allowable deductions, the only ones he may have are (1) contributions to New York charities and (2) business expenses. For the average wage-earner, this permission is meaningless because he is unlikely to have business deductions and because all his charitable contributions—let alone only those to New York charities—are unlikely to equal the standard deduction. This system favors the wealthy taxpayer who will form a family foundation in New York, make his deductible contributions to it, and have the foundation dispense his charity wherever he wants it.

Until this year, the standard deduction was 10 percent of income, with a maximum of $500. This year, the maximum was increased to $1,000, which can only benefit those with incomes over $5,000. Even this apparent benefit is wiped out, however, by a lowering of the personal exemptions. A single person used to have a $1,000 exemption, and a married couple or a head of a family, $2,500, plus $400 for each dependent. This year, these were reduced to $600 for each taxpayer and dependent, and the "head of family" category was eliminated. In addition, the extra deduction formerly allowed for children in college has been canceled.

Aside from the increases in rates at the top brackets, nonresidents will have still higher tax bills than before, and the inequities of the system have been aggravated. To illustrate: a married person with two children and an income of $5,000 would have had a flat deduction of $500 and exemptions of $3,300, leaving taxable income of $1,200. The tax on this was 2 percent on the first $1,000 and 3 percent on the $200, for a total of $26. This year, the same nonresident taxpayer will have the same flat deduction of $500, exemptions of only $2,400, and taxable income of $2,100. The tax on this, at the same rates, is $53, or more than twice the former tax.

Modern America is a nation in movement. It is especially true in the New York area that State borders have little effect upon the activities and habits of our people. This is as it should be. Yet, the present form of the New York income tax operates to impose an artificial premium on mobility of population. It represents a policy of taxing whatever the law allows, so that the citizens of New York may have the benefit of excessive taxes imposed by that State upon its neighbors. If this is within the letter of the Constitution, it is not within its spirit.

Last year, following a discussion among the Governors of New York, Connecticut, and New Jersey, each named a member of an informal committee to review the problem and submit proposals. Unfortunately, the New York member, through misunderstanding, issued an independent report with his individual conclusions, without having sought the views of his fellow members about his report. I think he tried to be impartial. Yet, his report displays a perhaps unintended emphasis, not on the simple justice of the problem but on the dollars which New York would lose by one method of adjustment or another. He conceded the injustice it is true, but he concluded that the fairest solution was that which reduced the injustice by the least amount.

The present Governor of New York was quoted early in February of this year as having said that at some time the problem of the tax treatment of nonresidents has to be examined with real understanding. On the same day, a bill was introduced in the New York Legislature which would have allowed nonresidents the same deductions as residents but only in an amount proportional to the ratio of their New York income to their total income. While by no means a full solution, this represented an encouraging start.

The legislature of the Empire State, however, concluded its sessions for this year before Easter and has gone home until 1960. It took no action on this initial step toward a remedy.

The Governor of New York has since then said to me that he is deeply concerned about the injustice, and intends to see that action is taken—next year.

To a lesser degree—though by no means less important to those affected by it—we have the same problem with respect to Pennsylvania, where the city of Philadelphia imposes a wage tax. The Philadelphia problem is especially acute because it involves, among others, residents of New Jersey who commute across the river directly to the navy yard without passing through or into any other part of the city. They are Federal employees, working on Federal property, and not only have they been subjected to a city income tax whose relation to them is most obscure, but they have been subjected to physical arrest and to penalties as the result of their natural effort to protest this inequitable treatment. It is legal, we are told. Some small basis can be found as justification in legal theory for the imposition of the tax, no matter how small the basis or how large the tax. But it is too much like the fable about letting the camel put his nose under the tent to accord with reasonable notions of justice and fairness.

We do not know accurately what Philadelphia's revenue is from this exaction. It is not suggested that the revenue is a trade secret, so it may be fair to infer that the amount is embarrassingly high.

Some mention should be made of reciprocity provisions. New York, for example, allows a nonresident a direct credit against his income tax for amounts paid to his home State by way of income tax only, provided that State allows a similar credit to New York residents. This provision is a delusion. The three major States bordering New York; namely, Connecticut, Pennsylvania, and New Jersey, from which the bulk of the nonresident commuters come, do not have income taxes as a matter of their own policy. Consequently, the reciprocity credit is meaningless.

Dean William Warren of the Columbia Law School, who has served as New Jersey's consultant on this problem, suggests that a truly sincere reciprocity provision would be one that allowed a proper credit for general taxes paid in the home State, whatever their nature. In New Jersey, that basic tax is the real property tax. We have so far been able to function without an income tax. We ought not to be compelled to change our own taxing methods to be accorded the same treatment given to the resident of a State having an income tax.

In about 2 weeks, I understand that the nonresident taxation committee of the National Conference of Attorneys General will issue a report containing what is the first comprehensive survey ever made of the statutory provisions of the States as to the taxing of nonresidents. It will contain useful tables showing the variations in incidence of State income taxes, the exemptions and deductions allowable, the tax credits permitted, and the various reciprocity provisions in use. I am sure that the report will be of great assistance to this committee.

What should be done about these problems? There is a real risk that our Federal system will fail unless proper standards are established. Any serious conflict between the States tends toward breakdown of the Federal system, just as surely as import barriers and burdens on interstate commerce would. Until such standards are set, there must be comity and a disposition to work out these mutual problems. There must be greater weight given to the elements of justice and fairness than to the fiscal effect of justice. Present attitudes tend to dilute the value of negotiations, no matter how sincere, because the parties are not on equal terms. One does not have to give up anything; the other is supposed to be eternally grateful for each morsel.

Retaliatory legislation is not a good solution. New Jersey has no desire to retaliate against its neighbors. That course invites quarrels, litigation, and counterretaliation. Our Nation was not built on such a poor foundation. Our greatest pride is in those solutions to problems which the States have cooperatively resolved.

With retaliatory measures obviously excluded, I think both the other courses should be followed. Efforts to bring light upon the injustice must continue as they have perhaps the greatest likelihood of achieving some approach to correction, however small. So, too, efforts to place all on equal terms by a suitable amendment to the Constitution should not cease merely because the road is long and steep.

Of the two specific proposals before you, there is not a great deal that can be said by way of specific comment. The problem of constructing a fair national standard of control, to be applied uniformly in all places as paramount law, is not an easy one.

Thus, the proposals of the Senators from New Hampshire, which is in Senate Joint Resolution 29, forbids the levy of a tax on income derived from wages, salaries, professional fees, and other compensation for personal services of any natural person who is a nonresident. This approach leaves the State free to reach income from business, from property, and, in fact, from all other sources which the State may lawfully reach. It has difficulties, of course, as its drafters no doubt realize. It is open to some uncertainty in depending on the term "not a resident." In one case, where the facts could not support any finding of residence, it might be unfair in not allowing any tax at all. In another, one who is domiciled in another State and who has a residence within the State for a short period, as during vacation, might be subjected to the full tax. These are difficult problems to resolve equitably.

The other proposal, Senate Joint Resolution 67, introduced by the senior Senator from New Jersey, attempts to meet that problem. It forbids a tax on amounts received as compensation for services rendered to an employer by a natural person unless he is domiciled within the State for some part of the period or, if domiciled elsewhere, resides in the State for at least one-half of the period for which the tax is imposed; and it limits the prohibition by allowing the tax to be imposed if its proceeds are used only to provide benefits which all persons are eligible to receive.

This approach offers a solution to the problem of the terms "domicile" and "residence." However, it may be too narrow in applying only to compensation paid by an employer. Thus, those who do their work in the partnership form of enterprise would be denied the justice of the remedy. The permission as to taxes used only for certain

purposes is probably intended to prevent exclusion of unemployment taxes, for example, but its generality, as well as the lack of any well-defined body of law on the subject, may give difficulty.

I would have some hesitancy about being too specific in the matter. The marvel of our Constitution and the genius of its drafters lie in the comparative rarity with which amendments have been necessary, although it spans our history from the days of the colonies, and has governed countless problems in the growth of the Nation.

Perhaps the wisest course would be an amendment expressing fundamental policy, and reposing its implementation in the Congress. It could impose the duty upon the Congress to establish by law uniform standards to be met by State legislation imposing income taxes on natural persons who are not resident or who are not domiciled, within the State; it could express the policy that the standards should guard against the imposition of undue burdens of such taxation, taking into account the lesser benefits of government received by the class, while permitting a fair degree of taxation upon their incomes.

The facts will surely change from time to time and place to place. What seems fair and just today may be incongruous tomorrow. If the object is clearly expressed, the Congress can provide the needed flexibility.

Mr. CUNNINGHAM. Mr. Speaker, I am opposed to the bill H.R. 3151. I am opposed to it on principle.

Instead of enlarging the withholding tax provision I believe we ought to eliminate it.

So long as the Federal Government or any government applies the withholding tax we will never have economy in Government. So long as we have a Federal withholding tax we will continue to have huge Federal budgets and deficits.

This is true because under the withholding tax the average taxpayer pays little or no attention to what his Government is costing him. He becomes accustomed to living on his paycheck from which the tax has been withheld and he has little concern over the Federal taxes he pays.

If the withholding tax were abolished, the public would have to meet their annual income tax in one sum. They would then realize just how much their Federal Government is costing them and then they would really begin to scream. And when they got screaming mad, then and only then would they demand less Government spending by their elected Representatives.

The withholding tax is a gimmick to cover up the huge spending by Federal Government. It should be repealed so the taxpayer will realize how much of his salary is taken away from him to support the big spending programs.

Mr. ASHLEY. Mr. Speaker, I arise in support of the bill before us, H.R. 3151, which if enacted will permit withholding on the compensation of Federal employees of income taxes imposed by cities and other political subdivisions.

My only regret, Mr. Speaker, is that this worthy piece of legislation comes to the floor under a suspension of the rules, which, as we well know, means that it must receive a two-thirds vote for passage. I have a hunch that this bill, like so many others, will receive more than enough votes for enactment if it were being considered under a rule requiring only a simple majority for passage. Whether it can muster a 2–1 preponderance, unfortunately, is extremely doubtful.

I favor this legislation as the representative of a district which includes the city of Toledo, with a population of close to 350,000 and Federal employees numbering approximately 6,000. Among cities administering a tax on income, Toledo ranks seventh in size and eighth in the number of Federal employees.

It seems to me, Mr. Speaker, that H.R. 3151 has everything to recommend it. It represents simple reciprocity in extending a policy already established and adopted by the Congress. This is a policy which commits the Federal Government to cooperation with the State and Territorial governments in the area of withholding and it is based upon firm recognition of their cooperation with the Federal Government in fiscal matters generally, and particularly in withholding the Federal income tax from their employees. City officials of the district which I represent have consistently and repeatedly urged enactment of this legislation and Federal employees themselves are in favor of it.

Additionally, Mr. Speaker, H.R. 3151 was unanimously approved by the House Committee on Ways and Means; the Treasury Department likewise has indicated that it regards the activity proposed by this legislation as a logical development in Federal-State fiscal cooperation. Even the President has singled out for special comment the need for improved cooperation between local and Federal tax-collection agencies.

I think it is worth mentioning, Mr. Speaker, that implementation of this legislation would impose little if any increase in expenditure by the Federal Government. It provides for withholding by the Federal Government only in the case of incorporated cities with populations of 75,000 or more in order to limit the administrative burden to be assumed by the Federal Government. In other words, it is limited in operation to cities of a sufficiently large population that administrative and tax-collecting procedures are already in existence. H.R. 3151 also contains adequate restrictions which are designed both to limit the administrative burdens of the withholding by the Federal Government and to prevent hardship and discrimination of the Federal employees involved.

Mr. Speaker, the Federal Government is willing. But it needs legislative authority before it can act. For this reason, I strenuously urge favorable action by my colleagues.

Mr. MILLS. Mr. Speaker, may we allow the author of the bill to use some time to answer questions?

Mr. CURTIS of Missouri. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, first may I say this is the bill that was originally introduced and passed out of the Committee on Ways and Means unanimously, with one exception, authored by our late colleague, Herman Eberharter of Pennsylvania, and the coauthors of a bill identical to this are my colleague, the gentleman from Pennsylvania [Mr. GREEN] and the gentleman from Missouri [Mr. KARSTEN].

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. MILLS. I intended to observe that this was always the number one bill in the Committee on Ways and Means of our late and beloved friend from Pennsylvania, Hon. Herman Eberharter. It always bore his name as reported out of the Committee on Ways and Means before, and it was always reported out favorably.

Mr. CURTIS of Missouri. That is exactly right. I think that perspective should be given. There have been hearings held on this bill and the committee has had it up, as I said, several times. There is opposition and it is important to understand what it is because, I think, essentially it is due to a misconception. This bill does not say whether a city earnings tax is good, bad, or indifferent. It simply says where there is a local city earnings tax, the Federal Government will give some reciprocity to the collection of it. I might state that the Federal employees in my area originally did not like the idea until they saw what it really was, that it was a convenience for them. Now they are behind it. There is only one group that could be opposed to it, and they are the ones who somehow or other think they might or should be able to get out of paying the tax.

But there is the danger of this misconception. The Federal employees find that what happens, of course, is that the city does nothing about collecting the tax as long as it is a small amount and only after it accumulates over a period of several years and becomes a sizable amount do they move in to collect. And it is at that time it works a real hardship on the employee himself. All or most of our Federal employees pay these taxes by filing returns as the law requires and there is no problem about it. But this bill would be a convenience to them. In answer to those who raise the question of cost, it actually will cost the Federal Government less, as far as time spent of their Federal employees is concerned, because they do not have to consume time with the tax or paying it because it is automatically deducted like other taxes from the payroll.

Incidentally, I want to say I have reserved most of the time on my side for the benefit of those who wish to speak in opposition to the bill because I want to be fair. I think I have reserved 6 minutes and given the other 14 minutes to those who want to speak against it. The opponents sent out a letter, which some of my colleagues may have received, which is a misconception of what this particular bill proposes to do.

The first misconception is that this would be the first time the Federal Government is being called upon to act as a tax collector for local governments. That is not so. The Federal Government does grant reciprocity to the States now, and, of course, they, in turn, are doing the job for the Federal Government. So this is a reciprocal arrangement and a very fair arrangement.

Mr. CAHILL. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I think the gentleman has plenty of time. I do want to use my 5 minutes to explain why I think your objections to this thing are wrong.

The second statement which has been made by the opponents is that it is a burden on the Federal taxpayer generally because of the cost. I think I have pointed out the cost will actually be less to the Federal Government as far as the utilization of time of Federal employees is concerned.

Essentially, objection comes from the area around Philadelphia where the suburbanites who do not live in Philadelphia do not want to pay the tax, and that tax is actually in question as to its constitutionality. If the Philadelphia tax is not constitutional, this bill will not affect them at all; and the fact that just because the people around Philadelphia question the constitutionality of the tax, that is no reason for putting a ban and a bar on these other communities throughout the country that do want to do this. I might say that many Federal agencies and Federal employees wish to do it.

I happen to represent pretty much of a suburban district myself, partially in the city of St. Louis—although very little, since it is mostly in the county of St. Louis—where if there were any objection to this by my people I would be registering it to you.

I urge the adoption of the bill.

Mr. MILLS. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Speaker, I have no personal interest in this from the standpoint of my constituency, because there is no city in my district which is affected but I am against it on principle.

This matter goes back a long time and it begins with the Philadelphia Navy Yard. For those of you who were not here at that time I may say that this arose out of the efforts of the city of Philadelphia trying to collect a tax from people who lived in New Jersey but who worked in the Philadelphia Navy Yard. I have been against the principle all along. I do not think Philadelphia or any other city should be able to reach out and tax people just because they happen to work for the Federal Government in that particular area.

Let me give you an illustration of how this thing would work, to bring it a little closer home. Suppose the city of Washington said it was going to adopt a payroll tax. That means that they would be going out in the suburbs in Virginia and Maryland and taxing every single person in Prince Georges, Montgomery, Arlington, Fairfax, and other counties, because they worked in the city of Washington. Maybe that is the way it ought to be done, but it seems to me to be otherwise.

They may need more tax revenue here in the District, and I am not trying to talk against that for I have consistently voted for a higher Federal allocation to the District of Columbia I have felt that the Federal Government should pay its share for the land it occupies that is nontaxable, but I do not think we should shift this burden to people who live some other place, who send their children to school someplace else, who pay for police protection someplace else. They should not be called upon to pay taxes in the city of Washington.

I listened with interest to the gentleman from Missouri because last year he voted against the Kennedy-Ives bill on the ground that he did not think it was a bill that should be brought up under a suspension of the rules, but under regular procedure. I am not asking him to be consistent, because consistency is a virtue of small minds, but I agree that this is a bill that should have been brought up under regular procedure.

Mr. CURTIS of Missouri. Mr Speaker, will the gentleman yield?

Mr. HAYS. Certainly I yield to the gentleman.

Mr. CURTIS of Missouri. I think there is a very definite place for suspension of the rules, and this is a very good example, where the issue is limited. The issue is not complicated, and there are 20 minutes a side for both sides to explain it.

Mr. HAYS. I will agree with the gentleman on one thing, the issues are not complicated, but this could very well affect a lot of people in the United States, because the city payroll tax idea is growing and I think there is a very definite principle involved about whether a city should pay its own bills or whether it should reach out and have other people pay them.

Mr. CURTIS of Missouri. Mr. Speaker, I yield 6 minutes to the gentleman from New Jersey [Mr. CAHILL].

Mr. CAHILL. Mr. Speaker, first of all I would like to express my appreciation to the gentleman from Missouri for his fairness in allotting time to the opposition. I am very appreciative since I did not have the opportunity of going before the Rules Committee.

I was naive enough as a freshman Congressman to believe the rules which governed important legislation coming from the Ways and Means Committee, that the legislation would be referred to the Rules Committee and sufficient time would be allowed to consider it effectively. I also in reading the rules was of the opinion that only on the first and third Mondays of the month or the last 6 days of the session could legislation be brought up under such proceedings as we are having today. I submit, Mr. Speaker, as an important objection to the bill that this is not the place nor the procedure to follow in discussing this important type of legislation.

You know, you can tell it is August, and you can tell it is the end of the session, because the history of this legislation has been that it is always called up at the end of August or the early part of September and it is always by consent or under a suspension of the rules, and it is always under some gag rule.

I submit, secondly, on the merits, the distinguished gentleman from Missouri is in error. The letter that was sent out said specifically local governments; and as I understand it, this is the first time in the history of America that the Federal Government has ever been called upon to act as a tax collector for cities.

Mr. Speaker, this applies to only 15 cities in 4 States in the United States of America, and I say to you that the other 46 States and the other thousands of municipalities in this country should not be called upon to pay the additional burden involved in the administrative procedures of collecting taxes on Federal employees who may happen to be in Philadelphia.

Let me give you an example. Suppose an FBI agent or a Treasury Department agent who lived in Virginia was assigned to Philadelphia on a special assignment, say a kidnaping case, and he was assigned to the Philadelphia office for 1 month. I submit to you that Federal agent's salary is subject to the Philadelphia wage tax and under this bill it would be incumbent upon the Federal Government to withhold that tax and turn it over to the city of Philadelphia, for which the FBI agent and the Treasury Department agent could get nothing by way of service. Maybe I am in error.

Mr. CURTIS of Missouri. I think the gentleman is in error. I doubt that would apply. I may say to the gentleman it depends on what has been held to be a proper and legal tax law. We are not going into what is legal. That is up to the State.

Mr. CAHILL. I submit that this law has not been declared legal. You have heard it said that the supreme court of Pennsylvania has declared this bill valid. That is true. But I submit there is no Federal court in this land that has ever declared this tax constitutional, and for the Congress of the United States of America to authorize the withholding of a tax from a Federal employee to pay a city tax, for which he gets no benefit, before this has been approved by the Supreme Court of the United States, in my judgment, is not right. I could talk seriously about this bill for some time, but I heard the admonition of the Speaker and I recognize that I have very little time.

Mr. TOLL. Mr. Speaker, will the gentleman yield?

Mr. CAHILL. I yield to the gentleman from Pennsylvania.

Mr. TOLL. Will the gentleman inform me whether the Supreme Court has ruled on the question of a taxpayer who was arrested in the Philadelphia Navy Yard for failure to pay the tax?

Mr. CAHILL. Yes, that is true. Will the gentleman also admit that the case of Thompson against Lennox is now in the courts of Pennsylvania for the sole purpose of testing the constitutionality of this act?

Mr. TOLL. The Supreme Court has upheld the constitutionality of the act, and a Federal court has upheld the right to arrest a taxpayer for failure to pay the tax.

Mr. CAHILL. The gentleman knows that the case of Thompson against Lennox is now in the courts of Pennsylvania for the sole purpose of getting to the Supreme Court of the United States in order to determine the constitutionality of that law.

May I state in summary my objections to this bill.

First of all, it is the first time in American history that the Federal Government has ever been asked to collect taxes for a municipality.

Second, the tax to be withheld, for example, the Philadelphia wage tax, is an unjust tax because it applies to all workers regardless of the size of their wage and regardless of their residence. The United States Government should not aid in collecting this unjust tax.

Number 3: If enacted, this bill will require thousands of extra accounts of varying sizes and amounts depending on the service of the Government employee. It will lead to all manner and form of complex situations, such as the temporary assignment of a Treasury agent to the Philadelphia office on a special case. It will result in all of the extra cost being borne by all of the citizens of all the States just for the benefit of 15 cities in the United States, most of which are in 4 States of the Union.

The Federal Government will receive absolutely no reimbursement from the cities. It will compel a government employee assigned to a city which has a wage tax to pay the tax even though the site of his employment is by direction of the Government and not of his own choosing.

This applies to cities of over 50,000. If it is so good, why does it not apply to all cities and communities? Because the tax department will not approve of it.

This bill may well be a precedent which will lead to legislation compelling out-of-State employers to withhold city taxes and thus burden the industry with additional costs in order to aid a city from whom it receives no benefit.

Mr. Speaker, I just want to make this very important point, and I direct it to the members of the Pennsylvania delegation, and I trust the House, if you have listened to nothing else, will listen to this statement: Pennsylvania wants the U.S. Government to collect the city of Philadelphia taxes from Government employees, but the State of Pennsylvania refused by a vote of the Pennsylvania Legislature to collect in the State of Pennsylvania the wage taxes of the city of Philadelphia.

Mr. CURTIS of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. MILLIKEN].

Mr. MILLIKEN. Mr. Speaker, I rise in opposition to H.R. 3151. This tax is a very unfair tax. It is imposed by the city of Philadelphia on the nonresidents who work in Philadelphia, who work in the Philadelphia Navy Yard and in other installations in the city of Philadelphia. This tax has been fought many times through the Pennsylvania Legislature, and now the city of Philadelphia is down here asking the Federal Government to be their tax collector. If the Federal Government is going to be a tax collector for the city of Philadelphia and other large municipalities, they should also collect the taxes for every municipality in this country. There are 197 local municipalities in Pennsylvania that have wage taxes, and I am sure that every one of these municipalities has Federal employees. I was very disappointed when this bill came out under suspension of the rules. I talked this matter over with former Congressman Wolverton from New Jersey last fall, and he told me the place to object to this bill was before the Committee on Rules. Now, I woke up one morning and found out that this bill was on the floor of the House under suspension.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield for a correction?

Mr. MILLIKEN. I yield.

Mr. CURTIS of Missouri. I kept the gentleman informed completely at all times of when we would bring it up, did I not?

Mr. MILLIKEN. You informed me you were going to bring it up, but you did not inform me that it was coming up, because I had an amendment that I wanted to offer to include all municipalities who have a wage tax.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. MILLIKEN. I yield to the gentleman from Virginia.

Mr. GARY. I understand the gentleman says that this will make the Federal Government a tax collector for the city of Philadelphia.

Mr. MILLIKEN. And other cities.

Mr. GARY. Is not the city of Philadelphia now a tax collector for the Federal Government on income tax?

Mr. MILLIKEN. Yes.

Mr. GARY. Then, what injustice is it to require the Federal Government to do the same thing for the city that the city is now doing for the Federal Government? I have no interest in this matter, but I just cannot see any injustice in it.

Mr. MILLIKEN. Is the Federal Government eventually going to go into and collect local taxes for every municipality in this country?

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. MILLIKEN. I yield to the gentleman from Illinois.

Mr. PRICE. The city of Philadelphia merely collects for the Federal Government from its own employees as any employer would do.

Mr. MILLIKEN. That is correct.

Mr. CAHILL. Mr. Speaker, will the gentleman yield?

Mr. MILLIKEN. I yield to the gentleman from New Jersey.

Mr. CAHILL. But every city in the United States, whether it has a wage tax or not, does that for the Federal Government.

Mr. MILLIKEN. Every municipality in the United States does that for the Federal Government.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. CURTIS of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. CURTIN].

Mr. CURTIN. Mr. Speaker, I rise in opposition to H.R. 3151, a bill which would further extend the inequities of a city wage tax on nonresidents of that city.

Probably no form of taxation comes as close to being the modern day version of the old "taxation without representation" battle cry as this so-called wage tax, in cases where an individual taxpayer is assessed by a local or State government because he works there, even though he does not maintain his residence there.

Increasing numbers of people—including thousands in our Eighth District of Pennsylvania—are being saddled with double taxation in the form of this wage tax. They are compelled to pay a wage tax to the city of Philadelphia, for example, without receiving most of the local benefits which such a tax should give to them and to their families at home. Such a tax levy works undue hardship when it is realized that an individual working in an outside political subdivision is no less free of the heavy burden of paying the usual taxes on his property and on a per capita basis at the local level where he maintains residence—no less free than another individual who is fortunate enough to work closer to home.

This is an inequitable situation that should be corrected, simply because it is unfair and punitive taxation. It seems to me to be an intolerable weight imposed on an individual simply because his job happens to require that he work a set number of hours in another community. Clearly, this is altogether contrary to the principles of representative government. There can be no disputing the fact that an individual's first responsibility as a taxpaying citizen belongs to the local unit of government from which he expects and is entitled to receive the protection of law and order; firefighting; education facilities, including good schools; and other services. If he must pay a wage tax, it should be to that local government to which he looks for the maintenance of such services, not to a subdivision in another place altogether. I might add that this logic applies with equal vigor to a taxpayer who is required to pay a State income tax in another State because of being employed there, even though not a resident of the State that imposes the tax, and therefore not a recipient of any of the services of the State that benefits from such tax receipts.

There may be those—especially the proponents of this form of tax—who will argue that the individual who works in a plant, or office, or who is otherwise employed in a city or State to which his job takes him, is afforded police and fire protection and other services during the hours he is devoting to gainful employment. But this is, at best, a strained and faulty line of argument, when it is considered that the wage-tax levy does absolutely nothing to help the individual keep up his property, build and improve the roads where he lives, maintain the schools that his children attend, guarantee the security that he requires for his family, and otherwise underwrite all the wide ranging items of service that are an integral part of life in the community he chooses as a place of residence. And it should be remembered that, in the locale where he works, the wage earner is contributing continuously to the prosperity and well-being of that area by spending

money for meals, parking, transportation, and by making purchases in neighborhood stores. Indeed, it can be said with conviction that the worker who has to pay a wage or income tax in another city or State "giveth far more than he receiveth."

Mr. Speaker, I do not believe that any individual should be subject to a wage or income tax in return for services not rendered. In this day of more and devious taxes, I do not believe that a worker should be subjected to any taxation that operates on the concept that a man or woman should be taxed because of where he or she works, and not where he or she lives.

Mr. Speaker, there is a great groundswell of feeling among the people of our Eighth Pennsylvania District for relief from the ever-mounting load of taxation, and for revision and updating of certain unjust types of taxation. This feeling, I am sure, is shared by people in every district of the country.

The bill now being considered gives no relief to this problem; on the contrary, as to the nonresidents who pay this wage tax, it tightens the noose by making easier the job of the tax collector in getting this tax. This bill provides that the tax collectors of the cities, and so forth, covered by the bill, need only look to the Federal employer of these nonresidents for this wage tax; their jobs are made easier by collecting this tax at the source. Furthermore, the American taxpayer at large will again feel more expenses piled on his back in paying the costs of the salaries of the additional Federal personnel that will be needed to get the wage tax from the pay of the employee to the tax collector.

I urge defeat of this bill.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. CURTIN. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. I just want to call attention to the fact that this bill will give extreme relief to those people who work in the governmental agencies in the metropolitan area of Philadelphia. This is vitally important to those who cannot afford to pay the accumulated tax, many of whom have been assessed as high as $700. And, they are asked to pay it all at one time, or go to jail. Many of the people that the gentleman speaks of went to jail because they were unable to pay the accumulated tax.

Mr. CURTIN. Mr. Speaker, I have only 3 minutes, and I cannot yield further. I disagree with the gentleman, because the persons who live outside of the city and work in the city contribute much to that city's economy in the way of money spent for meals, transportation, and so forth.

Mr. MILLS. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Speaker, I have no direct interest in my own district in this, but as a member of the Budget Bureau staff in 1942 when the question first came up from the city of Philadelphia, as a tax consultant to the city of New York, the city of Denver, and to the State of Colorado, I believe I have researched this question as thoroughly as almost any other Member of this House. When the city of Philadelphia came in with its problems of withholding from Federal employees, the Federal Government had not yet adopted withholding, but was in the process of doing so.

The Federal Government has no constitutional powers to force either the States or local governments to withhold for the Federal Government. They have graciously and voluntarily done it. Some of the States, however, got tired of this arrangement when it was not reciprocal. The State of Vermont, after it had passed a State withholding law, reached the conclusion that what was sauce for the goose was sauce for the gander. And so back in 1951–52 the State of Vermont said, "Won't you withhold for us too?" And we said, "No." So the State of Vermont impounded the Federal taxes which it had collected from State employees until the act which we are here asked to amend was adopted by the Congress.

There may be 10 or a dozen States which are the beneficiaries of that action. But this Congress had to have its hand forced in the first instance. I think it far more gracious that the Congress should adopt this amendment to make available to the cities the same rights which we give to the States.

It seems to me that we are not being asked here to pass upon the wisdom or the justice or the mercy of State or local income tax laws which have been adopted. Those who oppose features of the wage tax in the city of Philadelphia should take that up with the City Council of Philadelphia.

Mr. CAHILL. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. CAHILL. Does not the gentleman realize from reading the history of this legislation that the sole purpose of this legislation is to force the collection of taxes from nonresidents of the taxing district?

Mr. JOHNSON of Colorado. I would question that very seriously. In any event, I would say that the Federal Government ought to do for the cities what the cities do for the Federal Government. The question could equally be raised, will we have to wait until some city impounds the Federal taxes it has collected?

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman.

Mr. BARRETT. I want again to call the gentleman's attention, and the attention of the Members of the House to the fact that in the metropolitan area of Philadelphia they have about 42,000 Federal employees and 90 percent of those want this bill enacted.

Mr. JOHNSON of Colorado. I do not think that the Congress should be asked to pass upon the merits of the tax itself. The Federal Government should not pass either upon the merits of the case of those who may be protesting any particular detail of the tax. The burden upon the Federal agencies is negligible. The same persons who now make out the withholding slips for Federal or State taxes or for withholding may apply under the bill that we passed earlier today for health insurance, will make out this withholding. There will be no great additional burden placed upon them or additional cost to taxpayers in the rest of the country.

The question could come to us in the same form that Vermont put it to us by failure to remit to the U.S. Treasury the tax it had collected for us, and we would be forced to take this action. Let us take it voluntarily.

Mr. CURTIS of Missouri. Mr. Speaker, I should like to point out that this is a relatively simple proposition. It is entirely beside the point whether a tax is good, bad, or indifferent. The question is, when we do have a legal tax imposed by a State or a city, should we use good administrative procedure in its collection? Withholding is about as efficient a way of collecting the tax as we know. It is good reciprocity between the cities and the Federal Government and I urge the House to adopt this bill.

Mr. Speaker, I ask unanimous consent that the remarks of the gentleman from Pennsylvania [Mr. SIMPSON] may follow those of the gentleman from Arkansas [Mr. MILLS].

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MILLS. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GREEN].

Mr. GREEN of Pennsylvania. Mr. Speaker, this is a bill that has had very lengthy discussions in the Committee on Ways and Means for a number of years. There were extensive hearings held on the bill in 1957. It is not a question that comes freshly before the Congress. Whether or not the cities are properly exercising their taxing power is a question of constitutional law and is, therefore, a question for the courts and not a question for the House at this time. Any constitutional objections that have been brought against this bill up to the present time, have been rejected by the courts. This is a question of equality of taxes. The people outside the city of Philadelphia who live in Delaware, Montgomery, Bucks, and in the city of Camden who work for private employers have their tax withheld and deducted.

This is not a bill to tax Federal employees. This is a bill to withhold taxes owed to Philadelphia and other cities and will give the same courtesy to the city of Philadelphia that the city of Philadelphia gives to the Federal Government. But there is no reason why the people who work in private industry and have these taxes deducted and withheld from their pay should be treated any differently than Federal employees. The Federal employees, the municipal associations, the Federal employees association, the postal clerks, everybody wants this tax deducted and withheld.

The gentleman from Pennsylvania [Mr. BARRETT] has pointed out that on several occasions these people who have been avoiding their taxes have been brought in by the city officials and have had to pay in excess of their tax in penalties and fines. This is good legisla-

tion. This is not legislation to put a tax on the Federal employees who work in installations in Philadelphia and Illinois and Ohio or in any other State. This is a request of the cities to the Federal Government to please give them an orderly method of collecting taxes. It will save the city of Philadelphia a great deal of trouble and a great deal of anguish. The situation is the same as if the city of Philadelphia refused to withhold from Federal employees the Federal withholding tax. You would have the same kind of situation if that were the case.

Mr. CAHILL. Mr. Speaker, will the gentleman yield?

Mr. GREEN of Pennsylvania. I yield.

Mr. CAHILL. Does not the gentleman refer to residents of Pennsylvania when he refers to the associations that are asking that the tax be withheld and not to nonresidents of Philadelphia?

Mr. GREEN of Pennsylvania. I refer to the American Municipal Association which says that this bill will permit the Federal Government to withhold payroll or income taxes owed by Federal employees to the city governments that have such taxes. The same right is now accorded to all of the States but not to municipalities. The cities, of course, withhold from their own employees the Federal tax.

Mr. CAHILL. Does the gentleman agree that if a Federal employee voluntarily is assigned to Philadelphia and that becomes his assigned office and, therefore, his regular place of employment even though he is in the city of Philadelphia for 1 month, he is subject to the Philadelphia withholding tax and that that tax must be deducted by the Federal agency?

Mr. GREEN of Pennsylvania. The withholding will be required only with respect to Federal employees whose regular place of Federal employment is within the boundaries of a city imposing the withholding tax. I do not believe the case you cite of an FBI agent being assigned to the city of Philadelphia for 1 month would require him to pay the tax because it would not be considered his regular place of employment.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. GREEN of Pennsylvania. I yield.

Mr. GARY. Would this act authorize the Federal Government to withhold any illegal taxes?

Mr. GREEN of Pennsylvania. This act does not authorize the withholding of any illegal taxes.

Mr. GARY. Then unless the tax is legal, it would not be withheld; is that not correct?

Mr. GREEN of Pennsylvania. That is absolutely correct.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. MILLS. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. TOLL. Mr. Speaker, will the gentleman yield?

Mr. GREEN of Pennsylvania. I yield.

Mr. TOLL. I merely wanted to point out that the opposition here is sentimental and not practical. Members of this House have their taxes withheld by the Sergeant at Arms. It is a matter of affording the Federal employees, as indicated by my colleague, to the extent of possibly 42,000, employees such as Post Office employees, Quartermaster employees, Signal Corps employees, arsenal employees, the privilege of having their tax deducted by the Treasury of the United States and then forwarded to the city treasurer. There is no imposition on outside people, but merely an accommodation for them and helps them and saves them the trouble of making their own return.

Mr. GREEN of Pennsylvania. I thank the gentleman. The Treasury Department is in favor of this bill, the Bureau of the Budget is in favor of it.

I would like to reiterate that the Treasury Department and the Bureau of the Budget are in favor of this legislation. It was reported out of the Ways and Means Committee unanimously. It is endorsed by the American Municipal Association representing 13,000 municipalities throughout the country and by the U.S. Conference of Mayors. It is supported by the Federal Postal Clerks and the American Federation of Federal Employees. Its purpose is merely to provide a more efficient, convenient method of paying taxes owed to our municipal governments by Federal employees as applied by private employers to their employees.

Mr. COAD. Mr. Speaker, will the gentleman yield?

Mr. GREEN of Pennsylvania. I yield.

Mr. COAD. I would like to ask this question: If a person lives in the city of Baltimore, for instance, but labors in the city of Washington, D.C., would it be possible under this legislation that he would have to pay this wage tax in both cities?

Mr. GREEN of Pennsylvania. I do not believe that would be so. I do not think he could be taxed twice.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. GREEN of Pennsylvania. I yield.

Mr. MILLS. We could not answer a question of that sort at the moment because we are not here imposing a tax at all. It depends upon what the ordinances of the city of Washington and the city of Baltimore provided. But it would not be a doubling up of the tax. Whatever was legal we would under this bill be providing the vehicle for withholding from that employee by the Federal Government of that tax.

The SPEAKER. The time of the gentleman from Pennsylvania has expired, all time has expired.

The question is on suspending the rules and passing the bill.

Mr. CURTIN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 251, nays 133, not voting, 51, as follows:

[Roll No. 153]

YEAS—251

Abbitt	Avery	Belcher
Adair	Ayres	Bennett, Fla.
Albert	Bailey	Bentley
Alford	Baker	Betts
Alger	Barrett	Blitch
Arends	Bass, N.H.	Boggs
Ashley	Bass, Tenn.	Boland
Aspinall	Beckworth	Bolling
Bonner	Healey	O'Neill
Bosch	Hemphill	Oliver
Bow	Herlong	Passman
Bowles	Hiestand	Patman
Boyle	Hoeven	Perkins
Brooks, La.	Holland	Pfost
Brooks, Tex.	Holt	Philbin
Brown, Ga.	Holtzman	Pilcher
Brown, Mo.	Hosmer	Pillion
Brown, Ohio	Huddleston	Pirnie
Buckley	Hull	Porter
Burke, Ky.	Ikard	Preston
Burke, Mass.	Inouye	Prokop
Burleson	Jarman	Pucinski
Byrne, Pa.	Jennings	Quie
Byrnes, Wis.	Johnson, Calif.	Quigley
Cannon	Johnson, Colo.	Rabaut
Carnahan	Johnson, Md.	Randall
Casey	Johnson, Wis.	Reece, Tenn.
Cederberg	Jones, Ala.	Reuss
Celler	Judd	Rhodes, Pa.
Chamberlain	Karsten	Riley
Chelf	Kasem	Rivers, Alaska
Chiperfield	Kastenmeier	Rivers, S.C.
Clark	Kelly	Roberts
Coffin	Keogh	Robison
Cohelan	Kilburn	Rogers, Colo.
Colmer	Kilday	Rogers, Mass.
Corbett	Kilgore	Rooney
Cramer	King, Calif.	Roosevelt
Curtis, Mass.	King, Utah	Rostenkowski
Curtis, Mo.	Kitchin	Roush
Davis, Ga.	Kluczynski	Rutherford
Davis, Tenn.	Laird	Santangelo
Dawson	Lankford	Saund
Delaney	Latta	Schenck
Dent	Lennon	Scherer
Dingell	Libonati	Schwengel
Dollinger	Lindsay	Selden
Donohue	Lipscomb	Sheppard
Dorn, N.Y.	Loser	Simpson, Pa.
Dowdy	McCormack	Sisk
Downing	McCulloch	Slack
Doyle	McDowell	Smith, Miss.
Edmondson	McIntire	Smith, Va.
Elliott	McSween	Spence
Everett	Magnuson	Staggers
Evins	Mahon	Stead
Fallon	Marshall	Stratton
Farbstein	Matthews	Stubblefield
Fascell	Meader	Sullivan
Feighan	Merrow	Teague, Tex.
Fisher	Metcalf	Teller
Flood	Meyer	Thomas
Flynn	Miller, N.Y.	Thompson, Tex.
Flynt	Mills	Thomson, Wyo.
Foley	Minshall	Thornberry
Forrester	Mitchell	Toll
Fountain	Monagan	Trimble
Friedel	Montoya	Tuck
Fulton	Moorhead	Udall
Garmatz	Morgan	Vanik
Gary	Morris, N. Mex.	Vinson
Gathings	Morris, Okla.	Wainwright
George	Morrison	Walter
Goodell	Moss	Watts
Granahan	Moulder	Weis
Green, Pa.	Multer	Williams
Griffiths	Murphy	Willis
Gubser	Murray	Wilson
Hagen	Natcher	Wright
Halleck	Nix	Yates
Halpern	Norrell	Young
Hardy	O'Brien, Ill.	Zablocki
Harris	O'Hara, Ill.	Zelenko
Harrison	O'Hara, Mich.	

NAYS—133

Abernethy	Church	Hays
Addonizio	Coad	Hechler
Alexander	Collier	Henderson
Andersen, Minn.	Conte	Hoffman, Ill.
	Cook	Hoffman, Mich.
Anderson, Mont.	Cunningham	Hogan
	Curtin	Holifield
Ashmore	Daddario	Horan
Auchincloss	Daniels	Irwin
Baldwin	Denton	Jensen
Baring	Derounian	Johansen
Barr	Devine	Jonas
Barry	Dixon	Karth
Bates	Dorn, S.C.	Kearns
Becker	Dulski	Keith
Bennett, Mich.	Dwyer	Knox
Berry	Fenton	Kowalski
Blatnik	Fino	Lafore
Brademas	Fogarty	Lane
Bray	Forand	Langen
Breeding	Frelinghuysen	Levering
Brock	Gallagher	McFall
Broomfield	Gavin	McGinley
Broyhill	Giaimo	McMillan
Budge	Grant	Macdonald
Burdick	Green, Oreg.	Mack, Ill.
Bush	Gross	Mack, Wash.
Cahill	Haley	Mailliard
Chenoweth	Harmon	Martin

May	Rees, Kans.	Thompson, N.J.
Michel	Rhodes, Ariz.	Tollefson
Miller, Clem	Rodino	Ullman
Miller, George P.	Rogers, Fla.	Utt
Milliken	Rogers, Tex.	Van Zandt
Moeller	Saylor	Wallhauser
Mumma	Scott	Wampler
Nelsen	Shelley	Wharton
Norblad	Shipley	Whitener
O'Konski	Short	Whitten
Osmers	Siler	Widnall
Ostertag	Simpson, Ill.	Wier
Pelly	Smith, Calif.	Winstead
Poff	Smith, Iowa	Wolf
Price	Smith, Kans.	Younger
Ray	Springer	
	Taber	

NOT VOTING—51

Allen	Frazier	Madden
Andrews	Glenn	Mason
Anfuso	Gray	Moore
Barden	Griffin	O'Brien, N.Y.
Baumhart	Hall	Poage
Bolton	Hargis	Powell
Boykin	Hébert	Rains
Brewster	Hess	Riehlman
Canfield	Jackson	St. George
Carter	Jones, Mo.	Sikes
Cooley	Kee	Taylor
Dague	Kirwan	Teague, Calif.
Derwinski	Landrum	Thompson, La.
Diggs	Lesinski	Van Pelt
Dooley	McDonough	Weaver
Durham	McGovern	Westland
Ford	Machrowicz	Withrow

So (two-thirds not having voted in favor thereof) the motion was rejected and the bill was not passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Withrow.
Mr. Anfuso with Mr. Allen.
Mr. Kirwan with Mr. Dooley.
Mr. Thompson of Louisiana with Mr. Taylor.
Mr. Sikes with Mr. Van Pelt.
Mr. Rains with Mr. Mason.
Mr. McGovern with Mr. Jackson.
Mr. O'Brien of New York with Mr. Glenn.
Mr. Brewster with Mr. Dague.
Mr. Carter with Mr. Derwinski.
Mr. Frazier with Mr. Ford.
Mr. Hall with Mr. McDonough.
Mr. Powell with Mr. Moore.
Mr. Lesinski with Mr. Weaver.
Mr. Madden with Mr. Griffin.
Mr. Machrowicz with Mr. Teague of California.
Mr. Cooley with Mr. Westland.
Mr. Andrews with Mr. Hess.
Mr. Diggs with Mr. Canfield.
Mr. Boykin with Mr. Riehlman.
Mrs. Kee with Mr. Baumhart.
Mr. Hargis with Mrs. Bolton.
Mr. Gray with Mrs. St. George.

Mr. LENNON changed his vote from "nay" to "yea."

Mrs. ROGERS of Massachusetts changed her vote from "nay" to "yea."

Mr. KASEM changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

PROVIDING FOR INCREASED USE OF AGRICULTURAL PRODUCTS FOR INDUSTRIAL PURPOSES

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 690) to provide for the increased use of agricultural products for industrial purposes, strike out all after the enacting clause of the Senate bill, and substitute the language of H.R. 8639 as just passed by the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the amendment, as follows:

Strike out all after the enacting clause of the bill (S. 690) and insert the provisions of H.R. 8639, as passed.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

SUSPENSIONS IN ORDER ON SEPTEMBER 2

Mr. MILLS. Mr. Speaker, on behalf of the majority leader, I ask unanimous consent that it may be in order on tomorrow for the Speaker to recognize Members to suspend the rules and pass those bills heretofore printed in the RECORD which were not reached today.

Mr. GROSS. Mr. Speaker, reserving the right to object, that means the seven bills unfinished as of today?

Mr. MILLS. Yes. The House has considered seven bills. There are seven more on the list that were not reached today.

Mr. GROSS. They will be considered in the order in which they are presently listed?

The SPEAKER. They will be.

Mr. GROSS. I withdraw by reservation of objection, Mr. Speaker.

Mr. HAYS. Mr. Speaker, reserving the right to object, that does not mean, for instance, that the bill which was just defeated can be brought up again?

Mr. MILLS. Oh, no.

The SPEAKER. No. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CALENDAR WEDNESDAY

Mr. MILLS. Mr. Speaker, I ask unanimous consent that business in order tomorrow under the Calendar Wednesday rule be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

ELECTRICAL SWITCHBOARD AND PANELBOARD MANUFACTURING INDUSTRY OF NEW YORK CITY

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be discharged from further consideration of the bill (H.R. 7854) to provide tax relief to the annuity fund of the electrical switchboard and panelboard manufacturing industry of New York City and the contributors thereto, and that the bill be re-referred to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

RESALE OF CERTAIN VESSELS TO REPUBLIC OF CHINA

Mr. GARMATZ. Mr. Speaker, on yesterday through error in the consideration of the bill (H.R. 8042) to authorize the Secretary of Commerce to resell four C1–SAY–1 type vessels to the Government of the Republic of China for use in Chinese trade in Far East and Near East waters exclusively, the substitute amendment which I had was not reported. For the purpose of correcting such omission I ask unanimous consent to vacate the proceedings whereby the bill H.R. 8042 was passed for the purpose of offering the amendment.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Substitute amendment for the committee amendment: Strike out all after the enacting clause and insert: "That the Secretary of Commerce is authorized to sell, within one year after enactment hereof, on an as is, where is basis, to the Government of the Republic of China, any two of the four C1-SAY-1 vessels, *Empire Anvil, Empire Battle-ax, Empire Cutlass,* and *Empire Spearhead,* subject to the further terms and provisions of this bill. Such vessels shall be sold only if (1) the Department of State finds that such sale will contribute to the economic development of the Republic of China and will serve the interests of the United States, (2) the Department of Defense finds that such sale would be compatible with the interests of the United States, and (3) the Government of the Republic of China gives assurances acceptable to the Secretary of Commerce that each vessel sold under this Act shall (a) remain documented under the laws of the Republic of China for ten years after such sale, or so long as there remains due the United States any principal or interest on account of the sales price, whichever is the longer period, (b) be used only in trade between Taiwan and ports in the Far East and ports east of the Suez Canal, and not engage in trade prohibited to United States-flag vessels under Department of Commerce Transportation Orders T-1 and T-2 or any modification thereof, and (c) be returned to the ownership of the United States, upon request of the Government of the United States, during any national emergency declared by the President of the United States and during any war in which the United States is participating, the compensation for the vessel to be the value of the vessel but not exceeding the statutory sales price of the vessel under the Merchant Ship Sales Act of 1946 ($1,100,000) depreciated at the rate of 10 per centum per annum from the date of sale under this Act to the date ownership of the vessel is returned to the United States, or the scrap value of the vessel, whichever is higher. No down payment of any part of the purchase price shall be required at the time of the sale. The sale price of the vessels shall be the statutory sales price, less payments heretofore made from 1948 to 1951 on account of the purchase of the four named vessels. The purchase price shall be payable in not more than ten equal annual installments with interest on the unpaid balance at a rate determined by the Secretary of Commerce after consultation with the National Advisory Council on International Monetary and Fiscal Problems. The obligation of the Government of the Republic of China to pay the purchase price and interest thereon

shall be secured by a mortgage on the vessel with terms satisfactory to the Secretary of Commerce. All repairs and betterments required to fit the vessels for their intended use shall be done in a shipyard in the United States at the expense of the purchaser."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

WATERSHED PROTECTION AND FLOOD PREVENTION WORK PLANS

The SPEAKER laid before the House the following communication which was read by the Clerk and, together with the accompanying papers, referred to the Committee on Appropriations:

HOUSE OF REPRESENTATIVES, U.S.,
COMMITTEE ON AGRICULTURE,
Washington, D.C., August 31, 1959.

Hon. SAM RAYBURN,
The Speaker,
U.S. House of Representatives,
Washington, D C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has considered the work plans transmitted to you by Executive Communication 1326 and referred to this committee and has unanimously approved each of such plans. The work plans involved are:

STATE AND WATERSHED

Connecticut: Blackberry River, North Branch Park River.
Florida: Taylor Creek.
Georgia: Potato Creek.
Kentucky: Crab Orchard Creek.
Kentucky and Tennessee: East Fork of Clarks River.
Massachusetts: SuAsCo.
Nebraska: Bowman-Spring Branch.
New Mexico: Santa Cruz River.
Oregon: Willakenzie Area.
Pennsylvania: Greene-Dreher.
Texas: Caney Creek.

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

REPEAL OF ACT OF OCTOBER 20, 1914

Mr. ASPINALL submitted a conference report and statement on the bill (H.R. 6939) to repeal the Act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C. secs. 432–452), and for other purposes.

PUBLIC WORKS APPROPRIATIONS BILL

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, in my opinion, the President was poorly advised with respect to his veto of the public works appropriation bill and his veto message clearly indicates this.

The President says that the bill ignores the necessity for an orderly development of America's water resources within the Nation's fiscal ability. Further in the message he refers to the overall cost of unbudgeted projects as $800 million and states that this illustrates how easily effective control of Federal spending can be lost.

Is it the purpose of this message to leave the impression on the American people that Congress is knowingly ignoring sound fiscal policy in the development of our water resources? Surely the President knows that the Congress and its committees gave thorough consideration to the effect of these new starts on the programs in the years ahead. It is very misleading to refer to the overall $800 million cost without reference to the reductions in the fund requirements for the various programs during the same period by reason of completion of projects presently underway. Is it not the responsibility of the Congress to determine what constitutes orderly development in this field?

The President says overspending in respect to water resources is hurtful to the United States and to the proper development of these resources themselves. What constitutes overspending? Who determines at what level we are overspending? I believe that it is the responsibility of the Congress to determine an orderly program and the appropriate level of spending. If we are to take only the items that the President sends up without question we might as well close up shop. Congress will have surrendered its responsibility. It has always been my opinion that the function of the executive branch was to advise and recommend to the Congress with respect to these programs, not to tell the Congress what it should or can do.

Mr. Speaker, I am not too familiar with the programs of the Department of the Army and the TVA. However, I am thoroughly familiar with the reclamation program of the Department of the Interior and I want to tell this body that the President is dead wrong if he considers that sound and orderly development has been ignored in that program.

When this appropriation bill was before the Appropriations Committee, I gave a great deal of study to the reclamation program proposed by the administration and to the effect of adding new starts. With the assistance of my staff I prepared and submitted to the committee an 8-year program to substantiate and support my contention that we can have a few new starts each year without excessive pyramiding of fund requirements in the years ahead. I suggested an annual level of construction spending of only about $270 million for the reclamation program. At the same time I pointed out that this administration had neglected the reclamation program and that if this program had maintained the relative position in our overall Government spending that it held prior to World War II we would now be spending about $370 million annually, of $100 million more than I suggested in the program I submitted. Since 1952 the percentage of our overall Government spending for reclamation has averaged less than one-half of the average percentage during the 10 years immediately preceding World War II. Also, while we are appropriating more dollars we are getting a lot less in the way of project facilities.

In conclusion, Mr. Speaker, let me say that the programs involved in this bill are programs that contribute to the wealth of our Nation and to the strenthening of our national economy. They are programs that pay for themselves many times over. Congress has thoroughly considered these programs and the impact of the new starts on fund requirements in the years ahead and has determined that orderly development and sound fiscal policy can be maintained under them. It is my hope that the House will override the President's veto so that these sound and worthwhile projects may go forward.

LESS THAN HONORABLE DISCHARGES

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter received from the chairman of the Armed Services Committee of the Senate on the subject of less than honorable discharges.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker and my colleagues, since so many of you, my distinguished colleagues, have either written to me or spoken to me in the last short time before adjournment of this first half of this 86th Congress and asked me the status of the Doyle bill, H.R. 88, companion bills to which so many of you also authorized on the same subject, I feel it appropriate to advise you before you go home to your respective districts that H.R. 88 promptly went to the Senate side of this Congress upon it being unanimously approved by the House, and it was referred to the Senate Armed Services Committee, the distinguished chairman of which I had prompt and very satisfactory conference. When we concluded our 25-minute conference he told me if the bill only helped one deserving young man it was still a good bill.

In like manner I have interviewed every member of the Senate Armed Services Committee in the premises.

Following is the text of a letter received by me from Hon. RICHARD RUSSELL, chairman of the Senate Armed Services Committee, where the bill now pends:

Hon. CLYDE DOYLE,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DOYLE: Permit me to acknowledge and thank you for your letter of July 14.

I have been trying to clear away some of the pending committee business that reached us before H.R. 88 but I shall see that you are notified in order that you can be present whenever hearings can be scheduled on your bill.

With best wishes, I am,

Sincerely yours,

DICK RUSSELL.

I have asked that hearings on the bill be called as early as possible January next. I might also add that in addition

to a very favorable reception which was given about the bill, expressed to me by most of the Senate Armed Services Committee members, at least a dozen Members of the other body not on the Senate committee have assured me of their cordial consideration if and when the bill gets to the Senate floor.

I make this brief statement to you by way of report so that in your respective congressional districts if there are any inquiries you will be able to thus inform your constituents.

I also want to express my appreciation to the considerable number of House Members who actively cooperated and communicated to the two Senators from their respective States their active interest in the subject matter of H.R. 88.

My present impression is that in spite of continued Pentagon opposition thereto H.R. 88 will be called for hearings on the Senate side as early as possible, as indicated by the letter from the distinguished committee chairman herein quoted, and that so far the sentiment expressed to me by a goodly number of Senators indicates that, with continued emphasis as to the necessity of the subject matter being treated by legislation, we may reasonably expect a prompt and thorough consideration.

AMERICANS, SPEAK UP AND DECLARE "LIBERTY WITH JUSTICE FOR ALL"

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, we sometimes expect a President of the United States to make those decisions which no mortal man could or should make alone.

Under the pressure of their heavy responsibilities, being human, Presidents make occasional mistakes of judgment.

Especially when they lose touch with the people.

The White House neglected to sound out public opinion, and proceeded with the invitation to Khrushchev.

And thereby presented a misleading image of our people to the world.

The invitation to Khrushchev has resulted in the unfortunate impression that our Nation is looking out for itself alone.

It has led the world to believe that we have abandoned our principles in order to make a deal that would insure our safety.

It has occasioned distrust among our allies.

It has broken the heart of the captive peoples.

Most damaging of all, it confers respectability upon communism, thereby acknowledging the moral retreat of our Nation.

The ferment of protest by the American people is rising. For no President, however good his motives may be, has the right to place us in this unfavorable light before the world.

The time has come for the American people to correct this false image of ourselves that has been created by the invitation to Khrushchev.

We will never be subservient to the Red Dictator in our own land.

And we will never abandon the captive peoples, to make an accommodation with him, or with communism.

How can we undo the damage that has been done and convince the world that our faith in liberty and justice for all is stronger than ever before?

Only by a tremendous demonstration by the American people and for freedom.

If the White House does not reconsider its invitation to Khrushchev, and if the unwelcome guest does not decide to cancel his visit, there is only one alternative for the American people and that is to mount the greatest crusade of freedom ever witnessed in the United States.

Desecration day that has been inflicted upon us by the invitation to Khrushchev falls on September 15. But our own Constitution Day is observed on September 17. This gives us the inspiring incentive and the boundless opportunity to affirm the Declaration of Independence and the Constitution, before and during every minute of Khrushchev's tour, and thus score an overwhelming victory for the spirit of man.

By every medium of communication, and in every city and hamlet of our country, let us show the moral strength of our people, and the confident principles by which we live.

Let millions of American flags, and the flags of free nations, and the flags honoring the captive peoples be displayed, but not one hammer and sickle.

Everywhere that Khrushchev turns, let him see newspaper headlines, billboards, banners, and individual badges and let him hear the people of the United States—with printed and spoken words in Russian—united in the message: "Liberty and justice for all." Speaking not only for ourselves, and for oppressed peoples everywhere, but for the Russian people in the language that he understands.

Let there be orderly protests denouncing communism for its crimes against humanity.

Let there be services in our churches, mourning the victims of communism.

Let Congress tell Khrushchev to liberate the captive nations.

Let our people write to relatives and friends abroad, clearly stating our unwavering determination not to compromise with communism.

But above all—and through a massive affirmation of our faith in freedom by any and every way that communities, groups, and individuals can conceive and express—let us invite the world to join with us in creating liberty with justice for all.

COMMUNIST INVASION OF LAOS RAISES SERIOUS PROBLEMS OF NATIONAL DEFENSE POLICY

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include editorials and an article.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, I am beginning to wonder whether the people of the country may not be ahead of their representatives here in Washington in sensing some of the far-reaching implications of the present Communist invasion of Laos. Even though the news of this serious development in southeast Asia, which has come at a time when our leaders apparently are making every effort to play down the differences between ourselves and the Communist world, has not gained top prominence across the country, a number of thoughtful discussions have already appeared in print with regard to the implications of the Communist drive into Laos, particularly its impact on our present national defense policy.

Even though we have indicated our determination to stand behind the Government of Laos, the question still comes up as to how to prevent further Communist penetration of this critical area. Are we indeed helpless in the face of this latest Communist drive? If we are, then what has happened to all of the billions of dollars that have been put into our national defense program? I think it is perhaps time that we in Congress who are charged with the top responsibility for maintaining a strong national defense should begin to ask ourselves some of these serious questions.

Typical of the thoughtful consideration which has been given to the question in other parts of the country are an article which appeared in the Oneonta Star of August 31 and an editorial in the Schenectady Gazette of the same date, both of which I include under leave to extend my remarks.

[From the Oneonta (N.Y.) Star, Aug. 31, 1959]

FEDERAL DEFENSE POLICY IN QUESTION

(By William L. Ryan)

Communist threats to Laos in Indochina and India's northern frontiers raise this gloomy possibility: In this nuclear age, aggressive communism might chew up real estate, bit by bit, in a march toward world conquest.

Such thrusts suggest another thoughtful look at U.S. defense policies. Indeed, a prospect of continued Red aggression could make defense policy the overriding issue of the 1960 presidential election campaign.

THE BIG QUESTION

Both in Asia and Europe, the question arises: At what point does a piece of free world real estate become important enough to warrant the risk of nuclear war to defend it? If no real estate is important enough for that, are the Western allies strong enough to defend it with conventional forces?

Before he became President, General Eisenhower wrote in "Crusade in Europe" that use of the atom bomb in World War II "left no doubt in our minds that a new era of warfare had begun."

"In an instant many of the old concepts of war were swept away. Henceforth it would seem the purpose of an aggressor nation would be to stock atom bombs in quantity and employ them by surprise against the industrial fabric and population centers of its intended victim," he added.

ADMINISTRATION THINKING

This reasoning apparently has dominated the administration's defense thinking. Apparently the policy bases itself on the idea nuclear weapons are so terrible a deterrent that preparation for war on conventional lines virtually loses its importance. Today, the United States alone or in concert with its allies, seems in no condition to contest with conventional force any Red attempt to expand aggressively.

On March 11 President Eisenhower observed: "We are certainly not going to fight a ground war in Europe." Is this now a matter of policy? Logically, it would mean that in case of Red attack anywhere, the United States has only two choices: push the button that would start a nuclear war, or let the Communists continue to gobble territory bit by bit.

WHAT ALTERNATIVE?

At what point do we press the button? To defend Laos, or India, or West Berlin? If none of these warrants mutual destruction, what is the alternative?

Moscow has concentrated on conventional armaments, submarines, navy surface vessels, along with its powerful program of superweapon production. Clearly the Kremlin does not overlook the possibility that should nuclear war, by its horror, rule itself out, conventional forces will rule world politics.

The A-bomb was a deterrent once. We lost the monopoly. In the standoff, the balance tended to swing toward the side with the biggest conventional power. Yet, the United States has been cutting back steadily in this field. The Russians have an enormous lead in land forces. Even with parity in nuclear and missile potential—assuming there could be no such thing as limited nuclear war—the United States could find itself facing a dilemma with each forward Communist push.

The defense policy issue in these respects soon may be forced into open public debate.

[From the Schenectady Gazette, Aug. 31, 1959]

WHERE'S THE U.N.?

Shouldn't the United States be taking a decisive part in the crisis in Laos?

It seems to be another case in which each interested nation acts unilaterally or in collaboration with one or more nations for its own purposes, to all practical purposes virtually ignoring the one big international agency which was designed—among other things—to put out fires before they become too large.

The present policy of our State Department seems to be to let the Lao settle the issue themselves. If it were simply a matter of Lao Communists by themselves overthrowing the Government by force and establishing a Red government, we would have to consider it an internal affair and not the concern of the U.N. even though we would deplore the Red victory. But the Chinese and U.S.S.R. Communist governments certainly are not taking the same attitude as the Washington administration, and if Laos goes Communist one more nation will have fallen into the Communist camp.

Congressman SAMUEL S. STRATTON in an address to the House demanded an immediate dispatch of American Marines and an aircraft carrier, saying, "Unless we recognize dangerous situations quickly when they occur and react promptly to bring our military forces to bear, all our millions we spend on standing troops and sailing forces aren't going to help us one little bit."

Mr. STRATTON'S demand pointed up a problem that has faced America ever since it began its foreign aid programs. At first glance it might seem logical, if we are going to aid these countries with our funds, military supplies, and technicians, to follow through by putting our military forces into action when a crisis arrives. But how far should we go in that respect? Suppose the first few Marines and aircraft carrier are insufficient; are they to be followed by larger and larger forces? Just how big a war are we prepared to wage in southeast Asia? We share in Congressman STRATTON'S feeling of frustration over the fact that although Laos has been getting assistance from the United States it is being taken over by Communists. But we wish to be cautious about sending our Armed Forces into the area unless our Nation has determined that it will carry a military venture through to the very end.

In our opinion the Laos crisis is not primarily an internal affair and the U.N. therefore should be taking action, with U.N. military forces if necessary. If Laos falls to the Reds with the aid of foreign Communist forces the question will in the future be asked: Where was the U.N.—why didn't it act?

AWARDS OF EXCELLENCE TO LOWELL EVENING SUN BY ASSOCIATION OF ASSOCIATED PRESS EXECUTIVES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to announce to the House that at Groton, Conn., the Association of Associated Press Executives at their convention gave the second prize in large city class for page typography to the Lowell Evening Sun, a very fine newspaper in my city of Lowell, Mass.

Last year the Association of Associated Press Executives awarded the first prize in editorial makeup to the Lowell Evening Sun.

Last year when they were given the first award for editorial makeup in their newspaper, competing in the same way with large newspapers, we felt it was a great tribute to the Lowell Sun. The award for first-page typography is a further tribute. Lowell, Greater Lowell, and all of the Commonwealth of Massachusetts are very proud of the Lowell Sun.

THE PEOPLE SHOULD KNOW THE FACTS ABOUT OUR MILITARY STRENGTH

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. BRAY] is recognized for 15 minutes.

Mr. BRAY. Mr. Speaker, resisting the pressure to spend excessive amounts for national defense is one of the most difficult tasks of Congress today. We have just finished determining the military appropriations for fiscal year 1960; that is, from July 1, 1959, to June 30, 1960. Now we must commence planning for the next fiscal year. Already every branch of our Military Establishment is working on its request for next year. Soon many of us in Congress, especially those on the Appropriations Committee and the Armed Services Committee, will be visiting our military installations at home and abroad studying these problems.

The enormity of our defense establishments necessitates a year-round study. Our military appropriations for this year total $39,228 million. Together with our military construction program and our appropriations for the Atomic Energy Commission, they amount to 64 percent of our national tax dollar. That is a tremendous burden on the American taxpayer. The only justification for this staggering amount is that it is insurance that our country is receiving proper protection against the predatory forces of world communism.

Today I intend to discuss briefly what our defense problems are, what we are doing to meet these problems, and our successes and failures in that effort.

There is terriffic pressure to increase next year's defense budget by many billions of dollars. I am pleased that Congress this year did as well as we did in resisting pressure, although frankly I believe we should have reduced appropriations even more than we did.

One group of prominent Americans, however, is demanding that we increase our expenditures by a minimum of $7.5 billion each year for the next 10 years. It is interesting to note that some of the military equipment they are demanding that we buy is outmoded and practically useless. If next year we would spend all for defense that is being demanded, these demands would take all of our tax dollars.

Many reasons are given by these would-be big spenders as to why we should increase our defense spending by many billions. They say that America is rapidly becoming a second-rate military power and will succumb to Communist military might unless we greatly accelerate our military spending. Another reason they give is that Russia will overcome us unless we spend a billion or so for "whosit's" missile. I will later discuss what I believe to be the reasons why certain persons would disparage American military accomplishments and praise that which is alien, and at the same time attempt to sell us a panacea for all of our deficiencies and to match all of Russia's reputed greatness by spending billions of dollars at these persons' direction.

First, however, I want to summarize what American military strength is today, and to compare the progress that we have been making for the past several years. I intend to point out that which is good and that which is bad, our successes and our failures.

WHAT IS THE RELATIVE MISSILE STRENGTH OF RUSSIA AND THE UNITED STATES TODAY?

Russia fired its first sputnik in October 1957; it was unquestionably the greatest publicity stunt of the ages. The American people immediately wanted to know how Russia had accomplished this great success and what the United States was doing about it.

To my personal knowledge the Army Ballistic Missile Agency at Redstone, Ala., had been asking for authority to put a satellite in orbit with their Jupiter-C, which is an elongated Redstone Army rocket with successive stages of smaller Sergeant rockets. Our Government refused to allow this, for the Redstone

was primarily a military rocket; we planned to place our satellite in orbit with the Vanguard rocket, which was a purely scientific rocket with no planned military use. It is apparent now that their judgment on this subject was poor, at least from a publicity standpoint. It is a fact that it was the Jupiter-C rocket that placed our first satellite in orbit when finally allowed to do so by the Department of Defense.

By this I do not mean to infer that Russia has not made great progress in missiles, for she has. In fact, Russia today has a rocket engine that has placed in orbit a larger satellite than has the United States, but in my opinion those conditions will not exist much longer.

I believe it is certain that the United States is well ahead of Russia in the ground-to-air missiles; that is, the antiaircraft missiles such as Nike, Talos, and Bomarc. The same is true of our air-to-air missiles; that is, the missiles fired from planes to destroy enemy planes, and air-to-surface missiles; that is, missiles fired from planes at ground targets. In fact, the only field in which Russia may be superior is certain surface-to-surface missiles. Our difficulty in that field is easily understandable.

Neither Russia nor the United States used guided missiles to any great degree in World War II, although the United States did use millions of short-distance unguided rockets. Germany, however, developed a very powerful, fairly accurate missile, the famous V–2, with a few hundred miles' range, that threatened to destroy England in the later days of the war. One of the principal German scientists who developed this V–2 rocket was Dr. Wernher von Braun, who is now the Director of Development Operations Division, Redstone Ballistic Missile Agency. Incidentally, Dr. von Braun relied greatly in his early work in rocketry on the research of an American, Dr. Robert H. Goddard, of Clark University.

UNITED STATES ABANDONS MISSILE PROGRAM IN 1947

In 1946, immediately after World War II, both Russia and the United States began the development of surface-to-surface rockets. Our development in that field was called the bumper project. The United States, however, abandoned that project in 1947. Today we can see that this was an unfortunate decision, for it was not until 1952 and 1953 that the United States revived their long-distance surface-to-surface project. Russia had at least 6 years' head start on us in this field, and it is an outstanding achievement that we have been able to practically catch up with Russia in this field with her 6-year advantage.

As verification of this statement as to our early lag in long-distance surface-to-surface missile development, I would like to refer you to a statement made by Congressman GEORGE H. MAHON, Democrat, of Texas, who is and has been for many years the chairman of the Subcommittee on Defense Appropriations. The statement to which I refer was made during general debate on the defense appropriation bill by Mr. MAHON and is found in the CONGRESSIONAL RECORD, volume 102, part 6, page 7804.

> Speaking of missiles generally, I think there is little likelihood but that the United States, in the development of a wide variety of so-called guided missiles, is decidedly out in front of any other power. * * *
>
> Another important fact is that immediately after World War II the Soviets began an intensive program for the development of the ICBM (intercontinental ballistic missile). This country did not. We are trying now to make up for lost time and whether we will be able to do it remains to be seen.

Later in that same year, on July 19, 1956, on the floor of the House, I commented on this statement made by Congressman MAHON—which appears in the CONGRESSIONAL RECORD, volume 102, part 10, page 13599—and said:

> The ICBM field, I must admit, is one in which there is no definite knowledge as to whether the United States or Russia is ahead in technical progress. We know Russia began her extensive intercontinental development just after World War II. We did not start until a few years ago. The element of time is the one concession we must grant the Soviets in this field. If we are behind, it is because of our inaction in the years between the end of World War II and the conclusion of fighting in the Korean conflict.

When Congressman MAHON made that statement in 1956, "We are trying to make up for lost time, and whether we will be able to do it remains to be seen," there was real doubt as to if and when we could catch up with Russia in the long-distance ballistic missile race. I believe today we can definitely answer that query in the affirmative. We have made up for the time lost in those years of inactivity after World War II. Today, what we may lack in development of extra powerful rocket engines we have more than made up in greatly superior guidance and control systems.

Last week Gen. James Doolittle, famed flier-scientist, now Chairman of Space Technology Laboratories, in a statement before the Fourth Annual Symposium on Ballistic Missile and Space Technology at Los Angeles, said that while Russia had an 8-year head start in the missile race the gap had been nearly closed, and he added that the United States is probably ahead of Russia in some ways, because in all probability we have a more compact, smaller, cheaper ICBM.

As to nuclear weapons, we are well ahead of Russia. It is known that the United States has conducted about 150 nuclear tests of all kinds; Russia less than 70. The United States developed the nuclear bomb and has stayed well ahead of Russia in that field through the ensuing years.

HAS RUSSIA FIRED AN INTERCONTINENTAL BALLISTIC MISSILE?

I have been interested in reading and hearing over television that Russia has a great arsenal of intercontinental ballistic missiles that can be fired with accuracy 5,500 miles or more. It is no secret that the United States has such a missile. It has been fired from Cape Canaveral, southeast across the Atlantic and Caribbean many times. Several have failed altogether; many have failed as to their ultimate goal. In spite of these failures, we have made accurate firings of more than 5,500 miles. Our range is "in a goldfish bowl" so to speak, so that all our friends and enemies know of our successes and our failures.

Russia's range, on the contrary, is across land entirely controlled by Russia. We do know the location of the Russian long-distance ballistic missile range. It commences just north of the Caspian Sea and goes in a northeasterly direction across Siberia. Anyone can look at the map and see that before you go 4,000 miles you reach the ocean. To the best of my information, not one of her firings has gone beyond that range. Therefore, in spite of all the publicity, Russia apparently has yet to successfully fire a ballistic missile more than 4,000 miles. I do not say that Russia cannot fire an ICBM, but I do say that no one, including Russia, knows that she can fire successfully a missile 5,500 miles until she has done so.

IS THERE A DEFENSE AGAINST MISSILES?

The United States is far ahead of Russia in antiaircraft defense, and our scientists have been studying defenses against ballistic missiles. However, the very nature of a ballistic missile—coming thousands of miles at speeds of several thousands of miles per hour—makes it difficult to destroy before it strikes its target. Frankly, there is a difference of opinion as to how effective an antimissile defense would be.

The Nike-Zeus is the antimissile project on which the United States is conducting research and development. The Nike-Zeus radar will, from the ground, locate and track the enemy missile as it approaches. A missile with a nuclear warhead will then be fired to explode far in the air, near enough to the enemy missile to destroy it. It sounds complicated. It is. Only the best scientists, armed with the most refined technical experience, could possibly handle such a program. Many believe it can be successfully operated. Many others do not. Some believe that the only defense you can have against intercontinental ballistic missiles is to be capable of producing and operating enough ballistic missiles to destroy any attacking country.

No, the answer is not simple, and all answers are not as yet clear, but I do want to assure you that the United States is well ahead of any other country in this field, and if it is possible to perfect a defense against ballistic missiles we will accomplish it.

ARE WE GUILTY OF PINCHING PENNIES IN OUR MISSILE PROGRAM?

Today it has become a habit for certain groups in our country to state that in the last 6 or 7 years the Administration and the Congress have been stingy and wrecked our missile program by their low expenditures. These allegations are incorrect. On the contrary, we have been rapidly expanding our missile program both as to quantity and quality. It is interesting that some of those who are the most critical of our missile program at the present time were in positions of authority and influence in Congress and in the executive branch

of our Government at the time our missile program was completely abandoned in 1947. I would like to point out exactly what we have spent in the purchase of missiles in the last several years. I requested the Legislative Reference Service of the Library of Congress to provide the actual figures of missile production and procurement. Fiscal year 1951 was the first year for which such figures were available. The figures are as follows:

[In millions of dollars]

	Total spent
1951	21
1952	169
1953	295
1954	504
1955	718
1956	1,168
1957	2,095
1958	2,737
1959 (estimated)	3,316
1960 (estimated)	3,922

This shows an increase of 18,600 percent spent for procurement and production of missiles in the last ten years. It certainly refutes the statements that our country has been niggardly in our expenditures for missiles.

THREE YEARS AGO THE DEMAND WAS FOR MORE LONG-RANGE B–52 BOMBERS—TODAY FOR MORE AND MORE MISSILES

It is interesting that there is always a loudly vocal group which demands that one specific segment of our military be expanded to the exclusion of others and to the detriment of the entire military program. It is also interesting that this demand for a specific weapon is usually made after the "specific weapon" they are selling is outmoded.

As you will recall, 3 years ago there was a tremendous demand to step up production of our B–52 bombers in order to catch up with Russia. We were even asked to construct factories to accelerate this production. Many of us realized the unsoundness of this action and strongly opposed it. Today even the most serious critics of our military strength admit that we are far ahead of Russia in the field of long-range bombers. In fact, Russia has only about 150 heavy bombers.

On July 19, 1956, in answering the demand that we should construct more and more B–52 bombers, I made the following statement on the floor of the House, which appears in the CONGRESSIONAL RECORD for that date:

A few years ago we made that mistake when we assumed that the B–36 was the zenith of our large bomber development. Before 10 percent of the B–36's were finished they were obsolete because of the greater efficiency of newly developed jet bombers over the propeller-driven bomber. If today we should go all out for the production of B–52's, in a few years we could have the air literally filled with them; we would have ignored research and planning for far better planes which I personally know are on the drawing board.

Today we have made such great progress in the missile field that we are debating how far to go ahead with the better planes on the drawing board.

Today even the exponents of the wildest spending for defense do not clamor for more B–52 bombers.

ARMS PROPAGANDISTS MUST NOT DICTATE DEFENSE POLICY

Most of the American manufacturers of armaments are doing a magnificent job for national defense. Their capabilities and resourcefulness has been indispensable in our country's reaching the great accomplishments in that field. However, there are armament manufacturers who, in order to push their own sales, are resorting to hysteria advertising. As in other fields, often the poorer the product being sold the greater and more glowing the claims made by the salesmen.

This hysteria advertising may lead to two adverse results. Such advertising is encouraging that "anvil chorus" in America that would deprecate all our accomplishments and praise all that is alien, especially all that is Russian. Some armament salesmen are going all out to sell their products to America regardless of the need or the cost. If they have their way, we would bankrupt America.

Today tremendous pressure is being brought upon all America to spend staggering sums on armament, especially armament of the expensive, exotic type. The needed, practical equipment is ignored in this pressure. The old-time munitions salesman centered his armament selling on the military and civilian leaders of the country. Today the armament salesman may spend millions, directly and indirectly, using all communications techniques, to not only sell his program directly, but to influence officials in a much more subtle manner by selling Mr. and Mrs. John Q. Public. This new sales pitch is gaged to convince all America that the company's weapon is valuable and direly needed for defense; but also that without this particular weapon the United States is deteriorating in military strength; and that unless our Government buys a tremendous amount of their special missile or gadget, our civilization will face annihilation by Russia. This type of selling, often by cleverly planted news stories, is calculated to encourage a ground swell of public opinion, demanding that our Government spend more and more for defense. Some of these propaganda representations are so absurd that they would be humorous if national defense were not so serious to the American people.

MISSILE SALESMAN RESORTS TO TELEVISION TO SELL AMERICAN PEOPLE AS TO NECESSITY OF HIS MISSILE

I saw on television a few months ago the performance of an official of a large American corporation which is heavily engaged in the manufacture of missiles. This program was plainly gaged to convince a national audience that Russia was ahead of us in missiles, that for national safety we should stockpile his missiles in great numbers—which, incidentally, would cost hundreds of millions of dollars. This program had the desired effect; I immediately received letters demanding that the United States greatly accelerate production of this special missile program. The administration was severely criticized for not buying more of these missiles. Frankly, the program did not inspire me to believe that our Government should buy and stockpile more of these missiles, for I knew the true facts.

Actually, the United States has already spent many hundreds of millions of dollars on this particular missile which we hope eventually will turn out as planned. It is one of the three missiles still in the development stage which we are developing for the same general purpose. This particular missile has been making fair progress and has had reasonably successful firings. It has had five unsuccessful firings since the extravagant sales buildup over television; and, while we have learned something from each of these firings, each one has been an overall failure. Since these failures, however, this missile has been fired successfully three times. If and when we can remove the "bugs" from this missile so that it is operational, then and only then does it become time to consider stockpiling it. It would certainly be fiscal and military stupidity to attempt to stockpile in great numbers a weapon which is not yet operational. Our country must consider such a purchase in the light of national security and not for the benefit of any special corporation.

Modern weapons and their usage are so technical and complex that a person, regardless of his intelligence, cannot properly evaluate the truth or unreliability of these glowing and colored claims made for some of these weapons.

I know of no manner in which we can prevent these armament and would-be armament manufacturers from making these extravagant and ofttimes false claims, many of them at the taxpayers' ultimate expense. Our Government can, however, see to it that these fallacious promotional appeals do not prejudice nor influence our purchasing of munitions suited to our actual defense requirements.

If the United States bought the quantities of each and every weapon that the armament salesmen are insisting we must buy, we would wreck our economy, make beggars of American taxpayers, and we would be so weakened that we could be easy prey to any would-be enemies.

THE UNITED STATES HAS A SUPERIOR TRAINED ARMED FORCE AND DESPITE SOME DERELICTIONS IS DOING A FINE JOB

In discussing our military strength, we are all too apt to discuss material and not personnel. We forget that in spite of modern inventions, it is the courage, fortitude, training, and spiritual strength that form the sinews of real military strength of a nation.

One of the greatest problems of any armed service is to have the personnel properly trained and capable of operating the new and modern equipment. We have recognized this for several years and have radically raised our standards for draftees and ceased to take those designated in category IV. Well realizing that it is almost impossible to properly train our modern military technicians in a short time, we have taken many steps to increase reenlistments, such as: increasing pay, incentive pay, better housing, and improving

the life of the military man in many ways.

I am happy to say that we have greatly increased our reenlistments. We have been able to greatly lower the draft quota. Today the Air Force and Navy are all volunteers and 51½ percent of the enlisted personnel of the Army are on their second or subsequent enlistments. This accounts in a great degree for the American superior ability to handle modern and complex equipment. The American Armed Forces are today the finest on earth. This was well demonstrated in our landings in Lebanon a year ago in July. I discussed this operation in detail on the floor of the House earlier this year. Without discussing the reasons or justification for these landings, I want to point out that militarily these landings demonstrated the very highest in individual and unit training, esprit de corps, and superior equipment. The landings were so successful that Russia, after one blast of opposition, said nothing further, because she did not want to attract attention to American success. Anyone who has seen the Russian soldier on the streets—they cannot be seen on maneuvers—can immediately realize the superior military bearing of the U.S. soldier.

I have recently been worried as to newspaper and magazine stories accentuating the crimes and derelictions of our young men in the armed services. Parents understandably worried as to these stories have discussed them with me. I do not intend to minimize these stories. I am not 100 percent satisfied with certain developments in our youth today, within or without the services.

However, I do want to say that I have studied this situation for many years. I have been for the last 7 years a member of the subcommittee of the Armed Services Committee that has charge of legislation concerning personnel. I have been an officer myself for more than 34 years. I am certain that we have far less criminal, immoral, or vicious action from members of the armed services than we do from the same age group out of the services. I have kept track of scores of soldiers who served under me in World War II and they have turned out well, and I am proud that I have known them.

LESS THAN 4 PERCENT OF THE RUSSIAN SOLDIERS REENLIST

It is interesting that less than 4 percent of the Russian enlistments are reenlistments. This means that 96 percent of the soldiers have had no previous military training. This clearly points out the fact that Russian soldiers cannot be adequately trained to handle the complex equipment and electronically controlled devices of the modern sophisticated weapons which many say that Russia has. We know that Russia does not encourage the soldier to serve beyond his original draft period. This plainly shows that the great mass of Russian servicemen cannot effectively man the modern equipment Russia is reputed to have, whereas we know the American serviceman is trained and equipped to use them. Incidentally, American servicemen daily demonstrate their ability to operate our modern equipment.

As to the relationship between the Russian soldier and his officer, compared to the same relationship in the American Army, in Russia the general, comparable to our major general, receives 156 times as much pay as the private. In the United States a major general receives 15 times as much as the private.

ARE OUR SERVICE RIVALRIES INJURING OUR DEFENSE EFFORTS?

There is, and always will be, rivalry between the various services as to which one shall assume responsibility for certain phases of our military efforts. That rivalry under proper control can work to our greater effectiveness, in places against us. Rivalry will exist within the service itself. As a tank battalion commander in World War II, I instinctively worked for the betterment of my unit as to equipment and its assignment to a key position. That same rivalry exists between the companies and on down to the squads.

This rivalry can do damage to our military effectiveness and greatly increase the cost to the taxpayer unless those who make the decisions make them honestly, courageously, and intelligently. The natural rivalry to excel is a part of the esprit de corps so necessary to any real fighting force. Rivalry to excel must not be stopped. We must see that the right decision is made, regardless of this natural rivalry.

THE CITIZEN SOLDIER IS STILL INDISPENSABLE TO OUR MILITARY STRENGTH

The Reserve component of our armed services has shown an equal increase in size and especially in efficiency. The present strength of our Reserve force is as follows:

National Guard	400,000
Army Reserve	300,000
Navy Reserve	145,000
Marine Corps Reserve	42,811
Air National Guard	74,500
Air Force Reserve	60,560

These Reserve components are better trained and equipped than they have ever been in our past history. I have always been especially interested in our Reserve forces, having been a commissioned officer in the Reserve or Guard, both active and inactive, for more than 34 years.

All of the National Guard division has been reorganized in the new, modern pentomic organization. This is also true of most of the Reserve division.

Our country has always relied upon the citizen soldier in time of war. This has been the case since the militia, the forerunner of the National Guard, fought the British Regulars at Concord and Lexington. The Colonial Militia even existed before the Revolution.

The citizen soldier is far better prepared than ever before.

MILITARY ASSISTANCE ABROAD

There has been considerable misunderstanding as to the job being done by American troops abroad. While we have combat troops in several countries, the greatest job we have been doing abroad has been in the supervision and training of local troops, and in assisting in furnishing equipment for these troops. This program should not be confused with our foreign-aid program, although they do, in many instances, dovetail each other. American troops abroad have assisted in building capable armed forces throughout the world. I have been very familiar with this program, and have visited at least once each training mission adjacent to the Bamboo and Iron Curtains. Every place I have been I found that American officers and men are doing a good job. I have found that America and Americans are respected and admired. While I have not favored all of our actions abroad, and I realize that dollars have been wasted, it is a fact that in no place where the United States has had military assistance groups did that country divert to communism. Some people quote Vietnam as such a case. To my knowledge, however, the United States only furnished equipment to Vietnam and was not allowed to assist in training the Vietnamese troops until after Dien Bien Phu fell, the French left, and American military assistance took over. Since that time, communism has not gained in South Vietnam, but on the contrary the area is definitely oriented to the West, although I admit that the cost has been great. America's military advice and training has inspired confidence in the military establishments of friendly countries throughout the world.

MILITARY COSTS TODAY AT BEST ARE HIGH

Today our defense costs are greatly increased because of the great and rapid changes in armament. For tens of centuries weapons of war were confined generally to the sword, spear and arrow. For about 400 years gunpowder was king. The military air age, generally begun in 1917, barely 42 years ago, now apparently is slowly phasing out. The nuclear bomb age commenced in 1945, 14 years ago; while the missile age commenced in Germany in 1945 and in Russia in 1946. Our country did not really start it until 6 years ago.

This rapid change places a terrific financial burden on the American taxpayer. It has added to the natural rivalry of the services—rivalry as to weapons and the type of war for which we should prepare. It has also created terrific pressure from the manufacturers of modern armaments to spend more for their product. If we were certain as to the type of war for which we should prepare, we would know the weapons that we should accentuate; but of this no one can be certain. Our most capable military leaders honestly disagree on this point. Allow me to quote some statements made by some of our military leaders at the hearings on this year's appropriations bill before the subcommittee on the Department of Defense appropriations. The subject was whether we were appropriating an excessive amount of our overall budget for a massive atomic retaliation as opposed to preparation for what is called conventional war. These discussions were found on pages 8, 9, and 10 of the committee report.

Gen. Maxwell D. Taylor, Chief of Staff of the Army, says:

I consider that we have an excessive number of strategic weapons and weapons systems in the atomic retaliatory force. * * * In my judgment the aggregate is excessive to the requirements.

Adm. Arleigh Burke, Chief of Naval Operations, generally held the same views, saying:

I think there is a rate of building up retaliatory capability which is greater than that which is necessary. * * * I think we do have too much retaliatory power, and I think that we should put more money into limited capability.

Gen. Thomas S. Power, the Commander of the Strategic Air Command, took an entirely opposite view, saying:

I maintain that we have sufficient armed services to tailor a force to handle any small war.

It is easy to say that the only weapons that you need is a great supply of nuclear bombs with the ability to deliver them. Unquestionably such capability is important, but since the end of World War II there have been 24 "small" wars which have cost millions in casualties and billions in dollars, each under the shadow of the atom bomb, which was never used. In fact, undue reliance on the atom bomb might place us in a position where it would be ourselves who might have to make use of it. Today we are strong, very strong, not only in conventional military strength but also in the capability for massive retaliation. We should remain that way. Often the potential enemy picks war in such a place and manner that precludes the use of the weapons that you would desire to use. History is replete with such cases.

HAS THE ADMINISTRATION AND CONGRESS BEEN DESTROYING OUR MILITARY STRENGTH TO SAVE MONEY?

One of the most oft-repeated charges against the Administration and Congress is that they have allowed economy to injure our defense capabilities. That charge has been repeated so often and with such vehemence that I fear too many Americans are beginning to believe these charges are true.

In order to accurately understand whether these charges are true or false it is necessary to go back over a period of years to determine what our national trend is in preparedness and national defense. In order to properly arrive at the actual figures as to personnel strength and military expenditures over a period of the last 10 years, I have had the Legislative Reference Service at the Library of Congress prepare the figures on the actual facts, not what the propagandists are saying. I have taken the figures for the fiscal year immediately before the Korean war and then taken the figures for the first full fiscal year after the Korean war. In fairness I left out expenditures during the war, for during these years the expenditures were for war, not for defense.

As of June 30, 1949, there were 419,000 persons in the Air Force. This number had decreased to 411,000 by June 30, 1950, which was just as the Korean war commenced. Today the strength of the Air Force is 845,000 men.

The strength of the Army has increased from a total on June 30, 1950, of 632,000 to the present 870,000 men.

The manpower of the Navy on June 30, 1949, was 450,000 men. In June 1950, just as the Korean war started, it was 382,000. Today naval manpower stands at 630,000.

On June 30, 1949, Marine strength was 94,000. This figure was allowed to drop to 77,000 by June 30, 1950, just as the Korean war started. Today the Marine Corps strength is 170,000.

As to appropriations, which I will discuss next, an interesting fact is that for the fiscal year ending June 30, 1950, just 6 days after the Korean war began, the Army had failed to spend 21 percent of its total appropriation. The following are the appropriations made by Congress for defense expenditures for 1949 through 1960, excepting 1951, 1952, and 1953, when the Korean war was in progress.

[Expenditures in millions of dollars]

1949	11,994
1950	11,887
1954	40,336
1955	35,532
1956	35,791
1957	38,439
1958	39,062
1959 (preliminary)	41,217
1960 (estimated)	40,945

WE ARE LOWERING THE EXPENDITURES FOR MILITARY INSTALLATIONS WITHOUT ENDANGERING OUR SECURITY

I am pleased that we are able to cut our expenditures in the building of military installations. We are able to accomplish this without endangering our security because we have reached our peak in constructing the greatest complex of military installations at home and abroad that the world has ever known. The only manner in which we can intelligently construct our military installations is to have a definite long-range plan. I believe that we do have such a plan and that we have reached the peak of expenditures in this plan; now yearly expenditures can be gradually reduced.

In order to understand exactly the trend in military construction, I requested the Legislative Reference Service at the Library of Congress to provide the military construction figures for each of the last 7 years. They are as follows for the fiscal years of 1954 to 1960:

[Appropriations in millions of dollars]

1954	280
1955	847
1956	1,248
1957	1,463
1958	2,056
1959	1,404
1960	1,285

You will note that there was a rapid rise from $280 million for the fiscal year commencing July 1, 1953, to the sum of $2,056 million. The following year we were able to cut the appropriation $600 million and this year we were able to cut it more than $119 million further. I hope that we can cut it substantially next year.

We have many hundreds of installations at home and abroad far better than similar installations of any country on earth. I am satisfied that we can continue to cut this appropriation without in any way reducing our defense capabilities.

WE CUT THE BUDGET REQUEST FOR ANTIAIRCRAFT DEFENSE WITHOUT ENDANGERING OUR SECURITY

For several years we have been apprehensive over possible attacks by bombers. We have built up Nike defenses around our large cities and key industrial areas. The Nike antiaircraft missile has been phenomenally accurate in bringing down robot planes at great distances and altitudes. We have been moving rapidly in the field of antiaircraft defense.

It had been proposed to spend hundreds of millions of dollars on the Bomarc, which was to be placed along our entire northern frontier and was to go out at greater distances than the Nike to destroy any incoming hostile bomber. Frankly, this project was relatively untried and we cut the amount of appropriations for Bomarc by $162 million from a proposed $400 million. I voted to cut it considerably more than that.

The fact is that the United States is far ahead of Russia on long-distance bombers and also on antiaircraft defense. So there is no danger of a Russian bomber attack unless she were courting massive disaster for herself. Whether Russia's shift from long-distance bombers demonstrates peaceful intentions or it foreshadows military moves in another direction remains to be seen. However, we must not spend extravagantly in a field in which we do not face attack. In this changing world we must be able to meet every threat, but it is no less than criminal stupidity to spend money or resources that are not needed.

WILL THERE BE WAR?

I do not believe that war faces us in the near future, but no one can know of a certainty that there will be no war. An adversary might deliberately plan a military attack. If a country is determined to do this, which I greatly doubt, there is nothing we can do but be ready to resist force with force. If our adversary lives only by force, the stronger we are militarily the less likely it is that a nation will deliberately attack us. That philosophy is axiomatic. However, there remains a great danger of war if a country believes it can, by intimidation and gradual encroachment, gain her objectives without war. For instance, if Germany, just before World War I, and Japan, prior to World War II, had been fully aware that the United States would have entered those wars and fought them through to the end with the economic, military, and spiritual strength we possessed, neither Germany nor Japan would have caused her entry into these wars. We all hope that Premier Khrushchev will take back to Russia a clearer understanding of this Nation's great strength, our determination to remain free, and our dedication to the dignity of the individual.

The United States must make its stand firm and clear. We must make our intentions clear so that no country will erroneously think that it can, with immunity, commit any act of aggression which may start a chain of events that would result in war. We have handled the Berlin situation very well—we have let Russia know exactly how far she can go. Returning from Berlin recently I made the following observations:

Yes; Berlin is a brightly lighted show window where all can see by comparison the shoddiness and drabness of the regimented way of life that is communism which is causing the great crisis in Berlin today. Russia feels that she can no longer afford to permit this demonstration of communism's failure—that she must extinguish the lights in this show window.

I have talked with Germans—soldiers, businessmen, shopkeepers, taxi drivers, and government officials, including Willy Brandt, mayor of West Berlin. I have talked with students, German and American. No place have I found fear. I have talked with dependents of American military personnel. There is no panic, only the firm conviction that we must cling to that which is right.

Will there be war? No one knows of a certainty. America's awareness has changed since Potsdam. Freedom has stood up to communism. Two factors could cause a war. If Russia decides to start a war, there is nothing we can do to stop her, because she would find a time, a place and a reason of her own choosing. Our deterrent then is to let Russia know that we have such strength that any war she starts will be unprofitable to her. We certainly have that strength.

The other factor that could cause a war would be that Russia, continuing down that path of threats, maneuvers, and bluffing that she hopes will gain her goal of world domination, might inadvertently stumble into the fatal step that would cause war.

So it is up to us to keep that path brilliantly lighted and crystal clear, with a firm, fair, well-defined policy so that Russia will not stumble into a war through miscalculation, but will know just how far she can go—and that that step is just short of West Berlin.

FUTURE MILITARY DEVELOPMENTS

When President Eisenhower meets with Premier Khrushchev he will be able to talk from strength, for our impressive military preparation backs up his position. We must maintain this posture of strength for the foreseeable future.

Our military development is progressing so rapidly that it is difficult to plan for the future. We have just abandoned the Navy Seamaster plane, on which we have spent more than $400 million. This is unfortunate, but it has become clear that there are other developments which are more important. We should have made that decision earlier. I opposed authorization for expenditures for bases for the Seamaster last year. We did succeed in cutting the authorization at that time, but failed to get it completely eliminated.

An interesting example of the rapid development in armaments that we are experiencing today and the problems it creates is the recent cancellation of our liquid boron fuel project after we had spent $240 million in research and development. In order to obtain a fuel for airplanes that would provide more power per pound of fuel, thereby increasing the operating distance of our planes, a program of research was undertaken to develop liquid boron fuels. After $240 million was spent for installations to manufacture this fuel and for research, it was determined that future developments in this field were not worth the cost. The reason for this decision was that research proved that our future B–70 bomber, one of the planes for for which this new exotic fuel was intended, could, by refinements and improvements, operate for its needed distance on regular jet fuel—kerosene. The project of the naval missile Regulus II, which needed such a fuel, was canceled because the newer and better Navy Polaris ballistic missile was near completion. The Bomarc, the Air Force antiaircraft missile which could have used this powerful and exotic fuel, was found not to be necessary in the numbers previously anticipated. These facts, together with the fact that as yet we could only produce liquid boron fuel for $35 per gallon in comparison with kerosene at 12 cents a gallon, caused us to stop the liquid boron fuel project before we had spent any more money. Perhaps the mistake we made was in not stopping the project earlier. We did, however, learn much that may be of use to us in the future.

Yes, this was very expensive, but we learned, and the path to military success has always been expensive, especially today. Perhaps we should never have commenced this expensive project. But before we commenced it, we could not have known the results.

It is interesting to recall that after Russia launched sputnik in 1957 we heard on every hand that they had discovered some new fuel that would revolutionize the world. We later found that she used kerosene as a fuel and liquid oxygen as an oxidizer, the same as we use.

Recently we have bypassed and stopped development on several planes because we were able to see a still better plane just ahead of us on the drawing board.

The same is true of missiles. In a short time the Sergeant and the Pershing, both solid propellant missiles, will replace the Corporal, the 80-mile, and the Redstone, the 150-mile, ballistic missiles now with the Army troops at home and abroad. These missiles will be far superior to those they are replacing. The 1,500-mile ballistic missiles Jupiter and Thor are now in the hands of Air Force troops at home and abroad, and improvements in these missiles are under way. The 5,500-mile Atlas, after several discouraging tests, has now made three successful firings in a row of more than 5,000 miles. The Titan missile of the same range and thought to be superior should be in operation within the year and should be followed by the Minuteman in the near future, which is a 5,500-mile solid propellant ballistic missile.

The Air Force also has missiles which are fired from planes at enemy planes with phenomenal accuracy in operation. The Air Force is now also able to fire a nuclear missile from their planes to a target several hundred miles away on the ground. Their planes are the best on earth.

The Army is today the most mobile army on earth. Modern equipment and specialized training enables it to rapidly move troops by land, air, or water. The new pentomic structure enables it to operate effectively in conventional or atomic war. Its antiaircraft defense is the best.

The Navy in addition to its conventional ships and aircraft carriers has been the pioneer in atomic submarines. Almost 5 years ago I spent a night on the *Nautilus* and its performance was phenomenal. The Navy is now working on missiles that work entirely under water; those that go from water to air; from water to air to surface; from water to air to under water; and missiles to intercept and destroy other underwater missiles. While Russia probably has more submarines than the United States, we are far ahead in quality and capabilities.

It would take volumes to narrate the progress that we are making militarily and our drawing board plans for all branches of our services. But I do want to point out that our military strength is such that now or in the foreseeable future no country, unless ruled by a madman, would deliberately attack us. That is all that we can do. We cannot control the sanity of rulers of other countries.

WE ARE ATTEMPTING TO CORRECT EVILS EXPOSED IN RECENT HEARINGS REGARDING EXCESSIVE PROFITS AND POSSIBLE UNFAIR INFLUENCE IN OBTAINING DEFENSE CONTRACTS

There has been considerable adverse publicity concerning excessive profits by defense contractors and of possible undue influence of retired generals and admirals and former high civilian officials from the Departments of Army, Navy, and Air. The conditions surrounding defense expenditures make these problems very difficult to cope with. Frankly, I am disappointed in the selfishness and unfairness demonstrated by certain corporations and individuals. It is very difficult to let these contracts on a purely competitive bidding as you could if the bid were being made on a staple product that is being made by more than one manufacturer. The product is often a plane or missile which not only has never been produced, but is only on a drawing board in a vague sort of way. It is difficult to avoid favoritism in the letting of such a contract and it is still more difficult to bargain as to price, for neither the Government nor the maker can know the eventual cost. The armament race is so fast and strenuous that often the plan of today is changed many times before tomorrow or may be totally abandoned for something newer and better before the first model is even finished.

As for retired generals and admirals, the specialized training and experience of these gentlemen is often greatly needed by the defense contractors. On the other hand, a defense contractor may employ a retired officer purely for his influence. These problems are very real and are arousing just criticism. I am especially concerned about these

problems because I was recently appointed to a special subcommittee of the House Armed Services Committee to—

make full and complete studies of the procurement policies and practices of the Department of Defense, the Department of the Army, the Department of the Air Force, and the Department of the Navy. Such studies are to include an examination of the experience of such Departments in the use of various methods of procurement and types of contractual instruments, with particular regard to the effectiveness thereof in achieving reasonable costs, prices, and profits.

The results of such studies, together with recommendations as may be deemed necessary or desirable, are to be reported by the named committee to their respective Houses not later than September 30, 1960. It is also provided that the material and data collected in the course of such studies be made available to the Joint Committee on Internal Revenue Taxation to assist it in making the study of renegotiation required by subsection (b) of section 4.

I am well aware of my responsibility in making such a study.

WILL ACCOMPLISHMENTS IN SPACE TRAVEL MAKE US STRONGER MILITARILY?

Since Russia fired their first sputnik in October 1957, there has been an increasingly great clamor that America spend limitless billions on mastering space. Many attach great military significance to space travel and you often hear that it would mean military control of the world. I do not claim to have a crystal ball that will tell the future, but even a casual study of the problems of space travel raises many doubts as to its military effectiveness. Just a few days ago, Dr. Albert R. Hibbs, a member of the Lunar Exploration Committee formed by the National Aeronautics and Space Administration, speaking in Los Angeles before the Fourth Annual Symposium on Ballistic Missile and Space Technology, warned the United States not to be fooled by military adventures on the moon or other planets.

Such proposals appear to be no more than childish and transparent attempts to frighten the public and their Congressmen into continued appropriations for space programs at which they may be inclined to take a second look.

Dr. Hibbs went further and said that the main driving force in space research should be man's curiosity about the cosmos, not international competition.

Dr. Hibbs also commented on the NASA program to develop moon robots for exploring the lunar surface, "It is quite doubtful that the Nation will benefit much from the military applications of this phase of the space program."

Working and planning for space travel may be exciting and romantic, it may be educational and useful. It certainly is expensive. However, unless the placing of American troops on the moon may assist our defense efforts, we should not spend defense money for that purpose. If we want to excel in space projects, and the American people want the Government to spend their tax money for such purposes, that is understandable. But let us not call it national defense when its primary objectives are not related to defense.

Perhaps one of the greatest threats that the United States faces is that we, by foolish spending and following glamorous will-o'-the-wisps of fantastic, extravagant spending, will wreck America.

WHAT IS OUR COUNTRY'S MILITARY GOAL?

Our country has been most fortunate, for which we should be deeply appreciative. Our standards of living and way of life are far higher than any other on earth. We are strong and becoming stronger; we desire to take no territory from any country or people; we only desire to help where we can.

Our job is to look after America, not "ape" everything Russia may do. Our program must be positive and designed to meet America's needs and philosophy of freedom. Our military strength must not ebb and flow as Russia smiles or frowns. Admiral Rickover made a statement recently about keeping up with Russia which is very appropriate to repeat here. He said that if we were to learn one night that the Russians had a program to send a man to hell, by the next morning three or four Government agencies would send to Congress plans and budget requests for a similar program with the excuse that we cannot let the Russians get there first.

In America we must realize that regardless of our strength—economic and military—we cannot correct all the wrongs in the world. If we used American wealth and military might to build the world as we would have it, to care for all the world and to militarily correct every wrong, we eventually would destroy our own freedom. The armaments necessary for such a global plan would break the back of the American taxpayer and would destroy the very things we would try to give to or force upon all other peoples.

No one knows exactly what course we should follow militarily, what weapons we should accentuate, what special goals in research and development should guide our military plans. A nation's future militarily is always cloudy. No one knows what action, if any, the potential enemy will take. I, for one, do not believe we are faced with war, but I may be wrong and I cannot take the chance of unpreparedness—too much is at stake. The parlor pinks and our un-American fringe deprecate our country's efforts for obvious reasons. Some armament salesmen deprecate our strength in an effort to sell us their gadgets and missiles. Others have personal or political reasons to disparage American greatness. But in spite of those who would belittle us, America has achieved a way of life that is really strong, and throughout the world America is still the "real McCoy." All the people of the world want the same things we have in America. America is strong, the strongest country, economically and militarily, on earth. But that strength must not cause us to be arrogant. On the contrary, that strength should cause us to be grateful and humble, and eternally dedicated to preserving that most priceless heritage of America, the freedom and dignity of the individual.

I realize that most of my remarks have been directed to our military strength, and I so intended it that way. However, it is most important that we keep foremost in our minds the fact that the real strength in America is not armed might—our Army, Navy, and planes, the atom bomb—but our real strength is our free unregimented people, a nation under God, where the freedom and dignity of the individual is supreme. Without that freedom and dignity that has produced the greatest economy on earth, and our great spiritual strength, our military strength would be but ashes.

CONSTITUTIONAL AMENDMENT TO LOWER THE VOTING AGE TO 18

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. HECHLER] is recognized for 10 minutes.

Mr. HECHLER. Mr. Speaker, after considerable thought and as a result of some practical experience this summer, I have decided to sponsor a constitutional amendment to lower the voting age to 18. I am convinced that passage of such an amendment would strengthen the processes of democracy.

For the past 12 weeks I have sponsored a summer program in my congressional office which has enabled scores of high-school and college students to learn the inner workings of the legislative process. This summer I have had students from the following colleges in my office: Wellesley, Williams, Swarthmore, Cornell, University of North Carolina, Northwestern, and, last but not least in beauty and brains, Stephens College, of Columbia, Mo.

In addition, I have sponsored a contest in the Fourth Congressional District of West Virginia for all high school juniors, the prize for which has been for 1 boy and 1 girl from each of the 10 counties in my district to work for 1 week in my Washington office. This high school program has been richly rewarding, both to the students and to the efficiency, output, and enthusiastic spirit in my office.

In the early spring I announced the terms of this contest in letters to high school principals and social-studies teachers, and enlisted their cooperation. I made talks at a number of the schools, outlining the rules and what the winners might expect when they came to Washington. We devised application blanks and announcements to distribute and post on school bulletin boards. We required each applicant to submit a complete statement of academic record, interests, and extracurricular activities, along with requiring a one-page essay on "Why I Would Like To Work in My Congressman's Office."

Once the applications were in, they were judged in each county by a nonpartisan board of three to five judges, including a newspaper editor, minister, and educator or businessman. They were judged on the basis of character, academic and extracurricular record, and the excellence of the essay. The judges selected the outstanding high-school boy and high-school girl in each county, with two alternates.

We then worked out a schedule for the boys and girls to come to Washington.

I sent them each a round-trip coach ticket, which could frequently be secured at excursion rates. We arranged for two boys to come one week, two girls the next week, and alternated them in this way all summer. Although this meant that students from different counties came the same week, the problems of housing, associations, and breaking the ice in a strange town were made easier. We secured the excellent cooperation of the West Virginia State Society whose members took in the students rent-free in their homes for a week at a time. I then gave each student $20 for food and travel during the week.

The entire program cost me $1,200 for the summer, all of which came out of my salary. The college students, most of which served free "internships" with me during the summer, helped supervise the program. Walter Carter, a student who had just finished his freshman year at Swarthmore, was on my payroll at a nominal salary to meet the students at the train, help them get oriented, and point out the most useful and interesting ways they could spend their evenings in the Nation's Capital.

What could these high school students do? Every morning at 8:30 we had a staff meeting at which I would outline the hot current issues cropping up in the mail, the witnesses to testify at the hearings of my Committee on Science and Astronautics, the bills to be debated or voted on at the daily session of the House, and the visitors likely to come into the office. Each morning I would also review the past day's work and stir the students to raise questions or offer suggestions. At the close of the staff meeting I would assign the work for the day, making sure the high school students had specific assignments.

They would start out with something requiring no previous training, such as clipping the hometown papers and keeping our scrapbook up to date. From this point they quickly graduated to typing letters, answering the telephone, operating the mimeograph machine, receiving visitors, helping guide visitors around the Capitol, securing copies of bills and Government documents, handling requests for agricultural bulletins and yearbooks, sending copies of "Infant Care" to new parents, reading and marking the CONGRESSIONAL RECORD for key items, and undertaking small research projects on issues. Their enthusiasm and imaginative spirit gave a lift to the entire office force.

Frequently, I would bring Members of the House and Senate to our morning staff meeting or to a session later in the day, to engage in question-and-answer sessions on current issues. Each week the two high school students would film a brief interview with some leading personality. Guests at these sessions included Members from both sides of the aisle, including Senators STUART SYMINGTON, FRANK CHURCH, BARRY GOLDWATER, JOHN KENNEDY, JENNINGS RANDOLPH, and ROBERT BYRD, and Representatives AL ULLMAN, JAMES O'HARA, STEWART UDALL, JOHN BRADEMAS, JAMES FULTON, JOHN LINDSAY, DAVID KING, WALTER MOELLER, STANLEY PROKOP, RALPH RIVERS, DANIEL INOUYE, and many others.

The students all wrote to me after they had returned home. One note seemed to crop up in all their letters. They had not realized that Congress was such a complex institution or that a Member had so many heavy responsibilities. They did not realize that a Member must study the background of issues, weave together the local and the national interest, and conscientiously work, through parliamentary procedure, toward the most acceptable solution. All of the students went away with a higher respect for Congress as an institution, and the Members, as individuals, with the exception of the low attendance of Members on the floor. The week here heightened their patriotism and faith in democracy.

I learned many things from the students. For my part, I learned the importance of clarity and simplicity of explanation. On the part of the students, I learned that frequently the mere lack of experience can be compensated for by enthusiasm, drive, and willingness to learn.

But above all, I concluded after this summer's experience that the average young person is sufficiently alert and mature politically to vote at the age of 18. We have often heard the argument that a person old enough to fight should be old enough to vote; that if young people can get married and get automobile driver's licenses at 18, they should be old enough to vote. But I would like to direct attention to an even more important argument. The first great stirring of intellectual interest in public affairs takes place in high school, both as a result of social studies courses and participation in student elections, Hi-Y, Boys' State, and other activities. Dampen that interest by postponing voting responsibility until age 21 and you are dulling the edge of their interest in civic affairs. How many students we have seen who have entered college with a keen interest in politics, which has been diverted into social or other channels by the lack of the power to cast a vote.

At the time when the voting age was set at 21, our school system was vastly inferior. Boys and girls only went to school a few months during the year. Now they become educated faster and should be allowed to assume their civic responsibilities faster. Georgia and Kentucky already have lowered the voting age to 18, with good results. I am convinced that passage of this constitutional amendment will not only stir a greater interest in public affairs, but will inject a new note of idealism into our politics at all levels. Youth is the age of idealism, unfettered by personal, selfish or economic group interest. America's youth, the hope of the future, must be served in order to strengthen the Nation. Let us place our faith in America's greatest natural resource—our young people—and allow them to vote when they have reached political maturity at the age of 18.

TWENTIETH ANNIVERSARY OF THE START OF WORLD WAR II

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. PUCINSKI] is recognized for 45 minutes.

Mr. PUCINSKI. Mr. Speaker, today marks the 20th anniversary of the most brutal war ever visited upon civilization.

It was 20 years ago today that the Nazi Wehrmacht and Stukas stormed into Poland and touched off a war that ultimately resulted in the death of millions of people, including our own American soldiers, sailors, marines, and airmen.

I think it is fitting that we here in Congress today pause long enough to recall the incidents which led to this holocaust and what lessons the people of the free world can learn from that tragic experience. It is indeed depressing, in the light of today's events, that the world has learned relatively little from our horrifying experience in World War II. We see today the identical techniques used by Hitler and Stalin, the architects of World War II, being repeated; and yet, the free world seems almost helpless in avoiding a third world war.

The same spirit of bewilderment and lack of understanding by those representing the free world is manifest today just as it was 20 years ago, when the protectors of freedom yielded to expediency in the naive belief that they could avoid World War II.

We need only cite the invitation of Premier Khrushchev to this country at a time when his Communist puppets are pushing the buttons in Moscow to enslave Laos and are brazenly warning the free West of total destruction if it refuses to yield on Berlin. This is the same Khrushchev who was military and administrative head of the Soviet occupation forces in the eastern part of Poland which was seized almost simultaneously with Hitler's invasion of Poland 20 years ago today. It was under Khrushchev's direction that some 2 million Poles, mostly women and children, were deported to slave labor camps in Siberia. It was also under his administration in eastern Poland that 15,000 Polish Army officers were taken to Katyn and massacred.

In retrospect, we need only review the hysterical boasts of Hitler and compare them to the irresponsible outcries of Khrushchev to see what an alarming parallel exists between 1939 and 1959. Tragically, through their huge propaganda apparatus, the Communists slowly are forcing upon the world the philosophy of peace at any price, when actually behind these hypocritical Communist outcries for peace lies the most diabolical conspiracy ever to confront civilization. It is alarming that in the few years since World War II has ended, international communism has made gains in 72 nations of the world.

How quickly the world has forgotten the great price we all paid in the struggle for freedom from 1939 to 1945. The brutality of the Nazis at Dachau and Buchenwald had been equaled only by the barbaric acts of the Communists at Katyn and Siberia.

I have said here before, and I will continue to say, that this memorial to the gallant people who gave their lives in

World War II so that freedom might triumph over tyranny, must serve with the same force as an indictment against the Soviet rulers as against the Nazi rulers. There can be no question in anyone's mind that World War II was engineered just as brazenly by the rulers of Moscow as it was by Hitler when the Soviet Union agreed to its infamous Ribbentrop-Molotov Nonaggression Pact with Germany only 7 days before Hitler's troops stormed into Poland.

Today, as we recall this tragic anniversary, I firmly believe that those of us who want to preserve freedom for posterity must face up to the reality that a broad formula for peace must be found by mankind, a formula which will be based on the rule of international law enforced by economic sanctions.

As we study the tragic events which led up to the final outburst of war in Europe on September 1, 1939, we will see that this entire holocaust perhaps could have been avoided if free people had heeded the sober warnings of President Roosevelt as early as 1937 and had given him the authority to impose economic sanctions aginst those who at that time threatened the peace of the world.

I am convinced that had Mr. Roosevelt been permitted to move forcefully when he saw the dark clouds of war sweeping across the horizons of Europe, Poland, one of America's traditional allies, would today be free. The other satellite nations, being held captive by the Communist conspiracy, would also be able to enjoy the luxury of freedom, and the millions who fell victims of World War II would still be with us.

I shall, Mr. Speaker, review the tragic events which led to this unnecessary war; but before I do that, I think it is incumbent upon us here in Congress to impress as strongly as we can on those who today control our foreign policy that appeasement is not the road to peace. History will demonstrate that whenever the free people of the world had the courage to remain firm and resolute in their dedication to freedom, tyrants and dictators have fallen from the weight of their own oppression. I fear that those who are today guiding America's destiny in international diplomacy are too quick to bargain with the despots of Moscow. Such policy can end only in disaster for America and the free world.

We have given hardly more than lip service to the principle that there can be no peace in Europe so long as the heroic nations of central Europe, including Poland, Lithuania, Latvia, Estonia, Hungary, Rumania, Bulgaria, and Czechoslovakia, remain in Communist hands. I have said repeatedly that there is a great deal more strength and vigor in defending a right rather than bemoaning a wrong. Tragically, it appears that those in this country who quake and quiver in the wake of every boast made by the Soviet rulers, regardless of how irresponsible such boasts may be, are actually sowing the seeds of destruction for America.

I am sure that there is nothing the American people want more than peace, and as one who had participated in the horrifying bombings of Japan during World War II, and personally witnessed the havoc that war can bring upon millions of people, I too want peace.

I think the time has come when the United States should lead the way in a bold and firm program under which we should strengthen the International World Court at The Hague as an effective tribunal for settling international disputes. We should marshal the support of all nations to enforce the decrees of the International World Court through economic sanctions. It will mean that all nations of the world will have to prepare themselves for great economic sacrifices if necessary, but at least under this concept, the logic of law will replace the devastation of bombs.

I am not at all in agreement with those who insist that the Connelly amendment must be repealed before we can make the International Court an effective instrument for adjudicating international disputes. As an American, I think there is merit to the concern of those who feel the International Court should deal only in matters affecting prima facie international disputes. As we study the prelude to World War II, we can see how often the brush fires could have been extinguished if an effective International Court had been in existence prior to the great conflagration.

More important, the disastrous conspiracy of international communism could today be contained and reversed if even at this late date we resolved to establish the International Court as an effective tribunal.

There should be no question in anyone's mind that the Soviet Union is intent on destroying capitalism as a free institution through the Communists' mounting economic competition made possible only through the use of slave labor. While the Communists brazenly boast of their war potential, it is significant to me that their biggest drive today is for economic gains. I am convinced that we can win the great struggle by challenging them with economic sanctions in every area where they would disrupt the peace of the world. This is the only language the Soviet rulers will understand.

Determined action in this direction would indeed attract and capture the imagination of the vast majority of those uncommitted nations which today do not know which way to turn in this great geopolitical struggle. Too long has the free world tried to attract these uncommitted nations, which today may well constitute the balance of power in this world, by attempting to force them into military alliances instead of economic alliances.

The United States itself has led the way in establishing a whole series of regional military alliances, such as NATO and SEATO. Has not the time come when we should approach this entire problem now along economic lines?

Poland was the first victim of Hitler's armed aggression. Her heroic struggle for survival against overwhelming odds served as an inspiration to the rest of the world, which eventually was drawn into the great conflict.

But this barbaric invasion of Poland was the culmination of a long series of incidents which preceded World War II. So we can better understand the anatomy of this great conflict, I should like to call your attention to six important events which constituted the prelude to World War II. I cite these six important events because they demonstrate so graphically how the seeds of war have a slow process of germination, stretching over a period of years. Substitute what is going on in Laos or India, or Quemoy or Berlin today, and you have a terrifying parallel to the events which preceded World War II.

Hitler plowed his armies into Poland and massacred several million people because he insisted that the city of Danzig and the Polish Corridor must be reunited to the Third Reich. But six signposts had earlier pointed to World War II: Manchuria, Ethiopia, the Rhineland, the Spanish Civil War, Austria, and Czechoslovakia. Each one of these six signposts convinced Hitler more and more that he could pursue his conquests without real interference either from Britain or France and that he could safely ignore the United States and the rest of the world.

Each of these signposts demonstrated how badly the world powers were divided and how reluctant they were to act in time. Manchuria was the first victim of aggression in September 1931. This aggression began with the Mukden incident at Marco Polo Bridge, when a section of track of the South Manchurian Railway was blown up. There was sufficient evidence that this incident was touched off by the Japanese, who eventually took over Manchuria.

Too many of us have forgotten that China appealed to the League of Nations. Japan's reply was withdrawal from the league, and when U.S. Secretary of State Henry L. Stimson called for collective action to stop this first overt act of aggression which threatened the peace of the world, his plea fell on deaf ears because no world power was prepared to act.

Four months after the Mukden incident, Japanese troops, with apparent impunity, landed at Shanghai and touched off their piecemeal war, which remained undeclared until 1941.

I should like to point out here that this technique of undeclared war was repeated by Hitler on September 1, 1939, when his troops stormed into Poland with no formal declaration of war. Hitler, who came to power in 1933 through the support of street rowdies and power-drunk storm troopers, learned his lessons well from a world that was unwilling to face reality toward the Japanese aggression in 1931. Hitler was quick to realize how successfully Japan had challenged the League of Nations, and he capitalized on his firm belief that the league was impotent when only mild protests were registered against the invasion of Ethiopia in 1935. Here again the free world had an opportunity to mobilize its economic powers and stop the aggression in Ethiopia, but as in the past, the opportunity fell to expediency and appeasement.

Here was another lesson which was not lost to Hitler, and in March of 1936, his goose-stepping soldiers entered the Rhineland. Just as France had failed to

support Britain in trying to stop the aggression in Ethiopia, now the tables were turned, and Britain's Stanley Baldwin failed to support France, whose troops were mobilized along the German frontier but did not act against the Nazi invasion of the Rhineland.

There is ample proof in documents uncovered after the fall of Germany that Hitler was prepared to evacuate the Rhineland in 1936 if the French troops had moved in. Again, the world had failed to face reality when World War II could have been avoided. We have a right to inquire whether Khrushchev is waging the same kind of bluff regarding Berlin today.

Just as the Berlin Treaty is being brazenly torpedoed today by Khrushchev, so was the Lucarno Pact, which guaranteed the Rhineland as a demilitarized zone by the Versailles Treaty, violated by Hitler in 1936. Can anyone challenge the statement today that this eerie parallel gives us all reason for sober reflection?

As if these guideposts were not enough to warn the world that it was heading for all-out war, the Spanish Civil War, started in 1936, should have served as the final eye-opener, for while it started innocently enough as a rights revolt against a popular front government, the Civil War in Spain soon developed into an international testing ground for World War II. Hitler's dive-bombing Stukas and other weapons were tried out there, and both the forces of the Nazi Fascist Axis and of international communism became deeply involved.

Significantly, this conflict ended in 1939, only 5 months before the beginning of World War II; and Hitler, now certain that he perfected armed aggression to a science, was ready.

Tragically, during the prelude to World War II which was going on in Spain, in 1938 Nazi stormtroopers staged their famous Anschluss of Austria. It was cunningly executed, and Austrian Chancellor Kurt von Schuschnigg was forced to resign. Hitler's Trojan horse, the Austrian Nazis, feverishly welcomed him when he flew to Vienna to receive their frenzied "heils."

And still the world naively looked on, as if hypnotized by Hitler's bold aggression.

The final setting for World War II was staged by Hitler in Czechoslovakia, when a German minority in the Czechoslovak Sudetenland drummed up phony charges of persecution. Hitler, now completely drunk with victory and power, demanded the surrender of the Sudetenland. It shall remain as an indelible mark upon the conscience of France and Britain, where Hitler's frenzied threats in defense of the Sudeten Germans found sympathy. Prime Minister Neville Chamberlain naively believed in appeasing Hitler by granting his demands. The result is now tragic history. The Munich Agreement, signed on September 30, 1938, which called on Czechoslovak President Eduard Benes to yield the border areas, has become a symbol of appeasement.

How hollow today ring the words of Chamberlain when he hailed the agreement as a guarantee of "peace in our time," especially when we recall that on March 14, 1939, 6 months after the Munich Agreement was signed, Benes' successor, President Emil Hacha, was summoned to Berlin and threatened with destruction of Prague by air if he did not agree to surrender Czechoslovakia as a protectorate of Germany.

Through all this, the Soviet Union engaged in its own treachery, playing off the East against the West, and while leading Britain and France into believing that it wanted a nonaggression treaty with the Western Powers, actually was negotiating secretly with Hitler for a pact which would cut up central Europe into spheres of influence between Nazi Germany and Soviet Russia. The free world realized only after the Ribbentrop-Molotov Pact was announced that the time for appeasement had ended; but unfortunately and tragically, the discovery was made too late.

Hitler, assured of a free hand in dealing with his territorial demands on Poland because the Soviet Union had guaranteed him the "hands off" policy for 10 years, prepared to move swiftly. The belated treaty that Britain and France hastily executed with Poland came within hours of Hitler's monstrous attack on the Polish people.

The tragedy visited on the Poles and the rest of the world in that horrible war is now known only too well. But I have cited the prologue to World War II in the hope that dedicated men will soberly realize that what happened during those tragic years preceding World War II is again being repeated today. Instead of the devastating stukas and Messerschmitts and the eerie and destructive V–2 rockets which almost brought England to her knees, today the world is faced with nuclear destruction.

Harrowing as the prospects may be, history teaches us that freedom cannot survive where leadership and determination give way to appeasement and expediency. I hope that from the lessons of World War II, those of us who are still today able to breathe the air of freedom will be resolute in our search for a just peace.

I do not believe, and never have believed, that war is the only alternative to peace. I am firm in my belief that we, as a free people, can indeed find a road to lasting peace if the free world will recognize the tremendous potential in economic sanctions. That is why I have urged so strongly that we approach with all our vigor on a bold plane to strengthen the World Court. To those who say, how can this be done, let the free world today resolve that if the Soviet Union refuses to agree to a concept of international law for settling international disputes, these sanctions be applied until such time as Khrushchev and his Kremlin cohorts realize that the world is firm in this approach.

GENERAL LEAVE TO EXTEND

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject I have discussed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McCORMACK. Mr. Speaker, 20 years ago today the European continent went to war. The invasion of Poland on September 1, 1939, resulted in one of the worst holocausts in the history of mankind. Thousands upon thousands of innocent people lost their lives. The world would do well to reflect on this great tragedy. We all remember the statesmen of that day, Neville Chamberlain of Great Britain and Edward Daladier of France and we remember only too well the failure of their policy with regard to the containment of Nazi Germany. One word summarizes their action and that word is "appeasement." The word "appeasement" or "to appease" has two specific meanings relevant to international politics. According to the first definition, to appease means "to bring to a state of peace, quiet, ease or content" and according to the second, "to accede to the belligerent demands of a country, government, and so forth, by a sacrifice of justice." Between both definitions, however, lies a massive gap of difference. No one will quarrel with the assertion that the art of diplomacy, to be successfully employed, requires reconciling conflicts of interests, pacifying a vengeful enemy, and exercising unwarranted suspicions and fears among nations. This is a vital part of diplomatic practice. It is, in a sense, a lubricant for the machinery of international society.

However, the second definition of appeasement, "to accede to the belligerent demands of a country, government, and so forth, by a sacrifice of justice" is quite another matter. Indeed both definitions are contradictory in that by indulging in appeasement of the second order no nation could ever enjoy peace, quiet, and contentment. Appeasement of this sort is a lethal drug: it encourages weakness; it is an abdication of national will; it is, in short, an invitation to national disaster.

What makes appeasement a policy of self-destruction is the fact that it seeks to meet the threat of imperialism with methods that can only be acceptable and appropriate to a policy of the status quo. Imperialism cannot be dealt with as if it were a policy of the status quo which appeasement tries to do mainly because imperialism seeks to change the status quo and change it to its own advantage. Appeasement is, in fact, a corrupted policy of compromise whereby the imperialist nation, at the expense of the appeaser, seeks to rearrange the distribution of world power to his advantage. It is a policy aimed at the gradual erosion of power of the appeaser but carried on in such a clever way as to give the illusion that the imperialist power really wants to maintain the existing status quo. The error of the appeaser lies in the fact that he does not see that the successive demands of the imperialist, not at all being self-contained and issuing from specific grievances, are only the links of a chain that leads to the final overthrow of the status quo the appeaser seeks to maintain.

Hitlerian Germany is a classic case of appeasement used as a weapon to overthrow the European system established at Versailles by the victorious Allies. Britain and France acceded to Hitler's demands, beginning in 1935, with his repudiation of the disarmament provisions of Versailles. Reoccupation and remilitarization of the Rhineland took place on March 7, 1936, annexation of Austria took place on March 11, 1938, and the settlement at Munich ceding Sudetenland to Germany took place on September 30, 1938. Only when Hitler destroyed Czechoslovakia on March 15, 1939, and Germany forced Lithuania to cede the city of Memel to Germany on March 23, 1939, and invaded Poland on September 1, 1939, did France and England realize that Hitler, far from accepting the Versailles system, was actually pursuing a policy of imperialism, an imperialism with continental dimensions, did, on September 3, 1939, declare war on Germany. By that time, however, the bitter fruits of appeasement had created an uneven distribution of power in Europe, with the result that Hitlerian Germany now sought to overthrow the status quo of the interwar period and recreate Europe in the Nazi image.

Appeasement of the 1930's has a serious lesson for all of us today. Viewing the course of international relations during the past year, it is clear that Soviet Russia is trying to force us into playing the same appeasing role in our relations with her as France and England were forced to play against Hitlerian Germany. The Berlin crisis and the diplomatic events that have emerged from this crisis have a profound meaning for all of us. It is profound because in this crisis, artificially fabricated in Moscow, Khrushchev has thrown down a challenge to us. Khrushchev has asserted his intention of overthrowing what has come to be accepted as a status quo in Berlin—at least until Germany can be united—as a public demonstration of his belief that the world balance of forces has shifted in the favor of the U.S.S.R. He has tried to intimidate us: He has tried to compel us to resort to appeasing him as an only alternative policy to war. This is the start of an imperialist attack which, if acquiesced in through appeasement, could inevitably lead to Soviet control over the European Continent.

Appeasement is no viable policy: It is, I repeat, an invitation to national disaster. Other alternative policies are available to us, and they are all predicated upon the need for strength and self-assurance, determination, and resolution.

Mr. BOLAND. Mr. Speaker, it was just 20 years ago today, in the early hours about dawn, that Hitler unleashed the terrible and deadly might of his Panzer divisions in a blitzkrieg against peaceful Poland and Stuka dive bombers began pummeling magnificent Warsaw into blood and ruins.

The world was shocked by Hitler's act of waging undeclared war upon the Polish people. For the Poles it was a day of infamy. For the rest of the world it was a day that will be long remembered, for it marked the beginning of a tragic error, Hitler's dreams of conquering the world.

Hitler was not the only man with dreams of world conquest on September 1, 1939. He had an adversary by the name of Stalin, who on paper was Hitler's ally on that fateful morning. The leader of world communism also helped to carve up Poland by prearrangement, for on August 23, 1939, Stalin and Hitler set the stage for the demise of a free Poland by signing a nonaggression pact. While the courageous Poles were trying to defend themselves and their nation against overwhelming Nazi forces in the west, Stalin's Soviet Army thrust a dagger into the back of Poland on September 17 with an invasion from the east.

Our distinguished colleague from Michigan, Congressman MACHROWICZ, who is now in Warsaw as a U.S. delegate to the Interparliamentary Union Conference, last Thursday in a speech in his native Polish tongue reminded the Polish people, and Communist delegates to the conference, of Stalin's treachery. He received worldwide acclaim by the delegates of the free nations of the world to the Interparliamentary Union Conference for his candor, and press reports of Congressman MACHROWICZ' speech revealed that Communist delegates from the Soviet Union were very disturbed. Congressman MACHROWICZ, who fought in the Polish Army in World War I, is a native of Poznan, Poland, where patriotic citizens rose up and successfully staged demonstrations against the oppression of their Communist conquerors in October 1956. As a result of the uprisings the Polish people won a measure of economic and religious freedom from the Gomulka government and the Soviets in Moscow.

The Poznan rioting was only one of the long chain of demonstrations of the indomitable spirit of the Polish people seeking freedom and expressing religious fervor. Poland has been partitioned four times but the Poles will never be wiped out because of this indomitable spirit and religious fervor. She suffered heavily during World War II, with some 6 million persons, or 15 percent of her population, killed. But despite complete Communist domination as a result of the defeat of Hitler, the free spirit of the Polish people overflows at every opportunity. The world recently witnessed this once again in the tremendous reception and ovation given by the people of Warsaw to Vice President NIXON.

Mr. Speaker, as we look back upon the Polish invasion in 1939, let us hope that Communist conquerors of Poland today will likewise look back and contemplate the folly of a vicious and brutal Hitler who, like the Communists, tried to impose a totalitarian and antihumanistic order upon continental Europe. Let Hitler's lesson be their lesson as tensions in the world continue unabated and as the Communists continue to press on their relentless drive in Laos, Berlin, the Mideast, and the Straits of Formosa for world conquest.

Mr. FLOOD. Mr. Speaker, what made Hitler's attack on Poland 20 years ago so despicable is the fact that it was carried out with brutal force, without provocation, and in a coldly calculated manner. This was no defensive action. There was not one scintilla of cause for German concern for their security from Poland. Here was a case of raw, brutal aggression.

A striking contrast to the immoral acts of Hitler was the radio broadcast yesterday of West German Chancellor Konrad Adenauer to the Polish people on the eve of the 20th anniversary of the attack on Poland. Here was a plea by a Christian leader, a plea for forgiveness, a plea that future Polish-German relations be based upon true friendship.

Perhaps, it will be difficult for the Poles ever to forgive the Germans for the terror and destruction the Nazi armies had wrought to the beloved country. Still, as a God-fearing people the Polish people know well the Christian virtue of forgiveness, and I have no doubt that they as a people will do what is right according to the dictates of their consciences.

Mr. ZABLOCKI. Mr. Speaker, I want to join with my colleagues in commemorating the 20th anniversary of the brutal and dastardly attack, upon the Polish nation, by Nazi armies, which took place on the morning of September 1, 1939.

It is a tragic anniversary that we are observing. It marks the beginning of a war which engulfed the entire globe, and which brought untold sufferings and death to millions of peoples. It was a war built upon the schemes of a madman, whose cruel designs subjected countless persons to the most inhuman horrors and sacrifices.

It is also, however, an anniversary of heroism seldom matched in the annals of recent history: The heroism of the Polish people. It brings to mind their courageous resistance to Hitler's armies, their tragic defense of Warsaw, their continued fight for freedom through the 2 decades that followed. It also brings to mind their present unhappy state under the domination of communism imposed and supported by Moscow.

As we pause on this anniversary, it is fitting that we recall all that went with it—and particularly the breaking of treaties and the doublecrosses perpetrated not only by Hitler but also by Stalin, the leader of the Soviet Union. Their treachery, consummated in the rape of Poland, should be a lesson to us, and a reminder as we turn to consider our present and future course.

In our hopes and plans for the future, let us not forget the lesson that history has taught us, the bitter lesson about the treachery and cruelty of totalitarianism and of communism. If we forget, we and our children will reap the tragic fruit of our folly.

OUR TRIBUTE TO WALTER LEE

The SPEAKER pro tempore. Under previous order of the House the gentleman from Massachusetts [Mr. LANE] is recognized for 30 minutes.

Mr. LANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that all Members may have 5 legislative days to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, after 21 years of friendly and efficient service as legislative assistant to the House Judiciary Committee, Walter Lee is preparing to go back home to Mississippi.

I sincerely regret that Walter is unable to be here at the Capitol today due to the fact that last week he suffered a brain hemorrhage with a cerebral upset that caused his removal to the hospital for emergency treatment. There is no doubt that this condition was brought about due to this extra heavy workload on the Claims Committee during these final days of this session of Congress. But I am pleased to note that although his situation was most serious on last Friday, that they have today allowed him to return home to the care and efficient treatment and attention of his attending physician and his good and loyal wife Helen Lee.

As 1959 comes to an end, this genial public servant whose diplomatic skill and talent for details has helped so many people, both in and out of Congress, will say "farewell" to the Washington scene. And with his departure we shall lose a southern gentleman whose ability, charm and good will have contributed so much to the achievements of the Judiciary Committee.

I do not know whether he is a descendant of the beloved Robert E. Lee, but I am certain that his own life was molded and inspired by the example of that great leader who won the respect and admiration of all.

Walter's grandfather was an officer of the Confederate Army. Walter's granduncle, from Illinois, served as an officer of the Union Army. From them he inherited the twin faith of his belief in the North and his belief in the South. In him there developed the wise and generous spirit of conciliation that is so essential to reasonable compromise and progress.

And so he brought to the Members of this House the bipartisan service that has assisted us in adjusting our differences, and has guided us in the construction of those laws that are necessary for the government of our growing *Nation.*

His knowledge and his integrity encouraged us to rely more and more on his good judgment. The responsibilities we delegated to him were always carried out faithfully and effectively. Details that would be overlooked by most people, were a challenge to Walter. Nothing escaped his dutiful and ever-courteous attention. It was comforting to know that, whenever we came up against a difficult problem, Walter's alert mind and harmonizing personality would find a workable solution.

In his younger days, he was elected by his neighbors as County Assessor of the area which includes Jackson, the State capital of Mississippi. Knowing him as we do now, we wonder why he did not continue his career as an elected public official. With his intelligence, and his liking for people, he could not have missed promotion to Representative, and Senator, in the Congress of the United States.

As a veteran of World War I, he has been an active member of the American Legion through all the years since it was founded. There is not a State in the Union—with the possible exception of Alaska and Hawaii—that he has not visited in connection with his work for the Legion.

With his outgoing spirit, Walter's main interest in life is: "What can I do to help?" Before you can think of something constructive, he is doing it.

But why did not he seek the honors of elective public office? I believe that Walter, after surveying the rewards and the hazards, came to the sensible conclusion that he could accomplish more as a key member of a committee staff, freed from distractions, than as a Congressman who has to "run the gauntlet" every 2 years, to determine whether he shall "come" or "go."

Statistics prove that Walter is right. Of those who were Members of the House of Representatives, when he arrived to serve as legislative assistant to the Committee on Claims, only 51 "survive."

But the Nation has benefited from Walter's services throughout that whole period, which proves the importance of career men in Government to provide the seasoned experience and continuity that is safe from the uncertainties of politics. As legislative assistant to the Judiciary Committee, his services have been far greater than the Nation can ever recognize or repay. The general public is not aware of this, but every Congressman, department head, and newspaperman in Washington is indebted to the gracious and dependable Walter Lee.

Frankly, I don't know what we are going to do without him. There are many other Members who feel the same way. In our regret at this leaving, we want to express our heartfelt appreciation for his fine work and his friendship.

We believe that the Congress should honor outstanding legislative assistants like Walter Lee. And so we ask this privilege to informally observe this as Walter Lee Day in the U.S. House of Representatives.

Before I yield to other Members, I want to convey my sincere and personal thanks to Walter, and to wish him every happiness in his active retirement. The folks back home in Mississippi claim it is their turn now to welcome Walter Lee.

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield to the gentleman from New York [Mr. KEOGH] under whose supervision Walter served for many years as legislative assistant of the old Claims Committee, when the gentleman from New York [Mr. KEOGH] was chairman of that committee for a good many years.

Mr. KEOGH. Mr. Speaker, I know my good friend, the gentleman from Massachusetts wants the RECORD to be correct. I was never chairman of the Committee on Claims. It was, however, my privilege to be a member of that committee when some 21 years ago Walter Lee arrived to take up his duties which he has so devotedly and dispassionately discharged ever since. It was my pleasure, Mr. Speaker, to be chairman of a subcommittee of that committee which under the careful and capable guidance of Walter Lee went to the then Territory of Hawaii, now our 50th State, the first time that a subcommittee of that committee, which incidentally was one of the first standing committees organized by the early Congress, to ever go out of the territorial boundaries of the United States. I say that we truly lose a devoted servant, one who has over the years discharged his onerous and burdensome duties with the high ideals we all like to think belong to the Congress of the United States. You will recall, Mr. Speaker, as I know you will, that the old Claims Committee, now the Claims Subcommittee of the House Committee on the Judiciary, provides a forum unique in itself—a forum where people may come when they can go nowhere else—citizens and aliens alike, to seek justice. Under Walter Lee's capable guidance, they received it. I join with the gentleman from Massachusetts, Mr. Speaker, in hoping for Walter and his wife, Helen, many years of continued good health and happiness. I would like him to know that I, as well as many, many hundreds of Members who have served under and with him will long and favorably remember him.

Mr. LANE. I can recall that the gentleman from New York was most active in the Committee on Claims for a good many years and worked hand in hand with Walter Lee.

Mr. KASEM. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield to the gentleman from California, a member of the Committee on the Judiciary, and a very active and energetic member of committee No. 2 in charge of private claims and other general legislation of that committee.

Mr. KASEM. Mr. Speaker, it is, perhaps, presumptuous of me, a junior member of the subcommittee, to join in this tribute in the face of older and more experienced heads who have had a great deal more experience with the man to whom this tribute is being paid. Although I am a junior member, and have been a member of this committee for some 8 months, I have developed a great appreciation for the man we are losing by reason of his retirement and, obviously, a very well earned retirement. Of course, we are all grieved that at the conclusion of his service in the Congress, he should suffer this stroke of bad health. But, it has been a real pleasure to have his helpfulness during the days when we were learning the ropes and to enjoy the comfort of his warm personality and his delightful sense of humor.

Mr. LANE. I might say to the gentleman from California that knowing Helen Lee, Walter's wife as I do through personal contact throughout the years, I am satisfied that his health will soon be restored under the very able and efficient care of his life partner.

Mr. WILLIS. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield to the gentleman from Louisiana, a learned member of the Committee on the Judiciary.

Mr. WILLIS. Mr. Speaker, I am in the sixth term of my service in this body. During all that time, it has been my privilege to work with Walter Lee. I know of no individual who has a keener sense of what is right and what is fair and what is just. It fell to Walter's lot to be assigned as clerk of the House Committee on Claims. In that capacity, he had an opportunity to use his great talents and his sense of justice and righteousness because under our system of government, the Subcommittee on Claims is actually the highest court of equity.

There is an old equity maxim to the effect that there is no wrong without a remedy, and we find time and time again, week after week after week that the subcommittee brings out bills to do equity. Very frequently we find an individual who because of the silence of the law or the expiration of time within which he might vindicate his rights, on a technical basis is without right in our courts of justice; but the Claims Committee, as I say, is the highest court of equity to grant relief in these areas.

Walter as clerk of that Committee was agreeable to all Members of this body without reference to party; in fact, I should say that just last week the full House Committee on the Judiciary by unanimous vote applauded the work of Walter over the years. We are very regretful that the time has come for Walter to retire to private life, but I wish to join my good friend the gentleman from Massachusetts and others in wishing to Walter and his good wife long years of happiness in retirement.

Mr. LANE. And, Mr. Speaker, I may say that the gentleman from Louisiana in all modesty in mentioning the fact that the Committee on the Judiciary went on record recently in reference to the past work of Walter Lee, failed to say that he was the member of that committee who authored the motion in the full committee that resolutions be drawn up congratulating Walter for his excellent work over these 21 years on Capitol Hill.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield to the gentleman from Colorado, another member of the Committee on the Judiciary, another hard-working, conscientious, and sincere Member.

Mr. ROGERS of Colorado. Mr. Speaker, one of the first employees on the Judiciary Committee I had the pleasure of knowing was the genial Walter Lee. He was a southern gentleman with a smile. He devoted his full time to the members of the Judiciary Committee. When any Member of the House desired information Walter supplied it and was courteous to all. He had full knowledge of matters coming within the jurisdiction of the subcommittee he worked on; and, as has been pointed out, the Subcommittee on Claims constitutes really a court of equity.

Mr. Lee's experience while not that of a lawyer was one of kind understanding of the problems that were presented and injustices that may have accumulated throughout the years in the administration of our country.

Walter was quick and alert to ascertain and determine those things that constituted equity within themselves, and for that reason he was one of the valuable employees who contributed much to his country and to the people of the United States.

We on the Judiciary Committee will miss him, but we wish him Godspeed and that he may have many years of happy retirement with his family.

Mr. LANE. Mr. Speaker, I know whereof the gentleman from Colorado speaks, because he has on several occasions appeared before the Committee on which Walter served as legislative assistant.

I yield to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Speaker, every Member of this body is certainly aware of the fact that expert and able staff work is an indispensable requirement of both a good congressional office and a good congressional committee.

For more than 20 years, a friendly and able American named Walter Lee has been serving as legislative assistant to the Subcommittee on Claims of the distinguished House Committee on the Judiciary.

Every Member who has presented a matter before this subcommittee has observed at first hand the ability, the helpfulness, and the understanding of Walter Lee. He has been a wonderful help to me in the presentation of several matters, and his wisdom, experience, and acumen have been deeply appreciated.

Walter Lee will be missed by this body, and it will be most difficult to fill the professional shoes which he has ably worn for two decades.

I welcome this opportunity to join my colleagues in congratulating him upon his fine service to the House and the country, and to wish him good health and good fortune for years to come.

Mr. HEMPHILL. Mr. Speaker, will the gentleman yield?

Mr. LANE. I am happy to yield to the gentleman from South Carolina.

Mr. HEMPHILL. Mr. Speaker, I would like to join the other Members of the House and particularly the Committee on the Judiciary in paying tribute to a man whom I felt was a great public servant.

Sometimes there appears on the horizon an unusually bright star. I consider Walter's service, his dedication, and his devotion to be of that magnitude.

I might say that all of us who are objectors on the Private Calendar felt that we could turn to Walter Lee at all times not only to give us the information we found necessary when we had some question about legislation before us, but also to give us the reasoning, which was always right and just, to support it. I for one will miss him in the House of Representatives. While my services are limited in this body, yet during the time I have spent here I have appreciated the services of Walter Lee. I hope his example will be an example to others who come into the service of this Congress or this Government from time to time. As a staff member, in my opinion, he had no peer. He was always friendly. I would like to do the honor of paying him respect for the work he did.

Mr. LANE. I thank the gentleman from South Carolina who has been in constant touch with Mr. Lee since he is one of our able and capable House objectors on the majority side on the Private Calendar.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield to the gentleman from Mississippi. I know that the gentleman has been acquainted with Walter Lee for a good many years as one who came from the State of Mississippi and who had much in common over the years.

Mr. COLMER. Mr. Speaker, I would like to compliment the gentleman from Massachusetts, one of the elder statesmen of the Committee on the Judiciary, one with considerable seniority, for taking the lead in paying this fine tribute to my fellow Mississippian, Walter Lee.

I would also like to compliment other members of the committee and other Members of the House here who likewise have extolled his virtues and service in this House.

I speak briefly, mostly from my own personal contacts with Walter Lee. It is my privilege to have known him for some 30 years or more. As a matter of fact, we were both World War I veterans, and I recall that the first time I met Walter was when we fought the second battle of Paris together, when we attended the American Legion Convention that was held in Paris.

Walter had that happy faculty of endearing himself to all of those with whom he came in contact. He is a man of high character and many sterling qualities. His service merits the splendid tributes that have been paid to him on this, the occasion of his departure from Government service. He has incurred the compliments and the respect of those who had the opportunity to work with him and to know him.

Mr. Speaker, I am very much distressed to learn of his illness. I hope it is of a transitory nature and that he and his attractive wife, Helen, may have many years back in the homeland in Mississippi to enjoy a well-deserved retirement.

Mr. LANE. I thank the gentleman from Mississippi. I know he has known Walter longer and better than any of us. I am more than pleased that Walter, over the years, has been such a fine friend of the gentleman from Mississippi and one of his able and conscientious supporters for a good many years.

Mr. MORRISON. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield to the gentleman from Louisiana.

Mr. MORRISON. Mr. Speaker, I wish to join the other Members of the House who have said such complimentary things about our beloved and loyal worker, Walter Lee; and, particularly, I wish to join with the remarks of my distinguished colleague from Mississippi when he praised the elder statesman from Massachusetts for making possible this so-called Walter Lee Day in Congress.

I know of no man in Congress who enjoys more respect of his fellow Members and who is a more distinguished Member of the House than our colleague the gentleman from Massachusetts [Mr. LANE].

In talking of Walter Lee I can go back to the time when I first arrived here in Congress some 16 years ago. About 14 years ago when I became a member of the Claims Committee, of which Walter Lee was counsel and clerk, I served, as other Members of Congress who have spoken here today have, as chairman of the subcommittee of the Claims Committee, and it was Walter Lee who not only showed his expert ability in the various problems and claims that came before my subcommittee and other subcommittees of the old Claims Committee, but he showed himself to be a man of tremendous warmth and he had a tremendous capacity for friendship. I have never seen him do an unfair act toward any Member of Congress. On the contrary, I can say that he spent his whole time in dedicated devotion to helping members of that committee on both sides of the aisle, whether they were Republicans or Democrats.

His capacity for friendship and his ability to get things done, as far as the Claims Committee is concerned, seemed unending. And, I can truthfully say here today that no man has ever tried harder to do his job with a greater degree of conscientious effort and with more dedication of purpose than did Walter Lee. Of course, when the Reorganization Act went into effect, the Claims Committee was moved over to the Committee on the Judiciary. But, I did not lose contact with Walter Lee, because he is a man whose friendship grows and grows as you stay with him and be around him more and more. I have come to the conclusion that today, Congress has suffered a tremendous loss in seeing Walter Lee depart, and all of us will always miss him. Perhaps I am in a little better position and maybe I am more fortunate than many other Members of Congress because of the fact that he is leaving Washington, where he has done his job well and faithfully, and will return to his homeland with his beautiful and beloved wife. The fact is that from a geographical standpoint my congressional district adjoins his, and we are just a few hundred miles apart. So, as far as my friendship and contact with Walter Lee are concerned, it does not come to an end with him leaving Washington, but I look forward to the many years when he will be living in Jackson, Miss., which is close to my hometown. I know that good fortune will smile on me and give me the opportunity of continuing our very close and devoted friendship in the years to come. As for Walter Lee, I think it has been demonstrated today that there has been no man who ever worked for the U.S. Congress in any capacity that had more respect and more love and devotion from the Members of the Congress. The reason for that, I think, is the fact that Walter Lee is a very warm, devoted, dedicated man who helped every Member of the Congress, who put their troubles, their problems, ahead of his. And, I have never seen him ever fail to try to help each and every Member of the Congress and do it in a fair and just way. He is a great American, a great and wonderful person, and may God bless him for the rest of his days.

Mr. LANE. I want to thank the gentleman from Louisiana. No truer statement was ever made on the floor of the House with respect to Walter Lee by the gentleman from Louisiana, because of his association with him all these years as a Member of the Congress, knowing that Walter has been fair to the Members on both sides of the aisle, regardless of party and regardless of the location of their congressional districts.

Mr. KASTENMEIER. Mr. Speaker, will the gentleman yield?

Mr. LANE. I will be happy to yield to the youngest member on the Committee on the Judiciary, and one of the most active and able members of the Claims Committee, Committee No. 2 of the Committee on the Judiciary; a man who has been here only a short period of time, but in that period of time has learned much and has contributed greatly by his accomplishments here in the Congress for the benefit of his constituents back home in Wisconsin.

Mr. KASTENMEIER. Mr. Speaker, I thank my chairman for those kind remarks. A while ago I came into this chamber not to speak, but rather to hear these remarks about Walter Lee. At this time I want to join my distinguished chairman and my other distinguished colleagues in paying my respects to Walter Lee. Even though I have been on the subcommittee to which Walter Lee has rendered such long and faithful service, in my own case for such a short time, nonetheless I, too, will miss him.

Mr. LANE. I thank the gentleman.

Mr. FEIGHAN. Mr. Speaker, it has been my privilege to know Walter Lee during the 17 years that I have been a Member of Congress. It was my privilege also to serve as a member of the Subcommittee on Claims of which Mr. Lee was the clerk.

Mr. Lee has served the committee, as well as all Members of the House, faithfully, efficiently, and cheerfully. I join with other Members in paying tribute to my friend, Walter Lee, and wish him good health, a long life, and abundant happiness in the future.

Mr. TRIMBLE. Mr. Speaker, I wish to join my colleagues in tribute to Walter Lee, one of the finest men I have ever known; a public servant with integrity as firm and as solid as a granite mountain; a friend with a heart of gold.

Walter, our heartiest good wishes go with you into private life. We pray that all your years will be happy years.

Please come back to see us at every chance.

Mr. ASPINALL. Mr. Speaker, I wish to join with our colleague the gentleman from Massachusetts [Mr. LANE] and with other Members of the House in expressing my own personal regret and sorrow at the forthcoming retirement of Walter Lee as legislative assistant to the House Subcommittee on Claims.

The fact that Walter Lee has held his position for over 21 years is testimony in itself to the effective and diligent work which he has rendered to the Members of this House and to their staffs. His advice and counsel on the merits of any proposed legislation have been widely sought for their accuracy and soundness. Walter Lee is held in high esteem by all on Capitol Hill.

Personally, I wish to express my deep gratitude to Walter Lee for the warm friendship which he has extended to me throughout the years and for his wholehearted cooperation in our dealings with regard to legislative matters.

I heartily congratulate him as he enters into a well-deserved and well-earned retirement and wish for him good health, good fortune, and continued success in the days that lie ahead.

Mr. CHELF. Mr. Speaker, we are today honoring Walter Lee upon the occasion of his retirement. It is a great pleasure for me to join with the other Members and Walter's innumerable friends here in giving paeans of praise to this fine gentleman whose outstanding work has merited this recognition known as Walter Lee Day.

Walter has been our stalwart and dependable help on the Claims Subcommittee of the Judiciary Committee during my entire membership in the House and the Judiciary Committee. I have personal knowledge of his devotion to his duty and his conscientious efforts at all times. His vast storehouse of knowledge and his judiciousness and fairness in processing the work which came within the purview of his duties in the Claims Subcommittee have been of inestimable assistance to the Congress and its Members.

His diligence and his loyalty in spending long hours, even at night, in pursuing his tasks have, unfortunately, taken a temporary toll of his health and he is today suffering from an illness which I am sure is an aftermath of overwork. It is my fervent hope that he will have a full recovery, with no lingering impairment, and that he will be able to enjoy to the fullest many long years of retirement which he deserves in the richest measure.

It has been a rare privilege for me to know and work with Walter Lee. In addition to his efficiency and loyalty, he is a warmhearted and wonderful friend to which I know his multitude of friends will attest. We will miss Walter here but we rejoice with him in the expectation of treasured leisure hours filled with the enjoyment of long-deferred pleasures. We wish him the best of health in the years ahead and good luck and happiness in his every endeavor.

Mr. THOMPSON of Texas. Mr. Speaker, it is particularly fitting that Members of Congress suitably pay tribute to Walter Lee. If every one of us who has been helped by this devoted public servant should take 1 minute to express our appreciation, we would be here for the next several days. It is sufficient to say that everyone who ever went to Walter Lee with a problem concerning a claim received friendly and capable advice. Walter seemed to regard each one of our problems as a challenge to

himself personally to find the way toward accomplishment.

I shall never forget his help in the case of the Texas City Disaster Compensation. He worked for years to pass a bill which would compensate those who were injured or who had sustained losses because of that great disaster. It was due, to a large extent, to his persistence and his careful guidance that some $17 million was paid to the claimants. I know that each one of them would join me in extending greetings to Walter and all good wishes for the future, and particularly that his present illness may be short, and his recovery soon and complete.

Mr. MACDONALD. Mr. Speaker, I join with all my colleages in the House today in paying well-deserved tribute to Walter Lee, who is retiring at the end of this session of Congress as counsel for the Claims Subcommittee of the House Judiciary Committee.

Shortly after I took the oath of office as a Member of the 84th Congress I met Walter Lee. From that day on we have been very good friends. I regard him as one of the finest men I have ever known in any walk of life. I am indeed grateful to Walter for his outstanding service and for the many instances in which he has personally assisted me with my congressional duties.

Mr. Speaker, if anyone were to sketch a word portrait of Walter Lee they would certainly depict a public servant who was cheerful and cooperative to the Members and their staffs on Capitol Hill. Regardless of what others might present in their sketch, my portrait of Walter Lee shows him to be a man of honor, integrity, and certainly a true American.

Our friendship has been, at least to me, a source of inspiration and pleasure which has grown more rewarding with each passing year. Therefore, I hope the future will afford more opportunities for pleasant association between us, and that I shall have the pleasure of seeing and talking to Walter from time to time. In any event, it is my wish that Walter Lee and his family may enjoy good health and the very best of everything for years to come.

Mr. ELLIOTT. Mr. Speaker, it is with a great deal of pleasure that I rise to commend Mr. Walter R. Lee, the man we are honoring today. Mr. Lee is to be praised for his years of dedicated service to his State and to his Nation. His long record of public service has earned him the admiration of his fellowmen and has placed him in a position where he has had the respect of all of those with whom he has worked. His honesty, integrity and friendly counsel have been beacons of faith to those of us who have learned to depend upon him during these past years.

A veteran of World War I, member of the American Legion, the 40 and 8, the Masons, and the Methodist Church, Mr. Lee has served with distinction in every position he has held. Before coming to Washington he served the people of his home county—Hinds County, Miss.—for 2 terms as their tax assessor. From Jackson, Miss., he came to Washington in 1940, to serve as clerk of the Subcommittee on Claims of the House Judiciary Committee, in which position he served until the passage of the Reorganization Act in 1946 when he became the legislative assistant to the Subcommittee on Claims of the House Judiciary Committee. He has served in this position continuously since that time.

Mr. Lee has always served with distinction and it is in efficient public servants like him that we, the Members of the U.S. House of Representatives, have learned to place our trust and have looked to when we need that extra bit of help which the hard working committee staff members so willingly give.

So it is with sadness that I realize that the Congress is losing the services of one of its most trusted and valuable employees. I have just one warning: If the fish and game of Hinds County, Miss., are pursued by Walter Lee with the same vigor and persistency as he pursued his works on the Claims Subcommittee, there will be a whole lot less game for the other hunters and fishermen.

He has my best wishes always. It has been a privilege to call Walter Lee "friend."

Mr. CHENOWETH. Mr. Speaker, I wish to join my colleagues in paying tribute to Walter Lee. I am happy to see him receive this recognition today which he so richly deserves.

I met Walter Lee when I first came to Congress in 1941. My first assignment in the 77th Congress was to the Committee on Claims. The chairman at that time was Dan McGehee, of Mississippi, and Walter Lee was the very efficient clerk of the committee. I was a member of this committee for 6 years and during this period worked very closely with Walter. I had the opportunity to observe his work and conduct, and I formed a very favorable impression of him, which has been confirmed by my contacts with him over the years.

Walter Lee was always courteous and anxious to be of help. The Claims Committee at this time handled a large number of private bills, and Walter had the responsibility of seeing that the bills received prompt and adequate consideration. He did an excellent job and it was a real pleasure to work with him.

In recent years I have had occasion to call Walter from time to time about pending bills. I have always found him anxious to serve and to be of any assistance possible. He has certainly been very helpful to me, and I want to acknowledge the debt of gratitude I owe him.

The retirement of Walter Lee will be a great loss to the House, not only to the members of the Judiciary Committee, but to each of us. I hope Walter enjoys his retirement, and I wish him much happiness in the years ahead. I shall always treasure pleasant memories of our friendship.

Mr. AUCHINCLOSS. Mr. Speaker, under permission granted to Members to extend their remarks about Walter Lee, I am most pleased to have this opportunity to record my appreciation of his services during the 21 years that he occupied the responsible position of executive secretary of the Committee on the Judiciary. Mr. Lee became associated with the Congress only a few years before I was elected but immediately it was evident by his interest in the problems of my office that he was dedicated to his job. He fulfilled his responsibilities to the very highest degree and it is no wonder that he made so many friends among the Members of Congress. Always courteous, always efficient, and always available to discuss any problem that came within his jurisdiction with any Member of the House, I join my office staff in expressing our appreciation and thanks to him for his never-ending courtesy.

It must be a great satisfaction to him at this time of his retirement from public office to leave knowing that he has done his job well and has merited the praise and thanks of the Members of the House. I hope that the days to come may be filled with many rich blessings and I know that he will look back with contentment and satisfaction over the years which he spent in the service of his Government.

Mr. McCORMACK. Mr. Speaker, many of my colleagues and I were saddened to hear of Walter Lee's decision to retire at the end of this session of Congress. For more than 21 years, he has served faithfully and efficiently as legislative assistant to the House Subcommittee on Claims. We were further distressed to learn of his brain hemorrhage and cerebral upset last week which confined him to a hospital for emergency treatment. We note that improvement has been made and that he is now resting quietly at home with his loved ones.

Walter Lee will be sorely missed by many of us in the Halls of Congress. Fifty-one Members are still in the House of Representatives who were here when Walter first came to serve more than two decades ago. All of us who have had anything to do with this House subcommittee will remember him for his cheerfulness and cooperation in preparing and handling the difficult and complex claims bills presented to Congress. In his work, Walter Lee was one of those quiet, capable, conscientious souls who are never fully appreciated until they have left. Only then is the full measure of their contribution, of their helpfulness, of their devotion, realized. We wonder, certainly in the case of Walter Lee, how we are going to get along without him.

At this time let us, first of all, pray that our colleague will soon regain his health. Then may we all wish him and his wife many happy, rich, and full years of retirement that they so richly deserve.

Mr. WEAVER. Mr. Speaker, time has been set aside by the House to honor one of its finest servants and a man who has done long and excellent service for the people of the United States over many years. I refer to Walter Lee, who is retiring from active duty with the House Committee on the Judiciary.

Almost every Member of the House has, at one time or another, had a problem to deal with that came to the attention of this fine committee. And, unless one is an attorney or has had long experience with these problems in the House, one is at a loss as to where to turn and what course of action to follow.

That is, one would be if it were not for the fact that the committee has had on its staff Walter Lee. I know from personal experience that on many occasions I have had to prepare legislation or to follow up legislation and have not known from past experience exactly where and how to proceed. On these occasions I have always been able to turn to Walter Lee for advice and help. He has always been there to give that kind of advice and has always been eager to help.

Walter Lee is leaving the Judiciary Committee staff. He will be sorely missed, particularly by the new Members of the House, who will not—as I have had—have the opportunity to turn to Walter Lee for his sound advice and counsel.

In closing, might I add that Mr. Lee's help was never a matter of partisanship. Whether a member of the Republican or Democratic Party, Mr. Lee was equally helpful when asked by a Member of Congress for assistance.

In his retirement, the public is losing a good and faithful servant. My one wish is that Mr. Lee will, in the remaining years, enjoy the life of retirement he has so well earned. I know that if to look back on a life of service brings happiness, Mr. Lee will be one of the happiest men on earth.

Mr. LINDSAY. Mr. Speaker, it was with a real sense of shock that I learned of the illness of Walter Lee, for many years the efficient "chief of staff" of Subcommittee No. 2 of the Judiciary Committee on which I am honored to serve. Mr. Lee has shepherded the work of the Claims Subcommittee through many difficult and crowded legislative sessions, and I am sure we all hope to see him soon restored to full health.

Mr. WILLIAMS. Mr. Speaker, for a third of a century my life long friend and neighbor, Walter Lee, has rendered devoted public service to his fellow man. As an elected official of Hinds County, he served the people of Mississippi, and as an aide to the House of Representatives, he served the people of all the States.

Walter Lee has contributed much to the important work of the House of Representatives. Although overburdened with multiple duties, he nevertheless always found time to give courteous attention to the problems of Members and their staffs. I can personally attest to his efficiency, devotion to duty, and integrity. He has been of invaluable assistance to the district I represent.

Walter Lee will be missed here. His friendliness, wit, and human qualities will leave a void that will not be easily or quickly filled.

There is consolation for me in the fact that the Congress' loss will result in a net gain for my congressional district and the State of Mississippi. He is returning to his home in Jackson. There he will have time for old friends and civic activities. With his charming wife, Helen, and his granddaughter, Walter can continue his service to man in a less complex atmosphere. Surrounded by mementos of a life given to public service, he will enjoy a less frenzied existence. Such will be richly deserved.

Fortunately, I will be able to visit with Walter Lee in the future—more often than other Members—because his home is only a few miles from mine. Therefore, I will continue to have the benefit of his wise counsel.

My sincere good wishes go with him in his future undertakings.

Mr. CAHILL. Mr. Speaker, I regret that I was not on the floor of the House when the distinguished chairman of the House Subcommittee on Claims of the Judiciary Committee [Mr. LANE], addressed this House in a very factual yet heart-warming tribute of Walter Lee.

I join my distinguished friend from Massachusetts and the other distinguished members of the subcommittee in praising Mr. Lee upon his completion of 21 years of loyal and efficient service to the House Judiciary Committee.

Since I am a freshman in the House, Mr. Lee's aid to me was of immeasurable help in guiding me through the early procedures of the committee work. I found him at all times considerate, patient, genial, and friendly. I know from my experience on the committee of the great contributions he has made to the success of this committee. I know from having talked to him that he shall miss his association with the House committee and the Members, but I know, too, the memories he takes with him will be pleasant ones and will grow more pleasant as the years go by.

I wish for Walter Lee many years of happiness with his friends back in Mississippi and trust that he will enjoy to the fullest the retirement he has so richly earned and deserves.

Mr. ROGERS of Florida. Mr. Speaker, it was with deep regret that we learned of the upcoming retirement of Walter Lee, of the Judiciary Committee staff, as we feel the Capitol will lose the services of one of its most able and dedicated aides.

By his friendly and sympathetic handling of every request, Walter Lee has established a guide of service for many to follow. He has always been most helpful to everyone who has found the need for information and advice from the Judiciary Committee.

I am sure that Walter will enjoy some time for rest and leisure, well earned by his many years of fine service here at the House of Representatives, but we will all miss his prompt and helpful assistance which has often been taken for granted because of his consistent efforts to give his full attention to every case and request to him.

Mr. THOMPSON of Louisiana. Mr. Speaker, through my tenure of office it has been my great privilege to have known and associated with Walter Lee, a native of Mississippi and a dedicated servant of Congress in Washington for many years. It is with great reluctance that I accept the fact that Walter is retiring to a well-deserved vacation. However, it is my hope that he will have many years of happiness ahead with his lovely wife, pursuing those things of which he dreamed for many years. His unselfish service in Washington will serve as an inspiration certainly for me and, I am sure, for the many others whom he has "faded on" by association over the years. I hope it will be my good fortune to visit with Walter in the future and maintain the warmth of friendship over the years with this great American.

Mr. SMITH of Mississippi. Mr. Speaker, it is with mixed emotions that I learned of the recent retirement of Walter Lee from his important post of counsel to the House Judiciary Subcommittee on Claims. Through the years I have grown accustomed to relying on his wellspring of knowledge and his dependable judgment, and it is, therefore, with something near regret that I see him go. On the other hand, I realize that the faithful and competent fulfillment of the heavy demands for his personal service merits a well-deserved rest, and it is my prayer that he may enjoy peace and good health within the circle of his friends and loved ones throughout many years to come.

It is a source of pleasure for me to recall the warm personal friendship that I have shared with Walter Lee over the years, and it is my hope that I have not imposed on our friendship in a professional capacity. He has always taken a keen interest in the problems of my office, as he has those of every Member during more than 20 years, and for his innumerable services, I shall be eternally grateful. It would be especially remiss for me to have passed up this opportunity to pay tribute to Walter Lee, a grand gentleman, an excellent lawyer, and a great fellow Mississippian.

Although Walter Lee has vacated his office, the memory of his cheerful and cooperative spirit, his quiet dedication, and his personal ability will linger on as an inspiration to those of us who remain. It is to be regretted that he was the victim of a brain hemorrhage last week, but it is comforting to note the rapidity with which he is recovering. My prayer is for the swift and complete restoration of his health so that he may fully enjoy with his gracious and charming wife and family the years of retirement which he so rightfully deserves.

Mr. ABERNETHY. Mr. Speaker, when I came to the Congress in January of 1943, a new, green and inexperienced freshman Congressman, Walter Lee was among the first to visit my office to extend a cordial welcome to the Hill, and to make his guiding counsel available. Although I did not know Walter personally before that time, I had known him by reputation—a reputation which was good, indeed. He comes from a prominent and refined rural family most of whom I know personally.

Mr. Speaker, I take great pride in the fact that Walter is a native of my congressional district. While the citizens of the city of Jackson and of Hinds County in Mississippi claim him as their own, in reality he belongs to the people and the soil of Calhoun County, Miss., where he first saw the light of day and lived until his maturity. Even after all of these many years since he has lived and worked in Jackson and in Washington, Walter himself looks upon his native county as home. He frequently returns to the scene of his youth so as to

renew and enjoy the associations of his early life and the worship in the little country church where he first came to know and dedicate himself to the service of the Supreme Ruler of the Universe.

Observing and appreciating his high quality and ability, Walter was persuaded by the beloved Congressman Dan McGehee, of Mississippi, to assume the clerkship of the old Claims Committee. He served with such proficiency that upon the party switch in chairmanships which was effected in the 80th Congress, Walter was urged to stay on as clerk of the Claims Committee. In fact, the late, lamented and lovable Judge Jennings, of Knoxville, who was slated to assume the chairmanship of the committee in the 80th Congress, conditioned his accepting this high responsibility upon the committee reelecting Walter as the committee clerk. There was no issue about it. He was retained and has there remained throughout these many years.

This, Mr. Speaker, is proof of the fact that Walter was then and is now one of the most efficient committee clerks ever to serve on Capitol Hill. It is further proof that Walter has endeared himself to all Members of the House of Representatives, both Democrat and Republican. With his wonderful smile, penetrating personality and accommodating spirit he has established for himself the reputation of being everyone's friend, which indeed he really is.

Walter has earned the retirement which he is now about to enjoy. As he leaves our midst he does so with our profound thanks for his valuable services and with our good wishes to both him and his charming and attractive wife, Helen, that they will enjoy many restful, pleasant and happy years in their dream house down in the good Magnolia State of Mississippi. We wish them well and we particularly wish for Walter a speedy recovery from his current illness.

Mr. WHITTEN. Mr. Speaker, the retirement of my good friend, Walter Lee, is a real loss to the Congress. Never have we had a more capable, affable, and conscientious man to handle the highly complex matters which come before the Judiciary Committee.

I first knew Walter Lee when he was an outstanding public official in Mississippi many years ago. Then, as now, he reflected credit to himself in his handling of any job. Through the years we have been close personal friends. While we lose him here, it is Mississippi's gain, for he and his wonderful family are returning to Jackson to make their home.

We wish for him many happy and fruitful years in that fine city, Jackson, in what to me is the finest State, Mississippi.

PANAMA CANAL: THATCHER FERRY SITE BRIDGE

The SPEAKER pro tempore. Under previous order of the House the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, it has been my privilege to address this House on many occasions with regard to various questions related to the Panama Canal. In the course of my studies of this complicated subject as a member of the Appriations Subcommittee dealing with Panama Canal affairs, I have been impressed by the range of the vision of the original planners of the Canal and of the authors of the 1903 Hay-Bunau-Varilla Treaty, which authorized the acquisition of the Canal Zone in perpetuity, construction of the Panama Canal, and its perpetual maintenance, operation, sanitation, and protection.

But the framers of this key treaty and the early planners did not foresee everything. One significant failure was omission of a treaty stipulation for an adequate public crossing of the waterway for use after construction. As a result, the Canal Zone and the Republic of Panama were cut in two, causing the greatest inconvenience to residents of the isthmus and making remedial action imperative.

Though this situation was recognized even during the construction era, the first to meet it adequately was Representative Maurice H. Thatcher, of Kentucky, a former member of the Committee on Appropriations, who, during the period 1910–13, had been a member of the Isthmian Canal Commission and Civil Governor of the Canal Zone, and was thus thoroughly acquainted with isthmian needs.

In 1929, Representative Thatcher introduced, and later secured passage by the Congress of, legislation approved May 27, 1930, authorizing the establishment of a free ferry system near the Pacific entrance of the canal and construction of a road connecting the western ferry terminus with the road system of Panama, each project officially named in his honor upon Panamanian suggestion.

During both peace and war these two projects, which began operating in the fall of 1932, proved to be most important contributions to Isthmian life and post-construction era development—essential for the millions of passengers and hundreds of thousands of vehicles which have annually used them. Thus, their names have been clearly woven into the fabric of Isthmian history.

Growing vehicular traffic, however, led to demands by Panama for greater canal crossing capacity at the Pacific end. In response to these demands one stipulation in the 1955 Eisenhower-Remon treaty was a provision for construction by the United States of a bridge to replace the Thatcher Ferry. Authorized by legislation approved July 23, 1956, construction on the bridge project, originally estimated to cost $20 million, started in January 1959. The bridge will cross the route of the Thatcher Ferry and connect with the Thatcher Highway.

Tentatively scheduled for completion in December 1962, the Thatcher Ferry Bridge will more adequately meet increasing traffic demands, serve as a link in the Pan American Highway, contribute further to Isthmian life and developments, and, it is but fair to state, constitute another monument to the generosity of the United States in dealing with the Republic of Panama.

An informative summary of the history of the Balboa crossing by Elmer B. Stevens, resident engineer for the bridge project, was published in the September-October 1959, issue of the Military Engineer, the Journal of the Society of American Military Engineers. The article is accompanied by the following biographical sketch of its author:

Elmer B. Stevens is resident engineer for the Balboa Bridge report. He was employed primarily in the field of bridge engineering in the United States before going to the Panama Canal in 1936 where he has since been identified with the structural aspects of a number of large projects in the Canal Zone. Prior to his present position he was structural engineer for the Panama Canal Company. Mr. Stevens is a graduate of the University of Vermont.

In regard to the question of major canal improvements now being considered by a special board of consultants under the direction of the Committee on Merchant Marine and Fisheries, it is gratifying to note in the article that author Stevens states that engineers have recognized the futility of passive defense measures against modern weapons. This view has been consistently advocated by leading Members of the Congress who have studied canal defense problems in connection with the question of type of canal, most notably Senator THOMAS E. MARTIN, of Iowa, and Representative CLARK W. THOMPSON, of Texas, whose views are extensively recorded in the annals of the Congress.

The indicated article follows:

THE LAND REUNITED

(By Elmer B. Stevens)

Fifty years ago on the Isthmus of Panama the 400-year-old dream of a western passage by sea to the Orient was being realized. The activity that gave birth to the phrase, "The land divided, the world united," was under a full head of steam in a very literal sense. It puffed erratically from the exhaust ports of a thousand cylinders on shovels, dredges, locomotives, hoists, donkeys, and cranes. Thousands of backs sweated under the combined effects of a tropical sun and the relentless goading of construction bosses, and were periodically cleansed and cooled by tropical showers that also turned to steam when they hit the ground.

In the midst of this dedicated advance toward a goal on which the eyes of the world were focused, it is not surprising that an unrecognized injury was inflicted on the local scene. The process of dividing the land and uniting the sealanes of world commerce also divided a newborn country into two geographical components. At the time, this had little significance; not only was the country politically new, but also it was physically undeveloped. A single unimproved road threaded its way from the city of Panama, on the east side of the proposed canal, across the site to distant palm-thatched villages in the western provinces. Wet-season mire and dry-season dust limited the use of the road primarily to cattlemen herding their products to market and returning with supplies carried on the backs of animals or in oxcarts. An automobile was still a curiosity. If the changes of the next 50 years had been at the same rate as those of the

past, it is doubtful that the local effects of the land divided would yet be significant.

It is to the credit of the builders of the Panama Canal that they were aware of a future problem in connection with vehicular traffic across the canal. A tunnel under the Pacific end was considered in 1913 and a design and cost estimate were prepared. The cost was probably less a deterrent to approval of the project than the effect it would have had on the construction schedule of the canal. The tunnel was sacrificed for expediency and, for nearly three decades following the opening of the canal in 1914, most transcanal traffic was handled by ferries, the only exception being a limited amount that crossed specially prepared decks on the sea gates of the locks at Pedro Miguel and Gatun.

By the late 1930's, the rapid growth of Panama and the expansion of military bases in the Canal Zone revived interest in a rapid and convenient means of crossing the canal. As in 1913, a tunnel was preferred to a bridge, but for different reasons. In 1913 a tunnel would have been less costly than a high-level bridge because much of the necessary excavation for a tunnel existed as a byproduct of the locks construction. In the pre-World War II period, passive-defense concepts favored a tunnel, despite the cost, as being less vulnerable to aerial bombardment and sabotage. In late 1941, negotiations were underway with an engineering firm to design a tunnel but subsequent involvement in World War II caused further planning to be postponed.

In the meantime, partial relief to growing traffic was afforded by the construction of a swing bridge across Miraflores locks which was opened in 1942. This bridge was built primarily as an aid to the construction of the third locks project which was started just before the war and stopped because of it. Had this facility not been constructed, however, the ferry service could not have handled the postwar traffic. This bridge now carries the major portion of transcanal traffic, but its location as well as the delays caused by the ever-increasing marine traffic, make it an unsatisfactory answer to the problem.

The justification for a more convenient crossing of the canal was recognized in 1942 in an agreement between the United States and Panama. Recognizing the futility of passive defense against modern weapons, engineers have now decided upon a bridge rather than a tunnel as the most desirable and practical crossing. Always more economical than a tunnel, except for the special conditions that prevailed in 1913, a bridge provides the most convenient passage between the two parts of Panama. In early 1955, the cost of a high-level bridge at Balboa was estimated. Panama's increasing needs were again officially recognized in the 1955 Eisenhower-Remon treaty revisions, and the construction of an adequate bridge became a specific item in the new treaty. The bill authorizing it was passed by Congress and signed by the President on July 23, 1956.

The need for a convenient crossing of the Pacific end of the canal is evident from the map, figure 1. The two principal cities, Panama and Colon, and the international airport at Tocumen, lie on the east side of the canal; most of the remaining population, and the most highly developed agricultural area, lie on the west side. Many Panamanians living on the east side of the canal own farms, ranches, and business establishments on the west side, as well as vacation and weekend homes in the mountain areas or along the seashore. Cattle, sugar, and other industries of western Panama are expanding and the "cowboys" now come to the city in modern automobiles, and the cattle are brought in trucks. The city itself has more than doubled in population in the past 20 years. A convenient means of access to regions adjacent to the Canal Zone on the west side of the canal in the vicinity of Arraijan would open a large new area for suburban expansion. A high-level bridge ending on the border of Panama City would bring traffic from that area into the heart of the city in less time than it takes those who commute from the outlying areas to the east and northeast.

The present facilities for crossing the canal are already inconvenient for regular commuters from the west side. The Ferry at Balboa cannot handle the present volume of traffic and the longest delays at the swing bridge over Miraflores Locks generally occur at the rush hours in the morning and at night.

In addition to the local traffic of Panama City, long distance trucking from the western half of Panama to the terminal cities is constantly increasing along with agricultural development. Completion of the Pan American Highway all the way from the United States to Panama City is now scheduled within about the next 2 years. With that event there is bound to be a great increase in the long distance traffic, much of which will be trucking. Extension of the highway through the Darien Gap in eastern Panama to a connection in Colombia is now accepted as a possibility before long. When that occurs, the Balboa high-level bridge will be an important link not only in the Pan-American Highway, but also the Inter-American Highway.

If a crossing of the canal had been constructed in 1913, or soon thereafter, it undoubtedly would have been built at Pedro Miguel Locks or just to the north. The road from Panama City to the interior of western Panama led from that vicinity at the time. Subsequent construction of Thatcher Highway from the west side of the canal opposite La Boca to Arraijan on the Canal Zone-Panama border, and improvement of the road in Panama from Arraijan to Chorrera, has long since deflected trans-canal traffic to Mirflores and La Boca. Location of the now-proposed bridge, therefore, was narrowed to that portion of the canal bounded by these areas.

A location in the general vicinity of Miraflores would have provided a more direct connection with the Trans-Isthmian Highway between Panama City and Colon, which was constructed during the war, and along which there has been a phenomenal growth of Panamanian industry and residential areas. To be satisfactory, however, this location would have involved long elevated approaches, a longer major structure, serious complications with existing Air Force and Naval establishments, and would have been less satisfactory as a future link in the Inter-American Highway. The probable cost could have been double that of the authorized bridge at the La Boca site. Moreover, it would have been vulnerable to possible future plans for a modernized canal.

The site chosen at La Boca, which crosses the present ferry route at about a 40-degree angle, will bring traffic from western Panama to the edge of Panama City at a point where there is a choice of routes available for traffic destined to points beyond. As a link in the future Inter-American Highway, the selected site will be ideal when Panama City constructs a proposed connection between two existing wide avenues along its Panama Bay waterfront. Suitable foundation conditions have been found along the desired site at reasonable depths and, while approaches will necessarily have reversed curvature, they should be satisfactory. Navigation requirements dictate a lateral clearance normal to the canal axis of 1,000 feet between main piers and a vertical clearance of 201 feet above mean high water.

A cantilevered tied-arch type of bridge, (fig. 2), was selected and a contract was let for the final design.[1]

The estimated cost, including approaches and engineering, still stands in the neighborhood of the originally estimated $20 million and the tentative date for completion is December of 1962. Work on the approaches started in January 1959 and the contract for the main substructure was awarded in June.[2]

In view of general world conditions, the timeliness of this project is significant. Unity and solidarity of the Western Hemisphere has never been more important than it is today. The symbolism of this structure, as a uniting element between two parts of a country, two continents, two peoples, and as a link in an internatinal highway, far overshadows its physical proportions.

[1] Sverdrup and Parcel Engineering Co.

[2] To Fruin-Colnon International of St. Louis, Mo., and LeBoeuf & Dougherty, Inc., of Richmond, Calif.

CIVIL RIGHTS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 5 minutes.

Mr. HALPERN. Mr. Speaker, there is presently before the House a resolution providing for the consideration of H.R. 8601, the Civil Rights Act of 1959. House Resolution 362 would enable a petition to be signed for the discharge of H.R. 8601 from the Rules Committee.

Ordinarily I would be most reluctant to sign such a petition which bypasses the normal processes for the consideration of legislation. It would have to be an extraordinary situation that would impel me to support such a move.

That, precisely, is what I believe we are confronted with at this time. The 1st session of the 86th Congress is drawing to a close. The Congress has not had an opportunity to debate legislation in this very vital area and, unless emergency procedures are taken, it is entirely likely that the session will terminate sine die without the Members being afforded this possibility.

It is because of my deep concern lest we do adjourn having failed in our responsibility that I shall sign the discharge petition. At this late date, it is the only remedy possible.

I urge my colleagues to do likewise. The resolution is a reasonable document which provides for 2 days of debate after the bill has been discharged, and unlimited amendment under the 5-minute rule.

It is our God-given destiny as a nation to be continually enhancing the significance of the individual and respect for human dignity. We have an unsurpassable heritage of liberty and responsibility to protect and expand. This is our priceless gift to the ages. We cannot stand still.

Mr. Speaker, I strongly urge the Members to sign the petition next week to provide for bringing to the floor for reasonable debate and consideration H.R. 8601 before this 86th Congress terminates its 1st session.

INTEREST RATES ON GOVERNMENT BONDS

Mr. QUIE. Mr. Speaker, I ask unanimous consent that the gentleman from

Utah [Mr. DIXON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DIXON. Mr. Speaker, by shirking its responsibility to face up realistically to the situation that calls for higher interest rates on Government bonds, it is my opinion that the leadership of the Democratic Party is doing the people of America a great disservice. The issue should be permitted to be voted on in a clear cut fashion by both the House and the Senate.

I wholeheartedly agree with Senator BYRD who is reported as saying:

It seems to me to be somewhat inconsistent for the House to alibi itself around this very important matter when it has allowed the Senate no opportunity to act. Under the Constitution and custom the House originates legislation relating to taxation, debt, interest, etc. As the House, after weeks of consideration, has passed no interest rate bill, the Senate has had no opportunity to act. * * *

As chairman of the Senate Finance Committee, I want to say to the distinguished Speaker that should the House pass such legislation, I will immediately call a meeting of the Finance Committee for action on it. I do not pretend to speak for what either the Senate Finance Committee or the Senate will do, but I regard some legislation as vital in the fiscal crisis involving the sale of Federal bonds which now confronts us.

We must be realistic. We know interest rates on nearly all non-Government issues of securities have increased, and the Government must meet the prevailing interest rates. I deplore this, but such is the case. * * *

Within the next 12 months the Government must borrow at least $85 billion, and, under present legislation, this enormous sum must be sold in short-term securities * * *.

There is not a single Treasury bond selling at par, and some are selling as low as 81, meaning that the purchaser of that particular issue of bonds at par has had a loss of 19 percent on his principal.

I personally am convinced that it is imperative that this Congress act before it adjourns, to increase the rate on Series E and H savings bonds which are held by small investors. Holders of these savings bonds are now paid an interest rate of 3 percent for the first 3 years and 3¼ percent if held 8 years and 11 months to maturity, while the large owners of Treasury bonds, at present quotations, can earn as much as 4.67 percent. This is not only a great injustice to the 40 million citizens who own $42 billion in series E and H savings bonds, but we can not overlook the fact that the owners of savings bonds have the right to cash them in, after 60 days and, should they do so, a crisis of first magnitude will confront the U. S. Treasury.

It would be calamitous if we tried to solve this problem by forcing the Federal Reserve System purchase of more Government bonds. This would mean printing money. Unquestionably it would lead to disastrous inflation * * *.

We have already lost one-half of the purchasing power of the dollar in 20 years. Inflation is our No. 1 problem. We must balance our budget, soundly finance our indebtedness and begin to pay off the principal, and do those things that any prudent man would do when faced with such conditions as confront our country today.

Mr. Speaker, for a number of years I had charge of three victory loan bond drives in my home county and I went all out to stake my reputation on U.S. bonds as a good investment and their purchase a patriotic duty. I am ashamed to say that the people who have bought our bonds have been exploited from start to finish and that failure to raise the interest on savings bonds so that they can go part way at least to compete with other investments will surely undo all the good we have done in teaching our people to save through investment in savings bonds.

Mr. Speaker, I call your attention and the attention of the Members of the House to a telegram from Frederick P. Champ, the Utah chairman of the U.S. savings bond program, as follows:

As Utah chairman U.S. savings bond program and worker in bond program since its inception I am sold on its basic importance in management of Federal debt and in providing individual and community reserves which time and again have proved their value. Upward adjustment of interest yield on these bonds to make them competitive is vital to the survival of this important program and we in Utah who are working as volunteers urgently bespeak your support of the Treasury's recommendations.

THE GERMAN-POLISH SITUATION

Mr. QUIE. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. REECE] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, on the eve of the 20th anniversary of Nazi Germany's attack on Poland, Chancellor Konrad Adenauer, speaking in the name of the German people, expressed his conviction that "the new Germany will some day be a good neighbor of Poland." This news report from Bonn in today's papers will highlight two statements of policy that were adopted on August 24, 1959—3 days before the President's visit to the West German Chancellor—at a meeting in Bonn of the federal delegates of the Union of Expellees.

The latter is the consolidated organization of all German expellees and refugees from the area east of the Iron Curtain. The membership of the Union of Expellees, exceeding in numbers that of the West German labor union or any veterans' association, makes it the largest organization of any type in West Germany today.

It was last winter that the several federations of those Germans who at the end of World War II had been expelled from their home Provinces of East Prussia, Pomerania, Silesia, from the Sudetenland and from the various East European countries, that were overrun by the Reds, merged into one, the Union of Expellees, and elected their presiding committee.

The Union of Expellees is headed by Dr. Hans Krüger, a judge from Pomerania and today a member of Dr. Adenauer's CDU Party in the West German Bundestag. The presiding committee includes also Dr. Alfred Gille, a former mayor and since many years the speaker of the East Prussians whose visit to Washington, when he was a member of the Bundestag, is still well remembered here; Wenzel Jaksch, a Sudeten German and Bundestag member of the Social Democratic Party and, during the Hitler regime, a refugee in Great Britain; Dr. Lodgman von Auen, the venerable speaker of the Sudeten Germans; and Reinhold Rehs, another East Prussian and an up-and-coming Bundestag member of the Social Democratic Party.

The wording of both statements reflects the wise moderation that is a noteworthy characteristic of the attitude of the German expellees. It shows a politically mature mind as well as a firm belief in the universal principle of equal justice under the law.

Mr. Speaker, I ask to have the two statements included at the end of my remarks and I hope both statements may have the careful consideration of the Committee on Foreign Affairs.

The statements follow:

I. CONCERNING THE VISIT OF PRESIDENT EISENHOWER

In saluting President Dwight D. Eisenhower we welcome the representative of the freedom-loving American people and the ally of our German democratic commonwealth. We ask him to convey to his people the greetings of the German expellees and their prayer for peace.

More than 12 million Germans, most of them expelled from their homeland east of the Oder and Neisse Rivers and others being refugees from central Germany, are today living in the German Federal Republic; while another 3 million German expellees are among our 17 million enslaved fellow citizens in the Soviet zone of Germany.

After the fighting of World War II ended, a total of 14 million Germans were deprived of their property and deported from their homes. The number of Germans killed in the process of these mass deportations of peoples is larger than the number of German soldiers that died in the course of World War I. But a wall of silence surrounds the 3 million men, women, and children who perished during that expulsion.

Our own fate is witness for the huge sacrifice of life and property which totalitarian madness imposed upon the German people.

Out of the wreckage of the Third Reich a vigorous democratic commonwealth has grown up in West Germany. The effect resulting from Marshall plan aid is evident. The achievement in rebuilding our democracy should have silenced the charge that Germans are unfit to appreciate the blessings of peace and freedom.

Those Germans who were expelled from their homeland in the east have energetically joined in the work of reconstruction. With their large organization the German expellees constitute in West Germany today an element of political stability, of freedom-loving people standing on their own feet. And they have a feeling of close kindship with the 100 million enslaved people in Eastern Europe.

Mr. President, may this visit to Germany give you the assurance that the Federal Republic of Germany is a virile member of the worldwide fellowship of democratic nations. Never again will the German people endanger the peace of the world because we, all of us, on our own body have bitterly experienced the very curse of war and the insanity of totalitarianism.

Almost every fourth citizen of the Federal Republic is one of the people who suffered

the fate of being deported from their homeland or of escaping Communist terror. Many millions of our fellow citizens have lived in German cities through the inferno of World War II aerial warfare or have endured long years in prisoner-of-war camps.

None of us would think of war or revenge. What we endeavor to gain, however, is the reunification of the whole of our country and a lasting peace truly realizing for all peoples of Europe the right to freedom and self-determination.

II. To the Polish Nation

On September 1, 20 years will have passed when Hitler, bolstered by his pact with Stalin, attacked Poland and thereby started World War II. This war and its consequences has brought untold misery to Poles as well as to Germans.

Awareness of the evil with which in our minds even the memory of this day is connected admonishes us to sober self-reflection. The world is out of order. Humanity is longing for peace. Peace requires the clarification of German-Polish relations on a basis of law and freedom.

The barrier dividing us today is the twofold problem of the expulsion and the boundaries.

As against official Polish statements and without detriment to our legal rights, we Germans who are expelled from our homeland have time and again emphasized the necessity of seeking a peaceful and agreeable solution of this problem and have expressed our willingness to work toward this end.

The Union of Expelles has repeatedly recommended to our Government to enter into cultural relations with Poland as an initial step toward political conversations. The German-Polish situation cannot be seen in isolation. It is part of the wide area of tensions governed by the forces and interests of global politics of the world's major powers.

To make progress toward solving such a problem, much must depend upon the earnest determination and the good will of both our peoples. A recognition by each one of us of the principle of justice and human dignity is the sound basis for solving our mutual problem.

It is in this spirit that we Germans who are expelled from our homeland are ready to turn a new chapter in the history of our neighborly relations.

APPOINTMENT OF HON. CLEMENT J. ZABLOCKI AS U.S. REPRESENTATIVE TO GENERAL ASSEMBLY OF UNITED NATIONS

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KASTENMEIER. Mr. Speaker, I was pleased to learn recently that my good friend and colleague, CLEMENT J. ZABLOCKI, has been nominated by President Eisenhower as one of our representatives to the 14th session of the General Assembly of the United Nations which begins September 15, 1959.

CLEM ZABLOCKI has been an able Representative of the Fourth Congressional District of Wisconsin since 1949. During this period he has reflected great credit upon the people of Wisconsin and, more particularly, his constituents from the southern half of Milwaukee County.

The third ranking member of the House Foreign Affairs Committee, Representative ZABLOCKI has exercised excellent judgment and much ability in his work on this important committee. He is now chairman of the Southeast Asia, Far East, and Pacific Subcommittee. Previous to this, he was chairman of the Western Europe Subcommittee. In addition, he has been the chairman of several study missions.

CLEM ZABLOCKI, who is serving his sixth consecutive term in Congress, will take to the United Nations General Assembly a vast store of knowledge accumulated through the years he has served with honor and distinction on the Foreign Affairs Committee.

As the United Nations General Assembly meets for its 14th session, there are a great many grave international problems that will tax the patience and intellect of the various delegations. I believe it is indeed reassuring the CLEMENT J. ZABLOCKI will be one of our U.S. delegates to the General Assembly.

I wish to take this occasion to commend President Eisenhower for his appointment of CLEMENT J. ZABLOCKI. This is a tribute and an honor he richly deserves, and I know he will serve his country with distinction in his newest assignment.

IRON CURTAIN MADE IN U.S.A.—THE FACTS ABOUT UNITED STATES-CHINA TRAVEL

Mr. PORTER. Mr. Speaker, last June in London I talked with H. P. Chou, second secretary of the Chinese People's Republic's diplomatic delegation in the United Kingdom. Our conversation lasted for an hour and 20 minutes and took place at his Embassy on Portland Place. I wanted to find out why the Chinese government, a short time previously, had refused a visa to Averill Harriman and why their journalists had not applied for entrance to the United States.

My dealings, I add, were "contact not contract," to use HUBERT HUMPHREY'S phrasing of the distinction insisted on by the Logan Act. I had long been interested in the proposed exchange of journalists and its bogging down. Recently on the floor of the House I had suggested a mission to China, made up of Members of Congress, journalists, businessmen, and experts, to look into the conditions and potential of trade with the United States.

Mr. Chou told me the Iron Curtain was of U.S. manufacture. He pointed out that they had initiated the idea of newsman exchange. When I returned to the United States I reported my conversation to the Department of State. I asked the Assistant Secretary of State for Far Eastern Affairs, J. Graham Parsons, if we had made it clear in our negotiations with the Red Chinese that if their individual newsmen applied for visas, it was likely they would be allowed and thus the logjam would be broken so our journalists could get visas for China.

THE BEAM IN OUR EYE

His reply was that he did not know, but that we were not going to beg the Chinese to admit our journalists, something I had not suggested. I asked to see a transcript of the talks in Warsaw and Geneva between United States and Chinese representatives. Later I followed up with a similar request in writing and it was turned down. I went ahead to enlist the aid of the Library of Congress Legislative Reference Service and did some research on these negotiations as reported in the press.

My conclusion, we built the Bamboo Curtain, not China, or as the Bible puts it:

and why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye.

For many years now the American people have been told that if we only can hold out long enough in our policy of building a high wall around China, the Peking government is bound to collapse.

In a speech at the National Press Club last June 16, just at the time he was resigning as Assistant Secretary of State for Far Eastern Affairs, Walter S. Robertson said that he did not believe there was much chance of the Peking government collapsing.

This coincides with what our allies and American military men have been saying for years.

Yet we go on pursuing the illusion that by erecting this wall against trade and travel, by barring all exchanges, by refusing to negotiate with the Chinese at a level high enough to count—that by these actions we can bring about the collapse of the regime which is admittedly a cruel and vile police state.

This policy is not going to cause the regime to collapse. It works against our interests. It deprives us and some of our allies of the benefits of trade.

SECONDHAND INFORMATION

It compels us to go to the British or to the Indians or to other foreign sources to find out what is going on in the most populous country in the world.

It prevents Chinese correspondents and students from reporting objectively on the United States.

It prevents the growth of that sort of constructive relationship which can only develop as a result of contacts and direct associations between peoples.

To attain these disadvantages to our own interest we continue to maintain this great wall. In the process we reap another disadvantage: the compelled cohesion of the Communist bloc.

In tracing the sequence of developments in the negotiations relating to this question of travel, it becomes clear that under this administration the State Department has distorted the facts they give to the American public.

One dramatic proof of this distortion appeared recently on a national TV program when the President's press secretary, James Hagerty, stated that we were refusing to let our journalists go to China. He was, accidentally and through ignorance, telling the truth but not in accordance with the position of the Department of State.

As a token concession to the growing pressures in the United States insisting upon increased knowledge of what is going on in China, the Department has validated passports to the authorized representatives of designated news agen-

cies. At the same time the Department has told the American people that the responsibility for the newsmen not getting into China rests with the Chinese who refuse to grant entry visas.

STATE DEPARTMENT DOUBLE-SPEAK

The State Department has not told the American people that the Department knew full well at the time this action was taken that China would not grant visas. China would not grant visas for the plain and understandable reason that the United States has refused to declare openly that the United States, as a matter of policy, would agree in advance to the admission of Chinese correspondents on the basis of reciprocity and equality.

The State Department knew that for 3 years China had beeen urging high-level negotiations on travel, trade, and related questions. The administration could be reasonably sure that so long as we refused to engage in high-level negotiations on this question the Chinese would refuse to issue visas. Publicly the administration deplored China's Bamboo Curtain. Privately the administration welded together its own Iron Curtain.

When pressed on this point, the Department's spokesmen squirmed a bit and said that the immigration laws would not permit advance agreement for the admission of Chinese into the United States. When pressed further on the point, the administration conceded that United States and Soviet citizens travel through agreements and that the Department could exercise its waiver powers under the immigration laws. They then shifted to the tack that the Chinese are free to enter the United States but none have applied. This was the first the Chinese—who are still waiting for the high-level negotiations on the question—had heard of their admissibility.

AN INEFFECTIVE POLICY

It is quite clear that the basic intent of the administration is to continue to maintain its ineffective policy of massive insulation between ourselves and the people of China.

Let us trace the major developments which place the position of our Government in proper perspective.

In the spring of 1955 there was a threat of a Communist invasion of Formosa. Chinese forces were deployed along the coast of Fukien Province facing Formosa. The peoples of Asia feared the outbreak of war.

It was at that time, at the Bandung Conference on April 23 that Premier Chou En-lai made a proposal that the United States and China negotiate. Chou said:

> The Chinese government is willing to sit down and enter into negotiations with the United States to discuss the question of relaxing tension in the Far East, especially in the Formosa area.

This proposal was received by the Afro-Asian heads of state at Bandung as a gesture of reasonableness and in the interest of peace. In Washington, Secretary Dulles had gone to Duck Island and President Eisenhower was in Gettysburg. In their absence, Under Secretary Herbert Hoover, Jr., promptly cabled to Bandung rejecting negotiations.

PLUMMETING PRESTIGE

Within minutes, throughout the Afro-Asian Conference, the prestige of the United States hit rockbottom while Communist China gained stature as a result of its forthright proposal to negotiate our differences. Sir John Kotelawala, Prime Minister of Ceylon, expressed the sentiment, "It is a pity that the United States should have replied to China's offer without thinking."

In the U.S. Senate, Senator George, then chairman of the Foreign Relations Committee, said:

> When [Chou] says that he is willing to talk, then I think it is time that the high officials of this Government indicate a willingness to talk also * * *. It is never appeasement when a powerful country as the United States indicates a willingness to discuss problems.

Only then the administration belatedly and begrudingly agreed to negotiations on a two-point agenda. Point 1 was the return of Americans interned in China and Chinese in the United States. Point 2 was "other practical matters."

PRISONERS RELEASED

The negotiations opened in Geneva on August 1, 1955, with the United States represented by Ambassador Alexis Johnson and China by Ambassador Wang Ping-nan. On the day before the opening of the conference, China released 11 Americans. Subsequently she has released all but four of the Americans. The United States made provisions whereby any Chinese in the United States wanting to return to China could do so by reporting to the Embassy of India in Washington.

Since the negotiations first opened, China has pressed for negotiations on point 2, "other practical matters," with negotiations at a higher level than the ambassador level. By other matters, China mentioned such questions as removal of restrictions on trade and travel. This was also the intent of the original Bandung proposal.

As time passed the United States refused to consider point 2 until China would renounce the use of force and until all Americans were released. China refused to release all Americans until there was some concrete indication that the United States would discuss point 2—including agreements on trade and travel.

A stalemate resulted. In June 1958 the negotiations were terminated with the reassignment of Ambassador Johnson to Thailand.

FACTS TO BE FACED

On June 30, 1958, China issued a statement declaring that it would consider the Geneva negotiations broken up by the United States unless the U.S. Government resumed the talks within 15 days. On July 14 the United States said that the Chinese demand would be disregarded but that a few days after the 15 day deadline the United States would designate a new representative and propose a resumption of negotiations. In response Peiping said that while the United States had suspended the talks for more than 6 months unilaterally "a few days' delay is not so objectionable"—Peiping, NCNA, July 15, 1958.

It is not likely that the administration has intentionally used the remaining Americans in China as pawns in this insulation game it has been playing. In terms of results, however, I do believe that if our Government had proceeded with high-level negotiations on trade and travel in accord with the initial negotiation proposals, and the hopes of many Asians, many of our European allies and many Americans—there is reason to believe that the remaining five—one has been added—Americans would now be in the United States.

There is also good reason to believe that if we had concluded agreements on trade and travel the subsequent climate would have been such that by now we could have proceeded to consideration of such tension-producing, war-breeding issues as the reunification of Korea and the permanent status of Formosa.

Instead, in 1958 the Chinese threat to Formosa was again rekindled. Again at the instigation of Premier Chou En-lai negotiations were reopened, this time in Warsaw with the United States represented by Ambassador Jacob Beam. Again the United States opposes discussions at a higher level than the ambassadorial level. Again we are insisting upon perpetuating the massive wall of insulation between ourselves and the people of China. And at the same time, the State Department tries to convey the impression that China is responsible for refusing to grant visas to our newsmen.

CHRONOLOGY OF TRAVEL ISSUE

The following chronology indicates major positions taken by the United States and China with respect to travel:

On November 1, 1955, the State Department announced that it would validate no passports for travel to China until all Americans had been released. The Department stated that it could not expose others to the dangers until China had lived up to its existing commitments—New York Times, November 1, 1955.

On June 12, 1956, Ambassador Wang Ping-nan, breaking the secrecy of the Geneva talks, said that he had agreed to a meeting of Foreign Ministers within 60 days. On the same date the State Department said that negotiations could not be shifted to the Foreign Minister level so long as Communist China refused to make a meaningful renunciation of force and failed to return 13 Americans still held in prison.

On August 7, 1956, Communist China invited 15 U.S. newsmen for a 1-month visit. On the same date the State Department rejected the invitation stating that "it continues to be the policy of the State Department not to issue passports." The reasons stated were: First, that the Department could not protect passport holders if they were in Red China; and second, American citizens remained imprisoned—Department of State Bulletin, volume 35, page 314; New York Times, August 7, 1956.

On August 12, 1956, Chou En-lai again invited American newsmen "in order that they might see what China really was like"—New York Times, August 12, 1956. On August 24 President Eisenhower expressed "full concurrence" in

the ban on passports to newsmen—New York Times, August 21, 1956. On August 24, 1956, China ruled that it would not admit newsmen who were not in possession of U.S. passports. This ended the plans of those newsmen who intended to go to China without passports—New York Times, August 24, 1956.

On September 1, 1956, President Eisenhower stated that no one would rather send newsmen to China than he would, but it could not be allowed as long as China continued to hold American citizens as hostages—New York Times, September 1, 1956. On November 28, 1956, Premier Chou En-lai repeated his invitation to American newsmen to visit China—New York Times, September 1, 1956. On January 20, 1957, Ambassador Johnson stated that he had been using U.S. permission to travel as a bargaining point in attempting to obtain the release of 10 Americans still held in China—New York Times, January 20, 1957.

President Eisenhower said, on January 23, 1957, that he would not consider changing U.S. policy as long as China continued to hold American prisoners—New York Times, January 24, 1957. On January 27, 1957, Chou En-lai said that he would like "everybody to visit China"—New York Times, January 27, 1957.

ADAMANT DULLES

At a news conference on February 5, 1957, Secretary Dulles said that "newsmen and others are prevented from going to China because China uses the illegal detention of Americans as a means of pressure to accomplish its own ends. If Americans were released policy might be changed." He added that the issuance of passports to a regime which is not recognized is something which is never done even if the newsmen were to waive protection—Department of State Bulletin, volume 36, pages 300–305. Secretary Dulles further stated that Red China seeks to trade the release of Americans for U.S. permission for the newsmen to visit China—New York Times, February 6, 1957.

On February 21, 1957, news correspondent Arthur Krock published a new statement of the State Department's position. This listed the following reasons for the ban: First, Chinese blackmail; second, Wang Ping-nan's agreement to free prisoners as yet unfulfilled; third, signs of U.S. weakness weaken our allies; fourth, the ban not applied exclusively to newsmen but to missionaries, scholars, and so forth; fifth, the ban is not a violation of freedom of the press; sixth, there is no issue involved of the nonimpartiality of the newsmen; seventh, the President's proclamation of a national emergency is still in effect banning trade and travel; eighth, China refuses to renounce force in the Formosa area—having no diplomatic relations, the United States could not protect its citizens; ninth, a lawless regime is trying to win respectability; tenth, constructive action by Peiping will bring a review of policy, but not before—New York Times, February 6, 1957.

On March 5, 1957, a new reason was advanced. Secretary Dulles stated that Red China is trying to reestablish cultural intercourse with the neighboring countries; that this is dangerous to them and the United States must not set a bad example—Department of State Bulletin, volume 36, page 488.

MURPHY'S FIVE REASONS

In testifying before the Senate Foreign Relations Committee on April 2, 1957, Under Secretary of State Robert Murphy said that travel to China was banned for the following reasons:

First. A state of unresolved conflict exists. The national emergency proclaimed at the outbreak of the Korean attack is still in effect banning all trade and financial transactions; in time of war, travel in enemy territory is denied to U.S. citizens. In the present state of national emergency, travel is similarly denied.

Second. Red China constitutes a threat to Formosa and refuses to renounce force in the Formosa area.

Third. Since the United States does not recognize the Chinese Communist regime, diplomatic and consular protection cannot be extended—they still hold hostages.

Fourth. In their lawless acts the regime has cynically disregarded world opinion. Now they need respectability. One of the requirements of such respectability is trade and cultural relations with the United States.

Fifth. Since eight U.S. citizens are still held prisoners we would be yielding to a form of blackmail—Department of State Bulletin, volume 36, page 665.

On April 24, 1957, Secretary Dulles told a news conference that the question was whether "we can have a passport policy which will permit responsible newsgathering and at the same time not permit a general influx of Americans into Communist China." He said that the Department would be receptive to concrete suggestions.

A LINE THAT COULDN'T BE DRAWN

After repeating the earlier reasons for opposing travel, Secretary Dulles discussed the difficulties of drawing a line between newsmen and other persons desirous of entering China. Then Secretary Dulles declared:

> We have no intention of inviting Communist Chinese newspaper people to come to this country * * * since any such passports would have to be issued by a regime that we do not recognize as a government, it would not be practical to give a visa for such people who had credentials only stemming from the Chinese Communist regime to come to this country (Department of State Bulletin, May 13, 1957, p. 268).

In evaluating Mr. Dulles' remarks, the New York Times pointed out that some of the correspondents at the news conference "felt that Mr. Dulles was making such an official issue of the question that, if he insisted on official ground rules the Chinese Communists would withdraw the invitation and thus complete the ban"—New York Times, April 24, 1957.

A SUDDEN CHANGE OF POLICY—APPARENTLY

Against this background—having stated the firm policy that validated passports would not be granted until all American prisoners were returned; nor while the trading with the enemy act remained effective; nor until the Peiping regime was officially recognized; nor while the Korean emergency continued to exist—and having unequivocally declared that "we have no intention of inviting Communist Chinese newspaper people to come to this country." on August 22, 1957, the State Department then proceeded to authorize 24 American newsmen to go to China—Department of State Bulletin, volume 37, page 420; New York Times August 23, 1957.

Evidently the Department found its own argument unpersuasive. The response of the Peking government was outright rejection. The Peoples Daily, the official organ, declared that "the decision of the Department of State ignores the principle of reciprocity and is completely unacceptable—Jen Min Jih Pao August 26, 1957.

On August 28, 1957, Secretary Dulles said that the United States would consider the application of any Chinese newsman on its merits but would not give blanket permission to a group—New York Times, August 28, 1957.

Premier Chou En-lai responded on September 7, 1957, by extending a new welcome to Americans to visit China but only on a reciprocal basis—New York Times, September 7, 1957. On the following day he again called for a reciprocal exchange—New York Times, September 7, 1957. On September 12 Ambassador Johnson rejected a proposal of Ambassador Wang Ping-nan for a reciprocal exchange of newsmen—Department of State Bulletin, volume 37, page 33; New York Times, September 13, 1957.

In commenting on this rejection, the Chinese newspaper Chin jih hsin wen stated:

> On September 12 during the meeting of the Chinese and American Ambassadors, the Chinese Ambassador proposed to the U.S. Ambassador the exchange of newsmen of the two countries on the basis of reciprocity. Johnson replied that this could not be considered because of U.S. immigration restrictions. But this violates the principle of reciprocity and obstructs the interchange of personnel of the two countries. The Chinese proposal of the interchange of newsmen is issued on the principle of reciprocity; it is practicable and is in consonance with the desires of the Chinese and American peoples to promote closer relations between them. The American refusal to accept this proposal signifies the fact that the United States has no intention to take this step to fulfill the desires of the Chinese and American peoples. (Peiping, "People's Handbook," 1958, p. 435.)

WHY NOT EQUALITY AND RECIPROCITY?

Since that date the Chinese position has remained basically the same. On December 12, 1957, Wang Ping-nan proposed a comprehensive exchange and assistance agreement "on the basis of equality and reciprocity." This was rejected. As for the more recent shifts in the United States position, these have been within the framework of a continued policy of forestalling travel. On April 23, 1959, the State Department reversed its earlier tactic by challenging Communist China to have some of its newsmen individually apply for permission to enter the United States. The Department was "prepared to consider recommending to the Attorney General a waiver" of laws preventing visits by Communist Chinese.

This, however, did not satisfy China's insistence upon an advance agreement based on clear equality and reciprocity. The administration has continued to refuse to validate passports to applicants other than the authorized newsmen, including the applications of Associate Justice William O. Douglas and several Members of Congress.

Far from begging, our policy has been to sandbag the newsmen exchange program while pretending piously that the blame for failure should be placed on the Chinese.

However defensible the administration's position against allowing passports to our newsmen, and it was not entirely unreasonable, the passports were given to them.

The Secretary states publicly that if a Chinese newsman will apply, the Secretary will recommend a waiver of the Walter-McCarran Act to the Attorney General. If the Secretary can do it in 1 case, he can do it in 21, 31, or 41 cases on the basis of reciprocity and equality. Why does he not?

Whatever their record in other negotiations, and it is bad, the Chinese have pushed this program and their request for equality and reciprocity is undeniably one we should grant, first, because it is fair that we do, and second, because it will ultimately help the cause of peace if their newsmen and others see for themselves this land of ours.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. O'BRIEN of New York (at the request of Mr. DOLLINGER), until further notice, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. LANE for 30 minutes today.

Mr. ULLMAN for 15 minutes today, and to revise and extend his remarks.

Mr. FOGARTY for 30 minutes on Thursday next.

Mr. HALPERN, for 5 minutes, today.

Mr. TOLL for 15 minutes on Wednesday next.

Mr. ULLMAN for 15 minutes on Thursday next.

Mr. FLOOD (at the request of Mr. DULSKI) for 10 minutes today, to revise and extend his remarks and include extraneous matter.

Mr. HALPERN, for 40 minutes, on tomorrow.

Mr. KASTENMEIER, for 30 minutes, on Thursday.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. COLLIER.

Mr. LANE and to include extraneous matter.

Mr. OSTERTAG.

Mr. LEVERING.

Mr. HOLIFIELD in two instances, in each to include extraneous matter.

Mr. MULTER in two instances, in each to include extraneous matter.

Mr. SANTANGELO and to include extraneous matter.

Mr. GALLAGHER and to include extraneous matter.

Mr. PHILBIN.

Mr. VAN ZANDT in three instances, and to include extraneous matter.

Mr. BERRY in two instances and to include extraneous matter.

(At the request of Mr. QUIE, and to include extraneous matter, the following:)

Mr. KEARNS in two instances.

Mr. ARENDS.

Mr. JENSEN.

(At the request of Mr. DULSKI, and to include extraneous matter, the following:)

Mr. ANFUSO.

Mr. HERLONG.

Mr. BROOKS of Louisiana.

Mr. FISHER.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6596. An act to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration reported that that committee did on August 31, 1959, deliver to the White House for presentation to the President, for his approval, a joint resolution of the following title:

H.J. Res. 510. Amending a joint resolution making temporary appropriations for the fiscal year 1960, and for other purposes.

ADJOURNMENT

Mr. DULSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 20 minutes p.m.) the House adjourned until tomorrow, Wednesday, September 2, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1347. A letter from the Administrator, Federal Aviation Agency, transmitting a report of all claims paid by the Federal Aviation Agency during fiscal year 1959 under part 2 of said act, pursuant to section 404 of the Federal Tort Claims Act (28 U.S.C. 2673); to the Committee on the Judiciary.

1348. A letter from the Associate Deputy Administrator, Veterans' Administration, transmitting a report of the tort claims paid by the Veterans' Administration during the fiscal year ended June 30, 1959, pursuant to section 404 of the Federal Tort Claims Act, Public Law 601, 79th Congress; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CELLER: Committee of conference. S. 2524. A bill relating to the power of the States to impose net income taxes on income derived from interstate commerce (Rept. No. 1103). Ordered to be printed.

Mr. BROOKS of Louisiana: Committee of conference. H.R. 8374. A bill to amend Public Law 85–880, and for other purposes (Rept. No. 1104). Ordered to be printed.

Mr. MILLS: Committee of conference. H.R. 2906. A bill to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts (Rept. No. 1105). Ordered to be printed.

Mr. MILLS: Committee of conference. H.R. 213. A bill to provide that certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees without regard to the existing limitations upon the time within which such a modification may be made (Rept. No. 1107). Ordered to be printed.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 6123. A bill to amend the law relating to indecent publications and gambling in the District of Columbia; with amendment (Rept. No. 1108). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. House Joint Resolution 317. Joint resolution to change the designation of Child Health Day from May 1 to the first Monday in October of each year; without amendment (Rept. No. 1109). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. S. 2035. An act authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability and requiring persons receiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor; without amendment (Rept. No. 1110). Referred to the House Calendar.

Mr. FORRESTER: Committee on the Judiciary. H.R. 4346. A bill to amend the Bankruptcy Act to limit the use of false financial statements as a bar to discharge; with amendment (Rept. No. 1111). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Tenth report of the Committee on Government Operations pertaining to military air transportation; without amendment (Rept. No. 1112). Referred to the Committee of the Whole House on the state of the Union.

Mr. BURLESON: Committee on Foreign Affairs. H.R. 8582. A bill to authorize the San Benito International Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Tex.; without amendment (Rept. No. 1113). Referred to the House Calendar.

Mr. BURLESON: Committee on Foreign Affairs. H.R. 8694. A bill to authorize the Starr-Camargo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.; without amendment (Rept. No. 1114). Referred to the House Calendar.

Mrs. KELLY: Committee on Foreign Affairs. House Joint Resolution 496. Joint resolution authorizing the President to invite foreign countries to participate in a world's fair, New York, 1964; without amendment (Rept. No. 1115). Referred to the House Calendar.

Mr. ASPINALL: Committee of conference. H.R. 6939. A bill to amend the act providing for the leasing of coal lands in Alaska in order to increase the acreage limitation in such act (Rept. No. 1116). Ordered to be printed.

Mrs. PFOST: Committee on Interior and Insular Affairs. S. 825. An act to revise eligibility requirements for burial in national cemeteries, and for other purposes; without amendment (Rept. No. 1117). Referred to the Committee of the Whole House on the State of the Union.

Mr. SELDEN: Committee on Foreign Affairs. H.R. 8911. A bill to provide for the presentation by the United States of a statue of Gen. George Washington to the people of Uruguay, and for other purposes; without amendment (Rept. No. 1118). Referred to the Committee of the Whole House on the State of the Union.

Mr. SELDEN: Committee on Foreign Affairs. House Joint Resolution 511. Joint resolution to amend the joint resolution providing for membership and participation by the United States in the Inter-American Children's Institute, formerly known as the American International Institute for the Protection of Childhood, as amended; with amendment (Rept. No. 1119). Referred to the Committee of the Whole House on the State of the Union.

Mr. FALLON: Committee on Public Works. H.R. 8678. A bill to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes; with amendment (Rept. No. 1120). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee on Armed Services. S. 2500. An act to authorize the appointment of Elwood R. Quesada to the retired list of the Regular Air Force, and for other purposes; without amendment (Rept. No. 1106). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHMORE:

H.R. 8993. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. BARRY:

H.R. 8994. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. BENTLEY (by request):

H.R. 8995. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. FALLON:

H.R. 8996. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. MAGNUSON:

H.R. 8997. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. MILLER of New York:

H.R. 8998. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. COLMER:

H.R. 8999. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. GREEN of Pennsylvania:

H.R. 9000. A bill to provide that States and political subdivisions which operate liquor stores shall not be required to pay more than one tax as a retail dealer in liquor; to the Committee on Ways and Means.

By Mr. JOHNSON of California:

H.R. 9001. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Stanislaus River division, Central Valley project, California, under Federal reclamation laws; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of New York:

H.R. 9002. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. MILLS:

H.R. 9003. A bill to amend subchapter S of chapter 1 of the Internal Revenue Code of 1954, relating to election of certain small business corporations as to taxable status; to the Committee on Ways and Means.

By Mr. STUBBLEFIELD:

H.R. 9004. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CHELF:

H.R. 9005. A bill to amend section 373 of title 28 of the United States Code and for other purposes; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 9006. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. DANIELS:

H.R. 9007. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. HALPERN:

H.R. 9008. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. TOLL:

H.R. 9009. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

H.R. 9010. A bill to amend section 12 of the act of September 11, 1957; to the Committee on the Judiciary.

By Mr. FULTON:

H.R. 9011. A bill to amend the Internal Revenue Code of 1954 to provide that the full amount of any annuity received under the Civil Service Retirement Act shall be excluded from gross income; to the Committee on Ways and Means.

By Mr. PILLION:

H.R. 9012. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. HECHLER:

H.J. Res. 515. Joint resolution proposing an amendment to the Constitution of the United States to grant to citizens of the United States who have attained the age of 18 the right to vote; to the Committee on the Judiciary.

By Mr. FULTON:

H. Con. Res. 429. Concurrent resolution to invite friendly and democratic nations to consult with countries of South Asia; to the Committee on Foreign Affairs.

H. Res. 369. Resolution creating a select committee to conduct an investigation and study of the operation and effect of the laws providing for the reapportionment of the total number of Representatives in Congress, including (but not limited to) recommendations with respect to increasing the total number of Representatives in Congress to 450 or to such a number that will be sufficient to assure adequate representation in the Congress for all parts of the United States; to the Committee on Rules.

By Mrs. GREEN of Oregon:

H. Res. 370. Resolution to print the document entitled "Foreign Trade Interests in the State of Oregon", as a House document; to the Committee on House Administration.

By Mr. THOMSON of Wyoming:

H. Res. 371. Resolution commending the National Jaycee community development program; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to study the severe curtailment of railroad passenger service in the State of Wisconsin, which was referred to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLE:

H.R. 9013. A bill for the relief of Alexander Vasilijevic; to the Committee on the Judiciary.

By Mr. CAHILL:

H.R. 9014. A bill for the relief of Emilio Dussich; to the Committee on the Judiciary.

By Mr. DONOHUE:

H.R. 9015. A bill providing for the award of the Congressional Medal of Honor to Clifford B. Mellen; to the Committee on Armed Services.

By Mr. EDMONDSON:

H.R. 9016. A bill for the relief of CWO James M. Cook; to the Committee on the Judiciary.

By Mr. HIESTAND:

H.R. 9017. A bill for the relief of Gen Gay Wong; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 9018. A bill for the relief of Mary Anne Endicott; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 9019. A bill for the relief of Guiseppi Ognibeni; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 9020. A bill for the relief of Mrs. Agavni A. Seckiner and Selma Seckiner; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

268. By Mr. SCHENCK: Petition of the city commissioners of the city of Dayton, Ohio, supporting home rule for the people of the District of Columbia and requesting the Congress to grant it; to the Committee on the District of Columbia.

269. By the SPEAKER: Petition of the assistant clerk of the city commission, Dayton, Ohio, petitioning consideration of their resolution with reference to supporting home rule for the District of Columbia; to the Committee on the District of Columbia.

EXTENSIONS OF REMARKS

Dedication of Stamps Commemorating the 100th Anniversary of the Petroleum Industry

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. KEARNS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following talk made by Postmaster General Arthur E. Summerfield at the dedication ceremonies of the 4-cent petroleum industry centennial commemorative stamp at Titusville, Pa., August 27, 1959:

In my service as Postmaster General, no official act could give me greater pleasure than to dedicate this stamp commemorating the 100th anniversary of the petroleum industry.

The American people have great reason to be indebted to this industry. It has supplied most of the power that has made the American standard of living possible.

Certainly we in the Post Office Department can see most vividly the contribution this great industry has made to the progress of America.

The improvement of the postal service has depended upon the constant advance of this industry. The development of diesel oil for the railroads greatly speeded our transcontinental service. The development of better gasolines for trucks and airplanes was vital to the Post Office's ability to keep pace with the needs of our people.

Recently the fuel this industry has made possible for jet aircraft has enabled us to give the better and faster service we should render in these times.

But the industry does not stop with this, nor do we. The industry has developed fuels to power mighty missiles—and we have carried out our first experiment in missile mail. We shall look to the petroleum industry in the future to provide power that will enable mail-carrying missiles to speed communications from this continent to all parts of the earth.

In the light of today's progress, it is difficult to believe that it was only 100 years ago that Col. Edwin L. Drake completed the first oil well here in this historic city of Titusville.

It is not difficult, however, to understand the dedication, the sacrifice, the courage, and the tenacity with which Colonel Drake met his challenge. It was a fitting beginning for a great enterprise that has been marked throughout this century by courage, dedication, and success.

The American people, I am sure, applaud the words of a testimonial to Colonel Drake by his contemporaries:

"Edwin L. Drake was the man who first bored for oil, and by his genius and indomitable perseverance, produced the cheapest illuminator of the age, multiplying the wealth of the world, adding to the list of human industries and contributing to the comfort and happiness of mankind."

How very apt, as well, are the words of the centennial slogan of the petroleum industry—"Born in Freedom, Working for Progress."

The oil industry not only was born in freedom, but has been a vital guardian of American freedom through all the years that have ensued. It has been a basic strength in war, a propellant of economic progress—a builder of higher standards of living—in peace.

We look to this stamp as more than a commemorative symbol. With more than 120 million stamps to be issued, it will go throughout the world as a reminder of what can be achieved by the combination of free enterprise and the vision and courage and effort of dedicated men.

It will serve as a worldwide tribute to all who have brought the oil industry to its present greatness—and to its leaders who are moving with confidence to meet the challenge of the future.

It is a great privilege to inaugurate this commemorative stamp, here on the site of the oil industry's birth. This stamp, above all, bears the best wishes of the American people for the second century of oil and the contribution it will make to better life for all the peoples of the earth.

General Accounting Office Report

EXTENSION OF REMARKS
OF
HON. OVERTON BROOKS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. BROOKS of Louisiana. Mr. Speaker, I have had occasion to examine the recent General Accounting Office report on the Air Force purchase of the Wherry housing projects, and it is my belief that this report is misleading and based on false premises.

The report not only artfully avoids the principle question necessarily arising in cases of this sort—namely, did the Air Force receive full value for the dollars spent—but, in fact, it also chastises the Air Force apparently for following the Department of Defense directive calling for direct negotiation rather than condemnation procedures. At no time does the report consider what the results would have been had the Air Force resorted to condemnation of the property.

Considering these points in reviewing the case of particular interest to us—that of Barksdale Air Force Base—we find that the Wherry housing units there had been completed in 1951 and 1952 at an approximate cost of $9,164 a unit. This project consists of 692 two- and three-bedroom housing units for airmen and officers, 544 of which were completed in December 1951 and 148 in February 1952. The original estimate of replacement cost was $6,331,699, or approximately $9,164 per unit. The Air Force, we find, paid a total of $6,256,199, or $9,039 per unit. But the same project if built in 1958 would have cost $8,231,209, or $11,913 per unit. These prices are based on leading surveys which show that a 30-percent increase in construction costs occurred between January 1952 and January 1958 for similar areas. This would have resulted, therefore, in an increase of about $2,850 more per unit. In addition, the owners had even put an additional $100,000 investment into their houses several years after completion in order to improve the electrical systems.

It appears to me, then, that the Air Force received full value for every dollar spent when it paid for the Barksdale and other projects at 1951–52 prices. The Air Force carefully inspected these projects before acquisition. I don't believe there is anyone who could buy real estate today for the price it was worth 7 years ago.

Now, had the Air Force not negotiated for the property or if the owners had not accepted the Air Force offers, the Air Force would have had to resort to condemning the property. It would have been necessary to pay today's full value since a court is concerned with the present value of property and not whether a builder will be making a profit from the sale. The results of a number of condemnation trials in connection with disposal of Wherry projects are shown in the attached chart. From these figures, it appears that the results in the courts have been much in excess of the maximum formula price which in turn is limited to original FHA replacement costs. The Constitution requires that just compensation be paid when a property is appropriated and nowhere does the question of profit over original investment enter into the determination of just compensation for condemned property.

The owners apparently were satisfied with the price paid them, preferring to settle for the lower 1952 in order to obtain their money immediately, thereby avoiding a wait of several years for the conclusion of a condemnation action with all of its subsequent expenses.

By this record of negotiated acquisitions as against acquisition by condemnation, the Air Force carried out the congressional intent of the Wherry legislation as well as that of the recent Armed Services Special Subcommittee—that is, to negotiate up to the maximum price, if necessary, before going into condemnation proceedings.

Not to have negotiated where possible, therefore, would have meant ignoring congressional policy and executive responsibility to buy the Wherry projects and improve them where necessary to bring them up to current public quarters standards—a goal having priority with the Air Force at this time. Millions of dollars have been lost in training personnel at great expense only to have them leave the service because of inadequate living conditions. The Cordiner Committee, General LeMay, and other high officials have long recognized the fact that a professional Air Force capable of meeting today's defense needs cannot be established if families are required to live in public quarters not commensurate with their quarters allowance.

This goal will be helped toward realization, it is hoped, by the Wherry acquisition program as well as by the Capehart housing program now underway.

Wherry condemnation award results

Project	Units	Equity formula price	Equity fair market value	Court award	Type of trial	Award to formula equity (percentage)	Award to fair market value equity (percentage)
Air Force:							
Chanute, Ill	800	$954,948		[1] $1,168,296	Judge	122	
Travis, Calif	980	1,555,711	$706,000	1,250,000	Jury	80	177
Hamilton, Calif	505	702,281	846,000	1,800,000	do	256	213
McDill, Fla	800	1,587,661	929,000	2,100,000	Commission	132	226
Army:							
White Sands, N. Mex	235	230,037	225,500	440,000	do	191	195
Fort Benning, Ga	800	1,106,864	941,000	2,171,487	Jury	196	230
Huachuca, Ariz	500	527,845	250,900	614,898	Judge	116	245
Belvoir, Va	459	632,314	277,700	740,000	Commission	117	266
Redstone, Ala	120	160,968	100,000	262,420	do	163	262
Fort McClellan, Ala	140	95,074	63,000	257,491	do	271	409

[1] Includes $214,296 interest on judgment.

Poland Stands Today as a Symbol of Courage

EXTENSION OF REMARKS
OF
HON. CORNELIUS E. GALLAGHER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. GALLAGHER. Mr. Speaker, as we pause to look back two decades to the day that Hitler released his panzers to plunge across the borders of Poland to kill and to plunder, we should be mindful that the United States has a close and intimate relation with the brave people of that freedom loving nation which dates back nearly 200 years to the time when the founders of this Nation were fighting for their own freedom against a powerful empire. A number of Poland's great soldiers volunteered their services and fought with the colonial army to victory, sharing all the bitter hardships of America's war for freedom.

It saddens our heart to look back on the brutal and inhuman treatment suffered by the people of Poland, first at the hands of the Nazis and later the Russians. Since the end of World War II, Poland has lived under the yoke of the Communist, but the spirit of her people, their longing for freedom is as evident today as it was two centuries ago. The Communist masters in Moscow have found that their most brutal methods have been unable to suppress this desire for freedom and today of all the nations behind the Iron Curtain, Poland remains the most independent and there the fire of freedom burns brightest, 20 years since her people have known freedom.

Poland stands today as a symbol of courage, a nation that refuses to let freedom die.

Farewell to Walter Lee

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. ANFUSO. Mr. Speaker, it was with mixed feelings that I recently learned of the impending retirement at the conclusion of the current session of Walter Lee, the very able legislative assistant of the House Judiciary Subcommittee on Claims. I am happy for him that he has the opportunity to retire and to take it easy after his many years of service on Capitol Hill. I am sad that he will no longer be around to assist us in his very courteous and efficient manner.

It was my pleasure to know Walter since I first came to Congress in 1951. He has been most cooperative whenever I would call on him. His advice in connection with legislation has always been straightforward, sincere, and wise. I shall miss his good counsel in these matters. Somehow Capitol Hill will just not be the same without Walter Lee.

In his well-earned and well-deserved retirement, I wish him and his family many years of good health and happiness. May his years be long and his memory of his many friends on Capitol Hill always pleasant.

The Pentagon Book Ban

EXTENSION OF REMARKS
OF
HON. CHET HOLIFIELD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. HOLIFIELD. Mr. Speaker, we live in a time of world crisis when the life and death issues of peace or war are debated in the Halls of Congress, the press, and public forums throughout the country. The new personal diplomacy of the Eisenhower administration and the forthcoming exchange of visits between Mr. Khrushchev and Mr. Eisenhower signify the intensity of the search for peace.

In these critical times there is need for basic data and the informed judgment of experts to help the American people find the right road to peace. I have tried, as chairman of a subcommittee of the Joint Committee on Atomic Energy, to bring to the Congress and the American people the basic facts of nuclear radiation—the effects of radiation from bomb testing as well as the nuclear damage from hypothetical mass attack. As chairman of the Military Operations Subcommittee of the House Committee on Government Operations, I have tried to do the same in the missile field—bring together in one authoritative document the basic facts of the missile programs which support our strategy of deterrence and defense.

We need more information, Mr. Speaker, not less, to put into the crucible of national debate which will mold the American policy for survival and peace. Therefore, it is with great concern that I note the Department of Defense decision to ban a book by Gen. Thomas S. Power, who heads our Strategic Air Command.

This Pentagon book banning is a shortsighted policy. Granted that there may be some technical problems about books and articles written by Government officials, military and otherwise—technical problems concerning royalties, copyright, and the like—it is vastly more important for the Congress and the public to have the benefit of the seasoned judgment and experience of men like General Power.

General Power's book was written to help the American people understand better the issues of war and peace in the nuclear-missile age. The book analyzes the revolutionary impact of nuclear bombs and missiles on military strategy, the nature of the enemy threat, problems of deterrence, the implications of all-out and limited war, the vital role of civil defense in deterrence, and other important matters.

The Air Force has approved this book for publication. A publisher is waiting

the word to put the book into print. General Power has given up any financial returns that may be derived from the sale of this book.

Mr. Murray Snyder, Assistant Secretary of Defense—Public Affairs—has decided that this book should be withheld from publication. His office issued a press release to this effect, although neither General Power nor the Secretary of the Air Force were informed directly beforehand that a decision to withhold the book had been made.

I presume that Secretary of Defense McElroy has approved Mr. Snyder's action. If so, I believe that the Secretary had better reconsider this action and permit General Power's book to be published.

Secretary McElroy should recognize that book banning, like book burning, is a vicious and futile policy which does no credit to a free nation. The right of the people to learn and to understand should not yield to bureaucratic policy which conflicts with that right.

In the CONGRESSIONAL RECORD of Monday, August 31, 1959, at page 17357, there is a list of 15 books by high-ranking military officers written while on active duty. I notice among them "Crusade in Europe," by Gen. Dwight D. Eisenhower, written while he was Chief of Staff of the U.S. Army during the period 1945–48; the book was published in 1948. This book has been highly rated by scholars and commentators on World War II. It was an important work by the general in command of the allied invasion forces. The American people are the better off for its publication.

I believe the same could be said about General Power's book. I have not had access to the book, although I am familiar generally with the subject matter of which it treats. I may not even agree with certain things General Power says and, doubtless, he would not subscribe altogether to points recently made by my subcommittee in its report on organization and management of missile programs. But General Power has an important message for the American people. He should be allowed to convey that message. I hope that the Secretary of Defense will reconsider the ill-advised and unwarranted book-banning decision.

Levering Will Hold Conferences in District

EXTENSION OF REMARKS
OF
HON. ROBERT W. LEVERING
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. LEVERING. Mr. Speaker, when I was elected to Congress last fall, I resolved that I would strive in every way possible to maintain a close contact with the people of the 17th Congressional District of Ohio, who elected me to represent them.

Since then, I have made regular radio speeches to my people, filling them in on the problems of Government which I think are important. I have circulated a weekly newsletter to the newspapers of my district, so that the editors and the people would be able to understand the issues and the many views relating to them. I have had personal contact with thousands of members of the public from my district. I have corresponded with other thousands.

This year, as did my predecessor in the past, I am arranging a series of meetings in the courthouses of the seven counties in my district, and I am urging members of the public to come to these meetings and to talk over any and all subjects they choose. It is my thought that only by personally contacting the people I serve, can I do the best possible job for them in the Congress of the United States. I will be in the courtrooms of the seven county courthouses from 9 a.m. to 5 p.m. each weekday.

Here is the schedule:

Friday, September 25, Ashland, Ashland County.

Monday, September 28, Mansfield, Richland County.

Tuesday, September 29, Mount Vernon, Knox County.

Wednesday, September 30, Delaware, Delaware County.

Thursday, October 1, Newark, Licking County.

Friday, October 2, Coshocton, Coshocton County.

Monday, October 5, Millersburg, Holmes County.

I not only welcome visitors at these conferences, I urge individuals, regardless of political party or how they may have voted in the past, to come to see me. I am striving to represent all the people of the 17th District, regardless of their beliefs about any political or legislative issue, and I know that it is of great help for a Congressman to talk over personal, national, and international problems with the people at home.

No appointments are necessary. I hope to see a large number of persons. The discussions can help me to serve them better, and it can help them to understand my problems in striving to do the best possible job for all of the people of my district.

Maj. Gen. William P. Fisher

EXTENSION OF REMARKS
OF
HON. LESLIE C. ARENDS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. ARENDS. Mr. Speaker, it has been announced that Maj. Gen. William P. Fisher, director of Air Force legislative liaison, will be leaving in a few weeks to assume command of the Eastern Air Force Military Air Transport Service.

General Fisher has brought great ability and outstanding results to this complex assignment. He has been a persuasive advocate of our defense program and he has done much to keep alive the cordial relationship which exists between the Congress and the Department of the Air Force.

I wish General Fisher his greatest success in his new assignment and I know that my colleagues will join me in welcoming General Fisher's successor as Air Force director of legislative liaison, Maj. Gen. Thomas C. Musgrave, Jr.

Demands on the Federal Treasury

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. BERRY. Mr. Speaker, one of the rough detours on the road to the adjournment of Congress is the controversial problem of financing the highway program. Pressure has been built up from the States, the construction people, and the material suppliers for a bond issue to finance the bulk of the cost and then a diversion of the excise tax on new cars and parts.

The people demand a program of "pay as you spend or do not spend." The President has recommended an increase in the gas tax of 1½ cents per gallon to "pay as you spend." The committees of Congress have been wrestling with the problem for months. Each time they add two and two, they come up with the disgusting figure of four and then they must go back and start all over. Surely if they wait long enough, Members will become so anxious to get home that they will buy a set of figures that do not add up.

The problem presented is as old as the philosophy of planned spending. The pattern has been followed many, many times, and each time it has produced the desired results. Is there any reason to expect it will not this time? Yes, the garment is new, but the pattern is old.

THE PATTERN

A few years ago the States were suffering financial difficulty with mounting highway traffic. There was increasing demand from the people for more and better roads. The States had levied close to their limits. Although under the Federal highway program the Federal Government matched 60 percent, the States could not meet their 40 percent without tax increases. This they were reluctant to do.

It was becoming serious when someone came up with a plan—an interstate "defense" highway program where the Federal Government would match 90 percent and the State only 10 percent. The State groups reasoned that if they could just get the Federal Government to build one good superhighway across every State, this would relieve the pressure on State governments.

In order to insure that each State would be given at least one good cross State superhighway, the plan provided for the connecting of principal industrial cities. It was labelled a "defense

measure," and to sugar-coat the pill, a separate fund was established so the program could be sold as a "pay as you build" program. Certainly Congress would buy that one.

It was neatly wrapped and tied with a lovely "defense" ribbon. Congress bought it. The thing Congress failed to do, however, was to put any brakes on the law. Almost before it was unwrapped, the spenders had their plan in action and construction was accelerated on an antirecession basis. What happened? The same thing that happens to every program which is shifted to the Federal Government—they ran out of gas.

Anyone who could add two and two and come up with a total figure of four would know that with such an outlay of money, the program would go in the hole—$241 million by June 30 next year and $2.1 billion by June 30, 1962. It did, and the program is bankrupt.

However, anyone who understands Congress also knows that it is only necessary to get the ball started rolling downhill—then when the crisis comes, if they can pour enough telegrams into Washington, Congress will surrender and mortgage the future of the Nation to secure the continuance of the program.

The oil companies are stirring up the people against a gas-tax increase to pay for the increased cost, the contractors and suppliers who are caught in the middle are pleading for help—so Congress goes into the Treasury, either directly or indirectly, and the whole ball of wax is added onto the national debt.

As I have indicated, the garment is new, but the pattern is as old as the New Deal philosophy. Add it to the national debt. Paper and green ink are cheap—so we print more bonds and more money. The farmer and miner whose prices do not fluctuate, the retired people on pensions, and those on fixed incomes must pay the bill as these cheaper, inflated dollars—the most vicious of all forms of taxation—pile up.

Yes—the garment is new, but the pattern is old. Local and State governments shift the burden of their obligations to the Federal Government because they do not have the courage to levy additional taxes on themselves. Another thing, legal or constitutional debt limits prevent them from going further into debt, whereas the Federal Government has no effective debt limitation. The national debt limit can be moved up each time Congress spends in excess of national income.

ANOTHER GARMENT, SAME PATTERN

Three years ago the cities were having difficulty doing all the things they wanted to do without increasing the tax burden on the local taxpayer, so they decided to shift more of their burden to Washington.

The Leagues of Municipalities worked out a plan and sold it to the sportmen's groups. The sportsmen carried the ball and the leagues simply ran the interference.

On the basis that clean fish need clean water, they attached an amendment to a simple bill extending the Anti-Stream-Pollution Act, to provide that the Federal Government would make grants to cities for the building of sewage systems.

Sponsors pledged that it would be for only 2 years and cost only $100 million. This year we hit the crisis—too many cities needed help—they needed twice as much for five times as long—and, of course, will get it.

What business does Congress have heaping the city sewers on top of the national debt when all that is needed is a little exercise of the police powers of the State? The answer is "None." It had no business going into this purely local governmental function in the first place, but if it did wish to take this function over, then certainly a tax should have been levied which would raise the money to pay this additional cost.

The purpose was to shift the burden of paying for the sewer system at Podunk from the people of Podunk to the people of the Nation. There it could be added to the national debt.

ANOTHER GARMENT

School districts across the Nation have been having great difficulty meeting the increased cost of school operation without placing the burden too heavily upon the neighbors who pay the taxes. The educators have been looking to the Federal Government for financing on the theory that with Federal money the Federal wage scale could be adopted in the schools. The boards of education have been looking to the Federal Government as money from Washington would relieve the pressure on them, pressure from teaching staffs on one side and pressure from the taxpayer on the other. Another thing, the districts must live within legal debt limits, the Federal Government does not.

The National Education Association with a strong lobby in Washington has sold the "free money" plan to the State associations and the parent-teachers groups across the Nation. Their bill, known as the Murray-Metcalf bill, has been reported by the House Education and Labor Committee and is now before the House Rules Committee.

The bill would cost over a billion dollars annually in the beginning, but will cost many, many billions in a few years. It makes no provision for financing, no provision for increased tax levies. It anticipates adding the cost of educating the children of the Nation onto the national debt. Federal control of education would be serious, but increasing the national debt in this manner and further "watering down" the already deflated dollar would be much more serious.

THE PROBLEM

Senator BYRD of Virginia recently reported that by 1957 Congress has provided 57 different grant-in-aid laws, all of them assisting local groups and local governments in financing projects and programs that are fundamentally the obligation of such local governmental units.

The problem has grown up primarily because individuals, communities, local governing boards and legislatures desire these many improvements, but lack the courage to levy the taxes necessary to provide payment for them. In addition, many States have a constitutional debt limit and local governments have either a constitutional or legal debt limit which prevents them from further increasing their bonded indebtedness. The Federal Government has no effective debt limit. The result is that they look to the Federal Government to finance all of these program. Congress, having no greater stamina than the local governing boards, passes these grant-in-aid laws with the result that each year Federal expenditures increase, the national debt goes up, the value of the dollar goes down, interest rates on cheap money go up, and the whole ball of wax gets bigger and more explosive.

OTHER DEMANDS

It is not only the States and local governmental units that are coming to the Federal Treasury for help. In recent years, friendly foreign nations have learned that when they are short of funds for improvements, for unbalanced budgets, for relief purposes, for defense, and for their many other needs, they, too, can come to Uncle Sam with a package tied in a defense ribbon and have their needs added to the national debt through the foreign aid appropriations.

NEEDED ACTION

How can these raids on the Treasury with resultant additions to the national debt be stopped? The voters can elect Members to Congress who have the courage to say "No." This, of course, is only temporary as the pendulum swings forth and back each two years. They can, however, effectively and permanently halt any additions to the national debt by adopting a simple constitutional amendment.

If Congress were prohibited from enacting any bill which provides for spending any money in excess of the national income for that year without incorporating in such bill a tax levy to raise sufficient revenue to pay for such spending, it would effectively prohibit further Federal indebtedness.

I have introduced a resolution providing for a constitutional amendment which would require that every appropriation bill contain either a certificate that this expenditure, when considered with the whole, will not exceed the anticipted revenues, or that such bill contain within its provisions a tax measure sufficient to meet such expenditure.

I am convinced this is the only method by which increased demands for federally financed programs can be reduced. I am convinced this is the only way deficit spending can be stopped. I am convinced this is the only way a balanced budget can be effected and the national debt can be limited.

While this amendment is an absolute must, if the financial integrity of the Nation is to be preserved, it does not do the whole job. There is another hole in the dike that must be plugged.

FOREIGN AID

At the present time Uncle Sam is being called upon not only to defend but to finance the nations of the entire free world. This would not be so serious if such financing was being paid as we

spend. The fact is, however, it, too, is being added to the national debt.

This picture requires a different frame. Uncle Sam cannot levy a direct tax upon our free world friends requiring them to contribute toward the cost of their own and our defense, or to repay our Treasury for the contributions we are making toward bolstering their budgets, contributing to their relief load, their internal development, and so forth, but he can and must require some assistance from them to the American taxpayer.

We cannot levy a tax on the manufacture and shipment of their products being used in trade with other nations, but we can require them to assist our taxpayer and we can require them to help us keep our budget in balance in spite of our great defense outlay, by levying an import tax upon the goods they import into this country. Trade with us is vital to them. The import tax could be based not so much upon the commodity as upon the cost to us of defending and financing that particular country.

THE ALTERNATIVE

The present trend must be halted if national bankruptcy is to be averted. The present national debt is equivalent to a first mortgage on the property of every family in the Nation of $6,400. The deficit of the last 2 years of $16 billion means $360 for each family.

The present program and present policy is rapidly moving this Nation toward the fearful situation of where a housewife must take a market basketful of money to the grocery store to buy a purse full of groceries.

Osceola Mills, Pa., Celebrates Its 100th Birthday

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. VAN ZANDT. Mr. Speaker, highlighted by congratulatory messages from President Eisenhower and Gov. David L. Lawrence of Pennsylvania together with introduction of a concurrent resolution by the Congress of the United States extending felicitations and expressing appreciation for the century of splendid services rendered to the Nation by its citizens, the Borough of Osceola Mills in Clearfield County, Pa., observed the 100th anniversary of its founding the week of August 23–29. During that period many former residents responded to the welcome home invitation and returned to join in the centennial festivities.

First named Osceola and then changed to Osceola Mills to avoid a conflict in names and because of numerous sawmills in the area, the town was established in 1859 and incorporated as a borough in 1864. Located on the banks of Moshannon Creek—now the dividing line between Centre and Clearfield Counties—like many other communities in central Pennsylvania the town was named for an Indian.

The community was named for Osceola, the famous war chief of the Seminoles, a Florida tribe, after he, his family and tribe had been persecuted by the whites. Chief Osceola was born in Florida about 1813 during the War of 1812. In 1835 his wife was carried off as a slave, after which Osceola and his tribe waged a relentless war against the whites for 2 years with varying success. He was finally taken prisoner by treachery and confined at Fort Moultrie where he died 2 years later. Twenty-two years later the present town of Osceola Mills was named Osceola in honor of the Seminole war chief whose daring and ability won him nationwide sympathy.

Other Indian names in the area including Bald Eagle, Moshannon, Warriors Mark, and Snow Shoe were taken from Delaware, Shawnee, and Corn Planter Indians that lived in the area prior to and after the coming of the white settlers.

History records that the first settlement in Osceola Mills was made by a family named Winter followed by Daniel Hoffman who cleared a piece of land near the junction of Pruner and Coal streets.

Among the oldest settlers in the Osceola Mills area was Valentine Flegal who bought extensive tracts of land in 1800. He was a local minister and held services at Stumptown in 1815. The Stumptown church was later used as a school for more than 80 years and in 1951 after having been abandoned as a school, it was again made into a church where Free Methodist services are held each Sunday. Located across the road from the old Goss Cemetery, another famous landmark, the church was among many points of interest during the centennial celebration.

Osceola Mills was visited by a devastating fire on May 20, 1875, that almost wholly destroyed the town, inflicting property losses of over $1½ million. Despite the fact that all inhabitants were made homeless the residents of the stricken community with the aid of neighboring towns soon recovered from such a staggering blow and from the ruins there arose a new and more beautiful community.

Clearfield County, which was among the principal lumbering areas in central Pennsylvania, is noted for its production of bituminous coal. However, because of the lack of railroad transportation, development of the coal industry was retarded.

It is recorded that about 1830 a mine was opened on what was known as the Goss Farm in Decatur Township, and coal was hauled on wagons to Spruce Creek. The transportation of coal by such crude methods naturally amounted to very small tonnage. It was not until 1846 with the opening of the Tyrone and Clearfield Railroad to Osceola Mills and Philipsburg that the real development of the coal industry in Clearfield County commenced. Prior to that time not one pound of coal was shipped by rail from Clearfield County. In fact, the first shipment of coal from Clearfield County was made during lumbering days when coal was loaded in what were called "Arks" and floated down the Susquehanna River to Lock Haven and Williamsport as early as 1822.

Today, Clearfield County bituminous coal is known throughout the Nation and abroad and it is of interest on the occasion of the Osceola Mills centennial celebration to recall the important part that Moshannon Valley community has played in the coal production records of Clearfield County.

As the residents of Osceola Mills reminisced on this eventful occasion, they were reminded that the community, in addition to lumbering, farming, railroading and coal mining, for a number of years harbored a tannery built in 1873. Other sources of employment include a modern brick plant, and some smaller industries. Railroading has been prominent in the industrial life of the town as evidenced by a large railroad yard which was located in Osceola Mills because it was situated at the junction of the Moshannon branch with the mainline of the Tyrone & Clearfield Railroad, which years ago was absorbed by the Pennsylvania Railroad system.

To commemorate the community's 100th birthday, the Osceola Mills Centennial Committee was formed headed by Chief Burgess John Redding as president and general chairman, with Andrew Tocimak, secretary; Herman Hirsh, treasurer; and William B. McFeeters, publicity chairman. The finance committee was comprised of Neal Baney, Gordon Kephart, Lee Kennedy, George Stranko, and Justin O'Brien. With president John Redding serving as a member of the steering committee, the other members were: Robert Heath, George Mandell, Russell Olenick, Herman Hirsh, John McDonald, Charles Mostyn, Fred Brown, Eugene Danko, Earl Thomas, Norman Stevens, Arthur Bush, and John Timchak.

Following is the week-long centennial program featuring a parade each evening at 7:30 p.m.:

Sunday, August 23: Religious day with special services in all churches and a centennial evening vesper service in the park at 7 p.m. at which time Rev. Ira Duvall, of Curwensville, Pa., former pastor of the Methodist Church was the speaker.

Monday, August 24: Veterans and Defense Day softball game, 6 p.m., merchants versus Little League officials; military parade, 7 p.m., featuring 2d Army Headquarters Band from Fort George G. Meade, Md.; 3d Reconnaissance Squadron, 104th Armored Cavalry; representative units of the U.S. Army, Navy, Marine Corps, and Air Force; fly-over by Navy and Air Force jetplanes; program at memorial stadium 8 p.m.; concert by 2d Army Headquarters Band; address by Congressman JAMES E. VAN ZANDT, captain, U.S. Navy Reserve; Marine Corps attack on fortified bunker position by 34th Infantry Company, U.S. Marine Corps.

Tuesday, August 25: Education Day.
Wednesday, August 26: Founders Day.
Thursday, August 27: Industrial Day.
Friday, August 28: Firemen's Day.
Saturday, August 29: Carnival Day.

Mr. Speaker, in addition to introducing a concurrent resolution in Congress to extend felicitations to the residents of Osceola Mills, it was a great privilege to be accorded the honor of acting as grand marshal of the splendid Veterans and Defense Day parade on August 24 and later to deliver the principal address at Memorial Stadium.

Prior to the parade, it was my privilege to be guest of the Rotary Club and to speak during its centennial dinner program.

In cooperation with General Chairman John Redding, Publicity Chairman William B. McFeeters, American Legion Comdr. Stephen Sidorik, and Eugene Danko, commander of the Veterans of Foreign Wars, I was instrumental in arranging with the Department of Defense for the necessary authorization for participation by military units in the program for Veterans and Defense Day. In addition, it was my pleasure to arrange with the Atomic Energy Commission for an eight-panel library unit exhibit titled "The Useful Atom." The display which was made available by the American Museum of Atomic Energy operated by the Institute of Nuclear Studies, Oak Ridge, Tenn., illustrates the story of the atom and some of the peaceful applications in the fields of agriculture, industry, and medicine.

Osceola Mills, despite its population of 2,000, has a fine record for patriotism, a large number of young men from that area having served in World War I, World War II, and the Korean conflict. A total of 37 young men from Osceola Mills offered their lives on the altar of freedom in World War I and World War II.

In one section of the borough park there is a large stone monument, with the inscription "A tribute in commemoration of those who made the Supreme Sacrifice in the Great World War." The two names on the stone are Lt. Harry B. Peters, who was killed in action October 15, 1918, near Romagne, France, and Pvt. James L. Gorman who was killed August 28, 1918, near Fismes, France.

In the other section of the park is another monument in memory of World War II servicemen who died in action. The monument was dedicated jointly by the American Legion and Veterans of Foreign Wars posts and is inscribed as follows:

> This memorial dedicated to perpetuate the memory of our valiant defenders of freedom who made the supreme sacrifice in World War II.

These are the names on the bronze plaque: Jack Arnold, Porter Albright, Chester Beres, Peter Busko, John Domack, Michael Fronslick, William Heath, Vincent Hughes, William Jarrett, Harry Keith, Robert Keller, Leslie Kephart, Jesse Kephart, Clair Kizer, Clark Kizer, Albert McKinney, Cecil McNeish, Francis McNeish, Darrell Merritt, Fred Miller, John Parana, Joseph Petulla, Michael Philiposki, Lewis Price, Robert Redding, Clare Riley, Adam Slabon, Raymond Sokol, Philip Sokolofsky, George Spittler, Harry Stewart, Paul Stevens, William Stevens, Jack Vroman, John Young.

It was fitting that in view of the gallant war history of Osceola Mills that the Department of Defense cooperated to a splendid degree by making a worthwhile contribution to the success of the centennial program.

Opening the celebration on a deep spiritual note with special services in all churches, the centennial program was varied, with each day's program interesting and enjoyable and ending in a carnival-like spirit on August 29 climaxed by a horse show and rodeo at Memorial Field.

The residents of Osceola Mills are to be warmly commended for their enthusiasm and community spirit that always plays an indispensable part in a centennial observance.

The success achieved reflected due credit on the leadership of Chief Burgess John Redding, who acted as president and general chairman of the Osceola Mills Centennial Committee. He was ably assisted by William B. McFeeters, publicity chairman, and by the other officers and members of the various committees who worked as a team of unsung heroes in making certain the success of the centennial program.

In saluting the residents of Osceola Mills on the community's 100th birthday, I am not unmindful of the spendid cooperation extended by members of the clergy, borough council, school officials and teachers, business and industry, veterans' groups, civic, fraternal and service clubs, who with the average citizen pooled their efforts and thus succeeded in making the Osceola Mills centennial an event long to be remembered in the history of central Pennsylvania.

Progress Toward Tax Rate Reform

EXTENSION OF REMARKS

OF

HON. A. S. HERLONG, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 1, 1959

Mr. HERLONG. Mr. Speaker, on January 21, 1959, my friend and distinguished colleague on the Ways and Means Committee, the gentleman from Tennessee, HOWARD H. BAKER, and I, introduced companion bills, H.R. 3000 and H.R. 3001, to reform Federal tax rates and methods to accord with the economics of progress. We were most gratified when identical bills subsequently were introduced by our esteemed colleagues on the Ways and Means Committee, Representative BRUCE ALGER, of Texas (H.R. 3607); and Representative JAMES B. FRAZIER, JR., of Tennessee (H.R. 4266); and also by the distinguished Members of the House, Representative O. C. FISHER, of Texas (H.R. 4584); Representative J. CARLTON LOSER, of Tennessee (H.R. 6776); and Representative C. ROSS ADAIR, of Indiana (H.R. 8765).

In the intervening months, we have received many expressions of encouragement and support from Members of the Congress, from our constituents and other citizens from all sections of the country, from various organizations including many State and local business groups, and from editorial writers and columnists.

The most constant theme of these expressions has been the practical, common sense nature of the legislation. As would be expected, greatest interest has been expressed in the reform in the graduated rates of individual income tax, which now climb so steeply through the middle and higher brackets. Over 5 years, these rates would be compressed downward with reductions of over 50 percent in the middle brackets, and the top rate coming down from 91 to 47 percent to coincide with the new top rate of corporate tax under the legislation. The first bracket rate would be reduced from 20 to 15 percent, giving all individual taxpayers a minimum tax reduction of 25 percent. We are attaching to this statement a table by which tax liability in each bracket can be computed as of the end of the reduction period compared with present law.

The climate favoring tax rate reform over increased Government spending has been strongly evidenced by the enthusiasm for the basic concept of the legislation, namely, priority in use of revenue increase from economic growth—which should run from $4 to $5 billion a year—to moderate the tax obstructions to growth. This enthusiasm has extended to the essential procedure of the legislation, namely, the forward scheduling of rate reductions with postponement in event of budget unbalance.

Great interest has also been displayed in the other features of the legislation—the 1 percentage point annual reduction over the 5-year period in the corporate tax, down to a new top rate of 47 percent; the reduction of approximately 25 percent over the 5-year period in the maximum required property lives for depreciation purposes; the deferral of tax on transfer of capital from one investment to another by individuals; and the uniform reductions in the rates of estate and gift taxes, down to a new top rate of 47 percent on estates and 35.25 on gifts.

The response we have received reenforces our conviction as to the soundness and urgent necessity for enactment of this legislation, and that the overwhelming majority of our citizens would welcome such action by the Congress.

Mr. Speaker, in this statement, our purpose is not to repeat the full explanation of the provisions of our bills, and supporting facts, which were included in our introductory statement of January 21, but to state in brief form some of the key points involved in this approach to tax rate reform. In subsequent releases we will elaborate on some of these points.

First, there is the goal of the legislation. It is not primarily to provide tax relief merely for the sake of relief, as important and justifiable as that would be. Instead the fundamental objective is the release of tax brakes on economic progress. More specifically, by permitting the more rapid accumulation of new capital out of current income, and moderating the tax destruction of capital already accumulated, our bills are de-

signed to bring about the achievement of higher economic growth; improvement of old jobs and creation of better jobs; more rapid advance in living standards; starting and development of new businesses; control of inflation through greater production and productivity; strengthening of our economic system and our position of leadership, prestige, and influence in the free world.

From the standpoint of our own citizens, those now in the lower income levels have the most to gain from increase in the flow of capital into the expansion of industry and the resultant improvement of old jobs and creation of better jobs.

Second, despite the benefits which will flow to all citizens from enactment of this legislation, we purposely avoided seeking our goals through the shifting or reshuffling of tax burdens among various segments of our citizens. Our approach reflects only one judgment on the tax law, namely, that rates climb too steeply and are much too high for the good of our economy and the well-being of our citizens.

Third, the goals sought can be attained if the leadership, in the Congress and in the executive branch, makes a very simple decision, namely, that, barring a new military emergency, fundamental reform of tax rates and methods is of much greater importance to the future strength and well-being of our Nation than any and all proposals for increase in spending. In other words, by giving priority to the use of revenue increase from economic growth for the reform of tax rates and methods instead of increased spending, we can achieve a tax rate structure within 5 years which will enable our economy to make much more rapid economic progress than has been the case over recent years. There are three important figures to keep in mind in this respect. A 1-percent increase in gross national product, the commonly accepted measure of economic growth, will produce a revenue increase of approximately a billion dollars a year. For 60 years before the depression of the 1930's, our economic growth averaged out at approximately 4 percent a year, which if achieved hereafter would mean revenue increase of approximately $4 billion a year. The revenue effect of our bills would average about $3.5 billion a year. Thus, if upon enactment of our bills the growth rate should no more than equal the historic average, there still would be a surplus available for debt retirement of approximately one-half a billion dollars a year. Actually, there is no reason why upon enactment of this legislation our economy should not begin to move upward toward a steady growth rate in the order of 5 percent instead of 4 percent. Such a rate of growth is clearly possible because of the speed of technological advance and the fact that a higher income economy can save more than a lower income economy—if not restrained by punitive tax rates.

Fourth, the procedure of our bills, forward scheduling of rate reduction linked with postponement in the event of budget imbalance would enable the Nation's leadership to make the necessary decision without fear of a return to a period of deficit financing. This point cannot be stressed too strongly. In the current session of Congress, we have witnessed and supported the determined effort exerted by the leadership of both national parties in the Congress and the administration, to reduce and control the spending level. Enactment of the pending legislation would add both strength and greater meaning to this effort, since it would offer on a continuing basis over its life a clear choice for the public between greater spending or a more moderate tax rate structure.

Fifth, over the years ahead enactment of fundamental tax rate reform legislation will not prejudice debt retirement. To the contrary tax rate reform inevitably will pave the way to greater and more consistent reduction in the Federal debt. We are completely sympathetic to the laudable aims of debt retirement, but we want to keep the horse before the cart. The public debt is now in the order of $285 billion and, even if $3.5 billion a year were applied to its reduction over the next 5 years, it would still be in excess of $265 billion—leaving the major job still ahead of us. By contrast, the application of the same amount of revenue dollars to fundamental tax rate reform over this period would mean that a greater part of the tax reform job would be behind us. This not only would mean that the annual revenue gain would be greater and more consistent thereafter, for whatever division between debt retirement and further tax reforms that might be decided—it also would mean greater revenue gain and hence some opportunity for debt retirement during the 5-year period itself. In short, the debt retirement job is, of necessity, a long-range one, whereas the tax rate reform task can be substantially accomplished over a relatively few years. Its accomplishment, therefore, is the first step toward insuring maximum and consistent reduction in the debt over the long run.

Sixth, our bills would contribute to broadening of the Federal tax base, an aim which is of great concern to all Federal tax policymakers and authorities in this era of high public spending. The great interest in this area is the base of the individual income tax, which tax provides roughly 50 percent of Federal revenues. In 1957, the base of this tax, defined as "taxable income," was approximately 43 percent of total personal income, as compared with 34 percent only 10 years earlier. The reason for this growth in the tax base is that without material change in exemptions, credits and deductions, taxable income increases roughly 50 percent faster than the increase in personal income. Thus, achievement of higher rates of growth and of increase in personal income, which would be brought about by enactment of the pending legislation, would accelerate expansion of the tax base.

Seventh, in permitting an increase in the rate of new savings, and by moderating the destruction of capital already saved, our bills would strike at the roots of the inflation problem, and also at the interest rate problem as it has been highlighted in the contemporary controversy over lifting the ceiling on interest rates of Federal bonds. The inflation of this era essentially reflects a greater demand from all sources for the combined product of economic activity than can be provided by capital formation under present tax rates. The constant upward pressure on interest rates is simply a reflection of the inadequacy of new savings to do all of the things which all of our citizens want done to enhance their economic well being. Stated differently, a greater rate of new savings is the only route to greater rates of increase in production and productivity, which in turn are the means to better satisfaction of competing demands on the economy while dampening inflationary pressures.

Eighth, there is the matter of job creation and betterment. We are moving into a period in which there will be a significant step-up in the numbers of new workers coming each year into our labor force, reflecting the very rapid increase in population trends starting from World War II. The question is not just one of providing jobs, since people can always be put at doing things which essentially result in sharing the work and hence reducing average living standards, instead of steadily increasing those standards. Better jobs, more good opportunities for old as well as new workers, can come about only by the availability of more capital which is the only means for translating into effective use the benefits of technological progress. Related to this subject alone, the pending legislation might well be called the Job Betterment Act of 1960.

Ninth, we come to a matter which ranks high in the interest and concern of every Member of Congress, namely, the starting and development of new businesses. There can be no doubt as to the forces which hold back the full flowering of the American genius for striking out on one's own and for improvement and expansion of an enterprise once begun—the shortage of capital, essentially of the venture variety, and stifled incentives, both resulting from our present tax rate structure. All the reforms provided in our bills would contribute toward the release of tax obstructions to business development from the starting stage onward, but the most important reform in this respect would be the compression of the individual tax rate scale under the umbrella of a reasonable top rate. Here is the key not only to a substantial increase in the accumulation of new venture capital, but also to making it much more worthwhile from the incentive standpoint both to use capital so accumulated and to transfer other capital into new and more venturesome enterprises. The individual income tax is the special cross of small business. On the one hand, it chokes off the traditional source of venture capital for the starting and development of new businesses, whether or not such businesses are conducted in the incorporated or unincorporated form. On the other hand, some 85 percent of business units in the country are unincorporated, and hence are the particular prey of the ruthless graduation of the personal income tax rates.

Tenth, there are the self-employed professional people, whose incomes also

are subject to the ruthless graduation of the individual income tax. The only fundamental solution of the tax problem of these key members of our society is substantial compression of the individual tax rate structure as provided in our bills.

Eleventh, in a time when the American free economic system is held out as a showcase for the free world, our Federal tax system is an exceedingly poor model for export. For many years, we have endured gross contradiction of policies in this respect. On the one hand, we have sent untold billions of dollars of taxpayers money abroad—and encouraged private investment abroad—to aid and spark the development of the economies and to raise the living standards of free world nations. On the other hand, we have continued a tax model at home which both inhibits the formation of new capital and destroys capital once accumulated; a model, which when copied or continued abroad simply tends to perpetuate the need for foreign funds to build up economies, especially in the so-called less-developed countries. Who could doubt that enactment of tax rate reform legislation in this country based on the concept of moderate rates at all points would set a pattern for similar action in other countries, thus significantly reducing the need for foreign aid funds over the years.

Twelfth, there are the challenging twin problems of the Russian bid for world economic leadership and the growing success of Western European and other countries in competing with us everywhere including our own domestic markets. Certainly, if we are to lead effectively, and to compete successfully, in a period of dynamic economic growth throughout the world, we need to rid ourselves as rapidly as possible of the tax shackles which are binding our free economy.

Thirteenth, the key provision of the legislation, the compression over 5 years of the steep climb of the graduated income tax rates down to moderate and reasonable levels considered alone does not present a significant revenue problem. This is so because the graduated part of the rate structure provides only 14 percent of the revenue derived from the individual income tax or about $5 billion a year.

And, finally, the test of fairness of a reformed income tax rate structure must be found in the relative burden of taxes after enactment and not in the relative percentage cuts applied to preexisting rates. In this connection, it is often overlooked that the measure of regressivity, proportionality or progressivity of a tax is the relation of tax to total income, not to the base of the tax, that is, taxable income as regards the individual tax. This relationship is known as the effective rate of tax. The point is that exemptions provide substantial protection from payment of tax to people in the lower income brackets, protection which diminishes rapidly as income increases. Under our bills there would be a range of effective tax rates from only 1 or 2 percent in lower levels of income subject to tax, up toward 47 percent at the top. Certainly such a range of progression would satisfy all but the most extreme advocates of this form of taxation.

Mr. Speaker, it is our hope that this statement will contribute to a more general realization that the fundamental reform of tax rates and methods as provided in our bills is practical and feasible, as well as urgently needed in the national interest; that there will develop before the Congress convenes again in January an insistent demand that there be no further delay in congressional action; and that the Nation's leaders, in the Congress and in the executive branch will give the subject the priority it deserves.

Tax computation tables—individuals

If the taxable income [1] is—	The tax	
	Is (present law)—	Will be (when legislation fully effectuated)—
Not over $2,000	20 percent of the taxable income	15 percent of the taxable income.
Over $2,000 but not over $4,000	$400, plus 22 percent of excess over $2,000	$300, plus 16 percent of excess over $2,000.
Over $4,000 but not over $6,000	$840, plus 26 percent of excess over $4,000	$620, plus 17 percent of excess over $4,000.
Over $6,000 but not over $8,000	$1,360, plus 30 percent of excess over $6,000	$960, plus 18 percent of excess over $6,000.
Over $8,000 but not over $10,000	$1,960, plus 34 percent of excess over $8,000	$1,320, plus 19 percent of excess over $8,000.
Over $10,000 but not over $12,000	$2,640, plus 38 percent of excess over $10,000	$1,700, plus 20 percent of excess over $10,000.
Over $12,000 but not over $14,000	$3,400, plus 43 percent of excess over $12,000	$2,100, plus 21 percent of excess over $12,000.
Over $14,000 but not over $16,000	$4,260, plus 47 percent of excess over $14,000	$2,520, plus 22 percent of excess over $14,000.
Over $16,000 but not over $18,000	$5,200, plus 50 percent of excess over $16,000	$2,960, plus 23 percent of excess over $16,000.
Over $18,000 but not over $20,000	$6,200, plus 53 percent of excess over $18,000	$3,420, plus 24 percent of escess over $18,000.
Over $20,000 but not over $22,000	$7,260, plus 56 percent of excess over $20,000	$3,900, plus 25 percent of excess over $20,000.
Over $22,000 but not over $26,000	$8,380, plus 59 percent of excess over $22,000	$4,400, plus 26 percent of excess over $22,000.
Over $26,000 but not over $32,000	$10,740, plus 62 percent of excess over $26,000	$5,440, plus 27 percent of excess over $26,000.
Over $32,000 but not over $38,000	$14,460, plus 65 percent of excess over $32,000	$7,060, plus 28 percent of excess over $32,000.
Over $38,000 but not over $44,000	$18,360, plus 69 percent of excess over $38,000	$8,740, plus 29 percent of excess over $38,000.
Over $44,000 but not over $50,000	$22,500, plus 72 percent of excess over $44,000	$10,480, plus 30 percent of excess over $44,000.
Over $50,000 but not over $60,000	$26,820, plus 75 percent of excess over $50,000	$12,280, plus 31 percent of excess over $50,000.
Over $60,000 but not over $70,000	$34,320, plus 78 percent of excess over $60,000	$15,380, plus 32 percent of excess over $60,000.
Over $70,000 but not over $80,000	$42,120, plus 81 percent of excess over $70,000	$18,580, plus 34 percent of excess over $70,000.
Over $80,000 but not over $90,000	$50,220, plus 84 percent of excess over $80,000	$21,980, plus 36 percent of excess over $80,000.
Over $90,000 but not over $100,000	$58,620, plus 87 percent of excess over $90,000	$25,580, plus 38 percent of excess over $90,000.
Over $100,000 but not over $150,000	$67,320, plus 89 percent of excess over $100,000	$29,380, plus 41 percent of excess over $100,000.
Over $150,000 but not over $200,000	$111,820, plus 90 percent of excess over $150,000	$49,880, plus 44 percent of excess over $150,000.
Over $200,000	$156,820, plus 91 percent of excess over $200,000	$71,880, plus 47 percent of excess over $200,000.

[1] After deductions and exemptions.

Vice President Richard M. Nixon Addresses the 60th National Convention of the Veterans of Foreign Wars of the United States at Los Angeles, Calif., August 31, 1959

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 1, 1959

Mr. VAN ZANDT. Mr. Speaker, one of the highlights of the 60th National Convention of the Veterans of Foreign Wars of the United States now in session at Los Angeles was an address delivered by RICHARD M. NIXON, Vice President of the United States.

Introduced by Commander in Chief John Mahan, Vice President NIXON spoke to a capacity audience that included a cross section of America's overseas fighting men and their wives, together with leaders in the business and military life of the Nation.

The address follows:

EXCERPTS OF REMARKS OF THE VICE PRESIDENT OF THE UNITED STATES AT THE 60TH NATIONAL CONVENTION OF THE VETERANS OF FOREIGN WARS OF THE UNITED STATES, LOS ANGELES, CALIF., AUGUST 31, 1959

This is the fourth time in 6 years that I have had the honor of addressing the national convention of the Veterans of Foreign Wars.

In looking over the speeches I have made in previous years, I find that I have in each one spoken of the threat of international communism to peace and the security of the United States. I chose that subject on previous occasions because I believed that was the greatest issue before the United States and the world.

Today I shall speak to you on the same subject because, despite the developments in recent weeks which have resulted in the announcement of an exchange of visits between President Eisenhower and Mr. Khrushchev, the magnitude and seriousness of the challenge presented to the free world by the leaders of the Communist world is just as great as it was before these visits were announced.

I particularly want to direct my remarks today to those who have expressed concern over the wisdom of inviting Mr. Khrushchev to the United States. The motives which

cause this concern are laudable ones. They are motives that all of us in this room share—patriotism, love of country, opposition to Communism and a well-justified suspicion of Communist tactics. I understand and respect the right of distinguished Americans like your speaker at tonight's dinner, Mr. George Meany, to express doubts as to the President's decision on this invitation.

And, while I disagree with Mr. Meany on some issues, may I say to you what I have said on previous occasions, that there is no more vigorous, articulate and effective opponent of communism in the United States than he is. The American trade union movement which he heads deserves the thanks of all the American people for the effective work it has done throughout the world in helping free trade unions to resist Communist infiltration and domination. I can testify from firsthand experience that in many of the countries that I have visited in Asia, Africa and South America I found that one of the strongest bulwarks against communism was a strong, free trade union movement.

Recognizing that there are plus and minus factors involved, I would like to state for you today the case for Mr. Khrushchev's visit to the United States. First, let's look at some hard facts.

The United States and the U.S.S.R. are the two strongest nations on the face of the earth, each possessing almost unbelievable destructive power. The fact that one intercontinental ballistic missile can travel the 5,000 miles between the United States and the U.S.S.R. in less than thirty minutes, carrying a warhead which has more destructive power than all the bombs dropped by both sides in World War II, is just one small indication of that strength.

There are differences between the United States and the U.S.S.R.—basic, deep differences of which the Berlin crisis is only one of many. If we fail to settle those differences at the conference table, the only other way to settle them is by a war which would destroy civilization as we know it. If our differences are to be settled at the conference table, we must talk with our opponents.

In the case of the Communist dictatorship of the U.S.S.R., only one man—Mr. Khrushchev—is the man to talk to. He has absolutely unlimited power to make decisions on these great issues. We can continue to talk to him by firing messages across the 5,000 miles which separate us and we may end up firing missiles at each other. I believe that if we are to talk it is better to do so across the table face to face so that the chance for misunderstanding will be reduced to a minimum.

But why bring him here, some may ask? Why not go someplace else to talk to him? Because this man who has greater uncontrolled power in his hands than any man in the history of the world, the power by his decision alone to set off a chain reaction which could start a world war, has some very dangerous delusions and misconceptions about the United States and its people.

He knows that we are militarily strong and that we are economically rich. But because he believes so fanatically in the Communist philosophy, despite everything he has heard to the contrary, he has convinced himself that the United States is a country seething with discontent, that millions of Americans live in poverty oppressed by the wealthy few, that a substantial number of our people do not support the President in his firm stand against Communist aggression. In a nutshell, consequently, these misconceptions lead him to conclude America has the strength but may lack the will to defend her vital interests.

I have seen and talked to Mr. Khrushchev. I am convinced that if he continues to believe what he presently believes about us we can only expect him to continue on his present course of reckless unilateral action like his precipitation of the Berlin crisis. And the risk we would be taking would be a war no one wants which would destroy civilization itself.

I am not suggesting that we should be so naive as to think that his visit to the United States will change his ideas about the relative merits of communism and our system of government.

But he will find that the overwhelming majority of the American people believe in their system just as deeply as he believes in his. That regardless of party we are united behind the President in our determination to defend our independence and that of other free nations with whom we are allied in the event of aggression. And that while the American people want peace, he should never mistake our dedication to peace for weakness, fear, or lack of determination to defend ourselves where our vital interests are attacked.

The peace we want is not the peace of surrender or appeasement but peace with justice. If Mr. Khrushchev has this lesson brought home to him by what he sees and hears in the United States, this visit will have been justified apart from the results of any conversations he may have with the President, because it will have reduced the possibility that he may miscalculate by underestimating our will to resist and thereby precipitate a crisis which could only result in war.

Now put yourself in the place of the President of the United States. It would be tempting for him to view this evil philosophy with scorn and detachment, to refuse to talk to and to meet its representatives except through the usual formal diplomatic channels. But I say that it would be the height of irresponsibility on the part of the President of the United States to take this posture, popular as it might be at the moment, and allow the world to continue to drift into two hostile camps and an inevitable, suicidal war.

In judging the merits of this visit, let me list some of the things that will not result from it.

There will be no acquiescence or approval by us of the status of the captive nations of eastern Europe. There will not be any change in the opposition of the government and people of the United States to communism at home or abroad. There will not be any reduction of U.S. military strength in the absence of self-enforcing disarmament agreements which we know will be kept by them as well as by us. There will be no negotiating on issues affecting our allies without their being present. And there will be no abandonment of our position that the 2,500,000 people of West Berlin must continue to be guaranteed the right to retain the free government which they have chosen by overwhelming vote.

In addition to providing Mr. Khrushchev a chance to see the United States and to know the truth about not only our military and economic strength but also the will and determination of the American people, it will provide an opportunity for him to discuss issues directly with President Eisenhower which affect the peace of the world.

Now I realize that there are those who object to such talks on the ground that they fear they may result in appeasement, surrender of some of our basic interests; some even suggest that Mr. Khrushchev may outwit, outsmart or trap the President and his associates.

To answer these charges bluntly, I think it is time for us to recognize that the Communists are not so smart and we are not so dumb as this kind of talk would imply.

The difficulty in the past has not been so much with what was agreed at the conference table but the fact that the Communists broke the agreements. This has occurred in the case of 50 out of 52 major treaties and agreements since 1933. But we can be sure this time that the President will have in mind the last Geneva Conference where Mr. Khrushchev failed to carry out the agreements on unification of Germany and other issues which they reached at that time.

The President is well aware of the fact that Communist subversion in the United States is still being financed and supported by the Communist Party of the Soviet Union.

And if there were ever any doubts that the President would not enter these talks with his guard up, the news from Laos has certainly laid them to rest. The support and the encouragement which the governments of the U.S.S.R. and Communist China have been giving to the rebels in that country have served to alert the whole free world to the fact that communism's drive for world domination continues without letup.

In other words, those who believe that this conference is going to result in appeasement, surrender, defensiveness and softness toward communism simply do not know the President of the United States.

We have learned a lot in our dealings with the Communists over the past few years. While we will always treat a guest in our country with courtesy, we know that charm, flattery, and gracious toasts have no effect whatever in changing the rigid positions of the Communists leaders. We have learned that in our meetings with them we have to be just as hard-headed, tough-minded and realistic as they are. This is an approach Mr. Khrushchev respects and understands and this is the kind of a man he will face in President Eisenhower.

There are some who say it was undignified for me to reply to Mr. Khrushchev in public when he attacked the United States and our policies when I was escorting him through the U.S. exhibition in Moscow.

My answer is that I, too, would prefer that important issues be discussed in a dignified private conference. But what we have to recognize is that we are engaged in a great battle of ideas with the Communist world. Mr. Khrushchev knows this well. He never misses an opportunity to make propaganda for the Communist way of life. And I say that it is time for us in the free world to quit being defensive, apologetic, and mealy-mouthed when our system comes under attack, publicly or privately.

We in the free world must stand up and fight for our ideas just as the Communists do for theirs. We have allowed too much to go unchallenged, the kind of talk that says the free nations are decadent, divided and weak. The only and best way to progress in the newly-developing countries is through communism. Communism rather than freedom is the wave of the future. The Communist leaders are too crafty and shrewd for us at the conference table. Their education system is superior to ours.

We have been on the defensive long enough. It is time for us to take the offensive and help make the whole world realize that the Communist idea is not a super idea; that the Communist leaders are not supermen; and that the Soviet Union is not a supernation.

We should not underestimate the deadly seriousness of the challenge which is presented to us because of the disciplined dedication of the Communist leaders. But let us not make the mistake of meeting that challenge with a negative, defeatist, static posture.

As the international spotlight shifts from long-distance threats to man-to-man conferences, we should be cautious. But caution is not the same as a paralyzing suspicion that prevents any move toward peace. Let us give the President our united and

wholehearted support as he takes the leadership in the cause of peace with justice.

When Mr. Khrushchev challenges us to peaceful competition, let us go him one better and urge expansion of that competition to include the spiritual as well as the material aspects of our society. Let there be competition between ideas not only in the free world but in the Communist world as well.

We should welcome and encourage a greater exchange of persons and ideas between the free world and the Communist world. A free society thrives on free discussion, criticism, and interplay of ideas. On the other hand, dictators use fear, suspicion, and secrecy to maintain their power and control over the people.

When Mr. Khrushchev says that our grandchildren will live under communism, our answer should be—we do not fear the outcome provided they have the freedom to choose the system they want. We do not say in reply that his grandchildren will live under capitalism. The very essence of our belief is that we will not impose it on anyone else, and that every people should have a right to choose the kind of economic and political system which best fits its particular problems.

But this we do believe—that all the people on this earth, including those of the Soviet Union—will inevitably demand and obtain more and more freedom. Because history teaches us that man was made to be free and that freedom, not communism or any other form of dictatorship, is the wave of the future.

The Veterans of Foreign Wars can render invaluable service to the cause of peace and freedom to which we are all dedicated.

Let our answer to the aggressive tactics of world communism not be simply defensive, negative, and fearful. The best answer to the Communist revolution is the kind of life produced by the American Revolution. The most effective antidote to communism is a program of intelligent, articulate, positive Americanism.

AFL–CIO Interview with Hon. Alexander Wiley, of Wisconsin, on Khrushchev Visit to United States

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Tuesday, September 1, 1959

Mr. WILEY. Mr. President, we recognize that the upcoming visit of Premier Khrushchev is creating a wide variety of reactions among our citizens throughout the country.

These include strong views both for and against the visit. The predominant feeling, however, appears to be that—now that the invitation has been extended and accepted—the American people should back up the President and create the climate that will enable the best results to be obtained from the exchange visits between President Eisenhower and Premier Khrushchev.

Recently, I was privileged to discuss various aspects of the Khrushchev visit on the AFL–CIO broadcast "Washington Reports to the People." I ask unanimous consent to have the interview printed in the CONGRESSIONAL RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

EXCERPTS OF REMARKS PREPARED FOR DELIVERY BY SENATOR ALEXANDER WILEY, REPUBLICAN OF WISCONSIN, RADIO AND NEWSPAPER NETWORKS OF THE AFL–CIO

Question. Senator WILEY, do you feel the invitation to Mr. Khrushchev to visit this country is a good idea?

Senator WILEY. Overall, I feel the upcoming visit has possibilities for positive accomplishments; at the same time, there are dangers. On the positive side, the visit can (1) correct a few of Mr. Khrushchev's misconceptions about this country; (2) confirm our peaceful intentions; (3) emphasize the unity of the country behind its leadership; (4) give the Soviet leader a real knowledge of the high standard of living of Mr. and Mrs. Average America; and (5) again emphasize that, although our policies are peaceful, we will not be pushed around.

Globally, I would hope that the Khrushchev visit would not be interpreted as a sign that we are "going soft" on communism.

President Eisenhower—the standard bearer of our policy—has made a decision that, in his judgment, will best serve the interests of our security and world peace. The American people—in a united, bipartisan manner—I believe should now give full support to that decision.

Question. Do you have any real fears of Mr. Khrushchev's personal safety while he is in this country?

Senator WILEY. Naturally, I believe that all necessary security precautions should be taken. There are a great many people—particularly from Poland, Hungary, and other captive nations—who deeply resent, and understandably so, the Premier's being invited to this country.

For the public—and our allies—it should be made abundantly clear that the invitation does not demonstrate approval of communism, or of Communist tactics, that have resulted in international tensions and dangers to peace.

As a whole, however, I am confident that the Nation will act in a mature and responsible manner.

Question. Senator WILEY, do you feel that the American people might expect too much from such a visit?

Senator WILEY. No. The years of the cold war, I believe, have conditioned our people to the Soviets' hard policies. As a result, we don't expect any magical, overnight change in Soviet programs.

Question. Do you think the exchange of visits might lead to a summit meeting later on?

Senator WILEY. The decision for a summit meeting—as I have stressed before— rests squarely on President Eisenhower. As the President has stated, such a decision would—and should—be based upon whether it would make a constructive contribution toward easing tensions and resolving East-West differences.

The Eisenhower-Khrushchev exchange visits may or may not make a contribution toward justifying a summit conference.

Question. Do you think that the Khrushchev trip might succeed in altering some of his misconceptions of conditions in the United States?

Senator WILEY. Yes. As a matter of fact, I believe it would be worthwhile—to the degree possible—to plan his trips and contacts to achieve this objective.

As I understand it, however, the planning of the trip is a matter to be agreed upon between the State Department and the Russian Embassy—which, of course, gets its directions from Moscow.

Question. Senator, even if his mistaken ideas are corrected, do you think there is any real likelihood of altering his ultimate aims of world domination by communism?

Senator WILEY. Frankly, I doubt that we can expect to see any far-reaching changes in Communist policy in the near future. To the contrary, the Soviet leaders continue to reiterate their prediction—erroneous, I am confident—that socialism—in the Soviet Union, a false front for totalitarian communism—will eventually rule the world.

Policywise, the communist strategy is changing from "aims of military conquest" to efforts at economic, political and ideological penetration of the Western World. However, there has not as yet—nor can we expect it in the near future—any swaying from the ultimate goal of world domination. Consequently, we must gear our policies and programs to a long-range struggle against communism.

Overall, however, I believe the Khrushchev visit may further "break the ice" for top level—and possibly more fruitful lower level—exchanges to attempt to iron out East-West differences.

In the light of these factors, real "proof" of willingness to effectively promote peace still demands of Khrushchev not words of peace, but deeds.

Books and the Cold War

EXTENSION OF REMARKS
OF
HON. EUGENE J. McCARTHY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Tuesday, September 1, 1959

Mr. McCARTHY. Mr. President, I ask unanimous consent that my statement entitled "Books and the Cold War," together with a letter from Mr. Harry Agency, be printed in the CONGRESSIONAL RECORD.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MCCARTHY

I should like to recall for the RECORD the discussion about books and Soviet censorship which took place on the floor of the Senate near the end of last month.

At that time we were enlightened by spokesmen of both the conservative and liberal wings of the Republican Party who stood together in advising us that the administration had in response to the Soviet Union's demand removed certain books from the American exhibition at the Moscow Fair.

Of course, the administration was really not blamed. The role of other villains was stressed.

The distinguished Senator from New Hampshire [Mr. BRIDGES], representing the conservative wing of the Grand Old Party, entitled his remarks: "Wanted: A Liberal Crusade," and his open attack was on liberals in the Senate and throughout the Nation who were not riding to battle against the Soviet censors as he thought they should. He asked:

"Now the Soviet Union is openly and bluntly censoring the books in our American exhibit in Moscow. Do we hear the liberal bugles sounding the call to battle: Is the air filled with expressions of indignation and invective?" (CONGRESSIONAL RECORD, July 29, 1959, p. 14591).

With that provocation the senior Senator from Minnesota and the junior Senator did reply in order to establish, successfully I think, that in reality the removal of books was an administration decision, and if it represented a retreat, that it was an administration retreat.

Also in the course of that debate, I took the position that the primary responsibility of liberals is the defense of civil liberties and the protection of free access to information here in the United States. We are unable to control what is done everywhere in the world. Our first obligation is to set an example at home. Although we can protest censorship abroad and should give support to those who oppose it, it is not our basic responsibility.

I also had some reservations about the administration's responsibility. If the administration officials were guilty of cowardice, then, of course, that action should be protested. But it seemed to me that the critics should have heard the administration's side, so I wrote to the U.S. Information Service for the information on the contract under which the displays were agreed upon. A fair for the mutual exchange of exhibitions of "Science, Technology, and Culture" is not primarily the place for political debate. We are under no obligation to have cultural and scientific exchanges, but if we agree to attend them usually there are conditions attached.

I have received a reply to my letter from Mr. Harry Tyson Carter, General Counsel for USIA, and from his account of the terms of the agreement between the administration and the U.S.S.R., it seems to me that our friends on the other side started clamoring too soon for a liberal crusade. Mr. Carter writes that while there was no specific agreement on the books to be exhibited, "the agreement did specify with respect to souvenir buttons, emblems, mementos, and samples to be distributed (par. 5) and with respect to motion pictures and slides to be shown (par. 13) that each party would be given an opportunity to make, each to the other, recommendations with respect to the items to be distributed or to be shown.

"It was within the spirit of these provisions that Mr. McClellan received the objections of Soviet officials to the display of certain books. The United States has not accepted these objections as prohibitions, but merely as recommendations, reserving the final decision as to whether specific books will, or will not, be displayed.

"In this connection it should be pointed out that more than 8,000 books arrived in Moscow for the book exhibit. Some were immediately considered by Mr. McClellan to be inappropriate to the purposes of the exhibition."

I attach herewith a letter Mr. Carter wrote. The point is clear, I think.

I should now like to quote a few lines from the actual agreement between our Government and the Soviet Union. In the preamble it is stated that:

"As a mutual declaration of the spirit and intention which shall govern the interpretation and execution of the terms and conditions of this agreement, mention is made of the fact that the success of this exchange of exhibitions requires a substantial degree of flexibility and discretion for each party hereto to determine the scope, nature, and content of its exhibition. * * * There is also, on this account, required and proffered, each to the other, a high degree of trust and cooperation to the end that each exhibition will be facilitated and made successful in furtherance of the mutually advantageous purposes of the above mentioned exchange agreements."

Section 13 of the agreement contains this sentence:

"Each party may show at its exhibition site such motion pictures or slides as it deems appropriate which would be cultural and nonpolitical in character, devoted to an objective presentation of various aspects of its science, technology, or culture."

These excerpts make clear, I believe, that the exhibition was to be nonpolitical in character and that there was an implicit obligation for each government to act in conformity with these general terms. Mr. McClellan, general manager of American exhibit, had the duty to exercise his judgment as to whether books selected fitted in with the spirit of the exhibition agreement. Mr. Carter also notes that as of August 7, with the exception of five books which Mr. McClellan had under study, "all books ever placed on the shelves at the exhibition (including those temporarily withheld during the process of final selection) have now been placed on public display."

I do not always find myself able to uphold the administration, but in this case I am happy to do so. I think the report indicates that Mr. McClellan exercised good judgment and acted in a manner consistent with American tradition and good manners. I trust that Mr. Carter's letter will show that this small tempest in a bookcase did not have the makings of a hurricane. The attack of Republicans in Congress should not have been directed at liberals or at the administration.

On the other hand, I believe this incident does highlight the important fact of the great value of books in the cold war. The use of the power of books to convey ideas and reflect and preserve the richness of American intellectual life and political thought is as important as our economic and military tactics.

Mr. Khrushchev has boasted that the Soviet Union will outproduce us. They may. It may well be that the Soviet Union is ahead of us in satellites. It may catch up with us in washing machines and color television. But the Soviet Union can never, without changing its system, catch up with us in the realm of ideas and the free expression of them. In this contest, our greatest strength is our intellectual creativity, including political thought, and books are the principal means of exporting our ideas. The one area in which the Soviet Union cannot compete and cannot even afford to try to compete is in the area of ideas. Books and the free discussion of the ideas they contain are decisive points of distinction and contrast between the democratic and the totalitarian way of life.

So while I do not think we can expect to use an official exhibition at the Moscow fair as the place of distributing books with liberal ideas, we can and should greatly expand our efforts to make books available to people all over the world.

To this end, I am pleased to see that Ambassador Lodge recently signed the Florence agreement for the United States. This agreement, which provides for the reciprocal elimination of trade barriers on the importation of educational, scientific and cultural materials, was approved by the General Conference of UNESCO in Florence, Italy. It has already been ratified by 31 countries. Contracting states to the agreement grant duty-free entry, under prescribed conditions, to a wide range of materials, including books, publications, and documents. The agreement has been in effect since 1952 and we should have been among the first to ratify it. It will greatly facilitate the exportation of books and other scientific and cultural materials from the United States to other countries. It will be also benefit our own citizens, since they will be relieved of the 5-percent ad valorem U.S. tariff on current books in the English language and the 7½-percent tariff on printed music.

The Florence agreement was received by the Senate last week on August 25 and has already been referred to the Committee on Foreign Relations. As one of the Senators appointed by the Secretary of State to the U.S. National Commission for UNESO, I urge its approval. Against the background of the importance of books in the cold war, the ratification of the Florence agreement will be a significant step.

U.S. INFORMATION AGENCY,
Washington, August 13, 1959.

The Honorable EUGENE J. MCCARTHY,
U.S. Senate.

DEAR SENATOR MCCARTHY: This is in reply to your letter of August 5, 1959, concerning the book exhibit at the American national exhibition in Moscow.

As regard your specific inquiries, there was no agreement in advance concerning the books to be exhibited. The exchange of exhibitions with the Soviet Union grew out of the basic agreement on cultural, technical, and educational exchanges signed in Washington on January 27, 1958. A protocol agreement of September 10, 1958, called for an exchange of exhibits in the summer of 1959 devoted to the demonstration of the development of science, technology, and culture. This protocol agreement was implemented by a more detailed agreement between the United States and the All-Union Chamber of Commerce of the U.S.S.R. executed on December 29, 1958. A copy of this agreement, which is the basic document relating to this exhibition, is enclosed.

As you will observe, there is no reference whatsoever to books in this agreement. The basic understanding as to the content of the reciprocal exhibitions (always within the framework of "science, technology, and culture") is expressed only in the preamble to the agreement.

However, the agreement did specify with respect to souvenir buttons, emblems, mementos, and samples to be distributed (par. 5) and with respect to motion pictures and slides to be shown (par. 13) that each party would be given an opportunity to make, each to the other, recommendations with respect to the items to be distributed or to be shown.

It was within the spirit of these provisions that Mr. McClellan received the objections of Soviet officials to the display of certain books. The United States has not accepted these objections as prohibitions, but merely as recommendations, reserving the final decision as to whether specific books will, or will not, be displayed.

In this connection it should be pointed out that more than 8,000 books arrived in Moscow for the book exhibit. Some were immediately considered by Mr. McClellan to be inappropriate to the purposes of the exhibition. Certain others were sent to the exhibition site and placed on the shelves for the purpose of selection and arrangement, but were withdrawn prior to public display. It was principally these books which were involved in the controversies reported in the press. Mr. McClellan could not personally check these books overnight and thus postponed judgment on some selections until after the exhibition officially opened to permit adequate study.

Subsequent to the opening of the exhibition, Soviet officials requested that five books be withdrawn. Mr. McClellan removed these five from the shelves for review in order to consider the Soviet recommendation.

As of August 7 Mr. McClellan reported that, with the exception of the five books referred to above, all books ever placed on the shelves at the exhibition (including those temporarily withheld during the process of final selection) have now been placed on public display.

The titles of the five books under review are as follows: Wallbank's "Man's Story"; Miller's "Archeology in the Soviet Union"; "World Topics Year Book of 1959"; "Britannica Book of the Year 1959"; "85th Congress, 1st Session, Soviet Economic Growth: A Comparison with the United States."

The criteria which Mr. McClellan will apply in deciding whether or not to return any or all of the five books to the shelves is simply a commonsense judgment as to whether or not display of the books is in furtherance of

the intent and objectives of the agreement for a reciprocal exchange of exhibitions.

In closing I might note that reports from Moscow consistently rate our book exhibit as one of the most effective of the entire exhibition. No doubt you have noticed this in the press.

If we can be of further assistance, please let me know.

Sincerely,

HARRY TYSON CARTER,
General Counsel and Congressional Liaison.

Veterans of Foreign Wars 60th Anniversary

EXTENSION OF REMARKS
OF
HON. HAROLD C. OSTERTAG
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. OSTERTAG. Mr. Speaker, I wish to join in saluting the diamond jubilee anniversary of the Veterans of Foreign Wars of the United States. This makes 60 years of patriotic service by one of the finest veterans' organizations of our time. They are a proud organization, proud of their beginning and proud of their continued zeal in the welfare of the Nation, the State, and the community. Their type of achievements and leadership makes me truly proud and honored that I have been a member of this great organization for over 40 years.

Since 1899, the national membership has grown to 1,200,000. In the Empire State of New York alone the membership now totals 67,842.

The members of the VFW, who cherish wearing the Cross of Malta, the emblem of the VFW, are veterans of an organization unique in its eligibility requirements. To join its ranks, a man must be able to produce an honorable discharge from the Army, Navy, Marine Corps, Air Force, or Coast Guard, showing "service honest and faithful" in time of war in a theater of operation.

It matters not whether that service was on the frozen plains of the Arctic, in the battles of Chateau-Thierry, or St. Lo, in the steaming jungles of the Philippines, Guadalcanal, or Burma; at Iwo Jima or the Chosin Reservoir, Bunker Hill, the Inchon landing, the liberation of Seoul; or in the mountains of Korea—the members of the VFW walk with their heads high.

From the beginning, under the leadership of Gen. Irving Hale, to the present commander in chief, John W. Mahan, the VFW has pledged to defend the principles of human rights in times of peace and war.

The greatest legislative assembly in the world, the Congress of the United States, granted the VFW a charter. In this charter the purpose of the organization is clearly defined. To preserve and strengthen comradeship among its members; to assist worthy comrades; to perpetuate the memory of our dead and to assist their widows and orphans; to maintain true allegiance to the Government of the United States of America and fidelity to its Constitution and laws; to foster true patriotism; to maintain and extend the institutions of American freedom; and to preserve and defend the United States from all her enemies whomsoever.

The VFW, with its rich heritage, has always been in the forefront to provide aid and assistance to its members and families. The record of legislation with its analysis, submitted monthly by our able director of national legislative service, Omar B. Ketchum and his staff, keep the VFW members well informed as to action on bills in Congress.

Throughout the Nation, in large and small communities, the VFW has sponsored and successfully carried out various projects beneficial to civic welfare, schools and churches, and to our youth. One outstanding project, and one which is very successful, is the national home at Eaton Rapids, Mich. This is the refuge for children whose fathers were totally disabled or are deceased. It is a splendid example of what any group of determined and public-spirited citizens can do.

As members of the VFW, we assume without reservation our responsibilities to maintain, strengthen, and defend the institutions of American liberty.

As the name implies, Veterans of Foreign Wars of the United States is an organization of men who have fought behind Old Glory in many foreign lands. These are the men who crushed foreign tyrants; these are the men who have proved their patriotism by offering their bodies and souls so that liberty should not perish from the earth, and American ideals and institutions might be preserved for posterity.

Prayers, Not Cheers, for Nikita Khrushchev

EXTENSION OF REMARKS
OF
HON. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES
Tuesday, September 1, 1959

Mr. BRIDGES. Mr. President, one of New Hampshire's most outstanding weekly newspapers, the Hampton Union, which has stanchly opposed inviting Khrushchev to visit this country, last week endorsed the proposal of Americans for Constitutional Action that the forthcoming visit be offset by prayer.

In his fine editorial, Publisher Edward Seavey urges that prayers be raised instead of cheers when the Soviet Premier arrives. I ask unanimous consent, Mr. President, that this excellent editorial be printed in the CONGRESSIONAL RECORD and I commend it to the attention of my colleagues.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PRAYERS, NOT CHEERS

Nikita Khrushchev's 12-day itinerary in the United States appears already to have been worked out in considerable detail—with official Washington taking the brunt of it and the only other cities to be infected being New York, Pittsburgh, Los Angeles, and San Francisco. The Soviets themselves have turned down more elaborate and extensive inspection of the Nation for the fairly obvious reason that they do not wish to be obligated to show President Eisenhower very much of the "people's paradise."

Included among the turndowns, we assume, is the ill-advised invitation by the president of the New Hampshire Weekly Publishers Association for the "Butcher of Budapest" to attend the fall meeting of the New England Weekly Publishers to be held at the Crawford House for which the Granite State editors are serving as hosts.

This newspaper's position on the Khrushchev visit is too well known to bother with disassociating ourselves with any such invitation and misguided concept of the value of a free exchange of ideas.

To speak of freedom and Khrushchev in the same breath is the height of foolishness. The Soviet leader is the living symbol of communism—an ideology that recognizes no personal dignity or freedom and which is dedicated to destroy everything America stands for. And no visit to our free land is going to alter that course one iota.

Senator STYLES BRIDGES ably summed up our feelings on the matter in a statement this week from Washington:

"My position in regard to the visit of Khrushchev to this country is well known. I am opposed to it, and I have been opposed to it. The invitation, however, has been extended and accepted, so we must view the visit in the light of this situation. The courtesy of proper protocol must be observed and the bad manners heckling which Vice President NIXON underwent must not be repeated here.

"On the other hand, we should not let the traditional optimism of a free people, living a life of abundance, become the inadvertent launching pad for a Soviet propaganda missile aimed at our destruction.

"All people of the free world must realize that in inviting Khrushchev here, and in a proposed return visit to Russia on the part of President Eisenhower, a calculated but nonetheless grave risk is being taken. We must not again fall into the error of personal diplomacy, which led us into the tragedies of Teheran, Yalta, and Potsdam. Let any agreements that may be reached in these visits be a matter of public record immediately.

"From the recent Nixon talks with Khrushchev, it is apparent that Russia suffers from a vast inferiority complex and that Khrushchev is the personification of that national feeling. The rationalization of an inferiority complex is a subconscious tendency to overestimate one's ability. Khrushchev's visit to this country can be of value in demonstrating to him our military and economic strength, on the one hand, and on the other, the solidarity of purpose of the American people. Such an education, while it might not halt his tirades against this country, would at least establish the fact that he spoke in terms of falsehood rather than plain ignorance.

"A return visit by President Eisenhower would again demonstrate to the Russian people, as did Vice President NIXON'S visit, that we are interested in solving world problems on a peaceable basis and not as the warmongers their Kremlin masters picture us.

"The dangers, on the other hand, are many. Already there are those who would relax somewhat in our all-out effort on the basis of the fact that visits have been tentatively scheduled. This is utter folly since no one can foresee the attitudes and issues which may develop. The exchange will be fraught with propaganda pitfalls which the Russian leaders are only too willing to distort to their own advantage.

"The American people must view the exchange of visits as an experiment or a new approach in dealing with the Soviet Union. The invitation to Khrushchev, for which he has angled for some time, should not be hailed as a positive accomplishment in the area of our relations with the Soviet Union. It would be tragic indeed if the lessons of sputnik melted away in the thaw of a Khrushchev smile."

While there are those who hope that a mighty public protest against the visit may still cause its indefinite postponement, most Americans have resigned themselves to the eventuality and all sorts of suggestions have been forthcoming as to how we should receive the Russian demagog.

The best to date, we believe, is the thinking and planning of Adm. Ben Moreell, USN (retired), who, as chairman of Americans for Constitutional Action, is urging that the blight of the Khrushchev visit be offset by prayer.

In a letter to churchmen, Admiral Moreell reported that they had invited members of 19 patriotic organizations representing 10 million Americans to discuss with them an appropriate posture regarding the Khrushchev visit.

"There was general agreement," he wrote, "that since we are a people whose trust is in God * * * the moral implications of the visit far outweigh all the others.

"The question arises then whether, by inviting this visitor to our shores, we give implied moral sanction to his past record and whether, by our action, we endorse the extreme cruelties visited by the Soviet Union on enslaved peoples.

"In light of these thoughts, there was general concensus that, while we should refrain from any demonstrations of hostility, it would be right and proper that Mr. Khrushchev's arrival * * * be set aside as a day of prayer in all the churches of the land. * * * In like manner, special church services should be conducted in each city on the day of Mr. Khrushchev's visit."

Swift approval of the Moreell plan came from Evangelist Billy Graham who said: "I heartily endorse Admiral Moreell's proposal that Premier Khrushchev's day of arrival should occasion a day of prayer on the part of the Nation. * * * May this be an occasion that we conform our national life with our usual boast that God is our trust."

And finally, may those who love their country and detest the things Khrushchev stands for, do their very best to see that this ogre is paraded through empty streets.

Report on Missile Management

EXTENSION OF REMARKS
OF
HON. CHET HOLIFIELD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. HOLIFIELD. Mr. Speaker, I would like to call to the attention of the Congress a report just issued by the Military Operations Subcommittee of which I am chairman. This report is a factual study and systematic account of our major missile programs. It describes in some detail the resources, procedures, and special agencies that have been acquired or established for prosecuting this all-important missile effort. This report was unanimously approved by the full Committee on Government Operations under the distinguished leadership of Chairman WILLIAM L. DAWSON.

The missile programs play an increasingly vital role in the defensive strength of our country. The tremendous costs and expenditures involved in acquiring a missile capability alone demand that careful scrutiny be exercised in this field. The Military Operations Subcommittee has attempted to analyze the missile program from several points of view with objectivity and thoroughness.

We have carefully reviewed the agencies and committees and individual offices at the Department of Defense level over the past 10 years for directing and coordinating the missile effort. We have demonstrated the problems involved in attempting to achieve effective top-level control and the bewildering array of mechanisms that have been set up in the process. While this review may be critical, it is not carping. We have set forth the facts as we have found them. We have set them forth fairly and without partisanship or prejudice to any service.

The Military Operations Subcommittee has analyzed the procurement and management methods used by the military services in the missile programs. We have shown that the priorities assigned to these programs have often resulted in the creation of ad hoc agencies and the necessary circumvention of ordinary procurement procedures. While we have pointed out the tremendous waste involved, we have tried to show that the imminence of the Soviet threat and the urgent need for operational missiles were partly responsible.

The report sets forth a detailed account of the Air Force ballistic missile program starting with the Von Neumann committees' recommendations in 1953 that an ICBM program was feasible and should be undertaken.

After public hearings and visits to the Ballistic Missile Division on the west coast we have analyzed the circumstances under which Ramo-Wooldridge Corp. and its successor Space Technology Laboratories became enmeshed in the Air Force program. We have analyzed this company's relationship to the Air Force and the role it plays as a private concern sitting behind Government desks and helping to make governmental decisions. There has been a great deal of concern in the Congress and elsewhere over the tremendous power and responsibility exercised by Space Technology Laboratories. We have proposed that if this same relationship is to continue in the future the company must be converted into a nonprofit institution similar to the Rand Corp., the Jet Propulsion Laboratory, the Allied Physics Laboratory of Johns Hopkins University, and others.

We have spelled out in some detail the controversy over the Thor and Jupiter missiles. We have reviewed the recurring problem of duplication and overlapping roles and missions in the field of air defense. We have discussed the role of the military in space and the problems that have been created by the establishment of an Advanced Research Projects Agency in the Department of Defense and a new independent civilian space agency, the National Aeronautics and Space Administration.

The subcommittee has directed its attention primarily to land-based strategic missiles. We have found that the basic clash in the ballistic missile field is between the Army and the Air Force. After careful study we have concluded that duplication, waste and interservice rivalries will continue unless the Air Force and the Army "join hands in a single service effort." Our report has called upon the President to initiate studies looking to an Army-Air Force merger.

These strategic missiles are the decisive weapons of the coming decade—decisive for the strategy of deterrence and retaliation. These weapons, however, have no unique service orientation. Land-based missiles can be built and fired by the Air Force or the Army equally well. This creates a dilemma for both services. The Air Force now has operation control over all land-based strategic missiles, but this fact had nothing to do with the basic reasons for creating a separate Air Force. The Army faces a bleak future under prevailing roles and missions assignments which bar it from any part in deployment of the weapons that are to dominate global military strategy.

As the report states, "no amount of effort spent in clarifying roles and missions can overcome the ruthless logic of weapon technology."

While we believe that an Army-Air Force merger would by no means solve all of the problems of military organization and command relationships, it would solve many and lay the groundwork for the solution of others.

With the full cooperation of all the subcommittee members and the military services we have submitted a report which carefully and objectively tells a story which is of great concern to all of us. I believe that this report will cast light on little-known factors involved in the complex missile effort and contribute to everyone's understanding of the successes achieved and the problems that lie ahead. It will show that the nature and rapidity of missile and space technology demand a reappraisal of organizational arrangements in the Department of Defense.

Gasoline Tax Bill

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. PHILBIN. Mr. Speaker, I have most vigorously supported and propose to continue to support the Federal highway construction program, which in my judgment is urgently needed to improve our national vehicular transportation travel and for the public safety.

When this program was first adopted by the Congress, adequate long-range financing measures were also adopted. While it is true that since that time, original costs of estimates on various

parts of the program have increased, the original formula for raising and disbursing the funds required to advance and ultimately complete this great national project is just as sound today as when it was first proposed and adopted.

The diversion of earmarked funds has most unfortunately reduced receipts from the wide range of excise taxes which together with appropriated funds if undiverted would produce more than enough to meet all the Federal obligations under the road program and defray all necessary costs. There are several strong reasons why I do not believe that it is either necessary, or in the interest of sound principles of taxation, to impose additional taxes on gasoline.

In the first place, current gasoline taxes fall with especially heavy impact upon the American people. Heretofore, the gasoline tax had been considered to be a proper area for State taxation. In some States this taxation, imposed on gasoline at present constitutes more than 40 percent of the total purchase price of a gallon of gas.

To my mind, this is not taxation; it is a form of confiscation most oppressive in its effects. Secondly, the gasoline tax strikes at the more than 65 million automobile owners in the Nation who are required to use gas, and it thus imposes onerous taxation on ordinary consumers who are already very heavily taxed.

Moreover, as I pointed out above, it is entirely possible, feasible, equitable, and proper that Congress should and can finance this great roadbuilding program without further taxation on gasoline.

In addition, extensive roadbuilding construction overseas has been financed under the foreign aid program without the adoption of special taxes to pay the cost thereof.

I can see no logic and certainly no need or sound reason for placing additional special taxation of this kind upon American consumers. The Congress can and should provide all the funds needed to finance the program without the imposition of additional heavy special taxes.

I cannot possibly accept the argument that has been advanced here that failure to adopt this tax would bring the road program to a halt because Congress has readily at hand the means of financing the program on a solid, fundamental basis and should not hesitate to do so. This tax is discriminatory against the use of automobiles, other vehicles, and consumers, and against several great American industries and their employees and I cannot find any justification whatsoever in supporting it.

I think that the present taxes on the people and on business are already truly extortionate in many instances and are causing inestimable damage to our high American standards of living as well as to the fundamental operation of our great free enterprise system, and I express regret that Congress even proposes to add to these heavy burdens which are afflicting our people as a whole and seriously impairing the spirit and the incentives of private initiative. I greatly deplore this excessive taxation and I believe Congress should bring it down to fair, reasonable, unrepressive levels, if we have to stay here until Christmas to do it.

At this time, we need lower taxes, not higher taxes. If we could secure lower taxes, it would bring untold benefits to the Nation, to the American public, and to American businessmen, especially the small businessmen who are struggling so hard these days to make both ends meet. In addition, lower taxes would, in my humble judgment, produce higher revenues in the long run and thus assist in balancing the budget and reducing the national debt—two goals which I believe are of greatest import to the future prosperity and well-being of this Nation.

Why Not Tell Me Face to Face?—That Is the True American Way

EXTENSION OF REMARKS
OF
HON. BEN F. JENSEN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. JENSEN. Mr. Speaker, under leave to extend by remarks in the RECORD, I will include a letter I have written to a number of people in the Seventh Congressional District of Iowa which I have the honor to represent. This letter relates to certain unwarranted criticism by the Governor of Iowa of the position I have taken through the years on Federal appropriations for public works projects, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 27, 1959.

DEAR FRIEND: On last May 7 Herschel Loveless, Governor of the great State of Iowa, had a prepared statement read by another at a hearing of the House Public Works Appropriations Committee, of which I am the top Republican member. In that statement he listed six other States which had received more funds for public works than had the State of Iowa—for which he blamed Iowa Congressmen—but he failed to state that Iowa had received over the past years more public funds for flood control, river bank stabilization, soil conservation and valley watershed projects than had other States of the Union.

Congressman CARTER, of Iowa, a Democrat, was present at that hearing to testify in favor of several Iowa projects, and he heard the Governor's statement read—after which, he had this to say in part:

"Mr. CARTER. I want to make a record here expressing my personal gratitude as the Representative of the Fourth Congressional District to my friend, BEN JENSEN, whose district joins mine, for his efforts in behalf of the great Commonwealth of Iowa in this respect. He knows what he is talking about, and knows what he is doing." See page 1618 of the hearings.

Then on June 19 last, Mr. Loveless had another prepared statement submitted by another person to the Senate Public Works Committee of Appropriations. He saw fit to severely criticize me without naming me—but it is crystal clear he meant none other than BEN F. JENSEN. He criticized my speech of May 4, in which I exposed a well organized group of Communists and Socialists in the U.S.A., who planned and schemed for years to get control of our entire Government by establishing River Valley Authorities patterned after the Tennessee Valley Authority. In Mr. Loveless' prepared statement to that committee, and I quote in part from the hearings, page 257: "Recently a Member of Congress from Iowa has attacked the power programs of the Federal Government, which have been made possible by money appropriated by Congress. While he included all the Federal programs in his attack, he was especially vitriolic in his attack on TVA. As Governor of his State, I wish expressly to disassociate myself from his remarks. I am positive that he does not speak for the people of Iowa." Please find herewith enclosed my speech of May 4, which Mr. Loveless referred. I trust you will read every word, then decide for yourself which of us speaks best for the people of Iowa.

A number of Members of Congress, all senior to me in service, have told me that they had never known of a Governor of any State submitting a statement, or making a statement in person, to any committee of Congress critical of a Member of Congress from his own State. Such a performance was new to them. Hence, the Governor of the great State of Iowa has established some kind of a new record.

Facts are, that I have supported such federally financed projects as could be justified, and I have opposed such federally financed projects which it was plain to see could not be justified by facts and figures.

In Mr. Loveless' prepared statement to the Senate committee, he inferred that Iowa Congressmen should support the Public Works projects for all other States in order that Congressmen from other States would support Iowa projects. Had the House Public Works Appropriations Committee approved funds for all projects requested by 243 Members of Congress who appeared before our committee this session, along with 1150 interested people from every State in the Union, our Public Works Appropriations bill would have called for an expenditure of over $2½ billion instead of a little $1⅛ billion, which was the exact amount requested by President Eisenhower.

In closing may I say to you, it has afforded me no pleasure to write this letter, but I am sure the people of the Seventh Iowa District, whom I have the honor to represent in Congress, would expect me to state these facts in order to set the record straight.

Sincerely yours,

BEN F. JENSEN.

Now, Mr. Speaker, I also wish to make reference to the action of our colleague from the State of Tennessee [Mr. EVINS] in inserting in the CONGRESSIONAL RECORD for August 17, 1959, a statement that was highly critical of me and which included a reference to Governor Loveless' attack on me. Congressional courtesy requires that a Member be informed in advance if a personal attack or criticism is to be made by another Member, either on the floor of the House or through an insertion in the RECORD. Why not tell me face to face?

"What is in the heart, let the mouth speak." Thus was I taught by my parents. Because I have spoken out against the things which in my heart I believe to be contrary to the welfare of our beloved country, I have been attacked as an extremist and accused of being intemperate with respect to my contention that TVA is a socialistic autocratic empire within our free Republic.

On August 10, 1959, under permission to extend my remarks in the RECORD, I included excerpts from a newsletter of August 9, 1959, written by Mr. Thurman

Sensing, executive vice president of the Southern States Industrial Council, of Nashville, Tenn. This Tennessean, Mr. Sensing, is fully aware of the socialistic nature of the TVA, notwithstanding the statements to the contrary by Mr. EVINS or any other apologist for the TVA.

It is to be noted that Mr. EVINS made no reference whatsoever to the statements of Mr. Sensing, of Nashville, Tenn., located right in the heart of the TVA area, even though Mr. Sensing's statements were the basis for my remarks. It was this Tennessean who, with firsthand knowledge of the operations of TVA, said that—

A Senator has written the President a letter urging him by all means to have Mr. Khrushchev include a survey of the TVA in his tour of the United States. Well, if the thought is to make him feel at home, we should say that is a pretty good idea—because he will certainly find no free enterprise there. But what is Mr. Khrushchev himself to think, when we parade the TVA before him with pride, than that we are already aping his philosophy of state ownership and state control—and that we are already on our way toward making his prophecy about our grandchildren come true? We all want peace, yes; but must we obtain it at the expense of consorting with Communists and by the loss of our self-respect?

The prophecy referred to by Mr. Sensing was the Khrushchev statement that our grandchildren would be living under socialism.

Now I have no apologies whatsoever for my contentions that TVA is a socialistic autocratic empire within our free Republic; but I do think that Mr. EVINS might have let his readers know that the thought that Khrushchev would feel at home in making a survey of the TVA was not mine but originated in the TVA area itself.

The realization that TVA is socialistic is not a recent one. Speakers on the floor of the House at the time the original TVA bill was passed in 1933 referred to it in terms such as these:

Representative RICH. It is socialism and Russianism on a gigantic scale.

Representative EATON. This bill, and every bill like it is, is simply an attempt to graft on our American system the Russian idea and make the Government everything and the citizen nothing.

And upon its passage, Norman Thomas, the perennial socialistic candidate for President, so aptly described TVA as "the only genuinely socialistic act in the New Deal—a flower in the midst of weeds."

Nor am I alone in the thought that TVA has not been the blessing TVA and its proponents would have us believe. An outspoken editor of a newspaper published at Tupelo, Miss., in the TVA area itself had this to say after 20 years of TVA:

The time has come for TVA to back up and admit that the fastest growth in the South actually has taken place outside the TVA area and we who live within its borders are still as a whole just about the poorest people in America.

This of course would be quite true. For with the exception of giant projects like the Oak Ridge atomic energy plant that Uncle Sam has plunked down in Tennessee, the TVA area has shown less rapid industrial growth than several other portions of the South.

And in income, the TVA area is still dollar for dollar further behind the national average than it was in 1933 when the Tennessee Valley Authority was first established.

Mr. EVINS says if Mr. Khrushchev is invited to visit Tennessee, that his people will proudly show TVA to him—the world's greatest example of water resource development—where floods have been harnessed, navigation and commerce promoted, and where great hydroelectric power dams produce low-cost electricity for sale to the people and for the defense of our country."

Will Mr. EVINS and his fellow Tennesseans tell Mr. Khrushchev that the harnessing of the floods was done by permanently flooding hundreds of thousands of acres of the finest land in Tennessee, an action which a president of the University of Tennessee protested long and loud? Will Mr. Khrushchev be told that the so-called low-cost electricity was made possible only through a subsidy by the taxpayers of the Nation, who have furnished in round figures $2 billion—interest free and Federal tax free—for the construction of the TVA dams and powerplants? Will Mr. Khrushchev be told that the TVA, while claiming credit for pioneering farm electrification, for nearly 20 years consistently lagged behind the country as a whole in the percentage of farms electrified? Will it be pointed out to Mr. Khrushchev that only a few years ago a TVA spokesman admitted only one out of four farms in the TVA area had running water? This compares with a national average of more than double the TVA area, with a number of States in which more than 9 out of 10 of the farms have running water.

Mr. EVINS denounces what he refers to as the implications in my remarks of August 11, 1959 to the effect that the people of Tennessee are accepting and living with a communistic institution in their midst; that those who voted for, and the President who signed the recent revisions of the TVA Act, indicated acceptance of communistic ideas by such action. Of course, Mr. EVINS is free to read whatever implications he wants to into my statement or anyone else's statement in the CONGRESSIONAL RECORD; but that does not make his interpretation a valid one. The record over the years of the TVA—from its inception in 1933 as a navigation and flood-control project with incidental development of electric power, to its present day growth into a gigantic autocratic electric power empire—is one of progressive usurpation of powers which TVA itself contended earlier it did not have nor contemplate. That the Congress later condoned such progressive usurpation of powers, over the years, does not make it right nor change the socialistic nature of TVA.

I did not say TVA was communistic, but if Mr. EVINS or anyone else believes there is so little difference between socialism and communism that they are inclined to treat the two as synonymous, that is their privilege. I would have to agree that there is not a great difference between the two. Socialism destroys freedom by degrees, communism kills freedom by one death blow.

Mr. EVINS in a reference to visits of Russian Communists to farms in the State of Iowa appears to classify the individualistic free enterprise of farming in Iowa with that of the socialistic power program of the TVA. Nothing could be farther apart. I am sure the people in my district realize that a farmer in Iowa who pays Federal taxes and who buys his own farm and provides for his own farm machinery, stock and other operating costs, with his own funds or funds borrowed from a bank, could not compete in the marketplace with a farmer who pays no Federal tax and who is furnished interest free Federal funds to buy his farm and to provide the capital to operate it. To say that this same comparable sort of program under which TVA has been operating is not socialistic is to deny Webster's or any other universal definition of socialism.

Mr. EVINS charges that I do a disservice to the people of Iowa when I point out the dangers of letting socialism—as exemplified in TVA—spread to the other river basins in the Nation. May I assure my colleague that an overwhelming majority of the people of Iowa back my stand against the expansion of socialism, which poses a constant threat to our great Nation and to individual freedom—the statements of Mr. EVINS and the Governor of Iowa notwithstanding.

Thousands of patriotic Americans from every section of the United States of America have requested a copy of my speech of May 4 last entitled "The Power Not To Tax Is Also the Power To Destroy—Socialism or Freedom for America." Because of this great demand, I now have a supply on hand and will be pleased to send a copy to anyone requesting same. I can assure you the reading of this speech will open the eyes of any patriotic American.

Mr. Speaker, this is not the first time an attempt has been made to ridicule me for being a conservative. I am proud to admit that I believe in being conservative with the inherent constitutional liberties of the American people and with the taxpayers' hard-earned dollars. I also believe each section of our great Nation should pay its fair share of the cost of government in keeping with the constitutional requirement. And that the Federal Government should not be called upon to provide for those services for which the people can provide for themselves.

If believing in and fighting for the Constitution of the United States and the individual freedoms which it provides is being an extremist, then I plead guilty to the charge. If belief in the American principle of free enterprise which has made this Nation great makes an extremist of me, as Mr. EVINS charges, then I plead guilty to the charge before man and God.

Mr. Speaker, I think it is better to be an extremist in the defense of the Constitution and the freedoms and principles for which it stands than to be a modern liberal. The American people have long ago correctly defined a modern liberal as one who is liberal with the

people's inherent liberties and liberal with the taxpayers' hard-earned dollars and who desires the creation of an all-powerful autocratic central government which will look out for us from the cradle to the grave. Whether you call it socialism or some other name matters not. In my estimation it is contrary to the constitutional rights and principles upon which this great Nation was founded.

In regard to the recent passage of the so-called TVA bond bill which Mr. EVINS referred to, it is of interest to note that the entire Republican membership of the House Public Works Committee voted against reporting the bill out of the committee. And in the vote on final passage of this bill, 138 Republican Congressmen were joined by 32 Democrats in voting against passage. Only seven Republicans voted for passage. It can be seen that I am not alone by a long shot in my opposition to giving TVA practically unlimited power to operate without proper executive and congressional control. For those who think TVA is under proper control, I should like to end my statement with a quote from a recent issue of the Congressional Quarterly:

A TVA spokesman said TVA would not be bound to follow any recommendations that the President made about its expansion plans.

The Landrum-Griffin Bill Spells Out the Basic Rights of the Worker, the Union, the Business Community, and the American Public in General

EXTENSION OF REMARKS
OF

HON. HAROLD R. COLLIER

OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. COLLIER. Mr. Speaker, few issues before the Congress of the United States have been as punctuated with emotion, heated controversy, misinformation, and contradiction as the labor reform measure of 1959.

Actually, one must sensibly analyze and appraise the structure of our present day economy and its basic goals to properly appraise the issue in its proper perspective.

We must not forget for 1 minute that everyone living in a democracy such as ours has certain rights. These rights are both legal and moral and must remain so if we are to preserve a proper balance in our society.

Can anyone deny that every man seeking to earn a living has the right to pursue his trade or occupation in the best interest of his own standard of living as well as for his family? Under his constitutional rights and freedoms he must not be forced to pay tribute nor be subjected to forced labor.

Labor unions and their leaders must be provided with the same right to peaceably organize and represent employees in collective bargaining to secure a good standard of wages and better working conditions for their members.

The business community, on the other hand, must be provided the right under the law to do business by the same standards and to show a profit for their investment of time, money, and effort.

The American public has the right to expect that these forces within our gigantic economy maintain a relationship which is not detrimental to the general welfare of the public.

Because in years gone by, management engaged in a selfish drive for power and profits with little regard for the welfare of the individual worker, labor unions organized for the collective protection of the workingman. How necessary this was when one considers the old days of the sweatshop, poor working conditions in the shop, child labor, and inadequate wages. It became necessary for Federal law to provide protection of the individual to be represented by a union and to permit the union to speak for him.

In 1935 Congress passed the Wagner Act at a time when organized labor was still struggling for survival. It was during this era that Congress gave union leaders an almost absolute right to picket, strike, or treat employers in any way they desired just as long as the objective was to bring employees into the union.

Laws have different effects upon our way of life under different economic conditions, and it is the job of Congress to constantly consider the rights of all segments of our economy, to protect the rights of all people and to maintain a degree of balance necessary to the best interests of the American public in general.

In 1947 Congress passed the Taft-Hartley law because this picture became so totally out of balance that establishing ground rules became necessary to the very survival of the business community. At any time the power of any group or individual is curtailed by law, one must expect the emotional shouting of that particular group. So it was at the time of Taft-Hartley. Union leaders charged that passage of this law would ruin organized labor and would create slave labor throughout industry if it were ever enacted. Many of the same folks who made these allegations were those who charged the House-passed Landrum-Griffin bill, which I supported, was a union buster and antilabor legislation.

Yet, 12 years after passage of what union bosses called the slave labor Taft-Hartley law, we find American labor with the highest wages and best working conditions in the history of this Nation. We find, too, union membership across the country has increased by nearly 3 million members since the Taft-Hartley law was passed. In all fairness, does it not seem understandable that the same wild charges against Landrum-Griffin failed to modify the judgment of nearly two-thirds of the membership of the House of Representatives?

It is ridiculous to say that the House-passed bill is in any manner of means a union buster. If it is ultimately enacted into law in a form resembling that which was approved by the House, it will do nothing more than cure some of the abuses which unfortunately put a stigma upon the many honest and sincere labor organizations.

The Landrum-Griffin bill does not interfere in any way with the collective bargaining rights of organized labor in a dispute between union and management.

It does not prohibit picketing in such disputes.

It does not attempt to tell any labor organization how it may spend its dues and funds.

It does not prevent proper recourse against management where legitimate contracts exist.

It does not curb the legitimate objectives of organized labor.

The Landrum-Griffin bill does provide equal rights to union members in the conduct of their union affairs.

It does provide freedom of speech and assembly for union members to meet and assemble with each other, to freely express their views and to speak up at union meetings without reprisal by union bosses. Makes the use of force or violence to deny such rights a crime.

It does prohibit increases in dues, initiation fees and assessments, or imposition of general or special assessments by labor bosses except by vote of the membership.

It does grant a union member the right to take court or administrative action against his union or its officers, after his right to a union hearing within a 4-month period is exercised.

It does guarantee workers the right to a hearing to prevent improper fine or penalty imposed by labor bosses.

It does provide for free and fair union elections by secret ballot, with opportunity for the nomination of candidates, elections at reasonable intervals, no reprisals for supporting any particular candidate, no use of union or employee money to influence elections, membership lists made available to candidates to insure membership of election information.

It does provide machinery for members to remove crooked officials by making possible court-ordered elections by members to remove such crooked union officials.

It does provide for the protection of union funds by making union officials give members a full accounting of union funds, with penalties for misuse of funds.

It does provide for the regulation of trusteeships and prevents power-hungry labor bosses from using dummy locals to force themselves on unwilling union members.

It does provide for the protection of economic strikers against the use of strikebreakers' votes in NLRB elections.

It does provide for allowance of union security agreements by building-trades unions, before hiring, with employees in the construction industry.

It does end no man's land, giving union member and employer a court or board remedy to enforce his rights under the law where NLRB refuses to hear such cases.

These are 12 things that the Landrum-Griffin reform bill does to benefit union

members. These are 12 reasons why I joined with the majority of the Members of the House of Representatives in supporting it.

Federal Aviation Agency's Position on Serving Alcoholic Beverages in Aircraft

EXTENSION OF REMARKS
OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 1, 1959

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include my letter addressed to the Federal Aviation Agency and the reply received from Mr. E. R. Quesada, the administrator:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 22, 1959.

Re proposed amendments sections 40.371, 41.135, and 42.65 of the Civil Air Regulations.

Mr. JAMES T. PYLE,
Acting Administrator, Federal Aviation Agency, Washington, D.C.

DEAR MR. PYLE: Pursuant to the notice set forth in the Federal Register, page 5424, Friday, July 3, 1959, my comments, suggestions, and recommendations relative to the foregoing matter (drinking and serving of alcoholic beverages aboard air carrier aircraft) are set forth below:

It is obvious to all that the common carriage of passengers by air entails certain risks and dangers peculiar to that form of travel. It is therefore incumbent upon everyone and especially your agency, which is concerned with safeguarding the lives and safety of passengers, crews and others, to discover, eliminate and prevent wherever and whenever possible all hazards to safe air travel.

The foregoing duty is required not only as to known hazards but also for the elimination of potential dangers, dangers which are obvious and apparent to people of ordinary and reasonable prudence. Any failure to eliminate such potential dangers is not only inexcusable but also culpable should injury or loss of life or damage to property result therefrom.

An intoxicated person is irresponsible and his behavior is unpredictable. Space on board an airplane is limited and confining and there is no room to avoid him, no policeman to restrain him and opportunities for imperiling the lives and safety of all aboard and on the ground are varied and many.

The mischief he can do and the tragedy that can ensue is irremediable and inexcusable.

The hazards and dangers to which all are exposed by the presence of an intoxicated person on board an airplane is clear and obvious and incidents have been testified to and your Agency is cognizant thereof.

A drunk on board an airplane is a clear and present danger to the lives and safety of everyone, everywhere, whether the inebriety is brought on by liquor carried onto the plane and there consumed or by liquor purchased on the airplane from the carrier by one who does not "appear to be intoxicated."

I feel that in recognizing the dangers that flow from intoxication aboard an airplane your Agency should adopt regulations that eliminate them by eliminating all possibility of intoxication on board the airplane.

The effect of the proposed regulation is not to eliminate the risk but simply to place the responsibility, in the event tragedy flows from it, onto the shoulders of anyone other than this Agency.

As long as you can regulate you can eliminate. There is no actual need for intoxicating beverages during flight nor is there a demand for such. All airlines would gladly discontinue serving such beverages provided the discontinuance would be complete for all airlines.

The Air Lines Pilots Association and the Stewards and Stewardesses Association have brought this subject up at their national conventions. Each has called for regulations forbidding the serving of alcoholic beverages on planes because it is a potential nuisance to passengers and crews alike and a threat to the safety of all.

In the opinion of those who serve and in the opinion of those being served there is no place for liquor in airplanes during flight.

The language of the proposed regulation could easily imply that: only airlines can serve nonintoxicating alcoholic beverages, the airlines derive a sizable revenue from the sale of intoxicants, and you encourage the consumption of intoxicants sold by airlines.

The proposed regulation places an unfair and unjust burden on the airline personnel by requiring them to determine if a person requesting service "is or appears to be intoxicated."

I fail to see how the proposed regulation eliminates the possibility of tragedy that can arise from a drunken act by one made drunk from being served intoxicants by the airline although he did not appear to be intoxicated when served.

To avoid an anomalous situation created by this Agency I recommend that the regulation be amended to read as follows:

"No person shall drink any alcoholic beverage aboard an air carrier aircraft while in flight within the United States."

The actual amount of time in flight is so short that the total prohibition of the use of intoxicants during flight will create no hardship on anyone, even the habitual user.

Sincerely yours,

——— ———.

FEDERAL AVIATION AGENCY,
Washington, D.C., August 31, 1959.

HON. THOMAS J. LANE,
House of Representatives,
Washington, D.C.

DEAR MR. LANE: This is in reply to your letter of July 22, 1959, concerning proposed amendments to sections 40.371, 41.135, and 42.65 of the Civil Air Regulations.

I enclose for your information a copy of a statement presented by the Federal Aviation Agency to the Subcommittee on Aviation and Transportation of the House Interstate and Foreign Commerce Committee on July 28, 1959. It was directed to several bills now pending in the Congress. These bills are designed to prohibit the sale or furnishing of alcoholic beverages on aircraft while in flight between points in the United States. The statement contains the reasons which led to the proposed amendments to the Civil Air Regulations referred to above.

Under the Federal Aviation Act of 1958, this Agency is charged with fostering development and safety in civil aviation. Section 601 of the act vests broad general responsibility for, and control over, safety in flight in civil aviation in the Administrator of the Federal Aviation Agency. Therefore, this Agency's approach to the practice of serving alcoholic beverages aboard air carrier aircraft has been directed to the question of whether there was any safety problem involved. To date, no factual information has been discovered which demonstrates that the practice of serving alcoholic beverages while in flight directly affects safety in the operation of air carrier aircraft.

As indicated in the statement, some incidents have been discovered which could have had an adverse effect upon safety. These were caused by passengers who drank from their own bottle during the course of a flight, or by those who had consumed a considerable quantity of alcohol prior to boarding a flight. The proposed amendments to the Civil Air Regulations are designed to provide the necessary control in these needed areas with a minimal interference to personal freedom. This Agency feels that issuance of amendments to the Civil Air Regulations referred to above will constitute an effective deterrent, and discharge our responsibility with respect to safety.

If future experience demonstrates that safety considerations require further regulation, this Agency can and will issue such regulations.

Thank you for your interest in this important matter.

Sincerely,

JAMES T. PYLE,
Deputy.
For E. R. QUESADA,
Administrator.

STATEMENT OF THE HONORABLE JAMES T. PYLE, DEPUTY ADMINISTRATOR OF THE FEDERAL AVIATION AGENCY, PRESENTED TUESDAY, JULY 28, 1959, BEFORE THE SUBCOMMITTEE ON AVIATION AND TRANSPORTATION OF THE HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE, WITH RESPECT TO H.R. 169, 3716, 7135, 7643, 1075, 6824, 7270, AND 8076

Mr. Chairman and members of the committee, my name is James T. Pyle, Deputy Administrator of the Federal Aviation Agency. The Federal Aviation Agency is happy to have the opportunity to appear before this subcommittee for the purpose of commenting with respect to all of these bills which deal with prohibiting the sale or furnishing of alcoholic beverages by air carriers to passengers on aircraft while in flight between points in the United States.

Each of these bills would amend section 610 of the Federal Aviation Act of 1958 by adding a new subsection which would prohibit the practice of selling or furnishing alcoholic beverages to airline passengers and crews while in flight within the United States. There is some variation in the language in the different bills, but the effect and intent of all of them is the same.

The Federal Aviation Agency believes that the question of controlling the serving of alcoholic beverages aboard air carrier aircraft is an important one. It has been given careful consideration and study by this Agency. Our approach was not directed to drinking as a social problem, but rather to determine whether there was a safety problem, since this is the concern of our Agency.

The Civil Aeronautics Administration, one of our predecessor agencies, conducted a survey to determine whether the practice of serving alcoholic beverages while in flight might in any way have an adverse effect upon safety. The results of this survey did not reveal any factual information or specific incidents which were found directly to affect safety in the operation of air carrier aircraft. However, some instances were discovered, with respect to passengers, which were of a type that could have an adverse effect upon safety. A study of such instances indicated that almost uniformly they were caused by passengers who had either consumed a considerable quantity of alcoholic beverages prior to boarding a flight, or by those who drank from their own bottles during the course of a flight. No such problem was found with respect to crews or flight attendants.

As a result of our study, it does not appear necessary to prohibit the consumption of alcoholic beverages by passengers aboard air carrier aircraft in order to meet the safety requirements. This Agency feels that safety

needs can be satisfactorily met by permitting consumption of such beverages by those who wish to have them, but providing sufficient control so that no hazard will be created. By so doing, we will interfere as little as possible with the personal freedom of passengers and at the same time prevent abuses that would possibly create a hazardous situation.

Under these circumstances this Agency felt that some regulatory control may be required for safety purposes. This can be done under present law. Section 601 of the Federal Aviation Act of 1958 vests broad general responsibility for, and control over, safety in flight in civil aviation in the Administrator of the Federal Aviation Agency. Under this broad responsibility, safety regulations are promulgated. This Agency recognizes that as larger and faster aircraft come into service with an increase in the number of passengers carried, drinking among passengers might conceivably result in situations where flight attendants and crews would be distracted from their duties. This could create a safety problem.

Accordingly, the Administrator of the Federal Aviation Agency has issued a Notice of Proposed Rulemaking which will result in the promulgation of a safety regulation unless good cause is shown to the contrary. This regulation would prohibit the consumption of alcoholic beverages aboard air carrier aircraft, unless such liquor is served by the air carrier, and would further provide that no air carrier shall serve alcoholic beverages aboard an aircraft to a person who is in a state of intoxication, or appears to be intoxicated. Violations of this regulation by either passengers or an air carrier could result in the infliction of a civil penalty under section 901(a) of the Federal Aviation Act of 1958 which could mean a fine not exceeding $1,000.

The above regulation would constitute an effective deterrent. If in the future it can be demonstrated that safety considerations require further regulation of the use of alcoholic beverages by passengers during the course of a flight, then this Agency can and will issue such regulations.

It thus appears that the purpose for which all of these bills have been drafted can be accomplished by regulation under existing law. Therefore, the Federal Aviation Agency can see no need for the enactment of any of these bills.

The Bureau of the Budget has advised that it interposes no objection to the submission of this statement to your subcommittee.

Under Self-Help Provision of Wool Act Woolgrowers Are Helping Solve Their Own Probems

EXTENSION OF REMARKS
OF
HON. O. C. FISHER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. FISHER. Mr. Speaker, during the month of September the woolgrowers of America are voting in a national referendum on the question of allowing deductions of 1 cent per pound from incentive payments in order to finance continued promotion, advertisement, and merchandizing of wool and lamb.

Under the Wool Act certain incentive payments are made annually to growers to encourage more sheep production in this country. These payments are derived solely from import duties from wool that is brought in from foreign countries to compete on our own domestic markets. And the 1 cent deducted for promotion is taken from the money provided by the import fees. The incentive level for wool is established each year by the Secretary of Agriculture at a figure calculated to allow for the deduction and at the same time provide encouragement and incentive for our American growers, in the national interest, to increase the sheep population of this country.

This promotion program is handled by the American Sheep Producers Council, headed by Mr. Don Clyde, of Utah, an able grower who is dedicated to the best interest of our woolgrowers. And even though during the 4 years the program has been in effect—there has hardly been enough time to observe its capabilities—definite improvement has been noted.

Despite the great drought and the world depression in the textile field, our sheep population has increased by 1,227,000, according to the Department of Agriculture. During the first third of 1959 there has been a 40-percent increase in wool consumption over the same period during the preceding year; and prices have jumped more than 27 percent in the first half of 1959.

NEED FOR PROMOTION EVIDENT FROM INROADS IN TEXTILES BY SYNTHETICS

The necessity for an effective promotion program is self-evident when we look at the competition record in recent years with the manmade fibers. The Department of Agriculture informs me that in 1921 apparel wool accounted for 10 percent of all fabrics consumed in this country, in 1937 it was 6.3 percent, and in 1958 it had dropped to only 3.7 percent. This despite some improvement already noted as a result of promotion and advertisement by the American Sheep Producers Council.

During that same period the synthetics or manmade fibers accounted for 0.6 percent in 1921 of all fabrics consumed in this country; in 1937 it was 6.9 percent, and in 1958 it had reached 28.6 percent.

It is significant, too, that in 1 year the manufacturers of synthetics spend nearly $25 million in promoting and advertising their manmade fibers. This is more than woolgrowers have spent in this country during the life of their industry.

WOOL ACT RENEWAL LAST YEAR INCLUDED SELF-HELP PROVISION

Mr. Speaker, it will be recalled that after a 4-year trial run, the Wool Act was last year extended by the Congress for an additional 3 years. The act included section 708, which authorizes the deductions for promotion.

Many will recall that one of the selling points in obtaining an extension of the law was section 708. It was pointed out then that here was a provision which enables the growers, by their own voluntary agreement if they should by a two-thirds vote choose to do so, to help themselves to regain their rightful place in our national economy.

Some 94 organizations directly connected with the sheep owners and all general farm organizations, with but one possible exception, gave unqualified support for the renewal of the Wool Act with section 708, the self-help provision, included.

Only the American Farm Bureau entertained any misgivings about the need for section 708. The Congress, being anxious to have the growers do more for themselves toward the solution of their own problems, gave little heed to objections raised against section 708, and these objections were promptly discounted and overruled.

Thus, it was quite evident that the Congress felt that if the Government was to continue to help support the woolgrowers, the growers would be expected to continue to help support themselves through the continued use of section 708.

NEUTRAL POSITION PROMISED BY FARM BUREAU LAST YEAR ON ISSUE POSED BY REFERENDUM

Last year when the Wool Act was before the Congress for renewal the Farm Bureau representative who was testifying before the House Committee on Agriculture on the question of extension, Mr. Frank Wooley, the Farm Bureau spokesman, testified:

> Well, we take the position in the American Farm Bureau Federation, Mr. Hill, that it is our responsibility to present as many facts as we can through all of our various media to the farmers as to what the pros and cons are with respect to any referendum that is put to them for a vote. We do *not* take the point of view that it is our responsibility, we think it is improper on our part, to tell them how they are to vote. We just merely do everything we can to see that they understand that a vote is being taken, and that it is in the interest of everyone to know the issues on both sides, and we do everything we can to urge that they vote with respect to the subject.

Unfortunately, however, in some recent releases on the issue being decided by the referendum, the Farm Bureau has publicized some information that has not told the entire story. Indeed some of the published figures I have seen have been very misleading in regard to the success of the promotion program under section 708. Perhaps this has been an inadvertence, but nevertheless it is not in keeping with the policy position outlined by Mr. Wooley in his testimony.

Let me give one or two examples of what I mean. As one example, the Farm Bureau has in effect pulled two figures out of the air to show that from 1954 to 1958 the U.S. farm price of wool dropped 31.6 percent, but failed to state further that wool prices in 1958 dropped to an extremely low point because of prices of wool all over the world were extremely depressed due, as I previously pointed out, to a worldwide textile recession. Except for the promotion program, the prices might very well have dropped even more.

Moreover, in order to get the full picture before our growers the Farm Bureau should have gone further and explained that in the last 6 months the farm price of wool has increased 27.4 percent and that in the first third of this year, wool consumption increased 39.5 percent over the same period of 1958. Without a recital of these facts, the in-

formation put out by the Farm Bureau was obviously very deceptive and misleading to our wool growers.

Surely, Mr. Speaker, the American Farm Bureau, the great farm organization that it is, does not want to see man-made fibers, with their huge advertising budgets, make even further inroads into the fiber field enjoyed by wool, cotton, and other superior natural fibers.

We have our backs to the wall in this fiber battle, and we need to marshal all the support obtainable from all organizations interested in our sheep industry.

Berkeley County, W. Va., War Memorial Park Dedicated; Popular Recreational Area Is Debt Free

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Tuesday, September 1, 1959

Mr. RANDOLPH. Mr. President, it was my privilege to have participated in the dedication for the Berkeley County War Memorial Park near Martinsburg, W. Va., Saturday, August 29, 1959.

The program for this significant event contained a history of the park, including these cogent sentences:

The Berkeley County War Memorial Park stands today as both a memorial to our community's honored war dead and as a tribute to the cooperation of thousands of our citizens who have made the park possible. * * * The memorialization has been chiefly in the planting of maple trees and installation of individual markers, one to each of the war dead. The park, a suitable recreational area that also is a living memorial to the nearly 200 youths who gave their lives in World Wars I and II, contains about 20 acres of land and was purchased for $15,000. More than $100,000 in cash has been contributed toward development of the park during the past 13 years, plus thousands of dollars' worth of volunteer labor and free material. * * * All money for the park development has been obtained through voluntary contributions without a cent coming from any governmental agency. * * * Dedication has been long delayed but it comes at a time when the park is reaching new peaks of popularity and when it stands debt free.

Appropriately, the present officers and the original members of the board of the Berkeley County War Memorial Association, Inc., and others who contributed much to the successful development of the park and to its dedication program, were recognized in the historical review, including Paul B. Martin, president of the park board and the mayor of Martinsburg when the original park committee was appointed on August 17, 1946; Garland L. Dunn, chairman of the board; Ernest H. McKee, vice president; Donald G. Rentch, secretary; Thom R. Keller, treasurer; Douglas Shipley and Mrs. Harry L. Reeves, members of the original mayor's committee and the original board; Russell J. Scrivener, Lovell Alderton, Rev. Frederick F. Bush, Jr., and Charles V. Sullivan of the original mayor's committee; Lacy I. Rice, Judge D. H. Rodgers, Frank C. Thomas, Philip T. Seibert, Lou Cohen, Rev. Father George Huber, Mrs. Paul Hammann, M. L. Depenbrock, Mrs. Jacob Schleuss, Harry C. Hammann, Mrs. C. A. Kitchell, and John Skelly of the original board.

Preceding the dedication program there were band concerts by Musselman and Martinsburg High School Bands, and the Martinsburg Municipal Band.

In response to the association's invitation, I delivered the dedicatory address.

Mr. President, I ask unanimous consent that extracts from my speech be printed in the CONGRESSIONAL RECORD.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

AN ADDRESS BY SENATOR JENNINGS RANDOLPH, DEMOCRAT, OF WEST VIRGINIA, AT THE DEDICATION OF THE BERKELEY COUNTY WAR MEMORIAL PARK, MARTINSBURG, W. VA., AUGUST 29, 1959

I am strengthened as I look about me and see the fruits of 13 years of community endeavor in your memorial park. We are gathered to dedicate this effort to the memory of your loved ones who gave their lives in freedom's cause. Their names and the remembrance of their deeds will be perpetuated in the life of this area. They died that our Nation's future might be more secure. It is fitting, therefore, that this memorial to your sons and brothers also looks to the future. Though monuments in stone and bronze may have their place, you could offer no finer tribute to the valiant dead than this shrine which so enriches the lives of those they left behind.

In setting aside these 20 acres—in thus dedicating this ground, you have consecrated it to the living as well as the dead. In this way we help to keep alive and fresh the values and ideals of those who fought and died. This is our charge and our responsibility.

Yet, our obligation to those young men does not end with the dedication of this ground today. The Berkeley County Memorial Park is but a beginning of the fulfillment of our trust. Our responsibilities will be discharged only when we have also consecrated our lives to tasks worthy of the human sacrifices that have already been made.

MEANING OF SACRIFICE

Our words can but revive the memories of our departed loved ones; but it is our actions and our lives which will continue to keep alive the meaning of their sacrifice. The courageous young men to whom we give our homage offered their blood and their lives in the cause of humanity—in the right of the individual to achieve for himself a way of freedom and dignity. This is the idea which in the past has given the thrust to American life. More than any other idea, it continues to give meaning and vitality to our present life, and it has been the ultimate goal toward which man's constant progress through the centuries has been directed. Thus, the journey toward the American dream has been man's journey toward the full humanity of man. Yet the struggle has not ended.

It has been a dispiriting and tragic disillusionment for Americans, and for citizens of other free nations as well, to see in the years since the end of World War II, the extinguishment of the ideals of freedom and individual dignity among the millions of people under the domination of the Soviet Union and Communist China. In the face of such terrifying repression and assaults upon the integrity of man, we might, in moments of weakness, wonder if it has been worth the cost in blood and treasure.

For those who gave their lives in the cause of human freedom, we find assurance in the words of the Gospel (John IV, 14) that "* * * whosoever drinketh of the water that I shall give him, shall be in him a well of water springing up into everlasting life." While this offers consolation to those who have lost friends and members of our families, it does not relieve us of the responsibility of carrying on their struggle and thus, in some measure, giving meaning to their sacrifice. Only in this way can we truly memorialize those who gave the full measure of devotion to their country.

When the great American poet, Walt Whitman, was confronted by the tragic death of President Lincoln he sought in some manner—as did the people of the Nation as a whole—to find a meaning in such an irrational and devastating event. Whitman solved his problem in the beautiful and moving poem, "When Lilacs Last in the Dooryard Bloomed." Here he indicated that, since Lincoln had given his life for the Union, the only meaningful manner in which one could acknowledge his death was to contribute to the growth of the Union and the ideals for which the President had worked and died. These the poet symbolized in the sprig of green lilacs which he brought to the deceased President as a token of his commitment to the future and to the promise of growth and creativity that the future holds.

LIVING COMMUNITY TRIBUTE

This useful memorial park is your sprig of lilac. In the creation of this center you have also created a richer and better community. For families and for single folk, for young and for old, this park offers opportunities for a healthier and more wholesome life. And for the individual who may simply want to leave the indoors for a few minutes' contemplation of the wonder of sky and clouds, of the miracle of youth and the sound of laughter, it offers balm to the heart and a lift to the spirit. And for other fortunate ones it may offer what Nature offered to the poet, William Cullen Bryant, when he wrote:

"To him who in the love of Nature holds
Communion with her visible forms, she speaks
A various language; for his gayer hours
She has a voice of gladness, and a smile
And eloquence of beauty, and she glides
Into his darker musings, with a mild
And healing sympathy, that steals away
Their sharpness, ere he is aware."

This park thus exists as a living community tribute to the sacrifices of the sons of Berkeley County. Yet we may not rest with this. Each of us, individually, has the responsibility to consecrate his life to the fulfillment of the American dream if those sacrifices are not to have been in vain.

And what is this dream? It is what brought generations of men and women from Europe across 3,000 miles of ocean to settle on unknown shores. It is what brought later generations of men and women to cross our own Alleghenies into the great valley of the Midwest, and from there up across the high plains to the Sierras and finally to the Pacific Ocean itself. It is the dream embodied in our own State motto: "Mountaineers Always Free."

Men and women did not leave Europe because of what they feared and hated; they came to America because of what they loved and hoped. Later, when they left the eastern seaboard and started the long trek westward, they departed, not because they despised the East, but because they were drawn to the West by challenge and by belief—by the belief that they could create

a future of greater worth and human dignity. This belief in the possibilities of man has shaped the destiny of America.

It is true that there were intolerances and repressions. But the love and the faith outlived them. The belief in freedom of conscience outlived the theocracy of colonial Massachusetts. And the assurance in the dignity of the individual blotted out the misunderstanding of 200 years.

LOVE AND HOPE—NOT FEAR

Until recently we Americans have lived in the light of what we have loved and hoped, not what we have feared. For 300 years we followed the American dream of the future. And that dream became real. It became real in the land that Tom Jefferson and Sam Adams found—in the land that Emerson and Whitman explored—in the land of the free human spirit with eyes aimed at the future. For 300 years this was the dream that we lived and loved.

But in recent years we have become guided less by our loves and hopes than by our fears. Less by our love of America than by our fear of Russia. Less by the hope and possibilities of the future, than by the fear and dangers of the future.

It is a sick man who lives, not by his loves, but by his fears. Thus so, it is true of a nation.

At the height of our power, the most common talk is about our fears—our fear of the Soviet Union, our fear of inflation, our fear of an unbalanced budget, our fear of the power of organized labor.

Where is the talk, and where is the faith in the vision and the fulfillment of the dream? I said a moment ago that the dream had become real. While that is true, it does not mean that the task is completed. Men are not truly free when they and their families live in squalor and poverty. Children are not educated for freedom when our schools are inadequate. Future generations will not be free if we squander the natural resources on which freedom is maintained. In brief, the challenge of the future and the hope of the future are still before us. "The American journey," as the poet, Archibald MacLeish stated, "has not ended. America is never accomplished, America is always still to build; for men, as long as they are truly men, will dream of man's fulfillment."

This, then, is the memorial we must dedicate as individuals: to rekindle the faith in the American future, and to live with a renewed vision of the possibilities of man. We Americans have reason thus to live; whether we have the will depends upon the individual heart.

Report to the People of the Second Congressional District of South Dakota

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 1, 1959

Mr. BERRY. Mr. Speaker, under leave to extend my remarks, I wish to insert in the CONGRESSIONAL RECORD my final report for the 1st session of the 86th Congress to the people of the Second Congressional District, South Dakota.

It is as follows:

Each year as the session draws to a close, I have attempted to supplement my regular monthly reports to you with a final report in which I endeavor to summarize what has been done by Congress, what should have been done, and the overall picture as it hangs in the national frame.

In sizing up the national picture, we should recall first that the Nation and the world are at peace. True—there are troubled spots—always have been and always will be—but international tension is lower today than at any time since I came to Washington over 8 years ago when a Korean war was in full bloom.

Historians marked the date last week as 20 years since Hitler had moved his armies into World War II. It was 21 years before then that the Kaiser moved his troops into World War I. Each war resulted primarily because the Allies had compromised their positions rather than taking a firm stand and backing up that position with strength.

Today at the end of the present 20-year period, the leader of the potential enemy has asked to come to our shores, not with armies, but with his wife and family, to visit a nation and to visit a President who, upon taking over the reigns of state, served an ultimatum from a position of strength and has refused to compromise one word of that ultimatum, one acre of that ground, or one citizen of that area.

A recent visit with that President convinces me this position will in no way be altered and none of the fundamental principles that have kept the peace will be compromised when the two men sit down across the table from each other to visit. President Eisenhower does not bluster and blow as the bulky dictator of the Soviet Union, but neither does he cringe from pressure or politics. Should anyone doubt that, they should read his record of holding the brakes on a spending-pledged, two-thirds Democrat majority in the 86th Congress.

No—the Khrushchev visit can do no harm—it could do good. He will return to his Communist empire with a firsthand knowledge of the strength of this country—not just the military strength, but the economic and social and spiritual strength of a great, free, Christian Nation.

When I first came to Washington, I heard the then General Eisenhower make the statement that the military is only the cutting edge of the sword, that the strength of the blade back of that cutting edge is the economy of the country. A month ago I had breakfast with the now President Eisenhower and heard him relate the remarks of Ludwig Erhardt of Germany, who told the President the greatest fear of their people was not recessions, but inflation; that they had experienced inflation at its worst; that the worst kind of hard times comes when the housewife must take a market basket full of money to the grocery store to buy a purse full of groceries.

It is my privilege, as your representative, to cast your vote for you, and I have cast that vote not only to strengthen the President's hand in forcing a balanced budget, but to go even further than the President has gone in a determined effort to return fiscal responsibility to the Nation, thereby strengthening the blade back of that cutting edge and preventing the day when a basket full of money is required for a purse full of groceries.

I believe that fiscal responsibility is measured not only by a balanced budget, but likewise in seeing that the taxpayers get their money's worth for the tax dollar that is expended. I have opposed programs that will unbalance the budget, and I have opposed programs where I feel the taxpayer will not get his money's worth.

I hope you will read the enclosed remarks which I made on the House floor during debate on several issues. There I have pointed out some of my fears based upon the trends of the times. Space in this report prohibits more than just a summary, but in this summary I would remind you again that it is Congress which makes the laws, it is Congress which appropriates the money. When those laws are made, when those appropriations are passed, the President and the executive branch have no alternative but to execute the laws which Congress has enacted.

Representative CLARENCE CANNON, Democrat, chairman of the Appropriations Committee, recently pointed out that in each year since 1939 the value of the dollar has decreased with the exceptions of 1949 and 1955. I would point out that these two years followed the only two balanced budgets since 1939—the work of the two Republican Congresses, the 80th and the 83d. This is proof that it can be done, that the devaluation of the dollar can be stopped if Congress has the will to live within the national income.

It was to help strengthen the hand of the President and force a spending-bent Congress to live within the national income that I voted to sustain the President's vetoes in an effort to not only bring those particular bills more in line with national needs, but at the same time quell the overall thirst for drinking at the tempting spring of inflation.

It was to cut spending below the national income that I voted against such frills as a new congressional office building; public parking lots; Federal assistance to communities sponsoring sporting events; the unnecessary grant-in-aid programs for constructing business establishments at airport terminals; public housing; city slum clearance; area redevelopment; construction of city sewage systems; and a dozen other similar programs which could and should be financed by private enterprise or local governmental units.

It was to reduce similar programs abroad that I voted against the $3.1 billion foreign aid bill. I also opposed permitting the International Bank and Monetary Fund, as well as the Federal Aviation Agency and the Development Loan Administration, from drawing directly on the Federal Treasury to fund department expenditures rather than obtaining appropriations from Congress—a procedure known as back door spending that has cost the taxpayers almost $8 billion annually.

Our chickens are coming home to roost from another field. After going off the gold standard, a certain confidence was maintained in the dollar through the knowledge that large gold supplies were buried at Fort Knox. Because of inflation at home and the effect of the reciprocal trade policies, our gold supplies are slipping away. As of July 1, our gold stock stood at $20.5 billion. Of that amount, foreign governments and nationals owned $14.9 billion, leaving a domestic gold reserve of $5.6 billion. This is due largely to the fact that we have, for the first time in modern years, lost the balance of trade. We are buying more foreign goods and selling less abroad. I have urged a return to the gold standard to right this wrong.

The 86th Congress made history in adopting the Landrum-Griffin labor reform bill. Its passage was not a personal victory for the President, the Republicans, nor the conservative Democrats. It was simply an example of the people asserting their rights when sufficiently aroused.

The powerful and well-financed labor bosses could not have been overcome without the people demanding (1) that legislation be passed which would drive racketeering and corruption from the ranks of organized labor, and (2) that the rights of the individual union member be protected.

The new law does these things. It contains the McClellan "Bill of Rights" with criminal enforcement, then it adds protection to the public as well through the curbing of secondary boycotts, organizational and recognition picketing, and in settling the "no man's land" between State and Federal jurisdiction.

The 86th Congress designed "five rows of six and four rows of five" stars in Old Glory with the addition of Hawaii as the 50th State. It continued the interstate highway program through a 22-month increase in the gasoline tax; increased the interest rate on savings bonds; plugged loopholes in the law on obscene mail; exempted out-of-State companies from State taxation in certain cases; corrected "equal time," confusing regulations for radio and TV stations; etc.

Philip Henry Handmaker

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. VAN ZANDT. Mr. Speaker—

We know when moons shall wane
When summer birds from far shall cross the sea
When autumn's hue shall tinge the golden grain
But "Death, Oh" who shall teach us when to look for thee?

Leaves have their time to fall
And flowers to wither at the north wind's breath
And stars to set—but all
Thou hast all seasons for thine own, O Death!

Holy Scripture tells us when Abner, son of Ner, was killed and the word was brought back to King David, he said:

And the King said unto his servants, Know ye not that there is a prince and a great man fallen this day in Israel?

In a similar vein of thought, residents of Altoona, Pa., and those associated with the late Philip H. Handmaker in his farflung business enterprises realized through shock and sorrow that his sudden death on August 9, 1959, was indeed an irreparable loss.

Phil, as he was known to his legion of friends and business acquaintances, was born August 7, 1903, in Russia. At an early age he came with his parents to America where the family settled in Pittsburgh, Pa. He began his business career in Altoona, Pa., in 1925 and despite a humble beginning in true Horatio Alger fashion he reaped phenomenal success in the business world, thus becoming a symbol of the benefits to be derived from the American system of free enterprise.

At the conclusion of this tribute to my departed friend, I wish to include as part of my remarks the obituary of the late Philip Henry Handmaker which appeared in the August 10, 1959, issue of the Altoona Mirror, together with tributes of love and respect from his associates, and by Rabbi J. H. Henderson, which appeared in later issues of the Altoona Mirror. The authors enjoyed the rewarding privilege of association and friendship with Phil Handmaker, and their expressions reflect their love and admiration for his many fine qualities.

Phil Handmaker by his short, yet fruitful life fully deserved the glowing tributes accorded him for he left a proud heritage to his family and his friends—the only heritage that is really worthwhile—an honored name. Truly, as one of the prophets of old said:

He lived humbly, did justly, and walked reverently with God.

As a member of Agudath Achim Synagogue and Temple Beth Israel in Altoona, Pa., his deep faith in God was manifested by his devout manner in caring for his own spiritual welfare aided by his firm adherence to the tenets of his ancient faith.

By his exemplary life which portrayed his deep-rooted convictions that it is mandatory to accept the brotherhood of man and the fatherhood of God as eternal truths, he brought honor to his age and his people.

Divine providence blessed him with God-fearing parents who bent upon giving their children every possible advantage toiled and sacrificed like countless other immigrant families who have come to America's shores seeking liberty, freedom, and equal opportunity for all God's children.

Fortified by their divine faith which was supplemented by toil, sacrifice, and perseverance, their love and solicitude for their children made an indelible impression on their son, Phil, and provided him with added inspiration to serve as an additional incentive in his successful effort in scaling the heights of the business world. It is of such loving and self-sacrificing parents that the poet has said:

Those distant seas I have not crossed
Bright jewels I never wore
The prizes now forever lost
And comforts languished for—
The rich rewards for which men sigh
That I have never won
The years, the hopes, the dreams go by
Are found in you, my son.

One of the many fine qualities that Phil Handmaker possessed was the confidence he instilled in those fortunate to have crossed his path in life. He had the happy faculty of being able through his kindness to others to encourage his friends and associates to feel free to discuss their problems with him. This admirable trait of character is expressed by the poet when he said:

Oh, the comfort, the inexpressible comfort, of feeling safe with a person,
Having neither to weigh thoughts nor words
But pouring them all out, chaff and grain together
Confident that a faithful hand will take them
And sift them, keep what is worth keeping,
And with the breath of love and kindness blow the rest away.

Those of us in central Pennsylvania, who knew Phil Handmaker intimately, recognized and appreciated his great civic consciousness and the insatiable desire he had for advancing the best interests of the city of Altoona and Blair County. That area of Pennsylvania owed him an undying debt of gratitude for his great contribution toward its progress and welfare.

It is common knowledge and a striking illustration of his depth of character that even though Phil was privileged to walk and sit with the mighty, he enjoyed the reputation of never losing the common touch despite his spectacular success in the realm of business. Shunning ostentation and declining to bask in the glare and glamour of publicity, his innumerable acts of charity unheralded and unsung and dispensed without regard to race, color or creed, brought rays of sunshine into the bleak and barren lives of the poor, the underprivileged and the downtrodden.

Such golden nuggets of kindly deeds are treasured and will live forever in the hearts of the lowly and needy of society whose lives he touched. They are an inperishable monument to the memory of such a great American who by his altruistic deeds gives credence to the thoughts expressed in two lines of a poem by the celebrated English poet, William Wordsworth:

The best portions of a man's life—
His little nameless acts of kindness and love.

It can be truly said that Phil's death at the zenith of his career was a tragic loss to his loved ones and to the community, State, and Nation. His noble character may be summed up in the words of Lord Byron:

He had kept the whiteness of his soul, and thus men over him wept.

From a personal standpoint, the death of Phil Handmaker has meant the loss of a cherished friend of many years. His passing recalls to mind the words of the poet—

A friend has passed across the bay,
So wide and vast and put away,
The mortal form that held his breath;
But through the storm that men call death
Erect and straight, unstained by years
At heaven's gate a man appears.

Sharing the sorrow voiced by countless friends and acquaintances, I joined them in tendering sincere expressions of deepest sympathy to his devoted wife, Mollie, their four daughters, and other members of the immediate family.

In conclusion, Phil Handmaker's life was a virtual mirror in which were reflected the many fine qualities of his richly gifted soul. These outstanding personal characteristics enshrine him in the minds and hearts of those privileged to have crossed paths with him in the daily stream of life. His manner of daily living portrayed his adherence to the deathless tradition of the ancient faith of a people who were "keepers of the word" and "the bearers of the commandments."

Thus, it is fitting to say that in the best traditions of the Judaic-Christian precept of living by the word of God, the late Phil Handmaker by his short, yet fruitful life fulfilled the beautiful prayer of St. Francis of Assisi:

Lord, make me an instrument of Thy peace;
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
Where there is sadness, joy.

[From the Altoona (Pa.) Mirror, Aug. 10, 1959]

CITY AUTO PARTS SUPPLY COMPANY PRESIDENT DIES

Philip H. Handmaker, 57, of 3004 Second Avenue, president of the Automotive Supply Co., and chairman of the Altoona Bus

Authority, died in the Altoona Hospital at 9:45 a.m. yesterday after a heart attack.

Mr. Handmaker, whose Automotive Supply firm had many branches throughout Pennsylvania, had large holdings throughout the United States, including a traction firm in Minneapolis, Minn.

Relatives reported he awakened Saturday morning complaining of indigestion. He was admitted to the hospital during the morning.

Born August 7, 1903, in Russia, he was the son of Harry and Sophie (Romick) Handmaker. His career began in Altoona as manager of the Firestone Service Store at 12th Avenue and 15th Street.

He left Firestone to form the Automotive Supply Co. The firm moved in 1937 to its present building at 1917 Margaret Avenue.

Surviving are his wife, Mollie and following daughters: Mrs. Harriet Bregman of Altoona, Mrs. Reitz Kaplan of Pittsburgh, Mrs. Audrey Goldstein of Johnstown and Mrs. Barbara Kaminsky of Ann Arbor, Mich., and nine grandchildren.

Also surviving are two brothers and four sisters: Isaac H. of Tucson, Ariz.: Meyer of Pittsburgh, Mrs. Jean Sparks of Altoona, Mrs. Mary Supowitz of Tucson, Mrs. Saua Auxwerwitz of Harrisburg and Mrs. Josephine Feldman of Pittsburgh.

Mr. Handmaker was a member of Agudath Achim Synagogue and Temple Beth Israel, the Elks and the Altoona Kiwanis Club.

Interment was made in Pittsburgh today.

[From the Altoona (Pa.) Mirror, Aug. 24, 1959]

MAN OF WIDE INTERESTS

EDITOR OF THE ALTOONA MIRROR:

Few men attain the success in the business world as that achieved by Philip Henry Handmaker whose sudden death on August 9, 1959, came as a distinct blow to his countless friends and business associates.

As a small boy, Phil came to this country with his parents from his native Russia, the family locating in Pittsburgh. With meager book learning, he became a giant of business, a true example of a self-made man.

Mr. Handmaker's business career in Altoona began in 1925 at Beale Avenue and 24th Street. At that time, there were three employees—himself and two others. Today, his vast network of holdings in his Automotive Supply Co. and its divisions employs more than 350 persons.

Those who were close to this successful business leader realize that he shunned publicity for himself. Nevertheless, we feel that any individual who made such wonderful strides in his own endeavors and who had done so much good (with no fanfare), merits a written tribute at his passing.

Just as Phil Handmaker never hesitated to make a decision while he lived, it seemed that he died that way.

We would recount his many fine traits of character:

Devoted to family, extremely proud of grandchildren.

Keen insight, always knew what to do and the right time to do it.

Never forgot humble beginning, always anxious to help the less fortunate or anyone who needed a boost.

Strict attention to business—not one for a lot of frivolity.

Office door always open—constantly being approached by those who needed advice or those who wanted his opinion on business and other matters.

In spite of his growth, he never changed. Those who knew him in 1925 (the oldtimers) marveled that he was the same Phil Handmaker they knew way back when.

Accepted appointment to the bus authority even though he was in an entirely unassociated business. He realized that transportation was a must for the community—nothing selfish in his accepting the appointment as his business was not dependent upon public transportation.

Never blessed with a son—seemed to express his interest in young men by offering summertime employment to a great number of college age young men. One such young man, now a law student, when told of Mr. Handmaker's passing, remarked that he learned more from his association with Phil Handmaker and working for Automotive Supply Co. than he did in his 4 years at college.

The Automotive Supply Co., of which he was president, comprises 16 branch firms in Pennsylvania. The main corporation also includes these divisions: University Supply Co., with branch locations at Morgantown and Kingwood, W. Va.; Complete Auto & Home Supply Co., 11 locations in Arizona; Complete Industrial Supply Co., 2 branch locations in Arizona. He was a director of the Twin City Rapid Transit Co., Minneapolis, Minn. He also served as chairman of the Transportation and Motor Buses for Public Use Authority in Altoona.

The life and work of Philip H. Handmaker will ever stand as a monument to his success. His passing is mourned by all who knew him.

HIS ASSOCIATES.

[From the Altoona (Pa.) Mirror, Aug. 19, 1959]

FLAG OF DEATH FOR EVERYONE

EDITOR OF THE ALTOONA MIRROR:

When the morning of August 9, 1959, began, the news was circulated in Altoona that Phil H. Handmaker was no longer among the living. It is very hard to express sympathy when the wound is new, but every one of us must go through it.

The flag of death is for everyone. The life of a person going through this world is like a person arriving in a city, staying overnight at a hotel and leaving in the morning. Life is divided into three parts.

First, a child is born, and as soon as he opens his eyes to look at the world, he closes his eyes and falls back into eternal sleep. Second, when a person is young, in middle age, he strives for happy ending and golden dreams. Suddenly death enters and ends his dreams. Third, when a person reaches old age, his strength leaves.

Naturally your sorrow is very great, but you must remember that death, the funeral, the grave, the cemetery is not the final end of a person. Because the other world brings a new life. I hope his soul is at rest and peace.

Rabbi J. H. HENDERSON.

Amending the Bankruptcy Act With Respect to Discrimination Against Salesmen

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EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 1, 1959

Mr. MULTER. Mr. Speaker, on January 7, 1959, I introduced H.R. 872, to amend the Bankruptcy Act with respect to the priority of debts owed by a bankrupt to workmen, servants, clerks, and salesmen.

On February 18, 1959, I introduced H.R. 4729 on the same subject.

On August 20, 1959, it was my privilege to appear before Sucommittee No. 4 of the House Judiciary Committee in support of these measures.

My testimony was as follows:

STATEMENT OF THE HONORABLE ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, AUGUST 20, 1959

Mr. MULTER. It is the identical subject, but slightly different language.

I am ARBAHAM J. MULTER, Representative of the 13th District of New York.

I have a prepared statement, Mr. Chairman, which I can leave with you.

Mr. FORRESTER. On both bills?

Mr. MULTER. It covers both bills.

Mr. FORRESTER. Let it be made a part of the record.

Mr. MULTER. I have been introducing a bill covering this subject for many years, having in mind that the limitation now in the statute, in the bankruptcy statute, of $600 for each claimant, in the nature of a wage earner or salaried employee, has long since been outmoded.

Originally I put in a bill some years ago with a change, increasing the amount of $600 to a much larger sum. I followed that same procedure when I introduced H.R. 872, on January 7, 1959. And in that bill, I changed the $600 limitation to $1,500.

On February 18, 1959, I introduced H.R. 4729, which has no limitation of amount but sets up a criterion for determining the maximum that can be paid, averaging it as against the last year's earnings.

Now, the original limitation—may I say first that I do not change the period of time of 3 months prior to the bankruptcy. In other words, any earnings that have not been collected prior to 3 months before the bankruptcy are treated the same as claims of general creditors. That is the law today, and I don't seek to change that. I continue the 3-month limitation, so that the priority granted to earnings applies only if earned within 3 months prior to the filing of the bankruptcy petition.

Now, it was in 1898 that Congress first put the $300 limitation into the statute. Then that was changed.

In 1926 the Congress doubled it and made it $600. Even when they increased it at that time to $600 they hardly went far enough, because even on that basis, taking the comparative figures, if they considered the increase in cost of living, and the increase in wages, percentagewise, as against the figure that had been on the statute books from 1898 to 1926, if they had increased it realistically at that time they would have increased it instead of to $600 to $2,200.

Now, I am suggesting now that in the wisdom of the committee either you change that amount to $1,500, which is much more realistic than the $600, but still not as far as it should go, or so as to avoid the necessity of coming in each year, or every 2 or 3 years, asking for another change in the statute, set up a formula something like the one that I have set forth in H.R. 4729. Then you don't have to change the limitation from year to year, but as the standard of living goes up, as wages and salaries and commissions go up, you can then take a base period of 1 year prior to bankruptcy, average that out, and whatever the average earnings have been in that prior year limit the priority claim accordingly to 3 months' earnings, but not to exceed what he actually earned during that 3 months prior to bankruptcy. Thus you have a limitation by formula instead of by dollars and cents.

I think that would be the more realistic way of doing it.

At the same time, I can understand how there may be some reaction, "Why should we allow a priority wage earner so much money, $1,500, it is a lot of money." Or possibly if the formula is adopted it may

run to $2,000 or $3,000. Well, the fact of the matter is that we ought to determine the amount a man can receive on the basis of his earning capacity.

If I can only earn $100 a week, and the company that is employing me goes into bankruptcy, then I will file a claim, priority claim, for that $100 a week, multiplied by the 12 or 13 weeks in the 3-month period prior to bankruptcy. But, on the other hand, if I happen to be a better employee, or a commissioned salesman, who is doing an awfully good job for my employer, and I am earning $150 or $200 a week, I don't think I ought to be penalized and put on the same plateau of the fellow not doing as good a job as me and not earning as much. The 3-month period is a fair period. If you let each man get what he has earned during that 3-month period we are being just and fair. I can understand if you don't have some kind of a formula, or some kind of a limitation, it would lend itself to fraud. The bankrupt could make a fraudulent arrangement with some friends, whom he put on his payroll, but actually are not earning anything. He could put them on the payroll for $300 or $400 a week, just prior to the bankruptcy, so that they get priority claims that might eat up all of the assets.

My bill does not permit that, because if it is going to be based on my particular formula, then the man must actually have been earning during that year. We take his average of what he has earned and use that as the basis of the limitation of the priority. I think that is a much fairer standard than now in the law.

But, again. I realize the opposition that might develop to having a statute of this kind which does not fix a maximum dollar limitation.

That is, in the main, my presentation, Mr. Chairman, and members of the committee. I appreciate very much the opportunity you have given me to come in and present the case for this bill. I do hope you will favorably consider one or the other of these two bills.

Mr. FORRESTER. The gentleman from Texas [Mr. DOWDY], any questions?

Mr. DOWDY. Not at this moment.

Mr. FORRESTER. The gentleman from North Carolina [Mr. WHITENER]?

Mr. WHITENER. Well, you preserve the 3 months' period for priority?

Mr. MULTER. Yes, sir.

Mr. WHITENER. What about this independent contractor provision? Would that include corporate independent contractors?

Mr. MULTER. No; it was not intended to include the corporate contractor. This was intended to include that salesman who is working for four or five companies, because, as you know, the salesman, many times, will take on three or four different lines. Some companies cannot afford to employ a salesman full time. Therefore, the salesman will carry three or four lines. He may carry items that sell that may be divided pricewise, or they may be divided qualitywise. He may carry three or four different lines for small houses.

Mr. WHITENER. Manufacturers' agents?

Mr. MULTER. Yes; when they get into the higher brackets, they call themselves manufacturers' agents. In the lower brackets——

Mr. WHITENER. Or sales engineers?

Mr. MULTER. Yes—and independent contractors. But where the man is not working for a single company, unless we have some language like this, he is not covered by the statute. You just suggest by asking will this include corporations, that it may be necessary to amplify that language so as to apply to individuals.

Mr. DOWDY. I understand these words are in the present law, is that right?

Mr. DRABKIN. "Salesmen, whether or not they are independent contractors," I think is in the act now. As I read these bills, it doesn't change the scope of the persons covered. It just changes the measure.

Mr. MULTER. That was the intent, to change the measure of the priority claim.

Mr. DRABKIN. I think in 1956 the amendment was made which broadened the scope of the people included. But this bill, as I understand it, would not do that.

Mr. MULTER. Yes, you are quite right on that. I had been introducing bills along this line since back in 1948 or 1949, and I overlooked, until this moment, that in 1956 you broadened the language of the statute as to the definition of wage earner.

Mr. FORRESTER. Mr. MULTER, did you furnish counsel with a list of your witnesses?

Mr. MULTER. No, I did not do that. But I think that he has some requests from interested persons.

(Statement referred to is as follows:)

STATEMENT OF REPRESENTATIVE ABRAHAM J. MULTER, DEMOCRAT OF NEW YORK, BEFORE HOUSE COMMITTEE ON THE JUDICIARY IN SUPPORT OF H.R. 4729, AUGUST 20, 1959

Mr. MULTER. Mr. Chairman and members of the committee, I appreciate the opportunity afforded to me to submit to you my views in support of my bill, H.R. 4729, which I introduced on February 18, 1959.

This bill would remove an archaic discrimination against employees and salesmen when settling the debts of a bankrupt. At the present time, several types of debts have priority and must be paid in full out of bankrupt estates before dividends can be paid to the creditors of the bankrupt. A dollar limitation is placed on only one of these debts, the claims for wages of workmen, servants, clerks, and salesmen. The dollar limitation now effective is the result of a 1926 amendment of a limitation derived from the 1898 act.

The present dollar limit on wages having priority as debts of a bankrupt estate is $600 for each claimant; the amount must have been earned within 3 months before the date of the commencement of bankruptcy proceedings. Prior to 1926, the limit was $300. When the increase was discussed on the floor of the House, on April 17, 1926, Congressman Michener said:

"Under the present bankruptcy law there is an amount of $300 for wages earned within 3 months immediately preceding the bankruptcy proceedings allowed as a priority claim. In the amendment suggested the amount is raised to $600. I might say * * * the American Federation of Labor appeared before the committee and asked that the limit on the amount be removed entirely and that the time limit be removed * * * if $300 in 1898 was the proper amount of wages earned within 3 months then in 1926, with changed conditions, that $600 was a fair and equitable amount." (CONGRESSIONAL RECORD, Apr. 17, 1926, p. 7675.)

The bill which I have introduced and which now is before you does not disturb the time limit of 3 months on earnings which are given priority. It removes the $600 limitation; and provides safeguards to employees and salesmen, and as well to the other claimants against the estate, in determining the amount of wages and earnings. The safeguards are provided in the method of determining the amount earned or receivable in 3 months prior to bankruptcy. The amount is determined on the basis of the average rate of pay during a period of not more than a year before the bankruptcy occurred. Reasonable rates of compensation should be ascertainable from the experience of a year.

When the $600 limitation was inserted in place of the $300 limit in 1926, it was a respectable sum. It was equal, for example, to more than 5½ months average pay of a manufacturing employee. If the limitation were to bear the same relation to manufacturing wages today, it should be at least $2,200.

It seems to me more appropriate to remove the dollar limitation on wages than to try to find one reasonable figure to fit conditions of today, when we know that the course of wages is upward, and any limitation that is appropriate today will be out of date within a year or two.

Removal of the dollar limitation as proposed in my bill probably would increase the wage claims given priority in settling bankrupt estates. In 1958, in 8,449 asset cases concluded in the courts, wages paid to priority creditors were only 2.3 percent of the proceeds realized from the estate. They were only one-sixth as much as taxes, and less than one-tenth as much as administrative fees and expenses. Removal of the $600 limitation would eliminate the distinction made in treating wages and other priority creditors, and make subsequent amendment unnecessary.

If the Congress will not go along with my bill to the extent of eliminating the dollar limitation then the least it should do is increase the amount to a sum that is fair by today's standards.

Thank you.

FURTHER STATEMENT OF THE HONORABLE ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. MULTER. May I respond very briefly, Mr. Chairman—I don't want to hold you too long. But I was intrigued by the opposition presented by Mr. Krause on behalf of the boys practicing in the bankruptcy courts. And I think you would be interested to know that originally, one of these bills I introduced some sessions ago, called for $3,500 as the maximum. Then I found that the bankruptcy lawyers were complaining about it. I discussed it with many of them—members of but none of them talking for the association that my friend Mr. Krause said he represented here today. But I discussed it with them, and they said, "Your $3,500 is just too high. Why don't you work out a formula—instead of having an amount?" And so you got H.R. 4729.

First, before I put in H.R. 4729, which is the formula bill, without an amount, they said, "Why don't you put in a bill for a more realistic amount? So I discussed it with them, back and forth.

Mr. FORRESTER. Who are you talking about?

Mr. MULTER. Lawyers practicing in the bankruptcy courts, most of them from New York, some from Washington, some from Baltimore, some from Philadelphia—friends of mine I met at various bar association meetings and during the course of my activities.

So I then put in what I thought was a more realistic amount which is the $1,500. Then came the suggestion, "Why don't you instead of an amount come up with a formula." So H.R. 4729 came up with a formula.

That is why I said to you, Mr. Chairman, that one is not a substitute for the other—because of the divergence of opinion, I want the committee now to decide which is the better way of doing it, because I think—I hope you will agree with me that the amount of $600 needs some change.

Now, instead of taking this man who is earning $2,500 a week, or $2,500 a month, as a salesman, let's take the average. And the last witness gave you the average in his club of $8,000. I think if you take the statistics from the Department of Commerce, you will find that that is approximately the same average throughout the country of salemen's commissions. They earn about $8,000 a year.

Eight thousand dollars a year is approximately $154 a week; $154 a week for a 12-week, 3-month period is $1,848. Look how close I came to that.

Mr. DOWDY. If it is $8,000 a year, 3 months is a quarter of that, which would be $2,000.

Mr. MULTER. You can figure it that way, too. If you take 13 weeks, it would be approximately $2,000. And the one bill only calls for $1,500.

Now, if you do it the other way, on the formula basis, you will, of course, take in some of the fellows in the higher brackets. But let's have this in mind. I thought possible our friend who is himself a salesman would have made the point, and it would not have been necessary for me to make it. But this is the situation. If you look at what actually happens in these industries, and how the salesman works—many of these salesmen will take this representation, whether they are representing one company or several companies—they go out on the road. They will stay on the road for as much as a month. They will be sending in their orders all the time, the factory or employer is accepting the orders, filling them, shipping them, getting the money. He doesn't get back to his home office anywhere from 4 to 6 weeks after he has left. Sometimes they go out and stay out for as many as 3 months, covering the entire country.

They leave New York City or Baltimore and cover the whole country, before they finally return. And he doesn't know what is going on at home. And when his checks stop coming in to him, he is not getting his weekly or monthly remittance, he will start writing back. If he is covering the country for three or four people instead of one, he can't come rushing back home, "Why haven't you give me my check?" He will be writing and telegraphing for money. When he gets back, he finds his company is in bankruptcy.

Isn't it most unjust to that fellow not to give him fair priority on the wages that he has earned?

Now, originally the statute, I think, said only wages, having in mind just wage earners. A long time ago they broadened the language to cover salaries and commissions.

I think it is fair to say that many of these places cannot stay in business, they cannot earn the money to pay the salaries or the wages to those who are producing the goods, if they didn't have salesmen out on the road, sending in the orders and bringing in the orders. And those fellows are as much entitled to protection of priority claims as the man who is working with his hands, because if the man simply produces, and the goods stay in the warehouse, and are not sold, then there is no money with which to pay his wages.

Mr. FORRESTER. He does get the same thing as a man working with his hands, doesn't he?

Mr. MULTER. Today he does, yes, sir.

Mr. WHITENER. Well, may I interject this thought? In the whole presentation here today, haven't you gentlemen overlooked the fact that if this is liberalized as to salesmen, it would also be liberalized as to the man who does work with his hands?

Mr. MULTER. Yes, of course. We are not trying to put them in a better position. We are trying to equalize the position for all of them.

Mr. FORRESTER. You are just trying to get it raised?

Mr. MULTER. Yes—but raise it for all of them.

Now, one other thing as to the technical language that Mr. Krause referred to, and the possibility of a need for an amendment.

I excuse my friend the salesman, who is not a lawyer, for saying probably it needs amendment. But you lawyers, like myself, I think, should say to Mr. Krause, "Now, Mr. Krause, don't take words out of context. You must read the entire section, and the entire clause." It is true you don't get down to the word "bankrupt" until line 6 on page 2. But if you read the whole thing, it is obvious.

We are not going to let the man working for four people average his earnings and come in and file his claim against the bankrupt for $1,000, because that is his average earning, when he only earned $200 for the bankrupt. It is obviously intended to apply only to his average earnings from the particular bankrupt against whom he is filing a priority claim.

If there is any doubt about it at all, just insert on line 6, after the words "payment" "by the bankrupt". And there can be no doubt about it. I don't think it is necessary to put it in.

I think on the question of independent contractors, while it is not tendered by the bill, now that the matter has come to your attention, if you think that needs some further definition, nobody would object to your clarifying it.

Mr. WHITENER. As I understand, this is the present law insofar as it refers to independent contractors, and as the language appears in the present law, and in your proposed amendment, it would relieve the court of even being concerned as to whether the individual is an independent contractor or an employee. And so you get away from this never never land of legal problems.

Mr. FORRESTER. Thank you, Congressman. We are glad to have you.

Labor Fights for Justice

EXTENSION OF REMARKS
OF

HON. ALFRED E. SANTANGELO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 1, 1959

Mr. SANTANGELO. Mr. Speaker, on September 1, my colleague [Mr. RIVERS of South Carolina] had inserted in the RECORD a broad attack on James B. Carey, president of the International Union of Electrical, Radio, and Machine Workers, AFL–CIO, which had been published by the Allendale County Citizen, Allendale, S.C., under dateline of August 28, 1959. There was also included correspondence which indicated a personal attack against Mr. Carey, impugning his Americanism.

On the basis of the statement which Mr. RIVERS inserted in the RECORD, it is apparent that my esteemed colleague is unaware of the great contribution Mr. Carey has made in this country. Through Mr. Carey's efforts, thousands, even millions of Americans, have achieved a better life, better pay, better ability to buy the necessities and other good things produced by our country, better working conditions, and the right to hold their heads high in dealings with their employers.

I am sure that Mr. Carey could have chosen to be on the management side with his extraordinary ability, but he elected rather to fight for the rights of the American man and woman who works for a living. It is this dedication to the cause of the workingmen that obviously motivated Mr. Carey's letters to various Congressmen who supported the Landrum-Griffin bill.

There is no question in the minds of many workingmen that the support for the Landrum-Griffin bill was motivated by economic reasons to maintain the competitive edge which cheap labor obtains for several sections of our country. Of course, many supported this bill to clean up the rottenness in labor unions, but no such support developed to clean up the rottenness in management. The Landrum-Griffin bill went far beyond the requirements of protecting the union member and cleaning out the racketeers. That bill disregards the economic effect of the industrial North, East, and West by destroying labor's traditional practices to organize and to obtain a decent wage for the workingman. Many Southern States have no protection for workers in their desire to obtain a decent wage. They do not provide any minimum-wage protection and labor legislation. The Southern States which have no minimum wages are Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, and Texas. My colleague [Mr. RIVERS] comes from South Carolina, where there is no minimum wage in industries not affected by interstate commerce. Arkansas, whose representative is one of the great fighters for labor reforms, Senator MCCLELLAN, has a minimum wage law, but the minimum is pathetically low and amounts to a minimum of 16 cents per hour; hardly sufficient to keep body and soul together.

Several States have no compulsory compensation laws, and these are Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Texas.

The existence of cheap wages and its component competitive edge has caused industry to flee from the North to various sections of the country where the climate is right for wages which are cheap and the benefits to management are many.

I have taken the trouble to inquire into a number of industries which have fled from my own city of New York to go to Southern States where management can obtain a competitive advantage over States which have high standards of wages and strong unions. These are as follows:

Company name	From	To
Cohler & Campbell	Bronx, N.Y.	Granite Falls, N.C.
American Safety Razor Corp.	Kings, N.Y.	Staunton, Va.
Arkel Safety Bag Co.	do	Newport News, Va.
Bonner Spring Hinge Co.	do	Londuram, S.C.
Julius Kayser, Inc.	do	Greenville, S.C.
Reynolds Metals Co.	Queens, N.Y.	Alabama.

These firms which employed 100 or more employees left the city of New York thereby creating unemployment in my city and brought material benefits to States which attracted their operation. Is it any wonder that Mr. Carey who has been struggling to obtain decent wages for the working man and who has contributed so much to the labor forces would resent legislators who by their vote tend to destroy the ability of labor to defend itself?

I do not condone threats nor do I appreciate personal attacks upon people for their opposition. America has been great because we can disagree without being disagreeable. We have freedom of speech and we have the inalienable right

to criticize representatives. In fairness to Mr. Carey, who represents a large segment of decent and honest labor forces, I set forth Mr. Carey's record for all to see so that the distorted impression obtained by a reading of Mr. RIVER's statement would not be accepted by all fair thinking people.

Leadership and Progress: The Test of Our Time

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 1, 1959

Mr. KEARNS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address by the Honorable Arthur E. Summerfield on the occasion of the oil industry centennial, Titusville, Pa., August 27, 1959:

LEADERSHIP AND PROGRESS: THE TEST OF OUR TIME

(Address by the Honorable Arthur E. Summerfield, Postmaster General of the United States, on occasion of the oil industry centennial, Titusville, Pa., August 27, 1959)

Any man in these United States would be honored to be asked to speak here today.

I think, however, he would realize quickly that this is more than an honor. It is also a very formidable challenge.

Here, within this room, is as great gathering of distinguished minds as you could find any place, at any time, for any occasion.

Here is the leadership that has built the modern American petroleum industry. And the accomplishments of this industry are so fabulous as to be almost incredible.

From this industry comes the very lifepower behind the growth and progress and security of not only America, but the free world.

We thrive as a free and dynamic people because this industry, in the face of immense problems, is able to provide abundant, low-cost energy for our tremendous needs.

We are gratefully mindful that our country, with 7 percent of the world's population, produces some 40 percent of the energy used by the entire human race.

It is generally forecast that, in our country alone, energy requirements by 1975 will increase by 94 percent. And we have complete confidence that this industry will supply most of this increase—because you who lead it have shown that no challenge is too great for you to accept and meet.

In such presence, the wise speaker will adhere to a subject with which he is most familiar.

I feel I can do this best by reporting to you on some specific problems we face in Washington today. Since any problems in Washington are in fact the direct concern of every citizen—and especially those of you in capacities of leadership—I believe my purpose is appropriate to this occasion.

Further, I should like to do more than report. I should like to tell you what I believe to be the most crucial problem confronting us. And I would then dare to ask you to assess what you can do to help in its solution.

Let me approach the definition of this problem by making two observations that are well known to you:

The first is that government policy vitally affects the economy of any nation. In a dictator state, of course, the effect is absolute. But even in a republic with a free enterprise system, the government literally determines the broad conditions under which the economy shall operate.

The second point is that, in a republic, the elected representatives of the people presumably are to provide the kind of government the majority of the people want.

It is therefore to be assumed that the people have the right—if not the obligation—to insist upon getting the policies they want.

One natural consequence of this process is the formation of pressure groups—groups that may represent only a small fraction of the electorate, but that organize their efforts, vocally and actively, to advance their own self-interest.

When their interest represents the needs and desires of the great majority of the people, they deserve support.

When their interest is detrimental to the people, they deserve defeat. But the fact is, they may still succeed—and all too often, do. They succeed because the interests of the people have too few champions—too few men and women with the talents and the willingness to speak up, to lead the fight in the people's behalf.

To the public officeholder, the self-interest groups appear to have the initiative; the public appears to be apathetic.

If I may be allowed a personal reference, I would mention that I first became aware of these simple facts back in 1940, when I was a businessman very much absorbed in my own business.

There occurred in my home town a shocking demonstration of the worst kind of pressure-group tactics. No one in public office seemed to be willing to cope with it. I began to envision what would happen if such pressure groups, across the land, should come to dominate our local and State, and even our Federal, governments.

And it became clear to me that I had a responsibility beyond the voting booth—that I should try, in any event, to contribute as I could to the kind of sound government that would make pressure-group government impossible.

My interest, it seems, proved to be more than a passing fancy. I am exceedingly happy that it did. I have cherished my participation in politics and public service. Nothing in my life has been quite so spiritually rewarding, so satisfying.

The basic issue which moved me in 1940 has expanded many times over, today. It is the main force to be reckoned with, as we make our decisions on national economic policy. This year, and in the years directly ahead, these decisions will be crucial.

Upon them will rest the future of our whole security, and freedom and progress as a Nation.

For these are times of supreme challenge. We are engaged in a mammoth cold war in which no quarter is given. It is a war involving economic, as well as physical and moral, strength.

In all the writings of Karl Marx, there is not a line which advocates the overthrow of capitalism by force. Instead, the entire creed is that capitalistic nations will fall because their currencies will weaken and their economies fail.

Certain it is that economic folly, on our part, would be an invitation to disaster. A sound and growing economy is utterly essential to victory.

So our fundamental decision comes down to this: Whether we are to have economic folly through government by pressure group, with inflation, higher taxation, and deadly monopoly power; or, whether we are to have sound government, with sound economic policies that rid us of inflation, confiscatory taxation, and abuses of monopoly power.

At present, our Nation has reached the highest level of prosperity in our history. We have the healthiest, strongest economy America has yet known.

Our people are enjoying higher wages and better living standards than ever before.

Overall output is at record levels, and rising steadily.

Employment is rising steeply. Unemployment is falling sharply.

For more than a year, the cost of living has remained generally stable.

The battle for a sound dollar is at least temporarily won.

And the outlook for a balanced budget is the brightest it has been in a great many months.

These are achievements made possible by sound policies of government—policies maintained by a determined Federal administration.

They are the result of a resolute battle to bring a rampant inflationary momentum under control.

They are the product of clear-thinking, farsighted leadership—the kind provided by the President in the 1958 recession, when he guided with a steady hand and refused to rush into panic spending.

All these are hard-won gains. And, my friends, it will be harder still to hold them and to continue advancing along these sound ways.

The battle against economic folly is only begun. It must be waged persistently and firmly, as long as there are forces seeking to resume the inflationary process.

The pressure for extravagant Government spending remains very much in being. The groups behind them never rest. Washington is swarming with their representatives, wielding every political weapon that can be applied.

Many in the Congress are inherently bent on limitless spending and taxation. They will ignore the consequences of cheap dollars and deficit financing.

Almost all of these particular Members are saying—for public consumption—that they are opposed to inflation. But what happens every time they have the opportunity to act?

They fight and vote for budget-busting bills that would give inflation another boost.

We have seen examples in just the past few weeks. We are seeing examples now.

I hope you have read the first reports from our Cabinet Committee on Price Stability for Economic Growth. I hope, in fact, that all thinking Americans have read them.

I can tell you they represent a tremendous amount of careful study and work. They look at the problems squarely, and they call a spade a spade.

Few men of responsible position, in either political party, in Washington or elsewhere, have sought to quarrel with the findings or conclusions. I believe that even those who would like to discredit them recognize that their strength lies in their truth.

The reports face up to the fact that new inflation can also come from sharp new spirals in wages and prices.

The challenge to the American people is to demand real statesmanship from all concerned—all who influence the factors that bear on prices, and thus the cost of living.

Union members, with most other Americans, want their leaders, as well as the leaders in management, to exercise basic economic commonsense. They have said so in many surveys of their views.

They do not want an ever-rising cost of living forced upon the country by wage increases that outrun increases in productivity.

They do not want inflation. They want fairness with a future.

They—and all our citizens—must realize, too, the important place that taxation holds in that future.

Our population is growing rapidly. Business can create new jobs to meet this growth only as billions of dollars are invested in new tools and capacity.

From where is this money to come, if Federal, State, and local taxes eat up business income?

There are over 100,000 taxing authorities in our country. Their weight can literally crush the ability of business to meet its job-creating capital needs.

As you so well know, our present tax structure is seriously outdated. It is a set of laws reflecting largely the conditions of the past, especially World War II, when the goal was the confiscation of war profits, not the building of a sound peacetime economy.

A dynamic program of tax reform and reduction is needed in its place. Such a program can ease the burden our taxes are placing on the accumulation of capital for investment.

It can relieve the stifling taxload being carried by the individual citizen, and by our business system.

The Revenue Act of 1954 was a major step in this direction, bringing the greatest dollar reduction in Federal taxes in our history.

Today, the President's insistence on a balanced budget is essential to this goal.

And, needless to say, the broad support of the people will be necessary if this program eventually is to be accomplished.

Let me repeat: The forces devoted to irresponsible spending and taxation are strongly organized. They are highly vocal. They are grimly persistent. They remain confident.

As opposed to them, the number leading the fight for sound government has been relatively small. In Washington, this fight has been led, in large part, by the President and the Vice President, sustained by key members of the administration and some stalwart Members of the Congress.

These are the men who have battled for fiscal sanity, for a balanced budget, for steps leading to tax reform and reduction. More—many more—are needed in every State in the Union.

And here I submit, gentlemen, is the most crucial problem facing this country. It is the need for all who believe in sound government to stand forth and support the efforts that must be made to maintain it.

It is the need for men who have talents of leadership to apply these talents to the political life of the nation.

I would suggest that too much is being expected of too few. The majority of our people want sound and responsible progress by all segments of our society. There has been a vast increase in public consciousness of the fact that only the people, in the end, can see to it that this kind of progress is maintained.

No more dramatic example could be given than the way in which the people have made it clear that they want the abuses of labor monopoly power stopped. Their mandate has been so strong that the adoption of a vitally needed labor reform law—which the labor monopoly leaders appeared to have blocked as little as 3 months ago—is nearly a reality.

We have seen, too, how the forward march of inflation has been slowed by an aroused public opinion. In no other way could the inflationary forces that ran rampant for so many years have been brought to a halt.

But we must not be misled. Let public vigilance fall away only a little, and the pressure groups will be in the ascendence again. The spenders and taxers will not yield easily, nor will those determined to exploit labor monopoly power.

To keep the public interest uppermost, the people will need articulate help and leadership in every community; not advice from the sidelines; nor cautious detachment from the arena where the decisions are being made.

I know of no men in America life whose leadership could be more important than the men in this room at this moment.

No one could speak with greater authority, for you have shown how successfully you can deal with the very problems that confront us.

This great industry has been outstanding in fighting inflation by holding down prices. In the 10 years from 1949 to 1958, gasoline prices, exclusive of taxes, increased less than 6 percent on a national average, while the cost of living rose more than 20 percent. And these were prices for gasoline constantly improved in quality through huge expenditures in research and development.

Your experience in this industry, too, equips you to emphasize the necessity of vast expenditures by private industry for technology and facilities to meet public needs.

The oil industry knows only too well that, if its capital is taxed away, it cannot continue to make the enormous investments, and take the risks, that have enabled it to serve the public so well to this time.

You know, at first hand, such inflationary pressures as that behind the highway construction program. You know that we must be extremely careful that our Federal highway program is carried forward on the most efficient basis possible.

Already, we find, the estimated costs of this program are running 45 percent higher than in 1956, when it was first approved in Congress.

Our people must be urged to see that this program does not become immersed in a pork barrel. Its potential as an element of inflation is great and serious.

I know very well, indeed, how easy it is to become engrossed in the problems and duties of daily business. I know how difficult it is to find the time for other activity.

But it can be done. In time of war, all of us are ready to change our lives, to go where we are needed, to serve in the best way we can. We are willing to make any sacrifice to preserve the life and future of our Nation.

We are engaged in no shooting war, but my friends, we are engaged in a battle to preserve the life and the bright future of our country.

It is a time for service, for sacrifice, for leadership.

There is in this room, a tremendous reservoir of vital political thinking, and of great ability to communicate this thinking.

This, too, is demonstrated on the record. I have been told that at least 10 major oil companies have launched public affairs programs to make their employees better informed citizens—and to encourage employees to participate, as citizens, in political activity.

I know personally that many of you are giving increasingly of your time and ability, as citizens, to public affairs and political participation. This, of course, is of first importance. If a public affairs program for employees is to succeed, it must certainly have the demonstrated leadership of the management of the enterprise.

I would appeal to you, in all events, to speak, work and fight for sound policies and a stronger America.

I would ask you to assess anew the importance of your political participation.

The political party of our choice is, and will be, what we make of it—either by participation, or lack of participation, in its affairs and its choice of candidates.

Unless more responsible citizens devote real time and effort to unselfish politics, government by pressure groups will triumph.

Only by genuine participation can we be sure that the Government will serve all the people—not some special interest—and assure that the government will serve all the citizens.

This is a day of great meaning in our Nation's history. All America is proud and grateful on this anniversary of these first magnificent 100 years.

It is a day of even greater meaning to our Nation's future. We know that untold wonders will come in the years ahead, in the second century of oil progress.

We salute you—we look to your leadership in industry, and in our national life.

In the spirit of your accomplishment, we shall move forward into the golden era of opportunity that lies before us.

We shall prove anew there is no conceivable limit to the advance of a free people—no goal they cannot, with wisdom and courage, attain.

SENATE

WEDNESDAY, SEPTEMBER 2, 1959

(Legislative day of Monday, August 31, 1959)

The Senate met at 10 o'clock a.m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Father of all men, in a day of tribulation, when the very foundations of human society seem to be resting on sinking sand, Thou hast called us to dedicate our brief and little lives to vast and vital causes.

In the midst of world conditions that baffle us, of swift social currents which sweep away our strongest bulwarks, and of evil forces whose hideous cruelty stabs our anguished hearts, we confess that the world in which our lot is cast is too much for us.

Forgive us that it has taken the dreadful threat of a global war for us to recognize that all peoples must work out the common concerns of humanity together, or else go down together into the flaming burial of a final suicidal holocaust.

Because there is no solution of the world's ills, save as it springs from Thy sovereignty and from the hearts of men, we pray, for ourselves, create in us clean hearts, O God, and renew right spirits within us, that we may contribute worthily to mankind's abiding peace.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, September 1, 1959, was dispensed with.

HOUSE BILL PLACED ON THE CALENDAR

The bill (H.R. 8728) to amend the Federal Boating Act of 1958 to extend for an additional year the period when

certain provisions of that act will take effect, received from the House of Representatives on September 1, 1959, was read twice by its title and placed on the calendar.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Insurance Subcommittee of the Committee on Post Office and Civil Service and the Finance Committee were authorized to meet during the session of the Senate today.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, yesterday the Senate entered an order that today there would be the usual morning hour for the transaction of purely routine business, with statements limited to 3 minutes.

The VICE PRESIDENT. That is correct; and morning business is in order.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT OF U.S. SOLDIERS' HOME

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of the U.S. Soldiers' Home, for the fiscal year 1958, and a copy of the report of the annual inspection of the home, 1958, by the Inspector General of the Army (with accompanying papers); to the Committee on Armed Services.

REPORT OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

A letter from the chairman, Subcommittee on Canadian Affairs, of the Senate Committee on Foreign Relations, transmitting, pursuant to law, a report on the second meeting of the Canada-United States Interparliamentary Group, held in Montreal and Ottawa, Canada, on June 25–28, 1959 (with an accompanying report); to the Committee on Foreign Relations.

AMENDMENT OF SECTION 203(j) OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to amend section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(j)), to provide that the Department of Defense may allocate surplus property under its control for transfer under that act only to educational institutions conducting approved military programs (with an accompanying paper); to the Committee on Government Operations.

AUDIT REPORT ON ACCOUNTS OF DISBURSING OFFICERS OF THE ARMY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the accounts of disbursing officers of the Army, fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

REPEAL OF CERTAIN RETIREMENT PROMOTION AUTHORITY OF COAST AND GEODETIC SURVEY

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to repeal certain retirement promotion authority of the Coast and Geodetic Survey (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT ON TORT CLAIMS PAID BY VETERANS' ADMINISTRATION

A letter from the Deputy Administrator, Veterans' Administration, Washington, D.C., transmitting, pursuant to law, a report on tort claims paid by that Administration, during fiscal year ended June 30, 1959 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY FEDERAL AVIATION AGENCY

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., transmitting, pursuant to law, a report on tort claims paid by that Agency, during the fiscal year 1959 (with an accompanying report); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

STATUS OF PERMANENT RESIDENCE FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A telegram from the chairman of the Board of Supervisors of Santa Clara County, Calif., embodying a resolution adopted by that board, favoring the enactment of legislation to continue and complete the San Francisco Bay study, and flood control and reclamation projects; ordered to lie on the table.

A resolution adopted by the City Council of the City of Pueblo, Colo., favoring the enactment of legislation to provide home rule in the District of Columbia; ordered to lie on the table.

SMALL WATERSHED PROGRAM IN KANSAS—RESOLUTION

Mr. CARLSON. Mr. President, the Farmers Union Jobbing Association in its meeting at Kansas City on August 18 adopted a resolution in regard to the small watershed program for the control of water runoff.

There is much interest in the small watershed program in Kansas and there are some very fine projects under construction.

Many other watersheds are being studied at the present time with a view of establishing watershed drainage areas.

This is a program that needs to be expanded greatly in our State and I request that this resolution be made a part of these remarks and referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Public Works and ordered to be printed in the RECORD, as follows:

Resolved by the directors of the Farmers Union Jobbing Association, in meeting in Kansas City, Mo. this August 18, 1959, That it continue to favor the use of the small watershed method of flood control rather than the construction of large dams in the main streams. Further, we are especially concerned and opposed to the construction of the eight proposed dams on the tributaries of the Kaw River, which are in the area served this association; be it further

Resolved, That copies of this resolution be mailed to Senators SCHOEPPEL and CARLSON, Congressmen REES and AVERY, the Abilene Reflector Chronicle and such other newspapers of the involved area.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

S. Con. Res. 73. Concurrent resolution to create a Joint Committee on a National Fuels Policy (Rept. No. 874); referred to the Committee on Rules and Administration.

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 1892. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma (Rept. No. 872); and

H.R. 1778. An act to amend section 17(b) of the Reclamation Project Act of 1939 (Rept. No. 873).

By Mr. GOLDWATER, from the Committee on Interior and Insular Affairs, without amendment:

S. 2286. A bill to authorize the leasing of land on the Colorado River Indian Reservation, Ariz. and Calif., and for other purposes (Rept. No. 876).

By Mr. MOSS, from the Committee on Interior and Insular Affairs, with an amendment:

S. 2061. A bill to authorize the issuance of prospecting permits for phosphate in lands belonging to the United States (Rept. No. 879).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 2598. A bill to amend the Federal Boating Act of 1958 to extend until January 1, 1961, the period when certain provisions of that act will take effect (Rept. No. 875).

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 4857. An act to amend section 4233 of the Internal Revenue Code of 1954 to provide that the exemptions from the admissions tax for athletic games benefiting crippled or retarded children shall apply where the participants have recently attended designated schools or colleges as well as where they are currently students (Rept. No. 877); and

H.R. 8725. An act to amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes (Rept. No. 878).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by

unanimous consent, the second time, and referred as follows:

By Mr. BYRD of Virginia (by request):

S. 2630. A bill to provide for a parkway connection between Mount Vernon and Woodlawn Plantations, in the State of Virginia, and for other purposes; to the Committee on Public Works.

By Mr. WILEY:

S. 2631. A bill for the relief of Dr. Gernot Rath; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey (for himself, Mr. CASE of New Jersey, Mr. FREAR, and Mr. WILLIAMS of Delaware):

S. 2632. A bill to assist the States of New Jersey and Delaware in developing a strain of oysters resistant to causes which threaten the oyster industry on the east coast; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRD of Virginia:

S.J. Res. 137. Joint resolution to authorize the James Monroe Memorial Foundation to erect a memorial on public grounds in the District of Columbia to honor James Monroe, fifth President of the United States; to the Committee on Rules and Administration.

FILING OF APPLICATIONS FOR MOVING COSTS RESULTING FROM CERTAIN PUBLIC WORKS PROJECTS—AMENDMENT

Mr. BIBLE submitted an amendment, intended to be proposed by him, to the bill (H.R. 4656) to amend section 401b of the act of July 14, 1952, to permit applications for moving costs resulting from any public works project of a military department to be filed either 1 year from the date of acquisition or 1 year following the date of vacating the property, which was ordered to lie on the table and to be printed.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938—AMENDMENT

Mr. ANDERSON submitted an amendment, intended to be proposed by him, to the bill (H.R. 4874) to amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to provide that for certain purposes of this section, farms on which the farm marketing excess of wheat is adjusted to zero because of underproduction shall be regarded as farms on which the entire amount of the farm marketing excess of wheat has been delivered to the Secretary or stored to avoid or postpone the payment of the penalty, which was ordered to lie on the table and be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. ENGLE:

Citation presented to Senator SYMINGTON by the national convention of AMVETS, at Grand Rapids, Mich., on August 22, 1959; and address delivered by Senator SYMINGTON before that convention.

By Mr. MONRONEY:

Address delivered by Senator BARTLETT before the Association of Local Transport Airlines, at Anchorage, Alaska, on July 29, 1959.

Article entitled "Oklahoma," published in the Lykes Fleet Flashes magazine, New Orleans, La.

By Mr. BARTLETT:

Statement by him relating to the golden dollar sent to each Member of Congress, supplied by the Fairbanks, Alaska, Chamber of Commerce.

By Mr. WILEY:

Remarks by him on the diversion of water issue.

TELEVISION SHOW "CELEBRITY" WITH JOE McCAFFREY

Mr. MANSFIELD. Mr. President, for more than 4 years I have been a part of the audience which has enjoyed and has been enlightened by Joe McCaffrey's television show, "Celebrity Parade." It is, in my opinion, one of the finest examples of how the medium of television can be used both to entertain and to inform.

The show was sponsored by the Retail Clerks International Association. It is a tribute to the good sense and the public spiritedness of that union and its outstanding president, James Suffridge, that Joe McCaffrey was chosen to officiate over "Celebrity Parade," and was given a free hand to run it impartially, objectively, and in very good taste.

So fairly did Joe McCaffrey perform his functions, that in recent weeks both the chairman of the Democratic Party and the chairman of the Republican Party appeared on "Celebrity Parade."

During the years it has been on the airways, moreover, the program has featured, among its 450 guests, 44 members of the present Senate, Ambassadors, authors, outstanding correspondents, and a cross section of rank-and-file citizens. It has focused public attention not only on great political issues, but also on some of the serious social problems which affect the Nation, such as mental health, education, and marital discord. The program has also done yeoman's work for worthy private organizations, such as the Salvation Army, the Heart Association, and the Tuberculosis Association.

I regret, Mr. President, that during the past few years Joe McCaffrey's "Celebrity Parade" has been televised only in the Washington area. This limited range denied to the rest of the Nation, the many hours of pleasure and information which the program has provided.

I regret even more, Mr. President, that "Celebrity Parade" is now leaving the air, even in the Washington area. I trust that the departure will be but a prelude to greater public service for Joe McCaffrey. He is, in my opinion, one of the Nation's finest and most impartial men in the news and public-service fields. With the airways already putting forth a surfeit of bombastic, biased newscasts and vast numbers of cops-and-robbers and cowboys-and-Indians and assorted violence and nonsense of other kinds of programs, all encased and striated with commercials which often are insulting to the intelligence of 6 year olds, we can ill-afford not to use, to the fullest, the talents of a Joe McCaffrey or to lose programs of the caliber of "Celebrity Parade."

JUVENILE DELINQUENCY AND YOUTH CRIME IN NEW YORK CITY

Mr. JAVITS. Mr. President, New York is being troubled with an outbreak of teenage crime and teenage gang violence which is of a most extraordinary character—so much so as to require emergency action by the Governor of the State and the mayor of the city of New York. Four young people have been killed in this outbreak, and the police network has drawn in a great many suspects. This situation naturally gives a community very grave cause for concern and introspection of a most serious character into its own situation.

This outbreak of juvenile delinquency and youth crime is not unique to New York; it is a national phenomenon. Indeed, it is an international phenomenon—from what we hear—with its presence evident even in the Soviet Union, notwithstanding the Communists' bombast about the "paradise" in which they live.

Mr. President, today the New York Times has analyzed the situation in various cities, including Philadelphia, Chicago, Detroit, St. Louis, Cleveland, and San Francisco, where curfew laws are in force to keep children off the streets.

Personally, I do not like curfew laws; I do not think any person who is deeply interested in civil liberties likes them. Nevertheless, the situation is so severe that perhaps even this extreme measure of very doubtful constitutionality should at least be considered by the authorities. Perhaps some adaptation of it might work. Also, we have grave problems of intergroup relationships and interracial relations on which we must work in the tradition of the dedication of New York's government, city and State, and the great majority of its people that equal opportunity and equality of status before the law are precious and inviolable to us.

Mr. President, the point of my remarks this morning, however, aside from calling the attention of the Senate to this very serious situation, is the fact that we have on the calendar a juvenile delinquency bill, the Juvenile Delinquency Act of 1959, Calendar No. 819, Senate bill 694, which was reported out of my own Committee on Labor and Public Welfare.

This bill—although modest in scope, for it deals very largely with only experimental techniques for handling juvenile delinquency and youth crime—at the very least will put the National Government's prestige and the national governmental organization, both in the educational field and in the other fields in which the National Government operates, behind the efforts of the cities and the States to deal with juvenile delinquency and youth crime.

I believe this to be a most urgent matter among our problems at home. We have found, and I, myself, found this

when I was attorney general of New York, and was a member of the New York State Commission on Youth and Delinquency—a commission, which I helped start, headed by Tom Watson, Jr.—that the old ideas to the effect that juvenile delinquency and youth crime were attributable mainly to slums and perhaps even to under par economic status were not entirely valid. For example we found that broken homes and the rootlessness and frustration of youth in the atomic age are among the principal causes of youth crimes; and that new techniques, through which the State substitutes for the broken homes and the rootlessness, by means of the services it offers, are extremely effective in this field. In this connection, the Governor of our State has called for cooperative action by churches, synagogues, temples, civic and veterans' organizations, and voluntary groups of all kinds. This is very important.

So, Mr. President, in highlighting this serious situation which we in New York face, and which is but a demonstration of what is occurring in the rest of the country and in the world, I urge that the Senate act on the measure known as the Juvenile Delinquency Act of 1959.

I point out that the ability to cope with this problem at the moment is being outstripped at an alarming rate by the increase in the problem itself.

Mr. President, I ask unanimous consent to have printed as a part of my remarks my own concurrent views in the report on this question, which detail a great many figures to demonstrate that fact, and also the analysis from the New York Times on the operations of a curfew.

I conclude by urging upon our leadership action—I hope action today—on the bill known as the Juvenile Delinquency Act of 1959, which can be called up at any time.

There being no objection, the views and articles were ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL VIEWS OF SENATOR JAVITS

The committee bill as it is now constituted provides for the highly important basis of experiment projects from which our most intelligent and effective efforts to cope with and to prevent the increasingly rapid spread of juvenile delinquency are likely to emanate. Most importantly it enables the Federal Government to help in the national juvenile delinquency emergency—and this is the major contribution of the bill. Where it falls short is in the failure to give aid on a sharing basis to State, municipal and voluntary efforts to prevent and cure juvenile delinquency, nor does it help with the training of needed personnel. My bill, the Juvenile Delinquency Control Act (S. 1341), covers these matters. They are so essential to a Federal juvenile delinquency program and the juvenile delinquency emergency is so great that the committee's bill can only be considered a first step on the part of the Federal Government.

The committee bill makes no provision to follow through on efforts to study juvenile delinquency. Even if we learn more and more about the causes of juvenile delinquency and develop methods to prevent and deal with it, we will still need a growing number of trained personnel to make use of this knowledge and these methods and we need to encourage the setting up of definitive means to put the methods into practice on a large enough scale.

I have been impressed by the importance which many of the most distinguished and experienced witnesses attached to the need for increasing the woefully inadequate force of people trained to deal with the problems of our youth: trained social workers, police officers, parents, judges and psychiatrists and psychologists. An analysis of these personnel shortages can be found on pages 149 to 151 of the hearings. Independent inquiry has confirmed these findings. There are an estimated 100,000 people in the United States trying to cope with mounting problems of juvenile delinquency but only a very small part of them can be said to have adequate training for their task; for instance, of the 50,000 police so engaged only 5,000 to 10,000 are specifically trained. It was furthermore noted in the hearings that whereas juvenile delinquency rose by 82 percent between 1952 and 1957, the number of probation officers for delinquents increased by only 46 percent.

I am convinced that our ability to cope with this problem is being outstripped at an increasing and alarming rate by the problem itself. Between 1948 and 1957 the number of juvenile court cases increased at nearly five times the rate at which the 10- to 17-year-old population increased. Between 1957 and 1965 this age group will have increased by another 35 percent. Does this mean that juvenile court cases, now 600,000 per year, will rise by 175 percent and that our court facilities will be swamped by 1,650,000 cases, involving perhaps 1,300,000 or 1 out of 25 of our youngsters? By 1970 there will be a further 10 percent increase in this population. Will our system of youth courts then break down under 2½ million cases involving 1 out of every 20 Americans in this age group?

The trend in arrests is even more alarming. Between 1948 and 1957 arrests of persons under 18 years of age multiplied eight times. Many of these youngsters are dealt with by the police several times a year and, therefore, the number of cases exceeds the number of youth in trouble annually, but this is far from comforting to the thinking person. For, although it makes the problem somewhat less widespread than would appear at first glance, it also indicates that it is much more deeply rooted. If a great number of young people get into trouble once and take the warning and then adhere to the ground rules of civilized society, we can take comfort in the thought of the occasional heedlessness and continual exuberance of youth. However, when a smaller but frighteningly large and increasing number of youngsters habitually commit acts which require attention from the police and when their repeated encounters with the law teach them nothing of right or wrong or of the requirements of social behavior—it is then that we must take alarm.

The problem of juvenile delinquency is on the increase. It does not involve the young man who "borrows" the neighbor's car to go for a spin or the young girl who gets into trouble in some big city. These youngsters can often be handled by religious advisers, teachers, and understanding parents. Usually they won't get into trouble again. But, of the hundreds of thousands of others who appear before juvenile courts for auto theft, larceny, burglary, assault, possession of drugs, drunkenness, vagrancy and even homicide—their problems require the concentrated attention of men and women specificaly trained to cope with them. The children appearing before juvenile courts generally have deepseated problems of delinquency. The fact that many of them appear in court repeatedly and that many of those sent to institutions are returnees, indicates that there is a failure in their treatment. A large part of the failure resides in the shortage of trained personnel. The gap is widening and it is self-perpetuating. We must make a large-scale attempt to put enough people in the field so that at least the number of repeaters can be cut down.

It should also be remembered that usually the longer a youngster engages in crime the more difficult is his rehabilitation. Thus, the problem is growing in two dimensions in breadth and depth.

Juvenile delinquency is a social disease. It is contagious and therefore it threatens the fabric of society. It is also deeply personal, and our respect for the individual human life makes it imperative that we provide the means by which the individual can be helped. There is no drug which will cure this disease—only trained people to help young people to understand the effect of our society and of our laws upon them—and their opportunities under them—can really help.

Let me also point out that in human problems the best research is done by those in the field and the most accurate conclusions are drawn by enlisting the widest experience. Therefore, personnel trained to combat juvenile delinquency will not only be of immediate and tangible help but will also contribute much to the growing and changing body of knowledge we must build.

In conclusion, I would like to deny the validity of the approach which attributes the disturbing statistics merely to greater awareness of the problem or to the traditional conservatism of the adult who takes too serious a view of youthful behavior. The causes of juvenile delinquency are deeply rooted in the uncertainties, injustices, and even in the range of opportunities afforded by the wealth and technology of our modern time. In countries and societies which vary from ours to a greater or lesser degree, the growing instability of youth is noted: in Great Britain, in Sweden, in the Soviet Union, in West Germany.

Both crime among the children of the privileged and crime among the children of the slums have multiplied rapidly. There is no cure-all. Neither permissiveness nor punishment, neither church nor school, nor psychiatrist, neither parent nor policeman, neither judge nor jailer can provide the whole answer. Only all of these things, and many others, widely applied, can help us toward a solution. Therefore, our efforts to prevent and combat juvenile delinquency must be more broad gaged and more practical than what we here propose in this bill.

S. 694

A bill to provide Federal assistance for projects which will demonstrate or develop techniques and practices leading to a solution of the Nation's juvenile delinquency control problems

Be it enacted by the Senate and House of Represenentatives of the United States of America in Congress assembled,

Findings and policies

SEC. 2. (a) The Congress hereby finds and declares that juvenile delinquency diminishes the strength and vitality of the people of our Nation; that such delinquency is increasing in both urban and rural communities; and that its prevention, control, and treatment require intensive efforts on the part of private and governmental interests.

(b) The policy of the Federal Government shall be to assist in the prevention, control, and treatment of juvenile delinquency.

TITLE I—DEMONSTRATION AND STUDY PROJECTS

SEC. 101. (a) For the purpose of demonstrating and developing improved methods, including methods for the training of personnel, for the prevention, control, and treatment of juvenile delinquency, there is hereby authorized to be appropriated for

the fiscal year ending June 30, 1960, and for each of the four succeeding fiscal years such sum, not to exceed $5,000,000, as the Congress may determine.

(b) The sums appropriated under this title shall be available for grants or contracts to carry out projects for demonstrations and studies which, in the judgment of the Secretary of Health, Education, and Welfare (hereinafter in this Act referred to as the "Secretary") hold promise of making a substantial contribution to the discovery, the development, or the evaluation or demonstration of the effectiveness, of techniques and practices, including techniques and practices for the training of personnel, for the prevention, control, and treatment of juvenile delinquency. The Secretary may make such grants to States and municipalities and to other public and private nonprofit agencies, including institutions of higher learning or research: *Provided*, That the Secretary shall require each grant recipient to contribute money, facilities, or services to the extent the Secretary deems appropriate. He may enter into contracts for such projects with public or private organizations or agencies or with any individuals.

(c) Payments under this title may be made in advance or by way of reimbursement as may be determined by the Secretary, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this title.

TITLE II—TECHNICAL ASSISTANCE SERVICES

SEC. 201. (a) The Secretary shall make studies, investigations, and reports with respect to matters relating to the prevention, control, and treatment of juvenile delinquency, including the effectiveness of programs carried out under this Act, cooperate with and render technical assistance to States and municipalities and other public and private agencies in such matters, and provide short-term training and instruction in technical matters relating to juvenile delinquency.

(b) The Secretary shall, in connection with all grants and contracts provided for in title I, collect, evaluate, publish, and disseminate information and materials for agencies and personnel engaged in programs concerning juvenile delinquency.

TITLE III—NATIONAL ADVISORY COUNCIL ON JUVENILE DELINQUENCY

SEC. 301. (a) There is hereby established in the Department of Health, Education, and Welfare a National Advisory Council on Juvenile Delinquency (hereinafter referred to as the "Council"). The Council shall be composed of the Secretary or his designee, who shall be Chairman, and twelve members appointed without regard to the civil service laws by the Secretary. The appointed members of the Council shall be persons (including persons from public and voluntary organizations) who are recognized authorities in professional or technical fields related to juvenile delinquency or persons representative of the general public who are leaders in programs concerned with juvenile delinquency. The Council shall advise the Secretary on the administration of this Act.

(b) Before any grant or contract is made under title I, the Council shall review the project involved and shall submit its recommendation thereon to the Secretary. The Council may also recommend to the Secretary projects initiated by it. The Secretary is authorized to utilize the services of any member or members of the Council in connection with matters relating to this Act for such periods, in addition to conference periods, as he may determine.

(c) Appointed members of the Council, while attending meetings of the Council or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary, but not exceeding $50 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 73b–2) for persons in the Government service employed intermittently. Notwithstanding the foregoing or any other provision of law, the Secretary may accept the services of appointed members under this section without the payment of compensation therefor (and with or without payment of travel expenses or per diem in lieu of subsistence).

(d) (1) Any member of the Council is hereby exempted, with respect to such appointment, from the operation of sections 381, 283, 284, and 1914 of title 18 of the United States Code, and section 190 of the Revised Statutes (5 U.S.C. 99), except as otherwise specified in paragraph (2) of this subsection.

(2) The exemption granted by paragraph (1) shall not extend—

(A) to the receipt of payment of salary in connection with the appointee's Government service from any source other than the private employer of the appointee at the time of his appointment; or

(B) during the period of such appointment, and the further period of two years after the termination thereof, to the prosecution or participation in the prosecution, by any person so appointed, of any claim against the Government involving any matter concerning which the appointee had any responsibility arising out of his appointment during the period of such appointment.

TITLE IV—GENERAL PROVISIONS

SEC. 401. (a) The Secretary is authorized to make regulations governing the administration of this Act.

(b) The Secretary shall include in his annual report a full report of the administration of this Act.

(c) There are hereby authorized to be included for each fiscal year in the appropriation for the Department of Health, Education, and Welfare such sums as are necessary to administer this Act.

(d) The term "State" in this Act includes the District of Columbia, Virgin Islands, Puerto Rico, and Guam.

[From the New York Times, Sept. 2, 1959]

CURFEWS ON TEENAGERS APPLAUDED BY POLICE IN SIX U.S. CITIES—STREET BAN FOUND AID IN CRIME FIGHT—IT IS NOT PANACEA, HOWEVER, OFFICIALS NOTE—PROPOSAL BEING CONSIDERED HERE

(By Seymour Topping)

A survey of six large cities in the United States shows that a curfew for teenagers can be useful in combating juvenile delinquency, but that it falls far short of being a cure-all for violence and crime.

City officials here debated yesterday the wisdom of imposing a curfew after the recent gang killings of four Manhattan teenagers.

Police Commissioner Stephen P. Kennedy opposed the curfew proposal as unfair "to the 97 percent of our children who are law abiding." The commissioner expressed doubt that a curfew would be effective and said it should be a parental responsibility in any case.

Mr. Kennedy is believed to have reflected the views of Mayor Wagner who was instrumental in killing a curfew law introduced into the city council in 1954.

Councilman J. Daniel Diggs of Brooklyn announced Monday that he would introduce a proposal to require the city to enforce a 10 p.m. street curfew on teenagers.

In the cities of Philadelphia, Chicago, Detroit, St. Louis, Cleveland, and San Francisco laws are in force that keep children under the age of 17 off the streets after certain hours. At least a dozen other big cities have similar ordinances, as do many smaller communities.

CURFEW CALLED ENFORCEABLE

Police spokesmen in the six cities surveyed agreed that their curfew laws were enforcible and worth while. They stressed, however, that it was only one of many aids utilized against juvenile delinquency.

Philadelphia has a typical comprehensive ordinance that has been in effect since February 1, 1955.

Children under the age of 17, must be off the streets before 10:30 p.m. unless accompanied by a responsible adult. The law applies Sunday through Thursday and, the time limit is midnight on Friday and Saturday. In the recent New York killings, the assailants involved were mostly 17 or 18 years of age, while their victims were 16 or younger.

The Philadelphia curfew allows exceptions when a child is en route home from regular employment or has been sent by a parent on some urgent errand such as for medicine.

When a patrolman arrests a violator, a warning is sent to the parent or guardian. A second violation puts the child and responsible adult before a magistrate's court, which sits once a month and tries an average of 50 cases in an evening.

A parent can be fined $5 to $100 plus court costs. The manager or proprietor of any public establishment that allows youths to loiter there after curfew can be fined $25 to $300.

Inspector Harry Fox, head of the juvenile division, said there were 10,044 violations last year in Philadelphia, a city of 2 million. Mr. Fox said juvenile crime was down 9 percent last year and had fallen 4 percent in 1957.

In explaining the value of a curfew Lt. John Hagermoser of Detroit's Youth Board said: "It costs negligent parents money and so they become more alert to what their children are doing."

"It helps by making a youngster more apprehensive and less apt to stay out late and get into trouble," Sgt. James Stokes of the Chicago police Youth Board, said.

Capt. Adolph C. Jacobsmeyer of the juvenile division of the St. Louis police said: "We find that 13 percent of the children picked up after curfew are involved in various kinds of other police offenses."

Harry Fedele of the Cleveland Juvenile Bureau said: "It does help a great deal in keeping down juvenile crime. It permits us to nip gang fights in the bud by clearing the kids off the streets."

Describing the curfew as a "terrific help," San Francisco Police Chief Thomas J. Cahill said that "through a word of caution, we are able many times, we are sure, to prevent youngsters from getting into trouble."

[From the Washington Post, Sept. 2, 1959]

THE NEW FEUDALISM

Within a single week four more killings—all of them utterly senseless—have resulted from blood feuds involving the juvenile gangs of Manhattan. Some 1,400 New York City policemen have been diverted from other important duties to assist in the effort to repress such adolescent crimes of violence.

In a series of intergang collisions, or "rumbles," on the night of August 23, a 15-year-old girl was shot to death, and a 14-year-old boy was fatally stabbed on the lower east side. Four nights later in the west side district, long and notoriously known as Hell's Kitchen, two boys were stabbed to death in a public playground.

The second of these incidents was even uglier than the other; for the victims seem not to have been members of any rival gang and the assailants seem to have had no special grievance against them. The assailants, it appears, were young Puerto Ricans representing gangs from another neighborhood known variously by such grandiose designations as the Young Lords, the Heart

Kings, and the Vampires. Apparently they were in search of another young Puerto Rican who had insulted and threatened one of their members. Not finding him, they sought to slake their spirit of vengeance on a group of neighborhood youths, mostly of Greek or Slavic ancestry.

The police had little difficulty in identifying the participants in the disturbance. But the incident has let loose a long-brewing storm of criticism against Mayor Wagner's youth board, which has been attempting to resolve the problem of juvenile violence by seeking close and confidential relationships with the adolescent gangs that would enable it to arrange truces or peace treaties among them.

This, according to the critics, amounts to a virtual recognition of the gangs as sovereign powers. And indeed the juvenile gang, with its elaborate organization, its claim to a particular territorial jurisdiction, of "turf," does manifest many characteristics of the political state, an imperium in imperio. Man, said Aristotle, is by nature a political animal, and the gang is another proof of the truth of this assertion. It affords a form of citizenship to those for whom the larger political community has no meaning. It offers to a frightened and rootless generation the sense of protecting, of participation, of "belonging"; but, like the "polis" and the Nation, it exacts in return a sacrificial loyalty and obedience.

FEDERAL AND PRIVATE AID TO EDUCATION

Mr. JAVITS. Mr. President, I call attention to the fact that Federal aid to education, notwithstanding the terrible things that are often anticipated about it, is working out magnificently well. The Federal Education Commissioner has just completed his anniversary report on the National Defense Education Act, which Congress passed just a year ago, and he has nothing but good things to say about it, in the main.

For one thing, the student loan program, which I had the honor, with other Senators, to pioneer here, and which I think the Congress was most farsighted in adopting, rather than the outright grant idea, is working remarkably well, Commissioner Derthick says. I quote him:

> Field representatives report tremendous enthusiasm in all parts of the country for the student loan program.

Again, it is a demonstration of the fact that our young people are hardy and are willing to take responsibility, and are not going soft, as so many people think, but are willing to invest in their education and repay the loan as soon as they get employment. The whole program shows a most promising picture.

Mr. President, I ask unanimous consent that a report upon this subject from an article in the New York Times of this morning be included in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EDUCATION CHIEF HAILS YEAR'S GAIN—DERTHICK'S REPORT DETAILS PROGRESS ON SCHOOL AID UNDER 1958 LEGISLATION

(By Bess Furman)

WASHINGTON, September 1.—Dr. Lawrence Derthick today hailed the first year's record of the National Defense Education Act as really impressive.

The Federal Education Commissioner has just compiled an anniversary report on the complicated legislation. It was enacted by Congress to meet the challenge implicit in the launching of Russian space satellites. President Eisenhower signed the 4-year, billion-dollar measure last September 2.

In tallying the results, Dr. Derthick first praised the American free-education system. He said "54 States and Territories" had enthusiastically accepted the Federal plan.

From the outset, he said, State agencies and institutions of higher learning have helped develop rules, regulations, and guidelines, and have given voluntary testimony that no Federal control of education has resulted from the act.

COINCIDES WITH VISIT

By coincidence, the report comes in the month that Nikita S. Khrushchev, Soviet Premier, will visit this country. Also, the final report of the first official education mission to the Soviet Union, which was headed by Dr. Derthick, is scheduled for release next week.

Among the gains of the last year reported by Dr. Derthick were these:

"The act is accomplishing its purpose of channeling talented high school seniors into college.

"It is regarded as a 'lifesaver' by colleges, since it is starting to produce a new group of doctors of philosophy as future college teachers. The shortage of such teachers is critical.

"Under its provisions, States have tooled up to start supplying high schools this month with modern scientific and language-teaching equipment.

"It has stepped up vocational education in scientific fields.

"It is spreading student counseling, the teaching of languages hitherto rarely on the curriculum, including Russian; the use of television as a teaching tool and the use of modern tabulating machines for uniform education statistics."

Details given by the Commissioner included the following on principal programs:

STUDENT LOANS

A total of $1 million has been distributed to 1,192 colleges, and an additional 180 are starting loan programs this fall. The program now covers colleges representing 88 percent of the total enrollment. The new appropriation raises Federal loan funds to $61 million, not enough to meet the demand. A special consultant panel has developed a procedure for reviewing requests to insure maximum benefits from loans.

"Field representatives report tremendous enthusiasm in all parts of the country for the student loan program," Dr. Derthick said.

"Although this program is in its infancy, it may be confidently stated that thousands of students who are planning to attend college this fall would have found it impossible to continue their education without the aid given through Federal loans."

FELLOWSHIPS

A thousand fellowships have been awarded at an estimated cost of $5,300,000. Those consist of a $2,000 annual stipend for each fellow, plus $400 for each dependent. A few started to study in the summer; most start this month. Fifteen hundred more fellowships will be awarded about April 1.

"Smaller colleges are asking talented graduates to seek fellowships and return as faculty members," Dr. Derthick said.

EQUIPMENT

Plans by 49 States to purchase scientific and language-teaching aids and to repair laboratories have been approved, and $33,748,097 has been certified to for distribution to them.

Applications for $1,104,919 in loans to purchase similar equipment for 88 private schools in 32 States have been approved. Thirty-seven more applications totaling $428,193 have been received, and probably will be approved this fiscal year.

Mr. JAVITS. Mr. President, as a part of the same subject, I think it is tremendously important to all of us to note that corporate gifts to higher education have risen most remarkably in the last year. Business and industry are reported to have given $136 million in 1958, as compared with $109 million in 1956. Corporate contributions for all philanthropic purposes rose from $418 million to $550 million in the same period.

The significance of that fact is the great capitalist revolution in which corporations, in beginning to recognize their trusteeship for the public interest, are demonstrating that sense of trusteeship in their responsibility for great public activities like education.

It seems to me that there is a very intimate connection between the possible continued existence of private colleges—in the United States and the willingness of American business and individual Americans to support them, in order to enable them to continue their service to the whole country.

Mr. President, I ask unanimous consent that this news story from the New York Times may be made a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CORPORATE GIFTS TO SCHOOLS RISE—RECORD $136 MILLION GIVEN IN 1958 DESPITE RECESSION, NATIONAL SURVEY FINDS—COLLEGES GET MOST AID—23.5 PERCENT INCREASE OVER 1956 BY 215 COMPANIES NOTED—EIGHT IN RED CONTRIBUTE

Despite the recent economic recession, corporate aid to education set a record last year, the Council for Financial Aid to Education reported yesterday.

Business and industry gave about $136 million to education in 1958, compared with $109 million in 1956, according to council projections. Corporate contributions for all philanthropic purposes rose from $418 million to $550 million over this period.

The council reported the findings of its third biennial survey, which covered 1958. The council said that a new check of 215 companies in the 1956 study had showed a 23.5-percent increase in education grants. These companies gave $40,917,571 in 1958, against $33,140,806 2 years ago.

Dr. Frank H. Sparks, president of the council, said the increases "were made during an off-profit year."

"This is encouraging evidence that the most alert business management in the world regards the financial support of higher education as of the first importance," he said.

EIGHT GAVE DESPITE LOSS

The survey found that eight companies contributed despite operating losses last year. One concern, through its foundation, gave almost four times as much as it earned.

A total of 352 of the Nation's largest corporations took part in the 1958 survey. Of this number, 137 were new or first-time respondents.

This, the council said, led it to believe that many more companies had begun contributing to education.

Most of the companies, the report noted, gave their gifts to institutions of higher education. Eighty-one companies gave to junior or community colleges, and 65 to pre-college institutions. A preference was shown for supporting private institutions, the

council said, although 126 companies reported gifts to publicly controlled institutions. Unaccredited colleges received grants from 39 companies.

THIRTY-FOUR PERCENT UNRESTRICTED

Unrestricted gifts to education amounted to $16,619,255, or a little more than 34 percent of the total $48,771,277 given by the 352 companies.

The breakdown of designated gifts was as follows:

	Amount	Percent of total
Buildings and equipment	$8,257,244	16.9
Student financial aid	7,298,303	15.0
Graduate/professional education	5,703,049	11.7
Basic research	2,841,489	5.8
Departmental grants	1,553,742	3.2
Faculty compensation	1,498,417	3.1
Endowment	451,275	0.9
Other purposes	4,519,503	9.2

Other major findings of the survey were:

Education received 28.4 percent of corporate gifts in 1958, according to the 339 companies reporting their total programs.

The greatest increase in aid to education, 210 percent, came from banking concerns.

Twenty-eight companies—twice the 1956 number—contributed to education last year at the rate of 1 percent or more of net income before taxes.

DISCRIMINATORY MEMBERSHIP POLICIES OF 40 AND 8

Mr. JAVITS. Mr. President, last week on the Senate floor I protested the unfortunate action taken by a majority of the delegates to the American Legion annual convention when they voted down a proposal which would have abolished the discriminatory membership rules of a Legion affiliate, the 40 and 8, which permits only white males to join. Such restrictions obviously bar Negro veterans and those of oriental descent.

I said at that time that any such action directly contradicts the very basis of our Constitution and the very basis of the development of the American Legion itself, which, under its constitution, welcomes all U.S. citizens who have served honorably in time of war.

As a member of the Legion, I stated at that time that I would not resign, but would join in the fight against this attitude in the Legion. I urged my view on the newly elected national commander, who, to my great pleasure, and that of my colleague from New York [Mr. KEATING], happens to be a New Yorker, Martin B. McKneally, from Newburgh, N.Y., whom I happen to know personally. He has already released a public statement, and indeed my colleague from New York [Mr. KEATING] introduced that statement into the RECORD. But Mr. McKneally has sent me a telegram today which I think would also be of interest to Members of this body, especially commenting upon my feeling that the thing to do is not to resign from the American Legion, but to fight within the American Legion; to stay in the American Legion and help to preserve, maintain, and improve the Legion as an influence for the preservation of American ideals.

I say wholeheartedly I feel fortified in my decision not to resign from the American Legion, but to work for action within the Legion with my comrades to reverse the action of the convention delegates, about which we feel so badly, and which I feel is most unwise not only in the eyes of Americans, but in the eyes of people of the free world.

I pledge myself as a member of the Legion to follow this action very closely, and the action which the new national commander proposes to take, namely, to appoint a committee to look into this question. I promise him my full cooperation. I feel much honored that my fellow New Yorker, Martin B. McKneally, has shown by this action the true qualities of a national commander of the American Legion. I am very happy to serve under him.

I ask unanimous consent that the telegram to which I have referred may be made a part of the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW YORK, N.Y., *August 31, 1959.*

Hon. JACOB K. JAVITS,
The U.S. Senate, Washington, D.C.:

Thank you for the kind sentiments expressed in your recent telegram. May I laud you for the position taken by you in connection with the 40 and 8? I trust that all others will follow your example and stay in or join the American Legion and help us to preserve and maintain and improve this great organization as an influence for the preservation of American ideals. The following was released to all news media today:

"An issue raised at the recent national convention of the American Legion in Minneapolis has received much public comment and calls for a statement from me as the national commander.

"The comment is based upon the rejection of a resolution by the convention which declared the eligibility requirements of the 40 and 8 to be in violation of the constitution of the American Legion and called for immediate compliance by the 40 and 8 with the American Legion constitution.

"The convention, it must be borne in mind, did not stop there. It adopted the report of the constitution and bylaws committee of the convention, which declared that exclusion of members because of race, creed, or color in either the Legion or its subsidiary organization 'is presently considered unlawful.' It also passed a resolution which called upon the 40 and 8 to reexamine its eligibility requirements with the purpose of making them coincide with those of the American Legion.

"This resolution, while general in tone, nevertheless calls for immediate action by the American Legion.

"As national commander, it is my responsibility to see that that action is not delayed. For the information of all, I shall state my own personal position in this matter.

"(1) I believe that the essential requirements for eligibility in the American Legion, as set out in its constitution, should not be added to by a subsidiary organization. The 40 and 8, which is an independent corporation, restricts its membership to legionnaires who are 'white males.' The membership requirements of the American Legion, be it noted, are simple: honorable service by U.S. citizens in time of war, and none other.

"(2) I beleive that American Legion, composed as it is of veterans of three wars which were fought for the preservation of freedom and human dignity, should be in the forefront in promoting brotherhood and should be the leader in allaying prejudice.

"(3) I am required in this connection to do all that lies within my power to uphold the constitution of the American Legion, and to do less would be a clear violation of my obligations as national commander.

"I shall appoint a committee to meet with the 40 and 8 to discuss and clarify and to bring to a proper conclusion this conflict; and I shall act in all these matters without delay.

"In conclusion, I say that my responsibility as national commander is to preserve the American Legion and all of its original greatness as the guardian of American ideals and to lead this organization in the difficult days that lie ahead, and to act always in accordance with the highest and best traditions of the American Legion and of the United States of America."

I would appreciate your reaction.

MARTIN B. MCKNEALLY,
National Commander, the American Legion.

ORDER TO RECESS TO 11 O'CLOCK A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 11 o'clock tomorrow morning.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR LIMITATION OF DEBATE DURING MORNING BUSINESS TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that we have the usual morning hour when we convene tomorrow, for the transaction of routine business, with a limitation on statements of 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LAKE MICHIGAN WATER DIVERSION

Mr. WILEY. Mr. President, I have heard it said on the floor a number of times, and I think it was said only in a kind of effort to provoke our side, that we were filibustering. In this morning's Washington Post and Times Herald there is a fine editorial entitled "Snitching Great Lakes Water." I am going to read it because it is a complete answer to what I think is a superficial objection. I said yesterday that if someone would examine the RECORD and ascertain the amount of time that has been spent discussing the issue or issues, he would find that most of the time was consumed by extraneous matter.

The editorial reads:

Opponents of the Great Lakes water diversion bill are under charges of filibustering, but up to this point the debate seems to illustrate the basic difference—

I emphasize "the basic difference"—

between a filibuster and vigorous discussion on a vital issue.

I interject at this point to say that last night it was my privilege to see the President of the United States on television. The telecast came from England, and he was discussing matters with Mr. Macmillan. Among other things, he spoke very feelingly about the fact that for some 140-odd years we have lived at peace with our great neighbor to the north of us. There were no battlewagons, there were no fortifications on

the border between the two countries, but we were living at peace. But he brought out the idea, further, it was imperative that we continue that condition, especially in these days when we are facing conditions which may blow up the world in our faces unless we use judgment and reason.

I continue reading:

A filibuster is a time wasting device to prevent action by the Senate after all the arguments are in. Though many arguments have been repeated in the debate on the water diversion bill, the net effect has been to alert the country and the Senate to the dangers of a measure that has been too little understood.

Yes; it is too little understood. In the time of the little arguing we have done on the floor—and I have done very little—the seats have been empty, as they are now. We are only getting into the minds of Senators the vital issue; that is, we must not kick Canada, the best friend we ever had, in the teeth.

I continue to read the editorial:

Though many arguments have been repeated in the debate on the water diversion bill, the net effect has been to alert the country and the Senate to the dangers of a measure that has been too little understood. What now appears to be a very large minority opposing the bill may become a majority.

The arguments for not rushing into a venture of this sort are very persuasive. Senator MCNAMARA pointed out that four cases involving water diversion from Lake Michigan are now before the Supreme Court and that a special master appointed by the Court will soon begin taking testimony on every facet of this problem. It is well to remember that Chicago's existing right of diversion stems from the Court's decree of 1930. Even if legislation should seem ultimately desirable, Congress could legislate to far better advantage after the Court has further spelled out the legal issues.

Another strong argument for not passing the bill now is that the Senate Foreign Relations Committee has had no opportunity to study it. On Monday the Senate refused by a narrow margin to send the bill to Foreign Relations, but Canada's objections to the bill remain strong. It would be inexcusable to pass the bill without a full analysis of these objections and the impact that such action would have upon relations between the United States and Canada.

I repeat:

It would be inexcusable to pass the bill without a full analysis of these objections and the impact that such action would have upon relations between the United States and Canada.

Sponsors of the bill try to justify riding roughshod over Canada's wishes regarding these international waters by saying that officials in Ottawa have shifted their position in the last year—

I deny that statement. I expect to speak today, to show there has been no shift of position. If we were to tell the truth, it would relate to the actions in our own State Department on that issue, rather than a change in the position of the Canadian Government—

Spokesmen for Canada deny this emphatically, but even if it were true wo do not see that it would have any substantial bearing on the issue now before the Senate. There is no question whatever about Canada's present resentment over the effort to take water without her consent from the Great Lakes-St. Lawrence system jointly owned by the two countries, and it is current attitudes and policies that have to be reckoned with.

There are strong indications, moreover, that in any event approval of the bill by the Senate would be only a gesture. President Eisenhower would doubtless veto this measure as he has done in the case of two similar bills—in part because it would divert Canadian-United States water without any negotiations on the subject with Canada. It is said that some Senators are being urged to vote for the bill as a means of conciliating the sponsors because the President will prevent it from becoming effective—

Yesterday that issue was met head on by my distinguished associate from Wisconsin, who is doing a tremendous job on the floor of the Senate, and has been carrying most of the argument so far.

I will say definitely, in my opinion this is a Government of divided powers. We legislators cannot shift our responsibility to the President; and, vice versa, the President cannot shift his responsibility to us. In my humble opinion, it is our function to get acquainted with the facts. In my opinion, this is the most significant and far-reaching piece of proposed legislation which has come before the Senate this session. Its consequences would be such that if we do the wrong thing we will alienate, as the Canadian note implies, a large section of our friends to the north.

I continue to read the editorial:

Surely the opposite reasoning ought to prevail in a responsible legislative body. Since a veto seems inevitable, why would any Senator wish to antagonize our good neighbor to the north by a futile gesture that will serve no other purpose?

Mr. President, in view of my disjointed discussion, so to speak, of the issues involved, I ask unanimous consent that the entire editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SNITCHING GREAT LAKES WATER

Opponents of the Great Lakes water diversion bill are under charges of filibustering, but up to this point the debate seems to illustrate the basic difference between a filibuster and vigorous discussion on a vital issue. A filibuster is a timewasting device to prevent action by the Senate after all the arguments are in. Though many arguments have been repeated in the debate on the water diversion bill, the net effect has been to alert the country and the Senate to the dangers of a measure that has been too little understood. What now appears to be a very large minority opposing the bill may become a majority.

The arguments for not rushing into a venture of this sort are very persuasive. Senator MCNAMARA pointed out that four cases involving water diversion from Lake Michigan are now before the Supreme Court and that a special master appointed by the Court will soon begin taking testimony on every facet of this problem. It is well to remember that Chicago's existing right of diversion stems from the Court's decree of 1930. Even if legislation should seem ultimately desirable, Congress could legislate to far better advantage after the Court has further spelled out the legal issues.

Another strong argument for not passing the bill now is that the Senate Foreign Relations Committee has had no opportunity to study it. On Monday the Senate refused by a narrow margin to send the bill to Foreign Relations, but Canada's objections to the bill remain strong. It would be inexcusable to pass the bill without a full analysis of these objections and the impact that such action would have upon relations between the United States and Canada.

Sponsors of the bill try to justify riding roughshod over Canada's wishes regarding these international waters by saying that officials in Ottawa have shifted their position in the last year. Spokesmen for Canada deny this emphatically, but even if it were true we do not see that it would have any substantial bearing on the issue now before the Senate. There is no question whatever about Canada's present resentment over the effort to take water without her consent from the Great Lakes-St. Lawrence system jointly owned by the two countries, and it is current attitudes and policies that have to be reckoned with.

There are strong indications, moreover, that in any event approval of the bill by the Senate would be only a gesture. President Eisenhower would doubtless veto this measure as he has done in the case of two similar bills—in part because it would divert Canadian-United States water without any negotiations on the subject with Canada. It is said that some Senators are being urged to vote for the bill as a means of conciliating the sponsors because the President will prevent it from become effective. Surely the opposite reasoning ought to prevail in a responsible legislative body. Since a veto seems inevitable, why would any Senator wish to antagonize our good neighbor to the north by a futile gesture that will serve no other purpose?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. DOUGLAS. I congratulate the Senator from Wisconsin for the self-criticism in which the Senator has indulged, in stating his remarks were disjointed. I congratulate the Senator on the accuracy of his observation.

Mr. WILEY. Mr. President, if I may reply to that, I am sure the brilliant remark, the scintillating remark, the wonderful professorial remark of the distinguished Senator from Illinois really does not merit any response, but I kind of love those old grey hairs of his, because at times his mind becomes very irrational.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

The VICE PRESIDENT. The time of the Senator from Wisconsin has expired. The Senator may seek recognition in his own right.

Mr. PROXMIRE subsequently said: Mr. President, earlier today my senior colleague [Mr. WILEY], who is doing a fine job in fighting against the enactment of H.R. 1, not only in the interest of Wisconsin, but also in the behalf of all the Great Lakes States and the other interested States, and to make sure that our country gives proper consideration to the interests of Canada, placed an insertion in the RECORD which I wish to refer to at this time.

I ask unanimous consent that my remarks on this editorial appear immediately after earlier remarks of my senior colleague from Wisconsin.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. Mr. President, there are two or three important points I wish to mention in respect to this editorial.

First, it appears in a neutral newspaper. The Washington Post, of course, has no reason to favor Chicago, New York, Wisconsin, or Canada. It is a newspaper which can speak out from its conscience and on the merits, without regard to any special commercial or industrial interest.

In the second place, as my distinguished colleague has mentioned, the editorial in the Washington Post points out the opponents of this bill have not and are not engaging in a filibuster. The first sentence reads:

Opponents of the Great Lakes water diversion bill are under charges of filibustering, but up to this point the debate seems to illustrate the basic difference between a filibuster and vigorous discussion on a vital issue.

Yesterday we discussed H.R. 1 at substantial length. In the course of the discussion, we who oppose the bill stuck to the point just as much as we could. When I held the floor for a considerable period yesterday afternoon, at no time did I depart during the debate from my discussion of the merits of the bill. On one occasion I was questioned on interest rates, which subjects, of course, is neither germane nor relevant to H.R. 1. It is interesting to note, however, that my interrogators were proponents of the bill. They included the distinguished Senator from Tennessee [Mr. GORE] and the distinguished Senator from Mississippi [Mr. EASTLAND], both of whom have voted for the bill. We were questioned at some length on interest rates, for a period of perhaps a half hour.

Except for that discussion, we stayed right on the proposed legislation. The only interruption was when my good friend, the senior Senator from Illinois [Mr. DOUGLAS], departed from the discussion on the bill to discuss the question of filibuster itself, which, as the Washington Post editorial points out, is not pertinent to the discussion of this proposed legislation.

Mr. President, I have one further remark to make on this editorial. I call attention to the last paragraph.

The conclusion reached in the last paragraph may be erroneous. It reads:

President Eisenhower would doubtless veto this measure as he has done in the case of two similar bills.

Mr. President, I earnestly hope that the Washington Post is right, but the conclusion as to a veto is based on the fact that the President has vetoed two similar bills. I call attention to the fact that when those bills were vetoed the junior Senator from Illinois [Mr. DIRKSEN] was not the minority leader. He was not the spokesman for the President in the U.S. Senate. Today the junior Senator from Illinois, who is a strong proponent of the bill, a man to whom this bill is of very great interest, is the President's spokesman.

I know the President is a fine man. He is a man who will act on the basis of the merits. But the fact is that the President is an extremely busy man. He has many other concerns. It is entirely possible that the enormously persuasive influence of the junior Senator from Illinois, which he has already demonstrated on votes previously taken on the bill, may prevail on the President. For this reason I hope that Senators will recognize that if they vote for this bill and it passes, there is a possibility that the President of the United States may sign the bill and it would become law.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Vermont for a question.

Mr. AIKEN. I hope the Senator has observed that, in spite of the position of the leadership on this side of the aisle, the majority of Republicans have voted against this water steal, and in favor of preserving our treaty with Canada, in every record vote which has been taken on the bill.

Mr. PROXMIRE. I am delighted the Senator from Vermont has pointed out that fact. He is correct. There is no doubt that the agencies of our Government support the opposition to this bill. The agencies which are under the President of the United States feel strongly that the President should veto the bill if it shall be passed. But I say he may not.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield for a question.

Mr. DOUGLAS. Does not the Senator think this information will be extremely valuable to carry to the voters of Chicago and Illinois about the position of the Republicans and of the administration? Does not the Senator think that would be very good information to carry to the voters of Illinois?

Mr. PROXMIRE. I presume it would be of great use in Illinois. I can understand why the Senator from Illinois has asked this question of the Senator.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Leonard P. Walsh, of the District of Columbia, to be U.S. district judge for the District of Columbia.

By Mr. BYRD of Virginia, from the Committee on Finance:

Norman A. Kreckman, of New York, to be collector of customs, with headquarters at Rochester, N.Y.; and

David A. Lindsay, of New York, to be General Counsel for the Department of the Treasury.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

THE INTERNATIONAL ATOMIC ENERGY AGENCY

The Chief Clerk read the nomination of John A. McCone, of California, to be a representative of the United States of America to the third session of the General Conference of the International Atomic Energy Agency.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Paul F. Foster, of Maryland, to be an alternate representative of the United States of America to the third session of the General Conference of the International Atomic Energy Agency.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED NATIONS

The Chief Clerk read the nomination of Henry Cabot Lodge, of Massachusetts, to be a representative of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of JAMES G. FULTON, U.S. Representative from the State of Pennsylvania, to be a representative of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of CLEMENT J. ZABLOCKI, U.S. Representative from the State of Wisconsin, to be a representative of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Walter S. Robertson, of Virginia, to be a representative of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of George Meany of Maryland, to be a representative of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Virgil M. Hancher, of Iowa, to be an alternate representative of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Charles W. Anderson, Jr., of Kentucky, to be an alternate representative of the United States of America to the 14th session of the General Assembly of

the United Nations, to serve no longer than December 31, 1959.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Erle Cocke, Jr., of Georgia, to be an alternate representative of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Mrs. Oswald B. Lord, of New York, to be an alternate representative of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harold Riegelman, of New York, to be an alternate representative of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. JAVITS. Mr. President, I should like to say a word about the confirmation of the nominations of the delegates and alternate delegates to the United Nations.

I have with great pleasure this morning found upon the list two men who are personal friends of mine of years standing, with whom I have enjoyed a close and very happy relationship. They are men of such service and distinction for our country that I shall take only a brief moment of the Senate's time to say a word about them.

The first is JAMES G. FULTON, a Representative in Congress from the State of Pennsylvania; and the other is Harold Riegelman, of New York.

JIM FULTON is probably the closest friend I had in the House of Representatives. We sat together on the Committee on Foreign Affairs for 8 years, and we fought many battles for what I consider to be and for what he considers to be the constructive foreign policy for the United States. I wish to pay him a special tribute, as the chairman of a small subcommittee of 3 which went to Europe in 1947, and helped mightily to produce the Displaced Persons Act of 1948. As a result of the investigation which Representative FULTON, Representative CHELF, of Kentucky, and I, then being a Representative from New York, made of the displaced persons camps, visiting personally some 750 of them, and bringing back to the House of Representatives a personal report, I feel we had an enormous impact upon the House and were heavily responsible for the Displaced Persons Act. Of all the fine things Representative FULTON has done, Mr. President, I think his chairmanship of that subcommittee in the 80th Congress will always be his finest ornament.

Mr. President, Harold Riegelman is one of our very distinguished New Yorkers, a one-time Republican candidate for mayor of New York, a leading citizen in the community sense and in every way, well known to every New Yorker as an agreeably astute and as a liberal-minded watchdog of the public purse. Mr. Riegelman is now, I suppose, entitled to be called Ambassador. He is a very distinguished member of a fine New York law firm, and has never been a lawyer who, notwithstanding his success, has denied to the public service one moment of his time. He has a most illustrious record, as is evident from the papers on file with the committee. It is a great personal pleasure to me to note the preferment which has been vouchsafed to him today.

Mr. President, I also have two other friends upon this list, CLEMENT J. ZABLOCKI, from the House of Representatives, who will also represent our country, as a delegate, and Mrs. Oswald B. Lord. I congratulate both of them upon their confirmation today.

Mr. JOHNSON of Texas. Mr. President, I should like to associate myself with the very generous statement my friend from New York has made about Representative FULTON and Representative ZABLOCKI. I have known them for many years, and have a very high regard for them. The President has made two very good appointments in honoring them.

I have noted with a great deal of interest and approval the very excellent service former Senator Lodge is rendering at the United Nations, and I am glad to see the Senate take favorable action in connection with all these nominations.

Mr. PROXMIRE. Mr. President, on this same matter, I should like to say that the Honorable CLEMENT J. ZABLOCKI is the Representative from the Fourth District in Milwaukee. He is continuing to render very fine service on the House Foreign Affairs Committee. He has had a number of very difficult assignments which he has discharged very ably, and I am very proud that he is being confirmed this morning. I am sure that in appointing him the President has shown very good judgment. I am sure that CLEMENT J. ZABLOCKI will serve the Nation well. He is certainly eminently qualified.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Harry F. Stimpson, Jr., of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Paraguay.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Without objection, the nomination is confirmed.

U.S. DISTRICT JUDGES

The Chief Clerk read sundry nominations of U.S. district judges.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

JUDGE OF THE DISTRICT COURT

The Chief Clerk read the nomination of Walter A. Gordon, of California, to be judge of the District Court for the Virgin Islands for a term of 8 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. I ask that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. The President will be notified forthwith.

Mr. WILEY subsequently said: Mr. President, with regard to the nominees to the United Nations, I am personally acquainted with Henry Cabot Lodge; Representative James G. Fulton, of Pennsylvania; Representative Clement J. Zablocki, of Wisconsin; Walter S. Robertson, of Virginia; and George Meany, of Maryland. I am also acquainted with Mrs. Oswald B. Lord, of New York.

I approve everything that was said by my associate [Mr. PROXMIRE] in relation to Representative ZABLOCKI. All the nominees to whom I have referred are great Americans. I am satisfied that they will perform a distinguished service in the United Nations. I only wish I could be there and watch them. They are dedicated individuals, who recognize the significance of the United Nations in this age.

Mr. KUCHEL subsequently said: Mr. President, the name of a distinguished American, a longtime able lawyer and a native Californian has been sent to the Senate as a nominee by the President of the United States to be judge of the District Court for the Virgin Islands. In confirming Walter A. Gordon to be a member of the Federal judiciary today, the Senate has approved a thoroughly competent and distinguished attorney, a very able public servant, and, beyond that, one whose whole lifetime does infinite credit to the maxim that in free America people are created free and equal and each citizen advances in accordance with his own zeal and his own ability, his own capacity and his own labor.

Years ago Federal Judge Walter A. Gordon was a student at the University of California. He graduated in law from that great institution as a doctor of jurisprudence. He was a great athlete. He was an all-American football player at his alma mater. He practiced law in his home county of Alameda with distinction. Subsequently the Governor of California, now the distinguished Chief Justice of the United States, appointed him first as a member and then as chairman for almost a decade of the California Adult Authority, where he performed an invaluable and outstanding public service, recognized by the bench and bar and the general public alike.

The President of the United States appointed Judge Gordon the Governor of the Virgin Islands, in which as chief executive of that American possession he achieved a great reputation among the people over whose public problems he sat in judgment as chief administrator.

Judge Gordon is a family man. He and Mrs. Gordon have three children,

Walter Jr., Edwin C., and Betty Mae. The two sons were in the American Army during World War II. One was commissioned an officer on the field of battle for bravery.

The people of my State feel a sense of pride in the action of the Senate in confirming Walter A. Gordon, of California, as judge of the District Court for the Virgin Islands and in the judgment of the President in nominating him.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate return to the consideration of legislative business.

The motion was agreed to, and the Senate proceeded to consider legislative business.

DEFINITION OF TERMS USED IN DEBATE OVER LABOR LEGISLATION

Mr. GOLDWATER. Mr. President, there is a slight possibility that there might be some discussion of the labor bill on the floor, although I am more and more hopeful by the hour that we will reach general rapport before the day is over. However, there always exists the possibility that we might have one or two unresolved parts of the bill now in conference. I have therefore prepared a glossary of terms which might be used in any debate which might ensue over any legislation. I am also mailing a copy of it to each of my colleagues, because I find in speaking to them there is a general misunderstanding of many of these terms, which seem rather simple to those who live with them day after day.

Therefore, Mr. President, I ask unanimous consent that this definition of terms that may be used in a debate over labor legislation be made a part of my remarks at this point.

There being no objection, the glossary of terms was ordered to be printed in the RECORD, as follows:

DEFINITIONS OF TERMS USED IN THE CURRENT DEBATE OVER LABOR LEGISLATION

1. Secondary boycott: A secondary boycott involves the application of pressure—usually economic pressure—on one company for the purpose of forcing it to stop doing business with another company. There are two types of secondary boycotts: the secondary employee boycott and the secondary consumer boycott.

A secondary employee boycott involves the refusal of employees of a neutral or third party employer to perform work for the purpose of compelling their employer to cease doing business with another employer.

A secondary consumer, or customer, boycott involves the refusal of consumers or customers to buy the products or services of one employer in order to force him to stop doing business with another employer.

It is generally agreed that the Taft-Hartley Act was intended to outlaw the inducement of secondary employee boycotts. The language of the act does not touch the secondary consumer boycott. The current discussion in regard to secondary boycotts relates to making more effective the prohibition against secondary employee boycotts and the question of adding a prohibition against secondary consumer boycotts. Among terms commonly used in secondary boycott discussions are the following:

(a) Primary employer: He is the employer involved in the primary dispute with the union.

(b) Secondary employer: He is the employer who does business with the primary employer that is engaged in a labor dispute.

(c) Common situs: The term refers to the physical location, such as a construction project, where the employees of more than one employer are performing work at the same time.

The question of picketing at a common situs is at issue. The present law has been interpreted to permit picketing at the common situs only under very limited circumstances, one of which is that the employer with whom the union has a primary dispute does not have a regular place of business in the area.

(d) Hot cargo clause: This is a provision in a collective bargaining contract which seeks to permit employees to refuse to perform work on materials or equipment received from or being sent to another employer with whom the union has a primary dispute.

Under early Board and court decisions, hot cargo clauses were accepted as a valid defense to otherwise unlawful conduct. Subsequent decisions have changed the rule. Hot cargo provisions are no longer a valid defense to otherwise unlawful conduct under the secondary boycott provisions of the act.

(e) Struck work: Struck work is work which is farmed out or subcontracted to another employer because of the existence of a strike in the primary employer's shop.

Under the present act the Board and the courts have, under certain circumstances, found no violation of the secondary boycott section of the act where employees of a secondary employer have refused to handle work from another employer which would have been handled by his own employees but for the existence of a strike.

2. Picketing:

(a) Blackmail or coercive picketing: This is a general term referring to picketing which has the effect of coercing employees in the exercise of their right to freely select or reject a bargaining agent.

For more than 5 years the Board and the courts held that the Taft-Hartley Act did not restrict such picketing except where the picketing was designed to compel an employer to bargain with one union where another union had already been certified. Within the past several years, Board and court thinking has changed and now, under certain circumstances, such picketing will be regarded as a violation of section 8(b)(1) of the act.

(b) Organizational picketing: This is picketing which ostensibly is directed toward urging employees to join a union.

(c) Recognition picketing: This is picketing which has as its objective compelling the employer to recognize the union as the bargaining agent for its employees without an election.

Some State courts have tried to make a distinction between organizational and recognition picketing, permitting the former while prohibiting the latter. In some cases, the difference in the objective of the picketing may be obvious; in other cases the difference turns on rather small facts.

3. Strikes: A strike is a concerted refusal on the part of employees to perform work. A strike can be either primary or secondary.

(a) Economic strike: This is a strike which takes place because of a dispute over wages, hours, and working conditions. Such a strike is really a primary employee boycott.

(b) Unfair labor practice strike: The purpose of such a strike is to counter what the union alleges to be the company's unfair labor practices.

(c) Recognition strike: This is a strike to compel the company to recognize the union as the bargaining agent for a group of employees without an election.

4. No-man's land: The phrase refers to those businesses in the United States over which the National Labor Relations Board could, but has declined to, exercise jurisdiction and over which State courts and agencies have been, by Supreme Court decisions, precluded from exercising jurisdiction in certain basic matters relating to labor relations. These companies and their employees are currently without a forum which can consider such basic matters as representation and unfair labor practices.

The courts have generally held that Congress, in passing the Wagner Act in 1935 and the Taft-Hartley Act in 1947, intended to exercise its full authority under the commerce clause in the Constitution. Thus, the NLRB was empowered to exercise jurisdiction over all enterprises engaged in interstate commerce and all enterprises whose activities affected interstate commerce. The Board, for administrative reasons, has never exercised its full jurisdiction. Until about 3 years ago State courts and State agencies generally operated in those areas in which the National Board could have acted but did not. Then, beginning with the Supreme Court's decision in the Garner case, State courts and agencies have been increasingly restricted in their activities in this area on the theory that, for certain important purposes, Federal law has preempted the field.

PROPOSED BOYCOTT OF TOUGH-LABOR-BILL BACKERS

Mr. GOLDWATER. Mr. President, I cannot speak of the legality or the morality of the action I am about to bring to the attention of the Senate, but I have in my hand a very interesting clipping from the Louisville Courier Journal, which indicates that the executive secretary of the Kentucky State AFL–CIO is publishing the names of firms which wrote their Representatives asking that the Landrum-Griffin bill be passed. In other words, this is a new way of getting a blacklist. The State AFL–CIO are urging that people not trade with these American businessmen who saw in their own hearts the need for stronger legislation than the Senate passed, and who urged their Representatives in Congress to vote their wishes.

This labor leader is probably well within his legal rights in doing this, he may be within his moral rights, but, Mr. President, this is the kind of thing that has to stop in this country, on both sides. We have to stop blacklisting union members because management does not agree with them. We have to stop blacklisting management because the union does not happen to agree with them.

I am a little surprised that after the uncalled-for letter of James Carey, another labor leader in the country should see fit to expose one of labor's weak flanks to the public at this particular time. I hope my colleagues will take note of what I am referring to.

I ask unanimous consent that this clipping from the Louisville Courier Journal be inserted at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EZELLE URGES BOYCOTTING TOUGH-LABOR-BILL BACKERS—WOULDN'T BUY FROM RETAILERS WHO WROTE CONGRESSMEN—SAYS UNDER 100 FIRMS INVOLVED

Louisville area organized labor was urged last night to quit buying from retailers who wrote Congressmen to back tough labor legislation.

Sam Ezelle, executive secretary of the Kentucky State AFL–CIO, said the Kentucky Labor News would publish the names of the firms that wrote Congressmen.

The paper, official organ of the State labor body which has about 100,000 members, has already published a list of 13 firms here that urged adoption of the labor-hated Landrum-Griffin bill.

Ezelle made his boycott recommendation in a report on Federal legislation to the Louisville Central Labor Council.

"I am more than a little tired of this 1-day-a-week romance with storekeepers," he said. "They love us on payday and the rest of the week they write letters to Frankfort urging a right-to-work law and to Washington for a Landrum-Griffin bill."

Ezelle said he had ways of finding out which stores wrote Congressmen.

"Don't ask me how, but I can find out," he said.

He said, in addition to publishing the names in the State publication, lists would be sent to local unions.

"Now I'm not saying don't buy from them," he said. "But as good unionists you know what to do and it won't be a secondary boycott."

Ezelle estimated that there are a little less than 100 stores involved.

The CLC endorsed Ezelle's proposal.

In other action, the CLC voted a $100 donation to Kosair Crippled Children Hospital, heard a plea from Louisville police officers for support to get higher wages, and an address from University of Louisville President Philip Davidson.

Detective Charles Yates, speaking for the Louisville Police Officers Association, asked organized labor's help in circulating, and signing petitions to the board of aldermen asking for a pay raise.

Davidson told the meeting of the university's development plans.

LABOR LEGISLATION

Mr. MANSFIELD. Mr. President, if the Senator from Arizona will yield for a question, I do not know whether he can answer this or not, but I should like to ask a question relative to the conference on the labor-management bill. Is consideration being given to the possibility of exempting the clothing and garment trades so that they can continue on the same basis on which they operate at the present time?

Mr. GOLDWATER. I might say that, thanks to the help of the senior Senator from New York [Mr. JAVITS], the junior Senator from New York [Mr. KEATING], and the Senator from Pennsylvania [Mr. SCOTT], we have been able to devise language which will accomplish that result. The conferees have been in complete accord that this should be done all the way through, but we were unable to get language that would satisfy the desire, and not at the same time expand it to cover any number of other firms. In other words, we did not want to exempt all industries from the hot cargo provisions of the bill, but I can assure the distinguished Senator from Montana that the language is before us, that we are agreed on it, and I am very hopeful, as I said earlier, that some time today we can reach complete agreement.

I may say, in concluding my reply, that in my opinion we have only one stumbling block, and that is what we call the construction situs, which was offered as an amendment to the Senate bill, and which was defeated on the Senate floor, and which was part of the Elliott bill which was defeated. It is not contained in the House bill, and is not contained in either bill. It is extraneous. It has absolutely no application to the disclosures before the McClellan committee.

All the members of the Labor and Public Welfare Committee have given their word that they would take this whole subject of the construction industry up at the next session, and give it their full attention. This is in no way construction situs, in no way solves the problems of the construction industry. I am very hopeful that during the course of the day the forces working for the inclusion of this stumbling block will recede, that they will realize that reasonable men will keep their word and do something about it next year. To me it is unheard of to include in a conference report a piece of legislation that was turned down by both Houses and has no application to labor reform. So I am hopeful that we can overcome the effort.

Mr. MANSFIELD. I thank the Senator for his words of encouragement relative to what may well be a final solution to protect the good labor relations now existing in the clothing and garment trade industries, and I hope that the other matters will be considered and resolved also.

Mr. GOLDWATER. I can assure the Senator I have a deep interest in this. As the Senator knows, I have been a retailer all of my life. I have worked in what we call the garment sections of New York, Los Angeles, St. Louis, and Chicago. I know this problem intimately. I would be the last one who would want to see this relationship upset.

Mr. MANSFIELD. I thank the Senator, and I hope that the construction trades matter will be settled satisfactorily.

Mr. DOUGLAS and Mr. JAVITS addressed the Chair.

Mr. GOLDWATER. I have promised to yield to the Senator from Illinois.

Mr. DOUGLAS. Would not the Senator from Arizona agree with me that the able and persistent efforts of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Oregon [Mr. MORSE], have contributed greatly to the exemption of the garment trades and of the building trades from provisions found objectionable, and that the forces that have been trying to punish these unions have come primarily from the coalition of rightwing Republicans and of some of our brethren from south of the Mason and Dixon line?

Mr. GOLDWATER. Mr. President, with the first part of that question I can agree wholeheartedly, and I go further and say that all members of this conference have been extremely helpful. There has been no party feeling. There has been no politics.

As to the second part of the question, I challenge my friend from Illinois to describe one punitive measure in this bill he can ascribe to Democrats or Republicans. I regret that at this late hour the Senator decides to inject partisan politics in something that has not been in our deliberations so far.

I regret that at this late hour he decides to inject partisan politics into what has not been partisan politics.

Mr. DOUGLAS. It is certainly true that in the bill passed by the House there were a number of punitive measures.

Mr. GOLDWATER. Can the Senator name one?

Mr. DOUGLAS. Certainly; a complete ban on organizational picketing.

Mr. GOLDWATER. There was no complete ban on organizational picketing. The Senator has not read the bill.

Mr. DOUGLAS. The Landrum-Griffin bill virtually bans all forms of organizational picketing.

Mr. GOLDWATER. "Virtually" is a long way from "complete." I suggest that the Senator further explore the field. He will find that the word "virtually" does not even apply.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Arizona be allowed 2 additional minutes in order that he may yield to the Senator from New York.

The PRESIDING OFFICER (Mr. Moss in the chair). Without objection, it is so ordered.

Mr. JAVITS. I appreciate the courtesy of the Senator from Arizona in yielding to me. I think I know a little about the garment trade exemption. I found no member of the conference committee who did not want to provide for it, though there was considerable difference of opinion as to how it might best be done. But during my talks with members of the conference committee, I found unanimity over the fact that elimination of the type of sweatshop practice which has been eliminated in the apparel business—at least it is on the way toward being eliminated, if it has not been completely eliminated as yet—should be encouraged, with special consideration in the proposed legislation.

I cannot testify with respect to other aspects of the bill, or characterize them. There are other sections of the bill, which I opposed here and in the other body, but I do know about the exemption for the garment trade. I felt very much that there was great goodwill manifested on all sides in an effort to solve this problem.

I think the Senator from Arizona has been too modest in speaking of his own

part, which was most constructive and very helpful. I am very glad that the Senate is able to receive such a constructive report on this particular question.

As to the rest of the bill, I, like all my colleagues, have the expectation that we may be faced with a product which we can accept in an agreed-upon conference report.

THE DUNES OF INDIANA

Mr. DOUGLAS. Mr. President, as Members of this body know some months ago a number of us introduced a bill to set aside 5,000 acres of the Indiana sand dune areas as a national park. The distinguished present occupant of the chair [Mr. Moss] and the Senator from Alaska [Mr. GRUENING] made a trip to this area and submitted a very able report recommending that this be done.

I ask unanimous consent that a fine editorial supporting this effort, published in the San Francisco Chronicle of August 28, be printed in the RECORD at this point as a part of my remarks. It shows that this is a national issue.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE DUNES OF INDIANA

Along the Lake Michigan shoreline in Indiana two antagonists glare at each other across some 5,000 acres of wild and lonely sand dunes. They represent, in unusually clear definition, other and similar forces which have fought and are fighting on other wild and lonely fronts, including on at Point Reyes, only 30 miles from San Francisco.

On one side, equipped with bird books, cameras, binoculars, and easels are the conservationists. They would keep the land as it is. On the other side, bulldozers already fueled and snorting, is industry, in this case two giant steel corporations. They own the dunes, plan to slice a harbor between their holdings and set up huge steel mills. If they succeed, this last stretch of untouched lakefront will be lost forever as a place of retreat for city dwellers and nature lovers, especially those from nearby Chicago and Gary, both cities badly in need of refuge from the asphalt jungle.

Why should what happens to 3½ miles of sand, bog, and forest on the Lake Michigan shoreline be of concern to us 2,300 miles away? Much the same question was asked over 40 years ago at a hearing to establish a Federal Indiana Dunes Park. A New York conservationist answered it:

"In no sense is this a local question. People who live in New York have just as near and dear an interest in the preservation of recreational zones * * * on the shores of Lake Michigan as they have in the preservation of similar objects in Yellowstone Park, or the Yosemite Valley, or Niagara Falls, or in the city of New York itself."

If this is true in a general and philosophic sense, it is also now true in a specific one. A group of 17 conservation-minded Senators has introduced the SOS (save our shores) bill which calls for the Federal acquisition for parks of the 5,000 acres of Indiana dunes, the 35,000 acres of Point Reyes beach, brush, and forest, and some some 441,000 other acres of recreational shoreline from Cape Cod to California's Channel Islands. It should have the support of everyone who believes that man, like the living things he so often supplants, needs a refuge from his own works.

The beaches of Lake Michigan are a lot closer to those of California than geography would indicate.

Mr. DOUGLAS. The editorial in the San Francisco Chronicle goes right to the point of the matter. This is not a struggle between Illinois and Indiana. It is a struggle between the conservationists and the giant industrial corporations, of National Steel and Bethlehem Steel, which wish to despoil one of the great natural beauty spots of the country and turn it over to industry.

Dealing with another, though somewhat cognate, matter, the effort on the part of many of us to preserve the dunes for the people of the country, including the people of Indiana, has met with great support inside the State of Indiana. Some 45,000 citizens, at least, of that State have signed petitions in support of our move to have a national monument created there.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a concurrent resolution which was introduced in the Indiana Legislature during the 1959 session.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION 3

Concurrent resolution memorializing the Congress of the United States to enact appropriate legislation to designate a certain area in Chicago, Cook County, Ill., as a national park and to convert the area, with Indiana help, into a dunes wonderland

Whereas certain Members of the Congress of the United States representing the sovereign State of Illinois are advocating the conversion of a portion of the State of Indiana's already limited shoreline bordering on Lake Michigan into a national park for cultural reasons; and

Whereas, they infer and imply that these cultural reasons far outweigh the quite apparent value that this particular area has as, potentially, one of the greatest industrial sectors in this country today; and

Whereas the boundless energy and unconfined zeal with which these worthy gentlemen press for the establishment of this area as a national park creates the suspicion that they may be working in concert with certain militant and well-financed groups, having business interests in and around the city of Chicago, State of Illinois, who are seeking to eliminate competition by putting a quietus upon the industrialization of this obviously valuable area, perverting the venerable power of eminent domain to personal advantage under the velvet glove guise of culture; and

Whereas others who have joined the clamorous chorus for culture seeking the establishment of a national park are, in truth and in fact, despoilers of the dunelands immediately adjoining the subject area, in that they have constructed exclusive summer home neighborhoods, occupied largely by Illinois residents, which are protected from the cultureless public by chain link fences and private police forces; and

Whereas the sovereign State of Indiana many years ago established a State park in the dunes area comprised of many thousands of acres which said State park still exists today, secure in its pristine beauty as a well preserved monument to the primeval past in spite of a heavy and constant Chicagoan and Illinoisan onslaught; and

Whereas, on the chance that a modicum of sincerity may be detected in this clarion call of culture, with deepest sympathy for the plight of the people of Illinois, whose national representatives must now inveigh against a sister State in order to supplement its park and recreation needs because of the improvidence of its State and local government, and with heartfelt sorrow for the pitiable condition of the once robust and vigorous city of Chicago, which now, like Ferdinand the Bull, would rather smell the duneland's wildflowers, instead of calling forth the powers of the land to build new jobs and virile industry; be it

Resolved by the House of Representatives of the General Assembly of the State of Indiana (the Senate concurring):

SECTION 1. That the Congress of the United States be, and it is hereby memorialized to enact appropriate legislation designating that area of the city of Chicago, State of Illinois, commonly known as the Loop, and extending eastward to the shores of Lake Michigan, as a national park.

SEC. 2. That such legislation further provides for the condemnation of all buildings in the area and that they be sold to the highest bidder and removed forthwith.

SEC. 3. That upon being notified that the area has been cleared, the State of Indiana shall immediately provide the city of Chicago with as much as is necessary of genuine duneland sand, sandfleas, slough and bog water, cattails, wildflower, scrub oak, fossils, and tin used-hops receptacles, so that an authentic dunes wonderland may be carefully reproduced.

SEC. 4. That the Congress of the United States advise the culture cacklers representing the State of Illinois to mind their own cotton pickin' business and we in Indiana will mind ours.

Mr. DOUGLAS. This concurrent resolution was introduced by Representative Robert E. Granelspacher, of Jasper, Ind., and Representative Otto Porgay, of South Bend, Ind. It is a very denunciatory resolution and I wish to read certain salient portions of it. The first section is as follows:

SECTION 1. That the Congress of the United States be, and it is hereby memorialized to enact appropriate legislation designating that area of the city of Chicago, State of Illinois, commonly known as the Loop, and extending eastward to the shores of Lake Michigan, as a national park.

Section 2 reads as follows:

SEC. 2. That such legislation further provide for the condemnation of buildings in the area and that they be sold to the highest bidder and removed forthwith.

Section 3, in which the Indiana legislators proceed to defame their own dunes, read as follows:

SEC. 3. That upon being notified that the area has been cleared, the State of Indiana shall immediately provide the city of Chicago with as much as is necessary of genuine dune land sand, sand fleas, slough and bog water, cattails, wildflowers, scrub oak, fossils, and tin used-hops receptacles, so that an authentic dunes wonderland may be carefully reproduced.

Section 4 reads as follows:

SEC. 4. That the Congress of the United States advise the culture cacklers representing the State of Illinois to mind their own cotton-pickin' business and we in Indiana will mind ours.

I think this resolution should be kept as a museum piece to show the depths to which certain defamers of the city of Chicago may go.

I am very happy to say, for the reputation of the State of Indiana, that the resolution was not reported from committee. However, it does indicate the

type of opposition which Chicago generally experiences whenever we try to do anything for the benefit of the country. We realize that some of this type of opposition exists in connection with our efforts to deal with the pollution problems which we of necessity face. It is very easy to defame a large city unjustly, but I do not think it appeals to the sober sense and ethical standards of the majority of the American people. At least that is my faith.

THE TRANSPORTATION ACT OF 1958

Mr. BRIDGES. Mr. President, before I begin my remarks, I ask unanimous consent that I may be allowed about 10 minutes additional time during the morning hour in order that I may complete them.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Just about a year ago the President approved the Transportation Act of 1958. Its purpose was to assist railroads by aiding them to acquire, build, modernize, and maintain facilities, plants, and equipment so as to "encourage the employment of labor and to foster the preservation and development of a national transportation system adequate to meet the needs of the commerce of the United States, of the postal service, and of the national defense." While the act we passed applied, in some respects, to all segments of transportation, the consideration that prompted our immediate action was the rapidly deteriorating situation of the railroads. It was the first comprehensive piece of legislation enacted by Congress in recent years to aid this great and indispensable industry. When passed, it was generally acclaimed by the public because the people knew that the railroads of the country were in dire financial plight and there were real fears that this vital link in our own transportation system might be broken beyond repair or restoration. That applies to my own section of the country, New England, and to the rest of the East, as well. Those of us in Congress who advocated its passage knew that it was no panacea for all of the ills of the railroad industry, but we thought it was a step in the right direction.

While we commemorate the anniversary of this legislation, let us remember that it is the duty of Congress not only to enact laws, but also to ascertain from time to time whether the laws passed have accomplished their intended purposes, and, if they have not, whether that failure is the result of inadequate legislation or of improper administration.

Briefly, the Transportation Act of 1958 was intended to do four things:

First. To provide, through Government guarantee, for loans to meet the emergency needs of carriers unable to borrow from private sources.

Second. To make it possible for railroads to more quickly prune out unnecessary and unprofitable trains.

Third. To put back, or retain, under Commission control the transportation of certain commodities which were escaping regulation as a result of court decisions.

Fourth. To permit the establishment of rates at levels designed to encourage the free play of natural economic forces in the division of traffic between competing modes of transportation.

There were other subjects then under consideration, many of which were controversial. To deal with these and other problems we directed the conduct of a comprehensive study to bring forth recommendations as to what Congress should do to get the most for the public out of our complex and rapidly expanding facilities for public transportation.

I think it is important for us to note that in spelling out these remedies, we did something revolutionary in transportation. Always before Congress has imposed increasingly restrictive measures. The railroads for decades have been considered a monopoly. Restriction was placed upon restriction until we finally realized that we had charged the Interstate Commerce Commission with the virtually impossible task of dividing the traffic between the various modes of transportation. Congress and the courts had gone counter to the antitrust principles which apply in other industry and had so construed the rule of ratemaking as to make it almost impossible for one form of transportation to reduce its rates if that reduction would, in the opinion of the Commission, deprive another form of transportation of traffic which the Commission deemed to be its fair share. We had been so intent upon preserving the so-called inherent advantages of all forms of transportation, that we were depriving the traveling and shipping public of the lower costs which are inherent in clean and vigorous competition.

In the Transportation Act of 1958—for the first time—we faced the fact that there is no transportation monopoly. To some degree we relaxed our previously imposed restrictions. We relieved the Commission of some of the burden of deciding which traffic belonged to which type of carrier and directed that rates should be tested by conditions within the industry seeking to make reductions. We made it clear that when one mode of transportation can reduce its rates and make money in the process, it should be allowed to do so. It was to be relieved of the obligation to keep its rates up and thus charge the public more merely to keep a less efficient mode of transportation in position to get what was considered to be its share of the traffic.

When we review developments in the past 12 months what do we find to be the situation? What has been the effect of our mandates of a year ago? It is my considered opinion that the Transportation Act of 1958 has not accomplished its intended purpose and that the failure cannot be charged off to the relatively short period of time that has elapsed.

An article which was published in the August 24 issue of the Journal of Commerce reported on developments under the 1958 act. The article was written by the Washington bureau of that publication and reflects that careful research had been made as to what has occurred. So that it may be available for the information of Congress, I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIL RELIEF STILL LAGGING UNDER 1958 ACT—STATUTE STAYS TANGLED IN MESH OF OWN WORDS AND ICC PROCEDURES

WASHINGTON.—The Railroad Relief Act of 1958 heads into its second year and an examination of its short lifetime indicates the law is headed for a long infancy.

Of the four major points written into law last year, not one has yet been accepted into the conglomeration of statutes known as transportation law.

Bogged down in the administrative process the relief supposedly accorded railroads in particular, and common carriage in general, is still awaiting weaning from the Interstate Commerce Commission (ICC).

FOUR PROVISIONS

Generally, the Transportation Act of 1958 provided:

For the guarantee by the Federal Government of the repayment of $500 million in loans from private sources to needy railroads.

Quicker discontinuance of interstate and intrastate trains and ferries deemed unprofitable.

The regulation by ICC of rates on formerly exempt commodities such as fruits and vegetables and fish.

A new rule of ratemaking by which ICC would determine the reasonableness of rates via a mode of transportation without taking into consideration the effect such rates might have on competitors.

Thus far, there have been these developments:

1. Although Government backing of nearly $65 million in loans has been sought, ICC has approved only $3,934,960 for Federal guarantee.

2. Fifty-three interstate trains have been discontinued and not one intrastate train.

NO RATE ACTION

3. Not one rate has been prescribed by the ICC for the transportation of commodities brought under regulation by the law of August 12, 1959.

4. The new rule of ratemaking appears to be no more than so much additional legal verbiage to add to the already complex term "reasonableness," and may be years in settling.

On the loan provision, the commission has actually approved the guarantee of a loan of $3 million for the Boston & Maine Railroad and a loan of $934,960 for the Georgia & Florida Railroad.

APPLICATIONS PENDING

It has stated terms under which it will approve a loan of $9,889,540 for the New York, New Haven & Hartford Railroad, but the transaction has not yet been concluded.

The Boston & Maine originally asked for ICC approval of a $6 million loan. Pending are applications from the New Haven for an additional $500,000 and from the Georgia & Florida for $1 million. Also, the New York Central has asked for a guarantee for a $40 million loan, the Atlantic & Danville Railroad for $800,000 and the Lehigh Valley for $6 million.

ICC's budget allots around $100,000 for the processing of such applications, an amount which is recoverable from fees assessed against applicants at a rate of three-quarters of 1 percent of the face amount of the loan.

POOR BY COMPARISON

While the number of unprofitable trains that have been discontinued might seem impressive it hardly seems so compared with the number of trains discontinued prior to the 1958 law.

In the 7-year period, 1951–57, the railroads discontinued on an average of 173 trains a year by obtaining appropriate authorizations from State commissions. The high number was 243 trains in 1952 and 117 trains in 1957.

No application for authority to discontinue intrastate trains, which involves a longer hearing process, has been approved by the ICC. Over 25 intrastate trains are involved in pending applications.

The 1958 law also eliminated any doubt as to ICC jurisdiction over the transportation of fresh and frozen fruits and vegetables and other commodities formerly considered exempt.

Rate regulation over such transportation, advocated by the regulated motor carriers as well as by the railroads, was supposed to have the effect of putting the regulated carriers on an even basis with gypsy haulers in obtaining the traffic.

The ICC followed its precedent of not suspending initial rates of carriers and let the gypsy carriers establish any rates they wanted. At the same time, however, the Commission instituted hundreds of investigations into the new rates for the purpose of arriving at reasonableness.

MIGHT TAKE YEARS

At this time, there has not yet been an examiner's report, and the ordinary timetable—examiners' reports, exceptions, Commission decisions, petitions for reconsideration, reconsideration, appeals to courts (most likely), etc.—indicates it might be years before a rate level may be established.

One of the more interesting aspects of the 1958 law is the so-called rule of ratemaking, whereby the Commission is admonished to consider the reasonableness of carrier rates without weighing the effect of such rates on competitive modes of transportation, "giving due consideration to the national transportation policy."

In only one or two cases has ICC had opportunities to view rates where the new ratemaking section was involved. In all instances it has held that the national transportation policy requires that all types of carriers be healthy and that there can be no such vigorous system without considering the adverse effect one carrier's rates might have on another mode.

LOWER RATES APPROVED

But then, in an obscure case last week—one involving reduced motor carrier rates on building materials from Twin Cities, Minn., to points in South Dakota—an ICC division approved the lower rates over the protest of railroads, saying that under the 1958 law, "a carrier is not required to maintain rates on an artificially high level to protect the traffic of another mode of transportation."

The Transportation Act of 1958 reached its first birthday with only a smattering of controversy. There are many more voices to be heard before it reaches the age of legal maturity.

Mr. BRIDGES. Mr. President, the article states that railroad relief is still lagging under the 1958 act, and that the statute remains tangled in the "mesh of its own words and ICC procedure."

It was our intent that, through the act, the railroads and other carriers should be given greater freedom in adjusting their rates and that the Interstate Commerce Commission was to expedite their consideration. It was thought flexibility in adjustment of rates would bring more business and would result in rehabilitating and revitalizing this industry. Committees of Congress were told that competitive rate adjustments under the supervision of the Interstate Commerce Commission could be the most effective way that railroads could help themselves. We considered this a fair approach because we felt that this legislation would enable all types of carriers to file competitive rate schedules; and, in turn, higher rates would be averted. In this way, the public would be benefited and inflation be dealt a devastating blow.

As we look back over the past year in an attempt to discover what the results have been, we find that the remarkable recovery in our national economy has made it possible for many of our railroads to improve their position simply because there has been more traffic to haul. Because the act does not lend itself to easy interpretation of its provisions, only a few railroads have applied for loans as authorized in the act.

While the railroad industry as a whole, up to the present time, seems to have prospered, we must admit the probability that recovery comes from an improvement in business conditions rather than from legislation. However, in my opinion, the July earnings of the railroads are alarming. They indicate a trend in the wrong direction. The steel strike and other factors have reduced the volume of available traffic. It is clear that if general business conditions level off again the railroads will be back at our doorstep in need of assistance. We will be confronted with the question as to why our act of 1958 has not brought results.

The railroads and their problems are of particular concern to the people of the New England area, including my own State of New Hampshire, while agriculture is important to us we are very dependent upon industry. We realize that the railroads are the backbone of our transportation system and are necessary to economic welfare and growth. They are indispensable to national defense. In my part of the country, we are well aware of the fact that where there is no railroad serving a given community heavy industry is not easily attracted and thus industrial development may be curtailed. We of the New England States, cannot sit idly by and permit the further abandonment of railroad trackage. We believe that it is absolutely necessary that we should, in every manner possible, assist the railroads to help themselves in order to preserve their economy and well-being, not only for the people engaged in the industry, but for the economic welfare of our people and the defense of our country. Whatever additional legislation the Congress deems necessary to help the railroads solve their problems should be enacted.

The railroads, certainly in the eastern part of the country, are in a dire situation. I do not like to think of what could happen if the worse should develop, as it might well develop.

Our American way of life makes possible the principles of free enterprise which are so fundamental to the preservation of business and industry. I think it is about time that we start translating these high-sounding phrases into positive action. We should permit the railroads and other carriers to operate as free enterprises and to exercise the freedom of action and freedom of decision found in other industries. Unless we do so, we are either going to be compelled to spend untold millions of dollars to support them, or face Government ownership—and may God spare us that result. Do the people in any other mode of transportation think for a moment that they could, in such an eventuality, escape the same ultimate fate? It seems to me that all forms of transportation have a direct and common interest in helping to preserve a healthy and prosperous railroad system.

Do not misunderstand my position. I am a vigorous supporter of all forms of public transportation and their problems, as they may arise, are also of great concern to me. Each of them is indispensable to our economy. However, when we look back over the record of the past 25 years we see that all other forms of transportation have multiplied in size and scope and have increased their facilities and equipment many times over. This has been all to the good and I commend the trucking industry, the airlines and the water carriers for the vigorous way in which they have met the challenges of our growing economy. But the railroads, which once were the sole connecting link in industrial America, and which at the turn of the century handled more than 90 percent of the traffic movement, and which only as late as 25 years ago handled 70 percent, have today declined to less than 50 percent of the total. How much lower should this index be permitted to drop?

Because of my concern for the economic plight of the railroads in my part of the country, I have been seeking information, as have many of you, as to how these problems may be solved. I have been intrigued by a relatively new development called piggyback. I believe that here is a technique which might very well be a solution for many of the railroads' problems. I see it as a means for getting trailers from place to place at lower cost and I welcome its promise as a means of reducing highway congestion. I gain a further impression that great savings for the shippers lie ahead in blending together the best features of the various modes of transportation.

This new method is said be rapidly growing and is being generally accepted by the shipping public and the railroads. A recent military report expressed the belief that the use of "piggyback," together with acceptance of uniform standards for containerization, will give us a more adequate transportation system, essential to the needs of warfare in an atomic age.

"Piggyback" may be of material assistance in the improvement in the railroad situation in two ways: First, in some instances, it encourages purchase and ownership of flat cars by shippers thus attracting new capital, and second, it provides a more efficient use for railroad cars. Flat cars may be quickly loaded and unloaded by merely rolling trailers on or off, and eliminating expensive intracity switching. And further, by this method, railroad cars are confined to use in mass movement be-

tween terminal points where they are most efficient, while delivery is accomplished by simply rolling the trailers off the flat cars.

Apparently "piggyback" is still in the embryonic stage, but its possibilities appear to be good.

I have explained the new freedom we gave, or intended to give, to all modes of transportation, because all modes of transportation are necessary, in order to be realistic in the reduction of rates as a means of finding the economic level at which each is the most efficient. I have just mentioned this new method of operation where highway trailers or containers may be hauled on flat cars and then quickly pulled over the highway to their ultimate destination. These two new things afford more real promise for the development of a transportation system in keeping with the times than anything else I have been able to discover. This combination of lower rates and better service could spell railroad recovery and make unnecessary Government subsidy to assure their continuous existence in our free enterprise system.

The railroads themselves in the past year by their actions have earned a great deal of credit for improvements they have made and are planning to make to modernize and speed up the efficiency of the railroad system. They have demonstrated an abundant belief in the principle of self-help. They have not stood still. They have introduced many innovations and have been turning more and more to the use of modern electronic devices to supplant outmoded yards and terminals and are also modernizing their accounting procedures.

They have demonstrated the wisdom of rate reduction by revision of their freight rates in order to meet the competition of the St. Lawrence Seaway. Only a short time ago, the eastern railroads reduced the grain freight rates to eastern points and ports, and, in so doing, they immediately commenced to enjoy the support of the grain shippers. In all of these endeavors they should be further encouraged.

This is just a part of the freedom of action that was intended by Congress, and, if we are to keep faith, we must open the door wider if the railroads are to survive and remain a vital part of our transportation system as a private industry, to the end that it will not be necessary for them to abandon any more railroad trackage. They have a duty to expand their service and participate in the business that is available to all methods of transportation on a competitive, economic basis.

In this connection, I should like to commend the recent action of the Senate Committee on Interstate and Foreign Commerce on which my distinguished junior colleague from New Hampshire [Mr. COTTON] serves so ably. In response to the mandate of Congress in the Transportation Act of 1958 the Chairman of the Committee, the distinguished senior Senator from Washington [Mr. MAGNUSON], recently appointed an advisory council of industry leaders from throughout the country to make a thorough study of the entire transportation field. This study by the Nation's top leaders from industry and labor, and including representatives of the public, with the aid of a highly qualified staff, will endeavor to frame a legislative program to foster the further development of the Nation's transportation system. Such a study should, of course, include not only the railroads, but also the carriers which operate over the highways and airways, on the sea, and on the inland waterway systems.

Also, I note that in his budget message to the Congress for 1960, the President directed the Secretary of Commerce to conduct a similar study—and I quote the order, appearing on page M–46:

> In recent years, the Federal Government has had to take actions to meet emergency problems which have arisen in highways, railways, and aviation. These actions have sometimes been taken on a partial and piecemeal basis, without full consideration of the impact on other transportation programs. The Secretary of Commerce, at my request, is undertaking a comprehensive study of national transportation to identify emerging problems, redefine the appropriate Federal role, and recommend any legislation or administrative actions needed to assure the balanced development of our transportation system.

We should be able to work out a public policy which will aid all segments of transportation and assure the continuation of our traditional, vigorous, free enterprise and competitive transportation complex, with a minimum of public regulation.

I hope these studies will encompass a complete and thorough review of the Transportation Act of 1958. Its objectives, as outlined in the Senate committee's report, should be surveyed, and there should be a determination of the degree to which it has succeeded or has failed of realization. The studies should also encompass a comprehensive review of the tax burden of the railroads, particularly as it may relate to possible inequities in their competitive position.

I think it is extremely important that these studies also include a review of the manner in which the administrative agency has interpreted the congressional mandate and intent and the speed and efficiency with which it has acted. It would be a misconception to infer that this statement by me indicates a lack of confidence on my part in our administrative agencies. Quite the contrary is the case. But I do believe most firmly that their principal duty is to carry out the intent of the Congress, as expressed in the laws Congress has enacted.

Mr. President, by way of conclusion, I should like to point out that the future welfare of the railroads as an integral part of our transportation economy and the continued employment of thousands of railroad workers in that industry cannot be left to stopgap or patch-and-mend measures which might be enacted by the Congress in times of fiscal emergency or national crisis. It is from within the railroad industry itself that strength must come on a continuing basis. Does it not seem reasonable, therefore, that if the railroads have found even a beginning of a workable solution, all parts of the Government should do everything legitimately within their respective spheres of power to foster and encourage them in their endeavors? Most certainly, the Congress and the agencies directly affiliated with the legislative branch have a particular obligation and responsibility to do their respective parts.

I hope this may be the trend of the future, because, in my judgment, it is the wisest and best public policy, and is absolutely essential to an expanding America.

Mr. WILEY. Mr. President, will the Senator from New Hampshire yield for a question?

Mr. BRIDGES. I yield.

Mr. WILEY. Mr. President, I wish to compliment the Senator from New Hampshire on his most thoughtful presentation.

Before I came to Washington, I was a local attorney, and represented three railroads. I remember at that time the extent to which what we might call "trips" were used.

The other day someone said, "The railroads must wake up to the tremendous opportunity which exists for them in America. In Europe, one can buy a railroad ticket that is good for 90 days."

Great numbers of Americans—including myself—have not visited all parts of this country. Does not the Senator from New Hampshire believe it would be well for the railroads to organize what might be called "See America" trips? For that purpose, they could provide sleeping compartments on the trains. Railroad trips could be provided, for instance, across the continent, going west across the northern route, and returning by means of the southern route, and en route stopping at all the worthwhile places; and the railroads could arrange for group trips, with perhaps 100 or more persons in a group. Many suggestions of this sort have been made.

Certainly we need to have in the railroad business those who will realize the opportunities which exist for proper utilization of the fine railroad system we have.

I am sure the Senator from New Hampshire realizes full well, as he has said, that we cannot afford to let our railroad transportation system die, insofar as taking care of the public is concerned.

Mr. BRIDGES. That is correct.

Mr. WILEY. In my State, the railroads want to get rid of their passenger service. But if the railroads were to lower the passenger service rates, and were to use less costly equipment, and if they served the public in such ways that many people would want to utilize that service, I am sure the railroads would find that the 3 million Americans who each year are reaching the time when they wish to utilize our transportation systems would wish to use the railroads. So I think the suggestions the Senator from New Hampshire has made will bear good fruit.

Mr. BRIDGES. I thank the Senator from Wisconsin for his comments and his suggestions.

If America is to prosper in times of peace, she must have not only adequate

railroad transportation, but also adequate truck transportation, adequate air transportation, and adequate ship transportation, both along our coasts and on our navigable rivers. I believe that all elements of service of those types must be maintained.

Today, I have discussed the situation in the railroad transportation industry, because, in particular—as the Senator knows—in my part of the country the railroads are the weakest link in the entire transportation system. In New England and the East there are railroads that are but two steps from bankruptcy. Some of these railroads are in dire financial plight. As a representative of one of the New England States and its people and its industries, we cannot afford to see the railroads fold up.

Furthermore, regardless of what form of transportation one may prefer to use, in case of a great national emergency, it is absolutely essential that the railroads be ready and available. If they are to be ready and available at such times, they must be maintained in healthy condition.

Mr. WILEY. Mr. President, at this point will the Senator from New Hampshire yield again?

Mr. BRIDGES. Certainly.

Mr. WILEY. As I understand the position of the Senator from New Hampshire, it is that not only the railroads but also the Congress owe the country the obligation of seeing to it that what we might call a railroad clinic is held, to find the necessary answers.

Mr. BRIDGES. Yes.

Mr. WILEY. We cannot find them by means of appropriating money, as we did some time ago.

Mr. BRIDGES. Yes. The Transportation Act which Congress passed about a year ago has been acclaimed by many persons. However, it has not accomplished what I hoped it would accomplish for both the Nation and the railroads.

Mr. WILEY. Someone has said that if the Government keeps feeding the people, they do not take the initiative which they should take. I believe that applies both to the railroads and to any others who may be in distress.

Certainly a clinic is needed, to examine the present situation and to seek the remedy.

Mr. BRIDGES. I thank the distinguished Senator from Wisconsin.

The PRESIDING OFFICER. The time available to the Senator from New Hampshire, under the limitation in the morning hour, has expired.

THE CIGAR INDUSTRY OF TAMPA, FLA.

Mr. HOLLAND. Mr. President, 92 years ago—in the year 1867—Don Ignacio Haya, a native of Spain, founded Cigar Factory No. 1 in Tampa, Fla., and pioneered the movement which has made this progressive Florida city the fine cigar capital of the world, where more all-Havana cigars are made than in the city of Havana itself.

Today, the Tampa cigar industry is comprised of 77 factories which employ approximately 20 percent of the entire labor market of the city and supply its largest industrial payroll.

Of the 4,500 manufacturing workers in the Tampa cigar industry, 3,000 devote their skill to making handmade all-Havana cigars by the careful Spanish method which requires triple the national average time for making a cigar.

Tampa and all Florida are proud of its cigar industry, with which are identified many of our fine old Florida families, generally of Cuban or Spanish origin. The art of Cuban craftsmen who followed the traditional Spanish hand method of rolling and finishing cigars has been handed down from generation to generation, and results in a standard of taste and quality in cigars which has brought this major Florida industry world renown.

On behalf of the Tampa cigar industry, my colleague, Senator SMATHERS, and I invite all Senators who enjoy the pasttime to top off their noon meal today with one of the fine all-Havana cigars which will be passed around the dining rooms, through the courtesy of the cigar manufacturers of Tampa, Fla. These cigars are made from the finest leaf tobacco grown on the island of Cuba, whose principal market is the Tampa factories. We hope that Senators will enjoy these cigars, which we are happy to provide.

RADIO AND TELEVISION COVERAGE OF EISENHOWER TRIP AND THE DAVIS CUP MATCHES

Mr. KEATING. Mr. President, there has always been a great deal of criticism of our radio and TV networks to the effect that they have not given adequate coverage or prime network time to newsworthy and topical current events programs. It often disturbs me that those who criticize the networks most often do not take note of those occasions on which the networks do an excellent job in covering either major news items or various events of educational or cultural importance.

I want today to call attention to an excellent editorial in this morning's New York Times which praises the radio and TV industry for their fine coverage of President Eisenhower's triumphal tour of Europe and the Davis Cup tennis matches. On both occasions, the networks allocated prime evening and weekend afternoon time for these events, and, as a result, it was necessary to cancel programs which would have yielded considerable revenue. I commend the radio and TV networks for their fine coverage of these two events.

Mr. President, I ask unanimous consent that the New York Times editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PUBLIC SERVICE ON THE AIR

People who have been listening to their radios or watching their television screens these last several days have had the chance to witness some excellent examples of public service by these media. The very full reporting of President Eisenhower's trip abroad, the prompt rebroadcast of the television conversation between the President and Prime Minister Macmillan, and the nearly 5-hour transmission of the Davis Cup matches last Sunday were outstanding examples. At times the broadcasters have canceled sponsored shows to provide time for these public service broadcasts, at consequent financial sacrifice to themselves. Such enterprise and effective concern for the public interest deserve recognition.

STATES' RIGHTS TO TAX INTERSTATE COMMERCE

Mr. WILEY. Mr. President, we recall that, following the Supreme Court's decision relating to the rights of States to tax firms dealing in interstate commerce, there has been a great deal of concern among firms throughout the country regarding the impact which the Court's decision would have on their businesses.

Fortunately, both the Senate and the House of Representatives have now passed bills aimed toward clarifying the situation and helping to eliminate some of the problems—as well as to make a study of the overall situation. As we know, the bill is now in conference.

The conferees—I would hope—will find it possible to reach an early agreement on the different versions of this legislation. Certainly this should be one of the pieces of legislation finally approved during this session of the Congress. Although the measure will not solve all the problems, it is a step in the right direction.

To bring to the attention of the conferees the deep concern of a number of our businessmen in this matter, I request unanimous consent to have a number of theses messages printed at this point in the RECORD.

There being no objection, the messages were ordered to be printed in the RECORD, as follows:

AUGUST 31, 1959.

Senator ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILEY: We know from your careful interest in the business community of your State that you are fully familiar with the problems in taxation of interstate business which have been generated by the Supreme Court cases of this spring on the subject. Principally, these cases are the Stockham Valve Case, the Northwest Portland Cement case, the Browne-Foreman case, and the International Shoe case.

I know you can appreciate that the taxation of profits based on the point of destination of sales will create an enormous paperwork burden on companies such as our own. It will likewise tend to expose company profits to multiple taxation since it is exceedingly unlikely that the States taxing on the point of origin basis will change their positions. Finally, a point of destination basis for taxation will inevitably work an inequity on some businesses whose presence in the State is known by the taxing officials as against equally strong companies whose presence in such State is not known.

Accordingly, we wish to add our strong endorsement to what, in all fairness, seems to be required; namely, congressional action discouraging income taxation based on sales in States of destination unless there is some other substantial activity besides mere solicitation of orders occurring in such State.

Very truly yours.

AUGUST 31, 1959.
The Honorable ALEXANDER WILEY,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR WILEY: The Swiss Colony is a member of the U.S. small business. It is a mail order concern with national distribution but only one office. That office is located in the city of Monroe, State of Wisconsin.

We have been following with interest recent U.S. Supreme Court decisions regarding the taxability of an enterprise such as ours by the various States of the Union.

You undoubtedly realize the impact it would have on us if we had to calculate, segregate, and allocate our income and expenses among the 50 States of the Union in order to determine the proper tax to be paid to each of them.

The cost of clerical and accounting work involved alone would eliminate us from competition—the taxes we would have to pay would definitely underline the elimination.

These recent powers uncovered for the taxing authorities of the States are so wide that details to prove the effect they would have on us and upon our fellow small businesses are almost unnecessary. We will, however, be very happy to submit details to you.

We ask your consideration. We strongly urge that you fully study—as various news and tax reports indicate you are already doing—this potential monster.

At the same time we sincerely thank you for everything you have done and will be doing for us in this respect as well as that of other noteworthy legislation.

Best wishes.

Cordially, ——— ———.

MILWAUKEE, WIS., *August 25, 1959.*
The Honorable ALEXANDER WILEY,
U.S. Senate, Washington, D.C.

DEAR SENATOR WILEY: We have written you before requesting your assistance in providing legislation to prevent State taxation of income derived from interstate commerce.

We understand that the House and Senate are now considering this legislation under a bill entitled House Joint Resolution 450 in the House and S. 2524 in the Senate.

We are requesting you as our representative in the Senate to support these bills.

Yours very truly,

——— ———.

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

DEAR SIR: Recently the Supreme Court made a decision (Stockham Valves-Northwestern Cement) that if not corrected by effective legislation will be disastrous to many small and medium sized companies doing business in more than one State.

I am speaking, of course, about the power of States to tax companies on what would normally be considered interstate commerce. Such taxes may now be imposed against a company which merely has advertised or sent a salesman into the State. Many States are currently rushing legislation through to take advantage of this decision.

I strongly urge you to support legislation such as S. 2524 with the following minimum provisions:

1. Prohibit States from taxing the income from interstate commerce unless the taxpayer has a place of business within the State.

2. Prescribe a uniform allocation formula for apportioning such income.

3. Prevent the States from collecting taxes retroactively based on the new Supreme Court interpretation.

Effective action must be taken on this before adjournment, as further delay may be disastrous to Wisconsin businessmen engaged in interstate commerce.

Very truly yours, D. R. AXTELL.

APPLETON, WIS., *August 27, 1959.*
Hon. ALEXANDER WILEY,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILEY: I am quite concerned because of the Supreme Court decision relative to the right of States to assess income taxes on a manufacturer who ships in interstate commerce.

The paperwork and tax accountant expense will be terrific. In other words, according to the decision, we would be required to file income tax returns in every State in the Union. We now file only in Wisconsin and California because we have warehouses in California. What the Supreme Court decision amounts to is that each State will require what amounts to a duty as if we were shipping into a foreign country.

I feel that legislation should be provided at once to avoid the chaos and confusion this decision will cause in interstate commerce.

Please give us a reply as to your views on this very important matter.

Very truly yours,

SEYMOUR GMEINER.

MANITOWOC, WIS., *August 27, 1959.*
Hon. ALEXANDER WILEY,
U.S. Senate, Washington, D.C.

DEAR SENATOR WILEY: We wish to urge you to support the bills which are now in Congress which would prevent the various States from taxing corporations on interstate commerce. Under the decision of the U.S. Supreme Court in two related cases, one involving Georgia taxes and the other involving Minnesota taxes (*Northwestern States Portland Cement Company* v. *Minnesota* and *Williams* v. *Stockham Valves and Fittings, Incorporated*, 358 U.S. 50), the Supreme Court gave the various States power to tax that portion of interstate commerce carried on in their State by companies located outside the State.

This power given to the States will have the effect of restricting interstate commerce very drastically and will throw a tremendous amount of detailed work on the various companies doing interstate business, as well as resulting in duplicate taxation on income.

We urge you to take every measure to correct this very serious situation. May we have an expression from you as to your decision in this matter?

Awaiting your reply, we are,

Sincerely yours.

WAUKESHA, WIS., *August 31, 1959.*
Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

DEAR SIR: Those who have been concerned over the recent Supreme Court decisions (Northwestern Cement–Stockham Valves) were pleased with the prompt action taken by both the House and Senate in the passage of corrective legislation. However, since the bills differ in certain important respects, I assume that these must be settled in conference.

The following are my comments on the most important of these differences:

1. The final legislation should bar assessment of back taxes as was done in the Senate bill (S. 2524). If this is not done, States would assess such taxes retroactively to the first year their income tax law was in effect (with interest). This could result in severe hardship particularly for small or medium sized companies doing business in interstate commerce.

2. The final legislation should cover all taxes on interstate commerce, as was done in the House bill (H.J. Res. 450).

Very truly yours.

ORDER OF BUSINESS

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. WILEY. Mr. President, I desire to speak on another subject.

The PRESIDING OFFICER. The Senator desires to speak on another subject.

Mr. WILEY. I am going to look at the clock now, Mr. President, to make sure that my dear friend from Illinois is not wrong. It is possible he could be wrong, as he has been on the whole issue regarding diversion of water from Lake Michigan.

Mr. President, I desire now to speak on another subject for 3 minutes.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry? How many more speeches does the Senator from Wisconsin have up his sleeve in an effort to continue his filibuster?

Mr. WILEY. Mr. President, without taking time from my 3 minutes, I want to say, if the distinguished Senator will recognize that this is the morning hour and that the purpose of the morning hour is to get into the RECORD matters which pertain particularly to vital issues in the country, later on we shall have something to say on the question of filibustering.

If the Senator has read the editorial published in this morning's Washington Post and Times Herald, he knows that the newspaper really took him for a little ride by indirection, because he is the one who has been shouting "filibuster."

I must say, the Senator does not distinguish between what is an argument on the issues and what relates to something collateral thereto. That is what determines a filibuster.

I must say, the Senator is a genius in filibustering himself, as the RECORD shows, since the Senator has held the floor for weeks and months at a time. He is the last one in the world who should attempt to criticize a Senator who is trying to give out a little information to the public on subjects which relate not to the issue before the Senate, in the morning hour.

Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

NEEDED ACTION ON THE NATIONAL HIGHWAY PROGRAM

Mr. WILEY. Mr. President, in Wisconsin and across the Nation, the national highway program is facing serious curtailment. Why?

Because the Congress has failed to act to provide the financing.

We recall that the President, again and again, has urged action by Congress to provide additional funds for improvement and expansion of our Nation's highways.

In the interest of the economy, I believe we can no longer afford to delay this vital program. Fortunately, the bill in the House has now been reported by the Public Works Committee, and, as I

understand it, is to be brought before the Rules Committee this morning.

Recently, I have received—as I am sure have other Senators—messages from individuals, businesses, and from county and State highway commissions stressing the difficulties and adverse economic repercussions caused by the "slowdown" of the highway construction program. Reflecting the need for expeditious action, I request unanimous consent to have a number of these communications printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

TREMPEALEAU COUNTY
HIGHWAY DEPARTMENT,
Whitehall, Wis., August 17, 1959.

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILEY: The undersigned highway committee of the Trempealeau County Board of Supervisors wishes to bring to your attention the sincere desire of this committee that the Congress insure the continuation of the Federal highway construction program by the appropriation of sufficient funds through increased gasoline taxes, or such other measure as may be deemed appropriate.

Your committee is confident that it is expressing the will of the citizens of Trempealeau County in stating that the present Federal highway construction program is vital to the interests of this area and that to restrict or delay that program is not only to jeopardize the defense of our Nation, but will result in needless disruption of the local economy and serious interference with the projected highway maintenance and construction program of Trempealeau County as well.

We wish to respectfully urge that your office and influence be utilized to effect the adoption by the Congress of legislation that will provide the necessary funds by the United States to permit the various States to immediately resume their respective highway construction and maintenance programs, which programs are so vitally dependent upon the disposition of Congress.

Please permit us to extend in advance our appreciation for your efforts in behalf of this program and our gratitude for your effective representation of the interests of the people of Trempealeau County before the Congress in the past.

Very sincerely,

RUSSELL PAULSON,
JAMES STEEN,
IRWIN A. HOGDEN,
Trempealeau County Highway Committee.

BLACK RIVER FALLS, WIS.,
August 31, 1959.

HON. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

DEAR MR. WILEY: The undersigned highway committee of the Jackson County Board of Supervisors wish to bring to your attention the sincere desire of this committee that the Congress insure the continuation of the Federal highway construction program by the appropriation of sufficient funds through increased gasoline taxes, or such other measure as may be deemed appropriate.

Your committee is confident that it is expressing the will of the citizens of Jackson County in stating that the present Federal highway construction program is vital to the interests of this area and that to restrict or delay that program is not only to jeopardize the defense of our Nation, but will result in needless disruption of the local economy and serious interference with the projected highway maintenance and constructon program of Jackson County as well.

We wish to respectfully urge that your office and influence be utilized to effect the adoption by the Congress of legislation that will provide the necessary funds by the United States to permit the various States to immediately resume their respective highway construction and maintenance programs, which programs are so vitally dependent upon the disposition of Congress.

Please permit us to extend in advance our appreciation for your efforts in behalf of this program and our gratitude for your effective representation of the interests of the people of Jackson County before the Congress in the past.

Very sincerely,

WALTER HART,
EDWIN PETERSON,
WM. J. HARKNER,
Jackson County Highway Committee.

The Honorable ALEXANDER J. WILEY,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR WILEY: May we please call your attention to the possibility of disruption of the economy of a sizable segment of industries in the State of Wisconsin which will result from enforcement of the recently passed 1960 Department of Commerce General Appropriations Act.

It is the writer's understanding that prior to the passage of this act the Bureau of Public Roads had access to moneys from the general fund for financing their projects, when necessary. The discontinuation of the availability of these moneys apparently puts the State highway commission in a position where instead of being able to obtain their reimbursement for work done within approximately 90 days it will make it necessary for them to wait approximately 8 to 10 months for payment. As a result they have apparently been forced to curtail the program which they had planned for the State.

We here in the State, who have geared ourselves to the anticipated large-scale national program of roadbuilding, will find it very embarrassing as it will force cutbacks in employment, which will finally affect the entire economy of the State if some immediate remedy is not found.

I am appealing to you in your position in the U.S. Congress to do all possible to correct this situation immediately, by whatever action is necessary.

Sincerely yours.

AUGUST 10, 1959.

Subject: Federal aid highway bill.
Senator A. WILEY,
Washington, D.C.

DEAR SENATOR WILEY: Please be advised that the failure of the Federal Government to continue the highway program has affected us most seriously inasmuch as we are subcontractors on many road jobs.

We therefore would appreciate very much if you would do everything within your power to see that the Government aids the highway program and continues it at as rapid a pace as possible.

Yours very truly,

THE PATENT SCAFFOLDING CO.
OF WISCONSIN.

AUGUST 18, 1959.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: The purpose of this letter is to call your attention to the fact that the Federal highway program is proceeding faster, according to my observations, than the actual need for the highways happens to be.

Consequently, this program can very well be delayed as much as 2 years without it hurting anybody at all because the need for the highways as per the program is in excess of requirements.

Another thing, it is pretty generally recognized that a tax, once imposed, is never repealed. I feel that after we pay an additional 1-cent gasoline tax for a given period of years that it will become a matter-of-fact thing, and we will go on paying it for the rest of our lives.

I sincerely hope that you will fight this measure to a successful finish because it does not deserve your support in my humble opinion.

Sincerely yours.

BRILLION, WIS., *August 21, 1959.*

The Honorable ALEXANDER WILEY,
U.S. Senate Office Building,
Washington, D.C.

DEAR SIR: I am certain you realize by the nature of our business that we are, both directly and indirectly, involved in the national roadbuilding program. Directly, by supplying construction type castings, such as manholes and catch basin castings, etc., to the roadbuilder. Indirectly, by supplying rough gray iron castings to the manufacturers of heavy roadbuilding equipment.

Therefore, if we are to maintain steady employment and solid growth it is imperative that the roadbuilding program continue at a steady pace. I am also certain you are well acquainted with the additional losses in American lives delay in the national roadbuilding program will entail.

I am also of the opinion that the pay-as-you-go plan, as it was originally laid out, is by far the best. If an increase in the gas tax presents itself as an equitable solution to the program's continuance I do not believe we have any alternative but to adopt this means of financing.

It is quite apparent that something must be done soon, which is the reason for this letter. I am sure you will do the best thing for all parties involved.

I would appreciate being kept up to date on your progress.

Thank you for your time and consideration.

Very truly yours,

BRILLION IRON WORKS, INC.,
NEALE H. CAFLISCH.

AUGUST 5, 1959.

Hon. ALEXANDER WILEY,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: The recent news concerning Federal aid for our Wisconsin highway program in 1961 and 1962 is certainly tragic, to say the least. We all know our need for better highways, as well as the employment this aid provides.

Your support of any legislation involving this aid to our highway program cannot be overemphasized.

Sincerely,

WILLIAM KLEMMER.

MILWAUKEE, WIS., *August 26, 1959.*

The Honorable ALEXANDER WILEY,
U.S. Senate Building,
Washington, D.C.

DEAR SENATOR WILEY: The crisis that has developed in our interstate road building program through lack of funds is a threat to the welfare of our Nation. I believe our legislators must take immediate steps to insure the needed funds to continue this program without interruption as envisioned in the Highway Act of 1956.

The cost of a cutback at this time would be tremendous through the loss of continuity in engineering, manpower and etc., which has all been geared to a continuous operation. Manufacturers as well have equipped

their organizations with necessary personnel, facilities and tools to insure that anticipated demands for their products would and could be met. Thousands of our citizens are also dependent on the uninterrupted continuation of this program for their livelihood.

In the vicinity of our larger metropolitan areas, local construction has been planned to work into the Interstate System in bypassing congested areas with construction already started. A holdup at this time would create worse traffic jams than anyone can possibly envision.

The present and increasing death rate of our citizens on antiquated highways with only 68 million vehicles at the present time will mount rapidly with the anticipated 100 million vehicles on our roads by 1975. Our road program must continue to help curb this death rate. It has been estimated that 4,000 lives yearly can be saved by the Interstate System.

The above figures alone make the cost of this program a secondary item. However, it is highly recommended that Federal financing be managed on a businesslike or "pay-as-you-go basis." Deficit financing of any type would not only increase the national debt but would add to the ultimate cost of the program. With this in mind I strongly urge your support in affecting legislation to continue the interstate highway program on an uninterrupted basis by increasing the present gasoline tax to pay for this program.

Very truly yours.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

Mr. WILEY. Mr. President, on a subject which relates to the point at issue——

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. WILEY. I am happy to yield.

Mr. DOUGLAS. Is this a continuation of the filibuster?

Mr. WILEY. Again I say, all the Senator knows is the word "filibuster." That is very apparent. The Senator keeps pointing to a filibuster—filibuster—filibuster. As I say, if the Senator will read the morning newspaper, he will find it really takes the distinguished Senator for a ride, by indirection, because he is the one who has been shouting to high heaven, "filibuster."

This is not a filibuster.

Mr. President, in pointing out the dangers of this bill H.R. 1, we are attempting to show that the measure would, first, be against domestic interests; and, second, threaten our relations with our good neighbor, Canada.

However, the enactment of the ill-advised bill would also create dangerous, far-reaching repercussions—adverse to U.S. interests—around the globe.

Historically, the United States has an honored reputation for living up to and carrying out in letter and spirit our agreements with other nations.

The proposed legislation before us threatens to negate that history; to destroy our reputation for integrity, honesty, dependability, and good faith in international negotiations.

How?

Let us look at a few ways by which it could adversely affect us:

First of all, the evidence presented to the Senate—in the form of views by the Canadian Government—are overwhelming proof that the pending legislation—if enacted—would be a definite violation of both the spirit and the letter of agreements with that friendly country.

Now, the proponents of this bill are proposing that, first, we ignore the protest of Canada; and, second, that we refuse to live up to the Boundary Water Treaty of 1909 and the Niagara Treaty of 1950.

We must ask ourselves such soul-searching questions as, What would this do to us in the eyes of the world?

First. What would this mean to America—for the reputation, dignity, and stature of the United States—if we deliberately and flagrantly take actions that violate the spirit and the letter of such international agreements?

Second. President Eisenhower is now traveling abroad—to further cement understanding and agreements with Great Britain, Germany, and France.

What would the enactment of treaty-breaking legislation by the U.S. Congress do to his attempts to reach agreement?

In effect, it would seriously handicap, or contribute to destroy the purpose—and hope for success—of the President's mission.

Third. What would such actions do to future negotiations for peace treaties, economic agreements, or any other negotiations between ourselves and other countries?

Just this: The confidence of the nations of the world in our willingness to live up to treaties and agreements would be seriously undermined.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WILEY. I ask unanimous consent that I have 3 minutes more, and then I will cease speaking during the morning hour.

Mr. DOUGLAS. I object.

The PRESIDING OFFICER. Objection is heard. Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate the unfinished business.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE] to the first committee, amendment, striking out on page 3, lines 22 and 23, the words "one hundred and seventy-five" and inserting in lieu thereof the words "one hundred and eighty-five".

Mr. WILEY. Mr. President——

The PRESIDING OFFICER. The senior Senator from Wisconsin.

Mr. WILEY. I assume now we are not operating under the 3-minute rule.

The PRESIDING OFFICER. No. The morning hour has been concluded.

Mr. WILEY. I thank the Presiding Officer.

The PRESIDING OFFICER. We are now considering amendments to H.R. 1.

Mr. WILEY. Mr. President, in the exchanges the other day on the Senate floor, I think between the Senator from Alabama [Mr. SPARKMAN] and the Senator from Wisconsin [Mr. PROXMIRE], it was developed that there should not have been a vote to table the motion to send the bill to the Foreign Relations Committee until there had been a complete discussion of the issues.

I wish to say, Mr. President, that we have reached a very fine conclusion. I must say that while the Senate is busy in its committee work and Senators do not show up on the floor because they are busy with other activities, there is evidence that the real issue is permeating the minds and the consciousness of the men who will have to make a decision on the issues.

Because yesterday there were only two or three of us on the floor when the junior Senator from Wisconsin [Mr. PROXMIRE] gave such a very fine exposition of the angle I shall discuss, and the other issues, I still have the fortitude to bring before the Senate some of the ideas which I have caused to be put into a brief which was circulated among the Senators some days previously, but which apparently a good many of the Senators have not, even up to the present time, found time to read.

I have just sent to my office for a copy of the brief which was previously circulated. I ask that they be placed on the desks of Senators, in the hope that they will have the opportunity at least to examine the appendix to the brief, which I shall discuss in the near future. It sets forth not only the position of the Canadian Government and the present Premier, but also the position of his predecessor, and of a very prominent member of the Canadian Parliament.

Another thing I shall do is to repeat, in substance, a few of the ideas I mentioned on the floor of the Senate the other day. Among other things, I said that in my 20 years' service it was my great privilege to become acquainted with men of judgment, men of reason, men who think things through. I made the statement that when Senator Vandenberg, who occupied a seat not far from mine, would rise to speak, in order that his remarks might be in continuity, he would ask not to be interrupted. I am making that request now, because in the time I shall consume I trust I shall set forth succinctly my own views on the subject.

The other day I mentioned the fact that during this debate I have had two surprises. Very little attention was paid to my statement. First, I found that a number of Senators had not acquainted themselves with the issue, but had given their pledged word to vote in a certain way.

The other day I set forth on the floor of the Senate the fact that there were three bills. The first bill was in the House, and it was disposed of last year. It was a different bill entirely from the one reported from the committee.

The bill which was introduced in the Senate is a different bill from the bill which came from the committee. The

committee appended to the House bill two amendments which made it an entirely different measure. I placed those three bills in the RECORD.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. WILEY. No. I do not wish to yield now. I ask to be permitted to continue my speech without interruption. When I am through I shall be very happy to yield, and be catechized by the distinguished Senator from Illinois. I want the RECORD to be in such shape that those who read can understand my position which I trust will be logical and informative.

I never question the integrity of a fellow Senator. We all have different backgrounds. The things that count more than anything else are the religious background, the educational background, the economic background, but, more than anything else, the geographical background. We strive to serve the interests of our section.

But the big issue involved in this case has no such application, because we are all Americans. When a Senator tells me—as several have—that he has given his pledge to Representative O'BRIEN to support his bill, I call attention to the fact that the bill which came from the Senate committee is entirely different. It is not the O'Brien bill. It is entirely different from the O'Brien bill of 1957, which was the one which some Senators, while they were Members of the House, had occasion to see. It is not the same bill as the Douglas bill or the O'Brien bill of 1958.

I remember when I occupied another seat in the Senate, when I first came here. I remember a very distinguished Senator from Illinois. His name was Lewis. He was a Lord Chesterfield, both in manner and dress. He came over to my seat, and was very friendly. I, of course, being a neophyte, appreciated the wisdom of an older man.

What did he say? Among other things he said, "I never commit myself to a vote in a certain direction on any bill until the measure is in front of me."

"Why?" I asked. I listened to his reply. He said, "You introduce a bill in the Senate. It goes to a committee. The committee operates on it. Then the bill comes back to the Senate, and the Senate operates on it, with amendments. Then it goes to the House, and when it reaches the House it goes through the same committee process. Then the bill may go to conference, and it comes back again after the conferees have acted."

We have an example of that at the present time. There is now in progress a conference on a labor reform bill. What will the result be? I do not know. No other Senator knows. The work of the labor bill conferees will be the result of compromise.

I remember hearing the distinguished Senator from Georgia [Mr. RUSSELL] say on the floor of the Senate, "Now that my bill has been amended, I must vote against it."

Following out the advice given to me by the distinguished Senator Lewis of Illinois, I can say that I have never given a firm commitment with respect to any bill, because, as may well happen in connection with the labor reform bill, there may be things in the bill which I oppose, as well as things which I favor. Yet I must vote one way or the other.

As I said the other day, the reason I am going into this subject is that I think I owe an obligation to younger Senators, just as Senator Lewis, of Illinois, felt that he owed me an obligation.

I had a background that also educated me. The idea of making commitments in respect of something that has not even been born does not make sense to me.

I remember a statement made by a prominent labor leader in the State of Wisconsin. Within the past 60 days he attended a luncheon in Washington at which I was present. He said, "I do not agree with Senator WILEY on many things, but no one has a rope around his neck."

I remember very well that during my last campaign one of the kingmakers, when asked whether he intended to support me, said, "Hell, no."

"Why? Isn't he honest?"

He replied, "Yes; he is honest."

"But what is the trouble?"

"He does not take orders."

That is why I can sleep well at night. Of course I disappoint people. Everyone is disappointed at times. Nevertheless, all I want is that when I shuffle off, it can be said of me, "He was his own boss. He was honest. His only boss was his Maker."

What application does that have to the bill before us? When the kingmaker back in my State—and his remark reached me—said, "The old s.o.b."—commenting on me—"does not obey orders," it was the best compliment I ever got.

When the man, the head of one of the fine, clean unions, made this other statement, I felt that labor and management at least had sized me up. So I am not bothered. Nobody tells me what to do.

I spoke yesterday with a fine member of a labor union. He started the conversation by saying, "You know, the Kennedy amendment," and so forth.

I said, "I don't know anything about it, and I don't think you do either. In other words, there has not been an agreement among the conferees."

He smiled and let it go at that. It did not take any time. We had no difference. I simply carried on.

Mr. President, I wish to follow through with the ideas contained in the brief which is on the desks of Senators. I call attention to the fact that annexed to the brief is a very interesting document. I hope Senators will take it and "pick at it," because to me it raises a big issue. For instance, it opens with this statement by Canadian Prime Minister Diefenbaker in the House of Commons on April 16, 1959:

Mr. Speaker, on April 8, 1959, the honorable member for Rosedale asked:

"Would the Prime Minister tell us the attitude of the Canadian Government toward the legislation recently passed in the U.S. House of Representatives in regard to the diversion of water from the Great Lakes at Chicago?"

I replied, after dealing with one or two matters of history, and said:

"We are paying the closest attention to this matter, at the same time not wishing to do anything that would in any way cause a situation to arise which might not be beneficial."

I now wish to bring the House up to date on this subject. When I last spoke on April 8 I stated what the fact was, that the Government was giving careful consideration, and since then has given further consideration to the most effective manner of making known Canada's opposition to the bill which, as I said a moment ago, has passed the House of Representatives and is now before the Senate Committee on Public Works.

Mr. President, the Prime Minister of Canada was giving careful consideration to the most effective manner of presenting Canada's opposition to the bill in the U.S. Congress. He said, further:

A note registering the reasons for Canada's objection was delivered on April 9, and with the leave of the House I ask permission to table it so that it might possibly appear in Votes and Proceedings. I am not going to read the entire note, but just two particular paragraphs thereof to indicate the general tenor and attitude of the Government in this regard. In the third paragraph the following appears.

I carry on with the Prime Minister quoting from the note:

Every diversion of water from the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the basin for all purposes. The Government of Canada is opposed to any action which will have the effect of reducing the volume of water in the Great Lakes Basin. Careful inquiry has failed to reveal any sources of water in Canada which could be added to the present supplies of the basin to compensate for further withdrawals in the United States. The Government of Canada considers that many agreements and understandings between the United States and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provision of two treaties in particular.

Let me digress from that matter just a moment. Is this something new? We will find out as we read the note that is is not.

Charles Evans Hughes, when he was the special master, spoke on this subject and said, in substance, that if the additional 1,000 cubic feet were granted, the total diversion would be 4,100 cubic feet; or following the Hughes analogy, 6 inches for 8,500 cubic feet, and 3 inches for 4,100 cubic feet.

I continue with the statement of Prime Minister Diefenbaker:

The first is the Boundary Waters Treaty of 1909 and the second is the Niagara Treaty of 1950.

The general summation of the attitude of the Government in this regard is contained in the last two pertinent paragraphs:

"Because of the importance attached by the United States and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin. Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford."

Oh, Mr. President, as I heard the President of the United States last night, sitting close to British Prime Minister Macmillan, giving his views, and speaking about our relationship with Canada for 140 years, it thrilled me to hear him say that along the 3,000 miles of boundary there are no fortifications, no battle wagons, but simply friendship—enduring friendship. When I consider that happy situation, and when I read this document in my hand, I am sensible of the fact that we Senators must not attempt to "pass the buck" to the President of the United States.

Of course, some have suggested that the President will veto the bill. But no Senator should attempt to rely upon that procedure. Each Senator should tend properly to his own business.

I read further from the proceedings in the Canadian House of Commons and—in this instance—the Canadian note to the United States:

I am instructed, therefore, to express the hope—

Mr. President, I emphasize the words "the hope"—

of the Government of Canada that the United States of America will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings to which I have referred.

I read further from the proceedings in the Canadian House of Commons:

Mr. SPEAKER. Would the Prime Minister perhaps modify his request so the letter will be printed as an appendix to Hansard?

Mr. DIEFENBAKER. Yes.

Mr. SPEAKER. Is the House agreeable to having this document printed as an appendix to Hansard today?

SOME HONORABLE MEMBERS. Agreed.

(For text of document referred to above, see appendix.)

Mr. President, could anything have been more impressive than that statement by the Prime Minister of our sister nation?

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Wisconsin yield to me, to permit me to make an insertion in the RECORD?

Mr. WILEY. Mr. President, inasmuch as the distinguished Senator from South Carolina wishes to make an insertion in the RECORD at this time, let me state that I have no objection to yielding for that purpose and to accommodating him in that way, if there is no objection, because—although my remarks will be relatively brief—after he makes the insertion he has in mind, I shall be glad to resume.

So I am ready to accommodate my friend, on the condition that when he concludes his statement, my subsequent remarks will be printed in the RECORD in sequence with the remarks I have already made today.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Is there objection?

Mr. DOUGLAS. Mr. President, reserving the right to object, let me say it is obvious that we are being faced with a filibuster led by the two Senators from Wisconsin.

I have taken the position that they must bear the responsibility for the filibuster, and that the Senate rules should be strictly enforced.

The rule provides that a Senator can yield only for a question; and that if he yields for any purpose other than a question, he loses his right to the floor.

I have a very high opinion of my colleague, the Senator from South Carolina [Mr. JOHNSTON], and I should like to cooperate in obliging him. But in the interest of orderly procedure in the Senate, and because of my desire to have the Senate get on with its business, and to make it as difficult as possible for my friends from Wisconsin to carry on their filibuster, I must, although most reluctantly, object. I hope the Senator from South Carolina realizes why I do so.

I hope that later a way may be cleared to enable the Senator from South Carolina to insert in the RECORD the matter he has in mind. But I cannot accommodate him at the expense of the just claims of the city of Chicago and the people of that part of the country.

Therefore, Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WILEY. Mr. President, under those circumstances, I must continue my remarks.

I am sure the Senator from Illinois is repeating his old stunt of filibustering; and he is doing a pretty good job of using time by objecting whenever he can.

I must state that if he will have someone examine the RECORD and ascertain the time that has been consumed by other Senators, he will find that we who oppose his nefarious scheme have not been filibustering. One who filibusters does not talk to the point. One who filibusters talks on anything but the point.

Mr. President, in resuming my remarks, let me state that I believe I had pointed out that the first note was printed in its entirety in Hansard for the Canadian House of Commons—in other words, in the equivalent of our CONGRESSIONAL RECORD. The note was printed in the appendix to Hansard. I hold that insertion in my hand.

I was saying that not only did the Prime Minister of Canada express the hope that our country would view this matter with equal concern and would be able to give satisfactory assurances that unilateral action would not be taken, but he also expressed the hope that the United States would carry out her treaty obligations and agreements.

Mr. President, when I was at the United Natons, I became very well acquainted with the Honorable L. B. Pearson, then the Prime Minister of Canada. Today, he is the leader of the opposition in the Canadian House of Commons, at Ottawa. Let me read now what Mr. Pearson said in the course of that debate in the House of Commons:

However, the note has been presented, and I hope it will have the effect it should have in preventing the United States from taking action which would be a breach of treaty arrangements between the two countries.

Well, well, well, Mr. President; there we have it. So there is unity in Canada on this subject; there is no question about that.

Mr. President, I read further from the debates in the Canadian House of Commons:

Mr. H. W. HERRIDGE (Kootenay West). Mr. Speaker, on behalf of this group I want to say that we are extremely pleased to hear the statement of the Prime Minister with respect to this latest note. We are also pleased to note that it is in stronger terms than any previous note.

Mr. President, I emphasize the words "in stronger terms than any previous note."

I read further from the debate in the Canadian House of Commons:

We support the Government in any effort it may take to protect Canadian interests. We in this group hope that the Congress of the United States will pay attention to this day's proceedings and note from the proceedings that Parliament in this respect is unanimous.

Mr. President, under these circumstances I cannot understand why anyone would fail to understand the chief issue.

Someone has said that five or six States are against Illinois. However, the opposition is not to Illinois, but is only to Chicago and the Chicago district.

As Senators will learn, time and time again the Chicago district has failed to comply with the directions of the Supreme Court, and has exercised almost mandatory power, at times, despite the directions of the Supreme Court. When the Chicago district could not move the Court to do what it wished, Chicago has attempted to persuade the Congress of the United States to take action in the case.

Let us understand clearly what the situation is. As stated yesterday, back in 1930, the Supreme Court made its findings and its decisions, and provided then what amount of water Chicago would be allowed to take out of Lake Michigan and what should be done.

Thereafter, following that direction by the Supreme Court, Chicago developed one of the finest sanitary systems in the world, and that system did a good job. But about 5 years ago, Chicago began to add to her then area of approximately 120 square miles, and increased it, up to the present time, to between 500 and 600 square miles.

Of course, Mr. President, if an automobile or any other piece of machinery that is capable of doing a good job is suddenly asked to do 200 times what it was designed to do, there can be no doubt about what will happen.

So then it was that Chicago applied to the Supreme Court; and the Court allowed temporary relief, and suggested that Chicago clean up her own mess. But Chicago has not done so.

Chicago now has a case before the Supreme Court, which has appointed a special master to find the facts in the situation.

According to the history of this matter which we shall relate, that has happened time and time again. Time and time again, Chicago has obtained temporary relief, which was granted by the

Supreme Court with the idea that Chicago would do the necessary job, by building an efficient sewage disposal plant sufficient to take care of the increased amounts of sewage. Of course, as Chicago has so greatly increased in area, the amount of sewage which must be treated has likewise greatly increased in volume. But they just sat pretty, and did not comply with the direction of the Court.

Now, Mr. President, listen to this last sentence again, in which Mr. Herridge said:

We in this group hope that the Congress of the United States will pay attention to this day's proceedings and note from the proceedings that parliament in this respect is unanimous.

Mr. President, you remember what happened. After the bill had gone to the Public Works Committee of the Senate, the Prime Minister sent this note. I read only two sections of it, but I am going to read the rest of it. I want this record to be so clear that those who read and want to understand can see the issue. We have here the opposition of a united Canadian group in the government. Let us say we have the opposition of the Government of Canada, as expressed by Prime Minister Diefenbaker, the previous Prime Minister, L. B. Pearson, and by the representative of a group on the floor of Parliament, the Honorable H. W. Herridge.

It is so plain what the attitude was that there is a general assumption by lawyers that with this note the matter should have been presented in the first instance to the Committee on Foreign Relations.

Let us get it straight. This note, which I shall now read, was presented first after the bill went to the Public Works Committee. The date was about 3 weeks after the bill went to the Public Works Committee. Then it was that the note was presented to the Secretary of State.

The note reads:

SIR: I have the honor on instructions from my Government to refer to proposals for legislation in the United States of America concerning an increase in the diversion of water from Lake Michigan through the Chicago drainage canal. It is noted that one proposal to this effect has been approved by the House of Representatives and will shortly be considered by the Senate. During a period of many years there have been numerous occasions on which the Government of Canada has made representations to the Government of the United States of America with respect to proposals concerning the diversion of water from Lake Michigan out of the Great Lakes watershed at Chicago.

Many of these representations have been directed toward particular proposals then under discussion by United States of America authorities. Because of the importance of the question, the Government of Canada believes it timely to reexamine the considerations which it regards as most important concerning any proposals for additional diversion of water from the Great Lakes watershed. Accordingly, in order that there may be no misunderstanding as to the views of the Government of Canada, I have been instructed to bring the following considerations to your attention.

Then follows this paragraph:

Every diversion of water from the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the basin for all purposes. The Government of Canada is opposed to any action which will have the effect of reducing the volume of water in the Great Lakes Basin. Careful inquiry has failed to reveal any sources of water in Canada which could be added to the present supplies of the basin to compensate for further withdrawals in the United States of America. The Government of Canada considers that many agreements and understandings between the United States of America and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties in particular.

Mr. President, I think this is very important. The Prime Minister of Canada did not just generalize. The Prime Minister of Canada particularized. He put his finger on the spot. He called to the attention of our Government—your Government and mine—the particular treaties that would be violated. The first is—and I am reading from the note:

(a) The Boundary Water Treaty, 1909: The applicability of either article II, paragraph 2 or article III of this treaty depends upon the interpretation of physical facts.

If Lake Michigan physically flows into the boundary water of Lake Huron, article II preserves to Canada the right to object to such a diversion which would be productive of material injury to the navigation interests in Canadian waters.

If, as has been asserted by eminent U.S.A. jurists, article III of the treaty applies, no further diversion shall be made except with the approval of the International Joint Commission.

(b) Niagara Treaty, 1950: This treaty allocates water for scenic and power purposes. The amount of water which shall be available for these purposes is the total outflow from Lake Erie. The specific inclusion of certain added waters in article III of the treaty emphasizes the underlying assumption that existing supplies will continue unabated. In addition to these treaty provisions, there is a further agreement of far-reaching importance. Power development in the Provinces of Ontario and Quebec is predicated upon agreed criteria for regulation of the flows of the St. Lawrence River. The order of approval of the International Joint Commission of October 29, 1952, as supplemented on July 2, 1956, and accepted by both our Governments, forms the basis for the construction and operation of the hydroelectric power installations in the international section of the St. Lawrence River. Criterion (a) of this order of approval assumes a continuous diversion out of the Great Lakes Basin limited to the present 3,100 cubic feet per second at Chicago.

There we have it. The order assumes that 3,100 cubic feet per second at Chicago shall be the basis of how we shall carry on in relation to the water supply in Lake Michigan.

Yes, Mr. President, we can set a great precedent of treatybreaking. I shall talk about that in the not too distant future. We can talk about the effects of breaking faith with the best friend we have in the world. There are none better than the common people of Canada, who have done a tremendous job, as anyone who travels through Canada can see. We can create, as has been suggested in the note, further misunderstanding.

We know what is meant when it is said, "In order that there may be no misunderstanding as to the views of the Government of Canada." That is what the Ambassador said.

Mr. President, I continue to read from the note which was sent to the Secretary of State 3 weeks after the Public Works Committee got the bill:

Navigation and commercial interests depend upon the maintenance of the basis upon which channel enlargements have been designed in order that vessels of deep draft may proceed with full load to and from the ports of the Upper Great Lakes. In this connection I would refer to the following matters:

(a) The construction of the St. Lawrence Seaway. Legislation in the two countries and the several exchanges of notes concerning the construction and operation of the seaway now just completed are based on the assumption and undertsanding that there will not be unilateral action repugnant to the purposes of the legislation. Withdrawal of water from the Great Lakes Basin would materially affect the operation of the St. Lawrence Seaway;

I think that has been demonstrated on the floor beyond the slightest doubt. The Senators from New York showed what would be the effect on the development of water power. We shall show, before we are through, what will be the effect and what is the effect upon the Great Lakes ports and upon navigation. That has been stressed fully, but it is a question of injury which the Senators have not thought about in regard to the bill.

Mr. President, Canada and America have put a billion dollars into the St. Lawrence Seaway, to make it the fourth coast in America. Yes, we have sought to make it a place where we can live and develop and grow. Shortly there will be 100 million people in that basin. Now we are talking about making it possible for one city to lay a precedent by action of Congress. Then there will be countless bills presented to Congress, from other cities. Think what logrolling there will be—"Yes; I voted for your bill; now you vote for mine." What a brilliant prospect that is. What a wonderful thing to look forward to. We do not have enough to tend to without creating another "open sore," so to speak, in legislation.

Mr. President, I continue the quotation:

Withdrawal of water from the Great Lakes Basin would materially affect the operation of the St. Lawrence Seaway.

The Canadian Ambassador said that. Really, there has been no proof to the contrary on the floor of the Senate.

Mr. President, I continue to read:

(b) Dredging. By agreement contained in the various exchanges of notes between the two countries, profiles have been prepared for the excavation which has taken place or is about to take place in the International Rapids section of the river, in the Amherstburg Channel and in the St. Clair River.

I presume the word "profile" means the same as "plans."

These agreements are based on the implied understanding that material changes

would not be made in the volume of water available for navigation.

Mr. KEATING. Mr. President, will the distinguished Senator yield for a question?

Mr. DOUGLAS. Mr. President, I must insist upon orderly procedure of the Senate. The Senator may yield for a question but not for an insertion in the RECORD.

Mr. KEATING. I asked the Senator to yield for a question.

Mr. WILEY. Mr. President, now that the Senator from Illinois has been so gracious and at long last has melted, I hope if I yield for the question that the question will follow in the proper context of what I am saying. If it relates to this matter I ask that it follow in order. I trust that my yielding will not interfere in the slightest degree with my right to pursue this course.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KEATING. Mr. President, the inquiry I want to address to the Senator from Wisconsin, who is making such a valiant fight and such an excellent argument, is this: Has the distinguished Senator from Wisconsin heard on the floor any effective response to the argument relating to the damage to our international relations which passage of the bill would cause? Has that question been answered by any Senator on the floor?

Mr. WILEY. I think I have been on the floor all the time, except perhaps for a little "breathing spell," we might say, when I have stepped out. I have heard no answer. The answer to the Senator's question is, "No."

Mr. KEATING. Does not the distinguished Senator from Wisconsin feel that is certainly one of the major implications of this proposed legislation?

Mr. WILEY. Undoubtedly.

Mr. KEATING. Does not the Senator feel it deserves some reply from those who are advancing the need for the proposed legislation?

Mr. WILEY. I presume we will hear an argument on that at the proper time. I will say that in spite of the statement of the distinguished Senator from Illinois, who constantly says there is a filibuster—of course, the Senator from New York had better look out, or he will be accused of filibustering, too——

Mr. KEATING. I have been.

Mr. WILEY. The Senator from Illinois has been doing a pretty good job himself in making a contribution to the continuity of the matter so far. But I have not heard anything, in response to the question.

Mr. KEATING. I thank my colleague.

Mr. PROXMIRE. Mr. President, will my colleague yield on the same point?

Mr. WILEY. If I may yield for a question without losing the floor.

The PRESIDING OFFICER. The senior Senator from Wisconsin yields to the junior Senator from Wisconsin for a question.

Mr. PROXMIRE. Is it not true that if the opponents of H.R. 1 desire to engage in a filibuster, what they would do would be to constantly suggest the absence of a quorum? Is it not true that by doing this a great deal of time could easily be consumed with very little, almost no, effort on the part of the opponents of the bill? Is it not true that we could do this over and over again? Is it not true that often in the past when opponents of a bill have wished to prevent a vote, they have resorted to this device, and is it not also true that the opponents of H.R. 1 have suggested almost no absences of a quorum?

And may I ask this concluding question? Is it not true that today we have not had a single quorum call, although it is 2½ hours since the Senate convened? I think this is the first time since the Senate has met this year that the Senate has gone for 2½ hours without a quorum call. Is it not also true that the reason we have not suggested the absence of a quorum is because we are very anxious to get the merits of this bill before the Senate and before the country?

Mr. WILEY. Mr. President, that is correct, and I must say, in commenting on the answer, that I am sure my distinguished colleague from Wisconsin is well versed in what constitutes a filibuster, because he sat at the feet of the distinguished Senator from Illinois.

Mr. KEATING. Mr. President, will the distinguished Senator yield for another question?

Mr. WILEY. I yield under the same conditions.

The PRESIDING OFFICER. The senior Senator from Wisconsin yields to the Senator from New York for a question.

Mr. KEATING. Has the attention of the Senator from Wisconsin been called to an excellent editorial in this morning's Washington Post and Times Herald in which the distinction is drawn between debate to furnish information and greater knowledge, deeper knowledge, to the Members of the Senate, and what could be termed a filibuster, in which the editors reach the justified conclusion that this debate has been on the subject all the way through, and has been conducted in order that the Members of the Senate might have greater knowledge, with the probability that if they are given the opportunity to vote again, as I hope the Senator will give them, and I am sure he will, they will say that the international ramifications of this bill are so important that it should be considered by the Foreign Relations Committee?

Mr. WILEY. I must say to the distinguished Senator from New York that I read the editorial, and I immediately prescribed it for the consideration of the Senator from Illinois, but he, being so filibuster-minded himself, could not see the point. I feel that the editorial itself takes the Senator from Illinois for a nice little ride.

Mr. KEATING. Mr. President, if the Senator will yield, I want to be sure that my colleague from Illinois hears this. Would the Senator yield for the purpose of a unanimous-consent request to place in the RECORD this editorial?

Mr. DOUGLAS. I must reluctantly object.

The PRESIDING OFFICER. Objection is heard.

Mr. WILEY. Mr. President, I thank all three—what shall I say?—battlers.

Mr. PROXMIRE. Will the Senator yield for another question?

Mr. WILEY. On the same conditions.

Mr. PROXMIRE. Would the Senator be interested in knowing that his junior colleague has tremendous admiration for the very competent job the senior Senator from Wisconsin has been doing on this issue of whether or not this bill should be referred to the Foreign Relations Committee?

Mr. WILEY. I thank my colleague.

Mr. PROXMIRE. Would the Senator be interested in knowing, further, that I have carefully read his brief, and that I, of course, earnestly hope that all other Senators will read it? Would the Senator be interested in knowing, further, that the junior Senator from Wisconsin feels that it would be very difficult for any Senator carefully and thoughtfully to read this brief and then vote against referring this bill to the Foreign Relations Committee?

Would the Senator be interested in knowing, further, that in the judgment of the junior Senator from Wisconsin it is very masterful, competent job?

Mr. WILEY. Mr. President, I thank my colleague. You know, at my age what one likes more than appreciation is more appreciation. So I am very grateful, I assure the Senator.

I shall now continue my discussion of this very, very important phase of what I consider is probably the main issue. It is a bigger issue than the issue between the five States and Chicago. This issue is the question of maintaining friendly relations, giving heed to the expressions of the leaders of the friendly nation to the north on a subject that relates fundamentally to the matter of whether we will become treatybreakers, whether we will become breakers of agreements, whether we will do that which will be detrimental to the St. Lawrence Waterway, on which we and Canada have spent a billion dollars.

That is a great moral issue, but more than that, it involves a great legal issue. It involves breaking a precedent of 175 years in which we have been a Nation, and I submit, Mr. President, that as far as I am concerned, if we should fail in having the bill sent to the Foreign Relations Committee, though I do not think we will, we will talk here until, as the fellow says, "Hell freezes over," as far as I am concerned.

No, I am trying to use a common phrase, one that is, let us say, very informative. It is not one that is used carelessly. It is an expression that expresses in no uncertain terms the determination of all of us that America shall not start in breaking the commandments, the commandments that have made international policy so firm between us and our allies. I do not have to say anything further on that subject except to say, as I repeated, and I of course shall repeat again.

Am I getting a real smile from my associate from Illinois? There is not much between us except a line, you know, across the State, but we are awfully glad that we lost Chicago some 75

or 80 years ago, whenever it was the Government took that area off of the Wisconsin Territory.

Mr. KEATING. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield, subject to the usual conditions.

The PRESIDING OFFICER. The Senator from Wisconsin yields to the Senator from New York for a question.

Mr. KEATING. Has the Senator noticed that when the Senator from Wisconsin and the junior Senator from New York engage in a colloquy, the distinguished Senator from Illinois moves over closer with apparently a suspicion that there might be something sinister or untoward in our actions?

Mr. WILEY. Oh, no, no. I cannot agree to that. I think he just has a liking for me. That is all.

Mr. KEATING. That may be it.

Mr. WILEY. So I am glad to see him becoming closer and closer here to distinguished Senators.

Mr. FULBRIGHT. Will the Senator yield for a question?

Mr. WILEY. Subject to the conditions that I not lose the floor, I will yield for a question.

The PRESIDING OFFICER. The Senator from Wisconsin yields to the Senator from Arkansas for a question.

Mr. FULBRIGHT. Mr. President, I should like to ask if I may insert something in the RECORD.

Mr. DOUGLAS. I must object.

Mr. FULBRIGHT. I was asking a question.

The PRESIDING OFFICER. Does the Senator from Illinois object to an insertion in the RECORD?

Mr. DOUGLAS. I object.

The PRESIDING OFFICER. The Senator from Illinois objects. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the senior Senator from Wisconsin yield for a question?

Mr. WILEY. Subject to the usual conditions.

Mr. PROXMIRE. Does it not strike the senior Senator from Wisconsin as unusual that the close friendship of the Senator from Illinois for the Senator from Arkansas, which was so apparent yesterday and which was so striking, has now apparently deteriorated to such a point that now the Senator from Illinois will not make an exception for his firm and good friend from Arkansas?

Mr. WILEY. Mr. President, I would not go that far. I will just say that the Senator from Illinois is getting a little weak and tired and wants this matter to close.

Mr. KEATING. Will the Senator yield to me for a question?

Mr. WILEY. Under the conditions I have heretofore stated, yes.

Mr. KEATING. Does the Senator realize that, despite objections made by the Senator from Illinois to certain unanimous-consent requests of mine, I bear no ill will toward him?

Mr. WILEY. That is one of the remarkable things about being a Senator. As I stated earlier, in speaking about a Senator's obligation, I never criticize a Senator because he disagrees with me. All I ask is that a Senator not give snap judgment when he has not gone into the record. That is why I have caused to be placed on the desks of Senators copies of a brief which I presented to the Committee on Foreign Relations, and which has in it excerpts from the debates in the Canadian Parliament, the purpose being to throw light on a very misty subject, which started out being misty, first, because of the attitude of the two distinguished Senators from Illinois. I see the junior Senator from Illinois [Mr. DIRKSEN] approaching with a smile on his countenance.

Second, there is the influence of the O'Brien group in the House. They have had exceedingly great influence here. It is my object, of course, to clear away the mist if I can, by bringing out the facts, and by logic, as well as by the contentions not only of the present Prime Minister of Canada, but the former Prime Minister, Mr. Pearson, as well as of Mr. Herrid, a Member of the Canadian Parliament, who said:

> We in this group hope that the Congress of the United States will pay attention to this day's proceedings and note from the proceedings that Parliament in this respect is unanimous.

I shall continue reading from the note which I started to read. The last thing I spoke about was the new channel, with respect to which it was said that there was an exchange of notes on February 28, 1959:

> (c) New channel. In an exchange of notes dated February 28, 1959, it has been agreed that a new channel should be constructed to eliminate the so-called southeast bend of the St. Clair River—

This is the important thing. This is from the Prime Minister of Canada—

> The agreement by the Government of Canada to this proposal was based on the understanding that there would be no artificial interference with the present supplies of water.

"No artificial interference with the present supplies of water." What is it Chicago wants? First, she has 3,200 or 3,300 cubic feet, which was allowed by the Court. Now she wants the Congress of the United States to give her another thousand cubic feet. We have already had plenty of evidence as to what the influence of a thousand cubic feet would be, and what the meaning of a thousand cubic feet per second is—not per minute, not per year, not for 24 hours, but for 365 days in the year, a thousand cubic feet every second. It amounts to more than a thousand billion gallons off the surface of that lake. It is said that that does not amount to anything. We shall see about that.

I continue reading:

> Because of the importance attached by the United States of America and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin.

Canada "views with serious concern." Can we not "view with serious concern" when a great sister nation speaks to us about a situation? Can we not think this problem through, as unbiased, unprejudiced, untied individuals, as Senators who want to find a solution?

How can a solution be found? It can be found by referring this question to the Committee on Foreign Relations. Why? First, because it relates to treaties with our best friend, Canada. Second, it relates to understandings with and commitments to our best friend, Canada. Yet we are asked to ignore them.

I read further from the parliamentary debates:

> Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford.

Could any language be clearer? They are talking about a source of profound irritation to the relations between the two countries. The argument is so profound that we shall be here for a long time, if necessary. A great principle is involved. Can we afford to break treaties? Can we put ourselves in the same class with Khrushchev? Can we become what other names infamous in history became because they would not keep treaties? The answer is "No." For me and my children the answer will be "No" for a long, long time.

I read further:

> I am instructed, therefore, to express the hope of the Government of Canada that the United States of America will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes basin and the status of the agreements and understandings to which I have referred.

Was that the end of it? It was the end of the April 8 note. But to show how our Canadian friends keep their fingers on what transpires in America, and how they are remaining alert, when the Committee on Public Works, first, by a vote of 7 to 7 on a motion to table, and then by a vote of 8 to 6 to report the bill, reported the bill to the Senate——

Mr. PROXMIRE. Mr. President, will the Senator yield at that point for a question?

The PRESIDING OFFICER. Does the senior Senator from Wisconsin yield to the junior Senator for a question?

Mr. WILEY. I yield under the same conditions stated heretofore.

Mr. PROXMIRE. Is it not true that although the bill was reported by a vote of 8 to 6, three of the eight members of the Public Works Committee who voted to report the bill favorably recommended that it be referred to the Committee on Foreign Relations?

Mr. WILEY. The Senator is correct.

Mr. PROXMIRE. Is it not true, therefore, that a majority of the Public Works Committee is telling the Senate that in its judgment the bill should go to the Foreign Relations Committee?

Mr. WILEY. That is absolutely true; but I also wish to make clear that I am satisfied that the other members of the committee feel likewise. At least one of them said to me, "We are only the Public Works Committee. We have not had time to go into the issue, which be-

longs under the jurisdiction of the Foreign Relations Committee. In fact, we are not competent to do so, because we are not schooled in the field of foreign relations."

In other words, I think it is very clear that although I submitted this brief to the Committee on Public Works, a brief which I have caused to be placed on the desks of Senators, I presume that members of that committee, like Senators who are members of other committees, felt that they were not sufficiently informed about the diplomatic phase of the matter as it concerns our relations with Canada. At the time I attended that committee's meeting, I think only three members of the committee were present. As a consequence, they were not informed on the subject which I am now discussing. I am certain that a majority of the Senate and of the people of the country are not informed about it.

I observe that the distinguished senior Senator from Kansas [Mr. SCHOEPPEL] has entered the Chamber. I may say to him that I have caused to be placed on his desk a brief which I hope he will take the time to read, particularly the exhibit which is attached and which is the position of the Canadian Government, stated in no uncertain terms. The Senator from Kansas will find that it is the unanimous position of the Canadian Government with respect to the proposed diversion of water from Lake Michigan. All I ask is that every Senator afford himself the opportunity to examine this brief.

Mr. PROXMIRE. Mr. President, will the Senator yield for a question on this very important point?

Mr. WILEY. I yield.

Mr. PROXMIRE. Is it not the clear policy of the leadership in the Senate on virtually all bills to accept the recommendation of a majority of the committee, and to adopt that recommendation as the position of the leadership? In other words, is it not true, in the absence of some overriding party policy or some traditional policy of the Democratic or the Republican Party, that when a committee makes a majority recommendation, the leadership honors its recommendation and does its best to see that the majority recommendation is carried out?

Mr. WILEY. I think that as a matter of policy that is true. On the other hand, there are many exceptions. But I think the Senator has proved by his statement that the majority of even the Committee on Public Works was in favor of having the bill referred to the Committee on Foreign Relations.

Mr. PROXMIRE. Is it not probably true, as was indicated by the distinguished junior Senator from Alabama [Mr. SPARKMAN], that many Senators do not know that the recommendation of the Committee on Public Works is that H.R. 1 be referred to the Committee on Foreign Relations?

Mr. WILEY. My answer to that would be that I have not canvassed that situation. I have not asked any Senator to support our position. I feel that the solution of this matter is something for each individual Senator to reach when he realizes the significance of the issue which is here presented. I hope that the position which my colleague implied in his question is the correct one.

Mr. PROXMIRE. Is it not important that Senators, like the two Senators from Wisconsin who oppose the bill, do all in their power to call the attention of the Senate to the fact that the committee which reported the bill in this instance itself recommended that the bill be referred to the Committee on Foreign Relations?

In view of the fact that most Senators have only a cursory interest in other than national matters, matters which do not apply to their own States, do they not place great reliance and trust in the judgment of the committee and vote in accordance with the majority decision of the committee?

Mr. WILEY. I hope the Senator is right in what he implies. This is not the complete answer so far, because after the committee reported the bill to the Senate by a vote of 8 to 6, two or three Senators, as suggested by my distinguished colleague, proposed that the matter be referred to the Committee on Foreign Relations.

When it became known to Canada that its previous note had received apparently—I say apparently—no consideration—which was not true—and when the committee reported the bill, the conclusion was that the Senate had been sold a bill of goods and that the previous note had not been called adequately to the attention of the Senate.

So on August 20—and, as I remember, the bill was reported several days before that—the Department of State received the following note. From whom? From the Canadian Government, through its Ambassador. I quote:

> I have the honor to refer to my note No. 184 of April 9, 1959, concerning legislative proposals to increase the diversion of water from Lake Michigan at Chicago.
>
> I am instructed to inform you that the Government of Canada has taken note of the recent legislative developments in the United States concerning this matter.

That means the action of the committee.

> In this connection, I am to advise you that the Government of Canada explicitly reaffirms the position set forth at length in the above-mentioned note.

What note? The note of April 9, 1959, which I have been discussing.

> In the view of my Government any additional diversion of water out of the Great Lakes watershed would be inconsistent with existing agreements and arrangements which together constitute an agreed regime with respect to these waters. The proposed unilateral derogation from the existing regime therefore occasions serious concern in Canada.

I think we might again ask ourselves about the serious concern in Canada.

> Please accept, sir, the renewed assurances of my highest consideration.

I am concerned. Let Canada know that I am concerned and that my colleague from Wisconsin is concerned. I trust that the majority of the Senate is concerned. That means we are not flouting the notes of a friendly nation. It means we are giving consideration to this very serious matter. It is a serious matter when men will ignore such a responsibility as is ours today. It is very serious.

Mr. President, there is something else. I realize, as I have said heretofore, the influence of the distinguished senior Senator from Illinois [Mr. DOUGLAS]. I realize also the influence of the minority leader, the distinguished junior Senator from Illinois [Mr. DIRKSEN].

Senators on both sides of the aisle have come to me. I have not asked them to vote for anything in all my years as a Senator. I again say, as I said earlier, that I have a high concern for the integrity of the Senate. Senators come to me and have said, "I am sorry, but I have pledged my word."

I again say: "Pledged your word? And you know nothing about the proposal?"

One Senator who said that came to me this morning. He said, "You are right. I had not gone into this matter. I gave my promise, but it was a blanket promise, without knowing the facts. I now know the facts. I have read your note. I know what the issue is. It is bigger than Illinois against five States. The real issue is whether America will keep faith."

Mr. President, when I was privileged to attend the Queen's visit to Canada, I saw then the distinguished Member of our House of Representatives who accompanied the Senator from Illinois. I refer to Representative YATES, who previously had accompanied the Senator from Illinois [Mr. DOUGLAS] to Canada, to have our Ambassador there arrange for them a consultation with the Prime Minister of Canada. All these matters are covered in the material I have attached to my statement, just to show how attempts have been made to use influence.

I do not condemn what these two distinguished gentlemen did; but neither do I approve. Certainly our State Department has its own functions.

Let us see what was said in the Canadian House of Commons on April 23:

> WATER RESOURCES—CHICAGO DIVERSION—MEETING BETWEEN PRIME MINISTER AND MEMBERS OF U.S. CONGRESS
>
> On the orders of the day:
>
> Hon. LIONEL CHEVRIER (Laurier). May I direct a question to the Prime Minister. Will the Prime Minister be good enough to tell the house whether he received Senator PAUL DOUGLAS, of Illinois, this morning in order to discuss with him the question of the diversion of water from the Great Lakes basin into the Chicago drainage canal; and would the Prime Minister say, if he met the Senator, what was the result of the interview?
>
> Rt. Hon. J. G. DIEFENBAKER (Prime Minister). The honorable member for Essex West also intended to ask this question. Some few days ago the U.S. Ambassador suggested that it might be possible for me to meet with U.S. Senator DOUGLAS and Congressman YATES, one a Member of the Senate from Illinois and the other a Member of the House of Representatives from the same State. They were here this morning and I met with them, though they were not here in any sense as an official delegation, because the suggestion had been made that the meeting might provide an opportunity for them to place before the Government the views which

they hold respecting the bill which would provide for an additional diversion of water from Lake Michigan at Chicago.

I listened to the expression of their views and we had a very interesting talk together, but I may say without any equivocation that I was unable to offer them any hope that as a result of the expression of their views the known opposition of the Government of Canada to the bill would in any way be diminished.

That is clear enough, I think, to make it understandable to all that while I was very happy to meet with these gentlemen, their views did not alter the views expressed in the message to the Acting Secretary of State of the United States, sent by this Government on April 9.

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. WILEY. Yes, without losing the floor.

Mr. DOUGLAS. Let me ask the Senator from Wisconsin what was wrong concerning the visit of the Senator from Illinois and Representative YATES to the Prime Minister of Canada? What fault does the Senator from Wisconsin find with it?

Mr. WILEY. Does the Senator from Illinois ask what was wrong about it?

Mr. DOUGLAS. Yes; what, if anything, was wrong with that?

Mr. WILEY. I did not imply that anything was either right or improper.

Mr. DOUGLAS. Then why is the Senator from Wisconsin bringing up this matter?

Mr. WILEY. I am talking about the Senator's attempts to influence. I am talking about how the Senator from Illinois exerts his influence on the floor of the Senate, on Members of the Senate. I am talking about how he and the O'Brien outfit in the House of Representatives even got promises to vote so-and-so. That is what I am talking about. I am trying to expose the fact, so it will not happen again. I am saying that what we need is an exposition of the facts, and no more trips by Members to Canada, to visit the Prime Minister of Canada—for, after all, relationships between our Government and the Canadian Government are the function of our State Department—and no more attempts to get the Prime Minister of Canada to switch the views of Canada.

Mr. DOUGLAS. Mr. President, I make the point that the Senator from Wisconsin is out of order.

Mr. WILEY. Mr. President, I am not criticizing the Senator from Illinois. I could say that, in a sense, he is an awfully good contractor.

Mr. DOUGLAS. Mr. President, I make the point of order that the Senator from Wisconsin is out of order, and should be required to take his seat.

Mr. MANSFIELD. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The regular order is demanded; and the Senator from Wisconsin may proceed.

Mr. WILEY. I thank the Chair. Of course, I have the floor. It seems that, at least to some extent, I have gotten under the skin of the Senator from Illinois.

I was referring to the fact that the Senator from Illinois went to Canada, to attempt to meddle with governmental business in Canada. That is really something to think about. I do not know whether any bill or any law was involved. I am simply calling the facts to the attention of the Senate.

The Senate now has before it H.R. 1. The fact that only a few Senators are now in the Chamber indicates clearly that the attention of most Senators has been occupied by other matters. But I want the RECORD to stand; and I have been quoting from the debate which occurred in the Canadian House of Commons.

Mr. President, earlier today my attention was called to an editorial entitled "Snitching Great Lakes Water," which was published today in the Washington Post. In connection with the arguments I am making at this time, I desire to read part of one of the paragraphs of the editorial:

> Sponsors of the bill try to justify riding roughshod over Canada's wishes regarding these international waters by saying that officials in Ottawa have shifted their position in the last year. Spokesmen for Canada deny this emphatically, but even if it were true we do not see that it would have any substantial bearing on the issue now before the Senate.

I think the record shows very clearly, Mr. President, what effect a little bit of influence had in connection with the debate last year. I am sure it reached even into the State Department, at times.

But Canada reaffirms her position. She has stood firm, through the years, on this matter.

I wish to say very definitely that if the matter had not gone, last year, the way it did, the scalp of someone would have been nipped a little bit. I do not refer to any Senators; I refer to folks in the State Department, who, I am sure, were taking action not consistent with what Secretary Dulles knew on the subject.

Mr. President, as my dear associate would say, I am just getting into my speech; at this time I am really getting into it. He has done a wonderful job. Mine will not equal his, because, although he is young in years, he is old in wisdom; wisdom has really gotten into his gray matter, so that he can take care of almost anyone, on any occasion.

We recall the way he politicked in Wisconsin. He really had no trouble at all going up and down the highways and byways of that State, into the factories and onto the farms. He did not make any promises; he simply talked and proceeded to present the facts.

So, as—of course—one of the younger Members, myself, at this time I feel so chipper, as I contemplate this subject, that I shall certainly continue my remarks for another 3 or 4 hours; and then we shall see how the gentleman feels on the subject.

Mr. President, in pointing to the dangers of the pending bill, we are attempting to show that the bill is, first, against our domestic interests, and, second, threatens our relations with our good neighbor, Canada. However, the enactment of an ill-advised bill would also create danagerous far-reaching repercussions adverse to the U.S. interests around the globe. Historically, the United States has an honored reputation for living up to and carrying out in letter and in spirit our agreements with other nations. The proposed legislation before us threatens to negate that history, to destroy our reputation for integrity, honesty, dependability, and good faith in international negotiations.

As one who has been on the Foreign Relations Committee for a good many years, I submit, Mr. President, that this matter of international honesty, integrity, and dependability is not just talk. It is a matter that receives serious consideration in the U.S. Senate Foreign Relations Committee. If we make an agreement, we have got to know that the folks with whom we are dealing have got the character to carry through. That has been our policy through the centuries and the decades.

Mr. LAUSCHE. Amen.

Mr. WILEY. And good faith in our international negotiations is imperatively necessary. If we become the exponents of breaking faith, what effect will it have?

Let us look at a few ways by which the interests of the United States could be adversely affected. First of all, the evidence presented to the Senate is in the form of views of the Canadian Government. These are overwhelming proof that the pending legislation, if enacted, would be a definite violation of both the spirit and the letter of an agreement with that friendly country.

The proponents of this bill are proposing that we ignore these two protests of Canada; that we refuse to live up to the Boundary Waters Treaty of 1909 and the Niagara Treaty of 1950.

We had better ask ourselves such soul-searching questions as, What would this do to us in the eyes of the world? What would this mean, first, to the reputation, dignity, and stature of the United States, if we deliberately and flagrantly took action that violated the spirit and the letter of such international agreements?

Secondly, President Eisenhower is now traveling abroad to further cement understandings and agreements with Great Britain, Germany, and France. What would be the effect of the enactment of this treaty breaking legislation by the U. S. Congress?

What would be the effect? Well, I am sure that some of my colleagues heard the President say last night that we have lived in peace with Canada, without fortifications on a boundary line 3,000 miles long. Senators know what the effect would be if we set the example now of breaking agreements.

What would be the effect of the enactment of this treaty breaking legislation by the U.S. Congress? What would it do to our chances of reaching an agreement abroad? In effect, it would seriously handicap or contribute to destroying the purpose and hope for success of the President's mission.

But my objection, Mr. President, is deeper even than that. I am an American, and I believe in keeping faith. I believe that our agreements or treaties must be inviolate so far as we are concerned.

What would such action—and I am referring to passing the bill—do to future

negotiations for treaties, economic agreements, or any other negotiations between our country and other countries? Just this: The confidence of the nations of the world in our willingness to live up to treaties and agreements would be seriously undermined.

I hope each Senator will recognize the significance of his position. I just hope that the effect of his vote will reach back into his constituency, because the effect of voting for the bill would be, "I do not give a tinker's blank as to what our agreement with Canada is. I do not believe we have any business considering our treaties with Canada."

Such a vote might have serious effect on some persons at the next election.

A suggestion was made this morning by the distinguished Senator from Illinois, when he was talking about the voters in Chicago. Well, I have letters from Chicago; and if I had time, I could tell something about the district's actions and what the people think of the district. I am not going into that, because that would be just another diversion. That would be just following the tactics of my distinguished associate from Illinois. I am sticking to the point, to the issues. It does not make any difference in that respect what the neglect of the district has been, what it has been accused of; and I might say that the people of Chicago, by an overwhelming vote, want the district to clean up the mess, the same as the Supreme Court has said many times it was the function of the district to do.

And if at this time we very clearly indicate by an overwhelming vote that we want the district to clean up the mess, too, they will probably go ahead and do it. But if we delay or if we have a close vote which indicates that the Chicago bunch in the House can keep on having an excuse for being reelected each time by putting in these bills, then we will find out something different. I am asking, in the interest of international justice, international integrity, international dealings, that we keep faith.

I am also asking for order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOUGLAS. Mr. President, under rule XIX, I suggest that the Senator from Wisconsin is out of order and should take his seat.

Mr. WILEY. Mr. President, the Senator is not even asking a question. I object.

Mr. DOUGLAS. I understand the Senator from Wisconsin referred to me and my colleagues as "the Chicago bunch." This is a violation of rule XIX. I respectfully request the Chair to rule upon my point of order, and, if my point of order is well taken, that the Senator from Wisconsin be requested to take his seat.

Mr. WILEY. I do not yield for a point of order, Mr. President.

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. Under Senate Rule XIX, when a Senator reflects upon another State the Chair has no discretion but to ask the Senator to take his seat.

Mr. WILEY. May I be heard, Mr. President?

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. The Senator may proceed upon the adoption of a motion to that effect.

Mr. MAGNUSON. Mr. President, I move that the Senator from Wisconsin be permitted to proceed in order.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington. [Putting the question.]

Mr. DOUGLAS. Mr. President, reserving the right to object——

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Wisconsin may proceed in order.

Mr. WILEY. Mr. President, may I suggest also that the point of order, which I think the RECORD will show, is not in accordance with reflection on a State. My remarks related not to Illinois, but they related to the district. I want to get that clear. I want to say, if it were pertinent and if it were not another diversion, I would produce evidence right from the records; but I make it plain that that is not my point.

I wish to say, I shall abide by the rule, if I correctly understand it. Does it relate to the State?

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. WILEY. I should like to know whether the rule has application to a city or to a district, or whether it relates to a State.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that any reflection upon a portion of a State would be considered to be a reflection upon the State.

Mr. WILEY. Does the Presiding Officer refer to any section?

The PRESIDING OFFICER. Any reflection upon a portion of a State would be considered as a reflection upon the State.

Mr. WILEY. I will abide by the rule, but I must call attention to the fact that they are not all angels in Chicago.

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin may proceed. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. WILEY. Mr. President, I want to pursue my presentation.

I think the last thing I spoke of was: Thirdly, what would such action do to future negotiations for peace treaties, economic agreements, or any other negotiations between ourselves and other countries? That is a very important question, Mr. President. The confidence of the nations of the world in America must not be shaken by an action which would result from this proposal before the greatest deliberative body in the world.

Look at the Senators. Yes. Confidence must not be shaken.

Fourth, the enactment of legislation to authorize treatybreaking would be a tremendous boost—for what? It would aid Communist propaganda. Can Senators not see that? Can Senators not see what propaganda the Communists would send throughout the country? They would say, "America—America, which poses to be so clean, which poses to have such moral concepts, to never break its word—ah, look at what it has done. It has violated the treaty of 1909 and the treaty of 1950, setting up in detail the agreements."

The passage of the propsed legislation would be a tremendous boost to the Communist propaganda. Over and over we have accused the Communists of failing to live up to their agreements, of tearing up treaties, of violating in every possible way agreements which they have made with other countries. Who did that? We did that, on the floor of the Senate. We have spoken out time and time again. The Government of the United States, speaking through its department, has called attention to that fact.

Mr. President, we are asked to follow in their footsteps. We are asked to follow in the footsteps of the treaty breakers. Are we now to put ourselves in the position of aiding the Communists? Are we now to do that? Are we to be irresponsible? Are we to destroy the integrity—yes, the dependability—of a nation which, in the eyes of the world, now deserves the utmost respect?

If this should happen—and I sincerely hope it will not—Khrushchev could laugh at us at future East-West negotiations. That would be a wonderful reception for him when he comes to America. There is not any question about what he would put on the radio and television.

Khrushchev would tell us, "You have been posing as great international moralists. You have been talking about living up to agreements. You have been accusing me. What about your obligations under the 1909 treaty and under the 1950 treaty? What about your obligations under the St. Lawrence Seaway agreements, to maintain it intact?

Mr. President, the question of this threat to our national dignity and integrity is really a serious one. I have mentioned before how serious I think it is. I am going to repeat it.

In this world of tremendous friction and challenges, with possibilities of a catastrophic eruption, there is one thing we have to establish, which is that when America gives its word it keeps its word. When the President speaks, as he has, to Mr. Adenauer, and when he gives his word, we are going to keep his word. When the President speaks to the Prime Minister of Britain, as he spoke last night over the international television broadcast, we are going to keep his word. When the President goes to France, we will do likewise.

I feel we are going to keep faith with Canada. We are not going to permit ourselves to be sabotaged into a lot of weak thinking. Instead of being siphoned off up a blind alley, we are going to keep our eyes on the prime issue, which is that Canada and America have to live together and to work together, as they have in two wars fought together. So we are going to keep faith.

Rarely, if ever, in our history has there been such a concerted effort by a special interest to "throw to the winds" the traditional reputation for integrity, high

standards of conduct, good faith and conscientiousness which our country has had down through its history, as it has attempted to live up to its agreements.

I respect the proponents of this bill as good Americans. I can only believe that in this case their heads are under the water. They are not seeing beyond their local cause. They fail to realize the dangers—the far-reaching dangers inherent in this proposed legislation. I sincerely hope that this phase of my argument will have the effect of opening up their eyes and getting them out of this water which seems to embarrass them as they present their viewpoint.

In the note there was brought out the statement that every diversion of water from the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the basin for all purposes.

We can get down now into some of the facts relating to what we might call the domestic issue, which of course crosses with the foreign relations issue of our dealings with Canada. The Government of Canada, it was said, is objecting to any action which will have the effect of reducing the volume of water in the Great Lakes.

In relation to the second ground, the Supreme Court said in 266 U.S.:

> With regard to the second ground, the treaty of 1909 with Great Britain expressly provides against uses affecting the natural level or flow of boundary waters without authority of the United States or the Dominion of Canada within their respective jurisdictions and approval of the International Joint Commission agreed there.

The prominent word there is "uses." It provides against uses affecting the natural flow of boundary waters without the authority of the United States or of the Dominion of Canada.

Let me say, confirming the statement I have just made in relation to Canada's position, that diversion of water from the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the basin for all purposes, let me say that the language I have just quoted is also in substance the language of a great American, Henry L. Stimson, who in 1913 said:

> In a word, every drop of water taken out at Chicago necessarily tends to nullify costly improvements made under direct authority of Congress throughout the Great Lakes. (Marquette Law Review, 155.)

That is pretty clear. I think Mr. Stimson at that time was Secretary of State; I am not so sure. He said, among other things, that it would nullify expenditures of an amount of money, millions of dollars, as well as inflict even greater loss upon the navigation interests using such waters.

We will take now the provision that has been asserted by U.S. jurists, that article III of the treaty applies, that no further diversion shall be made without the approval of the International Joint Commission.

Yesterday there was quite a discussion of that, and if we take article III of the treaty we find that the statements made yesterday were pertinent and applicable. The court has said that if article III of the treaty applies, then no further diversion shall be made without the approval of the International Joint Commission. Is there any provision in there indicating that the proponents want to refer the question to the Commission for approval? Look at the bill. Of course I am discussing the first amendment.

The Niagara Treaty has been mentioned, and the specific inclusion of certain added waters in article III of the treaty emphasizes the underlying assumption that existing supplies will continue unabated.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield for a question, without losing my right to the floor.

Mr. LAUSCHE. Does the Senator from Wisconsin know and understand that at present the International Joint Commission is making an investigation, upon the joint request of the Dominion of Canada and the United States Government, about a proposed diversion of water in the Columbia River Basin 700 miles north of our border?

Mr. WILEY. Yes, I have that information. I thank the distinguished Senator from Ohio for bringing it up at this point, because it is very relevant. In other words, if we were to break the treaty we have, there is no question in my mind that Canada would have justification for doing the very thing the Senator mentions without approval of the Commission, because we both agreed that we would submit such matters to the Commission. This is absolutely what we might call a tangent effort, over and above our agreements in that regard, to get the Congress of the United States to do the dirty work.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. WILEY. Yes.

Mr. LAUSCHE. Is it not a fact that when Canada proposed to do some diverting of the headland waters of the Columbia River basin, our Government thought that the treaty of 1909 applied, and that our Government said, in effect, "Let's not get into a dispute about this. Call upon the duly constituted machinery, the International Joint Commission, to hear the testimony and render a decision"?

Mr. WILEY. I thank the distinguished Senator again. His statement is one of fact, a fact that I would have covered, but it will not be necessary now, because our Government and Canada have "played ball" for 140 years. They have never broken faith between each other. This is the first instance where anyone wants us to breach the faith by legislative action.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. WILEY. For a question.

Mr. LAUSCHE. Is it not a fact that when the Dominion of Canada submitted to the International Joint Commission the problem of the water use in the Columbia River Basin it in effect said, "We entered into a solemn agreement with you designating how disputes shall be settled, and we contemplate abiding by that solemn agreement"?

Mr. WILEY. I again thank the Senator. In that he is stating a very important fact of our relations with our great neighbor to the north. Through the decades, as I have said, ours has been a friendly relationship, based upon moral responsibility and legal responsibility.

Mr. LAUSCHE. Will the Senator yield for a further question, Mr. President?

Mr. WILEY. Under the conditions heretofore stated.

Mr. LAUSCHE. And is it not a fact that the Dominion of Canada in protesting this contemplated increase of a thousand cubic feet per second in the diversion at Chicago has called upon us to use the procedures set forth in the 1909 agreement to settle this misunderstanding?

Mr. WILEY. I think the Senator is correct. Again I state that it is pursuant to agreements between our two Governments. There is the 1909 treaty. Of course, that was a treaty with Great Britain, and after Canada became a Commonwealth she assumed the responsibility. What is more, she has lived up to everything in that treaty through the years. She has kept the faith. That is Canada, keeping the faith.

Mr. LAUSCHE. And is it not a fact that if the pending bill shall be enacted it will be the first time in our history, at least with Canada, that we have broken our word?

Mr. WILEY. I would not say at least with Canada. I should say that the American doctrine is that a treaty can only be abrogated by mutual consent of the parties. That has been our policy, and we have lived up to it.

Of course, when we found that we were attacked, that of itself, in several instances, made it necessary to abrogate a treaty, but there is no instance I know of where America, having entered into a valid treaty in relation to any subject, has broken faith. America has the reputation throughout the world of being a nation that keeps faith, that lives up to its word; moreover, it is the great helper of humanity. In the past 10 or 12 years we have spent some $60 billion in seeking to resuscitate nations of the world which were formerly our enemies. If the Senator heard the President last night, he knows that President Eisenhower and Mr. Macmillan agreed that one of the big challenges was to continue to see to it that some 600 million people or more living under submarginal conditions are given a helping hand. That is America. That is the Senator's country and my country. I will not be a party to putting a black mark against its name.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. WILEY. I yield.

Mr. LAUSCHE. Is it not a fact that on the floor of the Senate, on the floor of the House of Representatives, in the columns of the writers of the Nation, and in the words of commentators on television and radio, the argument has been repeatedly made that the word of the Soviet Communists and of the Red Chinese Communists cannot be depended on, because of repeated violations of international treaties?

Mr. WILEY. That is a correct statement. The same statement has been made on the floor of the Senate, in the press, and by those high in authority. That is one of our present problems. The President went to Europe with the idea of consolidating the West, obtaining unity of approach. He is doing one of the great jobs of history. I take off my hat to him. When Khrushchev comes over here, I am satisfied that what President Eisenhower is accomplishing over there will have an effect on Khrushchev.

But we recognize that while the Russian people—some 200 million of them—are good people, the philosophy of Khrushchev and his crowd is not the same as ours. They do not think as we do. They have not the same moral responsibility. As a consequence, when agreements are made, we shall have to be wary. We must keep our powder dry, our eyes open, and our ability to take care of ourselves intact.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. WILEY. I yield for a question.

Mr. LAUSCHE. Is it not a fact that in the general approach of the Red Soviets to responsibilities, and to what we recognize as justice, they interpret words and make their decisions on the basis of what will best serve their cause? In other words, everything that is helpful to Soviet Russia is right. All that is neutral or harmful is wrong; and on that basis they approach their responsibilities.

Mr. WILEY. In reply to that statement, let me say that I believe the common people of Russia have moral responsibility. This is not the first time in the history of the world when great bodies of people have been under the influence and thumb of a few who have precipitated great international catastrophies. History records the fact that ambition is a tremendous force for evil. We have seen it in the case of Hitler and the Kaiser. In the development of the history of the people of the world we have seen how Britain, France, Spain, and other nations have sensed, as they thought, the need for world domination. Before them came Greece and Rome, and before them Egypt and other nations.

But the world is different now. If such a process were to start again, by intercontinental bombs and missiles we could destroy the race.

Second, the issue is so important and conditions are so different that we learn to keep faith with governments, either through fear of what might happen if faith were broken, or through an understanding of the divine principles of brotherhood. In that way we can get results.

We do not believe that the Kremlin sees things as we do. It has done a stupendous job for the Kremlin. With our assistance their nanny goat was saved. They have now precipitated revolution all over the world, based upon several factors, the first of which is the submarginal living standard of many peoples; second, a desire for political freedom. The leaders in the Kremlin have given aid to revolutions. They are indulging in that practice now. They are undoubtedly behind the Chinese attack on Tibet. There is no question that in Southeast Asia they are precipitating the Communist drive.

All those things bring us to this conclusion: When we talk, words mean different things. If we were to talk about moral responsibility to Khrushchev, as the Senator has suggested, he would not understand what we were talking about. His idea is based upon the lust for power, for world domination—one world, under the domination of him and his group. That is his mission. It seems to me that we should realize that we must not, by our own acts, contribute toward making him more effective on the world's stage.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Ohio for a further question?

Mr. WILEY. I am glad to yield provided I do not lose the floor.

Mr. LAUSCHE. In the opinion of the Senator from Wisconsin, what would the reaction of our American citizenry be if there were brought pointedly to their knowledge the fact that the U.S. Senate is asked to violate a solemn promise and agreement made by the United States with the United Kingdom and with the Dominion of Canada?

Mr. WILEY. I have great faith in the moral responsibility of our people. I was brought up in a Christian home. I am sensitive of the fact that one of the things that was taught was, "Never give your word unless you can keep it."

What is needed in the world is more spiritual perception, so to speak—a comprehension of the verities of life. I am satisfied that among the one-hundred-seventy-odd-million Americans there is the fundamental conclusion that if and when the facts are known, they will resent the enactment of such a proposal as is before us. I am satisfied that they are a people who keep the faith, especially when relationships between our country and another country are involved.

That is the strength of our Government. That is what gives President Eisenhower strength in Europe. The people of Europe know America. They know the history of America. They know how we have kept faith during the decades and centuries.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. WILEY. I yield.

Mr. LAUSCHE. I wish the Senator would express his appraisal of what the impact would be upon our youth if they were told that the U.S. Senate, designedly and with full knowledge of the facts, had decided to break a solemn promise and agreement which our Government had made with the Dominion of Canada and the United Kingdom.

Mr. WILEY. That is a very important question, and one which has had my consideration through the years in my own life. What is my impact upon youth, so far as I may have a little influence? In my humble opinion the effect of what the Senator describes would be very detrimental. I am satisfied that it would give impetus to the "roughnecks" we read about in New York, Chicago, and elsewhere—people who break faith with society, those who feel that they have no obligation to be honest, those who feel that theirs is to be a life of ruthlessness.

In my opinion, today we are debating an issue which has consequences which neither the Senator nor I can foresee. We can simply conjecture. Yet we know, that in the homes where the children are taught Christian morality, to keep faith, and to live decent lives, if and when Khrushchev or others start their propaganda, and the word goes out that we are breaking faith with our best friend, the effect will be very detrimental to the stability of the youth of our Nation.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. WILEY. I yield.

Mr. LAUSCHE. Will the Senator please express his opinion on this statement: No greater responsibility and service rest with a government than, by its conduct to its citizenry, to demonstrate that it believes in the basic virtues of life, and especially in the obligation to keep one's word.

Mr. WILEY. I respond by saying that I am very grateful that the great State of Ohio has sent its distinguished senior Senator to the Senate. I have marveled at his grasp of the spiritual verities. I have heard him, in our little breakfast group, discuss the fundamentals of life. The Senator is making a great contribution to the thinking of America. I hope his ideas will receive wide circulation. The senior Senator from Ohio is discussing something so fundamental—so fundamental—I repeat it the third time: so fundamental—that we cannot ignore that issue in this particular matter.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. WILEY. Let me conclude. Then I will yield.

I am satisfied that the Senator from Ohio has brought up in his interrogations today things which will make it possible for me not to have to carry on a great deal longer, because I was going into the moral issues, which the Senator from Ohio grasped so fundamentally, and which are involved in this very matter. They will have an impact upon not only the youth of America but also upon the older people of America.

I thank the Senator from Ohio. He has done great work heretofore by asking questions, and he is doing a greater work now in his questions because he is bringing home to all of us a responsibility which we must not overlook.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield.

Mr. DOUGLAS. In the Christian boyhood of the senior Senator from Wisconsin, to which he has alluded, did he learn the Ten Commandments?

Mr. WILEY. I think I learned them. Did the Senator from Illinois?

Mr. DOUGLAS. Does the Senator remember the Commandment: Thou shalt not bear false witness?

Mr. WILEY. Yes. I have never seen anyone who bore more false witness than

the Senator from Illinois in his argument. I have heard it; I have listened to it.

Now may I continue? Are there any further questions from the distinguished Senator from Ohio?

Mr. LAUSCHE. I should like to ask a further question.

Mr. WILEY. I yield provided I do not lose the floor.

Mr. LAUSCHE. Has the Senator from Wisconsin either read or heard the argument that Soviet Russia violated its treaty with Poland, and stabbed Poland in the back? That Soviet Russia violated its treaty with Germany, and engaged in a war with Germany? That Red China promised religious freedom to the Tibetans and broke its word? That Soviet Russia, in agreements made by Stalin, Churchill, Roosevelt, and Truman, promised that the citizens of the captive nations—I think there are 17 of them—were to have the right, by ballot, to determine the type of government they wanted, and that that right of ballot was denied?

Mr. WILEY. I am very familiar with those matter, which have had our consideration, and which have at least opened the eyes of some of us to what might be called the pervading philosophy of the Kremlin. It will be realized, of course, that when those treaties were broken, much suffering was caused. It is all a part of the push, so to speak, in which the Kremlin is engaged for world domination. If they cannot do it by their own effort, they will get some of their stooges to go ahead and do the job.

The Senator from Ohio refers to the fact that the Soviet Government broke its word, its agreements, and its treaties. That is what they want us to do in this instance.

Mr. LAUSCHE. I thank the Senator from Wisconsin.

Mr. WILEY. I read from the Niagara Treaty of 1950:

> The specific inclusion of certain added waters in article III of the treaty emphasizes the underlying assumption that existing supplies of water will continue unabated.

Who said that? In the first place, our Court has said it, in substance. In the next place, the Government of Canada has said it. The assumption is that the water supply will remain unabated. Is the taking of another 1,000 feet on top of the 3,300 feet something which was settled by a judgment of the Court? Not by Congress, but by the Court? Subsequent applications have been made. To whom? They tried the Court; they have not tried Congress. Have we not enough to do without settling this difference? Or will we go ahead and become embroiled, session after session, in this matter?

I suggest that the U.S. Senate, in no unmistakable terms, settle the matter by voting so overwhelmingly that the proponents of the bill will not expect to come back next year again with it.

> In addition to these provisions, there is a further agreement of far-reaching importance. Power development in the Provinces of Ontario and Quebec is predicated upon agreed criteria for regulations of the flow of the St. Lawrence River.

We have agreed with Canada to maintain the flow of the St. Lawrence River so as to provide for power development.

> The order of approval of the International Joint Commission of October 29, 1952, as supplemented on July 2, 1956, and accepted by both our governments, forms the basis for the construction and operation of the hydroelectric power installations in the international section of the St. Lawrence River.

Some of us have seen that development. Some of us have had a little to do with it. Some of us do not want that international development damaged. I repeat:

> The order of approval of the International Joint Commission of October 29, 1952, as supplemented on July 2, 1956, and accepted by both our governments—

Let us get back again to 1956—

> accepted by both our governments, forms the basis for the construction and operation of the hydroelectric power installations in the international section of the St. Lawrence River.

Mr. President, in that area Canada and the United States are, together, building great powerplants from which power is being distributed; and in all that great undertaking, the two countries are playing ball together.

But now some want to have that fine relationship broken.

Mr. President, the criterion of the order of 1956 and the order of approval assumes a continuous diversion out of the Great Lakes Basin limited to 3,100 or 3,200 cubic feet of water a second. But now Chicago wants to be allowed to divert an additional 1,000 cubic feet of water a second.

Mr. President, it is stated by the highest authority that the agreement provided for limiting the diversion at Chicago to the present 3,100 or 3,200 cubic feet of water a second; and Chicago knew that.

Mr. LAUSCHE. Mr. President, will the Senator from Wisconsin yield for a question in regard to the point he is making?

Mr. WILEY. I yield for a question, without losing my right to the floor.

Mr. LAUSCHE. Is the Senator from Wisconsin familiar with the statement beginning on page 575 of the book on international law, written by Charles C. Hyde, formerly Legal Adviser for the Department of State, and a longtime professor of international law at Columbia University, and presently considered the most eminent authority on international law in the last half century; and I ask the Senator from Wisconsin to comment on the statement, which deals with the proposed Great Lakes-St. Lawrence Waterway:

> SEC. 184A. Proposed Great Lakes-St. Lawrence Deep Waterway: Recognizing that the construction of a deep waterway, not less than 27 feet in depth, for navigation from the interior of the continent of North America, through the Great Lakes and the St. Lawrence River to the sea, with the development of waterpower incidental thereto, would result in marked and enduring benefits to the agricultural, manufacturing and commercial interests of both countries; and recognizing also the desirability of effecting a permanent settlement of the questions raised by the diversion of waters from or into the Great Lakes system, the United States and Canada signed at Washington, July 18, 1932, the so-called Great Lakes-St. Lawrence Deep Waterway Treaty. The plan, which contemplated regulated diversions, was one which, nevertheless, subordinated the appropriations of water to the maintenance of desired levels of the Great Lakes system. Not only was there elaborate provision for the construction of appropriate works by both contracting parties, but there were also specific limitations imposed touching the amounts and the purposes of appropriations of water in specified sections of the area involved. Thus there were arrangements for the utilization of water for the production of power on either side of the international boundary in what was described as the International Rapids Section. Careful arrangement was made for the preservation of the levels of the Great Lakes System. Accordingly, it was provided that the diversion of water through the Chicago Drainage Canal—

And I call special attention to the following—

> should conform to the quantity provided under the decree of the Supreme Court of the United States of April 21, 1930; and also that in the event that the American Government should propose, in order to meet an emergency, an increase in the permitted diversion, to which the Canadian Government took exception, the matter should be submitted for final decision to an arbitral tribunal, which should be empowered to authorize, for such time and to such extent as was necessary to meet the emergency, an increase in the diversion of water beyond the limits of the decree of the Supreme Court, and to stipulate such compensatory provisions as it might deem just and equitable.

And is the Senator from Wisconsin also familiar with the fact that in the negotiations which went on and in the agreement which finally was made, it was specifically stipulated that the diversion at Chicago would be fixed at the level established by the Court in its 1930 decree?

Mr. WILEY. Mr. President, I wish to thank the distinguished Senator from Ohio for reading that very fine passage. As he will recall, he and I were in the same office when we looked at the book from which the Senator from Ohio has been reading. He will also remember that earlier today I referred to the fact that the 1930 agreement settled that matter. But now we find that some seek to abrogate that agreement, and seek to do so by unilateral action.

I must also say that the 1956 decision of the International Joint Commission, which is accepted by both Governments, forms the basis of the operation of the works in the international section of the St. Lawrence River; and, in that connection, recognition has been given to the terms of the previous stipulation in regard to the removal of 3,100 cubic feet of water a second.

Mr. LAUSCHE. Mr. President, is the Senator from Wisconsin also aware that the author of this book, who is one of the most distinguished writers on this subject in the last half century, also wrote the following:

> It was also provided that no diversion of water, other than the foregoing, from the Great Lakes system, or from the international section to another watershed should thereafter be made, except by authorization

of the International Joint Commission established pursuant to the Boundary Waters Treaty of January 11, 1909 (on which the United States and Canada had equal representation).

Mr. WILEY. Mr. President, again I thank the distinguished Senator from Ohio. As I have said, I am proud to know him. He is making a great contribution to our consideration of this matter—as he does in connection with every matter on which he speaks, because he has such a fine mind and he has learned so very much in the university of hard knocks.

Mr. LAUSCHE. I thank the Senator from Wisconsin.

Mr. President, will the Senator from Wisconsin yield for another question?

Mr. WILEY. I yield for a question, without losing the floor.

Mr. LAUSCHE. Is it not a fact that throughout the entire history of our country, as regards her relationships with Canada, our country has entered into agreements which have fixed her rights and responsibilities, and there has never been an instance in which our Government has created a situation which has caused the Government of Canada to protest an action contemplated by our Government, until the making of the present attempt?

Mr. WILEY. That is correct. Since 1812 or 1814, we have never had any difference or difficulty with Canda; and even in 1812 and 1814, the difference our country had was with Britain.

But the point we make is that, through the years, Canada and the United States have set an outstanding example of the highest morality in international relationships. They have kept the faith; they have kept the agreements they have made with each other. The result is that today there are no battle wagons on the Great Lakes, and there are no fortifications on that 3,000-mile border—as was referred to so eloquently, on yesterday, by the President of the United States.

Mr. President, we must keep our relationships with Canada that way. We must maintain the great confidence which the peoples of the two countries have in each other. We must make sure that those fine relationships continue. If we do not, well, we are simply stirring up something that our children and our children's children will have to deal with. I am not going to be a party to that kind of action.

Now, I want to continue.

Navigation and commercial interests depend upon maintenance of the water level as the basis upon which channel enlargement has been designed, in order that vessels of deeper draft may proceed with full draft to and from the ports of the upper Great Lakes.

That goes to the question of, What are we going to do? Are we going to deprive ourselves of our inheritance? We, of the Middle West, feel that the great fourth seacoast which has been built by this country and Canada is to be maintained by us, and not dissipated by any action, one way or another.

The construction of the St. Lawrence Seaway, in legislation between the two countries, in several exchanges of notes concerning the construction and operation of the seaway, is all based upon the assumption and understanding that there will not be unilateral action repugnant to the purposes of the legislation.

Withdrawal of water from the Great Lakes Basin would materially affect operation of the St. Lawrence Seaway. Who said that? Well, the Prime Minister of Canada said that. Is he the only one? No; the Supreme Court said that in 1925, in 266 United States 405.

I might quote further what the Court said with regard to the treaty of 1909:

[The treaty] expressly provides against uses affecting the natural level or flow of boundary waters without authority of the United States or the Dominion of Canada.

It was our Supreme Court who said that. As I said before, the distinguished district representatives have time and again applied to the Court for relief; but now they want the Congress of the United States to take action, though the matter is pending in the Supreme Court and the Supreme Court has appointed a master.

Mr. President, I want to set something right. In the course of the debate, a statement was made to the effect that Secretary of State Root had made a statement that the treaty of 1909 was not intended to cover Lake Michigan as a boundary water; that he (Root) said that the treaty provided for prenavigation of both countries in Lake Michigan as long as the treaty remained in force. This is away back about 1910. However, the boundary waters treaty and its application to Chicago came to the attention of the Supreme Court in a suit filed by the Federal Government—let us understand that, filed by your Government and mine, Mr. President—against the Sanitary District of Chicago, wherein the United States sought to enjoin the diversion of the waters of Lake Michigan in excess at that time of 4,167 cubic feet per second authorized by the Secretary of War.

Well, the Court said—266 United States 405—with regard to this ground that "the treaty of 1909 with Great Britain expressly provides against uses affecting the natural level or flow of boundary waters without authority of the United States or the Dominion of Canada within their respective jurisdictions and approval of the International Joint Commission thereon."

Mr. LAUSCHE. Mr. President, will the Senator yield on that point for a question?

Mr. WILEY. Yes; without my losing the right to the floor.

Mr. LAUSCHE. Did I correctly understand the Senator to quote what the Supreme Court said?

Mr. WILEY. That is right. I quoted what the Supreme Court said.

Mr. LAUSCHE. Will the Senator yield for a further question?

Mr. WILEY. Yes.

Mr. LAUSCHE. Did the Supreme Court say that under the treaty no diversion could be made increasing the flow to above what it was determined it should be in the 1930 decision?

Mr. WILEY. No; this is a 1925 case. The 1930 case reiterated the position the Senator is asking about.

Mr. LAUSCHE. Will the Senator yield for a further question?

Mr. WILEY. Yes; without yielding the floor.

Mr. LAUSCHE. Will the Senator please read again what the Supreme Court said concerning the manner in which consent had to be obtained to authorize a diversion?

Mr. WILEY. I shall have to read the language I have here, which I think in part answers the question. I would have to have the case in front of me. If I were arguing in court, I would have that volume. I am presenting what I think is the important issue, because it is raised by the opposition here, which is the statement by Secretary Root. The Supreme Court has time and time again set aside that point, even on the application of Chicago. It has granted Chicago relief in its application for additional water at times when conditions got so bad that Chicago needed it. But the Supreme Court also said to Chicago, time and time again, "Clean up your mess. Go to it. Build up sanitary works. Do not defer any longer."

I shall quote one of the decisions later, not today, because I understand the Senator from Ohio wants to take the floor, and I shall be very happy to let a better man talk.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. WILEY. I yield.

Mr. LAUSCHE. If the Senator asks me whether I want him to yield the floor in favor of me, does he know my answer will be to let the Senator from Wisconsin keep on talking?

Mr. WILEY. Again I feel complimented. Let me again say that the Court used the language that I have suggested, but Secretary of War Stimson in 1913—and this is part of the answer the Senator wants—expressed the opinion that the boundary waters treaty of 1909 did not sanction the Chicago diversion and that such questions should, in accordance with the terms of the treaty, be placed before the International Joint Commission.

I want to repeat that the proponents threw the matter about Secretary Root in the debate simply to confuse the issue. Ever since his expression, the Court has taken jurisdiction, first, on the application of the Federal Government; second, on the application of the district; third, on the application of the various States that received a raw deal in this matter. So the Court has jurisdiction.

What was the issue? Should more water be diverted? Then it was that in 1930 the Supreme Court said, "This settles it. We will permit a diversion up to 3,200 cubic feet per second." The Court permitted it because of conditions and because the district had not built up its works, which the district had been told previously by the Supreme Court to do. Because the district had not built up sanitary works, the Supreme Court permitted it to have an additional amount, and moderated it so that by a certain time—I think it was in 1939—

the amount had to be brought to 3,100 or 3,200 cubic feet.

Those are the facts. Now they are applying again. So the point raised has gone out the window at least a dozen times.

Today, the diversion of waters of the Great Lakes-St. Lawrence system through the Chicago drainage canal is governed by the Supreme Court decision of April 21, 1930, and averages 1,500 cubic feet per second plus domestic pumpage of 1,700 cubic feet per second, or a total of 3,200 cubic feet per second. That is the situation as it is. But we have to remember that the Supreme Court has maintained jurisdiction. The Supreme Court has jurisdiction. It appointed a special master recently, which shows its jurisdiction. In spite of that, the Illinois drainage district wants the Senate of the United States to take over. One point I want to emphasize is that since the day on which the bill was originally referred, new and highly significant evidence of Canada's objection has been presented to the United States. I want to repeat that. Since the bill was presented Canada has come forth twice, emphatically stating its position. The appropriate forum for the analysis and evaluation of the bases for the objections is the Committee on Foreign Relations. Our relations with our good neighbor to the north have come a long way since our own Northwest rang with cries of "fifty-four forty or fight." Through long years of working patiently toward peaceful solution of mutual problems, the United States and Canada have become cotrustees of the natural resources of the North American Continent, and cotrustees, to a large extent, of the peace of the world. If we create differences, what will be done by some of these Communists who are reaching out, in all directions, to take over? What will be the effect on our relations with South America, to say nothing of the effect on the rest of the world? We are the cotrustees of the peace of the world. If we break faith, we may set an example which may interfere with that cotrusteeship.

Are we to throw away these long years of cooperation and turn a deaf ear to our cotrustee when she voices grave doubts about the legality of a unilateral move we are planning? Or are we going to study those objections and weigh those doubts and make our decision only after a thorough evaluation of the issues? These international issues have not been thoroughly examined yet.

These issues are numerous. They are complex. They should be explored and evaluated during the course of the debate on the floor of the Senate, but they should also be examined in the Committee on Foreign Relations.

The Canadian objections to this bill should be given careful analysis in the Committee on Foreign Relations so that they may be there distilled by the members of this body whose function is to consider all matters pertaining to relations of the United States with foreign nations.

Mr. President, I repeat, when the bill came from the House and was sent to the committee—not to the Committee on Foreign Relations—the committee received a note from the Secretary of State setting forth what I have talked about today. The committee received a copy of the Canadian note. But it received more than that. The committee received evidence from the Canadian congressional record, if we want to call it that. After the committee had reported the fact to the Senate, again the Canadian Government sent its note of August 21, in which it reiterated its objection and in which it said, among other things, that "the Government of Canada explicitly reaffirms the position set forth at length in the above-mentioned note."

The Canadian Ambassador said, in no uncertain terms.

In the view of my Government any additional diversion of water out of the Great Lakes watershed would be inconsistent with existing agreements and arrangements which together constitute an agreed regime with respect to these waters.

The Ambassador said:

The proposed unilateral derogation—

Those are awfully good words, "unilateral derogation"—or kicking Canada in the teeth—

from the existing regime therefore occasions serious concern in Canada.

Mr. President, I shall yield the floor in a few moments. I shall engage in this battle until it terminates. I shall have much more to say later on.

At this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GORE. Mr. President, I yield to the junior Senator from Wisconsin.

Mr. PROXMIRE. I ask the distinguished Senator from Tennessee to observe the time. Is it now not after 2:30?

Mr. GORE. That is right; yes.

Mr. PROXMIRE. Is it not true that the Senate convened this morning at 10 o'clock?

Mr. GORE. That is true.

Mr. PROXMIRE. Would the Senator from Tennessee be surprised to learn that this is the first quorum call the Senate has had today?

Mr. GORE. I should not be surprised, because I have been listening.

Mr. PROXMIRE. Would the Senator not agree that it is customary, when it is desired on the part of opponents of a bill to delay, to engage in dilatory tactics, to frequently suggest the absence of a quorum? Is that not true?

Mr. GORE. Well, it is true in some cases. It would not necessarily be true in all.

I do not understand the purpose of this catechism. I rose to address the Senate on another subject.

Mr. PROXMIRE. I thank the Senator from Tennessee for yielding to permit the Senator from Wisconsin to make this point. Will the Senator yield just a little further?

Mr. GORE. I yield.

Mr. PROXMIRE. Is it not true that if the opponents of the pending bill desired to delay a vote on the bill, rather than discuss its merits, they could with very little effort have suggested frequently the absence of a quorum, rather than engage, at substantial effort to themselves, in stating as fully as they could their position on the bill for the enlightenment of the Senate?

Mr. GORE. I agree that a number of parliamentary maneuvers are available to those who wish to use them for dilatory purposes or otherwise. I have not noticed any such parliamentary maneuvers today.

Mr. PROXMIRE. I ask the Senator to yield for a concluding question.

Mr. GORE. I yield.

Mr. PROXMIRE. Is it not true that the opponents of H.R. 1 have made absolutely no use whatsoever of the quorum call as a dilatory measure to prevent a vote today?

Mr. GORE. If so, I am not aware of it.

Mr. PROXMIRE. I thank the Senator.

Mr. DOUGLAS. Mr. President, is it not also true that live quorum calls were demanded on three or four occasions in previous days? Is it not also true that there have been no quorum calls today because these very able filibusters would be taken off their feet, so that what they are parading as a virtue has really been a parliamentary device, and is not this a further tribute to the astuteness of the incipient great filibuster here, the junior Senator from Wisconsin?

Mr. GORE. Mr. President, I hold the senior Senator from Illinois and the junior Senator from Wisconsin in the highest esteem and in a state of warm personal affection. However, I had no intention of stepping into this matter. I wish to address the Senate upon a very serious subject.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 6. An act to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons;

S. 464. An act for the relief of Julia Mydlak;

S. 640. An act for the relief of Annibale Giovanni Pellegrini;

S. 690. An act to provide for the increased use of agricultural products for industrial purposes;

S. 977. An act for the relief of Nassibeh Mildred Milkie;

S. 1171. An act for the relief of Katharina Hoeger;

S. 1627. An act for the relief of Mrs. Paula Deml;

S. 1837. An act for the relief of Marguerite Fueller; and

S. 2162. An act to provide a health benefits program for Government employees.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1516. An act for the relief of Juan D. Quintos, Jaime Hernandez, Delfin Buencamino, Soledad Gomez, Nieves G. Argonza, Felididdad G. Sarayba, Carmen Vda de Gomez, Perfecta B. Quintos, and Bienvenida San Augustin;

H.R. 1593. An act for the relief of Melvin H. Baker and Frances V. Baker;

H.R. 1607. An act for the relief of Mrs. Anne Morgan;

H.R. 1639. An act for the relief of Patrick Muldoon;

H.R. 2164. An act to reduce the cabaret tax from 20 to 10 percent;

H.R. 2310. An act for the relief of Hoo W. Yuey;

H.R. 2582. An act for the relief of the Worthington Oil Refiners, Inc.;

H.R. 2707. An act for the relief of Gustav K. Broecker;

H.R. 3115. An act for the relief of Doris A. Reese;

H.R. 3524. An act for the relief of Sister Carolina (Antonietta Vallo), Sister Noemi (Francesca Carbone), Sister Marta (Sabine Guglielmi), Sister Rafaella (Angela Sicolo), Sister Maria Annunziata (Teresa Carbone), and Sister Maria (Carolina Nutricati);

H.R. 3781. An act for the relief of Mrs. Anna Loftis;

H.R. 3782. An act for the relief of the estate of Willard Phillips;

H.R. 4826. An act for the relief of Arthur E. Collins;

H.R. 5160. An act for the relief of William Joseph Vincent;

H.R. 6023. An act for the relief of William J. Kaiser;

H.R. 6081. An act for the relief of M. Sgt. Emery C. Jones;

H.R. 6136. An act to authorize the sale of certain tribal land of the Lac du Flambeau Band of Lake Superior Chippewa Indians, Wisconsin;

H.R. 6402. An act for the relief of Victor Stiglic;

H.R. 6449. An act for the relief of Mrs. Virginia Miles;

H.R. 6720. An act for the relief of Andrew Choa;

H.R. 6809. An act for the relief of Lt. (jg.) James W. Little;

H.R. 6948. An act for the relief of Miss Marion A. Cramer;

H.R. 7116. An act for the relief of George W. Gibson;

H.R. 7256. An act for the relief of Miss Remedios Villanueva;

H.R. 7365. An act for the relief of Mrs. Nell C. Player;

H.R. 7379. An act to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes;

H.R. 7447. An act for the relief of Paul Levitt;

H.R. 7476. An act to extend for 2 additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution control;

H.R. 7640. An act for the relief of James F. Conroy;

H.R. 7889. An act to require marketing quotas for rice when the total supply exceeds the normal supply;

H.R. 8042. An act to authorize the Secretary of Commerce to resell four C1–SAY–1 type vessels to the Government of the Republic of China for use in Chinese trade in Far East and Near East waters exclusively;

H.R. 8217. An act for the relief of Orville J. Henke;

H.R. 8251. An act for the relief of Tatsumi Ajisaka and others;

H.R. 8312. An act for the relief of Arthur C. Berry and others;

H.R. 8437. An act to provide for the reinstatement and validation of United States oil and gas lease BLM O28500; and

H.R. 8653. An act for the relief of American President Lines, Ltd., Nitto Shosen Co., Ltd., and Koninklijke Java-China-Paketvaart Lijnen N.V. (Royal Interocean Lines).

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H.R. 1516. An act for the relief of Juan D. Quintos, Jamie Hernandez, Delfin Buencamino, Soledad Gomez, Nieves G. Argonza, Felididad G. Sarayba, Carmen Vda de Gomez, Perfecta B. Quintos, and Bivenvenida San Augustin;

H.R. 1593. An act for the relief of Melvin H. Baker and Frances V. Baker;

H.R. 1607. An act for the relief of Mrs. Anne Morgan;

H.R. 1639. An act for the relief of Patrick Muldoon;

H.R. 2310. An act for the relief of Hoo W. Yuey;

H.R. 2582. An act for the relief of the Worthington Oil Refiners, Inc.;

H.R. 2707. An act for the relief of Gustav K. Broecker;

H.R. 3115. An act for the relief of Doris A. Reese;

H.R. 3524. An act for the relief of Sister Carolina (Antonietta Vallo), Sister Noemi (Francesca Carbone), Sister Marta (Sabine Guglielmi), Sister Rafaella (Angela Sicolo), Sister Maria Annunziata (Teresa Carbone), and Sister Maria (Carolina Nutricati);

H.R. 3781. An act for the relief of Mrs. Anna Loftis;

H.R. 3782. An act for the relief of the estate of Willard Phillips;

H.R. 4826. An act for the relief of Arthur E. Collins;

H.R. 5160. An act for the relief of William Joseph Vincent;

H.R. 6023. An act for the relief of William J. Kaiser;

H.R. 6081. An act for the relief of M. Sgt. Emery C. Jones;

H.R. 6402. An act for the relief of Victor Stiglic;

H.R. 6449. An act for the relief of Mrs. Virginia Miles;

H.R. 6720. An act for the relief of Andrew Choa;

H.R. 6809. An act for the relief of Lt. (jg.) James W. Little;

H.R. 6948. An act for the relief of Miss Marion A. Cramer;

H.R. 7116. An act for the relief of George W. Gibson;

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H.R. 8251. An act for the relief of Tatsumi Ajisaka and others;

H.R. 8312. An act for the relief of Arthur C. Berry and others; and

H.R. 8653. An act for the relief of American President Lines, Ltd., Nitto Shosen Co., Ltd., and Koninklijke Java-China-Paketvaart Lijnen N.V. (Royal Interocean Lines); to the Committee on the Judiciary.

H.R. 2164. An act to reduce the cabaret tax from 20 to 10 percent; to the Committee on Finance.

H.R. 6136. An act to authorize the sale of certain tribal land of the Lac du Flambeau Band of Lake Superior Chippewa Indians, Wisconsin; and

H.R. 8437. An act to provide for the reinstatement and validation of U.S. oil and gas lease BLM O28500; to the Committee on Interior and Insular Affairs.

H.R. 7379. An act to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interests, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7476. An act to extend for 2 additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution control; placed on the calendar.

H.R. 7889. An act to require marketing quotas for rice when the total supply exceeds the normal supply; to the Committee on Agriculture and Forestry.

H.R. 8042. An act to authorize the Secretary of Commerce to resell four C1–SAY–1 type vessels to the Government of the Republic of China for use in Chinese trade in Far East and Near East waters exclusively; to the Committee on Interstate and Foreign Commerce.

INTEREST RATES ON GOVERNMENT BONDS

Mr. GORE. Mr. President, yesterday 39 issues of U.S. Government bonds sold at alltime total lows.

Mr. President, there was a state of alarm in many financial circles yesterday. There is a state of uneasiness prevailing throughout our country.

While some pretend that all of this is a happenstance, while some pretend that the Government has no policy which brings this about, while some contend that this is a mere accident, I find that this rise in the prime interest rate which was put into effect yesterday was forecast in an article in the Evening Star of last June 12, and for those who contend that the action of the Government has no bearing upon the interest-rate structure of the country, I suggest that they read this article. It was written by Donald B. Hadley.

Mr. Hadley conducted an interview with the banks of the city of Washington. I should like to read his article. It is worth, in my opinion, the attention of the Senate.

This is under date of June 12, just about the same time, Mr. President, that officials of our Government were undertaking to lead the public to believe that the action of the Federal Reserve System in raising the rediscount rate, which it had just done, would not result in increased interest rates throughout our country.

I should like to read the article, which is as follows:

Washington bank borrowers are beginning to feel the effects of the latest increase in Federal Reserve System rediscount rates and the prime rate of New York banks.

Rates on renewals and new loans have been raised in the last 2 weeks by most Washington banks and the result has been a certain amount of shopping around by borrowers for the best possible terms.

Extent of the increases are difficult to determine, but for all but the smallest loans they have amounted to around half of a percentage point. Many who have paid 5½ percent must now pay 6 percent. The smallest loans will be affected little, especially where maximum rates already are being charged.

D.C. BANKS LENT UP

While customers shopped around, their activities were somewhat limited by the

fact that Washington banks in general are just about lent up and there is not much rush to lend more money. A number of institutions would have to borrow from the Federal Reserve on rising rates or sell bonds and they do not desire to do this.

Another reason the bankers are not interested in competing for loans is that New York bankers are predicting a further rise in the prime rate before the end of the year. Commonly mentioned in the predictions is a 5 percent rate.

Self-protection requires bankers to keep in line with competitive rates in times of credit stringency, one banking leader pointed out today.

"Some of our customers may think we raise rates to make more money, but we keep our ears to the ground and our rates in line with our competitors so as to avoid being swamped with demands for loans," he said.

"Word gets around fast if one bank does not go along with higher rates and terrific pressure builds up for loans, some of it from depositors and businessmen who have been associated with the bank. It might make it impossible to serve our regular customers properly."

BANKERS MUST PAY MORE

The Federal Reserve Banks' rediscount rates, the interest which banks must pay if they have to borrow funds for relending purposes, were raised to 3½ percent recently.

New York City banks raised the prime rate on bank loans to 4½ percent from 4 percent and banks all over the country follow this lead because the largest supply of lendable money is there.

Mr. President, I invite attention to the fact that this article was written on June 12. This prediction came true yesterday. It was clearly understood that it would come true. In fact, but for some speeches on the floor of the U.S. Senate, according to an article in the Wall Street Journal, the New York banks would have put this interest-rate increase in effect sooner. Let me read from an article in the Wall Street Journal of yesterday. It was printed before the rate went into effect. It states that the banks had contemplated raising consumer loan rates earlier during the summer, but "held off when President Eisenhower's proposal to remove the 4¼-percent ceiling on longer term Government bonds stirred protests in Congress against higher interest rates generally."

They delayed a while because there were protests in Congress about rising interest rates. But the Congress is about to adjourn, so they proceed to put this increase into effect.

I express the view that had Congress approved the request of the administration to give the approval of the U.S. Congress to the high-interest-rate policy, the prime rate would now be even greater than 5 percent.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. ANDERSON. The able Senator from Tennessee spoke before the Senate many, many times about the gradual drop in the prices of Government bonds. Yesterday, according to the morning newspapers, certain Government bonds dropped half a point, or sixteen thirty-seconds, on the market.

I invite the Senator's attention to this fact only because there was an article in one of the newspapers to the effect that President Eisenhower, before taking off for Europe, sent a special message to the Senate and House, and said, in effect, "Give Secretary of the Treasury Anderson the power he needs to do his job."

He wants to raise the ceiling on E-bonds. Why should a person buy an E-bond when he can buy a 2½-percent bonds of 1961 which yields 4.92%? The quotation in this morning's Washington Post shows that 2½-percent bonds of 1961 were quoted yesterday at 94.28 bid and 95 asked. The column in the Post which shows the yield indicates that the yield on that type of bond is 4.92%. If a man wants a 2-year investment, he can buy that bond and get nearly 5 percent. If he wants a 4-year investment, he can buy a 2½-percent bond of 1963, which, according to the morning newspaper, yields 4.77%, and nearly 8½ points in capital gains, which is a very low rate of taxation.

If a man wants a 6-year investment, he can buy a 2⅝-percent bond of 1965 for 89.24, with a yield of 4.76%.

Does not that point up what the Senator from Tennessee was calling attention to all last spring and the year before, that the tight money policy was driving down the value of securities which had been bought by working people on payroll collection plans, with the guarantee of the United States behind them?

Mr. GORE. I think it does, and I think the figures the able Senator has cited demonstrate that while this policy may be a bonanza to a few people, it spells economic harm or disaster to many people.

Mr. ANDERSON. Mr. President, will the Senator further yield?

Mr. GORE. I yield.

Mr. ANDERSON. The article states that the Congress has given the "ho-hum" to the request to do something about the rate on E-bonds. Is it not a pretty good thing to call attention to the fact that when people buy E-bonds, they can go into the market and buy much higher yielding bonds without difficulty?

Mr. GORE. The Senator is correct.

Mr. ANDERSON. The Congress has been trying to say to people, "Save your money." But they are not so happy when they find themselves in a situation in which, having saved their money and bought bonds, the bonds which they bought for $100 have dropped to $89. I think it is a very bad thing for people who have bought such bonds, as well as for the credit of the United States, to have them drop to extremely low points.

Mr. GORE. I should like to inquire of the Senator if it is not a matter of his personal knowledge that many small banks in the United States would be bankrupt today if they listed their Government bond portfolios at market prices?

Mr. ANDERSON. I would never say that a bank could be bankrupt; but I will put it this way: I believe that many banks across the United States would have to substantially reduce the amounts they carried in their surplus accounts if they put their Government bonds in at what they are worth.

One day I came across the statement of one particular bank which had a few million dollars in capital surplus, but a $1 million loss in its Treasury bond account. That is not a permanent loss, perhaps, but it is a pretty serious loss.

Mr. GORE. If a bank sustained a loss on its Government bond portfolio greater than its net assets, would it not be bankrupt, whether we wish to use that term or not?

Mr. ANDERSON. I do not know of a bank that has sustained a loss greater than its capital structure, because I am sure the Government would be required to do something. Banks are allowed to carry the figures representing capital surplus on their letterheads and windows, and in announcements to the public.

The fact is that the Government bond list has gone down so much that it presents a very serious problem to the banks.

Mr. GORE. Is it not true that the Government, the FDIC, and the bank examiners, permit banks to list their holdings of Government bonds at par value, instead of market value?

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. I have sought verification of that, and of what happened to the banks which have substantial amounts of long-term Government obligations. I was advised by the FDIC that it is the standard policy, backed up by the law, that the banks can account for such bonds in their reserves at either their par value, which would be 100 cents on the dollar, or at market value.

Thus, as I understand from the FDIC, they can take a writeoff of capital losses, and if they are in a highly profitable position they enjoy a certain tax advantage by being able to write down these bonds.

Second, a small bank, which may have a large portfolio of long-term Government bonds in its reserves, is subject to criticism by the examiner if the portfolio is not sufficiently balanced by short-term Government bonds. Thus the U.S. Government securities are placed in the same category as are doubtful loans which have been made the bank, and the examiner criticizes the bank if the proportion of holdings is not well balanced as between long-term and short-term bonds.

This is the ultimate of disregard for securities issued in the name of the U.S. Government. It is the direct result of the Government-enforced and Government-promulgated policy of raising interest rates, and thus lowering the market values of every single security which is out.

The 2½-percent bond is worth less for every one-fourth of 1 percent interest which the new securities bear. Yet we have put Government interest rates on an escalator by direct Government action which was not authorized by Congress.

Congress has consistently voted rate increases for GI housing, FHA, and similar forms of loans. But the Government was not satisfied with the legislative increases in interest rates on all

Government-insured mortgages and securities. The Government has raised interest rates administratively, such as on Farmers Home Administration loans. They have done it to the full extent of their authority. So no stone has been left unturned by this administration to force upward, upward, and upward, in an ever-increasing, rapidly moving spiral, the cost of borrowing money, first, for the U.S. Government, which must be paid for by the taxpayers; and, second, for persons who must borrow money for businesses or farm operations, and whose interest rate is directly related to the interest rate which the Government is currently paying.

I compliment the Senator from Tennessee [Mr. GORE], the Senator from New Mexico [Mr. ANDERSON], the Senator from Colorado [Mr. CARROLL], the Senator from Illinois [Mr. DOUGLAS], the Senator from Wisconsin [Mr. PROXMIRE], and many other Senators, who have consistently voted against this policy which will drive us into a worse inflation, and sooner or later into a "bust" which will be the rival of any depression the Nation has ever had.

Mr. GORE. I thank the Senator from Oklahoma. Does not this action mean that the cost of living will go higher?

Mr. MONRONEY. Interest rates today figure heavily in almost every substantial purchase which any buyer makes. If he buys a car, the interest cost is generally about 10 percent more. If he buys a home, interest will be 20 or 25 percent of the cost of the home. The cost of the groceries he buys reflects the upward interest rate which the processors must pay for their expanded plants. The little businessman must pay the increased cost of interest. It is a cost of living which is added as a result in Government policy.

Mr. GORE. I yield to the Senator from New Mexico.

Mr. ANDERSON. I enter into the colloquy only to compliment the Senator from Tennessee for calling attention to the situation now, as he has done many times in the past. The import of the article this morning was that the Treasury cannot issue long-term bonds at very high interest rates. What that does to the national debt is plenty. The cost of servicing the national debt has gone up $2 billion in the last 2 years. If the Government could issue more long-term bonds at 5 percent, it would saddle on this country a long-term debt of staggering proportions.

Mr. GORE. I believe the able Senator from New Mexico was present at a meeting of the Committee on Finance within the last 2 or 3 months, at which Mr. Stans, the Director of the Bureau of the Budget, admitted to the committee that the increased cost of interest on the national debt was $500 million in excess of what he had estimated it to be in the budget presented in January.

Mr. ANDERSON. The Senator from Tennessee is quite correct. Mr. Stans gave that as an explanation of why the budget would be out of balance.

Mr. GORE. So the administration has unbalanced its own budget by driving the interest rate artificially higher.

Mr. ANDERSON. I could not agree with the Senator more.

Mr. GORE. That either condemns the administration as the worst forecaster in history or the worst manager of the public debt in history, if not both.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. I only wish that some of the financial writers and others who purport to give basic information on what Congress is doing would at least publicize the fact that President Eisenhower in his message to Congress was asking for power which no President in our history, from George Washington down to Dwight Eisenhower, has ever enjoyed. Up until the period of World War II, every President in history had to seek the authority from Congress for the dollar amount of each bond issue and for the rate of interest which would be paid upon those bonds. No President had the authority, even since World War I, to issue bonds without the direct authority of Congress for the issuance of the bonds, and the authority to pay a definite, fixed interest rate at which Congress authorized long-term bonds to be floated.

During World War I, the constant need for the replenishment of Government resources led Congress to grant authority to the then Secretary of the Treasury, Carter Glass, to issue bonds without fixed limits as to the amount. But the 4¼-percent long-term interest ceiling which has been in effect since World War I was placed on those bonds as a part of the historic right of Congress to maintain control over the currency. We have lived under the 4¼-percent ceiling since World War I. Yet, without considering this historic practice, the President has come before Congress in the closing days of the session and has asked for an unlimited interest rate on long-term bonds without Congress having any right whatever to say what the limit shall be. This action should be explained and made known to the American people, who are so conscious of the executive grab for power.

The Senator from Tennessee remembers the days of President Franklin Roosevelt. It was he who drove down the interest rates and tried to break the stranglehold of the big banking interests on the money markets. Whenever he asked for additional Presidential power, the heavens fell in in editorial criticism. Yet the man in the White House today has asked for something which no President in history has ever enjoyed, and we are told editorially that Congress must supinely lie down and yield its vast power so as to commit the Government, for 20 or 25 years, to paying interest rates which will run somewhere above 4¼ percent, perhaps to 5 percent, 6 percent, or 10 percent. Once issued on a 20- or 25-year basis, there is no recall. So even if Congress should grant an extension of 1 or 2 years, the Government would pay through the nose for 20 years for whatever high interest rate is fixed on the long-term bonds.

Mr. GORE. The refusal of Congress to be pressured by the administration and the big-money interests into placing its stamp of approval upon the high interest rate, tight money policy is one of the proud performances of Congress.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. Is the Senator familiar with an article which was published in the Washington Post and Times Herald this morning, under the byline of Mr. J. A. Livingston, and entitled "A Matter of Justice to Government Bond Buyers"?

Mr. GORE. I did not read the article, I am sorry to say.

Mr. CLARK. Mr. Livingston is also a reporter for the Philadelphia Evening Bulletin. His column is syndicated. Therefore, its publication in the Washington Post is a matter of peculiar interest to me. I understand the Senator from Tennessee has the article before him. I call his attention to the next to the last paragraph of the article, which reads:

> For Congress to adjourn without acting on the interest rates would be irresponsible.

I wonder whether my friend, the Senator from Tennessee, agrees with that rather strong statement.

Mr. GORE. I thoroughly disagree with it. I believe it would be very hurtful to the country for Congress to place its stamp of approval upon the tight money policy. Congress should stand firm. Congress should use its constitutional power to force the administration to abandon its unwise monetary policy, which is driving interest rates to artificial and historic heights.

Mr. CLARK. Does not the Senator from Tennessee agree with me that for Mr. Livingston to make such a statement is, in itself, irresponsible?

Mr. GORE. I am not acquainted with the degree of capacity of Mr. Livingston to understand the monetary situation. If he understands it, and still makes such a statement, it is irresponsible. If he does not know the subject about which he writes, his statement would be characterized as ill-informed chatter.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield further?

Mr. GORE. I yield.

Mr. CLARK. Mr. Livingston is a well-known financial writer of what might be called the Ricardian school of economics—a school entirely obsolete and thoroughly discredited, but much in vogue with big bankers and Wall Street financiers. It is the same school of economics to which Mr. Edward Collins belongs; and he has been writing Ricardian articles which have been published not only in the New York Times news columns but also editorials in the same fine newspaper.

I should like to suggest to my colleagues that those in the administration who are so complacent about rising interest rates, which make it far more difficult for the Government to balance the budget and stabilize its financial operations, should read more modern economics and should pay more attention to what is recommended by Members of Congress who have studied this matter, and should pay a little less attention to what writers such as the ones to whom

I have referred are saying on this subject.

Mr. GORE. I have read the writings of the gentleman to whom the able Senator from Pennsylvania has referred, and upon occasion I have wondered whether they have studied anything later than the writings of Adam Smith.

Mr. CLARK. The same thought has occurred to me.

Mr. GORE. And I have wondered whether they are aware of the current economic facts of life.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield further?

Mr. GORE. I yield.

Mr. CLARK. Mr. Livingston further stated in the article—after saying that it "would be irresponsible" for Congress to adjourn "without acting on the interest rates"—

> It would justify President Eisenhower's calling a special session.

The other day, on the floor of the Senate, my friend, the Senator from Tennessee, and the junior Senator from Wisconsin [Mr. PROXMIRE], whom I also see in the Chamber at this time, suggested that it might be wise to call a special session on the subject, so that Congress could educate not only the financial writers of New York and Philadelphia, but also the people of America, in regard to the economic folly behind the high-interest-rate policy of the Treasury and the Federal Reserve Board.

Does the Senator from Tennessee agree with that suggestion?

Mr. GORE. Of course; it was my suggestion.

Mr. CLARK. Does my friend, the Senator from Tennessee, still adhere to that suggestion?

Mr. GORE. Yes, for I believe it might well serve the public interest to have a time set aside—as a special session of Congress for that purpose would provide—to thoroughly discuss the disastrous consequences of the unwise inflationary policy which is being foisted on the American people by an administration which, on the one hand, claims it has no such policy and, on the other, asks the Congress to endorse its policy.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield further?

Mr. GORE. I yield.

Mr. CLARK. I ask the Senator from Tennessee to comment on the further statement by Mr. Livingston:

> When the Treasury has no alternative but to sell strictly short-term securities, it is putting out the closest thing possible to irredeemable paper money.

Does the Senator from Tennessee agree that "the Treasury has no alternative but to sell strictly short-term securities"?

Mr. GORE. No; I thoroughly disagree.

Mr. CLARK. Is it not true that the Federal Reserve Board could move into the situation and in all likelihood could, in a relatively short time, bring the interest rates back to somewhere near where they should be, if our friends on the other side of the aisle would stop shouting panic every time the interest rate went up one-tenth of 1 percent?

Mr. GORE. Yes. In that connection, I wish to cite the record. In 1957, when the recession was tightening and the 1958 elections were approaching, the administration decided to reverse its tight money policies—at least, temporarily. Mr. Humphrey retired as Secretary of the Treasury, and renewed his career of quail hunting and steel or money making; and a new Secretary of the Treasury came into office. At that time the new Secretary was interested in lowering the interest rate on Government obligations and in lowering other interest rates in the country. In this objective, he informed me, that he would have the support and the prestige of President Eisenhower.

During the first 9 months after he took office, seven Government bond issues were sold, at successively lower rates of interest. The first bond issue he floated was at 4 percent. The issue sold in June of last year was marketed at 2¾ percent.

So, Mr. President, in answer to the question asked by the able Senator from Pennsylvania, I cite the record: The Government not only can, but it has, and it can again; it is a question of determination of policy and a question of action by our Government in which is vested the constitutional power to regulate the value of money.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield further?

Mr. GORE. I yield.

Mr. CLARK. In that period, did not the Federal Reserve Board cooperate with the Treasury in bringing down the interest rates?

Mr. GORE. That is a matter of record, and it is true.

Mr. CLARK. Would not similar action by the Federal Reserve Board have the same result today?

Mr. GORE. There is no question whatever that this is within the power of the Government—and it has been demonstrated time and time again; and that makes me wonder how it is that so many men of sincerity undertake to tell the American people that the high interest rates now in effect came about purely by accident.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield further?

Mr. GORE. I yield.

Mr. CLARK. Is it not true that in each instance during the 9-month period to which the Senator from Tennessee referred a moment ago, the Government bond issue at a low interest rate was oversubscribed?

Mr. GORE. I am informed that in every instance that was true.

Mr. CLARK. In conclusion, let me say that, as regards Mr. Livingston, Mr. Collins, and similar writers who endorse the position of Wall Street and the Treasury and the big New York banks, my comment would be, "Forgive them, for they know not what they do."

Mr. MONRONEY. Mr. President, will the Senator from Tennessee yield to me?

Mr. CAPEHART. Mr. President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield first to the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, would not the Senator from Tennessee say that at a period of time when the Government is being threatened with having to pay exorbitant interest rates to outside purchasers of its securities, the Federal Reserve—having in mind its public duty as the central bank of the United States—should at least buy during that period a few more bonds of longer maturities?

Mr. GORE. I think the Federal Reserve should do so; and I think it is remiss in the performance of its duty and is failing to perform its statutory function.

However, I believe it is complying fully with the wishes and the policy of the administration.

Mr. MONRONEY. Mr. President, will the Senator from Tennessee yield further?

Mr. GORE. I yield.

Mr. MONRONEY. But although it is the duty of the Federal Reserve to assist in the tremendous task of the management of the public debt, at this critical period—so critical that the President has even threatened to call a special session of Congress, in order to have Congress raise the statutory interest rate, which has stood since World War I—the holdings of the Federal Reserve System are lower than they were at the corresponding time last year. At a time when the long-term holdings of the Federal Reserve should be increased, the Federal Reserve is decreasing its portfolio of long-term maturities, and is increasing its holdings of short-term maturities. This seems to me to be a case of "Wrong Way Corrigan" if they are trying to assist in the management of the public debt.

Mr. GORE. Not only is the performance of the Government self-defeating in the regard to which the Senator has made reference; the higher interest rates being forced and encouraged by the Government are now encouraging the banks, as the able junior Senator from New Mexico pointed out, to sell holdings or portions of bank holdings in Government bonds, in order to make some profitable investments. That is reported in the New York Times of today, on page 40–C.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. GORE. I will yield if the Senator will let me complete reading the article from the Star. I lack only about three paragraphs. I want to complete reading the article in the Star that appeared on June 12, 1959. This, let me repeat, is the article of an industrious, inquiring, and enterprising reporter, who, at a time when spokesmen in the U.S. Congress and spokesmen appearing on behalf of the administration before a congressional committee were undertaking to say that a rise in the rediscount rate by the Federal Reserve would have no result in raising commercial interest rates, wrote a very interesting and challenging article. I will continue to read:

> Self-protection requires bankers to keep in line with competitive rates in times of credit stringency, one banking leader pointed out today.
>
> Some of our customers may think we raise rates to make more money—

Is it not remarkable that some customer might have such a thought? It is perfectly astounding that the thought would ever occur to an American citizen that interest rates were being raised in order that banks might make more money. But, improbable as this may appear, the banker says some people actually think that. The heretic had better watch out: he may not get a loan.

Let me continue his quotation:

but we keep our ears to the ground and our rates in line with our competitors so as to avoid being swamped with demands for loans.

Word gets around fast if one bank does not go along with higher rates, terrific pressure builds up for loans, some of it from depositors and businessmen who have been associated with the bank. It might make it impossible to serve our regular customers properly.

The Federal Reserve Bank's rediscount rates, the interest which banks must pay if they have to borrow funds for relending purposes, were raised to 3½ percent recently.

New York City banks raised the prime rate on bank loans to 4½ percent from 4 percent, and banks all over the country follow this lead because the largest supply of lendable money is there.

That is the end of the article. I wish to point out that within one 12-month period—within less than a 12-month period, by a few days—the prime interest rate charged by the New York banks has been raised 1½ percent, from 3½ to 5 percent. If Congress should place its stamp of approval upon this tight money policy, I warn the Senate that in the last year of a moribund administration, yielding as it is, and as it has, to the interests of big money combines, the prime rate might advance by another 1½ percent during the next 12 months.

This is a disastrous policy for the small businessman who must borrow in order to stay in business. It is restricting the growth of our national economy. During a period when we are in a cold war contest with the Communist world, we have had an average growth in our national gross product of only about 1½ percent a year, while that of the Soviet Union is reported to be 8 percent per year. How is that winning the cold war economic battle?

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. GORE. I yield to the senior Senator from Indiana.

Mr. CAPEHART. Would the Senator give me just a moment to possibly explain the other side of the coin?

Mr. GORE. I will yield for a question, and then I will be glad to listen to the Senator's speech.

Mr. CAPEHART. The question is, Is not there another side of this coin, namely, that it is almost impossible to sell Government bonds at a lesser interest rate than one can buy mortgages for or buy existing loans for? For example, bonds today are selling for 85 in order to yield an interest rate of a little more than 4 percent.

Mr. GORE. The Senator is slightly in error. They are selling as low as 80 today.

Mr. CAPEHART. They are selling at a very low figure. The question is, How do we expect the Federal Government or the Secretary of the Treasury to sell Government bonds? He will have to sell about $80 billion worth this year at a lesser interest rate than people can get in other investments. For example, I will not ask the visitors in the galleries to stand who own E- or H-bonds, or perhaps other Government bonds or insurance policies issued by companies whose money is invested in bonds, but are these people going to continue to buy or hold E-bonds or H-bonds, when they can dispose of them and invest in other securities which pay them a larger rate of interest? They will not do it.

Mr. GORE. I shall be glad to respond to the questions of my friend, the distinguished Senator from Indiana. I agree with him that there are two sides to this coin. I am on the people's side of the coin, on the side of the people who must borrow, the interest of the people who must buy on installment, the interest of the small businessman, the interest of the citizens of the country whose welfare is involved in a growing, developing, expanding national economy. Those interests are involved on the side of the coin with which I am associated, and those who wish to preserve and reward the status quo are on the other side of the coin.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. GORE. The Senator asked a series of questions. I have replied only partially to one of them. I must reply to the others.

The able Senator has asked how the Treasury Department can market the bonds. The Senator was in the Chamber when I related the experience of the Government during the first 9 months of the incumbency of the present Secretary of the Treasury, which preceded the 1958 election. I wonder if the Senator could explain how the Government succeeded, during those 9 months, in lowering the interest rate not only on Government bonds but also in the commercial banks of the country?

Mr. CAPEHART. May I answer that question?

Mr. GORE. Yes.

Mr. CAPEHART. It is the same sincere, conscientious Secretary of the Treasury that we have today who was then involved. I am certain the Secretary dislikes as much as I, or as the able Senator from Tennessee, the fact that interest rates are going up.

Mr. GORE. The Senator is not answering how it was done. Will the Senator tell me how the Government performed that sleight of hand act?

Mr. CAPEHART. I do not know that I can. I do not know that I want to take the time to do it. All I know is that the same Secretary of the Treasury today says that for him to properly handle the financial matters of this Nation he must have an increase in the interest rate on E- and H-bonds, and he must have an increase in the interest rates on new bonds which he sells, because the interest rates on all other things have gone up.

Mr. GORE. The able Senator says that is all he knows. I do not so deprecate the Senator. I think he knows far more than that. I think the Senator is well aware that this policy has not been the result of accident. I think the Senator is well aware that the results are not "happenchance." I think the Senator is well aware that policies of the Government have produced these results. I think the Senator is well aware that these results have been intended. I do not deprecate the able Senator.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CAPEHART. I think the results of World War II, the results of a $290 billion debt, the results of excessive spending over the years, the results of the increase in the prosperity of the Nation, and the results of the increase in the gross national debt have required more money to handle the financial matters. The competition for money is the same as the competition for any other service which is rendered in the United States.

Mr. GORE. Well——

Mr. CAPEHART. Will the Senator let me finish, please?

Mr. GORE. I have the floor, please.

Mr. CAPEHART. The Senator had his opportunity.

Mr. GORE. The Senator has said that more money is required because of the growth and expansion both of the population and of the economy. I wish to quote a New York banker, from a story which was published in the Wall Street Journal on yesterday:

We are being squeezed for money. I'd say the climate is right for a rate increase.

Yes, the supply has been squeezed. Instead of there being a supply adequate to meet the growing demands, as the able Senator has described with such great southernlike eloquence, the supply is being squeezed, and the situation was created which is described in yesterday morning's Wall Street Journal by a banker with the statement: "I'd say the climate is right for a rate increase."

Yes, the climate was right for an increase. It had been carefully prepared.

And it occurred before sundown of the same day.

Now I yield.

Mr. CAPEHART. There is no question that there is a greater demand today for loans than ever before in the history of this Nation. There is no question that the national debt is bigger today than it was ever before in the history of this Nation.

Mr. GORE. Not in comparison——

Mr. CAPEHART. Let me finish, please.

Mr. GORE. I know the Senator wants to state the full facts. It is not bigger, in comparison with the gross national product.

Mr. CAPEHART. I am saying, if I may continue——

Mr. GORE. Yes; the Senator may continue.

Mr. CAPEHART. The Federal debt and the debts of States, cities, and counties are all greater today than ever before in American history. The debts of individuals in America are greater today than ever before in the history of this Nation. The gross national product

is bigger today. That means we are doing more business. More people are employed, at higher wages.

All of this requires more money. That means there is competition for the money, and that means the people who have the money to loan want more interest. I refer to the little people, to the big people, and to the middle-class people who have money to loan. These are the people who buy the E-bonds, the H-bonds, and other bonds. These are the people who deposit money in the banks. We ought to encourage them to do so. They are demanding higher interest rates, greater interest rates, because everything they buy—shoes, clothing, automobiles, groceries, and everything else—is higher in price.

Mr. GORE. I desire to reply to the Senator.

Mr. CAPEHART. Let me finish, please.

Mr. GORE. I want to reply to the first part of the Senator's statement.

Mr. CAPEHART. Let me finish.

Mr. GORE. I will reply to the first part of the statement of the Senator and then yield.

Mr. CAPEHART. Is the Senator afraid to hear what I am about to say?

Mr. GORE. I appreciate what the able Senator is saying. I do not want the Senator to make one statement, however, and then rush to another without reply. I wish first to reply to the statement the able Senator has made, that there is a greater demand for money, that there is a greater need for money, and that there is a need for more money.

I should like to ask the Senator, do higher interest rates create more money? Or, do higher interest rates solve the problem which the able Senator has described?

Mr. CAPEHART. Will the Senator let me answer?

Mr. GORE. I will.

Mr. CAPEHART. That does not necessarily create higher interest rates or lower interest rates. The fact remains that people are not going to buy Government bonds at a lower interest rate than they will receive if they buy other kinds of securities.

Mr. GORE. That is begging the question.

Mr. CAPEHART. That is not begging the question at all.

Mr. GORE. I asked the Senator how these higher interest rates solved the problem which he so eloquently described. There is a need for more money to meet the growing demands of a large number of people and an expanding economy.

How do high interest rates meet that demand?

Mr. CAPEHART. They do not meet the demand.

Mr. GORE. Very well.

Mr. CAPEHART. I did not say they did.

Mr. GORE. That is exactly what I said.

Mr. CAPEHART. What I said was that there is a greater demand for money, which means that people are competing for the money, and the people who have money naturally are going to loan money to the person who will pay the highest interest rate. That is all I said.

What the Senator is saying is that the Secretary of the Treasury in some way, some how, can change this. I do not understand exactly how the Senator expects the Secretary of the Treasury to do it, unless he wants the Federal Reserve to buy all the bonds.

Mr. GORE. Will the Senator explain how the Secretary of the Treasury or how the Government of the United States succeeded in doing so for a whole 9-month period?

The Senator is the ranking Republican on the Senate Committee on Banking and Currency. The Senator is a man who is affluent—and I congratulate him for it—in his personal affairs, a man who is knowledgeable in the field of finance. The Senator has said that his knowledge is limited in this field, but I recognize him to be possessed of a great deal of knowledge, much more than he admits.

How can the Senator explain this miracle which came about? Was it the result of a waving of a wand? Was it the result of sleight of hand? Was it the result of a policy deliberately followed by the Government of the United States?

Mr. CAPEHART. I wish I had the records before me at the moment so that I might answer the question.

Mr. GORE. Will the Senator get the records and put them in the RECORD?

Mr. CAPEHART. Wait a minute, please.

Mr. GORE. Mr. President, I ask unanimous consent that the senior Senator from Indiana may have permission to insert in the RECORD an explanation of how the Government accomplished this miracle for the 9-month period to which I have referred.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. GORE. The Senator from Indiana now has the unanimous consent of the U.S. Senate to get all the facts at his command and to give to the Senate an explanation of how the Government performed this supposedly impossible feat in a Republican administration of lowering interest rates as an election approached.

Now I yield.

Mr. CAPEHART. I want to say this. What I said a moment ago was, and I repeat it, that it was the same administration and the same Secretary of the Treasury——

Mr. GORE. There is no doubt about that. That is admitted.

Mr. CAPEHART. Wait a minute—that accomplished what you are talking about, and I think they are sincere and conscientious, and I think that if they could sell bonds today at half the interest rates, they would do so. I think I know that they are up against a very, very serious problem, and I want to say this to the Senator from Tennessee, that if we refuse to permit the Government to increase interest rates and the price of Government bonds goes down and down and foreign holders of gold in this country and of bonds become frightened and they withdraw gold from this country as a result of this policy, I say to you that you may have chaos in this country and I do not want to be a party to it. I do not want to so discourage people from buying Government bonds because the interest rate is so low that we will have chaos in this country and get ourselves into a lot of trouble.

Mr. GORE. I recognize that the Senator does not want to be a party——

Mr. CAPEHART. Will the Senator yield further?

Mr. GORE. Not just now. I recognize that the Senator does not want to be a party to the policies which the next Democratic administration will inaugurate. I realize that he prefers the present policy, the tight money policy. I realize that he may not be victimized by it, but while he may not suffer from it, while he may not deplore it, millions and millions of people who are being driven out of business and into bankruptcy, who are suffering from this policy, deplore it and do not endorse it.

I wish to quote once again from the article in the Wall Street Journal of yesterday which further describes this situation:

> New York bankers testify that the growing tightness of money extends beyond New York. "Out-of-town banks call upon us continually, wanting us to take a piece of this or that loan."

Says an official of one New York City bank: "We can see the money supply grow tighter as we sit here at the desk."

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. GORE. I just promised to yield to the junior Senator from New Mexico.

Mr. CAPEHART. Do you not prove your own point?

Mr. ANDERSON. When the statement is made that we must have a higher interest rate to induce people to buy bonds, the Secretary of the Treasury wants to increase E- and H-bonds from 3.126 to 3.75. I wonder if he knows the present quotations on Government bonds?

If I were to buy a Government bond which I could cash in at the end of 1 year, instead of buying an E-bond I could buy a Treasury 2⅛ of 1960 at 97.13 yielding 4.31%. If I wanted a 2-year bond, I could get a Treasury 2½ of 1961 priced at 94.28 and get a yield of 4.92%, a terrific yield for a short-term bond.

Would anyone be stupid enough to buy a bond at 3.25 when he can get 4.92?

I remember a businessman who was very sick. He was 75 years old. A friend said to him, "Don't you worry. You will get well. You will be around here when you are 100."

He looked at the friend and he said, "Oh, no. I am a businessman. You are a businessman. God is a businessman. Do you think He will take me for a hundred when He can get me for seventy-five?"

Would anybody take an E-bond for 3.26 when he can get 4.92?

Something must be done other than constantly raising the price of money. The Treasury, as the able Senator from Tennessee pointed out, said the budget was off $500 million because the interest rate was not high enough. If we take the lid off now, it will be off at least a billion dollars next year, and perhaps more. The cost of servicing the national debt increased $2 billion in the past 3 or 4 years.

Mr. GORE. And the cost of building a school, a hospital, a sewer line, a waterworks project is going up and up until it is beyond the reach of many small communities throughout our land.

Mr. ANDERSON. I wonder if the Senator from Tennessee knows that in the last few days there have been indications that the commercial mortgage rate on high-grade commercial properites is up to 5½ percent? I discussed with the head of a very large financial institution just a few days ago what the policy in the future is going to be. He said we will be up to 6 percent before the first of the year, probably by the first of November.

When we jump the interest rate up that far, we place a burden on business, we place a burden on every transaction, we contribute to inflation.

I am glad the Senator from Tennessee is worried about that, because people who own houses or people who are going to have to come in to make new mortgages will be faced with this, and it is a very serious problem.

I do not believe that we are going to be able to sell bonds by granting authority to raise rates on long-range financing.

Mr. GORE. So long as the Government has a policy of pushing interest rate levels higher and higher, who wishes to buy a bond at 4, 4¼, or even 5 when he is on notice that the Government is following a policy to push it below par almost as quickly as it is sold?

Mr. ANDERSON. If he wanted to buy a 10-year bond, he would buy a Treasury 2½ of 1969 with an early maturity of 1964 if he wanted to cash it in. Those are selling at 82 and 16/32s, a yield of 4.71, nearly 4¾ percent on a 10-year bond. Part of it is on a capital gains basis, which makes it very attractive.

Mr. CAPEHART. Will the Senator yield?

Mr. GORE. And those who bought such bonds 1 month ago have already lost money.

Mr. ANDERSON. Exactly.

Mr. GORE. And under this policy those who buy even at the rates which the Senator has quoted will have lost money 60 days from now. How can the Government expect to stabilize interest rates when it has a policy of pushing them higher and higher? What we need in this Government is a determination to put the public welfare first. What we need in this Government is a policy of interest rate stabilization. It can be done. It has been done. It must be done.

I yield now to the——

Mr. CAPEHART. Will the Senator yield?

Mr. GORE. I promised to yield to the junior Senator from Colorado. If the Senator will be patient a moment, I yield to the junior Senator from Colorado.

Mr. CARROLL. Mr. President, I thought perhaps we could reduce to simple terms some of the definitions. For example, when we refer to a prime rate of interest, we mean, as I understand it, the rate of interest charged the most preferential customer. For example, if a New York bank raises its prime rate of interest to 5 percent, what does this do to the small businessman at home who is not a preferential customer of that bank? The Senator from Tennessee has said that in a year or a year and a half the prime rate of interest has been increased from 3½ to 5 percent.

Mr. GORE. That is within the last year.

Mr. CARROLL. Yes. That is right. How will that reflect itself down to the small businessman in State after State throughout the country?

Mr. GORE. It means in my State higher and higher rates of interest, and it means in New York already a 5-percent prime rate, but this article in the Wall Street Journal says that the banks require those who borrow to keep at least 20 percent of the amount they borrow on deposit, which means that the prime rate is actually 6 percent instead of 5. It means that this increase will be reflected all over the land from the Atlantic to the Pacific, the gulf to the Canadian border, and it means that every housewife will face the tough problem of making ends meet with her household budget. It means that the cost of living will go higher and higher in coming months.

Mr. CARROLL. That is exactly the point I wished to bring out. Whether the borrower is the automobile dealer at home, or whether people go to the local bank at home, if the preferential customer must pay 5 percent in New York, one can imagine what borrowers will have to pay in the rural and mountain areas of the West. The rate will go to 6, 7, or 8 percent.

I think one of the most important contributions of the distinguished Senator from Tennessee is on this particular question. I have listened with great patience to the Senator from Indiana [Mr. CAPEHART], and I have a deep concern about Government bonds. I think the Senator from Tennessee has put his finger on the most important point.

According to the statement in the morning newspapers, the New York banks are talking about a tight money policy. If I correctly understand the question of the Senator from Indiana, he says that this is a competitive market.

The next point he made was that our economy is expanding. Three million Americans are being born every year. Are we to have a tighter, more restrictive policy which keeps driving the interest rates up year after year? What will then happen to Government bonds?

If this is a competitive market, what about the supply of money? What about the present fiscal policy, debt management or debt mismanagement? I can understand the deep concern in a period in which redemptions of savings bonds are far outrunning purchases today. That is a serious problem. But we cannot meet it by permitting the bankers to increase their prime rate of interest, and by vesting the Government with authority to try to compete with them in a market which becomes narrower and more restricted under a tight money policy. The principal question is—and I should like to have an answer if we can have it—How are we to increase the supply of money so as to avoid getting into a tight money policy, in which interest rates are driven up and up, not only to the small businessman, but to everyone else? They will be reflected in every refrigerator or automobile that is purchased. If that is not the worst kind of inflation, I would like to know what it is. I ask the Senator from Tennessee to give us some light on that question.

Mr. GORE. The answer of the administration to the problem is to raise interest rates. That does not solve the problem. It makes it worse.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CAPEHART. Is it not a fact that increases in the cost of lumber, groceries, and everything else affect the purchaser as much as do interest rates?

The second question I wish to ask——

Mr. GORE. Let me answer the first question. The answer to that is "Yes."

I ask the Senator if the cost of lumber, the cost of the truck that hauls it, and the cost of doing business generally is not increased by higher interest rates, thus reflecting higher prices of commodities?

Mr. CAPEHART. Both factors have an influence. Anything that increases costs, of course, is reflected in the selling price. That is true of interest or anything else.

Mr. GORE. Does it not follow, then, that higher interest rates are inflationary?

Mr. CAPEHART. No more so than the increase in the price of anything else—wages or anything else.

Mr. GORE. The Senator has just said that interest rates contribute to higher prices. I have asked him, therefore, if higher interest rates are not inflationary. Of course they are, by the Senator's own statement. If he will concede that higher prices are the end product of inflation——

Mr. CAPEHART. Anything that increases costs increases selling prices.

Mr. GORE. And that includes interest.

Mr. CAPEHART. It includes interest, wages, and everything else.

I shall be very happy to join with the Senator in curing the situation if he knows how to do it. What is his suggestion? Let us introduce legislation to cure the situation. Will the Senator state for the RECORD exactly what he would do to cure the situation?

Mr. GORE. No legislation is needed. What we need is an administration of present laws and programs in the public interest. No new law is needed. What we need is the administration of the

people's government in the people's interest.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. The Senator is familiar with the fact that the President vetoed the civil works bill the other day, and unfortunately the House lacked one vote of being able to override the veto. As I understand the veto message, the reason for the veto is that the $30 million which had been added is inflationary.

Mr. GORE. Oh, terribly.

Mr. MONRONEY. But the President himself, by directing the Government fiscal policies, has increased the public debt since January by $500 million. Does not the $500 million added to the public debt have a greater impact than the additional $30 million in the civil works bill?

Mr. GORE. Yes. That was the estimate of 60 days ago. It is now more than $500 million.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. I should like to make an observation to my good friend from Indiana, with whom I serve on the Committee on Banking and Currency.

The point is that the high interest policy is half unwise and half unnecessary. It is this policy which is creating the chaos of which the Senator from Indiana complains. This policy can and should be changed tomorrow. It could be changed tomorrow by the Federal Reserve Board doing its clear duty, the Treasury Department doing its clear duty, and the President doing his clear duty.

Mr. CAPEHART. What are those three things?

Mr. CLARK. By moving in to support the Government bond market; by stopping all the talk of chaos and scare; by withdrawing the request for an increase in the interest ceiling; and by making the same effort which was made in 1958 to bring down interest rates. It was successful then, and could be successful today.

If the only way Congress can compel the Federal Reserve Board and the Treasury to return to monetary sanity is to refuse to yield on the 4½-percent interest ceiling, then I say by all means, let us refuse to yield.

Mr. GORE. It would be not only acting responsibility, but acting in the public interest. Congress has acted in the public interest. I am proud of the refusal of Congress to give approval to the higher interest rate policy, and I shall resist any such effort, whether it comes this year or next year. This disastrous policy must be stopped, and it will be stopped.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. In the article by Mr. J. A. Livingston, to which the Senator and I referred a while ago, he asks in conclusion whether the policy of refusing to yield on the interest ceiling is what the American people want. I say it is what they would want if they knew the facts. Mr. Livingston asks, in conclusion:

> Is that what the American people want? Is that what the Democratic leadership is prepared to defend and sponsor?

I say I do not know, but here is one Democrat who thinks it ought to be the policy of the Democratic Party.

Mr. GORE. So far as another Democrat is concerned, it is a policy. It will not be enacted, if I can prevent it.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CARROLL. I think I should make my own position clear, so far as I can, if the Senator will permit a comment preceding the question.

I have a deep concern, as I read the financial pages and try to find out what is going on. There is no doubt in my mind that because of the tight money policy, the money market is drying up. This is happening because of the high interest rate on short-term loans. This is what is affecting Government financing.

Mr. GORE. Yet some claim we have a free money market.

Mr. CARROLL. I do not wish to be too critical of the administration, but I think the Federal Reserve Board should pay attention to what is happening. That is why I commend the distinguished junior Senator from Tennessee for his presentation today.

Somehow, in some way—I think the Federal Reserve Board could do it—we must ease up on the tight money policy. A point and a half increase in the prime rate of interest in a 12-month period will be reflected throughout the entire economy of the country. Apply that to the Government bond situation. I agree with the Senator from Indiana that this is a very dangerous financial situation in which we find ourselves. I do not know what we are going to do. We may reach the position of saying, "Perhaps the administration is guilty of debt mismanagement. Perhaps it should have done this, or the Federal Reserve Board should have done that." We may be confronted, not with a theory, not with a criticism of a policy, but with a condition and a problem as to what we shall have to do in the future.

But, as the distinguished Senator from Tennessee has stated, increasing the interest rate is no answer to the problem, because 6 months from now there may be another increase in the interest rate. Then what will happen to Government bonds?

Mr. GORE. There may be another increase in 3 months.

Mr. CARROLL. As I remember, the distinguished Senator from New Hampshire [Mr. BRIDGES] placed in the CONGRESSIONAL RECORD a breakdown of taxes which are being paid today. If my memory serves me correctly, out of every $100 paid in taxes, almost $10 is now going for payment on the national debt. To me, this is a great danger; it is on the direct road to inflation.

Mr. GORE. The Senator from Colorado has used the word "road." I point out that the increased cost of interest on the national debt, above the budget estimates in January, is already more than is needed to bail out from default the highway program, which is now a "must" piece of proposed legislation before Congress.

Mr. CARROLL. Mr. President, will the Senator from Tennessee yield further, to permit me to ask a question of the Senator from Indiana?

Mr. GORE. I yield for that purpose.

Mr. CARROLL. May I have the attention of the Senator from Indiana?

Mr. CAPEHART. Yes; indeed.

Mr. CARROLL. Is there any doubt in the mind of the Senator from Indiana that the present financial condition with respect to interest rates has been brought about because of the lack of an adequate supply of money on the money market? The demand for money is great, I believe the Senator has said.

Mr. CAPEHART. Yes.

Mr. CARROLL. If there were a larger supply of money, would that not tend to reduce interest rates, in the normal situation?

Mr. CAPEHART. The Senator talks about tight money. I presume the Senator means a scarcity of money. If there is a scarcity of money, it will naturally increase interest rates. If there is only a limited amount of money to be loaned, the people will lend it where they can get the highest rate.

So when the Senator talks about tight money, I presume he is speaking about a scarcity of money.

Mr. CARROLL. I mean both ways. There can be an ample supply of money; but if there is control of the money market, the rate of interest can increase. The next question is whether there is an adequate supply of money to accommodate the expanding economy.

Mr. CAPEHART. I do not think the supply at this moment is at the point where the interest rate can be reduced. I think there is a shortage of money at the moment to carry on our expanding economy.

As I said before, the national debt is big; it is the largest in the history of the Nation.

Similarly, the consumer loans, the loans to the people, are the largest in history. The demand on the part of business for loans to carry inventories is the greatest in history, because the inventories are the largest. Today, almost four times as much capital or money is necessary to run either a big business or a little business as was needed 25 years ago, because of the volume of business done and the wages paid. I am not complaining about the wages; I am trying to be factual. More money is required. The result is that that money is competing for an interest rate, and I think rightfully so.

I think the visitors in the galleries, who use their savings to buy E bonds and H bonds or to deposit in savings accounts or to purchase annuities and other forms of savings, are entitled to an increase in their interest rates, because everything they buy, when they go to the markets, costs them more.

I should like to see stability of interest rates, if that could be done. But I also want to encourage people to save money

to buy Government bonds, bonds which will carry an adequate rate of interest in comparison with the cost of the things they buy and the interest rates which prevail today, which they can get if they invest in mortgages and other kinds of securities.

Mr. CARROLL. What is the Government doing to insure an adequate money supply?

Mr. CAPEHART. I think it has done a fairly good job, perhaps not as good as we would like to see. But I think it has managed the business fairly well when we consider that the debt is $290 billion and that $80 billion in Government bonds will come due this year to be refinanced.

Mr. CARROLL. I do not want to take the time of the Senator from Tennessee further. I thought his very fine remarks today were a highlight which has enabled us to understand the problem in simple terms. I think he has done a remarkable job.

Mr. GORE. I thank the Senator from Colorado.

Mr. CAPEHART. Let me say, in all fairness, that I think the matter is so serious it ought to be debated. I am against the philosophy of the Senators on the other side of the aisle who have spoken on this subject. Nevertheless, I do appreciate the problem and think we should discuss it and bring it to the attention of the American people, because I think the question ought to be settled one way or the other.

I think the failure of Congress to do something about increasing interest rates will be harmful to the economy. On the other hand, perhaps the administration has failed to do some of the things it might have done. At the moment, I cannot think of anything which they are doing. Perhaps there are some things which it should be doing. I think interest rates on Government bonds ought to be increased, because I am afraid that one of these days the matter will come to a head and will explode. The question, I believe, ought to be settled one way or the other. The best way to settle it is by open debate, as we are doing today.

Mr. GORE. I compliment the able Senator from Indiana upon his candor. I appreciate his willingness to debate the subject. As he said, there are two sides to the coin. He has stated his view of the question, and others, including myself, have stated a different view. Like the Senator from Indiana, I think it is in the public interest to bring to the attention of the people of the United States the problem, the issue, and the danger.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. ANDERSON. I think that, in view of what the Senator from Indiana has said, with which I completely agree, it might be interesting to call the attention of the Senator from Tennessee and other members of the Committee on Finance—I observe the distinguished Senator from Louisiana [Mr. LONG] also present—a report which has been made available today by the Committee on Finance, entitled "Investigation of the Financial Condition of the United States." It is a 140-page analysis of 2,088 pages of testimony on the financial condition of the United States. I do not suppose it will become a bestseller, but it is an extremely important document. I hope this analysis of the problem, together with the testimony, may be studied by Members of the Senate and discussed.

Mr. GORE. Would the Senator identify the document, so that those who read the CONGRESSIONAL RECORD and who may wish to write in and order the document may do so?

Mr. ANDERSON. It is entitled "Investigation of the Financial Condition of the United States—Analysis of Hearings Before the Committee on Finance, U.S. Senate, 86th Congress, 1st Session."

There are three chapters. One is an analysis by Dr. James W. Ford, who pretty well supports the position taken by the administration; the next is an analysis by Dr. Seymour E. Harris, chairman of the economics department, Harvard University, who is not quite so sympathetic; the third is a very fine analysis by Senator WALLACE F. BENNETT, of Utah, a member of the Committee on Finance, in which the Senator from Utah includes the text of speeches which he gave upon the floor of the Senate.

Mr. GORE. Does the Senate document have a number?

Mr. ANDERSON. I believe not, but it is made available today by the Committee on Finance. The first copies are now coming to the Senate. I think it is interesting that they are coming here at the time when the able Senator from Tennessee has raised this question so forcefully on the floor of the Senate. I am glad he has done so, because I think a discussion of this subject is extremely important. I am not always certain who is right and who is wrong.

Mr. CAPEHART. I think the matter ought to be settled.

Mr. ANDERSON. I think there ought to be a discussion. A subject which is confined to the United States. A similar report has just been made in Great Britain. It has taken 2 or 3 years to complete it. It was made by a committee headed by the Right Honorable Lord Radcliffe, and has been published by the Chancellor of the Exchequer. I think that in many ways that report is perhaps more interesting than the report of the Committee on Finance. But the committee's document and the Radcliffe report could be the basis for a very serious discussion.

I compliment the Senator from Tennessee for raising the question for the attention of the people.

Mr. GORE. I thank the Senator from New Mexico for his contribution to the discussion. I agree that it is timely and appropriate to call attention to this document. I hope it will receive study by many students of the question.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. It might be well to point out some of the places where the high interest rates hit especially hard.

In the case of the purchasers of new homes, I believe the Senator from Tennessee knows that on long-term mortgages, each advance of 1 percent in the interest charged means an advance of 10 percent in the monthly payments.

For example, on a 30-year mortgage, a 2-percent increase in the interest rate—and that much has occurred—means a 20-percent increase in the payments, so that if the monthly payment at 4 percent interest had been $75, the monthly payment would have to be increased to $90 if the interest rate increased to 6 percent.

Mr. GORE. Yes; or even a little more than that.

Mr. LONG of Louisiana. And as regards rents, an increase in the interest rates is passed along a little more rapidly, because the rent the landlord can charge is competitive with the monthly payments made by those who are purchasing new houses; and the landlord must borrow money in order to build new rental housing.

Mr. GORE. Let me mention an instance about which I have heard. A person borrowed $30,000 with which to build a home. He borrowed it on a 25-year amortization schedule. The interest rate was 6 percent. When the mortgage was signed, sealed, and delivered, the borrower asked how much more in interest he would have to pay under the contract and the mortgage he had just signed, as compared with what he would have paid if he had borrowed the same amount of money for the same period of time at the rate available before this administration came into power. From the calculator, the borrower obtained the answer—$11,997. That extra payment of $12,000, lacking $3, did not provide any more housing or a larger loan or any other additional benefit to that homeowner and homebuilder. It is only more interest.

Mr. LONG of Louisiana. I am sure the Senator from Tennessee also realizes that as the cost of new housing rises, it tends to have an adverse effect on the availability of rental housing at reasonable rates. As the landlords have to pay more interest on the money they borrow in order to build new rental housing, that situation tends to make rents rise; and the probability is—and if it has not already happened, it is certainly in the process of happening—that the advance in the interest rate on rental housing construction money from 4 percent to 6 percent means that the rents charged on that rental housing can be expected to increase 20 percent. In other words, rents will be 20 percent higher than they would have been if more reasonable interest rates had been in effect.

If we multiply by 2 percent the public and private debt of approximately $800 billion in this country, we find that the total amount of additional interest payments in the United States in 1 year will thus be increased by approximately $16 billion. Figured on an annual basis, those who owe money will be paying someone else $16 billion more than they would otherwise be paying.

Of course, some of the borrowers are also lenders; but if we reduce that figure by approximately one-third, in order to offset for that factor, we find that, on a per capita basis, the masses of our

people will be paying approximately $60 a person additional each year as a tribute to those who control the money markets of the Nation, if the Government does not use its power to protect them.

Mr. GORE. I thank the Senator from Louisiana.

Mr. PROXMIRE. Mr. President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. PROXMIRE. Is it not true that that $60 additional a person which is being paid buys nothing more; it does not buy another house or another automobile; it buys nothing but air.

Mr. GORE. Yes. It does not create money. I suppose it succeeds in enabling those who are the beneficiaries to buy more yachts or more penthouses, and makes it possible for them to clip more coupons from tax-exempt securities.

Mr. PROXMIRE. But from the standpoint of the purchasers of new houses, is it not true that that increase in what they have to pay represents the sheerest kind of inflation, in the sense that they receive nothing additional for those additional payments?

Mr. GORE. I thoroughly agree.

Mr. President, the Wall Street Journal for September 1, 1959, carried an article, by Mr. Lee Silberman, in the nature of a roundup of current credit conditions. This article shows quite well some, although not all, of the effects of the tight money policy now being pursued by the U.S. Government.

I wish to emphasize several of the points which are brought out in this article.

First, it is admitted that, since New York banks make some 20 percent of all bank loans to business, these large banks set the pattern for the country. An increase in the "prime" rate charged by these banks will be felt all across the country.

Second, money now is extremely tight. One measure of the tightness of money is the ratio of loans to deposits. At the end of July this ratio was 51 percent nationwide, and up to 60 percent for some big New York banks, the highest since 1933.

Third, higher interest rates would hit retailers and wholesalers very hard at this season, as they are now beginning to build up inventories for fall and winter business. In the end, of course—although Mr. Silberman does not point this out—the extra costs are passed on to the consumers, wherever possible.

Fourth, consumer loan charges will probably advance soon. According to this article, the banks had contemplated raising consumer loan rates earlier during the summer, "but held off when President Eisenhower's proposal to remove the 4¼-percent ceiling on longer term Government bonds stirred protests in Congress against higher interest rates generally." I am glad to note, Mr. President, that those of us who deplore the effects of high interest rates, and who have voiced our feelings, have had some effect, even if only a temporary one, on the business community.

Fifth, major New York banks during the past year have cut their holdings of Government securities from $8 billion to $6 billion. The banks have done this, of course, to raise funds in order to make loans at higher rates of interest, and thus increase their already high earnings.

Sixth, this article contains a very interesting side note on how tight money encourages certain banking practices which I feel border on the unethical. In commenting on the increasing selectivity of bankers and the power of the bankers to decide who will get a loan and who will not, an unidentified banker is quoted as saying, "We now give primary consideration to whether a customer has any call on us—in other words, is he a customer of long standing who keeps up his compensating balances?" The article then goes on to say that banks generally require business borrowers to keep a deposit balance of about 20 percent of their loans. This, of course, increases the real cost of borrowing money by about 1 percent above the apparent, or stated, interest rate.

This unidentified banker is further quoted as saying, "Borrowers who have had no account with us, or just small accounts, are finding it increasingly hard to make the grade." Thus, Mr. President, the bankers can deny necessary financing to the new, small, or weak enterprises.

Mr. President, I ask unanimous consent that the article, by Mr. Silberman, from the Wall Street Journal for September 1, 1959, be printed at this point in my remarks. I commend it to all who may be interested in the effects and practices associated with the current shameful and hurtful tight money policy being pursued by the Federal Reserve System. This article is most timely, in view of the increase of yesterday in the prime rate.

The article forecasting the increase appeared in the morning paper. The increase occurred before nightfall.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. I should like to commend my distinguished colleague from Tennessee for the splendid, forthright, and intelligent speech he has just made on this matter of great national interest, and to assure him of my warm support of his views.

In view of the fact that he and I have been discussing an article entitled "A Matter of Justice to Government Bond Buyers," I wonder if he would have any objection to my seeking unanimous consent to have the article appear at the conclusion of his remarks?

Mr. GORE. I think, in justice to Mr. Livingston, the entire article should appear in the RECORD, and I ask unanimous consent that the article be printed following the article from the Wall Street Journal.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal]

COSTLIER CREDIT: BUSINESSMEN FACE NEW BANK LOAN RATE BOOST, PERHAPS IN A FEW DAYS—LOANS CLIMB DESPITE STEEL STRIKE—FEDERAL RESERVE KEEPS TIGHT REIN ON FUNDS—A RISE FOR CONSUMERS, TOO?

(By Lee Silberman)

NEW YORK.—Businessmen face another general increase in the cost of bank borrowing—possibly within a matter of days.

That's the word from bankers here in the Nation's financial capital. New York City banks, including such giants as Chase Manhattan Bank, First National City Bank, Morgan Guaranty Trust Co., and Chemical Corn Exchange Bank, account for some 20 percent of all bank loans to business. Their actions set lending patterns for banks the Nation over.

A general interest rate boost would be touched off by an increase in the prime rate—the rate the banks charge their biggest borrowers with the best credit ratings. Rates for all other borrowers are scaled upward from the prime rate. The prime rate was boosted in May from 4 percent to its present 4½ percent level. Another increase probably would lift the rate to 5 percent, the highest point in 28 years.

CLIMATE IS RIGHT

"We're being squeezed for money," says a top lending officer of one major New York bank. "I'd say the climate is right for a rate increase."

New York bankers testify that the growing tightness of money extends beyond New York. "Out-of-town banks call us continuously, wanting us to take a piece of this or that loan," says an official of one New York City bank. "You can see the money supply grow tighter as you sit here at the desk."

Talk of tighter money and higher interest rates may seem a bit strange in the midst of a nationwide steel strike. Steel-using industries borrow heavily to finance steel inventories; in recent weeks, they've been working down their stocks, of course—and paying off part of their loans. But bankers report growing demand from other sources has more than offset the reduction in steel-inventory loans.

As an indication of the growing squeeze on the banks, consider their loan-deposit ratio. At the end of July, loans of the Nation's banks were equal to 51 percent of deposits, the highest point since 1933. For New York City banks, the ratios are even higher, ranging up to 60 percent. And bankers report loan demand still is growing faster than deposits.

RETAILERS AND COMMODITY DEALERS

Higher interest rates would hit hard at retailers and wholesalers, who only now are beginning to step up their borrowing to finance accumulation of inventories for the fall and Christmas selling seasons. Commodity dealers and food processors also are beginning to step up their bank borrowing now to finance purchase of crops.

An increase in business loan rates could lead to higher costs for consumers as well as businessmen. Earlier this summer, some New York City banks were planning to increase their consumer loan charges. They now collect, in advance, a fee of $3.75 a year on each $100 that is borrowed to buy autos and appliances and for other purposes. They were aiming to boost this charge to $4.25 but held off when President Eisenhower's proposal to remove the 4½-percent ceiling on longer term Government bonds stirred protests in Congress against higher interest rates generally.

Banks' consumer loan charges are not geared directly to their business loan rates. But bankers expect their return on consumer loans to keep pace with the returns on their other loans, so rising business loan rates are sure to renew pressure for higher consumer loan charges.

The squeeze on the banks' loanable funds stems from several factors.

First, demand for funds is growing. Business loans of major New York City banks at midweek, for example, last week stood at $9.9 billion, an increase of $187 million since June 30.

Loan demand promises to grow. For one thing, there's the usual seasonal upswing in borrowing by wholesalers, retailers, commodity dealers, and food processors. And bankers report a growing demand for credit from other types of businesses, too.

A SPILLOVER INTO BANKS

With capital spending heading upward again, more companies will be seeking financing. Such projects usually are financed through retained earnings and long-term bond borrowing, but with the continuing weakness of the bond market bankers expect much of this credit demand to spill over into the banks. With bond borrowing costs climbing, many companies prefer to postpone bond sales and rely temporarily on bank loans.

And there's no question bond borrowing costs are rising; in some cases, the rises have been much swifter than market specialists have expected. Last week, for example, underwriters of three issues of high-grade corporate bonds found they had set their prices too high. So, reluctantly, they decided to let the issues find their own price levels in the market.

Late last week, some $2.5 million of a $30 million offering of Michigan Bell Telephone Co. debentures was put on the market in this manner. The debentures, initially priced to yield investors 4.75 percent, quickly fell in price so as to yield 4.9 percent.

"It's natural in times of a falling or unsettled bond market for companies to rely on banks for interim financing, hoping for the market to improve," says an official of a major New York bank. "But if the prime rate went up to, say, 5 percent, more corporations would look to the bond market and banks could concentrate more on their normal types of loans for short-term working capital and inventory needs." Bankers also hope that a prime rate boost would lead more borrowers to postpone least-essential projects and thus ease the credit squeeze a bit.

The bond market, while it has been helping to boost demand for bank loans, has in effect been cutting the banks' supplies of loanable funds. In times of tight money, banks normally sell off Government securities to raise funds. Major New York City banks, for example, in the past year have cut their holdings of Government securities from $8 billion to $6 billion. But with prices of Government securities down, further cuts in many cases would be likely to be painful, forcing the banks to absorb losses.

A more important curb on the banks' supply of loanable funds, however, is the current Federal Reserve System policy. Anxious to prevent an inflationary credit splurge, the system has been keeping a close rein on the funds the banks have available to lend.

The system can increase the funds the banks have available to lend by purchasing Government securities; it pays for its purchases with a check and the seller deposits the check in his bank, thus transferring Federal Reserve funds to the banking system which then has more money to lend. Or the system can cut the banks' loanable funds by selling Government securities; the purchaser draws funds from his bank to pay the Federal Reserve.

A gage of the effectiveness of this policy is the reserve position of the banks. Member banks of the System are required to keep on deposit with the System amounts equal to a specified percentage of the deposits on their own books. The percentage varies from city to city; for major New York banks, it's 18 percent. For several weeks, banks have had to borrow heavily from the System to keep their reserves up to minimum levels. At the close of business last Wednesday, the banks' reserves exceeded requirements by $462 million, but this was more than accounted for by borrowings totaling $940 million.

New York City bankers figure the Reserve System may make a prime rate boost a bit more palatable to their customers. They'd like to time a prime rate increase to coincide with a boost in the System's discount rate—the rate at which it lends to member banks. This rate now stands at 3½ percent.

Many bankers believe the Federal Reserve would prefer to wait until after the steel strike to boost the discount rate again. But it may decide that it can't wait. The discount rate normally is closely related to the yield on new issues of 3-month Treasury bills. Last week, however, the Treasury bill rate climbed considerably above the discount rate, and this week mounted still further to a 26-year high of 3.889 percent. "There's no doubt the situation is ripe for a discount rate move," says a New York banker.

Another New York banker, however, insists that a prime rate boost is imminent whether the discount rate goes up or not. "The pressure is building up at such a rate that some banks may not be in the mood to wait around for the System to act," he says. He recalls that banks last May boosted the prime rate more than a week before the discount rate was lifted.

To conserve their loanable funds, banks are becoming increasingly selective in making loans. "We now give primary consideration to whether a customer has any call on us—in other words, is he a customer of long standing who keeps up his compensating balances?" says one New York banker.

Banks generally require business borrowers to keep on deposit with them amounts equal to about 20 percent of their loans. Such deposits draw no interest and thus increase the actual cost of the loans.

"Borrowers who have had no account with us, or just small accounts," says the New York banker, "are finding it increasingly hard to make the grade."

[From the Washington Post, Sept. 2, 1959]

A MATTER OF JUSTICE TO GOVERNMENT BOND BUYERS

(By J. A. Livingston)

It's late, 11th-hour late, yet not too late for Congress to act responsibly and grant justice to 40 million E- and H-bond holders and other investors in Government bonds.

One of the last things President Eisenhower did before taking off for Europe was to send a special message to the Senate and the House. In nontechnical language, he said: Give Secretary of the Treasury Anderson the power he needs to do his job of handling the national debt. But congressional leaders have put the request in the ho-hum file.

This dalliance takes money out of the pockets of you and me—of anyone who owns an E- or an H-bond. It mocks the efforts of Treasury officials to sell savings bonds and long-term bonds.

The Secretary of the Treasury seeks authority to eliminate the interest rate ceiling of 3.26 percent on E- and H-bonds. He wants to pay 3.75 percent on newly sold bonds. When and if the rate goes up, Secretary of the Treasury Anderson intends to increase payments on all E- and H-bonds outstanding by at least one-half percent. In addition, all E- and H-bonds issued at the 3.26 percent rate during June, July, and August will automatically get a boost to 3.75 percent.

The Secretary isn't giving Government money away. The rate has to go up as a practical matter. It ought to go up as a matter of fairness, justice.

REDEMPTIONS ARE HEAVY

Many savings and most savings and loan associations pay as much or better than 3.26 percent. That's why redemptions of savings bonds have exceeded sales in recent months. The present interest rate is competitively too low. Why give the Treasury your savings when you can do better elsewhere?

President Eisenhower also asked Congress to eliminate the present 4¼ percent ceiling on marketable bonds. The House Ways and Means Democrats tacked a rider on this proposal directing the Federal Reserve System, whenever feasible and consistent with sound monetary policy, to purchase Government bonds. "I didn't care one way or another about the amendment," says WILBUR D. MILLS, Democrat, of Arkansas, committee chairman, "but I felt it was necessary for votes."

William McChesney Martin, Jr., Chairman of the Federal Reserve Board, argued the amendment would hamper the Board in fighting inflation. Secretary Anderson supported him. The committee thereupon tabled the proposal. The Senate hasn't even considered the plan formally.

Influential Democrats in both Houses oppose higher interest rates. They feel that the Federal Reserve System can buy Government bonds, force interest rates down and, thus, lower the cost of carrying the U.S. debt. This, they say, would make unnecessary a change in the 4¼-percent ceiling on marketable bonds.

WHY THE IMPASSE

To Martin, Anderson, and orthodox monetary theorists, this would make money too easy and too plentiful. That's the impasse. Congress says the Reserve should rescue the Treasury. The administration says Congress should give the Treasury the tools to do it itself.

It seems to me that Congress has a trustee's responsibility to owners of savings bonds who are not "hep" to the ways of finance. They don't understand the intricacies of money rates. It's unfair to keep them locked in bonds paying 3.26 percent and less when rates elsewhere are higher.

Congress also has a practical responsibility—not only in savings bonds but in marketable bonds. If people redeem savings bonds faster than they buy them, then Secretary Anderson has to raise new cash to pay off the redemptionists. Government debt becomes "unfinanced."

AT 83 CENTS ON THE DOLLAR

The 4¼-percent interest-rate ceiling on long-term bonds compels Anderson to sell only short-term securities. Some Government bonds today can be bought at 83 cents on the dollar. Some sell to yield as high as 4.5 percent. So Anderson can't ask investors, bankers, insurance companies, investment trusts to buy 4¼-percent bonds—securities maturing in more than 5 years. Like the 3.26-percent ceiling on savings bonds, the 4¼-percent rate on marketable bonds is obsolete and noncompetitive.

For Congress to adjourn without acting on the interest rates would be irresponsible. It would justify President Eisenhower's calling a special session. When the Treasury

has no alternative but to sell strictly short-term securities, it is putting out the closest thing possible to irredeemable paper money.

Is that what the American people want? Is that what the Democratic leadership is prepared to defend and sponsor?

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. In connection with the Senator's remarks, it occurs to me this might be an appropriate place to insert in the RECORD a statement I had prepared showing the annual average rate of interest on offerings of public marketable securities other than regular Treasury weekly bills, from 1929 to 1959.

I ask unanimous consent that a statement and table appear at this point in the RECORD.

There being no objection, the statement and table were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LONG OF LOUISIANA

I have asked the Legislative Reference Service of the Library of Congress to prepare for me a table showing the average annual rate of interest on offerings of public marketable securities other than regular Treasury weekly bills from 1929 through 1959. In view of the current proposal of the administration that Congress increase the ceiling on Treasury long-term bonds, I think that a study of this table is appropriate at this time.

Since 1952 these interest rates have increased from approximately 2 percent to over 3¼ percent. This is due to the deliberate tight-money, high-interest-rate policy of the present administration. You will note that the general trend of higher interest rates was halted in 1958 when our country suffered a sharp economic decline. It is my feeling that, in some measure, this recession was due to the tight-money policy which can only be effective in curbing inflation if it curtails economic activity.

During 1957 when the average rate on these securities had risen to almost 3.7 percent from its level of 2.025 percent in 1952, the cost of industry borrowing and consumer borrowing had risen to such an extent that economic activity was sharply curtailed.

I would like to comment parenthetically that I noticed yesterday that the Treasury had to pay its highest price in 26 years to borrow money for 90 days.

The Democrats have traditionally been the party of low interest rates. I think this table demonstrates that this assertion is justified.

When President Roosevelt was sworn in in 1933, this interest rate was over 3 percent. In 1934 it had declined to less than 2½ percent and it stayed under 2 percent almost every year until 1952. In the immediate postwar years, this interest rate was below 1 percent.

Mr. President, I think that this table is an interesting study for the Members of this body and I commend it to their attention. Under unanimous consent, I insert in the CONGRESSIONAL RECORD the table which I had prepared entitled "Annual Average Rate of Interest on Offerings of Public Marketable Securities Other Than Regular Treasury Weekly Bills, 1929–59":

Annual average rate of interest on offerings of public marketable securities other than regular Treasury weekly bills, 1929–59

	Annual average rate of interest
1959	3.788
1958	2.602
1957	3.670
1956	2.844
1955	2.121
1954	1.728
1953	2.413
1952	2.025
1951	1.855
1950	1.371
1949	1.220
1948	1.200
1947	0.959
1946	0.875
1945	1.465
1944	1.431
1943	1.495
1942	1.523
1941	2.149
1940	1.431
1939	1.939
1938	2.203
1937	1.915
1936	2.403
1935	2.028
1934	2.471
1933	3.026
1932	2.835
1931	2.923
1930	2.615
1929	4.507

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 685. An act to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia;

S. 1372. An act to extend the jurisdiction of the Domestic Relations Branch in the Municipal Court for the District of Columbia to cover the adjudication of property rights in certain actions arising in the District of Columbia; and

S. 2035. An act authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and requiring persons receiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor.

The message also announced that the House having proceeded to reconsider the bill (H.R. 7509) entitled "An act making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes," returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was—

Resolved, That the said bill do not pass, two-thirds of the House of Representatives not agreeing to pass the same.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 300. An act to amend the act of August 28, 1958, establishing a study commission for certain river basins, so as to provide for the appointment to such Commission of separate representatives for the Guadalupe and San Antonio River Basins, and of a representative of the Texas Board of Water Engineers;

S. 417. An act to place in trust status certain lands on the Standing Rock Sioux Reservation in North Dakota and South Dakota;

S. 551. An act to declare portons of Bayous Terrebonne and LeCarpe, La., to be nonnavigable streams;

S. 994. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws;

S. 1221. An act to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands;

S. 1448. An act to change the name of the Abraham Lincoln National Historical Park at Hodgenville, Ky., to Abraham Lincoln Birthplace National Historic Site;

S. 1453. An act to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the city of Keosauqua;

S. 1521. An act to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938;

S. 1645. An act to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners;

S. 1647. An act to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment;

S. 1947. An act relating to the authority of the Customs Court to appoint employees, and for other purposes;

S. 2013. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 2029. An act to authorize a per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and for other purposes;

S. 2118. An act to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for other purposes;

S. 2334. An act to transfer from the Department of Commerce to the Department of Labor certain functions in respect of insurance benefits and disability payments to seamen for World War II service-connected injuries, death, or disability, and for other purposes;

S. 2339. An act to amend the law relating to the distribution of the funds of the Creek Tribe;

S. 2421. An act to amend the Klamath Termination Act; and

S. 2435. An act to provide that certain funds in the Treasury of the United States to the credit of the Confederated Bands of Ute Indians be transferred to the credit of the Ute Mountain Tribe of the Ute Mountain Reservation, Colo.

OPPOSITION TO INVITATION TO KHRUSHCHEV TO ADDRESS A JOINT SESSION OF CONGRESS

Mr. DODD. Mr. President, each day brings another newspaper editorial or congressional speech urging that Khrushchev be invited to address a joint session of Congress during his visit.

Those who a few weeks ago were assuring us that the Khrushchev visit implied no honor or tribute to him and what he represents are now attempting to broaden the scope of his welcome in ways that can only imply just that.

An invitation to Khrushchev to address a joint session of Congress, or either branch of Congress, is an honor, a tribute, and a token of approval which there is no gainsaying.

My attitude toward the Khrushchev visit to this country is already in the RECORD and I see no need to repeat it. In my previous speech, I tried to point out why I believe that the arguments advanced for bringing Khrushchev to this country are either superficial or specious.

But even if these arguments for the visit were valid, they would have no validity whatever when applied to the question of Khrushchev's addressing a joint session of Congress.

A Khrushchev appearance before Congress could not further negotiations for peace. It could not really add to his knowledge of the United States. It could not impress upon him the strength of our country. It could not serve to give him any real knowledge of how our people live or how our Government functions.

It could not add appreciably to the ample opportunity for increased "understanding," already offered Khrushchev by our television and press coverage.

An invitation to a foreign leader to address Congress is a ceremonial honor, pure and simple. To extend it to Khrushchev is a needless, shameless, purposeless affront to our free parliamentary traditions extending over almost two centuries.

Perhaps only those who have attended joint sessions of Congress can perceive the full significance of such an invitation.

If such a ceremony ever takes place, it will bring out the entire top level of our three branches of Government to do honor to Khrushchev.

One Senator has suggested that the President of the United States be on hand to introduce Khrushchev with appropriate warmth.

The Supreme Court Justices in their black robes, the members of the Cabinet, the full membership of the House of Representatives and the Senate, and the world's leading diplomats will all be on hand to rise and to applaud Khrushchev as he marches down the center aisle of the House Chamber and ascends to the rostrum heretofore reserved for spokesmen for freedom.

And the same "courtesy" which moves so many to advocate at Khrushchev joint session of Congress would presumably also move the assembled representatives of our Nation to applaud the Communist propaganda of his speech.

And I suppose that at the end of an hour or two of falsehood, misrepresentation, and fraud, courtesy will again demand that we applaud Khrushchev's performance and rise in a final tribute to him as he leaves the Chamber.

Such a picture to me seems almost too fantastic and incredible to imagine in a free world of sane and rational men.

Despite the repeated protestations that no dishonor or shame would be involved in such proceedings, I can interpret them in no other way.

I would not have believed such a thing possible had not influential Members of Congress and respected organs of the press advocated it.

So far as I have been able to follow this matter, three reasons have been brought forth in favor of Khrushchev's appearance at a joint session.

The first is that it would be an act of discourtesy not to invite him.

In the few short weeks since the invitation was announced, the meaning of the word "courtesy" has undergone a strange metamorphosis.

In the days immediately following the announcement, courtesy quite properly meant refraining from insults, jeers or egg-throwing. A week or two later, courtesy came to preclude even boycotts, peaceful picketing or merely the ignoring of Khrushchev.

And now we are told courtesy demands that we not only refrain from any show of unpleasantness or even inattention, but that we extend to Khrushchev the greatest public honor we can bestow upon any visiting chief of state, an invitation to address Congress.

Perhaps tomorrow we shall be told by the editorial writers and exchange enthusiasts that in the name of courtesy we must cheer Khrushchev, laugh at his homely stories, and put on a real demonstration of warmth and affection for this arch criminal.

The second reason advanced in favor of a Khrushchev joint session is the obscure and fuzzy notion that it is desirable in order to enable the Members of Congress to observe Khrushchev at close range, reading his prepared speech in his native tongue, and thus to gain a better understanding of him.

The congressional Chamber is apparently to be turned into some sort of laboratory or zoo where the Members can study the creature at close range, gain some deep insight into his character and presumably emerge from the experience with an enhanced understanding of world affairs.

This argumentation represented in my judgment a low point in the history of tortured logic until I heard the third reason, which surely carries off the prize.

It is held by some legislators that the sight of Congress assembled in the House Chamber will, in some mysterious manner, impress upon Khrushchev the strength of this country and the worth and vitality of our free institutions.

There is an unconscious vanity and an ironic humor in this attitude of Senators and Representatives which should not be lost upon the contingent in the press gallery and which should bring out the best satiric efforts of our cartoonists.

The more one reflects upon the idea that the sight of Congress will impress Khrushchev, the more absurd it becomes. In some unexplained manner, the sight of several hundred men sitting on the floor of Congress listening to Khrushchev's speech is expected to convey an impression of strength and vigor.

Khrushchev knows what he is and what he has done. He knows the calculated distortions and misrepresentations abounding in his speeches for our consumption. He knows of his own plans for subjugating our people.

Will he therefore be impressed by the sight of our leaders receiving his misrepresentations with cordiality and applause? Or will our friendliness give him an impression of weakness, of stupidity, of lambs ready for the slaughter?

It may be that Khrushchev will detect in the strong visages and impressive deportment of our Senators and Representatives some deep repository of wisdom and strength which will increase his respect for our country and its institutions. But I venture to say that if he does, he will be evincing an insight more profound and penetrating than that of many who have visited these halls.

For it is not in outward appearances that the strength and worth of Congress lie. These can be found only in the long web of tradition, the struggle to fulfill the goals of our Declaration of Independence and our Constitution, the quest for and the defense of freedom, the slow but constant attempts to perfect our system of free institutions, the enduring vigor and vitality of the elective process, the attitudes, traditions and concepts developed in two centuries of trying to keep faith with the democratic ideal.

Are we preserving those traditions, are we keeping faith with those ideals if we say now that a Khrushchev is as welcome here as a Churchill?

Supporters of the Khrushchev invitation to address Congress will say to me, "Everything you say about Khrushchev may be true, and everything you say about freedom may be true, but it is all beside the point. It gets us nowhere in this situation."

Mr. President, it is not beside the point. It is the point.

Arnold Toynbee has said that a civilization begins to fall when it begins to lose contact with the origins of its greatness.

Are we not losing contact with the origins of our greatness when strange notions of courtesy to Communist dictators are more important than old values and codes of conduct? If the origins of our greatness are to be found in the love of liberty, in a contagious idealism, in an approach to national and world problems based on religious convictions and moral principles, then we cannot succeed with mores that are so sophisticated, so tolerant of evil, that we will permit, if only for an hour, the enthronement in our Capitol of the human embodiment of tyranny.

The leaders of free people cannot, like so many pawnbrokers, trim their values to suit each shifting demand of expediency. We cannot trade in our basic convictions and attitudes in return for a fanciful code of diplomatic etiquette.

Somewhere the line must be drawn. Somewhere there must remain an inviolable and undefiled temple of our democracy and our civilization within which tyrants are not permitted. That temple should be this Capitol of the United States, this citadel of freedom, this symbol of democracy, this monument not alone of stone and steel, but of the words, the hopes, the sacrifices of a free people.

Mr. President, not a single precedent for inviting Khrushchev to address the Congress can be found anywhere in our history. Congress must not be hurried, without sufficient reflection, into mocking its past.

My understanding is that a joint session could be arranged in either of the following ways:

It could be brought about by the leadership of both Houses without a joint resolution, without debate, and without any expression of the will of the membership.

Or it could be brought about by the passage of a joint resolution which is normally done perfunctorily, by unanimous consent, but which technically is debatable and which can be brought to a record vote.

Some Senators have served notice that if a joint session is not arranged they would favor a Khrushchev session of the Senate alone and at least one resolution to that effect has already been promised, a resolution which would be debatable and which could be brought to a vote.

I have written to our distinguished majority leader asking that any Khrushchev invitation to address Congress be presented to the entire membership for action. I have asked that before any unanimous-consent request is made concerning such an invitation I be notified so that I could be on hand to object, to insist upon a debate, and, with the help of my colleagues, to bring about an expression of the will of each Senator on this question through a recorded vote.

We all share in the prerogatives and powers of this body. We all share in the responsibility for its actions. If this Congress is to submit to having its rostrum used as a forum for a murderer, an assassin, and a tyrant, then such an act should represent the expressed will, not just of the leaders, but of the entire membership.

I do not presume to be a spokesman for the honor, the traditions, and the ideals of this Congress. Surely, when such an invitation is brought before this body, revered and elder Members who love the Senate and all that it represents will rise to speak out against its defilement.

Surely one by one my colleagues will rise to swell the chorus of opposition to a Khrushchev performance in this Congress.

Surely the Congress of the United States will, in the end, etch indelibly over its portals the inscription, "Only friends of freedom may enter here."

Mr. YOUNG of Ohio. Mr. President, at the outset may I extend my commendation and my admiration to the distinguished and able Senator from Connecticut [Mr. DODD] for the remarks he has made. May I also say that I am in complete accord with everything that he has stated.

Without a doubt, Mr. Khrushchev is a good politician in and expert on the Soviet Union, but there is not a thing he can tell the Congress, and not one of us in interested in listening to any of his harangues. We have, unfortunately, heard of too many of them already.

As the distinguished Senator from Connecticut so ably stated, the privilege of appearing before a joint session of Congress should certainly be reserved for Americans of distinction and achievement, for a visiting chief of state, and for the heads of friendly governments. Khrushchev does not come within any of those categories. He is not the head of a friendly nation. He is not a chief of state. He is not a man of distinction and achievement in this country, and the invitation is extended only to persons in one of those categories, plus, of course, the President of the United States.

We want no part of Khrushchev in the Halls of Congress. On the other hand, the Senator from Connecticut and I agree that as he comes to this country as a guest of the President of the United States, he should be treated with dignity and with courtesy.

We want him to go throughout the land. We want him to see the broad expanse of this Nation. We want him to visit our great industrial cities. There are many such cities, including my home city of Cleveland, Ohio. There, recent immigrants from the old world, first generation Americans, and men and women of various and diverse ethnic origins—of Italian, Slovak, Greek, Russian, Czech, and Polish descent—live in peace, friendliness, comfort, and mutual respect.

We want Mr. Khrushchev to see these things. Perhaps he will have sense enough and prudence enough—although I have grave doubts on that subject—after seeing the expanse of our country and the might of America, and judging the determination and the might of a great free people like ourselves, to go back to the Soviet Union and take a new look, and make a reappraisal of some of dastardly things he has had to say and the misconceptions he has of America.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DODD. I am happy to yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that my friend from Connecticut may yield to me with the understanding that he will not lose his right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. LONG of Louisiana. Mr. President, I am not sure I heard the unanimous-consent request. What was the request?

Mr. JOHNSON of Texas. That the Senator from Connecticut may yield to me without losing his right to the floor.

Mr. LONG of Louisiana. I have no objection.

Mr. JOHNSON of Texas. Mr. President, I should like to inform the Senators present and, through the aides of the Senate, those who are not on the floor at the moment, that the distinguished minority leader informs me the Senator from Massachusetts [Mr. KENNEDY] and the other members of the conference committee have reached an agreement in the conference, and I think that perhaps 13 of the 14 conferees—perhaps only 12 of the 14—will sign the report on the labor bill. It is expected the report will be presented today.

I am informed by the Parliamentarian that as soon as the report is presented, if it is agreeable to the members of both sides of the aisle, and if they are willing to discuss it, we can take it up without it going over for a day, by motion. I am also informed that it would be agreeable to the minority leadership to have the report discussed as late as 12 o'clock this evening.

Under the order previously entered we will meet at 11 a.m. tomorrow. Perhaps we could hope for a vote sometime then.

I simply want the Members to be on notice. I am informed that agreement has been reached in the conference committee, and we will be prepared to consider the conference report as soon as the chairman of the conference is ready to present it. The Senate will act first.

I am also informed that the Appropriations Committee of the House is meeting at 4:30 this afternoon to consider the action it should take on the public works appropriation bill. We can look for prompt action in the House in connection with that matter.

The conference committee either has agreed or is about to agree on the military construction appropriation bill. We would expect to present that conference report, which will have high priority.

I say all of these things while the aides of the Senate are under instructions to inquire as to the wishes of the Members of the Senate, as to whether we should be in session on Saturday and on Monday. If the majority of the Members of the Senate feel that they can be present during those days, and we can run late and keep our discussion at a minimum, it is very possible that we could conclude the session at a reasonably early date.

It looks now as if the mutual security bill, the labor bill—whatever action may have to be taken in connection with the housing bill—the public works appropriation bill, the civil rights bill, and any other bills could be taken up by motion at the proper time.

So I hope all Members will try to arrange their engagements so as to be here during the next few weeks, so that we can conclude action on these measures. I particularly wanted to give as much advance notice on the labor conference report as possible.

Mr. DIRKSEN rose.

Mr. JOHNSON of Texas. I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I fully concur in the desire of the majority leader to secure expeditious action on the conference report.

We have been actually engaged in conference 12 or 13 days—perhaps longer, as a matter of fact—and as one of the conferees, I am quite happy over the fact that we could compose our differences and come in with an agreed report. I see my distinguished friend from Michigan and other Senators are present. The sooner it is expedited for action I think the better it will be, and of course it will be in the interest of expeditious adjournment.

Mr. JOHNSON of Texas. Mr. President, I want to commend the distinguished junior Senator from Massachu-

setts [Mr. KENNEDY], the able minority leader, and all their colleagues on both sides of the aisle, who worked so long, so diligently, and so faithfully in connection with this very difficult subject.

I am informed that there was one Member of each body who did not sign the conference report—that 12 or 13 of the 14 voted for it. I think that is a fine testimonial of the very effective efforts of the Senator from Massachusetts [Mr. KENNEDY], of the minority leader, of the Senator from Arizona [Mr. GOLDWATER], of the Senator from Michigan [Mr. MCNAMARA], and of others who worked so diligently.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. WILEY. It seems to me, if the majority leader will pay attention, in view of the fact that the conferees have labored so long, and we have been laboring here, that we ought to try to recess at a reasonable hour tonight, and have an understanding to that effect. If the explanations are not satisfactory they can go over until tomorrow. It seems to me that if the majority leader, who has been always, let us say, so willing to agree to matters of this kind, will agree that we could leave at, say, 6:30 or 7:30 tonight, and go over until 11 o'clock in the morning, we could have a full explanation and understand what the differences of those two Members were.

I am informed, though I would not say that I have it confirmed, that there is one of the Members who did not sign the report who threatened to talk for hours. If that is so, I think we ought to have the speech in the morning and not have it tonight, when although Senators are not tired, they are a little bit exhausted. I am sure the minority leader looks as if he has been "pulled through a knothole" or something of that kind—tired and worn.

I make the point that that is what we ought to do, in the interest of quickly getting rid of the matters before us.

Mr. JOHNSON of Texas. I thank the Senator for his point.

Mr. WILEY. Is that all I get?

Mr. JOHNSON of Texas. I talked to the Senator's leader at some length. We await the pleasure of the chairman of the conference and the other members.

I always try to be reasonable. Last night we got out of here at 5:30 or 6 o'clock.

Mr. WILEY. It was a quarter of 7.

Mr. JOHNSON of Texas. The night before, at the Senator's suggestion, we got out of here at a reasonable hour, 6 o'clock.

We are in the last days of the session. I do not know how long Senators wish to discuss this matter. I should like to have more information from them before I make a final decision. When I make a commitment I keep it, but I do not want to make one at this time.

Mr. DODD. Mr. President, I ask unanimous consent that the remarks of the majority leader and other Senators on procedural points be printed after my remarks in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR ENTIRE STAFF OF COMMITTEE ON LABOR AND PUBLIC WELFARE TO BE ON FLOOR DURING CONSIDERATION OF CONFERENCE REPORT ON LABOR BILL

Mr. GOLDWATER. Mr. President, the rule relating to the number of staff members who may be on the floor at one time would permit only one member of the minority staff of the Committee on Labor and Public Welfare to be present during the consideration of the conference report on the labor bill. Because of the very unusual nature of the conference report and the circumstances which surround it, I ask unanimous consent that the entire staff of the committee may be permitted to be on the floor during the time when the conference report on the labor bill is discussed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

SURVEY OF PROPOSED OREGON DUNES NATIONAL SEASHORE RECREATION AREA BY ROBERT W. CHANDLER, OF THE BEND (OREG.) BULLETIN

Mr. NEUBERGER. Mr. President, nationwide interest attaches to the effort on the part of certain Members of the Senate to preserve scenic portions of the country's shoreline in national seashore recreation areas under the supervision of the U.S. National Park Service.

The pages of the RECORD have recently contained extensive speeches on such proposed parks by the senior Senator from Illinois [Mr. DOUGLAS], by the senior Senator from Montana [Mr. MURRAY], by the junior Senator from Texas [Mr. YARBOROUGH], and by many other leaders in the field of conservation of our outdoor grandeur. These have been outstanding speeches.

Looming large in any proposed legislation for the national seashore recreation areas is the Oregon Dunes and Sea Lion Caves National Seashore, along the magnificent seacoast of my native State. Indeed, this area has been recommended for national park status by the National Park Service Advisory Board of the Interior Department. Because I concur thoroughly in this recommendation, I have introduced legislation to transmit the proposal into law. I have had encouragement in my efforts from the administration through the Department of the Interior.

For all these reasons, I believe Members of the Senate will be interested in a most illuminating series of articles which appeared in the Bend (Oreg.) Bulletin from August 24 until August 27, 1959, by Robert W. Chandler, editor of that daily newspaper. Although he himself resides in an inland community, Mr. Chandler journeyed to the Oregon coast to ascertain personally the facts about the proposed national seashore recreation area.

I will let Mr. Chandler's thorough series of four articles speak for itself. However, I am immensely heartened and encouraged by the concluding sentence in his fourth article. It reads as follows:

> Among those who fully understand the facts, support for the park can be found in a sizable majority.

Mr. President, I ask unanimous consent to include in the CONGRESSIONAL RECORD the four articles on the proposed Oregon Dunes National Seashore Recreation Area written by Robert W. Chandler, of the Bend Bulletin.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Bend Bulletin, Aug. 24, 1959]

DUNES PROPOSAL CREATES STIR IN OREGON; SIDES CHOOSE UP FOR CONGRESSIONAL FIGHT—HERE ARE FACTS IN COAST PARK CONTROVERSY

(EDITOR'S NOTE: In March this year the National Park Service reported results of a yearlong survey of recreation areas on the Pacific coast. Included in recommendations accompanying the survey was one that an area between Florence and Reedsport on the Oregon coast, plus Oregon's Sea Lion Caves, be set aside as a national recreation area. The proposal has been the subject of considerable discussion, within and without the area, since that time. The editor of the Bend Bulletin recently spent several days in the area, looking over the proposal and discussing it with proponents and opponents. His findings are presented in a series of articles, the first of which follows.)

(By Robert W. Chandler)

REEDSPORT, OREG.—Come to this Oregon city where the Umpqua River runs into the Pacific and you will hear considerable mention of the park or the national park.

Ask what's going on, and you will receive a number of answers. Some of them demonstrate a pretty thorough lack of familiarity with the whole subject.

For the national park is, strictly speaking, not a national park at all. At present it's a strip of land of varying widths in the area between Reedsport and Florence, 23 miles to the north.

An advisory board to the National Park Service has recommended it be acquired—along with the Sea Lion Caves 12 miles north of Florence, for the Oregon Coast National Seashore Recreation Area.

What is such an area? Are there any in Oregon now? What do people here think of the proposal? How are such areas created?

It was to answer these and other questions that I have just spent time, effort, and gasoline looking over the area.

The official description of the tentative area involved—which could be changed in some details after hearings to be held in the area in October by committees of both the U.S. Senate and House of Representatives—is:

LOCATION

The sand dunes extend for a distance of 23 miles south of Florence. The Sea Lion Caves area is 12 miles north of Florence.

ACCESSIBILITY

The coast highway (U.S. 101) passes through or is adjacent to the entire area.

DESCRIPTION OF AREA

The area comprises 24 miles of shoreline with over 33,000 acres of upland. This includes three distinct types of land forms. Fronting the ocean is an attractive, clean, fine-textured, wide, sandy beach. Second is a vast, desertlike expanse of moving sand that has been swept up from the shore by the wind and subsequently deposited and formed into attractive dunes. The third and easternmost type of land form is ancient, forest-covered dunes which reach a maximum height of 450 feet above the sea. Also

included are three irregular, freshwater lakes which possess high scenic and recreation values. They vary greatly in size, ranging from 130-acre Cleawox Lake, the smallest, to Woahink Lake with slightly less than 800 acres, and Siltcoos Lake, which covers some 3,200 acres. Vegetative cover is comprised of a dense, picturesque coniferous forest with an understory of varied shrubs and a fine rhododendron display. The Sea Lion Caves site is a notable rookery for Steller sea lions, California sea lions, and bird life of outstanding interest.

PRESENT USE

Present use consists almost solely of recreation. The area includes one 522-acre State park, and there are several developed forest service campgrounds and picnic areas. A considerable number of homes and cottages exist around the lakes. The Sea Lion Caves section is managed on a private commercial basis.

ANALYSIS

The area is adjudged to be of national importance, not only for the manifold opportunities for seashore recreation but also for the inspirational worth of the resources to the American citizen. The many superlative values found here are of such high importance as to warrant permanent preservation for the Nation as a whole.

Involved is an area of approximately 33,000 acres, about 60 percent of which already is federally owned. Biggest single chunk remaining, about 3,000 acres, is part of the Lake Tahwenitch tree farm of the Crown Zellerbach Corp., and is logged-over land on which the firm is raising pulpwood.

The balance is in some 25 or more—no one seems to know just for sure how many—private ownerships, some of them summer homes, others permanent homes around the lakes in the area, and a few small farms.

When the proposal first was announced, three Oregon Members of Congress, Senators RICHARD L. NEUBERGER and WAYNE MORSE and Congressman CHARLES O. PORTER, announced they would support the Park Service proposal. Bills have been introduced in Congress for this purpose.

Hearings on Senate measures will be held by NEUBERGER in Reedsport, October 5, and Eugene, October 7. A tour of the area will be held on October 6. PORTER will conduct hearings late in October in Florence for the House committee involved.

No sooner had the proposal been publicly announced than the storm broke.

Everyone, it seemed to readers of the area's newspapers, had an immediate opinion on the idea. Some were for it, and some violently opposed the whole thing.

Opinions were not confined to the area, either. Oregon's Gov. Mark Hatfield, after an hour-long telephone conference with NEUBERGER, said he thought the idea a good one. Newspapers joined up. Tours of the area were arranged.

Attempts were made by both sides to get the Florence Chamber of Commerce to state a position. Opinion among chamber members is divided, so the chamber is standing by for the present. A new organization, the Western Lane Taxpayer's Association was formed, to fight the proposal.

Newspapers were flooded with propaganda, from both sides.

One group said the recreation area would be the saving of the Florence-Reedsport area, which has not shared to date in the industrial development of recent years along the Oregon coast.

Another said it would be the ruination of the area, that schools would go broke, retired persons would be shoved out of their homes, property would go off tax rolls, and that any administration under the National Park Service would result in permanent industrial stagnation of the area.

Where does the truth lie, with the opponents or those who favor the development? Which group is right?

Of course, in any proposal as big as this one, there is no single answer. There is no absolute truth, no single set of facts.

On the whole, though, the weight of the evidence favors the development under the plan of the Park Service, it seems to me.

[From the Bend Bulletin, Aug. 25, 1959]

FIGHT AGAINST COAST PARK AREA BEING LED BY TAXPAYER'S GROUP

(By Robert W. Chandler)

FLORENCE, Oreg.—One might think that the idea of a new national recreation area here—which would have the effect of putting Florence on the Nation's maps in a more prominent position than it now holds—would be universally popular.

'Tain't so, brother.

This is not to say the idea is universally unpopular, either. Although opponents are far more vocal than those who favor the idea, one would be mistaken if he felt everyone here and in the proposal area is against the idea.

Who is leading the well-publicized fight against the proposal of the National Park Service that a portion of the area between here and Reedsport, 23 miles to the south, be set aside as National Seashore Recreation Area?

The main opposition seems to come from the newly formed Western Lane Taxpayer's Association. The association, led from Florence, has dredged up all the help it can get, including a couple of industries and the remnants of a tribe of Indians.

HANDOUTS BY SCORE

Most vocal of the leaders are John S. Parker and Jack Hayes, who have been writing handouts by the score, sending letters to the editors of newspapers in and beyond the area and engaging in other activities one finds common to any longer organized pressure group.

They are doing a professional job, too. They are seizing upon every straw in the wind which can help put across their point of view.

What are their objections?

Well, these pieces were not intended to be mere recitals of the positions of various groups. In traveling through the area I tried to talk to persons who had no particular ax to grind, one way or the other. I didn't therefore, feel it necessary to tour the area with Mr. Parker or Mr. Hayes, but instead spent my time talking to others in the area who might not already be committed on the proposal.

One in this business has no trouble, however, finding out the position of the Western Lane Taxpayer's Association. It's ag'in the whole idea.

Prominent in the opposition are real estate interests, which have made a good thing out of lakeside properties around three lakes in the area.

There are those, too, who feel there is considerable industrial future in the area, industrial future which they fear will be limited if companies are unable to use water found in the dunes.

There are those who fear the loss of taxes by local school districts.

There are those who dislike Government encroachment in any form, here or elsewhere.

PROPOSAL OPPOSED

There are large corporations operating in the general area, Crown-Zellerbach and International Paper, both of whom have gone on record as opposing the idea.

There as those engaged in the motel business who feel the State already is making it too easy for persons to camp out along the beach in the summer, and who fear the Federal Government will make it even easier in the future.

And there are a heck of a lot of people who are against the proposal without knowing why.

This last is no real surprise, of course. Too often Americans, including but not limited to newspapermen, make up their minds, with little or no real information.

And the publicity job done by the opposition has been an excellent one, from their point of view.

But, like every professional publicity job of this sort, the Western Lane Taxpayer's Association has not attempted to present the proposal fairly or to give both sides of the picture.

This is not surprising, either. They're against the idea, and they're trying to sell their position to others.

Some of the objections are strictly matters of opinion. One can argue them all day and all night and not find an answer at the end.

Others, however, can either be refuted or proved.

OBJECTIONS NOT SPECIFIC

International Paper has not made a very specific objection. Its local general manager issued a statement last April which was a formal protest because of the general language and broad terms of the Neuberger enabling act, and the lack of time to study its consequences.

Crown-Zellerbach was more specific. The proposal would remove about one-third of the acreage from its local tree farm, and like any other large timber owner it doesn't want to lose any productive acreage.

The Crown-Zellerbach objection has largely fallen on deaf ears, though. The company does no processing here. Whatever is cut from its tree farm will go to some Crown plant in another area, anyway. Total employment of the Crown operation here is estimated at 10–12 persons, at sometime in the indefinite future.

The objection from International is much more worrying to many local people. At Gardiner, near Reedsport, International has a sawmill and plywood plant. It has been making noises about putting in a pulp plant—a big one, too—in Oregon. Reedsport people hope the plant will be located in this area, but if such a decision has been reached it isn't generally known here.

BASIS OF OBJECTIONS

International's objection, at any rate, is based upon a water supply and effluent disposal problem, since no company lands or timber are involved in the proposal.

These objections seem to be entered merely on the record, however, since effluent disposal from a Gardiner pulp operation would probably not involve the seashore area, and Park Service officials seem to be kindly disposed toward the use of industrial water from the dunes, such as is proposed by Pacific Power & Light and Menasha Wooden Ware near North Bend.

Other objections seem in large part to be due to a lack of information on the exact proposal. There is considerable misinformation, some of it due to deliberate distortions and other the natural result of stories passing from person to person.

Don't, however, count out the Western Lane Taxpayers' Association. The group is well organized, skillfully led and well financed.

Lesser groups have caused fatal illnesses to similar proposals elsewhere in the past.

[From the Bend Bulletin, Aug. 26, 1959]

PARK PROPOSAL COULD RESULT IN MUCH GOOD TO STATE COAST AREA

(By Robert W. Chandler)

FLORENCE, OREG.—If there's so much opposition to the proposal to make part of the area between here and Reedsport into a national seashore recreation area, there must

be something wrong with the idea. Is there anything good about it?

Well, unless the whole thing is handled very carefully by both the National Park Service, which would have charge of the new facility, and local people, there would be something wrong with the idea. At the same time, there are some very good things about it.

In the first place, this area of the Oregon coast—between the Umpqua and Siuslaw Rivers—has been bypassed by the big industrial boom which has been enjoyed at Coos Bay to the south and Yaquina Bay to the north.

BYPASS SEEN

And because of various geographic factors, it is highly likely that the boom will bypass this area for a number of years to come.

The area originally was built through harvests of timber and salmon. Salmon runs have decreased greatly over the years, and much timber has been cut off. There is stiffer competition for the logs which are left.

So, during recent years the coast—like many other parts of Oregon—has worked hard to improve its tourist business.

After all, a dollar is a dollar, whether it comes from a millhand or the fat man in the Bermuda shorts.

And the coast has done a good job. The care and feeding of tourists now is the second largest source of income for the area, and bids fair to beat out the lumber industry if present trends continue.

MORE CAMPGROUNDS

Others have helped out. Oregon has located about one-third of its State parks in the area between the Columbia River and the California border south of Brookings. U.S. Forest Service public campgrounds are growing in number and size.

Honeyman State Park, located just south of this town, is one of the State's finest. It will hold 1,400 campers. It's full early in the day on holidays and fills up fairly regularly all summer long.

Sea Lion Caves, located north of here and also scheduled to become a part of the national recreation area, caters to thousands of persons each year. For 65 cents, adult, and 25 cents, child, you can climb down a trail and look at the sea lions in their cave. Coming out, when you are out of breath, you can buy souvenirs—at least most visitors seem to do so.

The owners of the caves are sitting pretty in all this business. They figure that if the Federal Government doesn't buy them out, the State will. And in the meantime, presumably, the price keeps going up.

Presumably, too, if this area is to be purchased by the Federal Government and made into a national recreation area, cooler heads will prevail, and some of the heat which has been created by the Western Lane Taxpayer's Association will cool off.

WHAT TO EXPECT

What then could the area expect if such a program were started?

Well, a gradual development would ensue. The Government, according to National Park Service personnel, would take full advantage of existing facilities to handle the crowds at first. Things would begin to move faster after a 2- or 3-year planning period.

Second, homeowners in the area would have lifetime tenancy of the homes they sell to the Government. So the population change would be very gradual.

Third, homes and concessions would remain on the tax rolls. So the effect, if any, on local school districts, for example, would be slow. What else could be expected?

There is at present only one national seashore recreation area operating in the United States. Congressman CHARLES O. PORTER, of this district, recently visited it, at Cape Hatteras, N.C.

PORTER was quite impressed with the whole area.

The NPS has constructed a museum of the sea in the area, has a crew of naturalists and rangers on hand to explain various things to visitors. The State of North Carolina is building a $3 million bridge to open up a new portion of the area.

What about the tourist, that fellow who's so important down here?

Well, judging from Cape Hatteras figures and those of other NSP-administered areas, the already booming Oregon coast tourist industry would boom even more. Tourism is increasing all over the country, but the Park Service can show that areas under their control are showing considerably bigger increases than the average.

ANOTHER PROBLEM

The great dunes themselves have created yet another problem. For they are on the move, although there is some argument as to how much they are moving. Dunes control work has been carried on by the Soil Conservation Service and the State Highway Department in recent years.

Perhaps the most important factor, to this area, of the whole proposal is that it would put the Florence-Reedsport area on the national map in a big way.

The area at present has not enjoyed the tourist growth of the area to the north, or the industrial development of the area to the south. Severe competition for timber supplies in the future probably will keep any big-scale industrial development limited to companies presently operating in the area.

And the care and feeding of tourists, apparently, can continue to promote the growth of the area where nothing else can.

VISITORS ASSURED

The pressure of population, growing in this country at an increasing rate, and the fact that there's something fascinating about the moving, booming sea and its moving shore, will insure more visitors to Oregon beaches in the future.

California, the colossus to the south, has not handled its beaches as wisely as has Oregon. The inevitable result will be to push Californians northward during the summer seasons.

There are reasons, then, good reasons, for establishing such an area here.

What do the people here think about it?

Well, some of them have changed their minds since the proposal first was announced. And the opinion seems to vary depending upon the location of the person holding the opinion.

[From the Bend Bulletin, Aug. 27, 1959]

OPPOSITION TO DUNES PLAN FOUND TO CENTER IN FLORENCE AREA

(By Robert W. Chandler)

REEDPORT, OREG.—What do residents of the area think of the idea of having a national seashore recreation area established between here and Florence?

Well, if one were to inform himself solely by reading the results of a well-organized "letter to the editor" campaign, he would think everyone is against the idea.

That's not true.

Actually, most of the opposition comes from the Florence area. And it's changing there. In addition, not everyone in Florence, by any means, is against the idea.

When the National Park Service proposal first was announced in March, reaction was immediate.

Dave Holman, editor of the Florence News Advertiser, told a reporter at that time that "opinion on the proposal is fairly evenly divided."

But the other day he told this reporter that "85 percent of the people in the area are against the park idea."

Holman has joined the ranks of the opponents of the park in the meantime, and it is probable that this has colored his measurement of the opinions of others.

RAPID FALLOUT

Actually, opposition dies out fairly rapidly beginning at the Florence city limits. By the time one gets to the other end of the area, down here, the idea is fairly popular. Drive further south, to North Bend or Coos Bay, and most people favor it. The same seems true further north, around Waldport or Newport.

It would be a mistake, however, to think that even the most vocal opponents are against the whole idea.

Even opponents agree that the area west of Highway 101 through the area has its greatest value to this area as a tourist attraction. The controversy arises largely over the shorelines of the three freshwater lakes in the area, all on the east side of the highway.

Opposition from around the lakes seems to come in large part from persons holding property for eventual speculative development, from those with low value properties hoping to sell at some future time at a big profit and from some resort operators who are fearful their operations will not come up to National Park Service standards.

But the idea that everyone in the area is up in arms against the proposal is patently untrue. As a matter of fact, were it not for the fears of economic reprisal from their more vocal neighbors, a survey of public opinion in the area between the Siuslaw and Umpqua would probably show the majority favoring the recreation area development.

CONCLUSIONS DRAWN

After spending 2 or 3 days in the area, talking to the people, not their leaders, one comes to these conclusions:

1. The opposition is a small, but well organized and highly vocal, minority.

2. The opposition is centered in Florence, and dies out pretty rapidly as one travels north or south from that city.

3. Most of the balance of the opposition is based on lack of information, or misinformation deliberately fostered by the Lane County Taxpayers Association.

This is not to say that all those in favor of the idea favor it unreservedly. There is a considerable body of opinion which wants the tentative boundaries changed.

At the same time, a number of those who want the boundaries changed don't have a very good idea of just where the boundaries are.

FROM POCKETBOOKS

Most of the milder opponents will admit frankly that their opposition arises solely from their pocketbooks.

The same is true of some of those who want the development, who see in it a chance to better their own economic status some time in the future.

Take, for example, the Florence housewife who came to the door in answer to a knock.

"I don't want to see it come in here. My husband is a logger, and if they shut up all that timber he'll be out of work."

Fact: There's no merchantable timber in the area tentatively proposed, and no loggers are operating there now on any scale.

Or listen to the Reedsport businessman, over a cup of coffee.

"We've got a chance for a big development by International Paper here. If this thing is going to take all their water and timber, we won't have any development."

Fact: International Paper lands are not involved, and their water filings are on a lake not included in the tentative boundaries.

As the Reedsport housewife said, bandaging a scraped knee for her 6-year-old:

TAXES TOO HIGH

"I'm afraid it'll raise taxes, and our taxes are too high already."

Fact: Reedsport taxes are among the highest in the State, but none of the proposed recreation area is within the boundaries of any Reedsport taxing district, so could have no effect here.

There are those who are quite favorably impressed with the whole idea. Many of these are oldtimers in the area, who have gone through 30 or 40 years of false hopes of "big developments" just around the corner.

One grocer put it this way:

"I've lived here a long time. I know the property involved. I've walked and jeeped my way over every foot of it. For the most part it has very low property values, and putting it into any kind of national development would be the highest use to which the property could be put."

Summing up, one would believe that a pretty fair majority of people in this entire area favor the development, with the main opposition coming from a group in Florence. The opposition is less vocal outside the Florence area, and is only effective there because most persons seem to fear economic reprisals.

So, those who approve of the idea may be frightened into silence, and others may be just unwilling to argue publicly with their neighbors, but there are proponents. Among those who fully understand the facts, support for the park can be found in a sizable majority.

"OUR FIRST RESPONSIBILITY"—ANNUAL ADDRESS OF THE PRESIDENT OF THE AMERICAN BAR ASSOCIATION

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the annual address of the president of the American Bar Association entitled "Our First Responsibility." The address was delivered by one of the Nation's top lawyers, Ross L. Malone, at the 82d annual meeting of the association, recently held in Miami, Fla. It is an excellent speech and one which deserves the thoughtful consideration of all of us.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

OUR FIRST RESPONSIBILITY

(The annual address of the president of the American Bar Association by Ross L. Malone before the opening assembly of the 82d annual meeting of the American Bar Association, Americana Hotel, Miami Beach, Fla., August 24, 1959)

Many years after the close of his remarkable career, a contemporary of Simeon E. Baldwin described the founder of the American Bar Association as "the man who has done more to elevate the general standard of legal education than any other person in this country, and who was the projector and progenitor of the entire system of graduate law instruction in the United States."

Whether or not the author of that statement was attributing to the former chief justice and Governor of Connecticut the accomplishments of the organization of which he was the founder, and later president, there was a sound basis for his statement.

It would have been surprising if Simeon Baldwin's great interest in legal education had not been reflected in the organization which he had conceived. It would have been even more surprising if the national organization of the legal profession had not evidenced throughout its history a major concern for the educational process by which its members are prepared to serve the public.

Whether this interest be attributed to the influence of heredity or environment, there can be no question but that legal education has been a source of continuing concern to the American Bar Association throughout the 81 years of its existence. Examination of the history of the association furnishes convincing evidence that traditionally it has been recognized as our first responsibility.

The constitution adopted by our founders at Saratoga Springs, N.Y., on August 21, 1878, stated the first object of the new association to be "to advance the science of jurisprudence." Of the seven committees originally created by the constitution, one was "on legal education and admissions to the bar."

Following completion of the organizational formalities, the first resolution offered and adopted at the first meeting of the association was:

"Resolved, That the committee on legal education and admissions to the bar be instructed to report, at the ensuing annual meeting, some plan for assimilating throughout the Union the requirements of candidates for admission to the bar, and for regulating on principles of comity, the standing throughout the Union, of gentlemen already admitted to practice in their own States."

Subsequent developments continued the priority which the founders had given to legal education. As the membership and size of the annual meetings of the association increased, the program became more crowded. Those interested in the problems of legal education felt that the general meetings of the association did not afford adequate time for their discussions. The demands for the allotment of additional time on the program led the executive committee of the association in 1893 to propose a resolution to create a section of legal education and admissions to the bar. The motion to adopt the resolution was made by Simeon E. Baldwin of Connecticut, and there resulted another "first" for legal education—the first section to be created by the association. It is worthy of note that it has since been joined by 17 additional sections which will meet during this 82d annual meeting of the association.

Since its inception, the association has sought to elevate the standards of legal education. In 1879, at a time when no State in the Union required education in a law school for admission to the bar, the committee on legal education filed its first report recommending that a law school education be made a prerequisite of the right to take the bar examination. It recommended in detail the curricula which should be pursued during the 3 years of law school which it proposed. While the association was unwilling to take such a big step so early in its life, it did approve a 3 year law course, graduation from which would entitle a student to take the bar examination, and recommended that time spent in the law school be treated as equal to law office study in qualifying to take the bar examination.

Through the years the proceedings of the annual meetings of the association evidence the interest of its members in the educational requirements for the practice of law. The names of Woodrow Wilson, Samuel Williston, John H. Wigmore, John Randolph Tucker, William Draper Lewis, James Barr Ames, Roscoe Pound, Harlan F. Stone, William H. Taft, Silas H. Strawn, Elihu Root, and others of comparable distinction which appear in the proceedings of the section, testify to the predominant position of legal education in the program of the association through the years.

At the annual meeting in 1899 a committee of the section was appointed to "take into consideration what action, if any, shall be taken to bring the reputable law schools of the country into closer relations with each other and with the section of legal education." There resulted in 1900 the organization of the Association of American Law Schools, the membership of which was composed of law schools meeting the minimum standards of the association. It met annually in conjunction with the annual meeting of the American Bar Association until 1914. In that year the association met in October—at a time when it was obviously impossible for most law teachers to attend. This resulted in a decision of the Association of American Law Schools to meet separately from the association, and since 1914 there has not been a joint meeting of this association and the Association of American Law Schools.

The most significant action of this association affecting legal education occurred in 1921. In his address as president of the American Bar Association in 1916, Elihu Root had dscussed at some length the problems of the bar in relation to legal education, premising his discussion on the proposition that if the legal profession is to discharge adequately its obligation to the public, it must terminate the production of incompetent lawyers by marginal law schools through elevating the standards of education and the requirements for admission to the bar.

Mr. Root concluded:

"The law school has taken the place of the law office, except for acquiring the mere technique of practice, and the rights of the people of the United States to have an effective administration of the law require that the standards of the best law schools shall be applied to determine the right to membership in the bar."

Elihu Root's eloquent plea for the elevation of the standards of legal education, and his interest in the subject, undoubtedly resulted in his being elected, and accepting, the chairmanship of the section of legal education and admissions to the bar in 1920. At that meeting the new chairman was authorized to appoint a seven-member committee, of which he would be chairman, "to report to the next annual meeting of the section their recommendations in respect to what, if any, action shall be taken by this section and by the American Bar Association to create conditions which will tend to strengthen the character and improve the efficiency of persons to be admitted to the practice of law."

The report filed by the committee in 1921 has been characterized as "one of the milestones in the evolution of legal education." The accompanying resolutions proposed to put the American Bar Association on record as being of the opinion that every candidate for admission to the bar should have graduated from a law school requiring 2 years of prelaw college study and 3 years of full-time study in law school, or its equivalent.

The resolutions further put the association on record as favoring bar examinations and opposing the diploma privilege, and authorized the council of the section of legal education to publish the names of schools meeting the standards so adopted, as well as the names of those which did not, and to make such publications available to "intending" law students.

The resolutions then authorized the council on legal education to call a conference on legal education, in the name of the American Bar Association, to which State and local bar associations would be invited to send delegates, which would, it was hoped, take action

to "create conditions favorable to the adoption of the principles set forth."

The proposed resolutions were debated fully and were adopted by the section, and the following day by the association. This action, which in a large measure reflected the leadership of Elihu Root, has been referred to by Dean Albert J. Harno as "the most articulate and positive action on legal education ever taken in America."

The national conference which followed convened in Washington, D.C., in February 1922. Forty-four State bar associations, over 100 local bar associations, two Canadian bar associations, and a number of universities were represented in the conference which was composed of 560 delegates. Included among the speakers at the conference were William Howard Taft, then Chief Justice of the United States, Elihu Root, George W. Wickersham, John W. Davis, William G. McAdoo, George Wharton Pepper, Silas H. Strawn, and other leaders of the profession.

Debate on the resolutions continued for 2 days. There was a thorough "airing" of the John Marshall and Abraham Lincoln arguments as opposed to the position of Mr. Root that the right of the public to be protected against ignorance and unfitness within the bar must be predominant. On final vote the substitute motions which had been offered in an effort to "water down" the proposal of the association were defeated and the original resolutions were adopted.

This was the origin of the inspection and accrediting of law schools by the American Bar Association and of the establishment of standards of legal education on the basis of which the right to accreditation would be determined.

It is doubtful if this association has ever taken action which had a more far-reaching effect upon the legal profession or its relationship with the public. Had the association never accomplished anything more than the adoption of the resolutions in 1921, implemented by the national conference in 1922 and the system of inspection and approval of law schools which has followed, the existence of the American Bar Association would have been fully justified.

As a further backdrop for the discussion of some current problems of legal education, I should mention the creation of the National Conference of Bar Examiners in 1931, the inception shortly thereafter of the program of continuing legal education under the aegis of the secton on legal education; the creation of the joint American Law Institute-American Bar Association committee on continuing Legal Education in 1947; and the increase from 2 to 3 years of the prelaw education requirement in 1950. All reflect the appreciation by the legal profession of the importance of its responsibility for the qualification of lawyers to render service to the public and our continuing determination that the bar as a whole shall measure up to commensurate standards.

One other product of the association's interest in legal education should be mentioned. It is the survey of the legal profession, which was undertaken in 1947.

In 1944 the section of legal education received from the house of delegates authority to conduct an overall study of legal education and admissions to the bar in the public interest. On pursuing the matter, the section concluded that if the study of legal education was to be really worth while, it should be a part of a much broader study of the profession as a whole. On recommendation of the house of delegates, approval was forthcoming and a comprehensive survey of the legal profession was undertaken, to be financed by a grant of $100,000 from the Carnegie Corp., and $50,000 which the association obligated itself to provide.

Only the final report of the survey remains to be completed. As foretold by the original conception of the project, legal education was the subject of special attention throughout the survey. The two major publications of the survey dealing with legal education are the excellent study and report of Dean Albert J. Harno, entitled "Legal Education in the United States," which has been of great assistance in the preparation of this address, and the volume "The Law Schools of the United States," by Lowell S. Nicholson of Boston. The latter volume, published during the last year, is a statistical study of information concerning the law schools of the United States based on answers to a comprehensive questionnaire issued by the survey.

In the light of the history of the association which I have recounted, and the predominant concern for legal education which it discloses, I would like to consider three specific problems which are pointed up by the survey of the legal profession. Each is a problem relating directly to legal education; each is a problem in the solution of which the entire profession has a vital interest. They are:

1. The relation of prelaw education to the law school.

2. The necessity for more adequate education for professional responsibility.

3. The inadequacy of the financial support for legal education.

Any examination of problems relating to legal education must be made in the light of the separate maintenance agreed on by the American Bar Association and the Association of American Law Schools in 1914. An inevitable result of this physical separation has been loss of contact between the two organizations and a tendency on the part of each to regard the other with something less than complete approval. In the same manner, as the teaching of law became established as a profession in itself, the law teacher and the practitioner have tended to drift apart. Too often the practitioner regards the educator as a lawyer who couldn't make a living in the practice. The law teacher, in return, regards the practitioner as an embodiment of all the deficiencies of the profession, who is primarily responsible for the disillusionment of the students in whom he is seeking to inculcate high professional standards.

This unfortunate situation has contributed to an attitude in the practicing profession which can be expressed as: "You educate them and we will worry about them after they have passed the bar examination." But that is too late for the worry to start if the interest of the profession as a whole is to be served.

The conditions which determine the quality of the product of the law schools are susceptible of improvement in many respects through the joint effort of the teaching and practicing branches of the profession. Each can assist the other in the solution of vexing problems that should concern the entire profession. A rapprochement between the two is much to be desired. It is an essential ingredient of any adequate solution of the problems under consideration. Perhaps the American Bar Association, after returning the hospitality of our English brothers in 1960, should invite the Association of American Law Schools to meet jointly with us in 1961 to strengthen our bonds with still another segment of the English-speaking bar.

The relationship of prelegal education to the law school is one of the most pressing problems of legal education today. It was the subject of a definitive study by Chief Justice Arthur T. Vanderbilt for the survey of the legal profession and is treated at length by Dean Harno in his report. It is not a new problem. In 1900 William Draper Lewis addressed the section of legal education on the subject "The Proper Preparation for the Study of Law," and it has been discussed ever since. A committee of the Association of American Law Schools was established to deal with the subject in 1950. In 1953 its report "Pre-Legal Education: A Statement of Policy by the Association of American Law Schools" was adopted and distributed. The established policy of the association as reflected in that statement is that under no circumstances shall any college course be required as a prerequisite for admission to law school. It does discuss the general subject matter and character of instruction which are considered desirable, but it does not translate this discussion into prelaw courses. It is directed to the faculty and not to the student level.

That this report has not provided the solution to the problem is apparent from the fact that all educators agree that students are reaching law school with inadequate preparation and many law schools have prepared individual statements on the subject for distribution to prelaw students. Everyone who has studied the situation has concluded that the means whereby prospective lawyers can be assured maximum benefit from their prelaw education is one of the greatest needs of legal education today. Neither legal educators nor practitioners are in agreement as between themselves or with each other as to how best to meet the need.

Dean Harno, reporting for the survey, points out that we say to the student that he must have 3 years of prelegal education, but exercise absolutely no control whatever as to the content of that education. Pointing his accusation equally at the American Bar Association and at the law schools, he said:

"Neither the authority that established the requirement, nor the schools, excepting in the sporadic actions of some schools, offer the student guidance in the path he should follow. Why, as a measure of educational policy, does he not have that guidance?"

At the law school of the University of Michigan in June there was held the 1959 Conference on Legal Education. The conferees, approximately 100 in number, included leaders in legal education from throughout the United States, deans of undergraduate colleges and a small number of representatives of industry and the practicing profession. The portion of the conference in which I was able to participate was interesting, stimulating, and most worthwhile.

It was generally recognized by the conferees that a pressing current problem results from the fact that the legal profession is not attracting the share of outstanding and highly gifted students that it has in times past. More than one undergraduate dean attributed that fact, in part, to the complete lack of an organized undergraduate program for students intending to enter law school. They pointed out that the student is told, in effect, "the law school will accept 3 years of anything so long as your grades are satisfactory."

The deans further said that too often the result is either 3 years of courses in which it is easy to make satisfactory grades or that the student, lacking adequate guidance from the law, becomes interested in some other career during his undergraduate days and is lost to the law.

Recognizing the fact that the profession has not yet arrived at a satisfactory means of taking maximum advantage of the period of prelegal education, the conferees at Ann Arbor, in their final statement, said:

"We recommend that the Association of American Law Schools arrange for the appointment of a working committee consisting of an equal number of law teachers and undergraduate college administrators and teachers, selected from the Association of American Colleges Committee on Pre-Professional Education and the Conference of Academic Deans. The committee should be broadly charged with exploring methods of

providing more effective use of the post high school study period as it relates to legal education."

The statement further recommends that when the committee has reported, a full-fledged conference should be called to consider prelegal education, pointing out that it would logically follow the Arden House Conference on Continuing Legal Education and the Ann Arbor Conference on Legal Education.

The proposal is an excellent one, which I hope will be carried out—with one modification. The practicing profession should have equal representation on the committee. It has a stake in the maximum utility of prelegal education and should be able to contribute to the deliberations of such a committee and to the conference which is envisaged. I hope that when the committee is created, an equal number of practicing lawyers representing the American Bar Association will be included in its membership. That the practicing profession was not included in the original proposal is further evidence of the extent to which legal education and the practicing profession have become isolated from each other and tend to consider common problems separately.

There are, however, encouraging evidences of a rapprochement. Continuing legal education provides one. As the result of the highly successful Arden House Conference on Continuing Education of the Bar, an expanded and accelerated program of post-admission legal education is developing in which the law schools and the practicing profession are working in closer cooperation than ever before. This cooperation is being implemented in many States through the creation of a State coordinating committee, as recommended by the Arden House conferees, on which the organized bar, the law schools and all other groups actively interested in continuing legal education are represented. In some States professional directors of continuing legal education are being provided through the joint effort of the law school and the State bar. Undoubtedly this relationship in postadmission education will continue to contribute to a closer relationship between the bar and the law schools which will be mutually beneficial.

The second problem which I wish to consider also is in an area in which educators have been unable to agree. It concerns legal education for professional responsibility.

The final statement of the conferees at the Arden House Conference on Continuing Education of the Bar included this statement:

"Programs for continuing legal education thus far have placed a major emphasis on professional competence and have not given to professional responsibility the attention it should have. In the future these programs must also emphasize the professional responsibilities of the lawyer."

I suggest that the same statement can be made accurately with reference to law school education as it now exists throughout the United States, and that in the future more emphasis must be given in the law schools also to education for professional responsibility. I further suggest that the present situation is sufficiently unsatisfactory to call for immediate action by the Association of American Law Schools and the American Bar Association to insure this additional emphasis.

The study of this subject made by Prof. Elliott E. Cheathem for the survey of the legal profession finds the attention given to professional responsibility in the law schools to be at best wavering and uncertain, and notes widespread confusion in the law schools as to what is expected of them and as to how the instruction can be undertaken effectively.

The report of the Committee of the Association of American Law Schools on Education for Professional Responsibility filed at the annual meeting of the association last December discloses that of 110 accredited member law schools to which this question was directed:

"Does your school offer a course directed primarily to the communication of a perception of professional ethics and responsibility?"

Only 64—less than half—answered in the affirmative and not all of their courses were compulsory.

On this basis we can only conclude that more than one-half of the students graduating from the accredited law schools of the country today have not been exposed to any course or program designed for the purpose of instilling in the student a knowledge and appreciation of the ethical standards and professional responsibility of the profession.

I can only view this as a most regrettable situation. Certainly it is a situation in which the practicing profession has a primary interest for it is only after graduating that the effect of this deficiency will be evident.

I do not want to be misunderstood. The fact that in a law school there is no assigned responsibility of a faculty member for instruction in professional responsibility does not necessarily indicate any lack of appreciation of the importance of instilling professional responsibility in the students. A great many educators have concluded that it is not possible to teach legal ethics or instill professional responsibility through a program of instruction, and that the most effective means of indoctrination is through the contact which students have with professors of high ethical standards who, from time to time, emphasize ethical considerations in connection with the consideration of substantive law questions.

Unquestionably there is great benefit incident to such contacts, but is this not an incidental benefit of attendance at an accredited law school which was one of the reasons that correspondence schools are not accredited? And if it is an incidental benefit, are we justified in relying upon the incidental to provide the essential?

If education for professional responsibility is as vital as the Arden House conferees considered it, and if the lack of uniformity and confusion among the law schools is as great as the survey report and the Association of American Law Schools committee report indicate, it would seem that the time has come for both the Association of American Law Schools and this association to take steps to insure adequate education for professional responsibility in all accredited law schools. This could be done by making such instruction a prerequisite for approval of the law school, just as we make 3 years of prelegal study a prerequisite.

I am certain that those who would oppose such a proposal will suggest that since there is no agreement as to exactly how such instruction can best be undertaken, there is no basis on which a requirement could be promulgated. But I note one requirement among our present standards of accreditation which reads as follows:

"It shall be a school which in the judgment of the council possesses reasonably adequate facilities and maintains a sound education policy."

It would seem that such a requirement in relation to education for professional responsibility should be possible which would permit wide latitude in the approach to the problem but still give impetus to the inclusion of instruction in this area in the law school curriculums. I know of no subject of instruction which exceeds—or even equals—professional responsibility in importance to the profession or to the public.

No one would attribute the current disciplinary problems of the profession to the failure of over half of our schools to include education in ethics and professional concepts in their curriculums, but it would not be surprising if it has contributed to them. This is particularly true when I consider a conversation which I had recently with the chairman of a State bar disciplinary committee. He said that his committee had just completed a hearing on a complaint against a young lawyer, out of law school only about a year, who was in trouble because he didn't know what was expected of him. The chairman was satisfied that this actually was the case. Yet, absent any attempt at instruction as to what the canons of ethics require of a lawyer, what is to prevent such cases occurring?

If it can be said that inability or failure to solve the two problems which I have mentioned reflects no credit upon the law schools, in the case of the third problem "the shoe is on the other foot." The practicing profession has cause for acute embarrassment in the financial problems of our law schools and the manner in which we have ignored them.

The study of the law schools reported by the survey of the legal profession this year discloses a distressing financial situation in the majority of our accredited law schools. It exists not only in relation to the finances of the law schools themselves, but perhaps to an even greater extent in relation to law student loan funds and scholarships.

"By their salaries shall ye know them," wrote one law school inspector for the survey of the legal profession. If that be the criterion, there are a number of our accredited law schools that are not going to be very well known.

There are two basic problems. The first is well stated in the report of the committee which surveyed the 15 law schools in California under the auspices of the State bar of California:

"The argument has been repeatedly made by other departments of the university that there is no reason why a law school professor should be paid any more than a professor of French or English or chemistry or agriculture. This argument is a wholly fallacious one, and one which the organized bar as well as the law schools must effectively combat in the public interest."

Obviously the organized bar is in a much more favorable position to meet this argument than the law faculty involved—but in too few cases have we taken up the cudgels in behalf of our brothers of the teaching profession. By the same token, in the case of the law schools of tax supported institutions, the organized bar of the State is in a far stronger position to assure adequate appropriations for the law school than is the dean, but how often has the bar come to his assistance?

The report of the California survey committee to which I have referred silhouetted the problem when it said:

"The law schools in California, in common with the law schools throughout the United States, are suffering from financial starvation and have been from the time of their organization. Vast sums of money have been made available for education and research in medicine and in various scientific fields, but practically none has been provided for the education of the bar or research into those problems of social and legal engineering with which the legal profession has a public duty to deal."

The survey report includes the following statement by the adviser to the council of the section on legal education of this association:

"Without doubt, the inadequate and low salary scales which obtain in 85 law schools have been harmful to the output of the schools. Nevertheless, the national accrediting agencies have done little about it. Each dean has been left to his own resources in dealing with the problem. The accrediting agencies should tackle the problem."

I propose that we do so—not alone through support of of the type which I have mentioned, but through other means as well. A fund of the type established by the medical and dental professions in support of their professional schools throughout the country offers a possible means of so doing.

In 1948, as a result of efforts of the American Medical Association, the large medical schools of the country and various industrial enterprises, the national fund for medical education was created to mobilize private financial support for the Nation's 82 accredited medical schools. Last year the fund received $2 million from business concerns and $1 million from a matching grant of the Ford Foundation. Out of this fund a grant of $60 per medical student was made to the medical schools of the country.

In 1950 the medical profession established an additional instrumentality, the national fund for medical education. It obtains funds almost entirely from contributions by members of the profession themselves. Its 1958 contributions exceeded $1 million from over 44,000 doctor contributors. Doctors contributing are at liberty to earmark funds for their alma maters if they desire to do so, otherwise all funds are divided equally among the accredited schools.

Approximately 1 year ago the dental profession created the fund for dental education, which is designed to obtain support for dental schools from both outside sources and contributions by members of the profession.

It is inconceivable to me that the members of the legal profession would be less interested in supporting professional education than would the members of the medical and dental professions. We should proceed without delay in the formulation and implementation of a program to provide additional financial support for the law schools of the country. The interest of the public which we serve demands that we do so. The findings of the survey of the legal profession demand that we do so. Our professional self-respect demands that we do so.

May I conclude by reminding you that it is not by chance that legal education is the first responsibility of the profession. To a greater extent than any other agency or activity of the profession, the law schools determine the caliber of the lawyers who will compose the profession and the quality of service that they will render. They are entitled to the support and assistance of the remainder of the profession at all times.

The three problems which I have mentioned today are problems of the profession as a whole. The solution of each will come through a common effort dictated by our common interest. In finding those solutions the legal profession will be recognizing once more its first responsibility.

FACING THE FACTS ON CIVIL DEFENSE

Mr. YOUNG of Ohio. Mr. President, the story of a nation's decline has always been in one way or another the story of its unwillingness to face reality. The American people should be told the truth about our muddled, befuddled civil defense program.

The taxpayers of this Nation should not be lulled into a maginot line feeling of security about civil defense at a time when millions of their tax dollars are being spent to perpetuate a boondoggling, superannuated civil defense agency.

Our people whose homes and lives are threatened should know the truth—the cold hard facts of survival in a nuclear war—and we as their elected representatives are dutybound to provide them with a sane, sound, realistic civil defense program instead of subaverage planners drawing big salaries to head up the present outfit.

After almost 10 years of civil defense planning, the Government's capability to protect the population of the United States is even more ineffective than when it began. It is time that we face the issue of survival in the thermonuclear age squarely and take realistic steps toward doing something about it.

ROCKEFELLER'S HIDEAWAY

Lately, we have been hearing a lot about basement and backyard shelter programs. The distinguished Governor of New York has proposed a compulsory program of this sort for the people of his State. From his recent statements, it appears that he would like to use his not inconsiderable influence to foist this plan on all Americans.

The Joint Committee on Atomic Energy has just issued a report based on hearings held earlier this year. It is interesting to note that in the event of an all-out nuclear attack, 50 percent of the existing dwellings in the United States would be so severely damaged or contaminated by fallout to the extent that they would not be usable for at least several months, many for years.

A shallow basement shelter would be of no use in target areas where the blast and thermal effects would virtually destroy all existing buildings and account for 75 percent of the casualties. Only 25 percent of all fatalities would result from fallout and the Rockefeller's hideaway would be of little protection except perhaps in some places remote from target areas. Even then they would be of little use. In New York State, for instance, there would be virtually no areas clear of serious radiation in a nuclear attack on primary targets.

I assert that these shallow shelters would be no more effective than lying flat on one's face or falling on one's knees in prayer. I am confident that the efficacy of prayer would be far greater.

Still, Governor Rockefeller persists in his drive to force another noble experiment—the last being prohibition—on the people of his State. I seriously doubt that they will accept it, and if it is forced upon them whether it will give them any greater degree of security in an atomic war.

In my own State of Ohio, I know of no civil defense official who, himself, has taken the trouble to build such a shelter, either in his backyard or in his basement. Yet many of them have endorsed the Rockefeller proposals and urged such a program for Ohioans. On being questioned by newspaper reporters, for one reason or another, they admitted that not one of them has erected a civil defense shelter in his own backyard or basement, although they have endorsed the program of Governor Rockefeller. Of course, we all know that in urban areas a small civil defense shelter in the basement of a home might indeed prove to be a firetrap. Evidently the civil defense officials, who recommend these shelters but do not have one themselves, are aware of this fact.

RUN, HIDE, OR BOTH?

It is a tragic joke that while these officials preach the shelter sermon which they themselves do not practice, they are at the same time issuing evacuation instructions. Are we to run or hide or do both at the same time?

I wish to differentiate between these civil defense officials and the very fine volunteer civil defense workers, who have really made sacrifices. In a time of flood in Ohio, early this year, for instance, not one paid civil defense official made any sacrifice whatever, but unfortunately two civil defense volunteers, unpaid workers, gave their lives, and others were injured in rendering first aid to injured people.

Last Monday while I was in Cleveland I heard the civil defense siren at noon. It sounds at 12:15 regularly every Monday, to the annoyance of the people of my home city, and without doing any good whatever. I venture to say that there are very, very few, if any, Clevelanders who would have any notion of what to do if these sirens were used in a nuclear attack.

In Columbus these officials released a 4½-pound, 2-inch-thick manual for evacuation in a nuclear attack. If one took the trouble to read it—and I venture that not 1 in 5,000 residents of Columbus has—he will learn that he is to hop in his car and leave by the shortest route immediately upon receiving the attack warning.

Can any reasonable person imagine all of the automobiles in Columbus, a city of half a million people, trying to leave the city at one time? Even assuming ample warning time which there of course will not be, the chaos would be unbelievable and would probably produce as many casualties as the bomb or missile itself.

Anyway, there is no reason why Columbus should be a target of any missile from the Soviet Union. There are no missile installations at Columbus. It is true that at times during the year the General Assembly of Ohio meets in Columbus, which is the capital city of my State. Many years ago I was a member of the General Assembly of Ohio. I am proud that the citizens of that State elected me.

Yet, as a devout Christian, may I say that in the event of a nuclear attack upon this country by the Soviet Union, in which any missile, accidentally or by design should strike within a reasonable radius of the city of Columbus, Ohio, while the general assembly is in session, let us have faith and confidence that should some of the legislators of my State be killed, divine providence will come to the rescue of our beloved country and of my beloved State to fill those vacant chairs. I believe He would.

Mr. President, the truth is that the theory of evacuation in this day and age is not only silly but dangerous. Soviet submarines off our coasts could send rockets with nuclear warheads 1,500 miles or more inland with accuracy and we would be lucky to have 5 minutes warning.

Intercontinental ballistic missiles fired from the Soviet Union itself would perhaps allow us 15 to 20 minutes warning

time. It is absurd to even consider the possibilities of evacuation under these circumstances.

The thermonuclear weapon with its tremendous destructive power and the missile with its great speed have now made evacuation not only impractical, but impossible.

Yet the high salaried civil defense officials sit in their lush offices busily planning for the evacuation of our cities.

It is almost impossible to believe, but it is a fact that at this late date civil defense officials are issuing plans and directives for evacuation. It is for this confused, outdated agency that American taxpayers have spent nearly $1 billion during the last 9 years.

TWENTY BILLION DOLLAR GAMBLE

Mr. President, the truth is that neither evacuation nor the makeshift shallow basement shelter has any validity in modern warfare. The hard truth is that a system of adequate shelters to minimize casualties will cost the Nation at least $20 billion. Even then there is no assurance that these shelters would not be outmoded before their completion by more advanced weapons or that they would offer any protection against an attack even more deadly than a nuclear attack—biological warfare.

It is high time that we stop kidding ourselves and the American people any longer. Either we take the calculated gamble of spending over $20 billion, or else we should rid the Nation of the present boondoggling agency which specializes in foolhardy schemes to lull the Nation into a sense of fake security.

I refer to the Office of Civil Defense Mobilization, which specializes in this pastime.

The present expenditure of millions each year is nothing more than a futile gesture to fool ourselves into thinking that something is being done about civil defense. If we really want to face the issue squarely, we should quit wasting taxpayers' money on the bureaucratic monstrosity we now have and take steps toward adopting a realistic civil defense program.

The defense of the people of the country, of the civilians of the United States, is a part of the defense of the Nation; it is a part of the defense of the United States of America. A unified armed force of the Nation should have charge of such protection.

MORE ROOM AT THE PUBLIC TROUGH

The latest proposal of the high-salaried boondogglers charged with the defense of our civilian populace is a request for $12 million more this year for matching funds to pay the salaries of State and local civil defense officials. This is an increase in the demands of the civil defense agency in order that they may add more civilian employees who will wear armbands and more civil defense workers to act as pap suckers, feeding at the public trough, and doing nothing worthwhile in return for the money they will receive from the taxpayers.

It may not save any more lives in event of attack, but it certainly will add 4,000 more jobs in city halls and county courthouses throughout the land. It will assuredly expand and encourage a lethargic bureaucracy that has already sent almost a billion dollars down the drain of political expediency.

While the Nation hears of a possible 60 million deaths in a nuclear attack, of 50 percent of the Nation's dwellings destroyed, and of other statistics too horrible to contemplate, the civil defense planners come up with a proposal to provide more jobs at the public trough. This is certainly dynamic, farseeing, original thinking.

It is my sincere hope that the House of Representatives will withstand the tremendous pressure from the thousands already on the gravy train, including former Gov. Leo Hoegh, of Iowa, who upon being defeated for reelection as Governor of Iowa was rewarded by the President with appointment to the $22,500 job as head of the Office of Civil Defense Mobilization, to the Governor of New York and the President himself, and to grant the $12 million appropriation. If such an amount is granted, then thousands of more useless employees will be added to the civil defense organization.

The Office of Civil and Defense Mobilization is not only geared to the preatomic age, but is wasteful and is forever trying to expand its bureaucratic tentacles. On all its levels it has become a haven for defeated politicians and political patronage. And that goes for my State of Ohio, as well as for the other States of the Union.

WASTE, WASTE, AND MORE WASTE

Mr. President, the American people are sick and tired of schemes to provide identification bracelets for teenagers to exchange; of stockpiled penicillin going to waste because of faulty planning; of millions of contradictory pamphlets; of high-salaried boondogglers; of screeching sirens; of highly publicized bomb-shelter honeymoons; of waste and inefficiency; and of silly, shortsighted planning. In short, Mr. President, the American people are becoming tired of the whole confused mess of civil defense, as it is now being operated in this country.

Again, I wish to pay tribute to the hundreds of thousands of patriotic Americans who volunteered their time and efforts often at great risk to themselves. These people performed valuable service, while they were directed by paid officials from behind their safe desks. Americans have responded before in times of disaster, and will do so again.

Mr. President, Americans will always respond to calls for help in times of flood, fire, or windstorm; and they do not need the doubtful leadership of the civil defense agency, as it now is operated.

Mr. President, only recently, the auditor of the State of Ohio—who happens to be a member of the Grand Old Party, of which I am not a member—has been conducting an audit of the $1½ million in surplus property donated to the civil defense agency in Ohio during the last few years. Twenty-two counties are involved. Six audits have been completed. The result is a sad commentary on the entire civil defense program. It typifies what I feel sure has been repeated in all of the States which have been receiving similar Government property.

In practically all of the six counties, a large percentage of the property could no longer be located. It included barber kits, garbage cans, outdoor lampshades, adding machines, shaving kits, and a thousand other gimcracks of absolutely no use in case of an emergency. In Ohio, the Federal Government contributed more razor sets and razor kits than were essential to Yul-Brynnerize the entire male population of my State; and most of that paraphernalia disappeared while it was in the hands of the local civil defense officials who had charge of it.

Much of what could be found was being used by local governments in their day to day operations.

Watches were found in jewelery stores. Generators, typewriters, adding machines, aluminum pitchers, and sundry other emergency items were found in the homes of the local civil defense directors, county commissioners, or other government employees. All this was shown by the auditor of the State of Ohio, Mr. James A. Rhodes. Hardly any of the property was found where it would do any good in case of a nuclear attack, unless the local civil defense director wanted to quickly add up his assets on a "borrowed" civil defense adding machine, type his last will and testament on a "borrowed" civil defense typewriter, and take his last drink from a "borrowed" civil defense pitcher.

Perhaps the whole mess on which I hope to elaborate upon further, at a later date—can be summed up by the following statement in the report on Lucas County, Ohio—and now I shall quote from the report by the auditor of the State of Ohio on the operations in Lucas County, in which is located the great city of Toledo:

> Opportunity to avail themselves of the various bargains in surplus property has served as an incentive to being in the civil defense setup, we are told.

In other words, Mr. President, according to the auditor of the State of Ohio, in his report, on Lucas County many persons and governmental units joined the civil defense setup, as it was being operated in that area, for the sole purpose of getting hold of those bargains, the equipment which was given by the Federal Government for the civil defense of that area.

LET THE MILITARY TAKE OVER

Mr. President, the civil defense we have today is a myth. The only sensible thing to do is abolish the entire present setup, let the military make plans for coping with an emergency, and get the Red Cross and similar agencies to broadcast first-aid instructions on the television and the radio. After all, the defense of the civilians of our country is a part of the defense of our country, and that is the work of the military. The military should take it over now, as the military certainly would in the event of a nuclear war.

We should initiate a vigorous and continuing campaign of education on self-

protection in a nuclear war, and we should use all the mediums of communication at our command—the television, the radio, the newspapers, the magazines, and our schools.

Civil defense is a part of our total defense. As such, it should be under the direction of those who know most about defense—our Military Establishment, our armed services.

In his message of August 25, 1959, to the Congress, the President, himself, stated that, along with our military defense and retaliatory forces, civil defense is a vital part of the Nation's total defense. Why then, I ask, has the administration never once urged the unification of our civil and military defense programs? Why continue with a separate agency, politically inspired, to handle the vital problem of the wartime defense of our populace?

Mr. President, only by such a unification can our Nation have a truly integrated defense posture, instead of the 50 different plans we have today, all headed by one big boondoggling bureaucracy in Washington.

The best minds in the Nation are agreed that it is highly essential that our Military Establishment be truly unified. They realize that there must be true unification of the Armed Forces, for the defense of our country.

In Canada, our ally to the north, this has recently been commenced by taking the civil defense entirely away from the civilians, and placing it in the hands of the military.

In Britain, the civil defense functions, as we know them in this country, are being exercised by the Home Guard, by the military of Britain.

Certainly the best minds in our country realize, and all of our people should realize, that our Nation cannot afford the luxury of being saved separately and independently by the Army, the Navy, the Air Force, and the Marines, and the Office of Civil and Defense Mobilization, with the resulting huge waste of taxpayers' money.

Mr. President, of course all thoughtful Senators—and there are 100 of us in this body—believe in unification of the Armed Forces. We want to save the money of the taxpayers of the Nation. We have gone a short distance toward real unification of our Armed Forces; but we still have a great distance to go.

I am certain that in the ensuing months we will work hard to try to bring about a real unification of our Armed Forces, so there will be an end to the duplication of efforts by the various branches, and so there will be a saving of billions of dollars every year to the taxpayers of the Nation. As a result, our Armed Forces will better serve the Nation, better defend it, and be in a better position to have immediate retaliatory power against any enemy which might attack us.

Mr. President, the defense of the civilians of our country is a part of the defense of the Nation. Likewise, Mr. President, our Nation can ill afford to separate the defense of its most valuable resource—the people of the United States—from the defense of the Nation as a whole. The people of the United States must be protected.

Our entire Defense Establishment—military and civil—must be unified.

Mr. President, I am about to conclude. May I say that in the event of a missile attack, the military would undoubtedly take over. In the Civil War, or the War Between the States, President Abraham Lincoln almost immediately suspended the writ of habeas corpus and declared martial law. The Civil War, bitter as it was, would be as nothing compared to a nuclear attack upon this Nation suddenly by missiles from abroad. Immediately upon an attack, whether planned, or accidently as a result of some trigger-happy Soviet submarine commander, for instance, our retaliatory forces would be brought to bear. We outstrip the Soviet Union on the basis of at least 3 to 1 in the power of our manned jet bombers. They immediately would go into action. Immediately, the President of the United States would declare a grave national emergency. The military would take over.

The Senator from West Virginia [Mr. BYRD], who is now presiding, and others who have served our country in the Armed Forces in time of war, know that at such a time as that civilians in arm bands would cut no figure whatsoever.

I have said this before, and I say it again. Can one imagine what a hard-boiled sergeant would say to a civilian with an arm band who tried to interfere with the movement of our Armed Forces at such a time?

So, Mr. President, the sensible thing to do is to face the facts and merge our civil defense program with the military.

Mr. President, rather than pour billions of dollars into a shaky, unsound, untried plan for passive defense, it seems to me that much more logical is the old but sound notion that the best defense is a tremendous offense. America's shelter lies in weapons. It lies in the trained men of our Armed Forces. If we can perfect our preparedness—and I know that we can—then, Mr. President, we shall never be hit first or at any time.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. BUTLER. Mr. President, I move that the bill, H.R. 1, be referred to the Committee on Foreign Relations. I ask for the yeas and nays on the motion.

The yeas and nays were ordered.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE LABOR-MANAGEMENT REFORM BILL—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, if we may have order in the Senate, the distinguished junior Senator from Massachusetts [Mr. KENNEDY], at the request of the leadership, is prepared to make a brief statement concerning the very fine results obtained, I think, in the conference which the Senator headed and on which the minority leader and other distinguished Senators served. I think this announcement will be of great interest and real satisfaction to most Members of the Senate. I hope the Senator from Massachusetts can be recognized at this time.

Mr. KENNEDY. Mr. President, I wish to make a brief informal report as to the results of our conference, with the understanding that tomorrow, after the language is put together and the staff work is concluded, we will be able to make a formal report to the Senate on the various differences between the House bill and the Senate bill.

I wish particularly to express my appreciation to the minority leader of the Senate [Mr. DIRKSEN], who, I believe, together with his colleagues the Senator from Arizona [Mr. GOLDWATER] and the Senator from Vermont [Mr. PROUTY], made it possible for us to reach an agreement, an agreement which I find satisfactory and which I wholeheartedly support.

To reach such a result on bills as difficult, on a subject as explosive, on a subject on which emotion runs so high as labor-management relations, and try to bring together bills as different as the bill which passed the Senate and that which passed the House was an extremely difficult task. As Senators know, it occupied the attention of the conferees for 2 weeks.

I speak respectfully of the bill which was passed in the other body, but it seems to me that there were serious shortcomings in the reform bill which passed the House, and the conferees on the Democratic side, the Senator from Michigan [Mr. MCNAMARA], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Oregon [Mr. MORSE], shared my view that we could not under any circumstances have voted for the Landrum-Griffin bill. While many Members of the Senate hold an opposite view, if the Landrum-Griffin bill had come to the floor of the Senate in the form in which it passed the House, in my opinion all the Senators would have regretted it finally. Also, it would have been an extremely close vote, and the bill might not have passed if we had had a chance to debate it.

I say that because I believe that the House of Representatives was not wholly aware of the provisions in the Landrum-Griffin bill. It was not the bill reported by the House committee. It was offered as a substitute on the floor, and after 2 days of debate was passed.

When we view the significant provisions of the Landrum-Griffin bill, one after another, in my opinion we must admit they go far beyond reform, and I will document that tomorrow. They go into an area which I think would limit

what we all would consider legitimate activities of men and women who bargain collectively.

Changes which were made, and, speaking from the point of view of Senator McNAMARA and Senator RANDOLPH, our views have been uniform in this matter. The changes which we believe to be particularly desirable are first, that we protected the working standards, and this was also supported by the Senator from Arizona [Mr. GOLDWATER], and others, in the garment and apparel industries, to make sure that the hard-won standards in those industries would be protected.

Secondly, the House bill prohibited the union from carrying on any kind of activity to disseminate informational material to secondary sites. They could not say that there was a strike in a primary plant.

We quite obviously are opposed to their affecting liberties in a secondary strike or affecting employees joining, but the House language prohibited not only secondary picketing, but even the handing out of handbills or even taking out an advertisement in a newspaper.

Under the language of the conference, we agreed there would not be picketing at a secondary site. What was permitted was the giving out of handbills or information through the radio, and so forth.

Thirdly, we provide protection for picketing which I believe to be essential, and whch can be discussed tomorrow. I believe that under the language on picketing in the House bill, it would be very difficult to organize workers who are unorganized.

We put a limit on no man's land.

It was the opinion of the Senate that the Federal law should prevail with respect to interstate commerce, and, in order to compromise that feature, it was agreed that the State law could prevail, but only in those areas in which the National Labor Relations Board does not now assume jurisdiction. I understand the Board assumes a good deal of jurisdiction today. I think the House language might have permitted the Board to yield and have permitted State laws to prevail over vast areas of interstate commerce. That cannot be done. We have closed no man's land.

We have protected the right of employees of a secondary employer, in the case of a primary strike, to refuse to cross a primary strike picket line. The House language was vague.

We have protected the right of the union to follow struck work, in the traditional way provided under the Taft-Hartley Act. That was in doubt under the language of the Landrum-Griffin bill.

We eliminated a section of the Landrum-Griffin bill which would have permitted damage suits against unions which might have picketed for organizational purposes. We have provided regular remedies. Damage suits were the most serious shortcoming of the Landrum-Griffin bill; and yet, as it referred to another section, I doubt if any Member of the House knew that such a provision was in the bill. The Senate conferees did not know it until yesterday afternoon at 2 o'clock.

We have provided protection in respect to membership lists. For example, under the provisions of the Landrum-Griffin bill with respect to membership lists, anyone could have copied down membership lists. Union membership lists have historically been considered a relatively private affair.

We provided that mailings must be made by the union, and that any member who is a bona fide candidate may inspect the lists, but he may not copy them.

The Landrum-Griffin provision on employer reporting was hopelessly inadequate.

I do not say that everyone will like what we now have, but I will say, having been a member of the Labor Committees of the House or Senate for 13 years, that the bill in its present form is a vast improvement over the Landrum-Griffin bill, from the point of view of reform, and also from the point of view of protecting legitimate employer-union activities.

To accomplish that result required concessions on the part of all of us. The bill as it comes from conference is not a bill which I would have supported originally, but, being faced with the task of reconciling the House and Senate versions, and feeling that any bill brought to the floor of the Senate would have produced a chaotic result, I think we have arrived at a bill which, overall, I can wholeheartedly support.

We have achieved this result because of the work of the Senator from West Virginia [Mr. RANDOLPH], the Senator from Michigan [Mr. McNAMARA], and the Senator from Oregon [Mr. MORSE], who does not agree with us. I understand why he is as disappointed as I am over some sections.

We are also greatly indebted to Members on the minority side.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. GOLDWATER. I should like to concur in the report which my distinguished friend from Massachusetts has made. I shall speak more to the point tomorrow, but I believe that the important thing my colleagues in the Senate should realize is that that which was absent in the Senate version of the labor reform bill is now in the bill which Senators will have an opportunity to vote up or down tomorrow.

I announced my reason for casting the sole vote against the Kennedy-Ervin bill as being based upon the fact that it did not contain certain provisions suggested by the McClellan committee; namely, a provision for action in the so-called no man's land area. The present version of the bill contains such a provision.

The original bill did not adequately deal with organizational picketing, which the conference version now takes care of.

The original bill did not effectively deal with secondary boycotts, which the bill in the form in which it comes from the conference now takes care of.

I agree with the Senator from Massachusetts that this is a vastly superior bill. I believe that the bill in its present form is one for which my colleagues can vote. I think it is a bill which the American people deserve.

Naturally, I should like to see this body continue to seek legislation which will tend to curb, reduce, or equalize the almost unparalleled power which resides in the leadership of some of our unions; but that is a problem for the coming session.

I would be remiss in my duty to my conscience if I did not pay a compliment to the distinguished Senator from Massachusetts [Mr. KENNEDY]. His task has been long and very arduous and difficult. I probably know better than does any other Member of this body the terrific pressures to which he has been constantly subjected. His aim, all through the conference, has been one of arriving at a bill which would correct those things which need correcting, without doing damage to the labor movement. I am convinced that such a bill has emerged.

It has been a very unusual and thrilling experience to have served on this conference committee, dealing with a subject which is so technical, so delicate, and so vital to the people of this country, to have had the assistance of members of the opposite party from both sides of this great building, and to have had the assistance of the staff members, who added so greatly to the understanding of the conferees in this delicate field. It was an experience which I shall never forget.

I want the Senator from Massachusetts to know that, as the ranking minority member of the Committee on Labor and Public Welfare, I greatly appreciate his dedicated efforts toward obtaining a compromise which did not compromise away the rights of the people, and at the same time did not eat away at the rights and purposes of organized labor.

Mr. RANDOLPH, Mr. DIRKSEN, and Mr. GORE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield, and if so to whom?

Mr. KENNEDY. I yield first to the Senator from West Virginia, a member of the committee.

REASONABLE, NOT REPRESSIVE, COMPROMISE

Mr. RANDOLPH. Mr. President, I would not wish to indulge in a pleasantry. I feel, however, as we discuss this conference action rather briefly this evening, that I express sincere admiration for the qualities of compromise, courage, and leadership manifested by the Senator from Massachusetts [Mr. KENNEDY] the chairman of our conference.

I realized from the outset of the 12 days of study and counsel that we had a very exacting duty. My fellow conferees shared in this belief. I came to fully understand and genuinely appreciate the patience, the fairness, and the forthrightness with which the Senator from Massachusetts [Mr. KENNEDY] conducted himself in this delicate, and sometimes not so deliberative, but always challenging assignment.

Mr. President, I sense that all the conferees, on both the Democratic and Republican sides of this Chamber, would desire to echo the sentiments which I express toward the astute Senator from Massachusetts [Mr. KEN-

NEDY]. The Senator from Arizona [Mr. GOLDWATER] already has voiced similar tribute.

We must not forget that there was a procedural matter which called for admirable leadership on the part of our majority leader, Mr. JOHNSON of Texas. He rightly advocated that legislation on the subject of labor-management reform be sent to conference. It is appropriate to praise the minority leader [Mr. DIRKSEN] for having associated himself in this bipartisan effort to compose Senate and House versions. Senate and House conferees could compromise and counsel, and in numerous areas did diffuse differences.

It is a truism that there are as many sides to every question as there are parties or interests involved. And the great genius of the democratic process on Capitol Hill is that it offers a wider variety of solutions than can be encompassed by mere opposites. The final drafting of this type of legislation is embraced in the art of the possible—the art of compromise and conciliation.

Your conferees of the Senate were charged with the responsibility for a reasonable solution, one which would be corrective of abuses in this field of labor and management practices. Our solution is not a perfect result, but as one of the managers on behalf of this body, I toiled to prepare a report which would be restrictive where necessary but would not be repressive to the legions of loyal labor so vital to the strength of our country.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. McNAMARA. I am pleased that the conference committee was able to reach a complete compromise agreement on labor-management reform legislation.

We worked extremely hard to reach this agreement. Our goal was to adopt legislation—a goal apparently shared by both Houses of Congress, the labor movement, business, and the American people as a whole. The labor movement, business, and the American people as a whole seemed to indicate that they wanted this legislation.

In reaching this goal, the Senate conferees at times retreated much further than I personally believed we should. Some provisions of the bill are still unnecessarily harsh.

Nevertheless, I feel the final product has been tremendously improved in this regard from the restrictive measure passed by the House.

The House bill has received a big injection of fairness which it did not have originally, and it was with this achievement that I was able to sign the conference report.

I would certainly feel that I was neglecting my obligation to the chairman of the conference committee, the distinguished Senator from Massachusetts [Mr. KENNEDY] if I did not add my few words to what has already been said about his fine work in the conference. He displayed great intelligence and patience at all times, and gave everyone an opportunity to be heard on all sides of all questions. I think he should be complimented by the Senate for the fine job he did in bringing forth this legislation. I am sure that what has developed as a result of the conference will be in the interest of the country as a whole.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. GORE. The Senate was importuned by many telegrams and many letters to forego the measure which it had passed after careful deliberation by a vote of 90 to 1 and to adopt the House measure. The junior Senator from Massachusetts recommended that the Senate accede to the request of the House for a conference to compose differences between the two bills. Had I been forced to choose between the Senate bill and the House bill, I would have chosen the the Senate bill, because it was more precisely drawn. It provided stronger safeguards against corruption and racketeering than did the House bill. But the House bill was not without its merits.

The fact that the Senate, despite all the pressure to the contrary, sent its bill to a conference with the House; the fact that we have now before us an historic measure representing an improvement upon the House bill, is a manifestation of the wisdom of following the time-honored and tried parliamentary procedure.

The committee of conference has brought to us an agreement with which I do not agree in all respects. But I think the conference committee has labored long, well, fruitfully, and honorably. I wish to pay tribute to each member of the conference, and particularly to the chairman of the conference. The junior Senator from Massachusetts has been courteous and patient, not only with his fellow confrees, but with other Senators who were concerned. Often he has taken the time to explain to me and to other Senators the points of difference and the points of difficulty. I have placed faith in his leadership, as have many other Senators.

Now we are approaching the enactment of an historic measure. It represents a landmark of accomplishment in public service by the junior Senator from Massachusetts. I congratulate him and salute him upon bringing to the Senate an agreement and a bill upon a controversial and vexatious subject. It may not be perfect. As he has said, it is not entirely to his liking, as it is not to mine. But it will represent substantive legislation in a troublesome field constituting a severe national problem. If the bill goes too far in some respects, Congress will be here to correct it.

I congratulate and salute the junior Senator from Massachusetts and all the conferees.

Mr. KENNEDY. Mr. President, in closing, I wish to say that in criticizing the Landrum-Griffin bill, I do not in any way criticize Representative LANDRUM or Representative GRIFFIN. They made great efforts to have the conference succeed. Similarly, I pay tribute to Representative BARDEN, Representative THOMPSON, Representative PERKINS, Representative AYERS, and Representative KEARNS. All of them played a significant part in the success of the conference.

Also, Mr. President, I wish to compliment the distinguished majority leader of the Senate, whose judgment that this matter should be referred to a conference rather than be disposed of on the floor of the Senate, has been vindicated.

Mr. PROUTY. Mr. President, I join with my colleagues who served on the conference committee in paying tribute to the distinguished junior Senator from Massachusetts [Mr. KENNEDY] for the fair and cooperative manner in which he conducted the meetings.

We have had many long and arduous meetings and obviously compromise was necessary on the part of all concerned in order that worthwhile results could be achieved in a very complex legislative field.

I regret that more was not done to ameliorate the problems of employees in the construction industry. Because of the peculiar nature of this industry rights enjoyed by other segments of organized labor have not been available to workers in the building trades and to me this represents a definite inequity.

For this reason I proposed an amendment which has been recommended by President Eisenhower since 1954, has the full support of the Secretary of Labor and was included in the administration's labor reform bill.

I believe this amendment might have been approved by a majority of the conferees had it not been for the fact that we were informed this morning that a point of order would be raised against it in the House and that the point of order would be sustained.

In my opinion the bill approved by the conferees will do more to bring about reform in the labor movement without upsetting the balance of labor management relations at the bargaining table than either the Landrum-Griffin bill, which passed the House, or the Kennedy-Ervin bill, which passed the Senate.

All in all, the conference was both a trying and an enlightening experience. I feel that it has produced results which will work to the general good.

Mr. GOLDWATER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. GOLDWATER. Mr. President, I should have made this unanimous-consent request when I had the floor earlier. I apologize for taking the time of the Senate to do so now.

I believe most Senators have had placed on their desks the May 1959 research report of the Public Opinion Index for Industry, published by the Opinion Research Corp. The report is entitled "The Labor Law the People Want—If the Voters Were Writing the New Labor Law, Here Is What It Would Provide."

If Senators will peruse this report—and I shall place it in the RECORD—they will find that the conferees were justified in bringing to the Senate the Landrum-Griffin bill with the improvements which have been made to it, because the bill is in very close keeping with what the research shows the American people demand in a labor law.

The report contains some charts which will have to be interpolated. I ask unanimous consent that that interpolation be done, knowing full well the rule against the printing of charts. I ask unanimous consent that the material I refer to be printed at this point in my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[From Research Report of the Public Opinion Index for Industry, May 1959]

THE LABOR LAW THE PEOPLE WANT—IF THE VOTERS WERE WRITING THE NEW LABOR LAW, HERE IS WHAT IT WOULD PROVIDE

There is wide difference of opinion on the kind of labor legislation needed, and also on where the public stands.

Industrial leadership generally has stressed the need for new laws.

Both the U.S. Chamber of Commerce and the National Association of Manufacturers have pushed for a stronger bill of rights section and further Taft-Hartley curbs.

Top labor leaders have denounced the reform bill passed by the Senate as antilabor.

National Maritime Union's Curran described the legislation as "a buckshot law * * * designed to get unions."

John L. Lewis cited "all of these bills as an attempt made by interests adverse to the formation of labor unions and collective bargaining, people with axes to grind, people with motives sinister or otherwise."

AFL–CIO President Meany announced the federation will fight the Senate bill "in its present form" on the ground that it would "jeopardize the liberty of all trade unions."

To find out where the people stand, the index has taken a nationwide probability sampling of opinion, going into the field immediately after the Senate passed the Kennedy-Ervin bill. The public was questioned on the provisions contained in the bill, plus other relevant issues.

1. The public is generally aware that current labor legislation is designed to tighten up on union activities—and it favors this.

Note below that union member families vote as strongly in favor of tighter regulation over unions as does the public.

"What is your personal feeling—should the labor laws regulate unions more closely than they have in the past, or not as closely?"

Regulate unions more closely:	Percent
General public	65
Union member families	67
Not as closely:	
General public	6
Union member families	9
No opinion:	
General public	29
Union member families	24

This is not to say that the public has been watching the day-by-day activities in Congress on the labor bill. Only 27 percent say they have heard or read about Congress working on the new labor law. Union member families are little more aware—32 percent.

But awareness that a problem exists has been on the increase.

In the January 1959, index report, 73 percent of the public had heard or read about corruption on racketeering in labor unions as compared to 49 percent 2 years earlier.

2. Both the public and union member families would hit at graft and corruption in labor unions by placing stricter restraints on union officials.

In all, 19 possible provisions of the labor law were covered in the survey. Each person was asked, "If you were in Congress, would you be for or against laws to do the following things."

LOANS FROM THE UNION TREASURY

"A law to require unions to report any loans to union officers from the union treasury."

General public:	Percent
For	81
Against	5
No opinion	14
Union member families:	
For	85
Against	5
No opinion	10

GIFTS FROM MANAGEMENT

"A law requiring a union leader to disclose any loan or gift he may receive from representatives of management."

General public:	Percent
For	76
Against	9
No opinion	15
Union member families:	
For	78
Against	8
No opinion	14

PERSONAL FINANCIAL REPORTS

"A law to require union officials to file personal financial reports with the Secretary of Labor with copies to go to union members."

General public:	Percent
For	73
Against	8
No opinion	19
Union member families:	
For	79
Against	10
No opinion	11

CRIMINALS OUTLAWED

"A law to forbid any person convicted of crimes, including robbery, extortion, bribery, murder, or embezzlement, from holding office in a union within 5 years after he leaves prison."

General public:	Percent
For	73
Against	16
No opinion	11
Union member families:	
For	75
Against	16
No opinion	9

LOOKING AT THE BOOKS

"A law giving union members the right to look at the union's books if they suspect dishonest or inaccurate financial reporting by the union."

General public:	Percent
For	86
Against	3
No opinion	11
Union member families:	
For	86
Against	3
No opinion	11

APPEAL TO FEDERAL COURTS

"A law permitting union members to go to the Federal courts for a ruling if they suspect union officials have stolen or misappropriated union funds."

General public:	Percent
For	83
Against	3
No opinion	14
Union member families:	
For	80
Against	6
No opinion	14

These provisions hit directly at the corruption practices that have come to public attention through the McClellan hearings.

There is also a strong balance of opinion in favor of limiting trusteeship by which one union can maintain control over another. This, however, tends to be a rather unfamiliar issue for many people. Note the sizable no opinion vote.

LIMITS ON TRUSTEESHIP

"A law limiting how long a local union can be kept under trusteeship by a parent union."

General public:	Percent
For	40
Against	8
No opinion	52
Union member families:	
For	47
Against	10
No opinion	43

3. The public wants more democracy in unions and favors legal guarantees to protect the rights of the membership.

EQUAL RIGHTS IN UNION ELECTIONS

"A law assuring that all members of a union have equal rights and privileges in nominating candidates, in voting, and in speaking up at union meetings."

General public:	Percent
For	87
Against	2
No opinion	11
Union member families:	
For	89
Against	2
No opinion	9

GUARANTEED SECRET BALLOT IN UNION ELECTIONS

"A law to guarantee each union member the right to vote by secret ballot in elections of union officers."

General public:	Percent
For	84
Against	4
No opinion	12
Union member families:	
For	86
Against	5
No opinion	9

NO DUES INCREASE WITHOUT MEMBERSHIP APPROVAL

"A law prohibiting any increase in union dues without majority approval of the union membership through secret ballot."

General public:	Percent
For	78
Against	7
No opinion	15
Union member families:	
For	78
Against	11
No opinion	11

RIGHT TO CAMPAIGN FOR UNION OFFICES

"A law permitting each candidate for union office to send literature to all members of his union at his own expense."

General public:	Percent
For	62
Against	14
No opinion	24
Union member families:	
For	65
Against	15
No opinion	20

4. Provisions that deal with organizational picketing, the secondary boycott, "Hot Cargo" contracts, are regarded as somewhat technical—but still have the weight of the public and union member favor.

No opinion on five such issues ranges from 25 to 38 percent, higher than on the less complex questions.

EXTORTION PICKETING

"A law protecting employers from extortion picketing—where a picket line is set up in front of a store or plant until a union leader gets a payoff."

General public:	Percent
For	63
Against	12
No opinion	25
Union member families:	
For	61
Against	18
No opinion	21

ORGANIZATIONAL PICKETING

"A law to prohibit all picketing when employees do not show sufficient interest in joining a union."

General public:	Percent
For	52
Against	22
No opinion	26
Union member families:	
For	50
Against	26
No opinion	24

NINE-MONTH PICKETING PROHIBITION

"A law barring a union from picketing at any shop or plant where it has lost a bargaining election within the last 9 months."

General public:	Percent
For	46
Against	20
No opinion	34
Union member families:	
For	37
Against	34
No opinion	29

SECONDARY BOYCOTT

"A law to prohibit secondary boycotts where the union from one company refuses to handle the materials of another company because the workers there are on strike."

General public:	Percent
For	46
Against	22
No opinion	32
Union member families:	
For	45
Against	29
No opinion	26

HOT CARGO CONTRACTS

"A law outlawing so-called 'hot cargo' contracts under which trucking company employees have refused to transport goods to or from any company involved in a dispute with the Teamsters Union."

General public:	Percent
For	46
Against	16
No opinion	38
Union member families:	
For	46
Against	24
No opinion	30

Note that union member families as well as the public are consistently in favor of tightening the rules on union picketing and organizational practices. Only in the 9-month picketing prohibition is the balance of opinion almost evenly split.

5. Certain restrictions on employers in their dealings with union officials also receive strong approval.

At the same time that the public would force disclosure upon union officials, they want assurances that employers too will deal in the open on union matters.

COMPANY GIFTS TO UNION OFFICIALS

"A law requiring employers to report any loans or gifts to union officials."

General public:	Percent
For	77
Against	7
No opinion	16
Union member families:	
For	78
Against	7
No opinion	15

ATTEMPTS TO INFLUENCE EMPLOYEES

"A law requiring employers to report any expenditures made to influence employees on labor matters."

General public:	Percent
For	71
Against	8
No opinion	21
Union member families:	
For	72
Against	12
No opinion	16

The public is also in favor of extending jurisdiction to State agencies for small business firms involved in labor disputes.

STATE JURISDICTION

"A law allowing small business firms to obtain action in labor disputes from State agencies."

General public:	Percent
For	58
Against	10
No opinion	32
Union member families:	
For	54
Against	15
No opinion	31

Note that "no opinion" is at the one third level. This, again, indicates a relatively low level of familiarity with the issues at stake in this question.

IN SUM

In the past 15 years the Public Opinion Index has been periodically surveying the public's attitude on labor issues. Through these years the evidence shows that the public is overwhelmingly in favor of the idea of collective bargaining. It is also evident, however, that there has been a continuing fear of union power. The vote for close Government regulation of unions has averaged 60 percent over 10 surveys since 1949. The Taft-Hartley law was a legislative articulation of this basic public fear of union power.

In the last 2 years, the revelations of the McClellan committee have shocked the American people. In the latest sampling some 73 percent reported they had heard or read about corruption and racketeering in labor unions. This survey shows strong public sentiment for legislative reforms to eliminate financial corruption in union affairs, to insure more democracy and less bossism within the union structure, and to revise the rules on union organization and picketing.

The people do not desire legislation that will undermine the collective bargaining function of unions, but they do want a new set of guiding principles.

One other remarkable fact is that people are feeling the effects of inflation and have come to the conclusion that wages and prices cannot be disassociated. The series of wage-price spirals since World War II have gotten across the fact that whenever wages have gone up in basic industries, prices have inevitably followed.

Following pages show additional evidence of this in the public's attitude toward the current steel negotiations:

Congress has been working on a new labor law. Have you heard or read anything about this at all?

	Percentage base	Yes, have	No, have not
		Percent	Percent
General public	762	27	73
Men	342	34	66
Women	420	22	78
21 to 29 years of age	117	30	70
30 to 44 years	275	25	75
45 years and over	370	28	72
Professionals, proprietors	135	35	65
White-collar workers	102	25	75
Skilled workers	118	28	72
Semiskilled and unskilled	228	24	76
Farmers	78	26	74
Retired, unemployed, etc.	101	28	72
Above average income	101	39	61
Middle income	342	29	71
Below middle income	319	23	77
Republicans	189	31	69
Democrats	372	25	75
Others	201	28	72
Union member families	208	32	68
Nonmember families	554	26	74
Northeast	184	22	78
North Central	263	26	74
South	207	29	71
West	108	38	62
Farms and villages	282	27	73
Cities 2,500 to 100,000	142	23	77
Cities over 100,000	338	29	71

Is it your understanding that the new labor laws are designed to regulate unions more closely than in the past or to ease up on regulations over unions?

What is your personal feeling? Should the labor laws regulate unions more closely than they have in the past or not as closely?

	Percentage base	New labor laws designed to regulate unions more closely or ease up on regulations?			Should labor laws regulate unions more closely or not as closely?		
		Regulate more closely	Ease up on regulations	No opinion	Should regulate more closely	Not as closely	No opinion
		Percent	Percent	Percent	Percent	Percent	Percent
General public	762	52	8	40	65	6	29
Men	342	62	8	30	75	7	18
Women	420	43	7	50	56	6	38
21 to 29 years of age	117	50	8	42	61	5	34
30 to 44 years	275	51	7	42	65	8	27
45 years and over	370	53	9	38	66	7	27
Professionals, proprietors	135	64	6	30	71	8	21
White-collar workers	102	41	11	48	61	4	35
Skilled workers	118	55	8	37	73	8	19
Semiskilled and unskilled	228	50	6	44	59	7	34
Farmers	78	51	12	37	77	4	19
Retired, unemployed, etc.	101	50	7	43	54	6	40
Above average income	101	72	2	26	77	5	18
Middle income	342	55	7	38	69	6	25
Below middle income	319	42	11	47	57	7	36
Republicans	189	53	11	36	74	6	20
Democrats	372	53	8	39	63	7	30
Others	201	48	4	48	60	7	33
Union member families	208	59	9	32	67	9	24
Nonmember	554	49	7	44	64	6	30
Northeast	184	49	7	44	57	11	32
North Central	263	56	7	37	73	7	20
South	207	44	7	49	58	2	40
West	108	68	8	24	77	4	19
Farms and villages	282	49	6	45	63	3	34
Cities 2,500 to 100,000	142	50	10	40	62	7	31
Cities over 100,000	338	55	9	36	68	9	23

If you were in Congress, would you be for or against laws to do the following things:

A law to forbid any person convicted of crimes, including robbery, extortion, bribery, murder, or embezzlement, from holding office in a union within 5 years after he leaves prison?

A law to require union officials to file personal financial reports with the Secretary of Labor with copies to go to union members?

	Percentage base	Outlaw criminals			Personal financial reports		
		For	Against	No opinion	For	Against	No opinion
		Percent	Percent	Percent	Percent	Percent	Percent
General public	762	73	16	11	73	8	19
Men	342	77	15	8	79	10	11
Women	420	69	16	15	66	8	26
21 to 29 years of age	117	67	22	11	73	9	18
30 to 44 years	275	76	15	9	73	9	18
45 years and over	370	72	15	13	72	9	19
Professionals, proprietors	135	76	14	10	76	14	10
White-collar workers	102	73	17	10	68	8	24
Skilled workers	118	77	15	8	77	8	15
Semiskilled and unskilled	228	67	18	15	71	7	22
Farmers	78	85	12	3	77	10	13
Retired, unemployed, etc	101	68	16	16	67	6	27
Above average income	101	76	14	10	74	11	15
Middle income	342	75	16	9	80	9	11
Below middle income	319	69	16	15	64	8	28
Republicans	189	77	16	7	82	7	11
Democrats	372	73	17	10	69	10	21
Others	201	69	14	17	71	8	21
Union member families	208	75	16	9	79	10	11
Nonmember families	554	72	16	12	70	8	22
Northeast	184	66	18	16	69	13	18
North Central	263	76	18	6	79	7	14
South	207	70	16	14	63	10	27
West	108	82	8	10	84	5	11
Farms and villages	282	73	16	11	68	11	21
Cities 2,500 to 100,000	142	67	22	11	72	6	22
Cities over 100,000	338	75	14	11	77	8	15

If you were in Congress, would you be for or against laws to do the following things:

A law to require unions to report any loans to union officers from the union treasury?

A law requiring a union leader to disclose any loan or gift he may receive from representatives of management?

	Percentage base	Report loans			Gifts from management		
		For	Against	No opinion	For	Against	No opinion
		Percent	Percent	Percent	Percent	Percent	Percent
General public	762	81	5	14	76	9	15
Men	342	87	6	7	80	10	10
Women	420	76	4	20	72	7	21
21 to 29 years	117	83	6	11	76	9	15
30 to 44 years	275	82	3	15	77	8	15
45 years and over	370	80	5	15	76	9	15
Professionals, proprietors	135	87	3	10	76	14	10
White-collar workers	102	85	1	14	81	6	13
Skilled workers	118	81	7	12	77	10	13
Semiskilled and unskilled	228	76	7	17	74	7	19
Farmers	78	88	5	7	83	7	10
Retired, unemployed, etc	101	74	5	21	69	8	23
Above average income	101	85	2	13	83	7	10
Middle income	342	86	5	9	81	9	10
Below middle income	319	75	5	20	68	9	23
Republicans	189	84	4	12	81	7	12
Democrats	372	82	6	12	76	10	14
Others	201	77	4	19	72	7	21
Union member families	208	85	5	10	78	8	14
Nonmember families	554	80	4	16	75	9	16
Northeast	184	78	6	16	74	9	17
North Central	263	86	4	10	78	11	11
South	207	75	6	19	72	8	20
West	108	88	3	9	83	6	11
Farms and villages	282	79	6	15	76	7	17
Cities 2,500 to 100,000	142	83	2	15	73	12	15
Cities over 100,000	338	83	4	13	77	9	14

If you were in Congress, would you be for or against laws to do the following things:

A law limiting how long a local union can be kept under trusteeship by a parent union?

A law permitting union members to go to the Federal courts for a ruling if they suspect union officials have stolen or misappropriated union funds?

	Percentage base	Limits on trusteeship			Access to Federal courts		
		For	Against	No opinion	For	Against	No opinion
		Percent	Percent	Percent	Percent	Percent	Percent
General public	762	40	8	52	83	3	14
Men	342	45	10	45	87	4	9
Women	420	35	7	58	80	3	17
21 to 29 years of age	117	44	10	46	82	5	13
30 to 44 years	275	42	9	49	83	3	14
45 years and over	370	37	7	56	83	3	14
Professionals, proprietors	135	39	12	49	86	5	9
White-collar workers	102	37	8	55	88	1	11
Skilled workers	118	48	7	45	86	3	11
Semiskilled and unskilled	228	39	7	54	80	3	17
Farmers	78	47	9	44	88	2	10
Retired, unemployed, etc	101	30	8	62	72	7	21
Above average income	101	47	9	44	90	3	7
Middle income	342	45	9	46	84	4	12
Below middle income	319	33	6	61	79	3	18
Republicans	189	46	5	49	86	1	13
Democrats	372	38	10	52	85	4	11
Others	201	38	8	54	75	5	20
Union member families	208	47	10	43	80	6	14
Nonmember families	554	37	8	55	84	3	13
Northeast	184	39	12	49	84	2	14
North Central	263	46	6	48	89	3	8
South	207	30	9	61	77	4	19
West	108	49	6	45	79	5	16
Farms and villages	282	40	8	52	81	4	15
Cities, 2,500 to 100,000	142	36	9	55	86	3	11
Cities over 100,000	338	41	9	50	83	3	14

If you were in Congress, would you be for or against laws to do the following things:

A law assuring that all members of a union having equal rights and privileges in nominating candidates, in voting, and in speaking up at union meetings?

A law prohibiting any increase in union dues without majority approval of the union membership through secret ballot?

	Percentage base	Equal rights in elections			Dues increase after vote only				Percentage base	Equal rights in elections			Dues increase after vote only		
		For	Against	No opinion	For	Against	No opinion			For	Against	No opinion	For	Against	No opinion
		Percent	Percent	Percent	Percent	Percent	Percent			Percent	Percent	Percent	Percent	Percent	Percent
General public	762	87	2	11	78	7	15	Above average income	101	92	2	6	80	7	13
Men	342	90	2	8	83	8	9	Middle income	342	90	2	8	83	6	11
Women	420	84	2	14	72	8	20	Below middle income	319	82	1	17	71	10	19
21 to 29 years of age	117	88	3	9	72	14	14	Republicans	189	89	1	10	85	3	12
30 to 44 years	275	88	1	11	77	8	15	Democrats	372	89	2	9	77	10	13
45 years and over	370	86	2	12	79	6	15	Others	201	81	2	17	72	8	20
Professionals, proprietors	135	86	3	11	78	7	15	Union member families	208	89	2	9	78	11	11
White-collar workers	102	89	0	11	82	3	15	Nonmember families	554	86	2	12	77	7	16
Skilled workers	118	92	2	6	80	8	12	Northeast	184	84	1	15	71	12	17
Semiskilled and unskilled	228	86	0	14	73	12	15	North Central	263	92	2	6	85	4	11
Farmers	78	90	4	6	90	1	9	South	207	82	3	15	71	9	20
Retired, unemployed, etc	101	79	4	17	70	7	23	West	108	90	1	9	85	7	8
								Farms and villages	282	87	3	10	73	9	18
								Cities 2,500 to 100,000	142	90	1	9	76	10	14
								Cities over 100,000	338	86	1	13	82	6	12

If you were in Congress, would you be for or against laws to do the following things:

A law giving union members the right to look at the union's books if they suspect dishonest or inaccurate financial reporting by the union?

A law to guarantee each union member the right to vote by secret ballot in elections of union officers?

	Percentage base	Look at the books			Secret ballot in union elections				Percentage base	Look at the books			Secret ballot in union elections		
		For	Against	No opinion	For	Against	No opinion			For	Against	No opinion	For	Against	No opinion
		Percent	Percent	Percent	Percent	Percent	Percent			Percent	Percent	Percent	Percent	Percent	Percent
General public	762	86	3	11	84	4	12	Above average income	101	90	2	8	89	2	9
Men	342	90	4	6	88	6	6	Middle income	342	89	4	7	88	4	8
Women	420	82	3	15	80	4	16	Below middle income	319	81	3	16	78	6	16
21 to 29 years of age	117	88	3	9	85	5	10	Republicans	189	92	1	7	89	2	9
30 to 44 years	275	84	2	14	83	4	13	Democrats	372	86	4	10	83	6	11
45 years and over	370	87	4	9	84	5	11	Others	201	79	6	15	82	4	14
Professionals, proprietors	135	86	8	6	85	6	9	Union member families	208	86	3	11	86	5	9
White-collar workers	102	85	3	12	88	1	11	Nonmember families	554	86	3	11	83	5	12
Skilled workers	118	89	2	9	90	3	7	Northeast	184	84	5	11	85	3	12
Semiskilled and unskilled	228	85	3	12	82	5	13	North Central	263	92	2	6	92	3	5
Farmers	78	97	0	3	90	4	6	South	207	80	4	16	73	8	19
Retired, unemployed, etc	101	74	6	20	72	7	21	West	108	87	3	10	87	2	11
								Farms and villages	282	85	4	11	82	5	13
								Cities 2,500 to 100,000	142	90	2	8	84	3	13
								Cities over 100,000	338	85	4	11	86	4	10

If you were in Congress, would you be for or against laws to do the following things:

A law permitting each candidate for union office to send literature to all members of his union at his own expense?

A law requiring employers to report any expenditures made to influence employees on labor matters?

	Percentage base	Campaigning for union office			Report of company expenditures				Percentage base	Campaigning for union office			Report of company expenditures		
		For	Against	No opinion	For	Against	No opinion			For	Against	No opinion	For	Against	No opinion
		Percent	Percent	Percent	Percent	Percent	Percent			Percent	Percent	Percent	Percent	Percent	Percent
General public	762	62	14	24	71	8	21	Above average income	101	70	10	20	79	6	15
Men	342	66	16	18	76	9	15	Middle income	342	68	15	17	77	5	18
Women	420	59	11	30	67	6	27	Below middle income	319	53	14	33	62	11	27
21 to 29 years of age	117	65	16	19	64	13	23	Republicans	189	68	12	20	73	5	22
30 to 44 years	275	61	14	25	74	6	20	Democrats	372	62	15	23	73	9	18
45 years and over	370	62	13	25	71	7	22	Others	201	56	15	29	65	9	26
Professionals, proprietors	135	67	12	21	73	9	18	Union member families	208	65	15	20	72	12	16
White-collar workers	102	61	12	27	71	3	26	Nonmember families	554	61	13	26	71	6	23
Skilled workers	118	64	19	17	79	6	15	Northeast	184	57	15	28	69	8	23
Semiskilled and unskilled	228	56	17	27	68	11	21	North Central	263	70	12	18	75	9	16
Farmers	78	84	6	10	75	5	20	South	207	54	16	30	67	6	27
Retired, unemployed, etc	101	49	12	39	60	10	30	West	108	70	10	20	74	8	18
								Farms and villages	282	67	11	22	71	6	23
								Cities 2,500 to 100,000	142	58	17	25	76	9	15
								Cities over 100,000	338	60	15	25	69	9	22

If you were in Congress, would you be for or against laws to do the following things:

A law requiring employers to report any loans or gifts to union officials?

A law protecting employers from "extortion" picketing—where a picket line is set up in front of a store or plant until a union leader gets a payoff?

	Percentage base	Report gifts to union officials			Limits on extortion picketing				Percentage base	Report gifts to union officials			Limits on extortion picketing		
		For	Against	No opinion	For	Against	No opinion			For	Against	No opinion	For	Against	No opinion
		Percent	Percent	Percent	Percent	Percent	Percent			Percent	Percent	Percent	Percent	Percent	Percent
General public	762	77	7	16	63	12	25	Above average income	101	86	4	10	72	6	22
Men	342	83	6	11	68	14	18	Middle income	342	83	6	11	67	13	20
Women	420	72	7	21	59	10	31	Below middle income	319	68	9	23	56	13	31
21 to 29 years of age	117	72	8	20	66	14	20	Republicans	189	80	6	14	71	10	19
30 to 44 years	275	79	6	15	62	11	27	Democrats	372	81	7	12	63	12	25
45 years and over	370	78	7	15	64	11	25	Others	201	68	7	25	56	14	30
Professionals, proprietors	135	84	8	8	75	6	19	Union member families	208	78	7	15	61	18	21
White-collar workers	102	77	5	18	69	7	24	Nonmember families	554	77	6	17	64	9	27
Skilled workers	118	79	7	14	64	16	20	Northeast	184	73	8	19	54	16	30
Semiskilled and unskilled	228	73	9	18	55	17	28	North Central	263	81	8	11	67	12	21
Farmers	78	82	4	14	79	3	18	South	207	74	4	22	68	6	26
Retired, unemployed, etc	101	70	5	25	46	16	38	West	108	83	4	13	60	17	23
								Farms and villages	282	77	6	17	64	10	26
								Cities 2,500 to 100,000	142	84	5	11	69	11	20
								Cities over 100,000	338	75	8	17	61	13	26

If you were in Congress, would you be for or against laws to do the following things:

A law barring a union from picketing at any shop or plant where it has lost a bargaining election within the last 9 months?

A law outlawing so-called hot-cargo contracts, under which trucking company employees have refused to transport goods to or from any company involved in a dispute with the Teamsters Union?

	Percentage base	Time limits on picketing			Limits on "hot cargo" contracts				Percentage base	Time limits on picketing			Limits on "hot cargo" contracts		
		For	Against	No opinion	For	Against	No opinion			For	Against	No opinion	For	Against	No opinion
		Percent	Percent	Percent	Percent	Percent	Percent			Percent	Percent	Percent	Percent	Percent	Percent
General public	762	46	20	34	46	16	38	Above average income	101	65	14	21	54	15	31
Men	342	53	24	23	53	19	28	Middle income	342	47	23	30	52	15	33
Women	420	39	18	43	40	13	47	Below middle income	319	39	20	41	38	16	46
21 to 29 years of age	117	47	24	29	50	20	30	Republicans	189	54	16	30	53	13	34
30 to 44 years	275	45	23	32	46	17	37	Democrats	372	43	24	33	44	17	39
45 years and over	370	46	18	36	45	14	41	Others	201	44	18	38	44	16	40
Professionals, proprietors	135	57	16	27	52	13	35	Union member families	208	37	34	29	46	24	30
White-collar workers	102	46	21	33	49	9	42	Nonmember families	554	49	16	35	47	12	41
Skilled workers	118	45	28	27	44	24	32	Northeast	184	46	23	31	43	17	40
Semiskilled and unskilled	228	39	25	36	40	18	42	North Central	263	50	22	28	50	20	30
Farmers	78	58	7	35	64	11	25	South	207	41	18	41	43	11	46
Retired, unemployed, etc	101	37	18	45	39	12	49	West	108	45	19	36	51	13	36
								Farms and villages	282	48	13	39	45	14	41
								Cities 2,500 to 100,000	142	45	26	29	46	14	40
								Cities over 100,000	338	44	26	30	48	18	34

If you were in Congress, would you be for or against laws to do the following things:

A law allowing small business firms to obtain action in labor disputes from State agencies?

A law to prohibit secondary boycotts where the union from one company refuses to handle the materials of another company because the workers there are on strike?

	Percentage base	State jurisdiction			Outlaw secondary boycotts				Percentage base	State jurisdiction			Outlaw secondary boycotts		
		For	Against	No opinion	For	Against	No opinion			For	Against	No opinion	For	Against	No opinion
		Percent	Percent	Percent	Percent	Percent	Percent			Percent	Percent	Percent	Percent	Percent	Percent
General public	762	58	10	32	46	22	32	Above average income	101	68	5	27	63	12	25
Men	342	64	14	22	52	27	21	Middle income	342	61	10	29	50	22	28
Women	420	53	6	41	41	17	42	Below middle income	319	52	12	36	37	24	39
21 to 29 years of age	117	57	14	29	43	32	25	Republicans	189	61	8	31	56	15	29
30 to 44 years	275	59	10	31	47	24	29	Democrats	372	60	11	29	44	25	31
45 years and over	370	58	9	33	46	18	36	Others	201	51	12	37	40	24	36
Professionals, proprietors	135	68	7	25	55	14	31	Union member families	208	54	15	31	45	29	26
White-collar workers	102	63	8	29	51	16	33	Nonmember families	554	60	8	32	47	19	34
Skilled workers	118	64	10	26	44	33	23	Northeast	184	65	7	28	39	28	33
Semiskilled and unskilled	228	49	13	38	44	23	33	North Central	263	54	14	32	54	20	26
Farmers	78	72	7	21	51	20	29	South	207	59	8	33	42	22	36
Retired, unemployed, etc	101	41	13	46	32	24	44	West	108	56	7	37	50	15	35
								Farms and villages	282	59	8	33	44	21	35
								Cities 2,500 to 100,000	142	54	15	31	47	24	29
								Cities over 100,000	338	60	10	30	47	23	30

If you were in Congress, would you be for or against laws to do the following things:
A law to prohibit all picketing when employees do not show sufficient interest in joining a union?

	Percentage base	Limits on organizational picketing				Percentage base	Limits on organizational picketing		
		For	Against	No opinion			For	Against	No opinion
		Percent	*Percent*	*Percent*			*Percent*	*Percent*	*Percent*
General public	762	52	22	26	Republicans	189	57	17	26
Men	342	56	27	17	Democrats	372	51	24	25
Women	420	49	16	35	Others	201	50	20	30
21 to 29 years of age	117	55	27	18	Union member families	208	50	26	24
30 to 44 years	275	54	20	26	Nonmember families	554	53	20	27
45 years and over	370	50	20	30	Northeast	184	42	30	28
Professionals, proprietors	135	61	18	21	North Central	263	59	20	21
White-collar workers	102	53	21	26	South	207	55	15	30
Skilled workers	118	51	24	25	West	108	48	23	29
Semiskilled and unskilled	228	49	24	27	Farms and villages	282	56	17	27
Farmers	78	64	15	21	Cities 2,500 to 100,000	142	54	23	23
Retired, unemployed, etc	101	39	22	39	Cities over 100,000	338	49	24	27
Above average income	101	61	18	21					
Middle income	342	54	22	24					
Below middle income	319	48	22	30					

Do you believe we are or are not in a period of inflation now, that is, prices going up and the dollar buying much less?

	Percentage base	Yes, in period of inflation	No, not	No opinion		Percentage base	Yes, in period of inflation	No, not	No opinion
		Percent	*Percent*	*Percent*			*Percent*	*Percent*	*Percent*
General public	762	85	9	6	Republicans	189	88	8	4
Men	342	85	10	5	Democrats	372	86	8	6
Women	420	86	7	7	Others	201	82	9	9
21 to 29 years of age	117	85	9	6	Union member families	208	83	11	6
30 to 44 years	275	84	10	6	Nonmember families	554	87	6	7
45 years and over	370	86	7	7	Northeast	184	82	12	6
Professionals, proprietors	135	87	10	3	North Central	263	86	8	6
White-collar workers	102	87	8	5	South	207	87	5	8
Skilled workers	118	86	7	7	West	108	86	8	6
Semiskilled and unskilled	228	82	10	8	Farms and villages	282	88	6	6
Farmers	78	94	2	4	Cities 2,500 to 100,000	142	89	5	6
Retired, unemployed, etc	101	83	8	9	Cities over 100,000	338	82	11	7
Above average income	101	92	4	4					
Middle income	342	88	9	3					
Below middle income	319	81	8	11					

The steel companies and the Steelworkers Union have started their bargaining this year for a new contract. Do you think the Steelworkers Union should ask for a big increase in wages, only a small increase, or settle for no increase this year?

	Percentage base	Big increase	Small increase	No increase	No opinion		Percentage base	Big increase	Small increase	No increase	No opinion
		Percent	*Percent*	*Percent*	*Percent*			*Percent*	*Percent*	*Percent*	*Percent*
General public	762	7	28	40	25	Republicans	189	3	27	50	20
						Democrats	372	7	30	35	28
Men	342	7	31	45	17	Others	201	9	27	39	25
Women	420	7	25	35	33	Union member families	208	11	40	28	21
21 to 29 years of age	117	10	32	28	30	Nonmember families	554	5	24	44	27
30 to 44 years	275	6	31	37	26	Northeast	184	9	26	36	29
45 years and over	370	6	25	45	24	North Central	263	5	29	47	19
Professionals, proprietors	135	3	26	49	22	South	207	8	26	38	28
White-collar workers	102	3	21	40	36	West	108	3	33	33	31
Skilled workers	118	6	31	35	28	Farms and villages	282	7	25	46	22
Semiskilled and unskilled	228	10	37	27	26	Cities 2,500 to 100,000	142	6	22	34	38
Farmers	78	10	17	61	12	Cities over 100,000	338	7	33	36	24
Retired, unemployed, etc	101	5	25	42	28						
Above average income	101	2	19	54	25						
Middle income	342	5	30	40	25						
Below middle income	319	10	29	35	26						

If the labor unions should win a big wage increase from the steel companies, do you think this will increase the prices of such things as autos and appliances?

	Percentage base	Yes, will increase	No, will not	No opinion		Percentage base	Yes, will increase	No, will not	No opinion
		Percent	*Percent*	*Percent*			*Percent*	*Percent*	*Percent*
General public	762	89	3	8	Below middle income	319	87	4	9
Men	342	93	4	3	Republicans	189	90	3	7
Women	420	85	3	12	Democrats	372	90	3	7
21 to 29 years of age	117	85	8	7	Others	201	85	5	10
30 to 44 years	275	89	3	8	Union member families	208	89	4	7
45 years and over	370	90	2	8	Nonmember families	554	89	3	8
Professionals, proprietors	135	91	3	6	Northeast	184	88	3	9
White-collar workers	102	90	1	9	North Central	263	90	5	5
Skilled workers	118	92	2	6	South	207	87	3	10
Semiskilled and unskilled	228	87	4	9	West	108	91	2	7
Farmers	78	94	2	4	Farms and villages	282	89	4	7
Retired, unemployed, etc	101	80	7	13	Cities 2,500 to 100,000	142	86	6	8
Above average income	101	93	1	6	Cities over 100,000	338	90	2	8
Middle income	342	89	3	8					

If the steel companies feel that union demands can be met only by raising the price of steel, do you think the steel companies should refuse the union demand even if it means a strike, or should they give in and raise prices to avoid a strike?

	Percentage base	Management should refuse	Should give in	No opinion		Percentage base	Management should refuse	Should give in	No opinion
		Percent	*Percent*	*Percent*			*Percent*	*Percent*	*Percent*
General public	762	36	25	39	Republicans	189	48	17	35
Men	342	40	28	32	Democrats	372	32	29	39
Women	420	32	23	45	Others	201	31	26	43
21 to 29 years of age	117	31	31	38	Union member families	208	30	34	36
30 to 44 years	275	31	27	42	Nonmember families	554	38	22	40
45 years and over	370	41	22	37	Northeast	184	33	28	39
Professionals, proprietors	135	54	16	30	North Central	263	39	24	37
White-collar workers	102	35	19	46	South	207	35	25	40
Skilled workers	118	35	27	38	West	108	34	22	44
Semiskilled and unskilled	228	25	33	42	Farms and villages	282	41	24	35
Farmers	78	47	20	33	Cities 2,500 to 100,000	142	36	20	44
Retired, unemployed, etc	101	29	26	45	Cities over 100,000	338	32	28	40
Above average income	101	45	15	40					
Middle income	342	38	25	37					
Below middle income	319	30	29	41					

Mr. DIRKSEN. Mr. President, at the outset, I wish to ask unanimous consent that the members of the staff of the Senate Labor Committee be permitted privileges of the floor today and tomorrow, when the conference report is under deliberation.

The PRESIDING OFFICER. The Chair would like to state that such a request has already been made, and agreed to.

Mr. DIRKSEN. Very well.

Mr. President, the conference committee as an institution has been referred to by students of political science and government as the third house. I have seen such references many times. Such a reference is included in a book which was written in connection with the Reorganization Act of 1946; and it was pointed out that the third house has amazing powers in impressing its will upon proposed legislation which has already been under consideration by both the House and the Senate; and it has vast authority even under restrictive rules, such as those which obtain in the House, in fashioning legislation, in refining expressions and terms, and in imparting meaning to them, so that the third house becomes a powerful instrumentality in our whole legislative setup.

Mr. President, that would be particularly true in connection with so abstruse a bill, which has so many complexities; and I would be less than candid if I did not confess my own inadequacy in attempting to keep up with all the complications and ramifications of this bill, which first was passed by the Senate, and for which the House now has adopted an amendment in the form of a complete substitute.

The bill got to the conference committee—the third house—because I think prudence and discretion and wise counsel prevailed on the floor of the Senate.

Mr. President, I am not insensible to the spirit and the feeling in the waning weeks of the Congress, when we wish to drive to a goal, and leave here. I know the appeal implicit in the strong urge to leave the Capitol and go to the halcyon beaches, the mountains, and the other vacation areas, when the hot winds of summer caress this town. So I can well understand the urge to leave here.

So, Mr. President, I could detect—as others could—that there was a desire among Senators to strike right at the heart of the matter, by voting on the House amendment as it came to the Senate.

I pay the majority leader a well deserved compliment for insisting—and I insisted, with him—that a better job could be done if the bill were sent to conference. After all, that procedure follows a philosophical principle which Confucius had in mind long ago when he referred to "sweet reasonableness." In fact, Mr. President, the majority leader has often referred to "reasonable men around the conference table."

Was it not Isaiah who said, "Come now, and let us reason together"?

So 14 of us sat down and reasoned together, in rather amicable and friendly spirit.

There were occasions when ire arose and words were bandied about the table. But, like true gentlemen, we saw to it that they quickly subsided; and the conference committee went to its labors.

So I am delighted, because in my considered judgment the conference report is better than the bill as passed by the Senate, and is better than the bill as passed by the House, and is the product of the best the conferees could bring back.

I pay my tribute to the distinguished chairman of the conference committee [Mr. KENNEDY]. It is no easy task at the shank of the session to be on the receiving end of the slings and arrows of fortune—whether outrageous or not. I think he showed rare patience and forbearance.

I also wish to pay a high compliment to my minority colleague, the distinguished junior Senator from Arizona [Mr. GOLDWATER], who in every section of the country is regarded as something of a specialist in this field.

I pay an equal compliment to my distinguished friend, the Senator from Vermont [Mr. PROUTY], who has done yeoman service, and who, by means of the motions he offered, showed, I think, rare judgment and a keen knowledge and concept of the subject before us.

If I have to say anything about myself, I must say that I am afraid my principal duty in the conference was to try, when it seemed that frictions might explode into flame, to make judicious use of an oilcan whenever I could. I find that, on occasion, that serves a useful purpose, too.

Mr. President, I compliment my colleagues of the conference on both sides, and particularly the chairman, the Senator from Massachusetts [Mr. KENNEDY]. He has a rare knowledge of the bill. His knowledge of it has confounded me on occasions. It has intrigued me. I salute him for the studious propensities which were implied in his mastery of a bill in so highly complicated a field.

So, Mr. President, we have brought to the Senate the best product we can on this occasion.

At this time I wish to say a word about the allusion which was made by my distinguished friend, the Senator from Vermont, in regard to a point of order, because I am afraid I had something to do with it. It was not partisan in any sense whatever. But inasmuch as I had served a long time in the House of Representatives, and had served for 16 years on conference committees, and had developed some familiarity with the rules of the House of Representatives, it occurred to me, yesterday afternoon, that language dealing with so-called situs agreements involving the construction industry and the legality or illegality of a strike which involved many contractors—including prime contractors and subcontractors—was new matter. It did not appear in the Senate version of the bill; it did not appear in the House version of the bill; and although it was germane to a House provision under the general subject of boycotts and picketing, yet is was a new substantive provision.

So while there was a hiatus in the conference, on yesterday afternoon, I said to the distinguished Representative from Georgia, PHIL LANDRUM, that I would like to go to the House and talk to the Parliamentarian. So, together with Representative LANDRUM, I went to the House, and talked to the Parliamentarian. Inasmuch as I have known Lewis Deschler intimately for a long time, I said to him, "Lew, here is the picture. I think you know the whole situation. Can you give us some suggestions as to what your notions are in regard to whether this is in order in the conference report?"

He replied, "I will give you an opinion off the top of my head; I don't want to be committed at the moment. But I would say, offhand, that, generally

speaking, under the House rules, new matter is not within the frame of the conference, and therefore it would be out of order."

I initiated that, if no one knew it before; and it was said to me in the presence of Representative LANDRUM, one of the authors of the House version of the bill.

So, Mr. President, at the proper time, in the conference, that point was made. I helped energize it up to a proper degree; and we let it go at that.

Then we came up with this problem: If we were to agree on everything except one item, would it be taken back to the Senate, for instructions; and would it go back to the House; and then would the point of order be raised, and be found good—with the result that, after all our labors, we would find that we still did not have a bill on which we could take final action?

Mr. President, I do not subscribe to the principle which is the basis of the old ditty, "The King of France with 20,000 men went up the hill, and then came down again." I did not like the idea of proceeding in that way. So I thought it would be splendid to settle that point in advance.

Therefore, this morning I concurred in the sentiment expressed by Representative BARDEN, the cochairman of the conference, when he said he felt it was his duty to make the point of order, under the House rules. Had I sat where he sat, I would have said that I felt it my duty to do so, since the matter in question was new matter.

As a result, we arrived at compromise language which was finally adopted.

Mr. President, I believe the chairman of the conference will agree with me when I say that if we have not completed the necessary action, in the sense that something still remains to be done in connection with the construction field, certainly the majority leader has given his word, and the chairman of the conference committee has given his word, and the distinguished junior Senator from Arizona [Mr. GOLDWATER] concurs, and I concur, that when we come back here in January, if there is something to be done in that field, we will do it, so that nobody will feel aggrieved or feel that he has been forgotten in the process.

Our business for the moment is to get as effective a conference report as we can. The very fact that 13 of the 14 conferees have fully concurred and that 12, I think the number is, have signed the conference report—is that the correct number, I ask the Senator from Massachusetts?

Mr. KENNEDY. Yes.

Mr. DIRKSEN. Twelve out of fourteen is a pretty good score for any conference dealing with a bill of this character.

So I wanted to make plain that this question of the point of order was actually initiated by a Republican and a Democrat. I happen to be the Republican. PHIL LANDRUM was the Democrat. We went to the House side to get an informal opinion, which was better formalized this morning, after there was an opportunity to consider it further.

So I think the practical thing to do was exactly what the conference committee did under those circumstances. I am very happy indeed we got a conference report.

I wish to say one thing more by way of conclusion. There have been made in the country at times allegations that contributions are made to senatorial campaigns and to the campaigns of Representatives, and that therefore Senators and Representatives are being carried around in somebody's pocket when we come to grips with a bill that involves management and labor and the public.

Mr. President, I think this conference report is a living exemplification of the fact that when the chips are down, the Senators and Representatives are in nobody's pocket, and that they have impressed their will in what I think is the general interest and the well-being of all of the people of the country.

We were sensible of the interests of labor. We were mindful of the interests of management. But we were almost supersensitive about the interests of all of the people of the United States; and that is what counts. I think the Senate and the House, and the Members of both parties, can be proud of the work of the conference, because it rebuts these rather careless and unrestrained allegations that sometimes we are carried around in somebody's pocket. I am proud of the work, and I am distinctly proud of the legislative body of which I have the honor to be a Member.

Mr. JOHNSON of Texas. Mr. President, I shall not detain the Senate long. I merely wish to commend the distinguished minority leader for the very fine statement he has made. I know perhaps more than any other Member of the Senate the burdens he carries. I know there has not been a day when it has not been necessary to have at least 3 or 4 conversations with him in connection with arranging the schedule of the conferees to fit in with the duties we have here in the Senate.

This is one of the Senate's finest hours.

I am very proud of my young friend from Massachusetts, who demonstrated that he could say to his colleagues, in the words of the prophet Isaiah, "Come now, and let us reason together." I am likewise proud of each majority member of the conference who participated in bringing about the results which have been obtained.

I have counseled a number of times with my friend Senator GOLDWATER, ranking minority member of the conference, and with Senator DIRKSEN, another member of the conference. Although I have not had a chance to discuss this matter with the House conferees, I think each Member on both sides of the aisle should be commended for his lack of partisanship.

The conferees have done what they consider to be best for America, and in doing what is best for America one always does what is best for his own party.

I have not detected any deep partisan division in these conferences. The prophets of gloom and doom are in for a surprise when they see the results of a conference committee that is presided over by the distinguished junior Senator from Massachusetts [Mr. KENNEDY], and upon which there served the distinguished Senator from Arizona [Mr. GOLDWATER], the distinguished minority leader [Mr. DIRKSEN], the distinguished Senator from Vermont [Mr. PROUTY], the distinguished Senator from Michigan [Mr. MCNAMARA], the distinguished Senator from West Virginia [Mr. RANDOLPH], and the distinguished Senator from Oregon [Mr. MORSE].

These Senators sat down with such distinguished members of the House as the gentleman from North Carolina [Mr. BARDEN], the gentleman from Kentucky [Mr. PERKINS], the gentleman from Georgia [Mr. LANDRUM], the gentleman from New Jersey [Mr. THOMPSON], the gentleman from Pennsylvania [Mr. KEARNS], the gentleman from Ohio [Mr. AYRES], and the gentleman from Michigan [Mr. GRIFFIN]. The conference committee threshed out the differences between the two bills in a spirit of give-and-take which ended—as it always does—in improving the legislation.

When men from different environments, with different political philosophies, with varying political views, can sit in a room and finally—at least 13 out of the 14—return with a joint recommendation, it is a great tribute to our democratic system.

Mr. President, I ask unanimous consent that when the Senate recesses this evening it convene at 9:30 o'clock tomorrow morning, so we may have a morning hour.

I announce we will not have any votes before 11 o'clock a.m., but Senators desire to make brief statements. I would like to have that order entered, if I may.

INJURY OF CLARK MOLLENHOFF

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. GOLDWATER. I intended to mention this prior to this time. At a moment when we should feel jubilation, we have occasion to feel some sadness.

One of the most valued contributors to the solution of this whole problem of graft and corruption in the labor movement has been Mr. Clark Mollenhoff, of the Des Moines newspapers. Mr. Mollenhoff, along with men like Westbrook Pegler and others, has been a pioneer in pointing out graft and corruption in the labor movement.

I am sorry to announce that Mr. Mollenhoff has suffered a broken neck. He is in the veterans' hospital at Des Moines, Iowa. I know he would appreciate hearing from Senators, who must have a high regard for his ability.

Mr. JOHNSON of Texas. I thank the Senator for that observation. Earlier today, less than an hour ago, I wrote Mr. Mollenhoff a note. I appreciate the Senator from Arizona's reminding other Senators.

Mr. President, before I take my seat I wish to pay tribute to the staff of the Select Committee on Improper Activities in the Labor or Management Field, headed by Bob Kennedy, and to the chairman of that committee, the Senator from Arkansas [Mr. MCCLELLAN]. It has

been his diligent work, his persistent efforts, which brought about the revelations that enabled the Senate to take this important action last year, and again this year.

Senator McCLELLAN and his dedicated staff have pointed the way to effective steps to protect the American people from the hoodlums and racketeers who have victimized honorable labor. He was the pioneer in this field.

I do not think any Member of either body is deserving of more credit for the results we are about to see produced than is Senator McCLELLAN.

I am grateful to Speaker of the House, Mr. RAYBURN, and to the Democratic and Republican leaders of the House, Mr. McCORMACK and Mr. HALLECK, and to the members of the House Labor Committee for their contributions in this field.

I hope the conference report can be acted upon tomorrow.

I know the morning business and other speeches will keep us busy until at least 10:30 or 11 o'clock tomorrow morning. I should not expect any votes before noon tomorrow. We do want to stay in session late tomorrow evening, midnight, if necessary, to try to get action on the conference report, because it will have to go to the other body after it is acted on here.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Ohio.

Mr. LAUSCHE. I am much pleased that the Senator from Texas showed his thoughtfulness in commending the Senator from Arkansas for the work which that Senator has done. I think the ultimate results which are reflected in the bill which will come before the Senate tomorrow constitute a triumph for Senator McCLELLAN in the fight he made to bring about a correction of abuses in labor-management relations.

For a moment, figuratively, he was seated off the stage behind the curtains. I am glad the Senator from Texas brought him out onto the stage. It would have been tragic tonight if he had gone unnoticed and unmentioned by the Senate.

I say to my colleague, the Senator from Arkansas [Mr. McCLELLAN], the ultimate content of the bill, in my opinion, in a substantial degree is the product of the Senator's work. I commend the Senator for it. The amendments which the Senator offered on the floor of the Senate, which were rejected, have ultimately become a part of the bill. My commendations go to the Senator from Arkansas, and my commendations go to the entire membership of the committee for the excellent work done.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from South Carolina.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas that when the Senate recesses tonight it recess until 9:30 tomorrow morning? The Chair hears none, and it is so ordered.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from South Carolina.

Mr. THURMOND. I wish to compliment the majority leader for his statement about the distinguished Senator from Arkansas [Mr. McCLELLAN]. I should like to associate myself with the remarks of the distinguished Senator from Ohio concerning the Senator from Arkansas. I do not know of any man in the Congress, or throughout the United States, who has worked more zealously or who has accomplished more in the field of labor relations and in the cleaning up of corruption and helping to expose abuse than the distinguished Senator from Arkansas.

Mr. JOHNSON of Texas. May we have order in the Chamber, Mr. President?

The PRESIDING OFFICER. The Senator from South Carolina will suspend. The Senate will be in order.

The Senator from South Carolina may proceed.

Mr. THURMOND. Mr. President, I am indeed pleased that the majority leader has recognized the Senator's contribution, and I was very glad to hear the words of tribute paid by the able Senator from Ohio.

I feel, Mr. President, we are fortunate to have a man of such high character, high principles, great intellect, and tremendous courage in the Senate. The Senator from Arkansas is a great asset to the people of this Nation. I am proud to be a Member of the body of which he is a Member.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I sincerely thank the distinguished majority leader and my colleagues for their complimentary references to me personally and to the Senate select committee of which it has been my privilege and honor to be the chairman during the past 2½ years.

Mr. President, I wish to say that whatever success the committee has had, whatever we have achieved, and whatever contribution we may have made to the public welfare have been due to two things.

First, the committee has been working as a team. It has not been a one-man project.

Mr. JOHNSON of Texas. Mr. President, may we have order in the rear of the Chamber, please, so that the Senator can be heard?

The PRESIDING OFFICER. The Senator from Arkansas will suspend. The Senate will be in order.

The Senator from Arkansas may proceed.

Mr. McCLELLAN. Mr. President, it has not been a one-man project. There has been, on the part of the membership of the committee, a dedicated service and a definite objective to get the truth, and to bring to this body the facts and accurate information upon which it could intelligently legislate to correct some evil conditions that have developed and that now exist in the field of labor-management relations. That is the first point, Mr. President.

Secondly, and of no less importance, is the fact that we were able to assemble, I think, one of the most able staffs of young men and young women, to assist us in this work, that has ever been assembled, possibly, to assist any investigating committee of this body. To them, under the leadership of Mr. Robert Kennedy as chief counsel, goes great credit for their dedication, for their long hours of work, and for their fearlessness and their courage. It takes courage to "beard" some of these "characters" in their "den," to look them in the face and interrogate them with respect to some of their activities and conduct, which we have exposed, and which have reflected the conditions that moved the Congress to take the action it has.

So, whatever may be said about the chairman must be said for all members of the committee. Whatever is said, Mr. President, for the members of the committee must also be said for the excellent staff, each one of whom, to the full limit of his or her individual capacity, has made a worthwhile contribution to the result we have before us this evening. I sincerely hope and I honestly believe that organized labor, management, and the public at large have been served, and will be served, by our labors and the laws that the Congress shall enact as a result thereof.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2424) to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6939) to repeal the act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

S. 539. An act for the relief of Mrs. Joyce Lee Freeman;

S. 669. An act to authorize the Secretary of Agriculture to convey certain lands to the Bethel Baptist Church of Henderson, Tenn.;

S. 696. An act for the relief of Mrs. Annie Voisin Whitley;

S. 1071. An act for the relief of Nettie Korn and Manfred Korn;

S. 1298. An act for the relief of Concetta Meglio Meglio;

S. 1392. An act for the relief of Isabel M. Menz;

S. 1557. An act for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim;

S. 1650. An act for the relief of Edmund A. Hannay;

S. 1667. An act for the relief of the widow of Col. Claud C. Smith;

S. 1792. An act for the relief of Lilia Alvarez Szabo;

S. 1915. An act for the relief of Chung Ching Wei;

S. 1921. An act to exempt from taxation certain property of the United Spanish War Veterans, Inc., in the District of Columbia;

S. 1958. An act to amend section 12 of the act of March 5, 1915, to clarify types of arrestment prohibited with respect to wages of U.S. seamen;

S. 2021. An act for the relief of Irene Milios;

S. 2027. An act for the relief of William James Harkins and Thomas Lloyd Harkins;

S. 2050. An act for the relief of Leokadia Jomboski;

S. 2081. An act for the relief of Yadwiga Boczar;

S. 2102. An act for the relief of Irene Wladyslawa Burda; and

S. 2238. An act for the relief of Kenzo Hachtmann, a minor.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I am informed that the yeas and nays have been ordered on the motion of the Senator from Maryland [Mr. BUTLER] to refer H.R. 1 to the Committee on Foreign Relations. I am informed by the author of the motion that Senators are ready for the call of the roll. If the yeas and nays have been ordered, we can get a vote on that now.

The PRESIDING OFFICER. The yeas and nays have been ordered.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Maryland to refer the bill to the Committee on Foreign Relations.

Mr. JAVITS. Mr. President, at a time when the eyes of the whole world are upon us in our foreign relations; when the President of the United States is flying from one world capital to another in his fight for the preservation of peace and security; when we are in Berlin and elsewhere relying upon the scrupulous maintenance of our treaty obligations and those of others; we cannot ourselves ignore these obligations in any area—especially where the interests involved are those of Canada, one of our closest allies. But this is the issue involved in H.R. 1, now before the Senate.

The motion to rerefer this bill to the Committee on Foreign Relations again brings before the Senate a matter on which we voted on March 18, 1959, at which time this bill was referred to the Committee on Public Works with the clear understanding that it was within the power of the Senate, should it so decide, that the bill could be sent to the Foreign Relations Committee subsequently.

We should not take such action without considering the effect on our foreign relations, not merely with Canada, but with every other nation with whom we have obligations based upon treaty or past common interest and which would be watching carefully how we honor these obligations. In the field of water rights alone, we have a number of other agreements, such as those with Mexico regarding the Rio Grande and Rio Colorado, with Canada as to a number of the border lakes, the Columbia and St. Lawrence Rivers and Niagara Falls, and with the Republic of Panama involving the water required for the Panama Canal. We also have many other areas of joint interest with Canada at this very moment in which negotiations are under way and which will be affected by the approach we take in this matter. These include areas of international trade, finance and defense policy, and such specific matters as tolls on the Welland Canal, Columbia River development and St. Lawrence Seaway power.

The aspect of this legislation involving the interest of Canada is the one to which the least study has been devoted in past committee consideration, and the note of the Canadian Government of February 20, 1959, clearly puts this issue before us. In a reply to a State Department request for its views, the Government of Canada indicated that—

> Any authorization for an additional diversion would be incompatible with the arrangements for the St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.
>
> The point has been made repeatedly by Canada that every withdrawal of water from the basin means less depth available for shipping in harbors and in channels. Additional withdrawals would have adverse effects on the hydroelectric generation potential on both sides of the border at Niagara Falls and in the international section of the St. Lawrence River, as well as in the Province of Quebec, and would inflict hardship on communities and industries on both sides of the border.
>
> The Government of Canada, therefore, protests against the implementation of proposals contained in H.R. 1.

Even stronger notes were sent by Canada on April 9, 1959, and just last week, on August 21, 1959. The April note stated:

> Every diversion of water from the Great Lakes watershed at Chicago inevitably decreased the volume of water remaining in the basin for all purposes. The Government of Canada is opposed to any action which will have the effect of reducing the volume of water in the Great Lakes Basin. Careful inquiry has failed to reveal any sources of water in Canada which could be added to the present supplies of the basin to compensate for further withdrawals in the United States of America. The Government of Canada considers that many agreements and understandings between the United States of America and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago. * * *
>
> Because of the importance attached by the United States of America and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin. Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford.
>
> I am instructed therefore to express the hope of the Government of Canada that the United States of America will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings to which I have referred.

The latest note, delivered only last week, indicated that Canada had taken note of the pending legislative developments and stated:

> In the view of my Government any additional diversion of water out of the Great Lakes watershed would be inconsistent with existing agreements and arrangements which together constitute an agreed regime with respect to these waters. The proposed unilateral derogation from the existing regime therefore occasions serious concern in Canada.

The question which we now have before us is whether this legislation is to be rereferred to the Committee on Foreign Relations, where these problems can receive direct consideration in the light of our foreign policy problems with Canada and other countries. I believe that a referral to the Foreign Relations Committee will serve the best interests of the Senate and of the entire Nation.

A look at the specific jurisdiction of the Committee on Foreign Relations in rule XXV shows that it is charged with consideration of matters dealing with "relations of the United States with foreign nations generally," with "treaties," and with the "establishment of boundary lines between the United States and foreign nations." What could be a better description of the issues involved in this bill?

No matter what the interpretations of the various treaties by the many renowned international lawyers who have been quoted here may be, the action we are discussing certainly involved the prime jurisdiction of the Foreign Relations Committee—our relations with other nations, within or outside treaty provisions.

Let us be clear about one thing. This is not an ordinary situation involving

navigation, water power, pollution control or rivers and harbors. We cannot treat it as if it were. It is a matter which can throw a serious monkey wrench into our relations, at least with a nation like Canada whose friendship is signified by an open border thousands of miles long.

Mr. President, I ask unanimous consent to have printed in the RECORD a resolution of the 10th conference of the Inter-American Bar Association; and an extract from the address by Mr. John G. Laylin, Esq., of Washington, D.C., on the "Principles of International River Law" before the Inter-American Bar Association at Buenos Aires, November 1957.

There being no objection, the resolution and extract were ordered to be printed in the RECORD, as follows:

TENTH CONFERENCE OF THE INTER-AMERICAN BAR ASSOCIATION, BUENOS AIRES, NOVEMBER 19, 1957—RESOLUTION ADOPTED BY UNANIMOUS VOTE BY THE FIRST COMMITTEE OF THE TENTH CONFERENCE, AND APPROVED WITHOUT DISSENT BY THE EXECUTIVE COUNCIL AND THE PLENARY SESSION OF THE INTER-AMERICAN BAR ASSOCIATION

The 10th conference of the Inter-American Bar Association resolves:

I. That the following general principles, which form part of existing international law, are applicable to every water-course or system of rivers or lakes (nonmaritime waters) which may traverse or divide the territory of two or more States; such a system will be referred to hereinafter as a "system of international waters":

1. Every State having under its jurisdiction a part of a system of international waters, has the right to make use of the waters thereof insofar as such use does not affect adversely the equal right of States having under their jurisdicton other parts of the system.

2. States having under their jurisdiction a part of a system of international waters are under a duty, in the application of the principle of equality of rights, to recognize the right of the other States having jurisdiction over a part of the system to share the benefits of the system, taking as the basis the right of each State to the maintenance of the status of its existing beneficial uses and to enjoy, according to the relative needs of the respective States, the benefits of future developments. In cases where agreement cannot be reached the States should submit their differences to an international court or an arbitral commission.

3. States having under their jurisdiction part of a system of international waters are under a duty to refrain from making changes in the existing regime that might affect adversely the advantageous use by one or more other States having a part of the system under their jurisdiction except in accordance with: (i) an agreement with the State or States affected or (ii) a decision of an international court or arbitral commission.

4. The foregoing principles do not alter the norm of international law that if the territory over which flow the waters of an international system is of such a nature as to provide a particular benefit, that benefit may be enjoyed exclusively by the State having jurisdiction over that territory, it being understood that such enjoyment will be in conformity with principle 3.

II. That a permanent committee of the Inter-American Bar Association be established to examine further the general juridical principles in this field, which commission should correspond with other international associations and organizations (U.N., OAS, etc.) devoting their attention to the study of the principles of law governing the uses of international rivers.

III. That this permanent committee study and prepare for the 11th conference of the Inter-American Bar Association a report dealing, among other matters that it considers of interest, with the following:

1. The question of the rights, if any, of nonriparian States which may have interests dependent upon a system of international waters.

2. The question of indemnification and of preventing unlawful acts in the use of waters of international systems that might cause irreparable damage or might even lead to a situation likely to endanger the peace or constitute a threat to the peace.

3. The question of sharing costs in the operation, maintenance, and development of a system of international waters.

4. The questions of pollution and flood control.

5. The question of the priorities as between different uses of the waters of a system of international waters and the relation of these priorities to the specific characteristics of the system.

6. The question of the differences in legal treatment of the right of dominion over as distinguished from the right to the use of a system of international waters.

7. The possibility of systematizing the practical rules put into effect by the States to achieve the most advantageous use of systems of interstate or international waters.

8. The difference, if any, arising in the application of general principles of international law as between international boundary water systems and successive water systems.

9. The possibility of creating general and/or regional commissions and tribunals in order to facilitate the most advantageous use of the waters and the solution of conflicts relating to the regime of systems of international waters.

IV. That the committee be requested to collect, classify, and analyze the precedents from every part of the world evidencing practices accepted as law governing the use of international waters.

V. That States with an interest in an international water system ought to participate, as soon as possible, in the collection and exchange of physical and economic data essential for the planning and realization of the rational use of the waters.

EXTRACT FROM ADDRESS BY JOHN G. LAYLIN, ESQ., OF WASHINGTON, D.C., BEFORE THE INTER-AMERICAN BAR ASSOCIATION AT BUENOS AIRES, NOVEMBER 1957

Professor Sauser-Hall considers the use in international matters, by analogy, of decisions of tribunals in Federal States. (L'Utilisation Industrielle des Fleuves Internationaux, 83 Recueil des Cours 471 [Hague Academy, 1953, II]). He says:

"The conflicts of interest which the utilization of water courses can stir up between the member States of a confederation of States, or of a Federal State present the strongest analogy to those which occur on the international plane between sovereign States; * * *" (Id. at 471–472, trans. ours. See Id. at 516–517.)

Further, under article 38 of the Statute of the I.C.J., there is no reason to deny the opinions of municipal judges at least the status of "teachings" of qualified publicists.

In a long and unbroken line of decisions the Supreme Court condemns the principle of absolute sovereign rights and upholds the principle of equitable apportionment. The contention that a State is entitled to do as it wishes with the waters of a interstate river physically within its boundaries was asserted by Colorado in two of the earlier cases on this subject, *Kansas* v. *Colorado*, 185 U.S. 125 (1902), 206 U.S. 46 (1907), and *Wyoming* v. *Colorado*, 259 U.S. 419 (1922), and was rejected by the U.S. Supreme Court. In the latter case the Court said (Id. at 466):

"The contention of Colorado that she as a State rightfully may divert and use, as she may choose, the waters flowing within her boundaries in this interstate stream, regardless of any prejudice that this may work to others having rights in the stream below her boundary, can not be maintained. The river throughout its course in both States is but a single stream wherein each State has an interest which should be respected by the other. A like contention was set up by Colorado in her answer in *Kansas* v. *Colorado* and was adjudged untenable. Further consideration satisfies us that the ruling was right. It has support in other cases, of which *Rickey Land & Cattle Co.* v. *Miller & Lux*, 218 U.S. 258; *Bean* v. *Morris*, 221 U.S. 485; *Missouri* v. *Illinois*, 180 U.S. 208, and 200 U.S. 496; and *Georgia* v. *Tennessee Copper Co.*, 206 U.S. 230, are examples."

The Supreme Court has consistently adhered to this position, whether the domestic law of the States concerned was the common law of riparian rights, the law of appropriation, or some variant of these. Among the principal cases are *Missouri* v. *Illinois*, 180 U.S. 208 (1901), 200 U.S. 496 (1906); *North Dakota* v. *Minnesota*, 263 U.S. 365 (1923); *Wisconsin* v. *Illinois*, 278 U.S. 367 (1929); *Connecticut* v. *Massachusetts*, 282 U.S. 660 (1931); *New Jersey* v. *New York*, 283 U.S. 336 (1931); *Colorado* v. *Kansas*, 320 U.S. 383 (1943); and *Nebraska* v. *Wyoming*, 325 U.S. 589 (1945).

The doctrine of absolute rights was also rejected by the Swiss Federal Tribunal in *Aargau* v. *Zurich* (Smith, at 39, 104), and by the German Staatsgerichtschof in *Wuerttemberg and Prussia* v. *Baden* (Id. at 55, 117). The Italian Court of Cassation, in *Société Energie Electrique du Littoral Mediterranéen* v. *Compagnia Imprese Elettriche Liguri* (1939), Annual Digest of Public International Law Cases [Lauterpacht] 1938–1940 (No. 47), said:

"International law recognizes the right on the part of every riparian State to enjoy as a participant of a kind of partnership created by the river, all the advantages deriving from it for the purpose of securing the welfare and the economic and civil progress of the nation. * * * However, although a State, in the exercise of its right of sovereignty, may subject public rivers to whatever regime it deems best, it cannot disregard the international duty, derived from that principle, not to impede or to destroy, as a result of this regime, the opportunity of the other States to avail themselves of the flow of water for their own national needs."

APPENDIX A

REVIEW OF GOVERNMENTAL THEORIES AND PRACTICES OF THE UNITED STATES, CHILE, AUSTRIA, AND INDIA

UNITED STATES

U.S. Attorney General Harmon in 1895 rendered an opinion, apropos a dispute with Mexico about the waters of the Rio Grande, that "the rules, principles, and precedents of international law impose no liability or obligation upon the United States" (21 Opinions of the Attorney General 267 (1895)). This opinion was rendered some years before the first decision of the U.S. Supreme Court on the subject; the Supreme Court has utterly disowned such a theory.

For half a century this country continued, in diplomatic negotiations both with Mexico and with Great Britain (for Canada), to assert from time to time a right to do as it wished with the waters within its territory. But its treaties with these two nations, (Smith, at 168, 170) made in 1906 and 1909 respectively, while formally reserving a right to assert this doctrine, incorporated concessions quite inconsistent with it.

The United States agreed to deliver to Mexico stated quantities of water, and undertook the whole cost of the works necessary to assure such deliveries. The treaty with Great Britain provided in some detail for the regulation of the border lakes, for the division of supplies of certain rivers, and in other cases for giving to individual riparians in the downstream nation the rights provided by domestic law of the upstream nation. This treaty was so framed as to exclude from its terms the controversial diversion of water from Lake Michigan by the Chicago Drainage District, and to that extent may be said to have preserved Attorney General Harmon's position. While the controversy about this diversion persisted for many years, it has by now become largely moot because the U.S. Supreme Court, at suit of other riparian states, has imposed on the drainage district limitations which go far toward meeting such limitations as derive from international law. *Wisconsin* v. *Illinois*, 278 U.S. 367 (1929), 281 U.S. 179 (1930), 89 U.S. 395 (1933). Smith (at 52) suggests, however, that compensation for past damage is called for.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that we may have a vote on the motion of the Senator from Maryland in 20 minutes; and that 10 minutes of the time be controlled by the Senator from Illinois [Mr. DOUGLAS] and 10 minutes of the time be controlled by the Senator from Wisconsin [Mr. WILEY].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. KUCHEL. Mr. President, reserving the right to object, do I correctly understand the Senator to say it is the intention to keep the Senate in session?

Mr. JOHNSON of Texas. Until we vote.

Mr. KUCHEL. Until after we vote?

Mr. JOHNSON of Texas. Surely. We are trying to get a vote. I thought Senators were ready for a vote.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Louisiana.

Mr. McNAMARA. Mr. President, I was on my feet reserving the right to object——

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the action just taken be vitiated. I did not hear the Senator from Michigan.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. McNAMARA. Mr. President, I think we ought to have a moment to consider the proposal. We have not been consulted. We have been talking about this matter for some days. I do not like snap action.

Mr. JOHNSON of Texas. I thought the Senator from Wisconsin was speaking for the group in opposition to the measure. The Senator has been asking for a vote. The minority leader was very anxious, also. I consulted both the proponents and the opponents of the bill. I did not consult each individual. If the Senator wants to extend the time, I would be glad to do it to suit his convenience. I thought the Senator from Wisconsin felt we ought to vote without any discussion.

Mr. McNAMARA. I thought so, too. For that I was ready. This surprised me. We are doing something other than voting.

Mr. JOHNSON of Texas. We are providing for equal time. Does the Senator want more time than what we have allowed?

Mr. McNAMARA. I wanted to vote now. I was prepared to vote now.

Mr. JOHNSON of Texas. We cannot do that, because the Senator from Illinois wants 10 minutes. We can give the other side 10 minutes, to reply to the Senator from Illinois. Does the Senator want to change that?

Mr. McNAMARA. I will accept the explanation.

Mr. JOHNSON of Texas. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas that there be 20 minutes allotted for consideration of the motion of the Senator from Maryland; with 10 minutes for each side? The Chair hears none, and it is so ordered.

CONVEYANCE OF CERTAIN REAL PROPERTY TO SOPHRONIA SMILEY DELANEY AND HER SONS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 6) to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons, which was, on page 1, line 7, strike out "$2,500" and insert "$5,000."

Mr. ELLENDER. Mr. President, I have consulted with the majority leader and the minority leader as to this matter.

I move that the Senate concur in the House amendment.

The motion was agreed to.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Maryland [Mr. BUTLER], to refer H.R. 1 to the Senate Committee on Foreign Relations. On this question the yeas and nays have been ordered.

The Chair wishes to state that the unanimous consent agreement is in effect. Ten minutes are allotted to each side.

Mr. FULBRIGHT. Mr. President, will the Senator yield me 2 minutes?

Mr. DOUGLAS. I will yield 2 minutes, with the understanding that the time does not come out of my time. [Laughter.]

Mr. FULBRIGHT. The Senator is very generous.

Mr. DOUGLAS. Mr. President, I wish to speak very briefly on the motion to refer the pending bill to the Foreign Relations Committee without any date being attached as to the time the committee should report.

This is, of course, a motion to kill the bill, and if it is adopted it will be as a result of the long discussion which the opponents of the bill have waged and the threat of further discussion if this motion is defeated. We are legislating, therefore, with a pistol held at our heads, and I do not believe in acceding to threats, either open or covert.

It should be noticed, Mr. President, that this measure clearly falls within the jurisdiction of the Public Works Committee, because on page 40 of the Rules of the Senate the jurisdiction of the Public Works Committee is stated to cover "oil and other pollution of navigable waters."

The bill has been four times referred to the Public Works Committee and four times reported by the Public Works Committee. Now, because Canada has raised certain objections, it is proposed by the Senator from Maryland to take it away from the Public Works Committee and refer it to the Foreign Relations Committee.

If we start adopting this precedent we will disorganize the internal management of the affairs of the Senate. For example, very frequently foreign countries object to our tariff provisions and to quotas which we impose on goods from foreign countries. Shall we therefore take the jurisdiction of tariff matters away from the Finance Committee and give it to the Foreign Relations Committee? We will have to do so if this precedent is adopted.

Mr. FULBRIGHT. Will the Senator yield?

Mr. DOUGLAS. I have only 10 minutes, and I would prefer to conduct my argument, and then the Senator, if he is opposed, can argue on his own time.

Mr. FULBRIGHT. I am not opposed. I want to propose a question.

Mr. DOUGLAS. Since I have only 10 minutes I would prefer, if I may to conduct my discussion in as orderly a way as possible.

Mr. FULBRIGHT. I mean, I am not in opposition to the Senator. It is all right if he does not want to yield.

Mr. DOUGLAS. A poverty-stricken person cannot be as generous as a millionaire, and since I have only 10 minutes, I hope the Senator will not think I am discourteous if I prefer to proceed in my own way, and to husband such little time as I have.

Foreign countries also object very frequently to our immigration policies. Does this mean that immigration bills shall be taken from the Judiciary Committee and given to Foreign Relations?

I submit, therefore, that from a procedural standpoint we are making a great mistake if we send this bill to Foreign Relations.

Mr. President, I know it is said that we should do this in behalf of good relations with Canada, and it is charged from time to time that in some fashion, never quite stated, that this bill violates the treaty of 1909 and the treaty of 1950. I have studied both of these treaties very carefully and it is apparent that this is not true.

The treaty of 1909 refers specifically as international waters to those lakes in which the international boundary line runs, and a casual inspection of the maps here behind us show that those lakes are Superior, Huron, Erie, and Ontario. The international boundary lines do run through those lakes, but the international boundary line does not run through Lake Michigan. Lake Michigan lies 37 miles east of the beginning of the boundary line.

The exclusion of Lake Michigan was deliberate from the 1909 treaty. Secretary of State Elihu Root in his testimony before the Foreign Relations Committee specifically stated that Lake Michigan was excluded.

So far as the 1950 treaty is concerned, that provided for the equal allocation of water flowing out from Lake Erie, but it did not prescribe any level in Lake Erie, nor did it prescribe any specific rate of flow in the Niagara River itself. It merely said that such water as was available was to be shared equally between Canada and the United States. So on a legal basis we are violating nothing whatsoever in passing this bill.

I know an appeal is being made that we should be generous to Canada. I want to be generous to Canada. I have opposed some tariffs and some quota systems which this administration has put into effect because I thought they treated Canada unfairly and unjustly, but we need to remember this, that we have already been extremely generous to Canada so far as the waters of the Great Lakes system are concerned.

In the original 1910 agreement Canada was given 36,000 cubic feet per second, the United States only 20,000. This was because Chicago at that time was given by the Secretary of War 10,000 cubic feet per second. In other words, Chicago's claim of 10,000 cubic feet, which had been perfectly legal and had been granted by the Secretary of War, was specifically recognized. Canada, therefore, was given a larger share of the residue than the United States received because of this very fact.

As time went on Chicago did not utilize its full 10,000 cubic feet per second. It cut down some of this amount voluntarily. Part of it was reduced by rulings of the Secretary of War and the Supreme Court, and each time that the share of Chicago was reduced we loyally obeyed. But, and this is the interesting point, Canada's share was not reduced. The United States did not claim for itself the amount which Canada did not use.

Canada in other words received all the share of waterpower which Chicago did not use. Furthermore we have been generous in giving to Canada without charge waterpower at Niagara which American private plants could not use. If we add up the total, of these gifts, we reach this startling fact: the commercial value of the waterpower to which Chicago and the United States were origially entitled, but which we did not use, and which has been turned over, therefore, to Canada, is in the neighborhood of $320 million. We have done this for Canada very gladly, because of our desire to be a good neighbor.

Now, Canada for internal political reasons which in the interests of international amity I shall not enlarge upon, comes in and objects to this bill because for 1 year only there is to be an added experimental diversion of 1,000 cubic feet per second. As a matter of fact, this would lower the level of the Lakes Michigan and Huron by only one-quarter of an inch, and would lower the level of Lakes Erie and Ontario by between one-eighth and one-sixteenth of an inch. This is what the opponents of this bill are talking about in very piteous language when they debate upon the great evils done to Canada. The loss is in fact infinitesimal.

There is one further factor which should be noted. If Chicago is given the right to take a thousand cubic feet a second out of Lake Michigan, this will be a loss of only 235 cubic feet a second at Niagara. We have worked out the economic loss very accurately. It does not exceed $36,000 a year. In other words, Canada and her sponsors in this body have been making a mountain out of a mole hill. As the Senator from Oklahoma [Mr. KERR] observed in his opening speech, the opponents have been hiding behind the skirts of our "Sister of the Snows" to the north of us.

The city of Chicago and the communities to the south of our city want to have this test made, to consider all aspects of the very difficult problem of dealing with the sewage of the great metropolitan community.

The city of Chicago has probably the best sewage disposal system in the world. It is able, by the most advanced processes, satisfactorily to dispose of 90 percent of this material. There is however an irreducible residual of about 10 percent. But since the city is handling the equivalent of 8½ million units, this means that the waste of 850,000 people is discharged into the Chicago River. We want to handle this problem as effectively as possible. We believe that a test of 1 year is necessary to do it in order to determine whether this is the best way to bring the needed additional oxygen into the water, for oxygen is the great purifier.

I therefore ask that this motion be defeated.

Mr. WILEY. Mr. President, I yield 3 minutes to the Senator from Oregon [Mr. NEUBERGER].

Mr. NEUBERGER. Mr. President, I dislike very much to disagree with my friend from Illinois, whom I regard as one of the great Members of the U.S. Senate. However, the fact remains that whether Canada was wise or unwise in opposing this diversion, the Canadian Government has opposed the proposed diversion.

I speak as a Senator from the Pacific Northwest who has taken a predominant interest in trying to prevent the diversion of the upper Columbia River. In 1955, I was assigned by the Senate Committee on Interior and Insular Affairs to make a survey in British Columbia and elsewhere in Canada of the position of the Canadian Government and Canadian opinion on this issue.

The Canadian Parliament has authorized a study of diversion of the upper Columbia. It has appropriated $250,000 for this purpose. A diversion has been proposed which would take out of the upper Columbia River a quantity of water equal to the entire flow of the Colorado River at Glens Ferry. If this were to occur, some of the greatest power projects ever built on the face of the earth would have a ceiling placed on their production, and they might be left stranded with respect to future production. I refer to Grand Coulee, Bonneville, Chief Joseph, and other projects.

We in the Pacific Northwest do not see how we can antagonize Canada with respect to Lake Michigan, in connection with a diversion which Canada disapproves, without risking diversion of the upper Columbia River, which would be so disastrous and perilous to our future development.

The Senator from Illinois is correct when he says that Lake Michigan is 37 miles from Canada. But we in Oregon have waters 300 miles from Canada; yet they would be affected by the diversion of the Columbia.

Lake Michigan is a part of an international waterway, the Great Lakes-St. Lawrence system. Whether or not a particular body of water touches Canada or touches an international border has nothing to do with the fact that it is a part of the flow which stems from international waters.

Our beloved colleague from Illinois referred to Canada as "Our Lady of the Snows." I think that was Kipling's term.

Our Lady of the Snows and its government have protested the proposed Lake Michigan diversion. I am not competent to say whether or not Canada should protest the diversion, but the fact is that Canada has protested it.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. NEUBERGER. May I have an additional minute?

Mr. WILEY. I yield 1 minute additional to the Senator from Oregon.

Mr. NEUBERGER. We share with Canada the greatest single waterway for power production on the North American Continent, namely, the Columbia River; and I daresay that we cannot risk antagonizing Canada on Lake Michigan, without endangering the great power potential of the Columbia River, which is vital to our Pacific Northwest States.

I regret to have to take a position against this diversion, because I know how desperately Chicago needs the water. In 1958 I voted for the diversion, because the position of Canada was ambiguous, but I said that if Canada opposed the diversion, I did not see how a Senator from the Pacific Northwest could go along with it and seriously represent the great projects on the Columbia River. Our very survival is dependent on the good will of the Canadian Government.

Mr. WILEY. Mr. President, I yield 2 minutes to the junior Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, three times almost identical bills have passed the House. Twice such a bill has passed

the Senate. The provisions of the present bill have been considerably reduced.

The bill calls for only a year's diversion. The subject has been thoroughly ventilated in the Public Works Committee. I doubt whether I have ever seen such penetrating interrogation of a witness as that conducted by the distinguished Senator from Oklahoma [Mr. KERR]. The whole case was made there. Nothing particularly new has been added in the discussion here.

We talk on one side about loss of power and reduction in lake levels, and loss of commerce, but on the other side is the overwhelming effect of the health of millions of people. Other areas may be indifferent to health. I say, in all kindliness, that I noticed that in the State of my distinguished friend from Wisconsin the health authorities had to close several public bathing beaches because the waters have been contaminated. I am advised that as far north as Green Bay the people must go 20 miles for their drinking water, because of the contamination of the lake.

The people in the sanitary district and in Chicago, and Illinois, have laid out $400 million for treatment plants. They have never contaminated the lake water at any time.

We come here in good grace, and with perfectly clean hands, to ask for a resolution of the issue which is before us. Therefore there is no point in sending the bill to the Foreign Relations Committee. It passed the Senate twice before. It passed the House three times before. Let us have done with it now. Let us finally resolve the issue. Let us vote upon passage of the bill. I trust it will be favorably considered.

I hope, therefore, that the pending motion to send the bill to still another committee of the Senate will be defeated.

Mr. WILEY. Mr. President, I yield myself 2 minutes.

Senators have before them the report of the debates in the Canadian Parliament. They tell the story of the international picture. Let Senators kick Canada in the teeth if they so desire.

The Senator from Illinois made a diversionary remark. He spoke about the so-called condition in Milwaukee. The evidence shows plenty about the failure in Illinois to do the job after the court, on a number of occasions, had told them to clean their own house. Now they want to kick Canada in the teeth.

Senators may read the manuscript which has been placed on their desks. It has been in the offices of Senators for weeks, and now it is on their desks.

Mr. President, I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. Mr. President, the statement has been made that the bill authorizes the diversion of only 1,000 second-feet of water from Lake Michigan into the Illinois Waterway. The bill, authorizes the diversion of an average of 2,500 second-feet the year round. To be certain, I read from the bill:

> With respect to the regulation of flows along the Illinois River, particularly at Pekin, Illinois, the diversion authorized by this Act in accordance with this section will be regulated with the objective of maintaining a uniform flow at Pekin of eight thousand cubic feet per second.

The bill does not authorize simply the diversion of 1,000 feet a second. There is no limit to the diversion. It may be any amount up to 8,000 feet a second during the dry season.

Mr. WILEY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Wisconsin has 2 minutes remaining.

Mr. WILEY. I yield 2 minutes to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, concerning the comments by the Senator from Illinois [Mr. DOUGLAS] about the effect of the bill being referred to the Committee on Foreign Relations, I see no reason why that should mean the end of the bill or the killing of the bill. The committee is not accustomed to burying bills. I assure the Senator from Illinois that the bill will receive serious consideration. I really think that following some negotiations with the Canadian Government, a reasonable procedure for the extraction of a reasonable amount of water for Chicago can be adopted.

What the Canadian Government objects to is not the extraction of some of the water. They object to its extraction without any agreement or any procedures which might restrict the abuse of such a practice in the future.

I see no reason to assume that because the bill may be referred to the Committee on Foreign Relations, that will be the end of the bill. I believe the committee will enlist the assistance of the State Department, that negotiations will take place with Canada, and that some reasonable procedure by which a reasonable amount of water can be used by the city of Chicago will be arrived at.

I myself think that Chicago should have consideration in this respect, but I am impressed by the argument that the procedure should not be unilateral; and also that if it is possible to take 1,000 cubic feet, it is possible to take 100,000 cubic feet, without any right on the part of Canada to interject her interests into the matter.

I think the interests of Canada arising out of the Seaway and the power development have changed the situation to such a degree that Canada has a legitimate interest in being consulted about this proposal.

I assure the Senator from Illinois that it is not my intention, as chairman of the committee, and I do not think it is the intention of any other member of the committee, to bury the bill. I am not insisting on its referral to the committee, but I think it would be good practice to do so.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the motion of the Senator from Maryland [Mr. BUTLER] to refer H.R. 1 to the Committee on Foreign Relations. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY (when his name was called). On this vote I have a live pair with the distinguished Senator from Indiana [Mr. CAPEHART]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arizona [Mr. HAYDEN], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Hawaii [Mr. LONG], are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] and the Senator from Delaware [Mr. FREAR] are absent on official business attending the Interparliamentary meeting in Warsaw, Poland.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Delaware [Mr. FREAR], the Senator from Arizona [Mr. HAYDEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Hawaii [Mr. LONG], and the Senator from Wyoming [Mr. [O'MAHONEY] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland, and, if present and voting, would vote "yea."

The Senator from Iowa [Mr. MARTIN] is absent on official business and, if present and voting, would vote "yea."

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

The Senator from Indiana [Mr. CAPEHART] is detained on official business and his pair has been previously announced.

The result was announced—yeas 54, nays 34, as follows:

YEAS—54

Aiken	Ervin	Mundt
Anderson	Fulbright	Muskie
Beall	Goldwater	Neuberger
Bennett	Green	Prouty
Bible	Hart	Proxmire
Bridges	Hennings	Robertson
Bush	Hickenlooper	Russell
Butler	Humphrey	Saltonstall
Byrd, Va.	Javits	Scott
Cannon	Jordan	Smathers
Carlson	Keating	Smith
Case, N.J.	Kuchel	Sparkman
Clark	Langer	Stennis
Curtis	Lausche	Talmadge
Cooper	McClellan	Thurmond
Cotton	McNamara	Wiley
Dworshak	Magnuson	Williams, Del.
Eastland	Morton	Young, Ohio

NAYS—34

Allott	Hartke	Mansfield
Bartlett	Hill	Morse
Byrd, W. Va.	Holland	Moss
Carroll	Hruska	Murray
Dirksen	Jackson	Pastore
Dodd	Johnson, Tex.	Randolph
Douglas	Johnston, S.C.	Schoeppel
Ellender	Kefauver	Symington
Engle	Kerr	Williams, N.J.
Fong	Long, La.	Yarborough
Gore	McCarthy	
Gruening	McGee	

NOT VOTING—12

Capehart	Frear	Martin
Case, S. Dak.	Hayden	Monroney
Chavez	Kennedy	O'Mahoney
Church	Long, Hawaii	Young, N. Dak.

So the motion to refer H.R. 1 to the Committee on Foreign Relations was agreed to.

Mr. AIKEN. Mr. President, I move that the vote by which the motion to refer was agreed to be reconsidered.

Mr. WILEY. Mr. President, I move to lay on the table the motion to reconsider.

Mr. PROXMIRE. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I announce that we do not expect to have any more votes taken this evening.

I shall ask the Senate to remain in session as long as may be necessary to acmodate any Senators who may desire to make statements for the RECORD. But we do not plan to have any more votes taken this evening.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I am about to ask consent that the Senate proceed to the consideration of the bill to extend Public Law 480; and I shall seek an agreement in that connection. But that bill will not be debated unless and until the conference report on the labor bill is debated.

Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of Calendar No. 518, Senate bill 1748.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the consideration of Senate bill 1748, 30 minutes be available on each amendment, to be equally divided; and 2 hours be available on the bill, to be equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. HUMPHREY. Mr. President, does the proposed agreement include the committee amendments? There are certain committee amendments to the bill.

Mr. MORSE. Mr. President, reserving the right to object, will the majority leader restate his request?

Mr. JOHNSON of Texas. I ask unanimous consent that 30 minutes be allowed on any amendment, motion, or appeal, except a motion to lay on the table—as is customary in our consent agreements—and 2 hours be allowed on the bill, to be equally divided.

I have consulted with the chairman of the committee, the Senator from Louisiana [Mr. ELLENDER]; with the ranking minority member of the committee, the Senator from Vermont [Mr. AIKEN], and with the Senator from Minnesota [Mr. HUMPHREY] who found that this amount of time would be agreeable to them. So far as I was informed, no other Senator desires to offer amendments; and they felt this arrangement would be adequate.

We do not plan to have the bill debated, under the proposed limitation, until the Senate has disposed of the conference report on the labor bill.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object—although I have no objection—I must state that I have just now been advised that the Senator from New Hampshire asked to be notified, so he could be on the floor when such an agreement was proposed, I understand that he will soon arrive.

Mr. JOHNSON of Texas. Then I withhold the request, Mr. President.

Mr. JOHNSON of Texas subsequently said: Mr. President, will the Senator from Arkansas yield to me, so that the question on a unanimous-consent request can be put, while the Senator from New Hampshire is present? We held up action temporarily on the question.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Texas? The Chair hears none, and the unanimous-consent agreement is entered.

Mr. JOHNSON of Texas. Mr. President, it is understood that the usual terms of the agreement will be printed in the RECORD, and I ask that it may appear in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the consideration of S. 1748, a bill to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to thirty minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to two hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal. (September 2, 1959.)

RACIAL PROBLEMS IN LARGE CITIES WHICH HAVE FORCED INTEGRATION

Mr. JOHNSTON of South Carolina. Mr. President, for several months now I have been bringing to the attention of the Members of the Senate the racial problems in New York and other large cities where forced integration has brought about a terrifying wave of rioting, crime, juvenile delinquency, and mounting hatreds and prejudices.

One of the reasons why I have been doing this is that some of the local press do not report these chronic ailments that accompany forced integration. In particular, I refer to the Washington Post, which has failed on many occasions to report locally the disturbing conditions that exist in cities where integration has been forced upon people.

The Governor of New York yesterday announced he was calling an emergency meeting of leaders of his State, and was also calling on Federal Bureau of Investigation Director J. Edgar Hoover for help and consultation in an effort to cope with widespread crime, rioting, and the other evils that have befallen New York City as a result of forced integration.

Mr. President, I could not find the item in the Washington Post this morning, and I had prepared remarks to criticize the Post for not carrying this article. However, late this afternoon, after an advance press release containing my prepared remarks had been distributed, a representative of the Washington Post called my office to advise me that reference to Governor Rockefeller's announcement was contained in a story in the Post on page B–8. I looked up this article and, sure enough, buried in a story entitled "New York Police Hunt Teenage 'Dracula,'" was reference to Governor Rockefeller's alarm over the situation in New York. However, this article contained no reference to the emergency meeting of government, religious, social, and other leaders called by Governor Rockefeller, and reported in large headlines in other papers across the country.

While the Governor of New York in his announcement was reluctant to admit that the crime, corruption, rioting, and other violence besetting New York City was a racial problem, the fact that he is calling in one of the heads of the National Association for the Advancement of Colored People for advice on how to handle the crisis in New York is prima facie evidence that the problems of New York are of a racial nature. Leaders of the NAACP are experts in finding ways to force integration upon people, and know little about juvenile delinquency problems.

If it were a pure juvenile delinquency and crime problem in New York, I should think a consultation with FBI Director J. Edgar Hoover, the Nation's top expert on juvenile delinquency and crime, would be sufficient consultation. The bringing in of the NAACP leadership by the Governor of New York should be sufficient evidence to the Nation that New York's problems result from integration as much as anything. Similarly, I would think that the troubles that have beset the Governor of New York should be a lesson to other proponents of integration across this land that they would do well to halt and look back before

engaging in promoting more civil rights legislation and integration.

It is ironical indeed that the Nation's largest city, which houses the Nation's most vehement spokesmen for integration, has found it necessary to request Federal assistance to cope with its local crime problems; usually these spokesmen for integration and civil rights legislation are pointing their fingers at the South and calling on Federal officials to send the FBI and Federal forces into the South to force upon the South the very integration which is now the root of their own problems.

As the editor of the New York Daily News of September 1, 1959, said, "a lot of eager-beaver Members of Congress might do a lot worse than to listen to him," meaning the distinguished Senator HIRAM L. FONG, of Hawaii, who recently advised that Congress should be careful about rushing civil rights legislation onto the books.

Mr. President, I can think of no more tragic step that the Congress of the United States could take than for it, in this year of 1959, to pass civil rights legislation that would foster forced integration upon unwilling people across this land; while places like the city of New York have reached such a crisis in handling their own racial problems, living under their own civil rights laws, that they have found it necessary to call in Federal assistance to cope with the breakdown of law and order. We would do well, at the very least, to lay aside consideration of any civil rights legislation which would stir up this boiling pot of hatred and prejudice.

We need to let each community work out its own problems, in its own way. As the distinguished Senator from Hawaii, a State that has the most impressive mixture of races of any State in the Union, has said, "It is difficult to legislate a mode of life. I think this is an emotional problem that will be cured by time."

Mr. President, Hawaii grew up as an integrated Territory. The integration started as a natural phenomenon, and as a result today there is little trouble in that State, if any at all, where whites, Negroes, Hawaiians, Chinese, Japanese, and descendents of crossings of those races live together peacefully. In that State integration was a mode of life.

In large sections of our country, particularly in the South and in South Carolina, segregation is a mode of life. The "do-gooders" have attempted to make integration a mode of life in New York, an area where segregation has been the mode of life. We know the results today. The Governor of New York knows the results, and he has called for this drastic action to cope with the problems in that city. There could be no more obvious example to proponents of civil rights legislation to force integration upon unwilling people that they should not go forward with their program any more.

Mr. President, I ask that the editorial from the New York Daily News of September 1, 1959, entitled "Senator FONG on Civil Rights," be printed in the body of the RECORD, together with my remarks.

Mr. President, I also send to the desk an article from this morning's New York Times entitled "Governor calls emergency talks on youth crime," and ask that this article be printed in the body of the RECORD.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the New York Daily News, Sept. 1, 1959]

SENATOR FONG ON CIVIL RIGHTS

Senator HIRAM L. FONG, Republican, of Hawaii, says Congress should be careful about rushing civil rights legislation onto the books. Segregation, he says, is a tough problem, and "it is difficult to legislate a mode of life. I think this is an emotional problem that will be cured by time."

Coming from Hawaii, with its impressive mixture of races that get along together extremely well, Senator FONG should know what he's talking about—and a lot of eager-beaver Members of Congress might do a lot worse than to listen to him.

[From the New York Times, Sept. 2, 1959]

GOVERNOR CALLS EMERGENCY TALKS ON YOUTH CRIME—PARLEYS WILL BE HELD HERE WITH STATE AND CITY AIDS, CIVIC LEADERS, AND MAYOR—POLICE ACTION BACKED—WAGNER SAYS SITUATION IS BEYOND SOCIAL AGENCIES—EXTRA PATROLS ON DUTY

(By Peter Kihss)

Governor Rockefeller yesterday summoned two emergency meetings to intensify efforts against the city's rising juvenile violence. One of the meetings will be for State officials and the other will include Mayor Wagner and community leaders.

Meanwhile, the mayor declared that organized gang murders, such as those that took two lives in a West Side playground early Sunday, had become a problem for the police rather than social agencies.

He endorsed measures by Police Commissioner Stephen P. Kennedy that shifted nearly 1,400 policemen from other duties to patrol trouble areas. The augmented patrols began their tours last night.

AGENDA TO BE SET

Later, the Governor announced that he had telephoned Mayor Wagner and arranged for a preliminary conference with him tomorrow for Friday after the mayor holds a scheduled meeting with city officials on the same problem.

The Governor and the mayor will discuss an agenda for the second of the two meetings Governor Rockefeller has set up. Richard L. Amper, the Governor's press secretary, said Mr. Rockefeller had reported that Mayor Wagner had been very cooperative and approved of all this.

Mr. Rockefeller's first emergency meeting will be with a dozen State executives and legislative leaders tomorrow at 10:30 a.m. at his office, 22 West 55th Street. They will help prepare a list of topics for the second, still broader, conference with city and civic leaders scheduled for next Tuesday.

MAYOR'S PARLEY DUE

On Monday, Mayor Wagner had called a conference of city officials on the youth crime situation. This will be held tomorrow at city hall at 2 p.m.

To next Tuesday's sessions, at 10:30 a.m. at his office, Governor Rockefeller sent invitations by telegram to the mayor, Commissioner Kennedy, J. Edgar Hoover, Director of the Federal Bureau of Investigation, and 17 other leaders.

Governor Rockefeller said yesterday morning during a ceremony installing new members of the State Harness Racing Commission and the Waterfront Commission that he was "deeply concerned both as the Governor and as a parent."

"We have to mobilize more effectively forces of private and State and local agencies," he said. "We have to constantly devise new ways to bring about a challenge to these young folks and to provide an outlet for their energies and give them a sense of belonging."

He said he was alarmed "in terms of human suffering and of these young people getting off on a wrong foot in life."

Then the Governor held a 2-hour meeting in his office here with State Attorney General Louis J. Lefkowitz, Robert MacCrate, the Governor's counsel; William J. Ronan, secretary to the Governor, and Mr. Amper.

The Governor then announced the two conferences with this statement:

"The recent occurrences of juvenile violence in the streets, and fear anxiety and heartbreak they have evoked are tragic to all of us. And they call for action by all of us—officials of government, parents and private organizations concerned with the welfare of our community.

"The problem of juvenile delinquency has no easy remedy. There is no quick or overnight solution. It is compounded of neglect by parents, broken homes, poor living conditions, unhealthy background, economic deprivation, mental disturbance and lack of religious training.

"There is no single approach to a solution. The attack must come at all levels—by parents, churches and synagogues, boys' clubs and other youth groups, settlement houses, the schools, social agencies, law enforcement agencies and the courts."

STATE AIDS INVITED

Among those invited to tomorrow's meeting with the Governor are Attorney General Lefkowitz; Raymond W. Houston, State Commissioner of Social Welfare; Paul D. McGinnis, State Commissioner of Correction; Dr. Paul Hoch, Commissioner of Mental Hygiene; Dr. James E. Allen, Jr., Commissioner of Education, and Russell G. Oswald, chairman of the State Parole Board.

The others are Mark A. McCloskey, chairman of the State Youth Commission; Elmer A. Carter, chairman of the State Commission against Discrimination; Senators Walter J. Mahoney and Joseph Zaretzki, majority and minority leaders of the upper house; Speaker Joseph F. Carlino, and Anthony Travia, Assembly minority leader.

For Tuesday's conference, telegrams of invitation went to the Mayor, Commissioner Kennedy, Mr. Hoover, and the following:

Cardinal Spellman, Roman Catholic Archbishop of New York; Rev. Dan Potter, executive secretary of the Protestant Council of New York; Rev. David Glovensky of the New York Board of Rabbis; Harry Van Arsdale, president of the Central Trades and Labor Council; Lester Granger, executive director of the Urban League; Thurgood Marshall, counsel for the National Association for the Advancement of Colored People; Joseph Monserrat, director of the Puerto Rican Labor Department office here.

Carl Loeb, president of the Community Council of Greater New York; Beatrice Quimby, executive director of the Federation of Protestant Welfare Agencies; Herschel Alt of the Jewish Board of Guardians; Rev. Robert E. Gallagher of Catholic Charities; J. Richardson Dilworth, president of the Community Service Society.

Mr. Lefkowitz, Mrs. Caroline Simon, State Secretary of State; A. Van W. Hancock, chairman of the New York State Commission on the White House Conference on Children and Youth; Chief City Magistrate John M. Murtagh, and Presiding Justices Bernard Botein and Gerald Nolan of the Appellate Division here.

DEFINITION OF "FILIBUSTER"

Mr. JOHNSTON of South Carolina. Mr. President, I wish to bring to the attention of the Senate an editorial entitled "Snitching Great Lakes Water" appearing in the Washington Post this morning. The Washington Post editorial writer states in the editorial "a filibuster is a time-wasting device to prevent action by the Senate after all the arguments are in." My remarks at this time are not devoted to either side in the Great Lakes water diversion controversy but are directed to the Washington Post and its definition of a filibuster and its past record of charges concerning the use of the filibuster.

In this instance, the Washington Post has come to the defense of those undertaking lengthy discussion to explain their positions on the Great Lakes water diversion bill. The Washington Post says these Senators are not filibustering as has been charged and calls the situation the Senate now finds itself in "a vigorous discussion on a vital issue." As in the past, had this been a debate on civil rights legislation and any southerner or group of southerners were holding the floor to discuss at length a civil rights matter, the Washington Post would have by now printed a lengthy editorial blistering the southerners for filibustering.

I want the Washington Post to understand that when we southerners take the floor to discuss at length a vital issue that we are not filibustering but we are using the same legislative tools that are being used in the Great Lakes water diversion bill debate. I also wish to emphasize that we southerners have never felt that we have ever wasted time in our debating on civil rights legislation and since this is the definition of filibustering to the Washington Post, then I hope it will be as generous in its description of future civil rights debates as it has been on the Great Lakes water diversion debate.

I ask unanimous consent that the editorial be printed in the RECORD following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SNITCHING GREAT LAKES WATER

Opponents of the Great Lakes water diversion bill are under charges of filibustering, but up to this point the debate seems to illustrate the basic difference between a filibuster and vigorous discussion on a vital issue. A filibuster is a time-wasting device to prevent action by the Senate after all the arguments are in. Though many arguments have been repeated in the debate on the water diversion bill, the net effect has been to alert the country and the Senate to the dangers of a measure that has been too little understood. What now appears to be a very large minority opposing the bill may become a majority.

The arguments for not rushing into a venture of this sort are very persuasive. Senator MCNAMARA pointed out that four cases involving water diversion from Lake Michigan are now before the Supreme Court and that a special master appointed by the Court will soon begin taking testimony on every facet of this problem. It is well to remember that Chicago's existing right of diversion stems from the Court's decree of 1930. Even if legislation should seem ultimately desirable, Congress could legislate to far better advantage after the Court has further spelled out the legal issues.

Another strong argument for not passing the bill now is that the Senate Foreign Relations Committee has had no opportunity to study it. On Monday the Senate refused by a narrow margin to send the bill to Foreign Relations, but Canada's objections to the bill remain strong. It would be inexcusable to pass the bill without a full analysis of these objections and the impact that such action would have upon relations between the United States and Canada.

Sponsors of the bill try to justify riding roughshod over Canada's wishes regarding these international waters by saying that officials in Ottawa have shifted their position in the last year. Spokesmen for Canada deny this emphatically, but even if it were true we do not see that it would have any substantial bearing on the issue now before the Senate. There is no question whatever about Canada's present resentment over the effort to take water without her consent from the Great Lakes-St. Lawrence system jointly owned by the two countries, and it is current attitudes and policies that have to be reckoned with.

There are strong indications, moreover, that in any event approval of the bill by the Senate would be only a gesture. President Eisenhower would doubtless veto this measure as he has done in the case of two similar bills—in part because it would divert Canadian-United States water without any negotiations on the subject with Canada. It is said that some Senators are being urged to vote for the bill as a means of conciliating the sponsors because the President will prevent it from becoming effective. Surely the opposite reasoning ought prevail in a responsible legislative body. Since a veto seems inevitable, why would any Senator wish to antagonize our good neighbor to the north by a futile gesture that will serve no other purpose?

CRIME IN WASHINGTON, D.C.

Mr. JOHNSTON of South Carolina. Mr. President, there appeared in the Washington Post this morning an article entitled "Crime Here Is Assailed by Senator." This article dealt with my insertion in the RECORD yesterday of a Newsweek magazine article concerning crime in Washington and New York.

In this article the Washington Post said:

In citing the article's summary of several possible reasons for the increase in Washington street crime, JOHNSTON omitted Newsweek's reference to congressional failure to provide voteless Washington with sufficient policemen and an adequately manned juvenile court bench.

Mr. President, I wish to assure the Washington Post and Members of the Senate that I have always been in favor of providing the Nation's Capital with an adequate police force, but I do not believe that we can solve the problems of large cities such as Washington and New York with an endless stream of policemen. I do not mean that Washington does not need more policemen; that is for the Senate District Committee and other officials dealing with the District government's problems to determine. However, I do wish to emphasize we cannot solve the problems which create crime, racial hatred, prejudices, and other evils caused by forced integration.

In this connection, I wish to bring to the attention of the Members of the Senate that yesterday New York City's Police Commissioner Kennedy said he recognized the fact—and I quote him directly—that "strong law enforcement is only a very small part of the total picture, although a very important one," in attacking crime. He told the New York Times, in a news conference at New York police headquarters:

If you put a blue blanket (meaning a blanket of blue-clothed policemen) over a festering slum, you're not curing the underlying ill. It's a stopgap measure designed to permit all individuals, agencies and organizations to operate in a civilized community.

Mr. President, the underlying causes of the current troubles in New York, Washington, and elsewhere do not solely come from a lack of policemen, but go back to the practices in those communities which have created the conditions under which racial differences have been emphasized through forced integration.

I ask unanimous consent that the article to which I have referred be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRIME HERE IS ASSAILED BY SENATOR

Senator OLIN D. JOHNSTON, Democrat, of South Carolina, cited a national magazine article about crime in Washington and New York during an anti-integration speech in the Senate yesterday.

He based his remarks on two articles in the current Newsweek which reported the fatal gang warfare on New York's lower East Side and the experience of Representative CHARLES C. DIGGS, JR., Democrat, of Michigan, who witnessed a street assault here last month.

In citing the article's summary of several possible reasons for the increase in Washington street crime, JOHNSTON omitted Newsweek's reference to congressional failure to provide voteless Washington with sufficient policemen and an adequately manned juvenile court bench.

JOHNSTON said he hoped "every Member of the Senate will read these two articles and ponder the grave question raised by these statistics and these descriptions of conditions in America's largest city and in America's National Capital, two places where forced integration has been experimented with more than any other places in the United States."

The South Carolinian cited the articles in a plea against enactment of "more civil rights legislation that will force integration upon other areas in the Nation where it is not wanted."

STUDENT EXCHANGE PROGRAMS

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that an excellent editorial from the Thursday, August 27, 1959, issue of the Tyler Courier-Times, of Tyler, Tex., commenting on the value of the student exchange programs be printed in the body of the CONGRESSIONAL RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BLESS YOU, EXCHANGE STUDENTS

One of the world's great hopes for peace and true progress on the human scene worldwide lies in the student exchange program between the United States of America and the various other countries of the globe.

Statistics are not at hand, but it is known that there are many thousands of foreign young men and young women in the United States today, looking forward enthusiastically to the opening of the new terms of schools, colleges, and universities.

Tyler and other east Texas educational centers have a goodly number of these students. They merge well. They help give new and greater meaning to the concept of the United States as the "melting pot" of civilizations.

And great good is accruing from the fact that thousands of young Americans are studying overseas. They are over there receiving, but they are also giving. They give a good and true picture of their homeland. They serve as fine examples of the human quality that is in the United States, despite its shortcomings.

The gains are reciprocal. We are coming into a greater respect for the other nations represented by the students coming into our midst. There is, perhaps imperceptibly to a large extent, a blending of great cultures. Differences in world opinions and concepts are being reconciled through this exchange of some of the world's finest young people—the hope of tomorrow if indeed not of today.

They're here from China, India, Germany, Turkey, Iran, and other areas of the Old World and from various countries of the Western Hemisphere.

Their numbers can be expected to increase as the years roll by. This should be. The worthy effect will continue to be a better buildup of friendship and understanding among the peoples of the world. With that achievement will come a greater measure of national and world progress materially, culturally, morally, spiritually.

Let us be sincerely grateful for these young students and their great potentials.

Mr. FULBRIGHT. Mr. President, when one reads an editorial like this, one is almost persuaded that at last we Americans are coming of age, that at long last we have grown up and may, from here on, act like responsible, mature adults.

But just as this happy glow of satisfaction began to spread across my brow, my eye was attracted by two other articles in the paper. The first announced that, because of a lack of money, denied to it by the House of Representatives, the Foreign Service Institute of the Department of State is not expanding its services, as planned, to take care of the minimum requirements of language training.

I ask unanimous consent to have that article printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, Sept. 1, 1959]

EXPANSION OF FOREIGN LANGUAGE SCHOOL OFF

(By John Lawson)

Plans to expand the State Department's school of foreign languages have been shelved for lack of money.

The school, which is part of the Foreign Service Institute, had planned to add teachers and facilities for the teaching of an additional 70 Foreign Servce officers at its offices in Arlington Towers.

But because Congress failed to appropriate sufficient funds, the school will operate in 1960 about the same as it did in 1959.

Howard E. Sollenberger, dean of the school, said he had planned to expand operations "to bring the language training program closer to the target of 500 students a year in the basic world languages."

The school, he said, taught 380 students in 1959 French, Italian, German, Spanish, and Portuguese. In addition, he said, 50 students were taught in so-called esoteric languages.

Sollenberger said the school had hoped to teach an additional 70 students in the world languages and 20 to 30 students in esoteric languages.

The school's oversea operation, consisting of language classes at 170 foreign posts, would also have been expanded from its 1959 enrollment of 1,700 to about 2,000, he said.

Sollenberger said 7 additional tutors would have been hired in the Arlington school as well as about 70 part-time tutors for the foreign schools.

The school had requested $3.2 million for its fiscal 1960 operations. After Congress cut back the State Department's requests, however, the Department allotted the school $2.8 million.

Mr. FULBRIGHT. The second story that attracted attention was accompanied by a picture of a luxurious Cadillac interior with deep folds of fur on the floor. The story under the picture read as follows:

For those aching feet. Comes now a minklined floor for custom-built autos which some of our more well-to-do citizens like to indulge in when they're not out shopping for 90-foot yachts. Custom car fancier Jay Bullen, of Tucson, Ariz., looks over the top-grade, silver-blue pelts, 150 in all, covering the floor of this Cadillac.

It is quite logical, therefore, that we simply cannot support a language institution for our representatives abroad and at the same time let our people have minklined floors for their Cadillacs.

AMENDMENT OF SECTION 207 OF INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949, AS AMENDED, RELATIVE TO RETURN OF CERTAIN ALIEN PROPERTY INTERESTS

Mr. MORSE. Mr. President, I send to the desk a bill which proposes that section 207 of the International Claims Settlement Act of 1949 be amended.

I ask that the bill be appropriately referred, and I ask that the bill be printed at this point in the RECORD as a part of my remarks, as I now make a brief explanation of the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2634) to amend the International Claims Settlement Act of 1949, as amended, relative to the return of certain alien property interests, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 207 of the International Claims Settlement Act of 1949, as amended, is amended as follows:

(a) At the end of subsection (b) add the following new sentence: "Notwithstanding any other provision of this Act or any provision of the Trading With the Enemy Act, as amended, any person—

"(a) who was formerly a national of Bulgaria, Hungary, or Rumania; and

"(b) who, as a consequence of any law, decree, or regulation of the nation of which he was a national discriminating against political, racial, or religious groups, at no time between December 7, 1941, and the time when such law, decree, or regulation was abrogated enjoyed full rights of citizenship under the law of such nation, shall be eligible hereunder to receive the return of his interest in property which was vested under section 202 hereof or under the Trading With the Enemy Act, as amended, as the property of a corporation organized under the laws of Bulgaria, Hungary, or Rumania if 25 per centum of more of the outstanding capital stock of such corporation was owned at the date of vesting by such persons and nationals of countries other than Bulgaria, Hungary, Rumania, Germany, or Japan, or if such corporation was subjected after December 7, 1941, under the laws of its country, to special wartime measures directed against it because of the enemy or alleged enemy character of some or all of its stockholders; and no certificate by the Department of State as provided under subsection (c) hereof shall be required for such persons."

(b) At the end of said section the following new subsection:

"(e) Interests in property vested under the Trading With the Enemy Act, as amended, as the property of a corporation organized under the laws of Bulgaria, Hungary, or Rumania shall be subject to the provisions of this section: *Provided,* That notice of claim for the return of any such interest has been timely filed under the provisions of section 33 of that Act. In the event such property or interest is no longer held by the officer or agency designated to make such returns, any property held by said officer or agency as owned by Bulgaria, Hungary, or Rumania or any national thereof may be used for the purpose of making returns under this subsection."

Mr. MORSE. Mr. President, this bill in its present form represents the product of the thoughts of the staff of the Foreign Relations Committee of the Senate and the executive departments of the wording of an amendment to eliminate certain inequities in the restoration of property rights to allied nationals and persecutees of the Nazis. Congress provided for return of the interests of these persons in property seized during World War II, in accordance with the position taken by this Government as expressed in the Brussels Agreement, signed September 5, 1947, which reads.

For the protection of the interests in the enterprises of nonenemy nationals, referred to in article 21 of this annex, the property to which this part applies shall, subject to the provisions of articles 23 and 24 of this annex, be released to the extent of those interests and pursuant to arrangements to be made between the parties concerned, if nonenemy nationals of parties directly or indirectly:

(i) own and, on September 1, 1939, owned 25 percent or more of the shares in the enterprise; or

(ii) control and, on September 1, 1930, controlled the enterprise.

Assistant Secretary of State McFall stated the principle involved in this agreement in a letter dated August 14, 1950, placed in the CONGRESSIONAL RECORD, volume 96, part 17, page A5822, saying as follows with respect to the protection of nonenemy interests:

This is based on the principle which has been urged by this Government throughout the world that nonenemy interests in

so-called enemy property are not properly subject to seizure as reparations.

Congress in the Trading With the Enemy Act provided for the return of directly owned interests of nonenemies and persecutees in property seized during World War II, and in the International Claims Settlement Act of 1949 provided for the return of the proportionate stock interests of nonenemy nationals in corporations organized under the laws of Bulgaria, Hungary, and Rumania. However, the granting of relief to persecutees, and the application of the relief provisions to property owned by nationals of nonenemy countries in the form of stock interests in corporations organized in Bulgaria, Hungary, and Rumania whose property in the United States was not only blocked during the war and vested later, but was actually vested in the course of World War II, was inadvertently omitted.

The State Department favors the elimination of this inequity, and has suggested certain language which has been incorporated in the bill I am introducing today. Hearings have been held by the Senate Foreign Relations Committee on the subject, and no objection to the enactment of legislation to correct this omission has been received by the committee.

The first provision of the amendment would make former nationals of Bulgaria, Hungary, and Rumania who were persecuted by those governments during World War II eligible to claim their proportionate shares in properties of corporations organized under the laws of those countries if at least 25 percent of the stock in such corporation was owned by nonenemies and persecutees, or if the corporation was treated as enemy.

The second provision would make Bulgarian, Hungarian, and Rumanian property vested during World War II subject to the same principle as that vested thereafter and only blocked during the war, if timely claim had been filed, and in the event such property has been transferred out of the account in which it was carried on the books of the Attorney General, he would be authorized to use any other funds and properties vested and held by him under the act this bill amends for the purpose of satisfying the claims payable under the amendment for the return of property.

Since the Committee on Foreign Relations has received reports of the executive agencies and heard testimony on the subject matter of this bill, I hope the Senate can act on it without delay.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that none of the time used this evening be applied to the time under the unanimous-consent agreement, to which the Senate has already agreed.

Mr. JAVITS. Mr. President, reserving the right to object, does the Senator refer to the extension of the Agricultural Trade Development and Assistance Act of 1954, which is the pending business?

Mr. MANSFIELD. Yes.

Mr. JAVITS. I have no objection.

Mr. MANSFIELD. We did not expect to have it placed before the Senate this evening. Because of that and the amount of talk, I make the request.

Mr. JAVITS. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

EMERGENT AFRICA: CHALLENGE AND RESPONSE

Mr. HUMPHREY. Mr. President, about 3 weeks ago the foreign ministers of nine independent States met in Monrovia, Liberia to discuss their common problems and aspirations. This significant but little publicized conference is a symbol of a new and dynamic Africa with which we must reckon in our consideration of world affairs.

A decade ago there were only three genuinely independent States in Africa: Liberia, Ethiopia, and the Union of South Africa. Today there are 10. And in 1960 four additional nations are scheduled for independence. No one can foretell what will happen by 1970.

A mighty drama is taking place in Africa. The great expectations for freedom and human dignity that swept across North America almost two centuries ago are now sweeping across the vast continent of Africa.

The people of Africa from Algiers to Capetown are yearning to breathe free. They are crying out for freedom—freedom from their colonial past, freedom from poverty and illiteracy, and freedom from racial discrimination.

If Cecil Rhodes of Great Britain is a symbol of 19th century colonial Africa, Kwame Nkrumah of Ghana and Tom Mboya of Kenya are symbols of the emergent Africa of the mid-20th century. Rhodes was a high-minded imperialist. Nkrumah and Mboya are high minded and responsible nationalists. Rhodes once said we must think in terms of continents. I am sure that Dr. Nkrumah and Mr. Mboya believe this admonition is even more relevant to the present era in Africa than it was to the colonial era. As Senators know, Nkrumah is Prime Minister of Ghana and Mboya is a member of the Legislative Council of Kenya as well as chairman of the All-African People's Conference. Incidentally, neither African leader has illusions about the menace of communism. What I have said about these two outstanding African leaders could be said of many others.

If the American people are true to their heritage, they will heed the cry for freedom and reach out in understanding to their fellow human beings in Africa who are asking only for a chance to walk erect and to enjoy the rights we in this blessed land take for granted.

WHAT AFRICANS WANT

There are two overwhelming aspirations which motivate the peoples of Africa. They want political self-respect and self-government. And they want the fruits of economic development. If they had to choose between the two they would choose self-respect and independence over economic gain.

The peoples of emergent Africa want to stand on their own political feet. They want to sever all colonial ties that imply political subordination to an alien power. This does not mean they are against all European connections, but only those ties which involve a master-servant relationship. The ties of partnership are welcome.

The peoples of emergent Africa know that genuine self-respect and political freedom are difficult to achieve without a higher living standard. Therefore, they want friendly assistance in helping to root out the ancient enemies of hunger, disease, and ignorance.

Most of all the people of Africa want understanding. Economic aid without understanding debases him who gives and him who takes. Aid extended with an understanding heart blesses him who gives and him who takes.

The American people cannot afford to be amused or frightened, unimpressed, or overawed by the fast-moving drama in Africa. The U.S. Government must take Africa seriously. The free world must understand the aspirations of emergent Africa and respond to these aspirations for freedom and dignity with a combination of speed and patience, imagination, and steadfastness. And a bit of generosity and humility would help too.

Considering our American experience, the peoples of emergent Africa have a right to look to us for understanding and help at this crucial hour in their struggle for a place in the sun. We cannot afford to betray their confidence in us and in our high ideals.

Mr. President, today I propose to speak of the challenge of Africa as that challenge confronts the United States. After a brief survey of the present situation, I will conclude with some recommendations for strengthening American policy toward Africa.

AFRICA: UNITY AND DIVERSITY

Since the end of World War II Africa has been "rediscovered" by Hollywood, big game hunters and best-selling novelists. It has been rediscovered in vague general terms, in sensational terms. But it has not been sufficiently understood in significant political, social and economic terms. It is barely known in human terms.

I propose to look at Africa in the larger context of world politics, where it is becoming a dynamic force which can be ignored only to our peril. If we do not see it in this larger context in Washington, we can be sure it is being considered in precisely these terms in Moscow and Peiping.

In my discussion about Africa I will speak of the continent as a whole. This approach has its dangers, because there are obviously great differences between the Arab and Moslem North and the vast area south of the Sahara. But I maintain that there is a deeper unity underlying the diversity.

The deeper unity is symbolized not only by the sinews of modern communication, but more significantly by meetings such as the recent one at Monrovia where common goals and heartaches were discussed. It is not insignificant that the

Algerian dilemma was the main item on the agenda of the Monrovia meeting of foreign ministers. In fact, the nine independent states represented there urged France to withdraw her troops from Algeria, to end hostilities, and to enter into negotiations with the Provisional Government of Algeria.

THE RICHNESS OF AFRICAN HISTORY AND CULTURE

If we are to understand Africa, we must understand her in historical depth. The fact that the present is very important does not mean that the past is unimportant.

A common historical memory is a basic ingredient in nationhood. A proud past contributes to national self-respect. It is right and proper that the peoples are looking back even as they are moving forward. Their march toward freedom takes on its full meaning only when seen against the backdrop of history which preceded the colonial era. Nationalist leaders of today take justifiable pride in the great kingdoms and empires of an earlier era.

We all know that Western civilization had its beginning in Egypt and Sumer at least one thousand years before a comparable culture arose on the islands of the Aegean Sea and two thousand years before one was formed on the European mainland. It is still an open question whether the Queen of Sheba reigned in Ethiopia or in the southwestern extremity of the Arabian peninsula, but it is clear that a civilization of some consequence existed on both sides of the entrance to the Red Sea almost a thousand years before Christ.

Here are some other facts we are inclined to forget. About 600 years B. C., Carthaginians traveled from what is now Tunis to explore the West African coast. Ethiopia received Christianity before England did. And St. Augustine was a native North African.

While such facts are fairly well known, startling data developed by research and discoveries in the prehistorical period are little known or ignored. It is a fact, for instance, that the early peoples of eastern Africa possessed stone tools some hundred thousand years before inhabitants of Europe are recorded as having had them. Indeed, many anthropologists consider that findings in the southern part of the continent strongly suggest that Africa, rather than India or the Far East, was the first home of mankind.

The absence of documentary materials for the period prior to European exploration and settlement admittedly has left a gap which new interest and new methods of historical research in Africa have only begun to close. Archaeological discoveries, much greater use of Arabic sources, and increasing evidence of the unusual reliability of African oral traditions have combined to lift at least a corner of the veil of our ignorance about Africa in medieval and modern times. We are learning more and more about the great Negro and Arab empires—of Mali, Songhai, and Ghana—that covered much of west Africa in that period. We know that caravan routes, as well as territorial struggles, linked the north Africans with Negro peoples south of the Sahara throughout the Middle Ages. During much of that time the southern Mediterranean shore was transmitting the highest of cultural achievement. Knowing that even today northern Nigeria retains its ties with the Sudan to the east, it comes as less of a surprise to find a Fulani tribesman possessing the chain mail of a crusader knight.

There remains much more that we do not yet know—including the origin of the great ruins at Zimbabwe in Rhodesia. But enough has been revealed to permit one of our foremost scholars to state:

> The stereotype of African societies as static entities has little validity * * * the modern dynamic of Africa, so widely regarded as the result of contact with Europe, is in reality the continuation, in intensfied form, of something that has marked the flow of African experience from very early times. * * * We are learning that Africa was an integral part of the Old World, that it was culturally a donor as well as a recipient; in short, that it played a full role in the drama of the development of human civilization in general.

These are some of the reasons why African Negro leaders are gaining a new pride and confidence from their antecedents. A new appreciation of their past gives added strength to their just demands for equality of treatment among other peoples, and the vehement rejection of any doctrine that the color of a man's skin makes him inherently inferior or superior.

At the same time, these factors in large measure are responsible for the new interest in Africa shown by many of our 16 million Americans of African ancestry, who for years deprecated or ignored their supposed savage origins.

Let us move on to a consideration of what has been happening throughout the African continent.

THE INDEPENDENT STATES OF NORTH AFRICA

First of all, with the obvious exception of Algeria, every North African country bordering the Mediterranean has gained its independence since World War II. These four are Libya, Tunisia, Morocco, and Egypt, whose nominal independence became real with the overthrow of the monarchy and the withdrawal of British influence.

The case of Libya, given its freedom by the United Nations in 1950, has been of the utmost significance. Here a new nation was formed by the artificial melding of three distinct areas and some other desert lands into a state, based upon the boundaries of earlier Italian colonization, rather than upon prior existence as a nation. Furthermore, Libya in 1950 was possibly the poorest and most barren independent nation on earth; a distinction now to be relinquished following discoveries of oil.

Small wonder then that people throughout Africa asked if their own territories were not ready for independence if Libya was. By the way, the Kingdom of Libya, with quite a few million dollars of aid annually—predominantly from the United Kingdom at first, but now largely from the United States—has held together and made considerable progress toward internal consolidation.

A TOTAL OF 10 INDEPENDENT STATES

The addition of the Sudan, Ghana, and Guinea to the ranks of independent states makes a total number of 10. The other seven are the four north African countries plus Ethiopia, the Union of South Africa, and Liberia.

Along the way the former Italian colony of Eritrea has virtually lost its identity through federation with Ethiopia. Also, a popular plebiscite in British Togoland, held under United Nations supervision, joined that area to Ghana in 1957. Thus, in effect, the European colonial powers have withdrawn from no less than nine African areas since World War II.

FOUR NEW STATES SCHEDULED FOR 1960

The trend toward national independence is gathering momentum. In 1960, four more countries will be granted independence, and yet another territory is likely to merge with one of those four. First and foremost of those is the Federation of Nigeria. Nigeria's 35 million people give it the largest population of any African country, and great power potential if its three self-governing regions devote the utmost effort toward supporting and improving their federal institutions.

The neighboring French Cameroons will also become an independent republic, and the little strip of British Cameroons territory between it and Nigeria will probably elect to join one of the two larger states. The tiny autonomous Republic of Togo on Ghana's eastern border, and the territory of Somalia—formerly Italian Somaliland—in the eastern Horn of Africa complete the list for 1960.

Three factors are noteworthy in connection with these four independent states to be. First, all these areas but Nigeria are now United Nations Trust Territories. Their achievement of independence will leave the U.N. with direct responsibility for only two remaining trust territories; Tanganyika, in British east Africa, and Ruanda-Urundi, adjoining and administered in conjunction with the Belgian Congo.

Second, despite the best efforts of all concerned, Somalia because of poverty and Togo because of size, are perhaps less "ready" for independence than a number of territories still under colonial control. Some people maintain that U.N. standards and actions are too liberal. I would rather take that risk than the risk of ultraconservative policies which impose unrealistic standards for independence.

Third, all these candidates for independence in 1960 possess a common problem arising from a conflict between the more politically active peoples of the coast and the traditional and tribal authorities of the interior. In Nigeria and the French Cameroons in particular this conflict is compounded by the religious elements in those differences. It is this common problem that Prime Minister Nkrumah of Ghana has felt it necessary to attack so vigorously.

THE FRENCH COMMUNITY

The most dramatic policy shift by a colonial power in recent times was the

creation last year of the French Community, further proof—if any were needed—of President de Gaulle's broad vision. While Guinea voted for full independence the 13 other tropical African territories of France—including Madagascar—have chosen to become autonomous republics—that is, fully self-governing on a local basis—within the French community.

It is likely that the territories of the former French Equatorial Africa will be content with their present status for some time to come, especially since they so greatly need the French financial aid which would likely be forfeited by a choice of independence. Satisfaction with the current situation is much less likely to endure in the republics of former French West Africa, some of which already are being attracted by ideas for a consolidation of the emerging independent West African states. Indeed, one West African leader has just called for a transformation of the Community into a "French Commonwealth."

THE BELGIAN CONGO

Another dramatic event has been the recent reversal of Belgium's policy, resulting in the promise of eventual independence for the Belgian Congo. Progress is readying neighboring Ruanda-Urundi for independence is likely to be speeded up by this development.

BRITISH AFRICA

In British Africa, both Sierra Leone and Tanganyika are now making steady progress toward self-government, and Uganda will be granted independence whenever an unquestioned majority of its inhabitants clearly demand it. Two points are worth noting here. First, in Tanganyika, where a liberal British policy has resulted in national elections and much improved relations between the African nationalists and the colonial administrators, the encouraging situation contains a valuable lesson for neighboring Kenya.

Second, the highly complex and confused situation in Uganda shows that colonial policy is not always the most significant barrier to the achievement of independence by an African territory. Indeed, where a colonial power withdraws too gracefully or suddenly from an area which has no history as a nation, it may rule out its use as a target of hostility which helps to promote national solidarity.

THE DARKER SIDE OF THE PICTURE

Most of what I have described presents a fairly encouraging picture. The situations in Kenya and the Federation of Rhodesia and Nyasaland are a good deal less promising, although not entirely without hopeful elements. The general British policy of relaxing colonial controls as quickly and steadily as possible has run up against the white settler problem in both Kenya and the Federation.

In Kenya a few thousand estate owners in the so-called "white highlands," who admittedly have worked hard and suffered much to hold their properties, have greatly inhibited the growth of African political representation and responsibility. London has agreed to review Kenya's constitution which fixes the proportion of Africans in government, but demands for greater political independence continue to outpace British concessions by a wide margin and tend to nullify the concessions.

Strict controls are still maintained against the formation or extension of African political movements in Kenya. All experience in recent years shows that if moderate and responsible nationalists, like Tom Mboya, do not receive recognition and cooperation, they must either become more immoderate themselves or give way to extremist successors. It is most unfortunate that reasonable and talented African leaders in Kenya, such as Mboya and Kiano, are given little or no help to retain their prestige among their followers.

Kenya's weak economy also presents a serious problem. Its solution conceivably might be federation with Uganda and Tanganyika, but this seems out of the question until African predominance is established in all three territories. It is clear that a promise of independence, accompanied by a definite timetable, is the only realistic alternative to further unrest and disorder in Kenya.

The Federation of Rhodesia and Nyasaland looks at the question of independence in quite a different light. Southern Rhodesia, the dominant member of the Federation and with two-thirds of its white citizens, hopes to achieve complete independence within the Commonwealth at a constitutional conference next year. Most Africans in the Rhodesias fear that loss of protection from the United Kingdom would mean the end of their relative political and economic advances within the Federation. The grouping of the Rhodesias and Nyasaland in 1953 was intended to provide economic benefits for the latter—which it has done—and to solve the race problem through a policy of racial partnership—which it has unfortunately failed to do. It is much too soon to say that the experiment, and thus the Federation, has failed. It is also too early to make a full assessment of the origin and the significance of the Nyasaland riots earlier this year, even though it has become clear that the local official reaction was unjustifiably severe. It is possible, however, to state that strong British policies and greater degree of Rhodesian cooperation will be needed to hold the Federation together and give it a real chance of eventual success.

PORTUGUESE TERRITORIES

The African scene becomes a great deal more gloomy as we turn to the Portuguese territories, primarily Angola and Mozambique. Portugal has prevented any close examination of the consequences of its colonial policies by declaring its African territories integral parts, or provinces, of the colonial government, thereby sidestepping the responsibility of reporting on its colonies to the U.N. There is no question, however, about the actual status of the natives, who are exposed to repressive measures as severe as any employed in Africa today. The few thousands of Africans who have risen in status have done so by completely losing touch with their people by becoming assimilated Portuguese.

The Portuguese, in company with the Spanish and the Arabs, are happily free of racial prejudice. They have a long history of intermarriage with subject peoples, but they practice an acute form of cultural segregation. Although the Portuguese territories have been largely sealed off from external liberalizing influences, they inevitably will soon be feeling the impact of African nationalist fervor on their borders.

THE UNION OF SOUTH AFRICA

One cannot look at the Union of South Africa without a sense of impending tragedy. There is no possibility that the 3 million whites would leave their land, and economic considerations make it extremely unlikely that there will ever be more of a separation of the races than is currently envisaged in the partial degree of apartheid now being enforced. In this situation, there appears little prospect of anything but increased mutual hostility between the races. One can only hope that there will be no explosion before the futility of present policies is made evident and the leaven of other African influences can reach South Africa. This is a sad irony because the Union has achieved a higher educational and technical level than any other African state.

A clear-cut case can be made against the Union's policy toward the territory of South-West Africa. The Union of South Africa was given a League of Nations mandate over the area after it was captured from Germany during the First World War. Unlike every other country with mandate responsibilities, the Union refused to acknowledge the U.N. Trusteeship Council as the inheritor of the League's obligations. The Union remains adamant on this score, and governs South-West Africa much as it does its own territories. It can be positively stated that vehement international protests are entirely justified; there is no question of intervening in a country's domestic affairs, and the situation is an affront to the dignity and conscience of the world community.

THE DILEMMA OF ALGERIA

The problem of Algeria is a most complex and heartrending one. Almost 5 years of bloody guerrilla war have drained the strength of both sides, reduced already low Algerian living standards to the starvation point and produced well over 100,000 refugees. These refugees in Morocco and Tunisia are a heavy burden on these newly independent people who are waging an uphill fight to achieve economic progress.

The war has also encouraged extreme Arab nationalist tendencies, and has promoted even stronger anticolonial sentiments in much of Africa as a whole. Extremist minorities up to now have succeeded in blocking long-overdue progress toward a solution in the best interests not only of France and Algeria, but also of the entire free world. Yet all the evidence increasingly indicates that the great majority of both the French and the Algerian peoples are thoroughly fed up with the conflict and would accept a compromise settlement,

if one is permitted to emerge. Now that events seem to be building up to a climax which will involve all Nations, whether they wish it or not, there is an urgent need for the genuine friends of those caught in this bloody and senseless struggle to make a determined effort to help bring it to a close. I shall have more to say about Algeria later on in these remarks.

THE NATURE OF AFRICAN NATIONALISM

African nationalism today, as we have noted before, is symbolized by Prime Minister Nkrumah of Ghana and Tom Mboya of Kenya. There are two central elements in the kind of nationalism these statesmen represent. First is the clear call for political freedom and self-determination. Second is the equally clear insistence that Africans throughout the continent must work together to achieve their common aspirations. This second element is sometimes identified by the term "pan-Africanism."

It is important to note that nationalism and self-determination are not the same thing. The term nationalism can be rightly employed only where the movement for self-government has a national basis. Yet it is obvious that there are some so-called nationalists who represent no nation—that is, they represent no people with a common historical memory, with a common heritage, with a common culture. These nationalists are really spokesmen for pan-Africanism. They want a free Africa and are not so concerned about the precise political subdivisions within the continent. These leaders maintain that the African personality cannot emerge and flower until foreign rule is withdrawn from the entire continent.

The several Accra Conferences, which have brought together leaders of independent African states as well as representatives from political groups in many of the African territories, have played a key role in spreading nationalist and pan-African doctrines and enthusiasm throughout Africa. Even an old established independent country like Ethiopia has been affected by the new spirit of freedom running like an electric current through Africa.

By studying the careers and pronouncements of men like Nkrumah and Mboya we can get an authentic clue to the aspirations and possible future course of African nationalism. These men are moderate and responsible, moderate in the political means they employ and advocate, and responsible in their judgments of the international situation. They know what communism is and what communism wants. They know what the United States stands for. They know there is a great struggle between two alternative ways of organizing human society. In short, they know the political facts of life and deserve our sympathetic understanding, encouragement, and support.

But it would be a great mistake for us to assume that the newly independent African states will adopt anything but a neutral position in the struggle between the Communist world and the Western coalition. The African nations south of the Sahara will doubtless follow a course very much like that of Nehru's India. I see no reason why our Government should be disturbed if these nations coming into freedom choose to adopt a policy of nonalinement in the present struggle. Their commitment is to freedom and independence.

It would also be a great mistake if we would expect the new African states to adopt our version of democracy, which happens to be the most complex and difficult system of government in history. The existing independent African countries include a wide variety of governmental systems: absolute monarchy, oligarchic republic, military dictatorship, constitutional monarchy, authoritarian republic, and so on. Undeniably there are certain democratic elements in African societies, but they will be reflected in ways peculiar to Africa. Indeed, it is most likely that entirely new political systems will evolve as African leaders not only seek out and adopt the best and most suitable of their traditions and values, but also adapt their rule to the difficult problems to be faced.

NEED FOR ECONOMIC DEVELOPMENT

Now I wish to turn to the urgent need for economic development in Africa, a need recognized by all nationalist leaders. This need is so obvious that it requires little elaboration. But perhaps a few figures will help to drive the point home. Three-quarters of Africa's 220 million people—the highest proportion in any continent—are engaged in subsistence agriculture. Yet most of Africa's soil is not fertile. Its agricultural productivity is the lowest of all the continents, when measured by person or by acre. The raw materials picture is considerably brighter, but—as evidenced by the fall of prices in 1957—Africa cannot achieve economic growth without sustained world demand for its primary products.

Furthermore, it should be remembered that significant mineral production takes place only in certain areas, most of which are under colonial or South African control. The plight of a country like Somalia, with virtually no competitive export commodities, would be little short of desperate without external aid.

The need for economic development is also vital to the newly independent countries on political grounds. As the economies of the African territories have shifted to a money basis, the people have come increasingly into contact with the material goods produced by modern industrial societies, and naturally they want some of the fruits of our technical age. The nationalist movements are regarded by the African peoples, with encouragement from their leaders, as the best means of gaining such benefits. If higher living standards do not follow independence, the political leaders who embrace free political institutions will find it difficult to retain power.

TRADE AND INVESTMENT

In terms of economic factors, the future relationship of Africa with Western Europe is very significant. It is extremely important to both continents that close and mutually profitable trade ties be maintained. Western European imports from, and exports to, Africa amount to some $4 billion annually each way. In spite of Africa's relative poverty, it is a better market for Europe than is the United States.

Moreover, the colonial powers until recently have been investing almost $600 million annually in their African territories, with France making the largest contribution. In addition, the Common Market countries in 1957 created a joint 5-year development fund of $581 million for the African territories as a part of the Eurafrica concept. This has not been pure gain because the expected level of regular investment has fallen as the fund has come into effect. Nevertheless, these figures illustrate the size of the gap that would result if European investment were stopped or seriously curtailed. There is no question but that the Soviet bloc would be quite ready to step into that gap, and probably in a dramatic way.

DANGERS OF COMMUNIST PENETRATION

Soviet interest in Africa clearly has been increasing and at a fast rate. Africa's current economic weakness and racial conflicts provide ample opportunities for Communist penetration. Yet there appears to be little likelihood that any African country will adopt communism in the foreseeable future. On the other hand, it seems probable that the influence of the U.S.S.R. as a great power will carry increasing weight with the independent African states. Soviet bloc penetration is being intensified through diplomatic measures, trade missions, economic credits and educational grants. Moreover, the U.S.S.R. gains a substantial propaganda advantage from its free-wheeling blasts at racial discrimination or prejudice wherever it exists in Africa, or where it is directed against Negroes in Western nations like the United States. These are serious developments, but I consider it unlikely that the U.S.S.R. will gain a dominant influence over any African country in the future so long as we do not default on our responsibilities and opportunities.

There are many observers who believe it more likely that Communist China would serve as an example to the emergent African states. Here again, if the United States continues its efforts to ensure the success of India's economic experiment, we need not fear Communist China's powers of attraction. It is a fact that Nehru and his great country currently have far more prestige and influence in Africa than any other Asian state.

Against this background, Mr. President, I would like to say a few words about U.S. policy toward the African Continent.

AMERICA'S INVOLVEMENT IN AFRICA

Now let us face the crucial question for the United States—what are our interests in Africa? In answering this question I prefer to use the term involvement rather than interest because the word interest often has a one-sided connotation. The simple fact is that we are already deeply involved in Africa. We are morally involved. We are economically involved. And we are politically involved.

We cannot escape this involvement with the peoples of Africa even if we would. The real problem has to do not with the fact of our involvement, but with the quality of our involvement. We can be involved responsibly or irresponsibly. If we are involved responsibly, the legitimate interests of both the United States and of Africa will be well served. If we are involved irresponsibly, the interests of both will suffer.

We Americans are inescapably involved with the present aspirations and future achievements of Africa in four closely interrelated ways. Let me consider each in turn.

First. We are morally and politically involved with Africa because we share the same aspirations for freedom and the good life. Our whole history makes us partisans of those African leaders who are seeking greater freedom for their people, freedom from external domination, freedom from grinding poverty. For many years we have expressed our humanitarian concern by sending large numbers of missionaries, educators, doctors and representatives of charitable foundations to Africa to help the Africans to help themselves to a fuller life. Now we must supplement this concern with moral support for political freedom and economic development.

Second. We are racially involved with Africa because Africa is second only to Europe as the source of America's population. Sixteen million of our citizens have African ancestors. More important than this historical fact, however, is the ugly fact of racial discrimination in the United States and in certain areas of Africa. Our whole approach to Africa is deeply affected by how America treats her Negro citizens. All Africa, and all Asia for that matter, follow our efforts to root out racial discrimination and segregation. To them Little Rock is a symbol of racial arrogance, just as the Supreme Court decision of 1956 is a symbol of our sense of justice. Most Africans believe that our sense of justice will eventually overcome our prejudice, but they sometimes become impatient with the pace of progress toward genuine equality of opportunity for all our people regardless of race, color, or creed.

In this area of racial discrimination the classic distinction between domestic policy and foreign policy has been rendered obsolete. We have made important strides toward greater equality in the past two decades. We must continue in this direction if we want to merit the faith and the hope that has been placed in us.

Third. We are economically involved with Africa. We often try to forget that our first contact with Africa was economic—the purchase of slaves to work for us. Our humanitarian concern for Africa in the past century is in part an attempt to assuage this lingering burden of guilt.

More important today is the fact that we are a highly developed and wealthy Nation and we have an obligation to relate our wealth to the poverty of the underdeveloped areas in ways that benefit both. This means increased trade and investment, as well as direct grants and loans under circumstances which merit that approach. Our economic relations with Africa will not be a one-sided affair because we need many of the raw materials she can supply. And she needs the capital goods and technical know-how we can provide.

Fourth. We are politically involved with Africa. All aspects of our involvement are both political and moral. They are political because they cannot be divorced from the great struggle in which the world is involved. They are moral because it makes a great deal of difference which side prevails in that struggle. This does not mean that the object of our policy toward African states is to line up allies for our side. It means rather that we should seek to help the emergent states to develop viable and responsible governments which can serve the needs of their people and withstand external pressures to subvert them.

We hope that a genuinely free nation will never out of spite sell itself into a new imperialism which is far more destructive of human values than the old imperialism.

Some African states, notably in North Africa, are directly involved in the strategic defense system of the western coalition. In dealing with these states we should be sensitive to their domestic needs and should never fall into the habit of taking them for granted or of using them for our purposes against their will.

Against this backdrop of our involvement in Africa, Mr. President, I would like to conclude my remarks with a number of suggestions for strengthening our policy toward Africa.

NEW POLICIES FOR A NEW ERA

At the outset I want to commend the administration for giving increasing attention to Africa. We have been moving in the right direction, but I submit that we have not been moving fast enough to keep up with the pace of events. We do not have a real sense of urgency. We have not yet fully grasped the significance of Africa in the unfolding drama of world politics. We may be in danger of approaching Africa with too little and too late. When I say "too little" I am not talking primarily in material and quantitative terms, but rather in moral and political terms.

Let me suggest several priorities in our approach to Africa, guidelines to a positive, and I believe imaginative, policy, worthy of our great heritage and adequate to the challenge we confront. I will indicate these priorities in the present tense imperative.

First. The United States should approach Africa with a deep understanding of the present aspirations and past achievements of the African peoples. We should approach the countries of Africa as friends and partners in a common quest for human dignity, not a patronizing, but in a spirit of neighborliness. We should not be ashamed of our ideals and humanitarian tradition. Nor should we be embarrassed if humanitarian and security objectives sometimes coincide in our national policy.

Second. The United States should develop a unified and coordinated long-range policy toward Africa as a whole. We should recognize the fundamental unity of Africa which underlies its rich diversity. The peoples of Africa are united by their common quest for freedom. The peoples of Africa are united in their common quest against poverty, disease, and illiteracy. Our strategy should be bold enough to encompass the continent and sensitive enough to honor the great diversity in cultural, social, economic, and political life within it.

Third. The United States should look upon Africa as a fresh opportunity to develop a comprehensive and positive diplomatic approach. In addition to sending traditional diplomatic officers to newly independent states, we should immediately send teams of qualified specialists in the fields of agriculture, labor, education, medicine, economics, public administration and the like, to supplement the classical diplomatic representation. These persons representing the breadth of our relations with emergent Africa should also reflect the cultural and racial diversity of our own population.

In this era of total struggle and total diplomacy, food, medicine and books, along with economic aid and technical assistance, are indispensable foreign policy instruments. In some cases these less traditional instruments may be decisive.

Fourth. The United States should increase substantially its cultural and educational exchange activities with Africa. Cultural exchange is an important road to mutual understanding and we should encourage it. Of all the aspects of a well rounded exchange program, education is the most vital for Africa at this crucial period. A higher level of literacy and technical education is a prerequisite to economic development, which in turn is a precondition to higher living standards.

Our Government is performing a great many worthwhile tasks in the educational field through its State Department programs, including those of ICA and the International Educational Exchange Service. But we have not done enough. Restricted budgets and lack of flexibility have prevented many Africans from receiving the help we should be extending.

Until very recently the number of Africans who came to America for study numbered only in the hundreds. During the last academic year, 1958–59, however, a total of 1,154 students from African countries south of the Sahara were enrolled in American universities and colleges. This compares favorably with only 114 African students in America just 10 years ago.

Last year more than a hundred students each from Ethiopia, Ghana, Liberia, Nigeria, and the Union of South Africa studied in the United States. Thirteen countries sent less than ten students. I do not know how many African students are studying in the Soviet Union, but from what I saw at the Moscow airport last winter, I would be surprised if it were not significantly larger than the number who are here.

The volume of our student exchange program should be increased tenfold.

The benefits from such a program would be mutual. Let me cite an example of the educational requirements of a newly independent state. President Sekou Toure of Guinea recently told Claude Barnett of the Associated Negro Press that his country would like to send several hundred students to the United States right now, and would be glad to receive 500 American students in Guinea if it were possible.

Few people realize the enormous efforts and sacrifices the Africans themselves are making to deal with their educational problem. Forty percent of Nigeria's eastern regional government budget, for example, is devoted to education, and yet the people are required to pay school fees in addition. Frankly, I wish we had something of the same spirit toward education in America.

Fifth. The United States should accelerate and strengthen its technical assistance program in Africa. A sound technical aid program contributes to short-range welfare goals as well as to long-range development objectives.

Our assistance to Africa under the mutual security program has been gradually rising. It will amount to roughly $110 million for the coming fiscal year; almost $21 million is slated for technical cooperation, and the much larger portion will provide special assistance for development projects. Through this program schools have been established to provide badly needed agricultural and vocational skills. Better use of scarce water supplies is being demonstrated; and health measures to eradicate debilitating diseases are being instituted.

A stepped-up program of such aid in the areas of agriculture, water resources, health, education, vocational training and public administration will give a real boost to newly independent states seeking to meet the welfare requirements of their people and at the same time will help to broaden the base for solid capital development. The time has come to recapture the original fervor of President Truman's "bold new program" which was widely hailed in underdeveloped areas when it was first announced a decade ago.

Sixth. The United States should help to encourage economic development in Africa by increasing the flow of trade and investment capital. The trading possibilities with African countries should be thoroughly explored. Since in the United States trade is a free enterprise, the Government can only indirectly affect its flow. This perhaps puts us at an immediate disadvantage with the Soviet Union where trade is carried on under a state monopoly and is frankly regarded as an instrument of international politics. Nevertheless, there are some things the Government can do to encourage international commerce.

In the field of capital investment our Government can and has taken considerable initiative. We have a policy of actively assisting private investors to find favorable investment opportunities in Africa. Further, the Development Loan Fund has approved loans totaling about $29 million to five African countries, and the Export-Import Bank is doing even more.

When we count United Nations assistance programs and the activities of the World Bank, both of which involve United States participation, the requirement of the independent African states for developing aid and investment capital are being met only in the most minimal way. We are extending assistance only on a "keeping the head above the water" basis.

In this connection I am delighted with the recent news that the administration is definitely going to propose the establishment of a new International Development Association to be created precisely for the purpose of providing long-term, low-interest loans to underdeveloped countries. This new agency would be able to make loans on terms which existing lending agencies of the free world cannot match. I note that the Government proposes an initial capitalization of $1 billion for a 5-year period, with our share being $320 million. I am happy to say in passing that the author of the International Development Association idea is a Member of this body, the Senator from Oklahoma [Mr. MONRONEY], and that I have supported the idea ever since it was proposed in 1958. I am sure that Africa will benefit from the new agency.

The creation of such an international agency does not mean that we should stop giving serious consideration to the establishment of a regional development organization for Africa. We probably need both agencies. An African Development Organization could be constituted directly under the aegis of the United Nations, perhaps in conjunction with the recently created U.N. Economic Commission for Africa. The important thing would be to have as members the United States and other industrialized countries with surplus investment capital.

Such a regional organization might well include the full membership of the OEEC and perhaps Japan. As I see it, the organization would not be confined to providing economic assistance, but would survey requirements and assist in drawing up sound plans and development projects. This is not a new proposal, but it might as well be for all the attention that the administration has given it.

Such a marshaling of free world resources through a regional or an international agency would fulfill Africa's needs and our responsibilities in a way not possible on an ad hoc and unilateral basis. These multilateral efforts would benefit both the independent African states and the territories still under colonial control, and participation would be sufficiently broad and varied to obviate African fears of colonial domination.

Seventh. The United States should review its policy toward political developments in Africa. Our cultural and economic approach to Africa has been going in the right direction. This is all to the good. But our efforts thus far have not been adequate to the challenge we confront.

Of our political and diplomatic approach, not even this much can be said. Our voting record at the United Nations on African problems seems to be stalled on dead center. When we are confronted with a decision on the Portuguese territories, the Union of South Africa, or South-West Africa, we seem to forget our traditional principles of freedom and human dignity.

A frozen position is neither good morals nor good politics. Our delayed and ambiguous response to Guinea's request for aid early this year, for example, made it easier for that country to accept the generous assistance offered by the Communist bloc.

Such unimaginative and conservative responses to the challenges of emergent Africa suggest the conclusion that the vigorous railsplitters of the 1850's have become the stolid fence-sitters of the 1950's.

Mr. President, I have reserved the most controversial problem until the very end—the Algerian dilemma. All the drama, pathos and tragedy of world politics are dynamically present in this vexing problem for which there is no easy answer.

THE ALGERIAN DILEMMA

The problem of Algeria is a dramatic example of the dilemma we face in Africa. Because of our admiration and affection for the French people and because of France's vital importance in the Western alliance, we have failed to give adequate political and diplomatic expression to the instinctive sympathy of the American people for the aspirations of the Algerians for freedom and self-government.

This sympathy for Algerian aspirations has risen to the point where it is becoming politically impossible for us to remain on the fence much longer. Even if the newspapers in this country had not made it completely clear that Americans are not content to remain neutral on the side of the French in this Algerian situation, articulate voices among our constituents would have convinced us that our paralytic policy cannot and must not be maintained. At the same time, the developing trend toward another critical vote on Algeria at the U.N. is confronting us with a decision which surely cannot be one in favor of an untenable status quo.

The war in Algeria must be ended. The continuing blood bath resulting from the terrorism and counter-terrorism of guerrilla warfare can only lead to barbarism and the betrayal of all the best and most civilized instincts of those involved. Further devastation and other wasting of resources can only vastly increase the sums needed for Algerian human and material development and slow down further economic progress in France.

But it is not enough to recite the hard facts. What can the United States do to promote a settlement?

First, we need to clarify U.S. policy so that it plainly reflects the historical principles and majority sentiments of our people. Neither France nor the Algerian nationalists should be encouraged to remain in doubt about our

policy, for such doubts could promote intransigence, and thus prolong the terrible conflict.

The prime ingredients of our national attitude toward the Algerian conflict are friendship for France on the one hand and the desire to see Algerians given their freedom on the other. And do not believe for a minute that these feelings are mutually exclusive.

It is important to note in passing that the words "freedom" and "independence" are not necessarily synonymous. The distinction between these two words is illustrated in our fine and cherished relationship with Puerto Rico. The Puerto Ricans have freely chosen their present Commonwealth status, which is just short of independence from the United States and equally distant from integration with this country through statehood. The overwhelming majority of Puerto Ricans support the present arrangement, but that same majority could have independence for the asking at any time. A comparable approach to the Algerian problem would certainly be consistent with our friendship for France.

President de Gaulle has tried to give just such a free vote to the Algerian people. The fact is, however, that no one will be satisfied with results of such a vote while the people are exposed to the pressures of an all-pervading atmosphere of terrorism and warfare.

I believe our policy must favor freedom of expression for the Algerian people. This cannot be achieved while the conflict continues. And the war will not be ended if the friends of France and Algeria support the most extreme positions advanced by either side. Almost certainly, it can only cease through agreement between the contestants, and such an agreement surely must be reached through negotiations.

We have quite rightly favored mediation efforts by Tunisia and Morocco, but, for a variety of reasons, these have not as yet borne fruit. The time has perhaps arrived for us to invite France to avail itself of the good offices of the United States if there is anything that this country can do to hasten the end of the Algerian conflict.

I have said "perhaps arrived" because I believe that President de Gaulle, the authentic voice of France, can without interference bring about a resolution of the problem if he succeeds in gaining the cooperation of moderate Algerian nationalists, and I do not exclude Mr. Ferhat Abbas from that category. The creation of the French Community is clear evidence that President de Gaulle has the political brilliance, flexibility, and wisdom to find the answer to the need for a new but close French-Algerian relationship. The burning question, to my mind, is one of time.

Finally, I believe that President Eisenhower, in his talks with President de Gaulle, can do much to promote an Algerian settlement by frankly representing the true feelings of the American people, and by setting the problem in the context of inclusive French-American relations.

I digress from these prepared remarks to say that one of the reasons why I made my statement tonight is because the President of the United States is now in Paris. He will be and is now visiting and talking with the great French leader, President de Gaulle. I am confident that these two leaders of western democracies can by working together do much to resolve the very serious situation in Algeria, a situation which presses hard upon the American conscience, and which is a political problem indeed, even in this country, in terms of our votes in the United Nations and our overall foreign policy.

It is not my desire in any way to cause difficulty or embarrassment to these two leaders of western democratic nations. It is my desire to express the hope that encouragement will be given to President de Gaulle to forward his program of freedom and autonomy for Algeria, and that the President of France may be assured of the deep and abiding interest of the American people, through our President, in a just and equitable solution of this crucial and heartbreaking problem involving the violence and warfare in Algeria, which has already existed all too long.

The alliance between our countries is too old and valuable to be diminished by any reluctance to face facts when we so clearly need each other's help as we confront major problems vital to the strength and well-being of the entire free world.

Mr. President, I want to say as emphatically as I can, that this Nation cannot afford to sit on the fence any longer. Our Government must respond to the challenges of emergent Africa with speed, imagination, and sensitivity. We must have a new sense of urgency.

But neither the Congress nor the administration can do what needs to be done without the support of the American people. And the people will not support a new initiative toward Africa until they are better, much better informed, than they are now. Solid public understanding is the foundation for sound public policy.

The time has come for the mass mediums of communication throughout the length and breadth of this land to proclaim the true Africa story. Not the story of big game safaris and strange tribal customs, but the story of an Africa reaching out for freedom and self-respect.

Our reporters and commentators should portray an Africa at the very center of the world struggle between democracy and communism. Africa is crucial in this struggle precisely because she is neutral and politically unalined.

Our schools and colleges should give Africa the attention she deserves by virtue of her role in the present world drama. The Soviet Union is and has been giving Africa a great deal of attention in her educational system and political indoctrination program. Mr. Khrushchev knows that Africa, like India, is in a pivotal position in the coming decades and he is leaving little to chance.

Today it is not too late, but tomorrow it may be. We are the natural allies of the forces of freedom in Africa. If we let them down the cause of genuine freedom in Africa may fail. If the cause of freedom in Africa fails the cause of freedom in the world may fail. The stakes are high. The challenge is great. Will our response be adequate to the challenge? I hope and pray that it will be.

Mr. President, I yield the floor.

MANDATORY CONTROLS ON RESIDUAL OIL IMPORTS

Mr. BYRD of West Virginia. Mr. President, yesterday was the 5-month anniversary of mandatory controls on residual oil imports. Because this program touched off vehement protests on the part of spokesmen for areas into which large volumes of foreign residual oil have been flowing, I feel that it would be in the interest of all concerned—including those executive department authorities responsible for the administration of the program—to review its genealogy and to study the results of this short period of its life.

The mandatory control order is an offspring of a study made by the President's Committee on Energy Supplies and Resources Policy in 1954. But the need for the creation of a defense against enervation of America's domestic fuels industries was actually germinated by avaricious importers more than a decade ago.

The first significant evidence of the foreign invasion of east coast industrial fuel markets dates back to 1946, when some 44 million barrels of residual oil flowed onto our shores. Thereafter great gushers of alien fuel began entering the country. These market seizures took place in a period when American industry was converting to peacetime status and when all available resources were enlisted to hurry recovery in lands devastated by the most destructive war machines and explosives that the world had ever known.

The bituminous coal industry produced 534 million tons of coal in 1946, increasing this output to an alltime high of 631 million tons in 1947. Residual oil imports first moved cautiously, then struck hard in 1949, soaring to 75 million barrels—or 18 million tons of coal in energy equivalent. Meanwhile demand for bituminous coal was beginning to subside. In the next 2 years, output declined by 193 million tons to a level of 438 million tons. It was during this period that the real danger of residual oil imports to the Nation's economy and security became apparent. As a resident of the Nation's foremost coal producing region, I was in a position to observe personally the impact of a foreign product on American industry and American labor. I was a member of the West Virginia State Legislature, which of course was helpless to take effective action because this problem—according to the wise instructions of the Founding Fathers of this country, as stated in the Constitution—had to be resolved by the Congress of the United States.

Many shipments of coal from the northern and southern fields of West Virginia into New York and New England were abruptly halted. Coal produced by American miners was no long-

er wanted because international entrepreneurs offered energy at cheaper rates. Mines began to halt operations, and whistles that call men to work suddenly became silent. Railroaders whose jobs depend upon coal traffic swelled the list of unemployed in West Virginia. Businesses allied with the coal and railroad industries found themselves without orders, and the slump hit hard throughout local mining and railroad communities.

Hardship conditions were felt in many sections of West Virginia in 1949. There was no doubt as to one important factor responsible for the recession. Imported residual oil. West Virginia and other coal-producing States in the Appalachians were victims of an irrational foreign trade program. We assumed that this condition was only temporary, that it would be rectified once the Federal Government realized the harmful effects of excessive oil imports.

Mr. RANDOLPH. Mr. President, will my colleague from West Virginia yield to me?

Mr. BYRD of West Virginia. I am delighted to yield to my colleague from West Virginia.

Mr. RANDOLPH. I compliment my colleague for the manner in which he has presided over this Chamber for most of the day, I believe.

Mr. BYRD of West Virginia. For 7 hours and 15 minutes.

Mr. RANDOLPH. While he was engaged in that activity I was in the old Supreme Court chamber, where we had certain matters under consideration.

I think it is important to point out that there are those—perhaps certain Members of this body—who already have indicated that prices of oil products have increased in this country since the restriction on foreign imports began. To the contrary, the price of petroleum has decreased, rather than increased, since import controls were established in 1957. At that time the average price of crude oil was $3.16 a barrel. Only yesterday, I was advised that the price per barrel was down to $3.04. Furthermore, the average price of the four principal petroleum products at the time import controls were established was $4.22 a barrel, while today the average price of such products is $3.82. These figures certainly refute any claim that controls have induced higher prices for crude oil and petroleum items in general.

Mr. BYRD of West Virginia. For the record, both the House and Senate were alerted to the perils of the prevailing trade policy. Hearings by committees of these legislative bodies produced unimpeachable evidence of inequitable usurpation of coal's markets by foreign oil. Witnesses from various areas of the country appeared voluntarily in Washington in support of legislation to place a quota limitation on residual oil imports. The list of witnesses included not only coal operators and miners, but also representatives of railroads and railroad unions, independent oil producers and refineries, and a variety of other spokesmen for American industry and labor.

From time to time, I have had reason to refer to the reports and recommendations of the subcommittees which conducted those hearings 9 years ago. Chairman of the Senate group was the late Matthew M. Neely. The passing of years has not in any way refuted the conclusions of that subcommittee; it is only to be regretted that ultimate action on the part of the U.S. Government was so long in coming.

One of the witnesses before the Neely subcommittee 9 years ago was Mr. R. M. Davis, of Morgantown, to whom many colleagues paid a rich and deserved tribute last month.

If figures and tables were updated, the 1950 testimony of Mr. Davis could be presented today without fear of contradiction. None of the troubles which he enumerated as directly attributable to an unrealistic oil import policy has disappeared with the passing of years. Rather, each of the problems has been intensified.

Mr. Davis presented statistics to give the Senators a comprehensive picture of the economic losses sustained by coal companies, coal miners, and entire communities subjected to the impact of too much foreign oil. He showed how the interest of the coal operators, the miners, related businesses, Government, and the railroads are interwoven in difficulties that come in with ships carrying fuel to take over American markets. I feel that the following paragraph from the Davis testimony is so pertinent to the matter that it needs repeating today:

> It should be pointed out also that the public school system, including the colleges and the State university, is vitally affected by employment in the coal mines. The number of pupils capable of going to school will be directly affected by the prosperity or lack of it among the miners. The ability of the State and local governments to support the school system depends in part upon the taxes which are collected from mine property and from the miners in the form of the consumers' sales and other taxes. Also the religious and civic life in every community in the State is closely tied up with the prosperity of the people. The financial contribution of the miner and his family to the church and to other local institutions is directly affected by the competitive position of coal with foreign fuel oil.

These unfortunate consequences of an open door policy on oil imports are even more pronounced today than they were 108 months and 1,298 million barrels ago.

Yes, Mr. President, in the 9 years that have elapsed since those hearings, importing companies shipped 1,298 million barrels of residual oil from foreign refineries to U.S. docks. In energy value, these imports were equivalent to more than 310 million tons of bituminous coal—or greater than the total output of West Virginia's mines for any 2 years of that period. Under the circumstances, the White House could not possibly have neglected to include residual oil in the mandatory controls that went into effect last April 1. On reviewing these data, one can only wonder why similar action was not taken long ago.

Certainly the Neely subcommittee was convinced without a doubt that Government action was needed to prevent the wholesale destruction of the domestic oil and coal markets by an ever-increasing sea of imports. This paragraph from the subcommittee's conclusions indicates an attitude on the part of oil importers that prevailed from the start and, in effect, eventually forced the White House to adopt the mandatory controls:

> If there were not a history of continued procrastination by the importers, the committee might be impressed far more than it is by the possibilities for success of a voluntary import-limitation program, subject to such Government supervision as would be necessary to protect the public interest and to insure the faithful accomplishment of the objective.

The subcommittee unanimously recommended that Congress act to hold down oil imports. Emphasizing the State Department's disinclination to provide protection for domestic producers against foreign competition, the subcommittee explained:

> It is perhaps inevitable and certainly understandable that those preoccupied with urgent problems of global concern should be somewhat insensitive to protests of domestic economic dislocation. Fortunately, such lack of vision is not characteristic of legislative representatives entrusted by the Constitution with responsibility for the welfare of the people of the United States.

The late Senator Robert A. Taft, a member of the subcommittee, added these views in a supplemental statement:

> The importation of residual oil is a direct damage to the coal industry. It is produced abroad as a byproduct. Apparently the demand in Europe and elsewhere throughout the world for this byproduct is not sufficient to use up all of the residual oil resulting from foreign processing. Being a byproduct, it is very difficult to determine the cost, and those who produce it are tempted to sell it for any price obtainable in order to get rid of it. This imposes a great handicap on the coal industry and is responsible for the closing of many mines.

When I became a Member of the House of Representatives in 1953, I pledged myself to utilize every resource at hand to persuade Congress and the White House of the need for correcting a situation in which American labor was being shunted aside in order that international oil shippers might retain free access to our fuel markets. In the intervening years, I took the floor of the House on a number of occasions during each session of Congress to warn also of the inherent danger in a policy that does not safeguard a vital American industry against the ravages of uncontrolled foreign competition.

Although I was not then and am not now of the opinion that anything short of a quota limitation set by Congress will ever satisfactorily solve the oil import problem, I felt that recommendations of the Presidential Advisory Committee on February 26, 1955, constituted a substantial gain in the crusade toward a satisfactory adjustment of import levels. That report, after emphasizing the need for an expanding domestic oil industry, stated that other energy industries—particularly coal—must also maintain a level of operation which, in the words of the Committee, "will make possible rapid expansion in output

should that become necessary." The report then followed with this recommendation:

> The Committee believes that if the imports of crude and residual oils should exceed significantly the respective proportions that these imports of oils bore to the production of domestic crude oil in 1954, the domestic fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense. There would be an inadequate incentive for exploration and the discovery of new sources of supply.
>
> In view of the foregoing, the Committee concludes that in the interest of national defense imports should be kept in the balance recommended above. It is highly desirable that this be done by voluntary, individual action of those who are importing or those who become importers of crude or residual oil. The Committee believes that every effort should be made and will be made to avoid the necessity of governmental intervention.
>
> The Committee recommends, however, that if in the future the imports of crude oil and residual fuel oils exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, appropriate action should be taken.
>
> The Committee recommends further that the desirable proportionate relationships between imports and domestic production be reviewed from time to time in the light of industrial expansion and changing economic and national defense requirements.
>
> In arriving at these conclusions and recommendations, the Committee has taken into consideration the importance to the economies of friendly countries of their oil exports to the United States as well as the importance to the United States of the accessibility of foreign oil supplies both in peace and war.

To provide implementation for the recommendations of the Presidential Committee, the Senate attached the so-called national defense amendment to the bill extending the Reciprocal Trade Agreements Act. This provision was considered an ironclad assurance that oil shippers would voluntarily respect the recommended import levels. In actual practice, however, the volunteer program was no more effective in staying the tides of imported oil than if floodwalls were constructed of only the paper on which this instrumentality of the Senate and the executive department was written. In 1956 residual oil imports went to almost 163 million barrels, and a year later a new record high of 173 million barrels was reached. It was now obvious that the volunteer oil import program had failed.

Domestic oil and coal waited from some action that would at last carry out the intent of Congress and the White House directive. As I have stated previously, the cutbacks recorded in the Presidential advisory study were not as drastic as we had hoped. We recognized that even precise enforcement would not regain for coal the markets that had been overrun by international oil, nor would thousands of unemployed miners be given an opportunity to return to work under this mandate. Having suffered through months and years of economic distress attributable to an irrational foreign trade policy, our coal people accepted the voluntary control program only as a guarantee against further encroachment by alien oil.

To be sure, arrogant international oil companies ignored the limits set by the Presidential committee and endorsed by Congress. Finally the White House—on March 10, 1959—placed mandatory controls on imported crude and products, including residual oil. This accomplishment did not come easy. My colleague from West Virginia [Mr. RANDOLPH] and I, accompanied by our State's House delegation, visited many Cabinet offices, during the early part of this year, for the purpose of impressing upon officials the very urgent need to include residual oil in the mandatory controls program. The President's announcement was therefore particularly welcome to us; our enthusiasm was somewhat dimmed, however, by criticism of the program—particularly from New England spokesmen. It is my intense conviction that whatever steps have been and will be taken to safeguard the coal industry against the eroding forces of excessive imports will react to the very definite advantage of New England and other regions in close proximity to the Atlantic seaboard. For this reason, I direct my remarks here today to those statements of dismay at the official action to check the tidal waves of foreign oil that have been sweeping into America's east coast markets.

After the import controls on residual went into effect, there was a chorus of protest which made it appear that disaster was imminent. The criticism, as I recall, was primarily to the effect that prices would rise, and there would be scarcities of residual.

What has happened? The controls went into effect on April 1. Today, the price of residual oil is where it was when the quotas were imposed. Keep in mind that imports were cut back to 1957 levels when a veritable floodtide of residual came into the country, the equivalent of more than 40 million tons of coal. Coal got very little out of the residual order, only that its displacement would not be accelerated. This assurance presupposes that the order will continue in effect and will be effectively enforced.

The catastrophe did not happen. Instead, residual prices are near the lowest levels in history. They even declined for a time after the order went into effect April 1. There is more than enough oil to go around. It continues to be in surplus.

Furthermore, it should be understood that reliance upon foreign sources of supply is uncertain and dangerous in these perilous times. I would like to emphasize, as I have done many times previously, that coal's price stability and abundance are the best assurances which New England and other areas of the country have that they can buy fuel at reasonable prices. Let me point out the tremendous surge in residual oil prices after the Suez crisis as an indication that New England can by no means be certain that residual will continue to be cheap in price or, if a crisis comes, available at any price.

The effectiveness of the mandatory oil import program is of vital interest to all America. One need not be a military or logistics expert to recognize the peril of placing reliance upon a source of energy that must be transported over open sea lanes. I ask the indulgence of the Senate as I recall events of the past that emphasize the danger of neglecting America's domestic fuel industries.

The story of coal's contributions to America's defense efforts actually began to unfold almost 2 centuries ago when this unique fuel was extracted from a mine in Henrico County, Va., sent down the Pamonkey River, and moved to a Chesapeake Bay port for overland transportation to munitions manufactories in Lancaster and Philadelphia.

With the passing of time, coal's role in the development of military equipment and weapons became more and more important. In the dark days of World War I, Lloyd George offered this testimony:

> In peace and in war, King Coal is the paramount lord of industry. It enters into every article of consumption and utility.

Winston Churchill's notable quotations include this observation made on October 31, 1942:

> War is made with steel and steel is made from coal. * * * Coal is the foundation and, to a very large extent, the measure of our whole war effort.

Because a ton of coal goes into the production of every ton of steel, this fuel has a vital role in the manufacture of ships, tanks, aircraft, bombs, rifles, and missiles. Coal is used to make smokeless powder, TNT, and a host of chemicals.

In an emergency, when great volumes of oil must be diverted from civilian use, coal is always expected to fill the gap. Residents of New England particularly should remember how coal came to the rescue in the early days of World War II. Who can forget the photographs of tanker sinkings within eyesight and camera range of Virginia Beach, Miami Beach, and other coastal cities? Germany had only 60 submarines at the beginning of World War II, yet she was able to sever water traffic between our own ports on the Gulf of Mexico and the Atlantic seaboard.

Newspapers of February 8, 1942, featured a dispatch from Washington warning oil consumers that shortages could be expected to become progressively serious in the days ahead. Many buildings were forced to close during the cold winter days that followed, but the worst was yet to come. On May 27 the Government warned New England not to expect oil for homes or factories, advising conversion to coal without delay wherever possible. In the months that followed, Petroleum Coordinator Harold L. Ickes time and again advised that an even more serious situation was certain to develop during the winter months of 1942–43 unless arrangements were made to burn coal. On January 4, 1953, a hospital for children at Rockaway, N.Y., was ordered closed because of the fuel oil shortage. Other casualties in January and February included the shutdown of eight Rhode Island textile mills,

the closing of schools, and hardship in a variety of manufacturing plants and office buildings.

New Englanders would also be well-advised to recall this opening paragraph of page 1 of the Boston Post for March 26, 1943:

> Claims from Washington that the public health would not suffer as a result of the fuel oil shortage during the past winter were ridiculed last night by health experts in Boston and surrounding cities and towns.

I remind the Congress that Russia now has a fleet of approximately 400 submarines—many of them long-range—that would be put into action in the event of a war outbreak. To depend upon shipments from the far-off Middle East and from the refineries of South America in the face of a submarine pack of this size would be sheer folly.

But let us, for the moment, return to this question of foreign goods and low prices. There is no contesting the fact that residual oil can be shipped into the markets of this country at prices that undersell coal. This was the stratagem that enabled importers to seize such a large part of coal's traditional markets for 10 years and more. The accepted laws of economics have continually been disregarded in setting the sales price of foreign residual oil. In 1948 the charge at the port of entry was $2.97 a barrel. This figure mysteriously dropped to $1.89 the following year, and from that time it has zigzagged up and down to the complete confusion of rule-of-thumb calculations and in defiance of the most carefully devised economic theories. In 1956 the price was $2.76. Business slumped generally in 1957, but somehow the importers were able to command $3.10 per barrel for their foreign product. Last year the figure was $2.57 and—lo and behold—despite the vociferous admonitions that followed the White House mandate to control residual oil imports, there was an unaccountable price decline with imported residual oil being offered for sale at dockside in New York at a mere $2 per barrel.

No, Mr. President, it does not appear that any shifting of the import levels need have a direct effect on prices of imported residual oil. But let us assume that those who predicted a price rise following the White House announcement on March 10 of this year had been correct and that consumers in New England had been required to pay a little more for fuel supplies. In the first place, I do not believe that home owners enjoyed any reduction in the cost of electricity when imported residual oil underwent one of its periodic flip-flops. Nor have I noted a similar decline in prices of finished goods in New England industrial plants that took advantage of the lower prices offered by oil shippers.

Traditionally, members of the New England delegation actively protest trade policies that place their own industries at a disadvantage with foreign sellers in American marketplaces. The CONGRESSIONAL RECORD offers adequate evidence of such protestations through the years. This attitude on the part of office holders representing New England is to be admired. When competition from Europe or Asia creates unemployment in Boston, Bridgeport, Portland, or Nashua, it is incumbent upon elected representatives of those areas to exhaust every effort in an attempt to eliminate the injustices that tolerate such conditions.

I am happy to be associated with those of my colleagues who insist upon protection of domestic industry from commodities manufactured in countries where standards of living are low and where labor earns only a small percentage of its counterparts in this country. And I respectfully solicit your understanding of similar economic problems that have been persisting in West Virginia for entirely too long.

Robert Frost wrote:

> Anything I can say about New Hampshire will serve almost as well about Vermont,
> Excepting that they differ in their mountains.
> The Vermont mountains stretch extending straight;
> New Hampshire mountains curl up in a coil.

There may be more identifiable differences between the mountains of West Virginia and those of Vermont and New Hampshire, but there is nothing about the topography of our State that would alter the basic economic principles that prevail in every part of America. If too many hats and too many bicycles produced abroad are shipped into the markets of this country, somebody in New England is going to hurt. If tuna fish caught in foreign waters enter the United States in excessive amounts, there are families in California who may find themselves unable to feed their children with anything but the surplus tuna taken into their own boats. Open the doors to foreign producers of cotton and other agricultural products and there will be a business depression in the South. Bring in more Argentine beef and American cattlemen and packers will suffer. Invite more foreign dairy products and farmers in Minnesota, Wisconsin, and Michigan will find it mighty difficult to make a living.

We do not deny that these foreign commodities can be made available at dollar savings to the American consumer. But it is a transaction responsible for bringing unemployment to many Americans. Does anyone believe that it is fair for West Virginia's principal industry to be exposed to the battering of a mounting sea of foreign oil while the bread-and-butter industries of New England—or the Northwest, the Middle West, the Southwest, or the Deep South—enjoy a serene haven of tariff and quota protection?

Do I hear the argument that oil markets must be kept scot free of import impediments in order to promote good will among exporting countries? Even the more credulous among us should disregard these timeworn polemics. Realists should never be swayed by this type of political and diplomatic strategy when the jobs and livelihoods of the people they represent are at stake.

How Venezuelan sensitivity would react to controls on imports is an issue that has been raised since Senator Neely proposed a quota limitation back in the days of the since-deposed Mr. Jimenez. The President's mandatory order finally went into effect 5 months ago, and Venezuela appears to have survived the ordeal.

As for Venezuela, her citizenry certainly should not question a philosophy that would provide a modicum of protection for the American worker against the pernicious economic disease that threatens any industrial civilization which does not take the precaution to examine carefully all imports and reject those in excess. Several years ago, the U.S. Department of Commerce, Office of International Trade, reported that Venezuela imposes "very high duties on products similar to those domestically produced." The analysis continued:

> Before World War II import duties accounted for about 40 percent of all national revenue. Since the war they have declined in relative importance and currently account for only about 20 percent. This proportionate decline was due in part to the growth in protectionism—although the importation of duty-free goods continued, the importation of dutiable goods has tended to be further impeded.
>
> In addition to import duties, Venezuela imposes numerous other types of trade controls. On the import side, they include import licensing requirements, import quotas, regulations requiring the purchase of specified amounts of local products for each unit imported, import prohibitions, and quarantine laws.

Venezuela's attitude, in which domestic industry is safeguarded against ruinous import competition, is not unique in South America or in most other parts of the world, even though this family plan appears to be foreign to State Department officials who have taken unto themselves the power to liberalize America's trade policies. The State Department is guilty of promulgating the program that subordinates the welfare of industry and labor in the United States to the producing forces of other nations, yet Congress cannot escape culpability for the needless, irresponsible, and unwise surrender of this constitutionally derived authority. Protection of American industry was for many decades considered as sacred and necessary as immigration laws.

Since 1934, when Congress delegated to the President wide authority in the regulation of duties on imported goods, the average rates on dutiable goods have tended sharply downward. In contrast, few other nations have reciprocated. Most foreign countries cling to tariff rates much higher than those prevailing here, and in addition resort to such restrictive measures as import licenses and exchange controls that may be utilized to whatever extent is necessary for the protection of their own industries against foreign competition, including competition of the products of American labor.

Because the productive capacity of leading industrial nations in Europe and Asia was largely laid waste during World War II, a preponderance of America's mass production industries found little difficulty in obtaining market outlets

during the first postwar decade. Indeed, the demand persisted at such a high level that a more liberalized trade program was widely acclaimed by those enjoying the profits of overseas selling as the answer to international economic problems. Those of us in West Virginia—where coal, pottery, ceramics, and assorted manufacturing industries were adversely affected by import competition—pleaded for a more perspective appraisal. New England also recognized the danger of speeding crazily down the road to more liberalized trade policies without proper braking equipment in the form of sensible tariff and quota laws. The South recognized the danger once Japan's textile plants were rehabilitated. Now, at long last, more and more regions are beginning to feel the need for a more cautious approach to the widening avenues of international trade.

Inasmuch as the list of victims of irrational trade policies is being enlarged, I am confident that the Senate and House will be more receptive to reviewing objectively the entire trade agreements program in the very near future—perhaps at the second session of this Congress. Meanwhile Congress must at least encourage the executive department to continue to take steps to protect domestic industries that are components of the defense structure. I remind my colleagues that the President's mandatory oil import control program was based exclusively on security considerations. Under these circumstances, it would appear extremely shortsighted for any American to demand lifting of these restrictions even if he disregarded completely the destitution that comes to coal and railroad communities with unregulated shipments of residual oil imports.

Little wonder that the President, advised of what was happening to the coal industry through admission of as much residual oil as international shippers chose to dump on our fuel markets, resorted to the mandatory control program.

In 1958 the U.S. bituminous coal industry produced slightly more than 400 million tons. Members of a task force that developed statistical information for the Cabinet Committee on Energy Resources in 1954 came to the conclusion that the national security requires the bituminous coal industry to maintain an annual production level of at least 500 million tons if there is to be sufficient capacity for raising output to meet emergency demands.

It is recognized that many mines have closed since foreign residual oil began its lethal sweep into the Atlantic seaboard. I wonder if everyone is aware of what happens to a coal mine when it is closed for any length of time. Unless pumps are kept in constant operation, under ordinary conditions most mines will fill up with water. Then erosion begins to take place. When a flooded mine is to be reopened, the first step is to send in pumps to undertake the dewatering process. With the most modern pumping equipment, many weeks may be required to complete the job. Even then, the mine is far from being ready to go back into operation. Impounded water creates bad roof conditions; when ventilation is restored as the water is pumped out, air that comes in contact with the roof causes much of it to disintegrate. The bad roof must be taken down and bad timbering must be replaced. Only after these operations are completed and the roof has been made safe is it possible to begin such necessary work as repairing or reinstalling track, and rewiring. Finally, at long last, the actual mining equipment is brought in. In all, a full year may be required to begin taking the coal out of a mine that has been closed for any length of time.

The railroad industry, of course, suffers a collateral loss in carrying capacity. The junior Senator from Florida [Mr. SMATHERS] has frequently brought to public attention the prevailing economic difficulties of many American railroads. His most recent contribution was published in This Week magazine on July 26. He is justifiably concerned with the very serious problems that confront this vital transportation network. Railroads are not economically capable of maintaining rolling stock in operating condition when traffic is down. If coal had filled one half of the orders served by foreign residual oil in east coast markets in 1958, the tonnage to be moved would fill more than 400,000 railroad hoppers. The implications are obvious. The railroads would gain important revenues, more operating and maintenance crews would be required, and thousands of additional hoppers would be kept in serviceable condition. Currently, too many coal-carrying cars are rusting away on sidings. In an emergency, a car shortage would be inevitable.

The mandatory controls program has helped to alleviate the deficit of coal cars. To lift restrictions on residual oil imports would constitute a further security threat from the standpoint of the railroad industry as well as in relation to the coal industry.

Mr. President, the general public needs to be apprised of the security requirements which necessitated the imposition of mandatory controls on residual oil. I feel that periodic reviews of the program, its results, and its ramifications will serve the interests of the entire Nation. My remarks on this subject are intended to provide Congress with a running account of the results of the mandatory control program, and to emphasize the need for rigid enforcement and continuation of the control program. I have presented the history of imported residual oil prices which bob curiously in their own capricious manner, independent of business factors which normally determine market value. Ample supplies of this fuel are still available, and will continue to be unless international oil shippers find it to their advantage to shut off valves at their cornucopian sources. Although the free world is consuming approximately 16 million barrels of oil a day, another 5 million barrels could be produced every 24 hours at negligible expense.

The only legitimate reason for a residual oil shortage on the Atlantic seaboard in the foreseeable future would be an unexpected political development in Venezuela, whose capital city was shaken by 9 hours of rioting last month. Past experiences in South America and the Middle East have lent emphasis to the theory that foreign sources of fuel supply should never be permitted to supplant domestic production.

When all these factors are carefully studied, there should be no more attacks on the mandatory control program. Instead, this program should receive the welcome endorsement of areas in which international oil shippers have found convenient customers of a fuel whose supply will remain in serious doubt during eras of unsteady world peace and intranational strife. I am also hopeful that, in the future, a more sympathetic understanding of coal regions' economic difficulties will be in evidence among our people throughout the country. I think that the position of the coal industry with respect to oil imports is akin to that of the woolen industry when Mayor John B. Hynes, of Boston warned—and his statement was printed in the CONGRESSIONAL RECORD of April 28, 1954—that import competition would result in less employment and smaller payrolls at home, and that it would have, in his own words, "an adverse effect upon the whole New England community."

Residual oil imports have had an adverse effect upon the whole community of West Virginia and other coal-producing States. The mandatory control program has arrested the impact, and I respectfully appeal to all Senators to stand firm in insisting that the specified levels continue to be respected as a precaution against further economic debilitation and in defense of the security of our country.

AUTHORIZATION TO FILE CONFERENCE REPORT ON S. 1555 DURING RECESS OF SENATE

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the conference report on the labor bill (S. 1555) may be filed during the recess of the Senate tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. HUMPHREY, from the Committee on Government Operations, without amendment:

S. 1431. A bill to provide for the establishment of a Commission on Metropolitan Problems (Rept. No. 881).

AMENDMENT OF FOREIGN SERVICE ACT OF 1946, AS AMENDED—REPORT OF A COMMITTEE

Mr. FULBRIGHT. Mr. President, from the Committee on Foreign Relations, I report an original bill to amend the Foreign Service Act of 1946, as amended, and for other purposes, and I submit a report (No. 880) thereon. I ask that the report be printed.

The PRESIDING OFFICER. The report will be received and printed, as requested by the Senator from Arkansas; and the bill will be placed on the calendar.

The bill (S. 2633) to amend the Foreign Service Act of 1946, as amended, and for other purposes, reported by Mr. FULBRIGHT, from the Committee on Foreign Relations, was read twice by its title, and placed on the calendar.

ADDITIONAL BILLS

The following bills were reported, or introduced, and, by unanimous consent, referred or placed on the calendar, as indicated:

By Mr. FULBRIGHT:

S. 2633. A bill to amend the Foreign Service Act of 1946, as amended, and for other purposes; placed on the calendar.

(See the remarks of Mr. FULBRIGHT when he reported the above bill from the Committee on Foreign Relations, which appear under the heading "Reports of Committees.")

By Mr. MORSE:

S. 2634. A bill to amend the International Claims Settlement Act of 1949, as amended, relative to the return of certain alien property interests; to the Committee on Foreign Relations.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

PROPOSED AMENDMENTS TO CONSTITUTION, RELATING TO FILLING OF TEMPORARY VACANCIES IN HOUSE OF REPRESENTATVIES—AMENDMENTS

Mr. HOLLAND submitted amendments, intended to be proposed by him, to the joint resolution (S.J. Res. 39) to amend the Constitution to authorize Governors to fill temporary vacancies in the House of Representatives, which were ordered to lie on the table and be printed.

WITHHOLDING STATE INCOME TAXES FROM FEDERAL EMPLOYEES—ADDITIONAL COSPONSORS OF AMENDMENTS

Under authority of the order of the Senate of September 1, 1959, the names of Senators LONG of Hawaii, BENNETT, KEATING, CAPEHART, MOSS, BARTLETT, GRUENING, CHURCH, THURMOND, MANSFIELD, and NEUBERGER were added as additional cosponsors of the amendments intended to be proposed by the Senator from Massachusetts [Mr. SALTONSTALL] to the bill (S. 2282) to amend the act of July 17, 1952, submitted by Mr. SALTONSTALL (for himself and other Senators), on September 1, 1959.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, September 2, 1959, he presented to the President of the United States the following enrolled bills:

S. 300. An act to amend the act of August 28, 1958, establishing a study commission for certain river basins, so as to provide for the appointment to such commission of separate representatives for the Guadalupe and San Antonio River Basins, and of a representative of the Texas Board of Water Engineers;

S. 417. An act to place in trust status certain lands on the Standing Rock Sioux Reservation in North Dakota and South Dakota;

S. 551. An act to declare portions of Bayous Terrebonne and LeCarpe, La., to be nonnavigable streams;

S. 994. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws;

S. 1221. An act to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands;

S. 1448. An act to change the name of the Abraham Lincoln National Historical Park at Hodgenville, Ky., to Abraham Lincoln Birthplace National Historic Site;

S. 1453. An act to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the city of Keosauqua;

S. 1521. An act to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938;

S. 1645. An act to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners;

S. 1647. An act to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment;

S. 1947. An act relating to the authority of the Customs Court to appoint employees, and for other purposes;

S. 2013. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 2029. An act to authorize a per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and for other purposes;

S. 2118. An act to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for other purposes;

S. 2334. An act to transfer from the Department of Commerce to the Department of Labor certain functions in respect of insurance benefits and disability payments to seamen for World War II service-connected injuries, death, or disability, and for other purposes;

S. 2339. An act to amend the law relating to the distribution of the funds of the Creek Tribe;

S. 2421. An act to amend the Klamath Termination Act; and

S. 2435. An act to provide that certain funds in the Treasury of the United States to the credit of the Confederated Bands of Ute Indians be transferred to the credit of the Ute Mountain Tribe of the Ute Mountain Reservation, Colo.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, if there is no other business to come before the Senate—and I gather that there is none on the minority side——

Mr. JAVITS. No.

Mr. HUMPHREY. I move that the Senate stand in recess, under the order previously entered, until 9:30 a.m. tomorrow.

The motion was agreed to; and (at 7 o'clock and 54 minutes p.m.) the Senate took a recess, under the order previously entered, until tomorrow, Thursday, September 3, 1959, at 9:30 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 2 (legislative day of August 31), 1959:

UNITED NATIONS

Representatives of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959:

Henry Cabot Lodge, of Massachusetts.

JAMES G. FULTON, U.S. Representative from the State of Pennsylvania.

CLEMENT J. ZABLOCKI, U.S. Representative from the State of Wisconsin.

Walter S. Robertson, of Virginia.

George Meany, of Maryland.

Alternate representatives of the United States of America to the 14th session of the General Assembly of the United Nations, to serve no longer than December 31, 1959:

Charles W. Anderson, Jr., of Kentucky.

Virgil M. Hancher, of Iowa.

Erle Cocke, Jr., of Georgia.

Mrs. Oswald B. Lord, of New York.

Harold Riegelman, of New York.

THE INTERNATIONAL ATOMIC ENERGY AGENCY

Representatives of the United States of America to the third session of the General Conference of the International Atomic Energy Agency:

John A. McCone, of California.

Alternate representative of the United States of America to the third session of the General Conference of the International Atomic Energy Agency:

Paul F. Foster, of Maryland.

DIPLOMATIC AND FOREIGN SERVICE

Harry F. Stimpson, Jr., of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Paraguay.

U.S. DISTRICT JUDGES

J. Smith Henley, of Arkansas, to be U.S. district judge for the eastern and western districts of Arkansas.

Gordon E. Young, of Arkansas, to be U.S. district judge for the eastern district of Arkansas.

Carl A. Weinman, of Ohio, to be U.S. district judge for the southern district of Ohio.

JUDGE OF THE DISTRICT COURT

Walter A. Gordon, of California, to be judge of the district court for the Virgin Islands for a term of 8 years.

HOUSE OF REPRESENTATIVES

WEDNESDAY, SEPTEMBER 2, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Hebrews 12: 2: *Looking unto Jesus, the author and finisher of our faith.*

Most merciful and gracious God, we thank Thee for the blessings which Thou art bestowing upon us so generously and abundantly for our need and comfort.

Show us how we may cope successfully with every perplexing problem and resist victoriously the manifold trials and temptations which assail us.

May we petition Thee more earnestly for a clearer discernment of Thy holy will and for the inspiration of Thy presence as we discharge the duties of each new day.

Grant that our life may be an influence for good unto all with whom we come into contact and may we never overlook an opportunity to speak a kind word and extend a helping hand.

Hear us in the name of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 213) entitled "An act to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2906) entitled "An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1958) entitled "An act to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen."

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 154]

Andrews	Doyle	Poage
Anfuso	Ford	Powell
Barden	Griffin	Riehlman
Baumhart	Hall	St. George
Blitch	Jones, Mo.	Scherer
Bolton	Landrum	Sikes
Canfield	Lesinski	Van Pelt
Cooley	McDonough	Westland
Denton	Machrowicz	Teague, Calif.
Derwinski	Mason	Winstead
Diggs	Minshall	
Dollinger	O'Brien, N.Y.	

The SPEAKER. On this rollcall 400 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

PUBLIC WORKS APPROPRIATION BILL, 1960

The SPEAKER. The unfinished business is the further consideration of the veto of the President of the United States on the bill (H.R. 7509) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Mr. CANNON. Mr. Speaker, this question has been thoroughly debated repeatedly in both Houses. It has been widely discussed in the press, especially in the last few days.

I also inserted in the RECORD for Monday a complete analysis of the effect of the veto, the question raised by the veto is a matter of general knowledge.

Therefore, Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House on reconsideration, pass the bill H.R. 7509, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The question was taken; and there were—yeas 274, nays 138, answered "present" 1, not voting 22, as follows:

[Roll No. 155]

YEAS—274

Abernethy	Bolling	Celler
Addonizio	Bonner	Chelf
Albert	Bowles	Clark
Alexander	Boykin	Coad
Alford	Boyle	Coffin
Anderson, Mont.	Brademas	Cohelan
	Breeding	Colmer
Ashley	Brewster	Cook
Ashmore	Brock	Daddario
Aspinall	Brooks, La.	Daniels
Bailey	Brooks, Tex.	Davis, Ga.
Baker	Brown, Ga.	Davis, Tenn.
Barden	Brown, Mo.	Dawson
Baring	Buckley	Delaney
Barr	Burdick	Dent
Barrett	Burke, Ky.	Denton
Bass, Tenn.	Burke, Mass.	Diggs
Beckworth	Burleson	Dingell
Bennett, Fla.	Byrne, Pa.	Dollinger
Blatnik	Cannon	Donohue
Blitch	Carnahan	Dorn, S.C.
Boggs	Carter	Dowdy
Boland	Casey	Downing
Doyle	Kelly	Quigley
Dulski	Keogh	Rabaut
Durham	Kilday	Rains
Edmondson	Kilgore	Randall
Elliott	King, Calif.	Reuss
Everett	King, Utah	Rhodes, Pa.
Evins	Kirwan	Riley
Fallon	Kitchin	Rivers, Alaska
Farbstein	Kluczynski	Rivers, S.C.
Fascell	Kowalski	Roberts
Feighan	Landrum	Rodino
Fisher	Lane	Rogers, Colo.
Flood	Lankford	Rogers, Fla.
Flynn	Lennon	Rogers, Mass.
Fogarty	Levering	Rogers, Tex.
Foley	Libonati	Rooney
Forand	Loser	Roosevelt
Forrester	McCormack	Rostenkowski
Fountain	McDowell	Roush
Frazier	McFall	Rutherford
Friedel	McGinley	Santangelo
Gallagher	McGovern	Saund
Garmatz	McMillan	Scott
Gary	McSween	Selden
Gathings	Macdonald	Shelley
Gavin	Mack, Ill.	Sheppard
George	Madden	Shipley
Giaimo	Magnuson	Siler
Granahan	Mahon	Simpson, Ill.
Grant	Matthews	Sisk
Green, Oreg.	Merrow	Slack
Green, Pa.	Metcalf	Smith, Iowa
Griffiths	Meyer	Smith, Miss.
Hagen	Miller, Clem	Spence
Haley	Miller, George P.	Staggers
Hardy		Steed
Hargis	Mills	Stratton
Harmon	Mitchell	Stubblefield
Harris	Moeller	Sullivan
Harrison	Monagan	Teague, Tex.
Hays	Montoya	Teller
Healey	Moorhead	Thomas
Hébert	Morgan	Thompson, La.
Hechler	Morris, N. Mex.	Thompson, N.J.
Hemphill	Morris, Okla.	Thompson, Tex.
Hogan	Morrison	Thomson, Wyo.
Holifield	Moss	Thornberry
Holland	Moulder	Toll
Holtzman	Multer	Trimble
Horan	Murphy	Udall
Huddleston	Natcher	Ullman
Hull	Nix	Vanik
Ikard	Norrell	Vinson
Inouye	O'Brien, Ill.	Walter
Irwin	O'Hara, Ill.	Wampler
Jarman	O'Hara, Mich.	Watts
Jennings	O'Neill	Weaver
Jensen	Oliver	Whitener
Johnson, Calif.	Passman	Whitten
Johnson, Colo.	Patman	Wier
Johnson, Md.	Perkins	Williams
Johnson, Wis.	Pfost	Willis
Jones, Ala.	Philbin	Winstead
Karsten	Pilcher	Wolf
Karth	Porter	Wright
Kasem	Preston	Yates
Kastenmeier	Price	Young
Kearns	Prokop	Zablocki
Kee	Pucinski	Zelenko

NAYS—138

Abbitt	Chiperfield	Hoffman, Ill.
Adair	Church	Hoffman, Mich.
Alger	Collier	Holt
Allen	Conte	Hosmer
Andersen, Minn.	Corbett	Jackson
	Cramer	Johansen
Arends	Cunningham	Jonas
Auchincloss	Curtin	Judd
Avery	Curtis, Mass.	Keith
Ayres	Curtis, Mo.	Kilburn
Baldwin	Dague	Knox
Barry	Derounian	Lafore
Bass, N.H.	Devine	Laird
Bates	Dixon	Langen
Becker	Dooley	Latta
Belcher	Dorn, N.Y.	Lindsay
Bennett, Mich.	Dwyer	Lipscomb
Bentley	Fenton	McCulloch
Berry	Fino	McIntire
Betts	Flynt	Mack, Wash.
Bosch	Frelinghuysen	Mailliard
Bow	Fulton	Marshall
Bray	Glenn	Martin
Broomfield	Goodell	May
Brown, Ohio	Griffin	Meader
Broyhill	Gross	Michel
Budge	Gubser	Miller, N.Y.
Bush	Halleck	Milliken
Byrnes, Wis.	Halpern	Minshall
Cahill	Henderson	Moore
Cederberg	Hess	Mumma
Chamberlain	Hiestand	Murray
Chenoweth	Hoeven	Nelsen

Norblad	Robison	Tollefson
O'Konski	Saylor	Tuck
Osmers	Schenck	Utt
Ostertag	Scherer	Van Zandt
Pelly	Schwengel	Wainwright
Pillion	Short	Wallhauser
Pirnie	Simpson, Pa.	Weis
Poff	Smith, Calif.	Wharton
Quie	Smith, Kans.	Widnall
Ray	Smith, Va.	Wilson
Reece, Tenn.	Springer	Withrow
Rees, Kans.	Taber	Younger
Rhodes, Ariz.	Taylor	
Riehlman	Teague, Calif.	

ANSWERED "PRESENT"—1

Herlong

NOT VOTING—22

Andrews	Gray	Poage
Anfuso	Hall	Powell
Baumhart	Jones, Mo.	St. George
Bolton	Lesinski	Sikes
Canfield	McDonough	Van Pelt
Cooley	Machrowicz	Westland
Derwinski	Mason	
Ford	O'Brien, N.Y.	

The Clerk announced the following pairs:

On this vote:

Mr. Machrowicz and Mr. O'Brien of New York for, with Mr. Herlong against.

Mr. Jones of Missouri and Mr. Poage for, with Mr. Ford against.

Mr. Sikes and Mr. Anfuso for, with Mr. Derwinski against.

Mr. Cooley and Mr. Lesinski for, with Mr. Van Pelt against.

Mr. Hall and Mr. Powell for, with Mr. Westland against.

Mr. Baumhart and Mr. Gray for, with Mrs. Bolton against.

Until further notice:

Mr. Andrews with Mr. Mason.

Mr. HERLONG. Mr. Speaker, I have a live pair with the gentleman from Michigan [Mr. MACHROWICZ] and the gentleman from New York [Mr. O'BRIEN] who if present would have voted "yea." I voted "nay." I therefore withdraw my vote and vote "present."

Mr. HARRISON changed his vote from "nay" to "yea."

Messrs. CHENOWETH, FENTON, and CURTIN changed their votes from "yea" to "nay."

Mr. CANNON. Mr. Speaker, I ask for a recapitulation of the vote.

Mr. HALLECK. Mr. Speaker, may we not have the vote announced first?

The SPEAKER. The Chair holds that there can be a recapitulation before or after the vote. Therefore, we will have a recapitulation.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Upon request, will not the Speaker announce the vote?

The SPEAKER. The Chair has discretion in this matter.

Mr. WALTER. Mr. Speaker, regular order.

The SPEAKER. The regular order is, the Clerk will call the names of those voting in the affirmative.

Mr. HALLECK. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Under the rules of the House, in view of the fact that the vote has not been announced, may anyone vote even though he was not here when the roll was called?

The SPEAKER. Will the gentleman repeat his inquiry?

Mr. HALLECK. Mr. Speaker, what I am trying to ascertain is simply this: In view of the fact that the Speaker has elected not to announce the vote, does that mean, as this recapitulation progresses, if any Member who was not here presents himself now in the Chamber, will he be permitted to vote?

The SPEAKER. If he qualifies; that is, he was in the hall listening and did not hear his name called. Otherwise, he could not.

Mr. HALLECK. Mr. Speaker, I renew my request for an announcement of the vote.

The SPEAKER. The Chair has already ordered a recapitulation. The Clerk will call the names of those voting in the affirmative.

The Clerk called the names of those voting "yea."

The SPEAKER. Are there any corrections in the names of those voting in the affirmative?

Mr. BOW. Mr. Speaker, may I inquire if my name was read in the affirmative? I understood it to be, and if it was, it is incorrect.

The SPEAKER. The gentleman is recorded as voting in the negative, not the affirmative.

Mr. WHITENER. Mr. Speaker, how am I recorded?

The SPEAKER. It is not a question of how the gentleman is recorded. It is a question of whether the gentleman was present, listening, and was recorded wrongly.

Mr. ALEXANDER. Mr. Speaker, I did not hear my name and should be recorded "yea."

The SPEAKER. All these things can be taken care of after we complete the recapitulation.

Are there any corrections to be made in the names of those called as voting in the affirmative? [After a pause.] The Chair hears none.

The Clerk will call the names of those voting in the negative.

The Clerk called the names of the Members voting in the negative.

The SPEAKER. Are there any corrections in the names of those who voted "nay"? [After a pause.] The Chair hears none.

On this vote the "yeas" are 274, the "nays" are 138, 1 present. Two-thirds having failed to vote in the affirmative, the bill is not passed.

So (two-thirds not having voted in favor thereof) the veto of the President was sustained and the bill was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The message and the bill are referred to the Committee on Appropriations.

The Clerk will notify the Senate of the action of the House.

Mr. CANNON. Mr. Speaker, I move that the bill be referred to the Committee on Appropriations.

The SPEAKER. The Chair has referred it to the committee.

GENERAL LEAVE TO EXTEND REMARKS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days in which to extend their remarks in the RECORD on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

THE PRESIDENT'S VETO OF THE PUBLIC WORKS APPROPRIATION BILL

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. WAMPLER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. WAMPLER. Mr. Speaker, the President's veto of the public works appropriation bill for fiscal 1960 is not only patently unwise, it makes a mockery of the administration's shrill demands for fiscal responsibility as being in the best interests of the country. Surely a measure which provides, in large part, for the planning and construction of such highly desirable domestic contributions to the state of this Nation's natural resources as flood control projects, improvements of our harbors and rivers and resources reclamation should not be the subject of whimsical Presidential veto. Should it, as has been the case with the public works money bill for 1960, I cannot understand how reasonable men can honestly term as being in the best interests of the country an administration turndown of legislation designed to aid, on a humanitarian basis, American flood victims and to recapture losses in our natural resources.

In my own State of Indiana, there has been an almost unbelievable rate of waste, loss of life, and devastation resulting from incessant flooding of the Wabash River. Floodwaters from the creeks and rivers of the upper Wabash River in the northern section of the State pour down into the lower reaches of the Wabash, in the Sixth District, not once, but several times a year. Life and property losses over the years have been staggering. More than $64 million worth of agricultural production and property has been washed out of the potentially productive Wabash Valley since 1913; in February 1959, alone, more than $10 million in damage was caused by the rampaging Wabash River.

I fail to see how any Member of this body who has any concern for the welfare of the people of our districts, States, and this Nation, as I am sure we all do, can fail to vote to override the President's veto of this absolutely vital legislation; particularly any Member of Congress from the consistently flood-stricken State of Indiana.

The President's veto message makes numerous references to "unbudgeted

projects," "overspending," the necessity for sound fiscal policies, and states the President's belief that the "American people look to the Government to see that their tax money is spent only on necessary projects and according to a priority as to urgency that does not weaken our financial structure nor add to the tremendous debt burden that posterity will have to pay."

Mr. Speaker, the President's stated concern for the debt burden which will have to be carried by posterity can only be construed as meaningless verbiage when one considers that the fiscal 1960 money bill for public works contains only $30 million more than requested by the Administration, an infinitesimal quantity when compared with the overall multibillion dollar 1960 budget; and when one considers the President's demands for hundreds of millions of dollars to finance, in many instances, similar public works construction in countries other than the United States; and when one considers that, to date, the Congress has pared down the President's 1960 budget requests by almost $400 million.

I say, let us override this veto and allow some of the taxpayers' money to be spent for the good of the taxpayer.

Mr. BLATNIK. Mr. Speaker, on August 26, 1959, the President vetoed the public works appropriation bill for the fiscal year 1960 which contained funds to carry on the civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority. As chairman of the Subcommittee on Rivers and Harbors of the Committee on Public Works, I, of course, am vitally interested in the flood control, navigation, and beach erosion projects, funds for which are in the appropriation bill because of the fact that these projects were originally authorized by the Committee on Public Works.

I believe that the veto of the entire program is a grave error on the part of the President and is a shining example of his indifference to water resource development.

It will be recalled that in 1956 and again in 1958 he vetoed the omnibus river and harbor and flood control bill, title I of which was the work of the subcommittee of which I am chairman, and title II of which is the work of the Subcommittee on Flood Control of which the distinguished gentleman from Tennessee, the Honorable CLIFFORD DAVIS, is chairman. I have had long and sad experience therefore with the President's attitude toward water resource development. This attitude even extends to problems of water pollution, and on this subject the President, in his budget message, reduced the amount contemplated by Congress for appropriation and expressed his desire to eliminate the Federal grant system entirely at a future date.

Returning to the most recent veto, I would like to invite attention to the fact that the total appropriation of $1,206 million is only $50 million in excess of the President's budget. This addition is the amount agreed to in conference after the other body had added a total of approximately $80 million. I feel that the House is to be commended for having reached a compromise which is only 4 percent in excess of the budgeted figure. This is an amount which is well within the margin of error in the cost estimates themselves.

The President gives as his principal reason for the veto the fact that the ultimate cost of these projects will be more than $800 million. He fails to point out, however, that by the time these unbudgeted projects reach their peak of construction, many of those now underway will be completed. The impression is left that some future budget will be increased by $800 million which is, of course, ridiculous since this amount would be spread over many years.

I would also like to point out that the President does not criticize the merits of the 67 projects. In fact he states that the unbudgeted projects in the bill will, at the proper time, make an important contribution to the economic development of the areas in which they are to be built and to the Nation as a whole. The Appropriations Committees gave long and careful consideration to the testimony presented and selected only those economically justified, worthwhile projects which, in its opinion, should go ahead at this time. These projects are only a small fraction of the backlog of projects in the field of flood control, navigation, and reclamation.

I urge every Member of this body, whether he has a project in the bill or not, to vote to override the veto for the good of the country as a whole.

Mr. KING of Utah. Mr. Speaker, it was most regrettable that the President saw fit to veto the public works appropriation bill. It will be noted that he did not question the merit of the 67 projects which had been added to the ones which he had originally recommended. On the contrary, he based his veto essentially on the grounds that the timing was bad.

Some opponents of reclamation, in their news releases, have suggested that there were phony or pork-barrel projects mixed into the public works bill, and that it was therefore necessary to first weed them out. I, personally, challenge the truth of this proposition. I have placed myself in touch with the officials of the Bureau of Reclamation of the Department of the Interior, and with the Army Corps of Engineers. I have been assured by those who did the planning on these projects that all 67 of them have a favorable cost-benefit ratio, and that from an engineering and economic point of view, they are meritorious.

Why, then, was the bill vetoed? The reason given is that it was for budgetary considerations. In other words, this is the year for no new starts. Regardless of the need, there shall be no new starts. We cannot afford them.

This shortsighted policy was first conceived at a time when it was thought that the 86th Congress might embark on a wild and uncontrolled orgy of extravagance. The actual record, however, shows how wrong this hypothesis turned out to be. Yet the misconceived policy of no new starts still lingers on. The evidence is strong that we shall end this session with an impressive surplus. No person interested in balancing the budget can honestly say that the $30 million which the public works appropriation bill adds to our budget for fiscal 1960 will throw it out of balance.

The administration has therefore shown an inflexibility and unwillingness to adapt its program to ever-changing realities.

When a private utility company launches a plan to spend many hundreds of millions of dollars of equity funds and borrowed funds for capital expansion to meet the needs of a growing community, we give it the accolade of praise and public approval. We call it a bold and imaginative step forward. We call it good business, and a sound investment in the future, because every dollar spent will bring back rich and ample returns.

But when the United States of America makes a capital investment in its future in the form of dams and reservoirs, flood-control projects, and irrigation works, those who philosophically oppose such measures cry out: We cannot afford them.

Mr. Speaker, if we cannot afford an investment in the sound and economical utilization of our natural resources to create more business and more wealth and more productive capacity, to take care of our exploding population which, within the lifetime of many of you in this room will reach 250 million and more, then what under heaven can we afford?

This money is not in the nature of a gift. It is a loan. It will be repaid, with interest. It is secured, and that security consists in our mountains, our rivers, our fertile prairies, and our almost-unlimited productive capacity. This security is as good as America is good.

In 1915 the U.S. Government undertook to construct in the State of Utah what is known as the Strawberry Reservoir project. As was to be expected, it was resisted by those to whom its immediate cost seemed more important than its ultimate benefits.

Let us look at the record of this humble little project, which cost $3⅓ million.

Forty-four years later we find that it has paid back 80 percent of its initial cost, with interest. In addition, it has made possible the growing of $78½ million worth of crops, which represents 22 times the value of the original investment. Power, municipal water, and recreation associated with the project bring in one-half million dollars per year. Personal incomes directly attributable to this project amount to $18 million per year. Twelve thousand people live on land made livable by this little project, and Federal taxes paid into the Federal Government from income made possible by this project amount to some $4½ million a year, which is more than a million dollars a year in excess of its entire cost. All of this, as a result of a mere $3⅓ million investment—and this is just the beginning.

Mr. Speaker, the Strawberry Reservoir, in 1915, was a new start. I am

thankful that that did not deter wise men from seeing its value to the future of this Nation.

In closing, I cannot resist the temptation, half in whimsey, but half in seriousness, to inquire whether President Eisenhower is prepared to ask Premier Khrushchev wheher he, too, is willing to adopt a no-new-starts policy in Russia, so that our country will not be too embarrassed by the difference in the speed at which the two nations are increasing their productivity. Obviously Russia will not slacken its pace, regardless of how well Khrushchev is treated by the State Department, and every year's delay in our own reclamation program will give us that much more cause for regret.

I support the public works appropriation bill of 1959 because it is an investment in the future and the prosperity of America.

Mr. JENSEN. Mr. Speaker, relative to the vote on the President's veto of the public works appropriation bill today, I could not find it in my heart to vote to sustain this veto, and I frankly admit that it afforded me no pleasure.

The bill which the President vetoed provides for less than one-sixtieth of the total budget request for fiscal year 1960, all for urgent flood control projects in almost every State of the Union, irrigation, reclamation, hydroelectric projects and related facilities, deepening of harbors, and so forth.

It is noteworthy that the bill which the President vetoed provided for funds less than 1½ percent above the amount which the President requested, and that when the conference bill was before the House on August 14, only one voice was heard against the bill.

Furthermore, every penny in the bill will be spent right here within the shores of the United States of America.

Mr. ROBISON. Mr. Speaker, last week, President Eisenhower vetoed the $1.2 billion public works appropriation bill. He gave, as his chief reason for the veto, the fact that funds were included in the bill for 67 new starts which would ultimately cost $800 million.

Thus, it seems clear that the President's objections are centered on the long-range effect the bill would have, financially speaking, rather than on its immediate unbudgeted impact which has been estimated at only $50 million.

I think it important for all of us to be aware of the nature of the problems we will face, as a Nation, as our population explodes from 171 million today to 195 million in 1965, 248 million in 1980, and a projected 370 million by the year 2010. Foremost among those problems is certain to be that of providing an adequate supply of water for both domestic and industrial purposes.

Interrelated to the certain expanding demand for water, will also be the need for flood control, power, navigation, outdoor recreational facilities, and other such projects as are included in the vetoed bill. Any failure in meeting those demands and needs on schedule would surely result in serious disruptions in our economic growth.

We must not, however, in responding to the urgency of this problem at the Federal level, ignore the necessity for what the President, in his veto message, has called the "orderly development of America's water resources within the Nation's fiscal ability." The key phrase is: "within the Nation's fiscal ability."

Now, of course, as our population grows so will the receipts by the Federal Treasury, and so will such other generally accepted yardsticks of national capabilities as, for instance, the gross national product. Obviously, we can hope to do more in another decade than we could in the next several years.

Who, then, is going to judge the size of the effort America can make now in this field—the President, or the Congress? Some news sources are referring to the vetoed bill as a "pork barrel" bill. This is inaccurate. Traditionally, perhaps, public works bills—authorizations and appropriations—have been "pork barrel" measures, in the sense that there would be included therein projects which were either economically unjustified or engineeringly unsound. I do not understand that to be the case here.

Nevertheless, it can be assumed that, as in any congressional measure of this sort, political considerations, personal influence, geographical "logrolling" and the like, all played a part in the fashioning of the vetoed omnibus bill. Particularly, this assumption would seem to apply to the so-called new starts. I do not say this critically, and I hope it can be regarded as an objective statement of what we should all be willing to recognize as a legislative failing.

We in Congress are normally apt to look at this sort of subject through glasses that are tinted and somewhat distorted, without our even realizing it, by our awareness of the needs of our particular districts. On the other hand, the President who, with the Vice President, is the only Federal official elected by all the people, can and must make his determinations here on the basis of what he sees through the national glasses. President Eisenhower above all others, since he is not eligible for reelection, can safely be considered free of all political bias in deciding, as he has done, that the budget-approved projects included in the vetoed bill—which total an all-time high of $1.1 billion, which is three-quarters again as much as the Federal expenditure level along these lines in 1955—is all that America can work on now without going beyond her fiscal ability. He warns, in addition, that just to carry on the projects now under way will ultimately cost $6 billion, and that to attempt now to commence work on other projects may weaken our financial structure and add to the tremendous debt burden our children already carry.

I recognize that the President may be wrong. This is an economic decision. Not even all economists are in agreement as to our national future and capabilities, but, rather than to add to the $1,564 share of the national debt which each of my two small sons now bear, in this instance I cast my lot on the side of the President.

I do so with full awareness of the fact that, if the veto is sustained, I may be helping to cause a delay in the funding of the $1.7 million needed to complete the Endicott-Vestal, N.Y., floodwall project now going on in my district, and the funding of the $40,000 floodwall planning work for Nichols, N.Y., also in my district. But I believe the people of my district will approve the acceptance of such a risk in the national interest.

Finally, if the veto is sustained, as I hope it will be, I am confident that the Congress can and will immediately pass another appropriation bill so that work in progress on the budgeted items around the country can proceed without jeopardy. The Congress should not adjourn until it has so acted.

It should also be pointed out that this situation dramatizes to the fullest extent the need for a constitutional amendment giving the President the power of "item veto" as has been recommended by Presidents of both political parties since Ulysses S. Grant. Early this year I introduced House Joint Resolution 282 which would have that effect, and I deplore the fact that the majority party has not seen fit to permit consideration of this measure.

Mr. BURDICK. Mr. Speaker, it seems incredible that just one vote put a roadblock in front of water resource development today.

The public works bill embraced programs to improve and increase domestic and municipal water supply, provide for pollution abatement, insure water for industrial uses and provide for irrigation and reclamation.

As a result of sustaining the veto of that bill, new starts in areas where development has been long overdue will not be undertaken and some existing projects may be endangered.

The citizens of North Dakota are vitally interested in water development. All segments of the State are united solidly behind a plan to divert water from the Missouri River, insure the water supply for many of the towns and cities in the area, and provide for irrigation in areas where rainfall is not dependable. This plan is known as the Garrison diversion unit—a brochure of this proposed project has been mailed to every Member of Congress.

While the people of my State support the Garrison diversion unit, they also are interested in water development throughout the country. Many groups in North Dakota have been formed to advance and encourage water resource development. These people cooperate with groups in other States to discuss their problems and share ideas in this important field.

The North Dakota American Legion, the North Dakota Bankers Association, the North Dakota Farmers Union, the North Dakota Farm Bureau, the North Dakota Water Users Association, the Garrison Diversion Conservancy District, and many others have taken a genuine interest in water resource development.

Prior to the vote on the public works veto today, I received requests that I vote to override the veto from public-spirited citizens in all walks of life. Telegrams were received from the following: L. C. Mueller, Oakes, N. Dak., president of the North Dakota Water Users Association; Oscar N. Berg, Minot,

N. Dak., executive secretary of the North Dakota Water Users Association; H. W. Lyons, Jamestown, N. Dak., businessman; W. M. Harrington, Minot, N. Dak., mayor; A. R. Weinhandl, Minot, N. Dak., banker; Henry J. Steinberger, Donnybrook, N. Dak., farmer; and A. J. Christopher, Pembina, N. Dak., director of North Dakota Water Users Association.

I was also advised by Mr. Herschel Lashkowitz, mayor of the city of Fargo, N. Dak., that the Fargo city commission had adopted a resolution requesting the Congress to override the veto.

Additional requests to override came from the following Rural Electric Cooperative Associations: Nodak Rural Electric Cooperative, Inc.; Burke-Divide Electric Cooperative; Williams Electric Cooperative, Inc.; Mor Gran Sou Electric Cooperative, Inc.; Sheyenne Valley Electric Cooperative; Mountrail Electric Cooperative, Inc.

Mr. Speaker, despite the stunning defeat administered today to water development throughout the Nation, I believe the people of North Dakota stand squarely behind these programs both in their State and in other States.

Mr. KARTH. Mr. Speaker, yesterday I voted to override the President's veto of the public works appropriation bill for 1960—H.R. 7509—because I was truly appalled at the flippancy with which the President disposed of this major appropriation bill. Because the Congress in its judgment dared to differ by about 2½ percent from the Bureau of the Budget's dictate on projects which help the development of the Nation's water resources, the President was persuaded for the 144th time to disapprove a bill passed by both Houses.

Mr. Speaker, I am disappointed and saddened that this House did not reaffirm its passage of H.R. 7509 by overriding the President's ill-advised veto and asserting the power and the prestige of the National Legislature as an equal and coordinate branch of our Federal Government. I am alarmed that Congress by its failure to stand up to the Executive is more and more relegating itself into a subordinate position.

The President has flouted the judgment of sound, conservative members of the Public Works Appropriation Subcommittees in the House and the Senate who, after mature consideration decided that 67 additional projects totaling about $51.5 million are needed in the Nation's overall water resources program.

To provide for these new works the President's budget requests were trimmed over $20 million and an extra $30 million was added. I agree with the judgment of my able and distinguished colleagues, our venerable CLARENCE CANNON, of LOUIS C. RABAUT, MICHAEL KIRWAN, and BEN JENSEN, just to name a few members of the House Subcommittee on Public Works Appropriations that as a dynamic, growing country we cannot afford to stand dead still while our water resources deteriorate or are dissipated.

Frankly, Mr. Speaker, I am worried what the future of St. Paul and South St. Paul, Minn., holds in view of the successful but ruthless and shortsighted administration policy of no new construction starts. This year money is budgeted for the advance planning of a badly needed flood control project of the Mississippi River which runs through St. Paul and South St. Paul. If flood control improvements had been in existence 10 years ago, the affected area would have been spared flood damage of $2,788,000 in 1951 and $4,650,000 in 1952—the sum of which exceeds even the present estimated cost of the project. Some of the important commercial developments involved in this 5,400-acre area include steel fabrication, paint, fertilizer, meat processing, and box manufacturing plants; petroleum, coal, and grain storage facilities; river terminals, steam generating plants; railroad repair shops; stockyards; and an airfield. In addition there are sewage treatment plants for the Twin City area, main lines of nine major railway systems and a complex of Federal and State highways.

But important as this area has been to the commercial and industrial life of the Gateway to the Northwest, its greatest development awaits the flood control improvements which will make it possible to begin a vast and exciting urban renewal program to stimulate the economic growth of our district. I, for one, therefore resent any implication that such a project is useless, or "pork barrel."

Before the planning stage is completed, the people affected by the St. Paul-South St. Paul flood control project will expect the administration to abandon altogether the policy of economic mummification that has too long dangerously hampered the development of the Nation's resources, human and natural, when we alone stand as a bulwark for the free world.

Mr. HARGIS. Mr. Speaker, the only proposed new start on a water resources project in southeast Kansas—a $400,000 allocation for Elk City Dam on the Elk River—got the ax when the public works appropriations bill went to conference. So it cannot be said that I had any ax of my own to grind when I cast what turned out to be a futile vote yesterday in favor of overriding the President's shortsighted, dictatorial, and totally unjustified veto of this bill.

I am unable to muster much sorrow for the few backsliding Democrats who failed to rally to this noblest of causes. But my heart goes out, in deep and sincere sympathy, to the poor Republican Members who fought long and hard to get badly needed water projects in their own districts into this year's bill—and then were compelled, by party pressure and the implacable Eisenhower will, to smash their own handiwork and betray the people they represent.

If this can be construed as another victory for the administration, it is a hollow victory indeed—and a victory won at the expense of legitimate progress in a vital area of the national welfare.

I have always believed that Congressmen who came from areas of water shortage or flooding were the best judges of the needs of that area, and when any such Congressman proved his case to the Public Works Committee, and who had the Engineers' survey accepting his request and showing its need, and the Public Works Committee then refers the project as essential to the Appropriations Committee, and the Appropriations Committee then approves such appropriations; this I had always thought was good evidence that our country's needs were proven. But it seems that one who has probably never seen the area, and knows nothing of the hardship and needs of the people, must be the final judge. The President stopped this progress merely because he says eventual total cost of 67 projects would have been $800 million over an indeterminate period of years, and yet in the next breath he will ask many times this sum for other countries, each year.

It was also my personal conviction that assuring a continuing program of improved domestic water resources was far more important than pouring unlimited funds into our lavish, wasteful, hopelessly mismanaged foreign aid program. This idea of mine remains unchanged, and is shared by a good many of my constituents. I eagerly await the day when it takes hold on so widespread a scale that something will have to be done about it—and I do not believe that day is far off.

Meanwhile, we are faced, presumably, with the necessity of accepting a veto-proof, progress-proof, and extensively watered-down water resources program for fiscal 1960.

There are a great many people in this country who have endured, as have my fellow citizens in southeast Kansas, water shortages that can only be met by Federal reservoir construction, and sudden water surpluses in the form of devestating floods that can only be stopped by federally constructed reservoirs—either too much or too little, but never any equitable balance.

These people are fed to the teeth with delays. The Republican-controlled press is finding it increasingly difficult to sell them on the idea that Ike and the Budget Bureau can do no wrong—and that an idle, undeveloped damsite—authorized for construction that may even get started within their lifetime, if they live to ripe old ages—is a damsite better than no damsite at all. But the papers keep plugging away, and I am sure their tone and attitude will undergo no radical change. Fortunately, their readers are bright enough to see through the thick fog of propaganda—and fed up enough to do something about it, comes next November.

Anyway, the chambers of commerce who flood congressional offices with pleas that the administration's big economy drive be supported at all costs, are now getting their wish. These are the same organizations, of course, who annually send delegations to Washington to plead for an immediate start on water projects affecting the future of their area. I am anxious to see how they reconcile one plea with the other, on the basis of this latest veto..

I can only hope that in the event the other Kansas new starts, on Council Grove and Wilson Reservoirs, get bypassed this year—which seems highly likely at the moment—I will not receive

the usual batch of indignant letters, telegrams, and telephone calls asking, "Where were you when all this was going on?"

My answer will be that I was right there on the House floor, doing my best to see that this country gets the water projects it so desperately needs—budgeted or not.

COMMITTEE ON RULES

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

DISTRICT DAY

The SPEAKER. This is District Day. The Chair recognizes the gentleman from South Carolina [Mr. McMILLAN].

INDECENT PUBLICATIONS AND GAMBLING IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I call up the bill (H.R. 6123) to amend the law relating to indecent publications and gambling in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 872 of the Act entitled "An Act to establish a code of law for the District of Columbia" approved March 3, 1901 (D.C. Code, sec. 22–2001), is amended (1) by inserting "(a)" immediately before "Whoever", and (2) by adding at the end thereof the following new subsections:

"(b) Whoever, in the District of Columbia, shall engage in the business of editing, publishing or disseminating any newspaper, pamphlet, magazine, or any printed paper devoted mainly to the publication of scandals, whoring, lechery, assignations, intrigues between men and women, and immoral conduct of persons, or shall knowingly have in his possession for sale or shall keep for sale or distribute or in any way assist in the sale, or shall give away such newspaper, pamphlet, magazine, or printed matter, or whoever shall engage in the showing and exhibition of lewd and lascivious motion pictures, or of lewd and lascivious pictures, or of indecent objects or pictures, or indecent, lewd, or lascivious recordings of any type, shall be fined not more than $500, or imprisoned not more than one year, or both.

"(c) All moneys, vehicles, furnishings, fixtures, equipment, stock (including without limitation, furniture and fixtures, adaptable to other uses, and equipment and stock for printing, filming, exhibiting, recording, transporting, safekeeping or communication) or other things of value used or to be used in violating subsection (a) or (b) hereof shall be subject to seizure by any officer or member of the Metropolitan Police force or the United States Park Police, or the United States marshal, or any deputy marshal for the District of Columbia and shall, upon seizure, be proceeded against by libel action brought in the municipal court for the District of Columbia in the name of the District of Columbia by the Corporation Counsel or any of his assistants and shall, unless good cause be shown to the contrary, be forfeited to the District of Columbia and shall be made available for the use of any agency of the Government of the District of Columbia or otherwise disposed of as the Commissioners of the District of Columbia may, by order or regulation, provide, except that all such property of a lewd, obscene, lascivious or indecent nature shall, upon order of the court, be destroyed, and any lien thereon shall be deemed not to be a bona fide lien: *Provided,* That if there be bona fide liens against any other property so forfeited then such property shall be disposed of by public auction. Bona fide liens against the property so forfeited shall, on good cause shown by the lienor, be transferred from the property to the proceeds of the sale of the property. The proceeds of the sale of such property shall be available for the payment of such liens and for all expenses incident to such sale, and the remainder of the proceeds shall be deposited in the Treasury of the United States to the credit of the District of Columbia.

"(d) Any house, building, vessel, garage, shed, booth, shelter, enclosure, room, lot, or other premises to which the public commonly resort or congregate for business or pleasure, where publications, pictures, films, recordings, and other things and devices forbidden by this section are kept, possessed, sold, exhibited, manufactured, bartered, or given away, or to which persons resort for the purpose of observing same, is hereby declared to be a common nuisance and may be enjoined as hereinafter provided. Any person who knowingly maintains or assists in maintaining such a place is guilty of maintaining a nuisance.

"(e) Evidence that any of said prohibited acts are frequently committed in any of such places shall be prima facie proof that the proprietor or person having custody or control knowingly permitted the same, and evidence that persons have been convicted of committing any said act in any of such places is admissible to show knowledge on the part of the defendants that this section is being violated in the house or premises. The original papers and judgments, or certified copies thereof in such cases of conviction may be used in evidence in the suit for injunction, and oral evidence is admissible to show that the offense for which said parties were convicted was committed in said house or premises. Evidence of general reputation of said houses or premises shall also be admissible to prove the existence of said nuisance.

"(f) An action to enjoin any nuisance defined in this section may be brought in the name of the District of Columbia by the Corporation Counsel of the District of Columbia or any of his assistants in the municipal court for the District of Columbia against any person conducting or maintaining such nuisance or knowingly permitting such nuisance to be conducted or maintained. The rules of the municipal court for the District of Columbia relating to the granting of an injunction or restraining order shall be applicable with respect to actions brought under this subsection, except that the District as complaining party shall not be required to furnish bond or security. It shall not be necessary for the court to find the building, ground, premises, or place was being unlawfully used as aforesaid at the time of the hearing, but on finding that the material allegations of the complaint are true, the court shall enter an order restraining the defendant from keeping, possessing, selling, exhibiting, manufacturing, bartering, or giving away publications, pictures, films, recordings, or other things and devices forbidden by this section. When an injunction, either temporary or permanent, has been granted, it shall be binding on the defendant throughout the District of Columbia. Upon final judgment of the court order ordering such nuisance to be abated, the court may order that the defendant, or anyone claiming under him, shall not occupy or use, for a period of one year thereafter, the building, ground, premises, or place upon which the nuisance existed, but the court may, in its discretion, permit the defendant to occupy or use the said building, ground, premises, or place, if the defendant shall give bond with sufficient security to be approved by the court, in the penal and liquidated sum of not less than $1,000 nor more than $5,000, payable to the District of Columbia, and conditioned that the acts prohibited by this section shall not be done or permitted to be done in or upon the buildings, grounds, premises, or place. On violation of such bond the whole sum may be recovered as a penalty in the name of and for the District of Columbia and shall be deposited in the Treasury of the United States to the credit of the District of Columbia.

"(g) In the case of the violation of any injunction, temporary or permanent, rendered pursuant to the provisions of this section, proceedings for punishment for contempt may be commenced by the Corporation Counsel, or any of his assistants, by filing with the court in the same case in which the injunction was issued a petition under oath setting out the alleged offense constituting the violation and serving a copy of said petition upon the defendant requiring him to appear and answer the same within ten days from the service thereof. The trial shall be promptly held and may be upon affidavits or either party may demand the production and oral examination of the witnesses. Any person found guilty of contempt under the provisions of this section shall be punished by a fine of not more than $1,000, or by imprisonment for not more than twelve months, or by both such fine and imprisonment."

SEC. 2. Subsection (c) of section 866 of the Act entitled "An Act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended (D.C. Code, sec. 22–1505, 1951 edition), is amended to read as follows:

"(c) All moneys, vehicles, furnishings, fixtures, equipment, stock (including, without limitation, furnishings and fixtures adaptable to nongambling uses, and equipment and stock for printing, recording, computing, transporting, safekeeping, or communication), or other things of value used or to be used—

"(1) in carrying on or conducting any lottery, or the game or device commonly known as a policy lottery or policy, contrary to the provisions of section 863 of this Act;

"(2) in setting up or keeping any gaming table, bank, or device contrary to the provisions of section 865 of this Act; or

"(3) in maintaining any gambling premises,

shall be subject to seizure by any member of the Metropolitan Police force, or the United States Park Police, or the United States marshal, or any deputy marshal, for the District of Columbia, and any property seized shall be proceeded against in the Municipal Court for the District of Columbia by libel action brought in the name of the District of Columbia by the Corporation Counsel or any of his assistants, and shall, unless good cause be shown to the contrary, be forfeited to the District of Columbia and shall be made available for the use of any agency of the government of the District of Columbia, or otherwise disposed of as the Commissioners of

the District of Columbia may, by order or by regulation provide: *Provided*, That if there be bona fide liens against the property so forfeited, then such property shall be disposed of by public auction. Bona fide liens against property so forfeited shall, on good cause shown by the lienor, be transferred from the property to the proceeds of the sale of the property. Forfeit moneys and other proceeds realized from the enforcement of this section shall be deposited in the Treasury of the United States to the credit of the District of Columbia."

SEC. 3. This Act shall not be considered as affecting the authority vested in the Board of Commissioners of the District of Columbia by Reorganization Plan Numbered 5 of 1952 (66 Stat. 824), and the performance of any function vested by said plan in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners shall continue to be subject to delegation by said Board of Commissioners in accordance with section 3 of such plan. Any function vested by this Act in any agency established pursuant to such plan shall be deemed to be vested in said Board of Commissioners and shall be subject to delegation in accordance with said plan.

With the following committee amendment:

On page 2, line 1, strike the word "intriques" and insert in lieu thereof "intrigues".

The committee amendment was agreed to.

Mr. McMILLAN. Mr. Speaker, the purpose of the first section of this bill is to authorize the forfeiture of property which is used or which is to be used in connection with a violation of law relating to indecent publications (31 Stat. 1332; sec. 22–2201, D.C. Code, 1951 ed.). This section also provides that any "house, building, vessel, garage, shed, or other premises to which the public commonly resort or congregate for business or pleasure" which is used for the purposes of violating the law relating to indecent publications is declared to be a common nuisance and its use may be enjoined. In the case of a violation of any such injunction, proceedings for punishment for contempt may be commenced by the Corporation Counsel by filing a petition with the court in the same case in which the injunction was issued. Any person found guilty shall be punished by a fine of not more than $1,000, or by imprisonment for not more than 12 months, or both.

Section 2 authorizes the Corporation Counsel or any of his assistants to bring libel action against property seized under the gambling laws of the District of Columbia—section 866 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 2, 1901, as amended; section 22–1505, District of Columbia Code, 1951 edition. This amendment is necessitated by the fact that there are two libel cases now pending in the U.S. district court in which the Corporation Counsel sought to proceed in the name of the District of Columbia against certain property seized under the Gambling Act. The court ruled that the statute as now written does not permit the Corporation Counsel to file such a suit, even though under existing law the property is required to be forfeited to the District of Columbia. These two cases have been held by the court "pending further appropriate action."

Section 3 of this bill assures that the intent of Reorganization Plan No. 5 of 1952 will be made applicable to the proposed amendment of existing law.

The U.S. attorney for the District of Columbia concurs in the suggested amendments.

This legislation also has the approval of the Board of Commissioners of the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ASSOCIATION FOR CHILDHOOD EDUCATION INTERNATIONAL IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I call up the bill (S. 685) to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. AVERY. Mr. Speaker, reserving the right to object, this bill was on the Private Calendar yesterday and by mutual agreement between the gentleman from South Carolina and myself, I asked that it be passed over and be brought up today. I reserve the right to object merely to propound a question of the gentleman from South Carolina in reference to this organization, the Association for Childhood Education International in the District of Columbia. Is that a long-established organization here in the District of Columbia, or is it one that has sort of come in relatively lately?

Mr. McMILLAN. It has been here over 70 years.

Mr. AVERY. The gentleman feels it rightfully falls into this category of tax-exempt institutions?

Mr. McMILLAN. Yes. The facts have been investigated thoroughly for some years, and it has been found that it really deserves to be exempted.

Mr. AVERY. I thank the gentleman from South Carolina for this information on the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the real property situated in square 1908 in the city of Washington, District of Columbia, described as lots 11, 801, 806, and 807, owned by the Association for Childhood Education International, a District of Columbia corporation, and all personal property located thereon, is hereby exempt from all taxation so long as the same is owned, occupied, and used by the Association for Childhood Education International for its educational and other corporate purposes and is not used for commercial or income producing purposes, subject to the provisions of sections 2, 3, and 5 of the Act entitled "An Act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942 (56 Stat. 1089; D.C. Code, secs. 47–801b, 47–801c, and 47–801d).

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to exempt from taxation lots 11, 801, 806, and 807, situated in square 1908 in the city of Washington, D.C., owned by the Association for Childhood Education International, a District of Columbia corporation, and all personal property located thereon, so long as the same is owned, occupied, and used by the aforementioned association for its educational and other corporate purposes and is not used for commercial or income-producing purposes, subject to the provisions of sections 2, 3, and 5 of the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942 (56 Stat. 1089; D.C. Code, secs. 47–801b, 47–801c, and 47–801e).

The purposes and objectives of the association, as set forth in its certificate of incorporation, are as follows: To work for the education and well-being of children; to promote desirable conditions, programs, and practices in the schools—nursery through elementary; to raise the standards of preparation and to encourage continued professional growth of teachers and leaders in this field; to bring into active cooperation all groups concerned with children in the school, the home, and the community; to inform the public of the needs of children and how the school program must be adjusted to fit these needs; to achieve this purpose, Association for Childhood Education International shall be guided by a dynamic philosophy of education which is flexible and responsive to human needs in a changing society.

The association is a District of Columbia charitable nonprofit educational corporation and is supported by dues from its members and income from the sale of its publications. The present assessed value of the land and improvements thereon is $24,262, and at the current tax rate of $2.30 per hundred, the tax loss to the District of Columbia would be $558.02 annually.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ACTIONS IN THE DISTRICT OF COLUMBIA ON BEHALF OF MINORS

Mr. McMILLAN. Mr. Speaker, I call up the bill (S. 2035) authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and requiring persons receiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to establish a Code of Law for the District of Columbia", approved March 3, 1901 (31 Stat. 1189, ch. 854), as amended, is amended by inserting immediately after section 153 the following new section:

"SEC. 153A. (1) Any person entitled to maintain or defend an action in behalf of a minor child, including actions relating to real estate, shall be competent to settle or compromise any action so brought and, upon settlement or compromise thereof or upon satisfaction of any judgment obtained therein, shall be competent to give a full acquittance and release of all liability in connection with such action, but no such settlement or compromise shall be valid unless the same shall be approved by a judge of the court in which such action is pending.

"(2) Before any person shall receive any money or other property on behalf of a minor in settlement or compromise of any action brought on behalf of or against such minor or in satisfaction of any judgment in any such action, where (after deduction of fees, costs and all other expenses incident to the matter) the net value of said money and property due the minor exceeds $3,000, such person shall be duly appointed by a court of competent jurisdiction as guardian of the estate of such minor to receive such money or property, and shall have qualified as such."

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to authorize persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and to require persons receiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor.

It was brought to the attention of the committee at a hearing that minors are frequently involved in lawsuits with respect to which compromises or settlements are effected. However, there is no provision of law which requires court approval of any such compromise or settlement as a means of insuring that it is in the best interests of the minor. Neither is there any provision of law which authorizes persons representing minors in the settlement or compromise of a lawsuit to give a complete release to the other party litigant in such action, when there is final disposition of the case.

Paragraph No. (1) of the proposed section 153A to be inserted in the act of March 3, 1901, as amended—31 Stat. 1189—authorizes persons representing minors in the maintenance or defense of actions to settle or compromise any such action and to give a complete release in connection therewith. The subsection further provides that no such settlement or compromise shall be valid unless approved by a judge of the court in which such action is pending.

It is also possible under existing law that when a minor involved in a lawsuit is to receive money or property in settlement or compromise thereof, the money or other property is received for him by persons not accountable to the court for the safekeeping of the same. There is no provision of law which requires a court-appointed guardian to receive and account for such money or other property. The appointment of a guardian is permissive with the court. The committee was informed that it sometimes happens that money or other property paid to a person on behalf of a minor has been dissipated, rather than used for the benefit of the minor.

Paragraph No. (2) of the proposed section 153A, would require the appointment and qualification of a guardian to receive any or all money or other property paid a minor in settlement or compromise of any action brought on behalf of or against such minor or in satisfaction of any judgment in any such action, where the net value of such money or other property is in excess of $3,000. This language will correct a situation which might be to the possible detriment of a minor.

This bill has the approval of the Bar Association of the District of Columbia, the Board of Commissioners of the District of Columbia, and the Register of Wills of the U.S. District Court, whose office has general supervision over the estates of fiduciaries including guardians.

The enactment of this bill would not involve any expense to the Government of the District of Columbia.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADJUDICATION OF PROPERTY RIGHTS IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I call up the bill (S. 1372) to extend the jurisdiction of the Domestic Relations Branch in the Municipal Court for the District of Columbia to cover the adjudication of property rights in certain actions arising in the District of Columbia, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Act entitled "An Act to establish a Domestic Relations Branch in the Municipal Court for the District of Columbia, and for other purposes", approved April 11, 1956 (70 Stat. 111), is amended by inserting immediately after "actions for annulments of marriage;" the following: "determinations and adjudications of property rights, both real and personal, in any action hereinabove referred to in this section, irrespective of any jurisdictional limitation imposed on the Municipal Court for the District of Columbia;".

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to clarify and define the authority of the domestic relations branch in the municipal court to adjudicate the interests of husband and wife in personal and real property in the District of Columbia, in all actions coming before the domestic relations branch, other than proceedings in adoption.

The jurisdiction of this branch is set forth in section 105 of the act entitled "An act to establish a domestic relations branch in the municipal court for the District of Columbia, and for other purposes," approved April 11, 1956, as follows:

Jurisdiction of domestic relations branch: The domestic relations branch and each judge sitting therein shall have exclusive jurisdiction over all actions for divorce from the bond of marriage and legal separation from bed and board, including proceedings incidental to such actions for alimony, pendente lite and permanent, and for support and custody of minor children; applications for revocation of divorce from bed and board; civil actions to enforce support of minor children; civil actions to enforce support of wife; actions seeking custody of minor children; actions to declare marriages void; actions to declare marriages valid; actions for annulments of marriage; and proceedings in adoption.

Since some members of the court have expressed concern as to whether the domestic relations branch in the municipal court has jurisdiction in these matters relating to the adjudication of property rights, your committee feels that it is desirable to resolve this doubt by specifically conferring jurisdiction upon the court.

This legislation has the approval of the Board of Commissioners, District of Columbia.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE MINERAL LEASING ACT

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2181) to amend the Mineral Leasing Act of February 25, 1920, as amended.

The clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 27 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, 448), as amended (30 U.S.C., sec. 184), is further amended by the insertion, immediately after the sixteenth sentence, of the following: "The right of cancellation or forfeiture for violation of the provisions of this Act shall not apply so as to affect adversely the title or interest of a bona fide purchaser in any lease, option for a lease, or interest in a lease acquired in conformity with the acreage limitations of this Act from any other person, association or corporation whose holdings, or the holdings of a predecessor in title, including the original lessee of the United States, may have been canceled or forfeited, or may be subject to cancellation or forfeiture for any such violation. Any person, association or corporation who is a party to any proceedings with respect to a violation of any provision of this Act, shall have the right to be dismissed as such a party upon showing that the person, association or corporation acquired the interest involving him as such a bona fide purchaser without violating any provisions of this Act. If during any such proceedings with respect to a violation of any provisions of this Act, a party to those proceedings files with the Secretary of the Interior a waiver of his rights under the lease to drill or to assign his interests thereunder or if such rights are suspended by order of the Secretary pending a decision in such proceedings, he shall, if he is found in such

proceedings not in violation of such provisions, have the right to have his interest extended for a period of time equal to the period between the filing of the waiver or the order of suspension by the Secretary and the final decision, without the payment of rental."

SEC. 2. The right granted by the second sentence of the amendment contained within section 1 of this Act shall apply with respect to any proceeding initiated either prior to or after the date of enactment of this Act.

The SPEAKER. Is a second demanded?

Mr. SAYLOR. I demand a second, Mr. Speaker.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, S. 2181 is a noncontroversial bill, involving no additional cost to the Government. In fact, some savings should result.

The measure is urgently needed for the relief of a substantial number of bona fide purchasers of interests in Federal oil and gas leases involved in pending administrative proceedings.

The measure accomplishes this purpose by adding three provisions to the Mineral Leasing Act.

The first provision is that the right of the Department of the Interior to cancel leases, interests in leases, and options on account of a violation of any provision of the act shall not be exercised in such a way as to affect adversely the interest of any bona fide purchaser who is not himself in violation of the act.

The second provision is that bona fide purchasers shall have a right to be dismissed from pending or future proceedings which are based only upon a violation by a predecessor in interest.

The third provision is that leases of innocent parties shall be extended where drilling or lease assignment rights of the party are or have been administratively suspended by the Secretary of the Interior before a decision is reached in a pending or future proceeding, or where such rights are voluntarily waived by the party during the proceeding. The length of the extended period would correspond with the period that elapsed while drilling or assignment rights were suspended during the proceeding.

The need for this legislation arose out of three contest actions initiated this year by the Bureau of Land Management. These actions, if decided favorably to the Government, would cancel a total of 491 oil and gas leases embracing more than 284,000 acres in Wyoming and Montana. Some 254 individuals or firms are involved.

Orders have already been issued under the authority of the Secretary of the Interior administratively suspending drilling and assignment rights under the leases involved in the three pending contests. Under the bill, rental payments will be required on these leases during the pendency of the contests. If the contestees holding the leases are innocent, their leases would be eligible for the extended period as provided in the bill, and during the extended period no rental payments would be required. Royalty obligations, of course, would accrue at all times.

The contests have caused uncertainty on the part of the oil and gas industry. Counsel for major companies and independent operators have testified that there is hesitancy to make the necessary investments for development because of the danger that in the chain of title of a lease one of its prior holders may have been in violation of the act and that the lease might be subject to cancellation for this reason.

Development activity has been curtailed. Revenues to the States and to the reclamation fund are threatened with harm if the situation continues.

Mr. Speaker, S. 2181, as reported, consists of a Department of the Interior draft with clarifying amendments. The measure will reactivate development of the oil and gas resources of the public lands and will protect the equities of innocent operators and investors.

Mr. Speaker, the committee amendments to S. 2181 are clarifying in nature. It should be clearly understood that the amendments do not change the purpose or effect of the bill as it passed the other body.

The committee amendment on page 2, lines 2 and 3, makes it clear that the term "predecessor in title" includes the original lessee.

The amendments on page 2, lines 4–5, 14–15, and 21 merely strikes out unnecessary language.

The amendments on page 2, lines 8–9, and on page 3, separate a transitory provision from provisions having permanent effect. These particular amendments are not intended to have and do not have effect on the substance of the bill, and it is especially to be understood that the sentence on page 2, lines 12–25, will apply to the contest proceedings now pending in the Bureau of Land Management.

Mr. Speaker, the committee amendments which have been suggested by the committee handling the bill are clarifying amendments.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Iowa.

Mr. GROSS. Do I understand that the objections of the Department to this bill have been met by way of amendment?

Mr. ASPINALL. The gentleman is correct. This is only a small part of the original bill. This is to take care of this one matter that needs to be taken care of at the present time and we will come back with other legislation.

Mr. GROSS. But the objections as set out in the report have been substantially met?

Mr. ASPINALL. That is correct.

Mr. GROSS. I thank the gentleman.

Mr. SAYLOR. Mr. Speaker, I yield such time as he may desire to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Speaker, the legislation under consideration is the minimum required to meet an emergency situation which threatens to retard, or even stop, the production of oil and gas on the public lands, to the great detriment of the Nation, the States and local communities, and particularly to those thousands of people who depend upon this activity for their jobs and livelihood.

I sincerely thank all of those who have recognized this situation and have made possible the consideration of this legislation under suspension of the rules. For another reason, consideration under suspension of the rules is the appropriate method to follow. I am convinced that if every Member understands this legislation, it will meet with unanimous approval.

Congress can take justifiable pride in the way that the Mineral Leasing Act of February 25, 1920, has operated to accomplish its purpose. The stated purpose of the act is "an act to promote the development of coal, phosphate, oil, oil shale, gas, and sodium on the public domain." Under the act, this has been accomplished to a remarkable extent, to the benefit of the Nation's economy and security. It has produced millions of dollars in Federal and State revenues. In a much simplified form, the way the act operates as far as oil and gas is concerned is this:

A person interested in the testing and development of certain public lands, which are not within a known producing area, files an application for a lease in the office of the Bureau of Land Management within the district in which the lands are located, at the same time tendering the payment of the required rentals. The application is examined, and if the Bureau of Land Management determines that the person is qualified, a lease is issued, signed by the proper officer for the Government and by the lessee. The lease may be assigned from time to time. Each assignment must be approved by the Government.

There is a limitation provided in the law as to the number of acres which any one person, association or corporation may have under lease in any one State. This is 46,080 acres. An additional 200,000 acres may be held by option in the State. In his application, the applicant must state that he is within the limitations, and in approving it, it must appear to the Secretary of the Interior that he is in compliance. It is with respect to this feature that the problem arises.

Let me say here and now, and once and for all, that the parties who are in violation would be wrongdoers, and no one has suggested that they should be given any consideration, and there is nothing in this legislation which would in any way operate in favor of the violator or wrongdoer. However, the Department of the Interior has recently, in three proceedings, two of which were initiated in Wyoming and one in Montana, undertaken by administrative action to cancel oil and gas leases, without regard for the fact that these leases have been assigned to an innocent purchaser for value or a bona fide purchaser, who has never been in violation of the acreage limitations or a party to a violation in any manner, and is in all other respects qualified to hold the lease. This is done on the theory that someone in the chain of title held more acreage than that allowed by

law. I understand that other such actions are being considered.

I am sure that you can readily see how unfair the results of this action would be, and the effect of it on the business activity. Unless this legislation is enacted, the language of the Act and the actions of the Department under the Act may operate in direct opposition to the stated purpose, until it becomes an Act to stop the production of oil and gas on the public domain.

To accomplish the consistently expressed objective of Congress of providing for development of this natural resource requires the expenditures of substantial sums of money for exploration, drilling and development. No one can be expected to expend these funds unless they are protected from confiscation through no fault or wrongdoing of their own.

You would not think of building your house on a lot that might eventually, through no fault of your own, revert back to the Government. As a practical matter, just as when you are ready to build on your lot or when you acquire the lot, you seek a title opinion of a lawyer, before a lease is acquired or developed, a title opinion is required. With the position taken by the Department, there is no way of determining whether or not the title is good, so as to justify the expenditure of funds for purchase or development.

Frank M. Gallivan, an attorney at law in Cheyenne, Wyo., whose practice has been confined almost solely to oil and gas title problems, and principally as concerns Federal oil and gas leases, and who is a recognized authority in this field, testified before the House Interior Committee as follows:

> In most instances, the parties named as defendants in the alleged frauds were either predecessors in title, who had been original lessees, and had in years past retained an overriding royalty, or they were subsequent innocent purchasers for value.
>
> At the time of most of the purchases, there was no recorded evidence that the principal contestees involved in the contests had or claimed an interest in the leases, nor did any other available Government records reveal that any of the parties involved in the leasehold titles might have been in violation of the law.

The devastating effect of the filing of these cases does not come about from the lands involved in the cases themselves. It is the effect that the theory advanced has had upon other transactions which are essential to continued oil and gas activity on the public domain. As a result of the filing of these actions, in some cases of which I am advised, transfer of leases and actual development programs have already been stopped because the examining attorney has indicated that he would have to make an exception to the title and state that in his opinion, it was a good title only if in fact each and every person, association or corporation in the chain of title was within the acreage limitation.

There is no way of determining this. It has become almost universal practice among lawyers to make such exceptions. Banks and other lenders are naturally more cautious than purchasers. The effect on financing, which is so essential to oil and gas expansion, will be disastrous. It will affect a major portion of the 135,000 leases covering over 111 million acres of public lands. Something must be done in this session of Congress, before the next drilling season begins, if this is to be avoided.

I personally believe that the Secretary does not have the authority under the present act to cancel or forfeit a lease under these circumstances by administrative proceedings. I further believe that a court would refuse to cancel the lease, or at least the interest in the lease of an innocent person, but it would take years to finally litigate these questions. In at least one instance, an action has been commenced by one of the parties to enjoin the Secretary from proceeding to cancel by administrative action. Even if an injunction is issued, though, as I think it will be, the Department could then proceed to bring an action in court to cancel the lease, and it would be necessary to fully litigate that question. In the meantime, no one can purchase by assignment any Federal oil and gas lease.

The impact upon the economy of the area involved, the loss of employment, the loss to the Nation as a whole, and the disruption of the development of the public lands and the country's natural resources, contrary to the policy of the Congress, would be more than just significant. I think that Wyoming is a fairly typical public land State. Over 70 percent of the minerals are in the control of the Federal Government directly. This affects a much greater acreage. Development often requires a large block of acreage. Development even on the private lands within that block would be stopped if this cloud remains on the title to the Federal lands. The same would be true in other States.

To correct this situation, S. 2181 was introduced in the other body by the senior Senator from Wyoming, and H.R. 7787, an almost identical bill, was introduced in the House by myself. The gentleman from Alaska [Mr. RIVERS], joined in sponsoring the legislation and introduced H.R. 8036.

These bills would have provided for rather extensive amendments to the Mineral Leasing Act of 1920. With reference to the situation I have described, the principal effects would have been, first, to remove the distinction between acreage held by lease and acreage held by option; second, to protect the innocent purchaser; third, to toll the running of the term of the lease under challenge; and fourth, where a lease was challenged for fraud, to give to the accused his traditional rights in a court of law, and to provide additional penalties if he was found guilty of fraud.

All of these things are essential to the full solution of the problem. Extensive hearings were held. Outstanding witnesses from all phases of the oil and gas industry were heard, as well as the Department. So far as I know, everyone agreed that these things were necessary and proper.

Removal of the distinction between holdings under lease and holdings under option is particularly important, because in various types of transactions, it is impossible to determine whether the acreage should be charged as leased acreage or acreage under option.

I am confident that no Member of Congress wants to put any citizen in this position of acting without being able to determine whether he is doing right or wrong. Unfortunately, some of these remedial actions, however, were, in the minds of some, so inseparably associated with other proposed changes in the act that it became apparent that the questions involved could not be resolved at this stage of the present session of the 86th Congress.

As a result, the bill presented to you for approval contains only protection for the innocent purchaser and provision for extension of the term of his lease for a period of time equal to that for which his rights to drill or assign the lease were suspended while his innocence was being determined.

I would like to emphasize that this will not completely solve the situation. To accomplish this, prompt action should be taken in the next session. At my request, H.R. 7787 and H.R. 8036 have not been reported by the House Interior Committee. My reason for requesting this is that full hearings have been held on these bills, and by retaining them in committee, prompt action will be facilitated.

As a minimum, though, the legislation before you must be passed. The only effect of it is to provide that the cancellation or forfeiture for violation of the provisions of the act shall not affect adversely the title or interest of a bona fide purchaser who acquired his interest in conformity with the acreage limitations of the act and is otherwise qualified; that the innocent purchaser will have the right to have his lease extended without payment of additional rentals for a period of time equal to that which he lost while his innocence was being determined; and to provide that a party in any proceedings now pending or later filed with respect to a violation of any provision of the Mineral Leasing Act shall have the right to be dismissed as such a party upon showing that he acquired the interest as a bona fide purchaser without violating any provisions of the act.

If this is done, activity can go forward for the next drilling season. If not, irreparable harm will be done to the national interest, to the areas involved, and to those who depend upon this activity for their jobs and livelihood.

Full hearings have been held by the House Interior and Insular Committee and before the corresponding committee of the other body. Outstanding citizens from every phase of the industry appeared as witnesses. The Department of Interior has fully considered the legislation. It has reported favorably. Its witnesses were heard. The legislation was reported by the committee unanimously. The facts are established. All have agreed.

I am confident that every Member of this House wants to protect the innocent. That is all this bill would do. I urge its favorable consideration.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill, S. 2181, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS, LA FERIA DIVISION

Mr. ROGERS of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4279) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, La Feria division, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof or supplementary thereto, including the last sentence of Section 1 of the Act of October 7, 1949 (63 Stat. 724), but subject to exceptions herein contained) is authorized to undertake the rehabilitation and betterment of the works of the La Feria Water Control and Improvement District, Cameron County numbered 3, Texas, and to operate and maintain the same. Such undertaking which shall be known as the La Feria division of the lower Rio Grande rehabilitation project, shall not be commenced until a repayment contract has been entered into by said district under the Federal reclamation laws, subject to exceptions herein contained, which contract shall provide for payment of the capital cost of the La Feria division over a basic period of not more than thirty-five years, and shall, in addition, in lieu of the excess-land provisions of the Federal reclamation laws, require the payment of interest on that pro rata share of the capital cost, which is attributable to furnishing benefits in each particular year to land held in private ownership by any one owner in excess of one hundred and sixty irrigable acres, said interest to be at a rate determined by the Secretary of the Treasury by estimating the average annual yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May preceding the fiscal year in which the repayment contract is entered into, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 per centum.

SEC. 2. Title to all lands and works of the division, to the extent an interest has been vested in the United States, shall pass to the La Feria Water Control and Improvement District, Cameron County numbered 3 or its designee or designees upon payment to the United States of all obligations arising under this Act or incurred in connection with this division of the project.

SEC. 3. There is hereby authorized to be appropriated for the work to be undertaken pursuant to the first section of this Act, the sum of $6,000,000 (January 1959 costs), plus such amount, if any, as may be required by reason of changes in costs of work of the types involved as shown by engineering indices.

The SPEAKER. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ROGERS of Texas. Mr. Speaker, H.R. 4279 would authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the La Feria division of the lower Rio Grande rehabilitation project, Texas. The plan of rehabilitation is designed to permit more economical operation and maintenance of the irrigation district's irrigation works, provide more efficient water deliveries, reduce distribution system losses, and reduce flooding in some areas.

The legislation authorizes the appropriation of $6 million for the project. Following the usual procedure, the actual appropriation of funds would be made later in the annual Public Works Appropriation Acts.

The La Feria division consists of the existing irrigation and drainage works of the La Feria Water Control and Improvement District, Cameron County, No. 3. The district is 1 of 37 water control and improvement districts in the lower Rio Grande Valley. The diversion and distribution works have been in continuous operation for over 40 years. The district's system is capable of serving 27,000 acres of irrigable land but it is in urgent need of modernization and improvements for efficient and economical operation. About 2 acre-feet of water out of every 3 diverted into the distribution system are lost through seepage or other waste. It is estimated that the rehabilitation of the works will permit the saving of some 15,000 acre-feet of water annually. With the constantly increasing use of Rio Grande water for irrigation, this rehabilitation is necessary to assure the La Feria division of a continued adequate supply of water.

Mr. Speaker, I would like to emphasize two points with respect to the economic aspects of the La Feria project. The cost, estimated at $6 million, will be fully repaid in a period of 35 years, with interest on that very small part which is attributable to furnishing benefits to ownerships in excess of 160 acres. The district has already agreed to these repayment arrangements. The other point I want to emphasize is the fact that the benefits from this development would be about 5 times the costs and, from an economic standpoint, this is one of the best projects our committee has considered.

This project does not bring into production any new land or change the existing crop pattern to any extent. It merely provides for more efficient operation of the works serving the existing lands. Fruits and vegetables, and some cotton, are the principle crops grown in the La Feria district. The average size farm is approximately 80 acres and out of 1,868 farms, only 11 exceed 160 acres and the largest single farm is 361 acres.

The Department of the Interior has submitted a project feasibility report to the Congress and a report on this legislation to the committee, both of which recommend the authorization and construction of the La Feria division. Both reports have been reviewed and cleared by the Bureau of the Budget. Although there is some local opposition to the rehabilitation work because of the cost to be assessed against the water users, the district has approved the project and the proposed repayment contract by a favorable vote at an election called for that purpose.

The La Feria division is an excellent project and urgently needed and I hope that H.R. 4279 will be passed.

Mr. Speaker, the entire $6 million involved in this project will be repaid. It is a very worthy project and one that is needed to have the water that otherwise is going to waste.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from California.

Mr. ROOSEVELT. I should like to ask the gentleman a question concerning the types of crops which will be grown in this rehabilitation area. It is my understanding that most of the area will produce fruits and vegetables and only a small percentage of it will produce cotton.

Mr. ROGERS of Texas. That is right. This is the winter garden area of Texas. It is in the Rio Grande Valley area and most of it is truck gardening. These farmers who are involved are all small farmers; these are all small tracts, I believe around 80 acres. They are farms of that kind on which people live and from which they make their living. The water that is presently being used is lost, two-thirds of it that comes through the canal is lost. When you lose 66⅔ percent of the water, it is a serious situation so far as the economy is concerned. In my opinion it will not increase the production of any surplus crops. I think the record before the committee will show that.

Mr. ROOSEVELT. I thank the gentleman.

Mr. SAYLOR. Mr. Speaker, this is one of the finest examples of a reclamation project that has been brought before the House Committee on Interior and Insular Affairs since I have been a member. This is a type of project, which, in my opinion, the Reclamation Act was originally passed to take care of. These are small home farms producing what are known as row crops producing food for consumption and not for the Commodity Credit Corporation. I certainly feel the House is taking the proper action today in this suspension of the rules. I urge the suspension of the rules and the passage of this bill.

The SPEAKER pro tempore (Mr. WALTER). The question is, Will the House suspend the rules and pass the bill, H.R. 4279, with amendments?

The question was taken; and the Speaker pro tempore announced in the opinion of the Chair, two-thirds had voted in the affirmative.

Mr. CLEM MILLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the ab-

sent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 281, nays 114, not voting 39, as follows:

[Roll No. 156]

YEAS—281

Abbitt	Frelinghuysen	Morris, N. Mex.
Abernethy	Friedel	Morris, Okla.
Adair	Garmatz	Moss
Albert	Gary	Moulder
Alexander	Gathings	Multer
Alford	Gavin	Murphy
Alger	George	Murray
Andersen, Minn.	Glenn	Natcher
	Goodell	Nelsen
Anderson, Mont.	Granahan	Nix
	Grant	Norblad
Ashmore	Gray	Norrell
Aspinall	Green, Pa.	O'Brien, Ill.
Avery	Griffiths	O'Hara, Ill.
Ayres	Gubser	O'Neill
Baldwin	Haley	Oliver
Baring	Halleck	Passman
Barrett	Hardy	Patman
Barry	Hargis	Pelly
Bass, N.H.	Harmon	Perkins
Bass, Tenn.	Harris	Pfost
Beckworth	Harrison	Philbin
Belcher	Hays	Preston
Bennett, Fla.	Healey	Price
Bennett, Mich.	Hemphill	Prokop
Bentley	Henderson	Quigley
Berry	Herlong	Rabaut
Blitch	Hoffman, Ill.	Rains
Boggs	Holland	Randall
Boland	Horan	Rees, Kans.
Bolling	Hosmer	Rhodes, Ariz.
Bowles	Huddleston	Rhodes, Pa.
Boyle	Hull	Riehlman
Bray	Ikard	Riley
Brewster	Inouye	Rivers, Alaska
Brock	Irwin	Roberts
Brooks, La.	Jarman	Rogers, Colo.
Brooks, Tex.	Jennings	Rogers, Fla.
Broomfield	Jensen	Rogers, Mass.
Brown, Ga.	Johnson, Calif.	Rogers, Tex.
Brown, Mo.	Johnson, Colo.	Rooney
Broyhill	Johnson, Md.	Rostenkowski
Buckley	Johnson, Wis.	Roush
Burdick	Jones, Ala.	Rutherford
Burke, Ky.	Karsten	Saund
Burke, Mass.	Kee	Saylor
Burleson	Keith	Schenck
Byrne, Pa.	Kelly	Schwengel
Cannon	Keogh	Scott
Carnahan	Kilday	Selden
Carter	Kilgore	Shelley
Casey	King, Calif.	Sheppard
Celler	King, Utah	Shipley
Chelf	Kirwan	Short
Chenoweth	Kitchin	Simpson, Ill.
Chiperfield	Kluczynski	Simpson, Pa.
Clark	Knox	Sisk
Coffin	Lafore	Smith, Kans.
Colmer	Landrum	Smith, Miss.
Conte	Lane	Smith, Va.
Corbett	Langen	Spence
Cramer	Lankford	Springer
Cunningham	Lennon	Steed
Curtin	Levering	Stratton
Curtis, Mass.	Libonati	Stubblefield
Curtis, Mo.	Lipscomb	Sullivan
Davis, Ga.	Loser	Teague, Calif.
Dawson	McCormack	Teague, Tex.
Delaney	McFall	Teller
Denton	McGinley	Thomas
Donohue	McGovern	Thompson, La.
Dooley	McIntire	Thompson, Tex.
Dorn, S.C.	McMillan	Thomson, Wyo.
Dowdy	McSween	Thornberry
Downing	Macdonald	Toll
Doyle	Mack, Ill.	Tollefson
Durham	Mahon	Trimble
Edmondson	Mailliard	Tuck
Elliott	Marshall	Udall
Everett	Matthews	Ullman
Evins	May	Van Zandt
Fallon	Meader	Vinson
Fascell	Merrow	Walter
Feighan	Metcalf	Wampler
Fisher	Michel	Watts
Flood	Miller, George P.	Weaver
Flynt		Weis
Fogarty	Mills	Whitener
Foley	Mitchell	Whitten
Forand	Moeller	Widnall
Forrester	Montoya	Wier
Fountain	Morgan	Williams
Frazier	Moorhead	Willis
Winstead	Wolf	Young
Withrow	Wright	Younger

NAYS—114

Addonizio	Farbstein	Miller, Clem
Allen	Fenton	Miller, N.Y.
Arends	Fino	Milliken
Ashley	Flynn	Monagan
Auchincloss	Fulton	Moore
Barr	Gallagher	Mumma
Bates	Giaimo	O'Hara, Mich.
Becker	Green, Oreg.	O'Konski
Betts	Griffin	Osmers
Blatnik	Gross	Ostertag
Bosch	Hagen	Pillion
Bow	Halpern	Pirnie
Brademas	Hechler	Poff
Brown, Ohio	Hess	Porter
Budge	Hiestand	Pucinski
Bush	Hoeven	Quie
Byrnes, Wis.	Hoffman, Mich.	Ray
Cahill	Hogan	Reuss
Cederberg	Holt	Robison
Chamberlain	Holtzman	Rodino
Church	Johansen	Roosevelt
Coad	Jonas	Santangelo
Cohelan	Judd	Scherer
Collier	Karth	Siler
Cook	Kasem	Slack
Daddario	Kastenmeier	Smith, Calif.
Dague	Kearns	Smith, Iowa
Daniels	Kilburn	Staggers
Davis, Tenn.	Kowalski	Taber
Dent	Laird	Taylor
Derounian	Latta	Thompson, N.J.
Devine	Lindsay	Vanik
Diggs	McCulloch	Wainwright
Dingell	Mack, Wash.	Wallhauser
Dixon	Madden	Wharton
Dorn, N.Y.	Martin	Yates
Dulski	Mason	Zablocki
Dwyer	Meyer	Zelenko

NOT VOTING—39

Andrews	Dollinger	Morrison
Anfuso	Ford	O'Brien, N.Y.
Bailey	Hall	Pilcher
Baker	Hébert	Poage
Barden	Holifield	Powell
Baumhart	Jackson	Reece, Tenn.
Bolton	Jones, Mo.	Rivers, S.C.
Bonner	Lesinski	St. George
Boykin	McDonough	Sikes
Breeding	McDowell	Utt
Canfield	Machrowicz	Van Pelt
Cooley	Magnuson	Westland
Derwinski	Minshall	Wilson

So (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert and Mr. Morrison for, with Mr. Carter against.

Mr. Anfuso and Mr. Lesinski for, with Mr. Ford against.

Mr. Holifield and Mr. O'Brien of New York for, with Mr. Van Pelt against.

Until further notice:

Mr. Rivers of South Carolina with Mrs. Bolton.

Mr. Sikes with Mr. Baumhart.

Mr. Machrowicz with Mrs. St. George.

Mr. Powell with Mr. Westland.

Mr. Hall with Mr. Reece of Tennessee.

Mr. Dollinger with Mr. Jackson.

Mr. Cooley with Mr. Derwinski.

Mr. Breeding with Mr. Baker.

Mr. Bailey with Mr. Wilson.

Mr. McDowell with Mr. Utt.

Mr. Andrews with Mr. Minshall.

Mr. Pilcher with Mr. McDonough.

Mr. Magnuson with Mr. Canfield.

Mr. ADDONIZIO, Mr. COOK, Mr. PORTER, Mr. BOSCH, Mr. RAY, and Mr. CHAMBERLAIN changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

ENACTING THE PROVISIONS OF REORGANIZATION PLAN NO. 1 OF 1959 WITH CERTAIN PROVISIONS

Mr. SMITH of Iowa. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7681) to enact the provisions of Reorganization Plan No. 1 of 1959 with certain amendments, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, except as otherwise provided in section 2 hereof, the following functions are hereby transferred to the Secretary of Agriculture:

(a) The functions of the Secretary of the Interior under the Act of March 20, 1922, 42 Stat. 465, as amended (16 U.S.C. 485, 486), with respect to exchanges of non-Federal lands for national forest lands or timber.

(b) The functions of the Secretary of the Interior under the Act of February 2, 1922 (42 Stat. 362), with respect to exchanges of lands in private ownership within or within six miles of the Deschutes National Forest for national forest lands, or for timber from any national forest, in the State of Oregon.

(c) The functions of the Secretary of the Interior under the Act of June 7, 1924 (43 Stat. 643), except section 2 thereof, with respect to exchanges of privately owned lands for national forest timber in New Mexico.

(d) The functions of the Secretary of the Interior under the Act of January 12, 1925 (43 Stat. 739), except section 2 thereof, with respect to exchanges of privately owned lands for national forest timber in New Mexico.

(e) The functions of the Secretary of the Interior under the Act of April 21, 1926 (44 Stat. 303), except section 2 thereof, with respect to exchanges of privately owned lands for national forest lands or timber in New Mexico and Arizona.

(f) The functions of the Secretary of the Interior under section 2 of the Act of May 26, 1926 (44 Stat. 655; 16 U.S.C. 38), with respect to exchanges of lands held in private or State ownership for national forest lands or timber in Montana.

(g) The functions of the Secretary of the Interior under the Act of June 15, 1926 (44 Stat. 746), with respect to exchanges of State lands for national forest lands in New Mexico.

(h) The functions of the Secretary of the Interior under the Act of December 7, 1942 (56 Stat. 1042), with respect to exchange transactions in which lands under the jurisdiction of the Secretary of Agriculture are exchanged for State lands in Minnesota which are to be under the jurisdiction of the Secretary of Agriculture after their acquisition by the United States.

(i) The function of the Secretary of the Interior (originally vested in the Commissioner of the General Land Office) under section 6 of the Act of April 28, 1930 (46 Stat. 257; 43 U.S.C. 872), with respect to execution of quitclaim deeds for lands conveyed to the United States in connection with exchange transactions involving lands under the jurisdiction of the Secretary of Agriculture.

(j) The functions of the Secretary of the Interior under section 2(b) of the Joint Resolution of August 8, 1947 (61 State. 921), with respect to appraisals and sales of certain lands within the Tongass National Forest.

(k) The functions of the Secretary of the Interior under section 10 of the Act of March 1, 1911 (36 Stat. 962; 16 U.S.C. 519), with respect to sales of small tracts of acquired

national forest lands found chiefly valuable for agriculture.

(l) The functions of the Secretary of the Interior under section 402 of Reorganization Plan Numbered 3 of 1946 (60 Stat. 1099), section 3 of the Act of September 1, 1949 (63 Stat. 683; 30 U.S.C. 192c), the Act of June 30, 1950 (64 Stat. 311; 16 U.S.C. 508b), section 3 of the Act of June 28, 1952 (66 Stat. 285), or otherwise, with respect to the use and disposal from lands under the jurisdiction of the Secretary of Agriculture of those mineral materials which the Secretary of Agriculture is authorized to dispose of from other lands under his jurisdiction under the Act of July 31, 1947 (61 Stat. 681), as amended by the Act of July 23, 1955 (69 Stat. 367; 30 U.S.C. 601 and the following).

SEC. 2(a). In no case covered by subsections (a), (b), (e), (g), and (h) of section 1 hereof shall the exchange provide for the patenting of land by the United States without a reservation of minerals (1) unless the Secretary of Agriculture has obtained the advice of the Secretary of the Interior that the land is nonmineral in character, or (2) unless the Secretary of the Interior approves of the valuation and disposition of the minerals in the lands to be patented. A sale of land covered by subsection (j) of section 1 hereof shall be made by the Secretary of Agriculture without a reservation of minerals only after consultation with, and the approval of, the Secretary of the Interior as to the valuation and disposition of the minerals. No lands of the United States shall be exchanged in any case covered by subsection (f) of section 1 hereof unless the Secretary of Agriculture has obtained the advice of the Secretary of the Interior that such lands are nonmineral in character.

(b) Nothing in this Act shall be construed to authorize the Secretary of Agriculture to determine or adjudicate the validity or invalidity of any mining claim or part thereof.

(c) Nothing in subsection (l) of section 1 hereof shall be construed to authorize the Secretary of Agriculture to dispose of coal, phosphate, sodium, potassium, oil, oil shale, gas, or sulfur, or to dispose of any minerals which would be subject to disposal under the mining laws if said laws were applicable to the lands in which the minerals are situated.

(d) Upon approval by the Secretary of Agriculture pursuant to the provisions of this Act of any exchange or sale, respectively, of national forest lands under the provisions of law referred to in subsections (a), (b), (e), (f), (g), and (j) of section 1, hereof, the Secretary of the Interior, upon the recommendation of the Secretary of Agriculture, shall issue the patent therefor.

(e) All conveyances under the Act referred to in subsection (h) of section 1 hereof of national forest lands reserved from the public domain shall, upon recommendation of the Secretary of Agriculture, be made by the Secretary of the Interior.

The SPEAKER pro tempore (Mr. WALTER). Is a second demanded?

Mr. BROWN of Ohio. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, H.R. 7681 would enact the basic provisions of Reorganization Plan No. 1 of 1959, with certain amendments which the Committee on Government Operations believes are needed to protect the public interest. The committee held hearings on the plan and found it subject to several serious objections. The committee also recognized that the plan would eliminate some duplication and overlapping of functions and be in the public interest if certain objectionable features were eliminated. However, under the Reorganization Act of 1949, as amended—title 5, United States Code, section 133z—no provision is made whereby either the Congress or either House can amend the plan as such, without separate legislation. Accordingly, the committee recommended the adoption of House Resolution 295 to disapprove the plan—see House Report No. 586, 86th Congress—and the House adopted the resolution on July 7, 1959. The committee also recommended adoption of the bill H.R. 7681, as amended, which would enact the beneficial features of the plan, together with some amendments to the plan which the committee believes are in the public interest.

The principal effects of Reorganization Plan No. 1 of 1959, as transmitted by the President, would have been as follows:

First. It would have transferred to the Secretary of Agriculture all the functions of the Secretary of the Interior in making exchanges of public national forest lands for private lands and in making sales of such lands, except the purely ministerial function of issuing patents or conveyances for such land. H.R. 7681 retains some of these functions in the Secretary of the Interior; namely, those relating to retention or disposition of minerals in the lands to be patented.

Second. The plan would have transferred to the Secretary of Agriculture all the functions of the Secretary of the Interior in selling certain mineral materials on acquired national forest lands. H.R. 7681 contains provisions to insure that the Secretary of Agriculture shall not use the materials act to dispose of minerals which are subject to the mineral leasing acts and the mining law.

Third. The plan would have specifically authorized the Secretary of Agriculture to redelegate the functions transferred to him by the plan to any officer or employee of the Agriculture Department pursuant to section 4(a)—and without complying with the provisions of 4(b)—of Reorganization Plan No. 2 of 1953 (67 Stat. 633). This provision is not contained in H.R. 7681.

The committee believes H.R. 7681 will enact the positive and beneficial features of the plan. In addition, the bill makes several amendments to the plan. These amendments would, first, insure that the Secretary of the Interior would continue to have responsibility and functions with respect to minerals in the lands which are exchanged or sold; second, insure that the Secretary of Agriculture would not assume the function of determining or adjudicating the validity of mining claims which conflict with forest exchange or sale applications; third, insure that the Secretary of Agriculture would not, under the Materials Act, dispose of minerals subject to the mineral leasing or mining laws; and fourth, omit a reference in the President's plan which would have permitted a broad and unlimited delegation of authority without any obligation to provide advance public notice and opportunity for the public to express views or take action on the proposed delegation.

The enactment of the bill will eliminate duplication of work on such matters as checking legal titles, processing papers through the Land Office, publication of notices of pending exchanges, cross-checking between the departments on the status of cases being processed, and in other respects. The bill will also remove inconveniences to the public which have resulted from the fact that persons wishing to make exchanges or to purchase certain lands or certain common mineral materials on forest lands must deal with two offices—one in the Agriculture Department and one in the Interior Department. Under the bill all dealings by the public on the subjects covered would, in general, be solely with the Forest Service of the Department of Agriculture. Any cross-checking that may be required can be accomplished by the Forest Service at the same time it is processing other phases of the transaction and thus all delays now found in the relationship of the two departments can be avoided.

H.R. 7681 was reported by the Committee on Government Operations on July 3, 1959. At that time Reorganization Plan No. 1 of 1959 had not yet been disapproved. Consequently, and naturally, at that time the executive departments and the Bureau of the Budget expressed opposition to the bill and support of the plan.

Following the disapproval of the plan, the chairman of the committee ascertained that the executive agencies then desired the enactment of most of the provisions of H.R. 7681. Disagreement existed only with respect to section 2(a) of the bill. As reported by the committee, section 2(a) would require the Secretary of the Interior to participate in and approve determinations involving, first, whether lands are mineral or nonmineral in character; second, whether or not minerals shall be reserved to the United States; and third, the value of mineral rights in land; and, as amended by the committee, the bill further would require that any regulations made concerning the matters covered by section 2(a) must be approved by the Secretary of the Interior and the Secretary of Agriculture.

The agencies believed that as reported section 2(a) might complicate the handling of forest exchanges. Consequently, a revised section 2(a) has been worked out which is acceptable to the Department of Agriculture, the Department of the Interior, and the Bureau of the Budget. Under the revision which has been agreed upon, forest lands could be patented by the Secretary of Agriculture without a reservation of minerals in exchange for private lands under subsections (a), (b), (e), (g), and (h) of section 1 only if he had been advised by the Secretary of the Interior that the land to be patented is nonmineral in character or if he has the approval of the Secretary of the Interior as to the valuation and disposition of the minerals in the lands to be patented. Lands would be exchanged under subsection (f) of section 1 only if the Secretary of Agriculture had been advised by the Sec-

retary of the Interior that the lands to be conveyed by the United States were nonmineral in character. No reference is made in the revised section 2(a) to exchanges under subsections (c) and (d) of section 1 since both of those subsections are concerned solely with exchange of national forest timber for privately owned lands. In addition, the revised section 2(a) provides that sales of certain lands within the Tongass National Forest in Alaska, under subsection (j) of section 1, may be made by the Secretary of Agriculture without a reservation of minerals only after having consulted with the Secretary of the Interior and having obtained his approval as to the valuation and disposition of the minerals.

As I have stated, the two departments and the Budget Bureau have agreed to the revised amendment.

I am informed that the eminent chairman of the Committee on Interior and Insular Affairs, who strongly urged the disapproval of the reorganization plan as it was originally presented by the President, also concurs in the amendment which I shall propose.

The revised section 2(a) will assure (a) that determinations as to the mineral character of the land to be exchanged will be the responsibility of the Secretary of the Interior, and (b) that the Secretary of Agriculture will not dispose of minerals in forest exchanges and sales without the concurrence of the Secretary of the Interior. This takes care of the two major objections to the plan.

Mr. Speaker, I believe H.R. 7681 will achieve efficiency and economy in our Government, remove some of the overlapping and duplication in connection with exchanges and sales of public national forest lands, and disposal of common mineral materials in such lands, remove certain inconveniences to the public, and help give us protection against the disposal of Government-owned minerals for less than value. I urge the adoption of the bill.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Iowa [Mr. SMITH], the author of this bill, has explained, this measure, H.R. 7681, was originally introduced by him on June 11, 1959, and reported to the House on July 6, 1959, for the purpose of doing approximately the same thing as was provided in the Reorganization Plan No. 1, submitted by the President of the United States. At the time Reorganization Plan No. 1 was before the House, considerable controversy arose over the reporting of the bill, H.R. 7681, without, what the minority believed, were proper hearings. As a result, a minority report was filed at that time with the bill which, of course, no longer pertains to this measure inasmuch as it has been amended and changed, or will be by the adoption of this amendment. This amendment was worked out, as the gentleman from Iowa has so ably explained by the majority and minority members of the subcommittee of which I was the ranking member.

I am taking charge of the time on the bill on this side of the House today at the request of the ranking member of the full committee, the gentleman from Michigan [Mr. HOFFMAN].

This amendment was worked out to the satisfaction of the members of the subcommittee and of the full committee, and also to the satisfaction of the Bureau of the Budget, the Department of Agriculture, and the Department of the Interior. So we have agreed completely, fully and unanimously on the approval of this bill with the amendment as has been reported by the gentleman from Iowa. So, therefore, I hope there will be full support for the measure as amended.

Mr. Speaker, I have no further requests for time.

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Iowa that the rules be suspended and the bill be passed.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ADMIT VESSEL "JOHN F. DREWS" TO AMERICAN REGISTRY

Mr. GEORGE P. MILLER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3792) to admit the vessel *John F. Drews* to American registry and to permit its use in the coastwise trade while it is owned by Merritt-Chapman & Scott Corp. of New York.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That, notwithstanding the provisions of section 4132 of the Revised Statutes of the United States, as amended (46 U.S.C. 11), and section 27 of the Merchant Marine Act, 1920, as amended (46 U.S.C. 883), the vessel now known as the "John F. Drews" (F–X–Tioga; WYT–74 (Calumet (USCG)), documented under United States registry with official number 252202, built in 1894 in Buffalo, New York, presently under Canadian registry by permission of transfer order numbered MA–4583, and owned on the date of this Act by Merritt-Chapman and Scott Corporation of New York, shall be admitted to American registry and shall be entitled to engage in the coastwise trade and to transport passengers and merchandise between points in the United States, including districts, Territories, and possessions thereof embraced within the coastwise laws, for so long as such vessel is from the date of enactment of this Act continuously owned by Merritt-Chapman and Scott Corporation of New York.

The SPEAKER pro tempore. Is a second demanded?

Mr. TOLLEFSON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California will be recognized for 20 minutes and the gentleman from Washington for 20 minutes.

Mr. GEORGE P. MILLER. Mr. Speaker, I yield myself such time as I may need.

The SPEAKER pro tempore. The gentleman from California is recognized.

Mr. GEORGE P. MILLER. Mr. Speaker, the purpose of this bill is to authorize the readmission of the vessel *John F. Drews* to American registry and to permit its use in the coastwise trade while it is owned by Merritt-Chapman & Scott Corp. of New York.

The *John F. Drews* is the former U.S. Coast Guard tug, *Calumet,* built of steel construction in 1894 at Buffalo, N.Y. The vessel is 124 gross tons, 900 horsepower, and is 90.7 feet in length.

A little more than a year ago this vessel was transferred to Canadian registry with the approval of the Federal Maritime Administration, for the specific purpose of being used in conjunction with dredging and marine construction operations in the St. Lawrence Seaway and power development project, in which the U.S. Government is a participant.

Under present law, vessels which formerly had coastwise privileges by virtue of having been built in or documented under the laws of the United States cannot reacquire such privileges after having been placed under foreign registry—section 27, Merchant Marine Act, 1920, as amended; 46 U.S.C. 883. Thus, this bill is necessary to permit the vessel, *John F. Drews,* to reacquire rights to engage in the coastwise trade of the United States which it had had for some 64 years since the time of her construction in 1894.

The committee felt that in this case there were meritorious circumstances which justify making an exception to the general law.

Mr. SHELLEY. Mr. Speaker, will the gentleman yield?

Mr. GEORGE P. MILLER. I yield.

Mr. SHELLEY. It is to be understood that the passage of this bill—I do not object to the bill—will not be allowed to be taken as a precedent for other people who have vessels under foreign flags to rush in and get them under American registry?

Mr. GEORGE P. MILLER. The committee has written its recommendation into the report that this is a meritorious case that justifies the exemption. This committee has no intention of opening the door to the registration of foreign-registered vessels. This was an American-built vessel. It was needed for a short time for use in connection with the St. Lawrence Seaway. The committee felt it was justified in presenting this bill. This bill is not to be taken as setting a precedent.

Mr. SHELLEY. I noted the stipulation in the report but I think it should be emphasized in the debate on the floor. I thank the gentleman.

Mr. TOLLEFSON. Mr. Speaker, as has already been pointed out, there is no opposition to the measure, at least, to my knowledge. This situation is a rather exceptional one. The committee so considered it and took the position that this should not set a precedent. Because of the necessity for the use of the vessel in Canadian waters it had to comply with Canadian registry. Now that work on the seaway is finished it is desired that the vessel be transferred back under the American flag. The committee feels it is a meritorious proposal and recommends that the bill be approved.

Mr. GEORGE P. MILLER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CONTINUING RESEARCH ON THE BIOLOGY FLUCTUATIONS, STATUS, AND STATISTICS OF MIGRATORY MARINE SPECIES OF GAME FISH

Mr. LENNON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5004) authorizing and directing the Secretary of the Interior to undertake continuing research on the biology fluctuations, status, and statistics of the migratory marine species of game fish of the United States and contiguous waters.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby directed to undertake a comprehensive continuing study of the migratory marine fish of interest to recreational fishermen of the United States, including species inhabiting the offshore waters of the United States and species which migrate through or spend a part of their lives in the inshore waters of the United States. The study shall include, but not be limited to, research on migrations, identity of stocks, growth rates, mortality rates, variations in survival, environmental influences, both natural and artificial, including pollution, and effects of fishing on the species, for the purpose of developing wise conservation policies and constructive management activities.

SEC. 2. For the purpose of carrying out the provisions of this Act, the Secretary of the Interior is authorized (1) to acquire lands, construct laboratory or other buildings, purchase boats, acquire such other equipment and apparatus, and to employ such officers and employees as he deems necessary; (2) to cooperate or contract with State and other institutions and agencies upon such terms and conditions as he determines to be appropriate; and (3) to make public the results of such research conducted pursuant to the first section of this Act.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act: *Provided,* That no more than $2,700,000 be appropriated for this purpose in any one fiscal year.

The SPEAKER pro tempore (Mr. WALTER). Is a second demanded?

Mr. TOLLEFSON. Mr. Speaker, I demand a second.

Mr. LENNON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. LENNON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5004 is, in the considered judgment of many people, an essential piece of natural resources legislation. It directs the Secretary of the Interior to undertake continuing research on the biology fluctuations, status, and statistics of the migratory marine species of game fish of the United States and contiguous waters.

The Department of the Interior, in its report on this legislation, states that it already has broad authority in the Fish and Wildlife Act of 1956 to permit undertaking the research activities covered in H.R. 5004. But, not 1 cent has been budgeted for this important work, and the Department states that nothing is planned. We can then only conclude that the authority in the act of 1956 is in fact inadequate or has been completely ignored. Apparently, now, a more direct and enforcible statement of authority and congressional intent is required.

They do agree with the objectives of this proposal, and I call your attention to the language found in paragraphs 2 and 3 of the letter from the Assistant Secretary of the Interior which is part of the committee report.

We have impressive research and management programs for waterfowl and other game. We have equally impressive programs for the important fresh-water sport fisheries. According to the Department of Interior, we have in excess of 100 Federal fish hatcheries throughout the country constructed at a cost in excess of $60 million. It is interesting to note the construction costs of Federal fish hatcheries during the past 3 years and the amounts appropriated for fiscal year 1960. In fiscal year 1957, $1,601,000; in fiscal year 1958, $2,330,000; in fiscal year 1959, $2,630,350. The appropriation for fiscal year 1960 is $1,500,650.

In addition, the U.S. Corps of Engineers has over a period of years transferred to the Bureau of Sport Fisheries an average of $1,500,000 annually for the construction of inland fish hatcheries.

We have appropriated for fiscal year 1960 for research and administrative overhead to improve the Federal inland fish hatcheries products the sum of $6 million. But, there has not been 1 cent in any of these Federal programs over the years for research on important marine sport fisheries.

The U.S. Fish and Wildlife Service undertook a survey for the year 1955 pertaining to the sports fisheries that year. It revealed that 58.6 million man-days were supported by the marine sport fisheries that year. This was in contrast to our waterfowl program, which showed 19.6 million hunting days for that year, for which the Congress appropriated $4 million of Federal funds last year. This survey showed that in 1955 the millions of Americans who utilized coastal marine sport fishing resources spent $488,999,000 for the goods and services required for fishing on coastal marine waters.

Projected over the intervening years and based on an estimated increase in the numbers of anglers amounting to a conservative 3½ percent annually, salt water sport fishermen generated an estimated $540 million of business activity in 1958. It is significant to note that this amount is equivalent to more than one-half the total retail business generated by the entire U.S. commercial fishing industry.

Marine sports fishing is a vital factor in every coastal area's economy. In my own State the salt water fishermen spend in excess of $35 million annually for goods and services. The figure is considerably larger in some of the New England coastal States, New York and New Jersey. The same can be said of the State of Florida, the Gulf States, including Texas, and, of course, the Pacific Coastal States. Much of our expanding small boatbuilding industry receives its principal stimulus from the demand for craft to service sport fishermen. Many of our commercial fishermen are finding their work increasingly unprofitable and are looking to charter boating as a means of supporting their families.

The survey I have already mentioned indicated that the average daily catch of salt water fish was about 4½ pounds per angler per day. The 1958 harvest of edible fish caught by the salt water angler approximated 290 million pounds. This is more than 12 percent of the total quantity of edible fish taken in the entire U.S. commercial catch. Obviously, sport salt water fish make an important contribution of nutritious food at the American table, as well as provide vast opportunities for needed recreation and, of course, afford sizable stimulus to business and industry.

Approximately 80 million people, almost half of the population of our country, live in coastal States on the Atlantic, Pacific, or Gulf States.

The Committee on Merchant Marine and Fisheries believe that it is in the public interest that this bill be passed. It would make the intent of Congress crystal clear with respect to its desire for continuing research in this important field.

The bill sets a limit on the amount that may be appropriated in any year for this program. This is one-half of 1 percent of the amount of retail business generated by salt water sport fishing in 1958. This figure is $540 million. One-half of 1 percent would be $2,700,000 annually. By comparison, the sum of $21,438,000 was requested for fiscal 1960 to benefit the commercial fishing industry.

I repeat, this is an essential piece of natural resources legislation, and I urge

the Members of the House to support the bill.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. LENNON. I yield to the gentleman from Washington.

Mr. PELLY. Mr. Speaker, I want to commend this legislation to the favorable consideration of the House at this time. I have in mind my own case, and also a case of the gentleman from Florida [Mr. CRAMER], both of us having introduced legislation to authorize research laboratories on salt water; however, it seems to me that if a general authority were given to the Department to do that it would not then throw into the legislative branch the selection of sites for these necessary laboratories, but instead would authorize and direct the Department itself to select sites on a fair and proper basis. Therefore, the gentleman has done a great service in introducing this legislation, and I support him and commend him for his very great interest in this whole subject of salt-water fisheries and marine life studies.

Mr. LENNON. I thank the gentleman from Washington. I know that he is familiar with the letter that was sent to the chairman of the full committee by Mr. Ross Leffler, Assistant Secretary of the Interior, and the last two paragraphs of that letter in which he sets forth the very strong feeling that they are in agreement with the principles and objectives we are seeking in this legislation.

Mr. TOLLEFSON. Mr. Speaker, the gentleman from North Carolina [Mr. LENNON] as well as the gentleman from Washington [Mr. PELLY] have stated the case well, and I believe the matter needs no further clarification. I urge the House to approve the bill.

Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. WALTER). The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EFFECT OF INSECTICIDES UPON FISH AND WILDLIFE

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5813) to amend the act of August 1, 1958, to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of August 1, 1958 providing for continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources and for other purposes is amended to read as follows:

"SEC. 2. The sum of $2,565,000 per annum is hereby authorized to be appropriated to carry out the objectives of this Act."

The SPEAKER pro tempore. Is a second demanded?

Mr. TOLLEFSON. I demand a second, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. DINGELL. Mr. Speaker, this bill will authorize expansion of the research presently underway to protect our fish and wildlife resources from the lethal effects of the various chemicals under development and in use for the control of agricultural pests. Almost daily, new compounds are being utilized in the constant war against the many organisms that seek to destroy our food supply. Unfortunately, however effective they may be for the purposes for which they are developed, there is no doubt that they have become increasingly deadly to our fish and wildlife resources.

Substances used in the campaign against the fire ant have proven extremely destructive to wildlife in the treated areas and even very small quantities of some newly developed sprays have destroyed whole fish populations when their residues have been washed into lakes and streams. The aim of the bill is to step up research to discover means to protect our wildlife, either through development of new formulas which confine their effects to the pests sought to be controlled, or by different methods of application to minimize the loss of fish and wildlife.

Last year the Congress authorized the expenditure of $280,000 per year for this purpose. The committee recommended this amount to permit a start on this most necessary work to be made, with full knowledge that the time would come when more money would be needed. The preliminary work so far undertaken indicates that the need for protection of our wildlife is far greater than suspected and that vastly increased effort is called for, lest we lose whole species by our delay.

I know that the authorization contained in this bill is far less than has been spent on a single pest control campaign and I believe that it is necessary to prevent extinction of some of our most desirable wildlife species.

Mr. TOLLEFSON. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as the report on this bill indicates, the last Congress passed a similar bill which authorized an expenditure of $280,000 annually to do the kind of work authorized by this bill. Experience under that last bill indicates that that amount of money authorized was not sufficient and, in effect, all that this bill does is to increase the authorization. The testimony indicated rather clearly, the committee thought, the need for increasing the authorization because of the work done in the use of insecticides by the Department of Agriculture. There is clear need for an increase in the authorization, and I trust the House will approve this bill.

Mr. Speaker, I have no further requests for time.

Mr. DINGELL. Mr. Speaker, I yield such time as he may desire, to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Speaker, Public Law 85–582, enacted on August 1, 1958, directed the Secretary of the Interior to begin continuing studies of the effects of insecticides, herbicides and fungicides upon fish and wildlife.

Passage of the bill was preceded by hearings before the Fisheries and Wildlife Subcommittee of the House Committee on Merchant Marine and Fisheries and the Merchant Marine and Fisheries Subcommittee of the Senate Committee on Interstate and Foreign Commerce on my H.R. 783 and S. 2447 by the senior Senator from Washington, Senator MAGNUSON.

Testimony before those subcommittees documented the urgent need to determine the amounts, percentages or mixtures of these chemicals that can be used effectively in the necessary spraying of crop, range, wet, and timber land while minimizing the loss of fish, wildlife, poultry and farm animals.

Investigations made under the act of August 1, 1958, have, in the words of the departmental report of the Secretary of the Interior, shown the need for "a continuing research effort of much greater magnitude than is currently authorized." So this bill would increase the amount authorized for these needed investigations to $2,565,000. This is the amount actually needed to enable the Secretary of the Interior to study various aspects of the pesticides problem to assure that the future use of chemical controls shall not inflict irreparable damage on this Nation's fish and game resources and farm animals.

The authorization contained in this bill represents less than 1 percent of the wholesale value of the chemical sprays produced commercially in this country in 1956. Surely, this is a modest investment in the protection of fish and wildlife resources which, in 1955, generated nearly $3 billion in sales of goods and services to the Nation's more than 30 million hunters and fishermen.

The use of sprays for agricultural, forestry, and other purposes has grown phenomenally since 1940. That year, chemical controls had a wholesale value of $40 million. Their 1956 wholesale value was $290 million. This figure is expected to pass the $1 billion mark by 1975.

One-sixth of all the croplands and millions of acres of forests, rangelands, and marshlands—most of them important fish and wildlife habitat—are treated with pesticides each year. Some of these areas are sprayed several times. At least 3 billion pounds of these chemicals were sprayed over more than 70 million acres of our crop and timberland to kill insects, weeds, and plant diseases last year. Each year, more acres are being sprayed more efficiently and with deadlier poisons as development of new controls, with almost unlimited funds,

races ahead of research. Today, more than 200 basic pesticides and more than 6,000 brand-named products are on the market.

Of course, there is economic justification for such a control program. The Department of Ariculture estimates that insects alone cause losses exceeding $4 billion a year. Everyone appreciates the need for minimizing the pest damage to forests and farmland. But this control program also involves a multibillion dollar recreation and commercial fishery industry of interest to at least 40 million Americans. According to a recent survey, America has some 30 million sportsmen. They spend approximately $3 billion and 567 million man-days hunting and fishing each year. Caring for tourists is a major industry in many States—among them Montana, where the tourist business is our third-largest industry.

Sportsmen, conservationists, foresters and farmers have a common interest in minimizing damage to crops and to wildlife.

We all know of plant or wildlife loss from chemical controls—such as the death of fish in Montana trout streams in areas sprayed by DDT; the virtual wiping out of quail and rabbit populations in two areas treated with heptachlor in the South. Considerable damage to valuable fish and wildlife resources has occurred unnecessarily because chemicals were applied without sufficient knowledge of accepted procedures or without full regard to the consequences.

Actually we know very little of even the direct effects of many control agents on plants, animals, soils and soil organisms. We know even less about the indirect, accumulative, long-time effects of these controls upon plants, wildlife—and man.

Experts tell us the toxicity of these chemicals depends on many things—among them the species, formulation, dosage, period of feeding or exposure, mode of entry into the body and various environmental and other conditions.

Some of these poisons persist in the soil for periods of 3 to 5 years or longer. Certain food chain organisms, such as earthworms, living in treated soil or waters, tend to concentrate the poison in their body tissue. Hence, birds, like the quail, woodcock and robin, as well as aquatic creatures—fish, crabs, shrimp and oysters—are affected when they feed upon contaminated organisms.

Studies made to date show that DDT may kill fish and other aquatic life when applied at dosage rates in excess of one-quarter pound per acre; 2 pounds per acre will kill birds; 5 pounds will cause heavy mortality among mammals. Other insecticides such as heptachlor, dieldrin, aldrin and endrin, have acute toxicity ranges of 15 to 200 times that of DDT.

Pheasants, quail, and other species exposed to sublethal amounts of some pesticides in food, suffer delayed chronic effects in the form of reduced reproductive capacity and survival of young. Persistent high levels of DDT have been found in the bodies of fish months after temporary concentrations in the stream environment had dissipated. Bird numbers in several areas treated with heptachlor for imported fire ant control, have been found to be reduced 75 to 85 percent. Populations of quail, wild turkey and rabbits were decimated in some of the areas. In other parts of the country, particularly the Midwest, local populations of robins and other songbirds have been depleted as a result of measures carried out for mosquito and Dutch elm disease control.

Aerial spraying of salt water marshes, particularly in the East, and of land areas adjacent to inshore water reaches important fish-producing water by drainage. Thus there is need to determine the effects of pesticides on inshore aquatic life—fish, shrimp, and shellfish—which live in these waters as adults, and on these species for which the marshes and estuaries are essential nursery grounds. Menhaden, shad, striped bass, croakers, and weakfish live in these areas during their early stages. Shrimp, crabs, oysters, and clams, which support major commercial fisheries, spend part or all of their lives in inshore environment.

There are four major objectives of the research program which would be made possible by enactment of this bill. They are to:

Determine the acute and chronic toxicities of some 200 basic pesticidal chemicals on the market, plus the many which are in various stages of development;

Conduct chemical analyses of plant and animal tissue to determine the presence of pesticide residues, to develop diagnostic procedures for determining suspected poisonings, and to measure the degree and duration of toxic conditions in fish and wildlife habitats;

Carry out field appraisals of immediate and long-range effects of pest control operations upon fish and wildlife populations;

Facilitate the compilation and dissemination of findings from research studies so that chemists, entomologists, and others may apply such knowledge in the development of new pest control materials, formulations, and techniques of application to minimize hazards to desirable forms of animal life.

This research would give us the information needed so desperately if we are to protect our valuable wildlife resources while at the same time minimizing pest damage to our forests and farmland.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill, H.R. 5813?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. DINGELL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 157]

Andrews	Harris	Poage
Anfuso	Hébert	Powell
Auchincloss	Jackson	Rains
Barden	Jones, Mo.	St. George
Baumhart	Kearns	Shelley
Bolton	Kluczynski	Sheppard
Bonner	Landrum	Sikes
Canfield	Lesinski	Simpson, Pa.
Carter	McDonough	Smith, Va.
Cooley	McDowell	Spence
Davis, Tenn.	McMillan	Steed
Dawson	Machrowicz	Taylor
Derwinski	Madden	Thompson, La.
Fallon	Magnuson	Thomson, Wyo.
Ford	Meader	Van Pelt
Frazier	Michel	Weaver
Giaimo	Minshall	Westland
Hall	O'Brien, N.Y.	Withrow
Halleck	Pilcher	Wright

The SPEAKER pro tempore (Mr. FORAND). On this rollcall 378 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DIRECTING SECRETARY OF THE INTERIOR TO UNDERTAKE CONTINUING STUDIES OF THE EFFECTS OF INSECTICIDES AND SO FORTH

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries be discharged from further consideration of the bill (S. 1575) to amend the act of August 1, 1958, to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of August 1, 1958, providing for continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources and for other purposes is amended to read as follows:

"SEC. 2. There is hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act."

Mr. DINGELL. Mr. Speaker, I offer an amendment to strike out all after the enacting clause in the bill S. 1575 and to insert the language of the bill H.R. 5813, which has just passed the House.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: Strike out all after the enacting clause and insert the following: That section 2 of the Act of August 1, 1958, providing for continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural re-

sources and for other purposes is amended to read as follows:

" 'SEC. 2. The sum of $2,565,000 per annum is hereby authorized to be appropriated to carry out the objectives of this Act.' "

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H.R. 5813) was laid on the table.

A motion to reconsider was laid on the table.

STATE TAXATION OF INCOME FROM INTERSTATE COMMERCE

Mr. CELLER. Mr. Speaker, I call up the conference report on the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Inter-governmental Taxation Problems, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

NO COMMITTEE CONSIDERATION

Mr. PATMAN. Mr. Speaker, reserving the right to object, this bill is a very far-reaching one, and I cannot understand why we should pass a bill that goes as far as this goes without giving it thorough consideration in committee. We should be absolutely sure that we are proposing the right kind of a law to deal with the situation confronting us. The only way I know to be absolutely certain that a proposal is right and should be adopted is to have full and complete hearings before the committee having jurisdiction. It is possible that such a hearing would show that this proposal is satisfactory. On the other hand, it is possible a hearing will disclose that it would be a mistake to pass this particular bill. My point is we do not have sufficient information to pass on this proposal for permanent legislation.

It is my understanding that the Committee on the Judiciary has not given consideration to this bill. I have a very high regard and great respect for the chairman of that great committee, the gentleman from New York [Mr. CELLER] and for the members of that committee, and what I shall say, I hope, is not construed in any way as a reflection on the committee.

But, Mr. Speaker, this bill involves a question of taxes. Now, last week when the question came up by the gentleman from Pennnsylvania [Mr. WALTER] presenting it here on the floor—and I reserved the right to object on the question of sending it to conference—it was then brought out that the bill was just a temporary bill; that it was not permanent legislation at all. And, I did not object to it because it was just temporary, and the fact that it had no hearings or not sufficient hearings—I did not have any objection to that, but it went ahead to conference. Now, when it goes to conference an entirely different bill is brought out; a Senate bill is brought out relating to taxes.

Now, if I understand anything about parliamentary procedure and the Constitution, questions affecting revenue, taxes, should originate in the House of Representatives and in the Committee on Ways and Means. This bill did not originate in the Committee on Ways and Means of the House of Representatives. It originated in the other body, and having originated there and we agreeing to a conference and then agreeing to the Senate bill, it occurs to me that there is a serious question about its being in order. But, I am not raising that question. I am raising the question on the merits.

Mr. Speaker, I think this bill could be of great harm to the local independent hometown merchants. Like it is now, the hometown merchants are paying all the taxes to help sustain the local communities, and under the Supreme Court decisions hereafter the people who are doing an interstate business, and from the outside who come into the territory of this local merchant and take part of his business and part of his profits and make money on it will also have to pay a fair share of those profits to the local taxing authority. In other words, the hometown merchant will have the burden taken off of him to that extent. But, if this bill passes, the hometown merchant will have to continue to pay all the burden and the outside concern that rushes in and gets business away from the local merchant will pay no tax whatsoever on the profits of such business; just leave it to the hometown merchant to carry all the burdens.

Now, those questions should be looked into. I know that we should have uniform laws. I realize that there is almost consternation in at least a part of the business world by reason of these decisions of the Supreme Court and the action of the Supreme Court, and I realize there should be a uniformity of laws in the 50 States of the United States, but we cannot have uniform laws regarding taxes worked out by a committee that does not have jurisdiction over taxes. There is only one committee that has jurisdiction over taxes, and that is the Committee on Ways and Means, and without any disrespect to the distinguished gentleman from New York and the fine members of his committee composed of both political parties, I suggest that this bill should be taken up anew by the Committee on Ways and Means and efforts made to harmonize the different laws of the different States and have a bill that will be uniform throughout the States. I realize the opposition is at a great disadvantage in opposing this bill, under the circumstances, but I feel strongly about it and believe a mistake will be made if we pass it without proper and adequate committee consideration.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. GROSS. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order has been demanded.

Is there objection to the request of the the gentleman from New York [Mr. CELLER] that the statement of the managers on the part of the House be read in lieu of the report?

Mr. PATMAN. Well, I reserved the right to object.

The SPEAKER. The regular order has been demanded.

Mr. PATMAN. Well, I will be compelled to object, Mr. Speaker, if the regular order is demanded.

The SPEAKER. Then, the Clerk will read the conference report.

Mr. PATMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PATMAN. If I do not object to the reading, that does not foreclose me from objecting to the consideration of the conference report?

The SPEAKER. This is a privileged matter. No objection lies.

Mr. PATMAN. No objection lies on this? The Speaker is talking about the reading?

The SPEAKER. The Chair is talking about the conference report, which is a privileged matter.

Mr. PATMAN. And one objection would not lie to it?

The SPEAKER. No objection would.

Mr. PATMAN. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PATMAN. Will we have a chance to debate it?

The SPEAKER. If the gentleman from New York yields time.

Mr. PATMAN. Mr. Speaker, may I ask the gentleman from New York whether he will yield me time to discuss this matter.

Mr. CELLER. I shall be very glad to yield to the gentleman in due course. But I want to say that his fears are utterly ungrounded.

The regular order was demanded.

The SPEAKER. The regular order has been demanded and the regular order is the reading of the conference report.

Mr. PATMAN. Mr. Speaker, I withdraw my reservation of objection to the reading of the statement of the managers on the part of the House.

The SPEAKER. The Clerk will read the statement of the managers on the part of the House.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1103)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be

inserted by the House amendment insert the following:

"TITLE I—IMPOSITION OF MINIMUM STANDARD

"SEC. 101. (a) No State, or political subdivision thereof, shall have power to impose, for any taxable year ending after the date of the enactment of this Act, a net income tax on the income derived within such State by any person from interstate commerce if the only business activities within such State by or on behalf of such person during such taxable year are either, or both, of the following:

"(1) the solicitation of orders by such person, or his representative, in such State for sales of tangible personal property, which orders are sent outside the State for approval or rejection, and, if approved, are filled by shipment or delivery from a point outside the State; and

"(2) the solicitation of orders by such person, or his representative, in such State in the name of or for the benefit of a prospective customer of such person, if orders by such customer to such person to enable such customer to fill orders resulting from such solicitation are orders described in paragraph (1).

"(b) The provisions of subsection (a) shall not apply to the imposition of a net income tax by any State, or political subdivision thereof, with respect to—

"(1) any corporation which is incorporated under the laws of such State; or

"(2) any individual who, under the laws of such State, if domiciled in, or a resident of, such State.

"(c) For purposes of subsection (a), a person shall not be considered to have engaged in business activities within a State during any taxable year merely by reason of sales in such State, or the solicitation of orders for sales in such State, of tangible personal property on behalf of such person by one or more independent contractors, or by reason of the maintenance of an office in such State by one or more independent contractors whose activities on behalf of such person in such State consist solely of making sales, or soliciting orders for sales, of tangible personal property.

"(d) For purposes of this section—

"(1) the term 'independent contractor' means a commission agent, broker, or other independent contractor who is engaged in selling, or soliciting orders for the sale of, tangible personal property for more than one principal and who holds himself out as such in the regular course of his business activities; and

"(2) the term 'representative' does not include an independent contractor.

"SEC. 102. (a) No State, or political subdivision thereof, shall have power to assess, after the date of the enactment of this Act, any net income tax which was imposed by such State or political subdivision, as the case may be, for any taxable year ending on or before such date, on the income derived within such State by any person from interstate commerce, if the imposition of such tax for a taxable year ending after such date is prohibited by section 101.

"(b) The provisions of subsection (a) shall not be construed—

"(1) to invalidate the collection, on or before the date of the enactment of this Act, of any net income tax imposed for a taxable year ending on or before such date, or

"(2) to prohibit the collection, after the date of the enactment of this Act, of any net income tax which was assessed on or before such date for a taxable year ending on or before such date.

"SEC. 103. For purposes of this title, the term 'net income tax' means any tax imposed on, or measured by, net income.

"SEC. 104. If any provision of this title or the application of such provision to any person or circumstance is held invalid, the remainder of this title or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

"TITLE II—STUDY AND REPORT BY CONGRESSIONAL COMMITTEES

"SEC. 201. The Committee on the Judiciary of the House of Representatives and the Committee on Finance of the U.S. Senate, acting separately or jointly, or both, or any duly authorized subcommittees thereof, shall make full and complete studies of all matters pertaining to the taxation by the States of income derived within the States from the conduct of business activities which are exclusively in furtherance of interstate commerce or which are a part of interstate commerce, for the purpose of recommending to the Congress proposed legislation providing uniform standards to be observed by the States in imposing income taxes on income so derived.

"SEC. 202. The Committees shall report to their respective Houses the results of such studies together with their proposals for legislation on or before July 1, 1962."

And the House agree to the same.

Amend the title so as to read: "An act relating to the power of the States to impose net income taxes on income derived from interstate commerce, and authorizing studies by congressional committees of matters pertaining thereto."

EMANUEL CELLER,
FRANCIS E. WALTER,
E. E. WILLIS,
WILLIAM M. MCCULLOCH,
WILLIAM E. MILLER,
Managers on the Part of the House.

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR, Jr.,
(By R. S. K.)
JOHN J. WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the Senate bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Both the House and Senate bills contain a minimum activities approach to the problem of State taxation of income from interstate commerce. It was the purpose of both Houses to specifically exempt from State taxation, income derived from interstate commerce where the only business activity within the State by the out-of-State company was solicitation. The bills, however, differ in the language used to accomplish this objective. The House conferees believe it is more appropriate to accept the language of title I of the Senate bill.

Unlike the House bill, the Senate bill contains no time limitation on the effectiveness of the immunity granted in the bill. The Senate bill also contains a more specific treatment of dealings through an independent contractor, by providing specifically that an out-of-State business shall not be considered to be conducting business activities within the State by reason of solicitation of orders or sales in that State by an independent contractor in its behalf. The conferees have inserted a clarifying amendment to this provision of the Senate bill, to assure that the maintenance of an office by such an independent contractor within the State shall not subject the out-of-State business to income taxation.

The Senate bill is limited to sales of and solicitation of orders for sales of tangible personal property. The House bill is not so limited.

The House bill contains no provision barring the assessment of taxes for years prior to the period of immunity specified in the bill, even though income derived from the same kind of activity could not be taxed during the period specified in the bill. Under the Senate bill, no State or political subdivision thereof may assess, after enactment of the bill, taxes for previous years which would be barred under the standard established in the bill.

Both the House and the Senate, recognizing the complexity of the issues involved, provided for a study of the entire problem with a view toward the enactment of appropriate legislation by the Congress. However, the Senate bill provided for an independent commission while the House bill provided that the study was to be made by Congress. The conferees concluded that the matter should remain with congressional committees. Consequently, the conferees recommend that the Committee of the Judiciary of the House of Representatives and the Committee on Finance of the Senate shall undertake a study of State taxation of income derived from interstate commerce and shall report to the Congress the results of this study together with proposals for legislation by July 1, 1962. It is contemplated, of course, that the committees will consult with the States in this respect.

EMANUEL CELLER,
FRANCIS E. WALTER,
E. E. WILLIS,
WILLIAM M. MCCULLOCH,
WILLIAM E. MILLER,
Managers on the Part of the House.

Mr. CELLER. Mr. Speaker, briefly, I want to state that this bill simply provides that the taxing State shall not be privileged to tax income from the solicitation of orders going to an out-of-State business.

It also provides for a study to be made by the Committee on Finance of the Senate and the Committee on the Judiciary of the House, jointly or separately. Those committees, jointly or separately, shall offer proposals for legislation by July 1, 1962.

The need for this legislation, briefly, stems from certain decisions of the Supreme Court which generated a fear that the mere solicitation of orders or sales in a taxing State by an out-of-State corporation would subject that out-of-State corporation to income taxes in the taxing State.

All this bill does is to say, on transactions of that sort, there shall be no State income taxes. If there is a warehouse or a stock of goods maintained by the out-of-State corporation in the taxing State, or the out-of-State corporation maintains an office in the taxing State, then there shall be taxation on the net income earned in the taxing State.

There were differences between the House bill and the Senate bill. The House bill had some exemptions which were broader than the Senate bill, but the House conferees accepted the narrower provisions of the Senate bill, namely, that the only exemption shall be the solicitation of orders.

It was also agreed that the Senate would yield to the House on the type of inquiry that was to be had.

The Senate bill provided for some sort of Hoover Commission to go into the ramifications and complexities of this subject of interstate taxation. Finally, after argument, they accepted our proposal that the study should be made by the committees, as I have indicated. I cannot overemphasize the need for this study, for this area is one which is entirely deserving of the phrase which Mr. Churchill coined in another context. The problem of State taxation as it affects interstate commerce has, indeed, become "a riddle wrapped in an enigma inside a mystery."

That is all there is to this bill; and I do hope, Mr. Speaker, that the House will agree to the conference report.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Speaker, I think the reason for the need of this legislation is important. As you will recall, the Supreme Court of the United States handed down a decision which seemed to indicate a power to tax interstate commerce, which power did not exist, does not exist, and nobody has ever contended that that power did exist.

Subsequently two applications for writs of certiorari were denied by the Supreme Court in cases where the only activity was solicitation. The failure to grant certiorari in these cases caused concern on all sides, particularly in the small business area. There are people who are not in a position to maintain the large staffs that corporations doing business all over the United States generally employ. There came from these people a plea to the Congress to do something about this uncertain situation.

I might say to my distinguished friend from Texas that nobody is disposed to indicate what kind of taxes may or may not be levied. That is something that is not considered in this legislation. All we do is endeavor to convince the small business people in America that the law, as they thought it was prior to the denials of certiorari in the Brown Forman and International Shoe cases, is still the law.

Mr. MILLER of New York. Mr. Speaker, will the gentleman from New York [Mr. CELLER] yield to me?

Mr. CELLER. I yield to the gentleman.

Mr. MILLER of New York. Mr. Speaker, I think the House should clearly understand it is most imperative not only that this legislation be enacted, but that it be enacted now. Contrary to the remarks of the gentleman from Texas, this legislation is not broad in its effect. It is very narrow, indeed. It covers only the single and simple area where a corporation does nothing more within a State than solicit orders. If that is all the corporation does within the taxing State, simply soliciting orders, then under this bill they are exempt from multiple taxation. This is important to small business. Large corporations can afford the attorneys and the accountants necessary to keep books for the payment of some 34 different State taxes computed on 34 different State taxing provisions. But, small business engaged in interstate commerce who do nothing more, perhaps than solicit orders either by a salesman within a State or even just through the mail, have always thought that they would not be subject to multiple State taxation. That was always understood to be the law. It was always understood to be the law by the States themselves. They have never attempted to impose a State income tax on simply the soliciting of orders by a salesman within a State. Never has any State done that up to this time. But, because of the dictum in these Supreme Court decisions, there is some question now as to, perhaps, whether or not a State may from now on start such taxation.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of New York. Not at this moment—not until I finish my statement.

Mr. Speaker, as a consequence, it has placed small business in such a quandary as to make it almost impossible for them to know how to proceed. All this bill does is to restate what has always been presumed to be the law in connection with these operations in interstate commerce. In addition to that, all it does is to keep for the Congress itself, since there has already been an investigation in this field by the Senate Finance Committee, by the Senate Committee on Small Business, and since there has already been constituted a House Committee, a special subcommittee for the purpose of dealing with this proposition, it was only felt we should keep the further investigation and development of this proposition, because there are many facets which need investigation and study, including the respective rights of the States, including certain questions regarding warehousemen and interstate carriers, offices within a State and a hundred other things. But we simply have provided that investigation will be conducted and the results will be reported to the Congress not later than July 1, 1962.

As far as the other part of the bill is concerned, the affirmative legislation relates only to the narrow issue of soliciting orders and if it is not passed in this session, small business will be in such a chaotic condition that it will probably cause a tremendous diminishing of our business in interstate commerce.

Mr. CELLER. The question of interstate taxation is so complex and so replete with difficulties and mysteries, if I may use that term, that it would be well only to set up a minimal standard. That is all this bill does.

Mr. MILLER of New York. That is all it does.

Mr. CELLER. It sets up a minimal standard.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of New York. I do not have control of the time.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Texas.

Mr. PATMAN. Will you give me 15 minutes?

Mr. CELLER. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein certain germane material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. How much time does the gentleman from New York [Mr. CELLER] yield to the gentleman from Texas [Mr. PATMAN]?

Mr. CELLER. Mr. Speaker, I yield 10 minutes to the gentleman if he needs it.

The SPEAKER. The gentleman from Texas is recognized for 10 minutes.

SMALL BUSINESS IS NOT ASKING FOR THIS PARTICULAR BILL

Mr. PATMAN. Mr. Speaker, the small business people are not asking for this particular law. Any argument that it helps the little man or the small man is not a valid argument. The small people have not been asking for this at all. But, I will tell you who has been asking for it, and they are well represented in Washington, D.C. Anything that happens in the Supreme Court or in Congress affecting their interest, they know whom to go to see and they can see them quickly. They know what to do. This bill will be a great advantage to interstate chains. It will be a great advantage to catalog houses. It will be of great advantage to people like that, but it will be a great harm and a disadvantage to the hometown merchants. Under the Supreme Court decision the local merchants paying all the local taxes to keep up the community will be relieved of part of those taxes where a law imposes taxes upon the outside concern only for the profits made in that community or in that area.

Remember, if you pass this bill, you will tell the hometown merchants that they must continue to assume all this burden, and the people on the outside of the State doing business in that community in competition with the local merchants will not have to pay any part of the taxes, although that person has taken part of the local merchant's business and the Supreme Court said he should pay a part of the profits to the local community just like the hometown merchant pays. But if you pass this bill the hometown merchant will have to continue to pay it all.

I do not know what should be done about this problem. I know something should be done but not done quickly. The Judiciary Committee has set up a special subcommittee to look into this very question. They are already organized. They have not put one witness on the stand, they have not had any testimony; and this proposal will be permanent law. Read it for yourself. This is permanent law, it is not just until 1961, it is forever.

This question of reporting by July 1, 1962, refers only to any additional proposals that might be desired; it does not refer to this permanent law. Can it be

said that it is any compliment to the great House of Representatives, 437, Members, that we would take up a bill like this that means so much, and pass it as permanent law without even a committee hearing?

The hearings in the Senate—I looked them over; they are not satisfactory.

This is a far-reaching question, I tell you, and should not be settled by shooting from the hip or just guessing what should be done. There are so many objectionable features associated with the passage of this bill that I am convinced that it would be a mistake for Congress to vote for its enactment at this time.

Let me emphasize the nature of this measure. It affects millions of dollars of revenue being collected by the individual States; it affects the revenues of the Federal Government; it overrules existing law; it will have a definite impact upon the industries and commerce of the entire Nation. It will invalidate State laws.

VERY IMPORTANT BILL

I noticed that in the other body the distinguished chairman of the Finance Committee advised his colleagues that the bill was one of the most important pieces of legislation which that body will consider this year. That was the distinguished senior Senator from Virginia, Senator BYRD. He tells you how important it is, but we are asked to pass it even without a subcommittee hearing, without any consideration of any kind whatsoever.

It seems to me, we are facing something anomalous here for despite the recognized importance of the measure under consideration, it develops that no hearings have been held by any committee of the House of Representatives on the bill. I say that today the House is not prepared to act on this measure because of inadequate information concerning its need and the consequences that may follow its enactment.

When the matter was first considered by the House about a week ago, we understood that we were voting upon temporary legislation—legislation that would expire in January of 1961. That situation has now been changed, for that which we are now being asked to approve is permanent legislation. Surely it is not unreasonable to ask that hearings be held upon a measure of this character before we are asked to vote its adoption.

This proposed legislation deals with taxes and income derived from interstate commerce. You cannot escape the fact that it has to do with the raising of revenue which fact was recognized in the other body because it was there considered by the Finance Committee. This measure, however, was first considered and voted upon in the other body and it was not until several days thereafter that the House of Representatives acted on this problem. S. 2524 did not originate in the House and has not been considered by the Ways and Means Committee. Is that in violation of the Constitution of the United States?

Is that in violation of the rules of this House?

It seems to me that in this field the first thing that Congress should attempt to bring about is the uniformity in the application of tax laws affecting interstate commerce, but this bill does not deal with this aspect of the problem. We are considering legislation affecting the power of the States to impose taxes on interstate corporations and if the Congress could enact legislation encouraging each of the States to apply this power uniformly, the principal need of those companies operating extensively in interstate commerce would be met. So I hope we can have more hearings on this bill in order that something can be done to remove any unnecessary burden which interstate companies are now experiencing in paying their income taxes to the States.

This matter is important to all businessmen in the United States—not merely those who represent large firms engaged in selling and shipping merchandise throughout the country. The small hometown merchants are in direct competition with many who are engaged in selling and shipping merchandise in interstate commerce. We should make sure that the hometown merchants in such situations do not have imposed upon them by the government of the State of their residence a tax which the same government is prevented from placing upon a direct competitor by act of the Congress of the United States. At the present time the tax burdens of the small locally owned merchants are shared with their interstate competitors. This measure would enable the interstate companies to avoid paying their share of such taxes. The bill, therefore, is detrimental and prejudicial to locally owned small business concerns.

Recently, the House Small Business Committee received a large amount of testimony and other evidence how these large nationwide firms are taking advantage of tax privileges and other "gimmicks" to destroy small businessmen who are doing business in only one locality in a State. We should take care to avoid adding to the burdens of small businessmen in that respect. For that and other obvious reasons, this tax bill, S. 2524, should receive the utmost and careful consideration by all Members of Congress. In doing that, we need the help and advice of our tax experts who are members of the Ways and Means Committee.

Without doubt, the two Supreme Court decisions evoked concern and unrest among those companies doing business in all 50 States of the Union because they feared that they would now be plagued with the burden of complying with income tax laws of 50 different States, many of which would require special records and differing methods of calculation, and so forth. I understand that there are 35 States at the present time that have corporate income tax laws and that 3 States, Idaho, Utah, and Tennessee, have amended their laws so as to be able to take advantage of the recent Supreme Court decisions. The passage of this bill will invalidate State laws in conflict with it.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. CELLER. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. PATMAN. Mr. Speaker, I believe the interstate companies are entitled to legislation removing those onerous burdens that would stem from differing State tax laws and I believe that it is this problem which the Congress should first attempt to solve. Hearings must be held in order to accomplish this objective and it should be done as soon as possible. But the legislation before the House today merely provides that certain large companies doing business in many different States, may avoid sharing the tax burden presently borne by their locally owned, small business competitors, and I must oppose the bill because it makes it more difficult for the small locally owned merchant to compete against his large interstate competitor.

Mr. Speaker, may I ask the Members to seriously consider this matter. It is far reaching. What is proposed here is permanent legislation that has never been considered by a committee. The only way I know to reach it is to vote down this conference report and force the committee to have hearings on this proposal and bring in a bill after going to the Rules Committee to get a rule. This is not the right way to legislate on important matters like this that mean so much to the hometown merchants. We should not pass a law that could possibly discriminate against them.

A vote against this conference report is a vote for full and complete hearings before the proper committee of the House of Representatives.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Speaker, I expect to vote for the conference report on the bill relating to the power of the States to impose net income taxes on income derived from interstate commerce and to urge the Members of the House to support the report. If you will look at page 17770, you will see that the conference committee report was unanimously approved by the number of members thereof. I wish to associate myself with the statement of the chairman of the Committee on the Judiciary, my colleague, the gentleman from Pennsylvania [Mr. WALTER], of that committee, and my colleague, of that committee, the gentleman from New York [Mr. MILLER].

I do not agree with the statement of my distinguished colleague, the gentleman from Texas [Mr. PATMAN], who is chairman of the Committee on Small Business, upon which I serve, when he says that this bill will be detrimental and prejudicial to small town local businessmen. There is nothing in this bill which will result in any injury to small town local businessmen. It is my studied judgment that this conference committee report when it becomes law, in effect will, in substance, restate that which we all thought was the law up until this time.

Furthermore, Mr. Speaker, I am of the opinion that the Congress of the United States would have been fully

justified in writing much broader prohibitions in this field. I would have been pleased had section 3 of the original Senate bill, drafted by the distinguished chairman of the Committee on Finance of the other body, been a part of this report. But, in view of the urgency of this matter, and in view of the thousands of communications that have come from small business all over America regarding the uncertainty that will result or is resulting from the Supreme Court decisions, it is particularly important that the Congress act before we adjourn.

This matter has been under study, if not by hearings in the Committee on the Judiciary, by many individual members of the committee and of the House. The distinguished chairman of the Committee on Ways and Means of the House suggested that this matter be referred to the Committee on the Judiciary. The distinguished chairman of the Committee on Interstate and Foreign Commerce of the House has urged that this matter be submitted to the Judiciary Committee of the House, and so has the ranking minority member of each of those committees so consented.

The conference report provides for a study by the Committee on Finance of the other body, and the Committee on the Judiciary of the House, either acting jointly or severally, or as subcommittees thereof, and to report on or before July 1, 1962. With all those provisions in the conference report, I want to say to the Members of the House that they can safely vote for the report and give not only small business—and I am particularly interested in small business—but big business, as well, the certainty that they need in their operations in interstate commerce.

Mr. CELLER. Mr. Speaker, I believe the gentleman from Texas [Mr. PATMAN], for whom I have great respect, has indicated fears which are more imaginary than real. This should not be a final bill. In other words, it is temporary in its nature because of the accompanying provision for a study. The study that we set up will reveal the ramifications and the complexities of State taxation of interstate commerce. The study will try to develop uniform State taxation formulas. Certainly, I say to the gentleman from Texas, one does not need extensive hearings to set up a bill that would provide primarily for a study.

I can assure the gentleman from Texas that I am just as solicitous of small business as he is, and I can say that this is not hurtful to small business.

We have had many, many communications from small business all over the country which clearly indicate to the contrary, that they want this legislation. And if that is the case, I cannot conceive how it would injure small business. We shall have hearings, and the gentleman from Texas will have ample opportunity to present his views before these committees that have been set up.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Mr. Speaker, I received a number of letters from small business people who want this bill passed. Some of them will have to go out of business unless this bill is passed. In my hometown I have some 75 to 100 firms engaged in the granite business, and practically all of them will have to go out of business unless this bill is passed.

Mr. MILLER of New York. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New York.

Mr. MILLER of New York. Mr. Speaker, I think the gentleman from Tennessee points up very pointedly and very forcefully the great necessity for the immediate passage of this legislation. What the gentleman from Tennessee has admitted in effect is that never before that Supreme Court decision had the State of Tennessee levied any tax upon a corporation whose sole activity was that of soliciting orders within the State—never before. If they had, they would not need this new statute. So, because of this new Supreme Court decision many States now say, "Ah, now, apparently according to this decision for the first time in the history of our country, we can impose these artificial barriers, tariff barriers in each of the 48 States, to interstate commerce."

The answer to the question is legally that regardless whether this bill is passed or whether it is not, the Tennessee statute in my judgment would be declared unconstitutional by the Supreme Court of the United States as being an undue burden on interstate commerce. I do not think there is any question about that. But if each State could pass such a statute as they did in Tennessee, there is not a single businessman in all America who would know what he was doing, what taxes he owed, or to what State, or how much, or on what formula, or on what theory.

The purpose of this legislation is to make uniform, and to make a part of the statutory law, that which has always been considered to be the law, namely, that the mere solicitation of orders within a State by a corporation does not subject that corporation to a multiplicity of State taxation, namely, 48.

The gentleman from Texas [Mr. PATMAN] said that small business was not interested in this legislation, that they did not want it.

Mr. PATMAN. Mr. Speaker, I did not say that.

Mr. MILLER of New York. What did the gentleman say?

Mr. PATMAN. Small business was not asking for this bill.

Mr. MILLER of New York. All right, small business was not asking for this bill. I am surprised that the gentleman from Texas, being the chairman of the Select Committee on Small Business, has not been made aware of the fact that small business all over this country are pleading for this legislation, unless it is because small businessmen all over America have finally come to the conclusion that they cannot get any help from him because they certainly have written to every member of the special committee set up to study this question. We have received literally thousands of communications from small business asking for this tax relief. The gentleman from Texas was talking about tax revenues that the States would lose and that small businessmen within the State would have to absorb, if this were passed. I say to the Members of the House, no State ever received one dime of revenue from interstate business which is now made exempt under this law. It only clarifies and puts in statute form what has always been presumed to be the law both by officers of the Federal Government and by the respective States. This is not going to help the chain stores. Every chain store or every chain that has a store in any State will be subject to taxation by that State. This is simply a soliciting of orders bill, and is in the interest of small business and in the interest of eliminating confusion, it should be passed and passed immediately by this Congress.

Mr. CELLER. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Speaker, I am very interested in this legislation for reasons exactly opposite those, apparently, of the gentleman from Texas [Mr. PATMAN]. This legislation is necessary because of recent unfortunate decisions by the Supreme Court, which for the first time held that States were entitled to impose taxes upon business strictly and exclusively within interstate commerce notwithstanding that theretofore the Supreme Court had steadfastly held there must be some jurisdictional basis, as that term is generally understood by lawyers, to support taxation. When we go back to the case of Miller Brothers against Maryland where sales or use taxes were involved, the Supreme Court in 1954 held that Maryland could not impose such a tax where there was no jurisdictional basis such as a warehouse or some facility within the State of Maryland of this Delaware merchant.

The gentleman from Texas [Mr. PATMAN] says he has no complaint from small business people. His experience in this matter differs from mine. I was one of the first to introduce a bill to correct these unfortunate decisions in the Stockham Valve case and in the Northwestern States Cement case—the Minnesota and Georgia cases.

In my particular district six of the seven counties border on other States, the State of South Carolina on the south and Tennessee on the north. Small business people in my district in the six counties carry on dry cleaning operations, independent wholesale grocery businesses, independent drug wholesaling, textile machinery parts, machine shops and other small concerns. They cross the State lines back and forth without any hesitancy whatsoever.

Mr. PATMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. WHITENER. Not at the moment.

Mr. Speaker, they are faced with the problem now of keeping numerous records. Many of them are small operations with the owner and, perhaps, his wife or his daughter trying to keep the multiplicity of records required of them.

There has been created an additional burden unless some legislative relief is given to them.

Let me say this about the conference report which we have before us. There are some features of this legislation that I do not feel meet the entire problem. This is, however, merely a temporary or stopgap measure, and we must do something now, I think, in the interest of the small businesses. Let me further say this. The big business people have not contacted me. It is the little business people who are concerned.

As far as my friend, the gentleman from Texas [Mr. PATMAN], talking about the giant chainstores, they have been paying taxes upon the allocable part of their income derived from operations within the various States—the 35 States, which have income taxes, because there is an incontrovertible jurisdictional basis for such taxation. This act will not change that at all. I say this is needed legislation. If I were drawing the bill, I would draw it, as I did, and the one which was introduced by me earlier.

I yield to the gentleman from California.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. COHELAN. I wonder if our distinguished colleague, the gentleman from North Carolina, can clarify this point for me. It is my understanding that the U.S. Supreme Court nearly 40 years ago in *United States Glue Co.* v. *Oak Creek* case (247 U.S. 321) held a State may impose a fairly apportioned net income tax on a foreign corporation whose business operations within the State are wholly of an interstate character.

Mr. WHITENER. I will say to the gentleman that no less an authority than Mr. Justice Frankfurter, and I would commend his dissenting opinion in the Stockham Valve case to the gentleman, says that this is not correct. There is a law review article in the Seventh Tulane Tax Institute Report that I have on my desk supporting the proposition that this was the first departure from the old rule that transactions exclusively within interstate commerce are not subject to State taxation unless there is a jurisdictional base. I might further point out to my friend that the case to which he refers involved a gross receipts tax. It is distinguishable from the Stockham and Northwestern cases.

Mr. COHELAN. I thank the gentleman.

Mr. CELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Maine [Mr. COFFIN].

Mr. COFFIN. Mr. Speaker, I want to address myself to the bill under consideration from the point of view of the small businessman in whom so many of us on both sides of the aisle are interested.

When I practiced law back in Maine I represented a number of small firms, such as those manufacturing shoes, employing anywhere from 30 to 50 or 75 people. They can sell their product and make a profit only by going beyond the borders of the State, and when they make a good product they go into as many States as possible. They cannot afford elaborate sales organizations. They usually are represented by agents with several other principals. Without this legislation, such firms are in the position of keeping such records and incurring such burdens that it is extremely doubtful that many of them could continue to engage in this type of activity.

It seems to me, as the gentleman from New York has said, that this legislation is necessary as a stopgap. Refinements can be considered as this study continues, but without it many small firms, many small businessmen, not only in my State but all over the country, will be severely prejudiced, and I suspect a number of them will be driven out of business.

Mr. Speaker, I urge very emphatically that we undertake this minimum legislation. I think we owe it to many kinds of small business in all parts of this Nation. Not to pass this bill is to contemplate and acquiesce in a Balkanization of this country that this body is placed here to guard against. That is one of our primary functions.

Mr. Speaker, I urge that this conference report be adopted.

Mr. CELLER. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, joining the committee that is offering this legislation and urging approval of this legislation, may I say that at least 15 or 20 industries in my State, West Virginia—and I am thinking about the glass industry in particular—do business in 48 States of the continental United States. They are pleading for the passage of some kind of legislation that will offset the decision of the Supreme Court and break up this plan of the States assessing taxes on their activities in various States. I cannot think of any industry hurt as badly as the glass industry. We have been hurt severely by the competition of imports, likewise with the pottery industry and various other industries in my State.

I urge support of this legislation.

Mr. CELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I rise in support of the conference report as a Member who filed a similar piece of legislation.

Mr. Speaker, if this bill is not passed we will only open up the Pandora's box of uncertainty and chaos for businesses throughout the 50 States of the Union.

In regard to the statement of the gentleman from Texas that small business is against this bill, I have here in my hand letters from over a hundred small business concerns in Massachusetts which have written to me requesting that I do everything possible to see that this bill is passed.

For example, I read the following letter from the Valley Paper Co., of Holyoke, Mass., dated August 4, and addressed to me:

> Please refer to Senate Joint Resolution 113, S. 2213, and S. 2281 dealing with State taxation of income derived solely from interstate transactions.
>
> We desire to register our strong support of this proposed legislation and therefore urge your cooperation accordingly—which we believe to be in accordance with the views of thousands of business organizations, both large and small.

Mr. Speaker, I want to ask a question of the chairman of the committee: First of all, does he feel that the States have jurisdiction to tax out-of-State corporations? And, assuming that they did have jurisdiction, what determines the proportion of the corporation's income subject to tax by the State?

Mr. CELLER. That is one of the questions that the study we are setting up will concentrate on. It is a very difficult question to decide. That is why we want this bill, so the Congress will have the results of the deliberations of Members of Congress with the Senate on this vexatious subject.

Mr. PATMAN. I am sure the gentleman did not intend to leave the impression that this is a study bill by a committee?

Mr. CELLER. Not at all.

Mr. PATMAN. I would like to ask the gentleman if it is not a fact it has two titles and that the first title will be permanent law?

Mr. CELLER. As far as solicitation is concerned it is permanent, but only in the sense that if this study comes to the House and the result of this study shows that the laws should be changed with reference to solicitation, the recommendation will be made and the Congress will have the opportunity to change it. That is all there is to it. I still maintain that this is stopgap legislation. Beyond that we do not go.

Mr. PATMAN. But title I is permanent law?

Mr. CELLER. It is not permanent in the sense that the gentleman says it is. It is permanent in the sense I gave it to the gentleman. Changes will be recommended, if at all, by the study committee.

Mr. PATMAN. And new hearings will have to be held.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Iowa.

Mr. GROSS. Representing a district bordering on the State of Minnesota, which taxes interstate commerce, I strongly support this bill.

This legislation is the minimum action that should be taken here and now by Congress if a situation of confusion and chaos is to be averted as between all the States of this Union. I want to commend the conference committee, and I have no doubt that the distinguished chairman of the House Judiciary Committee, Mr. CELLER, together with the members of his committee, will begin a study of this important problem at the earliest possible date to the end that reasonable and permanent legislation may be enacted.

I thank the gentleman from New York for yielding to me for this brief statement.

Mr. MONAGAN. Mr. Speaker, I am happy to support S. 2524. By limiting taxation on mere solicitation of interstate business, this bill gives greater cer-

tainty to the law on State taxation of such business. This is a great improvement.

By setting up a commission to study this whole problem, as provided in this legislation, we will take a great step forward because we will insure a careful overall examination, and we will guarantee a well-considered recommendation for a further law to eliminate in detail any unfair tax restrictions on business between the States.

Mr. BOLAND. Mr. Speaker, I rise in support of the conference report on S. 2524, prohibiting States from imposing net income taxes on income derived from interstate commerce and recommending that the House Judiciary Committee and the Senate Finance Committee undertake a study of State taxation of income derived from interstate commerce, and make a report of the studies and recommendation for legislation to Congress by July 1, 1962.

This is stopgap legislation resulting from the Supreme Court decision in the Stockham Valves case. Some charges have been made that this legislation will hurt small business. The many letters I have received from business firms in my congressional district would indicate that these businesses would be hurt if this legislation is not enacted. If there are any inequities in the stopgap legislation before us, they will be corrected during the study to be made by the House Judiciary Committee and Senate Finance Committee and new recommendations will come back to Congress in less than 2 years.

Mr. Speaker, businessmen have been in a quandary regarding this matter since the Supreme Court decision was rendered. This type of business resulting from solicitation in a State with the orders to be filled by shipment from a point outside a State has not been subject to taxation by States in the past. I know that there has been pressure exerted by State comptrollers and State taxing authorities to kill this legislation, but we are not taking anything from the States. The States have never taxed the net income from this type of business.

Mr. Speaker, I ask permission to include two of the many letters I have received from businessmen indicating the feeling of the business community on the Supreme Court decision and the need of this legislation which I hope will pass the House this afternoon.

GARDNER-BROOKS, INC.,
Springfield, Mass., July 16, 1959.

The Honorable EDWARD P. BOLAND,
House of Representatives,
Washington, D.C.

MY DEAR MR. BOLAND: We at Gardner-Brooks, Inc., and most informed folks with whom I have discussed the matter feel very confident that some Federal legislation is urgently needed to prohibit any State from taxing businesses engaged in interstate commerce except when such firms have a permanent place of business within that State's borders.

We believe that the unrestricted flow of interstate commerce has been a major factor in making our country strong.

A multiplicity of State income taxes with varying formulas levied by every State in which goods are sold or to which goods are shipped, with the myriad of problems, obstacles, and costs incident thereto, could pyramid the costs of doing interstate business and the cost of living to the public.

We believe that the effect of such a taxation problem could have even more adverse effects on domestic business growth than were individual States permitted by the Constitution to levy tariffs on interstate shipments.

We believe that current active congressional interest in this newly arisen problem will be most constructive.

Sincerely yours,

J. LORING BROOKS,
President.

UNITED ELASTIC CORP.,
Easthampton, Mass., May 8, 1959.

The Honorable EDWARD P. BOLAND,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BOLAND: The United Elastic Corp., a Massachusetts corporation with plants located in Massachusetts, Connecticut, and Virginia, doing an interstate business of $25 million annually, urges immediate Federal legislative action to clarify the recent Supreme Court decision upholding tax of corporations in interstate commerce.

In our opinion the Supreme Court by its decision did not uphold the intent nor the letter of the first article of the Constitution of the United States which limits the powers of the States to tax or impose duties on articles exported from any State.

We feel that the Supreme Court by its decision opens the floodgate for individual States to impose taxes on income that has been previously taxed. In addition the decision forces on all corporations and individuals doing interstate business the additional burden of keeping books and records, making returns, applying numerous formulas for the allocation of income in compliance with the varied laws of the 49 States. All this imposes a tremendous burden on corporations doing interstate commerce business.

We, therefore, urge immediate Federal legislative action for the purpose of clarifying the recent Supreme Court decision regarding State taxation of interstate commerce.

Respectfully yours,

H. W. CONANT,
President.

Mr. CELLER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. PATMAN), there were—ayes 130, noes 28.

Mr. PATMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

Mr. HALLECK. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. A quorum is not present.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 359, nays 31, not voting 45, as follows:

[Roll No. 158]

YEAS—359

Abbitt	Allen	Auchincloss
Abernethy	Andersen, Minn.	Avery
Adair	Arends	Bailey
Addonizio	Ashley	Baker
Alexander	Ashmore	Baldwin
Alford	Aspinall	Barr
Alger	Bass, N.H.	Barry
Bass, Tenn.	Garmatz	Miller, N.Y.
Bates	Gary	Milliken
Becker	Gathings	Mills
Beckworth	Gavin	Mitchell
Bennett, Mich.	George	Moeller
Bentley	Giaimo	Monagan
Berry	Glenn	Moore
Betts	Goodell	Moorhead
Blatnik	Grant	Morgan
Blitch	Gray	Morris, Okla.
Boggs	Green, Oreg.	Morrison
Boland	Griffiths	Moss
Bolling	Gross	Moulder
Bosch	Gubser	Multer
Bow	Haley	Mumma
Bowles	Halleck	Murphy
Boykin	Halpern	Murray
Boyle	Hardy	Natcher
Brademas	Hargis	Nelsen
Bray	Harris	Norblad
Breeding	Harrison	Norrell
Brewster	Hays	O'Brien, Ill.
Brock	Healey	O'Hara, Ill.
Brooks, La.	Hébert	O'Hara, Mich.
Brooks, Tex.	Hechler	O'Konski
Broomfield	Hemphill	O'Neill
Brown, Ga.	Henderson	Oliver
Brown, Mo.	Herlong	Osmers
Brown, Ohio	Hess	Ostertag
Broyhill	Hiestand	Passman
Buckley	Hoeven	Pelly
Budge	Hoffman, Ill.	Perkins
Burke, Ky.	Hoffman, Mich.	Philbin
Burke, Mass.	Hogan	Pilcher
Burleson	Holt	Pillion
Bush	Holtzman	Pirnie
Byrnes, Wis.	Horan	Poff
Cahill	Hosmer	Porter
Cannon	Huddleston	Preston
Carnahan	Hull	Price
Casey	Ikard	Pucinski
Cederberg	Inouye	Quie
Celler	Irwin	Quigley
Chamberlain	Jarman	Rabaut
Chelf	Jennings	Rains
Chenoweth	Jensen	Randall
Chiperfield	Johansen	Ray
Church	Johnson, Md.	Reece, Tenn.
Clark	Johnson, Wis.	Rees, Kans.
Coffin	Jonas	Reuss
Cohelan	Jones, Ala.	Rhodes, Ariz.
Collier	Judd	Rhodes, Pa.
Colmer	Karsten	Riehlman
Conte	Karth	Riley
Cook	Kasem	Rivers, Alaska
Corbett	Kastenmeier	Rivers, S.C.
Cramer	Kee	Roberts
Cunningham	Keith	Robison
Curtin	Kelly	Rodino
Curtis, Mass.	Keogh	Rogers, Colo.
Curtis, Mo.	Kilburn	Rogers, Fla.
Daddario	Kilday	Rogers, Mass.
Daniels	Kilgore	Rogers, Tex.
Davis, Ga.	King, Utah	Rooney
Dawson	Kirwan	Rostenkowski
Delaney	Kitchin	Roush
Denton	Kluczynski	Rutherford
Derounian	Knox	Santangelo
Devine	Kowalski	Saund
Diggs	Lafore	Saylor
Dixon	Laird	Schenck
Dollinger	Lane	Scherer
Donohue	Langen	Schwengel
Dooley	Lankford	Scott
Dorn, N.Y.	Latta	Selden
Dorn, S.C.	Lennon	Shelley
Dowdy	Levering	Sheppard
Downing	Libonati	Shipley
Doyle	Lindsay	Short
Dulski	Lipscomb	Siler
Durham	Loser	Simpson, Ill.
Dwyer	McCormack	Smith, Calif.
Edmondson	McCulloch	Smith, Iowa
Elliott	McDowell	Smith, Kans.
Everett	McFall	Smith, Miss.
Evins	McGinley	Smith, Va.
Fallon	McIntire	Spence
Farbstein	McMillan	Springer
Fascell	McSween	Steed
Feighan	Macdonald	Stratton
Fenton	Mack, Wash.	Stubblefield
Fino	Madden	Sullivan
Fisher	Mahon	Taber
Flood	Mailliard	Teague, Calif.
Flynn	Marshall	Teller
Flynt	Martin	Thomas
Fogarty	Mason	Thompson, Tex.
Foley	Matthews	Thomson, Wyo.
Forand	May	Thornberry
Forrester	Meader	Tollefson
Fountain	Merrow	Trimble
Frelinghuysen	Meyer	Tuck
Friedel	Michel	Udall
Fulton	Miller, Clem	Ullman
Gallagher	Miller, George P.	Utt
		Vanik

Van Zandt	Whitener	Wright
Vinson	Whitten	Yates
Wainwright	Widnall	Young
Wallhauser	Wier	Younger
Walter	Williams	Zablocki
Wampler	Willis	Zelenko
Watts	Wilson	
Weis	Winstead	

NAYS—31

Anderson, Mont.	Green, Pa.	Montoya
Baring	Hagen	Morris, N. Mex.
Barrett	Harmon	Nix
Bennett, Fla.	Holifield	Patman
Burdick	Holland	Pfost
Byrne, Pa.	Johnson, Calif.	Prokop
Coad	Johnson, Colo.	Roosevelt
Dent	King, Calif.	Sisk
Dingell	McGovern	Toll
Granahan	Mack, Ill.	Wolf
	Metcalf	

NOT VOTING—45

Albert	Ford	Powell
Andrews	Frazier	St. George
Anfuso	Griffin	Sikes
Ayres	Hall	Simpson, Pa.
Barden	Jackson	Slack
Baumhart	Jones, Mo.	Staggers
Belcher	Kearns	Taylor
Bolton	Landrum	Teague, Tex.
Bonner	Lesinski	Thompson, La.
Canfield	McDonough	Thompson, N.J.
Carter	Machrowicz	Van Pelt
Cooley	Magnuson	Weaver
Dague	Minshall	Westland
Davis, Tenn.	O'Brien, N.Y.	Wharton
Derwinski	Poage	Withrow

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Anfuso with Mr. Baumhart.
Mr. Lesinski with Mr. Taylor.
Mr. O'Brien of New York with Mr. Ford.
Mr. Thompson of Louisiana with Mr. Van Pelt.
Mr. Carter with Mr. Withrow.
Mr. Albert with Mr. Simpson of Pennsylvania.
Mr. Frazier with Mr. Kearns.
Mr. Machrowicz with Mr. Grffin.
Mr. Staggers with Mr. Derwinski.
Mr. Slack with Mr. Ayres.
Mr. Magnuson with Mr. Belcher.
Mr. Thompson of New Jersey with Mr. Weaver.
Mr. Cooley with Mr. Westland.
Mr. Andrews with Mr. Wharton.
Mr. Hall with Mrs. St. George.
Mr. Powell with Mr. Minshall.
Mr. Sikes with Mr. McDonough.
Mr. Teague of Texas with Mrs. Bolton.
Mr. Bonner with Mr. Jackson.
Mr. Landrum with Mr. Dague.
Mr. Davis of Tennessee with Mr. Canfield.

Mr. MORRIS of New Mexico and Mr. DINGELL changed their votes from "yea" to "nay."

Mr. BASS of Tennessee and Mr. KNOX changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

GENERAL LEAVE TO EXTEND

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MILLER of New York. Mr. Speaker, pursuant to permission granted I would further like to clarify a point with respect to the bill S. 2524, as passed by the House and Senate. It is not the intention of this legislation, in my opinion, that goods shipped into a State and temporarily at rest in a public warehouse should be singled out as a basis for the levying of a State tax against the shipper or manufacturer.

Mrs. WEIS. Mr. Speaker, I am extremely pleased that the conference report on S. 2524 is being called up for consideration today, and I think the members of the Judiciary Committee are to be especially commended for the dispatch with which they have moved in seeking a solution to this vexatious problem of State taxation of interstate commerce.

In the past, interstate commerce has been at least relatively free from the burdens of multiple State taxation. As a result of the court decisions in the Stockham Valve case and in the Northwestern States Cement case, however, the door may now be open for any State to step in and impose crushing taxes on firms located outside, but doing business within, the boundaries of that State.

The burden of such taxation would be especially severe for the small-business man, whose volume of business in any one State would probably not even warrant continuing to do business in States imposing such taxes.

In fact, several firms in my own 38th District of New York have indicated to me that their volume of business in some States would be such that they probably could not even afford the administrative costs connected with keeping the voluminous records necessary to pay the taxes, let alone the taxes themselves.

Just this week, I have received word that 70 percent of the gross sales, both wholesale and retail, of the companies in Newark, N.Y., are made in interstate commerce throughout the entire country. Newark is the largest city in Wayne County, N.Y., which I am privileged to represent in the Congress, and it would be a fearful blow to the community's economy if crushing income taxes were suddenly imposed by a number of States in which Newark's business firms are operating.

S. 2524 deals with a portion of the problem by prohibiting States from taxing income derived solely from the solicitation of orders within a given State by out-of-State companies. The language of the bill itself makes it clear that this is not the final answer to the entire problem by providing for continued study by two separate committees of the Congress. But it definitely represents a step in the right direction, a step which is of vital importance to every businessman operating in interstate commerce.

Mr. Speaker, the absence of artificial trade barriers between the States has been responsible for much of the dynamic growth of this Nation, and the Congress has a grave responsibility to see that these channels of trade remain free and open. S. 2524 will serve the best interests of thousands of small-business men throughout the country, and I urge adoption of this conference report.

MILITARY CONSTRUCTION APPROPRIATIONS FOR 1960, H.R. 8575

Mr. THOMAS. Mr. Speaker, on behalf of the gentleman from California [Mr. SHEPPARD], I ask unanimous consent that the managers on the part of the House have until midnight to file a conference report on the military construction appropriation bill for 1960, namely, H.R. 8575.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDING COMMUNICATIONS ACT OF 1934 WITH RESPECT TO EQUAL-TIME PROVISIONS

Mr. HARRIS. Mr. Speaker, I call up the conference report on the bill (S. 2424) to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1069)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2424) to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 315(a) of the Communications Act of 1934 is amended by inserting at the end thereof the following sentences: 'Appearance by a legally qualified candidate on any—

"'(1) bona fide newscast,

"'(2) bona fide news interview,

"'(3) bona fide news documentary (if the appearance of the candidate is incidental to the presentation of the subject or subjects covered by the news documentary), or

"'(4) on-the-spot coverage of bona fide news events (including but not limited to political conventions and activities incidental thereto),

shall not be deemed to be use of a broadcasting station within the meaning of this subsection. Nothing in the foregoing sentence shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events, from the obligation imposed upon them under this Act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.'

"SEC. 2. (a) The Congress declares its intention to reexamine from time to time the amendment to section 315(a) of the Communications Act of 1934 made by the first section of this Act, to ascertain whether such amendment has proved to be effective and practicable.

"(b) To assist the Congress in making its reexaminations of such amendment, the Federal Communications Commission shall include in each annual report it makes to Congress a statement setting forth (1) the information and data used by it in determining questions arising from or connected with such amendment, and (2) such recommendations as it deems necessary in the public interest."

And the House agree to the same.

OREN HARRIS,
WALTER ROGERS,
JOHN J. FLYNT, Jr.,
JOHN B. BENNETT
(By J. ARTHUR YOUNGER),
J. ARTHUR YOUNGER,
WM. H. AVERY,
Managers on the Part of the House.

JOHN O. PASTORE,
A. S. MIKE MONRONEY,
STROM THURMOND,
CLIFFORD P. CASE,
HUGH SCOTT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2424) to amend the Communications Act of 1934, in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 315(a) of the Communications Act of 1934 now provides that if any radio or television licensee permits any person who is a legally qualified candidate for any public office to use a broadcasting station, such licensee must afford equal opportunities to all other candidates for that office in the use of such broadcasting station.

The bill (S. 2424) as passed by the Senate would have added to section 315(a) a sentence as follows: "Appearance by a legally qualified candidate on any newscast, news interview, news documentary, on-the-spot coverage of news events, shall not be deemed to be use of a broadcasting station within the meaning of this subsection, but nothing in this sentence shall be construed as changing the basic intent of Congress with respect to the provisions of this Act, which recognizes that television and radio frequencies are in the public domain, that the license to operate in such frequencies requires operation in the public interest, and that in newscasts, news interviews, news documentaries, on-the-spot coverage of news events, all sides of public controversies shall be given as fair an opportunity to be heard as is practically possible."

In addition, the bill, as it passed the Senate, contained a section 2, declaring the intent of Congress to reexamine the amendment above referred to at or before the end of the 3-year period immediately following the enactment of this proposed legislation, to ascertain whether the amendment was effective and practicable. It also included a section 3 to require the Federal Communications Commission to report to Congress annually, during such 3-year period, certain information to aid the Congress in its reexamination of the effectiveness and practicability of the amendment being made to section 315(a).

The House struck out all after the enacting clause of the Senate bill and inserted a substitute which merely amended section 315(a) by adding at the end thereof a new sentence, as follows: "Appearance by a legally qualified candidate on any bona fide newscast (including news interviews) or on any on-the-spot coverage of news events (including, but not limited to, political conventions and activities incidental thereto), where the appearance of the candidate on such newscast, interview, or in connection with such coverage is incidental to the presentation of news, shall not be deemed to be use of broadcasting station within the meaning of this subsection."

The differences between the substitute passed by the House and the substitute agreed to in conference are as follows:

THE AMENDMENT TO SECTION 315(A)

The first section of the conference substitute adds to section 315(a) a new sentence having the same general purpose as the new sentence proposed by the House substitute. However, there are differences which represent compromises between the Senate and House positions on certain points.

Under the House provision an appearance would have been exempted from the equal time requirement only "where the appearance of the candidate on such newscast, interview, or in connection with such coverage is incidential to the presentation of news." The Senate provision contained no language comparable to this, and it is omitted from the conference substitute, except as explained below.

The Senate bill exempted an appearance on a "news interview," while the House amendment exempted such an appearance only when it was included as part of a bona fide newscast. In the conference substitute an appearance on a "bona fide news interview" is exempted without regard to whether it is included as a part of a newscast.

The intention of the committee of conference is that in order to be considered "bona fide" a news interview must be a regularly scheduled program.

It is intended that in order for a news interview to be considered "bona fide" the content and format thereof, and the participants, must be determined by the licensee in the case of a news interview originating with the licensee of a station and by the network in the case of a news interview originating with a network; and the determination must have been made by the station or network, as the case may be, in the exercise of its "bona fide" news judgment and not for the political advantage of the candidate for public office.

The Senate bill exempted appearances of candidates on news documentaries. The House amendment made no such exemption. Under the conference substitute, the appearance of a candidate on a news documentary is exempted only if such appearance is incidental to the presentation of the subject or subjects covered by the news documentary. Thus, a program which deals predominantly with a candidate would not be a news documentary exempted under provisions of the substitute.

In the conference substitute, in referring to on-the-spot coverage of news events, the expression "bona fide news events" instead of "news events" is used to emphasize the intention to limit the exemptions from the equal time requirement to cases where the appearance of a candidate is not designed to serve the political advantage of that candidate.

The Senate bill, in the sentence being added to section 315(a), contained the following language: "but nothing in this sentence shall be construed as changing the basic intent of Congress with respect to the provisions of this Act, which recognizes that television and radio frequencies are in the public domain, that the license to operate in such frequencies requires operation in the public interest, and that in newscasts, news interviews, news documentaries, on-the-spot coverage of news events, all sides of public controversies shall be given as fair an opportunity to be heard as is practically possible."

With certain modifications this language has been included in the conference substitute as a sentence reading as follows: "Nothing in the foregoing sentence shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events, from the obligation imposed upon them under this act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance."

The conferees feel that there is nothing in this language which is inconsistent with the House substitute. It is a restatement of the basic policy of the "standard of fairness" which is imposed on broadcasters under the Communications Act of 1934.

SECTION 2

Section 2(a) of the Senate bill declared the intention of Congress to reexamine, on or before the expiration of a 3-year period, the amendment made by the bill to section 315(a) of the Communications Act of 1934, to ascertain whether the amendment had proved to be effective and practicable. Subsection (b) of section 2 required the Federal Communications Commission to report to Congress annually during such 3-year period on the administration of the amendment, together with recommendations. The House amendment contained no similar provisions.

Section 2 of the substitute agreed to in conference is similar to these Senate provisions, except that the 3-year limitation has been removed.

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Mr. HARRIS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, we bring to the House a conference report on legislation which is commonly referred to as the equal-time amendment to the Communications Act of 1934.

It will be remembered that this is the problem we had in the House a few days ago in which all of us are interested and have some concern about.

You will recall that this problem developed out of a decision of the Federal Communications Commission—which we thought was a rather arbitrary decision—in the Lar Daly case involving the appearance of political candidates on newscasts.

We made an effort to clarify section 315 by exempting from the equal-time provision political candidates' appearance on such programs as newscasts, news interviews, and on-the-spot coverage of news events.

Your conferees met and there was considerable discussion. It would be correct to say that at times it got a little heated. But we have done the best we could to resolve this issue and bring it back and present it to you in an effort to clarify this very important provision of law.

We tried to limit carefully the exemptions from section 315 in the bill which we brought to the House. We exempted bona fide newscasts which had been the pattern over the years. We included in connection therewith news interviews and we extended the exemption to on-the-spot coverage of news events using the language of the gentleman from California [Mr. Moss], as he offered it at that time requiring that the appearance of the candidate must be "incidental to the presentation of news."

We described what was intended. We explained that it was difficult to write specific language to meet the problem, but we were making legislative history in the report and on the floor which the industry and the Federal Communications Commission could follow in trying to administer this very knotty problem.

We had little trouble in agreeing on what was intended during the course of the debate except in one instance, and that had to do with certain so-called panel discussions. It will be recalled that the committee struck the words "panel discussion" and "news documentary," but we were careful to explain in the report and in our debates here on the floor of the House that we struck those words because the committee felt these undefined categories might take in too much, and that the exemption thus would possibly go too far; but we also explained that by doing so we did not intend to eliminate those panel discussions and news documentaries which may fall in the category of a "bona fide newscast" or of an "on-the-spot coverage of news events."

As I say, during the course of the debate a question was asked by one member of the committee, Mr. YOUNGER, of another member of the committee, Mr. Moss, as to his intention with respect to certain panel shows. The gentleman from California [Mr. Moss] gave him his reply, which in my opinion, was contrary to what we had included in the report, and which certainly was contrary to what I had said in answer to a question by the gentleman from Texas [Mr. IKARD]. Now that, as well as some other things, had to be resolved, so in our conference we agreed that the language would be changed.

And, I might say, in my opinion, we have got a better bill in this conference report than we had in the bill which was reported by our committee and passed in the House and a better bill than was passed by the other body.

So, what we did was to exempt the appearance of a legally qualified candidate on, first, a bona fide newscast—it has to be a bona fide newscast; second, a bona fide news interview; third, a bona fide news documentary, if the appearance of the candidate is incidental to the presentation of the subject or subjects covered by the news documentary. In other words, if you go back and pick up documentary material out of the past and make it a part of a so-called news documentary, the appearance of the candidate must be incidental to the subject presented on such news documentary. That is what we did, and our conference report explains that intention.

There is no question about the on-the-spot coverage of bona fide news events, which refers to matters such as a national political convention and so forth. We have tried here in the statement of managers to spell that out just as clearly as we possibly can what is intended.

Now, just in case anybody in the broadcasting industry or in the Federal Communications Commission, or even a candidate himself, should get the idea that "The reins are off; you can do what you want to," we have accepted in the conference substitute a provision similar to what was referred to as the Proxmire amendment in the other body. This provision says that nothing in the foregoing sentence shall be construed as relieving the broadcasters in connection with the presentation of news, news interviews, documentaries, and on-the-spot coverage of news events from the obligation imposed upon them under this act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

Furthermore, in the statement of managers on page 4 you will find that it is the intention of the conferees that in order to be considered bona fide, a news interview must be a regular scheduled program. Now, there has been already some discussion that on these national panel programs or interview programs there has been no particular problem. The great problem is that on the local level a broadcaster might set up panel discussions or news interviews that are not regularly scheduled programs but which constitute an effort to take advantage of such a program to further the candidacy of some political candidate. That is not intended to be exempted and it is not permitted under this report—either the spirit of it or the language of it. Such program has to be, No. 1, bona fide, and No. 2, it has got to be a regularly scheduled program before it would come under the exemption provisions. Then we went further than that to be sure that there was no advantage taken by the broadcasting industry or anyone else and reaffirmed the "standard of fairness" established under the Communications Act. Anyone trying to take advantage, will be held accountable to the Federal Communications Commission for his action.

Mr. Speaker, I think the conferees have done a very good job under the circumstances and I urge the adoption of this conference report.

Mr. BENNETT of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the ranking minority member and a member of the conference committee.

Mr. BENNETT of Michigan. Mr. Speaker, I wish to associate myself with the gentleman in the remarks he has just made in explanation of this bill. We are legislating here in perhaps one of the most difficult areas concerning the Communications Act. I do not think it is possible to arrive at a completely satisfactory solution or one that will deal effectively with every single problem that arises in this area. But I think we have come up with a reasonably good solution, an entirely practical solution, recognizing the rights of candidates on the one hand and giving broadcasters the right to exercise their bona fide news judgment.

I feel very strongly that the conference substitute is superior to the legislation passed by the House.

As I stated in the discussion of this legislation on the floor of the House, I felt that the bill as reported to the full committee by our Subcommittee on Communications and Power was a very satisfactory bill. As a matter of fact the provisions of the conference substitute are very close to the provisions contained in the subcommittee bill. In the full committee, however, a new clause was added providing that the appearance of the candidate on a newscast, interview, or in connection with the coverage of a news event must be—and I quote—"incidental to the presentation of news."

I feel that this language would make the task of broadcasters and the FCC an impossible one and that even with the best intentions in the world neither broadcasters nor the Commission can meet the task of distinguishing between appearances which are incidental and appearances which are not incidental.

I am glad to see that the conference substitute omits this language because the majority of the conferees felt as I do, that this requirement would lead to even greater confusion than we have at present under the Lar Daly decision.

Mr. Speaker, I hope the conference report will be agreed to.

Mr. HARRIS. Mr. Speaker, I might say that the conferees on both sides agreed to this conference report with the exception of one Member of the House, the gentleman from California [Mr. Moss], who did not agree with the conference report as presented. All other members of the Conference Committee, both House and Senate, agreed to and signed the report.

Mr. YOUNGER. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman.

Mr. YOUNGER. Mr. Speaker, I associate myself with the conference report and should like to ask this question. Does not the gentleman believe that the conference report and the explanation made in it, actually make for a better bill than we went to conference with?

Mr. HARRIS. I just stated that a moment ago; I feel that way.

Mr. YOUNGER. I thank the gentleman.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Kansas.

Mr. AVERY. Mr. Speaker, I certainly want to be associated with the gentleman from Arkansas who is now addressing the House in his remarks. Certainly the fact that the conferees were able to agree was a direct result of the leadership of the gentleman and his positive assertion of the position of the House while we were in conference.

I wondered, while the gentleman was in the well—I know this item is going to

come up a little later—if he would not address himself to the proposition that the test of the standard of fairness still prevails in the basic act irrespective of any changes that we have made in section 315; and it applies not only to political candidates, but issues and editorializing by licensees as well.

Mr. HARRIS. The gentleman is eminently correct. He will remember as he was one of the conferees, that we discussed this particular item and everyone agreed that the standard of fairness must prevail, and applies to the programs which will be exempted from the equal-time requirement of section 315.

Mr. HEMPHILL. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from South Carolina.

Mr. HEMPHILL. Mr. Speaker, I take this time to ask this question. The term "bona fide news documentary" as contained in the report does not under any circumstances mean a panel discussion, is that correct?

Mr. HARRIS. No; a panel discussion might come under the heading "news interviews."

Mr. HEMPHILL. As I recollect, the Senate debate on this particular legislation removed "panel discussions."

Mr. HARRIS. Yes, but as I explained a moment ago in our conference report that is explained on page 4. The kind of interview the gentleman is talking about has got to be a regularly scheduled program, has got to be bona fide, and if such a panel discussion comes within that category, it is permitted.

Mr. HEMPHILL. That was the intention in the committee when we discussed panel discussions?

Mr. HARRIS. Yes; the gentleman is correct.

Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Speaker, I hope you will look at the report, the statement of the managers on the part of the House, on page 4, because you have just heard about all of the safeguards built into this legislation. I want to show you that you have no safeguards. The restatement of the so-called Proxmire amendment is virtually meaningless, the statement that says that a rule of fairness must apply, a rule of fairness which can only be tested at the time the station's license comes up for renewal, and renewals which are handled routinely and where there have been no refusals to renew. It gives an opportunity to seek a remedy when the case is cold and forgotten. And if you are a defeated candidate it is of little comfort to know that you may have had a remedy.

Going halfway down on page 4 of the conference report, let us find out what we are doing because it is my considered judgment we are making a back door repeal of section 315, as it applies to the standard of fairness of equal times for candidates. If we open up first by removing the criteria of incidental appearance, incidental to the proper presentation of the news, the conferees were clearly inconsistent because they said this criteria was of no value, and yet they applied it to the matter of news documentaries. They say that the appearance on the documentary broadcast must clearly be incidental to the reporting of the documentary material. But that test of fairness is removed. Any newscast is exempted if it is regularly scheduled. What is a regular schedule? There is no definition. "I intend to schedule it, if I can continue to secure sponsorship for it" might be the attitude of a station. "We will give it a trial run of 3 weeks." Then, it is a regularly scheduled program and is exempt. With reference to bona fide newscasts or news interviews—stop thinking of "Face the Nation" and "Meet the Press." This becomes an issue in your local district over your local radio or TV station.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. MOSS. I yield.

Mr. HOLIFIELD. I just noticed in one of the national magazines that a former Governor of the State of California is going to have a political, a regular political broadcast program beginning in the next few weeks in which he attempts to comment and interview people in politics. Would there be any protection against this former Governor interviewing the candidates of his own faith?

Mr. MOSS. As to the test of good faith, and I am not a lawyer, but I say to any of my colleagues who are—you try to prove that that broadcast was undertaken in bad faith—and you cannot do it.

Mr. HOLIFIELD. Then the answer is——

Mr. MOSS. The answer is that he would be clearly exempt under the provisions of this language. This is wide open to abuse. Let us see where else we have a remedy. If we apply this general rule of fairness in a news presentation of broadcast material. It says, if a program is a regular program under the control of the licensee—if it is a case of a local station or a network—if it is network originated, networks are not regulated. The argument will be offered that networks are licensees because they own radio or television stations. That is not true at all. Mutual Broadcasting owns no stations and yesterday three former officials were indicted for what? For taking $750,000 to set up a special news service to feed slanted news. In my view, you cannot leave to these unregulated organizations, the responsibility of determining whether or not the treatment you receive is fair, or for that matter whether the treatment received by your opponent is fair because he, at election time, has the same right to enter the homes of the American people and present his platform and his views as any of us sitting here as incumbents have. I am concerned that the rights of each of us be preserved. Those rights are not preserved if we repeal this, and that is what you are doing here, and we are not doing it in the language of the statute—we are doing it in the language of the report of the managers from the conference. If it had been included in the language amending the statute, it would have been clearly subject to a point of order, and I assure you I would have made that point of order. But we have expanded this by definition. A newscast now is any program regularly scheduled where you might interview. Yes, it might be a case of the regularly scheduled "This is Your Life." It might be any type of regularly scheduled program thought up by someone in your community. I am not saying that abuses would occur in a great many instances, but I say they could occur and it is our responsibility here to see that they do not. All that is necessary to overcome the very unwise Lar Daly decision is to make clear in the presentation of the news where the candidates' appearance is incidental to the presentation of that news that it is clearly exempted.

That takes us back to where we were before the Labor Day decision; so if we adopt this conference report we go back a very great way, because for 32 years this doctrine of equal time has existed. It was in the first Radio Act.

I say there has been no showing to justify this type of action. It is far too broad; it is opening up the way to abuse, and I think the record shows that some who enjoy privileges in this field have certainly failed to live up to their responsibilities. Again I cite the matter of the indictment yesterday of the three former Mutual Broadcasting officials.

I urge most sincerely that this House not approve this conference report.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. MOSS. Of course, I yield to the gentleman.

Mr. AVERY. I know the gentleman has very sincere convictions about this matter, because he and I have personally debated them in committee and otherwise over a period of months; but in the course of his remarks made this afternoon, I hope the gentleman will clarify his remarks when he says we have extended this to the point that we have repealed section 315. The gentleman should say "in his opinion" we may have done that. Here we have a conference report coming up signed by four Members of the other body and by five Members of this body, and that certainly was not the position that we took in the conference.

Mr. MOSS. I yielded to the gentleman for a question. Let me say I do not think any Member of the House felt that I was expressing other than my own opinion and my own conviction. I was the sole Member out of 10 who did not sign this conference report, and I have no apology for that whatsoever. I recognize the gentleman's sincerity and the gentleman from Kansas knows I am sincere when I say that the language in this report opens the door all the way.

Mr. AVERY. Mr. Speaker, will the gentleman yield further at that point?

Mr. MOSS. I yield further.

Mr. AVERY. Since the gentleman mentioned the events of yesterday involving former officials of the Mutual Broadcasting Co., he would not want to leave the impression with the House that the action taken on section 315 in any way affected the action by the Department of Justice yesterday involving those officials that were just mentioned.

Mr. MOSS. That is such a far-fetched idea that I would not even propose it to the House.

Mr. AVERY. The gentleman brought it up in the course of his remarks.

Mr. MOSS. I think it is evidence of the fact that we do not control licenses or regulate in any way these networks.

Mr. HARRIS. Mr. Speaker, I yield such time as he may desire to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Speaker, I take this moment to inform the House, believe it or not, that we have agreed on a labor bill; and, may I add, all of the conferees survived.

Mr. HARRIS. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. I shall take only one minute. I would like to call the attention of the Members to the conference report. In my recollection, out of the 11 conferees 8 are very prominent attorneys. I am not a lawyer, but I want to assure the Members here that in the opinion of those eight very well-qualified attorneys we did not repeal section 315, but we did make it possible for the broadcasting companies to properly report political meetings, political conventions, and parts of the campaign coming up in the next year.

Mr. Speaker, I yield back the balance of my time.

Mr. HARRIS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I would like to start out by thanking the chairman of the House Committee on Interstate and Foreign Commerce for so graciously making available to me this 5 minutes. I know how dear time is on these conference reports, and I appreciate it.

Mr. Speaker, I would like to subscribe wholeheartedly to the remarks made by the gentleman from California [Mr. Moss].

The gentleman from California said this conference substitute constitutes a repeal of the equal time provisions of section 315(a) of the Interstate Commerce Act. I want to subscribe to that and to repeat it, and to add to it that I think it not only repeals it but virtually completely repeals it and that it just about eliminates the requirement for fair play in those subtle instances of discrimination which are possible between candidates on a radio or television program. The equal time provisions of section 315 of the act would otherwise cover these interviews. The conference substitute gives a virtual exemption of the equal time provisions to panel shows and to programs of that sort. For further proof of that I refer you to the language which appears on page 1 of the conference report where the exemptions are given to bona fide newscasts, bona fide news interviews, and bona fide documentaries. This offers something which has never been in section 315 of the Federal Communications Act before.

I want to recall to the House the fact the amendment that was adopted by this House, and it was adopted by the Committee on Interstate and Foreign Commerce, reflected the work and thought which was given to the bill by the gentleman from California [Mr. Moss]. He is the author and he is entitled to give the best and the most complete construction of that amendment which is before the House.

For the benefit of my colleagues, I want them to remember the House bill required the test that the appearance of the candidate be incidental to the presentation of news. The conference substitute merely requires that the broadcast be bona fide, with one exception, and that one exception is interesting—the question of bona fide news documentaries. In that sole instance the language incidental to the presentation of news is retained. Why should incidental to the presentation of news be important in documentaries if it is not important in the case of newscasts, interviews and other news presentations? The answer is that it is equally possible to utilize preferential treatment for a candidate in the instance where you have a newscast and a news interview as it is in the case of a documentary and the damage to a candidate must be fully as great.

Let me point out that bona fide is defined on page 4 to mean this: "A regularly scheduled program." A program may be regularly scheduled for 3 or 4 weeks or a week or for 7 successive days and immediately after the election it may vanish from the airways. Why? For want of a sponsor, or something of that sort.

In the interim there has been great damage to a candidate.

Then, again, "bona fide" is almost impossible of proof. The only way you can prove the absence of bona fideness and the only way an injured candidate can prevail under this section, and show absence of bona fideness by the producer or by the sponsor or by the show is by showing one of two things: a long pattern of preferential action.

Let me say it may be that this is an incumbent's bill. Possibly it is and it may not be.

I do not speak to the House today on the grounds of partisanship. I say that the right of a candidate to be heard and make his views known over the property of the American people, the radio and television spectrum, is too sacred a thing to be lost by the careless use of words or to be lost because this House failed to take the time to consider the semantics of the thing involved.

If we are to preserve democracy, if we are to preserve free elections in this country, if we are to preserve the rights of each and every candidate, ourselves and those who run against us, and those who run for other offices, we must reject this conference report and start anew.

Mr. HARRIS. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, in the work that was done on this bill in committee, I know of no bill where more thought and care were given to a piece of legislation than this. May I say there were a great deal of differences which were ironed out in the committee, and there were also some disagreements that were carried over to the conference. But, I do believe that the conference committee did as good a job as it could. Any of you who have ever sat in on a conference between the House and the Senate know that you never get complete agreement between all of the parties to that conference. It just does not happen that way. It seems to me that the conference committee did about as good a job as could be done when you consider the differences that there were between what has been presented here by the distinguished gentleman from California, Mr. Moss, and the distinguished gentleman from Michigan, Mr. DINGELL, and what has been presented by the chairman of this committee. There were things, may I say, done in the committee which I did not agree with myself. But, I voted for the bill as it finally came to the floor because I felt that it was the best that we could do at that time. And, I believe that the conference report, may I say to my colleagues, is the best that could be gotten for you to vote on. In any piece of legislation such as this, where there are so many controversies and objections, you are finally going to have to resolve on a compromise, and this is the best that can be had. Overall I believe that the bill as it was originally brought to the House was the best bill. On the other hand, I find no particular disagreement with the bill as it has been expanded, and I believe that I certainly, being placed in that position, recommend it to my colleague as a compromise which can be voted on today, and I think you can do it in good conscience.

Mr. HARRIS. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Speaker, I take this time to ask the chairman a question or two if I may. Just exactly what did the conference committee mean by "a regularly scheduled program"?

Mr. HARRIS. It means a program that is regularly scheduled. Say every day at a certain time or every week at a certain time. The same connotation that is used on anything that would be considered regular in its operation.

Mr. BROWN of Missouri. I am sure the chairman is aware of this, that in television programs more and more they are having spectaculars that are programed only infrequently, rather sporadic scheduling. Let us say, for example, that a station or a network had a program called "Hear It Now," on which normally they carry documentaries. But, suppose 3 or 4 months prior to an election, instead of carrying a documentary, they carry "Hear It Now" with news interviews of a particular candidate. Now, does that come under the exemption?

Mr. HARRIS. The gentleman knows, as we all know, that there are human elements involved with anything that we have in our lives, and we know when someone on a program as important as this tries to go beyond the spirit and the letter of the law and begins to abuse it, it is going to be detected immediately.

Then is when you have the response from the general public. This language is so clear as to what is intended here that whenever an abuse occurs, then that abuse should be reported to the Federal Communications Commission with a request for immediate action.

Mr. BROWN of Missouri. Mr. Speaker, I respect the chairman's answer, and I know this is a very difficult field. I was in the radio business for many years myself. Actually, we got into trouble when the Federal Communications Commission tried to interpret a very vague general law, and I fear that we are asking for a continuation of this trouble. I like the theory of that which is incidental to news. That puts the burden right on the station manager, the licensee.

Mr. HARRIS. And so does this.

Mr. BROWN of Missouri. Well, I wonder if it does it as well as the incidental theory, because clearly under that which is incidental to news, we spell it out to the FCC and to the licensee that the burden is upon the licensee and the broadcaster to determine that which is incidental to news. Now, if we get into regularly scheduled programs, that is open to a great variety of interpretations, I respectfully suggest, because things can be regularly scheduled for a few months this year, and then for 2 years they may not be scheduled, and then may be revived again. Then, too, it lets you run all over the map on these news interview shows, which, personally, when I was in the broadcasting business, I always looked at very carefully, because almost every one of them had some political insinuation of some kind.

Mr. HARRIS. I will say to the gentleman that I respect his views because of the experience he has had with this industry, and I have a lot of admiration for him. I would say even though he has a great deal of familiarity with the actual operation of the program, I respectfully suggest that he is not familiar with the law and with the administration of it. As a matter of fact, heretofore when the Commission issued its rule in the famous Blondy decision, everything apparently moved along all right including news interviews, panel discussions, news documentaries, and so forth; but when the Commission arbitrarily reversed its own position in the Blondy case, that is when the matter got out of hand.

I will say to the gentleman that it is now the intention, and this report does give the Commission clear language as to how to proceed and a very clear guide as to how to carry out the program. And I would say that this is much better from the standpoint of operation in the public interest than what we have had heretofore.

Mr. BROWN of Missouri. Mr. Speaker, I will agree with the chairman that I am not a lawyer or a jurist, but I have had a lot of experience because a licensee actually has to watch his p's and q's or have his license revoked.

Mr. HARRIS. Mr. Speaker, I would refer the gentleman to page 4 of the report which I think should relieve him of any fear that he has regarding the responsibility. I think because of the intense interest in this it would be helpful for everyone to understand just what is intended here, not what I myself tell you from my own convictions or views or what the gentleman from California [Mr. Moss] might say as to his own convictions, but the composite views of the conferees as set out in this conference report and the explanation that goes with it, which is a part of the entire history of the program. I quote from page 4 of the report:

> It is intended that in order for a news interview to be considered "bona fide" the content and format thereof, and the participants, must be determined by the licensee in the case of a news interview originating with the licensee of a station and by the network in the case of a news interview originating with a network; and the determination must have been made by the station or network, as the case may be, in the exercise of its "bona fide" news judgment and not—

I repeat—

> and not for the political advantage of the candidate for public office.

We could not make it any clearer, in my judgment.

Mr. BROWN of Missouri. Mr. Speaker, I tremendously respect the conferees and the chairman of this committee.

Mr. HARRIS. I thank the gentleman.

Mr. BROWN. I just wanted to add this. I think we had a better bill in the original version in the House.

Mr. HARRIS. I still feel that this clarifies it.

Mr. MOSS. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from California.

Mr. MOSS. Mr. Speaker, I hope it was not the intent of the gentleman to leave the impression that under the Blondy decision panel-type shows were exempt from the requirements of section 315.

Mr. HARRIS. Not at all. But I want to say to the gentleman that if the decision in the Lar Daly case was carried to its conclusion, which would be expected, it would reach panel shows, it would reach documentary news programs, it would reach news interviews, it would reach political conventions which have heretofore been carried on TV ever since we have had TV. And, in order to overcome those problems and difficulties, something had to be done about it. We present this as the method of doing it with the restrictions and the limitations attached to it.

Mr. MOSS. Mr. Speaker, will the gentleman yield further?

Mr. HARRIS. I yield.

Mr. MOSS. I believe that I have tried to overcome the effect of the Lar Daly decision. As I understand it, and I believe I am right, it changed the Blondy decision in applying to the reporting of the news. That was the mischief wrought by that decision. We here now go to an exemption of the panel shows which were not included in the Blondy decision.

Mr. HARRIS. Mr. Speaker, actually the one major difference between what we have here and what we presented on the floor of the House with our explanation is that one question. The gentleman from California interpreted the language so that it would not permit panel interviews. I, along with other members of the committee, interpreted it so that it would. This conference makes it clear; if it is a regularly scheduled interview, it is permitted.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Speaker, it has come to my attention that several broadcasters have commenced endorsing candidates or slates of candidates for public office. It seems to me that an endorsement is in effect a violation of the spirit of the section because it gives the preferred or recommended candidate free time to the disadvantage of the candidates who are not considered for endorsement.

Now my question is this: Will this amendment in any way authorize a broadcaster to endorse a candidate or a slate of candidates for public office, thereby violating the spirit of this section by giving the preferred or recommended candidates the advantage of the endorsement and the free time that is involved in that endorsement?

Mr. HARRIS. I will say to the gentleman that this matter of endorsing candidates over broadcasting facilites has just been brought to our attention. We have made some inquiry regarding it. I have only found two stations in the Nation. There may be others that have endorsed candidates over their facilities. One is in Connecticut, I believe, and there has been no problem there because I understand they let all other candidates have equal time in connection with their endorsement. The gentleman has one in his own district, I believe, that has engaged in this practice and has endorsed certain candidates. It is our thinking that this seems to be a clear abuse of the standard of fairness which is applied under the Communications Act itself unless fair opportunities are offered to the other candidates. I think that question ought to be presented to the Commission, and I think also our committee ought to study this problem of stations endorsing candidates.

Mr. VANIK. I thank the gentleman.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. FORAND. Let me add to what the gentleman from Arkansas has just said—he knows of two cases—may I say I know of a third case because they endorsed my opponent in the last election and I beat him by 40,000 votes.

Mr. HARRIS. Well, there is some experience for you. If we could have that kind of luck, I am for more of it.

Mr. Speaker, I yield myself 3 minutes to answer any questions.

Mr. BROWN of Ohio. Mr. Speaker, I congratulate the committee on the report that it has brought in. It does not go quite as far as I would like toward giving freedom of information over the radio and television such as is enjoyed by the press of the Nation, but I think

all of us who do believe in the right of information and freedom of the press could also endorse and approve this bill which will at least permit the news to be presented to us over another media other than the newspapers of the country themselves. I again congratulate the committee.

Mr. HARRIS. Mr. Speaker, Mr. Moss, who is a member of our committee and who was a member of the conference committee on this legislation, and Mr. DINGELL, who is a member of our committee, have prepared and circulated among the Members of the House a letter criticizing the substitute agreed to by the committee of conference, and they urge that the House reject the conference report.

As I read the letter—and I have read it carefully—the principal criticism it makes is based on the omission from the conference substitute of language which was in the House amendment and which, in effect, provided that the exemption from section 315(a) proposed by this legislation in the case of appearance of a candidate on a newscast, news interview, or on-the-spot coverage of news events, would apply only if such appearance was "incidental to the presentation of news," and the substitution therefor of a requirement that a newscast or news interview, or a program presenting news events through on-the-spot coverage, must be a bona fide program of that type or character in order for the exemption to apply.

The letter alleges that this change replaces "the objective requirement of the Houses bill that the appearance be incidental to the reporting of the news with the subjective text that the newscast or news interview be bona fide." It states that the conference substitute provides for "a purely subjective text almost impossible of proof without either the showing of the grossest kind of favoritism or of a long pattern of preferential treatment by the broadcaster."

The letter then states that "by the time the injured candidate had borne the burden of proof required by the substitute the campaign would be long over."

The sum and substance of the contention seems to be that the political candidate who, under the provision as passed by the House, would have been able to complain to the Commission with some hope of success in obtaining equal time would not have such a remedy under the language of the conference substitute.

I do not agree with this. It is my view that the complaining candidate will be able to take the matter before the Commission for a prompt determination of the matter. The test to be applied under the conference substitute is by no means too subjective to permit this. Under the substitute agreed to in conference, the appearance of a candidate on a newscast or news interview will not be exempt from the equal time requirement unless the newscast or news interview is bona fide, and appearance of a candidate in on-the-spot coverage of news events is not to be exempt from the equal time requirement unless the program covers bona fide news events. This requirement regarding the bona fide nature of the newscast, news interview, or news events was not included without careful thought by the conference committee. It sets up a test which appropriately leaves reasonable latitude for the exercise of good faith news judgment on the part of broadcasters and networks. However, it is not intended that the exemption shall apply where such judgment is not exercised in good faith. For example, to state a rather extreme case, the exemption from section 315(a) would not apply where the program, although it may be contrived to have the appearance or give the impression of being a newscast, news interview, or on-the-spot coverage of news events, is not presented as such by the broadcaster or network in good faith, but in reality has for its purpose the promotion of the political fortunes of the candidate making an appearance thereon.

There is another point on which I would like to comment. The letter states that the language of the conference report "reveals its weakness" in that the test of "incidental to the presentation of news" is retained with respect to news documentaries but not to other forms of newscasting. On the contrary, there is ample justification for this special treatment of news documentaries. News documentaries were not exempt as a separate category under the House amendment, but they were under the Senate bill. The report of the House committee explained that the committee did not exempt news documentaries because some such programs might, to quote the language of the report, "go far beyond what is normally considered to be news." I feel that the limiting language in the conference substitute as to news documentaries, since such programs are named as a separate category, is appropriate to meet the point expressed in the report of the House committee. I do not think that there is a similar problem in the case of the other categories included in the conference substitute.

I note that the letter makes reference to "panel shows" in a number of places, apparently on the assumption that this is a category in the case of which appearances of candidates would be exempt from the equal time requirement.

This term is nowhere used in the conference substitute. I can only assume that the writers of the letter had reference to certain programs that would be in the category designated in the conference substitute as "news interviews." Certainly I do not agree that the term "news interview" as used in the conference report is broad enough to include all the types of panel shows or panel discussions that one's imagination might conjure up—and I hardly think that the writers of the letter had this in mind. It might be appropriate to refer at this point to a statement in the House committee report with respect to panel discussions. This statement explained that the House committee amendment did not include them because some programs in that category might go far beyond that is normally considered to be news. Panel discussions were not treated as a separate category in the Senate bill. I wish to make it clear, however, that there certainly is no intention in this legislation to deny exemption from section 315(a) in the case of an appearance on a panel discussion if, by reason of the nature and characteristics of the program, it falls within any of the four categories specified in the first sentence of the amendment agreed to in conference.

The letter at another place charges the conference substitute is a back door repeal of section 315(a) and an "invitation to the grossest kind of political favoritism" and that it gives "an unprecedented opportunity to political kingmaking." This is, in my opinion, a wholly unwarranted statement, with which I heartily disagree.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

The question was taken; and on a division (demanded by Mr. Moss), there were—ayes 142, noes 70.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their own remarks in the RECORD just prior to the vote.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CENTURY 21 EXPOSITION

Mr. BROOKS of Louisiana. Mr. Speaker, I call up the conference report on the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1104)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8374) to amend Public Law 85–880, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That the first sentence of section 1 of the Act of September 2, 1958 (Public Law 85–880; 72 Stat. 1703), is hereby amended as follows:

"(a) After the phrase, 'World Science—Pan Pacific Exposition', insert 'now known as Century 21 Exposition'.

"(b) Strike '1961' and insert in lieu thereof '1961 and 1962'.

"SEC. 2. (a) Clause (5) of section 3 of said Act is hereby amended to read as follows:

"'(5) incur such other expenses as may be necessary to carry out the purposes of this Act, including but not limited to expenditures involved in the selection, purchase, rental, construction, and other acquisition of exhibits and materials and equipment therefor and the actual display thereof, and including but not limited to related expenditures for costs of transportation, insurance, installation, safekeeping, maintenance and operation, rental of space, and dismantling; and'.

"(b) Add a clause (7) to section 3 of said Act as follows:

"'(7) procure services as authorized by the Act of August 2, 1946 (5 U.S.C. 55a), but at rates for individuals not to exceed $50 per diem.'

"(c) Clause (3) of section 3 of said Act is hereby amended to read as follows:

"'(3) erect such buildings and other structures as may be appropriate for the United States participation in the exposition on land (six and one-half acres or more and including land necessary for ingress and egress) conveyed to the United States in fee simple and free and clear of liens and encumberances, in consideration of the participation by the United States in the exposition, and without other consideration. In the design and construction of such buildings and other structures consideration, including consultation with the General Services Administration, shall be given to their utility for governmental purposes and needs after the close of the exposition.'

"SEC. 3. (a) Section 7 of said Act is hereby amended to read as follows:

"'SEC. 7. There are hereby authorized to be appropriated, to remain available until expended, not to exceed $12,500,000 to carry out the provisions of this Act, including participation in the exposition.'

"(b) Add a new section 8 to said Act, as follows:

"'SEC. 8. The functions authorized in this Act may be performed without regard to the prohibitions and limitations of the following laws: section 3648, Revised Statutes, as amended (31 U.S.C. 529); section 3735, Revised Statutes (41 U.S.C. 13).'"

And the Senate agree to the same.

OVERTON BROOKS,
GEORGE P. MILLER,
OLIN E. TEAGUE,
JAMES G. FULTON,
GORDON L. MCDONOUGH,
Managers on the Part of the House.

J. W. FULBRIGHT,
MIKE MANSFIELD,
BOURKE B. HICKENLOOPER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8374) to amend Public Law 85-880, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The amendment of the Senate struck out all after the enacting clause of the House bill and substituted a new text. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for a clerical change, the differences are noted below:

The House bill provided for the conveyance or lease of land to the United States. The Senate amendment provided for a conveyance in fee simple of 6½ acres or more including land necessary for ingress or egress. The Senate amendment also required that, in the construction of buildings and other structures, consideration be given to their utility for governmental purposes and needs after the close of the exposition. The conference substitute adopts the Senate version on this subject.

The House bill amended section 6 of Public Law 85-880 so as to provide for the disposal of property acquired or erected with funds provided pursuant to the act, in accordance with Federal laws relating to excess and surplus property. The Senate amendment struck out this provision. The conference substitute adopts the Senate version on this subject.

The House bill authorized the appropriation of no more than $12,500,000. The Senate amendment authorized the appropriation of such sums as might be necessary to carry out the provisions of the act. The conference substitute adopts the House version on this subject.

Both the House bill and the Senate amendment would waive the prohibitions and limitations of section 3735, Revised Statutes (41 U.S.C. 13) insofar as applicable to the functions authorized by Public Law 85-880. In addition, the Senate amendment would waive section 3648, Revised Statutes, as amended (31 U.S.C. 529). The conference substitute adopts the Senate version on this subject.

OVERTON BROOKS,
GEORGE P. MILLER,
OLIN E. TEAGUE,
JAMES G. FULTON,
GORDON L. MCDONOUGH,
Managers on the Part of the House.

Mr. BROOKS of Louisiana. Mr. Speaker, explaining the conference report briefly to the House I wish to say that this is the so-called Century 21 Exposition bill. The House passed a bill which was presented by the Science and Astronautics Committee. The Senate in its consideration of the bill struck out everything after the enacting clause and wrote a different bill.

There are two fundamental differences between the House and the Senate bills that were ironed out in conference. The first and important one was that the Senate bill did not provide for any definite amount to be spent on the exposition; it provided that such funds as necessary would be made available for that purpose. The House bill provided $12,500,000 for that purpose. The Senate in the conference agreed to tie the sum down to not exceeding $12,500,000, which was the stipulation in the House bill.

On the other hand, when it came to the matter of handling the property on which buildings might be erected for the exposition the House bill did not stipulate the amount of property which would be provided for that purpose. The Senate bill provides not less than 6½ acres and that full means of ingress and egress to this property must be provided. In addition to that the Senate bill wiped out the provision which would permit a lease instead of an actual fee simple title to be given to the United States. We agreed to this. The lease provisions were stricken out and the bill as now presented to you from the conferees requires fee simple title in the United States.

Those are the two fundamental differences in the bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Iowa.

Mr. GROSS. As a result of the conference there is still $12,500,000 for this exposition in Seattle, Wash. Is that correct?

Mr. BROOKS of Louisiana. No; it is not to exceed $12,500,000. That was the amount the House bill provided.

Mr. GROSS. That is a good deal like writing salary limitations into some of the bills that have been going through recently: "Not to exceed $19,000"; but we see that all of them are appointed at $19,000. The gentleman, I suppose, anticipates that this $12,500,000 will be spent.

Mr. BROOKS of Louisiana. That will depend on what action the Appropriations Committees of both Houses take.

Mr. GROSS. But the gentleman anticipates that $12,500,000 will be appropriated, does he not?

Mr. BROOKS of Louisiana. I have great admiration for the gentleman's ability to detect waste, but I believe that if the United States is going to participate in that fair, and the United States has said it wishes to, that we ought to have a presentable exhibit out there on the west coast that will reflect credit upon the greatest nation in the world; and I hope it will not take $12,500,000.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. BROOKS of Louisiana. I yield.

Mr. GROSS. I want to say it is still too rich for my blood, and I am opposed to the conference report.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Pennsylvania, a member of the conference committee.

Mr. FULTON. I would like to assure the House that this amount of money is in good correlation with the other fairs that have been financed through Federal funds from the very beginning, ever since the Chicago Fair of the 1890's. The committee has looked into this carefully. It seemed that this would be a good type of building that can be used afterward by the Federal Government if needed. It can be used after the fair is over, either for Federal Government purposes or for other purposes by the State or city.

We have tried to work out a bill that was tight to meet the requirements of both sides. I am glad to say I agree thoroughly with the gentleman from Louisiana [Mr. BROOKS] as well as the gentleman from California [Mr. MILLER] that this is a good conference report and one we have all participated in and one that the Department of Commerce through its General Counsel has approved.

On behalf of the administration I must say it is within the budget and approved by the administration.

Mr. GEORGE P. MILLER. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. Mr. Speaker, I would like to say for the benefit of the gentleman from Iowa that I consider this much more restrictive than the language involving $12½ million that was put in the bill because that would be a

target to shoot for. Now they have to justify every cent they are going to spend.

Mr. BROOKS of Louisiana. I may say further to the gentleman from Iowa we are in far better shape than we would have been had we adopted the Senate provision where there was no limit at all. This stipulates a limit.

Mr. FULTON. Under this legislation sent up by the administration it would have been an authorization and an appropriation without the necessity of going to the Appropriations Committee of the House of Representatives. I am glad to advise the gentleman that my amendment concurred in by the other side has made this legislation require every cent to be appropriated by the House of Representatives Appropriations Committee, so that we have tried to give it every kind of safeguard and have the House look at it and see that this is the maximum and that they do not get the money handed to them. Is that not right?

Mr. BROOKS of Louisiana. That is correct.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Iowa.

Mr. GROSS. I like all this hedging that is going on over the $12½ million. If the gentleman here thinks that $12½ million is too much, I suggest to him that he could very well have reduced it in conference or tried to reduce it in conference. I hope you will not belabor this issue. I was not able to get a rollcall vote before, but if you keep telling me that you are likely to spend the money, you may convince me you will spend $12½ million and I might still get the rollcall.

Mr. BROOKS of Louisiana. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to and a motion to reconsider was laid on the table.

LEASING OF COAL LANDS IN ALASKA

Mr. ASPINALL. Mr. Speaker, I call up the conference report on the bill (H.R. 6939) to repeal the act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1116)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6939) to repeal the act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

WAYNE N. ASPINALL,
WALTER ROGERS,
JOHN P. SAYLOR,
J. ERNEST WHARTON,
(By J. P. S.)
Managers on the Part of the House.

ERNEST GRUENING,
FRANK E. MOSS,
GORDON ALLOTT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6939) to repeal the act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The conference committee agreed to reject the Senate amendment to H.R. 6939 and thus to restore the bill to the form in which it passed the House. Under this agreement, 10,240 acres of public lands in Alaska will normally be the maximum that can be held under coal lease or permit by any one person, corporation, or association. The Senate amendment would have made this figure 20,480. Lessees and permittees will also be permitted to hold an additional 5,120 acres (instead of 10,240 acres, as proposed by the Senate) if special need therefor is shown. The acreage limitations in Alaska will, in other words, be identical with those in force elsewhere in the United States.

WAYNE N. ASPINALL,
WALTER ROGERS,
JOHN P. SAYLOR,
J. ERNEST WHARTON,
(By J. P. S.)
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to and a motion to reconsider was laid on the table.

DR. CORNELIUS P. RHOADS

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, the world of science, and indeed our Nation as a whole, have very recently suffered a great loss in the untimely death of Dr. Cornelius P. Rhoads. When he succumbed to a heart attack last August 14, Dr. Rhoads was just 61 years of age, and at the peak of his brilliant career as director of the Sloan-Kettering Institute for Cancer Research and scientific director of Memorial Center for Cancer and Allied Diseases in New York City. His outstanding contributions to cancer research should not go unrecognized by this body, which has itself long devoted much attention and effort to attaining the same goal that Dr. Rhoads stood for—victory over cancer.

Strangely enough, Dr. Rhoads, affectionately known as "Dusty" to his friends and associates, came rather late to the medical field to which he finally dedicated his life so completely. Not until 1939, when he joined the staff of Memorial Center, did he begin to turn his prodigious energies toward cancer. The next year, he became director of Memorial, and held that position for 10 years.

A profound change occurred in Dr. Rhoads' attitude toward medical research during the early 1940's, a change that has since been felt all over the United States and even beyond. During the Second War War, he served as chief of the medical service of the Army's Chemical Warfare Service. There he had the opportunity to observe the remarkable progress that can be achieved when scientists work together under pressure. As we all know, scientists are traditionally individualistic. Yet, during the war, many of them found that they could work together without risking any violation of their individual rights as scientists.

Dr. Rhoads became convinced that this approach could be applied to cancer research. He already believed that the problem of cancer could be solved through well-conceived, thorough, progressive research. His war experiences further convinced him that a concentrated frontial attack could speed this success. The way to do this, he decided, was to enlist scientists from a multitude of disciplines.

Dr. Rhoads was a crusader, and fortunately he was endowed with the ability to fire others with his enthusiasm and confidence. The 14-story Sloan-Kettering Institute for Cancer Research stands today as a witness to the inspiration of his leadership. Built with the contributions of Alfred P. Sloan, Jr., and others, it is often called, appropriately, the tower of hope. Dr. Rhoads became director of Sloan-Kettering in 1945, and in this capacity he exhibited great skill and discrimination in selecting exceptionally well-qualified research workers. He was able to offer them wise and generous support, all the necessary resources for conducting their work, and most important, great freedom and flexibility in their individual activities. He attracted outstanding scientists from many nations to Sloan-Kettering, and by the time he died, he had earned the deep respect of scientists in all parts of the world. Still, he was modest enough to say once, "All I can do is pick good men, give them opportunities, and help them keep pointed at the target."

As is the case with most people who try to introduce changes, Dr. Rhoads suffered considerable criticism during his lifetime. Many believed him impractical and impulsive. Some scoffed particularly at his belief that chemicals could be effective in treating cancer. But he refused to be discouraged. Today, chemotherapy research is a nationwide operation, heavily supported by the Federal Government, and widely considered to be our best hope for the future in controlling cancer. I know it must have been extremely gratifying for Dr. Rhoads to see this acceptance of his views.

When Dr. Rhoads was first attracted to the study of cancer some 15 years

ago, we were barely on the threshold of what is now today's most concentrated medical effort, a determined worldwide struggle to understand and reduce one of mankind's most staggering disease problems. Because of the dedication of men like Dr. Rhoads, we have secured the progress that has been made so far against cancer. His life will continue to furnish inspiration to all of us who work to conquer cancer.

It gives me great satisfaction to know that the Congress has made and is making a lasting contribution in this work. I am happy and proud that the Congress has recognized that progress in cancer research, particularly the enormous progress made during the very period when Dr. Rhoads was exercising his vigorous leadership, has merited increasing support over the years. From year to year, to the degree that cancer research has expanded and the need has increased, Congress has increased its appropriations to the National Cancer Institute. In 1945, the appropriation was slighly less than $500,000. For the fiscal year 1960, it is $91,257,000. The availability of these funds has contributed significantly to the support of worthy scientists all over our Nation. Dr. Rhoads' own research institution has been a major recipient of National Cancer Institute grant funds. The present substance of cancer research, the progress we have witnessed in such areas as chemotherapy, virology, and cytology, fully justify our support. They also justify our faith that there will be other men with the vision, the courage, the imagination, and the determination of Dusty Rhoads to carry on in this struggle.

I think you will be as impressed as I was by what Dr. Warren Weaver, Sloan-Kettering's president of the board of trustees, said about Dr. Rhoads. He said:

> It is quite literally true that he worked himself to death. But this occurred in a great cause, and however tragic the immediate incident, this is a noble way to die.

GEN. MELVIN JOSEPH MAAS: A LIVING EXAMPLE OF ACCOMPLISHMENT

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include an article with reference to Gen. Melvin Joseph Maas.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, an example of unexcelled courage, determination, and devotion to public service is given us by our former colleague, Gen. Melvin Maas, in this week's—September 5—issue of the Saturday Evening Post.

Some of us were privileged to know and to serve with Mel Maas, who, by his life, has demonstrated the fact that there is no real need for anyone to be discouraged, but should accept complacently the disappointments and misfortunes which, in some degree, come to all of us.

Often the printed stories of the accomplishments of those who have reached the top are colored, the virtues of the individuals magnified, his faults minimized. That is not true of the story to which reference is here made.

It was my privilege, not only to serve with our former colleague here in the House, but on several occasions to be a patient at the Naval Hospital when Maas was there.

Never have I seen him discouraged; never have I seen him lessen his efforts to render worthwhile service to others. My association with him—and it was comparatively brief and not at all intimate—was always a reminder that there was no excuse for discouragement, no reason ever to cease trying to accomplish something for humanity.

But read the story, for no matter how strenuous your previous efforts may have been, it will inspire you to greater accomplishments for the benefit of others.

By his life, his faithfulness, and his accomplishments, our former colleague has rendered a service greater to our people than that of any individual I have ever met.

The article follows:

DON'T PITY US HANDICAPPED

(By Melvin J. Maas, as told to Paul F. Healy)

The telephone rang in my room at the Bethesda Naval Hospital and when I answered I heard an old friend, Robert Copsey, a brigadier general in the Air Force Reserve, asking what I was doing there.

"Bob," I told him, "you remember how I always admired beautiful women. Well, now all women are beautiful."

Copsey got the point that I had gone blind—and that I was adjusting to my condition and no longer felt sorry for myself.

Since that day in September 1951, quite a number of people have seemed startled by my ability to take my blindness lightly. They express astonishment, too, that I continue to travel alone all over the world—in the last 7 years I have covered 600,000 miles, to Europe, Central America, all U.S. territories and every one of the States. This travel without any escort, human or canine, has been part of my job as chairman of the President's Committee on the Employment of the Physically Handicapped.

What the public doesn't seem to realize, I find, is how millions of severely handicapped persons have readjusted their lives and have the ability of playing a positive, productive part in society. In my own case, the fact that I could joke about my trouble was the first sign that my rehabilitation was getting under way. It was a most welcome sign, too, because when I first learned that I was doomed to darkness, I was terrified and afraid that I would never be able to make the transition to a strange new life.

My blindness occurred with little warning in the middle of a busy career. For 16 years I had been a Congressman from Minnesota, and for 10 of those years had served on the House Naval Affairs Committee. I had been a flier in both world wars, and after the end of World War II had been active as a brigadier general in the Marine Corps Reserve. Then, in July of 1950, just after the Korean war broke out, I was recalled to active duty in the Pentagon as chairman of a Defense Department committee assigned to draft an armed-forces-reserve reorganization bill.

While testifying for this bill during the summer of 1951, I developed a severe case of ulcers and on August 28 was admitted to the Bethesda Naval Hospital. That very day my eyes began to hemorrhage, and the sight of my right eye began to fail.

Two weeks later a Navy doctor sat down by my bed and said bluntly, "You're a marine and supposed to be able to take it, so we're laying it on the line—you're going to be completely blind, and in all probability it will be permanent."

I was stunned speechless. The doctor went on to explain that the blindness apparently had no connection with the ulcers and might have been caused by any one of a hundred things, including bombing injuries I had suffered on Okinawa in World War II. When the doctor left, my first feeling was one of desperation. I had terrible visions of sitting on a street corner, selling pencils or shoelaces. For two nights I lay in a cold sweat. I never actually contemplated suicide, but I was all too aware that I was in a room next to the one from which a depressed James V. Forrestal, former Secretary of Defense, had gone to his death through a window in 1949.

My two immediate worries were that my income would be cut off and that I would be rejected socially. For the first time in my life, at 53 years of age, I faced the prospect of being utterly useless. I was afraid that I would be unable to support my family and would be a burden to them as well. I wondered if my family might not be better off if I were dead and they had my life insurance.

This period of black depression might have clamped down on me for weeks or even months—but I was too busy. I was still working on that reorganization bill. I was on the telephone all day every weekday, discussing its progress with the Congressmen who were guiding it through the House.

On the third night my panic ended. I was able to summon up a philosophy that had helped me before. It is: If you are faced with a problem and can do anything about it, get busy and do it; if your problem is something you can't do anything about, then it is senseless to worry about it.

I began to wonder what I could do about my problem, and I began to experiment. I still had some sight in my left eye, but I wondered what life would be like when that was gone. One morning I kept my eyes tightly shut as I got out of bed; I went to the bathroom and showered, shaved, and brushed my teeth without peeking once. This test brought me profound relief. If I could do that much without any trouble, life couldn't be so bad.

My reevaluation of myself started. First I realized that I wouldn't be penniless, as I had imagined during the period of initial shock. Any officer in the Armed Forces who is retired for total disability gets 75 percent of the base pay of his retirement grade, and this is exempt from income tax. As it turned out, I had reached the rank of major general by the time I retired, and thus began drawing approximately $900 a month, tax-free Also, some years before I had bought an accident-insurance policy that brings me a substantial monthly income.

Meanwhile, the psychological readjustment with my wife, Kathy, and my four children was starting out well. Kathy set an example by treating me just right—with encouragement and adequate sympathy but without coddling or maudlin sentiment. One day she brought me a brochure which described the rehabilitation course at the Veterans' Administration Hospital at Hines, Ill. My religion—I am a Catholic—has taught me that if I had the will to take advantage of the compensations, God would give me the strength and confidence. The brochure said that upon completion of the Hines course a person should be able to do everything he could before he went blind except drive a car. The course lived up to its promise.

My training at Hines started in November, 1951, as soon as I was able to leave the naval hospital. And at Hines I found myself with 2,500 others—mostly Korean war veterans—in the same predicament as myself, but learning things which make it possible for

them to lead an almost normal life. Their constant self-kidding was wonderful for the morale of all of us. The whole course was designed to give us confidence—to rid us of the fear that we might become social pariahs. Even the compulsory dancing class with the Red Cross girls had this aim, though it took me a while to appreciate it.

At the first of these dances, when a Red Cross girl asked me to dance, I tried to beg off with the old chestnut, "I broke my leg in China." She didn't back down but pulled me to my feet with the remark, "Oh, come on General. If you enjoy dancing, you close your eyes anyway."

After we had danced awhile, my partner asked me how I was getting along at Hines, and I admitted that I was having some trouble learning braille. "Just remember one thing," she quipped. "Confine your practicing to paper."

At Hines I soon acquired a state of mind which, I am convinced, is one of the most important mental aids to the handicapped. I learned to regard my existence as a continual challenge, full of the excitement of discovery. When I woke up in the morning, I asked myself, What new things can I learn today—things that I once thought could be done only with sight?

In fact, I sometimes tried to do more than the course permitted. That's how I came to drive a car. One January day my instructor took me on an assignment in an outlying neighborhood. He parked his car at an angle. When we returned, a heavy snow was falling. The car's wheels spun when we tried to back out, so I persuaded the instructor to get out and push while I took the wheel. I was able to back the car into the middle of the street. Then I couldn't resist shifting gears and driving forward a short distance. The instructor got back behind the steering wheel with a memorable sigh of relief.

The Hines brochure had not bothered to rule out flying an airplane, and I had never heard of anyone literally flying blind. Yet, one time when I was returning from Hines to Washington, D.C., in a Marine Corps transport plane, I suddenly got the urge to take the controls again. After all, I had logged between 8,000 and 9,000 hours as a Marine pilot, and some of those hours had been fairly exciting. In fact, one of them had been downright stupid. That was back in 1931 when some of my colleagues in the House of Representatives scoffed at my motion that an enemy plane could get close enough to bomb the Capitol. To show them, I borrowed an old pursuit plane from nearby Bolling Field and made three screaming runs on the skylight of the House while it was in session. Members told me later the vibrations shook some plaster from the ceiling—and emptied the House in record time. Foolish though this stunt was, it proved my point.

Well, on this trip back to Washington in 1952, I asked the pilot, whom I knew well, to let me take his seat. He yielded, and I enjoyed myself thoroughly. After about 10 minutes the copilot leaned over and said respectfully, "General, you've made a 90-degree turn to the right." Following the usual procedure, I twisted the controls over to the left and held them there for 15 seconds to compensate. I said, "Well, son, how's that?" He replied, "Fine, General, except that you've made a 150-degree correction."

When I returned to the cabin, I sat with a group of young Marines hitchhiking a ride back to the capital. I said, "Boys, you don't know it, but you've just been piloted by the blindest blind pilot in the business." They laughed and one of them spoke up.

"But, General," he said, "you were doing swell—especially on that 360° turn." This was interesting news. The copilot, a first lieutenant, apparently had been too shy to tell a blind general that he was flying in circles.

So I gave up flying. But I have never given up reviewing parades. At first it seemed silly, but now it seems perfectly natural I can enjoy the music, and my memory of thousands of other parades helps me to visualize the scene. In fact, with someone giving me a description of what's passing—and nudging me when to salute the flag—I can practically see the whole thing.

Despite my blindness, I was kept on active duty at the Pentagon until August 1, 1952, because my advice was needed on technical amendments to the Reserve bill before it finally passed the Senate. During the next 3 years I was recalled to active duty to serve in full uniform at meetings of the Reserve Forces Policy Board, of which I was a member. Also, I served intermittently on active duty as a member of promotion boards in the Marine Corps.

One day an Army general remarked that I was probably the only general in history to remain on active duty while blind. "Oh, no, General," I said, "only the first to admit it."

When the President's Committee on the Employment of the Physically Handicapped was created in 1947, President Truman had appointed me as a member, presumably to represent the military Reserves. In April 1954 President Eisenhower asked me to step up to the job of chairman. I tried to convince the President that a sighted person could do a better job than I could. But I lost this argument with Ike, who had been a friend of mine since he was an Army major assigned to the War Department.

Our committee does not find specific jobs for the disabled. Its purpose is to educate employers in the practical advantages of hiring the handicapped. Our program is carried on through radio and television programs donated by industry, free advertising and newspaper space, job-opportunity tips channeled through the AFL–CIO, consultation with State and local governments, and many other ways.

The committee has 15 salaried workers plus its noncompensated chairman and 300 committee members representing civic, fraternal, labor, veterans' and other national groups. Mine is primarily a public-relations job. I give three or four speeches a week before all types of luncheon and dinner meetings.

Almost all my trips are by air, and I am usually met at the airport by members of the group I am scheduled to address. My first European trip after becoming blind was in 1953. After attending an international veterans' rehabilitation conference at The Hague, I went on to Paris to take up a military matter with my boyhood friend, Gen. Alfred Gruenther, then supreme commander of NATO and now president of the American Red Cross. After chatting with me for a while, Gruenther asked, "Who's with you, Mel?"

"No one," I said.

"No one?" he echoed. From the tone of his voice I could tell that he didn't believe me. So I explained that on my first trip as a blind man an escort had come along, but had become so airsick that I had to take care of the escort. After that I had decided to go it alone.

Only once has there been a serious mixup in my solo travel arrangments. In December 1957, I flew to Guatemala City to address an Inter-American conference. I had been told the reception committee would include quite a number of lovely young ladies. But no one at all was there to greet me at the bottom of the ramp. I followed the other passengers into the terminal by the sound of their heels—but still no one welcomed me. For the first and only time in my foreign travels, I felt keenly my total ignorance of foreign languages.

After standing around helplessly, I recalled the name of the hotel I was booked into, and desperately began calling out, "San Carlos Hotel. San Carlos Hotel." Nothing happened. People must have thought I was a barker for the hotel. After a half hour, however, a perceptive taxi driver took pity on me and delivered me to the San Carlos. There my hosts explained the mixup—I had not been expected until the next day.

In the United States if no one meets me at the airport, I ask a skycap to get me a taxi. The taxi driver, the hotel doorman and the bellhops take over from there. When the bellhop shows me to my room I ask him to take me completely around it, identifying each piece of furniture. When he leaves the room, I feel my way around the walls again. After that it's just as if I could see the room.

When I travel, my schedule usually puts me in a different city every day. Early one morning I woke up and couldn't remember where the bathroom was in the room I was occupying. Then I realized I didn't even know what city I was in. Having no alternative, I called the switchboard operator and timidly asked her where I was. Before she told me I was in Cleveland, Ohio, I could overhear her turn to another operator and say, "Boy, has this guy been on a bender."

One of the first problems I faced in traveling was that the hotel maid invariably put my bedroom slippers some place where it was almost impossible for me to find them. Now, before I leave my room I make a point of hiding my slippers from the maid—usually in a dresser drawer—before she can hide them from me.

Like other physically handicapped persons who get around, I find that the biggest hazard is the well-meaning but thoughtless person who is determined to help me. It seems to be a natural inclination to grab a blind person by the arm and shove him along. But if I'm shoved out in front of a sighted person, it means I come to the curb first, or I am pushed into revolving doors ahead of him. However, if he lets me take his arm, then I'm a half step behind him and can tell by the feel of his arm anything he's about to do, such as turning or going downstairs.

For some reason it's very hard to get people to do that. I finally got to the point where I just let them shove me. I've come home from trips with my eyes black and blue or my flesh bruised. Once I suffered a broken rib. A fellow I judged to be about 6 feet 6 inches tall—nearly a foot taller than I am—held me in a viselike grip and propelled me toward a door. He went through the center of the door, but I slammed against the doorjamb.

Many people tell me I do not look blind at first glance, and nothing tickles me more than to be mistaken for a sighted person. When I go to the hotel dining room, for example, I ask a waiter to read me the menu. One waiter misunderstood and said apologetically, "Mister, I'm just as ignorant as you are."

I don't wear dark glasses or carry a white cane. A long cane gets in my way in airplanes, in restaurants, and so forth, so I use the collapsible leg of a camera tripod. It can be folded and put into my pocket when I don't need it to warn me of steps and to measure the height of curbstones.

From the beginning I was determined to avoid the telltale characteristics of the blind. At Hines, my instructor drilled me in turning my head toward the persons I was addressing, "watching" the smoke curling up from my cigar and in other habits of the normal person.

To avoid using Braille notes on the dais, I memorize the substance of my speeches. As soon as I have been introduced, I usually say, "I know what I'm talking about because I'm handicapped too." Then as a sympathetic hush settles over the audience, I add, "I've got false teeth." I can hear the tension snap. A burst of laughter follows, and from

then on I've got my listeners where I want them.

Some of my more amusing experiences are woven into my message. Once, for example, when my wife drove me to the Washington Airport for a trip to Miami, Fla., she discovered before I boarded the plane that I was wearing a brown checked sport jacket with gray trousers, gray vest, and gray accessories. Although I use Braille labels on my coathangers to prevent exactly this sort of confusion, I had made a mistake that morning. So I had to go on to Miami in my scrambled ensemble. When I rose to speak on the program I explained what had happened.

"And you know what my wife said to me?" I told the audience. "She said, 'Now you're not only blind but colorblind.'"

Humor is a wonderful safety valve for a handicapped person. At a west coast factory I was with a blind youth who was pushing a paraplegic to the cafeteria in a wheelchair, the paraplegic giving the directions. When the wheelchair bumped the wall slightly, the paraplegic wisecracked, "Hey, look where you're going."

"If you don't like my driving," the blind youth shot back, "get out and walk."

It would seem obvious that sighted people should immediately identify themselves when addressing a blind person, but they often forget this amenity. Sometimes the results are funny. Not long ago a blind former Army pilot gleefully told me about going to a cocktail party where a woman greeted him by throwing her arms around his neck and kissing him. He reciprocated. But when the woman broke from the affectionate clinch, he amused onlookers by inquiring, "Say, just who are you?"

She was, of course, an old friend, but not until she spoke could he be sure which old friend. I told him I could appreciate his problem because I've had the same pleasant experience several times.

Learning to compensate for lack of sight has been a constant challenge. Formerly when traveling I would read or look at the landscape. Now I have trained myself to use this time to concentrate on the tasks at hand or to meditate. I believe I have learned to think more clearly than I could before I became blind.

A byproduct of this concentration has been a tremendous development of my memory—it has become far more retentive than I ever imagined it could be. For example, while I was on the Reserve Forces Policy Board, several members once challenged my detailed recollection of the testimony a general had given the day before. They got out their copies of the general's statement and discovered that I was right. Dr. Arthur Adams, then chairman of the board, was deeply impressed and asked me how I remembered the involved testimony so clearly.

"Well, Mr. Chairman," I said, "I have an advantage—I'm not handicapped by sight."

Since I can't use a telephone directory, I have trained myself to remember some 200 telephone numbers and as many extension numbers. Also, I have developed my own system for dialing, which is faster than that used by the normal sighted person. If you doubt this claim, let me explain that I don't have to lose any time looking for the next number, and instead of waiting for the dial to spring back by itself after each movement, I move it back with my finger to give me the reference point for the next digit.

Thanks to modern science, my life at home is anything but that separate dark world which traditionally was thought to be the lot of the blind. I am virtually self-sufficient in my soundproofed office in the basement of my Washington suburban house, where I live with Kathy and my 18-year-old son, Melvin, Jr. My three daughters are now on their own—two are married and one is a captain in the Marine Corps.

Surrounding my chair are a Braille writing machine, a dictating machine, a pocket-size tape recorder, an intercom connecting me with the upstairs, a radio, and the audio part of a television set. There are many TV discussion programs and detective plays which, with a little imagination, I can enjoy probably as much as people who watch them. And I take in—effortlessly—more good literature than ever before by listening for hours on end to my "talking book" records which, incidentally, are provided free by the Library of Congress to all blind citizens of this country. On the whole, I am busier perhaps than I ever have been. I belong to 72 organizations—local, national, and international—and am quite active in 20 of them.

The degree to which a handicapped person can become usefully busy obviously is the most important key to his readjustment. On the President's committee, we define a physically handicapped person as "one who has a condition which makes normal employment difficult." We believe the committee deserves some credit for the fact that, since its start in 1947, employers in the United States have been hiring the handicapped at a rate which now runs close to 300,000 a year. Approximately 7,500,000 handicapped persons are now employed in this country, and we know of another 2 million who are employable if the right jobs are found.

The appalling additional fact is that on the basis of door-to-door surveys we estimate there are another 2 million "hidden handicapped" who are unreached by doctors and government agencies. These are unfortunates, suffering blindness, epilepsy, palsy, and the like, who have been hidden away in back rooms or attics because their relatives imagine that some social stigma is attached to such conditions. So we apparently have a long way yet to go in convincing all Americans that the handicapped are human beings like everyone else and have the same hopes, dreams and need for dignity, asking only a positive role to play in society.

When a person objects to working alongside a handicapped worker, he usually explains that he is afraid an accident will happen. But this is only an excuse and has no foundation in fact. After searching workmen's-compensation-law statistics all over the United States, we have yet to find a case where a handicapped worker caused an accident to a normal worker. Indeed, in the Hughes electronics plant in Los Angeles, 27 percent of the work force is physically handicapped in some way, yet that plant's insurance rates have been reduced several times because there hasn't been an accident among these workers in 10 years.

No; I think the reason why a normal person is uncomfortable in the presence of the disabled goes deeper than the purported fear of accidents. There is a feeling that these people are basically different. It may well be a psychological factor that can be traced to an early exposure to the grimmer kind of fairy tales, in which deformity invariably is associated with ugliness and evil.

Despite my concern for this humanitarian aspect, we keep our pitch for hiring the handicapped on a purely practical basis. Not only do they have better accident record than their coworkers but the handicapped outproduce them, and demonstrate more ingenuity in doing a job better or faster. Actually, of course, every handicapped person is—of necessity—an inventor.

My own success in drastically rebuilding my life is by no means unusual. In fact, whenever I pride myself on doing well, I hear about somebody who puts me to shame. Three years after my blindness I confessed some momentary feeling of inadequacy to a 30-year-old acquaintance who has been blind since he was 2 and could do amazing things. He laughed and said, "Oh, well, you're just a novice. Wait until you've been blind for 28 years."

But at least, in my worst moments of discouragement, I never said to myself, "Why did this have to happen to me?" After all, I feel there are few people who have had a more exciting life than I have had. Long ago I decided I had more than my share of good fortune, and I still have. My greatest compensation comes from people who approach me gratefully after a speech. Many a mother has said that I have given her hope for the future of her blind child. Others have said, "I'll never feel sorry for myself again."

My 7-year-old grandson, Marty Martino, summed it all up better than anyone else. When he got on my knee and I explained how I was able to get around, he said, "I've got it, grandfather—you can see with everything but your eyes."

MAJ. GEN. W. P. FISHER, DIRECTOR OF LEGISLATIVE LIAISON, DEPARTMENT OF AIR FORCE

Mr. FLYNT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FLYNT. Mr. Speaker, on yesterday Maj. Gen. W. P. Fisher completed his assignment and service as Director of Legislative Liaison for the Department of the Air Force and today leaves for his new assignment as Commander, Eastern Transport Air Force of the Military Air Transport Service.

Those of us who had close and direct contact with Bill Fisher during his very important and sensitive position as Director of Legislative Liaison for the Air Force know of his ability and his dedication to the service of which he is a part. The efficient, cooperative, and effective performance of his duties has impressed Members of Congress.

I take great pleasure in commending him on the performance of his staff, as well as on the manner in which he performed his functions. He and his staff have been ever mindful of the necessity for and importance of cordial relations between the Armed Forces and the legislative branch of Government. He has had keen insight and a rare perception into matters which jointly affect the Armed Forces and Congress.

As General Fisher leaves to assume his new command, which is one of great importance and responsibility, he shall carry with him the respect, admiration, and good wishes of the Members of Congress who knew him and were associated with him during the time that he served as Director of Legislative Liaison of the Air Force.

We regret that he is leaving Washington, but we know that in his new assignment he will continue his outstanding manner of performance which has characterized his career in the Air Force. Personally and officially, he has represented and maintained the very highest traditions of the armed services of the United States.

PROGRAM FOR BALANCE OF THE WEEK

Mr. ALLEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALLEN. Mr. Speaker, I take this time to ask the majority leader if he can give us the program for the balance of the week.

Mr. McCORMACK. I am unable to state to my friend what the program is for the balance of the week. However, I want to announce to the Members of the House that on tomorrow the highway bill will come up. That is H.R. 8678. If we have an opportunity, we will take up the military construction conference report and other conference reports as they might be in order. There are two other bills that the Committee on Rules has reported rules out on, and if I can program them for either tomorrow or Friday, I will bring them up. One is S. 2208, extending the Federal Airport Act to Alaska and Hawaii, and the other is House Resolution 360 to amend the investigative resolution relating to the Committee on Interstate and Foreign Commerce.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield to the gentleman from Iowa.

Mr. GROSS. I wonder, if I might ask, if there is proposed to be a session next Monday.

Mr. McCORMACK. Yes.

Mr. GROSS. I wonder, if I might ask, if the gentleman has any information as to when the foreign giveaway bill will be back here.

Mr. McCORMACK. The foreign aid bill? I have no knowledge at the present time.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield to the gentleman from Arkansas.

Mr. HARRIS. I understand the gentleman to say that the Alaska airport bill will be scheduled tomorrow.

Mr. McCORMACK. It may come up tomorrow or the next day. Is the gentleman agreeable to that?

Mr. HARRIS. Yes; the gentleman is agreeable to it. I would also like to inquire—and it might be advisable to ask the attention of the gentleman on the minority side—as to whether or not consideration is being given to scheduling the bill which was reported by our committee commonly referred to as the commissioned officers bill of the Public Health Service.

Mr. McCORMACK. Well, as I understand, no rule is out as yet on that.

Mr. HARRIS. I might say that I thought perhaps we might get it up under suspension, if we are going to have another suspension day. And, I do know that there has been some discussion about it. I have discussed it with the gentleman from Indiana [Mr. HALLECK] briefly, and two or three other members of the committee. It has not been determined whether it is necessary to ask for a rule yet. But, I do call it to the attention of our distinguished majority leader because there is quite an urgency for it.

Mr. McCORMACK. Might I say to my friend, as he knows, I discussed this bill with him this afternoon.

Mr. HARRIS. Yes.

Mr. McCORMACK. Dr. Burney, the Surgeon General of the Public Health Service, called my office. In a memorandum taken, he said that there was some slight Republican opposition to the bill and, I assume, in the committee. I called Dr. Burney and I frankly told him if I was chairman of the committee, that I would not ask to bring the bill up under suspension of the rules unless I knew the Republican leadership was going to actively support the bill, because you need a two-thirds vote; that is, under suspension of the rules. My observation meant no criticism at all, but I just frankly evaluated the situation to Dr. Burney, and I told my friend from Arkansas [Mr. HARRIS], that I did not undertake to speak for him, but I said, "If I were chairman of the committee, Doctor, here is what I would do." The gentleman from Arkansas asked me about suspension. To begin with, that is a matter for the Speaker to decide. I would recommend strongly to my friend from Arkansas, for he knows more about parliamentary procedure than I do——

Mr. HARRIS. The gentleman compliments me too highly.

Mr. McCORMACK. Well, it is the truth.

Mr. HARRIS. However, I appreciate it.

Mr. McCORMACK. But I would recommend to the gentleman that before he asks the Speaker to suspend the rules he be assured that he will get a two-thirds vote. And I am practical enough to know that it is very easy to arouse almost one-third opposition to any suspension, and this is probably a bill that such opposition might be developed against without much difficulty.

Mr. HARRIS. I might say to my distinguished leader that I share his views with reference to bringing it up under suspension unless we can get the support we should have on it.

Mr. McCORMACK. The gentleman means active support.

Mr. HARRIS. Yes.

Mr. McCORMACK. The Speaker has also stated to me that there is a probability that a bill might come up on Friday relating to the increase of interest on E- and H-bonds. I make that announcement because, if that can be done, that is a matter of importance.

Mr. ALLEN. Mr. Speaker, I have also been asked to inquire of the majority leader whether it is contemplated that we will be in session Saturday of this week.

Mr. McCORMACK. I am hoping that it will not be necessary.

Mr. ALLEN. I have also been requested to ask whether it was likely that the labor bill would be up here on next Monday.

Mr. McCORMACK. I wish my friend would ask me that question tomorrow.

Mr. ALLEN. I thank the gentleman.

AMENDMENT TO RED CROSS CHARTER TO AUTHORIZE ACTIVITIES PROMOTING PEACE

The SPEAKER pro tempore (Mr. PRICE). Under previous order of the House the gentleman from Vermont [Mr. MEYER] is recognized for 10 minutes.

Mr. MEYER. Mr. Speaker, it is my hope to be able to present to Congress and to the American people some time in 1960 a coordinated plan and program for the prevention of war and the establishment of a just and lasting peace.

In the course of preparing such a plan, I have received many worthy proposals. One of these that has the support of many outstanding Americans suggests that the American National Red Cross charter be amended so that the Red Cross could engage in measures to prevent war and establish peace. Naturally, the officials of the Red Cross may be reluctant to jump into this complex field, but the proposed amendment to the charter is permissive and not mandatory. Therefore, they will be able to set their own pace and may eventually accept in full the challenge of a magnificent opportunity.

Section 8 of the Red Cross charter reserves to Congress the right to amend section 3, dealing with the purposes of the organization. Therefore, a new clause could be added at the end of section 3 to read as follows:

> Sixth. And to devise and carry on measures for the prevention of war and for the establishment of a just and lasting peace.

For these reasons I have today introduced a bill to accomplish this objective. It seems to me that this proposal is compatible with the objectives of those who are interested in the Great White Fleet and other plans for peace. All of these proposals can eventually be incorporated into a comprehensive plan and program that many of us seek to develop in behalf of those millions of people who are convinced that there is no honorable or reasonable alternative to a just and lasting peace.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the distinguished majority leader.

Mr. McCORMACK. Mr. Speaker, I want to congratulate my friend from Vermont on introducing this bill in relation to an amendment to the Red Cross charter. It is a very idealistic bill. Many fine people throughout the country, as the gentleman from Vermont knows, are very much interested in it. I have had talks with them. A couple of my dear friends in Boston with whom my friend from Vermont has had chats also, are interested. Without regard to the outcome of the bill, it indicates the highly idealistic mind and spirit of the gentleman from Vermont, and again I congratulate him on introducing the bill.

Mr. MEYER. I thank the distinguished majority leader for his compliment.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman.

Mr. WOLF. Mr. Speaker, I want to congratulate the distinguished gentleman from Vermont and say that this is consistent with everything he has done since he has been in Congress in the cause of peace. It is another step in the right direction and I wish him good luck with this proposal.

Mr. MEYER. I thank the gentleman.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Speaker, it has been my privilege to serve on the Committee on Foreign Affairs with the gentleman from Vermont. I have never known a more dedicated, more sincere gentleman than the gentleman from Vermont. I think everyone on the committee feels as I do in regard to our dear colleague. The world of peace toward which he is looking—and I might say for which we are all praying—we will surely reach if our faith remains strong and our courage unfailing. The world of peace, for which we are reaching, will come the sooner because of such things as the gentleman from Vermont is doing. Its dawning will be hastened by our prayers and the earnest effort of every Member of this body.

I do want to take this occasion to say to the gentleman from Vermont that we, on the Committee on Foreign Affairs, give to him the greatest respect and we like him tremendously well. He is a dedicated servant of the Prince of Peace.

Mr. MEYER. I thank my good friend from Illinois very much.

Mr. Speaker, I yield back the balance of my time.

THE SUEZ CANAL: AN INTERNATIONAL WATERWAY

The SPEAKER pro tempore (Mr. PRICE). Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 40 minutes.

Mr. HALPERN. Mr. Speaker, for some time many of us who have followed events in the Near East have been disturbed by the failure to keep the Suez Canal, an international waterway, open to shipping of all nations without discrimination. Despite the Constantinople Convention and the United Nations Security Council ruling of September 1, 1951, this canal has been administered by President Nasser of the United Arab Republic as a national weapon against the State of Israel.

President Nasser's justification for blocking Israel shipping and Israel cargoes is that Egypt is in a state of war with Israel. However, despite the question of the validity of that assertion, under the Constantinople Convention the canal must be kept open both in war and in peace, and, the U.N. Security Council decision refused to accept Egypt's justification as valid. Moreover, it held that the armistice agreement between Israel and Egypt, negotiated in 1949 under the auspices of the United Nations, had ended the state of war.

By international agreement and by tradition, the Suez Canal has been considered an artery of international commerce. This in no way impugns U.A.R. sovereignty over the canal—the two are not incompatible. It does mean that such sovereignty implies a correlative responsibility to uphold freedom of navigation of the canal. Respect for treaty obligations is itself one of the essential attributes of sovereignty.

From its inception, the canal was constituted as a waterway for the passage of the ships of all nations. The concession for the building of the canal to de Lesseps in 1854 contained the following provision:

> The great maritime canal * * * and the ports attached to it shall always be open as neutral passage to every merchant ship passing through it from one sea to the other, without any distinction, exclusion, or preference either in respect of persons or nationalities.

In 1888 the Constantinople Convention in respect to freedom of passage through the canal was agreed to. Article I of that convention, an article which has never been qualified in any manner, reads:

> The Suez Maritime Canal shall always be free and open, in time of war as in time of peace, to every vessel of commerce or of war, without distinction of flag * * *. The canal shall never be subject to the exercise of the right of blockade.

In its white paper on the Nationalization of the Suez Maritime Canal Company, published on August 12, 1956, the Government of Egypt acknowledged on page 68:

> The 1888 convention stands intact whether the canal is administered by the company or by the Egyptian Government.

Further, on page 71, it declared:

> On announcing the nationalization of the Suez Canal Company, the Egyptian Government reaffirmed its determination to guarantee the freedom of navigation in the canal. In no way did the nationalization of the Suez Canal Company affect the freedom of navigation in the canal as borne out by the number of ships (amounting to 766) which passed through the canal during the past 2 weeks.

On October 19, 1954, an agreement was signed in Cairo between the Government of the United Kingdom of Great Britain and Northern Ireland and the Egyptian Government regarding the Suez Canal base. Article 8 of that treaty reads:

> The two contracting governments recognize that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially, and strategically of international importance, and express the determination to uphold the convention guaranteeing the freedom of navigation of the canal signed at Constantinople on the 29th of October 1888.

Thus, the United Arab Republic has itself recognized, acknowledged, and affirmed the guarantee of freedom of passage through the canal for the ships of all nations.

Mr. Speaker, I do not intend to discuss exhaustively the legal aspects of the guarantee of freedom of passage through the Suez Canal. I do, however, in concluding my remarks at this point, want to refer to the United Nations Security Council resolution of September 1, 1951. This resolution resulted from a request by Israel to the Security Council that it discuss "restrictions imposed by Egypt on the passage of ships through the Suez Canal." The Council adopted this subject on its agenda and in September of 1951 passed a resolution calling upon Egypt "to terminate the restrictions on the passage of international commercial shipping and goods through the Suez Canal wherever bound and to cease all interference with such shipping beyond that essential to the safety of shipping in the canal itself."

Because this resolution has such direct bearing on the matter under discussion, I include it at this point in my remarks:

RESOLUTION ADOPTED BY THE SECURITY COUNCIL OF THE UNITED NATIONS, SEPTEMBER 1, 1951

The Security Council,

1. Recalling that in its resolution of August 11, 1949, relating to the conclusion of armistice agreements between Israel and the neighboring Arab States it drew attention to the pledges in these agreements against further acts of hostility between the parties;

2. Recalling further that in its resolution of November 17, 1950, it reminded the states concerned that the armistice agreements to which they are parties contemplate the return to permanent peace in Palestine, and therefore urged them and other states in the area to take all such steps as will lead to the settlement of the issues between them;

3. Noting the report of the chief of staff of the Truce Supervision Organization to the Security Council of June 12, 1951;

4. Further noting that the chief of staff of the Truce Supervision Organization recalled the statement of the senior Egyptian delegate in Rhodes on January 13, 1949, to the effect that his delegation was inspired "with every spirit of cooperation, conciliation, and a sincere desire to restore peace in Palestine," and that the Egyptian Government have not complied with the earnest plea of the chief of staff made to the Egyptian delegate on June 12, 1951, that they desist from the present practice of interfering with the passage through the Suez Canal of goods destined for Israel;

5. Considering that since the armistice regime which has been in existence for nearly 2½ years is of a permanent character, neither party can reasonably assert that it is actively a belligerent or requires to exercise the right of visit, search, and seizure for any legitimate purpose of self-defense;

6. Finds that the maintenance of the practice mentioned in paragraph 4 above is inconsistent with the objectives of a peaceful settlement between the parties and the establishment of a permanent peace in Palestine set forth in the armistice agreement;

7. Further finds that such practice is an abuse of the exercise of the right of visit, search and seizure;

8. Further finds that that practice cannot in the prevailing circumstances be justified on the grounds that it is necessary for self-defense;

9. And further noting that the restrictions on the passage of goods through the Suez Canal to Israeli ports are denying to nations at no time connected with the conflict in Palestine valuable supplies required for their economic reconstruction, and that these restrictions together with sanctions applied by Egypt to certain ships which have visited Israeli ports represent unjustified interference with the rights of nations

to navigate the seas and to trade freely with one another, including the Arab States and Israel;

10. Calls upon Egypt to terminate the restrictions on the passage of international commercial shipping and goods through the Suez Canal wherever bound and to cease all interference with such shipping beyond that essential to the safety of shipping in the Canal itself and to the observance of the international conventions in force.

Article 24 of the United Nations Charter entrusts the Security Council with the "primary responsibility for the maintenance of international peace and security." The same article states that members of the United Nations "agree that in carrying out its duties under this responsibility the Security Council acts on their behalf." The obligatory character of the Security Council resolutions is established in article 25 of the charter: "The members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the present charter."

There is no reservation in this provision. There is no doubt as well, that the United Arab Republic has not abided by the terms of this resolution but has continued to impose a blockade on the shipping of Israel.

This then is the background to the international character of the Suez Canal. Unfortunately, universal freedom of navigation through the canal is not applied today as the U.A.R. consistently refuses passage to Israel cargoes and shipping.

I do not intend today, to go into a lengthy discussion on the background of this controversy, or to point up the opportunities the free world has lost to persuade the United Arab Republic to open the canal. However, in recent months our attention has been called to the fact that the United Arab Republic is applying for a loan from the World Bank in order to widen and deepen the canal. This is an exceedingly worthy project, we all will agree. I am certain that all of us believe the canal should be widened and improved to meet the needs of modern commerce. At the same time however, we felt strongly that the canal must be opened to international shipping. It would be most extraordinary if an international agency such as the World Bank were to advance the funds to finance this improvement without securing recognition from President Nasser that he will respect the international character of this seaway.

Although I do believe that the World Bank does have a responsibility to all nations, I, of course, have due regard for the fact that as an international agency its decisions are not subject to congressional approval—no more so than to the approval of other nations. The United States is, however, one of the largest stockholders in the Bank—we own some 28 percent of its stock; and, the authorization for America's participation and support of the Bank is subject to congressional control.

And, I believe that the World Bank, as a specialized agency of the United Nations, should be sensitive to past international decision as well as to public opinion in the United States and throughout the free world.

Accordingly, 12 other members of the House Banking and Currency Committee—which of course, handles legislation involving the World Bank—joined with me on August 26 in directing an appeal on this point to the president of the World Bank, the Honorable Eugene R. Black. In our letter we urged that agency to withhold action on the loan until such time as full guarantee is given that the canal is in truth, an international seaway.

Our letter stated:

We believe that the international community should not provide assistance to the U.A.R. for the canal improvement, lest it appear to condone a clear violation of international decision, an intolerable aggression by one nation against a neighbor. * * * We do insist that no money be used to finance an international artery until it is recognized as such without limitation or restriction.

I would like to introduce into the RECORD at this point the text of this letter, which was signed by the following Members of the House: HUGH J. ADDONIZIO, BYRON L. JOHNSON, JAMES C. HEALEY, FLORENCE P. DWYER, EDWARD J. DERWINSKI, WILLIAM S. MOORHEAD, CHARLES A. VANIK, SEYMOUR HALPERN, MARTHA W. GRIFFITHS, ABRAHAM J. MULTER, WILLIAM H. MILLIKEN, Jr., PAUL A. FINO, and GORDON L. MCDONOUGH.

AUGUST 26, 1959.

The Honorable EUGENE R. BLACK,
President, International Bank for Reconstruction and Development, Washington, D.C.

DEAR SIR: We, the undersigned, as members of the House of Representatives Banking and Currency Committee, wish to bring to your attention our serious personal concern in regard to the situation surrounding the proposed loan by the International Bank to the United Arab Republic for the purpose of enlarging the Suez Canal.

A vital international waterway, the canal should, of course, be open to the commerce of all nations. Instead it is being used as a weapon in relations between the Arab nations, particularly the United Arab Republic and the State of Israel. The refusal by Egypt to permit a non-Israel ship, *Inge Toft*, to carry an Israel cargo through the canal is the most recent in a long series of illegal actions which violate the Constantinople Convention and the United Nations Security Council decision. We are aware that Secretary General Dag Hammarskjold has been in negotiation with President Nasser, but up to this time we have seen no official pronouncement or action testifying to the successful outcome of these discussions.

As long as the canal, a major artery of international commerce, is being used for belligerent action by a nation which insists on remaining in a state of war with a neighbor, we are deeply disturbed that an international agency is considering a loan to improve and enlarge it. Colonel Nasser's violent declamation threatening to exterminate Israel, which has been condemned as intemperate by leading newspapers, implies that he will bar Israel shipping whenever he wants to. His own statement of July 22 shows that he is disturbed by Israel's growing trade with Asia and Africa, and that he intends to block it if he can because he is at war with Israel.

These statements brought sharp editorial comments from the Nation's leading newspapers. May we quote, for example, the New York Times in its July 28 editorial:

"The question keeps rising as to whether a person who talks as irresponsibly as President Nasser is a worthy representative of his people, a good subject for international credit, or a guarantee of something representing peace and civilization in the Middle East."

We believe that the international community should not provide assistance to the United Arab Republic for the Canal improvement, lest it appear to condone a clear violation of international decision, as intolerable aggression by one nation against a neighbor.

We feel free to write you in frank terms because we are aware of the constructive role you have played in the past in the negotiations revolving about the Suez, especially in connection with the settlement with the stockholders. We are not addressing ourselves to the particular diplomatic or political question involved. We do insist that no money be used to finance an international artery until it is recognized as such without limitation or restriction.

With our high regard and best wishes.

Yours very truly,

HUGH J. ADDONIZIO, BYRON L. JOHNSON, JAMES C. HEALEY, FLORENCE P. DWYER, EDWARD J. DERWINSKI, WILLIAM S. MOORHEAD, CHARLES A. VANIK, SEYMOUR HALPERN, MARTHA W. GRIFFITHS, ABRAHAM J. MULTER, WILLIAM H. MILLIKEN, Jr., PAUL A. FINO, GORDON L. MCDONOUGH, Members of Congress.

Our letter, Mr. Speaker, in essence, is a plea for reasonableness and adherence to, and respect for, international agreement and law. If the world is to journey toward the goal of justice for all peoples and nations, the road must be constructed upon respect for law and adherence to commitments. There is no other way to assure peace and fairness.

It is precisely because the United Arab Republic has insisted that it may violate its commitments with impunity that concern has arisen about the making of the contemplated loan. If that nation feels that it can unilaterally decide at any time what ships shall travel through the canal, it reduces to a shambles any respect for international law. It means, in effect, that tomorrow or the next day the carriers of Japan or Brazil or the United States can be excluded from the right of transit. And this despite the language of article I of the Constantinople Convention, "shall always be open to every vessel without distinction of flag." There are no reservations in that article, apparently, except such as the United Arab Republic determines. This is, tragically, an invitation to international anarchy. There is therefore deep reason for concern and for the raising of the question of a loan by the international community under such circumstances.

Furthermore, the attitude of the United Arab Republic constitutes a threat to the trade and economic development of many nations, both of the East and the West, which have been set in their existing form because of the existence of the Suez Canal and because governments and traders in many countries had been able confidently to rely on its free and open use. The fact that this could be disrupted at the will of one nation, raises further doubt about the making of an international loan at this time.

It is not surprising therefore, that our letter should have evoked a violent reaction from the Cairo press, but this expected bitter language only, unfor-

tunately, serves to prove our point. The New York Times in a story on August 29 reported that a Cairo newspaper, resorting to name calling and denunciation, described the congressional authors of the letter as "biased and ignorant," and quoted the government press spokesman as asserting that Israel ships "shall never pass through the Suez Canal except over our dead bodies."

I am happy to note that the same issue of the New York Times which carried the dispatch from Cairo thought it proper to publish an editorial upholding the validity of our contentions and fully supporting the position of a free and open canal as a requisite before the granting of the World Bank loan.

Mr. Speaker, I include at this point the editorial which appeared in the New York Times on August 29:

[From the New York Times, Aug. 29, 1959]

THE CANAL AND THE BANK

The technical aspects of arranging a loan by the World Bank for the United Arab Republic to widen and deepen the Suez Canal seem to have been settled in Cairo. The political aspects have not. This appears to be the gist of the impasse that has now been reached.

Obviously, the canal should be improved to take more and larger ships. The whole world would gain if that were done, and sooner or later it must be done. However, the World Bank is not a completely free agent. In theory it acts on a strictly financial and economic basis; in practice there are bound to be occasions where its decisions cut across political lines. This is one of them, as the letter of protest sent by thirteen members of our House of Representatives to Eugene Black, president of the bank, demonstrates.

The canal is an international thoroughfare, but it now belongs to the United Arab Republic. President Nasser continues to refuse to allow Israel ships or even cargo destined to Israel through the canal. As long ago as Sept. 1, 1951, the Security Council of the United Nations adopted a resolution calling on Egypt "to terminate the restrictions on the passage of commercial shipping and goods through the Suez Canal wherever bound, and to cease all interference with such shipping beyond that essential to the safety of shipping in the canal itself."

If President Nasser can get his financing privately no one would have a right to complain, but Israel is a member of the World Bank, even if a modest one. There are also other members who would not want to see the bank finance work on behalf of the Suez Canal so long as Colonel Nasser refuses to meet his international obligations. It should be made a condition of any loan that the Suez Canal be a truly international thoroughfare, without limitations or restrictions.

Many other publications have taken similar views. I note that the Economist of London said on June 13: "The pressure on Cairo would be much greater if the World Bank insisted before granting its loan that Egypt should honestly and in full carry out its obligations."

And, in this morning's New York Herald Tribune there appeared a thoughtful editorial on the question of the loan which I include in the RECORD at this point in my remarks:

[From the New York Herald Tribune, Sept. 2, 1959]

SENATOR FULBRIGHT ON THE MIDDLE EAST

It is perfectly true, as Senator J. WILLIAM FULBRIGHT says, that the Middle East picture is considerably brighter—or at least quieter—than it was a year ago. Then, if we may recall, American troops had gone into Lebanon, British into Jordan; and Iraq, after a violent revolution, was almost universally thought to be on the way to communism.

Today, by contrast, Lebanon is tranquil, Jordan strengthened and Iraq, rather than moving toward Soviet Russia, is keeping a wary eye on Moscow and the West alike. Relations between some of the Arab nations, notably the U.A.R. and Jordan, have been patched up at least temporarily and—again temporarily—border violence between the U.A.R. and Israel has subsided.

Against this unusually quiet background, Senator FULBRIGHT's call for a new long-range American policy in the Middle East to replace "impromptu measures" seems more startling than stirring. The landing of American soldiers in Lebanon and British paratroops in Jordan may have been impromptu measures, but they worked. And if the people of the Arab States really are, to quote Senator FULBRIGHT, "in the process of establishing the stability and relative calm essential to the development of representative government and economic growth," they surely can count upon the long-range support and understanding of the American Government.

We do not dispute that a close and continuing examination of our policies in the Middle East is important. But Senator FULBRIGHT's proposal for a "more mature and realistic" approach to the area is so vague as to leave doubts of what he really has in mind. One example he chose of what he calls the West's failure to comprehend "the full capabilities of the Arabs themselves"—Egypt's successful operation of the Suez Canal—is particularly inappropriate. The fear was not that Nasser, with the liberal use of foreign technicians, would be unable to operate the canal physically. It was that he would turn it into a weapon of Egyptian foreign policy in contravention of all precedent and of the conditions upon which he got it back. The impounding of Israeli cargoes in the canal since last February demonstrates that the concern over the future of the canal was more than justified.

The matter of the canal and the U.A.R. is likely to be brought up in the forthcoming session of the U.N. General Assembly. What would be Senator FULBRIGHT's suggestion for policy regarding this?

Mr. Speaker, it is our earnest hope that the course we are advocating will help to reduce tensions in the Near East. The free world cannot continue to condone a brazen violation of a United Nations decision and of international law. We favor, of course, the improvement of relations between the United States and the United Arab Republic. We ask, however, that the U.A.R. observe its obligations and respect the rights of other peoples.

Mr. HALPERN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FARBSTEIN. Mr. Speaker, will the gentleman yield?

Mr. HALPERN. I yield to the gentleman from New York.

Mr. FARBSTEIN. I want to join with the gentleman from New York in his remarks referring to the attitude of the United Arab Republic insofar as committing piracy on what are the high seas. In that connection, on June 18, I wrote a letter to the President of the United States, and I think I can read it at this time because it is quite appropriate. The letter follows:

JUNE 18, 1959.

Hon. DWIGHT D. EISENHOWER,
The President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am prompted to write to you by my concern over Egypt's refusal to permit Danish and other ships unobstructed passage through the Suez Canal because they carry cargoes from Israel. These cargoes have been seized and confiscated by Egypt as a prize of war.

I am sure that you share the concern I have expressed. Free passage through the Canal is guaranteed by the 1888 Suez Convention, by U.N. resolution, and the six principles accepted by Egypt in 1956.

Our country is on record in support of these guarantees of the international character of the Suez Canal.

This record makes it unlikely that we would endure continued violations of the Suez agreement. It would seem unlikely that under these circumstances the World Bank could make the loan to the U.A.R. for widening the Suez Canal. Egypt's argument in defense of its action against Israel were rejected by the United Nations Security Council as far back as 1951. Her current violations directly impinge upon the rights not alone of Israel but of every nation which sends ships through the Canal. The Suez is an international waterway which cannot be subject to the whim of an individual and the uncertainties of domestic Egyptian politics.

The efforts of United Nations officers to obtain the release of the "Inge Toft" and its cargo have so far been unsuccessful. The situation created by this impasse contains elements of an extremely dangerous situation. It can deteriorate unless it is dealt with firmly and promptly.

In this circumstance I would appeal to you most urgently to bring the influence of your high office to bear in support of the United Nations efforts and upon the Government of the United Arab Republic to the end that it will desist from its present unlawful actions. I make this appeal in confidence that we are in accord, for I recall the strong statement that you made on February 21, 1957, when you declared that any renewed violation by Egypt "should be dealt with firmly by the society of nations". There is every reason to hope that your words at this juncture will bring about a satisfactory and peaceful solution to this problem.

Respectfully yours,

LEONARD FARBSTEIN,
Member of Congress.

On June 30 I received an answer from the Department of State. The answer which, after relating some of the history in relation to this situation, included the following:

The recent seizures of several cargoes bound from Israel aboard non-Israeli ships, and the current detention of a Danish flag vessel, have again raised the issue of free transit through the canal after a period of apparently satisfactory transit of cargoes originating in Israel. The United Nations and the parties concerned are currently engaged in trying to resolve the problem which has been created by these recent difficulties. We understand that the Secretary General of the United Nations will shortly visit Cairo for discussions of a number of questions including the Inge Toft case.

It is hoped that the transit problem may be resolved between the parties immediately concerned, and we are seeking to encourage and support the continuing efforts on the

part of Mr. Hammarskjold. The U.S. Government has already discussed the Suez transit question in various foreign capitals, including Cairo and Tel Aviv, and you may be assured that we will continue to take any appropriate measures which may contribute to a resolution of this problem.

If I can be of any further assistance to you, please do not hesitate to write.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

Now, I would like to state for the RECORD that I feel that the letter of the State Department advising me that they will continue to take any appropriate measures which may contribute to a resolution of this problem is too nebulous.

I suggest that a definite answer to the effect that we will discontinue the sale to Egypt of commodities under Public Law 480, which in effect is a gift, and special assistance under the mutual security law so long as the violation continues. Further I would suggest that the World Bank be informed of our displeasure in Nasser's act of violating the 1888 Suez convention and the U.N. resolutions as sufficient to make inadvisable a loan to Egypt for the purpose of widening the Suez Canal which is being used for purposes other than that agreed upon, namely restricting its use to those nations that the Egyptian dictator favors. We would be compounding a violation of the U.N. resolution and the Suez convention.

Unless Nasser is stopped he will make an inland waterway out of what is recognized throughout the world as an international waterway.

Failure to take strong action and make strong representation would be in derogation of the President's strong statement of February 21, 1957. I feel that the President should reaffirm the position he took then, namely, "Any renewed violation by Egypt should be dealt with firmly by the society of nations."

Let me add now that nothing affirmatively has been done by the President or the State Department with relation to this situation. The UAR has gone even further, because on the 20th of August this year the United Arab Republic confiscated a case of meteorological books and instruments dispatched from a scientific institute in Australia to the Israeli meteorological services. The cargo was seized at Port Said.

I might say further that in this morning's press I read that it had become necessary for the Israeli Government to direct that two of their own frigates which they had detained in the Red Sea, that were supposed to go through the Gulf of Aqaba, frigates that were sold to Ceylon, were not sent because of fear of an explosion. Despite the obvious threat they have now been directed by the Israeli Government to proceed through the Gulf of Aqaba. I say again that unless this country, unless the President shows that we will take strong measures to stop this piracy, a further conflagration might erupt. I reiterate it is as much the fault of the President of the United States in not reasserting the strong position he took at the time he requested France, England and Israel remove themselves from Sinai that this situation has resulted. At that time he said strong action would be taken if necessary, but to this date nothing has been done. So I would suggest to the gentleman from New York [Mr. HALPERN], aside from the statement he has just made that he also confer with the President, who is of his own party, to try to see to it that he do something affirmative with relation to this situation. I thank the gentleman.

Mr. FARBSTEIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLE. Mr. Speaker, will the gentleman yield?

Mr. HALPERN. I yield to the gentleman from Illinois.

Mr. BOYLE. Mr. Speaker, I want to salute Congressman HALPERN for his efforts which have resulted in his taking this special order and which points to the fact that 13 Members of Congress have joined to urge the World Bank to withhold a proposed loan to the United Arab Republic for the Suez Canal.

Mr. Speaker, I wish to associate myself with the remarks of the gentlemen who have preceded me here tonight and join with them in registering my deep and personal concern in regard to the situation surrounding the proposed loan by the International Bank to the United Arab Republic for the purpose of enlarging the Suez Canal. Colonel Nasser has requested a loan from the International World Bank for expansion and improvement on the Suez Canal. It is difficult at this time to see how the International World Bank could grant this loan to the saber-rattling Colonel Nasser when he has not respected the Constantinople agreement of 1888 which set up the canal as an international waterway. The refusal of the U.A.R. to permit passage of the Danish ship, *Inge Toft*, carrying Israeli cargo, is only one of a series of incidents precipitated by the United Arab Republic against the State of Israel; as recently as the end of July of this year Colonel Nasser has made several acrid speeches threatening the very existence of the State of Israel—that bastion of democracy in the Middle East.

The United Nations attempts of Dag Hammarskjold and Ralph Bunche to negotiate with Cairo to bring about a working agreement concerning the "state of belligerence" that has existed between the United Arab Republic and Israel have not been productive. The United Arab Republic continued to talk belligerence and continues to deny the existence of the State of Israel, while Prime Minister Ben-Gurion has pleaded and fought for a just peace.

With the fluidity of the arrangement on shipping through the canal whereby at one time Israeli shipments are allowed through the canal and on another occasion they are detained, such a loan by the International World Bank should be withheld.

As a condition precedent guarantees must be made that this vital international waterway would be open to the shipping of all countries without such limitations and restrictions as are currently being placed on the canal by the United Arab Republic.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. HALPERN. I yield to the gentleman.

Mr. PUCINSKI. Mr. Speaker, I, too, wish to associate myself with the gentleman from New York and other speakers in their remarks and to commend the gentleman for bringing this very important subject to the attention of this Congress.

There is no question that affirmative action is necessary at this time by the President to preclude any further loans to Mr. Nasser so long as Israel is being harassed and being denied the use of the Suez Canal.

What sort of international society do we live in when the dictator of Egypt can approach the International Bank and ask for additional funds on one hand when, on the other hand, he is denying the use of the canal to the gallant people of Israel?

I think it becomes incumbent upon the formulators of our foreign policy to abandon their policy of desperation. That is what we have now, a foreign policy of desperation. They should put us back on a sound road where principles are again going to become the mainstay of our foreign policy. I certainly hope that the President is going to instruct his subordinates to take firm action in this matter so that once and for all Mr. Nasser is going to recognize the fact that Israel today is too well established, too noble a nation, has made too large a contribution to the peace and success and progress of the world to continue to be harassed and to be ignored.

Israel today must have access to the canal, the same access everyone else has, if she is going to continue her magnificent development and growth.

I wish to congratulate the gentleman for bringing this whole subject to the attention of the House in a special order.

Mr. TOLL. Mr. Speaker, will the gentleman yield?

Mr. HALPERN. I yield to the gentleman.

Mr. TOLL. Mr. Speaker, I want to take this opportunity to commend the gentleman from New York [Mr. HALPERN] and the gentleman from New York [Mr. FARBSTEIN], as well as the other Members who supported the statements which were made by them. I feel they were very timely in view of the fact that Members of the other body have already expressed themselves on this situation. I feel that every Member of Congress should join these Members in urging a change in policy to take place in support of the little nation which has fought for Western democracy.

Mr. HALPERN. Mr. Speaker, I thank the gentleman for his kind remarks.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks on this subject at this point in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE EDUCATION AND WELFARE OF AMERICAN YOUTH AND CURRENT PROPOSALS OF THE 86TH CONGRESS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. TOLL] is recognized for 15 minutes.

Mr. TOLL. Mr. Speaker, there are no factors of greater concern to the Congress than those which affect the fullest development of the potential of the youth of this Nation. Past legislation has in many instances opened new avenues for thousands of boys and girls by providing essential financial support to State programs which have service to youth as their primary aim. Current legislative proposals continue to reflect the concern of the Congress and the Nation with the need for the establishment, expansion, and enrichment of youth opportunities. All thinking people fully realize that to neglect the changing needs of the youth of a society is to encourage the eventual death of a way of life. It was Aristotle who, some 23 centuries ago, said:

> No one will doubt that the legislator should direct his attention above all to the education of youth; for the neglect of education does harm to the constitution. [Politics, Book VIII, ch. 1.]

For us, therefore, the question continues to be, how can we best provide assistance to our young people who, in addition to making the normal adjustments our society necessitates, have also the burdens of adjustment which accompany an era of rapid technological and scientific expansion.

I do not propose to know which of the programs of the States and the Nation are most essential at this time and in this era. There are many programs which, as you know, fulfill a continuing need, while other temporary emergency measures have also proved extremely effective and beneficial. There are, however, certain of the State and national programs relating to our young people which are of special interest to me; in particular, the programs of the Children's Bureau, Federal and State plans improving the health of our children, Federal assistance to impacted school districts, the proposed Youth Conservation Corps, aid for teachers salaries, and the pressing problems of our institutions of higher education.

Because of the effectiveness of these particular programs, I take this opportunity; one, to review them in brief and to consider their continuing role of service to today's youth; two, to discuss our congressional responsibility for review and support of these programs on an increased financial basis; and three, to consider some of the current legislative proposals which are designed to meet present day educational needs.

THE CHILDREN'S BUREAU

One Government agency which has made the welfare of American youth its primary concern is the Children's Bureau. You will recall that the Children's Bureau derives its authority from the basic act of April 9, 1912, by which it was created and charged with "investigating and reporting upon all matters pertaining to the welfare of children and child-life among all classes of people." Under title V of the Social Security Act the Bureau derives authority to administer grants to the States for, first, maternal and child health service; second, crippled children's services; and, third, child welfare services.

The work of the Children's Bureau in the past has been highly significant, and has resulted in many instances in improved State programs for children. The remarkable decline in the rates of infant and maternal mortality during this century has largely been a result of Children's Bureau activities. The year 1960 also promises to be a very full year for the Bureau. This fact becomes apparent after only a glimpse of the Bureau's program as outlined and presented to this Congress during the hearings of the Committee on Appropriations—Subcommittee of the Committee on Appropriations, House of Representatives, Departments of Labor and Health, Education, and Welfare Appropriations for 1960.

It is reported that during 1959–60 the Bureau will continue to give emphasis to helping the States in improving State child welfare legislation, since within the past year, many States have requested assistance with proposals for such legislation. Future plans include the tabulation of changes in State legislation, and the classification and collection of data for use in State requests.

The Bureau also plans to continue to give high priority to program areas designed to alleviate the stresses on family life brought about by efforts to maintain the family in time of crisis and by the ever-increasing numbers of working mothers. You may also be interested to know that the Children's Bureau is cooperating with the Women's Bureau of the Department of Labor in conducting a survey of national agencies, public and voluntary, to determine their interests, concerns, and programs in day care of children. This is perhaps of special interest to many of us because there is currently proposed legislation—S. 1286—before this Congress to provide Federal financial assistance for day care programs for children of working mothers. During this year, several conferences will be sponsored by the Children's Bureau to review information available from various sources and to consider steps which should be taken by National, State, and local agencies in providing day care facilities and services.

Other program services of the Bureau which are of a continuing nature embrace the problem area of juvenile delinquency, research in child life and services for children; and the preparation of information for parents and others working with children.

One of the highlights of the year 1960 will certainly be the sixth White House Conference on Children and Youth. It was the first of these conferences in 1909 which initiated the establishment of the Children's Bureau, and each conference thereafter has produced significant gains for children. Although many Government agencies will cooperate in this conference effort, the Children's Bureau will be the focal point in the Government for planning and organizing the conference.

The purpose of the 1960 White House Conference is "to promote opportunities for children and youth to realize their full potential for a creative life in freedom and dignity." Conference participants will include professional educators, parents, teachers, social workers, sociologists, psychologists, and many other professional and lay people who will attempt to understand and evaluate the effect of the stresses of the day upon children and youth and the fulfillment of those goals expressed in the conference purpose.

We realize, of course, that in order for the Children's Bureau to continue to provide its present services and programs of assistance and to expand and enrich programs in keeping with growing needs, the Congress must, through increased appropriations and needed legislation, make available the necessary financial support.

SCHOOL MEDICAL CARE

Good health and adequate health care for our children have long been goals in our country, but they are goals not always realized. During World War II the Nation in general became concerned about the numbers of boys rejected by the Armed Forces for various reasons. Today we are beginning to understand that medical care for our children is as important to their development as sound citizens as it is to the development of sound soldiers. For, as Steinhaus has observed, the purpose of total fitness may be "to assure survival on the human plane—survival of the body, mind, finer motives, and higher aspirations of man and spirit" together with a keen enjoyment of living.

Recognizing the importance of proper health care for needy children, the Federal Government in the 1956 amendments to the Social Security Act made special provisions for better medical care for children on the federally aided aid to dependent children rolls. Under this legislation, the Federal Government pays to the States an amount equal to half of State expenditures for payments in behalf of these needy children, up to a maximum of $3 per month per child times the number of children on the rolls. In Pennsylvania, payments for medical care for such children are made directly to the practitioner from a pooled medical care fund. This fund is maintained by payment of a monthly premium for each needy child into the fund by the department of public welfare. Freedom of choice of doctors is maintained by the device of paying the doctor, from the fund, for services rendered in an amount determined by an established schedule of fees.

In addition to this plan, used by most of the States for all of their federally-assisted public assistance plans—old-age assistance, aid to the permanently and totally disabled, and aid to the blind as well as aid to dependent children—my own State of Pennsylvania has expanded the concept to include children whose school health record shows a condition requiring medical, dental, or surgical

treatment if his parents cannot pay for the necessary treatment. Under this program the State government provides medical, dental, or surgical treatment and hospital care if an examination of the family's assets shows that they are not sufficient to allow for these expenses. Thus the State of Pennsylvania recognizes that a family, otherwise self-sufficient, may postpone needed medical care for their children because they cannot afford the extra heavy medical expenses. We recognize that medical care costs may be heavy but temporary, and do not, therefore, make the requirement, common in the Aid to Dependent Children programs, that a showing of need requires the exhaustion first of all personal property or income before any payments can be made. We further recognize in this School Medical Care program that every family, depending upon its size, needs a certain amount of money to meet the usual costs of running a home.

The plan of treatment, in such cases, is worked out by the school authorities—usually including the school nurse—and the doctor, dentist, or hospital providing the services the child needs. The amount charged is never more than the cost. If the family is able to pay part of this cost, the department of public welfare pays the rest. If not, the State pays the total bill—again an amount never more than cost.

The effects of this plan on the health of our school children in Pennsylvania is suggested by the fact that the biennial school health examinations during the 2 school years 1951–53 showed a considerable drop in the number of remediable defects which had neither been corrected or were under treatment over the 1946–47 census. In 1946–47, about 50 percent of the State's enrolled pupils were reported as having such remediable defects. By 1951–53 this figure had dropped to a little over one-third—or 36 percent. This drop, it is generally agreed, is an indication of the effectiveness of the States 1945 school health law.

THE EDUCATION PROGRAMS OF FEDERALLY IMPACTED AREAS

Many of you have undoubtedly been impressed, as I have been, with the overwhelming success of the companion laws 815 and 874 providing Federal financial assistance to school districts which have been burdened because of Federal activity. Now in its tenth year, this program has provided assistance to these affected school districts so that they can continue to provide an up-to-date program of learning for all pupils in spite of the swelling enrollments.

You are probably familiar with the report of the U.S. Commissioner of Education which outlines the success of these maintenance and operation and construction programs. I was impressed with the fact that in only 9 years of operation, under Public Law 874, the number of participating school districts has trebled, and the number of federally connected pupils has doubled. Furthermore, the average daily attendance of federally connected pupils constitutes about 15 percent of the total attendance in eligible school districts.

Dr. Derthick has also reported that these school districts in federally affected areas provide educational service to some 7.5 million pupils which is almost 25 percent of all pupils in attendance at public elementary and secondary schools.

Moreover, under Public Law 815, more than 4,000 construction projects have been approved to provide about 45,626 classrooms to house 1,321,417 pupils in 1,800 different school districts. It is no wonder that Congress has amended and extended these companion laws several times since their enactment; and that the 85th Congress not only extended the programs for an additional three-year period, but also made the program permanent as it relates to children of Federal employees who both work and reside on Federal property.

I am distressed, however, by the Administration support given to a measure—H.R. 7140—currently being considered by the Congress which would amend the federally impacted area laws to reduce certain payments. In view of the impacted area aid program's growth and because of the clear need for expanding, rather than restricting, our educational system in this country, this amendment hardly seems warranted.

We well know that each State has its own particular problems relating to impacted area assistance. Perhaps some of the States would not suffer any serious loss as a result of the proposed amendment to reduce certain of these funds, however, in the State of Pennsylvania, a cut-back in program funds at this time would certainly make a noticeable dent. For example, at the Olmsted Air Force Base alone, some 62 school districts would be affected. It is my hope that the proposed amendments to cut the impacted area assistance program will find little support among the Members of this body.

YOUTH CONSERVATION CORPS

I have also been very anxious that more of our young people have the opportunity to experience the very wholesome life which accompanies work in the out-of-doors. Not only could such experiences prove to be physically rewarding, but there could also result an extensive program for the recreation of neglected scenic areas, parks, and so forth, for the development of a more beautiful America.

With these purposes in mind, I have introduced a bill which would establish a Youth Conservation Corps. This same type of proposal has had many other sponsors during this session of the Congress. Generally, the programs would recruit young people into service on a voluntary basis, to work in our forests and our mountains on much-needed reclamation and conservation projects.

The program of the Youth Conservation Corps would probably have widespread appeal to the young people who are "city dwellers" since these boys and girls often are not exposed to life in the great out-of-doors. I hardly need speak of the many benefits to be derived from such a program in terms of improved park facilities, replanted forests, and revitalized rivers and wildlife refuges. We are all, perhaps, vividly aware of the deplorable conditions of neglect and abuse which exist in many of these areas.

We might draw a guide of the possible measure of success of a Youth Conservation Corps by reviewing some of the benefits of the Civilian Conservation Corps which, as you know, was initiated under the administration of Franklin Roosevelt. Many persons have referred to the success of the CCC in their statements which enthusiastically support a YCC. For example, Mr. Ralph C. Wible, chief of forests of the State of Pennsylvania has written:

> In Pennsylvania we are reaping the benefits of the work of the Civilian Conservation Corps. Many of our State parks and other forestry programs were created by the CCC. Having had intimate experience with this work, I can testify to the great value of the CCC program for the men who took part in it.

I might also mention that the Governor of Pennsylvania is among 11 State Governors who have personally endorsed a YCC program.

Certainly in these modern times when more people enjoy leisure and more families seek wholesome recreation in park areas, we would do well to preserve such lands, while at the same time affording to ambitious and energetic young people a rare experience in healthful outdoor living, and group dynamics at work and play. It is my sincere hope that this body will realize the value of a Youth Conservation Corps program and will enact such a measure.

FINANCIAL ASSISTANCE TO TEACHERS SALARIES

We are all aware of the fact that one of the reasons most frequently given by teachers for leaving the teaching profession is because there is not enough income. A survey made in 1956, for example, showed that the average teacher who switched to another occupation earned $1,323 more per year. It seems to me that this loss of thousands of capable teachers from our classrooms as a result of poor pay is especially disgraceful in these times when we are increasingly aware of the vital role of education in the preparation of young people for the work of today and tomorrow and for the responsibilities of adult citizenship.

Those persons who remain in the classroom often find it necessary to supplement their incomes with a second job. Thus they are forced to devote less time to their preparation for classroom instruction. According to the National Education Association, almost one-third of America's teachers, because of inadequate salaries, must supplement their incomes with a second job. About 18 percent of our public school teachers are still paid a salary of under $3,500 a year.

Poor pay and numerous out-of-class demands which have been placed upon the teacher have not only driven qualified instructors out of the classroom. These factors also had the effect of holding in the classroom a large number of teachers who have substandard credentials. At the opening of this 1958–59 school year, the U.S. Office of Education reported that some 7.1 percent of the public school teachers had less than standard certificates.

I share the concern, which many of you have also expressed, over the economic status of the public-school teacher. I, too, believe that this problem presents one of the most urgent of our educational need areas today. I strongly favor the use of Federal financial assistance to the States as a means of supporting their individual efforts to increase teachers' salaries. And, as you perhaps know, I have introduced a bill—H.R. 7574—which would provide for this type of assistance.

I have also supported the Murray-Metcalf proposals—S. 2 and H.R. 22—which would give to the individual State a choice between using Federal funds for public-school teachers' salaries or school construction. In supporting this measure, I fully acknowledge that needs vary from State to State. Whereas the greater need in my district is for increased teachers' salaries, in other districts the greater need might well be for school construction.

But it is not enough to speak only of the public-school teachers' economic plight as a reason for Federal financial assistance for increased salaries, for such an assistance program would have a more far-reaching significance. A very important factor would be the nationwide recognition given to the work of the classroom teacher with whom lies the tremendous responsibility of teaching not only the fundamentals of the academic world, but the whole framework within which our democratic form of government functions. I am convinced that there is no more important legislative proposal before this Congress than that which would provide the States with needed Federal financial assistance for public-school teachers' salaries.

EXPANDED OPPORTUNITIES FOR HIGHER EDUCATION

The illustrious Alfred North Whitehead once said:

> In the conditions of modern life, the rule is absolute: The race which does not value trained intelligence is doomed.

Perhaps never before in history has this statement held more meaning, for rarely have conditions around the world demanded more of the trained person, or more of our institutions of higher education in providing this training. Yet there are still large numbers of capable students who, upon completion of their high-school education, do not go on to college, or who fail to realize the relationship between higher education and the fulfillment of their more distant goals.

I do not believe that it is possible for us to itemize in a 1-2-3-4 fashion the reasons why many capable students do not go to college. However, it seems clear that among these factors which appear to deter many students from the pursuit of higher education are the lack of the financial means to pay for 4 years of college and/or graduate study, and a lack of motivation toward such undertakings.

There is very little we can do as a legislative body to insure the proper motivation of good students. About the most we can do along these lines is to try, through our individual contacts, to inspire young students and to help build in the community a respect for learning. There is much we can do as Members of Congress, however, in terms of providing opportunities for higher education for those for whom the financial factor is the primary barrier. I think this has been realized by the large majority of the Members of Congress, and numerous proposals reflect this realization. I have been pleased that the question of financial assistance to students in the form of scholarships for higher education is again being considered.

I am aware of the most gratifying success of the student loan program which was established under one of the provisions of the National Defense Education Act of 1958. I think there is little doubt that this program has been enthusiastically accepted by institutions of higher education, and students and parents. For a large number of persons this program will solve a serious financial problem. For an equally large number of students, unfortunately, this loan program will not provide a solution to the problem of paying for higher education. Frequently these persons are not able to pursue college study on a loan because of their anticipated income resulting from their choice of work, or because of family responsibilities already assumed, or because of family responsibilities which they expect to assume immediately upon completion of studies, or numerous other factors which vary from individual to individual. Yet, who would deny that these individuals deserve the opportunity to benefit from a college education. It is these young people who present a special problem—it is these young people for whom a national scholarship program holds significance. And all too often, it is these young people who have some special ability, interest, or talent. This talent and ability or specialized interest must not go undeveloped.

In addition to the question of student scholarships, proposed legislation relating to higher education would also provide for the construction and expansion of public community junior colleges—H.R. 967; and income tax exemptions or deductions or credits for expenditures for higher education—S. 755, S. 926.

Still another factor affects the realization of the cherished American dream of education of high quality for as many as are qualified. This is the burden of the institutions of higher education who must accommodate their increased student enrollments while at the same time maintaining their high standards. The pattern of population growth and birth within the Nation during the past decade has resulted in the serious strain upon facilities and faculties in our colleges and universities. Today we enroll in our colleges and universities an average of slightly more than 3 out of 10 of our youth of college age. This proportion is rising along with our college-age population and the need for higher education. Our college enrollment is expected to double by 1967. Indeed, competent authorities estimate that by 1967 the full-time enrollment in our colleges and universities will have jumped from today's 3 million to 6 million students.

Our institutions of higher education are also faced with the problem of teacher shortage. A seriously inadequate salary scale is steadily reducing the number of qualified people who choose, and stay with, college teaching as a career.

The Council for Financial Aid to Education reports that college faculty members are among the lowest paid professional groups in the Nation, with an annual median salary of about $5,200. The council reports:

> This whole situation makes no sense. The average college professor's salary today, in actual purchasing power, is less than 70 percent of what it was in 1940. The average factory worker's purchasing power is now 150 percent of its 1940 value.
>
> At a time when good teachers are more vitally needed than ever, thousands of them are forced out of the colleges and into industry simply because they cannot make ends meet. One of the crying needs of higher education is to establish salary levels which will attract and hold larger numbers of men and women with a real talent for teaching.

Mr. Speaker, I am convinced that we must be earnestly concerned with a broad program for the enrichment of the minds and opportunities of our young people. Certainly there can be no better investment of public funds than this. Too often, I am afraid, we are content merely to talk about these needs like the barker in the local carnival who while making loud proclamations, seeks chiefly to fool the people. I would not maintain that a single bill would solve the problem in education or the problems of child welfare. There is no single panacea.

Instead, I would proclaim that the Federal Government has a very definite responsibility to fulfill if the States in these times of crisis would provide the best possible programs for education and welfare for the youth of this Nation. I further maintain that without a doubt, the actions of this 86th Congress will influence the direction of the Nation in these areas. Let us then be even more serious minded and even more determined to enact those legislative measures which will accomplish these purposes and which will provide for additional numbers of young people an expanded horizon of opportunity.

MAJ. GEN. WILLIAM P. FISHER

Mr. BERRY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. WILSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. WILSON. Mr. Speaker, the legislative scene here at the Capitol is always notable for the swiftly moving changes that occur. As further evidence of these changes, it is with regret that I note the reassignment of Maj. Gen. William P. Fisher, director of the Air Force's legislative liaison, who upon the 15th of September will assume command of the Eastern Air Force of the Military Air Transport Service.

General Fisher has distinguished himself by his able and clear presentation of the Air Force view upon the critical challenges which have faced this Congress enabling us all to have a new and greater understanding of these most important issues. In addition, General Fisher has performed a valuable service in providing us with the answers to many questions from our constituents relating to the Air Force.

It is with gratification that I note that General Fisher is proceeding to a command assignment for which his experience has so well fitted him. General Fisher commanded the 26th Bomb Squadron of the famed 19th Bomb Group at Clark Field in the Philippines when the Japanese attacked on December 7, 1941. Although wounded in this attack, he went on to command the 308th Bomb Group in China under the direct control of General Chennault. After the war and a period of staff duty, he was successively selected to command the 43d Bombardment Wing and the 36th Air Division. When the Korean war broke out he was the obvious choice to command the Far Eastern Air Force Bomber Command. During World War II and Korea, he flew 59 combat missions. For his outstanding and valuable services, General Fisher has received the Distinguishsed Service Medal, the Legion of Merit with three Oak Leaf Clusters, the Distinguished Flying Cross with one Oak Leaf Cluster, the Air Medal, Purple Heart, the Presidential Unit Citation with four Oak Leaf Clusters.

Before coming to his present assignment, he served as commander of the First Air Division of the Strategic Air Command and Deputy Commander of the Eighth Air Force. I believe that we in the Congress have been most fortunate to have had the assistance of a man who has successively distinguished himself in command of squadron, group, wing, air division, and Air Force, and while I regret to see him moving on, we may feel gratified that he is bringing this wealth of experience to the most important Atlantic operations of MATS.

WE MUST DISCOURAGE INTERNATIONAL CARTEL AND MONOPOLY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. WOLF] is recognized for 15 minutes.

Mr. WOLF. Mr. Speaker, one of the most interesting and important problems which the United States will encounter in the next decade is that of finding foreign markets for its industrial and agricultural products. This problem will, of course, become even greater as the United States turns to automation to improve its productivity and as our potential for and manufacture of complex domestic industrial machinery and consumer goods becomes greater while the level of consumer needs in the United States approaches something close to fulfillment.

The problems of distribution, which are, in fact, all there is to the meaning of finding markets, is not an easy task; and it is not made easier by various practices of international cartels and world monopolies which limit production, distribution, and competition of products. Restrictive business practices in the international scene are practices about which the United States has been cognizant for a very long time. Many sensitive observers of international trade and incisive American businessmen have long been aware of the fact that cartel arrangements function as detriments to economic development and progress.

As Dean Rostow of the Yale Law School pointed out in the report of the Attorney General's National Committee To Study the Antitrust Laws:

> Foreign monopolies, cartels, and restrictive arrangements of comparable effect are costly burdens upon the American economy. They affect certain prices within the United States either directly or by influencing imports into this country; and they influence, and often control, American export and investment opportunities in other countries. * * * While no estimates are available as to the proportion of world trade affected by cartels, there can be no doubt that they constitute a quantitatively significant influence on both actual and potential movements of goods, services, and capital in the economy of the free world. In the last 30 years, governmental reports alone have reviewed cartel plans with respect to more than 120 commodities or services of significance in world trade, including aluminum, diamonds, wood pulp, nickel, copper, rubber, various chemical and electrical products, dyes, cocoa, shipping, magnesium and machinery of many types.

American businessmen are beginning to feel the problem of restrictive business practices as they have never felt them before. The Randall Commission on Foreign Economic Policy stated—in one of its few unanimous conclusions—that the existence of restrictive business practices "will limit the willingness of U.S. businessmen to invest abroad and will reduce the benefits of investment abroad to the economies of the host country."

This awareness has been the basis of our public international economic policy since immediately after the Second War. The U.S. Government under President Truman took part in many important international conferences in order to work out a responsible program to rid international trade of the yoke of monopoly and cartelism.

For example, in 1951 the American Government introduced a resolution in the Economic and Social Council of the United Nations to establish an intergovernmental committee to make recommendations to the Council solely for the prevention and control of restrictive business practices in international trade. This resolution passed by a vote of 13 to 3. As was expected, the three negative votes came from the Soviet bloc. As a result of this resolution an able intergovernmental committee, composed of 10 countries, worked very hard for over a year to write a comprehensive and workable arrangement for an intergovernmental committee which would have the power of gathering information on various cartels and world monopoly arrangements from member nations, besides the power of investigating any complaints from member nations in order to ascertain the facts. After work on this draft was completed and it appeared to be acceptable to the United States, the United States changed its position early in 1953. It is clear that a switch in American policy at that time came as a result of a change in political administrations in Washington. There is little question that the State Department and the White House changed the American position on the insistence of a few strong opponents who happened to be billionaire cartelists. This opposition came from the oil and mining interests which have informal international cartel arrangements. These vain and selfish groups have rigged the price of the world oil and mineral production while dividing up the world into vast private oil and mining dynasties.

Thus, the United States, after taking the lead in this important area in world trade in order to break world monopoly beat a hasty retreat. This was done after we had convinced the heavily industrialized free nations of the world and the heavy trading nations of the importance of international exposure of cartels and world monopoly.

The American reversal of its position has had the effect of discouraging any kind of international action in the cartel field. Other nations that supported our position have been greatly discouraged by waning American enthusiasm. It should be pointed out, however, that many nations now have done much to encourage antitrust laws on a national basis as a result of our previous position in the United Nations. This, of course, is not enough, since cartels, like disease knows no national boundaries or individual loyalties.

Mr. Speaker, it is now eminently clear that the policy of the State Department in this area for the past 5 years has been one conceived in private interest and fraught with selfish folly. American businessmen, and consequently American labor and agriculture have suffered because of this policy. Private businessmen all over the free world have suffered, economic development in Asia and Africa has been slowed, the average world consumer has suffered because of this international price fixing.

Now is the time, before it is too late, to reestablish our policy of eliminating restrictive business practices in international trade. By so doing we are showing the world that we stand behind the idea of competition in international trade; that this notion is a basic precept of American economic life and not an empty slogan.

Mr. Speaker, the reaffirmation of our policy will show to our friends in Asia, Africa, and South America that we do not countenance restrictive and viper-like cartels that destroy economic development, depress wages and raise and freeze prices to the hindrance of both the buyer and the independent, competitive seller.

CONCURRENT RESOLUTION REQUESTING THE PRESIDENT TO INSTRUCT THE U.S. DELEGATION TO THE UNITED NATIONS TO SPONSOR AND SUPPORT RESOLUTIONS CURTAILING RESTRAINTS ON WORLD TRADE RESULTING FROM CARTELS AND OTHER FORMS OF WORLD MONOPOLY

Whereas the United States has a continuing concern with the existence in international trade of restrictive business practices which have harmful effects on the attainment of higher standards of living, full employment and conditions of economic and social progress and development;

Whereas the United States recognizes that national action and international cooperation is necessary in order to deal effectively with business practices affecting international trade;

Whereas the elimination of harmful restraints on international trade such as cartels or other forms of world monopoly and the furthering of competition in international trade continues to be a basic objective of this country's economic policy: Now therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Congress requests the President of the United States to instruct the U.S. delegation to the United Nations, and to appropriate agencies of the United Nations, to sponsor and support resolutions that would assist the United Nations in establishing the proper intergovernmental machinery, and urging member Government participation, to implement a policy of elimination of harmful restraints on international trade resulting from cartels or other forms of world monopoly.

SERIOUS SITUATION IN SOUTHEAST ASIA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, I think it imperative that the House should take note of the increasingly serious situation building up in southeast Asia, particularly the events in Laos.

The ramifications of the ever-growing Communist pressures now being openly applied in this area are many, and none of them are pleasant for us to contemplate.

It is very clear to all that what we are seeing in Laos today is a renewed Communist effort to gain direct access to Thailand and Cambodia, flank South Vietnam and open the way to the remainder of southeast Asia. All of these dire results would flow from the fall of Laos.

It is incredible to me, as it is to many Americans, that even as we face this new threat, one in which the potential for grave disaster to the cause of the free world is as great as any we have faced, the Pentagon refuses to follow the mandate of this Congress and ready our forces best suited to act in this situation.

Certainly it is a matter of general recognition that the U.S. Marine Corps constitutes the very first echelon of our forces most capable, most carefully designed, to meet the repeated open threats of the cold war.

I, of course, have no way of knowing if there is any plan even in existence to employ Marines in Laos should that situation continue to deteriorate. Nor is it my intention to recommend that we do so.

Instead, it is my purpose to call attention to what can only be considered by all thinking citizens one more example of the strange lack of wisdom and dearth of good judgment in the Pentagon in failing to provide adequate forces to cope with the very type of situation which is rapidly building up in southeast Asia.

The Congress, I submit, has more correctly evaluated the nature of the threat posed by the repetitive overt pressures and incursions of the Communist empire. We have provided again this year for a minimum strength Marine Corps of 200,000 Marines.

Yet, even as the events in southeast Asia daily provide a worsening, ever darker picture, a Pentagon bemused by ICBM's and near tragic fascination with the "bigger bang for the buck" has stripped the Marine divisions and air wings of battalions and squadrons of combat-ready Marines.

Not even the 3d Marine Division on Okinawa, the only combat-ready ground force we have in Asia, has escaped the cuts imposed by the Pentagon's unreasoning, illogical insistence upon ignoring the expressed intent of Congress on what constitutes an adequate Marine Corps.

Can it be that the cutting of this combat ready force of Marines, so symbolic to friends and foes alike of our determination to stand by our allies, has in itself encouraged to some extent the renewed outbreak of Communist aggression in Laos? Certainly the deactivation of combat units within this single American ready force in the Far East does nothing to discourage the evil aspirations of the Communist.

Logic, common sense, prudence support the congressional direction to the Department of Defense to maintain the Marine Corps at a strength adequate to the proven need. Each passing day but confirms the soundness of our decision and exposes further the lack of sound planning in the Pentagon for the means to meet the known pattern of Communist conquest by piecemeal.

Every single experience we have encountered in the past decade has proven the inability of massive retaliation to deal with the familiar Communist tactic now again unfolding before our eyes in southeast Asia.

Just as clear is the fact that every successful reaction we have made over the years has been based upon the readiness, availability and versatility of the very forces now cut to the bone.

I call upon the Secretary of Defense to commence immediately effecting the congressional intent on Marine Corps strength; to provide at the earliest possible moment with the funds and resources the Congress has made available a Marine Corps adequate to the national interests—a Marine Corps of 200,000.

AN OPEN RULE IS NEEDED ON THE HIGHWAY BILL TO PERMIT A FISCALLY RESPONSIBLE AMENDMENT REDUCING THE OIL DEPLETION ALLOWANCE

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REUSS] may extend his remarks at this point in the body of the RECORD and to include therein extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. REUSS. Mr. Speaker, earlier today I appeared before the Committee on Rules to urge an open rule on the highway bill, H.R. 8678.

I did so in the interest of fiscal responsibility.

It was my intention to offer a fiscally responsible amendment to the highway bill, reducing the oil depletion allowance.

As a substitute for the bill's proposed diversion of funds to highway purposes from the general fund, my amendment would raise the necessary $2.4 billion through a reduction in the oil depletion allowance.

I support the bill's fiscally responsible provision to increase the Federal gasoline tax by 1 cent a gallon for 22 months. But the second financing section in the bill, to divert to the highway fund a large part of auto and auto parts excise taxes for a 3-year period, is not fiscally responsible. Reducing the 27½-percent oil depletion allowance to 15 percent for those whose oil and gas income exceeds $5 million annually, and to 21 percent for those whose oil-gas income is between $1 million and $5 million a year, will produce the same proceeds as the proposed diversion from the general fund, but will be fiscally responsible.

Mr. Speaker, I am advised that the Committee on Rules has now recommended a closed rule for H.R. 8678, and that the matter is to be taken up on Thursday by the House. I regret that I shall have to oppose the rule. I shall continue to seek the opportunity to offer my fiscally responsible amendment.

At this point in the RECORD I insert the statement which I made today before the Committee on Rules and the text of the amendment which I have prepared:

STATEMENT OF REPRESENTATIVE HENRY S. REUSS, OF WISCONSIN, BEFORE COMMITTEE ON RULES, HOUSE OF REPRESENTATIVES, WITH RESPECT TO H.R. 8678, FEDERAL-AID HIGHWAY ACT OF 1959, SEPTEMBER 2, 1959

Mr. Chairman, I urge the Committee on Rules to recommend an open rule for the consideration of H.R. 8678.

Since both the Committee on Ways and Means and the Committee on Public Works have had such difficulty agreeing on the language of this bill, and since, so I understand, the bill has been agreed on in committee by the closest of votes, I believe that the rule for consideration of H.R. 8678 should be a liberal one, so that the House will have the opportunity to consider at least several of the alternatives that have been offered with respect to continuing the Federal-aid highway program, and particularly with respect to the financing of the program in the immediate future.

Mr. Chairman, I know that every member of the Committee on Rules and every Member of the House wishes to be fiscally responsible. Sometimes, when a variety of conflicting proposals arise, such as on this highway issue, and it is necessary to weld several proposals into one to get a bill out of committee, the result can be something less than fiscally responsible.

The compromise highway financing proposal contained in H.R. 8678 is, in my opinion, an example of this kind of compromise.

It proposes to increase the Federal gasoline tax by 1 cent for a 22-month period, and that is fiscally responsible as far as it goes. It also proposes to take from the general fund for a 3-year period one-half of the 10-percent manufacturers' excise tax on automobiles and five-eighths of the 8-percent excise tax on auto parts and accessories. It is this part of the proposal that seems to me not fiscally responsible, since it would divert some $800 million a year from the general fund, with no provision for replacement. Surely now is the time to avoid future budget deficits.

Mr. Chairman, I certainly want the Federal-aid highway construction program to proceed as nearly on schedule as possible, but surely this is the kind of a program that should be on a pay-as-you-go basis.

The President's original proposal for a 1½-cent increase in the gasoline tax would do this, all right, but would, in my opinion, be inequitable in that it would throw the whole burden of financing the program deficit onto the automobile and truck user.

I hope, Mr. Chairman, that H.R. 8678 will reach the floor of the House under such circumstances that I shall be able to offer a fiscally responsible financing program, in place of section 202 which diverts funds from the general fund.

In essence my proposal is to raise the needed additional funds by reducing the oil depletion allowance in accordance with an equitable formula originally developed by some of our colleagues in the other body. I would reduce the depletion allowance from 27½ percent to 15 percent for those whose income from oil and gas properties exceeds $5 million a year; to 21 percent for those whose income is between $1 million and $5 million a year; and make no reduction for income under $1 million.

This reduction, coupled with the 1-cent gasoline tax boost for 22 months, would, according to reliable estimates, raise the same amount for the highway fund between now and June 30, 1964, as would the provisions of H.R. 8678.

The depletion allowance reduction, at an estimated yield of $500 million annually, would produce $2.4 billion by June 30, 1964. This is precisely the amount estimated to be produced under the plan for a 3-year, $800 million diversion from the general fund.

Mr. Chairman, I think the oil industry has a huge stake in the continuation of the highway program, and that it is not only fiscally responsible but eminently fair and equitable to raise the needed highway funds not only from the highway user in the form of a 1-cent gasoline tax boost, but from the oil industry in the form of a depletion allowance reduction.

I believe the Members of this House should have the opportunity to vote on such a proposal, and I therefore urge a rule on H.R. 8678 which will permit my amendment to be offered, along with others.

AMENDMENT TO H.R. 8678 OFFERED BY MR. REUSS

On page 8, strike out line 23 and all that follows down through line 11 on page 10, and insert in lieu thereof the following:

"SEC. 202. GRADUATED RATES OF PERCENTAGE DEPLETION FOR OIL AND GAS WELLS; TRANSFERS TO HIGHWAY TRUST FUND.

"(a) GRADUATED RATES OF PERCENTAGE DEPLETION FOR OIL AND GAS WELLS.—Section 613 of the Internal Revenue Code of 1954 (relating to percentage depletion) is amended—

"(1) by striking out, in subsection (a), 'specified in subsection (b)' and inserting in lieu thereof 'specified in subsection (b) and (d)';

"(2) by striking out paragraph (1) of subsection (b) and inserting in lieu thereof the following:

"'(1) OIL and GAS WELLS.—The percentage applicable under subsection (d)(1).'; and

"(3) by redesignating subsection (d) as (e), and by inserting after subsection (c) the following new subsection:

"'(d) OIL AND GAS WELLS.—

"'(1) PERCENTAGE DEPLETION RATES.—In the case of oil and gas wells, the percentage referred to in subsection (a) is as follows:

"'(A) 27½ PERCENT.—If, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, does not exceed $1,000,000.

"'(B) 21 PERCENT.—If, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $1,000,000 but does not exceed $5,000,000.

"'(C) 15 PERCENT.—If, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $5,000,000.

"'(2) CONTROL DEFINED.—For purposes of paragraph (1), the term "control" means—

"'(A) with respect to any corporation, the ownership, directly or indirectly, of stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote, or the power (from whatever source derived and by whatever means exercised) to elect a majority of the board of directors, and

"'(B) with respect to any taxpayer, the power (from whatever source derived and by whatever means exercised) to select the management or determine the business policies of the taxpayer.

"'(3) CONSTRUCTIVE OWNERSHIP OF STOCK.—The provisions of section 318(a) (relating to constructive ownership of stock) shall apply in determining the ownership of stock for purposes of paragraph (2).

"'(4) APPLICATION UNDER REGULATIONS.—This subsection shall be applied under regulations prescribed by the Secretary or his delegate.'

"(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on September 1, 1959, and shall apply with respect to taxable years ending on or after such date.

"(c) TRANSFER.—Section 209(c) of the Highway Revenue Act of 1956 (relating to transfer to the Highway Trust Fund of amounts equivalent to certain taxes) is amended by renumbering paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"'(2) Increased income taxes resulting from decrease in rate of percentage depletion.—There is hereby appropriated to the Trust Fund, out of any money in the Treasury not otherwise appropriated, 100 percent of the increased revenues which the United States has derived before July 1, 1973, which are attributable to liability for tax incurred before July 1, 1972, and arise out of the taxes imposed by chapter 1 of the Internal Revenue Code of 1954 by reason of the amendments made by section 2(a) of the Act enacting this paragraph.'

"(d) CONFORMING AMENDMENTS.—

"(1) CLERICAL AMENDMENT.—Paragraph (4) (as renumbered by subsection (c)) of such section 209(c) is amended by striking out 'paragraphs (1) and (2)' each place it appears and inserting in lieu thereof 'paragraphs (1), (2), and (3)'.

"(2) FLOOR STOCKS REFUNDS.—Section 209 (f) of the Highway Revenue Act of 1955 (relating to expenditures from Highway Trust Fund) is amended—

"(A) by striking out the heading to paragraph (4) and inserting in lieu thereof the following: '(4) 1972 FLOOR STOCKS REFUNDS.—'; and

"(B) by adding at the end thereof the following new paragraph:

"'(5) 1961 FLOOR STOCKS REFUNDS ON GASOLINE.—The Secretary of the Treasury shall pay from time to time from the Trust Fund into the general fund of the Treasury amounts equivalent to the floor stocks refunds made before July 1, 1962, under section 6412(a)(3).'"

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TOLLEFSON (at the request of Mr. HALLECK), from September 5, indefinitely, on account of official business.

Mr. MARSHALL (at the request of Mr. NATCHER), on account of illness in family.

Mr. DAGUE (at the request of Mr. FENTON), for September 3, 1959, on account of death in family.

Mr. MINSHALL (at the request of Mr. HALLECK), from September 2 for 1 week, on account of death of brother.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BURKE of Massachusetts (at the request of Mr. O'NEILL), for 1 hour, on Thursday.

Mr. THOMSON of Wyoming, for 45 minutes, on tomorrow and Friday.

Mr. WOLF (at the request of Mr. PUCINSKI), to address the House for 15 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. FLOOD (at the request of Mr. PUCINSKI), to address the House for 15 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. CURTIN (at the request of Mr. BERRY), for 10 minutes, on September 3.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MARTIN.

Mr. PORTER.

Mr. SHELLEY and to include extraneous matter.

Mr. PHILBIN and to include extraneous matter.

Mr. PUCINSKI and to include extraneous matter.

At the request of Mr. PUCINSKI, the following Members were granted permission to extend their remarks in the CONGRESSIONAL RECORD and to include extraneous matter:

Mr. BOWLES in two instances.

Mr. MACHROWICZ.

Mr. DOLLINGER.

Mr. HÉBERT.

(At the request of Mr. BERRY, and to include extraneous matter, the following:)

Mr. COLLIER in two instances.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 300. An act to amend the act of August 28, 1958, establishing a study commission for certain river basins, so as to provide for the appointment to such Commission of separate representatives for the Guadalupe and San Antonio River Basins, and of a representative of the Texas Board of Water Engineers;

S. 417. An act to place in trust status certain lands on the Standing Rock Sioux Reservation in North Dakota and South Dakota;

S. 551. An act to declare portions of Bayous Terrebonne and LeCarpe, La., to be nonnavigable streams;

S. 994. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws;

S. 1221. An act to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands;

S. 1448. An act to change the name of the Abraham Lincoln National Historical Park at Hodgenville, Ky., to Abraham Lincoln Birthplace National Historic Site;

S. 1453. An act to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the city of Keosauqua;

S. 1521. An act to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938;

S. 1645. An act to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners;

S. 1647. An act to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment;

S. 1947. An act relating to the authority of the Customs Court to appoint employees, and for other purposes;

S. 2013. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 2029. An act to authorize a per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and for other purposes;

S. 2118. An act to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for other purposes;

S. 2334. An act to transfer from the Department of Commerce to the Department of Labor certain functions in respect of insurance benefits and disability payments to seamen for World War II service-connected injuries, death, or disability, and for other purposes;

S. 2339. An act to amend the law relating to the distribution of the funds of the Creek Tribe;

S. 2421. An act to amend the Klamath Termination Act; and

S. 2435. An act to provide that certain funds in the Treasury of the United States to the credit of the Confederated Bands of Ute Indians be transferred to the credit of the Ute Mountain Tribe of the Ute Mountain Reservation, Colo.

ADJOURNMENT

Mr. PUCINSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 1 minute p.m.) the House adjourned until tomorrow, Thursday, September 3, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1349. A letter from the Comptroller General of the United States, transmitting a report on the audit of accounts of disbursing officers of the Army, fiscal year 1958; to the Committee on Government Operations.

1350. A letter from the Administrator, Small Business Administration, transmitting a draft of proposed legislation entitled "A bill to amend section 542(c) of the Internal Revenue Code of 1954 (relating to exceptions from the term 'personal holding company') to exempt small business investment companies from the personal holding company tax"; to the Committee on Ways and Means.

1351. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered under the authority contained in section 13(b) of the act as well as a list of the persons involved, pursuant to the act of September 11, 1957; to the Committee on the Judiciary.

1352. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Tai Ah Chu, A–10493023, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1353. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON: Committee on Government Operations. Eleventh report pertaining to organization and management of missile programs (Rept. No. 1121). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on Un-American Activities. H.R. 8121. A bill to amend the Subversive Activities Control Act of 1950 so as to authorize the Secretary of Defense to provide for a security program with respect to defense contractors and their employees; without amendment (Rept. No. 1122). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on Un-American Activities. H.R. 8429. A bill to amend the Subversive Activities Control Act of 1950 to provide for a procedure under which certain final orders of the Subversive Activities Control Board with respect to Communist organizations may be made applicable to successor organizations; with amendment (Rept. No. 1123). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. H.R. 8754. A bill to amend the Atomic Energy Act of 1954, as amended; with amendment (Rept. No. 1124). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. H.R. 8755. A bill to amend the Atomic Energy Act of 1954, as amended, with respect to cooperation with States; with amendment (Rept. No. 1125). Referred to the Committee of the Whole House on the State of the Union.

Mr. SELDEN: Committee on Foreign Affairs. S. 2219. An act to authorize appropriations for construction of facilities for the Gorgas Memorial Laboratory, to increase the authorization of appropriations for the support thereof, and for other purposes; with amendment (Rept. No. 1126). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. S. 2390. An act to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park; without amendment (Rept. No. 1127). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIMPSON of Pennsylvania: Committee on Ways and Means. H.R. 8126. A bill to amend the Internal Revenue Code of 1954 with respect to the taxation of exchanges of property and distributions of stock made pursuant to orders enforcing the antitrust laws; with amendment (Rept. No. 1128). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. H.R. 4150. A bill to amend the Bankruptcy Act to authorize courts of bankruptcy to determine the dischargeability or nondischargeability of provable debts; with amendment (Rept. No. 1129). Referred to the House Calendar.

Mr. CELLER: Committee on the Judiciary. House Joint Resolution 513. Joint resolution designating the 17th day of December in each year as "Wright Brothers' Day"; without amendment (Rept. No. 1130). Referred to the House Calendar.

Mr. MILLS: Committee on Ways and Means. H.R. 5547. A bill to amend certain provisions of the Internal Revenue Code of 1954 relating to possessions of the United States; with amendment (Rept. No. 1131). Referred to the Committee of the Whole House on the State of the Union.

Mr. THORNBERRY: Committee on Rules. House Resolution 372. Resolution for consideration of H.R. 8678, a bill to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes; without amendment (Rept. No. 1132). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 373. Resolution for consideration of S. 2208, an act to provide that Alaska and Hawaii be eligible for participation in the distribution of discretionary funds under section 6(b) of the Federal Airport Act; without amendment (Rept. No. 1133). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 360. Resolution amending House Resolution 56, 86th Congress; without amendment (Rept. No. 1134). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 9021. A bill to provide that withdrawals and reservations of public lands for nondefense uses shall take effect only upon certain conditions, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 9022. A bill to provide for assistance to States in their efforts to promote, establish, and maintain safe workplaces and practices in industry, thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower; to the Committee on Education and Labor.

By Mr. BOWLES:

H.R. 9023. A bill to provide assistance to communities, industries, business enterprises, and individuals to facilitate adjustments made necessary by the trade policy of the United States; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 9024. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

H.R. 9025. A bill to authorize the Secretary of Defense to make a monetary allowance in lieu of headstones or markers for certain graves; to the Committee on Armed Services.

By Mr. FOLEY:

H.R. 9026. A bill to amend the act to regulate and fix rates of pay for employees and officers of the Government Printing Office; to the Committee on House Administration.

By Mr. MEYER:

H.R. 9027. A bill to amend section 3 of the act of January 5, 1905, incorporating the American National Red Cross, so as to include among the purposes of such corporation the establishment of a just and lasting peace; to the Committee on Foreign Affairs.

By Mr. STEED:

H.R. 9028. A bill to provide that certain funds shall be paid to the Kickapoo Tribal Council of Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. ROOSEVELT:

H.R. 9029. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UDALL:

H.R. 9030. A bill to officially designate the dam now under construction at Glen Canyon on the Colorado River in northern Arizona as Powell Dam; to the Committee on Interior and Insular Affairs.

H.R. 9031. A bill to provide for assistance to States in their efforts to promote, establish, and maintain safe workplaces and practices in industry, thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower; to the Committee on Education and Labor.

By Mr. VAN ZANDT:

H.R. 9032. A bill to authorize the appropriation to the Corregidor-Bataan Memorial Commission of an amount equal to amounts, not in excess of $7,500,000, which may be received by the Secretary of the Navy from the sale of vessels stricken from the Naval Vessel Register, to be expended for the purpose of carrying out the provisions of the act of August 5, 1953; to the Committee on Armed Services.

By Mr. BALDWIN:

H.R. 9033. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. DORN of New York:

H.R. 9034. A bill providing for the Surgeon General of the United States to establish a hospital in the State of New York especially equipped for the treatment of persons addicted to the use of habit-forming drugs; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLS:

H.R. 9035. A bill to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes; to the Committee on Ways and Means.

By Mr. HAYS:

H.R. 9036. A bill to amend the Foreign Service Buildings Act, 1926, to authorize the construction or alteration of certain buildings in foreign countries for use by the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. McGOVERN:

H.R. 9037. A bill to authorize the sale at market prices or at 1959 support prices, whichever are lower, of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes; to the Committee on Agriculture.

By Mr. TOLLEFSON:

H.R. 9038. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. BAKER:

H.J. Res. 516. Joint resolution to help make available to those children in our country who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to help make available to individuals suffering speech and hearing impairments those specially trained speech pathologists and audiologists needed to help them overcome their handicaps; to the Committee on Education and Labor.

By Mr. WOLF:

H. Con. Res. 430. Concurrent resolution requesting the President to instruct the U.S. delegation to the United Nations to sponsor and support resolutions curtailing restraints on world trade resulting from cartels and other forms of world monopoly; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLE:

H.R. 9039. A bill for the relief of George Gozadinos; to the Committee on the Judiciary.

By Mr. COOK:

H.R. 9040. A bill for the relief of Ana Fernandez Lambea; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H.R. 9041. A bill for the relief of Joseph Starker; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 9042. A bill for the relief of Anna Semechole Marcolina; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 9043. A bill for the relief of Mock Fook Leong; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

270. By the SPEAKER: Petition of the assistant city clerk, Stockton, Calif., requesting that the Congress override the Presidential veto of H.R. 7509, public works appropriations; to the Committee on Appropriations.

271. Also, petition of the city clerk, Boston, Mass., requesting favorable action on H.R. 4633, relating to home rule for the District of Columbia; to the Committee on the District of Columbia.

272. Also, petition of Rosemary Macklem and others, Cleveland, Ohio, requesting that the American Indians get justice in the way of better living such as, better housing, food, water, medicine, and education; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Stuart Symington Cited by AMVETS

EXTENSION OF REMARKS

OF

HON. CLAIR ENGLE

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Wednesday, September 2, 1959

Mr. ENGLE. Mr. President, at its recent national convention in Grand Rapids, AMVETS presented our distinguished colleague from Missouri, Senator SYMINGTON, with its first defense award in "recognition of exceptional contributions to the defense of the United States and the free world." I can think of no one more deserving of this recognition than Senator SYMINGTON. In its citation, AMVETS points out that Senator SYMINGTON "has brought to the Senate unique understanding of the times in which we live." I concur wholeheartedly with this statement and with the other commendations in the citation.

I ask unanimous consent that the citation be printed in the CONGRESSIONAL RECORD, together with an excellent address which Senator SYMINGTON delivered before the AMVETS convention.

There being no objection, the citation and address were ordered to be printed in the RECORD, as follows:

AMVETS NATIONAL CITATION

The 14th Annual National Convention of AMVETS, assembled in St. Louis, Mo., on August 22, 1958, unanimously resolved that its first defense award be presented to the Honorable STUART SYMINGTON, U.S. Senator, in recognition of exceptional contributions to the defense of the United States and the free world.

Throughout his outstanding career, the Honorable STUART SYMINGTON has contributed exceptionally to the national strength of the United States. He has consistently emphasized to the Government and the public the necessity for impenetrable national defense, as a threat against aggression and to successfully counteract aggression should it occur. Senator SYMINGTON continues to protect the United States and the free world through his active participation on the important Senate Armed Services Committee and Aeronautical and Space Sciences Committee.

Senator SYMINGTON, who in 1958 was elected to the U.S. Senate by the highest percentage of votes cast in the history of Missouri, has brought to the Senate unique understanding of the times in which we live. His is the voice of a dedicated American with exceptional knowledge of current military needs. His is the voice of authority on national defense. His is the voice of authority on airpower. His is the voice of authority on defense reorganization.

Senator SYMINGTON's brilliant service as the Nation's first Secretary of the Air Force was responsible for many of the initial and subsequent contributions which the Air Force has made to the defensive strength of the United States and the free world. Earlier, the devoted public servant enhanced national welfare as Assistant Secretary of War for Air, Chairman of the Surplus Property Board, and Administrator of the Reconstruction Finance Corporation.

AMVETS and the United States—and the free world which looks to America to help preserve its freedom—are deeply indebted to the Honorable STUART SYMINGTON. It is with the greatest pride and appreciation that AMVETS present to him their first national defense award.

Presented August 27, 1959, AMVETS 15th Annual National Convention, Grand Rapids, Mich.

W. E. BURDINE, M.D.,
National Commander.
P. E. HOWARD,
National Executive Director.

THE PROTRACTED PSYCHOLOGICAL CONFLICT

(Address by Senator STUART SYMINGTON before the AMVETS National Convention, Grand Rapids, Mich., August 27, 1949)

It is a great privilege to be with you here in Grand Rapids at this national convention of the AMVETS.

Your organization is unsurpassed in its efforts towards adequate national defense.

Those in Government charged with responsibility in this field depend upon groups such as yours to keep our citizens both informed and alert about whether or not the strength of this Nation is adequate enough to insure our remaining a free people.

National defense is not just physical defense. It involves far more. It is the whole of our effort to keep the peace. It includes economic growth, scientific progress, the state of our morale and the quality of our education.

AMVETS does a magnificient job for its veteran members. But when it branches out—exploring the meaning of Americanism; granting scholarships; helping make better communities; speaking out for the legislation in which it believes—then your great organization makes its complete contribution to our overall security.

In the 15 years since its founding, AMVETS has grown steadily in stature.

And now you stand a vigorous, far-reaching, forward-looking organization, dedicated always to the welfare of our country.

In these 15 years this Nation has matured and expanded under the continuing challenge of world communism. We have disarmed, and armed again; forged great alliances; begun to build up underdeveloped areas; and learned some of the patience which must go with leadership of the free world.

Now we enter a new phase. In less than 3 weeks, Premier Khrushchev will come to this country.

It is hoped that he will leave these shores without incident—and with a better understanding of our basic strengths.

But it would be a tragic error to believe that his visit connotes any shift in Communist goals or strategy.

The Sino-Soviet Empire is committed to a single objective. They seek it at times by talk of peace, at times by war; in one place through professed efforts towards peace; in another by subversion.

But the basic goal is always the same: namely, the overthrow of parliamentary government, all over the world—resulting in their rule of all people.

We seem now to be headed for a phase which will be marked by increasing contact between communism and free peoples.

This means an increasing competition of words, ideas, and performance; and it is about this—what I would call the psychological side of the conflict—that I would speak briefly today.

The Russians are ready.

In his speech to the Second Congress of the Communist International, back in 1920, Lenin said: "Great are the military victories of the Soviet Republic, but still more significant is the victory over the minds and hearts of the masses, the victory of Communist ideas all over the world."

Following Lenin's advice, the Communists have developed the most effective machinery and the most refined strategy of propaganda the world has ever known.

Their assault on the mind takes many forms. It may be a peace congress in Sweden, a youth festival in Vienna, a strike in Paris, or a fair in New York.

Wherever it is, and whatever it is, you can be sure it is a well-planned monolithic effort, with the inspiration coming primarily from two places—Moscow and Peiping.

In this area of protracted psychological conflict the Communists are believed to be spending between $2 and $3 billion a year. It is an effort which has but one purpose—to drum home the Communist line, so as to soften up any opposition, as they move on with their plans for conquest.

But deeds are stronger than words; and the most ingenious propaganda is weakened if belied by actions.

This is what happened recently in Hungary, and even more recently in Tibet.

And that is why, despite the scope of the Communist effort, it is they, not us, who are vulnerable in this propaganda field at this time—if only we will shed the current complacency and go to work.

Greater effort in the psychological field could draw rich dividends for the cause of freedom.

Behind the Iron Curtain—in the so-called zone of peace in which we now let Communist rule go unchallenged—the people are nevertheless stirring.

Ideas of freedom have seeped through the blockade of indoctrination and thought control.

Why else would 250,000 Poles turn out to cheer the Vice President of the chief capitalist nation of the world?

Why else would 1 out of every 10 East Germans have left their country since 1950, drawn by the symbol of freedom which is West Berlin?

Yes; dissent and doubt are on the rise in many places behind the curtain.

Let me tell you a story, the authenticity of which is vouched for by the distinguished free Austrian magazine, Forum.

At the time of the Hungarian revolution 140 students were expelled from a Moscow university.

Their crime? In the middle of a class on Marxism they began to ask why, in Hungary, workers and peasants had risen against the Communist state.

The Russian students were not satisfied with the answer of their teachers, so they went to the rooms of Hungarian students and literally dragged them out of bed to ask some searching questions.

They wanted to know whether the Communist Party has not in fact become the exploiting class Marx warned against; and, if this were true, whether Marxist theory would not demand that the people revolt against the party.

These discussions spread to other Russian universities, where the question was even asked whether "the Russian workers, under Lenin's banner, will not rise against their bureaucratized exploiters."

Only extreme subsequent disciplinary measures quieted this outbreak of criticism. But the incident shows that, after 40 years of control, the Communists would seem to have failed in the indoctrination of some of their youth.

With wise and careful effort, we can carry on this battle of ideas behind the lines to great advantage.

We should utilize holes that have been opened up in the Iron Curtain to intensify our efforts to win converts to freedom's cause.

The crucial weapons of such an effort, I am glad to say, cost nothing.

They need no lead time, because we have them.

They are not subject to mechanical failures.

And they have not grown obsolete in 183 years.

They are parts of our life which many of us take for granted. But translated into the lives led by the people behind the Iron Curtain, they become concepts of great motive power.

First of course is the idea of freedom. The Iron Curtain people should know that if they lived under our system, they would be able to walk the streets without identity cards. They could move to a new city without registering with the police. They would be able to apply for the kind of job they wished, instead of being assigned by the state. They could read, think and speak what they pleased.

And then there is self-determination—people being free to choose their own form of government, without pressure from foreign troops on their soil; living in a land where men can choose their own government representatives in free elections.

Also there is the concept of material well-being—better pay, better working conditions, a better standard of living.

How interested these men and women would be to study the way we in America have narrowed the historic gap between rich and poor without revolution or bloodshed.

Why should we fear increasing contact between the Communists and ourselves? Their way of life has no attraction for us. But our way of life has much attraction for them.

The more they learn about how we live, the more they will realize that the free world has actually delivered the better life which the Communists promise.

Why is it that the truth about the West is so largely unknown behind the Iron Curtain?

A few comparisons can answer much of that story.

In the last year, while the Russians were spending billions in psychological warfare, our total effort in this field amounted to less than $150 million.

That is about 3 hours' output of 1 day of our annual income.

We have the weapons to lead the world to peace. But we neglect the means of delivery.

Therefore, I recommend a four-point program to help our country mount a new major offensive in this battle for men's minds.

First, there should be intensification of our radio broadcasting behind the Iron Curtain, our presentation of the truth about America.

We should be able to broadcast long enough, loud enough, and on enough channels to break through Communist jamming efforts.

We should not raise false hopes in the hearts of people—but we should keep constantly before them the difference between their life now, and the life they could have under freedom.

Second, we should increase personal contacts between Communist and free world peoples—through travel, letters, and exchange programs.

The young Americans serving as guides at the Moscow Fair have reported that their own personal views and experiences about life in the United States are a most effective counter to Communist propaganda.

Third, there should be better preparation of our Foreign Service people for jobs abroad. We cannot get over our message to another land or person if our representatives do not know the language. They cannot be effective unless they understand the culture and customs of the country in question.

Far too many of our representatives abroad are not properly equipped for their job. It was for this reason that I proposed the establishment of a Foreign Service Academy, to train the free world advocates of a lasting peace so they could present their message with maximum effect.

Finally, there should be a much more effective use of religion as an antidote to communism.

Eighty percent of the people held in bondage behind the Iron Curtain are Christians.

A large percentage of them are devout; and therefore, when their beliefs rub against the atheistic policies of their Communist rulers friction is automatic.

We have not yet made full use of our creeds and religious convictions as a weapon in this cold war. Through broadcasts, we could do much more in emphasizing the strength of our faith.

These broadcasts should stress the dignity of man under God, along with other religious ideals incompatible with Communist doctrine.

Why not, for example, translate and dramatize some of the outstanding religious broadcasts we hear on our own networks every Sunday.

I present these opportunities and suggest how we might use them. At this point, however, let me make it clear that I do not suggest stirring up any revolution.

But we do want to spread the truth, for there is a good chance that this truth will spread dissatisfaction, and thereby force some relaxation of Russian rule, in terms of more understanding and therefore more good will.

The head of the Central Intelligence Agency, Mr. Allen Dulles, asserted in a recent speech that while the Soviet Government is still a closely regulated autocracy, it is not today quite as free as under Stalin to disregard wholly the desire of the people.

This applies at least as much to the Soviet satellites. They would be grateful for the slimmest ration of the fruit of freedom.

If we can help them to that end, all our effort will have been worthwhile—and the goal of peace will be much nearer to mankind.

First Hungary, and then Tibet, have shown the Communists that if control of their satellites is based on force alone, they damage their cause in the uncommitted nations.

And by spreading our ideas, and ideals, we can stimulate apprehension in the countries they still do not control; plus unrest in the countries they do.

Such possible progress through truth can only reduce the Communist threat to our own security.

As our country heads into the uncertain future, testing new methods of diplomacy, facing new techniques, I have faith that this great organization of AMVETS will support these efforts, efforts essential for our security, our prosperity, and the greatest of all blessings, a just and lasting peace.

Communist Propaganda in Asia

EXTENSION OF REMARKS
OF

HON. CHESTER BOWLES

OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 2, 1959

Mr. BOWLES. Mr. Speaker, under leave to extend my remarks, I include the following statement:

The Speaker has generously granted permission to me to exhibit in the Speaker's lobby of the House of Representatives several samples of Communist propaganda typical of that now being disseminated in the Middle East and in south and southeast Asia. This exhibit is designed to acquaint Members of Congress with the scope, breadth, variety, skill, and effectiveness of Communist propaganda in this area of the world and with the corresponding challenge it presents for American policy.

Among the aspects of this challenge, highlighted in the exhibit, are the following points:

First. Propaganda from the Soviet Union and Communist China is supplementary in various fields and in different countries. Chinese propaganda, for instance, appears more often in Pakistan, which is at odds with the Soviet Union, while the Soviets are more active in Burma, where the Chinese are regarded as a direct threat. A major role is also given to propaganda from countries of central and eastern Europe, particularly in the sphere of cultural and economic affairs.

Second. Soviet and Chinese publications are attractive, and present life under communism in terms designed to appeal to the workers and peasants of most of non-Communist Asia. China alone sold an estimated $1 million worth of propaganda material at cutrate prices out of Hong Kong last year.

Samples of direct propaganda publications include:

From China: China Pictorial, China Reconstructs, Women of China, People's China.

From U.S.S.R.: The Soviets distribute New Times, Soviet Literature, Soviet Union, Soviet Land, Soviet Weekly, Soviet Woman, Culture, and Life.

From central and east Europe: Romtrans—Romanian Industry—Czechoslovak Life, Bulgarian Foreign Trade, GDR Review (East German), Do You Know the Rumanian Peoples' Republic?

In the middle east Communist French publications such as Democracie Nouvelle are available.

Asian Communist countries, such as North Korea and North Vietnam distribute their own magazines.

Third. The official Communist propaganda pamphlet campaign is accompanied by standard literature. Russian classics are constantly being reprinted in English. Indeed, more publications in English are now being printed behind the Iron Curtain for distribution in non-Communist Asian countries than are being printed for such purposes by the United States and Great Britain combined.

Each year, scores of new titles in Hindi, Bengali, and Urdu and other national languages are also released. "Handbooks on Marx," "People's China, U.S.S.R.," "Chinese Cooking and Chinese Papercuts," are on sale everywhere, as is the Constitution of the Soviet Union in nearly all languages. Important pronouncements and interviews with Soviet leaders are widely distributed.

Books and albums are published in China and Moscow on the visits of Soviet leaders to other Asian countries. Publications on Islam and Buddhism are frequently distributed.

Communist propaganda aims at filling gaps in available literature wherever such gaps exist. Thus there is much concentration on children's books such as "The Silver Hoof," "Frisky Kitten," "Ukrainian Folk Tales," and a series of "Peace Fables"—published in Bucharest.

Indian art publications are published in Moscow and distributed in India. Many art postcards sold in India are printed in Moscow.

This Communist propaganda effort through books and periodicals is, of course, only one arm of a sustained, long-term program. That program also includes the persistent use of radio, press, films, trade fairs and cultural missions. The following brief summary indicates the extent of some of these supplementary activities:

Radio: Communist Chinese broadcasts number 242 hours per week in 10 Asiatic languages and 5 Chinese dialects. Chinese abroad numbering 30 million are considered as an important target and instrument for Communist propaganda. Moscow broadcasts much more extensively—8 hours weekly to southern Vietnam for instance, 35 hours weekly to Persia, and an unspecified number in Hindi, Bengal, Urdu, Tamil, Telegu, Singhalese, and other Asian languages.

Press: The actual Communist press in Asia is not very extensive—six papers in India, two in Pakistan, four in Ceylon and five in Japan. But Soviet and Chinese propaganda is carried on (a) through local press agencies which distribute news issued by Tass and the New China Agency, and (b) via extensive distributions of Chinese and Soviet publications in French, English and all Asiatic languages.

Films: Great emphasis is placed on presenting Communist films in Asia. Czechoslovakia, Poland, and Hungary make particular efforts in this field. In addition, Polish-Indian, Hungaro-Indian, Soviet-Indian film companies have been created and are discussing joint

productions. The Soviet Union produced the national film "In Pakistan" and the so-called Indian monumental "Pardesi."

Trade fairs, cultural, scientific, and sport exchange missions between Asian countries and the Communist bloc have been considerably increased. The Soviet Union and China have their pavilions at all trade fairs such as the Indian Fairs at Hyderabad or Bombay, or in Pakistan's Lahore Fair. So have east European countries. Presently in Cairo and Bombay there are Czechoslovak, Hungarian, Romanian, Bulgarian, Polish and East German industrial shows. Czechoslovak string quartets and Rumanian dance teams, East German sport teams and Chinese wrestlers visit the majority of Middle East and Asian countries. Communist teams are present at all Asian festivals. Chinese Buddhist art exhibitions tour Ceylon, India, and Burma.

The single, overall conclusion of any current survey of Communist propaganda in Asia is its formidable continuity of purpose. It is a long-term effort, being conducted with purpose and skill. It is not calculated to achieve dramatic or immediate success, but rather long-term impact in depth.

The importance of Asia to Communist strategy is obvious. America's stake in the future of free Asia is equally clear. We will need new thinking and new responses if this challenge is to be met effectively in the months and years ahead.

I hope that this exhibit in the speaker's lobby will help broaden understanding of the nature of this challenge. In the preparation of this material for exhibit, the International Federation of Free Journalists was most helpful, and I gratefully acknowledge their cooperation. I hope that as many Members of Congress as possible will see this exhibit during the next few days.

Passage of Des Plaines Wildlife Area Legislation Vital to Illinois Recreation

EXTENSION OF REMARKS
OF
HON. HAROLD R. COLLIER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 2, 1959

Mr. COLLIER. Mr. Speaker, I would like to bring to the attention of my colleagues an item of legislation, H.R. 3894, which may die in committee in these last few days of the session and upon which action should be taken without further delay.

This bill directs the Army and the General Services Administration to transfer to the State of Illinois approximately 2,400 acres attached to the Joliet Arsenal grounds as wildlife hunting, game preserve, and recreational area adjoining the Des Plaines and Kankakee Rivers. This 2,400 acres should provide not only a wildlife and game preserve but also a fine recreation ground.

The Army, however does not wish to give up any rights to the 1,500 acres south of the present preserve and wants to substitute another area of the present preserve. This substitute area has been carefully inspected and pronounced to be totally unsatisfactory. The Army argues that it needs the other area for military maneuvering purposes. Even without the 4,000 acres in question, the Army would have 39,000 acres for maneuvers. It would seem to me that the Army could do some pretty extensive maneuvering in 39,000 acres.

It would be a shame for Congress to adjourn without concurring with the Senate action on this bill which is not only in the interest of the citizens of Illinois but concerns everyone interested in the preservation of our Nation's public recreational areas.

The Right to Travel

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 2, 1959

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement which I made before Senator ERNEST GRUENING's Subcommittee on Passport Legislation on September 1:

STATEMENT BY REPRESENTATIVE CHARLES O. PORTER, DEMOCRAT, OF OREGON, BEFORE THE U.S. SENATE GOVERNMENT OPERATIONS SUBCOMMITTEE ON PASSPORT LEGISLATION, SEPTEMBER 1, 1959

It is my opinion that the Secretary of State does not have and should not be given powers to prevent an American citizen, Member of Congress or not, from visiting any country in the world. Unless we are actually at war, American citizens should be freely allowed U.S. permission to visit all countries. A passport should be only an identification. Its issuance should be an almost entirely clerical act, not a question of executive discretion to be decided in terms of foreign policy considerations.

Some of the legislation under consideration by this committee was requested of the Congress by the President of the United States July 7, 1958, to authorize the Secretary of State to refuse passports for travel in designated countries or areas. From the Executive's point of view there may seem to be advantages to this but, in my opinion and as in the case of many other restrictions on freedom, the disadvantages are far greater.

Four alleged advantages are set forth in a letter dated July 2, 1959, which I received from Assistant Secretary of State William B. Macomber, Jr.

The first advantage listed had to do with the emergency declared in 1950 and which is still in effect. This means there is a state of unresolved conflict between Communist China and the United States. I fail to see how restricting travel by U.S. citizens assists us in resolving this cold-war type of conflict in our favor. On the other hand I can conceive of improved relations resulting from such visits. However, the Department of State itself has granted permission to 41 U.S. journalists to travel in China. This seems to recognize the fact that the cold war is best fought through an increase of information and understanding. Our motives are good. We plan no aggressions. We truly want peace, freedom, and improved living conditions for the people of the world. To ban travel is to cut off effective personal communication. This lessens the opportunities for the understanding which must be the basis for any real peace.

Second, it is alleged that the United States can't provide the customary protection in these areas, the governments of which we don't recognize. There are many risks a U.S. citizen still takes without the aid of the protective arm of his Government. A citizen going to the Dominican Republic takes the usual risks in a police state of becoming a casualty, something which our diplomatic representatives there can neither prevent nor mend nor readily punish. All that the State Department should do in such circumstances is make certain that the citizen contemplating a trip to a police state understands the risks he faces.

Third, in the case of China, such restrictions are supposed to punish, or at least indicate our disapproval of, the Chinese Communist Government for maltreating and holding as hostages our citizens. This is on the erroneous assumption that our refusing permission to our citizens to visit China hurts or at least demeans them more than it handicaps us in seeking both peace and facts. I feel that we would secure the release of the five remaining U.S. prisoners far sooner if we permitted wider interpersonal communications between our country and Communist China.

Fourth, the State Department refers to what it terms an "important factor," the effort of the Communist Chinese to utilize trade and cultural contacts to promote political objectives hostile to our interests. We can hardly hope to win the cold war if we refuse to join battle on the trade, cultural and other fronts. Indeed, with respect to the Soviet Union, by far our major opponent, we carry on, amid almost universal applause, an extensive program of visitor exchanges. The President's recent decision to trade visits with Khrushchev is a dramatic affirmation of the President's belief that such contacts can aid the cause of peace.

We cannot rely on increased communication alone to guarantee peace. It is even more clear that the willful ignorance or any variety of iron curtains makes war more probable.

Every American citizen who travels abroad is an ambassador. Most are good ones. Some are not. All learn things which they bring back to be evaluated. Enemy stereotypes are blurred by facts and obliterated by understanding.

The peoples of the world don't want war. If informed, they can be powerful drags on imperialistic ambitions of their rulers. Ordinary person-to-person contacts are the best way for human beings to form tolerant and friendly opinions of each other. Curtains between countries, whether of iron, bamboo, visas or passports, become black shrouds for the cause of world peace.

These are some of the reasons why American citizens should be permitted by their Government to travel anywhere. I also believe that this is part of the freedoms guaranteed to every American citizen. This question is for the judiciary to settle.

On August 27, 1959, I filed suit against the Secretary of State because he had refused to give me permission to travel in China. With the chairman's permission I shall file the text of this complaint at the conclusion of these remarks. A Member of Congress is in a somewhat different position from one who is not a Member. Secretary Macomber, in the letter cited above, wrote to me, "as a Member of Congress your visit would be interpreted throughout Asia as well as by the

Communist Chinese as a basic change in policy at the very time when the Communists are engaged in liquidating the Tibetan revolt, threatening war in the Taiwan Straits, and showing increasing arrogance and contempt for international law and decency."

I see no necessity for an interpretation that the suggested change of policy would mean any softening of our attitude. Certainly no softening is justifiable. Red Chinese aggression in Tibet, Laos, and India should be dealt with firmly. No one is suggesting that we forgive or forget Korea.

My visit to China, or the visits of other Members, should be characterized to the world as fact-finding missions with no such overtones, just as the Eisenhower visit to the Soviet Union cannot be accurately interpreted as meaning that we have forgotten or forgiven the slaughter in Hungary.

It seems to me there is a more pertinent difference in the case of the Member of Congress who seeks permission to go to China or any other country. This has to do with our keystone governmental doctrine, the separation of powers. The executive cannot, it seems to me, forbid a member of the legislative branch to visit any country with which we are not actually engaged in war. My lawsuit against the Secretary of State seeks a judicial decision on this question.

Moreover, since the State Department has seen fit to give permission to travel in Communist China to 41 journalists, its refusal to permit a Member of Congress seems arbitrary and discriminatory.

Let me make it clear that I do not believe that my going to China is in itself of much importance. This is a test case and I am seeking to help open the way for a policy change which will permit others, far better qualified than I, to go. The harm done by the present policy is more apparent when we consider that the State Department's position also blocks travel by Senator MAGNUSON, the chairman of the Senate's Interstate and Foreign Commerce Committee, Senator COOPER, Senator HUMPHREY, Senator ENGLE, and other Members in both branches. Every Member of Congress has a duty to inform himself on legislative matters and to work for national security, but of course the special constitutional role of the Senate with respect to foreign policy makes the State Department's obstructionism with respect to Senators all the more intolerable and unconstitutional.

My plans for a trip to China and the Far East always have included being accompanied by other Members of Congress, experts in the area and in trade matters, businessmen, and journalists. That I am the sole plaintiff against the Secretary of State does not mean I intended to go to China as a lone, self-appointed investigating committee. Specifically I want to learn what I can, firsthand, about the conditions and potentialities of trade, especially with Oregon.

Warsaw in Chains

EXTENSION OF REMARKS
OF
HON. THADDEUS M. MACHROWICZ
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 2, 1959

Mr. MACHROWICZ. Mr. Speaker, my attention has been called to many recent favorable reviews, here and in England, of a book recently published by Stefan Korbonski, entitled "Warsaw in Chains."

There has been of late much interest in recent political developments in Poland. Many Americans are having considerable difficulty in fairly assessing that situation. Vice President NIXON's recent visit to Poland and the unusually warm welcome given to him by the people of that Communist-controlled nation, serve to stress again the warm feeling of friendship to the United States by the Polish people.

The author, Stefan Korbonski, a lawyer by profession, was the political head of the huge Polish underground that fought gallantly under the exiled Polish leadership in London throughout the Nazi occupation. His experiences of personal arrests and escapes make fantastic reading.

I most warmly recommend "Warsaw in Chains" to those of my colleagues who would like to understand better the present situation in Poland and the developments of the last 20 years. It makes excellent and most educational reading.

Golden Dollars—Poets and Poetry

EXTENSION OF REMARKS
OF
HON. E. L. BARTLETT
OF ALASKA
IN THE SENATE OF THE UNITED STATES
Wednesday, September 2, 1959

Mr. BARTLETT. Mr. President, proof is readily available, and I shall supply it here, that Capitol Hill is inhabited not only by statesmen but also by poets, or, at least, versifiers.

Only recently the Members of the Alaska delegation in Congress, Representative RALPH J. RIVERS, Senator ERNEST GRUENING, and I sent to each Member of Congress a "golden dollar" supplied by the Fairbanks, Alaska, Chamber of Commerce and good for $1 in trade—in Fairbanks. These were "minted," or so our covering letter stated, in commemoration of Alaska's admission to the Union. Accompanying the letter sent to each Member of Congress was a rhymed presentation, a wonderful work of art, no less, from the mind and pen of Charlie Hughes, administrative assistant to Representative RIVERS. So that the whole wide world, or, at least, that part of it which turns to the CONGRESSIONAL RECORD for education and enjoyment, may have the benefit of reading Charlie Hughes' verses, I present them now:

Today we all holler for a good sound dollar,
A low-priced car and a no-wilt collar;
But, despite the advance of this thing "automation,"
We can't even return nickel beers to the Nation.

But up in the city of Fairbanks, Alaska
(A wonderful place, if people should ask ya),
The chamber of commerce has done something about
A fair return for what you put out.

In honor of Alaska's becoming a State,
And joining you all in the "south 48,"
They've minted a dollar that's worth a whole buck
In all sorts of merchandise, including "mukluk."

They've sent us a "golden dollar" for you,
In honor of statehood—a dream come true;
It comes to you with the chamber's good cheer;
But spend it in Fairbanks—it's no good here.

Mr. President, another "Charlie" has retaliated in rhyme. He is none other than my friend CHARLIE BOYLE, that is to say the Honorable CHARLES A. BOYLE, Member of the House of Representatives for the 12th District of Illinois. CHARLIE BOYLE responded to the gift of the "golden dollar" in these words:

Your "golden dollar" has been received
What will be done with it can't be perceived
Spending in Fairbanks will have to wait
For it looks like we're stuck in the "south 48."

With adjournment appearing not coming forth
We won't get a chance to journey north
But thanks anyway for your little token
Perhaps we can use it for the highway program.

Mr. President, the situation is getting out of hand. Poetry begets poetry. Before we are done with this we shall doubtless have a sufficient supply of the muse on hand for the publication of a book, or books. Even as I set about to leave my office to go to the floor to make sure that these enduring words were preserved in print for posterity, another stanza reached me, responsive to the "golden dollar" theme. This is from Congressman HOWARD W. ROBINSON of the 37th District of New York:

Thanks for the dollar—it's welcome you bet;
But my only problem is how to get
From here to Alaska—so please send the fare,
And I'll spring for the beers, when I get there!

The Aptuxcet Story

EXTENSION OF REMARKS
OF
HON. JOSEPH W. MARTIN, JR.
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 2, 1959

Mr. MARTIN. Mr. Speaker, a unique observance is taking place on September 5 and 6 in the town of Bourne, Mass., where I have my summer home and which is represented in the House by our colleague, Hon. HASTINGS KEITH.

The townspeople on these days will commemorate the establishment, in the year 1627, of the Aptuxcet Trading Post in the town of Bourne, on the banks of the Manamet River. It was here that the colonists of the Plimoth Plantation wrote and signed the first business contract in America, thus becoming the birthplace of American capitalism and free enterprise.

A replica of the trading post stands on the original foundations of the post. In 1627, an agreement was written setting up the trading post, by the colonists of the Plimoth Plantation. The written instrument gave certain of their number control of the trade, the purpose of which was to pay off the huge debt still owed to the London promoters of the

Mayflower expedition, to transport more of their countrymen to Plimoth.

The observance on September 5 and 6 will be marked by a pageant at the post, depicting the historical events connected with it.

The significance of the event is that it was here that the system of free enterprise contracts had their beginning. The colonists built on a firm foundation. From this humble start the way of life established by these rugged settlers became the vehicle for the development of the economic strength which has made our country the greatest power in world history.

Remarks on Diversion of Water Issue

EXTENSION OF REMARKS
OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, September 2, 1959

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD my remarks on the diversion of water issue.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR ALEXANDER WILEY BEFORE SENATE OF THE UNITED STATES ON DIVERSION OF WATER ISSUE

Let us first get a little of the history involved in this water diversion. Since 1922, bills have been introduced in Congress to authorize the diversion. They were introduced mostly by Congressmen from the city of Chicago. The bills based their right for the diversion of water from Lake Michigan on the following grounds:

(1) Sanitation—for sewage disposal purposes.

(2) Public health—caused by contamination of waters of the Chicago River, the Chicago Sanitary District Canal, and the Illinois Waterway.

(3) Diversion would permit the generation of additional waterpower at the Chicago District Lockport plant.

(4) Fish life would be restored.

(5) It would eliminate damage by extremely high waters of Lake Michigan.

(6) Navigation requirements of the Illinois Waterway demanded additional diversion.

(7) Then there was the position that diversion should be authorized to take care of a variety of demands in the Mississippi River watershed.

Harry Truman once quoted Justice Holmes as follows: "A page of history is worth a volume of logic," so let us get at some of the historical facts.

The controversy originated between the years 1892 and 1900 when the Chicago metropolitan area cut a canal across the Continental Divide. Previously the Illinois-Michigan Canal was completed in 1848. This canal soon became polluted with sewage; and, finally, in 1887, the Commission studied three methods of sewage disposal and recommended as the most economical the discharge of the sewage into the Des Plaines River through a canal across the Continental Divide. The legislature took action and the sanitary district was created with power to handle the situation. At that time, the sanitary district embraced an area of 185 square miles—it now embraces 600 square miles.

Since the opening of the canal, the Chicago River has been reversed. Then, it flowed into Lake Michigan—now it flows away from Lake Michigan. The purpose of the canal was the disposal of sewage and the production of electricity, so the Court found.

In 1907, an application was made to do certain work on the Calumet-Sag Channel to increase the flow from Lake Michigan through said channel. But this was refused by the Secretary of War. In spite of this, the sanitary district went right ahead; so the United States brought suit in 1908. Then, another application of the district in 1913 was denied by the Secretary of War.

In 1908, pursuant to the amendment of the constitution of Illinois, development was begun of a project that would contruct powerplants, locks, bridges, and dams, starting at the water powerplant near Lockport to a point on the Illinois River near Utica; the justification therefore was that it would provide about $3 million a year from the use of water diverted from Lake Michigan for waterpower purposes.

Well, the diversion was made without the consent of the States bordering on the Great Lakes, and in defiance of the Federal Government. Temporary permits were granted from time to time by reluctant Secretaries of War on the plea that the district and Illinois had neglected or refused to install modern sewage disposal plants and that the health of the people would be impaired.

The sewage pollution continued to be offensive up through the years. In 1925, the U.S. position for injunctive relief was affirmed by the Supreme Court, although the Secretary granted a permit for diversion of 8,500 cubic feet—looking to a progressive reduction. Meanwhile, in 1920, the Board of Engineers for Rivers and Harbors of the United States, made a report stating, in substance, that Chicago was debarred from any claim for indulgence; that it had defiantly opposed the Government and was in open disregard of the law; and that they had expended money of their constituents in prosecution of unwise and illegal plans.

In 1927, the Court, having referred the action of Wisconsin, Minnesota, and Michigan to Special Master Charles Evans Hughes, who said that the district, in relying on the arguments with reference to the health of its people, had long delayed the subject of suitable sewage plants as a means of avoiding future diversion. Therefore, the district could not complain if an immediately heavy burden was placed upon the district because of its attitude and its course of action. The Court further required that the rights of the complainants be restored gradually; giving the district time to provide adequate means for disposing of the sewage. In other words, the U.S. Supreme Court ruled that the Chicago Sanitary District, and the State of Illinois, must stop the illegal diversion (281 U.S. 179) and the Court observed that "the diversion of water for sewage disposal was held illegal."

In 1932, on the application of the States, including Ohio, the Court appointed a Special Master, Edward F. McClellan. He found that the causes of delay in obtaining approval of the contruction of controlling works in the Chicago River "are total and inexcusable failures of the defendants to make an application to the Secretary of War for such approval." The Court entered its decree and provided for "gradual reduction of the diversion of waters of the Great Lakes, St. Lawrence system through the Chicago drainage canal; the reduction should be down to 1,500 cubic feet per second by December 31, 1938."

Again, the district delayed and, in 1932, application was made by the complainants again for a special officer to see that the decree of April 21, 1930 (281 U.S. 696) was carried out.

In 1933, the Court enlarged its decree to provide that "the State of Illinois is required to take the necessary steps to complete adequate sewage disposal plants and sewers to the end that the reduction of diversion may be made at the times fixed in the decree." The sanitary district then demanded that the Federal Government purchase the canals, paying $90 million therefor. The engineer department reported against it and this started the flood of bills; beginning in 1937, in the 75th Congress, seeking authorization for increased diversion of water.

In the Supreme Court Decree of April 21, 1930, there was a requirement in paragraph 5 that the defendant's sanitary district file with the clerk of the court semiannually, on July 1 and January 1 of each year—beginning July 1, 1930—a report to the Court adequately setting forth the progress made in the construction of the sewage treatment plants and appurtenances outlined in the program. Also, it was to set forth the extent and effect of the operation thereof and the average diversion of water from Lake Michigan.

Again, the sanitary district failed to comply with this order. The last semiannual report was filed on January 2, 1939, which said that "the complete treatment of all sewage will not be possible until July 1939,"—although the district was required to complete construction of the facilities on or before December 31, 1938. In January 1940, an application was made again for more diversion. The Court said, in relation to the same, "Illinois has failed to show that it has provided all possible means at its command for the completion of the sewage treatment system as required by the decree and no adequate excuse has been presented for the delay." The Court appointed a special master again and he recommended that the petition of Illinois be dismissed. The Supreme Court upheld the master's report.

Again, in 1956, Illinois petitioned the Court for a temporary modification of the decree and the Solicitor General filed a memorandum on behalf of the Government, as amicus curiae; pointing out the interests of the United States with regard to the paramount power of Congress in relation to navigation and treaties between the United States and Canada which affect the total problem of diversion. The Court, on the application of the district, granted a petition for temporary increase of diversion to, and including, January 31, 1957, and extended it again to February 28, 1957 (352 U.S. 983).

HISTORY OF THE FIGHT IN CONGRESS

Since 1920, bills have been entered to increase the diversion. Twice President Eisenhower has vetoed bills; stating, in substance, that he was unable to approve the bill because:

(1) Existing diversions are adequate for navigation on the Illinois Waterway and Mississippi River.

(2) All methods of control of lake levels, and protection of property on the Great Lakes, should be considered before arbitrarily proceeding with the proposed increased diversion.

(3) Diversions should be authorized with reference to negotiations with Canada.

(4) The legitimate interests of other States affected by the diversions may be adversely affected.

In the 85th Congress, a bill providing for an additional diversion for 3 years was passed in the House, but failed in the Senate.

The Chicago district pressure has not been limited to bills in Congress. Applications were made to Presidents Roosevelt and Truman, with Secretaries of War and with various boards and commissions.

Now, it is evident that Chicago has no health problem. Back in 1940 it was claimed that diversion was necessary because the pollution in the Chicago drainage canal constituted a menace to health. The special

master, after extensive hearings, held that there was no menace to health. We know very well that an additional diversion of 1,000 cubic feet will not clean up the objectionable conditions in the Illinois Waterway as long as untreated, and partially treated, sewage and sludge is permitted to enter the waterway. The permanent solution is to keep pollution out of the Chicago area's waterways by enforcing State and district laws prohibiting the dumping of raw, or partially treated, sewage, chemicals, and other materials in the streams and waterways of the State of Illinois. Eminent sanitary engineers are agreed that the effluent (liquid residual which remains after complete treatment of the well of an operated sewage disposal plant of an activated-sludge of modern type) is a clear, odorless liquid—nonputrescible which requires no chlorination and in which fish can live. The sanitary district affirms that the effluent of its northside treating plant "is almost as clear as drinking water, and quite as harmless as it finally leaves the plant through an outlet and into and through an artificial channel which discharges into the Chicago River" (278 U.S. 367).

There is no claim that additional diversion is needed for navigation on the Illinois Waterway, or for navigation on the Mississippi River. In a recent report by the division engineer, he states that "commerce on the Illinois Waterway has increased from 1,600,000 tons, in 1935, to 21 million tons in 1955." Recent studies of present and prospective water requirement for navigation on the Illinois Waterway show that the authorized diversion of 1,500 cubic feet per second from Lake Michigan is adequate to meet those requirements.

The Alton lock, which was provided by Public Law 500, will take care of any trouble during low water.

Now, the Supreme Court has made it pretty clear that it will not permit any additional diversion at Chicago until the district utilizes all practical means, other than diversion, to alleviate conditions complained of. The U.S. Public Health Service has indicated that there are measures which the sanitary district can take which would handle the situation: Sewage treatment through aeration or chlorination, or the combination of the two. (See Senate Subcommittee on Public Works hearings, 1958, p. 92.) Based on aeration, the first cost would be $2 million; annual cost $250,000. Based on chlorination, the first cost is not given; annual cost $550,000.

It is very evident that the reason the sanitary district urges additional diversion is to avoid the normal and usual sanitation costs which would be required in expanding its facilities. Away back in 1913, when application was made to Henry Stimson, Secretary of War, he stated:

"The demands for diversion at Chicago are based solely upon the needs for sanitation of that city. Every drop of water taken out of the lake necessarily tends to nullify costly improvements made under direct authority of Congress throughout the Great Lakes; and, it is manifestly said that, as long as the city is permitted to increase the amount of water which it may take from the lakes, there will be very strong temptation placed upon it not to take a more scientific—and possibly a more expensive—method to dispose of the sewage."

The Supreme Court on April 21, 1930, limited the amount of water that could be diverted from the Great-Lakes-St. Lawrence system to 1,500 cubic feet in addition to domestic pumpage (281 U.S. 696).

There are the House bill, the Senate bill, and the amended bill, all considered by the committee. A study of the bills indicates quite clearly that some fertile minds which drew the two amendments were trying to meet some of the arguments that were made. The Power Authority of the State of New York, when it accepted the licenses granted to it by the Federal Power Commission for the construction of the Niagara power projects, did so, relying on the decree mentioned above.

The Canadian Government and the State of New York will in the course of the next 3 or 4 years have completed the power projects at an expense of over half a billion dollars. By that time, the power projects will be in full operation and a diversion of 1 year will be felt, causing a loss yearly of over a million dollars in income. So there is no question that the power authority would be deprived of substantial legal rights.

As we have already stated, such a diversion in violation of the Court's decree and the legal treaties would justify the claims of Canada to divert all the water from the Columbia River.

Now the next question arises, Is there any need for a diversion of 1,000 cubic feet per second for such a study? Senate Document No. 128 of the 85th Congress, 1st session, states: "Recent studies of present and prospective water requirements for navigation on the Illinois Waterway show that the authorized diversion of 1,500 cubic feet per second from Lake Michigan is adequate to meet those requirements" (p. 48) and shows that losses would result from increased diversion to navigation, power development, and shore property interest. Further, that if the water were diverted, such study could not possibly demonstrate that the levels of the Great Lakes and the flow at Niagara and the St. Lawrence River would not be affected detrimentally—with adverse effects on navigation and power development. It would also show, if such diversion were made, increased power production at the sanitary district's plant at Lockport, Ill., saving the district money.

The U.S. Department of Health in its report of April 29, 1957, suggests the answer by means of chlorination and aeration.

Added diversion will not benefit navigation on the Illinois Waterway; it will affect adversely navigation on the Great Lakes. It will not solve the problem of sewage in the sanitary district. It will affect adversely the power authority and benefit the district power generation.

All these facts raise a Constitution issue of the power of Congress to authorize additional diversion. But if it should be constitutional—and only the Court can decide that—it certainly is unfair to injure the property rights of people in Michigan and Wisconsin and deprive navigation and downstream power interests of their rights solely for the economic benefit of the sanitary district.

Now that the Court has appointed a master, he should handle the matter. Perhaps it should be referred to the Commission under the authority of article IV of the Boundary Waters Treaty of 1909.

Certainly diversion is unnecessary. It involves the rights, obligations and interests of the United States and Canada, as well as the litigating States and the inhabitants thereof.

REASONS FOR DENYING DIVERSION

1. The legislation will jeopardize our friendly relations with Canada. Canada is the best friend we have got in the world. Besides that she's our best neighbor, our best customer.

The two notes which follow, which I ask to be printed at the end of my remarks, clearly demonstrate how inappropriate it would be for Congress to take action.

2. The Great Lakes watershed: Canada and the United States are trustees thereof. If the door is opened now a flood of requests will come to the Congress from other communities along the St. Lawrence and in other States. Already the Ohio communities have discussed taking from Lake Erie water to the Ohio River watershed, and recently a group of Texans has suggested that a pipeline be built to the Great Lakes to tap the water thereof.

3. The increase in diversion comes at a time when the Great Lakes are headed for a record low lake level. At a time when every inch of diversion accentuates great losses in shipping, hydroelectric power plants on the Niagara and St. Lawrence River and also the harbors of port cities.

4. We and Canada have put into the St. Lawrence development between us a billion dollars. The utilization of the Seaway requires high water levels. Chicago diversion will nullify, to some extent, the benefits derived from the St. Lawrence Seaway.

U.S. ARMY ENGINEERS REPORT

1. The Engineers have stated that a temporary 3-year diverison of 1,000 cubic feet per second would lower Lakes Michigan-Huron by five-eighths of an inch and Lakes Erie and Ontario would be lowered by three-eighths of an inch.

They also stated that an increased diversion of 1,000 cubic feet per second at Chicago would affect the flow and production of power in the Niagara River, the St. Lawrence River and in the Illinois hydroelectric plants—having an adverse effect on hydroelectric energy evaluated at $408,000 to $918,000.

2. The permanent diversion of 1,000 cubic feet per second would have the effect of lowering the levels in Lake Michigan-Huron, and the estimated annual average economic loss to the U.S. Great Lakes fleet would be $240,000.

3. The evidence of the chairman of the Power Authority of New York estimated by 1 year additional diversion at Chicago of 1,000 cubic feet per second the total loss to Canada and the power authority would be $1,142,000, and as was suggested, it is plain that H.R. 1 is designed to open the door to a permanent additional diversion of 1,000 cubic feet per second.

4. There has been plenty of evidence to show that the port cities of the Great Lakes would sustain very substantial damages to their harbors and port cities if H.R. 1 were to become law. Every fraction of an inch of loss in lake levels to artificially lower the Great Lakes due to a diversion at Chicago, would cost the lake port cities thousands of dollars annually.

5. The lake carriers testified that an additional diversion of 1,000 cubic feet per second at Chicago with the resultant lowering of the lake would result in a loss of approximately $2,500,000.

CONCLUSION

1. The waters of Lake Michigan are interstate in character.

2. Five States: Illinois, Michigan, Minnesota, Indiana, and Wisconsin in 1955 approved the so-called Great Lakes Basin Compact, but Illinois Congressmen, following in the steps of their predecessors, kept on pressing Congress, even though the Supreme Court has returned and recently taken action and again appointed a master.

3. There are some real nice questions of law involved:

(a) Does Congress have the power to authorize the transfer of huge quantities of water from the Great Lakes-St. Lawrence watershed to the Mississippi watershed with substantial damage to the Great Lakes States, the municipalities located on the Great Lakes and their people?

(b) We believe—

(1) The Court in *Wisconsin* v. *Illinois*, 278 U.S. 367, has answered that question definitely. That it is beyond the power of Congress and the Federal Government, particularly when made to create an artificial waterway to divert water from one watershed to another.

(2) That the power in Congress goes to the constitutional provision to regulate com-

merce or navigation, and that sewage disposal or sanitation is not a legitimate object of legislation.

(3) Neither is the development of power at Lockport, Ill., a valid object under the Court's decision.

(4) Now that the Supreme Court has again appointed a master, it is the proper machinery to dispose of this matter.

(5) That the notes from Canada, with whom we have been at peace for 140 years, indicate a really substantial reason for Congress not to take action on this bill.

(6) That it is unconstitutional for Congress by additional diversion to prefer Chicago over the ports of the other States.

(7) That an additional diversion would work injury to the other States by depriving them and their citizens and property owners and property without the due process of law (278 U.S. 367).

(8) That, in accordance with the testimony of Colonel Nauman, of the Corps of Engineers, additional diversion is not needed on the 9-foot channel of the Illinois Waterway.

(9) That taking water from Lake Michigan and transferring it to another watershed to the detriment of the first watershed is neither just, legal, nor equitable.

(10) That the only permanent and effective way of cleaning up the drainage canal and the Illinois River is by keeping out of them any untreated, or partially treated, and other material that pollutes the water.

4. The International Joint Commission has definitely stated that if any increased diversion will have the effect of partially lowering the levels of the boundary waters, that it is not within the Congress to attempt to change the amount of the present authorized diversion. Under the Boundary Waters Treaty of 1909, our two nations divested themselves of all authority over the boundary waters as far as raising, lowering, or diverting them were concerned.

Let me recapitulate. Aside from the question of jurisdiction and power of Congress in the premises, no necessity or justifiable excuse exists for increasing the diversion of water from the Great Lakes-St. Lawrence system through the Chicago drainage canal.

1. The Great Lakes are international waters and no additional diversion should be permitted without the agreement of Canada and the States bordering on the Great Lakes;

2. The Illinois Waterway has more than enough water to handle all of the traffic and freight available and last year handled about 22 million tons of cargo;

3. Additional water diverted from Lake Michigan would not stop any erosion to riparian property on the Great Lakes due to high waters and winds; other means to minimize such damages are effective;

4. The Great Lakes are now in the downward movement of the cycle, with Lake Michigan 5 feet lower today than in August of 1952, and the Great Lakes will have new levels for the next years;

5. Additional diversion will not clean up any objectionable conditions in the Illinois Waterway as long as the Sanitary District of Chicago and industries, municipalities, and individuals continue to dump raw or partially treated sewage, chemicals and other materials in the waterway;

6. Any additional diversion will result in large and continuing damages to the Great Lakes and municipalities on the Great Lakes and their peoples, as witnesses and the United States Supreme Court pointed out;

7. Chicago today has no health problem related to the diversion issue;

8. President Eisenhower in his veto message of September 3, 1954, and in his veto in 1956, set forth succinctly the reasons why additional water from Lake Michigan through the Chicago drainage canal should not be authorized by Congress. (CONGRESSIONAL RECORD, vol. 102, pt. 11, p. 15304.)

9. The State of Illinois has, as a matter of official State policy as evidenced in its adoption of the Great Lakes Basin compact, recognized the justice and desirability of settling the Chicago water diversion controversy by agreement among all of the affected States and Canadian provinces, and not by Federal legislation. President Eisenhower, in his September 1954 veto of the diversion bill, indicated that he approved of an agreement between the interested Great Lakes States before authorizing additional diversion.

How Long Can the Benevolent Philosophy of Foreign Aid Continue To Blind Us to the Reality of Its Failures?

EXTENSION OF REMARKS
OF
HON. HAROLD R. COLLIER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 2, 1959

Mr. COLLIER. Mr. Speaker, reality is the only means of discriminating between the virtues of benevolence and the sin of misdirected charity.

The foreign aid program most certainly was conceived in a sincere sense of virtuous benevolence. Its history in recent years reflects a sense of indiscriminate charity. Millions of Americans who have been burdened with the expense of this program regard the realities of its colossal waste and failures as reason to bring it to an end either immediately or in the near future. Countless others seem to be willing to accept it as a permanent program for reasons varying from benevolence to the calculated desire to maintain allies. Hence foreign aid has become an issue of deep controversy and one which will more than likely culminate in its slow death if the increasing number of votes in opposition to the program continues in the Congress in the years ahead. By its very nature, foreign aid is doomed—perhaps within 5 years and possibly 10.

There are those who justifiably fear that this program must be continued as long as the world is engaged in a titanic struggle between the forces of capitalism and communism. Be that as it may, no conscientious legislator can view the colossal waste and failures, so vividly revealed in committee investigations, without deep reservations. Neither can any conscientious legislator simply look the other way and blindly assume that we cannot turn back to some path of good judgment in this area of international life.

The U.S. Comptroller General, Joseph Campbell, told a House committee investigating foreign aid earlier this year that military and other oversea spending agencies of the U.S. Government have had more money to hand out than they can judiciously plan and use. Certainly a man in this high position, whose competence has never been questioned, would make no such statement without fact and knowledge.

Just what are some of the things which prevent some Members of Congress from voting "Yes" on foreign aid appropriations? In a number of countries, for example, the major item of expenditure is for training and supplying of a native army. One of these places happens to be Laos, in southeast Asia, now the center of a Communist-inspired rebellion. Representative PASSMAN testified that we supplied funds for maintaining an army of 25,000, but that U.S. military inspectors have never been permitted to find out just what kind of an army does exist there, if any.

But even if no army exists, there is plenty of evidence that there are uniforms, warehouses full of them. Among the thousands of uniforms waiting to be worn there were sizes 44 to 46. Each one of these, it appears, could accommodate two Lao soldiers since the average Lao weighs about 115 pounds and is 5 feet 3 inches tall.

In one depot oversea investigators discovered a 20-year supply of WAC clothing. At another place 70,000 sets of new tire chains were left out of doors to rust. Enough of one ammunition item to last for 185 years was found at a supply base. A 45-year supply of 30-carbine ammunition was uncovered at a military school in another foreign country. Then there was a motor pool which revealed the hoarding of 44 tires for each truck there. U.S.-equipped factories to build airplanes for the personal use of officials, it was found, were getting part of the foreign aid money.

Aid to foreign countries includes the stationing of U.S. missions to supervise the distribution of the funds and materials. While these supervisors are powerless to control the stealing, they are not without power to live sumptuously themselves. The Comptroller General told of some goings-on in Pakistan. There, for 271 Americans, the United States sent 529 refrigerators costing about $105,800. Since the 271 included wives and children, it is obvious that for each American more than two refrigerators had been supplied. There were also 669 air conditioners valued at $135,600; 650 stoves at $47,100, and household furniture at $128,500.

To bolster an apparently unpopular Pakistanian Government and win its support from the people, the United States decided to build in that country an installation which would supply a billion gallons of water a day for irrigation. A Japanese firm was engaged to do the job and over a million dollars was appropriated. When the pump house was completed it was discovered that there had been insufficient study of the problems to be solved, that the pumps would not be able to withstand the silt and mud and that the whole project was therefore useless as it stood.

Of Burma, Representative PASSMAN said:

> When you go into a country and you cannot find any trace of any benefit from that program, you wonder what we did teach them while we were there.

After hearing how much has been poured into Okinawa and other Ryukyu Islands, Representative CONTE asked of a testifying general whether these moneys had gained us the support of the people of these U.S.-occupied Japanese

islands. The general asked that his answer be kept off the record. It was:

Perhaps one of the most authentic and striking appraisals of foreign aid recently came through Max A. Thurn-Valsassins, a member of the Austrian finance ministry and a former consultant to the World Bank.

Our foreign aid, he says, is based on three idealistic assumptions that are peculiar to the United States: that it will help underdeveloped countries raise their standard of living, that this will make them more stable, and that this, in turn, will contribute to American security.

Europe—

He says—

may be just as conscious of the Russian threat. It may have just as much to lose if the underdeveloped countries fall under Russian domination. Yet, in Europe, economic development has not aroused the big popular concern that exists in America.

The reason is not lack of money, he says. Some European countries could now afford foreign aid programs of their own. Instead, they let the United States struggle along under its self-imposed burden.

It is inconsistent, he says, for Americans to think that they can foster free enterprise, which they regard as essential to rising production, by giving money to rulers who regard our aid only as an instrument for subjecting the productive forces of their countries to their political and ideological objectives. These rulers resent any conditions or supervision accompanying our aid, and without these reins the money will go to build up public ownership and State control—the same things Russia deliberately fosters with her aid.

Such a system—

He says—

is incompatible with western type political and legal institutions. Unless present policies are altered, these institutions will become progressively weaker. Their final collapse may mean the end of western influence.

What underdeveloped countries need first, he says, is not money; indeed many Latin Americans have been investing large amounts in the United States while their governments are crying for investment capital. What they do need, he says, is a legal and institutional framework which will repatriate local capital and attract new investment from abroad. Lack of capital, he says, is not the cause of underdevelopment; rather, it is the consequence.

Developing this framework, he says, will require time, tact, and patience. But without it, foreign aid will remain futile, and, once it is accomplished, foreign aid will probably be unnecessary. This logic will probably not appeal to foreign aid lobbyists who think that with a generous dose of dollar bills, they can mold Asians and Africans into the image of Americans.

In the final analysis, it might be said that the answer to an effective foreign aid program lies in its proper administration. Perhaps this is true. But, how can a nation administer a foreign aid program when it has little or no control over the distribution of such aid it renders once the gift has been made to another nation? One does not give gifts with the positive direction of their use by their recipients. If the United States has no control over the distribution of economic assistance, nor the right to investigate military assistance given to foreign nations, how can we possibly direct a successful foreign aid program? As a matter of fact, even if we were able to clean up the waste and corruption in the controlled phase of its administration, we would have no means of channeling the gifts of foreign aid to the areas of need. We cannot blindly place a label of benevolence on indiscriminate charity.

Trade Adjustment Legislation Needed

EXTENSION OF REMARKS

OF

HON. CHESTER BOWLES

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 2, 1959

Mr. BOWLES. Mr. Speaker, the reciprocal trade agreements legislation has always had my enthusiastic support. For at least a generation it has been evident to most Americans that the lowering of tariff barriers must be systematically pursued if the United States is to measure up to the demands of world leadership economically as well as politically.

At the same time it has long seemed unfair to me to expect a certain few industries in this country to bear the major burden of our national trade policy. It cannot be denied that the economic reversals suffered by many communities have resulted from tariff reductions.

I believe it is the responsibility of this Congress to ease the adverse effects of our national trade policy on previously healthy sectors of our economy. I am deeply convinced that we should provide temporary assistance to those stricken industries, communities, and individuals that find aid necessary as they attempt to diversify or expand their economic base.

Today I have introduced a trade adjustment bill which I hope may help serve as a focus for discussion in advance of the reconvening of Congress in January.

The objective of the bill is not to subsidize the adversely affected communities and firms or to compensate them for injury. Instead its aim is to help them adjust to new conditions within the framework of our trade policy—either by assisting them to make more effective use of their present facilities or by aiding the development of new lines of production.

The area redevelopment bill passed by the Senate earlier in this session contained an amendment which would have been a first step toward such a program of trade adjustment. This amendment would have authorized governmental assistance for industries and communities as they adjust their productive activities to the new economic conditions created by the lowering of trade barriers. The amendment would have encouraged the President to use every governmental procedure presently available to facilitate the adjustment process.

Unfortunately this amendment is not contained in the area redevelopment bill reported out by the House Committee on Banking and Currency. As a result there is little constructive legislation before this house designed to alleviate the conditions of depressed areas suffering specifically because of our overall national trade policy.

Mr. Speaker, the bill which I have introduced today is a comprehensive measure to provide governmental assistance to those communities, industries, enterprises, and individuals adversely affected by our reciprocal trade program.

Briefly, this bill would provide help from the Federal Government to retrain individuals for news jobs, to render technical and financial assistance for conversion of plants to new items of production, and to assist communities in their efforts to attract new types of industry.

In the past when imports have reached the so-called peril-point threatening a domestic industry, great pressure has been brought to bear upon the Tariff Commission for restoration of tariffs or imposition of quotas. It is my belief that the executive branch should be provided with another alternative in such situations. It should be able to assist these businesses, industries, and communities as they attempt to adjust to newly created economic conditions.

What I propose in this bill is the establishment of an interdepartmental committee, the Trade Adjustment Board. As an alternative to the acceptance of peril-point and escape-clause recommendations, the President could turn the matter over to this Trade Adjustment Board.

Upon application by a community, an industrial development corporation, a business enterprise, an employee, or a union, the Board could determine whether the applicant had been adversely affected by the lowering of trade barriers. If the Board decided that the applicant had been so injured, many different forms of assistance could be made available.

By shifting the point of adjustment from the tariff itself to the particular community, firm, or individual claiming injury, an equitable trade policy would both encourage the expansion of foreign trade and at the same time minimize the extent of possible injury to the domestic economy.

My bill would provide an orderly and direct means of supplying technical advice and information to seriously afflicted communities.

Another type of aid would be granted in the form of loans. These loans could be made available through the regular procedures of the Small Business Administration.

Firms and communities would also be allowed accelerated amortization in order that they might readily develop new or different lines of production.

Finally, this bill would also provide several types of aid to individual workers who lose their jobs because of our trade policy.

The first assistance granted to these individuals would take the form of additional unemployment compensation. The bill would authorize the supplementing of State benefits from Federal funds. A worker, under this bill, could receive two-thirds of his weekly pay for 52 weeks. This unemployment compensation would, of course, be a stopgap measure, providing benefits only until other employment was available.

If a worker is over 60 years of age when he loses his job through the operation of international trade, and if he cannot get another job because of his age, this bill would allow him to retire under the Social Security Act.

Other workers, however, with many productive years ahead would be provided with an opportunity to receive retraining in skills that are in demand by the national economy.

This trade adjustment program is not a subsidy. It is not permanent assistance enabling industries or communities to hobble along. It is temporary assistance designed to help them over a period of adjustment.

If we believe that world trade is crucial to the future economic health of our Nation, as everyone by now should be convinced it is, then anyone seriously injured in the pursuit of this policy should be eligible to receive aid in order that he might change operations and again become productive.

In the field of veterans' legislation, we refer to a "service-connected disability." That is the way I regard the sacrifices which some of our industries have had to make as we pursue the legitimate objectives of our national trade policy.

It is the responsibility of Congress, I believe, to provide temporary assistance to those trade-affected communities, industries and individuals that need and can use aid as they attempt to diversify or expand their economic base. This bill would not subsidize obsolete plants. It would assist them to make more effective use of their present facilities or aid them in switching to new lines of production.

Mr. Speaker, trade adjustment is not an untried idea. It has been tried and found workable.

I refer to the experience of the European coal and steel community. It was recognized by the farsighted men who set up this first major venture in international administration of economic resources that hardship would fall to certain areas because of greater productivity through technical development and shifts in the centers of production.

So the conception of readaption was evolved and put into operation in 1952. Readaption in the European coal and steel community offers aid to disadvantaged firms and workers similar to those proposed in my trade adjustment bill. This European program by and large has met with success. The recent treaty establishing the European economic community has continued the concept of adjustment assistance in areas affected by the reduction of trade barriers.

This concept of readjustment assistance recognizes that our American economy is able to adapt its productive capacities in order to meet changing conditions. We see this adaptability in action every day as American industry modifies itself so that it may assimilate new products or technological improvements.

Here is a partial but constructive solution for an ancient dilemma which has often plagued Members of Congress. Those who wish to lower tariffs should support trade adjustment for they do not want any domestic interest to be injured. At the same time those who are legitimately concerned about some particular industry or community should find in this trade-adjustment bill a way to assist these individual enterprises while at the same time furthering the overall national interest by increasing world trade.

Everyone should now be aware of our true national interest. The easy argument against foreign imports has prevailed too long. If it results in a further weakening of our trade policy we may all suffer gravely in the future. Totalitarian nations will continue to make inroads into the free world as their trade offensive succeeds beyond their greatest hopes. Our alliances will falter over trade antagonisms. Our domestic economy will decline and American laborers will be out of work as other nations are no longer able to buy our products.

None of these things need happen, of course. A policy of trade adjustment provides the means whereby the Reciprocal Trade Agreements Act can be strengthened, not weakened. Under it our trade with the world can continue to increase. Only a vigorous trade program of this sort will keep together a strong free world and promote a continually rising living standard for us all.

Maj. Gen. W. P. Fisher

EXTENSION OF REMARKS
OF
HON. F. EDWARD HÉBERT
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 2, 1959

Mr. HÉBERT. Mr. Speaker, I share with my colleagues a sense of loss at the reassignment of Maj. Gen. W. P. Fisher, Air Force Director of Legislative Liaison. I congratulate him, however, upon his forthcoming assignment, that of commander of the Eastern Air Force of the renowned Military Air Transport Service.

General Fisher is a man of unusual experience and capacity as a commander, beginning with his leadership of the 28th Bomb Squadron, 19th Bomb Group which experienced the Japanese attack on the Philippines in December 1941 and survived.

His great capacity as a leader was notable during his service in the extremely challenging duties which he has had here in Washington. General Fisher is a man respected and admired for his calm, straightforward manner of doing business. His integrity is unquestioned. He has promoted with distinction the cooperative relationship which exists between the Congress and the U.S. Air Force.

I take this opportunity to welcome his successor as Director of Legislative Liaison, Maj. Gen. Thomas C. Musgrave, Jr., who is also an officer of the highest ability.

America's Religious Freedom Omitted From U.S. Exhibit in Moscow

EXTENSION OF REMARKS
OF
HON. ROMAN C. PUCINSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 2, 1959

Mr. PUCINSKI. Mr. Speaker, I would like to call attention to an article which appeared in the Christian Science Monitor on Friday, August 21, 1959, describing the American Exhibition in Moscow.

I think all of you will agree that the Christian Science Monitor is one of the most highly respected newspapers in America, and it is safe to presume that the reports of this newspaper's correspondents are factual and trustworthy.

It is because I have such profound confidence in the integrity of this newspaper that I was particularly disturbed about the following paragraph which was part of the story about the American Exhibit in Moscow in the August 21 issue of the Christian Science Monitor.

The paragraph stated:

> There are also reports that many Soviet visitors have been both perplexed and disappointed that there was not more on religion and religious life in the United States at the exhibition.

It is indeed ironic that the following paragraph in this story is as follows:

> But in certain areas visitors' opinions appear to be highly favorable. One of these is the hi-fi area, which attracts a large number of young people who know a great deal about American music, particularly jazz.

While I have no reason to question the accuracy of the Christian Science Monitor report, in order to assure myself that this report was indeed correct, I sent an inquiry to Mr. Erwin D. Canham, editor of the Christian Science Monitor, who only last week returned from an inspection of the American Exhibit in Moscow. I should like to point out here that Mr. Canham is also president of the U.S. Chamber of Commerce.

In answer to my inquiry, Mr. Canham was kind enough to forward me the following reply:

> Yes, I agree that religious life in America could have been more effectively and explicitly presented. However, there were many pitfalls, including denominational pressures and probably difficulties with the Soviets. It is a subtle problem, since we need to persuade Russians of the real meaning of religion and religious freedom to Americans, not just formal worship as they have known it. It is gratifying that Ameri-

can guides and specialists have often been able to give meaningful and impressive answers to religious questions asked by Soviet visitors.

It is of particular interest to me that in his reply, Mr. Canham does confirm the fact that the Russian people are obviously asking questions about religion in America.

I submit, Mr. Speaker, that on the basis of these two reports, the Office of the American National Exhibition in Moscow has broken faith with me and the other Members of this Congress.

I should like to recall here that on May 1, 1959, the general manager of the American exhibition, Mr. Harold C. McClellan, assured me in a rather lengthy letter that the "pervasive influence of religion throughout the American society" would be adequately included in the exhibit.

For some time prior to receipt of Mr. McClellan's assurance, I had carried on considerable negotiations with both Mr. McClellan and the U.S. Information Agency to impress on these people that it is my firm belief that the American exhibit should show the Russian people the real dynamics of religious freedom as we know them in this country.

I had pointed out to Mr. McClellan and his associates that the very cornerstone of our freedom in the United States is our deep belief in the Almighty, and I had urged Mr. McClellan to provide perhaps a special exhibit dealing with the subject. Throughout my discussions with Mr. McClellan and his associates, I tried to impress the fact that millions of Russian people who will visit this American exhibit should be made aware that the very basis of our Republic is the spiritual foundation which gives us understanding and compassion in dealing with each other as Americans.

It was on the basis of my firm position on this subject that I received an assurance from Mr. McClellan by letter on May 1 that "we shall do our best to reflect properly the religious side of American life."

I submit, Mr. Speaker, that on the basis of this article in the Christian Science Monitor, Mr. McClellan has not kept his word, and I strongly urge that that the appropriate committee of this Congress undertake a full investigation to ascertain what factors came into play in omitting this very important aspect of our American life in the exhibit at Moscow.

Ever since the exhibit opened, we have seen press reports of severe censorship of the entire exhibition by Soviet officials. We have seen that our American authorities were not given a free hand in preparing the exhibit so that it would reflect the full meaning of freedom in this country. Only the other day the press carried stories that American officials were compelled to remove a photograph of a hungry child in China holding a bowl of rice.

It was my understanding that some 13 million American dollars have been spent on this exhibit, and I think it is the duty of this Congress to find out what factors were influential when the original agreement for this exhibition was reached with the Soviet authorities. It is my firm conviction that some study should be given to just how much backbone and stamina our American representatives have in dealing with the Soviet Union. There is no question in my mind that if they yield to the Soviet Union on the subject of an exhibit such as the one we are now financing in Moscow, then I hardly think they are capable of dealing with the Soviets on the more profound problems facing the survival of civilization.

I am deeply concerned that those who have set up this exhibit have put their greatest emphasis on the material wealth of America when actually our greatest strength as a nation lies in our spiritual foundation—our freedom of speech, our freedom of the press, our freedom of elections, our freedom of religion, our freedom of assembly.

I need not tell you how chagrined I am that while the organizers of this exhibit could not find sufficient space to tell the Soviet people about our great religious freedom, they did find sufficient resources to emphasize hi-fi and jazz.

Mr. Speaker, I am enclosing the entire text of Mr. McClellan's letter to me of May 1, 1959:

OFFICE OF AMERICAN NATIONAL EXHIBITION IN MOSCOW,
May 1, 1959.

Hon. ROMAN C. PUCINSKI,
House of Representatives, Washington, D.C.

DEAR MR. PUCINSKI: I acknowledge receipt of your thoughtful letter of April 24 in reference to our conversation concerning the presentation of religion in the American National Exhibition in Moscow this summer.

I have reviewed your letter and its enclosures very carefully and have discussed them with the policy experts on my staff and elsewhere in the executive branch of the Government. It remains my best judgment that we should not present a separate religious exhibit at Moscow, but rather that we should portray the pervasive influence of religion throughout the American society.

I recently returned from Moscow where I have reviewed our plans with Ambassador Thompson, his top officials, and our own exhibit staff. I believe in all sincerity that we are following the proper approach.

I should like to give you an idea of some of the ways we intend to present religion in the exhibit.

1. One of the most striking features of the architectural exhibit will be a set of panels devoted to churches and the creativity of American architecture in the religious tradition.

2. The two motion pictures to be shown at the exhibit will contain photographs of churches and people entering these churches. These two motion pictures are Circarama and the special seven-screen documentary on American life presently under production by Charles Eames.

3. There will be religious literature at the exhibition in the book, magazine, and newspaper section.

4. There will be an exhibit of university catalogs in which courses in religion will appear. There will also be a certain number of catalogs of theological schools.

5. There will be a considerable number of questions in the Ramac electronic calculating machine concerning statistics and information on religion in American life. I cannot yet tell you how many questions because they are still being prepared in the U.S. Information Agency.

6. The exhibit on the American worker in community life will contain photographs and textual material on religious life in the community.

7. There will be some paintings with religious themes in the painting exhibit.

8. The large photographic exhibit, entitled "The Family of Man," has a considerable number of photographs depicting human belief in God.

9. The Gallery of Americans, which is a special exhibit composed of photographs of famous Americans, will include several of the national figures mentioned in your attachment and will include quotations which refer to the subject of religion.

10. Religious music will be included as part of the musical programs presented in both the high-fidelity area and the outside rest area.

Please accept again my appreciation of the time and thought you have given this problem and my assurance that we shall do our best to reflect properly the religious side of American life.

Sincerely yours,

HAROLD C. MCCLELLAN,
General Manager.

Luther Burbank Monument

EXTENSION OF REMARKS
OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 2, 1959

Mr. PHILBIN. Mr. Speaker, on Saturday last, I was privileged to participate in the simple, but impressive, exercises marking the dedication of the Luther Burbank monument at Fort Devens.

The exercises took place in that portion of Fort Devens which was once part of the town of Lancaster, where Luther Burbank was born and where he spent the early years of his life. The site of his home was cleared by Army officials at Fort Devens and planted with sugar maples and flowers. A 4-foot obelisk, which was unveiled Saturday, marks the site of the Burbank homestead. The obelisk is inset with a plaque commemorating the site, which will be open to the public for picnicking with the permission of the provost marshal at Fort Devens.

Under leave to extend my remarks in the RECORD, I include the text of my address at the dedication ceremonies.

The material follows:

REMARKS OF CONGRESSMAN PHILIP J. PHILBIN AT DEDICATION OF LUTHER BURBANK MEMORIAL, LANCASTER, AUGUST 29, 1959

It is an honor and a happy privilege for me to join you today in paying appropriate tribute to the great Luther Burbank.

Thanks to the wisdom and patriotism of distinguished officials of the town of Lancaster and the incomparably splendid and outstanding leader of our military forces of the Army, General Wooten, we are proud to come here today to this hallowed spot to dedicate this beautiful, lasting memorial to one of history's great geniuses who first saw the light of day here where we gather.

I cannot give too much credit today to Lancaster town officials and leaders, Mr. Burgoyne and the board of selectmen, Rev. John M. O'Brien, Mr. Griswold, Chief Ryder, and to General Wooten and Colonel Rutledge and others interested in this fine project, because without their devoted interest, work, and co-

operation, today's commemoration would not have been possible.

It is all the more creditable, desirable, and praiseworthy that we should establish this memorial because in a nation and a world which more and more tends to frown upon tradition and the virtues and glorious achievements of the past as an inspiration and fitting accompaniment to present and future accomplishments, it is all the more appropriate and helpful that we should add this historic shrine raised in honor of the great Burbank to the many of which Lancaster may boast.

My good and distinguished friends, Mrs. Esther B. MacDonald, town clerk of Lancaster, and Mrs. Marion Safford, gifted historian of the town, in their diligence and kindness have on other occasions furnished me with comprehensive biographical information on the life of Luther Burbank which I was happy and proud to use in speeches on the floor of the House of Representatives, first on his 100th birthday and again at the time of the Lancaster tricentennial celebration.

Luther Burbank was born in Lancaster March 7, 1849, the son of Samuel Walton Burbank and Olive Ross Burbank, the 13th child in the family. His father was a prosperous farmer and a maker of brick and pottery.

From his mother, Luther apparently inherited his love of nature, particularly his love of flowers.

He attended the Pine Grove School, a typical New England school in the north part of Lancaster.

When he was 15 years of age he entered Lancaster Academy where he studied for four winters, all the while making good use of the excellent library which, even at such an early date, the progressive and educational-minded people of Lancaster had provided to inculcate and encourage learning in the community.

From his work on the farm Luther early gained a practical knowledge of the life, characteristics and growth of plants.

Sometime after his father's death he purchased a 17-acre farm in Lunenburg where he took up the business of market gardening. It was here that this great genius first produced in quantity his first new plant creation—the Burbank potato.

According to Mrs. Safford he was a quiet, reticent youth who frequently was seen walking along the streets of the town with his hands folded behind his back, apparently in deep thought and in a contemplative mood.

He bred this new species of potato from seed which he found in his garden and sold his crop of seed potatoes to a marketing firm in Boston.

In 1875 when he was about 26 years of age, he sold his farm and went to California where his three older brothers resided, taking with him the capital from the sale of the farm and a small quantity of his newly created potatoes.

His subsequent experiments and creations cover a very wide range and produced revolutionary changes in plant life and methods of cultivation in orchard, garden, field and forest.

Burbank discovered new ways of choosing and caring for seeds, preparing the soil, planting, disease and pest prevention.

He created many new species of berries, fruits, vegetables, and flowers, amazing and unbelievable to botanists and horticulturists.

He improved the size and quality of many species. He utilized grafting to promote startling changes in garden, orchard, and forest.

I could not begin to enumerate his remarkable accomplishments here, but they were epochal, monumental and of lasting value to mankind. Luther Burbank will always be remembered as one of our greatest scientists and one of our greatest Americans.

It is interesting to note that the house where Luther Burbank was born, right here on this very site that we are commemorating today, a large New England style brick home with a wooden ell was razed by the Government when it took over this section of the town to extend Fort Devens during World War II.

Another great American benefactor, Mr. Henry Ford, had purchased the ell of the house some years before and removed it to Dearborn, Mich.

Luther Burbank was born on the second floor in a small room of this ell. Some years ago I talked about Luther Burbank with two of his old schoolmates who long resided in our district, the brothers Fred W. and Luther Bateman, both very prominent and highly respected citizens.

Mr. Fred Bateman who knew Burbank intimately and well, was a famed, successful civil engineer, who even when he was over 90 years of age continued to work daily at his profession. These good men were of the opinion that in his early years Burbank showed great genius and was a painstaking, resourceful experimenter.

The American people, indeed the people of the world have received lasting benefits from the brilliant research and miraculous achievements of Luther Burbank and we are indeed honored today to pay this additional heartfelt tribute to his memory, and express our renewed appreciation for his magnificent work in behalf of science and humanity.

Luther Burbank was the product of this proud, rugged, Lancaster environment, of hardworking people and he unquestionably derived much of his skill and genius from the frugal, industrious habits, willingness to perform hard work and tenacious purpose from his rugged New England forbears and from the favorable, encouraging climate of this distinguished and progressive town of Lancaster.

It was here that he had his humble beginning, got his early training and drew deep inspiration.

It was here that the hand of destiny first placed upon his brow the diadem of genius and greatness.

It was here amidst the eternal, green hills, fertile valleys, and beautiful countryside of old New England where American liberty was nurtured and where its spirit still animates the hearts and minds of the people, that Luther Burbank's brilliant work found its source and its stimulus.

It is for us and succeeding generations to keep in mind and to perpetuate the great spiritual values which are represented in and responsible for the illustrious career of Burbank and his service to humanity—his profound belief in the Almighty, his reverence for free institutions and his faith in himself which led him to lasting fame and, more than that, enabled him to contribute so mightily to the welfare and happiness of people of every race, color and creed the world over.

Among Burbank's most beautiful creations was the Shasta daisy which the people and the schoolchildren of Lancaster and of his adopted home in California believe should become the national flower of our country.

It is fitting on this occasion that we should make reference to this beautiful flower because of all his creations it perhaps best exemplifies the hardy, inconquerable spirit of the great Luther Burbank. May we of this troubled time draw courage and inspiration from the homely virtues and patriotism of Luther Burbank. May his fine example and brilliant achievements long continue to inspire and guide us in the perpetuation of freedom, justice, and peace.

This is probably the last occasion upon which our distinguished friend, General Wooten, will be officially with us. He has been promoted to a much higher post of responsibility in our great Army and, in time, because of his great talents, ability and high purpose he will undoubtedly go right to the very top of his proud calling.

We are all greatly indebted to this great American soldier, not only for his peerless service at Fort Devens, but also for his warm friendship, the interest he has taken in our community affairs, the effective cooperation which he has always given us.

Though we all rejoice in his promotion, we are very sorry to have him leave this district where he has made so many friends and where he is so highly esteemed and beloved. We hope he will return often to see us.

In behalf of our district, our people and myself I wish to express to him today our sincere and deep gratitude for his many contributions, congratulations upon his advancement and very best wishes to him and his family for many more happy, constructive years in the service of our great Nation.

May the memory and achievements of Luther Burbank long continue to inspire our people and to nurture and develop more great men from our midst to serve wholeheartedly and unselfishly in the tasks and the cause of peace.

Exercises Commemorating and Honoring the Memory of Father Junipero Serra, O.F.M., 175th Anniversary

EXTENSION OF REMARKS
OF
HON. JOHN F. SHELLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 2, 1959

Mr. SHELLEY. Mr. Speaker, there stands in Statuary Hall here in the Nation's Capitol a statue of Father Junipero Serra as one of California's distinguished sons. On Friday, August 28, at 10 a.m., ceremonies commemorating the 175th anniversary of Father Serra's death were held in front of the statue. Present were all of the California Members of the House, California's two distinguished Senators, the Serra Club of Fort Belvoir, Va., members of the clergy, and others.

Under leave to extend my remarks in the RECORD, I present herewith the remarks made by the several speakers:

EXERCISES COMMEMORATING AND HONORING THE MEMORY OF FATHER JUNIPERO SERRA, O.F.M., 175TH ANNIVERSARY, STATUARY HALL, AUGUST 28, 1959

The commemoration and the laying of wreaths at the statue of Padre Junipero Serra was held at Statuary Hall, U.S. Capitol, Washington, D.C., on Friday, August 28, 1959, at 10 o'clock a.m.

Dr. William T. Doran, Jr., president of the Serra Club of Fort Belvoir, Va., presided.

The PRESIDING OFFICER. Ladies and gentlemen, the ceremonies commemorating and honoring the memory of Father Junipero Serra, O.F.M., on the occasion of the 175th anniversary of his death will begin with the invocation. This will be given by Father Noel F. Moholy, O.F.M., of Santa Barbara, Calif., the vice postulator for the cause of Father Serra. Father Moholy.

INVOCATION

O God in heaven above, Supreme Master and Sovereign Lord, we praise Thee, we bless Thee, we adore Thee for Thy great glory. We beg Thee, Provident Father of us all, to turn Thy benign countenance upon this assemblage honoring one of America's pioneers. We beg of Thee the signs and prodigies

which will show indisputably, to the glory of Thy name, that he is a saint in heaven.

The PRESIDING OFFICER. Your Excellency, distinguished participants in the ceremony, Members of Congress from the Senate and House of Representatives, it is with great pride that I, as chairman, welcome you here this morning on behalf of the cosponsors of this ceremony: the Members of Congress from California and the Serra Club of Fort Belvoir, Va. It is fitting to the memory of Father Serra that we acknowledge the presence here of our distinguished guests. Would that time permitted to mention everyone here because all present represent prominent and cultural groups and include: Knights of Saint Gregory, Knights of Malta, Knights of the Holy Sepulchre. It is with sincere pride and grateful acknowledgment that I mention those whose presence emphasizes the national and international recognition of California's first citizen and man of God's choosing. Representing the executive branch of our Government is Serran James O'Connell, Montclair, N.J., the Under Secretary of Labor. Among the Congressmen is Serran DONALD IRWIN, U.S. Representative from Connecticut. Representing Spain we are honored to have (Spain being the place of Father Serra's birth), the Honorable Enrique Suarez de Puga, Secretary for Cultural Affairs of the Embassy. Representing Mexico, our sister country to the south, and the place of Father Serra's early missionary work, is the Honorable Juan Gallardo, Chargé d'Affaires, and Mr. Luis G. Aveleyra, also of the Embassy. Representing the Pan American Union, is Dr. Juan Marin, Director of the Department of Cultural Affairs, Dr. Javier Malagon, and others. Dr. Manuel Martinez of the Department of Latin-American History of Georgetown University is representing the Spanish-American Historical Societies. Monsignor Magner is representing Catholic University. Father Durkin is representing Georgetown University. Mr. Homer Hammond represents the National Council of Catholic Men; former Congressman John Costello, the Holy Name Society; Mr. Gerald Mooney, Ancient Order of Hibernians; Mr. Justin McCarthy and Mr. Valentine Matellis, the Knights of Columbus. Father Frank Hurley represents the National Catholic Welfare Council. There are representatives of the various Catholic religious orders. Serra clubs of Serra International, are represented here this morning, from California to New Jersey, Massachusetts to Texas. Past President Thomas Reilly of Serra International, is here with us. Father (brigadier general) Walsh, U.S. Army (retired), represents the diocese of Richmond, Va., recognizing California's saintly pioneer. There are greetings; two of these I will read.

AUGUST 26, 1959.

Hon. JOHN SHELLEY,
House of Representatives,
Washington, D.C.:

I am with you in spirit on the occasion of of the commemoration in the National Capitol of the 175th anniversary of the death of Padre Junipero Serra. May God grant our Nation may soon be honored by the inscription of the name of California's founder and apostle in the Cannon of the Saints.

A. J. WILLINGER,
Bishop of Monterey.

FRESNO, CALIF.

AUGUST 26, 1959.

Hon. JOHN SHELLEY,
House of Representatives,
Washington, D.C.:

Franciscan Fathers of California express sincere appreciation for commemorative observance for Padre Junipero Serra on this 175th year and rejoice at the honor accorded their founder who also laid first stones of culture and initiated progress which has come to such a peak of achievement in the Golden State.

Father DAVID TEMPLE,
Franciscan Province of Santa Barbara.
OAKLAND, CALIF.

The PRESIDING OFFICER. Ladies and gentlemen, at this time I would like to introduce our first speaker, the Honorable JOHN SHELLEY, Congressman from San Francisco.

Congressman SHELLEY. Mr. Chairman, Your Excellency Most Reverend Bishop Hannan, Right Reverend and Very Reverend Monsignori, Reverend Fathers, representatives of the Governments of Spain and Mexico, my colleagues in the Congress of the United States and ladies and gentleman. It is first my privilege to read a couple of messages that were addressed to my office which arrived this morning:

AUGUST 26, 1959.

Hon. JOHN F. SHELLEY,
Old House Building,
Washington, D.C.:

It is a privilege to join with the Serra Society on the occasion of the observance of the 175th anniversary of the passing of Father Junipero Serra. The people of San Francisco are continually aware of the tremendous contribution made to this area by Father Serra. Were it not for his saintly efforts, San Francisco and California would be lacking in many of our greatest spiritual assets. However, our indebtedness to Father Serra exceeds even the sphere of the church as evidenced by the many temporal accomplishments justly accredited to his untiring efforts. San Francisco's debt to Father Serra and his coworkers of nearly two centuries ago can never be fully repaid.

GEORGE CHRISTOPHER,
Mayor, San Francisco, Calif.

AUGUST 26, 1959.

The Honorable JOHN SHELLEY,
House of Representatives,
Washington D.C.:

It is distinct pleasure to extend my warmest felicitations to the California legislators and the Serra Club of Fort Belvoir as you gather to commemorate the 175th anniversary of the death of Father Junipero Serra. In keeping his cherished memory alive you do a great service to the church and to the country. May the high ideals of this zealous apostle continue to inspire you and may God abundantly bless your devoted work.

Archbishop VAGNOZZI,
Apostolic Delegate to the United States.

AUGUST 27, 1959.

Hon. JOHN F. SHELLEY,
Member of Congress,
House Office Building,
Washington, D.C.:

Understand you will be present at ceremonies before statue of Junipero Serra. Would appreciate your acting as my representative and reading the following message:

It is fitting that in this year marking the 175th anniversary of Serra's death there be a program in his honor in the Statuary Hall of the Nation's Capitol. Father Junipero Serra is truly the first of the pioneers who inaugurated the history of civilized California. He personally established 9 of the 21 missions and made a host of other great contributions to the future of this State. The people of California owe him great and lasting honor and we appreciate the effort made by those of you present today.

Sincerely,

EDMUND G. BROWN,
Governor of California.

AUGUST 28, 1959.

Hon. JOHN SHELLEY,
House of Representatives,
Washington, D.C.:

The Native Daughters of the Golden West extend congratulations to Fort Belvoir Serra Club for this observance honoring Junipero Serra whom we revere and honor as the founder of our missions and father of California. Our order recognizes the great contribution Father Serra made to our State and we are happy to participate in this commemoration. I am proud to announce that we are beginning a project for the placement of a statue of Father Serra on the capitol grounds at Sacramento. The Native Sons of the Golden West will cosponsor this project with us. We will be happy to have assistance from other organizations or friends. I wish it were possible to be present for your program, but as it is not, I am delighted to have my daughter represent me and the Native Daughters of the Golden West.

MAXINE PORTER,
Grand President, NDGW.

A MESSAGE FROM JOHN B. SCHMOLLE, GRAND PRESIDENT, NATIVE SONS OF THE GOLDEN WEST, TO THE CALIFORNIA DELEGATION HONORING THE 175TH ANNIVERSARY OF THE DEATH OF FATHER JUNIPERO SERRA AT STATUE OF FATHER SERRA IN STATUARY HALL, WASHINGTON, D.C.

Father Junipero Serra—apostle of California—left an impact on the culture of the State which will live eternal. The simple kindliness which emanated from this man of God still permeates the atmosphere of California. His development and plan of the chain of missions was done in a time and an era devoid of the materials and mechanical knowledge ordinarily attendant and available to structures even at that period.

Using the elements of nature and the products of the earth, coupled with the resourcefulness of a master builder, this man of God and his aids, drew on their storehouse of knowledge to erect in the primitive wilderness of California the buildings recognized by the civilized world as suitable habitations for the purpose they were to serve. All of the buildings still stand in one form or another—some in semirepair—some still in use. All are shrines, not only to the lover of history and the romantic period known as the Splendid Idle Forties, but also to the devout. Over 1 million tourists annually visit the missions of California.

The results of these buildings have been reflected over the entire history of California. In the architectural field the copyists refer to the buildings as mission style and replicas are still being built today, both for commercial and residential use, by people who have been enamored of this gracious form of building.

This diminutive man in body had the heart, mind, and spirit of a giant and symbolically represents the heart of California. As grand president of the Native Sons of the Golden West, it is my great privilege to write these few words honoring him, for he was a beacon and established a light that has never failed; the forerunner and possibly the reason for the greatest mass migration the world has ever known.

JOHN B. SCHMOLLE,
Grand President, Native Sons of the Golden West.

AUGUST 28, 1959.

Congressman JOHN F. SHELLEY,
Capitol, Washington, D.C.:

San Francisco Serra Club joins with you on the commemorative 175th anniversary of the death of our beloved patron Father Junipero Serra.

ALBERT E. MAGGIO,
President.

ADDRESS BY CONGRESSMAN SHELLEY

Ladies and gentlemen, there is a television series called "I Led Three Lives." This same title is particularly applicable to the State's founder, Padre Junipero Serra, and is especially significant this year. The year 1959 marks the 175th anniversary of Father Serra's death, the 190th anniversary of his arrival in upper California, and the 210th an-

niversary of his departure from his homeland in Spain. The first 36 years of his life Padre Junipero Serra spent on his native island of Mallorca. There he entered the Franciscan Order in 1730. After obtaining the doctorate in sacred theology, he devoted some 10 years to a distinguished career of teaching, even occupying a chair in the Lullian University of St. Raymond. His ability as a professor was rivaled only by his popularity as a preacher. In 1749 Father Serra sailed to the New World to become a missionary. His first assignment was in the mountains, Sierra Gorda, where in some 9 years he could report that not a single unconverted Indian remained in the region. Eight more years he passed crisscrossing central Mexico preaching missions to the faithful. In 1768 he was appointed padre presidente of the chain of missions in lower California. The following year brought the fulfillment of his heart's desire when he was designated the pioneer priest to handle the Christianizing of upper California. Father Serra helped blaze the trail that is still known as El Camino Real and founded the first 9 of the missions that eventually became a chain of 21. In 1784 he concluded his threefold career which had been lived in three countries and in three realms of activity. Today the servant of God is known and revered throughout the world for his zeal and for his holiness, and tomorrow we hope that the church in her wisdom and her prudence will reward this reputation with her highest honor—the canonization of Father Serra as a saint.

It is now my privilege to present my colleague from California, the senior Senator from California, the Honorable THOMAS KUCHEL.

ADDRESS BY SENATOR KUCHEL

Representative SHELLEY. Your Excellency, reverend clergy, members of the diplomatic corps, my colleagues in the Congress, ladies and gentleman, these services commemorate the life and labors of a Franciscan friar whose intrepid Christian ministrations were spread through a great primitive area before the United States came into being. Junipero Serra, Franciscan missionary from Mallorca, journeyed to the North American Continent in the 1750's, came to the city of Mexico and in the late 1760's went northward to upper California. In that northward trek, both he and his courageous, faithful and devoted companions, sowed in the hearts and in the minds of men, the seeds of a new civilization under the Divine Spirit. Father Serra brought with him the mission which meant the spread of religion in these unknown lands, the presidio which meant the expansion of the political and military control of Spain, and the pueblo (a town) which meant the establishment of orderly civil government. Here was a tripartite development both secular and spiritual. The hard trails which his weary feet traversed, from mission to mission, along the El Camino Real today continues to be the wayroad along which our strong great municipalities, great universities, great industry, great agriculture, and the great missions of his day—human progress in its every latest attainment. One hundred and seventy-five years ago, Father Serra departed this life. From a primitive unsettled land on the Pacific shore to which he came, has developed now a majestic center of cultural and economic life rich in all the bounty of God's nature, our magnificent State of California. While we honor Junipero Serra for the blessings of civilization which he left in California, we shall not forget that his was a spiritual labor. The missions he built, the agriculture he founded supported by irrigation systems which, incidentally, still excite the admiration of modern hydraulic engineers, were all means to an end. The sword was there to support the cross, and so was the civil authority—but it was the cross which came first. Imbued with Divine Spirit, charged with an exalted mission and sustained by an unfaltering faith—Father Serra brought to the Indians the civilizing message of Christian teachings. Here was the solid, sound foundation upon which all other building rested. It is well to recall this simple fact in our day, for we too have an exalted mission—to hold high the banner of man's freedom to protect it from all assaults from the ungodly and to advance it with God's grace by an unfaltering faith in the righteousness of our purposes.

Congressman SHELLEY. Senator ENGLE, the junior Senator from California, was to have been here but was detained by a debate on the floor—that's his job—he has to be there. He has very graciously sent a very charming young lady from his office who will deliver the message of Senator ENGLE, of California.

SENATOR ENGLE'S ADDRESS

Your Excellency, reverend monsignori, reverend fathers, Mr. SHELLEY, Senator KUCHEL, Members of Congress, distinguished guests, ladies and gentlemen, I bring the greetings and regrets of Senator ENGLE, who is now engaged in a major speech on the Senate floor which he was obliged to make at this hour, and he was especially sorry to miss this beautiful ceremony this morning. In his name, I would like to read a few remarks in tribute to Father Serra.

The highest honor any State can confer on a native son is to place his statue here in Statuary Hall in the Nation's Capitol. Each State has been most careful in the selection of the individuals it has placed here. If you visit the respective States, you will find the statue of their favorite son in numerous places there. The statue of Padre Junipero Serra, accordingly, is found throughout California, in public plazas and in private patios, before courthouses and in lush parks. Streets are named in his honor and buildings are dedicated in his memory. Schools, theaters, and a retreat house bear the name of Serra. Such honor you would more or less expect to find in the Golden State but you find a statue of the venerated Franciscan in the vestibule of St. Peter's Church in Chicago's Loop. You see his image on the facade of Holy Name College here in Washington as well as in mosaic at the new Shrine of the Immaculate Conception. You cannot miss his identity in the ceramic of the new church of St. Francis Xavier in Phoenix, Ariz., and he holds aloft the cross from the roof of Casa de Paz Ybien in the same Valley of the Sun. His statue stands on the tables as he presides at every meeting of Serra clubs throughout these United States, and as Serra International grows, his statue moves into foreign lands. If you travel to Mexico you will find him in the vestibule of the church of San Fernando College, the cradle from which California was born. His name and reputation are held in veneration throughout the land to our south. In Mallorca you will find his statue in the principal plaza of his native town. Throughout Spain his name is revered. And now in the eternal city of Rome itself, the new American Franciscan college currently under construction is to be known as Collegeo Franchiscano de Americano de Junipero Serra. Here is a true American success story. The annals of our history feature those who have risen from poverty to riches, from obscurity to influential positions in public life. Not a few immigrants to this country have landed on our shore penniless, uneducated, and uncultured. Lifting themselves by their own bootstraps in this land of equal opportunity to all, they have attained prominence and importance to truly amaze historian and biographer alike. Padre Junipero Serra born in the small village of Petra Mallorca, in the poorest section of that little town, his humble origin might have suggested that he follow in the family simple tradition of farming. His illiterate background portended no brilliant future, yet under Franciscan tutelage first at San Bernardino in Petra, and later at San Francisco in Palma, he manifested such superior native talent and such proficiency in scientific work that he was awarded the doctorate in sacred theology and held the chair of theology in the renowned Lullian University of St. Raymond. All that he sacrificed when he sailed for the New World. While I would not here repeat the story of his life, I would underline his sharing of the American tradition. Although of poor and humble background, he rose to international preeminence. Today three countries claim him either as native son or adopted father. We Californians are justifiably proud to join with our Mallorcan friends in acclaiming him El Foundador de California—the founder of California.

The PRESIDING OFFICER. Ladies and gentlemen, it is my honor now to present Father Noel F. Moholoy, O.F.M., S.T.D., vice postulator for the cause of Padre Serra, from Santa Barbara, Calif.

ADDRESS BY REVEREND MOHOLOY, O.F.M., S.T.D.

Your Excellency Bishop Hannon, right reverend Monsignori, reverend fathers, Members of Congress, honored guests of the diplomatic corps, ladies and gentlemen, unable to stand or even to sit, the father now 55 years old lay restless on his bed of pain. Word spread throughout the camp quickly that Father Junipero Serra was ill. Don Gasparde Portala, the military commander of the expedition, immediately went to the friar's tent, appraised the situation realistically, and told the little padre that he would make arrangements immeditaely to have him transferred to San Fernando de Bellacepa, the mission Serra had founded 4 days previously. The pain disappeared instantaneously as the little Mallorcan reacted aghast: "No. If I die on the road, I'm still going to go." And he called the muleteer and asked him to apply the same tallow and herbs that he used on the pack animals. The next morning Junipero Serra celebrated mass and continued on to San Diego in the land of heart's desire. Frequently in the years that followed Serra was to manifest the same type of determination. When the entire colony in the spring of 1770 was preparing to leave, to abandon California, he was on Presidio Hill, in characteristic prayer begging that the relief ship *San Antonio* would arrive on time. But already a month previously he had served his ultimatum—"Though they all go back, I will remain here with Father Fray Juan (Crespi) to the bitter end." In answer to his prayer, the ship arrived, and he was revealing the watchword he had manifested in the farewell letter to his parents years before: "Always to go forward and never to turn back." He was an enthusiast and a zealot. To him the magnificent bay named in honor of St. Francis was a watery barrier hindering his progress for he envisioned missions as far north as Alaska in his own lifetime and commissioned expeditions to go there. For 15 years he labored in the area in the modern State of California working zealously planting nine of the crosses along El Camino Real, where weary Spaniard and wary Indian alike would find hospitality, nourishment for the body and heavenly food for the soul. And it was only when the Angel of Death hovered over his simple pallet that to his beloved son Carlos de Bormelo de Carmello he finally said: "I must take some rest." The West has always boasted that it is a land where men are men. Father Serra can well be said to have set the precedent. He rolled up his sleeves and went to work. California has accorded him her highest honor by placing his statue here in Statuary Hall of the Nation's Capitol. The Franciscan Fathers of California have been laboring for 18 years and longer to place around that head the halo of a saint.

Congressman SHELLEY. It is my privilege at this time, ladies and gentlemen, to present for remarks the Honorable EUGENE J. MCCARTHY, U.S. Senator from Minnesota, Senator MCCARTHY.

ADDRESS BY SENATOR M'CARTHY

Mr. SHELLEY, Your Excellency, Right Reverend and Very Reverend Monsignori, Reverend Fathers, representatives of the diplomatic corps, of the administration, my colleagues of the Senate, Senator KUCHEL and Members of the House, ladies and gentlemen, friends of the cause of Father Junipero Serra. It is truly a privilege for me, from Minnesota, and the U.S. Senate outside of the Californians to be here to participate in this program. I think that you of California and of the Serra Club and the Franciscans who have had Father Serra to themselves for so many years, must now come to accept that throughout this country and throughout the world, his great work has been known and his cause has many supporters as he has many followers. It may be significant that now that California is no longer the western frontier of the United States, that it is now in effect the geographical center of the country, that Father Serra will be accepted too, as standing in the center of this United States, and the things for which he stood become more widely known and more widely accepted. It is significant I think that he labored in California in the same years during which men of politics labored on this eastern coast to establish the institutions and the traditions which have been the strength of democratic society here in the United States. His approach, as has been said by others here before me, was somewhat different. His emphasis was on the cross and on the things of the spirit but his labors were not restricted to that field, because he knew, as well or better than any man, along with the things of the spirit, it was needed to have political order and economic and social order. So, dedicated to the cross and things of the spirit, he built these other institutions as men of politics establishing this United States sought to build political institutions and economic and social institutions which would establish the means and conditions out of which spiritual perfection might be achieved. So let me congratulate you, the friends of Father Serra, Californians, members of the Serra Club, and particularly the Franciscan Order and to express my hope that his particular cause, the cause of his canonization, may prosper, but along with that, and more important, the cause which he so well advanced in his own time will prosper even more.

The PRESIDING OFFICER. We of Serra and California, thank you Mr. MCCARTHY for your remarks. Mr. Hubert Kelly, chairman of the special events committee, Serra Club of Fort Belvoir, will present the wreath laying ceremonies.

Mr. HUBERT KELLY. Thank you Dr. Doran. I shall first call upon Father Clebus Wheeler, Minister-Provincial of the Franciscan Order of Friars Minor to bless the floral offerings that we are about to present. Father Wheeler.

BLESSING

We ask of our Heavenly Father that He speed the cause of Father Serra, that He bless these wreaths we are about to put on the foot of his statue and that He bless us in the name of the Father, of the Son and of the Holy Spirit. Amen.

Mr. HUBERT KELLY. The first wreath will be presented for Serra International by Mr. Peter A. Mills, Knight of St. Gregory, Pittsburgh, Pa., the permanent chairman of the Father Serra Spiritual Observance Day, and past trustee of Serra International, and by Mr. Ralph Hauenstein of Grand Rapids, Mich., first vice president of Serra International.

Mr. Mills and Mr. Hauenstein thereupon placed a wreath at the foot of the Serra statue.

The second wreath will be presented for the Serra Club of Fort Belvoir by Mr. Joseph S. Hoffmann, Alexandria, Va., past president of the Serra Club of Fort Belvoir, and deputy district governor of district 19 of the Serra International, and Mr. Fiori J. Tamanini, also a past president of Serra Club at Fort Belvoir.

The second wreath was placed before the Serra statue by Mr. Hoffmann and Mr. Tamanini.

We will now call upon Father (Lieutenant Colonel) Pawlowicz, post chaplain of Fort Belvoir and acting chaplain of the Serra Club of Fort Belvoir to make one final introduction before closing the ceremony with the Serran prayer. Father Pawlowicz.

Father PAWLOWICZ. I would like at this time to ask all the distinguished guests to remain seated until after the ceremony is over and also to call upon His Excellency, the Most Reverend Philip M. Hannan, auxiliary bishop of Washington, D.C., to present benediction after the prayer of the Serrans.

PRAYER FOR VOCATIONS

O God who wills not the death of a sinner, but rather that he be converted and live, grant, we beseech Thee, through the intercession of the Blessed Mary, ever virgin, and all the saints, an increase of laborers for Thy church, fellow laborers with Christ, to spend and consume themselves for souls, through the same Jesus Christ, Thy Son, who liveth and reigneth with Thee, in the unity of the Holy Spirit, world without end. Amen.

Bishop HANNAN. I think it is fitting on an occasion like this to recite the prayer of St. Francis, a prayer which certainly epitomizes the life of Father Serra. In the name of the Father, and of the Son and of the Holy Ghost. Amen.

PRAYER

Lord make me an instrument of Thy peace; where there is hatred, let me sow love; where there is injury, pardon; where there is doubt, faith; where there is despair, hope; where there is darkness, light; and where there is sadness, joy.

O Divine Master, grant that I may not so much seek to be consoled as to console; to be understood, as to understand; to be loved, as to love; for it is in giving that we receive, it is in pardoning that we are pardoned, and it is in dying that we are born to eternal life.

The PRESIDING OFFICER. Will the distinguished and honored guests please remain for the press and the photographers. The ceremony is ended.

Alaska's Air Transport

EXTENSION OF REMARKS

OF

HON. A. S. MIKE MONRONEY

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Wednesday, September 2, 1959

Mr. MONRONEY. Mr. President, my distinguished colleague, the senior Senator E. L. (BOB) BARTLETT, of Alaska, recently participated in a most important meeting of short-haul airline operators in a twin city Alaskan appearance in Anchorage and Fairbanks, July 28 to July 31.

This meeting of the Association of Local Transport Airlines featured an address delivered by our distinguished committee member, Senator BARTLETT, on Wednesday, July 29, 1959, in Anchorage, Alaska, saluting civil aviation in Alaska, past and present, and should be of the greatest interest to all the distinguished Members of this body.

Recognizing the active and most constructive aviation role my distinguished colleague has played in this, his first session as a member of the Subcommittee on Aviation, Senate Interstate and Foreign Commerce Committee, I ask unanimous consent to have Senator BARTLETT'S address printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR E. L. (BOB) BARTLETT, OF ALASKA, TO THE ASSOCIATION OF LOCAL TRANSPORT AIRLINES AT ANCHORAGE, ALASKA, JULY 29, 1959

I am exceedingly pleased to be here addressing you this evening, and want to thank you for honoring me with the invitation to take part in your winged visit to Alaska and to speak to you.

My friends from the Anchorage Chamber of Commerce will join me, I'm sure, in expressing our State's warmest welcome to you of the Association of Local Transport Airlines.

I was all the more ready to accept this invitation to be with you of the association because it was extended to me by Col. Joseph P. Adams, general counsel and executive director of this splendid aviation group. I count it a privilege to name Joe Adams as a friend. Joe has a way of getting around on Capitol Hill and in the executive departments of Government which is just as effective as it is proper. Come to think of it, I wonder if all these local airlines would be in existence if it were not for Joe Adams. As a member of the Civil Aeronautics Board, who served the public interests faithfully and well, Joe insisted that the little fellow get a break. He prevailed. There were many times, I know, when it would have been easier for him to give up, and jettison his cargo, to lower his landing gear and set down in the face of the very formidable opposition which confronted him. But Joe is not that kind of a man. He persevered, and won out. The public won at the same time.

We Alaskans feel we have an important stake in your association. After all, 5 of the local service airlines that are lifelines in our farflung State form a rather substantial part of your membership of 16 companies. We remember, too, that you had the courtesy, when you first organized in 1957, to reflect Alaska in your original name—the Association of Local and Territorial Airlines. And I can well imagine that you were almost as pleased as we when the march of American history caused you to change that name by dropping the territorial reference.

For many long years "statehood" was a word that had a bitter flavor for us. Now it tastes deliciously sweet as it rolls off our tongues. I understand that statehood has been sweetening the balance sheets of the local service airlines in Alaska and Hawaii, too, by booming the business and tourist traffic. For the benefit of any Civil Aeronautics Board auditors who may be within earshot, let it be stated that this comes to me strictly as rumor. I haven't examined a single account sheet. And I hope this effect extends to your members in what we've taken to calling "the other 48 States" by picking up the pace of their traffic.

It is my fond belief that we have had only the first taste of the benefits of Alaska and Hawaii statehood, and that your palates and ours will be more and more delighted as we grow in the coming years.

Now, having welcomed you on Alaska's behalf, I want to do a turnabout and join those of you from outside in saluting our hosts—Alaska Airlines, Northern Consolidated Airlines, Reeve Aleutian Airways, and Wien Alaska Airlines.

The labors of our intrepid bush pilots gave birth to these airlines. And their history, for high drama, is unexcelled anywhere.

Some of you may recall that one of these airline founders, Bob Reeve, was my rival in a delegate election a few years ago. If things had turned out a bit differently, your speaker tonight might well be one far better qualified on the subject of Alaska aviation.

But I can speak with a good deal of experience as a passenger. Having been a patron of your four host companies during the travels involved in eight campaigns plus a lifetime of residence in Alaska, I can truly say that I know them well, and I hold them in the highest respect.

Even so, a speaker is bound to gulp a few times when he gets upon his feet to talk about aviation to a group of aviation experts. But a politician is never noted for his lack of temerity and so I prepare to take the plunge. Not earthward, however. We are on a higher level tonight. Even as a layman, I can and will make a brag. In about 35 years of flying, most of it within Alaska and starting in the very early days of aviation, I have never had a forced landing. And I attribute this remarkable record less to my own luck than to the splendid skill of the Alaska aviators who have manned the Alaska skies from then until now.

Happily, one does not have to be a flyer himself to make reference to Alaska's airmindedness, air traffic, airports, aircraft and aviators.

Will anyone rise to challenge the statement that Alaskans are the most airminded people in the world? I don't think so—at least not successfully.

Tonight we are dealing almost solely with facts, and very little if at all with fiction. You have no choice in the matter. I am on my feet in firm, if temporary, control and you may escape a barrage of facts only by departing the room. First, I hand to you one which defies analysis, which is simply incredible, which nonetheless has its veracity attested to by the Civil Aeronautics Board. It is that certified Alaska air carriers last year carried 409 passengers per thousand population. This was more than 22 times the U.S. average of 18 passengers per thousand. Let this be a goal for the 11 non-Alaska members of the Association of Local Transport Airlines.

Alaska is the smallest State in population, making up only twelve one-hundredths of 1 percent of the U.S. total. But in proportion to this population, her air commerce traffic pattern is fantastic.

In 1958, Alaska aircraft departures totaled almost 88,000, equal to 2.8 percent of the U.S. domestic total—or 23 times what the population proportion would lead you to expect. The number of passengers boarded was about 320,600, equal to seventy-four one-hundredths of 1 percent of the domestic total—or six times what you would expect. Tons of cargo totaled more than 10,000, equal to 2.3 percent of the domestic total—or 19 times what you would expect. Tons of airmail was the greatest of all: 7,192 tons, equal to 4.8 percent of the domestic total—or 40 times the population proportion. When we say "send it airmail," as so many of our firms do on their business letterheads, we really mean it.

Of course there are sound reasons for our airmindedness. We are short of highway and railroad mileage. The operation of ocean and river vessels is seasonal in many areas, while on the other hand our flying weather in many regions is best in winter. In vast parts of Alaska the local service airline or the bush aircraft is the only practical means of transportation. Then, too, our people have always been eager to be linked as closely as possible with the rest of the United States, which helps explain why we're the flyingest, airmailingest people anywhere.

How about airports? The State division of airports estimates that Alaska has about 600 landing areas of all categories. Gene Roguszka, director of aviation, recently sent me a very handy Alaska airport directory. It lists more than 300 airstrips and seaplane landing areas, and provides maps of most of them.

The 1959 national airport plan issued by the Federal Aviation Agency includes 270 Alaska air commerce airports—4 of them intercontinental, 9 continental, 68 trunk, 111 local, and 78 seaplane facilities. Also included in the plan are 64 general aviation airports.

Aircraft? Alaska's owned total of active registered aircraft was 1,179 as of last January 1. In this measurement we were not, as you might expect, close to such sparsely settled Western States as New Mexico, Wyoming, and the like—but rather to more populous States like Oregon and Louisiana. To put it another way, Alaska has 1 aircraft for every 180 residents, which is unquestionably the highest ratio in the United States.

Of these 1,179 aircraft, 56 were, under the new FAA classification, listed as scheduled and irregular air carriers. However, some of our carriers are in the next 2 categories—among the 64 multiengine planes and 420 postwar 4- and 5-place single engine planes listed under "general aviation." Finally, in the "all other" category, we have 639 more aircraft.

At the same time, we had 2,877 active pilots, or about 1 Alaskan out of every 75. A number of others who once were licensed no longer are on the active list. There has been a lot of talk lately about retiring pilots at the age of 60, or thereabouts. This reminds me that I am now engaged in a research operation aimed at discovering whether A. A. Bennett is still in the land of the living. If he is, you may be sure that he is still flying at an age not exactly known to me but surely such that he would consider a pilot of 60 a mere youngster. From Fairbanks, where he was one of the organizers of the Bennett-Rodebaugh Airplane Co., A. A. Bennett went down to Idaho. He had his commercial license renewed there in 1957 but as yet my research organization has not advanced beyond that point. Bennett was one of the fabulous characters of early-day Alaska aviation. He steadfastly refused to go in for such a modern contrivance as a cabin airplane. Forced finally to give in by the stress of economic competition, Bennett persuaded the Zenith people to build him a special plane with a cabin for the passengers up forward and open cockpit for the flyer way back aft. Bennett was not adverse to telling anyone, most particularly his passengers, the reason for this. He admitted that airplanes fell down once in a while out of the sky and hit the hard, hard earth and he did not propose to be right on top of the engine when and if this occurred. Let the passengers bear the brunt of this while he took charge from the rear, Bennett said.

And he had the clearest blue eyes ever possessed by man. It was this oldtimer's persistent insistence that his eyesight was perfect because when flying he took off his goggles and stuck his head out of the cockpit. He said the gale into which he then faced toned up his optic muscles, and did everything except erase original sin. But I must guard myself for it is easy to start reminiscing about an extraordinary breed of men—the early-day Alaska pilots.

A significant illustration occurred right here in Anchorage last week, revealing that today's men of wings are in tune in every way with those who started Alaska's aviation. This came about when Don Sheldon of Talkeetna was presented with the Special Service Award by General Necresop. This is the highest award given a civilian by the Air Force.

No doubt you have heard Anchorage referred to as the air crossroads of the world. Lest you think our chamber of commerce friends are overstating their case, let me note that in calendar 1958 the FAA towers at International Airport, Merrill Field, and Lake Hood controlled a total of 406,701 aircraft movements. This was only a few thousand less than at the busiest single airport in the Nation—Midway at Chicago.

Our international airports at Anchorage and Fairbanks are in superb locations astride the aerial routes from the Eastern United States to the Far East, and from the Western United States to Europe, over the pole. I think the day is approaching when—if with God's help the peace is kept—other Asia air centers, in China and the Soviet Union, will be reached by flights from Alaska. But even if Peiping, Moscow, and Irkutsk do not go up on our destination boards, we can nevertheless look ahead to great growth in our international traffic.

While our intercontinental air traffic is significant today and has great future potential, intra-Alaska traffic is even more striking in relation to national figures. FAA records show that some 66,500 landings were made last year at the 28 intermediate airfields in Alaska. That figure is higher than the total of landings made at the 74 intermediate fields elsewhere in the United States. Air carriers accounted for more than one-third of these landings, which testifies to the vigor of our local service airlines.

These airlines offer plane-window vistas of scenery as awe inspiring as any on the face of the globe. They offer, too, unique recreational tours—to the Arctic, to the Pribilof Islands in the fur seal mating season, to Katmai National Monument for unmatched trout fishing, and to the national park at America's highest peak, Mount McKinley.

Congress and the Federal Government have for years recognized the importance of aviation to Alaska. But our Territorial status and our lack of voting representation have tended to hold back full development of our airports and related facilities.

In 1948 Congress authorized Federal construction and operation of completely new international airports at Anchorage and Fairbanks. The initial appropriation of $13 million was raised to $17 million 2 years later.

Anchorage International Airport received the lion's share of the money and was somewhat more adequately planned and built than Fairbanks International. Today both these airports urgently need runway extensions to meet the demands of the jet age.

The coming of statehood altered our airport situation and presented problems to which the Alaska delegation in Congress and the State government have devoted major attention.

In recommending provisions for the Alaska omnibus bill this year, the Eisenhower administration proposed to get Uncle Sam out of the international airport business in Alaska by giving the Anchorage and Fairbanks Airports to the State without charge.

The omnibus bill—now enacted into law—also provided transitional grants of $28½ million during the 5 fiscal years, beginning with the current one. Of these transitional grants, it was understood $4½ million should be applied to capital improvements at the international airports.

However, the extensions at Anchorage and Fairbanks were estimated at a cost of some $9,800,000. So it became obvious that Alaska would have to get more than the flat sum of $1,350,000 a year it received in recent years under the Federal airports program if the improvements were to be made.

Under the old Airport Act, Alaska was of course treated as a Territory. It did not share funds on the basis of a land area and population formula, as the other States did. Nor was Alaska eligible to receive any of the $15-million-a-year discretionary fund which could be allocated by the program administrator to the most important projects, wherever they might be. But the Territory did have one advantage in the old law. It was required to match funds on a 3-Federal dollars-to-1-Territorial-dollar basis, instead of the split of about 2 Federal dollars to 1 State dollar for public lands States.

Early in this session, the Senate passed a new airport bill. It would have boosted the available funds considerably, but would have continued to treat Alaska—and Hawaii—on a basis similar to that in the old law as far as matching and eligibility were concerned.

The House of Representatives, however, took a quite different approach to the airport bill. The House cut back the proposed expenditures in relation to the Senate version, but on the other hand it proposed to treat Alaska on the same basis as other States.

The House, while it was more modest than the Senate, still favored a higher level program than the old one. But the administration wanted to phase out the entire airport program gradually. So the battle of the budget soon was raging around the airport issue.

Senate and House conferees could not agree on either one of the bills passed, nor on a compromise somewhere in between. As their discussions wore on, tempers grew more and more brittle. The upshot was that, under the pressure of a June 30 deadline, the conferees finally recommended a simple 2-year extension of the old $63-million-dollar-a-year program. Both Houses reluctantly accepted this recommendation.

This meant Alaska would get only $1,350,000 and still would be treated as a Territory. When this decision was reached in conference it was simply impossible thereafter to make any changes referring to Alaska especially, or to make any changes at all in any part of the program.

The inadequate treatment of Alaska was so flagrant that the President called for its correction when he signed the Airport Act extension.

Next, the Alaska delegation introduced an amending bill. It would have boosted our State's share of the airport funds by adding money to be distributed under the overall formula and by making Alaska eligible to share on the same basis as other States. However, as more pencils were brought into use to do the necessary calculations, it became apparent that around $11 million in additional funds would have to be authorized by amendatory legislation if Alaska were to receive that which it would be entitled to as a State without any of the other States suffering cutbacks, which they were not at all willing to accept. We were told very frankly that an effort to add any such sum would, if successful, confront a Presidential veto.

Obviously, there was no point then in engaging in legislative exercises in the Congress for the fun of it. And, very factually, I must add that I think that neither the House nor the Senate would have accepted a bill adding to the total airport sum by about $11 million. When the conferees decided, and the two Houses accepted the proposal for a simple extension of the existing act there was no likelihood that any substantial amendment would thereafter be accepted.

What to do, then? The members of the Alaska congressional delegation considered this as a proposition of the greatest urgency and importance. We held meetings with the Deputy Director of the Bureau of the Budget and a group of his people. It was then that the hopelessness of expecting a worthwhile amendment to the Airport Act became apparent. If I may give myself a measure of credit it was about that time that I came to the conclusion that the most we could hope for—and the very vital most it could turn out to be—would be to amend the law so as to permit Alaska to share in the discretionary funds allotted to the Administrator of the Federal Aviation Agency. Following the meeting with the Bureau of the Budget the members of the Alaska congressional delegation had another meeting with Deputy FAA Administrator James T. Pyle, and members of his staff. Whether it was by coincidence or whether in the circumstances it was the only decision that could be made, they and I about simultaneously at this meeting put the stamp of endorsement on a sharing in the discretionary fund.

The Administrator's views were not long after communicated to the Senate Interstate and Foreign Commerce Committee when Jim Pyle said in part:

"If the amendment which I recommended is adopted, Alaska will receive money to meet its urgent needs out of the discretionary fund. The Administrator will be in a position to insure that such money is used to meet these needs, and he will also require that Alaska be treated like other States in matching the Federal funds advanced. Alaska will also retain the advantage of having its share of project costs financed out of the $1,350,000 already authorized remain at 25 percent."

Mr. Pyle's statement about matching any discretionary funds granted means Alaska must put up 37½ percent to Uncle Sam's 67½ percent. But on the basic allocation Alaska will continue to match one-quarter to the Federal Government's three-quarters.

The amendment recommended by the FAA was accepted by the Senate committee which unanimously reported the bill. The bill was then passed by the Senate last week. I have talked with Chairman HARRIS of the corresponding House committee and urged prompt action on the bill there. I am hopeful that it will be granted, and that affirmative action will be taken.

Does this mean that substantial grants will be made from the discretionary fund to Alaska in the next 2 years? Not at all. It means that Alaska will have a chance, together with every other State, to request such funds. But I am confident that the high urgency of the need for runway extensions here at Anchorage and at Fairbanks, plus other airport needs in Alaska, are recognized by the FAA and will receive appropriate consideration from that agency of the Federal Government. In this connection, I cannot speak too highly of the splendid cooperation which has and is being given to us in the Federal Aviation Agency from General Quesada and Jim Pyle on down. Uniformly, they have been understanding, helpful and possessed of a vigor and will to advance the cause of Alaska aviation.

Taking a look back, you may be interested to know that from the 1947 fiscal year through fiscal year 1959, $7,284,904 had been made available as Federal allocations to Alaska. With this money 38 projects have been physically and financially completed, 12 are physically completed but awaiting financial payment from the Federal Government, 19 are now under construction and should be completed before October this year and 13 are programed for construction.

But even if the discretionary fund amendment becomes law, we shall be operating under a jerry-built stopgap arrangement. The airport program which was extended to mid-1961 is by no means a wholly adequate program to meet the Nation's jet age needs. It is a program that was veto proofed to meet most of the President's objections and to assure the country that the airport program would not expire completely. I think that you will all recall that the President vetoed a new airport program in 1958.

I look forward to passage of a much better and more comprehensive program under the new administration that will take office in 1961. One point of that program must be treatment of Alaska and Hawaii on an equal footing with the other 48 States.

Senator GRUENING, Representative RIVERS, and I were pleased to have been able to help our State government work out arrangements for the change of hands of the two international airports. This change should be completed in the next year. In the meantime, the FAA will operate the airports as the agent of the State.

In addition, the smaller intermediate airports held by the FAA are to be transferred to the State gradually.

When these transitions are completed, the State of Alaska will be operating one of the most extensive and busiest airport systems in the country. It will still need plenty of improvement in the future. We in Congress will do our best to see that it is as adequately supported by Federal grants as any other State's.

When two-motored aircraft first came into use in Alaska, Alaska pilots first went into uniform. I can remember ever so vividly those great big, marvelous Lockheed Electras, which must have carried 12 or 14 passengers and which opened up an entirely new era in Alaska aviation. The pilots denounced the uniforms they were required to wear with an understanding and ability to use the language comparable to that of a cowpuncher trying to lasso a balky steer. But I always thought that secretly they were proud and pleased as could be. Those were the days when on landing the passengers were told to remain in their seats until the pilot and copilot had made leisurely and grand exit from the plane.

Today it is otherwise. But the aura of romance, of accomplishment, of derring-do, of pioneering, of adventuring in the far places, still surrounds the Alaska aviator. They are successors to those elder giants of the Yukon of the gold stampede days. Romance, mystery, physical daring and hardihood—all of these are elements that go into the makeup of the true pioneer, wherever he is found at whatever time in history. For example, I cannot think of Ray Peterson as the president of a successful airline which is a constituent member of the Association of Local Transport Airlines, so much as a helmet-and-goggle flyer in the perfect days of long ago.

So I would conclude here by saluting a brave race of men who have carved their place in Alaska history and whose exploits and vision have opened up for us—for all Americans—the vastness of the Alaska skies and the treasures of land and ocean that lie beneath.

Congressman Dollinger's Annual Report

EXTENSION OF REMARKS

OF

HON. ISIDORE DOLLINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 2, 1959

Mr. DOLLINGER. Mr. Speaker, this is my 11th annual report to my constituents; I have sent them an annual report every year since coming to Congress. This report will be a résumé of my aims and efforts in behalf of the people I represent, as well as a summing

up of the work of the 1st session of the 86th Congress. I have enjoyed representing the fine people of my district, and have considered it a privilege to strive for legislation beneficial to them as well as for the best interests of our country.

This Congress has accomplished a great amount of work, when we consider the overwhelming volume of business before it, the defense of our Nation being of primary concern. Vital domestic issues had to be considered as well as the Mutual Security Act, which fortifies our position with friendly nations and enables them to gain economic strength and protect themselves against aggressors.

In addition, we have had to grapple with the many crises engendered by the Soviet menace and the continuing cold war, as well as the explosive situations prevalent in many corners of the earth. Israel's position remains untenable and insecure regardless of the tremendous sacrifices of her people, their ability and industry, for her enemies still threaten to destroy her. I have lost no opportunity to urge that she be given all possible aid, for Israel is our bastion of democracy in the Middle East; she is our friend and ally; she deserves all that we can do to help her.

LABOR

This country's millions of workers await with great anxiety the final provisions of the highly controversial labor bill. At this writing, we do not know what the law will provide, as the Senate and House bills are in conference. We do know that as usual, Republicans favored management, and they, together with the southern bloc, succeeded in passing the Landrum-Griffin bill in the House. This has been labeled a bill which would "kill" the union movement; it has been charged that it was "probably authored by representatives of the National Association of Manufacturers." It has also been charged that a deal was made between Republicans and certain southern Democrats—that the Republicans would stymie action on civil-rights legislation in return for southern votes in favor of the Republican-sponsored Landrum-Griffin bill. I voted against this bill, the effect of which would throw the weight of the Federal Government on the side of management and would inflict punishment on the millions of honest, law-abiding men and women who belong to unions.

I favored a strong and constructive labor reform bill, which would protect union members and end abuses; I shall continue to fight against any labor bill which is punitive, which penalizes innocent workers, and which would deprive labor of any of its hard-won battles and advances. I hope that we shall have the opportunity to consider a final bill which will provide union members with all necessary safeguards and which will not tip the Taft-Hartley scales still more in favor of employers and against workers.

For many years, I have introduced bills to increase the minimum hourly wage from $1 to $1.25. I urged action on my bill, pointing out that millions of our people are merely existing; they live in substandard conditions because they are underpaid and because high living costs and high taxes make it impossible to provide their families and themselves with barest necessities.

CIVIL RIGHTS

Hope for passage of an effective civil rights bill at the present session of Congress grows dimmer; this is a severe blow to all who recognize the great need for such legislation. The 1957 civil rights right-to-vote bill is virtually ineffective; it needs teeth. Unless the Civil Rights Commission is given some real power, Negroes will go into the 1960 elections as voteless as ever. The President wants the Commission extended for 2 more years. This amounts to only a token gesture on his part, when we consider that he has yet to make an earnest plea for strong civil rights legislation. The Republicans are responsible for failure to vote a civil rights bill out of committee; if the Republicans were sincere in their campaign promises regarding civil rights, Members of Congress would have had the opportunity to vote on a good bill long before this, but so far, the Republican members of the committee in charge have withheld their support. The Attorney General must have authority to seek Federal court injunctions to enforce school desegregation and civil rights generally, and legislation to give him such authority should be given priority.

I have introduced strong civil rights bills to end the unconscionable discrimination, harassment, intimidation, and other human indecencies which are being inflicted upon a vast segment of our population. We cannot claim to have true democracy in our country, equality of men, equality of opportunity, freedom as guaranteed by our Constitution, until every vestige of discrimination because of race, color, or religion is abolished.

HOUSING

The President's veto of the first housing bill passed during the present session of Congress came as a great shock to me. In my opinion, his action was not only ill advised but was unconscionable, when we consider that countless Americans now merely exist in substandard dwellings, and that they must rely on the help of the Federal Government for public housing.

We have now passed a second housing bill and it is to be hoped that it will become law. The bill provides for urban renewal grants; 37,000 additional public housing units, loan programs for construction of college classrooms and dormitories, and housing for elderly persons. This represents a constructive and vitally needed program, but it only begins to meet the minimum standards we should set for American living.

IMMIGRATION

I, with other members of the New York Democratic delegation, introduced an Immigration and Citizenship Act to supersede the present Immigration and Nationality Act, known as the McCarran-Walter Act. It has long been recognized that the present law is discriminatory, unfair, and undemocratic. Under our proposal there will be no discrimination based on national origin or race, no classification of U.S. citizens into two categories, native born and naturalized. There will be no additional grounds for loss of U.S. citizenship by naturalized citizens except those that apply to native-born citizens. Many other necessary provisions are also included.

I hoped that, in view of the fact that the United States joined with other free countries in the United Nations in sponsoring a proposal for a World Refugee Year, and inasmuch as our attention was directed toward those unfortunates so desperately in need of a homeland, Congress would pass legislation liberalizing our immigration laws. However, that hope has been dashed also, and we continue to shirk our duty toward mankind while other nations, less able to sacrifice than ours, are opening their hearts and doors to the unfortunate, the homeless, the innocent victims of wars and oppression.

FEDERAL AID TO EDUCATION

Democrats are rightfully proud of their sincere efforts and great accomplishments. Their aim has always been to afford the help which the people need. By contrast, we find the Republicans still indulging in their deceitful promises and then sabotaging or ignoring the legislation which would provide for the very benefits they advocate by word only. As witness the deplorable plight of our public school system. The administration has, as usual, called attention to the desperate conditions, but has made no effectual moves to correct those conditions. There is a shortage now of about 140,000 classrooms throughout the United States. There is a great shortage of teachers. The administration is primarily to blame that this grave problem has once again been swept under the rug and that about 10 million American children are doomed to overcrowded and obsolescent classrooms in the richest Nation on earth.

SOCIAL SECURITY, PROBLEMS OF THE AGED, AND OTHER IMPORTANT LEGISLATION

I have been happy to support legislation liberalizing benefits under the Social Security Act and have introduced bills to provide further benefits. Among the latter are bills to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits under the act; to provide that full benefits thereunder, when based upon the attainment of retirement age, will be payable to men at age 60 and to women at age 55; and to eliminate the requirement that an individual must have attained the age of 50 in order to become entitled to disability insurance benefits.

I also introduced a bill to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits. The protection offered by this bill is vitally needed by those many thousands of our older people who now cannot afford necessary medical, nursing, or hospital care; they cannot obtain or afford private insurance and they cannot meet the expense

of illness. Costs of such care continue to rise, and the Federal Government must act to protect all those who are in dire need of such assistance.

Older workers and their problems have continued to receive my attention, and I reintroduced my resolution which would end existing bias against the hiring of older workers, and which would assist them in maintaining their rightful and dignified place as useful members of society.

I have introduced bills to lighten the taxload; to repeal excise taxes; to grant additional income tax exemptions to those supporting a dependent who is permanently handicapped; to those receiving retirement annuities or pensions; to those who are physically handicapped; to increase the personal income tax exemption of taxpayers.

Veterans deserve all possible assistance, and I have been happy to support legislation in their behalf at every opportunity, as well as to introduce bills beneficial to them. I am gratified that the liberalized veterans' pension bill, recently passed, has been signed into law.

I voted for the Federal employee health program bill and am pleased that it passed. I trust it will be signed into law. This will enable Federal employees to purchase protection at a cost which is within their means, from the unanticipated and oppressive costs of medical care, as well as the often crushing expense of so-called catastrophic illness or serious injury. The bill is designed to close the gap which now exists and bring the Government abreast of most private employers who have for many years been establishing and operating contributory health benefit programs for their employees.

I was happy to procure passage of my bill in the House to provide for the honorary designation of Saint Ann's churchyard in the city of New York as a national historic site. This culminated 11 years of unrelenting work on my part regarding the designation of Saint Ann's churchyard. Last year, I thought my work was finished when the House passed the bill, but it was defeated in the Senate committee. I renewed my efforts again this year; it again passed the House, and at this moment the bill is once more bottled up in the Senate committee. I can only hope that the Senate will take favorable action.

CONCLUSION

Space limitation prevents my discussing all the subjects important to my constituents. I hope the foregoing will show, to some extent, what I have endeavored to accomplish and what the 86th Congress has done so far.

My congressional office at 938 Simpson Street is open daily, and my constituents are welcome to call there and discuss matters of interest to them. I am always pleased to see them, to receive their letters, and to do all I can to be helpful.

SENATE

THURSDAY, SEPTEMBER 3, 1959

(Legislative day of Monday, August 31, 1959)

The Senate met at 9:30 o'clock a.m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God of life and light, whose love is unfailing and in whose mercy there's a wideness like the wideness of the sea.

At this wayside shrine of prayer set up so long ago by those who launched our ship of state and hallowed across the long years we lift up our souls unto Thee.

We come unto our father's God
Their rock is our salvation
The eternal arms their dear abode
We make our habitation
We seek Thee as Thy saints have sought
In every generation.

In this forum of deliberation and debate amid the din and clash of differing opinions may we here unite in keeping always a constant sense of the eternal which will save us from spiritual decay, from moral cowardice, and from any betrayal of the highest public good.

In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, September 2, 1959, was dispensed with.

REPORT OF CONFERENCE COMMITTEE ON SENATE BILL 1555, SUBMITTED DURING RECESS (S. DOC. NO. 51)

Under authority of the order of the Senate of September 2, 1959,

Mr. KENNEDY, on September 2, 1959, submitted the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes, which was printed,

(For conference report, see House proceedings of today.)

ENROLLED BILLS SIGNED

The VICE PRESIDENT announced that on today, September 3, 1959, he signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 539. An act for the relief of Mrs. Joyce Lee Freeman;

S. 669. An act to authorize the Secretary of Agricultaure to convey certain lands to the Bethel Baptist Church of Henderson, Tenn.;

S. 696. An act for the relief of Mrs. Annie Voisin Whitley;

S. 1071. An act for the relief of Nettie Korn and Manfred Korn;

S. 1298. An act for the relief of Concetta Meglio Meglio;

S. 1392. An act for the relief of Isabel M. Menz;

S. 1557. An act for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim;

S. 1650. An act for the relief of Edmund A. Hannay;

S. 1667. An act for the relief of the widow of Col. Claud C. Smith;

S. 1792. An act for the relief of Lilia Alvarez Szabo;

S. 1915. An act for the relief of Chung Ching Wei;

S. 1921. An act to exempt from taxation certain property of the United Spanish War Veterans, Inc., in the District of Columbia;

S. 1958. An act to amend section 12 of the act of March 5, 1915, to clarify types of arrestment prohibited with respect of wages of U.S. seamen;

S. 2021. An act for the relief of Irene Milios;

S. 2027. An act for the relief of William James Harkins and Thomas Lloyd Harkins;

S. 2050. An act for the relief of Leokadia Jomboski;

S. 2081. An act for the relief of Yadwiga Boczar;

S. 2102. An act for the relief of Irene Wladyslawa Burda; and

S. 2238. An act for the relief of Kenzo Hachtmann, a minor.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on September 1, 1959, the President had approved and signed the following acts:

S. 510. An act for the relief of Peter R. Muller;

S. 554. An act for the relief of Argyrios G. Georgandopoulos;

S. 900. An act to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes;

S. 967. An act for the relief of Lea Levi; and

S. 1945. An act for the relief of Josef Jan Loukotka, Mieczyslaw J. Piorkowski, and Jan Frantisek Sevcik.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of William A. M. Burden, of New York, to be Ambassador Extraordinary and Plenipotentiary to Belgium, which was referred to the Committee on Foreign Relations.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. CLARK, and by unanimous consent, the Subcommittee

on Retirement of the Committee on Post Office and Civil Service was authorized to meet during the session of the Senate today.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. JOHNSON of Texas. Mr. President, I inform the Senate that unanimous consent has been granted for the usual morning hour for the transaction of routine business, with the limitation of statements to 3 minutes.

The VICE PRESIDENT. The Senator is correct.

Mr. JOHNSON of Texas. If any Senator desires recognition, I yield the floor.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON FEDERAL CONTRIBUTIONS UNDER CIVIL DEFENSE ACT OF 1950

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law a report on Federal contributions under the Civil Defense Act of 1950, for the quarter ended June 30, 1959 (with an accompanying report); to the Committee on Armed Services.

AMENDMENT OF INTERNAL REVENUE CODE RELATING TO EXEMPTION OF CERTAIN COMPANIES FROM PERSONAL HOLDING COMPANY TAX

A letter from the Administrator, Small Business Administration, Washington, D.C., transmitting a draft of proposed legislation to amend section 542(c) of the Internal Revenue Code of 1954 (relating to exceptions from the term "personal holding company") to exempt small business investment companies from the personal holding company tax (with accompanying papers); to the Committee on Finance.

AUDIT REPORT ON DEVELOPMENT LOAN FUND

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Development Loan Fund, fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

The memorial of George Washington Williams, of Baltimore, Md., remonstrating against the establishment of a memorial to the late Franklin Delano Roosevelt; ordered to lie on the table.

A resolution adopted by the City Council of the City of Pueblo, Colo., favoring the enactment of legislation to provide home rule in the District of Columbia; ordered to lie on the table.

PREMIER KHRUSHCHEV'S VISIT—RESOLUTION

Mr. FREAR. Mr. President, I had intended to address the Senate on September 1, on the 20th anniversary of the invasion of Poland by Germany, followed, 16 days later, by the invasion of Poland by Russia.

It was my privilege, on September 1 of this year, to be in Warsaw, Poland, attending the annual meeting of the Interparliamentary Union. While there, I also had an opportunity to discuss briefly, with several citizens of Warsaw, matters of deep concern to them.

During these brief conversations, I heard expressions of sorrow because of the yoke of bondage placed upon the nation of Poland. Yet there was also a grim determination to look forward toward a time when freedom would be enjoyed.

In Delaware, the Polish people also express deep concern because of the situation which encompasses their ancestral nation; and in recognition thereof, they adopted a resolution in opposition to the forthcoming visit of Soviet Premier Khrushchev to the United States.

Mr. President, I ask unanimous consent that a resolution adopted by the executive board of the Council of Polish Societies and Clubs in the State of Delaware, and the Delaware division of the Polish-American Congress, at their joint meeting held August 25, 1959, be inserted in the RECORD as an extension of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution adopted by the executive board of the Council of the Polish Societies and Clubs in the State of Delaware and of the Delaware division of the Polish American Congress at its meeting, held on Tuesday evening, August 25, 1959, at the Polish American Civic Association Hall, 618 South Franklin Street, Wilmington, Del.:

"Whereas President Eisenhower recently lamented the apathy of many Americans in the face of the Soviet menace. He could not understand why the tyranical regime in Moscow, dedicated to world revolution, was treated so indifferently by many citizens of the Republic; and

"Whereas our U.S. Congress passed resolutions, a Captive Nations Week was organized. The churches were solicited to join prayers to proclamations. The plight of the captive nations was mooned over and moaned over, but just for a day. The Captive Nations Week proposal has been a fraud; and

"Whereas the President's action, inviting the head of the Soviet regime to be a guest of the United States, could not by any chance be called apathetic. Rather it will appear to many as a colossal swallowing of principle, a betrayal of our civilization, a misfortune destructive of the loyalty we owe to American youth who have perished at the hands of Soviet treachery, and an insult to the millions of people enslaved by the dictatorship; and

"Whereas by inviting Khrushchev, is the President backing down from the historic U.S. refusal to recognize the Kremlin's rights to keep Albania, Czechoslovakia, East Germany, Estonia, Hungary, Latvia, Lithuania, Poland and Rumania in chains? If he has not written off these tragic countries and their enslaved peoples, will the President kindly explain just what he has done in this regard? and

"Whereas Khrushchev, has on his hands the blood of millions of people who were murdered under his direction, he is responsible for the suffering of millions more in concentration camps and slave labor camps. He is the persecutor of Cardinal Mindszenty, Archbishop Baran and countless other churchmen of various faiths. He holds under cruel tyranny a dozen captive nations in Eastern Europe. He has refused to make slightest concession in the interest of justice and peace in the world. Yet our Government proposes to bestow upon Khrushchev all of the cordialities, courtesies and kindnesses of the American people; and

"Whereas Khrushchev wants to come to the United States for two reasons, both of them to his advantage, pictures of Khrushchev, being wined and dined by Eisenhower and other U.S. leaders will be shown all over the world to indicate to the captive nations that there is no hope for them because we have made friends with their slave masters; and

"Whereas we are gravely disturbed by the invitation extended to Mr. Khrushchev to visit our country. In our judgment this invitation cannot but be deplored as another Russian cold-war victory which Moscow is already celebrating as Khrushchev's triumph, this planned action appears now as a cynical sequel to our first observance of Captive Nations Week; and

"Resolved, That the President's invitation to Khrushchev deserves the strongest opposition from Christian people in our land. Before God it is morally wrong. We cannot expect almighty God to help us in our struggle for survival when we court the chief spokesman of the Devil who repudiates God. The resistance to this visit should be so great that Khrushchev will decline to come just as he did in Sweden. Our Nation is being deceived; and further

"Resolved, That millions of Americans of Polish ancestry know the background of Nikita, that is why we object to his visit here. It is an insult to all subjugated nations for whom America is the ideal of democracy, a beacon of hope; and be it further

"Resolved, We respectfully urge you, Mr. President, with all of the earnestness we can convey, to reconsider your decision; and to insist that the Soviet Premier postpone his visit to our country until he has shown by his treatment of the captive nations and their enslaved peoples, that he is no longer the enemy of freedom and of ourselves; and be it further

"Resolved, That a copy of this resolution be mailed to the President and to the Vice-President of the United States and to the Members of the U.S. Congress representing the State of Delaware."

[SEAL] CASIMIR CHETKOWSKI,
President.

Attest:

VINCENT J. KOWALEWSKI,
Secretary.

THE JAYCEE COMMUNITY DEVELOPMENT PROGRAM—TELEGRAM

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram which I received from J. G. Quandt, president of the North Dakota Jaycees, Fargo, N. Dak., relating to the Jaycee community development program.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

FARGO, N. DAK., *August 27, 1959.*

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: The North Dakota Jaycees are very interested in the Resolution 173 explaining and endorsing the community development program of the U.S. Junior Chamber of Commerce. The adoption of this resolution would be very important because then it wouldn't be just the Jaycees that will be aware of the large scope of this program. Look favorably upon this Senate Resolution 173.

Sincerely,

J. G. QUANDT,
President, North Dakota Jaycees.

INCREASED FEDERAL GASOLINE TAX—LETTER AND RESOLUTION

Mr. LANGER. Mr. President, I am in receipt of a letter from E. W. Stephens, secretary, Northwest Central States Gasoline Tax Administrators Conference, of Pierre, S. Dak., enclosing a resolution adopted by that organization, relating to increased Federal gasoline taxes. I ask unanimous consent that the letter and resolution be printed in the RECORD.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

NORTHWEST CENTRAL STATES,
GASOLINE TAX ADMINISTRATORS CONFERENCE,
Pierre, S. Dak.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR LANGER: I enclose copy of resolution which was adopted by unanimous vote of our conference at its annual meeting held June 25 and 26, last, in Rapid City, S. Dak., for your information. You will note from the reading of this resolution that our conference feels very strongly about suggestions recently made to increase the Federal gasoline tax.

In addition to the reasons set forth in the resolution for opposition to any increase in the Federal gasoline tax, it was brought out in discussions about the subject that any further increase in the Federal gasoline tax will raise further problems in the States affecting gasoline tax refunds on both State gasoline taxes as well as the Federal gasoline tax. The consensus of the meeting appeared to be that such Federal gasoline tax increase would bring the tax on gasoline, throughout the States represented at the meeting, to such a high level that the temptation to evade the tax would be much greater and could very possibly in the future bring about a chaotic condition in the collection of State gasoline taxes. It appeared from the discussion that any such increase might, in fact, bring about little if any additional highway revenue because of the pressure upon gasoline tax refunds.

I note that hearings will soon be had by the House Ways and Means Committee on the proposed Federal gasoline tax increase and hope this information will be of benefit to you and properly inform you of the thinking of our conference.

Membership of our conference is composed of the motor fuel tax collectors and also tax commissioners or revenue commissioners of the following Midwestern States: Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, and Wyoming. Tax representatives of the oil industry are likewise participants in the conference meetings and discussions.

Very truly yours,

E. W. STEPHENS,
Secretary.

RESOLUTION 3

Whereas high State and Federal gasoline taxes already are unduly penalizing the motoring public and raising the specter of gasoline tax evasion; and

Whereas Interstate Highway trust fund revenues would be sufficient if diversions of automotive excise taxes were halted; and

Whereas the recommended 50 percent increase in the Federal gasoline tax will further usurp a field of taxation which should be left to the States: Now, therefore, be it

Resolved, That the Northwest Central States Gasoline Tax Administrators Conference go on record as definitely opposed to any increase in the Federal gasoline tax.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, with amendments:

H.R. 6059. An act to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes (Rept. No. 882).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

H.R. 2301. An act for the relief of Mrs. Gladys M. Ellison (Rept. No. 883);

H.R. 5357. An act for the relief of Loretta F. Ossorio (Rept. No. 884);

H.R. 6335. An act for the relief of Mrs. Lourene O. Estes (Rept. No. 885);

H.R. 6546. An act for the relief of Nancy Mae Floor (Rept. No. 886);

H.R. 7744. An act for the relief of John I. Strong (Rept. No. 887);

H.R. 7857. An act for the relief of Richard C. Long (Rept. No. 888);

H.R. 8196. An act for the relief of Everet Bumgardner (Rept. No. 889);

H.R. 8197. An act for the relief of Lawrence M. Furtado (Rept. No. 890);

H.R. 8198. An act for the relief of Martin Ackerman (Rept. No. 891);

H.R. 8199. An act for the relief of James J. Manning (Rept. No. 892); and

H.R. 8310. An act for the relief of Joseph H. Cornell (Rept. No. 893).

By Mr. RUSSELL, from the Committee on Armed Services, without amendment:

H.R. 8189. An act to improve the active duty promotion opportunity of Air Force officers from the grade of captain to the grade of major (Rept. No. 900).

By Mr. THURMOND, from the Committee on Armed Services, without amendment:

S. 2168. A bill to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine (Rept. No. 894).

By Mr. JACKSON, from the Committee on Armed Services, without amendment:

H.R. 2247. An act to authorize the conveyance of certain real property of the United States to the county of Sacramento, Calif. (Rept. No. 896); and

H.R. 8315. An act to authorize the Secretary of the Army to lease a portion of Fort Crowder, Mo., to Stella Reorganized Schools R–I, Missouri (Rept. No. 897).

By Mr. JACKSON, from the Committee on Armed Services, with an amendment:

H.R. 2449. An act to authorize the Secretary of the Army to lease a portion of Twin Cities Arsenal, Minn., to Independent School District No. 16, Minnesota (Rept. No. 895).

By Mr. SYMINGTON, from the Committee on Armed Services, without amendment:

H. Con. Res. 166. Concurrent resolution providing the express approval of the Congress under section 3(e) of the Strategic and Critical Materials Stock Piling Act, of the disposal of rough cuttable gem-quality diamonds, cut and polished gem-quality diamonds, osmium, rhodium, ruthenium, and zircon concentrates from the national stockpile (Rept. No. 898).

By Mr. BARTLETT, from the Committee on Armed Services, without amendment:

H.R. 6269. An act to amend section 265 of the Armed Forces Reserve Act of 1952 to define the term "a member of a reserve component" so as to include a member of the Army or Air Force without specification of component (Rept. No. 899).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 1806. A bill to revise title 18, chapter 39, of the United States Code, entitled "Explosives and Combustibles" (Rept. No. 901).

EXECUTIVE REPORTS OF THE COMMITTEE ON ARMED SERVICES

Mr. SALTONSTALL. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nomination of Mr. J. Vincent Burke, Jr., of Pennsylvania, to be General Counsel of the Department of of Defense.

I also report favorably the nominations of 9 general officers for appointment in the Regular Army; the appointment and promotion of 22 Reserve commissioned officers in the Army; the nomination of one officer for reappointment to the active list of the Army as major general and advanced on the retired list as lieutenant general; the nomination of Rear Adm. Paul D. Stroop to be Chief of the Bureau of Naval Weapons in the Department of the Navy; the temporary promotion of 41 rear admirals in the Navy; and 3 lieutenant generals to be placed on the retired list in the Marine Corps. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. BUSH in the chair). The nominations will be placed on the Executive Calendar, as requested by the Senator from Massachusetts.

The nominations placed on the Executive Calendar are as follows:

J. Vincent Burke, Jr., of Pennsylvania, to be General Counsel of the Department of Defense;

Maj. Gen. Walter Bernard Yeager, and sundry other officers, for appointment in the Regular Army of the United States;

Brig. Gen. William Edwards Blake, and sundry other officers for promotion as Reserve commissioned officers of the Army;

John Taylor Lewis, for reappointment on the active list of the Army as major general and advanced on the retired list as lieutenant general;

Rear Adm. Paul D. Stroop, U.S. Navy, to be Chief of the Bureau of Naval Weapons in the Department of the Navy;

Samuel B. Frankel, and sundry other officers of the line and staff corps of the Navy for temporary promotion to the grade of rear admiral;

Edwin A. Pollock and Merrill B. Twining, of the Marine Corps, to be placed on the retired list with the grade of lieutenant general; and

Lt. Gen. Vernon E. Megee, U.S. Marine Corps, to be placed on the retired list with the grade of lieutenant general.

Mr. SALTONSTALL. Mr. President, also from the Committee on Armed Services, I report favorably a group of 240 appointments and promotions in the Navy and Marine Corps, a group of 317 promotions in the Regular Army, and a group of 44 appointments in the Regular Air Force. All of these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, the nominations will lie on the desk, as requested by the Senator from Massachusetts.

By Mr. BARTLETT, from the Committee on Armed Services:

The following named officers to be assigned to positions of importance and responsibility designated by the President in rank as follows:

Maj. Gen. Emerson Charles Itschner, Chief of Engineers, U.S. Army, in the rank of lieutenant general.

Maj. Gen. John Honeycutt Hinrichs, Chief of Ordnance, U.S. Army, in the rank of lieutenant general.

Maj. Gen. Robert Frederick Sink, U.S. Army, in the rank of lieutenant general.

Maj. Gen. Leonard Dudley Heaton, the Surgeon General, U.S. Army, in the rank of lieutenant general.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSH:

S. 2635. A bill for the relief of Maria Genowefa Kon; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself and Mr. SALTONSTALL):

S. 2636. A bill to provide for the establishment of Cape Cod National Seashore Park; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. KENNEDY, when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER (for himself and Mr. JAVITS):

S. 2637. A bill to authorize Federal grant assistance to school districts in financing a 4-year program of construction of urgently needed elementary and secondary public school facilities; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. COOPER when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND:

S. 2638. A bill for the relief of the estates of certain members of the Mississippi National Guard who suffered accidental death while in preparation for active Federal military service in the Korean conflict; to the Committee on Finance.

By Mr. KUCHEL:

S. 2639. A bill for the relief of Tong Mo Loui; to the Committee on the Judiciary.

By Mr. CURTIS:

S. 2640. A bill to provide for the inclusion of the Nebraska Mid-State unit in the Missouri River Basin project; to the Committee on Public Works.

By Mr. WILEY:

S. 2641. A bill for the relief of Terri Jeanne Jordan; to the Committee on the Judiciary.

By Mr. KEATING (for himself, Mr. BEALL, and Mr. CASE of South Dakota):

S.J. Res. 138. Joint resolution proposing an amendment to the Constitution of the United States granting representation in the House of Representatives and in the electoral college to the District of Columbia; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION: PRINTING AS A SENATE DOCUMENT THE STUDY ENTITLED "TENSIONS IN COMMUNIST CHINA"

Mr. WILEY submitted a resolution (S. Res. 186) to print the study "Tensions in Communist China" as a Senate document, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. WILEY, which appears under a separate heading.)

FEDERAL AID TO SCHOOL CONSTRUCTION

Mr. COOPER. Mr. President, on behalf of the distinguished senior Senator from New York [Mr. JAVITS] and myself, I introduce, for appropriate reference, a school construction bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2637) to authorize Federal grant assistance to school districts in financing a 4-year program of construction of urgently needed elementary and secondary public school facilities, introduced by Mr. COOPER (for himself and Mr. JAVITS), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. COOPER. Mr. President, several aid-to-education bills have been introduced in the Senate this year, including the Murray-Metcalf bill (S. 2), the administration's proposal (S. 1016), and the bill sponsored by the distinguished senior Senator from Michigan [Mr. MCNAMARA] and other Senators (S. 8) which was reported last week to the full Committee on Labor and Public Welfare by the Subcommittee on Education.

Our purpose is to lay before the Senate, for the consideration of Senators who believe that school construction must proceed in less fortunate areas of our country, a proposal which we believe could be enacted by the Congress, and which we hope the President would approve.

Mr. President, in the short time I have I shall not undertake to detail all the provisions of the bill. Its main provisions are these:

The Federal Government would join with the States in a matching grant program to initiate $4 billion worth of school construction in needy districts over a 4-year period.

Each year for 4 years, the Federal Government would commit itself to provide annual grants to the States representing the Federal share of the annual principal and interest on $1 billion worth of school bonds. This construction allocation would be apportioned among the States on the basis of school population, per capita income, and school financing efforts.

We believe that this proposal has advantages over the school construction bill (S. 8) which has been reported to the full Senate Committee on Labor and Public Welfare by its Subcommittee on Education. In the first place, it would provide for the construction of 100,000 schoolrooms in the United States over a period of 4 years, as compared to 50,000 classrooms which would be provided by S. 8. The admitted classroom shortage in the Nation is 140,000 schoolrooms.

Our bill has a second advantage. It would stretch out the payments for the Federal assistance to school construction in needy areas over a period of years, which would make the burden bearable, both by the Federal Government and the States. Essentially, it is a guarantee by the Federal Government that it will help meet the annual principal and interest payments on bonds issued by local school districts. Over a period of 20 to 30 years the Federal Government would, through annual grants, share the cost of paying off the local school bonds, in effect helping to pay for the schools while they are being used. The Federal cost of this part of the program would start at about $27 million a year, and rise to $86 million a year by the fourth year, continuing at that level until the local school bonds are paid off.

Our bill has a third advantage. It would make possible stretching out the payments of the States over the same period of years. There is a tendency to think only of the burden of expenditures on the Federal Government, and to forget that requiring local districts or States to put up large matching amounts in a short period may impose a severe burden on them. I doubt very much whether local districts or the States could match $500 million a year for the next 2 years, as proposed by the bill of my distinguished colleague from Michigan [Mr. MCNAMARA].

A fourth feature of the bill the Senator from New York [Mr. JAVITS] and I have introduced, which is not present in any other bill, is that it would help those needy districts which have no funds, and which are unable to issue bonds, to finance their urgently needed classroom construction. We have included a provision that, for the first 2 years if the school district is unable by reason of a State or local debt limit to issue school bonds, the Federal Government will advance its full share of the total cost of building the classrooms, until such time as the debt limitations

can be removed and the district joins the regular program.

Fifth, our bill also contains a highly important provision, which is the child of the mind of my distinguished colleague from New York [Mr. JAVITS]. This is a wholly new provision, which I believe no school construction bill before now has included. It deals with the efforts of the States to raise teachers' salaries, and I am sure he will speak of this feature.

Since sputnik went up, there has been been a great deal of talk about raising the quality of education in this country, about providing schools, and increasing teachers' salaries. With the exception of the National Defense Education Act of last year, very little has been done. We are offering this bill and intend to offer it in the full Committee on Labor, in the belief that it provides a means, bearable by both the Federal Government and the States, to break the back of the problem of school construction.

Later in this week, I will introduce a bill, simple in its proposals, one not calling for large expenditures, which I believe could be used to encourage improving the quality of curriculums, and raising the standards of scholarship of pupils, and thus have effect to improve the quality of our educational system.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JAVITS. I point out that the fifth point about the bill, the raising of teachers' salaries, is very important. Teachers place great store by it, and so do communities.

Under the terms of the bill, the States which put forth the best efforts in raising teachers' salaries would have a more favorable matching formula with the Federal Government than the States which do not. The aid would be based upon the capabilities of the States, predicated upon per capita income. Under present circumstances, that is the best way to do something about teachers' salaries in what is essentially a school construction bill.

Mr. COOPER. I thank my colleague, who serves with me on the Subcommittee on Education, and who has been so active in urging better schools and more adequate salaries for teachers.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a brief statement explaining the purposes of the bill, a statement of the school construction which could be programed in each State under this plan, and a comparison with other school construction bills before the committee.

Mr. President, I think it is also appropriate at this time to call attention again to the energy, devotion and deep belief of the senior Senator from Michigan [Mr. MCNAMARA] who has proposed S. 8. After offering an amended bill in the subcommittee, which was not accepted, I voted to report his bill to the full committee, for I believe that the Congress should act. But with my colleague, Senator JAVITS, I sincerely believe the bill we offer today would be more effective, and most important, has chance of being enacted.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

OUTLINE OF COOPER-JAVITS BILL, S. 2637—A $4 BILLION, 4-YEAR PROGRAM TO BUILD 100,000 CLASSROOMS

The Federal Government would join with the States in a matching grant program to initiate $4 billion worth of school construction in needy districts over a 4-year period.

Each year for 4 years, the Federal Government would commit itself to provide annual grants to the States representing the Federal share of the annual principal and interest on $1 billion worth of school bonds. This construction allocation would be apportioned among the States on the basis of school population, per capita income, and school financing efforts. The Federal share of grants for principal and interest would be $27 million in the first full year of operation. By the fourth year the Federal grants would reach a maximum level of $86 million, which would continue for a 20- to 30-year period until the bonds are paid off.

A State would finance its share of its construction allotment either by putting up cash (in the form of capital grants or interest-deferred loans) or, like the Federal Government, committing itself to pay its share of the principal and interest on bonds issued by needy school districts. The State would set construction priorities among districts on the basis of relative need. For the first year of the program, matching funds could be provided by the local districts, instead of the States, in order to get the program underway promptly.

The Federal matching share would range from $3 of Federal money for $2 of State money to $2 Federal money for $3 State money. Those States making a teacher salary effort (in terms of State income) substantially greater than the national average would be eligible for premium matching, with the Federal share up to 60 percent. States falling below teacher salary expenditures consistent with their income and public school population, would receive Federal matching under 50 percent but not less than 40 percent.

Any district which has reached its legal debt limit and is unable to obtain funds could participate in the program without delay during the first 2 years by obtaining Federal capital grants equal to the Federal share of the cost of the school construction project. Such districts could qualify for capital grants upon State assurance that it will seek the amendments to State laws which are necessary to enable the school districts to borrow additional funds. An estimated one-fourth of all districts qualifying for help would become eligible for capital grants, adding about $125 million to the Federal cost in each of the first 2 years of the program. With the proceeds of bonds issued after the State takes action to permit additional borrowing, the districts could return to the Treasury amounts equal to the Federal capital grants paid to them, and their annual installments of principal and interest on these bonds would then be paid by the Federal Government and the State under the regular program. If the State law is not amended and amounts equal to the capital grants are not returned, the State would have its allocation reduced proportionately in the third year.

Thus, the program would initiate $4 billion worth of school construction (about 100,000 classrooms) in needy districts which could not otherwise provide adequate educational facilities, at the rate of about 25,000 classrooms a year.

COOPER-JAVITS SCHOOL CONSTRUCTION BILL, S. 2637—TOTAL CONSTRUCTION OF $4 BILLION OVER 4 YEARS—AN ESTIMATED 100,000 NEW CLASSROOMS

State	Amount	Classrooms
United States	$4,000,000,000	100,000
Alabama	117,646,000	2,941
Alaska	1,955,000	49
Arizona	33,515,000	838
Arkansas	70,645,000	1,766
California	214,396,000	5,360
Colorado	41,876,000	1,047
Connecticut	25,597,000	640
Delaware	4,199,000	105
District of Columbia	6,941,000	174
Florida	84,502,000	2,113
Georgia	150,592,000	3,765
Hawaii	15,250,000	381
Idaho	24,754,000	619
Illinois	132,482,000	3,312
Indiana	98,077,000	2,452
Iowa	81,938,000	2,048
Kansas	60,651,000	1,516
Kentucky	82,843,000	2,071
Louisiana	104,574,000	2,614
Maine	20,819,000	520
Maryland	59,371,000	1,484
Massachusetts	74,931,000	1,873
Michigan	167,863,000	4,197
Minnesota	89,155,000	2,229
Mississippi	97,400,000	2,435
Missouri	72,149,000	1,804
Montana	18,765,000	469
Nebraska	36,707,000	918
Nevada	4,375,000	109
New Hampshire	11,232,000	281
New Jersey	70,461,000	1,762
New Mexico	31,486,000	787
New York	184,130,000	4,603
North Carolina	192,407,000	4,810
North Dakota	23,313,000	583
Ohio	153,335,000	3,833
Oklahoma	81,405,000	2,035
Oregon	44,385,000	1,110
Pennsylvania	213,316,000	5,333
Rhode Island	10,454,000	261
South Carolina	105,778,000	2,644
South Dakota	23,290,000	582
Tennessee	114,691,000	2,867
Texas	264,795,000	6,620
Utah	34,180,000	855
Vermont	10,681,000	267
Virginia	101,005,000	2,525
Washington	65,831,000	1,646
West Virginia	66,051,000	1,651
Wisconsin	84,222,000	2,106
Wyoming	10,031,000	251
Guam	2,305,000	58
Puerto Rico	106,055,000	2,651
Virgin Islands	1,193,000	30

Figures are for total construction allocated to each State. Allocation based on school population, per capita income, and school financing efforts. One billion dollars' worth of construction (an estimated 25,000 classrooms) programed each year for 4 years.

Figures are not Federal share of construction costs. The Federal matching share would would range from $3 of Federal money for $2 of State money, to $2 Federal money for $3 State money, according to States teacher salary support index. Those States making a teacher salary effort (in terms of State income) substantially greater than the national average would be eligible for Federal matching up to 60 percent.

Teacher salary support index is computed by dividing State teacher salary expenditures per public school child by State income per child of school age. A low-income State devoting as high a proportion of its income to teachers' salaries as a higher income State (paying larger salaries) will have the same index.

Number of classrooms based on $40,000 estimated national average cost, including sites, associated facilities, and equipment. Actual cost varies from State to State.

Four-year totals projected from first-year allocations.

Comparison of subcommittee, administration, and Cooper-Javits school construction bills

Subcommittee bill, S. 8	Administration bill, S. 1016	Cooper-Javits bill, S. 2637
$1,000,000,000 worth of construction for each of 2 years.	$600,000,000 worth of construction for each of 5 years.	$1,000,000,000 worth of construction for each of 4 years.
An estimated 50,000 classrooms, at rate of 25,000 per year.	An estimated 75,000 classrooms, at rate of 15,000 per year.	An estimated 100,000 classrooms, at rate of 25,000 per year.
Allocation among the States on basis of per capita income, school-age population, school financing efforts.	Practically identical.	Practically identical.
Federal grants of $500,000,000 each year for 2 years.	Needy districts issue school bonds. Annual Federal advances would cover half the debt service on bonds. Advances repayable any time up to 40 years, to extent continued tax effort produces any excess revenues.	Needy districts issue school bonds. Annual Federal grants, together with State matching, would meet the entire annual principal and interest payments until bonds are paid off.
Variable matching, based on per capita income. From $2 Federal for $1 local in low-income States, to $1 Federal for $2 local in high-income States. States can pay local share.	50-50 matching, from State funds only.	Variable matching, based on teacher salary effort. From $3 Federal for $2 State in States putting higher proportion of income into salaries, to $2 Federal for $3 State. 1st year, district can pay State share.
States set priority of need among districts. No specific tax effort requirement.	States required to establish "reasonable tax effort" for all needy districts.	States set priority of need among districts. No specific tax effort requirement.
No provision for needy school districts unable to raise non-Federal share.	No provision for needy school districts at their legal debt limit and unable to issue bonds.	For the 1st 2 years, districts at their debt limit could receive Federal capital grants sharing the cost of the construction project, provided the State agrees to seek legislation enabling districts to borrow additional funds.
Would initiate $2,000,000,000 of school construction in 2 years. Federal grants over 2 years pay for half of it. 1st-year cost: $500,000,000.	Would initiate $3,000,000,000 of school construction in 5 years. Federal advances over 25 years pay for half of it. 1st-year cost: $17,000,000.	Would initiate $4,000,000,000 of school construction in 4 years. Federal grants over 25 years pay for half of it. 1st-year cost: $130,000,000 (estimated).

AMENDMENT TO CONSTITUTION RELATING TO REPRESENTATION OF DISTRICT OF COLUMBIA IN HOUSE OF REPRESENTATIVES AND ELECTORAL COLLEGE

Mr. KEATING. Mr. President, on behalf of the Senator from Maryland [Mr. BEALL], the Senator from South Dakota [Mr. CASE], and myself, I introduce, for appropriate reference, a joint resolution proposing an amendment to the Constitution of the United States to provide the residents of the District of Columbia with the right to vote for electors for President and Vice President and for three delegates to the House of Representatives.

I have joined with my colleagues in introducing this measure in order to avoid any difficulties as the result of minor differences in the resolutions on this subject which we have previously separately introduced. Our objective is to obtain action as soon as possible to bestow full democracy on American citizens who live in our Nation's Capital.

I have been assured by the Senator from Tennessee [Mr. KEFAUVER], chairman of the Constitutional Amendments Subcommittee of the Committee on the Judiciary, that the subcommittee will endeavor to hold hearings on this measure during the coming week. I hope the hearings can be speedily concluded.

Mr. President, I trust the day is not too far distant when this wholly unreasonable discrimination against the people of the District of Columbia will be forever removed.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 138) proposing an amendment to the Constitution of the United States granting representation in the House of Representatives and in the electoral college to the District of Columbia, introduced by Mr. KEATING (for himself, Mr. BEALL, and Mr. CASE of South Dakota), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. HOLLAND. May I have just 1 minute?

Mr. KEATING. Mr. President, I had not concluded on that subject.

Mr. HOLLAND. I should like to make a comment on the subject.

Mr. KEATING. I yield to the Senator.

Mr. HOLLAND. Mr. President, I wish to say I appreciate the courtesy of the distinguished Senator from New York in not pressing his earlier decision to attach that amendment to the so-called poll tax amendment.

I wish to say that it will make me much more sympathetic to the Senator's amendment because he has taken that position. I think it will probably clarify the two issues for the Senate and for everyone who has deep concern about both situations.

Mr. KEATING. I appreciate the remarks and the courtesy of the distinguished Senator from Florida.

Mr. President, it was my conclusion that one might interfere with the other. I had earlier stated I would offer this as an amendment to the anti-poll-tax constitutional amendment, but on reflection and after conference with the Senator from Tennessee [Mr. KEFAUVER] I decided this was the better course. It is more cleancut, but still permits both matters to be presented to the full Committee on the Judiciary at the same time.

As the Senator from Florida knows, I am wholeheartedly and enthusiastically behind the constitutional amendment which he has proposed, and I should not want to do anything which might interfere with its progress through the Congress.

Mr. HOLLAND. Mr. President, I appreciate the consideration shown by the Senator from New York.

Mr. KEATING. I thank the Senator.

PRINTING AS A SENATE DOCUMENT THE STUDY ENTITLED "TENSIONS IN COMMUNIST CHINA"

Mr. WILEY. Mr. President, on January 28 of this year, I announced to my colleagues in the Senate that I had asked the legislative Reference Service of the Library of Congress and the staff of the Committee on Foreign Relations to undertake a study of tensions in Communist China. Such a study has now been prepared by J. Clement Lapp of the Foreign Affairs Division of the Legislative Reference Service, and is in the process of being readied for publication by the staff of the Committee on Foreign Relations.

As Members of the Senate will recall, several years ago, when I was serving as chairman of the Foreign Relations Committee, a similar series of studies was prepared which proved to be most useful. I believe that "Tensions in Communist China" will likewise prove useful and of interest to Members of the Senate and to the public generally. I am, therefore, submitting a resolution to provide that this study be printed as a Senate document, and that 1,000 additional copies be printed for the use of the Committee on Foreign Relations.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 186) was referred to the Committee on Rules and Administration, as follows:

Resolved, That "Tensions in Communist China," prepared at the request of Senator ALEXANDER WILEY by the Legislative Reference Service of the Library of Congress, be printed as a Senate document, and that one thousand additional copies be printed for the use of the Committee on Foreign Relations.

PRESERVATION OF CERTAIN SHORELINE AREAS—ADDITIONAL COSPONSOR OF BILL

Mr. MURRAY. Mr. President, the distinguished senior Senator from Minnesota [Mr. HUMPHREY] has requested that his name be added as an additional cosponsor of the bill (S. 2460) to save and preserve, for public use and benefit, certain portions of shoreline areas of the United States, and for other purposes, introduced by me, for myself and other Senators on July 29, 1959. I ask unanimous consent that the name of the Senator from Minnesota be added to the list of cosponsors, and included on the bill when it is next printed.

The PRESIDING OFFICER (Mr. HART in the chair). Without objection, it is so ordered.

NOTICE OF HEARING ON NOMINATION OF WILLIAM A. M. BURDEN TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY TO BELGIUM

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received the nomination of William A. M. Burden, of New York, to be Ambassador to Belgium.

In accordance with the committee rule, the pending nomination may not be considered prior to the expiration of 6 days.

NOTICE OF HEARINGS ON ENFRANCHISEMENT OF DISTRICT OF COLUMBIA

Mr. KEFAUVER. Mr. President, at a recent meeting of the Subcommittee on Constitutional Amendments, there was considerable discussion of several proposed amendments with respect to enfranchisement of the District of Columbia. The proposed amendments were embodied in Senate Joint Resolution 60, introduced by the junior Senator from South Dakota, Senate Joint Resolution 71, introduced by the junior Senator from Maryland, and Senate Joint Resolution 134, introduced by the junior Senator from New York.

These three proposed amendments were discussed during recent hearings on Senate Joint Resolution 126, but the subcommittee believed that the hearings were not complete enough for action to be taken on them. The subcommittee also believed that action could be expedited if one resolution, acceptable to the three sponsors of the different resolutions, could be worked out. Such a resolution (S.J. Res. 138) has been worked out, and it was introduced today.

The Subcommittee on Constitutional Amendments will hold a hearing on Senate Joint Resolution 138 on Wednesday, September 9, at 2 p.m. in the Senate caucus room—room 318, Old Senate Office Building. Persons who desire to testify or place a statement in the record should contact the subcommittee's counsel, Mr. Bernard Fensterwald, Jr., room 252, Old Senate Office Building, telephone Capitol 4–3121, extension 5581.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1575) to amend the act of August 1, 1958, to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides upon fish and wildlife for the purposes of preventing losses of those invaluable natural resources, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 2181) to amend the Mineral Leasing Act of February 25, 1920, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 3792. An act to admit the vessel *John F. Drews* to American registry and to permit its use in the coastwise trade while it is owned by Merritt-Chapman & Scott Corp., of New York;

H.R. 4279. An act to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, La Feria division;

H.R. 5004. An act authorizing and directing the Secretary of the Interior to undertake continuing research on the biology fluctuations, status, and statistics of the migratory marine species of game fish of the United States and contiguous waters;

H.R. 6123. An act to amend the law relating to indecent publications and gambling in the District of Columbia; and

H.R. 7681. An act to enact the provisions of Reorganization Plan No. 1 of 1959 with certain amendments.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 6. An act to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons;

S. 685. An act to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia;

S. 1372. An act to extend the jurisdiction of the Domestic Relations Branch in the Municipal Court for the District of Columbia to cover the adjudication of property rights in certain actions in the District of Columbia;

S. 2035. An act authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and requiring persons receiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor; and

H.R. 6939. An act to repeal the act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 3792. An act to admit the vessel *John F. Drews* to American registry and to permit its use in the coastwise trade while it is owned by Merritt-Chapman & Scott Corp., of New York; and

H.R. 5004. An act authorizing and directing the Secretary of the Interior to undertake continuing research on the biology fluctuations, status, and statistics of the migratory marine species of game fish of United States and contiguous waters; to the Committee on Interstate and Foreign Commerce.

H.R. 4279. An act to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, La Feria division; to the Committee on Interior and Insular Affairs.

H.R. 6123. An act to amend the law relating to indecent publications and gambling in the District of Columbia; to the Committee on the District of Columbia.

H.R. 7681. An act to enact the provisions of Reorganization Plan No. 1 of 1959 with certain amendments; to the Committee on Government Operations.

PHILADELPHIA YOUTH CONSERVATION CORPS

Mr. CLARK. Mr. President, a few weeks ago the Senate passed and sent to the other body a bill establishing a Youth Conservation Corps which is modeled on the old Civilian Conservation Corps of the 1930's. A similar program has been in effect in the city of Philadelphia for a short time.

I ask unanimous consent that an article in the Philadelphia Inquirer pointing out the success of Philadelphia's Youth Conservation Corps may appear in the body of the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONSERVATION CORPS FOR WAYWARD YOUTHS A SUCCESS, SAYS CHIEF

The Youth Conservation Corps, a city program that enables wayward youths to earn money and, at the same time, become better citizens is working out well, according to Dr. Johannes Hoeber, in charge of the project for the department of welfare.

Dr. Hoeber reported that since the program began July 1 only one boy in the corps was arrested. Six of the 50 boys dropped out, he said. The boy who was arrested has returned to the corps, Dr. Hoeber said.

SEVENTY-FIVE PERCENT GET TOP PAY

Under the program, youth guidance agencies recommend boys to the corps. The boys are currently working in Pennypack Park, clearing underbrush and removing fallen trees.

The boys are paid according to their performance. Dr. Hoeber said that 75 percent of the corps earned an excellent rating and have been paid 60 cents an hour. Other ratings are good, satisfactory, and unsatisfactory. For these ratings the respective pay scales are 40, 30, and 20 cents an hour.

Performance is judged by attendance, punctuality, discipline, and quality of work. The corps put in a 40-hour week, Monday through Friday, 9 a.m. to 5 p.m.

LONG WAITING LIST

Dr. Hoeber said since the waiting list is long, each boy's participation in the program is limited to 6 months. He said the corps has 10 times as many applicants as it can handle under the present budget.

"With our present grants it is impossible for us to expand and we expect no new grants from the city in 1960," Dr. Hoeber said. "However, the boys get along splendidly and, more important, are staying out of trouble.

"The job is definitely not easy. The boys work hard and are learning the merits of industry. At the same time, they are avoiding the contacts which might get them into trouble."

RISING INTEREST RATES

Mr. ROBERTSON. Mr. President, I share the concern which so often has

been expressed in recent months about the problem of rising interest rates, but I feel it is important to keep this problem in perspective as only one part of the general problem of price inflation which can have such serious consequences.

Discussing this subject last June before the Home Builders Association of Virginia, I said there was need for both Federal fiscal restraint and general monetary restraint to prevent further erosion of the dollar's purchasing power.

Because of the continuing importance of this problem, I ask unanimous consent to have printed in the RECORD at this point excerpts from my remarks to the Virginia Home Builders.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Unfortunately, the Federal Reserve Board in its policy of monetary restraint has received no support from Federal fiscal policy. At a time when the Federal Government should have a budget surplus or at least a balanced budget, it confronts the economy with a staggering deficit which requires the Treasury to enter the capital markets for new funds as a tremendous borrowing force—to compete with all other sectors of the economy in an ever-growing demand for borrowed funds.

A policy of monetary restraint, in the face of the normal credit demands marking any rapid expansion, is bound to raise the structure of interest rates. But when the Treasury adds its tremendous credit demand to the demands of other borrowers, we experience, as we do now, an even greater upward thrust in interest rates.

I share the feelings of those who deplore the rise in interest rates. I am fully aware of the difficulties imposed on the Treasury by rising rates of interest. I sympathize with the small businessman who finds that tight money and higher borrowing costs may pinch severely.

Of course, the most obvious impact of the rising market structure of interest rates is the unfortunate drying up of FHA and VA mortgage money when the market rates rise above the FHA and VA ceiling rates. You home builders have suffered this blow before and may face a similar situation in the near future. In the face of rising rates, FHA and VA mortgages will be downgraded by the market just as Government bonds are downgraded today with their 4¼ percent statutory ceiling.

The best solution of the problem of sharply rising interest rates would be a drastic curtailment of Treasury borrowing needs. Although I have fought and will continue to fight for restraints in Government spending programs, I must be realistic and admit that for the duration of the cold war defense requirements will continue at a high level.

Therefore, if in the immediate future the size of our defense budget makes it impractical to sharply reduce Government credit demands, continued high interest rates must be regarded as a necessary price to be paid for the failures of fiscal policy and the avoidance of inflation.

Proposals to have the Federal Reserve hold down interest rates by purchases of Government securities seem to me highly unrealistic. They overlook the fact that to halt the upward trend of interest rates in this expanding period of our economy would require a tremendous volume of open market purchases of Government bonds. This could not be done without promoting inflation and, indeed, without converting the Federal Reserve System into an engine of inflation.

Remember, that when the Federal Reserve purchases Government bonds, it does not actually pay out currency but merely sets up a credit for the Federal Government in the form of a deposit and that deposit, like other deposits, requires only a limited reserve and can be the basis for other loans. Actually, each dollar of open market purchases of Government bonds by the Federal Reserve makes available about $6 for additional loans—a tremendous inflationary factor.

We found out during and following World War II the difficulties involved when the Federal Reserve Board tried to peg interest rates on Government obligations. The rates were held down but a dangerous inflation developed under the blanket of direct price, wage and materials controls and when these wartime controls were removed the inflation broke out and threatened to destroy our free economy.

Even if we accepted the inflationary consequences, it is doubtful whether the Federal Reserve System could peg interest rates on Government obligations under normal peacetime conditions, because the inflationary influence of such huge increases in credit would accelerate a further diversion of savings from investments in bonds and other fixed income obligations into stocks and other equities. It would lead to speculative buying of commodities and securities to beat higher costs and prices in the future. Thus, such efforts to stabilize interest rates would have a reverse effect and would push up interest rates in most sectors of the credit markets, including mortgages, even if the Government obligations were protected.

I need not spell out the evils of inflation. You are well aware of the price rises and the corresponding decline of the purchasing power of the dollar that has been going on since 1939.

Rising interest rates in a period of monetary restraint are cost burdens to be sure, but it is useful to remember that a 1 percent general price increase applied to consumer exenditures now at the rate of $300 billion would mean an added annual cost of $3 billion.

GENERAL POWER'S BOOK AND THE PEOPLE'S RIGHT TO KNOW

Mr. SYMINGTON. Mr. President, based on the people's right to know, for some time I have protested against the efforts of this administration to prevent the American people from being aware of the true relative strength of this country as compared to the strength of the Sino-Soviet Communists.

Months ago, a book written by Gen. Thomas S. Power, one of the world's two foremost authorities on strategic airpower, was sent over to the Department of Defense with the recommendation of the Air Force but its publication has now been denied.

The more I get into this matter the more disturbed I am because it would seem but further deliberate effort to keep the truth from the people about matters which vitally affect their security.

Mr. President, the book is composed of five parts.

The table of contents is as follows:

Preface.
"Part I. The Threat."
1. "Atomic Revolution."
2. "The Communist Threat."
3. "People, Pawns, and Party."
4. "What Price Peace?"
"Part II. The Challenge of Deterrence."
5. "Aspects of Deterrence."
6. "The Deterrent Role of SAC."
7. "The Free World's Deterrent System."
8. "Deterrence and Limited War."
"Part III. The Road to War."
9. "Elements of Preparedness."
10. "The Causes of Total War."
11. "Nuclear Threat and Military Strategy."
"Part IV. The Nature of Nuclear War."
12. "The Problems of Tactical Warning."
13. "The Initial Airpower Battle."
14. "Fundamentals of Survival."
15. "Planning for Survival."
"Part V. The Tools for Survival."
16. "The Sliderule War."
17. "Strategic Weapons—Today and Tomorrow."
18. "Manpower Aspects in the Nuclear Age."
19. "The Ultimate Weapon."

Mr. President, the people have a great investment in General Power. They do not necessarily have to agree with what he believes, but they have the right to know his convictions.

I ask unanimous consent, Mr. President, that the preface of this book be included at this point in the RECORD.

There being no objection, the preface was ordered to be printed in the RECORD, as follows:

PREFACE

When a military man airs his ideas for strengthening the Nation's defense effort, he is liable to be called a saber rattler and warmonger. Actually, he can render a greater service to the cause of peace than his detractors. For it is invariably the weak, not the strong, who court aggression and war.

There is, however, a growing awareness among the public that the military problems of survival are no longer the sole concern of the men in uniform and their civilian superiors. During the past few years, I have had the opportunity to discuss these problems with a great many people from every walk of life and every section of the country. Despite the diversity of their backgrounds and professions, all shared the intense desire to learn more about the threat that the Nation is facing and what they, individually and collectively, must do to meet that threat.

It was most encouraging to find so much real interest because I maintain that our citizens have not only the right but the urgent need to know the full truth about the problems that are of such vital importance to them. Indeed, I am more concerned about any attempt to keep unpleasant facts from the people than about their reaction to these facts. It has been my experience that the average American is not easily frightened nor discouraged and that, once he knows what is expected of him, no one and nothing can stop him.

In my discussions, I have endeavored always to present the facts as I knew them, frankly and in terms anyone could understand. To do so on a broader and more inclusive scale is the purpose of this book. It is, therefore, intended neither as a textbook nor as a vehicle for advancing startling new ideas and theories. It is intended mainly as a report to our stockholders—some 175 million of them.

Of course, a report on the military aspects of the global struggle between the free and Communist worlds can account for only one phase of the overall problem. However important, this phase has little significance unless it is viewed from the perspective of the overall problem. For this reason, I had to touch on certain political, economic, and related subjects. In addition, the unprecedented relationship between the various

military and nonmilitary aspects of nuclear war requires frequent backtracking which, of necessity, makes for a considerable amount of repetition.

There is also the old bugaboo of military security. It is difficult to present a comprehensive and graphic picture of the current military situation without including information which, for reasons of security, must remain classified. I strongly believe in telling the public everything that can and should be told. But I believe even more strongly in the overriding importance of protecting military secrets. Just as closely guarded trade secrets are essential in business competition, protection of military secrets can spell the difference between victory and defeat in the martial competition among nations.

Last but not least, it is always safer to write about the past than the present—let alone the future. An author dealing with current events may be able to determine causes but he can, at best, only speculate about effects. Instead of the historian's hindsight, he must rely on foresight which is a rather risky and thankless job, especially if his subject is as complex and controversial as the problem of survival in the nuclear age. Moreover, if he thinks that he has acquired enough experience in his subject to write a book about it, he certainly cannot be sufficiently detached from this subject to set a striking example for objectivity.

In spite of such handicaps and limitations I decided to write this book because I sincerely believe that there is a need for it. To be sure, there is already an extensive literature of thorough and thought-provoking studies on every facet of nuclear strategy and policy. But this book was not written for the military or political scientist; it was written for the American people. It was written for them in the conviction that we cannot solve the problems entailed in our design for survival unless the people fully understand these problems and decide to do something about them.

This country has had problems before, and it has always managed to cope with them, once it gained the understanding and support of its citizens. Still, none of the dangers we have faced in the past can compare to the formidable threat of nuclear aggression which we are facing today. Nor will we ever again have the time to plan, to rally, and to act after the aggressor has struck. If he were to strike today, he would find us ready to strike back but ill prepared to ward off his blow.

These are some of the sober facts whose ominous significance must be impressed on the American people if we are to survive. For it is they, not the military or the statesmen, who will have to solve the Nation's problems.

THOMAS S. POWER,
General, USAF.

OFFUTT AIR FORCE BASE, NEBR.

Mr. SYMINGTON. Mr. President, I also ask unanimous consent that a letter of yesterday, published in the Washington Post and Times Herald, entitled "The Power Book," with a thoughtful quotation from Thomas Jefferson, be included at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE POWER BOOK

It is puzzling to read that the publication of a book by Gen. Thomas Power has been banned.

As Commander in Chief of the Air Forces Strategic Air Command, General Power is entrusted with what is probably the most important military assignment in the free world.

Surely he would not have been given his awesome responsibilities if his superiors did not have an excellent opinion of his integrity, judgment and professional skills. His friends and associates hold him in equally high regard.

Why should his book be banned?

One wonders if Thomas Jefferson wouldn't respond to this news story in the same spirit as when he wrote in 1814:

"I am mortified to be told that, in the United States of America, a book can become a subject of inquiry, and of criminal inquiry, too; that a question like this can be carried before a civil magistrate.

"Are we to have a censor whose imprimatur shall say what books may be sold, and what we may buy? Whose foot is to be the measure to which ours are all to be cut or stretched? It is an insult to our citizens to question whether they are rational beings.

"If DeBecourt's book is false in its facts, disprove them; if false in its reasoning, refute it. But, for God's sake, let us freely hear both sides, if we choose.

"The book is not likely to be much read if let alone, but, if persecuted, it will be generally read. Every man in the United States will think it a duty to buy a copy, in vindication of his right to buy and to read what he pleases."

DR. PAUL R. BEALL.

ANNAPOLIS.

TRIBUTE TO SENATOR McCLELLAN

Mr. BUSH. Mr. President, I was not on the floor yesterday when the conference report on the labor bill was brought in, and when comments were made concerning it. Had I been, I should have joined with the majority leader and others in paying my respects to the Senator from Arkansas [Mr. MCCLELLAN], the chairman of the select committee, which has labored so long and so hard over a period of 2½ years to bring about a labor union-management reform bill.

Certainly, the record of disclosures made by that committee under the Senator's untiring leadership through many, many difficult weeks and months is the principal reason why a bill satisfactory to both Houses appears to have been concluded as of yesterday.

So to JOHN MCCLELLAN, who has carried chiefly the burden of this very difficult investigation, I pay my respect, and offer my thanks as a citizen of the United States and as a U.S. Senator.

CHANGE OF NAME OF HUNGRY HORSE RESERVOIR TO KELLY LAKE

Mr. MURRAY. Mr. President, yesterday I sent a letter to the Board on Geographic Names asking that the Hungry Horse Reservoir be officially designated Kelly Lake in honor of the late Harry J. "Hungry Horse" Kelly, former Montana newspaper publisher who sparked the local effort to have this dam constructed. I ask unanimous consent to have printed immediately following these remarks a copy of the letter which I sent to the Board, and an editorial about "Hungry Horse" Kelly which appeared in the Friday, August 28, 1959, issue of the Hungry Horse News.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., September 2, 1959.

MR. JEROME O. KILMARTIN,
Executive Secretary for Domestic Names, Board on Geographic Names, Geographical Survey, Washington, D.C.

DEAR MR. KILMARTIN: I would like to propose for the consideration of the Board on Geographic Names that the name of Hungry Horse Reservoir on the south part of the Flathead River in northwestern Montana be changed to Kelly Lake, in honor of the late Harry J. "Hungry Horse" Kelly, former Montana newspaper publisher who contributed so much toward the construction of the dam which created the reservoir.

I enclose for the consideration of the Board an editorial appearing in the August 28, 1959, issue of the Hungry Horse News telling of the selection of the late Mr. Kelly for the Montana Press Hall of Fame. This article summarizes Mr. Kelly's untiring efforts on behalf of Hungry Horse Dam.

I would like to add a personal reminiscence to this editorial. In 1933 I was chairman of the Montana Advisory Board of the Public Works Administration. Mr. Kelly headed a delegation of civic leaders from the Flathead Valley who came to me and inquired about the possibility of getting Hungry Horse Dam under construction. At that time there was heavy unemployment but there were no plans for construction of this dam. Secretary of the Interior Ickes interested himself in the proposal and after some years, always with the local leadership of "Hungry Horse" Kelly, we were able to get this great dam constructed.

I believe that naming this reservoir after Mr. Kelly would be a most fitting tribute to a great citizen of my State. Senator MANSFIELD and Congressmen METCALF and ANDERSON join me in asking that the Board give favorable consideration to this request.

Sincerely yours,

JAMES E. MURRAY,
U.S. Senator.

[From the Hungry Horse News, Columbia Falls, Mont., Aug. 28, 1959]

HUNGRY HORSE KELLY

The Montana State Press Association at its 74th annual meeting held at Lake Hotel in Yellowstone National Park last Saturday named Harry J. "Hungry Horse" Kelly to the Press Hall of Fame.

The hall of fame was started last year with the selection of three honored Montana publishers and the founder of the MSU School of Journalism. They were the late O. S. Warden of the Great Falls Tribune, the late Joseph D. Scanlan of the Miles City Star, Dr. J. H. Durston, early-day publisher of the Anaconda Standard, and Dean A. L. Stone.

Harry Kelly was nominated by T. J. Hocking, Glasgow, much-respected publisher of the Glasgow Courier for 45 years who retired last summer. We had the privilege of seconding the nomination.

Harry Kelly was born October 6, 1869 at Prairie du Chien, Wis. He attended Creighton University, Omaha, and came to Montana in 1888 establishing a weekly newspaper in Missoula. He worked as a printer in Butte; returned to Missoula in 1895 to edit the Bitter Root Times during the capital fight; married Mary See in 1896; operated a newspaper in Hamilton briefly; was sergeant at arms in the State legislature during the sixth session when the "war of the copper kings" was at its height.

In 1905, with Tom Stout, later a Montana Congressman, and now the veteran editor of the Billings Gazette, Kelly started the Fergus County Democrat. In 1924, the Lewistown paper was sold, and Kelly purchased the Flathead Monitor in Kalispell.

For two decades, Harry Kelly championed a dam on the Flathead's South Fork. He advocated the multipurpose dam during years when few others gave serious thought to the project, and acquired the nickname "Hungry Horse" Kelly.

Even so Hungry Horse Dam is not a monument to any one single man. Having vital roles in seeing Hungry Horse construction start were such individuals as former Senator B. K. Wheeler, Senator James E. Murray, then Congressman Mike Mansfield, and Congressman Mike Kirwan of Ohio who saw that the project got money. There was the famed Flathead Citizens' Committee sparked by Don Treloar, Al Winkler, and Gray Edmiston, and what an effective organization it was.

The Montana State Press Association meeting last weekend recognized Harry J. Kelly as a longtime weekly publisher—54 years. He was also president of the press association in 1937, and died in 1950.

However, Harry J. Kelly's outstanding contribution to the newspaper field in Montana was his longtime championing of the Hungry Horse project, now an important part of Montana's economic base.

Ten years ago there was effort to name the lake behind Hungry Horse Dam, "Kelly Lake," in honor of the veteran publisher.

We think that such further recognition of "Hungry Horse" Kelly is merited.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF COMMUNICATIONS ACT OF 1934—CONFERENCE REPORT

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2424) to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 2, 1959, p. 17776, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. KUCHEL. Mr. President, reserving the right to object, I ask my able colleague if consideration of the conference report may be temporarily postponed. One of the Members on the minority side has been notified that the Senator wished to submit the report. I believe the minority Member will be present shortly.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

Mr. CLARK. Mr. President, I understand that the Senator from Virginia [Mr. ROBERTSON] has some morning business to transact.

The PRESIDING OFFICER. Does the Senator from Rhode Island withdraw his suggestion of the absence of a quorum?

Mr. PASTORE. Mr. President, I withdraw the suggestion of the absence of a quorum.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I call up the conference report on Senate bill 2424, the so-called equal time bill in connection with the Communications Act.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. TALMADGE. Mr. President, will the Senator from Rhode Island yield to me?

Mr. PASTORE. I yield.

Mr. TALMADGE. I ask unanimous consent that during the consideration of the conference report, the time be limited to 30 minutes, to be equally divided between the majority leader and the minority leader.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, let me inquire whether the morning hour has been concluded; or will there later be opportunity for additional matters to be submitted in the morning hour?

The PRESIDING OFFICER. The morning hour has been interrupted by this privileged matter.

Is there objection to the unanimous-consent request? The Chair hears none. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement which explains in detail the changes which were made in the conference. I, myself, shall make a general explanation of the report, and shall be ready for specific questions, during the course of the presentation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT

Section 315 of the Communications Act of 1934 now provides that if any radio or television licensee permits any person who is a legally qualified candidate for any public office to use a broadcasting station, such licensee must afford equal opportunities to all other candidates for that office in the use of such broadcasting station.

When S. 2424 passed the Senate it added a new sentence to section 315(a) of the Communications Act which provided that the appearance by a legally qualified candidate on any newscast, news interview, news documentary, on-the-spot coverage of news events, shall not be deemed to be the use of a broadcasting station within the meaning of this subsection.

During the consideration of the bill on the floor of the Senate the following language was added to the exemptions: ", but nothing in this sentence shall be construed as changing the basic intent of Congress with respect to the provisions of this Act, which recognizes that television and radio frequencies are in the public domain, that the license to operate in such frequencies requires operation in the public interest, and that in newscasts, news interviews, news documentaries, on-the-spot coverage of news events, all sides of public controversies shall be given as fair an opportunity to be heard as is practically possible."

In addition, the bill as it passed the Senate contained a section 2 declaring the intent of the Congress to examine the amendment at or before the end of a 3-year period immediately following the enactment of the proposed legislation. It also required the Federal Communications Commission to report to Congress annually during such 3-year period certain information which would aid the Congress in its reexamination of the effectiveness and practicability of the amendment being made to section 315.

The House in its action struck out all after the enacting clause of the Senate bill which merely amended section 315(a) by adding at the end thereof a new sentence, as follows:

"Appearance by a legally qualified candidate on any bona fide newscast (including news interviews) or on any on-the-spot coverage of news events (including but not limited to political conventions and activities incidental thereto), where the appearance of the candidate on such newscast, interview, or in connection with such coverage is incidental to the presentation of news, shall not be deemed to be use of broadcasting station within the meaning of this subsection."

In conference, S. 2424 was amended by adding to Section 315(a) a new sentence having the same general purpose as the Senate bill when it passed the Senate. However, there are differences which represent compromises between the Senate and House positions on certain points.

Under the House bill an appearance would have been exempted from the equal time requirement only "where the appearance of the candidate on such newscast, interview, or in connection with such coverage is incidental to the presentation of the news."

The Senate bill did not contain language comparable to this and was therefore omitted from the conference substitute except as explained below.

The Senate bill exempted an appearance on a news interview while the House bill exempted such an appearance only when it was included as a part of a bona fide newscast.

In the conference substitute an appearance on a bona fide news interview is exempted without regard to whether it is included as part of a newscast.

It is the intention that in order to be considered bona fide a news interview must be a regularly scheduled program.

It is intended that in order for a news interview to be considered bona fide the content and format thereof, and the participants, must be determined by the licensee in the case of a news interview originating with the licensee of a station and by the network in the case of a news interview originating with a network; and the determination must have been made by the station or network, as the case may be, in the exercise of its bona fide news judgment and not for the political advantage of the candidate for public office.

The Senate bill exempted appearances of candidates on news documentaries. The House amendment made no such exemption. Under the conference substitute, the appearance of a candidate on a news documentary is exempted only if such appearance is incidental to the presentation of the subject or subjects covered by the news documentary. Thus, a program which deals predominantly with a candidate would not be a news documentary exempted under provisions of the substitute.

In the conference substitute, in referring to on-the-spot coverage of news events, the expression "bona fide news events" instead of "news events" is used to emphasize the intention to limit the exemptions from the equal time requirement to cases where the appearance of a candidate is not designed to serve the political advantage of that candidate.

The Senate bill, in the sentence being added to section 315(a), contained the following language:

"But nothing in this sentence shall be construed as changing the basic intent of Congress with respect to the provisions of this Act, which recognizes that television and radio frequencies are in the public domain, that the license to operate in such frequencies requires operation in the public interest, and that in newscasts, news interviews, news documentaries, on-the-spot coverage of news events, all sides of public controversies shall be given as fair an opportunity to be heard as is practically possible."

With certain modifications, this language has been included in the conference substitute as a sentence reading as follows:

"Nothing in the foregoing sentence shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events from the obligation imposed upon them under this Act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance."

The conferees feel that there is nothing in this language which is inconsistent with the Senate's original language. It is a restatement of the basic policy of the "standard of fairness" which is imposed on broadcasters under the Communications Act of 1934.

SECTION 2

Section 2(a) of the Senate bill declared the intention of Congress to reexamine, on or before the expiration of a 3-year period, the amendment made by the bill to section 315(a) of the Communications Act of 1934, to ascertain whether the amendment had proved to be effective and practicable. Subsection (b) of section 2 required the Federal Communications Commission to report to Congress annually during such 3-year period on the administration of the amendment, together with recommendations. The House amendment contained no similar provisions.

Section 2 of the bill agreed to in conference is similar to these Senate provisions, except that the 3-year limitation has been removed.

Mr. PASTORE. Mr. President, I may say that the end product of the conference was the amendment which was agreed to in conference, which reads as follows:

Appearance by a legally qualified candidate on any—

(1) bona fide newscast,

(2) bona fide news interview,

(3) bona fide news documentary (if the appearance of the candidate is incidental to the presentation of the subject or subjects covered by the news documentary), or

(4) on-the-spot coverage of bona fide events (including but not limited to political conventions and activities incidental thereto),

shall not be deemed to be use of a broadcasting station within the meaning of this subsection. Nothing in the foregoing sentence shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events, from the obligation imposed upon them under this act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

Mr. JAVITS. Mr. President, will the Senator from Rhode Island yield for a question?

Mr. PASTORE. I yield.

Mr. JAVITS. Will the Senator define "news documentary"? I ask this question solely in order that the legislative record may be clear. What is the difference between a news documentary and a television panel show?

Mr. PASTORE. I shall be very glad to provide the answer to the Senator's question.

For instance, only the other day the President of the United States, while in Europe, signed a resolution which permitted the building of a memorial to a former President of the United States, Franklin Delano Roosevelt. Let us assume that at the time when the memorial is completed and is being dedicated—and the dedication ceremonies will constitute a news item of current value—in showing that ceremony or news event, or whatever it might be termed, there is presented a cutback respecting the life of Franklin Delano Roosevelt, leading up to the building of the memorial. In the process of broadcasting that background, it so happens that they show the distinguished senior Senator from Alabama, LISTER HILL, nominating President Franklin Delano Roosevelt for his third term.

At that time, Senator HILL, of Alabama, might have been a candidate for reelection; but his appearance was only incidental to the news documentary regarding the dedication of the memorial, which included the background of the life of Franklin Delano Roosevelt. That is what we mean by a news documentary and the incidental appearance of a candidate on such a program.

Mr. JAVITS. Let me cite a specific situation: When the Senate was debating the civil rights bill in 1957, in the course of the debate, four of us left the Senate Chamber, and went into the Old Supreme Court Chamber, and there broadcast a television show in which, in effect, we repeated the arguments we had been making here on the floor of the Senate. That is what we lawyers call part of the res gestae. At that very moment, the Senate was actually engaged in debate, here on the floor, on the civil rights bill; and a few minutes earlier on that day, the four Senators who participated in that television show had been on the floor of the Senate, and had been participating in the actual debate on that bill. But momentarily we left the floor of the Senate, went to the Old Supreme Court Chamber, and did that television show.

Or individual Senators might leave a conference committee room, and might do a show on the front steps of the Capitol Building.

Would such things constitute news documentaries?

Mr. PASTORE. No; because they would come under the category of a newscast or a news interview of current news.

Mr. JAVITS. That is not what the Senator is thinking about when we exclude panel shows?

Mr. PASTORE. A panel show would be a very different thing. If a panel show had a current, bona fide news value, and was not being used for purposes of advancing the cause of the candidacy of any one particular candidate——

Mr. JAVITS. I understand.

Mr. PASTORE. And if it were on a regularly scheduled program, and if its content and format were exclusively within the jurisdiction or control of the broadcaster or the network, and were done for legitimate, bona fide news reasons, it would be exempted, and would not be a use which the candidate was making of that channel.

Mr. JAVITS. I thank the Senator from Rhode Island.

I may say, with deference, that I think this is one of the most important explanations of what is being done that can be made to actually guide the broadcasting companies; and I am very grateful for the explanation.

Mr. PASTORE. In other words, the end product of the conference emphasizes the fact that all of these programs must have a bona fide news value, and must not be used to advance the cause of any particular candidate.

The question is, What is the remedy? What is the remedy for a person who considers himself aggrieved? He files a complaint with the FCC and immediately the FCC will have the responsibility of determining whether the program involving the candidate was bona fide news or that it was such a use as to entitle the opponent to equal time.

Mr. JAVITS. I thank the Senator from Rhode Island.

Mr. ENGLE. Mr. President, will the Senator from Rhode Island yield to me?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from Rhode Island yield to the Senator from California?

Mr. PASTORE. I yield.

Mr. ENGLE. I thank the Senator from Rhode Island for yielding.

Will he point out in the language of the conference report the language of the law, as amended, or the language of the report itself, where it is clear that panel discussions have to meet the three or four specific conditions to which the Senator has referred?

Mr. PASTORE. Let me interrupt the Senator. I did not say "panel discussions." Panel discussions are not included. A panel discussion is not an exemption as to a use being made under section 315. I am merely talking about a news interview which may have some semblance to a discussion to and fro between individuals who are appearing. But, naturally, the discussion will have to fall within the purview of being a news interview or an on-the-spot news coverage of bona fide news value. There is nothing in the conference version about a panel discussion.

Mr. ENGLE. Let me ask a further question. We specifically struck panel discussions out of the act, as reported by our committee.

Mr. PASTORE. That is correct.

Mr. ENGLE. So neither the House version of the bill nor the Senate version of the bill had panel discussions in it.

Mr. PASTORE. That is correct.

Mr. ENGLE. But I understood that statements had been made by members of the House committee, and more particularly by the chairman of the House committee, that it was his belief or their belief—and there were several who expressed some opinions on it—that a panel discussion could be considered a news broadcast, and that, therefore, a panel discussion, such as "Face the Nation" or "Meet the Press"——

Mr. PASTORE. Or "Youth Wants To Know"——

Mr. ENGLE. Yes, "Youth Wants To Know" or "Capitol Cloakroom" or "College Press Conference," or any of the others that we know about, and with which we are familiar, might possibly qualify as a news interview, and therefore be permissible.

It seemed to me that, basically, the language of both the Senate version of the bill and the House version of the bill were the same; but the interpretation was different.

Mr. PASTORE. That is correct.

Mr. ENGLE. I assert that there should be some clarification, so the matter of interpretation, or legislative intent, as we call it, will be very clear in regard to what we are doing, in order that the FCC will not come up with some silly interpretation—the FCC is perfectly capable of it, as the Senator from Rhode Island well knows.

Mr. PASTORE. I understand specifically and precisely the point the Senator from California desires to make.

Let me say that we assumed, during the floor debate on the Senate version of the bill, that such shows as those which have been mentioned by the distinguished Senator from California would be included under "panel discussions"; and at that time he submitted an amendment which, of course, deleted that from the bill.

It so happens that that kind of show had been interpreted by the House of Representatives group, and even in the debate on the House version of the bill, as falling within the category of a news interview. That brought about debate in the conference.

In order to bring about the guarantees to which the Senator from California refers so eloquently, we inserted certain language which makes that quite clear that we are requiring news interviews to be bona fide. The words "bona fide" were not included when the bill went to conference.

We have spelled out in the House report itself precisely what we mean by bona fide news interview. It is provided, specifically, first of all, that it shall be a regularly scheduled program. Secondly, the content and format must be exclusively under the jurisdiction of the broadcaster or of the network. Furthermore, we have said, in specific language, that that kind of program must not be done for the purpose of advancing the cause of any candidate as against another.

I do not see how the language can be written any more specifically than that. I realize there are areas where there might be chances of abuse, but I think the licensee or network would find it pretty difficult to get away with it.

Furthermore, we have written a second section in the bill, which was, again, the Senate version, to the effect that we intend to watch this matter very closely. We intend to supervise this matter very carefully, and we are asking the Commission to submit reports with regard to the administration of this amendment.

Mr. ENGLE. Mr. President, will the Senator yield further?

Mr. PASTORE. I yield.

Mr. ENGLE. Let me say to my distinguished friend that I am sure he has tried very hard to do a good job with reference to this proposed legislation. I know that he understands the problem. He and his associates on the conference did their very best to work it out. But I would be less than frank if I did not say that I have a deep sense of concern about this proposed legislation. My concern about this measure grows out of my political experience, which has been a very unhappy experience with reference to the kind of treatment that Democratic candidates get from the newspapers of this country.

Mr. PASTORE. I understand that completely.

Mr. ENGLE. And I would not want to see the broadcasting industry of this Nation, television and radio, ever to be in a position to give us the kind of "business" we get from the newspapers of the Nation. Getting on the air is a privilege, and we ought to insist that the treatment on our airways be fair. That is the last refuge some of us have so far as our electability is concerned. This bill goes to the jugular vein of Democrats who run for office.

My concern with the language of this proposed legislation is that it puts the exercise of discretion in the hands of the broadcasters. I do not like that. I would have preferred to see the bill written in such a way that conditions outside of the control of the broadcaster had a definite bearing as to who could be selected. For instance, if it is required that only newscasts can go on the air, and it has to be a newscast of current interest, then the fact of the freshness of the news itself is a controlling factor.

Mr. PASTORE. If the Senator——

Mr. ENGLE. Please let me proceed.

Mr. PASTORE. Very well.

Mr. ENGLE. Then it is not a matter of complete discretion. That was my concern with the provision for news documentary. We had the news documentary provision included in our bill. I was unhappy about that, but I was so glad to get the provision relating to panels out of the bill that I did not want to go any further with reference to news documentary.

The reason I was fearful about the provision for panels is that I know how they can be rigged up. I do not want a situation to exist in which panels can be rigged up.

I had no objection, incidentally, to the programs "Meet the Press" and "Face the Nation," which are nationwide affairs, because, in the very circumstances of the case, there are only a few men of national prominence who would appear on those programs from either side of the political fence. Those broadcasts could be carefully monitored. But what I was afraid of was the point the Senator from Florida [Mr. HOLLAND] mentioned when he discussed the matter, namely, panel discussions at the local level. That is where a panel discussion can be manipulated, because conditions outside of the conscience of the broadcaster itself can no longer be a controlling factor.

So although I am not going to oppose this conference report, Mr. President, I want to make it very plain that I have a deep concern about the freedom and the complete fairness of what I regard as the most important and vital political media in the world today, namely, television and radio. And I want to see them fairly handled.

I wish to serve notice on this Senate floor that I propose to watch the administration of this act with great care, because I regard it as a matter of vital importance to the political situation in America that we have complete fairness, equality of treatment, and objective handling of the news and political candidates during periods of election.

Mr. PASTORE. I thank the Senator.

Mr. ENGLE. I thank my distinguished friend from Rhode Island.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PASTORE. Mr. President, will the Senator from Pennsylvania yield me 5 minutes of his time?

Mr. SCOTT. I yield 5 minutes to the Senator.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. PASTORE. In just a minute. I merely want to answer the distinguished Senator from California, and assure him it would have done no violence to the sensitivities of the junior Senator from Rhode Island if provision for panel discussions or "Meet the Press" type of broadcasts had been deleted from the bill itself. The House was adamant in its position of what it interpreted as permissible under the interpretation of a bona fide news interview. We had some conferees on our side of the conference who felt likewise.

Realizing that there was a conflict, and that we could not agree unanimously on some of the matters, then it became the responsibility of the Senate conferees to yield, but to insist on inserting in the bill certain safeguards, in order to give us as near perfect protection as was possible under the circumstances. I admit it may not be perfect, but I also submit it comes as near to being perfect as we could accomplish under the circumstances.

I wanted to call this matter to the attention of the Senator from California, because, while the House conferees found some fault with the so-called Proxmire amendment, we insisted it be retained in the bill, if with some slight modifications, because it was the one condition we could write into the law to make sure the Federal Communications Commission would give the matter the right interpretation.

Let me read what the chairman of the House committee had to say, even after they resisted the Proxmire amendment, but finally came around, receded, and concurred in the amendment. He said:

> Now, just in case anybody in the broadcasting industry or in the Federal Communications Commission, or even a candidate himself, should get the idea that "The reins are off; you can do what you want to," we have accepted in the conference substitute a provision similar to what was referred to as the Proxmire amendment in the other body. This provision says that nothing in the foregoing sentence shall be construed as relieving the broadcasters in connection with the presentation of news, news interviews, documentaries, and on-the-spot coverage of news events from the obligation imposed upon them under this act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

We insisted that that provision remain in the bill, to be a continuing reminder and admonition to the Federal Communications Commission and to the broadcasters alike, that we were not abandoning the philosophy that gave birth to section 315, in giving the people the right to have a full and complete disclosure of conflicting views on news of interest to the people of the country.

I thought I should emphasize that.

Now I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I shall not oppose, but will support, the conference report; but I join the Senator from California in his concern about one feature of it, that apparently, under the term "bona fide news interview," it includes certain kinds of panel discussions.

I find what seems to me to be the clearest explanation of what was intended by the exemption of bona fide news interviews on page 17782 of the CONGRESSIONAL RECORD for yesterday, in a statement by the distinguished Representative from Arkansas [Mr. HARRIS], the chairman of the House legislative committee which deals with this subject, which reads as follows:

> Under the substitute agreed to in conference, the appearance of a candidate on a newscast or news interview will not be exempt from the equal time requirement, unless the newscast or news interview is bona fide, and appearance of a candidate in on-the-spot coverage of news events is not to be exempt from the equal time requirement unless the program covers bona fide news events.

Mr. PASTORE. That is correct.

Mr. HOLLAND. May I ask the distinguished Senator from Rhode Island if he joins in that expression?

Mr. PASTORE. Absolutely. As I said before, the crux of the provision rests upon the interpretation of bona fide newscasts, news interviews, news documentaries or on-the-spot coverage of special news events. The words "bona fide" were deliberately put in to give specific guidance to the Federal Communications Commission, so that the moment a station deviated from what was a bona fide newscast in showing a candidate for public office, that would be a use which was not exempt. It is not exempt unless it is bona fide.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. PASTORE. I yield.

Mr. HOLLAND. It seems to the Senator from Florida that there are two important terms in the statement by Mr. HARRIS, which is now subscribed to by the distinguished Senator from Rhode Island. The firm term is "bona fide" and the second is "news events."

In the opinion of the Senator from Florida the words "news events" would necessarily have reference to current events of news importance. Is that the opinion of the Senator from Rhode Island?

Mr. PASTORE. That is correct.

Mr. HOLLAND. In other words, if in the panel discussion it was the intent or the objective of the panelists, in the course which was followed, to go back into the prior record of the person appearing on the news panel, to bring out controversial facts about that record, then such a panel discussion would not come within the exemption; is that correct?

Mr. PASTORE. Let me put it this way: If the junior Senator from Rhode Island appeared on "Meet the Press," and, when asked questions, all he talked about was his previous record and how good a Senator he had been, I would say that would not be an exempt appearance under the law, if the Senator were a candidate at the time.

The PRESIDING OFFICER. The additional time of the Senator from Rhode Island has expired.

Mr. PASTORE. Mr. President, will the Senator from Pennsylvania yield me 5 minutes more?

Mr. SCOTT. Mr. President we have only 10 minutes remaining on our side. We will yield 3 minutes to the Senator.

Mr. PASTORE. Mr. President, I ask unanimous consent that there be an extension of the time limitation of 10 minutes, with 5 minutes to be granted to each side.

Mr. SCOTT. I join in that request, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island? The Chair hears none, and it is so ordered.

Mr. PASTORE. I yield further to the Senator from Florida.

Mr. HOLLAND. Mr. President, I think the Senator from Rhode Island has gone far to clear up the point I have raised. There is one additional step about which I should like to question the Senator.

I am not so much concerned regarding the actions of the person who is being interviewed as I am concerned regarding the actions of certain stations and certain panelists, in their desire to turn the interview into a political effort, by themselves going into the question of the background of the person being interviewed, as to prior actions of his in the field of politics or in public life. Is it the opinion of the Senator from Rhode Island that, in the event the panelists resorted to those tactics, the panel discussion would then not be exempt from the equal-time provisions of the law?

Mr. PASTORE. All during the time in the conference the junior Senator from Rhode Island lived with a consciousness of the apprehension held on the part of the distinguished Senator from Florida and on the part of the distinguished Senator from California. I never forgot it for one minute. I knew exactly what the Senators had in mind as to some of the abuses, about which they talked to me privately and publicly, and during the course of the debate.

We have sought to put in the proper safeguards. It is not a riveted case completely, to the extent that there cannot be an abuse here and there, but the fact of the matter is that it would be necessary to go pretty far afield to get into any abuse which would do any damage or harm to a candidate, be he a Republican, a Democrat, or an independent.

Mr. HOLLAND. I thank my distinguished friend. I hope he will forgive me for being a bit specific about the question. In certain panel discussions, which I discussed with the distinguished Senator from Rhode Island, which took place in my own senatorial race last year, an emphasis was laid not upon the then presently-held attitudes of the candidate who happened to be interviewed, but instead upon actions which had transpired years before. It so happened that both the Senator from Florida and his distinguished opponent

had had long-time experience in public affairs.

Mr. PASTORE. That is correct.

Mr. HOLLAND. The Senator from Florida had no objection to that whatsoever, so long as equal opportunity was given to both candidates. In that event, there could be no objection.

The question I am now addressing to the Senator, who is my distinguished friend, is this: In the event such a panel discussion is held with one candidate before the panel, do I correctly understand that if an effort were made, either friendly or unfriendly—it would make no difference—to go back into former activities and former positions in the public life or political life of the person being interviewed, it is the opinion of the Senator from Rhode Island that that action would transcend the exemption and make the panel discussion come under the equal-time provision of the law?

Mr. PASTORE. I will say "yes," because that would get into the field of using the program for the promotion of or the advancement of the cause of a particular candidate.

I wish to say to all the Members of the Senate that section 315 was written in the law not to promote any one candidate nor for the benefit of one candidate as against another, or for candidates themselves generally, but was written into the law to give the public the advantage of a full, complete and exhaustive discussion, on a fair opportunity basis, to all legally qualified candidates but for the benefit of the public at large.

The minute one invokes a subterfuge, one is not operating in the public interest and is violating the spirit of section 315, which would exclude him from the exception we have made thereto.

The PRESIDING OFFICER. The additional time granted to the Senator from Rhode Island has expired.

Mr. HOLLAND. Mr. President, will the Senator from Pennsylvania yield for an additional statement?

Mr. SCOTT. Mr. President, I yield 2 additional minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 2 additional minutes.

Mr. HOLLAND. I think the distinguished Senator made it clear that in order to come under the exemption classification a panel discussion must not only be a regularly scheduled one in the format under the control of the station—and all the other provisions recited in the conference report and in the act must be met—but also it must relate to current news events. Provided it is so limited, the Senator from Florida sees no great objection to it.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Arizona.

Mr. GOLDWATER. The Senator, in the explanation of the report, I believe, referred to bona fide candidates.

Mr. PASTORE. No; I referred to bona fide news.

Mr. GOLDWATER. At the outset of his explanation I think the Senator referred to bona fide candidates.

Mr. PASTORE. If I did, I did not mean to. I do not think I did. I think I referred to bona fide news. I think I read it. It says:

> It has to be a bona fide newscast; a bona fide news interview; a bona fide news documentary.

The only thing in the law in that regard is that one has to be a legally qualified candidate.

Mr. GOLDWATER. Let me ask the Senator a question on that point. A month or so ago one of our colleagues was denied time on the radio because equal time might be asked for by other candidates. This man is not a legally qualified candidate for the office to which reference was made.

Is there protection for people who might be considered to be candidates, but who are not legally qualified candidates?

Mr. PASTORE. It is not the case that there are protected people. I think the CBS made a strained interpretation of the law in that instance. What the motive was I do not know. I do not question the sincerity of the motive, but I say CBS was supercautious in considering that the Senator from Minnesota [Mr. HUMPHREY] was a candidate for any particular office. No announcement had been made. Therefore the Senator was not a legally qualified candidate under section 315. In my opinion CBS was probably gun shy because of the so-called Lar Daly decision.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. PASTORE. Will the Senator yield me 1 additional minute?

Mr. SCOTT. I yield 1 additional minute to the Senator.

Mr. PASTORE. The network took superlative precautions to see that it was not in violation of the law. I think such a case only serves the purpose of pointing out, really, how ridiculous was the so-called Lar Daly decision. As a lawyer, I question whether the interpretation was legally correct.

Mr. GOLDWATER. I thank the Senator.

Mr. PASTORE. Mr. President, I yield the floor.

Mr. SCOTT. Mr. President, I support the conference report. I congratulate the distinguished Senator from Rhode Island for his presentation on the general subject of freedom of the press and the first amendment.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. SCOTT. On the general subject of freedom of the press and the first amendment, the freedom of newspapers, magazines, and other media of communication except radio and television has been pretty well established over the years. I am very much concerned that in this limited area of the airwaves if we in Congress attempt to restrict too closely the freedom of the press, which already is more limited in that area than in any other of the media generally understood to be areas of communication, in my judgment, the time will come when the Supreme Court will strike down whatever we have done in an attempt to bail out the Federal Communications Commission for some future unfortunate decision. Therefore I think we ought to be exceptionally careful to provide as much freedom of expression on radio and television as we possibly can.

If the decision were left to me alone, as I have said before and as I say again, I should repeal section 315 entirely, but that is a minority point of view, and it arises entirely from my respect for the right of the people to be absolutely free in the expression of their point of view, subject only to the protection of the criminal and the civil statutes against misuse and abuse of privileges.

On this measure I believe, as the Senator from Rhode Island said at one time during the conference, that we have come back with a bill which is better than either the Senate version or the House version. We have maintained very carefully the spirit of the Proxmire amendment, and I ought to point out what I do not think has yet been explained, that the phrase "To afford reasonable opportunity for the discussion of conflicting views on issues of public importance" does not refer merely to political discussions as such or to opposing views of political parties or of candidates. It is intended to encompass all legitimate areas of public importance which are controversial, and there are many, as we know, which pertain to medicine, to education, and to other areas than political discussion, and it is intended that no one point of view shall gain control over the airwaves to the exclusion of another legitimate point of view.

As to the comment with regard to bona fide news interviews, we were all of the opinion that we should make it perfectly clear, not only as contemplated in the Proxmire amendment, that the restriction of the obligation of fairness and of the protection of rights of all persons legitimately entitled to be heard remains in the law, but that "bona fide" as applied to each separate type of matter treated, be it newscasts, news interviews, news documentaries, or on-the-spot coverage, means that there shall not be any device or evasion to give an unfair advantage to any person.

As to panel shows, there was no objection to "Meet the Press." There was no objection to "Youth Wants To Know," or "College Press Conference," or "Face the Nation," or anything of that sort. There was a legitimate fear that in some local areas there would be rigged news interviews for the benefit of one candidate or another.

It was not the feeling that panel shows should be ruled out, that panel shows should be denied the right to secure public figures who might incidentally be candidates for public office, but to make sure that in hearing such public figures it was not merely a device to advance their candidacy for office rather than to advance the exposition of different points of view as to news.

We looked up the definition of "news," Mr. President, and one of the definitions of "news" is, "of current interest." This is a very broad definition, and therefore there remains the necessity, in our opinion, for the protection of the public by retaining supervision over the operation of this new addition to the act. This is done I think very wisely in section 2, where Congress declares its intentions to reexamine these provisions of the act—that is, 315(a) and its amendment—and that in assisting Congress in its reexamination, the FCC shall make an annual report setting forth the information and data used by it in determining questions arising from it, connected with such amendment, and, second, such recommendations as it deems necessary in the public interest.

In other words, this amendment is designed to establish for future reference certain criteria as to equal time and a fair discussion of controversy. At all times the respective committees of the Senate and the House will not only retain supervision, because there is no time limit in this amendment, but will also retain or are entitled to insist upon the right to be kept informed. I believe that we have not in any sense dangerously or critically expanded the law. On the contrary, I think we have expanded the freedom of individuals and the freedom of this particular medium as contemplated in the first amendment to the Constitution.

I again say that the conferees were devoted, were very careful to consider all of the many aspects involved in this amendment, and I believe that they have come back with a conference report which deserves favorable consideration.

I shall be glad to yield a minute to my friend from New Jersey.

Mr. CASE of New Jersey. I thank my colleague from Pennsylvania for his courtesy.

Mr. President, I wish merely to second everything he has said and everything that is stated in the conference report.

This is a matter to which the conferees, as had the Senate committee, have given the most careful thought, a matter the difficulties of which the conferees and the members of the committee thoroughly recognized. We believe we have steered a proper course between excesses on the one side and on the other. If history or experience proves that we are wrong, the law can be changed, this plus the fact referred to already that the stations hold their licenses subject to reconsideration upon their expiration, and when applications for renewal are before the Commission.

Mr. SCOTT. I may say, if I may interrupt, that networks also own stations, and therefore we have an indirect control over them.

Mr. CASE of New Jersey. All these considerations compel us to think that such risks as may be involved are risks which should be taken.

I wish to compliment, if I may, the chairman of the subcommittee, the chairman of the conferees, for the extraordinary skill with which he guided the deliberations of the conference. He had a bunch of wild horses on his hands, and he handled them with a very stern but understanding rein. The same is true of my colleagues in the conference on both sides. It was a pleasure to serve with them.

Mr. PASTORE. I should like to have that same bunch of wild horses on every conference I attend. I am deeply indebted to every one of them for the consideration and cooperation I received.

Mr. CASE of New Jersey. I thank the Senator.

Mr. SCOTT. I should like to say that all of us were filled with admiration at the way in which the chairman of the conference handled a situation which required a combination of tact and firmness and a background of considerable experience. We are most grateful to him. I should always be happy to serve on any conference of which he is the chairman.

If there are no other requests for time, I will yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has been yielded back. The question is on agreeing to the conference report.

The report was agreed to.

STATE TAXATION OF INCOME DERIVED FROM INTERSTATE COMMERCE—CONFERENCE REPORT

Mr. BYRD of Virginia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 2, 1959, p. 17770, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. KUCHEL. Mr. President, reserving the right to object—and I shall not object——

Mr. HOLLAND. Mr. President, I think the distinguished Senator misunderstands the situation. No request has been made. I was advised by the acting majority leader that an attempt was to be made at this time, with the knowledge and consent of the Senator from Virginia and the Senator from New Hampshire, to limit the time for discussion of the conference report.

Mr. KUCHEL. All I am doing is reserving the right to object to the present consideration of the report.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. KUCHEL. Mr. President, reserving the right to object—and I shall not object—there are Senators on both sides of the aisle who opposed this proposed legislation when it was first before the Senate, and who, I am sure, will oppose it now. I personally shall oppose it. I believe that adequate time should be allowed for the consideration and discussion of what apparently is a very important measure. The absence of a quorum should be suggested in order that Senators who desire to debate the report may have an opportunity to come into the Chamber. I have no objection to consideration of the report.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. BYRD of Virginia obtained the floor.

Mr. HOLLAND. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD of Virginia. I yield.

Mr. HOLLAND. Do I correctly understand that the conference report is now the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. HOLLAND. Am I to understand that the Senator from California feels that a quorum call should be made?

Mr. KUCHEL. I do.

Mr. HOLLAND. I ask the distinguished Senator from California whether he thinks it would be more appropriate to enter a unanimous consent order for the limitation of time before the quorum call, or after.

Mr. KUCHEL. I suggest that the request for a unanimous-consent agreement be made subsequent to the quorum call, when the ranking minority member of the Finance Committee, who is interested in the legislation, will be in the Chamber. There will be no trouble.

Mr. HOLLAND. Mr. President, if the Senator from Virginia will yield for that purpose, I should like to suggest the absence of a quorum.

Mr. BYRD of Virginia. I yield.

Mr. HOLLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I should like to take about 5 minutes for the transaction of morning business, but I do not wish to interrupt my distinguished colleague——

The PRESIDING OFFICER. The Senator from Virginia [Mr. BYRD] has the floor.

Mr. HOLLAND. Mr. President, will the Senator yield in order that I may propound a unanimous-consent request for the limitation of time?

Mr. BYRD of Virginia. I yield.

Mr. HOLLAND. I understand that a limitation of 30 minutes to a side is agreeable. With that understanding, I make the request at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

Mr. COTTON. Mr. President, reserving the right to object, I do not wish to have the time consumed by other business and matters in the morning hour. I wish to make sure that the full amount of time will be available for the discussion of the conference report.

Mr. JAVITS. Mr. President, will the Senator from Virginia yield?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. I did not mean to intrude morning business into this discussion. I thought there was a period of waiting in connection with a quorum call. I wish a little time, but solely to discuss the bill.

Mr. HOLLAND. Mr. President, I renew my request.

The PRESIDING OFFICER. The request is that time be limited to 30 minutes to a side.

Mr. KUCHEL. To be controlled by the chairman of the committee and the acting minority leader.

The PRESIDING OFFICER. The Senator is correct.

Is there objection to the request of the Senator from Florida? The Chair hears none, and it is so ordered.

Mr. BYRD of Virginia. Mr. President, title I of the Senate bill granted immunity to an out-of-State company only if the business activities of the out-of-State company within the State were limited to specific activities described under that title. These activities were, first, the solicitation of orders by such person or his representative for sales of tangible personal property; and second, sales, or the solicitation of orders for sales, of tangible personal property on behalf of the out-of-State company by one or more independent contractors.

The conferees agreed to title I of the Senate bill with certain minor clarifying amendments. On page 2, lines 11 to 13, there was some duplication and uncertainty as to the use of the word "client" as well as "customer." Since the word "client" was fully covered under the concept of the word "customer," it was eliminated as unnecessary from the bill. On page 3, line 4, a clarifying amendment was added to make it clear that the maintenance of an office by one or more independent contractors whose activities in behalf of the out-of-State company consisted only of making sales or soliciting orders for sales of tangible personal property would not remove the immunity otherwise provided in the bill for the out-of-State company. The independent contractor would, of course, not have such an immunity in the State in which he was operating.

Title II of the Senate bill which provided for an independent commission for the study of State taxation problems was eliminated by the conferees. Instead of such a commission, the conferees agreed that a study should be made by the Committee on the Judiciary of the House of Representatives and the Committee on Finance of the Senate of State taxation of income derived from interstate commerce and should report to the Congress the results of this study together with proposals for legislation by July 1, 1962. In making this study, the committees could act either separately or jointly, or both, or through duly authorized subcommittees.

Mr. KEATING. Mr. President, will the distinguished Senator from Virginia yield to me?

Mr. BYRD of Virginia. I yield to the Senator from New York.

Mr. KEATING. It seems to me that the conferees have come forth with an even more satisfactory measure than the one which passed the Senate. I commend the chairman and the members of the conference for the fine job they have done.

When the so-called Commission amendment was offered by the distinguished Senator from Delaware [Mr. FREAR] I supported it, but I felt even at the time that it would be more appropriate for this study to be made by committees of Congress charged with preparing legislation.

I had, in fact, prepared an amendment very much along these lines, although not limited to these two committees, because it was my feeling at the time that it was preferable to have the study made directly by the committees rather than by an outside commission. Therefore, I shall support the conference report, and shall do so wholeheartedly. I believe that very constructive work has been done by the Senator's distinguished committee. This new law will be of great benefit particularly to small businesses since otherwise the presence of their salesmen in other States would subject them to the jeopardy of multiple taxation which, due to the methods of taxation in the various States, sometimes would be based on more than 100 percent of income. I am very grateful to the distinguished Senator and the other members of his committee for the fine work they have done.

Mr. BYRD of Virginia. I thank the Senator from New York.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. COTTON. Mr. President, in order that my remarks may not come out of the time of the Senator from Virginia, may I ask the distinguished Senator from California if he will yield me 3 minutes at this time?

Mr. KUCHEL. I yield 3 minutes to the Senator from New Hampshire.

Mr. COTTON. I thank the Senator from California. First, I say to the chairman of the Committee on Finance that I admire greatly the way in which the bill was handled and the way in which it was carefully prepared and every detail scrutinized. I believe that so far as the bill itself is concerned, it is a good bill.

I regret that the House members of the committee of conference limited the scope of the study which is provided for in section 2 of the bill. I was much interested to hear the words of commendation from the distinguished junior Senator from New York [Mr. KEATING] about the conference report.

This is, of course, a bill for the just protection of certain out-of-State, nonresident corporations from State income taxes. Yet individual's incomes are being taxed by States in which they do not reside and they are offered no relief in this bill Another bill involving this subject probably will be brought up on the floor of the Senate soon. At that time I shall have a good deal to say. I merely say now that I had hoped, while we were studying the question of the overlapping of taxation, we would realize that an individual certainly is entitled to as much consideration as a corporation.

In view of the growing tendency on the part of the larger, metropolitan States of the Union to reach into some of the smaller States or borderline States and tax their citizens, I had hoped that an objective, careful study of the whole question of overlapping taxation and nonresident taxation could be made by the committee. But that has been eliminated from the conference report. Because it has been cut out of the report, and because I feel the principle is so vital, I shall be compelled to vote against the conference report, even though I admire the bill and admire greatly the work of the committee in producing it.

I merely ask the distinguished chairman two questions: First, under the conference report, is it correct that the joint committee is precluded from considering the general question of overlapping taxation. Is that correct?

Mr. BYRD of Virginia. The Senator from New Hampshire is correct about that. The study will not cover that question. The matter was thoroughly discussed by the conferees, and the House was adamant in the position that this particular study should relate only to the income taxation of interstate commerce. I think all of us recognize the fact that there is a great problem to be met in the question of overlapping taxation between the States and the Federal Government. I think what should be done is to have a commission appointed for that purpose. But the House would not agree to extend the study to include broader taxation, overlapping and otherwise, as between the States. This study is to relate only to the question of interstate taxation of tangible personal property by means of a net income tax or a tax measured by net income.

Mr. COTTON. I greatly appreciate the comments of the chairman. I sincerely hope that it will be possible to have the Commission conduct such a broad study. I know the Senate conferees did all they could to hold within the purview of the study these aspects of the question which I believe ought to be considered. I can understand the very obvious delight with which Senators from the larger States, such as New York and Massachusetts, greet the limitation, because I represent a victim State. I commend the members of the committee

of conference for their efforts, although I regret that I cannot vote for the conference report. I still think it is regrettable that such action had to be taken, because the bill is an excellent bill.

I thank the distinguished chairman of the committee for his consideration.

Mr. BYRD of Virginia. I thank the Senator from New Hampshire.

Mr. CARLSON. Mr. President, I concur in the statement made by the distinguished chairman of the committee. I assure the Senator from New Hampshire [Mr. COTTON] that despite the fact that the committee of conference did not include an overall study of all the tax problems as they affect the States and the Federal Government, the matter was considered, and we did everything we could as a committee of conference to retain that section.

Although I regret that the Senator from New Hampshire feels compelled to vote against the report, I hope that the situation may be corrected in studies which we all expect and hope will be made of this problem in the future.

I may say to the chairman that I have heard concern expressed by some citizens with respect to the taxation of corporations or businesses which obtain business by agents outside the State. I call attention to one statement in the conference report which I think should be reassuring. It reads:

> The conferees have inserted a clarifying amendment to this provision of the Senate bill, to assure that the maintenance of an office by such an independent contractor within the State shall not subject the out-of-State business to income taxation.

I inquire of the chairman if it is not his understanding that this provision would at least protect those persons who take orders in States.

Mr. BYRD of Virginia. That is my understanding.

Mr. CARLSON. I appreciate the Senator's statement, because there is some concern about this matter.

Mr. BYRD of Virginia. I am glad the Senator from Kansas raised that point, so that it will be clear in the RECORD what the intent of the Senate amendment was as agreed to in conference. I quote the following from the Senate Finance Commitee report:

> The immunity otherwise available to an out-of-State company under subsection (a) of section 1 is not lost merely by reason of the fact that an independent contractor soliciting and accepting orders on its behalf for sales of tangible personal property maintains an office in the State, the primary purpose and use of which is other than to serve representatives of the out-of-State company who are engaged in the solicitation of orders of the nature described in paragraphs (1) or (2) of subsection (a), or both, since the maintenance of an office by an independent contractor is not the maintenance of an office by such out-of-State company or by its "representative." (Under subsection (d)(2) of section 1, the term "representative" does not include an "independent contractor.")

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. KUCHEL. I should like to ask the able Senator from Virginia if the conference report would prevent a State from levying a tax on a business, in the following example: Assume that the XYZ company of New Jersey sends a salesman into Virginia looking for purchasers of any tangible personal property which the company in New Jersey is manufacturing. Is it the intention of the conference report to prevent the State of Virginia from levying any tax on the business which is done in Virginia between the Virginians and the representatives of the New Jersey company?

Mr. BYRD of Virginia. It is the intention of the bill to grant immunity to the out-of-State company where the salesmen only solicit orders within the State. In other words, the report prohibits the taxation of the out-of-State company with respect to orders which are solicited within the State, but which are subject to be concluded at the place of the company outside the State. If the company has facilities in another State, such as warehouses, there is no immunity granted by this bill, and the question of taxation is left to the courts or future action by the Congress.

Mr. KUCHEL. I should like to ask another question: Has the Treasury Department made any comment in regard to this proposed legislation?

Mr. BYRD of Virginia. The Treasury Department has not made a comment on this particular proposed legislation. I believe it wrote a letter to the committee, some time ago, and said it believed the problem should have further study. The Treasury has never taken a position of opposition with regard to this particular measure.

Mr. KUCHEL. I thank the Senator from Virginia.

Mr. JAVITS. Mr. President, will the Senator from Virginia yield for some clarifying questions in regard to what the committee has done?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. First, just now the Senator from Virginia used the word "title." I emphasize its legal nature. It means that the ownership of the merchandise will not pass to the buyer in the State of Virginia. But I do not think the Senator from Virginia meant that. I think what he is talking about is that the acceptance of the order will not take place in the State of Virginia. Is that correct?

Mr. BYRD of Virginia. I meant to say if an order is solicited, for example, in California, but if the headquarters are in Virginia, the contract must be concluded in Virginia, not in California.

Mr. JAVITS. Is the Senator from Virginia using the word "title" in the sense of the acceptance of the order or in the sense of the acceptance of the merchandise?

Mr. BYRD of Virginia. Is the Senator from New York speaking of the contract?

Mr. JAVITS. Yes. I understand this measure relates only to the acceptance of the order, rather than to passage of title to the goods that are ordered.

Mr. BYRD of Virginia. That is correct.

Mr. JAVITS. Is it the theory of this measure that it is a bracket—in other words, that, on the one hand, it prevents taxation when there is just ordertaking, without order acceptance; and, on the other hand, taxation is permitted when there is a corporation, incorporated under the laws of a State, or an individual who is domiciled in that State, and that, in between, the various questions or the range of questions are still left to court adjudication, as in the present way?

Mr. BYRD of Virginia. The Senator from New York is correct, as to the immunity granted in the bill, the bill does not give the States any power to levy taxes.

Mr. JAVITS. Is that the theory of this proposed legislation?

Mr. BYRD of Virginia. Yes.

Mr. JAVITS. Mr. President, I think that is very good; and I compliment the committee. The chairman has done many fine things, and I think this is an excellent example of his work and leadership in resolving these difficult questions, and especially for facilitating small business.

Subsection (c) deals with independent contractors. Is it the intent of this measure that the standards which must be observed by independent contractors are the same as those which must be observed by a company operating directly—in other words, that an independent contractor, too, must have his orders accepted outside the State in which the orders are taken?

Mr. BYRD of Virginia. No; he can conclude the contract in the State.

Mr. JAVITS. I see. That is very important. It was not completely clear.

In short, therefore, the rule for the independent contractor is different from the rule for the direct contractor, because he is a resident of that State and may accept within that State.

Therefore, the word "sales," in subsection (c), is a word of art in connection with that point; is that correct?

Mr. BYRD of Virginia. That is correct.

Mr. JAVITS. I thank the Senator from Virginia.

Mr. CARLSON. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD of Virginia. I yield.

Mr. CARLSON. I think a word of explanation should be stated.

The report states that it was the purpose of both Houses specifically to exempt from State taxation, income derived from interstate commerce, where the only business activity within the State by the out-of-State company was the solicitation. I think that should clarify that point.

Mr. BYRD of Virginia. I thank the Senator from Kansas.

Mr. KUCHEL. Mr. President, will the Senator from Virginia yield further to me?

Mr. BYRD of Virginia. I yield.

Mr. KUCHEL. Do I correctly understand that the conference report in no way forbids State taxation of income

from sales of tangible personal property in interstate commerce, where there is a sales office in the State?

Mr. BYRD of Virginia. That is correct. The office provision was stricken out of the Senate version of the bill.

Mr. KUCHEL. Yes.

Likewise, nothing is attempted to be done by the conference report to prevent a State from taxing any interstate business activities except the sale of tangible personal property; is that correct?

Mr. BYRD of Virginia. That is correct. The bill deals with the Supreme Court decision relating to the net income taxation of income derived from the sale of tangible personal property.

Mr. KUCHEL. Mr. President, at this time I yield myself 5 minutes.

The PRESIDING OFFICER (Mr. HART in the chair). The Senator from California is recognized for 5 minutes.

Mr. KUCHEL. Mr. President, this is an extremely difficult tax bill. It appears that the base of the conference report is considerably narrowed from legislation as it was originally introduced in the Senate earlier this year.

Nevertheless, some of the States of the United States have for many years had laws taxing out-of-State companies doing business within their borders, and measured the tax, under a formula, on the basis of the business done within their borders.

I have received communications from the taxing authorities of the State government of California. My State is one commonwealth which has had a tax on out-of-State corporations, measured by the amount of business done within my State.

What is wrong with requiring an out-of-State corporation doing business in any one of our States to pay exactly the same proportionate tax as that exacted from a business which is located within that very State? Why deny to State governments a part of their tax base? Why treat an out-of-State business differently from a local business to the extent they both do business within the State?

It seems to me the Congress should reject this kind of proposed legislation which we have before us today.

The executive officer of the Franchise Tax Board of California has prepared a paper on this subject; and I ask unanimous consent that the paper, by Mr. John J. Campbell, of California, be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

REACTION IN CALIFORNIA TO DECISIONS IN NORTHWESTERN CEMENT AND STOCKHAM CASES

(By John J. Campbell)

In what was termed by Justice Felix Frankfurter as breaking "new ground," the U.S. Supreme Court ruled in *Northwestern States Portland Cement Company* v. *Minnesota*[1] and *Williams* v. *Stockham Valves and Fittings, Inc.* that the net income from interstate operations of a foreign corporation engaged exclusively in interstate commerce may be subject to State income taxation provided the levy is not discriminatory and is properly apportioned to local activities within the State.

It is the opinion of a number of tax authorities that this is something new in State taxation. However, Minnesota has had such a law on its books since 1933[2] and California has actually been taxing such corporations since 1937.[3] Only one corporation has been seen fit to contest the California tax and it was soundly turned down by the California Supreme Court in *West Publishing Company* v. *McColgan*[4] and by the U.S. Supreme Court in a summary decision in 1946.[5]

It does not appear to be generally accepted that the West Publishing Co. case involved the taxation of a foreign corporation engaged exclusively in interstate commerce and the dissenting opinion in the Stockham Valves and Fittings, Inc., and Northwestern States Portland Cement Company cases suggests that the Publishing Company case did not involve interstate commerce exclusively but that the activities of the company in California were "the usual criteria" which the court has consistently held to constitute the doing of intrastate commerce.

However, the difference in fact between the two cases is so minute as to defy reasonable distinction and a reading of the West Publishing Co. decision of the California Supreme Court upholding the tax leaves no doubt that the California tax was intended to be and was imposed on corporations engaged exclusively in interstate commerce.

Since 1929, domestic and foreign corporations doing business in California have been taxed under the bank and corporation tax law[6] on the right or privilege to do business in the State. The tax extends to all foreign corporations doing intrastate business in California and is measured by income earned in the State, including income from both intrastate and interstate commerce.

If, as indicated by the dissenting opinion in the Stockham Valves and Fittings, Inc., case, the West Publishing Co. had been engaged in intrastate activities, the corporation could have been taxed under the existing law and there would have been no need for a new law. However, it was not taxed under the franchise tax law but under a new law applicable to corporations (and others) engaged exclusively in interstate commerce. In 1937, the California State Legislature recognized the need for such a law to put corporations engaged exclusively in interstate commerce in parity with other corporations engaged in intrastate activities or both intrastate and interstate activities.

The new law, the Corporation Income Tax Act,[7] was intended to be supplementary to the franchise tax law. Although a separate statute, most of its provisions were the same as the franchise tax law. With one minor exception, computation of income was identical and the apportionment of income to the State the same. Corporations taxed under one law were not taxed under the other and taxes erroneously paid under one act could be offset against taxes due under the other law. In 1951, the two laws were consolidated under the bank and corporation tax law.[8] The distinction between corporations doing intrastate and interstate business in the State and those engaged exclusively in interstate business was retained. However, the consolidation of the two laws eliminated many duplicating provisions.

In apportioning income to the State, California uses the three factors—property, payroll, and sales. Sales are allotted to the State where the sales are solicited by the employees of the corporation. Thus, if the corporation has no property or employees in California, the corporation is not subject ot tax on income from business activities under either law.[9] Sales by foreign corporations which ship their products to customers in California on orders solicited by mail-order catalogs, advertisements in magazines, radio and television programs, and those solicited by means of telephone communications are not considered to be California sales, and if the corporation has no other activities here it is not subject to tax. Use of the solicitation theory in allocating sales as contrasted to the destination theory avoids jurisdictional problems in apportioning income of a foreign corporation to the State where no jurisdiction may exist to tax the corporation.

Corporations reporting under the corporation income-tax provisions totaled 1,265 in 1957, as compared with 74,260 reporting under the franchise-tax provisions of the law. Corporation income-tax collections totaled $953,711 for 1957, as compared to $163,870,435 collected under the franchise-tax provisions.[10] While collections under the income-tax provisions may seem small by comparison, nevertheless, over one-half of the tax collected under these provisions is paid by less than 50 corporations. Thus, these 50 corporations pay an annual average tax of approximately $10,000 each. Also, it is known that a number of corporations which are on the borderline status between exclusively interstate and in part intrastate tax activities do file and pay their tax under the franchise-tax provisions.

Fear that many corporations engaged exclusively in interstate commerce may be overburdened with new State tax levies on the basis of the principal decision may not materialize. As is shown by California's figures, the number of corporations subject to tax under the income tax provisions is exceedingly small and the amount of taxes collected less than 1 percent of those collected under the franchise tax law. Also, since the tax is deductible for Federal tax purposes, the additional tax burden which may be imposed by the States which adopt such levies will be relatively light. Overbalancing the additional tax burden, is the economic effect on other corporations which, because of their more extensive operations, are required to include in the measure of their tax income earned from interstate operations. Corporations engaged exclusively in interstate commerce receive the same benefits and impose similar burdens on State and local governments as do corporations engaged exclusively in intrastate commerce. The effect of the decision making corporations engaged exclusively in interstate commerce pay their

[1] (Feb. 24, 1959), —— U.S. ——, 3 L. Ed. 2d 421.

[2] Minnesota Laws, 1933, ch. 405.

[3] Corporation Income Tax Act, as amended. Enacted July 1, 1937; Statutes, 1937, ch. 765.

[4] 27 Cal. 2d 705 (Feb. 27, 1946).

[5] (June 10, 1946), 328 U.S. 823, 90 L. Ed. 1603.

[6] Bank and Corporation Franchise Tax Act, Deering Act 8488. Enacted Mar. 1, 1929; Statutes, 1929, ch. 13.

[7] See note 3, supra.

[8] Part 11 of division 2 of the Revenue and Taxation Code. Added by Statutes, 1949, ch. 557, to become effective July 1, 1951.

[9] Regulation 23040(b), bank and corporation tax law.

[10] Annual report of the franchise tax board for the year 1957, State of California, Sacramento, Calif.

way places the tax burden more equitably where it belongs—on all the corporations which benefit from services performed by the State and local governments.

Likewise, whatever extra bookkeeping that may be required by new State laws does not appear excessive. Corporations are required to maintain income accounts for Federal tax purposes. Additional records that may be required relate primarily to apportionment of income. States using the three-factor formula of property, payroll, and sales will not require extensive new records on the part of the corporations. Property and payroll records are maintained by most corporations. Computation of the sales factor may require some additional records; however, the corporations reporting under the California income tax law have not found the keeping of such records an excessive burden.

Foreign corporations owning property in a State other than that in which they are incorporated or maintain their principal place of business are required to pay property taxes on that property despite the fact that the property might be used exclusively in interstate commerce. The levy of a State tax upon the income from such property is not a material extension of the property taxation principle. It merely imposes on the corporation a tax which the State is empowered to levy on its own residents and upon nonresident individuals. Likewise, if the property had been owned by a foreign corporation doing intrastate business in the State, the income could be included in the measure of an excise or privilege tax. Subjecting a foreign corporation to a tax on the income from such property removes an exemption not otherwise granted to citizens and nonresident individuals similarly situated.

Individuals who derive income from their labors are taxed by most States on income earned therein, irrespective of residence. Their incomes are subject to taxation irrespective of whether they are employed on projects which are exclusively interstate, intrastate, or both combined. Corporations similarly derive income primarily from the aggregate labor of many employees. Neither moral nor economic reasons justify an exemption of such income from State taxation merely because it may have been earned exclusive in interstate commerce.

Fears that a corporation may be subject to an income tax levy merely because it sells to customers in the taxing State by means of magazine advertisements, radio and television programs or telephone communications are not justified. It is assumed that in the situation referred to, the corporation has neither property nor employees in the taxing State and that deliveries of the corporation's products are made through the mail or by means of a common carrier. If a State levy imposed on such a basis should escape the scythe of the commerce clause, nevertheless it would run the risk of being invalidated under the due process clause. Jurisdiction is a prime requisite for taxation. It is very questionable that a tax could be imposed on a foreign corporation solely on the basis that it shipped its products by mail or common carrier to customers in the taxing State.

The argument that the Stockham decision might permit the multiple taxation of a corporation's income derived exclusively from interstate commerce by two or more States is not new. The same argument has frequently been made with respect to privilege type taxes. Yet, the court's opinion in the Stockham case seems to preclude any possibility of multiple taxation of the same income. The requirement that the tax be "not discriminatory and properly apportioned to local activities within the taxing State" would prevent any State from taxing more than its fair share of income earned exclusively in interstate commerce. The same limitations as to nondiscriminatory and fairly apportioned taxes have long been applied to the privilege type taxes measured by income from both intrastate and interstate commerce.

While the Supreme Court expressed a "need for clearing up the tangled underbrush of past cases," nevertheless, the Court's decisions in the field of taxation relating to interstate commerce have been fairly consistent. Not only has this consistency been retained in income taxes imposed on corporations but in property taxes, gross receipts taxes, sales and use taxes and employment taxes.

It has long been settled that foreign corporations doing intrastate business in the taxing State may be taxed under a privilege type tax measured by income, including income from both intrastate and interstate commerce, provided the tax is fairly apportioned to tax only income earned from activities in the State.[11] However, the Court has consistently refused to extend the privilege type taxes to corporations engaged exclusively in interstate commerce. The most recent case on this subject is *Spector Motor Services, Inc.* v. *O'Connor*,[12] where the Court invalidated a Connecticut privilege type tax imposed on a foreign corporation whose activities within the State were confined exclusively to interstate transportation. The most significant feature of the case is that three dissenting judges voted to uphold the tax on the ground that the difference between a privilege type tax measured by income and a net income tax was inconsequential.

Nondiscriminatory and fairly apportioned income taxes levied upon corporations engaged exclusively in interstate commerce have been upheld since 1918.[13] While the earlier cases involved domestic corporations or corporations maintaining a commercial domicile in the taxing State, the Court pointed out that domicile is not controlling but that foreign corporations may be similarly taxed. In these cases, the tax was levied only on income earned from activities in the taxing State; however, in each case the activities were exclusively interstate. The same result was reached in *West Publishing Company* v. *McColgan*,[14] where the corporation taxed was a foreign, not a domestic corporation.

With the exception of cargo in transit in interstate commerce, States may levy property taxes on property located therein, notwithstanding that the property is used exclusively in interstate commerce. Taxes on property such as railroad carriers, etc., which may be in the State only a portion of the year, must be fairly apportioned to the State on the basis of the time spent therein.[15]

Gross receipts from interstate commerce may be taxed if the tax is fairly apportioned to gross receipts earned within the taxing State.[16] Use taxes may be imposed on sales in interstate commerce and the seller required to collect the tax;[17] however, like the corporation privilege tax, the use or sales tax may not be conditioned upon the privilege of engaging in interstate commerce. Highway taxes,[18] and taxes on the privilege of maintaining facilities within the taxing State[19] may similarly be imposed on exclusively interstate activities. Both the highway taxes and the taxes on the maintenance of facilities are based upon the protection and benefits provided by the taxing State. The same reasoning applies equally to taxes levied on income from interstate operations.

Despite much hullabaloo to the contrary, I do not believe the Stockham decision is startling nor that it will affect many corporations so drastically as predicted. Some 28 States levy direct income taxes on corporations.[20] A few States will be added to this group; however, the principal change will be in efforts to enforce the present laws which already impose taxes on these corporations.

As heretofore stated, for many years California has taxed corporations which operate in several States and operate in California in intrastate commerce or in interstate commerce. This has been accomplished by fairly apportioning and allocating to California sources a portion of the corporate net income by use of a formula.

There is no evidence that any corporation has been driven from California by this tax. On the contrary, the record indicates otherwise. During the last 10 years California has carried on an active allocation program. In 1949 there were 4,231 accounts in this office subject to allocation. In 1959 there were 12,558 such accounts, almost a 200 percent increase, whereas the total number of accounts subject to corporation taxes in California increased only 120 percent during the same period. Certainly this record indicates that foreign corporations have eagerly shared in the available California business but not on the basis of a tax advantage over local corporations.

What then is the reason for the hysteria now being generated by groups allegedly representing medium and small interstate operating corporations?[21]

Is it really the fear of being taxed on more than 100 percent of their income or the fear of bookkeeping expense? I think not. Rather it may be that since the Supreme Court has turned the spotlight directly on them they fear that they may be called upon to assume their fair share of the tax burdens and that the continuance of their avoidance practices will meet with increasing difficulties.

I believe it unlikely that the States will attempt to tax foreign corporations which have neither property nor employees therein and that if they attempt to do so, the tax may be invalidated under the due-process clause of the U.S. Constitution.

In these days of tight State budgets we cannot always pursue a tax which may be technically and legally due if the cost of collection exceeds the amount of tax collected.

Imposition of income taxes on corporations engaged exclusively in interstate commerce adds no burden on these corporations not borne by other corporations in similar circumstances but which because of a small amount of intrastate business are subject to taxes on income from both interstate and intrastate activities. Every corporation, regardless of its size and operations, imposes

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[11] See, *U.S. Glue Co.* v. *Town of Oak Creek* (1918), 247 U.S. 321, 62 L. Ed. 1135.

[12] (1951), 340 U.S. 602, 95 L. Ed. 574.

[13] See, note 12, supra.

[14] See, notes 4 and 5, supra.

[15] *Johnson Oil Refining Co.* v. *Oklahoma* (1933), 290 U.S. 158, 78 L. Ed. 238.

[16] *Western Live Stock* v. *Bureau of Revenue* (1938), 303 U.S. 250, 82 L. Ed. 823.

[17] *Southern Pacific Co.* v. *Gallagher* (1939), 306 U.S. 167, 83 L. Ed. 586.

[18] *Aero Mayflower Transit Co.* v. *Board of R.R. Commissioners* (1947), 332 U.S. 405, 92 L. Ed. 99.

[19] *Interstate Oil Pipe Line Co.* v. *Stone* (1949), 337 U.S. 662, 93 L. Ed. 1613.

[20] State and Local Tax, No. 33, p. 2 (Mar. 3, 1959), Prentice-Hall, Inc.

[21] Rept. No. 453, 86th Cong. Select Committee on Small Business. See also reports of hearings April 8, 1959, May 1, 1959.

burdens upon and receives benefits from State and local governments. The obligation of corporations engaged exclusively in interstate activities to share the burdens of State and local governments is, I believe, long overdue.

Mr. KUCHEL. Mr. President, I hope the Senate will take a good, long look at this proposed legislation, and will vote it down.

Mr. SPARKMAN. Mr. President——

Mr. BYRD of Virginia. Mr. President, I yield to the Senator from Alabama such time as he may require.

Mr. SPARKMAN. Mr. President, I wish to commend the Senator from Virginia [Mr. BYRD] and the other conferees for working out what I regard as an acceptable arrangement. I do not suppose it is perfect, even in the opinion of the Senator from Virginia. But it will provide relief for many small businesses—perhaps not so much actual relief, but relief against the threat of what might be done.

The language of the Senate version of the bill was accepted by the conferees, insofar as section 1 is concerned—which I think is acceptable.

When the bill was before the Senate, I stated on the floor that I felt there was doubt only about the section with reference to independent contractors. I think its intent is good.

There are some who think it may be open to abuse. I think it will bear watching; and in the event we find it does constitute a loophole for abuses, certainly in the future ample opportunity will be given to close such loopholes as may develop.

Personally, my own preference would have been a commission appointed by the President, and composed of experts in this line, who might have made the study a very thorough one. However, the solution arrived at was the one suggested in the House-proposed legislation; that is, to have two competent committees of Congress, the Finance Committee on the Senate side and the Judiciary Committee on the House side, to make a study of what we might call perfecting legislation, or, since there is no cutoff date in this measure, changes which might be necessary to perfect such legislation.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. In just a moment. I think the enactment of this legislation will lift a load of fear from many small businessmen who are confronted with this problem—not the problem of paying taxes that they ought to pay. I certainly agree with the Senator that a State ought to have the right to levy a tax that is equitable, fair, and just. I do not think this proposed legislation takes away that right. I think it carefully guards it, as I interpret it. It seeks to remove the fear of further expansion by the various States into the taxing field, beyond what the Supreme Court has ruled as being allowable.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes, I yield.

Mr. KUCHEL. Is it not true, however, that under this proposed legislation the State of the Senator from Alabama and my State would be powerless to levy a tax on business done within the borders of our States by an out-of-State company if salesmen came into our respective States and transacted business?

Mr. SPARKMAN. Within reasonable interpretation, I think the Senator's statement is correct; but that has always been my understanding of the law. It is the decision of the Supreme Court, which indicates that the States might go beyond that, which really causes the fear.

Mr. KUCHEL. I say to my friend that 40 years ago, in the case of *U.S. Glue Company* v. *Oak Creek*, 247 U.S. 321, the Supreme Court held that a State may impose a fairly apportioned net income tax on a foreign corporation whose business operations within the State are wholly of an interstate character.

I will say to my friend that the State which I represent has had a corporation income tax on out-of-State businesses for many years, I think since 1937, under which my State does exact a tax in that fashion. Minnesota is another State which for many years has had similar legislation. The measure of the tax is the amount of business done within the State.

While I recognize the bill before us is considerably narrowed, I still say, from information I have from my own State government, it would not be fair to say this question has arisen completely as a result of a recent Supreme Court decision.

Mr. SPARKMAN. No, but I will repeat what I said a minute ago. It is not so much what the Supreme Court decided, if the Senator reads the decision closely, but it is what may be inferred as to further extensions of these taxing powers that causes the fear.

I do not believe that the Senator from California will find his State injured by this legislation. I think, instead, he will find that many, many small businesses in his State will feel relief from this threatened multiple State taxation and multiple keeping of different systems of bookkeeping and of filling out of forms and other vexatious requirements that would be so burdensome for the typical small business.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. KUCHEL. If what the very able Senator from Alabama, chairman of the Select Committee on Small Business, just said were true—this is a matter of opinion—that certainly would be one strong argument in favor of this legislation, in view of the set of circumstances he suggests. I do want most respectfully to say that I disagree with my friend's opinion. In my judgment, there has not yet been brought forward any concrete evidence that any State of the American Union intended to have its legislature adopt punitive legislation in this field.

Mr. SPARKMAN. No. I would say to the Senator from California I did not intimate punitive legislation. I think it is a normal operation, but the thing about it that causes concern is the lack of uniformity among the States. The problem would be taken care of if the States could adopt uniform procedures, to make certain no State was taxed unjustly and unfairly, and, furthermore, when it set up a system of bookkeeping for one State, that same system might be used for all the other States. Frankly, I hope the Council of State Governors or some such organization may get to work on that kind of proposal. I know that the American Bar Association is greatly interested in this matter. I spoke to members of the tax section of the American Bar Association, which met at Miami, Fla., 2 months ago. They are greatly interested in it.

With reference to how small businesses feel about this matter, I should like to refer the Senator from California to the hearings before the Senate Select Committee on Small Business. We held hearings within some 60 days after the Supreme Court handed down its decision. We had before that committee representatives of State taxing authorities, representatives of small business, and representatives of big business. We had representatives from the U.S. Chamber of Commerce, from the American Bar Association, and from different agencies of that kind, representing groups interested in this bill from all over the country. I refer my friend to those hearings in order to see the fears that small businesses have and the expense some of them have incurred in trying to meet the problems of multiple taxation.

Mr. KUCHEL. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. KUCHEL. I think the Senator has made an excellent contribution. If it were possible for some uniform procedure to be adopted that the 50 States could adopt, that could form the basis for Federal legislation which would preserve to the States, on a uniform basis, their complete power to tax.

Mr. SPARKMAN. Yes. I think something like that could be worked out.

May I say to the Senator from California that my reason for trying to get a cutoff date adopted—the Senator may remember my proposal was to make the act effective only to July 1, 1962—was to require Congress to take further action and perhaps to prod some of these interested groups in coming up with some proposals before that time. I still think it was a good idea. I am sorry that I was not able to sell the Senate on it.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Kansas.

Mr. CARLSON. I want to commend the Senator from Alabama for the fine work he has done in this field, which is a difficult field in which to legislate and in which to write the proper type of legislation, not simply because of conflict between the Federal Government and States, but because of real problems within the States.

Personally, I am grateful for the information the Senator gave before our committee when we started to write this proposed legislation and for the excellent studies he made of the problem.

I did everything in my power to carry out one suggestion he made, and that was with regard to a study commission. I think we should have a study commission of which the Council of State Governors and the Council of State Taxing Authorities should be a part, because I do not believe we are going to solve these problems until we actually sit down around the table and try to iron out some of these problems. I should like to say the Senator is entitled to much credit for his part in bringing this proposed legislation before the Senate.

Mr. SPARKMAN. I certainly thank the Senator from Kansas.

By the way, may I say to the Senator from California, in speaking about the problems that small businesses may feel threaten them, the Senator from Kansas, when hearings were being held by the committee, read a letter from his State tax commissioner, or whatever the title is.

Mr. CARLSON. Collector of revenue.

Mr. SPARKMAN. In which he detailed the many different types of tax coverage that his State might impose.

He also discussed some of the practical difficulties in connection with the matter. I thought this showed a very fine understanding on the part of the State tax official.

I remember testimony we had from a State tax official from Georgia, Mr. Fred Cox, who was one of the best informed. Mr. Cox testified before the Small Business Committee and also before the Finance Committee. Mr. Cox showed a fine understanding of the problem.

I believe when we pull it all together we will see the confusion with which the small businessman, who does business in several different States, must feel he is confronted.

I thank the Senator from Virginia.

Mr. BYRD of Virginia. Mr. President, do any other Senators desire to speak?

Mr. CARLSON. Mr. President, will the Senator yield me 2 minutes?

Mr. BYRD of Virginia. I yield 2 minutes to the Senator from Kansas.

The PRESIDING OFFICER (Mr. Moss in the chair). The Senator from Kansas is recognized for 2 minutes.

Mr. CARLSON. Mr. President, this proposed legislation is so important I think it is necessary for us to try to make a record today as to legislative intent.

The basic purpose of S. 2524 is to exempt from State net income taxation a person whose only activity within a particular State is sales solicitation. The term "person" includes corporations and other business entities, as well as individuals. In general, the exemption applies to income derived within a State by any person from interstate commerce if the business activities within such State by or on behalf of such person are limited to "the solicitation of orders by such person, or his representative, in such State for sales of tangible personal property, which orders are sent outside the State for approval or rejection, and, if approved, are filled by shipment or delivery from a point outside the State"—section 101(a)(1).

It is provided, however, that the immunity provisions are not applicable to the imposition of a net income tax "with respect to any individual who, under the laws of such State, is domiciled in, or a resident of, such State"—section 101(b)(2). The purpose of this provision is to preclude such an individual from claiming the exemption of S. 2524 even though the business activities of, or on behalf of, such individual within the State constitute no more than the "minimum activities" specified in the act.

For example, the King Kole Mining Co., an Ohio corporation with all of its mining operations and offices in Ohio, employs John Doe as its sales agent for several of the Southeastern States, including Georgia. Doe lives in Atlanta and, under the laws of Georgia, is domiciled in, or a resident of, Georgia. This fact does not disqualify the company from exemption from the Georgia net income tax provided the only business activities within Georgia by or on behalf of the company are those specified in section 101(a).

I think it is important that we try to clarify this as much as possible, as the legislation is enacted.

Mr. COOPER. Mr. President, will the Senator yield for a question?

Mr. BYRD of Virginia. I yield.

Mr. COOPER. I should like to state to the Senator a problem, which concerns particularly businesses in my State. As Senators may know, one of the large industries in Kentucky is the distilling industry. This industry has many problems, but I will refer to only one of its problems, relevant to the pending legislation.

Some States have enacted legislation which variously require a distiller desiring to do business in such States to establish offices or warehouses or be licensed or registered. It appears that the purpose of such legislation might be to domicile involuntarily an out-of-State distilling company. I would assume, that States acting in the scope of their police powers have authority to enact reasonable legislation, to regulate trade in spirits, but if the effect is to require distillers—and among them Kentucky distillers—to domicile themselves involuntarily, for the purpose of taxation, that would be unfair, and a burden on interstate commerce.

I am not going to say I believe these companies are domiciled for taxation, but if they are domiciled, it is for certain police power purposes.

My question is, Is there anything in the conference report which authorizes a State to levy taxes upon the net income of such a distiller, or any other out-of-State business similarly situated, when they are required by State law to be so "domiciled"?

Mr. BYRD of Virginia. The Senator is correct in his understanding. There is nothing in the bill which authorizes any taxation by the State. There is a tax immunity provided in the bill in certain situations, but there is nothing in the bill to give the States any power to levy a tax on interstate commerce.

Mr. COOPER. Second, I should like to ask if there is anything in the bill which could be interpreted by the court as giving authority to a State to levy taxes upon the net income of such an out-of-State person or corporation, where under the State law such a person—and I include corporations and companies, of course—has the statutory duty of taking certain legal steps in the State, such as registering, or establishing an office?

Mr. BYRD of Virginia. I will say to the Senator from Kentucky, I think the report makes it clear there is nothing in the proposed legislation which would require taxation.

Mr. COOPER. The question of whether a State can impose income taxes upon an out-of-State company by requiring the company to register, or take other steps which would enable the State to claim the company is domiciled in the State, is a question which, of course, is open to resolution by the courts. But there is nothing in the conference report which would give any added effect or interpretative support to such State legislation?

Mr. BYRD of Virginia. If the Senator from Kentucky desires, the Senator from Virginia will have inserted in the colloquy exactly what the report says and the protection given against any new taxation. There is nothing which changes the present basis of taxation, except an immunity is given under certain conditions with regard to sales which come under the provisions of the bill.

Mr. COOPER. I am trying to distinguish between companies which voluntarily enter into a State, establish offices and warehouses, appoint agents, and so on, and those companies which are required to do so by State law. I simply want to ask if it is the opinion of the Senator from Virginia that the courts could give notice to this peculiar and unusual situation, in their interpretation of the State taxing authority in such cases?

Mr. BYRD of Virginia. There is nothing in the bill which would preclude the courts from recognizing this problem. The report says:

> Whether business activities other than those described in the bill constitute a sufficient basis for the imposition by a State or political subdivision thereof of a net income tax on income derived from interstate commerce is left for future determination by the Congress, or in the absence of congressional action, by the courts.

There is nothing in the bill to cover that point.

Mr. COOPER. Then the Senator would agree that clearly the courts could interpret such a situation as I have described, as I am sure they have the right to do anyway.

Mr. BYRD of Virginia. Certainly.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUSH. How much time remains, Mr. President?

The PRESIDING OFFICER. Twenty minutes remain to the minority leader.

Mr. BUSH. Mr. President, I yield myself 2 minutes.

Mr. President, I should like to observe this is a very clarifying report. As one who sponsored, with my good friend, the junior Senator from New York [Mr. KEATING], one of the bills the committee had under consideration, which resulted in the report to the Senate, I wish to compliment the committee on the final result which has come from this effort. I believe this proposed legislation will afford some comfort and allay some of the fears of many small business corporations.

The proposed legislation has a particular appeal to the smaller companies who do not have large sales forces of their own, are not able to maintain branch offices and extravagant selling organizations. It certainly will give them some relief from the fear or the actuality of multi-State taxation of income pending the results of the findings of the committee which has been set up under the conference report.

So I wish to compliment the distinguished chairman of the Finance Committee and other members of the committee on bringing to a successful conclusion this legislative effort.

Mr. COOPER. Mr. President——

Mr. MANSFIELD. Mr. President, how much time is left?

The PRESIDING OFFICER. Seven minutes remain to the opponents of the conference report. The Senator from New York [Mr. KEATING] is controlling the time.

Mr. KEATING. Mr. President, how much time does the Senator from Kentucky desire?

Mr. COOPER. Five minutes.

Mr. KEATING. I yield 5 minutes to the Senator from Kentucky.

(Mr. COOPER addressed the Senate. His remarks appear elsewhere, under an appropriate heading.)

Mr. KUCHEL. Mr. President, has all time been exhausted?

The PRESIDING OFFICER. Does the Senator yield back any remaining time?

Mr. KUCHEL. I do.

The PRESIDING OFFICER. All time has expired or has been yielded back.

The question is on agreeing to the conference report.

The report was agreed to.

LABOR-MANAGEMENT REPORTING DISCLOSURE ACT OF 1959—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, Senate bill 1748, Calendar No. 518, be temporarily laid aside and that the Senate proceed to the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Sept. 4, 1959.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HOLLAND. Mr. President, I suggest the absent of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceed to call the roll.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CIVIL RIGHTS LEGISLATION

Mr. JAVITS. Mr. President, I wish to call the attention of the Senate to a report on Negro voter registration in the South, issued by the Southern Regional Council, dated 1959.

Mr. President, despite the enactment of the Civil Rights Act of 1957, amazingly little progress in securing voting rights for Negro citizens has been made.

The report indicates practically no progress at all in 1957 and 1958. It shows a purported increase of about 66,000 in registration, but actually that figure cancels itself out because of imperfections in other figures used for comparison.

Mr. President, I wish to point out that the majority leader, the distinguished Senator from Texas [Mr. JOHNSON], in commenting on the civil rights bill of 1957, said:

> I voted for the civil rights bill, because I believe that the right to vote is the most important instrument for securing justice. I was convinced that steps were needed to safeguard that right. If there are loopholes [in the present law], I believe they should be plugged.

This was said on January 20, 1959, and he made a similar statement on August 6, 1959.

I heartily support the Senator from Texas, but I deeply feel that we must back up what we say with legislation in Congress.

It is a fact that unless the Attorney General of the United States is empowered to subpena voting records and local officials are required to retain those voting records for a reasonable time, unless action is taken here to deal with what is called the Macon decision, holding that a State is not amenable to the Civil Rights Act of 1957, we will have a repetition of the same thing, no real progress in 1960, 1961, and 1962.

Mr. President, I ask unanimous consent that excerpts from this report may be made a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

THE NEGRO AND THE BALLOT IN THE SOUTH

(By Margaret Price)

Opposing forces

Negroes of voting age in the South today are being influenced by two distinct forces.

On one side is the Nation as a whole. Congress has passed the first civil rights legislation since Reconstruction. Federal courts have spoken with increasing frequency and clarity on the right of every American to legal equality and justice.

On the other side, stand local custom and resistance to change. In this camp there is a vocal, sometimes violent and threatening element. There are also many political candidates who use racism as a stepping-stone to public office. What these elements lack in national support is offset, at least temporarily, by the fact that they are on the scene. The threat of Main Street often can be more real than the hope of Washington.

Negro southerners are caught in the middle by other factors. If more of them voted, they undoubtedly would benefit by improved educational, economic, and political opportunities. But, on the other hand, only when their educational and economic levels are raised can many be persuaded to vote. By the same token, politicians who could aid in their struggle for first class citizenship cannot be expected to seek their vote until enough are registered to make it worthwhile to run the risk of condemnation by many white voters. However, to many Negroes it is not worthwhile to run the risk of registering—and it still is a risk in many places—until candidates seek their votes and they can expect the same rewards as white voters.

Currently, it cannot be said that either the proponents or opponents of equal suffrage are winning. In the States where the most reliable figures are available, the number of Negro registrants dropped slightly between 1956 and 1958. However, in this off-year election period, registration dropped over the Nation. Even the fact that there was no sharp decrease in Negro registrants might be considered something of an achievement in light of the South's tensions, sporadic violence, tightening of voter registration laws, and the purging of voting rolls in the intervening 2 years.

The influence of basic national forces indicates that the long range prospect is for a steady, if slow, growth in Negro suffrage in the South. As Negroes improve their educational and economic standing, their interest in voting can be expected to grow. Along with this growth should come an expanded, experienced leadership. If the trend toward urbanization continues, more Negroes can be expected to vote in cities, which are generally more permissive. The existing new Federal agencies also may be expected in the long run to encourage more Negroes to exercise their basic civil rights.

However, there seems to be no reason to expect a sudden, dramatic rise in the number of Negro voters in the South, for the obstacles which have restricted Negro voting in the recent past are still strong.

This report will review the developments since 1956 which have brought both new problems and new hope for the political future of Negro southerners.

In addition, studies of three southern counties are included to spotlight forces

influencing specific areas. These deal with a northern Louisiana parish which experienced a wholesale removal of Negroes from voting lists, a South Carolina coastal county, and a Deep South Black Belt county.

CURRENT NEGRO REGISTRATION

In mid-1956, an estimated 1,238,038 Negroes were registered in the 11 Southern States. At the close of 1958, there were an estimated 1,303,827 registered, a gain of 65,789.

This apparent gain is somewhat misleading, however, largely because the 1956 estimate of Negro registrants in Tennessee proved low in light of later available information.

On the other hand, the 1956 total for South Carolina probably was inflated, since the available figures there were based on out-of-date registration rolls which undoubtedly carried the names of some who had died or moved. Since then, the State has had a complete reregistration as required every 10 years. Both white and Negro totals dropped sharply.

In the eight States where the Southern Regional Council was able to obtain reliable figures, the number of Negroes registered in 1958 totaled 1,028,827, as compared to 1,074,672 in 1956, a drop of 45,845.

These eight included Arkansas, Florida, Georgia, Louisiana, South Carolina, and Virginia, where registration figures all came from official sources. In North Carolina, a statewide estimate was made by the executive secretary of the State election board. In Texas, SRC sponsored a county-by-county check, the first of its kind in recent memory.

Of the remaining three States, Tennessee presented a special problem in obtaining data. There is no central source for registration figures and any estimates are of necessity always speculative. At election time, even the number of precincts in the State is in dispute. Judging by the number of votes cast in Tennessee in the presidential race of 1956, the previous estimate of all eligible voters available to SRC was low. If the overall strength was underestimated in 1956, it seems likely that the Negro portion of that total also was low. The 1958 estimate was obtained from a veteran capitol reporter.

In Mississippi, for lack of an official source, observers in the State interested in Negro suffrage were relied upon. These generally estimated the number of qualified Negro voters in the State at 20,000, the same figure used since 1952. They felt there had been no increase because of the State's stringent racial restrictions and because the number of Negroes has declined in Mississippi.[1]

As for Alabama, scene of some of the South's strongest resistance to racial change, there also was no central, official source for registration figures. An estimate of 70,000 Negro voters there was made by MacDonald Gallion, attorney general of Alabama, in testimony before a congressional committee in Washington in April 1959.

Virginia figures were revised after SRC issued an interim report on voting in the fall of 1958. In October, the secretary of the State board of elections gave the number of Negroes registered in the counties (cities are listed separately in Virginia) as 82,423, based on estimates submitted to him by the various counties. In January 1959, after the board had met, Negro registration in the counties was listed at 40,455, a drop of nearly 42,000. (At the same time, the white registration figures for the counties went up nearly 45,000 from the October total.) [2]

The foregoing suggests the difficulty of obtaining reliable, current registration figures. Even States which have a central source for registration data usually can rely only on figures submitted by the various localities and except in some of the larger cities, there is generally no sustained procedure for keeping the rolls up to date. The names of persons who have died or who have moved often are not struck. When a State has had a periodic reregistration, as South Carolina had in 1958, the new figures will be reasonably accurate for several years. On the other hand, a researcher is confronted by such discrepancies as are obvious in the Georgia estimates, where about 50 counties report more white voters than there were white residents over 18 (voting age in Georgia) in the 1950 census. These are rural counties, most of which have been losing population since 1950.

The following table shows the changes in Negro registration over the past 11 years:

Negro registration [1]

	1947	1952	1956	1958
Alabama	6,000	25,224	53,366	70,000
Arkansas	47,000	61,413	69,677	64,023
Florida	49,000	120,900	148,703	144,810
Georgia	125,000	144,835	163,389	161,958
Louisiana	10,000	120,000	161,410	131,068
Mississippi	5,000	20,000	20,000	20,000
North Carolina	75,000	100,000	135,000	150,000
South Carolina	50,000	80,000	99,890	57,978
Tennessee	80,000	85,000	90,000	185,000
Texas	100,000	181,916	214,000	226,818
Virginia	48,000	69,326	82,603	92,172
Total	595,000	1,008,614	1,238,038	1,303,827

[1] See appendix for detailed sources for figures.

Negro registration figures probably are more reliable than those for whites. As stated in the 1956 study, Negro registration is supervised more carefully by officials and also is made up largely of names which have been on the books not more than 12 or 13 years; thus, it is less likely to be inflated by the names of persons who have moved or have died.

In Arkansas, Florida, Georgia, and South Carolina, where official figures showed a decline in Negro registration, the number of qualified white voters also dropped.

An estimated 25 percent of the eligible Negroes were registered in the South in 1956, as compared to 60 percent of the white citizens of voting age. The 1958 total represents about the same percentage, a little over 25 percent of the Negroes of voting age at the time of the 1950 census. (Interim population figures do not have an age breakdown.)

The number of registrants who actually vote lowers the score of the region's political participation even more. For example, of some 20,000 Negroes registered in Mississippi, officials there estimated that only 8,000 had paid the poll tax and only about 7,000 voted in 1956.

The South continues to lag generally behind the rest of the country in the percentage of eligible citizens who vote. The one-party system and the thousands of Negroes who do not or cannot vote are contributing factors. In the 1956 presidential election the percentage of adults of voting age who cast their ballot ranged from the top of 77.3 percent in Idaho and 76.6 in Connecticut to the lowest percentages in the 11 Southern States. They ranked 38–48, in this order:

	Percent voting
Florida	48.4
North Carolina	47.6
Tennessee	46.0
Arkansas	39.9
Louisiana	39.3
Texas	38.0
Virginia	34.2
Georgia	30.4
Alabama	28.4
South Carolina	24.5
Mississippi	22.1

NEW LAWS AND THE COURTS

In 1957 Congress enacted the first civil rights legislation since the post-Civil War years. This did not bring immediate benefit for prospective Negro voters, but rather the voice of defiance from officials in parts of the South.

Negroes themselves were slow to file well-documented complaints with the new Civil Rights Commission. This was due in part to Negro fears, general political apathy in the South and Negro concentration on school desegregation. However, by April 1959, in hearings before a House Subcommittee on Appropriations, the Commission reported it had received the following voting complaints from the South:[3]

	Total	Sworn	Unsworn
Alabama	119	104	15
Arkansas	6		6
Florida	14	12	2
Georgia	1		1
Louisiana	95	88	7
Mississippi	41	40	1
North Carolina	2	1	1
South Carolina	3		3
Tennessee	7	1	6
Texas	1		1
Virginia	2		2
Total	291	246	45

The Civil Rights Act of 1957 set up the Civil Rights Commission and gave it authority to investigate the status of civil rights anywhere in the Nation. The Commission has the power to subpena witnesses and hold hearings to obtain information, but no enforcement powers. The subpena power is backed by the authority of Federal courts to punish refusals by issuing contempt citations. The Commission is charged with reporting its findings and recommendations for additional legislation to the President and Congress.

The 1957 act also created a new Civil Rights Division of the Justice Department which can seek court orders to enforce voting rights, although it does not have subpena powers.

Alabama: The Civil Rights Commission met its first major test in Macon County, Ala. This rural county, home of noted Tuskegee Institute for Negroes and Negro-staffed Veterans Administration Hospital, has a population 85 percent Negro—the highest percentage of nonwhites of any southern county. However, only about 28 percent of Macon's registered voters are Negroes.

The Tuskegee Civic Association reported that 1,110 Negroes and 3,016 white persons were registered in 1958. Since the total white population was estimated at 4,671 in

[1] However, Kenneth Toler, head of the Mississippi bureau of the Commercial Appeal, in an article in the Atlanta Journal-Constitution, Dec. 14, 1958, said Negro voting strength in Mississippi was estimated at 35,000. He said this "is probably a record high and results from reported FBI checking on county registrars or threats of agents moving in."

[2] In April 1959 the State board of elections announced that estimates provided by local clerks and registrars showed a new total of 94,311 Negro voters in Virginia at that time.

[3] From the Nation as a whole, including the South, 310 complaints were received, 253 of them sworn.

1957, this meant that almost all white citizens over 21 had registered. The disproportionately low number of Negro registrants is despite the fact that Macon County ranks first in Alabama both in the number of Negro high school and college graduates.

Negroes in Macon County have fought a long battle for their right to vote. At a hearing in Montgomery, Ala., in December 1958, witnesses told the Civil Rights Commission their efforts have been thwarted by a series of delaying and evasive tactics. They told of pitfalls for Negroes who are required to read and copy sections of the Constitution "to the satisfaction of the registrars," of the failure of registrars to take application from Negroes on several regular registration days, and of the Board's policy of allowing an individual Negro to vouch for only two applicants a year. (Alabama requires that a qualified voter vouch for an applicant.) The witnesses told how, when these methods lost their effectiveness, the board either would resign or meet in a place undisclosed to Negroes.

William P. Mitchell, chairman of the Voter Franchise Committee of the Tuskegee Civic Association, said that in the previous 8 years 1,585 Negro applications for registration were made but only 510 granted. He added that hundreds more appeared to file applications but could not do so because only two Negroes were allowed to apply simultaneously in a small, separate room. Mitchell estimated that at the present rate of issuing certificates to Negroes, it would require 203 years to register the approximately 13,000 unregistered Negroes in Macon County then over 21. This estimate did not take into account the yearly increase of population.

The Commission had subpenaed voting officials of Macon and five other rural, south central Alabama counties—Barbour, Bullock, Dallas, Wilcox, and Lowndes, all with a Negro population of from 53 to 82 percent. They were ordered to bring with them voting records for the past 3 years. However, State and county officials refused to produce records and in several instances refused to testify.

Circuit Court Judge George Wallace, unsuccessful prosegregationist candidate for Governor, had seized the records of Barbour and Bullock a month earlier, claiming they were needed for a grand jury investigation of voting frauds. Two days before the Commission met, grand juries impounded the records of Dallas, Wilcox, and Lowndes. The Commission received records from Macon County but they showed only the names of voters already registered and contained none of the requested information about prospective voters who were turned down.

The Commission ended its hearing with a request to the Justice Department for a court order to open voting records in the recalcitrant countries.

Two days later, U.S. District Judge Frank M. Johnson, Jr., in Montgomery, ordered the defiant counties to produce registration records and issued subpenas to Circuit Judge Wallace and five registrars in Macon, Barbour, and Bullock Counties. Shortly thereafter, the two subpenaed Macon County registrars resigned and said they would then appear before the Commission since they were no longer registrars and had no records in their possession. In January 1959, in a compromise settlement, State authorities agreed to let the Commission look at registration books without removing them from custody of the registrars in Bullock, Barbour, and Macon Counties. No mention was made of the other three counties where records were impounded by grand juries. None of the officials of these three had refused to testify at the December hearings.

Subsequently, Wallace turned the registration records of Barbour and Bullock over to grand juries before leaving office. His action resulted in a contempt of court charge, but Federal Judge Johnson acquitted him, ruling that Wallace had in fact complied with the court order, though by devious means. (The county grand juries had opened the records to Commission examiners.)

The Commission released a report July 31, 1959, which Director Gordon M. Tiffany said showed "a consistent pattern of denial of equal protection of the laws as regards voting in six Alabama counties" (Macon, Barbour, Bullock, Dallas, Lowndes, and Wilcox).

The report included testimony taken in executive session from four staff members who had examined voting records in the counties involved. They testified that a double standard was used by some Alabama registrars when considering Negro applicants for registration. Negroes, they said, often were disqualified for minor mistakes that did not generally disqualify white applicants. For example, they told of Negro applicants being turned down for writing the letters "M" or "S" instead of "married" or "single"; of one who gave the month and year he became a resident but was rejected because he left out the day.

They said a spot check of accepted applications showed that 16 persons were registered who had made the same type of mistakes as those rejected. Fifteen of the 16 accepted were white. Three of those registered had left blank a question on whether they would "give aid or comfort to the enemies of the U.S. Government or the government of the State of Alabama."

The Justice Department, which made its own independent investigation of Macon County complaints, filed a suit in Montgomery, February 6, 1959, charging that voting officials in Macon County discriminated against Negroes. Judge Johnson dismissed the suit, which would have required the Macon registrars to enroll 13 Negroes the Department contended were qualified.

Central legal problem in the case was the resignation of the registrars before the suit was filed. The Justice Department argued that under Alabama law the resignations could not be effective until successors qualified. Alternatively, in case the resignations were held legal, the State of Alabama was named codefendant. Judge Johnson ruled that the registrars had resigned legally and that the Civil Rights Act allowed the Department to seek injunctions only against individuals, not States. He was upheld in June 1959, by the U.S. Court of Appeals in New Orleans. The Justice Department announced that the decision will be appealed to the Supreme Court.

In February 1959, the Alabama legislature, without a dissenting vote, passed an act authorizing registration boards to destroy their records. Specifically, boards could destroy questionnaires completed by applicants at the end of the 30-day limit for appealing a board ruling.

Georgia: On September 4, 1958, the Civil Rights Division of the Department of Justice filed a suit in U.S. District Court against the board of registrars of Terrell County, Ga. It was the first suit filed under section 131 of the Civil Rights Act of 1957. This section gives the Attorney General of the United States the right to institute a suit in behalf of citizens denied the right to vote.

The suit asked for an injunction prohibiting registrars from applying stricter literacy standards to Negroes and from delaying applications by Negroes. It sought registration certificates for five Negroes, four of them college graduates. The Government charged they were denied the right to register by discriminatory use of a literacy test.

The Justice Department also indicated the five instances were part of a systematic exclusion of Negro voters. The complaint said there were only 48 registered Negroes of 5,036 of voting age but that 2,679 of the 3,233 eligible white citizens were enrolled. (The Secretary of State's office reported 2,810 registered white voters in Terrell in 1958.)

On January 26, 1959, Federal Judge T. Hoyt Davis dismissed the suit. He ruled that the injunctive clause of the 1957 Civil Rights Act violated States rights and was unconstitutional. The Justice Department appealed and the Supreme Court has agreed to review the case.

The suit was filed several months after Terrell County appeared in the news because of other racial problems. On June 8, 1958, Robert Baker reported in the Washington Post and Times Herald charges of police brutality, as well as of unsuccessful attempts by Negroes to register. Subsequently, Federal investigators proposed indictments based on the deaths of two Negroes, the pistol wounding of another, the beating of one, and the allegedly illegal detention of a fifth. However, a Federal grand jury refused the Government's request to indict three policemen of Dawson, the county seat of Terrell.

Louisiana: Investigation of voting discrimination complaints from 68 persons in 7 northern Louisiana parishes ran into legal snags also. There, in July, 1959, U.S. District Judge Ben C. Dawkins granted a temporary restraining order preventing the Civil Rights Commission from holding a scheduled hearing. At the same time, Judge Dawkins ordered a three-judge court to rule on the constitutionality of the Commission.

The judge granted the injunction to Louisiana Attorney General Jack Gremillion, who filed the suit on behalf of 17 north Louisiana registrars subpenaed to appear at the hearing. In charging the registrars were denied their constitutional rights, Gremillion claimed they were not informed of the nature and cause of the accusations against them nor allowed to confront their accusers. The Government then asked the court to require those involved in the case to post bond but the request was denied.

Two weeks earlier, the Justice Department filed suit to stop the purge of Negro voters in Washington Parish in southeastern Louisiana. Named as defendants were the White Citizens Council of Washington Parish, four of its members and the parish registrar. The Government said that during the previous 7 months Negro registration in the parish was reduced from 1,517 to 236, as a result of challenges by Citizens Council members. The petition said that in the same period only 10 affidavits were filed questioning the voting rights of white persons. The complaint said that almost without exception the challenging affidavits were based on minor technical deficiencies. Under Louisiana law any two bona fide voters may challenge the right of another voter.

From the outset, investigators of voting rights complaints ran into problems in Louisiana. When one staff member of the Civil Rights Commission went to Webster Parish we found the registrar, who had the State attorney general sitting in as legal adviser, refused to turn over voter records. Although Negroes make up 37.1 percent of the total population of Webster, they represent 1 percent of the registration; of the 8,277 registered voters there in 1958, only 80 were Negro.

The same investigator met a similar refusal in Caddo Parish.

Both registrars contended the investigator failed to comply with two points of State law necessary to obtain their records: he was not a registered voter of Louisiana and he had not obtained a petition signed by 25 Louisiana voters.

Mississippi: The Civil Rights Commission had a difficult time even getting started in Mississippi, one of the first three States where it announced it would investigate registration complaints. (Alabama and Florida were the other two.) When the Commission announced advisory groups would be set up in each State to work with it on civil rights problems, the word from a Citizens Council source in Mississippi was that "anyone who would accept an appointment would be considered a traitor to the South." In Washington, the Commission conceded it was having difficulty in getting a well balanced committee in Mississippi.

Florida: In Florida, where the Commission announced it would look into registration procedures, Gov. LeRoy Collins said he had no objection, so long as the investigation was carried out in a sound manner.

Edward D. Davis, president of the Florida Voters League, a nonpartisan Negro organization, said he had received no complaints at the time of the 1958 primary. Before that, however, Davis said Negroes complained of registration procedures in the four north Florida counties of Liberty, Lafayette, Union, and Gadsden. As the following figures show, Negroes are almost totally disfranchised in these counties:

	1958 population, white	1958 population, Negro	Registered white voters	Registered Negro voters	Population percent Negro	Percent Negroes registered
Gadsden	21,700	28,400	6,310	7	56.7	.11
Lafayette	2,600	200	1,902	0	7.1	0
Liberty	2,200	600	1,706	0	21.4	0
Union	7,100	3,500	2,598	0	33.0	0

The States: Since the Southern Regional Council's 1956 voting survey, no Southern State has eased its registration laws. Five States retain the poll tax—Alabama, Arkansas, Mississippi, Texas, and Virginia. More important, literacy tests which could be used to limit Negro registration remain in effect in Alabama, Georgia, Louisiana, South and North Carolina, Mississippi, and Virginia.

Two States tightened registrations laws—Virginia and Georgia.

Georgia passed a new registration law which some of its legislative sponsors frankly admitted was intended to discourage Negro voting. In opposing the bill, the Georgia League of Women Voters claimed the measure would make unequal application possible in several respects:

(1) Every county could have a different voter application form.

(2) Some voters could register with only one trip to the registrar's office; others would have to make a trip to the clerk's office and the registrar's office also.

(3) Registrars could choose any section of the Georgia or U.S. Constitution for applicants to read and write but the law sets no standard of correctness.

(4) Answers were not provided with a set of 30 questions to ask the registrant nor was it made clear who would decide the correctness of the answers.

Virginia put a new "blank paper" registration law into effect in July 1958. It requires new registrants to write from memory, on a blank sheet of paper, answers to 10 questions about age, residence, occupation, etc.

In North Carolina a 1957 State law provides for court appeals from the rulings of registrars. It requires applicants denied registration to file notice of appeal with the registrar the following day; appeals then can be carried to the county boards of elections, and on to the superior court and the State supreme court.

The Louisiana Legislature defeated two bills of Gov. Earl K. Long which would have prevented the removal of any voter from the registration rolls who had been registered for more than 12 months, despite errors found in the registration, and another bill which stipulated that minor errors in the filing of an application would not disqualify the registrant.

Pending before the Alabama Legislature was a constitutional amendment restoring the cumulative poll tax. In 1953 the poll tax law was modified, limiting past due taxes to 2 years, or $3. Previously, a voter might have had to pay as much as $36 in accumulated unpaid poll taxes before registering.

The courts: In November 1958, a three-judge Federal court dismissed a suit brought by a Negro minister, the Rev. H. D. Darby, who in effect contended that Mississippi registration laws were designed to be administered arbitrarily and were used to discriminate against Negroes. The NAACP announced the suit would not be appealed but would instead be referred to the Civil Rights Commission.

The Supreme Court of the United States denied the appeal of a Negro woman, Mrs. Louise Lassiter, to enjoin North Carolina registrars from using literacy tests if an applicant were otherwise qualified. In a unanimous decision, the Court said the tests apply regardless of race and are "one fair way of determining whether a person is literate."

APPENDIX

FLORIDA

County	1958 population			1958 registration			Population, percent Negro	Registration, percent Negro
	Total	White	Negro	Total	White	Negro		
Alachua	80,500	60,400	20,100	15,602	13,433	2,169	25.0	13.9
Baker	6,800	5,100	1,700	3,820	3,423	397	25.0	10.4
Bay	63,600	53,600	10,000	21,063	19,159	1,904	15.7	9.0
Bradford	12,200	9,100	3,100	5,305	4,535	770	25.4	14.5
Brevard	86,200	75,800	10,400	21,019	19,272	1,747	12.1	8.3
Broward	265,900	218,900	47,000	92,604	84,997	7,607	17.7	8.2
Calhoun	7,800	6,700	1,100	4,303	4,038	265	14.1	6.2
Charlotte	7,200	6,300	900	4,168	3,895	273	12.5	6.5
Citrus	8,400	6,600	1,800	3,976	3,576	400	19.0	10.1
Clay	19,700	17,300	2,400	6,312	5,402	910	12.2	14.4
Collier	13,900	10,300	3,600	4,491	4,164	327	25.9	7.3
Columbia	18,600	12,400	6,200	6,221	5,250	971	33.3	15.6
Dade	846,800	732,000	114,800	358,623	337,838	20,785	13.6	5.8
De Soto	11,600	9,200	2,400	4,910	3,995	915	20.7	18.6
Dixie	4,400	3,600	800	2,018	1,948	70	18.2	3.4
Duval	427,200	324,400	102,800	132,105	105,652	26,453	24.1	20.0
Escambia	166,400	131,000	35,400	60,033	51,956	8,077	21.3	13.5
Flagler	5,300	3,800	1,500	1,551	1,532	19	28.3	1.2
Franklin	5,700	4,100	1,600	3,420	2,897	523	28.1	15.3
Gadsden	50,100	21,700	28,400	6,317	6,310	7	56.7	.11
Gilchrist	3,300	2,900	400	1,704	1,670	34	12.1	2.0
Glades	3,100	1,700	1,400	881	735	146	45.2	16.6
Gulf	8,900	6,400	2,500	3,736	3,234	502	28.1	13.4
Hamilton	8,300	4,500	3,800	4,317	3,805	512	45.8	11.9
Hardee	13,600	11,600	2,000	4,595	4,303	292	14.7	6.4
Hendry	7,200	4,900	2,300	2,702	2,339	563	31.9	20.8
Hernando	9,800	7,100	2,700	3,734	3,248	486	27.6	13.0
Highlands	17,400	13,100	4,300	9,856	8,922	934	24.7	9.5
Hillsborough	359,300	305,000	54,300	114,938	105,116	9,822	15.1	8.5
Holmes	11,600	11,100	500	6,838	6,698	140	4.3	2.0
Indian River	23,100	18,000	5,100	7,229	6,708	521	22.1	7.2
Jackson	34,100	23,000	11,100	11,530	9,440	2,090	32.6	18.1
Jefferson	9,500	3,700	5,800	3,470	3,038	432	61.1	12.4
Lafayette	2,800	2,600	200	1,902	1,902	0	7.1	0
Lake	52,200	40,900	11,300	17,725	16,362	1,363	21.6	7.7
Lee	40,800	32,900	7,900	15,491	14,359	1,132	19.4	7.3
Leon	78,000	50,800	27,200	19,143	15,054	4,089	34.9	21.4
Levy	9,900	6,700	3,200	5,552	5,139	413	32.3	7.4
Liberty	2,800	2,200	600	1,706	1,706	0	21.4	0
Madison	14,200	7,800	6,400	4,570	3,617	953	45.1	20.9
Manatee	56,300	46,100	10,200	18,207	17,293	914	18.1	5.0
Marion	47,500	31,500	16,000	15,022	12,018	3,004	33.7	20.0
Martin	13,100	10,000	3,100	6,065	5,450	615	23.7	10.1
Monroe	54,000	49,000	5,000	11,504	9,856	1,648	9.3	14.3

APPENDIX—Continued

FLORIDA—Continued

County	1958 population			1958 registration			Population, percent Negro	Registration, percent Negro
	Total	White	Negro	Total	White	Negro		
Nassau	14,900	10,700	4,200	6,304	5,041	1,263	28.2	20.0
Okaloosa	56,500	52,100	4,400	13,005	15,321	684	7.8	5.3
Okeechobee	5,100	4,000	1,100	2,514	2,147	367	21.6	14.6
Orange	237,600	201,200	36,400	59,504	56,358	3,146	15.3	5.3
Osceola	16,300	14,600	1,700	7,456	7,102	354	10.4	4.7
Palm Beach	214,300	162,700	51,600	73,300	67,009	6,291	24.1	8.6
Pasco	30,800	27,300	3,500	13,767	13,097	670	11.4	4.9
Pinellas	296,100	264,600	31,500	138,833	134,223	4,610	10.6	3.3
Polk	176,000	142,900	33,100	61,360	55,761	5,599	18.8	9.1
Putnam	33,500	22,000	11,500	12,800	10,979	1,821	34.3	14.2
St. Johns	31,300	21,600	9,700	12,775	10,605	2,170	31.0	17.0
St. Lucie	33,600	24,000	9,600	13,072	11,179	1,893	28.6	14.5
Santa Rosa	25,200	23,300	1,900	11,139	10,390	749	7.5	6.7
Sarasota	59,000	51,700	7,300	21,598	20,915	683	12.4	3.2
Seminole	46,200	33,000	13,200	11,110	9,529	1,581	28.6	14.2
Sumter	11,500	8,600	2,900	4,790	4,216	574	25.2	12.0
Suwannee	14,100	10,200	3,900	5,709	5,312	397	27.7	7.0
Taylor	14,000	10,700	3,300	4,550	4,483	67	23.6	1.5
Union	10,600	7,100	3,500	2,598	2,598	0	33.0	0
Volusia	102,100	80,000	22,100	48,206	43,350	4,856	21.6	10.1
Wakulla	5,100	3,600	1,500	2,994	2,601	393	29.4	13.1
Walton	14,200	12,400	1,800	6,189	5,479	710	12.7	11.5
Washington	10,900	9,000	1,900	6,302	5,664	738	17.4	11.7
State	4,448,000	3,603,100	84,490	[1] 1,593,353	1,448,543	144,810	19.0	9.1

[1] Total of Democratic and Republican registrants. There were also 13,861 voters with other affiliation or independent; as there is no racial breakdown for these, they are excluded from the county figures and the State totals.

Source: Secretary of state of Florida, July 1958. Population figures: Florida State Board of Health, February 1959.

GEORGIA

County	1958 population			1958 registration			Population, percent Negro	Registration, percent Negro
	Total	White	Negro	Total	White	Negro		
Appling	14,100	11,300	2,800	7,752	6,612	1,140	19.9	14.7
Atkinson	7,700	6,000	1,700	4,961	4,164	797	22.1	16.1
Bacon	9,700	8,600	1,100	6,127	6,105	22	11.3	.36
Baker	5,200	1,900	3,300	1,670	1,670	0	63.5	0
Baldwin	21,700	13,900	7,800	10,293	7,675	2,618	35.9	25.4
Banks	5,900	5,600	300	4,464	4,420	44	5.1	1
Barrow	13,500	11,000	2,500	6,160	5,858	312	18.5	5.1
Bartow	29,400	25,200	4,200	12,442	11,239	1,203	14.3	9.7
Ben Hill	15,400	10,400	5,000	4,727	3,797	930	32.5	19.7
Berrien	13,400	11,600	1,800	4,580	4,177	403	13.4	8.8
Bibb	142,000	94,700	47,300	31,037	26,124	4,913	33.3	15.8
Bleckley	9,100	6,400	2,700	3,391	3,346	45	29.7	1.3
Brantley	6,200	5,600	600	3,993	3,767	226	9.7	5.7
Brooks	17,100	8,900	8,200	5,016	4,321	695	48	13.9
Bryan	6,000	3,600	2,400	2,789	1,972	817	40	29.3
Bulloch	24,600	15,400	9,200	9,289	7,899	1,390	37.4	15
Burke	22,100	6,900	15,200	4,091	3,664	427	68.8	10.4
Butts	9,200	5,000	4,200	5,241	3,810	1,437	45.7	27.4
Calhoun	7,600	2,500	5,100	1,814	1,682	132	67.1	7.3
Camden	8,800	4,700	4,100	3,991	2,606	1,385	46.6	34.7
Candler	7,500	4,900	2,600	4,369	3,195	1,174	34.7	26.9
Carroll	35,000	28,200	6,800	14,605	13,680	925	19.4	6.3
Catoosa	17,600	17,200	400	10,008	9,938	70	2.3	.7
Charlton	4,800	3,400	1,400	2,333	2,293	40	29.2	1.7
Chatham	193,400	124,400	69,000	46,193	36,943	9,250	35.7	20
Chattahoochee	1,200	600	600	292	284	8	50	2.7
Chatooga	23,400	21,200	2,200	12,261	11,250	1,011	9.4	8.2
Cherokee	21,800	20,800	1,000	1,069	879	190	4.6	17.8
Clarke	42,700	32,400	10,300	17,391	14,255	3,136	24.1	18
Clay	5,200	1,600	3,600	1,107	1,013	94	69.2	8.5
Clayton	33,900	29,100	4,800	11,918	11,441	477	14.2	4
Clinch	6,500	4,400	2,100	2,748	2,429	319	32.3	11.6
Cobb	84,800	77,800	7,000	30,042	28,134	1,908	8.3	6.4
Coffee	26,100	19,600	6,500	11,000	10,058	942	24.9	8.6
Colquitt	35,700	27,200	8,500	13,965	13,000	965	23.8	6.9
Columbia	11,000	6,100	4,900	3,933	3,423	510	44.5	13
Cook	12,700	9,000	3,700	6,500	6,000	500	29.1	7.7
Coweta	28,900	18,300	10,600	13,244	11,597	1,647	36.7	12.4
Crawford	5,600	2,300	3,300	1,651	1,496	155	58.9	9.4
Crisp	18,200	10,300	7,900	5,506	4,785	721	43.4	13.1
Dade	8,500	8,400	100	3,718	3,678	40	1.2	1
Dawson	3,300	3,300	0	2,172	2,172	0	0	0
Decatur	25,300	13,700	11,600	8,490	7,530	960	45.8	11.3
De Kalb	202,800	183,800	19,000	66,603	64,450	2,153	9.4	3.2
Dodge	16,200	11,500	4,700	10,756	8,728	2,028	29	18.9
Dooly	12,800	6,100	6,700	4,974	4,252	722	52.3	14.5
Dougherty	59,000	36,500	22,500	13,443	10,815	2,628	38.1	19.5
Douglas	14,000	11,900	2,100	7,778	6,946	832	15	10.7
Early	17,000	7,700	9,300	4,017	3,812	205	54.7	5.1
Echols	2,300	1,700	600	819	804	15	26.1	1.8
Effingham	9,000	5,700	3,300	2,806	2,618	188	36.7	6.7
Elbert	18,300	12,700	5,600	10,116	9,012	1,104	30.6	10.9
Emanuel	17,800	11,500	6,300	9,014	7,252	1,762	35.4	19.5
Evans	6,400	3,800	2,600	2,689	2,206	483	40.6	18.
Fannin	15,700	15,600	100	8,522	8,503	19	.63	.22
Fayette	8,000	5,400	2,600	3,229	3,204	25	67.5	.77
Floyd	67,700	58,000	9,700	20,767	19,244	1,523	14.3	7.3
Forsyth	11,100	11,000	100	4,148	4,148	0	.9	0
Franklin	13,900	12,300	1,600	5,800	5,500	300	11.5	5.2
Fulton	571,600	395,000	176,600	133,291	104,877	28,414	30.9	21.3
Gilmer	10,700	10,600	100	4,460	4,454	6	.9	.1
Glascock	3,000	2,200	800	1,358	1,339	19	26.7	1.4

APPENDIX—Continued

GEORGIA—Continued

County	1958 population			1958 registration			Population, percent Negro	Registration, percent Negro
	Total	White	Negro	Total	White	Negro		
Glynn	35,400	24,600	10,800	9,464	7,425	2,039	30.5	21.5
Gordon	19,600	18,400	1,200	7,702	[1] 7,353	[1] 348	6.1	.47
Grady	18,900	12,300	6,600	5,907	5,076	831	34.9	14.1
Greene	12,500	6,100	6,400	7,781	5,053	2,728	51.2	35.1
Gwinnett	35,600	32,400	3,200	17,500	16,498	1,002	9	5.7
Habersham	18,100	17,500	600	8,423	8,223	200	3.3	2.4
Hall	45,000	40,200	4,800	18,751	17,542	1,209	10.7	6.4
Hancock	10,200	2,600	7,600	3,794	2,064	1,730	74.5	45.6
Haralson	15,100	13,900	1,200	12,194	11,443	751	7.9	6.2
Harris	11,400	5,000	6,400	3,850	3,635	215	56.1	5.6
Hart	14,100	10,600	3,500	6,238	5,944	294	24.8	4.7
Heard	6,000	4,600	1,400	2,849	2,475	374	23.3	13.1
Henry	16,800	9,400	7,400	7,104	5,442	1,662	44	23.4
Houston	28,600	20,600	8,000	7,739	[3] 7,259	[3] 480	28	6.2
Irwin	11,600	7,300	4,300	5,200	4,500	700	37.1	13.5
Jackson	18,700	16,000	2,700	7,659	7,209	450	14.4	5.9
Jasper	6,800	2,900	3,900	3,334	2,530	804	57.4	24.1
Jeff Davis	9,800	7,600	2,200	6,190	6,134	56	22.4	.9
Jefferson	18,500	7,700	10,800	4,384	4,120	264	58.4	6
Jenkins	9,500	4,500	5,000	3,196	2,502	694	52.6	21.7
Johnson	8,200	5,700	2,500	3,923	3,655	268	30.5	6.8
Jones	7,300	3,500	3,800	2,659	2,048	611	52.1	23
Lamar	10,600	6,400	4,200	3,700	2,801	899	39.6	24.3
Lanier	5,100	3,400	1,700	2,344	1,892	452	33.3	19.3
Laurens	33,600	20,000	13,600	16,725	13,218	3,507	40.5	21
Lee	6,200	2,000	4,200	1,310	1,281	29	67.7	2.2
Liberty	9,700	4,000	5,700	4,600	2,128	2,472	58.8	43.7
Lincoln	6,300	3,200	3,100	2,440	2,437	3	49.2	.12
Long	3,400	2,300	1,100	[3] 3,262	[3] 2,201	[3] 1,061	32.4	32.5
Lowndes	42,700	26,800	15,900	14,564	11,860	2,704	37.2	18.6
Lumpkin	7,000	6,800	200	3,995	3,912	83	2.9	2.1
Macon	13,500	4,700	8,800	3,202	3,024	178	65.2	5.6
Madison	11,700	9,400	2,300	4,643	4,588	55	19.7	1.2
Marion	6,400	2,400	4,000	1,382	1,330	52	62.5	3.8
McDuffie	12,200	6,800	5,400	4,468	4,089	379	44.3	8.5
McIntosh	6,600	2,500	4,100	2,615	1,396	1,219	62.1	46.6
Meriwether	20,900	10,400	10,500	6,384	5,457	927	50.2	14.5
Miller	8,600	6,200	2,400	3,363	3,357	6	27.9	.18
Mitchell	22,700	11,400	11,300	7,673	7,298	375	49.8	4.9
Monroe	10,600	5,600	5,000	4,086	3,333	753	47.2	18.4
Montgomery	6,900	4,000	2,900	4,320	3,315	1,005	42	23.3
Morgan	11,600	5,600	6,000	3,353	2,615	738	51.7	22
Murray	10,600	10,500	100	4,997	4,962	35	.94	.7
Muscogee	144,100	109,900	34,200	26,588	22,859	3,729	23.7	14
Newton	21,600	14,400	7,200	10,963	9,058	1,905	33.3	17.4
Oconee	6,800	5,200	1,600	3,596	3,224	372	23.5	10.3
Oglethorpe	8,600	4,800	3,800	3,157	2,958	199	44.2	6.3
Paulding	11,400	10,100	1,300	8,286	7,851	435	11.4	5.2
Peach	12,900	4,900	8,000	3,218	2,539	679	62	21.1
Pickens	8,900	8,500	400	4,494	4,393	101	4.5	2.2
Pierce	10,900	8,400	2,500	3,769	3,388	381	22.9	10.1
Pike	7,400	4,100	3,300	3,016	2,520	496	44.6	16.4
Polk	33,200	27,900	5,300	11,006	9,852	1,154	16	10.5
Pulaski	8,400	4,500	3,900	3,088	2,853	235	46.4	7.6
Putnam	7,500	3,500	4,000	2,936	2,366	570	53.3	19.4
Quitman	2,800	1,000	1,800	764	721	43	64.3	5.6
Rabun	7,400	7,300	100	4,878	4,867	11	1.4	.22
Randolph	12,300	4,500	7,800	3,078	2,585	493	63.4	16
Richmond	154,400	106,200	48,200	29,080	23,260	5,820	31.2	20
Rockdale	9,200	6,600	2,600	4,064	3,501	563	28.3	13.9
Schley	3,500	1,400	2,100	1,164	1,006	158	60	13.6
Screven	16,900	7,300	9,600	3,562	3,027	535	53.3	15
Seminole	7,700	4,800	2,900	3,201	3,172	29	37.7	.9
Spalding	35,500	24,700	8,800	[4] 11,930	[4] 9,930	[4] 2,000	26.3	16.8
Stephens	19,400	16,900	2,500	8,869	8,242	627	12.9	7.1
Stewart	8,600	2,300	6,300	1,662	1,555	107	73.3	6.4
Sumter	24,600	11,900	12,700	5,647	5,164	483	51.6	8.6
Talbot	7,600	2,200	5,400	1,667	1,448	219	71.1	13.1
Taliaferro	3,500	1,200	2,300	1,669	913	756	65.7	45.3
Tattnall	13,700	10,500	3,200	9,904	8,224	1,680	23.4	17
Taylor	8,300	4,200	4,100	3,450	3,103	347	49.4	10.1
Telfair	12,400	8,200	4,200	7,558	7,389	169	33.9	2.2
Terrell	13,200	4,700	8,500	2,858	2,810	48	64.4	1.7
Thomas	36,000	22,100	14,500	10,001	8,422	1,579	39.6	15.8
Tift	25,900	18,500	7,400	7,794	6,681	1,113	28.6	14.3
Toombs	18,100	12,900	5,200	5,713	5,543	170	28.7	3.
Towns	4,800	4,800	0	[3] 2,123	[3] 2,123	[3] 0	0	0
Treutlen	6,000	4,100	1,900	[3] 3,559	[3] 3,541	[3] 18	31.7	.5
Troup	54,700	38,000	16,700	15,940	13,836	2,104	30.5	13.2
Turner	10,500	6,400	4,100	4,367	3,893	474	39	10.9
Twiggs	8,000	3,100	4,900	2,865	2,517	348	61.3	12.1
Union	7,200	7,200	0	4,944	4,944	0	0	0
Upson	25,600	19,300	6,300	5,903	5,437	466	24.6	7.9
Walker	43,800	41,100	2,700	24,451	23,324	1,127	6.2	4.6
Walton	20,400	13,900	6,500	7,678	6,873	805	31.9	10.5
Ware	32,800	24,100	8,700	13,736	11,418	2,318	26.5	16.9
Warren	8,000	2,900	5,100	2,201	2,006	195	63.8	8.9
Washington	19,600	8,300	11,300	8,400	6,966	1,704	57.7	20.3
Wayne	15,600	12,500	3,100	9,370	7,931	1,439	19.9	15.4
Webster	3,800	1,300	2,500	934	934	0	65.8	0
Wheeler	5,700	3,700	2,000	3,592	3,157	435	35.1	12.1
White	5,800	5,400	400	4,121	3,932	189	6.9	4.6
Whitfield	40,800	39,100	1,700	16,777	15,920	857	4.2	5.1
Wilcox	8,700	5,900	2,800	3,289	3,059	230	32.2	7
Wilkes	10,900	5,100	5,800	3,654	3,364	290	53.2	7.9
Wilkinson	9,200	4,700	4,500	3,452	3,041	411	48.9	11.9
Worth	18,700	9,200	9,500	6,151	5,855	296	50.8	4.8
State	3,934,000	2,791,000	1,143,000	1,292,343	1,130,385	161,958	29.0	12.5

[1] Total reported by secretary of state not broken down by race. Negro estimate taken from SRC 1956 report; white estimate based on population reports.

[2] Total reported by secretary of state not broken down by race. White and Negro estimates by county board of registrars.

[3] Not reported by secretary of state. Estimates taken from SRC 1956 report.

[4] Not reported by secretary of state. Estimates provided by county board of registrars.

Source: Secretary of state, September 1958, unless otherwise noted. Population figures: Georgia Department of Public Health, July 1958.

APPENDIX—Continued

LOUISIANA

Parish	1958 population			1958 registration			Population, percent Negro	Registration, percent Negro
	Total	White	Negro	Total	White	Negro		
Acadia	55,050	43,771	11,279	21,828	18,324	3,504	20.5	16.1
Allen	21,883	16,550	5,333	8,816	7,053	1,763	24.4	20
Ascension	25,919	16,744	9,175	9,406	7,382	2,024	35.4	21.5
Assumption	19,781	11,261	8,520	6,720	4,731	1,989	43.1	29.6
Avoyelles	43,311	31,288	12,023	15,999	14,045	1,954	27.8	12.2
Beauregard	21,030	17,291	3,739	7,787	6,747	1,040	17.8	13.4
Bienville	20,905	10,107	10,796	4,787	4,759	28	51.6	.58
Bossier	50,376	33,994	16,382	10,455	9,983	472	32.5	4.5
Caddo	208,722	127,707	81,015	55,688	51,222	4,466	38.8	8
Calcasieu	112,461	87,039	25,422	41,967	35,603	6,364	22.6	15.2
Caldwell	11,338	8,025	3,313	2,572	2,534	38	29.2	1.5
Cameron	6,733	6,284	449	2,003	1,928	75	6.7	3.7
Catahoula	13,566	8,672	4,894	2,409	2,222	187	36.1	7.8
Claiborne	27,325	12,834	14,491	5,713	5,698	15	53.0	.26
Concordia	16,968	7,037	9,931	2,262	2,090	172	58.5	7.6
DeSoto	27,434	11,403	16,031	6,012	5,526	486	58.4	8.1
East Baton Rouge	190,198	127,464	62,734	63,690	54,590	9,100	33.0	14.3
East Carroll	18,681	7,243	11,438	2,028	2,028	0	61.2	0
East Feliciana	21,198	8,343	12,855	2,939	2,485	454	60.1	15.4
Evangeline	35,908	26,626	9,282	15,901	12,815	3,086	25.8	19.4
Franklin	34,146	20,905	13,241	6,056	5,692	364	38.8	6
Grant	15,783	11,732	4,051	5,277	4,752	525	25.7	9.9
Iberia	47,533	32,070	15,463	18,602	14,490	4,112	32.5	22.1
Iberville	30,479	15,440	15,039	7,853	5,917	1,936	49.3	24.7
Jackson	17,296	11,756	5,540	5,316	4,956	360	32.0	6.8
Jefferson	130,226	108,398	21,828	66,127	59,392	6,735	16.8	10.2
Jefferson Davis	30,823	23,925	6,888	10,830	9,169	1,661	22.3	15.3
Lafayette	69,568	49,993	19,575	17,121	14,125	2,996	28.1	17.5
Lafourche	50,456	43,584	6,872	22,879	20,926	1,953	13.6	8.5
La Salle	14,256	12,577	1,679	5,058	4,901	157	11.8	3.1
Lincoln	28,798	16,855	11,943	5,135	4,665	470	41.5	9.2
Livingston	23,238	19,511	3,727	7,107	6,543	564	16	7.9
Madison	20,156	6,654	13,502	1,316	1,316	0	67	0
Morehouse	38,276	19,308	18,968	4,849	4,647	202	49.6	4.2
Natchitoches	42,796	23,084	19,712	7,528	6,121	1,407	46.1	18.7
Orleans	643,979	424,440	219,539	194,421	163,132	31,289	34.1	16.1
Ouachita	87,967	58,006	2,961	22,755	21,979	776	34.1	3.4
Plaquemines	17,714	10,962	6,752	5,416	5,371	45	38.1	.83
Pointe Coupee	25,060	11,301	13,759	3,747	3,121	626	54.9	16.7
Rapides	105,119	70,082	35,037	27,924	25,294	2,630	33.3	9.4
Red River	13,460	6,480	6,980	1,973	1,958	15	51.9	.76
Richland	31,261	17,757	13,504	4,452	4,273	179	43.2	4
Sabine	23,205	18,128	5,077	9,135	7,643	1,492	21.9	16.3
St. Bernard	14,944	12,919	2,025			802	13.6	
St. Charles	16,600	11,373	5,227	6,433	5,001	1,432	31.5	22.3
St. Helena	9,958	4,458	5,500	2,761	1,702	1,059	55.2	8.4
St. James	18,006	8,783	9,223				51.2	
St. John	17,653	8,565	9,088			2,426	51.5	
St. Landry	92,456	50,536	41,920	22,512	15,367	7,145	45.3	31.7
St. Martin	31,335	19,308	12,027	9,650	7,144	2,506	38.4	26
St. Mary	42,703	26,845	15,858	14,021	11,363	2,658	37.1	19
St. Tammany	31,177	21,381	9,796	16,129	14,059	2,070	31.4	12.8
Tangipahoa	61,991	41,135	20,856	21,031	17,554	3,477	33.6	16.5
Tensas	15,009	5,210	9,799	928	928	0	65.3	0
Terrabonne	53,184	40,551	12,633	12,192	11,193	999	23.8	8.2
Union	21,164	13,390	7,774	4,303	3,935	368	36.7	8.6
Vermilion	42,245	36,711	5,534	18,753	16,863	1,890	13.1	10.1
Vernon	23,242	20,463	2,779	8,063	7,423	640	12.0	7.9
Washington	44,852	29,838	15,014	12,961	11,444	1,517	33.5	11.7
Webster	41,189	25,890	15,299	8,277	8,197	80	37.1	1
West Baton Rouge	13,448	6,354	7,094	2,315	1,301	1,014	52.8	43.8
West Carroll	19,488	15,709	3,779	3,335	3,265	70	19.4	2.1
West Feliciana	11,405	3,091	8,314	901	901	0	72.9	0
Winn	17,742	12,589	5,153			1,430	29.0	
State	3,130,173	2,067,740	1,062,433	[1] 920,675	[1] 793,265	[2] 126,410	33.9	13.7

[1] Excluding St. Bernard, St. John the Baptist, and Winn parishes, for which registration figures were not available at the time of the survey. The Negro registration figures entered above for these parishes are from SRC's 1956 survey, and are not included in the State totals or percentages.

[2] Plus 4,658 for the 3 excluded parishes equals 131,068.

Source: Secretary of state, Oct. 4, 1958. Population figures: Louisiana State Department of Health, 1958.

SOUTH CAROLINA

County	1957 population			1958 registration			Population, percent Negro	Registration, percent Negro
	Total	White	Negro	Total	White	Negro		
Abbeville	24,167	15,995	8,172	5,538	5,420	118	33.8	2.1
Aiken	63,075	41,719	21,356	20,216	18,454	1,762	33.9	8.7
Allendale	13,211	3,704	9,507	2,559	2,419	140	72	5.5
Anderson	100,724	77,296	21,428	25,048	23,424	1,624	21.3	6.5
Bamberg	19,733	8,029	11,704	3,660	3,267	393	59.3	10.7
Barnwell	20,074	8,097	11,977	5,317	4,786	531	59.7	10
Beaufort	30,466	12,257	18,209	4,141	2,855	1,286	59.8	31.1
Berkeley	34,609	12,427	22,182	7,060	5,147	1,913	64.1	27.1
Calhoun	16,490	4,515	11,975	1,773	1,699	74	72.6	4.2
Charleston	193,973	113,329	80,644	40,136	32,859	7,277	41.6	16.5
Cherokee	39,146	29,976	9,170	11,276	10,612	664	23.4	5.9
Chester	36,716	20,802	15,914	9,143	8,463	680	43.3	7.4
Chesterfield	40,417	24,346	16,071	9,597	8,196	1,401	39.8	14.6
Clarendon	37,376	10,372	27,004	3,782	3,458	324	72.2	8.6
Colleton	31,684	14,405	17,279	6,430	5,695	735	54.5	11.4
Darlington	57,480	30,098	27,382	12,635	10,191	2,444	47.6	19.3
Dillon	35,541	18,045	17,496	5,740	4,924	816	49.2	14.2
Dorchester	25,514	11,153	14,361	5,742	5,330	412	56.3	7.2
Edgefield	18,950	7,231	11,719	3,537	3,267	270	61.8	7.6
Fairfield	24,824	9,692	15,132	4,968	4,218	750	61.0	15.1
Florence	90,885	49,189	41,696	17,953	16,090	1,863	45.9	10.4

APPENDIX—Continued

SOUTH CAROLINA—Continued

County	1958 population			1958 registration			Population, percent Negro	Registration, percent Negro
	Total	White	Negro	Total	White	Negro		
Georgetown	37,160	17,127	20,033	5,578	4,667	911	53.9	16.3
Greenville	193,720	157,176	36,544	51,097	47,057	4,040	18.8	7.9
Greenwood	46,524	32,327	14,197	11,682	10,844	838	30.5	29.3
Hampton	20,258	8,625	11,633	3,460	3,210	250	57.4	7.2
Harry	69,224	49,692	19,532	15,122	13,892	1,230	28.2	8.1
Jasper	12,224	4,213	8,011	2,464	1,975	489	65.5	19.8
Kershaw	36,262	18,709	17,553	9,790	8,706	1,084	48.4	11.1
Lancaster	41,921	29,593	12,328	12,977	12,084	893	29.4	6.9
Laurens	51,396	34,988	16,408	11,033	10,102	931	31.9	8.4
Lee	26,754	8,229	18,525	4,908	4,166	742	69.2	15.1
Lexington	50,725	39,833	10,892	14,319	14,106	213	21.5	1.5
McCormick	10,859	3,867	6,992	1,399	1,399	0	64.4	0
Marion	38,196	16,349	21,847	6,252	5,280	972	57.2	15.5
Marlboro	35,204	16,409	18,795	7,411	7,016	395	43.4	5.3
Newberry	34,392	21,283	13,109	8,480	7,984	496	38.1	5.8
Oconee	43,441	38,219	5,222	8,277	7,717	560	12.0	6.8
Orangeburg	78,513	27,910	50,603	12,288	10,068	2,220	64.5	18.1
Pickens	44,737	39,866	4,871	10,734	10,435	299	10.9	2.8
Richland	165,882	106,686	59,196	38,775	32,110	6,665	35.7	17.2
Saluda	17,679	9,952	7,727	4,351	4,135	216	43.7	5.0
Spartanburg	167,990	129,872	38,118	45,084	41,914	3,170	22.7	7.0
Sumter	69,385	30,494	38,891	9,704	7,574	2,130	56.1	21.9
Union	34,687	23,408	11,279	12,124	11,100	1,024	32.5	8.4
Williamsburg	51,222	15,736	35,486	6,390	6,156	234	69.3	3.7
York	82,092	56,145	25,947	18,966	16,552	2,414	31.6	12.7
State	2,415,502	1,461,385	954,117	537,406	479,711	57,978	39.5	10.8

Source: Secretary of State O. Frank Thornton, as reported in the State (Columbia, S.C.), May 24, 1958. The South Carolina Legislative Manual, 1959, prints county registration figures as of June 10, 1958 (p. 358); the figures given above were reported by the secretary of state as of May 10, 1958. The later figures are not used because they are not broken down by race. The difference, however, is slight: a total State registration of 536,206, or 1,200 less than the May 10 report used here. Population figures: State board of health, Jan. 1, 1957.

VIRGINIA

	1956 population			1958 registration			Population, percent Negro	Registration, percent Negro
	Total	White	Negro	Total	White	Negro		
County:								
Accomack	33,923	22,094	11,829	4,962	4,469	493	34.9	9.9
Albermarle	27,933	22,805	5,128	4,765	4,120	645	18.4	13.5
Alleghany	11,725	10,834	891	2,214	2,056	158	7.6	7.1
Amelia	8,299	4,128	4,171	2,582	1,975	607	50.3	23.5
Amherst	21,063	15,623	5,440	5,182	4,586	596	25.8	11.5
Appomattox	8,667	6,429	2,238	2,540	2,390	150	25.8	5.9
Arlington	158,710	151,207	7,203	44,526	43,252	1,274	4.5	2.9
Augusta	35,107	33,322	1,785	7,446	7,271	175	5.1	2.4
Bath	5,982	5,321	661	1,776	1,704	72	11	4.1
Bedford	31,601	25,693	5,908	6,985	6,130	855	18.7	12.2
Bland	6,185	6,048	137	1,689	1,672	17	2.2	1
Botetourt	16,555	15,112	1,443	4,740	4,740	0	8.7	0
Brunswick	20,544	8,095	12,449	4,626	3,856	770	60.6	16.6
Buchanan	38,650	38,636	14	11,625	11,625	0	.04	0
Buckingham	12,135	6,738	5,397	1,515	1,075	440	44.4	29
Campbell	33,669	26,063	7,606	6,133	5,358	775	22.6	12.6
Caroline	12,788	6,108	6,680	1,912	1,410	502	52.2	26.3
Carroll	26,882	26,481	401	6,456	6,445	11	1.5	.17
Charles City	4,842	867	3,975	1,186	554	632	82.1	53.3
Charlotte	15,431	9,352	6,079	3,580	3,296	284	39.4	7.9
Chesterfield	56,044	46,385	9,659	12,595	11,325	1,270	17.2	10.1
Clarke	7,267	6,050	1,217	2,330	2,105	225	16.7	9.7
Craig	3,315	3,301	14	1,080	1,080	0	.42	0
Culpeper	14,517	10,662	3,855	3,304	2,827	477	26.6	14.4
Cumberland	6,966	2,868	4,098	1,775	1,475	300	58.8	16.9
Dickenson	23,391	23,181	210	9,305	9,260	45	.9	.48
Dinwiddie	20,575	7,866	12,709	4,260	3,424	836	61.8	19.6
Essex	6,666	3,496	3,170	1,070	845	225	47.6	21
Fairfax	176,371	164,269	12,102	48,580	47,506	1,074	6.9	2.2
Fauquier	24,401	18,206	6,195	4,120	3,937	183	25.4	4.4
Floyd	11,580	11,174	406	4,538	4,433	105	3.5	2.3
Fluvanna	7,289	4,492	2,797	890	808	82	38.4	9.2
Franklin	27,188	23,011	4,177	3,995	3,609	386	15.4	9.7
Frederick	20,400	19,972	428	4,265	4,220	45	2.1	1.1
Giles	20,090	19,547	543	5,001	4,950	51	2.7	1
Gloucester	11,351	7,942	3,409	3,596	2,949	647	30	18
Goochland	9,280	4,512	4,768	2,625	1,950	675	51.4	25.7
Grayson	16,887	15,869	1,018	6,501	6,430	71	6	1.1
Greene	5,321	4,641	680	1,787	1,700	87	12.8	4.9
Greensville	17,996	7,456	10,540	3,685	2,810	875	58.6	23.7
Halifax	43,418	24,223	19,195	6,332	5,750	582	44.2	9.2
Hanover	26,012	18,374	7,638	5,175	4,640	535	29.4	10.3
Henrico	86,821	80,776	6,045	30,813	29,958	855	7	2.8
Henry	36,825	27,400	9,425	6,621	6,270	351	25.6	5.3
Highland	3,811	3,695	116	1,257	1,247	10	3	.8
Isle of Wight	16,580	7,899	8,681	4,523	3,592	931	52.4	20.6
James City	7,370	4,037	3,333	1,465	1,123	342	45.2	23.3
King George	6,636	4,652	1,984	1,525	1,200	325	29.9	21.3
King and Queen	6,822	3,110	3,712	915	565	350	54.4	38.3
King William	7,949	4,650	3,299	1,405	1,100	305	41.5	21.7
Lancaster	8,911	5,316	3,595	2,075	1,660	415	40.3	20
Lee	30,363	30,013	350	12,311	12,183	128	1.2	1
Loudoun	23,764	19,788	3,976	7,919	7,498	421	16.7	5.3
Louisa	13,550	8,181	5,369	2,464	2,085	379	39.6	15.4
Lunenburg	14,925	8,134	6,791	2,660	2,200	460	45.5	17.3
Madison	8,784	6,621	2,163	2,110	1,985	125	24.6	5.9
Mathews	6,900	4,981	1,919	1,675	1,475	200	27.8	11.9
Mecklenburg	33,810	17,220	16,590	5,880	5,250	630	49.1	10.7
Middlesex	6,971	4,049	2,922	1,206	1,003	203	41.9	16.8
Montgomery	32,171	30,647	1,524	6,530	6,100	430	4.7	6.6

APPENDIX—Continued

VIRGINIA—Continued

	1958 population			1958 registration			Population, percent Negro	Registration, percent Negro
	Total	White	Negro	Total	White	Negro		
Counties:—Continued								
Nansemond	28,554	10,081	18,473	4,247	2,909	1,338	64.7	31.5
Nelson	14,248	10,229	4,019	3,444	3,078	366	28.2	10.6
New Kent	4,237	1,925	2,312	1,182	808	374	54.6	31.6
Norfolk	70,428	54,110	16,318	8,040	6,739	1,301	23.2	16.2
Northampton	17,861	8,085	9,776	2,795	2,275	520	54.7	18.6
Northumberland	9,594	5,391	4,203	4,550	3,070	1,480	43.8	32.5
Nottoway	15,964	8,921	7,043	3,220	2,655	565	44.1	17.5
Orange	13,589	10,208	3,381	2,531	2,274	257	24.9	10.2
Page	15,550	15,043	507	6,010	5,900	110	3.3	1.8
Patrick	16,307	14,999	1,308	3,980	3,900	80	8	2
Pittsylvania	60,674	38,597	22,077	6,918	6,425	493	36.4	7.1
Powhatan	5,823	3,534	2,289	1,796	1,365	431	39.3	24
Prince Edward	15,993	9,259	6,734	3,450	2,750	700	42.1	20.3
Prince George	22,134	16,389	5,745	2,246	1,819	427	26	19
Princess Anne	77,104	64,438	12,666	16,573	15,158	1,415	16.4	8.5
Prince Willliam	28,840	25,852	2,988	4,205	3,851	354	10.4	8.4
Pulaski	30,357	28,284	2,073	8,077	7,572	505	6.8	6.3
Rappahannock	5,839	4,875	964	2,360	2,150	210	16.5	8.9
Richmond	6,136	3,885	2,251	1,255	970	285	36.7	22.7
Roanoke	50,123	46,565	3,558	19,435	18,647	788	7.1	4.1
Rockbridge	25,054	23,013	2,041	5,179	4,834	345	8.1	6.7
Rockingham	39,544	38,928	616	7,933	7,855	78	1.6	.98
Russell	27,858	27,161	697	7,052	6,963	89	2.5	1.3
Scott	28,398	28,134	264	6,360	6,320	40	.93	.63
Shenandoah	21,651	21,240	411	6,260	6,205	55	1.9	.88
Smyth	30,822	30,283	539	8,022	7,931	91	1.7	1.1
Southampton	27,038	11,161	15,877	4,155	3,630	525	58.7	12.6
Spotsylvania	13,770	10,685	3,085	3,900	3,500	400	22.4	10.3
Stafford	14,235	12,430	1,805	3,285	2,940	345	12.7	10.5
Surry	6,662	2,391	4,271	1,340	1,075	265	64.1	19.8
Sussex	13,628	4,726	8,902	2,910	2,275	635	65.3	21.8
Tazewell	49,395	46,807	2,588	7,487	7,140	347	5.2	4.6
Warren	15,622	14,456	1,166	4,090	3,911	179	7.5	4.4
Washington	38,308	37,415	893	7,864	7,686	178	2.3	2.3
Westmoreland	10,825	5,824	5,001	3,543	3,177	366	46.2	10.3
Wise	48,223	46,918	1,305	11,095	11,044	51	2.7	.4
Wythe	23,075	21,848	1,227	12,391	12,131	260	5.3	2.1
York	18,635	14,361	4,274	3,235	2,715	520	22.9	16.1
Independent cities:								
Alexandria	85,427	76,767	8,660	28,046	27,175	871	10.1	3.1
Bristol	18,093	16,986	1,107	3,230	3,000	230	6.1	7.2
Buena Vista	6,204	5,979	225	1,124	1,093	31	3.6	2.8
Charlottesville	29,975	24,616	5,359	10,638	9,467	1,171	17.8	11
Clifton Forge	5,830	4,736	1,094	2,216	2,000	216	18.7	9.7
Colonial Heights	7,813	7,796	17	2,500	2,500	0	.2	0
Covington	11,453	10,353	1,100	3,215	2,755	460	9.6	14.3
Danville	50,006	36,824	13,182	11,450	9,893	1,557	26.4	13.6
Falls Church	9,752	9,592	160	3,352	3,297	55	1.6	1.6
Fredericksburg	12,597	10,658	1,939	4,411	3,853	558	15.4	12.7
Galax	5,423	5,094	329	1,360	1,350	10	6.1	.74
Hampton	75,980	58,805	17,175	17,440	14,811	2,629	22.6	15.1
Harrisonburg	12,188	11,326	862	3,385	3,200	185	7.1	5.5
Hopewell	18,722	16,052	2,670	4,310	4,000	310	14.3	7.2
Lynchburg	50,528	39,641	10,887	20,568	17,992	2,576	21.5	12.5
Martinsville	18,764	13,159	5,605	3,807	3,397	410	29.8	10.8
Newport News	44,778	22,355	22,423	11,369	6,626	4,743	50.1	41.7
Norfolk	291,896	218,108	73,787	69,310	59,422	9,888	25.3	14.3
Norton	5,139	4,714	425	1,459	1,386	73	8.3	5
Petersburg	35,620	19,074	16,546	8,236	6,029	2,207	46.5	26.8
Portsmouth	88,073	54,927	33,146	15,724	11,415	4,309	37.6	27.4
Radford	9,999	9,415	584	4,198	3,957	241	5.8	5.7
Richmond	240,744	152,181	88,563	68,012	55,666	12,346	36.8	18.2
Roanoke	101,540	84,598	16,942	36,524	33,825	2,699	16.7	7.4
South Norfolk	24,105	18,762	5,343	4,535	3,850	685	22.2	15.1
Staunton	22,374	20,016	2,358	5,733	5,337	396	10.5	6.9
Suffolk	12,456	7,977	4,479	3,663	2,988	675	36	18.4
Virginia Beach	6,958	6,658	300	3,714	3,591	123	4.3	3.3
Warwick	58,345	43,411	14,934	12,419	11,116	1,303	25.6	10.5
Waynesboro	14,051	13,028	1,023	4,309	4,165	144	7.3	3.3
Williamsburg	7,865	6,835	1,030	1,293	1,173	120	13.1	9.3
Winchester	14,700	13,377	1,323	4,087	3,996	91	9	2.2
State	3,799,174	2,981,893	817,281	[1] 944,727	852,483	92,172	21.5	9.8

[1] Includes 72 Indians in Charles City County.

Source: Secretary, State board of elections, Jan. 15, 1959. Population figures: Bureau of Population and Economic Research, University of Virginia, May 1957.

ARKANSAS

County	1957 registration			Registration, percent Negro	County	1957 registration			Registration, percent Negro
	Total	White	Negro			Total	White	Negro	
Arkansas	8,008	7,308	700	8.7	Craighead	14,239	13,929	310	2.2
Ashley	8,050	6,868	1,182	14.7	Crawford	6,584	6,489	95	1.4
Baxter	3,597	3,597	0	0	Crittenden	6,923	5,778	1,145	16.5
Benton	12,308	12,284	25	.2	Cross	4,642	4,036	606	13.1
Boone	5,869	5,869	0	0	Dallas	4,268	3,240	1,028	24.1
Bradley	5,566	4,443	1,123	20.2	Desha	6,852	4,693	2,159	31.5
Calhoun	2,907	2,607	300	10.3	Drew	5,000	4,500	500	10.0
Carroll	4,195	4,195	0	0	Faulkner	9,223	8,767	456	4.9
Chicot	6,286	3,761	2,525	40.2	Franklin	4,547	4,518	29	.6
Clark	7,083	5,872	1,211	17.1	Fulton	2,647	2,647	0	0
Clay	5,337	5,337	0	0	Garland	17,347	16,647	700	4.0
Cleburne	2,839	2,839	0	0	Grant	3,665	3,479	186	5.1
Cleveland	2,886	2,536	350	12.1	Greene	8,144	8,134	10	.12
Columbia	7,544	6,534	1,010	13.4	Hempstead	7,034	5,884	1,150	16.3
Conway	7,585	6,189	1,396	18.4	Hot Springs	8,859	8,559	300	3.4

APPENDIX—Continued

ARKANSAS—Continued

County	1957 registration			Registration, percent Negro	County	1957 registration			Registration, percent Negro
	Total	White	Negro			Total	White	Negro	
Howard	4,112	3,852	260	6.3	Pike	3,242	3,139	103	3.2
Independence	6,862	6,787	75	1.1	Poinsett	9,003	8,653	350	3.9
Izard	2,933	2,910	23	.78	Polk	4,803	4,803	0	0
Jackson	7,368	6,553	815	11.1	Pope	7,059	6,969	90	1.3
Jefferson	20,970	15,308	5,662	27.0	Prairie	3,832	3,632	200	5.2
Johnson	4,892	4,877	15	.31	Pulaski	72,190	61,771	10,419	14.4
Lafayette	3,830	2,725	1,105	28.9	Randolph	4,428	4,403	25	.56
Lawrence	5,536	5,506	30	.54	St. Francis	7,162	5,262	1,900	26.5
Lee	4,171	2,805	1,366	32.7	Saline	9,415	9,328	87	.92
Lincoln	3,871	2,569	1,302	33.6	Scott	3,275	3,230	45	1.4
Little River	3,730	3,230	500	13.4	Searcy	2,766	2,766	0	0
Logan	6,041	5,996	45	.74	Sebastian	21,045	20,209	836	4.0
Lonoke	7,755	6,597	1,158	14.9	Sevier	3,406	3,205	201	5.9
Madison	3,645	3,645	0	0	Sharp	2,823	2,823	0	0
Marion	2,792	2,792	0	0	Stone	2,770	2,770	0	0
Miller	10,740	9,172	1,568	14.6	Union	17,928	15,158	2,770	15.5
Mississippi	16,841	12,919	3,922	23.3	Van Buren	3,300	3,280	20	.60
Monroe	4,389	3,453	936	21.3	Washington	13,933	13,921	12	.09
Montgomery	2,625	2,625	0	0	White	9,780	9,480	300	3.1
Nevada	4,021	3,285	736	18.3	Woodruff	4,140	3,224	916	22.1
Newton	2,465	2,465	0	0	Yell	4,975	4,902	73	1.5
Ouachita	11,421	7,401	4,020	35.2					
Perry	2,147	2,117	30	1.4	State	563,978	499,955	64,023	11.2
Phillips	9,512	5,900	3,612	37.9					

Source: Report of Jimmie "Red" Jones, auditor of State of Arkansas, 1958.

Texas—Statistical estimates of qualified Negro voters

EXPLANATION.—Texas has no personal registration for voting, and the closest thing to it is poll tax payment. The poll tax is levied on all between the ages of 21–60, with a few classes of people (e.g., some physically disabled) exempted from payment. For these latter persons to vote, they must obtain a certificate of exemption; so also must persons over 60 who reside in a city of 10,000 or more population. Persons over 60 living in smaller places need not get a certificate to vote, if otherwise qualified. The table below, therefore, shows (1) number of poll taxes paid; (2) number of certified, or listed, exempts; (3) number of unlisted exempts, i.e. persons over 60 living in places of less than 10,000 population. Some of this third group, of course, may not realize that they are eligible to vote.

Counties	Poll taxes paid	Listed exempts	Unlisted exempts, estimate	1958 voter total	Negro population, 1950	Counties	Poll taxes paid	Listed exempts	Unlisted exempts, estimate	1958 voter total	Negro population, 1950
Anderson	917	188	656	1,761	4,864	Denton [1]	200	0	105	305	2,321
Andrews	33	0	1	34	34	DeWitt [3]	[4] 387	0	547	934	3,199
Angelina [1]	768	242	188	1,198	5,944	Dickens	14	0	31	45	369
Aransas	54	0	9	63	107	Dimmit	3	0	5	8	63
Archer [1 2]	1	0	1	2	16	Donley	13	0	20	33	253
Armstrong [1 2]	0	0	0	0	7	Duval	4	0	6	10	23
Atascosa	24	0	12	36	240	Eastland [1 2]	38	0	62	100	313
Austin [3]	[4] 365	0	435	800	3,016	Ector [1 2]	557	0	28	585	1,571
Bailey [1 2]	29	0	6	35	239	Edwards	0	1	1	1	13
Bandera	2	0	1	2	15	Ellis [3]	[4] 1,270	0	852	2,122	10,843
Bastrop	666	0	858	1,524	6,196	El Paso [1 2]	[4] 905	0	57	962	4,182
Baylor	6	0	8	14	108	Erath	4	0	25	29	148
Bee	120	0	55	175	470	Falls	321	38	1,121	1,480	8,590
Bell	1,007	13	211	1,231	8,646	Fannin [3]	[4] 384	0	490	874	3,282
Bexar	6,175	1,376	216	7,767	32,565	Fayette	275	0	643	918	3,926
Blanco	15	0	23	38	105	Fisher	31	0	48	79	561
Borden	0	0	0	0	24	Floyd	36	0	16	52	387
Bosque	9	0	59	68	373	Foard	23	0	15	38	430
Bowie [2]	1,614	355	922	2,891	15,184	Fort Bend [3]	[4] 909	0	952	1,861	7,520
Brazoria	1,419	29	672	2,120	6,845	Franklin	50	0	54	104	424
Brazos	700	350	533	1,583	9,192	Freestone	746	5	860	1,611	6,316
Brewster	7	0	7	14	40	Frio	8	0	6	14	98
Briscoe [1 2]	10	0	2	12	98	Gaines [1 2]	14	0	5	19	119
Brooks	4	0	2	6	39	Galveston	6,011	961	358	7,330	23,712
Brown [2]	127	41	90	258	906	Garza	37	0	10	47	242
Burleson [3]	[4] 508	0	704	1,212	4,203	Gillespie	2	0	4	6	15
Burnet [1 2]	26	0	16	42	220	Glasscock	0	0	1	1	11
Caldwell	370	0	448	820	3,068	Goliad [1 2]	77	0	105	182	638
Calhoun	118	1	58	177	712	Gonzales	224	0	560	784	3,926
Callahan	0	0	2	2	7	Gray [1 2]	75	0	2	77	623
Cameron [1 2]	88	0	39	127	732	Grayson [3]	[4] 1,900	0	232	2,132	6,187
Camp [3]	[4] 532	0	468	1,000	3,478	Gregg	[4] 4,412	0	690	5,102	14,963
Carson	3	0	2	5	11	Grimes [3]	[4] 740	0	948	1,688	6,116
Cass [3]	[4] 1,324	0	917	2,241	8,657	Guadalupe [3]	[4] 438	0	541	979	3,622
Castro	19	0	1	20	64	Hale [3]	89	0	11	100	1,039
Chambers	621	0	174	795	1,526	Hall [1 2]	118	0	38	156	986
Cherokee	883	0	1,101	1,984	10,634	Hamilton	0	0	1	1	1
Childress	61	0	62	123	832	Hansford	0	0	0	0	0
Clay	9	0	21	30	81	Hardeman [1 2]	99	0	65	164	822
Cochran [1 2]	20	0	10	30	164	Hardin	761	4	334	1,099	3,079
Coke	0	0	0	0	5	Harris	[4] 44,282	0	1,112	45,994	149,286
Coleman [1 2]	48	0	38	86	402	Harrison [3]	[4] 2,000	200	1,543	3,743	24,717
Collin [3]	[4] 444	0	244	688	3,792	Hartley	0	0	1	1	11
Collingsworth [1 2]	81	0	48	129	671	Haskell	35	0	45	80	887
Colorado	535	0	687	1,222	4,436	Hays	128	0	187	315	1,144
Comal	15	0	1	16	277	Hemphill	0	0	0	0	1
Comanche	0	0	3	3	8	Henderson	463	0	518	981	4,766
Concho	0	0	1	1	10	Hidalgo [1 2]	73	0	77	150	609
Cooke [3]	[4] 112	0	18	130	959	Hill	105	0	490	595	4,677
Coryell	8	0	49	57	424	Hockley	31	0	28	59	940
Cottle [1 2]	46	0	14	60	385	Hood	4	0	25	29	30
Crane	53	0	1	54	104	Hopkins	201	0	292	493	2,631
Crockett [1 2]	12	0	6	18	106	Houston	701	4	1,050	1,755	8,918
Crosby [1 2]	99	0	39	138	827	Howard [3]	155	27	4	186	890
Culberson	0	0	0	0	4	Hudspeth	0	0	1	10	25
Dallam	6	0	2	8	35	Hunt [3]	[4] 738	0	260	998	6,309
Dallas [3]	[4] 17,074	0	1,615	18,689	82,922	Hutchinson	113	28	31	172	523
Dawson [3]	108	29	2	134	1,091	Irion [1 2]	0	0	1	1	10
Deaf Smith	4	0	0	4	6	Jack [1 2]	8	0	4	12	74
Delta	24	0	101	125	934	Jackson	166	1	202	369	1,714

See footnotes at end of table.

Texas—Statistical estimates of qualified Negro voters—Continued

Counties	Poll taxes paid	Listed exempts	Unlisted exempts, estimate	1958 voter total	Negro population, 1950
Jasper	636	3	572	1,211	5,305
Jeff Davis	2	0	3	5	26
Jefferson	8,616	1,383	162	10,161	44,122
Jim Hogg	2	0	1	3	13
Jim Wells [1 2]	48	0	3	51	401
Johnson	80	3	98	181	1,761
Jones	58	0	109	167	1,333
Karnes	74	1	95	170	59
Kaufman [3]	[4] 1,042	0	465	1,507	8,905
Kendall	8	0	19	27	60
Kenedy	0	0	0	0	0
Kent [1 2]	6	0	4	10	48
Kerr [1 2]	68	0	56	114	564
Kimble	1	0	2	3	5
King [1 2]	7	0	2	9	62
Kinney	56	0	36	92	221
Kleberg	253	0	2	255	810
Knox	21	0	42	63	613
Lamar [2]	561	276	363	1,200	7,971
Lamb [1 2]	159	0	44	203	1,326
Lampasas [1 2]	24	0	38	62	201
LaSalle [1 2]	2	0	5	7	15
Lavaca	127	0	372	499	2,278
Lee [3]	[4] 326	0	425	751	2,695
Leon [3]	[4] 682	0	636	1,318	4,737
Liberty	[4] 1,144	22	590	1,756	6,071
Limestone	1,305	22	827	2,154	7,468
Lipscomb	0	0	1	1	2
Live Oak	0	0	2	2	31
Llano [1 2]	6	0	7	13	54
Loving	4	0	0	4	0
Lubbock [2]	404	90	48	542	7,893
Lynn	28	0	23	51	592
Madison	194	30	315	539	2,618
Marion [1]	[4] 885	0	721	1,606	5,782
Martin [1 2]	32	0	8	40	263
Mason	0	0	4	3	64
Matagorda [3]	[4] 571	0	601	1,182	4,809
Maverick	0	0	4	4	10
McCulloch [1 2]	44	0	35	79	370
McLennan [3]	[4] 4,000	0	800	4,800	22,329
McMullen	0	0	1	10	5
Medina	12	0	32	44	207
Menard [1 2]	3	0	5	8	29
Midland	672	78	13	763	2,123
Milam	210	0	715	925	5,150
Mills	0	0	1	1	2
Mitchell [1]	200	0	63	263	905
Montague	0	0	0	0	1
Montgomery	1,084	0	704	1,788	6,149
Moore	0	0	1	1	6
Morris	269	2	274	545	3,126
Motley	18	0	16	34	259
Nacogdoches [3]	879	191	429	1,499	8,655
Navarro [2]	785	200	550	1,535	9,886
Newton	631	4	436	1,071	3,824
Nolan [2]	61	23	6	90	783
Nueces [2]	1,566	100	30	1,696	7,958
Ochiltree	0	0	0	0	0
Oldham	0	0	0	0	0
Orange [3]	[4] 632	0	32	664	4,387
Palo Pinto [1]	100	0	82	182	668
Panola	891	0	543	1,434	6,643
Parker [1 2]	32	0	54	86	263
Parmer [1 2]	2	0	1	3	17
Pecos	12	0	6	18	136
Polk [3]	[4] 648	0	599	1,247	4,504
Potter [2]	184	133	2	319	3,556
Presidio	1	0	9	10	57
Rains [1 2]	51	0	41	92	424
Randall	0	0	4	4	47
Reagan [1 2]	17	0	3	20	141
Real	1	0	0	1	8
Red River	318	0	647	965	5,230
Reeves [1 2]	33	0	10	43	276
Refugio [1 2]	134	0	101	235	1,120
Roberts	0	0	0	0	0
Robertson	753	0	1,147	1,900	8,212
Rockwall [3]	[4] 197	0	116	313	1,688
Runnels	0	0	60	60	509
Rusk	2,093	29	1,258	3,380	12,632
Sabine [3]	[4] 322	0	185	507	2,240
San Augustine	236	0	302	538	3,068
San Jacinto [3]	[4] 542	0	528	1,070	3,767
San Patricio	52	0	41	93	723
San Saba	7	3	11	21	70
Schleicher [1 2]	12	0	0	17	99
Scurry [1 2]	47	0	15	62	341
Shackelford	8	0	17	25	135
Shelby [3]	700	0	584	1,284	5,916
Sherman	0	0	0	0	2
Smith [1 2]	2,000	500	1,276	3,776	22,291
Somervell	0	0	0	0	2
Starr	0	0	1	0	3
Stephens	151	0	50	201	359
Sterling [1 2]	1	0	0	1	13
Stonewall [1 2]	12	0	14	26	101
Sutton	4	0	1	5	33
Swisher	4	0	6	10	104
Tarrant [2]	4,590	433	242	5,265	39,674
Taylor [1 2]	307	0	26	333	2,561
Terrell	1	0	3	4	13
Terry [1 2]	46	0	16	62	382
Throckmorton	0	0	1	1	1
Titus	566	0	305	871	3,197
Tom Green [2]	500	110	2	612	3,091
Travis	3,919	961	473	5,353	22,493
Trinity	1,100	7	417	1,524	2,688
Tyler	227	0	205	432	2,232
Upshur [3]	[4] 919	0	604	1,523	6,009
Upton	84	0	11	95	207
Uvalde	10	0	23	33	193
Val Verde [2]	43	15	2	60	355
Van Zandt [3]	181	0	180	361	1,543
Victoria [2]	420	46	182	648	3,073
Walker	792	0	885	1,677	7,494
Waller [3]	[4] 765	0	626	1,391	6,328
Ward	76	1	21	98	319
Washington [3]	[4] 846	0	1,202	2,048	6,993
Webb [2]	1	3	0	4	79
Wharton [3]	[4] 949	0	1,008	1,957	7,843
Wheeler	10	0	25	35	288
Wichita [2]	803	191	27	1,021	6,276
Wilbarger [1 2]	210	0	22	323	1,746
Willacy [1 2]	13	0	12	25	110
Williamson	56	0	655	711	5,864
Wilson	24	0	60	84	310
Winkler	71	0	6	77	170
Wise	7	0	16	23	135
Wood	328	0	399	677	3,124
Yoakum	17	0	1	18	13
Young	17	0	9	26	140
Zapata	0	0	0	0	1
Zavala	23	1	7	31	95
Total	163,773	8,954	54,291	226,818	977,458

[1] Estimate of county tax assessor-collector.
[2] County includes a city of 10,000 or over population.
[3] Estimate of SRC consultant.
[4] Includes both "poll taxes paid" and "listed exempts."

Source: SRC consultant—Population figures: 1950 Census.

Mr. JAVITS. Mr. President, I point out that those of us who are fighting for a civil rights bill at this session are not talking against the wind. We are talking about a reality, and the biggest thing uppermost in respect of reform in the South is reform of voting procedures so that more people will have the right to vote.

These figures indicate that we are faced with a great deal of nullification and relatively little progress. I believe that shows why Congress should amend the act.

I ask unanimous consent to have printed in the RECORD at this point in my remarks an article entitled "Negro Registration Is Set Back in South," written by Claude Sitton, and published in the New York Times of Sunday, August 30, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEGRO REGISTRATION IS SET BACK IN SOUTH

(By Claude Sitton)

ATLANTA, August 29.—Racial tension generated by the school desegregation controversy has all but checked the growth of Negro voter registration in the South, according to the Southern Regional Council.

In a report released today, the interracial agency said purges, threats, slowdowns, evasions and outright refusals to register Negroes had been employed in some areas.

"Negroes in parts of the South now feel they run a greater risk in trying to register than at any time since the outlawing of the white primary in 1944," it declared.

The council said its first full-scale survey of the suffrage problem since 1956 had also shown a devaluation of the ballot of those Negroes who had been able to overcome the barriers and reach the polls.

This was attributed to the efforts of racists to make the support of the minority race a political liability.

OPTIMISM VOICED

Despite these setbacks, optimism was voiced over the longrun outlook. The council said this was for "a steady, if gradual, increase in Negro political participation—along with rising economic and social status."

A full report on the survey, entitled "The Negro, and the Ballot in the South," by Margaret Price, will be published next week.

The council sponsored the study as a part of its effort to improve race relations in the South.

SMALL RISE NOTED

The agency said an estimated total of 1,303,827 Negroes were registered in the 11 States covered by the survey at the end of 1958. This was an increase of 65,798 from the 1956 total. However, it went on:

"This apparent gain is somewhat misleading, however, largely because the 1956

estimate of Negro registrants in Tennessee proved low in light of later available information.

"In the 8 States where Southern Regional Council was able to obtain reliable figures, the number of Negroes registered in 1958 total 1,028,827, as compared to 1,074,672 in 1956, a drop of 45,845."

The report showed that 25 percent of the eligible Negroes and about 60 percent of the eligible whites were registered in the South in 1956. The 1958 total, it said, represented approximately the same percentage.

ALL-WHITE REGISTRATION

Twenty-nine southern counties have no Negroes registered, according to the council. These include 1 in Virginia, 1 in South Carolina, 2 in Georgia, 3 in Florida, 2 in Alabama, 1 in Tennessee, 15 in Mississippi, and 4 in Louisiana.

"The majority have populations over 50 percent Negro," it pointed out.

However, the council contended that there were other counties in the South where Negroes could register in greater numbers if they wished.

The council said there had been a decrease during the 2 years in the number of Negro voter registrants in Arkansas, Florida, Georgia, Louisiana, and South Carolina.

It noted that none of the 11 States surveyed had eased its registrations law during the 2-year period since its last study.

STATE LAWS TIGHTENED

Two—Virginia and Georgia—tightened voting requirements. Five still retain the poll tax. And seven States have literacy tests that could be used to restrict Negro registration.

"The disturbed atmosphere in much of the South, created by resistance to school desegregation, clearly has retarded the normal growth of Negro suffrage," declared the report.

"The fear and hostility generated by demagogs has dampened both Negro initiative and white acceptance of Negro political participation."

In the discussion the watering down of the Negro power at the polls, the council said that in normal times no serious office-seeker would deliberately antagonize a sizable number of voters. But it went on:

"In many parts of the region, emotionalism surrounding the segregation issue had led to a sharper division of voters along racial lines. Extremists in and out of public office have based their political appeals on racial fears and antagonisms.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield if I have any time.

Mr. ERVIN. I should like to ask the Senator what the report of the Southern Regional Council shows about Negro registration in Burke County, N.C.

Mr. JAVITS. I cannot tell the Senator what it shows about each particular county. I think it shows that North Carolina has a better record than other States in the South.

May I point out, Mr. President, that by way of balancing that fact, in 29 communities in the South in which the Negro population is 50 percent or more, there is not any Negro registered on the voting rolls. I will give the Senator credit for what took place in his State, in certain parts of it, but I think we ought to have a pretty balanced picture.

Mr. ERVIN. My reason for asking that question is that 2 years ago the distinguished Senator from Illinois [Mr. DOUGLAS] placed in the RECORD reports of the Southern Regional Council which failed to show any Negro registered in Burke County, N.C., which is my home county. I know that there are hundreds of Negroes registered in Burke County, and I also know of a considerable number of Negroes in my own precinct who are registered and who vote. When the records of the Southern Regional Council were presented to the Senate 2 years ago, they omitted giving registration figures for Negro electors in many North Carolina counties where thousands of Negroes were registered, and were used as a basis for incorrect inference—an event which usually happens where the truth is only partially told. I point this out to show that the records of the Southern Regional Council cover the subject partially, and the inferences drawn from them are not accurate in many cases.

Mr. JAVITS. The Senator is at liberty to submit any figures he wishes. I will submit tables by counties. Unfortunately, we are often frustrated in obtaining information.

MR. AVRAHAM HARMAN, THE NEW AMBASSADOR FROM ISRAEL

Mr. KEATING. Mr. President, the new Ambassador from Israel, Mr. Avraham Harman, who will succeed Mr. Abba Eban, is now here in the United States to take up his new duties. He is no stranger to our shores, and like his gifted and distinguished predecessor, he has made many friends in America.

Mr. President, I salute the incoming Ambassador from Israel and wish him every success in his new post.

Mr. President, I ask unanimous consent that the following editorial from today's New York Herald Tribune entitled, "New Ambassador From Israel," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEW AMBASSADOR FROM ISRAEL

Israel's new Ambassador to the United States is a welcome figure here. Avraham Harman is no stranger. From 1953–55 he was Israeli consul general in New York, and prior to that he was a counselor to his country's delegation to the United Nations. He has also been consul general in Montreal. He knows our part of the world and its people well.

Mr. Harman was born and educated in Britain, worked for a time in South Africa, and settled in Palestine in 1940. His story is typical of many Israelis—men and women born and reared elsewhere, fulfilling in their lifetimes the Biblical promise of the ingathering of the exiles, devoting their skills and their lives to the renewal of their ancient homeland. In his new mission to Washington Mr. Harman succeeds a popular and respected Ambassador in Abba Eban. We are sure he will meet his task well.

THE NEED FOR HIGHWAY FINANCING LEGISLATION

Mr. KEATING. Mr. President, I note with great satisfaction that the House Public Works Committee has just voted to accept the proposal of the Ways and Means Committee for a 1-cent increase in the gasoline tax for a period of 22 months. This is very good news. The controversy over the best way to finance the Federal highway program is an important one, and thus deserves the careful attention that it has so far received. Many of us will be greatly disappointed if the differences of opinion on how to finance our highways are allowed to kill this vital program for the coming year. The necessity of having a highway bill before adjournment is widely recognized. Already many States—including my own—have been forced to curtail road-building activities as a result of the discontinuation of the payment of Federal highway funds.

Mr. President, I ask unanimous consent that the following letter which I received from Mr. Harry R. Mason, a county highway engineer in New York State and the secretary of the New York State County Highway Superintendents Association be printed in the RECORD at the completion of my remarks. This letter is typical of the many which I have received requesting that I do all that I am able, to see that Congress passes a new highway financing bill before adjournment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK STATE COUNTY HIGHWAY SUPERINTENDENTS ASSOCIATION,
Fonda, N.Y., August 27, 1959.

Hon. KENNETH KEATING,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KEATING: As a county highway engineer and as secretary of the New York State County Highway Superintendents Association, I urge you to support the Fallon bill (H.R. 8678) to continue the interstate highway program.

Any curtailment or cutback in the program would be a serious blow to the transportation and economy of the country. In Montgomery County, which is now recovering from an economic low point, interstate projects planned will be of great help to the area in attracting new industry. If some interim financing measure is not approved to continue the program, it is probable that proposed projects on the State highway system in this area will be canceled.

Any slowdown now in construction will serve to increase the problems in the future on our highway system due to the expected increase in the number of vehicles in this country in the next few years.

I hope that in your capacity as Representative of Montgomery County, that you will act in favor of continuing this important highway program.

Very truly yours,

HARRY R. MASON,
Secretary.

AMENDMENT OF COPYRIGHT ACT OF 1909

Mr. DODD. Mr. President, for a long time, and in fact over a period of more than 12 years, the Senate Committee on the Judiciary has been considering proposed legislation which would amend the Copyright Act of 1909 by removing a specific exemption from that act which provides that performance of copyrighted musical works by coin-operated music machines shall not be deemed a public performance for profit. In practice, this 50-year-old exemption

means that the 500,000 so-called jukeboxes in the United States are accorded the special privilege, alone among all commercial users of copyrighted music, of taking musical property from its owners without their permission, and profiting from the use of such musical property without payment to the creators of the music.

Under the leadership of the eminent senior Senator from Wyoming, the Copyright Subcommittee of the Committee on the Judiciary made a thorough study of all the issues, which it embodied in Senate Document No. 155—84th Congress, 3d session—entitled "A Review of the Evidence Relating to the Copyright Law as it Applies to Jukeboxes." As a result of this study, and of hearings held by the able chairman of the subcommittee, the full Judiciary Committee, in the closing days of the 85th Congress, favorably reported a bill, S. 1870, to eliminate the special clause exempting jukeboxes, and thus afford the owners of the music compensation for the use of their property in coin-operated machines. The findings of the committee were embodied in Senate Report No. 2414—85th Congress, 2d session. Because of the lateness of the session, however, no action was taken on the measure by the 85th Congress.

The bill has been reintroduced in the 86th Congress as S. 950, and a somewhat similar measure in the House, H.R. 5921. Hearings have been held recently on H.R. 5921 by our sister committee in the House, and under guidance by the chairman of the House committee, proponents and opponents of the measure are being brought together to discuss ways and means of working out reasonable and equitable compensation to the composers and other copyright owners.

As a member of the Committee on the Judiciary, I have studied the evidence, and have concluded that composers are entitled to a fee for the performance of their music in jukeboxes. The musical property created by the hearts and brains of Irving Berlin, Cole Porter, Hammerstein and Rodgers, George Gershwin, Jerome Kern, and a multitude of others deserves and should receive under the Copyright Act just as much lawful protection as a man's house or farm or crops, or any other real or tangible property he possesses. The strength of our economic system depends upon the incentives which our Nation provides to its citizens, to encourage them to earn, accumulate and hold the just rewards of their toil. I urge my fellow Members of the Senate to give their attention to this apparently trivial but significant alienation of property which has been allowed to exist for 50 years, and to restore to their rightful owners the musical property being wrongfully taken from American composers by jukebox operators.

EFFECT OF STEEL STRIKE ON RAILROAD INDUSTRY

Mr. SMATHERS. Mr. President, as one who has spent considerable time in the study of the Nation's transportation system, particularly surface transportation, I cannot help becoming increasingly alarmed over the effect which the steel strike is having on the Nation's carriers, especially on the railroads, their essential maintenance and building programs, and the increasing numbers of their furloughed employees.

When the last steel strike occurred, in 1956, freight carloadings for the 5-week period of the strike's duration were about 800,000 below normal, and at least 750,000 cars of this loss, or 150,000 cars a week, were attributed directly to the strike. Losses in the first 5 weeks of the present strike, as recently announced by the Association of American Railroads, show that the 1956 experience is being substantially repeated. Carloadings for the 5 weeks ended August 22 were 875,000 below normal. Included in this loss were 123,000 carloads of coal, 44,000 carloads of coke, 383,000 carloads of ore, and 325,000 carloads of other or related commodities.

Translated into dollars, the loss of 875,000 carloads has meant $220 million in revenue lost to the railroads. This loss continues at a rate of approximately $40 million for each week that the strike is allowed to continue. But the effects cannot be measured in dollars alone. One of the most serious and disturbing aspects is the effect that a prolonged strike with its continuing revenue losses of that magnitude is certain to have on the ability of railroads to continue their vital programs for the purchase of new plant and equipment and for clearing up the large backlog of deferred maintenance left over from the economic recession of 1958.

Severe losses of traffic and revenue in 1958 not only forced many railroads to the brink of insolvency but also triggered heavy retrenchment programs, both in new construction and in maintenance, throughout the industry. A measure of economic recovery this spring, combined with emergency measures taken by Congress in the Transportation Act of 1958, have enabled many railroads to resume their vital programs for improvement and rehabilitation. One large eastern railroad, for example, has recently announced ambitious plans for new car construction, repair, and rehabilitation to cost $200 million. There has been an encouraging increase in the ordering of new freight cars throughout the industry, with the result that the backlog of cars on order today is more than 50 percent above the very low level of a year ago.

Railroads today should be building, rebuilding, and repairing cars and other equipment for all they are worth. Anything less is almost certain to leave them unprepared to cope with the great resurgence of economic activity expected to occur after the strike ends.

The steel strike is having other serious human consequences. On the basis of estimates by the Railroad Retirement Board, more than 45,000 railroad employees have been furloughed, due to the strike. If the strike continues for as long as 6 weeks, the Board estimates that additional thousands of railroad employees will be idled.

The burden of this unemployment is not spread evenly among railroads throughout the country, but is borne mainly by employees whose railroads serve steel-producing companies or are major haulers of commodities such as coal and iron ore used in steel production. One railroad in the Pittsburgh area, anticipating a loss of 90 percent in carloadings as the strike continues, may be forced to furlough as many as 2,000 of its total of 3,100 employees. A large eastern road has been compelled to furlough 6,200 workers, of which 3,500 are train crews and 2,200 are in shop and track maintenance. The same is true in varying degree of no fewer than a dozen major carriers of steel and related products.

Railroad workers are, of course, entitled to compensation under the Railroad Unemployment Insurance Act; and the amounts received will help to alleviate suffering and hardship for many of those affected. But these payments will only lessen the hardship, not eliminate it. Here again, however, the effect of adding thousands of new beneficiaries to the railroad unemployment rolls will be to add even greater financial burdens to the already hard-pressed railroads. This is because the cost of benefits paid out under the Railroad Unemployment Insurance Act is borne entirely by the railroad companies.

Already the Railroad Retirement Board has paid out in benefits to strike-furloughed railroad employees over $5,200,000. If the strike lasts 8 weeks, the Board estimates that it may pay out, in unemployment benefits, attributable solely to the steel strike, as much as $28 million or $29 million. Of this amount, $21 million would be paid in benefits while the strike is in progress, and $7 million to $8 million in benefits after the strike ends, since it is not anticipated that all employees will be called back immediately when work in the steel mills resumes. If the strike should last longer than 8 weeks, the additional cost to railroads, under the Unemployment Insurance Act, could continue at a rate of $3 million to $4 million a week.

Not to be overlooked, of course, is the serious loss of tax revenue to Federal, State, and local governments that is the inevitable result of reduced business and employment in the transportation industry. With the tax rate on corporations at 52 percent, the Federal Government alone is absorbing no small part of the weekly $40 million revenue loss from reduced traffic volume. And with 45,000 railroad employees on unemployment insurance rolls, an additional substantial loss in returns from individuals is incurred.

In short, Mr. President, the time has come when this strike must be settled. The damage being done to our economy, our people, and our transportation system far outweighs the particular dispute between the steel companies and their employees.

Mr. President, I yield the floor.

THE INTEREST RATE CEILING ON LONG-TERM GOVERNMENT BONDS

Mr. CLARK. Mr. President, it is quite clear that the administration and its newspaper allies in the financial

community are trying to pressure the Congress of the United States into raising the interest rate ceiling on long-term Government bonds before we adjourn for the year.

They cite the current level of interest rates in the capital market as proof that the Government cannot compete for money unless it can offer more than 4¼ percent on long-term borrowing.

Mr. President, it occurs to me that a look at recent interest rate trends suggests that the Congress should take these assertions with a large grain of salt.

What these charts remind us is something we all know—that the market is always greatly influenced by psychological factors. When it anticipates higher rates, lenders hold back; and the mere fact that they hold back will tend to push rates upward.

This being the case, we would expect that when the President first asked the Congress to raise the ceiling, the rates would be pushed up. We would expect that when it appeared the Congress did not intend to comply, the rates would level off or decline. Finally, we would expect that when the President renewed his pressure, and when the current editorial campaign began, the rates would again begin to rise.

A look at the figures shows that all three of those things occurred.

Interest rates rose rather rapidly during the recovery from the recession, last fall. But along about October they stabilized. They remained fairly stable through March. It was not until April that they began to rise again. Senators will recall that April was about the time when the "dope stories" first began to appear—stories that the President was going to ask for an increase in the ceiling on Government bonds.

I ask unanimous consent to insert in the RECORD at this point the interest rate figures for the period from October 1958 through March 1959 as taken from Economic Indicators, published by the Council of Economic Advisers.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Percent per annum]

Period	U.S. Government security yields		High-grade municipal bonds (Standard & Poor's)[3]	Corporate bonds (Moody's)		Prime commercial paper, 4–6 months
	3-month Treasury bills[1]	Taxable bonds[2]		Aaa	Baa	
1958: October	2.793	3.76	3.94	4.11	4.92	3.23
November	2.756	3.70	3.84	4.09	4.87	3.08
December	2.814	3.80	3.84	4.08	4.85	3.33
1959: January	2.837	3.91	3.87	4.12	4.87	3.30
February	2.712	3.92	3.85	4.14	4.89	3.26
March	2.852	3.92	3.76	4.13	4.85	3.35

[1] Rate on new issues within period.
[2] Series includes: April 1953 to date, bonds due or callable 10 years and after; April 1952–March 1953, bonds due or callable after 12 years; October 1941–March 1952, bonds due or callable after 15 years.
[3] Weekly data are Wednesday figures.
[4] Not charted.

Sources: Treasury Department and Board of Governors of the Federal Reserve System (except as noted).

Mr. CLARK. Mr. President, these figures show that during the period from last October to last March the interest rate on Government bonds, both short-term and long-term, fluctuated within a rather narrow range; that the rate on high-grade municipal bonds actually fell; and that the rate on corporate bonds and prime commercial paper was almost stable.

In the spring of this year, a rather sharp upturn took place. What were the new factors in the situation? I suspect that the most important new factor was the request of the President, which was made on June 8, but was rumored some weeks before, that he would request an increase in the interest rate on long-term Government bonds.

I ask unanimous consent to insert in the RECORD a table which shows the trend in interest rates between March and June, as taken from the same source, Economic Indicators.

There being no objection, the table showing the trend in interest rates was ordered to be printed in the RECORD, as follows:

[Percent per annum]

Period	U.S. Government security yields		High-grade municipal bonds (Standard & Poor's)[3]	Corporate bonds (Moody's)		Prime commercial paper, 4–6 months
	3-month Treasury bills[1]	Taxable bonds[2]		Aaa	Baa	
1959: March	2.852	3.92	3.76	4.13	4.85	3.35
April	2.960	4.01	3.84	4.23	4.86	3.42
May	2.851	4.08	3.97	4.37	4.96	3.56
June	3.247	4.09	4.04	4.46	5.04	3.83

For footnotes, see table above.

Mr. CLARK. Mr. President, these figures show a marked increase in the interest rate in each category.

Then what happened? Within a few weeks, it became apparent that the Congress was not inclined to comply with the President's request. At that point, the interest rate declined again. I ask unanimous consent to insert in the RECORD at this point the weekly figures for the period from July 18 to August 15.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Percent per annum]

Period	U.S. Government security yields		High-grade municipal bonds (Standard & Poor's)[3]	Corporate bonds (Moody's)		Prime commercial paper, 4–6 months
	3-month Treasury bills[1]	Taxable bonds[2]		Aaa	Baa	
Week ended:						
1959: July 18	3.401	4.08	4.05	4.47	5.09	4.00
25	3.337	4.10	4.00	4.46	5.09	4.00
Aug. 1	3.047	4.10	3.97	4.45	5.07	3.99
8	3.043	4.08	3.94	4.43	5.08	3.89
15	3.150	[4] 4.06	3.94	[4] 4.42	5.09	[4] 3.88

For footnotes, see table above.

Mr. CLARK. Mr. President, these figures show a decline in each of the categories.

But on August 25, the President sent his message to the Congress, renewing his request that the interest rate ceiling be lifted. At about the time this message was being drafted—and, of course, "leaked"—up went the rates again. The week the message was sent, a big rise occurred.

I ask unanimous consent to insert in the RECORD at this point figures for the period from August 15 to September 5, insofar as these figures are available at the Council of Economic Advisers. The last figures in each column are, in some cases, preliminary, and are subject to revision.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Percent per annum]

Period	U.S. Government security yields		High-grade municipal bonds (Standard & Poor's)[3]	Corporate bonds (Moody's)		Prime commercial paper, 4-6 months
	3-month Treasury bills [1]	Taxable bonds [2]		Aaa	Baa	
Week ended:						
1959: Aug. 15	3.150	4.06	3.94	4.42	5.09	3.88
Aug. 22	3.417	4.08	3.94	4.42	5.09	3.98
Aug. 29	3.824	4.14	4.00	4.44	5.11	4.10
Sept. 5	3.889	----	----	----	----	----

For footnotes, see table above.

Mr. CLARK. Mr. President, while the trend in bond prices and rates is never due to any single cause, I think the figures over the past year show clearly that psychological factors have been at work.

In my judgment, Congress could make a really constructive contribution to improving the present rather chaotic condition of the Government bond market by adjourning without lifting the 4¼ percent ceiling on the interest rate on Government bonds. The psychological effect of such action might well bring interest rates down to a more reasonable figure, somewhere near where they were last fall, before the present drive to lift the interest rate ceiling began.

Mr. BUSH. Mr. President, I should like to comment briefly on the remarks that have been made by the distinguished Senator from Pennsylvania. I certainly agree with him that psychological factors have had some effect upon interest rates, which have risen. They are, of course, not the only cause for the rise in interest rates.

Mr. CLARK. Mr. President, may we have order? I cannot hear my friend from Connecticut.

Mr. BUSH. I cannot hear myself.

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). The Senate will be in order.

The Senator may proceed.

Mr. BUSH. I say, psychological factors undoubtedly have had some effect on interest rates, as the Senator from Pennsylvania has pointed out; but I should like to observe that they are only one of the factors. I believe the reason why the psychological factors exist has not been adequately explained by those who take exception to the existence of high interest rates.

The existence of high interest rates is a situation that has always accompanied booms in business, periods of prosperity; and one might say that firm interest rates or rising interest rates are the price of prosperity. That has been so through the ages. It has been so in every country in the world. It is true today of the countries in the world that have boom conditions, where prosperity is enjoyed, where business and commercial activity are making demands upon the money markets.

I have not checked the figures lately, but I understand the Government of Canada is paying 5 percent for money it must borrow from time to time. Canada's currency, as I learned 2 days ago, is selling at 105 percent of par value in relation to the American dollar.

The psychological factors in this interest rate matter are very important, indeed; but, as I view them, they are the result of a very real apprehension on the part of American investors as to the value of the American dollar. This apprehension is felt not only by people within the United States, but is being increasingly felt by those abroad who have balances in the United States, and who fear the attitude expressed by my good friend from Pennsylvania and others who share his views about interest rates, who fear the effect such an attitude may have upon the value of the American dollar in relation to the value of other exchanges throughout the world.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BUSH. I will yield in a minute, but I want to say this situation is becoming increasingly serious, and for this reason: While it appeared some time ago that we might have a balanced budget in the current fiscal year, it now appears, according to the last information I have from the Director of the Budget, that we may have a deficit in this current fiscal year in the neighborhood of a half billion dollars.

But that is not all. The spending that has been built into our Government, which will take effect in the fiscal year 1961, will cause another increase in expenditures, unavoidably, of something upward of $2 billion for fiscal year 1961.

It is this apprehension that disturbs very much the President of the United States, the Secretary of the Treasury, and I believe the Governors of the Federal Reserve Board as well. So it is their desire that, if we are going to face additional deficits in this fiscal year and next year, we do not add to the inflationary forces by leaving the Treasury in a position where it has to finance these deficits from the short-term money market, because it is quite clear to all objective students of the situation that short-term financing, the financing of the deficits through the banking system, is unquestionably an inflationary procedure.

So the situation is very grave, and I do believe that it calls for action by the Congress before the Congress goes home.

I observe that the House is thinking of sending us a bill which will take the interest ceiling off savings bonds. That is a desirable thing to do. I think we should do that. But I believe that bill should be amended in the Senate so as to take the ceiling off all Government bonds, in order to put the Federal Government in a position to be able to compete with other borrowers on at least an equal basis, and not leave the Federal Government in a position where it is forced to go into the short-term money market, where its existence as a big borrower has already had a tremendous effect on raising interest rates in the short-term money market.

Forcing the Federal Government into that short-term money market has had an effect in raising short-term interest rates, which normally should not be as high as long-term interest rates. I think perhaps it is that single factor that has had more to do with the rise in the short-term interest rates than has any other single factor.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. BUSH. I yield to the Senator from Pennsylvania for a question.

Mr. CLARK. Does the Senator intend, and do any of his colleagues who support the administration intend, to offer an amendment on the floor of the Senate to the bill which it is said the House will send to the Senate, increasing interest rates only on E-type savings bonds?

Mr. BUSH. That is my present intention. I do not know what will be offered by members of the Finance Committee, and I would not wish to intrude upon any prerogatives which may be theirs by virtue of their positions on that committee. It may be that my distinguished friend from Tennessee [Mr. GORE], a member of that committee, will offer an amendment to raise the ceiling. If he wanted to do that, I would be glad to support his motion. But lest the bill pass without anybody doing it, I believe I should be prepared to do it. That is my present intention.

Mr. CLARK. Will the Senator yield for another question?

Mr. BUSH. I yield.

Mr. CLARK. Is it not true that one of the major factors in bringing the budget out of balance for the current fiscal year has been the very substantial increase in interest rates which has occurred during the tenure of office of the Eisenhower administration?

Mr. BUSH. I respectfully suggest that the Senator has put the cart before the

horse. It has been just the reverse. The necessity of financing the deficits in the budget has brought about the added demand for money, to a very large extent, which, of course, has had some effect on the interest rates.

Mr. CLARK. But it is a fact, is it not, I ask my good friend, that the Eisenhower administration vastly underestimated the amount of interest which they have had to pay on the Federal debt and has accordingly adjusted the budget projections and made their gloomy prognostication of a deficit to a substantial extent because of that increase in interest payments?

Mr. BUSH. I am not sure they did underestimate it. If the Senator says they did, I will not dispute his statement.

Mr. CLARK. Mr. Stans said in testimony the other day he had underestimated the interest cost by a half billion dollars—$500 million.

Mr. BUSH. It is not surprising to me he might have done that, under the conditions which have developed.

Mr. CLARK. It is not surprising to me, either.

Mr. BUSH. Yes.

Mr. CLARK. Mr. President, if the Senator will be kind enough to yield further, I may say we had a rather enlightening debate on this subject of interest rates yesterday on the floor of the Senate.

Mr. BUSH. Mr. President, may we have order, please? I should like to hear the Senator.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CLARK. We had a rather extensive debate on the floor of the Senate yesterday on this subject of interest rates. I regret that my friend from Connecticut was not in the Chamber to hear the debate. If I had known it was going to continue to such a length I would have notified him.

I should like to point out that in the course of the debate it was asserted on our side of the aisle that one of the real reasons why the present bond market is so unsatisfactory is that my good friend from Connecticut and a number of his colleagues have asserted time after time this panic position, this feeling that we are getting into trouble and that chaos is coming into the market. That was the word used by the distinguished Senator from Indiana yesterday. We on our side of the aisle asserted that if our Republican friends would cool off, would remain calm, would advocate that the Federal Reserve Board get back in the market the way it has so many times in the past, and if the Treasury would withdraw its request for an increase in the interest rate ceiling we might get back on a sound basis, but that the President and his supporters on this floor are really causing a large part of the difficulties of which they complain. In other words, in our judgment they have the cart before the horse.

Mr. BUSH. Mr. President, I simply say to that, I shall certainly never agree to remain quiet when I feel I should speak. I do not believe any Senator should fail to warn the Senate or the people of the United States if he sees what is a really grave danger creeping up upon us. I certainly never would agree to be quiet. I would not be intimidated or threatened or otherwise pressured to be quiet in the face of that kind of a situation.

I happen to feel that this is a subject concerning which I know enough to have a very real conviction. I believe that the Senator from Pennsylvania, while he is thoroughly sincere in his position, is thoroughly mistaken. I believe that the tendency of the opposition across the aisle to a large extent is to ignore these considerations, which presents our country with a very dangerous situation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. CLARK. During the debate yesterday, it was suggested that the economic position taken by my good friend from Connecticut and by a number of the financial writers in New York was that of the old-fashioned Ricardo School of Economics, a school which is, we feel, pretty obsolete, which does not really give the true picture with respect to the interest rates.

I know the Senator from Connecticut is absolutely sincere. I hope he will not resent it if I suggest to him he is also a little bit obsolete.

Mr. BUSH. I find myself very much in sympathy with the position taken in this whole debate by the Chairman of the Federal Reserve Board, Mr. William Martin. Mr. Martin is not a Republican. He is not a member of my party. He is a member of the Senator's party.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BUSH. I will yield in a moment.

Mr. Martin was appointed by President Truman to the post which he now occupies. He was reappointed when his term expired by President Eisenhower.

The other members of the Board of Governors of the Federal Reserve were appointed by the predecessors of President Eisenhower, with one exception, I believe. I think President Eisenhower has appointed one of the present members of the Board of Governors.

So I do not think the Senator is quite justified in what he says. I do not know what the Ricardo School is.

Mr. CLARK. I am amazed by my friend's statement.

Mr. BUSH. Perhaps I should, but I do not. I do know something about the basic facts of economics, and I believe that the Federal Reserve Board not only has men of judgment and experience who are laying down the policies, but also that the Board has the most able and the finest statistical organization and research organization in the field of economics that we have in this country. I think the Federal Reserve Board should have it, and it does have it.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. BUSH. I am interested to find, as this situation develops, that the research and statistical organization appears to support very strongly the views which are expressed from time to time before the Congress and otherwise by Chairman Martin and other members of the Board of Governors of the Federal Reserve. I have not noticed any cleavage within that Board, all of whom but one were appointed by some other President than President Eisenhower—by a President of the Democratic Party, to which the Senator adheres.

Mr. CLARK and Mr. ALLOTT addressed the Chair.

Mr. BUSH. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. Let there be order in the Chamber.

The Senator from Connecticut may proceed.

Mr. BUSH. I yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I share the high regard of the Senator from Connecticut for Mr. William McChesney Martin as an individual——

Mr. BUSH. Mr. President, we are not talking about social regard.

Mr. CLARK. I know.

Mr. BUSH. Does the Senater agree with me that Mr. Martin is well qualified to be the Chairman of the Federal Reserve Board?

Mr. CLARK. I do not agree with his present policies, and therefore I suppose I would have to dissent from that view, though I have a high personal regard for Mr. Martin.

Mr. Martin came to this job from the presidency of the New York Stock Exchange, and he has spent his whole adult life in the atmosphere of Wall Street. He is a gentleman who agrees with my friend from Connecticut, and I think both of them are mistaken.

Mr. BUSH. Mr. Martin came to his present position from the position of Assistant Secretary of the Treasury, to which he was appointed by a Democratic President.

Mr. CLARK. Mr. Martin was the youngest president of the New York Stock Exchange in the history of that body.

Mr. BUSH. Mr. Martin came to that position after having been in the Army for 4 years, going from the status of a draftee, from the rank of a private in the U.S. Army, to that of a colonel.

Mr. CLARK. I have never suggested anything adverse to Mr. Martin's character. I made that very clear. I simply think his policy is wrong.

Mr. BUSH. Well, I gathered that. [Laughter.]

Let me say to the Senator, I have repeatedly said to him, and to my other good friends who constantly attack the Federal Reserve Board and its policies, that it is a much more sound approach for Senators, if they really mean what they say on this issue, to present proposed legislation to deal with the situation. I object to these constant attacks on policy which do not have any force or effect so far as the Federal Reserve Board is concerned.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BUSH. If Senators believe that the Federal Reserve Board's wings should be clipped, or that its powers should be limited, or that different policies should

be established by law, then Senators should propose legislation so that we can deal with the matter on that basis.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BUSH. Failure to do that, I submit, makes these constant attacks on the Federal Reserve Board, on the Treasury Department, and on the whole question of interest rates, have a very strong appearance of being purely a political gesture, which I personally believe it is.

Mr. ALLOTT and Mr. CLARK addressed the Chair.

Mr. BUSH. I now yield to the Senator from Colorado.

Mr. ALLOTT. Mr. President, in addition to taking action in regard to highways, housing, labor reform and mutual security, it seems to me critically important that this can-do Congress must do something about facing up to the realities of the monetary and fiscal situation brought on by the present business boom.

In that regard I commend most heartily to all my colleagues an astute and logical observation on the dangerous effect that inaction by this session of the Congress could have on the national—yea, even on the world—economy, an editorial written by the editors of the Denver Post, and published in that paper on Wednesday, August 26, 1959, entitled "The Dollar Needs More Muscles," which I ask unanimous consent to have printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE DOLLAR NEEDS MORE MUSCLES

Democrats in Congress have decided to try to hold interest rates on Government savings bonds and long-term bonds within artificially low ceilings.

They say they fear a hike in the Government interest rate would be reflected in higher interest rates generally, for persons borrowing to buy cars or homes, for merchants borrowing to buy stocks of goods, for persons borrowing to start new businesses.

"Cheap" or "easy" money, the Democrats believe, helps creditors while "dear" money is of advantage only to lenders.

So, the bill requested by President Eisenhower, to permit the Government to offer more than 3¼ percent on savings bonds and 4¼ percent on long-term bonds, has been tabled in the House Ways and Means Committee, thereby killing it for this session.

We doubt if the Democrats will be able to get much political mileage out of their be-kind-to-borrowers gesture. And their refusal to adjust interest rates to meet current bond market conditions may have serious consequences.

The first effect of the Democratic decision will be to force the Government to put more and more of its debt in short-term bonds on which there is no interest ceiling.

The trouble with short-term Government bonds is that they are virtually the same as cash. If billions of dollars are added to the short-term debt, a vast floating supply of cash or near-cash will be created in the country, adding tremendously to inflationary pressures on prices.

It has just been announced that the Consumer Price Index has climbed to its fourth consecutive record level in 4 months. It would be a good idea to siphon some buying power into long-term bonds but the Democrats in Congress are unwilling to help.

The worst effect of killing the bond interest bill may be its reaction on the world money markets.

Our monetary policies have already weakened confidence in the dollar to some extent. Some countries have been cashing in their dollars for gold.

If we deliberately embrace a policy of "easy" money and rising prices, we will encourage a belief that the United States is not fully responsible as far as Government finances are concerned and that the dollar, long the anchor of free world strength, is no longer to be trusted.

Mr. KEATING and Mr. CLARK addressed the Chair.

Mr. BUSH. I yield to the Senator from New York.

Mr. KEATING. Mr. President, I wish to commend my distinguished colleague for again calling attention to the very serious problem which we face. The views expressed by Mr. William McChesney Martin time after time make the problem clear. I share my colleague's high regard for Mr. Martin, both as a man and in regard to his ability in his position.

Day before yesterday I addressed the Senate on the urgent need for Congress to enact into law the President's proposal to remove the unnecessary and artificial interest rate ceiling on Government savings bonds and on all other types of Government bonds.

We are fortunately in the midst of a boom. The demand for investment capital is great, and as a result interest rates have increased. Why not? Ours is a free competitive economy and that is the way it works.

The Government meanwhile has a debt, and it must sell bonds. Like everyone else, the Government must sell its obligations at the current asking price for the real savings of our economy—whatever that price may be. For, if the Government simply forces new bonds into the banking system, which it can easily do, this will cause inflation. We all know that inflation hurts every American, especially those who hold savings bonds.

Mr. President, I want to digress a minute and comment further on the point which I have just made, namely, that inflation is especially harmful to those Americans who hold Government savings bonds. This is a well-known fact, and it will continue to be true as long as the interest rate on these bonds is held below 3.26 percent.

The question that comes immediately to mind is who holds these bonds? It is not the bankers. We have heard a great deal about bankers, not the Wall Street barons, and not the presidents of our large corporations by and large. On the contrary, it is the wage earner and the pensioner who hold savings bonds. They are middle income people, and the refusal of Congress to accede to the President's request on interest rates hurts them a great deal.

Mr. President, on the basis of the comments which I have just made, I am particularly interested in seeing that a way be found to raise the interest rate on savings bonds before Congress adjourns. I urge my colleagues to join in this purpose. It is mandatory that we take action to aid and relieve the millions of conscientious middle income Americans who hold these bonds.

However, I shall support the effort of the distinguished Senator from Connecticut and others to comply with the President's request and also the position taken by every well-informed financial writer whom I have read on the subject, and all of the experts on the subject.

I call attention to an excellent article published in the Washington Post of yesterday, which appears in the CONGRESSIONAL RECORD of yesterday at page 17707.

Mr. President, I am not learned in the subtleties and complexities of Government monetary and fiscal policy. I would be the first to admit this. But, the more I study this matter, the more I become impressed by the fact that the great majority of informed people who have commented on this subject have strongly and enthusiastically endorsed President Eisenhower's proposal to remove the interest rate ceiling on Government savings bonds and, for that matter, on all other types of Government bonds. Mr. President, this growing public sentiment backing the President on this issue cannot be ignored.

We are facing an international conference to be held within the next few weeks, and if it gets around among our friends around the world that we cannot manage our debt in this country, and the administration is being prevented from managing its debt by the action or inaction of Congress, it will be extremely serious in our relations with those countries.

Mr. BUSH. I should like to compliment the distinguished Senator from New York on what he has said. I think it is very pertinent to the debate.

Mr. HOLLAND. Mr. President, I wish to call to the attention of the distinguished Senators on both sides the fact that the chairman of the conference committee on the Labor-Management Act, the Senator from Massachusetts [Mr. KENNEDY], has been on his feet for some minutes ready to take up the report. Interesting as are the matters now being discussed, they will be presented under pertinent legislation which is to appear before us very shortly. I hope that the distinguished Senators will allow the conference report to be considered and passed upon at their early convenience.

Mr. BUSH. Mr. President, I accept the suggestion of the Senator from Florida.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BUSH. I am very glad that this question has arisen again. I am grateful to the Senator from Pennsylvania [Mr. CLARK] for having brought it up so that I could have a chance to express myself.

I wish to express my appreciation to the distinguished Senator from Indiana [Mr. CAPEHART] for the views he expressed yesterday in defense of the administration's position respecting this subject. I think what he said was very enlightening and very helpful to an understanding of the subject.

Mr. President, I have no desire to prolong this discussion.

Mr. CLARK. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I will be glad to yield to the Senator from Pennsylvania, or I will yield the floor.

Mr. CLARK. I should like to say that I have no intention whatever of detaining the Senate any further, other than to suggest that my good friends from Connecticut and New York might with profit read the debate on this subject which took place yesterday.

I shall have nothing further to say, except to remark to my good friend from Florida, in all friendliness and kindliness, that I should have thought he would be the last man in this body to try to take another Senator off the floor.

Mr. BUSH. I have not read the entire debate. I have scanned it with a great deal of interest, but I have not profited by it one bit.

I yield the floor.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HOLLAND. Mr. President, in reply——

Mr. MORSE. I believe I have the floor.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. HOLLAND. I thought I had the floor.

Mr. MORSE. I believe I have been recognized.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. HOLLAND. Will the Senator from Oregon yield to me for a moment to reply to the Senator from Pennsylvania?

Mr. MORSE. I shall be glad to yield to the Senator for that purpose with the understanding that I do not thereby lose the floor.

Mr. HOLLAND. Mr. President, nothing is further from my mind than to take the Senator from Pennsylvania or any other Senator who knows his rights from the floor. I was merely suggesting that the Senate has very important business before it, and that although the matters being discussed are of great interest, there will be adequate opportunity to discuss them under proposed legislation which will come up shortly.

Mr. BUSH. Will the Senator from Oregon yield to me briefly?

Mr. MORSE. I yield to the Senator from Connecticut with the same understanding, that I do not lose the floor.

Mr. HOLLAND. I do not believe that the Senator from Connecticut regarded my question to him or my suggestion to him as any effort to take him from the floor.

Mr. BUSH. No.

Mr. HOLLAND. Nor any effort to take my friend from Pennsylvania from the floor. I think that the two Senators I have mentioned know enough about their own rights, and it would be very hard to take them from the floor by any unfriendly action on the part of any Senator. Certainly I had no such intention.

Mr. BUSH. Will the Senator from Oregon yield to me?

Mr. MORSE. I yield with the understanding I do not lose my right to the floor.

Mr. BUSH. I merely wish to observe that I took no exception whatever to the Senator from Florida calling attention to the fact that the labor bill is ready for discussion. I take no exception whatever to his reminder. I do not wish anything that I said to be so interpreted. I think he is quite right in calling our attention to the situation.

Mr. CLARK. Will the Senator yield to me for not in excess of 30 seconds with the understanding that he will not lose his right to the floor?

Mr. MORSE. I yield to the Senator for that purpose.

Mr. CLARK. I thank my friend from Florida for his friendly and cooperative explanation of his action.

Mr. MORSE. Mr. President, I propose at this time to make my speech setting forth my reasons for not signing the conference report on the labor bill. I prefer to make this speech in advance of the speech of the Senator from Massachusetts [Mr. KENNEDY] for two reasons.

First, representatives of the majority have already made public comment in regard to their position on the bill, and I think it is only fair and proper that my reply to them be made at this time.

Second, I think it is appropriate to set forth my detailed objections to the conference report, so that the Senator from Massachusetts, when he presents his discussion on the conference report, will have full knowledge as to the position I have taken in opposition to certain sections of the conference report which he submitted on behalf of the conference over which he so ably presided.

Furthermore, I believe that this course of action will probably prove to be a great time saver in the Senate, because it will spare us from covering again much of the same ground that I would still have to cover in detail if the Senator from Massachusetts were to present his report in the first instance.

At the outset, I am perfectly willing to let the record speak for itself, and let my fellow conferees be my witnesses, as to whether or not, in the long, arduous conference sessions, the senior Senator from Oregon sought to cooperate with the chairman of the conference and his colleagues on the conference; and even though, when we reached certain votes which made it clear that the senior Senator from Oregon could not possibly sign the conference report because of the results of such votes—and so notified the conference—he, however, at the same time made it clear that he would continue to do the best he could to assist the conferees in bringing forth the most acceptable bill, so far as concerned the remaining sections still under discussion.

I hold to the same position today, following my dissent yesterday in conference, which I expressed on television last Sunday to the people of the Nation. At that time I said, in effect, that in my 15 years in the Senate I have never served under a more able chairman of a conference than the Senator from Massachusetts.

We have some very fundamental differences in regard to certain parts of the bill. The Senator from Massachusetts agreed to certain compromises that I could not possibly agree to in order to produce a conference report. I think we have mutual respect, and I think we recognize that each is sincere and intellectually honest in the position he has taken. I believe my chief difference procedurally with the Senator from Massachusetts occurred during the last 2 or 3 days of the conference—in fact, since last Friday, when the Dirksen resolution to ask the Senate for instructions was filed with the Senate. That would have brought the disputed points to the floor of the Senate for instruction.

I have arbitrated a great many labor cases in my professional career, but I have never arbitrated with a strike gun at my head. I have always taken the position that before arbitration on the merits of the issues involved in the case could be conducted impartially, it was necessary for the union to go back to work under a temporary order from the arbitrator; or, if the case involved a lockout, that the employer open the plant or the docks for the continuance of work.

This is an argument by analogy. It is not on all fours, but it has enough common elements to cause me to make it in respect to what I think was the effect of the Dirksen resolution, to have the Senate give instructions on various points on which we were in conflict last Friday.

CONFEREES NEEDED INSTRUCTION

I was for the resolution. I was satisfied, before the resolution was offered to the conferees, that we had reached the point where the Senate ought to give us instructions. At that time requests were being made for compromises which, in my judgment, affected such important legitimate labor rights that have been won over the decades at great cost to American free labor, that I did not believe a compromise procedure should continue in conference with that resolution hanging over our heads.

I was for going back to the conference, but going back to the conference after the Senate had given us instructions on each of the very difficult points over which, at that time, we were obviously deadlocked. Examples of these important points are the no-man's-land issue, bonding, hot cargo, organizational picketing, legitimate secondary boycotts, and the like.

I did not prevail; but, as the record of the conference will show, time and time again I moved, prior to a vote or immediately following a vote in conference—and I did it both times on certain occasions—that the Senate conferees stand in disagreement on a particular issue and come to the floor of the Senate for instructions. I did so because I was convinced that we had reached such a point—particularly in view of the Dirksen resolution pending in the Senate—that the Senate as a whole should have been given an opportunity to pass judgment on some of these issues. As I shall point out later in my remarks instructions from the Senate would have been particularly useful in regard to one issue, because it was claimed that the language proposed by the majority of the Senate conferees in connection with situs picketing, for example, would be subject to a point of order in the House; and we were given assurances by the

chairman of the House conferees, the distinguished Representative from North Carolina [Mr. BARDEN], that he would consider it his duty to raise such a point of order in the House.

I pointed out, after I had consulted the parliamentary authorities in the Senate, that under such circumstances, even if the point of order were well taken, it would not make the Senate impotent in the premises. We could have come back to the Senate for instructions, and we could have, in effect, laid aside for the time being further conference consideration until the Senate itself had passed what would have amounted to an independent amendment in regard to the building construction industry, particularly relative to situs picketing. Then we could have sent it to the floor of the House to let the House stand up and be counted as to the position it might wish to take with regard to this very troublesome issue, before we completed the conference work.

I so proposed, but I did not prevail. I say these things because I want the RECORD to show—newspaper column gossipers to the contrary notwithstanding—that the Senator from Oregon differed with the Senator from Massachusetts primarily upon procedures for conducting the conference during the last 2 or 3 days of the conference. We differed also, as our votes in the conference and our different individual final reports show, on the merits with respect to certain issues.

I make that introductory statement because I have been advised by a newspaper friend this morning—a correspondent, not a columnist, I may say good-naturedly—that there seems to be some question as to what the relationships between the junior Senator from Massachusetts and the Senator from Oregon are at the present moment. I am sure the feeling is mutual, but at least so far as I am concerned the relationships are most friendly. They are based upon very sincere and honest differences of opinion as to the merits of the conference report.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MANSFIELD. In talking with members of the committee of conference on both sides of the aisle, it was my distinct impression that they were all very much impressed and pleased with the many contributions made by the distinguished senior Senator from Oregon. They were very appreciative of the fact that he had at his command probably the greatest amount of knowledge concerning labor law, and that this was of great importance in the consideration of the two bills which were being considered by the conferees.

Mr. MORSE. It is very kind of the Senator from Montana to say that, but he was misinformed. The Senator from Oregon did not have at his command—and he wished many times he did have at his command—the legal propositions which he knew existed in the library, if he had had the time to get them, and which he felt would have been more helpful to the conferees if he could have obtained them. But it is the old situation: One cannot be in two places at once. After all, there is only so much time available, and one does the best he can.

But I appreciate the many, many courtesies which were extended to me by both sides of the table, Senate conferees and House conferees, Republicans as well as Democrats, because it developed rather early in the conference that the Senator from Oregon could not possibly sign the conference report. I so stated, for example, when the no-man's-land provision, which was adopted by the conferees, was placed in the bill. I taught constitutional law too long to walk out on my own teachings. I could not think of imposing, not merely on labor, but on the American people as a whole, the provisions of the no-man's-land section of the bill.

In my judgment, as I shall show—and I shall develop this matter in great detail during the afternoon—the no-man's-land issue alone is enough on which to base rejection of the conference report.

I am willing to say on the floor of the Senate today that, although at the present time I recognize that mine is a small minority voice in this country on this issue, in due course of time the position I take today on this issue will come to be recognized generally as a sound legal position.

I apologize to the Senator from Massachusetts for being unable to hand to him a carbon copy of all the parts of my remarks, but I should like to have my assistant on the floor proceed to deliver to the Senator from Massachusetts carbon copies of the various sections of the speech I am about to make which are available now. I do not know how many parts are available, because the speech was finished by me, so far as the first few sections are concerned, at about 2:15 o'clock this morning. I started to dictate again a little after 8 o'clock, and a part of my remarks is still in the typewriter and will be delivered from time to time as the speech proceeds.

Mr. President, it was with deep regret that I found it impossible to sign the conference report on the labor bill. There are many good features of the bill. In fact, many sections of the first six titles of the bill were taken directly from the Kennedy-Ervin bill, of which I was a cosponsor. It has been interesting to note that the mail which I have received urging me to support the Landrum-Griffin bill without change came from people who obviously did not know that the first six titles of the Landrum-Griffin bill are very similar to the first six titles of the Kennedy-Ervin bill.

As I shall point out later in this speech, the nationwide propaganda drive conducted against Congress for the adoption of the Landrum-Griffin bill came chiefly from antiunion inspired sources in the country who for a long time have been seeking to weaken or blunt or spike the economic weapons of trade unions. It is because the trade union movement has become effective in advancing the economic welfare of union members in our country that the antilabor forces back of the Landrum-Griffin bill have been so anxious to take advantage of the critical public reaction to labor abuses justifiably aroused by the McClellan committee. It is understandable that at such a time of widespread revulsion of feeling on the part of many people toward unions because of the shameful and inexcusable betrayal of trust on the part of a few crooked and corrupt labor leaders, antiunion forces in our country, spearheaded by such reactionary organizations as the U.S. Chamber of Commerce and the National Manufacturers Association, should wage a Madison Avenue propaganda campaign against unions. One of the results of this tragic setback of the rights of free labor in our country has been to separate true friends of the working people from their fair-weather friends. It has disclosed in the neighborhoods of America, within the business communities of the small and the big towns, within the legislative halls of our cities, States, and Nation, those who, in the name of one rationalization or another, are willing to sacrifice legitimate rights of labor at the altar of political expediency. Yes; when the history of this infamous legislative drive against the hard-earned rights of organized labor has been written, it will record the insincerity of many politicians who followed public clamor rather than tried to mold an intelligent public opinion and lead the public on the basis of the facts to the support of a just labor bill.

However, in my speech today I do not propose to try to fix blame for the sad legislative plight in which labor finds itself or for the political opportunism which motivates so much of the support for this proposed legislation. I am willing to leave those matters to the political reaction of the voters of the country after they have had sufficient time to reflect upon the demerits of this legislation. What I propose to do in this speech is to set out for the RECORD my major reasons for refusing to sign the conference report. I recognize that the conference report will be approved today by an overwhelming vote in the Senate. Political considerations are firmly in the saddle. Most Members of Congress will not take the time to analyze and study the complex abstract illegal implications and concrete economic injustices to labor of this proposed legislation. I shall vote against it because I am convinced that it is not in the public interest.

My mail, which has been voluminous on both the Kennedy-Ervin bill and the Landrum-Griffin bill, leaves no room for doubt that at the present moment a good political vote would be to vote for the conference report bill. However, I will leave that course of action for others who are interested in staying in the Senate even at the cost of sacrifice of principle or who are interested in moving on to higher office, no matter what the cost to labor's legitimate rights and to the long-time best public interest.

As for me, I expect to continue to receive a great deal of personal abuse and political opposition from the reactionary antilabor forces and from some honest and sincere people who justifiably resent the inexcusable abuses which have been

practiced by some so-called labor leaders and who believe that the way to check those abuses is to pass this unfair piece of legislation. As to this latter group, I would be less than honest if I did not admit that their political declarations of war against me and their bitter personal criticisms set out in their mail make me feel very sad. No Senator enjoys casting a vote on proposed legislation which he knows is bound to cost him many votes at the ballot box, particularly if he is to stand for election in a State immediately following his Senate vote.

However, this political dilemma raises the old, old philosophical question in the field of political science, the answer to which Edmund Burke wrote to my complete satisfaction. As for me, when I come to vote in the Senate on any issue, it is my duty to follow where I think the facts lead, not where political considerations lead whenever the facts cannot be squared with the political advantages of the moment that might flow from a vote against the facts. If one is to follow the philosophy of Edmund Burke that an elected representative of the free people in a parliamentary body owes his constituents the primary obligation to exercise an honest independence of judgment on the merits of issues, in accordance with the facts as he finds them to be, then he must never be afraid to be defeated. He must never lose sight of the fact that it is not important that he or any other politician remain in office; but what is important, if democracy is to remain strong, and if the legislative processes of representative government are to go undefiled, is for each legislator to be true to himself and carry out his trust of voting on each issue in accordance with what he believes the facts show the public interest to be.

This does not mean that if each legislator does that, a legislative body will be unanimous on each vote cast. Sincere and honest differences of opinion on the merits of pieces of proposed legislation are bound to exist among sincere and honest legislators, and will lead them to reach different conclusions as to whether or not a given bill is in the public interest. As the debate on this measure proceeds, we shall see that demonstrated over and over again. But it is also true that, all too frequently, political expediency, political opportunism, compromise of principle, partisan politics, and fear of losing votes influence the votes in legislative halls. Whenever that happens, democratic government suffers and the voters are betrayed. If one is to follow the Burkean philosophy with respect to the principle that the primary obligation of a legislator is to vote on the merits of issues, irrespective of the political consequences, he not only must not be afraid to be defeated, but he also will find strength for standing by his convictions by taking succor from abiding faith that in a democracy, once the voters come to understand a legislator's reasons for voting contrary to an aroused public demand for a given piece of proposed legislation, such as the one now pending in the Senate, they will return their support to him, even though they may not agree with him in entirety.

On the other hand, if they do not find his reasons for his vote satisfactory, along with his overall record of representation in a legislative body, they should defeat him at the polls. That voter power is the essence of self-government. It is no disgrace to be defeated; but it is disgraceful to be afraid to be defeated, and, in an endeavor to avoid it, to follow a legislative course of action of political opportunism and expediency.

Because of the fact that I know that my opposition to the pending labor legislation is both unpopular and misunderstood among many people in my State, I intend to speak at some length today, for the RECORD, in setting forth my reasons for refusing to sign the conference report and for voting against it here in the Senate, as I probably shall have an opportunity to do before the day is over, or at least by the end of tomorrow.

Those very sincere people in my State who have written or telegraphed to me about my opposition to the Landrum-Griffin bill are entitled to have this official RECORD to refer to, in reaching a final judgment as to whether I have the political horns which they seem to think I have. It is my belief that many of this group of critics will come to modify their views concerning many of the features of the Landrum-Griffin bill, once they come to understand the harm that such legislation will do to the public interest.

Now just a word about the opposition's abuse that is pouring in from reactionary antilabor forces that would like nothing better than to reduce to economic impotence the free labor movement in the United States. I am pleased to have their opposition. I am glad to be judged by these enemies. Their stand on labor legislation has made their political thrusts inflict no deep wounds, and their extremism has no lasting effect on intelligent and thinking voters. I have received telegrams and letters from such extremists by the hundreds in recent weeks, and particularly during the days when the conference committee was in session.

A typical one came from a constituent by the name of Harold G. Cutright, 1000 Southwest Vista Avenue, Portland, Oreg., who apparently thought I might tremble in the political knees if he sent to me a copy of a telegram which he sent to Representative ROBERT GRIFFIN. His telegram to me reads as follows:

> This telegram sent ROBERT GRIFFIN: "Urge you fight to bring Landrum-Griffin bill before full Senate for vote. Don't let WAYNE MORSE lick you. MORSE is political dead duck Oregon. He knows it. He is playing labor's racket and seeking votes. He couldn't be elected dog catcher today in Oregon. Northwest people are behind you in your fight to rid labor racketeers, stop organization picketing, and put no man's land cases back in State courts. Keep up the good fight."

In recent days, I have received many such political love messages. I have replied to all of them in about the way I replied to Mr. Cutright. To him I said:

> I am sorry you feel as bitter toward me as you expressed yourself in your wire to Congressman GRIFFIN. I am perfectly willing to let the voters of Oregon judge my record of service to the State and to the Nation, including my votes on labor legislation when I will run for reelection in 1962. I will run for reelection on that record.
>
> By 1962, God willing, I will have given 18 years of legislative service to the people of Oregon in the U.S. Senate. During that entire period of time, my record will show that I have voted for the public interest as I honestly believed it to be in respect to each issue. I have done so by exercising an honest independence of judgment on the merits of issues in accordance with the facts as I have found them in my study of each issue. That voting record shows that I have voted against labor time and time again when the facts convinced me it was wrong on any issue, and I have voted for labor when I thought some legislative proposal sought to injure some legitimate labor right. I have followed the same course of action in connection with every legislative subject matter, no matter what economic group was involved.
>
> Political threats such as yours don't scare me because I don't scare easily.
>
> Sincerely,
>
> WAYNE MORSE.

Mr. President, I refused to sign the conference report, and I shall vote against the conference committee bill, for the following reasons:

First, in my opinion, a vote for the bill will be to liquidate some of the hard-earned legitimate rights of American free labor. Those rights have been won through long and bitter struggles in this country over the decades. It is regrettable that so many Americans, these days, are not familiar with the history of the American labor movement and the heroism of the pioneers in the union movement who won for labor the right to organize and bargain collectively and effectively with employers for improved wages, hours, and conditions of employment. These rights were long in their winning; and not a single one of them should be lost in a single legislative day, or ever. Part of the responsibility for losing some of them on this legislative day rests squarely on the shoulders of labor itself.

For some time past, organized labor has known that there have been within the house of labor some racketeers and crooks. Labor knew that the house of labor should not be used as a house of sanctuary and refuge for the few labor leaders who had betrayed their trust to the members of their unions, and have sought to escape both the responsibility for and the consequences of their improper conduct.

Organized labor has known for a long time that some union leaders have run their unions as totalitarian economic states, tolerating no opposition or no exercise of democratic rights on the part of the dues-tribute-paying members. It did not require the McClellan committee to disclose to organized labor the ugly fact that a few locals in some unions were ruled by business agents and officers who had shocking criminal records. The scandals of paper unions, the

corruption of employer-shakedowns by which a union representative would threaten an employer with various types of illegal, coercive acts if he did not sign a union contract, even if it was well known that the union did not have any members, or, if it had any, had only a few members in the employer's plant, have been known for some time to exist in a few segments of organized labor. The denial of democratic procedures in running union meetings and union conventions, the failure to supply periodic financial reports to union members, the misuse of union funds, the abuse of trusteeship prerogatives, the destruction of perishable goods in secondary boycott cases, conflict of interest practices on the part of a few union officials, and all of the other union malpractices which have been disclosed by the McClellan committee did not come as surprising news to most of the leaders of the American labor movement. A sad fact is that the American labor movement should have cleaned its own house long ago. If it had done so, there would have been no need for the McClellan committee and the committee's disclosures of some corruption on the part of some unions and their officials would never have become necessary. The present agitated state of public opinion against organized labor in general would have never developed. Although a part of the responsibility for the present public demand for a legislative housecleaning of the labor movement must be assumed by organized labor itself because of its long delay in cleaning its own house, it does not follow that a destructive legislative bomb should be thrown into the house of labor in order to get rid of a few termites or to open the shutters so that the light of public disclosure can shine in. In fairness to the overwhelming majority of labor leaders in this country trusted with the obligation of serving as officials of international, national, and local unions, it should be said in their defense that there have been many obstacles placed in the way of their doing a better job of housecleaning than was being done until recently. It should be remembered many unions have enjoyed a complete autonomy and independence of any regulatory control in respect to any authority or jurisdiction over their affairs by any federation or organization composed of sister unions. The development of an organization such as now exists in the combined AFL–CIO amalgamation is of recent birth. Great credit is due George Meany and his associate officers of the AFL–CIO for their courage and labor statesmanship in respect to the housecleaning they have been doing within the structures of the affiliated unions that comprise their federation.

As we all know, in some instances they have thrown out corrupt unions which refused to comply with the ethical code of union practices adopted by the AFL–CIO. I think it is fitting that there be inserted at this point in my remarks a copy of that ethical code of union practices which was adopted by the AFL–CIO, and I ask unanimous consent that it be inserted at this point in the RECORD.

There being no objection, the code was ordered to be printed in the RECORD, as follows:

AFL–CIO CODES OF ETHICAL PRACTICES—AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

1. AFL–CIO CONSTITUTION ON ETHICAL PRACTICES

Article II, section 10: The objects and principles of this federation are:

* * * To protect the labor movement from any and all corrupt influences and from the undermining efforts of Communist agencies and all others who are opposed to the basic principles of our democracy and free and democratic unionism.

* * * * *

Article VIII, section 7: It is a basic principle of this federation that it must be and remain free from any and all corrupt influences and from the undermining efforts of Communist, Fascist, or other totalitarian agencies who are opposed to the basic principles of our democracy and of free and democratic trade unionism. The executive council, when requested to do so by the president or by any other member of the executive council, shall have the power to conduct an investigation, directly or through an appropriate standing or special committee appointed by the president, of any situation in which there is reason to believe that any affiliate is dominated, controlled, or substantially influenced in the conduct of its affairs by any corrupt influence, or that the policies or activities of any affiliate are consistently directed toward the advocacy, support, advancement, or achievement of the program or of the purposes of the Communist Party, any Fascist organization or other totalitarian movement. Upon the completion of such an investigation, including a hearing if requested, the executive council shall have the authority to make recommendations or give directions to the affiliate involved and shall have the further authority, upon a two-thirds vote, to suspend any affiliate found guilty of a violation of this section. Any action of the executive council under this section may be appealed to the convention, provided, however, that such action shall be effective when taken and shall remain in full force and effect pending any appeal.

Article XIII, section 1(d): The committee on ethical practices shall be vested with the duty and responsibility to assist the executive council in carrying out the constitutional determination of the federation to keep the federation free from any taint of corruption or communism, in accordance with the provisions of this constitution.

2. AFL-CIO RESOLUTION ON IMPLEMENTATION OF CONSTITUTIONAL PRINCIPLES

(Adopted by AFL–CIO convention, December 1957)

The agreement for the merger of the AFL and the CIO provided as one of the stated "principles of merger" that the merged federation "shall constitutionally affirm its determination to protect the American trade union movement from any and all corrupt influences. * * *" It also provided that "the merged federation shall establish appropriate internal machinery with authority effectively to implement this constitutional determination. * * *"

In accordance with this agreement, the constitution which the AFL–CIO adopted at its first constitutional convention in December 1955, contained both a statement of general principles with respect to communism and corrupt unionism and internal machinery to deal with this question. Article II, section 10, of the constitution provides that one of the objects and principles of the federation shall be "to protect the labor movement from any and all corrupt influences and from the undermining efforts of Communist agencies and all others who are opposed to the basic principles of our democracy and free and democratic unionism."

Article VIII, section 7, reiterated this statement of principle and provided that the executive council should have the power to conduct an investigation, either directly or through an appropriate committee, into any situation "in which there is reason to believe that any affiliate is dominated, controlled, or substantially influenced in the conduct of its affairs by any corrupt influence." The council was further given the authority "to make recommendations or give directions to the affiliate involved and shall have further authority, upon a two-thirds vote, to suspend any affiliate found guilty of a violation of this section."

The AFL–CIO constitution also provided for a committee on ethical practices which should, in the words of the constitution, "be vested with the duty and responsibility to assist the executive council in carrying out the constitutional determination of the federation to keep federation free from any taint of corruption or communism. * * *"

These constitutional provisions adopted unanimously by the founding convention of the AFL–CIO, established firmly that the AFL–CIO would assume the obligation of implementing the historical dedication of the American labor movement to free, honest and democratic trade unionism and its irrevocable opposition to corrupt influences in the labor movement.

The AFL–CIO constitution also reaffirmed the principle of national and international union autonomy which has historically been one of the cornerstones of the American labor movement. But, by its provisions with respect to corruption and communism, agreed to at the founding convention by all affiliates, the constitution made it clear that the rights of autonomy do not include the right of a corrupt or Communist-dominated union to remain in affiliation with the American labor movement.

By accepting the AFL–CIO constitution and joining with their fellow trade unionists in affiliation with the AFL–CIO, each national and international union in the AFL–CIO necessarily assumed the obligation to accept the principles above set forth. They are a part of the basic charter upon which this federation rests.

In addition to affirming its constitutional determination to keep the trade union movement free from corruption and communism, the founding convention of the AFL–CIO also adopted, by unanimous vote, a resolution on ethical practices. That resolution called upon "all affiliated national and international unions to take whatever steps are necessary within their own organizations to effect the policies and ethical standards set forth in the constitution of the AFL–CIO." It further called upon the affiliated unions to make such constitutional amendments or changes in internal procedures as might appear necessary to carry out the responsibility incumbent upon autonomous organizations under the principles established by the AFL–CIO constitution.

In the past 2 years the AFL–CIO has moved steadfastly forward to implement those basic documents. This has not been an easy or a pleasant task. It is never pleasant, in any family, to face up to the fact that a member of that family has violated basic principles of morality and good conscience. It is never easy to take action against members of a family who have transgressed.

The task of the AFL–CIO has been made particularly difficult by the fact that some of the disclosures of corruption within the

family of the AFL–CIO were made by persons whose interest is not in strengthening labor by correcting corrupt practices, but in weakening labor by creating the impression that all labor is corrupt, that all unions must be restrained. Despite its recognition of that fact, the AFL–CIO is determined to keep its own house in order. Whenever facts are disclosed which indicate that there is a need for action to maintain and safeguard the AFL–CIO from corrupt influences, the AFL–CIO will act. Indeed, only by such action can the AFL–CIO defeat the purposes of those who would use the corruption of a few to weaken and place restrictions upon the successful operation of honest trade unions.

Let there be no mistake as to our purpose in proceeding against those unions which we have found to be false to their constitutional obligations. Our objective is not to punish. Our purpose is not to exile from the American trade union movement any group of union members. Our basic purpose is to achieve the correction of abuses and to help the members of unions with dishonest leadership.

To achieve this purpose the AFL–CIO executive council in the 2 years which have passed since our founding convention has initiated investigations into charges of corruption with respect to six national or international unions. Four of these investigations—those involving the Allied Industrial Workers, the Distillery Workers, the Laundry Workers, and the Bakery and Confectionery Workers—were initiated by the council prior to any hearings or disclosures by the McClellan committee. Two of the investigations—those involving the United Textile Workers and the International Brotherhood of Teamsters—were initiated following disclosures by the McClellan committee.

In none of these cases did the AFL–CIO executive council say to the union involved "You are corrupt and must be banished from the American labor movement." In each case the council asked the union involved, after it had been found to be substantially influenced by corrupt elements, to take affirmative action to clean its own house. Of the six unions, one—the Allied Industrial Workers of America—accepted in full the recommendations of the executive council and took action to eliminate completely the corrupt influences which the council had found. Today, as a result of its vigorous enforcement of the AFL–CIO's constitutional principles, the Allied Industrial Workers Union is an affiliate in good standing, with a new leadership which can proudly take its place in the family of labor and which can honestly represent the interests of its membership.

In other cases, such a result has not yet been effectuated. And in some cases it has been necessary to use the ultimate step of expulsion from the AFL–CIO when the union involved defied the executive council and refused to agree to initiate steps to clean its own house.

But even in those cases, the AFL–CIO has not yet finished its task. We are confident that in the areas of these unions the executive council will, pursuant to the authority vested in it, take all measures necessary or appropriate to safeguard the interests of the workers in the industry, to protect the good name and reputation of the AFL–CIO and to bring about the elimination of corrupt influences.

Nor can we be sure that there will not be further disclosures and the requirement for further action by the AFL–CIO. Should such action be necessary it will be taken in accordance with the same principles and with the same objective which has motivated the AFL–CIO, during the past 2 years: Therefore be it

Resolved, That the AFL–CIO reaffirms our firm dedication to the principles set forth in the AFL–CIO constitution and our determination to implement those constitutional principles without fear or favor.

We again call upon our national and international unions to take within their own organizations whatever steps are necessary to effectuate the policies and ethical standards embodied in the constitution of the AFL–CIO.

We pledge our full support and good offices to each affiliated national and international union which accepts this mandate and attempts to carry out and put into practice the principle that our "organization must be free from any taint of corruption or communism."

We call upon other segments of the community and other organizations to similarly dedicate themselves to the elimination of corruption. The labor movement will act in its own interest to clean its own house. In the national interest, we call upon business organizations, community groups, and others to similarly show their devotion to the basic ethical principles which must guide our American democracy.

3. AFL–CIO RESOLUTION ON ETHICAL PRACTICES CODE

(Adopted by AFL–CIO convention, December 1957)

The AFL–CIO, as one of its specific objectives, has a constitutional mandate "to protect the labor movement from any and all corrupt influences."

The committee on ethical practices has been vested by the AFL–CIO constitution the "duty and responsibility" to assist the executive council in its determination to keep the AFL–CIO "free from any taint of corruption."

The statement on ethical practices adopted unanimously by our first constitutional convention specifically called upon our affiliated national and international unions "to take whatever steps are necessary within their own organizations to effect the policies and ethical standards set forth in the constitution of the AFL–CIO." The same resolution pledged the "full support, good offices, and staff facilities" of the ethical practices committee to our affiliated national and international unions in "their efforts to carry out and put into practice the constitutional mandate" to keep our organization free of corruption.

At its June 1956 meeting the executive council directed the committee on ethical practices to develop a set of principles and guides for adoption by the AFL–CIO in order to implement the constitutional determination that the AFL–CIO shall be and remain free from all corrupt influences and directed that such recommended guides and principles be submitted to the council. Thereafter, and in accordance with this directive, the ethical practices committee developed six codes of ethical practices which were submitted to the executive council and adopted. These codes are set forth in full text in the executive council report, pages 77 to 94.

These codes were not and are not intended to be all-inclusive. Certain practices are so obviously incompatible with free and honest trade unionism that it is unnecessary to prescribe them in an ethical practices code. There is no code, for example, which provides that union officers should not steal money from their union treasury. This is so plainly an elementary requirement of honest trade unionism that it does not require statement in a code of ethical practices.

The fact that a specific action is not forbidden by the ethical practices codes does not establish that it is consistent with honest trade unionism. The codes are intended to be illustrative rather than all-inclusive in their scope.

Nor were these codes applied retroactively in the cases of the six unions to which investigations were conducted by the ethical practices committee into charges that they were dominated or substantially influenced by corrupt elements. In those cases, the question was not whether a code of ethical practices had been violated but whether the union involved was guilty of a violation of the provisions of the constitution of the AFL–CIO.

For the future, however, compliance with the terms of the ethical practices codes is, we believe, a minimum requirement for the conduct of honest and clean unionism. Such compliance will not guarantee freedom from corruption. Only the existence of a leadership truly dedicated to the principles of the trade union movement can provide such a guarantee. But the existence of specific illustrations, in the form of codes, of the minimum requirements for the conduct of clean and democratic unions will serve to strengthen the ability of the unions affiliated with the AFL–CIO to maintain the highest principles of ethical conduct: Now, therefore, be it

Resolved, That the codes of ethical practices adopted by the executive council are hereby confirmed and adopted.

Each affiliate national and international union is called upon to take whatever steps are necessary within its own organization to comply with the provisions of the codes of ethical practices.

If any further codes are deemed by it to be required, the executive council is authorized and directed to continue its practice of adopting such codes to guide the unions affiliated with the AFL–CIO in their determination to maintain the principles of clean and democratic unionism.

4. AFL–CIO RESOLUTION ON FIFTH AMENDMENT CASES

(Adopted by AFL–CIO convention, December 1957)

The executive council adopted, on January 28, 1957, a statement with respect to the use of the fifth amendment by trade union officials. In that statement the council recognized "that any person is entitled, in the exercise of his individual conscience, to the protection afforded by the fifth amendment" and reaffirms the conviction "that this historical right must not be abridged." At the same time, the council declared that if, however, a trade union official "decides to invoke the fifth amendment for his personal protection and to avoid scrutiny * * * into alleged corruption on his part, he has no right to continue to hold office in his union." Otherwise, the council declared, an individual guilty of corruption would be able to use the fifth amendment not only as a personal protection against possible criminal punishment but as a shield against proper scrutiny into corrupt influences in the labor movement.

This statement of policy by the executive council has been misinterpreted by some as requiring "automatic" expulsion of any trade union leader who invokes the fifth amendment. It has been attacked by others as an attempt to wipe out the fifth amendment from the Constitution of the United States. Neither is true. Those who make such attacks either fail to understand the meaning of the executive council's statement or are attempting to defeat the proper inquiry by the trade union movement into the question of whether one of its officers is corrupt.

Every honest trade union should be concerned if serious charges of corruption and misuse of office for personal gain are made against its officers. The AFL–CIO constitution, indeed, commits each union affiliated with the AFL–CIO to take appropriate steps to keep the movement free of corrupt influences. That necessarily includes investigation by a trade union of one of its officials against whom serious and apparently well-founded charges of corruption are placed.

The fact that such charges are made before a legislative committee or other public agency and the union official invokes the fifth amendment, cannot give immunity to him from trade union investigation and appropriate action, if the investigation indicates this is required.

The executive council statement of January 28, 1957, made clear what was already implicit in the basic constitutional provisions and resolutions of the AFL–CIO—any trade union official against whom serious charges of corruption are leveled should be removed from office if those charges are true. If that official invokes the fifth amendment and refuses to state whether or not these charges are true, an investigation is required by the affiliate involved into the fitness of the official to continue to hold office. If it is found that the fifth amendment was in fact invoked as a shield to avoid discovery of corruption on his part, he has no right to continue to hold trade union office.

The fifth amendment to the Constitution of the United States does not confer immunity upon a union against its duty to determine whether an official who invokes that amendment is guilty of malfeasance in office. The fifth amendment to the Constitution of the United States does not mean that the labor movement must see no evil or hear no evil merely because an individual union official, to avoid giving testimony which may send him to jail, refuses to answer questions before a public body: Now, therefore, be it

Resolved; That this convention affirms the principles herein above stated with respect to the duties of trade unions concerning officials who invoke the fifth amendment to conceal their personal corruption.

5. RESOLUTION ON PROCEDURES

(Adopted by AFL–CIO executive council, June 1956)

Whereas article II, section 10, and article VIII, section 7, of the AFL–CIO constitution provide that it is a basic principle of this Federation that it must be and remain free from any and all corrupt influences; and

Whereas article VIII, section 7, authorizes the executive council, upon the request of the president or any other member of the executive council, "to conduct an investigation directly or through an appropriate standing committee or special committee appointed by the president, of any situation in which there is reason to believe that any affiliate is dominated, controlled or substantially influenced in the conduct of its affairs by any corrupt influence * * *"; and

Whereas article XIII, section 1(d), provides for a committee on ethical practices which shall be vested with the duty and responsibility to assist the executive council in carrying out the above constitutional principles, and such committee has been appointed by the president with the approval of the executive council: Now, therefore, be it

Resolved by the executive council of the American Federation of Labor and Congress of Industrial Organizations:

1. That the committee on ethical practices is vested with the authority of the council to conduct formal investigations, including a hearing if requested, on behalf of the council, into any situation in which there is reason to believe an affiliate is dominated, controlled or substantially influenced in the conduct of its affairs by any corrupt influence and in which such formal investigation is requested by the president or any member of the executive council. The committee shall report to the executive council the results of any such investigation with such recommendations to the council as the committee deems appropriate.

2. The committee is authorized, upon its own motion or upon the request of the president, to make such preliminary inquiries as it deems appropriate in order to ascertain whether any situations exist which require formal investigation. The committee will report to the executive council as to any situations in which it believes that formal investigation is required or desirable and shall undertake such formal investigation as provided in paragraph 1 of this resolution.

3. The committee is directed to develop a set of principles and guides for adoption by the AFL–CIO in order to implement the constitutional determination that the AFL–CIO shall be and remain free from all corrupt influences. Upon the development of such recommended guides and principles, they shall be submitted by the committee to the executive council for appropriate action.

6. CODES

Ethical Practices Code 1: local union charters

(Approved by the AFL–CIO executive council, August 29, 1956)

The AFL–CIO, as one of its specific objectives, has a constitutional mandate "to protect labor movement from any and all corrupt influences."

The committee on ethical practices has been vested by the AFL–CIO constitution with the duty and responsibility to assist the executive council in its determination to keep the AFL–CIO "free from any taint or corruption."

As the statement on ethical practices adopted unanimously by our first constitutional convention pointed out, "The vast majority of labor union officials accept their responsibility and trust. Yet the reputations of the vast majority are imperiled by the dishonest, corrupt, unethical practices of the few who betray their trust and who look upon the trade union movement not as a brotherhood to serve the general welfare, but as a means to advance their own selfish purposes."

The statement of our constitutional convention specifically called upon our affiliated national and international unions "to take whatever steps are necessary within their own organizations to effect the policies and ethical standards set forth in the constitution of the AFL–CIO." The same resolution pledged the "full support, good offices, and staff facilities" of the ethical practices committee to our affiliated national and international unions in "their efforts to carry out and put into practice the constitutional mandate" to keep our organization free of corruption.

At its June 1956 meeting the executive council directed the committee on ethical practices "to develop a set of principles and guides for adoption by the AFL–CIO in order to implement the constitutional determination that the AFL–CIO shall be and remain free from all corrupt influences" and directed that such recommended guides and principles be submitted to the council.

In accordance with these constitutional responsibilities and mandates, the committee on ethical practices, in the period since its formal creation, undertook an analysis of the issuance of local union charters as it relates to the problem of corruption. The code recommended in this report is the first in a series which the committee plans to develop in accordance with the executive council's direction.

The committee found that in this area, as in the field of union welfare funds, the instances of corruption are relatively rare. The vast majority of local union charters are issued by the affiliated national and international unions of the AFL–CIO for legitimate trade union purposes and without any taint or possibility of corruption. In a few instances, however, local union charters have fallen in the hands of corrupt individuals who have used these charters for their own illicit purposes instead of legitimate trade union objectives.

The possession of charters covering paper locals has enabled such racketeers to victimize individual workers, employers and the general public, while giving a black eye to the labor movement. They have used these charters to enter into conspiracies with corrupt employers to prevent, for a price, the genuine organization of workers into legitimate unions, thus depriving these workers of the benefit of honest collective bargaining agreements. These racketeers also use a charter as a basis to falsely invoke the collective strength of the trade union movement for their illegitimate ends, thus demeaning the trade union's historic respect for the legitimate picket line, and injuring honest businessmen in the conduct of their affairs. A local union charter, improperly issued, can be used to control a local union unit vote, which negates the legitimate unit vote of bona fide local unions and thus subverts the democratic process within the trade union movement at various levels. A racketeer treats a charter as a hunting license to invade the jurisdictions of other national or international unions, in the interests only of corruption and dishonest gain, and to cloak with a respectable name a whole range of nefarious and corrupt activities.

Such corrupt practices are not widespread. But even the few instances in which local union charters have been corruptly used are too many. The name of the AFL–CIO, and of the national and international unions affiliated with it, must always be a hallmark of ethical trade union practices.

Scrupulous adherence, the committee believes, to certain traditional practices and principles of the trade union movement with reference to the issuance of local union charters will serve to prevent and to eliminate the specific evils in this area.

The basic principle with reference to the issuance of a local union charter is that the charter is, in all unions, a solemn instrument establishing a subordinate or affiliated body of the international union, composed of organized workers in a particular subdivision of the union. The committee has made a study of the practices and constitutions of a greater number of national and international unions with respect to the issuance of local union charters. In the vast majority of cases, the committee found, there is a constitutional prohibition against the issuance of charters in the absence of application by a minimum number of bona fide employees, eligible for membership in the union, within the jurisdiction covered by the charter.

The specific rules governing the issuance of charters necessarily vary greatly from union to union. And each national and international union, as part of its autonomous right, has complete authority to prescribe the particular procedures governing the issuance of local union charters. But whatever the particular procedures, each autonomous union has the duty to see to it that the purpose of issuing local union charters is to promote the general welfare of workers. The constitution of the AFL–CIO makes it clear that no affiliate has an autonomous right to permit corrupt or unethical practices which endanger the good name of the trade union movement.

The committee believes that implementation and enforcement of the basic principle that local union charters are to be issued only to give recognition to workers joining together in a subordinate or affiliated body of a national or international union, which is in fact expressed in the vast majority of union constitutions, will provide an effective method of preventing the kind of evils described in this statement.

Therefore, the ethical practices committee, under the authority vested in it by the constitution of the AFL–CIO and pursuant to the mandate of the first constitutional convention of the AFL–CIO, recommends that the executive council of the AFL–CIO adopt the following policies to safeguard the good name of the AFL–CIO and its affiliated

unions and to prevent any taint or possibility of corruption in the issuance of local union charters:

1. A local union charter, whether issued by the AFL–CIO or by a national or international union affiliated with the AFL–CIO, should be a solemn instrument establishing a subordinate or affiliated body. To assure this, the AFL–CIO and each national and international union, by constitution or administrative regulation, should require, for issuance of a local union charter, application by a group of bona fide employees, eligible for membership in the union, within the jurisdiction covered by the charter.

2. The purpose of issuing such charters should be to promote the general welfare of workers and to give recognition to their joining together in a subordinate or affiliated body.

3. A charter should never be issued to any person or persons who seek to use it as a "hunting license" for the improper invasion of the jurisdictions of other affiliated unions.

4. A charter should never be issued or permitted to continue in effect for a "paper local" not existing or functioning as a genuine local union of employees.

5. A charter should never be issued to persons who are known to traffic in local union charters for illicit or improper purposes.

6. The provision of the AFL–CIO constitution prohibiting the AFL–CIO and any affiliated national or international union from recognizing any subordinate organization that has been suspended or expelled by the AFL–CIO or any national or international union plainly includes and prohibits the issuance of a local union charter by the AFL–CIO or any affiliated national or international union to any group of individuals or any individuals suspended or expelled from the AFL–CIO or any affiliated national or international union for corruption or unethical practices.

7. The AFL–CIO and each national and international union shall take prompt action to eliminate any loopholes through which local union charters have been or can be issued or permitted to continue in effect contrary to these policies.

8. The AFL–CIO and each national and international union shall take prompt action to insure the forthwith withdrawal of local union charters which have been issued and are now outstanding in violation of these policies.

Ethical practices code II: health and welfare funds

(Approved by the AFL–CIO executive council, January 31, 1957)

At its June 1956 meeting the executive council directed the committee on ethical practices "to develop a set of principles and guides for adoption by the AFL–CIO in order to implement the constitutional determination that the AFL–CIO shall be and remain free from all corrupt influences" and directed that such recommended guides and principles be submitted to the council. In accordance with this direction, and its constitutional responsibilities, the committee on ethical practices submitted to the executive council at its August 1956 meeting the first of a proposed series of recommended codes. This code covering the issuance of local union charter was unanimously adopted by the council.

This report, and the recommended code contained in it, is the second in the series which the committee, in accordance with the council's direction, is developing to implement the constitutional mandate that the AFL–CIO shall be and remain free from any and all corrupt influences and the determination of the first constitutional convention of the AFL–CIO that the reputations of the vast majority of labor union officials, who accept their responsibilities and trust, are "imperiled by the dishonest, corrupt, unethical practices of the few who betray their trust and who look upon the trade union movement not as a brotherhood to serve the general welfare, but as a means to advance their own selfish purposes."

Both the American Federation of Labor and the Congress of Industrial Organizations prior to the merger of these two organizations into the AFL–CIO gave thorough consideration to the subject of health and welfare funds. This subject was also considered by and dealt with by the first constitutional convention of the AFL–CIO and a resolution dealing with this subject matter was adopted by that convention.

As stated in the resolution adopted by the first constitutional convention of the AFL–CIO, the task of administering and operating health and welfare programs which have been developed through collective bargaining has placed heavy new responsibilities upon the shoulders of trade union officials. The funds involved are paid for through the labor of the workers covered by the plans. They must be administered, therefore, as a high trust for the benefit only of those workers.

Most trade union officials have been faithful to the high trust which has been imposed upon them because of the development of health and welfare funds. The malfeasances of a few, however, have served to bring into disrepute not only the officials of the particular unions involved, but also the good name of the entire American labor movement. For this reason, it is imperative that the AFL–CIO and each of the national and international unions affiliated with it rigorously adhere to the highest ethical standards in dealing with the subject of health and welfare funds.

For these reasons, the ethical practices committee, under the authority vested in it by the constitution of the AFL–CIO and pursuant to the mandate of the first constitutional convention of the AFL–CIO, recommends that the executive council of the AFL–CIO adopt the following policies to safeguard the good name of the AFL–CIO and its affiliated unions:

1. No union official who already receives full-time pay from his union shall receive fees or salaries of any kind from a fund established for the provision of a health, welfare, or retirement program. Where a salaried union official serves as employee representative or trustee in the administration of such programs, such service should be regarded as one of the functions expected to be performed by him in the normal course of his duties and not as an extra function requiring further compensation from the welfare fund.

2. No union official, employee, or other person acting as agent or representative of a union, who exercises responsibilities or influence in the administration of welfare programs or the placement of insurance contracts, should have any compromising personal ties, direct or indirect, with outside agencies such as insurance carriers, brokers, or consultants doing business with the welfare plan. Such ties cannot be reconciled with the duty of a union official to be guided solely by the best interests of the membership in any transactions with such agencies. Any union official found to have such ties to his own personal advantage or to have accepted fees, inducements, benefits, or favors of any kind from any such outside agency, should be removed. This principle, of course, does not prevent the existence of a relationship between a union officer or employee and an outside agency where (a) no substantial personal advantage is derived from the relationship; and (b) the outside agency is one in the management of which the union participates, as a union, for the benefit of its members.

3. Complete records of the financial operations of all welfare funds and programs should be maintained in accordance with the best accounting practice. Each such fund should be audited regularly by internal auditors. In addition, each such fund should be audited at least once each year, and preferably semiannually, by certified public or other independent accountants of unquestioned professional integrity, who should certify that the audits fully and comprehensively show the financial condition of the fund and the results of the operation of the fund.

4. All audit reports should be available to the membership of the union and the affected employees.

5. The trustees or administrators of welfare funds should make a full disclosure and report to the beneficiaries at least once each year. Such reports should set forth, in detail, the receipts and expenses of the fund; all salaries and fees paid by the fund, with a statement of the persons to whom paid; the amount paid and the service or purpose for which paid; a breakdown of insurance premium paid, if a commercial insurance carrier is involved, showing, insofar as possible, the premiums paid, dividends, commissions, claims paid, retentions and service charges; a statement of the person to whom any commissions or fees of any kind were paid; a financial statement on the part of the insuring or service agency, if an agency other than a commercial insurance carrier is employed; and a detailed account of the manner in which the reserves held by the fund are invested.

6. Where health and welfare benefits are provided through the use of a commercial insurance carrier, the carrier should be selected through competitive bids solicited from a substantial number of reliable companies, on the basis of the lowest net cost for the given benefits submitted by a responsible carrier, taking into consideration such factors as comparative retention rates, financial responsibility, facilities for and promptness in servicing claims, and the past record of the carrier, including its record in dealing with trade unions representing its employees.

The trustees of the fund should be required to include in reporting to the membership the specific reasons for the selection of the carrier finally chosen. The carrier should be required to warrant that no fee or other remuneration of any kind has been paid directly or indirectly to any representative of the parties in connection with the business of the fund.

7. Where a union or union trustees participate in the administration of the investment of welfare fund reserves, the union or its trustees should make every effort to prohibit the investment of welfare fund reserves in the business of any contributing employer, insurance carrier, or agency doing business with the fund, or in any enterprise in which any trustee, officer, or employee of the fund has a personal financial interest of such a nature as to be affected by the fund's investment or disinvestment.

(This is not to be construed as preventing investment in an enterprise in which a union official is engaged by virtue of his office, provided (i) no substantial personal advantage is derived from the relationship, and (ii) the concern or enterprise is one in the management of which the union participates for the benefit of its members.)

8. Where any trustee, agent, fiduciary, or employee of a health or welfare program is found to have received an unethical payment, the union should insist upon his removal and should take appropriate legal steps against both the party receiving and the party making the payment. Where health and welfare funds are negotiated or administered by local unions or by other organizations subordinate to or affiliated with a national or international union, provision should be made to give the national

or international union the authority to audit such funds and to apply remedies where there is evidence of a violation of ethical standards.

9. Every welfare program should provide redress against the arbitrary or unjust denial of claims so as to afford the individual member prompt and effective relief where his claim for benefits has been improperly rejected. Every program should provide for the keeping of complete records of the claims experience so that a constant check can be maintained on the relationship between claims and premiums and dividends, and on the utilization of the various benefits.

10. The duty of policing and enforcing these standards is shared by every union member, as well as by local, national, and international officials. The best safeguard against abuses lies in the hands of a vigilant, informed, and active membership, jealous of their rights and interests in the operation of health and welfare programs, as well as any other trade union program. As a fundamental part of any approach to the problem of policing health and welfare funds, affiliated unions, through education, publicity, and discussion programs, should seek to develop the widest possible degree of active and informed interest in all phases of these programs on the part of the membership at large. International unions should, wherever possible, have expert advice available for the negotiation, establishment, and administration of health and welfare plans, and should provide training for union representatives in the techniques and standards of proper administration of welfare plans.

11. Where constitutional amendments or changes in internal administrative procedure are necessary to comply with the standards herein set forth, such amendments and changes should be undertaken at the earliest practicable time.

Ethical Practices Code III: Racketeers, crooks, Communists, and Fascists

(Approved by the AFL–CIO executive council, January 31, 1957)

This is the third in a series of recommended codes which the committee on ethical practices has developed in accordance with the direction of the executive council that it should develop a set of principles and guides for adoption by the AFL–CIO in order to implement the constitutional determination that the AFL–CIO shall be and remain free from all corrupt influences.

Article VIII, section 7 of the constitution of the AFL–CIO establishes that "it is a basic principle of this federation that it must be and remain free from any and all corrupt influences and from the undermining efforts a Communist, Fascist or other totalitarian agencies who are opposed to the basic principles of our democracy and of free and democratic trade unionism." Under this constitutional provision there is no room within the federation or any of its affiliated unions for any person in a position of leadership or responsibility who is a crook, a racketeer, a Communist or a Fascist. And it is the obligation of every union affiliated with the AFL–CIO to take appropriate steps to insure that this principle is complied with.

To be sure, neither the AFL–CIO nor its affiliated unions are law enforcing agencies. It is not within the purview or authority of a trade union to convict its members of a violation of statutory law. But it is the duty and responsibility of each national and international union affiliated with the federation to see to it that it is free of all corrupt, Communist or Fascist influences. Consequently, a trade union need not wait upon a criminal conviction to bar from office corrupt, Communist or Fascist influences. The responsibility of each union to see to it that it is free of such influences is not a responsibility placed upon our unions by law. It is a responsibility which rests upon our unions by the AFL–CIO constitution and by the moral principles that govern the trade union movement. Eternal vigilance in this area is the price of an honest democratic trade union movement.

It is not possible, nor is it desirable, to set down rigid rules to determine whether a particular individual in a position of responsibility or leadership in the trade union movement is a crook, a racketeer, a Communist, or a Fascist. Obviously, if a person has been convicted of a crime involving moral turpitude offensive to trade union morality, he should be barred from office or responsible position in the labor movement. Obviously also, a person commonly known to be a crook or a racketeer, should not enjoy immunity to prey upon the trade union movement because he has somehow managed to escape conviction. In the same manner, the fact that a person has refrained from formally becoming a member of the Communist Party or a Fascist organization should not permit him to hold or retain a position of responsibility or leadership in the trade union movement if, regardless of formal membership, he consistently supports or actively participates in the activities of the Communist Party or any Fascist or totalitarian organization.

In this area, as in all others, determinations must be made as a matter of commonsense and with due regard to the rights of the labor unions and the individuals involved.

On the basis of these considerations, the ethical practices committee, under the authority vested in it by the constitution of the AFL–CIO, pursuant to the mandate of the first constitutional convention of the AFL–CIO, recommends that the executive council of the AFL–CIO adopt the following policies to safeguard the good name of the AFL–CIO and its affiliated unions:

1. The AFL–CIO and each of its affiliated unions should undertake the obligation, through appropriate constitutional or administrative measures and orderly procedures, to insure that no persons who constitute corrupt influences or practices or who represent or support Commnuist, Fascist, or totalitarian agencies should hold office of any kind in such trade unions or organizations.

2. No person should hold or retain office or appointed position in the AFL–CIO or any of its affiliated national or international unions or subordinate bodies thereof who has been convicted of any crime involving moral turpitude offensive to trade union morality.

3. No person should hold or retain office or appointed position in the AFL–CIO or any of its affiliated national or international unions or subordinate bodies thereof who is commonly known to be a crook or racketeer preying on the labor movement and its good name for corrupt purposes, whether or not previously convicted for such nefarious activities.

4. No person should hold or retain office or appointed position in the AFL–CIO or any of its affiliated national or international unions or subordinate bodies thereof who is a member, consistent supporter or who actively participates in the activities of the Communist Party or of any Fascist or other totalitarian organization which opposes the democratic principles to which our country and the American trade union movement are dedicated.

Ethical practices code IV: Investments and business interests of union officials

(Approved by the AFL–CIO executive council, January 31, 1957)

This is the fourth in a series of recommended codes which the committee on ethical practices has developed in accordance with the direction of the executive council that it should "develop a set of principles and guides for adoption by the AFL–CIO in order to implement the constitutional determination that the AFL–CIO shall be and remain free from all corrupt influences." Prior codes have dealt with the issuance of local union charters; welfare funds; racketeers, crooks, and Communists. The code herein recommended deals with conflicts of interest in the investment and business interests of union officials.

It is too plain for extended discussion that a basic ethical principle in the conduct of trade union affairs is that no responsible trade union official should have a personal financial interest which conflicts with the full performance of his fiduciary duties as a workers' representative.

Obviously an irreconcilable conflict of interest would be present if a trade union official, clothed with responsibility and discretion in conducting the representation of workers, simultaneously maintains a substantial interest in the profits of the employer of the workers whom he is charged with representing. Even though, in a particular instance, there may be no actual malfeasance in the representation of the employees involved, the opportunity for personal gain at the expense of the welfare of the employees whom the union official represents obviously exists.

Such a simple case, however, does not fully present the problems which exist, or may exist, in this area. There may be cases in which the conflict of interests is not so clear, but nevertheless exists. There are, on the other hand, forms of private investment which seem wholly devoid of any possibility of corruption or dereliction in trade union responsibility. It will be the purpose of this report to discuss some of the varying situations which may arise in this area and, on the basis of such discussion, to present a recommended code of minimum standards to which the committee believes all trade union officials should adhere in their investment and business interests.

The problems in this area, of course, could all be eliminated by adoption of the simple principle that no trade union official should, under any circumstances, use his own personal funds or property in any form of business enterprise or investment. But the committee feels that it is both unnecessary and unwise to establish such a rigid standard for trade union officials; union officers and agents should not be prohibited from investing their personal funds in their own way in the American free enterprise system so long as they are scrupulously careful to avoid any actual or potential conflict of interest. The American trade union movement does not accept the principle that either its members or its leaders should own no property. Both union leaders and members have the right to set aside their own personal reserves for themselves and their families, and to invest and use those reserves in legitimate ways.

But the trade union leader does have certain special responsibilities which he must assume and respect because he serves as a leader in the trade union movement. And those responsibilities, the committee believes, necessarily imply certain restraints upon his right to engage in personal investment, even with his own funds and on his own time. In a sense, a trade union official holds a position comparable to that of a public servant. Like a public servant, he has a high fiduciary duty not only to serve the members of his union honestly and faithfully, but also to avoid personal economic interest which may conflict or appear to conflict with the full performance of his responsibility to those whom he serves.

Like public servants, trade union leaders ought to be paid compensation commensurate with their services. But, like public servants, trade union leaders must accept

certain limitations upon their private activities which result from the nature of their services. Indeed, the nature of the trade union movement and the responsibilities which necessarily must be accepted by its leaders, make the strictest standards with respect to any possible conflict of interest properly applicable.

It is plain, as already stated, that a responsible trade union official should not be the owner in whole or in part of a business enterprise with which his union bargains collectively on behalf of its employees. The conflict in such a case is clear.

It is almost equally clear, the committee believes, that a trade union official should not be the owner of a business enterprise which sells to, buys from, or in other ways deals, to any significant degree, with the enterprise with which he conducts collective bargaining. Again, the possibility that the trade union official may be given special favors or contracts by the employer in return for less than discharge of his obligations as a trade union leader, exists.

Somewhat different considerations, however, apply to the ownership, through purchase on the open market or other legitimate means, of pubicly traded securities. Employee ownership of stock is certainly a fairly common practice in American life. Often, indeed, there are special stock purchase plans designed to stimulate such employee investments.

On the other hand, ownership, even of publicly traded securities, in sufficient amounts to influence the course of management decision seems to the committee incompatible with the proper representation of the employees by a trade union official.

The committee believes, therefore, that the minimum standards of ethical conduct in this area should not forbid all investment by a trade union official in the corporate securities of companies employing the workers he represents. Such investment by a trade union official, however, should always be subject to the restriction that it is not acquired in an illegitimate or unethical manner, that it is limited to securities which are publicly traded, and that his interest should never be large enough so as to permit him to exercise any individual influence on the course of corporate decision.

There is nothing in the essential ethical principles of the trade union movement which should prevent a trade union official, at any level, from investing personal funds in the publicly traded securities of corporate enterprises unrelated to the industry or area in which the official has a particular trade union responsibility. Such securities offer a wide choice of investment and are, generally speaking, so far removed from individual stockholder control or influence that with the exceptions above noted, there is no reason to bar investment by trade union officials.

The same principles apply with respect to privately owned or closely held businesses which are completely unrelated to the industrial area in which the trade union leader serves.

On the basis of these considerations, the ethical practices committee, under the authority vested in it by the constitution of the AFL–CIO and pursuant to the mandate of the first constitutional convention of the AFL–CIO, recommends that the executive council of the AFL–CIO adopt the following policies to safeguard the good name of the AFL–CIO and its affiliated unions:

1. No responsible trade union official should have a personal financial interest which conflicts with the full performance of his fiduciary duties as a workers' representative.

2. No responsible trade union official should own or have a substantial business interest in any business enterprise with which his union bargains collectively, or in any business enterprise which is in competition with any other business enterprise with which his union bargains collectively.

3. No responsible trade union official should own or have a substantial business interest in a business enterprise a substantial part of which consists of buying from, selling to, or otherwise dealing with the business enterprise with which his union bargains collectively.

4. The provisions of paragraphs 2 and 3 above do not apply in the case of an investment in the publicly traded securities of widely held corporations which investment does not constitute a substantial enough holding to affect or influence the course of corporate decision.

5. No responsible trade union official should accept kickbacks, under-the-table payments, gifts of other than nominal value, or any personal payment of any kind other than regular pay and benefits for work performed as an employee from an employer or business enterprise with which his union bargains collectively.

6. The policies herein set forth apply to: (a) all officers of the AFL–CIO and all officers of national and international unions affiliated with the AFL–CIO, (b) all elected or appointed staff representatives and business agents of such organizations, and (c) all officers of subordinate bodies of such organizations who have any degree of discretion or responsibility in the negotiation of collective bargaining agreements or their administration.

7. The principles herein set forth apply not only where investments are made by union officials, but also where third persons are used as blinds or covers to conceal the financial interests of union officials.

Ethical Practices Code V: Financial practices and proprietary activities of unions

(Approved by the AFL–CIO Executive Council, May 22, 1957)

This is the fifth in a series of recommended codes which the committee on ethical practices has developed in accordance with the direction of the executive council that it should "develop a set of principles and guides for adoption by the AFL–CIO in order to implement the constitutional determination that the AFL–CIO shall be and remain free from all corrupt influences." On August 29, 1956, the council approved a code dealing with the issuance of local union charters; on January 31, 1957, the executive council approved codes dealing with health and welfare funds, racketeering, crooks and Communists, and investment and business interests of union officials.

There are principles inherent in the conception of a free, honest, and democratic trade union movement, which, the committee believes, virtually dictate the outlines of any code of ethical practices dealing with union finances. The first of these principles hardly requires statement. It is simply that a labor union is an organization whose primary function is to improve the wages, hours and workin conditions of the employees it represents, through the processes of collective bargaining with employers. It is not a business enterprise or an investment company. Unions, of course, must have funds with which to operate and it is clearly desirable that they should maintain reserves to cover contingencies which may arise in the course of the performance of their functions as workers' representatives. But, equally clearly, the accumulation of funds per se is not the objective for which the union exists. A union is not a profit-making institution but a democratic organization with definite social aims and principles. Union funds are held in trust for the benefit of the membership. But a union, unlike a bank, a trustee, or other fiduciaries, is not primarily a manager of funds vested with the duty of enhancing their value and making distributions. Increasing the value of the union's funds should never become an objective of such magnitude that it in any way interferes with or obscures the basic function of the union, which is to devote its resources to representing its members, honestly and faithfully.

A second basic principle which dictates the terms of a code of ethical practices with respect to the handling of union funds is again simple. It is that unions are democratic organizations. The fact that a union is a democratic organization plainly implies that the members of the union are entitled to assurance that the union's funds, which are their funds, are not dissipated. They are also entitled to be reasonably informed as to how the funds of the organization are being used or invested. Finally, their delegated representatives in the union's governing body and conventions should have the power and responsibility to oversee the expenditure of the union's moneys so that the members can be guaranteed that funds are expended solely for the purposes for which the organization exists.

A final fundamental principle, the committee believes, is involved. That principle is that each national or international union affiliated with the AFL–CIO, in the words of the resolution on ethical practices which was unanimously adopted by the founding convention of the AFL–CIO in December 1955, "has clearly accepted the responsibility for keeping its own house in order and to protect the movement 'from any and all corrupt influences and from the undermining efforts of Communist agencies and all others who are opposed to the basic principles of our democracy and free and democratic unionism.'"

From these three basic principles, the committee believes that certain conclusions necessarily follow. Since a union holds its funds for the benefit of its membership and to further their interests it should comply with standards generally applicable to fiduciaries or trustees with respect to the manner in which it keeps its records and accounts. Regular audits should be made and there should be appropriate distribution of summaries of such audits so that the membership and the public are adequately apprised of the state of the organization's finances.

In this connection, a committee of secretary-treasurers of AFL–CIO affiliates has drawn up a suggested set of minimum accounting and financial controls for affiliates of the AFL–CIO. This set of controls represents, the committee believes, the minimum with which any affiliated organization should comply in order to fulfill the constitutional mandate that the labor movement should be kept free from any taint of corruption. Almost all unions, the committee believes, today comply with the minimum controls set forth in the recommendations of the secretary-treasurers. Many, indeed, have much stricter controls. The minimum controls suggested by the secretary-treasurers, therefore, should not be regarded as an optimum. Unions are to be commended and encouraged to establish and maintain even more stringent accounting and financial controls.

In addition to accounting and financial procedures necessary to conform to the controls applicable generally to well-run business organizations and fiduciaries, the committee believes that certain other rules follow from the basic principles set forth above. Because a union is a union, not a business organization or a trust company, the rules which guide its use and investment of funds are necessarily different. For example, investments by business organizations in other businesses from which they buy or sell, so that the investing business may get favored treatment in its sales or purchases, may be an acceptable business practice; similar investment by a labor union in business enterprises with which it bar-

gains collectively presents serious problems. Such investment is not good practice for a union.

The fact that the basic objective in the management of trade union funds is not the maximizing of profit, but to further the objectives of the members' joining together in a union leads to additional conclusions.

A business organization has one function: to make money for its stockholders. A fiduciary's primary obligation is to preserve and, within limits defined by the necessity for safety, to augment the funds which the trustee is charged with holding for the benefit of the beneficiaries.

Since these are not a union's primary functions, a unions' investment policy may properly be governed by different considerations. For example, business institutions and corporate trustees might question today the propriety of investing all of their reserves in Government bonds because of their comparatively low yield. Yet, for a trade union, one of whose fundamental objects is "to protect and strengthen our democratic institutions," such an investment policy is to be commended. Similarly, since another object of a trade union is to aid and assist other unions and to promote the organization of the unorganized into unions of their own choosing loans and grants for mutual aid and assistance are part of the proud tradition of the labor movement even though foreign to the business community and not justified by any considerations of financial gain or even security.

Similarly, the business community may not regard it to be a bad business practice for a business enterprise to buy or sell from firms in which the officers of the business have a financial interest. Nor may the business community regard it as bad practice for a business organization to lend money, on adequate security, to members of the organization. Because the funds of a labor union are both held in trust for the benefit of its members and are held to further legitimate trade union purposes, practices which may be acceptable in business organizations, the committee believes, should be limited if not completely eliminated among labor organizations.

All of these considerations lead to this ultimate conclusion. With respect to accounting and financial controls and the expenditure of its funds for proprietary (housekeeping) functions the labor movement, it goes almost without saying, should follow the strictest rules applicable to all well-run institutions. With respect to the policies governing its financial and proprietary decisions, a higher obligation rests upon the trade union movement: to conduct its affairs and to expend and invest its funds, not for profit, but for the benefit of its membership and the great purposes for which they have joined together in the fraternity of the labor movement.

On the basis of these considerations the committee on ethical practices, under the authority vested in it by the constitution of the AFL–CIO and pursuant to the mandate of the first constitutional convention of the AFL–CIO and of the executive council, recommends that the executive council of the AFL–CIO adopt the following policies to safeguard the good name of the AFL–CIO and its affiliated unions:

1. The AFL–CIO and all affiliated national and international unions should comply with the minimum accounting and financial controls suggested by the committee of secretary-treasurers and approved by the executive council, which is annexed hereto.

2. The AFL–CIO and all affiliated national and international unions should conduct their proprietary functions, including all contracts for purchase or sale or for the rendition of housekeeping services, in accordance with the practices of well-run institutions, including the securing of competitive bids for all major contracts.

3. Neither the AFL–CIO nor any national or international union affiliated with the AFL–CIO should permit any of its funds to be loaned, invested, or otherwise dealt with in a manner which inures to the personal profit or advantage of any officer, representative or employee of the union.

4. Neither the AFL–CIO nor any national or international union affiliated with the AFL–CIO should enter into any contracts of purchase or sale or for the rendition of services which will inure to or result in the personal profit or advantage, including gifts of more than nominal value, other than his regular salary or compensation, of any officer, representative or employee of the union.

5. Neither the AFL–CIO nor any national or international union affiliated with the AFL–CIO should invest in or make loans to any business enterprise with which it bargains collectively.

6. The provisions of paragraph 5 shall not be construed as prohibiting investment by unions in the publicly traded securities of widely held corporations which investment does not constitute a substantial enough holding to affect or influence the course of corporate decision, the provisions of paragraphs 3 and 4 shall not be construed as applying to the profit that may result from a proper investment by a union officer, representative or employee. Nor shall such provisions be construed as preventing investment in a business or enterprise in which an official of an affiliate is engaged by virtue of his office, provided (a) no substantial personal advantage is derived from the relationship, and (b) the business or enterprise is one in the management of which the affiliate participates for the benefit of its members. The provisions of such paragraphs, however, shall apply wherever third persons are used as blinds or covers to conceal the personal profit or advantage of union officials.

7. Neither the AFL–CIO nor any national or international union affiliated with the AFL–CIO should make personal loans to its officers, representatives, employees, or members, or members of their families, for the purpose of financing the private business or investment of such persons.

8. Each national or international union affiliated with the AFL–CIO should promptly take whatever internal steps are needed to ensure that the standards set forth in this code are made applicable to itself and each of its locals and other subordinate or affiliated bodies. Wherever constitutional amendments or changes in internal administrative procedures are necessary to fully comply with these standards, such amendments and changes should be undertaken by the affiliates at the earliest practicable opportunity.

SUPPLEMENTAL CODE: MINIMUM ACCOUNTING AND FINANCIAL CONTROLS

(Drafted by special committee of union secretary-treasurers; approved by executive council, May 22, 1957)

A. Detailed and accurate records of accounts, in conformity with generally recognized and accepted principles of accounting, should be currently maintained by all affiliates of the AFL–CIO. These records should include, as a minimum need, a cash receipt record, a cash disbursements record, a general ledger, a dues or per capita tax record, an investment record, and a payroll record.

B. All receipts should be duly recorded and currently deposited. No disbursements of any nature should be made from undeposited cash receipts.

C. All expenditures should be approved by proper authority under constitutional provision and be recorded and supported by vouchers, providing an adequate description of the nature and purpose of the expenditure sufficient for a reasonable audit by internal and independent auditors. Disbursements should be made only by check, with the exception of disbursements from petty cash, in which situation, an imprest petty cash fund should be established.

D. Salaries of elected officials should be established only by constitutional provision. Compensation to nonsalaried elected officials, and to other officials, representatives and employees, if not fixed by constitutional provision, should be established and paid in strict conformity with such authority as is provided by the constitution and in accordance with its applicable provisions.

E. Reimbursement of expenses, including per diem expenses, should be made only where such expenses have been duly authorized and are supported in a manner that will permit a reasonable audit.

F. Every precaution should be taken to insure the soundness and safety of investments and that investments are made only by persons duly authorized to act for and on behalf of the affiliate. Investments in securities should either be restricted to the type of securities which legally qualify for trust fund investments in the domicile State or a person or persons authorized to invest funds of an affiliate should, in making such investment, be required to exercise the judgment and care under the circumstances then prevailing which men of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering probable safety of their capital as well as probable income. No investment should be made by an affiliate in a business or enterprise in which any officer of that affiliate has a direct or indirect personal financial interest of such a nature as to be affected by the affiliate's investment or withdrawal of investment. (This last stated provision is not to be construed as preventing investment in a business or enterprise in which an official of an affiliate is engaged by virtue of his office, provided (a) no substantial personal advantage is derived from the relationship, and (b) the business or enterprise is one in the management of which the affiliate participates for the benefit of its members.) Securities owned by the affiliate should be under dual officer control and held by a bank or a trust company as agent or if that is not feasible, such securities should be placed in a safety deposit vault. All investments and legal title to all assets of an affiliate should be in the name of the affiliate or its duly designated agent or trustee.

G. Periodic, but not less than semi-annual detailed financial reports should be prepared in accordance with generally recognized and accepted standards of financial reporting. These reports should be prepared and submitted by the elected financial officer of the affiliate to the executive body of such affiliate for its study and such action as may be required.

H. A record of each meeting of the executive body of an affiliate should be made and maintained. These records should note all official actions taken by that body, in relation to accounting and financial matters.

I. Adequate fidelity bond coverage should be required by an affiliate for all officers, representatives and employees of that affiliate in positions of trust, including officers and employees of subordinate bodies of such affiliate.

J. Affiliates and their subordinate bodies should be subject to a system of internal audits made by auditors or by other competent persons in accordance with generally accepted standards of auditing so as to maintain current vigilance over all financial transactions.

K. At least annually, an audit of the accounts of each affiliate, except directly affiliated local unions of the AFL–CIO, should be made by independent certified public accountants. A summary of such audit approved by such independent certified public accountants should be made available to the membership of the affiliate and the public.

Each such affiliate should require, at least annually, that an audit be made of the accounts of its subordinate bodies by competent persons. A summary of such audit approved by such competent persons should be made available to the membership of such subordinate body.

An annual audit of the accounts of directly affiliated local unions should be made by authorized competent representatives of the AFL–CIO designated by the secretary-treasurer of the AFL–CIO. A summary of such audit, approved by such representative, shall be made available to the membership of such directly affiliated local unions.

L. All financial and accounting records of affiliates and their subordinate bodies, and all supporting vouchers and documents, or microfilm copies thereof, should be preserved for a period of time not less than that prescribed by applicable statutes of limitations.

M. Neither the AFL–CIO nor any national or international union affiliated with the AFL–CIO should make personal loans to its officers, representatives, employees, or members, or member of their families, for the purpose of financing the private business or investment of such persons.

N. No kickbacks or any other improper payments should be accepted or made, directly or indirectly, by any officer, representative or employee of an affiliate in connection with any financial transaction of such affiliate.

O. Affiliates should take every precaution necessary to insure their full compliance with all properly authorized and applicable requirements of State or Federal law pertaining to financial and accounting matters and to reporting.

P. In order to protect and safeguard the good name and reputation of the AFL–CIO and its affiliates, the financial and accounting controls set forth herein are made applicable to itself and each of the affiliates of the AFL-CIO and their subordinate bodies and to all their funds of whatever nature.

Q. Where constitutional amendments or changes in internal administrative procedure are necessary to a full compliance with the standards set forth herein, such amendments and changes should be undertaken by affiliates at the earliest practicable opportunity.

Ethical Practices Code VI: Union democratic processes

(Approved by the AFL–CIO executive council, May 23, 1957)

This is the sixth in a series of recommended codes developed by the AFL-CIO committee on ethical practices. The prior codes have dealt, primarily, with the questions related to corruption and conflicts of interest. The present code has been developed by the committee pursuant to the mandate contained in article II, sections 10 and 11, of the constitution of the AFL-CIO which sets forth the basic objectives of the federation to protect the labor movement not only from corrupt influences and Communist agencies but also from "all others who are opposed to the basic principles of our democracy and free and democratic unionism," and "to safeguard the democratic character of the labor movement."

These constitutional provisions of the AFL–CIO give effect to the democratic tradition upon which the entire labor movement is based. Freedom and democracy are the essential attributes of our movement. Labor organizations lacking these attributes, like Hitler's Labor Front. Franco's syndicates, and Moscow's captive unions, are unions in name only. Authoritarian control, whether from within the labor movement or imposed from without by government, is contrary to the spirit, the tradition and the principles which should always guide and govern our movement.

We are proud of our record. Just as the constitution of the AFL–CIO proclaims its dedication to the concepts of freedom and democracy and contains machinery for their implementation in the Federation's operations, so also do the constitutions of its affiliates. Almost without exception, they provide for the basic elements of union democracy: the right of full and equal participation by each member in the affairs and processes of union self-government, in accordance with the principles of representative democracy, and the necessity for protecting the rights of individual members.

The record of union democracy, like the record of our Nation's democracy, is not perfect. A few unions do not adequately, in their constitutions, provide for these basic elements of democratic practice. A few unions do not practice or implement the principles set forth in their constitutions. Finally, while the overwhelming majority of American unions both preach and practice the principles of democracy, in all too many instances the membership by apathy and indifferenec have forfeited their rights of union citizenship.

The provisions of the Taft-Hartley Act have substantially frustrated previously successful efforts by unions to insure maximum attendance and participation by the membership in union meetings and affairs. The real corrective in this area is not so much the establishment of new principles as the exercise of rights presently recognized and accorded. Just as eternal vigilance is the price of liberty, so is the constant exercise of the rights of union citizenship the price of union democracy.

It is valuable, nevertheless, to restate the principles which should govern all free and democratic unions and to rededicate the labor movement to the preservation of these principles.

The committee on ethical practices has attempted to formulate in the following code the basic and elementary principles which any affiliated union should achieve if it is to comply with the basic principles and objects of the AFL–CIO constitution. Necessarily, since each union has grown up in its own tradition and with its own background, forms and procedures may differ widely. Unions should be free to determine their own governmental structure and to regulate their own affairs. But, whatever the form, the basic democratic rights set forth in the code should be guaranteed.

1. Each member of a union should have the right to full and free participation in union self-government. This should include the right (a) to vote periodically for his local and national officers, either directly by referendum vote or through delegate bodies, (b) to honest elections, (c) to stand for and to hold office, subject only to fair qualifications uniformly imposed, (d) to voice his views as to the method in which the union's affairs should be conducted.

2. Each member of a union should have the right to fair treatment in the application of union rules and law. The general principle applicable to union disciplinary procedures is that such procedures should contain all the elements of fair play. No particular formality is required. No lawyers need be used. The essential requirements of due process, however—notice, hearing, and judgment on the basis of the evidence—should be observed. A method of appeal to a higher body should be provided to ensure that judgment at the local level is not the result of prejudice or bias.

3. Each member of a union has the responsibility (a) fully to exercise his rights of union citizenship and (b) loyally to support his union. The right of an individual member to criticize the policies and personalities of his union officers does not include the right to undermine the union as an institution, to advocate dual unionism, to destroy or weaken the union as a collective bargaining agency, or to carry on slander and libel.

4. To safeguard the rights of the individual members and to safeguard its democratic character, the AFL–CIO and each affiliated national or international union should hold regular conventions at stated intervals, which should be not more than 4 years. The convention should be the supreme governing body of the union.

5. Officers of the AFL–CIO and of each affiliated national or international union should be elected, either by referendum vote or by the vote of delegate bodies. Whichever method is used, election should be free, fair and honest and adequate internal safeguards should be provided to ensure the achievement of that objective.

6. All general conventions of the AFL–CIO and of affiliated national or international unions should be open to the public, except for necessary executive sessions. Convention proceedings or an accurate summary thereof should be published and be available to the membership.

7. The appropriate officials of the union and such bodies which are given authority to govern a union's affairs between conventions should be elected, whether from the membership at large or by appropriate divisions, either by referendum vote or by the vote of delegate bodies. Such bodies shall abide by and enforce the provisions of the union's constitution and carry out the decisions of the convention.

8. Membership meetings of local unions should be held periodically with proper notice of time and place.

9. Elections of local union officers should be democratic, conducted either by referendum or by vote of a delegate body which is itself elected by referendum or at union meetings.

10. The term of office of all union officials should be stated in the organization's constitution or bylaws and should be for a reasonable period, not to exceed 4 years.

11. To ensure democratic, responsible, and honest administration of its locals and other subordinate bodies, the AFL–CIO and affiliated national and international unions should have the power to institute disciplinary and corrective proceedings with respect to local unions and other subordinate bodies, including the power to establish trusteeships where necessary. Such powers should be exercised sparingly and only in accordance with the provisions of the union's constitution, and autonomy should be restored promptly upon correction of the abuses requiring trusteeship.

12. Where constitutional amendments or changes in internal administrative procedures are necessary to comply with the standards herein set forth such amendments and changes should be undertaken at the earliest practicable time.

Mr. MORSE. Mr. President, it is on the basis of that code and the failure of unions such as the Teamsters and others to comply with the ethical standards of the code that George Meany and his officer associates of the combined AFL–CIO had the courage to throw out unions which refused to comply; and I honor them for it.

I hope the day is not far distant when the rank and file membership of the Teamsters Union and the other unions that have been subjected to disciplinary action by the AFL–CIO will bring about

the internal reforms necessary to establish democratic procedures and control in those unions, so that they can come back into the house of labor and sit as law-abiding units of that family, working shoulder to shoulder with organized labor in general to protect the legitimate rights of free working men and women in this country.

It should be remembered, too, Mr. President, one reason for the rather slow progress that has been made in the past with regard to a general union housecleaning, is that for the past 20 years—and, yes, in some respect prior to that time—the family of American unions has has been plagued with family quarrels, jurisdictional and otherwise, with the result that the house of labor has been divided much of the time. This has resulted in lack of discipline. Into such a state of internal union affairs, a few, but only a very few, relatively speaking, unworthy men have connived their way into positions of power in some unions. Their misconduct has reflected adversely on the entire labor movement, and today the entire labor movement is about to suffer the penalty of an unjust and excessive legislative sentence for the wrongdoings and bad practices of a relatively few bad men in the labor movement.

INNOCENT SHOULD NOT BE PUNISHED FOR CRIMES OF THE FEW

I shall be no party to punishing the innocent for the bad conduct of a few wrongdoers in the labor movement. One of the great strengths of the original Kennedy-Ervin bill, like the Kennedy-Ives bill before it, was to be found in the fact that it directed its legislative controls and penalties against the individual wrongdoer in the labor movement. It sought to avoid punishing the rank and file membership of a union for the wrongdoing of some official, particularly in view of the fact that the evidence brought out before both the McClellan committee and the Senate committee demonstated time and time again that seldom did the rank and file membership ever have any knowledge of the wrongdoing of corrupt leadership. The evidence shows that in most of those instances in which the rank and file suspected wrongdoing, the membership was immobilized from doing anything about it because they did not have available to them the democratic procedures essential to self-government within the union. Therefore, the Kennedy-Ervin bill sought to penalize the individual wrongdoer within the union. It sought to give the Secretary of Labor, with some appeal provisions from his decisions, the power to investigate and police unions charged with criminal wrongdoings or other violations of the law. Further, and very important, the Kennedy-Ervin bill sought to set up standards and requirements for the establishment of democratic procedures within the unions so that the principles of union self-government would prevail, in keeping with the American ideal of political and economic democratic rights for the individual.

In addition, the Kennedy-Ervin bill sought to make a few emergency, needed amendments to the Taft-Hartley law pending a much broader Taft-Hartley revision program that is expected to follow the completion of the work now being carried on by the so-called special blue ribbon committee appointed by the Senate Labor and Public Welfare Committee to study and recommend Taft-Hartley amendments.

Mr. President, I want to make a comment about that blue ribbon committee.

First, I ask unanimous consent that the names of the public, management, and labor members of the Taft-Hartley revision committee, authorized and appointed by the Senate Committee on Labor and Public Welfare, be incorporated in the RECORD at this point as a part of my remarks, with a very brief biographical statement of the expert qualifications of each member of the committee.

There being no objection, the list and statement were ordered to be printed in the RECORD, as follows:

LABOR ADVISORY PANEL

PUBLIC

Prof. Archibald Cox, Harvard University Law School.

Prof. Russell A. Smith, University of Michigan Law School.

Prof. Charles O. Gregory, University of Virginia Law School.

Dr. George W. Taylor, University of Pennsylvania.

David L. Cole, arbitrator, of Paterson, N.J.

W. Willard Wirtz, attorney, of Chicago.

MANAGEMENT

Gerard Riley, attorney, of Washington, D.C.

Guy Farmer, attorney, of Washington, D.C.

Denison Kitchel, attorney, of Phoenix, Ariz.

LABOR

Arthur Goldberg, special counsel, AFL–CIO.

Plato E. Papps, general counsel,, Machinists.

Louis Sherman, general counsel, IBEW.

BIOGRAPHIC DATA ON MEMBERS OF ADVISORY PANEL ON TAFT-HARTLEY REVISION

David Cole: Practicing attorney and arbitrator, active as labor relations counsel to textile employers; chairman of War Labor Board iron and steel panels; Chairman, Presidential Inquiry in Bituminous Coal Industry and other Presidential boards; president, National Academy of Arbitrators; past Director, Federal Mediation and Conciliation Service.

Archibald Cox: Professor of law, Harvard University; formerly practiced law in Boston; formerly Associate Solicitor, Department of Labor; Chairman, Wage Stabilization Board; cochairman, Construction Industry Stabilization Committee.

Guy Farmer: Practicing attorney specializing in labor law and representing management; formerly Associate General Counsel of the National Labor Relations Board and former Chairman of the National Labor Relations Board under the present administration.

Arthur Goldberg: Practicing attorney, counsel to various labor organizations, including Steelworkers, and industrial union department, AFL–CIO; special counsel to AFL–CIO.

Charles Gregory: Professor of law, University of Virginia; former professor of law at the University of Wisconsin and University of Chicago; formerly practiced law in New York; formerly Solicitor of Labor.

Denison Kitchel: Practicing attorney from Phoenix, Ariz., representing management in labor matters. Counsel, American Mining Congress.

Plato E. Papps: Counsel, International Association of Machinists; chairman, American Bar Association panel on NLRB practices and procedures.

Gerard Reilly: Practicing attorney representing management; practiced law in Boston and later in Washington, D.C.; formerly Assistant Solicitor and Solicitor of Department of Labor; member, National Labor Relations Board; former counsel, Senate Committee on Labor and Public Welfare.

Louis Sherman: Practicing attorney representing labor organizations, including the building and construction trades department, AFL–CIO; general counsel IBEW (AFL–CIO); former chairman of the ABA Committee on the Labor Management Relations Act of 1947; Assistant Solicitor of Labor.

Russell Smith: Professor of law, University of Michigan; arbitrator; former industry member, National War Labor Board; served on various public factfinding bodies.

W. Willard Wirtz: Practicing attorney; professor of law, Northwestern University; arbitrator; former Chairman, National Wage Stabilization Board; General Counsel and later public member of the War Labor Board.

George W. Taylor: Professor of law, University of Pennsylvania; economist and arbitrator; Vice Chairman of National War Labor Board, 1942–45; Secretary to the President; Labor Management Conference, 1945; chairman of the advisory committee, Office of War Mobilization and Reconversion; consultant to the Hoover Commission, 1948–49; Chairman of the National Wage Stabilization Board, 1950.

Mr. MORSE. Mr. President, I think this is a fitting place for me to pay my compliments to the chairman of that so-called blue-ribbon Taft-Hartley revision committee, although I note in the last few minutes he has left the floor. He is the distinguished professor from the Harvard Law School in the field of labor law, Prof. Archibald Cox, who has served not only the chairman of our conference committee, the Senator from Massachusetts [Mr. KENNEDY] really as a technical adviser throughout the conference proceeding but has served also, impartially and ably, each member of the conference, on both sides of the table, including, I will say, this one member who from time to time found himself in complete disagreement with Professor Cox. But that is no new thing for professors, Mr. President. One only has to attend a faculty meeting to find there is no unanimity of opinion, professionally or otherwise, among academic men and women.

We are fortunate, Mr. President, to have this very able and keen scholar from the Harvard Law School serve as chairman of this so-called blue-ribbon committee which has been put to work studying whatever need there is—and there is a considerable need—for revision of the Taft-Hartley Act.

In fact, Mr. President, I took the position at one point in the conference, and, in fact, I had earlier taken it before we went to conference—that so far as I was concerned I was perfectly willing to agree to drop title VII entirely from the bill—title VII being the title which deals in effect with amendments to the Taft-Hartley law—and to await the recommendations of this group of experts, which I understand will come before the Congress at some date relatively early in the next session of Congress. I still

think that was a pretty good suggestion, Mr. President, because I am of the opinion that we are going to have to replow some ground. Not only are we going to have to replow some ground, but we are going to have to cover up the weeds which are going to grow from the seeds we are planting today.

Mr. President, although I felt the amendments we offered to the Taft-Hartley law in the Kennedy-Ervin bill were in the nature of proved emergency needs, I would have much preferred and would have been perfectly willing to set aside even those until such time as the blue-ribbon committee reported.

Mr. President, one only has to sit for the hours we have sat with Professor Cox to know that the Senate has a very able public servant serving as chairman of that special committee, and I look forward with great interest to the recommendations he and his colleagues will present next year.

Before I turn to a discussion of titles I through VI of the conference report, Mr. President, I want to raise a rhetorical question and then proceed to answer it. What have we been aiming at as our primary purpose in the field of labor legislation in the Senate during these past 2 years? I thought we were aiming at putting on the lawbooks a labor reform bill which would deal primarily with procedures now found in some unions which do not give protection to democratic rights of rank-and-file members of those unions. I thought, Mr. President, that our primary concern was to adopt legislation aimed at democratizing those unions which are not now democratic unions. I thought we were seeking to express in law the right of the public to make clear to American trade unions that they are not any longer private lodges, but that they, too, are vested with a public interest, and that the public, acting through its lawmakers, has the right to pass legislation which will impose upon trade unions those reasonable but minimum restrictions necessary to protect the rank-and-file members of a union from corrupt leaders, or from abusive practices on the part of those leaders.

To be specific, the rank-and-file members of unions are entitled to protection from misappropriation of their funds. They are entitled to protection from any denial on the part of the hierarchy or oligarchy of any union in respect to exercising that precious right in a democracy of a secret ballot for the election of union officials of their own choosing. They are entitled to the democratic right of periodic union conventions designated by law, with control of those conventions through procedures which guarantee to the rank-and-file member a democratic right to determine who shall be the officers, what shall be the provisions of the constitution and bylaws, what use shall be made of the funds, what shall be the practices and policies, what shall be the economic practices as a trade union in relationship with management, and so on.

I thought that is what we were seeking to accomplish. As Senators will see, as I discuss titles I through VI of the conference report, that is what we sought to do in the Kennedy-Ervin bill. And I think a great job was done in the Kennedy-Ervin bill on this matter. I think it has been improved in many respects in the conference report.

When one makes objections to a conference report such as I make today, Mr. President, it is very easy to be represented as being entirely against the conference report. I am not. There are a great many parts of the conference report I regard as sound, and for which I voted and for which I argued in the committee, exactly as I voted for and argued for those same principles in the first six titles of the Kennedy-Ervin bill.

At the risk of a boring repetition of a tenet I have been heard to express many times in the debate in this body, I nevertheless want to state this basic tenet again for the RECORD, because I think many American people in this heated debate across the country have lost sight of the direct relationship between procedural and substantive rights. I think many people have not caught the significance of this very abstract but vitally important principle, Mr. President, so far as their substantive, concrete rights are concerned: such rights as one enjoys in connection with a legal controversy, or such economic rights as one enjoys in connection with any economic organization of which one is a member, or such substantive rights of any other type one enjoys as a member of any human institution, happen to be determined almost completely by the procedural rights one can enjoy as vehicles for carrying out, implementing, obtaining and effectuating those substantive rights. I could not cite a better concrete example than this problem of the labor legislation before the Senate today.

It is because I think this fact has been overlooked: because of the animosity that has been stirred up in this country against certain unions which have betrayed their trust to their membership, many people are saying in effect, "I don't care how you get it done. I don't care by what procedure you get it done, but, Senator, get it done."

I cannot agree, because I do care by what procedure we get it done. The procedure by which we get it done makes all the difference between government by law and government by capricious, arbitrary discretion of mere men. I care how we get it done procedurally, Mr. President, because in the long run it will determine whether it is a law that permits of the administration of justice to the people affected by the law or whether it is a law that permits of such injustices and unreasonable hardships in its administration. If it is the latter, it will plant in America, as I predict today we are planting on the floor of the Senate, a resentful determination on the part of millions of Americans to take issue with this law and subject this great Republic to more years of dissension, conflict, controversy, and militancy in the field of labor-employer economics. What we ought to be voting for today is a set of procedures which leave no room for question as to their fairness, as to their uniformity of application. We should be voting for fair procedures, to deal with abuses that the people of this country are entitled to have stamped out by law in the American labor movement.

Oh, Mr. President, I know that at such an hour as this a discussion of the legal principles which I have just mentioned will not be heeded by the extremists. However, I would be derelict in my duty if I did not write this record today. If I were to be asked the question, "What do you think is the worst thing about the bill?" I would say, "Its procedures."

I would say that because I believe, through these procedures, abuses will arise. I believe those abuses will force American labor, within the law, I hope, to exercise every power it has, as it has in the decades gone by, to fight it out on the economic line for the protection of decent wages, hours, and conditions of employment, and for the right to participate in democratic activities in the field of American politics. I say that because at every collective bargaining table today there is present also the issue of political legislative rights.

Let us not forget that by one sitting of a city council or a State legislature or the Congress, the passage of one bad law can wipe out for the time being hard-earned and precious economic rights of American free labor.

Mr. President, I know that the reactionary forces in this country want to make organized labor politically impotent. However, I am willing to say on the floor of the Senate today, in my judgment labor knows it has just begun to fight politically. The passage of this bill places upon labor the clear democratic duty of carrying this issue to the voting precincts of America for as many years as it takes to correct the injustices which I am convinced are imbedded in the conference report.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Kentucky.

Mr. COOPER. Mr. President, I wish to make a brief statement concerning the comments of the Senator from Oregon on the question of fair procedures in legislation affecting labor and management.

I shall vote for the conference report. I shall vote for it because I believe many provisions of the pending conference report are needed; also because I think it represents the judgment of Congress. For 2 years now, this legislation has been worked on in the Committees on Labor, debated in the Congress, and finally has been reported by the conference. We have acted in the best way it has been possible for us to act.

I know that my friend from Oregon has said he will not vote for it. But I wish to compliment him for presenting a comprehensive record to the Senate and to the country which might not otherwise be presented, and for maintaining that however important the substance of legislation may be, proper procedure—fair procedures are necessary to protect the rights of our fellow countrymen.

Mr. President, I serve with the Senator from Oregon on the Committee on Labor and Public Welfare. I can say for him that in our deliberations in executive session, which continued for 3 weeks, when questions of procedure arose the Senator from Oregon always spoke his concern that both substance and procedure should be fair, and that our legislation should preserve the rights of management and labor alike.

I recall that when we were discussing the titles which deal with the internal organization of unions—democratic procedure, including election procedures—the Senator from Oregon voted many times against positions which might be termed labor positions, as he voted against positions which might be termed management positions, always on the principle of whether they did preserve, under proper procedures, rights in carrying out what the committee considered to be the fundamental objectives of the bill.

Mr. President, in 1947, during one of my terms of service as a Member of the Senate, we debated and passed the Taft-Hartley Act. I remember very well the rancor and feeling which arose after the act was passed. I voted for the bill, and I remember the political pressures and the threats of political reprisal by some unions.

Now, in recent weeks curiously enough, that situation has been turned around. From my experience, I would say that the pressures and the talk of reprisal have come from the other side, not from all but from some sections of management.

I appreciate the position the Senator from Oregon is taking regarding reprisals. I like advice. I do not like, and am not moved by threats of reprisal. I agree that it is the duty of everyone of us to act upon these matters as they come before us, uninfluenced by threat of political reprisal. It may come. It usually does come in one form or another, but it is not something for us to take into account.

Returning to the question of procedure, I receive some messages, as do other Senators, to the effect that, "We want you to do this, and this only"—as though members of the Committee on Labor, and the Senate itself, do not have the duty of considering the way an objective should be framed in law.

When the labor bill came from the House, I received hundreds of letters saying, "This is what you must do. You must vote for the bill as it came from the House." The very fact that there was a conference which labored for days, and that the conferees changed both the Senate and House versions—adopting the great part of the first six titles of the Senate bill—is proof that the bill had to be improved, made fairer, and proper procedures evolved. It is a tribute to the conference that this was done.

As I have said, I differ with the Senator from Oregon, as I will vote for the bill. But in justice to the Senator from Oregon, and as a matter of fairness, I want to say that I am sympathetic with his effort to bring before the Senate and the Nation, many facts regarding the problem of labor legislation that may not be known. As he says, there are provisions in the bill beyond the original subject of labor reform, and which have little to do with the McClellan hearings, but which deal with substantive rights and problems of labor and management. Even if there had been no question of labor reform, those issues would require our attention, and would be difficult to solve.

And I congratulate the Senator from Oregon for bringing before this body again a most fundamental issue. It is that in legislative action the end does not justify unfair means. Procedures which protect rights—on both sides—are fundamental to our American system of justice.

Mr. MORSE. Mr. President, I appreciate what the Senator from Kentucky has just said. I feel sure that the remarks I am about to make will have the endorsement of the chairman of the conference and our mutual colleague on the Committee on Labor and Public Welfare, the distinguished Senator from Massachusetts [Mr. KENNEDY], with respect to the contribution which the Senator from Kentucky has made as a member of our committee.

I hope I shall not embarrass the Senator from Kentucky by what I say; but I say it in the Senate today because I have said the same thing, in effect, many times in many places across America.

I want labor and management to know of my appraisal of the work of the Senator from Kentucky on the Senate Committee on Labor and Public Welfare. He has been a member of that committee with me on several occasions during our various committee tenures in the Senate, and we are colleagues on the committee now.

The Senator from Kentucky has the advantage of judicial experience. He is a very brilliant lawyer. Over and over and over again he has stressed the importance of fair procedure being written into legislation. I remember that this year, when the Kennedy bill was before the committee for consideration, there was considerable debate in the committee as to how far we should go in adding the appeal protections of the Administrative Procedures Act. Time and time again I found a very able ally in the Senator from Kentucky, in that he shared my view that if decisions affecting legal rights are to be made by administrators, such decisions should be subject to review in accordance with the provisions of the Administrative Procedures Act. We differed in one or two instances because the Senator from Kentucky did not share my view that some particular administrative decision of the Secretary of Labor would affect legal rights; but whenever he felt that an administrative decision did affect legal rights, he joined in stressing the point of procedure about which I spoke a few minutes ago.

I have heard the Senator from Kentucky ask the question time and time again when we have been in debate in executive session of the Committee on Labor and Public Welfare, "What will be the effect on the public interest?" To me that is always the controlling question. Our votes in committee and on the floor of the Senate should always be determined by our honest judgment as to whether or not a particular proposal can be squared with the public interest.

The Senator from Kentucky has announced that he intends to vote for the conference report. I have no question about the sincerity of the convictions of the Senator from Kentucky in this connection.

So far as I am concerned, I wish to say to labor and management that when the Senator from Kentucky votes for the conference report today, it will be an honest vote by a sincere statesman who believes he is right on the merits of the issue, in accordance with the facts as he sees them.

I do not happen to share his valued judgment. I happen to believe that the defects in the bill far outweigh its merits. Therefore I shall vote against the conference report.

I hold the same view with regard to the Senator from Massachusetts [Mr. KENNEDY] who has the burden of presenting the majority viewpoint on the bill. I disagree with him on some of his value judgments. I believe that so many defects have been left in the bill that I could not possibly vote for it, because I do not believe it is in the public interest.

Before I return to a discussion of titles 1 to 6, I wish to make these concluding remarks about the matter of procedure. I said I thought our main object was to enact labor reform legislation in this session of Congress which would guarantee the protection of democratic rights to rank-and-file union members. It has always been my opinion that if the proper procedures were established, the rank and file of labor would do a very effective job in eliminating abusive practices within individual unions. That is the kind of faith I have in fair procedure. I say most respectfully that in one sense we are putting the cart before the horse. At least we are not giving an opportunity to the labor unions first to clean house, unless we vest in the rank and file the democratic procedures and rights which we seek to give them by the first six titles of the bill.

Let us apply that statement to the Teamsters Union. I believe everyone knows that much of the difficulty in which organized labor is involved stems from the disclosures of the McClellan committee with respect to certain of the practices of the Teamsters Union. No one can condone them. But I believe that what we should do is to face up to the fact that one of the major reasons for the existence of such abuses is that the Teamsters Union is a nondemocratic, dictator-ridden union in many of its organizational segments. I think it will be found, as we study union abuses, that they exist when the procedures of any particular union permit of strong-arm methods and corrupt practices.

In fact, let us consider the abuses of the picket line, about which the McClellan committee has had so much to say. It will be interesting, I think, to analyze the picketing practices of democratic unions and compare them with the picketing practices of the dictatorially run unions. Provide the rank-and-file membership of a union with the procedural

safeguards which give it a determining voice in the development of its union practices and it will be found that those fair-minded fellow citizens and neighbors of ours who are members of unions are good sportsmen, too; that they believe in fair play and will not support union practices which have led to the type of abuses we have seen manifested by dictatorially controlled unions. There is no better way to demonstrate those abstract procedural points I made a few minutes ago, if really effective control of abuses is sought to be provided, than to take a look at the procedures which make those abuses possible. If we could, as we sought to do in the Kennedy-Ervin bill, provide for union procedures which would give to the rank-and-file Teamsters greater control over the policies of their union, we would find that the abuses would disappear.

Mr. President, the demand has been: Adopt legislation which will put hooks into the Teamsters. Well, I am reluctant to carry out that mandate, because that mandate is based upon an implied proposal that we do not care how we should do it. I think it ought to be done by fair legislation. I have such a faith in government by law that I think it can be done by fair procedure. As the record shows, when a union is put back into the hands of its membership many of the abusive practices of those who theretofore controlled the union nondemocratically vanish, because the membership of those unions, by and large, are good citizens like the rest of us.

Who are they? I get so disturbed sometimes when I listen to antilabor propaganda which would leave one with the impression that if anybody even joins a union he or she is not a good citizen. Who are the union people? They are our neighbors. They are members of our churches. They send their children to the same Sunday schools. They sit with us in the same parent-teacher association meetings. They are our fellow citizens.

I do not propose today to support legislation which, in my judgment, does a great wrong to the overwhelming majority of good, law-abiding citizens who belong to the American labor movement. I am not interested in putting legislative hooks into crooks in the sense that it is suggested by many. I am not interested in adopting legislation which will provide unfair legislative restrictions upon legitimate practices of the free trade union movement. But I am interested in the passage of legislation which will provide the rank-and-file members of unions with democratic procedures, so that they themselves can eliminate, by union self-government, the crooks and the abuses which have arisen in some unions. That was what we sought to do, I thought, in the Kennedy-Ervin bill. In the first six titles of the conference committee bill, that matter was pursued.

By and large, I think the conference did a pretty good job; but I have these comments to make about that job, because I wish that some improvements could have been worked out.

TITLES I THROUGH VI OF THE CONFERENCE COMMITTEE BILL

The first six titles of the Labor Management Reporting and Disclosures Act of 1959, as approved by the joint Senate-House conference committee on September 2, 1959, deal with:

First. A so-called bill of rights of union members;

Second. Reporting by labor unions, union officers and employees, employers and labor relations consultants;

Third. Reports on trusteeships and regulation of the purposes and duration of trusteeships;

Fourth. Periodic election of union officers by secret ballot or by delegates chosen by secret ballot;

Fifth. So-called safeguards for labor organizations; and

Sixth. Various miscellaneous matters.

These are the real anticorruption provisions of the bill.

Title VII of the bill has nothing whatsoever to do with the prevention of corrupt or undemocratic practices in unions or among employers and labor relations consultants. Instead, it contains far-reaching amendments of the jurisdiction, boycott and picketing provisions of the Taft-Hartley Act which have long been desired by reactionary business interests in order to impose new restrictions on traditional rights and wholly legitimate practices of labor unions and labor union members.

While there are a number of provisions included in the first six titles of the bill which are not in satisfactory form and some of which are open to serious objection, the conference committee made substantial progress in these titles toward a reasonable and workable labor-management reporting and disclosure statute. Had the conference committee shown the same wisdom and judgment in dealing with the differences in title VII between the Senate bill and the House amendment as they showed in dealing with titles I through VI, the bill as reported by the conference to the Senate and the House would be a far better piece of proposed legislation.

I shall comment on some of the provisions of the conference committee bill which should, in my judgment, have received more careful consideration by the committee. Some of these provisions are seriously objectionable in the form in which they have been reported by the conference committee.

First. Section 101(a)(1) and section 101(a)(2) of the conference committee bill deal with equal rights and freedom of speech and assembly of union members. These sections contain limitations to insure the right and authority of unions to adopt reasonable rules to enable them to carry on their business, including the preservation of order at union meetings and requiring union members to be loyal and responsible to their union's performance of its legal or contractual obligations. Under these provisions, union officers can be sued by a union member who has been ejected from a meeting or who has been disciplined for leading a back-to-work movement in the midst of a strike if this officer's action does not appear to be reasonable in the circumstances to the court. Interference by force or violence or threats of force or violence with a member for exercising the rights prescribed by section 101(a)(1) or section 101(a)(2) would be a Federal crime under section 610 of the bill, subjecting the union or the officer responsible to a fine of up to $1,000 or a jail sentence of up to 1 year, or both.

These provisions are an unnecessary and unjustifiable intrusion by the Federal Government into matters which are presently handled by civil action in the State courts under existing law. There has been much talk about the need to require unions to conform to prescribed democratic procedures, but little concrete evidence has been offered in support of this alleged need. Provisions of the kind included in sections 101(a)(1) and 101(a)(2) of the conference committee bill need to be drafted with the utmost care if unions are not to be compelled to function under a virtual straitjacket of governmental rules and regulations.

Second. Under section 101(a)(4) of the conference committee bill, the rule of exhaustion of reasonable remedies within a union, taking into account all the circumstances which the courts presently consider in determining whether they ought to interfere in cases, would be supplanted by an inflexible 4-month period in which to exhaust "reasonable hearings procedure." It is obvious that reasonable men may differ as to what is a reasonable time in which to exhaust "reasonable" internal remedies, and this is indeed demonstrated by the fact that when the Senate and the House first considered this provision, the Senate prescribed a 6-months' time limit, whereas the House prescribed a 4-months' time limit. There has been no evidence at all that the rule of reasonableness with regard to exhaustion of internal remedies which is presently being applied by the courts is in any way unsatisfactory or ineffective in protecting union members' democratic rights and the conference committee ought to have left this matter to the sound discretion of the courts in the light of all the circumstances.

Third. Under section 101(a)(5) of the conference committee bill, a union member could literally demand "specific written charges," "a reasonable time to prepare his defense," and a "full and fair hearing" before being ruled out of order by the chairman and even by vote of the members at a union meeting.

Similarly, a union officer suspected of embezzlement of union funds or property, or the leader of a back-to-work movement during a strike, would also appear to have the legal right to demand the protection of these specific safeguards against summary disciplinary action by the union, even though such summary action may be specifically necessary to protect the union's funds or assets or to maintain its maximum bargaining power.

Fourth. Under section 102 of the conference committee bill, there is no requirement that a union member must exhaust his reasonable remedies within the union before bringing a court action under this section "for such relief as may be appropriate" in cases involving alleged infringement of rights preserved by the provisions of the so-called bill of rights. The absence of such a requirement would seem to make a virtual nullity of even the narrowly restricted principle of exhaustion of reasonable hearing procedure contained in section 101(a)(4) of the bill.

Fifth. Section 103 of the conference committee bill preserves the rights and remedies of union members under existing State and Federal laws. This provision has the effect of requiring unions to conform to possible conflicting State and Federal requirements with respect to guarantees of members rights and the conduct of internal union procedures which are within the scope of title I of the bill. If the internal affairs of unions are to be regulated at all, it would appear to be only proper to do so on the basis that since unions are entitled to the protection of the Federal statutes, they can properly be required to comply with certain Federal requirements, in return for such protection. This principle, however, can hardly justify permitting unions to be regulated under the laws of States which not only afford unions no protection whatsoever, but have on their statute books laws which are designed to interfere with union activities that are regarded as perfectly normal and legitimate in other States. If union members are to be protected by statute, all should be governed by Federal law, rather than by a multiplicity of varying, and often conflicting, State laws.

I digress for a moment, Mr. President, to return to the last point I made. Let me say that of the many tenets to which I hold as essential to the democratic way of life, one of the most important is the tenet of the uniform application of law to all citizens who find themselves in similar fact situations.

Mr. President, the authority of the Federal Government in connection with labor relations problems stems from the authority delegated by the constitutional fathers to the Federal Government under the interstate commerce clause of the Constitution, which will be found in article I, section 8. Because I shall refer to it so many times during the course of this speech, I ask unanimous consent that that part of the Constitution be printed at this point in the RECORD, as part of my remarks.

There being no objection, the excerpt from the section referred to was ordered to be printed in the RECORD, as follows:

SECTION 8. The Congress shall have power * * *

To regulate commerce with foreign nations, and among the several States, and with the Indian tribes;

Mr. MORSE. Mr. President, the objection I have raised just now is based upon my belief that this section of the conference report is not going to lead to uniformity of justice; it is going to lead to great disparity of justice, because in some instances it will have the effect of delegating to the States certain authority, and the exercise of that authority will result in anything but uniform application of legal principles to what should be considered to be uniform legal rights.

I cannot vote for proposed legislation which violates that principle of uniformity. I shall discuss it at some length in connection with the no man's land issue; but I thought I should mention it at this point.

Sixth. Title II of the conference committee bill, which provides for reporting by labor organizations, union officers and employees, employers, and labor relations consultants, does not contain any exemption for small unions. Unions having fewer than 200 members and gross annual receipts of less than $20,000 could have been exempted from detailed reporting on their financial transactions in the discretion of the Secretary of Labor, under the Kennedy-Ervin bill. Such a discretionary exemption was agreed to by Secretary James P. Mitchell last year, when the Kennedy-Ives bill was being debated by the Senate, and should be included in the legislation in order to prevent the bill from imposing undue burdens on small unions and their officers, where no need for compliance with the detailed financial reports requirement is shown. It is well known, I believe, that it is already difficult for these unions to obtain members who are competent and are willing to assume the responsibilities of union office. These difficulties will be increased immeasurably under the conference committee bill.

Seventh. Section 202(a)(6) of the conference committee bill requires officers and employees to report any payments of money or other things of value, "including reimbursed expenses" received by them, directly or indirectly, from an employer or any person who acts as a labor relations consultant to an employer, except payments of the kinds referred to in section 302(c) of the Taft-Hartley Act, as amended. Failure by any such officer or employee to report any such payment is a criminal offense, punishable by a fine of up to $10,000, or imprisonment of up to 1 year, or both. Payments of the type described in section 202(a)(6) are also made criminal offenses under section 302(b) of the Taft-Hartley Act, as amended. In these circumstances, section 202(a)(6) seems to me to be plainly unconstitutional, since it is an express violation of the protection against self-incrimination which is guaranteed to all citizens under the fifth amendment to the Constitution of the United States.

I also have serious doubts, for the same reason, about the constitutionality of section 203(a)(1) of the conference committee bill, which requires employers to report payments to union officers and employees, which are made criminal offenses under section 302(a) of the Taft-Hartley Act, as amended.

Eighth. While the provisions for reports by employers and labor relations consultants contained in section 203 of the conference committee bill are subject to exemptions and exceptions that weaken the effectiveness of the reporting requirements applicable to employers and labor relations consultants, the provisions of this section are clearly preferable to those that were contained in the Landrum-Griffin bill. The conference committee was wise in retaining these broader and more effective reporting requirements for employers and labor relations consultants in the final legislation. The importance of including meaningful reporting by employers is emphasized when these requirements are compared with the reports on every detail of their organizing activities that may be required of even the smallest unions.

Ninth. Section 304 of the conference committee bill provides that any union member or subordinate body of a labor organization, as well as the Secretary of Labor, may bring a civil action in a Federal district court to prevent and restrain violations of the bill's provisions regulating the purposes and duration of trusteeships "and for such other relief as may be appropriate." Section 306 provides that when the Secretary files a complaint alleging violation of the trusteeship provisions, the jurisdiction of the district court over such trusteeship shall be exclusive. No such provision, however, applies to suits brought by individual union members of trusteed local unions pursuant to section 304. This does much more than simply preserve the rights of individual union members and local unions under existing law. The provision opens up avenue of forum shopping, which can lead to great uncertainty and confusion in the application of the trusteeship provisions of the bill.

Tenth. Section 401(c) of the conference committee bill provides that every bona fide candidate for union office shall have the right to inspect a list containing the names and last-known addresses of all members of the union who are subject to a collective bargaining agreement requiring membership in the union as a condition of employment. This requirement applies to all unions, including national and international unions, and even federations, like the AFL–CIO. Section 401(b) of the Kennedy-Ervin bill was, in my judgment, clearly preferable to this provision. Under the Kennedy-Ervin bill union officers would have been under a duty, enforcible by civil action in the Federal district courts, to comply with reasonable requests of candidates to distribute literature at the candidates' expense and to refrain from discrimination in favor of or against any candidate with respect to the use of membership lists in union election campaigns. The provisions of the conference committee bill may well lead to serious abuse, since they violate a cardinal principle that unions have traditionally observed, along with most other private membership organizations, namely, the secrecy of their membership lists as against outsiders. This principle

is designed to withhold access to the list from unauthorized persons and groups; such as antiunion employers, the Communist Party and its supporters, commercial advertisers, and the like.

Mr. President, it is one of the great rights of secrecy that organizations such as the National Association for the Advancement of Colored People and many lodge groups have always insisted upon having the right to protect.

In some States, efforts of outsiders to obtain membership lists of the NAACP so that economic and social reprisals may be undertaken against individual members have led to considerable litigation. How important membership lists are in communities where antiunion attitudes prevail may be seen from the experience of the NAACP.

This is one of the most difficult points to get the general public to understand, Mr. President, because the general public does not fully appreciate some of the internal problems that confront a trade union.

These union lists have been carefully guarded and protected over the years.

There are many reasons for it. Instead of talking about union X or union Y, let us talk about a specific union. What do you suppose, Mr. President, the Machinists would be willing to pay for a list of the union members of the Automobile Workers in any locality where they have a jurisdictional dispute in process? What do you suppose, Mr. President, that antilabor employers would pay to get their hands on lists of memberships of unions while they are pondering the question, "Should we bargain or should we let them strike?"

Further, Mr. President, there must be kept in mind the psychological importance of these union lists to the members of the unions, because unions have learned, Mr. President, that employers would like to know how much strength they have, for example, in their membership, or how much economic power their membership might be able to bring to bear upon the employer in case of a strike. The size of a union would be somewhat determinative of a decision.

"But," say those who argue for making these union lists available, "in the case of union shops, to which this is going to apply, the employer knows who his workers are, anyway." That does not happen to be the case in every area where the employees are supplied under hiring hall arrangements, because under those agreements an employer has to take the workers as they are assigned to him by the union, in accordance with the provisions of the contract.

I have had much to do, Mr. President, with a coastwise hiring hall industry. I know how important it is to the maritime industry that its membership strength be kept a matter of its own secrecy.

Mr. President, we made some progress on this question in the conference committee. The language of the Landrum-Griffin bill in the first instance provided that candidates for union office would have the right to inspect and copy the union list. We finally succeeded in getting the provision for copying eliminated from the language, leaving in the provision for inspection.

But all an employer has to do, Mr. President, to get a pretty good idea of who is in the union is to get two or three employer stooges to run for each one of the union offices and give them the right to inspect the union list, and that employer would pretty soon have a fairly good idea, and an accurate idea, of who comprised the list, because candidate A for office would agree to look at the list from A to D, and candidate B would agree to take a look at the list from E to H, and so on down the alphabet.

In my judgment, Mr. President, if there is any merit in any protection of a union list, then the language of this bill destroys that protection.

Mr. President, the important thing is to provide for democratic procedures in the conduct of elections. The original Kennedy bill provided that the union was charged with the legal responsibility of seeing to it that the entire membership was fully informed in regard to the positions, the advocacy, and the literature of any candidate for union office. Mr. President, if the union did not carry out the mandate which was contained in the Kennedy bill, all that had to be done was for someone to make a complaint to the Secretary of Labor and to show that the union officers were not in fact carrying out that mandate, and the Secretary of Labor would have authority to set aside the election. That illustrates the procedural point I made a half hour ago. The important thing is to get the democratic procedure, and then to let the union run its own internal affairs in keeping with that democratic procedure, with the policing surveillance which the Kennedy bill, with respect to this matter and other matters, gave to the Secretary of Labor.

Mr. President, this is a completely unnecessary red flag to wave in the face of organized labor. Organized labor is going to bitterly resent this type of interference in its internal affairs. It is going to resent bitterly this attempt to get access to its membership lists, and we are going to find that instead of solving the problems we seek to solve by this provision, we are going to make matters much worse.

CODES OF ETHICAL PRACTICES

Mr. President, the conference committee bill omits the provisions which were contained in title V of the Kennedy-Ervin bill to encourage unions and employers to adopt or subscribe to voluntary codes of ethical practices and to establish the tripartite advisory committee to assist the Secretary of Labor in administering the act. By so doing, the bill is seriously undercutting the voluntary self-policing activities which the labor movement—though not, I want to say, the employers—has undertaken to rid its ranks of corrupt and undemocratic elements. These provisions were designed to encourage self-policing of their own affairs by labor and management to the end that Government regulation of their internal affairs may be kept to a minimum. The use of a tripartite advisory committee is especially desirable in connection with this legislation as it represents action in a new field. The omission of these provisions is a serious defect of the conference committee bill.

FIDUCIARY RESPONSIBILITY

Section 501 of the conference committee bill is one of the bill's most dangerous provisions. It contains provisions on the fiduciary responsibility of union officers, agents, shop stewards, and other representatives which not only hold these officials accountable for union funds and property in their custody or possession and for refraining from dealing with the union as an adverse party or from holding or acquiring pecuniary or personal interests which conflict with the interests of the union, but also may permit individual union members or groups of members to litigate the propriety of particular uses or expenditures of union funds and property. This arises from the fact that union officials in question are said to "occupy positions of trust in relation to such organization and its members as a group" and that it "is, therefore, the duty of each such person, taking into account the special problems and functions of a labor organization, to hold its money and property solely for the benefit of the organization and its members and to manage, invest, and expend the same in accordance with its constitution and bylaws and any resolutions of the governing bodies adopted thereunder." Under these provisions, it is possible that expenditures not strictly related to union organizing and bargaining activities, such as charitable and other contributions for social welfare purposes, and expenditures and contributions for educational or political activities of interest to labor could be challenged in any Federal district court or in any State court of competent jurisdiction. It is not at all clear that a general executive board resolution authorizing union officials to make certain expenditures would not be forbidden under the clause referring to "general exculpatory resolutions" contained in section 501(a).

I do not think anybody is being kidded. What do the antilabor forces want in this country? They want to get procedures into this bill so that some dissident element in the union, stooging for an employer, can cause trouble within the union when the union votes funds for political education purposes. That is what is involved here, Mr. President, and I am for meeting it head on. I have been assured that the fiduciary section will not prevent political contributions. I trust the courts will so interpret the language in the bill.

It is good for democracy in America for organized labor to take an active part in the democratic processes of politics. It is good for the vitality of democratic life in America that unions recognize the direct relationship between political policies advocated by candidates and their rights at the collective bargaining table. It is good for the democratic way of life in America that unions carry out their educational functions of disclosing to their membership the antilabor record of a politician who

tries to talk out of both sides of his mouth.

It strengthens democracy in America to have the membership not only of unions but of farm organizations and of every other organization, including, yes, chambers of commerce and the National Association of Manufacturers and the American Medical Association, take an active interest in American politics.

If we give to the union the democratic procedures we are fighting for, the union member will have the right of free speech and he will have the right to try to change the point of view of the membership of the union. However, let us come to grips with the tough decision in this matter.

If a union is confronted with a political campaign in which it is perfectly obvious that a candidate is supporting measures which seek to destroy the legitimate rights of that union, why should not the union get into politics?

Mr. President, we do not strengthen democracy by discouraging democratic action. I have never been afraid of this matter. I believe there should be a full public disclosure of a union's political activities. That is why I have fought so hard, as a member of the Committee on Labor and Public Welfare, for full public disclosure of the finances of a union and the uses to which every dollar may be put, or for which it may be spent.

I believe that the members of a union and the members of a community are entitled to know, before voting on election day, about the expenditures of a union and the concealed expenditures of chambers of commerce and various professional business organizations in support of a particular candidate.

Are we afraid of democracy? Are we afraid of our neighbors and fellow citizens who happen to belong to unions, to have the right in a union meeting to battle it out in regard to political issues and in support of a political educational program which seeks to bring to the people, prior to an election, the record of a politician?

I shall not vote for that kind of restriction on political rights in America. It would be a nice thing, if one were interested in an election, to try to keep on the statute books legislation which would restrict the activities of one's neighbors. However, that is not my conception of political freedom. I know what it means to be opposed by some segments of labor. In one of my campaigns a great, powerful union in this country did its best to defeat me. However, I did not take the position that it ought to be denied the right to participate in political activities.

I believe that our democracy will be strengthened when more organizations of free people play a greater part in political activity—business organizations, farm organizations, labor organizations, and, yes, Mr. President, in connection with some great moral issues which face the country, some church organizations. We do not make democracy strong by enacting legislation which restricts political activity.

I now wish to turn to another problem raised by the conference report, which it is very difficult to make the average layman understand, particularly in view of the propaganda that has been circulated in this country. I refer to the bonding provision in the conference report.

BONDING

I have serious doubts about the requirements for the bonding of union officers, agents, shop stewards, and other representatives and employees of labor unions, which are contained in the Conference Committee bill. The provisions, I am afraid, will be seriously burdensome for many unions, particularly some small unions whose financial operations are handled informally, albeit honestly. While there are some provisions of the bill with which I am in agreement, such as the provision barring the placing of a bond with a bonding company in which a union officer or employee is interested, it also seems to me to be entirely inappropriate and, in fact, discriminatory to apply criminal penalties against union officers who violate the bonding provisions, particularly when no Federal law requires even bank presidents to be bonded for the faithful observance of their financial responsibilities.

I invite attention to the language of the bonding provision, which troubles me. It is found on page 19 of the conference report:

SEC. 502. (a) Every officer, agent, shop steward, or other representative or employee of any labor organization (other than a labor organization whose property and annual financial receipts do not exceed $5,000 in value), or of a trust in which a labor organization is interested, who handles funds or other property thereof shall be bonded for the faithful discharge of his duties. The bond of each such person shall be fixed at the beginning of the organization's fiscal year and shall be in an amount not less than 10 per centum of the funds handled by him and his predecessor or predecessors, if any, during the preceding fiscal year, but in no case more than $500,000. If the labor organization or the trust in which a labor organization is interested does not have a preceding fiscal year, the amount of the bond shall be, in the case of a local labor organization, not less than $1,000, and in the case of any other labor organization or of a trust in which a labor organization is interested, not less than $10,000. Such bonds shall be individual or schedule in form, and shall have a corporate surety company as surety thereon. Any person who is not covered by such bonds shall not be permitted to receive, handle, disburse, or otherwise exercise custody or control of the funds or other property of a labor organization or of a trust in which a labor organization is interested. No such bond shall be placed through an agent or broker or with a surety company, in which any labor organization or any officer, agent, shop steward, or other representative of a labor organization has any direct or indirect interest. Such surety company shall be a corporate surety which holds a grant of authority from the Secretary of the Treasury under the Act of July 30, 1947 (6 U.S.C. 6–13), as an acceptable surety on Federal bonds.

During the conference I offered an amendment which would have changed one sentence so as to read:

Such bonds shall be individual or position schedule in form—

I was unsuccessful in my attempt to have my amendment adopted.

What was I seeking to do? I was seeking to prevent the laying down of a discriminatory rule against union officers that we do not apply to the officers of other organizations. I was taking the position that I thought what we were seeking to accomplish was to protect the rank and file member of the union in respect to the union's funds. That is what I thought we were after. I thought we were seeking a bonding provision which would guarantee to the rank and file member that the union funds had bonding protection.

Position bonding provides that an organization, whether it be a bank, a corporation, a trade union, or any other institution, may go to a bonding company and say, "We want a bond for our president, vice president, secretary and treasurer, and nine members of the board of directors," or any other officers they may have.

The bonding company sells them the bond. It is a bond for the office or position. It is a bond for the roster of officers in that organization. If the president of the organization dies tonight and the union, bank, or any other organization, elects a new president tomorrow, he is automatically covered under the position schedule. But the language of the conference report provides otherwise.

Interestingly enough, I point out that the language provides that—

Such surety company shall be a corporate surety which holds a grant of authority from the Secretary of the Treasury under the act of July 30, 1947 (6 U.S.C., 6–13), as an acceptable surety on Federal bonds.

That would automatically exclude Lloyds. It means that a union could not go to Lloyds and obtain a bond. I am advised—I think reliably—that in many instances there are substantial financial advantages in going to Lloyds. But there is no question about the fact that the funds of the members of the union would be protected under such a bond.

Why do we take the position in this bill that the union must go to a select group of surety companies and individually bond each officer, which costs more?

I objected to the provision in conference, because I thought it was an unreasonable reflection of a discriminatory nature upon unions, as contrasted with other organizations.

Individual bonding would not provide any greater protection to union funds. The same losses would be covered, if there were any losses. But I have another objection. I do not think it is fair. I think there is an implication here of suspicion—that we must have some special safeguard with regard to a union officer, which is not required in the case of a bank president or a member of the board of directors of some corporation. They are to be privileged to use position schedule bonding. I do not know why we single out labor unions and say, "You must have individual bonding."

That does not create any feeling on the part of the members of those unions that Congress might try to be impartial. It does not make them very happy from the standpoint of the additional costs. But I have a further objection. I know that

when I say this some of the officials of the surety companies will be offended. But I am talking about it in the abstract. I will not vote to give this kind of authority to investigate individuals who are union officers to a private business. If there is to be investigating, let it be done through the Government. If it is proposed to have some requirement for the investigation of union officers, let the investigation be done through the FBI; let it be done through the Department of Justice. Labor has learned the hard way. It knows that it is not beyond the realm of possibility and probability that a very antilabor climate may develop in this country, in which, as we say in the colloquialism of the trade, so to speak labor will be "given the works." If a 2-inch headline should appear some morning: "Bonding Company X Refuses To Bond President Z of Y Union," that union will have been done irreparable damage in that area.

Mr. President, it is one thing for the Government to do the investigating; it is another thing to delegate by law to a private surety company the power to conduct that kind of investigation. Labor rightly resents this bonding provision. Labor is not taking the position it should not be required to put up a bond to protect its membership; it simply says it ought to be allowed, as other organizations are allowed, to select the type of schedule it wants, whether it is individual or position, and that it should not be restricted from entering into bonding relationships with Lloyd's. We do not tell American business concerns that they cannot enter into relationships with Lloyd's of London. But we do it to unions in this bill.

Mr. President, if one of the purposes of the bill is to help to create understanding and cooperation on the part of the rank and file members of Americans, then do not include in the bill this kind of reflection upon them. One more word on this point and I shall be through with this subject.

The report requires a position bond to protect the union membership, but then if a president, a vice president, or a secretary-treasurer of a union proves to be a crook, the individual bonding requirement will not help. The officer has the bond in the first place. The bonding company will have to pay the money, and the law enforcement authorities will have to proceed with the prosecution of the crook.

The issue as to the type of bond which is required in the bill has nothing to do with the responsibility of the law enforcement officers to see to it that when evidence relative to crooks in labor unions and the handling of membership funds is disclosed, they have the duty to proceed with the prosecution. I thought I had that point won once. I think my colleagues on the conference committee will bear out my statement that I did have it won for a few minutes. But then one of those corner caucuses took place, and the members came back and said, "No, there has been so much smoke about the matter of malfeasance in office with regard to the financial affairs of unions that we cannot yield on this point." Well, I think time will prove that they made a great mistake in not yielding.

What is also needed in America is to do those things which will try to reduce to a minimum the causes of irritation between unions and employers. We can never get away from the fact that American labor generally will hold to the point of view, and rightly so, that antilabor employers in this country were very instrumental in the development of the provisions of the Landrum-Griffin bill. It is such things as the bonding requirement in this part of the bill which will incense the individual union member and will cause him to say and to feel that the bill is not fair. Congress says in one breath that it is trying to protect the funds of the union for the individual rank-and-file member, and that could be done by position bonding; and then it proceeds to require individual bonding, which places a private company in a position to do great damage to a union by the denial of a bond to an officer when that officer will automatically be covered in a position bond.

DISQUALIFICATION OF OFFICERS

Section 504 of the conference committee bill disqualifies Communists and persons who have been Communists or have been convicted, or served any part of a prison term as a result of conviction for certain specified major crimes from holding office or employment—other than in a purely clerical or custodial capacity—in a union or in a group or association of employees dealing with a union as a labor relations consultant for 5 years after the termination of such person's membership in the Communist Party or for 5 years after such conviction or imprisonment. The disqualification of former convicts may be lifted, however, if the citizenship rights of the individual in question, having been revoked as a result of his conviction, have been fully restored or if the Board of Parole of the U.S. Department of Justice determines that his service or employment would not be contrary to the purpose of the act. I have serious doubts as to whether these provisions are constitutional, workable and effective.

Section 505 of the Conference Committee bill amends section 302 of the Taft-Hartley Act. These amendments are generally the same as are contained in section 211 of the Kennedy-Ervin bill as passed by the Senate. The conference committee bill omits, however, the provision which is contained in the Kennedy-Ervin bill authorizing the checkoff of periodic payments in lieu of membership dues under so-called agency shops.

PRESERVATION OF STATE LAWS

Section 603 of the conference committee bill provides that the responsibilities of unions and of officers, agents, shop stewards and other representatives of a union or of any trust in which the union is interested, under other Federal or State laws, are not reduced or limited by anything contained in the bill except as explicitly provided to the contrary, and that the rights and remedies of union members under other Federal or State laws are not to be taken away or barred except as specifically provided to the contrary. This is a "States rights" provision which flies in the face of traditional concepts in the field of national labor relations policy and law and has no place in legislation which is designed to remedy, through Federal law, deficiencies in State law enforcement which have been largely responsible for allowing crooks and racketeers to work their way into the labor and management fields.

In fact, Mr. President, in regard to the so-called States' rights argument, it should be said that the States have a great deal to answer for, because of the fact that they have not enforced their own criminal laws against the racketeers and the crooks. They have been inclined to "pass the buck" to the Federal Government. They "want it both ways."

CRIMINAL THREAT OF FORCE

Mr. President, section 610 of the conference committee bill would make it a Federal crime to use force or the threat of force to prevent a member, by intimidation, from exercising rights to which he is entitled under the bill. A similar provision was included in section 607(b) of the Kennedy-Ervin bill, as passed by the Senate. The Kennedy-Ervin bill, however, prohibited economic reprisal, as well as the use of force or the threat of force, and imposed substantially heavier penalties for violations than does the conference committee bill. Generally speaking, the effect of these provisions is to make assault and battery a Federal crime, but only when it occurs in a union. I have already referred above to the inappropriateness of provisions of this type for the enforcement of the rights of union members.

Mr. President, I regret that these shortcomings of the bill, in regard to this section, were not remedied before the bill was brought to the floor of the Senate.

Mr. President, that is my summary of my views on the first six titles of the bill.

I turn now to the even more controversial title VII of the bill; and first I shall proceed with a discussion of the so-called no-man's land issue.

NO MAN'S LAND

The conference report solved the no man's land jurisdictional issue by permitting the Board to refuse jurisdiction over cases which involve an insufficient effect upon commerce. The Board's discretion is pegged so as not to refuse cases which it would assert jurisdiction over, under its standards of August 1, 1959. For labor disputes involving employers and unions below the Board's standards, the conference bill would allow State agencies and State courts to exercise jurisdiction. Of the 50 States, 38 have no administrative agencies whatsoever, hence, in these States, labor disputes will be handled by State courts. Since the common law did not develop a body of laws guaranteeing employees the right to join a labor organization, the employees of small employers in these States, and the rights of small unions, amount to nothing. Rights of employers in these States, on the other hand, are fully protected by virtue of a climate of antipathy against labor or-

ganizations, and a long series of legal concepts which severely restrict strikes and picketing. It was, indeed, because of the abuse of these common law holdings that the Norris-LaGuardia Act was passed in 1932 to apply in the Federal courts; hence, it may be a source of satisfaction to small employers to avail themselves of the rights and remedies furnished by State court injunctions; but the conference bill completely ignores the rights of employees of those employers, and the many small labor organizations which in the past 5 years have operated with comparative freedom from State court injunctions.

In the 12 States having State labor agencies, only a few of them function effectively and fairly; hence, it would be a fair statement to say that, except for 5 or 6 States of the now 50, the rights of employees employed by small employers and weak unions are not protected.

Against the conference solution to the no man's land, the Senate passed version would have preserved the rights of employees, as well as small employers. The Senate bill would have required State agencies to administer Federal law over labor disputes which the Board could not properly exercise its jurisdiction. During the conference, the Senator from Vermont [Mr. PROUTY] submitted an amendment which would have been far fairer than the Conference bill, even thought it did not accept completely some of the provisions of the Senate passed bill. The principal provisions of the Prouty amendment would have required the State courts or the State agencies, if there were any, to apply the unfair labor practices sections of the Federal law.

Mr. President, I ask unanimous consent that the proposed Prouty amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

SEC. 701 (a) Section 6 of the National Labor Relations Act, as amended, is hereby designated as section 6(a) and said section 6 is amended by adding thereto the following new subsection (b):

"(b)(1) The Board in its discretion may, by rule or otherwise, decline to take jurisdiction over any labor dispute, unfair labor practice, or representation proceeding if, in the Board's judgment, the effect thereof on commerce is insufficient to warrant the exercise of jurisdiction.

"Within thirty days after the date of enactment of this subsection, the Board shall clearly establish and publish by rule or otherwise such limitations on its exercise of jurisdiction as it proposes to observe for the purpose of excluding from its jurisdiction any labor dispute, unfair labor practice or representation proceeding: *Provided:* That such limitations shall be substantially in accord with those in effect on August 15, 1959.

"(2) The Board in the same manner may establish and publish modifications of such limitations on its exercise of jurisdiction as it has established pursuant to paragraph (1), but no such modification shall have the effect of staying or otherwise affecting any proceding duly instituted before any appropriate court or agency of any State or Territory (including the Commonwealth of Puerto Rico, Guam and the Virgin Islands) prior to the expiration of thirty days' publication of such modification; nor shall any such modification permit the Board to withdraw exercise of its jurisdiction over any proceeding which has been duly instituted before the Board prior to the expiration of thirty days' publication of such modification.

"(3) Any person may petition the Board for a determination as to whether a particular case involving a labor dispute falls within the limitations on its exercise of jurisdiction established pursuant to paragraphs (1) and (2). Notice of such petition and its contents shall be given contemporaneously by the petitioner to any known interested persons or his representative, and such notice shall have the effect of staying any proceeding to which the petition refers explicitly, and to which both petitioner and any person or persons given such notice are the parties. Any person given notice may file an answer with the Board not later than ten days after receiving such notice. The Board's determination, unless arbitrary, shall be final and binding upon the petitioner and upon all parties notified by petitioner as provided in this paragraph. If the Board shall make no determination within thirty days after the filing of the initial petition, it shall be presumed that the Board has determined to be outside its jurisdiction any case to which the petition explicitly refers, and to which petitioner and any person or persons given appropriate notice are the parties."

(c) Section 14 of the National Labor Relations Act as amended, is amended by adding thereto the following new subsection (c) as follows:

"(c)(1) Whenever the Board has declined jurisdiction over an unfair labor practice, the courts of any State or Territory (including the Commonwealth of Puerto Rico, Guam and the Virgin Islands) shall have jurisdiction over such unfair labor practices: *Provided,* That any State or Territory may, by legislation or otherwise, provide that an agency rather than the courts thereof shall assume and assert such jurisdiction.

"(2) Whenever the Board has declined jurisdiction over any labor dispute, unfair labor practice, or representation proceeding any State or Territory (including the Commonwealth of Puerto Rico, Guam, and the Virgin Islands) may, by legislation or otherwise, establish an agency to assert jurisdiction over such labor dispute, unfair labor practice, or representation proceeding and such agency shall not be precluded from asserting jurisdiction by virtue of the fact that such labor dispute, unfair labor practice or representation proceeding affects interstate commerce.

"(3) In determining unfair labor practice proceedings being presented in accordance with paragraph (1) of this subsection, or in determining labor disputes, unfair labor practices, or representation proceedings pursuant to paragraph (2) of this subsection, the State or Territorial court or agency shall apply and be governed solely by Federal law as set forth in section 8 and section 9, as the case may be, and Board and Federal court rules of decision construing said facts.

"(4) Whenever any State or Territory establishes pursuant to this section an agency to assume and assert jurisdiction over any labor dispute, unfair labor practice or representation proceeding which the Board has excluded from its exercise of jurisdiction pursuant to section 6(b) of this Act, the courts of such States or Territories shall no longer assume or assert jurisdiction over unfair labor practice cases pursuant to paragraph (1) of this subsection except for cases then pending in such courts which may be concluded and determined by them.

"(5) Proceedings brought in a State or Territorial court pursuant to paragraph (1) of this subsection shall be advanced on the docket and expedited for disposition. Such proceedings shall not be subject to removal to the Federal courts under the provisions of the Judicial Code (Act of June 25 1948; 28 U.S.C.) as amended.

"(6) Decisions of an agency or court of a State or Territory shall be reviewed in State and Territorial courts according to the State or Territorial law relating to practices and procedure.

"(7) Judgments or decrees of the State or Territorial courts shall be subject to review by the Supreme Court of the United States upon writ of certiorari as provided in the Judicial Code, as amended (Act of June 25, 1948; 28 U.S.C.)."

(d) Section 10(a) of the National Labor Relations Act, as amended, is amended by repealing the proviso thereto.

Mr. MORSE. Mr. President, I have said, I believe, on the floor of the Senate—and certainly I said it in the conference—that, in my judgment, the Prouty amendment was the most ably drafted, from a legal standpoint, of any of the amendments the conference committee dealt with; and I think the Senator from Vermont [Mr. PROUTY] deserves high commendation for what I thought was a very, very fair compromise of this very serious situation.

In this way, at least employees of small employers, as well as large ones, would have been guaranteed the right to self-organization, "to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing" (sec. 7 of the National Labor Relations Act); and they would have been guaranteed that, because the Prouty amendment would have required the State courts to follow Federal law. The only jurisdiction that the Federal Government has over national labor relations cases is under the interstate commerce clause. But in connection with this matter, the conference report really will authorize a Federal "right to work" law in reverse; it will put workers in interstate commerce plants at the mercy of State courts, in regard to which there is anything but uniformity in the administration of labor relations justice.

Does it make any difference to the individual, regardless of whether he works in a small plant over which the National Labor Relations Board has decided not to take jurisdiction or whether he works in an automobile plant in Detroit, when it comes to the question of protecting his interstate rights? Since when is it compatible with our concept of American justice that we can give one interpretation of constitutional rights under the interstate commerce clause to workers in a small plant, and a different interpretation to workers in a large plant, who are protected by Federal law? It shocks me.

As I said in committee, and I have no hesitancy in saying it here, there is nothing anyone could do to get me to sign this conference report if the only imperfection in it was this gross injustice contained in the provision in regard to no man's land cases.

Why, surely, I am within the rules when I say there are sections of this country in which State courts are known, by way of the record they have made, to be grossly antilabor. There are sections of this country, Mr. President, in

which the opposition to organizational activity on the part of State courts has manifested itself time and time again in arbitrary ex parte injunctions—judicial records that have caused the United States Supreme Court in instance after instance to reverse them.

Well, you gentlemen can take it home and explain to your own constituents. I am glad I do not have your job, because I shall explain to my constituents, as I have explained on the Senate floor today, that I kept faith with what I considered to be one of the most cardinal principles of American justice—that there should be a uniform application of constitutional rights to American citizens, irrespective of the State in which they live. It is just that simple.

Sometimes do you know what I think, Mr. President? I think we have difficulty in getting acceptance of principles, such as the one for which I am pleading this afternoon, just because they make common sense. Sometimes I think if we really want to get something adopted here in the Congress of the United States we had better make sure it does not make common sense, because there is no common sense in this no man's land provision of the conference report. It is discriminatory, unfairly so, with respect to the interstate commerce rights of fellow Americans, determined by the size of a plan in which they work.

The Senator from Vermont [Mr. PROUTY] saw it, and what an eloquent plea he made for the Prouty amendment, and how proud I was and privileged to join him in its support.

Because I think this issue is of such vital concern to the administration of justice in this country, I propose to speak on it at some length.

Even though I believe that administrative agencies are the best device for the effective protection of labor's right, I am satisfied that the gross injustice caused by the adoption of the conference report in this no man's land area would have been avoided. Not only are the rights of small unions and employees not protected by proper unfair labor practice prohibition, but also no election machinery is available for the determination of whether a union represents the employees of an employer. Recognition strikes in States where a State court will not enjoin them must, as in the days before the Wagner Act, be the sole means of compelling an employer to recognize a union.

Section 701 of the conference bill amends the National Labor Relations Act by adding a new section 14(c). This new subsection 14(c) is in two parts. In 14(c)(i), the Board is expressly given authority to decline to assert jurisdiction over any labor dispute if the effect of such labor disputes in the opinion of the Board is not sufficiently substantial to warrant the exercise of its jurisdiction. To this grant of discretionary authority there is only the proviso that the Board shall not decline to assert jurisdiction over any labor dispute over which it would assert jurisdiction under the standards prevailing on August 1, 1959.

I pause at that point to say, Mr. President, I think it is a gimmick. I think in administration it will come to mean no protection at all. And yet some of my fellow conferees think this is a great victory because they succeeded in getting the date line of August 1, 1959.

Part 2 of the new subsection gives to State courts and agencies the power to assume and assert jurisdiction over labor disputes over which the Board declines to assert jurisdiction pursuant to paragraph 1.

This provision is deceptively simple. It attempts to solve a very difficult problem in a quick and easy way which, in fact, will create far more difficulties than it resolves and which is contrary to the elementary principles of uniformity and certainty as well as to the principles which have been embodied in our Federal labor relations laws for more than 20 years.

It is apparent to me that those who drafted this provision are really not very familiar with what the National Labor Relations Board is or what it does.

The National Labor Relations Board does not decide labor disputes. It does not take jurisdiction over labor disputes, which I am sure will come as news to many, because as one talks to people, it is apparent that is the assumption many persons hold to.

I suppose everyone knows that the current steel strike is a labor dispute, but it is perfectly clear that the National Labor Relations Board has no authority to decide that labor dispute or to take jurisdiction over it. What the National Labor Relations Board does is take jurisdiction over proceedings. Those proceedings are of two kinds—representation proceedings and unfair labor practice proceedings. Sometimes those proceedings involve a labor dispute. Many times they do not. The Board, nevertheless, does take jurisdiction if there is any claim that an unfair labor practice has been committed or if the parties want an election conducted.

To speak, therefore, as this section of the conference bill does, of labor disputes over which the Board declines to exercise jurisdiction is to speak in terms which make no sense under the National Labor Relations Act.

I am not quibbling about terminology. The distinction between a jurisdictional standard written in terms of labor disputes and a jurisdictional standard written in terms of proceedings is a profound one. A jurisdictional standard which excludes certain kinds of disputes from the Board's jurisdiction is one which would be exercised in relationship to the facts of the dispute. A jurisdictional standard such as the Board's standard which relates to proceedings is exercised in relation to the particular proceeding.

Let me give a simple example. The Board has standards stated in dollar terms relating to the amount of inflow or outflow of a particular employer. Suppose that unfair labor practices are charged against either an employer or against a union with respect to conduct related to that employer. Suppose, further, that at the time the unfair labor practice occurred the employer did not meet the Board's jurisdictional standards. Would the Board exercise jurisdiction? The answer to that question is not—and I repeat "not"—necessarily no. The question which the Board decides is not whether the employer's business in the year in which the unfair labor practice occurred was sufficient to meet its standards but whether the business shown in the financial report available at the time of hearing is sufficient to meet its standards. The limitation is on the Board's proceedings, not on the factual situation—*Aroostook Federation of Farmers*, 114 NLRB 538, 36 L.R.R.M. 1611 (1955); *Western Machine and Tool Company*, 115 NLRB 978, 37 L.R.R.M. 1467 (1956).

Conversely, if a union files an election petition, the Board will take jurisdiction if the employer's business in the prior year was sufficient to meet the Board's standards even though the employer can show at the hearing that he has sold part of his business and that his current business does not meet the Board's standards—*Whippany Motor Company*, 115 NLRB 52, 37 L.R.R.M. 1234 (1956).

These rules are proper if it is understood that the Board's standards do not serve to define the area over which the National Labor Relations Act applies but only serve to define the particular cases which the Board will handle. If the Board actually did decline to assert jurisdiction over disputes, then it would be wholly improper to require an employer whose business is increasing to justify action taken when he was not subject to the act, and it would also be improper to force an employer whose business was declining to comply with a nonexistent duty to bargain in the future.

Nor can it be answered that the Board can change its jurisdictional standards. For as I read the proviso in the new section 14(c)(i), proposed in section 701 of the conference bill, the Board is prohibited from declining to assert jurisdiction over any labor dispute over which it would assert jurisdiction under the standards prevailing on August 1, 1959.

Although that is claimed to be an expression of intent, Mr. President, it will be a very interesting situation to watch as the Board attempts to administer the section.

Before turning to the most important part of section 701, the delegation of jurisdiction to State courts, there is another point which should be noted. Section 14(c)(i) contains a sleeper. It specifically authorizes the Board to decline to assert jurisdiction where in the Board's opinion the effect on commerce is not sufficiently substantial to warrant the exercise of jurisdiction. I think that the drafters of this provision may have believed that they were not in this way changing the law. But a careful examination of the precedents shows that this would indeed involve a considerable change in the law. First of all, it has never been decided by the Supreme Court of the United States that the National Labor Relations Board, under the present law, has authority to decline to exercise jurisdiction in representation cases affecting commerce. The only cases which my research has disclosed are cases in which the Board refused to process unfair labor practice charges. And the courts in those cases have

specifically relied on the statutory language in section 10(a) of the present act that "the Board is empowered to prevent any person from engaging in any unfair labor practice." This language, the courts have said, implies that the Board has discretion not to institute unfair labor practice proceedings.

But when we turn to the section of the act dealing with representation proceedings, we find that the statutory language is quite different. It provides in section 9(c)(i) that whenever a petition is filed which meets the statutory requirements "the Board shall investigate such petition and if it has reasonable cause to believe that a question of representation affecting commerce exists shall provide for an appropriate hearing." If the Board then finds that such a question of representation exists, the statute continues "it shall direct an election." This language is quite different from the language in the unfair labor practice provision which simply gives the power to the Board to act. So far as I know only two cases have been decided by the Supreme Court of the United States dealing with the power of the National Labor Relations Board to decline to hold an election where it finds that a question of representation affecting commerce exists but the employer does not meet its jurisdictional standards. Those two cases were *Office Employees* v. *NLRB*, 353 U.S. 313, and *Hotel Employees* v. *Leedom*, 358 U.S. 99. In both cases, the Supreme Court of the United States reversed the Board and directed it to consider the representation petition. It did not, in either case, reach the question of whether the Board had authority to decline representation cases in general because in each case it found that the Board has exercised its discretion in an arbitrary and unreasonable manner.

Section 701 of the conference bill, if we assume that "labor dispute" means representation proceedings—a question on which I can find no answer in the bill—would completely eliminate the power of the courts to review the Board's exercise of its claim of discretion to entertain representation cases. Even if it is assumed, contrary to what I believe is the plain language of existing law, that the Board has the power to refuse to take jurisdiction in representation cases, just as it is conceded that it has such power in unfair labor cases, still under present law in both classes of cases, the Board's discretion is subject to review. But as I read the new section 14(c)(i) which the conference bill proposes to insert in the act, the Board's opinion as to the effect of a labor dispute is made unreviewable.

That scares me to death. It shocks me. I find it difficult to understand its inclusion.

Well, as an old teacher of administrative law and legislation, Mr. President, I know in some circumstances it is desirable to give finality to some administrative board or quasi-judicial administrative law tribunal in determining a simple question of fact.

It is dangerous to give to any administrative board or officer unreviewable authority which involves serious implications as to legal rights. That is exactly what is sought to be done in this case.

Mr. President, one of the precious checks we had better hold fast in this Republic is the review of decisions of mere men placed in positions of power and judgment, whether they are on the National Labor Relations Board, the Interstate Commerce Commission, the Federal Power Commission, or any other administrative law tribunal. The question for determination in considering the measure in which this unreviewable power is given involves, in my judgment, precious rights of free men and women in the labor movement. Thus, the bill gives to the Board a power which it probably does not have now as to representation cases and makes that power, in both representation and unfair labor cases, unreviewable.

The only protection contained in the new section 14(c)(i) is the provision that the Board must now assert jurisdiction under the standards prevailing on August 1, 1959. The tremendous difficulties that will be created by this form of limitation upon the discretion which this bill makes otherwise unreviewable, I will avert to later.

I turn now to paragraph 2 of the proposed section 14(c). This says that nothing in the act shall prevent any agency or the courts of any State or territory from "assuming and asserting" jurisdiction over labor disputes which the Board declines to take. This provision, I believe, is totally unworkable. And even if it were workable and understandable, it would, in my view, be wholly objectionable in principle.

Before proceeding to a statement of the objections to this provision in principle, I want to ask certain questions as to what the conference bill means. As a lawyer, I do not know what is meant by the use of the two words "assuming" and "asserting." Giving the court the power to assume jurisdiction would, I would assume, be sufficient. I do not know what is intended by the additional words giving the courts who assume jurisdiction the right also to assert jurisdiction.

More important, I do not understand how this provision is supposed to operate. Is it proposed that the Board or the State courts should make the determination as to whether a dispute is one over which the Board would decline to assert jurisdiction? As I read the language of the proposed section, it is the Board which is to make this determination, and it is only after the Board determines that it should decline to exercise jurisdiction in a particular dispute that the State court is to be given the authority to assume and assert its jurisdiction. Indeed I can hardly conceive of any possible method of administering this provision under any other reading.

As I noted above, the Board does not base its exercise or nonexercise of jurisdiction over the amount of interstate commerce involved as of the time of an unfair labor practice or, in the case of a representation proceeding, as of the time of an election. It bases its decision to exercise or not exercise jurisdiction on the facts in existence at the date of its hearing which is normally considerably after an unfair labor practice and considerably before an election. Now how a State court could determine the date on which the Board would hold its hearing if the decision were to be made by the State court in the first instance is simply beyond me.

But this just begins to explore the difficulties. Under its present standards, which this proposed new section would prevent the Board from restricting, the Board will assert jurisdiction in a proceeding even if the employer involved in that proceeding does not meet the Board's standards. It will do so if the employer refuses to make available to the Board's agencies the data necessary to make a determination as to quantity or nature of his business. Suppose we have an employer who would refuse to give the Board the necessary information. Under its present standards, the Board would accept jurisdiction over a proceeding involving his employees. Is a State court to make that determination? And if it is to make that determination, upon what basis can it possibly do so?

Even if we assume that there were not these vagaries in the Board's standards, still other difficulties would ensue if a State court were to make the first determination as to whether the Board would or would not take jurisdiction in a particular case. First of all, the Board's standards are incredibly complex.

At one time the Board applied separate standards to interstate and intrastate retail chains. If a union claimed recognition only in the intrastate portion of a retail chain, the Board might take jurisdiction, although it would refuse to take jurisdiction, on the same showing as to the amount of interstate business done, if the chain were an interstate one. Again, where several corporate entities are involved in the same general business enterprise, it is almost impossible to tell whether the Board's decision to assert jurisdiction will be based on the aggregate business of the separate corporations or whether they will be separately considered. The Board has sometimes decided both ways with respect to the same enterprise. Compare *Orkin "The Rat Man,"* 112 N.L.R.B. 762 with *Orkin Exterminating Co.*, 115 N.L.R.B. 622. And the same corporate combination can be either inside or outside of the Board's standards, depending on whether there is centralized control of labor relations matters.

Indeed, the Board's jurisdictional provisions are so complex and so confusing that many persons have urged that the Board has, in fact, expended more time under its present standards in determining which case to take than it would have spent if it had taken all of the cases excluded by those standards.

Whether this conclusion be true or not, it is certain that in many cases the Board now will spend more time investigating the indirect inflow and indirect outflow of a given employer than it would have spent in holding a hearing and conducting an election. As the

Board itself said when it recently revised some of its standards:

> The ascertainment of inflow figures often involves extensive examination of an employer's records in which every purchase must be considered, which is time consuming both for personnel of the employer involved and the Board. (*Carolina Supplies & Cement Co.*, 122 N.L.R.B. No. 17, 43 L.R.R.M. 1060.)

If it were the intention of the conference bill to impose the duty or the power to make the initial determination upon the State courts, the result surely would be the one predicted by a Michigan court in 1954:

> Neither the courts nor the litigants can know with any certainty where jurisdiction lies, nor whether in a given case jurisdiction existing at the time of its commencement will continue until its final decision. (*Universal Car Co.* v. *IAM*, Michigan Circuit Court, 1954, 35 L.R.R.M. 2087, 2098.)

Each State court would have the dubious duty of examining, in each case brought to it for decision, the complex and complicated standards established by the Board and determining whether, in the given case, under such standards, the Board would exercise jurisdiction. In fact they have to outguess the Board. I have already adverted to the difficulty which this would place on the State courts. Perhaps it is best set forth in the study made by the Legislative Reference Service of the Library of Congress in 1957 in which it is said that "even the Board experts cannot agree on the boundaries of Board jurisdiction under present standards."

Nor is this the end. Suppose that in a given case an employer contends that the Board would not take jurisdiction and the union contends that it would. Deciphering the Board's standards would be an incredible job for a county court in which one party or the other sought an injunction. But then the question could presumably be appealed and we would have the intermediate appellate courts and the supreme courts of the States and finally the Supreme Court of the United States deciding the hypothetical question of what the National Labor Relations Board properly would have done under its jurisdiction standards if the case had been presented to it in the first instance. This surely would constitute a travesty on the orderly administration of justice.

For these reasons I must assume that what the conference bill means is what it says: That State courts can assert jurisdiction over a dispute after the Board has declined to assert its jurisdiction pursuant to the power given to it in paragraph 1 of the proposed section 14(c). That construction at least permits the Board to decide and to apply its jurisdictional standards and does not mean that the State courts in the 50 States of the United States will be given the primary jurisdiction to make the initial determination as to whether the Board's standards are met or are not met in a particular proceeding. But even this reading does not eliminate the technical difficulties in this seemingly simple provision. As I said at the beginning, the Labor Board does not now and never has refused to assert jurisdiction over particular employers. It refuses jurisdiction in particular proceedings. The same employer and indeed the same labor dispute can be both inside and outside of the Board's standards, depending on the nature of the proceeding. Let me give a simple example. Suppose that a union claims recognition as the representative of the employees of a particular employer. Suppose that the employer's business volume is such that the Board would not assert jurisdiction over a petition for an election filed by the union. Indeed, assume that the union filed such a petition and that the Board decides that it will not take jurisdiction. Suppose that the union then, frustrated in its efforts to obtain an election or recognition, begins a secondary boycott of the products of this employer and that an unfair labor practice charge is then filed against the union. The Board now will in fact take jurisdiction over the unfair labor practice proceeding, although it refused jurisdiction over the representation proceeding, if the total business volume of all of the affected employers, both primary and secondary, added together equal the amounts specified in the applicable Board standard—*McAllister Transfer Inc.*, 110 N.L.R.B. 1769 (1954).

The same dispute as to the representation of employees thus will be heard by the Board if the proceeding is a secondary boycott proceeding but will not be heard by the Board if it is a representation proceeding. Indeed, the Board goes further. In the case I have given, if the union had filed an unfair labor practice charge against the first employer because he refused to recognize it, the Board would have dismissed that proceeding under its jurisdictional standards. If the union then proceeded to set up a secondary boycott, the Board would then assert jurisdiction and in the course of exercising that jurisdiction would in fact decide the original unfair labor practice charge which it would not have heard if no secondary boycott had been begun—*Reilly Cartage Co.*, 110 N.L.R.B. 1742.

Now, where does this simple-looking provision in the conference bill fit in in this kind of a situation? Presumably, when the Board first declined to assert jurisdiction the State could move in. If it were a State like Florida, it also would not hold an election but would enjoin picketing unless the union had supplied to the employer a list of its members before it began picketing—*Boca Raton Club* v. *Hotel Employees Union*, 83 So. 2d 11. But if the union then began its secondary boycott, there could be a proceeding over which the Labor Board would assert jurisdiction. What would happen then to the State court's jurisdiction? Would it become void? If it would become void for lack of jurisdiction, what would be the date upon which it became void—the date upon which the facts occurred, which, under the Board's standards could lead to a Board proceeding, or the date on which a charge was filed with the National Board, or the date on which the Board decided that it would take jurisdiction? I find no answers to any of these questions in the provisions of the proposed new section.

Perhaps it will be argued that the cases which I have mentioned are unusual cases and that the usual case is far simpler and presents no such complications. I seriously dispute any such contention. Those who have not had experience with the complexities and intricacies of the Board's standards can have no conception of the difficulties involved in applying them.

Thus, for example, if there is in existence an employer association which bargains as a unit with a union the Board will permit the business of all of the members of the association to be added together in determining whether the jurisdictional standards are met. However, under established Board rule, an employer may take himself out of such a bargaining unit by the simple device of resigning from the association. The question then, in dealing with a proceeding involving the employees of a particular employer, may be whether he has manifested an intention of being a member of an employer association for purposes of collective bargaining. If he has, the Board will take jurisdiction. If he has not, or if he has resigned from the association, the Board will refuse jurisdiction in the absence of any showing that the business of the individual employer is sufficient to meet the Board's standards. Whether or not the Board would take jurisdiction cannot be ascertained from the employer's business but only from the evidence as to his relationship with the association at the time the unfair labor practice hearing occurs.

Difficulties of a different nature occur in connection with public utility and transit companies. One of the bases upon which the Board will assume jurisdiction is the inflow or outflow, direct or indirect, of goods or services outside the State. The amount required is $50,000. But in a number of areas the Board has gross volume standards. Thus it will not take jurisdiction over a transit company or a public utility unless it grosses $250,000 a year. What of the case in which a transit company or public utility provides goods or services valued at more than $50,000 to an enterprise over which the Board did exercise jurisdiction. This would meet the Board's indirect outflow standard. Will that standard be used as a basis for asserting jurisdiction, even though the company does not meet the standards for a public utility or a transportation company? The answer depends in some cases upon whether the only impact of the operation of the company involved upon the community is its provision of services to the interstate employer. If the company, as in *Potash Mines Transportation Co.*, 116 N.L.R.B. No. 179, 38 L.R.R.M. 1460, performs services only, or in major part, on a private basis for the interstate enterprise then the Board will assume jurisdiction. If, on the other hand, the company serves a broader section of the community and its services for particular employers, although as much as in the first case, are only part of its total public service, then the Board will not assert jurisdiction:

> If the Greenwich Gas standard applies, the standards enunciated in Jones-

boro * * * do not. (*East Newark Realty Corp.*, 115 N.L.R.B. 483, 37 L.R.R.M. 1328, 1329 (1956).)

Similarly, if an enterprise supplies coal or water, or any other materials or services in the amount of more than $50,000 to interstate industrial firms, the Board will assert jurisdiction. But, if it in addition supplies these same materials or services on a public basis to the community in general, jurisdiction will be refused—*Gary Hobart Water Corp.*, 115 N.L.R.B. 1575, 38 L.R.R.M. 1123 (1956).

On the other hand, if water, steam, and electricity are supplied on a private basis by a firm which does not offer its services to the general public but supplies them in connection with the lease of an industrial building to manufacturers subject to the act, then the $250,000 public utility standard, not the indirect outflow standard, will be applied—*East Newark Realty Corp.*, 115 N.L.R.B. 483, 37 L.R.R.M. 1328 (1956).

I could go on in this vein indefinitely. What I have said should be sufficient, I think, to indicate the tremendous practical difficulties which will ensue if the seemingly simple provision contained in section 701 of the Conference committee bill should be adopted.

However, I hope that what I have said is sufficient to indicate the tremendous practical difficulty which will ensue if the seemingly simple provision contained in section 701 of the conference committee bill should be adopted.

I now turn to what is even more important: the basic impropriety and injustice of what is proposed to be done here, however ineptly and inartistically it is done.

It would be one thing to allow the States which have established labor relations boards and have provided the machinery for holding elections and for punishing unfair labor practices to exercise jurisdiction over firms engaged in interstate commerce. In permitting such States to operate in this area, Congress would be acting consistently with its own regulation of labor relations matters in interstate commerce. But it is a far different thing, indeed, to give to State courts the right to assert jurisdiction where there is no labor relations law at all in the State, where there is no provision for conducting elections and where there is no provision for preventing or punishing unfair labor practices. As the Library of Congress study to which I have already referred concludes:

> The application of State tort law may create inequities because unfair labor practices committed by employers are normally not considered common law torts, while most unfair labor practices by unions or employees do constitute common law torts.

The effect of this provision therefore, would be to allow the States to enforce only antiunion provisions even in the absence of the most elementary kind of protection for the right of free collective bargaining.

This is not a hypothetical statement. I should like to recite in some detail what actually happened in a series of cases which were ultimately decided by the Supreme Court of the United States, to show precisely the kind of effect which this provision would have. The cases to which I refer are *Hotel Employees* v. *Sax Enterprises*, 358 U.S. 270, and *Hotel Employees* v. *Leedom*, 358 U.S. 99. Those cases arose out of the attempt of the Hotel Workers Union to organize the employees of the luxury hotels in Miami and Miami Beach.

In March 1955, the union sought by conferences with the representatives of the individual hotels, the employees of which it had organized, to set up a procedure by which the union could establish by secret ballot its rights to bargain collectively for the employees. The Board at that time refused to exercise jurisdiction over hotels. The employers refused to agree to an election conducted by the Honest Ballot Association or by the mayor or by anyone else. And so ultimately the union was forced to strike.

Immediately the employers went to the State court. In the first case to be decided by a trial court the employer alleged that the picketing was violent and that the union had attempted to coerce the employees. The trial court found that there was no violence and no coercion. The employer claimed that the union did not represent a majority of its employees and that the purpose of the picketing was to compel the employers to compel the employees to join the union. The trial court found that this allegation, if true, would constitute the basis for an injunction against picketing and set the matter down for hearing. The employers appealed to the Supreme Court of Florida and the Supreme Court of Florida held that the trial court was required to issue an injunction on the sworn complaint, even in the absence of any evidence to support the allegations of that complaint—*Sax* v. *Hotel Employees Union*, 8 So. 2d 602.

That gives some idea of what I mean when I say that employees working in interstate commerce are being put at the mercy of the State courts, which, under the bill, are not required to follow Federal law, but which under the Prouty amendment would have been required to follow Federal law.

Obedient to the commands of the Florida Supreme Court, the Florida trial court issued injunctions not only in the first case but also in six other cases in which similar requests for temporary relief had been filed. It enjoined the picketing of the hotels, and it went further. It enjoined any publication, anywhere in the United States, of the fact that a strike was in effect at these hotels or that the hotels had refused to recognize the union.

The supreme court finally had something to say about that, but I respectfully submit that the conference bill is an attempt to reestablish that condition. I could not possibly vote for the conference report with this provision in it.

The cases then were called for hearing, with the injunctions in effect. In several cases the trial courts found that the union in fact did represent a majority of the employees. In some cases the union actually brought a majority of the employees into court to testify that they wanted the union to represent them. There they were before the very eyes of the judge. They left no room for doubt as to their wishes.

The trial courts therefore vacated the injunctions which the Supreme Court of Florida had commanded them to issue. Again appeals were taken to the Supreme Court of Florida and again the Supreme Court of Florida reversed. The supreme court now said that the showing at the time of the hearing that the union represented a majority was insufficient. The union had to show that it represented the employees of the employer before it began to picket. Since it had failed to do so, the picketing should be enjoined—*Boca Raton Club* v. *Hotel Employees*, 83 So. 2d 11. Meanwhile, the union had organized the employees at still other hotels. Aware of the directives of the Supreme Court of Florida, the union invited a certified public accountant to examine its books and the signed membership applications on file in its offices. It wrote to the employer, asking agreement on the conduct of an election and forwarded to the employer the sworn statement of the accountant that the union's books showed that a majority of his employees were in fact members of the union. The employer refused to agree to any method of ascertaining the employees wishes in secret, but insisted that they be individually interrogated. The union, of course, could not agree, since Florida law does not provide an unfair labor practice procedure, and the plain result of any individual interrogation by the employer before a strike was called would be the discharge of all the employees who said they were members of the union. When the employer refused to recognize the union or to agree to a secret ballot election, the union then did not strike in these later cases, but simply began to picket, and its signs plainly stated that the reason for the picketing was that the employer had refused to agree to an election.

In these cases, the employers again petitioned for an injunction against the picketing. In one of the cases, the trial court found, in fact, that the union had established that a majority of the members had chosen it as their representative. Again, the Supreme Court of Florida reversed, this time simply by a per curiam opinion—*R. S. Levy* v. *Hotel Employees Union*, 83 So. 2d 852.

In one case a trial judge decided that the only way out of the impasse created by the Florida Supreme Court's application of State laws was to itself conduct an election. It issued an order providing for the appointment of a commissioner to conduct the election. Pending the holding of the election and in order to preserve the status quo, the court enjoined the union from picketing. The employer appealed. The Supreme Court of Florida reversed that part of the trial court's order which provided for an election but retained that part of the order which provided for the prohibition of picketing pending the holding of an election—*Thomas Jefferson, Inc.* v. *Hotel Employees Union*, 34 So. 2d 583.

The court, it might be said, had them both ways there. It enjoined picketing and, in effect, enjoined an election.

None of these decisions could be taken to the Supreme Court of the United States since they were all temporary injunctions. It was not until 2 years after the decisions began in March 1957 that final orders in these cases were entered by the Supreme Court of Florida. Then and then only could the union take the cases to the Supreme Court of the United States and the Supreme Court of the United States, in *Hotel Employees* v. *Sax Enterprises* (358 U.S. 270), held simply that Florida had no jurisdiction to enjoin picketing because this was activity governed by the provisions of the National Labor Relations Act. That decision was rendered in January 1959.

Mr. President, does it surprise anyone that in this country there is underway such a concerted drive to include in this bill a provision which, in effect, would get around that decision? That Supreme Court decision is a land-mark decision in support of economic freedom for free workers in our country; and I do not intend to vote for a conference report which, in my judgment, will scuttle that freedom because it will permit of procedures which will enable some employers to scuttle it.

If a similar sequence of events were to occur after the enactment of this bill, and if the board then—as it did in the Florida hotel cases—refused to assert jurisdiction, the Supreme Court would be compelled to say that Florida was free to do what, in fact, Florida did do in those cases.

The Florida hotel cases illustrate more than the evils of paragraph 2 of the proposed new section 14(c); they also illustrate the evils of paragraph 1, for in those cases the union sought throughout to obtain an election by the National Labor Relations Board. And when the Board refused to conduct an election, the union brought suit against the Board, and stated that the Board's refusal to assert its jurisdiction was arbitrary. The Supreme Court of the United States ultimately sustained that contention. In *Hotel Employees* v. *Leedom* (358 U.S. 99), the Supreme Court reversed the Board, and remanded the case to it. If the proposed section 14(c) contained in the bill now before the Senate had been in effect last year, the Supreme Court could not have reversed the Board's refusal to act, and the hotel employees would still be unable to obtain an election.

It is true that because this litigation concerning Miami Beach hotels was actually concluded in the early part of this year, and because the Board, responsive to the Supreme Court's decision, did ultimately assert jurisdiction over the hotels involved, the same sequence of events could not now occur with respect to the same hotels. The Board has now decided that it will take jurisdiction over hotels doing an annual gross business of $500,000 or more. But precisely the same thing that happened in Florida in the years before the Supreme Court forced the Board to take jurisdiction could take place in other industries—and, indeed, could take place in the hotel industry, so long as the particular hotels involved fell below the Board's present jurisdictional standards.

I do not suggest that we should rectify the injustice shown in the Florida hotel litigation. That injustice has been rectified, because, first, the Board's discretion as to jurisdiction has been reversed by the courts; and because, second, the States now are forbidden to exercise jurisdiction, even though the Board refuses to do so, so long as interstate commerce is involved. But I do say that the avenues through which the injustice in the Florida hotel cases was rectified will be foreclosed by this bill; and there is nothing in this bill to prevent, in other industries and with respect to other employers, what took place in Florida.

Mr. President, I now conclude my remarks on the no man's land issue, by saying, again, that all I am pleading for is that the interstate commerce clause of the Constitution of the United States be applied uniformly to all citizens of the United States regardless of the States in which they may live. My point is just as simple as that.

We must never forget, Mr. President, that in all the cases to which the provision of the conference report to which I am now objecting applies, the workers are working on jobs that fall within the meaning of the interstate commerce clause of the Constitution. I respectfully submit that even though they are working in small plants, they are still entitled to the same protections, under the interstate commerce clause of the Constitution, that an automobile worker in Detroit, Mich., or an airplane worker in Los Angeles, Calif., is entitled to. We had better watch out, if we start to segmentize the Constitution of the United States on the basis of varying rights, depending upon the size of the plant in which the worker is employed. This no man's land provision is a great mistake; and this conference report should be sent back to conference, and the conferees should be instructed that the Senate will not adopt the report until the conferees reestablish the principle of uniform application of the interstate commerce clause to all American workers who are working in interstate commerce jobs.

SECONDARY BOYCOTTS

Mr. President, I turn now to secondary boycotts.

Mr. CARROLL. Mr. President, will the Senator from Oregon yield for a question?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from Oregon yield to the Senator from Colorado?

Mr. MORSE. I shall be glad to answer a question. However, my real desire is to finish with the presentation of my manuscript and then to have questions asked.

Mr. CARROLL. Very well; I shall be happy to abide by the Senator's preference.

Mr. MORSE. I assure the Senator from Colorado that I am in no need of a rest.

Mr. President, in 1947 Congress passed the Taft-Hartley Act in an atmosphere somewhat akin to the present one. In that case, pressures built up during 6 years of war, and suppressed by the controls on both wages and prices, were suddenly released. The result was a tremendous wave of serious and long strikes. The public acquired the feeling that labor had become too powerful and needed to be curbed. The result of that feeling was the Taft-Hartley Act, which brought many desirable reforms, but certainly significantly unrelated to the spectacular strikes in the mass production industries. In the 12 years since enactment of the Taft-Hartley Act the secondary boycott provision has become recognized as an extremely complex piece of legislation. The 12 years' experience suggested, to all who understood it, a need for revision, both on behalf of employers who suffered from legislative loopholes and on behalf of unions who suffered what any fair-minded person would consider injustices.

In order to handle this difficult problem, the Senate Labor Committee appointed an advisory panel, consisting of six public members of indisputable preeminence in the labor relations field, three attorneys from labor, and three from industry. In the atmosphere of this group, recommendations for the improvement and rewriting of the secondary boycott sections of the Taft-Hartley Act would have been forthcoming.

Mr. President, earlier this afternoon I discussed that matter, and I paid my very high compliments and my most sincere compliments to the chairman of that special commission.

Mr. President, in my judgment the following defects in existing law should be remedied:

First. In banning secondary boycotts, the Taft-Hartley Act does not provide any allowance for the equities involved in the primary labor dispute. Thus, a canning factory employer who was committing every kind of unfair labor practice, and was paying substandard wages, and with whom the union had a primary dispute, could have his canned goods sold at retail stores, free from secondary pressure by the union. By preventing the sale of the cans at such a store, in many instances little hardship or loss woud have been caused to the owner of the store; and a law permitting the union to stop handling such unfair products, provided the retail store suffered no serious economic loss, might have been developed. The Landrum-Griffin bill has made no effort to cure this problem.

Second. The secondary boycott ban is based upon the concept of two employers—a primary and a secondary employer. The theory is that a neutral employer should not be compelled to suffer because of a labor dispute the union has with somebody else, but the theory breaks down when the two employers are "allies." Senator Taft said that the secondary boycott section "is not intended to apply to a case where the third party is, in effect, in cahoots with, or acting as a part of, the primary employer."

The National Labor Relations Board and the courts have failed to keep Senator Taft's concept in mind. The Board has considered subsidiaries to be separate employers. Other enterprises, substantially controlled by the same persons, have been considered separate employers, even though one manufactured a product incorporated into the finished article produced by the other. The case of the building and construction industry represented probably the most flagrant injustice, where a general contractor is, in effect, entirely in control of the kind of labor relations taking place on a jobsite which he runs. He lets subcontracts based upon price, responsibility, and the ability to handle labor relations.

He lets those contracts, very well knowing the kind of labor relations which may exist within any of the subcontractor companies. He is not acting in the dark, Mr. President. He is not innocent of any unfair labor policies on the part of a subcontractor.

The Board and the Supreme Court, in the Denver Building Trades case, held that this very unified relationship was a group of separate employers; hence, a primary dispute with one of them would have to be conducted in a way not to induce the employees of the other contractors on the job to refrain from work. This case is especially interesting on its facts, which involved an electrical subcontractor paying 42 cents an hour below the negotiated area rate. That such a subcontractor was on the job at all was directly due to a decision by the general contractor, and it is difficult to see how a union inducement of his employees to leave work can be justly prohibited; and yet that is the interpretation which we tried, during the past few days, to eliminate. A similar ally problem exists in the garment industry. Apparently, NLRB complaints have not been issued frequently in that industry, following the 1949 colloquy between Senators Taft and Ives on this subject.

In short, the Taft-Hartley secondary boycott provisions have demonstrated a real need to make a sound examination of the ally problem.

Third. The Taft-Hartley Act provided a mandatory injunction procedure whenever a violation occurred. In many instances, the equities of the situation suggested that the injunction procedure was not appropriate. A mandatory injunction procedure was not applicable to unfair labor practices committed by employers, and yet equally irreparable hurt to the rights of employees are daily committed, and remedied, if at all, after many months and years of litigation. The manifest unfairness of these quite divergent procedures suggest strongly a need for revision in the basic law. Unfortunately, the Landrum-Griffin bill and the conference report, like it, made no such revisions.

Mr. President, I desire to introduce my proposals made in conference for a modification of the law in respect to secondary boycott and picketing problems. I shall not take the time to read them, but only ask unanimous consent that they may be inserted in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BOYCOTTS AND PICKETING

SEC. 705. (a) Section 8(b)(4) of the National Labor Relations Act, as amended, is amended to read as follows:

"(4)(i) to engage in, or to induce or encourage any individuals employed by any person to engage in, a strike or a refusal in the course of his employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials or commodities or to perform any services; or (ii) to intimiate any person where in either case an object thereof is:

"(A) forcing or requiring any employer or self-employed person to join any labor organization or employer organization, or to enter into any agreement not permitted by section (e).

"(B) forcing or requiring any person to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor or manufacturer, or to cease doing business with any other person, unless such other producer, processor, manufacturer or other person is failing to recognize a union chosen by a majority of his employees or has committed unfair labor practices within the meaning of section 8(a).

"(C) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his employees or seeking to represent the employees of such employer or to protest the working conditions of such employer other than a work assignment dispute within the meaning of clause D of this paragraph, if another labor organization has been certified as the representative of such employees under the provisions of section 9;

"(D) forcing or requiring any employer to assign particular work to employees in a particular trade, craft or class rather than to employees in another trade, craft, or class unless such employer is failing to conform to an order or determination of the Board or an agreed upon method for the voluntary adjustment of the dispute: *Provided,* That nothing contained in this subsection (b) shall be construed to make unlawful a refusal by employees of any person to enter upon the premises of any other person if the employees are engaged in a primary labor dispute: *Provided further,* That for the purposes of section 8(b) of the Act, the phrases "any person" or "other person" will not be deemed to include the relationship between (i) contractor and jobbers engaged in a system of manufacturing garments; (ii) joint ventures, prime contractors, subcontractors, or cocontractors, jointly engaged on the site of a building and construction project or similar undertaking; or (iii) businesses doing business with one another when one is owned or controlled by the other or is owned or controlled substantially in common."

(b)(1) Section 8 of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following new subsection:

"(e) It shall be an unfair labor practice for any labor organization and any employer who is a common carrier subject to part II of the Interstate Commerce Act to enter into any contract or agreement, express or implied, whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, or transporting any of the products handled, manufactured or transported by another person, and any collective bargaining contract entered into heretofore or hereafter containing such an agreement shall be to such extent unenforceable and void."

(2) Any contract or agreement between an employer and a labor organization heretofore or hereafter executed which is, or which calls upon anyone to engage in, an unfair labor practice under section 8(e) of the National Labor Relations Act, as amended, shall to such extent be unenforceable and void.

(c) Section 8(b) of the National Labor Relations Act, as amended, is amended by striking out the word "and" at the end of paragraph (5), striking out the period at the end of paragraph (6), and inserting in lieu thereof a semicolon and the word "and", and adding a new paragraph as follows:

"(7) to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer where the object thereof is forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his employees or forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative unless such labor organization is currently certified as the representative of such employees:

"(A) where within the preceding nine months a valid election under section 9(e) of this Act has been conducted, or

"(B) where the union had picketed for more than thirty days in the absence of a petition under section 9(e): *Provided,* That the employer was not paying substandard wages."

(d) Section 10(1) of the National Labor Relations Act, as amended, is amended by: (1) adding after the words "section 8(b)", the words, "or section (e)"; (2) at the end of the first sentence, strike the period and insert a comma and the following: "and other unfair labor practices growing out of the same labor dispute."; (3) in the second sentence after the words "he shall", insert: "if under all the circumstances equitable relief is appropriate," and (4) by inserting before the period at the end thereof the following: "and section 8(b)(7): *Provided further,* That where a charge is filed under section 8(b)(7), it shall be a defense to show that an unfair labor practice within the meaning of section 8(a) has been committed: *Provided further,* That where there is a failure to seek such appropriate relief the Board shall promptly make public the reasons for such failure."

Mr. MORSE. Mr. President, I have inserted my proposals in the RECORD because I want to show that I did my very best to try to work out some compromises on this subject. I demonstrated by these proposals my willingness to go along with some modifications on the subject of secondary boycotts; that I felt that supporting them would not do irreparable damage to legitimate labor rights.

Apart from not grappling with these inequities, the Landrum-Griffin bill was an effective and efficient instrument for closing the loopholes about which employers have rightly complained. With almost no changes, the conference has accepted the bill as passed by the House. To a degree, I applaud these "loophole" changes. A secondary boycott conducted by a single operating engineer running a hoist is just as effective as 10 bricklayers leaving the job in concert. Similarily, a secondary boycott carried out by inducing railroad employees should not be permitted, merely because the employees' employer is not covered

by the Act. There are many instances also where a secondary boycott is conducted by a union agent going to a supervisor of employees, who often is a union member, and inducing him to shut off deliveries. Since the supervisor is subject to union discipline, such inducement would be clearly as effective as though inducement were applied to employees, themselves. To close these loopholes would seem to me to have been important legislation in this field.

A less desirable change is one which forbids a union to "threaten, coerce, or restrain" an employer to cease doing business with another. In this case, communications between the business agent and an employer will necessarily be subject to many interpretations, and many possibilities for untruthful testimony. Moreover, the Government will look ridiculous in being required to obtain an injunction against the union business agent speaking roughly to an employer about not handling the products of another.

Under existing law, "a union is free to approach an employer to persuade him to engage in a boycott, so long as it refrains from the specifically prohibited means of coercion through inducement of employees," *Local 1976, United Brotherhood* v. *N.L.R.B.*, 357 U.S. 93, 99. Simply stated, this means that when a union has a dispute with company A concerning the conditions of employment at its plant, the union may not call out the employees of company B on strike, and it may not picket the premises of company B to induce its employees to strike, in order by such a strike or picketing to cause company B to stop doing business with company A. On the other hand, the union is not prohibited from asking company B to cooperate with it by ceasing to do business with company A during the time that company A's employees are on strike.

What is the reason which underlies this difference? If company B continues to do business with company A, it helps that company; if company B discontinues doing business with company A, it helps the union. But whatever company B does it unavoidably helps one side or the other. The union is forbidden to dragoon the assistance of company B by a strike or picketing to induce employees not to work. But surely the union must remain free to persuade company B to help it, exactly as company A is free to persuade company B to continue to do business with it. This is but the exercise of free speech on both sides of the controversy.

Mr. President, what we are asked to do is, in effect, to say that company B cannot take the union's side. Company B may be perfectly convinced that it is in the interest of its own business, of its own union, and of its own customers that company A not receive the support of company B. So I repeat, whatever position the company takes, it is going to help one side or the other.

I have difficulty reconciling that with fair play.

What are we seeking? We are seeking the end of violence. We are seeking the end of duress and coercion. But we are asked to take the position, Mr. President, against permitting Company B to sit down with the union, and have the union say, "Let me show you what these practices of company A are doing to the labor market in this area. Let me show you the effects. In your own best interest, let me show you what this is going to do from the standpoint of competition." And then company A agrees. Should company A be denied the right to enter into the kind of an agreement the bill seeks to make illegal?

It is a matter of evidentiary proof, but I say when that evidentiary proof shows there is no violence, no coercion, no duress, but that there was a good faith agreement and understanding that it was in the best interest of all concerned for the employer to help the union and not company A, I am against making that course of action unlawful.

But the bill changes this in many significant respects. First of all, it makes it an unfair labor practice "to threaten, coerce, or restrain any person" to engage in a boycott. Let us begin with the threat. It will be said that to prohibit the threat is not to prohibit persuasion. But the fact is that in the context of a living labor dispute the line between the two is far from meaningful. For example, suppose a union representative tells an employer, "We are having a strike at company A. Cooperate with us by not buying his goods until the strike is over." I trust all will agree that this is clearly persuasion. Suppose the union representative adds, "We have always gotten along well together. We want to be able to continue to do so. Do you think it would be wise for you to jeopardize our good relations by continuing to buy company A's products?" Has persuasion now become a veiled threat? Suppose the union representative goes on to say, "We realize that, because you have been barely able to get by, you have not complied strictly with our agreement but we have been willing to close our eyes to it. But our eyes will not remain shut if you don't stop buying company A's products." Is this an open threat?

It is not good sense to enact into law this slippery line between threats and persuasion. Nor is there any reason to. The actual act of calling the employees of Company B out on strike, or the actual act of picketing its premises to induce the employees to strike, is now forbidden. It is, therefore, simply idle talk to threaten to do either. Surely Company B must be presumed to have enough backbone to resist yielding to a threat which it knows cannot lawfully be carried out. Just as we allow free speech to an employer in persuading his employees not to join a union, even though we know full well that his speech often passes the psychological boundary from persuasion to coercion, just so much we allow free speech to the union. In the interest of the universal good of free speech, we have to risk having a particular employer cowed by talk, just as we risk having an individual employee cowed by talk.

Furthermore, the bill is not even limited to prohibiting a threat to strike or to induce a strike; it extends to any threat. But since the prohibited act is confined to a strike or inducement to strike, why should the prohibited threat extend beyond that? Are we now to police threats to truthfully reveal that an employer is a poor credit risk or a Fascist? I am not yet ready to commission an agency to administer a statute prohibiting threats at large.

A further limit on labor's right is in connection with the restriction on picketing when such picketing is not for the purpose of inducing employees. There has been no showing that this is an unfair device. Labor has traditionally been accorded the right to tell the public, particularly the buying public, that a particular product sold by a store has been produced under unfair conditions. The conference bill carefully preserves the right to advertise, but it bans the only effective type of advertisement in the form of a marching sign.

CONSUMER PICKETING

This bill does not stop with threats and with illegalizing the hot cargo agreement. It also makes it illegal for a union to "coerce, or restrain." This prohibits consumer picketing. What is consumer picketing? A shoe manufacturer sells his product through a department store. The employees of the shoe manufacturer go on strike for higher wages. The employees, in addition to picketing the manufacturer, also picket at the premises of the department store with a sign saying, "Do not buy X shoes." This is consumer picketing, an appeal to the public not to buy the product of a struck manufacturer. And more than two decades ago, in 1937, the New York Court of Appeals recognized the full legitimacy of such picketing:

> Where the manufacturer disposes of the product through retailers in unity of interest with it, unless the union may follow the product to the place where it is sold and peacefully ask the public to refrain from purchasing it, the union would be deprived of a fair and proper means of bringing its plea to the attention of the public (*Goldfinger* v. *Feintuck*, 276 N.Y. 281, 11 N.E. 2d 910.)

It was such decisions as this, Mr. President, along with the Norris-La Guardia Act, which took the yoke from around the necks of free men and women in the labor movement, the yoke which had been imposed upon them by the Bedford Stonecutters case. Those who have studied the history of the American labor movement well know the results of the Bedford Stonecutters case.

I am not saying Mr. President, that all the implications of the Bedford Stonecutters case will be revived by passage of the proposed legislation, but I am saying that too many of them will be.

I am saying, Mr. President, that if this proposed legislation is enacted, then this great language, precious to the rights of American labor, spoken by the court in the Goldfinger against Feintuck case, will become empty words.

Let me repeat what the court said:

> Where the manufacturer disposes of the product through retailers in unity of interest with it, unless the union may follow the product to the place where it is sold and peacefully ask the public to refrain

from purchasing it, the union would be deprived of a fair and proper means of bringing its plea to the attention of the public.

We take a long and backward step when we illegalize consumer picketing. It is not enough to say that the union can make its appeal by newspaper advertisements and leaflet distribution. Advertisements are expensive, and both may be ineffective to quickly and dramatically catch the public's eye. Picketing is usually the only effective way of reaching the consumer at the only place where it matters—where the product is sold and at the time that the customer is interested in buying it. When we prohibit consumer picketing we compel the public, through ignorance of the situation, to side with the employer rather than the union. We prevent the consumer from making his own choice.

How retrogressive this bill is can be seen from the fact that even publicity other than picketing—leaflets and advertisements—is curbed. For the bill permits "publicity, other than picketing, as long as such publicity does not have an effect of inducing any individual employed by any person other than the primary employer" not to work at the place where the product is sold. Two things should be observed about this limitation. First of all, by excepting picketing, it acts on the assumption that consumer picketing inevitably and always causes employees not to work as well as customers not to buy. This is a false assumption, and experience has demonstrated its falsity. The Court of Appeals for the Second Circuit stated that (*N.L.R.B.* v. *Business Machine Mechanics* (228 F. 2d 553, 560)):

> It is true that picket lines are often effective to prevent union members from crossing them. But here there was no evidence that any of the employees of Royal's customers, working at the 37 picketed office buildings, were unionized either by local 459 or by any other union. Indeed it is likely that most or all of them were not as it is common knowledge that office workers are relatively unorganized. See also Monthly Labor Review, volume 78, No. 1, page 65 (U.S. Department of Labor, Bureau of Labor Statistics, January 1955). It cannot be assumed that a picket line will prevent even unionized employees from crossing it when the union apparently intends that they shall cross and takes steps to make its intent plain. Such an assumption is even more doubtful when it appears, as it did here, that the employees unanimously disregarded the pickets and went to work. Cf. *Douds* v. *Local 50, Bakery and Confectionery Workers International Union* (*Arnold Bakers*), 2 Cir., 1955, 224 F. 2d 49. Even the testimony of representatives of the picketed firms indicates that they had no fear that their employees would take any action to coerce them regarding their business with Royal. Their only fear seemed to be possible public embarrassment. Such embarrassment and persuasion the union is privileged to pursue.

Secondly, whatever the effect of publicity other than picketing, we are quite without constitutional power to prohibit free speech because of that effect. Whatever may be true of picketing, it is still true of pure speech that—

> The safeguarding of these means is essential to the securing of an informed and educated public opinion with respect to a matter which is of public concern. It may be that effective exercise of the means of advancing public knowledge may persuade some of those reached to refrain from entering into advantageous relations with the business establishment which is the scene of the dispute. Every expression of opinion on matters that are important has the potentiality of inducing action in the interests of one rather than another group in society. But the group in power at any moment may not impose penal sanctions on peaceful and truthful discussion of matters of public interest merely on a showing that others may thereby be persuaded to take action inconsistent with its interests.

That is great language in a great case, decided by the U.S. Supreme Court in *Thornhill* v. *Alabama*, 310 U.S. 88, 194.

On the basis of that case I hold with the late Chief Justice Stone that the "publication, unaccompanied by violence, of a notice that the employer is unfair to organized labor and requesting the public not to patronize him is an exercise of the right of free speech guaranteed by the first amendment which cannot be made unlawful by act of Congress." *United States* v. *Hutcheson*, 312 U.S. 219, 243.

PICKETING

It will be recalled by my colleagues on the Committee on Labor and Public Welfare that when Secretary Mitchell was before the committee he and I had an interesting colloquy in regard to picketing. The record will show that he asked if I would be willing to answer some questions, too, and I goodnaturedly said that I did not think, as a Senator, it was fair of me to ask him questions unless I could take questions in return.

So he sought to get me to state my views as to what limitations, if any, I thought ought to be placed on picketing. I said then, and I repeat today, that, with certain exceptions, I do not favor putting restrictions on picketing, so long as that picketing is peaceful. The cases are legion as to the protections the public and the employers are guaranteed in respect to peaceful picketing.

Certainly picketing in many instances is very effective. That is why antilabor employers wish to get rid of it. Certainly, Mr. President, public knowledge of labor practices on the part of an employer, as disclosed by picket signs, sometimes proves to be very embarrassing to the employer, particularly when the public proceeds to investigate and discover what the facts are.

The right to exercise free speech is a very precious right.

I always join with my colleagues in support of the proposition that violence cannot be supported; that mass picketing, which has the effect, really, of physical force, cannot be tolerated. However, Mr. President, it is rather regrettable if we have reached the point where we would try to restrict the exercise of free speech with so-called publicity picket lines.

So in my colloquy with the Secretary of Labor at the hearing before the Committee on Labor and Public Welfare, we discussed what was generally considered to be the most embarrassing situation for one who defends picket lines, as an economic weapon, which labor should have the right to exercise in seeking to improve its wages, hours, and working conditions.

There is an old hypothetical that has been kicked around in our committee discussions for the past several years. I never duck it. I refer to the restaurant picket line, in a town in which all industries are organized save one, and that employer not only refuses even to consider negotiating a labor contract, but all his employees are antiunion. That is a tough one. But it is the test.

The question was put to me, in effect, by the Secretary of Labor, "Does the senior Senator from Oregon believe that a public information picket line should be allowed in front of that restaurant?"

My answer is "Yes." A picket carrying a sign which says, "This restaurant unorganized" is an exercise of the right of free speech. Eaters who are not aware of the fact that it is an unorganized restaurant should not be denied the information that such a picket line supplies them, because many of them would eat elsewhere. I think it is the toughest of all the so-called consumer picket line hypotheticals.

That does not mean that the Senator from Oregon takes the position that labor can do anything in regard to picketing, because the record of the conference will show that in some instances I myself proposed that it is perfectly fair to place a time limitation in regard to the stretching of a picket line in certain circumstances.

Suppose there has been an election, and the union has lost overwhelmingly. The day after the election is over, bingo, there is another picket line. I think both the employer and the public are entitled to some protection in such a case. It is perfectly fair to have a rule that under such circumstances a picket line cannot be stretched in that kind of labor dispute, for a reasonable period of time. I was willing to go along with 12 months. First, 9 months was suggested, subject to this reservation:

Suppose that shortly after the election was lost the employer proceeded to adopt some labor practices that so aroused the members of his staff that they went to the union and said, "We have learned our lesson. We know now the kind of individual we are dealing with. We are ready to join." They join the union. There are the cards. The union then proceeds to say to that employer, "Here are the signed cards of an overwhelming majority of your employees." In that instance I think there should be provision for the kind of prohibition I am talking about. There should be a provision which would permit the Board to proceed immediately to consider that case with regard to representations; and there should be the right of the union in that instance to reestablish a picket line. I think we could adopt language—I tried to propose it in conference—to provide protection to the employer who does not fit into those facts, but who has a group of employees who do not want to join a union. Suppose an election were held under Board proceedings, and they voted not to join the union. I do not believe that the day after the vote, the employer should have to wake up and see a picket line in front of his plant. I think labor makes a great mistake in following such a course

of action. I think it is reasonable to provide rules of the game, so to speak, that will give such an employer protection from having a picket line stretched before his plant, for at least a reasonable period of time.

I turn now to the next to the last subject I wish to discuss, namely "hot cargo."

HOT CARGO

"Hot cargo" is, in truth, an epithet applied to a provision in a labor-management agreement typical of the trucking industry. The Senate, because the hot cargo agreement had seemed to be abused, and because the Teamsters had shown up in the McClellan hearings as the union which had most clearly ignored its obligations to its employees and to the public, passed a bill making it illegal in the trucking industry to sign a hot cargo provision. In the rush of writing legislation on the floor, the hot cargo provision in the Senate bill could have been improved in order to more effectively carry out the purpose of the ban. The House bill, and now the conference report, have made it an unfair labor practice for any employer and a union to include in their agreement, a provision which imposes any conditions upon doing business with another employer.

The bill makes it illegal for a union and an employer "to enter into any contract or agreement, express or implied, whereby such employer" ceases or agrees to cease to do business with another employer or person. This is the so-called hot cargo agreement. Suppose a union approaches an employer and persuades him—by words that none can fail to recognize are nothing but persuasion—to cease buying the product of another employer whose employees are on strike. When the employer thus concurs in the union's plea, does that become an illegal "contract or agreement, express or implied"? Does the bill in effect compel the neutral employer to side with the struck employer rather than his employees and their union?

Furthermore, there is no reason to illegalize even a true hot cargo agreement. Present law forbids enforcing the agreement by a strike or picketing to induce a strike if the contracting employer declines to adhere to his agreement. This bill prohibits a strike or picketing to obtain entry into the agreement. Yet this bill goes even further and illegalizes the agreement even though it was not procured through a strike or picketing and even though no effort is made to enforce it by a strike or picketing. The bill thus outlaws an entirely voluntary compact with which the employer is perfectly happy to comply. Although his sympathy or interest may be entirely on the union's side, the employer is forbidden to contract on the basis of that sympathy or interest. The neutral employer is now compelled to side with the struck employer rather than the union, whether he likes it or not.

The far-reaching effect of this proposal is something on which there are no hearings. The conferees, and certainly no member of this body, have any idea how many labor agreements contain such provisions. Examples that come to my mind which would be banned by these provisions are as follows:

First. It would prevent a union from protecting the bargaining unit it represents by obtaining an agreement not to subcontract work normally performed by employees in the unit.

Second. Many industries, in addition to the garment trades are highly integrated, so that work proceeds from employer to employer in the process of manufacture. An agreement requiring subcontracted work to be performed under certain wage conditions would be illegal.

Third. It would prevent an agreement requiring employers to furnish union-made overalls and tools.

Fourth. A manufacturing plant which agrees not to subcontract alteration or repair work would be illegal.

Fifth. The agreement between the major coal producers and the mineworkers, pursuant to which the coal mine companies buy low-wage mined coal from substandard mines and sell it along with their own product would be banned.

The distinguished Senator from West Virginia [Mr. RANDOLPH] fought very hard to get this agreement covered by way of an exemption in the bill.

All the intricate economic relationships by which organized employers with unions seek to maintain their competitive position from lower paying, unorganized employers would be jeopardized. The hot cargo agreement is illegal, whether express or implied in the course of doing business, for instance, by a department store which might, as a policy, purchase goods with union labels; if such policy were incorporated in its agreement with its union, would be illegal.

RECOGNITION AND ORGANIZATIONAL PICKETING—PRIMARY PEACEFUL PICKETING

I now turn to a discussion of recognition and organizational picketing. Two illustrations of organizational picketing, I think, ought to illustrate the point I want to make.

First. At P company, a small furniture manufacturing plant away from a city, the wages are relativey low and the workload high. Some employees want a union and seek aid from union X. Union X assigns an organizer and the campaign begins. P company learns about its employees' interest in the union and embarks on a widespread campaign against the union. Interviews with individual employees emphasize the benefits to be gained from staying nonunion. The union's campaign is "free speeched" to a standstill; the employees have become scared for their jobs. One of the union's leaders who has had low production records is discharged. Two others are laid off because of lack of work. Union X might file charges with the NLRB, and start the long and doubtful process of adjudicating the charge. It might be 3 years before P company is told to stop committing unfair labor practices. Under these circumstances, the union determines to picket for organizational purposes. It might dissuade P company from the campaign—it might give the employees courage to join. Is there any reason why such a picket line must be limited to 30 days; why the union must submit to an NLRB election which it will certainly lose?

On what grounds of fairness can this proposal be submitted? Organizational work is not tea party work. It is tough. It is important. The organizers use their economic rights to call the attention of the employees and of the public to the undesirable working conditions which prevail in some parts of the country. Is this a part of the scheme to keep some sections of the country unorganized, and thus do great competitive damage to employers in high labor standards States? I think so. I shall be no party to it.

The other case I want to raise is this: Powerful union T sends a letter to R, a small employer paying good wages, telling him of an organizational picket line which is about to be placed in front of his store. Deliveries are impeded, and after a brief period R tells union T that his employees want to be represented by T, and he wants to sign an agreement. Can there be any of us who can condone this situation? Of course not.

But the law which we are asked to enact is not drawn to differentiate between these situations. I certainly have grave misgivings about a law which further weakens union X, because union T has abused its power. Union T might have to find another way to gain its ends, but union X is even more helpless than it is now. The Senate is being asked to approve an unfair bill.

Let us look at some of the worst features of the ban on organizational picketing:

(a) It prevents picketing where another union is recognized. Existing law bans such picketing where a union is certified. Why this extension? Every union which wants protection from picketing can get certified except in the construction industry, and there such picketing is usually a work assignment dispute, subject to another section of the law. Why should the Federal Government protect a relationship upon which it has not placed its stamp of approval? Is it not likely that corrupt employees seeking a "sweetheart agreement" will welcome recognition of a Johnny Dio? Where has the crusade against corruption gone? My guess is that it has been sacrificed to the pressures of antiunion employers.

(b) The Senate bill contained a provision saying, in effect, that where the employer committed unfair labor practices, the union had a right to picket for organizational purposes. The bill now before us preserves an unimportant shred of this provision. Company union cases in violation of 8(a)(2) of the act are difficult to prove and constitute a small part of the Board's business. The important unfair labor practices in this context are antiunion threats and discriminatory discharges.

The House conferees insisted that a picket line protesting unfair labor practices would not be a violation of the antipicketing provisions of their bill. But why did they steadfastly refuse to say so in their bill? Everyone knows that protest picketing when the union

has not gained recognition contains at least a substantial objective of promoting organization. In this connection, I refer to an analysis appearing on page 16490 of the RECORD. This analysis was inserted by the Senator from Arizona [Mr. GOLDWATER], who was so active in advocating the provision now before us:

> The impact of this change (a suit for damages in addition to the unfair labor practice) is particularly serious in view of the fact that such picketing is prohibited if an object is recognition or organization. Few instances of picketing will be found where at least a remote objective of the union cannot be found to be related to recognition. * * * In addition, in the absence of clear legislative history showing a contrary intention, this provision might make it an unfair labor practice to picket against an employer's unfair labor practice in many instances, since frequently it may be found that organization is also an object.

I do not think my fears are groundless.

(c) The Senate bill provided the General Counsel with complete injunction power if he desired to utilize it. But if the equities of the situation suggested not using it, then he could allow the case to proceed by the use of normal administrative hearings. He might, for instance, have built up standards for not getting injunctions in the face of sweatshop conditions. The bill now before us is a further extension of the mandatory injunction device against labor. It is in some contrast to the fact that there are still no mandatory injunction proceedings against employers.

This bill makes it an unfair labor practice, in certain circumstances, for a union "to picket" or "threaten to picket" any employer where "an object thereof is forcing or requiring an employer to recognize or bargain with a labor organization" or "forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative" unless certified.

One of the forbidden circumstances is "where within the preceding 12 months a valid election under section 9(c) of this act has been conducted." There are strong reasons why a union, even if it has lost the election, should not be prohibited from picketing for a full year after the election. As the joint committee observed in 1948—and among its members were Senator Taft and Representative Hartley—there "may be equities against it, the union, having to wait a whole year. The situation may arise where some action by the employer, or a more successful organizing campaign, causes the union to acquire an overwhelming majority within a few weeks following an election in which it has been rejected by the employees"—Senate Report No. 986, part 3, 80th Congress, 2d session, page 71.

I discussed this problem only a few minutes ago, in another connection, Mr. President.

I favor a time limitation; but I believe there should be included language which will permit an exception to be made to the time limitation, when it can be shown that, as a matter of fact, conditions in the plant have so changed—for example, because of some antilabor action by an employer—that the union should have the right to proceed to picket again.

Surely, the right of the employees to bargain collectively should not be forfeited for a year, regardless of the intervening circumstances.

The bill also prohibits picketing for recognition by a majority union for longer than 30 days, without filing a representation petition with the NLRB. This is true even if the union is overwhelmingly designated by the employees to represent them and the employer nevertheless declines to recognize it. The fundamental right to strike for recognition of a majority union is thus watered down to a right to strike for recognition only if the union also petitions for an election. Until today, recourse to the Board was an alternative to striking, not an indispensable adjunct of it.

"The act expressly preserves the right to strike, and that includes a strike for refusing to negotiate as well as any other. It is a remedy parallel with recourse to the Board"—*N.L.R.B.* v. *Remington Rand, Inc.*, 94 F. 2d, 862, 871 (C.A. 2), certiorari denied, 304 U.S. 576.

As the Supreme Court has stated, where a company declined to recognize a union selected by its employees, "there is no reason why the employees, and their union under their authorization, may not, under section 13, strike, and, under section 7 peacefully picket the premises of their employer to induce it thus to recognize their chosen representative"—*U.M.W.* v. *Arkansas Oak Flooring Co.*, 351 U.S. 62, 75.

But it is not simply that we fasten the right to strike with a bureaucracy. We enable the employer to exploit that bureaucratic procedure to escape the strike. Suppose that between the time that an election petition is filed and the time when an election is held, the employer engages in unfair labor practices and, as a result, dissipates the union's majority. The employer might fire the union leaders; he might threaten reprisals if the employees did not relinquish their union membership; he might promise wage increases, to rid himself of the union. If he succeeded by those means to cause the employees to defect, the union would lose its majority. Yet, in order to continue to strike for recognition, the union would have to submit to an election, in which it would be sure to lose; and its sure loss would be directly attributable to the employer's unfair labor practices. And, to avoid an election in which it would be sure to lose—and the loss of the election would mean forfeiture of the right to picket for either organizational or recognition purposes for a full year—the union would have to give up its strike for recognition. I cannot endorse a bill which empowers an employer to escape a strike for recognition, by engaging in unfair labor practices which succeed in dissipating the union's majority.

SPECIAL EXEMPTIONS

Mr. President, the last point I wish to make deals with a matter—and, Mr. President, I have a sense of humor about this—in regard to which I have been advised, by those who assure me they have my own best interests at heart, that it would be better if I did not discuss it. But, Mr. President, I am going to discuss it, because I have no right to take in conference a position which I am unwilling to take out in the open.

Mr. President, another reason why I voted against this proposed legislation is that I do not believe in class legislation; I do not believe in special legislation which singles out one group and applies to it one rule, but does not apply the same rule universally, to all like cases.

Mr. President, this measure involves proposals for two exemptions in the hot cargo provisions—one, for the garment industry; the other, for the building industry.

I think the operative fact situations in regard to those two industries demonstrate that this measure should include a section which would provide an exemption, not only for them, but also for all other industries which a court might find came under the same fact situations. But that is not done in this measure.

Mr. President, let me read that part, which is to be found on page 27:

> *Provided further*, That for the purposes of this subsection (e) and section 8(b)(4)(B) the terms "any employer", "any person engaged in commerce or an industry affecting commerce", and "any person" when used in relation to the terms "any other producer, processor, or manufacturer," "any other employer", or "any other person" shall not include persons in the relation of a jobber, manufacturer, contractor, or subcontractor working on the goods or premises of the jobber or manufacturer or performing parts of an integrated process of production in the apparel and clothing industry: *Provided further*, That nothing in this Act shall prohibit the enforcement of any agreement which is within the foregoing exception.

Mr. President, I offered a simple little amendment which would have made that provision universal of application. I suggested that the conferees strike out the words "the apparel and clothing industry" and substitute therefor the very clear little word "any", so as to make that part of the provision read as follows:

> a jobber, manufacturer, contractor, or subcontractor working on the goods or premises of the jobber or manufacturer or performing parts of an integrated process of production in any industry: *Provided further*, That nothing in this Act shall prohibit the enforcement of any agreement which is within the foregoing exception.

I also offered an amendment in the first proviso of section 8(e) which would have enlarged the effect of the building industry exemption to include other industries in like situations.

In the committee we got into quite a discussion about other industries which might fall into this category.

The distinguished Senator from West Virginia made what I regarded as a very powerful case in support of treating the coal cases as one exception. But I said to the conferees, "What difference does it make? I am willing to let the courts decide that. But I do not propose to

vote for a piece of proposed legislation which singles out one particular group of workers and gives them special treatment."

Then the workers in that union would know it. Although I am sure their leadership does not appreciate the position I took in the committee, I happen to believe that the workers in that industry are entitled to the protection of the exemption; and I think that the workers in any other integrated industry likewise are entitled to it.

What is wrong with making it universal of application? If it is true that this is singular, then certainly there can be no reason for opposing my amendment, which would strike out the words to which I have referred and would insert, in lieu thereof, the words, "any industry".

Mr. President, let me state why I think the House conferees do not consider it singular. I wish to say, in behalf of the Senator from Massachusetts, the Senator from Michigan, and the Senator from West Virginia, that they are willing to go along with my amendment.

But it took a majority, and I could not produce it. But when this was brought up for discussion in committee, Mr. President, the chairman of the House conferees, Mr. BARDEN, made perfectly clear that he would go along with it only if it was limited to the garment industry. Well, when he took that position, he lost me.

Mr. President, my position is well known by my colleagues in the Senate. This is no new position for the Senator from Oregon.

In 1943 I resigned from the War Labor Board because a decision was rendered by a majority of my colleagues, when a strike gun was held at the head of the workers of this country in the midst of a war that set up one set of standards for one group of workers which was not applicable to the rest of the workers in America. I said then, as I say today on the floor of the Senate, that principle cannot be reconciled with uniform justice in America.

I want to say, Mr. President, for my own protection, in case anyone raises any question as to my consistency, the statement that there, too, I proposed the words "any industry" that meets the terms and conditions of the factual situation in mind.

Mr. President, I favored a change for the building industry in the secondary boycott section because I attempted to utilize the experience of the Board during the past 12 years and to rectify several of the situations which I believe needed changing. The garment industry and the construction industry on this basis have demonstrated to me the need for these revisions in the secondary boycott field. I included a third proviso covering two enterprises which are substantially under similar control.

My objection to singling out industries in the conference bill was related primarily to the hot-cargo issue. Here is a new and far-reaching notion in the law which would ban a union and a company from stating conditions upon which the company would do business with other companies. The number of industries which will be affected by this new proviso are incalculable, and it would have been a serious injustice to have taken care of the problems of one industry, which was relatively integrated, without taking care of other industries with similar problems of integration.

CONCLUSION

I now close by saying that I really never like to take as much time as I have taken today in presenting my position on an issue; but, Mr. President, I owed it to myself and to my supporters to present this detailed analysis of the conference report, setting forth my objections to it. I shall be perfectly willing to be judged by my opposition to this conference report bill for the various reasons I have set out this afternoon, because these are honest convictions of mine, and I am satisfied that the legal objections which I have raised to the labor-management bill will stand up in the courts of America.

Mr. President, I yield the floor.

During the delivery of Mr. MORSE's remarks—

Mr. BYRD of West Virginia rose.

Mr. MORSE. Mr. President, I understand the Senator from West Virginia [Mr. BYRD] would like to have me yield momentarily so that he may make a brief statement. I ask unanimous consent that I may yield to the Senator, with the understanding that his remarks will be printed in the RECORD following mine, and with the further understanding that I shall not lose my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I am very grateful to my delightful friend from Oregon for yielding to me.

I wish to take this opportunity to pay tribute to my colleague, the senior Senator from West Virginia, who served on the conference committee and who, I think, performed excellently in behalf of his constituents and in behalf of the people of the country at large.

My able colleague from West Virginia [Mr. RANDOLPH] has performed distinguished service as one of the managers on the part of the Senate during conference committee consideration of the labor-management reform legislation. Having been the recipient of many of the same communications and others similar to those which I know my colleague received, on both sides of the major questions before the conference, I had a keen awareness that his was a difficult task.

But the Senator from West Virginia [Mr. RANDOLPH] carried with him into the conference a demonstrated record of fairness during the 14 years he served as a member of the Committee on Education and Labor in the House of Representatives. Over and over again he was associated with the framing of proposals and the debate which brought forth progressive labor-management legislation of real benefit in the improvement of employer-employee bargaining and relations generally.

Coming to the Senate, my West Virginia colleague properly sought membership on the Committee on Labor and Public Welfare of this body and was appropriately rewarded with service in that capacity.

My colleague [Mr. RANDOLPH] has consistently carried into the deliberations of the committee and of the Senate the qualities of objectivity with which he has been richly endowed.

While his honorable record of service in behalf of the causes of the working people has long been recognized, my discerning colleague is also known to be one who is fair to management, being fully cognizant of the problems of the employers as well as the problems of the workers.

The Senator from West Virginia [Mr. RANDOLPH] did the expected as a member of the Senate-House conference committee on the differing versions of labor-management reform legislation; namely, he accepted the responsibilities and the challenges of the assignment by participating regularly and faithfully in all sessions of the conference through the 12 days of tedious and trying negotiations.

I join West Virginians generally in expressing appreciation for my colleague's fidelity, for his belief in and practice of the art of the possible through honest compromise, and for his outstanding ability to quietly help bring harmony and cooperation into focus at times when tensions and discord seemed to be insurmountable disruptive influences.

Mr. President, I know that my distinguished colleague signed the conference report and the senior Senator from Oregon did not sign the conference report. Nevertheless, my colleague [Mr. RANDOLPH] has complimented the senior Senator from Oregon in talking to me, and my colleague has told me that the senior Senator from Oregon has at all times acted in the strength of his convictions and with the utmost of sincerity. I take this opportunity, therefore, while I have the floor, to salute my friend from Oregon for his steadfast faithfulness and loyalty to his convictions. I compliment him for the great work he has done in the Senate.

I thank the Senator from Oregon for yielding to me in order that I might say these things which have been in my heart concerning my true friend and beloved colleague from West Virginia.

Mr. MORSE. I want to say to the Senator from West Virginia [Mr. BYRD], I am glad he made the comments he did about his colleague [Mr. RANDOLPH]. I want him to know also that I appreciate the kind words he saw fit to speak of me.

What I have said about the chairman of the conference and the members of the conference on both sides of the table is equally applicable to the Senator from West Virginia [Mr. RANDOLPH], to the Senator from Michigan [Mr. MCNAMARA], and to the other individual members of the conference.

Mr. President, I am satisfied that the American people were served on the conference committee by a group of public

servants who sought to do the very best their judgment dictated to them in the interest of promoting the public interest.

I said earlier, and I now repeat in this reference to the Senator from West Virginia [Mr. RANDOLPH], my differences with him are sincere, honest differences of value judgment as to the merits of the conference report. There is no doubt about the fact, Mr. President, that the Senator from West Virginia [Mr. RANDOLPH], as well as our other colleagues, deserves the sincere thanks of the Senate for the dedicated public service performed throughout the conference.

CONVEYANCE OF CERTAIN LANDS ON HUNTLEY RECLAMATION PROJECT, TO SCHOOL DISTRICT NO. 24

Mr. KENNEDY obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield so that the Chair may lay before the Senate amendments of the House to a Senate bill?

Mr. KENNEDY. I yield for that purpose.

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate S. 53 with amendments adopted by the House.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 53) to amend the acts approved April 16 and July 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district numbered 24, Huntley Project Schools, Yellowstone County, Mont., which were, on page 1, line 5, after "shall" insert ", upon payment of $115 to the United States,"; on page 2, line 4, strike out "and"; and to amend the title so as to read: "An act to amend the acts approved April 16 and June 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district numbered 24, Huntley Project Schools, Yellowstone County, Mont."

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the House amendments.

The major point involved is the payment of $115 by the Huntley School District to the United States, which is regarded as a fair market value of the land involved.

A discussion of the situation appears on page 17424 of the CONGRESSIONAL RECORD of August 29, 1959. Both Senators from Montana concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2906) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature.

ESTABLISHMENT OF CAPE COD NATIONAL SEASHORE PARK

Mr. KENNEDY. Mr. President, on behalf of myself and my colleague, the senior Senator from Massachusetts [Mr. SALTONSTALL], I introduce for appropriate reference, a bill to establish Cape Cod National Seashore Park.

This bill is the outgrowth of many months of study by the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself in association with Representative KEITH. All of us have had personal associations with the Cape, and all of us have been conscious of the concerns which have been expressed by individual citizens in Cape Cod communities. Each of us has felt that a national park on Cape Cod was justified only on a strong showing that this was the most effective means of maintaining the historic way of life and scenic integrity of the Cape. We have examined the proposals which were put forth by the National Park Service critically and have discussed them with leading authorities on park legislation, as well as with many citizens. We have become increasingly convinced that this is a proposal which is fully worthy of national legislation and that it does incorporate values and objectives which are deserving of future protection and preservation in a national park. We are persuaded that through a bill incorporating the principles contained in this legislation, it is possible to preserve the Cape and to provide an environment attractive to future generations from all parts of the Commonwealth and the Nation.

It is not necessary to rehearse in this body the range of our national needs for increased recreational and cultural opportunities during the next decades. We pride ourselves as a nation that we have been able to create unprecedented opportunities for leisure and education. Many of our people now or soon will be able to devote as much time to activities of their own choice as to their occupations, yet we have been very slow as a nation to adapt our public policies so as to improve the quality and breadth of recreational experience for the Nation. Yet we are aware of the increasingly narrow margin which still exists—especially in the East—for national park development. Nowhere is this more evident than on the Atlantic coast, which possesses a large proportion of our largest urban concentrations. It is imperative that as a nation we seize those clear opportunities which remain and not allow a proposal such as the Cape Cod Park—based upon careful professional judgment and experience—to become stalemated and ultimately destroyed in barren controversy or unfulfilled hope.

By any standard, it seems to both the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself and to most of the citizens and public leaders in Massachusetts from whom we have heard that lower Cape Cod presents such an opportunity. We know of no alternative or subsequent park development in Massachusetts which could provide the citizens of the Commonwealth and the national public with such a rich and varied blend of scenic, recreational, and scientific values.

The senior Senator from Massachusetts and I feel strongly that the Cape Cod proposal deserves separate legislative attention and passage. Though the Cape Cod seashore is obviously related in purpose to other proposals now pending or contemplated for other seashore areas, we are convinced that there are several important special features in the Lower Cape which make it highly desirable that the committees of Congress have an opportunity to consider this proposal on its own merits and in its own setting. Moreover, seashore park legislation is a relatively new field of legislation, in which there is not a large reservoir of experience or precedent. We do not suggest that the Cape Cod Park is the only seashore area which deserves early attention. We merely suggest that each of the areas should be considered and analyzed on their own terms, rather than being made a part of an omnibus bill which vests wide latitude in the executive branch in the selection of park areas and lands.

Cape Cod is more heavily settled, enjoys more compact town government, and has a greater degree of development than most previous park areas. It lacks none of the natural beauty and scenic splendor which characterize most of the national parks, but it is not an unsettled wilderness or forest area. Particularly since there are residents whose roots on the Cape reach back far into the past, it seems important to adapt a bill in such a way as to meet the legitimate interests and sentiments of existing residents. We have therefore designated in more detail than is traditional in park legislation, the most exact possible boundaries of the Park and made several provisions which afford a method by which the threat of residential property condemnation can be eliminated by local action and which maintain a secure tax and development base for the six towns which lie within the diagram of the Park.

In a bill of this sort in which we are trying to achieve a new method of park establishment and operation and in which we are entering some uncharted areas of park legislation, it seems to us particularly necessary to have local hearings and to attempt to draw upon the concrete evidence of local officials and citizens. This bill represents, in our judgment, a sound and balanced basis for the establishment of this Park, but in several matters of detail we shall want to keep an open mind. From hearings we can derive a more precise evaluation of the economic impact of this Park and the growth needs of the communities. Both the senior Senator from Massachusetts and I feel that the provisions regarding future residential growth within the Park and the provisions for in-lieu tax payments by the Federal Government need special scrutiny in the light of evidence which local communities and objective outside experts are able to present at hearings both on the Cape and in Washington.

We believe that this bill which is uniquely designed for Cape Cod does properly harmonize the National, State, and private interests which are involved in a venture of this nature. We believe that it provides every reasonable protection to the private residential landowner and that it brings the Park within realistic financial means for the Federal Government. Even as we attempt to capitalize on a great national asset, we shall under this bill be able to provide the individual Cape resident with a secure future and with a clear knowledge of what are his rights and responsibilities within the Park.

There are several features of this bill which are worthy of special mention:

First. Each residential landowner is given a minimum guarantee of electing either life occupancy or occupancy for 25 years.

Second. In any of the six towns which adopt zoning meeting standards defined by the Secretary of the Interior, all homeowners in those towns whose property lies within the diagram of the Park are assured of the right to continue to own and occupy their home without interruption or interference so long as the zoning is kept in force.

Third. In order to accommodate the possible growth and revenue needs of towns with land in the Park there is provision for setting aside in the future an acreage up to 10 percent of the total private land in each town which falls within the Park for new homebuilding on the condition that such property is subjected to acceptable zoning.

Fourth. There is an in-lieu tax provision to give the towns a shock absorber in the event that there is a dip in tax revenue as a result of acquisition of private property in fee simple by the Federal Government.

Fifth. This bill establishes an Advisory Commission which will have substantial influence in setting the policies governing the establishment of the Park and its future administration. We have written this bill in the greatest possible detail and provided a full section-by-section analysis in order to give each citizen the best possible comprehension of the effects which this Park will have on their lives and on the future of Cape Cod itself.

Again and again during our preparation of this bill over the past months, we have tried to keep in mind the rational core for the establishment of this Park. It is all too easy to allow a proposal of this sort to become a victim of exaggerated fears. We have tried to set this proposal in the perspective of history and against the knowledge that an enterprise of this sort is precisely the kind of activity which characterizes a free people. We are confident that as a result of the protections which are clearly written into the law and the spirit which we know animated both the authors of the original proposal and of this legislation, that it will be possible to establish a great national park in an area which may otherwise be increasingly blighted by the relentless and sweeping advance of commercial development. If a park of this nature is not established on Cape Cod, there is every danger that much of the Cape will become a mere extension of the suburban civilization which typifies so many of our lives. If we act sensibly now, while the opportunity remains, we shall have preserved for America and for our people a priceless heritage to be enjoyed many times over, not only by this generation but by those which follow.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, as requested by the Senator from Massachusetts.

The bill (S. 2636) to provide for the establishment of Cape Cod National Seashore Park, introduced by Mr. KENNEDY (for himself and Mr. SALTONSTALL), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Whereas the coastal and shoreline area on Cape Cod, Massachusetts, possesses unique cultural, scenic, historic, scientific, and recreational values; and

Whereas these values are an important and irreplaceable part of the heritage of the United States; and

Whereas these values should be preserved and enhanced for the benefit and inspiration of all of the people of the United States of present and future generations; and

Whereas an adequate and representative portion of Cape Cod should be set aside and developed to assure its unimpaired use and enjoyment for varied cultural, scenic, historic, scientific, and recreational purposes: Now, therefore,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the area comprising that portion of the land and waters located in the towns of Provincetown, Truro, Wellfleet, Eastham, Orleans, and Chatham in the Commonwealth of Massachusetts, and described in subsection (b), is designated for establishment as Cape Cod National Seashore Park (hereinafter referred to as "the park").

(b) The area referred to in subsection (a) is described as follows:

Beginning at a point in the Atlantic Ocean one-quarter of a mile due west of the mean low-water line of the Atlantic Ocean on Cape Cod at the westernmost extremity of Race Point, Provincetown, Massachusetts;

thence from the point of beginning along a line a quarter of a mile offshore of and parallel to the mean low-water line of the Atlantic Ocean, Cape Cod Bay, and Provincetown Harbor in generally southerly, easterly, and northerly directions rounding Long Point and then southwesterly to a point a quarter of a mile offshore of the mean low-water line on the harbor side of the dike depicted on the United States Geological Survey Provincetown quadrangle sheet (1949) crossing an arm of the Provincetown Harbor;

thence northerly, along a line a quarter of a mile offshore of and parallel to the low-water line at the dike to a point easterly of the point of intersection of the sand dike with the boundary of the Province Lands Reservation as depicted on the said Provincetown quadrangle sheet;

thence westerly to the said point of intersection of the dike and the Province Lands Reservation boundary;

thence along the boundaries of the Province Lands Reservation northwesterly, northeasterly, northerly, and easterly to the easternmost corner of the Reservation being near United States Route 6;

thence leaving the said easternmost corner along an extension of the southerly Reservation boundary line easterly to the northerly right-of-way line of United States Route 6;

thence along the northerly right-of-way line of United States Route 6 in a generally easterly direction crossing the Truro-Provincetown town line to and continuing in the town of Truro to a point four-tenths of a mile southeasterly of Highland Road;

thence leaving the northerly right-of-way line of United States Route 6 and running due east two-tenths of a mile;

thence turning and running in a southeasterly direction paralleling the general alinement of United States Route 6 and generally distant therefrom two-tenths of a mile crossing Pamet Road and continuing to a point three-tenths of a mile southerly thereof;

thence westerly to the intersection of Old County Road and Mill Pond Road;

thence southerly along the easterly right-of-way line of Old County Road to Fisher Road;

thence westerly along the southerly right-of-way line of Fisher Road to the right-of-way line of the New York, New Haven, and Hartford Railroad;

thence southerly along the easterly right-of-way line of the railroad for three-tenths of a mile;

thence due west to a point in Cape Cod Bay one quarter of a mile distant from the mean low-water line;

thence turning and running along a line a quarter of a mile offshore of and parallel to the mean low-water line of Cape Cod Bay in a general southerly and easterly direction rounding Jeremy Point and thence in a general northerly direction along a line a quarter of a mile offshore of and parallel to the mean low-water line on the westerly side of Wellfleet Harbor to a point one quarter of a mile due north of the mean low-water line at the eastern tip of Great Island as depicted on the United States Geological Survey Wellfleet quadrangle sheet (1959);

thence leaving Wellfleet Harbor and running three-tenths of a mile northwesterly to the top of a ridge between Herring River and the Chequesset Country Club;

thence northeasterly along the said ridge continuing across Mill Creek on a straight line following in general a ridge and crossing the right-of-way of the New York, New Haven, and Hartford Railroad to a point two-tenths of a mile northeasterly thereof;

thence due north to a point three-tenths of a mile beyond the Bound Brook Island Road;

thence generally easterly following the southerly contour of a marsh, as depicted on the said Wellfleet quadrangle sheet crossing United States Route 6, and continuing to a point on the easterly right-of-way line of a power transmission line;

thence in a general southerly direction along the said easterly right-of-way line of a power transmission line, crossing the Eastham-Wellfleet Town line, to the intersection of said easterly right-of-way line with the easterly right-of-way of Nauset Road;

thence in a general southeasterly direction along said easterly right-of-way line of Nauset Road to the intersection of Nauset Road and Salt Pond Road;

thence crossing said Nauset Road and running along the easterly right-of-way line of said Salt Pond Road to its intersection with the southerly right-of-way line of Nauset Road;

thence westerly along the southerly right-of-way line of Nauset Road to its intersection with the easterly right-of-way line of United States Route 6;

thence southerly along the easterly right-of-way line of United States Route 6 to a point four-tenths of a mile southerly of the intersection of Locust Road and United States Route 6;

thence easterly to a point one-tenth of a mile from United States Route 6;

thence turning and running in a generally southerly direction paralleling the general alinement of United States Route 6 and generally distant therefrom one-tenth of a mile to a small stream approximately one-tenth of a mile beyond Governor Prence Road extended;

thence southeasterly along the stream and continuing to the Orleans-Eastham town line;

thence along the Orleans-Eastham town line to the southerly tip of Stony Island;

thence generally southerly in the town of Orleans to the easterly edge of the Nauset Harbor Channel;

thence in a generally southerly direction along the said easterly edge of the Nauset Harbor Channel to a point due south of the southwesterly tip of Nauset Beach on the north side of the entrance to Nauset Harbor from the Atlantic Ocean;

thence due south to the twenty-foot contour in Nauset Heights as delineated on the United States Geological Survey Orleans quadrangle sheet (1946);

thence generally southerly along the said twenty-foot contour to a point about one-tenth of a mile northerly of Beach Road;

thence southwesterly along a line intersecting Beach Road at a point two-tenths of a mile easterly of the so-called Nauset Road leading northerly to Nauset Heights;

thence southerly to the head of a tributary to Little Pleasant Bay at the northerly tip of Pochet Neck as depicted on the said Orleans quadrangle sheet;

thence generally southerly along the thread of channel of the said tributary passing westerly and southwesterly to Pochet Island and thence southwesterly into Little Pleasant Bay passing to westerly of the northerly tip of Sampson Island, the westerly tip of Money Head, and the southwesterly tip of Hog Island following in general the center line of Little Pleasant Bay to Pleasant Bay;

thence generally southeasterly in Pleasant Bay along a line passing midway between Sipson Island and Nauset Beach to a point on the Chatham-Orleans town line one-quarter of a mile westerly of the mean low-water line of Pleasant Bay on the westerly shore of Nauset Beach;

thence generally southerly in Pleasant Bay in the town of Chatham along a line a quarter of a mile offshore of and parallel to the said mean low-water line of Pleasant Bay on the westerly shore of Nauset Beach to a point a quarter of a mile south of the mean low-water line of the southern tip of Nauset Beach;

thence easterly rounding the southern tip of Nauset Beach along a line a quarter of a mile offshore of and parallel thereto;

thence generally northerly and northwesterly, and westerly along a line a quarter of a mile offshore of and parallel to the mean low-water line of the Atlantic Ocean on the easterly shore of Nauset Beach and on the outer cape to the point of beginning.

Also included in such area are lands located in the town of Chatham and more particularly described as follows:

Beginning at a point on the northwesterly corner of the boundary of Monomoy National Wildlife Refuge at the mean low-water line on the western shore of Morris Island;

thence generally southerly, westerly, southerly, easterly, and northerly along the exterior boundary line of said Monomoy National Wildlife Refuge to a point on the northeasterly corner of said refuge located on the eastern shore of Morris Island;

thence northerly, westerly, and southerly parallel to the mean low-water line along the shore of Morris Island and Stage Island to the point of beginning.

SEC. 2. (a) The Secretary of the Interior (hereinafter referred to as "Secretary") is authorized to acquire by purchase, gift, condemnation, transfer from any Federal agency, exchange, or otherwise, the land, waters, and other property, and improvements thereon and any interest therein, within the area which is described in section 1 of this Act or which lies within the boundaries of the park as established under section 3 of this Act (hereinafter referred to as "such area"). Any property, or interest therein, owned by the Commonwealth of Massachusetts, by any of the towns referred to in section 1 of this Act or by any other political subdivision of said Commonwealth may be acquired only with the concurrence of such owner. Notwithstanding any other provision of law, any Federal property located within such area may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the provisions of this Act.

(b) In exercising his authority to acquire property in accordance with the provisions of subsection (a) of this section, the Secretary shall have authority to incur obligations and enter into contracts involving the expenditure of funds authorized by section 11 of this Act for the acquisition of property and his action in doing so shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof and such funds shall be deemed to have been expended when so obligated.

(c) The Secretary is authorized (1) to use donated and appropriated funds in making acquisitions under this Act, and (2) to pay therefor not more than the fair market value of any acquisitions which he makes by purchase under this Act.

(d) In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property located within such area and convey to the grantor of such property any federally owned property under the jurisdiction of the Secretary within such area. The properties so exchanged shall be approximately equal in fair market value, provided that the Secretary may accept cash from or pay cash to the grantor in such an exchange in order to equalize the values of the properties exchanged.

(e) As used in this Act the term "fair market value" shall mean the fair market value as determined by the Secretary and may be based on an independent appraisal obtained by him.

(f) Notwithstanding any other provision of law, the Secretary is authorized to dispose of any buildings or structures acquired by him under this Act with respect to which no private right of use and occupancy exists, upon such terms and conditions, and with or without publicly advertising for bids, as he may deem to be in the interest of the United States.

SEC. 3. (a) As soon as practicable after the date of enactment of this Act and following the acquisition by the Secretary of not less than a total of six thousand acres of the area described in section 1 of this Act, which acreage is in the opinion of the Secretary efficiently administrable to carry out the purposes of this Act, the Secretary shall establish Cape Cod National Seashore Park and shall declare such establishment by the publication of notice thereof in the Federal Register.

(b) Such notice referred to in subsection (a) of this section shall contain a detailed description of the boundaries of the park which shall encompass an area as nearly as practicable identical to the area described in section 1 of this Act. The Secretary shall forthwith after the date of publication of such notice in the Federal Register (1) send a copy of such notice, together with a map showing such boundaries, by registered mail to the Governor of the Commonwealth of Massachusetts and to the board of selectmen of each of the towns referred to in section 1 of this Act; (2) cause a copy of such notice and map to be published in one or more newspapers which circulate in each of such towns; and (3) cause a certified copy of such notice, a copy of such map, and a copy of this Act to be recorded at the Registry of Deeds for Barnstable County, Massachusetts.

SEC. 4. (a) Any owner or owners (hereinafter in this subsection referred to as "owner") of improved property on the date of its acquisition by the Secretary may, as a condition to such acquisition, retain the right of use and occupancy of his property for noncommercial residential purposes, for a term not to exceed twenty-five years or for a term ending at the death of such owner, whichever term he shall elect. In any case where such an owner retains a right of use and occupancy for such a fixed term of years, such right may during its existence be conveyed or leased, in whole, but not in part, for noncommercial residential purposes. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition less the fair market value on such date of the right retained by the owner.

(b)(1) The Secretary's authority to acquire property by condemnation shall be suspended with respect to all improved property located in all of the towns referred to in section 1 of this Act for one year following the date of its enactment.

(2) Thereafter such authority shall be suspended with respect to all improved property in any of such towns during all times when such town shall have in force and applicable to such property a duly adopted, valid zoning bylaw approved by the Secretary in accordance with the provisions of section 6 of this Act.

(c) The Secretary's authority to acquire property by condemnation shall be suspended with respect to any particular property which is used for commercial or industrial purposes during any periods when such use is permitted by the Secretary and during the pendency of the first application for such permission made to the Secretary after the date of enactment of this Act provided such application is made not later than the date of establishment of the park.

(d) As used in this Act, the term "improved property" shall mean a private noncommercial dwelling, including the land on which it is situated, whose construction was begun before September 1, 1959, and structures accessory thereto (hereinafter in this

subsection referred to as "dwelling") together with such amount and locus of the property adjoining and in the same ownership as such dwelling as the Secretary designates to be reasonably necessary for the enjoyment of such dwelling for the sole purpose of noncommercial residential use and occupancy. In making such designation the Secretary shall take into account the manner of noncommercial residential use and occupancy in which the dwelling and such adjoining property has usually been enjoyed by its owner or occupant. The amount of such adjoining property to be so designated by the Secretary shall in no case be less than three acres in area, or all of such lesser amount as there may be, except that the Secretary may exclude from the amount of adjoining property so designated any beach or waters, together with so much of the land adjoining such beach or waters as the Secretary may deem necessary for public access thereto.

SEC. 5. (a) It is the policy of the Congress that a reasonable amount of additional noncommercial residential development be permitted on property located within the park: *Provided*, That any particular such development would not, in the opinion of the Secretary, adversely affect or interfere with the preservation, development, and administration of such area for the purposes referred to in section 1 of this Act: *And provided further*, That such property is subject to a zoning bylaw approved by the Secretary, in accordance with the provisions of section 6 of this Act.

(b) The Secretary shall, in conformity with the provisions of subsection (a) of this section, upon request made to him not later than five years after the date of enactment of this Act pursuant to any lawful vote of a town meeting of any town referred to in section 1 of this Act, which vote has been ratified by the Advisory Commission established by section 10 of this Act, designate in such town an amount of unimproved property for such development which, together with any previous such designations made by him for such town, shall not exceed in acreage 10 per centum of the total amount of privately owned property situated within the boundaries of the park and in such town. The authority of the Secretary to acquire by condemnation property so designated shall be suspended from the date of such designation during all times when such property is subject to such a zoning bylaw.

SEC. 6. (a) As soon as practicable following the date of enactment of this Act, the Secretary shall issue regulations specifying standards for approval by him of town zoning bylaws for purposes of sections 4 and 5 of this Act. Any such bylaw which meets such standards shall be approved by the Secretary upon application made to him for such approval.

(b) Any zoning bylaw approved in accordance with subsection (a) of this section shall contribute to the effect of (1) prohibiting the commercial and industrial use, other than any commercial or industrial use which is permitted by the Secretary, of all property within the boundaries of the Park which is situated within the town adopting such bylaw; and (2) promoting the preservation and development, in accordance with the purposes of section 1 of this Act, of the area comprising the park, by means of acreage, frontage, and setback requirements and other provisions which may be required by such regulations to be included in the zoning bylaw consistent with the laws of Massachusetts.

(c) No zoning bylaw shall be approved by the Secretary which (1) contains any provision which he may consider adverse to the preservation and development, in accordance with the purposes of section 1 of this Act, of the area comprising the park, or (2) fails to make provision for the Secretary to receive notice of any variance granted under and any exception made to the application of such bylaw, and notice of any amendment thereof.

(d) If any improved property, with respect to which the Secretary's authority to acquire by condemnation has been suspended in accordance with the provisions of the Act, is made the subject of a variance under or an exception to any zoning bylaw applicable to such improved property so as to exempt it from any applicable standards contained in regulations issued pursuant to this section, the Secretary may, in his discretion, at any time after the date when such exception is made terminate the suspension of his authority to acquire such improved property by condemnation.

SEC. 7. The Secretary shall furnish to any interested person requesting the same, a certificate indicating with respect to any property located within the park as to which the Secretary's authority to acquire such property by condemnation has been suspended in accordance with the provisions of this Act that such authority has been so suspended and the reasons therefor.

SEC. 8. (a) In order to provide compensation for tax losses sustained by the towns referred to in section 1 of this Act as a result of certain acquisitions by the Secretary of privately owned real estate and improvements thereon pursuant to the provisions of this Act, payments in lieu of taxes shall be made to each such town in which such real estate is located, and which has been authorized, under the laws of Massachusetts, to assess taxes upon real estate to the person who is in possession thereof and to assess taxes upon any present interest in real estate to the owner of such interest, in accordance with the following schedule: For the calendar year in which the real estate is acquired in fee simple absolute, an amount which bears the same proportion to the full amount of tax assessed thereon in such year as the number of days remaining in such year after the date of acquisition bears to the number three hundred and sixty-five. In any case where an amount in excess of the difference between such proportionate amount and such full amount has already been paid to the town by or on behalf of the owner or owners from whom the real estate was so acquired, payment of such excess amount shall be made as reimbursement to such owner or owners out of such proportionate amount and only the balance remaining of such proportionate amount shall be paid to the town. For the two succeeding calendar years there shall be paid on account of such real estate an amount equal to the full amount of tax assessed thereon in the year of acquisition.

(b) No payments in lieu of taxes shall be made on account of real estate and improvements thereon in which the Secretary has ever acquired less than a fee simple absolute under this Act.

(c) As soon as practicable after real estate taxes have been assessed by such towns in each calendar year, the Secretary shall compute and certify the amount of payments in lieu of taxes due to each of such towns, and such amounts shall be paid to the respective towns by the Secretary of the Treasury out of any money in the Treasury not otherwise appropriated.

(d) The provisions of this section shall not apply to any property acquired by the Secretary after December 31 of the twenty-fifth year following the date of enactment of this Act.

SEC. 9. (a) Except as otherwise provided in this Act, the property acquired by the Secretary under this Act shall be administered by the Secretary, subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (30 Stat. 535); as amended and supplemented, and in accordance with laws of general application relating to the national park system as defined by the Act of August 8, 1953 (67 Stat. 496); except that authority otherwise available to the Secretary for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the purposes of this Act.

(b) (1) The Secretary shall develop for recreational uses such portions of Cape Cod National Seashore Park as he deems especially adaptable for such uses, including camping, swimming, horseback riding, boating, sailing, hunting, fishing, and other recreational activities of similar nature. Except for such recreational development and except for improved property therein, the park shall be permanently reserved as a primitive wilderness and no development of the park or plan for the convenience of visitors shall be undertaken by the Secretary which would be incompatible with the preservation of the unique flora and fauna or the physiographic conditions now prevailing in the area described in section 1 of this Act.

(2) In developing the park the Secretary shall, so far as practicable consistent with the provisions of paragraph (1) of this subsection, provide recreational and other facilities for the public in such places and manner as he determines will not diminish for its owners or occupants the value or enjoyment of any improved property located within the park.

(c) Notwithstanding any other provision of this Act, land and waters now or hereafter included in any migratory bird refuge within the boundaries of the park shall continue as such refuge under applicable laws and regulations, but such lands and waters shall be a part of the park and shall be administered by the Secretary for recreational uses not inconsistent with the purposes of such refuge under such rules and regulations as the Secretary may prescribe. Nothing in this Act shall limit the power of the Secretary to acquire lands and waters for any migratory bird refuge.

(d) The Secretary may permit hunting and fishing, including shellfishing, on lands and waters under his jurisdiction within the park under such regulations as he may prescribe. The Secretary shall consult with officials of the Commonwealth of Massachusetts and any political subdivision thereof who have jurisdiction of hunting and fishing, including shellfishing, prior to the issuance of any such regulations, and the Secretary is authorized to enter into cooperative arrangements with such officials regarding such hunting and fishing, including shellfishing, as he may deem desirable, except that the Secretary shall leave the regulation of the taking of shellfish to the towns referred to in section 1 of this Act.

SEC. 10. (a) There is hereby established a Cape Cod National Seashore Park Advisory Commission (hereinafter referred to as the Commission).

(b) The Commission shall be composed of nine members appointed by the Secretary as follows:

(1) six members to be appointed from recommendations made by each of the boards of selectmen of the towns referred to in the first section of this Act, one member from the recommendations made by each such board;

(2) two members to be appointed from recommendations of the Governor of the Commonwealth of Massachusetts; and

(3) one member to be designated by the Secretary.

(c) The Secretary shall designate one member to be Chairman. Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(d) A member of the Commission shall serve without compensation as such and shall serve at the pleasure of the official or

officials recommending his appointment. The Secretary is authorized to pay the expenses reasonably incurred by the Commission in carrying out its responsibilities under this Act upon vouchers signed by the Chairman.

(e) The Commission established by this section shall act and advise by affirmative vote of a majority of the members thereof.

(f) The Secretary or his designee shall, from time to time, consult with the members of the Commission with respect to matters relating to the development of Cape Cod National Seashore Park, and shall consult with the members with respect to carrying out the provisions of sections 4, 5, and 6 of this Act.

(g) No permit for the commercial or industrial use of property located within the park shall be issued by the Secretary without the advice of the Commission.

SEC. 11. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act; except that no more than $15,000,000 shall be appropriated for the acquisition of land and waters and improvements thereon, and interests therein, and incidental costs relating thereto, in accordance with the provisions of this Act.

(b) Any revenues received by the United States as a result of the disposal by the Secretary of any building or structure, or part thereof, pursuant to the provisions of subsection (f) of section 2 of this Act, shall be deposited in a special fund which the Secretary of the Treasury shall establish within the Treasury. All sums deposited in that fund shall be available to the Secretary of the Interior for disbursement by him in acquiring land and waters and improvements thereon, and interests therein, and in paying incidental costs relating thereto, in accordance with the provisions of this Act, and shall be disbursed upon certification by the Secretary of the Interior.

SEC. 12. If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

Mr. KENNEDY. Mr. President, I yield to my colleague, the senior Senator from Massachusetts [Mr. SALTONSTALL] to comment on this Cape Cod National Seashore Park bill.

Mr. SALTONSTALL. Mr. President, I am glad to join with my colleague in introducing this bill. We have worked upon it together, and we believe that it is in satisfactory form in which to have it considered by the many persons who will be interested in it.

In addition to endorsing the statement which my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], has just made on behalf of both of us, I ask unanimous consent that there be printed in the body of the RECORD immediately following our remarks an explanation of the bill. The explanation serves also to explain the identical companion bill which Representative HASTINGS KEITH has introduced today in the other body. Representative KEITH represents the Massachusetts Ninth District which includes Cape Cod.

Also, Mr. President, I ask unanimous consent to have printed in the body of the RECORD, after the explanation of our bill, the following papers which I believe will be helpful to all Senators who are interested in acquainting themselves about the Cape Cod area and its way of life, as an aid to considering our bill.

First, a copy of the text of a summary of the Cape Code National Seashore proposal by the National Park Service.

Second, a copy of the text of a Fish and Wildlife Service leaflet about Monomoy National Wildlife Refuge on Cape Cod.

Third, a brief bibliography of selected references about Cape Cod which we have had prepared by the Legislative Reference Service of the Library of Congress.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXPLANATION OF S. 2636; H.R. 9050—A COMPANION BILL TO ESTABLISH CAPE COD NATIONAL SEASHORE PARK

INTRODUCTION

The purpose of this bill is to provide for the establishment of Cape Cod National Seashore Park so that Lower Cape Cod may be preserved in substantially its present condition for the benefit of all the people of the United States of present and future generations.

The authors of the bill know from long personal experience as well as many years of official responsibility that Lower Cape Cod cannot be considered solely as a geographical area with certain physical characteristics. The Lower Cape must also be viewed as a way of life—a culture—which though conditioned by its environment finds its essence in the people who have lived and are living there. This bill seeks to preserve the way of life which these people have established and maintained on the Cape.

PREAMBLE

The preamble declares the reasons for establishing Cape Cod National Seashore Park. It states that Cape Cod possesses unique cultural, scenic, historic, scientific and recreational values; that these values are an important and irreplaceable part of America's heritage; that these values should be preserved and enhanced for the benefit and inspiration of all Americans of present and future generations; and that an adequate and representative portion of Cape Cod should be set aside and developed to assure its unimpaired use and enjoyment for varied cultural, scenic, historic, scientific, and recreational purposes.

SECTION 1

Section 1 describes the area in the towns of Provincetown, Truro, Wellfleet, Eastham, Orleans, and Chatham designated for establishment as Cape Cod National Seashore Park by running its boundaries in terms of principal geographic features.

The bill's description of the area to be included in the Park is a much more precise specification than has characteristically been provided in legislation establishing a national park or seashore area. Lower Cape Cod is very much more highly developed than most areas which have been the subject of past park laws, and therefore the sponsors believe that this legislation should specify in detail, especially for the benefit of people who live and own property on the Cape, what area is to be included in the Park. Since the exact boundaries of the Park will have to be established from surveys which cannot be completed before a Cape Cod National Seashore Park bill is enacted by the Congress, the exact final description of the Park's boundaries must necessarily be left to the Secretary of the Interior, as is provided in section 3 of the bill.

Broadly speaking, the bill would include in the Park substantially the same area proposed by the National Park Service in its field investigation report on the Cape Cod National Seashore proposal. In this connection it should be noted that the Park Service is an experienced, professional organization. The proposal which it has made is based on extensive field studies and careful analysis of the Lower Cape area and reflects over 40 years, since its establishment in 1916, of responsible performance by the Park Service in the planning establishment, and administration of national park areas.

There are four differences in area between the original Park Service proposal and this bill. These have been made after consultation with and upon the advice of the Park Service. They are as follows:

Provincetown

The bill would exclude one small area of approximately 67 acres which is included in the Park Service proposal. The area excluded is triangle shaped and located approximately one-half mile south of Oak Head. It is bounded westerly and northerly by boundaries of the Province Lands Reservation and southeasterly by U.S. Route 6. The exclusion of this area from the bill is designed to conform the boundaries of the Park to that of the Province Lands Reservation which is already in public ownership by the Commonwealth of Massachusetts.

Eastham

The bill would add an area of approximately 193 acres which was not included in the Park Service proposal. The area added by the bill is the westerly shore of Salt Pond Bay to Snow Point bounded westerly by a line running in a southerly direction paralleling the general alinement of U.S. Route 6 and generally one-tenth of a mile to the east of U.S. Route 6 to a small stream approximately one-tenth of a mile beyond Governor Prence Road extended; thence southeasterly along the stream and continuing to the Orleans-Eastham town line.

The above-described area has been added so that the entire shoreline of Salt Pond Bay will be included within the Park. There is no logical basis for excluding a portion of this shoreline area of which the Park Service proposal incorporated the northerly portion. It is all excellent property for park purposes.

Chatham

Harding Beach, which was included in the Park Service proposal, is omitted from the bill. Since Harding Beach is rather remotely and inaccessibly located in relation to the rest of the Park area, added administrative and financial burdens might be posed were it to be included in the Park. Furthermore, this beach is now managed by the town of Chatham for the benefit of the public.

Monomoy National Wildlife Refuge, which was not included in the Park Service proposal, is included in the bill. Since the Refuge is already under the administration of the Fish and Wildlife Service in the Department of the Interior; since the Refuge is suitable for certain recreational activities, such as fishing, swimming, hiking, camping, shell collecting, picnicking, photography, and bird watching; and since the Refuge area is geographically proximate to and will, according to geologic forecasts, eventually be connected with the southerly extremity of Nauset Beach, it seems highly desirable to include the Refuge within the boundaries of the Park. It is the intention of the bill, as reflected in subsection 9(c), to preserve the separate identity of the Refuge and to have it administered for only such recreational purposes as will not interfere with its principal purpose as a wildlife refuge. Certain portions of Morris Island might be incorporated in Monomoy National Wildlife Refuge for administration on the same terms, and

a portion would be used as access to the Refuge.

The total acreage embraced within the diagram of the Park in this bill is substantially the same as the Park Service proposal. This is without reference to Monomoy National Wildlife Refuge, since the refuge would merely be shifted from its present Federal jurisdiction into the Park.

SECTION 2

This section confers authority on the Secretary of the Interior to acquire property for the Park and makes provision for the way in which the authority shall be exercised. It also makes provision for the Secretary to dispose of buildings or structures which he acquires.

Neither the designation in section 1 of the bill of the area to be included in the Park nor the direction given to the Secretary of the Interior in section 3 to establish Cape Cod National Seashore Park constitute or require a taking from present owners of any of the property in the area so designated. The designation and establishment of a certain bounded area as a national seashore park has in itself no legal consequence for the owners of property located within such area. Any Federal control over such property can be exercised only after the property or some interest therein has been acquired by the Department of the Interior pursuant to authority conferred by Congress.

Subsection (a) provides authority for the Secretary of the Interior to acquire property within the area designated by section 1 for inclusion in the Park or which lies within the boundaries of the Park as established. The discussion under section 3 explains why there may be minor differences between the area described in section 1 of the bill and the area within the boundaries of the Park. Since there is a possibility of some difference, it is necessary that the Secretary's authority to acquire property be made applicable to both areas.

The Secretary's acquisition authority includes purchase, receipt of gifts, condemnation, transfer from any Federal agency and exchange as to all the lands, waters, and other property and improvements thereon, and any interest therein. Property owned by the Commonwealth of Massachusetts, by any town or by any other political subdivision of Massachusetts may be acquired only with the concurrence of the Commonwealth or town as the case may be. Transfer by a Federal agency is authorized in such a way as to avoid the necessity of following all of the usual, often time-consuming, procedures generally applicable to transfer of property by one Federal agency to another and without the necessity of any payment therefor by the Department of the Interior.

Subsection (b) gives the Secretary of the Interior authority to contract for the acquisition of property in such manner as to bind the Federal Government to pay the costs contracted for in the absence of previously appropriated funds. This authority is limited to run against only funds authorized for acquisition of property by subsection 11(a) of the bill. It is deemed important for the Secretary to have such contract authority so that he may negotiate the acquisition of property for the Park as expeditiously and economically as possible.

Subsection (c) authorizes the Secretary to use both donated and appropriated funds in making property acquisitions for the Park and to pay not more than the fair market value for acquisitions made by purchase.

Subsection (d) explains how the Secretary may exercise his authority to acquire property by exchange. He may accept title to non-Federal property located within the Park area in exchange for property which has already been acquired by him within the Park and where necessary equalize the value of the properties exchanged by accepting cash from or paying cash to the owner of the non-Federal property in such an exchange. The purpose of this provision is to make it possible for a property owner within the Park who wishes to stay in the Park, but to change his location therein, to do so, assuming there is Park property which the Secretary is willing to exchange with him. Furthermore, with this authority the Secretary may be able to use one piece of property which he has already acquired to buy another piece of property which he may deem more important for the Park. In short, the provision of such exchange authority adds flexibility to the Secretary's ability to acquire property and at the same time to accommodate individuals who wish to remain in the Park area.

Subsection (e) defines "fair market value" so as to permit the Secretary to determine such value and to obtain and use independent appraisals as a basis for determining such value for purposes of acquisitions by purchase—subsection 2(c); acquisitions by exchange—subsection 2(b); and acquisitions where the owner reserves a right of use and occupancy—subsection 4(a).

Subsection (f) authorizes the Secretary to dispose of buildings and structures which he acquires, as to which no retained right of use and occupancy exists, without having to comply with the general laws governing sale of Government property. Although the authors of this bill recognize that the interest of the Government is usually best served by disposing of Government property in sales by public competitive bidding, they believe that many of the buildings and structures which may be acquired by the Secretary in the Park area will have unique historical or other values which might not be suitably reflected or protected in such sales. Moreover many of such acquisitions may be made by gift to the United States or by using donated funds. Therefore it is desirable and proper to give the Secretary authority to dispose of buildings and structures acquired by him upon whatever terms and in whatever manner he deems to be in the interest of the United States.

SECTION 3

Subsection (a) requires the Secretary of the Interior to establish Cape Cod National Seashore Park as soon as practicable after the enactment of the bill and after he has acquired at least 6,000 acres which may be efficiently administered for the purposes of the Park. Theoretically, it would be possible for the Secretary to establish the Park immediately after the enactment of the bill. However, merely hanging the label Cape Cod National Seashore Park on the proposed area could have no legal significance; hence, the requirement that the Secretary shall have at least 6,000 acres before establishing the park. With 6,000 acres in hand the Park Service would have enough land, subject to its being efficiently administrable, to start providing recreational and other facilities and to satisfy public expectations of a "going park."

Because of the bill's inclusion of Monomoy National Wildlife Refuge within the Park area (see discussion under sec. 1 above), the Secretary will immediately on the enactment of the bill have 3,500 acres toward the 6,000-acre minimum. There is reason to expect that the Commonwealth of Massachusetts will transfer to the United States the Province Lands Reservation in Provincetown and Pilgrim Spring State Park in Truro. Certain private land and cash donations are also anticipated. Accordingly, the authors of this bill anticipate that it will be possible for Cape Cod National Seashore Park to be established shortly after its enactment.

Subsection (b) provides that the boundaries of the Park, when it is established by the Secretary, shall encompass as nearly as practicable the same area described in section 1. While it will not be possible as of the date of enactment of the bill to specify exactly what the boundaries of the Park will be, because necessary final surveys will not be undertaken by the Park Service until after legislation has been approved, this provision is designed to give assurance that the area of the Park as established will be substantially the identical area as that which the Congress considered and on which it will have held hearings to obtain the views of the public, especially interested and affected persons in the Lower Cape Cod area.

Subsection (b) also requires the Secretary of the Interior to give wide notification, in addition to publication in the Federal Register, of his establishment of the Park to all persons directly interested and affected; by registered mail to the Governor of Massachusetts and the boards of selectmen of each of the towns on the Lower Cape; by publication in newspapers circulating in such towns so that all citizens may have ready notice; and by recording at the Barnstable County Registry of Deeds in order that all persons concerned with the title to property in the Park area may have convenient notice.

SECTION 4

This section of the bill together with sections 5 and 6 may be considered as the heart of the bill for purposes of preservation of the way of life of the Lower Cape Cod as well as the geographic area to be included in the Park. Their provisions represent an unprecedented innovation in national park legislation to accommodate the special circumstances of Lower Cape Cod. They are designed to assure that this area will be preserved for the purposes set forth in the preamble of the bill in such a way as adequately to safeguard the private and municipal interests in the area. These or provisions of similar effect are deemed by the authors of this bill to be essential to any legislation for the establishment of Cape Cod National Seashore Park.

The combined effect of sections 4, 5, and 6 may be summarized as follows:

All homeowners within the Park area are assured as a minimum the right to continue to use and occupy their homes for 25 years or for their lifetimes, whichever they choose.

If a town adopts zoning applicable to all of the property in such town which is included in the Park and such zoning meets standards defined by the Secretary of the Interior consistent with the bill, all homeowners in such town whose property is in the Park are assured the right to continue to own and occupy their homes without interruption or interference so long as the zoning is kept in force.

Provision is made for setting aside in each of the Lower Cape towns, an amount of acreage equal to as much as 10 percent of the total area of privately owned property in that town which is in the Park, for new homebuilding development, on condition that such acreage is subjected to acceptable zoning and that such development would not hurt the Park.

In order to explain how the foregoing effects are achieved it is necessary first to say a few words about the power of eminent domain or condemnation. As a matter of general law this power, like the taxing power and the police power, is not given by any constitutional provision but is inherent in the Government as an incident of sovereignty, being necessary for the preservation of governmental effectiveness. There is a constitutional requirement that the Government shall pay just compensation to the owner of property which is taken by condemnation; this is merely a limitation on the exercise of the preexisting power to condemn to which all property is subject. Whenever lands are needed for a public

purpose, such as the establishment of Cape Cod National Seashore Park, Congress may authorize that they be acquired by condemnation from any State or any political subdivision thereof and from private landowners. (Subsection 2(a) of this bill bars condemnation of public property by requiring concurrence of any public owner in acquisitions of public property.)

Congress, by the act of August 1, 1888, conferred general authority on any officer of the Federal Government authorized to acquire real estate for public uses to acquire it by condemnation. Therefore, any specific law authorizing the acquisition of lands by the Secretary of the Interior for the establishment of a national park need not contain power of condemnation for the Secretary already has this power under the act of August 1, 1888. It is clearly necessary that he should have this power, because the title to much property in the proposed Cape Cod National Seashore Park area is unknown so that there is no owner with whom to negotiate a purchase of the property. Also, in such unusual instance where it may not be possible for the Secretary to acquire some much-needed property by negotiation, he must be able to condemn the property so that he may carry out the duty given to him by Congress to establish the Park.

In practice, the Secretary of the Interior has rarely used the power of condemnation in acquiring property for park purposes. Rather, he had proceeded by negotiation and purchase. Nevertheless, so long as the power exists, it may reasonably be viewed as a potential instrument of interference with or interruption of the ownership or enjoyment of property to which it could be applied. Existing private homeowners in the area of the proposed Park and persons wishing to build homes feel a need to have some legally binding assurance that the power will not be exercised to disturb them in order truly to safeguard their way of life on Cape Cod within the Park. So the authors of this bill have provided several novel limitations of the Secretary's power of condemnation which are designed to give such assurance.

Subsection (a) gives the private owners of improved property the right as a condition of any acquisition by the Secretary to retain the right to use and occupy their property for noncommercial residential purposes for the remainder of their lives or for a term of up to 25 years, whichever they elect. If they retain use and occupancy for a fixed term of years they are further safeguarded the right to convey or lease their right of occupancy until it expires. This means that if someone wanted to sell or lease to some third party the right to occupy his house for all or part of the fixed period of years for which he retained the right of occupancy, he could do so. This would be only for noncommercial residential purposes; and as to all but not a part of his property. If such a right of occupancy were retained in property acquired for the Park, the price paid to the owners for the property would be decreased from its full fair market value by the value of the right of occupancy retained. The person occupying the property would continue to pay town real estate taxes thereon.

Subsection (b). Paragraph (1) provides that the Secretary's authority to acquire property by condemnation shall be suspended as to all improved property throughout the Park area for 1 year following the enactment of the bill. The purpose of this provision is to allow a reasonable time during which the towns may adopt zoning bylaws which meet the standards called for in section 6 of the bill. Thereafter, as will be explained in the discussion of paragraphs (2) and (3) below, the power of condemnation of improved property is suspended on condition that such zoning is in force. The term "improved property" is defined in subsection (d) (see explanation below) to mean a noncommercial dwelling.

Paragraph (2) provides that the authority of the Secretary of the Interior to acquire improved property within the Park by eminent domain will be suspended in a particular town so long as the town has in force a duly adopted, valid zoning bylaw approved by the Secretary in accordance with section 6, i.e., which prohibits commercial and industrial use of property, contains suitable acreage, frontage and setback restrictions and other provisions which may be desirable to preserve and develop the Park area and does not contain provisions which would be undesirable for this purpose. Some form of zoning must apply to all of the Park area located within the town but it need not be identical with respect to the entire area so long as it meets the minimum requirements of the bill and of the Secretary as to all or any part of the area. The town would be free, subject to meeting these minimum specifications, to adopt zoning of one character for one area of the Park and of a different character for another area of the Park.

Subsection (c) places restrictions on the Secretary's power of condemnation as applied to property used for commercial or industrial purposes. Broadly speaking, it will be contrary to the purposes of the Park for property within its boundaries to be used for commercial or industrial purposes. However, there are some such uses already in existence in this area. Furthermore, there may be a few limited such uses which will be permitted within the Park by the Secretary.

The existing uses cannot, of course, be outlawed by zoning adopted after the use began. In order to provide a means whereby owners of existing uses may be safeguarded from condemnation until they have had opportunity to apply to the Secretary for permission to continue them, this provision suspends the Secretary's condemnation authority during the pendency of the first application for permission made to the Secretary after the enactment of the bill and before the date of the establishment of the Park. Additionally, the provision suspends the power of eminent domain on property used for commercial or industrial purposes for all periods when such use is permitted by the Secretary. In this way the bill provides safeguards to the owners of property used for commercial or industrial purposes consistent with the best interests of the Park.

Subsection (d) contains a definition of what is meant by "improved property." The significance of this definition is to determine the property within the Park as to which an owner may retain a right of occupancy under subsection 4(a) and as to which the power of eminent domain is suspendable under subsection 4(b).

Improved property is defined as a private noncommercial dwelling, including the land on which it is situated, whose construction was begun before September 1, 1959, and any structures accessory thereto, together with such amount and locus of the adjoining property owned by the same owner as the dwelling, as the Secretary designates to be reasonably necessary for the enjoyment of such dwelling for noncommercial residential use and occupancy. (It is the intention of the bill that a private home which is rented from time to time, or for the summer seasons, but on a private, rather than a publicly commercial, basis, shall be considered as "improved property" as defined in this subsection.) In making this designation the Secretary is directed to take into account the manner of noncommercial residential use and occupancy in which the dwelling and such adjoining property has usually been enjoyed by its owner or occupant. In no case shall the amount of such adjoining property which the Secretary designates be less than 3 acres, or whatever lesser amount the owner may have. The Secretary may, however, as to any owner, exclude from his designation beach or waters and any land adjoining them vital for public access. This provides a flexible means for safeguarding from possible condemnation private homes together with areas of adjoining land large enough to provide continued satisfaction to homeowners while at the same time assuring reasonable access by Park users to areas of undeveloped land, including beach and waters, which are surplus to the reasonable private and personal needs of homeowners.

In this connection it is well to note also the provision of paragraph 9(b)(2) of the bill, which directs the Secretary wherever practical to "provide recreational and other facilities for the public in such places and manner as will not diminish for its owners or occupants the value or enjoyment of any improved property located within the Park."

Property on which construction of a dwelling was not begun before September 1, 1959, is not eligible for condemnation authority suspension except as provided in section 5. The reason for this is to assure that any future residential development which takes place in the Park area will be subject to the provisions of sections 5 and 6 of this bill.

SECTION 5

The authors of this bill believe that in addition to safeguarding the continued right of occupancy of existing residents in the Park area as provided in section 4, it is also desirable to provide a limited opportunity for additional noncommercial residential development to take place within the Park area so as to assure the financial stability of the Lower Cape.

Subsection (a) therefore would establish a Congressional policy that such additional development of land be permitted within the area of the Park provided that any particular such development would not hurt the Park, and provided that the land is made subject to acceptable zoning.

Subsection (b) directs the Secretary to designate in each of the Lower Cape towns, at its request, an amount of acreage of unimproved property for noncommercial residential development not to exceed 10 percent of the total amount of privately owned property within the Park in that town. The town's request must be voted by a lawful town meeting, ratified by the advisory commission established by section 10, and made to the Secretary within 5 years after the enactment of the bill. If the property requested for development by the town is covered by approved zoning, unless the Secretary feels the particular development area requested by the town would hurt the Park, he must designate the area and then his authority to condemn it is suspended so long as it continues under approved zoning.

The acreage which it would be possible to keep open for future development would be roughly as follows: Chatham, 60 acres; Eastham, 345 acres; Orleans, 100 acres; Truro, 710 acres; Wellfleet, 580 acres. Each of these figures represents 10 percent of the total privately owned property in the area of the town included in the Park.

It should be emphasized that these figures represent only the possible development within the Park under this bill. They give no picture of the additional development opportunity on land outside the Park boundaries.

It is the intention of this subsection that the particular areas in which further residential development will take place be determined on a cooperative basis by the Park Service, private citizens and town officials. The subsection is deliberately designed to provide the utmost flexibility as to the selection of areas for development. They may be areas now totally undeveloped or they

may be gap fillers in areas now partially developed. The reason for the requirement that the areas for development be designated not later than 5 years after the establishment of the Park is to provide within a reasonably short time a stable basis and framework for long-range town planning in the light of the advent of the Park.

Section 5 is designed to recognize the possible needs of the Lower Cape towns for a limited additional amount of homebuilding within the Park area in order to assure these towns a steady base of tax revenue and their citizens a continued healthy level of economic activity. In view of this provision it is believed that any needed continued residential development on the Lower Cape is amply safeguarded. The sponsors are confident that the establishment of Cape Cod National Seashore Park under legislation such as this bill will preserve the Lower Cape in accordance with their purposes explained in the introduction.

As a final comment on section 5, it should be noted that the sponsors of the bill gave consideration to implementing its purpose by excluding various property from the area proposed for the Park in the National Park Service's report, as a way of assuring that such property would be available for development. Although this approach might have been simpler it was rejected for the reason that the sponsors believe that the determination as to what particular areas are most suitable for additional development, consistent with the welfare of the Park, is one which should be made so far as possible by citizens of the six towns and their elected officials working with the officials of the Park Service. This seems to the sponsors a fairer procedure and one more likely to produce wise decisions for the Lower Cape communities without jeopardizing the Park than for the Congress to attempt such decisions, because of the inherently less concentrated, detailed and individualized consideration which its heavy schedule of work might permit.

SECTION 6

The Federal Government does not have authority directly to enact zoning laws applicable to private property in any of the States. If it had such authority the task of preserving an area such as Lower Cape Cod in such a way as to safeguard the interests of private landowners might be somewhat simplified, for Congress could simply enact a zoning law for the area. However, in the division of powers between the States and the Federal Government it is wisely left to States and municipalities to adopt zoning laws.

If the Federal Government acting on behalf of all the people of the United States is to establish a national seashore park in such a way as not to interfere with the continued ownership and enjoyment of their property by private landowners within the Park area, it is only reasonable that the communities involved adopt zoning laws which will assure that the property within the Park will be used in a manner consistent with the purposes of the Park.

For this reason section 6 requires the Secretary of the Interior to issue regulations as soon as possible after the enactment of the bill setting forth the standards which must be met by town zoning bylaws for purposes of suspending his power of eminent domain as provided in sections 4 and 5. Zoning bylaws which meet such standards must be approved by the Secretary.

In order to afford flexibility in the precise formulation of zoning bylaws and to avoid undue Congressional interference, even though indirectly achieved, in the detailed specification of the contents of such bylaws, the provisions of subsection (b) of section 6 are quite general in their terms.

The sponsors are confident that the officials of the Park Service working with the town officials and the Advisory Commission to be established under section 10 will arrive at sound zoning provisions.

Subsection (c) provides that no zoning bylaw shall be approved by the Secretary which contains any provision which he believes would interfere with the preservation and development of the Park area or fails to make provision for his receiving notice of any exception made to, variance granted under or amendment adopted to such a zoning bylaw.

Subsection (d) provides that if property has been zoned so as to suspend the Secretary's power of condemnation with respect to that property and subsequently the property is made the subject of an exception to or variance under the zoning bylaw with the result that it becomes exempt from the zoning standards called for in section 6, then in such case the Secretary may terminate the suspension of his condemnation power. Without this provision it would be possible through zoning variances to defeat the intended effects of sections 4, 5, and 6 of the bill.

SECTION 7

Section 7 provides that the Secretary shall furnish any interested person who requests it, a certificate suitable for recording at the Barnstable County Registry of Deeds indicating that the power of eminent domain has been suspended with respect to any particular property. The purpose of this provision is to afford any individual citizen a ready means for determining this fact. This provision should serve to facilitate real estate transactions involving property located within the Park area.

SECTION 8

Subsection (a) provides that the Secretary of the Interior shall make payments in lieu of taxes on account of privately owned real estate acquired for the Park. In the year of acquisition the amount of taxes assessed on a given piece of property would be apportioned between the private owner and the Federal Government in accordance with the proportions of the year during which they respectively owned the property. In the 2 subsequent years the Federal Government would pay the full amount of the tax as assessed in the year in which it acquired the property.

It should be noted that such payments in lieu of taxes will be made to a town only if the town has been authorized under the laws of Massachusetts to assess taxes upon real estate to the person who is in possession thereof and to assess taxes upon any present interest in real estate to the owner of such interest. The reason for this condition is to assure that before the Federal Government makes payment in lieu of taxes on account of property which it acquires within the Park the towns will also collect taxes from all private occupants of land within the Park. If property is acquired for the Park subject to a right of occupancy, a town would not be able to tax such property unless it had authority from the Massachusetts tax commisisoner permitting the taxation of the occupant.

Under Massachusetts law taxes on real estate are required to be assessed to the person who is the owner on January 1. But the tax commissioner may in writing authorize the assessment of taxes upon real estate "to the person who is in possession thereof on January 1." He may also in writing authorize the assessment of taxes "upon any present interest in real estate to the owner of such interest on January 1 and taxes on such interest may thereupon be assessed to such person." (G.L., C. 59, sec. 11) Massachusetts law specifically exempts property owned by the United States from taxation by towns. (G.L., C. 59, sec. 5.)

Subsection (b) is designed to make clear that payments in lieu of taxes shall be made only on account of property as to which the full title was in the first instance acquired by the Federal Government. In other words, if property is acquired for the Park under terms such that the private owner retains some right or interest therein, thereby not interrupting his payment of real estate taxes on account of such property, no payments in lieu of taxes would be made by the Federal Government.

Subsection (c) provides for the Secretary of the Interior to determine each year as soon as possible after real estate taxes have been assessed the amount of payments in lieu of taxes due to each of the towns and requires the Secretary of the Treasury to pay such amounts to the towns.

Subsection (d) provides that the foregoing arrangement for payments in lieu of taxes shall not apply to property acquired after December 31 of the 25th year following the enactment of the bill.

The purpose of section 5 is to provide a cushion for each of the towns in the Lower Cape area against any dip in tax revenues resulting from acquisition of private property for the Park.

The sponsors believe that the following factors will tend to increase net tax revenue of the towns:

1. The safeguard to continued occupancy of private residential property within the Park assured by section 4 of the bill.

2. The safeguard to continued residential development within the Park assured by section 5.

3. The steady increase in value of all taxable Lower Cape property which can be expected to accelerate when a seashore park is established.

4. The gradual reduction of some municipal services such as road and beach maintenance, police and fire protection, which will be assumed in part by the Park Service within the Park area.

In view of these factors there will probably be no, or at most very small, real need for payments in lieu of taxes to stabilize town revenues. It is the view of the sponsors that the only condition which might upset this forecast is if very substantial amounts of property from which the towns are now receiving tax revenues were to be acquired within a short span of time. It is as a hedge against this contingency that provision for payments in lieu of taxes has been included in the bill. Past experience in the establishment of national park and national seashore areas all indicates that property acquisition is a gradual process whose impact from the standpoint of reducing tax revenues is not sharp or sudden. In view of the much greater complexities in property acquisition which will be entailed in the Cape Cod National Seashore Park, partly because of the nature of the property involved (much of it improved, and much of it uncertain as to title), partly because of the provisions of the bill designed to safeguard private and municipal interests, it is only reasonable to expect that the revenue-reducing impact of this Park will be even less significant than has been the case with previous parks.

SECTION 9

Subsection (a) of section 9 is designed to set forth in general terms the manner in which Cape Cod National Seashore Park shall be administered for the benefit of the American public. It contemplates administration in a manner with which the public has become increasingly familiar by reason of experience with previously established national park and seashore areas. It contemplates the preservation of old and historic buildings and sites.

Subsection (b) recognizes the unique opportunities afforded for multiple use of a national area on the Lower Cape. These have been fully described in the report of the National Park Service and so no effort is made to describe them herein. Paragraph

(2) of subsection (b) is designed to assure that the development of the Park for its varied purposes will be managed in such a way as not to diminish the value or enjoyment of any residential property in the Park for its owners and occupants.

Subsection (c) provides that any land and waters within the Park boundaries which are now or hereafter in a migratory bird refuge will continue as a refuge but may be administered for recreational uses which do not interfere with the purposes of the refuge. This provision is designed principally to accommodate the inclusion of Monomoy National Wildlife Refuge within the boundaries of the Park. It assures that the refuge purposes of the area will not be submerged by recreational activities and it also makes clear that the Secretary may enlarge the present Refuge by adding other land acquired for the Park.

A few matters of special significance and interest to residents of Cape Cod and New England provided by subsection (d) deserve mention:

1. Fishing, including shellfishing which is to be regulated as is now the case by the towns, would be specifically authorized within the Park.

2. Waterfowling would be permitted consistent with existing Federal and Massachusetts law.

3. Upland game and deer hunting could also be permitted consistent with Massachusetts law.

Final authority in determining the nature and extent of hunting and fishing, other than shellfishing, will rest with the Secretary. However, it is the expectation of the sponsors that under subsection (d) the Secretary will cooperate with appropriate State and town officials to work out provision for such hunting and fishing as may be permitted, consistent with the best principles of wildlife management and conservation and with the management of the Park for other purposes of conservation and recreation.

SECTION 10

Section 10 establishes a Cape Cod National Seashore Park Advisory Commission composed of a representative from each of the six Lower Cape towns, two representatives of Massachusetts, and one of the Secretary of the Interior. The purpose of this Commission is to serve in various matters relating to the administration and development of the Park by the Federal Government as a liaison between the Federal Government on the one hand and the State and local governments on the other. The sponsors have not attempted to specify in rigid detail the exact methods to be followed by the Commission in playing its important role, feeling confident that this should properly be left to the wisdom and good judgment of the persons who will serve on the Commission and the responsible officials of the Interior Department whose joint task and opportunity it will be soundly to develop and administer the Park. For example, the sponsors assume that no major decisions would be made relative to the Park by the Park Service without consulting with the Advisory Commission; that no member of the Advisory Commission would participate in decisions or advice of the Commission affecting a matter in which he had any personal interest; that no member of the Commission would adopt a strictly parochial attitude on behalf of the governmental unit which he represented.

This bill will only be enacted and the Park successfully established and administered if such principles are inherent in the behavior of all public officials having responsibility or concern for the Park. Such principles cannot be infused into official behavior by legislation and in the judgment of the sponsors it would be a mistake to try to do so.

SECTION 11

Subsection (a) provides the authority necessary as a precondition to the appropriation by the Congress of funds necessary to carry out the provisions of the bill once enacted. It contains a limitation of $15 million on the amount which may be appropriated over a period of years for purposes of acquiring property in the Park.

Subsection (b) provides that any revenues which are received as a result of disposal by the Secretary of the buildings or structures in accordance with subsection 2(f) shall be segregated in the Treasury and available to the Secretary for expenditure in acquiring property in the Park. Such revenues really represent a return of part of previous costs of acquisition and should therefore be kept available for the purpose of making additional acquisitions of property for the Park.

SECTION 12

Section 12 is a separability clause designed to assure that if the bill should be held invalid in some particular application or provision, the rest of the bill and its application in other situations would not thereby be affected.

CAPE COD NATIONAL SEASHORE—A PROPOSAL BY U.S. DEPARTMENT OF THE INTERIOR NATIONAL PARK SERVICE

CAPE COD: A VANISHING SCENE

Memorandum

JANUARY 28, 1959.

To: Director, National Park Service.
From: Secretary of the Interior.
Subject: Report on Cape Cod National Seashore proposal.

The draft of the report on the Cape Cod National Seashore proposal has just been received by this office and is being reviewed.

In view of the numerous inquiries about copies of the report, please proceed as rapidly as possible with its publication, using the donated, non-Government funds available for that purpose.

The report may be released upon request, for information purposes, if a copy of this memorandum is included in the bound report to show that the report is still under consideration by the Department of Interior, and that its publication at this time should not be construed either as approval or disapproval by the Department of its recommendations.

FRED A. SEATON,
Secretary of the Interior.

A great peninsula, shaped like a bold bent arm, thrusts some 70 miles into the Atlantic Ocean from the Massachusetts mainland. This is Cape Cod, landmark and haven for mariners who sought a new world or wrested their living from a perilous sea. Here vacationists now seek refreshment along sweeping shores and quiet coves.

Heaped up by glaciers long ago; then molded by winds and waves and currents, Cape Cod has been endowed with plant and animal life in rich variety. Now it is a scene of everchanging charm, beautiful to behold, fascinating to study. Surf pounds the eastern headland. Calmer waters of Cape Cod Bay and Nantucket Sound wash the cape's northern and southern shores. Between, the winds brush heath and marsh and woodland, ruffling ponds the glaciers left behind.

On the ocean side of the cape's forearm lies Great Beach, a magnificent ocean shore. For three centuries, this extraordinary shoreline was spared the great industrial buildup of our eastern coast. Before the automobile age, Cape Cod was "off the beaten path." The modern highway has changed that. Now it is within a day's travel of nearly one-third of our Nation's population—less than 300 highway miles from all six New England capitals and New York City; an hour and a half by air from Washington, D.C. And as transportation improvements continue to cut time and distance, the cape is ever closer to all America.

The inexorable march of progress brings many and varied benefits for which we can be deeply thankful. But inevitably the march imperils other values, old and often deeply loved. This surging tide of modern progress has rolled over vast areas of our pristine coastal country, wiping out, one after another, the natural open spaces long cherished as an American birthright. Houses, businesses, resorts of all kinds continue ever more rapidly to disrupt and destroy the very beauties we seek most to enjoy.

This is happening to Cape Cod. Even now the still-unspoiled Great Beach is vanishing under buildings. It is time to set aside, preserve, and protect the last of the old cape so that the inspiration of its surpassing beauty can be kept intact and handed down to future generations of Americans.

Until now, that beauty has been protected by the good taste and care of individuals, the towns, and the Commonwealth. Their efforts, however, may soon be engulfed by the wave of development that threatens. National protection will be needed to achieve the conservation ideals of the people who love Cape Cod.

TO SAVE IT—A NATIONAL SEASHORE

To save this irreplaceable treasure for the future, therefore, a Cape Cod National Seashore comprising Great Beach and related areas is proposed.

Great Beach is unquestionably of national seashore caliber. This became evident during a 1954–55 survey of park and recreation possibilities along the Atlantic and gulf coastlines. The survey, conducted by the National Park Service with donated funds, found Great Beach to be among the finest seashores on our entire Atlantic coast. More detailed studies then were made to determine the full potential and possible boundaries for an area dedicated to public purposes.

The beach itself was the most obvious feature of national seashore quality. But the studies made clear that Cape Cod's charm is not confined to the shore alone. Heath, marsh, forest land, and lake, each with its community of plant and animal life, also are basic elements of the cape's distinctive character. They form a unity, one near and palpable memory of glacial times, for continental ice has shaped them all. Examples of each must be included in the proposed national seashore if it is to preserve intact this whole complex of natural features, essentially unaffected by surrounding land uses.

The proposal, therefore, is a national seashore of about 30,000 acres. It is a ribbon-like territory, extending some 40 miles along the outer coast from Provincetown to the tip of Nauset Beach and nearby Morris Island and Harding Beach in Chatham. The bulk of the area lies east of U.S. Highway 6, and its average width approximates 1 mile. The area reaches a maximum width of 4 miles in the central section, where it extends across the highway to include a highly significant cross section of the outer cape and a portion of the Cape Cod Bay shore.

The finest of the cape's natural attractions are represented in this proposed national seashore. The suggested boundaries would guard the setting against future intrusions, and have been drawn to exclude villages and commercial areas.

THE SIGNIFICANCE OF A CAPE COD NATIONAL SEASHORE

National significance—scenic, scientific, or historic stature so great, so precious as to make its preservation the concern of all Americans—this is the criterion for areas to be included within the national park system. Cape Cod meets this criterion

eminently with a range of qualities stimulating to people in all walks of life. Attesting the magnetic appeal of the cape are the many artists and photographers who have long appreciated its esthetic values. Writers as well find inspiration in the scene and in the colorful history of the region. Scholars and nature lovers alike take keen interest here in a wealth of plants, birds, and animals; in the life of the sea, and in the record of a glacial past.

On Cape Cod one process—glaciation—shaped many landscapes. Different plant communities then spread across them, adding variety to variety. The proposed national seashore area is relatively small, but because of these extraordinary geological and biological factors, its scenery is unusually interesting.

These factors, of course, make the proposed national seashore a valuable field for scientific study. Nowhere on this continent is the story of glacial deposition, combined with the violent action of the sea upon a land mass, so vividly illustrated as on Cape Cod. Here the results of these forces are manifest, not on far mountains but in the very sands and gravels under foot.

Nowhere in this North Atlantic region does so impressive an unbroken ocean beach border such a scenic and interesting hinterland. The cape's mild maritime climate not only is favorable for recreation but also maintains on the peninsula many types of vegetation. Still persisting are northern plants and trees that flourished on the cape immediately following the retreat of the glacial ice. A warm era a thousand years ago brought southern species that yet linger here.

To the haven of Cape Cod come multitudes of birds, winging the Atlantic flyway to nest or sojourn here. The sea and the tidal marshes hold myriad lives. The tiny creatures of the beach withstand an ocean's battering, and beneath the deep water the schools of fish move in ways no man has fully fathomed.

Historically significant, Cape Cod was the Pilgrims' first landfall in the New World, and in later years harbored many of New England's famed fishing and whaling fleets. Courage sailed those fleets; faith awaited their return. The men and women Cape Cod reared have bequeathed to America a proud, intrepid heritage.

Representing the best of Cape Cod's natural features, the proposed national seashore holds many and varied recreation opportunities. Swimming in the surf; hiking the dunes, beaches, and forests are pleasures that can be widely enjoyed. Opportunities are also excellent for camping, boating, and bicycling, as well as for photography, sketching, bird study, and nature research of many kinds. Cape Cod is among the 10 most famous salt water fishing areas of the United States.

These healthful activities, which bring us close to earth and sea, help in turn to make us realize Cape Cod's truly great significance. Through these types of recreation we can better see the subtle splendors of the cape, feel the pulse of nature, and remember a stalwart history. Thus do we gain inspiration from the scene.

We must cherish and protect that scene, however, or our eagerness for recreation will abuse it. In administering areas within the national park system, it is the duty of the National Park Service under law to "conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations."

Here is an area where, under such a policy, a part of Cape Cod's outstanding recreation values may be conserved for public benefit and use, without harm to the features on which that recreation depends.

CHANGING LANDSCAPES—CHANGING MOODS

Cape Cod's "mightie headland" facing the Atlantic has been the subject of comment since mariners first charted it. Thoreau named it Great Beach. "A man may stand there," he wrote, "and put all America behind him." This outer beach extends from Race Point on the tip of the cape to the southern end of Nauset Beach in Chatham, a distance of about 40 miles. It is broken only once, at Nauset Harbor Inlet.

The mood of the outer beach changes with time, tide, seasons, and weather, creating unlimited visual impressions. Fifteen miles of the central section are characterized by the bank of original glacial deposits, varying in height from 50 to 175 feet and sliced by the elements into clean-sloping cliffs. Ocean panoramas from these heights are among the finest in America. Below, the cliffs wall in a solitude of beach and surf.

At Provincetown and Truro there are eight square miles of some of the most spectacular dunes along the Atlantic seaboard. Unlike the cliffs, they have been built up since glacial times with material eroded from the outer banks. Here the scenes are as shifting as the tides and sands. The dunes move to engulf the forest as tiny plant roots grip them in an endless struggle for survival.

Below the headlands near Nauset Light a spit extends the beach southward for 15 miles, barring the surf from the waters of Pleasant Bay. Although the spit averages less than a quarter of a mile in width, this postglacial deposit provides, in its central section, the broadest beach along the entire outer arm of the cape. Low dunes lie behind the beach, and behind the dunes are picturesque marshes rich in bird and marine life.

A different, a more placid mood pervades that section of the proposed national seashore that borders Cape Cod Bay. Along a representative 6½ miles of beach north of Jeremy Point, the sea is gentle and the strand is wide. The 500 acres of Jeremy Point, Great Beach Hill, and Great Island, linked to the cape only by a strip of sand, seem isolated and remote. Yet they offer views of traditional Cape Cod life and activity. From here one can watch clam diggers probing the beaches, and can see the far steeples of Provincetown, the sails that fleck the cove, the fishing boats riding in Wellfleet Harbor.

Up from the northern half of the bayside beach roll extensive heathlands reminiscent of old England's countryside. Maples and tupelos mark the course of the Herring River, haunt of mink and muskrat. Wild geese and ducks feed in the marshes of Duck Harbor and Bound Brook. Eastward, heath and marsh give way to forests of pitch pine and mixed hardwoods extending to the salt spray of the Atlantic.

These woodlands hold another Cape Cod world, so near the crashing surf yet secret from it and serene. Fresh-water ponds lap softly here, spangled with water lilies and edged with rushes, pickerel weed, and water lobelia. Inkberry and sweet pepper bushes crowd banks which once surrounded buried icebergs, for these ponds now fill glacial "kettleholes" left by the melted ice. There are 20 named ponds in the area, ranging in size to 109 acres and with characteristics differing with drainage and exposure to wind. North of the ponds, amid the cape's most rugged countryside, the headwaters of the Pamet and Little Pamet Rivers flow through valleys, once cut by glacial torrents.

Off the elbow of Cape Cod lies Monomoy Island, a 10-mile length of barrier beach where only shrubs and grasses have withstood the sea's salt lash. Monomoy is a National Wildlife Refuge administered by the U.S. Department of the Interior, and provides nesting, feeding, and resting grounds for more than 300 species of birds. Morris Island and Harding Beach, two important natural areas closely associated with Monomoy Island, are highly desirable as part of the proposed national seashore. Excellent forest cover, animal life, a rare coast white cedar bog, and an interesting geologic history add to the attraction of Morris Island. Harding Beach is the only beach on the south shore of the cape in the suggested seashore area.

LOOKING BACK: A LANDMARK OF HISTORY

Indians were living on Cape Cod well before the Christian era. Sites excavated by archeologists disclose a continuous Indian occupation down to historic times.

The Vikings may have been the first white men to see Cape Cod. Indeed, the "Wonder Strands" they afterwards described may well have been Great Beach.

Unnamed fishermen followed the Vikings, and their unrecorded tales probably helped to turn explorers west rather than east during the 15th and 16th centuries. John Cabot was perhaps the first explorer to round the cape. Then came Verrazano; Bartholomew Gosnold, who gave the cape its name; Champlain, pioneer geographer of the region; and Capt. John Smith, who drew the first accurate map of it. Cape Cod was inevitably a landmark in the age of exploration.

Landmark became landing place when the Pilgrims arrived in Provincetown Harbor in November 1620. These New England founders lingered a few weeks at the cape while making their first tentative contacts with a strange new world. From here they sailed to find the harbor—Plymouth—that became their home. Permanent settlement of Cape Cod did not come until 1637.

Seafaring conditioned the cape's development in the years following, when every little harbor and estuary had its fishing fleet. The cape's drift whaling and shore whaling of the 17th century began the great American whaling saga that was to reach its climax in the mid-19th century. Provincetown, a leading fishing center after the Revolutionary War, remained also a whaling port of consequence even when Nantucket and New Bedford later dominated that famous industry. Sharing Provincetown's prosperity were Truro, Chatham, and Wellfleet. In 1851, Wellfleet stood second only to Gloucester in fishing, and from 1830 to 1870 it was the oyster capital of New England.

Cape Cod's fishing prosperity built an important salt industry, with its salt works, fish drying racks, and picturesque windmills. Lighthouses, the earliest built in 1797, meanwhile stood witness to the hazard of a coast that perhaps has equal claim with Hatteras to be called Graveyard of the Atlantic.

Salvage from British warships wrecked off Great Beach during the Revolutionary War helped Cape Codders to weather a British blockade. Although only Falmouth on the lower cape was raided, an enemy squadron occupied Provincetown Harbor, and the entire peninsula lived under the threat of naval attack. Cape whalingmen, their normal activities disrupted, because privateersmen, sailing in whatever home ships could be freed or manning the privateers of other ports.

In modern times, World Wars I and II brought stern reminders of this earlier enemy activity. On the beach at East Orleans fell the only hostile shots, reportedly, to land on American soil in World War I—fired by a German U-boat. Residents today remember survivors of torpedoed American transports in World War II being brought ashore at Provincetown.

LOOKING AHEAD: A LEGACY PRESERVED

Recreation has long been the most productive use of the lands still suitable for the proposed Cape Cod National Seashore. Low fertility makes them unsuitable for agriculture, and transportation distances, lack of raw material, and possible depletion of fresh

water under extensive use greatly limit their industrial potential. The economic history of the cape reflects a continuous change from the original broad economic base of fishing and agriculture to specialization in recreation services. Without immediate preservation of the cape's natural features, however, there is great danger that the recreational qualities which have drawn increasing numbers to the cape each year will soon be lost for all time, consumed by commercialization and real-estate subdivisions.

In order not to damage the values which the national seashore would preserve, any facilities needed in it would be held to the minimum consistent with public safety, comfort, and enjoyment. No major commercial enterprises within the boundaries are necessary or contemplated. Private enterprise in the adjoining communities would therefore be relied upon to supply meals, lodging, wares, and visitor services. Many such businesses already exist, and it is anticipated that they can be expanded as demand increases.

Development in the seashore would consist primarily of centers where visitors could learn about the area; ranger stations; camping, picnicking, and swimming places with adjacent parking; wayside exhibits, and a system of trails. Roads would be of a type that would permit safe, leisurely enjoyment of the scenery, and portions of the area would be left roadless to preserve their characteristic charm of remoteness.

In planning essential facilities, extreme care would, of course, be taken to insure that they not obtrude upon natural and historic features. Structures within the boundaries of the seashore would be designed to blend harmoniously with the natural scene and with the traditional Cape Cod architecture.

The primary purpose of the proposed Cape Cod National Seashore is to preserve henceforth for public enjoyment the scenic, scientific, and historic features that exist here. To the people of Cape Cod, whose livelihood depends upon an economy springing from the cape's natural recreation resources, this means insurance for the future. And, to the people of the Nation, this means that a source of quiet peace and inspiration, fast disappearing elsewhere, will always be available here, becoming more meaningful to each succeeding generation.

[From the U.S. Department of the Interior, Fish and Wildlife Service, Refuge Leaflet 35]

MONOMOY NATIONAL WILDLIFE REFUGE

Monomoy National Wildlife Refuge is located on the "elbow" of Cape Cod, within the bounds of Chatham Township, Barnstable County, Mass. Geographically, the refuge is approximately 100 miles southeast of Boston, 260 miles east of Albany, N.Y., and 285 miles northeast of New York City. Inasmuch as the refuge area is an offshore island, access must be by short boat trip from Chatham, Mass. Accommodations and boat liveries are available locally. The town of Chatham can be reached by highway, air, rail, and bus. A refuge office is maintained at 453 Main Street, Chatham, Mass., telephone Chatham 526.

Monomoy Island serves as a very important link in the chain of migratory waterfowl refuges along the Atlantic flyway, which extends from Canada to Florida and the gulf. The island was formed by nature into a coastal barrier beach, ranging in width from one-quarter to 1½ miles, and stretching approximately 10 miles south from the mainland. The refuge area is bounded on the west by Nantucket Sound and on the east by the Atlantic Ocean. The entire island, comprising nearly 3,500 acres, consists of sand dunes, salt and fresh marshes, freshwater ponds, potholes, and coastal thickets. The major portion of Monomoy refuge is covered by sand dunes, low sweeping salt-marsh grass meadows and fresh-water marsh areas. At the head of the island is a section, known locally as Morris Island, which is densely wooded and thicketed by scrubby pines and underbrush.

Purpose: The refuge provides nesting, feeding, and resting grounds for waterfowl, shorebirds, land, and oceanic birds, comprising a known 309 species as indicated by refugee and ornithological observers. Although the area is managed mainly for waterfowl, particularly the black duck and Canada goose, many other species utilize the refuge and adjacent waters throughout the year. Monomoy's waterfowl and other birds converge upon the island from points throughout northeastern North America, particularly from Canada. During the height of the fall migration and subsequent wintering season, approximately a million eiders and scoters may use waters and shoal areas surrounding Monomoy.

History: The island which became the Monomoy National Wildlife Refuge in 1944 is a coastal barrier beach, cut away from Cape Cod and extending south from it. The cape itself is a moraine—a ridge of earth and stones collected by a glacier and deposited when warm winds and weather caused a sort of glacial fallout. The icefields had lifted and literally transplanted large accumulations of earth and rock, scraped and dragged along by the enormous weight of the moving ice mass. The coastal barrier beaches were then formed by tides, currents, and winds acting upon the moraine and the waters around them. Recently, this barrier strip was subjected to severe storms and high tides resulting in the breaching of the island at several places.

Refuge management: The management of this refuge is directed primarily toward the development, rehabilitation, and improvement of habitat for waterfowl. The location of Monomoy refuge in the direct course of the Atlantic flyway is of special importance. Rehabilitation of marsh areas, planting of wildlife food crops, development of nesting and resting areas, control of undesirable vegetation, development and maintenance of ponds and potholes, and protection during vulnerable periods have combined to result in increased usage of the refuge during annual migrations and concentrations.

Other protective management includes predator control, fur management, and sand dune erosion control, plus the building and planting of dikes and roadways as a part of shoreline improvement, to reduce destruction of erosive tides and winds. Tide control gates have been installed to conserve precipitation and to control fresh water levels. The development of numerous potholes and small ponds has been accomplished, providing additional feeding and resting areas. Black ducks, blue-wing teal, and red-breasted mergansers breed here each year. Monomoy Refuge is the southernmost point in North America where nesting of the red-breasted merganser occurs.

Natural food of the refuge are supplemented by planting of millet, smartweed, and rye on suitable areas adjacent to ponds, potholes, and marshes for greatest utilization. Census taking and seasonal usage analyses are standard refuge practices.

Wildlife: The island in its natural setting has long been renowned as a shorebird area. Many species may be seen in breeding or spring plumage during the spring migration which reaches its peak in May. During the fall migration, beginning in July, these species may be seen in their fall or winter plumage accompanied by immature birds.

The island with its varied habitat plays host to many species of land birds as well. Its unique coastal position provides a haven for migrant land birds forced to shore areas by strong westerly winds. Birdwalks are encouraged and have become increasingly popular among a large number of visitors. A bird list is available upon application to the refuge manager.

Mammals on the refuge include the white-tailed deer, fox, and occasionally muskrat, otter, and mink.

Recreation: Varied forms of recreation are available to the public on the refuge. They include fishing, camping, hiking, shell collecting, picnicking, and photography. Shellfishing is prohibited, except to people licensed by the town of Chatham.

Cape Cod and its surrounding waters offer one of America's most excellent fishing areas. Among the fish to be caught off Monomoy Island are striped bass, found from May through October; bluefish, caught from August through September; flounder and fluke, with seasons running from June through September; cod, year round; and haddock, caught from May through November. Numerous boat liveries in and around Chatham serve refuge visitors.

Hiking and picnicking are permitted as long as local, State, and Federal ordinances are strictly observed. These are largely concerned with public and private safety and fire prevention. Camping, picnicking, and fire building are restricted to the beach areas. There is no developed picnic area.

Photography is particularly encouraged, as the island offers a variety of landscapes, seascapes, and wildlife—all admirable subject matter for the photographer.

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Mr. SALTONSTALL. Mr. President, my colleague and I hope this bill will be given thoughtful consideration this autumn, with the possibility of hearings being held on Cape Cod, and that in January there will be hearings on it for the purpose of receiving any suggested amendments to the bill. This is a draft we have prepared carefully, and which we believe is a sound basis for legislative consideration of the proposal which has been made by the National Park Service.

I thank my colleague, the junior Senator from Massachusetts, for yielding to me.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959—CONFERENCE REPORT (S. DOC. NO. 51)

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

Mr. KENNEDY. Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator from Massachusetts yield to me for the purpose of suggesting the absence of a quorum, without losing his right to the floor?

Mr. KENNEDY. I yield with that understanding.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, as I remarked yesterday, no one is fully satisfied with the product of compromise, for in the nature of the process each one gives away something of one's position. This bill is a compromise. I must frankly state that it goes a good deal further in some areas than I think is either desirable or necessary—this is especially true in the Taft-Hartley amendments. On the other hand, the House bill contained some serious weaknesses in the antiracketeering parts of the bill, all of which we were not able to shore up. I regret that it was not possible to close these loopholes.

The point is, nevertheless, that we have before us in this conference report what I believe to be the only bill that it is possible to obtain under all of the circumstances. As it came from the House with the Griffin-Landrum amendment, the bill, in my opinion, should not have commanded the support of a majority of the Senate. It contained serious flaws and in the form in which it passed by the other body, unnecessarily restricted normal, legitimate trade union activity.

The Senate conferees had several serious problems with the first six titles of the House bill—but these titles with certain exceptions followed very closely the substance of S. 1555 as it passed the Senate.

The Taft-Hartley amendments in the Griffin-Landrum substitute, however, went far beyond the provisions of the Senate-passed bill.

However, in the 12 days during which the conference met the majority of the Senate conferees secured important changes in the restrictive provisions of the Landrum-Griffin bill, thereby protecting traditional and essential rights of workingmen seeking to improve conditions of employment. It is important that the Senate should note these changes:

First. No man's land: The Senate conferees insisted upon an amendment which prevents the NLRB from declining to exercise its existing jurisdiction and thereby depriving both employers and employees of the protection of the National Labor Relations Act. The Landrum-Griffin bill would have allowed the Board to surrender unlimited jurisdiction to the States, 35 of which provide no protection to the rights to organize and bargain collectively. The conference report prevents further cession. The current standards of the NLRB assure the widest effective exercise of Federal jurisdiction in the history of the National Labor Relations Act.

Second. Organizational picketing: The House bill would have forbidden virtually all organizational picketing, even though the pickets did not stop truck deliveries or exercise other economic coercion. The amendments adopted in the conference secure the right to engage in all forms of organizational picketing up to the time of an election in which the employees can freely express their desires with respect to the choice of a bargaining representative. When the picketing results in economic pressure through the refusal of other employees to cross the picket line, the bill would require a prompt election. Purely informational picketing cannot be curtailed under the conference report, although even this privilege would have been denied by the Landrum-Griffin measure.

Third. Secondary boycotts: The chief effect of the conference agreement, therefore, will be to plug loopholes in the secondary boycott provisions of the National Labor Relations Act. There has never been any dispute about the desirability of plugging these artificial loopholes. The secondary boycott provisions of the House bill would have curtailed legitimate union activities. Accordingly, the Senate conferees insisted that the report secure the following rights:

(a) The right to engage in primary strikes and primary picketing even though the employees of other employers refused to cross the picket line.

The fact of the matter is that there is some question under the Landrum-Griffin bill whether employees of another employer could have properly refused to cross a picket line in a primary strike. That has been clarified in the conference report.

(b) The right of employees to refuse to work on goods farmed out from an establishment in which the employees are on strike.

The language in the Landrum-Griffin bill, dealing with how far the employees can go in following struck work was far more restrictive than the present law, and the conference report provision takes us back to present law, which is far more satisfactory.

(c) The right to appeal to consumers by methods other than picketing asking them to refrain from buying goods made by nonunion labor and to refrain from trading with a retailer who sells such goods.

Under the Landrum-Griffin bill it would have been impossible for a union to inform the customers of a secondary employer that that employer or store was selling goods which were made under racket conditions or sweatshop conditions, or in a plant where an economic strike was in progress. We were not

able to persuade the House conferees to permit picketing in front of that secondary shop, but we were able to persuade them to agree that the union shall be free to conduct informational activity short of picketing. In other words, the union can hand out handbills at the shop, can place advertisements in newspapers, can make announcements over the radio, and can carry on all publicity short of having ambulatory picketing in front of a secondary site.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point for a question?

Mr. KENNEDY. I yield.

Mr. GOLDWATER. I have been asked by people who are vitally concerned whether there is anything in the conference report which would limit or prohibit the buy-America campaigns which are being carried on by certain unions and business groups, and even by some governmental bodies. I should like to ask the distinguished chairman of the conference committee whether the report was intended to have this effect. It is certainly my own conviction that no such effect was intended, either by the Senate or by the conferees.

Mr. KENNEDY. I know that a good deal of effort has been made by some groups of workers, such as those who work on hats, to make sure that their working standards are protected. The answer to the Senator's question is no, it was not intended that the conference report have such an effect. I am glad that we have had the opportunity to establish legislative history in this matter.

Mr. GOLDWATER. I thank the Senator.

Mr. KENNEDY. I thank the Senator.

(d) The right of labor unions representing employees in the apparel and clothing industry to refuse to work for a jobber or contractor who subcontracts parts of the process of production to nonunion subcontractors. This guarantee, the writing of which into statutory legislation was opposed by the House conferees for 2 weeks, is absolutely essential to the stability of these industries. The bill makes special mention of the industry because it has peculiar problems.

Fourth. Hot cargo: The Landrum-Griffin bill extended the "hot cargo" provisions of the Senate bill, which we applied only to Teamsters, to all agreements between an employer and a labor union by which the employer agrees not to do business with another concern. The Senate insisted upon a qualification for the clothing and apparel industries and for agreements relating to work to be done at the site of a construction project. Both changes were necessary to avoid serious damage to the pattern of collective bargaining in these industries.

Fifth. Economic strikers: The conferees adopted the substance of the provisions of the Senate bill reversing the Taft-Hartley rule that economic strikers who have been replaced should not vote in an NLRB election. This is a highly important change, for the Taft-Hartley prohibition had, in the words of the President of the United States, opened the door to union-busting practices.

The House bill contained a provision on this, but it provided that economic strikers would not have the right to vote if the issue of recognition had been raised before the strike began. It would be extremely difficult for the employer to raise the issue of recognition in almost any economic strike, and in those conditions economic strikers would have been denied the right to vote. We guarantee them the right to vote for at least a year after the strike begins.

Sixth. Prehire agreements: The conference report incorporates the provisions of the Senate bill authorizing labor unions and contractors in the construction industry to negotiate prehire agreements. The Landrum-Griffin bill contains restrictive and unworkable provisions on this point.

Seventh. Employer reports: The conference provision adopts the substance of the Senate bill dealing with the reports to be filed by employers and labor relations consultants, the purpose of which is to disclose to the Government and public opinion any repetition of the unsavory practices brought to light by the McClellan committee. One of the important consequences of these reports will be the full disclosure of sums of money spent by employers to finance "front" organizations distributing propaganda designed to prevent further union organization.

The Landrum-Griffin bill contained a provision whereby if an employer gave $10,000 to a labor relations consultant and asked him to do what he could to see that a union was not organized in his plant, the labor relations consultant could then do anything he wanted with the money, however coercive or corrupt, without the employer's reporting the payment, provided only that the employer was not a party to the consultant's conduct. This was a hole a mile wide in the employer reporting section which was closed by the conference report.

Eighth. Membership lists: The House bill would have required a labor union to open its membership lists to any candidate in connection with an election of officers. Although this requirement might be fair in the case of bona fide candidates, it created grave dangers that stooges would obtain the membership lists for subversive organizations or commercial use. The Senate conferees added the safeguard of limiting the right to one inspection within 30 days prior to an election, without making copies of the list.

In addition to these major changes in the bill as it came from the House, there are a number of other provisions about which I believe the Senate should be fully informed. This is for the purpose of establishing some legislative history.

PROTECTION OF THE RIGHT TO SUE (SEC. 101(A)(4))

The protection of the right to sue provision originated in the Senate bill and was adopted verbatim in the Landrum-Griffin bill except that the first proviso limiting exhaustion of internal hearing procedures was changed from 6 months to 4 months. The basic intent and purpose of the provision was to insure the right of a union member to resort to the courts, administrative agencies, and legislatures without interference or frustration of that right by a labor organization. On the other hand, it was not, and is not, the purpose of the law to eliminate existing grievance procedures established by union constitutions for redress of alleged violation of their internal governing laws. Nor is it the intent or purpose of the provision to invalidate the considerable body of State and Federal court decisions of many years standing which require, or do not require, the exhaustion of internal remedies prior to court intervention depending upon the reasonableness of such requirements in terms of the facts and circumstances of a particular case. So long as the union member is not prevented by his union from resorting to the courts, the intent and purpose of the "right to sue" provision is fulfilled, and any requirements which the court may then impose in terms of pursuing reasonable remedies within the organization to redress violation of his union constitutional rights will not conflict with the statute. The doctrine of exhaustion of reasonable internal union remedies for violation of union laws is just as firmly established as the doctrine of exhausting reasonable administrative agency provisions prior to action by courts.

The 4-month limitation in the House bill also relates to restrictions imposed by unions rather than the rules of judicial administration or the action of Government agencies. For example, the National Labor Relations Board is not prohibited from entertaining charges by a member against a labor organization even though 4 months has not elapsed.

DISCIPLINARY ACTION

The so-called bill of rights title also secures important procedural safeguards against improper disciplinary action against union members as members. The Senate should note, however, that all the conferees agreed that this provision does not relate to suspension or removal from a union office. Often this step must be taken summarily to prevent dissipation or misappropriation of funds. In practice it is usually followed by a hearing.

TIME OF FILING REPORTS—TITLE II

The first financial reports which unions are required to file, and the first reports to be made by union officers, and employees under title II will cover only the period after the date the act becomes effective until the end of their first fiscal year which occurs after such effective date. Activities and transactions which occurred prior to the effective date of the act will not have to be reported.

ELECTIONS AND MEMBERSHIP LISTS

The provisions requiring fair and periodic elections are taken from the Senate bill. The Landrum-Griffin bill would have substituted a variety of suits by individual members for enforcement by the Secretary of Labor. The House conferees receded from this position and the Senate provision was restored.

A second important change in the election title relates to the use of membership lists. The Senate bill required a union to mail out to all members campaign literature submitted by candidates, at the candidate's expense, but there was no requirement that the candidate be given access to membership lists. Past experience demonstrates that unless lists of union members are kept confidential, they fall into the hands of employers who may use them for the purpose of breaking up the union, and into the hands of subversive organizations and commercial enterprises. The House bill would have required the disclosure of lists of members employed under union security contracts to any candidate despite these dangers. The conference report limits the right of the candidate to inspecting such a list once within 30 days prior to the election, and it prohibits the candidate from copying the names and addresses. The right to inspect will be important as a way of checking the accuracy of the union's mailing list, for the candidate will thus be enabled to ascertain whether the union has in fact mailed his campaign literature to those whom he knows to be union members. The inspection is not to enable him to have a copy. The mere fact that a local union has members covered by such agreements does not mean that the national or international union of which it is a constituent unit is required to keep and make available for inspection a list of all of its members, nor does this section require that federations of labor organizations whose members are composed of national or international unions, rather than individual members, are required to maintain and make available for inspection a list of all their individual members.

I do not wish to detain the Senate unduly, but these matters are extremely important. I think it is important that we have this opportunity to establish clearly the intent of the Senate on some of these points.

FIDUCIARY RESPONSIBILITY—SECTION 501

The general principles stated in the bill are familiar to the courts, both State and Federal, and therefore incorporate a large body of existing law applicable to trustees, and a wide variety of agents. The detailed application of these fiduciary principles to a particular trustee, officer, or agent has always depended upon the character of the activity in which he was engaged. They bear upon a family trustee somewhat differently than a corporate director, upon an attorney quite differently than a real estate agent. The bill wisely takes note of the need to consider "the special problems and functions of a labor organization" in applying fiduciary principles to their officers and agents.

The bill does not limit in any way the purposes for which the funds of a labor organization may be expended or the investments which can be made. Such decisions should be made by the members in accordance with the constitution and bylaws of their union. Union officers will not be guilty of breach of trust under this section when their expenditures are within the authority conferred upon them either by the constitution and bylaws, or by a resolution of the executive board, convention or other appropriate governing body—including a general meeting of the members—not in conflict with the constitution and bylaws. This is also made clear by the fact that section 501(a) requires that the special problems and functions of a labor organization be taken into consideration in determining whether union officers and other representatives are acting responsibly in connection with their statutory duties. The problems with which labor organizations are accustomed to deal are not limited to bread-and-butter unionism or to organization and collective bargaining alone, but encompass a broad spectrum of social objectives as the union may determine.

However, the committee bill also explicitly invalidates any general provision in a union constitution or bylaws purporting to excuse union officials from breaches of trust. The bill follows the well-established distinction between conferring authority upon an agent or trustee, which is permissible and protects him against liability, and attempting to excuse breaches of trust, which is here made void as against public policy.

ORGANIZATIONAL PICKETING—SECTION 704

Two of the three restrictions upon organizational picketing are taken from the Senate bill. Paragraphs (A) and (B) of the new section 8(b)(7), which is added to the National Labor Relations Act, prohibit picketing for union organization or recognition at times when the National Labor Relations Board would not conduct an election. Subdivision (A) covers the situation where a contract with another union is a bar to an election. If the contract is not a bar, either because the incumbent union was recognized improperly or lacked majority support, or because the contract had run for a reasonable period, a question concerning representation could appropriately be raised and subdivision (A) would not bar the picketing. Subdivision (B) bars picketing for organizational purposes or union recognition for 12 months after an election in order to secure the expressed desire of the employees. In both cases the prohibitions relate only to picketing in an effort to organize employees or secure recognition in a bargaining unit covered by the existing contract or the prior election.

The restriction added by the House which was approved in conference prohibits picketing, which involves economic coercion through employees, for more than 30 days without filing a petition for an election.

HOT CARGO—SECTION 704(B)

The first proviso under new section 8(e) of the National Labor Relations Act is intended to preserve the present state of the law with respect to picketing at the site of a construction project and with respect to the validity of agreements relating to the contracting of work to be done at the site of a construction project.

This proviso affects only section 8(e) and therefore leaves unaffected the law developed under section 8(b)(4). The *Denver Building Trades* (341 U.S. 675) and the *Moore Drydock* (92 N.L.R.B. 547) cases would remain in force.

Agreements by which a contractor in the construction industry promises not to subcontract work on a construction site to a nonunion contractor appear to be legal today. They will not be unlawful under section 8(e). The proviso is also applicable to all other agreements involving undertakings not to do work on a construction project site with other contractors or subcontractors regardless of the precise relation between them. Since the proviso does not relate to section 8(b)(4), strikes and picketing to enforce the contracts excepted by the proviso will continue to be illegal under section 8(b)(4) whenever the *Sand Door* case (357 U.S. 93) is applicable.

It is not intended to change the law with respect to the judicial enforcement of these contracts, or with respect to the legality of a strike to obtain such a contract.

It should be particularly noted that the proviso relates only to the "contracting or subcontracting of work to be done at the site of the construction." The proviso does not cover boycotts of goods manufactured in an industrial plant for installation at the jobsite, or suppliers who do not work at the jobsite.

Mr. CARROLL. Mr. President, does the Senator from Massachusetts desire to finish his statement before he answers questions?

Mr. KENNEDY. Yes. I should like to say one final word to the Senate, in conclusion.

First, the bill is not the bill I should have preferred to see passed by Congress. The House of Representatives went in a different direction from the Senate. The question was, What action should the Senate take? There are those who feel that it would have been wiser if the Senate had never gone to conference and had instead passed the Landrum-Griffin bill 2 weeks ago. Those who may feel that that would have been a wise decision would have made the greatest mistake of their lives if they voted for that bill. They would not have had the vaguest idea of what was in the Landrum-Griffin bill. It took 2 weeks for the conference to fully understand the meaning of all the provisions of the Landrum-Griffin bill.

Second, I think it is fair to say that the House Members of the conference—and I think they will agree—did not know all the implications of the Landrum-Griffin bill.

The fact of the matter is that the Landrum-Griffin bill was not reported by a committee of the House. It was offered as a substitute on the floor of the House. It came up in a debate on the Elliott bill, and both the Shelley and the Landrum-Griffin bill were also before the House. Three conflicting bills, each running dozens of pages in length, and involving cross-references to court decisions and to provisions of laws were before the House. It would not be any wonder that most of the Members of the House could not have known what the provisions of the House bill contained. Therefore, I think if the Landrum-Griffin bill had been passed, it would have been one of the greatest mistakes we could have made.

Once having decided to go to conference, we stayed in conference until we came back here to the Senate Friday night. Four Senate conferees submitted a resolution suggesting what we wanted in title VII. Everything which we wanted in the bill on Friday night, with one exception, is now in the Landrum-Griffin bill, or the Kennedy-Ervin bill, or S. 1555, the labor-management reform bill of 1959, as I would much prefer to call it.

All the provisions and words, with the exception of the words "and other integrated industries," are in the bill. We tried to take care of the problems of other integrated industries, like the garment industry. For example, the Senator from West Virginia [Mr. RANDOLPH] was extremely anxious to protect the practices in the coal industry. The senior Senator from West Virginia objectively approached the problems of the conference from the national aspect. Yet he was keenly aware of and appropriately sought to protect the rights and interests of the dominant industry of his State in proposing amendments to cushion the impact on the labor-management relations between the coal producers and the miners' union. He offered an amendment relating to the coal industry on three different occasions. The Senator from Michigan [Mr. McNAMARA], the Senator from Oregon [Mr. MORSE], and I voted for it. We were unable to persuade the House to accept it. But the point of the matter is that we were able to gain acceptance of the proposals which were in our resolution of last week, Senate Resolution 181, with the one exception that I have mentioned. We were also able to add two additional important provisions.

We have secured a commitment from the leadership of the House and Senate that in January a bill which the Senator from California [Mr. KUCHEL] and I will introduce tonight, and which Representative THOMPSON will offer in the House, on the Denver case, concerning situs picketing, will come to the floors of the House and Senate.

In my opinion, considering the Landrum-Griffin bill and considering what we have now, I think substantial progress was made, progress of the most important kind. It might have been better to have brought the matter to the floor of the Senate a week ago and let the Senate debate it. But the Senate sent us to conference to have us attempt to render our best judgment.

The Parliamentarian has informed me that only once, I believe, in the time he has been here have conferees come back to the Senate for instructions. Therefore, it seems to me it was our job to attempt to do the best we could.

I am frank to say that I do not think the Senate would have reached a more satisfactory solution. It is very possible that after 4 or 5 days of long, drawn-out debate in the Senate, a motion would have been made to have the Senate accept the Landrum-Griffin bill in toto; and in frustration and fear we would have ended with a bill so different from the House bill that we would not have gotten a reform bill. We might have ended with the Landrum-Griffin bill or no bill at all.

So as a member either of the Senate Committee on Labor and Public Welfare or the House Committee on Education and Labor for 13 years, I have no apologies at all for the bill we are now bringing before the Senate.

I believe that any Senator, regardless of his views on these matters, can vote for the conference report. I do not claim that it is a perfect bill or that it is a model of fairness. But, taking it as a whole, it is the best bill we can pass.

I hope that Senators, regardless of any misgivings which they may have concerning some provisions of the bill, and which I have, will see fit to endorse the work which the conference has done.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. CARROLL. The Senator from Massachusetts has almost answered the question I had in mind about the Denver case. I gather from the remarks of the Senator from Massachusetts that the Denver case will be under consideration in the next session. Is that his intent?

Mr. KENNEDY. When I have concluded my remarks, I will introduce a bill dealing with the Denver case. It will be introduced by the Senator from California [Mr. KUCHEL] and myself and will lie on the desk for several days in the hope that other Senators will cosponsor it. I have received the assurances of the majority leader and the minority leader that if the Committee on Labor and Public Welfare reports the bill, they will schedule it. Likewise, both the Speaker of the House and Representative HALLECK have said that they will use their influence to secure a rule for the consideration of the bill if the House Committee on Education and Labor reports it.

Mr. CARROLL. I thank the Senator. Will the Senator further yield?

Mr. KENNEDY. I yield.

Mr. CARROLL. Were any hearings ever held on the Denver case in relationship to this bill?

Mr. KENNEDY. Yes. Also, the Denver case was in the Elliott bill. But because the Senate committee wanted to confine its bill to labor reform and not deal with the whole matter of Taft-Hartley reform, we did not include it in the Senate bill.

When the House Parliamentarian informed us that a point of order would lie, we did not include the Denver case proposal in the report. We might have had a fair vote on the Denver case in the Senate, but recognizing the fact that a point of order would lie in the House against this provision, we felt that by including it in the conference report the possibility of relief in the Denver case would have been set back rather than advanced.

Mr. CARROLL. Were any hearings held in the House on the Denver case?

Mr. KENNEDY. The situs matter was dealt with in the Elliott bill; therefore, in their deliberations in the hearings on that bill and in conference the House discussed the situs.

Mr. CARROLL. I commend the distinguished chairman of the conference committee. I think he has done excellent work on a very difficult bill.

Is it not true that most of the confusion in both the Landrum-Griffin bill and the bill under consideration arises under section 7 and not in the first six sections?

Mr. KENNEDY. The Senator is correct. If Senators will take comparative prints of the first six sections of the Senate bill and the House bill, they will see that some changes have been made in all of them. The improvements in the first six sections of both bills follow the same course.

Mr. CARROLL. Does the Senator from Massachusetts agree that the first six sections of this measure have to do with the curbing of racketeering and corruption?

Mr. KENNEDY. That is correct.

Mr. CARROLL. So section 7 is not really related to the basic problem with which the so-called rackets investigation committee dealt when it conducted its hearings during the past few years; is that correct?

Mr. KENNEDY. Yes.

Mr. CARROLL. I wish to ask about the so-called no-man's land. If I correctly understand the situation, for the first time since enactment of the Wagner Act—almost 25 years ago—the Congress is regulating all the unions and is requiring them to make reports. Congress is regulating their internal processes, and will require financial reporting by them. Under this measure, all of them will be required to make reports. Is that correct?

Mr. KENNEDY. Yes.

Mr. CARROLL. As I recall the statement made by the distinguished Senator from Massachusetts, although the policy regarding the jurisdiction of the NLRB will be a little more liberal than the one we have had since 1935, there still will be a great area where those who are entitled to the protection of the Federal Government, will not be able to obtain that protection, because of the conference no-man's land provision. Is not that true?

Mr. KENNEDY. Yes.

Mr. CARROLL. Let me say to the Senator from Massachusetts that I have not had a chance to study this matter until recently.

This measure does modify the decision of the Supreme Court in the case of Guss against Utah; does it not?

Mr. KENNEDY. Yes; that would be its effect.

Mr. CARROLL. Yes; because now—for the first time—we begin to soften the so-called doctrine of preemption; and we say to the National Labor Relations Board, "We, the Congress, specify that you must assume jurisdiction of this area."

Is not that so?

Mr. KENNEDY. I would state it somewhat differently. As the Senator from Colorado knows, the National Labor Relations Board has not assumed jurisdiction over quite a considerable area of American interstate commerce, for 25 years, because of the manpower problems which would be involved if the

Board took jurisdiction over numerous cases which do not have a very substantial effect on interstate commerce.

In 1959 the Board published jurisdictional standards which, as the Senator has said, resulted in the Board's assuming more jurisdiction over interstate commerce than the Board ever before in its history had assumed. But those not now covered by the jurisdictional standards of the National Labor Relations Board have never been included in its jurisdiction.

We attempted to secure adoption of the Prouty amendment, for which I voted. It provided that in the so-called no-man's land, the State courts and State agencies would administer the Federal law. But that amendment was not accepted.

Therefore, it seems to me that we did the next best thing; we provided that the States could assume jurisdiction in that area; but we made sure that the Board would not reverse itself and reject cases over which it now assumes jurisdiction.

But we point out that when we provide that the States can assume jurisdiction in this area, we must bear in mind that 35 of the States have no adequate labor laws. In that connection, I assure the Senator from Colorado that I shall watch very carefully what actions are taken by these various States, because if any effort is made to use this provision as an opportunity to limit rights which all of us believe all American working people and employers in these States have, then it will be very easy under this provision for the National Labor Relations Board by administrative decision to assume much fuller jurisdiction.

So I believe this matter is not gone beyond recall. The Board can change its jurisdictional standards, and can, at any time, assume more jurisdiction; but it cannot assume less jurisdiction than it does today.

Once again, we arrived at a compromise; and I would say that, very definitely, it is a satisfactory one, all in all.

Mr. CARROLL. I believe that is exactly what should be done.

In reading the decision of the Supreme Court in the case of Guss versus Utah, I note that the decision states that the Congress is free to change the situation at will; and the Court also said that in 1954 the Senate Committee on Labor and Public Welfare recognized the existence of a no-man's land, and proposed an amendment which would have empowered State courts and agencies to act upon the National Labor Relations Board's refusal of jurisdiction.

What happened to that amendment, which came out of the Senate Committee on Labor and Public Welfare? Why was it not enacted then, if we sought to protect the workers?

Mr. KENNEDY. I think that bill—the 1954 bill—was recommitted.

Mr. CARROLL. I thank the Senator from Massachusetts for his helpfulness.

I know that as a most important member of the committee, and because of his keen interest and his great leadership in this field, the Senator from Massachusetts has been most helpful to all of us.

But I must still say that it is manifestly unfair to those workers who are excluded from Federal protection. I do not know how many are in this group. I do not know whether there are 1 million or 5 million workers who are denied this protection. The reform bill which now is before us will not protect the workers in this area, but it will require the small unions to file financial and other reports. I am glad to know that the Federal Government will extend its jurisdiction to some small unions for the first time in 25 years, but I am sorry that others will still not be able to have the benefit of the National Labor Relations Act.

I commend the Senator from Massachusetts for his expression today. This subject is of vital importance, but not many of us understand labor law. We are not experts in this field. We have to dig hard in order to obtain the facts.

But this one fact is clear.

If I may be so presumptuous as to say so, I do not believe many Members of this body—except the members of the committee—have had a chance to fully understand what this measure provides in connection with the no-man's-land problem. How many of us understand that not more than 8, 10, or 12 States have labor laws which will provide the workers the protection they need? In many States, the workers will be thrown back to reliance on the common law. In many of those States, the State laws are very backward in their treatment of both labor and management.

That is why I believe it most unfortunate that we have to pass on section 7 without proper consideration or proper hearings.

But I agree completely with the Senator from Massachusetts that this is the best measure we could get under the circumstances, considering the propaganda and the pressures placed upon the Congress.

But it is most unfortunate that we have to act under these conditions.

However, not having acted in an orderly and intelligent manner—as I know the Senator from Massachusetts wanted us to act—we now find it necessary to have a more restrictive and less carefully considered bill.

Mr. KENNEDY. Mr. President, I am delighted that the Senator from Colorado has brought up this point, because it gives me an opportunity to say something which I might not otherwise have said.

If the 35 States which do not now have State labor agencies which can handle representation proceedings, and so on, determine that the atmosphere of the country is such that punitive legislation is wanted as regards these employees and employers who are engaged in interstate commerce, but who in a sense are being turned over by the Federal Government to the States—if those States feel that this provision is going to serve as an excuse for the passage of laws which would deny them what both the Senate and the House of Representatives, I am sure, would feel would be their rights, then there are several remedies. The first is by having the National Labor Relations Board broaden its jurisdiction—which can be done under our bill. The second is by having the President recommend the reorganization of the Board, so it can handle these cases. The third is by having the Congress make it very clear that the Board must assume its full jurisdiction.

So I want to make it clear that these employees are not being placed beyond our control, because the Senate and the House of Representatives can move into this area immediately; and I assure the Senator from Colorado that the Committee on Labor and Public Welfare will do so, and will watch with care any State laws which these States may pass, which affect these employees.

Mr. CARROLL. Mr. President, again I assure the Senator from Massachusetts and the other members of the committee, who worked so very hard on this measure, that I realize this is a very difficult field. I say frankly that if I had not had the benefit of the explanation by the Senator from Massachusetts, and if I did not now understand a little more clearly what the true situation is, I would vote against this bill. I think that we should meet the problems of racketeering and corruption.

All of us favor curbing racketeers and corruption. But this measure involves criminal law and the regulation of both unions and management. When we get into the highly technical field of economic democracy and labor and management relations, we should give it thorough study.

In view of the statements which have been made by the Senator from Massachusetts and by other Senators, I do not believe sufficient study was given to the Landrum-Griffin bill; and, frankly, I do not believe that sufficient study was given by this body, either.

Nevertheless, under the circumstances we are going to have to march forward. Again I commend the Senator from Massachusetts. I state frankly that I am willing to proceed with this bill, with the assurance that the Denver case will be reconsidered. I will join the Senator as regards that case. Very few Members of this body understand the law involved in that case. I have one further question to put. As I understood it the Denver case involved new matter and therefore would be subject to a point of order in the House. Is that correct?

Mr. KENNEDY. That is correct.

Mr. CARROLL. How can the Denver case be distinguished from the garment workers' case? Did not the latter also involve new matter, and was it not subject to a point of order?

Mr. KENNEDY. That question was raised. I received an informal judgment from the Parliamentarian and others that a point of order would not lie against that section of the bill. Also all House Members stated very vigorously their conviction that it should not lie. They also stated vigorously—Chairman BARDEN in particular—that it should lie against the Denver case. While nothing is certain, my opinion is that a point of order will not be made or be sustained against the garment industry provision.

Mr. CARROLL. I am sure it will not be. It is too bad the Denver case could not have been brought in, and we could have found out about it. It is a very simple case. The Denver case involved members of a craft union working on a big building. An electrical company, paying 42 cents an hour under the prevailing wage received a subcontract. The building trade workers—carpenters, bricklayers, and the rest—said, "We refuse to work alongside them." That was the basic issue involved, as I remember it. The court held against them.

This was a new concept. We had never had this trouble before. For over 20 years we did not have trouble in this area in any case, until this happened. The company had men who were working for 42 cents an hour under the wage scale.

I join the Senator from Massachusetts and the Senator from California in the expression that we ought to work on this problem in next session, and we also ought to work on some of the defects in this bill.

I thank the Senator for yielding to me.

Mr. KENNEDY. I am delighted the Senator brought this point up.

Mr. HILL. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield to the Senator from Alabama.

Mr. HILL. The Senator from Massachusetts has said that the conference report bill is not the bill he preferred, but he feels it is the best bill that could have been obtained under all the circumstances.

The Senator from Colorado has well said that anyone who has worked or labored in the field of labor-management, endeavoring to write legislation in that field, knows how complex and difficult it is to write adequate, fair, and just legislation in that field.

Mr. President, I felt that the Senate conferees on this bill are entitled to the thanks and the congratulations of the Senate for their long, hard, and arduous labors, and for the good will and understanding and statesmanship they brought to bear in the conference.

The distinguished chairman of the conference, the Senator from Massachusetts, is entitled to the special thanks of this body for his patience, his courage, his devotion, and his wise leadership, which contributed so greatly to the bringing of this conference report to the Senate today. I warmly congratulate and commend him for the fine work that he has done.

Mr. KENNEDY. I thank the Senator very much.

Mr. MAGNUSON. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield to the Senator from Washington.

Mr. MAGNUSON. On page 20 of the report, in relation to the prohibition against certain persons holding office, among other things, section 504 states:

> No person who is or has been a member of the Communist Party or who has been convicted.

And so forth. What is the definition of Communist Party? Would the definition be determined by prior rulings of the National Labor Relations Board or by the Attorney General, or what would be the definition?

Mr. KENNEDY. This language was taken from the House bill. As the Senator will remember, under the present language, an affidavit has to be filed. That was felt to be awkward. Therefore, such persons would fall under the general prohibition, but the definition would have to be made by the courts. The courts would have to determine the question.

Mr. MAGNUSON. I ask the question to clear up the matter. There may be an adequate explanation for this, but further in the report it is provided that this matter may be brought before the Board and the Board's determination in any such proceeding shall be final.

Mr. KENNEDY. We are talking about two different things. In one case we are talking about the question of a convict who may have been paroled and who might want to serve as a union officer; but, as to the Senator's question, the determination would have to be made by the court.

Mr. President, before yielding the floor, I wish to express my appreciation to the Senator from Michigan [Mr. McNAMARA], who has had long experience in the labor-management field; the Senator from West Virginia [Mr. RANDOLPH], both of whom participated in this difficult conference; and the Senator from Oregon [Mr. MORSE], who disagrees with us, but who labored diligently in this field for 2 years, a very constant companion in this most difficult task. I appreciate his efforts.

Mr. President, I yield the floor.

Mr. GOLDWATER. Mr. President, as one of the Senate conferees who sat for 12 days in the conference on the labor bill between the House and Senate, I am pleased we have reached agreement on a bill which, I believe, will not only merit overwhelming approval of both Houses of Congress, but most of all, will fully meet the demand that the American people have emphatically made upon us for the enactment of a strong and effective labor reform bill.

Mr. President, the conference report before us today carries out, in substance, all of the recommendations contained in the McClellan committee interim report of March 1958. In addition, this conference report contains provisions which strike at the heart of the racketeering, hoodlumism, and gangsterism in the union movement so dramatically revealed during the two and one-half years of hearings held by the McClellan committee.

First, I would like to read to the Senate the five legislative recommendations made in the first interim report. These recommendations are:

1. LEGISLATION TO REGULATE AND CONTROL PENSION, HEALTH AND WELFARE FUNDS

Last year Congress enacted a bill to require filing of reports on the management of union pension and welfare funds. This year, using the Landrum-Griffin bill's language, we require bonding of officials who handle all union funds, requiring of them high standards of fiduciary responsibility. I will explain this in connection with the next McClellan committee recommendation.

2. LEGISLATION TO REGULATE AND CONTROL UNION FUNDS

In four major areas, the bill which we agreed to in conference gives full force and meaning to the McClellan committee recommendation for the regulation and control of union funds, by the adoption of provisions in the Landrum-Griffin House-passed bill.

We deleted the Senate provision granting an exemption from reporting for small unions because the McClellan committee report made no distinction between large and small unions and, in fact, some of the worst abuses uncovered involved smaller unions. Thus, under the conference bill, members of small locals are given the same opportunity to know how their money is being spent as are members of large unions.

We dropped the provision in the Senate bill which would have required only those union officers and employees receiving more than $5,000 a year from the union to report any conflict of interest transactions in which they may be involved. We agreed to the House provision requiring all officers and employees to report conflict of interest transactions because it is our belief that the Senate provision would have created a major loophole by means of which the crooks and shady operators could have evaded the filing requirements to the detriment of the honest union members.

While both the Senate and House bills contained a provision requiring every union officer who handles funds or property to be bonded, the Senate bill would have permitted blanket bonding with a maximum bond of $250,000. The House provision was much stricter, requiring personal bonding of not less than 10 percent of the amount handled by the union officer. An additional safeguard of the House provision prohibited the placing of the bond with a surety company in which an officer or employee of the union had any interest. The conferees originally agreed to the House provision but subsequently adopted an amendment which I offered, striking out the 10 percent minimum and making the maximum amount $500,000. There are many unions with pension and welfare funds totaling hundreds of millions of dollars. To require a bond of 10 percent of such funds would be unrealistic and burdensome.

A further strengthening provision of the House bill which the conferees adopted dealt with the fiduciary responsibility imposed upon union officers. The McClellan committee recommendations on regulation and control of union funds specifically stated that:

> Since union-dues moneys, as well as health and welfare funds, are in actuality a trust, being held for the members of the union by their officers, the committee feels that attention should be given to placing certain restrictions of the use of these funds, such as are now imposed on banks and

other institutions which act as repositories and administrators for trust funds.

This type of legislation, in the committee's opinion, would go a long way toward preventing wholesale misappropriation and misuse of union funds such as that disclosed by committee testimony.

While the Senate bill imposed a fiduciary responsibility upon union officers, the House bill in addition gave the union member a right to bring suit in court against a union officer to recover damages growing out of a breach of fiduciary responsibility.

3. LEGISLATION TO INSURE UNION DEMOCRACY

Mr. President, the third McClellan committee recommendation was legislation to insure union democracy.

While both bills effectively carried out this recommendation, the Conferees adopted a very important provision contained in the House bill. It guarantees to every bona fide candidate for union office the right to inspect a list containing the names and addresses of all members of the union who are covered by a union shop contract. Such a provision, in my opinion, is a long stride forward in equalizing the balance between candidates running for union office, now so heavily weighted on the side of incumbents.

4. LEGISLATION TO CURB ACTIVITIES OF MIDDLEMEN IN LABOR-MANAGEMENT DISPUTES

Mr. President, the fourth McClellan committee recommendation was legislation to curb activities of middlemen in labor-management disputes.

In this area, both the Senate and House bills, by requiring detailed reports from employers and labor relations consultants, effectively controls the Shefferman type operation spotlighted by the McClellan committee. We borrowed language from both bills in order to achieve our desired objective.

5. LEGISLATION TO CLARIFY THE NO MAN'S LAND IN LABOR-MANAGEMENT RELATIONS

Mr. President, the fifth McClellan committee recommendation was legislation to clarify no man's land in labor-management relations.

The McClellan committee was very explicit in recommending that:

> The NLRB should exercise its jurisdiction to the greatest extent practicable, and, further, that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.

The Senate bill attempted to solve the no man's land problem by allowing State labor relations boards—but not State courts—to take jurisdiction over cases declined by the NLRB. The State board, however, would have to apply Federal law. Only 12 States have labor boards and even those States would have to pass legislation allowing the board to apply Federal law. Obviously, this treatment of the no man's land offered no solution to the problem.

The House provision, which was agreed to by the conferees, specifically carries out the recommendation of the McClellan committee by authorizing State labor boards and courts to assume jurisdiction and to apply State law in cases over which the NLRB declines to assert jurisdiction. The conferees added a provision requiring the NLRB to continue to take cases meeting its present standards.

Mr. President, judging from the colloquy I have heard today on the no man's land, we must keep this in mind: Up until 2 years ago, when the Guss decision was handed down by the Supreme Court, we had no such thing as a no man's land. The State courts were taking care of these cases, and there was no problem in the field. So we are not trying something new, Mr. President; we are merely going back to that which was in effect all the years we have had labor law up until 1957, when the Guss decision of the Supreme Court preempted the State area.

I think my colleagues fear rather wrongly in this direction. To me this is one of the most important recommendations of the McClellan committee, in that it will give relief to the small businessmen. Those are the people about whom we are concerned. We are not interested in State court action in cases which apply to interstate commerce, because it is clear those are involved in interstate commerce and it is clear that the NLRB must take jurisdiction. I am talking about the little grocery store, the service station, or the main street merchant who cannot get relief from the NLRB but who will now be able to get relief from the local and State courts.

Mr. President, I should like to discuss next the field of secondary boycotts, hot cargo agreements, and recognition and organizational picketing.

Some of the most shocking of the revelations of the McClellan committee involve the use of secondary boycotts and recognition and organizational picketing as a weapon of extortion, terror, and intimidation. Many small main street businessmen were forced to their knees by the use of these tactics and were either forced out of business or else succumbed to the unions' demands. In all such cases the interests and desires of the employees involved as to whether they wished to be unionized were never considered.

The people of this country have reacted to this sordid condition and have expressed themselves in no uncertain terms in one of the greatest avalanches of mail from irate constituents Representatives and Senators have ever received. The demand is uniform—they want immediate relief from this exercise of coercive power.

The House bill carried out this mandate by closing up the loopholes in secondary boycotts and by banning recognition and organizational picketing. With some clarifying provisions, the conferees adopted the House bill on secondary boycotts, hot cargo agreements, and recognition and organizational picketing.

The Senate bill did not deal with the subject of secondary boycotts. The House bill, however, closed up every loophole in the boycott section of the law including the use of a secondary consumer picket line, an example of which the President gave on his nationwide TV program on August 6.

Only hot cargo agreements between a union and a common carrier were banned by the Senate bill; the House bill extended this ban to all unions and employers by making them illegal, unenforcible and void. Because of the persuasive arguments made our colleagues, the Senators from New York [Mr. JAVITS and Mr. KEATING] and the Senator from Pennsylvania [Mr. SCOTT], the Republican conferees were persuaded to support the addition of a provision exempting the garment industry from the prohibitions on boycotts and hot cargo agreements.

In the field of recognition and organizational picketing, the Senate bill prohibited picketing for these purposes for 9 months after an election or when another union had been certified or lawfully recognized. This was all. The Landrum-Griffin bill went further—it restricted picketing unless the union could show a 30 percent interest among the employees and then allowed it only for a reasonable period of time, not exceeding 30 days. The conferees adopted the substance of the House provisions except for the 30 percent showing of interest requirement.

All in all, the sentiment expressed so overwhelmingly by the House in approving the Landrum-Griffin bill was again manifested by the conference, which adopted the basic Landrum-Griffin bill with a few clarifications and modifications. The bill that we have agreed upon carries out President Eisenhower's urgent request for labor reform legislation.

The bill carries out not only the recommendations of the McClellan committee, but it also reflects the provisions of the bill introduced by the Senator from Arkansas [Mr. MCCLELLAN] which was used as a guide in drafting the Landrum-Griffin measure substantially adopted by the conference.

Mr. President, we might think, today, as we cast our votes for the conference report, that our work is done.

Mr. President, this is not so. We have further work to do in this field. I do not want to delay the Senate long on this point, because I have made it often. We have work to be done in the field embodying one word, and that word is "power."

Let us examine this point of power briefly. Unions are granted privileges by the Federal Government which are granted no other segment of our society. It would take a man of extremely high character to avoid exploiting these privileges, for they include immunity under the antitrust laws, practically full immunity from injunctions in the Federal courts, immunity from taxation, power to compel employees to join a union as a condition of employment, the right to represent all the employees as exclusive bargaining agent even if only a bare majority has selected the union as such agent; power to compel employers to bargain collectively. Although not required to be incorporated, their members are free from liability for the debts of the union.

Unlike the members of other unincorporated associations, unions are not liable for the acts of their individual members, in contrast to other types of unincorporated associations. Employers are prohibited from discriminating in the

hire and tenure of employment against employees because of their union membership or their union activities, including participation in picketing and strikes. Employers are forbidden, however, to engage in lockouts except in two unimportant types of situations. Unions have the right to collective bargaining, to compel the employer in some circumstances to disclose his financial books and records, but there is no corresponding obligation on unions.

The unions in some situations have a legal right of access to the employer's property, the right to compel him to make his property available for use by the union, and the right to invade the privacy of the employees who are not union members, and sometimes even against their wishes.

Mr. President, as I have said on previous occasions, it is this power, and the abuse of this power, legally vested in the union movement, which is the basis of corruption exposed by the McClellan committee.

It is not necessary to mention, Mr. President, about the power vested in the offices which these men hold which is the core of the problem.

If we direct our efforts at this problem, then we will be dealing with the basis of labor corruption. If we do not apply ourselves in this direction, we are only dealing with the symptoms and are hoodwinking the public as well as ourselves.

Mr. President, in order not to detain the Senate, I ask unanimous consent that a portion of an article written by Mr. Edward H. Chamberlain and David Wells, professor of political economy at Harvard University, be inserted at this point in my remarks, and I might add, Mr. President, that this is a part of a book every Senator should read, "The Public Stake in Union Power," which was written by 12 outstanding professors in the field of law and economics, published at the University of Virginia.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Why is industrial monopoly, by general agreement, against the social interest? And why have we in this country been particularly active in trying to control it? Because it creates a maldistribution of resources, is a common answer. This is a sophisticated argument, which incidentally applies equally to labor monopoly. A monopoly of building materials raises the cost of building and so discourages the construction industry. So does a monopoly of the International Brotherhood of Teamsters hauling building materials in the construction industry. No difference. Either one maldistributes resources as between the construction and other industries.

But I believe the chief source of objection to industrial monopoly is in the matter of incomes—in its exploitation of the public through charging what are generally regarded as unduly high prices and deriving therefrom an excessive income. People do not like to be held up. In more technical terms, the business monopolist by raising his price produces less and yet increases his aggregate income. This means that the social dividend is smaller, and that with his own increased money income he is able to buy a larger portion of it. The net effect on others is adverse in both respects: they get a smaller portion of a smaller total.

Let us turn this argument around and try it on the labor field. The New York multimillion-dollar construction industry has been at a standstill for several weeks from a strike of 3,500 truckdrivers. A portion of these, the sand and gravel drivers, have settled (in the midst of a recession, and in a labor market where supply exceeds demand by over 5 million according to the latest figures) for (roughly) a 12-percent increase (over 2 years) plus freight benefits, bringing their wage rate to well over $3 an hour (or about $25 a day), and the others are holding out for the same increase. I can see no reason why they will not get it, for by bringing the entire industry to a virtual standstill they have demonstrated their power to inflict untold damage as the alternative, and there is no reason why they cannot go on almost indefinitely. Their ability to obtain such an increase, and in the face of substantial unemployment, is evidently based on a position of power. And it is far greater in this case than that of the industrial monopolist. But more of this later. The point here is that the cost and hence the price of construction is correspondingly raised so that less construction will be done, and that the income of the truck drivers is increased. On the one hand, the social dividend is smaller, and on the other, the drivers with their increased money incomes are able to buy a larger portion of it.

It is of prime importance to note that this argument, unlike the earlier one, is not confined to the labor market, thus representing the gains of union labor as being at the expense of other laborers. On the contrary, it recognizes that the gains of labor monopoly are, like the gains of any other monopoly, at the expense of all other elements of society, in other words, of the general public. This is so because the higher prices resulting from higher labor costs are paid by consumers generally. And they are paid by those of all income groups, including the lowest. The real incomes of all are diminished for the benefit of a particular group of laborers. The principle involved is extremely simple. There is no mystery about it, and labor monopoly is in this respect no different from any other monopoly.

This proposition is, however, the last thing which organized labor will want to admit, since unions depend heavily on public favor, and must persuade the general public that labor interest and public interest are simply two different names for the same thing. So it is that Walter Reuther even invites the public in, like one of the neighbors, to have a cut in the hypothetical raid which he will engineer on automobile profits. This is economic warfare, of course, and nobody can blame Mr. Reuther for sending up a smoke screen of this sort if he thinks it will help him. But I am afraid that, no matter what judgment one may pass on profits in the automobile industry, higher labor costs will in the end be added to the price of automobiles. We ought to look through the smokescreen if we can.

In sum, the objection from a public point of view to labor monopoly is no whit different from the familiar objection to industrial monopoly. Certainly the public does not enjoy being held up by truckdrivers any more than it does by, say, the railroads. But the difference is that it is more aware of railway rates and hence has developed over many years a machinery for controlling them in the public interest, whereas in the wage field it appears hardly to be aware at all of what happens. Indeed, it is not too much to say that there is a widespread positive aversion to finding out and to recognizing the full extent and significance of labor monopoly power, since this would do violence to one of the most cherished of popular beliefs, viz, that the labor cause is unqualifiedly good.

There are many reasons why the public is virtually immune to an awareness of labor monopoly, some of them connected with points made earlier in this paper, for instance, the heavy tradition that wages are by their very nature highly competitive, that labor is the "underdog," etc. But one very fundamental reason is that the wage bill is paid immediately by an employer and only finally and indirectly by the public through the mechanism of the cost structure on which the prices are based. Although the main principles involved in the law of cost do not seem very difficult to anyone trained in economics, they are, nevertheless, sufficiently remote to be difficult for the average citizen. And nothing is easier than for him to sympathize with the laborers who get the higher wages, since this objective seems desirable per se and is directly translatable into his own economic world: he would like to have higher wages himself. A banal plea for economic education is evidently in order. But let me restrict myself to a plea for a revived emphasis in economic theory and in the elementary course on economic structure, on microeconomics if you will, as against the aggregative and the "macro." No doubt both are important, but it does seem to me that a major consequence of the Keynesian onslaught has been to put a very bad squeeze on the study of what used to be called the theory of value.

An important difference, then, between monopoly power in the hands of labor and in the hands of business is that the former is more easily covered up—buried in the cost structure and forgotten. It does not take much imagination to realize that this is one of the chief sources of its strength: those who might otherwise oppose it are less aware of it.

There are in addition other sources of strength beyond those attributable to mere collective action per se. I have dealt elsewhere with some of them under the headings of "Accretions of Power" and will only summarize them here in passing. The main point is that they are peculiar to the labor market. They include (1) violence and intimidation, both actual and potential, (2) picketing as a phase of intimidation and also as a means of putting pressure on, or entering into collusion with, other unions, (3) boycotts, both secondary and primary, (4) compulsory unionism, and (5), perhaps the most important of all, the right, or at least the de facto power, in the case of a strike, to deny to an employer access to alternative bargains.

Mr. GOLDWATER. Mr. President, I would not want to close without recognizing the Senator from Nebraska [Mr. CURTIS], and his long efforts in this body to obtain effective secondary boycott legislation. I can recall that as long as he has been here, knowing as he does the problems raised in the Coffey case in his own State of Nebraska, he has assigned himself assiduously to this task, and I should not want to finish without recognizing his efforts.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. GOLDWATER. I yield for a question.

Mr. LAUSCHE. Is the Senator able to state to what extent the recommendations made by the McClellan committee are now embodied in the bill that is before the Senate?

Mr. GOLDWATER. As I said earlier in my discussion, they are all handled in this bill. They are not handled entirely in the way I think the Senator from Arkansas intended them to be, but they are in the conference bill. The no man's land has been taken care of. The abuse of picketing has been taken care

of. The democratic process, the fiduciary responsibility, and the like, have all been included in the bill. The Senator in voting for it can rest assured the substance and the weight of the McClellan committee are in the bill.

I voted against the Kennedy-Ervin bill only because it did not have those provisions in it.

Mr. LAUSCHE. That is, the Senator from Arizona voted against the Kennedy-Ervin bill because it did not adequately take care of organizational picketing, secondary boycotting, the elimination of the area where there was no law, with the courthouse doors nailed shut and the lawless not controlled?

Mr. GOLDWATER. The Senator is correct. I felt the provisions in the first title relative to the democratic processes, reporting, and so forth, were good. I did not agree that they were strong enough, but they were good. I voted against the bill because it did not touch upon the suggestions made by the McClellan committee, which seven out of the eight members of that committee signed before it came to the floor.

Mr. LAUSCHE. Am I correct in understanding then, that substantially the recommendations made by the McClellan committee are now in the conference bill, but that they were not in the bill when it was passed by the Senate?

Mr. GOLDWATER. The Senator is absolutely correct in that statement.

Mr. KEATING. Mr. President, would the distinguished Senator yield for a question?

Mr. GOLDWATER. I am happy to yield.

Mr. KEATING. The proposed labor law being pretty complicated, I am trying to simplify it somewhat. Has the distinguished Senator any idea of the number of changes made from the time the bill came to the floor from the Labor Committee up to the present time? How many changes have been made?

Mr. GOLDWATER. That is a rather difficult question to answer specifically. If we take the original bill that was introduced in this body and say that that is the vehicle on which we constructed these other structures, then I believe the total changes would be in the neighborhood of 150.

Mr. KEATING. We made a good many here on the floor.

Mr. GOLDWATER. I believe there were 37 made on the floor, some 104 in the House, and I think 45 to 50 in conference.

Mr. KEATING. Would it be a fair appraisal to say that the conference report is about 85 percent by weight and 90 percent by volume the Landrum-Griffin bill?

Mr. GOLDWATER. I would leave that up to the Senator's judgment. I would not want to exercise whatever wisdom I have in that respect. I think the bill is a good bill. I think it is a bill that will do for the American people, the workingmen, what they want done for them.

Mr. KEATING. It does cover the three points, secondary boycott, organizational picketing, and a no man's land provision, which were not adequately dealt with in the bill before.

Mr. GOLDWATER. The Senator is correct.

Mr. President, in summing up, I wish to pay particular respect to Mr. Michael J. Bernstein, who is sitting here beside me on the floor. He was formerly chief counsel in the 83d Congress and since that time has served as minority counsel of the Senate Committee on Labor and Public Welfare, ever since I have been on the committee, which is 7 years. His services are invaluable. I think I speak knowledgeably in stating that I do not know of another lawyer in the United States who understands the Taft-Hartley law as well as this man does. I am deeply indebted to him for his services to me and to the minority members. In fact, I would not dare talk about this subject without Mike being at my side.

I should also like to pay my respects to Mr. Ray Hurley and Fritz Randolph, of the minority staff, for the work they did for the minority Members.

I should like to pay my compliments to Prof. Archibald Cox, of Harvard University, who is here working with the committee. Professor Cox brings to us a great knowledge of labor law. He has an ability with words that was extremely valuable to us as we met in the conference to act on this proposed legislation.

I should also like to mention the House Members and the House staff who have been most cooperative and helpful in the formation of the conference report.

Mr. President, in closing, at the time of passage by the Senate of the Kennedy-Ervin bill I cast the lone negative vote. At that time I declared that the bill would mislead the public into the false belief that adequate measures had been adopted to cope with the evils they abhor.

I contended, in voting at that time, that I did not choose to be a party to this deception. I also declared that I regarded it as my duty, not only as a Senator but as an American citizen, to enlighten the public to the facts of the matter.

Therefore, Mr. President, I am extremely gratified with the events of the past few weeks. I applaud the work of the House, the response of the public, the encouragement of the President, and the efforts of the joint conferees in recognizing the need for adequate labor reform legislation.

We have now succeeded in putting together a bill which is a victory for the American people and for organized labor itself when we consider that organized labor is the workingman.

Mr. CURTIS. Mr. President, first I wish to thank the distinguished Senator from Arizona for his kind reference to the junior Senator from Nebraska. Coming from the Senator from Arizona, I deeply appreciate this tribute, because no man in America has done more for the free men and women who make up our laboring force, and for honest unionism, than the distinguished Senator from Arizona.

Mr. President, in the 84th Congress I introduced a bill to outlaw secondary boycotts, "hot cargo" agreements, and organizational and recognitional picketing. I reintroduced it in the 85th Congress and in the 86th Congress. It is known as Senate bill 76, a bill to amend the Labor Management Relations Act, 1947, as amended, and for other purposes.

I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from further consideration of Senate bill 76, and that the bill be indefinitely postponed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CURTIS. Mr. President, across the Mall, not far from where I stand, is a recently constructed shaft of white marble. Built by the citizens of this land, it is a monument to one of the great men of our time, a man of intelligence and vision, integrity and courage, a courageous leader of this body, and one of the first citizens of this country. The bells of that memorial should ring out today.

The Nation is once again following the trail he blazed.

Twelve years ago, Robert A. Taft led the battle for needed reforms in the complex and controversial area of labor-management relations. Were he here with us now, he would once again be leading the fight for a just, but affirmative, resolution of these difficult problems.

Fortunately, there have been others who have been willing to undertake this controversial and sometimes unpopular task—the task of maintaining justice, responsibility, and balance in labor-management relations.

We now have before us a bill which reflects the contributions of many individuals. It is, in my judgment, a good bill. It meets the needs of the hour and these needs are very real. Yet, it meets these needs without harshness or discrimination. The bill before us represents a constructive step in solving one of the most vexing problems of our industrial society.

To catalog all those who have made contributions to this significant effort would require more time than I can take here this afternoon. Let me name only a few.

Preeminent on anyone's list of those who have unselfishly worked for constructive labor legislation, would be our distinguished colleague, JOHN MCCLELLAN, the senior Senator from Arkansas. If one man reflects, yes even embodies, the moral fiber of American people, it is JOHN MCCLELLAN. He has become a symbol of moral courage. His determination to carry through the work of his select committee, without regard to political pressures or opportunism, laid the ground work for the legislation that is before us today. If the bill before us is, as I believe it to be, an insistent expression of the will of the people, JOHN MCCLELLAN is in large part responsible for revealing to our citizens the violence, fraud and corruption that has spread through certain important areas of labor-management relations. Likewise I commend equally the work of the cochairman, Senator KARL MUNDT.

Other members of this body have contributed substantially. The distin-

guished minority leader [Mr. DIRKSEN] undertook the difficult assignment of serving this year on the Committee on Labor and Public Welfare, knowing full well that it was a year of legislative decision. His work on that committee in the conference just ended, has been outstanding and will remain as a fine example of a courageous willingness to accept a difficult role at a critical time, a role that lesser men would have avoided.

Also there is that militant crusader from Arizona, my friend and colleague [Mr. GOLDWATER]. His untiring efforts to break the strangle hold which the hoodlums and the racketeers have held on certain segments of the American labor movement, are well known. No one has worked harder than he has for this cause.

If time permitted, I could mention many others on both sides of the aisle. Then, of course, I would be remiss if I did not mention those on the other side of the Capitol who worked so hard to put together a bill which met the needs of the time. The cosponsors of the House bill, Mr. LANDRUM, of Georgia, and Mr. GRIFFIN, of Michigan, deserve the thanks of the entire country. They have given this measure a truly bipartisan stamp.

More than 4 years ago events in my own State of Nebraska impressed upon me the need for additional labor legislation. Jimmy Hoffa and his teamsters were running roughshod over small trucking concerns. Senators remember what has become one of the classic yet tragic stories of the oppression and injustice that can flow from the use of unbridled power in the hands of a few arrogant and despotic labor leaders. The story of the Coffey Transfer Co., of Alma, Nebr., received national publicity because it represented an example of a small business being ground into the dust by the overwhelming power of an irresponsible union. The company's one mistake was its unwillingness to force its employees to join the union. Ruin and dissolution followed the union's all-out attack. Picketing and secondary boycotts were the weapons used by the union to achieve its evil objective.

Late on an autumn day in 1955 I received a telephone call in my home office at Minden, Nebr., from Mr. Tom Coffey, asking me if I could see him that evening. He came down. He told me of the demands made upon him by Teamster bosses and racketeers, and further told me that they threatened him that if he asked for an election they would delay it and delay it until he went broke. Mr. President, that did happen.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a calendar of events showing the steps that were taken to accomplish the ruin of the Coffey Transfer Co.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The calendar reveals how Coffey was put out of business in 6 months:

August 22, 1955: They received a registered letter from the Teamsters Union advising them that their employees had selected them as the collective bargaining agent.

August 24, 1955: Mr. Coffey met with the officials of the Teamsters Union. They presented him with the Central States area contract and requested him to sign it. At that time they presented him with what was purported to be the signature of seven of his drivers. He declined to sign for two reasons. First, 7 drivers were not 51 percent of his 22 drivers. Second, it was economically impossible for a line such as his to meet the demands in said contract.

September 20, 1955: The Teamsters Union called a strike and placed three of his employees on the picket line at his Omaha office.

September 26, 1955: They filed a petition with the NLRB requesting an election of their employees to determine whether or not the union represented 51 percent of his employees.

September 30, 1955: An election hearing was set by the NLRB for October 20 at Alma, Nebr.

October 11, 1955: The election hearing was postponed at the request of the union by the NLRB to October 25, 1955.

October 14, 1955: The Coffey Transfer Co. filed charges against the Teamsters Union with the NLRB alleging a secondary boycott.

October 17–28, 1955: The secondary boycott charges as filed by them against the union were investigated by the NLRB.

October 25, 1955: The NLRB held a hearing at Alma, Nebr., to determine whether or not they were entitled to an election under the NLRB rules.

December 7, 1955: The union signed an agreement with the NLRB that they would cease the secondary boycott as a strike implement.

December 12, 1955: The NLRB ordered an election held December 29, 1955, to determine whether or not their employees would be represented by the union.

December 21, 1955: They filed a breach of agreement charge against the union with the NLRB alleging that the union was still invoking a secondary boycott by indirection.

December 23, 1955: The union filed an unfair labor practice charge against Coffey Transfer.

December 27, 1955: The NLRB postponed the election which was set for December 29.

January 3–7, 1956: The NLRB investigated both the unfair labor practices charge by the union and the breach of agreement charged by the Coffey Transfer.

January 11, 1956: A strike was called in Omaha, Nebr., and Minneapolis, Minn., against Des Moines Transportation Co. and was settled as soon as they agreed to cease interlining with Coffey's Transfer.

January 13, 1956: A strike was called against Darling Transfer in Kansas City. No reason given for the strike. The strike was settled as soon as Darling agreed to cease interlining with Coffey's Transfer.

January 18, 1956: The Coffey Transfer election was rescheduled for January 24.

January 24, 1956: The election was held.

February 3, 1956: The NLRB filed an injunction suit and was set by the Federal court in Omaha for February 13.

February 13, 1956: The injunction suit was started before Judge Donahue. Judge Donahue died before this suit was completed.

March 15, 1956: The injunction suit was heard from March 15 to March 19 in front of Judge Delehant.

March 23, 1956: Received word that ballots for the election would be counted March 28.

March 28, 1956: The election results were made public. Four votes against the union, none for the union.

February 28, 1956: Ceased operations because of boycotts invoked by the Teamsters Union.

Mr. CURTIS. Coffey Transfer operated in a little country town of 2,000 people. Twenty-two drivers were employed by that company. All of them lost their jobs. The company went out of business. It was as big a blow to that community as if General Motors had stopped operations in the Detroit area. As Mr. Coffey has said, "I did not lose the decision when it was finally made, but I lost my business." When the vote was finally held, not one worker voted for the Teamsters Union. Yet one month before the election, Mr. Coffey was forced to sell his business.

There were other trucking cases in Nebraska, including the case of Clark Brothers. One smalltown druggist appealed to me. He could not get medicines with which to supply the people of that area, because the only transportation available was a truck line which was being boycotted miles and miles away.

There were other cases in almost every State in the Union. We heard about many of them. I am sure there were many more which did not have the benefit of public attention. I suppose that in a real sense we should list as major contributors to the bill which is before us today those innocent victims of the vicious practices of a few ruthless labor leaders. These victims have been the casualties of this battle.

Because of the experience in my own State and the stories which were brought to me showing what was taking place elsewhere, I introduced, in the 84th Congress, S. 3842. This bill was not intended to be a comprehensive labor reform bill. Rather, it was pointed at two specific evils: secondary boycotts and coercive picketing. These were the sawed-off shotguns and the blackjacks which were used with terrible effect by a small group of power-hungry leaders. My bill represented an effort to prevent the use of these weapons.

The same bill was introduced by me in the 85th Congress as S. 76. Again, this year, it was introduced under the same number, S. 76. The Senate, by unanimous consent, has just permitted the discharge of the committee from the further consideration of that bill because its objectives have been accomplished by the Landrum-Griffin bill and by the conference bill. I may say that the distinguished Senator from Kansas [Mr. SCHOEPPEL] introduced this measure prior to my first introducing it.

Mr. President, when I first embarked on this task, there was relatively little awareness on the part of the general public as to just what had to be done. There was only a vague feeling that all was not right. Gradually, as more abuses were exposed, the American people came to understand the nature of the problem and to appreciate the steps which were necessary to meet the problem.

In his labor message to Congress in January 1958, President Eisenhower denounced the use of secondary boycotts and coercive picketing. He dramatized to the Nation the need for additional protection in regard to these problems. A similar request from President Eisenhower was contained in his message of January 1959. Again, the abolition of

secondary boycotts and the control of coercive picketing were given primary attention.

In the last few weeks, the spotlight of national attention has been sharply focused on these two issues. They were among the four or five important differences between the Landrum-Griffin bill as originally introduced in the House and the two other bills being considered by the House.

The historic vote on the Thursday when the Landrum-Griffin bill was substituted was a great step forward for the people of America, for honest unions, for individual workers, and for the public. That yea-and-nay vote will stand for a long time as a test of those who wanted to end secondary boycotts, blackmail picketing, and other abuses by unworthy leaders.

President Eisenhower's speech of August 6, 1959—and I believe it was one of the finest speeches that a President has ever made—put the case to the country in simple, direct language. Blackmail picketing and secondary boycotts, he said, are unfair and unjust.

As we all know, the Landrum-Griffin bill prevailed in the House. An overwhelming expression of public sentiment resulted in an effective piece of proposed labor legislation. The twin evils of the secondary boycott and coercive picketing were met head on.

Unfortunately, the labor bill which passed the Senate earlier this year contained almost nothing in regard to secondary boycotts and very little on coercive picketing. In my judgment, the bill was seriously deficient in that regard.

Thus when the conferees sat down it became clear that two of the three or four major differences—and perhaps the two most important differences—between the House and Senate bills were those provisions relating to secondary boycotts and blackmail picketing. It is personally gratifying to know that the issue was resolved in favor of the House bill and that adequate protection against secondary boycotts and coercive picketing is now incorporated in the bill before us. Without such protection, labor reform would be a mockery.

The objectives of the secondary boycott provisions of the bill before us are substantially the same as those contained in the bills which I have introduced over the past several years. In a word, the overall objective has been to close the loopholes that had developed in the secondary boycott protection afforded by the Taft-Hartley Act. We all know that Congress intended to outlaw secondary boycotts in 1947. For a variety of reasons the attempt was not entirely successful.

The language of the bill before us closes the loopholes that we have been talking about for more than 5 years. The wording of the bill will do away with hot-cargo clauses. It will prevent threats to employers. It will make unlawful any type of coercion or restraint where the objective is to force one person to cease doing business with another. This, of course, is the essence of the secondary boycott: coercion directed against a neutral. The language of the bill should take care of most secondary boycott problems—certainly the major ones which have arisen since 1947.

Blackmail or coercive picketing was also a major part of my interest in labor legislation. It has been effectively handled by the language of the conference bill.

There are two possible approaches to this problem. One is to enact general language outlawing activity which coerces employees in their right to select or reject a bargaining agent. The burden is then placed on the Board and the courts to apply the general rule to specific sets of facts. This was the approach which I used in my bills.

A second method of handling the matter, and with carefully drawn language it can be an equally effective method, is the establishment, in the law itself, of standards which will guide the Board and the courts in determining when activity is coercive and when it is not.

This approach was used in the Landrum-Griffin bill, and the same approach is used in the conference bill. I believe that the standards that have been adopted by the conference should, if realistically construed, give adequate protection against blackmail picketing. It will restore to employees their statutory right to freely select or reject a union.

Mr. President, we should never forget that the workers have a right to organize and to bargain collectively. The law never intended that an outsider would be given the right to decide for the workers whether they would organize in any such manner. It is their right, not the right of the unions.

The secondary boycott and the blackmail picketing provisions, although very important parts of the conference report, are but two of many. They have been perhaps two of the most controversial parts of the conference report, because, naturally, those who have used those weapons of force are reluctant to have them taken away. So I am glad that a bipartisan committee has agreed to these essential changes in our basic labor law. I have long felt them to be necessary; and I have done what I could to further this objective.

Because of this, and because of my general feeling that the rest of the bill represents an honest and intelligent attempt to bring about needed reforms, I wholehearted support the measure before the Senate. This legislation will stand as a milestone in the continuing effort of our society to give content to our basic beliefs in the right of the individual to be free from organized corruption and terror.

And to my many union friends, I say that they need not fear this bill. Far from being hurt by it, I am firmly convinced that it may well be the salvation of the labor movement in the United States. That movement was built on the voluntary acceptance by working men and women of the idea that unions can make a responsible contribution to our complex society and to the world in which we live. This bill will be a significant step in the furtherance of that objective.

Mr. DWORSHAK. Mr. President, will the Senator from Nebraska yield?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. CURTIS. I yield.

Mr. DWORSHAK. The Senator from Nebraska has emphasized the importance of the conference report, including the prohibitions of secondary boycotts and coercive picketing. Does not the Senator from Nebraska recall that last April, when the so-called Kennedy-Ervin bill was under consideration by the Senate, many amendments were submitted—and one of them affected secondary boycotts—by the Senator from Nebraska [Mr. CURTIS] and by other Senators; but that all those amendments were overwhelmingly defeated, under the leadership of the junior Senator from Massachusetts [Mr. KENNEDY]?

Does not the RECORD show that to be true; and that although the Senator from Arizona says the bill which was passed by the Senate last spring, when he was the lone dissenter, involved somewhat of deception, and did not fully cope with these problems, at that time the facts were that the Senate, or at least many Members of the Senate, endeavored to adopt the amendments which are now incorporated in the conference report?

Mr. CURTIS. All I would say is that on three occasions we voted on a bill to ban secondary boycotts and blackmail picketing. I believe the first time I offered it, we had 20-some votes.

Then, in a later bill, we picked up some more votes, and had 30-some votes.

When the Kennedy-Ervin bill was considered, the distinguished Senator from Arkansas [Mr. MCCLELLAN] offered the amendment, and I requested the privilege of joining him in sponsoring the amendment. At that time, 43 Senators voted for the amendment.

The RECORD speaks for itself as to who favored it and who was opposed to it. So I do not wish to comment on that.

But I firmly believe that the American people and the union members became aroused at the actions which were taking place and at the corruption which existed and at the abuses of power and the unfairness to the consumers and to the general public—to the end that the people have brought about this legislation.

I am grateful not only for the work done by the Senators I have mentioned, but also for the leadership furnished by President Eisenhower in crystallizing what already was the sentiment of the country, that justice should prevail; and today we have here a bill which accomplishes a great deal. It will make unlawful many—in fact, the worst—of the abuses which were uncovered by the McClellan committee.

Mr. DWORSHAK. Mr. President, will the Senator from Nebraska yield further?

Mr. CURTIS. I yield.

Mr. DWORSHAK. Is it not a rather harsh and somewhat unfair appraisal to claim that the bill which last April was approved by this body, with only one dissenting vote, did involve some element of deception? Is it not true

that, in reality, very vigorous efforts were made to adopt some of the amendments which now are included in this conference bill, but that all those amendments were rejected by overwhelming votes; and that to that extent, the Members of this body who made that attempt at that time should not be condemned because of the failure of their efforts?

Mr. CURTIS. Many, many amendments which were offered to the Kennedy-Ervin bill and to the previous bill would have made them better bills; there is no question about that. But they were voted down; and the record speaks for itself as to where each Senator stood.

Mr. LAUSCHE. Mr. President, will the Senator from Nebraska yield for a question?

Mr. CURTIS. I yield to the distinguished Senator from Ohio.

Mr. LAUSCHE. I know the Senator is familiar with the Burt plant, in Akron, Ohio. That plant had a collective bargaining agreement with the CIO union. All of its workers were contented. The plant manufactured equipment which was installed in buildings. The American Federation of Labor, through the tin union——

Mr. CURTIS. It was the Sheet Metal Workers Union.

Mr. LAUSCHE. Yes, through the Sheet Metal Workers Union—refused to install in buildings the equipment manufactured by the Burt Co., with CIO union labor.

We contemplated, by the secondary boycott amendments mentioned by the Senator from Idaho [Mr. DWORSHAK], the stopping of such secondary boycotts; but we did not succeed in getting those amendments adopted. The amendments were offered; but they were fought, and were repudiated on this floor.

I ask the Senator whether in his opinion the secondary picketing practiced by the Sheet Metal Workers Union on the products manufactured by that producer—who was employing CIO workers, and had amicable relations with them—will be stopped.

Mr. CURTIS. I would reply to the distinguished Senator from Ohio by saying that today we are providing the law which will stop them. What the National Labor Relations Board and what the Chief Counsel will do will have to be their responsibility. But today we are giving them a law which outlaws such practices as the ones which took place at Akron, Ohio.

I am well aware of the Burt case. The Burt Manufacturing Co. had a union. It was the choice of the workers. There was no dispute as to wages, hours, or working conditions. No other union wanted that contract. Because they did not give it, the products of Burt Manufacturing Co. were boycotted in every State of the Union for 10 long years.

I want to congratulate the Senator from Ohio [Mr. LAUSCHE] for his actions when he was Governor in preventing the State of Ohio from being a party to such an unjust boycott.

Today we have given the people a law. What the National Labor Relations Board and the Chief Counsel will do is their responsibility. I would rather see the courts have the responsibility, because in the past they have been crusaders rather than judicial bodies.

I agree with Professor Petro, of New York University, who says that many of these laws that we are fighting for are unneeded because the Taft-Hartley law prohibits all coercive and abusive action. But these administrative bodies in the past, by maladministration, have worked to find loopholes to thwart the will of the Congress. I hope that we have passed that time.

Mr. LAUSCHE. Is my understanding correct that when the Kennedy-Ervin bill left this door there was no provision in it to cope adequately with the problem that I have described?

Mr. CURTIS. That is absolutely true. There was a vote on the McClellan-Curtis amendment, and we received 43 votes.

Mr. LAUSCHE. How many were against it?

Mr. CURTIS. Well, there were more than 43. I do not know the exact number. [Laughter.]

Mr. McCLELLAN. The vote was 41 to 50.

Mr. CURTIS. At least, we did not have enough.

Mr. LAUSCHE. The Senator from Arkansas [Mr. McCLELLAN] offered the amendment, and he said that type of boycotting had to be stopped. His amendment was rejected by Members who were sponsoring the Kennedy-Ervin bill. Is that correct?

Mr. CURTIS. That is correct.

Mr. LAUSCHE. Now, then, the Landrum-Griffin bill came back——

Mr. ERVIN. Mr. President, if the Senator will yield, that statement is not quite correct, because I voted for the McClellan amendment to outlaw secondary boycotting. I voted for the amendment to deal with the no-man's-land problem in a realistic fashion. I voted for the amendment to do away with coercive forms of picketing. I thought the bill was a pretty good bill so far as it went.

Mr. LAUSCHE. Mr. President, let us remember that the Senator from North Carolina [Mr. ERVIN] offered an amendment to strike title VII from the Kennedy-Ervin bill because he thought title VII was not adequate, and he was repudiated in his efforts to strike title VII from the bill.

Is it correct that the Landrum-Griffin bill does in a measure take care of that problem?

Mr. CURTIS. In my opinion, it does.

Mr. President, frequent mention has been made, and I made it earlier, of the great service rendered by the Senator from Arkansas [Mr. McCLELLAN]. I know something of the long hours and the weeks and months he has given to this task to expose rackets that are going on, which have aroused the American people. The American people have descended upon the Congress with lawful petitions, and the President of the United States has added his leadership. Today we have a bill that corrects these major abuses. I want to say much of the credit for it belongs to the Senator from Arkansas [Mr. McCLELLAN].

Mr. President, I yield the floor.

Mr. KUCHEL. Mr. President, on the question of the adoption of the conference report, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, first I wish to thank the distinguished Senator from Nebraska and also the distinguished Senator from Arizona for their kind and complimentary references to the senior Senator from Arkansas with respect to his work in connection with the Senate Select Committee on Improper Practices in Labor-Management Relations.

Mr. President, I could not refrain at this hour from expressing my pleasure and appreciation of the fact that we are soon to vote this evening on this conference report. That will be another step, and the final step on the part of this body, toward the enactment of effective remedial labor reform legislation.

It is indeed a source of gratification to me that we have arrived at this time for final action by this body, and I trust I am not in error in anticipating similar action, and favorable action, by the other body, thus sending to the President a labor reform bill that the country has been anxious to have enacted during the past 2 years.

Mr. President, the passage of this bill will be the rewarding, and a rather fine rewarding, I think, of the Senate select committee's efforts in the investigative work it has done, which has resulted in the exposure of abuses, exploitation, corruption and conditions that cry out for remedial legislation.

It has not been easy, Mr. President, to sit hour after hour, and look at perjurers, criminals, ex-convicts, thugs, hoodlums, characters of the underworld who would not give a snap of their fingers for human life where that life might interfere with their nefarious purpose to carry on racketeering and other evil practices.

No; it has not been easy. It has taken patience and persistency. It has taken some measure of courage. It has taken hard work and long hours. But this committee, I believe, has made a record that not only justifies, but that is compelling in its persuasion for support of the conference report.

Mr. President, when the House passed the Landrum-Griffin bill, and it came to this body a few days ago, with the request from the House for a conference, there were some Senators who thought that a conference was not needed, and that the better procedure—certainly the quickest procedure—would be for the Senate to simply take up the Landrum-Griffin bill, accept it, adopt it, and thus bring this labor legislation issue to a conclusion.

I took the position then, Mr. President, that the measure should go to conference. I said on the floor of the Senate at that time that the conferees would have an opportunity to consider the Landrum-Griffin bill and the Kennedy-Ervin bill of the Senate, take the best provisions out of the two bills, and make a

better bill than either of them would be standing alone.

Mr. President, it may be too early to pass final judgment upon the work of the conferees, but I am persuaded at this hour that the conferees in good faith diligently labored toward that end. I am convinced in my own judgment, as of this moment, that the bill reported to the Senate by the conferees, upon which we are to vote is a better bill than either the Landrum-Griffin bill or the Kennedy-Ervin bill as they passed their respective bodies.

I certainly compliment the members of the conference for their tireless and ceaseless efforts, working diligently to get the best possible legislation enacted into law at this session of Congress.

I am sure this measure is not perfect. It certainly does not contain all that I should like to have it contain. It does not represent perfection. It contains, I am sure, a great deal which is good that many, or at least some, did not want it to contain. So in my judgment a long stride will have been taken, Mr. President, towards the remedial legislation which is needed in labor-management relation with the enactment of this bill into law.

Mr. President, I think the Landrum-Griffin bill was a better bill in the areas of secondary boycott, of the "no man's land," of organizational picketing and of hot cargo contracts. The Senate bill dealt only slightly, as I recall, with two of those areas. One was the hot cargo area, where the bill was limited primarily to trucking. In the other, the "no man's land" area, the bill dealt absolutely ineffectively with the problem, and it would have been better had it not dealt with it at all, in my opinion.

We have now, in the measure before us, a provision dealing with the "no man's land" problem which does give a remedy to anyone, where a wrong exists. We no longer will have, after the bill is enacted, a wrong without a remedy, a condition that has prevailed now for a number of years.

Mr. President, this may not be the best solution. I had no objection to requiring the National Labor Relations Board to take jurisdiction of all cases, if that were the better way to handle the problem. It was not so much a case of trying to require a State to take jurisdiction, or to give jurisdiction to the States, as it was a case of trying to find an alternative to the situation. We had no tribunal to which those suffering a wrong could go for redress and for protection. I think the conferees have worked out a very fine solution of that problem.

Mr. President, as to the secondary boycotts and organizational picketing, some modifications were made by the conferees in the House provisions. I am not sure about that. Perhaps those modifications were justified. Be that as it may, as I said, we do not expect the legislation to be perfect. In the course of time, experience may indicate certain areas where further strengthening provisions should be added, and perhaps some modifications will be justified.

I recall, Mr. President, in the beginning of the consideration of proposed labor legislation, I felt then it would be better to handle these problems separately. I felt then that we should have one bill to deal with the internal union affairs, the democratic procedures of unions, reporting and accounting, and things in those areas where we had found that a lot of corruption existed. I felt it would be better to deal with that area in a separate bill, which would be substantially the first six titles of the bill now under consideration. I will say, Mr. President, I introduced a bill accordingly. Then I introduced four bills dealing separately with the "no man's land" problem, hot cargo, organizational picketing, and secondary boycotts.

I felt, as I said to the Committee on Labor and Public Welfare, we should deal with these problems in separate bills. When the matter came to the floor I supported the amendment offered by the distinguished Senator from North Carolina [Mr. ERVIN] to strike out title 7. Again I urged that the better procedure would be to handle these different areas separately. However, that was not the collective wisdom of this body at the time, and we have proceeded to consider all of them in this one bill.

By reason of handling this matter in that way, rather than handling the problems separately, I am not sure we have gotten the very best possible legislation in these four areas.

If these problems had been studied separately, under separate bills—if the committee had heard testimony relative to each and weighed it carefully with a view of determining the particular issue involved—we might have better provisions than we have before us now.

Mr. President, I believe that is about all I wish to say. I know—and every Member of the Senate Select Committee on Improper Activities in the Labor or Management Field, I think, will verify what I am about to say—the American people now know that it is true that conditions could not have long continued, as they have been and as we have exposed them to be, without the underworld element ultimately getting control of the labor movement in this country and gangsterism dominating our national economy. The time has come when there must be legislative action.

I trust that what we propose to do in the bill before us will be sufficient. I am not sure that it will be. If the legislation we are about to enact is not sufficient, if this action will not stop the Hoffas and the Bridges and those elements from forming combinations to enter into restraint of trade and to dominate the economy of this country, there will remain only one alternative, and that will be to place the transportation unions in this country under the antitrust laws.

I do not think any of us want to go that far, but I say to Senators, I believe that the Congress will, and the American people will, insist that Congress go that far, if it becomes necessary to protect this country against the exploitation and domination of those who want to live above and beyond law and order, decency, honor, and integrity.

Yes, Mr. President, we do not want to have to do it. So we shall enact this law. It will provide a test. Will it be adequate to bring under control those things which need regulation and control? I hope it will.

I do know and I do feel that if the provisions of this bill are enforced and if the bill is properly and adequately administered, it is going to correct a great deal of the evil that has been exposed by the Senate select committee.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. DWORSHAK. May I remind the distinguished Senator from Arkansas that when the Kennedy-Ervin bill was being considered, the Senator sent forward an amendment providing for a bill of rights to safeguard the rights of the rank-and-file union members? Is the Senator from Arkansas satisfied with the provisions in the conference report dealing with the bill of rights which he was interested in last spring?

Mr. McCLELLAN. No. I might say to the distinguished Senator, as I said earlier, in some respects the Landrum-Griffin bill I thought was better than the Senate bill. I can say without any reservations that in other respects the Kennedy-Ervin bill was better than the Landrum-Griffin bill. In some areas, particularly with respect to the area of the bill of rights, I think the Senate bill was better.

I do not think the bill of rights in the conference bill is as strong as it should be, but I may say that we have moved to incorporate into the law of the land a national policy with respect to how union members should be treated. No one hereafter can take for granted that Congress is indifferent to the democratic processes and to the rights of individual union members when they join a union. Congress is concerned about it, and it expects those rights to be respected and protected. This bill is an expression of policy in that direction, and I do not believe there is a Member of this body who would disagree with it in principle.

I think it might have been strengthened, but let us try it this way. There is always the strong probability of further legislation in the field of labor management relations. We can from time to time, as legislation comes before us, strengthen any provision of the bill by adding a few simple words at the right place.

Mr. President, it has been indicated that perhaps one Senator will not support the conference report. While it does not satisfy any one of us completely, it does in my judgment represent the the best in compromise, without anyone compromising principle and without anyone sacrificing conviction. It represents the best of the collective wisdom of Congress today, and the American people have a right to expect us to bring forth at this session of Congress legislation of this character.

Mr. LAUSCHE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Will the Senator from Arkansas yield to the Senator from Ohio?

Mr. McCLELLAN. I am happy to yield.

Mr. LAUSCHE. Just to sort of tabulate the important parts of the bill, it is a fact, is it not, that when the original Kennedy-Ervin bill came before the Senate, it had in it no workingman's bill of rights, and that the Senator from Arkansas [Mr. McCLELLAN] offered an amendment which was adopted, subsequently somewhat modified, but it is now in the bill.

Mr. McCLELLAN. As I have just said, the principle is in the bill. It is not in the exact language I should like to have. I think it could be strengthened. I think the language and the enforcement provisions of the bill that the Senate passed were a little better than those contained in the Landrum-Griffin bill. I think in one particular the conferees strengthened the Landrum-Griffin provisions in its agreement.

So again, as I point out, we cannot have our own way about everything in this legislation. Sure, I could take a pencil and run through and strengthen the measure in some places, but that is not legislation. That is one man's will. Our process is the collective will and the collective wisdom of this body and of the other body. That is our way of government, and in the centuries it is proving to be the best.

Mr. LAUSCHE. Will the Senator yield for another question?

Mr. McCLELLAN. I yield.

Mr. LAUSCHE. It is a fact, is it not, that when the Kennedy-Irvin bill came before the Senate, it had in it no provision banning secondary boycotts, that the Senator from Arkansas offered an amendment that would have provided bans, but that that amendment was rejected, and that now there is in the bill a secondary boycott provision which may not be exactly what the Senator wishes, but it is a substantial advance in trying to solve the problem.

Mr. McCLELLAN. I agree with the Senator that the conference bill is a substantial advance. I do not say it is all that is needed. The course of time may prove that it is adequate. I hope it will.

The provision referred to by the Senator was not in the bill in the Senate. We tried to put such a provision in the bill. We were not successful. Again we tried to place in the bill a provision against organizational picketing. That provision may not have been all it should have been. It may have been too strong. It may have ignored something, but at least we were trying to assert a principle and to get something substantial in the bill dealing in areas where we knew improper practices were occurring and should be corrected.

Mr. LAUSCHE. The same situation occurred as to organizational picketing. It was not dealt with in the original bill.

Mr. McCLELLAN. Organizational picketing was not. Blackmail picketing was. Blackmail picketing is still in the bill. So now organizational picketing is also in the bill. I believe they are under separate titles. At least they are in separate sections.

Mr. LAUSCHE. So the fact is that the views of the Senator from Arkansas and his select committee that the bill should deal with workingmen's bill of rights, organizational picketing, and secondary boycotts, are covered in the bill, but were not in the bill originally presented.

Mr. McCLELLAN. That is correct. I do not know, but I think what may have happened was that the House, in the Landrum-Griffin bill, simply took generally the first six titles of the bill passed by the Senate, save possibly the title with respect to codes of ethics. I believe that was stricken out, and perhaps some others stretched into two titles instead of one. They took that with some modifications, I think, and then they undertook to legislate in these areas where amendments were offered in the Senate but were rejected. I am speaking, of course, of secondary boycotts, organizational picketing, and of the no man's land area where we did undertake to legislate, but, in my judgment, not effectively; and also on hot cargo, where we legislated only partially sufficiently.

Mr. LAUSCHE. The fourth item is that there was an area where people were being wronged, but there was no law to protect them.

Mr. McCLELLAN. That is the no man's land area.

Mr. LAUSCHE. I call it the area of no law, where anarchy and lawlessness prevail. Those who want no law are the lawless. The good people want law. The Senator from Arkansas said that he wanted no no-law land, and now that is in the bill. Is that correct?

Mr. McCLELLAN. That is my interpretation of it. I think it is a reasonably good solution. What is in the bill now in my judgment is very good. I think it will prove satisfactory. I know one thing; if it is enacted, the man who has a wrong will not have to rely upon the tender dispensation of the National Labor Relations Board to say, "Well, you are big enough. We will look at you." If they refuse to recognize the problem and to take jurisdiction of his complaint, of his grievance, then the doors of the court in his home State and in his home community are now open to him and he can seek redress there.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further observation?

Mr. McCLELLAN. I am glad to yield.

Mr. LAUSCHE. The point I am trying to make is that through the leadership of the Senator from Arkansas, finally there have come into the bill provisions which should be there. The Senator from Arkansas carried the flag. Others followed reluctantly. I am here to pay tribute to him, whether in his modesty he declines it or not. He did a great job, and the American people should be grateful to him for it.

Mr. McCLELLAN. About all I can say is thank you, Senator; your graciousness is exceeded only by your generosity. I do not deserve all the wonderful tributes you pay me. There have been others. Whatever little effort I have made, others have been at my side, working with me, sensing these problems, and having the same desire and purpose to remedy conditions as the Senator from Arkansas has entertained.

The distinguished Senator from Ohio is one of those of whom I speak.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. RANDOLPH. The inquiries made by the diligent Senator from Ohio [Mr. LAUSCHE] directed to the well-informed Senator from Arkansas [Mr. McCLELLAN], would indicate that the measure now before us, representing the composite thinking of the two bodies, encompasses the recommendations of the select committee presided over by our courageous colleague. Of course, to a very real degree, this is true. It is self-evident that the recommendations in many areas are certainly embodied in the conference draft now before us.

For the record, I would remind fellow Senators that the Kennedy-Ervin bill, as reported from the Senate Committee on Labor and Public Welfare, when it came to this floor, contained approximately 45 recommendations of the committee chairmaned by the Senator who kindly yielded to me.

Mr. President, our Senate Labor Committee members, the managers on behalf of this body, and the Congress as a whole, gave to this important subject fair and careful study. It is my hope that our final action on this legislation will reflect justice to all Americans.

Mr. McCLELLAN. There has never been any question in my mind—and this is not a self-serving declaration—that had it not been for a committee, or some agency of the Congress, or some commission making investigations which brought forth the disclosures which have been made, there would probably not be any labor legislation before us. It happened to be the committee of which I had the honor to serve as chairman which was charged with that duty. We undertook the task. It was an arduous task.

We have done the best we could. I think perhaps the revelations we have brought out and the information which has been made available did serve as a premise upon which the Congress could legislate intelligently and effectively. At least we tried to meet our responsibility in that field.

I close these remarks as I began them. It is a source of much gratification to me that we are now approaching the hour of final decision. There have been times when we wondered what the public response was. We wondered whether our efforts were to be in vain. We wondered whether we could bring the facts to the Congress in such a way as to arouse the Congress to its duty and to the need for action.

But now that we are approaching the enactment of the bill, I am highly gratified. I wish to express my appreciation to all my colleagues who have supported this committee in its labors, and who have weighed the evidence and the record we have produced. On the basis of their judgment and their wisdom, we are today bringing forth a legislative product which will serve the welfare of our country, I believe, and serve it well.

Mr. ERVIN. Mr. President, since its creation on January 30, 1957, I have served upon the Senate Rackets Committee, which has been headed so ably and

courageously by a truly great American, Senator JOHN L. MCCLELLAN.

This committee has investigated some 20 or more unions which act as collective-bargaining agents for several million men and women employed in industries affecting interstate commerce.

From the time of its creation down to July 14, 1959, the committee held hearings on 262 days and heard the testimony of the 1,505 witnesses. The printed records of these hearings now cover approximately 20,000 pages. In addition to the testimony of these witnesses, the files of the committee contain hundreds of unprinted exhibits and tens of thousands of letters written by persons residing in all sections of the United States.

The testimony taken by the committee revealed malpractices in unions and labor-management relations which shocked the conscience of the Nation.

To be sure, the great majority of union officers did not countenance or tolerate these malpractices in the areas in which they had the power to act. Nevertheless, the testimony taken by the Senate rackets committee showed that such malpractices were sufficiently widespread in some segments of the union movement as to require congressional action to prevent or punish their continuance. After all, John Stuart Mill was right when he said, "Laws and institutions require to be adapted, not to good men, but to bad."

Since I had devoted so much of my energy and time to the work of the Senate Rackets Committee, it was inevitable that I should be deeply concerned with adoption by Congress of legislation adequate to deal with the malpractices revealed by our investigations.

Our investigations disclosed malpractices both in the internal affairs of unions and in the external relations of industry and unions. The Taft-Hartley Act, which was adopted in 1947, deals primarily with the external relations of industry and unions, and has been a subject of great controversy at all times since its enactment.

The testimony made it crystal clear that some or all of these things had occurred upon frequent occasions in the internal affairs of some of the unions investigated:

First. Union moneys in enormous amounts had been converted to their own use or that of their cronies by union officers whose duty it was to safeguard them.

Second. Union officers committing such raids upon union treasuries had destroyed union records to conceal their financial misdeeds from union members, income tax authorities, law enforcement officers, and investigating committees.

Third. Union members had been deprived of any real voice in the election of union officers or the management of union affairs by dictatorial activities of union officers, undemocratic regulations, wanton abuse of the trustee process, and even on occasion sheer terrorism.

Fourth. Persons convicted and sentenced to prison for armed robbery, burglary, extortion, and other infamous crimes had been placed in positions of authority over honest and law-abiding union members shortly after their release from prison and before they had "brought forth fruits meet for repentance."

Fifth. Union charters had been granted to known racketeers and their associates who had used them as devices to prey upon the public and helpless workers compelled to earn their bread in the sweat of their brows.

Sixth. Union officers and agents of employers had entered into conspiracies resulting in "sweetheart contracts" or other arrangements which constituted betrayal of the union members such officers were supposed to represent.

The testimony likewise made it crystal clear that there was a crying need for amendments to the Taft-Hartley Act to outlaw hot-cargo contracts, coercive picketing, and secondary boycotts, and to abolish the no man's land in labor law.

Despite the manifest need for legislation to correct abuses in both of these fields, I was convinced that Congress ought not to attempt to outlaw malpractices in the internal affairs of unions and to amend the Taft-Hartley Act in one operation or in a single piece of legislation. I took this position because I was convinced that a bill outlawing the six categories of malpractices in the internal affairs of unions would pass the Congress by a virtually unanimous vote if its provisions were restricted to that particular field and entirely divorced from all the controversy which had raged between industry and the unions in respect to the Taft-Hartley Act.

The so-called Kennedy-Ervin bill originally contained six titles. Titles 1 to 5 were well designed to outlaw the malpractices in the internal affairs of unions. They made union officers legally accountable for safeguarding union money, imposed criminal penalties upon union officers for willful misuse of union moneys or the willful destruction of union records, barred convicted felons from holding union offices until they had "brought forth fruits meet for repentance," prohibited union officers from arbitrarily using the trustee process and from conniving with management to the detriment of union members, and secured to dues-paying union members both the right and the power to select the officers and control the affairs of their unions. To be sure, title 6 of the Kennedy-Ervin bill, in its original form, contained several Taft-Hartley amendments which bore no relevancy to the other five titles of the bill.

When I agreed to cosponsor the Kennedy-Ervin bill, I did so upon my understanding that the bill was designed to deal primarily with the malpractices in the internal affairs of unions, and that a second and separate labor bill would be reported to deal with broad and controversial Taft-Hartley provisions.

As a consequence, I indulged the hope that I would be able to persuade the Senate Committee on Labor and Public Welfare, or the Senate itself, if that became necessary, to adopt an amendment deleting title 6 from the Kennedy-Ervin bill.

The Senate Committee on Labor and Public Welfare, which considered the bill, rejected my recommendation to this effect. As a consequence, I offered an amendment on the Senate floor on April 21, 1959, to delete title 6 from the bill. The Senate rejected my amendment by a vote of 67 to 27. I found much consolation in the fact, however, that 6 of the 8 members of the Senate Rackets Committee recognized the wisdom of my proposal to separate the two fields of labor legislation and voted for my amendment.

After the Senate rejected my amendment and thus manifested its determination to deal with malpractices in the internal affairs of unions and amendments to the Taft-Hartley Act in a single piece of legislation, I voted for subsequent amendments to the so-called Kennedy-Ervin bill embodying the changes which the investigations of the Senate Rackets Committee had convinced me should be made in the Taft-Hartley Act.

To this end, I voted for Senator MCCLELLAN's amendment to abolish the no man's land in labor law by giving to State agencies or State courts jurisdiction of labor controversies in which the National Labor Relations Board refused to act; Senator MCCLELLAN's amendment to outlaw secondary boycotts; Senator PROUTY's amendment to restrict coercive organizational picketing; and Senator HOLLAND's amendment to give States the power to regulate strikes in public utilities.

In urging the adoption of Senator MCCLELLAN's amendment to abolish the no man's land in labor law, I made this statement on the Senate floor:

> Mr. President, we have a condition which is a stench in the nostrils of justice. It has been a stench in the nostrils of justice for years, and the Congress has met time after time and has done nothing to remedy it. This condition was brought about by Congress. Congress passed the Taft-Hartley Act and took jurisdiction over labor controversies from the States. After Congress set up the National Labor Relations Board, the courts said that since Congress had given jurisdiction over labor controversies, under the Taft-Hartley Act, to the National Labor Relations Board, the State courts could not exercise jurisdiction. As a result, we have observed people who had legal rights for which they could obtain no remedy. We have observed people suffer legal wrongs for which they could obtain no redress. I say it is a disgrace to any system of law for a person to have rights which cannot be remedied and wrongs which cannot be redressed.

In urging the adoption of Senator MCCLELLAN's amendment to outlaw secondary boycotts, I made this statement on the Senate floor:

> The investigations also show that in some instances the secondary boycott device has been abused with the result of absolutely wrecking and destroying the business of innocent persons who were not parties to the labor dispute and had no connection whatever with it. They have had their businesses destroyed, not because the unions had any complaint against them, but only because the unions wanted to practice indirect economic coercion upon certain other employers. Therefore, I say there is need for a clarification of the law affecting secondary boycotts; indeed, there is a crying need for such legislation. It is almost as great as the crying need for legislation in the field of labor reform.

The Senate rejected Senator MCCLELLAN's amendments to abolish the no

man's land in labor law and outlaw secondary boycotts, and Senator HOLLAND'S amendment to permit States to regulate strikes in public utilities. It approved the Prouty amendment to restrict organizational picketing.

In urging the adoption of adequate legislation to regulate organizational picketing, I made this statement on the floor of the Senate:

> We have found that some unions have virtually ceased making bona fide efforts to persuade those who labor to join them. Instead of seeking by persuasion to induce workers to believe that their interests lie in joining them, these particular unions throw picket lines around plants and, in many cases, even hire persons who are not union members to walk in the picket lines. Their object is to force the managements of the plants being picketed to coerce their employees to join such unions, regardless of the wishes of such employees. According to my way of thinking, that is an interference with and a denial of the basic rights of those who work in the plants which are picketed. The investigations of the McClellan committee show a crying need for regulation of this organizational picketing.

When the so-called Kennedy-Ervin bill passed the Senate by a vote of 90 to 1, it contained provisions which dealt in an adequate manner with the malpractices in the internal affairs of unions. It did not deal adequately with coercive picketing, secondary boycotts, hot cargo contracts, and the no man's land in the field of labor law. However, it is well to remember that efforts to strengthen the bill in these particular respects had failed, and that the bill was the best bill then obtainable.

When the House adopted the so-called Landrum-Griffin bill as a substitute for the so-called Kennedy-Ervin bill, it modeled its provisions relating to malpractices in the internal affairs of unions upon the so-called Kennedy-Ervin bill, and added additional provisions dealing with organizational picketing, secondary boycotts, hot cargo contracts, and the no man's land in the field of labor law.

Since the Senate had passed one bill and the House had adopted another as a substitute for it, the seven Senators and seven Representatives who constituted the conference committee were afforded an opportunity to reconcile the differences between the two bills, and to recommend to Congress the adoption of a revised version containing the best features of both bills.

This the members of the conference committee have done in an admirable way. They have recommended to Congress the enactment of a bill which deals adequately with the malpractices in the internal affairs of unions as well as with coercive picketing, secondary boycotts, hot cargo contracts, and the no man's land in labor law.

I rejoice particularly in the fact that the members of the conference committee have dealt with the no man's land in labor law in adequate fashion by vesting in State agencies or State courts jurisdiction over controversies in which the National Labor Relations Board declines to act. When all is said, the most sacred obligation of government is that of administering justice.

In closing, I wish to observe that the chairman and the vice chairman of the conference committee, Senator JACK KENNEDY, of Massachusetts, and Representative GRAHAM BARDEN, of North Carolina, and their associates, merit the thanks of Congress and of the country for a necessary job well done.

Mr. JAVITS. Mr. President, as a member of the Committee on Labor and Public Welfare, I shall support the conference report. That may prove to be of some interest in view of the fact that I was one of those who opposed the first McClellan bill of rights when it was proposed because I considered it offensive in certain aspects as a matter of law and that I was one of the very few members of my party who voted against the Taft-Hartley law when I was in the other body.

The reason I shall support the conference report is that I believe, on balance, it does certain of the things in the labor-management field which need urgently to be done and does not involve such dangers—if wisely administered—as to invalidate these constructive provisions.

Yet, the bill may do some things which may prove to be unwise or unduly repressive, indeed, punitive on unions. Some Senators have stated that they will be vigilant to see to it, if the law is not strong enough, using that expression in terms of greater restrictions to be put upon trade unions, that the law is strengthened. I feel that if the law proves to be repressive and punitive upon unions, I shall pledge myself, as one member of the committee and of the Senate, to be just as vigilant to seek to make certain that the unions are dealt with fairly.

I pay great tribute to the members of the McClellan committee, and to the Senator from Arkansas [Mr. MCCLELLAN], who have performed a national service in revealing the excesses and wrongs in labor-management matters imposed upon the public. I pay great tribute, which is deserved, to the members of the committee of conference under Senator KENNEDY'S chairmanship who have done such outstanding work. In paying tribute to the conference committee I wish to note particularly their fine cooperation in working out the problems of the apparel and clothing industries which are so important to my own State of New York. The recognition accorded to the integrated process of production in those industries as it involves the various groups participating in it illustrates clearly the fact that statesmanlike trade unionism is considered a benefit to our country and to its people and needs to be wisely and carefully safeguarded. The alternative to continuing present unionization practices throughout the integrated production process in those industries would have been chaos, the opening of new opportunities to sweatshops, racketeering, sweetheart contracts, and many of the various excesses and scandals which we are seeking to correct. I feel that my colleagues will regard this provision in the days ahead as a particularly constructive exercise of the legislative discretion.

Let us not forget that the trade union movement in the United States numbers over 16 million members. When we add up all those excesses and all the racketeering which takes place, they relate to a comparatively small number of leaders, as leadership totals in the trade union movement, and to a comparatively small proportion of the whole trade union movement itself.

And let us never forget that we are dealing also with the lives, fortunes, and economic future of millions upon millions of Americans. They, too, are entitled to our deep solicitude.

I think it was an extraordinary expression of statesmanship which dictated, with the complete accord of the Senate, that the Senate would not be rushed into blanket approval of the Landrum-Griffin bill as it came from the other body, notwithstanding the fact that all of us, including myself, had been inundated with mail upon the subject. But we used our heads—all of us—and sent the bill to conference. I think the conference report is a very much wiser bill than the bill which came from the House. I believe that labor can live with this bill. I believe it has certain strong points in the interest of the country. Points which are urgently needed in terms of the national interest and the people.

For example, I think the attention paid by Congress to internal democracy within unions, and incorporated in those sections which deal with the bill of rights, elections, and trusteeships, and the attention being paid by Congress to the need for the higher standards of fiduciary responsibility and for the highest type of public information, which are contained in the sections on reports, are of the greatest importance to the country and the trade union movement.

I think the philosophy which underlies the Governmental policy of the United States in terms of trade unions that they have been very important assets to the forward march of our standards of living and the productive processes in our country. They have helped make America great. I do not think any of those of us who have served in the Armed Forces can ever forget the services rendered by those who worked at the benches and at the lathes, and in those ways contributed of their very best for the benefit of all the people of the Nation in times of grave national peril.

Therefore, we who consider trade unionism an extremely important aspect of the life of the Nation believe that it needs to have built into the law, responsibility. Therefore, the bill calls for responsibility; and, at the same time, it permits of the exercise of economic power by trade unions; and it recognizes that trade unions and, in many cases, membership in them are indispensable to the economic life of the workingman. Certainly that is true when there are union shops in collective bargaining agreements.

What is disquieting about the pending measure are some of the provisions which have been referred to by the Senator from Oregon [Mr. MORSE] in his most interesting speech—and certainly it was an interesting one—even if not all of us agree with everything he had to say.

I believe the bonding provisions in the pending measure may prove to be far more difficult actually to meet than can be determined at this time.

I also have very grave reservations about the no-man's land provisions, which place jurisdiction in the State courts and State agencies, many of which are without any State law or State procedure in labor relations matters on which to rely.

I also think the innovations by means of the restrictions of picketing—and we must never forget that picketing involves the constitutional rights of free speech and free association, as accepted activities of the trade unions—will require very careful scrutiny as our experience with them progresses.

Let us never forget that America is forever identified with the right of free speech as a part of our Constitution. By means of the pending measure, we are placing some restrictions on those rights. At first glance, those provisions of the bill may appear to be rather arbitrary—for example, when we try to state that as regards a particular employer who is handling the goods produced by another employer who may be involved in a labor dispute subject to a strike, picketing is prohibited, except for publicity; and that in the case of organizational picketing, there are restrictions which allow picketing but only if it has no embargo effects.

I understand clearly how some picketing may have been practiced in connection with racketeering. But, at the same time, I believe we have to post warning signals for the people of the country and for those who will administer this law, lest these provisions prove in practice to be repressive or punitive on responsible unions, even though they are not intended to work in that way.

Among the other good provisions of the bill are those in regard to economic strikers voting in representation elections, regarding which there has been contention for a long, long time; and the provisions in regard to qualifications for office; and those which bar criminals and subversives from holding office in unions; and the requirements against conflicts of interest of union officials.

In short, I would characterize this bill as a can-do bill for trade unions, rather than as a cannot-do bill for them. I believe that its advantages outweigh its disadvantages.

Hence, Mr. President, I shall support this measure.

But I would be less than true to my convictions and I would do less than my duty if I did not post some warning signals at a time when emotions are running high in terms of proper reaction to the disclosures of racketeering and dishonesty which have been shown so thoroughly and in so important a way by the McClellan committee and other groups in the Congress. I would post warning signals to the effect that we must take great care lest we go much farther than the national interest would justify, in dealing with trade unions.

Mr. President, I conclude by stating that I think it behooves all of us who are of my point of view—and we are likely to constitute a majority of those in this Chamber—who value highly the position of trade unions in our economy, and to wish them to be properly recognized in the assumption of their proper great responsibility, as time passes, with more and more honor and more and more dignity and more and more participation in every phase of the national scene, including the governmental phases. I think it especially incumbent upon us, as we support this measure, to assume real responsibility for checking on how it works in practice and to realize that we must assume our proper trusteeship, in order to see to it that this measure operates in a constructive, not an oppressive, way.

Based upon those considerations, Mr. President, I hope very much that the Senate and the House of Representatives, and, ultimately, the President will concur in this measure, which has been brought before us in deference to the very strong views of a great body of the American people.

Certainly, all of us must have a deep solicitude for the real meaning and the real importance of trade unions to the Nation, and also a true consciousness, as legislators, of our responsibilities to the over 16 million union workers, who, with their families, constitute approximately 64 million Americans, or a very substantial portion of the entire adult population of the country.

It is in that sense that I urge that we proceed—in giving proper consideration to the other side of the coin—in the spirit of responsibility which we must manifest as we pass this measure.

Mr. MUNDT. Mr. President, on Monday, August 17, I fairly well expressed my viewpoint in regard to this matter. At that time I participated in the 2-hour debate in regard to establishing the necessary parliamentary safeguards, so the Senate would have the opportunity to vote for something stronger and better than the Kennedy-Ervin bill, and so that the labor reform measure the Congress would send to the White House would be more effective than the Kennedy-Ervin bill.

Mr. President, before the Senate votes on this measure, however, I think it should be noted that this bill is in strict harmony with our American concept of a system of checks and balances, because it tends to restore the proper balance in regard to certain areas of trade unionism and certain areas of the American economy, where that balance has been becoming more and more conspicuous by its absence.

In certain areas there has been an imbalance as between the small entrepreneur or the individual operator, when confronted with the strong force of a powerful labor organization seeking to impose upon him from without its notion of how his institution should be organized and how his operation should be conducted. At times Mr. President, labor-management relationships have been out of balance because the employers are too strong. At times the unions are too strong. Either way lack of appropriate balance is always bad.

However, I believe that close students of trade-union legislation and of the national economy at this time must reach the conclusion that the greatest lack of balance in the trade-union area of the country today is not the lack of balance between employer and employee, or not even the lack of balance which comes so startlingly and so strangely, and with such terrible consequences at times, between the little businessmen and the big unions, but that the most significant lack of balance is between the power of the individual union member and the power of the labor boss who has authority over that member's destiny and over his economic life. Union leaders have often grown too strong. The control exercised by dues-paying members over their own affairs has grown too weak.

This proposed legislation, as presently before us, goes a big step forward in restoring balance between the right of the trade union member and the right of the officer or the official who functions as the top bargaining agent of his union.

All legislation, I suspect, is an evolutionary process. We have had the present type of legislation before us now for well over a year. It is noticeable, and I think encouraging, that the effectiveness of proposed labor reform legislation has grown steadily in scope and in degree as we have continued to wrestle with the problems and as more and more Members of the Senate and of the House have familiarized themselves with the difficulties involved in the present situation.

The Kennedy-Ives bill of 1958, we now look back on, with almost universal agreement, as having been a boy sent out to do a man's job. I hear nobody suggesting that the Kennedy-Ives bill of 1958 would even approximate the degree of effectiveness required of legislation which should be significant enough to accomplish major reforms in this difficult area.

Then came the Kennedy-Ervin bill early in this session—a much better bill than the Kennedy-Ives bill of 1958, but still concededly inadequate to do the job confronting us in this country now. It also is now an almost forgotten exhibit of inadequacy.

There have been discussions within the last hour or two on the floor of the Senate respecting the series of amendments which were offered, some, first, to the Kennedy-Ives bill, and voted down—and there the record of the vote on the rollcall speaks clearly for itself—and then a series of amendments to the Kennedy-Ervin bill, and voted down again—and there again the record of the vote stands for the research scholars to weigh and analyze. Those rollcalls have historic significance.

The important thing is that those significant amendments to the Kennedy-Ives bill and to the Kennedy-Ervin bill which were voted down were restored to this labor reform measure on that momentous date in history, August 13, when, under the leadership of Representatives LANDRUM, GRIFFIN, BARDEN, and others, on a momentous rollcall vote of 229 to 201, the forces representing rank and file trade unionists in this country and the forces representing a desire for establishment of proper controls and proper reforms in the whole field of the trade union movement scored a majority vote of 28 votes for the Lan-

drum-Griffin bill. It was there and then that the basic decision was made. America wanted and America was to get good, effective labor reform legislation.

That vote broke the back of labor bosses in America and gave rank and file union members and the general public the corrective legislation they need and desire. After that the outcome was never in doubt. Tonight, we simply reaffirm the historic victory for common decency.

In the main, as has been said before, what we have before us tonight is 90 percent Landrum-Griffin and 10 percent, perhaps, the results of the original Kennedy-Ervin bill, and, in both areas, modifications and revisions and reinterpretations made by the conferees.

I think it should also be made perfectly clear, Mr. President, that this is not punitive legislation. In no sense is it antilabor legislation. But it is very markedly preventive legislation—preventing, we hope, in the future the type of abuses which have brought injury and unhappiness to so many in the past. And it is very definitely antilabor boss legislation, because it takes from those who prefer to be labor bosses instead of responsible labor leaders the undue authority which they have been accumulating and redistributes it among the rank and file trade union members, where it rightfully belongs. This is what we mean when we have argued so long and so energetically for a bill of rights for the American working man and woman whose dues support the trade union movement.

I know the honest trade union leader who practices the proper precepts of democratic procedures never need fear this bill, and he should not condemn it; he should welcome it as congressional approbation of sound policies that he has practiced in his union.

It is true the dishonest labor leader, the fellow arrogantly seeking more power for himself, the man whose main mission in trade unionism seems to be to perpetuate himself in his plush job, the Dave Becks, the Jimmy Hoffas, the William Maloneys, the Barney Bakers, the Johnny Dios, and their ilk and their like, can well be wearing mourning after passage of this measure, because the heyday of their unlicensed operations will have passed. They will be facing up to proper enforcement, I hope, of the reform provisions protecting the rights of individual Americans, whether they belong to a trade union movement or whether they do not.

Mr. President, as vice chairman of the so-called Senate Labor Rackets Committee, headed so ably and diligently by Senator JOHN MCCLELLAN, of Arkansas, I wish to say, too, that it also gives me a great amount of satisfaction and genuine gratification to see the victory for the working men and women of America about to be won by the passage of this bill. I echo those expressions as made by Senator MCCLELLAN a few minutes ago.

After well over 30 months of effort in this field, as a member of the McClellan committee and now as its vice chairman, I know, from my individual experience, the difficulties, the time-consuming toil, the abusive criticism, at times, encountered by all the members serving on the committee. As we stated in our first interim report, certain types of effective labor reform legislation were essential if the problems the committee disclosed were not to be continued in America.

It is good to know that all of those suggestions contained in the interim report have been dealt with by the legislation which I believe we are about to adopt by perhaps the most overwhelming vote in American history ever accorded a controversial piece of legislation in the field of organized labor.

If my prediction is correct, and a new record vote is set, it seems to me that emphasis in itself should go far toward urging those charged with enforcement of this act to be sure that it is implemented as effectively, as thoroughly, and as completely as it is possible to do. And it should also serve as a warning to labor bossism that rank and file union members are going to be protected in their American rights by act of Congress.

I hope, Mr. President, that the trade union members of this country, the honest, hard-working, God-fearing, decent men and women who earn their living with their hands and with their skills, workers who belong to the trade unions, who pay dues, and take pride in their unions, will get a copy of the bill we are about to adopt tonight. I hope they will read it for themselves, Mr. President. I hope they will not be content to accept the slanted interpretations which some labor spokesmen and some elements of the labor press are presently placing upon this legislation—elements in labor whose chief motive seems to be to conceal from the workers the manner in which this bill protects and magnifies and guarantees their rights; elements in labor whose main objective seems to be to set up roadblocks against the efforts of the Senate and the House to provide controls against the arrogant use of power by certain labor bosses seeking to perpetuate, not only their authority, but their careers in office. Some labor leaders even go so far as to try to determine and dictate how their members should vote for public officials and to practice "taxation without representation" in this country once again by making them contribute to the support of causes and candidates they would prefer to oppose.

I think that the men and women belonging to American trade unionism are intelligent enough, capable enough, and realistic enough to realize, having read this act, that it can honestly be said the chief beneficiaries of the legislation we are going to enact tonight are the men and women paying dues in the trade union movement of America.

This is a bill of rights for them. It does deal with certain other phases of our economy. It does seek to provide balance in other areas. It does seek to provide certain powers and authority in the regulatory features of government to prevent abuses of power by labor unions or by labor union bosses. But, in the main, it provides for the working men and women certain elements that they need and that America needs to keep the trade union movement straight in this great Republic and to provide democratic procedures in some unions which now restrict or preclude them. It provides for a system of reporting, for a type of fiscal responsibility, and for fiduciary relationships between the fiscal officers of the union and the members. It provides for secret ballots. It sets up the beginnings, at least, of adequate requirements for an honest count of secret ballots, once the ballots have been cast.

I think in those areas the law should be tightened. I think in the areas of providing an effective secret ballot, providing adequate nominating machinery for selecting candidates for office within the union, providing a system of counting ballots once they are cast—for expanding the areas in which men and women who belong to unions shall be assured that they can enjoy the right of self-government in determining what the union does—this is far from perfect legislation. I hope it does not prove to be inadequate but I fear it might. In those areas it does recognize the desire and the intent of the Congress to provide control over the American trade union movement at the place where that control should rightfully be exercised, in the labor hall, through democratic processes, with secret votes and honest counts and appropriate procedures, so that those those who labor with their hands and who pay dues to the unions shall not be denied any of their American rights or privileges by the occasional dishonest or arrogant "boss" who gets control over their destiny.

I want to say two other things before we vote, Mr. President. The first is, as vice chairman of the McClellan committee I have frequently deplored the fact that virtually all of our efforts in the field of the trade union movement have been devoted to the unions which are bad and to the union leaders who are crooked or corrupt or arrogant or dictatorial. We have not had the occasion to spend much time with those fine American trade unions which are good, of which there are many, or to discuss labor problems with the fine trade union leaders who are honest, democratic, and considerate of the views, the needs and the desires of the rank and file members who belong to their unions. There are many such fine and commendable labor leaders.

We find ourselves in large part, I suppose, involved in a situation which causes the sorry reputation to be enjoyed by the better type of dogs in America. A good dog these days never gets his name in the newspapers. The only dog we read about is the poor, stupid hound so dumb he gets lost, so his owner advertises for him in the want ads. The good dogs, the smart dogs, the obedient dogs, the home-loving dogs do not get any publicity. Their names do not appear in the public press.

So it is true that the bad unions have gotten the publicity. I think it is lamentable if it is also true—as I am afraid it is—that many people in the country conclude the bad unions are the typical unions and the bad union leaders are the typical leaders. That is not true. Those are the exceptions. But

legislation always has to be written to take care of the exceptional case. By and large people are law obeying. By and large people do not need the restrictive hand of Federal legislation. But in this area we have to legislate because there are bad unions, bad union practices, and bad union leaders who do not represent the majority of trade unionism, but whose existence and activities our committee investigation has clearly disclosed.

I regret that some good and decent trade union leaders on occasion pick up the cudgels to oppose effective legislation to deal with this sorry situation in the areas in which it exists.

I have one other point, Mr. President, and then I shall close.

Mr. President, I shall do all I can to make this hope come true. I hope that next January, at the end of the month, the Senate Select Committee on Improper Activities in the Labor or Management Field will expire. Very few people recognize the committee by its proper name. It is known as the Senate Rackets Committee, if one accepts the newspaper "jargon"; or it is known as the McClellan committee, if one follows the Senate practice of identifying a committee by its chairman; but its proper name in the books is the Senate Select Committee on Improper Activities in the Labor or Management Field. In any event, by any name, I hope the committee will expire at the end of its present extended life. But before it expires, Mr. President, I hope it will pass and approve some resolutions in the area in which it has labored so valiantly for so long. One of them I hope will be a resolution to set up some kind of continuing mechanism to maintain a surveillance over the reforms we hope to produce by our act in the U.S. Senate of voting to agree to this conference report.

I think the legislative Committee on Labor and Public Welfare also has a responsibility in this field. I hope and expect it will exercise it. I hope and expect that if the legislative committee discovers deficiencies in one area or another, new elements of imbalance, it will propose legislative correctives.

I hope, Mr. President, that also we may recommend from our committee approval of an amendment to the La Follette-Monroney Act, the Congressional Reorganization Act, to stake out plainly for all to see, beyond any peradventure of legalistic doubt, the jurisdiction of the Senate Committee on Government Operations and its Permanent Subcommittee on Investigations to have the right, the authority, and the responsibility to maintain diligent surveillance in the areas dealt with by this labor reform bill. I think it is most appropriate that we should do so, because two of the keys in determining whether this legislation will prove to be effective or not are the Department of Labor and the National Labor Relations Board. It is good that a committee charged with inspecting and examining the operations of Government bodies should exercise its responsibilities in those two areas in connection with the Landrum-Griffin bill, or the conference committee bill, or whatever name is finally given this legislation as we finally approve it.

I hope that after the select committee expires the interest and desire of the Congress to maintain continuing surveillance and continuing interest in the labor-management field will not expire. Our continued concern is essential.

The PRESIDING OFFICER. The Senator from South Dakota will suspend until order is restored in the Senate. The Senate will be in order.

The Senator from South Dakota may proceed.

Mr. MUNDT. Mr. President, I will say, as I conclude, this brings to the end of the trail a lot of effort by a lot of people in both Houses of the Congress. I want to join in salutations to those who have produced this constructive effort.

Certainly there should be a word of commendation to the President of the United States, who took the unusual step of appealing to the country on television at a crucial hour, that the House of Representatives be encouraged to vote for effective labor reform legislation. His appeal met with success.

I think we will all be happy when the legislation has been finalized, and I join in hoping that it will meet the problems it is designed to solve; that it will solve and cure and correct the evils it is designed to counteract.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. HUMPHREY. Mr. President, I intend to vote for the conference report. I wish to pay my respects to the chairman of the conference committee, not only for his labors in the present situation, in which he presided as the spokesman for the conferees and as the chairman of the Senate conferees, but also for the labor-management reform bill which was originally sponsored by Senator KENNEDY and Senator ERVIN, and for the management of that bill on the floor of the Senate at the time it was passed.

This has been a very difficult period for those who sincerely believe in the legitimate rights of organized labor. I know that members of the conference committee have struggled with the Senate and House versions of the bill in order to reconcile the differences. Frankly, there are portions of the bill as agreed to in conference which I do not agree with. But we are required to legislate in this field, and therefore it seems to me we have little choice in the matter at this time. We have before us but one proposal, the result of 12 days of argument, deliberation, and compromise, by the conference committee, and its report will, I am sure, receive an overwhelming affirmative vote in this body.

It should be noted, however, that this bill goes beyond the area of labor-reform legislation. It makes fundamental changes in basic labor-management relations legislation as well; and these latter changes in basic law are going to make it more difficult for the American labor movement to protect the interests of working people and to carry on organization of the unorganized.

Mr. President, for a long time I have been hearing a great deal about what is wrong with labor. On June 24 of this year I addressed the Senate on the subject "What Is Right With American Labor?" What concerns me as we are about to adopt this conference report and have it become law with the President's signature—and I gather the President will change his pattern for a while and not veto this particular bill—is that the people of the country are likely to be led to believe that the great free trade labor movement in the United States is corrupt and is run by selfish and dishonest leaders.

It is true that there has been evidence of corruption, racketeering, and gangsterism, which would make anyone sick at his stomach, and which is unworthy of this country or its people, and surely unworthy of the traditions of the trade union movement of the Nation. To those who have so tainted the reputation of the labor movement, I say they have committed a dastardly disservice to the cause of working men and women, to those who work in the shops and factories and work hard to make a decent living. But those who have so betrayed their trust are but a small and discredited segment of labor. Let us keep that in mind.

There are more than 16 million Americans in organized labor. They are in my hometown, and in the hometown of every other Senator. They work on railroads. They work in the mines. They work in the forests. They work in the shops. They work in the retail stores. They work in our steel factories. They drive our trucks. These same people are members of PTA's, churches, civic associations, veterans groups, and fraternal lodges. They are good citizens. They are the backbone of our country in peace and in war.

To be sure, there are some in the labor movement who have abused their power. May I add there are some in industry as well who have abused their power. There are some in public life who have done likewise. It should not be assumed that the labor movement has an exclusive monopoly on original sin.

There is no room for corruption in labor, government, business, or any other segment of American life. It is the duty of this lawmaking body to perfect the law so that it is just, fair, and sufficiently strong to be able to bring to the bar of justice those who are guilty of wrongdoing. I admonish my colleagues, however, to remember that a man is not guilty merely because someone says he is. In this Nation a man is considered innocent until proven guilty. Let that fact be remembered as Khrushchev comes to this country. In his country, a person is guilty until he can prove his innocence, if he happens to run counter to the prevailing power. In America the law is entirely opposite. We believe in the principles of Anglo-Saxon law which proclaim that a man is innocent until he is proven guilty in a court of justice before a jury of his peers. Many times it takes a long while to prove guilt, but I would rather have the abuse of the length of time that it takes to prove guilt than one abuse of dictatorial power

in leveling a charge of guilt against the innocent.

Mr. President, the labor movement in this country has done great good for the Nation. I remind my colleagues that the labor movement was the first to speak up for public education. The labor movement was among the first to speak up for social legislation. The social security laws would never have been placed on the statute books by the Congress if it had not been for the labor movement. Workmen's compensation laws, the 8-hour day, health protection for men and women in industry and child labor laws are the product of the labor movement. And it has played a dramatic role in lifting the standard of living for millions and millions of Americans who have never even belonged to a union or paid a dime in dues.

Free organized labor has been good for America, just as the independent banking system of America has been good for America and good for American enterprise; and I do not believe in condemning banking merely because a handful of bankers put their hands in the till to take money that is not theirs. I am not for a Government banking system owned and managed by the Government. I am not for a trade union system owned and managed by the Government. I do not believe in accusing a whole group or movement of guilt because of the crimes, mistakes, or sins of a few.

I believe I speak for this body tonight when I express these thoughts. I do not believe there are many Members of this body who do not believe labor has been good for America. I do not want this body to vote on the conference report without recalling some of the great men of labor who have brought honor and distinction to the American people and to working men and women all over the world.

I listed some of those men in my remarks of June 24. One can hardly reflect on American history without calling to mind great figures of the American labor movement such as Samuel Gompers.

And have we forgotten William Green? He was one of the great citizens of our country.

Let us remember Philip Murray, a great labor leader, a man of deep religious faith and conviction, a clean man who fought not only corruption, but communism. He had to fight it, not in the Senate Chamber, where we are well guarded and well protected, but in the mines and in the factories, against the toughest lot one could possibly encounter. And I hope we have not forgotten Van Bittner, Alexander Whitney, or Dan Tobin.

These are great Americans, and there are many more. They are a part of the history of our country. And we are blessed with many great and devoted contemporary labor leaders and statesmen as well. They serve America well both here at home and also abroad. All over the world the Communist Party is trying to worm its way into labor. They are trying to do it in Cuba tonight. They are trying to do it in Latin America. They are doing it in Asia and in Africa.

What names do Senators think stand out as the champions of the free trade union movement in those areas? I will tell my Senate colleagues. They are the names of George Meany, Walter Reuther, James Carey, David McDonald, Al Hayes, John Lewis, George Harrison, William Schnitzler, Joe Beirne, David Dubinsky, Jake Potofsky, William Doherty, and Emil Reive. Those are good names, of good men, representing the good causes of good people, and I could name so many, many more.

I ask my colleagues to remember that trade unions were organized to give the working people of the country an opportunity to be heard economically. They were organized because of the tremendous power of corporate wealth. They were organized so that working men and women could protect themselves in the economic marketplace.

The trade unions found that they had to be organized, not only for collective bargaining, but for political action as well. They needed a voice in the affairs of this Nation.

The Nation must be made to understand that the Congress of the United States, in seeking to do what it believes is right and just and necessary, still respects the men and women of this country who are at the bargaining table for better wages and better working conditions.

The leaders of organized labor have been cleaning their own house. I remind Members of this body of the ethical practices committee of the AFL–CIO, headed by Al Hayes, of the highly regarded Machinists Union. That body has already expelled from the AFL–CIO one-tenth of its membership, because they would not adhere to the high standards set by the ethical practices committee. Can any of my colleagues name any other organization which has cast out one-tenth of its membership for illicit conduct? I daresay no one can.

I do not say this to condemn other groups. It is merely to say that when people cast aspersions upon others, they should be sure that their own house is in order.

I find a great deal that is right about organized labor. I like what organized labor stands for in terms of minimum wages for the unorganized workers. I like what organized labor stands for in terms of workmen's compensation, whether a worker is a member of a union or not. I like the fact that representatives of organized labor come before the committees of Congress and testify in behalf of better housing, slum clearance, and urban renewal.

Let me say to the Presiding Officer (Mr. BYRD of West Virginia) that I like the fact that organized labor says it is not healthy when 4½ million people are without jobs, in the richest Nation of the world. And I like the fact that the leader of the West Virginia Federation of Labor, Miles Stanley, is a forthright spokesman for social justice; and I know that both Senators from that great State [Mr. BYRD and Mr. RANDOLPH] agree.

I like it when organized labor says, "If there are hungry people in Harlan County, Ky., let them be fed from the abundance of American agriculture."

The organized labor movement has a well-deserved reputation, not for selfish interest, but for public interest. Let me say to my friends and colleagues from rural areas that organized labor has been before the committees of Congress, through its representatives, to support agriculture, forestry practices, conservation measures, price supports, and farm credit. Why? Because it is good for America. Organized labor supports mutual security. It supports a strong national defense. George Meany, president of the AFL–CIO is a great patriot and a vigorous foe of Khrushchev and all that he represents.

Organized labor has cleaned its ranks of communism, which is the evil of all evils; and it has done it on its own initiative through its own leadership. In Tunisia and Morocco, and in country after country, the free trade union movement of the United States of America is spending literally hundreds of thousands of dollars to fight communism. The AFL–CIO is doing it by the will of its members.

Why do so few people congratulate organized labor for such activity? Why do we not hear of the great things it has done? For every dollar which some two-bit crook has been able to steal from working men and women, the AFL–CIO has spent $10,000 fighting communism abroad.

Why do we not read in the newspapers accounts of building trades unions rebuilding a home that has been destroyed by a tornado or a flood? Why do we not read about hospitals that have received large contributions from union treasuries? Why do we not read about the many gifts from unions which have gone for programs of medical research?

It seems to me it is time that the news was balanced. We should be told of the good, not only the bad. It is big news when a crook is found in the labor unions. But I also say that it should be big news and good news—mighty good news—when a little local union gives $10,000 to a university to establish a medical research chair.

It is good news when a local union, like one in my own city of Minneapolis contributes thousands of dollars every year for research in the field of polio and maintains a polio research chair at the University of Minnesota Medical School. This does not get headlines, but when some business agent gets drunk and is arrested, that is considered news.

I say to the union members, I know of no law that can protect you from mismanagement. There is only one way to protect democracy in government, in a union, or in any other institution. That means that the people had better take care of their business.

If only 10 percent of union members attend meetings—and that is a good average—we can expect abuse of power. If only 10 percent of American voters vote, our democratic way of life will be placed in jeopardy. What America needs for democracy is a great outpouring of the public will and public sovereignty,

through the vote and active participation.

If union members really want unions which will be effective and will protect their interest, they had better get to the union meetings. In my community, unions which play an important role in Minnesota, are respected and respectable. There have been a handful of persons who have brought some disgrace to the good name of organized labor in Minnesota. But I can say to this body tonight that in Minnesota the AFL–CIO is considered to be one of the stanch and respected private institutions. Its members serve on our board of regents; they serve on hospital boards; they are members of and leaders in our churches of all faiths; they are leaders in fraternal and veteran organizations. They give a full measure of devotion and a full measure of service to the public good and the public welfare.

Mr. President, as we vote on this conference report, I wish that a resolution could be added to say to the great leaders of American labor who have kept the faith, and to the millions of workers who have done the job and who have supported their families, communities, and their Nation, to the millions of workers who gave their sons and daughters to their Nation—I wish we could say: "Well done, faithful servants." I wish we could say: "Thank you." Because as we punish the wicked, let us praise those who have been good. As we chastise those who have erred, let us thank those who have walked in the paths of righteousness and goodness. It seems to me that that is only right. It is in that spirit that I shall vote for the measure before us, with a bit of a heavy heart, but, I may say also, with a sense of appreciation and gratitude for the fact that I live in a country where organized labor does so much for so many, even beyond its own membership, and in the cause of freedom and democracy.

Mr. DIRKSEN. Mr. President, I assure the Senate that I shall take only a few minutes. There are five things I want to say. First, I join in the tribute and the salute to our distinguished colleague from Arkansas, JOHN MCCLELLAN. Probably no Senator in a long time has performed such sacrificial labor. Serving a single committee with a large staff, day after day, and being fairly immobilized so far as the demands of his constituents are concerned, having scarcely the time to look after the administrative chores of his office, and doing it willingly and gladly, day after day, is really a mark of dedicated sacrifice on the part of a public servant. Tonight I publicly salute JOHN MCCLELLAN, an old friend with whom I served in the House long ago, for the service he has rendered to the Senate, to Congress, to the country, and to its people.

The second thing I would say is that in every conference the question of personal and institutional pride almost invariably arises. I have sat in many conferences when, on occasion, our friends in the House would say, if we undertook to draw the line too finely, "We must go back with something." Or perhaps we may have said: "We must go back to the Senate with something." Often the Members of the House would say, "You are taking everything except our shirts." I see the Senator from Louisiana [Mr. ELLENDER] looking at me so knowingly. He has been through that experience many times in conferences with the House.

A conference report like that is not a matter of personal pride. It is not a matter of institutional pride. It is not a matter of whose name appears. It is a question of whether or not the ultimate consumated labor is in the interest of the well-being of the country; and let the pride and the chips fall where they will. I think that was one of the happy things about the conference. On occasions when we were still conferring, the question arose: "What are we going to call the bill?"—as much as to say, "What kind of tag will go in it? What kind of name will go on it?" or "What combination of names will go on it?"

I think we have sublimated that pride pretty well, both institutionally as it regards the Senate and as it regards the individual Members, for when all is said and done it is a case of getting a fair and adequate bill.

I think of the little story about the two cows which looked up while grazing in a field. They saw a milk truck go by. In huge red letters on the tank were the words: "Pasteurized, homogenized, standardized." The one Jersey cow looked at the other and said: "Makes you feel sort of inadequate, doesn't it?" [Laughter.]

Our whole problem was to produce an adequate bill. I think we drafted an adequate bill. I think we wrote a fair bill. I think we wrote a bill which, in considerable measure, will meet the challenges which are on the horizon of the country today.

I would comment with respect to the observations of my esteemed, beloved friend from Minnesota [Mr. HUMPHREY] as he spoke on labor, that we consider labor a party in interest—not only labor, not only management, but the public, as well. How do we contrive a fair bill, which in its application will redound to the interest and well-being of the country, unless we keep all parties in line to make sure that they do not get out of proper emphasis.

Fifty-nine years ago, when Arthur Twining Hadley, if I remember correctly, was president of Yale University, he was asked to make a prediction of what would happen in America in the next 50 years to come. He was one of many on a panel in New York to whom that question was addressed. Among others were Samuel Gompers, the great labor leader; William Jennings Bryan, and Jay Gould. Each one had his own estimate of what was down the road for another 50 years. I thought Arthur Twining Hadley, in the light of hindsight, was the one who came up with the correct estimate.

He said, in effect, "As I survey the growing tensions and some divergencies in my country, I am afraid that in 50 years we shall come to a time when group interests may become so pronounced, when they may become so dominant and so articulate, in such effective and organized fashion, that they could very conceivably jeopardize the type of freedom which has been our inheritance as a result of the sacrifices of the generations who have gone before."

We have seen that prediction come to pass. We have seen how people crowded the corridors while the conference was taking place. I did not quarrel about that. There were labor attorneys and leaders. I am quite sure that business was represented. I am quite sure that commercial institutions and trade organizations were represented. That is their right. Under the right of petition, they can come here, because this is the Nation's Capitol. This is the people's Capitol, where they shall forever, within the aura of freedom, have the right to come and speak to their elected representatives.

So I thought of this clash of group interests. We had it in mind. What we tried to do was to draft an adequate bill, one which will serve not one group, not one interest, but all of the interests which are involved. That should add up, I think, to the well-being of 176 million people.

I add one thought; then I shall be through. I think this is on the constructive side. I think it will merit some attention on the part of the Senate. In the bill we have delegated larger powers to the regional directors of the National Labor Relations Board. We have amplified their powers so that, particularly in Federal-State relationships, which we refer to as no man's land, there can be more expeditious treatment of the cases over which either the States or the Federal Government would take jurisdiction. Thousands of cases have piled up. Today a regional director becomes an important instrumentality in this entire scheme. There were 22 of them. There are now 23. I think the last addition was for Dallas, Tex.

When we consider the power vested in a regional director, it becomes extremely important to make sure that, first of all, those who are selected for that responsibility are equal to it; and, second, it is not asking too much to request that the Senate, which has confirmatory power, take a look at the regional directors, and have a chance to interrogate them, in order to make sure that they are objective in their viewpoints and that their background is such that in connection with these rather delicate controversies, which involve management and labor in an infinite variety of disputes, and involve the whole human complex, they will be equal to that responsibility.

So I believe we could well afford to modify the law a little, so as to require that every regional director, who will have that power which will grow as time passes, should be designated, and then confirmation by the Senate should be required.

Probably no Member of the Senate has been without the experience of receiving from back home letters stating that a regional director has been biased in one way or another. There is a way to make sure that men of responsibility and of character are selected, and, while

we are about it, to make sure that they are adequately compensated, so that we raise the level and the status of those jobs and give them the dignity and the meaning that are coequal with their power and their importance in the scheme of things.

Mr. President, with that, I conclude.

I give a final salute to my distinguished and gracious friend, the Senator from Massachusetts [Mr. KENNEDY], the chairman of the subcommittee, who has performed such distinguished service. I also give a final salute to my disguished friend, the Senator from Arizona [Mr. GOLDWATER], who has gone over the country, early and late—and in the process has almost divested himself of human energy—talking to people and carrying the torch. He has indeed been a torchbearer in this field.

And I salute all the other members of the committee, because in view of the friction and tensions which were so manifest when this conference was in being, I think we can take a large measure of pride in the ultimate outcome.

So, Mr. President, I hope that tonight the conference report will receive the approval and the endorsement of an overwhelming vote in the Senate.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll; and the following Senators answered to their names:

Aiken	Goldwater	Martin
Allott	Gore	Monroney
Anderson	Green	Morse
Bartlett	Gruening	Morton
Beall	Hart	Moss
Bennett	Hartke	Mundt
Bible	Hayden	Murray
Bridges	Hennings	Muskie
Bush	Hickenlooper	Neuberger
Butler	Hill	Pastore
Byrd, Va.	Holland	Prouty
Byrd, W. Va.	Hruska	Proxmire
Cannon	Humphrey	Randolph
Capehart	Jackson	Robertson
Carlson	Javits	Russell
Carroll	Johnson, Tex.	Saltonstall
Case, N.J.	Johnston, S.C.	Schoeppel
Chavez	Jordan	Scott
Clark	Keating	Smathers
Cooper	Kefauver	Smith
Cotton	Kennedy	Sparkman
Curtis	Kerr	Stennis
Dirksen	Kuchel	Symington
Dodd	Langer	Talmadge
Douglas	Lausche	Thurmond
Dworshak	Long, Hawaii	Wiley
Eastland	Long, La.	Williams, N.J.
Ellender	McCarthy	Williams, Del.
Engle	McClellan	Yarborough
Ervin	McGee	Young, N. Dak.
Fong	McNamara	Young, Ohio
Frear	Magnuson	
Fulbright	Mansfield	

Mr. MANSFIELD. I announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference in Warsaw, Poland.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The PRESIDING OFFICER. A quorum is present.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that there will be no more rollcalls this evening after we vote on the pending measure. We shall remain in session, in order to permit Senators to make insertions in the RECORD or brief statements.

We plan to have the Senate convene early tomorrow. A speech is scheduled for the first hour; then we shall have a morning hour of some 30 minutes' or perhaps an hour's duration.

Then we plan to proceed to the consideration of the bill extending Public Law 480, on which we have a unanimous-consent agreement which provides for 30 minutes on each amendment, to be divided equally, and 2 hours on the bill. Some 20-odd amendments have been filed at the desk. Assuming that each amendment is called up, the Senate will be in session until late tomorrow evening.

On Saturday, we plan to call the calendar, and to bring up by motion some measures which are important, but which we hope will not be too controversial.

On Monday, we expect to have ready the report on the roads bill—which passed the House today—after consideration of that bill by the Public Works Committee and the Finance Committee, and after they have acted.

In addition, we shall have, we hope, the bill raising the interest rate ceiling on E-bonds and H-bonds, as reported from the Finance Committee.

I expect those measures to be under consideration in the Senate on Monday and Tuesday, for such time as may be necessary.

I expect them to be followed by the mutual security appropriation bill.

That is about as far as we can project the plans.

I have asked the minority leader what appeared to be the wishes of the minority, insofar as sessions on Saturday and on Monday are concerned, and whether they offer any hope, that we could adjourn sine die at an early date.

I am glad to inform the Senate that most of the Members of the minority and a very substantial majority of the Members of the majority desire to have the Senate work on Saturday and on Monday.

I know of approximately 6 or 8 Senators who have made other plans, and who will be quite inconvenienced by having the Senate meet on Saturday and on Monday; but approximately 50 Senators on this side of the aisle and approximately 30 Senators on the other side of the aisle are anxious to be here on Saturday and on Monday.

Therefore, in view of the expressed desires of Senators and in view of the fact that we have a very heavy backlog of proposed legislation yet to be acted on—including the road bill and the bill raising the interest-rate ceiling on E-bonds and H-bonds and the mutual security appropriation bill and other bills, I believe we should make our plans to be here on Saturday and to be here on Monday.

I wish to accommodate at all times the convenience of a majority of Senators. But since they have indicated their desire to work during those days, I believe we can expect that we shall have the road bill, and the bill raising the interest-rate ceiling on E-bonds and H-bonds, and, in the early part of the week, to be followed by the mutual security appropriation bill.

Mr. JAVITS. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. JAVITS. I did not hear the Senator from Texas say anything about a schedule for consideration of the civil rights bill.

Mr. JOHNSON of Texas. Oh, I say "civil rights" three or four times every day! I have no schedule on Monday or Tuesday for civil rights legislation, I will say to the Senator from New York; but I will be here to hear him speak on the subject.

Mr. JAVITS. Very well.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959—CONFERENCE REPORT (S. DOC. NO. 51)

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the report.

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference in Warsaw, Poland.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland, and, if present and voting, would vote "yea."

The result was announced—yeas 95, nays 2, as follows:

YEAS—95

Aiken	Butler	Clark
Allott	Byrd, Va.	Cooper
Anderson	Byrd, W. Va.	Cotton
Bartlett	Cannon	Curtis
Beall	Capehart	Dirksen
Bennett	Carlson	Dodd
Bible	Carroll	Douglas
Bridges	Case, N.J.	Dworshak
Bush	Chavez	Eastland

Ellender	Jordan	Pastore
Engle	Keating	Prouty
Ervin	Kefauver	Proxmire
Fong	Kennedy	Randolph
Frear	Kerr	Robertson
Fulbright	Kuchel	Russell
Goldwater	Lausche	Saltonstall
Gore	Long, Hawaii	Schoeppel
Green	Long, La.	Scott
Gruening	McCarthy	Smathers
Hart	McClellan	Smith
Hartke	McGee	Sparkman
Hayden	McNamara	Stennis
Hennings	Magnuson	Symington
Hickenlooper	Mansfield	Talmadge
Hill	Martin	Thurmond
Holland	Monroney	Wiley
Hruska	Morton	Williams, N.J.
Humphrey	Moss	Williams, Del.
Jackson	Mundt	Yarborough
Javits	Murray	Young, N. Dak.
Johnson, Tex.	Muskie	Young, Ohio
Johnston, S.C.	Neuberger	

NAYS—2

Langer Morse

NOT VOTING—3

Case, S. Dak. Church O'Mahoney

So the conference report was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the conference report was adopted.

Mr. KENNEDY. Mr. President, I to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUSH. Mr. President, I ask unanimous consent that a statement I have prepared on the conference report which the Senate just adopted may appear in the RECORD following adoption of the conference report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUSH

I was delighted to vote today for a strong, effective labor union-management reform bill which will help to protect rank-and-file union members and the public at large from the shocking abuses of power so dramatically exposed by the McClellan committee.

The weaknesses of the so-called Kennedy-Ervin bill have been largely corrected by acceptance of the essential provisions of the Landrum-Griffin bill dealing with "blackmail" picketing, secondary boycotts and the jurisdictional gap in labor-management relations. The conference bill appears to include the best parts of both the Landrum-Griffin and the Senate bills.

Experience with the labor bill has demonstrated that an outraged and aroused public opinion can overcome the strongest threats and pressures exerted by powerful union bosses, as typified by the abusive letter sent to Members of Congress by James B. Carey. Contrary to Mr. Carey's arrogant assumptions, the strongest demand for an effective bill, judging from the hundreds of letters I received, came from working men and women, including many union members. Passage of the bill represents a victory for democracy in action.

Mr. KENNEDY. Mr. President, I wish to pay particular tribute and appreciation to Professor Cox, of Harvard Law School, who worked on this matter for 2½ years without any compensation, and also to Sam Merrick and Stewart McClure, of the committee staff. We are especially indebted to our counsel, Ralph Dungan, who has played a most important and responsible role in the formulation of this legislation.

Mr. DIRKSEN. Mr. President, I am glad the distinguished Senator from Massachusetts undertook to pay a compliment to the staff. I wish to pay a compliment to the minority staff as well. They are Trojans in every sense of the word, working early and late, willing to work around the clock, undertaking the difficult job of providing the language in which to clothe the ideas that we agreed upon in that conference. We salute every member on the staff for a job well done.

Mr. MORSE. Mr. President, in view of the action just taken by the Senate, I think it is appropriate that the Senate meet this year on Labor Day. On that day I shall have the pleasure of reading to the Senate Perlman's three-volume work on the history of the American labor movement. I think that would be the most fitting way to honor labor on Labor Day in the Senate of the United States.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unanimous-consent agreement entered into with regard to the extension of the Agricultural Trade Development and Assistance Act of 1954 not be effective until the Senate has concluded morning business tomorrow and until the Senator from Montana [Mr. MANSFIELD] has concluded his address tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

ORDER FOR RECESS UNTIL TOMORROW AT 9 A.M.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in recess until 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that after the Senate convenes tomorrow there be the usual morning hour for the transaction of routine business—the introduction of bills, presentation of petitions and memorials, and so on—and that statements in connection therewith be limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MANSFIELD AT CONCLUSION OF MORNING BUSINESS TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of morning business tomorrow the Senator from Montana [Mr. MANSFIELD] be recognized for 45 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RELATIONS BETWEEN THE UNITED STATES AND SPAIN

Mr. BRIDGES. Mr. President, there has recently been an exchange of letters between the President of the United States and General Franco, Chief of the State of Spain. They are of particular interest in that they are further evidence of the close and productive relationship between our two countries.

I ask unanimous consent that these letters be printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEAR MR. PRESIDENT: Allow me, first of all, to thank you for your sacrifices and efforts to assist our Western World and to lead it along the path of peace and understanding and in particular for the aid and benefits that Spain is receiving from the United States under your administration.

There are many people who do not fully realize that in the present circumstances, lack of action, inertia and an exclusively defensive attitude would lead, in no time, to defeat, and that in today's situation, all contacts are useful which seek to unveil the immediate aims of our opponents. As for the general and permanent aim of universal domination held by the Soviets, I know, that such a great soldier and strategist as you yourself are, always keeps it clearly in mind. For this reason, I reject the view of those who, forgetting your personal record, are fearful of the consequences of your meeting with Khrushchev.

When the late lamented Secretary of State, John Foster Dulles, visited us, we reached full agreement on our assessment of the general situation and on the needs of the hour. I have not doubt that the same identity of views will be reached at the forthcoming meetings of our Foreign Minister and Your Excellency and with your Secretary of State.

Your Excellency is well aware that Western superiority based as it is, on the industrial power of the United States and its ability to adapt it to the needs of war, could be weakened, should the Soviet Union develop fully all its industrial potential and Western Europe fails to reinforce its unity and its state of preparedness. The nations of our continent, as you well know, easily tend to disunite. I consider your presence here, your prestige, most useful in forging unity.

I cherish the hope, my dear General, that whenever the international situation permits, you and Mrs. Eisenhower, will in the course of one of your journeys, visit our country.

With confidence in and sincere best wishes for the success of your great mission, I offer you, the assurance of my consideration and friendship.

FRANCISCO FRANCO.

DEAR GENERAL FRANCO: Thank you for your cordial letter of August 24, 1959, delivered to me by your Foreign Minister, Mr. Fer-

nando Maria Castiella, when he called on me in London on August 31.

I am of course pleased to know that you think well of the planned exchange of visits between Mr. Khrushchev and myself and that you clearly understand the basic thought that I have in mind in this connection.

I appreciate also your reference to the aid which we have extended to Spain in order to help our Spanish friends to assume certain responsibilities in defense of the West.

The agreements signed between our two countries in 1953 have produced good results for both of us. I am happy to have this opportunity to express to you my appreciation of the spirit of cooperation with which you have worked with us on the construction and operation of our joint bases. They are an important element in the common defense.

I should like also to congratulate you on the bold new economic program already auspiciously begun and on your membership in the OEEC. This constitutes another important link in forging the European unity to which you refer.

Your gracious invitation to Mrs. Eisenhower and me to visit your beautiful country so full of artistic treasures and historic landmarks is greatly appreciated. I hope that someday we shall have the opportunity to enjoy the friendly Spanish hospitality about which we have heard so much.

In the meantime, dear General, please accept my renewed thanks for your best wishes which are fully reciprocated.

Sincerely,

DWIGHT D. EISENHOWER.

AWARD FOR SHIP SAFETY TO AMERICAN EXPORT LINES

Mr. BUTLER. Mr. President, in view of the outstanding achievements of the American Export Lines in their extensive operations, I think it worthy of the attention of the U.S. Senate to be advised of the award recently made on the basis of the exceptional record of the company in ship safety during the last year.

Adm. John M. Will, president of the lines, and who has had a distinguished career in the U.S. service, terminating in his role as commander of MSTS, accepted the award with acting Capt. Lief J. Christenson.

The steamship *Independence*, one of the company's outstanding ships, was winner in the passenger ship class for the annual award, and it is significant that an American Export ship has achieved this record for the last 2 consecutive years.

Ralph E. Casey, president of the American Merchant Marine Institute, presented the citation and referred to the liner's distinction as the "mercy ship of the high seas." Fourteen months ago the *Independence*, in command of Capt. Hugh L. Switzer, won widespread acclaim in responding to a call in the Atlantic for aid from an Italian freighter transporting a seriously ill seaman. On that occasion, Captain Switzer changed his course and in darkness and heavy weather sent over a lifeboat to convey the ill man to the *Independence's* hospital for treatment. As President Casey observed, the *Independence* has had numerous similar exploits in the past 8 years and, deservedly, the American Export Lines is receiving the plaudits of an appreciative public. Because of the uniformly splendid service rendered by the lines and the high standards of efficiency which have characterized their operations, I desire to add our appreciation for the exemplary operations which have brought their officers and employees general approval.

NEGROES DO NOT WANT FORCED INTEGRATION

Mr. THURMOND. Mr. President, I have told the Senate on many occasions that there is little or no sentiment in the South for forced mixing of the races except by the few Communists we have, militant NAACP members, and race agitators. I have also told the Senate that at the present time there is ample evidence to show that race agitation is the number one goal of the Communist Party in the United States today. This fact has been mentioned by FBI Director J. Edgar Hoover in his book, "Masters of Deceit." In fact, he devotes an entire chapter to the subject of Communist exploitation of minority groups. The more recent book on communism by the Overstreets entitled "What Everyone Should Know About Communism" also discusses this particular goal of the Communist Party. The Communists realize that racial agitation is the ripest field for exploitation in our country today, especially in view of the 1954 Supreme Court decision on desegregation. In fact, international Communist Party policymakers hailed the 1954 decision as the first real break for the party in its drive to foment racial conflict in the United States.

Mr. President, on September 2, 1959, there was published in the Charleston, S.C., News and Courier an Associated Press dispatch from Birmingham, Ala., which reported that a large group of Negroes had wired President Eisenhower on Tuesday that most southern Negroes do not want forced integration. The group asked the President to sponsor a poll of southern Negroes to prove the validity of their point.

This is further evidence, Mr. President, that there is little or no sentiment in the South for forced mixing of the races, except—as I have said—by the few Communists we have in the South, some militant NAACP members, and a few other race agitators.

I ask unanimous consent that this Associated Press article from the News and Courier be printed in the body of the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEGROES DON'T WANT FORCED INTEGRATION

BIRMINGHAM, ALA.—A Negro group wired President Eisenhower Tuesday that most southern Negroes don't want forced integration. And the group asked for a Government-sponsored poll of southern Negroes to prove the point.

The statement and the request were included in a 350-word telegram sent to Eisenhower by the Southern Negro Improvement Association of Alabama.

Samuel H. Moore of Birmingham, president of the group, said it has more than 5,000 members in Alabama.

Moore told the President:

"I assure you that both races in the South are unalterably opposed to the integration of races in public schools.

"Racial hate and racial prejudice that was dead is now reconstructed. Threat of forceful integration has created fear and hate in many of our former white friends."

Moore said he put these questions to the President:

"Since this is free America, why not put your racial policy upon voluntary action of the citizens, not forceful compulsion? Why not have the Government take a poll of the majority of the southern Negroes?"

Moore said that such a poll should be confined to southern Negroes because "our northern Negro brothers do not live in the South and therefore do not understand our southern bicultural society."

He urged the President "not to use force to integrate the schools and deny our race a major symbol of our progress—all-Negro schools."

Moore said, "for lasting and enduring advancement of our race our progress must be achieved with good will from the white people among which we must live."

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FREAR:

S. 2642. A bill to express the intent of the Congress with reference to the regulation of banking; to the Committee on Banking and Currency.

By Mr. KENNEDY (for himself, Mr. KUCHEL, and Mr. MCNAMARA):

S. 2643. A bill to amend section 8(b)(4) of the National Labor Relations Act, as amended; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER:

S. 2644. A bill for the relief of Capt. Elliott B. Roberts, U.S. Coast and Geodetic Survey; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:

S. 2645. A bill to authorize the Surgeon General of the Public Health Service to undertake a cooperative worldwide study of the problem of radioactive fallout and other types of radiation hazard and of their effect upon the lives and health of people everywhere, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. WILLIAMS of New Jersey when he introduced the above bill, which appear under a separate heading.)

AMENDMENT OF SECTION 8(b)(4) OF NATIONAL LABOR RELATIONS ACT

Mr. KENNEDY. Mr. President, on behalf of myself, the Senator from California [Mr. KUCHEL] and the Senator from Michigan [Mr. MCNAMARA], I introduce, for appropriate reference, a bill to amend section 8(b)(4) of the National Labor Relations Act, as amended. I ask unanimous consent that the bill lie on the desk until September 9, 1959, so as to afford other Senators an opportunity to cosponsor it if they so desire.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill

will lie on the desk, as requested by the Senator from Massachusetts.

The bill (S. 2643) to amend section 8(b)(4) of the National Labor Relations Act, as amended, introduced by Mr. KENNEDY (for himself, Mr. KUCHEL, and Mr. MCNAMARA), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

STUDY OF PROBLEM OF RADIOACTIVE FALLOUT AND OTHER TYPES OF RADIATION HAZARD

Mr. WILLIAMS of New Jersey. Mr. President, many in this Chamber were proud this year to support a bill which would create an international center for research against disease. This health for peace bill was a striking attempt to mobilize medical knowledge to a greater degree of cooperation than has been possible until now.

Today I introduce, for appropriate reference, a bill intended to achieve much the same kind of official cooperation among nations, but for another purpose: the study of the effects of fallout from nuclear weapons tests.

Within the past few weeks, we have detected a new peak of interest about fallout. We have seen other peaks of interest in the years since we began our first peacetime atomic tests. Many citizens have asked questions. They want to know exactly what fallout will mean to them and their children. They have asked, but the answers have not always been forthcoming.

Just this week, the Joint Committee on Atomic Energy published its conclusions from 4 days of hearings, May 5 through 8, on the fallout question. They answered some of our questions, but even in this—one of the most significant discussions yet of the radiation hazard—the members of the committee were frank to say that there are many questions for which there are still no answers. Four days of even the most excellent hearings cannot give us all the information we want. The report, however, intensifies public attention on a problem which for too long has remained the child of speculation.

I ask unanimous consent to have printed in the RECORD the New York Times story of August 24 on the issuance of the report of the Joint Committee.

Some of the basic findings of the committee are disturbing to committee members and others who have felt that we must know more about fallout.

As the committee report said:

> The 1959 hearings also served to focus attention on new points of controversy such as the so-called hot spot problem, and the importance of short-lived isotopes in fallout occurring far away from test sites. Perhaps most important, the question was raised of how to evaluate measured levels of fallout in the environment and in man in terms of some sort of measuring standard or criterion. Central to the lack of understanding on the last point were differences of opinion with regard to interpretation and application of the so-called maximum permissible dose (MPD) of radiation, from internal or external sources, and the so-called maximum permissible concentration (MPC) of radioactive materials in the body, in air, or in water.

The committee also has told us that radioactive materials do not circle the earth for 5 to 10 years, as had been assumed before the hearings. We now have testimony indicating that a more accurate estimate might be 1 to 5 years. Since radioactive materials are continually radiating, and therefore decreasing in potency, the longer the material remains in the atmosphere, the less dangerous it will be when it falls to the earth. The shorter time period means that what might be called a buffer time period has been substantially reduced. The shorter duration in the atmosphere also increases the significance of some of the short-lived isotopes which had previously been considered comparatively unimportant.

Several of the more than 30 scientist witnesses had other interesting, if disturbing, things to say. Approximately two-thirds of the radioactive wastes settle in the Northern Hemisphere. The hot spots, or concentrations of fallout on a relatively small area, can be made hot by rainstorms which carry the fallout down.

The committee report does not stand alone as a statement of uneasiness. We have heard many warnings in this Chamber. Mr. Edward Gamarekian, of the Washington Post, has written many articles within past months indicating potential or existing dangers from testing and from civilian use of atomic energy. The Saturday Evening Post, issue of August 29, asks, "Are we endangering the lives of our children's children?—A complete report on fallout, the silent killer."

One paragraph in the article sums up, I think, some of the confusion which now exists. The author, Steven M. Spencer, writes:

> The citizen is more bewildered by reading on one day a warning headline: "Atom Rate Called Perilous," and on the following morning a reassuring one: "Study Minimizes Fallout Danger." Both appeared in the same newspaper, the trustworthy New York Times, and both were accurate accounts of testimony at hearings on fallout from nuclear weapons tests, held last May by the Radiation Subcommittee of the Joint Congressional Committee on Atomic Energy.

The need is clear, I think, for a more concentrated effort at official year-round fact gathering. The subcommittee's report states that the Atomic Energy Commission has accelerated its efforts in fallout research, but it also says that the AEC has not received the high administrative level support it must have.

The subcommittee adds this statement:

> No other mechanism presently exists within the Federal Government for such a systematic compilation of material on fallout for the information of the public.

The Senator from Alabama [Mr. HILL] has already introduced bill S. 1628, which would give the U.S. Public Health Service authority to conduct the kind of program envisioned in the subcommittee report, "one which would conduct a systematic compilation of material on fallout."

The bill I introduce today is clear evidence that I owe much to the creative and sound proposal of the Senator from Alabama.

The bill proposes, Mr. President, that the United States through its chief civilian authority in the field of health, the Surgeon General of the Public Health Service, after proper study and consultation with the Department of State and other bodies, approach, through the Secretary of State, the other nations of the world and invite them to participate in an international project to, first, accumulate and disseminate reliable data on actual atomic fallout and other sources of radiation; second, promote accelerated research by all governments and agencies into the precise health effects of radiation and the means for curbing it; and, third, disseminate to the medical and health professions and the peoples of the world, through all available means of communication, the results of these studies and this research as it is developed.

I would further propose that the Surgeon General, through the Secretary of Health, Education, and Welfare, be requested to report to the appropriate committee of the Senate within 90 days after enactment of the authorizing legislation on the plans of the Surgeon General and his staff for undertaking this project.

I need not emphasize to this body, I am sure, the enormous increment in good will which would come to the United States from such a project. More important would be the very real contribution which I am sure it would make toward helping to resolve unresolved questions about the effects of fallout—this dark and insidious menace of our age.

Let us remember that the development of the atomic age came about through the individual contribution of scientists from all parts of the world. Distinguished scientists from many, many countres worked together to harness atomic energy. How much more important it is that the thinking, the research, the experiments of scientists from all over the world be coordinated into a single effort to ascertain the dangers inherent in radioactive fallout and the means for curbing these dangers. How right it is that the United States, whose every motivation is for peace and the improved well-being of people everywhere, should take the initiative in securing this vital coordination.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the newspaper article will be printed in the RECORD.

The bill (S. 2645) to authorize the Surgeon General of the Public Health Service to undertake a cooperative worldwide study of the problem of radioactive fallout and other types of radiation hazard and of their effect upon the lives and health of people everywhere, and for other purposes, introduced by Mr. WILLIAMS of New Jersey, was received, read twice by its title, and referred to

the Committee on Labor and Public Welfare.

The newspaper article presented by Mr. WILLIAMS of New Jersey is as follows:

TEXT OF INTRODUCTION AND SUMMARY OF A CONGRESSIONAL REPORT ON FALLOUT HEARINGS

(WASHINGTON, Aug. 3.—Following are the introduction and summary from a report on "Fallout From Nuclear Weapons Tests" issued today by the Congressional Joint Committee on Atomic Energy:)

I. INTRODUCTION

The Special Subcommittee on Radiation of the Joint Committee on Atomic Energy held public hearings from May 5 to May 8, 1959, on fallout from nuclear weapons testing. It was the intent of these hearings to bring up to date the scientific information developed by the subcommittee in its 1957 hearings, including consideration of new matters; to examine alternative weapons-testing policies from the standpoint of the resulting fallout; and to learn what is being done by various Federal agencies and their contractors in the fields of research and monitoring surveillance on worldwide fallout.

To accomplish these purposes the subject matter was restricted to problems of fallout associated with nuclear weapons tests, with the implications of all-out nuclear war being reserved for separate hearings in June.

A panel of technical advisers consisting of qualified scientists both inside and outside the Government was invited to assist the committee in preparing for the hearings.

With the help of the panel a detailed technical outline for the hearings was developed and some 30 expert witnesses were invited to testify.

These witnesses were requested to present significant developments which have occurred in their particular fields of competence since the 1957 hearings. Statements for the record were also solicited from other scientists, including some who testified in the 1957 hearings but did not participate in the oral testimony in 1959.

The subcommittee utilized the technique of asking each expert witness to summarize data pertaining to a given aspect of the problem. The committee also utilized groups of witnesses in roundtable discussions, as it did in the 1957 hearings, to discuss major points and implications of new data.

A volume of material comparable in scope to that of the 1957 hearings has resulted, attesting both to the rapidly growing amount of information related to this subject and its dissemination. The committee notes, in this regard, that no other mechanism presently exists within the Federal Government for such a systematic compilation of material on fallout for the information of the public.

KEY POINTS CONSIDERED

In bringing the 1957 hearings up to date the committee considered certain key points, as listed in the committee's 1957 summary analysis. These included:

Origin of fallout; distribution of fallout; biological effects of radiation; tolerance limits; effects of past tests, and effects of future tests.

The committee also considered certain major unresolved questions as listed in the 1957 summary-analysis. These included:

The existence of clean (versus dirty) weapons;

The degree of nonuniformity of the distribution of global fallout;

The extent of natural discrimination exhibited by plants and animals against hazardous isotopes as strontium 90;

The existence of a so-called threshold for somatic (nongenetic) effect of low-level radiation;

The threshold question as regards genetic effects, and

The distinction between absolute numbers of persons affected by fallout versus percentage of the world population.

The 1959 hearings served to demonstrate that firmer support can now be found for some statements of conclusion that were at best tentative in 1957. These concern, for example, such topics as the degree of nonuniformity of worldwide fallout distribution. Similarly, the 1959 hearings demonstrated that greater assurance seems to exist over problems, considered unresolved 2 years ago, such as the so-called discrimination factor for strontium versus calcium in plant and animal metabolism.[1]

But the 1959 hearings also served to focus attention on new points of controversy such as the so-called hot spot problem, and the importance of short-lived isotopes in fallout occurring far away from test sites. Perhaps most important, the question was raised of how to evaluate measured levels of fallout in the environment and in man in terms of some sort of measuring standard or criterion. Central to the lack of understanding on the last point were differences of opinion with regard to interpretation and application of the so-called maximum permissible dose (MPD) of radiation, from internal or external sources, and the so-called maximum permissible concentration (MPC) of radioactive materials in the body, in air, or in water.[2]

DATA DECLASSIFIED

A significant achievement of the hearing was the declassification of important new information on the weapons test programs which have been conducted by the United States, Great Britain, and the U.S.S.R. Included in this information, which was made public for the first to the present time in testing time in these hearings, was a table showing both the total yield and the fission yields detonated by all countries up to the present time in testing nuclear weapons. Also declassified was important new information about the content increase in the spring of 1959 in the northern latitudes. Testimony indicated that such an increase may be the result of seasonal fluctuations and/or southward movement of polar air masses, coinciding with radioactive material in the stratosphere which has become available since 1957 by means of new direct measurement techniques.

Finally, it is worth noting that the meetings of two expert groups, both held just before the hearings began, helped to reconcile differences in interpreting available data. These are the meetings of the National Academy of Sciences Subcommittee on Meteorology and discussions by a special seminar group assembled at the request of the Joint Committee to consider the implications of future testing. As a result of these meetings and other scientific deliberations during the 2 years since the committee's 1957 hearings, the testimony at the 1959 hearings tended to emphasize similarities rather than differences in opinion. For this reason, the hearings were more successful in bringing out points on which there is now general agreement than was true in 1957. Major unresolved questions still remain and require clearer delineation if we are to deal with them effectively. Of particular concern, in this regard, are questions involving technical implications on policy.

TABLE 1.—*United States and United Kingdom Soviet nuclear events*

[Yield in kilotons]

Year	Total fission yield	Total fission yield from events, the total yield of which was 1 megaton or greater
1945	60	
1946	40	
1948	100	
1951	500	
1952–54	37,000	36,000
1955	200	
1956	9,000	8,000
1957–58	19,000	14,000

II. SUMMARY

In summary, the major points emerging from the hearings are presented in the following paragraphs.

Origin of fallout

Information developed at the hearings shows that if the test programs of all countries are considered together, the total nuclear yield resulting from these tests has increased markedly since 1954. Of the total 90–92 megatons[3] fission yield equivalent released to date, 40 megatons was produced in 1957–58. The bulk of this was detonated during 1958 in the U.S. Hardtack series and the U.S.S.R. October series. Large portions of the radioactive products produced in this latest series have gone into worldwide fallout due to detonations of large-yield weapons at high altitudes.

As in 1957, testimony at the 1959 hearings indicated that stronium 90 and cesium 137[4] are still considered to present the greatest hazard in worldwide fallout (fallout away from testing sites). But short-lived isotopes, such as strontium 89, iodine 131, barium 140, zirconium 95, and others, were described by several witnesses as worthy of more consideration or even potentially equal in hazard to strontium 90 and cesium 137. Similarly, long-lived carbon 14 was described as a potential long-term hazard from nuclear weapons tests.

Distribution of fallout

The nonuniform distribution of fallout material in the effects (i.e., effects on future generations) resulting from a given dose of radiation may, contrary to the general belief in 1957, have a definite relationship to the rate at which the dose is delivered. The implication of this evidence is that the effectiveness of a given dose of radiation is removed from the troposphere by local rainfall.

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[1] "Discrimination" is a mechanism by which plants and animals exhibit a preference for certain elements thus screening out some of the radioactive material passed along to man. The concept is applied to elements, such as strontium and calcium, that are similar but not identical in metabolic behavior.

[2] Maximum permissible concentration (MPC) is a recommended value of quantity of radioactive substance per units of tissue, air or water, also relating to exposure of individuals or groups to radiation under various specified conditions.

MPD and MPC are related to one another in principle but are not always readily interchangeable. The conditions for which MPD and MPC are best defined are for occupational exposure.

[3] A 1-megaton bomb has the same explosive energy release as 1 million tons of TNT. The Hiroshima bomb yield was estimated at 20,000 tons of TNT, or 20 kilotons.

[4] Strontium 90 emits beta particles which have relatively low energy but which achieve a destructive effect in bone, which strontium 90 seeks in a manner similar to calcium. Cesium 137 emits both beta particles and gamma irradiation. This isotope is taken up throughout the body and presents a hazard particularly to reproductive cells.

But the relationship of these hotspot areas to worldwide fallout, if any, remains unclear.

Uptake of radioactive isotopes from fallout

The content of strontium 90 and cesium 137 in food has risen since 1957, even more rapidly than the total fallout. Temporarily high levels have been found in various parts of the country suggesting that under certain conditions strontium 90 may be taken up directly without going through the soil. Therefore, a consistent degree of discrimination (i.e., the selective reduction of strontium 90 in relation to calcium) from the ground to man cannot be expected.

Biological effects of radiation

Evidence was presented at the hearings suggesting that a given dose of radiation is less at low-dose rates than at high-dose rates, even for genetic consequences.

The biological significance of low levels of radioactivity is still largely unknown. No resolution was reached on whether or not a threshold level of radiation exposure exists below which effects such as cancer and leukemia do not result.

Hotspots and their significance

The term "hot spot" is used to refer to local areas, geographically speaking, where environmental contamination levels are considered to be higher than average levels in intensity than it has received in the past, particularly in forecasting the effects of future tests.

Significance of carbon 14

Information provided for the hearings suggests that radioactive carbon 14 from past weapons tests could constitute a genetic hazard to the world's population. The magnitude of this hazard has been estimated to be comparable to, and in some estimates in excess of, the genetic hazard from other fallout isotopes. One of the principal problems in making these estimates is how to assess the hazard of a dose which may be comparable in magnitude to that from cesium 137 and other genetically hazardous fallout isotopes but which occurs over a much longer time period (the equivalent of 8,000 years compared with 40 years or so). Here again, a problem was presented for which available information appears to be inadequate. Greater emphasis should be given to means by which this problem may be properly evaluated.

TABLE 2.—*Soviet nuclear events*

[Yield in kilotons]

Inclusive years:	*Total fission yield* [1]
1945–51	60
1952–54	500
1955–56	4,000
1957–58	21,000

[1] A value of 50 percent has been arbitrarily selected for the fission to total yield ratio for all Soviet thermonuclear tests. As indicated in the tables, 50 percent is about the average fission to total yield ratio for all United States/United Kingdom nuclear tests.

Maximum permissible dose and maximum permissible concentration

It was generally agreed that in considering acceptable exposure limits in the context of worldwide environmental contamination from fallout, the best assumption that can be made at present concerning the relationship of biological effect to radiation dose is to assume that any dose, however small, produces some biological effect and that this effect is harmful. The testimony made it clear that much difficulty now exists in evaluating the hazards of environmental contamination from worldwide fallout.

The estimated mean residence time [5] of material in the stratosphere is now taken as from 1 to 5 years, compared to the 5 to 10 years estimated in 1957. The shortest residence time (about a year) can be expected for debris from the 1958 U.S.S.R. tests in the Arctic.

The rate of deposition of strontium 90 showed an increase in the 1958 U.S.S.R. tests in the Arctic. The existence of localized hotspot areas was recognized, resulting among other things from uneven distribution of radioactive debris. * * * That such hotspot areas exist was not disputed; yet one of the ambiguities in the hearings testimony was the fact that no completely satisfactory definition was presented of what a hotspot is, how the limits of such an area are defined, and what the problems involved really are. [6]

Some testimony suggested that higher radiation levels in limited areas do not, any more than other nonuniformities, increase the overall hazard of fallout to the world's population. This contention is based on the argument that the total hazard is related to the total dose of radiation received by an entire population, and is not related to geographic distribution. It is evident, however, that more data and greater consideration of how to evaluate the data are needed before a satisfactory answer to this problem can be worked out.

Significance of short-lived isotopes

According to the testimony, recent fallout samples have concentrations of short-lived isotopes which are equal to and in many cases higher than those of the longer-lived isotopes such as strontium 90 and cesium 137. Due to their relatively rapid decay, the total radiation dose they deliver is ordinarily only a small fraction of that delivered by the longer-lived isotopes. However, the short-lived isotopes may be acquiring more significance than previously thought in view of the fact that fall-out from the stratosphere has proven to be faster than estimated earlier, together with the possibility of selective concentration in some particular organ of the body (i.e., radioactive iodine in the thyroid). The question apparently merits greater attention * * * permissible concentration," which were developed for occupational exposures to individuals under controlled conditions. [7]

Even if concepts developed for industrial application were clearly transferable, the testimony suggested confusion over such points as to how to apply existing maximum permissible concentrations for water to food in the fallout situation, how to handle diets (what time period to consider when "averaging"), and how to allow for the possible presence of other isotopes than the one being considered.

Further evidence of confusion concerning hazards evaluating in the testimony presented was given by the use, on the one hand, of industrially oriented exposure recommendations discussed above and by the use, on the other hand, of comparisons with natural background radiation levels. [8] At present, it appears that each controversial situation involving fallout exposure is evaluated on an ad hoc basis, but with little understanding or agreement on how the evaluation is to be done.

Alternative pattern of testing

Testimony at the hearings indicated that—

Underground tests can be conducted with relatively small weapons, without contaminating the atmosphere with radioactivity. Great practical difficulties exist for testing large or megaton weapons underground.

Outer space tests can be conducted under conditions—among which are distance and yield of the device—which will reduce atmospheric contamination to an as yet unknown degree. To obtain test data, there exist practical problems of instrumentation which would require further tests in space to resolve.

Environmental testing is necessary to establish effects of nuclear weapons on military targets, equipment, radiation levels, etc.

Past weapons tests will reach its maximum value in the period 1962–65. The predicted U.S. average value of 6 strontium units (S.U.) is slightly higher than for average Western populations (5 S.U.) and lower than the average for Eastern peoples (10 S.U.). Thus for testing already conducted man's exposure to fall-out radiation is and will be relatively small compared to the "normal background" radiation or the standard recommended by the International Commission on Radiological Protection (ICRP).

Assuming successive cycles of testing over the next two generations or less, following the same pattern as the past 5 years, the predicted average concentration in bone will be about 48 strontium units.

TABLE 3.—*United States, United Kingdom, and Soviet nuclear events*

[Field in kilotons]

Inclusive years	Fission yield [1]			Total yield	
	Air-burst	Ground surface burst	Water surface burst	Air-burst	Surface burst
1945–51	190	500	20	190	570
1952–54	1,000	15,000	22,000	1,000	59,000
1955–56	5,600	1,500	6,000	11,000	17,000
1957–58	31,000	4,400	4,600	57,000	28,000

[1] A value of 50 percent has been arbitrarily selected for the fission to total yield ratio for all Soviet thermonuclear tests. As indicated in the tables, 50 percent is about the average fission to total yield ratio for all United States/United Kingdom nuclear tests.

[5] The mean residence time is the half residence time divided by 0.7. The half residence time is the time required for the amount of material in the stratosphere to be reduced by 50 percent. These concepts are analogous to the mean life and half life for radioactive decay.

[6] Prior to the hearings, the Joint Committee sent a letter to AEC, dated April 7, 1959, requesting information on the hot spot problem. The outline of the hearings also specified that AEC should present detailed testimony on the problem. Following the hearings, the committee requested additional information from the AEC in letters dated May 18, 1959, and June 17, 1959. The material referred to, together with the AEC responses, is contained in the printed hearings.

[7] The standard recommended by the International Commission for Radiological Protection (ICRP) for occupational exposure of individual industrial workers corresponds to 2,000 strontium units, whereas the ICRP recommends a value corresponding to 67 strontium units as a standard for application to the general population. (Strontium units are used as a measure of body levels of strontium 90. One strontium unit is equal to one micro-microcurie, i.e., one-millionth of a millionth of a curie, of strontium 90 per gram of calcium. A curie corresponds to the radioactivity of a gram of radium.) In the summary-analysis of the 1957 hearings it was noted that 100 strontium units was at that time the recommended standard for maximum permissible concentration of strontium 90 in man for a population, "subject to a number of serious questions and limitations."

[8] "Background" radiation comes mostly from naturally existing radioactive materials and from cosmic rays emitted from outer space. It is estimated that in an average 70-year lifetime a man will receive 7 to 10 roentgens from such background radiation.

Government program and organization

While the AEC has accelerated its efforts in fallout research in the past 2 years, particularly in sampling and analysis, the fallout program as a whole apparently has not received the high administrative level support it needs to give it the necessary impetus. Increased dollar outlays for facility and operating expenses have been useful but further improvements in the program, its administration and its organization, are required. These should include adequate staffing in the AEC Biology and Medicine Division to meet the broad requirements of an expanding program. Better coordination by the AEC of fallout information is essential. Adequate radiation standards must be developed in cooperation with the various Federal, State, and private agencies.

The Public Health Service, which has been conducting a survey of radioactive fallout debris in milk, operates a research labortory in Cincinnati and has a newly created staff in Washington. However, expenditures and numbers of personnel remain small.

With regard to the fallout program, increased emphasis should be placed on the hotspot problem, declassification and periodic publication of useful information, development, and application of exposure standards, and better coordination among Government agencies in determining, controlling, and evaluating environmental hazards.

In implementing an effective program, the first job is to define clearly what the real problems are and then assign responsibilities for meeting these problems. In the process, care should be taken not to interfere with existing programs which are making major contributions to knowledge in the fallout field.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—AMENDMENTS

Mr. AIKEN submitted amendments, intended to be proposed by him, to the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF FEDERAL-AID HIGHWAY ACTS OF 1956 AND 1958, TO MAKE CERTAIN ADJUSTMENTS IN HIGHWAY PROGRAM—AMENDMENTS

Mr. GORE submitted amendments, intended to be proposed by him to the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO REFUND OF CERTAIN TAXES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of August 27, 1959, the names of Senators MURRAY, MOSS, MORSE, CLARK, LAUSCHE, HART, YOUNG of Ohio, AIKEN, PROUTY, MANSFIELD, RANDOLPH, and NEUBERGER were added as additional cosponsors of the bill (S. 2604) to amend the Internal Revenue Code of 1954 to provide for refund to States of certain taxes on distilled spirits and wine destroyed by fire, casualty, or act of God, introduced by Mr. MUSKIE on August 27, 1959.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, September 3, 1959, he presented to the President of the United States the following enrolled bills:

S. 539. An act for the relief of Mrs. Joyce Lee Freeman;

S. 669. An act to authorize the Secretary of Agriculture to convey certain lands to the Bethel Baptist Church, of Henderson, Tenn.;

S. 696. An act for the relief of Mrs. Annie Voisin Whitley;

S. 1071. An act for the relief of Nettie Korn and Manfred Korn;

S. 1298. An act for the relief of Concetta Meglio Meglio;

S. 1392. An act for the relief of Isabel M. Menz;

S. 1557. An act for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim;

S. 1650. An act for the relief of Edmund A. Hannay;

S. 1667. An act for the relief of the widow of Col. Claud C. Smith;

S. 1792. An act for the relief of Lilia Alvarez Szabo;

S. 1915. An act for the relief of Chung Ching Wei;

S. 1921. An act to exempt from taxation certain property of the United Spanish War Veterans, Inc., in the District of Columbia;

S. 1958. An act to amend section 12 of the act of March 5, 1915, to clarify types of arrestment prohibited with respect to wages of U.S. seamen;

S. 2021. An act for the relief of Irene Milios;

S. 2027. An act for the relief of William James Harkins and Thomas Lloyd Harkins;

S. 2050. An act for the relief of Leokadia Jomboski;

S. 2081. An act for the relief of Yadwiga Boczar;

S. 2102. An act for the relief of Irene Wladyslawa Burda; and

S. 2238. An act for the relief of Kenzo Hachtmann, a minor.

REPORT OF THE COMMISSION ON CIVIL RIGHTS

Mr. JOHNSTON of South Carolina. Mr. President, a copy of the final report by the U.S. Commission on Civil Rights, to be officially filed September 8, came to my attention this afternoon.

This report, all marked up in confidential red ink indicating it should not be released until next Tuesday, is one of the most devastating, unconstitutional documents I have ever seen.

It is an attempt by some of the Commissioners to set up a junior Supreme Court which would specialize in integration matters, or, if we please, to promote forced integration upon people all over the United States.

Frankly, from my brief reading of the report, it appears that a majority of the Commission could agree on nothing. The most who agreed on anything were three members. In my opinion it is a hodgepodge of conflicting views, statements and comments with no majority view of any single thing.

It is obvious to me that this report only further convinces me that the Commission should be decommissioned as provided by law.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I do not wish to yield until I finish.

Mr. HENNINGS. I simply wondered how long the Senator's speech was going to be.

Mr. JOHNSTON of South Carolina. It will take only 6 or 8 minutes.

Mr. HENNINGS. I thank the Senator.

Mr. JOHNSTON of South Carolina. Mr. President, I opposed the Commission from its inception and I shall continue to oppose any attempt to extend its life. The report of the Commission pries into the core and heart of the right of States, local communities, and cities to manage their own systems of education, housing, voting, laws, programs, and all sorts of policies, including what I would call the intimate details of living.

Mr. President, the only thing with which I agree in the report is a statement by Commissioner John S. Battle, former Governor of Virginia, who wrote into the report:

> I must strongly disagree with the nature and tenor of this report. In my judgment it is not an impartial, factual statement, such as I believe to have been the intent of Congress, but rather, in large part, an argument in advocacy of preconceived ideas in the field of race relations.

Mr. President, in my opinion, most of these preconceived ideas are prointegration and profederalization.

In my opinion, the Commission should be forced to die within 60 days of the filing of this report, as required by law.

Mr. President, among some of the things advocated by this report, although not by a majority of the Commissioners, are the following:

A recommendation to substitute Federal voting registrars for local registrars.

A recommendation that Federal voting registrars determine who is eligible to vote under State laws and determine registration lists for local registration officials. Anyone who knows anything about the law knows that would be contrary to the Constitution of the United States.

A recommendation which, in my opinion, would allow criminals, incompetents, and others deprived of voting rights by State laws for almost any reason, to vote.

Also, among many other recommendations, two of which would allow a Presidential or Executive order to automatically outlaw segregation in any Federal housing and to permit the U.S. Education Commissioner to withhold Federal aid from all schools and colleges that do not integrate.

Mr. President, I fully understand the Civil Rights Commission intended for this report to not be made available to the public or to Congress until September 8. However, in view of the fact that the Congress—especially the Senate—may be asked to consider legislation to extend the life of the Civil Rights Commission, I believe the Senate should know of this report.

It is for this reason that I have discussed it on the floor of the Senate. I felt it was my duty to make known to the public this document before the Senate and Congress are asked to extend the life of the Commission, because the members of both Houses should know the contents of this report, which reflects highly conflicting and controversial matter of great importance.

Some Members may think, in the absence of this report, that it would be an innocent satisfying gesture to strong civil rights advocates to permit legislation which would extend the life of the Civil Rights Commission to pass the Senate. However, in the knowledge of what this report contains, some Members may not think well of extending the Commission's life. I personally think extending the life of the Commission could be highly dangerous and damaging to the Nation.

I think, in all fairness, the Congress of the United States should not pass upon the matter of extending the life of the Civil Rights Commission without first having the advantage of studying in detail the matters which will be in the report. We shall have an opportunity to study that report in the future.

CIVIL RIGHTS

Mr. HENNINGS. Mr. President, I desire to make only a very brief statement.

We cannot have, in this growing Nation, two classes of citizens. I recognize the problem which faces Senators from the South in their home States. However, I am thoroughly convinced that it is in the best interest of the United States of America not to have two classes of citizens.

Senators from the South are fine gentlemen. They represent precisely what the citizens of their States ask them to represent.

I had not intended to make any remarks tonight about this subject. However, the United States of America is a first class power, a fact which we cannot deny; and equality of our citizens will be achieved, in time.

Senators have been exceedingly courteous to me, and every Senator from the South has been more than courteous to me.

Mr. DOUGLAS. Mr. President, will my good friend from Missouri yield to me so that I may suggest the absence of a quorum?

Mr. HENNINGS. I yield to the distinguished Senator from Illinois.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess until 9 o'clock tomorrow morning.

Several Senators addressed the Chair.

Mr. MANSFIELD. Mr. President, I withdraw my motion.

Mr. MORSE. Mr. President, a point of order.

The PRESIDING OFFICER. The Chair wishes to state that the absence of a quorum has been suggested, and the roll is being called.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. MORSE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

RECESS TO 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and (at 9 o'clock and 35 minutes p.m.) the Senate recessed, under the order previously entered, until tomorrow, Friday, September 4, 1959, at 9 o'clock a.m.

NOMINATION

Executive nomination received by the Senate September 3 (legislative day of August 31), 1959:

DIPLOMATIC AND FOREIGN SERVICE

William A. M. Burden, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium, vice John Clifford Folger.

HOUSE OF REPRESENTATIVES

THURSDAY, SEPTEMBER 3, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Nahum 1: 7: *The Lord is good and a stronghold in the day of trouble.*

Almighty God, whose paternal goodness is unfailingly kind and merciful, we beseech Thee that this may be a day of helpful living and useful labor.

Give integrity of purpose and fidelity in every trust to the Members of this legislative body as they engage in the business of statecraft.

Grant that in the administration of public affairs they may acknowledge their dependence upon divine guidance and seek to render a service to our country and all mankind that will be worthy and well pleasing unto Thee.

May we never allow ourselves to be enticed from the path of truth and righteousness and may Thy everlasting arms be our shield and shelter, keeping us secure and steadfast in all Thy ways.

In Christ's name we offer our prayer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 6. An act for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2424) entitled "An act to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2524) entitled "An act relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems."

MILITARY CONSTRUCTION APPROPRIATION BILL, 1960

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, may have until midnight tonight to file a report on said bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PROJECT ALERT—THE LUBBOCK PLAN

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, communism continues to be a great threat to the security of our country and the world. As Americans, we need to have the best possible understanding of what the threat of communism is, and we need to make sure that we are doing all in our power to make democracy work effectively.

The people of Lubbock, Tex., whom I have the honor to represent in Congress, formed a citizens committee early this year for the purpose of conducting a campaign for the revitalization of our American national character and repudiation of international communism. This campaign, Project Alert, was successfully executed in the spring of this year.

The inspiration for the program at Lubbock was provided by Rear Adm. Walter G. Schindler, an outstanding naval leader, commandant of the Eighth Naval District; but the success of the program in Lubbock was due, to use a Navy term, to an all-out effort by "all hands."

A printed report of the Lubbock plan for Project Alert has been published by the Navy League of the United States as a public service. I commend it to you for serious consideration.

Lubbock, Tex., has shown the way to a nationwide program which could strengthen tremendously our country and contribute to the solution of world problems.

PROCEEDINGS AGAINST MARTIN POPPER

Mr. WALTER. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report—House Report No. 1135.

The Clerk read as follows:

PROCEEDINGS AGAINST MARTIN POPPER

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q)(2) of the 79th Congress, and under House Resolution 7 of the 86th Congress, caused to be issued a subpena to Martin Popper. The said subpena directed Martin Popper to be and appear before the said Committee on Un-American Activities, or a duly authorized subcommittee thereof, at the hour of 10 a.m., on Tuesday, April 21, 1959, at their committee room, 226, Washington, D.C., and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon the said Martin Popper is set forth in words and figures, as follows:

"UNITED STATES OF AMERICA,
"CONGRESS OF THE UNITED STATES.

"To MARTIN POPPER, *Greeting:*

"Pursuant to lawful authority you are hereby commanded to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, or a duly appointed subcommittee thereof, on Tuesday, April 21, 1959, at 10 o'clock, a.m., at their committee room, 226, Washington, D.C., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee.

"Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

"To U.S. marshal, to serve and return.

"Given under my hand this 26th day of March, in the year of our Lord 1959.

"FRANCIS E. WALTER,
"Chairman."

The said subpena was duly served as appears by the return made thereon by the U.S. marshal who was duly authorized to serve the said subpena. The return of the service by the said U.S. marshal being endorsed thereon, is set forth in words and figures as follows:

"Received this writ at New York, N.Y., on March 27, 1959, and on March 31, 1959, at 635 Madison Avenue, New York, N.Y., I served it on the within-named Martin Popper by leaving a copy thereof or a subpena ticket with him.

"THOMAS J. LUNNEY,
"By HARRY J. CARITO,
"Deputy U.S. Marshal, SDNY."

On April 16, 1959, at the request of counsel for Martin Popper, the committee postponed his appearance and sent the following telegram addressed to Martin Popper, 635 Madison Avenue, New York, N.Y.:

"Under continuing authority of subpena served upon you, your appearance before Committee on Un-American Activities is hereby postponed from April 21 to April 24, 1959, 10 a.m.

"FRANCIS E. WALTER,
"Chairman."

On April 24, 1959, counsel for Martin Popper again, for personal reasons, requested postponement of the appearance of Martin Popper as a witness, which postponement was telephonically agreed to, and counsel was advised that the new date for the appearance of his client was May 1, 1959.

On April 27, 1959, counsel for Martin Popper again requested postponement of the appearance of his client, and was telephonically advised that the appearance of his client was postponed from May 1 to May 14, 1959.

On May 13, 1959, the following telegram was sent to Martin Popper, 635 Madison Avenue, New York, N.Y.

"Under continuing authority of subpena served upon you, your appearance before Committee on Un-American Activities is hereby postponed from May 14 to June 5, 1959, 10 a.m.

"FRANCIS E. WALTER,
"Chairman."

The said Martin Popper, pursuant to the said subpena, and the telegrams continuing his appearance, and in compliance therewith, appeared before a subcommittee of the Committee on Un-American Activities on June 5, 1959, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q)(2) of the 79th Congress, and under House Resolution 7 of the 86th Congress. The said Martin Popper having appeared as a witness and having been asked the questions, namely:

"The purpose of this hearing, Mr. Popper, is to determine among other things, whether or not the Secretary of State should be given authority, by legislation, to require passport applicants to furnish information of the nature called for in these three questions. I would therefore, like to ask you if at the time your executed your application for a passport you were a member of the Communist Party?

"At the time you made this application for passport, were you a member of the Communist Party?

"Were you a member of the Communist Party at the time of your attendance at that convention in Paris?

"Were you a member of the Communist Party at the time you made that speech?

"Mr. Popper, there was a witness before this committee in December 1955 by the name of Mr. Mortimer Riemer. Mr. Riemer had been a member of the Communist Party of New York. He was a lawyer. He advised this committee of the circumstances relating to his becoming a member of the Communist Party and the reasons for his getting out of the Communist Party. He was the first secretary of the National Lawyers' Guild.

"He gave this committee considerable information regarding the organization, the initial organization, of the National Lawyers' Guild.

"I asked him to describe the Communist Party group to which he was first assigned. He said it was a group composed exclusively of lawyers in New York City. He identified some of those.

"In one statement he identified Martin Popper, Alex Racobin, and Harry Sacher as members of that group with him.

"Was he correct in identifying you as a member of that group of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer said questions, and as a result of said Martin Popper's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon said Martin Popper.

The record of the proceedings before the subcommittee on June 5, 1959, is set forth in fact as follows:

FRIDAY, JUNE 5, 1959

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
Washington, D.C.

Public hearings

The subcommittee of the Committee on Un-American Activities met, pursuant to notice, at 10 a.m., in the caucus room, Old House Office Building, Hon. MORGAN M. MOULDER (chairman of the subcommittee) presiding.

Subcommittee members present: Representatives MORGAN M. MOULDER, of Missouri; CLYDE DOYLE, of California; and AUGUST E. JOHANSEN, of Michigan.

Committee member also present: EDWIN E. WILLIS, of Louisiana.

Staff members present: Frank S. Tavenner, Jr., counsel, and Donald T. Appell, investigator.

Mr. MOULDER. The committee will be in order.

Today we resume the hearings which were begun on April 21, 1959, on the general subject of passport security.

In opening the hearings on that date an extensive statement was made on the scope of inquiry and the subject matter with which we expected to deal. At that time it was pointed out that because of the vast scope of the subject matter and the great number of witnesses who could be subpenaed we expected only to sample types and patterns of cases.

Immediately after the Kent-Briehl decision by the Supreme Court on June 16, 1958, the Passport Office of the Department of State was flooded with applications for passports by persons who were known to be Communists. Within the first 4 months following the Supreme Court decision, the State Department granted passports to approximately 600 persons who have records of activity in support of the international Communist movement. The persons granted passports include individuals trained in Moscow, individuals who have been involved in Communist espionage activity, individuals who have performed Communist functions in countries other than the United States, and Communist Party members, both concealed and open, who owe an undying allegiance to the international Communist conspiracy.

Communists, like termites, nest underground and concentrate their attack on the vital segments of the edifice which they are undermining. It is essential that Communists, like termites, travel from their nesting place to vital areas. In the case of the international Communist conspiracy, international travel of couriers, spies, and propagandists is essential.

In the Kent-Briehl case the Secretary of State denied two applications for passports on the ground that the applicants were Communists. This action of the Secretary of State was sustained by both the appropriate Federal District Court and the U.S. Court of Appeals.

The Supreme Court of the United States, however, in a 5 to 4 decision, reversed the decision of the U.S. Court of Appeals on the ground that the Secretary of State did not have the authority to deny passports to citizens because of "their beliefs and associations"; in other words, the majority of the Supreme Court took the position that a Communist is only a person entertaining certain beliefs and associations. How long will it

be before certain circles in this Government recognize the plain simple fact that communism is communism, and that Communists are Communists?

The reports and hearings of the Committee on Un-American Activities demonstrate to the point of monotony the fact that communism is a world conspiracy of force, violence, intrigue, and subversion and that by every definition a Communist is a participant in this conspiracy. Unless we recognize this elemental truth, we have little hope of ultimate survival in the the face of this awful force which is extinguishing freedom everywhere.

The committee resolution adopted January 23, 1959, authorizing this hearing, is as follows:

"Be it resolved, That hearings by the Committee on Un-American Activities or a subcommittee thereof, to be held in Washington, D.C., and at such other place or places as the chairman may indicate, on such date or dates as the chairman may determine, be authorized and approved, including the conduct of investigations deemed reasonably necessary by the staff in preparation therefor, relating to the following:

"1. The advisability of reporting favorably to the House for enactment amendments to section 215 of the Immigration and Nationality Act as contained in title IV—Immigration and Passport Security, of H.R. 2232, introduced on January 12, 1959, and referred by the House of Representatives to the Committee on Un-American Activities for its consideration.

"2. The advisability of recommending legislation expressing the will and intent of Congress spelled out in direct and positive form, granting authority to the Secretary of State to issue, withhold, or limit passports for international travel of adherents to the Communist Party, and the granting of specific statutory authority to the Secretary of State to issue substantive regulations in the passport field, as set forth in the Annual Report of the Committee on Un-American Activities for the year 1956.

"3. The development of factual information which may be of assistance to the committee and to Congress for use in their consideration of the legislative proposals enumerated, or amendments thereto.

"4. The execution by the administrative agencies concerned of all laws and regulations, within the jurisdiction of this committee, relating to the granting of passports.

"Be it further resolved, That the hearings may include any other matter within the jurisdiction of the committee which it, or any subcommittee thereof appointed to conduct this hearing may designate."

The order of appointment of this subcommittee is as follows:

"JUNE 4, 1959.

"To Mr. RICHARD ARENS, *Staff Director, House Committee on Un-American Activities:*

"Pursuant to the provisions of the law and the rules of this committee, I hereby appoint a subcommittee of the Committee on Un-American Activities, consisting of Representative MORGAN M. MOULDER, as Chairman, and Representatives CLYDE DOYLE and AUGUST E. JOHANSEN, as associate members, to conduct hearings in Washington, D.C., Friday, June 5, 1959, at 10 a.m., on subjects under investigation by the committee and take such testimony on said day or succeeding days, as it may deem necessary.

"Please make this action a matter of committee record.

"If any member indicates his inability to serve, please notify me.

"Given under my hand this 4th day of June 1959.

"FRANCIS E. WALTER,
"Chairman, Committee on Un-American Activities."

You may proceed, Mr. Tavenner.

Mr. TAVENNER. Mr. Martin Popper, please.

Mr. MOULDER. You do solemnly swear that the testimony which you are about to give before this subcommittee of the Committee on Un-American Activities will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. POPPER. I do.

TESTIMONY OF MARTIN POPPER, ACCOMPANIED BY COUNSEL, LEONARD B. BOUDIN

Mr. TAVENNER. State your name, please, sir.

Mr. POPPER. Martin Popper.

Mr. TAVENNER. And your present address?

Mr. POPPER. 322 Central Park West, New York.

Mr. TAVENNER. Will counsel accompanying the witness identify himself for the record?

Mr. BOUDIN. Leonard B. Boudin, 25 Broad Street, New York City 4, N.Y.

Mr. TAVENNER. When and where were you born, Mr. Popper?

Mr. POPPER. I was born in New York City, February 7, 1909.

May I be permitted, Mr. Chairman, to make a very brief statement on jurisdiction? It will take no more than 2 minutes.

Mr. MOULDER. Has a copy of it been filed?

Mr. POPPER. It is not a statement of the kind that you have in mind. It is merely a statement directed to the legal and constitutional jurisdiction of the committee.

Mr. TAVENNER. Mr. Chairman, it would seem that a matter relating to jurisdiction would be a matter for the courts, and not for this committee.

Mr. MOULDER. I think that is true.

Does the committee so rule?

Of course, you have that point reserved, as stated by the counsel.

Mr. POPPER. I have in mind, and I will not argue the point, that it will take about 1 minute, and I think would help the committee in understanding the basis of my testimony. I think it will aid the committee rather than hinder it. As I say, it takes about 1 minute.

Mr. MOULDER. Would you hand the statement to counsel?

Mr. POPPER. It is in my own handwriting. I have no idea whether he can read it. Actually, Mr. Tavenner, as you know, I have no desire to——

Mr. WILLIS. Mr. Chairman, may I suggest this: It has been our policy that if any statement is desired to be made, that it be furnished to the committee counsel for our files. I would suggest that it be done in that fashion. Or, in answer to questions that will come, he might make that part of his answer. I don't think we should depart from our policy.

Mr. MOULDER. The committee so rules.

Mr. TAVENNER. Mr. Popper, will you briefly outline your educational training?

Mr. POPPER. Yes. I attended the public schools in the city of New York, and high school. I attended the College of the City of New York.

Mr. TAVENNER. When did you attend the College of the City of New York?

Mr. POPPER. Around the year of 1926, for a short time thereafter, then entered law school, the Brooklyn Law School. I was admitted to the bar in 1931.

Mr. TAVENNER. Will you outline your occupational background?

Mr. POPPER. Well, I have been a lawyer ever since my admission to the bar. I practiced law for a while and then became secretary of the National Lawyers Guild.

Mr. TAVENNER. During what period of time.

Mr. POPPER. I think approximately from 1940 to 1947. Thereafter, I practiced law again, and I am doing it now.

Mr. TAVENNER. Did you precede Mr. Robert J. Silberstein?

Mr. POPPER. As secretary of the guild?

Mr. TAVENNER. Yes.

Mr. POPPER. Yes.

Mr TAVENNER. Did you serve in the Armed Forces of the United States?

Mr. POPPER. No.

Mr. TAVENNER. Did you hold any position in the Government during the period of the war, World War II?

Mr. POPPER. No.

Mr. TAVENNER. Mr. Popper, I hand you a photostatic copy of an application for U.S. passport, purportedly executed by you on August 26, 1958, and ask if this is a copy of the application which you executed.

(Document handed to the witness.)

(The witness conferred with his counsel.)

Mr. POPPER. Yes, that would seem to be a photostaic copy of my application.

Mr. TAVENNER. Thank you.

I desire to offer a copy of the application in evidence and ask that it be marked "Popper Exhibit No. 1."

Mr. MOULDER. The exhibit will be admited in evidence and marked "Popper Exhibit No. 1."

(Document marked "Popper Exhibit No. 1" and retained in committee files.)

Mr. TAVENNER. Mr. Popper, there appears on the page where your photograph is, and under your photograph, three questions, which are as follows:

"Are you now a member of the Communist Party? (Write "yes" or "no.")

"Have you ever been a member of the Communist Party? (Write "yes" or "no.")

"If ever a member, state period of membership from — to —."

Will you examine that, please?

(Document handed to the witness.)

Mr. TAVENNER. That is right under your photograph.

Do you observe any answer was given to any one of those three questions?

Mr. POPPER. No; there was no answer given to any of the questions.

Mr. TAVENNER. Why did you not answer those questions?

Mr. POPPER. Because it had been decided by the Supreme Court the State Department had no authority or power to ask the questions.

Mr. TAVENNER. The purpose of this hearing, Mr. Popper, is to determine, among other things, whether or not the Secretary of State should be given authority, by legislation, to require passport applicants to furnish information of the nature called for in these three questions.

I would, therefore, like to ask you if at the time your executed your application for a passport you were a member of the Communist Party?

Mr. POPPER. I respectfully decline to answer that question, Mr. Tavenner, on the following grounds: I understand the Supreme Court's decision in the Watkins case to mean that this committee's authorizing resolution is so vague that to compel testimony under it would violate the due process clause of the Federal Constitution and that the jurisdiction which the commitee has assumed is so limitless that its inquiries into the area of speech, press, or political belief and association abridges the freedoms guaranteed by the first amendment.

Furthermore, the subject matter of this investigation is equally limitless and, therefore, violates these same constitutional guarantees.

I add that to the extent it is ascertainable, to the extent that the subject matter of this inquiry is ascertainable, this committee is not authorized by Congress to conduct it.

Therefore, I respectfully contend that the committee has no authority to conduct this investigation.

I also decline to answer the question because I do not believe it is pertinent.

Mr. TAVENNER. You object, then, on the ground of pertinency, as well as the ground of jurisdiction?

Mr. POPPER. Yes, on all of the grounds which I have just stated.

Mr. MOULDER. Do you claim the protection provided for in the Constitution by the fifth amendment?

Mr. POPPER. I am not—I assume you are talking about the privilege against self-incrimination?

Mr. MOULDER. Yes.

Mr. POPPER. I am not claiming the privilege against self-incrimination.

Mr. MOULDER. You decline to answer it for the reasons of your challenge to the jurisdiction and pertinency of the question?

Mr. POPPER. Well, I stated that I declined to answer it on the grounds that I challenge the jurisdiction of the committee, based upon the decision of the U.S. Supreme Court; that I believe the question is violative of my first amendment rights; and that I believe that the subject matter of the inquiry is unlawful; that I believe that the subject matter of the inquiry is outside of the power of this committee to conduct; and that the question is not pertinent.

Mr. MOULDER. The committee does not accept that as a valid reason for refusing to answer the question. The witness is directed to answer the question.

Mr. POPPER. I respectfully decline.

Mr. TAVENNER. I think, Mr. Chairman, in light of the fact that the witness has objected also on the ground of pertinency, that under the provisions of the Watkins case it would be necessary that pertinency be explained to the witness.

Mr. MOULDER. Yes. Proceed.

Mr. TAVENNER. May I say——

Mr. DOYLE. May I at that point state, however, that I think the Watkins case makes it clear that there is more than one way in which a witness can know the pertinency of a question. I submit that the opening statement read by our chairman shows very clearly to this witness the pertinency of the question. That is one way. That is one way under the Watkins case in which the witness can be informed.

He is already informed as to the pertinency under the Watkins decision. I do not object to counsel of the committee going further than that, if he wants to, but I submit that this witness has already been informed as to the pertinency and that the raising of the question of pertinency here, is after he has already been informed. He was informed of the pertinency of this line of questions before he took the oath.

Mr. MOULDER. I will add to that this point: You did hear the statement read by me, did you not, which I read into the record?

Mr. POPPER. Yes.

Mr. DOYLE. He was right here.

Mr. POPPER. I don't want to engage in too lengthy legal dissertation, Mr. Chairman or Congressman DOYLE.

I think you know that for—I say I think you know, if I may address you, respectfully, Congressman DOYLE—that for more than 15 years before the courts of the United States, and I think Mr. Tavenner does, too, and as a practicing lawyer before this committee and otherwise, I have earnestly pleaded that this committee did not have the authority to compel testimony regarding a person's political affiliation. That, it seems to me, after all of these years in which many people have suffered anguish, economic hardship, and so forth, has finally been dealt with by the highest court.

Mr. MOULDER. Now let us proceed.

Mr. POPPER. I merely say that, therefore, my position is one predicated upon my understanding of the meaning of the Court's decision.

Mr. MOULDER. Counsel will proceed.

Mr. TAVENNER. You have specifically relied upon an objection as to pertinency. I think it obvious that the opening statement made by the chairman should be a sufficient explanation of pertinency.

But in order that there be no doubt as to our purpose of complying with the decision of the Supreme Court in the Watkins case, I would like to make some further explanation, which I think should make it unquestionably clear.

The subject of the hearing is passport security. H.R. 2232, referred to this committee, contains certain amendments to the Immigration and Nationality Act entitled "Immigration and Passport Security Act." Chapter 2 deals with passport security, and chapter 3 with passport review procedure.

This bill was offered in an effort to stop the gap in Federal law resulting from the decisions of the Supreme Court in *Kent-Briehl* v. *Dulles*, and *Dayton* v. *Dulles*.

Another subject of the hearing is to maintain a surveillance over the administration and operations of all laws and regulations within the jurisdiction of this committee relating to the security phrase of the granting of passports.

The question propounded to you is pertinent to the subject in that it relates directly to information which the State Department, under its regulations, was required to obtain in considering passport applications prior to the rendering of the decision in the cases mentioned, and which regulations the committee is now considering should be given statutory effect.

The reasoning of the committee in propounding the question is to demonstrate the gap in Federal security laws, should you in fact have been a member of the Communist Party at the time of the granting of your application for passport, and to give this committee and Congress information as to the problems now confronting the State Department in the passport field, for the purpose of determining the need and urgency of remedial legislation.

(At this point Representative WILLIS left the hearing room.)

Mr. TAVENNER. Now, may I ask that the witness be directed to answer?

Mr. BOUDIN. May I ask if the committee will hear counsel's explanation as to why Mr. Tavenner's response does not adequately show the witness and his counsel the pertinency of the question?

Mr. MOULDER. Counsel understands the question. You have the authority to advise your client and confer with him. Do you wish to have a conference with him before I direct him to answer?

Mr. POPPER. Yes, sir.

Mr. BOUDIN. May I note an exception to the chairman's ruling, Mr. Chairman?

Mr. MOULDER. The record will show whatever you said.

Mr. BOUDIN. Thank you.

(The witness conferred with his counsel.)

Mr. MOULDER. The witness is directed to answer the question.

Mr. POPPER. I respectfully decline, and state that Mr. Tavenner's analysis and explanation does not, in my opinion, meet the test of pertinency laid down by the Supreme Court. That test is one which requires, in the first place, jurisdictional pertinency. Since it has determined, in my opinion, that the authorizing resolution of this committee is so vague and limitless, it is not possible that this question should meet the test of jurisdictional pertinency, since it is not possible under those circumstances to frame a question which would be pertinent even in a statutory sense.

Therefore—and I would also say that the subject matter of the inquiry as outlined by the chairman today and previously is, itself, so broad, so limitless, that it is not possible to frame a question, and this question specifically is not framed to meet the test of pertinency, particularly since it is in the area of association, which means, specifically, that it cannot be pertinent when the area of investigation is so completely limitless.

Mr. TAVENNER. So you are taking the position that this committee cannot ask any pertinent question because it does not have jurisdiction. That, in essence, is the position you are taking, is it not?

Mr. POPPER. No, I am not conceding that. I have given you my reasons in relation to this specific question.

I would add that the question, in my opinion, has no possible valid legislative purpose.

Mr. MOULDER. We want the record to clearly show that the committee does not accept your response to the question.

Mr. DOYLE. I would suggest, Mr. Chairman, and I ask the chairman to again instruct the witness to answer the questions in view of his legal dissertation, as well as in the capacity of a very able witness, since he was previously instructed.

Then there would be no question but that he understands that he is instructed in spite of all his objections.

Mr. MOULDER. I agree. I think the record clearly shows that.

We want to impress upon you that the committee does not accept your answer or response to the question. You are directed to answer. Do you still refuse to answer?

Mr. POPPER. I do, Mr. Chairman.

Mr. MOULDER. Mr. JOHANSEN, have you a question?

Mr. JOHANSEN. No.

Mr. MOULDER. Proceed, Mr. Tavenner.

Mr. TAVENNER. Mr. Popper, I hand you a photostatic copy of a passport application purportedly executed by you on March 11, 1946.

Will you examine it, please, and state whether or not you signed that application?

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. MOULDER. The record should show that the witness and counsel are making close inspection of the document referred to by counsel.

(The witness conferred with his counsel.)

Mr. POPPER. Yes, this would seem to be an accurate photostatic copy of my application.

Mr. TAVENNER. I offer the document in evidence and ask that it be marked "Popper Exhibit No. 2."

Mr. MOULDER. It will be so marked.

(Document marked "Popper Exhibit No. 2" and retained in committee files.)

Mr. TAVENNER. Was a passport issued to you, Mr. Popper, pursuant to this application?

Mr. POPPER. It was.

Mr. TAVENNER. It is noted that the application states the purpose of travel as being to Germany; official, War Department.

Will you explain that, please?

Mr. POPPER. Yes, of course.

Mr. Justice Jackson, who was then the chief prosecutor for the United States at the Nuremberg trials, invited two representatives of the National Lawyers Guild and two representatives of the American Bar Association to come to Nuremberg to observe the Nuremberg trial as members of the bar and to report their observations to the bar. I was one of the four, pursuant to that, who accepted the invitation and went.

Mr. MOULDER. What was the date of that, Mr. Tavenner?

Mr. TAVENNER. The date was March 11, 1946.

How long did you remain in Germany? Let me put the question this way: How long were you abroad in traveling under this passport?

Mr. POPPER. Of course, I can't remember exactly, but I think it must have been approximately 6 to 8 weeks.

Mr. TAVENNER. What was your position with the National Lawyers Guild at the time that you engaged in this travel?

Mr. POPPER. I was secretary of the National Lawyers Guild.

Mr. TAVENNER. At the time you made this application for passport, were you a member of the Communist Party?

Mr. POPPER. I decline to answer that question for the reasons already stated.

Mr. MOULDER. You are again directed to answer.

Mr. POPPER. I respectfully decline.

Mr. MOULDER. Then may I ask this question: While you were over there under this passport, did you confer with Communist Party leaders in any foreign country?

Mr. POPPER. Well, I am taking the position that questions regarding political belief, opinion, association, assembly are outside the purview of this committee, and consistent with that I will decline to answer this question on the same grounds.

Mr. TAVENNER. Congress has determined, and has found in its findings of fact in connection with the passage of numerous bills, including the Internal Security Act of 1950, the Communist Control Act of 1954, that the Communist Party is a conspiracy.

You are speaking of membership in the Communist Party as involving only beliefs and opinions. The committee, of course, adopts the view of Congress that membership in the Communist Party is not membership in a political organization in the sense that we understand political organizations in this country, and the courts also have so held.

Will you tell us when you arrived in Germany?

Mr. POPPER. I arrived in Germany shortly after I obtained the passport. I can't tell you exactly when. But I suspect it must have been in March of that year. Isn't that when the application was made?

Mr. TAVENNER. Yes, March 1946.

Mr. POPPER. I think it must have been during the month of March.

Mr. TAVENNER. After your arrival in Germany, did you receive an invitation from the Soviet delegation at Nuremberg to visit the Soviet Union as a representative of the National Lawyers Guild?

Mr. POPPER. I received an invitation from one of the distinguished lawyers who was a member of the Soviet legal delegation to go to the Soviet Union and to talk to the lawyers there about my observations of the Nuremberg trial.

I then went to Mr. Justice Jackson, told him I had received this invitation, and asked him his opinion as to whether I should go. It was his opinion that I ought to go, talk to the Soviet lawyers, those who I would see, about my observations at Nuremberg, and requested that I come back to Nuremberg to tell him about my experiences in the Soviet Union.

And I did accept the invitation and did go.

Mr. TAVENNER. How long had you observed the conduct of the trials prior to your departure for the Soviet Union?

Mr. POPPER. I think I was there for about 2 weeks.

Mr. TAVENNER. Was it known by the members of the Soviet delegation who extended the invitation to you that you had been a member of the Communist Party of the United States, or affiliated with it?

(The witness conferred with his counsel.)

Mr. POPPER. I am afraid that that is merely another form of the same question in which you are attempting to establish my political affiliations, and I decline to answer on the same grounds as before. The form of the question does not in any way affect the substance of the question.

Mr. MOULDER. You are again directed to answer.

Mr. POPPER. I respectfully decline.

Mr. MOULDER. May I add to the question propounded by counsel? Did you advise with Communist Party leaders, or advise and inform them of the Communist Party movement in this country?

Mr. POPPER. Well, as I say, any questions relating to discussions I may have had with anyone regarding political issues is merely another form of the same question.

I respectfully decline to answer that question or questions of a similar kind.

Mr. TAVENNER. While in the Soviet Union, did you discuss the formation of the International Association of Democratic Lawyers and the role which the National Lawyers Guild was expected to play in that organization?

Mr. POPPER. I think that question is too broad in the sense that I could not have discussed an organization not yet in being. I did discuss with lawyers in the Soviet Union the question of the value of, or the possible value of, the formation of an organization of lawyers dedicated to the support of the principles of the United Nations and, generally, in support of the principles of the Nuremberg charter.

Mr. TAVENNER. In September of 1956, did you apply for an additional U.S. passport for the purpose of representing the National Lawyers Guild at the International Congress of Lawyers held in Paris, France?

Mr. POPPER. No; but that is merely, I think, an error on your part that you didn't mean.

It could not have been 1956. I think you mean 1946.

Mr. TAVENNER. It is 1946.

Mr. POPPER. That is right. I did apply—for an additional passport?

Mr. TAVENNER. Yes.

Mr. POPPER. I can't remember that, whether I applied again for another passport or whether I still had my passport. I just don't remember that.

Mr. MOULDER. May I inquire?

The second document that you referred to in the testimony which was submitted to the witness for his examination, it should be admitted in evidence in the record at the proper place after it was presented to the witness.

Mr. TAVENNER. It was admitted.

Mr. BOUDIN. It was exhibit 2, Mr. Chairman.

Mr. TAVENNER. It was admitted as exhibit 2.

Mr. MOULDER. Well, it should have been marked as "Exhibit No. 2" and received after it was submitted to the witness.

Mr. TAVENNER. I hand you a photostatic copy of an application for passport purportedly signed by you on September 26, 1946, and ask you whether or not that is the passport to which you refer.

(Document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. POPPER. Yes; that would seem to be an accurate photostatic copy.

Mr. TAVENNER. I desire to offer the application in evidence and ask that it be marked "Popper Exhibit No. 3."

Mr. MOULDER. The document referred to by counsel will be marked "Popper Exhibit No. 3" and admitted in evidence, made a part of the record.

(Document marked "Popper Exhibit No. 3" and retained in committee files.)

Mr. TAVENNER. Did you attend the meeting of the International Congress of Lawyers, in Paris?

Mr. POPPER. I did attend a meeting of lawyers. I cannot remember what the title of the conference was. But at any rate I did attend a meeting.

Mr. TAVENNER. Did you attend it as a representative of the National Lawyers Guild?

Mr. POPPER. Yes.

Mr. TAVENNER. What position did you hold in the guild at that time?

Mr. POPPER. I was secretary of the guild.

Mr. TAVENNER. Will you give us the names of other delegates from the National Lawyers Guild who attended the conference with you?

Mr. POPPER. No. I think that question is not pertinent. As a matter of fact, it would seem to me to indicate the validity of what the court said, that this sort of question has for its purpose nothing but exposure. It has no legislative purpose whatsoever. It is not pertinent. And, of course, all the other objections which I previously stated I also use in my defense in connection with this question.

Mr. TAVENNER. Were you a member of the Communist Party at the time of your attendance at that convention in Paris?

Mr. POPPER. I decline to answer that question upon the same grounds.

Mr. MOULDER. The committee reiterates our position in that we don't accept the answer. We make it clear that the witness should answer the question.

Mr. BOUDIN. The committee does understand the reference to the term of "the same grounds," does it not, Mr. Chairman?

Mr. MOULDER. I understand that. But we want also to have the record show that we are not accepting his responses to the questions.

Mr. TAVENNER. In July 1948, did you apply for a renewal of your passport application for the purpose of attending a conference of the International Association of Democratic Lawyers?

(Document was handed to the witness.)

Mr. TAVENNER. I have handed you a photostatic copy of such a renewal application.

(The witness conferred with his counsel.)

Mr. POPPER. That seems to be an accurate photostatic copy.

Mr. TAVENNER. I desire to offer the document in evidence and ask that it be marked "Popper Exhibit No. 4."

Mr. MOULDER. The document referred to by counsel and examined by the witness will be marked "Popper Exhibit No. 4" and admitted in evidence.

(Document marked "Popper Exhibit No. 4" and retained in committee files.)

Mr. TAVENNER. Did you attend a conference of the International Association of Democratic Lawyers, in Prague, Czechoslovakia, on September 6, 1948, traveling under the renewal of your passport?

Mr. POPPER. Yes. I can't remember the precise date, but I assume that you are correct in it because you have some information. At any rate, I did attend the conference.

Mr. TAVENNER. Were you a member of the Communist Party at the time that you were in attendance at this convention or conference?

Mr. POPPER. I decline to answer the question upon the same grounds.

Mr. TAVENNER. During a session of the conference, did you address the convention on the subject of indictments of the first-string Communist leaders in the United States, at which time you warned that "indictment of Communist leaders presages the beginning of the end of the constitutional form of government in America"?

Mr. POPPER. Well I don't recall that phrase, Mr. Tavenner. Actually, it doesn't sound like a formulation which I would make. Let me try to answer it fully, though the essence of my concern for the ill effects of that prosecution are stated correctly.

I will say this: I made a speech at that congress dealing with the general subject of the state of civil liberties in the United States. At that particular time—as a matter of fact, it was a sort of a historical and constitutional analysis of the first amendment rights as guaranteed by our Constitution; and since I did feel then, as I do feel now, that the Smith Act and the prosecutions under the Smith Act were very basic violations of first amendment rights and that, unless successfully challenged, they would endanger our constitutional scheme, I certainly included that belief in this analysis in the speech that I made.

Mr. TAVENNER. May I refresh your recollection by handing for your examination an article taken from the Daily Worker of September 9, 1948, page 2, entitled, "Europeans May Visit Trial of CP [Communist Party] Leaders," in which a proposal is alleged to have been made by you.

I have bracketed the language which I quoted in my question to you.

(Document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. TAVENNER. Will you examine that, please, and state whether or not you were correctly quoted in the matter appearing in quotations in that article?

Mr. POPPER. I think I have already answered that. I cannot possibly be responsible for a quotation in any newspaper. I say that my recollection of that speech that I made is what I told you a few moments ago.

Mr. TAVENNER. That does not suffice to refresh your recollection as to the language that you used?

Mr. POPPER. How could it possibly, Mr. Tavenner?

Mr. TAVENNER. Well, it may refresh your recollection, and I am asking you if it does.

Mr. POPPER. I am trying to answer your question as directly as I can. I cannot possibly remember the words or the phrases that I used in any speech as long ago as that. I did make a critical evaluation of the Smith Act and of the prosecutions under the Smith Act. I said to you I felt then, and I feel now, that the Smith Act is violative of our Bill of Rights and that I think it has served to endanger the freedoms of the American people. I said that in some form then and I would say it now.

Mr. TAVENNER. I desire to offer——

Mr. DOYLE. May I ask the witness a question which I think is pertinent in view of the discussion?

Does the quotation allegedly assigned to you in this newspaper article which you have just seen substantially represent any part of what you said?

Mr. POPPER. I would say that what it does represent is the fact that I was opposed to the enactment of the Smith Act, and I believed that it violates the first amendment guarantees.

Mr. MOULDER. This document referred to by counsel is a reprint from the Daily Worker of September 9, 1948. It will be marked "Popper Exhibit No. 5."

(Document marked "Popper Exhibit No. 5" and retained in committee files.)

Mr. MOULDER. The witness has read this article and examined it carefully.

As I understand you, Mr. Popper, you say that in essence this is a correct quotation or, in effect, it is a correct quotation?

Mr. POPPER. No; I haven't said that at all. I don't want to be responsible for a quotation which is a newspaper quotation. I can't possibly do that.

I am not quibbling with the committee. I told you what I feel about the Smith Act. I told you that I made a speech, part of which was devoted to my evaluation, as a lawyer, of the violations which, in my opinion, are caused by the Smith Act; why I believe it is a very bad law. That is as much as I can say.

Mr. MOULDER. In other words, it was a speech in criticism of the Smith Act and the prosecution of the Communists, American Communist leaders referred to in this article? It was a criticism of the Smith Act and a criticism of the prosecution of the Communist Party leaders referred to in this article under the Smith Act?

Mr. POPPER. That is correct. But I would say that the speech dealt with that subject in a larger context, in terms of my understanding of the meaning of the first amendment to the Constitution and how it was the cornerstone of our constitutional scheme.

Mr. BOUDIN. Would you excuse me a moment? I wish to consult.

(The witness conferred with his counsel.)

Mr. MOULDER. Since there have been so many questions asked about it, exhibit 5 will be admitted into evidence and made a part of the record.

Mr. TAVENNER. Mr. Popper, at the time you made this speech at the conference of the International Association of Democratic Lawyers, you were a delegate to that conference from the Lawyers Guild and you were secretary of the Lawyers Guild, of the National Lawyers Guild. Did that represent the views or the action of the National Lawyers Guild at that time?

Mr. POPPER. In the first place, I am not certain that I was any longer secretary of the guild at that time. I may have been, but I am not sure. I was there, however, as a representative of the guild. The speech which I made was my own speech.

As I recall it, the National Lawyers Guild had been critical of the prosecutions under the Smith Act and had appeared as amicus curiae in some of the Smith Act cases before the courts. However, the speech was my own.

Mr. TAVENNER. Were you a member of the Communist Party at the time you made that speech?

Mr. POPPER. I decline to answer for the reasons already stated. I should like to add the fact that there are questions which I am answering in no way is intended to constitute a waiver of my fundamental objections to the authority of the committee.

Mr. TAVENNER. And it is a fact that the committee does not waive its position in refusing to accept as a valid excuse for refusal to answer the statements made by the witness?

Mr. MOULDER. That is correct. That is the position taken by the committee on all the questions which he has refused to answer, and the same direction is given.

Mr. JOHANSEN. Mr. Chairman, I think it is a matter of interest which should be underscored in the record that there is no invocation of this protest against the matter of the association in a great many areas, the National Lawyers Guild and a great many others, but it is only in connection with the Communist Party, apparently, that the invocation occurs.

Mr. MOULDER. That is an observation made by Mr. JOHANSEN.

Mr. POPPER. May I have the opportunity to respond to the observation?

Mr. MOULDER. Yes.

Mr. POPPER. In the first place, I deem it important to emphasize, as indeed the Supreme Court has emphasized, that probably the most fundamental right of association is the right of political association, political affiliation. As a matter of fact, that is really the heart of the fundamental meaning of the rights guaranteed to the people in influencing the course of the policies of our Government.

Mr. MOULDER. In that connection, may I ask you, do you consider the Communist Party or the international Communist Party a movement in the light of political affiliation as we so consider it here in America, as we consider political association?

Mr. POPPER. I would only say this, that I believe that any inquiry or investigation into a person's membership in the Communist Party falls within the same constitutional guarantees as his membership in any other political party. That is generally the constitutional position which I take.

I believe that that is the direction which the Court has taken, and I believe, as a matter of fact, that the determination of that question is probably at the center of the great concern which I and many others have had over these many years regarding the unlawful character of these inquiries.

Mr. DOYLE. May I inquire? You say the direction which the Court has taken. Do you know of any decision by our high courts which holds that the Communist Party is a political party?

Mr. POPPER. Well, yes, there are such decisions.

Mr. DOYLE. My recollection is that our courts have very uniformly held that the Communist Party in this country is not a political party in the sense of the experience of the American people. It is anything but. They have generally held that it is a conspiracy.

Have you any decision to the contrary?

Mr. POPPER. Yes. I don't think that you state the law correctly.

Mr. DOYLE. I am not undertaking to state it verbatim.

Mr. POPPER. As a matter of fact, in the very area of passports, the Supreme Court in the Kent-Brielh case has said the following, and it is a short quote directly in response to what you are asking:

"We deal with beliefs, with associations, with ideological matters. We must remember that we are dealing here with citizens who have neither been accused of crimes nor found guilty. They are being denied their freedom of movement solely because of their refusal to be subjected to inquiry into their beliefs and associations. They do not seek to escape the law nor to violate it. They may or may not be Communists. But assuming they are, the only law which Congress has passed expressly curtailing the movement of Communists across our borders has not yet become effective."

Let me add to that that the Congress itself, in the Internal Security Act, has quite specifically stated that membership in the Communist Party, per se, even officership in the Communist Party, per se, is not violative of criminal law.

So you see this issue—which I think has been very largely misunderstood and which I believe lies at the very heart of the problems we are confronted with here today, and have been for many years, and which I set forth with what I hope you believe, and I think you do, with earnestness and sincerity—is one that, in my opinion, requires the kind of solution which I have indicated it does by the nature of my objection.

Mr. DOYLE. I think you referred to a decision by a 5 to 4 vote?

Mr. POPPER. Yes.

Mr. DOYLE. Am I in error?

Mr. POPPER. No, you are quite correct.

Mr. TAVENNER. The portion that you read of the decision does not squarely go to the question that you have raised. But I notice that you failed to refer to Justice Jackson's decision in the Douds case, in which he specifically held that the Communist Party is not a political organization within the meaning and sense as we know it in this country. And neither have you referred to Justice Prettyman's decision in which he said that he was willing to go along with Congress in its findings as to the nature of the conspiracy in which the Communists are involved.

Mr. POPPER. Of course, the opinion you speak of was not the opinion of the Court, in the first place. But since then there have been so many decisions, including most recently the Yates decision, by the Court, the decision on passport cases, the Watkins decision relating to congressional investigations, that I think that your statement is not accurate as a matter of law.

Mr. MOULDER. Lest we get into too many arguments concerning the decisions of the Supreme Court and differences of opinion about the law, you have refused to give us any answers to questions concerning your activity while over in Europe in connection with your passport. It is possible that you may have some information about your conferences and discussions with Soviet party leaders, as well as Soviet officials, while abroad concerning the Communist Party activities in this country, its objectives in connection with the international Communist movement.

You have refused to answer questions which counsel was attempting to lead up to concerning that subject and that matter, I should say.

Mr. POPPER. I would only comment that it is not correct to say that I have refused to answer questions regarding my trips abroad.

Mr. JOHANSEN. Let the record show that the chairman did not say that.

Mr. POPPER. I beg your pardon. I understood the chairman did say that, but I am perfectly willing——

Mr. MOULDER. I will ask you this question: While you were overseas, did you have conferences with any Soviet officials while in Russia?

Mr. POPPER. The question is far too vague for me to be able to answer in the first place.

Mr. MOULDER. That is a very simple question as to whether or not you had a conference with a Soviety party leader or Soviet party official.

Mr. POPPER. No, the question is not specific as to time, what trip you are talking about.

Mr. MOULDER. We will say any time while you were over in Russia, in the Soviet Union.

(The witness conferred with his counsel.)

Mr. POPPER. I see. Thus far I have been asked only about discussions relating to the possibility of discussions of an association nature, of a political nature. Those are the only questions which I have refused to answer. Therefore, what you have just said must necessarily be confined to the questions which have thus far been asked. Should I be asked questions that are not within that area but are possibly questions that I would answer, having to do with trips abroad, we would have a difficult situation.

But thus far I have only been asked questions——

Mr. MOULDER. I just asked you that question.

Mr. POPPER. What was that?

Mr. MOULDER. Whether or not any time while you were overseas and in the Soviet Union you conferred with any Soviet officials.

Mr. POPPER. I said, for instance, first while I was at Nuremberg, that I was invited to the Soviet Union by not a government official, but a member of the Soviet delegation there. I have gone abroad on legal business. And while abroad on legal business, for instance, I did discuss affairs of law, legal representation. As far as I can remember, however, while in the Soviet Union, that is to say while I was in the Soviet Union, I did discuss with one or more officials the problems connected with my legal representation.

As I say, I will certainly be glad to tell you that.

Mr. MOULDER. You say you discussed with one or more of the Soviet Union officials your problems in connection with your representation?

Mr. POPPER. Not my problems. Legal problems in connection with professional——

Mr. DOYLE. Of course, we are not interested in questioning you as to your professional representation of any client, as I see it. I am sure there was no indication by any of us that we are interested in that field, certainly.

Mr. MOULDER. Let me ask this one more question:

Did you discuss with those officials, or any other officials, the progress being made by the Communist Party in the United States?

Mr. BOUDIN. Did you say the progress, Mr. Chairman?

Mr. MOULDER. The progress of the Communist Party.

Or did you make a report or give them any information concerning the Communist Party in this country?

(The witness conferred with his counsel.)

Mr. POPPER. If you are implying or if you are asking whether I, in some official capacity, either carried instruction or anything of that kind, I did not.

If you are asking me whether I had discussions on my own with regard to politics, and so forth, I will tell you I will decline to answer such questions, because it is just another variation of the same sort of question which I have said you have no right to inquire into.

Mr. MOULDER. You referred to your problems in a legal capacity. Did you discuss with the Soviet officials the problems of the Communist Party in this country?

Mr. POPPER. I just answered that question.

Mr. DOYLE. May I ask a question that may be a little bit different?

While over there in the Soviet Union, during the period we are discussing, did you discuss with Soviet Communist Party leaders or officials the activities of the Communist Party in the United States? I am not referring now to their ideology, their beliefs, but I am referring to their activities in the United States.

Mr. POPPER. Surely, Mr. DOYLE, you must understand that again what you are doing is attempting to establish whether I am, or have been, a member of the Communist Party. I have respectfully declined to answer that.

Mr. DOYLE. I didn't assume that, Mr. Popper, in my question. You are an American citizen. I would assume that you would have a right to go to Europe, even to Soviet Russia, and discuss even with Soviet Communist officials, if you did it without violating your citizenship in the United States and your pledges of citizenship. I would assume that you would have a legal right to discuss, wouldn't you, the activities of the Communist Party of the United States?

Mr. POPPER. I should think I would have the right to discuss any subject of the kind you are talking about with anyone, anywhere in the world.

Mr. DOYLE. Why, then, do you object to answering my question?

Mr. POPPER. I told you why. Because your question seeks to establish whether I am or was a member of the Communist Party.

Mr. DOYLE. I am not seeking to establish that.

Mr. POPPER. That is what I understand to be the meaning of your question.

Mr. DOYLE. I will say in asking the question I am not assuming you are a Communist, no matter what I know or believe.

Mr. BOUDIN. That statement is clearly improper, Mr. DOYLE. I think you know that. I suggest you withdraw it.

Mr. MOULDER. Counsel understands the rules of the committee.

I have one more question to ask the witness at this point.

While you were there in conference, as you state that you were, with Soviet officials or Soviet party leaders, did you advise them or inform them of industrial problems, economic problems, and the general philosophy of our Government as it exists in this country or any other matters concerning industrial production, unemployment, and your opinion as to the sentiment of the people of this country on those problems, aside from political affiliations, independent of what you call political affiliations?

(The witness conferred with his counsel.)

Mr. POPPER. I frankly don't understand your question. It has so many things about it that I don't know how to even approach an answer to that question.

Mr. BOUDIN. Mr. Chairman, excuse me a second.

(The witness conferred with his counsel.)

Mr. MOULDER. I think the question is quite clear.

Proceed.

Mr. JOHANSEN. Did you, at any time while you were in the Soviet Union, discuss with officials of either the Soviet Union or the Communist Party the matter of whether the Smith Act is violative of the constitutional guarantees and the Bill of Rights?

(The witness conferred with his counsel.)

Mr. POPPER. I really have no recollection of any such specific discussion on that subject, except as I have told you in relation to talking with lawyers about the subject. That is about the only thing I can recall in that line.

Mr. MOULDER. Proceed, Mr. Tavenner.

Mr. TAVENNER. I hand you a photostatic copy of an application purportedly signed by you on March 30, 1954. Will you examine it, please, and state whether or not you filed that application?

(The witness conferred with his counsel.)

Mr. TAVENNER. State also whether or not that is your signature.

Mr. MOULDER. That will be exhibit No. 6?

Mr. TAVENNER. Yes, sir. I desire to offer the document in evidence and ask that it be marked "Popper Exhibit No. 6."

Mr. MOULDER. The record will show that the witness and counsel are examining the document referred to, that is, the witness' counsel and the witness. It is marked "Popper Exhibit No. 6."

(Document marked "Popper Exhibit No. 6" and retained in committee files.)

Mr. POPPER. It looks like an accurate photostatic copy. The date of the application is March 30, 1954. I call your attention to the fact that on the front of it there is a date of July 3, 1957. I don't know the reason for that.

But at any rate I will say that is probably correct.

Mr. MOULDER. Exhibit No. 6 is admitted in evidence and will be made a part of the record.

Mr. TAVENNER. Did you receive the passport pursuant to that application?

Mr. POPPER. No.

Mr. TAVENNER. Did you receive a letter from the State Department with regard to it?

Mr. POPPER. I think I did.

Mr. TAVENNER. I hand you a photostatic copy of what is alleged to be a letter sent to you in response to your application.

Will you examine it, please?

(Document was handed to the witness.)

Mr. MOULDER. The document referred to by counsel will be marked "Popper Exhibit No. 7." The record will show the witness is examining the document.

(The witness conferred with his counsel.)

(Document marked "Popper Exhibit No. 7" and retained in committee files.)

Mr. POPPER. Yes, I believe that is the letter I received.

Mr. MOULDER. That is a true and correct copy of the letter referred to by counsel, a photostatic copy?

Mr. POPPER. It seems to me. I think it is correct.

Mr. MOULDER. Exhibit No. 7 is admitted in evidence and made a part of the record.

Mr. TAVENNER. I desire to read the letter into evidence. This is a letter from R. B. Shipley, Director, Passport Office. It is under date of June 4, 1954, and it is addressed to Mr. Martin Popper, 860 Riverside Drive, New York, N.Y.:

"DEAR MR. POPPER: I regret to inform you that after careful consideration of your application for passport facilities which you executed on March 30, 1954, the Department of State is obliged to disapprove your application tentatively on the ground that the granting of such passport facilities is precluded under the provisions of section 51.135 of title 22 of the Code of Federal Regulations. A copy of the pertinent regulations is enclosed for your information.

"In cases coming within the purview of the regulations above referred to, it is the practice of the Department to inform the applicant of the reasons for the disapproval of his request for passport facilities insofar as the security regulations will permit. In your case it has been alleged that you were a Communist.

"The Department has concluded that your case also falls within the scope of subsection (b) of section 51.135 as that subsection is amplified by subsection (b) of section 51.141 of the aforementioned regulations. The opinion of the Department is that the evidence indicates on your part a consistent and prolonged adherence to the Communist Party line on a variety of issues and through shifts and changes of that line during a

period of many years. It has been alleged that you were a member of the National Lawyers Guild and represented that organization at a meeting of the National Delegation of Democratic Lawyers held in Prague commencing on September 6, 1948. It was also alleged that you were a sponsor of the Pro-Soviet Cultural and Scientific Conference for World Peace held at New York City on March 25, 1949, and that you were a moderator on the topic "Peace and Civil Rights" on June 7, 1949, at the Citizens Conference for Peace which was held on June 7, 8, 1949, at New York City. It was further alleged that you were selected by the Communist Party to endeavor to influence Judge Medina to grant a motion for mistrial in the trial of the 11 Communists, and that you helped prepare the brief in support of the motion to stay execution of judgment for contempt of the lawyers who participated in the trial of the 11 Communist leaders. You were reported to have attended the celebration of the 30th anniversary of the founding of the Republic of Czechoslovakia on October 28, 1948, and you also accepted an invitation to the 31st anniversary of the October revolution held at the Soviet Embassy on November 7, 1948. You were alleged to have been active in endeavoring to prevent the enactment of the Mundt-Nixon bill and you were reported to have signed an open letter to Senators and Congressmen urging the defeat of President Truman's arms program. Your connection with the National Council of the Arts, Sciences and Professions is also said to have followed the Communist Party line.

"You are also alleged to have been a member of the board of directors of the American Committee for the Protection of Foreign Born, a member of the executive committee of the National Federation for Constitutional Liberties, and a member of the Civil Rights Congress. The above-named organizations have been cited by the Attorney General as subversive and Communistic.

"It is also alleged that you have spoken in favor of the Communist movement and have been closely associated with known Communists.

"Under section 51.137 of the regulations you may present your case and all relevant information informally to the Passport Office. If you desire to take advantage of this provision you may appear before a hearing officer of the Passport Office and you may be represented by counsel. In any event you will be required to submit a sworn statement whether you are now or ever have been a Communist.

"If you do not desire a hearing, the Department will give consideration to any written statement under oath which you may desire to submit concerning the matter, provided that you include therein a statement as to whether you are now or ever have been a Communist.

"You are assured that any information or evidence which you may supply will receive most careful consideration," and so forth.

Mr. BOUDIN. Have you read the entire letter?

Mr. TAVENNER. No.

Mr. BOUDIN. Is there a reason?

Mr. TAVENNER. No. I will read it. I was just looking at it.

"And that every effort will be made to act upon your application promptly and justly. The Department desires to emphasize that the passport records are confidential Government records and any information which you may submit or which may be received from other sources in connection with your application will not be made known to the public or to any unauthorized person unless you release it. The Department reserves the right to disclose factual information to supplement or correct any statement which a passport applicant may release for publication concerning the reasons why he was denied a passport or the Department's action in his case.

"If a reply to this letter is not received within 30 days it will be assumed that you do not wish to have your case reconsidered at this time.

"Sincerely yours,

"R. B. SHIPLEY,
"Director, Passport Office
"(For the Secretary of State.)"

You did not reply to that letter, did you?

Mr. POPPER. No, that is not accurate.

It would seem to me the fact that you do not know that I made a response to that would indicate that the policies which the Department says it carries out in that letter have been violated in a number of ways. It is, I might say, a very shocking thing for a citizen to come before this committee and find that what the Department itself indicated would be confidential communications between it and citizens are disclosed for purposes such as this hearing. The fact is that I made the following response:

I met with a representative of the Department and told him why I believe that the denial of the passport on the grounds set forth were unlawful, and why they violated my rights in several different respects.

I filed a brief in support of my legal position. I also responded quite specifically, and I wish to today, to two allegations relating to my professional activities, one which makes the statement, unfounded in fact as far as I can tell, that I had anything whatsoever to do with any effort to influence Judge Medina in connection with the trial which he was then conducting. The undisputed fact is that I never did any such thing or had anything to do with any such thing.

I respond to that because it deals with my professional activity, my professional conduct. But it is a sign of irresponsibility of a Government agency that it should make a statement of that kind regarding a lawyer.

I also responded directly to the other allegation regarding professional activity on my part, which was based, among other things, in the refusal to give me a passport, namely that I filed a brief, or something to that effect, in support of a lawyer or lawyers who were appealing from a conviction of contempt of court. I pointed out to the Department that indeed I was the lawyer in one stage of the proceeding and argued the case before a member of the U.S. Supreme Court, and that to assert that as a ground for denial of a passport shows how far they were going in those days.

In any event, I am very glad, of course, as are so many other American citizens, that the power asserted by the Department in those days has been held finally to be unlawful.

Mr. TAVENNER. Were you employed by the Communist Party to perform any function in the Smith Act trial or of any of the attorneys charged with contempt in that case?

(Witness conferred with his counsel.)

Mr. POPPER. The question is a most improper one as to who employs a lawyer or retains a lawyer. That is certainly not pertinent to any investigation this committee has a right to make. But the fact of the matter is I was retained by the defendants in that contempt of court proceeding.

Mr. DOYLE. May I inquire? Was the Communist Party a defendant in that proceeding?

Mr. POPPER. No.

(The witness conferred with his counsel.)

Mr. POPPER. The Communist Party was not a defendant.

Mr. DOYLE. I felt that my question was proper in view of your observation.

Mr. POPPER. As I say, I don't think that any of these questions are proper, but they deal with an area of my professional relationship and also what the State Department said about it.

The defendants in that case were the lawyers and Eugene Dennis, who was acting on his own behalf during the trial. He was pro se.

Mr. TAVENNER. Were you a member of the Civil Rights Congress prior to that time or at that time?

Mr. POPPER. Well, you know, I don't recall that. I know there was such an assertion made, but I don't recall whether or not I was ever a member of the Civil Rights Congress. I cannot either affrm or deny that, because I really don't know. I don't remember.

Mr. TAVENNER. Were you a member of the executive committee of the National Federation for Constitutional Liberties?

Mr. POPPER. Well, I don't know that either. I don't recall that I was ever in that position.

But I really don't know. I can't recall whether I was a member of the board of directors or not.

Mr. TAVENNER. Were you affiliated with the National Council of the Arts, Sciences and Professions?

Mr. POPPER. Yes.

Mr. TAVENNER. Were you a member of the Communist Party in 1954 when you made this application for a passport?

Mr. POPPER. I decline to answer that question upon the same grounds.

Mr. TAVENNER. Did you make application for an additional passport prior to April 1956 for the purpose of visiting the Soviet Union, Czechoslovakia, Rumania, and Hungary?

Mr. POPPER. Prior to 1956?

Mr. TAVENNER. Yes.

Mr. POPPER. I will have to have my recollection refreshed.

Mr. BOUDIN. Have you an application there which will guide us as to date, et cetera, Mr. Tavenner?

Mr. TAVENNER. The date does not appear but there is a statement that you plan to travel prior to April 29, 1956. It is not signed.

(Document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. POPPER. That seems to be an unsigned application.

Mr. TAVENNER. Yes; I said it was an unsigned application. I ask you if you did apply.

Mr. POPPER. I think this does refresh my recollection.

I think I applied for a passport in 1956 for the purpose of making a business trip, and I think it was a request for a passport for a limited period of time. I don't know whether that appears on here or not.

Yes; it does—3 to 4 months. I said that was the length of stay.

I think I did, as a matter of fact, ask for that if they would not give me 1 or 2 years.

Mr. TAVENNER. Was that application denied?

Mr. POPPER. Well, if it can be said to be an application it was denied. The only point I am making is that it was not signed. So I don't know what the formal status of the application was. But I think it was denied, however.

Mr. TAVENNER. Didn't you receive a letter from Frances G. Knight, Director of Passport Office, dated April 23, 1956, denying specifically the application.

I hand you the letter for your examination.

(Document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. POPPER. Yes, I think that is accurate.

Mr. TAVENNER. I desire to offer the letter in evidence and ask that it be marked "Popper Exhibit No. 8."

Mr. MOULDER. The document referred to will be marked "Exhibit No. 8" and admitted into evidence.

(Document marked "Popper Exhibit No. 8" and retained in committee files.)

Mr. TAVENNER. I will quote this from the letter:

"This action is predicated upon information reflecting membership in the Communist Party and participation over a span of

years in the activities of Communist front organizations. The Department has reason to believe that your proposed travel would further the cause of the world Communist movement. The Department feels, therefore, that the extension of passport facilities to you would be contrary to the national interest."

Were you a member of the Communist Party at that time, April 23, 1956?

Mr. POPPER. I respectfully decline to answer upon the same grounds.

Mr. TAVENNER. Had you been a member of the Communist Party at any time prior to that?

Mr. POPPER. I respectfully decline to answer that question upon the same grounds.

Mr. MOULDER. At this point, ask him if he is a member of the Communist Party now.

Are you a member of the Communist Party, Mr. Popper?

Mr. POPPER. I respectfully decline to answer upon the same grounds.

Mr. TAVENNER. Mr. Popper, there was a witness before this committee in December 1955 by the name of Mr. Mortimer Riemer. Mr. Riemer had been a member of the Communist Party of New York. He was a lawyer. He advised this committee of the circumstances relating to his becoming a member of the Communist Party and the reasons for his getting out of the Communist Party. He was the first secretary of the National Lawyers Guild.

He gave this committee considerable information regarding the organization, the initial organization, of the National Lawyers Guild.

I asked him to describe the Communist Party group to which he was first assigned. He said it was a group composed exclusively of lawyers in New York City. He identified some of those.

In one statement he identified Martin Popper, Alex Racobin, and Harry Sacher as members of that group with him.

Was he correct in identifying you as a member of that group of the Communist Party?

Mr. BOUDIN. Could I see the testimony referred to?

Mr. TAVENNER. Yes, sir.

(Document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. POPPER. I decline to answer that question upon the same grounds.

Mr. TAVENNER. May I have a direction that he answer?

Mr. MOULDER. The witness is directed to answer the question.

Mr. TAVENNER. I have no further questions, Mr. Chairman.

Mr. MOULDER. Any questions, Mr. DOYLE?

Mr. DOYLE. No questions.

Mr. MOULDER. Mr. JOHANSEN?

Mr. JOHANSEN. No questions.

Mr. MOULDER. The witness is excused.

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to the said Martin Popper, relative to the subject matter which, under Public Law 601, section 121, subsection (q)(2) of the 79th Congress, and under House Resolution 7 of the 86th Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"The purpose of this hearing, Mr. Popper, is to determine, among other things, whether or not the Secretary of State should be given authority, by legislation, to require passport applicants to furnish information of the nature called for in these three questions. I would, therefore, like to ask you if at the time you executed your application for a passport you were a member of the Communist Party?

"At the time you made this application for passport, were you a member of the Communist Party?

"Were you a member of the Communist Party at the time of your attendance at that convention in Paris?

"Were you a member of the Communist Party at the time you made that speech?

"Mr. Popper, there was a witness before this committee in December 1955 by the name of Mr. Mortimer Riemer. Mr. Riemer had been a member of the Communist Party of New York. He was a lawyer. He advised this committee of the circumstances relating to his becoming a member of the Communist Party and the reasons for his getting out of the Communist Party. He was the first secretary of the National Lawyers Guild.

"He gave this committee considerable information regarding the organization, the initial organization, of the National Lawyers Guild.

"I asked him to describe the Communist Party group to which he was first assigned. He said it was a group composed exclusively of lawyers in New York City. He identified some of those.

"In one statement he identified Martin Popper, Alex Racobin, and Harry Sacher as members of that group with him.

"Was he correct in identifying you as a member of that group of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Other pertinent committee proceedings

The following resolution was adopted at the organizational meeting of the committee for the 86th Congress, held on the 23d day of January 1959:

"Be it resolved, That the chairman be authorized and empowered from time to time to appoint subcommittees composed of three or more members of the Committee on Un-American Activities, at least one of whom shall be of the minority political party, and a majority of whom shall constitute a quorum, for the purpose of performing any and all acts which the committee as a whole is authorized to perform."

The following is an extract from the minutes of an executive session of the subcommittee of the Committee on Un-American Activities, consisting of Representatives MORGAN M. MOULDER, chairman; CLYDE DOYLE, and AUGUST E. JOHANSEN, held on September 1, 1959, in room 225, Old House Office Building.

"The subcommittee was called to order by the chairman of the full committee who stated the purpose of the meeting was to consider what action the subcommittee should take regarding the refusal of Martin Popper to answer material questions propounded to him in the course of the hearings conducted by the said subcommittee beginning on the 5th day of June 1959, and what recommendation it would make regarding his citation for contempt of the House of Representatives.

"After full consideration of the testimony of the witness, given at the said hearing in Washington, D.C., a motion was made by Mr. DOYLE, seconded by Mr. JOHANSEN and unanimously carried, that a report of the facts relating to the refusal of Martin Popper to answer material questions before the said subcommittee at the hearing aforesaid, be referred and submitted to the Committee on Un-American Activities as a whole, with the recommendation that a report of the facts relating to the refusal of said witness to answer material questions, together with all of the facts in connection therewith, be referred to the House of Representatives, with the recommendation that the said witness be cited for contempt of the House of Representatives for his refusal to answer questions therein set forth, to the end that he may be proceeded against in the manner and form provided by law."

The following is an extract from the minutes of an executive session of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman; Hon. MORGAN M. MOULDER, Hon. CLYDE DOYLE, Hon. EDWIN E. WILLIS, Hon. WILLIAM M. TUCK, and Hon. AUGUST E. JOHANSEN, held on the 1st day of September 1959, in room 225, Old House Office Building, Washington, D.C.:

"The report of the facts relating to the refusal of Martin Popper to answer material questions was submitted to the committee, upon which a motion was made by Mr. MOULDER, seconded by Mr. JOHANSEN, and unanimously carried, that the subcommittee's report of the facts relating to the refusal of Martin Popper to answer material questions before the said subcommittee at the hearing conducted before it in Washington, D.C., on the 5th day of June 1959, be and the same is hereby approved and adopted, and that the Committee on Un-American Activities report and refer the said refusal to answer questions before the said subcommittee, together with all the facts in connection therewith, to the House of Representatives, with the recommendation that the witness be cited for contempt of the House of Representatives for his refusal to answer such questions, to the end that he may be proceeded against in the manner and form provided by law."

CALL OF THE HOUSE

Mr. HALEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 159]

Albert	Davis, Tenn.	Marshall
Andrews	Derwinski	Minshall
Anfuso	Durham	O'Brien, N.Y.
Baumhart	Flynn	Osmers
Blitch	Ford	Poage
Bolton	Frazier	Powell
Bonner	Gray	Roberts
Brown, Mo.	Hall	St. George
Broyhill	Holifield	Shelley
Canfield	Jones, Mo.	Sikes
Carter	Lesinski	Thompson, N.J.
Celler	McDonough	Van Pelt
Cooley	McMillan	Westland
Dague	Machrowicz	Willis

The SPEAKER. On this rollcall 394 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

PROCEEDINGS AGAINST MARTIN POPPER

Mr. WALTER. Mr. Speaker, I offer a privileged resolution (H. Res. 374) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Martin Popper to answer questions before a duly constituted subcommittee of the Committee on Un-American Activities, together with all of the facts in connection therewith, under the seal of the House of Representatives, to the United States attorney for the

District of Columbia, to the end that the said Martin Popper may be proceeded against in the manner and form provided by law.

Mr. WALTER. Mr. Speaker, I yield to the gentleman from Missouri [Mr. MOULDER].

Mr. MOULDER. Mr. Speaker, the hearings referred to in the report concerning the witness, Martin Popper, were held on June 5. The Committee on Un-American Activities was seeking information to enable our committee to proceed on the question of the advisability of recommending legislation expressing the will and intent of Congress, spelling it out in direct and positive form, in granting authority to the Secretary of State to issue, withhold, or limit passports for international travel of members of the Communist Party and the granting of specific authority to the Secretary of State to issue regulations on this subject.

This witness was subpenaed before the committee for hearings held in the House caucus room on the 5th day of June. He refused to answer any of the important and relevant questions propounded to him on this subject, and in refusing to answer he did not invoke any of the provisions of the Constitution and did not claim the protection of any of the provisions of the Constitution in declining to answer, but he refused to answer on the claim that the committee did not have jurisdiction and that the questions were not pertinent to the subject under investigation.

The subject of the investigation, the purposes of our hearings, and the pertinency of the questions propounded to the witness were clearly stated and explained to the witness, yet he refused to answer all of the important questions propounded to him with the exception of a few introductory questions in connection with his identity. For example, we asked him this question:

At the time you made this application for passport were you a member of the Communist Party?

He refused to answer that question claiming it was not pertinent to the subject matter under inquiry.

We asked another question:

Were you a member of the Communist Party at the time of your attendance at the convention in Paris?

He again refused to answer, claiming it was not pertinent to the subject under inquiry.

Many other questions were asked him along that line. We contend that the questions which he refused to answer were relevant and pertinent to the subject matter under inquiry and that the witness wrongfully and without legal reason refused to answer and provide the committee the information sought. Our subcommittee met and reported the facts to the Committee on Un-American Activities and passed a resolution recommending to the full committee that this witness, Martin Popper, be cited for contempt. The full committee approved and adopted the report and recommendation as presented today by our chairman, Mr. WALTER. In order to preserve and protect the authority of Congress and to enable the committee to carry on with the duties assigned to us by Congress as provided in Public Law 601, this witness should be cited for contempt.

Mr. WALTER. Mr. Speaker, I yield to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Speaker, by way of corroborating the statements made by the gentleman from Missouri with respect to the appearance of Martin Popper before the Committee on Un-American Activities and its subcommittee, I point out one further fact, that the witness was specifically asked if he claimed the protection provided in the Constitution by the fifth amendment. Mr. Popper's answer to the question was: "I am not"; then he interjected: "You are talking about the privilege against self-incrimination?" And the gentleman from Missouri [Mr. MOULDER] answered in the affirmative. The witness said, "I am not claiming the privilege against self-incrimination."

There was a specific rejection of a claim of rights under the fifth amendment.

The further statements made by the gentleman from Missouri are correct in reference to the refusal of the witness to answer questions asked by members of the committee.

Mr. Speaker, I support the action of the subcommittee and of the full committee in recommending the citation of Martin Popper for contempt of Congress.

Mr. WALTER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST EDWIN A. ALEXANDER

Mr. WALTER. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report—House Report No. 1136.

The Clerk read as follows:

PROCEEDINGS AGAINST EDWIN A. ALEXANDER

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q)(2) of the 79th Congress, and under House Resolution 7 of the 86th Congress, caused to be issued a subpena to Edwin A. Alexander, 2211 East 97th Street, Chicago, Ill. The said subpena directed Edwin A. Alexander to be and appear before the said Committee on Un-American Activities, or a duly authorized subcommittee theref, at the hour of 10 a.m., on May 6, 1959, at courtroom 208, U.S. Courthouse, 219 South Clark Street, Chicago, Ill., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon the said Edwin A. Alexander is set forth in words and figures, as follows:

"UNITED STATES OF AMERICA,
"CONGRESS OF THE UNITED STATES.

"To EDWIN ALEXANDER, *Greeting:*

"Pursuant to lawful authority you are hereby commanded to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, or a duly appointed subcommittee thereof, on May 6, 1959, at 10 o'clock a.m., at court room 209, U.S. Court House, 219 South Clark Street, Chicago, Ill., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee.

"Hereof fail not, as you will answer your default under the pains and penalties in such case made and provided.

"To U.S. marshal, to serve and return.

"Given under my hand this 23d day of March, in the year of our Lord, 1959.

"FRANCIS E. WALTER,
"Chairman."

The said subpena was duly served as appears by the return made thereon by the U.S. marshal who was duly authorized to serve the said subpena. The return of the service by the said U.S. marshal being endorsed thereon, is set forth in words and figures as follows:

"I made service of the within subpena by serving the within named Edwin Alexander at 2211 E. 97th Street, by giving copy to his wife, Mrs. Alexander, at 10:30 o'clock, a.m., on the 5th day of April 1959. Dated April 6, 1959.

"W. W. KIPP,
"U.S. Marshal,
"By HERBERT F. LOWE,
"Deputy."

The said Edwin A. Alexander, pursuant to the said subpena, and in compliance therewith, appeared before a subcommittee of the Committee on Un-American Activities on May 6, 1959, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q)(2) of the 79th Congress, and under House Resolution 7 of the 86th Congress. The said Edwin A. Alexander having appeared as a witness and having been asked the question, namely:

"Now, sir, with that explanation, I now ask you while you are under oath to name before this committee now the names of persons who, to your certain knowledge, were in 1956 members of the Communist Party and active in the Greater Chicago area."

which question was pertinent to the subject under inquiry, refused to answer said question, and as a result of said Edwin A. Alexander's refusal to answer the aforesaid question, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon said Edwin A. Alexander.

The record of the proceedings before the subcommittee on May 5, 1959, insofar as it affects the appearance of the witness Edwin A. Alexander is set forth in fact as follows:

TUESDAY, MAY 5, 1959

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE
COMMITTEE ON UN-AMERICAN ACTIVITIES,
Chicago, Ill.

Public hearings

A subcommittee of the Committee on Un-American Activities met, pursuant to notice, at 10 a.m., in courtroom 209, U.S. Courthouse, 219 South Clark Street, Chicago, Ill., Hon. MORGAN M. MOULDER (subcommittee chairman) presiding.

Subcommittee members present: Representatives MORGAN M. MOULDER, of Missouri; EDWIN E. WILLIS, of Louisiana; and AUGUST E. JOHANSEN, of Michigan.

Staff members present: Richard Arens, staff director, and Raymond T. Collins, investigator.

Mr. MOULDER. The subcommittee will be in order.

The hearings which begin today in Chicago are in furtherance of the powers and duties of the Committee on Un-American Activities, pursuant to Public Law 601 of the 79th Congress, which not only establishes the basic jurisdiction of the committee, but also mandates this committee, along with other standing committees of the Congress

of the United States, to exercise continuous watchfulness of the execution of any laws, the subject matter of which is within the jurisdiction of the committee.

In response to this power and duty, the Committee on Un-American Activities is continuously in the process of accumulating factual information respecting Communists, the Communist Party, and Communist activities which will enable the committee and the Congress to appraise the administration and operation of the Smith Act, the Internal Security Act of 1950, the Communist Control Act of 1954, and numerous provisions of the Criminal Code relating to espionage, sabotage, and subversion. In addition, the committee has before it numerous proposals to strengthen our legislative weapons designed to protect the internal security of this Nation.

I shall now read the resolution of the Committee on Un-American Activities, authorizing and directing the holding of the instant hearings here in Chicago.

"*Be it resolved,* That hearings by the Committee on Un-American Activities or a subcommittee thereof, to be held in Chicago, Ill., and at such other place or places as the chairman may indicate, on such date or dates as the chairman may determine, be authorized and approved, including the conduct of investigations deemed reasonably necessary by the staff in preparation therefor, relating to the following matters and having the legislative purposes indicated:

"1. The extent, character and objects of Communist infiltration and Communist Party propaganda activities in labor unions within the area of Chicago, the legislative purposes being:

"(a) To obtain information for use by the committee in its consideration of a proposal to amend section 4 of the Communist Control Act of 1954, prescribing a penalty for knowingly and willfully becoming or remaining a member of the Communist Party with knowledge of the purposes or objectives thereof; and

"(b) To obtain additional information adding to the committee's overall knowledge on the subject so that Congress may be kept informed and thus prepared to enact remedial legislation in the national defense and for internal security, when and if the exigencies of the situation require it.

2. Communist techniques and strategy in the raising of funds for the benefit of the Communist Party, the legislative purpose being to determine whether a recommendation should be made tightening the laws relating to tax exemption which labor unions enjoy, and for the additional reasons set forth in items 1 (a) and (b) of this resolution.

"3. The execution by the administrative agencies concerned of the Internal Security Act, the Communist Control Act of 1954, the Foreign Agents Registration Act, and all other laws, the subject matter of which is within the jurisdiction of the committee, the legislative purpose being to exercise continuous watchfulness of the execution of these laws to assist the Congress in appraising the administration of such laws, and in developing such amendments or related legislation as it may deem necessary.

"*Be it further resolved,* That the hearings may include any other matter within the jurisdiction of the committee which it, or any subcommittee thereof appointed to conduct this hearing, may designate."

I shall now read the order of appointment of the subcommittee to conduct these hearings which was made by the chairman of the full committee, the Honorable FRANCIS E. WALTER, of Pennsylvania:

"APRIL 28, 1959.

"To Mr. RICHARD ARENS,
"*Staff Director, House Committee on Un-American Activities:*

"Pursuant to the provisions of the law and the rules of this committee, I hereby appoint a subcommittee of the Comittee on Un-American Activities, consisting of Representatives EDWIN E. WILLIS and AUGUST E. JOHANSEN, as associate members, and Representative MORGAN M. MOULDER, as chairman, to conduct hearings in Chicago, Ill., Tuesday, May 5, 1959, 10 a.m., on subjects under investigation by the committee and take such testimony on said day or succeeding days, as it may deem necessary.

"Please make this action a matter of committee record.

"If any Member indicates his inability to serve, please notify me.

"Given under my hand this 28th day of April 1959.

"FRANCIS E. WALTER,
Chairman, Committee on Un-American Activities."

These hearings in Chicago are in furtherance of a project of this committee on current techniques of the Communist conspiracy in this Nation. We know that the strategy and tactics of the Communist Party are constantly changing for the purpose of avoiding detection and in an attempt to beguile the American people and the Government respecting the true nature of the conspiracy.

Preliminary investigations conducted by the staff indicate that a principal concentration point of Communists in the Chicago area is the packinghouse industry which is vital not only to the economy of this area but is essential in the maintenance of a strong national defense. Those of us who through the years have been engaged in the work of the Committee on Un-American Activities are obliged, from our experience, to conclude that there is no easy answer or quick solution to the many problems created by the Communist fifth column in our country. We must constantly keep abreast of the changing strategy and tactics of the Communist Party so that we may have factual information for our legislative purposes.

In the course of the last few years, as a result of hearings and investigations, this committee has made over 80 separate recommendations for legislative action. Legislation has been passed by the Congress embracing 35 of the recommendations, and 26 separate proposals are currently pending in the Congress on subjects covered by other committee recommendations. Moreover, in the course of the last few years numerous recommendations made by the committee for administrative action have been adopted by the executive agencies of our Government.

Today the Communist Party, though reduced in size, continues as a serious threat to the security of our Nation. It has long since divested itself of unreliable elements. Those who remain are the hard-core, disciplined agents of the Kremlin on American soil. Most of the Communist Party operation in the United States today consists of underground, behind-the-scenes manipulations.

What techniques are the hard-core Communists pursuing here in order to avoid detection as they pursue their nefarious work?

What loopholes or weaknesses exist in our security laws?

How can those laws be strengthened?

These are some of the questions I hope to have answered.

The objective of our subcommittee during this brief stay in Chicago is to sample factual material on types and patterns of activity germane to the scope of our inquiry. We have not subpenaed witnesses here at random nor shall we attempt to exhaust the subject matter. To do so would require a disproportionate amount of time, both of the staff and of the subcommittee, to the detriment of other equally important projects which are presently in process elsewhere in the United States.

We seek only the facts. Insofar as it is within the power of this committee, as part of the U.S. Congress, we shall obtain the facts and we shall do so within the framework of carefully prescribed procedures, adopted by this committee, of justice and fair play as provided by the law of our land.

It is a standing rule of this committee that any person identified as a member of the Communist Party during the course of the committee hearings will be given an early opportunity to appear before this committee, if he so desires, for the purpose of denying or explaining any testimony adversely affecting that person. It is also the policy of the committee to accord any witness the privilege of being represented by counsel to advise him; but within the provisions of the rules of this committee, counsel's sole and exclusive prerogative is to advise his client in a legal fashion.

I would remind those present that a disturbance of any kind or an audible comment during the hearings will not be permitted. This is a serious proceeding in which we are earnestly trying to discharge an important and arduous duty with the general objective of maintaining the security and the American way of life of this great Nation.

Do you have comments to add to that, Mr. WILLIS?

Mr. WILLIS. Mr. Chairman, you refer to the rules of the committee. It might be interesting to know, I think this is the one committee that operates under very enlightened and comprehensive rules. I have a copy here and the very last provision of the rules is that all witnesses appearing before the committee shall be furnished with a copy of the printed rules, and so on. The rules are available to the press, counsel, and to anybody who wants to see them.

Mr. MOULDER. Mr. JOHANSEN.

Mr. JOHANSEN. The only comment I would like to make, Mr. Chairman, is that I am very happy to have the chairman and my colleague from Louisiana very clearly and emphatically set forth the fact that we do operate by prescribed rules, with the full regard for the rights of the witnesses. I think it is particularly timely, particularly important to have that emphasized because of the evident misinformation that seems sometimes to be promulgated from other presumably responsible sources. I associate myself completely with the statement of the chairman and of Mr. WILLIS.

Mr. MOULDER. Thank you, gentlemen.

Now, Congressman WALTER, the chairman of the full committee of the House Committee on Un-American Activities, has requested that I read the following letter addressed to him by Ralph Helstein, president of the United Packinghouse Workers of America, an AFL–CIO union. The letter is dated May 1, 1959, and he has requested that I read this letter before the beginning of the hearing and insert the letter into the record.

The letter is as follows:

HON. FRANCIS E. WALTER,
Chairman, House Committee on Un-American Activities, House Office Building, Washington, D.C.

DEAR SIR: In view of the fact that the House Committee on Un-American Activities has subpenaed some present or former members of our union to appear at your sessions on May 5, 6, and 7, we have felt it appropriate to transmit to you a brief statement of the position of our union.

We represent, as you are perhaps aware, over 100,000 employees in the meatpacking industry and others in related industries. If you are familiar with the history of the meatpacking industry, you know it as one with the history of back-breaking labor and oppressive, soul-searing working conditions which earned for it the designation "the jungle."

In the two decades since we came into existence, we have written a proud history of our own. We have built a record of economic improvement for packinghouse workers, and we have built a genuinely democratic union, widely respected for its honesty and integrity and one which is, we are convinced, free of outside influence, Communist or any other. We hold a respected position in the ranks of labor and in the communities in which our members reside.

We are particularly proud of our status in the Negro communities of the Nation. A relatively substantial proportion of our membership is Negro and our union has evidenced its special interest in and concern with the problems of the Negro people. Negro leaders have risen, on their merits, to positions of importance in our ranks, and we have applied our energies actively to the task of eliminating discriminatory practices in American life.

In this history of achievement, many, many people have played their roles—thousands of rank-and-file members, local, district and national officers and staff employees. Those individuals included among your subpenaed witnesses who presently hold district or local office or who are currently on our field staff are among those who are recognized by our membership as having made, over many years, unselfish and consistent contributions to the growth and performance of our union. So far as their records of performance show, they have passed the test of service to the needs of our members—organization of the unorganized, negotiation of contract improvements, honest and effective grievance presentation.

Our union was born in the midst of the distress and disillusion of the depression and postdepression years of the 1930's and 1940's. In the light of the background of the industry, the economic and social tensions of the times and the bitter opposition of the packing companies to our efforts at organization and improvement of conditions, it would have been strange indeed if among the packinghouse workers there were none who turned to one or another of the utopian panaceas held out from various sources to the disillusioned: communism, socialism, technocracy, single-tax programs, and all the rest.

Before our union was very old, therefore, it was faced with a fundamental choice of procedures. It could have embarked upon a program that might have led to bitter internal conflict, diverting energies urgently needed for the task of providing economic improvements for the packinghouse workers. Our membership developed a different program, one which we believe to be in the best traditions of our Nation. There was never the slightest question or possibility of yielding control to a Communist group or any other ideology. But we felt that the challenge of communism could best be met not by a civil war certain to blunt the union's collective-bargaining effectiveness, but by demonstrating that a positive and democratic brand of unionism would produce results, thereby defeating the attractions of communism by undercutting its ground.

We believe our program was right for the packinghouse workers. We know that it worked.

Our union has, over the years, established its position on communism. Our union is firmly on record in its opposition to communism—and all similar forms of authoritarian doctrine. Our union has adopted as official policy the AFL–CIO Ethical Practices Codes. No member of the Communist Party is or will be permitted to hold elective or appointive position in our union. For the implementation of this policy, the union has established, from its executive board, a committee to investigate situations involving possible violation of these codes and a public review commission of disinterested, prominent citizens, to assure that our procedures are effective to maintain integrity and democracy in our union.

The path by which we reached our present position may not be the one which others have followed or would have prescribed. Perhaps members of your committee would disagree as to our choice of paths—and we respect their right to disagree. We ask only the same respect for our right to our opinion as to the rightness of our course. We firmly believe that the result in our union proves that our forefathers' faith in the principles of the Bill of Rights was well founded.

In enforcing our policies today, we are, of course, concerned with the present and the future. We do not feel that we serve any useful purpose by seeking to dredge up the muck of a dead past. If there are in our ranks persons with a Communist past, their present adherence to the democratic principles of our union represents a symbol of the victory of democratic philosophy over totalitarianism, and we see no purpose in placing them in the public pillory.

In our enforcement of our policies, we will, of course, give appropriate consideration to relevant evidence presented to your committee as we would to similar evidence from any source. It is an unfortunate fact, however, that your committee's decision to conduct these hearings happens to coincide in time with certain other developments.

A rejected and disgrunted former officeholder has been engaged in an effort to revive the long dead Communist issue, as it affects our union, in what appears to us to be frantic effort, unquestionably doomed to failure, to foist himself back on to a membership which has rejected him. There is also some evidence which suggests that he is acting for another union which is suspected of having hopes of gobbling up the membership of our organization. Finally, your hearings happen to come at a time when we are about to enter upon negotiations with the major packing companies, as the current 3-year term of contracts throughout the industry approaches expiration. Pressing problems of plant shutdowns, mass layoffs, technological unemployment, inadequate pension and severance pay clauses, and many others claim the attention of our members and leaders. The sudden revival of long dead issues obviously plays into the hands of the packing companies.

Under these circumstances, you will understand, I am sure, the feeling among many of our members that your hearings may, without any such intent on your part, serve to aid some few who may wish to create a misleading public impression of our union. We are confident, in all frankness, that our record of performance in the public interest is so clear and so well understood by those most directly concerned, that our union's public stature will readily withstand any such attack.

Very truly yours,

RALPH HELSTEIN,
President.

Chairman WALTER requested that his comments as follows also be read and inserted into the record:

"1. There is no intention on the part of the House Un-American Activities Committee, to interfere in any way, or on either side, with any negotiations between the union and employers. In this connection I wish to point out that these investigations are in no way directed at the United Packinghouse Workers of America, as a union, or at its officers, as such.

"2. While it is true, as Mr. Helstein pointed out, that this committee may well differ with the methods followed by the union to eliminate Communists, nevertheless, the committee welcomes the unequivocal assertion by the president of the union that the union is firmly on record in its opposition to communism and all similar forms of authoritarian doctrine, that 'no member of the Communist Party is, or will be permitted, to hold elective or appointive position' in the union and that a procedure involving a review by a public review commission of disinterested prominent citizens has been established to assure that this policy is being implemented. In these circumstances I am hopeful that any information adduced by this committee concerning Communists holding elective or appointive position in the union will receive the full consideration of the union and the public board established by it."

That concludes Chairman WALTER's statement. I wish to apologize for taking so much time reading all these statements, but I was requested by the chairman to place the letter and his statement in the record as well as our opening statement.

The record of the proceedings before the subcommittee on May 6, 1959, during which the said Edwin A. Alexander refused to answer the aforesaid question, pertinent to the subject under inquiry, is set forth in fact as follows:

WEDNESDAY, MAY 6, 1959
U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE
COMMITTEE ON UN-AMERICAN ACTIVITIES,
Chicago, Ill.

* * * * *

AFTERNOON SESSION, WEDNESDAY, MAY 6, 1959

Mr. WILLIS. The subcommittee will please come to order.

(Subcommittee members present: Representatives WILLIS, presiding, and JOHANSEN.)

* * * * *

After hearing the testimony of two other witnesses, the testimony of Edwin A. Alexander is set forth as follows:

* * * * *

Mr. ARENS. The next witness, if you please, Mr. Chairman, will be Mr. Edwin Alexander.

Kindly come forward, Mr. Alexander.

Mr. WILLIS. Please raise your right hand.

Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ALEXANDER. I do.

Mr. Chairman, my counsel has asked me, Mr. Chairman, that you furnish him with a copy of the statement of purposes of the committee and the rules of the committee, since he was not present yesterday when they were read.

Mr. ARENS. We will make them available in just a second as soon as we dig them out here, after you have been sworn.

Mr. ALEXANDER. Yes.

Mr. Chairman, may I ask one other thing in regard to the taking of pictures during the conduct of testimony?

Mr. WILLIS. Yes. If you object to it, then it will be stopped right now.

Mr. ALEXANDER. Yes, I do. Thank you very much.

Testimony of Edwin A. Alexander, accompanied by counsel, Willard J. Lassers and F. Raymond Marks, Jr.

Mr. ARENS. Kindly identify yourself by name, residence, and occupation.

Mr. ALEXANDER. My name is Edwin A. Alexander. I live at 2211 East 97th Street, Chicago, Ill. My occupation, I am a member of the professional staff of a philanthropic social work agency, the Jewish Federation, Metropolitan Chicago. I am responsible for raising the deficit funds and the capital building funds for a group of some 11 social agencies in Chicago which I consider to be very worthwhile organizations.

Mr. ARENS. You are appearing today in response to a subpena served upon you by the Committee on Un-American Activities?

Mr. ALEXANDER. That is correct.

Mr. ARENS. And you are represented by counsel?

Mr. ALEXANDER. That is correct.

Mr. ARENS. Counsel, would you kindly identify yourself?

Mr. LASSERS. My name is Willard J. Lassers, of Chicago, Ill.

Mr. MARKS. F. Raymond Marks, Jr., of Chicago, Ill.

Mr. ARENS. Where and when were you born?

Mr. ALEXANDER. On June 25, 1917, Bronx, New York City.

Mr. ARENS. Give us, please, a word about your education.

Mr. ALEXANDER. I went to high school, DeWitt Clinton High School, New York City, and attended the College of the City of New York.

Mr. ARENS. When did you graduate from the College of the City of New York?

Mr. ALEXANDER. I did not graduate from the College of the City of New York.

Mr. ARENS. When did you complete your education there?

Mr. ALEXANDER. Approximately 1933 or 1934.

Mr. ARENS. Did you complete your formal education?

Mr. ALEXANDER. My formal education?

Mr. ARENS. Yes.

Mr. ALEXANDER. Well, it all depends what sense you want to take that in. I attended the Allied Technical Institute in Chicago about 1949, studying machinist trade and this last, just recently within the past few months I was a student at Roosevelt College extension program creative writing workshop.

Mr. ARENS. How long have you been employed at your present place of employment?

Mr. ALEXANDER. Since January 13, 1958.

Mr. ARENS. What was your employment immediately prior to your present employment?

Mr. ALEXANDER. Immediately prior to that I have been unemployed for close to a month. Before that I was engaged in the tool and die makers trade. The last company I worked for specifically was the Zeitergraf Co., for which I worked until 3 days before Christmas 1958, at which time I was laid off because the company went out of business.

Mr. ARENS. Were you living in New York at the time that you obtained your degree there—excuse me, completed your education there, what training you did receive?

Mr. ALEXANDER. At the College of the City of New York?

Mr. ARENS. Yes.

Mr. ALEXANDER. Yes.

Mr. ARENS. Where did you next live, where was your next place of residence?

Mr. ALEXANDER. City of Chicago.

Mr. ARENS. And over what period of time were you then in continuous residence in the city of Chicago?

Mr. ALEXANDER. Chicago? That was so long ago that it would be hard—I wouldn't like to be held to its accuracy. I would estimate approximately 6 months.

Mr. ARENS. Then where did you go?

Mr. ALEXANDER. Los Angeles.

Mr. ARENS. How long were you there?

Mr. ALEXANDER. Again approximately 6 months.

Mr. ARENS. What occasioned your trip to Los Angeles?

Mr. ALEXANDER. My job from 1934 approximately, the time I left City College, after a few months, later I was employed as a field organizer, as a regional organizer, first for the National Student League and then for the American Student League. This required that my first area of activity was Chicago, where I went, and then I was sent by the national committee of that organization to the Los Angeles area to be the California representative.

Mr. ARENS. About what year are we in now?

Mr. ALEXANDER. What is that?

Mr. ARENS. About what year are we in now?

Mr. ALEXANDER. Well——

Mr. ARENS. Roughly speaking?

Mr. ALEXANDER. Roughly speaking 1934–35.

Mr. ARENS. All right, sir. What was your next employment?

Mr. MARKS. Counsel, do you mind if he smokes?

Mr. ARENS. It is prohibited in the courtroom.

What was your next employment?

Mr. ALEXANDER. My next employment after that was as a full-time official for the district office of the Young Communist League of California.

Mr. ARENS. Over what period of time did you serve in the district office of the Young Communist League?

Mr. ALEXANDER. There was one interruption. I would say again it is difficult to say exact dates, approximately 1935 to about somewhere in the early 1940's. During that period there was one interruption. I was for a period of approximately 2 years out of that period, I was a restaurant worker in the city of San Francisco, and I was elected to two full-time posts in the Restaurant Workers' Union of the AFL. I served as assistant secretary of the Miscellaneous Employees' Union, the Hotel Restaurant Employees' International Alliance, and I served as business agent of the Hotel Restaurant Employees' International Alliance and Miscellaneous Employees' Union in San Francisco for a short period during that time.

Mr. ARENS. Would you tell us the specific title you had with the Young Communist League, please?

Mr. ALEXANDER. I believe while I was in California that I had two titles. One was a district educational director. One was a district organizational director.

Mr. ARENS. When did you become disassociated from the full-time work with the Young Communist League?

Mr. ALEXANDER. Again I couldn't be certain of the exact date. I moved from California——

Mr. ARENS. Was it in the early 1940's?

Mr. ALEXANDER. From the Young Communist League?

Mr. ARENS. Yes.

Mr. ALEXANDER. Yes. I graduated from the Young Communist League and became a full-time official in the Communist Party.

Mr. ARENS. When did you become a full-time official in the Communist Party, just roughly speaking?

Mr. ALEXANDER. Very roughly in the early 1940's.

Mr. ARENS. Tell us, when did you join the Communist Party?

Mr. ALEXANDER. I believe I joined the Communist Party in approximately 1934 or 1935. I was a member of the Young Communist League for a short period without being a member of the Communist Party and then joined the Communist Party.

Mr. ARENS. Tell us how long you maintained your membership in the Communist Party.

Mr. ALEXANDER. I maintained my membership in the Communist Party from approximately 1934 until 1948.

Mr. ARENS. May I inquire, have you ever made available to a congressional committee or any agency of the Government, facts respecting your membership in the Communist Party?

Mr. ALEXANDER. I have never been asked by any Government agency these facts before. This is the first occasion at which I have been asked them, and I gladly volunteered them.

Mr. Chairman, may I state something surrounding the circumstances of withdrawing from the Communist Party in 1948?

Mr. ARENS. I expect to take you over the whole ground so we can take in a uniform pattern here which I think would be easier for you and be more clear for us, if you please.

Mr. ALEXANDER. Hope you will. Very relevant why I——

Mr. ARENS. Yes, sir. Very delighted to pursue this with you.

Now, tell us where and when you joined the Communist Party and in your own words, and I will try to restrain myself until I have a particular question to fill in, where and when you joined the Communist Party and in your own words the various posts that you held in the Communist Party. Then we will come back and get additional information.

Mr. ALEXANDER. All right.

Mr. ARENS. I want to say now, so there will be no sense of us being at all other than completely open and aboveboard——

Mr. ALEXANDER. Right.

Mr. ARENS. We did not, until you just said so, know that you were going to tell this committee of your Communist career. We did know of your Communist career. We did not know, had no basis on which to suspect that you would tell us of your Communist career.

Now, proceed at your own pace, sir, to tell us where and when you joined the Communist Party and the various posts you held in the Communist Party up until you disassociated yourself from the Communist Party until 1948.

Mr. ALEXANDER. I did not disassociate myself from the Communist Party in 1948.

Mr. ARENS. We will get up to that in a little while.

Mr. ALEXANDER. I joined the Communist Party in approximately 1934 or 1935. I have already detailed to you the posts I held in the Young Communist League. I was requested to go to Seattle, Wash., by the national committee of the Young Communist League, serve as district organizer of the YCL for the States of Washington, Oregon in the early 1940's. This I did. I accepted it. I accepted the request and went.

For a short period I was requested by the national committee of the Young Communist League to return to New York City and serve as assistant editor of the Young Communist League national newspaper, which I did. The Young Communist League at this point was dissolved itself by a national convention. I can't remember the exact year. But at this time I returned to the State of Washington, the city of Seattle, which I then considered my home. And I assumed a full-time post in the Communist Party.

Mr. ARENS. May I interrupt just there——

Mr. ALEXANDER. Yes, sir.

Mr. ARENS. To ask you a question. Upon the dissolution of the Young Communist League——

Mr. ALEXANDER. Right.

Mr. ARENS. There was formerly an entity known as either the League for Industrial—it was the American Youth for Democracy, was it not, as a successor organization?

Mr. ALEXANDER. In one sense; in another it was not completely a successor organization. In one sense it was. In one sense it was not.

Mr. ARENS. The AYD, American Youth for Democracy, was controlled by the Communist Party, was it not, by Communists?

Mr. ALEXANDER. Well, I graduated from the youth movement at that point. I would say that I think the Communists themselves greatly regretted that the American Youth for Democracy was controlled by Communists. They felt that the need had passed for a specifically Communist youth organization, and this is why they dissolved this Young Communist League in the hope that a non-Communist youth organization could be established. However——

Mr. WILLIS. As a front actually?

Mr. ALEXANDER. Well, some people would prefer to call it that. I don't think they meant it in that sense at all. I think they

meant that our country was in a serious degree of danger from Hitler at that time, and from internal fascism, and I think they wanted to create—no matter how much I am opposed to the Communist Party today, I want to be as fair and objective about the thing as I can. I think they wanted at that time to create a youth movement which was genuinely opposed to fascism and which would extend far beyond the Communists.

They felt that the Young Communist League had the limitation that in order to be a member of it you would have to subscribe to the principles of communism. They felt at that time that as the Communist Party continued to exist that any young person who wished to subscribe to the principles of communism could become a member of the Communist Party itself. And that the interests of preserving democracy and fighting against facism in our country could better be served by a non-Communist, anti-Fascist youth organization which, although it included Communists, would not be Communist in its program.

I don't think the Communists themselves believed that they succeeded very well, and they were constantly dissatisfied with the fact that far too great a proportion of the leadership, membership of the American Youth for Democracy, were continuing to be Communists. However, I don't have too much expert knowledge on that since at that time I left the youth movement and became an official of the Communist Party itself and was more concerned with adult problems.

Mr. ARENS. Now would you proceed with a chronology of your posts in the Communist Party itself, which, I understand, from what you said a few moments ago began about——

(The witness conferred with his counsel.)

Mr. ALEXANDER. Pardon me. Would you repeat that question?

Mr. ARENS. Proceed, if you please, with the chronology of the assignments and posts that you held in the Communist Party.

Mr. WILLIS. He had just entered.

Mr. ALEXANDER. Yes. I was getting to that. You got me off on the track of the AYD.

Mr. ARENS. Let us date this now so our record is clear. You left the Young Communist League.

Mr. ALEXANDER. In early 1940's.

Mr. ARENS. Entered the party?

Mr. ALEXANDER. Right.

Mr. ARENS. Now proceed there, please, sir.

Mr. ALEXANDER. I then returned to Seattle, Wash., and held several posts. I am not quite certain which posts I held before I entered the Army. I was either district organizational director or district educational director.

Mr. ARENS. Were you a paid functionary of the Communist Party?

Mr. ALEXANDER. Yes; I was.

Mr. ARENS. Who was your immediate superior?

Mr. ALEXANDER. Mr. Chairman, I would respectfully like to decline to answer that question for the following reasons: I am extremely willing to be cooperative and frank and candid about my own activities.

Mr. ARENS. We will come back to that in a little while. I would like to get your chronology on here. We will pursue that question with you a little while later. You are in the early 1940's and going into the Army.

Mr. ALEXANDER. I was either district educational director or district organizational secretary of the Communist Party on a full-time basis until I was inducted into the Army in approximately May of 1944, I believe. As was the requirement in the Communist Party at that time I dropped my membership in the Communist Party in order to become a soldier in the U.S. Army. I served in the Army until May 1946.

Mr. ARENS. Just a word as to where you served, please.

Mr. ALEXANDER. Most of that time was spent overseas in the China, Burma, India theater. There I held the post of associate editor of the CBI Round-Up, which was the equivalent of Stars and Stripes for the CBI theater. It was the official Army paper in that theater.

Mr. ARENS. We have some exhibits of yours in the CBI Round-Up operation. I will not pursue them now except to ask you this question: You said you dropped your Communist Party membership?

Mr. ALEXANDER. Right, that——

Mr. ARENS. That was what was a technical disassociation only, was it not?

Mr. ALEXANDER. No, not altogether. Not altogether.

Mr. ARENS. Did you do it at the direction of the party?

Mr. ALEXANDER. Well, everything I do, I do voluntarily, I may agree with the party.

Mr. ARENS. Did the party direct you to do it?

Mr. ALEXANDER. I do what I think.

Mr. ARENS. It was party policy?

Mr. ALEXANDER. It was policy of the party, yes, because the party believed that the United States in fighting against fascism needed support, that the U.S. Army was an Army fighting against fascism. It had to be a unified military organization and that for one to be a member of the Communist Party within the Army, as lawyers, for example, sometimes say there might be a problem of allegiance or loyalties and so on. They felt someone in the U.S. Army ought to obey the discipline only of the U.S. Army.

Mr. ARENS. May I inquire just a word? I don't want to interrupt any more than necessary. This is an important theme from the standpoint of the fund of knowledge of this committee. During your service in the U.S. Army from 1944 to 1946, you still maintained yourself as a Marxist, did you not, even though you were disassociated from the formal organization known as the Communist Party?

Mr. ALEXANDER. At that time I was a Marxist, yes. I considered myself a Marxist.

Mr. ARENS. Would you pick up the theme in 1946 and go right on?

Mr. ALEXANDER. In 1946 I was honorably discharged from the Army.

Incidentally, when I entered the Army it was with the knowledge of the U.S. Army that I was an officer of the Communist Party and when I went into the Army my special number given to me by the Army was that of organizer because I told them that my occupation was Communist Party organizer.

Mr. ARENS. At that time they had a movement on in which they were commissioning people who were known as Communists in the U.S. Army; isn't that correct?

Mr. ALEXANDER. Yes. To the best of my knowledge.

Mr. ARENS. Pick up the 1946 date.

Mr. ALEXANDER. In 1946 I was discharged from the Army, I returned to Seattle, Wash., and I again assumed full-time work in the district office of the Communist Party, either in the role of educational director or organizational director, I don't recall which. In 1948 I was publicly expelled by the district committee of the Communist Party of Washington on the grounds that I was an enemy of the party, an enemy of the working class, an accomplice of the FBI.

Mr. ARENS. The party made a mistake then, didn't it?

Mr. ALEXANDER. I think so. I think it has been disproven. Do you want me to go ahead, or ask me questions?

Mr. ARENS. I want you to hesitate there just a moment.

Mr. WILLIS. I am interested in that. You were not an undercover agent for the FBI?

Mr. ALEXANDER. Most assuredly not. I am not undercover about anything for anybody.

Mr. ARENS. In 1948 the Communist Party started becoming security conscious, was it not?

Mr. ALEXANDER. Yes.

Mr. ARENS. And they were expelling from the party anyone they suspected of being either an informant for the FBI or informant for this committee or informant for any Government agency; isn't that so?

Mr. ALEXANDER. Generally speaking.

Mr. ARENS. You were just caught in the net of the Communist Party itself; is that correct?

Mr. ALEXANDER. In a sense. It is a great deal more complex matter than that, Mr. Chairman.

Mr. ARENS. I do not want to get into too much detail in this particular session.

Mr. ALEXANDER. Neither do I.

Mr. ARENS. Then tell us what happened.

Mr. ALEXANDER. When I was expelled from the Communist Party, I moved to the city of Chicago and began to learn the trade of machinist and tool and die maker. I worked at several shops, went to the Allied Institute to learn that trade. In 1950—pardon me, in approximately 1951 I was reaccepted into the party.

Mr. ARENS. Excuse me a minute. I want to get that date down here. In 1951 you got back into the party?

Mr. ALEXANDER. Approximately.

Mr. ARENS. Where was that, here?

Mr. ALEXANDER. In the city of Chicago.

Mr. ARENS. In what capacity?

Mr. ALEXANDER. May I ask, Mr. Chairman—there has been a great deal of prior newspaper publicity; the previous witness has testified and so on that it is a well-known public fact that there has been a great commotion in Local 113 in Tool and Die Makers Union in the last 3 years. While I am perfectly willing to be candid and honest about all my affiliations, sometimes the establishment of a half-truth, as any of you well know, can give the exact opposite appearance.

I want to testify either at this point, or I would like to receive assurance that I can testify at some other point, as to the exact and true relationship between the Communist Party and the rank-and-file caucus in Local 113.

Mr. ARENS. We will get into that in a little while.

Mr. ALEXANDER. Otherwise the simple parallelism of my Communist membership and my union membership would give exactly the opposite picture of the truth. Mr. Chairman, may I be assured I will have full opportunity of hearing that?

Mr. WILLIS. I am not so sure I followed what you have in mind. I am afraid you have things in mind that you didn't make clear to me.

Mr. ALEXANDER. Mr. Chairman.

Mr. ARENS. We will give you an opportunity to pursue anything you want to say here in a little while. We do and insist in a little while on some information we don't think you are going to want to give us.

Mr. ALEXANDER. All right. I may have some information which you do not know and may not wish to hear, I don't know. It will be——

Mr. ARENS. We have considerable. On the basis of what you said and basis of what I have before you now, the identification and rank we know you have held in the party and the instructorship you had in the Communist Party training schools and the like, leadership schools, we think you have considerable information.

I am just sorry you didn't make yourself available to us prior to this particular session if your attitude is one of thorough cooperation, because we feel you have considerable information that can be of service to this Government.

Now, in 1951 you are back in the party. Tell us now the rest of your career until you became completely disassociated.

Mr. ALEXANDER. I was in the Communist Party from approximately 1951 until 1956. During this period I was working.

Mr. ARENS. Where?

Mr. ALEXANDER. Here in Chicago. I was working in various shops, a good number of them as a first machinist and then a tool and die maker. To become a good tool and die maker you have to work in a lot of shops, believe me.

In 1956 I resigned from the Communist Party voluntarily. Again I might say about one step ahead of being expelled for the following reasons: I was a member of local 113 at this time and a member of the Communist Party. In December of 1955 a rank-and-file movement began in local 113 aimed at the very things which the U.S. Senate is now trying to embody in legislation, clean unionism, the abolition of undemocratic procedures in the local, the ending of corrupt financial practices on the part of the business agents, and so on. I voluntarily as an individual took part in this movement because I thought what now all the newspaper editorials urge, what now the Kennedy committee urges is correct.

Mr. WILLIS. What?

Mr. ALEXANDER. I will establish the connection very soon.

Mr. WILLIS. I just wanted to——

Mr. ALEXANDER. Why I left the Communist Party——

Mr. WILLIS. Local 113 is in what area of industry?

Mr. ALEXANDER. Local 113 tool and die makers union.

Mr. WILLIS. What?

Mr. ALEXANDER. The tool and die makers local of the International Association of Machinists.

Mr. WILLIS. Oh.

Mr. ALEXANDER. I became interested in this rank-and-file movement because I felt, and a great number of other people felt in the local, with the Kennedy committee, and what the Chicago newspapers now say editorially is right, that if labor is going to avoid crippling legislation it is up to the membership of the unions to take matters into their own hands in a democratic fashion and clean house. The rank-and-file movement in this union did this. So effective was the exposures to some of the practices of the business agents that all the business agents of the local voluntarily resigned and left Chicago. I participated in this rank-and-file movement. I was never a leader of it. I wasn't the very steady and consistent member of it, but because I participated in this rank-and-file movement, which has been made out by somebody, somewhere, sometime, to be an alleged Communist subversive plot, seizure of power in the union, which it most emphatically was not, because I participated in this rank-and-file movement, the club of the Communist Party to which I belonged issued, forbade me or any other Communist to participate in this rank-and-file movement.

The Communist Party then put me on suspension and said that if you participate in this rank-and-file movement any longer as you have been doing, you will be expelled from the Communist Party.

Mr. ARENS. For how long were you on suspension?

Mr. ALEXANDER. Oh, I don't think I was on suspension for more than 5 minutes.

Mr. ARENS. Go right ahead.

Mr. ALEXANDER. As soon as that happened my mind about the Communist Party was quite well made up. This was just about the time that events in Hungary were transpiring, and so on. By now things were quite clear. I quit the Communist Party because had I stayed in I would have been expelled from the Communist Party for taking part in this honest unionism, clean-up unionism, rank-and-file movement.

To me there was a clear conflict of interest there. The Communist Party branch to which I belonged I think by this time was so weak and so impotent and had become so dogmatic and so removed from the membership of the union that they took what I think was a very mistaken position. They took the position that Al Hayes represented the best section of the labor movement, that there was an internal political struggle going on in the labor movement.

Mr. ARENS. This committee is not interested in the internal struggles of any particular labor organization. We are interested solely and exclusively in Communists, Communist activities, the Communist Party, the Communist conspiracy, and the like.

Mr. ALEXANDER. I am trying to establish simply by this testimony that the rank-and-file caucus movement in local 113 was not, as has been alleged, a part of the Communist conspiracy at all. Quite the contrary, I was going to be expelled from the Communist Party because I participated in it.

Mr. ARENS. You were expelled in 1956?

Mr. ALEXANDER. I was not expelled. I resigned before I could be expelled, let's put it that way.

Mr. ARENS. When did your connection with the Communist Party terminate?

Mr. ALEXANDER. 1956.

Mr. ARENS. Did you participate in Communist Party activities after 1956?

Mr. ALEXANDER. No.

Mr. ARENS. You are confident of that?

Mr. ALEXANDER. I did not. I did not. I attended many Socialist affairs for 6 months or a year after leaving the Communist Party. I still was hopeful that a leftwing movement might be reconstituted in this country. I attended meetings of various Socialist groups that were attempting to do something of this sort. But I never attended any meetings of the Communist Party for members of the Communist Party only. I am certain that if I put in an appearance at the door I would have been excluded.

Mr. ARENS. Are you now completely, irrevocably, against the Communist Party?

Mr. ALEXANDER. That again, I am not trying to dodge the answer to that question. Yes. I am against the Communist Party. But that is a big question. I happen to be writing a book about my attitude on that question. So far I have written 150 pages, and I am not near done, so I can hardly hope to do justice to it.

Mr. ARENS. Do you care to tell us whether or not you are still a Marxist?

Mr. ALEXANDER. No, I am not.

Mr. WILLIS. Let us take a recess for 10 minutes at this point.

(Subcommittee members present: Representatives WILLIS and JOHANSEN.)

(A brief recess was taken.)

(Subcommittee members present: Representatives WILLIS and JOHANSEN.)

Mr. WILLIS. The subcommittee will please come to order.

Counsel may proceed.

Mr. ARENS. Now, for the next several minutes I should like to inquire respecting some of your own functions and activities in the Communist Party. Did you ever teach in any leadership training school in the Communist Party?

Mr. ALEXANDER. Yes, certainly.

Mr. ARENS. Where?

Mr. ALEXANDER. In the Seattle, Wash., area when I was educational director; possibly in California. I can't quite remember.

Mr. ARENS. What did you teach, what courses?

Mr. ALEXANDER. I can't remember the specifics. As educational director of the district organization I was the director of the district party training school. I probably taught several courses, but after 11 years I can't remember the specific titles of them.

Mr. ARENS. Can you remember any of the courses which you taught?

Mr. ALEXANDER. I can't remember specifications.

Mr. ARENS. Did you teach any courses on revolution, techniques of revolution, or were these public courses?

Mr. ALEXANDER. I taught courses on Marxism, Leninism, certainly.

Mr. ARENS. And over what period of time did you teach Marxism and Leninism?

Mr. ALEXANDER. I am certain scattered through the period from 1940 to 1948 I taught some courses many times, oh, many times that I can't recall the individual dates or titles or courses.

Mr. ARENS. Now, your disassociation from the Communist Party did not thus far from your explanation include a disassociation from the ideology of communism. Have you disassociated yourself or have you developed an antipathy to the ideology of communism; namely, that there is no God, that we are controlled by materialistic forces, that there must be a world revolution? Are you disassociated from the ideology of communism?

Mr. MARKS. Are you talking about now?

Mr. ARENS. I am talking to the witness, if you please.

Are you disassociated now from the ideology of communism?

Mr. ALEXANDER. Honestly, Counsel, I disassociated myself now from the ideology of communism but I could not state as a person who tried to read some books in my life that your descriptions of the ideology of communism—I don't believe that to be quite exact or fair—although I do dissociate myself from the conception of ideology of communism that I had gotten from some 20 to 25 years of study of it and a great number of other subjects.

Mr. ARENS. Have you been educational director of the Communist Party for the State of Illinois?

Mr. ALEXANDER. No.

Mr. ARENS. What have you done in educational work in the State of Illinois?

Mr. ALEXANDER. Nothing that I can recall. In the State of Illinois, as I stated, way back in 1934 or 1935 I was not an official of the Communist Party or the Young Communist League, and when I was a member of the Communist Party of the State of Illinois from approximately 1951 to 1956, having recently been reaccepted into the Communist Party, I was certainly not a leader of the Communist Party.

Mr. ARENS. Was your acceptance in the Communist Party at your solicitation?

Mr. ALEXANDER. Yes. Having been accused of personal dishonesty by the Communist Party in 1948, perhaps quixotically, looking back on it I was very anxious to clear my own record and my own conscience but I felt it was the wrong way to do so.

Mr. ARENS. Did you become cognizant of the Communist in the 1950's—of the treachery of the Communist operation?

Mr. ALEXANDER. Well, in 1956, when I left the Communist Party, as I say, I left it because there was a clear conflict of interest between the membership of local 113 and the rank-and-file caucus of 113 and the Communist Party. That is why I left.

Mr. ARENS. Were you cognizant of the control of the Communist Party of the United States by the Kremlin?

Mr. ALEXANDER. That control, again, Mr. Chairman, that is a simple word which covers up a complex problem. One of the reasons why I left the Communist Party was because I felt that the Communist Party in the United States attempted much too much to pattern itself upon policies formed by the Soviet Communist Party and that the Soviet Communist Party attempted too much to a great extent to guide the policies of the American Communist Party.

Mr. ARENS. Were you cognizant of the——

Mr. ALEXANDER. As a consequence, the American Communist Party became futile and ineffective.

Mr. WILLIS. May I ask a question at this point?

Along the lines of direction and control of policies of the American party by the Soviets, and picking up your thoughts with reference to the policy of the American Communist Party during World War II, when there was a common fight, as you said,

against fascism, I would be interested to have as frank a statement from you as——

Mr. ALEXANDER. Certainly.

Mr. WILLIS. As you would kindly inform us on what was the policy of the Communist Party during the Korean war as to righteousness of our cause or what was the official line? Would you care to talk about that?

Mr. ALEXANDER. Would you please refresh my memory about the year of the Korean war?

Mr. WILLIS. The Korean war was June 1950, I think it started, and lasted a year or so. You were not in the party?

Mr. ALEXANDER. I was not in the party in 1950; no. I rejoined in approximately 1951 or 1952.

Mr. WILLIS. The war was on to 1953, actually. Do you have any knowledge on that, because we have our own opinions on it and we have some executive information that we received in the committee and I am curious to know if you have any judgment on that.

Mr. ALEXANDER. I have knowledge, not expert knowledge, because I was not a leader of the Communist Party at that time. My knowledge of Communist Party policies is based on the same sources as your own publicly printed statements and so on.

Mr. WILLIS. What is your knowledge?

Mr. ALEXANDER. My knowledge of it is that the Communist Party opposed the position of the American Government in entering that war and felt that the North Koreans represented the trend among all the colonial peoples of the world toward their national independence and that the United States was intervening against themselves on the side of a rather reactionary and corrupt old gentleman by the name of Syngman Rhee, who the people of South Korea didn't like any better than the people of North Korea, who himself was what we attempted to call a Fascist dictator.

I think that was the position of the Communist Party at that time. I am not stating that that is my opinion or my position at the present time. I am not stating that it is or isn't. You simply asked me to state what I remember of the position of the Communist Party at that time.

Mr. JOHANSEN. Mr. Alexander.

Mr. ALEXANDER. Yes, sir.

Mr JOHANSEN. I understand you to testify that the party, at least because of the guidance, I think was the word you used, of the Kremlin in the affairs of the Communist Party of the United States being too extensive, in consequence of that the Communist Party of the United States became futile and ineffective.

Mr. ALEXANDER. Yes, sir.

Mr. JOHANSEN. In respect to what goals or objects or purposes did you feel that it had become futile and ineffective?

Mr. ALEXANDER. I thought it became futile and ineffective in regard to the goals for which I joined it, and that was social progress and advancement of democratic rights in the United States, the creation of a more equitable social and economic order in the United States. I think that the Soviet Communist Party having no firsthand knowledge of the American political scene was in a very poor position to make suggestions to American Communists about what political strategy and so on they should employ and that the American Communists were very ill advised in, so to speak, hanging on the word of every Pravda and Izvestia editorial that came out to try to catch the latest slant and how they should apply that to the American situation. And the ideals for which I joined the Communist Party were effective social progress, work for social legislation, the unifying of the labor movement and all the liberal people in the United States to achieve these immediate goals and a more equitable social order.

I think the Communist Party went way off the track because the way, for example, the new social order had been achieved in Russia or in China, I don't think has hardly any relevance to the United States with its constitutional form of democracy, and that is the only way, the only effective way of making improvements in the social and economic order of the United States which I do think, could bear improvement, and I think everybody could agree, I don't think that Russians or Chinese can be of much help to anybody in understanding how to improve our setup here under our type of government. Our type of government, they just haven't been brought up, they are not familiar.

Mr. ARENS. Are you cognizant of the fact that in the ascendancy of communism in Soviet Russia an estimated 20 million human souls have been liquidated, crushed?

Mr. ALEXANDER. I don't know the exact number. I am certainly cognizant of the fact that millions of people have suffered very deeply and many have been illegally murdered in the Soviet Union. That is one of the reasons why I quit the Communist Party.

Mr. ARENS. Are you cognizant of the fact that in Red China an estimated 40 million human lives have been snuffed out in the ascendancy of this force known as communism?

Mr. ALEXANDER. I am no expert on China and I don't know whether that is true or not. I might say this—that all——

Mr. ARENS. What is your estimate on the number of human souls that have been destroyed in Red China?

Mr. ALEXANDER. I have no estimate. I have no way of estimating at all.

Mr. ARENS. Have you any doubt but what millions of human souls have been destroyed by this force known as communism in Red China?

Mr. ALEXANDER. It is highly possible and I am opposed to those methods of bringing—may I answer?

Mr. ARENS. Are you cognizant of the fact right now, while I am talking to you, in Red China——

Mr. ALEXANDER. May I finish answering?

Mr. ARENS. They have a system known as the spread eagle where they take people who are against the regime and they tie one hand to a horse, another hand to a horse, their head to a horse, a foot to a horse, and the other foot to a horse, and then they pull them bodily apart. Are you cognizant of that going on now in Red China?

Mr. ALEXANDER. I have no expert knowledge of these facts.

Mr. ARENS. Are you cognizant——

Mr. ALEXANDER. I have read in the newspaper and I have no way of evaluating.

Mr. ARENS. Are you cognizant of the fact that Stalin, who over the course of a generation was the leader of this force of communism, was by his own colleagues, the present leader Khrushchev, condemned as one who was brutal, a murderer, who destroyed hundreds of thousands of his colleagues in the ascendancy of this force in Soviet Russia? Are you cognizant of that fact?

Mr. ALEXANDER. Very cognizant of it. That is why I left the Communist Party.

Mr. ARENS. Are you cognizant of the fact that Khrushchev, the present leader of the Kremlin, is dripping in blood, that during the regime of Stalin, Khrushchev had charge of liquidation of an estimated 8 to 10 million of the Kulak class that he just mowed down, had mowed down and destroyed as a Kansas farmer would wheat? Are you cognizant of that fact?

Mr. ALEXANDER. I am cognizant of all the brutalities committed by the Stalin regime. That is why I left the Communist Party.

Mr. ARENS. Are you cognizant of the fact——

Mr. ALEXANDER. I have no expert knowledge of any of these questions.

Mr. ARENS. Are you cognizant of the fact that that same force is the force that has been let loose of which you were a part and parcel for 20 years in this country, under whose flag you have protection?

Mr. ALEXANDER. Mr. Chairman, I recall that the first question along this line of questioning I did not finish answering when counsel interrupted me. I would like that first question restated so I might finish answering.

Mr. ARENS. Let's finish this question first and then go back to it. Are you cognizant of the fact that you have dedicated 20 years of your life to the promotion, the development, and the activity of this awful force on the soil of the country under whose flag you have protection?

Mr. ALEXANDER. Mr. Chairman, I will be glad to answer this question after I finish completion of the first question.

Mr. WILLIS. Yes.

Mr. ARENS. Complete your answer.

Mr. WILLIS. I think he is entitled to have that first question read, if that is what he wants.

Mr. ARENS. Which question is it you are in doubt about?

Mr. ALEXANDER. I think it was the first in this line of questions. It had something to do with Red China.

Mr. ARENS. Yes. Are you cognizant, in a word, of the horror now in vogue in Red China?

Mr. ALEXANDER. Mr. Chairman, I would request that the question as stated in the record be read back.

Mr. WILLIS. I think you remember it substantially, don't you?

Mr. ALEXANDER. I am not certain.

Mr. ARENS. The essence of it, then, I shall now repeat, are you cognizant of the fact that in Red China now they are separating families, that they are digging up the graves of the ancestors to use them for fertilizer, they are taking those people who are no use any longer to this machine and killing them off as you and I might slaughter hogs, all for the purpose of the ascendancy of this force in its awful terrorism, the like of which this planet has yet to see? Are you cognizant that now in Red China——

Mr. WILLIS. Let him answer that question fully, Counsel.

Mr. ALEXANDER. Mr. Chairman——

Mr. ARENS. Go ahead and answer it.

Mr. ALEXANDER. Mr. Chairman, I am advised by my counsel that I have the right to have the text of the question as originally asked to be read back to me from the record. I will be glad to finish answering it.

Mr. ARENS. If there will be an answer we will strike the question and use the question I just asked.

(The witness conferred with his counsel.)

Mr. ALEXANDER. Will you please restate it so I may answer accurately the question before.

Mr. ARENS. In essence, are you cognizant of the horror beyond human comprehension that is now in vogue in Red China?

Mr. ALEXANDER. Yes. I am cognizant of it and I am very much opposed to it. I am also cognizant of a great number of things that go on in the colonial world. I spent almost 2 years as an enlisted man in the American Army in India. I saw a great deal of all of southeast Asian nations. The first year I was in India under British rule, some 2 million people died of starvation in the streets of the city of Calcutta. Certainly I think this is a very difficult problem to solve. If you don't have rapid industrialization of these colonial countries, millions of people die of starvation each year as they used to in old China. If you do have the rapid pace of industrialization that is necessary to stop this slow daily starvation among the people of Asia and Africa, so far it appears that the only way that it has been successfully done has been through the rapid brutal methods now being used in China. I am against them but it is a genuine dilemma, believe me.

Mr. WILLIS. Pardon me. I don't want to interrupt you. We have instructions from

the Federal judge not to permit smoking during hearings.

Mr. ARENS. Are you cognizant, sir, and this is the crucial question I want to pose to you now in all sincerity, that the force which has caused the destruction of an estimated 20 million people in the Soviet Union, that has caused an estimated millions upon millions to be destroyed in Red China, the force that cut loose in Korea, the force that cut loose in Hungary, the force that now has 33 million agents over the world in this Godless, atheistic communism, which is dedicated to the destruction of this Nation under whose flag you have protection, is the same force to which you dedicated your life, your energies, your talents for 20 years?

Mr. ALEXANDER. Well, I think, Mr. Chairman, in all honesty, I would respect the staff director's description and ideals about communism. I hope that he will respect my own. I am opposed to the Communist Party.

Mr. ARENS. Would you kindly just answer that question?

Mr. ALEXANDER. It is a very bad thing. I am answering it. I answered it by leaving the Communist Party. However——

Mr. ARENS. If you want to answer it, then tell us.

(The witness conferred with his counsel.)

Mr. WILLIS. I think——

Mr. ALEXANDER. May I finish this question?

Mr. ARENS. Go right ahead.

Mr. ALEXANDER. Much as I am now opposed to the Communist Party, I don't think that the Communist Party quite fits the description staff counsel gave and I think a good number of other people think so.

Mr. ARENS. Do you think communism——

Mr. ALEXANDER. May I finish answering the question?

Mr. ARENS. Go right ahead.

Mr. ALEXANDER. I think the problem might be stated in a nutshell like this, that there are people who are opposed to—both the Communists and the committee I think have an unfortunate habit of trying to force a person either to be a Communist or a supporter of the position of, well, one might call what might be called the modern know-nothing position. I think most of the people in the United States are in the middle between the two. And I think I share that position. I am opposed to communism, but I am not so naive as to subscribe to the devil theory of history. I am opposed to communism, but by being opposed to communism I don't think that I have to become a know-nothing, a witch hunter, and that type of thing.

Mr. ARENS. We don't want you to become a know-nothing.

Mr. ALEXANDER. I think I can have an honest, dispassionate, objective, intellectual opposition to communism.

Mr. WILLIS. I understand.

Mr. ALEXANDER. Without becoming a witch hunter.

Mr. WILLIS. I think that answers the question adequately.

Mr. ARENS. Now, would you kindly tell us if you are opposed to communism, if you think it is an evil force, would you tell us, please, sir, the names of persons who to your certain knowledge are now participants as members of the Communist Party in the greater Chicago area?

Mr. ALEXANDER. You asked me knowledge of people who are now members of the Communist Party.

Mr. ARENS. Who as of 1956 when you left the Communist Party.

Mr. ALEXANDER. As of 1956?

Mr. ARENS. Yes, sir.

Mr. ALEXANDER. Mr. Chairman, I would beg respectfully to decline to answer that question because I have been going through the unfortunate experience, very possibly losing my own job, by virtue of being summoned up here because I was a Communist in the past though I am not any longer, and I am conscious while I have been freely willing to testify about myself, my own activities in conscience I can't subject anybody else to the things I have been subjected to the past few days.

Mr. ARENS. May I ask you this question?

Mr. ALEXANDER. I decline to answer any questions concerning names of other people.

Mr. WILLIS. Let him complete. He has a right to explain his declination.

Mr. ALEXANDER. Matter of conscience.

Mr. ARENS. Just a matter of conscience in his case.

Mr. ALEXANDER. Right.

Mr. ARENS. Now, if you had been a member of a narcotics ring which was selling narcotics to destroy the bodies and souls of people in the Chicago area, and you for reasons of your own had decided, "Well, this narcotics ring isn't for me, I am now decidedly opposed to it," would you come forward and tell the Government of the United States or its authorized agency the names of other persons in that narcotics ring, so that the Government of the United States might develop factual information with which to protect this society against the machinations and marauding of the narcotics ring?

Mr. ALEXANDER. Mr. Chairman, I would like your advice. I think that we are discussing subversive activities, not a narcotics ring. I believe the question would be irrelevant. Pretty hard to discuss the parallel because it is a big philosophical argument here.

Mr. ARENS. Do you feel the Communist operation in the United States today now is a vile force?

Mr. ALEXANDER. The Communist operation in America now an evil force?

Mr. ARENS. Yes, sir.

Mr. ALEXANDER. Well, hardly. I think the Communist operation now is an impotent force, a sterile force, and in my own opinion that if it were not given all the publicity that it is given by committees like this one and a few others, that within a few months the Communist Party would be reduced to the same type of sterile impotency as the Social-Labor Party, the IWW have, and they would cease to be any factor at all in America.

Mr. ARENS. Are you cognizant of the fact that the best brains and best intelligence sources in the Government of the United States undercover agencies serving in the Communist Party, indeed people who testified in these very hearings, as well as undercover agents who have been giving information to this committee, unanimously without a sense of dissent profess that the Communist operation in the United States today now is a more serious, more deadly fifth column on American soil than ever before in the history of this Nation?

Mr. ALEXANDER. I am conscious of this fact. However, being an American citizen brought up on the Bill of Rights, I have long ago decided that when it comes to questions of making up my own mind, the realm of philosophy, politics, and moral ideas, as an American and while I can read what Government experts or anybody else say, my duty is to study these problems as carefully as I can from objective sources and come to my own conclusions. In the realm of philosophy, politics, I hardly consider police agents and people of that sort as experts. I would much rather go back to the original sources of Marx, Engels, Lenin, make objective decisions for myself, whether I am for or against them. People in Nazi Germany fell into the habit of letting their minds be made up for them by the official decisions of their government. I think it has been the whole spirit of our country that you should listen to what experts in your government say but read the stuff yourself and make up your own mind for yourself and that is what I tried to do.

Mr. ARENS. Have you made a study, then, of the operations out of the consulates and embassies of this Government of espionage agents in the pay and under the discipline of the Communist conspiracy?

Mr. ALEXANDER. I have no expert information. I read the newspapers like anybody else.

Mr. ARENS. Have you made a study of the current Communist political subversion campaign?

Mr. ALEXANDER. No; I have no expert information. For the last year and a half I have been quite disinterested in politics.

Mr. ARENS. Have you made a study of any Communist colonization program, whereby they are now sending into heavy industry, people who have been trained in training schools of revolution who efface all identities of themselves for the purpose of colonizing in heavy industry? Have you made a study of that?

Mr. ALEXANDER. I have no expert information. I read what was reported in newspapers of this committee. But for the last year, a year and a half I have become much more disinterested in politics than I used to be. I have occupied myself in the field of literature and I expend most of my time writing a book so I have no expert knowledge of this.

Mr. WILLIS. Let me ask you this question, and I am not going to debate or characterize it, either way, for the information of this committee. You are aware of the fact that they use colonization without putting any interpretation on it. You are aware of that, aren't you?

Mr. ALEXANDER. Yes; I am aware of it.

Mr. WILLIS. In fact, let me ask you this, very frankly. I meant to ask you it a while ago; I am going to ask you now. With your educational background that you related, and your knowledge of theoretical communism, everything else, did you consider yourself in later years engaged in the type of work that you performed—you said you studied to be a machinist—is that something of a definition of colonization, isn't that about the type they use? If they were not one, isn't that about the thing they use, in all honesty?

Mr. ALEXANDER. No. In all honesty I could not have been colonized in 1949 when I became a machinist, because I had just been expelled from the Communist Party. The Communists had orders not even to associate with me, but I will answer about colonization as I knew it when I was a leader of the party.

Yes, certainly, a Communist urged members to go to work in important factories and things of that sort, they could persuade them to do so and the reasons for it were quite simple and obvious. There was a big unionization drive going on in this country at that time and the Communist Party was, I think it is now, judged to be true by all labor historians, the Communists played quite a big role in organizing the CIO in the beginning, although they were kicked out, and Communists made every attempt to get their members to go to work in big factories where organizations were ahead, when organizers were needed, and so on.

Mr. WILLIS. And place them in posts of leadership, and so on.

Mr. ALEXANDER. Not necessarily.

Mr. WILLIS. I think that is the essence of what we have been——

Mr. ALEXANDER. I think in all honesty the Communists are quite willing to say, "Let the weight of the chemicals fall according to their weight." If the workers would elect somebody who happened to be a Communist to an office, fine; if they wouldn't elect them, that guy wasn't doing a very good job.

Mr. WILLIS. Proceed, Counsel.

Mr. ARENS. Did you teach in your training school force and violence as a means to obtain the objectives of communism?

Mr. ALEXANDER. No.

Mr. ARENS. Does the Communist Party?

Mr. ALEXANDER. Not in America.

Mr. ARENS. Does the Communist Party stand for the overthrow of the Government of the United States by force and violence?

Mr. ALEXANDER. I don't know what the Communist Party stands for now, sir.

Mr. ARENS. Now don't equivocate with me. Did the Communist Party stand for it?

Mr. ALEXANDER. When I was a member?

Mr. ARENS. Yes, sir.

Mr. ALEXANDER. Did it stand for overthrow of the Government by force and violence?

Mr. ARENS. Yes.

Mr. ALEXANDER. No.

Mr. ARENS. Then were the 11 Communist traitors down in Foley Square convicted erroneously for advocating the overthrow of the Government of the United States by force and violence?

(The witness conferred with his counsel.)

Mr. ALEXANDER. I am sorry, sir; I don't have any legal qualifications to give an answer to that question, not a lawyer.

Mr. ARENS. You said you spoke, you taught Marxism and Leninism.

Mr. ALEXANDER. That is right.

Mr. ARENS. Lenin advocated, did he not, that in essence we must use deceit, lies, anything that will further our cause? Isn't that the essence of the technique used by Lenin and advocated by Lenin?

Mr. ALEXANDER. Well, this is one of the reasons why I resigned from the Communist Party, because writing——

Mr. ARENS. When were you taught that?

Mr. ALEXANDER. May I continue to answer that question when I am finished?

Mr. ARENS. Go ahead.

Mr. ALEXANDER. That the writing of Lenin, Lenin having been a Russian and living in Russia most of his life, were not applicable to an open democratic system such as we had in the United States. When Lenin wrote about deceit and lies and all that sort of thing, he was talking about an underground revolution, antimonarchist movement in a Czarist country, Russia. When I was in the United States Army, I know of people who employed deceit, lies, all that sort of thing, to an incredible extent, the OSS. Our American and British underground agents in occupied countries, and certainly we, when you are fighting——

Mr. ARENS. Would you kindly answer this question? It is not responsive at all to the question. You are giving a recitation.

Mr. WILLIS. I think you have given an adequate explanation.

Mr. ARENS. Now, sir, when you taught Marxism and Leninism in this leadership training school of the Communist Party, did you teach Marxism and Leninism absent, minus, without encompassing in your instructions the deceit, the lies, and the treachery that Lenin taught and advocated and wrote?

Mr. ALEXANDER. I never advocated deceit, lies, treachery. When I began to feel that the Communist Party was engaging in that sort of thing I left it.

Mr. ARENS. You taught in Marxism, Leninism out in Seattle back in the early 1940's, didn't you?

Mr. ALEXANDER. That is right.

Mr. ARENS. At that time you knew from Lenin that he taught deceit, lies, and the like, did you not?

Mr. ALEXANDER. I taught that the——

Mr. ARENS. Answer my question. Don't equivocate with me. When you taught——

Mr. ALEXANDER. What is the question, please?

Mr. ARENS. When you taught Marxism and Leninism in Seattle in the leadership training school of the Communists, did you then know that Lenin's techniques, his advocacy, his teachings encompassed and embraced lying and deceit and misrepresentation as part of the technique of communism?

Mr. ALEXANDER. I knew that to be true when operating, when Communists were working in an underground, illegal organization devoted to the overthrow of the Russian czar and that is the only way anybody has ever accomplished anything against a complete dictatorship. That is why I am so much in favor of maintaining democracy and the Bill of Rights in the United States so that I hope it will never have to have any movements that resort to lies and deceit here. People only do that when they have a complete dictatorship as our underground agents had to do.

Mr. ARENS. Did you, as of the time that you were teaching in the Lenin school, have this revulsion toward Lenins' teachings of force and violence and of deceit and treachery?

Mr. ALEXANDER. I never taught in the Lenin school, sir.

Mr. ARENS. I say when you taught in the training school.

Mr. ALEXANDER. Did I have a revulsion against lies, deceit, violence?

Mr. ARENS. Against Lenin teaching of lying, deceit, and treachery.

Mr. ALEXANDER. Yes. I had a revulsion against them. I am sure that most men in the OSS had a revulsion against the methods they had to use. They certainly would have preferred to use the kind of methods that we can use in political life in the United States under our Bill of Rights but revulsion or no revulsion they were operating in an occupied country against Hitler. They had to use them.

Mr. WILLIS. Wait a second.

Mr. JOHANSEN. Mr. Chairman.

Mr. ARENS. Do you——

Mr. WILLIS. Wait a minute.

Mr. JOHANSEN. As I understand you to testify you said that one of the reasons that you left the party was because of, and was timed to your discovery of, the advocacy and use of deceit and treachery and the advocacy of force and violence.

Mr. WILLIS. Is that right?

Mr. JOHANSEN. Is that correct?

Mr. ALEXANDER. Yes.

Mr. JOHANSEN. Was it the fact that it was used in Russia that prompted you to develop that revulsion or was it the fact that it was practiced, preached, and practiced in the United States which caused that?

Mr. ALEXANDER. Well, the use of it in Russia certainly forcibly brought it to my attention and I don't think it was used exactly in that way in the United States because the Communist Party never had government power in the United States like they had in Russia. But I certainly began to consider, for example, that my own expulsion from the Communist Party in 1948 was a rather inhuman and dishonest thing to do. I think the people who expelled me from the Communist Party knew quite well that I was not a FBI agent or a FBI accomplice and yet they called me that in order to expel me because I was a critic of theirs. I think this was dishonesty and deceit on their part, yes. But I don't think the Communist Party in the United States ever practiced it on any grand scale like they did in Russia, to the extent of having people killed and so on. They were never in power. It is an altogether different situation. I don't think the Communist Party, the Communist Party is made up of human beings, and no matter where you go, in what walk of life, the people are rather queer ducks, with a great number of brothers—ambitions and deceit, and all that sort of thing.

Mr. WILLIS. Of course, what we are interested in is information with regard to current operations and techniques of the Communist conspiracy in America.

Mr. ALEXANDER. Yes, sir.

Mr. WILLIS. As I understand, you will not reveal names of people with whom you were associated or go into those details today; is that correct?

Mr. ALEXANDER. Not today, or I am afraid at any time, sir, at least I hope not at any time. I hope I will never bring injury to innocent people. I don't think I ever will.

Mr. WILLIS. In doing so, I want to get the record perfectly straight for all purposes, and I hope your counsel will listen, in taking that position I do not recall that you have invoked any specific constitutional provision. You do it on the basis of conscience; is that correct?

(The witness conferred with his counsel.)

Mr. ALEXANDER. I am declining to answer this type of question, sir, on the grounds of conscience, and on the advice of my attorneys, also on all constitutional grounds which might pertain to it, except that portion of the fifth amendment which speaks of protection against self-incrimination.

Mr. WILLIS. You do not invoke?

Mr. ALEXANDER. I do not invoke that section of the fifth amendment which offers immunity against self-incrimination. That is the only one I do not.

Mr. ARENS. Mr. Chairman, I will make this record absolutely clear because I expect to propound a very important question on this specific issue, and I invite your attention to the explanation that I want to make now of pertinency.

This subcommittee of the Committee on Un-American Activities is here in Chicago to develop factual information which will be of assistance to it in appraising the adequacy of our existing security laws and their administration, also for the purpose of accumulating information which might be of use to it in devising amendments to existing security laws to cope with the ever-changing tactics and strategy of the Communist Party. It is obvious, sir, from your testimony here, and I will say I have all kinds of exhibits I was going to display to you respecting your own Communist Party activities, information and knowledge and techniques—it is obvious, sir, that you have a fund of knowledge of current Communist Party techniques and activities in the greater Chicago area. I say by current up to and including 1956. In order for us to determine——

Mr. WILLIS. 1956 according to his testimony.

Mr. ARENS. According to his own testimony.

According to your own testimony up until 1956. Now, it is obvious that before this committee could summon persons before it, in order to solicit from them information respecting Communist Party techniques, activities and the like, we must know the identity of those persons. I therefore now am going to ask you in a moment to give this committee the names of persons who to your certain knowledge—I don't want any innocent people that you talked about—only those persons who, to your certain knowledge in 1956, were members of the Communist Party, in the greater Chicago area, so that this committee can with that information either confirm partially or in toto, other bits of information respecting those persons and their activities or summon those persons before this committee to get additional information, all for our legislative purposes of appraising the adequacy of existing legislation and its administration or to devise amendments to existing laws.

Now, sir, with that explanation, I now ask you while you are under oath to name before this committee now the names of persons who, to your certain knowledge, were in 1956 members of the Communist Party and active as Communists in the Greater Chicago area.

(The witness conferred with his counsel.)

Mr. ALEXANDER. Mr. Chairman——

Mr. ARENS. Sir, so there will be no misunderstanding on this record, after I had

just made this explanation and posed this question, you have been in consultation now with two of your lawyers; is that correct?

Mr. ALEXANDER. Correct.

Mr. ARENS. Who are appearing here with you today.

Now, would you kindly respond to the question.

Mr. ALEXANDER. Mr. Chairman, I would willingly stay here all day, all night, as long as the committee wants, to give them all information in my possession about Communist activities, Communist techniques up to 1956 when I had knowledge of these things. However, when it comes to identifying persons whom I knew as Communists up to 1956, I can't evade the point that I might cause those people to go through the same thing I have had to go through for the past few days, including possible loss of a job. Most people who were in the Communist Party at that time, as the committee well knows, have left the Communist Party, and are now opposed to it. The Communist Party, in your own words—pardon me, sir.

Mr. WILLIS. You see, permit me to interrupt you. I think I catch your point.

Mr. ALEXANDER. Certainly.

Mr. WILLIS. It is for the very statement you just made—that argument cannot possibly be accepted by us. You say, as we well know, it is meaningless today. But let us form a judgment on that by digging into and being informed as to the techniques, and so on. So do you not see it is inconsistent, very difficult, and unpleasant a task to permit a witness, not necessarily you, any witness, to talk about his activities in his own way, believing, perhaps, all that that witness is saying is true, but not giving us an opportunity to check upon the truth or falsity of the witness on the stand being questioned? And then painting a picture his way and stopping short and not permitting us to form a judgment. I am implying nothing by what I have said as to the truth or falsity of your own statement. We are now discussing a very serious question of law, believe me, and I will have to order you to answer that question for that reason; and let me say this, as I indicated, we appreciate your appearance, we appreciate your task, we appreciate the position you are in. On the other hand, here is our position: This committee has been formed many years ago. The talk about its lack of legislative purpose is not uncommon to us. We hear that all the time. We have to bear the brunt of criticism and all that goes with it. But from year to year we are directed to make a report to the Congress, and we did that just last January on the work of last year, calendar year 1958. We were reconstituted and ordered to do this job. In the reformation of the committee through its financing, as far as I know, out of 435 Congressmen, I don't think there—I really don't recall one vote against ordering us to continue our legislative purpose.

As to legislation, as the opening statement indicates, this committee has made recommendation after recommendation. Some of the most delicate and penetrating security laws for good or bad, according to the judgment of various people, have been passed, and as a result of our work. The Smith Act, the Foreign Agents' Registration Act, the Communist Control Act, as I say, for good or bad, Congress voted them. We are directed to appraise them from year to year. That is our job, which is unpleasant.

Now, when they talk about legislative purpose of this committee, let us see what it means, whether it is or is not the business of Congress to legislate upon this subject of communism.

It is a painful truth that within your and my lifetime this ideology has taken over perhaps one-fourth of the population of the earth, of the world, and perhaps in physical land mass perhaps a third or more, without firing a shot. We are in trouble today. We have to vote something like $40 billion a year for national defense—national defense against whom and what? Who are the troublemakers? Who must we defend the taxpayers against—have to bleed through the nose? The Communists, of course.

Now, anyone can, with a serious face, take an oath before this committee and say, "Well, Congress is powerless to inquire into these things; the resolution is too vague for us to talk about it." I make this lengthy statement to try to impress upon you that in ordering you to answer that question I am forced to. You go halfway—your way—without giving us an opportunity to recheck, to check on what you say. Then we are led into this blind alley, and then you have this warning. The committee appreciates the extent to which you have gone; but with this explanation I will order you to answer the question, unless, of course, you wish to take advantage of the invocation of the constitutional grounds; then it ends the matter. You have a perfect right to do it.

(The witness conferred with his counsel.)

Mr. ALEXANDER. May I consult with counsel on this? It is obviously a serious matter.

(The witness conferred with his counsel.)

Mr. ARENS. Mr. Witness, so I just pose a question to you, and your counsel might well listen because we want this record to be absolutely clear.

Mr. ALEXANDER. There is a question pending.

Mr. ARENS. I want this to go on the record now.

Do you understand, Mr. Witness, that your declination is not accepted by the committee and that the chairman of this subcommittee has ordered and directed you to answer the outstanding principal question? Do you understand that?

Mr. MARKS. Yes.

Mr. ALEXANDER. I understand.

Mr. WILLIS. I am required to make that order under the decisions of the Supreme Court.

Mr. ALEXANDER. I understand that. I think you have been respectful of my sincerity and I am certain respectful of yours, sir.

(The witness conferred with his counsel.)

Mr. ALEXANDER. Mr. Chairman, I respectfully must decline to answer on the grounds of conscience. In doing so I invoke all constitutional grounds for refusing to do so, including, but not limited to, the first amendment and the due process clause of the fifth amendment relating to scope of this inquiry and the power of the committee and the pertinence of the questions. There is only one constitutional ground that I am not invoking and that is the privilege against self-incrimination.

Mr. ARENS. Now, sir, just so the record can be so clear it will be ludicrous to say it is not clear, you have just conferred with your two counsels, have you not, before you gave that response?

(The witness conferred with his counsel.)

Mr. ALEXANDER. Yes, certainly.

Mr. ARENS. And you have set forth the grounds for your refusal after your consultation with them, indeed, I believe you have read it after you have prepared the exact answer, is that correct?

(The witness conferred with his counsel.)

Mr. ALEXANDER. I decline to answer that question. I think it is irrelevant. The matter of the lawyer-client privilege is involved.

Mr. ARENS. All right. You still understand, now, do you not, that the committee as of this instant is continuing to insist upon the information, it is not accepting your declination? Do you understand that?

(The witness conferred with his counsel.)

Mr. ALEXANDER. I understand that and I hope that I will stand by my position for the rest of my life.

Mr. ARENS. Mr. Chairman, I respectfully suggest that will conclude the staff interrogation of this witness.

Mr. WILLIS. The witness is excused.

Because of the foregoing, the said Committee on Un-American Activities was deprived of an answer to a pertinent question propounded to the said Edwin A. Alexander, relative to the subject matter which, under Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 7 of the 86th Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the question, namely:

"Now, sir, with that explanation, I now ask you while you are under oath to name before this committee now the names of persons who, to your certain knowledge, were in 1956 members of the Communist Party and active in the greater Chicago area." which question was pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid question deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Other pertinent committee proceedings

The following resolution was adopted at the organizational meeting of the Committee for the 86th Congress, held on the 23d day of January 1959:

"Be it resolved, That the chairman be authorized and empowered from time to time to appoint subcommittees composed of three or more members of the Committee on Un-American Activities, at least one of whom shall be of the minority political party, and a majority of whom shall constitute a quorum, for the purpose of performing any and all acts which the committee as a whole is authorized to perform."

The following is an extract from the minutes of an executive session of the subcommittee of the Committee on Un-American Activities, consisting of MORGAN M. MOULDER, chairman, EDWIN E. WILLIS, and AUGUST E. JOHANSEN, held on the 3d day of June 1995, in room 225, Old House Office Building, Washington, D.C.:

"The subcommittee was called to order by the chairman of the full committee who stated the purpose of the meeting was to consider what action the subcommittee should take regarding the refusal of Edwin A. Alexander to answer material questions propounded to him in the course of the hearings conducted by the said subcommittee in Chicago, Ill., beginning on the 5th day of May 1959, and what recommendation it would make regarding his citation for contempt of the House of Representatives.

"After full consideration of the testimony of the witness, given at the said hearing in Chicago, Ill., a motion was made by Mr. JOHANSEN, seconded by Mr. WILLIS, and unanimously carried, that a report of the facts relating to the refusal of Edwin A. Alexander to answer material questions before the said subcommittee at the hearing aforesaid, be referred and submitted to the Committee on Un-American Activities as a whole, with the recommendation that a report of the facts relating to the refusal of said witness to answer material questions, together with all of the facts in connection therewith, be referred to the House of Representatives, with the recommendation that the said witness be cited for contempt of the House of Representatives for his refusal to answer questions therein set forth, to the end that he may be proceeded against in the manner and form provided by law."

The following is an extract from the minutes of an executive session of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman; Hon.

CLYDE DOYLE; Hon. EDWIN E. WILLIS; Hon. GORDON H. SCHERER; and Hon. AUGUST E. JOHANSEN, held on the 3d day of June 1959, in room 225, Old House Office Building, Washington, D.C.:

"The report of the facts relating to the refusal of Edwin A. Alexander to answer material questions was submitted to the committee, upon which a motion was made by Mr. DOYLE, seconded by Mr. SCHERER, and unanimously carried that the subcommittee's report of the facts relating to the refusal of Edwin A. Alexander to answer material questions before the said subcommittee at the hearing conducted before it in Chicago, Ill., on the 6th day of May 1959, be, and the same is hereby, approved and adopted, and that the Committee on Un-American Activities report and refer the said refusal to answer questions before the said subcommittee, together with all the facts in connection therewith, to the House of Representatives, with the recommendation that the witness be cited for contempt of the House of Representatives for his refusal to answer such questions, to the end that he may be proceeded against in the manner and form provided by law."

Mr. WALTER. Mr. Speaker, I offer a privileged resolution (H. Res. 375) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Edwin A. Alexander to answer questions before a duly constituted subcommittee of the Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the Northern District of Illinois, to the end that the said Edwin A. Alexander may be proceeded against in the manner and form provided by law.

Mr. WALTER. Mr. Speaker, I yield to the gentleman from Missouri [Mr. MOULDER].

Mr. MOULDER. Mr. Speaker, the subcommittee appointed by the chairman of our full Committee on Un-American Activities met in Chicago on May 5 of this year. The hearings in Chicago were in furtherance of a project of this committee on current techniques of the Communist conspiracy in this country and the strategy and the tactics of the Communist Party and its work in this country in attempting to infiltrate into and control some labor organizations engaged in work essential to our national security. At the hearing held in Chicago on this date the witness, Edwin A. Alexander, refused to answer this question. I want to say first that the committee made a long statement—that is, I did, as chairman—explaining to this witness the purpose of the hearings and the information we were seeking in order to help us legislate on this important problem. And, among many other questions, we asked this witness as follows:

Now, sir, with that explanation, I now ask you while you are under oath to name before this committee now the names of persons who, to your certain knowledge, were in 1956 members of the Communist Party and active as Communists in the Greater Chicago area.

The witness refused to answer, claiming not the constitutional provision of protection from self-incrimination, but instead he claimed that his conscience would not permit him to answer the question. Our report shows many other important questions he refused to answer. We feel that this witness is clearly in contempt of the Congress, and we urge that he be cited for contempt.

Mr. WALTER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WRIGHT BROTHERS DAY

Mr. MARTIN. Mr. Speaker, I offer a resolution (H.J. Res. 513) and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the 17th day of December in each year is hereby designated as "Wright Brothers Day", in commemoration of the first successful flights in a heavier-than-air, mechanically propelled airplane, which were made by Orville and Wilbur Wright on December 17, 1903, near Kitty Hawk, North Carolina. The President is authorized and requested to issue annually a proclamation inviting the people of the United States to observe such day with appropriate ceremonies and activities.

Mr. MARTIN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendments offered by Mr. MARTIN: On page 1, line 3, strike out "in each year" and insert "1959", and on page 1, line 9, strike out the word "annually" and amend the title by striking out "in each year" and inserting "1959".

The amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "Designating the 17th day of December 1959 as 'Wright Brothers Day'."

A motion to reconsider was laid on the table.

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, December 17, 1903, was an eventful day in the history, not alone of our own country, but of the world. This date marked the beginning of a revolution in the transportation methods of the civilized world. It was on this day that the Wright brothers, Wilbur and Orville, made the first successful flights in a heavier-than-air, motor-driven aircraft near Kitty Hawk, N.C.

This historic event has not until now been officially observed as a national day of recognition for the great achievement of the Wright brothers. The resolution which I have introduced authorizes and requests the President of the United States to issue a proclamation inviting the people of our country to observe the anniversary date this December 17 with appropriate ceremonies and activities.

The resolution was presented at the suggestion of the National Aeronautic Association.

The accomplishment of the famous Wright brothers was far more than a personal triumph. It placed our country in the front ranks of a worldwide change in transportation methods. It drew the continents of this planet closer together, so that today they are only hours apart instead of days or weeks. It is therefore most appropriate that the men whose genius made this revolution possible should be memorialized on the anniversary day of their success.

I have been joined in this endeavor by the gentleman from Ohio [Mr. SCHENCK], who represents Dayton, where the Wright brothers lived, entered business together, developed their idea for a flying machine, and conducted their early experiments.

In making possible the expeditious consideration of this resolution, I wish to acknowledge the splendid cooperation of our beloved Speaker, the majority leader, my good friend Mr. MCCORMACK; Chairman CELLER of the Judiciary Committee; Mr. MCCULLOCH, the ranking minority member, and all the members of the Judiciary Committee which unanimously reported the resolution.

I believe the Nation will profit by its demonstration to the world that the country honors the enterprise and the genius of two American men whose faith in heavier-than-air flight changed the pattern of our lives.

Mr. SCHENCK. Mr. Speaker, I want to express my appreciation to the House and to my good friend, the gentleman from Massachusetts, for the action today in approving H.J. Res. 513. I joined with my distinguished colleague, the gentleman from Massachusetts [Mr. MARTIN], in introducing an identical resolution known as H.J. Res. 514.

The adoption of this resolution will be especially pleasing to all the folks of our Third Congressional District in the Great Miami Valley and in particular to the citizens of the city of Dayton. Dayton has become known and acclaimed all over the world as the birthplace and cradle of aviation. Some of the most outstanding and significant developments in the entire field of aviation have had their origin and development in Dayton since the Wright brothers built their first successful airplane there. This airplane, the first one ever to fly, was powered by a very small engine and it is now displayed with great honor in the Smithsonian Institution.

The Wright brothers operated a bicycle shop on West Third Street in Dayton and it was my privilege to know them personally. As a boy I took my bike to them for service and repair.

Dayton and our Miami Valley are proud of the great achievements of Orville and Wilbur Wright and have honored them on many occasions. The anniversary of powered flight is observed

each year with a significant celebration on December 17. Noted figures in the aviation field have come to Dayton for this meeting and last year we were honored to have Mr. Elwood R. Quesada, Federal Aviation Administrator, as the principal speaker.

The people of Dayton and its civic bodies have recognized the achievements of the Wright brothers not only in gatherings such as this, but also in naming landmarks after the famous brothers. A monument to the memory of the Wright brothers overlooks Wright Field at the Wright-Patterson Air Force Base. Orville Wright School is located on Wright Avenue, and a high school is named for Wilbur Wright.

It is indeed fitting to give national recognition to the Wright brothers on the anniversary of their first powered flight, and I hope that the whole Nation will celebrate the occasion as we do in Dayton.

FEDERAL-AID HIGHWAY ACT OF 1959

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 372 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Public Works. Amendments offered by direction of the Committee on Public Works may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, and the previous question shall be considered as ordered on the bill to final passage without intervening motion, except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 372 provides for the consideration of H.R. 8678, which would amend the Federal-Aid Highway Acts of 1956 and 1958 and would make certain adjustments in the Federal-Aid highway program. The resolution provides for a closed rule that would permit amendments by the direction of the Committee on Public Works, and 2 hours of general debate.

H.R. 8678, which consists of two titles, is designed to provide a solution to some of the most pressing problems relating to our Federal highway program and to maintain this program on schedule for the next 2 years.

Title I of the bill amends the Federal-Aid Highway Act of 1956 by decreasing the authorization for fiscal year 1961 by $500 million. It amends the Federal-Aid Highway Act of 1958 by giving approval to the estimate of cost of completing the Interstate System as the basis for making the apportionment to the States of the funds authorized for the Interstate System for fiscal year 1962.

The committee has a committee amendment which it will offer under the rule and which will be voted on separately declaring it to be the intent and policy of the Congress to reimburse equitably either in money or in mileage each State for every portion of a toll or free highway, bridge, or tunnel within that State which is on the Interstate System, the construction of which has been completed subsequent to August 2, 1947, or which is either in actual use or under construction by contract, for completion, awarded not later than June 30, 1957.

Title II is designed primarily to provide additional revenue for the Federal-Aid highway program which is financed through the highway trust fund. Without legislation providing further funds for this program, it is estimated that there would be a deficit in the trust fund by the end of fiscal year 1960 of $490 million, assuming provision is made for the payment of apportionment already made.

To meet this immediate problem, this title provides for—

First. The imposition of an additional 1 cent tax on gasoline, diesel fuel, and special motor fuels for the 22-month period beginning September 1, 1959, and ending June 30, 1961. For this period, this generally will raise gasoline and related fuel taxes to 4 cents a gallon.

Second. It also provides for the allocation to the highway trust fund of 5 percentage points of the manufacturers' excise tax on passenger cars, and so forth, and of 5 percentage points of the tax on auto parts and accessories. This allocation is to be made for the 3-year period beginning July 1, 1961, and ending June 30, 1964.

An adequate highway system is necessary to our national defense and the economic development of the Nation.

All of us will agree that we never like to impose taxes. We all look forward to the day when we can reduce taxes. We cannot, under the present fiscal condition of our Government, call upon the Federal Government to continue this program at its present level without providing further necessary revenue to finance it. We must have a sound fiscal program if we are to continue to meet the highway needs of this country and to be certain that we do not cripple the economy of our Nation by causing this great program to come to a complete halt.

I urge the adoption of the resolution so that the Members of the House may consider this important legislation.

Mr. ALLEN. Mr. Speaker, I yield to the gentleman from New York [Mr. RIEHLMAN] to extend his remarks.

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, I will definitely vote against the proposed 1 cent per gallon increase in the Federal gasoline tax. I regret that the House Ways and Means Committee finally effected a complete reversal of its previous position and decided to recommend such an increase.

Were a tax increase the only alternative to complete collapse of the highway program, my position might well be different. If the only saving alternatives were either a tax increase or the abandonment of this program to the evils of deficit financing, I would most certainly support the former. But I am convinced that neither of these is the case. I made this known to the committee and I reemphasize my belief that there are fiscally sound solutions available without placing the burden of another tax increase on the people of this country.

The solution I would like to see, and I have introduced legislation to this effect, is a cutting back of the annual appropriation for the program and an extension of the completion date. Such a program would not hamper the ultimate goals of the highway program and would neither have required an increase in taxes nor would it have necessitated dipping into the general fund of the Treasury. Nor would it penalize the taxpayer for the shortsightedness of Congress in accelerating the highway program while disregarding the solvency of the trust fund. On July 29 the Ways and Means Committee announced that it had agreed to a substantially similar program. But, on August 13 the committee did an about-face and recommended the program that was adopted Tuesday by the Public Works Committee and is being considered here today. The Ways and Means Committee has in fact reversed its position on several occasions, lending further credence to my contention that there are several sound solutions.

I have other reservations concerning this so-called temporary increase in the gasoline tax. I am afraid this will be similar to the temporary taxes levied during the Korean war which we still pay today. I fear we will be treated in 1961 to a reenactment of that familiar scene in which we hear the plea that the temporary tax must be continued if we are to save the highway program. The fear that we will have gained another 10- to 15-year temporary tax is made greater as I read the second portion of this recommended program.

In the first place, we are attempting to establish a transfer of excise taxes that will not take effect until another Congress sits in 1961. In the second place, if that Congress chose to follow our direction, we would be taking an estimated $2.5 billion out of the Treasury over a 3-year period. The statement, "we will transfer excise taxes" sounds very nice and proper, but it is just another way of saying "we are going to

dip $2.5 billion out of the general revenues." How will this $2.5 billion be made up? I doubt that other less essential expenditures will be cut back. Congress, in its characteristic search for the path of least resistance, will end up borrowing that $2.5 billion and adding it to the national debt. Should it not choose to enter into this dangerous game of transferring excise taxes, then it is certain to extend this temporary tax.

I do not believe that completion of the highway construction program by the arbitrarily set date of 1972 is of such overwhelming importance to the Nation. My position is based on the belief that the American people would prefer spreading out the highway program over a few additional years to an increase of 33⅓ percent in the Federal tax on gasoline and the expenditure from general revenues of $2.5 billion that was never intended to be spent when this program was established.

I am happy to see included in the highway bill a section declaring it to be the intent and policy of Congress to reimburse each State for highways, bridges, and tunnels included in the interstate system. I have long advocated such reimbursement and have sponsored legislation to that effect. But, I feel this intent could very well be expressed in separate legislation. The fact that it has been tacked onto this financing bill does not change my position on either the gas tax increase or the transfer of excise taxes. The bill in its entirety is still unacceptable.

We are faced with a very real and perplexing problem. The continuation of the highway program is a matter of great significance for Syracuse, for Onondaga County, and for the entire country. It is my firm conviction that there are sound solutions available that would permit this continuation. I have no doubt that the House today will adopt the bill before it, but I have no desire to be a party to that action. As long as other fiscally responsible solutions are available, I refuse to vote for higher taxes.

Mr. ALLEN. Mr. Speaker, I yield to the gentleman from Washington [Mr. PELLY] for an extension of his remarks.

A TRIBUTE TO POLITICAL FORTITUDE AND MR. HALLECK

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, yesterday the House by a 1 vote margin sustained the veto of the President of the United States on the Public Works Appropriations bill. That vote and the taking of the yeas and nays was described immediately afterwards by one of the news wire services as a stunning defeat for the Democrats. As a Republican, I probably found this political contest more exciting and worthy of comment than those on the losing side of the battle.

But, Mr. Speaker, to me the credit for this victory should not be partisan; it belongs to certain members of both parties, and here I refer to those courageous Members who stood firm for overall economy and their convictions, and to the national interest, in spite of party pressure.

In following the dictates of conscience those individuals incurred the strong displeasure of their party leaders. Great honor is due to a certain small group of Democrats, and my admiration goes also to the Republicans who put principles over personal advantage. Here I refer to those who voted to sustain the President's veto, even though one or more of the unbudgeted projects objected to by the President was in their district and would be eliminated.

So, Mr. Speaker, I raise my voice in a sincere tribute to those of our colleagues on both sides of the aisle who displayed such political fortitude yesterday. Some say in Congress, to get along a Member should go along—meaning go along with one's party and leaders. But to me, going along with a Member's convictions and conscience is what constitutes success, and the profiles of courage that stood out yesterday were certainly gratifying.

I have one other comment, Mr. Speaker, arising from the Republican victory yesterday. The Washington Post this morning described the way our minority leader marshaled his forces and how every time the Democratic leadership persuaded one of its members to switch his vote the minority leader would send one of his members to offset it.

Again, the gentleman from Indiana [Mr. HALLECK], demonstrated his talent for winning floor fights and legislative battles.

The record of this session in the House in my opinion will go down in history as a tribute to his leadership.

In their wisdom the American people in 1958 saw fit to put a Republican in the White House and a large Democratic majority in control of Congress. Had not the minority in the House had such an able leader the result could have been tragic, it seems to me, in many ways. However, the President and the people of this country are fortunate. Under our system we need skillful political figures and as such it is not only the members of his party who remain indebted to the gentleman from Indiana [Mr. HALLECK], but all Americans can be thankful for the fact that to a large degree the program of the President has been enacted and administration policies sustained.

Mr. ALLEN. Mr. Speaker, I yield 9 minutes to the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Speaker, in the final analysis, the primary consideration of this Congress in the matter of new roads is to see to it that as many miles of new highways are constructed in the right places as rapidly as possible with the funds made available.

Any other consideration is secondary at this time when we are losing 36,000 American lives a year to traffic accidents.

This tragic total is expected to rise steadily in the years ahead unless our interstate highway construction program continues at its scheduled rate as a minimum.

Traffic accidents cost us $6.5 billion last year, or 12.5 cents for every gallon of gasoline consumed on our highways. completion of the Interstate System will save, at a minimum, 7,400 lives a year and will reduce property damage by some $1.3 billion.

In other words, investment in the Interstate System is going to save us $1.3 billion a year plus saving 7,400 lives. This is certainly the most profitable, the most worthy investment which our Federal Government can make on behalf of all the people of the United States. This is the most essential of all our domestic public works projects.

But in our consideration today of H.R. 8678 to amend the Federal Aid Highway Acts of 1956 and 1958, we are faced with consideration of an amendment which I feel will provide thousands of our citizens with a detour to oblivion.

This amendment of section 104 of the proposed highway bill would change section 114 of the Highway Act so that a policy of reimbursement to toll road States would be established.

On that point, I just hope the Members of the House when they vote on this particular bill this year will keep in mind the remarks I am making today, that the proponents of the reimbursement program will put on their push next year, and see if I am not right.

This reimbursement program could cost us $4.2 billion. This amount would be almost equal to 2 full years of appropriations to continue construction of our Interstate Highway System.

This would mean that 14,800 lives would be lost needlessly. This would mean that $3.2 billion in property damage would be done on our highways if our present rate of traffic accidents continues. However, all indications are that our traffic accident rate will rise—not decrease. That our traffic fatalities will go up, not down.

May I urge my colleagues to vote against this amendment. It will lead our drivers up a dead end street, a one-way trip to death.

Every cent we have available should go into new highway construction on our Interstate System. Not one cent should be diverted into State reimbursements for toll roads and other structures until such time as we have definite assurances that our Interstate Highway System will be completed as rapidly as possible.

That is the least we as Members of Congress can do for the American people. That is the least which we can do to combat the carnage and the deaths on our highways.

We should vote for the 1-cent increase in the gasoline tax. But we should reject the amendment to establish a policy for reimbursement to toll road States. There is plenty of time for us to talk about paying back those States which have toll roads as part of the Interstate System when the rest of this vital system is completed or until such time as we have assurances that enough funds are available in the Highway Trust Fund to accomplish both tasks.

Every mile of new expressways means fewer fatalities, fewer crippling injuries, fewer hospital bills and fewer hours lost at work.

Let us not divert highway funds up blind alleys. Let us build roads where they are needed as rapidly as possible.

Mr. Speaker, I am sure the American people do not want Congress to pass the emergency highway act to increase gasoline taxes with this reimbursement provision included. We know full well that in 1960 the proponents of this particular provision will push to reimburse about eight States to the extent of $4.2 billion, with what I term pork barrel funds.

You are actually trading death for dollars. What you are actually doing is bailing out a lot of bondholders who have invested their money in these toll roads when frankly I believe our endeavors should be directed to building an Interstate Highway System and not making it a program of reimbursing already established toll roads.

I am not against reimbursement, for Michigan would get $195 million, but I do not believe this is the time when we should burden our interstate highway program with this added expense—not at least until the program is completed.

At this point, I would like to commend the Committee on Ways and Means and the distinguished gentleman from Arkansas [Mr. MILLS], for the fine work they have done. I think it is a very difficult thing to work out a financing program, and I think the Ways and Means Committee did a fine job, but I think the provision put in here by the Public Works Committee is very disturbing and I hope the Members will vote against it when it comes up.

Mr. FALLON. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield.

Mr. FALLON. I would like to commend the gentleman on his fine statement. I do differ with him in regard to the intent or policy of reimbursement for toll roads. This is just a statement of policy. It will have to come back to the Congress when the time comes for apportionments to be made; it will have to be decided by Congress before any money can be spent for reimbursement to any particular State for these toll roads.

Mr. BROOMFIELD. I would like to say to the gentleman from Maryland that he is eminently correct. Let us take a look at the proposed declaration of policy which was proposed by the gentleman from Minnesota [Mr. BLATNIK], and read the entire declaration to find out just exactly what the House Public Works Committee did. The last provision is the important one.

I agree with the gentleman from Maryland that legislation would have to be brought in to take care of reimbursement, but that will start next year. The section to which I referred reads as follows:

> Congress further declares that after it receives the report of the study and investigation required under section 210 of the Highway Revenue Act of 1956, and the revised estimate of cost to be submitted within 10 days subsequent to January 2, 1961, under section 104(b)(5) of title 23 of the United States Code, as supplemented by section 2 of Public Law 85-899, it will take such action as may be necessary to carry out the policy established in subsection (a) of this section.

There is no doubt that they will be in here for reimbursement next year, and I think the American people should know full well that the start made next year will mean a final spending of an additional $4,200 million.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield.

Mr. GROSS. I want to commend the gentleman for his statement in opposition to this amendment and what it will mean.

Mr. BROOMFIELD. It is a real political boondoggle; I will tell you that.

In my opinion, the proposed amendment to section 114 is completely unacceptable and has no place in this bill at this time. We should keep uppermost in our minds that every mile we add to our Interstate Highway System means lives saved in the future. That is our primary consideration, not that the Federal Government bail out bondholders who would stand to gain if this policy in section 114 should be carried out by Congress and become law.

In addition, we are faced with the prospect of an even greater Federal giveaway with no returns if this provision should become law. After the Federal Government reimburses these States for their toll roads, what would prevent these same States from continuing to collect tolls? Not a thing. In other words, these States would collect money with both hands. They would charge drivers who use these roads for the privilege of driving on them. They also would charge the Federal Government a multibillion price for the privilege of including these roads in the Interstate System.

A few States would be rolling in road money. The rest of the Nation would be suffering even more than it is now from inadequate roads, high fatality rates in traffic accidents, increased traffic congestion and the clogging of the main arteries of transportation for business and pleasure.

We should defeat this reimbursement amendment. We should build roads, not bank accounts for a select few States.

Mr. ALLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. CHAMBERLAIN. Mr. Speaker, I rise to voice my opposition to the financing features of the legislation now before us, which I regard as discriminatory in application to our citizens, depressive in terms of economic growth, and deceitful in that it purports to be based on sound fiscal policy. In so doing, however, I want to make it unmistakably clear that my opposition is not to the highway building program, as such, but rather to the financing plan which has been proposed. I favor a realistic program of expeditious highway development, with as little abatement as possible. I also favor financing that program on a fair and equitable pay-as-you-go basis.

There are three major benefits to be derived from an adequate national highway system.

First. Such a system would be conducive to achieving the optimum in national economic potential. Commerce, agriculture, labor, and industry will all contribute to a more productive America if geographical areas in our Nation are linked by a modern highway system.

Second. We will be promoting highway safety, thereby lessening highway accidents and highway casualties.

Third. An adequate system will make a major contribution to national security both with respect to military defense and civil defense.

It is in consideration of these factors that I am such a stanch advocate of highway development.

But, Mr. Speaker, as essential as these objectives may be, it is also essential that they be attained within the financial framework of fair and equitable taxation that does not thwart economic growth and that meets the criterion of fiscal responsibility. I respectfully submit, Mr. Speaker, that the bill before us does not meet the tests of fairness and equity, would thwart economic growth, and is fiscally irresponsible.

The legislation proposes a small, temporary reduction of the highway program. It also provides additional revenues for a temporary period by increasing the tax on gasoline by 1 cent a gallon. In addition, the legislation before us undertakes to pledge, on the expiration of the temporary increase in the gasoline tax, one-half of the excise tax on automobiles and five-eighths of the excise tax on auto parts and accessories. To me, this is the most incongruous part of the whole proposal.

As Members of the Congress know, I have frequently expressed my opposition to the war-imposed excise taxes on the floor of the House. I still oppose them and I protest most vigorously this attempt to cement them into the law in such a way that they cannot be reduced or repealed.

It is my privilege to represent the Sixth Congressional District of Michigan which is the heart of the greatest automobile manufacturing area in the world. The industrial capacity and economic health of this area is essential not only as a matter of local concern but is also of concern in terms of national growth and national defense potential. Almost 1 million of our employed citizens work in automobile, automotive parts and automotive tire factories. An additional 9 million people derive their employment from other phases of highway transportation. In other words, the employment of approximately 1 out of every 7 is connected directly or indirectly with automotive transportation. Automotive factories are major consumers of steel, glass, textiles, rubber, and minerals. It is essential that our automotive industry prosper and grow if our domestic economy generally is to prosper and grow. By earmarking the automotive excises for the highway trust fund we are practically assuring the permanence of these taxes which were originally imposed to retard automobile production for war purposes.

Mr. Speaker, I respectfully submit that instead of making these taxes permanent we should be striving diligently for their earliest removal. The repeal of the automotive excise taxes would greatly stimulate automobile

sales, automobile production, and automobile employment. This expansion in the automotive industry would likewise create an expansion in the basic supporting industries with a broadening of the income base, resulting in higher income tax yields. I sincerely believe that the legislation before us today will serve to thwart economic growth rather than to promote it.

I recognize that Congress is faced with a difficult and perplexing problem in its search for additional financing to maintain the Federal highway program near originally projected levels. Basically, we are confronted with a situation which was foreseeable at the time Congress waived the pay-as-you-go requirement in order to accelerate the program as an antirecession device. As far as I am concerned, there can be little question that the plight in which we find ourselves today is the direct result of what the Congress did then, for additional costs were imposed but no additional revenue was provided. As a result, we are presently faced with the specter of either providing additional financing or drastically reducing the program.

During the Korean conflict when additional moneys were needed, Congress decided to impose, for a temporary period, an additional 3 percent excise tax on automobiles, and auto parts and accessories. While this was clearly meant to be a temporary tax, it has been extended in each succeeding year and surely our memories are not so vague that we cannot recall just 6 weeks ago we extended the tax until June 30, 1960. The principal justification for this action has been that as long as there was a deficit in the general fund of the Treasury, these taxes—however undesirable—could not be reduced. Consequently, these taxes literally owe their existence to deficit financing.

Contrast, if you will, the action now being proposed with the justification previously given for retention of these taxes. The major part of these excise taxes are, on July 1, 1961, to be taken from the general fund of the Treasury and applied to the needs of the highway trust fund, at least until 1964. For myself, I fail to see the logic of a plan which pledges, 2 years in advance, revenues which have heretofore been considered so essential to the economic well-being of America and to the delicate balance of the Federal budget.

Logic certainly does not support a conclusion that these revenues, heretofore sacrosanct and irremovable, are now expendable by transfer. Past experience does not suggest that we have irretrievably passed the era of unbalanced budgets; nor does present experience confirm it. Yet we are here asked to support the withdrawal of excise tax revenue from the general fund without knowledge of the demands which may be made upon that fund in the period June 30, 1961, to June 30, 1964. The proposed diversion of excise tax revenues after June 30, 1961, is nothing but fiscal legerdemain. Perhaps worse, it constitutes account juggling while blindfolded.

But this is not the only example of faulty logic in this plan. Members will recall that the Congress is scheduled to receive a recommendation from the executive branch in January 1961 with regard to additional financing of the needs of the Federal highway program. I think it is only reasonable to ask what considerations impel us, at this time, to schedule a transfer of automotive excise taxes to take effect but 6 months after the date we are to receive the recommendations of the Department of Commerce with respect to additional methods of financing the Federal highway program. Such a determination at this time by the Congress would most certainly result in a prejudgment which the executive branch would almost be obliged to include in its recommendations. As I have said, in my judgment, instead of pledging the majority of these excise tax revenues to the highway trust program, we should be reducing them.

The Ways and Means Committee has scheduled an exhaustive study of our income tax laws this fall and I have urged the chairman on several occasions to broaden the scope of this study to include consideration of the excise tax laws. If we are to have an overall revision of our tax policy, certainly a revision of our discriminatory, inequitable excises must be included. I submit that consideration should be given to a complete overhauling of the present crazy quilt excise taxes and further suggest that careful study be given to the possible merits of a general manufacturers' excise tax which would produce revenue equivalent to present excise revenues.

I am told the legislation before us increases the revenues available to the highway trust fund by approximately $3½ billion with $2½ billion of that amount coming from the linkage of the automotive excises to the trust fund. This certainly does not meet the request of the President for a self-supporting pay-as-you-go method of financing. In his recent message to Congress, the President expressed opposition to proposals that would, in the absence of foreseeable budget surpluses, divert receipts from the general fund of the Treasury that are collective by various excises on automobiles. He said that the transfer of the automobile excise taxes to the highway trust fund would only shift the problem from the trust fund to the general fund which is already in precarious balance. It must, therefore, be concluded that this legislative proposal does not meet the test of fiscal responsibility as suggested by President Eisenhower.

Mr. Speaker, if it were possible to do so under the rules of the House, I would offer an amendment to strike section 202 of the pending bill in order to preclude the transfer of these excise taxes to the highway trust fund beginning July 1, 1961. Since under the House rules I cannot propose such an amendment, I have chosen the only method available to me by which I could protest this act. Perhaps in so doing, I can focus the attention of Members of the other body on this unreasonable and illogical proposal so that they can in turn eliminate or lessen this obvious inequity to the automotive consumers of this Nation.

Because this matter does come before us under a closed rule, I find that I have but 1 of 2 choices—to vote for or against the bill. I deeply regret the limitations of this choice and it is with great reluctance that I am forced to accept these financial features which I find so objectionable in order that the highway program, which I regard as so essential to our national economy, will not be seriously interrupted or impaired.

Mr. THORNBERRY. Mr. Speaker, I yield such time as he may desire to the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Speaker, I rise in opposition to this rule and to H.R. 8678 the bill to increase the gasoline and other taxes, I am unalterably opposed to any increase in the Federal tax on gasoline. I am in full agreement with an advocate the proposal that the highway program be handled on a reduced scale and extended over a longer period of time. The General Assembly of Virginia, recognizing the problems involved in this whole matter, adopted a resolution earlier this year, calling upon the Government to extend the program from the present 13 years to 20 years. It seems to me that this is the logical way to cope with the situation.

I recognize that the highway program was put at a considerable disadvantage by the so-called speedup program which was directed last year as a means of combating the recession and for this reason, I did not feel it was a good idea at the time. The basic concept of the program enacted in 1956, as embodied in the Byrd pay-as-you-go amendment, was that the highway trust fund should take care of this—apart from the general fund and apart from the idea that taxes should be increased to take care of the deficits.

I opposed the enactment of the Federal Highway Act when it was before the Congress because I felt at the time, and still feel, that it ultimately would cost the American people far more than its supporters led us to believe. It is my feeling that roadbuilding—like a lot of other things—can best be handled by the States. I am opposed to raising the Federal tax as provided in this bill.

I am convinced that the interstate highway program has been operated in a grossly negligent and inefficient manner. The funds have been dissipated and I am not willing to add to the tax burden to pay for this kind of inefficiency—and thereby underwrite it. The Comptroller General has critically assessed the operation of the program and certainly he is in a position to know—since he is the principal auditor of the Government and an agent of the Congress. His report on this subject, released recently, called attention to the fact that the program has been hurt by "a lack of top professional leadership in financial management." He said further that the program's accounts have "numerous inaccuracies and deficiencies."

He has listed case after case of mishandling of the application of funds for the States so that the whole business has been inefficient. In the case of Virginia, I am informed that the State was able to accept far less of the Federal

money to which it was entitled because of a lack of matching funds. I am further informed that the same situation exists in other States and that a stretching out of the program is the approach we should take. Obviously, there are some areas where the opposite is true—where Federal funds are being used as fast as they are made available—but I do not believe that the people of the whole Nation should be forced to accept a gas tax increase to pay for it.

A good deal has been said and written about this matter but I am convinced that the vast majority of our people do not realize the magnitude of this gigantic undertaking. This is a 40,000-mile undertaking and in the beginning it was to take 13 years to complete and would require 16 years to finance. The Federal Government is paying 90 percent of the total cost estimated originally at $25 billion. The States pay only 10 percent of the total. Already the program has been expanded beyond the original concept and there is no telling where it will go. As of now it is estimated that the Federal share will be at least $36 billion.

Of course, the highway system is fine—and certainly no one would argue that the intent of the vast interstate system is good, but we must preserve fiscal solvency and fiscal common sense. We need to know where we are going and act with caution along the way.

I hope the House votes down this measure. Then we can take care of the problem by revamping the program.

Mr. THORNBERRY. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. MACDONALD].

Mr. MACDONALD. Mr. Speaker, there has been a growing concern in the Commonwealth of Massachusetts over the failure of the Congress to provide legislation to assure the continuance of the interstate highway program. As every Member of this body knows, when Congress authorized the highway construction program in 1956, and authorized annual apportionments to carry it on until its conclusion, it was thought that sufficient funds would be provided by Congress to keep the program on schedule, as the act provided.

When the Federal interstate highway program was set up by Congress we set up a separate highway fund for it. The Congress raised various taxes on motorists and directed that this money go into the highway fund. Now they tell us that this special highway fund is running short of money and that the interstate highway program will have to be curtailed next year unless something is done. This all comes about because the Federal Government found gasoline taxes easy to impose and collect and consequently has been diverting the proceeds to nonhighway uses. This state of affairs imposes a terrific burden on our highway department in Massachusetts, on the construction industry, allied businesses, the overall State economy and on motorists. The Commonwealth of Massachusetts has acted in good faith in the spirit of the 1956 act. It has presented and has set in gear a progressive program to carry out the intent of Congress as confirmed in 1957–58. I feel that unless the Congress takes definite action to continue the Federal interstate highway program, it will retard the much needed expansion of highways and expressways in the New England States that are sorely needed for the ever increasing traffic within these States.

We also know that jobs and prosperity in the highway construction industry, as well as many other industries, is at stake in the solution of this problem. Perhaps more important from the point of view of the people involved is the contribution to traffic safety which continued highway construction will make.

It seems to me that Congress has a moral responsibility to continue the interstate highway program at a level consistent with its original declaration. In order to continue this needed highway program we are being asked today to increase the Federal tax on gasoline by 1 cent per gallon for a 22-month period. This legislation also proposes to take from the general fund for a 3-year period one-half of the 10-percent manufacturers' excise tax on automobiles and five-eighths of the 8-percent excise tax on auto parts and accessories.

It might not be so bad to up the Federal gasoline tax for 1 year or so if we could feel certain that the extra penny would come off at that time. But we have seen too many taxes imposed for limited periods which never did come off. Congress just keeps extending them.

There are other ways to obtain the necessary money to finance our interstate highway program, without increasing taxes on a necessity like gasoline, which people in very modest circumstances must have these days to make a living. For example, it has been proposed that we return all the motor vehicle taxes to the special highway fund, then to balance the budget cut 1 percent from all Federal spending, except fixed charges, such as interest, veterans pensions, et cetera. This would be more than enough to fill the coffers of the highway fund and balance the budget.

While this proposal has merit I personally feel that if the Congress would reduce the 27½-percent oil depletion allowance for foreign oil imports, as I have urged many times, it would save the American taxpayers millions of dollars and thus provide the necessary $2.4 billion to finance our interstate highways program.

To illustrate, a case in point of the abuses the foreign oil depletion allowance encourages is the fabulously wealthy Arabian-American Oil Co.—Aramco. Stock in Aramco is held jointly by four oil giants—the Standard Oil Co. of California, the Texas Co., the Standard Oil Co. of New Jersey, and Socony Mobil Oil Co.

In 1955 Aramco had total earnings of $724 million. The income of Aramco pretax and with $260 million in costs and expenses deducted was $464 million. Did the United States get 1 cent of this in tax return? No. A percentage depletion allowance of $121,698,000 was granted. This still left the taxable income of Aramco at $348,257,000. At the standard 52 percent corporate rate, this would have returned $178,488,000 to the U.S. Treasury. However, due to the American tax laws that allow a 100 percent tax credit for taxes imposed by foreign governments on U.S. companies operating in their countries, the Saudi Arabian taxes amounting to $192 million were charged against what was owed the U.S. Government. In the final tabulation the U.S. Government, in a sense, owed $14 million to the company. At any rate, a tax deficit of $14 million was shown by the company.

Again, the same thing happened in 1956. Here Aramco had total earnings at $748 million. When costs of $268 million were deducted it left an income—before taxes and depletion allowance—of $480 million. The depletion allowance amounted to $127 million. This left at the 52 percent corporate tax rate a taxable base of $352 million. This would have resulted in a return to the Treasury of $183 million. However, the Saudi Arabian taxes amounted to $199 million, which left a tax deficit of $16 million in the favor of the company.

Thus, on paper, over a 2-year period, the U.S. Government ended up owing Aramco $30 million in tax credits.

Of far more vital importance, over this same 2-year period, the U.S. Treasury, due to the 27½-percent foreign oil depletion, lost a grand total of $99,266,000 in revenue.

It is well to remember that Aramco is but one company operating in the foreign oilfield. Considering all the companies profiting from this tax loophole the gain in tax revenues for the U.S. Treasury would run into hundreds of millions of dollars yearly.

Mr. Speaker, for the above reasons I must oppose the rule because it does not give the Members of this House an opportunity to vote on an amendment reducing the oil depletion allowance.

Mr. THORNBERRY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Speaker, I rise to oppose the closed rule on H.R. 8678, and to urge that the resolution be voted down so that the Members may vote to improve H.R. 8678, the highway bill.

Part of the money to pay for the Interstate Highway System set up by H.R. 8678 is to be raised by a 1-cent increase in the Federal gasoline tax. While this may pile the costs on the business and pleasure drivers on our highways somewhat heavily, at least it is fiscally responsible, in that it does not raid the general Treasury revenues.

But the method used to raise the additional $2.4 billion needed for the highway fund over the amounts raised by the 1-cent gasoline tax increase is not fiscally responsible. It diverts money from general Treasury revenues to the highway fund, counter to the self-financing philosophy of the highway fund. If we pass this provision, we are voting for unbalanced budgets and deficits in the years ahead, when what we need are balanced budgets and surpluses.

If the closed rule is voted down, I intend to offer an amendment, set forth in yesterday's CONGRESSIONAL RECORD at page 17798, which would raise the required $2.4 billion in a fiscally respon-

sible manner, without raiding general Treasury revenues. It would do so by reducing the oil depletion allowance from 27½ percent to 15 percent for those whose income from oil and gas properties exceeds $5 million a year; to 21 percent for those whose income is between $1 million and $5 million a year; it would make no reduction for those whose income is under $1 million.

If you are a conservative, I hope you will vote down this closed-rule resolution because it prevents our voting for a fiscally responsible highway bill. We need highways, but we need to fund our highway program on a sound basis.

If you are a liberal, I hope you will vote down this closed-rule resolution in order that the Members may vote on an amendment to reduce the oil-depletion allowance. It is not fair to load all the costs of the highway program on the businessman calling on his customers, the worker on his way to work, the Sunday driver out for a weekend spin.

The oil industry, by a reasonable reduction in the depletion allowance, should also help to pay for our interstate highways. We hear much about the benefits of participating in the democratic right to pay taxes. The best way to give the oil companies a feeling of participation, a sense of togetherness, is by reducing the oil-depletion allowance.

I hope the closed rule will be voted down.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Iowa.

Mr. GROSS. I am one of those who introduced a bill to decrease the oil-depletion allowance from 27½ to 15 percent. I heartily subscribe to the gentleman's argument against this closed rule, which prohibits all amendments, and I will join him in voting against its adoption.

Mr. REUSS. I thank the gentleman. I am sure the Committee on Rules can report out a rule quickly.

Mr. THORNBERRY. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. BARR].

Mr. BARR. Mr. Speaker, the approach which the committee seems to be taking in this Federal Highway Act is a matter of deep concern to me. By raising the gas tax 1 cent, even for a period of 22 months, this Congress is in effect violating the responsibility it holds under our Federal Union to give the States certain rights to solve their problems. In my opinion this increase in the gas tax is a clear violation of the financial rights of the States.

When I came to this Congress I had very little to offer the United States except a certain background in business and finance. I want to make a flat statement that it is my considered opinion that the United States of America is over the hump in the solution of many of its financial difficulties. I also want to make a flat assertion that the financial difficulties of the States and local governments are just beginning. We can hear a lot on this floor about wasteful spending, budget busting, and deficit financing, but let us just stop and take a look at the record. At the conclusion of World War II the United States of America had a total debt of approximately $275 billion. Today that debt stands at $285 billion, or an increase of about 3 percent. We have maintained this record in spite of the fact that we fought a Korean war, rehabilitated millions of veterans, and spent about $80 billion rebuilding a destroyed Western World.

On the other hand, let us take a look at what happened to the States and local communities. Their debts at the end of World War II stood at about $13 billion. Today their debt stands at $52 billion, or an increase of approximately 400 percent and, ironically, their troubles are just starting.

Barring unforeseen catastrophes, I believe that it is in the power of our Federal Government to live within its existing tax structure, or even at a lower tax rate, and still meet our needs. We are gradually shifting a portion of our mutual security program to our allies who are now in a position to take their share of the responsibility. Our defense program should give some signs of leveling off at about the $40 billion figure that we worked on this year. Our expenditures for interest, veterans' benefits, and agriculture are probably about as high as they will go in the next decade. These items comprise the great bulk of our Federal budget. With a reasonably vigorous and growing economy, living within our means should not be too difficult.

But just take a look at the picture with State and local governments. This Nation is faced with a population explosion in the next decade. It is very probable that by 1970 we will have 50 million more people in this Nation. Cost of providing schools, police protection, fire protection, local roads, and local government are unquestionably due for a tremendous increase. I would say flatly that the States and local governments will be fortunate if they can hold their debt increase to the 400 percent figure that they established in the past 13 years.

In spite of the fact that it should be obvious to all reasonable men that relatively the financial difficulties of the United States are easing off and the financial troubles of the States are only getting started, still in this bill we are moving into an area on which the States and local governments depend heavily for their tax revenues. Mr. Speaker, in my opinion this is an unconscionable and unwarranted invasion of States rights.

I am well aware that this administration insists that we must give our financial aid to many of the nations of the world that are attempting to cope with severe problems. It must be obvious to the Members of this Congress, however, that our States and cities are faced with financial problems that to me seem almost insurmountable. It is difficult for me to understand how we can go back to our constituents and tell them that we can build roads and bridges all over the world out of the existing tax structure in this country, but that if we want to build a road program that will solve our own problems, then we must get the money by invading the financial rights of State and local governments.

There is a point of diminishing returns in any tax load, and 36 Governors of this Nation are on record as stating that that point has been reached in the gas tax. Surely we will not be so irresponsible as to raise this gas tax to aggravate the financial problems of our State and local governments.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. BARR. I yield to the gentleman from Illinois.

Mr. COLLIER. Did I understand the gentleman to say that the financial condition and the indebtedness of the Federal Government is much better, comparatively, than that of the municipalities and the States?

Mr. BARR. I said, sir, that the financial problems of the United States over the next decade do not look as difficult as those of local governments. I also stated that in the last 13 years our debt has risen 3 percent; that of State and local governments has risen 400 percent.

Mr. COLLIER. Well, in that connection, if the gentleman will yield further, I know of no municipality or no State that is as far behind in paying its current obligations; and if we did not spend another dollar in this country starting right now and applied every cent of our tax revenue against the national debt, it would take us 5 years to pay off the national debt. If someone can show me any city or State that is in this sad financial condition, I would like to know which one it is.

Mr. FALLON. Mr. Speaker, will the gentleman yield?

Mr. BARR. I yield to the gentleman from Maryland.

Mr. FALLON. Is the gentleman aware that the chairman of the highway and safety committee of the Governors conference, Governor Ribicoff of Connecticut, has stated that the Governors have withdrawn their opposition against this 1-cent tax for this emergency period?

Mr. BARR. I was aware of that.

Mr. ALLEN. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. DOOLEY].

Mr. DOOLEY. Mr. Speaker, I rise in support of H.R. 8678 and I address myself to the committee amendment.

New York State acted in good faith on the basis of assurances that it would be reimbursed for those highways which it constructed with its own money and on its own initiative—between August 1947 and June 1957—a program by the way which has cost the State approximately a billion dollars.

To deny approval of this amendment is, in effect, repudiating the good intentions and the avowals, if you will, of the Government of the United States.

This highway program—the national program of which I speak—is the greatest undertaking ever embarked upon by any Nation at any time in history. The efforts to drain the Pontine Marshes or to construct the pyramids were as child's play compared to the 41,000 miles of highways linking every major city in the United States.

In material, in equipment—in cost—it supersedes anything ever attempted. And because some States were courageous enough to take the initiative once the network was envisioned and tentatively approved 12 years ago, in 1947 to be exact, we should not now refuse to condone their actions by saying that the cost is too great or by inferring that the States should have dragged their heels until Federal funds were forthcoming.

This amendment merely seeks to set things right—to have the Government avow publicly that it owes a debt to the States on which it is not going to default.

Neither the erosive processes of time nor the penny-pinching tactics of the opposition can erase the fact that there were solemn assurances, carefully weighed and sincerely rendered that the Government of the United States would reimburse the States in proportionate amounts for their road construction programs.

I say in all justice we should accept this amendment and affirm the statement of policy regarding reimbursement.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. DOOLEY. I yield.

Mr. BROOMFIELD. Mr. Speaker, I should like to commend the gentleman from New York [Mr. DOOLEY] for his fine statement. I do not blame him a bit for making a strong appeal for the State of New York, in view of the fact that it is one of the eight States that would really benefit from this so-called reimbursement to the tune of nearly $800 million. The thing that I object to most strongly is not merely the declaration of policy, but the fact that as members of the Committee on Public Works, we know what is really behind it, and that the push will be on next year when we will not be able to afford it.

I should like to ask the gentleman this question: Would he have any objection—I know we cannot do it under the kind of rule that we have before us today—but would the gentleman have any objection to waiting until such time as the trust fund can afford to pay, or after completion of the interstate highway program?

Mr. DOOLEY. Personally I have no such objection, but I think there should be a reaffirmation of the Government's policy of paying the money that is due. Time is not of the essence here; it may not be next year, as the gentleman suggests, but a little longer. But the policy should be reaffirmed now, the policy that it should be paid.

Mr. BROOMFIELD. Will the gentleman join me in trying to do what may be done in getting that amendment?

Mr. DOOLEY. I should be glad to.

Mr. BROOMFIELD. I thank the gentleman.

Mr. ALLEN. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, the Federal interstate highway program will provide a highly important network of 41,000 miles of safe and efficient superhighways to connect all the major areas of our country. This Interstate Highway System is vital to the military and civil defense of our Nation and to the proper and full development of our economy. It is needed to provide adequately for the ever-increasing automotive traffic as our country moves rapidly toward a population of 200 million people.

Therefore, I firmly believe that Congress must act now to remove the financial roadblocks which are threatening to bring construction of this important highway system to a virtual halt. This would cause acute hardship in many areas, including my own area of western New York. This situation has arisen for many reasons. But, if we do not act now the Federal Highway Administrator will not be able to make the necessary apportionment of funds to the States and new construction contracts will not be let for many months.

Today, we have been presented with the committee proposal for meeting this financial problem by providing the necessary funds or revenues which will enable the construction of the Interstate Highway System to remain on schedule. I have decided, though reluctantly, to go along with the proposal we have been offered today, because we seem to have no alternative if we wish to keep the highway program on schedule.

I cannot look with favor, however, on the proposal to increase gasoline taxes by 1 cent a gallon. The motoring public is already paying many special taxes into the highway trust fund to finance this interstate program.

Nor do I look any more kindly upon the second part of this financial plan which would divert a share of automotive excise taxes from the general Treasury into the highway trust fund. If anything, this second part is even more objectionable to me. For in reality it solves nothing. It merely makes up a deficit in the highway trust fund by creating a deficit in the general Treasury. It is robbing Peter to pay Paul.

Congress has consistently rejected this type of deficit financing during the existence of this program. It is my earnest hope that we will be able to reconsider this provision before it comes into effect in July 1961, as now scheduled.

Many months ago I introduced legislation in the Congress to provide the necessary funds through the issuance of highway revenue bonds. Under the terms of my bill, the bonds could be issued annually as needed to make up whatever funds were lacking in the trust fund. The bonds could be retired by extending the existing highway taxes for a few years beyond the present cutoff date or life of the program. This would require no new taxes on top of the existing taxes and it would not require another demand on general Treasury receipts and another pressure on the general budget. It would also make possible reimbursement to those States which built portions of the Federal Interstate System before Federal funds became available. The committee accepted this plan in part and included it in one of its earlier proposals. I regret that it was not retained in the measure which is being presented to us today; however, I do applaud and support the statement of policy in the measure before us to recognize the fairness and equity of reimbursing the States in money or in mileage for highways heretofore built or currently under construction which constitute a part of the 41,000-mile Interstate System.

Mr. Speaker, under the circumstances, I favor this rule and the legislation before us.

Mr. THORNBERRY. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. HOLLAND].

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOLLAND. Mr. Speaker, I received yesterday a very interesting telegram pertaining to the appropriations contained in the public works program. I shall read that telegram:

PITTSBURGH, PA., *September 1, 1959.*

ELMER J. HOLLAND,
Member of Congress,
Washington, D.C.:

Refer public works appropriation bill now before Congress. Chamber of Commerce of Pittsburgh sustains President Eisenhower's position. However, repeat however, the chamber is on record with Congress and the Appropriations Committees urging early construction of Kinzua Dam and other projects in this area. Accordingly chamber continues to maintain its position that these projects be retained and urges that every measure be taken to protect the interest and lives of the public by appropriating funds necessary to carry out the work budgeted for the Kinzua Dam and related projects.

L. ROBERT M. WACHOB,
President, Chamber of Commerce of Pittsburgh.

Mr. THORNBERRY. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, in 1956 the Congress enacted a comprehensive Federal highway program which, according to the then estimates, would involve the expenditure over a period of years of approximately $31 billion. Three years have now passed and this mammoth highway program is not very far out of the blueprint stage.

The pending legislation calls for the raising of a general gasoline tax in the amount of an additional 1 cent per gallon for the next 22 months in order to continue this highway program. Evidence was presented in the Rules Committee at a hearing on this bill yesterday that approximately $1,900 million of the so-called trust fund which was set aside for the Federal highway program had been diverted or applied for other commitments made by the Federal Government on State and highway construction previous to the inauguration of the present Federal highway program. Of course if this money were retained as a trust fund for the present program, we would not be in the financial difficulty we are in today and this legislation

would not be necessary. When the bill was passed by the Congress 3 years ago, assurances were made that a further increase in gasoline tax for highway construction would not be made under this program. This bill is merely another effort to saddle on the backs of millions in the small income group to pay for a large Federal construction program which could be more suitably financed by some other method than through what practically amounts to a gasoline sales tax. This administration seems to believe that the most practical way of relieving financial embarrassment to itself is to inflict a small tax upon the millions who are least able to bear the burden. I mentioned to the Congress on a number of occasions the billions of dollars that are lost annually to the Federal Treasury by reason of special concessions to certain high bracket taxpayers both corporate and individual. Congressman REUSS, of Wisconsin, appeared before the Rules Committee yesterday and presented an amendment wherein a 50 percent reduction of the present 27½-percent oil depletion tax allowance if enacted could easily provide sufficient money to carry on this highway program without the necessity of the 1 cent gasoline tax. Under a closed-rule provision his amendment could not be considered by the House.

Some of the newspapers carried an ad some time ago where approximately 22 high bracket steel executives were receiving special tax considerations on stock options which they were allowed to purchase at special prices and that some of their individual annual incomes would total approximately three hundred thousand to one-half million dollars. Of course Members of Congress are familiar with the generous tax writeoffs of the construction and contract negotiations with corporations who are doing business with the Government involving billions over the years. Chairman MILLS stated that this fall a subcommittee was convening to make a study of our tax structure and no doubt a number of these tax bonanzas and special deductions considerations to high-bracket taxpayers will eventually be reduced or repealed. Until legislation is enacted by the Congress which would make our tax laws more equitable to all segments of our economy, I cannot see my way clear in good conscience to vote for legislation that will saddle an additional tax burden on the millions who purchase gas to drive cars, trucks, and farm machinery throughout our Nation when so many billions of dollars are lost to the Treasury by tax loopholes.

Seven years ago when the Eisenhower administration came into power Secretary of the Treasury Humphrey brought about an increase in interest rates that over the last 7 years has siphoned an additional 6 to 7 billion dollars from the American taxpayers. This and other fiscal policies of the White House braintrusters, including the unbridled rise in the cost of living, has finally exhausted the small bracket taxpayer.

Mr. ALLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent on the next 3 days when the House may be in session, upon the conclusion of other special orders, I may be permitted to speak on each occasion for 10 minutes.

The SPEAKER pro tempore (Mr. WALTER). Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ALLEN. Mr. Speaker, although I realize there may be some who are opposed to the bill itself, I know of no one opposed to the rule, and I reserve the balance of my time.

Mr. BASS of Tennessee. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and twenty-three Members are present, a quorum.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

Mr. REUSS. Mr. Speaker, on this I ask for the yeas and nays.

The yeas and nays were refused.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken, and the Speaker announced the ayes appeared to have it.

Mr. REUSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty-one Members are present, a quorum.

Mr. REUSS. Mr. Speaker, on this I demand the yeas and nays.

The yeas and nays were refused.

The resolution was agreed to.

Mr. FALLON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8678, with Mr. JENNINGS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Maryland [Mr. FALLON] will be recognized for 1 hour, and the gentleman from New Jersey [Mr. AUCHINCLOSS] will be recognized for 1 hour.

The gentleman from Maryland is recognized.

Mr. FALLON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the bill before the House is H.R. 8678, to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, with respect to the National System of Interstate and Defense Highways.

Before describing the adjustments proposed in the bill, I will comment briefly on the objectives of the Highway Act of 1956 and the progress we are making in attaining those objectives.

In 1956 the Congress declared it to be in the national interest to accelerate the construction of the Federal-aid highway systems, including the Interstate System, since many of these highways were, and still are, inadequate to meet the needs of local and interstate commerce and the national defense. Congress further declared it to be essential to the national interest to provide for the early completion of the Interstate System, and declared its intent that this 41,000-mile system of express highways designed to accommodate 1975 traffic be completed as nearly as practicable over a 13-year period.

We are building, then, both for today's needs and tomorrow's needs. This vast program is well underway. The roads are being built, not on a piecemeal, hit-or-miss basis, but in accordance with careful, balanced planning. Within the next few years, we will see these short stretches grow into a connected system of express highways which, with an improved system om feeder routes, will make possible a new era of highway transportation in the United States.

The Interstate System is an investment, and an unusually sound one. A number of the potential dividends are intangible; others can be measured in terms of dollars and cents. We are talking about a system with a useful life of many generations, and, on that basis, it would not be difficult to enumerate tangible benefits amounting to three or more times the cost. This is an extremely favorable cost-benefit ratio for any public works undertaking.

The Interstate System is urgently needed for the reduction of highway accident deaths. A delay of 1 year in the construction schedule will result in the needless loss of 5,700 lives, according to the National Safety Council.

The Interstate System also plays a vital part in our planning for national defense. In this connection, I wish to call the attention of the House to a brief excerpt from a letter recently received by me from Maj. Gen. F. S. Besson, Jr., Chief of Transportation, Department of the Army. General Besson, in presenting the current views of the Department of Defense on the importance of the interstate program, pointed out that two of the four general defense concepts—dispersion and mobility—can be obtained only to the degree that our transportation facilities are capable of supporting them, and that it is imperative that we use the flexibility of highways to fully exploit the concepts of dispersion and mobility. I quote now from General Besson's letter:

> Defensive and retaliatory weapons must have the greatest mobility that can be developed if they are to retain their effectiveness. The Interstate System, with its uniform characteristics, will provide arterial routes for the development of this mobility. Because of the military pressures generated by the rapid evolution in weapons systems, the National System of Interstate and Defense Highways, a relatively small system of controlled-access arterial highways, interstate in character, is of greater importance to our national defense now than ever before.

These vast benefits—defense benefits, lifesaving benefits, economic benefits—are of such great magnitude that we cannot afford to postpone them.

Every citizen of the United States benefits from the construction of these highways. We recognize, of course, that some citizens will derive greater benefits than others.

Section 210 of the Highway Act of 1956 directed the Secretary of Commerce to make a study of the benefits derived from Federal-aid highways by each class of persons using the highways or otherwise deriving benefits from the highways, and the proportionate share of highway costs attributable to each class of persons using the highways, with the object of making available to the Congress information on the basis of which it may determine what taxes should be imposed, and in what amounts, for the equitable support of the highway program. Congress will not have the benefit of the report on this study until 1961.

Meanwhile, temporary measures are necessary to prevent a costly and wasteful interruption in the highway program.

H.R. 8678 is temporary, emergency legislation. It meets the immediate problem. It leaves the way clear for a revision of highway financing legislation in 1961, when the appropriate studies will become available. The bill provides for reasonable progress during the interim period.

Title I of the bill is a result of hearings and deliberations by the Committee on Public Works. Section 102 takes into account the immediate and urgent financing problem by amending the Highway Act of 1956, as amended, to reduce the interstate authorization for the fiscal year 1961 from $2,500 million to $2 billion. Section 103 proposes a further amendment to section 8 of the Highway Act of 1958 to provide that the apportionment of interstate funds to the States for fiscal 1962 be made on the same basis as the apportionments for fiscal 1960 and 1961.

An amendment approved by the Committee on Public Works would amend section 114 of the Highway Act of 1956 to declare the intent and policy of Congress to equitably reimburse in money or in mileage each State for every portion of a toll or free highway, bridge or tunnel within such State which is on the Interstate System, the construction of which has been completed subsequent to August 2, 1947, or which is either in actual use or under construction by contract, for completion, awarded not later than June 30, 1957.

The revenue provisions of the bill are included in title II.

These provisions were drafted by the Committee on Ways and Means, after full hearings and lengthy deliberations. In its discussions, the committee kept in close contact with the members of the Committee on Public Works. The distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas, is deserving of the highest praise for his leadership, his open-minded approach to the problem, and his diligence in seeking a generally acceptable solution.

Approximate apportionment of Federal-aid highway funds for fiscal year 1961 (pursuant to H.R. 8678 and Federal-Aid Highway Act of 1958)

[Millions of dollars]

State	Federal aid				Interstate System ($2,000)	Total ($2,925)	State	Federal aid				Interstate System ($2,000)	Total ($2,925)
	Primary ($416.3)	Secondary ($277.5)	Urban ($231.2)	Subtotal [1] ($925)				Primary ($416.3)	Secondary ($277.5)	Urban ($231.2)	Subtotal [1] ($925)		
Alabama	8.5	6.6	3.0	18.1	39.4	57.5	Nevada	4.7	3.1	.2	8.0	10.5	18.5
Alaska	22.3	14.9	.1	37.3		37.3	New Hampshire	2.1	1.4	.7	4.2	11.0	15.2
Arizona	6.0	4.1	.9	11.0	27.3	38.3	New Jersey	5.6	1.9	10.2	17.7	64.7	82.4
Arkansas	6.5	5.3	1.3	13.1	19.9	33.0	New Mexico	6.6	4.6	.8	12.0	24.0	36.0
California	19.2	9.9	20.7	49.8	203.2	253.0	New York	19.5	7.7	31.1	58.3	99.0	157.3
Colorado	7.5	5.0	1.9	14.4	15.5	29.9	North Carolina	10.0	8.7	3.0	21.7	10.8	32.5
Connecticut	2.7	1.4	4.5	8.6	24.4	33.0	North Dakota	5.4	4.0	.4	9.8	8.9	18.7
Delaware	2.1	1.4	.5	4.0	7.0	11.0	Ohio	14.2	8.6	13.4	36.2	130.3	166.5
Florida	6.5	4.3	4.2	15.0	51.8	66.8	Oklahoma	8.5	6.1	2.5	17.1	18.2	35.3
Georgia	9.8	7.6	3.4	20.8	48.3	69.1	Oregon	6.6	4.6	1.9	13.1	34.7	47.8
Idaho	4.7	3.3	.4	8.4	13.8	22.2	Pennsylvania	16.7	9.9	17.6	44.2	81.5	125.7
Illinois	15.7	8.4	16.3	40.4	102.5	142.9	Rhode Island	2.1	1.4	1.7	5.2	9.3	14.5
Indiana	9.7	6.7	5.6	22.0	57.7	79.7	South Carolina	5.5	4.6	1.6	11.7	16.5	28.2
Iowa	9.4	7.0	2.8	19.2	19.0	38.2	South Dakota	5.9	4.2	.4	10.5	8.5	19.0
Kansas	9.4	6.6	2.2	18.2	17.9	36.1	Tennessee	8.6	6.8	3.4	18.8	59.3	78.1
Kentucky	7.4	6.2	2.4	16.0	35.2	51.9	Texas	25.3	16.9	11.1	53.3	90.3	143.6
Louisiana	6.2	4.5	3.4	14.1	52.8	66.2	Utah	4.7	3.1	1.0	8.8	18.7	27.5
Maine	3.3	2.3	1.0	6.6	10.3	16.9	Vermont	2.1	1.4	.4	3.9	18.9	22.8
Maryland	3.8	2.3	3.9	10.0	45.1	55.1	Virginia	7.7	6.0	3.6	17.3	84.7	102.0
Massachusetts	5.4	2.0	9.7	17.1	55.7	72.8	Washington	6.6	4.4	3.5	14.5	36.2	50.7
Michigan	12.5	7.6	10.8	30.9	78.6	109.5	West Virginia	4.4	3.9	1.5	9.8	25.1	34.9
Minnesota	10.5	7.4	3.8	21.7	37.7	59.4	Wisconsin	9.4	6.6	4.5	20.5	21.1	41.6
Mississippi	7.0	5.9	1.3	14.2	22.0	36.2	Wyoming	5.0	3.4	.2	8.6	20.8	29.4
Missouri	11.2	7.6	5.7	24.5	57.1	81.6	Hawaii	2.1	1.4	.8	4.3		4.3
Montana	7.8	5.4	.5	13.7	22.7	36.4	District of Columbia	2.1	1.4	2.0	5.5	19.8	25.3
Nebraska	7.6	5.4	1.4	14.4	12.3	26.7	Puerto Rico	2.2	2.3	2.0	6.5		6.5

[1] Amounts shown are before deduction of any repayable advances utilized by the States pursuant to sec. 2(e) of the Federal-Aid Highway Act of 1958.

Approximate apportionment of Federal-aid highway funds for fiscal year 1962 (pursuant to H.R. 8678 and Federal-Aid Highway Act of 1958)

[Millions of dollars]

State	Federal aid				Interstate System ($2,200)	Total ($3,125)	State	Federal aid				Interstate System ($2,200)	Total ($3,125)
	Primary ($416.3)	Secondary ($277.5)	Urban ($231.2)	Subtotal [1] ($925)				Primary ($416.3)	Secondary ($277.5)	Urban ($231.2)	Subtotal [1] ($925)		
Alabama	8.5	6.6	3.0	18.1	43.4	61.5	Indiana	9.7	6.7	5.6	22.0	63.4	58.4
Alaska	22.3	14.9	.1	37.3		37.3	Iowa	9.4	7.0	2.8	19.2	20.9	40.1
Arizona	6.0	4.1	.9	11.0	30.0	41.0	Kansas	9.4	6.6	2.2	18.2	19.7	37.9
Arkansas	6.5	5.3	1.3	13.1	21.8	34.9	Kentucky	7.4	6.2	2.4	16.0	38.7	54.7
California	19.2	9.9	20.7	49.8	223.6	273.4	Louisiana	6.2	4.5	3.4	14.1	58.1	72.2
Colorado	7.5	5.0	1.9	14.4	17.0	31.4	Maine	3.3	2.3	1.0	6.6	11.3	17.9
Connecticut	2.7	1.4	4.5	8.6	26.8	35.4	Maryland	3.8	2.3	3.9	10.0	49.6	59.6
Delaware	2.1	1.4	.5	4.0	7.7	11.7	Massachusetts	5.4	2.0	9.7	17.1	61.3	78.4
Florida	6.5	4.3	4.2	15.0	57.0	72.0	Michigan	12.5	7.6	10.8	30.9	86.5	117.4
Georgia	9.8	7.6	3.4	20.8	53.1	73.9	Minnesota	10.5	7.4	3.8	21.7	41.5	63.2
Idaho	4.7	3.3	.4	8.4	15.2	23.6	Mississippi	7.0	5.9	1.3	14.2	24.2	38.4
Illinois	15.7	8.4	16.3	40.4	112.8	153.2	Missouri	11.2	7.6	5.7	24.5	62.8	87.3

[1] Amounts shown are before deduction of any repayable advances utilized by the States pursuant to sec. 2(e) of the Federal-Aid Highway Act of 1958.

Approximate apportionment of Federal-aid highway funds for fiscal year 1962 (pursuant to H.R. 8678 and Federal-Aid Highway Act of 1958)—Continued

[Millions of dollars]

State	Federal aid				Interstate System ($2,200)	Total ($3,125)	State	Federal aid				Interstate System ($2,200)	Total ($3,125)
	Primary ($416.3)	Secondary ($277.5)	Urban ($231.2)	Subtotal ($925)				Primary ($416.3)	Secondary ($277.5)	Urban ($231.2)	Subtotal ($925)		
Montana	7.8	5.4	.5	13.7	25.0	38.7	South Carolina	5.5	4.6	1.6	11.7	18.1	29.8
Nebraska	7.6	5.4	1.4	14.4	13.6	28.0	South Dakota	5.9	4.2	.4	10.5	9.3	19.8
Nevada	4.7	3.1	0.2	8.0	11.5	19.5	Tennessee	8.6	6.8	3.4	18.8	65.2	84.0
New Hampshire	2.1	1.4	.7	4.2	12.1	16.3	Texas	25.3	16.9	11.1	53.3	99.4	152.7
New Jersey	5.6	1.9	10.2	17.7	71.2	88.9	Utah	4.7	3.1	1.0	8.8	20.6	29.4
New Mexico	6.6	4.6	.8	12.0	26.4	38.4	Vermont	2.1	1.4	.4	3.9	20.7	24.6
New York	19.5	7.7	31.1	58.3	109.0	167.3	Virginia	7.7	6.0	3.6	17.3	93.2	110.5
North Carolina	10.0	8.7	3.0	21.7	11.9	33.6	Washington	6.6	4.4	3.5	14.5	39.8	54.3
North Dakota	5.4	4.0	.4	9.8	9.7	19.5	West Virginia	4.4	3.9	1.5	9.8	27.6	37.4
Ohio	14.2	8.6	13.4	36.2	143.3	179.5	Wisconsin	9.4	6.6	4.5	20.5	23.2	43.7
Oklahoma	8.5	6.1	2.5	17.1	20.0	37.1	Wyoming	5.0	3.4	.2	8.6	22.9	31.5
Oregon	6.6	4.6	1.9	13.1	38.1	51.2	Hawaii	2.1	1.4	.8	4.3	----------	4.3
Pennsylvania	16.7	9.9	17.6	44.2	89.7	133.9	District of Columbia	2.1	1.4	2.0	5.5	21.8	27.3
Rhode Island	2.1	1.4	1.7	5.2	10.3	15.5	Puerto Rico	2.2	2.3	2.0	6.5	----------	6.5

A 51-percent increase in 3 years; or 17 percent per year.

HAS THE ABC PROGRAM BEEN DELAYED BY THE INTERSTATE PROGRAM?

The ABC program has been advanced in line with the increased authorizations and on July 1, 1959, 3 years after the enlarged program was initiated, the ABC program was ahead of the schedule estimated in 1956 as being the rate that might be expected for it. This has been true even with the special additional $600 million program authorized in the 1958 act. The interstate program has not delayed it.

The attached table shows by States the progress in getting the ABC work underway, giving the status on July 1 of each year, 1956, 1957, 1958, and 1959. Another table shows total work underway and completed under the ABC program since July 1, 1956. Only four States show any reduction in volume of ABC work underway in 1959 compared to 1956. Nationwide the comparative figures are:

	Millions
1956	$1,869.4
1959	2,823.4

Federal-aid primary, secondary, and urban projects underway, including projects financed from funds provided by sec. 2(a) of Federal-Aid Highway Act of 1958

[Millions of dollars]

State	Total cost			
	July 1, 1956	July 1, 1957	July 1, 1958	July 1, 1959
Alabama	39.3	54.1	54.8	52.3
Alaska	----------	2.1	12.9	22.2
Arizona	9.1	12.5	14.2	16.1
Arkansas	21.2	24.2	19.0	36.0
California	117.0	129.2	96.5	112.6
Colorado	17.8	23.2	26.5	27.6
Connecticut	12.4	5.9	26.4	58.6
Delaware	5.7	9.3	10.8	10.8
Florida	34.9	30.0	24.9	46.1
Georgia	47.3	66.0	88.5	119.7
Hawaii	3.5	3.8	3.9	13.4
Idaho	12.8	10.3	15.9	22.1
Illinois	81.1	80.2	89.6	152.1
Indiana	47.9	30.0	49.9	77.4
Iowa	30.0	43.1	35.2	40.7
Kansas	22.4	27.6	39.0	41.3
Kentucky	37.9	23.0	40.4	67.3
Louisiana	37.8	38.8	42.7	74.7
Maine	13.1	14.8	14.0	18.4
Maryland	21.9	31.1	29.2	43.9
Massachusetts	42.3	52.9	52.0	68.4
Michigan	50.3	51.0	59.9	74.2
Minnesota	43.3	45.8	50.7	73.7
Mississippi	22.5	28.7	37.0	49.1
Missouri	65.2	77.3	70.6	74.5

Federal-aid primary, secondary, and urban projects underway, including projects financed from funds provided by sec. 2(a) of Federal-Aid Highway Act of 1958—Con.

[Millions of dollars]

State	Total cost			
	July 1, 1956	July 1, 1957	July 1, 1958	July 1, 1959
Montana	28.8	30.6	31.8	41.7
Nebraska	34.6	31.9	45.9	45.2
Nevada	9.6	14.0	10.1	7.7
New Hampshire	9.8	13.4	11.9	11.8
New Jersey	33.8	26.1	39.1	56.2
New Mexico	11.7	11.7	17.0	20.0
New York	213.2	249.0	243.1	288.9
North Carolina	52.3	57.8	50.7	42.4
North Dakota	12.4	21.2	20.2	24.7
Ohio	72.1	83.5	125.5	126.9
Oklahoma	36.2	35.4	34.1	32.0
Oregon	24.6	28.0	18.8	31.9
Pennsylvania	114.1	117.9	142.8	157.7
Rhode Island	15.5	14.8	7.8	18.0
South Carolina	19.4	29.0	38.8	38.7
South Dakota	16.7	17.0	11.4	19.7
Tennessee	48.4	55.0	67.7	61.5
Texas	98.7	115.5	105.2	140.2
Utah	9.7	10.5	11.2	12.1
Vermont	10.7	8.5	8.8	13.7
Virginia	30.0	33.4	42.2	38.3
Washington	24.0	29.1	31.4	39.6
West Virginia	16.5	29.1	32.2	31.9
Wisconsin	50.1	47.6	42.8	56.7
Wyoming	14.0	18.4	15.6	19.5
District of Columbia	7.1	3.7	10.4	20.3
Puerto Rico	18.7	18.2	23.3	32.9
Total	1,869.4	2,065.2	2,244.3	2,823.4

Contracts completed since July 1, 1956, or underway on July 31, 1959, under the ABC program

[Millions of dollars]

State	Total cost	Federal funds	Miles
Alabama	110.10	57.0	2,333.8
Alaska	19.0	16.20	538.30
Arizona	40.70	30.2	417.0
Arkansas	53.40	26.7	1,340.1
California	262.20	131.8	786.7
Colorado	69.10	36.3	751.9
Connecticut	43.50	22.5	56.7
Delaware	22.90	11.1	164.3
Florida	87.80	43.3	878.8
Georgia	129.10	63.7	1,973.2
Hawaii	13.2	6.4	24.60
Idaho	37.60	23.2	675.2
Illinois	212.70	110.2	2,117.0
Indiana	111.10	58.3	908.5
Iowa	110.50	58.4	3,551.0
Kansas	94.70	47.0	3,669.5
Kentucky	89.0	46.1	1,167.4
Louisiana	60.70	29.4	660.9
Maine	38.70	19.3	342.5
Maryland	58.20	28.70	428.40
Massachusetts	99.10	48.2	132.70
Michigan	165.4	79.30	2,151.90
Minnesota	119.4	62.0	4,625.6
Mississippi	72.30	35.8	2,269.2
Missouri	136.70	69.1	3,451.0
Montana	74.50	46.9	1,309.7

Contracts completed since July 1, 1956, or underway on July 31, 1959, under the ABC program—Continued

[Millions of dollars]

State	Total cost	Federal funds	Miles
Nebraska	94.90	49.7	2,756.5
Nevada	31.70	26.0	657.0
New Hampshire	26.60	13.6	156.4
New Jersey	74.50	36.2	112.1
New Mexico	48.80	31.0	729.7
New York	442.90	207.20	988.4
North Carolina	108.60	53.6	1,776.4
North Dakota	58.40	29.5	3,858.1
Ohio	194.90	99.2	518.9
Oklahoma	108.80	54.0	1,674.0
Oregon	62.80	37.2	675.5
Pennsylvania	249.70	121.5	778.3
Rhode Island	29.00	14.3	50.1
South Carolina	57.7	29.9	1,599.3
South Dakota	51.40	28.9	2,433.6
Tennessee	115.10	56.0	1,817.9
Texas	285.00	144.9	4,911.9
Utah	34.3	24.7	548.1
Vermont	22.8	11.6	181.5
Virginia	92.0	46.5	1,126.0
Washington	77.7	40.0	1,016.8
West Virginia	50.2	25.3	176.8
Wisconsin	125.5	63.4	1,761.6
Wyoming	41.0	26.4	788.4
District of Columbia	16.7	8.4	10.5
Puerto Rico	36.2	16.7	109.2
Total	4,868.8	2,502.8	67,938.9

Mr. AUCHINCLOSS. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SCHERER].

Mr. SCHERER. Mr. Chairman, if there ever was a bill before this House which could be called a compromise measure, the Fallon bill, H.R. 8678, is such.

While it is now apparently acceptable to most of us, both in the legislative and executive branches, who have been actively working on solution of the various facets of the highway problem, it certainly is not wholly satisfactory to anyone. Assuredly I am not completely pleased even though, as the ranking Republican on the Roads Subcommittee, I joined with the gentleman from Maryland, its chairman, and introduced an identical bill based on the recommendation of the Committee on Ways and Means. The Committee on Public Works has made some minor changes in the bill before us.

Much credit for this acceptable compromise is due to the chairman of the Committee on Ways and Means, the Speaker, and the patient and long-suffering chairman of the Subcommittee on

Roads, the gentleman from Maryland [Mr. FALLON].

It is my feeling that many of us have been willing to retreat from some rather firmly established positions and join in this compromise because we realize that the overriding issue, that of continuing the highway program, is so vital. In 1956 when we initiated this mammoth highway program, we did so because of many compelling reasons which I am going to review very briefly. Today these same reasons exist, but there have been many more added to them by the mere fact that we have started in motion the greatest public works program in the history of the United States. I will also enumerate some of these for the House.

NEED FOR HIGHWAYS

Prior to the passage of the 1956 Highway Act, the Committee on Public Works held long and exhaustive hearings concerning the urgent need for highway construction in the Nation.

The evidence was conclusive that our highways were inadequate and outmoded; that traffic, particularly in and near the population centers, was slowing to a snail's pace; that accidents and deaths on our highways were increasing at an alarming rate, due in large part to these inadequate and outmoded highways; that the losses from accidents and excessive operating costs of motor vehicles were reaching astronomical figures.

Let us review just a few statistics involving the 41,000-mile Interstate System. Although it comprises only about 1¼ percent of the total highway mileage of America, when and if the Interstate System is completed in 1975, as now contemplated, it will carry 20 percent of the traffic.

The evidence showed that the construction of the Interstate System would save the interstate motorists $550 million each year in operating expenses, $725 million per year in accident costs, $825 million per year in commercial vehicle or truck time, or a total of direct monetary benefits of $2.1 billion per year.

The savings reach astronomical figures when we realize there would be somewhat similar gains on the remaining 98 percent of America's improved and rebuilt highways.

We are told that, if deaths resulting from accident on our highways continue at the present rate, approximately 700,000 people will be killed between now and 1975. The experts say that, if by some miracle we could today have completed the modern highways that are provided for by the 1956 Highway Act, this death rate would be cut by 35 percent; 245,000 lives would be saved.

The experts are in all probability right because over last Memorial Day weekend there was not a single fatality on the heavily traveled toll roads. It should be remembered that the new Interstate System will be built to these toll road standards.

RESULTS OF FAILURE TO ACT

In considering this legislation we must remember that any substantial slowdown in the construction schedule provided for in the 1956 Highway Act will materially reduce these savings, both in lives and in money, which I have just mentioned. Any additional cost or tax which we must now impose will be less than these losses.

Let me now quickly enumerate just some of the additional losses and hardships that will result if Congress does not act as proposed in the Fallon bill.

First. None of the $2.5 billion apportionments provided by the 1956 and 1958 acts for fiscal year 1961 can be made.

Second. Only token apportionments of the $2.2 billion provided by the 1956 act can be made for the fiscal year 1962.

Third. Twenty-five State highway departments have already stopped awarding interstate and ABC highway contracts because of Congress present delay in acting in this crisis.

Fourth. By next July, 36 State highway departments will have stopped awarding new interstate contracts.

Fifth. The loss to contractors and suppliers who have greatly expanded their organizations at the request of the Congress in order to do the job would be tremendous.

Sixth. According to the American Association of State Highway Officials, failure to go forward at the proposed construction levels would cause a loss of approximately 500 million man-hours of on-site and off-site labor in the next 4 years, resulting in an earnings loss in excess of $1 billion.

Seventh. It will mean a 9-month stoppage of all contracting for new highway construction and right-of-way acquisition.

Eighth. It will mean the delay of payment of many vouchers submitted by States for reimbursement of money already expended by them for outstanding contracts amounting to approximately $493 million this year.

Ninth. The total interstate highway construction authorized for fiscal years 1960 through 1963 will be cut nearly in two.

WHY THE CRISIS?

One of the big questions is: How did we get into this box or financial crisis? Did we not in 1956 estimate the cost of doing the job and then put aside in the trust fund sufficient user taxes so that we could complete the program in about 13 years on a pay-as-you-go basis?

Yes; this is what we thought we did, but it did not work out that way.

It was estimated by the experts in 1954 that the Federal share of building the Interstate System would be:

	Federal	State	Total
Interstate System	$25.1	$2.8	$27.9
Primary and secondary	13.4	13.4	26.8
Total	38.5	16.2	54.7

It is now estimated that the costs will be:

	Federal	State	Total
Interstate System	$36.2	$4.0	$40.2
Primary and secondary	15.7	15.7	31.4
Total	51.9	19.7	71.6

In other words, we are going to have to raise $13.4 billion more in order to complete the Interstate System.

Now some people, both in and out of the Congress, are going to look for a scapegoat. Obviously there has been some mistakes. There could not help but be a certain number in a program of the magnitude of this.

But before beginning to blame anyone, before setting up ourselves as sidewalk engineers, let us take a look at about a dozen factors which got us into the crisis in which we find ourselves today.

First. When the Ways and Means Committee in 1956 set up the financing, it was contemplated that in some of the early years of the program expenditures would exceed trust fund receipts and that during the latter part there would be years in which the receipts exceeded the disbursements.

Therefore, in the early years there might be borrowings from the contemplated surplus near the end of the program. With the tremendously increased cost, of course, there will be no such surplus.

Even if there were a surplus as contemplated, the so-called Byrd amendment was tacked onto the 1956 bill when it reached the Senate. The Byrd amendment provided that apportionments to the States could be made only to the extent that the trust fund could support the expenditures. So at the very outset we upset the financing plan by making it impossible in these early years to make the apportionments and expenditures called for in the 1956 act because, as I have pointed out, the receipts provided for in these early years were less than the proposed expenditures.

Second. The trust fund absorbed, as was not contemplated, approximately $1.5 billion of highway obligations due and owing on the effective date of the 1956 act.

Third. In 1958 Congress got the recession jitters, particularly the Senate, and provided in the 1958 act for an acceleration of the road program by $1.6 billion. This was done without providing the revenues for the trust fund to meet this increased cost.

Fourth. The Senate also added 1,000 miles to the 40,000-mile Interstate System. These are often called "political miles." Again, no revenues were provided for the trust fund to pay for this additional mileage.

Fifth. Highway standards and requirements were increased to take care of some local needs. Standards had to be increased also because, like our population, there was an unexpected and unforeseen increase in motor vehicles. Even since 1956 motor vehicle use on our highways has increased at a far greater rate than was predicted by the experts just three years ago. Today there are 70 million motor vehicles on our highways. By 1969 there will be over 100 million. Just think of it—a 40 percent increase.

Sixth. The original estimates of cost on which the 1956 Act was based were made rather hurriedly by the State highway departments in 1954. There were some miscalculations. Since 1954 con-

struction costs and right-of-way acquisitions have increased by about 12 percent. However, in the last year they have been stabilized, and we find that some bids are lower than engineering estimates by as much as 5 percent.

We can now understand why on July 1 of this year almost $500 million now due the States for obligations already incurred could not be paid—why the apportionment of the $2.5 billion provided for fiscal year 1961 could not be made, and why next July only a token apportionment of the $2.2 billion for fiscal year 1962 can be made.

I think I have demonstrated why highway expenditures must continue at or about the level contemplated in the 1956 Highway Act. One can readily see that, even if we continue the expenditures at this level, there is going to be a substantial cutback in the actual construction program. Fewer miles will be built in the next several years because of the increased costs to which I have just referred.

DEFICIT SPENDING OR TAXES?

Now the next big questions—and the ones over which there has been the most controversy—are:

How do we replenish the trust fund?

Where and how do we get the money?

While there are numerous ways and means or schemes and plans, there really are only two basic methods:

First. We either borrow the money, or

Second. We raise the necessary taxes to keep the program on a pay-as-you-go basis.

Borrowing the money means further deficit financing.

It means increasing the national debt.

It means unbalancing the budget.

It means adding fuel to the inflationary spiral which in turn increases the cost of the roads.

If revenue bonds are sold, it means that they must compete with the sale of general obligation bonds which are becoming more and more difficult to sell each day.

The transferring of automobile excise taxes which now go into the general fund has strong political appeal, but it too is just another form of deficit financing.

The only alternative to the evils of deficit financing as I have outlined them is raising the necessary revenues by some form of taxation. No one, of course, likes to put his feet to the political fire and raise taxes. But how can one with any sense of fiscal responsibility advocate that we go into more debt at this time to build these highways?

If all of the people of the United States had an opportunity, as I did, to listen to Maurice Stans, Director of the Bureau of the Budget, review the precarious financial condition of this country, if they had the opportunity of reading his recent article in the Reader's Digest entitled "Must We Delude Ourselves Into Disaster?" the verdict against any more borrowing would be almost unanimous.

The President, in his state of the Union message in January and in two subsequent messages to Congress, recommended an increase in the Federal motor fuel tax of 1½ cents per gallon for 5 years. Such a tax would keep the highway program at the level provided by the 1956 act and not require any deficit spending or borrowing.

Now there are many who oppose increasing the tax on highway users because they feel users are already paying more than their share. They argue, and with some merit, that there are those who receive benefits from these highways other than users.

In passing, however, I should point out that the new highways will be equivalent to our present toll roads; that motorists often go many miles out of their way to use the toll roads; that they are willing to pay a charge or tax amounting to some 20 to 25 cents per gallon for the privilege of using these roads.

I do not go along with the contention that no excise taxes from the great automobile industry should be used in support of the General Treasury and that all of these taxes should necessarily be earmarked for highway construction.

There are many other industries in this country which pay excise taxes to the General Treasury, none of which are earmarked or used for the direct benefit of the industry which pays them. Let me just mention a few which are in this category: transportation, jewelry and fur industries, manufacturers of sporting goods, and so forth.

THE 1961 REPORTS

We are going to settle this question—I hope once and for all—16 months from now. At that time there are two reports due this Congress, resulting from extensive and exhaustive studies and surveys.

First. These surveys will tell us whether or not the tax base for the trust fund should be broadened to include other than highway users who may receive benefits from our modern highways, such as adjoining landowners, Department of Defense, and so forth.

Second. These studies will tell us the effect that various vehicles have on the highways and the life thereof, and the standards and costs of construction made necessary to carry and support the various sizes and weights of vehicles.

Third. These studies will enable the Congress to determine the fair and equitable share of the taxes or charges that each class of highway users should pay.

Fourth. Finally, these reports will give us a revised and accurate estimate of the cost of completing the Interstate System.

One can readily see, therefore, that we have two distinct parts or phases of the highway problem confronting us:

First. The need of solving the immediate financial crisis and keeping this mammoth program somewhat on schedule.

Second. The long-range construction and financing problem which can only be solved after Congress receives the two reports I mentioned, 16 months from now. We cannot possibly solve this second phase now because we would be working in the dark. When these reports are received, those who are dissatisfied with either the construction or financing phase of the highway program can be heard.

With these reports before them, the critics of the program—in fact, all of us—can then decide:

First. Whether highway users are paying too much or too little of the cost of building and maintaining highways.

Second. Whether commercial vehicles are paying too much or too little compared to the passenger cars.

Third. Whether standards of construction, right-of-way widths, and so forth, should be changed.

Fourth. Whether the Interstate or ABC System is being discriminated against.

Fifth. Whether the formula for sharing costs between the States and the Federal Government should be amended.

I beg of you to wait for 16 months so that we can more intelligently discuss and decide these issues. Let us not attack the program now. Let us not attempt to place blame on the Bureau of Public Roads or the various State highway departments. Sure, they have made some mistakes—and who would not in a program of this magnitude? Certainly Congress has made its share of miscues, as I have pointed out before.

I believe that the Bureau of Public Roads and the State highway departments have generally done a good job under trying circumstances. Let us not discredit a good and needed road program during these closing hours of this session of Congress.

THE FALLON BILL

The Fallon bill attempts to solve only the immediate phase or first part of the highway problem. It recognizes that we must wait for the two reports I have mentioned in order to deal intelligently with the second or major part of the problem.

The Fallon bill, as I said at the beginning, is a compromise measure. While it is acceptable to most of us who have worked with this matter, I know of no one whom it satisfies entirely. Although I introduced a companion bill, I certainly am not satisfied with all of its provisions.

The Fallon bill proposes to handle the current and immediate financing problem:

First. By the imposition of a new tax for the limited time of 22 months.

Second. By deficit financing in providing for a transfer of 5 percentage points of the excise taxes on automobiles, accessories, and parts from the general fund to the highway trust fund for a period of 3 years.

The Fallon bill falls short of keeping the construction program at the levels provided in the 1956 and 1958 acts.

First. It specifically reduces the authorization for fiscal year 1961 from $2.5 billion to $2 billion.

Second. Since the Byrd amendment is retained, actual expenditures in all probability will not exceed $1.8 billion.

Third. In fiscal year 1962 expenditures will be approximately $2 billion instead of $2.2 billion as heretofore authorized for that year.

While some of us would like to keep the program at the levels previously authorized, it was necessary to compromise on the lower expenditure figures so that agreement might be reached.

REIMBURSEMENT FOR TOLL ROADS AND FREEWAYS

Some of us hoped that this highway bill could be considered solely as an emergency matter—which it is—and deal only with the financial crisis we are facing. One of the most controversial issues is the reimbursement of States that have built toll roads and freeways from State or other funds, and which highways have been incorporated into the Interstate System.

An amendment to the Fallon bill was offered in committee dealing with reimbursement. After this amendment was watered down so that it became a mere statement of policy that States would be reimbursed at some time, I reluctantly agreed to accept it.

The amendment, as originally offered in committee, would have made it mandatory that following the 1961 reports reimbursement would be made.

As I said, I would prefer that this statement of policy not be in this bill, but I accepted it as a compromise to the original amendment which was far more objectionable.

From what I have said, you can readily understand that the deficit financing provisions is not entirely agreeable to me.

However, I am satisfied that this is the best bill we can get. Much sweat, if not blood and tears, have gone into this legislation up to this point. The overriding need for continuing the highway program makes the adoption of this compromise measure absolutely necessary.

THE LOCATION OF THE INTERSTATE SYSTEM INTO AND AROUND METROPOLITAN AREAS

A review of past legislation and reports submitted to the Congress indicates that it has always been the intention from the time the Interstate Highway System was conceived to extend those highways into and through, as well as around, the principal metropolitan areas and cities. At the same time, it has been a known fact that it was not the intent of the Congress to have the Interstate System solve all of the traffic problems of the cities which are served by the Interstate System.

The National Interregional Highway Committee reported in its Interregional Highway Report of 1944—House Document No. 379, 78th Congress—that—

All facts available to the committee point to the sections of the recommended system within and in the environs of the larger cities and metropolitan areas as at once the most important in traffic service and least adequate in their present state of improvement. These sections included routes around as well as into and through the urban areas. If priority of improvement within the system is determined by either the magnitude of benefits resulting or the urgency of need, it is to these sections that first attention should be accorded.

The report on interregional highways concludes that the interregional system should be 33,920 miles in total length which included 4,470 miles of highway within cities. The total mileage of 33,920 did not include any allowance for circumferential or distributing routes required at the larger cities or auxiliary routes for the distributing or assembling of through traffic to and from the quarters of the city. It was estimated at this time that these additional routes would not exceed 5,000 miles in length for a total system length of about 39,000 miles.

The publishing and wide acceptance of the report of the National Interregional Highway Committee prompted the Congress, in the Highway Act of 1944, to call for the establishment of the Interstate System. This was accomplished in 1947 when the State highway departments, in cooperation with the Bureau of Public Roads and with each other, established the city-to-city routes of the Interstate System which were approved for designation by the Federal Works Administrator. This designation of 37,700 miles of the Interstate System included the portions extending into and through urban areas which was estimated to be about 4,400 miles in length. The difference between the 37,700 miles and the 40,000-mile system authorized, that is, 2,300 miles, was reserved for Interstate System routes into, through, and belts around metropolitan areas.

These additional routes at the urban area were designated in September 1955 and only a portion of the 2,300 miles was located within the urban area. At the time of the preparation of the first estimate of costs for completing the Interstate System, as required under section 108(d) of the 1956 Federal-Aid Highway Act, there were Interstate routes approved for a total length of 38,548 miles. Of this total mileage, 33,980 miles of the Interstate System were located in the rural area and 4,568 miles in the urban area. This accurate measurement of the length of the routes in the urban areas is only slightly above that considered at the time of the original designation of the system in August 1947.

The President's Advisory Committee on a National Highway Program, in January 1955, submitted a report on "A 10-Year National Highway Program." This report recognized the need for additional Interstate System routes into, through, and around metropolitan areas and allowed $4 billion for these routes in estimating the cost for completing the Interstate System. This procedure was necessary since the added routes into, through, and around the metropolitan areas had not been designated as yet and a more accurate route-by-route estimate was not available at that time.

After full consideration of the report on "A 10-Year National Highway Program" and considerable other information, the Congress passed the Federal Aid Highway Act of 1946, which recognized the need for providing Interstate System routes into, through, and around urban areas. The intent of the Congress is clearly expressed in section 108(b) of the 1956 Federal Aid Highway Act which states:

For the purpose of expediting the construction, reconstruction, or improvement, inclusive of necessary bridges and tunnels, of the Interstate System, including extensions thereof through urban areas, designated in accordance with the provisions of section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 338, there is hereby authorized.

This highway act states that it was the intent that local needs to the extent practicable, suitable, and feasible be given equal consideration with the needs of interstate commerce.

When so clearly stated in the Federal Aid Highway Act, the State highway departments and the Bureau of Public Roads would not be carrying out the intent of the act if they did not route the Interstate System through urban areas.

There can be no question that the Interstate System as conceived and designated contemplates extensions into, through, and belts around metropolitan areas. As stated previously, however, this system is not designed or contemplated to solve all of the principal urban arterial highway traffic problems. The 1956 act continued the urban arterial highway program at an accelerated rate and the 1958 act has done likewise. This is the program where the States—sometimes in cooperation with the cities or counties—pay 50 percent of the cost of the work. These are freeways, expressways at grade and major thoroughfares, which become the principal trunkline feeders to the Interstate System located in urban areas. There are a great many miles of them and they represent a vital phase of urban highway construction programs. The Interstate System work is not designed to take the place of these routes. However, they do afford, in addition to their other functions, the proper means for connecting the individual urban arterial highway systems with each other.

If modern freeways such as those constructed on the Interstate System are not provided and arterial streets are required to accommodate the same traffic volumes, it will be necessary to build two to five times as many arterial streets with the same number of lanes as the freeway which would require two to three times as much right-of-way.

The practice of providing interstate highway routes into and through the metropolitan areas not only provides an integrated Interstate System but serves both the through and local traffic by the construction of a single route. If the interstate highway routes do not penetrate a city but only extend around them, frequently another costly route would have to be constructed into and through the urban area to serve the large portion of the traffic approaching the city that is destined to the central business district. This results in the construction of two routes in place of one. Since both routes might be on one of the Federal-aid systems, the costs to the Government probably would be greater in locating the Interstate System around the metropolitan area instead of extending through the city.

Studies relating to the Interstate System have shown that roughly one-half of the traffic, cost, and revenue from the system will be in the urban areas. Of particular significance is the fact that

in 1975 over 7 percent of the total vehicular travel in the United States will be on the urban portion of the Interstate System which represents only 0.1 percent of the total mileage.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield to the gentleman.

Mr. JONES of Alabama. Will the gentleman be so kind as to explain what the situation will be with respect to the making of contractual obligations by the States on the ABC road program—that is, the primary, urban, and secondary roads—during those fiscal periods anticipated by this bill?

Mr. SCHERER. I do not have those figures, but I understand that the reduction in ABC programs while not nearly as great as the interstate, they are going to have to suffer somewhat proportionately.

Mr. JONES of Alabama. And is it not true a great number of States have ceased to make contractual commitments for the construction of the secondary road program?

Mr. SCHERER. They have done that as of this moment.

Mr. JONES of Alabama. If this bill were not to be passed, it would do irreparable injury to all the road programs in which the Federal Government participates.

Mr. SCHERER. Not only that, but remember last year because of the recession in order to supply jobs, we accelerated this program by $1,600 million, now we are decreasing the program below the 1956 level. Look how many manhours we are going to lose, if we do not act. It is estimated there will be 500 million man-hours in on-site and off-site labor lost, if this Congress does not act. That means a loss of wages of over $1 billion in the next 4 years. Then you will remember, you gentlemen on the committee, that in 1956, the thing we worried about was whether or not the contracting industry, the material men and the State highway departments and the engineering firms of this country could actually handle this mammoth program, the largest public works program in the history of the United States. We asked these companies and begged them to expand their facilities and to spend money and to buy equipment on borrowed money. They have done this and they have kept the program up to schedule. If this program is cut now, the construction this year and next year will be cut in half, if we do not act. Then what happens to those concerns? What happens to that industry that has expanded on the promise of the Congress that this program would continue?

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield.

Mr. FALLON. Is it not true that the testimony before our committee showed the bill we are considering now is the very minimum to keep this program on schedule?

Mr. SCHERER. The very minimum. The construction program, the actual construction program under this bill is going to be cut, in my opinion, 30 percent because of the increased cost of this program, which I do not have the time to discuss. Therefore, you are not going to build so many miles and so your program, the actual construction program—not your dollar program—but the construction program is going to be cut by about 30 percent even under this bill. I wish I had the time to tell you why we are in this box. If I can get some time later, I would like to tell why we are caught in this financial box and what caused it. Let us not blame the Bureau of the Public Roads or the State highway officials because there have been some mistakes in construction or that there is something wrong with the standards. Let us not do that.

Mr. FALLON. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. MILLS], the chairman of the Committee on Ways and Means.

Mr. MILLS. Mr. Chairman, let me assure you that the portion of this bill which was worked out in the Committee on Ways and Means; namely, title II, effecting the financing of the program and the highway trust fund was agreed to and resolved in the Committee on Ways and Means with what might be described as great reluctance. The membership of the Committee on Ways and Means, I presume, and I think I am correct in such presumption, is, perhaps, as acutely aware of the present burdens of taxation that are being borne by the American people, not only the motorists, but all other of our citizens, as any Members of the House could possibly be. It is never easy to raise a tax, particularly at a time when the tax burdens on all our citizens are so heavy.

On the other hand, Mr. Chairman, the committee was faced with the cold, hard fact that, unless some action was taken to provide additional revenues to the highway trust fund a moratorium would have to be declared not only on the interstate program but also on the ABC programs which of course include the farm-to-market roads, the primary roads, and the urban extensions. Actually, two problems were faced by the Committee on Ways and Means: First, and of most immediate importance, there is the short run problem of the deficit in the highway trust fund and the fact that, unless additional revenues could be foreseen by fiscal year 1961, absolutely no further apportionments could be made on the Interstate System during this calendar year; and second, there is a long-term problem of some $13 billion deficit in the trust fund which will occur during the life of the fund. Obviously, a solution had to be reached on the immediate problem unless we were to permit the Federal-aid highway programs to terminate. It was with the short-run problem, therefore, that the Committee on Ways and Means primarily concerned itself at this time. At the same time, however, you may be assured that we were all quite cognizant of the long-run problem and the fact that the solution which we have presented to the House of the short-term financing problem leaves the longrun problem unsolved. In other words, I will just say flatly to you here today, as I said before the Rules Committee yesterday, that members of the Committee on Ways and Means are well aware of the fact that in the early part of 1961 we will again have to face up to a very serious matter of providing additional revenues for the highway trust fund. Members of this House should understand therefore that the financing provisions contained in title II of the legislation before the House today presents an interim solution to the deficit in the highway trust fund. It does not purport in any way to provide the revenue or solve the problems over the long-term period.

The provisions of title II are quite simple and I believe are understood by Members of the House already in view of the considerable discussion which has taken place over this matter. However, I will review those provisions briefly and indicate the revenue which will be produced.

Title II provides an additional 1-cent tax on gasoline, diesel fuel, and special motor fuels for the 22-month period beginning September 1, 1959, and ending June 30, 1961. For this period, this increase will raise gasoline and related fuel taxes to 4 cents a gallon.

Additionally, title II provides for the allocation to the highway trust fund of 5 percentage points of the manufacturers excise tax on passenger cars and of 5 percentage points of the tax on auto parts and accessories. This allocation will be made for the 3-year period beginning on July 1, 1961, and ending on June 30, 1964.

The gasoline and related fuel taxes are estimated to increase revenues of the trust fund by the following figures: $383 million in fiscal year 1960, $577 million in fiscal year 1961, $75 million in fiscal year 1962; total, $1.035 billion.

The passenger car and auto parts taxes are expected to produce the following revenues: $802 million in fiscal year 1962, $831 million in fiscal year 1963, $854 million in fiscal year 1964; total, $2.487 billion.

If Members of the House will refer to page 20 of the report, you will see a detailed breakdown of the highway trust fund revenues actual and estimated from fiscal year 1957 through 1973, both under present law and under present law plus the provisions of this bill.

If Members of the House will also refer to table IV on page 22 of the committee report, you can quite readily see the magnitude of the immediate problem faced by the Committee on Ways and Means with regard to the deficit in the highway trust fund. That table shows the estimated status of the fund under existing legislation. If no change is made in existing law, it can be seen that at the end of fiscal year 1960, that is, the current fiscal year, there would not only be a deficit of $490 million in the trust fund, but also it would be impossible to make any apportionments during this calendar year for the interstate system for fiscal year 1961. Members of this House are aware that there is a 2-year lag between the apportionment and the actual expenditure. Also, that table shows clearly that by the end of fiscal year 1962, without additional legislation, there will be a cumulative deficit of $980 million in the trust fund and that in the calendar year 1960, only $500

million can be apportioned, for fiscal year 1962, for the Interstate System. In other words, the problem is real, it is immediate, and it can be solved in only a limited number of ways.

I may say to the Members of this House that the Committee on Ways and Means explored, I firmly believe, every available alternative for the answer to this immediate deficit in the highway trust fund. We considered the recommendation of the President for an increase in the Federal gasoline tax of 1½ cents to extend through fiscal year 1964; we considered the proposals for a 1-cent increase in the gasoline tax for a period of 12 months, combined with a transfer of certain of the excises from the general fund to the highway trust fund; we considered an increase of one-half cent in the gasoline tax, combined with a greater transfer of revenues to the highway trust fund from the general fund; we considered the issuance of both short-term and long-term revenue bonds in varying amounts and under varying conditions; we considered the possibility of transferring money from the general fund to the highway trust fund, combined with a suspension of the Byrd amendment; and we considered various combinations of these different approaches.

Important in all of our considerations are certain facts of life. I refer particularly to the budgetary situation for fiscal year 1960 and fiscal year 1961 and subsequent years. We were advised by Mr. Stans, the Director of the Bureau of the Budget, that there is a prospect of expenditures of at least $79 billion for fiscal year 1960 and that, in his opinion, it was questionable that revenues would exceed $78 billion. If this should happen, wholly aside from the situation in the highway trust fund, instead of a balanced budget, there would be a deficit of approximately $1 billion, and, of course, any transfer of moneys from the general fund to the highway trust fund would simply increase this deficit and add to the forces of inflation.

We were told by Mr. Stans that for the fiscal year 1961 it is entirely possible that expenditures could exceed $82 billion and, of course, we do not now know what the revenues will be for fiscal year 1961.

At the present moment, we do not know what effect the steel strike and the slowdown which has already occurred in the highway program will have on revenues for the current fiscal year.

It was this anticipated budgetary situation that constituted a rock upon which a number of possible alternatives which were considered by the committee foundered. It is clear that the transfer of moneys from the general fund to the highway trust fund either during fiscal year 1960 or 1961 would only further increase the budgetary problems which we already face. Under these circumstances, our committee considered it unsound to provide for any transfer of funds prior to fiscal year 1962. We did conclude it feasible to make the prospective transfer of part of the auto excises and parts and accessories excises beginning in fiscal year 1962, since that is sufficiently far ahead that plans can be made to take it into account and plans can be made, if necessary, to adjust the situation as the future may require.

Then we decided very reluctantly that it was more responsible for us if we were to continue the road program as the public seems to desire and as I personally would like to see it go on, we would have to do contrary to what all of us wanted to do, that is, provide some increase in the gasoline tax, because we could get some money through that vehicle for the trust fund and not disturb the situation in the general fund. We are providing here for less than 22 months an increase of 1 cent a gallon in the gasoline tax.

I am concerned about an interruption in this program as long as we are uncertain about the duration of the steel strike, as long as we are uncertain about other factors that exist today that are affecting employment. If we do discontinue this program, if we do create employment in this area, do any of us have any assurance we would even get the $78 million of revenue that we think we might get this year or even that figure of revenue for the next fiscal year? Or do we think we would not be running the risk of downturn in our activity to the extent of creating more unemployment than maybe we had before?

So I urge the Members, therefore, to accept this proposition as the membership of the Committee on Ways and Means accepted it. It is a choice between what I consider to be two evils, one of having to increase taxes, and the other in the process of not doing so of discontinuing the road program at the moment and perhaps running into consequences as a result of it that might cost us far more than what is involved in this temporary increase for 22 months.

In conclusion, Mr. Chairman, as I said at the outset of my remarks, members of our committee were exceedingly reluctant to come to the House with the recommendation for an increase in gasoline taxes. However, we must face up to reality and recognize that if we are to have a continuation of this highway program on the scale which evidently is desired by the general public and by the Members, then, we must produce the revenues to pay for it. This is not the kind of problem that will go away by looking the other way. We cannot have our highways and not pay for them. Title II of the bill now before the Committee faces up to this problem and provides the revenues to meet the immediate deficit in the highway trust fund and title II will permit a continuation of the program which the public evidently wants and at a rate which the public evidently desires it to continue.

Let me assure the House that as far as the program and this bill is concerned, it is contemplated, it is intended, it is set forth clearly, that this tax is a temporary tax.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Ohio.

Mr. HAYS. The gentleman made a point and a thought occurs to me. If I am wrong, I wish he would correct me. He said that now the budget is going to exceed the estimates by $2 billion.

Mr. MILLS. No. I said on the basis of the information given us by Director Stans, it looked like we would spend a billion dollars more.

Mr. HAYS. The gentleman said he was given the information in executive session. Either the budget was not honest in the beginning or they are giving you figures in executive session they did not give us.

Mr. MILLS. Actually that could be. The difference can be explained as it was explained in executive session.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from California.

Mr. ROOSEVELT. Speaking as a member of the Committee on Small Business, I would like to congratulate the gentleman for including in this bill the provision treating wholesale distributors as producers for the purposes of the gasoline tax. This will be a great help to those independent wholesale distributors and will put them on a par with the large oil company competitors.

Mr. MILLS. The gentleman reaches the same conclusion that we did in the Committee on Ways and Means, that this is in the interest of small business.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, the sum and substance of the Federal-Aid Highway Act of 1959, H.R. 8678, are that we propose to build less highway mileage with more money—money obtained by higher taxes and the diversion of general fund revenues. This result arises from the fact that this legislation requires a slowdown in highway construction, declares the intent of Congress to reimburse States for existing highway systems included within the Interstate System, raises approximately $1 billion in additional taxes through the temporary imposition of a 1-cent increase in motor fuels taxes, and diverts from the general funds of the Treasury approximately $2½ billion for trust fund purposes.

Mr. Chairman, it will be my purpose today to confine my remarks essentially to title II of the bill which is concerned with the financing aspects of the Federal-aid highway program. Title II relates to subject matter that is properly within the jurisdiction of the Committee on Ways and Means. It is included in this bill after having been developed by the Committee on Ways and Means in terms of policy decisions. It has been included in this bill at the request of the membership of the Committee on Ways and Means which has primary jurisdiction over this subject matter. Its inclusion in this bill is intended to facilitate floor consideration of a single bill providing for the expenditure and financing sides of Federal participation in highway development.

Mr. Chairman, I am entirely in accord with the basic objectives of the current highway program which might be succinctly summarized to be the development of an adequate highway system for

our Nation to enhance our economic growth, to provide greater highway safety, to improve our military preparedness, and to enrich the recreational and educational opportunities available to our citizens. These meritorious objectives must be achieved at minimum cost and within the framework of sound financing arrangements. I do not believe the statement can be challenged that the American people want an improved highway system and are responsibly willing to pay the cost of attaining that system if they have assurance that they are getting their money's worth of highways for their tax dollar.

There are today approximately 70 million motor vehicles in operation driven an annual distance of 700 billion vehicle miles traveled. Ten years from now it is estimated that there will be nearly 100 million motor vehicles registered which will travel in excess of 1 trillion vehicle miles. Our existing highway system is inadequate to carry properly that traffic volume.

It was in recognition of the inadequacy of the then existing highway network that the Republican 83d Congress directed the Secretary of Commerce to make a comprehensive study of our highway needs in the Federal-aid Highway Act of 1954. President Eisenhower appointed an Advisory Committee on a National Highway Program which submitted its report in January 1955. In February 1955 the President transmitted to the Congress a message urging the prompt enactment of legislation designed to launch an accelerated highway program. After some political machinations and after a delay of 16 months an augmented Federal-aid highway program was finally enacted on June 29, 1956. This legislation had bipartisan support and, as advocated by spokesmen for the administration appearing before the committees of Congress in 1956, the program was established on what generally conformed to a pay-as-you-go basis.

Unfortunately, the fiscal solvency of the highway trust fund was not to be preserved for long. In 1958 the "depressionmongers" singing a gleeful ditty of "bust and boondoggle" proceeded to spend the Nation into a $13 billion deficit on programs that did not become public law until well after the start of an upturn in the economy. Included in this program of "spending ourselves rich" was a plan to boost spending for the road program by $1.8 billion without any provision for added financing. At the time this legislation was under consideration in the Congress a distinguished Member of the other body said with respect to the proposed highway acceleration program:

> It would destroy the pay-as-you-go policy for Federal highway aid established by the Highway Act of 1956, which set up the road trust fund to assure that special taxes on highway users would be used for highway construction.

Mr. Chairman, I opposed that legislation in 1958 because of my very genuine concern over what its impact would be on the solvency of the highway trust fund and because of my conviction that highway money cannot be wisely spent on the basis of an overnight decision to build a road. It was the action of the Congress last year in voting that speedup that has created the short-run financing problems confronting the highway trust fund today. Consistent with my vote of last year against unwise accelerated highway construction I will today vote against what I regard as unwise highway financing augmentation.

Mr. Chairman, for a number of reasons I find the method of highway financing that would be provided by title II of H.R. 8678 to be deficient. These reasons are summarized in the separate views which my very able and distinguished committee colleague, the gentleman from New York [Mr. BOSCH], and I filed in connection with this legislation. Those views are set forth beginning on page 28 of the report of the Committee on Public Works accompanying H.R. 8678.

I will not take the time of the House to restate or amplify on those views. I will merely point out to the House these facts: Title II does not provide for pay-as-you-go highway financing. It makes a token gesture in this direction by providing approximately 28 percent of the $3.5 billion additional revenues raised for the highway trust fund under the bill by current financing. The remaining 72 percent is raised by the commitment made today to divert from the general funds of the Treasury approximately $2.5 billion in fiscal years 1962 through 1964 for highway financing. Under no reasonable definition of pay-as-you-go can such a proposal be termed current financing. It is deficit financing pure and simple.

I do not like tax increases. I believe my record is clear on that. However, deficit financing I like even less. I am fearful that that is the course to which we are committed under this bill. I submit that the proper solution to this problem is greater utilization of highway user taxes for highway development predicated on the important condition that other Federal spending be reduced at least by the amount of any highway revenues that may be diverted from the general revenues. I regret to say that I can now foresee no prospect for lessened Federal spending in other areas so that the diversion of funds without a commensurate reduction in other spending tends to lead us to a resulting budgetary deficit.

I am also convinced, Mr. Chairman, that if the House is unwilling to deal realistically with this important matter of proper highway financing today, we have no reason for assurance that the House will be any more willing to responsibly face this issue in the future.

It is appropriate that I should state for the record in a factual manner without undertaking to introduce partisan considerations that the Republican members of the Committee on Ways and Means conscientiously and diligently worked to find a responsible solution to the problem of keeping our highway program in current progress. The minority members of the committee made motion after motion in support of various financing alternatives but we were unsuccessful in obtaining a majority vote. At one point in our committee deliberations on the subject, the majority had approved a proposal involving the issuance of highway bonds, the earmarking of general fund revenues, and a stretchout of the program. Upon reflection the committee subsequently marched back down the hill and wisely reconsidered its previous unwise decision. Finally the compromise solution contained in title II was approved by the committee upon the motion of my distinguished committee colleague, the gentleman from Wisconsin [Mr. BYRNES].

I believe it can properly be said that Mr. Byrnes' sponsorship of this motion represented a last ditch bid to keep the highway program in progress through a compromise that could receive the support of a majority on the committee. There is no member of the committee who worked with greater resourcefulness and greater diligence on this matter than did the gentleman from Wisconsin [Mr. BYRNES]. He was resolute in his endeavors to maintain the program for the national good and he was conscientious in his attempts to finance the program within the framework of fiscal responsibility. In reporting on the Republican endeavors in providing a solution to this matter, it is significant to note that while the Republican membership of the committee comprises only 40 percent of the total committee membership, the Republican membership cast 61 percent of the total affirmative votes for proposals providing a solution to the highway financing program.

My concern with title II is the same concern expressed by President Eisenhower and the same concern shared by thinking Americans everywhere that by diverting general fund revenues without a foreseeable budgetary surplus, we will almost inevitably lead the Nation into deficit financing. The President of the United States has repeatedly argued against such an expedient. The most recent instance in which he reiterated his position on this matter was his message to the Congress of August 25, 1959, in which he said:

> I must express again my objection to proposals that would, in the absence of foreseeable budget surpluses, divert receipts from the general fund of the Treasury that are collected from various excise taxes on automobiles. The transfer of these receipts to the highway trust fund would only shift the fiscal problem from the highway trust fund to the general fund, which is already in precarious balance. I should also make clear that I do not favor proposals that would finance anticipated deficits in the highway trust fund over the next several years by the issuance of bonds.

The majority-approved proposal, on its face, falls short of meeting the criteria of "pay as you go" and of avoiding the diversion of general-fund revenues for highway purposes.

The Secretary of the Treasury also warned of the risks involved in deficit financing, diversion of moneys from the general fund, and special bond financing. The Secretary stressed the importance to this country of living within our means. We must forthrightly realize that by providing for the diversion of general-fund revenues today without providing for the reduction in budgetary expenditures necessary to offset that reduction in general funds we are making

a prejudgment of future fiscal policies. We are saying that we either are willing to have deficit financing or are making a decision with respect to the future priority of Government programs in saying that we will need to spend less on defense, social programs, or other Government activities.

We are in a period of the greatest prosperity in our history; the financing proposal before us today would say that even under those circumstances we will still resort to deficit financing as a means of paying for the highway program.

In conclusion, Mr. Chairman, I would say that we are dealing less than adequately with the serious problems I have alluded to in my remarks. I warn my colleagues that under title II we are providing only an unsatisfactory temporary expedient as a solution to the short-run problems confronting the highway trust fund. It is inevitable that we will have this issue again before us in the near future, and at that time we must deal realistically with the fiscal affairs of our Nation in providing a longrun solution as to how we will finance national highway development.

Mr. Chairman, I do not like tax increases. I do want new highways constructed. I do want them paid for as we go. I recognize that what we have done here is simply deferring the day when the Committee on Ways and Means must bring before this body a new tax proposal if we are to pay the cost involved in this trust fund. We should do it now. We should not wait. We should recognize that next year the expenditures of the Government are going to be as great as they are this year. We should not deliberately create a deficit by authorizing in future years the taking of money out of the general Treasury for the expenses of building our highway program today.

Mr. FALLON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. Chairman, I take this time to give you the rundown on this highway capitulation we in Congress are making to the administration and budget. We in Congress have an obligation and duty to our constituency and our States we represent. We should not encroach upon the States, the only source of revenue that is available to the States, to meet their obligations. Congress must keep in mind the fact that substantial amounts of matching funds must be raised by the States through special highway user taxes—namely, a gasoline tax.

The proposal of the budget and administration that the highway users be saddled with additional taxes, or the highway program be cut back, is unfair. This proposal overlooks completely the history of the Federal-aid highway legislation and the fact that the highway users are still paying more than $1½ billion per year into the general fund from levies on new automobiles, trucks, buses and trailers, parts and accessories and lubricating oil, over and above the special taxes earmarked for the highway trust fund.

At the time that the Federal-Aid Highway Act of 1956 was adopted the Federal Government was collecting from highway users, through taxes on gasoline, diesel and other special fuels, new vehicles, tires, tubes, lubricating oil, and parts and accessories, almost $3 billion per year, and was spending on highways less than $1 billion per year. Thus the highway users were paying into the general fund approximately $2 billion per year more than was being authorized for highways.

Despite these facts and, in response to the administration's arguments, that it could not afford to spend any more on highways, than was already being devoted to highways from taxes then in effect, the Congress increased the taxes on fuel, tires and tubes and new trucks, buses and trailers. In addition, it levied new taxes on tread rubber—used in recapping tires—and on trucks weighing more than 26,000 pounds. A highway trust fund was created for which these new taxes, and part of the automotive taxes already in effect were earmarked. This action still left revenues from taxes on highway users amounting to more than $1½ billion per year flowing into the general fund.

Even this was not enough, however. Under the Federal-aid program there is a time lag, between the authorization of funds for highways, and the appropriation of money to pay for expenditures, made in connection with the authorizations. Thus at the time of adoption of the 1956 act there were outstanding $1,958 million in Federal highway funds authorized by the 1954 and prior Federal-Aid Highway Acts, for which funds had not been appropriated. These authorizations were made liabilities of the highway trust fund thus relieving the general fund of obligations for them and saddling them upon the trust fund.

The trust fund as originally conceived, contemplated a balanced program over a stated number of years, with trust fund surpluses in the early years, to be made up in the middle years by advances from the general fund. The pay-as-you-go principle adopted in the final legislation changed this to a one-way concept, with trust fund surpluses available for loan to the general fund, but with the trust fund unable to borrow from the general fund.

Because the new and increased taxes brought revenues into the highway trust fund at a faster rate than expenditures, and because the previously authorized funds were made obligations of the trust fund, the Federal budget and debt situation were eased during the fiscal years 1957, 1958, and 1959. In fiscal 1957, for example, the highway trust fund had revenues of $1,482 million, and expenditures of $966 million. The general fund, of course, had no expenditures for the Federal-aid highways. Thus, the general fund was able to borrow from the trust fund, making it unnecessary to go to the public for this amount in needed funds. In fiscal 1958 trust fund income rose to $2.1 billion and expenditures also rose to $1.6 billion. The trust fund balance at the close of fiscal 1958 was $1,048 million, which was loaned to the general fund. In fiscal 1959, ended June 30, 1959, trust fund income was $2,185 million while expenditures increased to $2,709 million. This cut into the surplus accumulated in the first 2 years and left the fund with a balance of only $524 million, which was loaned, I repeat, loaned to the general fund.

It is now anticipated that expenditures in fiscal 1960, the current year, will exceed income by about $1 billion, wiping out the balance and creating a deficit of about $500 million by the close of fiscal 1960. Thus, after about 3½ years of surpluses, which were loaned to the general fund, the trust fund will need additional money. The general fund could take from the trust fund, but now, will not put the money back.

This means that the administration is looking to the Nation's highway users to pay the entire cost of the highway program through special taxes and through the same taxes to keep the Federal budget in balance. The inequity of this hardly needs discussion.

I would like permission to put in a table showing the amount of highway-user tax going into the general fund. All that need be done is to follow the principles of simple justice and equity and give the highway user a better return on his tax dollar than he is getting at the present time.

If we, those in opposition to this gas tax bill, could offer a substitute as we wanted to do, I am sure we could get a bill through to keep the highway program going at top speed, without imposing a single penny more of highway-user taxes.

Highway-user tax receipts going into the general fund for fiscal year 1958

Tax on new automobiles (10 percent)	$1,170,000,000
Tax on lubricating oil (6 cents per gallon)	43,000,000
Tax on parts and accessories (8 percent)	167,000,000
Tax on trucks, trailers, and buses (5 percent)	103,000,000
Total	1,483,000,000

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. CLARK. I yield.

Mr. SCHERER. The gentleman is aware of the fact that in 1960 and 1961, we are going to have these two reports available to us, which may correct some of the inequities which the gentleman spoke of, namely, that they might find there are other beneficiaries of this highway program other than the users who should help to pay these taxes.

Mr. CLARK. I agree with the gentleman. I want to add, as of this year, 1958, there was spent and put into the general fund for budgetary purposes $1,483,000,000.

Mr. MACK of Washington. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, in the years immediately preceding January 1953, the Federal Government was collecting $850 million a year from gasoline taxes and was spending about $550 million of that $850 million on the building of highways. The Federal Government was diverting $300 million in each year immediately prior to 1953 to other purposes than the construction of highways including the foreign aid program. When General Eisenhower became President in January 1953 he recommended to the Con-

gress that all gasoline taxes should be expended for the building of highways. In 1954, the McGregor bill was enacted by the Congress which provided that thereafter $850 million a year, approximately the amount of the gasoline tax, instead of $550 million, should be expended for highway construction. At that time, there was in progress what was known as the Clay Commission report. The Clay Commission report recommended an expanded highway program under which about 40,000 miles of Interstate Highway System would be built to four-lane standards with no cross traffic so that motorists could ride practically from the Canadian border in northern Maine to the Mexican border south of San Diego, a distance of 4,000 miles over divided four-lane highways. Other four-lane divided highways would run east and west, north and south across the Nation.

It was claimed by the Highway Safety Council that this system of highways when completed would reduce traffic deaths by 5,000 a year and reduce the number of persons injured in traffic accidents by 200,000 annually. Also, the expanded system of roads would provide new and additional jobs for 200,000 construction workers and for other workers in road material producing industries and for workers in road machinery producing factories.

Some have called that the Eisenhower expanded highway program. Some called it the Eisenhower-Clay expanded highway program. More properly, it should be called the Eisenhower-Clay-Fallon expanded highway program for the gentleman from Maryland [Mr. FALLON] did more than anyone in the Congress to bring about this great highway building program which is the greatest and grandest public works program ever undertaken in all the history of mankind.

That program has now come into financial difficulties.

The highway trust fund raised by gasoline, tire, and truck taxes to pay the cost of this program is running out of money. The Congress is mainly responsible for the fact that this fund is short of money.

First, the Congress added 1,000 additional miles to the system but made no provision for taxes to raise the money to pay the cost of constructing highways on this expanded mileage.

Then, secondly, Congress last year in a time of depression jitters on the claim that Federal works programs were needed to provide jobs took $1,200 million out of this trust fund and turned this extra money over to the States. Congress made no provision to replace this money from any tax source. As a result, the trust fund dwindled in size. Now there is not enough money in this fund to keep the roads program on schedule.

Also, costs of construction have increased about 12 percent, just as everything else has gone up in price. The reason for this inflation is mainly the extravagant spending, budget-busting policies of the Congress.

The trust fund is short of money. Either some way of replenishing this fund must be found or the present expanded highway program must be greatly reduced starting immediately and extending over the next several years. This will mean tens of thousands of workers will lose their jobs. Also, the time when the motorist will have needed roads will be delayed by several years. I do not want to see that calamity happen, and I am sure most of the Members of Congress do not.

The Ways and Means Committee and the Public Works Committee have worked out what they believe in their best judgment is a program that will do the job and continue this highway construction at about its present level. I am not pleased with every provision in this bill. I am somewhat disturbed by this provision that declares it to be the intent and policy of Congress to reimburse States for toll roads and freeways on the Interstate System.

Mr. FALLON. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Idaho [Mrs. PFOST].

Mrs. PFOST. Mr. Chairman, I am wholeheartedly in favor of legislation to keep the interstate highway program rolling ahead at full speed. There is no question of its vital importance to the entire Nation. The mail from my own State of Idaho attests to the tremendous damage that would result from any slowdown in highway Federal aid.

I joined with nine other Congressmen, however, in filing supplemental views opposing the gas tax increase insisted upon by the administration. I felt as the others did that the additional tax was not necessary to continue the highway construction program.

The Treasury is now collecting more than $1.5 billion annually in special highway user taxes on new vehicles, parts, and accessories that is not going into the highway trust fund. A portion of this money could be and should be transferred to the trust fund as soon as possible to continue the highway construction program on schedule.

There is no doubt that the administration's underlying purpose for the increase in gasoline tax is to provide a surplus in the general budget at the expense of the highway user. It is taxation for expediency only. In fact, the administration wants to impose an additional 1½ cents gasoline tax—50 percent more than that provided in this bill—and they want it for 5 years.

The bill before us calls for a 22-month period with a 1-cent increase. Under the administration proposal, motorists and highway users would bear an additional and staggering burden of more than $3 billion over the long period of 5 years—a completely unnecessary load upon the public using the highways of the Nation.

There are fairer and more equitable methods of increasing the general revenue than by imposing an additional gasoline tax. Without justice or equity to support it, the insistence upon this increased gas tax will:

First. Impose an unfair and unnecessary additional burden on the American motorist.

Second. Raise the motor freight rates in practically all sections of the country.

Third. Create additional problems for the States in their search for tax revenues.

Fourth. Continue for at least 2 years, and perhaps indefinitely, the unfair diversion of highway user taxes into the general fund.

As one alternative to raising the necessary funds to finance the highway program, I suggest eliminating the 4-percent tax credit and the $50 deduction on stock dividends. This would bring in an estimated $330 million annually.

Frankly, I see no valid reason why people who own stock and get dividends should receive preferred treatment in their income tax returns. Such a provision violates the principle of equal justice for all.

Another alternative to raise revenue is to eliminate the 27½-percent oil and gas depletion allowance in income tax. This would bring in nearly $1 billion a year. Such an allowance is obviously favoritism and in the same category with tax credits and deductions on stock dividends. It is a loophole which should be plugged in the interest of fair treatment for all our citizens.

These two alternatives would raise nearly $1.5 billion a year, as compared with the $1.035 billion to be received from the 1-cent gas tax increase over a 22-month period.

Motorists presently are digging into their pockets for nearly 10 cents in Federal and States taxes for every gallon of gas they buy. With gasoline retailing for an average of 30 cents a gallon, this means you pay nearly 30 percent in taxes. It is an incredible proportion, and a 1-cent tax increase will make this proportion even more fantastic.

Obviously, motor freight carriers are not going to absorb the increase. They will increase freight rates, and I can assure you that this will create a very real problem in my State where so many of our products are transported by truck over long distances. Higher freight rates could easily mean the difference between profit and loss for many of our people.

The administration's proposal to increase the gas tax is an iniquitous and totally unjustified move that will force the Nation's highway users not only to pay the entire cost of the Federal highway program but to provide a probable surplus for the general budget as well.

I am reluctantly voting for this bill, however, because I am fully aware of the severe economic impact of any slowdown in the highway program. I realize, too, the need to modernize our highway system is of paramount importance. But I hope the able members of the Ways and Means Committee will study not only the alternatives I have suggested above, but others which are readily available. In doing so, they can replace the increased gas tax as soon as possible with a more equitable means of financing this gigantic program.

Mr. FALLON. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I wish to commend the tireless efforts of my colleagues on the Committees on Public Works and Ways and Means for

bringing to the floor of the House before adjournment of this session of Congress a proposal to solve the highway financing problem. Legislation is urgently needed to provide for a continuing uninterrupted highway program.

The Missouri State Highway Commission has discontinued receiving bids for highway construction because of the anticipated delay in Federal reimbursement. The need today for an adequate continuing stabilized highway construction program is more critical than it was when Congress passed the 1956 Federal Highway Act or when it continued its approval of the highway program with the expanded 1958 Federal Highway Act. The contractors in the Eighth Congressional District of Missouri inform me that the road letting scheduled for July 30 was postponed indefinitely. A letter I received from one contractor in my district, Mr. Burl C. Ellerman of Eminence, Mo., is representative of the alarms being sounded. He wrote: "We are forced to wonder if the Congress, in the face of strikes now in program, with resultant unemployment, is fully aware of the terrific impact this situation could, and in our opinion will, deal the national economy. As the situation now stands, we will together with hundreds of other contractors engaged in road construction, be forced to suspend operations altogether due to completion of projects now under construction within the next 2 or 3 weeks; having depended on the July 30 letting for new contracts."

While many of us may feel some reluctance about the bill before us for consideration today, I am concerned that if no legislation passes the Congress in this session, the Federal Government will be placed in the position of delaying payment on current obligations, of causing an immediate moratorium, and a subsequent curtailment on interstate apportionments. It is essential that some bill dealing with this problem be approved to keep the Federal-aid highway program in operation.

The 1-cent increase in Federal gasoline tax which I reluctantly go along with, as provided in H.R. 8678 is a temporary tax applying only for the period from September 1, 1959, to June 30, 1961. Assurance is given that the additional tax will not apply in the case of gasoline used for certain nonhighway purposes or by local transit systems, and also will not apply in the case of gasoline used on the farm for farming purposes. $383 million is expected to be derived from these motor fuel taxes in the 10 months these taxes will be effective in the fiscal year 1960, and $577 million is expected to be derived in the full 12 months in which they are to be effective in the fiscal year 1961. Under this bill, the interstate highway program can be continued approximately at its present level.

Increase in any tax is not palatable to any of us but launching an important necessary highway program and then cutting it back is a breach of faith that will definitely have an adverse effect on the economic welfare of the State of Missouri as well as the Nation as a whole. I support this bill and urge that it be passed.

Mr. FALLON. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield for a consent request?

Mr. KLUCZYNSKI. I yield.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to extend my remarks following those of the distinguished gentleman from Illinois [Mr. KLUCZYNSKI].

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield for a consent request?

Mr. KLUCZYNSKI. I yield to the gentleman from Missouri.

Mr. BROWN of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks at the end of the statement by the gentleman from Illinois.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CASEY. Mr. Chairman, will the gentleman yield for a consent request?

Mr. KLUCZYNSKI. I yield.

Mr. CASEY. Mr. Chairman, I ask unanimous consent to extend my remarks at the end of the statement by the gentleman from Illinois.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. OLIVER. Mr. Chairman, will the gentleman yield for a consent request?

Mr. KLUCZYNSKI. I yield.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent to extend my remarks at the end of the statement by the gentleman from Illinois.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. KLUCZYNSKI. Mr. Chairman, I rise reluctantly in support of H.R. 8678.

As a member of the Roads Subcommittee of the Committee on Public Works of the House, I have followed with deep interest the development of the Federal road program over the years and particularly since the enactment of the Federal-Aid Highway Act of 1956 which got underway the biggest public works program in the history of this country. I am aware of the many problems involved in this program and particularly the one that faces this Congress today which is the question of taking care of the deficit now existing in the highway trust fund so that the program can be kept on an even keel through the emergency fiscal period now facing us.

In 1961 when a new estimate of cost is received by the Congress and the important cost allocation study is also before us we can then take another long, sober look at the entire highway program both from a construction and financial angle. However, we must solve this financial problem that faces us today.

I have been consistently opposed to any increase in the gasoline tax and I had fervently hoped that some other solution could be reached to take care of the financial crisis existing in the trust fund but as much as I regret the fact I think the bill, H.R. 8678, that is before us today is probably the only means available to continue this program.

I am well aware of the extensive hearings held by our Committee and the Ways and Means Committee on this problem and I know that this bill now on the floor of this House represents the results of many months of arduous and difficult work by both committees.

There are many divergent views on the subject as to how this financial problem should be solved. This bill is frankly a compromise and as such I am certain no one is too happy with it, including myself. But we must have a highway program. We have made that commitment to the American people and we must continue it and on that basis I support this legislation.

I would be remiss in my duty and in my own feelings as a friend if I did not at this time take the opportunity to pay tribute to a man who has not only been a personal friend of mine but a devoted and loyal chairman. He is the man who is chiefly responsible for the fact that this legislation is before us today, a man who puts his personal beliefs second to the welfare of the country and the continuation of this vital highway program. I am proud to stand here today in the well of this House and salute a good friend, a fine Congressman, and a great chairman and I want every Member of this body to know that there is no finer chairman in this Congress nor is there anyone who has done more for the highway program than my good friend, the distinguished chairman of the Committee on Public Works, the gentleman from New York, the Honorable CHARLES A. BUCKLEY.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. KLUCZYNSKI. I yield to the gentleman from Minnesota.

Mr. BLATNIK. I want to certainly associate myself completely with the comments made regarding our distinguished chairman of the House Public Works Committee, and I would like the RECORD to show that after weeks of negotiation and discussion on this very controversial financing proposition, were it not for the chairman of the committee, the gentleman from New York [Mr. BUCKLEY], the Public Works Committee would not have agreed to a compromise; and it was by one vote that that compromise was turned down in the Committee on Ways and Means. We came that close to breaking the deadlock.

In discussions with the gentleman from Maryland and our able Roads Subcommittee chairman [Mr. FALLON], and with the distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS] it was through the initiative and the laying aside of his own serious reservations that the gentleman from New York [Mr.

BUCKLEY] made it possible to break the deadlock and provide for continuing the program, although it includes a finance section that is not very satisfactory to many of us.

Mr. JONES of Alabama. Mr. Chairman, I rise in support of the pending legislation, the highway bill, H.R. 8678. This bill is before this body today only after a long and difficult path. This is legislation that has been completely and minutely considered not only by my own committee, the Public Works Committee, but by the distinguished Ways and Means Committee. It is legislation that is frankly compromise. It is legislation that I support reluctantly but of necessity because of the fact that I believe a highway program is essential to the economy and welfare of this country. It is needed from many aspects, not only from the question of those who have committed millions of dollars in equipment for the construction of this System; not only to those who are gainfully employed in the industry, but also from a very important defense aspect.

I would like to point out to the House that every effort has been made by myself and other members of the Public Works Committee to go along in solving this problem. I proposed a solution that I thought was a workable one—the ½-cent gasoline tax for 1 year and then diversion of exercise taxes for the next 4 years. Further, I and other members of the committee agreed to increase the ½-cent tax to 1 cent plus diversion of excise taxes. We have finally agreed because of the need of the program to support this bill. But I trust that this gasoline tax we are now considering today will be only a temporary one, because I believe that there are other methods of financing this program, and that includes a further utilization and diversion of the $1½ billion worth of highway user taxes that are paid by the motoring public each year and that are not earmarked for the trust fund but are kept in the general fund.

In 1961 we will have another look at this program in the light of the estimate of cost report and the cost allocation study that will be submitted to the Congress by the Secretary of Commerce. At that time I hope we can finally come to an overall solution of the problem of financing the highway program, but I say to the Members of this House now that we must have a highway program and that the only answer to it as of right now in the face of the emergency facing the highway program is to support that bill. I urge its passage.

Mr. BROWN of Missouri. Mr. Chairman, no one could be a stronger supporter of the Federal highway program than I. I want to see these roads built, without delay, without cutback, without argument.

I, for one, am perfectly willing to pay my share of any taxes necessary to build these roads. I know we can't have something for nothing; and I don't like to go in debt for anything.

But anyone who tells you that this Federal-Aid Highway Act of 1959 must be enacted in the form in which it is presented or the Federal highway program will fall on its face is not telling you the whole truth.

Anyone who tells you that a 1½-cent gasoline tax increase or a 1-cent gasoline tax increase is the only way or even the best way to continue the Federal highway program is not telling you the whole truth.

Actually, this Congress has been asked to increase gasoline taxes 1½ cents, because the fiscal affairs of this administration are in such a mess that the Treasury wants additional tax revenue; and they feel that the political way to get it is to increase gasoline taxes under the pretext of its being essential to carry on the highway program.

Here are the facts. In the original Federal-aid highway legislation of 1956, there was not enough tax revenue earmarked for the highway trust fund. Optimists thought there might be enough. But they knew it would be a close call, and therefore provided authority in the House bill for the trust fund to borrow from general revenue. But in the Senate, this borrowing authority was restricted by the so-called Byrd amendment. Everyone familiar with the program predicted trouble would ensue from this amendment.

The practical realists said all along that the trust fund was not ample, that early deficiencies would develop. But in order to get the program, the realists had no choice but to get things under way and hope for corrections somewhere along the line.

Now, we are face to face with the predicted deficiencies. More revenue must be earmarked for the trust fund, if this highway program is to be continued on schedule on a pay-as-you-go basis.

This can be done relatively easily.

There is more than $1.5 billion worth of excise taxes on automobiles and auto parts and accessories, and so forth. Now being collected annually which is going into the general fund.

Surely, any fairminded person would say that, if we are going to collect automobile excise taxes, a portion of the revenue derived therefrom should go for roads.

If you are not going to collect them, if you are going to abandon this form of taxation, that is another question. We might well have considered that when we altered the cabaret tax the other day, or when these taxes were renewed recently. But as a principle, if auto excise taxes are collected, why should not at least a portion of the revenue go for highways?

Right now, none of this revenue is going into the trust fund. If only one-third of it were earmarked for highways, there would be no problem continuing the highway program on schedule, without serious cutback.

But no, the administration says we cannot transfer that auto excise revenue from the general fund in 1960 or 1961. Treasury says it is desperately needed to pay for other activities of the Federal Government.

I am not surprised. It takes a rich country to afford an agricultural brainstormer like the present Secretary of Agriculture.

It takes a real bankroll to pay for all the duplicate projects that a disorganized Defense Department can devise, and our present State Department is not exactly a tight-fisted group, either. If Congress had not cut the President's appropriation requests by billions in recent years, this administration might well have needed a 5-cent gasoline tax to cover its fiscal mess.

But do not say it is essential for highways. Better management in the Defense Department, the Agriculaural Department, and the State Department could save enough to build three times the highways we are building, without any additional taxes.

The Congress will cut the President's foreign aid appropriation requests about $600 million this year alone. The highway program needs less; only $497 million to continue on schedule.

But, unfortunately, the present management in the executive departments say they are still not able to pay their bills. They say they must have more revenue.

But they do not recommend closing loopholes in the income tax structure, or rescinding the dividend income exemption, or taxing oil corporations with vast foreign holdings more realistically. They feel it is better politics to set up a hue and cry about carrying on the Federal highway program and then slip in a gasoline tax increase.

I deplore this subterfuge. I think it would be far better to lay it on the line and tell the people why this gasoline tax is being requested. If it becomes law, the people should know why they are paying it.

This new tax is being levied not to continue the highway program, as such. There are other and better ways of doing that.

We could transfer some existing auto user taxes into the trust fund, effective as soon as possible.

By this action, if we accomplished nothing else, we would straighten out the bookkeeping. We would establish the principle that, if auto excise taxes are to be collected, they should be used to build highways.

Then, having straightened that out, we could take a good square look at the general revenue fund, plug some loopholes, revamp the tax programs in general.

But no, we are not doing that. We are asked by the Administration to increase gasoline taxes 1½ cents for 5 years, on phony grounds.

In response, the Congress is preparing to pass a 1 cent increase for 22 months, an expedient tax that may well become permanent. This is a mistake, but in the closing days of the 1959 session, the House is apparently going to do it anyway.

I have fought it with every ounce of energy I possess. I tried to get a better program in committee. I have tried to get a rule where we could amend the bill. But the battle is lost in the House. We are stuck with this haphazard stopgap program; and the only reason on earth that there is for passing it is that we must have a bill, some kind of bill to

send to the Senate so that they might clean it up.

Mr. Chairman, may I include along with these remarks the supplemental views of some of us on the Public Works Committee?

SUPPLEMENTAL VIEWS OF MR. EDMONDSON, MR. JOHNSON OF CALIFORNIA, MR. HARGIS, MR. BROWN OF MISSOURI, MR. SMITH OF MISSISSIPPI, MRS. PFOST, MR. CLARK, MR. BLATNIK, MR. MCFALL, MR. THOMPSON OF LOUISIANA

We are strongly in favor of the highway program. We want it continued without serious cutback.

But this additional motor fuel tax, insisted upon by the administration, is not necessary to continue the highway construction program, as such. The Treasury is now collecting more than $1.5 billion annually in special highway user taxes on new vehicles, parts, and accessories, etc., that is not going into the highway trust fund, a portion of which could be and should be transferred to the trust fund as soon as possible to continue the highway construction program on schedule.

The administration's underlying purpose for the additional 1 cent gasoline tax is to provide a surplus in the general budget at the expense of the highway user. It is taxation for expediency only. In fact, the administration wants to impose an additional gasoline tax of 1½ cents—50 percent more than the tax provided in this bill.

Furthermore, administration recommendations called for a 5-year imposition of the 1½ cents tax, as contrasted with the 22-month period provided for in the bill's 1 cent tax. Under the administration proposal, motorists and highway users would bear an additional and staggering burden of more than $3 billion over the long period of 5 years—a completely unnecessary load upon the public using the highways of the Nation.

There are more equitable methods of increasing the general revenue than by imposing an additional gasoline tax.

Without justice or equity to support it, the insistence upon this gasoline tax increase will—

(1) Impose an unfair and unnecessary additional burden upon the American motorist;

(2) Raise the motor freight rates in practically all sections of the country;

(3) Create additional problems for the States in their search for tax revenues; and

(4) Continue for at least 2 years, and perhaps indefinitely, the unfair diversion of highway user taxes into the general fund.

BACKGROUND

The proposal to increase the Federal taxes on motor fuels, in the opinion of the undersigned, is unfair and unnecessary. Some of the signers listed below have voted to report this measure favorably only because it appears to be the only way to prevent the highway construction program from being cut back sharply. It is the deep conviction of all of us that this program is so vital to our Nation's economy and national defense that it must not be stopped or slowed down unnecessarily.

We feel that administration insistence upon additional gasoline taxes as a part of this legislation is unfair to the Nation's highway users because it ignores the whole history of Federal highway legislation and taxation. The table belows shows that over the life of Federal highway program beginning in 1917 and up to the time of enactment of the Federal-Aid Highway Act of 1956, the income from special levies on motor fuel; new vehicles; tires and tubes; parts and accessories, and lubricating oil, exceeded authorizations for highway construction by more than $17 billion. In 1955, the last full year before enactment of the expanded highway program, the yield of these taxes exceeded Federal highway authorizations by more than $2 billion.

Federal-aid highway authorizations and Federal automotive excise tax payments, 1917–56

[Amounts in thousands]

	Federal-aid highway authorizations (fiscal years) [1]	Excise tax payments by highway users (calendar years)	Excess of user payments over Federal-aid authorizations
1917–28	$765,000	$1,141,340	$376,340
1929–40	1,510,000	2,430,442	920,442
1941–52	3,335,000	11,854,715	8,519,715
1953	500,000	2,183,486	1,683,486
1954	575,000	2,203,618	1,628,618
1955	575,006	2,735,636	2,160,636
1956	875,000	2,858,235	1,983,235
1953–56	2,525,000	9,980,975	7,455,975
Grand total	8,135,000	25,407,472	17,272,472

[1] Excludes public works authorizations which in the years 1933–35 totaled $1,000,000,000.

Source: U.S. Department of Commerce, Bureau of Public Roads, Highway Statistics, tables E–5 and E–6 and Authorizations of Major Highway Funds Administered by the BPR.

Thus at the time that the Federal-Aid Highway Act of 1956 was adopted, the Federal Government was collecting from highway users, through special taxes, approximately $2 billion per year more than was being authorized for highways.

Despite these facts, the Congress—at the insistence of the administration—increased taxes on motor fuel; tires and tubes; new trucks, buses, and trailers; and levied new taxes on tread rubber (used in recapping tires) and on trucks weighing 26,000 pounds or more.

Under this action the Federal Government continues to receive huge amounts of revenue for the general fund from special levies on highway users. In fiscal 1957, the excess of income from special levies exceeded authorization by $1.5 billion. And this is not the whole story.

Under the Federal-aid highway program there is a timelag between the authorization of funds for highways and the appropriation of money to pay for expenditures made in connection with the authorizations. Thus at the time of adoption of the 1956 act there were outstanding $1.958 billion in Federal highway funds authorized by the 1954 and prior Federal-aid highway acts, for which funds had not been appropriated. These authorizations were made liabilities of the highway trust fund thus relieving the general fund of obligations for them.

While this transfer of the liability for highway expenditures already authorized from the general fund to the trust fund would not have made a great deal of difference over the life of the program, under the construction and financing provisions of the House bills, it makes quite a difference over the short term especially when section 209(g) (the Byrd amendment) was added to the legislation.

The trust fund as originally conceived contemplated a balanced program over a stated number of years with trust fund receipts exceeding expenditures in the early years building up a surplus. Expenditures were expected to exceed receipts in the middle years wiping out the surplus and accumulating a deficit. The deficit was to be financed by repayable advances from the general fund. It would be liquidated in the later years of the program when receipts would again exceed expenditures. The pay-as-you-go principle adopted in the final legislation changed this to a one-way concept with trust fund surpluses available for loan to the general fund but with the trust fund unable to borrow from the general fund.

In fiscal 1957, for example, the highway trust fund had revenues of $1.482 billion and expenditures of $966 million. The general fund was able to borrow the surplus funds from the trust fund making it unnecessary to seek funds from outside sources. In fiscal 1958 trust fund income rose to $2.1 billion and expenditures rose to $1.6 billion. At the close of fiscal 1958 the trust fund balance was $1.048 billion most of which was loaned to the general fund. In fiscal 1959, ended June 30, 1959, trust fund income was $2.185 billion while expenditures increased to $2.709 billion. This cut into the surplus accumulated in the first 2 years and left the fund with a balance of only $524 million.

It is now anticipated that expenditures in fiscal 1960, the current year, will exceed income by about $1 billion wiping out the balance and creating a deficit of about $500 million by the close of fiscal 1960. Thus, after about 3½ years of surpluses, which were loaned to the general fund, the trust fund will need additional money.

The proposal to raise this needed money by increasing taxes on highway users or to reduce the highway program to a level which can be supported by the revenues from those taxes now dedicated to the highway program, also overlooks the fact that there are other beneficiaries of good highways who are not contributing 1 cent to the cost of these highways. In its Third Progress Report of the Highway Cost Allocation Study submitted to Congress on March 2 of this year pursuant to section 210 of the Highway Revenue Act of 1956 the U.S. Department of Commerce stated:

"There exists a formidable array of direct and indirect benefits resulting from Federal-aid highway improvement, in addition to benefits resulting from the actual use of such highways. Recent studies of the economic impact of highway improvement shed considerable light on the identity of the nonvehicular beneficiary groups and on the magnitude and nature of the benefits accruing to these groups. Regardless of the label affixed to these kinds of benefits—whether they be identified as an extension of vehicular benefits, transferred benefits, or nonvehicular benefits—what seems significant is that there are real and extensive beneficiary groups other than highway users as such, that reap the advantages (and perhaps shoulder the shortcomings to a limited extent in special instances) of highway improvement; and that the total magnitude of these benefits is great."

In view of the foregoing it is obvious that under the proposed increases in the fuel taxes the Nation's highway users are being called upon not only to pay the entire cost of the Federal highway program but to provide a probable surplus for the general budget as well.

Mr. CASEY. Mr. Chairman, it is with a great deal of reluctance that I cast my vote in opposition to the proposal to increase the Federal gasoline tax 1 cent.

My reluctance stems from the fact that I know full well the great need for an adequate, modern highway network, and the benefit that will accrue to the people of this Nation from such a program.

I know only too well that such a program, to progress, must be adequately financed not only by the Federal Government, but by State and local governments as well.

But, Mr. Chairman, I cannot justify the further burdening of our overtaxed citizens with another so-called temporary tax. Not when our Government gives billions of dollars away each year to foreign nations. How can we in good faith give away billions of tax dollars to build roads, dams, airfields, and other

projects in foreign nations, and tell our people here that you can have no public works projects, and if you want good highways you will have to pay another tax.

Mr. Chairman, the President has seen fit to veto the public-works bill, because it violates his policy of "no new starts" on public works projects. The President calls this Congress spendthrift. And yet he has threatened to call a special session if this Congress fails to give him all the money that he requests for the foreign aid giveaway program.

The people of my district are sick and tired of seeing their tax dollars used in vain attempts to buy friends and influence foreign nations. Certainly the people I represent stand ready to help any nation and any people who are in need. But they want such aid placed on a loan basis, and they want it repaid.

The people I represent have every right to expect that out of the thousands of tax dollars they pay annually, a portion of it will be used to benefit this, our own great country.

I cannot, in good conscience, vote to increase taxes on our people for a program, regardless how meritorious, while we persist in giving billions away to foreign nations.

Mr. OLIVER. Mr. Chairman, even though, like the overwhelming majority of the membership of this House, I am sincerely committed to support of the interstate highway construction program on the basis of the original schedule, I cannot vote for the method of financing, as provided in this bill.

Therefore, I shall vote against the bill, as written, fully realizing the political implication of such action.

It seems to me, Mr. Chairman, that there is no need nor any justification for any gasoline tax increase to meet the urgent and obvious requirements of this construction program, which the people of America really want.

I shall vote against this bill which imposes this 1-cent gas tax increase for these reasons:

First. In my State of Maine we already impose a gas tax of 0.07 on our motorists plus the existing Federal tax of 0.03. The overall tax on gasoline in this country adds up to the unrealistic percentage of 41 percent, added to the retail price of gasoline. It would appear that this regressive tax is already burdensome enough, without adding another 0.01 of Federal tax, as provided by this bill.

Of course, I know this is supposed to be limited to a 22-month period on a temporary basis, but this limitation in the light of past history means very little since these tax levies have a habit of becoming permanent once they have been hung around the neck of the consumer. So, I fully appreciate the probability, if not the certainty, that this increased tax levy will become a permanent fixture of increased overhead for our people.

Second. As we know, all revenue from the 10-percent Federal excise tax on automobiles; from the 8-percent Federal tax on parts and accessories; plus one-half of the 10-percent tax on trucks and buses now goes into the general funds of the Treasury. This indicates, beyond any shadow of doubt, the general Treasury is dipping into the cash register which logically belongs to the highway trust fund.

Third. To find other means of financing the highway program, it is not too difficult to envision the needless extravagance of the current practices of those who are planning the construction schedule. The gentleman from Nevada [Mr. BARING] has effectively called attention to one phase of such extravagance and actual stupidity, it seems to me, when he told us recently of the horrible example in the Reno area of the unnecessary acquisition of valuable urban locations and construction of most elaborate superstructures to utilize these urban locations. Undoubtedly, this is only one of many similar mistakes of judgment, to put it mildly, in the planning of these highways which are now causing us to "jam down our throats," so to speak, this unpalatable proposal to increase gas taxes.

Fourth. Another approach to cut down on unnecessary expenditures in this highway construction can be found in the use of heavy-duty asphalt paving to replace the more expensive portland cement paving. It is estimated that this approach would save nearly $7 billion in construction outlays. There is evidence already available which shows a savings of $50,700 per mile through the use of heavy-duty asphalt in lieu of cement.

Fifth. Although we do not legislate in this House on the basis of what may be done in the other body, nevertheless, we know that this bill with its gas tax increase will run into trouble, once our action is completed, today. So, why not anticipate a bit and strike out the gas tax increase and write into law the alternatives which make more sense and which will expedite this action which we all support; namely, the continuation of the Interstate Highway construction program on its original schedule.

In conclusion, Mr. Chairman, I strongly support the highway construction program but I, just as strongly, oppose the regressive gas tax increase provided in this legislation. Therefore, since I have no other alternative, I intend to vote against this pending bill, as presented to us, here, today.

Mr. AUCHINCLOSS. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, it has been my privilege to have served during 2 congressional years on the House Public Work Committee under the leadership of my distinguished colleague, the gentleman from New York [Mr. BUCKLEY]. This year, I have particularly enjoyed the work of the Roads Subcommittee and my association with the able gentleman from Maryland [Mr. FALLON], to whom much credit for the Federal-aid highway program must be given.

However, during the last few weeks—and I say this in all kindness—we of the minority side have felt we were pretty well relegated to the role of bystanders while our Democratic colleagues have been marching up the hill and down again in search of a sound but popular solution to the financial difficulties that have been bringing that program to a halt.

As we met last January, the storm clouds of financial distress were clearly visible on the horizon. The President, in his budget message, pointed to those clouds and recommended a 1½-cent increase in the Federal tax on gasoline as the only sound way of keeping construction of the Interstate System on schedule on a pay-as-we-go basis. Like most early storm warnings, this one was, for the most part, ignored.

In fact, our committee early this year, over the objections of the minority members, chose to pretend there was no financial trouble with the trust fund and voted to again increase the Interstate funds by $300 million for 1961.

Most of us thereafter had to resort to the newspapers to follow the protracted negotiations that then went on between my Democratic colleagues and the Ways and Means Committee. Suffice it to say, however, that after 8 months we seem now to be back to something closely akin to the original Presidential recommendation.

Mr. Chairman, I have learned that nearly all legislation represents compromise. If the measure of such compromise is the fact that no one is particularly happy, then the fact that H.R. 8678 even got this far is nothing short of miraculous. Arriving at agreement on the revenue portion of H.R. 8678 has, of course, been the main stumbling block.

Many possible alternatives to the tax provisions now contained in H.R. 8678 were presented to the Ways and Means Committee during the course of its deliberations. Eventual majority agreement on those provisions represents, I know, a hard-won decision. To the extent that certain of today's sponsors have had to reverse their previous position entitles them to our commendation for their objectivity and political courage.

However, as one who has been working and voting for economy in Government, although sometimes unsuccessfully, I am alarmed and disturbed at the prospect of even foisting such a small tax increase as 1 cent a gallon on the American motorist. I also seriously question the wisdom of creating future budgetary problems for ourselves by diverting, in 1961, such a large part of the Treasury's excise tax receipts as is here proposed.

In the very limited time available to me, however, I cannot devote more of my remarks to the wisdom of and necessity for such action. Instead, I wish to reserve any objections I may have thereto in favor of speaking about section 104 of H.R. 8678, which relates to the vexing problem of reimbursement and, to my mind, justifies my support of this proposal.

This question of providing reimbursement to those States, like New York, which have had the experience of having certain toll and free highways, bridges, and tunnels, built by them between the years of 1947 and 1957, incorporated into the Federal Interstate System, is a complex one. Our committee has had it under consideration for several years. It

has previously been debated on the floor of this House, but there is still a great deal of misconception and misunderstanding about it.

In the hopes of clearing the air somewhat, may I offer the following sequence of events, with particular reference to New York, which brought this problem about:

First. Congressional approval of the so-called interstate network in 1947, allotting the originally authorized 40,000 miles of new interstate highways to the various States—New York being allotted 1,227 miles.

Second. No further congressional action until 1956, when Congress passed the 1956 Federal-Aid Highway Act, and created the trust fund for new highway user taxes to finance the construction of the 40,000 interstate miles originally authorized, plus an additional 1,000 miles added by the Senate.

Third. The fact that, in the intervening 9 years, many States, especially the more populous ones like New York, felt that they could not afford to wait for Federal action to start construction of interstate-type thruways, most of which were so costly the States could only build them on a toll-road-revenue-bond method. New York started its $1 billion thruway in 1948 and completed it in 1958.

Fourth. Meantime, the report of the Clay Commission, on which the 1956 act was based, recognized this factor, and stated that the national objective being to get roads built, in whatever fashion, the States should not be discouraged from so acting—even on a toll road basis—and should eventually be reimbursed for any such toll or free mileage that could be fitted into the planned system.

Fifth. The fact that, after 1956, it was obviously unwise to build parallel interstate roads alongside any existing toll or free roads that met interstate standards, so the various forward-looking States, like New York, were asked to take action to have their existing highways designated as part of the Interstate System—in New York's case, such mileage amounted to 568.8 miles, automatically reducing its originally allotted interstate mileage from 1,227 miles to 658.2 miles.

Sixth. The probability, though there is no direct proof of this, that those States which agreed to such a designation of their existing highways did so with the belief that the interstate mileage they thereby lost would be made up elsewhere within their borders—at least they could gain such an impression from the stated congressional intent contained in the 1956 act, to consider the question of reimbursement.

Of those 568.8 miles New York has lost, 110.9 miles are free highways built with matching Federal aid, instead of 90–10 money, and the balance of 457.7 miles are toll roads built with no Federal aid. Without the foresight and initiative New York displayed in building those roads, we would now be faced with providing her with 90–10 money to build that same mileage. Should she, and her sister States, be penalized for such initiative?

Most Federal-aid programs prove to be poor bargains for our most progressive States. Usually they contribute more than they receive, but I can think of no such other program where that contribution was more direct and specific than here. The New York roads that have so been contributed are of benefit to the people of the whole Nation. They should be paid for by the people of the whole Nation, as all other interstate roads are, instead of practically by New York alone.

It may be argued that our thruway, as a toll road, was not paid for by our people. That may be so, in a direct sense, but traffic studies show that around 85 percent of the cars using our thruway bear New York registrations, so our people, at least indirectly, are paying for our thruway and, in addition, contributing their full share of Federal taxes to build free thruways elsewhere.

The original concept of the Interstate System was for a network of free thruways. I admit that if New York is eventually reimbursed for her toll roads by 90–10 money, and those roads remain toll, it could be argued that the inequity has been then shifted to the motorists from other States who may occasionally use our thruway. This is one of the questions that will have to be solved in eventually determining upon a reimbursement formula.

This is not, of course, solely a problem affecting the people of New York, although we have the most at stake, $799.1 million. Every State, except Alaska and Hawaii, and even the District of Columbia, has lost interstate mileage. The following table, prepared by the Bureau of Public Roads, will show you the situation with respect to your own State:

Net reimbursement amounts based on 90 percent of depreciated original cost less Federal aid already paid toll and free roads

[Dollar amounts in millions]

State	Miles	Total cost less depreciation	State's share of cost	Less Federal-aid payments already made	Net reimbursable amount	Percent of national total	State	Miles	Total cost less depreciation	State's share of cost	Less Federal-aid payments already made	Net reimbursable amount	Percent of national total
Alabama	93.3	$18.2	$16.4	$9.7	$6.7	0.16	New Jersey	84.2	$356.4	$320.8	$22.0	$298.8	6.96
Arizona	457.9	41.9	39.5	25.0	14.5	34	New Mexico	321.5	20.0	18.5	13.7	4.8	.11
Arkansas	52.6	14.0	12.6	8.9	3.7	.09	New York	568.6	1,036.2	932.6	133.5	799.1	18.60
California	850.2	379.9	348.1	87.5	260.6	6.07	North Carolina	270.4	58.5	52.7	24.2	28.5	.66
Colorado	272.7	45.8	41.8	24.8	17.0	.40	North Dakota	145.4	6.9	6.2	4.5	1.7	.04
Connecticut	143.6	326.6	293.9	15.5	278.4	6.48	Ohio	328.4	300.1	270.1	50.7	219.4	5.11
Delaware	4.1	34.9	31.4		31.4	.73	Oklahoma	251.5	101.8	91.6	13.7	77.9	1.81
Florida	97.4	35.5	32.0	5.4	26.6	.62	Oregon	378.9	106.0	97.9	31.9	66.0	1.54
Georgia	137.6	68.7	61.8	24.2	37.6	.88	Pennsylvania	388.2	432.6	389.4	102.4	287.0	6.68
Idaho	117.7	11.8	10.9	7.5	3.4	.08	Rhode Island	10.4	19.2	17.3	6.9	10.4	.24
Illinois	549.7	550.1	495.1	84.4	410.7	9.56	South Carolina	63.1	9.5	8.6	5.4	3.2	.07
Indiana	306.9	180.6	162.5	16.2	146.3	3.40	South Dakota	137.3	9.8	8.9	5.2	3.7	.06
Iowa	52.1	12.1	10.9	7.0	3.9	.09	Tennessee	16.7	14.8	13.3	9.2	4.1	.10
Kansas	307.9	109.3	98.4	10.3	88.1	2.05	Texas	1,440.6	285.1	256.6	97.7	159.4	3.71
Kentucky	56.4	37.6	33.8	10.2	23.6	.55	Utah	208.3	18.3	17.4	13.5	3.9	.09
Louisiana	37.8	33.3	30.0	12.6	17.4	.41	Vermont	7.8	3.2	2.9	1.9	1.0	.02
Maine	72.9	38.7	34.8	3.7	31.1	.72	Virginia	161.8	123.0	110.7	14.5	96.2	2.24
Maryland	178.1	165.3	148.8	13.4	135.4	3.15	Washington	378.6	90.3	81.9	20.8	61.1	1.42
Massachusetts	152.7	292.0	262.8	13.2	249.6	5.81	West Virginia	92.2	105.9	96.1	4.5	91.6	2.13
Michigan	291.3	283.1	254.8	59.8	195.0	4.53	Wisconsin	62.3	12.7	11.4	5.5	5.9	.14
Minnesota	159.4	25.9	23.3	10.8	12.5	.29	Wyoming	304.0	23.1	21.5	15.6	5.9	.14
Mississippi	92.5	12.5	11.3	6.6	4.7	.11	Hawaii						
Missouri	373.1	113.8	102.4	50.8	51.6	1.20	District of Columbia	4.8	16.2	14.6	9.2	5.4	.12
Montana	206.9	15.0	13.7	11.1	2.6	.06	Puerto Rico						
Nebraska	13.2	1.4	1.2	.5	.7	.02							
Nevada	226.9	10.9	10.4	9.7	.7	.02	Total	10,953.9	6,018.6	5,432.7	1,137.1	4,295.6	100.00
New Hampshire	24.0	10.1	9.1	2.3	6.8	.16							

The first column indicates the reimbursable mileage, the fifth column the net reimbursable dollar amount. The net reimbursable dollar total is a large amount to be sure, $4,295.6 million, but the cost of doing equity must not be allowed to obscure the principles of equity. What is proposed here is not an eventual giveaway, but an equitable giving back of something we have unfairly taken. By passage of this bill, we will be formally recognizing that moral obligation.

For us to do so, let me remind my colleagues, would not be a new or radical step. The great majority of our Public Works Committee has always favored the principle of reimbursement. The Clay Commission favored reimbursement and so, presumably, did this administration at that time.

More importantly, this House on August 27, 1956, passed H.R. 10660, 84th Congress, which contained a section known as section 109, as originally num-

bered, which followed, almost word for word, section 104 of H.R. 8678, now before us. When that bill—H.R. 10660, 84th Congress—reached the Senate, however, section 109 was deleted but, in conference, it was partially restored as section 114 of the 1956 act which, in watered down language, merely declared it to be the congressional intent to determine whether or not reimbursement should be made.

My own research into this problem indicates that part of the Senate's reluctance to approve the principle of reimbursement stemmed from the fact that the Congress then did not even know how much mileage would be eligible for reimbursement nor how much such reimbursement might cost. We now have the full benefit of all such information, as contained in House Document No. 301, 85th Congress. We also have the, to my mind, somewhat dubious benefit of a subsequent report submitted by the Secretary of Commerce on February 1, 1959, pursuant to Public Law 85–845, which suggests two alternative proposals for an eventual reimbursement formula.

There are, admittedly, numerous differences of opinion among us as to how and when reimbursement can be made and how it can be financed. There should, however, no longer be any reason for delaying the establishment of the principle of reimbursement, which is called for in the interests of equity and fair play. The time to make that determination, Mr. Chairman, is now.

To do so need not and should not endanger the completion of the Interstate System. Section 104 of H.R. 8678 is so broad that any future Congress can work its own will in solving the problems involved in putting that principle into effect. In 1961, the 87th Congress will have the further benefit of two additional study reports that are now pending—a new, up-dated cost estimate for the completion of the Interstate System, and the so-called section 210 study which may enable that Congress to find ways and means for broadening the tax base for the trust fund. By that time, we should also have had ample opportunity to explore the various reimbursement formulas fully and to have resolved our existing differences.

Mr. Chairman, earlier this year I introduced H.R. 7512, and offered it as an amendment to Mr. BUCKLEY's own reimbursement bill, H.R. 6303, when the same was before our committee for consideration. My amendment was defeated there, however, and H.R. 6303 favorably reported out. I felt I then had to oppose H.R. 6303, because it ignored the overriding financial difficulties that we are attempting to resolve today. My bill, H.R. 7512, in effect, would have accomplished exactly what section 104 of H.R. 8678 now purports to do, and I am indeed grateful that our committee has seen fit to adopt the approach to this question that I earlier suggested.

I have hoped for, and would have preferred, separate action on my bill, H.R. 7512. That does not appear to be possible. I recognize that many roadblocks will still exist, even after passage of this act, before attaining the goal of reimbursement. Nevertheless, this is the first, positive step toward that goal.

The opportunity to make such step is sufficient to overcome my objections to the revenue portions of H.R. 8678, which I still reserve, and I therefore urge, Mr. Chairman, that H.R. 8678 do pass.

Mr. AUCHINCLOSS. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. Mr. Chairman, I commend my distinguished colleague, the gentleman from New York [Mr. ROBISON] for a forceful and accurate statement. I rise to expand on some of the important points he has made.

I am aggressively and enthusiastically in favor of a Federal highway program so long as it is equitably distributed among the various States. I do not mean by this that I endorse any particular form of distribution among the States or that in such distribution we can afford to lose sight of the overall compelling interest of the country as a whole. Nonetheless, it is apparent to me at this time that there is no serious disposition on the part of the Federal highway administrators to correct the inequity which has resulted from New York State's having lost almost half of the 1,227 miles originally planned to be constructed in New York State. Other States are in very much the same position as New York. We, in New York, built the Thruway and some other roads along the route of the Federal highway system. This construction involved 568.8 miles. By the time the Federal Government got around to construction of the Federal highway program, these roads had already been constructed and the Federal Government refused to replace this mileage or reimburse New York State. The Federal highway program places a far heavier burden on New York State taxpayers than those taxpayers get back in benefits. In general, New York State pays better than 18 percent of the Federal taxes in this country and receives back approximately 6 percent of Federal aid expenditures. Under present rates New York is getting 5.4 percent of Federal highway funds. How can anyone justify such a wide disparity between taxes and benefits?

Even under the old formula which gave New York State 1,227 out of 41,000 total miles of construction, New York State was not faring very well. Now they have cut our Federal road mileage in half and are not proposing to do anything about replacing this mileage.

Let me make it clear that I am in favor of the Federal highway program. But as long as such gross injustices in the Federal program exists, I cannot vote for an increased burden on the New York State taxpayers. The present proposal for a policy declaration by the Federal Government to reimburse such States as New York for mileage already constructed is a weak proposal indeed and appears to have little likelihood of being passed in the Senate. If the House eliminates even this weak reassurance, I will surely cast my ballot against a Federal increase in the gasoline tax.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I shall spend a few minutes to discuss title I, which is under the jurisdiction of the Committee on Public Works. I am not too happy about title II, the method of financing, but it appears we are in the position now where we either have to fish or cut bait on this particular issue. We are going to have to provide adequate financing or we are going to have to accept responsibility for the curtailing and stopping of the road-building program which has already happened in some 25 States so far as future contracts are concerned. This stoppage will result in many millions—if not billions—in added spending should it occur now as the program is under way full blast.

Mr. Chairman, I think it is necessary to point out though with regard to financing that an amendment will be offered as a committee amendment to the bill, which was agreed to in committee and which is contained on page 2 of the bill we have before us as section 104, concerning the policy with respect to reimbursement of certain highways.

Under the present law, the 1956 act, the policy with regard to reimbursement to States for toll roads and freeways that have been constructed to standard between 1947 and 1957, the Federal Government or the Congress stated as a matter of policy that it would be discretionary in the future as to whether or not the Congress would reimburse for toll roads and freeways.

It is stated in the 1956 act "Congress shall determine whether or not reimbursement shall be made." And, I think it is important to point out that the amendment to be offered as a committee amendment takes away that discretion from the Congress and makes it mandatory that reimbursement be made. I read from the bill on page 2:

> It is hereby declared to be the intent and policy of the Congress to equitably reimburse in money or in mileage each State for every portion of a toll or free highway, bridge, or tunnel within such State which is on the Interstate System, the construction of which has been completed subsequent to August 2, 1947, or which is either in actual use or under construction by contract, for completion, awarded not later than June 30, 1957.

This takes away the congressional discretion which presently exists, for reimbursement on toll roads and freeways. As a procedural matter, I would like to point out to the House that, of course, it will require an affirmative vote of the House to accept that committee amendment at the time the amendment is offered, and I, for one, intend to vote against the amendment. As a matter of fact, today, as in the 1956 act, Congress has the authority to decide at a future date on this issue, decide when it should be done, under what circumstances, and to what extent reimbursement should be made, if at all. But, this statement of policy makes it mandatory on the part of the Congress to go ahead on reimbursement.

I am concerned about it further for this reason: What is it going to cost? The gentleman from Washington a while ago asked that question. The estimate by the Bureau of Public Roads is $4.3 billion if you retain the cutoff date of June 30, 1957, which I maintain is an arbitrary date in the first place. Why penalize the States that have made those improvements subsequent to that time? It will cost $4.3 billion, and if this date is changed to a future date, today, for instance, it would cost $6.3 billion to reimburse already existing toll facilities or freeways. One of the reasons why that is such a critical question at this time is that the program, as the result of the increased cost of construction, already has a deficit. In the program authorized in 1956 it was estimated at $25 billion, and the current estimated deficit on the already authorized program is $13 billion. Now, the proponents of this amendment would, as a matter of policy, say that it is mandatory that Congress reimburse by $4.3 billion more, making that deficit $17.3 billion. I cannot subscribe to such fiscal irresponsibility.

Mr. FALLON. Mr. Chairman, I yield to the gentleman from Maryland [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, on behalf of my constituents in the Sixth District of Maryland, I want to commend the distinguished dean of the Maryland delegation, Mr. FALLON, for his leadership in working out a feasible solution to a complex, pressing legislative problem. This important highway program affects the safety of the lives of the people of my district and the future economic development of the Sixth District of Maryland. Moreover, it is the major essential step toward eliminating now and in the future the deplorable transportation logjam in the Washington metropolitan area. I strongly support this measure and urge the other Members of the House to do so.

Mr. FALLON. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. COOK].

Mr. COOK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. COOK. Mr. Chairman, it is with great reluctance that I rise today in support of H.R. 8678. As a member of the Public Works Committee, I am a firm believer in the interstate highway program. Such a system of highways is essential to our defense and to high-day safety in general.

However, I am sorry that this program apparently can only be continued by imposing an additional gasoline tax of 1 cent per gallon for 22 months. The people of Ohio only recently received a jolt of a 2-cent increase in the State gasoline tax. The increase included in this pending bill will really be felt by my constituents.

But the States and the various road contractors are now tooled up for the construction of many miles of new highway. The jobs of many people hinge upon a continuation of the road program at as near to present level as possible. If the program is reduced now, it will have a disastrous effect upon the economy of this Nation as well as upon our highway safety program and the defense of our Nation in case of attack. Therefore, I very reluctantly will vote for passage of H.R. 8678. There apparently is no other way, at this late day of the first session of the 86th Congress, to guarantee the continuation of the interstate highway program.

Mr. FALLON. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. DADDARIO].

Dr. DADDARIO. Mr. Chairman, we have reached a point in our deliberations in which we are faced with two unpalatable choices. The first is to discontinue, or reduce, the Federal highway program, enacted to improve the communications across this great country and vital to our commerce and travel. The second is to increase the inequities that are occasioned by the imposition of heavy Federal gasoline taxes through raising the present rate. Despite this fact many highway user taxes are now diverted from the purpose for which they could be dedicated—namely the maintenance of our road system.

This has been a serious issue since the start of the session. The Committee on Ways and Means and the Committee on Public Works have faced it, explored it and argued every conceivable alternative. Always in the background was implied use of executive powers to frustrate the will of the country by cutting off highway construction arbitrarily to make the point. I respect the serious and concentrated effort on the part of our colleagues on these committees to reach an agreement that would be good for all the people.

I have always opposed further and heavier Federal gasoline taxes, because I believe this is a province best left to the States. A general rise in Federal taxes would make it more and more difficult to meet local problems at the local level, which ought to be of primary concern of all of us.

Connecticut motorists now pay a total of 9 cents on each gallon of gasoline—6 cents in State tax, plus the 3 cents Federal tax. This is equal to a sales tax of 45 percent of the retail price of gasoline. The typical Connecticut motor vehicle owner pays an average of $166.20 a year in special State and Federal taxes on his vehicle and gasoline. The present Federal gasoline tax costs the people of Connecticut $23 million a year. Additional excise taxes bring the cost of Federal levies alone to $51 million.

In addition, Connecticut has never shirked its responsibilities in road building, nor expected Washington to solve its problems. As long ago as the 1920s, we began and followed through on a program to get the farmers out of the mud, by replacing our dirt roads in the secondary network. Not long ago, we completed and opened to traffic a major cross-State expressway that will be part of the Federal Interstate System—in all, we have completed about 147 miles of modern, limited access roads. The expense of those roads was borne through taxes and tolls on the people of Connecticut.

I have believed that some form of reimbursement should be provided, as the Congress indicated might be possible when it wrote the highway act. I have supported measures introduced by the gentleman from New York, the distinguished chairman of the Committee on Public Works, to that effect. I regret that this measure has not been brought to the floor, because I believe, as the Clay committee believed, and the President initially recommended, that it would be fair play to do so. I am glad, however, that there is an amendment to this bill which declares that it is the intent and policy of the Congress to reimburse States for such construction. If this amendment is defeated it will be necessary to keep such possibility for repayment open in the future.

I know that we need improved roads in this country—improved to save lives, to allow for the growth of our economy, to improve the leisure of our people. I believe also we have other important needs that must be met—in education, in public works, in defense, in housing, in employment, in water pollution control. I do not believe we can allow the highway program alone to overshadow the entire picture.

Nevertheless, because I know and respect how thoroughly the distinguished members of the committees concerned have gone into this problem, I shall vote for the bill. I want to make the point that I made earlier when this Congress imposed increased taxes that represent a heavy burden to my State—that a big bite is involved here, and one that I do not believe recognizes the taxing resources of the separate States and the burdens upon them.

I would make one further point. In recent years, we have all been conscious of the increasing problems of mass transportation—the bus companies, the taxicab companies and others that are important to our economy and our way of living. In my district, the principal mass transportation company is facing increasing difficulties, and in some communities in the State is trying and succeeding in shutting down feeder lines and often main lines that have been uneconomical.

This is a serious problem for the entire country. Gasoline taxes are part of the operating costs of these agencies, where adequate provision has not been made. Any increase such as this one is bound to tighten the noose around the average citizen, the fellow who has to ride to his job. It is bound to increase the pressures on cities, for parking space, for street construction and repair. I am glad to see that provisions for local transit systems are contained in this bill.

In Connecticut, two surveys have recently been completed that have demonstrated the acute nature of this problem. The first was an official study of

the Hartford labor market area under the direction of David Pinsky of the State labor department. It showed that about 20 percent of the 200,000 people who work in our area commute from outside the 18 towns that make it up, including some from out of State. The mass transportation facilities are particularly vital to those who travel freely within the 18 towns. Yet another survey, done by Irving Kravsow of the Hartford Courant, showed that the tightening noose about our bus facilities is posing an ever-increasing problem. I am happy to see that in raising the gasoline tax, at least, the committees have taken this into consideration.

Mr. FALLON. Mr. Chairman, I yield such time as he may desire to the gentleman from Delaware [Mr. McDOWELL].

Mr. McDOWELL. Mr. Chairman, I am strongly in favor of the highway program, and I think the people of Delaware support this program overwhelmingly.

But they question the need for the 1-cent increase in the gasoline tax over the next 22 months, until July 1, 1961, as proposed in H.R. 8678.

This additional tax, which the administration is insisting on for purely budget-balancing purposes, is not necessary to continue the highway-construction program.

In the report of the Committee on Public Works which accompanies this measure it is pointed out that the Treasury is now collecting more than $1.5 billion annually in special highway-user taxes on new vehicles, parts, and accessories. These huge sums are not going into the highway trust fund, and, if they were, or if only a portion of them were, there would be no need for an increase in the gasoline tax today.

The insistence of the administration upon additional gasoline taxes as a part of this legislation, indeed, is unfair to the motoring public and to all of the users of the Nation's highways.

The committee report shows that over the life of the Federal highway program, beginning in 1917 and up to the time of the enactment of the Federal-Aid Highway Act of 1956, the income from special levies on such things as gasoline and oil, new vehicles, tires and tubes, parts and accessories exceeded authorizations for highway construction by more than $17 billion.

In 1955 alone, the last full year before enactment of the act, the yield of these taxes exceeded Federal highway expenditures by more than $2 billion.

Despite the fact that at the time of the enactment of the Federal-Aid Highway Act of 1956 these taxes were yielding the Federal Government $2 billion a year the administration insisted on increasing taxes on motor fuel; tires and tubes; new trucks, buses, trailers; and levied new taxes on tread rubber and on trucks weighing 26,000 pounds or more.

At this very moment, the Federal Government receives much more from these taxes than it spends on the highways. In fiscal 1957, the excess of income from these special levies exceeded authorizations for highway construction programs by $1,500 million.

Small wonder, then, that there is so much dissatisfaction with the measures which we are called upon to vote for today.

This bill, H.R. 8678, is manifestly unfair.

Yet, we are offered no alternative to accepting it with the provision of additional gasoline taxes.

President Eisenhower has made a great thing of his supposed need for an item veto, to enable him to reject unwelcome and unnecessary authorizations.

Here is one instance, certainly, where this House stands in desperate need of an item veto.

This item veto should work both ways, not just in favor of what the administration wants or does not want.

Another thing, under the highway program there is a lapse of time between the authorization of funds for highways and the actual appropriation of money to pay for such highway programs.

At the time the Federal-Aid Highway Act of 1956 was adopted there were $1.958 billion in Federal highway funds outstanding which had been authorized by the 1954 and prior Federal-aid highway acts for which funds had not been appropriated. These huge authorizations were made liabilities of the highway trust fund, and the general fund was relieved of obligations for them.

This situation has been aggravated by section 209(g), known as the Byrd amendment.

Here is the reason this is so:

As originally developed, the highway trust fund receipts were to exceed expenditures in the early years of the program, thus building up a surplus. But this was to be a balanced program, with expenditures exceeding receipts as time went on. In the concluding phase of this program the receipts would again exceed expenditures.

Let us examine this for a moment.

The supplemental views with respect to H.R. 8678 filed by our colleagues, including the gentleman from Minnesota [Mr. BLATNIK], the gentleman from Pennsylvania [Mr. CLARK], and the gentleman from Oklahoma [Mr. EDMONDSON] declare that—

> In fiscal 1957, for example, the highway trust fund had revenues of $1.482 billion and expenditures of $966 million. The general fund was able to borrow the surplus funds from the trust fund making it unnecessary to seek funds from outside sources. In fiscal 1958 trust fund income rose to $2.1 billion and expenditures rose to $1.6 billion. At the close of fiscal 1958 the trust fund balance was $1.048 billion most of which was loaned to the general fund. In fiscal 1959, ended June 30, 1959, trust fund income was $2.185 billion while expenditures increased to $2.709 billion. This cut into the surplus accumulated in the first 2 years and left the fund with a balance of only $524 million.
>
> It is now anticipated that expenditures in fiscal 1960, the current year, will exceed income by about $1 billion, wiping out the balance and creating a deficit of about $500 million by the close of fiscal 1960. Thus, after about 3½ years of surpluses, which were loaned to the general fund, the trust fund will need additional money.

The situation is complicated by the fact that the costs involved in highway construction have gone up considerably.

The Federal Highway Administrator testified before the Committee on Ways and Means that the cost of the program as estimated in 1955 was based on incomplete data.

In addition, an increase of $1.3 billion was due to the fact that recent traffic studies showed the need for additional traffic lanes and other expensive features.

The Administrator further testified that an increase of $3.8 billion was attributable to the local needs of small cities and communities which required changes in the location of the highways in some cases and increases in the number of interchanges.

Other items not included in the 1955 estimate, such as utility relocations, provision for uniform signs on the Interstate System, and additional road lighting hiked expenses by $800 million.

A rise of $4.1 billion was due to the 12-percent rise in highway construction costs between mid-1954 and the last half of 1956.

The cost of the highway program has increased by a staggering $10 billion, with the Federal Government's share of the cost increases for the Interstate System authorized in the 1956 legislation amounting to $8.9 billion.

But there are a few other factors to be considered which account for the cost of the program zooming from $25 billion to $36 billion in the short space of 3 years' time.

This is the way the matter is explained by the Committee on Public Works in its report on H.R. 8678:

> The actual measured miles between the cities and border points used as the basis for the 1955–56 estimate were found to be 38,548 miles as compared to the figure of 40,000 miles which was authorized in the 1956 legislation, leaving 1,452 miles of the 40,000 undesignated. In 1957 the Department of Commerce designated 1,102 miles out of this 1,452 miles to specific roads, reserving the remaining 350 miles to be certain that the 40,000-mile limitation was not exceeded during actual construction. The estimated cost of the 1,102 miles already designated, and the 350 miles now held in reserve is $1.6 billion, representing a charge against Federal funds of $1.5 billion. In addition, an item of $700 million has been included to cover contingencies. Thus it was indicated that the rise of the Federal Government's share of the cost of the program from $25 billion to $36 billion for a 40,000-mile Interstate System can be accounted for by the $8.9 billion of costs attributable to the roads designated in 1956, to the $1.5 billion for the additional mileage, and to the $600 million for contingencies.

It is significant, I think, that the Committee on Ways and Means is deeply concerned with these rising costs and believes that they require careful review over the next few years.

The Federal-Aid Highway Act of 1956 was directed to one of the country's most pressing needs: adequate defense.

There is no question in my mind that we must intelligently plan to provide funds for the completion of the 40,000-mile Interstate System.

But, at the same time, steps must be taken to curb the reckless spending by the Bureau of Public Roads which often has purchased expensive properties at outlandish expense.

Elaborate superstructures have been built which are engineering marvels,

but which may not have been needed if more careful study of the sites had been made.

At this same time the economies of our cities from coast to coast have been disrupted.

Part of the increasing cost of the highway program is due to the inordinate emphasis on speed, according to officials of the congressionally chartered National Trust for Historic Preservation. The National Trust is made up of hundreds of organizations at the National, State, and local levels. Mrs. Helen Duprey Bullock, historian of the National Trust for Historic Preservation, declares that—

> Part of the fabulous and increasing cost of this program is owing to the inordinate emphasis on speed. Routes are not infrequently selected and plotted from the air with an appalling lack of consideration of human values involved.

Mr. Chairman, I strongly urge the adoption of the bill.

Mr. FALLON. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, this is a decision which faces all of us and about which none of us can really be enthusiastic. I suppose no Member of the House could find it a more bitter pill than I find it to be, since I, along with others, had stated publicly earlier in the session that I was opposed to any increase of the gasoline tax. Yet, I have come to the conclusion that this is the only responsible way in which Congress can proceed at this juncture of our highway program.

Nobody likes to vote for a tax increase, and yet I suggest to you that you take whatever objection you might have to this bill and compare it side by side with what will happen if the bill is not enacted. If this bill is not enacted, we will most certainly come to a point, according to the testimony by the Department of Commerce, within a couple of months, when the entire Federal highway program will be brought to a grinding halt.

It would have been my choice to find another alternative, perhaps to scale the size of the program down a bit and keep it going in an orderly fashion at a somewhat reduced rate. But we do not have any choices. Our choice is either to let the program die entirely for a period of some 9 months or to enact this bill, behave responsibly and validate our obligations to the States which, acting upon those obligations, have made contractual obligations to contractors within those States to build roads.

If we do not pass this bill many of those States within 2 months are going to be in a position where they will have to default on the obligations they have assumed to the contractors. Many miles of road presently under construction will not be paid for in keeping with the terms of the contracts. Many contractors, unable to meet their own obligations assumed in good faith based upon Government commitments, would have to go out of business. Many thousands of highway workmen would suddenly be thrown out of work. Public confidence in the entire highway program would be seriously impaired.

Mr. Chairman, it boils down to this. We have bought the merchandise. We cannot send it back. The only honorable thing we can do at this point is to pay for it.

Mr. MACK of Washington. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, the main question facing us today is simply this. Do we want the highway program to continue? In my judgment it is just that simple. The question is, Will we go back on the commitments that we have made to the several States? Will we stop the construction of the Interstate System of Highways that we began a few years ago?

Unless we enact this bill two things will happen. We will be going back on our word to the States because we told the States to go ahead and enter into contracts for highway construction and we would share the cost. But unless additional funds are provided for the highway trust fund, we are not even going to be able to meet our responsibility to reimburse the States on some of the ABC contracts that have been entered into.

It is not just the Interstate System that is in trouble. You have some States that are preparing now to present bills for reimbursement to the Federal Government for construction that has been completed. We are going to have to go back on our word temporarily and say, "No, we cannot give you the money today, you will have to wait 6 months or a year until this trust fund is replenished."

So the question whether we honor our word and our commitment in those cases is involved in this legislation. Also, unless we enact this legislation all of the new work on the Interstate System will have been cut off in 36 States and the District of Columbia within the year. In fact, it is cut off already in some States.

The fact is that the trust fund from which highway aid, both ABC and interstate aid, is paid is short of money.

The Senate last year in a bill which was sent to it from this House added an amendment ordering a speedup in the highway program and ordering the spending of $1.6 billion more than was contemplated under this program. No provision, however, was made for finding the money to pay the bill. I suppose we can say that that is customary. But at least that is what happened. The House agreed to the amendment in conference, the bill was signed, and the money was spent as ordered by the Congress.

Mr. Chairman, I voted against that legislation but I do not think that absolves me from responsibility as far as facing up to the facts of the situation today. The money has been spent. The fund is short. If we do not do something then the whole Interstate System comes to a grinding halt and we cannot even honor commitments that have been made to the States on which the States have gone ahead and spent money.

Gentlemen have mentioned the responsibility of the Congress. It seems to me it is our obligation when we order commitments made that we then find where the money is going to come from and provide that revenue.

We must act today because of the obligation we created last year. We are in an emergency, but this is not the only problem we have with respect to the highway program. In fact, the increased cost of the program is such that we are going to have to face up to a bigger issue 2 years from now.

The CHAIRMAN. The time of the gentleman has expired.

Mr. AUCHINCLOSS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BYRNES of Wisconsin. We are going to have a real problem before us. If we want the program and the roads built on schedule and on time, we are going to have the real problem 2 years from now of finding about $13 billion in addition to what is now provided under present taxes. So do not think that this action today is going to lead us up a rosy road where we do not have to worry any more because we have something more facing us. But we are in an emergency now. This bill proposes to meet that emergency. Now what can you do to meet this emergency? Of course, you can do what we have already done too often. You can borrow the money. You can raid the general fund and say, "Well, we will have the general funds of the Treasury finance the deficit." But, the general fund is short, and it has to borrow. So the question you have to face today is whether you are going to borrow this money or whether you are going to raise it in current taxes. In my book, Mr. Chairman, if this Congress is going to be responsible, it will decide to stop this idea of borrowing to meet our every need. We will pay for current spending with current taxes. That is what this bill does.

Certainly it is distasteful. Nobody likes to raise taxes. But let us just remember this not only in connection with this bill, but in connection with all bills that cost money. If we are going to spend money, we are going to have to raise the taxes to pay the bills. It is always going to be distasteful. But let us remember how distasteful it is to raise taxes when we order the expenditures made.

This bill is a compromise. We have cut the program back. We have cut it back from what the Committee on Public Works anticipated being a $2.5 billion annual program. We have cut it back so that this year they are only authorizing $1,800 million, and there will be a further reduction next year. We increase taxes to provide the funds to finance the reduced program.

It is a reasonable compromise.

It is a practical compromise.

Mr. FALLON. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. HARRISON].

Mr. HARRISON. Mr. Chairman, it is a source of genuine regret to me to part company on this measure with the distinguished gentleman from New York

[Mr. BUCKLEY], the chairman of the Committee on Public Works, and the able gentleman from Maryland [Mr. FALLON], and it is of particular regret to me to part from my own distinguished chairman of the Committee on Ways and Means, whose leadership I am always anxious to follow. In the history of the Congress, there has never been a time when the Committee on Ways and Means has been chaired by one with more profound knowledge of the intricate and technical laws within the committee's jurisdiction or who has so much enjoyed the respect and admiration of his colleagues on the committee.

I agree with what the preceding speaker, the distinguished gentleman from Wisconsin [Mr. BYRNES] has said, that at this late date there is no choice between going on with this program as planned and passing this bill. But, it is my position that, instead of raising taxes on American motorists to the tune of a billion dollars, this Congress should slow down this interstate highway program and take stock of its progress. There is need for such stocktaking. The 1956 estimate of cost of this program is $25 billion and, in the course of 3 years that has gone up $13 billion, or a 50-percent difference, and only $4 billion of that is claimed to be on account of rising costs of construction. Reports made by the Comptroller General to various committees of this Congress furnish strong evidence that some of the States are running riot on the Federal Government's 90 percent share of this interstate program.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. HARRISON. I yield.

Mr. FALLON. In regard to the costs on the Interstate System, I would like to call the attention of the gentleman to the fact that so far as the Interstate System is concerned, the cost for construction is $1,175,000 a mile under State and Federal supervision, whereas in 14 cases of completed toll roads, the cost has been $1,222,000 a mile.

Mr. HARRISON. The gentleman will recall that Mr. Tallamy of the Bureau of Public Roads testified to the fact of the increased cost of the estimate and stated that $4 billion of it was due to increases as the result of price rising and the rest for other reasons. The report of the Comptroller General shows that States have built roads parallel to other State roads meeting Federal standards in Kansas and New York and Ohio, New Jersey and Massachusetts.

The report of the Comptroller General says there were extravagant or political appraisals in New York, Kansas, and Indiana; and in the State of New York on one road a stretch of road of 35 miles at a cost of $24.8 million, on which the right-of-way estimates were made in a day.

There were faulty cost estimates and errors in the States of Colorado, Washington, Virginia, Ohio, California, Kansas, Georgia, Texas, New Jersey, Illinois, and Florida. It is only fair to say that the Bureau of Roads has submitted an answer to that in which it denies allegations of inefficiency and contends that other faulty practices have been eliminated, but it is significant that the Comptroller General charges that the Federal Bureau of Roads' "difficulties in financial administration stem principally from a lack of professional leadership in financial management."

There is hardly a Member of Congress through whose district these roads go who does not know of some extravagant use of the Federal funds.

I can give you an illustration in my State of Virginia where contrary to engineering advices the Highway Commission by a divided vote is asking the Federal Government to put up $37 million additional and to add 54 miles and this the Commission is doing for purely political purposes, despite advice of engineers it employed to give it advice.

Forty-two percent of this interstate money is for city thruways at a cost of $4 million a mile. These city freeways constitute only 11 percent of the system. Since the Interstate System is only 1¼ percent of American highways, 42 percent of its money is for one-tenth of 1 percent of the roads.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. HARRISON. I yield to the gentleman from Maryland.

Mr. FALLON. It just happens to work out that while it accounts for 42 percent of the cost, it also carries 42 percent of the traffic.

Mr. HARRISON. But it is only 11 percent of the roads in the interstate highway system.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. HARRISON. I yield.

Mr. SCHERER. I realize what the gentleman said is correct, that 42 percent of the cost goes to these city thruways.

Mr. HARRISON. Forty-two percent of the cost for 11 percent or 1¼ percent of the entire highway system.

Mr. SCHERER. The chairman of the subcommittee said that 42 percent of the traffic is there, and it accounts for 42 percent of the cost.

Mr. HARRISON. But the other State roads, the primary and secondary roads are suffering as a consequence.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. HARRISON. I yield.

Mr. FALLON. Regarding the statement the gentleman made that the secondary farm-to-market roads are suffering because of this system, let me call the gentleman's attention to the amount of money spent by the Federal Government on secondary roads. For 1956 it was $1,869,044,000. In 1959 the estimate was for $2,823 million. That is a billion dollars more spent on those systems than in 1956.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. FALLON. Mr. Chairman, I yield the gentleman an additional half minute.

Mr. HARRISON. The gentleman takes most of my time, and I am very much complimented that he did, but I suspect the same condition exists in other States, but in my State I know that the other primary and secondary highways, the part that constitutes 98¾ percent of the American road system, is suffering and I suspect that the same condition exists in other States. In Virginia, this year, for construction of primary roads, not subject to Federal aid, not one single penny for construction is allocated.

Mr. FALLON. Let me tell the gentleman exactly how much money is being spent in the gentleman's State.

Mr. HARRISON. I am talking about primary roads.

Mr. FALLON. I am talking about primary, secondary, and farm-to-market roads. In 1956 the Federal Government and the gentleman's State combined spent over $30 million.

Mr. HARRISON. I did not say that. I do not deny that when we get into the Federal till, we have been trying to put up our share so that we could continue. But the State primary roads and the State secondary roads where Federal aid is not involved are suffering.

Now, we propose to invade the one source of revenue the States have to get their highway funds—the gasoline tax. In addition to that, in this bill, we are invading general revenue to the extent of $2½ billion. On yesterday, we in this House dealt with the President's veto of the public works appropriation bill and sustained that veto because the President said that over a 10-year period it would cost $800 million extra in public works. In this bill, we seize more every year from general revenue for public works than the public works appropriation bill had in 10 years.

In view of all this I ask: Is it right to mulct the American motorist for another billion dollars in taxes to carry on a program which the Comptroller General indicates is accompanied by extravagance and mismanagement and sacrifices the Nation's farm-to-market roads for city thruways?

Mr. AUCHINCLOSS. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I am compelled to oppose the bill before us because of the closed rule under which it comes before the House. We are given no opportunity to offer amendments to this bill.

Mr. Chairman, many of us here today would have no objections to an increased tax to finance the interstate highway program if we honestly believed that the new highways were being built for the least possible cost to the taxpayers of this country. We have a dynamic, growing country and there is no doubt that we will need a vast system on the scale now planned if we are to match the requirements of the future.

But need does not justify extravagance. No matter how badly we need any project, we should be certain that we are getting a sound return on our money, and that all due economies are being exercised. Yet the fact is that under present regulations it is altogether possible that millions and millions if not billions of unnecessary dollars will be spent on the interstate highway program.

I am referring, Mr. Chairman, to the fact that States are not required to solicit alternate bids for portland cement concrete and asphaltic type paving. A

State, which will pay only 10 percent of the cost of the interstate highway running through its territory, can make the unilateral decision that a certain surfacing is preferable. Even if that surfacing costs millions of extra dollars over a comparable quality in another surfacing, the Federal Government has no right to question the State's choice unless alternate bids have been submitted.

The amendment I would propose, Mr. Mr. Chairman, would simply require the States to solicit competitive bids for both types of road surfacing, portland cement and asphalt paving. I sincerely regret that the rule for this bill does not permit me to offer this amendment, which I believe might save us untold millions of dollars in the interstate highway program.

In my own State of Massachusetts, Mr. Chairman, we recently completed a 123-mile turnpike using asphalt paving. Our saving over concrete was $15,181,335—the asphalt price was about $10½ million, while concrete would have cost us $25½ million.

Let me cite some other recent cases in which asphalt has saved the taxpayers many millions of dollars:

First. Kansas Turnpike: Engineering decision was made to use asphalt paving on 181 miles of the 236-mile toll road at an estimated saving of $3 million. No alternate bids were asked.

Second. New Hampshire Turnpike: Alternate bids were asked on this 14.7-mile toll road. Concrete bid was $6,474,809.50 and low asphalt bid was $5,233,675.50, for a saving of $1,241,134 with asphalt. This set the pattern for other New Hampshire turnpikes.

Third. New Jersey Turnpike: Alternate bids were asked on the 117.6-mile toll road. Concrete bids totaled $45,729,568 and low asphalt bids totaled $40,272,434 for an asphalt saving of $5,457,134. This set pattern for Garden State Parkway.

Fourth. Turner Turnpike, Oklahoma: Alternate bids were asked on this 88-mile toll road. Low concrete bids totaled $10,452,484 and asphalt bids totaled $9,291,364 for an asphalt saving of $1,161,120. The 88-mile extension automatically designated asphalt.

Fifth. Connecticut Expressway: Engineering decision was made to pave western 68 miles of this 130-mile superhighway with concrete and the eastern 62 miles with asphalt. Only first section on western end was opened to competitive bidding with low concrete bid for the 3-mile stretch $5,006,411; low asphalt bid was $4,728,527—a saving of $277,884 with asphalt on a stretch of 3 miles. Decision to pave with concrete on this end determined by large number of structures requiring use of concrete.

Sixth. Maine Turnpike: Alternate bids were asked on this, the first of the major asphalt turnpikes and the first turnpike project to be built with private investment funds. Low bid for concrete was $5,785,369.50; for asphalt, $4,812,-624.50—a saving of $972,745 with asphalt.

Seventh. Richmond-Petersburg, Va., Turnpike: First section on which alternate bids were asked was awarded to asphalt on basis of low bid, $4.02 per square yard for asphalt against $5.65 per square yard for concrete. This represents a saving of $50,700 over a 36-mile distance if full turnpike is paved with asphalt, as expected.

Eighth. West Virginia Turnpike: Alternate bids were asked on the first 20-mile section of this 87.6-mile toll road. Low concrete bid was $4,386,690 and low asphalt bid was $3,502,090. The demonstrated saving of $884,600 failed to influence officials who awarded the construction to concrete anyway.

Ninth. Sunshine State Parkway, Florida: This 386.5-mile toll road was designated for asphalt on basis of known savings and speed of construction.

Now there may be cases, Mr. Chairman, in which portland cement surfacings will be more economical. In that case the award should certainly go to cement. But the taxpayers are certainly entitled to the least expensive paving whenever possible.

I understand that in the past there has been dispute over the comparative quality and durability of portland cement versus asphalt paving. In this regard I wish to include at this point a letter from C. D. Curtiss, Commissioner of Public Roads, addressed to Senator FRANCIS CASE, which appeared in the CONGRESSIONAL RECORD of August 28, 1957. This letter indicates the feeling of the Bureau that both surfacings are of high quality and that annual maintenance costs are reasonably close:

DEPARTMENT OF COMMERCE,
BUREAU OF PUBLIC ROADS,
Washington, D.C., July 15, 1957.

HON. FRANCIS CASE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CASE: Your letter of June 12, 1957, with an enclosed letter of June 4 to you and a brochure on highway construction from the Asphalt Institute, has been read with interest.

We are aware of the concentrated efforts being made by advocates for the uses of various types of construction, construction materials, and construction equipment, in competition with others, and claims made of advantages or cost savings, one over the other. This is to be expected as a result of the exercise of free enterprise.

The subject submission concerns itself principally with comparisons between asphaltic concrete and portland cement concrete pavements. Excellent surfaces may be constructed of either bituminous concrete, or portland cement concrete, and there is considerable value in having the two types actively in competition.

In either case it is highly important that consideration be given to climatic conditions, subgrade soil, availability and suitability of materials, character of traffic, and other contributing factors in determining the type or types considered by engineering judgment to be the best suited to the given conditions with resultant overall economy.

As highway work is regularly awarded to contract only after public advertisement and competitive bidding, the ranges of bids received serve as a fair measure of the cost variations whether the bid invitation is on a selected type or on alternate types. These bid cost variations often represent greater difference than cost advantage differences claimed by the advocates of either type of pavement.

The actual service lives of bituminous and portland cement pavements are not the same nationwide, nor are the maintenance costs the same nationally. The true measure of cost is the annual cost arrived at by dividing the first cost plus maintenance cost by the number of years that the pavement provides a satisfactory road surface. There is considerable difference of opinion between proponents of the two types of pavements as to which has the lower annual cost because of differences in the method of calculating these costs. In general, it may be said that under comparable service conditions, and with comparable designs, the annual costs of the two types are reasonably close. We do not have available conclusive evidence that would justify taking any other position than this on a question which has long been of interest and concern to engineers.

We are not unmindful of the responsibility of public officials entrusted with the improvement of our highway system, to exercise every equitable means toward realizing the utmost economy in that accomplishment.

This Bureau's policy has been one of neutrality on pavement types, bridge types, and various other competing types of highway construction, accepting either one or another when of comparable design, but reserving this right to require adequate design of the type or types chosen, and that where comparable types are bid in competition, the award be made to the lowest bidder.

The asphalt industry has given us assurance that it now has, and will continue to provide, ample capacity to supply the types of bituminous products currently in demand and as anticipated to meet future demands for accomplishment of a long-range highway program. Assurances have been given similarly by other producers of materials required for highway construction.

We are convinced that continued use of competitive construction types, construction materials, construction equipment, and construction bidding will result in the most economic accomplishment of the long-range highway program and utilize the highway dollars provided in the best public interest.

Sincerely yours,

C. D. CURTISS,
Commissioner of Public Roads.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of H.R. 8678.

Mr. Chairman, I think we should go back and review the reason that Congress in 1956 felt that the creation of a Federal interstate highway program on an emergency basis was an absolute must. We recognized at that time that our highway needs had fallen far behind. We had gone through a period at that time when we could not keep our highways abreast of the additional traffic. We had gone through a period of expansion after World War II when we were constructing motor vehicles in great quantities and the highways were not prepared for the great burst and explosion of additional highway traffic.

There is not a man or woman in this Chamber right now who has not had the experience in his own State of being caught in a line of traffic on a two-lane highway where there had been a crash up ahead and having to wait in line for an hour or two until the crash could be cleaned off the road and the accident cleared up. That was the reason why we authorized this program as an emergency program in 1956. It was to try to keep these highways abreast of the additional traffic. This year there will be

6 million additional automobiles sold in this country. Part of them will be replacement automobiles, but many of them will be new cars on the highway. Constituents of all of us are going to lose their lives this year because of inadequate roads, we are going to have more constituents injured because of inadequate roads. This year we will probably have 38,000 people killed, and well over a millon people injured in automobile accidents. Who can measure the cost of those people who are killed or injured because of our inadequate roads?

The statistics show that when we build four-lane highways, with controlled access and divided center lines, the accident rate goes down from one-half to two-thirds. So we are saving the lives of thousands of people, we are preventing people from going through life without an arm or a leg from some motor casualty.

That is the reason for this emergency program and that reason has not changed one bit since 1956. We are going to see, and the statistics show, that when we eliminate the stop lights, and where we have no intersections, only overpasses and underpasses, and we make it unnecessary for motor vehicles to stop, we are going to save lives, we are going to save costs in gasoline consumed while cars are waiting for a change of light so that they can go again, we are going to save in accident insurance by reducing the number of casualties that occur on the highways. This is just as real today, just as needed today as it was in 1956.

There is only one alternative to the passing of this bill, and that is to allow this program to come to a complete stop for at least 9 months. I do not think there are many Members in this room who actually want to see this program come to a complete stop. The people of this country have become aware of this need, the State highway departments have put on additional engineers to meet the needs of a bill we passed in 1956, and it would not be fair to those highway departments to say to them: "You put on additional engineers that we asked you to do, but now they are not going to have anything to do for 9 months because we do not want to finance the program we authorized."

That is the issue, and I think we should meet it face to face by passing this bill.

Mr. FALLON. Mr. Chairman, I yield 4 minutes to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I am quite aware of the blood and the sweat and tears that have gone into this proposition when it was considered by the Committee on Ways and Means and the Committee on Public Works. As a matter of fact, I have shed some myself as a member of the Committee on Public Works.

I think at this stage in today's debate you could safely say that the understatement of the day was made by the distinguished and able chairman of the Committee on Ways and Means when he said this bill was brought forth most reluctantly.

It is brought forth only because of a conviction in two committees that it is the only way this road program can be carried forward. What has not been elaborated upon here on this floor but what is a cardinal truth in connection with this bill is the simple fact that this is the only way to get a bill for one reason, and one reason only, and that is that in the White House, in the administration, there is a flat and absolute refusal to consider any other approach to this problem. Make no mistake about that. Every attempt that has been made by the Committee on Ways and Means to explore other approaches to this problem, through excise tax diversion, through a bond issue which anticipates an increase in the trust fund later on, each and every attempt to meet this problem by other ways than dipping into the pocket of Mr. John Q. Public has been met with adamant refusal by the White House. This is an Eisenhower tax increase upon the gasoline users of this country.

From the very first consideration of this measure, since last January, the administration has been saying: We want a 1½ cent further gas tax increase and we want it for 5 years.

Had the Ways and Means Committee followed the recommendation of this administration, they would be loading upon the motorists of this Nation $3,400 million more over the next 5 years than is being loaded on them by this bill.

And, only because of this adamant refusal over in the White House to consider any other approach to the problem is it necessary to vote today as we do. So, let it be made clear and let it be unmistakable that this is an Eisenhower tax increase upon the motorists and the highway users of this Nation, and it is the President and his administration who have made it imperative that we do it. This comes as the second great declaration of Republican policy to confront our visitor from over in the Kremlin. Yesterday we had policy No. 1: No new starts to meet the great problems of natural resource development in this country. That was policy No. 1 of this administration. Today we get policy No. 2, and that policy is tax the little fellow to pay the bills of the country. No matter what the other approach might be, no matter what other approaches we might have to finance this program, the administration has said we want to take it out of the motorists' pockets. And, the administration has said that in spite of the fact that today $1.5 billion of highway user taxes are going over into the general fund, in spite of the fact that the general fund tapped the trust fund to the extent of $1.95 billion back in 1956 and 1957 to pay old general fund highway obligations. In spite of these truths, the administration has said, "You cannot come to the general fund and reimburse the trust fund. You must put additional taxes on the people who drive on the highways."

Now, Mr. Chairman, I cannot go along on that approach. I honor and respect the Members who are going along with it, because I know they do it in good conscience and because they are meeting what appears to be a stone wall over in the administration that makes any other approach apparently impossible, but I, for one, cannot go along with it. I drove to a filling station this morning. I paid 30.9 cents a gallon for gas, and 9 cents of that 30.9 was for gasoline tax. That is too high a tax, and no more should be levied.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I was shocked to hear the speech, or the tirade, just recently delivered on the floor, in complete disregard for the facts of the case, in complete disregard for the committee report of what the facts in this issue are. The attempt to place it on a basis of party politics to me is quite shocking.

Mr. Chairman, this is a very simple issue, as a matter of fact. It is a question of where do we get the money, because the Congress, to a large extent, is responsible for the actual situation we are in today. We accelerated this highway program by about $1.6 billion in 1958. There are some of us who want highways, and I am among those who do, but who voted against the conference report in 1958, because we did not have the money.

Now, here is the situation. If we want to buy all of these fine things for our people, we have got to pay for them. Now, we cannot pay for them temporarily or postpone bills by issuing Government bonds. We have before us right now the problem we are facing on debt management, and from that side of the aisle, to all those who vote to spend and spend and spend, I say we now are at the point where we have to figure out how we are going to pay for it. The same gentlemen who voted for that are the ones who say we do not want to pay high interest. Yet it is because of the fact that we have been financing these programs through bonds through deficit financing that we have this high interest. So, we cannot do it in that fashion. We cannot issue more bonds because we are having a difficult time even marketing the bonds that we have to float now. There is only one other way, and that is to raise taxes. And, I want to say this to the members of the committee, that we are reaching the point—and this is Democrats as well as Republicans who have dug into these fiscal affairs who are telling you this, from your own side, the chairman of the Committee on Ways and Means—where our tax rate and our tax structure is so high now that it is badly eroding the private economy, which, after all, is the main sources of taxes. So, we are in a position where even now it is a question whether we should raise taxes. And, I sympathize with those who say if we raise more taxes through the gasoline tax, that it is a dangerous thing. That is so because our tax rate is already so high, but even more dangerous is the use of bonds.

There were only about 30 of us who stood up and warned on that point in 1958. Now we have to figure out how to pay for it. I, along with some others on the Committee on Ways and Means, voted for almost everything we could think of as a possible way of financing

this ill-advised expenditure. But I want to warn on another matter. We are only solving a temporary problem, with this 1-cent tax for a period of 22 months. We are waiting until the 1961 report comes to the Committee on Public Works for a thorough study of the expenditure side of this program, to find out just what in the name of Heaven we are going to do.

If it is going to cost us $35 billion for 40,000 miles of highway instead of $25 billion that we financed and set it up for, maybe our people do want the $35 billion worth of roads. But if they do we are going to have to figure out how we are going to pay for it, or maybe the people will say we had better stretch this out or cut it out. But that problem we are not solving here today. We are only solving an immediate problem to finance the contracts for which we have already committed ourselves and to avoid the economic damage of cutting back completely a program that has already started.

If we do nothing here today not only will we default on $250 million of commitments, but we will cut the program back for a period of 9 or 10 months when nothing will be done. That will produce economic waste and economic damage.

So we will solve our temporary problem by enacting this bill today and for that reason I urge its adoption. But let no one think that we are solving the real problem. The real problem is still to face us. We are going to have to get this thing on an intelligent, pay-as-you-go basis, in my judgment.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. SCHERER. The gentleman from Oklahoma [Mr. EDMONDSON] bitterly attacked the President's position. Has not the President retreated considerably from his position in this matter? The gasoline tax only goes for 22 months and will raise only $1 billion, whereas he agreed to transfer from the general fund excise taxes in the amount of $2.5 billion?

Mr. CURTIS of Missouri. The gentleman is entirely right. And, furthermore, the President's position was only that we should get the revenue.

Mr. JONES of Alabama. Mr. Chairman, I yield 3 minutes to the gentleman from Nevada [Mr. BARING].

Mr. BARING. Mr. Chairman, I was happy to hear the gentleman from Oklahoma [Mr. EDMONDSON] finally blow the top off this debate. I have listened to some pretty mild remarks from both sides for the past 2 hours and I do not think we have even touched the issue until this time. I think that we should not kill the thief but take care of our money.

Why are we considering an increase in the gasoline tax? Where is the money that was in the highway fund? I'll tell you where it has gone.

There have been vast expenditures and expensive real estate deals through the very centers of towns as small as Reno, Nev., and there have been expensive interchanges in cities and towns and elaborate superstructures and bridges that could be avoided by proper planning. There have been tremendously high administrative costs excessive to any reasonable requirement. The President warned against expensive real estate deals, and still that is exactly what is happening today. That is where the money has gone, and that is why we are here today arguing this bill.

It is about time Congress should look over the shoulder of the Bureau of Public Roads, Bertram Tallamy and Frank Turner, to see what they are doing.

I am telling you that there is going to be a complete investigation not only in the State of Nevada, where we have already had a bitter 3-year fight, where they tried to build a Chinese wall through the center of our little town at a cost of $50 million—$50 million, gentlemen, for 4½ miles of elevated jungle. That would be nearly $10½ million per mile. The people of Reno do not want it. Eighty percent of the citizens signed petitions saying that they would rather not have any freeway at all than to have the town ruined. And why was this forced upon them? Because the Bureau of Public Roads told the board of county commissioners that they had to take a route leading to the center of Reno or have no Federal funds at all. I have telegrams signed by Frank Turner and two other Bureau engineers to prove it.

And let me remind the Congress that this happened 4 months before a public hearing was held. Part of this route was actually approved by the Bureau of Public Roads before the hearing. All this is in violation of the Federal law. But there have been further violations, not only in Reno but all over the country. In Reno there was no consideration by State or Federal officials of the economic impact on the community.

The people of Reno are fighting mad. I have had letters and telegrams from Omaha, from San Francisco, and from Sacramento, I know of a scandalous situation in New York and New Jersey that definitely should be investigated. Henry Such Smith, who has proposed the revitalization of route No. 22 in New Jersey and the Liberty Bridge across Upper New York Bay, says in this connection:

> Lack of public attention and effective means to cope with misleading or fraudulent reporting of technical and economic fact by constituted authorities and their consultants is the greatest single threat to our economy, our children, and our national security.

The entire situation approaches a national scandal and I hope that this Congress, through the Committee on Public Works, that has set up a special subcommittee to look into these matters, will make a thorough study of the activities of the Bureau of Public Roads. The people of this country are entitled to know how their money is being spent. They are taxpayers and they have to pay for all this. This is not a matter of party politics. Let us get down and clean house.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. BARING. I yield.

Mr. SCHERER. Does the gentleman realize that the Bureau of Public Roads only carries out the laws that this Congress enacts and that it is actually the State highway departments themselves who construct these roads and determine where they go?

Mr. BARING. The State highway departments and the Bureau of Public Roads are in cahoots all the way across the Nation.

Mr. AUCHINCLOSS. Mr. Chairman, I yield such time as he may require to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, continuation of the highway program and the deficiency in the highway trust fund is not a problem that suddenly confronts us, even though it is just now coming to a real showdown. In 1958, when the temporary acceleration of the program was passed, the thinking person knew that this was going to push us into a deficiency. It is unfortunate, in my estimation, that those who pushed the depression panic button for what were, in a large measure, political purposes, a year ago prevailed.

Those of us who voted against the conference report last year which did this might well take the position that we did not contribute to the situation, so we can with good conscience vote against this bill and say that any effect as far as continuing of the highway program is no fault of ours. In this I cannot agree. The fact is that the action was taken by a majority vote of the Congress. That is water over the dam.

For the same reasons that I have voted to increase the debt ceiling, I propose to take responsible action as far as this problem is concerned. I believe in the necessity of the basic highway program, including the Interstate System, and the benefits that will accrue from it. To allow this program to disintegrate would be a national error.

It would be contrary to the public interest. We do have a present need for improved highways. Besides keeping faith with the contractors and other suppliers who have made their plans, in response to the projected program, a widely fluctuating level of construction would, in the long run, be more expensive to the taxpayer and contrary to the public interest.

In the national interest, we must have a highway program continued at a suitable level. I agree generally with the provisions of the bill, as to the level of the program. This will provide for a program over the next 4 years at an approximately level of $2 billion per year.

I thoroughly agree with the gentleman from Texas [Mr. ALGER] that we should fully investigate the operations of the program. I have been concerned about this for some time. As a matter of fact, it was discussed by many of us out of order in one of the recent meetings of the full Appropriations Committee. I am convinced that there has been widespread extravagance, and perhaps even mismanagement of funds. This must be eliminated.

That is not a solution, however. We must still have the expenditures at least at the level provided in this bill, to provide an adequate system of highways within a reasonable time, even if such abuses are corrected.

This must be financed from current revenues. I am unalterably opposed to further deficit spending by any name—front door, back door, or side door, or by revenue bonds or any other name that you call it, unless the needs for national security should change.

From the time that the President's message was presented last January, I took the position that we could, if we had the political courage, provide for adequate highways and other necessary and proper functions of Government without increasing taxes or resorting to deficit spending, by a third method of reducing spending for general governmental purposes in areas where there was excessive spending.

As a member of the Appropriations Committee of the House, I worked hard and long to bring this about. The efforts of the majority of the committee with the same purpose in mind resulted in substantial reductions in spending, which would have made this possible. This is true although in many instances we have appropriated more than myself and the majority of Republicans would have preferred.

In spite of the spender efforts by some Members of this body, and altogether too often on close votes, the action of the committee was generally sustained on the House floor. Even when the phony cuts are eliminated, the total cuts amounted to $1,471 million, and even after increased back-door spending, over which the Appropriations Committee has no control, of $150 million, is considered, there is still a net reduction of $1,321 million, or almost three times the amount required for an adequate highway program without an increase in taxes.

Unfortunately, the other body did not show the same responsibility. They not only wiped out all of the House cuts, but went way over the budget requests, when the same adjustments are made.

The House conferees worked hard to bring this under control, but even after the conferences reported, we end up about even, on paper, and after the phony cuts are taken into consideration, we are over the budget requests by $1 billion or more.

So, unfortunately, with this action, and with the action of the President in picking the wrong appropriation bills to veto, the method by which our highway problems should really be solved—by reduced spending—is no longer possible. I will set this situation out in detail later, if time permits.

We must, therefore, increase taxes if we are to avoid deficit spending and still have the highway program. I am prepared to do this, in the hopes that it will provide the means of pointing out to the majority of the American people what is being done to them in the name of being done for them. I still, however, do not agree with the method of financing and the tax increases provided in this bill. I regret that the rule under which we are considering this bill does not permit the offering of amendments to change this.

In my opinion, we should vote a general tax increase, if the majority of Congress insists on raising taxes instead of reducing spending in other areas. I think it should be a general tax increase, because taxes collected from highway users on gasoline and other excise taxes already exceed the total outlay for all highways by $1.5 billion. The excess spending that is causing the deficit is in other areas, and it should be financed by general taxes. As I have sometimes put it, what we need is an antidiversion policy with respect to all highway revenues.

I believe the argument that excise taxes and gasoline taxes should pay for part of the cost of general government—by being diverted to the general fund—and all of the cost of highways, is unfair. I believe there are general public benefits from highways and if the users pay for all of the cost of the highways, they have done enough.

The fact that the highway users will pay excise taxes totaling $74 billion over the life of the program contemplated by the Highway Act of 1956, and that only a part is allocated to the highway trust fund, should, I think, carry great weight as the House deliberates what action should be taken. I think the chairman of the committee, Mr. MILLS, was right when he stated that this is a matter that needs to be given consideration before any further burden is put on those highway users who are already helping to finance the highway program.

As a matter of fact, as a member of the House Appropriations Committee, I asked Secretary of the Treasury Robert Anderson on January 21 questions with respect to the highway trust fund.

I asked that the total revenue that comes from the highway users be supplied for the record, and Secretary Anderson answered:

> You have about $1,170 billion on passenger automobiles and you have automobiles and trucks, parts and accessories, but they are in the budget sheets. For that particular item there is no gross sum. I will be glad to supply it.

The data supplied shows:

> Receipts of taxes on gasoline, diesel fuel, tires and tubes, tread rubber, the use tax on certain vehicles, and trucks (50 percent) which were transferred to the highway trust funds in the fiscal year 1958 amounted to $2,116 million. Other taxes associated with automotive products—the taxes on passenger automobiles, parts and accessories for automobiles, lubricating oils, and trucks (50 percent)—all of which have been in effect for many years, yielded $1,510 million.

This is a total of $3,610 million, and far exceeds the amount required for the highway program.

It is unconscionable to me that the motorist pays $3.6 billion in specific Federal automotive taxes when only $2.1 billion actually goes toward highway construction. If the remaining $1.5 billion which is now diverted for other purposes were rightfully spent for highway construction, it would keep the highway construction program on schedule.

The general fund gets 40 percent of automotive excise taxes now, which, in my opinion, is wildly excessive. This is why I stated during the House Appropriations Committee hearings after Secretary Anderson had given me the figures on the taxes, that "in 1956 when the Highway Act was passed, it was thought that we would be collecting this year $3.183 billion. Even before the passage of that act, we were diverting these revenues to general governmental purposes. I hate to balance a budget by increasing taxes. I think that we need an antidiversion amendment."

Some very responsible people, whose judgment I highly respect, have opposed me in this position by saying that gasoline taxes and automobile excise taxes have historically contributed to the general revenues and should continue to do so. I cannot agree with them in this respect. As a matter of fact, if you really want to go into history, highways were originally built from general funds. Although the Federal highway aid program began in 1916, it was not until 1956 that we, in the 84th Congress, established the policy that users should pay the bill, by establishing the trust fund. Although a good argument can be made for building at least a portion of them from general funds, I still believe that users should pay the total cost.

There are general public benefits from good roads other than the benefits to the highway users. A businessman may not own a car or truck, but his customers come to him over the roads. An individual citizen may not own an automobile, but the necessities of life may move to him over the highways, the economy of his community is stronger and his community is a better place in which to live by reason of good roads, and he probably will not have to look too far to see where his own job is directly related to the road network.

If there is any doubt in our minds about the general public benefits, look at the statement in the 1956 act:

> There shall be designated within the continental United States a national system of interstate and defense highways.

Defense is certainly in the public interest, and should be supported from general, rather than special, revenues.

Just to keep our history record straight, of course, the first Federal tax on gasoline was imposed long before 1956, in the year 1932, at a rate of 1 cent per gallon. Here, though, lies another reason why I question the advisability of the temporary increase in motor fuel taxes to solve our present problems. That 1932 tax was a temporary emergency tax to balance the budget for one year, and went to the general fund. Each increase was for an emergency. Temporary taxes, though, have a habit of becoming permanent.

The argument that excise taxes on vehicles, parts, lubricating oil and fuel should contribute to the general revenues because other excise taxes go to general revenues, will not stand up. General public benefits from roads more than offset any such contribution that might be claimed, and if the highway users pay all of the bills for constructing the roads, that is enough.

This amounts to a Federal antidiversion policy, and I would like to call the attention of the Members to the fact that the general public support of this principle has been quite conclusively

proved. Twenty-seven States have provided for antidiversion of highway revenues by constitutional amendment. This usually involves a vote of the people. Many other States follow such a policy by legislative action. I think we can be reasonably assured that if we want to represent the majority of the people, we will adhere to such a policy at the Federal level.

I further believe that we are very close to reaching the point of diminishing returns as far as increased revenues from increased motor fuel taxes are concerned. This House is well aware of the substantial movement to the small cars, and particularly the small foreign cars. It is generally agreed that a strong motivating force behind this has been the effort to get more miles to the gallon because of the increased cost of gasoline. Further incentive to move in this direction can only reduce the tax take from highway users, but even beyond that, it might well affect the income tax from American producers and American wage earners. Still further, it could become a real threat to our economy.

When I mention cost of gasoline, I think we must recognize the general public resentment for this situation. There has been altogether too much success in making the oil industry and the service station operator the whipping boy. One of these days, the American public is going to realize the true culprit is taxes, both Federal and State, and those in Congress will be required to bear their share of the rightful blame.

At the refinery, a gallon of gasoline sells for an average price of 11.07 cents. The average tax is 9.12 cents, or 82.38 percent of the total cost. If you make the tax 10.12 cents by adding 1 cent to the Federal tax, the gasoline tax would approach a 100 percent tax. Do the motorists in your district realize this, and if not, what will be their reaction when they do?

As a matter of fact, the return to the producer for finding, developing, and lifting to the surface a gallon of crude oil is roughly the same as the Federal tax on a gallon of lubricating oil, or the Federal and State tax on a gallon of gasoline. To heap additional taxes upon the users of this commodity is, to me, unconscionable.

Let us not forget that the States have some very real tax problems. In spite of the percentage distribution of costs on the Interstate System, the States are expending substantial sums on highways and streets, and have increased requirements. Several suggestions have been made for turning revenues over to the States to meet their problems. It hardly seems proper for us to further tax motor fuels, a traditional area of State taxation, when part of the revenue is in fact going for general support of the Federal Government.

Finally, I agree with the chairman of the Ways and Means Committee that after providing in the 1956 Highway Act for a study of the relative benefits which will accrue to the various user and nonuser beneficiaries of the highways, as a basis for determining the proper share of the costs to be borne by such beneficiaries, it would be untimely to increase the share of the user until the study has been completed.

Until that study is completed, or at least better facts are presented than have been to date, I will continue to support an antidiversion policy.

In the meantime, I think it is unfortunate that we are forced to vote to raise taxes on gasoline and motor fuel to provide the money for excessive spending in other areas.

One of the bills which should have been vetoed was the Health, Education, and Welfare bill, which was $259 million over the budget requests for this year alone. That will be a built-in increase in next year's budget, for it will be the basis of the request. That this has been going on is proven by the fact that the Health, Education, and Welfare money bills have increased from an appropriation of $1.7 billion in fiscal year 1951 to almost $3.5 billion for this fiscal year.

Because the majority of the Democrat Party refuses to come to grips with the farm problem, the cost of the Agriculture Department's programs has increased from $736 million in fiscal year 1951 to $4 billion this year. It is programs such as these that need to be studied with an eye to cutting down on bureaucratic irresponsibility.

What I refer to as a phony cut in an appropriation act is a cut in an item on which the spending is already authorized by Congress and sufficient funds were not provided to cover the bills as they became due. The phony cuts to which I referred earlier are these:

Department of Agriculture and Farm Credit Administration Appropriation Act: Commodity Credit Corporation: Restoration of capital impairment	$100,000,000
Department of Commerce and Related Agencies Appropriation Act: Maritime activities, operating-differential subsidies	1,250,000
Independent Offices Appropriation Act:	
Civil Aeronautics Board, payments to air carriers	4,118,000
Federal Aviation Agency: Grants-in-aid for airports (liquidation of contract authorization)	2,500,000
Housing and Home Finance Agency: Annual contributions, Public Housing Administration	4,000,000
Veterans' Administration: Compensation and pensions	7,000,000
Taken from Defense Production Act funds (stock funds)	179,000,000
Development Loan Fund advance request by President for fiscal year 1961	500,000,000
Total	797,868,000

The increase in backdoor spending to which I referred in the amount of $150 million is $100 million for veterans' housing direct loans, and $50 million increased spending for public housing.

Taken together, these total $947,868,000. Apply these to the tables appearing daily on the back page of the CONGRESSIONAL RECORD, after eliminating the supplemental appropriations, and you will see why we are approximately $1 billion over the budget.

That is why we must have additional revenues to finance the highways. I still insist, though, that we have gone over in other areas. We collect more than enough from the highway users to pay for the highway program. What we should follow is an antidiversion policy with regard to highway revenues, and if the majority are going to insist on these other programs that really throw the budget out of balance, then we ought to vote a general tax increase to pay the bills.

I would like to see this put to a test vote. Unfortunately, this bill does not permit doing such. Although I dislike being "boxed in," so to speak, I think that the highway program is of such importance and I am so opposed to deficit spending that I think we must pass this bill as a temporary means of continuing the program at a suitable level. Because the bill does not really take care of the situation for anything more than twenty-two months, next year we will have the same problem before us. At that time, I hope we can take more appropriate action.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, there is possibly little left to be said that has not already been said as far as the need for this legislation. It is necessary so our Interstate Highway System and our ABC roads may proceed as Congress had intended. I regret the statement that was made by my good friend, the gentleman from Oklahoma. The gentleman in his statement certainly endeavored to shift the duty and the responsibility of the Congress by implying that this was an Eisenhower tax program. May I say this legislation is here today as a creature of the Congress—caused by the Congress and voted for by the Congress. It is our creature—we created it. In our creation of this problem, we incurred an additional expense that must be paid by the people of this Nation in expediting highway development in the 1958 Highway Act. As a consequence we are today faced with the problem of providing the necessary funds in order to continue the program. Some might say what we should do is to issue highway bonds and put this program on a bond financing basis over the period of time involved in the development of the Interstate System. I want to say to you in all earnestness that this program must be taken care of by current taxation, if we expect that we are going to be able to continue to meet our obligations. Just a few days ago, the Committee on Ways and Means was informed by the Bureau of the Budget that in accordance with the commitments the Congress has made, you are not going to have a $77 billion budget in 1960, but you are going to have an $80 billion budget. If things continue at the same rate as commitments have been made and there is not some contraction in Federal spending, we will have an $82 billion to $83 billion budget in 1961. So, therefore, how are we going to be able to

divert those funds from the general fund, as provided in this legislation, and meet the obligations that we, the Congress, have incurred? This is our responsibility and we certainly should have the moral courage to pass this legislation. I might say I am just as allergic to new taxes as any Member of this House. I do not like new taxes, but I will say this. I will support new taxes when the Congress has obligated the administration to the expenditure of funds beyond the revenues that are available in order to meet the problem.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. GROSS. I know the gentleman's position in opposition to the annual multi-billion-dollar foreign-aid program. Does the gentleman know how many hundred of miles of highways we have built in foreign countries?

Mr. KNOX. I cannot give you the number of miles, but I do know we have built and extended many highways in foreign countries. I am sure that the careful study the gentleman has made of foreign aid that he probably is aware of the answer to his question.

Mr. GROSS. Does the gentleman know of any gasoline tax that has been levied from which to obtain those funds?

Mr. KNOX. There have been no gasoline taxes levied on foreign nationals to pay for the roads paid for by foreign-aid funds.

Mr. GROSS. Those funds come out of the general funds of the U.S. Teasury; do they not?

Mr. KNOX. That is correct.

Mr. GROSS. So the talk this afternoon about the irresponsibility of going to the Federal Treasury applies only to highway projects in this country; does it not?

Mr. KNOX. The gentleman possibly is aware of the fact that I have not supported the foreign-aid program.

Mr. GROSS. Yes, I said so in the beginning and I want to compliment the gentleman for that position.

Mr. KNOX. And I want to make it clear also that while I do not favor additional taxes, I do believe it is essential that we continue our highway program with the framework of fiscal responsibility.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FALLON. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I commend the members of the Committee on Public Works and the Committee on Ways and Means for bringing to the floor of the Congress what appears to be a temporary solution of the dilemma in which we find ourselves on our interstate highway program. The chairman of the Committee on Ways and Means said he was bringing this legislation forward most reluctantly. Let me add, I am supporting it most reluctantly.

I think, Mr. Chairman, the Congress made a mistake in 1956 by not setting up a national board to control the allocation and the selection of these interstate highway routes throughout the Nation. Let me tell you a little of what is going on over in my State.

The State highway commission, the Bureau of Public Roads said, had the privilege of selecting where the route should be. In my State of West Virginia our State roads commission is seriously considering building a four-lane interstate highway through our State capital city with a population of 100,000 in which they will be forced to move 1,400 residential and business properties. It is estimated that the cost will run $36 million more than if they use a bypass choice of highway route instead of cutting it through the capital city of the State of West Virginia.

I could go on and give you numerous other instances that are happening and show you what we are doing. We have turned the management of this program over to a bunch of statehouse politicians and fat-cat real estate dealers in every State. It ought to be run by the Congress and not by the chamber of commerce. I hope that at the next session of Congress we will set up some kind of national board to control those situations.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. FALLON. May I say we have set up two special committees to investigate the very things the gentleman mentioned.

Mr. BAILEY. I am very glad to hear that.

Mr. AUCHINCLOSS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I take this time merely to express the appreciation of the members on the minority side of the Public Works Committee for the cooperation we received and the very intelligent way in which this legislation has been handled by the majority not only in the Public Works Committee but also in the Ways and Means Committee. They have brought to the floor of the House a bill that does not please everybody, but it is the result of a great deal of study, a great deal of time and thought, and I think the majority party is to be complimented on the bill they have produced.

Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Illinois. Mr. Chairman, I, too, am for the continuing of the great highway program. However I believe a 1-cent increase in gas tax would be most unfair to the highway users for two reasons. First, the highway users are already contributing more than their share. Second, we would be invading the field of the States in the taxing area. Where else can the States raise their share of the money?

I have voted against most of the subsidies proposed so far in this session of Congress. Had we removed or reduced these subsidies we would have plenty of money for our road program. Our money subsidizes roads, bridges, and public works in countries all over the world. I favor keeping some of this money here and build our highways instead of raising the tax.

My votes in this session show that I believe in policy.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 5 minutes, the remainder of my time, to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, fiscal responsibility can be measured not only by a balanced budget but in taxpayers getting their money's worth. There is no certainty in my mind, as there should be when increasing taxes, that, in view of increasing highway expenditures and estimates, the people are getting their money's worth in our new gigantic highway program, and that therefore higher taxes are in order.

My views on this subject are contained in the report on page 33. There is the general statement, supplemental view, separate views, and minority views, and all of these recognize the need for a continued program of highway construction. Everyone is for highways. I wrote the minority views, yet I am wholeheartedly for highways.

Simply stated, I want more for our money. My views result from my belief in the pay-as-you-go principle, and I was among those recommending this action when the present program was conceived, as a member of the Subcommittee and Committee on Public Works responsible for the expanded interstate program. Further, I believe in a balanced budget and fiscal responsibility, with a voting record to match.

Then, why oppose the tax increase since I believe in pay as you go and a balanced budget? I am opposed to the tax increase because I do not believe we are getting our money's worth. The very reason that the program is out of kilter this year is because of the antirecession spending speedup last year, which, then, I heartily opposed. The antirecession spenders recommended hurried highway contracting, but failed to provide the necessary revenue to pay for it. It was no secret then, nor is it now, that increased spending requires increased revenue and that you do not solve problems, including that of unemployment, by throwing Federal money at it. Nor was it a secret then that increased spending would require increased revenue. The success of the antirecession spenders, who failed to think about the necessary revenue, is the reason we are here now. Worse still is the inevitable result that in hurried spending, waste, mistakes, and indeed, windfalls will result, all resulting in the taxpayers not getting their money's worth.

The staggering increase of estimated cost in the interstate program of almost $12 billion in 2 years is reason enough for our demanding an accounting now, not later. Highway construction is nothing new to government at all levels, and errors, if any, for incorrect computation, should not be of such magnitude.

Or again, why did costs increase 12 percent between 1954 and mid-1956 while this great program was being shaped here in congressional committees—see House Document No. 300, 85th Congress—A Report of Factors for Use in Apportioning Funds for the National System of Interstate and Defense Highways? Why have wages gone up 5 to 7 percent under Davis-Bacon? How much has utility relocation reimbursements cost, and should this be continued or repealed? Why should the 90–10 Federal-State matching ratio result in right-of-way purchase windfalls? Why indeed should any waste or inefficiency be tolerated? Why should we rush to cover up such errors wherever they are by saddling more taxes on the taxpayer without first a detailed accounting by the Bureau of Public Roads, who should be riding herd on the States.

Yes; I am uncertain concerning the "whys" of soaring expenditures in highways and to my knowledge so are many others on the committee and of those who testified before our committee.

I, for one, will not condone or cover up uneconomical practices, nor will I assume that they are not there when hastily we decide it is easier not to analyze the cost, just up the ante of the taxpayers.

Nor should my position give any comfort to the big spenders. My position is based, as it always has been, on reduced Government spending for less essential items. When faced with Government spending programs, we must either increase taxes or reduce costs, that is, get more for our money. I am against raising taxes and for reducing the spending in less essential areas, and, most of all, for demanding our money's worth through sober study and analysis, not through hasty action.

Therefore, I propose, as found on page 35 of the minority views, these steps of action:

First. The Congress should make a careful analysis of all highway costs, particularly all cost increases. Why, for example, was there a 12-percent cost increase in interstate highways between 1954 and 1956?

Second. We should pay out of the Treasury whatever sum is necessary to make good all existing contracts. Congress must cutback on less essential expenditures.

Third. If additional revenues are required, the appropriateness of greater utilization of existing highway-user taxes for highway purposes should be considered; this should be conditioned on a lower level of general Government expenditures. In essence taxing is the expedient way; achieving lower costs is the hard but proper way.

Fourth. The Nation's road needs should be revalued on a priority basis. For example: Only highways having a traffic count beyond 5,000 or 6,000 vehicles per day should have priority to become multilane—others can be postponed; in actual construction, the basic engineering and geometric design can be accomplished now with the frills added later.

Fifth. We should budget by a yardstick of the dollar amount rather than mileage.

Sixth. We should change the 90–10 Federal-State ratio to 75–25 or some other ratio providing greater State participation in the cost of highway development. This would improve administration and construction efficiency and would tend to reduce costs attributable to right-of-way acquisitions.

Seventh. Study should be given to the implications of repeal of the Davis-Bacon wage-setting provision which has resulted in an arbitrary increase of wages of 5 to 7 percent.

Eighth. Study should be made of the implications of leaving to State determination the assumption of costs of utility relocation.

Ninth. Study should be given to a possible stretchout of the program.

In summary, I believe that providing more money at this time to continue possible wastefulness and an unsound program is wrong. The time to investigate is precisely when mistakes and inadequacies are suspected. The terrific increase of estimated cost and expenditure in highway development suggests immediate study is necessary before more money is poured into the program. At best, the study I recommend is long overdue.

I want to commend all those, including the President, for valiant efforts in balancing the budget. I, for one, am tired of footing the bill of big spenders. My program and belief is for less taxation and more value, based on facts. The facts must come from a cost analysis now of highway Federal expenditure—right now. Or we will be right back here again—same subject, same problem year after year.

Mr. FALLON. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Chairman, I am a strong advocate of an adequate public highway system. We must have good roads and I fully recognize the need for better highways. However, I am strongly opposed to the bill under consideration because it is not a bill to provide more and better highways in the future, but rather a means to increase the tax burdens, which is already too heavy, on the backs of the motoring public.

The users of the highways, the motoring public and the truckers, have been bearing a heavy tax burden in the form of special levies on motor fuels, new vehicles, tires and tubes, parts and accessories and lubricating oil since the Federal highway program began in 1917. Yet, we have applied a very small percentage of the amount collected from these levies toward the building of better highways. In fact, up to the time the Federal-Aid Highway Act of 1956 was adopted, the Federal Government was collecting approximately $2 billion per year more than was being authorized for highways. Even though by enacting the Federal-Aid Highway Acts of 1956 and 1958, the Congress sought to provide adequate funds for the building of a greatly improved highway system, the money set aside in the fund has not been used exclusively for the highway program. Rather, it has to a great extent been loaned to the general fund. As a result, we now find ourselves in the same condition with which we were faced before the acts of 1956 and 1958.

If the program cannot be financed under the present 3 cents per gallon rate, why was not Congress advised of that before now? Certainly, the Congress should have been informed of such conditions at the time the present tax was levied. I suggest that the present rate is sufficient because if all the income derived from the present levies were used exclusively for the highway program, we would have more than adequate funds for an excellent highway system. Does the present bill correct unsound budgeting for the highway program? No; it definitely does not.

Secondly, the committee amendment which would provide for reimbursement to the States for every portion of a toll or free highway bridge or tunnel within the State which is on the Interstate System is estimated to cost in excess of $4.3 billion. Can anyone argue without successful contradiction that this amendment will provide better highways? Certainly not, for under this reimbursement scheme, we would simply be helping the States finance the construction of highways already in existence or under construction.

To require the highway user to pay in the future for past or present construction is not to provide for future highway construction.

A third objection that I see in the bill under consideration is the fact that under the present system, money has been used toward the building of city streets which involve increased costs. Now, certainly I do not propose to eliminate city streets. The cities have been having difficulty in the financing of city roads, and I want to see that the cities are given as much assistance as possible. Nevertheless, the building of city streets falls within the function of the city. To include such city streets, at considerably higher cost than open highways, in the Interstate Highway System simply reduces the number of miles of better roads that may be built.

Finally, I strongly object to this bill because it is one of expediency. The committee report clearly reflects that fact by stating that "certain" problems have been revealed in this program with respect to which congressional action is needed. The report does not set forth these "certain" problems, but it does set forth the fact that the majority of the committee does not feel attempts to resolve "all of these problems" should be undertaken at this time. I maintain that if there are problems that need to be resolved, now is the time to do so without increasing the already heavy tax burden placed on the users of the highways. In fact, I suggest that the committee immediately take appropriate action and thoroughly investigate the whole program.

I think the American motorists have a right to know the facts concerning these problems now before being saddled with additional taxes. I think the highway user whose money has been appropriated deserves a better break than he is getting in the way of a reasonable return for his tax dollar. I suggest the

Congress should take action in this matter and solve these certain problems first before taking any steps to increase the tax burden. This bill is not the solution. It is only an expedient tax measure and will only delay the solving of these certain problems to which the committee report refers.

Mr. FALLON. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Chairman, I want to speak about a phase of this matter that has not already been covered.

Yesterday I received a telephone call from a gentleman out on the west coast, a man I did not know, but he happens to be a reinforcing steel producer, one of the 10 percent of steel production that is still working at this time, although there is a strike on.

There is a steel strike on, and here is a steel man having difficulty. He is having difficulty because of the importation of steel from Japan, and he has asked me to see whether or not this Congress would consider making the Buy American Act applicable to this $31 billion road program. He suggests that he cannot get relief under the escape clause, and he cannot get it because they have ruled this particular steel item has to come in with 100 percent of the producers agreeing that the tariff restriction must be raised and they cannot do that because two of the producers cannot bring in per-ton prices, due to the fact that their production of reinforcement steel is combined with their other production. Therefore, all of the producers are denied the protection, this meager protection, of the Buy American Act.

Mr. Chairman, I want to call your attention to the fact he is faced with 44-cent labor as against $3.39 labor, he is faced with a $35 per ton differential. On the day that the steel mills of this Nation were shut down the public press carried the news that 200,000 tons of steel were laying offshore from every one of the main seaports of this great Nation of ours and that the price of import steel went up exactly $9 a ton the day the strike was called.

I appeal now to the chairman of this Committee on Public Works and the chairman of the Committee on Ways and Means to go to the Senate and appeal to the Senate for this particular phase of the law to be enacted.

With the present situation apparently stalemating the relief required by the reinforcing steel manufacturers through the Tariff Commission, there is only one hope of even a small measure of relief and that is through the mandatory application of the Buy American Act on all purchases and so forth, under the authority contained in this act for a $31 billion expenditure.

To do less than this is so patently dishonorable that this Congress will never be able to justify its failure to take cognizance of this oversight in the original legislation.

If every Member of this Congress will take time between now and January when we reconvene to read a copy of the Import Bulletin put out by the Journal of Commerce, New York, I am sure there will be a new view taken of this so-called reciprocal trades and foreign aid.

Every ship from every country is dropping its cargo onto our shores to to add to our already overstocked supplies.

When has any country survived with a trade policy that allowed competing producers to ship into its markets underpriced goods in competition with domestic production which is already producing a surplus.

When this Nation awakens it may find itself on its economic knees unable to get back on its feet.

There is a time and place for charity, but certainly not to nations that have no unemployment, lower taxes and unrestricted exploitation of its labor force.

I certainly pray that this Congress keeps its eyes open or before we know it Mr. Khrushchev will mesmerize our country into opening our markets up to their slave labor production.

I again appeal for help with the Senate committee.

Mr. FALLON. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. MONAGAN].

Mr. MONAGAN. Mr. Chairman, I am supporting H.R. 8678.

This bill will make possible a continuation of the Federal highway program substantially in its present form and volume of construction.

The continuation of this program is vital to many areas of the Fifth District of Connecticut and in particular to the metropolitan area of Waterbury, Conn.

I regret the necessity of making any increase in taxes at this time, but it is logical to place the burden of this tax upon those who use the highways and I see no alternative other than the discontinuation of highway construction.

I am pleased that the Ways and Means Committee reduced the tax increase from 1½ cents to the presently recommended 1-cent increase. This certainly made the proposed legislation easier to support.

An added incentive to support this legislation was Governor Ribicoff's approval of it and his expressed belief that it was necessary to continue a proper long-range highway building program for Connecticut.

Mr. FALLON. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I would like to call attention to a survey conducted by the Chicago Motor Club among its 265,000 members which, if projected, would show that 90 percent of them are against this proposed tax increase because they regard the proposed increase as discriminatory.

Mr. Chairman, I have here a letter from the Chicago Motor Club, which reads as follows:

CHICAGO MOTOR CLUB,
Chicago, August 25, 1959.

The Honorable ROMAN C. PUCINSKI,
House Office Building,
Washington, D.C.

DEAR SIR: A recent survey among some 20,000 of the Chicago Motor Club's 265,000 members, has proved that an overwhelming majority are bitterly opposed to any gas tax increase. The suggested Federal increase is regarded as part of a pattern developing throughout the country to "soak the motorist" to pay the entire cost of highways, to subsidize transit and some public utility interests, and other public facilities not related to highway improvement.

A projection of the 20,000 members surveyed indicates that more than 90 percent of our 265,000 members are cool to the plea that the highway program will be imperiled. They regard the proposed increase as outrageous discrimination. They believe the motorist has been overtaxed already. They assert unmistakably it is unfair for the motorist to pay the entire cost of building highways.

Highway users comprise only one of the segments of our economy which benefit directly from improved highways. Our Federal-Aid Highway System—and particularly our 41,000-mile National System of Interstate and Defense Highways which is the subject of current Federal legislation—is not being built for the benefit of highway users alone. It is being built to meet the essential needs of our growing economy, our expanding population, and civilian and national defense; and yet not one cent of defense money or general tax revenue is put into the highway trust fund to help pay for this system.

What the Chicago Motor Club is seeking is tax equity among the various classes of highway users and non-highway-user beneficiaries. Studies by agencies of the Federal Government prove that there are many areas of our economy which benefit directly from improved highways, such as real estate, commerce and trade, public utilities, recreation, and many allied industries and activities.

To accede to the administration's proposal for a 1½-cent increase (or even a compromise of 1 cent) would mean a substantial increase in the Federal gas tax, and an average of 42 percent or 47 percent tax (State and Federal) on the retail price of gasoline, before taxes, making this tax the highest on any nonluxury commodity. Even though the increase in the Federal gasoline tax is supposed to be temporary—through 1964—the history of automotive excise taxes proves that once a tax is imposed it is seldom reduced, much less repealed.

Congress itself recognized the lack of equity and fairness in the present tax structure when in the 1956 Highway Act the Department of Commerce was directed to study tax equities among the user and nonuser beneficiaries. These studies will not be completed until January 1961. That is the time to review the financing of the entire Federal-aid highway program.

In the meantime, the meet the immediate highway emergency, we advocate short-term revenue bond financing to meet deficits in the highway trust fund for 1960 and provide adequate apportionments for fiscal 1961 and 1962.

Such a financing plan has been proposed by Senator FRANCIS CASE of South Dakota, in Senate Joint Resolution 109, pending before the Senate Finance Committee. The short-term revenue bonds issued under the Case plan would be payable, both as to principal and interest, solely from the funds in the highway trust fund.

The Chicago Motor Club and the American Automobile Association have supported highway programs for a half century. At times we have recommended gas tax increases—the AAA on a national basis, the Chicago Motor Club locally. The reasons given in the paragraphs above present our reasons for opposing the proposed increased taxes.

Sincerely,

J. J. CAVANAGH.
President.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Minnesota.

Mr. BLATNIK. The gentleman from Illinois read a very interesting letter. I must say that the members of the Chicago Motor Club are underestimating what the highway users of America are paying. Do I understand that the members of the Chicago Motor Club state they were not in favor of having the highway users pay the entire cost of the highway program?

Mr. PUCINSKI. Would the gentleman restate that question, please?

Mr. BLATNIK. Do I understand your Chicago Motor Club members as saying they are not quite clear in their own minds that they already are paying for more than the entire cost of the highway program of America?

Mr. PUCINSKI. As I understand the result of the survey, they do not feel that the motorists should be taxed to carry this entire program which is being built as part of our national defense system.

Mr. BLATNIK. Well, let us have the RECORD show, then, for the information of your very modest members of that club, that the highway users of America are going to pay for every inch of the ABC and on the Interstate Highway System of America.

NOW IS THE TIME FOR A PAY-AS-YOU-GO ROAD PROGRAM

Mr. PATMAN. Mr. Chairman, the Ways and Means Committee is to be warmly congratulated for recommending this bill.

We hear it said sometimes that committees of Congress, and Members of Congress, are inherently handicapped in trying to conduct the Government's fiscal affairs in the best and most intelligent way, simply because it is "political suicide," as they say, for Members of Congress to support unpopular tax increases—and almost all tax increases are unpopular—despite the fact that there are times and circumstances when our good judgment tells us that the country's affairs ought to be on a pay-as-you-go basis.

In bringing forward this bill, the Ways and Means Committee and the Committee on Public Works have again proven that committees of Congress, and Members of Congress, are entirely capable of acting on the best economic intelligence and judgment, and can steer the course that is in the best interest of the country despite the fact that they may alienate unthinking voters and voters who have become so enthusiastic about their particular cause that they have lost their perspective.

Clearly this is one of those times when the road program should be on a pay-as-you-go basis.

Personally, I have not studied the various ways by which the money might be raised, and possibly should be raised, to keep the program on a pay-as-you-go basis. There has been no practical alternative involving this question. Compromises have to be made, otherwise we would never have any legislation, and the practical courses which are open to us are either, first, accept this particular tax, or, second, finance the program by issuing more bonds and going further into debt.

As to a third possible alternative, which is to cut out the road program, very few people would agree to that. The country needs the roads, and needs them very badly. It would be poor economy for everybody if the program were curtailed.

As between following a pay-as-you-go policy and following a policy of going further into debt at this particular time, the choice which is in the best interest of the country is clear. If we were to go further into debt, issue more interest-bearing bonds, this would cost the taxpayers at least $2 for every dollar's worth of roads. It would mean that the taxpayers would have to pay for 82,000 miles of road to obtain 41,000 miles of roads.

And, of course, there is much more to be considered than the fact that issuing bonds would cost the taxpayers double. The Federal Government is committee to the proposition that it will conduct its fiscal affairs, and all its affairs, in ways to maintain maximum production, employment and purchasing power. This commitment is formally expressed, of course, in the Employment Act of 1946. It is a commitment to a policy on which we all pin our hopes that we can avoid serious recessions and depressions in this country and avoid all the hardships, human suffering, and threats to our system which such disasters involve.

We all recognize that carrying out this policy that the Federal Government has to conduct its fiscal affairs in ways which tend to counteract and control the ups and downs of the business cycle. It means that the Federal debt will have to be increased in periods of recession and high unemployment. But it also means paying off some of the Federal debt in boom periods. At present the economy is in a state of high production—some people call it a boom. Certainly, then this is no time to issue more debt. It is a time when the Government should be on at least a pay-as-you-go basis.

Again I congratulate the Ways and Means Committee and the Committee on Public Works. I will vote for the bill.

Mr. JENSEN. Mr. Chairman, I have constantly taken the position that I would not support any bill that would increase taxes or that would impose additional expenses on the people.

However, in regard to this bill which provides for an additional 1 cent Federal tax on motor fuel, I must take the position that those who use the highways should pay for these highways in proportion to use of the roads instead of making a direct appropriation for this purpose for every taxpayer to pay and for their children to pay.

Also, Mr. Speaker, I am one of the great majority who believes that Uncle Sam should always keep his word. Now here is the situation. Many contracts have been entered into between the Government—Uncle Sam—and the contractors and those contracts provide that the money will be available to pay the bill as provided in such contracts. Hence, I am duty bound, as a Representative for Uncle Sam—the people—to support this bill.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the bill H.R. 8678. I do so with some reluctance because, like every Member of this body, I am anxious to see the Federal interstate highway program continued and the benefits which it brings to the various sections of the country carried out in a regular and orderly manner. But I cannot agree with the method of financing recommended by the committee. In large part this is the same old approach of putting the burden of the highway program exclusively on the motorist through still another boost of our already highly inflated gasoline taxes. But the interstate highway program benefits not only those who travel on these roads, but also those who live alongside them and those who opportunity for business profit is increased by them. For this reason it seems to me that before we make any further increase in the gas tax we ought first to explore means of shifting the burden more fairly or, even better, picking up the revenues for highway construction by careful reductions in unnecessary Government expenditures elsewhere.

In my State of New York, for example, there has been within only recent months a 2-cents-per-gallon increase in the gas tax. If this bill were to go through then our gas tax in New York State would increase to 10 cents a gallon, which would mean a tax of almost 50 percent on every gallon of gasoline. Certainly there is a point beyond which any tax ought not to go. When it comes to gas taxes, I feel that in New York State we have already reached that point.

Mr. Chairman, I have made a careful survey of my district on this matter and have invited my constituents to express their feelings to me on this tax. I can report that the response was almost 4 to 1 against any increase in the gas tax.

Moreover, the committee has just rejected an amendment to provide for the reimbursement of States like New York, which have already spent vast funds of of their own to construct superhighways without Federal aid. Without clear-cut legislative provision for adequate reimbursement to States like New York, how could I possibly vote to provide for additional Federal assistance taxes from the State which already pays 21 percent of all Federal taxes, while at the same time refusing to see that this same State of ours gets full and fair consideration.

My vote today represents my dissatisfaction with the particular solution proposed by the committee and with the conditions under which it has been presented to the House for action. I think it is clear we must learn to live within our income. If the highway program is important then I think it is time that we think of giving up some other expenditures in order to make it possible to continue the program.

I am particularly disturbed with the large percentage of taxes now being collected from the automobile owner, including excise taxes, that are still being diverted from the highway fund to other purposes. Before we vote to increase the gasoline tax I believe we should insist that all excise taxes on the motorists are

turned over exclusively for highway construction purposes.

For these reasons then I intend to vote against the bill. This, I think is the proper course of fiscal responsibility. Yesterday we saw the public works appropriation bill rejected. That action makes it clear that the time is appropriate for a complete reappraisal of all our construction plans for the coming year. If we have the resources to construct highways in foreign countries, as we are proposing to do in the foreign aid program, then I find it hard to believe that we cannot construct highways in this country without raising taxes.

Mr. BLATNIK. Mr. Chairman, the controversy over highway financing began last January when the President submitted to the Congress his budget for fiscal year 1960. In a message accompanying the budget the President said:

> In order to make highway-related taxes support our vast highway expenditures, excises on motor fuels need to be increased 1½ cents a gallon to 4½ cents. These receipts will go into the highway trust fund and preserve the pay-as-we-go principle, so that contributions from general tax funds to build Federal-aid highways will not be necessary.

In a deliberate attempt to mislead the people and becloud the issue the President and his administration have created the impression that unless the gasoline tax is increased there would not be any money for highway construction thus creating unemployment among thousands of construction workers and bankruptcy among contractors. Nothing can be further from the truth.

The Treasury Department is now collecting more than $1.5 billion annually in special highway user taxes on new vehicles, parts and accessories, that is not going into the highway trust fund. The money goes instead into the general fund which the President does not want to disturb for obvious political reasons.

There can be no doubt that the administration's underlying purpose for insisting on a gasoline tax increase is to provide a surplus in the general fund. In that way the election year budget will be in balance and the people will be able to forget about last year's $13 billion deficit—the largest in our peacetime history. And who pays for this political windfall? The average motorist—the highway user.

This tax goes against the grain of every fairminded person. A tax to be justifiable in the American scheme of things must be fair and necessary. This tax is neither. It is unfair because it falls on a select group and is not the responsibility of the entire economy and all the people. This of course should not surprise us. This administration's tax policies whether it is an increase or a decrease have always been unfair. When a tax is to be increased, as here, the burden falls on a select group. When taxes are to be decreased, as in 1954, the benefits go to a select group. But not the same groups, that is for sure.

The tax reductions of 1954 went largely to the upper income groups and giant corporations. I think in considering this tax increase before us we should think back to the tax decreases of a few years ago to bring sharply into focus this administration's attitude over who should get relief, when it is forthcoming, and who should get further burdens, when it is required in the administration's scheme of things. The following is a review of the 1954 tax cuts which was contained in a statement by Stanley H. Ruttenberg, director of research, AFL–CIO before the Committee on Ways and Means on the subject of general revenue revision:

REVIEW OF 1954 TAX CUTS

In 1954 the Congress overhauled the tax structure. The omnibus tax bill of that year, combined with the automatic tax cuts of January 1, 1954, were a backward, not a forward, step. The tax base was eroded substantially by many of the actions taken by Congress that year.

A quick overall look at who received the tax relief in 1954 is shocking. With the help of our associates in the Washington office of the United Automobile Workers, we have calculated the effects of the 1954 tax law on taxpayers at various income levels.

This study shows, for example, that in 1954 the total reduction in individual income taxes came to $4.6 billion. This tax relief was spread over 42.6 million taxpayers. At first glance, this seems to be a fairly generous average tax relief of $108 per taxpayer.

However, a closer look shows that the 37½ million taxpayers having adjusted gross incomes of less than $7,500 each received an average tax cut of $45, while the 18,700 reporting adjusted gross incomes of more than $100,000 had an average cut of $19,300.

This type of distribution of tax reductions means that the low- and middle-income individual's tax burden becomes greater and greater, as more and more tax relief is given to the upper income group. This trend, not only in the Revenue Act of 1954, but in many of the revenue acts over the past 10 years or more, must be reversed.

In this testimony we want to focus attention on changes in the Federal income tax, which continues to be the mainstay of the national tax system.

Individual income taxes are responsible for an estimated 52 percent of the total revenues of the Federal Government during the current fiscal year. We want to demonstrate how changes in the tax laws approved by Congress in recent years, together with interpretative rulings by the Treasury Department, have had the effect of seriously undermining the entire foundation upon which the Federal income tax rests.

The net effect of these changes has been to corrupt what used to be the simple, guiding concept of income-tax levies—namely, that after granting to each individual a basic exemption to cover his elemental needs, the remainder of each person's income should be taxed according to the individual's ability to pay.

Moreover, these special provisions and rulings tend to perpetuate each other. When one group in a particular business obtains a special advantage, others in allied or competitive industries are pressed to seek the same advantage for themselves. The result is a vicious pyramiding of demands by pressure groups for special favors which the Congress finds it difficult to resist.

Careful examination of the individual income structure makes clear that the net effect of these special provisions has been to benefit the Nation's higher income groups, particularly the recipients of dividends and capital-gains income. These are the individuals who have benefited by this specialized legislation and interpretative rulings. It is widely recognized, for example, that the height of the absurdity in this regard was reached in the famous amendment that took care of the movie magnate, Louis B. Mayer. This amendment was specifically written to provide a tax benefit to only a single individual. Extending depletion allowances to oyster shells, sand, gravel, and such other items, or proposals to include income from turkey farming as a capital gain simply undermine the whole tax structure. These are but a few of the many examples that could be cited as illustrative of the problem.

We do know with certainty that very few of the changes in tax policy made since 1945 have provided any special benefits to the average worker or union member. We know from our own knowledge, and ample statistics are available to support our belief, that with regard to some of these special provisions the average worker finds himself in the following position:

1. Dividend income: He owns little or no stock, and thus obtains no benefit from the dividend exclusion provision or the special tax credit for dividend income enacted as part of the 1954 law. Figures by the Federal Reserve Board from its 1957 Survey of Consumer Finances indicate that at least 90 percent of the average worker's income is obtained through wages and salaries. In the case of skilled workers, the figure is 94.5 percent. For semiskilled, 96.4 percent; for unskilled and service workers, 90.8 percent. The proportion of total income derived from rents, dividends, interest, and royalties combined is 1.5 percent for skilled workers, 0.4 percent for semiskilled, and 2 percent for unskilled and service workers.[1] (Undoubtedly a large part of the 2-percent figure for unskilled workers consists of rental income, rather than dividends or interest.)

Special investigations into the amount of stock which workers own show that very few workers or their families own any stock in publicly held corporations. Federal Reserve Board studies show, for example, that in early 1957 the proportion of spending units owning stock in publicly owned corporations is only 6.6 percent for skilled workers, 2.7 percent for semiskilled, and 2.9 percent for unskilled and service workers.[2]

As a matter of fact, individuals with adjusted gross incomes of between $2,500 and $5,000 receive only seven-tenths of 1 percent of their income from dividends and six-tenths of 1 percent of their income from interest, or a total of 1.3 percent of the income of this group is derived from interest and dividends.[3]

In contrast to this, individuals with adjusted gross incomes of $100,000 or more receive 37.7 percent of their income from dividends and 2.4 percent from interest, or a total of over 40.1 percent.[3]

In addition to looking at the receipt of income based upon statistics of income, it might be interesting to see who owns the stock in American corporations. The 1957 Survey of Consumer Finances,[4] made for the Federal Reserve System in cooperation with the survey research center of the University of Michigan, shows that only 11 percent of American families (spending units) own any stock whatsoever in publicly held corporations. This means that 89 percent of American families have no stock holdings at all. Of course, of those that do hold stocks, the

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[1] Source: Federal Reserve Board, unpublished data from 1957 Survey of Consumer Finances. Subject to considerable sampling error.

[2] Board of Governors, Federal Reserve System, Distribution of Spending Units by Amount of Stock Within Occupation, 1957, table 2A–156 (unpublished).

[3] U.S. Treasury Department, Statistics of Income, 1954 Individual Income Tax Returns (preliminary), table 2.

[4] Federal Reserve Bulletin, August 1957, p. 894.

greatest concentration is in the hands of those individuals with incomes of $10,000 or more.

The 4-percent dividend credit and the $50 dividend exclusion were written into the 1954 tax law as special provisions to aid the wealthy individuals and the limited few who own stock.

2. Depletion allowances: The average worker is not the proud owner of any oil wells. He cannot, therefore, avail himself of the very generous depletion allowance provisions of the tax law. Nor is he the owner of an establishment engaged in extraction of any type of mineral and metal, ranging alphabetically from asbestos to zircon, to say nothing of brick, clay, sulfur, gravel, and oyster shells—all of which are now covered, in one form or another, by similar if not quite as generous depletion allowances.

The benefits derived from depletion allowances are enormous. In 1954, the average corporation paid 48 percent of its income in taxes, but in that same year, 24 large petroleum companies paid only 22.6 percent of their income in taxes. Through depletion allowance deductions, these 24 companies were able to retain $645 million which otherwise would have reached the Federal Treasury.

This is just one example of the 27½-percent oil and gas producers' depletion allowance. The savings are proportionately less for the other industries whose depletion allowances run between the 27½ percent for oil and gas and the 5 percent for brick, clay, gravel, and other such building and construction items. As a matter of fact, the only excluded items from the 1954 tax code are derived from sea water, air, or similar inexhaustible items. For all practical purposes, therefore, almost every metallic and nonmetallic mineral, from A to Z, is included under the depletion allowances.

Individuals, too, can benefit from the depletion allowances. In 1947, the then Secretary of the Treasury cited the case of a person who received an income of $14.3 million between the years 1943 and 1947. He paid, however, only $80,000—or six-tenths of 1 percent in taxes.

Provision for depletion allowances unquestionably aids only the big corporations and the wealthy taxpayers. One very respected tax expert recently said: "The existence of this depletion allowance provision undermines respect for our entire tax system."

3. Capital gains: The average worker owns limited property, has limited savings, and retains these savings for security—not speculation. Consequently it is a very rare occasion when any worker receives capital gains income that would permit him to use that maximum capital gains tax rate of 25 percent.

According to the 1954 Statistics of Income, individuals with adjusted gross incomes of $2,500 to $5,000 per year received only three-eighths of 1 percent of their income in capital gains. On the other hand, those individuals with adjusted gross incomes of over $100,000 received 22.7 percent of their income in capital gains.

Individuals having a taxable income of $5,000 pay an ordinary income tax rate of 22 percent. If they earn their income through capital gains, their tax is only 50 percent of that rate, or 11 percent. However, individuals in the $5,000 bracket receive far less than 1 percent of their total income from capital gains. Consequently, the benefit they derive from this type of provision is almost nil.

On the other hand, an individual with taxable income of $100,000 who earns ordinary income above that amount would be subject to the ordinary rate of income tax—75 cents on each dollar. However, if this individual received capital gains income, instead of ordinary income, he would be paying a tax to the Government of only 25 cents on every dollar, instead of the 75 cents.

If an individual has a taxable income of $400,000, he would pay 91 cents on every dollar of additional ordinary income. But if the income is capital gains, the rate is only 25 percent.

These are exceedingly generous tax provisions that give relief only to those who have capital gains income and, in the main, these are individuals with incomes of $100,000 or more.

4. Tax privileges for higher salaried executives: The workers about whom we are talking work for others for wages or salaries. As we have indicated, this is almost their sole source of income. Moreover, they have not attained the higher levels of management where certain special types of tax benefits come into play. For example, they do not receive any type of special expense allowance or any of the other nontaxable earnings supplements available to corporation executives. Among these are: Deferred compensation, stock option plans, family partnerships, and a host of other special advantages. As one authority has stated, in discussing such tax advantages at higher income levels, "Individuals have at their disposal company cars, planes, and boats for personal use; charge off as entertainment expenses the cost of theaters, nightclubs, restaurants, baseball games, boxing matches, and other sports events; take advantage of company facilities during vacations; and finance expensive pleasure trips abroad for themselves and their families." [5]

Business Week's July 16, 1955, issue said: "But once a man has 'arrived' he can look forward to a gleaming future where some of the squeeze of taxes and inflation can be eased for him * * *. There are myriad ways by which a company can help its 'varsity team' men escape the burden of taxes and the squeeze of living costs. It can be through deferred pay bonuses, stock options plans, extralberal expense accounts, a company car at all hours, or the use of the company plane or boat."

5. Family partnerships: Family partnerships are just one example of the kind of tax gimmick that permits wealthy individuals to reduce their taxes to the Federal Government. This provision allows a businessman, under certain circumstances, to make his infant sons partners in his business. He can, therefore, combine his natural generosity with substantial tax reductions.

The following table shows the tax bill of three different income groups and the effect of the family-partnership provision:

Taxable income	Tax bill (income not divided)	Family tax bill (income divided in 2)	Family tax bill (income divided in 3)	Family tax bill (income divided in 4)
$50,000	$26,820	$20,300	$16,599	$14,460
$25,000	10,150	7,230	6,220	5,740
$10,000	2,640	2,200	2,080	2,040

As the table illustrates, without a split income, the $50,000-a-year man would have to pay $26,820 in taxes. But the split-income provision reduces his tax to $20,300. By extending the idea to a family partnership, however, he can reduce his tax to $16,599 if he has one infant son. If he is lucky enough to have two infant sons, he can bring his tax down to $14,460.

The $10,000-a-year man can reduce his taxes about 25 percent by sharing his income with his wife and two children on tax returns. But the $50,000-a-year man can save almost 50 percent in tax payments.

6. Split incomes: In 1948, Congress granted another tax bonanza to the wealthy—the split-income provision. This gave a married couple the right to file a joint return and split their total income between them, even if only one of them had received income that year. This division resulted in a tax saving, because the rates applied were on the lower brackets.

For example, instead of paying the rate applicable to $10,000 a year, the couple could split the income, file a joint return on the basis of $5,000 apiece, and pay double the tax on $5,000 a year, but less than the tax on one income of $10,000 a year.

The savings, however, was mostly for higher-income taxpayers. In 1951, for example, 83.5 percent of all the joint returns filed were for $2,000 or less taxable income. Splitting of income does not help any taxpayer who has $2,000 of taxable income or less. Therefore, only 16.5 percent of all the joint returns filed received any benefit from split incomes.

Another example illustrates how this arrangement helps the rich and how little it helps the middle-income taxpayers: A person earning $5,000 per year can reduce his taxes about 2 percent by filing a joint return; a person receiving $100,000 a year can reduce his taxes 27 percent. Furthermore, the $5,000-a-year man saves $80 in taxes, but the $100,000-a-year man saves $13,680. In other words, the person with 20 times as much income saves 171 times as much tax money.

7. Withholding tax: These are a few of the special tax provisions that are not available to the average American worker. On the other hand, the average worker does find that his Government is very efficent in collecting from him all the taxes to which it is entitled. The American system of withholding income taxes from current wages is so ruthlessly efficient that there is no chance for the taxpayer to fall behind in his payments. In fact, this withholding tax collection system has been held up as a model for other countries whose citizens are more reluctant taxpayers than Americans.

However, let the record show that this model of efficiency applies only to income derived from wages and salaries. No withholding system operates with regard to dividends, interest, or any other type of income. As a result, it is a well-known fact that a far larger proportion of taxes are wrung from $1 of wages than from any other type of income. Only a minute proportion of wage income is not reflected in tax returns while fat higher percentages for other types of income escape the eye of the tax collector.

The most recently published figures on this question cover the year 1952 and show that 95 percent of all wage and salary income was reported in that year's income tax returns. The resulting 5 percent gap in reporting wage and salary income compared to 13 percent for dividends, 61 percent for interest, and 30 percent for entrepreneurial income. These figures demonstrate that wage and salary income carries more than its fair share of the tax burden. While American workers recognize the necessity for the very efficient withholding system, they would appreciate it if the withholding system could apply with equal efficiency to all types of income other than wages and salaries.

As a result of the withholding system, as well as the many special provisions benefiting higher incomes, the impact of today's tax structure on American workers has become a problem for serious national concern. At one time the tax system extended certain favored treatment to income obtained by gainful employment, through the earned income credit eliminated in 1943. Now, however, the tax pendulum has swung completely around to the point where wage income occupies second-class status compared to other types of income. Certainly the special tax credit for dividend income, the failure to extend withholding beyond wage income, and the creation of numerous tax

[5] Pechman Joseph, Erosion of the Individual Income Tax. National Tax Journal, vol. X, No. 1, March 1957, p. 16.

avoidance devices all testify to the manner in which wage income is penalized under our present tax system.

In other words, Mr. Chairman, when this administration last distributed tax benefits fully 88 percent went to business and investors and only about 12 percent to people in their individual capacity. One would think the President would go to these people now and remind them that as a result of these tax breaks their profits now are at an all time high and many of them actually realized even greater profits because of the Federal highway program and certainly huge defense contracts. But no, instead he turns to the motorist and to their elected representatives in Congress and says to them, in effect, "Either you increase the gasoline tax so I can balance my budget for the coming election year or there will not be any highways built." We are thus being blackjacked into approving an unfair and unnecessary tax increase.

There seems to be little doubt, Mr. Chairman, that this bill will pass. Many of us on the Committee on Public Works voted to report it because it appeared to be the only way to prevent the highway program from being cut back sharply. It was our deep conviction that this program is so vital to our Nation's economy and national defense that it must not be stopped or slowed down unnecessarily. But at the same time we would be remiss in our obligations and duties to the people if we did not point out that they are literally being taken for a ride. What is worse, they are even paying for it.

Mr. VANIK. Mr. Chairman, I support H.R. 8678 with great reluctance. The imposition of further tax burdens upon the American people seems to have just about reached the final point.

Without this law, Ohio would face a curtailment of its highway program from $300 million a year to an annual rate of $500 million. There would be no interstate projects through fiscal 1961.

The Ohio Legislature increased State gasoline taxes this year by 2 cents a gallon to be in a position to complete its highway program and provide its share of the matching money. Ohio could not proceed if the interstate program were to be closed down through 1961.

Under H.R. 8678, the approximate apportionment of Federal aid highway funds for Ohio would total $166,500,000 for fiscal 1961 and $179,500,000 for fiscal 1962. Ohio is second only to California in the apportionment for these 2 years.

The automobiles of America are useless without adequate highways. In most communities, gasoline prices seem to be fixed by negotiated pricing systems which seem to arrange retail prices at whatever the market will bear. The imposition of a 1 cent per gallon tax for the construction and improvement of highways may well result in a 1 cent per gallon less profit for the oil producers of America.

Mr. WILLIAMS. Mr. Chairman, I am in favor of continuing the highway construction program on schedule; however, I am opposed to any present increase in taxes for this purpose.

This position may appear on the surface to be inconsistent, but when considered in light of and in conjunction with the overall programs of the Federal Government, I think a tax increase at this time is not justified.

Except for certain insurance and retirement programs, special taxes are not levied for any other specific governmental activity. In fact, through our ridiculous and wasteful foreign-aid program, our Government is building highways all over the world for the use and enjoyment of foreign people, but no special tax has been suggested to defray the expense of this program. Certainly our programs of domestic improvement and development should not be asked to carry a burden not similarly assessed against those programs we finance for the benefit of other countries. The highway construction program could be financed easily by the simple method of transferring the necessary funds from the foreign-aid program to the highway trust fund.

Mr. GROSS. Mr. Chairman, I cannot support this bill for a number of reasons. In the first place I am opposed to an increase of 1 cent per gallon in the Federal tax on gasoline, and I am equally opposed to the deception that this increase will be temporary. Everyone who supports this bill knows that it will not be terminated in 22 months; that once levied it will be continued for the foreseeable future.

I am unalterably opposed to that provision in the bill which states that it is the "intent and policy" of Congress to take over existing toll roads. This is estimated to cost in the neighborhood of $5 billion and no further thought should be given to such action until the interstate highways already in the program are constructed.

It has been stated by the proponents of this measure that it is an act of irresponsibility to go to the Federal Treasury to obtain the funds to make up the deficit in the trust funds. Yet it is proposed to take tax revenues obtained from motor vehicle operators, which are presently going into the general funds of the treasury, for highway use. This is saying, in effect, that it is somehow better to take money from a man on the way to a bank than it is to take the same money immediately after he has put it on deposit.

And is it any more an act of irresponsibility to go to the U.S. Treasury for funds to build roads in this country than it is to raid the same Treasury for hundreds of millions of dollars to build highways in foreign countries?

Mr. Chairman, I am in favor of an interstate system of highways, but I am also saying that we may as well admit here and now that the program was too ambitious for the funds that could be obtained on the basis of the acceleration that was applied. Moreover, I never contemplated, and I am sure the majority of Members of Congress never contemplated, that these funds would be used to build expressways through cities where it was possible to build interstate highways at far less costs in the open country outside the cities.

For these and other reasons, Mr. Chairman, I cannot support this bill.

Mr. MACK of Illinois. Mr. Chairman, I strongly support a continuation of our highway program and I believe that financing should be made available so that this program can continue at its normal rate. However, I do not believe this goal should be accomplished by placing an undue burden on a certain group of taxpayers who are already carrying more than their fair share of our tax load. While I am generally in accordance with other provisions of this bill, I oppose the 1 cent increase in the Federal tax on gasoline. In Illinois we are presently paying 8½ cents in gasoline taxes. This represents a tax load of nearly 33 percent at the retail level. I know of no other consumer commodity that is carrying a heavier tax load today. Many of our citizens who consume large quantities of gasoline are not the ones who take full advantage of our interstate highway systems. Most of these people would not benefit from these new roads because their business requires them to do most of their driving on local and State roads. This tax increase would be unfair to these thousands of persons who seldom, if ever, use the interstate highways. This tax increase which has been recommended by the President would, in my opinion, be unfairly soaking the poor to provide highways they will not use.

Furthermore, our States rely heavily on gasoline taxes to support their highways and therefore the Federal Government should not usurp this source of revenue. At the present time my constituents in Illinois pay 5 cents a gallon State tax in addition to the 3 cents Federal tax. In addition to this we have had another one-half cent increase in the sales tax this year which again places an additional burden on the lower income families in our State. Since we have this heavy tax load at this time, I am strongly opposed to any additional tax which would not only burden our consumers but would also present a difficult problem for our State if they are ever required to secure additional revenue for highway construction.

I hesitate to oppose this bill, but since an undue burden is being placed on the taxpayers of my area, I must in good conscience oppose this bill.

Mr. COFFIN. Mr. Chairman, I choose this opportunity to place my views on H.R. 8678 on record because of the torturing dilemma which all of us face. We all are aware that most legislation is a mixture of the necessary and the good with the unnecessary and the bad. I must confess, however, that there is more of all of these in this bill than I have seen in any bill on the floor in this session. The bill is a Jekyll-Hyde Siamese twin. Title I is Dr. Jekyll in that it provides the needed continuity in the vital Federal-State highway program. Title II is Mr. Hyde, in that the method of financing is a temporary increase of 1 cent for 22 months in the gas tax. I do not know if this abnormal creature is the inevitable result of having the Public Works Committee as the father and the Ways and Means Committee as the mother, but I do not welcome future progeny of this couple.

I felt so strongly that a surgical operation on this Siamese twin should at least be explored that, along with 36 other Members of the House, I rose to

ask for a rollcall on the closed rule governing the debate, which prevents any amendments other than those of the Public Works Committee. Unfortunately, we were several votes short of enough to force a rollcall. Had we prevailed, we might have forced adoption of a rule that would have allowed the consideration of alternative means of financing.

What makes the gas tax approach particularly aggravating is the fact that highway users have, ever since the Federal-Aid Highway Act of 1956, been paying more than enough to keep the highway trust fund solvent. The general fund transferred almost $2 billion of liabilities to the highway trust fund back at the beginning of 1956, $516 million in 1957, and $1 billion in 1958. This was a total of over $3½ billion.

No wonder the highway trust fund presently needs reimbursement to the tune of $490 million for fiscal year 1960.

Mr. Chairman, I would not object to these transfers if there were reciprocity, if the general fund would recognize an obligation to return at least part of these advances to the highway trust fund. Not to return these funds—at least to the extent necessary to avoid a gas tax increase—is to penalize a fragment of our people.

Yet we are unable to sever Dr. Jekyll and Mr. Hyde. What do we do? Destroy both or save both? If we destroy both, we have the satisfaction of preventing an annoying, burdensome, and basically unjustified—even if only temporary—addition to the gas tax. But at what cost?

Mr. Chairman, we should be realistic enough to accept the fact that if we vote down this bill, we have acquiesced in the cessation of work for another year on the highway program.

Already in my own State of Maine bulldozers are idle, preparatory gravel is washing away, contractors are unable to take advantage of the few remaining weeks of workable weather, and our State highway commission is unable to commit any new work.

The cost of delay is simply too much to tolerate. I believe, Mr. Chairman, that the task of painful responsibility is to support this measure. The Dr. Jekyll will do more good than the Mr. Hyde will do harm.

I might add that I was disappointed when, on our recent teller vote, the Committee amendment failed. The amendment would have shown the intent of Congress that eventually States should be reimbursed for toll or free highways built after 1947. We in Maine have gone out on a limb to construct our toll highway from Kittery to Augusta, without waiting for the Federal-State program. We built it at a cost far less than would be the case today. We should not be penalized for this initiative.

ADDITIONAL GASOLINE TAXES UNFAIR

Mr. McGOVERN. Mr. Chairman, I am opposed to any further increase at this time in the Federal gasoline tax. We all want to keep the highway construction program moving ahead, but additional highway-user taxes are not justified. As a matter of fact, highway-users are already paying a disproportionately high share of our Federal revenues.

As matters now stand, the traveling public is already paying more that $1½ billion annually into the Federal Treasury in taxes on cars, trucks, parts, accessories, oil, buses, and trailers that is above and beyond the special taxes earmarked for the highway trust fund.

In 1956, when the Highway Act was passed, taxes on gasoline, vehicles, tires, tubes, oil, parts, and accessories were pouring $3 billion into the Federal Treasury, of which only $1 billion was spent annually on highways. In other words, highway-users were paying in $3 to the Treasury for every $1 that was expended for highway construction.

Despite this fact, with the enactment of the 1956 Highway Act, Congress increased taxes on fuel, tires, tubes, trailers, buses, and trucks, and established a new tax on tread rubber and heavy trucks. The highway trust fund was then established for which the new taxes and a portion of the existing automotive taxes were designated. Even after this enactment, however, more than $1½ billion in highway-user taxes continued to go into the general fund of the Treasury.

In spite of this unfair burden on highway-users, the temptation to grab highway trust fund revenues for other purposes was too great. Congress intended that the trust fund revenues should accumulate for several years before the construction program had reached the point where great outlays would be needed to pay the bills for construction. Instead of that procedure being followed, $1.9 billion in highway authorizations going back to previous years for which Congress had not yet appropriated funds was transferred from the general fund to the trust fund as a deficit. Thus, the newly created trust fund was immediately handed a deficit of nearly $2 billion.

Additional raids on the highway trust fund helped make the Federal budget look better in 1957, 1958, and 1959 when large amounts of the highway trust funds were taken out and added to the general fund.

In fiscal 1957, the highway trust fund had revenues of $1.4 billion and expenditures of $966 million—the surplus being loaned to the general fund.

In fiscal 1958 the trust fund took in $2.1 billion with expenditures of $1.6 billion. At that point a balance of $1.048 billion in the trust fund was transferred to the general fund.

In fiscal 1959, trust fund expenditures for the first time exceeded revenues with revenues coming to $2.185 billion and expenditures to $2.709 billion. This reduced the balance in the trust fund to half a billion dollars.

In fiscal 1960, with expenditures expedited to exceed revenues by $1 billion, it is clear that the trust fund will finish the year with a deficit of half a billion dollars. It is equally clear that this shortage stems from the fact that the trust fund has been bled by the Treasury instead of permitting 3½ years of surplus highway-user revenues to accrue for the expanding highway expenditures of more recent months.

It is grossly unfair for the administration to ask for another 50 percent increase in Federal gasoline taxes when we are already diverting highway-user taxes to keep the general budget in balance instead of putting it into road construction.

I appreciate the fact that the committee has reduced the proposed increase from 1½ cents per gallon to 1 cent and established a termination date 22 months hence. But it is unfair to make any further gas tax increase at all.

Furthermore, increases in the Federal gasoline tax pose a threat to revenues badly needed by our State governments. The States depend upon their gas tax to assist them in matching their portion of the highway matching program.

How then are we to keep the highway building program on schedule without raising gas taxes again?

The first answer that comes to mind is that any time we stop diverting even a third of the highway-user taxes now going into the general fund, we will have ample funds to more than meet any indicated deficit in the trust fund. This should be done.

If it is then argued that this will create a new deficit in the general fund, this points up the urgent need for tax revision to plug some of the glaring loopholes in our present tax structure. One such loophole is the stock dividend credit which lets more than $300 million slip away from the Treasury to those who least need such highly favored treatment. It is regrettable that a move to close this loophole, led by Senator EUGENE MCCARTHY of Minnesota earlier in this session, was not successful.

There are other even more obvious loopholes that let hundreds of millions of tax dollars escape at the expense of the average taxpayer. Consider, for example, the cleverly written tax language that enables American oil interests with large foreign holdings to escape practically the entire Federal income tax on their foreign operations. This is a competitive threat to oil companies in the United States who have no foreign production and it deprives Uncle Sam of badly needed revenues from those who least need to avoid taxation. The two tax loopholes that I have suggested closing would alone take care of any deficit caused by making proper use of our highway-user revenues. Furthermore, such tax revision would be in the best interest of American businessmen and other taxpayers who need tax consideration.

I will support a highway financing bill that is fair to the American people and I know that we have ample time to pass such a bill before adjournment. The bill before us is not a good bill and I shall oppose it.

Mr. FALLON. Mr. Chairman, in closing, there were several Members on the floor very critical in regard to how the program was being administered in their particular States. I can say without fear of contradiction that in connection with this program, the largest program of public works that the world has ever witnessed, it has been my observation that the complaints and the criticism about this program have been very few.

And, in regard to the comments relative to State highway departments, I might say in my long association with them I have never met a more capable, more dedicated, and honest group of men than the members of the highway departments of these United States. Now, there might be a few exceptions.

Mr. Chairman, if this program is not carried forth here today, it will be a real tragedy not only the safety of the people of this country but to our national economy.

The CHAIRMAN. The time of the gentleman from Maryland has expired. All time has expired.

Under the rule, the bill is considered as having been read for amendment.

The bill is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—FEDERAL-AID HIGHWAY PROGRAM

SECTION 101. SHORT TITLE.

This Act may be cited as the "Federal-Aid Highway Act of 1959."

SEC. 102. REVISION OF AUTHORIZATION OF APPROPRIATIONS FOR INTERSTATE SYSTEM.

Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956 is amended by striking out "the additional sum of $2,500,000,000 for the fiscal year ending June 30, 1961," and inserting in lieu thereof the following: "the additional sum of $2,000,000,000 for the fiscal year ending June 30, 1961,".

SEC. 103. EXTENSION OF APPROVAL OF ESTIMATE OF COST OF COMPLETING INTERSTATE SYSTEM.

Section 8 of the Federal-Aid Highway Act of 1958, as amended, is hereby further amended by striking out "the fiscal years ending June 30, 1960, and June 30, 1961." and inserting in lieu thereof "the fiscal years ending June 30, 1960, 1961, and 1962."

TITLE II—INTERNAL REVENUE CODE AND HIGHWAY TRUST FUND AMENDMENTS

SEC. 201. TEMPORARY INCREASE IN MOTOR FUEL TAXES, ETC.

(a) GASOLINE.—Section 4081 of the Internal Revenue Code of 1954 (relating to imposition of tax on gasoline) is amended by adding at the end thereof the following new subsection:

"(c) TEMPORARY INCREASE IN TAX.—On and after September 1, 1959, and before July 1, 1961, the tax imposed by this section shall be 4 cents a gallon."

(b) DIESEL FUEL AND SPECIAL MOTOR FUELS.—

(1) IMPOSITION OF TAX.—Section 4041 of such Code (relating to imposition of tax on diesel fuel and special motor fuels) is amended by adding at the end thereof the following new subsection:

"(f) TEMPORARY INCREASES IN TAX.—On and after September 1, 1959, and before July 1, 1961—

"(1) if (without regard to this subsection) the tax imposed by subsection (a) or (b) is 3 cents a gallon, the tax imposed by such subsection shall be 4 cents a gallon, and

"(2) if (without regard to this subsection) the tax imposed under paragraph (2) of subsection (a) or (b) is 1 cent a gallon, the tax imposed under such paragraph shall be 2 cents a gallon."

(2) TECHNICAL AMENDMENTS.—The second sentences of subsections (a) and (b) of such section 4041 are each amended by striking out "in lieu of 3 cents a gallon".

(c) FLOOR STOCKS TAX AND REFUNDS ON GASOLINE.—

(1) TAX.—Section 4226(a) of such Code (relating to floor stocks taxes) is amended by adding at the end thereof the following new paragraph:

"(5) 1959 TAX ON GASOLINE.—On gasoline subject to tax under section 4081 which, on September 1, 1959, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 1 cent a gallon. The tax imposed by this paragraph shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline held for sale by a producer or importer of gasoline."

(2) DATE FOR PAYMENT OF TAX.—Section 4226(d) of such Code (relating to due date of taxes) is amended by inserting before the period at the end thereof the following: "; except that the tax imposed by paragraph (5) shall be paid at such time after November 30, 1959, as may be prescribed by the Secretary or his delegate".

(3) TECHNICAL AMENDMENT.—Section 4226(c) of such Code (relating to definition of dealer, etc.) is amended by striking out "section 6412(a)(3)" and inserting in lieu thereof "section 6412(a)(4)".

(4) REFUNDS.—Section 6412(a) of such Code (relating to floor stocks refunds) is amended by renumbering paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) GASOLINE HELD ON JULY 1, 1961.—Where before July 1, 1951, any gasoline subject to the tax imposed by section 4081 has been sold by the producer or importer and on such date is held by a dealer and is intended for sale, there shall be credited or refunded (without interest) to the producer or importer an amount equal to the difference between the tax paid by such producer or importer on his sale of the gasoline and the amount of tax made applicable to such gasoline on and after July 1, 1961, if claim for such credit or refund is filed with the Secretary or his delegate on or before November 10, 1961, based upon a request submitted to the producer or importer before October 1, 1961, by the dealer who held the gasoline in respect of which the credit or refund is claimed, and, on or before November 10, 1961, reimbursement has been made to such dealer by such producer or importer for the tax reduction on such gasoline or written consent has been obtained from such dealer to allowance of such credit or refund. No credit or refund shall be allowable under this paragraph with respect to gasoline in retail stocks held at the place where intended to be sold at retail, nor with respect to gasoline held for sale by a producer or importer of gasoline."

(d) CREDITS AND REFUNDS.—

(1) TAX PAYMENTS CONSIDERED OVERPAYMENTS.—Section 6416(b)(2) of such Code (relating to special cases in which tax payments are considered overpayments) is amended—

(A) by striking out "at the rate of 3 cents a gallon" each place it appears in subparagraphs (H), (I), and (J) and inserting in lieu thereof "at the rate of 3 cents or 4 cents a gallon";

(B) by striking out "1 cent for each gallon" in subparagraph (H) and inserting in lieu thereof "1 cent (where tax was paid at the 3-cent rate) or 2 cents (where tax was paid at the 4-cent rate) for each gallon"; and

(C) by striking out "at the rate of 1 cent a gallon;" at the end of subparagraphs (I) and (J) and inserting in lieu thereof the following: "at the rate of 1 cent a gallon where tax was paid at the 3-cent rate or at the rate of 2 cents a gallon where tax was paid at the 4-cent rate;".

(2) GASOLINE USED FOR CERTAIN NONHIGHWAY PURPOSES OR BY LOCAL TRANSIT SYSTEMS.—Subsections (a) and (b)(1)(A) of section 6421 of such Code (relating to gasoline used for certain nonhighway purposes or by local transit systems) are each amended by striking out "1 cent for each gallon of gasoline so used" and inserting in lieu thereof "1 cent for each gallon of gasoline so used on which tax was paid at the rate of 3 cents a gallon and 2 cents for each gallon of gasoline so used on which tax was paid at the rate of 4 cents a gallon".

(e) COLLECTION OF GASOLINE TAX AT WHOLESALE DISTRIBUTOR LEVEL.—

(1) TREATMENT OF WHOLESALE DISTRIBUTOR AS PRODUCER.—The first sentence of section 4082(a) of the Internal Revenue Code of 1954 (relating to definition of "producer" for purposes of tax on gasoline) is amended to read as follows: "As used in this subpart, the term 'producer' includes a refiner, compounder, blender, or wholesale distributor, as well as a producer."

(2) WHOLESALE DISTRIBUTOR DEFINED.—Section 4082 of such Code is amended by adding at the end thereof the following new subsection:

"(d) WHOLESALE DISTRIBUTOR.—As used in subsection (a), the term 'wholesale distributor' includes any person who—

"(1) sells gasoline to producers, to retailers, or to users who purchase in bulk quantities for delivery into bulk storage tanks, and

"(2) is registered and bonded with respect to the tax imposed by section 4081.

Such term does not include any person who (excluding the term 'wholesale distributor' from subsection (a)) is a producer or importer."

(3) EFFECTIVE DATE. — The amendments made by paragraphs (1) and (2) shall take effect on January 1, 1960.

SEC. 202. TRANSFERS TO HIGHWAY TRUST FUND.

(a) TRANSFER.—Section 209(c) of the Highway Revenue Act of 1956 (relating to transfer to Highway Trust Fund of amounts equivalent to certain taxes) is amended by renumbering paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) EXCISE TAX ON AUTOMOBILES, PARTS AND ACCESSORIES, ETC.—There is hereby appropriated to the Trust Fund, out of money in the Treasury not otherwise appropriated, amounts equivalent to that portion of the taxes received in the Treasury after June 30, 1961, and before July 1, 1964, under subsection (a)(2) (tax on passenger automobiles, etc.) and (b) (tax on parts and accessories) of section 4061 of the Internal Revenue Code of 1954 which is equal to the amount which would have been so received if the tax rate under each such subsection had been 5 percent in lieu of the applicable rate."

(b) CONFORMING AMENDMENTS.—

(1) CLERICAL AMENDMENT.—Paragraph (4) (as renumbered by subsection (a)) of such section 209(c) is amended by striking out "paragraphs (1) and (2)" each place it appears and inserting in lieu thereof "paragraphs (1), (2), and (3)".

(2) FLOOR STOCKS REFUNDS.—Section 209(f) of the Highway Revenue Act of 1956 (relating to expenditures from Highway Trust Fund) is amended—

(A) by striking out the heading to paragraph (4) and inserting in lieu thereof the following:

"(4) 1972 FLOOR STOCKS REFUND.—"; and

(B) by adding at the end thereof the following new paragraph:

"(5) 1961 FLOOR STOCKS REFUNDS ON GASOLINE.—The Secretary of the Treasury shall pay from time to time from the Trust Fund into the general fund of the Treasury amounts equivalent to the floor stocks refunds made before July 1, 1962, under section 6412(a)(3)."

The CHAIRMAN. No amendments are in order except amendments offered by the Committee on Public Works. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 4, after "1956" insert "as amended."

Mr. BECKER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The Chair will state to the gentleman that that is not in order.

The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 10, strike out "Sytem" and insert "System."

Mr. BECKER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, of course, I rise in support of this amendment. I think we will all support the amendment. The amendment on the reimbursement to States contained in this bill as an amendment is certainly a very necessary and vital feature of this type of legislation. I fought for this when I had the honor to serve on the House Public Works Committee. All we were able to succeed in doing at that time was to give recognition that the Secretary of Commerce would make a study and a survey as to the cost of the reimbursement to the States.

I want to digress for a moment to say this: I have listened to much debate this afternoon and the tirades against the administration insofar as the highway program is concerned and the conduct of it and of the lack of money that is necessary under this program.

Let me say this to those who are criticizing the legislation and the need for a 1-cent increase in the tax today. This legislation is not the administration's legislation in its original form in 1956. I say that if the Congress had adopted the President's recommendation in the Clay report we would not be in this position today of asking for additional taxes to carry out the program. The legislation adopted in 1956 by the committee, by the Committee on Ways and Means, and then enacted into law by the Congress was the baby of the Congress. At that time there were those of us who knew there was not sufficient money that would be produced under that legislation. At that time it was clearly enunciated that the President's program to establish a board, and a bond issue and a trust fund and to issue bonds for the construction of 41,000 miles of the highway program would have been financed to its conclusion. However, the House did not see fit to accept the recommendation of the administration and the plight we find ourselves in today to support the 1-cent increase in tax to bring in additional revenue partially to finance the program, rests on the shoulders of the Congress and not of the administration.

I heard the gentleman take the floor a few minutes ago and talk about a steel manufacturer on the west coast complaining about the importation of steel from Japan, interfering with the U.S. steel market. That is just too bad, because I remember when the late Dan Reed, that most esteemed gentleman from the State of New York, fought to amend the Reciprocal Trade Agreements Act several years ago to protect the production of steel and other products in the United States, was voted down by that side of the House. And today they are crying about the importation of products from foreign countries that are causing and will cause unemployment in our own country. The low tariff program is a program of the Democratic Party. If we are going to talk about tariffs and unemployment, let the boys over on the Democrat side do something about it. They have control of the House; they have control of the Congress. Let them bring in some legislation to protect the workers of America. I am for it, and I was for it when Dan Reed offered his amendments on the floor of this House. But do not cry about it today when you have the power to correct.

I do not like this 1 cent gasoline tax. But I am sincerely hoping that it will be passed by this House in order to keep this program going which is so vitally necessary. Also that the bill will contain a provision to reimburse those States, like the State of New York, that has expended over a billion dollars on the Interstate System to provide highways badly needed.

I sincerely hope the legislation will be passed.

Mr. MORRIS of Oklahoma. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN (Mr. JENNINGS). The Chair will state to the gentleman that only 5 minutes is permitted in support of the amendment and 5 minutes in opposition. Five minutes has been consumed in support of the amendment. Therefore, the Chair cannot recognize the gentleman at this time.

The question is on the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment, on page 2, line 17, insert:

"SEC. 104. POLICY WITH RESPECT TO REIMBURSEMENT FOR CERTAIN HIGHWAYS

"Section 114 of the Federal-Aid Highway Act of 1956 is amended to read as follows:

" 'SEC. 114. POLICY OF CONGRESS TO REIMBURSE FOR CERTAIN HIGHWAYS.

" 'It is hereby declared to be the intent and policy of the Congress to equitably reimburse in money or in mileage each State for every portion of a toll or free highway, bridge, or tunnel within such State which is on the Interstate System, the construction of which has been completed subsequent to August 2, 1947, or which is either in actual use or under construction by contract, for completion, awarded not later than June 30, 1957.' "

Mr. MACK of Washington. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the principal reason this legislation is before Congress today is that the Congress, in April 1958, voted to take an extra $1.2 billion out of the trust fund. That depleted the fund.

To reimburse the toll road States as this amendment proposes will cost $4,357 million. Where is that enormous sum of money coming from? No provisions have been considered to raise the money to pay for reimbursement of the toll road States for these toll roads.

If we attempt to pay the toll road States for their roads by a gasoline tax that will require a 1-cent additional tax on gasoline not for 22 months, as this bill proposes, but a 1-cent tax for 6 to 8 years.

We raided the highway trust fund once in 1958 to make work projects. If we raid it again to make reimbursement for toll roads, we will be right back where we are now with the trust fund busted again and trying to develop new tax sources on motorists to pay for these toll roads and freeways.

The cost of this amendment according to the Bureau of Public Roads is $4,357 million which is what will be needed to reimburse the toll road States. Of this $4,357 million, $2,833 million will go to eight toll road States.

New York State will receive $799 million from this reimbursement. Eight States with only 11 percent of the Nation's area will receive 65 percent of all the reimbursement funds and the other 42 States with 89 percent of the Nation's area will receive only 35 percent of this reimbursement sum.

New York State will receive $799 million which is as much reimbursement money as will go to 32 other States of the Nation.

Connecticut will receive $278 million to reimburse her for toll roads and free roads, which she has built.

New York will receive $799 million while New Hampshire will receive only $700,000.

New York State will receive $799 million and Nevada will get only $800,000.

New York State will receive $799 million and Vermont will get $1 million.

New York State will receive $799 million and North Dakota will get $1,700,000.

New York State will receive $799 million and Montana, $2,600,000.

New York State will receive $799 million and Idaho, $3,400,000.

New York State will receive $799 million and South Carolina, $3,200,000.

New York State will receive $799 million and Arkansas, $3,700,000.

New York State will receive $799 million and South Dakota, $3,700,000.

New York State will receive $799 million while Iowa will get $3,900,000.

Mississippi will get $4,700,000.

Wisconsin will get $5,900,000.

Mr. Chairman, this reimbursement provision has no place in this particular bill which is to meet an emergency situation.

The District of Columbia with only 4.8 miles of interstate highways, which she has built, will receive $5,400,000 under this provision for the 70 square miles within the District as against Wisconsin receiving $5,900,000 for that State of vast area.

The little State of Rhode Island will receive $10 million or about twice as much money as the great State of Wisconsin.

This provision has no place in this highway bill. It should not be considered until further investigations are made and reports received on it from the Bureau of Public Roads. This particular provision of the bill should be voted down. This is an emergency bill to keep the highway program rolling at its present level. It is not a bill to distribute vast sums to toll-road States and thereby lay the foundation for the need of levying new and additional taxes which Federal buying of the Nation's toll roads surely will necessitate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROBISON. Mr. Chairman, I rise in support of the amendment.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I yield.

Mr. JONES of Alabama. I would like to point out to the committee that this amendment only preserves the right of the future Congresses to consider the equity of reimbursement. Much has been said that this only goes to the question of toll roads. There are approximately 10,000 miles that will be considered for reimbursement and only 1,950.2 miles on toll roads. So every State in the Union almost without exception will have to be given the consideration that it was extended in the Highway Act of 1956, when we extended equitable consideration to the Western States providing a formula up to 95 percent of the total cost of the Interstate System to be borne by the Federal Government.

I would like to point out that in addition this is only giving the future Congresses the right to give consideration to the equitable redistribution of mileage lost under the formula of the 1956 act.

Mr. ROBISON. I thank the gentleman for his contribution and would like to point out to the House one thing, that while many quarrels have been started here between the States on various subjects this year this is the first time one has been started with the State of New York as the principal target.

This amendment apparently is being opposed on the ground that it is nothing but a giveaway. It is not a giveaway; it is a giving back of something which was wrongfully taken from the people of the State of New York as well as the other major progressive States of the Nation. Let me point out to you, Mr. Chairman, that on August 27, 1956—I was not here then, of course—but on that date I would remind the rest of you that this House passed H.R. 10660, of the 84th Congress, which contained a section known then as section 109 as originally numbered in that bill, which almost word for word follows section 104 in the bill now before us; and before you decide that you are now in favor of penalizing the initiative of the progressive States of the Nation, I suggest that you determine how you voted back in 1956.

Mr. DOOLEY. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I yield to the gentleman from New York.

Mr. DOOLEY. Is it not a fact that this is simply a reaffirmation of the act of 1956, and that the $799 million which is coming to the State of New York is merely reimbursement of money spent between 1941 and 1957 for which she could reasonably expect to be reimbursed? Failure to reenact this would be very bad.

Mr. ROBISON. The gentleman is correct.

Much has been made of the fact that this amendment calls for reimbursement to the extent of $4.2 billion. Much is also made of the fact that a large portion of that figure is going to go to the State of New York. Let me ask you this: Is it a fact, Mr. Chairman, that we have now reached the point where the cost of doing equity is going to blind us to the principles of equity?

Mr. Chairman, it strikes me that what is being done to the State of New York in this instance is something that is almost always done to us in every Federal-aid program, but not with as specific a contribution as we have been called upon to here make. This is the time to begin to right that wrong.

This amendment, as you know, and as has been so well explained, merely establishes the principle of reimbursement. This Congress or future Congresses hold in their hands the method of determining how that reimbursement is to be made.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I yield.

Mr. CRAMER. Is it not a fact—and I will say to the gentleman that with all respect I differ with him, but is it not a fact that under the 1956 bill there is discretion to do exactly what the gentleman is suggesting with regard to reimbursement, but it is discretionary and not mandatory?

The CHAIRMAN. The time of the gentleman from New York has expired, all time on the amendment has expired.

Mr. HAYS. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the motion.

The Clerk read as follows:

Mr. HAYS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. HAYS. Mr. Chairman, I come from a State which would benefit by this proposed amendment if we were reimbursed, but I say that it is morally wrong and completely indefensible. There have been a lot of speeches made today about these toll roads and the necessity of including them in the system and so forth and so on, but if you pass this amendment you are taxing the people not singly but twice, because you are soaking the people who ride over the roads and pay the tolls, for you ride up to the toll gate and have to pay for the privilege; and after they get the thing paid for by the people who use them you are going to turn around and soak the people of the United States in a gasoline tax and give them the money over again. If you can defend that, I cannot. If you can defend that to the people of your district, you just go right ahead and defend it, but I am not going to, and I have received plenty of letters from my State wanting me to support the amendment.

I think this amendment is wrong; I think it is out of place, and I think it ought to be defeated.

Mr. BUCKLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. BUCKLEY. What about the freeways?

Mr. HAYS. That is a different proposition, if they are really freeways which have been built and are incorporated into the system. That is quite different from toll roads.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. JONES of Alabama. There are 153 miles of free roads in the gentleman's State of Ohio that would qualify for incorporation into the Interstate System. The same principle would apply to those roads are would apply to the toll roads.

Mr. HAYS. No, it would not, because the people are not paying for the road twice. It is a free highway and you incorporate it, that is one thing; but if it is a toll road and you incorporate it, that is another thing again. The gentleman knows that as well as I do.

Mr. JONES of Alabama. This preserves the right of Congress——

Mr. HAYS. This says nothing about the right of Congress; this says it is the intent of Congress.

Mr. GROSS. And the policy of Congress.

Mr. HAYS. It declares the policy and it puts the Congress in the position that if you do not give the money back someday people can say: "OK, we were misled. The Congress said we were going to do it. Now you are reneging on the promise."

If you had not made the promise in the first place, you do not have to renege.

Mr. CRAMER. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, I will attempt to say what I think the issues are in regard to this amendment, and they are as follows:

We are talking about changing the act passed in 1956, which simply states, as a matter of policy, that Congress shall determine "whether or not" to reimburse the States for freeways and toll road facilities. This amendment unquestionably takes away that discretion from this body in the future to make that determination. When all the facts are known, when in 1961 it is reported what the total cost is going to be, it will be $13 billion in excess of the 1956 estimate of $25 billion; when we know in addition to that where the money should equitably come from to finance the proper sources of road user tax on a permanent finance basis. I say the amendment is premature because that time is when we should determine when we know what the cost is going to be, when we can look at the whole picture and what the proposals are before us, in determining whether or not to reimburse. That is what we have authority to do under the present legislation.

This amendment makes it mandatory and would cost $4.3 billion with the present arbitrary 10-year cutoff of 1947 to

1957. If the period of time is extended to the present time it would be $6.3 billion when we know we have the facts and a $13 billion deficit already. I say that is not fiscal responsibility.

It is time that the Congress should have the opportunity to make the decision at the proper time in 1961 when we know all the facts. It has no place in this legislation. It was intended to be an extension of the present law insofar as authorization is concerned.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The gentleman from Florida says this is premature consideration of this problem. I wonder if he found objection to the committee report of 1954?

Mr. CRAMER. I am glad the gentleman mentions the Clay report of 1954, because the Clay report of 1954 did not say reimbursement should be given, except after the Interstate System was fully funded, and that we might not have any objection to it at a future time.

Mr. JONES of Alabama. We are preserving the same principle, the right of a future Congress to decide that question. That is all this does.

Mr. CRAMER. The statement of policy requires the States in the future to be reimbursed and does not leave discretion to the Congress to decide that.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. We have been having great difficulty in trying to find revenue to take care of a billion and a half of additional expenditures put on this program last year. Where are we going to get the $4½ billion additional if this proposal is adopted?

Mr. CRAMER. The gentleman points out what the critical issue is and what the cost is going to be. I say that is aggravated even further by the fact that 2 years from now, which is the time when we should properly consider this issue, we are going to find unquestionably that the increased cost of the program is an additional $13 billion, meaning we will have a $17 billion deficit to make up if we pass this committee amendment.

I say that is not fiscal responsibility, and I say further if you complain about this 1-cent tax increase, being the method of financing the bill under this proposal, you will far more reason to complain when we try to find $17 billion to finance the deficit in 1961. This is not the time to make this provision mandatory.

Mr. ROBISON. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from New York.

Mr. ROBISON. Will the gentleman tell me whether or not in his opinion if this is passed and this Congress eventually finds a method of reimbursement, that method could not possibly prescribe that the toll roads would be free?

Mr. CRAMER. I may say to the gentleman that, of course, that would be a fine step in the right direction, but all the bills that have been introduced so far have been to the contrary.

Mr. MICHEL. Mr. Chairman, early in the session, after the President delivered his state of the Union message to the Congress, urging 1½ cents increase in the Federal gasoline tax to keep the interstate highway program on a pay as you go basis and after sensing that Members would be reluctant to pass legislation affecting this much of an increase, I introduced a bill, H.R. 4389, which would have transferred from the general fund to the highway trust fund the $1.5 billion of excise taxes from automobile parts and accessories.

I am happy that the bill under consideration today embodies in effect part of my proposal. Of course, I must say, Mr. Chairman, that I am in general agreement with those who have spoken before me who would like to see these wartime imposed excise taxes eliminated altogether on automobiles, trucks, parts, and accessories. Since there is so little likelihood of their elimination at this time, it seems only appropriate that the automobile owner paying them should derive some direct benefit by way of better roads on which to drive his automobile. It is still my belief that these excise taxes should be done away with whenever the budget picture improves to the point where we can live with this loss of revenue.

I support the 1-cent-a-gallon increase in tax called for in this bill on the strength of its termination date in 1961 after which the slack in revenue will be taken up in transfer of the excise taxes from the general fund to the trust fund. I am confident that the majority of constituents of my district would much prefer to see the highway-construction program proceed on schedule on a pay-as-you-go basis rather than resorting to further deficit financing. It is true that I represent an area which has already benefited and stands to benefit more in the future from this program by virtue of the heavy earth-moving machinery industry manufactured in my district and which is so vital in the construction of the Interstate Highway System, but I believe the general public throughout the length and breadth of this land is becoming more and more aware that we get only from Government what we pay for and that we cannot expect to continue the roadbuilding program without adequate financing.

The arguments advanced by the distinguished chairman and ranking member of the Ways and Means Committee are sound and in keeping with good business principles. I support the position of the committee in its method for financing the continuation of the program but have a reservation relative to the reimbursement to the States for their toll roads even though we in the State of Illinois would stand to benefit to the tune of better than $400 million.

In view of the critical budget picture I just do not see how we can give serious thought at this time to reimbursing the States and local governments for these expenditures when all of them are in much better financial shape than is the Federal Government itself. Mr. Chairman, I appreciate the gentleman yielding to me at this time for these few thoughts, and sincerely hope the Committee will see fit to pass the bill to assure our keeping the highway construction program on schedule.

Mr. WOLF. Mr. Chairman, I feel that I must point out some facts regarding my protest vote against the 1-cent-a-gallon increase in the gas tax. By closing off debate and not allowing amendments on the question of where we are going to get money to pay for the highway program, the American people lost and the special interests won. I want it clearly understood that I am in favor of the continuation of the interstate highway program. I am opposed to the procedure by which it became impossible to discuss on the floor of Congress the method of financing it.

Many Members of Congress were in support of alternative methods of taxation to the one proposed. The 1-cent-a-gallon tax increase will injure many people in very modest circumstances who consider gasoline a necessity for their livelihood. It is my feeling that Congress should have considered an amendment to the gas tax bill which would have reduced the 27½ percent oil depletion allowance for foreign oil imports. The Members of the Congress were aware that such an amendment was to be introduced by Congressman HENRY REUSS, of Wisconsin, had amendments been in order. This would have saved the American taxpayers millions of dollars and thus provided us with $2.4 billion necessary to finance our interstate highway program. If the Congress had supported a plan which would have reduced the oil depletion allowance from 27½ to 15 percent, the gasoline tax would not have had to be raised and the little taxpayer would not be hurt.

I am very sorry that one of the true beneficiary groups of the new highway system, the billion-dollar oil companies, are able to escape the tax burden which other people, not in oil, have to pay.

Another interesting paradox is that American foreign aid funds are being used abroad to build highways without an additional gas tax being imposed in those countries, while in America—to finance our own roadbuilding program—we are called irresponsible if we do not immediately impose an additional 1-cent gas tax.

The American people have been sadly misled on the problem of raising the gas tax so that highway construction would continue. The administration has diverted moneys collected from the Federal highway fund for other purposes. There is at least $1.2 billion a year which belong in the Federal highway fund which is not getting there. Furthermore, there is no reason why, if taxes must be raised in this area, we must exclude taxing the fat oil companies by continuing to give them tax advantage after tax advantage while the average American must carry a heavier tax burden.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Ohio [Mr. HAYS].

The motion was rejected.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. BROOMFIELD) there were—ayes 87, noes 144.

Mr. BUCKLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BLATNIK and Mr. MACK of Washington.

The Committee again divided, and the tellers reported that there were—ayes 98, noes 170.

So the amendment was rejected.

The CHAIRMAN. Are there any further committee amendments?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JENNINGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, pursuant to House Resolution 372, he reported the bill back to the House with sundry amendments, adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. ROBISON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ROBISON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion offered by the gentleman from New York.

The Clerk read as follows:

Mr. ROBISON moves to recommit the bill to the Committee on Public Works.

Mr. FALLON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. HAYS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 243, nays 162, not voting 30, as follows:

Roll No. 160

YEAS—243

Addonizio	Bass, N. H.	Bowles
Alexander	Bass, Tenn.	Boykin
Arends	Bates	Boyle
Ashley	Becker	Brewster
Aspinall	Beckworth	Brooks, Tex.
Auchincloss	Bennett, Mich.	Broomfield
Avery	Bentley	Brown, Ohio
Ayres	Berry	Buckley
Bailey	Betts	Budge
Baker	Blatnik	Burdick
Baldwin	Boland	Burke, Ky.
Barry	Bolling	Burke, Mass.
Burleson	Johnson, Md.	Perkins
Bush	Johnson, Wis.	Pfost
Byrnes, Wis.	Jones, Ala.	Porter
Cahill	Judd	Price
Carnahan	Karsten	Prokop
Cederberg	Karth	Quie
Chamberlain	Kasem	Quigley
Chelf	Kastenmeier	Rains
Chenoweth	Kearns	Randall
Chiperfield	Kee	Ray
Church	Keith	Reece, Tenn.
Clark	Kilburn	Reuss
Coffin	Kilday	Rhodes, Ariz.
Cohelan	Kilgore	Rhodes, Pa.
Collier	King, Calif.	Riley
Cook	King, Utah	Rivers, S.C.
Corbett	Kirwan	Roberts
Cramer	Kluczynski	Rodino
Curtis, Mass.	Knox	Rogers, Colo.
Curtis, Mo.	Kowalski	Rogers, Mass.
Daddario	Lafore	Roosevelt
Daniels	Laird	Rutherford
Davis, Tenn.	Langen	Saund
Derounian	Lankford	Saylor
Dixon	Latta	Schenck
Dooley	Libonati	Scherer
Doyle	Lindsay	Schwengel
Dwyer	Lipscomb	Shelley
Elliott	Loser	Sheppard
Everett	McCormack	Short
Evins	McCulloch	Siler
Fallon	McDowell	Sisk
Fascell	McFall	Slack
Feighan	McIntire	Smith, Calif.
Fenton	Macdonald	Smith, Miss.
Flood	Mack, Wash.	Smith, Va.
Foley	Magnuson	Spence
Frazier	Mahon	Springer
Frelinghuysen	Mailliard	Stubblefield
Friedel	Martin	Teague, Calif.
Fulton	Mason	Teague, Tex.
Gallagher	May	Thomas
Garmatz	Meader	Thompson, Tex.
Gathings	Metcalf	Thomson, Wyo.
George	Michel	Thornberry
Giaimo	Miller, Clem	Tollefson
Glenn	Miller, George P.	Trimble
Griffin	Milliken	Udall
Gubser	Mills	Utt
Hagen	Moeller	Vanik
Halleck	Monagan	Van Zandt
Hardy	Montoya	Vinson
Harris	Moorhead	Wainwright
Herlong	Morgan	Wallhauser
Hess	Morris, N. Mex.	Walter
Hiestand	Morris, Okla.	Watts
Hoeven	Moss	Weaver
Hoffman, Mich.	Moulder	Weis
Holland	Mumma	Wharton
Holt	Murphy	Widnall
Horan	Murray	Wier
Hosmer	Natcher	Wilson
Hull	Nelsen	Withrow
Ikard	Norblad	Wright
Irwin	O'Neill	Yates
Jackson	Osmers	Young
Jennings	Ostertag	Younger
Jensen	Patman	Zablocki
Johansen	Pelly	
Johnson, Colo.		

NAYS—162

Abbitt	Conte	Gray
Abernethy	Cunningham	Green, Oreg.
Adair	Curtin	Green, Pa.
Alford	Davis, Ga.	Griffiths
Alger	Dawson	Gross
Allen	Delaney	Haley
Andersen, Minn.	Dent	Halpern
	Denton	Hargis
Anderson, Mont.	Devine	Harmon
	Diggs	Harrison
Ashmore	Dingell	Hays
Barden	Dollinger	Healey
Baring	Donohue	Hébert
Barr	Dorn, N.Y.	Hechler
Barrett	Dorn, S.C.	Hemphill
Belcher	Dowdy	Henderson
Bennett, Fla.	Downing	Hoffman, Ill.
Blitch	Dulski	Hogan
Boggs	Durham	Holtzman
Bonner	Edmondson	Huddleston
Bosch	Farbstein	Inouye
Brademas	Fino	Jarman
Bray	Fisher	Johnson, Calif.
Breeding	Flynn	Jonas
Brock	Flynt	Kelly
Brooks, La.	Fogarty	Keogh
Brown, Ga.	Forand	Kitchin
Brown, Mo.	Forrester	Landrum
Byrne, Pa.	Fountain	Lane
Cannon	Gary	Lennon
Casey	Gavin	Levering
Celler	Goodell	McGinley
Coad	Granahan	McGovern
Colmer	Grant	McSween
Mack, Ill.	Pirnie	Smith, Kans.
Madden	Poff	Staggers
Matthews	Preston	Steed
Merrow	Pucinski	Stratton
Meyer	Rabaut	Sullivan
Miller, N.Y.	Rees, Kans.	Taber
Mitchell	Riehlman	Taylor
Moore	Rivers, Alaska	Teller
Morrison	Robison	Thompson, La.
Multer	Rogers, Fla.	Toll
Nix	Rogers, Tex.	Tuck
Norrell	Rooney	Ullman
O'Brien, Ill.	Rostenkowski	Wampler
O'Hara, Ill.	Roush	Whitener
O'Hara, Mich.	Santangelo	Whitten
O'Konski	Scott	Williams
Oliver	Selden	Willis
Passman	Shipley	Winstead
Philbin	Simpson, Ill.	Wolf
Pilcher	Simpson, Pa.	Zelenko
Pillion	Smith, Iowa	

NOT VOTING—30

Albert	Dague	Marshall
Andrews	Derwinski	Minshall
Anfuso	Ford	O'Brien, N.Y.
Baumhart	Hall	Poage
Bolton	Holifield	Powell
Bow	Jones, Mo.	St. George
Broyhill	Lesinski	Sikes
Canfield	McDonough	Thompson, N.J.
Carter	McMillan	Van Pelt
Cooley	Machrowicz	Westland

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Ford for, with Mr. Sikes against.
Mr. Bow for, with Mr. McMillan against.
Mr. Minshall for, with Mr. Anfuso against.
Mrs. Bolton for, with Mr. Powell against.
Mr. Holifield for, with Mr. Carter against.
Mr. Baumhart for, with Mr. O'Brien of New York against.

Until further notice:

Mr. Hall with Mrs. St. George.
Mr. Andrews with Mr. Broyhill.
Mr. Thompson, of New Jersey with Mr. McDonough.
Mr. Cooley with Mr. Dague.
Mr. Lesinski with Mr. Van Pelt.
Mr. Marshall with Mr. Westland.

Mr. BASS changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FALLON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Without objection it is so ordered.

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means have until midnight tonight to file a report, along with supplemental or individual views, on the bill H.R. 9035, relating to the interest rate on savings bonds.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

NET OPERATING CARRYBACKS RESULTING FROM RENEGOTIATION

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R.

2906) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts, and ask unanimous consent that the statement of the managers on the part of the House he read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1105)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2906) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
RICHARD M. SIMPSON,
NOAH M. MASON,
Managers on the Part of the House.

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR,
JOHN J. WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2906) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment added to the bill as passed the House a new section 2, directing the Secretary of the Treasury or his delegate to allow credit or refund to Dexter Phillips and Jeanette H. Phillips of an income tax overpayment for the calendar year 1951, to the extent such overpayment was attributable to the erroneous inclusion in their gross income for such year of the amount received by Dexter Phillips in final distribution of his grandfather's estate. The House recedes.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
RICHARD M. SIMPSON,
NOAH M. MASON,
Managers on the Part of the House.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, H.R. 2906, as it passed the House, extended the period of limitation for filing claims for credit or refund for overpayments of income taxes arising as a result of a renegotiation of Government contracts. The general rule relating to claims for credit or refund of income taxes is that such claims must be filed within 3 years from the time the tax return is filed or within 2 years from the time the tax is paid.

H.R. 2906, as it passed the House, changed this by providing that the period for filing a claim for credit or refund for the overpayment of taxes, to the extent attributable to the creation of, or an increase in, a net operating loss carryback resulting from the elimination of excessive profits by a renegotiation of a Government contract is not to expire before the end of 1 year after the month in which the agreement or order for the elimination of the excessive profits becomes final. This means for example, that in a situation where a renegotiation case is in the Tax Court the taxpayer will have a total of 1 year and 90 days within which to file a claim for credit or refund. This is true because 90 days is allowed after a Tax Court decision within which an appeal may be taken and the language of the bill provides 1 year after the agreement or order for the elimination of excessive profits becomes final within which to file a claim for credit or refund.

The Senate added an amendment providing a tax credit or refund involving an overpayment of income taxes of $383.64 by Dexter Phillips and Jeanette H. Phillips. The House conferees accepted this Senate amendment because of the equity involved. Briefly, the Phillipses filed a timely refund claim for their overpayment of taxes. The Inter-Revenue Service erroneously disallowed this refund claim. By the time the error on the part of the Internal Revenue Service was discovered the time for filing a refund claim had expired. In effect, a timely refund claim was filed and had the Internal Revenue Service handled the claim properly the refund would have been made in the ordinary course of events.

Mr. Speaker, I urge adoption of the conference report on H.R. 2906.

Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I have concurred with the distinguished chairman of the Committee on Ways and Means in urging the House to approve the conference report on H.R. 2906.

It will be recalled that the House-passed version of this legislation extended the period for filing claims for credit or refund of overpayments of income taxes where such overpayments result from renegotiation findings with respect to Government contracts. The Senate action on this legislation resulted in the adoption of an amendment to provide that notwithstanding any period of limitation otherwise applicable the Secretary of the Treasury or his delegate is authorized to allow a credit or refund on behalf of certain designated taxpayers to the extent that such overpayment is attributable to the erroneous inclusion in gross income for 1952 taxable year of an inheritance received by the taxpayer.

Mr. Speaker, this amendment is meritorious and has been made necessary by an erroneous position taken by a representative of the Internal Revenue Service. It is appropriate that the House conferees have concurred in this Senate amendment.

SOCIAL SECURITY COVERAGE FOR CERTAIN STATE AND LOCAL EMPLOYEES

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1107)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
RICHARD M. SIMPSON,
NOAH M. MASON,
Managers on the Part of the House.

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR,
JOHN J. WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social

Security Act may be modified to secure coverage for nonprofessional school district employees, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the text of the bill added a new section 2, amending section 218(p) of the Social Security Act so as to include California, Kansas, North Dakota, and Vermont among the States (listed in such section 218(p)) which are permitted to extend old-age, survivors, and disability insurance coverage (under their agreements with the Secretary of Health, Education, and Welfare) to services performed by State and local employees in policemen's and firemen's positions covered by State or local retirement systems. This amendment does not require the coverage of policemen or firemen in the four newly specified States, of course, or automatically bring any of them within the old-age, survivors, and disability insurance program; coverage under such a program would still require appropriate action by the State government and acceptance by the members of the retirement system involved. The House recedes.

The Senate amendment to the text of the bill also added a new section 3, permitting the agreement entered into with the State of Oklahoma under section 218 of the Social Security Act to be modified (at any time before 1962) so as to make it applicable to services performed in policemen's positions under a State or local retirement system by individuals who are ineligible on the date of enactment of the bill (or, if earlier, when last employed in such positions) to be members of such system, where the State before 1959 has made payments to the Treasury (representing amounts equivalent to employment taxes, as provided for under section 218(e)(1)) with respect to some part of the services performed in such positions by the individuals involved. Any such modification would apply to all services performed by such an individual after the date of enactment of the bill, as an employee of a city or other political subdivision to which the modification applies, in a policeman's position covered by a retirement system of which he is ineligible (at the time he performs such services) to become a member (and subject to the right of the State under section 218(c)(7) to designate whether or not his coverage shall continue in the event he subsequently becomes eligible for membership in such a system). The modification would also apply to any such services performed before the date of enactment of the bill, to the extent that payments to the Treasury under section 218(e)(1) were made (including payments which were returned to the State before the date of enactment of the bill or the date the modification was entered into, if the State repays the refunded amounts to the Treasury within the normal reporting period prescribed under section 218(e) for additional payments resulting from modifications of State agreements) with respect to such services at the time or times established pursuant to law. The House recedes.

The Senate amendment to the title of the bill was designed to reflect in the title the changes made by the amendment to the text of the bill discussed above. In view of the action taken by the conferees on the latter amendment, the House recedes.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
RICHARD M. SIMPSON,
NOAH M. MASON,
Managers on the Part of the House.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, as may be recalled the House passed H.R. 213 unanimously on March 23, 1959, and in the form in which it passed the House the purpose of the bill was to provide an additional period of time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees.

The Senate amended this bill in several respects, and the conferees, as is indicated by the statement of the managers on the part of the House, concluded that the Senate amendment should be agreed to.

The amendments are as follows:

California, Kansas, North Dakota, and Vermont would be added to the list of States in section 218(p) of the Social Security Act which are permitted to extend old-age, survivors, and disability insurance coverage under agreements with the Department of Health, Education, and Welfare to policemen and firemen in positions covered by State and local retirement systems. As the Members know, this coverage can only be extended by a written referendum wherein the persons affected vote in favor of such coverage.

Another amendment would permit the agreement entered into with the State of Oklahoma under section 218 to be modified so as to make it applicable to services performed in policemen's positions under a State or local retirement system by individuals who are ineligible on the date of enactment of the bill or when last employed in such positions to be members of such retirement systems. This provision would apply only in those cases where the State before 1959 has made payments to the Treasury with respect to part of the services performed by such individuals.

Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I have joined with the able chairman of the Committee on Ways and Means in urging the House to agree to the conference report on the bill H.R. 213.

It will be recalled that as this legislation passed the House its purpose was to allow the modification of certain State agreements entered into with the Secretary of Health, Education, and Welfare to provide for old-age and survivors insurance coverage for nonprofessional school district employees. The House-passed legislation allowed an additional period of time in which the agreements could be modified to accomplish this purpose.

The Senate has amended this legislation to include the States of Oklahoma, Kansas, North Dakota, and Vermont in the list of States which are allowed to extend old-age and survivors insurance coverage to services performed by employees of such State or political subdivisions thereof in any policemen's or firemen's positions covered by a State or local retirement system. Under present law there are 12 States which are permitted to extend coverage to policemen and firemen; the list includes Alabama, Florida, Georgia, Maryland, New York, North Carolina, Oregon, South Carolina, South Dakota, Tennessee, Washington, and Hawaii. It should be made clear that the coverage extended to policemen and firemen in any of these States only becomes available after a referendum and a vote in favor of such coverage by the employees affected.

The House conferees have concurred in this Senate amendment.

FREE IMPORTATION OF TOURIST LITERATURE

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 3, strike out "Act" and insert "section".

Page 2, after line 6, insert:

"SEC. 2. (a) Paragraph 1720 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1201, par. 1720), is amended to read as follows:

"'PAR. 1720. Models of inventions and of other improvements in the arts, to be used exclusively as models, or exclusively as exhibits in exhibitions at any college, academy, school, or seminary of learning, any society or institution established for the encouragement of the arts, science, or education, or any association of such organizations.'

"(b) Paragraph 1807 of such Act, as amended (19 U.S.C., sec. 1201, par. 1807), is amended to read as follows:

"'PAR. 1807. (a) Original paintings in oil, mineral, water, vitreous enamel, or other colors, pastels, original mosaics, original drawings and sketches in pen, ink, pencil, or watercolors, or works of the free fine arts in any other media including applied paper and other materials, manufactured or otherwise, such as are used on collages, artists' proof etchings unbound, and engravings and woodcuts unbound, lithographs or prints made by other hand transfer processes unbound, original sculptures or statuary; but the terms "sculpture" and "statuary" as used in this paragraph shall be understood to include professional productions of sculptors only, whether in round or in relief, in bronze, marble, stone, terra cotta, ivory, wood, metal, or other materials, or whether cut, carved, or otherwise wrought by hand from the solid block or mass of marble, stone, alabaster, or from metal, or other material, or cast in bronze or other metal or substance, or from wax or plaster, or constructed from any material or made in any form as the professional productions of sculptors only, and the

term "original", as used in this paragraph to modify the words "sculptures" and "statuary", shall be understood to include the original work or model and not more than ten castings, replicas, or reproductions made from the sculptor's original work or model, with or without a change in scale and regardless of whether or not the sculptor is alive at the time the castings, replicas, or reproductions are completed. The terms "painting", "mosaic", "drawing", "work of the free fine arts", "sketch", "sculpture", and "statuary", as used in this paragraph, shall not be understood to include any articles of utility or for industrial use, nor such as are made wholly or in part by stenciling or any other mechanical process; and the terms "etchings", "engravings", and "woodcuts", "lithographs", or "prints made by other hand transfer processes", as used in this paragraph, shall be understood to include only such as are printed by hand from plates, stones, or blocks etched, drawn, or engraved with hand tools and not such as are printed from plates, stones or blocks etched, drawn, or engraved by photochemical or other mechanical processes.

"'(b) Original works of the free fine arts, not provided for in subparagraph (a), subject to such regulations as the Secretary of the Treasury may prescribe as to proof that the article imported represents some school, kind, or medium of the free fine arts. The term "original works of the free fine arts" as used herein shall not be understood to include any article of utility or for industrial use.'

"(c) Paragraph 1809 of such Act, as amended (19 U.S.C., sec. 1201, par. 1809), is amended to read as follows:

"'PAR. 1809. (a) Works of art, collections in illustration of the progress of the arts, sciences, agriculture, or manufactures, photographs, works in terra cotta, parian, pottery, or porcelain, antiquities and artistic copies thereof in metal or other material, imported in good faith for exhibition purposes within the territorial limits of the United States by any State or by any society or institution established for the encouragement of the arts, science, agriculture, or education, or for a municipal corporation, and all like articles imported in good faith by any society or association, or for a municipal corporation, for the purpose of erecting a public monument, and not intended for sale nor for any other purpose than herein expressed; but bond shall be given, under such rules and regulations as the Secretary of the Treasury may prescribe, for the payment of lawful duties which may accrue should any of the articles aforesaid be sold, transferred, or used contrary to this paragraph within five years after the date of entry hereunder and such articles shall be subject at any time within such five-year period to examination and inspection by the proper officers of the customs: *Provided*, That the privileges of this subparagraph (a) shall not be allowed to associations or corporations engaged in or connected with business of a private or commercial character.

"'(b) In connection with the entry of works of art and other articles claimed to be free of duty under this paragraph, surety on bonds may be waived in the discretion of the Secretary of the Treasury.

"'(c) Articles entered under this paragraph may be transferred, subject to such regulations as the Secretary of the Treasury may prescribe, from an organization specified in subparagraph (a) to another such organization or temporarily to a commercial gallery or other premises for exhibition and not for sale.'

"(d) Paragraph 1811 of such Act, as amended (19 U.S.C., sec. 1201, par. 1811), is amended to read as follows:

"'PAR. 1811. (a) Works of art (except rugs and carpets made after the year 1700), collections in illustration of the progress of the arts, works in bronze, marble, terra cotta, parian, pottery, or porcelain, artistic antiquities, and objects of art of ornamental character or educational value which shall have been produced prior to the year 1830, subject to such regulations as to proof of antiquity as the Secretary of the Treasury may prescribe. Picture frames classifiable under this subparagraph may be entered at any port of entry.

"'(b) Violins, violas, violoncellos, and double basses, of all sizes, made in the year 1800 or prior year.

"'(c) Ethnographic objects made in traditional aboriginal styles and made at least fifty years prior to their date of entry, subject to such regulations as to proof of antiquity as the Secretary of the Treasury shall prescribe.'

"(e) Paragraph 1812 of such Act, as amended (19 U.S.C., sec. 1201, par. 1812), is amended to read as follows:

"'PAR. 1812. Gobelin and other handwoven tapestries fit only for use as wall hangings, and valued at not less than $20 per square foot.'

"(f) This section shall become effective with respect to merchandise entered, or withdrawn from warehouse, for consumption on or after the thirtieth day after the date of enactment of this Act."

Page 2, after line 6, insert:

"SEC. 3. (a) Paragraph 1631(a) of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1201, par. 1631(a)), is further amended by inserting 'book binding or cover,' after 'book,'.

"(b) The amendment made by this section shall apply with respect to articles entered, or withdrawn from warehouse, for consumption during the two-year period beginning on the date of the enactment of this Act and to articles covered by entries or withdrawals which have not been liquidated or the liquidation of which has not become final on such date of enactment."

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, in the form in which it passed the House of Representatives, the purpose of H.R. 2411 was to amend paragraph 1629 of the Tariff Act of 1930, a free list provision, by adding at the end thereof a new subparagraph covering tourist literature issued by certain groups and which relates chiefly to places or travel facilities outside the continental United States. As may be recalled, the House bill passed the House of Representatives unanimously on March 23, 1959.

The Senate added two amendments to the House bill. Each of the Senate amendments is identical to separate bills on the same subject which have just recently been unanimously reported by the Committee on Ways and Means and which have already passed the House of Representatives.

First, the Senate added an amendment to provide for the temporary free entry of certain bookbindings imported for the covering of books. The language of this amendment is identical to H.R. 4576 as it passed the House of Representatives on August 18, 1959. As may be recalled, I explained on the floor at that time that H.R. 4576 would amend paragraph 1631(a) of the free list of the Tariff Act of 1930 to include therein book bindings or covers and to provide for the duty free treatment of such imports for a period of 2 years from the date of enactment of the bill. The Senate amendment which has been added to H.R. 2411 will accomplish this same purpose.

Second, the Senate added language to H.R. 2411, the purpose of which, as I understand it, is to liberalize the definition of "works of art" which may be imported duty free so as to include modern art forms and to ease restrictions on the importation of articles of educational or artistic value which are meant for exhibition and not for sale.

Mr. Speaker, I wish to point out that approximately a week ago the House passed H.R. 6249 which was introduced by our colleague on the Committee on Ways and Means, the Honorable LEE METCALF, and which was reported unanimously by the Committee on Ways and Means, with certain amendments. The language of the Senate amendment on this subject is identical to the language which was reported by the Committee on Ways and Means in connection with H.R. 6249, by Mr. METCALF, and which was passed by the House of Representatives on August 25, 1959.

The House committee report which accompanied H.R. 6249 explained in considerable detail the purpose of the bill, H.R. 6249, as it was reported from the Committee on Ways and Means. Inasmuch as the language of the Senate amendment to H.R. 2411 is identical to the language of H.R. 6249, as reported from the Committee on Ways and Means, it is my understanding that the purpose of the Senate amendment is precisely the purpose expressed and explained in the House committee report on H.R. 6249.

Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] may extend his remarks at this point and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I have joined with the chairman of the Committee on Ways and Means to urge that the House agree to the Senate amendments to H.R. 2411. This legislation as it passed the House provided for the free importation of certain tourist literature relating to places or travel facilities outside the continental United States.

The Senate passed version of this legislation included amendments to provide for the free importation of models of inventions, works of art, to be used for exhibition purposes by States and certain societies and institutions. A fur-

ther Senate amendment would allow for the temporary free entry of certain bookbindings imported for the covering of books.

EXTENSION OF REMARKS

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to have my remarks on the highway bill inserted in the body of the RECORD during the debate.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDMENTS TO SOIL BANK ACT

Mr. BREEDING. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BREEDING. Mr. Speaker, I have today introduced legislation to extend the period of time during which the Secretary of Agriculture may enter into conservation reserve contracts under the soil bank program and to provide for a gradual expansion of the acreage which can be brought into the program.

Under my bill, the effective date of the program would be extended through 1965. The following goals would be established:

	Acres
1961	36,000,000
1962	44,000,000
1963	52,000,000
1964	60,000,000
1965	68,000,000

The bill also prohibits more than 50 percent of the tillable acreage of any farm from being put into the program. This will prevent situations whereby entire farming areas are removed from production, thus creating a serious condition for merchants and suppliers in small towns which serve nearby farming areas.

The bill retains the present $5,000 limitation on the annual payments under any one contract.

I realize time is rapidly running out on the present session of Congress. However, I introduced the bill so it could be referred to the House Agriculture Committee. I hope when we return in January that this legislation can be placed high on the agenda of the committee.

It is none too soon to be giving serious thought to the future of the program. If it is continued, it should be on a scale large enough to make possible a significant reduction in production and relieve some of the overproduction which presently plagues the country.

I trust it will be possible for the Agriculture Committee to go into the problem thoroughly soon after Congress reconvenes.

EXTENSION OF REFINANCING LOAN AUTHORITY

Mr. GRANT submitted a conference report and statement on the bill, H.R. 7629, to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and for other purposes.

REPORTING AT ITS BEST

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, Fidel Castro is a much misunderstood and misrepresented man. William Attwood, the foreign editor of Look Magazine, has written an article about Castro in the current issue of Look. It is by far the best appraisal I have seen of Fidel Castro.

The article is political reporting at its best. Editor Attwood did a superb job of digging out his facts, and of interpreting them. I sincerely hope Castro will read, ponder and heed Mr. Attwood's conclusions.

Based on my knowledge of Castro and Cuba, I find this report to be a balanced and an honest presentation.

So far—

Attwood writes—

the situation is not as bad as some of the scare stories you read. There are still some hard-working professionals in the Cabinet. And it is certainly inaccurate to say that Cuba is virtually a Communist dictatorship. The press, through sadly lacking in courage, is free to print what it likes. There are no collective farms, no iron curtain. No one is being tortured by the secret police—as they were less than a year ago under Batista. There is no Soviet ambassador telling a puppet government what to do. And the circulation of the Communist paper, Hoy, is barely 5,000 in a nation of 6 million.

But, he goes on to point out, "you can smell a police state in the making." He believes Castro's knowledge of the outside world is woefully limited. He thinks the real tragedy of Fidel Castro is "that he could have done so much for his country had he been less impatient and less confused."

Attwood says we have no business lecturing Cubans. Castro is their problem. "Castro means well," Attwood writes, "He has good intentions." Salvation for Castro and for Cuba may well come if Castro realizes in time that his best contribution is not as the top administrator.

No one should discount Castro's great contribution to Cuba and all Latin America. He led a revolution that overthrew a cruel and greedy dictator. He did away with a police state and brought individual freedom to Cubans.

Without lecturing Castro I repeat what I have said many times publicly and to him personally: Presidential and congressional elections should be held before the end of 1960 and the exact date should be announced immediately. More than anything, his government needs an organized and legitimate opposition.

William Attwood's article is a valuable contribution to Cuban-American relations. It is gratifying to know that it will be read by millions of persons in both countries and elsewhere in a world that will, as Attwood points out, have to deal in the immediate future with other leaders like Fidel Castro.

Under unanimous consent previously granted, I am inserting the text of Mr. Attwood's article and his interview with Fidel Castro:

THE TRAGEDY OF FIDEL CASTRO

(By William Attwood)

The undisputed boss of Cuba is doing what comes most naturally to him. He is talking his head off about the revolution to a group of his worshipful friends. The scene is the Agrarian Reform Institute—one of Fidel Castro's pet projects—and the meeting is one of those improvised, semiofficial bull sessions that he gets into a dozen times a day. As usual, he is doing most of the talking, because very few people interrupt the boss in Cuba today.

This makes it hard to have a conversation with Castro, even if you're lucky enough to catch up with him. In some ways, it's harder to find the man, now that he's Prime Minister, than it was a year ago, when he was still hiding from Batista's troops in the Sierra Maestra Mountains. He is seldom in his office. His daily schedule changes from hour to hour as he rushes around the city and countryside. He sleeps when he feels like it, at odd hours and in a variety of beds. Sometimes he just disappears. I pity any Martian landing in Havana and asking a Cuban, "Take me to your leader."

More than a week went by before I cornered him—in the presidential plane. Together, we flew to Camaguey. On the way back, late at night, we got to talking about other chiefs of state I had met. For once, Fidel Castro was actually listening. He seemed especially interested in President Gamal Abdel Nasser of the United Arab Republic, and wanted to know if I detected a resemblance between them. "You're a lot alike," I said, "except you're much more disorganized."

He leaned back and nodded. "I know," he said. "I try to do too much." His cigar glowed in the dim light of the cabin. Then he bent forward and held my arm. "But remember, I am an emotional man."

Fidel Castro is emotional, all right, if by that you mean idealistic, impatient, impulsive, thin-skinned, erratic, and naive. He is also a skilled manipulator of crowds, a compulsive talker who has little sense of time and not much need of sleep and—at times—a lonely looking man with bewildered eyes. Like most emotional men, he is in deeper trouble than he probably suspects.

There is nobody quite like him in politics today, and it's important that we Americans try to understand him. We are living in a revolutionary generation, when people who never had much to look forward to are no longer accepting their fate; and Castro is a product of this generation, one of its angry young men. We can expect to see many more, in Asia and Africa as well as in Latin America. They'll be emotional, too, and nationalistic. Chances are they'll also be anti-American, if only because we Americans, who haven't needed a revolution in 180 years, now seem to stand for the status quo, for stability, for anybody—even dictators—who won't rock the boat.

A CONQUERING HERO

Castro and his kind are born rockers of boats. As a symbol of resistance to a brutal and corrupt dictatorship, he was a living legend and a national hero before turning 30. When he drove into Havana with his barbudos last January, he was a knight in shining armor, leading an army with banners. He was like De Gaulle in liberated Paris. He could do no wrong.

Now, 8 months later, the armor is tarnished; the banners, wilting. Former associates are calling him a Red or plotting his assassination. His expressive face often wears a hunted look.

What happened?

What happened, first of all, is that a great many propertied people who looked forward to an old-fashioned political change of regime are now shocked to discover that they are in for a new-fashioned, full-fledged (though jerry-built) social and economic revolution.

Others who did favor a real revolution are disenchanted by Castro's slapdash military rule and government-by-crony. They expected him to be an efficient executive, forgetting that he never ran anything in his life but a backwoods conspiracy.

This attempt by inexperienced idealists to remake Cuban society has thus resulted in 8 months of confusion, disorganization and creeping economic paralysis. Capital needed for industrialization plans is frozen or fleeing the country as one hastily conceived decree follows another: Feudal landholdings meant that agrarian reform was needed—but not to the extent of hurting production; rent gouging meant that controls were needed—but not to the extent of halting new construction; tax evasion meant that new legislation was needed—but not to the extent of discouraging investment by excessive corporate levies.

So far, the situation is not as bad as some of the scare stories you read. There are still some hard-working professionals in the Cabinet. And it is certainly inaccurate to say that Cuba is virtually a Communist dictatorship. The press, though sadly lacking in courage, is free to print what it likes. There are no collective farms, no iron curtain. No one is being tortured by the secret police (as they were less than a year ago under Batista). There is no Soviet ambassador telling a puppet government what to do. And the circulation of the Communist paper, Hoy, is barely 5,000 in a nation of 6 million.

The fact remains that when you sniff the air in Cuba, you can smell a police state in the making. Dangerous slogans are beginning to appear, such as, "Friendship ends where duty begins" (totalitarian double talk for "Denounce your neighbor"). "Youth patrols" of grade-school kids are being given military training. The death penalty can now be imposed for such vaguely worded crimes as incitement to terrorism or robbing the Treasury. The right of habeas corpus was only recently restored—and arbitrary arrests by the military police are not uncommon. Anyone who publicly criticizes Castro runs the risk of being branded a "counterrevolutionary," in the same way that the late Senator Joseph McCarthy used to pin the Communist label on his critics.

All this so-called revolutionary vigilance causes apprehension. So the critics who dare not speak up eventually begin to plot, the plots are discovered, and the vigilance gets more drastic. And the clumsy, vicious cycle plays into the hands of the small but disciplined group of Communists who are quietly and busily trying to worm their way into key posts in the armed forces.

The saddest thing about Cuba's slowly curdling revolution is that no one is really to blame but Fidel Castro himself. For he has perpetuated the inevitable confusion and excesses of any political upheaval by trying to be the one-and-only ringmaster in a circus too big for him to handle.

Calling Castro a Communist agent is nonsense. He hasn't the discipline to be a Communist. He's the type that goes down the drain when the real Communists take over a country. It is much more accurate to call him a prima donna who has no business being a prime minister.

Consider the problem of getting to see him (a serious problem for any government official because very little can be done without his approval). Some officials with responsible jobs have not been able to talk with him since February. It took photographer Andrew St. George and me 10 days of patience and perseverance to arrange it. Yet this was way under par for American reporters, many of whom have stopped trying.

For a whole week, Cabinet meetings were called and canceled while Castro wandered in the back country, revisiting old haunts, sometimes out of telephone range. His private secretary in Havana was no help. ("You know how he is," she sighed.) The editors of his own paper, Revolución, could not even cover his movements because they never knew where he would turn up next. One day, instead of addressing a rally of 100,000 people in Pinar del Río, he flew to Havana at 3 a.m. and headed for the apartment of Celia Sánchez, one of his assistants, who always has a room ready for him. ("I sleep in a different place every three nights," he told me later, "to avoid all the people who would come to me with their problems.")

Next morning, at the apartment, we got word to meet him at the palace, where he would be holding a long-delayed Cabinet meeting. So we joined the throng of official and unofficial hangers-on who milled through the marble halls—the damp civilians with heavy brief cases; the pretty girls with nothing to do; the Nicaraguan exiles hoping for a pat on the back; the hairy soldiers scratching themselves, combing their curly locks and examining each other's miscellaneous hardware as though they had just taken the building by storm.

When Castro arrived with his usual surging retinue of amiable brigands, he promptly vanished into the conference room, and we were left outside to while away the next 8 hours as best we could. When he emerged (after unexpectedly announcing a $135 million public-works program to give jobs to Cuba's 700,000 unemployed), we got our car and fell in behind his green Chevrolet as it pushed through a crowd of squealing women and roared off into the night. Trailing him to the Hilton Hotel was no problem; he stops for red lights. But there we lost him again. After a quick shower in a private suite, he vanished again.

The next day was more of the same. Fidel never did get back to the Hilton, nor to Celia's. There was a rumor that he might appear at the Agrarian Reform Institute, so all the people who were trying to see him turned up there. A nervous little man with a brief case was mopping his brow. "This is a crazy way to run a country," he said, but not very loud.

We finally located Castro at the Air Force headquarters, closeted with his brother Raul. Long-haired teen-agers with tommy guns kept arresting us and letting us go. Finally, I said the hell with it and went back to the hotel to make an airline reservation to New York.

But we live in an age of miracles. At 4 the next morning, a reporter for Revolución finally got to Castro and talked him into inviting us to go to Camagüey aboard his private plane.

It was a 2-hour ride each way, and I had plenty of things to ask him about. But coming back, we just talked. He'd had a hard day: an animated lunch with local officials, a 3-hour harangue to several thousand farmers, and a long session with the agrarian reform people. He began asking me questions: Had I been to Russia and the other Communist countries? How did the people feel? How did the government officials live?

When I told him that at least 90 percent of the people in countries like Poland and Hungary hated the system, he wanted to know why. I explained what a real police state was like and how it was imposed by the Red Army. I mentioned the collectives, where the state robbed farmers of their land, and the Communist ruling class, who live like old-fashioned despots.

SOME QUESTIONS ABOUT RUSSIA

Castro nodded. "That's terrible," he said. "We don't want anything like that here. People must have something to call their own. We want our people to be free."

He asked about the Iron Curtain. Was it true that people in Communist countries couldn't get out? And wasn't an American who went to Russia accused of being a Communist when he got home? When I told him that the Russians were prisoners in their own land and that 15,000 American tourists were going to the Soviet Union this year, he seemed genuinely surprised. "This is very, very interesting," he said. "I should have more time to talk to people who know about these things."

It dawned on me that Castro's knowledge of the outside world, like his grasp of economics, is woefully limited. He thinks of politics in terms of good guys and bad guys, and of economics in terms of foreign exploitation versus national self-sufficiency. But is this surprising? Castro started out as a young lawyer with a gift for words, and has been a professional revolutionary for most of his adult life. He has seen little of the world.

Today, overwhelmed by his job, he frankly misses the old days in the hills, when life seemed simple. Twice, he referred nostalgically to the Sierra Maestra, like Robin Hood dreaming of Sherwood Forest. His uniform, his beard, and his .45 have become symbols that remind him of happier times. His companions of those days, too, are the ones he looks to for guidance—people like Raul Castro, Juan Almeida, and Camilo Cienfuegos.

"These are friends I can trust," he said firmly, when I mentioned Communist infiltration into the Armed Forces which they command. "They were my companions when I was in danger."

Yet there is good reason to believe that some of his companions, even less sophisticated than he is, have already swallowed enough obsolete, half-baked Marxist ideas so that they are actively, if unwittingly, helping Cuba's Communists betray the revolution. Part of Castro's tragedy is that no one could ever convince him of this.

It was late at night when our plane landed in Havana. As the door swung open, he put his arm around my shoulder. "I wish we had more time to talk," he said. "I need more time." Then he was off behind a cluster of rifles, a big man in sweat-stained fatigues with a .45 on his hip.

What's in store for Fidel Castro? You don't have to strain your imagination to foresee a last act like a Shakespearean tragedy, with bodies littering the stage.

At the moment, his popularity is still tremendous, though the hot frenzy of the early days has cooled perceptibly. Women still react to him as though he combined the qualities of Clark Cable, Elvis Presley, Douglas MacArthur and Perry Como. Millions of small farmers are counting on him for land; 75 percent of the land has long been controlled by less than 10 percent of the people. Every Cuban who felt that he wasn't getting a square deal—and that's a lot of Cubans—now believes that, at last, there's somebody up there who really cares about him. The best estimate is that a solid 80 percent of the country is in his corner, making this the world's most popular dictatorship.

But Castro has made enemies, too, some powerful and resolved to get rid of him. Havana is the center of this so-far leaderless but angry opposition. It includes most big property owners, as well as thousands of Cubans who lived off the now-moribund tourist trade. Many of the educated middle

class are also turning against him, disturbed by his radical and violent oratory.

The big danger now is that some of these oppositionists are going underground, plotting the assassination of the man who once could do no wrong and now, in their eyes, can do no right. If such a plot succeeded—as it well might—the result would be disastrous for the plotters as well as for Cuba. It would mean martyrdom for Fidel and bloody reprisals in his name that would plunge the country into chaos and civil war.

Other, less desperate oppositionists clamor for U.S. intervention—whatever that means. Military action, even as disguised as was the Guatemala operation, would turn all of Latin America against us. Economic pressure, such as cutting the Cuban sugar quota, would accomplish nothing except to provoke bitter outcries about dollar imperialism. Revolutionaries like Castro don't yield to this kind of pressure; they get tougher, as we found out with Nasser.

Assuming the unlikely worst—that the Communists did take over from Castro—then what? Newspaper stories about a "Communist beachhead imperiling the United States" are just plain silly. Unless the Russians actually set up missile launching pads in Cuba, even a temporary Communist dictatorship would pose no threat to us. It might even be a salutary lesson to the rest of Latin America. For no real Communist government could last long unless the Soviet army was there to back it up, as in Hungary. The Cubans themselves would get rid of it.

So it's fair to say that U.S. interference in Cuba right now can only help the Communists, whose present aim is not so much to seize power as to poison relations between Latin America and the United States.

Cuba's future under Castro is a problem for Cubans themselves to solve; we have no business lecturing them. And there is some reason for hope. For all his mistakes, Castro means well; he has good intentions. Even when he denounces former associates as traitors, he does so in order to defend his precious revolution. Because his real enemies at home and abroad call him a Communist, he believes that anyone who attacks Communist influence in Cuba is guilty of spreading a slander against him and his idealistic cause.

Sometimes good intentions pave the road to hell, but sometimes they don't. As this is being written, a group of moderates among Castro's anxious supporters and loyal opposition are trying to persuade him to call off his one-man road show, turn the business of government over to professionals and take over the army again, where he could remain as the watchdog of the revolution. The problem thus far is that he is accessible to so few people, and so few have dared talk bluntly to him. (As he told me, "I am an emotional man.")

So this may be too much to hope for. But even if Castro continues to run the show, he may yet be persuaded to mend his ways, for the revolution's sake. If he broke sharply with the Communists who did so little to help him overthrow Batista; if he modified his agrarian-reform plans so as to minimize injustice; if he restored the rule of law and set a date for elections—if he just did this much, most of his opposition would wither away, and Cuba's future would be bright.

Looking back, the real tragedy of Fidel Castro is that he could have done so much for his country had he been less impatient and less confused. But for this, Cuba might today be on the threshold of unparalleled economic prosperity coupled with long-overdue social reforms.

Looking ahead, his tragedy is that he may refuse to listen to hardheaded advice and stubbornly prolong his reckless, hoarse, and turbulent spree. In this case, Fidel Castro will become the world's likeliest target for an assassin's bullet between now and the end of the year.

A LONG HARD TALK IN CASTRO'S PLANE

Talking with Fidel Castro in his own plane (which used to belong to Batista) has two advantages: He can't escape, and nobody interrupts you. Our talk, which lasted about 4 hours, was conducted in a workable blend of English and Spanish, and what follows is a selection of my questions together with a condensed version of his answers. Whatever else may be said of him, Castro is garrulous. But he is also a dedicated and sincere young man who really believes what he says.

Question: "What mistakes have you made since you took power?"

Answer: "I don't know. I think I've done the best I could. If I haven't done better, it's because I haven't had time enough. Look, if we had not done a good job, we would not have more than 90 percent of the people with us today. That is what our latest public-opinion survey shows."

Question: "Do you believe that public-opinion polls are a substitute for elections in a democracy?"

Answer: "No. We will have elections when the revolution has advanced enough, when the social reforms are carried out, when everyone has a decent standard of living, when we have eliminated unemployment and lifted up the country. When will this be? It depends on circumstances. Our job could be interrupted. So I do not want to set an exact date for elections. But I can tell you it will be inside of 4 years. You must remember that Cubans are a passionate people who are now in a revolutionary process. Our first duty is for all to work. Elections would be distracting just now. Of course, if public opinion turns against me, I will not try to hold the power 1 minute more."

Question: "How will you know if public opinion turns against you?"

Answer: "It's easy. I can tell when I go among the people. Just wait until you see the crowds in Camagüay when we arrive. Every politician is sensitive to public opinion. I am too."

Question: "Would you be willing to hold a referendum to find out if the people want elections?"

Answer: "I don't think it is necessary, but we may do it. An election is a fight for power, but a referendum is different. It is like consulting public opinion. It might be a good idea. Meanwhile, if Americans do not think I am right about public opinion, I will be glad to invite any reputable public-opinion institute to come to Cuba and make its own independent survey."

Question: "How would you describe Cuba's present form of government?"

Answer: "This is a provisional government—a transitory regime. As a consequence of the revolution, power was taken by the organizations that made the revolution. So this provisional government has a lot of power right now. But it is in complete agreement with public opinion. The proof is that after 6 months nearly everybody likes what we are doing. So you could call this government a regime of public opinion."

Question: "Is it possible to criticize the actions of your government without being called a counterrevolutionary?"

Answer: "It is. We have many honest critics. What is an honest critic? One whose objective is not to destroy the revolution but to help it. I myself am sometimes one of the strongest critics of our government."

Question: "Why was the right of habeas corpus suspended?"

Answer: "Because we had 7 years of crimes and abuses. The judiciary had to be reorganized. We had thousands of war criminals to be tried. If you stop justice for 7 years, you cannot restore it in 24 hours." [The right of habeas corpus was restored August 7.—Editor.]

Question: "Isn't there something wrong with the administration of justice when you, the Prime Minister, have to order the release of a man like Enrique Llaca, who was recently jailed by the army after being freed by a civilian court?"

Answer: "Yes. I should not have to do everything. But you are wrong about Llaca. The judges were wrong to free him. There was evidence that he was in a conspiracy. Nevertheless, I ordered his release because I did not want things done as they were done under Batista, when the police could overrule the judges."

Question: "Why did you restore capital punishment in Cuba when it was outlawed in the 1940 constitution?"

Answer: "Let me say, first, that the executions are finished. Now, the worst cases are out of the way. But we are keeping capital punishment for certain crimes to insure the defense of society, to protect the people—crimes like robbing the treasury, robbing the property of the people. In the future, of course, the people will decide whether they want to keep capital punishment."

Question: "Today a Cuban can be put to death simply for 'inciting to terrorism.' As a lawyer, don't you see the danger in so drastic a decree?"

Answer: "This law is invoked only in specific cases where the facts are clear. Surely the man who pays another to make bombings is guiltier than the one who does the act. In any law, there are always dangers. What is important is the way the law is applied. And we will not apply such laws the way Batista did."

Question: "According to the public-opinion survey you mentioned only 1.3 percent of the people are against you. Then what are you afraid of?"

Answer: "I agree that this is a small percentage, but it is still about 70,000 people, former Batista policemen, moneylenders, big landlords, gangsters, assassins. Among them are many who know how to use weapons and to kill."

Question: "If someone shot you, who would take your place?"

Answer: "I have many companions who made this revolution with me. I suppose a group leadership would be substituted for personal leadership. Among them, at this time, would be my brother Raul. He seems to have a lot of support among the people, and he has acquired much experience."

Question: "What did you learn on your trip to the United States that you didn't know before?"

Answer: "I was surprised by the interest of the people. They are not indifferent about Latin America. They were more sensitive than I thought. I was surprised by this, because you Americans have not suffered from dictators. When I spoke there, I felt the same as when I speak in Cuba. I found much kindness and sympathy, and I have a good impression of the American people. I am very sincere when I tell you this."

Question: "Do you think you are getting a bad press in America? Do you care?"

Answer: "Many false things are being printed because Americans do not analyze what we are doing, and do not understand our problems. They are afraid of our agrarian reform. But Americans do not understand the need. They do not have big landlords who rob the country. They already have schools, roads, parks, hospitals, work for everybody. So your press is always looking for Communists in our revolution. But I am curing the social evils of Cuba, and that is the best defense of democracy. I wish more American reporters would come here and go into the country and talk to the people. Then they would understand and tell the truth. Of course I care. We are

neighbors. We should understand each other."

Question: "Then why did you call former President José Figueres of Costa Rica a 'bad revolutionary' when he urged Cuba to aline itself with the West?"

Answer: "I will explain this. First, I was very disappointed that he forgot every visitor ought to be careful not to try to tell us what to do. When I was a visitor in your country, did I get up and tell you what to do? No, I only gave my opinion when I was asked. Also, Figueres said this at a time when Cuba was being attacked by your Congress, by your wire agencies, by many people. He said, too, at this time that America was 'too tolerable' of us. Emotion was high here in Cuba. Figueres did not understand the emotional situation."

Question: "Are you opposed to Communist as well as to right-wing dictatorships?"

Answer: "My nature is to be against all dictatorships."

Question: "Why doesn't Cuba—like the United States—have commercial and diplomatic relations with the Soviet Union and other Communist countries?"

Answer: "I think we will, mainly because we are interested in trade with all countries. We hope to sell our products in world markets. But now is not the opportune moment."

Question: "The Communists didn't make this revolution. The 26th of July movement did. So why don't you break with them openly before they corrupt your revolution?"

Answer: "Our ideas are very clear. They have nothing to do with communism. And the complete responsibility of power is in the hands of the 26th of July movement. There is no kind of participation of Communists in our government. But what we do not do is persecute any other political idea. This proves our democratic faith. This proves that we believe in the strength of our movement. We are not afraid of other ideologies."

Question: "Batista jailed you and then released you after 15 months. Would you do the same to a man who tried to organize an armed revolt against your regime?"

Answer: "I would never do what Batista did, such as assassinating 80 young men who were with me without a trial. It is more honest to punish by law. We would never assassinate. Myself and some others he did not kill in order to simulate legality. But you cannot compare me with Batista. He was in power for vanity, for robbery, for helping his friends. We are here only for helping the people, without privileges for anybody. And we administer the country with absolute honesty, without any kind of vanity. You can see that we live simply and in contact with the people like any other citizens."

Question: "Will there be changes made in the agrarian-reform law, or will it be strictly applied?"

Answer: "The law itself is firm and will not be changed. But it provides for flexibility so that it will not be applied unjustly. And remember, it will be a 3-year process."

Question: "Are you still interested in attracting foreign-capital investment to Cuba?"

Answer: "Yes, but we would prefer credits for machinery and factories. We want to establish our own industry and create our own capital. Now, we are spending millions of dollars on agricultural machinery, which we are getting principally from the United States. We would like to have credits that we could repay with the products of our new industries."

Question: "With so much to do at home, why are you trying to export revolution to the Dominican Republic?"

Answer: "We want to live in peace. We are not engaged in making trouble. It is dictators like (Rafael Leonidas) Trujillo who are endangering our revolution, helping our enemies. He is the one who exports assassins and pays for terrorist acts. What would Americans do if they had such an enemy nearby? That is why we are in sympathy with the Dominican rebels. There is one more thing I want to say to Americans: Do not be deceived by the propaganda of our enemies. Keep in mind the efforts we are making for the prosperity and happiness of our country. Let us be friends."

HOUSE RULES AND PARLIAMENTARY PROCEDURE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a newspaper statement.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, yesterday, several questions were raised as to the parliamentary procedure which should be followed by the House when the question of sustaining the veto of the President of the $1,251,477,808 public works appropriation bill was under consideration, a recapitulation of the vote was ordered by the Speaker.

Much, but not all, of what happened is to be found in the CONGRESSIONAL RECORD of September 2 at page 17753.

Reading it this morning, I found that much of what happened was, under the rules of the House, when Members revised their remarks as is permissible under the rules, omitted.

Unless it be our Parliamentarian, Lewis Deschler, the Member most familiar with our rules and practices is the gentleman from Missouri [Mr. CANNON], the author of "Cannon's Procedure and Precedents in the House of Representatives."

But apparently the gentleman from Missouri [Mr. CANNON], despite his long experience and expert knowledge, can become confused.

This thought is suggested by what is found this morning in the Baltimore Sun, under the byline of Rodney Crowther.

Permit me to quote from Mr. Crowther's story, with reference to the accuracy of which it has been my privilege to consult with several Members of the House who were present, heard the colloquy, and which, as reported by Mr. Crowther, was as follows:

[From the Baltimore Sun, Sept. 3, 1959]

WORKS BILL VETO UPHELD IN HOUSE VOTE—REJECTION OF MEASURE SUSTAINED BY MARGIN OF ONE

(By Rodney Crowther)

WASHINGTON, September 2.—President Eisenhower won another victory over Congress today when the House by the narrow margin of one vote sustained his veto of the $1,251,477,808 public works appropriation bill.

The President had rejected the bill because it has $800 million of unbudgeted items which he is against starting this year.

VOTE—274 TO 138

The actual vote was 274 to pass the bill "the President's veto notwithstanding" to 138 votes against it, just one vote short of the two-thirds margin required to defeat the President.

Voting to override the veto were 263 Democrats and 11 Republicans. Voting to sustain the President were 132 Republicans and 6 Democrats. All members of the Maryland delegation voted to override.

Only one other House session this year has drawn a bigger and more excited gallery of spectators than the one today—the one which witnessed the acceptance of the Landrum-Griffin labor bill.

The tension mounted as the voting neared the finish with apparently enough votes in the bag for the Democrats to override.

ONE OF TENSEST 35 MINUTES

When the final name was called, however, unofficial tallies showed the Democrats one short of enough votes to pass the bill.

Then began one of the tensest 35 minutes the House has experienced this year.

Before the Speaker could announce the result Representative CANNON, Democrat, of Missouri, chairman of the powerful Appropriations Committee was standing calling for recognition.

"How am I recorded Mr. Speaker?" CANNON asked.

"Voted 'No'," the clerk replied.

"Thought I was voting 'Yea.' "

"I am not switching my vote—this was my bill, it originated with my committee, and I thought I was voting 'yea' and I want to be so recorded."

The House burst into loud applause and there was a wave of rustling and excitement in the galleries. The Democrats were now ahead one vote in their frantic battle to overturn the President.

Then seemingly to clinch a victory another Democrat, Representative DIGGS, of Michigan, who had not yet voted walked into the chamber and into the well of the House and asked to be recorded. He voted "aye," and there was more applause.

Then occurred what looked from the galleries like many minutes of confusion as the party leaders and party whips on both sides of the aisle rushed about endeavoring to get Members to switch their votes while others undertook to bring in absentees.

Representative HERLONG, Democrat, of Florida, who had voted "no" walked to the well and asked to switch to "present."

Two Republicans, Representatives KNOX, of Michigan, and CRAMER, of Florida, who until then had not voted, voted "no," which were votes for the President.

Sensing that they probably were still short of votes the Republicans resorted to a stalling tactic which is often used when one side or another is a vote or two behind.

DEMOCRATS GROW IMPATIENT

One after another these Republicans who had in fact voted "no" marched to the well and asked "Mr. Speaker, how am I recorded?"

Meanwhile Republican leaders were frantically trying to induce some of their members who had voted "aye" to switch.

The Democrats, impatient of the delay, jumped to their feet and loudly shouted: "Regular order," "regular order."

At this point Representative REUSS, Democrat, of Wisconsin, who had not answered the rollcall rushed breathlessly to the well with raised hand and voted "aye."

Whereupon three Republicans who had voted "aye" asked one after the other how they were recorded and said "off 'aye' and on 'no' " which meant that by now the margin of victory for the administration was once more one. They were Representatives CHENOWETH, of Colorado, FENTON, of Pennsylvania, and CURTIN, of Pennsylvania.

RECAPITULATION ASKED

CANNON after a hurried consultation at the Speaker's rostrum, took the microphone

and said: "Mr. Speaker I asked a recapitulation."

Representative HALLECK, Republican of Indiana, the GOP leader opposed this and insisted that the vote be announced. But the Speaker ruled that a recapitulation was proper under the House rules.

The clerk read the names of those who had voted "aye."

"Are there any corrections?" RAYBURN asked.

When there were not he directed that the names of those who voted "no" be read.

Again he asked: "Are there any corrections?"

VOTE ANNOUNCED

When there were none, the Speaker then announced that the vote was 274 to 138 and that "the bill has not been passed."

Thunderous applause broke from the Republican side of the aisle and excited reporters tumbled over each other rushing to nearby telephones.

It was the 143d time a veto of President Eisenhower had been sustained. Never yet since he entered the White House January 20, 1953, has he been overridden.

Seventeen Members of the House crossed party lines during the voting. Republicans who voted to override were Representatives BAKER, of Tennessee; GAIN, of Pennsylvania; HORAN, of Washington; JENSEN, of Iowa; KEARNS, of Pennsylvania; MERROW, of New Hampshire; ROGERS, of Massachusetts; SILER, of Kentucky; SIMPSON, of Illinois; THOMSON, of Wyoming; and WEAVER, of Nebraska.

Democrats who voted to sustain the veto were Representatives ABBITT, of Virginia; FLYNT, of Georgia; MARSHALL, of Minnesota; MURRAY, of Tennessee; SMITH, of Virginia; and TUCK, of Virginia.

FATE OF BILL UNCERTAIN

What will be the fate of the vetoed bill was still uncertain late today.

Chairman CANNON said that his Appropriations Committee would meet tomorrow morning to take action on a new bill, stripped of the 67 new projects to which President Eisenhower objects.

Last week when the veto was announced Senator ELLENDER, Democrat of Louisiana, a member of the Senate Appropriations Committee, announced that he would try to get the entire bill—unbudgeted items and all—attached to the still unreported mutual security appropriation bill.

MOVE SEEN DOUBTFUL

There were doubts that this could have succeeded in the Senate, but even if the Senate were to make such a move it appeared doubtful that the House conferees would look favorably on it.

Senator ELLENDER later today told reporters he intends to push ahead on his plan to attach the vetoed public works bill to the mutual security bill—"even if I get no more than one vote—my own."

The Senate Appropriations Committee is to meet on the foreign aid appropriation bill tomorrow, and ELLENDER said he would move at that time to tack on the works bill.

Mr. Speaker, my own recollection, as well as that of many other Members of the House, is in accord with the statement of Mr. Crowther.

Thinking that possibly we might have misunderstood, today it was my privilege to confer with the gentleman from Missouri [Mr. CANNON] and he confirmed my recollection, when I read the statement to him, and stated that such was the situation.

One reason for my statement today is to suggest to Members who sometimes are embarrassed by a statement made by them, is that no matter how long the experience of the Member, no matter how capable he may be, no matter how alert, mistakes are not always avoidable.

The article should be helpful to all of us, for it outlines the procedure on a situation which does not often arise.

MAKING ALASKA AND HAWAII ELIGIBLE FOR PARTICIPATION IN DISTRIBUTION OF DISCRETIONARY FUNDS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 373) providing for the consideration of S. 2208, a bill to provide that Alaska and Hawaii be eligible for participation in the distribution of discretionary funds under section 6(b) of the Federal Airport Act, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2208) to provide that Alaska and Hawaii be eligible for participation in the distribution of discretionary funds under section 6(b) of the Federal Airport Act. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and I yield myself such time as I may require.

Mr. Speaker, this resolution makes in order the consideration of the bill, S. 2208, a bill on which there is, I understand, some controversy. I should state at the outset, I understand it is the purpose of the leadership to dispose of the rule, but to take up the bill itself at a later time.

Mr. Speaker, I know of no controversy on the rule, and I reserve the balance of my time. I yield to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN. Mr. Speaker, I know of no objection to the rule. I reserve the balance of my time, Mr. Speaker.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HAS MIDEAST AID BEEN ALLOCATED BEFORE ECONOMIC AID BILL PASSES?

Mr. HARDY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARDY. Mr. Speaker, this morning's Washington Post carried a press news item bearing an Ankara date line with an Associated Press accreditation, which reads as follows:

THREE NATIONS IN MIDEAST GET $470 MILLION AID

ANKARA, September 2.—The United States has given $470 million in economic aid this year to the three Middle East members of the Central Treaty Organization, formerly the Baghdad Pact. They are Iran, Pakistan and Turkey.

The allocation was announced by Donald D. Kennedy of the United States at a meeting yesterday of the CENTO Economic Committee. He said the aid figure represents a 50-percent increase over American help to the three nations last year.

Now, Mr. Speaker, I believe that any reasonable person reading this article would conclude that it refers to a new commitment of funds. More than one-sixth of the current fiscal year has passed, and Mr. Kennedy is credited with announcing an "allocation" of "$470 million in economic aid this year."

Since the foreign aid appropriation bill has not even been reported in the Senate yet, I wonder where these new funds could possibly come from. I have tried to learn from the executive agencies involved what the facts are, but no one over there seems to know. I was advised that Mr. Kennedy was not expected to discuss funds to be allocated for the 1960 fiscal year and that it is therefore "supposed" that he must have been talking about funds already committed in fiscal year 1959.

Mr. Kennedy is a high official in the Department of State. He was representing the United States at the CENTO meeting when he spoke. However, no one in Washington knows just what he said. I am told now that the Department of State will seek to secure this information.

This is a matter of considerable significance. It surprises me that our foreign aid people in Washington are so poorly advised. Year after year foreign aid budget presentations are made on an "illustrative" basis because, it is contended to Congress, firm commitments cannot be made to foreign countries until after funds are appropriated. It is further consistently alleged that our own position would be weakened by the premature suggestion of an amount which would be available for allocation to a particular country. Now Mr. Speaker, here is a press report attributing to a top State Department official a commitment of $470 million in economic aid before the appropriation bill is passed.

It may be that the "supposition" of the Department of State and the ICA in Washington is correct and that Mr. Kennedy's remarks have been misconstrued. Whatever the facts are, the record should be set straight promptly. If, in fact, a new commitment has been made prior to the appropriation of funds, remedial action seems to be called for.

HOLLINGS FOR PRESIDENT

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, Woodrow Wilson is reported as having said that some day America will be surprised to find herself growing old, when she will be forced to adopt a new regimen of life. She will have to husband her industry, concentrate her resources; she will have to trust her best, not her average, men—that will be the time of change.

Mr. Speaker, if America is to survive as a great nation, I believe the time of change President Wilson spoke of is now at hand. The time of change could well be 1960. It could develop in the precinct meetings, the State conventions, the presidential preferential primaries, and the national conventions of both political parties. Mr. Speaker, I have predicted upon numerous occasions that a movement to give the American people a political choice in 1960 could well materialize in both the Democratic and Republican Parties. This movement is already underway at the grassroots in both parties.

I am happy that South Carolina's young, dynamic Governor, Ernest F. Hollings, is being mentioned in some quarters as a presidential possibility. Governor Hollings, believe it or not, said it might be possible to give the people of South Carolina a tax reduction next year. This at a time when we in Congress are talking about more taxes and more spending. Governor Hollings has often expressed himself as favoring States rights, free enterprise, and a return to constitutional government. Governor Hollings believes in a sound dollar, balanced budget, reduction in foreign aid, and putting "sip" into the reciprocal trade program.

At the Southern Governor's Conference in Puerto Rico, Governor Hollings was the only Governor to vigorously oppose the invitation to Khrushchev to visit the United States. Freedom-loving peoples everywhere are still saddened and shocked over the coming to America of this bloody, atheistic dictator. Khrushchev has been hoping and dreaming for this invitation, with free television and radio time, newspaper and magazine publicity. He is communism's greatest salesman. We, of all people, are giving him an open forum and the opportunity he desperately seeks. Governor Hollings in opposing this visit is showing concern for the future welfare of our Nation and the free world. He is demonstrating leadership and foresight during this time of appeasement, conformity, and compromise.

Since his stand in Puerto Rico I have had many inquiries here in Washington from over the country about the possibility of Governor Hollings' availability as a presidential candidate. Mr. Speaker, Governor Hollings is a man of experience, has an excellent war record, has youth, personality, charm, and I commend him to the Democratic Party for consideration.

PROGRAM FOR BALANCE OF WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute?

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time in order to ask the majority leader as to the program for the balance of the week.

Mr. McCORMACK. I am very glad to respond to the question and advise the House that if the Senate gets through with the conference report on the labor bill it will come up tomorrow.

Another bill that will be considered tomorrow is that relating to interest on the series E- and H-bonds.

There is a conference report on the military construction bill; and there is this bill made in order by the rule just adopted. I do not know that we will reach all of them tomorrow but I am putting them on the program. That seems to be a pretty full program for tomorrow and I doubt if we could reach anything else, but the full Committee on Appropriations is meeting tomorrow morning in connection with the new Public Works Appropriation bill, and should that bill be reported out I would ask consent to consider the bill on Saturday. If that request is made and granted then that bill will be programed for Saturday.

Mr. HALLECK. I wonder if the gentleman would permit me at that point to suggest that as we are meeting tomorrow—and, of course, this will be notice in the RECORD as of today—if the appropriation bill is reported consent could be asked, and should it be refused that might determine as to whether we meet on Saturday.

Mr. McCORMACK. I appreciate the suggestion of my friend, but I think we should wait until we know that the full committee has reported the bill out. Of course, I would submit such a consent request if the chairman of the committee should not make it, but I think the proper time to make it is to wait until after the full committee has acted. If we then agree on a Saturday session, which is the intent now, and a unanimous-consent request is made after the bill is reported out, we will take it up at that time.

Mr. HALLECK. Can the gentleman give me any information as to next Monday?

Mr. McCORMACK. I was coming to that, and I am glad the gentleman inquires.

Projecting my mind ahead, all I can say is that on Monday the bills on the Consent Calendar will be called and several suspensions. I will announce them probably on Friday or Saturday, if we meet on Saturday. The reason I wait until the last day we meet in the week is to know that I am able to make a complete announcement and not piecemeal. I may say, with permission of the Members of the House, and agreed to by the leadership, if any rollcalls should take place on Monday they may go over until Tuesday?

Mr. HALLECK. As far as I am concerned, I would not object to that.

Mr. McCORMACK. Mr. Speaker, in order to clarify that situation, I ask unanimous consent that in the event of any rollcalls on Monday next the rollcalls go over until Tuesday, in view of the fact that Monday next is Labor Day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that it be in order for the Committee on Appropriations to report a public works appropriation bill to the House for consideration on Saturday.

Mr. McCORMACK. I just stated, in response to the minority leader, and I do not want to put myself in an embarrassing or inconsistent position, that the request would be made after the committee acts tomorrow. I did not see the gentleman on the floor. If I had, I would have had the gentleman join in, but having made one statement I am going to ask the gentleman to withdraw it.

Mr. CANNON. I will make the request tomorrow. I will ask the leader to make the request tomorrow.

Mr. McCORMACK. I will after the full committee has acted.

LABOR AND FOREIGN POLICY

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, I have today introduced House Joint Resolution 518 to set up a joint congressional committee to study and report on the ways in which labor affects our foreign policy.

The struggle for economic improvement and political freedom now going on in many areas of the world may well be the most far-reaching effort in human history. The role played by the U.S. Government in cooperating with free people engaged in this struggle may well be decisive in the course of human history. It may decide the issue of political freedom and of human dignity in terms of man's ability to supply himself with the basic needs of life—for millions of this world's people.

There is one aspect of this battle which has not been widely recognized. That is the important participation of organizations of workers. Peoples throughout Asia, Africa and Latin America are looking more and more to these organizations as an instrument for improving their economic, social and political conditions.

NEED ACCURATE KNOWLEDGE

Because of this, it is of vital concern to the U.S. relations with these countries that these organizations have an accurate understanding of labor and man-

power aspects of U.S. foreign policy. And, conversely, it is of vital importance that the United States in formulating foreign policy have accurate knowledge of the reactions and roles of these organizations.

But it would be a mistake to think of these organizations of workers in the newly developing countries as having any close resemblance to labor organizations in the United States or other industrialized nations. These organizations have different origins, different purposes, and different methods and objectives from our own labor organizations. They have been superimposed on a basically rural society for political or ideological reasons, and have developed as rural cooperatives, social welfare organizations, political parties, semifraternal groups, and in a few instances rudimentary industrial unions.

These differences, however, do not detract from their importance, for such organizations are a major part of the organized means for vocal and physical expression of the worker's dissatisfaction. International communism recognized this crucial role and quickly sought to use these labor organizations as instruments for the seizure of political power.

ANTI-COMMUNIST ELEMENT

In a significant number of these nations, however, the strongest anti-Communist element has come to be the trade unions. Often they have been the first organized force to realize that communism fosters a new and more vicious form of colonial exploitation than previously known. It is to our mutual advantage that the representatives of the vast number of people in these countries have every opportunity to see democracy work.

The world today is characterized by a ground swell of economic aspirations in almost all hitherto backward countries. Many of these countries strive to leap the gap of centuries by making the transition from a primitive to an industrial society in a short space of a few years. To do this the foremost problem is the availability and effective utilization of resources—financial, natural, and human.

Frequently—and all too typically—the pace of progress in the first two is nullified by the absence of human resources, in terms of manpower skills needed to operate the economic development machine. Facilities for analysis of manpower needs, and training programs to fill these needs at all levels—from top management to factory workers—are top priority requirements in most countries aspiring for economic betterment.

ENCOURAGE ECONOMIC GROWTH

The United States has clearly demonstrated on every occasion possible that its policy is one of unreserved encouragement to economic growth of newly developing countries. The human resources aspects of this policy merit the most serious and skilled consideration possible.

Because of the importance of labor in the development of our foreign policy, I have introduced a joint resolution to establish a select joint committee for a study of the relationships of labor and manpower problems to relevant aspects of U.S. foreign policy.

I hope that the committee can present to the Congress next year concrete recommendations as to ways in which present policies of the United States can be strengthened, existing machinery better utilized, and government and private efforts coordinated more closely and more effectively.

THE HEALTH FOR PEACE RESOLUTION

The SPEAKER. Under the previous order of the House the gentleman from Rhode Island [Mr. FOGARTY] is recognized for 30 minutes.

Mr. FOGARTY. Mr. Speaker, I would like to comment further today on a measure which may well be one of the most significant that the Congress can enact in this session with respect to the future welfare of our country and of the world. I refer to Senate Joint Resolution 41, a proposal for an international medical research program.

My interest in this program has been quickened by a message I have received from a very courageous man, Dr. Thomas A. Dooley. Dr. Dooley, as many of you know, is the young physician who has devoted practically all of his professional life to the healing of the sick in some of the remotest parts of Asia. He urges that the Congress act without delay to pass the health for peace legislation. Recently, he—like thousands of others each year throughout the world—fell victim to cancer. Following surgery, he plans to return to northern Laos and continue his heroic battle against disease among the population there.

I would like to quote from Dr. Dooley's message to me:

> I want to thank you and your colleagues in Congress for the support you have given to medical research. I know Tulane Medical College has recently developed a new technique for treating the type of cancer I have. I am deeply distressed that the health for peace Senate Joint Resolution No. 41, now in the Subcommittee on Health and Safety of the House Committee on Interstate and Foreign Commerce, may not be acted on before Congress adjourns. I feel that this would be a tragic waste of irretrievable time. Unless you have lived and worked in the primitive jungle as I have, you cannot realize what this means. Please do everything possible to get action on this vital bill before adjournment.

I can assure you that Dr. Dooley's plea for passage of the health for peace bill is not a selfish request. On the contrary, this young man's efforts—mostly carried out on the back doorstep of the Chinese Communist stronghold—have been to provide medical care and health services to those in need. But Dr. Dooley has seen, as he indicated to me, that there are many indirect benefits to be derived through health research and the application of new scientific knowledge in improving the health of peoples everywhere, as well as in changing the attitudes of oppressed people in favor of a free society.

The legislation proposed for an international medical research effort provides an ideal framework to do what Dr. Dooley and many other eminent witnesses have advocated before appropriate committees of both the House and Senate.

I feel that each one of us in Congress—acting on behalf of our own constituents, of the people of the United States, and of all people everywhere—must face the fact that time is a critical issue in both of the struggles directly involved in this legislation. One is the conquest of disease. The other is the achievement of good will among men. We cannot let time slip through our fingers while we ponder a course of action whose validity and promise have been fully explored and remain substantially unchallenged.

I am sure I express the strong consensus of the Members, and of the people, when I urge that we act now—not next year, but this year—to give shape and substance and dimension to what are otherwise well-meaning but meaningless aspirations.

I find it most regrettable that the administration has delayed progress toward enactment of this international medical research legislation by the familiar tactic of endorsing the general principles and goals of a proposed program, and then finding reasons to oppose it.

As I understand it, three arguments are advanced by the administration to buttress its negative or at best passive position.

One is that the new program would cost too much money. I would certainly agree that the full $50 million authorized each year for this long-range program should not be required during the initial year. And, I am sure, other sponsors and proponents of this bill would be happy to meet this reservation on the part of the administration by assuring them that only the funds that are needed and can be effectively used—perhaps only $10 to $20 million—will be appropriated if this legislation is enacted.

I have introduced bills, and others have too, with the understanding that they can get along on much less than the full authorization perhaps $5 million or $10 million for the first year. So that could be resolved without any question.

A second question raised by the administration has to do with the level of government at which the responsibility for operating policies of this program are to be placed. Here, too, I and—I am sure—many other sponsors of the bill—are willing to meet the administration halfway. Certainly as a function of the executive branch, the International Health Research Institute would be subject to the President's wishes, and it is perfectly appropriate and fully intended that the Secretary of Heatlh, Education, and Welfare should administer this as he does other activities of his Department.

The important thing here is for the new program to be set organizationally and administratively within the family of institutes which make up the Public Health Service's National Institutes of Health. By being so placed, it gains

evident values, both direct and implied; for these outstanding NIH programs representing one of the finest expressions of man's concern for his fellow man, are the logical, natural, and proper company for this new program which extends our national activity to international horizons.

The third major administration reservation, as I understand it, is a concern that this new international program be linked with State Department, ICA, and other international activities of the U.S. Government. I think we can all agree that the goal of all of our international activity is peace, freedom, and mutual trust. There is no one mold into which programs to achieve these objectives can be poured. For science, and I think particularly the health sciences, this means a program that is divorced insofar as is possible from international politics. We want to keep politics out of medicine and we want to keep medicine out of politics. We must do everything we can, therefore, to permit scientists to deal with scientists on an equal basis, to ensure that scientific considerations govern the expenditure of these funds, to facilitate the interchange of scientific knowledge and of scientists. I am sure we can rely on the policies of the executive branch, on the mechanisms and procedures of its operation, and on the competence and integrity of its leaders to administer this new kind of federally sponsored international program in a way that is consonant with the national welfare.

It must be evident from the foregoing that I feel we must earnestly seek to resolve any superficial differences that may appear relative to this legislation in order to act now. If we delay until the second session of the 86th Congress, a full year will be lost. And, as my colleagues know, our times are such that there can be compressed into a year events that formerly would not have transpired in a lifetime.

As you know it has been my privilege to have the opportunity to participate in many discussions, here and abroad, about medical research; to have visited with medical researchers overseas from many nations; and to have been one of your congressional representatives to several World Health Organization assemblies wherein health and health research were matters of profound import to the delegates of some 90 nations of the world.

My considered judgment is that we of the United States must embark upon this endeavor of international medical research with new vigor and new ways and increased means.

Specific points have also been raised by other opponents of Senate Joint Resolution 41 which, on the surface, appear to be valid reasons for not undertaking an international research attack on disease and disability. Somewhat closer scrutiny, however, reveals the fallability of these arguments. All of us know that the path of least resistance is the easiest to walk; but we also know that the path of least resistance is also the least fruitful.

There were those in the early thirties who looked with disfavor on a very special campaign to control poliomyelitis. As each year passed, bits of new knowledge were accumulated, scientists exchanged information, new approaches were developed, and the work went ahead. For almost 20 years it was necessary for us to listen to the discouraging responses of a comparatively small number of negative personalities who expected an overnight cure. Yet, miraculously enough, an effective means for controlling the disease did emerge and has proved itself, even though we still do not understand the true nature of the disease.

Today, of course, no one questions the wisdom of having supported the all-out national campaign to find a means for controlling polio. We can all agree that the result was worthy every dime that went into that great effort because it is not possible to place a dollar figure on a life saved from a crippling and killing disease.

As we look back, however, it is possible to ponder the question of how much faster we might have progressed if a few selected scientists from other countries had been specifically included in the all-out effort.

We need not look back when we consider the major diseases that are world prevalent today. It is possible for us to look to the future with hope—hope that we can find the answers to disease problems that are as significant in Iowa as they are in Japan, or Sweden, or Italy.

Just one part of the total heart disease problem—arteriosclerosis and coronary disease, for example—claims almost one-half million lives in the United States each year. About 130,000 of these are in the productive age groups from 25 to 64 years of age. The annual loss of income alone by these deaths has been estimated at more than $590 million, representing more than $75 million annual loss of Federal income taxes alone. Heart disease, and most of the other major diseases in this country, are also problems in other countries of the world. A special international research effort would be beneficial in many ways. It could further the exchange of information between scientists of the world, it could support studies to find the reasons for some of the obvious differences in the incidence and mortality of disease from country to country, and it could provide a central, scientifically based organization for support of studies being carried on by brilliant scientists with fertile research ideas.

I submit that investment in medical research, aside from the unending humanitarian benefits, is an economical investment in life. For the United States alone last year, we spent less than $400 million in medical research; yet this is less than half the amount of money that is being used this year to care for the victims of only one of the major diseases of today, namely, mental illness.

There are those who foresee the international medical research program as just another oversea giveaway. Nothing could be further from the truth. First of all, as I have repeated on many occasions, this program as it is now drafted includes all of the safeguards to insure that the decisions regarding support of individual research projects or the organization of extensive collaborative efforts will be made by the scientists themselves on the basis of scientific merit.

Since the beginning of time, the discovery of new knowledge has not been the sole prerogative or possession of a single country. Pasteur and the process named for him, Jenner's work in vaccination, Iwanowski's discovery of the virus, and Fleming's discovery of penicillin are but a few of literally hundreds of discoveries that have contributed to the status of our health today. Support of Walter Reed's conquest of yellow fever might have been characterized as an international giveaway because of its immediate influence throughout the world, but few discoveries have been so important in the history of our own country.

The list is long, but the record is clear that medical research itself has always had an international character. Today the complexity and volume of medical research make especially important the most rapid possible exchange of information and strengthened cooperation in the medical and life sciences. Just as jet age and other transportation made worldwide spread of infectious diseases a greater possibility, now we must use our improved means of transportation and communication to preserve and improve our health.

Important studies are now underway in various countries of the world—studies that need the encouragement of expanded support and added impetus through exchange of information with colleagues in the same and similar scientific fields. I am sure that every American would welcome an answer to the problem of diabetes from a laboratory in Buenos Aires, of epilepsy from Montreal, of cancer from Denmark or Finland, or from the Pasteur Institute in Paris.

The Public Health Service, through the structure and existing programs of the National Institutes of Health, has been doing what it can within the limits of present organization, and appropriations, and authorities, to support worthwhile research and promote the interchange of scientific personnel. Other activities, such as aid to scientific information exchange through translation and distribution of scientific journals and participation and support of international scientific assemblies, have had modest but encouraging starts. The international health research program will permit full exploitation of these activities for the direct benefit of the people of this country and will provide a focal point for the organization of widespread collaborative studies of specific worldwide disease problems, such as heart disease, cancer, mental illness, malaria, diabetes, arthritis, and neurological and other crippling disorders.

Mr. ROBERTS. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. I yield to the distinguished chairman of the subcommittee, the gentleman from Alabama [Mr. ROBERTS], who has been doing yeoman service as the chairman of the subcommittee and who has also introduced a similar bill.

Mr. ROBERTS. Mr. Speaker, I certainly appreciate the compliment the gentleman pays my subcommittee and its work, and I certainly want to compliment the gentleman on his very fine statement. I know that he has made a tremendous contribution in the field of medical research. He has been intensely interested in the program, and his efforts have been very fruitful. And, I want to say to him that I share the same enthusiasm for Senate Joint Resolution 41 and the bills that have been introduced by the gentleman from Rhode Island and others of the House. We have held hearings on those bills. We have heard from some of the most outstanding scientists and physicians throughout the country. As the gentleman mentioned, the administration takes the viewpoint that this should be considered on a State Department level or as a matter of foreign policy of this Government, whereas most of the doctors and scientists who testified said that this should be a doctor-to-doctor and a scientist-to-scientist program. Some of the interested groups have not as yet taken a position one way or the other on the legislation. I had hoped, as I am sure the gentleman has, that we would be able to get a bill before the House at this session. But, because of these difficulties, it looks very doubtful at the present time. However, I am hopeful that at the earliest possible time in the next session we will be able to iron out these difficulties and that we can get these interested groups to favor this proposal and bring to the House a bill that is worthy of the approval of this body.

Mr. FOGARTY. I thank the chairman for his generous remarks.

May I give just one example, and then I will not belabor the committee at this late hour, of why I think so much of an international medical research program; how it could enable us to help people all over the world and make friends for us all over the world and also get help for our people in return.

I was visiting one of our doctors in Boston last spring, having lunch with him. We got around to a discussion of the wonderful discovery of a polio vaccine, the Salk vaccine; what a wonderful discovery that was for all mankind, not only in our country, but all over the world.

Do you know how many millions of dollars was spent in that program to get a vaccine? We are still not satisfied with it, and we are still spending millions of dollars trying to develop a live vaccine to give greater protection. But in the course of our conversation at this luncheon meeting there was mentioned a former Nobel Prize winner, Dr. John Enders, of Harvard. Our host was one of the noted cancer doctors in the world. The other person was president of one of our leading pharmaceutical houses in the country, and he was talking about the interchange of ideas, how it helped in the discovery of these drugs and how it helped in connection with the Salk vaccine. He said, "Do you know that the Salk vaccine would not have been discovered had it not been for Dr. John Enders, one of the noted scientists in the world today, working here in this building. Only a few years ago he was able to grow the particular virus that encouraged Dr. Salk to make the vaccine."

This young man, the president of a pharmaceutical house, said, "Do you know that Dr. Enders could not have grown that virus unless we had manufactured this new drug just a few years ago called aureomycin? Do you know that the substance that we worked on for this new drug of aureomycin came from Europe?"

So as the result of this substance that came from Europe, which went through the machinery of two pharmaceutical houses, Dr. Enders was enabled to grow the virus, which in turn enabled Dr. Salk to develop the vaccine. It shows what can be accomplished through an international program such as I am proposing.

That is just one example—one experience that I had in nearby Boston a few months ago. I think stories like that can be told and retold and example after example given of similar advances made in the history of medicine, especially in the past 10 or 15 years.

Mr. ROBERTS. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman.

Mr. ROBERTS. I think the gentleman has given us one fine example, and it occurs to me that the great progress we are making in the treatment of mental illness with tranquilizers was made possible when there came to this country from India a substance, I believe, called rauwolfia, which had been used for many years in India. The article by the doctor found its way into a British medical journal. All of the progress we have made in that field came to us as a direct result of the work in India.

Mr. FOGARTY. And may I say to those who may quibble about a few million dollars to start an international program such as this that when we talk about the terrible scourge of mental illness in our country, it is costing our Government over $500 million a year today just to take care of those who have some form of mental illness, who are in mental institutions. We do not talk about that. But with a program like this we may be able to find the answer that would cut down that expenditure. The drug that the gentleman mentioned and another derivative of that drug are a case in point. For 3 years now, we are told, the population of mental institutions has been going down. That is for 3 successive years, as a result of the discovery of the particular drug the gentleman was talking about.

Mr. MONAGAN. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. MONAGAN. Mr. Speaker, I want to join other Members who have paid tribute to the gentleman from Rhode Island [Mr. FOGARTY] for one further evidence of his great interest in the progress of these national as well as international health programs.

The gentleman referred to Dr. Dooley. It sems to me that in the case of Dr. Dooley we have an example of the point that the gentleman from Rhode Island made of the great profit that we can get from completely altruistic work in a country like Laos. We know that that is one of the most crucial countries in the world today. The Communists are moving in from the north. The example of Dr. Dooley can do more to bring friendship to our country and to other allied countries than all the money that we could spend for munitions or soldiers or other military things.

Mr. FOGARTY. I think Dr. Dooley is a grand example of what a person can do in fighting two of the greatest enemies of mankind; that is, disease and communism. He is combining both. I only wish that the Members of the House could take the time to read his book, "Edge of Tomorrow," that was published about a year ago, telling about his work in Laos; how he created friends, the hardships he has gone through.

Then one of the tragedies that happen to missionary doctors happened to him. A few months ago he fell and injured his right chest. Some time later he noticed a small growth which increased in size. A visiting surgeon happened by and removed the growth and sent it to the nearest laboratory in Bangkok, Thailand, for examination. It was determined there to be malignant. Because of his dedication to his work, he did not leave for this country at that time. Because he did not want to leave his people, nor give the impression that Communist pressure had driven him out, he stayed a couple of more months. He was operated on in Memorial Hospital just about a week ago. We all hope he will have a complete and speedy recovery so that he can continue the wonderful work that he is doing now not 5 miles from Red China in the country of Laos that is receiving so much publicity at this time.

Mr. HALPERN. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. HALPERN. Mr. Speaker, I commend our colleague, the gentleman from Rhode Island on his fine presentation here today. Beyond that, I want to commend him for his outstanding work in this great field in this program for international medical research. I am proud, Mr. Speaker, to be a cosponsor of this health for peace program. I regret we cannot be more optimistic for favorable action before our session adjourns. But, it is my fervent wish that the differences and the questions that have been raised today by the gentleman from Rhode Island, the questions that have been presented in regard to the opposition to the bill that have held up the measure will be resolved during the recess period and that one of the first bills upon which favorable action will be taken by the 86th Congress after the recess will be on this measure. Once again I congratulate the gentleman.

Mr. FOGARTY. I thank the gentleman.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. BOLAND. Mr. Speaker, the fate of the so-called health for peace resolution has been dramatized this past week by the fate of one of its stanchest supporters, Dr. Thomas A. Dooley. There are few people who know better than does Dr. Dooley the tremendous importance and deep significance of the United States in grasping the great opportunity that is offered by passing in this session of the Congress the health for peace resolution.

After thorough hearings and testimony taken from the Nation's outstanding medical men and the support of the great medical organizations and groups of America, the Senate reported and passed on May 20 the International Health and Medical Research Act of 1959. Hearings have been held by the Interstate and Foreign Commerce Committee of this House but alas, it has concluded that no action will be taken in this session. Many Members of the House hope that the committee will reconsider this decision. It is not too late for this great Committee on Interstate and Foreign Commerce, chairmaned by one of the ablest Members of the Congress, the distinguished Member from Arkansas [Mr. HARRIS], to report the bill and let the membership work its will. Favorable and decisive action on this matter would herald once again, in spectacular fashion, our country's concern and interest in one of the greatest problems that confronts mankind, world health.

The Senate report emphasizes what all realize as axiomatic that disease and disability know no international boundaries. Research in the health sciences fostered on an international basis holds great promise of advancement of benefit to all. An unselfish effort on the part of the United States to advance the health sciences in the interest of all peoples can be a potent instrument of peace and good will.

The Senate report noted that research is the single most important component in any effort to deal with the problems of disease, ill health, and disability which confront the world.

Mr. Speaker, this conclusion was emphasized by Dr. Howard Rusk, professor and chairman, department of physical medicine and rehabilitation, New York University, Bellevue Medical Center. Harken to his words:

> Medicine has never been anything but international. You can go back in history, and it is the most beautiful evidence of internationalism that exists in the world.
>
> Microbiology came from Holland. Immunology with vaccination came from Great Britain. Bacteriology came from Pasteur in France. Sulfonamides came from Germany—but they waited 16 years because an assistant missed one compound, and it was found 16 years later in a laboratory in another country. Penicillin came from Great Britain. Insulin came from Canada. Cortisone came from the United States. Anesthesia came from the United States. Rauwolfia lay dormant 400 years in India until some raw material came to a laboratory in Boston to be tried with a series of other drugs on patients with high blood pressure. At the end of the fifth week, they were ready to abandon the drug because nothing had happened, not realizing that it took six. They went on to the sixth week. And they gave us the greatest tool we have in our hands today for the management of high blood pressure and certain types of mental disease.

Yes, Mr. Speaker, the attack on the diseases that afflict mankind is indeed international in character. And that is precisely why the world needs international cooperation in the fight against the ills that ravage the human mind and body. The United States can lead the way in this cooperation by endorsing the International Health and Medical Research Act. We should do it as quickly as possible.

Mr. Speaker, throughout the testimony presented to the Senate and House committees on the health for peace resolution, there was agreement among the witnesses that programs and activities authorized by the resolution would, in addition to their immediate benefit in advancing our struggle against disease and ill health, have a fundamental, long-range value in enlarging the basis for understanding among peoples of the world and enhancing the possibilities for peace. Yearly, billions of dollars are necessarily spent the world over for materials of destruction. It is entirely conceivable that the program envisaged by the International Health and Medical Research Act can do more for world peace than the billions of dollars that are being poured into armaments.

Peoples of all nations working together for their common benefit provide a solid basis for understanding and mutual trust. Without this, there can be no peace.

As Dr. Detlov Bronk, president, Rockefeller Institute for Medical Research, and chairman advisory council of the Citizens Committee on Health for Peace, puts it:

> Common scientific efforts are dramatic proof that peoples can gain by peaceful means that which they have vainly sought to acquire through wars.

And from our own Nation's Capital, the remarkable secretary general of Medico—Medical International Cooperation—Dr. Peter D. Comanduras, has seen and felt the efforts of the kind of a program we seek.

> The establishment of the National Institute of International Research—

He states—

> would demonstrate to the peoples of the world that the United States is vitally interested in the disease scourges that are still ravaging three-quarters of the world; that it is taking steps to alleviate and eradicate human suffering and illnesses; that it is encouraging the brilliant scientific minds all over the world to come to this country to study, observe, and find ways and means to attack disease all over the world, and that it is asking their cooperation to forge weapons, not against humanity, but for and in support of the health and welfare of all peoples.

In his appearance before the Senate Committee on Labor and Public Welfare, Dr. Comanduras strongly urged that provision be made in the bill to permit research personnel to be attached to certain medical missions that are directed by private organizations similar to Medical International Cooperation. It was felt by many who testified that assistance should be considered for operational medicine—the kind of programs that have been so remarkably carried out by people like Dr. Thomas Dooley in Laos, Dr. Gordon Seagrave in Burma, Dr. Albert Schweitzer in Africa, and by Dr. Howard Rusk's rehabilitation teams throughout the world. It is my understanding that the Senate bill does provide for the attaching of research personnel to these kinds of missions. It would be well, too, to provide direct financial assistance but perhaps this can and should come after the International Health and Medical Research Agency comes into being.

DR. THOMAS A. DOOLEY

In my opening sentence, I referred to Dr. Dooley. There are many others like him rendering similar medical service that are deeply interested in the health for peace bill that is now before this session of the Congress. I point to him specifically because of the circumstances that now surround his very life. Last week he was operated on for cancer of the chest wall. The condition resulted from an injury he received while servicing his medical mission in Laos. Thousands of his close friends, associates, and admirers were stunned by the news of the tragedy that had befallen him.

Mr. Speaker, I have never met Dr. Dooley but I was dimly aware of his efforts in giving of himself, every bit of himself, to the Christlike task of bringing medical aid and comfort to the maimed and diseased in relatively unknown and untouched areas of the world. I resolved to know more of him. No better knowledge of him could be gained except to read his words and catch his personality from two books that were inspired by and written of his service to humanity in Vietnam and in Laos. "Deliver Us From Evil," published in 1956, is the story of this heroic individual, a young naval medical officer, Lieutenant Dooley, as he faced the gargantuan task of administering to the wretched refugees seeking freedom and asylum from the Communists of North Vietnam. "The Edge of Tomorrow," published in 1958, is the fascinating and incredible account, of now civilian Dr. Dooley, in the wonders that he worked with his team of dedicated young assistants in Vang Vieng, Laos, and the territory of the northern Province of Nam Tha—the Lao underbelly of Red China and Red North Vietnam.

I finished the books with the certainty that Tom Dooley is, indeed, a remarkable personality whose deeds and efforts will forever be inscribed in the minds and hearts of men of good will everywhere on this universe. Let me say, too, that I am sure that they have not and will not go unnoticed by his Maker.

Mr. Speaker, here is a young man endowed by his Creator with unusual, incredible medical talent—one that could have had a life of comparative ease in the plush medical practice of any locality in this Nation. Yet, he gives it all up for service that is tough, sometimes

disheartening and revolting, and fraught with danger. Month after month, thousands of cases of malaria, kwashikor's disease, the hideous yaws, tuberculosis, pneumonia, loathsome infections—these and many more diseases far more heart rending were Dr. Dooley's medical diet. Living in surroundings and under conditions that few of us would brave, Tom Dooley and his team did the work that he so often said needed to be done.

Mr. Speaker, well might we ponder what motivates this kind of dedication and action. Dooley himself gets it from the inspiration of Dr. Albert Schweitzer who chose the dark continent of Africa to spread his special kind of assistance to the millions of that great country.

Listen to Dr. Dooley as he explains that pain, hunger, ignorance are the greatest internationalists of them all. "These are things," he says, "which Americans are so well armed to fight against and gentleness, intelligence and will can conquer." He has taken American humanity into the most unknown, untouched hinterlands and he senses that he and his teams have done some service in the name of his country, his fellowman and his God. He writes that "we had seen tender, simple loving care—the crudest kind of medicine practiced by mere boys—change a people's fear and hatred into friendship and understanding. We had witnessed the power of medical aid to reach the hearts and souls of a nation. We had seen it transform the brotherhood of man from an ideal into a reality that plain people could understand."

As these words and thoughts tingled my feelings, it was easy to sense why this truly great American is what he is. No wonder those who know him and know of his mission in life—no wonder thousands pray that he be spared to carry on what he calls, "the promises I had to keep."

I know I express the sentiment of the Nation when I say that we are proud of him as an American who has done so much to bring sunshine and hope and faith in mankind to the less fortunate of the world. May he regain his health that he may, once again, bring health to others in his remarkably talented, gentle, loving way.

Mr. Speaker, I ask unanimous consent to include with my remarks the following articles on Dr. Dooley:

[From the New York Times, Aug. 30, 1959]

FOR DOOLEY AND LAOS—JUNGLE DOCTOR GAINS IN CANCER FIGHT AS DRIVE IS BEGUN FOR HEALTH AGENCY

(By Howard A. Rusk, M.D.)

In a 3-hour operation here on Thursday, Dr. Tom Dooley had the cancer on his chest wall successfully removed at the Memorial Center for Cancer and Allied Diseases.

On Friday, thousands of his friends, admirers and professional colleagues in the United States and 10 times their number of natives in the jungles of Laos were deeply relieved to hear he was convalescing normally after this major surgery.

The first hurdle has been cleared. Only time will bring the final answer.

It was typical of this dedicated international physician that the day before he went to the operating room he sent the following telegram to more than 50 leaders in Congress:

"I returned last week from Laos where for the past 2 years I have been operating a hospital near the border of Communist China, under the auspices of Medico, with voluntary funds raised from the public.

"During this period I have seen a complete change in the attitude of the Laos people whom I have served. The people now understand communism and want none of this way of life.

"I am being operated on tomorrow for cancer. As soon as I recover, I intend to go back to Laos to continue this fight against communism with the tools of health.

"I want to thank you and your colleagues in Congress for the support you have given to medical research. I know Tulane Medical College has recently developed a new technique for treating the type of cancer I have, that may save my life.

"I am deeply distressed that the Health for Peace Resolution No. 41 now in the Subcommittee on Health and Safety of the House Committee on Interstate and Foreign Commerce may not be acted on before Congress adjourns. I feel that this would be a tragic waste of irretrievable time. Unless you have lived and worked in the primitive jungle as I have, you cannot realize what this means. Please do everything possible to get action on this vital bill before adjournment."

The research to which he referred as a possible help to him was developed under grants from the National Cancer Institute and the American Cancer Society by Dr. Oscar Creech, Jr.; Dr. E. T. Krements; Dr. R. F. Ryan; Dr. Keith Reemstsma; Dr. J. N. Winblad; Dr. James L. Elliott; the Tulane University School of Medicine; Charity Hospital; Touro Infirmary, and the U.S. Public Health Hospital, New Orleans.

The technique is known as perfusion and consists of placing a tourniquet around the affected area and forcing phenylalanine mustard through the circulation in the area, but not through the entire body. This new procedure for the first time permits the concentration of cancerocidal drugs with minimum toxic effects. It represents a great advance in cancer therapy.

Tom Dooley has also been anxious this week about the fate of his two colleagues, Dwight Davis and Earl Rhine, whom he left behind to continue his work when he was ordered back to the United States for treatment.

With Communist troops within 50 miles of the capital of Laos, and with guerrilla fighting all through the country, especially in the area of his hospital at Muong-Sing, Dr. Dooley's apprehension is well-founded.

Laos is a country the size of Utah, bounded on the east by Vietnam, on the south by Cambodia, on the west by Thailand, and on the north by Communist China. The current fighting is in the north near the 600 miles of border with Communist China and Communist North Vietnam. The Communists who have been captured or killed in the recent deep-jungle fighting in the monsoon season have been well armed with new guns stamped "Made in Czechoslovakia."

Tom Dooley has much to give when he recovers to the point that he can return to his station. He wants to establish two more hospitals in this wild area of Laos. If he can obtain a small airplane, it will enable him to fly the circuit as a modern "horse-and-buggy" doctor.

Tom Dooley has awakened anew our realization that healing is a priceless tool in the winning of men's minds for freedom. He has been not only a great emissary for healing, but for peace.

Hundreds of letters addressed to Dr. Tom Dooley came last week to the offices of Medico at 251 Fourth Avenue. All were expressions of gratitude from those who sat in comfort at home for the sacrifices he has made and for his jungle battle for democracy.

Many contained contributions for Medico, a tax-exempt, nonprofit organization that facilitates scientific communication and provides health services in the underprivileged parts of the world. Dr. Peter Comanduras, a dedicated Washington physician, is Medico's director general.

Dr. Dooley's professional colleagues are starting a campaign for funds among the physicians of America to support Medico, because Tom Dooley epitomizes Medico, which he helped to found. Its life and future are more important to him than his own.

Millions of Americans who never knew Tom Dooley or read his books have prayed this week that he may win his victory over cancer and rise again to walk among the sick and to serve his fellow men.

[From the New York Times]

DR. DOOLEY'S MESSAGE

Dr. Thomas Dooley has been in this city during the last week or so when his services were badly needed at the hospital he has been operating in Laos, near the border of Communist China. He came here because that was the only way he could hope to be cured of a cancer which was operated on last Thursday.

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Tom Dooley's case, his message and his work were described in an article by Dr. Howard A. Rusk in yesterday's issue of the Times. Tom Dooley has done his almost miraculous work on private funds contributed through a tax-exempt non-profit organization called Medico, which has its headquarters in New York City at 251 Fourth Avenue. Much more could be done, however, if these contributions were supplemented by the kind of organization that would be set up under the health for peace bill. It is tragic that Dr. Dooley's example did not bring the bill out of the House committee where it is now locked up. The mistake could still be remedied if the need and the opportunity were keenly realized.

[From the Washington Daily News, Monday, Aug. 31, 1959]

LAOS DR. TOM DOOLEY; HE FIGHTS COMMUNISM WITH TOOLS OF HEALTH

(By William Cooper)

Sometimes it takes tragedy to bring into focus the quiet determination of some men to help others.

Such a man is Dr. Thomas Dooley, 32-year-old St. Louis surgeon now recuperating in New York City from a chest cancer operation.

If it had not been for his illness, Tom Dooley might have carried on his private medical mission in the jungles of Laos in relative obscurity.

His medical associates, of course, know his story and long have admired this witty and charming Irishman. But until his enforced return and operation last week, few laymen had heard of Tom Dooley's work.

ENTHUSIASM

I first met him in Hong Kong in 1956, when he burst on the Far East full of enthusiasm for his project of building a hospital in Laos.

The skeptics in Hong Kong gave him 2 or 3 months in the Lao jungles. The cynics

thought he was mainly interested in gathering material for a new book, to go with a successful one he had written about his experiences as a Navy doctor helping refugees from North Vietnam after the fall of Dienbienphu.

But it was his unselfishness that gave the "no" to the cynics in Hong Kong. That, and Tom Dooley's humble delight in knowing that with his own hands he could ease the suffering of others.

HIS HOPES

He talked one night about the new health and happiness he could bring to whole villages in southeast Asia with only small quantities of modern medicines. He wasn't even sure how good a doctor he was in those days. But he knew that in the primitive areas he could work miracles.

Tom Dooley started not one, but three hospitals in Laos. He was working at one of them, a few miles from the Communist frontier, when his chest tumor was diagnosed as malignant and he was told to hurry back to the United States.

Now the tributes are pouring in.

Dr. Dooley's operation was successful. He plans to return to Laos as soon as he is able to travel—to continue, as he says, the "fight against communism with the tools of health."

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. I yield to a gentleman who has been very fair with our subcommittee and who has given us every consideration on this bill, the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Speaker, first, let me compliment the distinguished gentleman from Rhode Island, the chairman of the Subcommittee on Appropriations which handled the appropriations for health and welfare programs. Everyone, not only in this field but also those who are informed about the tremendous problems of public health, know very well that the distinguished gentleman from Rhode Island is one of the outstanding leaders in this Congress as well as in the Nation in promoting programs that will benefit the health and welfare of the people of our Nation.

I listened with interest to the splendid statement he has made and also that made by our colleague the gentleman from Massachusetts [Mr. BOLAND], in connection with the resolution that has been referred to, health for peace. As chairman of the Interstate and Foreign Commerce Committee to which committee these resolutions have been referred, I know there is a great deal of interest. For several weeks, as the gentleman knows, the Subcommittee on Health, and Safety, under the chairmanship of the gentleman from Alabama [Mr. ROBERTS] has held hearings. The hearings began in the middle of July and lasted until about the 5th or 6th of August. They ran over 2 weeks, 1 at the end of July and 1 at the beginning of August. A lot of interest was developed.

The purposes of a resolution of this kind, international health and research programs, are certainly laudable objectives. No one interested in the health of the people of this Nation and the world could take any other position. But as it developed during the course of the hearings which the gentleman from Alabama mentioned a moment ago, it is not as easy as they would have you believe. When this resolution came from the other body under the sponsorship of 57 Members of this body, and we began to inquire into the program itself, many other questions raised their heads, as mentioned by the gentleman from Alabama a moment ago.

Although the administration has advised our committee that they support legislation of this kind, yet they are against the procedure and the program set up under this resolution. In other words, this is a resolution that would authorize the Department of Health, Education, and Welfare to operate such an international research program, but the State Department insists, as they always do in matters of this kind, that they should have control of it; apparently, the administration's thinking on it is in that direction. This is the terrific conflict that exists.

Another thing that is quite important, and I mentioned this to the gentleman and our colleagues, this is not as easy a problem to resolve as some think who wrote us these letters from all over the United States, and certainly I have been getting, as I know you have, letters from people throughout the country. They have not only been writing and calling and sending wires, but we have messages and post cards by the hundreds and hundreds.

One big question is: Who is going to participate in this program? Are we going to put up $50 million not knowing what other nation is going to participate?

It is questions like that which concern us, which made it necessary for this to go over until next year in an effort to resolve some of these problems.

Mr. FOGARTY. I thank the gentleman from Arkansas, and I sincerely hope this will be one of the first measures the gentleman's committee will report out in January of next year.

Last year I introduced into the House its first bill, companion to Senator HILL's, for expanded medical research through a new international institute as a scientist-to-scientist program—and I spoke wholeheartedly for it because I believed then, and I believe now, that so much depends upon it. Senator HILL, as you know, is one of the most devoted leaders in our efforts to relieve human sufferings through expanded medical research programs.

On January 12 of this year, I reintroduced this legislation in the House. I rose and spoke on the floor concerning it, recommending the declaration of the first truly international war upon disease through use of the tremendous, latent potential weapons for world health—and peace—that lie in medical research.

Again in the summer I repeated my endorsement of the proposed bill, in an improved and refined version that had had the benefit of the careful thought of many brilliant minds, both in our own bodies of Congress and among eminent scientists. What I said then, and also in January, I must reiterate now. I urge that we declare a new world war against disease.

The American Revolution was an idea translated into action. It inspired people everywhere to be free. America has continued to inspire them as a great, free Nation. Today we have a parallel opportunity to translate an idea into a revolution for freedom from disease.

The proposed bill is a sound legislative measure because it provides for a scientific program, administered through scientific means, acceptable to and workable within the framework of the international scientific community, and valid as a method of achieving international cooperation in research, research training, research planning, and the interchange of research knowledge.

The program would be a scientific one, administered on a scientist-to-scientist basis; it is thus of science and by science, yet for the peoples of the world.

The kind of medical research program envisaged by this legislation will provide support for scientific studies strictly on the basis of scientific merit only after thorough and painstaking technical, objective review within the scientific community. Only in this way can true progress be gained by exploiting scientific potential, wherever it may happen to be. I am extremely confident that an institute of international medical research, working within the already established scientific framework in the Department of Health, Education, and Welfare, can give outstanding leadership to U.S. participation in global research against disease.

The proposed legislation also insures that a focused and concerted scientific effort will be mounted in many disease and health research fields not now receiving the attention they must have. It insures that research disciplines be brought to bear upon gaining new knowledge both of specific disease problems not now well studied around the world and of basic life processes—and new knowledge here is essential to the greatest ultimate victories over disease.

Furthermore, in addition to international scientific collaboration in research studies themselves, the legislation provides new opportunities for research training, research planning and coordination, and interchange of scientific information—all, it should be emphasized, working with international scientific bodies concerned with health research.

I would like very briefly to enumerate some of the specific factors that illustrate why in my opinion this legislation deserves prompt support and action.

First, we may review briefly the nature and extent of present activities of the National Institutes of Health in international medical research. As you know, the NIH is charged by law with specific categorical missions. Though these missions are broad because the disease problems attacked are large, there are many limitations in terms of their objective of conducting and supporting research activities designed to provide knowledge about cancer, heart disease, mental illness, neurological diseases, and so on.

This is as it should be, for there must be concerted effort which has specific goals for delineable problems in discrete, though complex, disease fields.

The Institutes, therefore, have been rightly concerned with developing, in collaboration with scientists abroad, in-

ternational research efforts. Let each effort must be delineated in terms of a categorical mission.

The record of the National Institutes of Health's participation in international research in previous years shows clearly that, within our present legislative framework, it is not possible to realize to a desirable degree the true potential that already exists for the development of international medical research endeavors.

The Institutes can and should increase their international research efforts as is appropriate within the framework of their mission and appropriations. The proposed legislation does not abrogate, but protects this.

What is most significant, however, is the fact that the legislation provides the means for filling gaps, for seizing latent opportunities, and for establishing a general program enabling American scientific partnership and participation in worldwide medical research to an extent and depth hitherto impossible—a research program likely to produce new scientific knowledge undreamed of today.

One further point: May I remind my colleagues that the measure will provide authorization. Mindful of the fact that this is an authorization—not an appropriation—I urge that we get on with this vital order of business to gain a year that may prove to be the most crucial in the history of this country. In addition, the authorization at the level of $50 million will provide an opportunity for realistic phasing of the initial stages of the program and for the establishment and carrying out of long-range goals.

Thus, the new approach, envisaged by the creation of an institute and a program for the purpose of aiding international cooperation in general medical research, would move us ahead on the road of scientific progress.

It is my belief, stemming from my visit abroad as well as from discussions in this country, that the new international medical research participation represented by the Institute and its program would meet with warm acceptance by those concerned with research, on the part of both individual scientists and professional organizations, here and abroad.

The expressions of many scientists themselves, and of others concerned in research programs in this country, certainly indicate a belief in partnership and participation by the United States in international medical research on a stronger and better basis than is currently possible.

Indicative of the opinions of the renowned scientists has been the unstinting support given this proposal by Dr. Howard A. Rusk, director of the famous Institute of Physical Medical and Rehabilitation in New York. Doctor Rusk's stature and competence and his contributions to the sick and crippled are too well known to recount here. Doctor Rusk has continually urged passage of this legislation for, as he has said, he knows from firsthand experience how much could be accomplished through such a program.

The attitude of Dr. Dooley and other disease fighters throughout the world were epitomized for me by the remarks of Dr. M. Lopez Herrarte, Minister of Health, Guatemala, who in response to my comments on the views of the United States toward international research and health activities said:

> The words of Congressman FOGARTY of the United States of America bring us hope, and we are sure that all our countries will receive as a blessing any help that may be given to us in this respect.

It is quite clear, also, that we in the United States have a great deal to give. I am completely confident that the needs for working together in international health are urgent and well recognized by the nations of the world, that the potential mechanisms for collaboration are well established and that much more productive activity could be undertaken through our passage of the legislation for expanded international medical research.

As Dr. Dooley has said, it would be a pity indeed if the world should have to wait another year for a program that could hold the key to an assured peace and to the ultimate control of disease. Dr. Dooley is a man who is making the time count. We, as a nation, should make the time count. And the time to act is now. I am sure that all of us will agree that medical research is one of the most affirmative international efforts that the United States could take. It is a goal which is not only practical and achievable, but symbolic of the highest aspiration of man to be at peace with his fellow man. It is, therefore, my firm feeling that we ought to enact the proposed legislation and make possible this new endeavor that will bring so many benefits to our own people and to people everywhere.

[From New York Times, Aug. 31, 1959]

DR. DOOLEY'S MESSAGE

Dr. Thomas Dooley has been in this city during the last week or so when his services were badly needed at the hospital he has been operating in Laos, near the border of Communist China. He came here because that was the only way he could hope to be cured of a cancer which was operated on last Thursday.

Tom Dooley seems to have thought of himself during this ordeal only in terms of the work he could do and hopes to keep on doing for other people. Before his operation, when his personal fate was still uncertain, he sent a message to 50 Members of Congress in which he urged the passage of the beautifully named health for peace bill. This measure, which has now unhappily been postponed, would set up an international medical research institute. The opposition to it has been hard to understand.

Tom Dooley's case, his message, and his work were described in an article by Dr. Howard A. Rusk in yesterday's issue of the Times. Tom Dooley has done his almost miraculous work on private funds contributed through a tax-exempt nonprofit organization called Medico, which has its headquarters in New York City at 251 Fourth Avenue. Much more could be done, however, if these contributions were supplemented by the kind of organization that would be set up under the health for peace bill. It is tragic that Dr. Dooley's example did not bring the bill out of the House committee where it is now locked up. The mistake could still be remedied if the need and the opportunity were keenly realized.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an editorial from the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

HEALTH FOR PEACE RESOLUTION

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. RHODES] may extend his remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, I want to join with the distinguished gentleman from Rhode Island [Mr. FOGARTY] in support of his health for peace resolution. His interest and untiring efforts for progressive and humanitarian legislation is most commendable. He has given outstanding and distinguished leadership for medical research programs and in the field of public health and public welfare.

His efforts have contributed much to the progress our country has made in protecting our fellow citizens from crippling and killing diseases. The American people owe a deep debt of gratitude to the gentleman from Rhode Island. No Member of this Congress has given greater or more important public service.

His name is legion to all the experts in this important field. Our colleagues all honor and respect him for his sincerity of purpose and for his careful study, hard work and devotion to these great humanitarian programs.

His name is recognized and revered in many parts of the world by dedicated physicians, scientists and specialists. They see a ray of hope for world peace, fellowship and understanding through international cooperative effort in fighting disease and in alleviating human suffering.

As a member of the Health and Safety Subcommittee it has been my privilege to learn to know more about our colleague's work and his interest in health matters. I have heard testimony from some of the Nation's most eminent and dedicated doctors and scientists giving unanimous approval of this proposal by the gentleman from Rhode Island. This legislation has the support of our distinguished chairman of the subcommittee, Mr. ROBERTS, who is a cosponsor of the resolution.

With permission of the House, Mr. Speaker, I include herewith letters which I received from outstanding specialists, all supporting this legislation which I hope the Congress will adopt without unnecessary delay:

HEALTH FOR PEACE

(By Robert Van Deusen)

The National Institutes of Health in Bethesda, Md., afford the greatest concentration

of medical research in the world. Administered by the U.S. Public Health Service, the NIH brings top medical and scientific talent to bear on some of mankind's toughest problems: heart disease, cancer, arthritis, allergy, neurological diseases, mental health.

If a bill which has passed the Senate is approved by the House, another area of research will be added. This legislation, which is popularly known as the health-for-peace bill, would create within the NIH a National Institute of International Medical Research, with an annual appropriation of $50 million.

The scope of this new institute would be worldwide. It would be authorized to assist in the training of research personnel and the improvement of research facilities in various parts of the world. Grants could be made to American or foreign universities, voluntary welfare agencies, and international governmental agencies such as the World Health Organization.

The idea had its inception in President Eisenhower's state of the Union message in January 1958, in which he proposed a science-for-peace plan. As a first step, he invited the Soviet Union to join the current 5-year program for the eradication of malaria. He stated U.S. willingness to pool its efforts with those of Russia in other health campaigns.

A modest start was made with a grant of $300,000 by the United States to the World Health Organization for a preliminary study to lay the groundwork for medical research on an international basis.

WIDE SUPPORT

The backing given this proposal by men highly respected in the field of medicine illustrates the fact that health is an international concern. Disease and epidemics ignore national boundaries. The language of medicine is a universal one, and progress made in any part of the world quickly spreads to other areas, if adequate communication between medical men and scientists in various countries is maintained.

One of the men testifying in favor of the National Health and Medical Research Act was Dr. Howard A. Rusk, chairman of the Department of Physical Medicine and Rehabilitation of the New York University-Bellevue Medical Center, and an associate editor of the New York Times.

In his testimony before the House Subcommittee on Health and Safety, Dr. Rusk said, "In the field of research, health, medicine, and rehabilitation, we have a uniquely effective area of service and of responsibility for working toward international understanding * * *. A world in which good health is enjoyed by but a few cannot be a politically stable world."

Joining him in support of the proposed legislation were representatives of the American Medical Association, the National Academy of Sciences, the American College of Surgeons, and other professional groups. Additional backing by religious, educational, and other public interest groups might give the added impetus to enact the proposal into law.

UNIVERSITY OF MINNESOTA,
LABORATORY OF PHYSIOLOGICAL HYGIENE,
Minneapolis, Minn., July 30, 1959.

The Honorable Congressman GEORGE M. RHODES,
Member of the Subcommittee on Health and Safety, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN RHODES: I understand the Subcommittee on Health and Safety of the House Committee on Interstate and Foreign Commerce will soon consider the International Health and Medical Research Act of 1959, recently passed by the Senate. You, as an important member of the subcommittee, will wish to give this legislation your careful and informed attention. Accordingly, I urge the following considerations.

It is abundantly clear that the improvement of health and the conquest of disease is of surpassing concern to all peoples, regardless of political views, that these goals will be achieved only by scientific research, and that research competence and the knowledge gained from research know no national boundaries.

Without entering into discussions about "One World" or any so-called moral responsibilities of the economically highly developed countries toward the less-developed countries, the argument for passage of the proposed act is most powerful. We Americans, like people everywhere, hold disease to be an enemy to be fought and conquered by all available means. In our country we look to the Congress to do all it can toward these ends and the record of the last decade shows that, indeed, the Congress has responded magnificently in this regard. This new legislation proposed would increase the total money for medical research but, at least as important, it would enable more effective research to be done by increasing the available research potential and by utilizing the rich resources of the world as a natural laboratory full of the experiments of nature.

Let me amplify the last two points. Firstly, progress at present in medical research in the United States is limited because of shortages of trained personnel and the need for new and ingenious ideas. We need more researchers in the technical fields of the medical sciences, and many of those presently in this professional field need to learn new methods, to receive the stimulus of seeing different approaches to the problems of their concern, and to have an opportunity to acquire new ideas. On all of these scores the International Health and Medical Research Act of 1959 would be of great help by expanding the personnel force available for research and increasing its efficiency.

Secondly, it must be realized that many of the diseases that presently concern us most in the United States—heart diseases, hypertension, cerebrovascular "accidents," arthritides, and so on, can be studied only to a limited extent in experimental animals or by clinical studies on patients suffering from these diseases. There is particular need to seek out populations that differ in the frequency of these diseases and to discover the causes of the differences in the prevalence of these diseases. This is especially clear in the field of my own major interest, the cardiovascular diseases.

We already know that coronary heart disease, our No. 1 U.S. killer, is far more frequent in some populations than in others and that these differences must be related in large part to differences in the way people live—their diet, physical activity, and so on. It is essential that systematic comparisons be made between populations differing in these respects so we can discover what factors promote and what hinder the development of these diseases. From such studies, and with parallel experimental and clinical studies, we can hope to learn how to prevent and control these diseases.

For these purposes we must be able to compare populations, wherever they may be, that offer suitable combinations of disease prevalence and differences in the mode of life. The International Health and Medical Research Act of 1959 would be of inestimable help in enabling such research to be pursued.

In the United States we are justly proud of our leadership in medical research and of our health record. But bright and devoted medical researchers and excellent research accomplishments are to be found in all countries and our health record is not the best in the world, particularly for our men beyond the age of 40. We can learn much from our colleagues and from the health records of populations elsewhere. In turn, we can teach them much. All of this means that our knowledge of how to prevent and control disease can be much increased by extending our research horizons. The proposed act of 1959 will be of great value in these respects.

It can be argued, of course, that we are already spending much money on medical research, that the Government budget is not balanced, that the national debt is huge, that we are sending a great deal of money abroad in other programs, and that first claim on our resources must be given to the national defense.

But is it really true that we cannot afford to provide money, even a substantial sum of money, for the proposed act of 1959? Comparisons with other items of Government expenditure would be invidious but I should like to see the result of a national referendum on this question. I can assure you that the response of those who are informed about health and medical research would be overwhelmingly in support of this expenditure.

One aspect of the proposed act of 1959 needs emphasis. I firmly believe that any expenditure under this act would be many times more effective in the cause of peace and winning friends in all countries than a similar expenditure for military missions and weapons or even by gifts of agricultural surpluses.

My convictions expressed above are based on many years of medical research, much of it in the field at the grassroots, which has brought me into intimate contact with medical and research leaders and the general public of more than a dozen countries around the world. I am sure that the International Health and Medical Research Act of 1959 offers a splendid opportunity to promote the causes of health, peace, and national security.

I hope, sir, that these comments will be helpful.

Sincerely,

ANCEL KEYS,
Professor in the School of Public Health, Director of the Laboratory of Physiological Hygiene, University of Minnesota.

COMMERCE AND INDUSTRY,
ASSOCIATION OF NEW YORK, INC.,
New York, N.Y., August 17, 1959.

Hon. GEORGE M. RHODES,
House Office Building
Washington, D.C.

DEAR CONGRESSMAN RHODES: Legislation which would create a new National Institute of International Medical Research (S.J. Res. 41) has passed the Senate by an overwhelming majority and is now in the House Interstate and Foreign Commerce Committee, of which you are a member. I am sure that no one will argue against its purposes, but if the House committee fails to act, this most important cause will be set back for another year.

The program contemplated, known as health for peace, will have many useful facets. I would like to mention just one which has particularly interested me through the years, research in rehabilitation of the physically handicapped. This is an area that has often been neglected because of the importance of preventive and definitive medicine. Rehabilitation is most obviously a humanitarian necessity, and provides great accompanying benefits in the area of providing manpower. Moreover, rehabilitation means gigantic savings for the world in the economic cost of disability.

My membership in the President's and Governor's Committees on Employ the Physically Handicapped has brought me in close touch with Dr. Howard A. Rusk, the director of the Institute of Physical Medicine and Rehabilitation of New York University-Bellevue Medical Center. From

personal observation of rehabilitation work in many countries of the world I have come to know that Dr. Rusk is the acknowledged leader in this field throughout the world. As a matter of fact, while lunching with Dr. Rusk at the Institute last week I learned that doctors from 41 countries are being trained there in this important work.

Dr. Rusk tells me that from a purely selfish viewpoint, we in the United States can give much and gain much in the advances of rehabilitation to the countries of our entire world. Medical research is one area of human endeavor in which all nations, however deep their disputes on matters, are willing to cooperate. Let us not discard but seize upon this advantage for greater understanding toward world peace.

I do hope that you will exert your influence within the committee to bring this measure to the floor for a vote.

Sincerely yours,

THOMAS JEFFERSON MILEY,
Executive Vice President.

CALIFORNIA REHABILITATION CENTER,
Santa Monica, Calif., July 31, 1959.

Mr. GEORGE M. RHODES,
Member of the Subcommittee on Health and Safety, U.S. House of Representatives, Washington, D.C.

DEAR MR. RHODES: As medical director of the California Rehabilitation Center, and as a member of the International Society for the Welfare of Cripples, I am writing you this letter to urge you to support the Health for Peace bill, which is to come before the House of Representatives for consideration within the near future.

Those of us engaged in the practice of physical medicine and rehabilitation are keenly aware of the importance of expanding the knowledge and methods of treatments of handicapped individuals, as well as those suffering from various types of physical disability. I have had the opportunity of traveling in Mexico, and in most of the countries of Central and South America and have seen the important work being done by the medical and health representatives of the United States, with such organizations as WHO, NFIP, et cetera. I was greatly impressed with the response of the citizens of these various countries and realized as never before the great work they were doing, not only from the point of view of improving health conditions but also by improving better relations between the populations of those countries and ours.

I wish, therefore, as a citizen of the United States and as a physician who is actively interested in broadening the scope of health and medical education that you support the health for peace bill and lend your able assistance to obtaining passage of the bill.

Respectfully submitted.

O. LEONARD HUDDLESTON, M.D.,
Medical Director.

THE UNIVERSITY OF CHICAGO,
CANCER RESEARCH FOUNDATION,
Chicago, Ill., July 30, 1959.

The Honorable GEORGE M. RHODES,
Subcommittee on Health and Safety, House of Representatives, Washington, D.C.

DEAR SIR: The speech made by the Honorable LISTER HILL on the resolution called the Health for Peace Act was one of great importance to the whole world. It is my sincere conviction that such a medical and health research program is essential and is needed more so today than ever before.

The general public is becoming increasingly concerned about our country's health programs. In fact, I believe that they are more interested in these problems than they are about the economics of the world. Such a humanitarian program would make a phenomenal contribution not only to the welfare of the citizens of our great Nation, but to all the people of the world.

I therefore strongly urge that this resolution be passed. The effects of this program will be far reaching. The program will be a tremendous asset not only to our own country but it will help bring the scientists of the world closer together and also, through its administration, show the world that we in the United States are determined and willing to help build a happier and healthier world.

Very truly yours,

MAURICE GOLDBLATT,
Chairman.

UNIVERSITY OF PITTSBURGH,
GRADUATE SCHOOL OF PUBLIC HEALTH,
Pittsburgh, Pa., August 7, 1959.

Congressman GEORGE M. RHODES,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN RHODES: I am writing to request that you support the establishment of a National Institute of International Health and Medical Research.

Interest in health is one remaining international activity which finds unanimous support among lay persons, professionals in the field of health, and government officials. Furthermore, the resources for population studies of various diseases that are important to be studied in the interest of promoting health among Americans can only be found in distant areas of the world. The program envisioned for this international institute has been presented to me previously as a civilian consultant to the U.S. Public Health Service in the research grants program. I feel this is a sound development and should be enthusiastically supported.

Very sincerely yours,

ROBERT E. OLSON, M.D.,
Professor and Head of the Department of Biochemistry and Nutrition.

STATE UNIVERSITY OF IOWA,
COLLEGE OF EDUCATION,
Iowa City, Iowa, July 28, 1959.

Congressman GEORGE M. RHODES,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN RHODES: I write to tell you of my interest in the bill before your Subcommittee on Health and Safety regarding "International Research in Medicine, Health, and Rehabilitation." I believe that the impact of this idea will be profound both in terms of alleviation of suffering and in reaffirming our country's interest and concern for the well-being of people over the world. I think that an investment of our resources in this type of effort will pay extremely handsome dividends both in terms of improving the quality of health services in our country and abroad. I urge you to support it in whatever way you can.

* * * * *

Remembering your liberal background and your association with causes concerning the public welfare, I feel that this letter may be unnecessary; but I did want to take this opportunity to write you briefly and congratulate you on what I understand has been a fine record in Congress.

Cordially yours,

JOHN E. MUTHARD,
Associate Professor.

AMERICAN AGRICULTURE

The SPEAKER pro tempore (Mr. BROOKS of Texas). Under previous order of the House, the gentleman from Oregon [Mr. ULLMAN] is recognized for 15 minutes.

Mr. ULLMAN. Mr. Speaker, American agriculture is today truly at the crossroads. Under the onslaught of the Secretary of Agriculture and assisted by a barrage of propaganda against established support programs, the structure is crumbling with nothing to replace it.

If it goes, the farmer will lose whatever vestige of bargaining power he now possesses and he will again become the hopeless victim of unbridled speculators and unprincipled middlemen. For this reason, I have consistently supported the farm programs initiated and successfully administered in the thirties and forties. I maintain that with proper and effective administration, and with constructive improvements, those programs would have continued to solve the problems of the farmers of this Nation. However, the process of undermining and corrosion of the past 7 years has effectively destroyed the old farm program without replacing it with anything new.

The problem arises: Can the family type farmers of this Nation survive without effective Federal regulation to protect his bargaining power in the market place. In my opinion, he cannot.

After a great deal of thought on this matter, I have introduced legislation embodying the essence of a new approach, a realistic and practical approach, a farmer-oriented approach to this problem.

First, it incorporates the principle of self-help, requiring positive action by the farmers themselves to protect their own way of life.

Second, it is built around a commodity-by-commodity approach to the problem of survival.

Third, it goes directly to the heart of the farmer's difficulties—his bargaining power in the market place.

Fourth, it involves no new or untried principles or theories, but is built solidly on an established procedure in law with over 20 years of proven experience.

Fifth, it limits itself at the start to nonbasic crops.

Sixth, it stands as an open invitation to every such commodity group to move forward under its own initiative under the guiding hand of Federal procedures to establish its own stability and balance in the market places of America.

Seventh, it involves no costs to the taxpayers.

Since 1949 only a few nonbasic commodities have been supported through any type of price program. Many of these commodities are not well adapted to the same type of price support or stabilization operations as those used for the basic commodities, but some kind of a program is nonetheless essential for producers of such crops.

Therefore, on January 7, 1959, I introduced H.R. 1070, a bill to provide assistance to the producers of these nonbasic commodities not now covered by a definite program, if these producers, as a group, desire to avail themselves of such assistance. This bill would amend certain sections of the Agricultural Adjustment Act extending the applicability and coverage of marketing agreements and orders. More specifically it provides for the following:

First. Extends applicability of marketing agreements and orders to field

and seed crops—other than wheat, corn, cotton, rice and peanuts.

Second. Provides for representation for each marketing or production area in the event that one order is issued for all production or marketing areas or more than one production or marketing area.

Third. Whenever more than 50 percent of the estimated total annual quantity of any commodity handled in the United States, other than milk or its products, is regulated by one or more orders and the agencies administering orders covering more than two-thirds of the regulated quantities of the commodity so propose and recommend, the Secretary is required to give notice of and an opportunity for a hearing on the proposed order applicable to the entire United States or all production or marketing areas.

If after such a hearing the Secretary finds, in addition to other determinations and findings required under the act, that such a comprehensive order for the commodity is practicable, he is required to issue the order.

Fourth. All orders issued under this amendment which are applicable to the same commodity or product thereof shall, so far as practicable, prescribe the terms, applicable to the different areas, as the Secretary finds to be necessary to give proper recognition to the difference in the production and marketing of such commodity in such areas.

Fifth. Adds field and seed crops to the list of commodities for which importation into the United States is prohibited unless the grade, quality, size, and maturity of such commodity complies with the grade, quality, size and maturity provisions of the marketing order for a commodity during the time that such an order is in effect.

This is a very simple bill. If enacted it will not increase Government expenditures for the farm program. The costs of administering and operating marketing orders are borne by the industry members through assessments on them as specified in and limited by the legislation and order. Such assessments are used to pay for the employment of a manager and staff which most orders employ for enforcement of standards used by the order and for office expenses. For that reason, among others, marketing agreement and order programs are often called self-help programs. The industry contributes its own fund to help itself.

But aside from such financial aspects, the programs are viewed as self-help because a basic part of the philosophy behind them is that the industry, through its representatives, gets together, considers its problems, discusses them, and recommends specific actions intended to remedy specific ills with which the industry believes itself to be faced. The idea is that industry men closely familiar with the problems of their industry are in a position to appraise them and propose remedial actions.

In addition to being a self-help program, it is voluntary on the part of the producers. To insure that a marketing order has the approval of a majority of the producers and handlers concerned, the legislation requires that at least a specified minimum of the voters approve of the order. I wish to emphasize the point that through legislative criteria an attempt is made to ascertain the existence of broad support for an order before it is declared effective. The producers and handlers must support their desire for an order through voting approval by some form of a majority before an order can be available to them. Contrary to some misconceptions, marketing orders are not imposed on an industry without its majority approval.

This is a democratic program. It gives the producers of a large number of commodities the opportunity to seek solutions to problems with respect to their particular industry. Through legislation, Government has helped develop the bargaining power of labor. Other Federal laws often enable "business" to regulate and control the production and marketing of its products and services. Likewise Government should provide the framework for producer-managed commodity marketing programs to enhance producer bargaining power and to deter the accumulation of price-depressing stocks in the hands of Government or other nonfarm groups. Marketing agreements and orders tend to provide such a framework for many agricultural producers. Under an order, the grade, size, pack, quality, and maturity of a commodity for shipment may be regulated. The order may establish the quantity of a commodity that may be shipped to market during any specified period. The total quantity may be allocated among all handlers under a uniform rule on the basis of past performance of a handler or the proportionate amount of the commodity the handler has available for current shipment.

An order may provide for establishing a reserve pool of a particular product and for equitable distribution to all financially interested persons of returns derived from the sale of the pool.

Such orders may provide for determining the extent of a surplus, for the control and disposition thereof, and for equalizing the burden of surplus elimination among producers and handlers.

Unfair trade practices may be dealt with in an order. Unfair methods of competition and unfair trade practices in the handling of commodities may be prohibited.

Handlers may be required to file their selling prices, and to sell at prices no lower than those filed. Handlers may change these prices but adequate notice must be given prior to such a change.

An order may provide for fixing the size, capacity, weight, dimensions, or pack of the container or containers used in handling commodities.

Marketing orders may also provide for research. This may involve establishment of market research or development projects designed to assist, improve, or promote the marketing, distribution, and consumption of the commodity covered by the order.

The marketing procedures provided in these orders are those used by nearly every successful business enterprise and their use should be broadened. The passage of this bill, H.R. 1070, will make that possible for the producers of a much larger number of commodities than may now avail themselves of such assistance.

The democratic aspects of marketing agreements and orders go beyond the establishment of an order for a particular commodity group. It extends also to the administration of the program after the order is issued. Programs for commodities other than milk provide for a committee of growers or handlers, or both, to administer the terms of the order. The method of selecting members of the committee, their term of office, powers, duties, and obligations are set forth in the order. Members generally are nominated by growers and handlers; and the selection of the members is by the Secretary of Agriculture. The main point to be emphasized, however, is that the producers participate in the operation of the program.

In terms of history, marketing orders emerged as a result of problems engendered by the great depression of the 1930's. But the economic structure of orders was gradually and experimentally developed by certain cooperative marketing associations during the 1920's. They were faced with seasonal surplused, quality standards, and unfair trade practices; and they endeavored to organize commoditywise on an industrywide basis. The trials and tribulations of that period need not be recited here; yet, those marketing associations became convinced that their own devices were not fully adequate to achieve the goals envisaged. New legislation and limited Government participation were deemed to be essential adjuncts.

The Agricultural Marketing Agreement Act of 1937, as amended, provided the necessary assistance. This act clearly sets forth procedural and administrative criteria to be followed in the promulgation, operation, and termination of marketing agreements and orders. While I do not propose to examine every detail of the program at this time, I do feel several significant points should be stressed.

First, a majority of the industry—specific definition of which is written in the legislation—must approve an order before it can be effective. Second, the Secretary is required to determine whether the available evidence indicates the need for an order and that the proposed order meets that need. Furthermore, the Secretary has the authority to terminate the procedure at any point or to terminate an order which is in operation if, in his judgment, it is no longer consistent with the legislative standards.

What are the results of marketing agreement and order programs? What have we learned from the operation of these orders over a period of more than two decades?

Because of diversity of types of marketing programs and order provisions, no simple yet meaningful overall generalization can be set forth. What can be set forth? What can be said, however, is that close to a quarter of a century's experience with Federal marketing order

programs enables us to reach certain conclusions. Of significance is the increasingly marked interest on the part of agricultural industries and commodity groups in such programs. Although instituted during the depression years of the early and middle 1930's, marketing programs have continued to increase on through the years of postwar prosperity in the country at large. The desire for Federal marketing orders, as evidenced by producer and handler voting, remains unabated. For the large number of programs which have been in effect for only a short period, there is one presumption—that the program was effective and and was terminated when its objective was attained and the need of the program no longer existed. The record indicates that those programs judged to be most effective tend to continue in operation. Judging from the length of time these programs have been in effect, they have been deemed to be successful programs by the participants.

It has been proven over the past 25 years that judicious use of marketing agreements and orders can contribute substantially to lessening the instability and raising the level of farm income of the producers of a number of farm products. Although such impact may not be of preponderant importance from the standpoint of total national farm income, it can be substantial and worthwhile from the viewpoint of the particular groups of producers participating in the program.

During 1957, 35 marketing agreement and order programs were in effect for fruits, vegetables, and tree nuts produced in 20 States. More than 130,000 producers participated in these marketing agreement programs, and the products had a farm value in excess of $870 million. In addition, Federal milk marketing orders were in effect in 76 markets during 1958.

We may conclude, therefore, that Government-industry marketing programs have a role—a very meaningful role—in the kit of tools and institutions bearing on farm income.

Mr. Speaker, there is overwhelming evidence that a self-help price-stabilizing program is needed by the producers of a large number of farm crops not now covered by a definite program. There can be no question about the fact that the farmers should have a voice in marketing their product or products in such a way as to give them a fair return for such products.

Therefore, I urge the Congress to give my bill, H.R. 1070, early and favorable consideration. Enactment of the bill can be instrumental in extending assistance, on a self-help basis, to thousands of individual farmers who now have no practical way to obtain a reasonable price for what they produce.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. KASTENMEIER] is recognized.

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent that my special order be interchanged with that of the gentleman from Massachusetts [Mr. BURKE], who under the regular order immediately follows mine.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

THE BETHLEHEM STEEL CO.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. BURKE] is recognized for 60 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I am grateful for the privilege extended me by this House to bring to your attention a story that will fill most of us with pride—and, unhappily, with dismay also.

I have been reliably informed that the Bethlehem Steel Co. operates eight shipyards along the Atlantic coast, employing some 17,000 highly skilled craftsmen who have devoted their lives to the shipbuilding and ship repairing industry. It is to these skilled, experienced shipyard workers that this Nation has looked in times of crisis to supply the supervisors and the instructors that make possible 60 percent of the wartime production of ships for our Nation. It is to these 17,000 shipyard workers that this country is even at this moment looking to produce the nuclear missile cruiser *Long Beach*, being built at the Bethlehem Shipyard at Quincy-Fore River; the nuclear frigate *Bainbridge* being built at the same yard; and to convert the missile firing cruiser *Springfield*. It is the same skilled shipyard craftsmen that are working in the other yards of this company engaged upon the building, repairing and conversion of other vessels, both for the Navy Department and for the merchant marine.

It has further been called to my attention that these American workmen are represented in collective bargaining by the Industrial Union of Marine and Shipbuilding Workers of America, AFL–CIO. Since July 7 of this year, representatives of this union have been attempting to negotiate a collective bargaining agreement with Bethlehem Steel Co. to replace an agreement which expired on July 31, 1959. At the very outset of these negotiations Bethlehem Steel Co. confronted the union's representatives with demands that the new collective bargaining agreement shall contain provisions which will permit the company completely to ignore the loyal services of craftsmen who have been employed in its yards for 20 or 25 years—in other words, the company demanded complete destruction of the seniority rights which these skilled craftsmen and American workers—organized or not—have enjoyed for over half a century. I have also been told that the company has also demanded the right to ignore the skills, and the pride in their skills, of these men; it has insisted that it must be given the right to assign these skilled craftsmen—machinists, tool and diemakers, electricians—to any task which the management's whim may dictate. In addition, Bethlehem Steel Co. has demanded reductions in wage payments which these essential shipyard workers have enjoyed for many years.

The only justification which Bethlehem Steel Co. has given for these demands, unparalleled in American industrial practice, is that the company must discontinue in its shipyards the traditional and the time-tested practices followed in those yards and in the rest of American industry for many decades, in order that the company may put itself in a position to compete successfully against other shipyards for contracts for the construction of Government and private vessels.

That this "justification" is merely a pretext for the accomplishment of another objective by the company was demonstrated 5 years ago at hearings conducted before the Subcommittee on Defense Activities of the House Armed Services Committee, under House Resolution 125. At the hearings the representatives of the Department of the Navy testified that during the 8 years between the end of the war and March of 1954, the Government of this Nation has awarded noncompetitively to Bethlehem Steel Co. contracts for the building of vessels totaling $158,035,000. Since March 1954 Bethlehem Steel Co. has been awarded hundreds of millions of dollars of noncompetitive contracts for the construction of naval vessels. At these hearings, the same representatives of the Department of the Navy testified that only in the tiniest minority of instances were the contracts for the construction of Navy vessels awarded on the basis of competitive bids. It is essential, they said, to allocate contracts for the construction of Navy vessels in such fashion so that the complement of highly skilled, experienced shipyard workers would not be lost from the private shipbuilding industry, and would thus be kept available for periods of crisis, when the numbers of shipyard workers must be increased to about 1½ million.

It has been stated that Bethlehem Steel Co.'s representatives have, during the negotiations with the Industrial Union of Marine and Shipbuilding Workers of America, admitted that much of the company's merchant vessel construction and repair is also obtained by Bethlehem from old customers on the basis of negotiated prices, rather than on the basis of competitive bidding.

In the face of these facts, Bethlehem Steel Co., I am informed, has nevertheless persisted tenaciously in its demands that the clock of progress in industrial relations shall be turned back 20 years and that long-established rights and conditions of work enjoyed by these skilled shipyard workers shall be surrendered to the company. Conscious of their duty to the Nation and to its defense efforts, the officers of the union proposed to the company that the expired agreement be extended for 30 days in order that negotiations might go forward without interruption to the production of the naval vessels which had been entrusted to Bethlehem Steel Co. This proposal was rejected by the company. The officers of the union then proposed that all of Bethlehem Steel Co.'s demands, as well as the union's

proposals for improvement in the employees' working conditions, be submitted to arbitration. It has been brought to my attention that this offer was also rejected, oblivious of what it owed to this Nation as a beneficiary of hundreds of millions of dollars in Government contracts, let alone what it owed to this Nation's defense program as a business enterprise operating freely under our American system.

I submit to this House that this Nation cannot permit any citizen, or group of citizens—whether by reason of profit, or by reason of attachment to the present program of our industrialists to undo the progress in labor relations which has been made in the last 20 years—to hold back this Nation in its race with Russia's stringently controlled and intensive program of production of nuclear vessels.

I submit to this House that we cannot expect the officers of the Shipbuilding Workers Union much longer to prevail on their members to remain at work despite the newest and most astounding action of Bethlehem Steel Co. That action as related to me was as follows:

Effective on August 13, Bethlehem Steel Co. in effect refused to bargain further with the union and unilaterally imposed upon the shipyard workers all of the demands that the company had previously made—the destruction of seniority, the ignoring of craft skills, the reduction in wage payments. The pleadings of these union officers have during these last 2 weeks been effective in keeping the men at work. But these men are proud Americans, they are skilled craftsmen, they will not long consent to accept as their lot the oppressive working conditions for which we pity workmen behind the iron curtain and criticize the dictators who rule the lives of those workmen.

As I have said, we cannot expect these leaders to prevail upon their members to work much longer under these conditions. We must come to their aid in preventing a strike which will halt production on the naval vessels I have mentioned, so that the employees only escape from these conditions which Bethlehem Steel Company seeks to impose upon them, will be to leave the industry and weaken this Nation's potential for building ships in time of war.

I submit to this House speedy methods that are available to this Nation to prevent a serious calamity which would render grave damage to our defense program.

I suggest two methods:

First, it would appear that Bethlehem Steel Co.'s actions toward the Shipbuilding Workers' Union constitute unfair labor practices under the Taft-Hartley Act. The Taft-Hartley Act contains a section 10(j) which permits the General Counsel of the National Labor Relations Board to obtain from the Federal courts an injunction prohibiting the commission of unfair labor practices. The General Counsel has availed himself of this remedy against law-breaking employers but seldom. I suggest that this situation is one which demands that in the national interest the General Counsel take such action immediately. I propose that the General Counsel of the National Labor Relations Board take such action without delay.

The second remedy that I suggest is that this House shall ascertain what are the facts in this labor dispute: shall ascertain whether Bethlehem Steel Co. is, or may find itself, in a poor competitive position for obtaining work in its shipyards unless it imposes upon its shipyard workers conditions of employment that exist nowhere else in American industry; shall ascertain what will be the effect upon our national defense of Bethlehem Steel Co.'s action in imposing these conditions of employment upon its shipyard employees now or in the future. I suggest that the same subcommittee which in 1954 conducted hearings under House Resolution 125, shall now immediately institute hearings to ascertain what are the facts that I have referred to, namely, the Subcommittee on Defense Activities of the House Armed Services Committee.

Mr. DANIELS. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman from New Jersey.

Mr. DANIELS. Do I understand correctly that the company demands to take away the seniority rights of the craftsmen, the union members?

Mr. BURKE of Massachusetts. That is correct. This is an unprecedented move on the part of this big industry. And, it is taking place at the present time. It is trying to roll the clock back 35 or 40 years so far as seniority rights are concerned, and it especially affects the people in the 40 to 45 years of age group.

Mr. DANIELS. May I present this question to the gentleman? If a man has been working for Bethlehem Steel as a union member for the past 25 years, and assuming that he has arrived at the age of 45, and the company recently engaged in its employ a man who had only been working for them a month or two, would the company then have the right to discharge the worker who had been employed by them for the past 25 years in favor of the young man who had only worked for a month or two because of the fact that he is more skilled and has more ability and is more versatile than the man working for them for 25 years?

Mr. BURKE of Massachusetts. That is correct. Under the company's proposal, those would be the conditions. As to the workingman with 20 or 25 years seniority, his employment could be terminated and the younger man could be put in his place.

Mr. DANIELS. In speaking to some of the union members I have been informed that on August 12 or August 13, about 12 or 13 days after the contract had expired, that is, the collective bargaining agreement had expired, the company imposed its demands upon the workers. Do you know whether or not that is so?

Mr. BURKE of Massachusetts. That is so, from what I understand.

Mr. DANIELS. Now, heretofore I understand that the union, which represents 17,000 craftsmen, last had a strike in 1947 and that upon the expiration of its previous contracts in 1952, 1954, and 1956—I believe those are the correct dates—the company agreed to a continuation of the collective bargaining agreement upon the same terms and conditions. Now, then, this year, upon the expiration of the contract on July 31, the company arbitrarily took the position of not accepting those terms but of enforcing its own demands upon the workers.

Mr. BURKE of Massachusetts. That is correct. They refused to allow the terms and conditions that existed under the contract that just expired. And the union was not demanding too much. However, the company was insisting on putting in these new proposals which are contrary to the traditional rights of the American working man as they have existed during the past 25 years.

Mr. DANIELS. I understand, in addition to the deprivation of their seniority rights, the company not only also desired to reduce wages and discontinue grievance procedures but also to eliminate many other proven and accepted practices. I agree with you that the company, in taking this position, is acting in a very undemocratic and unpatriotic manner inasmuch as the company is engaged in the building of many ships for our Navy, such as nuclear and missile vessels, which are so sorely and vitally needed for our defense and security.

Mr. BURKE of Massachusetts. I thank the gentleman.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I was very much shocked to hear what the gentleman has said. I want him to know and I want the workers to know if there is anything in the world I can do to help, I will do it. I have known those workers for a great many years. I know their strength of character, I know their work, and I am really horrified that this should happen to them. Will the gentleman keep in touch with me? The workers were in my office this morning, but I missed them. I will do everything I can to help them.

Mr. BURKE of Massachusetts. Mr. Speaker, I want to thank the gentlewoman from Massachusetts who has always been so very sympathetic to the working men and women of this Nation.

Mr. FRIEDEL. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman from Maryland.

Mr. FRIEDEL. Mr. Speaker, I wish to thank the gentleman from Massachusetts for yielding. I concur in the views he has so ably presented to the House on this matter of vital importance—not only to the economy of the Nation, but to its defense as well.

The Industrial Union of Marine and Shipbuilding Workers of America and the Bethlehem Steel Co. have enjoyed close and cordial working relations for some time. This picture has now changed drastically as the company has abandoned its previously cooperative

spirit. Fairplay is no longer the distinguishing mark of union-management relations.

The union has sought vainly for a formula to which the company would agree—but to no avail. Nor has the company indicated any willingness to arbitrate.

The union, on its part, has exercised the utmost forbearance and has agreed—and is carrying out—normal operations without the benefit or protection of a contract. The union, at least, is aware of the urgent requirement that important defense facilities must operate freely.

In the name of fairplay, management and labor should sit down and—in all seriousness—discuss union demands. If agreement cannot be reached, let an independent arbitrator lend the assistance that appears to be needed.

Mr. LANKFORD. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman from Maryland.

Mr. LANKFORD. Mr. Speaker, I want to thank the gentleman for yielding to me at this time. I want to say a word of congratulations to him for bringing this matter to the attention of the public. It seems to me that the shipyard workers have certainly shown every evidence of good faith in dealing with the company. I am sorry to say that I cannot say the same thing about the Bethlehem Co. in their dealings with the union.

I believe this is a time, particularly in view of the nature of the work engaged in by these people, for good faith to be shown on both sides. I call on the Bethlehem Co. to show the kind of good faith which the unions have shown.

Mr. Speaker, I should like to say, too, on behalf of my colleagues, the gentleman from the Fourth District of Maryland [Mr. FALLON], and the gentleman from the Third District of Maryland [Mr. GARMATZ], that we all join in concurring in the views expressed by the gentleman from Massachusetts.

Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. GARMATZ] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GARMATZ. Mr. Speaker, with the present strike of the steelworkers having caused unemployment to the extent of almost 40,000 persons in the Baltimore area, it is with alarm that I view the possibility of a strike in the Bethlehem Shipyards on the east coast.

Their contract expired recently and despite continued meetings, agreement has not been reached on a new contract. I do not know how great their differences are, but I am confident that they can be no greater than those which the House-Senate conference committee had to solve in the Kennedy-Landrum-Griffin bills. What appeared to be an impossible task, proved that even the most difficult situations can be resolved, with an earnest effort on both sides.

It is only by being willing to make concessions, that any differences can be settled, and I sincerely hope that both sides involved in the shipyard contracts will do their utmost in this regard. I join with my colleague, Mr. BURKE, in urging that every possible area be explored, in an attempt to reach a satisfactory settlement and avoid a strike.

Mr. FLYNN. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield.

Mr. FLYNN. Mr. Speaker, I would like to congratulate wholeheartedly the gentleman for pointing out what appears to be a very, very gross injustice and a violence to normal relationships between management and labor. It happens, may I say for the gentleman's benefit, that the same type of thing is spreading, and spreading rapidly, across the country. I should like at this time to insert in the RECORD a statement of a comparable situation that exists in connection with the Simmons Mattress Co. that operates in Kenosha, Wis. It has other branches throughout the country. This is a plant that has been there for 94 years, and employs some 3,000 people.

Two years ago they moved about half their operations to Indiana, stating at the time that they wanted to expand the hard goods end of their business in some plant. About 6 weeks or 2 months ago they announced to the employees one morning over the radio and in the evening paper that they had sold their plant—lock, stock, and barrel—and were moving from Kenosha to Indiana. Many of these people had worked there for 30, 40, and 50 years.

They have a pension program in the plant. The plant is moving and refusing to take any of these men with them, saying that they owe it to the new community to which they are going to employ labor there. They are taking just a few of their key personnel.

The pension program of these men under 55 is completely gone. They have had practically no labor trouble in the community. I know of no strike that they have had. It has come to light that in going to Indiana there was a contract signed which we consider a sweetheart contract, and from information that I have received it was signed between management and labor before the company ever hired a single employee, or at least only very, very few. It is a contract that is substandard in comparison with the contract that it has in Kenosha, which is only fair. The difference is so great that it would shock the conscience of anyone who read it.

This 94-year-old company that has operated in this community with no labor trouble is going to save millions of dollars a year. They will be throwing out of employment, with no regard for the families of these men, people who have worked there 30, and 40 and 50 years. They have refused to take them along, they have refused to give them any recognition of any kind. They have abolished the pension program.

It appears that this is a situation that will grow. One of the reasons why I am viewing this new labor bill with grave concern is that I do not feel it takes care of this type of loophole that affects vitally the working men and working women of America, who should have our concern.

There is much hate and vengeance in this bill and too little labor control. These are the types of problems that should be cured.

We do not want to hurt management. We want to help labor and we want to help management, too. But we do not want either to be put in a position where they can do the type of thing that the gentleman from Massachusetts is talking about that is happening along the coast, or that I am complaining about in Midwest America. No longer are these plants moving from north to south because they can pay a lower scale of wages. They are moving from locations in the North or the West to other locations where some chamber of commerce is anxious to get them, and will bring them in guaranteeing a low rate of pay, so that they know, if they go there, they are going to save much money in comparison with the contract that has been in existence for many, many years in the community where they were doing business. The Simmons Co. is a fine company, yet they are moving out and doing this grave injustice.

I think you should be complimented, sir, for being the first to point out these abuses on the part of management toward loyal labor that has worked for management for many, many years and who are not entitled to this kind of treatment. I congratulate you, sir.

Mrs. GRANAHAN. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentlewoman.

Mrs. GRANAHAN. Mr. Speaker, I want to thank the gentleman for yielding to me.

I want to compliment the gentleman from Massachusetts for his very forthright statement. I might add that I have been speaking today to some members of the Shipbuilders Union. They are greatly distressed over the situation which exists and do not want to strike. These men are loyal American citizens interested in the defense of our country. I cannot understand why the mediators appointed by the President do not show more concern in this problem, particularly at this time when we are in a race with Russia.

As I understand, the employees are told they will have to strike if they want any attention paid to their problem.

At this time I think we should try to prevent strikes instead of enforcing them.

Mr. TOLL. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield.

Mr. TOLL. Mr. Speaker, I also would like to commend the gentleman from Massachusetts [Mr. BURKE] and my charming and gracious colleague, the gentlewoman from Philadelphia, Pa. [Mrs. GRANAHAN], on their excellent approach on the possible solution of this problem.

I associate myself with the remarks made by my colleagues.

Mr. GALLAGHER. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield.

Mr. GALLAGHER. Mr. Speaker, I am certain that the Members of the House are shocked by the facts revealed by my distinguished colleague from Massachusetts, having to do with the breakdown of negotiations by the Industrial Union of Marine and Shipbuilding Workers of America and Bethlehem Steel Co. It appears to me that the position of industry in this instance is as hard and unbending as the product of the blast furnace.

Here is an instance where, it seems to me, a decent, honest, labor union is striving to protect not only the interest of its own members, but the security and well-being of the country. It is doing this in good faith while dealing with, as Mr. BURKE stated, "a giant of industry that would jeopardize America's defense posture and cheat its workers, in the interest of increasing its net earnings."

The Industrial Union of Marine and Shipbuilding Workers of America is one of the country's exemplary labor organizations. Its members have proved in times of peace and war that the well-being of the country stands above their self-interest.

I am proud that the president of this great union, John J. Grogan, is not only a resident of my home State but of my home county. He is a friend and neighbor.

Mr. Grogan is not only an outstanding labor leader and prominent public official, he is a distinguished citizen of New Jersey.

The Congress would fail not only this union, but in addition the entire labor movement if it does not take steps to explore to the fullest the charges made here today.

Involved but obscured in this great controversy is a concerted attempt by industry to introduce an entirely new concept into what has been a landmark of the American labor movement. I am referring to the principle of security. Industry is trying to substitute a new concept of availability and versatility. These are very atttractive words. But let us not be lacking in perspicacity. This is an attempt to abolish seniority. We are very concerned with problems and programs for our senior citizens. If industry is successful in this program we better start studying programs for the middle aged. If a productive man in his middle age can no longer be protected by a seniority system we are in effect undermining our national economy. This is one of the issues in this controversy. The other is a complete callousness by industry toward the man who must earn his living by the fruits of his labor.

I support my colleague from Massachusetts in his suggestion.

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield.

Mr. LANE. Mr. Speaker, I, too, want to join my colleagues here this afternoon in extending congratulations to the gentleman from Massachusetts for bringing this very, very important subject matter to the attention of the Congress. I personally know that it is a matter that he has been interested in for some period of time. I realize that day after day he has worked untiringly and unceasingly on this matter here in the Halls of Congress and with the various agencies of Government to see whether or not he could do something to bring about some relief to these employees. As I understand it, Mr. Speaker, there are 17,000 of these skilled craftsmen employed along our Atlantic seaboard, and the greater part of them—numbering 11,000 or thereabouts—are employed in the district so well represented by the gentleman from Massachusetts [Mr. BURKE] who is speaking from the well of the House. There are about 11,000 craftsmen who are specialists in all fields and in many particular lines of work or occupations. Men, no doubt, who have given their all to the service of the Bethlehem shipyard all these years. I know full well they are the best that can be hired because of the fact they have been in the employ of this giant corporation all these years. I am satisfied that with their efficiency program and whatnot, if they did not render valuable service to their employers they would have long ago lost their employment and their work and labor with Bethlehem Steel. But I know also, Mr. Speaker, that these same men not only contributed these skills down through these later years, but they were the ones who contributed so much toward the winning of World War II and the Korean conflict when we sought their services for the defense of our country during World War II and the Korean conflict. There are 11,000 of them who no doubt are interested in the Bethlehem Steel Co., having been employed all these years, whose families are interested in this particular corporation. It is a sad thing to know now, Mr. Speaker, that through information coming to us through the gentleman from Massachusetts in the well of the House, our colleague, that the company has refused to renew the contract that expired on July 31 of this year.

True enough, they are willing to come to some terms, and those terms, as were so well stated by a previous speaker, are unreasonable, uncertain, and unjust. They ask these employees to waive their seniority, whether it is 25, 30, or 35 years of valuable service to that company. I say it is unfair and unjust. After all, we in the Congress believe in seniority and practice it among ourselves and our employees. The seniority rule obtains in our committees. Seniority is something that is historical in this country, and we all know it has been in vogue in these corporations.

I doubt if any competitor corporations of Bethelem have seen fit to ask their employees or their union members to waive seniority rights.

Not only does Bethlehem Steel wish them to waive their seniority rights, but as I am informed by the gentleman, they also want craftsmen to waive their particular type of work so that an expert skilled machinist could be put on as a laborer or put on as an elevator operator. That to me means a reduction in salary, reduction in wages. That means to me that a skilled workman is going to lose face; he is going to be put on something unskilled and be paid unskilled wages rather than those he has been entitled to and enjoyed all these years. That is discouragement, of course, to an employee.

I know the gentleman is aware that the House Committee on Armed Services of the Congress—and I see two of our able colleagues of that committee here now, the gentleman from South Carolina [Mr. RIVERS] and the gentleman from Massachusetts [Mr. PHILBIN]. Both of long standing on this very important committee of Congress, in 1954 had a subcommittee that investigated a like subject matter. That committee brought about favorable results to both management and labor. I suppose the gentleman from Massachusetts [Mr. BURKE] who is leading the fight on this very, very important subject matter that is so acute should have immediate action. It is hopeful that perhaps again if no other committee here in the Congress takes action that this Committee on Armed Services will have a subcommittee look into this controversy and bring about favorable results as the previous investigation did in 1954.

So I just want to say in conclusion that I heartily agree with my colleague from Massachusetts [Mr. BURKE] and compliment and congratulate him again. This is a very, very important subject matter. These men are now working under duress and under compulsion. They are refused a contract. They are asked to take demotions. They are ordered to take reductions in salary because management says they must do so in order to meet competition. I do not know of any other concern that is competing with them, that is carrying out such a program with their personnel. But I do say that Bethlehem Steel—Bethlehem Shipbuilding Corp., rather—owes something to the people. After all, throughout the years since World War II we in the Congress here have appropriated hundreds of millions of dollars for defense, a goodly part of which has gone to the Bethlehem Shipbuilding Corp. Of course, it inured to the benefit of the employees, it inured to management, it inured to the benefit of those who invested their money in the company; and that is as it should be.

But again I express the hope that something can and should be done forthwith that will be beneficial not only to management but also beneficial to the employees so they can carry on in the way to which they have been accustomed all these years. Again I wish to compliment and congratulate the gentleman again for his able presentation of this situation to the Congress.

Mr. BURKE of Massachusetts. I thank the gentleman.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. I would like to agree with the remarks made by the gentleman from Massachusetts [Mr. BURKE]. I admire his courage in taking the so-called bull by the horns and bringing this before the Members of Congress.

I had the pleasure of serving with the gentleman from Massachusetts [Mr. BURKE] in the Massachusetts Legislature when we were both elected at the same time back some 22 years ago. When I came to the U.S. Congress almost 8 years ago representing the district I now represent, one of my largest employers was the Boston Naval Shipyard which employed about 9,500 people. Constantly I was arguing and bickering and fighting with them in an effort to have them stabilize the workload. At the end of the Korean conflict Mr. Anderson was Secretary of the Navy. He had adopted the policy that instead of, as had been the custom previous to World War II, with the Navy yards that were operated by the Government, or for the most part the construction work, the naval shipyards throughout the Nation would do only a certain percentage of the work and that private industry would do the remainder of the work.

I have a letter that came to my desk yesterday from Mr. John Grogan, president of the International Union of Marine and Shipbuilder Workers of America, addressed to the Honorable Cecil B. Milne, Assistant Secretary for Material, Department of the Navy. I will read a section of the letter:

> I cannot believe that the Navy Department will say to itself, "Well, the strike will not last long, and our construction program will not suffer much from a few months' interruption, therefore, we will remain neutral." But even if it were possible to believe that your Department would adopt such an attitude, a larger problem would still confront it. Is it conceivable that free American citizens, particularly highly skilled craftsmen whose skills are avidly sought by other employers, would work under the feudal conditions spelled out in Bethlehem's proposed contract?

What have they done at the present time? In the letter he explains that as of August 3, Bethlehem, though our union's members had remained at work despite termination of the labor contract, made a frontal attack upon its employees' union. Bethlehem discontinued enforcement of the union shop provision of the labor contract, discontinued enforcement of the dues checkoff provision of that contract, discontinued the top seniority heretofore granted to union officers and shop stewards, and discontinued the old contract provisions regarding grievance procedure.

Let me continue with the thought of Mr. Anderson when he was Secretary of the Navy, and may I say that the Bethlehem Steel Co. has received a tremendous amount of its contracts through negotiations. The purpose behind the original theme of Mr. Anderson was that the sole justification which the Department of the Navy has given to the Congress and to the Nation for allocating naval construction to Bethlehem on a noncompetitive basis has been the necessity for maintaining an adequate shipbuilding industry as an essential resource and mobilization base, and a definite asset to the national security.

This is the direct quote of Secretary Anderson. As I say, there are large naval shipyards in our districts. I also have a Bethlehem shipyard in my district. The following is quoting Secretary Anderson:

> The Navy Department had also in mind that the construction of ships in programs not dictated by active wartime conditions is not a mass production operation, but rather an individually tailored project in the case of each ship or similar groups of ships ordered.
>
> Inherent in this fact is the requirement for retaining a large number of special and design skills which, if dissipated, are extremely difficult to recruit again. It is this factor that makes it so important that going concerns be kept going.

You know, I agree with him that a going concern should be kept going. At the present time Bethlehem with these millions of dollars of naval contracts tries to lock the doors on the employees. We realize that the workers of the Bethlehem company, the plant of the Bethlehem company, the stockholders of the Bethlehem company are all to be congratulated for their performances during the war and the great production record which those yards set up. But at the present time they also should take into consideration that this is a matter of national concern. They have not any right to use Federal funds and to take naval contracts and act the way they are acting.

I concur with what the gentleman has said and congratulate him for having the courage to come up here on the floor of the House and bring this problem to our attention. I do hope that the War Department and the Navy Department will take cognizance of the remarks that are made here on the floor this afternoon.

Mr. PHILBIN. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. I hesitate to intrude upon the splendid, most impressive and effective speech the gentleman is making. It has touched me very deeply. I am sure every Member of this House who believes in the cause of cordial and friendly labor-management relations and every Member of this House who is interested in the national defense, the national safety and the national security will recognize that the gentleman has by his admirable speech touched upon a very important question that must command the attention of this Congress and that must command the immediate attention of the present administrative bodies having to deal with labor-management relations.

I do not wish to trespass further upon the time of the gentleman, because I am very much interested in hearing the conclusion of his splendid address. But, I do want to associate myself with all of the commendatory and congratulatory remarks that have been made and to assure him that he will have my wholehearted support in the objectives which he seeks in trying to establish a peaceful relationship under conditions of fairness and justice to the workers of this great industry that will assure the continuance of the most important and necessary work that is being performed in that industry for the security and the safety of this Nation.

Mr. BURKE of Massachusetts. I thank the gentleman.

Mr. DONOHUE. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. DONOHUE. Has the Bethlehem Steel Co., in your opinion, suffered any reverses, financially, in the last several years?

Mr. BURKE of Massachusetts. No. According to the reports that I received, I understand that Bethlehem Steel has made profits up to $167 million or approximately that during the last fiscal year.

Mr. DONOHUE. And is it not so that in their most recent financial statement it is indicated that their profit for the last fiscal year was larger than in any year since the end of World War II?

Mr. BURKE of Massachusetts. That is my understanding.

Mr. DONOHUE. I think the gentleman from Massachusetts, like most of us that were in the Navy or in Government during the war, had experiences similar to mine. We were invited to these different shipyards, when all of these loyal employees were called together when an award was being made. Representatives from the Navy Department and from other agencies down here in Washington in making the award, would commend and compliment the employees for the great job they were doing in furtherance of victory for this Nation during World War I and World War II; is that not so?

Mr. BURKE of Massachusetts. That is correct.

Mr. DONOHUE. You had that experience many times.

Mr. BURKE of Massachusetts. Oh, yes.

Mr. DONOHUE. Are these the same employees that are now suffering from these acts that you have described, that is, depriving them now of those rights that have been built up and mutually agreed upon over the years?

Mr. BURKE of Massachusetts. Oh, yes. Many of the employees are of long service. Many of them are veterans of World War II; people that have given unstintingly of their time in behalf of the Nation.

Mr. DONOHUE. And many of them have reached the age where their employment opportunities elsewhere will be very limited; is that not so?

Mr. BURKE of Massachusetts. That is correct.

Mr. DONOHUE. And is it not so that many of them have reached an age where probably they will have to call upon public agencies to provide for themselves and their families?

Mr. BURKE of Massachusetts. That could well be so.

Mr. DONOHUE. So this company and similar companies that have been sustained in a large degree by the U.S. Government contracts down through the years are now expecting the local governments to take care of these men and women that they are now seeking to displace with younger people; that is so, is it not?

Mr. BURKE of Massachusetts. That is correct.

Mr. DONOHUE. Well, I want to associate myself with the gentleman from Massachusetts and I share his deep concern about these unfortunate developments he has revealed and I assure him that in any way I can be of help, it will be granted and extended most willingly.

Mr. BURKE of Massachusetts. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to thank the gentleman from Wisconsin [Mr. KASTENMEIER], who has been so kind and considerate in allowing me to proceed at this time.

I would like to point out to the Members of the House that this is a very serious problem.

Today the Soviet Government has from 400 to 450 operating submarines on our Atlantic and Pacific seacoasts, ready to strike at any part of our country. I do not want to alarm anyone or say that the Nation is in grave peril, but we should be alert enough and know that this Nation cannot stand the closing down of our shipyards for 1 day or 1 hour. We have to go forward with the moneys that have been appropriated and continue the building of ships. There are only 33 vessels being built during the coming fiscal year and only 4 submarines in that budget. We must realize the facts that we are faced with, the realities, that Soviet Russia with one of the greatest, one of the mightiest war machines ever developed in the history of man faces us on the other shore.

The question now is whether or not Bethlehem wants to recognize this, wants to accept their patriotic responsibility, stop their provocative action, trying to provoke a strike, and sit down with these men, as the gentleman from Massachusetts [Mr. PHILBIN] pointed out, in justice to each other and work out a negotiated agreement that will be beneficial not only to the Bethlehem Co. but to the employees and to our Nation as well.

Mr. DANIELS. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman.

Mr. DANIELS. Mr. Speaker, I have before me a letter dated August 27, 1959, from the Department of the Navy, signed by C. P. Milne, Assistant Secretary of the Navy, in response to a telegram of August 14 that I sent to the Secretary of the Navy concerning the labor negotiations between the Bethlehem Steel Co., shipbuilding division, and the Industrial Union of Marine and Shipbuilding Workers of America—AFL–CIO—in which they pay tribute to the local and national leaders of this union. With the gentleman's permission I would like to read an excerpt from that letter.

> The Navy is aware of the union's keeping its members at work and appreciates this exercise of responsible leadership. The local and national leaders of the International Union of Marine and Shipbuilding Workers of America (AFL–CIO) have for many years cooperated in the building of vitally needed ships and have displayed great loyalty to the Government by maintaining full and continuous production in the construction and repair of these ships.

I come from the 14th Congressional District of the State of New Jersey which covers the city of Hoboken, of which city the president of the Industrial Union of Marine and Shipbuilding Workers of America, John J. Grogan, is the mayor. The same John J. Grogan is the president of the Marine Union of Shipbuilding Workers of America to whom the Assistant Secretary of the Navy paid the foregoing compliment.

In this Chamber several weeks ago we heard much, and much ado was made, about corruption and racketeering in unions throughout this country. I want to state here and now that I have known John J. Grogan, the president of this union, for many years; that he is a capable, understanding, responsible, and honest labor leader. I wish to compliment him for the understanding he has shown in asking his men to continue on the job in spite of the apparently unfair action of Bethlehem in this particular situation.

So I desire to join the gentleman from Massachusetts and compliment him for bringing this matter to the attention of the House and all of its Members and associate myself with him in this matter which is of such importance not only to the 17,000 craftsmen of the Shipbuilders Union but also to the safety and security of our Nation.

Also I wish to compliment the attitude of these men who have continued on the job, as well as the local and national leaders for their democratic and patriotic attitude in spite of the apparent lockout of Bethlehem.

I thank the gentleman.

Mr. MEYER. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman.

Mr. MEYER. Mr. Speaker, I would like to take this time to compliment my colleague and neighbor. Also I should like to ask him a question. Is it not true that the executives of this company are among the highest paid executives in the Nation, and they are not suffering perhaps as much as other people in the United States would suffer from this action?

Mr. BURKE of Massachusetts. I understand they are doing pretty well.

Mr. MEYER. I thank the gentleman.

INCREASED EMPHASIS BY DEFENSE DEPARTMENT ON CBR PROGRAM

The SPEAKER pro tempore. (Mr. BROOKS of Texas). Under previous order of the House, the gentleman from Wisconsin [Mr. KASTENMEIER] is recognized for 30 minutes.

Mr. KASTENMEIER. Mr. Speaker, I have taken the floor today to speak to you about a problem which I feel is important to us as a nation of free people who honor and protect life, and hopefully, represent and live as a moral and good people. Since this problem involves the defense of our country, there are no simple answers; only bewildering paradoxes and basic questions.

The subject of my talk is the increased emphasis by the Defense Department on the CBR program; that is, the chemical, biological, and radiological warfare program, and possible changes in American defense policy in this field. On June 16 and June 22 of this year, the House Science and Astronautics Committee held hearings on the CBR program. These hearings were limited for the most part to a technical review of what the Defense Department was doing in this area, besides considering the possible uses of CBR in wartime. The committee did not fully explore certain basic moral and policy considerations about the use of CBR in the event of war, which I believe we as legislators must consider very carefully. I would, however, like to take this opportunity to congratulate the chairman and the members of the Space Committee for the fine job which they did in getting at the facts regarding CBR—and I urgently commend a reading of the hearings and report to every Member.

The Space Committee in its investigation of the CBR program established the fact that the Defense Department is interested in increasing the CBR program from an approximate current level of $40 million to $125 million. It was established that such an increase represents a basic change in the thinking of the Defense Department in the CBR area.

It was further established that although some uses were found for CBR, it was duly noted that CBR is not a panacea to our defense problems. The committee pointed out on page 14 of its report that—

> CBR weapons are not a complete answer. They do not replace the nuclear deterrent, and they do not replace the elements of seapower, or the infantryman. But they could readily turn out to be the weapon which toppled a tremendous investment in some previously efficacious strategy. * * * Research cannot guarantee results in every instance. Perhaps CBR research for another decade would not alter the general military balance of power. But if it does, and the United States has not gained the same capability as others, the cost to the Nation would be beyond calculation.

These remarks suggest that the committee feels that it really is not that sure of the necessity of CBR, but if we are to err as to their need, we should err on the side of national security. This is, of course, a powerful argument and must be considered with due gravity by the Congress. On page 15 of the report under recommendation 9, the committee states that it "cannot bring itself to describe any weapon of war as 'humane' and makes no moral judgment on the possible use of CBR in warfare." This, of course, is the basic problem involved with CBR which I shall discuss in this speech. Another recommendation of the committee, No. 15, states that—

> It is also recognized that in the present world situation with other countries pursuing vigorous programs of CBR development, the best immediate guarantee the United States can possess to insure that CBR is not used anywhere against the free world, is to

have a strong capability in this field, too. This will only come with a stronger program of research.

This recommedation does not raise certain basic problems which occur when other nations will begin developing CBR weapons. It should be duly noted that at this point it is only the United States, Great Britain and the Soviet Union that have a great capacity for developing CBR weapons, and are, in fact, the nations that are developing these weapons in any large-scale program. Thus, the policy actions of these nations with regard to their use will be watched very closely by other nations. If the United States and the Soviet Union create an atmosphere which suggests that it is quite all right to use CBR in wartime, these nations will have given the go-ahead to other nations to build these weapons. We should note that it does not take a great level of technological skill or great amounts of money to build chemical and biological weapons; consequently, the cost of these weapons and the skill involved in their production make them well within the range of other nations. It is not unlikely that smaller nations that are less responsible would begin using these deadly weapons against each other. This, of course, is why it is of paramount importance that the United States set a moral tone in this area. If we do not, we will have done much to initiate the production of these weapons by smaller nations who might otherwise have compunctions in manufacturing and using these weapons.

The hearings before Congress on CBR raised many problems. For example, it is quite clear that the United States is woefully unprepared in case of attack by an enemy with chemical and biological weapons. We certainly have no adequate civil defense in this area. Indeed, it is questionable whether there is any kind of defense to certain of the chemicals and bacteria that could be developed and used on our people and cities.

In the spring of 1958, when confronted with the question by the Senate Armed Forces Committee, "Are there any BW agents for use against humans or animals for which there is no countermeasure or an inoculant?" Gen. William Creasy, the former head of the Army Chemical Corps, replied, "Yes, sir. We do know that in the case of any kind of vaccine, you can override it with massive doses, and the doses we use are massive doses."

Another problem which was raised by the CBR hearings is that there is no truly adequate method of ascertaining whether or not a nation is producing and developing CBR weapons. Consequently, it is very difficult to conceive of an international inspection system in this area similar to the one which could be initiated in the nuclear area. Thus, in order for any international agreement to be effective in the CBR area, it is imperative that these agreements have behind them a moral force at least as strong as the inspection system in the nuclear area.

For now, however, I wish to leave the Space Committee report and its recommendations and the many problems such as these that it raised, to consider the subtle but real change in policy which has been instituted by some, or for which adoption is pressed by others, by those connected with the CBR program. The purpose of this change, of course, is to gain acceptance for chemical and biological weapons, as just another weapon in our arsenal which should be used as an offensive as well as retaliatory weapon. For example, General Creasy suggested before the Space Committee that CBR be used as an offensive weapon. He stated on page 15 of the hearings that—

I am not advocating preventive war but we must change our policy, which is that we don't hit back until you hit us.

General Creasy also pointed out on page 17 of the hearings that—

I would hate to see us enter into any agreement with anybody regarding CBR so that if we are going to fight we are going to do it with our hands tied behind our backs.

It is only within the last few months that there has been mention of the CBR program in the popular press. For the most part, the writers in this area have been present military officers in the Chemical Corps and retired military officers of the Chemical Corps. The theme that runs through these articles is that, first, the veil of secrecy should be lifted in the chemical and biological areas within the limits of security; second, we should build up, develop, and research in this area faster and more actively than we are presently doing; and third, the historic strictures that have been placed upon our Armed Forces as to the use of CBR should be removed. With the first two points, I am in agreement.

However, the argument of the Defense Department, through General Stubbs, is that a war fought with chemical weapons is a more humane war. The description by the Defense Department of these chemicals is, indeed, rather disarming. For example, they talk about their psychochemicals which can make cowards out of brave men and vice versa; they tell of the possibilities of sleep chemicals which will put populations to sleep for hours, while soldiers march in and take over the area. This, of course, is not the whole story. General Creasy, the former Chemical Corps Chief, has stated that CBR weapons are as deadly or deadlier than nuclear warfare.

General Rothschild, in an article in Harper's magazine, page 22, has stated:

Incredibly dangerous amounts of biological material can be carried in very small bulk. For example, a single ounce of the toxic agent which causes the disease called Q fever would be sufficient to infect 28 billion people.

How would these weapons be used? Judging from the testimony before the Space Committee hearings, these instruments of warfare would be used in the so-called brush-fire localized war. CBR would take the place of nuclear weapons in this kind of encounter. But we should note that the primary and ancillary of the lethal CBR weapons are not that different from nuclear explosions; that is, poisoning of the atmosphere, destruction of the civilian population, and for that matter, destruction of all life within a given area, is possible.

Consequently, depending on the kind of bacteria or chemical used, the results could be just as horrendous, indiscriminate, and inhumane killing as if nuclear weapons were, in fact, used. Indeed, there are those that take the position that we should not build these weapons or increase expenditures for research in this field, arguing that the range of destruction which we have in our defense arsenal would seem to be quite complete without an expanded CBR program. Given the present world situation, I am sure that this is not a realistic position. There is strong evidence to suggest that the Soviet Union is engaging in a build-up of biological and chemical weapons. Much of the Soviet civil defense is aimed at protection from a biological and chemical attack. Hence, the realities of the situation appear to demand that we ourselves engage in an increased program of research and development in this field. I might add that I agree to this view only reluctantly.

The fact, however, that we might have to have an expanded program in this field does not mean that we should change the basic policies of the United States which were reiterated by President Roosevelt on June 8, 1943, when he stated that the United States under no circumstances would use poisonous or obnoxious gases unless used first by our enemies. This policy is being attacked on all fronts by various officials close to the Defense Department. For example, General Rothschild stated:

We must reject once and for all the position stated by President Roosevelt that an enemy can have the first chemical or biological glow wherever or whenever he wishes. That blow could be disastrous. We must make it clear that we consider these weapons among the normal usable means of war.

Mr. Speaker, our policy in this area is one which was not laid down casually. It stems from our basic belief that even in war we must preserve the essence of humanity. In 1921 the United States itself called an international conference in Washington for the specific purpose of outlawing poisonous gases and other similar weapons. This conception of the use of such weapons is one which is generally accepted by all nations. For example, the international agreement through the Geneva protocol of 1925 specifically prohibited the military use of chemical and biological weapons.

The Soviet Union has been quick to recognize and seize upon the fact that these weapons are abhorrent to the people of the world. I wish to quote to you a message that was sent only last week to a conference of scientists in Canada who have been discussing the problem of chemical and biological warfare:

In his message Khrushchev stated: "In the name of the Soviet Government, and personally, I would like to send greetings to the members of the Pugwash Conference of Scientists, meeting to study problems arising from the threat to humanity of biological and chemical weapons. We share the concern of scientists, who justly point out that

the use of these weapons may have no less horrible a consequence than the use of atomic or hydrogen weapons. Not by chance were chemical and bacteriological weapons condemned by mankind, and their military use prohibited by international agreement through the Geneva protocol of 1925. As is well known the Soviet Union strongly supports the prohibition of all types of weapons of mass annihilation, including nuclear as well as chemical and biological weapons. We hold that their use runs counter to humane principles, the rules of international law, and the conscience of all peoples. You, as authoritative scientists, can make a significant contribution in the struggle against preparations for war, employing nuclear, chemical, biological, and other mass annihilation weapons. I warmly wish the Pugwash participants success in their noble work."

It is disturbing to me that the Soviet Union is able to clothe many of its international policies in morality when basically its approach to international policies is quite Machiavellian. Conversely it is disturbing to me that our Nation, which repudiates naked power politics, is utterly silent on this question. Fortunately, however, I believe that our true intent as to our basic moral position is generally known and more often than not reaches the peoples of the world. For example, few people anywhere believe that the United States used biological weapons in the Korean war. However, the effectiveness of the propaganda of the Chinese Communists about our use of such weapons during the Korean war was in the planting of suspicions of its use. If the United States was now to change its chemical and biological warfare policies, we will have both added fuel to the propaganda mills of the Communists and strengthened their false charges about our use of such methods during wartime.

Mr. Speaker, there are many questions about CBR which go unanswered. We do not know whether we can, in fact, develop a successful civil defense to a CBR attack. We do not know whether any kind of international agreement could be implemented in this field. It is questionable whether having these awesome weapons on hand will act as a deterrent to attack.

However, I believe that there is an answer to the question of preemptive use of chemical and biological weapons. We should not accede to the judgment of the certain military officers who want the right to use chemical and biological weapons as preemptive attack weapons. We should not accede to the wishes of those in the Defense Department who want to change the policy restated by President Roosevelt in 1943, at the height of World War II, that we would not under any circumstances use chemical and biological weapons unless first used by our enemy. I feel that now is the time that we must reevaluate, before it is too late, where we are going in the field of CBR.

It is now imperative that we as a nation follow our history and good sense in not using chemical and biological weapons for preemptive attack. Although it is important to be prepared in this field, if the facts show this as being a necessity, we must not fall into the propaganda and moral trap which the Soviets have laid for us.

Mr. Speaker, we are losing the propaganda battle, and unless we are willing to express publicly a moral national policy on this issue we will be creating the impression that we are oblivious to the horrors that these weapons bring if unleashed. I do not believe the American people want such a state to come into being. Because of this, and because of the urgency of the problem, I am introducing today a concurrent resolution which will reaffirm our policy of nonuse of biological and chemical weapons unless they are first used by our enemy. This, I believe, is what the peoples of the world are waiting for us to say. This, I believe, is the way our historical heritage and our moral values can be reaffirmed.

Therefore, I conclude that while we are constrained to develop these weapons qualitatively and quantitatively at an increased rate, we must concurrently reaffirm and announce as an ethical notion our resolve not to initiate use of these weapons in war or in peace.

We cannot allow the concept of survival to obliterate our spiritual and moral values, for if we do survival will have no meaning.

Mr. WOLF. Mr. Speaker, I want to congratulate the gentleman from Wisconsin [Mr. KASTENMEIER] for the excellent resolution he has introduced today. I think his statement on the subject will clarify the point for the people of America, and I feel deeply that his resolution deserves serious and immediate consideration. I, too, have been vitally concerned about the danger of chemical and biological warfare, and I pray that somehow we will be able to avert the use of these terrible weapons in war. It should be pointed out, however, that the Soviet Union seems to have a strong program of development and production in the chemical, biological, and radiological area. Coupled with the great number of Soviet submarines—500—which have missile launching capabilities, and the fact that chemical and biological weapons may be attached to these missiles, we must be on our guard both as to our civil defense in this area and as to development of our own weapons as a deterrent.

It should be made clear, however, that we must take every reasonable step toward reaching agreement with the Soviet Union on chemical, biological, and radiological weapons.

Again, let me congratulate the gentleman from Wisconsin for calling the attention of the Congress to this vital subject.

Mr. MEYER. Mr. Speaker, will the gentleman yield?

Mr. KASTENMEIER. I yield to the gentleman from Vermont.

Mr. MEYER. I would like to congratulate my colleague from Wisconsin for an excellent presentation. As we know, he is one of the new and younger Members of the Congress. By my association with him I have found him to be a very serious person who has done a lot of hard work, a lot of extra work, thinking about problems that have to be thought out, seeking solutions. I know that he has many good and many progressive ideas, and I am very happy to be associated with him and to congratulate him for his statement. With my own background, with some study in pathology, and with my work associated with quite a few biological scientists and chemists, some of the leading ones in the country, I know, through my own experience, that this field of biological and chemical warfare can present problems that will be of great concern to the American people and to the people of the world. We can only hope that these new weapons may never be used. We can also hope that through a coordination of effort we may prevent the use of these weapons and that we, the American people, as a people dedicated to peace and the welfare of all peoples, will be willing to take that step and say that we will not first use weapons of this type to bring about future great horrors to people all over the world. And I want to say again that I congratulate my colleague and friend for his excellent presentation and for the great service he is performing in bringing this matter to our attention.

Mr. KASTENMEIER. I thank the gentleman.

INFLATION AS IT AFFECTS OUR SENIOR CITIZENS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. CURTIN] is recognized for 10 minutes.

Mr. CURTIN. Mr. Speaker, no group of Americans has been more cruelly pinched by the insidious hand of inflation than our senior citizens. The cost of living has steadily risen and the purchasing power of the dollar has declined under the hammer blows of deficit spending and runaway monetary policies, even while the incomes of those 65 years of age or older have remained fixed. Indeed, it has well been said that those least able to combat inflation are these senior citizens who live on incomes that stay the same, no matter what the dollar is good for at the store.

Much has been done for this great and deserving segment of our population in recent years. The Congress has increased social security benefits to levels that conform more realistically to the mounting curve of prices for almost every type of goods and services. Action has been taken to safeguard retirement rights for individuals who are disabled from work and who are no longer able to contribute to the old-age retirement system. Many persons previously denied participation, including 2 million of the Nation's self-employed farmers and 1¼ million hired farm workers, were brought into full partnership of the social security program. In 1956, the social security program was further expanded to include all nonfarm, self-employed professional persons, such as lawyers and dentists, but not doctors of medicine. Included also have been such groups as ministers, State and local government employees, domestic workers, and many others.

As a result of these actions by the Congress to improve the social security system of old-age and survivors insurance, we find that today more people are receiving more social security benefits than at any time in the country's history. In the past 7 years, the number of beneficiaries has almost tripled, while the total of dollars fed into the Nation's economy in the form of social security payments has increased fivefold. We see, for the first time in the lifespan of this Nation, a majority of our population 65 years or older now receiving benefits; with over 3 million more younger beneficiaries as well, including children of deceased or retired workers, their mothers, women aged 62 to 64, and persons with severely disabling handicaps.

All of these things are impressive evidence of the concern of the Congress for the problems of senior citizens. The record shows that the Congress has been consistently aware of its obligation to enact positive and forward-looking legislation that will help these Americans in their advancing years. I always refrain from using the word "old" to describe these people, because countless numbers of them have demonstrated a remarkable energy and capacity for achievement to the point of nullifying Webster's definition of "old" as being one who is "worn out—weakened or exhausted from age—having lost the vigor of youth." Indeed, it is one of the most significant developments of our time that we have come to realize fully the tremendous contribution that these wise and mature citizens can make and are making to America's growth.

It must be remembered, too, that the lengthening lifespan of the American people, in combination with the increase of our population, makes it probable that the census of persons 65 or over will top 22 million by 1975. The average lifespan now approximates 70 years, whereas back in 1920, it was just 54 years. So the facts are on the record—American people are living longer, and there are more and more of them.

In the light of all this, what the Congress has done to date to assist America's senior citizens is very commendable. But, in looking after the interests of these people, the Congress has not entirely caught up with the fast pace of reality in one important respect. I refer to the situation existing today which restricts to $1,200 per year the amount which may be earned by recipients of social security benefits after they retire from regular employment. Prior to 1951, as we know, the retired worker was allowed to earn only $14.99 a month and still receive benefits. In 1951 through 1952, the ceiling was increased to $50 a month. In 1953 through 1954, the limit a worker could earn and still receive benefits was $75. In 1955, a limit of $1,200 per year was enacted, and if a person earned more than this, he would lose some benefits, although not necessarily all in the year. But, one could always receive benefits for a particular month, regardless of annual earnings, if he earned less than $80 in that month. In January of 1959, the $1,200 per year limit was still maintained, but a person could now always be paid, regardless of annual earnings, for any month in which he earned $100 or less.

So the record shows that the Congress has tried to keep up with the changing nature of our times. I submit, however, that the limit of $1,200 earnings permitted by existing statute is altogether inadequate when we analyze the facts. In order to meet the basic expenses of food, clothing, shelter, medical care, and all the other costs of everyday living, it is quite evident that the present restriction of earnings to $1,200 for a full year is grossly incompatible with the increased cost of getting along in our present-day economy. It does not take much figuring to determine the extent to which earnings of $25 a week will carry a person, even when supplemented by social security benefits. And, from the practical point of view, the limit on monthly, or annual, outside earnings can hardly even be controlled as finely as the law spells out.

There is yet another consideration that impels us to take a fresh look at the limitations imposed by present law. That is the important matter of our senior citizens' self-respect. Much has been said about the urgency and importance of making it possible for these persons to have more years of productive and remunerative employment. It is good for them, and it is good for America. Certainly, we owe these citizens the fullest, broadest opportunity to take an active role in the life of their communities, States, and the Nation.

For these reasons, I introduced on January 15 of this year a bill, H.R. 2516, to increase to $2,400 a year, or $200 a month, the amount of earnings permitted each year without deductions from benefits provided under title II of the Social Security Act. This legislation, if passed, will be of considerable help to our senior citizens. It takes into account the realistic needs of our changing times. This bill would not in any way adversely affect our economy or our general tax problems, nor would it take employment from other persons now employed. It would simply broaden the base of opportunity for those of our senior citizens who are physically and mentally capable of contributing their skills and talents to America, without being penalized for doing so.

I hope that this 86th Congress will see fit to enact this bill, so that all the men and women of America in their sunset years will know that we have an abiding interest in helping them feel more secure than ever.

THE JUVENILE COURT AND JUVENILE CRIME IN THE DISTRICT OF COLUMBIA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Georgia [Mr. DAVIS] is recognized for 20 minutes.

Mr. DAVIS of Georgia. Mr. Speaker, it is with great reluctance that I take any of the valuable time of the House upon what may be one of the last days of this session. I will take only a few minutes. I do this to give to the House some facts regarding pending legislation which I believe the House should have.

You may have noticed that in recent days the sensation-mongering papers in Washington have devoted quite a bit of time and space to vilifying me and calling me names. I am not greatly concerned about that. Up until this time I have ignored these attacks, because I just considered the source.

The notoriously radical Washington Post has called me "benighted" and socially ignorant. It is not hard to understand how that variegated—pink and yellow—sheet would think that I am benighted and socially ignorant. Their philosophy and mine are as far apart as the poles, for which I am grateful indeed. They sent one of their smear experts down to Atlanta last month to dig up all the dirt they could unearth about me. The best their smear expert could do resulted in the blurb which they carried on Sunday, August 23, some of it true, some of it false, most of it slanted. I did not bother to notice that. I have on more than one occasion stated that in my opinion it is almost as great a compliment to be attacked by the notoriously radical Washington Post as it is to be attacked by the Daily Worker. The little pint-sized sensation-hunting Daily News and the Evening Star may stand a little higher on the ladder of journalistic ethics, but such difference as exists is not as much a matter of principle as it is a matter of degree. All three of them have contributed in promoting the factors and conditions which have resulted in Washington getting in the sorry condition it finds itself with reference to crime, illegitimacy, and changing population.

But I am not going to engage in any name-calling contest. It is impossible to win a barking contest with one feist dog, let alone three of them.

The facts I want to give to the House relate to pending legislation to increase juvenile court judges in the District of Columbia. These three newspapers charged that I, as chairman of Subcommittee No. 3 of the District of Columbia Committee, was alone responsible for holding up passage of a bill to create two additional juvenile court judges. The complete falsity of this charge apparently gave them no concern. I called a meeting of the subcommittee to determine the action to be taken, and the subcommittee overwhelmingly voted to defer action on any juvenile court legislation until a comprehensive survey and investigation could be made of the entire juvenile court setup.

This meeting necessarily was an executive meeting.

The subcommittee has voted to make a comprehensive study of juvenile court laws and juvenile court procedure in the District of Columbia. No such study has ever been made, and it is needed. There are other actions needed in the juvenile court besides the addition of a judge or judges. There is no need to pick this up piecemeal. Such a study can be completed within a matter of a few months. There is no crying need this week or next week to add one judge or two judges to the juvenile court. The

number of cases reported to the juvenile court in 1958, last year, were 3,386. This is 688 less cases than were reported to it in 1954, there being 4,074 in that year. The cases last year were less than the number reported to the court in 1955 and 1956.

The District of Columbia had a population of 802,000 in 1950. I have made preliminary investigation as to the number of juvenile court judges in some cities of comparable population. Boston, Mass., with 801,000 in 1950 has 1 juvenile court judge; St. Louis, Mo., with a population of 856,000 has 1 juvenile court judge; San Francisco with a population of 775,000 has 1 juvenile court judge; nearby Baltimore with a population of 949,000 has 1 juvenile court judge. The heavens are certainly not going to fall in upon us if we proceed for the next few months under the present setup.

If a judge or judges are added to the juvenile court now, that action in itself will make it more difficult to enact additional juvenile court legislation later. I believe that if a dozen more judges were added to the court now under existing law they could not control juvenile crime here. I think the committee needs to study the question whether the juvenile court age should be reduced from 18 to 16 years. I believe we should study the question as to whether it is a wise provision to keep the names of habitual juvenile gangsters, yokers, purse snatchers, rapists and thugs a secret. I believe we should study the question as to whether criminal charges should be brought against juveniles in that court for major crimes of violence. I believe there is great need for changing the law so that adequate punishment can be meted out in the juvenile court to juveniles who commit major crimes of violence. This cannot be done under existing law. I believe that a study should be made of the cases which have been handled in that court to determine whether or not the court is really serving as a deterrent to juvenile crimes or whether it is serving to encourage the commission of crime by juveniles here in the District.

It is a serious matter. The subcommittee is composed of capable, competent, sincere Members of this House. It is an outrage that they, along with me, should be pilloried, bemeaned, and vilified by these Washington newspapers for exercising our judgment on these matters which come within our jurisdiction.

I have noted from one of the sensational stories in yesterday's papers that the President of the Board of Commissioners said the subcommittee's action made him "shudder." This is the same President of the Board of Commissioners who in 1956 filed an unfavorable report on my bill, H.R. 9078, to increase the strength of the District of Columbia Metropolitan Police Force from 2,246 police to 2,500. I did not let his objections deter me in my support of that much needed legislation, and with the assistance of many of the same Congressmen now on that subcommittee, I pushed that bill through to final passage, and it became Public Law 514 of the 84th Congress. I am confident our subcommittee can do equally as good a job on this pending legislation.

It is our purpose to conduct this study and this investigation in a thorough and complete manner and to recommend to the full committee and to this House corrective legislation which in our best judgment will really give some relief from the deplorable conditions which now exist in the city of Washington. We do not know at this time whether one judge, two judges, or more or less will be needed. The proper kind of study will throw much light on this question.

I hope you will forgive me for taking this time. I feel however that these pertinent facts should be brought to the knowledge of the House.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from South Carolina.

Mr. RIVERS of South Carolina. Mr. Speaker, I have purposely waited here to hear the gentleman's fine and long overdue and tolerant statement. He has been unfairly abused, pilloried, and vilified with unmitigated vituperation. He has been abused by some of the Washington newspapers, notably the Washington Post, that has as much regard for anybody from our part of the world as we have for it. One of its recent editorials criticized the gentleman on this juvenile court question. I just read an editorial in this other tabloid paper, which has nothing but advertisements and an occasional headline and sometimes an editorial, but seldom any news items—and it is a Scripps-Howard paper incidentally, a notably unfair paper, but notably against us people. It had an editorial in that paper today which is entitled "Past the Age of Innocence." I would be appreciative if the gentleman would let me insert it in the RECORD at this point:

PAST THE AGE OF INNOCENCE

Before this town loses any more sleep over its rising juvenile crime, we've one suggestion to make. It's this:

Whenever any young punk does intentional bodily injury to any adult, he should be brought to trial in district court, swiftly and surely, and take the rap his elders get. These kids have been coddled enough.

If he's old enough and tough enough and cruel enough to bash a grownup citizen over the head with a board, or garrot him with a rope (it's called "mugging" these days), or stab him, or shoot him, or to knock down an old lady to take her purse, he's sufficiently crafty to figure out the consequences and sufficiently evil to merit them when he's proved guilty.

These are not cases for juvenile court with its take-forever docket and its built-in protection for tearful prodigal sons. And we shouldn't need an act of Congress to bring about this change.

Some puzzlement has been expressed as to whether rules can actually be formulated to guide the juvenile court judge as to who should or should not be bound over to regular criminal court.

It is hard to believe that any judge could be so stupid that his own appraisal could not be depended on, but as a starter toward creating rules to be followed as a general (not rigid) guide, we suggest that any juvenile who assults an adult, either alone or as part of a "wolf pack," is sufficiently mature to be tried in ordinary criminal court, whatever his years. This leaves street fights between teenagers, willful property damage and plain garden-type roughhouse, and so forth, still to be considered, perhaps, on an individual basis.

But any kid sufficiently cruel and crafty to attack, maim, rob, or even kill an adult is a kid no longer. The idealistic sentimentalism that motivates much of the so-called rehabilitation practices in juvenile courts will not move him; he will only snicker at it.

Nor will the change in procedure require any fancy, formal advance notice to that small segment of our primitive younger set that preys on helpless women and decent, honest men.

Just let the punishment fit the crime. Haul one half-pint hoodlum into district court, send him away for 15 years and the word will get around; the word will get around.

Mr. Speaker, this editorial deals with these juvenile punks, hoodlums, thieves, tramps, and otherwise thugs and cutthroats who gang up on adults and literally gut them in broad daylight and under the arc lights of the streets of Washington. They are finding their haven of protection in these juvenile courts. This editorial points out what I have long said and which it appears the gentleman has in mind at this time. They have no business in a juvenile court. The punishment should fit the crime. If anyone is such a hoodlum that he would destroy the good things that have made this a great city, he should be brought into court and given the business for the crime. I think we have too much juvenile court with these do-gooders shielding this bunch of hoodlums running the streets of Washington. I would not let one of my daughters parade on the streets of Washington unless she had a marine escort with a tommygun or an M-46 tank. I would not permit my wife to go on the streets of Washington unless every door in the car was locked. I would not do it and I do not do it. When nightfall comes, my family is safe beyond the 14th Street Bridge and the Memorial Bridge in Virginia where the law is enforced. And that same Commissioner to whom you refer, I wonder if he is the same Commissioner who hailed the Chief of Police before some hearing on some trumped-up charges by the NAACP representative in Washington. If he is not, I would not put it past him. He is not fit to be a Commissioner, if he is the same one I have in mind—and I am not inquiring who he is. He has no business to be a Commissioner. He got the job for the social benefits it has given him. I say this here and now. I shall not change these remarks. I say this here and now—that what has been happening in New York City is a shame before God. And it is peculiar and singular that none of us southerners have taken this well and vilified New York as some of the Representatives from that great city have done as to our part of the world.

We are sorry for New York; we shed tears for what is going on in New York. The good people are against it, and God knows it should come to an end; and the same thing in Washington. I think we should seriously consider abolishing or changing the juvenile courts and bring these hoodlums before the bar of justice. When you make an example of one the word will get around, as this editorial

says, the word will get around. Nothing succeeds like success. If they know for a certainty that justice will be meted out, these roving gangs of rogues will head in the other direction.

The gentleman has rendered a great service to the city and to the Nation. He should not have been singled out for this criticism. God knows, serving on the committee on which the gentleman has served with such great distinction is an unthankful task. I know the thinking people in the District of Columbia appreciate the service the gentleman has rendered, and I am confident that when the gentleman will have made his report it will deal with these buzzards for what they are, nothing but vultures that should be exterminated; and I would like to be the man in charge of the exterminating department.

The Nation owes you a great debt of gratitude.

Mr. DAVIS of Georgia. I thank the distinguished gentleman from South Carolina very much for his remarks and his contribution.

Mr. Speaker, I ask unanimous consent that the editorial to which the gentleman referred may be inserted in the RECORD at the point indicated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Speaker, referring to the remarks of the gentleman from South Carolina, experience has shown that it is possible to coddle these so-called juvenile thugs and gangsters to the point where they actually feel they are immune from punishment when they are carried to one of these juvenile courts.

Mr. FLYNT. Mr. Speaker, will the gentleman yield for a question?

Mr. DAVIS of Georgia. I yield.

Mr. FLYNT. Mr. Speaker, if there are no further special orders I ask unanimous consent that the time of the gentleman from Georgia may be extended 2 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FLYNT. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I gladly yield to my colleague from Georgia.

Mr. FLYNT. Mr. Speaker, every Member of this House who knows my distinguished colleague from Georgia, Judge DAVIS, knows of the continuing effort that he has made over many years, indeed during the entire period of his service in this body, to clean up the very high incidence of crime in our Nation's Capital.

If those who have singled out my colleague from Georgia for the scurrilous attacks they have launched upon him would instead devote some of their time to cooperate with his efforts to rid our Nation's Capital of crime and criminals, it would indeed be a better place in which to live; it would be a safer place for law-abiding citizens who participate in the normal activities of a great city such as Washington, D.C., our Nation's Capital, is.

Those who have sought to besmirch him by sending a smear artist into the hometown of my colleague from Georgia, if they would report the truth of what they would find down there as a result of an impartial, fair inquiry, they would report that the gentleman from Georgia prior to his service in Congress was an able and distinguished lawyer, a member of the State legislature of our State. They would further report that for many years he was a fearless and courageous judge of the superior court of the State of Georgia. They would further report that since he has been a Member of the House of Representatives of the U.S. Congress he has always striven diligently in his capacity as a member of the House District Committee to improve conditions of all kinds in our Nation's Capital. He has rendered a great service to the citizens of Washington, D.C. He has rendered a great service to America and to the American people by his conscientious and dedicated efforts as a Member of this House and particularly in his service on the District of Columbia Committee of the House of Representatives.

Mr. DAVIS of Georgia. I thank my distinguished colleague from Georgia for his remarks.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

Mr. QUIE. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. GRIFFIN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GRIFFIN. Mr. Speaker, as one of the House conferees on the Labor-Management Reporting and Disclosure Act of 1959, I am pleased to provide a preliminary report on the agreement worked out in conference. This report is not designed to explain the bill in every detail but I hope it will serve as a helpful summary to indicate the nature of the settlement reached by the conference on the important points of difference between the House and the Senate bill:

SUMMARY OF CONFERENCE AGREEMENT AS TO TITLES I–VII, INCLUSIVE

Definitions: Adopted the House definitions throughout, including definitions of "Secretary," "officer, agent, shop steward, or other representative," and "district court of the United States," not contained in the Senate bill.

TITLE I—BILL OF RIGHTS FOR UNION MEMBERS

Senate bill would require a union member to exhaust hearing procedures within the union for a period of 6 months before instituting legal or administrative proceedings against the union or its officers. House provision required only 4 months. Conference adopted House provision.

Right to copies of collective bargaining agreements: Failure to make copies available to employees and members made a crime under Senate bill. House bill provided civil enforcement. Conference adopted House provision.

TITLE II—REPORTING BY UNIONS

Both bills require detailed union organizational and financial reports. Senate bill would permit exemption of unions with fewer than 200 members. Conference adopted House language requiring every union to adopt a constitution and bylaws and to file reports with no exemption for small unions.

Union officer conflict-of-interest reports: Senate bill required conflict-of-interest reports from officers receiving more than $5,000 a year in wages, salary, expenses, and allowances from the union. House provision required filing of conflict-of-interest reports from union officers regardless of amount received from the union. Conference adopted House provision.

Reporting by employers: Senate bill required reports from employers and labor relations consultants on certain payments or loans to unions or union officers and employees and on expenditures for activities designed to persuade employees to exercise or not to exercise their rights. House bill would require such reports where expenditures were for the purpose of interfering with, coercing or restraining employees in the exercise of their rights. Conference adopted a compromise provision requiring: (1) A report from an employer of expenditures where an object thereof is to interfere with, restrain, or coerce employees in the exercise of their rights; (2) a report from an employer and a labor relations consultant of any agreement or arrangement whereby the labor relations consultant undertakes activities to persuade employees in the exercise of their rights.

Attorney-client communications: House provision gave both attorney and client an exemption from reporting privileged communications. Senate bill gave this exemption to the attorney only. Conference adopted Senate provision.

Criminal provision: House bill made violations of title II a crime, whereas Senate bill also made violations of rules and regulations issued by Secretary a crime. Conference adopted House provision.

Commissioner of Labor reports: Senate bill provided for Commissioner of Labor reports. No provision in House bill. Conference adopted House provision.

Non-Communist affidavits: Senate bill would extend affidavit requirement to employers as well as union officers. No provision in House bill. Conference rejected Senate provision but adopted a provision in title V making it a crime for Communists to hold office in a union or employer association.

TITLE III—TRUSTEESHIPS

Both bills substantially the same. Trusteeships under House provision valid for period of 18 months whereas Senate bill provided only 12 months. Conference adopted House provision.

TITLE IV—ELECTIONS

Senate bill required union to comply with reasonable requests of candidates for union office to mail campaign literature under union auspices at candidates' expense, but preserved privacy of membership lists. House provision gave bona fide candidates right to inspect and copy list of members where there is a union shop. Conference incorporated provisions of both bills, with right to inspect, but not copy, such membership lists.

Removal of union officers: House bill provided removal procedure where union constitution did not provide an adequate procedure for removal of union officers guilty of serious misconduct. Senate bill gave Secretary of Labor broader powers. Conference substantially adopted Senate provision.

CODES OF ETHICAL PRACTICES

Senate bill contains such a code. Not in the House bill. Conference adopted House provision.

TITLE V—SAFEGUARDS FOR UNIONS

Both bills impose a fiduciary responsibility upon union officers. House bill also gives union member right to sue union officer for breach of fiduciary responsibility. Not contained in Senate bill. Conference adopted House provision.

Bonding: Senate bill provides for blanket bonding of union officers and employees handling union funds with a maximum bond of $250,000. House bill required personal bonding not to exceed $500,000 and prohibited placing of bond with surety company in which any officer or employee had an interest. Conference adopted House provision.

Loans to union officers: Senate bill prohibited unions from making loans to its officers in excess of $1,500, whereas House had $2,500. Conference adopted $2,000.

Holding union office: Senate bill prohibited ex-convicts, subject to limitations, from holding union office. House bill extended the prohibition to Communists and ex-Communists. House bill also extends prohibition to labor relations consultants and employer associations. Conference adopted House provision.

TITLE VI—MISCELLANEOUS

Investigations: Conference adopted the broader Senate language with respect to investigations and enforcement powers of Secretary of Labor.

Protection of Rights: Senate bill made it a crime for any union official to fine or discipline a member for exercising a right under the act. House bill made such conduct on the part of the union official unlawful but provided a civil remedy. The conference adopted the House provision.

Senate bill made it a crime for any person to deprive a union member of his rights through force or violence, or threat thereof, and provided penalty of two years in prison or $10,000 fine, or both. The House provision is the same except that the penalty is one year in jail or a thousand dollar fine, or both. The conference adopted the House provision.

Summary analysis of conference agreement as to title VII—Taft-Hartley amendments

	House bill (Landrum-Griffin)	Senate bill (Kennedy-Ervin)	Conference agreement
I. No man's land	State labor boards and courts could assume jurisdiction and apply State law as to cases declined by NLRB. (Administration recommendation.)	State boards only (12 States) could take jurisdiction—and apply Federal law—to cases declined by NLRB.	Adopts House provision in full. Adds provision to assure that NLRB will continue to take cases falling under its standards as of Aug. 1, 1959; and allows Board to delegate to its regional directors certain powers in representation cases.
II. Hot cargo agreements	Bans all hot cargo agreements	Bans only hot cargo agreements with motor carriers subject to pt. II of Interstate Commerce Act.	Adopts House provision with modification as to application in garment and construction industries.
III. Other secondary boycotts	1. Closes loophole which permitted secondary boycott through coercion applied directly against secondary employer (instead of his employees).	No provision	Adopts House provision.
	2. Closes loophole which permitted secondary boycott by inducing employees individually (rather than in concert).	do	Do.
	3. Closes loophole which permitted secondary boycotts involving railroads, municipalities, and governmental agencies because their employees were not "employees" under definition in the act.	do	Do.
	4. Prohibits secondary customer picketing at retail store which happens to sell product produced by manufacturer with whom union has dispute.	do	Adopts House provision with clarification that other forms of publicity are not prohibited; also clarification that picketing at primary site is not secondary boycott.
IV. Organizational picketing	1. After an election, bans picketing for 12 months.	Same, except 9 months	Adopts House provision.
	2. Bans picketing when another union certified or lawfully recognized.	Same	Same.
	3. Before election, restricts picketing to reasonable time not to exceed 30 days.	No provision	Adopts House provision.
	4. Before election, restricted picketing unless union could show 30 percent interest among employees.	do	Substitutes mandatory election procedure Informational picketing which does not affect deliveries or service is not banned.
	5. Provides for enforcement through mandatory injunction obtained through NLRB, and/or suit for damages.	Discretionary injunction by NLRB. Union could delay issuance of injunction and continue picketing by charging employer with unfair labor practices.	Mandatory injunction; no damage suit; union can charge unfair practices but cannot block injunction except in limited situations under sec. 8(a)(2).
V. Other provisions:			
1. Voting by economic strikers	Employer could not petition during economic strike for election for 1 year.	Economic strikers could vote without limitation.	Can vote during period of 1 year after strike commences.
2. Prehire, building and construction industry.	Sec. 702. Administration provision	Broader provision. Sec. 702	Adopts Senate provision.
3. General Counsel, vacancy	Sec. 704	Same	Same.
4. Priority handling of certain unfair labor charges.	Sec. 706	do	Do.
5. Common situs, building and construction industry.	No provision	No provision	Dropped.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. THOMPSON of New Jersey (at the request of Mr. FOUNTAIN) for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DAVIS of Georgia, for 20 minutes, today.

Mr. JOHNSON of Colorado, for 30 minutes, tomorrow.

Mr. LINDSAY, on Tuesday next, for 45 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HOGAN.

Mr. GEORGE.

Mrs. GREEN of Oregon.

Mr. PUCINSKI, to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. LINDSAY.

Mr. DENT, to revise and extend his remarks in Committee and to include extraneous matter.

Mr. BOGGS in two instances and to include extraneous material.

Mr. LEVERING and to include extraneous material.

Mr. JACKSON in two instances and to include extraneous matter.

Mr. ROBISON (at the request of Mr. QUIE) was given permission to extend his remarks during debate on H.R. 8678 and to include a statistical table.

The following Members (at the request of Mr. MONAGAN) and to include extraneous matter:

Mr. FRIEDEL.

Mr. MACDONALD in two instances.

Mr. CARTER.

Mr. BARR.

The following Members (at the request of Mr. QUIE) and to include extraneous matter:

Mr. KEITH.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6939. An act to repeal the Act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 6. An act to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons;

S. 685. An act to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia;

S. 1372. An act to extend the jurisdiction of the Domestic Relations Branch in the Municipal Court for the District of Columbia to cover the adjudication of property rights in certain actions in the District of Columbia; and

S. 2035. An act authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and requiring persons receiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day deliver to the White House for presentation to the President, for his approval, a bill of the House of the following title:

H.R. 6596. An act to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have until 12 o'clock tonight to file a conference report on the labor bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ADJOURNMENT

Mr. MONAGAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 9 minutes p.m.), the House adjourned until tomorrow, Friday, September 4, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1354. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting the quarterly report of Federal contributions for the quarter ending June 30, 1959, pertaining to project applications of the States, Territories, and possessions, pursuant to the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

1355. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

1356. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Development Loan Fund for the fiscal year ended June 30, 1958 (H. Doc. No. 223); to the Committee on Government Operations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on Un-American Activities. Contempt proceedings against Martin Popper (Rept. No. 1135). Ordered to be printed.

Mr. WALTER: Committee on Un-American Activities. Contempt proceedings against Edwin A. Alexander (Rept. No. 1136). Ordered to be printed.

Mr. DAWSON: Committee on Government Operations. Twelfth Report of Committee on Government Operations pertaining to availability of information (Rept. No. 1137). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Georgia: Committee on Post Office and Civil Service. S. 1845. An act to provide for the establishment of rates of basic compensation for certain positions in the Patent Office in the Department of Commerce, and for other purposes; with amendment (Rept. No. 1138). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 368. Resolution to amend House Resolution 91 of the 86th Congress; with amendment (Rept. No. 1139). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 376. Resolution for consideration of H.R. 9035, a bill to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, without amendment (Rept. No. 1140). Referred to the House Calendar.

Mr. GRANT: Committee of conference. H.R. 7629. A bill to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and for other purposes (Rept. No. 1141). Ordered to be printed.

Mr. FORRESTER: Committee on the Judiciary. S. 1944. An act to amend the Bankruptcy Act in regard to the verification of pleadings; with amendment (Rept. No. 1142). Referred to the House Calendar.

Mr. MILLS: Committee on Ways and Means. H.R. 1217. A bill to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite; with amendment (Rept. No. 1143). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 5887. A bill to amend the Tariff Act of 1930 to place ground, powdered, or granulated seaweeds on the free list; with amendment (Rept. No. 1144). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 8229. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts; with amendment (Rept. No. 1145). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHEPPARD: Committee of conference. H.R. 8575. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes (Rept. No. 1146). Ordered to be printed.

Mr. BARDEN: Committee of conference. S. 1555. An act to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes (Rept. No. 1147). Ordered to be printed.

Mr. MILLS: Committee on Ways and Means. H.R. 9035. A bill to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes; without amendment (Rept. No. 1148). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AVERY:

H.R. 9044. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. BOGGS:

H.R. 9045. A bill to dispose of Government-owned surplus cotton and wheat and to prevent the reaccumulation of new surplus stocks; to the Committee on Agriculture.

By Mr. HÉBERT:

H.R. 9046. A bill to dispose of Government-owned surplus cotton and wheat and to prevent the reaccumulation of new surplus stocks; to the Committee on Agriculture.

By Mr. BURDICK:

H.R. 9047. A bill to authorize the sale at market prices or at 1959 support prices, whichever are lower, of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes; to the Committee on Agriculture.

By Mr. CURTIS of Missouri:

H.R. 9048. A bill to amend the Interstate Commerce Act, and certain other provisions of law, with respect to the regulation of surface transportation in interstate and foreign commerce to, from, and between points in the States of Alaska and Hawaii; to the Committee on Interstate and Foreign Commerce.

By Mr. HALEY:

H.R. 9049. A bill to amend the act of June 6, 1924, to establish residence requirements for the officers and employees of the National Capital Planning Commission; to the Committee on the District of Columbia.

By Mr. KEITH:

H.R. 9050. A bill to provide for the establishment of Cape Cod National Seashore Park; to the Committee on Interior and Insular Affairs.

By Mr. LANE:

H.R. 9051. A bill to provide for the establishment of Cape Cod National Seashore Park; to the Committee on Interior and Insular Affairs.

By Mr. RHODES of Pennsylvania:

H.R. 9052. A bill to prohibit insurance companies doing insurance business of an interstate character from issuing group health, hospitalization, and accident insurance which may be canceled after a period of 18 months for any reason other than

nonpayment of premium; to the Committee on Interstate and Foreign Commerce.

By Mr. TAYLOR:

H.R. 9053. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. WALTER:

H.R. 9054. A bill to amend the Subversive Activities Control Act of 1950 so as to require certain additional information from persons required to register as lobbyists; to the Committee on Un-American Activities.

By Mr. BURKE of Massachusetts:

H.R. 9055. A bill to provide for the establishment of Cape Cod National Seashore Park; to the Committee on Interior and Insular Affairs.

By Mr. BOLAND:

H.R. 9056. A bill to provide for the establishment of Cape Cod National Seashore Park; to the Committee on Interior and Insular Affairs.

By Mr. CONTE:

H.R. 9057. A bill to provide for the establishment of Cape Cod National Seashore Park; to the Committee on Interior and Insular Affairs.

By Mr. BERRY:

H.R. 9058. A bill to provide for the establishment of a Commission on Problems of Small Towns; to the Committee on Government Operations.

By Mr. BREEDING:

H.R. 9059. A bill to amend the Soil Bank Act by extending the period of time during which the Secretary of Agriculture is authorized to enter into conservation reserve contracts, and for other purposes; to the Committee on Agriculture.

By Mr. CARTER:

H.R. 9060. A bill to amend the Internal Revenue Code of 1954 to increase the holding period required for capital gains treatment from 6 months to 1 year, and for other purposes; to the Committee on Ways and Means.

H.R. 9061. A bill to increase from $600 to $800 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. CELLER:

H.R. 9062. A bill to amend section 2103 of title 28, United States Code, relating to appeals improvidently taken; to the Committee on the Judiciary.

By Mr. CRAMER:

H.R. 9063. A bill to amend section 3731 of title 18 of the United States Code relating to appeals by the United States; to the Committee on the Judiciary.

By Mr. DIGGS:

H.R. 9064. A bill to amend section 12 of the act of September 11, 1957; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 9065. A bill to amend the Internal Revenue Code of 1954 to provide credit against income tax for an employer who employs older persons in his trade or business; to the Committee on Ways and Means.

By Mr. HOGAN:

H.R. 9066. A bill to amend title 18 of the United States Code to improve the procedures by which fugitives from justice may be extradited from States, District, or Territories; to the Committee on the Judiciary.

By Mr. McSWEEN:

H.R. 9067. A bill to amend the National Housing Act to eliminate the existing limitations upon the total amount of mortgage insurance which the Federal Housing Administration may grant and have outstanding at any one time; to the Committee on Banking and Currency.

By Mr. SCHWENGEL:

H.R. 9068. A bill to provide for the modification of the flood control project on the Mississippi River at Muscatine, Iowa; to the Committee on Public Works.

By Mr. SELDEN:

H.R. 9069. A bill to provide standards for the issuance of passports, and for other purposes; to the Committee on Foreign Affairs.

By Mr. THOMPSON of New Jersey:

H.R. 9070. A bill to amend section 8(b)(4) of the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. FOGARTY:

H.J. Res. 517. Joint resolution proposing an amendment to the Constitution relating to eligibility to the Office of President; to the Committee on the Judiciary.

By Mr. REUSS:

H.J. Res. 518. Joint resolution establishing a joint committee to study the relationships of labor and manpower problems to the achievement of the U.S. foreign policy objectives; to the Committee on Rules.

By Mr. BARDEN:

H. Con. Res. 431. Concurrent resolution authorizing the printing of additional copies of the hearings on labor-management reform legislation; to the Committee on House Administration.

By Mr. HALPERN:

H. Con. Res. 432. Concurrent resolution declaring the sense of Congress on the use of a Great White Fleet in support of American foreign policy; to the Committee on Armed Services.

By Mr. KASTENMEIER:

H. Con. Res. 433. Concurrent resolution reaffirming the longstanding policy of the United States that the United States shall not engage in biological or gas warfare unless such weapons are first used by our enemies; to the Committee on Foreign Affairs.

By Mr. KASEM:

H. Res. 377. Resolution to provide for making the proceedings of the House of Representatives available for television and radio transmission by commercial stations; to the Committee on House Administration.

By Mr. SHELLEY:

H. Res. 378. Resolution to print an account of the exercises conducted in Statuary Hall commemorating and honoring the memory of Father Junipero Serra, O.F.M.; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASEY:

H.R. 9071. A bill for the relief of the Houston Belt & Terminal Railway Co.; to the Committee on the Judiciary.

By Mr. CHELF:

H.R. 9072. A bill for the relief of Gerda Bleish and her minor child, Billy Ray Arnett; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 9073. A bill for the relief of Dr. Waldo G. Edelman; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 9074. A bill for the relief of Linda Marietta Lucci; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.R. 9075. A bill for the relief of Mrs. Sarah R. Wallace; to the Committee on the Judiciary.

By Mr. GOODELL:

H.R. 9076. A bill for the relief of Hajime K. Brown; to the Committee on the Judiciary.

By Mr. HOGAN:

H.R. 9077. A bill for the relief of Mrs. Marlene Brandon Curtiss; to the Committee on the Judiciary.

By Mr. KASEM:

H.R. 9078. A bill for the relief of Mrs. Minnie M. Martin; to the Committee on the Judiciary.

H.R. 9079. A bill for the relief of William Radkovich Co., Inc.; to the Committee on the Judiciary.

By Mr. PERKINS:

H.R. 9080. A bill for the relief of Gerda Bleish and her minor child, Billy Ray Arnett; to the Committee on the Judiciary.

By Mr. SCHENCK:

H.R. 9081. A bill for the relief of Vassiliki Caperoni; to the Committee on the Judiciary.

By Mr. WALLHAUSER:

H.R. 9082. A bill for the relief of Joseph Williams; to the Committee on the Judiciary.

By Mr. WHARTON:

H.R. 9083. A bill for the relief of Antonietta Alfonsi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

273. The SPEAKER presented a petition of the city clerk, Pueblo, Colo., requesting enactment of legislation to allow the residents of the District of Columbia to govern themselves in local municipal matters, which was referred to the Committee on the District of Columbia.

EXTENSIONS OF REMARKS

Personal Income Tax Exemption

EXTENSION OF REMARKS

OF

HON. STEVEN V. CARTER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 3, 1959

Mr. CARTER. Mr. Speaker, I introduced in the House of Representatives today a bill which proposes to amend the Internal Revenue Code of 1954 by increasing from $600 to $800 the personal income tax exemption of a taxpayer, including the exemption for a spouse, the exemption for a dependent, and the additional exemptions for old age and blindness.

Out of regard for our national debt, and for the obvious necessity of revenue raising measures in our tax structure, I could not have introduced a bill such as this in good faith without having introduced three previous bills in this session of Congress which I feel would correct many of the present inequities and loopholes in our tax laws and which, if carried through, would make a tax reduction such as I propose in this bill feasible. The bills that I introduced were as follows: H.R. 6919, which would repeal the special deduction for the depletion of national resources. This bill would close a loophole which I consider to be the most flagrant giveaway in our entire tax structure and would save the American taxpayers literally hundreds of

millions of dollars annually. The second tax bill previously introduced by me was H.R. 8753, which would change existing tax law by eliminating provisions which presently allow an individual to exclude from gross income for tax purposes the first $50 of dividends received in a taxable year. This bill would also effect a substantial increase in revenues accruing to the U.S. Government each year. The third bill which I introduced was a measure to increase the holding period for long-term capital gains from 6 months to 1 year. It is my feeling that this would serve to eliminate much of the speculation and fast shuffle being given the present tax law by persons who deal in tremendous sums of money on short-term "sure things." If the holding period were increased to a year, economic trends could not be so readily foreseen, and there would be a much greater hesitancy on the part of speculators to invest large sums of money in business ventures to take advantage of long-term capital gains provisions, as is now being done.

I believe that this bill to increase the personal exemption from $600 to $800 will afford tax relief where it is most needed, namely in the low- and lower-middle income categories. These are the people who most acutely feel the pressure of our present income tax laws—the people who live on more or less fixed low-scale incomes who are subjected to withholding and who are unable to take advantage of any special exemptions or deductions.

I know that many Members of the House of Representatives have introduced from time to time similar legislation, and I am confident that we are of a single purpose in trying to afford tax relief to many of our constituents who we feel deserve such relief. I hold high hopes that the Committee on Ways and Means, when it undertakes a searching reexamination of our tax laws this fall, will work to close the present loopholes and inequities which are so obvious to all of us and try to bring much needed and long-sought relief to Americans living on small incomes.

Regarding Statement by Governor Ribicoff on Gas Tax Increase

EXTENSION OF REMARKS
OF
HON. JOSEPH W. BARR
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 3, 1959

Mr. BARR. Mr. Speaker, this afternoon I was asked whether I was aware that Governor Ribicoff, chairman of the Governors' road committee, had stated that the Governors had withdrawn their objection to the gas tax increase. I answered that I was aware that Governor Ribicoff had issued this statement. However, a subsequent check this afternoon showed that the Governor of Indiniana, the Honorable Harold Handley, as late as Sunday stated that he was not in favor of a gas tax increase. I have also checked with the Members from five other States and find that the position of their Governors has not changed with respect to the opposition to this increase in the gas tax.

In the light of the above I cannot understand the authority for Governor Ribicoff's statement. All these Governors were under the impression that the original position opposing a gas tax increase had not changed.

A Bill To Establish a National Seashore Park on Cape Cod

EXTENSION OF REMARKS
OF
HON. HASTINGS KEITH
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 3, 1959

Mr. KEITH. Mr. Speaker, I have today introduced a bill for the establishment of a national seashore park on Cape Cod.

Senator SALTONSTALL, Senator KENNEDY, and I have been working on this bill for several months now, and have come up with, in my opinion, an excellent piece of legislation. The Senators are introducing the identical bill in the Senate today.

There have been several measures introduced previously which would establish a national seashore on Cape Cod. It is certainly understandable that there is tremendous national interest in reserving for future generations the scenic, historic, and scientific treasures of Cape Cod.

However, as I have studied the prior legislation on this matter, I, as the Representative from this area, have become increasingly concerned with the problem of providing adequate protection for the property owners, along with sufficient space for the normal economic growth and development of the towns involved.

When we are dealing with Cape Cod, we are not dealing with the usual, relatively undeveloped national park area. As you know, several well-developed and prosperous communities are involved in this proposition. Therefore, any legislation creating a national seashore park on Cape Cod must recognize the unique character of the area and its problems.

Our bill is more than a statement of the principle that preserving shoreline recreational areas deserves our support. It embodies a knowledge of the distinct nature of the area, the people, and the character of the Cape. A national seashore park and the individuality of the Cape can exist together and serve each other with mutual benefit.

The bill specifically suspends the power of condemnation insofar as adequately zoned summer and year-round residential property is concerned. This provision safeguards the individual rights of property owners. It preserves, too, the tax revenue from these homes which the communities so badly need.

The bill contains a clause which would, in effect, allow the towns to control and develop a substantial amount of land within the proposed Park area. This will provide adequate room for expansion and growth of these towns. It will keep them self-sufficient and enable them to adequately service the many demands that the national seashore will impose upon them.

Further, the bill sets up an Advisory Commission composed of representatives of each of the six towns involved, the Governor of Massachusetts, and the Secretary of Interior. This Commission will speak for the towns and the Park residents in their many negotiations with the Department of Interior.

The bill retains, generally, the same boundaries originally recommended by the National Park Service. When we drafted the bill, we felt that we should not arbitrarily include or exclude particular properties. I recognize that the boundaries proposed in my bill will not be satisfactory to all concerned. But neither do I think that I should change the Park Service's boundaries until reasonable and competent testimony is made available to me by the towns and individuals concerned.

Both the Senators from Massachusetts and I have stressed that this legislation is by no means inflexible. We have chosen to introduce it at this time in order to allow all interested parties, both governmental and individual, to study the proposal carefully and recommend such changes as are deemed necessary.

We have in this legislation an excellent framework for establishing a national seashore park. I know that the towns affected by this proposal and the individals who are interested in it will help us to preserve for the present and for posterity the particular charm, character, and historical significance of Cape Cod and its communities.

Two Residents of 17th Congressional District of New York Confirmed as Alternate Representatives of the United States to the United Nations General Assembly

EXTENSION OF REMARKS
OF
HON. JOHN V. LINDSAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 3, 1959

Mr. LINDSAY. Mr. Speaker, I note with great pleasure and, as representative of the 17th Congressional District of New York, with great pride, the nomination and confirmation of two distinguished residents of that district as alternate representatives of the United States to the United Nations General Assembly. The first of these, Mrs. Oswald B. Lord, has a most impressive record of good works, much of which concerns international organizations and affairs. Mrs. Lord has been an alternate U.S. representative to the 8th, 9th, 10th, 11th, 12th

and 13th sesesions of the General Assembly. She is the U.S. representative on the United Nations Commission of Human Rights. She has been particularly effective in her work on behalf of the United Nations Children's Fund—UNICEF—for whom she has made extensive tours and studies. Her nomination as alternate representative to the 14th session of the General Assembly is well-deserved, and another in her collection of high honors.

The second, Harold Riegelman, has distinguished himself as a practicing attorney since he was admitted to the bar in New York in 1916. He, too, has achieved much in public service: he has served as special attorney general of New York State, and as special counsel to the U.S. Treasury; in 1953 he was acting postmaster of New York City; and in the same year represented the Republican Party as candidate for mayor of the city of New York. He has, as well, served with great valor in the U.S. Armed Forces, and holds the rank of colonel in the U.S. Army Reserves. For all these reasons, he, too, is highly qualified and deserving of this new distinction.

I am proud to count both of these fine citizens among my constituents and personal friends.

Tribute to Commodore A. J. Spriggs, Adviser to the Director, Electronics Division, Business and Defense Services Administration

EXTENSION OF REMARKS
OF
HON. DONALD L. JACKSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 3, 1959

Mr. JACKSON. Mr. Speaker, during the past 10 months, Commodore A. J. Spriggs, vice president in charge of eastern operations, Packard-Bell Electronics, Inc., Los Angeles, Calif., has served as w.o.c. adviser to the Director of the Electronics Division, providing technical advice on electronics industrial mobilization activities of the Business and Defense Services Administration. A career of service in the U.S. Navy in electronics and communications, and a period of years of experience in responsible positions in the electronics industries formed an ideal background for this assignment. Commodore Spriggs is a graduate of the U.S. Naval Academy, subsequently, he completed a year of graduate work at the Postgraduate School there, and earned an M.S. degree in radio engineering at the graduate school, Yale University. Commodore Spriggs is a senior member, Institute of Radio Engineers, a member of the American Society of Naval Engineers, the American Ordnance Association, the American Radio Relay League, and other professional groups. He is married and on completion of his tour of duty will reside in Beverly Hills, Calif.

A study by the Electronics Division of available data revealed a serious lack of adequate information on the operations of that segment of the electronics industries group which produces radar, sonar, missile guidance devices, communications equipment and the like. Since the defense of our country is dependent upon adequate capacity to produce these devices, it was determined that a survey of the manufacturing establishments engaged in producing them in 1958 be initiated.

Commodore Spriggs performed with distinction the assignment of developing a program for surveying the commercial, industrial, and military electronics and equipment industry. He secured the concurrence of the Department of Defense and other interested Government agencies as well as a cross-section of industry representatives in his plans for the most comprehensive survey of its kind ever undertaken by the Government. This involved the development of a schedule for reporting, together with comprehensive instructions, to elicit information on shipments, military backlogs, and in some cases factory inventories, for 64 separate product categories of commercial, industrial, and military electronics equipment from some 2,000 plants.

When the survey is completed, a study will be prepared and disseminated to the Office of Civil and Defense Mobilization and others concerned with mobilization readiness to form the basis for policy decisions. The results of the survey will also be published for the benefit of management people in the electronics industries. Because of its great commodity detail it will be an especially valuable tool for management's use in planning expansions of production capacity, for components as well as equipment.

Among his other major achievements are the consultation with officials on OCDM on programs relating to emergency radio communications during a mobilization period and consultation with other Government agencies and members of the electronic industries on needed revisions of order M–17 and and direction 4 to BDSA regulation No. 2. These orders have to do with deliveries of products needed to insure meeting defense requirements and the equitable distribution of the defense load on producers of certain electronic products.

Upon completion of his full-time duty status in the Electronics Division, Commodore Spriggs joined the ranks of the National Defense Executive Reserve. With the concurrence of officials of his company, he has agreed to serve if needed in the adminstration of electronics production programs during mobilization.

Commendation is due the officials of Packard-Bell Electronics for their fine contribution to the defense effort in making it possible for Commodore Spriggs to serve full time in the mobilization readiness work of the Electronic Division for more than 10 months.

On August 25, H. Herbert Hughes, Acting Administrator of the Business and Defense Services Administration, presented to Commodore Spriggs on behalf of Secretary of Commerce Frederick H. Mueller a certificate of merit in recognition of his outstanding Government service during the past 10 months. In addition, the Secretary gave Commodore Spriggs a personal letter of congratulations. Mr. Hughes also tendered to Commodore Spriggs a flag which Congressman DONALD L. JACKSON had caused to be flown over the Capitol as a token of recognition of his service to the Nation, the Business and Defense Services Administration, and the Department of Commerce. Mr. Hughes also presented a letter from BDSA Administrator H. B. McCoy expressing appreciation for his services.

Visit by Mr. Khrushchev

EXTENSION OF REMARKS
OF
HON. HALE BOGGS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 3, 1959

Mr. BOGGS. Mr. Speaker, in light of events occurring in many places throughout the world, it might very well be in order for our Government to consider withdrawing or delaying the invitation extended to Mr. Khrushchev to visit the United States or at the minimum to make our position known in no uncertain terms about these aggressive events.

Russia's ally, Communist China, is at this very moment carrying on open and bold aggression against India, against Laos, and a reign of terror is said to exist in Tibet where the entire middle class is being liquidated.

All of these aggressive actions by Moscow's partner, Red China, have been stepped up since Mr. Eisenhower invited Mr. Khrushchev to our country.

Why we should now honor the leader of world communism in light of these events is difficult for me to understand. I have recently returned from one of the satellite countries, Poland. There, the hope for freedom still burns brightly and there, I found misgivings of what might happen as a result of this visit.

Mr. Khrushchev has made his intentions perfectly clear. He has said that our grandchildren will live under communism. He is a dedicated leader of world communism. If anyone has any doubts about him, certainly those doubts should have been resolved when he crushed the revolt in Hungary with blood and iron in 1956.

There is no need to recount the long record of deceit of the Soviet Union dating back to our recognition of Russia in 1933. Promises made then were violated. Promises made in World War II were violated. The Yalta Agreement was violated. Agreements made at the meeting at the Summit in Geneva in 1955 were violated. Korea is still fresh in the minds of most Americans. Millions of people live without freedom because of the violation of these pledges. The recent meeting in Geneva ended in complete failure because of the Russian refusal to bargain and Berlin continues to be threatened.

Frankly, Mr. Speaker, I am worried. I am worried about specious arguments being heard for so-called peaceful coexistence and the subsequent clamor which might very well occur for disarmament in our country. Twenty years ago, the bloodiest war in history started when Stalin and Hitler entered into a cynical pact to divide Poland.

The threat of Russian communism is greater today than it has ever been. I am as much concerned, Mr. Speaker, with preserving the peace as is any American. The way to do that is through maintaining the ideals of American democracy, through firm not soft diplomacy.

I am glad that many Americans are visiting Russia. There they see statism in action and certainly none of them can come home without saying, thank God I am an American. I am glad too, that Russians are able to visit the United States. I wish that literally millions of them could come here and see our country. If they did, they would realize that we have a true people's democracy. And I am certain, Mr. Speaker, that the Iron Curtain would cease to exist, so would communism.

But we cannot assure liberty or assure world peace by making concessions to a government that has never been trustworthy.

I am glad to see the spontaneous movements which are organizing in our country in connection with the forthcoming visit of Mr. Khrushchev. I am happy to associate myself with those who advocate special religious observances on the day of the arrival of Mr. Khrushchev, and I disagree completely with those who would honor him by inviting him to address our Congress.

I don't know whether or not Congress will be in session. Should it be, I would object in every conceivable way to an invitation going to Mr. Khrushchev.

None of the arguments advanced for his visit here, namely, that it will further negotiations for peace; that the visit would add to his knowledge of the United States and show him the strength of our country as well as give him real insight into how our people live and how our Government functions; none of these arguments could possibly apply in favor of an invitation to address Congress.

An invitation to address Congress is an extension of honor. It is a mark of distinction; it is principally ceremonial. To extend it to this man would, in my opinion, be an affront to our free parliamentary traditions extending to the first days of our great Republic.

The impressions throughout the world of the leaders of this great democratic body receiving in ceremonial applause the leader of world communism would indeed be hard to dispel, particularly among the uncommitted peoples of the world.

So for my own part, Mr. Speaker, I shall object in every way that I possibly can to such an invitation being extended to him.

In my opinion, the greatest tragedy which could happen to our Nation would be for us to be taken in by this man. I hope that we will maintain firm, dedicated diplomacy in our own country. I am glad that President Eisenhower is traveling through Europe, reassuring our allies of our firm support and particularly assuring them that we will not weaken in our dedication to NATO and the alliance of free nations.

Statement of Need for Revision of Code on Interstate Extradition

EXTENSION OF REMARKS
OF
HON. EARL HOGAN
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 3, 1959

Mr. HOGAN. Mr. Speaker, I am today introducing a bill to revise the Federal statute on interstate extradition—18 United States Code, No. 3182—to do away with the requirement of Governors' warrants in the demanding and rendering States and confine the hearing in the rendering State to a review by habeas corpus.

Let us look at a common example of present extradition procedure. A police department in Indiana has a bench warrant for the arrest of John Smith, who has recently moved to California. The Indiana police send the warrant or a telegraph message to the law enforcement agencies in California, and Smith is arrested, thrown in jail, and bond is set—arrest prior to requisition is authorized by Nos. 13 and 14 of the Uniform Criminal Extradition Act. California officers then wire the Indiana officers that a hearing on the extradition will be held 30 days later—often without telling Smith he can waive extradition or often giving him the erroneous impression that signing the waiver constitutes an admission of guilt. The Indiana officer then takes a copy of the indictment or affidavit to the Indiana Governor for certification that Smith has been substantially charged with a crime in Indiana. When he reaches California, he must get a California Governor's warrant and present all these papers at the extradition hearing in the court of the jurisdiction where Smith is held—see No. 10 of the Uniform Criminal Extradition Act. Meanwhile, Smith has been sitting in jail for 30 days.

The present redtape procedure has become routine and is merely a cumbersome hangover from the internation concept of asylum for political prisoners which is unworkable on the interstate level and contrary to the modern American concept of full cooperation among sister States embodied in the full faith and credit clause of article IV. Section 2, clause 2, of that article makes extradition of criminals between the States a part of the supreme law of the land, and is not governed entirely by comity and agreements between the States. It has been so handled in recent years by the passage in the States of the Uniform Criminal Extradition Act because of the failure of Congress to provide detailed legislation on the subject.

The statute—now 18 United States Code, No. 3182—which was passed in 1793 to implement article IV, section 2, clause 2, has remained substantially unchanged since that date. It was drafted from the provision in the Articles of Confederation and was intended to provide an efficient method to secure the return of fugitives by using the swift and influential means of communication and transportation available only to the Governors in those pioneer times. Its design was, in effect, to eliminate for this purpose the boundaries of States so that each State could reach out and bring to speedy trial offenders against its laws—see *Biddinger* v. *Police Commissioner* (245 U.S. 128 (1917)). But, in our modern era of rapid communication and transportation and of close cooperation between the local law-enforcement officers of the sister States, a procedure that at an earlier time expedited the return of fugitives has now become an obstruction to the swift administration of the law.

I feel this proposal is sound because the issue in extradition is not the guilt or innocence of the accused, and no substantive right is being destroyed. The constitutional framework and relevant statutory and case law do not recognize a right of asylum for fugitives from justice of the States. The use of Governors partially led to the result—among other factors, such as the fact fugitive was a Negro from the South escaped to the North just before the Civil War—in *Kentucky* v. *Dennison* (24 How. 66 (1860)) where the Supreme Court held that, even though the Constitution and the statute used the word "shall" and the duty to extradite was ministerial and not discretionary, it would not compel a Governor by mandamus to perform this duty. I feel that the Court here was not only influenced by the political circumstances of the time but also was recognizing an immunity from suit of the Governor of the State, and if given the occasion to decide a similar case where Governors are not involved, it could reach a different decision. It has been held that both Federal and State courts can control lesser State officials by mandamus—see discussion of the distinction in *Huidekoper* v. *Hadley* (177 Fed. 1, 11 (1910)); *General Oil Company* v. *Crain* (209 U.S. 211 (1908)); see also note 85 in 66 Yale L.J. 97, 113).

For these reasons I believe that the use of Governors in interstate extradition proceedings is now outdated and unwise. But there remains the consideration of whether the use of Governors is essential to maintaining extradition procedures consistent with our constitutional scheme of a division of powers between State and Federal Government. The Constitution states:

> A person charged in any State * * * shall, on demand of the executive authority of the State from which he fled, be delivered up.

I think that executive authority is here broad enough to include law-enforcement officers and not necessarily Governors, and it would seem that Congress in legislation to implement this provision could so define the term. The 1793 statute used both of the terms—"executive

authority" and "Governor"—implying that the two were not necessarily coextensive. Several cases have said "executive authority" is a general term and merely designates the branch of government, not a single individual—see "Words and Phrases"; *Comm.* v. *Hall* (75 Mass. 262, 267); *State* v. *Collett* (138 O. St. 425, 35 N.E. 2d 568, 570 (1941)).

The present scheme actually works a hardship on those accused of crime, who frequently refuse to waive extradition because of the erroneous impression that they are making some damaging admission of guilt by signing such papers, or because they are uninformed of their right to waive. Furthermore, the usual inability to post bond or failure of arresting authorities to inform him of his right to waive extradition or have bond, often results in the lengthy confinement of innocent persons who languish in jail awaiting the documents and hearings in the courts and before the Governors. Yet, the proposed revision will not in any way limit the present scope of review of extradition in the rendering State. The fugitive's right to habeas corpus remains unimpaired and guarantees the fullest extent of review to which he is presently entitled. This includes: First, correctness of the requisition papers; second, the relator's identity; third, whether relator is a "fugitive"; fourth, whether a crime is substantially charged. In fact, several cases indicate that review by habeas corpus is broader than on routine extradition hearing and includes the potential abuses of extradition process to aid in the service of civil process or where there is a threatened deprivation of constitutional rights—see discussion at 47 Col. L.R. 470; 23 S. Cal. L.R. 441.

Therefore, the proposed bill merely removes the cumbersome routine procedure which at present obstructs the speedy and efficient extradition of fugitive criminals without depriving the individual of any substantial right to challenge the validity of the extradition.

The Agricultural Hall of Fame

EXTENSION OF REMARKS
OF
HON. NEWELL A. GEORGE
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 3, 1959

Mr. GEORGE. Mr. Speaker, the national shrine to agriculture is now becoming a reality. My home county of Wyandotte near Kansas City, Kans., was finally selected as the site for the Agricultural Hall of Fame.

When completed, the Agricultural Hall of Fame will be a national shrine to tell the story of agriculture and of the men and women who have contributed so much to it. This shrine will be composed of:

First. A museum portraying vividly the history of agriculture;

Second. A statutory hall where the immortals of agriculture will be honored;

Third. An agricultural library;

Fourth. An educational unit designed to familiarize children with agriculture;

Fifth. A farm village complete with a sod house, log cabins, and school buildings;

Sixth. An Indian village which portrays the practices and crops of the native Americans;

Seventh. An outdoor amphitheater for pageants, field events and special farm meetings;

Eighth. A special room to honor farmers who have distinguished themselves as Members of the U.S. House of Representatives and the Senate; and

Ninth. An international shrine to honor farmers throughout the world.

Resolutions were approved commending, encouraging and sanctioning the development of the Agricultural Hall of Fame.

More than 50 cities throughout the Nation bid for this project. After thorough investigation, it was awarded to Kansas City, Kans. A site consisting of 409 acres surrounded by 300 acres of parkland was offered by the city as part of its bid. It is located in my county of Wyandotte approximately 10 miles west of Kansas City on the Kansas Turnpike.

Dr. A. Webster Tenney, for a number of years beginning in 1943, a specialist in agricultural education with the U.S. Office of Education and national executive secretary of the Future Farmers of America for 14 years, has been given a 5-year contract to actively administer the Agricultural Hall of Fame.

A financial drive headed by Raymond Firestone of Akron, Ohio, to obtain $5 million to complete this national shrine to agriculture is now in progress. The campaign is being financed in its early stages with $100,000 offered by the banks in the Kansas City area as a loan to provide operating funds.

The Honorable HAROLD D. COOLEY, chairman of the Agricultural Committee, introduced a bill similar to mine, but urged that H.R. 5789 be considered since this hall of fame is to be located in my congressional district, for which I am very grateful.

The Future Farmers of America, Mr. Speaker, hold their annual conventions in Kansas City and the American Royal is located there. When the Agriculture Hall of Fame is completed, it will be a psychological boost for farmers everywhere.

The Kansas City Star recently published an editorial from the Richmond Times-Dispatch which emphasizes the psychological value of this shrine to America, and which I include as part of my remarks:

[From the Richmond Times-Dispatch]

A PSYCHOLOGICAL BOOST FOR THE FARMER

Over the postwar years the farmer has become the economy's whipping boy. Geared to intensive wartime production, but deprived of much of the world market; bedeviled by rising costs of labor and equipment, hagridden by overproduction and falling free market prices, he finds himself in a seemingly hopeless dilemma.

Taxpayers and consumers look at him with a jaundiced eye, as his electoral power wanes with his decline to 12 percent of the population.

He fears to continue precarious dependence on Government subsidies, but he's afraid to cast away the Federal crutches, lest he stumble, break a leg and lose his farm to the mortgagee.

In this doleful situation, the farmer is much in need of something to restore lost pride and the respect of fellow citizens.

What he needs is a psychological "pick-me-up." The Agricultural Hall of Fame being planned for some 400 acres in Wyandotte County, Kans., could be just what the doctor ordered.

The Hall of Fame is to be a national shrine to honor past and present farmers who, on their steady march westward, pioneered American civilization, and from crude beginnings developed the most efficient, most productive agriculture in world history.

City folk who think of cereal and milk as having come from the grocery store need to be reminded that the farm is the birthplace of our food and fiber, and that, in a very real sense, we are all dependent on the brain and brawn of the people who produce them, often in a desperate gamble against whims of the weather.

The proposed centrally located shrine and museum to commemorate leading farmers, inventors, scientists and statesmen who did much to make this boon of plenty possible, will really be more than the words "Hall of Fame" suggest.

It will be to the history of American agriculture what Colonial Williamsburg signifies to the history of Virginia.

It could be a permanent source of inspiration to millions of farmers, and a mecca for visiting foreigners who come to study the evolution of American methods.

Washington-Baltimore Adequacy of Service Case

EXTENSION OF REMARKS
OF
HON. SAMUEL N. FRIEDEL
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 3, 1959

Mr. FRIEDEL. Mr. Speaker, in the past I have had occasion to comment on the delayed justice of the CAB and to criticize the Board's dilatory handling of the Washington-Baltimore Adequacy of Service Investigation, docket No. 8148.

In this connection Mr. Louis J. Hector, member of the Civil Aeronautics Board, gave a speech on August 25, 1959, before the American Bar Association convention in Miami. The subject of this speech was the Civil Aeronautics Board's slowness and inefficiency in processing administrative cases. His conclusion was:

Gentlemen, I think most of us agree that this kind of thing can't go on much longer. If a private business tried to conduct its affairs this way it would go broke. If we tried to make our foreign policy or plan our national defense this way, we would still be a third-rate power. And if we keep on trying to plan our national transportation system this way, we will wake up in a national emergency one day and find that it won't do the job. Clearly these procedures must be overhauled.

Mr. Hector's remedy for this delay is both complicated and drastic. He admits his solution requires radical surg-

ery and it is clearly a long-range program.

But what about the intervening time before some major institutional reform can be worked out? Are the people of this country to be subjected to the delays that the people of Baltimore have been experiencing?

What we need is improvement now, not years hence. I believe that the CAB can improve its efficiency almost immediately.

For example, it is well known that the main missions of the CAB are, first, to handle route matters to provide air service to the public; second, to handle rate cases to insure the financial stability of the airlines while preventing overcharging of the public; third, to enforce the law and punish violators of the Federal Aviation Act; and fourth, to discharge their safety functions.

The 1960 budget estimate of the CAB which was submitted to the House Subcommittee on Independent Offices Appropriations is an astonishing document. The CAB estimate asks for $7,500,000 for all activities for 1960 and proposes the following allocation:

Activity and percent of total budget

Route activities	15.0
Rate activities	10.0
Enforcement	4.4
Safety activities	17.0
Total	46.4

Even with the addition of executive direction—5.5 percent—it is plain that the CAB is allocating only half of its budget to support the main activities Congress has empowered them to perform.

To make matters worse the CAB workload in route cases is forecast by them to increase from 190 in 1958 to 260 in 1960, or by 37 percent. The CAB backlog has been getting worse, for example in 1952 there was a backlog of 604 cases while by the end of 1957 it had risen to 1,031.

Why does not the CAB allocate more of its appropriation into its primary activities? The Senate appropriations report on the independent offices bill states—

> The Board's budget presentation indicates a desire to delve into many peripheral activities not closely related to the main purpose of the Board's work which would, if Congress were to permit, lead to the further dilution of Board energies from its more important duties.

I heartily concur with this statement and no better example of a peripheral activity is the carrier relations division of the Board.

The CAB has allocated more of its budget to carrier relations than it has allocated to its Compliance Section which is responsible for the enforcement of the law. This would not be so bad if the law were being adequately enforced but the chief of enforcement admitted during the committee hearings:

> We have over 50 formal cases pending before the Board, many of them yet to be heard by hearing examiners. (Senate hearings, Subcommittee on Appropriations for Independent Offices, p. 78.)

For example, on May 8, 1957 the CAB Office of Compliance filed a complaint against a large air freight forwarder for violating five Federal laws including falsification of documents and unfair competition and requested revocation of the forwarder's certificate. Two years and 4 months later, on September 9 of this year, the Board will hold a hearing and in the meantime the unlawful conduct continues and will continue until the final processing of the case a year or more from now. This situation cannot be allowed to continue.

What does this carrier relations section do which entitles it to more of the budget than is devoted to enforcing the law? Its biggest volume of business is agreements filed pursuant to section 412 of the Federal Aviation Act. It handled 1,500 matters in 1958 and is forecast to handle 1,865 in 1960. I have personally studied the lists of agreements and while occasionally there is an important or complicated problem the overwhelming majority are routine agreements between airlines concerning ticket space, baggage handling, sanitation facilities and the like.

The interlocking relations work is forecast to decrease and the other work—forwarders, 6(b) permits, and charter exemptions—simply cannot be compared in importance to law enforcement, route and rate cases and safety.

Mr. Hector should be commended for his interest in reform and improvement but he should focus on the immediate possibilities for reform such as a wiser expenditure of appropriated money.

Remarks of Hon. John F. Kennedy, Democrat, of Massachusetts, Before AFL–CIO Convention, Seaside, Oreg., August 3, 1959

EXTENSION OF REMARKS
OF
HON. EDITH GREEN
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 3, 1959

Mrs. GREEN of Oregon. Mr. Speaker, recently the distinguished Senator from Massachusetts, Senator KENNEDY, addressed the Oregon State AFL–CIO Convention, at Seaside, Oreg. His remarks were very appropriately directed to the subject of the pending labor reform legislation. Senator KENNEDY, in characteristic fashion, refused to duck the issue, refused to equivocate, refused to waver before the controversial nature of his work and his bill. The Seaside speech by this great American was a superb discussion of labor legislation, and of other vital issues before the American people. It is with a good deal of pride that I include this speech in the CONGRESSIONAL RECORD:

REMARKS OF SENATOR JOHN F. KENNEDY, DEMOCRAT, OF MASSACHUSETTS, AFL–CIO CONVENTION, SEASIDE, OREG., MONDAY, AUGUST 3, 1959

It is a high honor to have this opportunity to participate in the discussions of this illustrious convention. In many ways I may be considered a fugitive from the most restrictive closed shop in the country—the U.S. Senate. We have a guaranteed annual wage for 6 years—but we have no job security, no pay for overtime, no unemployment compensation, and no assurance that our contract will be renewed. The strange part about our closed shop is that there are plenty of workers who want to take our place—but none of our current union members ever want to go out on strike.

In any event, I hope that I can—in the words of the oldtime orators—claim kinship here and have it allowed. I have been closely associated with the leaders and members of the AFL–CIO for 13 years, while serving on the Labor Committees of the House and Senate. And my credentials are written in the record of those 13 years. I come to you today as a friend of labor—I have never concealed or apologized for my friendship with labor, and I do not intend to start now.

Neither do I apologize, I should make clear, to my friends in organized labor for the record of recent years. Jimmy Hoffa may not approve of me—but I do not apologize for having earned his hostility. John L. Lewis may not approve of even the original Kennedy bill, as endorsed by the AFL–CIO—but I make no apologies for that legislation.

THE LABOR BILL AND INVESTIGATIONS

I do not say that the bill as it finally passed the Senate was perfect in every respect. Certainly I do not blame the AFL–CIO for trying to change some of the amendments added on the Senate floor. Certainly I share their regret that the reasonable, fair and responsible bill reported by the Senate Labor Committee—worked out carefully with President Meany and his lawyers, and supported by the executive council—was altered, undesirably and unfortunately altered, on the floor of a supposedly friendly Senate. But that debate—and the vote on the so-called McClellan bill of rights amendment—showed you and me the political facts of life which confronted us. And when that amendment carried by a one vote margin, we were forced to go on the defensive to prevent the antilabor forces from completely taking over.

It is easy to say that none of this would have happened had there been no Kennedy labor bill at all, going back to 1958—or to accuse George Meany and the executive council of making a tactical error in supporting responsible reform legislation in 1958 and 1959. But remember, if you will, that our only other alternative last year was to accept the Knowland bill of rights. Let us not forget that we succeeded in defeating those repressive amendments on the Senate floor only because Senator MORSE and I gave our assurance that a reform bill would be forthcoming from our committee; and the AFL–CIO executive council agreed there had to be a bill.

In short, there was a vacuum there, which the Knowlands and the Goldwaters and the Mundts were determined to fill—and it was my responsibility, as chairman of the Labor Subcommittee, to see that we reported a bill aimed at hoodlums and racketeers, not at collective bargaining. So I could only be gratified by the fact that in both years my bill has been endorsed by the AFL–CIO, attacked by Mr. Hoffa on the one hand, attacked by the NAM and the chamber of commerce on the other—and cosponsored both years by the man who is probably the most distinguished labor law expert in the Senate, Oregon's senior Senator WAYNE MORSE.

So I repeat: I have no apologies. I do not say these have been easy assignments, working on the bill and serving on the McClellan committee. There have been unpleasant occasions—there have been mistakes on both sides—and there have been some disagreements among friends. There has been a tendency among some people to lump in one confusing indictment both the Kennedy

brothers, all the labor bills and all the McClellan committee investigations. I could have avoided service on the McClellan committee—as others did. I could have left the Labor Committee—as others did—for a less sensitive assignment. But bear in mind the fact that, along with Senator MCNAMARA—later succeeded by Senator CHURCH—we constituted a small minority on the McClellan committee. To leave the committee—or to abandon efforts in my own committee for a bill—would have simply turned the field over to the GOLDWATERS, the MUNDTS and the coalition of Republicans, aided by a small group of Democrats, who still control the Senate on these critical issues (as they did just 10 days ago in recommitting my bill to repeal the loyalty oath).

The danger now is that this same kind of Republican-southern Democratic coalition in the House of Representatives will substitute for a responsible committee bill, an antilabor, unworkable, punitive measure—and I hope you are lending your efforts to prevent that.

I did not intend to take this much of your time in presenting my own credentials—and I hope you will excuse these personal references. I only wanted to make clear what I said at the outset: that I come to you today as a friend of labor.

Certainly there has been nothing in the findings of the McClellan committee to change my attitude about the labor movement as a whole. There are roughly half a million local union officials in this country, another half a million business agents, lawyers, and other paid officials, and another 750,000 shop stewards and others employed in serving the labor movement. Of these nearly 2 million labor leaders, the select committee has neither investigated nor received complaints about more than the tiniest fraction—considerably less than one-hundredth of 1 percent.

The union movement, like any other part of American life, has its share of wrongdoers and corruption. But when we hear about bankers who embezzle funds, or financiers who misuse trusts, or politicians who betray the public, we don't condemn all bankers or all financiers or—I hope—all politicians. Why, then, should we penalize the labor movement as a whole? There is no reason whatsoever why anyone should blacken labor's name and restrict its legitimate activities simply because a few bad apples have been found in the barrel—and I hope we can make the press and public realize that fact.

THE ROLE OF MANAGEMENT

It is easier, I know, for the press and public to play up the misdeeds of the few hoodlums who have infiltrated the labor movement. But if that is true, then it is high time they also played up the findings of the McClellan committee concerning the misdeeds of management and the business community. It is time that the public recognized the employers' responsibility for labor-management racketeering. Our committee found numerous employers, large and small, collaborating in these racketeering practices—preventing legitimate unions from entering their plants—using mobsters to force their competitors out of business—financing the racketeers and their illicit operations in order to obtain their help in breaking strikes. I think it is clear that we are not going to get rid of the Dave Becks and the Jimmy Hoffas in this country until we get rid of the Nathan Sheffermans.

The NAM and the chamber of commerce do not like the Kennedy bill as it was reported by the Senate Labor Committee—they do not like the bill which Congresswoman GREEN has helped report in the House Labor Committee—they do not even like the bill in the form in which it passed the Senate. I think it ought to be obvious by now that they do not really want any bill at all unless it completely paralyzes labor at the bargaining table. They are not interested in penalizing irresponsible racketeers—they are interested only in penalizing responsible labor leaders. They want either repressive legislation or no legislation at all. They are more interested in breaking the power of unions at the bargaining table than they are in breaking the power of hoodlums.

They don't want racketeering to be eliminated. They would rather have a political issue—an old reliable whipping boy. They want a legislative vacuum, which they can then fill at the Federal and State level with the worst repressive measures you have ever seen. Despite the results of last fall, they are still talking about so-called right-to-work legislation. And I want to make it unalterably clear once again that I am now, always have been, and always will be completely opposed to right-to-work legislation in any form at any level.

NEW ISSUES

We face these same hostile forces on a number of other issues of importance to labor, as you know. I realize that there are some cynics, to be sure, who say that there is no longer any need for such action. They say that there are no longer any major issues—that the battles of the past have all been won—and that the American public in general, and our workers in particular, can now sit back and enjoy what they have achieved during the past 30 years.

But I am certain that no one in this hall agrees with that analysis. For the problems are not all solved and the battles are not all won and the issues are not all gone.

On the contrary, our agenda today is, if anything, even longer than it was in the 1930's. We have not yet eliminated the malignant effects of poverty, injustice and illness from the land. We can be encouraged by the recent trend toward reduction in unemployment but we can feel no elation while nearly 4 million people are still searching for work—and those that are still able to receive unemployment compensation checks must get by on an average benefit check of less than $31 a week. We have not yet met the needs of nearly 7 million families, in this, the richest land on earth, still trying to get by on less than $2,000 a year. We have not yet met the needs of some 15 million families housed under what the Bureau of the Census classifies as substandard conditions—of nearly 17 million persons who are unable to purchase enough food to achieve a bare subsistence diet. We have not yet ended the waste of our natural resources—reversed the decay that is blighting so many of our major cities—or, most tragic of all, found the means of stopping man's destruction of man.

Far from being a period of resting on past achievements, the period which lies ahead confronts the American economy with an unprecedented challenge. We can no longer invoke the solutions of the past—the programs and the policies which served us so well during the last generation. For now, once again, the age of consolidation is over—and, once again, the age of change and challenge has come upon us. We are faced with a whole new set of problems—a whole new set of dimensions. We are approaching the day of a 200 million population, a $600 billion gross national product, a trillion dollar economy. We are at the edge of this Nation's greatest age of expansion, growth, and abundance—at the edge of a new era for our Nation, our world, and all mankind.

This Congress—the Democratic 86th Congress—must lay the groundwork for the next 25 years—just as the 73d Congress in 1933, during the first 90 days of Franklin Roosevelt's New Deal, laid the groundwork for the generation that followed.

And there are three items in particular requiring action by the Congress to make certain that this great new abundance which lies ahead—this unparalleled prosperity—is shared by all Americans. There are three gaps, serious gaps, in income protection; and those who fall into those gaps must look to the Congress for assistance. I am talking about the unemployed, the aged, and retired, and the unorganized workers who are unable to receive even a decent minimum wage.

INCREASING THE MINIMUM WAGE

There are those who say we cannot afford to increase minimum wages to $1.25 an hour and that we cannot afford to extend the law any further, and, with the cosponsorship of Senator MORSE, I have introduced the bill to carry out these obligations, and hope to report it to the floor next week. But I am convinced that we cannot afford to do less. Department of Labor statistics show that the average single worker, much less a family man, cannot survive on a wage of $1 an hour. Department of Labor statistics show that, since the dollar level was set 4 years ago, prices have risen substantially, productivity has risen substantially, and wage rates have risen substantially. But the head of that Department, the Republican Secretary of Labor, nevertheless came before our subcommittee this summer and opposed paying all American workers a decent wage. Substandard wages, inevitably, mean poor health, low efficiency, and great personal tragedies. This is what America cannot afford. Our greatest asset in the race for industrial supremacy is a strong, healthy, vital labor force. Our greatest handicap would be an ill-fed, ill-housed, ill-clothed labor force.

Unions such as yours cannot assume the full burden. The unprotected, unorganized workers at the bottom of the economic scale can only look to the Congress for protection—and Congress must provide that protection this year in the Kennedy-Morse bill.

STRENGTHENING UNEMPLOYMENT INSURANCE

If we are to meet the challenge of the future we must also modernize our unemployment insurance system. When enacted, it provided benefits to workers large enough and long enough to enable them to pay their rent, their grocery bills and their doctor bills until work could be found. It was intended to put back into the community at least 50 percent of the loss in wage payments.

But a schedule of unemployment compensation payments that was adequate 21 years ago is grossly inadequate today. Less than 20 percent of lost wages is replaced today. Whatever data you may hear about prosperity, there has been a disturbing increase in the number of persons without a job for 4 months or longer. In many States that means the complete exhaustion of meager benefits and reliance upon either the bounty of relatives or public assistance. That is not the choice we should offer in a country with the highest industrial capacity in the world. Along with Senator MCCARTHY, of Minnesota, I have introduced a bill to give all unemployed workers at least one-half their pay for at least 39 weeks. I believe in our programs of foreign aid and mutual security—but we should also take care of our own. And the place to begin is by enacting decent nationwide standards for unemployment compensation.

IMPROVING CARE OF THE AGED

Third and finally is the challenge offered by the increasing number of older persons in our population. The death rate in this country has been cut in half during the 20th century. In 1900, a baby girl born into a nation where influenza, pneumonia, tuberculosis, and typhoid still took a high toll—where public sanitation was rare, nutrition was inadequate, and medical science was barely under way—could expect to live some 48 years. Today she could expect to live to the age of 73—and soon 10 percent of our population will be over the age of 65.

But their social security checks have been eaten away by inflation—their chronic illnesses are not covered by group insurance. Their housing needs are unmet. Those still able to work are the first to be fired and the last to be rehired. They are, in the words of the song, "too old to work and too young to die." The treatment of its older citizens is said by anthropologists to be one of the most basic tests of how civilized a society or nation has become. Surely the rich, powerful, democratic United States of America is not going to fail that test. These three items are, of course, only the beginning of our agenda. But the important thing now is to get started. This is no time for mere oratory instead of action. This is no time for halfway measures—for inaction or inertia. It is a time to move ahead—to meet the challenge of the future—to remember the words of Justice Holmes, that "whether we sail with the wind or against the wind, we must above all set sail—and not drift or lie at anchor."

Historic Time for Polish Trip

EXTENSION OF REMARKS
OF
HON. HALE BOGGS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 3, 1959

Mr. BOGGS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the New Orleans Times-Picayune of September 3, 1959:

HISTORIC TIME FOR POLISH TRIP—WARSAW VISIT AT IMPORTANT MOMENT—BOGGS

(EDITOR'S NOTE.—Representative HALE BOGGS, a delegate from the U.S. Congress to the Interparliamentary Union Conference, has just returned from Warsaw where the 47th meeting of the group is now underway. In the following article he gives his impressions of Warsaw and the meeting.)

(By HALE BOGGS)

WASHINGTON.—I was in Poland on the day before the 20th anniversary of Hitler's attack.

No one there has forgotten the 800,000 people who died there and the other 5 million who died in Poland in World War II. Every block marks the event with flowers, with a clean-up program, with special services in the churches which flourish everywhere.

But a city 85 percent destroyed has come back to life. The architecture is beautiful. The old city has been restored. Over a million people live there now, but as George Healy said in his series on his recent trip through the Iron Curtain countries it is a sad country.

I was lucky; I had an English-speaking driver. He had spent 3 years in England in the Polish Army during World War II. He told me that he ran a very small motorcycle repair shop. Only the smallest family-run shops are permitted to be operated privately. All the rest are state owned. He said that the real hope of the people was that they would get rid of the Communists. Without that hope the nation could not survive and sadness would be displaced by utter despair.

STATE ENTERPRISE

Practically all the members of the family, husband, wife, children, work in some state enterprise. Even so they earn just about enough to keep themselves in clothing and food, both of poor quality. None of the luxuries which we know and enjoy are permitted to these people. Practically every automobile is owned by the state. Things that we take for granted—refrigerators, dishwashers, automatic laundry machines, and so on—are unknown in practically every household.

My visit to Poland coincided with several historic events. It was a few weeks after NIXON'S visit; Ike was in Europe preparatory to the Khrushchev visit to our country, about which the average Pole is skeptical, as are many other people that I met in attendance at the conference.

The glow of NIXON'S visit still remained. The press reports which I read in our country about his reception in Warsaw were certainly not exaggerated. People came from everywhere to see the Vice President of our country and obviously the Voice of America and Radio Free Europe must have been quite effective because I was informed the local Communist press gave practically no attention to the time of his arrival.

IN SHARP CONTRAST

I was told that the people somehow or other had to buy their own flowers which were thrown at the Vice President's party in profusion. His visit was apparently in sharp contrast to that of Khrushchev whose time of arrival and whose route of entry into the city were not only well advertised in the press, but workers were given time off and provided with flowers and other trappings. Despite this, I am told, the welcome was anything but enthusiastic.

Now a word about the Interparliamentary Union Conference, which was the purpose of my visit. This was the 47th meeting, and I talked about investment in the underdeveloped countries. But the main thing was that we stole the march at the conference and gained a tremendous psychological advantage. One of our delegates, Congressman THADDEUS MACHROWICZ, from Detroit, is a native of Poland. He served as an officer in the Polish Army in World War I and has since gained distinction as a judge and as an outstanding Member of our Congress. He represented our group in the opening speech. He spoke in Polish. He told of his own life and he hearkened back to the events of 20 years ago when the Hitler-Stalin pact led to World War II and the dismemberment of a great country. He received a tremendous ovation from the assembled delegates and one of the British—they are not neophytes in diplomacy—came to me and said, "That was one of the smartest things that you have ever done." A real compliment from an Englishman.

LITTLE ATTENTION

Again the Polish press gave little attention to the Machrowicz speech. My recollection of what one paper said was, "He had given a subjective account of the events of 1939." But the Voice of America and Radio Free Europe gave it wide circulation and in a matter of hours he had people calling on him from many places in Poland.

Many things stand out in my mind. Again referring to the Healy series, which mentioned that in Russia only the old men and women attended the few remaining churches. In Warsaw a great many churches have been rebuilt. They are quite beautiful and the people flock to mass, not only on Sundays, but on weekdays as well.

My wife and I attended mass last Sunday at one of the old historic churches, St. Alexandra, which incidentally is one of the symbolic edifices which was razed to the ground by Hitler's forces, but restored magnificently.

The church was packed and attended by young and old, middle-aged, men and women, children and babies. They were extremely devout. As a matter of fact all of the streets of Warsaw on that Sunday were packed with people going to and from church. This strength of religion is a tremendous deterrent to the communization of the nation.

SENSE OF HUMOR

Despite their lack of freedom, the Poles maintain a fine sense of humor and incidentally they are not afraid to speak out against the Communists or the Russians. Stalin built what is called the Palace of Culture, a monstrous looking skyscraper building completely out of keeping with the architecture of the city. The Poles say that the best place to see Warsaw is from the Palace of Culture because then one can't see the Palace of Culture.

We went to a concert of native music and dancing which was most delightful. The leading architect of the city, a Member of their Parliament, said, "On the stage we Poles can be ourselves."

There are other quotes worth repeating. A taxi driver said, "There is no parking problem in Warsaw." Believe me, there isn't. There are few automobiles and these are practically all owned by the state. Most of the cars are Polish or Russian with some imports from Western Europe.

Senator MONRONEY said it was a good place to take his wife. "Nothing to shop for. Nothing to buy."

You see practically no window displays; there is little advertising; gasoline sells for $1 per gallon. The soldiers are unkempt. They seem to have no sense of elan, and very little interest in being soldiers. I would hate to depend on them in a fight if I were the Russians.

YEARN FOR FREEDOM

Again I agree with the conclusions of George Healy. The Poles yearn for freedom. If there is a weak link in the Soviet chain certainly this must be it. The West must continue to hold out hope for these people who have valiantly fought for freedom for 1,000 years and who are noting not only the 20th anniversary of the attack on Warsaw by Hitler, but the 1,000th anniversary of the introduction of Christianity into this country.

On the way home we had a brief stop in Frankfurt. What a contrast. Frankfurt, too, was destroyed, and it too has been beautifully rebuilt, but here there is a hustle and bustle of a city moving ahead in freedom; automobiles everywhere, shops full of impressive looking goods and consumer items of every type. People well dressed, and seemingly quite happy. What a contrast between private enterprise and communism.

The American delegation in Warsaw was not the only one using free speech, and telling the story of world Communist conquest. The Indian delegates talked about the attacks on their borders and Tibet. The representatives of Vietnam talked about what was happening in their country and Laos. What an experience this must have been for the Russians and other satellite countries to see free speech in operation. Meetings of this kind can indeed penetrate the Iron Curtain.

The Jimmy McHugh Night at the Hollywood Bowl

EXTENSION OF REMARKS
OF
HON. DONALD L. JACKSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 3, 1959

Mr. JACKSON. Mr. Speaker, on September 5, the American entertainment industry will pay a most exciting tribute to one of its most distinguished, prolific

and famous contributors on the occasion of his 35th anniversary as an internationally known songwriter. Mr. Jimmy McHugh will be honored by a presentation entitled "The Jimmy McHugh Night at the Hollywood Bowl," which will climax the season of that music mecca. I think that this anniversary is an occasion of international significance which certainly is deserving of the attention of my colleagues and of the entire American people.

Jimmy McHugh is best known, perhaps, as the composer of "Sunny Side of the Street," "I Can't Give You Anything But Love," and several hundred other "standards," as the classical examples of popular music are known.

Were these great songs his sole contribution to American cultural and social life, Mr. McHugh certainly would qualify as one of our most worthy and productive citizens. However, amazingly enough, this is only one phase of the magnificent work Mr. McHugh has performed and is performing for our society. He has also given generously and unstintingly of his time and personal resources to worthy civic, charity, and athletic causes.

Since it is his music, however, for which Mr. McHugh is best known, let me review briefly a few of his contributions which led a noted observer of the musical world to speak of Mr. McHugh as the Stephen Foster of his time. The titles of Mr. McHugh's songs alone immediately imply his position as the foremost creator of present day popular music. In addition to those McHugh songs already mentioned, "Don't Blame It on Me," "A Most Unusual Day," "I Feel a Song Coming On," "When My Sugar Walks Down the Street," "I'm in the Mood for Love," and many others have become a part of our American heritage.

Should any of my colleagues or, for that matter, anyone in the United States think back, I know he will find several Jimmy McHugh songs which are associated vividly with an important phase of his life. One of the greatest functions of the popular songwriter is to capture and express poetically and musically the emotions which we all encounter, and Mr. McHugh has become a master of this craft. His songs seem to underline our most private emotions and treasured experiences as though he had peered into us and written them personally for each of us.

As I am a music lover but not a qualified music critic, I would like to quote Dr. John Frederick Kilpatrick, music critic of the Dallas Times Herald and professor of music at Southern Methodist University:

> It is like talking to the man who invented doorknobs, the chef who created ham and eggs; it's like meeting up with the fellow who first thought of shoe laces, to be introduced to Jimmy McHugh. Like Stephen Collins Foster, Jimmy for so long has been incorporated in the weave of America that it is hard to realize that his songs were made by a living man and are not some sort of standard equipment that just comes with life.

It was Dr. Kilpatrick who referred to Stephen Foster as "the Jimmy McHugh of his time." Most Americans, certainly most members of the musical world, will give Dr. Kilpatrick's sentiments hearty seconds. Like Stephen Foster, Jimmy McHugh and his work have been a part of the fabric of our experience for the best part of our lives and, in the case of many Americans, for all of our lives. It was as early as 35 years ago that he composed such song hits as "When My Sugar Walks Down the Street" and "I Can't Believe That You're in Love With Me."

The Jimmy McHugh story is the American story. Like most of our great citizens, Mr. McHugh worked his way up from inauspicious beginnings. His first job was office boy at the Boston Opera House. His friendship with such operatic luminaries as Caruso, Puccini and Geraldine Farrar accounts for the fact that Jimmy McHugh songs never are written down to his public but rather live up to the qualities Puccini and Caruso might have expected of their young friend.

His career then followed the trail from piano player in a publishing company to composer of small shows in Harlem to his ultimate glory as one of the famous names of music. An idea of the scope of his work comes from the fact that he has written music for 45 motion pictures and 16 Broadway musicals, at one time having 4 hits on Broadway at the same time.

Another aspect of his importance in the entertainment world is his constant vigilance in discovering and promoting promising talent. Duke Ellington, Phil Harris, and the late Carmen Miranda are only a few of the famous personalities Jimmy McHugh helped uncover and develop.

Another phase of Jimmy McHugh's life which merits the attention of Congress and of the people of the United States is that gentleman's great patriotism and his work on behalf of his country. I know we all remember one of his great inspirational musical contributions to American morale during the Second World War—"Comin' In on a Wing and a Prayer."

In 1944 Secretary of the Treasury Henry Morgenthau commissioned Mr. McHugh to write the seventh war bond drive song, resulting in "Buy, Buy, Buy a Bond." It was eminently successful. Again in 1945, upon Government request, Mr. McHugh and his partner, Harold Adamson, supplied the theme song of the eighth war bond drive, "We Have Got To Buy Another Bond." The millions of dollars for which these songs accounted are inestimable.

In addition, the patriotic Mr. McHugh singlehandedly produced a bond rally "aquacade" at the Beverly Hills Hotel in 1945, and in one night's performance he sold $28 million worth of bonds. This was, and I believe still is, the largest single sale ever recorded.

Untold thousands of former soldiers can thank Mr. McHugh for their lives, saved by material purchased with the money he raised.

More tangible recognition came in February of 1947, when former President Harry S. Truman presented him with a Presidential citation in Washington for his contribution of war songs and his contribution to war bond sales. The composer's patriotism has remained untiring and unceasing. In February of 1953, Mr. McHugh was commissioned by President Eisenhower, Comdr. Harold B. Miller and Admiral Halsey to write the official "Crusade for Freedom" song for Radio Free Europe and Radio Free Asia. The resulting song, entitled "Crusade for Freedom," has been acknowledged by the members of those organizations as an important instrument in reaching the minds and hearts of the peoples of captive and neutral nations. It is still the official song of these organizations.

In that same year, Mr. McHugh and Mr. Adamson also wrote the official community chest song, "Give Every Child a Chance."

The creative and patriotic works of Jimmy McHugh, extraordinary as they are, do not overshadow his personal efforts on behalf of numerous charities.

One aspect of this extension of Mr. McHugh's activities is his effort to help promote recreational activity halls for teen-age boys and girls throughout the Nation. Mr. McHugh was honored for this several years ago by a testimonial dinner given by Georgetown University.

In 1951, Mr. McHugh organized the Jimmy McHugh Polio Foundation, the express purpose of which was to raise funds to buy and donate the miracle respirator created by Dr. Albert C. Bower. Since that time his group has presented approximately three dozen such expensive respirators.

In 1955 a single charity function sponsored by the Jimmy McHugh Polio Foundation raised $90,000 to purchase 15 such respirators.

The Polio Foundation was changed to Jimmy McHugh Charities, Inc., a few years ago, which move has permitted Mr. McHugh to devote his time and talents to raising funds for an ever wider field of charitable and worthy causes.

That Mr. McHugh would have any reserve time or energy for other activities is amazing, but it is true. His participation in the civic life of his present hometown, Beverly Hills, Calif., is indicated by the fact that he is known as the honorary mayor of that community. For nearly 15 years he has been on the board of directors of the chamber of commerce of that municipality, serving as president of that organization for a time.

The people of Los Angeles are further indebted to him for his many contributions to the Los Angeles County Museum of masterpieces from his famous collection of paintings.

His astounding energy and compulsion toward public service have brought him into the athletic life of the American people as well. He is one of the country's leading sponsors of amateur swimming. In recognition of his tremendous help in this field, the Amateur Athletic Union of America—AAU—has made him a lifetime member and, as well, he was an honorary official of the 1948 Olympiad in London.

One of the outstanding athletic events of the past decade was the 1949 national

men's outdoor swimming meet. It was Mr. McHugh's effort which brought the Japanese swimming team to America to compete in that event, and it was at this meet that Japan's Furuhashi shattered 29 world records in one event.

Mr. McHugh's interests and the impact of his personality extend to many other fields but I would like to conclude with one which has great importance to the United States at this time of international unrest, a time of all too frequent cultural misunderstanding between nations, even on the part of leaders. In view of this condition, the fact that Mr. McHugh for over three decades has been one of our most vigorous ambassadors of international good will, has tremendous importance. The extent to which Mr. McHugh's songs have reached into the lives of people in other countries and stimulated consciousness of American culture is indicated by one anecdote from the glamorous and productive life of this great musician. The event occurred several years ago when Mr. McHugh was called upon to participate in a command performance before Queen Elizabeth II of England and the royal family. Following the performance, Mr. McHugh was presented to the Queen. With a gracious smile, the Queen of England acknowledged Mr. McHugh's bow and said:

Mr. McHugh, you seem to have written all of my favorite songs and, not only that, I sing them also.

The Gasoline Tax Issue

EXTENSION OF REMARKS
OF
HON. ROBERT W. LEVERING
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 3, 1959

Mr. LEVERING. Mr. Speaker, as the record shows, I voted against the 1 cent per gallon increase in gasoline. I voted in this manner after the most careful study of all the facts and factors surrounding the highway program, its financing, and the manner in which we must finance additional construction in the future. I wholeheartedly agree that Congress must act to continue the highway program and, I favor the proposed legislation by Senator ALBERT GORE, of Tennessee, to take 1 percent from all other appropriations for Federal agencies and to allocate to the highway construction program the money thus saved.

Senator GORE, who was one of the leaders in the fight for the Federal highway program in 1955, has made two excellent speeches in recent days relating to the reasons why he opposes an additional hike in the gasoline tax for motorists. I wish to associate myself with his views, for I believe that he has used logical reasoning in his statement of the facts about the highway construction program and its financing.

Under leave to revise and extend my remarks in the CONGRESSIONAL RECORD, I am inserting the two speeches Senator GORE made—one on August 24, and one on August 31. The speeches are as follows:

THE HIGHWAY CONSTRUCTION PROGRAM

(Speech of Hon. ALBERT GORE, of Tennessee, in the Senate of the United States, Monday, August 24, 1959)

Mr. GORE. Mr. President, in February 1955, the President of the United States submitted to the Congress a report which dramatically called to the attention of the country the inadequacy and dangerous condition of our highways. This report, prepared by a Commission headed by Gen. Lucius D. Clay, pointed out that one-seventh of all Americans owned their livelihood either directly or indirectly to the highway and highway transportation industries. Particular emphasis was given to the tremendous loss, both economic and in terms of human life and suffering, which was being experienced daily because our highway construction program had not kept pace with expanding needs.

Highway building had been necessarily slowed by the priority demands of a wartime economy. The President recommended that in order to alleviate a critical problem the Federal Government should assume major responsibility for the construction of a new system of interstate and national defense highways, interconnecting our major metropolitan areas. The President gave particular emphasis to the importance of the new system of highways to national defense.

The proposal received intense consideration by the committees of the Congress for almost 2 complete sessions. There evolved the Federal Highway Act of 1956, of which it was my privilege to be coauthor. This act provided that the Federal Government should pay 90 percent of the cost of constructing this new System of Defense and Interstate Highways with a construction schedule calling for completion of the system by 1972 to design standards adequate to meet estimated traffic needs of 1975. It provided, also, for corresponding improvement of primary, secondary, and urban highways to a corresponding state of adequacy.

Construction progress is now well underway. The State highway departments and the highway construction industry have responded to the challenge. We are now, however, in a critical situation in which, unless appropriate action is taken by the Congress, construction will stop altogether on the vital Interstate and Defense System or, at best, be so slowed down and stretched out as to make impossible completion of the system on schedule as specified by the act of 1956.

A halt in construction of the Interstate System will be disastrous. State highway departments have geared their operations to the authorized level. Engineering staffs recruited with great difficulty and expense, would have to be disbanded only to be recruited again at great loss in money and time, if and when the program is resumed. The highway construction industry, having increased its capacity at the request of Congress, will be severely injured. The entire economy will receive a jolt from which it will not be easy to recover. Substantial increases in unemployment will be inevitable.

Meanwhile, if the program is halted, the gap between highways in being and those required will rapidly increase. Our highways will continue to get worse instead of better, and more people, instead of fewer, will be killed on our inadequate highways. Carnage on the highways and economic loss will go unchecked. Unless we take action to provide better highways, the situation will become much worse. Every year that passes sees the need for better highways become more acute. We cannot afford further delay. Even at the rate of progress authorized in the 1956 act we will barely hold our own between the need for highway improvement and the deterioration of the present system of highways.

The act of 1956 created the highway trust fund, earmarking the revenues from certain highway user taxes for transfer to that fund to be used to defray the Federal Government's portion of the cost. From the beginning, it was recognized that in the early years of the program revenues in the fund would be insufficient to meet annual expenditures. To meet this anticipated problem it was provided that when deficits occurred the trust fund would borrow from the general fund, with the borrowed sums to be repaid in later years when revenues were expected to exceed expenditures for highway improvements. Prior to final congressional action, however, restrictive language was written into the bill which was designed to limit annual apportionments to the States to such amounts as would be available in the trust fund with which to pay the bills when they came due. As a result of this restrictive language, the crisis which we now face was, from the effective date of the act, inevitable. This restrictive language has come to be known as the Byrd amendment; though in fact, I am informed it was advanced by the former Secretary of the Treasury, Mr. George Humphrey.

All responsible people agree that the Congress must act to prevent a collapse of the highway program. If we are to act properly, however, we must do so on the basis of a clear understanding of the problem.

To begin with, the highway trust fund will be out of money by October 1, 1959—unless this Congress acts the highway trust fund will be bankrupt by the time Representatives and Senators reach their home States.

The States will present during this fiscal year vouchers for reimbursement totaling an estimated $493 million for which funds will not be available for payment. Normally this deficit would be made up by borrowing from the general fund as provided in the Highway Revenue Act. However, the Department of Commerce Appropriation Act recently passed by the Congress limits appropriations to such amounts as "may be available in and derived from the highway trust fund." This amount is expected to be $493 million less than required. Unless we take action, the Federal Government will be forced to default in its obligations to the States. This default will occur in October, next October, October 1959, prior to the reconvening of Congress in January.

Moreover, no apportionments of interstate funds whatever can be made for fiscal year 1961. These apportionments should have been made last month. Unless the States receive this obligational authority they will be compelled to terminate even the planning of additional projects. If the Federal Government defaults on its obligations to the States, the States then will be forced to default in payment of their obligations pursuant to contracts performed and completed, unless they can raise the funds from their own resources.

Already many States have announced that no additional contracts can be awarded. Invitations to bid on contracts which have already been advertised are being withdrawn. In short, we face a complete stoppage of the construction of the new System of National Defense and Interstate Highways which the President declared necessary for national security and which the Congress proclaimed as necessary for national security and to promote a growing economy and safety on the highways.

The problem has two parts which, though related, are separate:

First, we must provide funds to the States in 1960 to meet the obligations that the States have incurred by contract pursuant to Federal commitments in the Highway

Acts of 1956 and 1958. Without congressional action, then, the States will be forced into default, or budgetary stringencies, on obligations falling due this fiscal year, and this situation, let me repeat, will occur very soon, unless the Congress acts. Solution of this phase of the problem will have a bearing upon the 1960 budget.

Secondly, we must take action to permit continued apportionments to the States to avert complete stoppage of the interstate program. Authorization of apportionments for fiscal 1961 must be made this year to allow time for proper planning, advertising of contracts, and award of contracts. Such authorization, however, can have no impact whatever on the 1960 budget because under the law the funds could not actually be disbursed until fiscal 1961. Actually, for the most part, fiscal 1961 apportionments would not be disbursed until 1962.

So, Mr. President, solution of this problem which, as I have said, has two parts, will have an effect on the 1960 budget with respect to obligations falling due within 1960, which arise from apportionments already made; but action to permit apportionments for 1961 will not have an effect upon the 1960 budget. Actually for the most part fiscal 1961 apportionments would not be disbursed until fiscal 1962.

Before proceeding to discuss possible solutions, I should like to dispel certain myths about the program and the cause of our present dilemma.

In the first place, the present crisis has not been caused by an increase of construction costs over estimates. On the contrary, contracts are being awarded generally well within or below estimates.

Only today the Bureau of Roads made an announcement that highway construction costs during the April-June quarter dropped by more than 2½ percent.

In the second place, this crisis was not caused by the Highway Act of 1958. As a matter of fact, the Congress was confronted with this same problem last year. The act of 1958 met this problem and averted a slowdown of the program at that time. While that act may properly be said to have postponed the crisis, it cannot be said to have caused it. The delay in resolving the problem and the acceleration provided in the 1958 act have combined to make the problem more acute today.

I think Congress must enact legislation to meet Federal obligations to the States and to permit continued interstate and defense highway apportionments on schedule.

There is no magic way to build highways without money. The only real source of funds for the Federal Government is by way of taxation. This is not to say, however, that there is only one type of tax or only one class of citizens and taxpayers upon whom to levy it.

The administration insists that the only solution to the problem is to impose a further increase in the gasoline tax. This proposal is labeled a pay-as-you-go plan. The implication is plain that users of our highways have not been paying their fair share of taxes and that they should be compelled to do so or else accept responsibility for stoppage of the highway program. Any such implication is highly inaccurate and downright misleading.

In the first place, the theory that highway users should pay the entire cost of the program by direct taxes levied upon them cannot be supported. Good highways benefit everyone and every segment of our economy. We do not levy a special tax on teachers and the parents of students to pay for schools because we realize that education not only benefits everyone but is a responsibility of the general public. The same rule applies, or should apply, I insist, to highways.

But even if we accept the thesis that highway users should pay the entire cost of highways, the administration position, as well as its implications, is unjustified. Highway users are already paying direct excise taxes far in excess of the amount needed for the highway programs. In addition, of course, the users of our highways pay income taxes and all other taxes, as do all of the people.

What are the facts, Mr. President, about highway user taxes?

In fiscal 1958 highway users paid in direct Federal excise taxes $3.493 billion. Of this amount, only $2.026 billion was transferred to the highway trust fund. In other words, of each highway user dollar collected, 58 cents went for highways while 42 cents went for other purposes, to be diverted from use on highways. On the basis of information now available, approximately the same ratio will be applicable, under the budget, to 1959 collections. I ask unanimous consent to insert at this point in the RECORD a table showing actual collections of highway user taxes in fiscal 1958 and indicating the amount of each transferred to the trust fund or kept in the general fund.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Highway user excise taxes, disposition—Actual collections, 1958

[Millions of dollars]

	Gasoline	Diesel	Lubricating oil	Auto	Truck and bus	Parts and accessories	Tires	Tread rubber, tubes, truck use	Total
Trust fund	$1,558	$50			$111		$244	$63	$2,026
General fund			$35	$1,170	95	$167			1,467

Mr. GORE. Throughout the years highway users have paid larger sums in taxes than were spent for highways. In 1934 the Congress passed the so-called Hayden-Cartwright Act. This act, which is still in effect, provides that any State which diverts to nonhighway uses a larger percentage of highway-user taxes than was diverted at the time the act was passed shall forfeit its right to Federal-aid highway funds. Thus, we encourage the States, by threat of withholding Federal funds, to use all their revenue from highway taxes for highway purposes. Yet the Federal Government does not follow that example. Indeed, it is now proposed that we levy still additional taxes upon the users of our highways, even though they are now paying more than $1.5 billion a year in excess of the amount actually used for highways. I am advised that for the current fiscal year the sum diverted to uses other than construction of highways will be approximately $1,600 million.

Some appear to have forgotten that highway-user taxes were substantially increased by the act of 1956. For the information of the Senate, I list here the taxes that were increased and the amount of the increase in each case:

Gasoline, from 2 to 3 cents per gallon.

Diesel fuel, from 2 to 3 cents per gallon.

Automobile tires, from 5 to 8 cents per pound.

Tread rubber, 3 cents per pound—a new tax.

Trucks, buses, and trailers, from 8 to 10 percent for 1957 and from 5 to 10 percent from 1958 to 1972.

Truck-use tax, $1.50 per thousand pounds—a new tax.

Also in 1956, although not in the same act, Congress extended an additional 3-percent excise tax on automobiles which otherwise would have expired. This tax has been extended annually since then. This 3-percent extension, which is also an increase in highway-user taxes, has brought in an additional $1,006 billion in the last 3 fiscal years.

All told, Mr. President, highway-user-tax increases since 1956 have brought into the Treasury $3.177 billion. Total expenditures from the highway trust fund for the interstate program through fiscal 1959 amount to $2.358 billion. Thus, the revenues from tax increases alone amount to more than total interstate highway expenditures since the act of 1956 was enacted.

It seems to me that we should keep these figures in mind when considering the possibility of imposing yet an additional increase in the gasoline tax. I ask unanimous consent to insert in the RECORD a table showing revenues received from highway-user-tax increases in the last 3 fiscal years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Revenues collected from increases in highway user taxes imposed by Highway Act of 1956

[In millions of dollars]

	1957	1958	1959
Gasoline, 1 cent	$432	$519	$535
Diesel, 1 cent	10	17	17
Tires, 3 cents	81	92	93
Tread rubber, 3 cents	11	13	14
Trucks, buses, and trailers, 2 percent (1957) and 5 percent (1958–72)	34	103	107
Truck use	26	33	34
Total	594	777	800
Auto excise, 3 percent	343	351	312
Total (including auto excise)	937	1,128	1,112
Total additional revenues for fiscal years 1957–59 (not including auto excise)			2,171
Auto excise			1,006
Grand total			3,177

Mr. GORE. Highway users accepted these new levies without undue protest. They did, however, seek some assurance that the question of equitable distribution of the burden of the cost of highways be subjected to study. Accordingly, section 209(b)(2) of the 1956 act declares it to be the policy of the Congress that "if it hereafter appears that the distribution of the tax burden among the various classes of persons using the Federal-aid highways, or otherwise deriving benefits from such highways, is not equitable," the Congress shall enact legislation in order to bring about such equitable distribution.

The distinguished Presiding Officer of the Senate at the moment was a member of the Public Works Committee when that provision of the law was enacted, thus giving to highway users assurance that if, after careful study, it was determined that they were paying more than an equitable and fair share of the burden of highway costs, the Congress would rectify the mistake.

Section 210 of the same act directed the Secretary of Commerce to make a study and to provide the Congress with information to enable it to determine what taxes should be levied and in what amounts "in order to

assure, insofar as practicable, an equitable distribution of the tax burden among the various classes of persons using the Federal-aid highways or otherwise deriving benefits from such highways."

The Secretary of Commerce was directed to submit his final report no later than March 1, 1959. Subsequently, at the administration's request, the date of submission of the report was extended to March 1, 1961.

The new taxes levied by the act of 1956 have brought into the Treasury substantial revenues. During fiscal years 1957, 1958, and 1959, receipts from these increases alone have, as I have said, totaled $3,177 billion, more, I repeat, than has been used for interstate highway improvements since 1956.

Mr. President, we assured the highway users that the question of equitable distribution of the burden of the cost of highway construction would be restudied. The administration requested that submission of the study called for by the law be delayed from 1959 until 1961. If I had known at the time the request was submitted that there was a plan to ask that taxes be further increased on every gallon of gasoline, I would have opposed the extension. I think we should have such a study before we levy more Federal sales taxes on every gallon of gasoline every person puts in his car or his truck.

Yet without even establishing that the additional levies imposed in 1956 are equitable and fair, it is now proposed to increase the gasoline tax once again, while we wait another 2 years for the study to be completed.

Mr. President, a further increase in the gas tax at this time, at the very least, is not in accord with assurances given by the Congress to the highway users in 1956. The facts speak for themselves. A gasoline tax increase is grossly inequitable and completely unfair.

I should like to read at this time two paragraphs from an article appearing in the New York Times of yesterday:

"Today the tax on gasoline is at a higher rate than that on any other essential product; even that on many luxury items. If the Federal tax of an additional cent a gallon goes into effect on September 1, as provided in a bill approved recently by the House Ways and Means Committee, the gasoline levy will exceed 10 cents a gallon and will just about equal the refinery price of the product."

On what other commodity essential to our economic life do we have a 50-percent tax? At retail levels, every time a man drives up to a filling station in my State and has his tank filled or partially filled, one-third of what he pays is taxes. I repeat that a further increase in this tax is unjustifiable. I continue to read from the article:

"Some economists are wondering how much tax an essential product can stand before there is an adverse effect on the Nation's economy. With business expanding and wage rates moving upward, it is held that the general economy can sustain the present or a higher level without much difficulty. But if a recession should develop, it is feared the high gasoline tax would aggravate it."

The Ways and Means Committee of the other body, after long study and labor, has apparently approved an increase of 1 cent per gallon in the gasoline tax for fiscal 1960 and 1961. For the reasons I have already given, such an increase is without justification. Moreover, the plan proposed by the Ways and Means Committee is inadequate to meet existing needs. It falls short in the following respects:

First. For the remainder of fiscal year 1960 a 1-cent increase in the gas tax would bring in approximately $380 million. This would fall short by more than $100 million of providing enough funds to reimburse the States the amounts which will be owed. Figures released by the Ways and Means Committee indicate that as of January 1, 1960, under its proposal, the trust fund will still have a deficit of $309 million, and will still be in arrears by $107 million at the end of the fiscal year. On January 1, 1961, the deficit will be $351 million, and the deficit will not be eliminated until July 1, 1961. I cannot believe, Mr. President, that our preoccupation with a balanced budget will let us go so far as to undertake to balance it by simply not paying to the several States the amounts owed to them by the Federal Government. I cannot believe that the Federal Government will default on its commitments to the States. Yet this is what will happen unless additional funds are made available to the trust fund and appropriated for expenditure by the Bureau of Public Roads.

Second. The Ways and Means Committee proposal would permit the apportionment of $1.8 billion this year for fiscal 1961 and only $2 billion next year for fiscal year 1962. The 1956 act prescribes an annual level of apportionment of $2.2 billion. These apportionments were based upon the cost estimates submitted in the Clay report. Under more realistic estimates later submitted by the Secretary of Commerce, an annual level of apportionment of $2.5 billion will be required to complete the system by 1975. Even at this rate, there will be a 3-year stretchout of the program. With annual apportionments no higher than those which would be permitted by the Ways and Means Committee proposal, this brandnew system of National Defense and Interstate Highways would not be completed until long after 1975. The highways would be obsolete before they were even built.

This proposal destroys the integrity of the Interstate Highway and Defense System as a unified, integrated system of national highways, interconnecting all the principal metropolitan centers, to be completed on schedule and adequate to the needs of 1975.

In any event, a further appropriation act will be required this year if the States are to receive full payment, because the maximum amount appropriated in the bill already passed is insufficient to meet the estimated requirement for funds. Unless such an appropriation bill is passed, we shall have broken faith with the States.

Mr. President, the Congress must come to grips with this problem. In 1955 the President recommended that the National System of Interstate and Defense Highways be built within 10 years. At best this will now be almost doubled. We cannot allow a further stretchout. We cannot accept the proposal of the Committee on Ways and Means of the other body.

I am willing to meet head-on the question of raising additional revenue if the facts require it. This is admittedly difficult to accomplish in the Senate which cannot initiate revenue raising proposals except by way of amendment. There are many areas in our tax structure, however, from which additional revenue might be obtained far more equitably than by extracting yet another pound of flesh from highway users who are already paying sums substantially in excess of the cost of highways.

Earlier this year the Senate adopted an amendment to a tax bill which would have repealed the tax favoritism granted to dividend income by the Revenue Act of 1954. Had we been able to retain this amendment in conference, it would have increased revenue by $335 million in fiscal 1960—almost as much as would be obtained from a 1-cent increase in the gasoline tax. The administration, despite its pleas for additional revenue, was opposed to this amendment, and so were the conferees from the other body.

Mr. President, we have an obligation to implement the interstate highway program which both the President and the Congress have called essential to the national welfare. Pending submission of the study now being undertaken by the administration, and as long as highway user taxes are diverted to other purposes, a further increase in the gasoline tax is unjustified. We can and we should make available an additional portion of these revenues so that the program can go forward.

Why should discrimination be practiced on highway improvement? Why should all other programs, all other expenditures throughout our country and around the world, continue—be the budget balanced or unbalanced—yet stop dead still our vital interstate and defense highway improvements unless an additional Federal sales tax is levied on each gallon of gasoline? I reject this injustice, this total lack of reason.

Funds can be provided for continuation of the highway program in any one of three ways, or a combination of the three.

First. A direct appropriation from the general fund to the highway trust fund or dedication of a sufficient amount of revenue from existing highway user taxes to the trust fund, together with the repeal of the so-called Byrd amendment. To the extent that the amounts thus appropriated exceeded the amounts by which Congress has reduced the Presidential budget estimates, a budget deficit would result, assuming the accuracy of the budget estimates of revenue. The administration opposes this method.

Second. The levying of additional taxes with the revenue dedicated to the trust fund. The administration favors this course and has proposed that an additional Federal sales tax of 1½ cents be levied on each gallon of gasoline. Congress has declined to approve this recommendation. I think it will continue to decline such approval. I am vigorously opposed to this proposal, as are many others, for reasons already stated.

Third. Congress can make a further reduction in other expenditures by enacting a rescission of appropriations heretofore made by an amount sufficient to permit highway improvement within the total budget estimates. I propose this course as a solution. I introduce a bill to rescind 1 percent of all fiscal 1960 appropriation bills with discretion vested in the President to except fixed statutory requirements such as veteran pensions and other obligations made mandatory by statute, which are spelled out in the bill. My bill would dedicate to the highway trust fund such portion of the revenue from excise taxes on automobiles as may equal the total amount of such recision. It provides for a continuation of our highway improvement programs within the 1960 budget estimates.

This will afford the Senate a clear choice of reducing other expenditures or increasing gasoline taxes. When the highway bill reaches the Committee on Finance I shall offer this bill as an amendment thereto.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2588) to amend the Highway Revenue Act of 1956 so as to transfer to the highway trust fund a portion of the receipts from the excise tax on passenger automobiles collected during the 1960 fiscal years; to rescind 1 percent of certain appropriations made for the 1960 fiscal year; and for other purposes, introduced by Mr. GORE, was received, read twice by its title, and referred to the Committee on Finance.

REMARKS OF SENATOR ALBERT GORE ON THE FLOOR OF THE U.S. SENATE, AUGUST 31, 1959

Mr. GORE. Mr. President, with the passage of each day, the need for congressional action

to avert a collapse of our program to build a National System of Interstate and Defense Highways becomes more acute. There is general agreement that action to insure continued construction must, and will, be taken. The question is whether we shall make continuation of this vital program conditional upon a further increase in the Federal sales tax on gasoline.

Mr. President, the power of Congress to levy taxes is one which must be used wisely. In determining what kind of a tax shall be imposed, consideration must be given, not only to the need for revenue, but also to the question of whether the proposal is fair and would result in an equitable sharing of the overall tax burden.

I have already pointed out to the Senate that highway users, in addition to paying all types of taxes levied upon taxpayers generally, are paying direct excise taxes in an amount substantially in excess of the cost of highway construction, a program of which they are one, but by no means the sole, beneficiary. Yet it is now proposed to impose upon them a still greater burden.

Gasoline is an essential commodity. Almost everyone must use it in one way or another to earn his livelihood. The burden of this tax falls equally upon all with no regard whatever to ability to pay. It is a regressive tax in every sense of the word. The wage earner pays at the same rate as does the top corporation executive.

With all the loopholes and areas of tax favoritism which remain uncorrected, I cannot believe that this Congress, after due deliberation, will determine that the highway user is the one class of taxpayer upon whom an additional levy may equitably and fairly be imposed.

Already gasoline is the most heavily taxed essential commodity. In many States the Federal and State sales taxes combined are approximately equal to the cost of the fuel at the refinery. Indeed, there are few luxuries which bear a tax proportionately as heavy as this essential commodity.

It is said that this additional levy is to be imposed only for a temporary period of 1 or 2 years, to meet an emergency. I would remind my colleagues that the history of taxation is replete with examples of temporary taxes which have become permanent fixtures. Just this year the Congress once again extended the corporate and excise tax rates. The excise taxes imposed on transportation and communications as wartime measures during World War II are still partially with us.

Should this Congress increase the gasoline tax for a definitely prescribed period, the same arguments will be made in the future for its extension that are now made in support of its adoption.

Some appear to contend, Mr. President, that we must increase the gasoline tax because there is no other fiscally responsible way to continue the highway program. The fact is, however, that there is another course of action which will permit the program to go forward without increasing overall appropriations from the general fund of the Treasury.

I have proposed that appropriations for fiscal 1960 be reduced by 1 percent, with the amounts derived from this recission transferred to the Highway Trust Fund to provide funds to pay the States the money the Federal Government is obligated to pay them. I emphasize, Mr. President, that the maximum amount by which any program would be reduced is 1 percent of the amount appropriated. In those instances in which the full amounts appropriated are required by law to be paid, the reduction would not apply, and the President is given the discretion to make this determination in instances other than those enumerated in my bill. I do not believe it can reasonably be asserted that a reduction of 1 percent would be disastrous to any of the many programs for which we annually appropriate funds.

To those who believe that the Congress should act to reduce expenditures, my proposal should appear indeed modest. Yet the amount of the reduction would be adequate to eliminate the 1960 deficit in the highway trust fund.

In addition to the sums already earmarked for the highway trust fund, highway users will pay into the general fund this year $1.6 billion derived from direct taxes imposed upon them. In addition, Mr. President, as I have said, they contribute otherwise to the general fund in the same proportion as do taxpayers generally. I see no valid reason why the highway program, which benefits the entire economy, should be made a stepchild with further progress contingent upon the levy of a penalty tax upon the highway user.

SENATE

FRIDAY, SEPTEMBER 4, 1959

(Legislative day of Monday, August 31, 1959)

The Senate met at 9 o'clock a.m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, since Thou hast planted our feet in a world so full of chance and change that we know not what a day may bring forth, and hast curtained every day with night, and rounded our little lives with sleep; grant that we may use with diligence our appointed span of time, working while it is called today since the night cometh when no man can work.

Grant us, we pray, some part in the coming of the commonwealth where those who toil shall be honored and rewarded, where every man's worth shall be reckoned higher than the price of the things he fashions with hand or brain, where science shall serve, not destruction or private gain, but the advancement of the common good.

Make our bodies Thy temple, and our hearts Thine altar where the sacred flame is ever burning. Amen.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Under the order entered on yesterday, morning business is now in order, under a 3-minute limitation.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORTS ON REAPPORTIONMENT OF APPROPRIATIONS

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of the Interior for "Management of lands and resources," Bureau of Land Management, for the fiscal year 1960, had been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Agriculture for "Forest protection and utilization, Forest Service," for the fiscal year 1960, had been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

RESOLUTIONS OF THE NATIONAL DAUGHTERS OF THE GRAND ARMY OF THE REPUBLIC, DEPARTMENT OF WISCONSIN

Mr. WILEY. Mr. President, I am always pleased to hear from organizations in my home State which reflect broad-scope opinion, of significance either to its membership, to the State, or to the Nation in general.

Today, I was pleased to receive from Mrs. Rose Meyer, assistant adjutant general of the National Daughters of the Grand Army of the Republic, Department of Wisconsin, two resolutions adopted at the 46th annual encampment earlier this year.

The resolutions relate, first, to the reissuance of stamps for the Civil War Centennial; and, second, to the dedication of a national memorial at Gettysburg for preserving the historic significance, not only of Lincoln's renowned address, but also commemorating the sacrifices of the gallant men who fought and died at Gettysburg.

Reflecting the interest not only of the Wisconsin membership, but of other members of the National Daughters of the Grand Army of the Republic throughout the country, as well as the interest of other organizations—particularly in Resolution 2—I ask unanimous consent to have the letter from the adjutant general, Rose Meyer, and the resolutions printed at this point in the RECORD.

There being no objection, the letter and the resolutions were referred to the Committee on Post Office and Civil Service and ordered to be printed in the RECORD, as follows:

NATIONAL DAUGHTERS OF THE GRAND ARMY OF THE REPUBLIC,
DEPARTMENT OF WISCONSIN,
West Allis, Wis., July 21, 1959.

Hon. ALEXANDER WILEY,
U.S. Senator,
Washington, D.C.

DEAR SIR: I have been instructed to write you regarding the action at the 46th annual encampment of the Department of Wisconsin, National Daughters of the Grand Army of the Republic, held at the Wisconsin Dells, Wis., June 17–19, 1959. Two resolutions were passed on several questions confronting the U.S. Government, which the organization felt were of great importance.

Inasmuch as our organization is composed of daughters and granddaughters, in whose

veins flows the blood of those gallant boys, who offered their young lives on the altar of their country, and as we are banded together to perpetuate the memory of our heroic fathers, known as the Union Army, serving during the Civil War from 1861 to 1865; and preserve for future generations the history they established through their victorious struggles in creating and maintaining a united country. We wish to go on record as supporting the request of President Eisenhower, for the Government to purchase the grounds surrounding Gettysburg to maintain as a national memorial and thus keep it from being obliterated by billboards, hotdog stands, etc. This ground has been so consecrated by those who sacrificed and gave their lives here and where Lincoln made his famous Gettysburg address, known the world over, let us forever keep it so. We also wish to support a motion that the reissue of the GAR stamp be included along with some 30 other stamps which are to be reissued for the Civil War centennial.

A copy of these resolutions is herewith enclosed and we urge your support of these resolutions to help further action as desired.

Respectfully,

Mrs. R. A. ROSE MEYER,
Assistant Adjutant General.

RESOLUTION 2

Whereas there is to be a reissuance of some 30 stamps for the Civil War Centennial; and

Whereas there has been no mention of the GAR stamp being reissued by the Postmaster General's Department: Therefore be it

Resolved, That the 46th encampment of the Department of Wisconsin, National Daughters of the Grand Army of the Republic, held at the Wisconsin Dells, Wis., go on record as favoring the reissue of the GAR stamp; and be it further

Resolved, That a copy of this resolution be sent to Maj. U. S. Grant 3d, USA (retired), chairman, and U.S. Senators William Proxmire and Alexander Wiley.

Approved by board of directors June 17, 1959.

Endorsed by encampment June 18, 1959.

GERTRUDE PEASE,
JULIA LAVIN,
ROSE MEYER,
Resolution Committee.

RESOLUTION 3

Whereas Gettysburg has been consecrated by those gallant men of 1861–65, who sacrificed and suffered on the battlefield, it was here that Lincoln made his famous Gettysburg Address known the world over, and now as these hallowed grounds have their beauty marred by billboards, hotdog stands, etc., being put up; and

Whereas President Eisenhower has proposed that the United States purchase the surrounding grounds to maintain as a national memorial: Therefore be it

Resolved, That the Department of Wisconsin, National Daughters of the Grand Army of the Republic, go on record as favoring the purchase of these grounds by the U.S. Government; and be it further

Resolved, That a copy of this resolution be sent to U.S. Senators WILLIAM PROXMIRE and ALEXANDER WILEY.

Approved by department of Wisconsin board of directors June 17, 1959.

Endorsed by department encampment June 18, 1959.

GERTRUDE PEASE,
JULIA LAVIN,
ROSE MEYER,
Resolution Committee.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 2646. A bill for the relief of Lloyd C. Kimm; to the Committee on the Judiciary.

FEDERAL EMPLOYEES HEALTH BENEFITS ACT OF 1959—MOTION

Mr. JOHNSTON of South Carolina submitted a motion, intended to be proposed by him, that the Senate agree to the amendment of the House, with amendments, to Senate bill 2162, the Federal Employees Health Benefits Act of 1959, which was ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD as follows:

By Mr. KEFAUVER:

Address delivered by him before the Tennessee Law Enforcement Officers Association, at Knoxville, Tenn., on August 28, 1959.

By Mr. SPARKMAN:

Address delivered by him on the occasion of the presentation of the Paul Bunyan award to himself and the Senator from Indiana [Mr. CAPEHART], by the Lumbermen's Forest in Israel, in the State of Pennsylvania.

By Mr. KEATING:

Statement by him concerning the situation in Laos.

Statement by him with respect to report of U.S. Commission on Civil Rights.

ANNOUNCEMENT OF PUBLIC HEARINGS TO BE HELD JOINTLY BY CONSTITUTIONAL AMENDMENTS SUBCOMMITTEE AND JUVENILE DELINQUENCY SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY ON SENATE JOINT RESOLUTION 116, SENATE JOINT RESOLUTION 133, AND S. 2562

Mr. KEFAUVER. Mr. President, on behalf of the senior Senator from Missouri [Mr. HENNINGS] and myself, I wish to announce a public hearing to be held jointly by the Constitutional Amendments Subcommittee and the Juvenile Delinquency Subcommittee on Senate Joint Resolution 116, Senate Joint Resolution 133, and S. 2562.

The two joint resolutions propose constitutional amendments and the bill proposes changes to sections 1461, 1462, 1463, and 1465 of title 18 of the United States Code and section 259b of title 39 of the United States Code. Both of the joint resolutions and the bill deal broadly with the subject of the publication and dissemination of obscene material. They were sponsored and cosponsored by many Senators to all of whom I wish to extend my praise for their support in this area.

A joint hearing on these matters was held on August 28, 1959, at which time the Postmaster General of the United States and various religious and lay leaders testified.

The hearing which is presently being announced will begin at 10 a.m., Wednesday, September 9, 1959, in room 457 of the Old Senate Office Building. Mr. Herbert B. Warburton, General Counsel of the Post Office Department, will testify at that time. Other witnesses have also been invited.

ANOTHER ACCOMPLISHMENT OF SENATOR GREEN OF RHODE ISLAND

Mrs. SMITH. Mr. President, that the oldest Member of the Senate, the senior Senator from Rhode Island [Mr. GREEN], is one of the most alert Members, with one of the keenest minds, has long been acknowledged by many of us. A recent accomplishment of his is but another of the many illustrations of this. That achievement has been well summarized by an article in the August 29, 1959, issue of the Army, Navy, Air Force Journal.

I ask unanimous consent to have that article printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR CURES ARMY'S MENTAL LAPSE

In one of the fastest decisions in military history, the Army has cured itself of a mental lapse jointly diagnosed by Senator THEODORE FRANCIS GREEN, Democrat, of Rhode Island, and an eminent psychiatrist in the Senator's home State.

The psychiatrist last month called Senator GREEN'S attention to "USMA Form 5–413." This is the form used by the Army to tell aspiring West Pointers how they made out on their West Point entrance exams.

The form has three separate headings: "Mental," "Physical aptitude" and "Medical." If an applicant fails in the first category, he is "mentally disqualified."

That's what happened to the psychiatrist's nephew—son of a Regular Army lieutenant colonel—and how the doctor learned about "USMA Form 5–413" in the first place. He communicated the information to the Senator. The Senator took corrective action.

He advised the Army July 30 that neither of the other service academies nor leading colleges and universities any longer employ the word "mental" in their admission forms and notices. The word, used in connection with an entrance examination, carries an inference to the average layman of "some innate deficiency of the mind" or a "lack of basic intelligence," Senator GREEN said.

The 91-year-old lawmaker, commander of a provisional infantry company in the Spanish-American War, told the Army he thought the mental category should be erased.

In record time—17 days—the Army notified Senator GREEN that it has adopted a revised format. Next year, the word "academic" will be submitted for "mental" on "USMA Form 5–413."

The psychiatrist, who started the whole thing, remained anonymously in the background because of, as Senator GREEN'S office put it, "his aversion to publicity."

The VICE PRESIDENT. Is there further morning business? If not, morning business is concluded.

FOREIGN RELATIONS: LATE SUMMER 1959

Mr. MANSFIELD. Mr. President——

The VICE PRESIDENT. Under the order entered on yesterday, the Senator from Montana is recognized for 45 minutes.

Mr. MANSFIELD. Mr. President, at this moment it may seem a remote possibility, but at some point the first session of the 86th Congress will come to a close. The first snows of winter will undoubtedly have settled on the mountains of Montana by the time the final gavel falls. It may be that the first snows will even have descended in Washington. Sooner or later, however, we shall finish the work of this session. And sooner or later we shall adjourn.

I have sought the floor today in the expectation—perhaps unwarranted—that adjournment may come sooner, rather than later. I have sought it in order to make certain summary remarks on the international situation and the present state of the Nation's foreign relations.

It is not easy to draw up a balance sheet of this kind. Yet the attempt to do so on other occasions, I believe, has been helpful; and it may prove to be helpful now.

In broad terms, I suppose, one might say that since the Nation is not fighting a war in this late summer 1959, the balance sheet is fine. That sort of observation, comforting though it may be, tells us nothing of the stubborn international realities with which we must live, with which we must continue to contend.

It may be good politics to say that the absence of fighting on our part proves how successful our foreign policy has been. It may make for happy headlines. It may be good politics, but I do not know that it is good government. This superficial observation produces a false sense of security in the Nation. It masks the very likely possibility that we may be at a peace of sorts—not necessarily because of our policies, but in spite of some of them, and that pieces may now be falling into place in the complex pattern of international relations which, when fully assembled, may fuse into the full fury of nuclear war.

The observation that we have peace, moreover, shunts aside the domestic implications of present international policies. It completely ignores the grave burden of taxation, and the inflationary pressures which arise from the enormous cost of the Defense Establishment and oversea activities of various kinds which are involved in maintaining this so-called peace. We do not know, really, with any degree of precision the needs of any of these operations or how efficiently any are run. All we know is that these defense and other operations—as much as the Congress will allow—are pressed upon us on the grounds that they are required to maintain this so-called peace. At the same time, the administration has admonished the Congress to limit the buildup of essential domestic services and activities in education, housing, road construction, social security, slum clearance, law enforcement, resource development, and countless others under a budget which goes overwhelmingly for defense and international programs of one kind or another.

In short, to maintain this peace of sorts, we are eating into—or at any rate, not building adequately—our capital investment in the social structure of the Nation. That may be unavoidable in present circumstances; but when we talk lightly of having peace, let us not lose sight of what we are doing and of the monumental problems which the neglect of domestic needs is building up for the years ahead.

Who can speak, in all honesty, of the existence of peace in this late summer of 1959, when the continent of Europe remains divided by hostile and unreconciled ideologies and other spawns of conflict, when the concept of live and let live which encourages men and nations to rational settlement of their difficulties has still so little depth in that key region, when Western Europe shows evidence of serious fissures in its essential unity?

Who can speak, in all honesty, of peace when a wall of ignorance builds ever higher between this Nation and China, and behind it there develops a new and explosive power nurtured heavily on hatred of the United States? While this situation prevails, to talk glibly about the existence of peace today may be to exact a terrible price out of our children's tomorrow.

Who can speak, in all honesty, of peace, when in the great arc of nations extending from Korea, around the rim of Asia, through the Middle East and Africa, and even into the nearby Caribbean, there are only scattered oases of stability; when, in this vast area, too often there exists a seething violence just beneath the surface of daily life; when whole peoples grow restless in the search for new roots to feed their survival and growth?

Mr. President, by ignoring such realities as these, I suppose one may concoct a bright balance sheet of the world situation, and find in it reason to pride ourselves on the success of our foreign policies and their administration. Unfortunately, it also gives us cause for national self-delusion; and I, for one, cannot certify to any such balance sheet. Equally, I cannot join those who, seeing only such realities as those I have just enumerated, are plunged into a cynical gloom, a deadening hopelessness over the fate of the Nation and mankind.

No, Mr. President; I do not believe that we can conclude, from the present situation, either the certainty of a durable peace and continued progress, or the inevitability of retrogression and tragic war. The international situation in late summer 1959, as it has been for some time, is neither black nor white, but is many shades of gray. It would be best to dispel any illusions that we have peace in our times, and count mankind lucky that we even have peace for this day.

As a nation, we are still in the midst of a gigantic and enormously expensive holding action throughout the world. At some critical points in this action, there are rays of hope that potential conflicts will yield to reason, or, at least, that the vast cost of the holding action can be reduced. At others, we are staging merely a rear-guard action in which the way to a durable peace is not yet even dimly seen.

We shall do well, therefore, to put aside the glib evaluation of the state of the world as being one of peace in this late summer of 1959 and the state of our foreign policy as being one of success. At best, the world, and this Nation as a part of it, has just barely got its head above water . If there is any broad generalization that is applicable, it is that we are in a period of change in which we may go down or up, but one in which—in any event—we cannot remain just where we are. In these circumstances we shall increase our prospects of finding the way up, the way to peace, only as we turn our attention to the specifics, to the principal problems which confront us in the world. We shall find our way only as we try to gage accurately the changing content of these problems, only as we examine and reexamine honestly the present policies by which we are seeking to deal with these problems, and weigh and reweigh the effectiveness of the administration of these policies. In short, in an era of change in international relations we need to understand clearly the possibilities of the change and be prompt to act on them. If we fail to do so, we shall be left high and dry as the tide of change moves on and away from us.

GERMANY

In one critical area, Mr. President, in Germany, the pressure for change is great and it is rising. It is fed by developments within Germany, within Europe, perhaps even within the Soviet Union itself.

We may now be in a position to deal more successfully with these pressures than in the past. By successfully, let me add, I mean we may be able to deal with them in a way that leads toward a more durable peace without prejudice to freedom. Certainly, Mr. President, during the 86th Congress we have sharpened the tools of foreign policy for coping with the complex German situation. Our policies have been recast. Without alteration in basic principle, they have been redesigned more closely in line with the realities of the Germany and Europe of 1959 rather than of 1950 or 1945. In a phrase, we have refurbished these policies and brought them up to date.

True, the division in Berlin, Germany, and, in a larger sense, in Europe has not yet ended. But, at least, the revisions of our policy have helped to deflect, for the present, the headlong plunge toward open conflict in Berlin. At least, there is now some chance that the exchanges of heads and near heads of states may set in motion more tangible action on peace than the generalities which emerged from Geneva in 1955. There is no guarantee that such will be the result, but at least the hope is alive.

There is credit enough for all in this achievement. It is due in no small measure to the final efforts of the late Secretary of State. In his last visit to Europe and in his final press statements, Mr. Dulles set the stage for what has become a fresh, a positive Western approach to the problems of Germany.

This Congress has also made its contribution. For one thing, the Senate took the German question out of the deep freeze. It opened the question to full discussion and let in new thoughts and new ideas where for years there had been only ritualistic repetition of the old, the tired, and the increasingly unreal. Distinguished Members of this body, the outstanding chairman of the Foreign Relations Committee [Mr. FULBRIGHT], the Senator from West Virginia [Mr. BYRD], the Senator from Pennsylvania [Mr. CLARK], the Senator from Connecticut [Mr. DODD], the Senator from Kentucky [Mr. COOPER], the Senator from New York [Mr. JAVITS], the Senator from Alabama [Mr. SPARKMAN], the Senator from Ohio [Mr. LAUSCHE], and other Senators joined in these discussions at various times. And out of this many-sided debate emerged, I am sure, much that was useful for those charged with administering foreign policy.

The work of the President of the Senate [Mr. NIXON], on the occasion of his voyage to Russia and Poland was also of the greatest importance. He made an outstanding effort to bridge the almost unbridgeable gap in understanding between Russia and the United States and to enlarge the measure of civility in the relations between the two Nations.

Mr. Herter's work at Geneva, in difficult circumstances, was skillful and dedicated. In cooperation with other Western nations, he succeeded in reinterpreting Western policies with respect to Germany in the light of today's realities rather than yesterday's expectations. He set forth new proposals whose significance is not likely to be lost on the rest of the world, even though they may have fallen on deaf ears as regards the Soviet Foreign Minister at Geneva. One may hope, even, that their significance will not be lost on Mr. Khrushchev. Only last February he indicated that very similar proposals which I had listed in a speech in the Senate could form the basis for reasonable negotiation. I would hope that the President would call this particular matter to his attention when he meets with the Premier of the Soviet Union later this month.

BERLIN

As for Berlin, Mr. President, that city was and still is the crux of danger in Germany. I say that notwithstanding the fact that the crisis date which was originally concocted by the Soviet Union has come and long since gone without serious incident. I say that because Berlin in its location, in its continued division and uncertain status, still contains live seeds of conflict. I say that because a divided alien occupation of that city—Soviet and Western alike—is an anachronism almost a decade and a half after the end of war. I say that because the close proximity of antagonistic forces in the legal no man's land of Berlin constitutes a serious source of accidental or spontaneous military combustion.

Whatever it may appear to be from the Soviet point of view, from the Western point of view, I believe it is time for a change in Berlin. But let me stress, Mr. President, that when I suggest that it is time for a change I do not mean a change in West Berlin alone, as the Communists would have it. It is time for a change in all Berlin.

Because I believe that in any give-and-take negotiation, both parts of Berlin must be involved, I find it disconcerting to discover that Western diplomacy has permitted the discussion of the Berlin issue to center more and more on the status of West Berlin alone. I do not see that this issue—this issue of a dangerously divided Berlin—is an issue of Western troop levels in the city. Nor is it one of the type of arms which Western troops may bear in that city. It is not one of whether the Russians will or will not guarantee our rights there for 1 year, 5 years, or forever. Yet, these matters were the center of discussion regarding Berlin at Geneva. It seems to me that if we mean it when we say we shall stand fast in West Berlin, these are not matters for discussion.

To permit talks with the Soviet Union to center on them seems to me to reveal a temptation to buy the continuance of our presence in Berlin at the price of unilateral concessions. I do not believe that will work, for the price once paid is likely to go higher and higher. And even if it did work, what would we have bought? We would have bought nothing more than an indefinite and expensive prolongation of the present unsatisfactory, costly, and unstable occupation. We would not have advanced one step toward a more rational, a more durable peace. Until when would this occupation continue, Mr. President? Until 1970, 1980, or until the year 2000?

If the issue is not negotiable by a change in the status of West Berlin alone. is it negotiable by a change in the status of all Berlin—of West Berlin and East Berlin? It will not be negotiable in these terms if those who use the words of peace are not prepared to act for peace. We shall not know whether that is the case, however, unless we are clear in our own minds that we seek, as a positive act for peace, a new status for all Berlin. If we are clear on that point, then I believe we may, with profit to all, assume the advocacy of internationalization of the entire city, on an interim basis, until it is once again the capital of a unified Germany.

Again, let me stress, it is one thing to internationalize only West Berlin under the auspices of the United Nations as the Russians have proposed. It would be an entirely different matter to internationalize the entire city of Berlin—East and West—under those auspices, as an interim arrangement. In that, there might well be a valid quid pro quo.

In recent days there have been reports that the Russians are prepared to accept West Germans as replacements for the non-German garrisons now in West Berlin. I have no way of telling whether these reports are accurate. If there is any truth in them, I do not see that the idea should be rejected out of hand. On the contrary, the idea may well be advanced for exploration by the Western nations themselves, even if the Russians have not done so. If West Germans can replace other Western forces in Berlin and if Soviet troops are withdrawn from the city, at least the rudiments of an all-German administration of Berlin will exist. If this administration operated, on an interim basis, under ultimate U.N. or other international control, with guaranteed rights of free access to all from all directions, a new and more durable situation might exist in Berlin than that which now prevails.

I should be less than frank, Mr. President, if I did not state my view that we have not yet sufficiently explored the potential role of the United Nations and West Germans in the Berlin situation. I think there is time to remedy that shortcoming. Indeed, it might well be done in conjunction with the coming exchanges between Mr. Eisenhower and Mr. Khrushchev.

WESTERN EUROPE

Turning to another major aspect of the international situation, I should like to consider briefly the state of relations among the Western European nations and among the NATO members. There have always been differences among these nations; that is not in itself the problem. The problem is that in recent years short-range differences have threatened increasingly to overbalance the long-range cohesive forces which hold the Western nations together.

That is the danger, Mr. President. It is a danger, ironically, which does not come primarily from the Russians, although they have long sought the disruption of the alliance. Rather it comes primarily from developments within the Western alliance itself. And, ironically, the danger comes in part from the very success of the alliance.

The sense of restored security—the prosperity and progress of recent years—has permitted national clashes of interest within the very institutions which did so much to bring about the improvement in the Western nations. This is evident in the decline of respect for the military command of NATO and it is evident in the clash of economic purpose as between the inner six of the European Common Market and the outer ring of European nations which is forming in self-defense or for the purposes of economic countermeasures. It is evident, too, in the tendency of a legitimate national pride sometimes to give way to a questionable national conceit which sees itself as the sole source of wisdom and leadership for the West.

If present tendencies in the Western alliance persist, I am afraid it will not be long before the handwriting will be very evident on the wall. Increasingly, individual states or inner groups of states, in pursuit of their own immediate national advantage and oblivious or indifferent to the needs of others, will spur

the rest to the same course. The short-range interests of each shall take precedence over the long-range needs of all, and to the degree that they do so the house of Western unity, built with great care and at great expense, will be threatened. To be sure, the institutions are likely to remain, but they will be, increasingly, stripped of substance.

I do not know whether present trends can be reversed. I do not know how much influence the United States can exert to that end. The fact is that major changes have taken place within Western Europe in recent years. The effect, perhaps the inevitable effect, of these changes has been to reduce the influence of the United States and to heighten that of the Europeans themselves in European affairs.

It will serve no useful purpose to wring our hands over this situation, to look for scapegoats, or to continue to bury the problem in words of unity and immodest presumptions of American leadership as usual. Rather, it will be better to learn to live with the changes in Europe which we did so much to bring about with the Marshall plan and our actual postwar leadership. What is important now is to try to preserve what needs to be preserved, to try to preserve the essentials of Western unity.

It is helpful, I believe, that the President has gone to Europe. He is, in his person, an ambassador of hope. He is one of the great symbols of Western cooperation. I do not think, however, that symbols are enough. Not even well-spoken words of unity are enough. We have had those at every conference of the Western nations but the differences have continued to accumulate.

I believe the time has come to put aside the generalizations on unity and to look squarely at, and talk frankly to, the points of disunity in the Western alliance. I think the time has come for a blunt conference which puts the cards on the table with respect to the condition of NATO. We need to delineate the extent of the erosion. We need to determine what revisions are necessary to revitalize this organization and other institutions of Western unity in the light of the changing European situation. In short, we need to face what it is that is bothering the members of the Western alliance if we are to do anything constructive about the difficulties.

I think the time has come, especially, for a frank conference on the economic rivalries which are beginning to plague the European nations and which, sooner or later, will make their effect felt on this country.

It may be, finally, that the time has come for us to move out of the full glare of the spotlight of NATO activity and to welcome from the Europeans—British, French, Italians, Germans and others—the assumption of a greater measure of leadership in its undertakings, a greater measure of responsibility and contribution commensurate with their growing strength and the evolving situation in Europe. I trust that this observation will not be interpreted as an advocacy of American withdrawal from Europe. It is not intended as such. Rather, it is intended as a frank recognition that circumstances have changed in Europe and, in consequence, a change in the position of the United States in Western European affairs may also be warranted and desirable.

Mr. LONG of Louisiana. Mr. President, will the Senator yield at that point?

Mr. MANSFIELD. I will yield briefly, because I have only 45 minutes.

Mr. LONG of Louisiana. I am curious to know the Senator's views as to how Mr. Khrushchev's visit fits into that picture which he is describing. Does the Senator believe that will have any substantial effect on our situation in Europe?

Mr. MANSFIELD. As the Senator knows better than I, one of the main tenets of the Communist faith is that the Western alliance, NATO, must be broken up and disrupted. So far as Mr. Khrushchev's visit is concerned, I do not know what he can do to break that alliance, because I think, if anything, it will be strengthened.

I should like to point out that while I was opposed to the visit of Mr. Khrushchev some months ago, because I felt that no good could be accomplished. Now that the President, as Chief of State of this Government, has made his decision, I think the only thing we can do is to support him to the best of our ability, regardless of our personal feelings.

I am sure it was a difficult decision for the President to make. Mr. Khrushchev will not be here to pass on the social amenities. But the President, in his wisdom, decided this visit would be in accord with the objective of our foreign policy. On that basis, and in line with the President's decision, I think, while I am skeptical and do not expect much, if anything, to be accomplished, we ought to support the President to the best of our ability.

Mr. LONG of Louisiana. The Khrushchev visit has been described by some persons as a diplomatic victory for the Soviets. I wonder if the Senator is in agreement with that point of view.

Mr. MANSFIELD. I would say that is a fair statement. I think it represents a diplomatic victory for Khrushchev.

Insofar as the people of many countries in the world are concerned, especially those in the captive areas, I think Mr. Khrushchev has come out on top because of the invitation extended to him by our President, although we must recognize that in return he has extended an invitation to the President, who will visit the Soviet Union later in the fall.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield briefly.

Mr. KUCHEL. First, I congratulate the Senator. He speaks like an American.

Mr. President, shortly the President of the United States will return from Europe. He has given of his bone and his marrow with an unbounded selflessness to demonstrate to the world his devotion to the cause of a just peace. What a magnificent thing the President of this country has done. The response by the people of the free nations of Europe gives us cause to be grateful for the strength among the peoples who are free, and the determination which they share to keep their freedom.

The people of this country recognize that the President, in his wisdom, has entered into an agreement for reciprocal visits with the leader of Soviet Russia. If from those talks the cause of a just peace can be advanced, then the President of the United States will have made one more contribution not only to our generation, but also to generations yet unborn.

Mr. MANSFIELD. I thank the Senator. I agree with the Senator wholeheartedly in what he has had to say.

THE AMERICAS

Turning next to Latin America, Mr. President, it seems to me that the situation, particularly in the Caribbean, is a most uncertain one. It is going to require patience and great effort by all of the American States if a series of little wars spawned by dictatorship and revolution is not to plague that region for months or, perhaps, even years to come.

When a revolutionary fervor, nurtured on years of oppression and brutality achieves its ends, perhaps counter-excesses are inevitable. Tyranny is grim business, and it is not surprising that it produces revolutions which are also grim in their consequences.

Mr. LONG of Louisiana. Mr. President, before the Senator gets into a discussion on Latin America, I wonder if he would mind answering a question about France. The Senator has mentioned France only indirectly. What is his view of the Algerian question, if he cares to express it?

Mr. MANSFIELD. That is a matter which the French and the Algerian peoples themselves will have to decide. However, I did read in this morning's papers a statement to the effect that there seemingly is accord between President Eisenhower and President de Gaulle relative to a mutually compatible situation on which we both can agree at the forthcoming United Nations meeting in mid-September.

I do not know what that agreement is based on, but several years ago I advanced respectfully, because after all this is a French-Algerian matter and not an American matter except indirectly, the idea that perhaps if consideration were given by France vis-a-vis its relations toward Algeria in the same manner that our country has undertaken vis-a-vis Puerto Rico the idea of a commonwealth based on the Puerto Rican experiment, possibly that would be the answer to the predicament in which France finds itself at the present time.

After all, the Puerto Ricans are citizens of Puerto Rico and the United States. They are given certain privileges because of their commonwealth status, and they hav- the right at any time, as President Eisenhower stated before the United Nations in 1953, I believe, to achieve their own independence by a majority vote of the people.

So I should say that this might be something which France might consider.

Based on the success of our own experiment, it might work just as successfully for the French.

Mr. President, there comes a moment for an end to excesses. There comes a time to settle down to construction of the new after destruction of the old, a time to put aside the fury, if the high ideals which drive men to understandable revolt are not to be lost in a continuing flow of blood and hatred.

I hope that moment will not be lost in the situation in the Caribbean. If it is not lost, there is reason to believe that we are at the beginnings of a beginning of a new and promising era in inter-American relations.

This new stirring, I believe, found official expression in the recent declara- of Santiago. Unless I misinterpret that document, it points to a further evolution in inter-American relations. The Americas, I believe, may be on the verge of bringing into the good neighbor concept—into the doctrine of nonintervention—another concept, that of the conscience of the Americas. If this interpretation is correct, it means that as the Hemisphere deplores intervention in the affairs of one nation by another, it deplores equally the brutal denial, by dictatorship, of basic human decency anywhere in the hemisphere.

Good neighbors normally stay out of each other's family affairs and those who meddle or intervene are rightfully condemned. But sometimes the affairs in one house reach such a point of tyranny that good neighbors can no longer be indifferent to the agony of injustice and brutality which emanates from it. No single American nation can decide when that point has been reached. Not even two or three. But, it seems to me that when two-thirds or three-quarters of the American Republics reach such a conclusion, then the good conscience of the entire community is involved and the community has a responsibility to do something about it. In time, Mr. President, we shall find ways, common ways, inter-American ways, to make the distaste and indignation of the Americas felt by those who outrage the conscience of the Americas. Perhaps, then we shall see an end to the cycle of dictatorship, revolution, dictatorship which, for too long, has been the curse of many parts of this hemisphere.

For our part, Mr. President, I believe our policies are evolving to adjust to the changing concept which I have just outlined, as well as to other new needs of inter-American relations. The change comes in good time because, for years, we have been consuming the goodwill which the good neighbor policy of another generation created. The intentions of the people of the United States, as expressed in the Congress these past few years, have been good. Where we have failed is in the administration of policy. In that connection, we have shown a singular lack of awareness of the changes in attitudes, hopes, needs, and values in Latin America. In consequence, we failed to develop the new ideas, the alert leadership and the inspired official representation in Latin America which would permit us to act in accord with these changes. Now that defect is, I hope, in the process of being remedied.

Much has been done about alerting us to the situation in Latin America. The initiative has come largely from the Congress. I have in mind particularly the work of the subcommittee under the chairmanship of the Senator from Oregon [Mr. MORSE], and the bold and constructive ideas of the Senator from Florida [Mr. SMATHERS] who has shown such a consistent and intelligent interest in that area. I believe, too, that the increasing currency which has been given in this country to the views of the distinguished Governor of Puerto Rico, Mr. Muñoz-Marin, and to the Puerto Rican experience generally has been most helpful.

Mr. President, I should like to add one further observation to these remarks on the Americas. When we talk of the Americas, scarcely, if ever, is Canada included in our thoughts. There are, of course, noteworthy exceptions, as during the course of the debate during the past week and this week on the matter of the proposed Chicago diversion of the waters of Lake Michigan, when the present occupant of the chair, the junior Senator from Wisconsin [Mr. PROXMIRE], and his colleague, the senior Senator from Wisconsin [Mr. WILEY], the Senators from Michigan [Mr. HART and Mr. MCNAMARA], the Senators from Pennsylvania [Mr. CLARK and Mr. SCOTT], and the Senators from New York [Mr. JAVITS and Mr. KEATING], and others all became suddenly interested in our foreign relations with Canada. I believe it was a good thing for both our countries, because too long have we been taking our northern neighbor for granted.

I should say also that one of the outstanding individuals, about whom I will have more to say later, who participated in this particular debate, was that outstanding friend of Canada, the senior Senator from Vermont [Mr. AIKEN].

It is seldom, if ever, that Canada is included in our thoughts in this connection. That is not merely oversight. It is a habit of mind with decades of usage behind it.

Mr. AIKEN. Will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. AIKEN. Mr. President, I am glad that the Senator from Montana has pointed out in his usual able manner that the debate of last week over the Chicago diversion bill performed an extremely useful purpose. The present occupant of the Chair, the Senator from Wisconsin [Mr. PROXMIRE], took a very prominent part in that debate and did yeoman service. If it did nothing else, that debate pointed out the intricate manner in which our fortunes are interlaced with those of Canada. It pointed out the necessity, the urgency, of working out our mutual problems together, which I believe can be done. I believe that the matter which we were discussing last week and this, the matter of Chicago diversion, can be worked out with Canada. I do not know why not.

We have a tribunal set up in the International Joint Commission to handle matters of that kind. I hope that it will be seen fit to take that issue up through the International Joint Commission.

Canada has tremendous water resources. We have tremendous need for water on this side of the line. I am sure that our Canadian friends, as well as our folks in the United States, are very anxious to work these problems out amicably, and in such a manner that the greatest benefit may be received by both countries.

In bringing the matter up this morning the Senator from Montana, whose own State is heavily involved in Canadian matters and with Canadian resources, has again focused attention on the need for close cooperation with the Canadians.

I was also glad to note that the Senator from Montana pointed out the necessity for closer and more understanding relations with the Latin American States. I am free to admit that we have neglected our friendship south of the border. They think we have taken them for granted. They have a great deal of substance to back up that supposition of theirs. Actually we do not take them for granted, but when one is considered a member of the family, sometimes one does not bother to say the things or do the nice things or have the understanding one would have with somebody who perhaps looks more glamorous at a far distance. Certainly there is no part of the world so important to us, aside from Canada, as the Caribbean area and the other Latin American States.

Mr. MANSFIELD. Mr. President, no one can speak with greater authority on Caribbean affairs or Canadian affairs than the distinguished senior Senator from Vermont. He has anticipated my thinking, because in addition to discussing matters relative to our immediate concern with Canada, I am going to mention in the course of the speech an idea which the Senator from Vermont has discussed with me many times relative to Canada's position in Latin America. What I say at that time will be largely because of the inspiration and the advice furnished by the senior Senator from Vermont.

I was talking, Mr. President, about whether or not our relations vis-a-vis Canada are a habit of mind or whether it is based on sheer inertia. Personally, I believe that it is the latter. Congress has taken a significant initiative in recent years, in remedying this situation. I am thinking now of the work of the Canadian-United States Interparliamentary Group. On the Senate side, this work is being carried out under the chairmanship of the able, constructive, and conscientious Senator from Vermont [Mr. AIKEN], and his contribution has been an outstanding one.

Mr. President, I recognize that Canada has farflung commitments, in the Commonwealth, in the United Nations and in other associations. I wonder, however, whether the time has not come for the American Republics to recognize that Canada is also of the Americas and may have much to offer and to gain by closer association with the other nations of this hemisphere. What I am suggesting, Mr. President, is that it may be desirable to undertake, in the Canadian-United

States parliamentary meetings and in other appropriate ways, a preliminary exploration to determine whether or not Canadian membership in, or association with the Organization of the American States may not be of benefit to all concerned.

Mr. AIKEN. Mr. President, will the Senator yield again?

Mr. MANSFIELD. I am delighted to yield. Incidentally, what I have just stated is the result of the talks I have had with the Senator from Vermont; and if there is any credit due, he is entitled to it.

Mr. AIKEN. I thank the Senator.

When the parliamentary groups were meeting in Ottawa and Montreal, the Senator from Oregon [Mr. MORSE] made this suggestion to the Canadians. The Canadians have, we might say, a conflict of interest. They belong to the Commonwealth group. They are naturally tied closely to Great Britain and other members of the Commonwealth group. Nevertheless, the question was brought up by the Senator from Oregon. I am sure that the Canadians realize that economically there is a close relation not only with the United States, but with the Latin American States as well. The fact is that Canada, Mexico, and the United States are all in competition in the production of certain mineral commodities as well as agricultural commodities.

The suggestion of the Senator from Montana is very timely, because, while we are in competition with the neighboring States, we should also be in cooperation with them in carrying out mutual programs. At one time or another I have suggested that some day we might have to treat our collective production as a mutual supply or stockpile. That would not be easy to do, because of the many complications. We have them. Canada, Mexico, and the other Latin American States have them, too. However, it is something which must be considered.

I am sure that our neighbors to the north—and probably those to the south—are considering this very subject. By pointing out the necessity for a closer association the Senator from Montana has again performed a service, because it is only by continuous attention to these problems that we shall eventually find the solution.

Mr. MANSFIELD. The Senator is correct; and it is wise of him to emphasize the economic interdependence, not only between this country and Canada, but between this country and the countries of Latin America. It is a factor which we all too often overlook.

OTHER AREAS

Our attention of late, Mr. President, has been fixed on Germany, Europe, and Latin America, but we find that very little is ever said about the emergence of new nations on the African Continent. The scope of our relations being worldwide, we may anticipate that from time to time other nations, other areas will move into the forefront of our awareness.

Rarely in the spotlight, yet never far from it is the emerging continent of new nations in Africa. Since 1951, six independent countries have appeared in regions which were formerly colonies. I believe that we have a good chance to get off on the right foot with these new nations. Certainly, the Department of State in response to the initiative of Congress, has reorganized in a fashion which creates a better opportunity to bring about that result. Heretofore, African affairs were buried in separate niches in the various European desks. Now, however, on the basis of legislation pressed by the distinguished chairman emeritus of the Foreign Relations Committee [Mr. GREEN] there is an Assistant Secretary of State for African Affairs. This means among other things, Mr. President, that official information and evaluations with respect to the African nations no longer are passed through the viewpoint of other countries and areas before they flow into total U.S. policy. In short, Mr. President, the independent nations of Africa now stand on an equal footing with those of Europe, Asia, and elsewhere, as far as the machinery of our foreign policy is concerned.

Elsewhere in the world, Mr. President, with rare exceptions, we are just muddling along in the patterns of past policy, at great expense to the public and with few tangible evidences of achievements leading to a greater stability and progress in those areas and, hence, to more beneficial relations with them in the future.

In the Middle East, for example, we find the same tendencies, as in the past, to transfer high official hopes, almost in desperation, from ruler to ruler, from nation to nation, as the sands of international political intrigue in that region shift first in one direction and then in another. The Eisenhower doctrine, as many of us anticipated at the time it was enunciated, lies almost buried in these sands. The Baghdad Pact acquires a new name but even less content.

And still, the real problems of the Middle East remain: The refugees; the denial of the use of Suez on an equal basis to all; the monstrous poverty and ignorance of the many in the midst of the vast wealth and culture of the few; the border questions and the smoldering hatred and suspicion between Israeli and Arab. None of these—the real problems of the Middle East—appear to be any closer to solution than they were a decade ago. Nevertheless the outpouring of public funds for the region goes on in the bland assumption that we are doing something about these problems. How much longer, Mr. President?

Sooner or later, in the administration of policies with respect to the Middle East we are going to have to make up our minds. Sooner or later we are going to have to face the fact that, for this Nation as a whole, there are some things more important that Middle Eastern oil, military bases or the soothing of the ultranationalistic tantrums of one nation or another.

Sooner or later, we are going to have to decide who in the Middle East works sincerely and with forbearance to end the state of fear and incipient war which prevails in that region and who intrigues to perpetuate it. We are going to have to decide which governments render a decent measure of justice to their peoples and act for their peaceful progress and which governments exploit their passions for selfish or destructive ends.

When we have made these decisions then, perhaps, we may be able to devise policies for which we need not apologize, policies which will have some strength to stand in the midst of political intrigue and against the inroads of communism into the region—policies which will begin to bring to an end the largely indiscriminate use of public funds for what are often self-defeating purposes.

Farther to the East, Mr. President, moving towards the Pacific, there is little in the situation in which to find comfort. We go on, as we have been doing for years, spending, with little question, vast sums of public funds, at best to hold a line against communism. Yet despite this outpouring, the line shows signs of breaking down in a Laos just a few months after we have been told that foreign aid had built the line solid in that country. And when a situation of that kind arises, when it catches us unaware, what is the answer, Mr. President? More of the same; more aid in the same pattern as in the past.

As for stability and progress in any of these nations, except in Japan and in India and one or two isolated spots, there is little evidence of it. The lot of vast populations remains just about as miserable as ever; the enticement of authoritarianism are as intense as ever. I repeat that so far as U.S. policies in Asia are concerned, they constitute, largely, an enormously costly holding action from Korea to Pakistan and a holding action of very dubious reliability. Moreover, they constitute a holding action which is developing disturbing overtones. I refer to what is, apparently, a trend toward military or quasimilitary authoritarian dictatorships in southern and southeast Asia. Those who administer our policies seem inclined to look the other way, to find the rationalizations which put off the facing of the realities inherent in this trend. To be sure, one can find good in the development. Military dictatorships produce more stability and order, at first. They are easier to deal with, at first. They even promise a measure of progress away from the corruption, the inertia, the inadequacy that characterized many of the predecessor governments, at first.

But no person bred in this Nation—alive to its premise that man is fit to govern himself—no person bred in that tradition can look with equanimity, much less with eagerness, on the appearance of military or quasimilitary regimes in so many lands with which we are intimately associated. I must ask, Mr. President, is this the only answer which freedom can pose to communism?

I can only express the hope that those who are responsible for the administration of our policies and particularly our aid programs, know what they are doing. I can only express the hope that this military-authoritarian trend in non-

Communist Asia is a temporary phenomenon, that it is a step toward responsible and popularly responsive government of those lands.

There are things worse than instability in this world; and one of them is the iron hand of tyranny—Communist or any other. I cannot look with pride on any action of this Government, advertent or inadvertent, that acts to close that hand on any people—no, not even in the mistaken zeal that this will somehow save them and us from communism.

ADMINISTRATION OF POLICY

In my remarks so far I have been discussing matters over which, for the most part, we do not—as a nation—exercise unilateral control. What happens in the Far East, the Middle East, in Europe, the Americas or elsewhere is not within our capacity alone to determine. Nor is the responsibility for developments there uniquely that of this administration or any other. In most parts of the world our influence ranges from important to peripheral but, in a practical sense, it is not absolute anywhere; and the sooner we disabuse ourselves of any idea that it is, the sooner we shall use with greater deftness, with less waste of public resources, such influence as we do possess.

There is an aspect of foreign relations, however, which is wholly within the province of the United States, wherein responsibility rests solely with this Nation. I refer to the manner in which we make up our minds in foreign policy and, after we have made it up, what we do and the way to do it. In short, I refer to the formulation and administration of policy.

Other nations do not tell this Nation what to decide, as regards its foreign relations. To be sure the attitudes of others, the circumstances abroad, our relationships with others influence our decisions. Indeed they should, for we are not a nation in a pressurized nose cone somewhere off in space. But awareness of the rest of the world, notwithstanding, in the last analysis, we decide for ourselves. We act for ourselves. We make right decisions or wrong decisions. We act intelligently or foolishly as a result.

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to proceed for an additional 10 minutes.

The PRESIDING OFFICER. Is there objection? There being no objection, the Senator may proceed.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. Yes.

Mr. LONG of Louisiana. The Federal Government has had long experience in providing aid to the States, which, after all, do possess some element of sovereignty. Primarily this aid has been designed to help the States in activities in which the Federal Government does not function directly. It seems to me that the Federal Government can benefit by those lessons in determining how to provide aid to nations around the globe. In supplying aid to the States, the Federal Government sets certain standards as a condition for receiving such aid. If those conditions are not fulfilled, the aid is withdrawn until the States comply with the requirements.

It seems to me that the same pattern should be followed in supplying aid to foreign lands. We have observed in many instances that foreign governments indulge in all sorts of waste and graft and in a misuse of the resources which they receive from us in the form of aid.

I wonder if the Senator from Montana believes we should have some way of insuring our knowledge of what is happening to the aid we furnish. Does he agree with me that we should insist, sooner or later—and the sooner the better, so far as I am concerned—that the aid we provide should be used effectively for the purpose for which it was intended; and that otherwise it should be terminated, regardless of the country which is affected?

Mr. MANSFIELD. The Senator from Louisiana is correct. If he will bear with me, I am coming to that point in my talk. I think that what I shall say will fit in with the questions he has raised.

Mr. President, we bear the responsibility for these national decisions and actions. In short, the buckpassing stops or should stop at the water's edge. We—not others—determine for what purpose we have a State Department, an aid administration, a Central Intelligence Agency, an Information Service, and a host of other agencies which carry on activities abroad on the basis of appropriations from public funds and on behalf of the entire Nation. We alone decide how they shall function.

When I use the term "we," Mr. President, I mean, of course, the people of the United States. In matters of foreign relations, however, the responsibility for interpreting what we want and how we are to pursue it rests, in a theoretical sense, with the elected President, acting in some instances with the advice and consent of the elected Senate and in others with the concurrence of the elected Congress.

That is the constitutional theory, Mr. President, but what is the fact? The fact is that the power to interpret the will of the Nation in respect to our vast and complicated relations with the rest of the world has been diffused through the enormous labyrinth of the executive branch of the Government. The power to decide, in short, has been scattered and diluted to the point where it has become virtually impossible to fix responsibility. It has been scattered and diluted to the point where it has become virtually impossible to use the public power effectively to bring about adjustments in policy and its administration at somewhere near the time that these adjustments are needed.

In these circumstances, national interests frequently become so interwoven with bureaucratic interests and conflicts that we are less and less able to adjust the total needs of the Nation to the changing circumstances of the world. More and more we have a policy determined by executive agency accommodation and less and less by the leadership and decision of the responsible political officials of the administration and the Congress. I believe the able Senator from Minnesota [Mr. HUMPHREY] illustrated this point most forcefully a short time ago on the floor with regard to policy formulation on the testing of nuclear weapons. He showed how agency conflicts were producing a situation that undercut our negotiators in Geneva. His statement apparently was heard at the White House for the President made a decision on this question shortly thereafter. But, Mr. President, this is the kind of decision which should be forthcoming promptly within the administration on the basis of need. It ought not to require prodding from the Senate.

I realize that this problem has been with the Nation for a long time. It is not amenable to easy solution. Nevertheless, Mr. President, we must deal with it, if responsible government in the field of foreign policy is not to degenerate into a catch phrase. We must stay with this problem—the President and the Congress—until it yields to rational solution.

The able Senator from Washington [Mr. JACKSON] has recognized the deplorable creakiness of the decision making machinery of the Nation in critical matters of foreign relations and defense. He has supplied the initiative and set in motion a special Senate investigation of the problem which has been promised the cooperation of the administration. That cooperation is essential because responsibility for this problem rests primarily and preponderantly with the administration.

I should like to suggest, Mr. President, that we may find the way to a reasonable solution to this problem in a diligent assertion of the primary authority of the Presidency in matters directly or indirectly related to foreign policy and a reassertion, under the President, of the responsibility of the Secretary and the Department of State for the conduct of foreign relations.

If the Department of State is not organized to handle these matters in their totality, then let us reorganize it. If it is not equipped, then let us equip it. If its personnel is not properly trained, then let us seek to provide the training. If it has not sufficient resources, financial or otherwise, then let us make these resources available to it.

But let us not, in an effort to compensate for the real or imagined shortcomings of the Department of State so scatter responsibilities in foreign relations through the military departments, the agricultural department, the ICA, the CIA, the Commerce Department or whatever, that the costs of administering foreign policy rise enormously and, in ratio, the constructive results decline drastically. We have already carried this process so far that in our official representation abroad, the employees of the Department of State, numerous as they may be, are in many instances far outnumbered by the representatives of other United States agencies. And although the Department of State bears ultimate

responsibility for relations abroad, it exercises only the most nominal influence over the use of the resources and the actions of the personnel of these other agencies.

I believe this session of the 86th Congress has made a highly significant advance which can act to bring about a major improvement in the administration of foreign relations. I refer to the authorizing legislation which the Congress has passed in the field of foreign aid. If it is reasonably interpreted by the administration, this legislation, as extensively amended by Congress, can act to fix authority and responsibilty for this significant undertaking much more decisively, than is now the case. One amendment provides for an Inspector General in the Department of State to probe the weaknesses in every aspect of the aid program. A second provides for the ending of the nonsecurity related secrecy which has surrounded this program. Still another separates military aid from other forms of aid but provides for close control over the entire program by the Secretary of State.

Finally, a fourth amendment—I call the attention of the Senator from Louisiana to the fourth amendment—requires the executive branch to submit plans for the gradual termination of massive grants, as the program moves more and more to a loan basis. These amendments, Mr. President, can do much to end aid by force of habit and to give to the program more purpose and direction within the context of our total policy. They can reduce the waste and any tendencies toward corrupt practices.

The congressional action on foreign aid is only a first step in bringing about a more integrated, streamlined and responsible administration of the Nation's international affairs. Much remains to be done in regard to other agencies which have injected themselves or have been injected into these matters without adequate coordination under the Secretary of State and without adequate control by the elected officials of this Government.

CONCLUDING COMMENTS

Mr. President, I have talked at great length today. But there is much that needs saying on this subject of the Nation's foreign relations and their administration, much more than I have said. I wanted these thoughts, however, to be on the record at this time. For, in the near future, discussions of the highest importance to the Nation will be taking place between the President and Mr. Khrushchev and others. It is possible to question the wisdom of these meetings at this point in time and circumstance, as has been done. But the decision to hold them has been made by the President and, at a recent press conference, he put the significance of these meetings in proper perspective when in response to questions as to their propriety he stated:

> We are talking about the human race and what's going to happen to it. * * * Any President that refused finally to use the last atom of prestige or the last atom of his energy—in this quest for peace—ought to be condemned by the American people.

Yet these impending discussions—however well-intentioned—are but a part of the search for a better road for this Nation and mankind. The work of securing the well-being and the peace of the people of the United States will not end with the impending exchanges. We shall be better prepared to do what still needs to be done if we understand more clearly the worldwide dimensions of the undertaking which confronts us, if we ready our spirits and determination for the tasks which the impending conferences may make possible.

Mr. SYMINGTON. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The time available to the Senator from Montana has expired.

Mr. MORSE. Mr. President, I ask unanimous consent that the Senator from Montana may proceed for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Montana may proceed for an additional 5 minutes.

Mr. SYMINGTON. Mr. President, will the able assistant majority leader yield to me?

Mr. MANSFIELD. I am delighted to yield.

Mr. SYMINGTON. Mr. President, it is always a pleasure to be on this floor and hear the junior Senator from Montana [Mr. MANSFIELD] discuss matters with respect to our foreign policy. No one works harder than he does on this subject, as well as on others. No one has greater authority in this field. It has been a privilege to listen to his remarks this morning, and I should like to commend him for his able and thought-provoking presentation.

I wish to ask a question of the able assistant majority leader. He mentioned India. How does he size up the situation there, particularly with respect to the Chinese probings on the Indian border? What does the Senator from Montana think of the conditions there, and what does he think we should do about that matter?

Mr. MANSFIELD. There is not much, if anything, that our country can or should do about what is happening in India. India is an independent and sovereign nation with a great past and, I believe, a glorious future. The only people who can decide what India should do are the Indian people themselves. Of course, their spokesman is Mr. Nehru.

However, I venture the assertion that, due to the recent events in Tibet and in the Indian protectorates of Bhutan and Sikkim, on the northeast frontier, bordering on Assam, and in the region of Ladakh, a part of Kashmir, Mr. Nehru is having second thoughts on his policy of calculated neutrality.

I hope Mr. Nehru will consider the possibility of bringing these matters—which seem to be acts of direct aggression on the part of the Communists, in all those scattered areas belonging to, or bordering on, or under the protection of India—to the United Nations, for consideration.

In view of the fact that Ladakh, in Kashmir, seems to be one of the focal points of the aggression, I express the hope that the Indians and the Pakistanis will try to do away with their differences over Kashmir, and will endeavor to settle this difficulty in their mutual interest, and will get together on a common basis, because of the dangers which both of them face from a common aggressor.

Mr. SYMINGTON. I thank the Senator from Montana for his wise remarks.

Mr. MORSE. Mr. President——

Mr. SYMINGTON. Mr. President, if my able colleague, the Senator from Oregon, will permit me to ask a further question of the able assistant majority leader, I shall appreciate it.

What does the Senator from Montana think at this time about our relations with Japan?

Mr. MANSFIELD. I would say that at present the relations between the two countries are excellent. It is my understanding that at present there is in process at least the formulation or the possibility of the formulation of a new peace treaty, to revise the treaty of peace with Japan which was negotiated in 1952 by the late Secretary of State, John Foster Dulles, and which replaced the earlier MacArthur arrangements of 1945. I understand that the treaty of 1952 or related security agreements are now the subject of negotiations between our Government and the Government of Japan. I believe it is high time for that to be done.

I should like to see the relations between the two countries become increasingly better. I also would like to see the day come—although it will not come in the immediate future—when, for example, we can withdraw from the Bonins, Okinawa, and other islands which we hold at the present time, in line with our mutual security program with Japan, and that at the same time the Soviet Union will withdraw from the islands it occupies north of Hokkaido, as well as from the Kuril chain, which the Soviet Union took over in 1945.

In my opinion, Japan is the real bulwark of democracy in the Far East. Japan has, every day, the enormously difficult problem of feeding her large population. I hope——

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The additional time yielded to the Senator from Montana has expired.

Mr. MORSE. Mr. President, I ask unanimous consent that the Senator from Montana be allowed 2 additional minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Montana may proceed for 2 more minutes.

Mr. MANSFIELD. I hope the rest of the world will recognize the worthiness of Japan, and will do what it can to alleviate the distressing economic situation which exists in Japan, and thereby relieve Japan of the possibility of being forced over into the Soviet orbit.

Mr. SYMINGTON. Mr. President, I thank the Senator from Montana. Again I congratulate him on his remarks of this morning.

Mr. MANSFIELD. I thank the Senator from Missouri.

Mr. MORSE. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. MORSE. Mr. President, as a member of the Foreign Relations Committee, together with the Senator from Montana [Mr. MANSFIELD], I commend him for the very statesmanlike speech he has made this morning. I sincerely hope that the State Department and the President of the United States will give heed to it.

Mr. MANSFIELD. I thank the Senator from Oregon.

Mr. LAUSCHE. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. I, too, wish to commend the Senator from Montana for the very excellent presentation he has made.

The PRESIDING OFFICER. The additional time yielded to the Senator from Montana has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Montana may proceed for 2 additional minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Montana is recognized for 2 additional minutes.

Mr. LAUSCHE. I should like to make a comment in connection with the mutual security program, to which I generally subscribe. My comment is predicated upon a letter I received from the Reverend Anton Merkun. His letter is written in Slovenian. He says:

> YOUR EXCELLENCY: I am very nearly blind. I cannot hear. I have a heart sickness. I have sugar diabetes. It is with great difficulty that I write.
>
> Badly do I need money which is in Yugoslavia. I will be thankful to you if you can be of any help.

He attaches to his letter a form letter which obviously has been addressed to various Members of Congress. It reads as follows:

> I am an American citizen, and your constituent; and I am turning to you for your kind assistance.
>
> I have real property in Yugoslavia; and although I cannot get any income from the property or make any disposition of the same for several years, I still am the owner of the land registered, and I hope that the intervention of the Department of State would help us to protect our ownership.
>
> In December of last year the Yugoslav Government finally issued a law on nationalization, by which all apartment houses and building lots in cities were nationalized, and a ridiculous compensation was set up, of 10 percent of the present rent, payable each year, for 50 years. So I shall get at least 10 percent of the rent, as the owner of my property, but not as compensation.

Other statements are made in the letter, but I shall not read them.

I believe some consideration should be given the fact that the Yugoslav Government has confiscated the property, and, as compensation, has said, "We will give you, each year, 10 percent of the rental value, for a period of 50 years, at which time your rights come to an end."

I hope our State Department will give heed to what I have said. That development is nationalization of the very worst type. Ten percent of the rent is the annual compensation for 50 years, and nothing else.

My sympathy goes out to Rev. Anton Merkun. I know the man. He is in his eighties. Here he is in his country, with his property confiscated, left helpless and sick. While we are giving aid to Yugoslavia, that country is taking their property away without compensation.

Mr. MANSFIELD. I would hope the State Department would pay heed to what the Senator has just said.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may have 1 additional minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I pay tribute to the efforts and the dedicated work of the very able Senator from Montana [Mr. MANSFIELD]. He has made a great contribution to the Senate, to the country, and to the free world in his study, and in his thoughtful remarks made here today. I know of no man in public life for whom I have greater admiration or affection than for the Senator from Montana.

Mr. MANSFIELD. I appreciate the sentiments expressed by the Senator from Texas very much.

Mr. AIKEN. Mr. President, the address made to the Senate by the Senator from Montana is probably the best of any which he has made on the international situation. As usual, the address is thought provoking. He has put forward some ideas with which some will disagree, but which ought to be made the subject of widespread discussion in the Senate and elsewhere.

The Senator from Montana is entirely correct when he states that the diffusion of responsibility has probably complicated our handling of international matters. He has performed an extremely useful service in making this speech.

I want to add that I believe that while the international situation today is extremely challenging, it is not hopeless. Some good things have been accomplished, which indicates that we may be able to do more than we think we can now toward bringing about lasting peace in the world and understanding between nations.

Not many years ago we felt that the Trieste situation was insoluble. Then we woke up one morning and found that the Yugoslavs and the Italians had agreed on that question, and apparently agreed successfully, because they seem to have happily resolved that problem in a satisfactory manner.

Not long ago what had appeared to be the insoluble situation with respect to Cyprus was brought to a conclusion. We hope it is a lasting conclusion, and that the people of Cyprus may live peacefully with one another as time goes on.

We all remember the crisis of the Israeli-Egyptian war of 2 or 3 years ago. That fighting has stopped. Things have, I hope, changed for the better there. At least, the Suez Canal is operating successfully, so far as I know, even though we were told that the Egyptians would not be able to get a boat through that canal in any way at all.

The civil war in Lebanon was brought to an end.

More recently, just last week, I believe, it was announced almost simultaneously that we were reopening our consulate in Poznan, and that the Poles were reopening their consulate in Chicago. Almost the same day it was announced that we were airlifting small arms into the country of Laos, in interior Asia. I ventured the opinion at that time that the reestablishment of relations with the Polish people would probably be more effective in the struggle against communism than would the shipment of small arms into the interior of Asia.

So these problems come, and eventually they are settled. If they are worth a solution, there is a solution somewhere, if we will just devote our efforts to finding it.

So, Mr. President, in pointing out these matters, the Senator from Montana has performed, as usual, an extremely useful service to the country and to the Congress.

I have been particularly gratified lately at the work of the International Bank in arranging what appears to be an amicable settlement for the division of the waters of the Indus River between Pakistan and India. That arrangement seems to be a means toward a solution of that problem and the establishment of closer relationships and better understanding between those two countries of southern Asia.

Mr. President, I am not sure that these problems are all bad. If we once became complacent, if we ran out of problems, we would stagnate. There would not be any need of a space committee, I may say to the Senator from Texas. If it had not been for some of these problems, if it had not been for suspicions between the Russian Government and the Western World, we would not be making anywhere near the progress we are making today in the scientific world. I think, however, these events were planned; they were planned correctly. But there is a great satisfaction in working toward and helping to find solutions to problems which seem to be almost insoluble.

Mr. MANSFIELD. I thank the Senator from Vermont for his comments.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to proceed for not more than 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LONG of Louisiana. I wish to congratulate the junior Senator from Montana for the very constructive speech he has made. He has placed these issues above partisan politics and has made a major contribution to a better understanding of the problems we face.

Mr. MANSFIELD. I wish to express my deepest thanks to the Senator from Vermont and the Senator from Louisiana.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may speak for not to exceed 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KUCHEL. During the excellent address of the Senator from Montana I had occasion to congratulate him and to comment on some of the points which he was making. I am very glad, as one from this side of the aisle, once again to salute my friend for the clarity of his thinking and of his views, all of which deserve serious consideration by the Congress and our Government.

Mr. MANSFIELD. I thank the Senator from California.

Mr. WILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin desire to make a brief statement? We are operating under limited time.

Mr. WILEY. Yes; I do.

The PRESIDING OFFICER. Will the Senator make that request?

Mr. WILEY. Yes.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that 5 minutes be given to the Senator from Wisconsin.

Mr. WILEY. Are we laboring under a limitation of speech in this august body, or what is the situation? I was not here earlier this morning.

The PRESIDING OFFICER. The Chair will inform the Senator from Wisconsin that morning business has been concluded. The Senate is now operating under a unanimous-consent agreement.

Mr. WILEY. I ask unanimous consent, then, that I may have 5 minutes, first to comment upon the matter which we have just disposed of, and then that I may have a minute or two to put matters in the RECORD. I must say my understanding yesterday was that the distinguished Senator from Montana was to start in at 9 o'clock, talk for an hour, and after that we would have a morning hour. That was only my understanding, of course.

Now, may I get back on the track. I want to say I have listened to the very complimentary remarks that were made by the majority leader and the acting minority leader [Mr. KUCHEL] and the Senator from Vermont [Mr. AIKEN] in relation to my good friend MIKE MANSFIELD. Always, when I have the opportunity so to do, I speak out in praise of the Senator. He is not only a thinker, a solid thinker, but one who is friendly in his approach.

I received a copy of the Senator's speech only a few minutes ago. I am sure I shall read it with profit.

GRAVE SITUATION IN FAR EAST

Mr. President, the grave situation in the Far East is a matter of deep concern to all of us, and to the free world.

The invasion of the Chinese Communists is first, a violation of international law; second, a violation of the integrity of another nation's territory; third, and a threat to world peace. Too, it is also reportedly causing serious disruption in the internal affairs of India.

In the past, there have been criticisms of India's policies aimed generally toward nonentanglement in the East and West conflict.

We recognize, however, a nation's right to respect for policies it finds necessary to adopt, in its own self-interest—that is, if such policies are peaceful—not aggressive policies.

The world, I believe, well recognizes the dedication with which Prime Minister Nehru and his government have adhered to the principle of trying to find peaceful, nonmilitary solutions to problems.

Now, India finds itself the target of military aggression. If the Red Chinese pursue tactics which lead to open warfare, it may well enflame all of Southeast Asia and perhaps the world.

The inexplicable factor in the Communist aggression is the difficulty of determining why the Chinese Communists would deliberately antagonize—indeed, attack—a nation which in the past has supported the Red Chinese bid for recognition, particularly in efforts to secure membership in the United Nations.

Today the Chinese and Indian peoples are faced with tremendous economic problems at home. Surely it would be tragic, not only in terms of threats to world peace, but also in terms of the effects upon the Indian and Chinese peoples, if these nations, confronted with such gigantic domestic economic problems, were now to dissipate their resources and manpower in a destructive war.

Time after time the responsible nations of the world have demonstrated the need for outlawing war. Nevertheless, we still find that outlaws exist among us. In policy they remain incorrigible, unwilling to abide by recognized standards of international conduct, and willing to violate territories of other nations for their own purposes.

This new act of aggression, of course, is more solid evidence of why Red China should not be admitted to the U.N.

Again the world—particularly the free world—finds itself faced with a fateful decision on how to deal with aggression by a major power.

The decision, of course, depends on just how far the Chinese Communists intend to carry their territorial violations.

All of us hope and pray that this new aggression can be localized and resolved without major conflict.

Nevertheless, the Red Chinese tactics should alert us, the uncommitted nations and the free world, to the fact that communism has not changed its spots; that it continues to be dedicated to aggressive policies, including military aggression, to achieve its goals of expansion of influence and control over more people.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, Senate bill 1748.

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The PRESIDING OFFICER. The pending business is S. 1748, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, as to which there is a unanimous-consent agreement to limit debate to 30 minutes on amendments, motions, or appeals, except a motion to lay on the table, and 2 hours on the bill, the time to be equally divided.

The clerk will state the committee amendments, reported by the Senator from Minnesota [Mr. HUMPHREY] on August 25, 1959.

The CHIEF CLERK. On page 1, line 7, it is proposed to strike out "1960" and insert "1962".

On page 1, it is proposed to strike out lines 8 through 11 and insert the following:

(2) Section 103(b) (prescribing limit on appropriations) is amended, effective January 1, 1960, to read as follows:

"(b) Agreements shall not be entered into under this title during the period beginning January 1, 1960, and ending December 31, 1962, which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of $4,500,000,000, plus any amount by which agreements entered into in prior periods have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior periods by this Act as in effect during such periods."

(4) The first section (which provides the short title) is amended to read as follows:

"That this Act may be cited as the 'Food for Peace Act of 1959'."

(5) Section 102(a) (which relates to the carrying out of agreements) is amended by inserting the words "or for grant" after the words "domestic exporters" in clause (1), and by inserting the words "or grant" after the word "sale" in clause (2).

(6) Section 104(k) (relating to scientific activities) is amended by striking out the colon and inserting in lieu thereof a comma and the following: "and to promote and support programs of medical and scientific research, cultural and educational development, health, nutrition, and sanitation:".

(7) Section 104(o) (relating to assistance to educational facilities sponsored by United States citizens) is amended by striking out so much thereof as follows the semicolon.

(8) Section 104 (relating to uses of foreign currencies) is further amended by inserting after paragraph (o) the following new paragraphs:

"(p) For supporting workshops in American studies or American educational techniques, and supporting chairs in American studies;

"(q) For assistance to meet emergency or extraordinary relief requirements other than requirements for surplus food commodities: *Provided*, That not more than a total amount equivalent to $2,000,000 may be made available for this purpose during any fiscal year;

"(r) For financing the preparation, distribution, and exhibiting of audio-visual informational and educational materials, including Government materials, abroad: *Provided*, That not more than a total amount equivalent to $5,000,000 may be made available for this purpose during any fiscal year;

"(s) For financing the services of technicians, advisers and administrators who are nationals of any friendly country, which may be needed to further economic and social development programs in other friendly countries;".

(9) Section 104 is further amended by inserting before the period at the end thereof a colon and the following: "*Provided, however*, That foreign currencies shall be available for the purpose of subsections (p) and (s), in addition to funds otherwise made available for such purposes, only in such

amounts as may be specified from time to time in appropriation Acts".

(10) Title I is further amended by adding at the end thereof the following new section:

"SEC. 110. In order to implement the resolution adopted by the United Nations on February 20, 1957 (United Nations Resolution 1025 [XI]), which was sponsored by the United States, calling for international cooperation in the establishment of national food reserves, surplus agricultural commodities may be made available by the President on a grant basis for such reserve purposes pursuant to an agreement with the recipient country requiring that payment shall be made when such commodities are withdrawn from the reserve: *Provided,* That no payment shall be required for any quantities of such commodities which are used by agreement of the President and the government of the recipient country for purposes provided for in section 201 of this Act. Agreement under which commodities are provided pursuant to this section shall specify whether any payment made thereunder shall be in foreign currency or in dollars, and the purposes authorized under section 104 of this Act for which any such foreign currency payments may be used. Such agreements shall require the government of the recipient country to maintain the reserve at agreed levels unless the President specifically approves a reduction below the agreed level, and shall contain reasonable safeguards to assure that the commodities in the reserve are not used for speculative purposes. In negotiating agreements under this section the President shall give effect to the requirements prescribed in section 101 for agreements entered into under that section."

(1) Such Act is further amended by adding at the end thereof the following new title:

"TITLE IV—ADMINISTRATION

"SEC. 401. The President may carry out the functions conferred upon him by this Act and section 402 of the Mutual Security Act of 1954, as amended, either directly or through an administrator designated by him. The administrator shall perform his functions as assigned by the President in accordance with the provisions of this Act under the general supervision and direction of the Secretary of Agriculture."

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time necessary for the call of the roll being charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Johnson, Tex.	Moss
Byrd, W. Va.	Kuchel	Prouty
Carlson	Lausche	Proxmire
Chavez	Long, La.	Schoeppel
Clark	McClellan	Thurmond
Cooper	Mansfield	Wiley
Green	Morse	Young, N. Dak.

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGS], and the Senator from Massachusetts [Mr. KENNEDY] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union meetings at Warsaw, Poland.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The PRESIDING OFFICER. A quorum is not present.

Mr. JOHNSON of Texas. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. ALLOTT, Mr. ANDERSON, Mr. BARTLETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. BYRD of Virginia, Mr. CANNON, Mr. CAPEHART, Mr. CARROLL, Mr. CASE of New Jersey, Mr. COTTON, Mr. CURTIS, Mr. DIRKSEN, Mr. DODD, Mr. DOUGLAS, Mr. DWORSHAK, Mr. EASTLAND, Mr. ELLENDER, Mr. ENGLE, Mr. ERVIN, Mr. FONG, Mr. FREAR, Mr. FULBRIGHT, Mr. GORE, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HAYDEN, Mr. HICKENLOOPER, Mr. HILL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON of South Carolina, Mr. JORDAN, Mr. KEATING, Mr. KEFAUVER, Mr. KERR, Mr. LANGER, Mr. LONG of Hawaii, Mr. MAGNUSON, Mr. MARTIN, Mr. MCCARTHY, Mr. MCGEE, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORTON, Mr. MUNDT, Mr. MURRAY, Mr. MUSKIE, Mr. NEUBERGER, Mr. PASTORE, Mr. RANDOLPH, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SCOTT, Mr. SMATHERS, Mrs. SMITH, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. TALMADGE, Mr. WILLIAMS of New Jersey, Mr. WILLIAMS of Delaware, Mr. YARBOROUGH and Mr. YOUNG of Ohio entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). A quorum is present.

RECESS TO 1 O'CLOCK P.M. TODAY

Mr. JOHNSON of Texas. Mr. President, I move that the Senate take a recess until 1 o'clock p.m. today.

The motion was agreed to; and (at 10 o'clock and 48 minutes a.m.) the Senate took a recess until 1 o'clock p.m. today.

The Senate reassembled at 1 o'clock p.m., and was called to order by the President pro tempore.

The PRESIDENT pro tempore. The hour of 1 o'clock has arrived; and the Senate will come to order.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Hawks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 2, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 8678. An act to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes; and

H.J. Res. 513. Joint resolution designating the 17th day of December 1959 as "Wright Brothers Day."

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the President pro tempore:

S. 53. An act to amend the Acts approved April 16 and June 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district numbered 24, Huntley Project Schools, Yellowstone County, Mont.;

S. 2424. An act to amend the Communications Act of 1934 in order to provide that the equal-time provision with respect to candidates for public office shall not apply to news and other similar programs;

S. 2524. An act relating to the power of the States to impose net income taxes on income derived from interstate commerce, and authorizing studies by congressional committees of matters pertaining thereto;

H.R. 213. An act to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, and to permit the States of California, Kansas, North Dakota, and Vermont to obtain social security coverage, under State agreement, for policemen and firemen in positions covered by a retirement system;

H.R. 2411. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, to liberalize the tariff laws for works of art and other exhibition material, and for other purposes;

H.R. 2906. An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts;

H.R. 8374. An act to amend Public Law 85-880, and for other purposes;

H.J. Res. 406. Joint resolution to facilitate the admission into the United States of certain aliens;

H.J. Res. 444. Joint resolution for the relief of certain aliens; and

H.J. Res. 445. Joint resolution to facilitate the admission into the United States of certain aliens.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 513) designating the 17th day of December 1959 as "Wright Brothers Day," was read twice by its title and referred to the Committee on the Judiciary.

CIVIL RIGHTS LEGISLATION

Mr. JAVITS. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from New York may proceed for 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, to demonstrate that the problems of civil rights in the country are just as much on the minds of the people as they are on the minds of the Members of Congress, and that action is demanded and dictated by the whole situation which faces us, not only in the South, but also elsewhere in the Nation, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a letter from the Leadership Conference on Civil Rights, signed by officials of the leading organizations in the whole civil rights field, including the American Council on Human Rights, the American Jewish Committee, the American Veterans Committee, the Americans for Democratic Action, the American Jewish Congress, the Friends Committee on National Legislation, the NAACP, the American Civil Liberties Union, the Sleeping Car Porters, and the United Steelworkers of America.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LEADERSHIP CONFERENCE ON
CIVIL RIGHTS,
New York, N.Y., September 3, 1959.

The Honorable JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: It is a tragic thing that at this late date, on the eve of adjournment of the present session, the Senate has not yet had an opportunity to pass meaningful civil rights legislation. Like a broken record, the same theme has been played again and again. The Constitutional Rights Subcommittee has voted out a bill, albeit woefully inadequate, after extensive hearings, and thereupon the filibuster in the full Judiciary Committee has been going strong.

In light of this situation, we welcome the actions which have been taken to bypass the Judiciary Committee. It now appears likely that through one route or another the Senate may have the opportunity to act on civil rights legislation before it adjourns.

Because of the timing of the probable action, however, we are greatly disturbed over the possibility that the Senate might feel compelled to accept so little substantively that the final product would be a civil rights bill in name only. If the issue comes to the floor of the Senate just prior to an announced adjournment target, we urge the friends of civil rights not to be stampeded into accepting a token civil rights bill.

Although men of good will may disagree on the last details of a meaningful bill for 1959, we think that there really is no room for disagreement on the imperative need to include in any bill provisions for explicit and substantial implementation of the school desegregation decisions which have now been the law of the land for more than 5 years. The most effective provision thus far proposed towards this end is the part III which was struck from the 1957 bill. Events since then have only underlined the need for this provision giving the Attorney General authority to institute civil actions on behalf of those whose rights have been denied.

Part III is included in the amendment to S. 2391 which Senator HENNINGS has already offered to the Senate for calling up at any time and on any bill. This amendment, as a matter of fact, includes all of S. 810, the Douglas-Javits-Humphrey-Case bill. We support this amendment as the most complete and meaningful "package" of civil rights proposals and earnestly request your support for it, and, if the parliamentary situation should develop that way, against tabling it.

The newspapers have been speculating for some time now about a possible package which will be offered by the leadership of the Senate on both sides of the aisle. We cannot, of course, appraise a proposal which has not been unveiled. We feel compelled to state, however, that if the press reports of its probable contents are accurate, this token bill will be opposed by civil-rights groups of the Nation. No other proposal, written or rumored, packaged or separate, which omits backing for the law of the land as contained in the Hennings amendment we endorse can win the backing of those seeking vindication of rights protected by the Constitution.

Regardless of the particular parliamentary situation which may develop, we call upon the friends of civil rights not to yield to adjournment jitters, to filibuster threats, to cries for party harmony, or any other excuse for doing less than is morally justified at this crucial moment in the battle for human rights.

Sincerely yours,

Roy Wilkins, Chairman, Leadership Conference on Civil Rights, and Executive Secretary, National Association for the Advancement of Colored People; American Civil Liberties Union, Patrick Murphy Malin, Executive Director; American Council on Human Rights, Mrs. Aretha B. McKinley, Director; American Jewish Committee, John Slawson, Executive Director; American Veterans Committee, Irving Lechliter, Executive Director; Americans for Democratic Action, Joseph L. Rauh, Vice Chairman for Civil Rights; Women's International League for Peace and Freedom, Analee Stewart, Washington Representative; American Jewish Congress, Isaac Tobin, Executive Director; Friends Committee on National Legislation, E. Raymond Wilson, Executive Secretary; Japanese American Citizens League, Mike Masaoka, Washington Representative; International Union of Electrical Radio and Machine Workers, James B. Carey, President; Jewish War Veterans, Bernard Weitzer, National Legislative Director; National Association for the Advancement of Colored People, Roy Wilkins, Executive Secretary; United Auto Workers of America, Walter Reuther, President; Committee on Civil Rights, United Steelworkers of America, Francis Shane, Executive Secretary; Brotherhood of Sleeping Car Porters, A. Philip Randolph, President.

(These signatures are authorized.)

Mr. JAVITS. Mr. President, the key to the whole letter is the deep feeling that now is the time—unless we are going to let the country down—when we must enact civil rights legislation. In that connection, I read the concluding paragraph of the letter:

> Regardless of the particular parliamentary situation which may develop, we call upon the friends of civil rights not to yield to adjournment jitters, to filibuster threats, to cries for party harmony, or any other excuse for doing less than is morally justified at this crucial moment in the battle for human rights.

Mr. President, the letter makes perfectly clear to all of us that what they are talking about is not just a civil rights label, but a meaningful civil rights bill which will include part III which was stricken cut of the 1957 bill, and which is now shown to all of us to be urgently required in order to give the Attorney General authority to institute civil actions on behalf of those whose civil rights have been denied.

I conclude by stating, as I have said before, that no consideration in regard to ending the session or going home or doing anything else or not being here when Mr. Khrushchev is in town—which I, myself, think is of very small moment—should prevent us from enacting at this session a meaningful civil rights bill. No one can guarantee that it can be done; but at least we can seek to make a successful try.

I must state here and now that we have every reason to expect that civil rights legislation will be called up by the leadership before we adjourn but if we have no other opportunity to bring up civil rights legislation, I have proposed to afford the Senate such an opportunity by means of the resolution to discharge the Judiciary Committee from the further consideration of the civil rights bill, which resolution is now on the calendar.

MEETING OUR NATION'S WATER RESOURCE NEEDS

Mr. MURRAY. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Montana may be recognized for 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MURRAY. Mr. President, the veto of the public works appropriation bill and the failure of the House of Representatives to override it constitute a grievous setback for the entire Nation.

The development, conservation, and wise use of natural resources are basic to the strength of every nation. The United States has strength for freedom in international affairs, because we have strength at home. From the start of our Nation, we have grown through the will and the courage to develop our natural resources for productive uses. This is the core of national policy, and we dare not let the veto become an epitaph of our Nation's growth and progress.

There must be new starts, because they are our investments in national resources. Like the business organizations that fail when they cease to invest in new production capacity, a nation stag-

nates when it ceases to develop its resources.

To brand the public works appropriations bill as "overspending in respect to water resources" is both false and dangerous. It is dangerous because it threatens to trap us into continuing underdevelopment of our resources, continuing lost production, and lost opportunities to conserve and develop our resources.

The paramount issue is that the Nation must maintain the basis of its strength and well-being. The administration asserts that the United States is unable to provide for the water-resource developments that are needed by our people. This misstatement and other distortions of the facts misrepresent the issues.

The veto is a harsh denial of the needs of every section of the United States. The appropriation bill passed by the Congress responded to widespread needs for water-resource development, and it would have financed the most urgent projects within the amount of the President's budget request.

This veto and the failure to override it will mean continued restriction of natural-resource programs, contrary to the intent of Congress.

The public works appropriation bill passed by the Congress is an economical measure—too frugal, in my view. In responding to the widespread need for water projects, by breaking through the iron curtain of "no new starts," the bill stayed within 3 percent of the budget estimate transmitted by the President. This fact refutes the charge of "overspending."

There is no excuse for the accusation of "overspending" for natural resources. We know from our own experience that the United States has ample capacity to carry out necessary resource development and conservation. There also is authoritative advice from business and financial leaders and from outstanding economists that we have the ability to develop needed resources, and that such development increases the national income and the Government revenues.

The preceding administrations of President Roosevelt and President Truman joined with the Congress in extending natural-resource programs. They started the projects on which this administration has been coasting. Even the Colorado River storage project, for which the present administration seeks credit, was planned and prepared for congressional authorization under President Truman.

In place of vigorous natural-resource programs of the preceding administrations, this administration suppresses them. It has reversed the trend. In 1950, the budget requests for the Bureau of Reclamation and the Corps of Engineers amounted to 2½ percent of the total budget; but this year they amounted to less than 1½ percent.

The veto is directed against the increase provided in the appropriation bill passed by the Congress, but even with that increase the water resource program for 1960 would be short of the 1950 level.

The veto message is pointed against the cost of the new starts; but the total cost of the reclamation new starts, with the funds to be expended over a number of years, would be only as much as the cost of a single year's reclamation construction program of 10 years ago.

The "no new starts" program that has prevailed for 7 years is not an economy program. It is a program that wastes human and natural resources. It does not husband public funds; instead, it minimizes public revenues. This restrictive program hoards money while it dissipates resources.

For 7 years, "no new starts" has been a gate barred against the needs for all sections of the country. Unsatisfied needs for irrigation, for municipal and industrial water supplies, for flood control, for navigation, and for hydroelectric power have accumulated; and now they constitute a major deficiency in the economy.

The administration's refusal to undertake these needed projects has denied to millions of our citizens opportunities for better living conditions and useful employment. Production has been restrained, for lack of developed water resources; new income has been missed; and tax revenues have been lost.

In many quarters, there is lack of understanding of the necessary relation between national growth and new investment in resource development—and that means new starts. This is the same necessary relationship that exists in the business world between investment in new production capacity and industrial prosperity.

The United States is growing rapidly. Soon our population will be 250 million. Production must increase with population growth and with the increased requirements for civilian and defense uses. Our national capabilities have grown, too. Our gross national product—the sum of the goods and services produced—approaches the $500 billion mark. These facts certainly do not support the veto statement that the appropriation bill "ignores the necessity of orderly development of America's water resources within the Nation's fiscal ability."

Two weeks ago, I introduced Senate bill 2549, the proposed Natural Resources and Conservation Act. One of the purposes of that measure, Mr. President, is to forestall the sort of error that is perpetrated in the veto of the public works appropriation bill. Enactment of Senate bill 2549 will provide the Congress, the executive branch, and the people with an authoritative, factual appraisal of what development and conservation measures are needed by the country and what means should be used for their accomplishment. Enactment of that measure should clear up a great deal of the misunderstanding about new starts, and it should put them in a sound relationship to national growth.

Hearings on the proposed Natural Resources and Conservation Act will proceed during the fall, in order to provide for full discussion by responsible officials and leading citizens. It is my hope that the bill may be reported to the Senate for early action.

The veto of the public works appropriation bill, again shutting out needed water projects, warns us of the urgency of revitalizing natural-resource programs. We must assure that needed development and conservation measures will proceed, and that they will be measured by sound and courageous standards in the American tradition.

Only by this means will the United States remain strong at home and abroad—a bastion of free people everywhere.

CONDITIONS IN THE MINING INDUSTRY

Mr. MURRAY. Mr. President, I am certain every Member of the Congress who is at all informed knows of the precarious state of our mining industry. An adequate supply of metals from within our own borders is a keystone to our security for defense in war and our prosperity and progress in peace.

Yet, as the result of foreign policies over which the Congress has been able to exercise little, if any, control up to this time, our once great mining industry has gone from very bad to much worse. A further proof of this fact is one of the leading articles in the business and financial section of the New York Times for Sunday, August 30. This article is illustrated by several pictures, one of which spreads over four columns. This picture shows a small group of students attending a lecture at the Montana School of Mines—one of the great mining schools of our country, Mr. President—and the caption points out that there now are only four or five candidates for mining degrees in each of our leading schools.

Mr. President, I ask unanimous consent that the text of the article in the New York Times be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 30, 1959]

ENGINEERS STEER AWAY FROM MINES—CAREER IN INDUSTRY LOSES APPEAL AGAINST GLAMOR, PAY OF SPACE FIELDS

(By Jack R. Ryan)

The future of mining engineering is beginning to look a little shaky, judging from the meager amount of new blood being pumped into the profession.

It's one of the oldest, and certainly among the most basic, of all branches of engineering, charged with the vital task of seeking out and recovering the mineral raw materials of industry and defense.

But in the midst of all the ballyhoo over rocketry and space-age science, mining engineering apparently has lost much of its allure.

This year, throughout the Nation, only 208 new mining engineers received their first degrees (usually bachelor of science), according to the Engineering Manpower Commission. That compared with 469 only 8 years ago. Total first degrees in all branches of engineering exceeded 35,000 annually in recent years.

It is true that most other engineering branches also posted declines from the levels

of the early 1950's, when graduation rolls were swelled by veterans finishing their work under the GI bill. But no branch had anywhere near the drop experienced by mining.

CLASSES SMALL

Several of the 29 fully accredited colleges and universities offering mining degrees graduated only 1 to 6 new engineers last June. Some had more professors than graduates. Columbia University here, which once conferred bachelor's degrees on 50 to 100 a year in mining engineering, this spring awarded only 5. The School of Mines at Columbia was founded in 1864, was the first of its kind in the United States and is the oldest engineering department at the university.

Why has the profession lost the popularity it once had among the bright young men seeking their fortunes? Engineers, educators, and industry executives, asked that question last week in a series of interviews, offered dozens of reasons.

Mining cannot compete just now with the glamor fields—rocketry and the advanced chemistry and electronics that support it, they said. The starting salaries may be as high as in other traditional forms of engineering (some young engineers dispute this), but they are still below those being offered in the new nuclear and space-age fields.

OLDTIMERS COMPLAIN

Some oldtimers in the metals industry complained that today's youngsters lacked the venturesome spirit that fired the mining engineers of 40 years ago.

"Nowadays all some kids think about is security," said one copper executive. "They used to be more concerned with the chance to strike it rich, of becoming boss of the mine, of making their own way rapidly in the world even if it involved a few risks."

But a younger mining engineer retorted, in a typical comment:

"The kids wouldn't mind being exiled to some lonely mine out in the cactus or the jungle if the rewards were commensurate with the hardship.

"But what usually happens? The new engineer gets stuck with underground surveying or sampling for months or years.

"Only a few companies are doing any real research that would provide challenging, professional work—the kind he could find quickly in aircraft or chemistry, for example. And with so many little mining companies swallowed up by the big ones these days, what are the real chances any more of striking it rich or becoming a boy-wonder boss?"

Others said the lack of economic continuity in the profession had discouraged many. They noted that during the recent recession, many mining engineers—and not the newcomers alone—were laid off. If the present widespread strikes in the major nonferrous metals companies continued long, more engineers would be out of jobs, too, they predicted.

"These engineers should be looked on as part of a company's permanent investment," said one who now holds an important editorial post in the field. "In times of strikes or recessions, they should be put to work trying to cut mining costs or reduce safety hazards or doing some other kind of essential research—not just laid off."

William A. Vine, professor of mining engineering at the Montana School of Mines, suggested that many of the young men who were not choosing mining engineering as such were branching off into allied specialties, such as geology, geophysical engineering, petroleum engineering and so on, and were being graduated in those fields.

SUPPLY AND DEMAND

Some mining executives shrug off the problem, say it's one of simple supply and demand: when a real shortage of mining engineers develops, salaries and other incentives will be forced up and students will flock into the profession.

Other observers, pondering the long-range future of the minerals industry, have been voicing increasing concern recently. Who, they ask, is going to provide the Nation's metals, mineral chemicals, and fuels a decade or two from now when ore bodies have become leaner and deeper and harder to find?

One asking such questions is Roger V. Pierce, a well-known Salt Lake City consulting engineer and a national vice president of the American Institute of Mining, Metallurgical and Petroleum Engineers. He believes that one of these days, the easy-to-mine deposits abroad—being mined for their high-grade ore now, the way ours were 35 years ago—will be depleted to the point that leaner ores still available here will be in urgent demand.

"We're not training the boys now for that coming period when we'll need them," he said. "We're not preparing the future minerals engineers to keep up with other industries. We don't stop training Army, Navy and Air Force officers just because we're not currently fighting a hot war, do we?"

SCHOOL SHIFT URGED

In speeches to engineering and college groups of several States, Mr. Pierce has been urging that the 29 present accredited schools giving mining degrees be consolidated into 6 or less. These, he says, should be strategically placed so that students could get first-hand training in commercial mining operations, and should be supported financially by the Federal Government and by industry through endowment funds.

"Ninety percent or more of our mining engineers are coming from State-supported schools, not one of which has enough money to put a first-class faculty on the campus," he contends.

Nathaniel Arbiter, professor of mineral engineering at Columbia, is concerned over what he sees as the dwindling supply of qualified students to conduct research in ore beneficiation and extractive metallurgy. Such research is flourishing abroad, he reports, and is being given massive support by governments in the Communist bloc.

Clyde E. Weed, chairman of the Anaconda Co., and himself a mining engineer, said there were still "rare opportunities" for young engineers in his company.

"The kind of young man who will succeed is the kind of fellow who is interested in adventure, not security," he said last week. "He's concerned with creativity, not the comfort of routine. He's a gambler of his energies on the calculated risk. He's capable of living with a quiet confidence and self-sufficiency in remote areas. He delights in the prospect of giving life to barren lands. He wants opportunity in life, not somebody's plan."

PUBLIC WORKS APPROPRIATIONS

Mr. MANSFIELD. Mr. President, I was greatly disappointed and distressed by the action taken by President Eisenhower in vetoing the public works appropriation bill. I thought it was a good bill because it looked to the future and provided for the continued orderly development of our natural resources. It represented an investment in America which would have benefited our own people. As far as I am concerned the members of the Senate Committee on Appropriations should have absolutely no regrets about the public works appropriation bill which they sent to the White House.

The veto of this money bill is a great blow to the people of my State. It not only provided funds for continued construction of projects, like the Helena Valley unit and the second powerplant at Fort Peck Dam in Montana, but it also provided funds for a modest start on the East Bench unit at Dillon in the southwestern part of the Treasure State.

The bill that the President vetoed was not a spender's bill. We in Montana had reconciled ourselves to the fact that we could not get everything we wanted. For instance, we have the finest multipurpose project in the Nation ready for construction—Yellowtail Dam. We wanted to see it started this year, but because it is such a large project and it would have considerable effect on the reclamation program, the Appropriations Committees felt, in their wisdom, that this project should wait a year.

On the other hand, we have the East Bench unit in the Beaverhead. It is a fully repayable irrigation project. The Congress provided an appropriation of $1 milion to begin work on the project in the current fiscal year. It is not a big project as its total estimated cost is slightly in excess of $20 million. A new start for East Bench is not going to bust anybody's budget.

Secretary of the Interior Seaton reports in the press that East Bench unit is one of eight projects that he will request funds for in the next fiscal year. This is fine but another year may be too late. In addition, the Secretary's request may not be cleared by the all-powerful Bureau of the Budget.

If we have to wait another year it is very likely that the cost of the project will be increased an additional $2 million. The State highway department in Montana has planned for some time to start construction of a new defense highway in the area of the proposed reservoir in November of this year. They have been persuaded to postpone this project 1 year so that their plans can be coordinated with the location of the dam and reservoir which will be created by East Bench. Any more delay will be expensive because the operation and maintenance of the old road is expensive and the timetable of the interstate highway program does not provide for extended delay. Unless construction funds are provided so that the Union Pacific Railroad can be relocated, this highway must then be routed through the proposed reservoir. The highway cannot be relocated around the proposed reservoir prior to relocation of the railroad because of excessive costs for crossing structures and acquisition of necessary rights-of-way.

In addition to the engineering facts that support the construction of this

project this year, it is important to remember that this project will mean a great deal to the economy of the area. East Bench unit will provide new and supplemental irrigation for 49,804 acres of land. This will bring new land under cultivation in a State which at present has only 2 percent of its gross land area, or about 13 percent of all the cropland, under irrigation. It will not produce products which are now in surplus supply. The economy of the Dillon area, in addition to mining, is largely livestock, predominantly cattle, which are not under any Federal Government support program. A major portion of the area is devoted to the production of hay and pasture for stock. Grains grown in the area are also practically all used for stock feeding. The construction of the East Bench unit would greatly increase livestock production and stabilize the economy of this area.

Mr. President, before concluding I would like to discuss something which concerns me greatly. Each time public works appropriations are considered I get the impression from so many that we are appropriating funds for subsidized projects. They are not, they are an investment in the future development of our Nation. These appropriations are not grants of Federal money, they are loans and the cost of these projects is fully repaid with interest. This is done by the irrigation districts through repayment contracts which are signed before any work is ever done on the project. In the case of large multipurpose projects a large part of the repayment is received from the sale of hydroelectric power.

In western Montana we have a large multipurpose project which is paying for itself, in fact it is ahead of schedule in its repayment schedule. I speak of Hungry Horse Dam. I am justly proud of this project. It is a real investment in the future of western Montana because it has provided flood control, regulation of the flow of waterways, recreation, and above all it has expanded the economic base of Flathead Lake area of the State. There are several new industries brought in because of this new source of power. They have provided employment, expanded the tax base and contributed to the economic development of the local communities.

The public works appropriation bill the President vetoed provided for an orderly development of our resources, benefiting millions of Americans.

I cannot help but express the wish that the United States would realize as many benefits from its foreign aid grant program as we do from the development of our own natural resources. If we are to grow and prosper in the eyes of the world we are also going to have to do something here at home.

Mr. President, I ask unanimous consent to have an editorial which appeared in the August 31 issue of the Billings Gazette printed at the conclusion of my remarks in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MAY GET ACTION NEXT YEAR ON YELLOWTAIL DAM

In an address before the Senate, Monday, August 17, Senator MIKE MANSFIELD, of Montana, expressed disappointment over the failure of a Senate-House conference committee to agree upon appropriation of $3 million for making a start on the construction of Yellowtail Dam in the canyon of the Big Horn River some 40 miles southwest of Hardin in Big Horn County. The Senate Committee on Appropriations included an allocation of the funds in a measure previously approved by Public Works Subcommittee, but when the bill went to a conference committee, the House members of that committee declined to accept the item which was, therefore, deleted from the bill.

Replying to the statement by Senator MANSIELD, Senator CARL HAYDEN of the Senate Appropriations Committee, and also chairman of the Subcommittee on Public Works, explained why it was not considered feasible to make the appropriation at the current session but did say that the funds for starting actual construction of the dam should be made available for the 1960–61 fiscal year.

The cost of this project is fixed at $100 million, but, unless this inflationary spiral is reversed, that cost may rise as time goes on. Also, the history of many of these Government dam projects shows that in all too many instances, the final cost of the undertaking greatly exceeds the estimated cost made at the time the project was authorized. This has something or other to do with the way many of the bureaus of our Federal Government transact business.

It may be assumed that most of the older residents of this section of Montana and some of the later arrivals know the history of the Yellowtail Dam project. Actually, agitation for the construction of this dam was begun not too long after the Reclamation Bureau in the Department of the Interior was established in 1902. There was much to recommend the construction of this dam. First was the advantage which would accrue from the reclamation of several thousand acres of semiarid land. Next was the fact that the site of the structure up there in the Big Horn Canyon was one of the most nearly ideal to be found anywhere in these Western States.

The construction of projects of that kind in States of the West and particularly the Great Plains area, for the irrigation of arid and semiarid lands was the chief reason for the establishment of the Reclamation Bureau under the terms of a measure introduced by Senator Newlands, of Nevada. During his second term, 1905–11, Senator Thomas H. Carter, of Montana, did much toward establishing that Bureau on a firm foundation and for obtaining money for the lower Yellowstone, Huntley, and Sun River projects in Montana.

John Harris, a resident of Hardin until he moved to Chicago in his later years, spent years trying to promote a start on Yellowtail Dam. He made repeated trips to Washington during those years and really kept alive the movement favoring the dam even when success appeared all but hopeless to most of the other backers of the plan.

Harris made some trips to the National Capital while the writer was down there and once, during a vacation period, took us up to the site of the proposed dam. It was then a rugged trip but worth the trouble.

The engineers for the Reclamation Bureau have long recognized the merit of the plan for building a dam up there and have conducted exhaustive surveys and done considerable other preliminary work, but efforts to get started on the project were stymied by an inability to reach an agreement with members of the Crow Indian Council on the damsite and the land to be inundated by the lake created by the dam construction.

While there are some differences between the Federal Government and the Indian council still to be disposed of, there is no longer any substantial hindrance to the start of construction except the lack of an appropriation of funds by the Government and, as Senator HAYDEN has promised our Montana congressional delegation, that will probably be forthcoming after the next session of Congress—at least a sum sufficient to make a good start on the project.

Yellowtail will be a multipurpose dam as are most of those now being constructed by the Federal Government. In addition to making possible the irrigation of a large area of land, it will be equipped with generators to produce a great deal of electric power and serve as an important unit of the upper Missouri River flood-control system.

The hundred million or more dollars to be spent for the construction of the dam and the additional sums required to construct an irrigation system and facilities for the generation of electric energy will contribute greatly to the economic progress of this southeastern section of Montana. The progressive little city of Hardin will share with Billings many of the advantages resulting from this project. Members of the Crow Indian Tribe are already assured of a substantial sum of cash for the damsite and land which they will surrender to the Federal Government.

CONDITIONS IN THE STEEL INDUSTRY

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter appearing in the Washington Post of August 23 and one appearing on August 25. The former entitled "Inflation and Steel Prices," is by Eugene Havas, formerly economic adviser to the Royal Hungarian Embassy, contributor to the London Economist and well-known financial and investment consultant. In his letter, Mr. Havas reaches the conclusion that, at the present levels of demand, existing steel capacity, financed largely by consumers and taxpayers, is excessive; that the steel companies, recognizing this fact, have raised their prices to such a level that they can make substantial profits while operating well below capacity. Mr. Havas calls attention to the recent report in Great Britain of the council of "three wise men" criticizing prosperous British companies for paying higher dividends instead of lowering prices. He ends with this provocative question:

With our steel companies preparing for stock splits and increasing dividends again, is it not high time that we have a fact-finding board on prices and productivity and an authority to defend the consumer from corporate exploitation to reverse the inflationary expectations caused by the unrestrained profit appetite of the steel industry?

The letter of the 25th is by Prof. Allan G. Gruchy, professor of economics at

the University of Maryland. Professor Gruchy points out that as long as the steel companies pay high dividends while at the same time forcing the consumer to pay for their capital expansion the industry will continue to insist that its profits are not excessive. Professor Gruchy calls attention to a new report from Norway on the control of inflation written by an economist at the University of Oslo and three government officials. Speaking of this report, Professor Gruchy writes:

The conclusion of this very significant report is that the inflation problem will never be solved, even where there is a fairly extensive system of economic controls as in Norway and Sweden, until labor, management, and government are willing to come together to agree upon how the earnings of industry are to be shared by both sides and the public in those lines of economic activity where the forces of competition are no longer effective in their control of the market.

This is essentially the same problem which I have discussed in previous remarks, namely how to distribute the gains of technological progress among management, labor and consumers in noncompetitive industries where the allocation is not made automatically by the unseen hand of competition. Apparently, this problem is not confined to the United States but has been a source of some concern at least in Great Britain and Norway as well.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 23, 1959]

INFLATION AND STEEL PRICES

The senior economist of the Federal Reserve Board, Winfield Riefler, in a recent address dealing with inflation and growth stated that misallocation of funds for excessive capacity building is one of the recent forces of inflationary expectations.

What I believe is even worse than the funds diverted to such purposes is the source of such funds and the manner they are used to exploit the consumer from whom these funds are exacted in the form of higher prices in our economy which is neither free nor market determined.

Besides the cost to the consumer these quasi monopolistic highly concentrated industries financed a considerable part of their excess capacity from the accelerated depreciation allowances, causing billions of revenue losses which the Treasury can ill afford and could have used for better purposes.

Apart from the steadily rising cost of living this built-in inflation in excess capacity production is also causing evil social consequences. We are just becoming aware of it in the present steel dispute. Steel capacity is about 145–150 million tons but only 85 million tons were produced last year. That is less than 60 percent of capacity.

In the first half of this year the industry was operating at 87½ percent capacity and produced about 64 million tons of steel. Without the strike the total annual production would have reached probably 115 million tons in view of the general economic recovery. This is, however, less than 80 percent of the overbuilt steel capacity so that the industry can produce advantageously all the economy needs in about 9 months and be idle for 2 or 3 months.

Thus through this excess capacity built from the consumer and the taxpayer's involuntary contributions the steel industry is able and willing to force a showdown from this socially questionable position of strength in its dispute with the steelworkers which can only lead to permanent bitterness in industrial labor relations.

Even before the strike started the trade paper Iron Age warned management not to try to regain at this time all it bargained away in 18 years. The industry's self-styled noninflationary contract offer is not fair. It denies to the consumer and the worker any share of the tremendous productivity increase obtained in the first 6 months of 1959 which sent profits to an all-time high. Big and small steel mills rivaled each other in the record earnings which surpassed the total profits for the full year of 1958 in the first half of 1959. Even more significant is the fact that the industry earned more profits producing 64 million tons in 6 months than 85 million tons last year.

The industry is offering small wage increases and pension benefits to the steelworkers if they would consent to working rule changes. Thus the industry is contradicting its own platform that all wage increases, no matter how small, are inflationary. It proves that the management wants to have its cake and eat it, too.

In Great Britain the government appointed a council of three "wise men" 2 years ago to review prices and productivity. In their last report the nation's industrialists were told that it is particularly regrettable that at this time the prosperous companies are paying higher dividends instead of cutting prices.

With our steel companies preparing for stock splits and increasing dividends again, is it not high time that we have a fact-finding board on prices and productivity and an authority to defend the consumer from corporate exploitation to reverse the inflationary expectations caused by the unrestrained profit appetite of the steel industry?

EUGENE HAVAS.

WASHINGTON.

[From the Washington Post, Aug. 25, 1959]

ECONOMICS OF STEEL

As long as the steel industry insists upon paying high dividends and at the same time retaining large undistributed profits to finance a major portion of its capital expansion, the industry will continue to insist that profits are not excessive.

More financing of capital expansion through the issuance of securities to the public rather than through the accumulation of undistributed profits would mean a smaller need to build up earned surpluses, and would make possible wage rate increases without raising steel prices.

Any profits above the level needed to attract new capital and to finance capital expansion should be made available for (1) wage rate increases related to improvements in productivity, (2) reductions in the price of steel, or (3) a combination of the two. Since neither the steel industry nor the steelworkers' union is in a good position to make unbiased studies of the profit requirements of the steel industry, the Government should assume responsibility for these studies.

After such studies have been completed, a settlement of the strike that would be reasonable in terms of wages, steel prices, and profits could be arrived at only through negotiations by management and labor within an economic framework based upon the Government's investigation of the steel industry's profits.

It is interesting to observe that this is precisely the direction in which the wage-price-profit issue is moving in the Scandinavian countries.

A most interesting report on the control of inflation, written by the well-known economist Trygve Haavelmo of the University of Oslo and three government officials, has recently come out of Norway.

The conclusion of this very significant report is that the inflation problem will never be solved, even where there is a fairly extensive system of economic controls as in Norway and Sweden, until labor, management, and government are willing to come together to agree upon how the earnings of industry are to be shared by both sides and the public in those lines of economic activity where the forces of competition are no longer effective in their control of the market.

The report goes on to assert that the problem of inflation in Norway, and we might say the same thing for the United States, cannot be met until there is negotiation within an appropriate overall economic framework such as we do not yet have available to management and labor in our key industries.

Until collective bargaining in this country is raised above the current level of a two-party squabble, there can be no hope for wage settlements without inflationary consequences.

ALLAN G. GRUCHY,
Professor of Economics,
University of Maryland.

COLLEGE PARK.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

The PRESIDENT pro tempore. The Senator from Louisiana is recognized for 10 minutes.

Mr. ELLENDER. Mr. President, early this year the Department of Agriculture sent to the Committee on Agriculture and Forestry a suggestion that Public Law 480, the Agricultural Trade Development and Assistance Act, merely be extended for 1 year, with a title I authorization increase of $1,500 million and a title II authorization increase of $300 million for that year. The present authorization expires on December 31 of this year.

Mr. President, I ask unanimous consent that a letter from the Acting Counsel of the Department of Agriculture outlining that suggestion be printed at this point in my remarks.

There being no objection, the letter referred to was ordered to be printed, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C.

Mr. HARKER T. STANTON,
Counsel, Agriculture and Forestry Committee, U.S. Senate.

DEAR MR. STANTON: There is transmitted herewith a draft of a bill, together with an explanation thereof, that would put into effect the proposal for extending Public Law

480 in accordance with the President's agricultural message and the testimony of the Secretary at the hearing before the committee.

The draft legislation would extend title I of Public Law 480 for 1 year and increase the amount authorized to be expended under title I by $1,500 million. The draft legislation would also extend title II of Public Law 480 for 1 year and would increase the amount authorized to be expended under title II from $800 million to $1,100 million.

Sincerely yours,

EDWARD M. SHULMAN,
Acting General Counsel.

Mr. ELLENDER. If the bill as reported by the committee were passed in its present form, title I would be extended for 1 year—that is, up to December 31, 1960, with an authorization of $1,500 million; and title II would be extended for 1 year, with an additional authorization of $300 million.

On the day the committee reported the bill, the Department sent us another letter, suggesting that the bill be expanded—that is, that certain amendments be added to the bill. The committee had no time to look into the proposed amendments, because, as I have said, they arrived in the committee room only about 10 minutes before we acted on the bill.

The amendments proposed would permit the purchase of materials for the United States for civil defense purposes; and a new section would be added, in order to utilize foreign currencies to purchase nonfood emergency relief. A third suggested amendment was that a new section be added, to authorize grants of commodities under title I for national food reserves.

I ask unanimous consent that this second letter, dated July 14, 1959, be printed at this point in my remarks.

There being no objection, the letter referred to was ordered to be printed, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 14, 1959.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR SENATOR ELLENDER: On April 17, 1959, the General Counsel of this Department furnished the Counsel of your committee a draft of legislation to carry out the President's recommendations for extension of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong.). On April 21 you introduced this draft as S. 1748.

Subsequently the Department has given further study to this proposed legislation, particularly in connection with its relationship to the Food for Peace program recommended by the President. As a result of the further study, which was conducted in cooperation with interested Government agencies, we wish to recommend the enactment of S. 1748 in an amended form. For your convenience we are enclosing a copy of the bill as it would be amended.

It is proposed that (1) section 103(b) be amended to increase the title I authority by $1.5 billion; (2) section 109 be amended to extend the terminal date through which title I transactions can be undertaken from December 31, 1959, to December 31, 1960; (3) section 104(b) be amended to permit the purchase of materials for U.S. civil defense purposes; (4) new section 104(p) be added to permit use of foreign currencies for nonfood emergency relief; and (5) new section 110 be added to authorize grants of commodities under title I for national food reserves.

Title I of Public Law 480 authorizes the President to enter into agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. The current authorization of $2¼ billion expires on December 31, 1959.

The request for the additional $1.5 billion and the extension of the terminal date is presented at this time in order to permit orderly programing and shipment of agricultural commodities without interruption to those areas of the world which are urgently in need of these commodities. The surplus situation with respect to many commodities will worsen in the foreseeable future. The carryover of wheat, feed grains, cotton, and other commodities will continue high and will be considerably larger than our ability to sell them for dollars. The Commodity Credit Corporation's investment in agricultural commodities was reduced to about $7 billion on June 30, 1958, from a previous high of nearly $9 billion. This investment, however, is now rising rapidly and is expected to continue to rise.

The requested extension and increase in authorization will permit title I sales to continue at the same rate currently authorized. Every effort will be made, consistent with the objectives of the Food for Peace program, to maximize the utilization of our surpluses, however, and any additional authorization needed will be requested of the Congress before the end of the fiscal year 1960.

Amendment of section 104(b) is required to facilitate the acquisition of materials and products which should be stockpiled as essential to the survival of the civilian population in event of nuclear attack on the United States. To the extent that foreign currencies could be used for this purpose, the amendment would eliminate the need for dollar appropriations.

New section 104(p) is required to permit the President to more fully meet the emergency needs of friendly peoples abroad. Food can be donated quickly under title II of Public Law 480; however, this additional use of foreign currencies generated by title I sales is necessary to furnish blankets, medicines, and other nonfood items in times of emergency.

In furtherance of the President's Food for Peace program, new section 110 is requested to allow grants of food to underdeveloped countries for national food reserves, under terms requiring such food to be paid for if it is used for other than to meet agreed emergency needs.

In order to permit continuation of the useful activities which have been possible under title II of Public Law 480 (relating to famine relief and other emergency assistance), it is proposed that section 203 be amended by increasing the authority by $300 million; it is proposed that section 204 be amended by extending the terminal date for undertaking such programs from December 31, 1959, to December 31, 1960.

In furtherance of the President's Food for Peace program, amendment of section 202 is requested to authorize broader use of grants for economic development. The principal effect of this amendment would be greater use of commodities to assist in the funding of works projects.

An additional amendment of section 203 is requested to permit payment of general average claims under title II. Such claims for loss or damage on part of a ship's cargo are distributed among all owners of cargo on the ship. Since commodities are donated for humanitarian purposes under title II, it is believed desirable that the United States pay these charges rather than the recipient country. Such claims are infrequent and involve relatively small amounts.

Enactment of the proposed legislation would result in no increase in employment or administrative costs in the fiscal year 1960. The cost of shipments recorded by CCC against the proposed authorizations in the fiscal year 1960 is estimated at about $50 million. Additional shipments with a cost of more than $1 billion are expected to be recorded during that year against previous authorizations.

A copy of these proposed amendments is being submitted to the Senate Committee on Foreign Relations at the request of Senator HUMPHREY.

The Bureau of the Budget advises that enactment of the proposed legislation would be in accord with the program of the President.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. ELLENDER. After the Agriculture Committee reported our bill, the Senator from Minnesota [Mr. HUMPHREY] in his capacity as a member of the Foreign Relations Committee held hearings on a bill similar to the existing law, Public Law 480, the Foreign Relations Committe reported a bill, paralleling existing law, except for the declaration of policy.

The Senator from Minnesota and other Members proposed to change the title of the bill to make it a Food for Peace program, instead of a surplus disposal program designed to develop trade in surplus agricultural commodities.

After Senator HUMPHREY's bill was reported to the Senate, the Senator from Minnesota—who, as I said, happens to be a member of the Foreign Relations Committee, as well as a member of the Committee on Agriculture and Forestry—requested that the Agriculture Committee consider certain amendments to the bill we previously reported. As chairman of the committee, I readily consented. The committee, by a narrow margin, voted out several amendments, which I understand will be offered by the distinguished Senator from Minnesota. In due time it will probably be my purpose to accept some of those amendments, and to oppose others.

Mr. President, Public Law 480 was enacted in 1954, and it was designed primarily to expand international trade, encourage economic development, pay U.S. obligations abroad, promote collective security, foster foreign policy, and relieve famine and need at home and abroad.

Title I of Public Law 480 provides for the sale of surplus agricultural commodities for foreign currencies.

The foreign currencies received in payment for commodities are deposited to the account of the United States overseas and are used for purposes authorized in section 104 of Public Law 480 and specified in the sales agreement. Several departments and agencies have responsibility for administering the

expenditure of these currencies. For example, the Department of Agriculture is concerned with the use of currencies for agricultural market development purposes; the International Cooperation Administration for currencies loaned back to importing countries for economic development purposes; and the Export-Import Bank of Washington for currencies loaned to private business firms.

As of June 30, 1959, agreements have been signed with foreign countries totaling $3.7 billion. Of this amount only about 1.4 percent has been programed for use in market development, while 8.3 percent has been programed for use in military procurement; 6.3 percent for grants for multitrade and economic development; 6 percent for loans to private enterprise; 27.4 percent for payment of U.S. obligations; 47.7 percent for loans to foreign governments; and 2.9 percent for other uses as specified under section 104. The actual amounts and percentages for each purpose by country can be found in table I, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Planned uses of foreign currency under title I, Public Law 480, agreements signed through June 30, 1959* [1]

[Amounts in million dollar equivalents at deposit rate of exchange]

Country	Total in agreements (market value including ocean transportation)	104(a) Market development	104(b) Purchase of strategic materials	104(c) Military procurement	104(d) Purchase of goods for other countries	104(e) Grants for multitrade and economic development	104(e) Loans to private enterprise	104(f) Payment of U.S. obligations [2]	104(g) Loans to foreign governments	104(h) International educational exchange	104(i) Translation and publication	104(j) Information and education
FISCAL YEAR 1959												
Argentina	33.0						8.2	8.3	16.5			
Ceylon	14.7					2.2	3.8	2.9	5.8			
China (Taiwan)	13.4			7.0			3.0	2.4	1.0			
Finland	4.0						1.0	3.0				
France	28.2				6.2		7.0	15.0				
Iceland	2.2							.4	1.8			
India	238.8					35.8	59.7	26.7	114.6			2.0
Indonesia	40.3					14.2	10.0	5.4	10.0			.7
Israel	38.3						9.5	9.6	19.2			
Korea	33.0			28.0				5.0				
Pakistan	85.9					12.9	12.9	23.4	36.2			.5
Poland	44.0							44.0				
Spain	109.0							59.7	49.1			.2
Turkey	34.7						5.2	12.2	17.0			.3
United Arab Republic	48.3						12.0	23.6	11.7	0.5		.5
Uruguay	12.4						3.0	2.6	6.3			.5
Yugoslavia	94.8					14.2		11.4	69.2			
Total agreements July 1, 1958, to June 30, 1959	[3] 875.0			35.0	6.2	79.3	135.3	255.6	358.4	.5		4.7
Total agreements through June 30, 1958	2,828.3	52.1		273.2	38.1	154.1	88.5	757.6	1,407.9	28.6	6.5	21.7
Total agreements through June 30, 1959	3,703.3	52.1		308.2	44.3	233.4	223.8	1,013.2	1,766.3	29.1	6.5	26.4
Uses as percent of total	100.0	1.4		8.3	1.2	6.3	6.0	27.4	47.7	.8	.2	.7

[1] Amounts shown are subject to adjustment when actual purchases and allocations have been made.

[2] In order to provide flexibility in the use of funds, agreements concluded July 1958 to June 1959 provide that a specified amount of foreign currency proceeds may be used under various U.S. use categories including the new currency uses which are limited to amounts as may be specified in appropriation acts. Distribution among these uses will be made when allocations have been completed.

[3] Amounts shown in this column may differ from amounts in table I which reflects purchase authorization transactions.

Mr. ELLENDER. Mr. President, not all of these moneys have actually been allocated by the Bureau of the Budget. As a matter of fact only about $3 billion has actually been allocated. A breakdown of the amount and percentage by use of funds actually allocated can be found in table II, which I ask unanimous consent to have incorporated as a part of my remarks at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—*Actually allocated by the Budget Bureau as of Mar. 3, 1959*

	Millions of dollars	Percentage
104(a). Market development	33.8	1.1
104(b). Purchase of strategic materials	0	
104(c). Military procurement	244.5	8.2
104(d). Purchase of goods for other countries	35.7	1.2
104(e). Grants for multitrade and economic development	211.8	7.1
104(e). Loans to private enterprise	194.1	6.5
104(f). Payment of U.S. obligations	510.4	17.1
104(g). Loans to foreign governments	1,719.5	57.6
104(h). International educational exchange	21.9	.7
104(i). Translation and publication	4.1	.2
104(j). Information and education	9.0	.3
104(k). Scientific activities	.3	(1)
Total	2,985.1	100.0

[1] Less than 1/10 of 1 percent.

Mr. ELLENDER. Mr. President, the committee was very much interested in the amount of funds being used for agricultural market development, and pointed out in the report that it is the intent of Congress that foreign currencies be used to the maximum extent possible for this purpose.

TITLE I

Under title I, agreements signed since the beginning of the program provide for the shipment of 840 million bushels of wheat, 4 million bales of cotton, 33.5 million bags of rice, 3.3 billion pounds of vegetable oil, 210 million bushels of feed grains, 250 million pounds of tobacco, 120 million pounds of meat, 180 million pounds of lard, 285 million pounds of dairy products, 175 million pounds of fruit and vegetables, as well as other commodities.

In 1955 and 1956, the first full year of operation of title I, foreign currency shipments totaled $427 million at export market value, or 12 percent of total U.S. agricultural exports. During 1956 and 1957 title I shipments amounted to $900 million, nearly 20 percent of the total; during 1957 and 1958, about $650 million, approximately 16 percent; and during 1958 and 1959, $725 million, about 20 percent.

For certain commodities the program has been particularly important. For example, more than half the total U.S. wheat exports during the past fiscal year, or about 230 million bushels, moved under title I; also, about 750 million pounds of soybean oil and cottonseed oil, or about 65 percent of total edible oil exports; about one-third of rice exports; and one-fifth of cotton shipments.

The value and quantity of commodities which have been programed under agreements signed during fiscal year 1959, and cumulative totals, are shown in tables III and IV, which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE III.—*Commodity composition of programs under title I, Public Law 480 agreements signed through June 30, 1959*

[Millions of dollars]

Country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Total			
									Market value	Ocean transportation [1]	Market value including ocean transportation	Estimated CCC cost including ocean transportation
Argentina			4.6				25.6		30.2	2.8	33.0	35.6
Ceylon	4.2		8.3						12.5	2.2	14.7	21.8
China (Taiwan)	7.6				2.6	1.0	.7		11.9	1.5	13.4	17.5
Finland				1.0	2.8			0.1	3.9	.1	4.0	4.2
France				24.0	3.5				27.5	.8	28.3	44.3
Iceland	.6	0.5	.1	.4	.4		.1		2.1	.2	2.3	2.8
India	191.3	4.1							195.4	45.2	240.6	336.7
Indonesia	5.0		7.2	23.0		2.0			37.2	3.1	40.3	58.3
Israel	11.5	15.7	.5	1.0	.2	1.5	2.4	.3	33.1	5.2	38.3	49.5
Korea	20.3	.5		7.5					28.3	4.7	33.0	48.3
Pakistan	53.7		7.2	[2] 1.7		.2	10.4		73.2	12.7	85.9	117.2
Poland	14.1	11.6		8.8		.8	4.7		40.0	4.0	44.0	58.3
Spain		11.5		17.0	8.8	.5	62.7	2.0	102.5	6.5	109.0	115.3
Turkey			.7			.4	30.2	.5	31.8	2.9	34.7	35.6
United Arab Republic	21.5	3.3	5.3		9.0	.5	3.2	.5	43.3	5.0	48.3	62.3
Uruguay		2.2		3.5	6.1				11.8	.7	12.5	13.5
Yugoslavia	55.8			18.2			9.9	1.8	85.7	10.6	96.3	134.7
Total agreements July 1, 1958, to June 30, 1959	385.6	[3] 49.4	33.9	106.1	33.4	[4] 6.9	[5] 149.9	[6] 5.2	770.4	108.2	878.6	1,155.9
Total agreements through June 30, 1958	1,024.7	197.9	179.3	510.2	147.9	41.3	376.3	59.5	2,537.1	285.5	2,822.6	3,922.6
Total agreements through June 30, 1959	1,410.3	247.3	213.2	616.3	181.3	48.2	526.2	64.7	3,307.5	393.7	3,701.2	5,078.5

[1] Includes only ocean transportation to be financed by CCC.
[2] Extra-long staple.
[3] See the following:

	Million dollars
Corn	16.6
Grain sorghums	10.8
Barley	22.0
Total	49.4

[4] See the following:

	Million dollars
Dry whole milk	0.4
Nonfat dry milk	5.2
Butter oil	1.3
Total	6.9

[5] Cottonseed and/or soybean oil.
[6] See the following:

	Million dollars
Finland: Fresh lemons	0.6
Israel, Turkey and Yugoslavia: Dry edible beans	2.5
Spain:	
Dry edible beans	1.5
Poultry	.1
UAR: Poultry	.5
Total	5.2

TABLE IV.—*Approximate quantities of commodities under title I, Public Law 480 agreements signed through June 30, 1959*

Country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Poultry	Dry edible beans	Fruits and vegetables	Meat	Hay and pasture seeds
	1,000 bushels	*1,000 bushels*	*1,000 cwt.*	*1,000 bales*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 cwt.*	*1,000 pounds*	*1,000 pounds*	*1,000 cwt.*
Argentina			772				165,347					
Ceylon	2,688		1,366									
China (Taiwan)	4,596				3,059	4,509	4,965					
Finland				5.9	4,385					1,102		
France				200.0	5,333							
Iceland	314	325	17	2.4	400		714					
India	113,106	3,075										
Indonesia	3,201		1,200	153.3		28,571						
Israel	6,726	13,768	88	6.0	264	16,884	18,106		41			
Korea	12,030	418		65.2								
Pakistan	31,232		1,200	[1] 5.0		2,143	68,162					
Poland	8,151	9,824		70.4		11,429	33,069					
Spain		9,484		103.0	12,572	2,400	534,485	1,787	206			
Turkey			110			3,418	207,947		66			
United Arab Republic	12,590	2,540	833		10,588	1,323	26,667	1,323				
Uruguay		1,768		20.6	6,778							
Yugoslavia	33,304			125.5			79,200		235			
Total agreements, July 1, 1958, to June 30, 1959	227,938	[2] 41,202	5,586	757.3	43,379	[3] 70,677	[4] 1 138,662	3,110	548	1,102		
Total agreements through June 30, 1958	614,697	168,852	27,879	3,228.5	206,721	214,849	2,492,608	14,300	43	175,057	120,872	10
Total agreements through June 30, 1959	842,635	210,054	33,465	3,985.8	250,100	285,526	3,631,270	17,410	591	176,159	120,872	10

[1] Extra long staple.
[2] See the following:

	Bushels
Corn	12,507,000
Grain sorghums	9,739,000
Barley	18,956,000
Total	41,202,000

[3] See the following:

	Pounds
Dry whole milk	740,000
Nonfat dry milk	67,638,000
Butter oil	2,299,000
Total	70,677,000

[4] Cottonseed and/or soybean oil.

TITLE II

Mr. ELLENDER. Mr. President, title II of Public Law 480, at the present time, authorizes the use of up to $800 million of commodities held in stock by Commodity Credit Corporation to help friendly foreign people to meet famine or other urgent or extraordinary relief requirements. Payment of ocean-freight costs for these commodities as well as donations of surplus foods for use abroad under title III of the act, may be financed from this authorization. This authorization is increased by $300 million by the bill under consideration.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The time of the Senator has expired.

Mr. ELLENDER. I yield myself 1 more minute on the bill.

As of June 30, 1959, a total of $546 million has been obligated, which includes $251 million for bread grains, $51 million for course grains, $32 million for fats and oils, $4 million for dry beans, $57 million for dairy products, $38 million for rice, $16 million for cotton, and $97 million for ocean transportation.

Mr. President, I firmly believe that the bill as reported from the committee should be passed as written and as presented.

Mr. HUMPHREY. Mr. President, first, I yield myself 10 minutes on the bill, and following that I shall offer an amendment.

The bill before the Senate, as the distinguished chairman of the committee has pointed out, is S. 1748. That bill does but one thing: It merely extends for 1 more year Public Law 480, with the existing provisions being maintained for an additional period of 12 months.

Reference has been made to S. 1711, which is on the calendar, and which was reported by the Senate Committee on Foreign Relations. That particular bill, known as the food-for-peace bill, was introduced by me and a number of other Senators.

Hearings were held upon this particular bill in the Senate Committee on Foreign Relations. Members of the Senate may be interested to know why the Senate Committee on Foreign Relations should interest itself in matters relating to the use of our food and fiber. The interest and the jurisdiction rested upon the fact that the currencies which are generated as a result of the sales of surplus food and fiber under title I of Public Law 480 apply to the objectives of American foreign policy.

In other words, under title I, when a certain quantity of wheat is sold to a country which is in need of the wheat supplies, but which is unable to purchase such wheat with dollars, although it can purchase the wheat with its own native currency, the currency which is generated as the result of that transaction is deposited to the account of the U.S. Treasury. That currency is then made available under the terms of Public Law 480 for a number of purposes.

One of the purposes under Public Law 480 is, of course, trade development. I think more needs to be done in that area, and I have encouraged such action.

Another purpose for which these currencies may be utilized is for the payment of costs of the U.S. Government operations in the area where the currencies are usable.

A third purpose is to provide for economic development in the country where the currencies have been obtained. This is accomplished by the purchasing country entering into an agreement with the United States for long-term loans of available currencies as the result of the sales of agricultural commodities. Those loans are repayable with interest to the Treasury of the United States. Those loans are currently being repaid with interest. The loans may be repaid either in the form of soft currencies of the country involved, or in terms of dollars, whatever the agreement specifies.

A fourth purpose relates to the uses of funds available under Public Law 480 transactions spelled out in amendments to Public Law 480, particularly under section 104. Those include not only economic development but also education, health, nutrition and sanitation. There are a number of things for which money can be either loaned or granted.

I have not listed all the purposes or the objectives of Public Law 480, but I have touched upon the main ones.

What is the issue at stake? The distinguished chairman says that Public Law 480 is essentially a surplus disposal program. The Senator is correct in the fact that it is a program designed to utilize surplus commodities. But I say to my colleagues of the Senate that this program should not be tagged as a surplus disposal program. Rather, it should be considered a constructive program for the use of food and fiber to further the objectives of American foreign policy, to relieve human suffering and want, and to make a contribution to the betterment of mankind at home and abroad. In other words, it is a program of food for peace, food for economic development, food to improve the living conditions of people in the countries as to which we have deep concern regarding the political and economic development of those countries. Above all, it is a program for the well-being of mankind.

Some of the amendments which will be proposed today have as their purpose the cloaking of Public Law 480 in the garments of the fulfillment of American foreign policy objectives of peace, freedom, social justice, and economic development. Why should we not use our abundance of food for economic development? Why should we not use our abundance of food for purposes of health and education?

Of course, we are currently doing that. But we seem to do it with a feeling of shame, rather than embracing what we are doing and saying, "This is its purpose. The purpose is not merely to dispose of surplus food." If that were the purpose, surely we would not seek simply a 1-year extension, because there is not anyone in this body who can accurately predict there will be a balance between production and consumption in the foreseeable future. The fact is there is no possible way, that anyone in this country has been able to design, to limit production of agricultural commodities to the point where production will meet only normal exports and domestic consumption. We are going to have an abundance of food and fiber for the foreseeable future.

The question is, What are we going to do about the situation? Are we going to continue to pay $1½ million per day storage costs? I want my colleagues to know that we are paying $1½ million a day for storage, in the United States, for this food. And some of it rots. Or are we going to use, instead, the same amount of money for the purpose of seeing to it that people obtain the food for health, for education, for improvement of diets, or for economic development of the country receiving the food?

Mr. President, there has been quite an argument as to whether we should emphasize the words "food for peace" in Public Law 480. Indeed, I think we should. That does not mean there will be no emphasis upon international trade. Indeed, there is an emphasis upon international trade.

The President in his state of the Union message this year, outlined what he called a program of works for peace. One of them was health for peace. One was education. One was food. It seems to me the time is at hand to take a good look at Public Law 480, which, by the way, will be extended under the terms of either bill and will be amended only. We should call the program what it really is, a dramatic demonstration on the part of the American people of the use of food and fiber for constructive purposes, not merely for relieving ourselves of surpluses.

If all we want to do is relieve ourselves of surpluses, there are other ways of doing it. We can bury them. We can destroy them. I hope we never will, but it could be done.

We ought to look upon this abundance of food and fiber as a blessing. We ought to put it to work. We ought to put it to work abroad and at home, in terms of helping humankind, in an exercise of compassion, or helping countries which are our friends and neighbors by providing economic assistance.

What do our amendments propose? The first amendment proposes to make this a 3-year program instead of a 1-year program. I say there is no defense for making this a 1-year program, except that it will make it necessary to do it all over again next year. There has not been a single study which has ever been made of this program by any group which did not recommend at least a 5-year program, instead of a 1-year program.

I repeat, no study has been made of Public Law 480 by anyone, by either a public or private group, which has not recommended a long-term program.

I am happy to note that the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], only a couple of months ago proposed on this floor that Public Law 480 be made a 3-year program.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 additional minutes.

Mr. HUMPHREY. I congratulate the Senator from Illinois for his proposal. The record reveals, according to the minority leader, that this proposal had the support of the administration. It is an interesting thing to me that the administration can tell the minority leader it is in favor of a 3-year extension of Public Law 480 and then tell the committee it is in favor of only a 1-year extension of the law.

Frankly, I do not believe the administration is deeply concerned about this

matter. I think the administration would readily accept a 3-year extension of the law, if it provides for sound programing and better administration.

HOUSING ACT OF 1959—VETO MESSAGE (S. DOC. NO. 52)

Mr. JOHNSON of Texas. Mr. President will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. Will it suit the convenience of the Senator from Minnesota if we have the housing veto message read and then have an hour of debate on it, and then vote to override the veto?

Mr. HUMPHREY. If I hear correctly, a veto message on the housing bill has been received. I may say to the majority leader it would not only suit my convenience, but I wish to join in the denunciation of such a veto.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the housing veto message be read, and that following its reading the time for debate be equally divided to be controlled by the Senator from Illinois [Mr. DIRKSEN] and the Senator from Alabama [Mr. SPARKMAN] to the extent of 1 hour.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Monroney
Allott	Gore	Morse
Anderson	Green	Morton
Bartlett	Gruening	Moss
Beall	Hart	Mundt
Bennett	Hartke	Murray
Bible	Hayden	Muskie
Bridges	Hickenlooper	Neuberger
Bush	Hill	Pastore
Butler	Holland	Prouty
Byrd, Va.	Hruska	Proxmire
Byrd, W. Va.	Humphrey	Randolph
Cannon	Jackson	Robertson
Capehart	Javits	Russell
Carlson	Johnson, Tex.	Saltonstall
Carroll	Johnston, S.C.	Schoeppel
Case, N.J.	Jordan	Scott
Chavez	Keating	Smathers
Clark	Kefauver	Smith
Cooper	Kerr	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Dirksen	Lausche	Talmadge
Dodd	Long, Hawaii	Thurmond
Douglas	Long, La.	Wiley
Dworshak	McCarthy	Williams, N.J.
Eastland	McClellan	Williams, Del.
Ellender	McGee	Yarborough
Engle	McNamara	Young, N. Dak.
Ervin	Magnuson	Young, Ohio
Fong	Mansfield	
Frear	Martin	

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). A quorum is present. The clerk will read the veto message from the President of the United States.

The legislative clerk read as follows:

To the Senate of the United States:

I return herewith, without my approval, S. 2539, "an act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes."

On July 7, I returned an earlier housing bill, S. 57, to the Senate and set forth in an accompanying message of disapproval many of that bill's objectionable features. Although some of these features have been removed in S. 2539, and some partially corrected, in its most important provisions S. 2539 represents little overall improvement over S. 57. In one respect—the setting of an expiration date next fall on the new loan insurance authorization of the Federal Housing Administration, with potentially serious disruptive effects on the building industry—S. 2539 is worse than the earlier housing bill.

Clearly this bill, like its predecessor, goes too far. It calls for the spending of more than 1¾ billion of taxpayers' dollars for housing and related programs over and above the vast expenditures to which the Federal Government is already committed for these purposes. The history of the bill indicates that the Congress intends it to be a 1-year bill. So regarded, S. 2539 calls for Federal spending at virtually the same rate as that provided for by S. 57—a rate far in excess of my recommendations to the Congress.

At a time when critical national needs heavily burden Federal finances, this bill would start two new programs, certain to cost huge sums in the future, under which taxpayers' money would be loaned, at subsidized interest rates, for purposes that could be better met by other methods.

One of the new programs would have the Federal Government make direct loans to colleges for classrooms and related facilities and equipment by methods that would tend to displace the investment of private funds in these projects. This is Federal aid to education in a highly objectionable form.

The other new program would have the Federal Government make direct loans for housing for elderly persons despite the fact that a program is already in operation and working well, at no cost to the taxpayer, and under which private loans for this same purpose are guaranteed by the Federal Government.

Among its other objectionable features, this bill would authorize 37,000 new units of public housing while many thousands of previously authorized units have not been completed or occupied. These, too, would be subsidized, on a basis that would cost the taxpayer many hundreds of millions of dollars over the next 40 years. The bill would also authorize $650 million of Federal grants to cities for urban renewal projects. This sum considerably exceeds the first-year amount recommended by the administration for these purposes.

This is not the kind of housing legislation that is needed at this time. It does not help the housing industry for the Federal Government to adopt methods that in these times would increase inflationary pressures in our economy and thereby discourage the thrift on which home financing is heavily dependent. Nor does it make sense to purport to assist any group of citizens, least of all elderly persons living on fixed retirement incomes, by legislation that tends further to increase the cost of living.

There is still time for the Congress to enact a sound housing bill, and I once again urge that it do so. These things can be and ought to be done: (1) remove the ceiling on FHA mortgage insurance authority; (2) extend the FHA program for insurance of property improvement loans; (3) enact reasonable authorizations for urban renewal grants and college housing loans and adjust the interest rate on the latter; (4) extend the voluntary home mortgage credit program; and (5) adjust the statutory interest rate ceilings governing mortgages insured under FHA's regular rental and cooperative housing programs.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *September 3, 1959.*

The Senate proceeded to reconsider the bill (S. 2539), to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Under the unanimous-consent agreement 1 hour is allotted on the veto message, to be equally divided.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. President, I suppose it is needless for me to say that I regret exceedingly to see this action taken by the President of the United States. I do not question his right to exercise the veto power, but I do believe that it was wrongfully done in this case, and I wish very briefly to point out some of the statements in the veto message which do not give a clear picture of the situation.

In the first place, the President says that the bill calls for the spending of more than $1¾ billion. That statement needs considerable explanation, much more than I can give in the time I have at my disposal. However, that figure includes all the public housing over the next 40 years. It includes urban renewal, for which the money will be spent over a period of 15 or 20 years. It includes all the loans that will be advanced under various programs and paid back with a profitmaking rate of interest to the Government of the United States.

The President refers to the college classroom provision as being particularly objectionable, and says that it is Federal aid to education in a highly objectionable form.

We might have an explanation as to why it is objectionable—certainly not so far as the amount is concerned, because his own program calls for $500 million in grants to private colleges, whereas the bill calls for loans to both tax-supported and private colleges, in the amount of $50 million, to be paid back at a rate of interest which actually would make money for the Government of the United States.

The President refers to the public housing units. With respect to public housing units, the figures we took are the figures which the administration officials themselves gave us as to the number needed in order to meet the backlog that had been built up. I admit that the President makes a little change from the veto message on S. 57 when he talks about those that are unbuilt. He says they have not been finished and occupied; but remember, they are allocated.

Again, I remind the Senate that on the one hand he is urging us to enact legislation that will speed along the Interstate Highway System; yet no town or city can afford to take the Interstate Highway System through it unless it has the means of assuring the Federal Government that it has a place in which to put any family that is displaced by reason of the highway program, and all other Government programs, so far as that is concerned. That is the principal use to which public housing units are put these days.

One word with reference to the expense of this program. So far as the 1960 budget is concerned, the bill would have a minimal effect upon it, or even upon the 1961 or the 1962 budget. We worked out a table, and placed it in the RECORD when the bill was before the Senate before, which would cover the next 10 years. To read the veto message, one would think the bill would have a terrific impact upon the budget immediately. The impact which the program would have on the 1960 budget is less than the loss the Government willingly and willfully would sustain in transferring FNMA mortgages for the benefit of the bondholders in a special class which has been proposed by the President, and against which the Senate voted the other day. The administration blandly talks about sustaining a loss of as much as $50 million in that category. That will not hurt the budget, to listen to the administration. But the $24 million proposed in this bill would, they say, destroy the budget of the Nation. That simply does not make sense.

The President speaks about urban renewal being a 1-year program. It cannot be a 1-year program, because we have already lost a year and a half. We have had no urban renewal, so far as that program is concerned, over the last year and a half. We must have this program.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. SPARKMAN. Mr. President, will the Senator from Texas yield me 2 more minutes?

Mr. JOHNSON of Texas. I yield 3 additional minutes to the Senator from Alabama.

Mr. SPARKMAN. I shall not go into further detail about the veto message. This is the sixth time the housing bill has been before the Senate. This will be the sixth time the Senate will have acted upon it.

I recognize, and I have said so on the floor many times, the constitutional right of the President of the United States to exercise the veto power. But I also feel a great responsibility as a Member of the Senate, as a member of a legislating body. Under the Constitution, it is the function of Congress to adopt the legislation which it believes should be submitted to the President.

Our subcommittee and our full committee have worked hard. We worked hard on the bill to meet the President more than half way. I submit we have met him more than half way.

In all frankness, I do not know what the position of the leadership will be in the event the Senate fails to override the President's veto, but I feel a sense of absolute futility with reference to going on. So far as I am concerned, I think we might as well quit if we do not succeed in overriding the veto. Let the country see what it will be like not to have a housing program for a few months. I think perhaps it would give us a different outlook.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. ANDERSON. Why do we keep putting the provision for classrooms back into the housing bill? That is one thing to which the President objects.

Mr. SPARKMAN. I made this statement on the Senate floor previously; I renew it today. We feel there is a great need for such a program. If the Senator from New Mexico would read the hearings before our committee, he would see, I believe, what the need is.

As I said on the Senate floor when the bill was under consideration, the administration's answer to us is that they have their own program in another committee, and that committee is working on the program. We all know it will not be acted on this year. Many of us doubt that it will ever be enacted. But I have said before that if such a program is enacted, and if it makes provision for the flood of students who are beginning to enter universities and colleges, I would be willing to see the program we have proposed simply phased into the other program. We do not want duplicate programs. But classrooms are needed, and are needed now. We are providing housing for students. What good is housing without classrooms?

Mr. President, I earnestly hope the Senate will vote to override the veto.

Mr. ANDERSON. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, my question is: If we keep bumping into a stone wall, why do we continue to bump into it? Classrooms are not housing. Why continue to include them in a bill any more than we would include mercantile stores downtown? I voted against the classroom provision because I wanted housing and not an issue. I think that if we want a housing program, we should remove the provisions for classrooms and housing for the elderly from such a bill. Why include them again?

The Senator from Alabama says he feels a sense of futility. Why not take out of the bill classrooms, which obviously are not housing, and try to pass an acceptable bill? I do not object to the 37,000 units. I would vote for them. But why do we continue to travel the same road we have traveled so unsuccessfully so many times?

Mr. SPARKMAN. I believe that if the Senator from New Mexico would read the veto message, he would arrive at the conclusion that even leaving classrooms out—and that was proposed in our committee, but the committee voted against it——

Mr. ANDERSON. But very closely.

Mr. SPARKMAN. Yes. That matter was proposed on the Senate floor, and the Senate voted against it by a substantial margin.

Mr. ANDERSON. I do not know how substantially, but by a large enough margin to cause a veto.

Mr. SPARKMAN. But the House, with that provision in it, and with objection being made to it, voted for the bill by a margin of 3 to 1.

This is not the first time that facilities of a similar nature have been included in a bill. Housing bills have always—at least for a good many years—contained a section providing for community facilities.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, I do not think there should be any surprise because the President vetoed the housing bill. The indications were very clear during the debate that unless certain amendments were adopted, and which were offered from this side, it would likely invite another veto of the housing bill. I deplore the fact that the President has found it necessary to take such action, but I cannot confess to any surprise that he has done so, because I thought he made it quite clear in his original veto message what the objections were as he saw them, what the needs for housing were, as he saw them, and he made his position very clear, indeed.

I thought, while we were working on the new bill in the subcommittee that we were making some headway; but as we came before the full committee it became clear to me that we had been outfoxed; that we did not have the kind of bill I thought we were getting.

As the President has pointed out in the veto message, we ended with a bill which is in effect a 1-year bill, but a 1-year bill providing amounts which should be spread over several years.

This is true of the urban renewal features of the bill, and it is true of the bill in general, because it puts a termination of the FHA authority to do business 1 year from next October. Therefore, as the proponents of the bill have said in other language, it gives them a gun to point right at the administration, to de-

mand more and more programs in addition to existing programs, with the threat that they will not extend the authority of the FHA.

The President has pointed out again that he objects to two new programs. Perhaps they are not big in the amount of $50 million each at the outset. But every Senator has seen such programs start with small amounts and grow, grow, and grow.

Mr. LAUSCHE. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator from Connecticut will suspend until the Senate is in order.

The Senator may proceed.

Mr. BUSH. I thank the Chair. The housing program for elderly persons under the FHA insurance program is going very well. It was pointed out in the debate that if the direct loan program were adopted, it would simply mean switching the business which is scheduled for FHA insurance into a direct loan program, thus destroying a program which is progressing very well, and putting an increasing burden on the Federal Government merely to do exactly the same thing. So the President objected very strongly to that item.

On the classroom construction proposal, the President again objected strongly. He pointed out clearly that this is one of the most objectionable features of the bill. It does not belong, as I believe I heard the Senator from New Mexico say across the aisle a little while ago, in a housing bill.

This is an aid to education program; and such a program belongs in an education bill relating to the Department of Health, Education, and Welfare, not in a housing bill.

Mr. President, an effort has been made to make it appear that this administration is not interested in housing. However, nothing could be further from the truth. The President has repeatedly sent to Congress, both this year and in prior years, educational programs adequate to meet the needs of the Nation.

After all, however, the President has to consider all the other needs of the Nation, including the national defense needs and the needs in connection with the operation of the various governmental departments and agencies. He has to consider all of them; he cannot play favorites.

The PRESIDING OFFICER. The time yielded to the Senator from Connecticut has expired.

Mr. DIRKSEN. Mr. President, I yield 2 additional minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 2 additional minutes.

Mr. BUSH. So, Mr. President, the President is the one who has been obliged to balance one need against another. I believe that in his customarily deliberate and careful way, and certainly with the best interests of the people at heart, and I believe that today the people show greater faith and affection for President Eisenhower than they have ever before had—the President has come forward with programs which, in his opinion, and in the light of all he sees by means of the great agencies which are under his direction, are proper, adequate, and liberal programs for housing in its various aspects.

As an evidence of that good faith, the President has stated at the conclusion of his veto message, a copy of which is now on the desk of each Senator, that there is still time for Congress to enact a sound housing bill; and the President says "and I once again urge that it do so."

The President points out what a good housing bill should contain.

Mr. President, certainly there is ample time for our Banking and Currency Committee to bring to us, next week, a housing bill which will meet the housing needs of the Nation at this time and will insure signature by the President.

In his veto message, the President calls for removal of the ceiling on FHA mortgage insurance authority; he calls for extension of the FHA program for insurance of property improvement loans; he calls for the enactment of reasonable authorizations for urban renewal grants and college housing loans, and adjustment of the interest rate on the latter.

Heretofore, the President has made clear what he considers reasonable amounts in those connections.

In the veto message, the President also states that the Congress should extend the voluntary home mortgage credit program, and should adjust the statutory interest rate ceilings governing mortgages insured under the FHA's regular rental and cooperative housing programs.

The PRESIDING OFFICER. The additional time yielded to the Senator from Connecticut has expired.

Mr. BUSH. Mr. President, may I have 1 more minute?

Mr. DIRKSEN. Mr. President, I yield 1 additional minute to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 1 additional minute.

Mr. BUSH. Certainly, Mr. President, that does not seem to me a cause for a sense of futility, as stated by my dear friend, the Senator from Alabama. I do not feel any sense of futility about this matter. I want a housing bill enacted; and I want it just as much as the Senator from Alabama does. But I want one which which the country can live and which the President will sign. We can have such a bill; and there is no reason for any sense of futility.

Mr. President, I hope Senators will vote to sustain the President's veto, and that the Senate may have a chance to pass a bill in accordance with the recommendations the President has so wisely and soundly made today.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from Indiana [Mr. CAPEHART].

The PRESIDING OFFICER. The Senator from Indiana is recognized for 3 minutes.

Mr. CAPEHART. Mr. President, I have worried and fretted with housing bills for 15 years. I have worried and fretted with this one since last January. I am the ranking Republican member of the Banking and Currency Committee. I was not consulted by the President or by any of his staff in connection with the veto. They did not ask for my opinion of it; and, therefore, I did not give them my opinion.

I wish to make two points only:

First, if we had included the provisions for classrooms in the regular college housing section—in other words, if we had made provision for dormitories, classrooms, and so forth, and had not included a new section—there would not have been any argument at all about the classroom provisions, because for years we have helped build dormitories.

For years, a section in regard to housing for the elderly has been included. The Government guarantees the mortgages 100 percent, in the case of nonprofit oganizations.

Here, again, if the new section on housing for the elderly to which everyone is objecting had been made a part of the old section, and if we had simply provided that in certain instances the Federal Government would lend the money, this difficulty would have been avoided.

In his veto message, the President states that the bill would authorize 37,000 new units of public housing, which he says would be subsidized on a basis which would cost the taxpayers many hundreds of millions of dollars during the next 40 years. But if we had included provisions for housing for the elderly in the old section, and if we had simply provided that the Government could lend up to $50 million, there would not be any argument at all about the matter, in my opinion.

As regards the authorization of 37,000 new units of public housing, let me say that from the very beginning I have been opposed to public housing. But I was the author of the 1954 bill on urban renewal; and we wrote into that bill—and it is still the law—a provision that slums in which the poor people of the Nation live cannot be torn down unless other accommodations for those people are available. The other accommodations do not necessarily have to be public housing; they can be old houses or new houses. But at least some adequate housing must be made available for them.

At the moment, anyone who can show that such provision can be made except by the provision of public housing is wiser than I am.

If these three things had been handled in slightly different ways, we would not now be talking about them.

As I have said, I was not consulted at all about them.

I have always tried to be honest, fair, and sincere in dealing with these subjects, and I have not gotten angry with others. But certainly we should know the facts.

The PRESIDING OFFICER. The time yielded to the Senator from Indiana has expired.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. JAVITS. Mr. President, I am disappointed that the President has seen fit again to veto the housing bill, as he did before.

The President has acted by way of accommodation with the Congress in instances very analogous to this one—for instance, in connection with the veterans' pension bill and in connection with the railroad retirement bill; and he, himself, has sponsored the idea that legislation is a compromise.

I think we have gone a long way in trying to meet the views set forth in the President's first veto message.

Therefore, I am quite disappointed that the President has seen fit to veto the second housing bill, as well.

Mr. President, on the merits, I think there are two difficulties—and perhaps they represent a very deep difference in outlook: Housing is not inflationary. When housing is built—and all of this bill relates to the construction of housing—we add to the total wealth of the Nation. It is essential that we understand that although what we owe is important, what we have is equally important.

Therefore, Mr. President, when we add to the stock of housing, we increase our assets, because we then bring about the participation of others, those outside the Government, far more than we increase our liabilities.

In the second place, Mr. President, I cannot be a party to a housing bill which is not balanced. I join in the very fine statement made by my colleague, the Senator from Indiana [Mr. CAPEHART]—namely, that it is impossible to remove slums in which poor families live, without at the same time providing for their housing needs.

The PRESIDING OFFICER. The time yielded to the Senator from New York has expired.

Mr. JAVITS. Mr. President, may I have an additional minute?

Mr. DIRKSEN. Mr. President, I yield an additional minute to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 more minute.

Mr. JAVITS. Mr. President, finally, let me say that today approximately 70 percent to 80 percent of the people of our country are living in urban areas. We think nothing of voting for the expenditure of billions of dollars to help those who live in rural areas. But when it comes to voting for the appropriation of a sum far smaller than that, to help in the most intimate, personal way to fructify the life of those who live in the cities, we suddenly become very economical and money conscious. It simply is not just.

So, Mr. President, I deeply believe that, even with all due deference and respect for the President, the Senate should vote to override the veto.

The PRESIDING OFFICER. The additional time yielded to the Senator from New York has expired.

Mr. HUMPHREY. Mr. President, will the Senator yield me 3 minutes?

Mr. JOHNSON of Texas. I yield the Senator from Minnesota 3 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 3 minutes.

Mr. HUMPHREY. Mr. President, the message that has just been released by the White House, giving the President's veto and the alleged reasons can be answered very simply. I wish that our President would remember that he is President not General Eisenhower. This is not the "Crusade in Europe" where unconditional surrender by the enemy was the order of the day. We are not enemies. We are citizens in the same Republic, and we are a coequal branch of Government having a responsibility here in this body to legislate to the best of our ability and our judgment. Yet, the President demands unconditional surrender from the Congress.

This housing bill has been up the hill, down the hill, around the hill, and over the hill, in an effort to accommodate an administration that seeks to have only one kind of legislation—the kind it wants. Maybe we should adjourn and just let the President write the legislation—Government by Executive order and edict.

It might not be a bad idea, before Mr. Khrushchev arrives, to let the people of the world know that the Congress in the United States has a little something to say about the policies of Government. I realize the Russian visitor pays little or no attention to the will of congresses or parliaments. I hope we are not getting into a similar pattern in this country. The President insists that the Congress be not only a rubberstamp, but a subservient body bending to Executive dictation. Apparently the Bureau of the Budget, the right arm of the Presidential Office, has an insight into the Nation's problems that far exceeds the combined individual and collective wisdom of both Houses of Congress. The number of vetoes would indicate that the majority position is to be brushed aside. Minority rule has superseded the accepted principle of majority rule.

Two items among others that are cited as reasons for the veto are two of the best reasons why the bill should be retained and the veto overridden. First, is housing for the elderly. This administration lacks the sense of social conscience to do something about the problems of the elderly. The administration loves to talk about the elderly, but when we suggest a program of action for the elderly, the administration says, "Stop. Remember the budget." Well, elderly people have budget problems, too, and the private programs for housing for the elderly has not been the phenomenal success the administration claims. Direct housing loans are needed because this is a particular type of housing for a particular kind of clientele. It is more difficult to obtain financing for housing for the elderly than for ordinary FHA housing.

Secondly, the President says he does not approve the bill because it involves Federal aid to education. Some of our colleagues said that it would have been better to omit this section on the basis of lack of relevancy to housing programs.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. May I have 1 additional minute?

Mr. JOHNSON of Texas. I yield 1 additional minute to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 1 additional minute.

Mr. HUMPHREY. The administration has had many conferences, including the White House Conference on Education recommending Federal aid to education. This is the same administration which, after sputnik, said we must do something about our colleges and higher education and that we must begin to meet this problem with improved facilities, including more and better classrooms. Well, this housing bill does just that. It provides loans for classroom facilities.

Is there any Member of this body who does not know that there is a great shortage of classroom space in our colleges? The bill does not provide for a gift. It provides for loans. The bill provides for loans to colleges and universities so that they may build classrooms.

Finally, it gets a little ridiculous to be told when a foreign aid bill—a program which I support—comes before the Congress, that we are admonished by the President not to cut a dime of it. We are told that if we do, we shall jeopardize the security of the country. But everytime there is a rivers and harbors bill, a REA bill, a farm bill, a housing bill—everytime there is a bill for the good and welfare of the people, and the prosperity of the country—and there can be no foreign aid without this country's great productivity and prosperity—everytime there is a bill to aid this country, if it does not meet the rigid criteria and prejudices of the Bureau of the Budget, down it goes. We are given one alternative—unconditional surrender. I refuse to surrender. I think we ought to override the veto. I shall vote to do so.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Utah [Mr. BENNETT].

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. BENNETT. Mr. President, when this bill was under consideration, the Senator from Connecticut and the Senator from Utah tried their level best to point out to the Senate that there were five items in the bill to which the President definitely objected.

The Senator from Utah pointed out that the committee partially cured one by its amendment to the FHA deadline, and the Senate itself cured another by adopting the amendment I suggested, knocking out the mandatory purchase of Wherry housing.

There were two left which have been referred to by the President as reasons for his veto, one of which we certainly could have handled. We almost did handle it. That was the proposal that the funds in the bill for college classrooms be added to the amount authorized for college housing, on the very

simple theory that if the colleges had that much more money to spend for housing, they could use funds of their own, which otherwise might have been spent for housing, for classrooms.

That particular amendment, offered in two forms, got 40 votes in one case and 41 votes in the other. A few more votes might have prevented the veto.

I still think it was a serious mistake to insist on forcing the President to accept in a housing bill the proposal for classrooms.

The President has a program to assist colleges to get facilities. I am sure we shall be voting on the question again before we get through next year, if not this year; but this reminds me of another comment I made during the debate, which was that this program, which was originally instituted to help private individuals buy housing for their own purposes, has now become a program to set up institutions of one kind or another—public housing, urban renewal programs, college housing, housing for the elderly. The original purpose of the bill has largely been forgotten, if, in fact, it has not been made a hostage in order that those who are interested in developing the institutional aspects may have a leverage to apply on any administration that tries to continue, even at the tremendously expanded rate, the original program of making it possible for single families to acquire housing in which they can live.

The President sends the bill back to us now because we did not take out the proposal for classrooms.

The other chief objection he makes is to the proposal for direct loans for housing for the elderly. This veto message is being taken up so quickly that the Senator from Utah has not been able to examine into the record to review the figures which, as he remembers them, plainly show that the voluntary program, the program of Federal insurance of private funds to be used to build housing for the elderly, has been moving on at a very satisfactory rate.

The Senator from Utah now has these figures available. There were 56 applications.

The PRESIDING OFFICER. The time of the Senator from Utah has expired.

Mr. BENNETT. May I inquire if the Senator will yield me more time?

Mr. DIRKSEN. Mr. President, I yield 2 additional minutes to the Senator.

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 additional minutes.

Mr. BENNETT. Under section 207 of the National Housing Act, there have been to June 30, 1959, 56 applications received totaling more than $55½ million and representing 6,262 units of rental housing specially designed for the elderly. Forty of these have been committed at $35 million representing 4,036 units. Already 22 at $23 million representing 2,686 units have been insured. Twenty-three States are represented in the 56 applications. For anyone to say that failure to keep this provision in the bill would deprive the elderly people of housing would be ridiculous. The result would simply be that $55½ million would be transferred from voluntary programs to a direct loan program, if the provision remains in the bill, thus becoming a burden on the Federal Treasury.

Mr. President, I think the Congress should recognize these two very sound reasons for the veto. We should support the President in his veto. There is still time to send the President a bill which will contain the important FHA program and the important title 1 program, which will make it possible for the basic housing program of this country to continue.

Mr. President, I yield back the balance of my time.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 2 minutes.

Mr. LAUSCHE. Mr. President, I shall vote to sustain the President in his veto. My belief is that if the Senate had listened to the President's admonition about converting the guaranteed loans into direct loans and about including the new lending program for college classrooms in the bill we would not now be required to decide whether we will or will not sustain the President's veto.

I believe in a housing bill. I am convinced the President wants a housing bill. I would be remiss in my responsibility to the people of this country and to the people of my State unless I gave recognition to the fact that the U.S. Government cannot now sell its bonds. We are trying to borrow money to refinance bonds which have matured and we cannot borrow the necessary money. Despite that, the bill which we are now about to act upon contemplated direct loans of money which we do not have and which we would have to borrow from lenders who are unwilling to lend to us.

The Senator from New Mexico [Mr. ANDERSON] asked the question, "Why insist on placing the college classrooms in the bill, when the President directly admonished us that they should not be included?"

Classrooms are not housing. No one can construe classrooms to be housing. In my opinion, these classrooms were placed in the bill as a direct challenge to the President.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. DIRKSEN. I yield 1 additional minute to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 1 additional minute.

Mr. LAUSCHE. I think a housing bill can be drafted with ease. Omissions can be made of the provisions which are not rightfully to be included in the bill.

In the Senate there are probably 20 men who formerly were Governors of States. These men have had experience with legislative bodies writing into a good package bad things, intending to coerce them into accepting the bad with the good. The President has refused to be coerced, and I commend him for his action.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Arkansas [Mr. FULBRIGHT].

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 2 minutes.

Mr. FULBRIGHT. Mr. President, I deeply regret that the President has vetoed this bill. During the last consideration of the housing bill, I was willing to transfer the $50 million from college classrooms to dormitories.

This is a lending program for college classrooms, about which so much has been said. I supported the motion by the Senator from Connecticut, not because I do not think there is great merit in the program, for I think there is a need for it and merit in it. I supported the Bush proposal solely in an effort to compromise, and perhaps to induce the President to sign the bill.

A very small matter is involved here. All of these items are relatively small.

I have had a calculation made, Mr. President. I find that the President has vetoed 143 bills since he has been President. I think there is nothing comparable to that in our history. There have been 57 direct vetoes, and 86 pocket vetoes.

What this indicates to me is a breakdown in our system of checks and balances. This has been coming on now for a long time. We have a divided Government under the Constitution; that is, as among the three branches of the Government. We now have one party in control of the legislature and another in control of the executive branch. I submit that the President is not using, responsible judgment in trying to conciliate and trying to get along with the legislature, which is as important an element in our Government as is the Executive. I think the President is taking advantage of his power of the veto, and he has abused it, in my opinion.

This is the second time we have had a housing bill vetoed.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. JOHNSON of Texas. Mr. President, I yield an additional minute to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 1 more minute.

Mr. FULBRIGHT. The Senator from Alabama has stated that he feels a sense of futility, and that he lacks any desire to go forward with the legislation. It happens that in my State this is not an all important matter, but I think it is all important to the Nation. I have supported a housing program every year. I did so this year.

I think the situation which confronts us is a very serious one, and that this question of a reasonable attitude of conciliation toward the other branches of

the Government is involved. The Executive should not be permitted to completely dominate the legislative branch by its use of the veto power.

I certainly think, if we are going to have any balance in our Government, this Congress has to assert its right to consideration in regard to legislation, and I hope it will override this veto.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to my colleague from Texas [Mr. YARBOROUGH].

The PRESIDING OFFICER. The junior Senator from Texas is recognized for 2 minutes.

Mr. YARBOROUGH. Mr. President, as was so ably pointed out by the distinguished Senator from Arkansas, this is not a golf game that we are playing with the President. The President treats it like a golf score, "Who got in with the low score?" If it were a golf game, it would be time that the Congress of the United States scored in the game.

Mr. President, this college classroom provision has been strongly attacked by the Executive and by many other people in the country who are opposed to it. It is only a $50 million program out of a $1¾ billion program. It is not a giveaway program. It is simply a lending program, to loan $50 million to the colleges so that they may build classrooms.

Why has this been provided? It was provided because of the college situation. In 1955 there were 2,380,000 students in colleges in this country. In 1958, last year, there were 3,200,000 students. This year the estimate is that there will be 3,950,000 students. It is estimated that by 1965 there will be 4,750,000 students in colleges, and that by 1970 there will be 6 million students in colleges.

With all the private financing the colleges can get, with all the State financing the colleges can get, and with all the denominational financing the colleges can get, they are not going to be able to house the students who wish to go to college, or to furnish classrooms for them.

We have had a college housing program for years. What is so evil about building classrooms for the students to sit in, when the Federal Government is lending money to colleges to build dormitories for the students to sleep in? The students sleep only about 8 hours a day, and they are in the classrooms more than that.

The President says that this program is Federal aid to education in a highly objectionable form. What is wrong with it? In 1862 the Government passed the Morrill Land Grant College Act and established whole colleges. The party in power at the time was the Republican Party. Many great colleges in this country were formed and created under that act.

If it is all right to create a whole college by the use of Federal money, what is so wrong with this college classroom program?

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. YARBOROUGH. Mr. President, will the Senator yield me 1 more minute?

Mr. JOHNSON of Texas. I yield 1 additional minute to my colleague.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 minute.

Mr. YARBOROUGH. If it is all right to build dormitories for the students to sleep in, why is it so wrong to build classrooms for the students to study in?

The first precedent I have been able to find, Mr. President, goes far beyond the Morrill Land Grant College Act of 1862. In 1791 the first President, George Washington, in a message to the First Congress called on the Congress to do something about education. He said the question of establishing a national university or granting moneys to seminaries of learning now in existence is for the Congress to determine. We have never heard of George Washington being referred to as a socialistic radical. If assisting education was progressive enough for George Washington 168 years ago, why is it too radical for the present President? I submit, Mr. President, the college classroom provision ought to be law.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. President, when the five reasons on the second page of the President's veto message are read, Senators will find the President has not the unlimited authority to dictate the interest rates the people of this country must pay, and he wishes unlimited authority to be given him by Congress on the amount of insured FHA loans that can be outstanding.

It is interesting to note that of the five reasons he gave for vetoing the bill, two, or 40 percent of them, are on the ground that Congress did not set interest rates high enough, and one of the other reasons is that he is not satisfied with $30 billion in mortgage insurance authority, but he wants unlimited mortgage insurance authority, at unlimited interest rates.

Mr. President, instead of the old adage of an apple a day keeps the doctor away, I am afraid what the President believes is that an interest hike each day will keep inflation away; and yet such action is encouraging inflation. In one paragraph he talks about the dangers of inflation to the elderly, and yet one of the reasons he gives for the veto of the bill is that we do not raise the interest rates high enough on housing for the elderly, on cooperative housing, and on rental housing.

What does the President think influences interest rates in this country? The biggest factor is the rate we have to pay for money on a 30- to 35-year basis. Although the committee came up from 4½ to 5¼ percent on rental housing and cooperative housing, we did not go to the 5½ percent the President wanted. Each new day brings higher and higher interest rates. Today the Federal National Mortgage Association announced that they are putting out a 5⅛-percent bond, and yet the New York Times today shows that these Federal National Mortgage bonds are now selling at a rate of from 4.95 to 5.93. This interest rate will destroy the prosperity of this country.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, we have come nearly to the end of the road for housing in this session of Congress. The Congress of the United States has walked the extra mile to meet the President of the United States. When we got there we found he had turned his back on the cities of America.

The veto message complains, first, that Congress has put a time limit on the insurance authorization for FHA, and indeed we have, and that is one of the best things about this bill. I would be opposed to giving a green light to housing for the well-to-do and putting up a roadblock on housing for our middle income and lower income group.

Secondly, the President says the bill goes too far. He again overstates the monetary cost of the bill, but Mr. President, the bill does not go nearly far enough.

Third, the President complains about two new programs. First, he complains of the program for direct loans for college classrooms, and his arguments in that regard have been so abundantly rebutted by my colleagues I shall not reiterate the obvious.

Fourth, he complains of housing for the elderly, and he says the present program is working very well. However, every Member of the Senate knows the present program takes care only of the upper income half of elderly families and leaves without a decent roof over their heads the lower income half of elderly families.

Fifth, the President complains about the 37,000 units of public housing, and yet every Senator knows that this relocation housing is vital for the continued progress of urban renewal and for the continued progress of the highway program.

Sixth, the President says this is not the kind of housing legislation needed at this time.

This is exactly the kind of legislation needed at this time, except that it does not go far enough in meeting the needs of urban America.

Seventh, the President outlines a plan of five measures he would like included in a housing bill at this session. I would not personally be willing to advocate any of those five measures at this stage of the session unless they were coupled with other far more important housing programs.

Mr. President, the President's recommendations would fasten the tight-money, high-interest policy around our necks again. It would mean abject surrender of the interests of the urban families of this country.

I wonder how many of us know that today we are spending $3,000 per capita of Federal expenditures annually for farm families, and only $84 per capita per annum for slum families, and there are a million more slum families in this country than there are farm families. How can we justify the action of the President of the United States in signing without protest a bill appropriating

$10 billion of additional Federal money in excess of present law for the benefit of veterans with non-service-connected disabilities and their dependents, and at the same time fail to override this housing veto?

Mr. President, I ask my colleagues to stand up for the cities of America and override this veto.

Mr. CLARK subsequently said: Mr. President, I ask unanimous consent that an article from the September 1950 issue of Architectural Forum, whose editor in chief is Henry Price and whose president is Roy E. Larsen, entitled "Cheating the Cities," may appear in the RECORD as a part of my speech in opposition to the housing veto.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHEATING THE CITIES

The cause of urban renewal is in deep trouble. It is not simply that the President vetoed one inadequate housing bill in favor of another still more inadequate, to balance a budget. Urban renewal can survive that. Far more serious is the import of the veto message, indicating that in the future the Federal Government should shift major responsibility in this area almost wholly to the States and municipalities, withdrawing wholly from public housing and other critical areas of human shelter. This would evade, as will be shown, the mounting Federal responsibility for the plight of cities through its own operations, notably such really massive Federal programs as highways and defense.

As if this were not trouble enough, urban renewal has erupted a messy situation of its own in the title I slum-clearance scandals of New York. These, thrown up on the national proscenium in big black headlines, are rarely distinguished as singular to one city and one man's rule, as shown elsewhere in this issue. And if a congressional investigation of all title I gets underway in New York this month, as scheduled, the messy pot may be kept boiling for weeks to come. Granted that programs so closely linked to the public weal need constant scrutiny, it is still unfortunate that such fuel is being added to the fire breathing of those who oppose all public, planned slum clearance and urban renewal anyway.

The truly serious difficulty is that so many men of substance and good will, even as the President, seemingly have failed to think things through. Ignored is the enormous urban revolution going on chaotically around them, transcending all governmental boundaries; unapplied is all the sound fiscal sense these leaders bring to other enterprises, as in combating the obsolescence of industrial plant. Not all men of substance have failed to grasp this great challenge. Rising numbers of solid citizens, including business and corporation leaders, are actively engaged in urban problems, and have come to see from the grassroots the need for substantial Federal leadership and assistance. The veto message itself has been attacked as misleading by no less a conservative member of the President's own party than Senator HOMER E. CAPEHART, of Indiana. On the national and administration level, however, three great blind spots remain:

1. Federal policies and programs are creating unprecedented new problems for cities:

Since World War II, the Federal Government from necessity has been putting huge sums into various programs, and taking other actions or nonactions that have had explosively damaging effects on cities.

One and nine-tenths billion dollars a year in Federal housing insurance and home loans, on the average since the programs started, have been going to homebuilders. Around 90 percent of the total has gone to expedite the postwar explosion of suburban developments, discriminating against new housing in cities. While some redress is underway to encourage rental housing in cities, subject to heavy Federal taxes that homebuilding escapes, it is too late to reverse the tide that has drained cities of the middle class and homeowners, leaving behind tidal flats in which blight, slums, and decaying downtowns are rankly growing.

One and six-tenths billion dollars a year in Federal defense highway funds, on the average, have been apportioned since 1956 to States. The impact of this program on cities, though difficult to measure, is not difficult to see from coast to coast. Altogether, the people and property being displaced and demolished by this Federal program is estimated to be running about 90,000 family units a year, with little local and almost no Federal responsibility displayed for relocation, replacement, or planning.

Forty billion dollars a year in defense contracts have been going, on the average since 1950, into what amounts to reshaping the economy. The direct and indirect leverage on cities, little noted, is tremendous. Concentration of new industries, as on the west coast, has built up huge new population agglomerations; dispersal of other industries, as in the South, has created bulging new backwoods towns. Some cognizance is taken of this in a tiny emergency defense housing fund, but all the larger aspects are ignored.

When, therefore, the Federal Government attempts to shift responsibility for the plight of cities, it is being less than honest. Add to this a long record of inaction in promoting the modernizing of railroads and public transportation, and the Federal position becomes untenable.

2. Cities are in the midst of an urban population revolution of unprecedented proportions.

Below all this, pushing with inexorable force, is an urban population revolution which, beginning about World War II, is just now approaching full tide. This is the phenomenon known as "scatteration" or "the exploding metropolis," described by Coleman Woodbury, director of urban research at the University of Wisconsin, as "a new pattern of settlement."

The main characteristic of the new pattern is the centrifugal growth of metropolitan areas. The total national growth from 1950 to 1956 breaks down into 15.6 percent for center cities, 27.2 for suburbs, and 41.5 for fringe areas, with the latter whipping up a 55.8 percent rate of increase against only 4.7 percent for center cities. Professor Woodbury sees nothing here to indicate any diminishing of the outward flow. This urban population explosion, simply at its present rate of growth, will add residents by 1975 equal to the 1950 metropolitan area populations of New York-northeast New Jersey, Chicago, Los Angeles, Philadelphia, Detroit, Boston, San Francisco-Oakland, Pittsburgh, St. Louis, Cleveland, Washington, Baltimore, Minneapolis-St. Paul, Buffalo, plus 15 million persons more. Even if the rate dips or levels, it will still be something phenomenal.

Above all, it is this fragmentation bomb that both the President and Congress, as well as the public generally, fail to take into account.

3. The new 85 percent urban population gets only a fraction of the Federal money going to farms.

Such changes as the new pattern portends require capital investment, public and private, on a huge, unprecedented scale. States and cities have neither the tax base nor the power for leadership to hold up the public end. Yet the Federal projection for urban renewal funds is so small as to be bizarre. The whole current rumpus is over funds—now at a yearly rate of about $300 million—slightly larger than the price support program on potatoes or about one eighteenth of the Department of Agriculture's budget. Comparison with agricultural supports is not irrelevant. As Thomas R. Reid, civic and governmental affairs manager of the Ford Motor Co., pointed out to the recent Conference of Mayors, there are now a million more slum dwellers than farm dwellers, yet Federal per-capita expenditure on farm families is $3,000 yearly against only $84 per slum family.

Washington has signally failed to wake up to the fact that this is no longer an agricultural nation, but one composed 85 percent of urban dwellers. When the huge wasteful farm surplus program is added to other urban burdens, the cities are being cheated on the vastest scale in history.

With or without Federal funds, the forces of change are so powerful that urban creation and renewal will go on willy-nilly. The only issue is whether, with some foresight and planned investment, some order, reason, and beauty—which is to say architectural quality—can be brought to America's fast-changing scene. The hard fact is that despite Federal reluctance to support public works, its own actions in housing, highways, and defense have destroyed or made obsolete a large part of our cities, and its own monopoly of tax base has made it impossible for States and cities to do for themselves.

Mr. DIRKSEN. Mr. President, how does the time stand?

The PRESIDING OFFICER. The Senator from Texas has 5 minutes remaining. The Senator from Illinois has 10 minutes remaining.

The Senator from Illinois is recognized.

Mr. DIRKSEN. I yield myself the balance of the time.

Mr. President, the Constitution makers very wisely provided two things in their great document:

First. In the state of the Union message to Congress the President shall inform Congress and the country and also make his recommendations.

Second. With respect to the veto power, it makes the President a part of the legislative process. It says that if he disapproves, he shall assign his reasons and send his veto message to Congress.

Mr. President, that makes the President of the United States the one person in this country holding elective office who has a national responsibility as distinguished from the responsibility to a State or to a constituency. It has been said that only one national viewpoint is expressed from time to time in the political arena, and that comes from the President of the United States.

So the President has the duty, if he disagrees with a piece of legislation, to return it to Congress and to assign the reasons why he believes he had to disapprove it and why his disapproval ought to be sustained.

The President talks not only for the whole country, but he must think about the future. I am afraid that too often we forget about that fact.

As an example, we passed the veterans' pension bill. Next year the President will have to ask Congress for $308 million for veterans' pensions. If we had followed his advice it would have been $100 million, but Congress said,

"This is going to be the law, and you are going to ask for $308 million for pensions instead." That is the impact on the future, and I wonder whether we are as cautious and careful as we might be with respect to the impact of the things we do upon the future fiscal policy of the country.

The President, therefore, when he considers a matter like the housing bill, has to be thinking about the fiscal affairs of the country. There are 37,000 housing units provided for, which would cost the taxpayers $875 million. Of course, the program would be scattered over a number of years, but it represents a commitment, notwithstanding.

The President asked for a 5-year program on urban renewal. What did we do? We gave him a 2-year program, cut the money a little, and indicated, in the tables on the back of the RECORD, that we had reduced his budget figures. What we did was to take a pair of snips and reduce the 5 years to 2 years, drop the amount of money just a little, and by strange legerdemain, and a kind of arithmetic with which I am unfamiliar, we made it appear that there was a decrease. The President has a fiscal responsibility, and when he evaluates these programs he takes that fact into account.

What are his principal objections? One is to classrooms. I was opposed to that provision. Anyone can see that that would be a snowballing program.

Before I finish listing the objections, let me say to my distinguished friend from Arkansas that the President of the United States is not the "top dog" when it comes to vetoes. Up to 1956 President Roosevelt vetoed 631 bills. Up to 1956 Truman had vetoed 250 bills. I use 1956 to make sure that I follow the record which has been prepared by the distinguished Secretary of the Senate.

Up to that time President Eisenhower had vetoed 86 bills, as compared with 250 by Truman and 631 by Roosevelt.

To make sure that the record is accurate, up to the middle of 1959 this figure had jumped from 86 to 143, but it is still at the halfway mark so far as Truman is concerned, and about 33⅓ percent or less of the number of veto messages sent to Congress by President Roosevelt.

Back to the bill The President objects to classrooms. I object to classrooms with a subsidized interest rate, in a program that would snowball into hundreds of millions of dollars.

The President wanted at least a 2-year program for FHA. We said, "You will take 1 year." I know of no better way to disrupt a program than to give it a life of 365 days, then haul it back to Capitol Hill and make the administration lay all the cards on the table. How can we preserve continuity, and have a program that is effective and workable, and is an assurance to builders and suppliers of the country on that basis?

The situation was made abundantly clear. Congress said, "You will take a year, or you will take nothing. You will take classrooms, or you will take nothing. You will take urban renewal on a 2-year basis instead of a 5-year basis, or you will take nothing. You will take elderly housing on a subsidized basis, or you will take nothing."

Yet the record shows that in connection with elderly housing there is a program. The FHA has a program of elderly housing. It is in operation. It is workable.

Finally, the President said, "It is about time to taper off in this public housing business." Yet we say, "You will take 37,000 units plus, or you will take nothing." Out of that there will be a charge of $875 million on this country, over the subsidy life, which could be as much as 40 years.

The President must speak for the country. He must speak for all the people—not for Illinois, not for New York, not for New York City, not for Cleveland, not for Los Angeles, not for a host of little cities. He speaks for all communities and all States. He believes that we have gone too far, in view of the fiscal situation; and I think he makes a good case.

In a spirit of warning—and I do not like to speak in such terms—our fiscal situation is not too good. The redemptions on E- and H-bonds have been going up and the sales have been going down. The Government is having difficulty in the market today because of the limitation on interest. This is not a happy picture, especially when we stop to consider that $9 billion worth of American paper is in the central banks of other countries and elsewhere.

It is said, "Go ahead." The money is spent over there, in countries which show no willingness to put their fiscal houses in order. The situation is pretty serious.

Mr. President, the President deserves to be sustained on every count.

Mr. CAPEHART. Mr. President, will the Senator from Texas yield me 1 minute?

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Indiana.

Mr. CAPEHART. In order to be factual and not emotional, I wish to call attention to two facts. One is that, with respect to the elderly housing and classrooms, it is discretionary with the President as to whether or not he shall ask for appropriations. He has not asked for appropriations this year. Therefore nothing could be built under either of those sections.

The able Senator from Illinois stated that we must have continuity; we must have programs effective for more than a year.

We have had FHA since 1935. Every year we have extended it only from year to year. This is the first time we have talked about extending it for more than a year. It has been on a yearly basis since 1935.

Mr. JOHNSON of Texas. Mr. President, I yield the remainder of the time at my disposal to the Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. President, the Senate has been working on housing this year since early in January. In October of last year, when I was down in Alabama, Mr. Mason told me the difficulty the FHA was up against with reference to the FHA insurance authorization, but he told me that, through the method of issuing agreements or letters of intent, he thought the program could be financed until the first of January, but he hoped we would get action in the early part of the year.

The Subcommittee on Housing started to work almost immediately after the new Congress convened. Senators will remember that we reported a bill to the Senate on the 2d day of February. The Senate, by an overwhelming vote, passed that bill on the 5th of February. Then, of course, it went to the President some time later, and he vetoed it. It came back here and we held hearings for over a week. We listened to the best authorities we could get, and to the Government representatives themselves. We worked diligently at trying to meet them halfway, or even more.

There is talk about the 37,000 public housing units. The figure of 37,000 was adopted as their own figure.

We had testimony with reference to college classrooms. We are building college housing. The presidents of universities and colleges, representing all the various groups of colleges and universities throughout the country, have said to us, "We have about reached the point where it will not do any good for you to build dormitories for us. We do not have places to teach the young people who are coming to us. We need classrooms as much as the dormitories."

The answer of the administration was that a new program was being prepared. I repeat what I have said many times. We do not want any duplicate programs. Let the new program come from the Committee on Labor and Public Welfare next year, 5 years from now, or whenever it may come. If it does the job, I will be the first one to propose that the present program be completely phased out. But I say that classrooms are needed, and needed now. If we do not act quickly, we will find ourselves in a terrible position within the next few years.

When the President's veto message on the first bill was received, we examined every item in the bill—120 or so. We went over the bill item by item. We did not miss a single one. We asked Mr. Mason and his aids, "How does the administration stand on this point?" I wish I had the time to enumerate the points we took up in order to satisfy the administration.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD that part of the House report which appears on pages 2, 3, 4, 5, and 6, and which enumerates the important changes we made in the proposed legislation in order to meet the wishes of the administration.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

DIFFERENCES BETWEEN S. 57 AND S. 2539

DELETIONS

Maximum maturity: S. 57 would have authorized the Federal Housing Commissioner and the Administrator of Veterans' Affairs to increase to 35 years the maximum maturity of mortgages insured or guaranteed.

The veto message expressed opposition to this discretionary authority and these provisions are not contained in S. 2539.

FNMA par purchase: S. 57 contained a provision which would have required the Federal National Mortgage Association to pay par for mortgages purchased under its special assistance functions. The veto message expressed opposition to this provision, and it does not appear in S. 2539.

FNMA short-term loans: S. 57 would have authorized the Federal National Mortgage Association, under its secondary market operations, to make short-term (12-month) loans to be secured by FHA-insured or VA-guaranteed mortgage loans. The veto message expressed opposition to this provision, and it is not contained in S. 2539.

Amendment of public housing contracts: S. 57 contained a provision directing the Public Housing Administration to amend existing contracts upon the request of a local public housing authority in order to bring such contracts into conformity with changes contained in S. 57. Since existing law permits the Public Housing Administration to extend the provisions of any new laws to outstanding contracts, this provision appeared to be unnecessary. It is not contained in S. 2539. The committee understands that existing law permits contracts to be amended to incorporate the provisions of this act, without requiring the incorporation in such amended contracts of any provisions other than those provisions designed to bring such contracts into conformity with changes contained in S. 2539.

Study of housing needs of migratory farmworkers: The provision in S. 57 directing the Administrator of the Housing and Home Finance Agency to study the housing needs of migratory farmworkers is not contained in S. 2539.

Planning scholarships and fellowships: S. 57 contained a provision authorizing appropriation of $300,000 for a 3-year period, which funds were to be used by the Housing and Home Finance Agency to provide scholarships and fellowships for the graduate training of professional city planners and housing technicians and specialists. The administration opposed this provision, and it is not contained in S. 2539.

Reacquisition by former owners of FHA-insured projects: S. 57 contained a provision authorizing the FHA Commissioner, when disposing of properties acquired by him in insurance operations under title IX of the National Housing Act and under section 608 of the National Housing Act, to give former mortgage owners a priority of opportunity to reacquire such properties. The administration objected to this provision, and it is not contained in S. 2539.

MODIFICATIONS

Extension of programs: S. 57 contained provisions extending the FHA property improvement program until September 30, 1960; extending the FHA military housing program until September 30, 1960; and extending the voluntary home mortgage credit program until July 31, 1961. S. 2539 extends the VHMCP and the military housing program until October 1, 1961; and extends the property improvement program until October 1, 1960. (Secs. 101, 701(a), and 806.)

FHA insurance authorization: S. 57 contained provisions which would have increased the general mortgage insurance authorization of the Federal Housing Administration by $5 billion upon enactment, and by $5 billion on July 1, 1959. Under these provisions, any portion of the first $5 billion increment which was unused on June 30, 1959, would have lapsed. S. 2539 increases the general insurance authorization by $8 billion on enactment with a further provision that on October 1, 1960, any unused authorization shall expire and the (revolving) authorization thereafter shall become the total of outstanding commitments to insure and insurance in force as of that date. (Sec. 107(a).)

S. 2539 also contains a provision which prohibits the Federal Housing Commissioner from exceeding the general mortgage insurance authorization by the use of any procedures which would extend the contingent liability of the Federal Government beyond the amount specified in law. Thus, the legal ceiling on FHA insurance activity will be strictly limited as provided in law, and insurance contracts and bona fide commitments to insure will be the only acceptable procedures for operating under this limitation. (Sec. 107(b).)

Maximum insurable loans for relocation housing: S. 57 contained provisions increasing the maximum insurable loans under section 221 of the National Housing Act from $9,000 to $10,000, and from $10,000 to $12,000 in high-cost areas. S. 2539 retains the basic limitation of $9,000 but increases the high-cost area ceiling from $10,000 to $12,000. (Sec. 110(b) and 110(c).)

Fees and charges under FNMA special assistance functions: S. 57 contained a provision limiting fees and charges under its special assistance programs to a maximum of 1 percent of the principal amount of the mortgage, and providing further that the amount collected at the time of commitment could not exceed one-quarter of 1 percent. The veto message objected to this provision and S. 2539 gives the Association discretion in fixing fees and charges under its special assistance functions. (Sec. 303(a).)

FNMA special assistance for cooperative housing mortgages: S. 57 contained a provision increasing by $37.5 million the Federal National Mortgage Association fund for purchasing, on a special assistance basis, mortgages insured under section 213 of the National Housing Act. This increased amount would have provided $25 million for consumer cooperatives and $12.5 million for builder-sponsor cooperatives. The veto message expressed opposition to this, and S. 2539 increases this special assistance fund by only $25 million, equally divided between consumer cooperatives and builder-sponsor cooperatives. (Sec. 304.)

Early acquisition of property in urban renewal area: S. 57 contained a provision which would have permitted a local public agency to acquire and clear property prior to the signing of a loan and grant contract with the Federal Government. This action would have been permitted only if sanctioned by local law and in the understanding that the land could not be disposed of until the urban renewal plan was finally approved. S. 2539 contains a modified version of this provision, which modifications were made to clarify local responsibility for repaying loans made to finance such early acquisition and to clarify language relating to disposition of the property so acquired. (Sec. 403.)

Urban renewal capital grant authorization: S. 57 contained a provision increasing the urban renewal capital grant authorization by $500 million on July 1, 1959, and by $400 million on July 1, 1960—a total of $900 million. In view of objections raised in the veto message and in recognition of the current backlog of applications, S. 2539 provides that the urban renewal authorization shall be increased by $550 million upon enactment with the further provision that the President may at his discretion authorize an additional $100 million if necessary to satisfy the needs of cities with a population of 100,000 or less. (Sec. 405(1).)

Priority for approval of urban renewal applications: S. 57 contained a provision directing the Urban Renewal Commissioner to process applications on a first-come, first-served basis. S. 2539 modifies this provision to give discretion to the Administrator to consider urgency of need and feasibility in approving such applications, although the general rule for approving applications will be on a first-come, first-served basis. (Sec. 405(3).)

Public housing projects in urban renewal areas: S. 57 contained a provision to facilitate the construction of federally assisted low-rent public housing in urban renewal areas. S. 2539 modifies this provision to include State or locally assisted low-rent housing projects. (Sec. 411.)

Crediting the cost of local public works: S. 57 contained a provision which would have permitted credit toward satisfying a locality's share of the cost of an urban removal project, as a noncash grant-in-aid, of eligible local public works started within 5 years prior to execution of the loan-and-grant contracts for the urban renewal project. Since, under existing law, such projects can be credited if started after approval of a preliminary plan for the project, which approval can occur as much as 3 years prior to the signing of the loan-and-grant contract, and because the veto message expressed opposition to the provision, S. 2539 contains a provision to credit such projects only if they are started within 3 years prior to execution of the contract. It is the committee's intention that local public works be credited under this provision only if the projects are clearly a part of, and contributory to, the urban renewal project. (Sec. 414(a).)

Public housing rent ceilings for displaced families: S. 57 would have exempted families displaced by Government action from a provision of existing law which requires a 20-percent gap between the upper rental limits for admission to low-rent housing and the lowest rents at which private enterprise is providing a substantial supply of decent, safe, and sanitary housing. S. 2539 provides for the reduction of the gap requirement from 20 percent to 5 percent. (Sec. 503(b).)

Public housing authorization: S. 57 contained a provision specifically granting contract authority for approximately 10,000 units to be available until July 1, 1961, and 35,000 units to be available until June 30, 1963. S. 57 also granted the President discretion to authorize additional units up to the limit contained in the Housing Act of 1949, which discretion could not be exercised until July 1, 1960, and which discretion could not be used to contract for more than 35,000 units in any one year.

The veto message objected to this provision of S. 57 and the number of additional low-rent housing units authorized by S. 2539 has been cut to only 37,000. This figure was established by administration estimates that there is now a backlog of applications for 37,000 units which could be expected to be built if the authorization is provided. The bill also requires that any units under contract from prior authorizations which are recaptured by the PHA may be reallocated but will be charged against the 37,000 unit total. (Sec. 505.)

College housing loan authorization: S. 57 contained a provision increasing the college housing loan fund by $300 million, which included $37.5 million for "other educational facilities" and $37.5 million for student-nurse and intern housing. In view of the objections in the veto message, S. 2539 reduces these amounts to $250 million, $25 million, and $25 million respectively. (Sec. 601.)

College classrooms and educational buildings: S. 57 provided for a new loan program to assist colleges and universities in constructing or rehabilitating classrooms, laboratories, and related facilities, including equipment and utilities. The amount provided for these loans has been reduced from $62.5 million in S. 57 to $50 million in S. 2539. Also in view of opposition in the veto message, S. 2539 provides that this program shall be financed by appropriations rather

than by borrowing from the Treasury. (Sec. 602.)

Sale of housing project: S. 57 contained general language authorizing the Commissioner of the Public Housing Administration to modify the terms of any contract under which he had sold a housing project to a cooperative. S. 2539 modifies this provision to restrict its application to the contract by which the Southmore Mutual Housing Corp. purchased a housing project from the Public Housing Administration. (Sec. 808.)

Mr. SPARKMAN. Mr. President, I ask also to have printed at this point in the RECORD a table printed on page 27 of the committee report, entitled "Comparisons of Obligational Authority and Budgetary Impact in Fiscal Year 1960," modified to reflect amendments made on the floor of the Senate.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARISONS OF OBLIGATIONAL AUTHORITY AND BUDGETARY IMPACT IN FISCAL YEAR 1960

Proposed housing legislation—Comparative summary of (1) new obligational authority and (2) estimated expenditures for fiscal year 1960

[In millions]

	New obligational authority			Estimated expenditures, fiscal year 1960		
	Administration (S. 65 and S. 612)	S. 57	S. 2539	Administration (S. 65 and S. 612)	S. 57	S. 2539
Grants:						
Urban renewal	[1] $1,550.0	[2] $900.0	[3] $650.0			
Urban planning (sec. 701)[4]	10.0	10.0	10.0	$1.0	$1.1	$1.1
Scholarship [4]		.3			.1	
Defense hospital [4]		15.0	15.0		2.5	2.5
Farm housing research [4]		.1	.1			
Loans:						
Elderly housing direct loans [4]		50.0	50.0		2.5	2.5
Urban renewal advances				3.6	8.0	8.0
Public housing advances					5.0	5.0
College housing loans	200.0	300.0	250.0			
College classroom loans		62.5	[4] 50.0		2.5	2.5
Mortgage purchases: FNMA special assistance for cooperative housing		37.5	25.0		6.3	6.3
Total	1,760.0	1,375.4	1,050.1	4.6	28.0	[5] 27.9

[1] Authorizations for a 6-year period.
[2] Authorizations for a 2-year period.
[3] Includes $100,000,000 for small cities, to be used at discretion of President.
[4] New obligational authority when appropriated.
[5] Does not include an estimate of possible cost attributable to provisions regarding extension of FNMA commitments.

Table prepared by staff of Senate Housing Subcommittee, Aug. 5, 1959.

Mr. SPARKMAN. Mr. President, we have worked long and hard trying to get a bill. We have gone more than half way to meet the administration. I do not want any misunderstanding to arise. I do not want Senators to feel that we will have a housing bill, because it is my earnest and honest belief that there will be no housing legislation this year unless we succeed in overriding the veto.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired. All time for debate has expired.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Cooper	Hayden
Allott	Cotton	Hickenlooper
Anderson	Curtis	Hill
Bartlett	Dirksen	Holland
Beall	Dodd	Hruska
Bennett	Douglas	Humphrey
Bible	Eastland	Jackson
Bridges	Dworshak	Javits
Bush	Ellender	Johnson, Tex.
Butler	Engle	Johnston, S.C.
Byrd, Va.	Ervin	Jordan
Byrd, W. Va.	Fong	Keating
Cannon	Frear	Kefauver
Capehart	Fulbright	Kerr
Carlson	Gore	Kuchel
Carroll	Green	Langer
Case, N.J.	Gruening	Lausche
Chavez	Hart	Long, Hawaii
Clark	Hartke	Long, La.
McCarthy	Muskie	Sparkman
McClellan	Neuberger	Stennis
McGee	Pastore	Symington
McNamara	Prouty	Talmadge
Magnuson	Proxmire	Thurmond
Mansfield	Randolph	Wiley
Martin	Robertson	Williams, N.J.
Monroney	Russell	Williams, Del.
Morse	Saltonstall	Yarborough
Morton	Schoeppel	Young, N. Dak.
Moss	Scott	Young, Ohio
Mundt	Smathers	
Murray	Smith	

The PRESIDING OFFICER. A quorum is present. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? Under the Constitution, a yea-and-nay vote is mandatory. The clerk will call the roll.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. Do I correctly understand that a vote "yea" is a vote to override the veto; and a vote "nay" is a vote to sustain the veto?

The PRESIDING OFFICER. The Senator from Illinois is correct. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGS] and the Senator from Massachusetts [Mr. KENNEDY] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union meetings at Warsaw, Poland.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senators from Idaho [Mr. CHURCH] and Massachusetts [Mr. KENNEDY] are paired with the Senator from South Dakota [Mr. CASE]. If present and voting, the Senators from Idaho and Massachusetts would each vote "yea" and the Senator from South Dakota would vote "nay."

The Senators from Missouri [Mr. HENNINGS] and Wyoming [Mr. O'MAHONEY] are paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senators from Missouri and Wyoming would vote "yea" and the Senator from Arizona would vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business, attending the Interparliamentary Union Conference at Warsaw, Poland. On this vote, the Senator from South Dakota is paired with the Senator from Idaho [Mr. CHURCH] and the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Idaho and the Senator from Massachusetts would each vote "yea."

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent, and, on this vote, is paired with the Senator from Missouri [Mr. HENNINGS] and the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from Missouri and the Senator from Wyoming would each vote "yea."

The yeas and nays resulted—yeas 58, nays 36, as follows:

YEAS—58

Anderson	Gruening	Mansfield
Bartlett	Hart	Monroney
Beall	Hartke	Morse
Bible	Hayden	Moss
Byrd, W. Va.	Hill	Murray
Cannon	Humphrey	Muskie
Capehart	Jackson	Neuberger
Carroll	Javits	Pastore
Chavez	Johnson, Tex.	Proxmire
Clark	Johnston, S.C.	Randolph
Cooper	Jordan	Robertson
Dodd	Kefauver	Scott
Douglas	Kerr	Smathers
Ellender	Langer	Sparkman
Engle	Long, Hawaii	Symington
Ervin	Long, La.	Williams, N.J.
Frear	McCarthy	Yarborough
Fulbright	McGee	Young, Ohio
Gore	McNamara	
Green	Magnuson	

NAYS—36

Aiken	Dworshak	Mundt
Allott	Eastland	Prouty
Bennett	Fong	Russell
Bridges	Hickenlooper	Saltonstall
Bush	Holland	Schoeppel
Butler	Hruska	Smith
Byrd, Va.	Keating	Stennis
Carlson	Kuchel	Talmadge
Case, N.J.	Lausche	Thurmond
Cotton	McClellan	Wiley
Curtis	Martin	Williams, Del.
Dirksen	Morton	Young, N. Dak.

NOT VOTING—6

Case, S. Dak.	Goldwater	Kennedy
Church	Hennings	O'Mahoney

The PRESIDING OFFICER. Two-thirds of the Senators present not having voted in the affirmative, the bill is not passed.

Mr. DIRKSEN. Mr. President, I move that the vote be reconsidered.

Mr. BUSH. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

MEETINGS OF PUBLIC WORKS COMMITTEE AND FINANCE COMMITTEE

Mr. JOHNSON of Texas. Mr. President, I should like to announce that the Public Works Committee plans to meet shortly in the office of the Secretary of the Senate; and the Finance Committee will meet in the Finance Committee hearing room.

Mr. President, at this time I move that the Senate take a recess, subject to the call of the Chair.

Mr. MAGNUSON. Mr. President, before that motion is put, I should like to have the conference report on the independent offices bill called up.

Mr. JOHNSON of Texas. Can it be disposed of in 2 or 3 minutes?

Mr. MAGNUSON. Certainly.

Mr. JOHNSON of Texas. Then, Mr. President, I withhold my motion for a recess, and yield now to the Senator from Washington.

INDEPENDENT OFFICES APPROPRIATION BILL, 1960—CONFERENCE REPORT

Mr. MAGNUSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7040) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 14, 1959, p. 15894, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the report?

Mr. JAVITS. Mr. President, reserving the right to object, I should like to know to what the amendments relate. Do they relate to the civil defense part of the bill?

Mr. President, for the moment, I object to the request. I should like to find out more about the conference report.

RECESS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate now take a recess, subject to the call of the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and (at 3 o'clock and 9 minutes p.m.) the Senate took a recess, subject to the call of the Chair.

At 3 o'clock and 12 minutes p.m., the Senate reassembled, when it was called to order by the President pro tempore.

FEDERAL-AID HIGHWAY PROGRAM

The bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, was read twice by title.

Mr. JOHNSON of Texas. Mr. President, I move that H.R. 8678, the roads bill, be referred to the Committee on Public Works.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to.

RECESS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in recess, subject to the call of the Chair.

The motion was agreed to; and (at 3 o'clock and 13 minutes p.m.) the Senate took a recess, subject to the call of the Chair.

At 5 o'clock and 30 minutes p.m., the Senate reassembled, when it was called to order by the President pro tempore.

INDEPENDENT OFFICES APPROPRIATIONS, 1960—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. JOHNSON of Texas. When the Senate recessed, we were discussing the possibility of bringing before the Senate the conference report on the independent offices appropriation bill.

The PRESIDENT pro tempore. That is correct. It had been submitted.

Mr. JOHNSON of Texas. Is that in order? Has that report been submitted?

The PRESIDENT pro tempore. It has been submitted.

Mr. JOHNSON of Texas. Is it in order to proceed to the consideration of the report at this time?

The PRESIDENT pro tempore. It is.

Mr. JOHNSON of Texas. I ask the Senator from Washington whether it is agreeable to him to proceed to the consideration of the conference report.

Mr. MAGNUSON. Yes. I wish the RECORD to show, however, that the Senator from New York [Mr. JAVITS] wished to make a statement on it.

Mr. SALTONSTALL. We have sent for the Senator from New York.

Mr. JOHNSON of Texas. Mr. President, the Senator from New York is en route to the Chamber. I understand that the Senator from Washington is prepared to make a statement.

Mr. MAGNUSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7040) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 14, 1959, p. 15894, CONGRESSIONAL RECORD.)

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MAGNUSON. Mr. President, I further move that the Senate recede from its amendment No. 1.

Mr. JOHNSON of Texas. Is that the amendment——

Mr. MAGNUSON. That is the only amendment in dispute.

Mr. RUSSELL. May we have the amendment reported? May we know what the purpose or the scope of the amendment is?

Mr. MAGNUSON. Mr. President, I ask that the amendment be reported.

The Chief Clerk read as follows:

On page 3, line 5, of the Senate engrossed amendment, strike out "$10,000,000" and insert "$25,000,000."

Mr. MAGNUSON. Mr. President, as the Senate will recall, the Senate had several conferences with Members of the House on the independent offices appropriation bill, and we came to an agreement, which the Senate adopted, on all items in that very long and complex independent offices appropriation bill, except one. That item, which is termed "amendment No. 1," involved the question of whether or not we should appropriate $12 million for grants to States and local communities for salaries paid in connection with local participation in civil defense and $3 million for equipment and other matters which the local people would need in order to carry out their portion of the work of civil defense.

The Governors of many States would appoint civil defense directors. The $12 million item would give a grant-in-aid of not more than 50 percent of the cost for the operation of that office. In some

cases, another subdivision of the government would be involved, a city, county, or district, but mainly it would involve the States.

There was great dispute about this matter in the House. The House conferees and the members of the House Appropriations Committee, though I do not quote their attitude verbatim, felt that this provision would establish many local patronage jobs. As they put it, it would create more jobs in the city halls of the United States.

In truth it would not, and there is ample precedent for the provision. We have a similar provision in connection with the Department of Labor and the Department of Health, Education, and Welfare, which provide for participation in the payment of salaries for the operation of the local units. In these departments the employees come under civil-service requirements or a merit system, and the jobs are so established.

At the last session of Congress the Senate voted the same amount of money for participation as is contained in the bill, but we found at that time that the States had not sent in their plans and had not sent in the merit system requirements.

In the meantime, all 50 States have now sent in their plans of participation in civil defense and all of them have some merit system comparable or similar to those we demand in the Department of Labor, where we participate in the operation of the State organization, and in HEW, where we participate in other functions of that Department.

The House knocked out the item completely. The Senate put it in. Then we finally went to a vote in the Senate and in the House. The House voted approximately 2 to 1 against this item, and the Senate voted 76 to 8 to keep the item in.

That led us to an impasse on amendment No. 1. All the other civil defense features were resolved in conference, and we have been waiting with the independent offices appropriation bill for almost 3 weeks, in the hope that we might be able to resolve this item. In the meantime, civil defense officials have conferred with the Members of the House. The President formally sent a letter to all members of the House Subcommittee on Appropriations on this item, suggesting they keep it in.

I have only today conferred with the chairman of the subcommittee in the House, Representative THOMAS, of Texas, and he informs me, and will inform me by letter which is on its way over here now, that the House has no intention of having any further conference on this item. Therefore, I am suggesting to the Senate, in view of the time element involved, the fact that almost 3 weeks have gone by, and the fact that salaries in all the independent agencies downtown are involved—Veterans' Administration, General Services, Housing and Home Finance Agency—that in view of this situation about all we can do is accept the House version.

Mr. RUSSELL. Will the Senator yield?

Mr. MAGNUSON. I promised to yield to the majority leader.

Mr. RUSSELL. I merely want to ask whether it is a fact that the House voted on the issue twice and refused to accept it.

Mr. MAGNUSON. Yes. The House had a voice vote on it and then the House had a rollcall vote on it.

Mr. RUSSELL. It was fully explained?

Mr. MAGNUSON. It was fully explained and discussed. It is a matter we have had in the Senate for a long time. I am somewhat in agreement with the Senator from Ohio [Mr. YOUNG]—and I have handled this appropriation for some time—that there has been a great deal of waste. I think we can look askance on what they have been doing in the Federal civil defense picture.

It is my firm opinion that civil defense can succeed—if we want civil defense at all—only if there is local participation. Without that, we might as well consider civil defense on a national scale to be futile. Everyone knows that the local people know better what should be done, but there should be an overall plan under which they can work. I should like to see local participation bolstered. We are not going to pay too much attention to local details. If something like a fire happens in a town, and the chief of the fire department feels that he can handle it with his own local people and in cooperation with the director of civil defense, that will be done. That is the situation in which we find ourselves. Therefore, I recommend that the House version be accepted.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. YOUNG of Ohio. In connection with the suggestion which the distinguished Senator from Washington makes, I invite his attention to the fact that the Wall Street Journal, in an editorial in the issue of September 3, 1959, supports the view the Senator takes. In addition to the editorial from the Wall Street Journal to which I have referred, the Scripps-Howard newspapers have published editorials in various newspapers of their league of newspapers, in support of the distinguished Senator's position. I read briefly a typical editorial from one of the Scripps-Howard newspapers. This editorial appeared in the Cleveland Press recently. It is captioned "Setback for a Boondoggle." It reads as follows:

SETBACK FOR A BOONDOGGLE

Give the House of Representatives credit for a stout fight against a $12 million boondoggle which may yet be avoided.

This is the proposal to finance a new army of civil defense employees, working at the State level, paid half by the States, half by the Federal Government.

The Senate has approved the project. The House turned it down recently for the third time. Something has to give. The item is part of the independent offices appropriation bill, containing money for a variety of essential Government operations.

The House should hold the line because this $12 million is only a foot in the door, opening the way for still further expansion of this futile bureaucracy.

Insistent pressure for this needless addition to the public payroll is best explained in terms of the law expounded by C. Northcote Parkinson, professor of history at the University of Malaya, in Singapore, as follows:

"In any public administration or organization, the number of new subordinates increases at a predictable rate, irrespective of any variation in the amount of work (if any) to be done."

After all this time, and the overwhelming votes in the other body something must give. The Senator is in agreement with that statement, is he not?

Mr. MAGNUSON. I do not agree with the editorial, because I believe this item would pave the way to local participation in the proper degree. Governor Hoegh is doing an excellent job. It was my hope that the situation could be handled in this way, and that we could take away from some of the amounts of money at the Federal level.

This is an intangible matter. If nothing should happen, someone might say in the future that we wasted a great deal of money. If something should happen, and we did not have an adequate civil defense program, we would be sorry. I believe that in the past the Federal organization has been loose. Some of the criticism of the Senator from Ohio has been well founded. I was hoping that we could switch into local participation, which would result in building up local enthusiasm and local interests in matters of civil defense. That is the only reason the Senator from Florida [Mr. HOLLAND] and I, and some of the rest of us insisted on this item, not because we wanted wasteful expenditures, but because we thought we would get more out of civil defense with this sort of program, rather than what has been happening.

Mr. YOUNG of Ohio. Does not the distinguished Senator from Washington know, from the fact that he is a student of history, and also from the fact that he served in the Armed Forces in World War II, that the defense of civilians in this country is a part of the total defense of our country, and that in the event of any sudden atomic attack on any part of the Nation, whether by accident or intent, the President of the United States, as Commander in Chief of our Armed Forces, would immediately declare martial law, and the military would be in charge? No civilian agency would have anything to do with it.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HOLLAND. The Senator from Ohio is correct in at least one thing he said, and that is that if there were an atomic attack all the military forces would be active—that is, those that were left—and military law would prevail.

However, I think he is just as wrong as it is possible for a person to be in assuming that the military forces would have trained men and women to take care of the situation, or that they would know what to do, or could in any way substitute for or serve as a duplicate of the availability of thousands of trained men and women in various civil defense units.

Having served during World War II as Governor of my own State, when the emergency could not possibly be as great as it would be now in the event of a ca-

tastrophe of the kind I have mentioned, I know that we had to rely on the presence, availability, and immediate services of thousands of trained citizens.

I have already said in earlier arguments on this question that we had 338,000 trained Florida citizens in civil defense.

I think it would be a tragic mistake to postpone doing the thing which would carry out in good faith what the Federal Government committed itself to the States to do by legislative action only a few months ago.

I cannot express too strongly my regret and disappointment. However, the Senator from Washington has done everything he possibly could, and his associates as conferees have done the same. I was privileged to serve as one of them.

I think there is nothing to do but to move ahead and accept the bill without that item. But I will not pretend that I am at all satisfied with the result, because I think it is a mistake from the standpoint of best serving the people of our country. I want the RECORD to show that that is my opinion.

Mr. SALTONSTALL. Mr. President, I concur wholeheartedly in the motion to recede which the Senator from Washington has made. The Subcommittee on Independent Offices of the Committee on Appropriations considered the subject. The House originally left all this amount out. The Senate restored the full amount of $12 million as the Federal contribution to the State offices for assistance and $3 million for equipment, as the Senator from Washington has said. This was our effort to comply with the act which was passed last year, authorizing the Federal Government to assist in certain ways in building up civil defense.

The Senate conferees had two or three conferences with the House conferees on the subject. The House was unyielding. The House passed this item, as the Senator from Washington has said, on two votes, one a voice vote, and one a yea-and-nay vote, with quite a substantial number of negative votes.

The Senate, on July 30, insisted on its position by a vote of 76 yeas to 8 nays. Since that time we have held one more conference, with no results.

Last week, under date of August 25, 1959, President Eisenhower sent a message to the President of the Senate. I read two pertinent paragraphs:

> For fiscal year 1960, my budget for the Office of Civil and Defense Mobilization included $12 million to be allocated among 9 departments and agencies needed to finance civil defense and defense mobilization programs. The $3 million provided does not enable the Federal Government to carry out the responsibilities contained in the National Security Act, the Defense Production Act, and the Federal Civil Defense Act.

That matter is now before the committee, Senate Committee on Appropriations again, in relation to the Federal Government.

The President continued:

> It would be unwise to neglect our civil defense mission because our total defense is incomplete and meaningless without reliable and responsible home defense. Survival cannot be guaranteed merely with a capacity for reprisal. Equally important is our ability to recover. This means staying power and endurance beyond that ever before required of this Nation or any nation.
>
> I recommend that the Congress appropriate the funds outlined above to carry out these programs which are so vital to the national security. The details of this proposed appropriation are set forth in the attached letter from the Director of the Bureau of the Budget.

That applies to the work of the Federal Government and the agencies of the Federal Government, but it alone is not enough. The provision which the House will not allow, and from which the Senate will recede today, would carry out the responsibility of the Federal Government to the States and municipalities.

I agree with the statement of the Senator from Ohio [Mr. YOUNG] that we should stimulate greater civil defense activity. I agree with what the Senator from Florida [Mr. HOLLAND] has said.

It is with great reluctance that I join in the motion of the Senator from Washington, but I feel that the conferees have done everything they can, and that if we are to have an independent offices appropriation bill—and we know we must have one—then we at this time will have to recede from this item, hoping that the President may submit it to Congress again.

I am certain that the President feels very strongly that civil defense, when we are spending so many millions of dollars on our national defense, is an integral part of the whole defense security program.

Mr. JAVITS. Mr. President, I am not quite prepared to throw in the sponge on this proposition. I think we have reached a point where the toughest fellow has got to win. I cannot conceive of the House of Representatives, any more than I can conceive of the Senate, jeopardizing the independent offices appropriation bill because of this item. The matter has come down to the interesting stage which legislators reach when the fellow who holds out the hardest and the longest may win. Now we must decide whether we will do that in respect to this bill.

I have little doubt that if we want to sit here and wait out the House, the House will not let the independent offices appropriation bill go for a matter of $15 million any more than it is proposed we should. The question is, How serious is this issue, and how much longer are we ready to fight it out?

This kind of action has happened before in legislatures. If the Senate or the House really wants $15 million, it can get it. The Senate can get it by including the funds in a bill which the House wants urgently, if we assume we have to yield on this bill. If we really want to do it, we can find a way to do it.

What I should like to ascertain from the distinguished Senator from Washington, the chairman of this particular subcommittee, and also from the chairman of the primary Committee on Appropriations, is, Are we trying, in a supplemental appropriation bill, or in some other way, to get this money?

I should like to explain my position. First, I could not agree more than I do with the Senator from Florida [Mr. HOLLAND] that the idea that the Army, the Navy, and the Air Force will take over the civil defense of the United States is completely impractical. I should like to see the faces of the people who make such a recommendation when the Army, the Navy, and Air Force come before the committee with their estimates of appropriations for what is needed, if they were given that responsibility. We would not have a budget of $40 billion for them; they would have a budget of $50 billion or $60 billion. We all know that in our hearts.

So, in my opinion, there is no real substance to this argument. If we are going to give the Defense Establishment the responsibility for civil defense, is it planned to give it to them the day after an atomic attack, or now? If it is intended that we give it to them now, we can count on not less than a $10 billion increase in the appropriations for the Army, the Navy, and the Air Force.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HOLLAND. I want the Senator from New York to understand that some members of the conference—I believe every Senate conferee—felt about this matter exactly as the Senator from New York and I feel. There were, however, various items in dispute. Some of them were of very great importance to the ability of various important and functioning agencies to continue to operate. One of the items involved—although in another bill—was the $280 million necessary to start the operations of the Inter-American Bank.

Having served a good many times and for a long period of time on conference committees, I may say to the distinguished Senator from New York that I think the conferees of the Senate gave in only where they had to, and they gave in only on items which they regarded as, while important, not so overwhelmingly important as some upon which they prevailed.

I hope the reluctance of the Senator from New York to accept the result of the conference, a reluctance which can be no greater than that of the Senator from Florida, will not prevent him from realizing the great difficulties experienced in a situation which involves in one bill, as in this, hundreds of items, and in the group of bills which involve the same conferees, meeting from day to day on different bills, many more items than that. In the last analysis, there has to be some give and some take. But I assure the Senate that no one could have fought harder for this item than did the chairman of the Senate subcommittee, the distinguished Senator from Washington [Mr. MAGNUSON], and the distinguished Senator from Massachusetts [Mr. SALTONSTALL], who are both on the floor at the moment. The Senator from Massachusetts is a former Governor of his State, and had somewhat the same experience in this matter as did the senior Senator from Florida, during World War II. The same is true of other Senators to whom I could refer. I do not know how we could go further

without jeopardizing the enactment of the independent offices appropriation bill, which embraces appropriations totaling several billion dollars.

Mr. MAGNUSON. It is close to $6 billion.

Mr. HOLLAND. The Senator from New York must realize, I am sure, that not only was that amendment applicable to many different agencies involved in the one bill, but that the same conferees, in large part, were sitting in conference on other bills, so we simply had to have some give and take. The items for veterans were contained in this particular bill, and every member of the conference happened to be a veteran. A considerable number of the conferees happened to be men who had had the responsibility of serving as governors during World War II.

So I am sure the Senator from New York will recognize, as I know he does recognize, because I know he has a generous nature, that this matter was not given up without a determined fight; on the contrary, we simply came finally to the end of the road. It is simply a question of making this concession, or making much greater ones in other fields, or of losing the bill as a whole.

Mr. MAGNUSON. Mr. President, I know of the deep interest which the Senator from New York has. His thoughts are the same as mine. But we should not overlook the fact that there is a big sum in the bill for civil defense. The only dispute was over this one particular item, which covers a new phase of the program, namely, grants in aid to establish units, which I agreed to.

Mr. JAVITS. And all this is money on which we had passed legislation.

Mr. MAGNUSON. Yes; and the States went ahead.

The House receded on amendments involving millions of dollars for civil defense; and we did not have much trouble getting what we think is a really adequate amount for the program, except for this particular grant to the States.

Mr. JAVITS. Let me ask the Senator from Washington a specific question; but first I wish to say that my reasons for speaking are, first, to make a personal protest; second, to urge the country to protest to those in the House of Representatives who, it seems to me, have not dealt wisely with the country's interests; and, third, to ascertain from the Appropriations Committee whether, if in January the administration requests a supplemental appropriation for this same item, in order to implement this legislation, it will be regarded sympathetically, and whether these members of the Appropriations Committee will feel prepared to make another fight for it.

Mr. MAGNUSON. I have for many years looked at the civil defense expenditures, and they have bothered me because sometimes it seems as if there has been a great deal of waste, although not intentional waste, because I think Governor Hoegh has been one of the best I have seen.

But this item to transfer more interest to the local communities, such as New York has done, seemed to me to be a good way to get something worth while out of the civil defense and to build it up in the local communities; and the Director felt that way, too.

So, insofar as I am concerned, I would say it would be a must, because if civil defense is to be successful at all, even in its peacetime job, there must be this shift to the local communities. So to me it is a must.

I cannot speak for the administration; but in view of the President's letter and the testimony and the personal talks I have had on this matter, I am quite sure there would be an item for it; and then I think we can meet this matter squarely; we can say, "What kind of civil defense are we going to have for the country? Are we going to have a big, sprawling agency in Washington?"

Of course it is always difficult to do a good job with a large, sprawling agency. Are we to have such an agency in Washington, or are we to handle the work in the local communities?

Mr. JAVITS. Then does the Senator from Washington agree that we would sympathetically invite the administration to take that action in January, rather than to say, "Sorry, but we cannot do anything about it, anymore?"

Mr. MAGNUSON. I think that is what we should do, because this is not just a dollars and cents matter. This matter involves a policy. I believe we should meet the problem head on.

It is true that in connection with this bill, under the resolution the agencies can pay one-twelfth of what their last year's appropriations were. But the Senator from Massachusetts [Mr. SALTONSTALL] and I have seen many new agencies included—for instance, the Federal Aviation Agency, with appropriations of millions of dollars; and the Veterans' Administration, with appropriations of more than $5 billion; and other additions, because of new laws which have been passed, including the one for new pension systems.

It is very difficult for those in charge of the agencies to know how to administer them properly when they do not have the necessary funds for each branch of the work, and must use one-twelfth of what they had the year before, in order to provide properly for so many agencies, including the new ones, such as the Space Agency and the other agencies. But after watching the civil defense expenditures on the Federal level, I am convinced that what is proposed is the only answer to the problem, if we are to have civil defense.

I believe that Governor Hoegh is convinced of that, too.

Mr. SALTONSTALL. Mr. President, will the Senator from New York yield to me?

The PRESIDING OFFICER (Mr. LONG of Louisiana in the chair). Does the Senator from New York yield to the Senator from Massachusetts?

Mr. JAVITS. Of course, Mr. President.

Mr. SALTONSTALL. I agree with everything the Senator from Washington has said. I can add that, from personal conversations and observations, I am confident that the President feels very, very strongly that civil defense is a very important part of our whole security program; and I am confident that he will send down a supplemental request, when he believes the proper time has come.

Mr. JAVITS. Yes; and I gather that these Senators who have spoken will give it their full support.

Mr. SALTONSTALL. Of course we will.

Mr. MAGNUSON. Yes.

Furthermore, many of the ex-Governors who served in this connection knew this problem.

Of course, I think New York has done an excellent job in creating public interest in this matter. But many other States have not done so. So I think what is suggested is the only way we can get the local people alerted to the problem. They are doing good work in many other respects at the local level. The new arrangement will enable those in the local groups to feel that they are doing something worthwhile, and they will proceed to do it.

Certainly it is most difficult to handle this matter from Washington. There must be overall supervision; but the local interests must act in the local communities.

I appreciate the attitude of the State of New York in connection with this matter, because I believe that in this particular field, New York has led the other States; and I compliment New York on doing so.

The Senator from Massachusetts [Mr. SALTONSTALL] and the rest of us have a deep interest in this matter. But in view of the problem and the circumstances, and in view of the passage of so much time, we felt that what has been agreed to was the best way we could handle the matter.

The Senator from New York realizes full well, I know, that we have held it up for almost 3½ weeks.

Mr. JAVITS. That is true. Indeed, I requested the Senator to hold it up, so we could try to make some progress with it.

I feel, Mr. President, that a real contribution is being made by the chairman of the committee and its ranking minority member, the Senator from Massachusetts [Mr. SALTONSTALL], in giving assurances that they will do all they can to encourage the administration to seek relief by means of a supplemental bill.

Another matter of importance is that of aid to the communications media of the country, which will alert our people to what has occurred here, and will inform them why it has occurred. In my opinion they can be most helpful in correcting what I believe is now a matter of very grave disadvantage to the Nation.

In order to provide some documentary background for that position, in case any of those who shape public opinion should wish to have it, I shall call attention to some matters other than those alluded to by the Senator from Massachusetts.

For instance, I refer to the resolution on civil defense which was unanimously adopted at the 51st Governors' Conference at San Juan, P.R., on August 5, 1959. In the resolution the Governors backed up the importance of civil defense prepa-

rations, both on the national level and on the State and community levels; and they made the following significant statement, which I believe should be written on the wall of the municipal building of every town and city in the Nation:

Without protection against fallout, we are vulnerable to nuclear blackmail.

Mr. President, I repeat that statement:

Without protection against fallout, we are vulnerable to nuclear blackmail.

Therefore, Mr. President, this matter goes to the very elemental question of the survival of our country, because the Governors themselves have highlighted the need for civil defense protection; they have pointed out that it is organic to the whole posture on which we have built—namely, the posture of the power to retaliate—in other words, the mutuality of terror, as it is called—as being our most effective defense; and in this case they point out that without a civil defense establishment, we may be subject to nuclear blackmail.

Mr. President, another matter which has not been alluded to—or, at least, not since I have been on the floor—is the report of the Joint Congressional Committee on Atomic Energy issued August 30, 1959—only a few days ago—in which they comment on a situation which they developed scientifically, and which they considered to be a reasonable facsimile of what we might very well face in the event of an atomic attack. They list as the likely targets of such an attack the following cities: New York City, Chicago, Boston, Detroit, Los Angeles, Philadelphia, Pittsburgh, Cleveland, San Francisco, St. Louis, Washington, Atlanta, Buffalo, Cincinnati, Dallas, Houston, Kansas City, Milwaukee, New Orleans, and Denver.

Mr. President, what do they anticipate would happen in the event of such an atomic attack? They refer to the possibility of sudden death for 50 million Americans, and serious injury to approximately 20 million Americans, and the destruction of approximately 50 percent of American dwellings; they believe they would either be destroyed or would be made unusable for months, because of the atomic fallout. All this was stated in the New York Times, in connection with the report of the Joint Committee on Atomic Energy.

Mr. President, if we needed any other certification as to the validity of civil defense, the same report finds, and it is labeled as probably the most significant finding, that civil defense preparedness would reduce radiation casualties from approximately 25 percent to about 3 percent.

Mr. President, are we blind, are we insensitive? Are we so hardened that we cannot understand the realities of our own survival? Yet that is what one would think when he faces this kind of situation of obdurateness pictured to us by the conferees.

The money involved, some $6 million, to help the States to obtain technically skilled and professional personnel for civil defense, is not going to be spent to maintain a bureaucracy. We have been over that and over that and over that, time and time again. It is to maintain those inexpensive, relatively few personnel necessary to marshal civil defense programs in which hundreds of thousands in my State of New York are patriotically engaged without hope of compensation. This is how we shall recognize them for their patriotism.

In the State of New York the total number of civil defense personnel is 305,167. The total number of personnel paid from civil defense funds is only 800, leaving 304,367 dedicated individuals who are serving in this field. And this is how we recognize and thank them.

In the State of my friend from Ohio, who has rather different ideas from those of some of us, there are 137,652 civil defense personnel, of whom only 76 are professional and technical personnel paid from civil defense funds.

It seems to me that these facts and this evidence just cry out to high heaven.

Though we are frustrated and blocked now, my own opinion, even at this stage, is that if we felt deeply enough about it, we could get our way. But the realities of the situation, with the subcommittee pretty well united as such, are that we shall probably have to—in fact, we are compelled—to go along with them now.

But this is a matter which deserves the utmost protest and the deepest concern on the part of the people of the country who are really taken up with the issue of survival and national defense in their truest sense.

I hope very much the good conscience and the good sense of the United States will in the next few months assert themselves. Knowing the operations of the administration, I am very glad it has been made clear that a supplemental appropriation application by those concerned will be sympathetically considered. There is always the danger that unless that statement is made on the floor of the Senate, they may do nothing about it at all. I hope they will bring in such a supplemental request in January, and at that time I hope very much the members of the Appropriations Committee will put us in a posture of being very much better able to overcome what I consider the obdurate and very unwise blocking of this matter by the House of Representatives which we have seen up to now.

Mr. President, I have just one further observation. I had had in mind the idea of getting a rollcall, if I could get one, on this particular proposition, but I look very much with dismay upon the Senate, which voted 76 to 8 on this proposition, allowing itself to be bested on a matter of such critical importance to the security of the country and the safety of the people that I do not wish, as a Senator, to stultify the Senate by asking it to vote on a rollcall on this issue, unless the leadership desires it.

I wish to record my own protest. I shall vote "no" on this proposition. I assure any of those who are interested as much as I am on this question that I shall continue to fight for this item.

I deeply feel, I may say, with all due respect to the conferees, that if we really have our teeth in this thing we can find a way to prevail. I cannot conceive that the Senate of the United States cannot get the House to yield on a $15 million item if we really have our teeth in it.

In view of the frustration and dismay with which the people should regard this matter, I hope we shall really have our teeth in it.

Mr. President, I yield the floor.

Mr. KEATING. Mr. President, the State of New York, as the distinguished Senator from Washington has said has taken the lead in an effort to come to grips with this civil defense problem. I commend my colleague for what he has said. It seems strange to me, as I am sure it must to the country, that after such an overwhelming vote we in this body should recede from our position.

I shall vote "no." I should like to see this matter put to a vote again.

The distinguished Senator from Florida has said here on the floor that every one of these conferees is a veteran. Mr. President, they are fighting men. I know my distinguished friend from Florida, and my distinguished friend from Massachusetts. They are fighters. My distinguished friend from Washington, the chairman, is a fighter. Every one of them is a fighting man. I feel sure they would be ready to go back to this conference and fight again. They will not give up. That is their reputation. I commend them for it. I would like to see this matter sent back so that it again may be taken up with the House conferees. However, I share my colleague's view that unless we have some support from the leadership on one side or the other, there is little chance that the Senate would reverse itself on a rollcall.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. SALTONSTALL. I have said before that it was with the greatest reluctance that I came to the conclusion I reached, but there are between $6 billion and $7 billion involved, items concerning many other departments, and we have had at least four meetings on this subject, with no change whatsoever. It is only because of those facts that I accepted the position we have taken.

Mr. KEATING. I appreciate that, and I appreciate that every member of the conference on our side has fought, and fought hard. I say go back and fight again.

I yield to my friend from Florida.

Mr. HOLLAND. Mr. President, I had not asked my distinguished friend to yield. I was interested in his impassioned eloquence.

Mr. KEATING. Particularly about the Senator from Florida.

Mr. HOLLAND. I may disclose to him that no less eloquence was used in the conference, and there were items involved which were of great importance. I recall one that was involved as to which a group of Senators refused to sign a conference report and got up and left. I see my two friends, the Senator from Massachusetts and the Senator from North Dakota, smiling, because they remember the incident.

We have to decide where to make our supreme fight when we are dealing, as we

were in this case, with a bill that involves $6 billion, and I do not remember how many agencies, and hundreds and hundreds and hundreds of items, and when we were dealing with other bills, with largely the same group of conferees, on alternate days. We cannot run at full speed all the time.

All I can say is that we have every reason to believe that when the matter comes up after the first of the year we will be successful in our efforts to obtain this appropriation. Further than that I cannot say. I wish I could say we had won 100 percent of the controversies but in the very nature of things that rarely happens in conferences.

Mr. KEATING. I realize that. I know how hard the Senators have fought.

In other words the position of my friend from Florida is that sometimes one has to yield a tactical position in order to gain a strategic objective. I am sympathetic with the conferees.

I am not happy about the situation in which we find ourselves. I cannot observe any assurance that when the matter again comes back to us in a supplemental next year, we will not be faced with exactly the same situation, but perhaps the Senate conferees, having been refreshed in the meantime, will be able to make an even greater and more herculean effort in their controversy on this matter with the other body.

I understand some of the House conferees were with us, but that there simply were not enough of them. I am told that my distinguished colleague from my neighborhood, Representative OSTERTAG, was back of this move, and I commend him for it.

Mr. President, I shall vote "no," but I shall not ask for a yea and nay vote, under the circumstances.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington [Mr. MAGNUSON] that the Senate recede on amendment No. 1 to the independent offices appropriation bill.

The motion was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. YOUNG of Ohio. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MILITARY CONSTRUCTION APPROPRIATION BILL, 1960—CONFERENCE REPORT

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 4, 1959, p. 18109, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. STENNIS. Mr. President, the conference report on H.R. 8575, the military construction appropriation bill for 1960, contains $1,363,961,200. This is an amount $78,958,500 over the House recommendation and $64,217,500 under the Senate recommendation. It is an amount $199,238,800 under the budget.

For the Department of the Army, the appropriation is $263,632,300.

For the Department of the Navy, the appropriation is $204,112,400.

For the Department of the Air Force, the appropriation is $776,832,500.

In addition, it includes smaller amounts for the Department of Defense and the Reserve components of the three services, which I shall discuss later.

As is true of most conference reports, the position of the Senate conferees was not upheld in all instances, and there have been items deleted from the bill which we would have preferred to have included. On the other hand, I believe that the bill which is now before the Senate is a good measure, and will provide the necessary military construction to strengthen our defenses in the coming year.

On pages 3 and 5 of the conference report, Senators will find a list of the items and amounts which the conference has included in addition to those provided in the House report on this bill. I shall describe certain highlights included among these changes. On such items as I do not cover, I shall be glad to answer any questions which are propounded.

The conference committee considered and approved, with one minor exception, the amounts as recommended by the Senate for all hospital construction in the three services. In this connection, the conference report specifically directs the Secretary of Defense to apply the funds provided on a utilitarian basis to meet essential needs and maximum utilization of existing private and governmental medical facilities in the area. The conference committee is also directed that available equipment be utilized to equip these hospital prior to initiation of new procurement, including fixed equipment and other equipment not normally financed from construction funds. Certification of compliance with these conditions is directed.

I believe one item, location 12, Japan, deserves specific reference. In providing $1,700,000 for this project, the conferees are in agreement that these funds are available only for the purchase of local currencies available through the U.S. Treasury and to be used only for the construction of facilities, other than housing and community facilities, at this location. It was the unanimous opinion of the conferees that the greatest use possible should be made of the Commodity Credit accounts in foreign countries.

For the Department of the Navy, the conference action added $24,064,400 to the amount provided in the House bill. The conference committee deleted $7 million for North Island, San Diego, Calif., and $1,271,000 for Ford Island, Hawaii, which were included in the Senate bill. These funds would have provided berthing wharves for the large *Forrestal*-type carriers. The Senate conferees strongly urged the inclusion of this construction. However, the House conferees were adamant in their belief that existing facilities were adequate to meet operating requirements in the immediate future.

For the Department of the Air Force, the conference action added $20,215,900 to the amounts provided in the House bill. For aircraft engines inspection and repair shops and aircraft maintenance field shops, the conference provided a lump sum of $2,650,000. The conferees agreed that these funds should be allocated to specific locations upon a priority to be determined by the Department of Defense, with the understanding that maximum utilization will be made of existing facilities and that funds will be allocated only for the construction of complete shops. For ground powered equipment shops, the conference committee agreed to a lump sum of $750,000 to be allocated on the same basis.

No funds have been provided for Mace facilities overseas. The conferees agreed that since the Secretary of Defense has not as yet made a determination as to the procurement and deployment of the Mace missile, no funds should be provided for the construction of facilities in support of this missile. However, if a determination is made, the Secretary of Defense, after notifying the Congress, is directed to use available funds within this appropriation including funds from prior years for the construction of the necessary facilities.

For the Department of Defense, $23,200,000 is included for the loran stations, and $23,545,000 is included for the Advance Research Projects Agency construction.

For the Reserve components, the conference committee approved $20 million for the Army Reserve, $8,980,000 for the Navy Reserve, $4 million for the Air Force Reserve, and $16,440,000 for the Air National Guard.

For the Army National Guard, $23,219,000 was approved, an increase of $12,219,000 over the House. The increase referred to provides for 86 authorized National Guard armories in 30 States for which local funds are immediately available. The action was based on the belief that State and local cooperation should not be discouraged and that the growing backlog of National Guard Armory construction projects should be reduced. A list of projects added by the Senate is found beginning on page 37 of Senate Report No. 752.

Before I close, I wish to thank sincerely all the members of the House and Senate conference committee for the part they played in providing what I believe to be an excellent report. For an entire week these members labored diligently in a spirit of cooperative un-

derstanding, considering each item on its individual merits. I trust that the conference report will be approved quickly.

Mr. President, I ask unanimous consent that a tabulation showing congressional action on the military construction appropriation bill be included at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Congressional action on H.R. 8575, the military construction appropriation bill for fiscal year 1960

Title	Appropriations, 1959	Budget estimate, 1960	House action	Senate action	Conference action
(1)	(2)	(3)	(4)	(5)	(6)
Department of Defense:					
Loran stations	$20,000,000	$23,200,000	$23,200,000	$23,200,000	$23,200,000
Advanced Research Projects Agency	50,000,000	[1]	23,545,000	23,545,000	23,545,000
Regular Forces:					
Army	230,000,000	341,000,000	241,564,100	278,773,700	263,632,300
Navy	295,000,000	244,000,000	180,048,000	225,785,400	204,112,400
Air Force	785,000,000	[1] 894,000,000	756,616,600	803,495,600	776,832,500
Reserve components:					
Army Reserve	[2] 6,250,000	20,000,000	20,000,000	20,160,000	20,000,000
Navy Reserve	8,000,000	9,000,000	8,589,000	9,000,000	8,980,000
Air Force Reserve	[3]	4,000,000	4,000,000	4,000,000	4,000,000
Army National Guard	[4]	11,000,000	11,000,000	23,219,000	23,219,000
Air National Guard	9,600,000	17,000,000	16,440,000	17,000,000	16,440,000
Total	1,403,850,000	1,563,200,000	1,285,002,700	1,428,178,700	1,363,961,200

[1] Budget estimate for Sentry and Midas programs totaling $23,545,000 contained in Air Force request.
[2] Includes funds for Army Reserve and Army National Guard.
[3] Included in "Military construction, Air Force."
[4] Included in "Army Reserve Forces."

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to add to what the Senator from Mississippi has said that the Senate conferees felt very strongly on these subjects, but had to yield because of items felt to be even more important. The berthing of the carrier of the *Forrestal* class at San Diego is important, and even more important is the facility at Pearl Harbor, where there is involved the loading of ammunition aboard the ship.

Mr. STENNIS. Yes.

Mr. SALTONSTALL. The Senate conferees also felt that the powerplant at Guam was very important.

Mr. STENNIS. The Senator from Massachusetts is correct. That item was deferred.

All of these items are part of the Pacific complex or the Pacific pattern of our national defense. We think they are items which should be started as soon as reasonably possible. The House conferees agreed this action was not a rejection of these items, but that the items would be approved at the proper time.

I wish to invite particular attention to the item in the bill, Mr. President, providing an additional $12.2 million for the Federal part of the construction of the additional National Guard armories throughout the Nation, including 86 armories scattered through many States. Those are the ones for which the local funds are already available. The priority ratings are based upon the availability of the local funds. We did not set the priority ratings. That was done by the State authorities, and it was approved by the National Guard Bureau.

Mr. President, I thank the Senator from Massachusetts again.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I am glad to yield to the Senator from Florida.

Mr. HOLLAND. I recognize that we had no authorization for the Jacksonville National Guard Armory and nothing could be done in that regard, but I appreciate the interest of the Senator and of the other conferees.

Will the Senator advise me what happened to the item for the Marine Reserve building in Tampa, which the Senate added to the House-passed bill?

Mr. STENNIS. If the Senator will wait just a minute I will check. That was one of the last items. I know we insisted quite strongly on that item.

I wish to say to the Senator from Florida that I am glad to report that the Marine Reserve building for Tampa, Fla., is in the bill.

Mr. HOLLAND. I appreciate that action on the part of the conferees, and I particularly thank my friend, the Senator from Mississippi.

Mr. STENNIS. Mr. President, if there are no other comments or questions, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. STENNIS. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask the Presiding Officer to lay before the Senate a message from the House of Representatives on the military construction appropriation bill, H.R. 8575.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 8575, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
September 4, 1959.

Resolved, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8575) entitled "An Act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes";

That the House recede from its disagreement to the amendment of the Senate numbered 2, and concur therein with an amendment, as follows:

In lieu of the matter stricken out and inserted by said amendment, insert the following: $263,632,300, including $1,700,000 to be used only for the purchase of foreign currencies to construct military facilities (except housing and community facilities) for the Army Security Agency, location 12.

Mr. STENNIS. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 2.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of S. 1748.

The motion was agreed to, and the Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, earlier today we began a discussion of S. 1748, Order No. 518. The proposed legislation is in charge of the able Senator from Louisiana [Mr. ELLENDER]. I thought he wished to discuss it. If not, and if the Senator from New York is prepared to proceed on another matter, I am prepared to yield 15 minutes to him on the bill. Mr. President, I yield 15 minutes on the bill to the Senator from New York.

JUVENILE DELINQUENCY AND JUVENILE CRIME

Mr. KEATING. Mr. President, few American domestic problems have received greater attention, fuller study or been the subject of more written words than that of juvenile delinquency. This concern has been largely focused in the postwar years and is based on the really alarming increase in the incidence of youthful violence and crime.

There is ample reason for this worry about why our young people go wrong. J. Edgar Hoover, Director of the Federal Bureau of Investigation, has estimated that at the present rate, some 1 million of our teenagers will be arrested for lawlessness in 1962. That is a shocking and sobering statistic, and in and of itself it is adequate justification for the tremendous amount of interest which has been generated in the problems of our troubled young people.

In many ways, it is a healthy thing that sociologists and churchmen, scientists and social workers, police, and government officials, as well as a bevy of private organizations, have taken such an interest in this subject. A tangible result has been greater public awareness of the great danger and challenge of juvenile crime. There have been vigorous and often successful attempts to find real solutions and provide media through which youngsters gone wrong can be turned along the paths of good citizenship.

Certainly, the problem of young people gone wrong cannot be too intensively investigated nor too thoroughly studied. But we must not lose our perspective. We must not become the victims of our academic and sociological concern to the extent that we lose sight of the needs of society and the right of citizens to be protected from violence and crime, no matter what its origin may be.

In other words, we must never forget that when teenagers organize for crime, when youngsters commit murders or repeat their lawless acts over and over again, they must be brought to book. They must be punished for what they are, criminals.

Now, this is not to say that we should not pursue with imagination and drive all efforts to get at the root causes of juvenile delinquency. We must study the many sources of teenage violence and trouble, which include broken homes, neglectful parents, substandard living conditions, economic deprivations, lack of religious training, inadequate schooling, shortsighted guidance counseling, and other factors which make for problem children.

We must recognize that the solutions to these situations and their products are not easily found and are not to be found in any one place. We must appreciate that we need to mobilize parents, churches and synagogues, youth groups, schools, social organizations, law enforcement agencies, the courts, all levels of government, and private individuals in the battle against deviates from the accepted youthful norms. We must impress upon everyone who will listen, and we must particularly pound away at those who will not listen, the need for understanding, for guidance, for sympathy and for concern about our young people.

Surely, we must pursue with vigor missionary efforts among youth groups, and indeed among youth gangs. There is much promise in some of these efforts. But enough is enough, Mr. President.

Without in the least impugning the work of sociologists, social workers and others who are working so faithfully and with dedicated zeal in this field, I say we have to get tough with these young people when they have stepped beyond a certain point. For when young people commit murder, when they repeat their offenses, then it is time to call a halt to special privileges and special consideration. Then it is time to stop being lenient and time to start getting tough, and I mean tough.

Now, of course, we all fervently hope and pray that we will not often reach this point with our young people. We all know that proper parental discipline, sound religious training, and proper guidance in the moral, spiritual, and educational spheres, will make fine, upright, constructive, and useful citizens of whom we can all be proud. Indeed, none will dispute that the church and the home are the keystones to making the citizens who will build the strong and free America we all want in the future. But when, for one reason or another, these influences have not done their job, or are not applied to the job of molding a young person, and as a result he goes off the deep end and takes out his resentments, his problems and his frustrations on society, then that society has the right—and indeed the duty—to curb him and curb him severely.

Thus, while education and sympathy are important, and are undoubtedly essential to finding long-range answers to the challenge of juvenile delinquency, they are not ends in themselves.

There is certainly such a thing as what J. Edgar Hoover has characterized as "misguided sentimentality." I agree with Mr. Hoover that if we do not draw the proper line between coddling of young people with problems and cracking down on them when it is called for, then we may "bring the law of the jungle to every American street."

In recent weeks, Mr. President, New York City has been shocked and stunned by an outbreak of juvenile violence and bloodshed. The entire world has read with horror of coldblooded murders and sadistic crimes of violence perpetrated by young people seemingly as lacking in conscience as in motive.

Such examples of teenage violence are not unusual for any large American city. Right here in Washington, although youth crimes do not appear to be as prevalent as in some other metropolises, there have been serious indications of a crime wave in recent weeks which has defied the spirited efforts of an understaffed police force.

One of the important things about these outbreaks is what is done in response to them. I have been gratified to note the speed with which Gov. Nelson A. Rockefeller of New York has acted to come to the aid of New York City officials in the present crisis.

It is true that New York's police commissioner, Stephen P. Kennedy, is doing the best he can. He has consistently advocated realistic treatment of teenage hoodlums. But often his hands have been tied by inefficient procedures, insufficient police forces, or contradictory efforts within the city administration.

Governor Rockefeller, while recognizing the need for studying sociological, economic, psychological, and related factors, has also underscored his belief that when teenagers commit crimes they must be dealt with as criminals. In an effort to draw together the best minds and mobilize the most effective forces, he has scheduled a series of meetings on the New York City juvenile crime crisis. A preliminary meeting was held yesterday by the Governor with his top State officials who deal with youth problems. These leaders will work out an agenda for a larger meeting to be held next Tuesday.

Among those who have been invited to the Tuesday meeting are Mayor Wagner, Commissioner Kennedy, J. Edgar Hoover, and His Eminence Francis Cardinal Spellman. Others include the following as contained in the New York Times report of September 2: Rev. Dan Potter, executive secretary of the Protestant Council of New York; the Reverend David Golovensky of the New York Board of Rabbis; Harry Van Arsdale, president of the Central Trades and Labor Council; Lester Granger, executive director of the Urban League; Thurgood Marshall, counsel for the National Association for the Advancement of Colored People; Joseph Monserrat, director of the Puerto Rican Labor Department office here.

Carl Loeb, president of the Community Council of Greater New York; Beatrice Quimby, executive director of the Federation of Protestant Welfare Agencies; Herschel Alt of the Jewish Board of Guardians; the Reverend Robert E. Gallagher of Catholic Charities; J. Richardson Dilworth, president of the Community Service Society.

Mr. Lefkowitz, Mrs. Caroline Simon, State Secretary of State; A. Van W. Hancock, chairman of the New York State Commission on the White House Conference on Children and Youth; Chief City Magistrate John M. Murtagh, and Presiding Justices Bernard Botein and Gerald Nolan of the appellate division here.

The response of affected officials has been of great interest and great importance. For example, the following excerpts from statements of the Governor, mayor, and police commissioner were carried on the front page of the New York Herald-Tribune of September 2:

Governor Rockefeller:

> The recent tragic occurrences of juvenile violence call for action by all of us. There is no single approach to a solution. The attack must come at all levels—by parents, churches, and synagogues, boys' clubs and other youth groups, settlement houses, the schools, social organizations, law enforcement agencies and the courts.

Mayor Wagner:

> The social welfare agencies and their workers have done fine and effective work in the field of juvenile delinquency. But when organized gangs invade playgrounds and blindly and wantonly commit murder, the handling of the matter has passed from the social agency into the hands of the police.

Police Commissioner Kennedy:

> There is no short answer, no cure-all, no panacea. It's going to take a lot of time, a lot of money and a great deal of effort. We all bear responsibility for slums, for the atrocious conditions under which some of these children live, and for discrimination. If you put a blue blanket on a festering slum, you are not curing the underlying ill.

In addition, strong editorial comment has been brought to bear on the need for additional police power in New York City and the need for meteing out sterner justice to teenage offenders. Proper recognition has been given, incidentally, to Commissioner Kennedy's adherence to the latter code, with which I heartily associate myself.

I ask unanimous consent to have printed, at this point in the RECORD, several of the many important editorials which have appeared recently in New York papers.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of Aug. 31, 1959]

EAST SIDE, WEST SIDE

Hardly has the city begun to get over the numbing shock of last week's killing of two teenagers on the lower East Side than it is confronted by the equally savage and senseless slaying of two 16-year-old boys on the midtown West Side. Here, only a few blocks from the country's brightest and gayest entertainment section, one group of youngsters set upon another in a dark, deserted playground, wielding knives and bottles.

The youths in the playground, who were white, say that their attackers were Puerto Rican. This would indicate that neighborhood racial conflict underlay the attack. It could also be argued that since the area is one of tenements, poor housing is a contributory factor. You can find all sorts of reasons for these things, yet the fact remains that when such outbursts occur they are shocking and shameful.

How do we deal with a state of affairs that gives this city a bad reputation and—let's face it—keeps residents of certain areas prudently indoors at night? It's a perplexing and distressing question. The first necessity, we think, is to face the problem without despair and without panic. Street toughs are an ancient phenomenon, antedating even New York. True, the modern youth gang, whether based on ethnic or neighborhood lines, is a particularly dangerous institution, but that's all the more reason for the community to keep its senses in trying to deal with it.

A second essential point is that the immediate problem is one of better policing and sharper law enforcement. We know that there are other aspects of the situation that require attention and that basic social problems will have to be tackled. But first of all we face the task, simply, of putting a stop to killings in the streets. And the only way to do that is to have enough police in the right places to act as a curb on punks, toughs, and thugs—and, far from incidentally, to safeguard peaceable citizens. A good start would be to arrest and to punish the young criminals who killed the boys on the West Side. But even that would be only a start. We simply don't have enough policemen in New York City, and we shouldn't have to be reminded of it every week by a new street-gang killing.

[From the New York Herald Tribune of Sept. 3, 1959]

"J.D."—THE WEED THAT GREW

As practically everybody has been saying, there is no short cut to solving the J. D. (juvenile delinquency) problem.

Fortunately, however, the Dracula-aroused community has progressed somewhat beyond the old refuge of the hand-wringers—that the youth crisis is to be blamed on the fearsome state of society.

This, of course, means nothing except a sort of limp rationalization for everybody's business generally turning out to be nobody's business.

In our opinion it is plain nonsense that any societal affliction like J.D. is so imponderable that it can't be resolved by intelligence and hard work.

But the trouble in New York is that we have never put enough skillfully directed energy into the job of licking or even controlling this thing.

It would seem obvious, for instance, that when murder becomes a commonplace and adolescent gangs consider crime a sport, the whole business is an outrageous affront to law and order.

Yet City Hall has never seen fit to provide Police Commissioner Kennedy with enough policemen. Instead of the 28,000 Mr. Kennedy has sought for years, the present authorized quota is only 24,508, and even this happens to be 1,074 short of fulfillment.

Now, suddenly, Mayor Wagner declaims about the need for law enforcement and says the Police Department will be brought up to quota strength right away. Our mayor has also decided that J.D. has become too hot for the social workers to handle.

But if Bob Wagner has really seen the light and felt the heat, he ought to go all out and give Police Commissioner Kennedy all, not just part, of the additional manpower needed. Or does the mayor perhaps require stimulation by Governor Rockefeller?

Our Governor has at least manifested an instant concern about J.D. out of hand. Maybe Mr. Rockefeller's town-meeting approach won't immediately accomplish much, but at least this is a call to corrective action on the entire youth front. And it is certainly long overdue.

[From the New York Times of Sept. 2, 1959]

THE ANSWER: ENOUGH POLICE

Mayor Wagner said yesterday that "when organized gangs invade playgrounds and blindly and wantonly commit murder, the handling of the matter has passed from the social agencies and into the hands of the police." Having settled that question, the mayor now faces the logical next question whether he will provide New York City with a police force of sufficient strength to do the job. He has not done this in nearly 6 years in office; he is not doing it now.

Police Commissioner Stephen P. Kennedy had 23,428 men and women in the uniformed force yesterday. He should have had 24,508 to meet quota, the number the mayor and the Board of Estimate had agreed in the budget to supply. He was 1,080 men short of quota; he said he needs at least 3,000 more than quota, or a force of 27,500, to police the city effectively.

So we can have tomorrow's meeting in City Hall to discuss juvenile delinquency, at the mayor's call, and we can have the welcome help of the State, as proffered by Governor Rockefeller, but the primary question that remains and has existed all along is when will Mayor Wagner's administration supply a police force adequate to the city's needs.

A new policeman costs $4,700 the first year, $4,910 the second, $5,435 the third, $6,081 the fourth, as automatic increments in salary occur. To this must be added $125 a year for uniform allowance. The cost will go up $100 a year January 1 for every man, with a salary increase. So the annual cost, if 4,000 men could be added to the police force immediately, would be about $20 million in taxes. This is the starting cost, to rise later. But a much larger police force is the essential answer to New York's crime and gang problem, and it is the answer the mayor is not yet willing to accept.

[From the New York Times of Sept. 3, 1959]

THE MAYOR ACTS

Without waiting for other remedies for juvenile delinquency and violence that city and State conferences may produce, Mayor Wagner has announced his determination to bring the New York police force up to quota strength of 24,508 members. This is a delayed response to demonstrated need, but it is, in our opinion, putting first things first.

We do not discount the value of other, non-police, attacks on the youth crime problem. The family, the church, the school, the social agency, must be relied upon for basic, long-term work on shaping character and conduct. But they can't take the place of the policeman on the beat for restoring law, order and safety to human life promptly in this troubled city.

The authorized budgetary quota of police strength that the mayor now promises to provide—for the first time—is insufficient, even though it means an increase of more than a thousand men. The shortened work week for policemen, the lengthened vacations, the larger inhabited area of the city to be policed and the greatly increased traffic problem have reduced the manpower that the police commissioner can apply steadily, day after day, to crime prevention. A thousand men today do not mean, in police effectiveness, what they meant back in the 1930's. Conditions have changed, and it is today's conditions that must be dealt with.

The mayor's action, tardy and still inadequate though it is, is a big step forward to protection of the people of New York.

Mr. KEATING. Mr. President, I am confident Governor Rockefeller, working in conjunction with New York City officials, will be able to come up with effective steps toward solution of the juvenile crime problem in our Nation's largest city. His forthright action in calling these meetings is, of course, characteristic of Nelson Rockefeller's way of getting right down to brass tacks on problems of the moment.

Equally typical of the Rockefeller administration is the fact that he enters this fray fully armed with careful and thorough studies at his disposal of the problem at hand. The Governor's staff has dug into the problem of juvenile delinquency in great detail and in great depth, and full reports are in the Governor's hands as he enters this battle.

It is this careful and characteristic preparation, combined with the Governor's known activist qualities and his determination to mete out stern but fair justice, which gives me confidence that sound solutions will be found to this problem. I feel sure the answers will lie somewhere between a get-tough policy and one of special consideration for youthful offenders. But I hope if there is any particular slant to it, that the forces of realistic treatment will come to the fore.

Mr. President, as I have previously indicated, I am most sympathetic to the views of J. Edgar Hoover when it comes to this problem of how to deal with teenage criminals. I agree first of all with his analysis that the abdication of parental responsibility underlies the nightmare growth of juvenile delinquency. I subscribe wholeheartedly to the fine seven-point program he has outlined to mount a great counterattack on delinquency.

I wish today to deal specifically with Mr. Hoover's view that we must show the hard-core delinquents who have no respect for law and order that we mean business. I subscribe wholeheartedly to that philosophy, which I believe has a particular relevance to the recent rash of juvenile violence in New York City.

I subscribe to Mr. Hoover's view that youths who commit vicious crimes, as well as those who are guilty of repeated offenses, are not mere delinquents. That is a very pertinent observation with regard to recent events in New York City.

At this point, Mr. President, I ask unanimous consent to have printed first, a brief summary of J. Edgar Hoover's views on juvenile crime and its curbing, as contained in the F.B.I. Law Enforcement Bulletin of February 1, 1957.

There being no objection, the summary was ordered to be printed in the RECORD as follows:

UNITED STATES DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington 25, D.C., February 1, 1957.

(Reprinted from the FBI Law Enforcement Bulletin)

TO ALL LAW ENFORCEMENT OFFICIALS:

Are we to stand idly by while fierce young hoodlums—too often and too long harbored under the glossy misnomer of juvenile delinquents—roam our streets and desecrate our communities? If we do, America might well witness a resurgence of the brutal criminality and mobsterism of a past era.

Gang-style ferocity—once the evil domain of hardened adult criminals—now centers chiefly in cliques of teen-age brigands. Their individual and gang exploits rival the savagery of the veteran desperadoes of bygone days. Recent happenings in juvenile crime shatter the illusion that soft-hearted molly-coddling is the answer to this problem.

Consider the band of 15- to 17-year olds in Michigan whose members last year admitted over thirty crimes, including rape and murder. In Louisiana two teen-age gangsters were given life sentences in April of 1956 for murdering a man who caught them looting his home. A 13-year-old partner, the trigger man in the killing, was sentenced to confinement until age 21. The extensive criminal records of this trio, totaling more than two dozen previous charges, included aggravated burglary, theft, assault and holdup. Not isolated instances, outrages such as these are reported day to day in newspaper headlines across the country.

In the past four years, while population in the 10-to-17 age group has gone up approximately 10 percent, arrests of individuals in these same age brackets have increased at twice that rate. The present appalling youth situation—the crux of our crime problem—demands a vigorous new appraisal. No longer can we tolerate the "tender years" alibi for youthful lawbreaking. This is certainly no time for police to be shackled by illogical restraints based on unreasoned sympathy for these young thugs. Publicizing of names as well as crimes for public scrutiny, release of past records to appropriate law enforcement officials, and fingerprinting for future identification are all necessary procedures in the war on the flagrant violator, regardless of age. Local police and citizens have a right to know the identities of the potential threats to public order within their communities.

The murder of a Maryland school teacher by a 14-year-old student last summer illustrates the danger of unwarranted secrecy. Described as "terrible-tempered" and beyond school discipline, the boy was expelled from a North Carolina school following a threat to kill his teacher. To avoid corrective action, he was quietly sent off to live and attend school in Maryland. His violent tendencies, kept hidden from both his old and new neighbors, erupted in a classroom tragedy six weeks later when he put a fatal bullet through the heart of one teacher and wounded two others.

Certainly, a reasonable leniency for children committing first offenses and minor violations is a proper consideration. However, the present major problem is no longer one of bad children but of young criminals. Law enforcement cannot be administered solely according to the yardstick of age. Justice must be meted out to each individual criminal in such measure and manner as the welfare and protection of society demand.

Very truly yours,

J. EDGAR HOOVER,
Director.

Mr. KEATING. In addition, I ask unanimous consent to have printed at this point in the RECORD, a hard-hitting and constructive series of three articles by Mr. Hoover which appeared in "This Week" Magazine on October 26, November 2 and November 9, 1958.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

COUNTERATTACK ON JUVENILE DELINQUENCY

By J. Edgar Hoover
Director, Federal Bureau of Investigation

[Reprinted from "This Week" Magazine, October 26, November 2 and 9, 1958]

America is facing an emergency, a crisis which threatens the very future of our Nation.

It is the emergency of juvenile delinquency. The tide of youthful lawlessness is rising at a terrifying pace. By 1962 one million of our teenagers will be arrested each year—at the present rate.

My considered opinion is that we must act—and promptly. The time has come for a counterattack against juvenile delinquency. Unless this counterattack is successful no street or park in the Nation will be safe. Worst of all, every child in the Nation will be exposed to the vicious acts of the delinquent minority.

Thousands and thousands of words have been written recently about the juvenile delinquency problem. "Are the schools to blame?" "Are the parents to blame?" "Is our whole culture at fault?" are some of the questions which have been argued at length in newspapers and magazines. But now the time has come for action.

I am delighted that "This Week" magazine has asked me to propose such action in this series of articles.

MEDICINE OF TWO KINDS

In this series, I will outline what I believe to be an effective two-pronged counterattack against juvenile delinquency designed to (1) bring existing delinquency under control and (2) prevent future delinquency.

But first let's define the scope of the problem.

During 40 years in law enforcement I have seen thousands of youths skid downward along the path from minor delinquency to vandalism, petty theft and progressively more serious crimes. Those of us who recognize juvenile delinquency as the training school for adult crime are seriously alarmed at its increase.

Here are the statistics that worry me and all law-enforcement officers: During 1957 persons under 18 years of age comprised 53 percent of all arrests for the major offenses against property. Last year, more than two-thirds of the auto theft arrests, over one-half of the burglary and larceny arrests, and one-fourth of the arrests for robberies in cities involved juveniles.

NO ONE IS IMMUNE

Throughout the United States, an estimated 740,000 youngsters under 18 years of age were arrested last year. This is 3.3 percent of the population in the 10-to-17 age group, and it means that one out of every 30 youngsters was arrested for violating the law.

Since 1952, our juvenile population has increased approximately 22 percent. Juvenile arrests in the same period have risen 55 percent!

And the offenses committed by young people are characterized by more violence, more contempt for law and order. In every one of our cities terror runs down the street as youthful hoodlums grow increasingly bold and vicious.

This is the scope of the problem, a problem which cannot be dismissed as affecting only one area or one class. Juvenile delinquency and juvenile crime are not restricted. No child—rich, poor, city dweller or suburbanite—is inherently immune to delinquent behavior.

Delinquency is a world-wide disease. A recent study in Great Britain disclosed sharp increases in sex offenses, drunkenness and crimes of violence among British teen-agers, notably the "Teddy Boys." In Russia, an official Soviet Government booklet entitled "The Fight Against Hooliganism" reveals that knifings, beatings, thefts, and destruction of property by Soviet youth constitute a menace of great concern behind the Iron Curtain.

But we're concerned with the causes of juvenile delinquency in the United States. I believe that this menacing cloud, mushrooming across the Nation with its terrifying portents for the future, is indicative of a deep-seated national illness. I am certain that here is proof once again you cannot dance without paying the piper. Over the past quarter of a century, all too many Americans have been ignoring the basic traditions of work, discipline and vigilance on which our Nation was founded.

VALUES ARE TO BLAME

We seem to have misplaced the sense of values which made this a great Nation. Self-indulgence and the principle of pleasure before duty on a vast and growing scale have become a phenomenon of our adult world. These are warning symptoms of the "decadence disease"—which has contributed to the decay of so many civilizations throughout history.

When children, without discipline and without moral standards implanted by a stable home, are thrust into a culture in which pressures from every direction promote the principle of self-indulgence, what reaction can be expected? To such children, restraints are unbearable. When they want something, they take it.

These childern are victims in a very real sense. They are the victims of a society which has substituted indulgence for discipline. They are the victims of a breakdown of authority and moral standards in the home, in the neighborhood and—too frequently—in the entire community. And they are the victims of those practitioners of expediency who have blurred the lines between right and wrong, good and evil.

So in large part the juvenile delinquent is a by-product of our self-indulgent age. As such, he deserves understanding and sympathy, as well as an effort to rehabilitate him. Yet, while seeking to save those who can be salvaged, we must not make the mistake of adding to the problem by repeated, misplaced leniencies.

The treatment accorded youthful criminals must be fair, reasonable and realistic.

I have been called an advocate of the "get tough" policy. To an extent, perhaps I am. I have seen too many instances in which repeated leniency has encouraged misbehavior, and I have also seen occasions when the policies of a realistic judge proved to be very effective deterrents to crime.

The "I can get away with anything—I'm a juvenile!" attitude on the part of scores of young hoodlums is a clear-cut indication of how sentiment can supplant sense. Too frequently, misguided sentimentality, along with a policy of blanketing all youthful offenders under a protective covering of anonymity, actually encourages juvenile misbehavior. The knowledge that one can

get by, not once but time after time, breeds bitter contempt for law and makes a mockery of our system of justice.

Let me repeat here what I have said many times. I heartily endorse reasonable consideration for childern involved in minor delinquencies and first offenses. I do not, however, believe that the umbrella of special privilege should be held impartially over all juveniles, including those who commit heinous crimes or those guilty of repeated offenses. Leniency is misdirected when it is applied repeatedly to those whose every act expresses disdain for law.

PRELUDE TO WORSE CRIMES

When "I can get away with anything—I'm a juvenile!" becomes the scornful slogan of increasing numbers of youthful cynics, we need to be wary. Such youngsters, through actual experience, are beginning to visualize themselves as immune from the law. If they get by repeatedly with the little things, the temptation grows. All too often the little things have become a prelude to really vicious crime.

I do not exaggerate when I use the word "vicious." The appalling rise in juvenile crime is equalled only by the increase in violence and brutality displayed in the commission of such crimes.

The three most prevalent juvenile offenses are—burglary: In 1957, 54.8 percent of all arrests for burglary involved youths under 18. Example: On the West Coast last fall, two boys, aged 15 and 13, were surprised by a merchant while they burglarized his store. One of the boys fired a .22 caliber pistol at the businessman, killing him instantly. The gun had been stolen in a previous burglary; larceny: In 1957, 51.3 percent of the persons arrested for larceny were youths under 18. Example: A series of burglaries and larcenies committed on the East Coast was finally traced to a small juvenile gang. Among their other crimes: making bombs out of stolen explosives in order to blast open the coin boxes in telephone booths; and auto theft: In 1957, 67.6 percent of all arrests for auto theft were youths under 18. Example: Last June, a young hoodlum arrested in a stolen car admitted a number of crimes in Texas, California and Arizona. His ambition: to "shoot it out" with the police some day. "I've taken shots at officers, and I've been shot at before," he boasted.

The three most vicious youth crimes are—rape: In 1957, 19.5 percent of all arrests for rape involved youths under 18. Example: On the East Coast a few months ago, a young couple in a parked car was held up by three teen-age hoodlums. The girl, aged 15, was separated from her companion and taken to a remote area where the youths attacked her; assault: In 1957, 7.8 percent of the persons arrested for assault were youths under 18. Example: In Washington last summer, ten youths in two cars stopped their vehicles, jumped out, beat three young sailors, leaving one unconscious, and fled. Two of the youths were apprehended a short time later. They could give no reason for the assault; criminal homicide: In 1957, 6.4 percent of all arrests for criminal homicide were youths under 18. Example: Last December the robbery spree of a juvenile gang ended with the shooting of a liquor-store proprietor. None of the gang members was over 17 years old. For the youth who pulled the trigger, this killing was the culmination of a series of vicious crimes.

In many ways the second list is more frightening than the first. And for a very good reason. In recent years, reports on youth crimes have indicated a mounting savagery, a senseless brutality which makes one's blood run cold.

I will list just two examples of this nightmarish criminality:

New York—Two young men, refugees from Communist tyranny, were quietly walking along the street. When they stopped to ask directions of a trio of youths, they were attacked and beaten violently. Reason? According to the news account, the three assailants were "toughs who had been drinking beer for hours on a tenement roof, then had descended to the street to find some action."

Two of the perpetrators of this vicious attack, each 18 years old, were out on bail pending trial for felonious assault and malicious mischief in another case. The third, 16, allegedly greeted his mother with an unprintable epithet when his parents arrived at the police station.

Philadelphia—A young foreign student was returning from mailing a letter near the campus of his university last spring when he was accosted by an 11-member juvenile gang. Two youths shackled the student's arms, others knocked off his glasses and began beating him. A blackjack, lead pipe, and hard-toed shoe were used. The young man's face was chopped to unrecognizable pulp, and his clothing was searched for the money he did not have. Within minutes after police arrived on the scene, the victim of this brutal attack was dead. And what had his 11 attackers—all teen-agers—been seeking? The admission price of 35 cents to attend a neighborhood dance!

Blind, senseless brutality! No sconscience! No sense of right and wrong! Violence for the sake of violence! This is the frightening face of juvenile crime in its most terrible form.

Yes, our juvenile-delinquency problem is real, and it is growing. It may even be more serious here than in other areas of the world. Following a trip to the United States to study juvenile criminals, an Austrian educator reported in a lecture that he had found a fundamental difference between juvenile delinquency in Europe and in the United States. He indicated that the American way of life requires more self-control and discipline than the European one and that when the juvenile aggressor casts off his inhibitions, his acts are more ruthless and elemental. In short, the American juvenile delinquent is more deadly than his European counterpart.

TRIGGER-HAPPY AMERICANS

The Austrian educator said: "If someone in Austria is threatened by a juvenile gangster holding a pistol, he might be able to talk him out of it. No chance of that in America. The young rowdy would pull the trigger."

Much of the trigger-pulling in America occurs in the new urban menace—the juvenile gang.

The swift growth of these gangs holds a deadly portent for the future. The drive and purpose of the "bopping" gang are, with rare exception, alien to juvenile groupings of the past. Emotional intensity without moral responsibility renders these packs of young hoodlums increasingly explosive and dangerous. Vicious and arrogant, cruel and cowardly, seeking to rule a specific area of the city by fear and violence, the modern juvenile gang assembles an arsenal of zip guns, switch-blade knives, steel chains and other deadly weapons.

The terror which exists in those areas infested by the juvenile gang reaches its ultimate in outbreaks of savage brutality and murder. Witness, for example, the gang killing of a crippled 15-year-old youth and the vicious assault on his companion in New York last year. They were kicked, beaten and stabbed.

Another aspect of delinquency is the ever-increasing juvenile vandalism. Schools have been wrecked, cemeteries and houses of worship have been desecrated. And vandalism has led to more than property damage.

Last year a 12-year-old boy admitted starting a fire which took three lives. Police files showed that despite his youth, this boy had an impressive record. He previously had been picked up for throwing rocks, shooting an air gun and placing "torpedoes" on streetcar tracks. He admitted starting four other fires in addition to the fatal blaze.

TERRIFYING PICTURE

Senseless brutality, gang killings, vandalism—these, together with the other major crimes I have mentioned, add up to a truly terrifying picture of juvenile delinquency today.

What can we do about juvenile delinquency? In this series, I propose the following two-part counterattack:

First, we must bring under control existing delinquency. To do this, we must launch an immediate program of decisive action by police, the courts and parents.

Second, we must prevent future delinquency. This means a long-range but positive plan to strengthen the moral fiber of America.

We must act now to halt this spreading disease, which if not stopped, will bring the law of the jungle to every American street.

* * *

PART II

SEVEN STEPS TO HALT TEEN-AGE TERROR

"I want to be a good burglar, and I figure I'll have to go to prison to learn the business * * * but you know, I'm a pretty good burglar right now." These words were voiced last January by a ten-year-old. He was, indeed, a "pretty good burglar." This boy had admitted breaking into a bar, a machine shop and a lunchroom. He had had other brushes with the law—including one in 1957 which had prompted his mother to complain that she could not control him.

Unable to control a ten-year-old child! What an absurd statement! Here is but one more example of a modern phenomenon which is sweeping across America—the abdication of parental responsibility that underlies the nightmare growth of juvenile delinquency.

Last Sunday, I outlined the scope of the problem.

In today's article, I wish to present a counterattack, a comprehensive plan to control delinquency, make our streets safe from gang warfare, protect our property and our very lives. It may be summed up in seven points.

We must:

1. Drive home to parents what their responsibilities toward their youngsters are.
2. Improve the effectiveness of juvenile courts and juvenile aid facilities.
3. Stop coddling known young criminals.
4. Take the protective wraps of secrecy and anonymity off juvenile hoodlums.
5. Crack down hard on the corrupters of youth—the dope peddlers, pornographers, etc.
6. Attack delinquency problems at the local level, mobilizing community resources for a unified front against immorality and crime.
7. And this is most important: begin today to reestablish a firm moral structure in America to prevent future delinquency.

The first six points in my program make up a plan to control existing delinquency. Let me elaborate on them—and on the urgent need for them—today. I will discuss the final point in next week's concluding article.

RESPONSIBILITY OF PARENTS

Any program to combat juvenile delinquency can begin in only one place—the home. Abdication of parental responsibility—a malignant form of self-indulgence before duty—has gained a strange hold on all too many American households today. One jurist said recently:

"The (delinquency) problem is not so much an improper youth as it is an improper home."

Unquestionably, the very heart of the delinquency problem rests with the family. When mothers and fathers fulfill responsibilities of parenthood, juvenile crime cannot exist.

Everyone is aware of the problems confronting the children of broken homes. But how about the problems of children in "bent" homes? Let me illustrate:

The pressures of business have estranged thousands of youngsters from their fathers. The distance between office and home has grown increasingly greater, and in many families the young children are in bed before their father gets home from work. Under circumstances such as these, mothers have been forced into a role of greater authority and responsibility. The man of the house tends to be looked upon as merely a weekend handy man—a tired, silent partner.

Many fathers are forced to hold two jobs in order to make ends meet. In some families both father and mother are employed.

The result of the above situations is obvious: the children suffer. Repeated rationalizations—"After all, it's in the interest of the whole family"—are small consolation to the youngster who thirsts for the love and attention of his "too busy" parents.

These are the practical problems of what I call "bent" homes. What about the psychological factors?

A terrible degree of moral decay has infected those parents who flaunt press clippings concerning their numerous marriages and divorces. And how much further into degradation can some mothers and fathers sink after exposing their children to wild parties and thinly veiled promiscuity? Yet, these are common occurrences within the growing ranks of those "sophisticates" who pride themselves on never permitting moral considerations to interfere with their personal desires.

In a normal child, the stamp of character is imprinted early. And it is imprinted deep. Youngsters learn quickly by the example of their parents.

And even more important, boys and girls who have known little or no real family life invariably long for the security of a genuine home. Subconsciously aware that they are being cheated, they do not understand exactly how life has failed them. So these youngsters react blindly and compulsively, striking out at society in general. This is the beginning of juvenile delinquency.

How can we relate parental neglect to delinquency? In some States there are laws under which penalties—including fines and jail sentences—have been levied against the parents of juvenile offenders. This is one way to make disinterested parents face up to their responsibilities to their children.

Where parental neglect is found to be a factor in delinquency, society has every right to demand that the parents of the young offender be called into court and be required to account for their actions. Neglectful mothers and fathers are no less a menace to the community than are their children. Let them be identified and publicly recognized as such.

IMPROVEMENT OF JUVENILE COURTS

Every State has special courts or special court procedures to deal with juvenile crime. Yet many of these facilities are sorely inadequate to handle the load.

One Maryland judge complained last June that in his county the Juvenile Court was expected to function with an inadequate staff, no juvenile detention facilities, no treatment institutions for disturbed children, and no police officers trained in handling juveniles.

In another community it was revealed that youngsters in immediate need of psychiatric care had to wait from six months to a year to get into one of the city's child clinics.

A metropolitan newspaper recently editorialized, "As long as young criminals can, figuratively or otherwise, thumb their noses at police and the courts because they know that usually there's no place to commit them—except in the so-called custody of their parents—just so long will our city be in a sorry and perilous fix. The inadequate facilities for neglected children are likewise a disgrace to the city."

It is a common practice to heap a greater burden upon the existing facilities than they possibly can bear. This has been true of probation and parole systems where supervision of released offenders becomes a sham when the existing staff of officers is required to supervise greater and greater numbers of cases. This also has been true of welfare departments such as the one in which a case worker complained that it was impossible for her to do an adequate job for any of the 90 children assigned to her.

We need improved and enlarged juvenile court and juvenile aid facilities to help stamp out delinquency.

CODDLING OF KNOWN YOUNG CRIMINALS

Frankly, I am alarmed at the extremes to which some authorities have been permitted to go in protecting young offenders. Under a pretext of rehabilitation, tragic blunders have been committed against the American people.

As I said in last week's article, I know that I have been called an advocate of the "get tough" policy. To some extent this is true. I think the time has come when we must be realistic. We must show the hard-core delinquents who have no respect for law and order that we mean business.

Sometimes the coddling of delinquents takes an ironic form. In a number of cases, misguided "humanitarians" have succeeded only in ruining the lives of the juveniles they were so earnestly trying to help.

Let me illustrate with an actual case. Last February a 17-year-old hoodlum was captured after a gun battle with police. He was well known to the authorities in his city, having built up an extensive juvenile record over a five-year period. A probation officer familiar with this youth's case said that the boy idolized his father. Who is his father? A veteran criminal, now serving a 15-year sentence for burglarizing a grocery market.

Several months before his gun battle with the police, this teen-ager and his father had been arrested for grand larceny. The youth was convicted, but the charges against his father were dismissed for lack of evidence. Here was an opportunity to remove this young man from the influence of his father. Instead, he was merely placed on probation—and in effect permitted to continue his apprenticeship in crime.

Coddling of delinquents must be stopped—for the protection of the youths themselves, as well as the general public.

PROTECTION OF DELINQUENTS BY SECRECY

Closely linked to the coddling of young criminals is the widespread practice of sheltering them under a cloak of secrecy. A number of investigative agencies have been dangerously hampered in protecting the public by the secrecy which many courts attach to official proceedings involving juveniles.

For example, last Christmas four teen-agers brutally beat an attendant and escaped from the detention hall in a Southern city. Three of the boys were being held pending their transfer to the State reformatory. They had been picked up for robbery. The fourth boy reportedly was being held as a material witness in a sex case.

Despite the extensive records of these young hoodlums and despite their brutally executed escape, juvenile authorities were said to be "powerless" to identify them to the public. One juvenile court judge was quoted as stating, "If they are not recaptured within 24 hours, we may name the boys and describe their records as a matter of public welfare. But at the moment we are bound to respect the fact they are juveniles and withhold their identity."

A more realistic approach to delinquency certainly is needed when dangerous teen-agers such as these are permitted to hide under an umbrella of secrecy. Youths who commit vicious crimes, as well as those who are guilty of repeated offenses, are not mere delinquents. And they should not be accorded all the special considerations which delinquents have come to expect.

We must stop shielding young hoodlums from publicity. We should use publicity positively to fight delinquency. It can be a powerful weapon. Let's bring all the names and facts about teen-ager crime out into the open.

CORRUPTION OF YOUTH

Our country is plagued today by an ugly brand of parasite who commercializes upon the immature judgment and curiosity of young people. In this category I include the filth merchants, dope peddlers and others who make their living by corrupting youth. These furtive characters frequently are found loitering near schools, playgrounds and juvenile hangouts. They also run the mail-order houses which blanket the nation with promotional material such as the following letter:

"Hello!

"My name is Mary . . .

"I'm an art model—pose in the nude you know, and I thought maybe you would like me or my girl friends to pose for you in a very special way . . ."

The post Office Department, which has jurisdiction when obscene material is sent through the mails, has received thousands of complaints from parents in all parts of the country whose children have received these letters. But our youngsters do not have to send away for indecent pictures and literature. There probably is a generous supply on the shelves of a neighboring newsstand.

Dealing in pornography and other forms of filth has become a multimillion-dollar business. In one city, the police recently arrested the operator of a bookstore who had been selling indecent photographs, color slides, pamphlets and books at prices ranging up to $75. Two squad cars were needed to haul away the filth which was found in his apartment.

As a law-enforcement officer, I am required to exercise strict control over my emotions. But frankly there are times when I cannot help feeling my blood boil. This is particularly so in cases where an adult has deliberately set out to corrupt the morals of a child.

The examples, unfortunately, are legion. In one city, the head of the Juvenile Bureau complained that the delinquency problem had been compounded by the fact that homosexuals were plying local teen-agers with liquor and making advances toward them. In another city, two boys, aged 16 and 18, were taught the criminal art of stealing and forging checks by an ex-convict.

And in a third city, a middle-aged mother of five children was found to be the supplier of weapons for a gang of young robbers.

But of all the corrupters of youth, perhaps none is more terrible than the dope peddler. The dope pusher entices children to try narcotics, and in many cases the youngsters become addicted to drugs. It is well known that drug addiction leads directly to crime. The addict craves larger and larger doses, and the price is high. To get expensive narcotics, youths often follow the trail which leads from larceny to burglary and to more serious crimes.

All calculated assaults upon the standards of youth should be met with stern law en-

forcement and punishment. In communities where existing laws are inadequate to thwart the filth merchants, the dope peddlers, and the rest—let's have new laws, laws with teeth in them.

MOBILIZE COMMUNITY RESOURCES

An effective attack against the delinquency problem can be launched in only one place. That is at the community level. Crime and delinquency are essentially local problems.

In the final analysis, immoral conditions persist within a community only because the last person to recognize his responsibility and acknowledge his blame is the individual citizen. He finds fault with the police department, ignores the pleas for assistance of youth-serving agencies, berates the schools and complains, "Why hasn't the Federal Government done something about this?"

How absurd! Despite the pleas for creation of a special Federal agency to spearhead the fight against delinqency and crime, I want to assure you that the Federal Government has no vaccine or cure-all to overcome moral sicknesses which exist in local communities. If the frightening growth of youth offenses is to be stopped, the forces for good within each community must unite.

As a first step, local efforts must be coordinated. Agencies must pool their resources. Petty jealousies and differences must not stand in the way when there is vital work to be done. Church groups, Parent-Teacher Associations, public and private youth-serving agencies, civic organizations and local law-enforcement agencies must all work together—for the benefit of all.

The second step requires a realistic appraisal of local weaknesses which are a detriment to the cause of decency. Inadequate police budgets, lack of playgrounds in crowded residential areas, obsolete juvenile detention facilities, weakness in existing laws, overcrowded schools, and lack of supervised recreational programs are among the many dangerous conditions which prevail in all too many cities across the Nation. These conditions can best be recognized—and corrected—by the local citizens themselves.

The third step is action. Not only must corrective measures be initiated but each one of them must be carried through.

There you have my plan for the basis of a counterattack on existing delinquency.

Now, what about my seventh point: That we must begin today to re-establish a firm moral structure in America to prevent future delinquency.

I feel this step is tremendously important. Any plan to control delinquency must look to the future as well as to the present. Point Seven calls for a reaffirmation of the moral values that can stop delinquency in the future.

We cannot allow this situation to continue. We must make our towns and cities safe, now and forever, from juvenile terror. Once Americans understand this, I am sure they can do it.

* * *

PART III

WHERE DOES DISCIPLINE BEGIN?

Last summer a very interesting newspaper article came to my attention. It concerned an outdoor camp for boys—one established under the sponsorship of a religious organization. This is no ordinary boys' camp. It caters to youths whom many other camps would reject as undesirable.

After school had closed for the summer, a group of about 100 boys departed for this camp from the crowded streets of a large eastern city. Their ages ranged between 14 and 21. No less than 40 of them had court records, and a number of others belonged to juvenile gangs. Heading the group as it boarded buses for a month's stay at the camp was a youth worker who was only a few years removed from childhood himself. Did this young man have any misgivings about the backgrounds and court records of these boys? Not in the least. In the following words he expressed his attitude toward the challenge presented by these boys:

"We have some of the toughest guys in the city. We know what they've done and what they're capable of doing. But we show them what toughness really is—being able to face up to problems and assume a responsible place in the community."

The man who spoke these words, and the camp in which he works, are doing an effective job in combating juvenile delinquency. I would like to contend in this article that his philosophy is our true final answer to this terrifying problem.

We must show youth "what toughness really is." These are profound words. Character, pride, resourcefulness, excellence—these qualities require real toughness. It takes strength and courage to be good, to stand for the principles which we all know are right. If we can help our youths develop this moral toughness, they will become the kind of citizens America needs to survive as a free nation.

I cannot overemphasize the urgency of the delinquency situation. The current wave of youthful crime and vandalism is mounting in both size and intensity.

In community after community across the land, youthful hoodlums are going on the rampage. Juvenile arrests are rising at such a rate that 791,000 arrests of persons under 18 years of age are predicted for 1958—and one million will be recorded each year beginning 1962.

As I said two weeks ago in my first article in this series, juvenile lawlessness must be stopped. The time has come for a counter-attack against juvenile delinquency.

Last week I outlined half of a counter-attack against juvenile delinquency. I presented a six-point plan to control existing delinquency by:

1. Accenting the responsibilities of parents.
2. Improving our juvenile courts and juvenile-aid facilities.
3. Stopping the coddling of young criminals.
4. Stopping the protection of juvenile hoodlums by secrecy.
5. Cracking down on the corrupters of youth.
6. Attacking delinquency at the local level.

Fighting existing delinquency, however, is only half the problem. At the same time, we must also begin today to re-establish a firm moral structure to prevent future delinquency. We must stop sowing the seeds for more frightening delinquency in the years to come.

Today, I will suggest an approach to this most difficult problem. I will try to indicate a cure for the underlying sickness of our age which I call "decadence disease." If a cure can be found, if we can restore to America the firm moral precepts of our forefathers, we can ward off future delinquency.

How can we head off future delinquency? How can we convert the arrogant toughness of our teenagers into a moral, constructive toughness? The best way is by example—adult example. Yet, as examples thousands of American mothers and fathers are proving themselves dismal failures.

THE "DECADENCE DISEASE"

From the examples of these parents, more and more youngsters are learning dangerously harmful lessons: "Rules are made to be broken." "If you are smart enough, you can get away with anything." "After all, you only live once."

Corrupt slogans! Parents by their own words and deeds are beckoning youngsters to abandon the principles which have made this a great country!

"Decadence disease" is infecting our children. And self-indulgence, the insistence upon pleasure before duty, the constant search for "the easy way"—are its symptoms.

When a child is exposed to dubious morality at home, he invariably becomes confused. When glaring inconsistencies exist between what he is told is right and what he sees going on, neither praise nor criticism from his parents can have any real meaning. Mothers and fathers who bask in self-indulgence are grossly ineffective at disciplining their children or inspiring them toward worthwhile goals.

Confronted with the charge, "You kids are making this a lousy world," one member of a tough juvenile gang replied, "Yeah? That's the way we found it!" And if the adult atmosphere surrounding this young man and other members of "bopping" gangs is taken into consideration, it probably will be impossible to disagree with his flippant remark.

Discipline is the opposite of self-indulgence. Show me a home in which the parents practice self-discipline and I'll show you a home where a mother and father hold the love and respect of their children. A youngster asks only to be taught the boundaries of acceptable behavior. Discipline, fairly and consistently invoked, breeds pride and respect. And children want—desperately—to be disciplined.

THEY NEED GUIDEPOSTS

Superficially, they may rebel. But on a deeper level, where character is formed, a child wants to be told what he can and cannot do. He needs guideposts to help him orient himself to the world. He looks to his parents for these guideposts. If parents are lazy or indifferent or over-indulgent, is it any wonder that a child loses love and respect for them? How can a child continue to look up to a parent who continually compromises and yields to him?

No American, regardless of his age, outgrows the need for discipline and self-discipline. In a democracy, restraint and self-control are essential in all phases of life. This fact should be evident to all normal adults, and it should serve as a guide to them in rearing their children.

Frankly, I become irritated when I hear doting mothers and fathers say, "I love Junior so much that I just can't bring myself to punish him." In reality, these parents do not love their children. It is a strange kind of love indeed which turns a normal infant into a maladjusted child!

And let there be no mistake, an undisciplined child cannot help being maladjusted. Frustration, tension and resentment confront him on all sides.

On the west coast last February, three young boys were caught in the act of letting air out of automobile tires. The father of one of the boys, an 11-year-old, was summoned to police headquarters. Told that the youths had deflated scores of tires, the father unhesitatingly said, "Son, pump them up again." After supervising as the boys inflated 16 tires with hand pumps, he yielded a bit and rented a power air pump for them to use. But he saw to it that the job was completed.

What a refreshing and praiseworthy attitude! Contrast this with the attitude of other parents whom law-enforcement agencies encounter day after day:

"Oh, no! Not my Harry! You officers are always picking on him. Why don't you let him alone?"

A FIRM HAND

Pampering, overprotection, making excuses and cooing soft words when a firm hand across the seat of the trousers would be more appropriate are practices which create contempt for authority and obstruct decency

among youth. These practices are harmful enough when they exist merely in the home. But today we even find them spreading to some of our courts.

In California last year a 17-year-old hoodlum was arrested following an attempted burglary. This young criminal cursed at the arresting officers and boasted that regardless of the kind of report they made, the courts would release him in a couple of days. What made him so certain of this? "I've been arrested and released before!" he sneered in defiance.

Near the Nation's Capitol, a 15-year-old was attacked from behind and viciously beaten by an older boy who was wielding a milk jug. The victim's skull was fractured, his nose broken, and he required a number of stitches. The attack was unprovoked. Yet, when the assailant appeared in court, the judge dismissed the assault charge.

In another case local policemen were assaulted by two 17-year-olds who called them obscene names and shouted at a crowd of people to "help kill" the officers. During the fracas, a gun was taken from one of the teenagers. Both of these youths had police records. Yet, for openly defying the law, each of them was sentenced to serve only 60 days in jail and a term of probation.

Let there be no mistake. I do not advocate handling all violators under the same rules which are applied to hardened criminals. I do feel, however, that the seriousness of violating the law must be impressed upon juvenile delinquents and other young offenders. They must learn that, in spite of the leniencies they may receive in the interest of rehabilitation, and in spite of their youth, society still holds them responsible for their acts. And that repeated violations will not be tolerated—no matter how young the offender may be.

APPROPRIATE PUNISHMENTS

In dealing with juveniles, it is essential that the punishment fit both the offense and the offender.

Earlier this year, six boys in Virginia were convicted of savagely beating and mistreating a mule. They used planks and pummeled the poor animal so cruelly that it was feared it would lose an eye. The judge who heard the case ordered that the boys be given what many may regard as an appropriate punishment, "a good sound old-fashioned whipping" by their parents. In addition, each of the six was released to the custody of his parents on strict injunction of good behavior until he attains the age of 18.

In another case, a 17-year-old boy who had committed extensive acts of vandalism in a high school was placed on probation under the provision that he find a part-time job after school and make restitution at the rate of $20 per month for the damage he had done.

If, as a result of their sentences, the six Virginia youths learn to respect the feelings of animals and the teen-age vandal learns to value the property of others, the courts will have helped them to become better citizens. What more can we ask of our juvenile courts than a record of positive accomplishments such as this?

But we must understand that a child will never reach a juvenile court if his parents believe and practice discipline. No child will hate his parents if firm but fair discipline is consistently applied. On the contrary, the youngster will feel his father and mother care enough about him to want to teach him the differences between right and wrong. Indifference and over-indulgence breed contempt. Discipline breeds love.

THE DEADLY SLOGANS

Our teen-agers must be taught discipline outside the home, too. Many visitors to our shores simply cannot understand, for example, how an American youth could ever strike a teacher or, for that matter, refuse to obey a teacher's command. The homelands of these people have a deep-bred respect for teachers and other public officials.

The teens are difficult years. They are a stage of life when virtually every child begins to feel new pressures. "Conform." "Give in." "Join the crowd." "Don't be a square." These are more than expressions. They are real and awesome forces in the teen-age world.

The stereotype of our modern-day troubled teen-ager is an unruly, outspoken, rock-and-roll addict who cruises the streets in a "souped-up" jalopy, shouting insults out the window. In appearance he aspires to looking "shaggy" and to leaving behind the impression that he has not been near a barber shop in weeks.

The teen-agers who fit into this general pattern are fickle, aimless and confused. Whether drag-racing down a major highway or thumping a pencil in dejected boredom over their schoolwork, these boys and girls feel a basic insecurity. A void exists in their lives, and they are constantly experimenting—shifting from one fad and one "craze" to another—trying often pathetically to fill the gap.

The bravado and self-confident air of these youngsters veil only thinly a basic fear and uncertainty, an emptiness which gnaws deep in their souls. These children long for something which cannot be found without the help of adult society: discipline and direction.

We are plagued by a growing juvenile problem only because adult America has failed its youth. Rather than standing aloof and asking "What is the younger generation coming to?" we adults must establish a closer relationship with our youngsters. They need standards, goals, wholesome examples. They need vision and imagination such as burned so intensely in the hearts of our forefathers. They need adults who will help give direction to their lives.

In my book, "Masters of Deceit," I wrote: ". . . youth gravitates toward companionship with competent, generous, and experienced adults. . . If the adults can show, in action, that it is possible to combine high idealism with solid practicality and patience, the results will enhance character and citizenship development manyfold."

OUR ADULT DELINQUENCY

Herein lies the solution to the problem. We adults must set the example for young America. Let us invade the juvenile world with ideals. Let us bring meaning and purpose into the lives of our children. Let us leave no room in their minds for ugly thoughts or vicious deeds. And they will have no need to turn to either criminality or to communism to fill a void.

If we adults succeed, if we can change destructive toughness to firm moral toughness, we will have succeeded in preventing delinquency in the future. And we will have bequeathed to our children—and to our Nation—the greatest gift of all. We will have given them the toughness, moral fiber, strength and courage to keep our Nation strong and free.

Mr. KEATING. There is a great deal of thoughtful comment in these articles, and in my view they should be must reading for every citizen who is concerned about or with young people today. These articles strike me as the most effective presentation of the need for a "hard" as opposed to a "soft" attitude in dealing with hard-core juvenile criminals.

I hope every member of the Senate will take the time to read—or re-read—Mr. Hoover's articles. They have a particular importance to us because we can do our part in helping the battle against juvenile crime by enacting sound legislation to curb the dissemination of pornography in this country, and by providing proper and sound assistance of the Federal Government to state and local efforts to wipe out juvenile delinquency.

Mr. President, from time to time in my remarks I have mentioned the so-called "soft approach" to the problem of juvenile offenders. I am particularly concerned about this attitude because of a reprint of a paper which I have on the desk beside me. It is a paper presented by William C. Kvaraceus, a professor of education at Boston University. who is now working on a three-year project on prediction of juvenile delinquency for the U.S. Office of Education. Dr. Kvaraceus has also been active in various National Education Association projects on this subject.

This particular paper was presented on July 29 of this year as part of the Martin G. Brumbaugh lecture series at the University of Pennsylvania. It is a scholarly and careful exposition of the author's views with regard to the subject of "The Delinquent in School and Court."

What troubles me is the overall "soft" attitude this paper presents. And particularly in the light of the fact that the author is presently on the payroll of the Federal Government. I especially resent his somewhat snide references to the views of J. Edgar Hoover and other dedicated men who happen to adhere, as I do, to the "hard" school in dealing with teenage problems.

I do not condemn Dr. Kvaraceus' keen interest in the potential of common schools and juvenile courts to mete out special justice for youthful offenders. I think we should explore thoroughly all possibilities for progress through those institutions. What I do disagree with is the general softness which appears to pervade his philosophy—a softness which can have no place when we are dealing with hardened criminals, no matter what their age.

I agree, of course, with his admonition that "Courts and schools must continue to regard the young violator as a special individual needing help and understanding." All of us, including J. Edgar Hoover, who represents so eloquently the so-called "get tough" school, would go along with that philosophy.

But Dr. Kvaraceus does not stop there. He goes on to berate "a number of prominent jurists and other officials"—and here, he means men of the stature of J. Edgar Hoover and Judge Samuel S. Liebowitz—who are "calling loudly for stronger and harsher methods for dealing with young law violators." Mr. President, I suppose he is right. Mr. Hoover and others are working to make sure that hardcore juvenile offenders who repeat their crimes again and again are shown that our police and our courts mean business. I agree 100 percent with that view, as Mr. Hoover has so ably outlined it in his This Week magazine articles I referred to earlier in my remarks. I hope that view will prevail when New York City officials are dealing with the perpetrators of the recent teenage outrages in Manhattan.

Dr. Kvaraceus goes on to attack those in the hard school who would open up juvenile court proceedings and records to the press. Again I am in disagreement with him.

I believe sincerely in the public's right to know about crime and criminals, be they young or old. Of course, some discretion must be used in protecting youthful minor offenders. But when we are dealing with repeated offenders who have over and over again thumbed their noses at law enforcement, then their deeds and their record should be a matter for public attention and public scrutiny.

As Mr. Hoover has pointed out, the lack of publicity about the criminal records of some teenage hoodlums has resulted in horrible deeds when the delinquents have moved to a new community where they are allowed to run free. I say that if the youth is a hard-core criminal, who has shown clearly his lawless tendencies and his lack of respect for society, then our newspapers and other media of communication should be given access to his record and should be allowed to convey that record to the public at large.

I do not regard this philosophy as in any way demonstrating an attitude of hostility or of undue harshness. It is simply an attitude which faces up to reality.

If properly handled, publicity for hard-core offenders need not in any way interfere with the excellent work done by many groups, individuals, and organizations to rehabilitate young people gone wrong.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. KEATING. Mr. President, may I have 5 additional minutes?

Mr. JOHNSON of Texas. Mr. President, I yield 5 additional minutes to the Senator from New York.

Mr. KEATING. Mr. President, in this connection, I might point out that none of us who belong to the "hard" school in dealing with teenage criminals believes that punishment is necessarily the basic means for dealing with each and every delinquent. All we are saying—and Mr. Hoover has said this until he is blue in the face—is that when the young person has committed really serious crimes, or has repeatedly broken the law, then he forfeits his right to sympathetic consideration and must be dealt with severely.

Mr. Hoover puts it this way:

> I heartily endorse reasonable consideration for children involved in minor delinquencies and first offenses. I do not, however, believe that the umbrella of special privilege should be held impartially over all juveniles, including those who commit heinous crimes or those guilty of repeated offenses. Leniency is misdirected when it is applied repeatedly to those whose every act expresses disdain for law.

That is sound doctrine, Mr. President, and it is my hope it will find even more adherents in the days ahead as we come to grips with the problems of juvenile delinquency. We should, at the same time, explore with diligence and understanding the motivations of young people gone wrong, delve into the sociological and psychological reasons for their actions, and approach their behavior with sympathy and understanding. From this we will be building foundations for long-range answers to the problems of our troubled young people. Certainly, we must pound home hard the message that in the church and in the home are the ingredients for preventing juvenile delinquency and building useful citizens.

But in the meantime we cannot sit back and let these hardened teenage criminals run loose. We cannot, while we grope for long-range solutions, ignore the peril to society posed by hardcore criminals without conscience or respect for law and order.

It is my hope that a realistic blending of the hard and soft schools of thought on this subject will characterize any actions of Congress in such fields as combating smut in the mails, and providing help for localities and States to fight juvenile delinquency. I would also hope that for the present, the authorities in New York City will crack down hard on the leaders of the current reign of terror, and will show others who would go into crime that it does not pay.

In the end, of course, crime and delinquency are essentially local problems to be solved at the local level. They will be solved by tough-minded realists who recognize the importance of sympathy and understanding while practicing harsh methods on young people when they are called for.

What must be done is to unite the forces for good within each community in the land. Church and synagogue, school and club, court and law enforcement agencies, Government, and private organizations—all must join hands in mounting this great counterattack which is so vital to the future of our country.

I am confident the people of New York City are on the right track in this regard. I am confident that there, as in other cities of our land, their dedicated and realistic efforts will be successful so that in the end we will substitute juvenile decency for juvenile delinquency as the important characterization of our young people.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. ELLENDER. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The first committee amendment has been stated. There is a limitation of 30 minutes to an amendment, 15 minutes on each side.

Mr. ELLENDER. How much time remains on the bill itself?

The PRESIDING OFFICER. The proponents have 18 minutes remaining, and the opponents have 60 minutes on the bill itself.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the time allotted to the Senator from New York [Mr. KEATING], who just spoke, not be deducted from the time on the bill.

Mr. JOHNSON of Texas. How was the 2 hours used?

Mr. ELLENDER. I do not know who yielded the time away.

The PRESIDING OFFICER. The Chair is advised that the proponents used 22 minutes on the bill last night.

Mr. JOHNSON of Texas. Would not that leave 38 minutes?

The PRESIDING OFFICER. The junior Senator from New York has just consumed an additional 20 minutes.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. I thought it was understood last night that the discussion of the bill last night was not to be applied to the time under the unanimous-consent agreement, but that the time under the agreement was to start running today. I think, if it is correctly recorded, that agreement will be found in the RECORD.

The PRESIDING OFFICER. The Chair advises the Senator from Oregon that under the unanimous-consent agreement time was not used last night but was used previous to the debate on the veto message today.

Mr. HUMPHREY. Mr. President, as I recall, the only time which has been used on the bill is the time used by the chairman of the committee, the distinguished Senator from Louisiana [Mr. ELLENDER], and the time used by the senior Senator from Minnesota. I recall using 15 minutes myself. I believe a comparable amount of time was used by the chairman.

Mr. ELLENDER. I used about 11 minutes, as I recall.

The PRESIDING OFFICER. That is correct; and the junior Senator from New York has just used 20 minutes.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the time used by the junior Senator from New York be restored to the proponents of the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, at the desk is a namendment known as a committee amendment, designated "8–25–59—B." In order to simplify matters, I call the attention of the Senate to the fact that there are two typographical errors in the committee amendments as they have been printed and lie on the desk.

On page 2, between lines 7 and 8, the following should be inserted:

> At the end of the bill, add the following:

On page 5, line 10, the paragraph designation "(1)" should be "(11)."

I ask unanimous consent that these modifications be made, since they are of a technical nature.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, will the Senator from Minnesota please repeat his statement about the amendments, by page and line?

Mr. HUMPHREY. On page 2, between lines 7 and 8, it is proposed to insert:

At the end of the bill, add the following:

On page 5, line 10, change the paragraph designation from "(1)" to "(11)."

The PRESIDING OFFICER. Will the Senator from Minnesota please send his modifications to the desk?

Mr. HUMPHREY. Yes. I understand the amendments are agreed to.

The PRESIDING OFFICER. The amendments to the committee are agreed to.

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. The Senator from Minnesota modified his amendment.

Mr. HUMPHREY. That is correct.

Mr. President, I ask unanimous consent that the committee amendments to S. 1748 be agreed to en bloc and that the bill as amended be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Is there objection?

Mr. ELLENDER. I object.

Mr. HUMPHREY. Mr. President, I call up the amendment designated "8–25–59—B."

The PRESIDING OFFICER. The committee amendment is pending.

Mr. HUMPHREY. I first asked that the committee amendments be considered en bloc. There was no objection. I now call up the committee amendment designated "8–25–59—B," not the first amendment. It is all one amendment.

The PRESIDING OFFICER. There are two amendments. If there is objection, they cannot be so considered as one.

Mr. HUMPHREY. That may be true. I have not heard objection.

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. ELLENDER. I objected to the consideration of the amendments en bloc. I presume the procedure to be followed now is to have each amendment considered separately.

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. The senior Senator from Minnesota considers the amendment designated "8–25–59—B" to be the amendment he offers, since he wrote it and presented it.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. I attended the committee meeting, and my recollection was that we voted separately on certain amendments which the committee approved. I have no objection whatever to their being reported as committee amendments, but the first of them is included on line 1 of the amendment which the distinguished Senator is now mentioning; that is, to change the time covered from 1 year to 3 years. That amendment was voted on separately, as a separate amendment to be presented. We have the right to ask for a division now, but I should think the distinguished Senator from Minnesota would want to present it as a separate amendment, because it was so presented to the committee, so acted upon by the committee, and so approved by a majority of the committee, although over the disapproval of a minority of the committee.

Mr. HUMPHREY. I respectfully disagree. The senior Senator from Minnesota asked if these amendments might be presented individually, not only as committee amendments. There was agreement to that. That is why they are presented this way. I can count. I can read. I know how to present amendments, after having been in the Senate for all these years. If I had wanted to present them as separate amendments, that would have been done. If someone else wants to do it, that is his privilege. But I am proceeding according to my own desire as to how the amendments ought to be presented.

The PRESIDING OFFICER. Objection has been made to considering the amendments en bloc. The amendments presented by the Senator from Minnesota relate to two different sections of the bill.

Mr. HUMPHREY. I did not ask that the amendments be considered en bloc; I asked that the amendments be considered en bloc so the bill might be considered as original text. That is an entirely different request from asking that the committee amendments be considered en bloc. Let us presume that these are not committee amendments, but are presented by a Senator as one amendment and in one document.

The PRESIDING OFFICER. The amendment as presented affects two different portions of the bill, and if objection is made, the amendments must be separated and considered separately.

Mr. HUMPHREY. I will respect the decision of the Chair. I might add that there was a bit of advice that came even before I had gotten around to asking for the amendments to be considered en bloc. Therefore, I now offer the language as an amendment and yield back, first, the time on the committee amendments en bloc.

The PRESIDING OFFICER. (Mr. CANNON in the chair). At this time a committee amendment is pending.

Mr. HUMPHREY. Mr. President, no committee amendment is pending. The pending amendment is a Humphrey amendment.

The PRESIDING OFFICER. The amendments are printed as committee amendments.

Mr. HUMPHREY. Mr. President, I have had a little difficulty getting that kind of an identification of these amendments.

The PRESIDING OFFICER. How does the Senator from Minnesota wish to submit his amendment?

Mr. HUMPHREY. Mr. President, I submit the following amendment: On page 1, line 7, strike out "1960" and insert "1962."

The PRESIDING OFFICER. The amendment of the Senator of Minnesota will be stated.

The LEGISLATIVE CLERK. On page 1, in line 7, it is proposed to strike out "1960" and to insert "1962."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, all this amendment does is accommodate the bill to the recommendations which have been made by all the persons, with the exception of the Secretary of Agriculture, who have studied Public Law 480. All the experts he has hired and all public and private groups who have studied Public Law 480 recommend that it be extended for more than 1 year.

This amendment provides for a 3-year extension for title I and title II of Public Law 480. It seems to me this amendment will result in good, sound programing. I doubt that any one would predict that the surpluses would be abolished between now and 1962; I have not heard any evidence to that effect. If there is any evidence of that sort, I am sure the country would welcome having it presented and made public.

My proposal was concurred in by the Committee on Agriculture and Forestry, and an extension for 5 years was concurred in by the Foreign Relations Committee.

Therefore, Mr. President, I urge that my amendment be adopted. It provides for a 3-year extension, instead of a 1-year extension.

Mr. ELLENDER. Mr. President, as has been correctly stated by the senior Senator from Minnesota, a bare majority of the Committee on Agriculture and Forestry agreed to this amendment. I opposed it, as did quite a few other members of the committee.

As the Senator from Minnesota has stated, the Department of Agriculture is opposed to a 3-year extension of this program.

From its inception, this program has always been considered a temporary one.

A 3-year extension, as proposed by the Senator from Minnesota—thus making this a 3-year program—would be in line with what the State Department desires. In effect, then, this agricultural program would evolve into a very definite arm of our foreign aid, giveaway program.

If the pending amendment, along with other amendments which I presume will be submitted later tonight by the distinguished senior Senator from Minnesota, is adopted, it would simply mean that this program would become a permanent institution.

Mr. President, the Department of Agriculture takes the position that since this program from its inception has been a temporary one, it should be continued as such. In addition, the Department has said that it has the capacity to spend only $1,500 million over a period of 12 months for the title I loans.

In this connection, many persons think these agricultural surpluses can be sent to any corner of the world without any difficulty. But this is not so. Many problems would plague efforts to ship vast amounts of the surpluses to foreign countries. For instance, storage is in short supply abroad, and accordingly, only a certain number of bushels of wheat and a certain number of bales of cotton can be sent abroad.

As I said before, the Department of Agriculture takes the position that the 1-year extension, with an authorization

of $1.5 billion for title I loans will be sufficient; and that to extend the program for 3 years would simply transform it to part and parcel of our foreign aid giveaway program.

Mr. President, because of the limitation of debate I ask unanimous consent to have included at this point in my remarks a statement which I prepared dealing with the pending amendment of the senior Senator from Minnesota.

There being no objection, the statement was ordered printed in the RECORD, as follows:

This provision would extend title I of Public Law 480 for 3 years, in lieu of the 1-year extension provided by S. 1748 as originally reported.

The Department of Agriculture opposes a 3-year extension of title I. They say that a 1-year extension is adequate to continue the programing of surplus agricultural commodities to friendly countries, that no greater rate of disposition would result from a 3-year extension, and that such an extension is not required for efficient operation of the program.

In 1954 we were faced with a surplus of agricultural commodities. Commodity Credit Corporation then had about $6 billion worth of agricultural commodities in inventory or under loan. Many bills were introduced in the Senate and the House dealing with means of disposing of this surplus. At the same time we had a large foreign-aid program. Many people thought that we might use our oversupply of agricultural commodities, instead of dollars, to pay part of our foreign-aid program costs, to pay for strategic and critical materials we needed, and for other useful ends.

Today, 5 years later, we have spent about $6 billion on the title I program, not counting costs of administration. Commodity Credit Corporation stocks in inventory or under loan have risen to about $9 billion. Perhaps we would have over $15 billion worth of commodities in inventory if we had not spent this $6 billion. I do not know.

Title I was begun as a temporary program and has always been so considered. It was hoped that after a few years our surplus stocks would be reduced. That has not occurred and there may be many good reasons why it has not. No better proposal for disposing of our surplus stocks has been developed and title I should be extended. That does not mean, however, that we should give up hope of developing a program that will actually reduce our surplus stocks to a reasonable level. We should not accept title I as a permanent program, nor even accept it as the best that can be devised within the next 3 years. A 1-year extension is adequate to carry on the program efficiently. A 3-year extension would only serve to remove some of the pressure to devise a really effective answer to this very real problem.

Title I is a very popular program even if it has not succeeded in reducing the surplus. It was intended to use surplus commodities, instead of dollars, for foreign aid or other purposes, and some of us hoped that dollars appropriated for those purposes might be used to reimburse Commodity Credit Corporation for the foreign currencies received for the agricultural commodities. The latter has not occurred to any great extent. In most cases the foreign currencies have been used in addition to appropriated dollars. In the negotiation of agreements, the administration tells us that about 50 percent of the foreign currencies are expected to be earmarked for loan or grant to the purchasing country. This is necessary to make the sale, and if the sale were merely to result in the substitution of title I currencies for appropriated aid dollars, the purchasing country would have little incentive to make the purchase.

About 25 percent of the sale proceeds are expected to be earmarked for loans to private firms for use in the purchasing country, and the remaining 25 percent is available for payment of U.S. obligations and a variety of other uses such as schools, libraries, educational exchange and just about every worthy cause that anyone can think of. Title I foreign currencies have been used for increasing beef production in Argentina, loans to agricultural producers in Ecuador, farm-to-market roads in Colombia, irrigation, well-drilling, and agricultural development in Israel, and irrigation and reclamation in Spain. They have been used for electric power, railways, highways, water supplies, processing plants, warehouses, and dams. They have been used for exchange of persons, book translation, schools, libraries, and community centers in foreign lands, binational cultural centers, and innumerable other activities in foreign lands. These may be all very worthy purposes. But they may not be purposes for which we would be willing to appropriate dollars. This is recognized by many of the claimants for these foreign currencies. They would not expect Congress to appropriate dollars for these purposes. But the foreign currencies generated under title I are there waiting to be put to some useful purpose and Congress might just as well add another authorized use for them so that they do not go to waste. There are now so many claimants competing for these funds that the Department of State advises that any further increase in use categories would slow down the working out of agreements and negotiating instructions by the Interagency Staff Committee.

Some may contend that if we have not succeeded in reducing the surplus by means of title I, it is because we have not had a big enough program, and that if every claimant does not get a big enough slice of pie, we ought to increase the size of the pie. There is, of course, a danger in this theory that Congress recognized when it enacted title I. Section 101(a) of the act directs the President to take reasonable precautions to safeguard usual marketings of the United States. This means that foreign currency sales under title I should not displace dollar sales. If they should displace dollar sales, we should be merely converting dollars into foreign currencies to pay for projects for which we might well be unwilling to appropriate dollars. The danger of displacing dollar sales is very considerable, and the larger the program under title I, the greater is that danger.

Title I is the best instrument we have at this time for disposing of our agricultural surplus usefully, but it is not perfect. Let us not accept it as the best we can do, but let us extend it for 1 year and strive for something better.

Mr. ELLENDER. Mr. President, at this time I yield 5 minutes to the distinguished senior Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. Mr. President, I strongly support the position of the distinguished chairman of the committee [Mr. ELLENDER].

When the amendment now submitted by the Senator from Minnesota [Mr. HUMPHREY] was offered in the committee, there was considerable discussion of it. It was adopted by a majority of the committee. This took place some weeks after the bill for a simple 1-year extension had been reported to the Senate and placed on the calendar.

As I recall, the vote in the committee was approximately 9 to 6.

Mr. HUMPHREY. I believe it was 10 to 7.

Mr. HOLLAND. Mr. President, the Senator from Minnesota informs me that the vote was 10 to 7. If that is his distinct recollection, I am sure that was the vote.

Mr. President, it was my very strong feeling that in this instance the Secretary of Agriculture was correct, and that it would not be sound legislation to project this program 3 years into the future, on the assumption that we shall have these heavy surpluses for that length of time.

Only yesterday, or perhaps it was this morning, I saw in the newspapers an article based on an announcement from the Secretary of Agriculture that, for the first time in several years, there is no surplus of butter to be disposed of; and butter was taken off the list.

Mr. President, until we become able to prognosticate what the weather will be in the future and what all other factors in regard to agricultural production will be, it seems to me that to project this program 3 years into the future, without having any knowledge of what our situation then will be or what the world situation then will be, would be extremely unwise.

I call attention to the fact that under the existing law, under which we have made extensions from year to year, it has not been required or expected that any agreement made with another nation, under Public Law 480, would be carried out or executed solely in that year. On the contrary, it would simply be a commitment against the total authorization, which, as presently provided in the committee bill, is for $1,500 million, to be used in this year, which already is partly behind us. The $1,500 million would be committed, but with full knowledge of the fact that the commitments can be met over whatever period of time may be required in order to meet them.

In other words, some of the agreements heretofore made have continued for 2 years; and my recollection is that some of them have continued even into the third year.

However, by means of the pending amendment we are asked to declare, in advance, that we shall have huge surpluses for 3 years, that they will hang over our markets for 3 years, and that not only will we authorize the appropriation of $1,500 million to the Department for the disposal of the surpluses in the fiscal year 1960, but that we will provide the same amount of authorization for each of the fiscal years 1961 and 1962—or a total additional authorization in the amount of $4,500 million, to be available during a period of perhaps 5 years, or perhaps even for as long as 6 years.

Mr. President, when we are operating in a field as uncertain as that of agriculture, and when we know that we cannot determine what sort of weather we shall have or what type of production we shall have, and when we know that an effort

such as the one now proposed amounts to a kind of declaration of defeatism—namely, a declaration that we will continue to produce vastly more than we ourselves can use or we ourselves can export to advantage, for 3 years in the future—in my opinion, that is a kind of admission before the fact that we do not propose to deal in any sort of satisfactory way with this surplus disposal problem.

Mr. President, we may have to make that admission from year to year; but I believe that highly improbable, because, in the first place, it seems to me that the farm organizations are alert to the difficulties; and, in the second place, the public is alert to the fact that this program is costing us tremendous amounts of money; and, in the third place, it seems to me that the agricultural producers will, in their own interest, force the bringing about of some reduction of production. If they do not do so, then they do not possess the intelligence which I believe they do possess. If they do not do it, I think that public sentiment will require it. I think the Congress will require it. I am impressed by the declaration of the American Farm Bureau Federation——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 2 more minutes to the Senator from Florida.

Mr. HOLLAND. I am impressed by the declaration of the American Farm Bureau Federation as contained in a letter of September 4, addressed to me, which I hold in my hand, stating that—

> The Farm Bureau is greatly disturbed over the possibilities that Public Law 480 will be so amended as to make it ineffective as an agricultural export and trade development program. In line with the current situation we suggest a simple extension of Public Law 480—

That is a 1-year extension, as originally reported from the committee—

> without any amendment whatsoever would best preserve the original concepts of this program.

Mr. President, unless we want to launch ourselves in advance of the need and make an admission that we do not propose to bring the farm program into any kind of reasonable production, and, second, that we, in advance, announce to the world that we expect to put them on our largesse for 3 additional years of commitments, which means some 5 or 6 additional years of grants, we should defeat this amendment, because, to my mind, it is a declaration of defeatism, indicating that we do not propose to deal with this critical situation, which the Farm Bureau is concerned about, which the Grange is concerned about, and which the National Council of Farm Cooperatives is deeply concerned about.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 1 more minute to the Senator from Florida.

Mr. HOLLAND. I hope the amendment will be defeated.

I am not challenging at all the intent or the motives of the distinguished Senator from Minnesota, but I do think it would be about as fatal a mistake in our protection of agriculture as we could make to commit ourselves in advance to the proposition that we are going to overproduce our commodities for the domestic and world markets and to commit ourselves for 3 additional years of commitments, as well as 5 or 6 years of grants.

If we are to make such a pronouncement as that at this time, I think it is a confession of futility on the part of the Congress, which I do not propose to have any part in making. I hope the amendment will be defeated.

Mr. HUMPHREY. Mr. President, how much time do I have remaining on this amendment?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. HUMPHREY. I yield 5 minutes to the distinguished Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. President, it is with great reluctance that I rise to oppose the proposal of the distinguished chairman of the committee and the able Senator from Florida.

We are going to have farm surpluses with us for many years to come. In fact, we are moving in the direction of greater surpluses. This year we reremoved production controls from corn, and this year, for the first time, corn production will exceed 4 billion bushels.

Price supports or no price supports, we are going to have great surpluses. I know of no better way to make friends in the world than to give hungry people a part of our agricultural surpluses. Mr. President, you can look around the world today, and you will find that the nations that are most friendly to us are those to whom we have given food, not dollars.

For years we have been looking for a way to get our surpluses to these hungry foreign people. Public Law 480 is the best program we have found to date to accomplish this. The program is working very well.

I found on my trips abroad that in countries like India, for example, they are not interested in a 1-year program. They think it does little good to feed their people 1 year, and have nothing the next year. They want a plan for more than 1 year. One year with Public Law 480 does not permit the kind of program we need to get best results in countries in the world.

I know the program is costing a considerable amount of money. To a considerable extent it is taking the place of foreign aid. Unfortunately, it is being charged to the farmers as a part of the price-support program. Most people feel that the farmers are getting checks representing the cost of that program.

Regardless of the name which may be applied to the program, it is the best program we have had to help people throughout the world and to make friends. It is for that reason that I support an extension of 3 years, rather than 1 year.

Mr. HUMPHREY. Mr. President, I yield 1 minute to the Senator from New Mexico [Mr. ANDERSON], for whatever purpose he wishes to use it for.

AMENDMENT OF MINERAL LEASING ACT OF FEBRUARY 25, 1920

Mr. ANDERSON. Mr. President, I ask the Chair to lay before the Senate the amendments of the House of Representatives to Senate bill 2181.

The PRESIDING OFFICER. Laid before the Senate the amendments of the House of Representatives to the bill (S. 2181) to amend the Mineral Leasing Act of February 25, 1920, which were, on page 2, line 2, after "title," insert "including the original lessee of the United States"; on page 2, line 4, strike out "Effective on the date of enactment of this Act, any" and insert "Any"; on page 2, line 6, strike out all after "Act," down through and including "after," in line 8; on page 2, line 13, strike out all after "Act," down through and including "provisions," in line 14; on page 2, line 20, strike out "provisions or not guilty of such fraud," and insert "provisions," and on page 3, after line 3, insert:

> SEC. 2. The right granted by the second sentence of the amendment contained within section 1 of this Act shall apply with respect to any proceeding initiated either prior to or after the date of enactment of this Act.

Mr. ANDERSON. Mr. President, I move that the Senate disagree to the House amendments to S. 2181, request a conference with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ANDERSON, Mr. MOSS, and Mr. ALLOTT conferees on the part of the Senate.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. HUMPHREY. Mr. President, I yield 3 minutes to the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, I think we should extend Public Law 480 for 3 years, because I for one do not want to have to go through this again next year. But, more than that, when the program is extended for only 1 year, or when the Department of Agriculture has to negotiate agreements with foreign countries before a deadline, it gets over a barrel and does not get as favorable terms from those countries as it would otherwise.

So if this law is extended for 3 years, the Department has more flexible bargaining authority than it has if the program is cut off at the end of 1 year, because as the deadline draws near the Department is anxious to move the surpluses, and there is a tendency to make a deal on much less advantageous terms for the United States.

So I hope the extension for 3 years will be adopted.

Mr. HUMPHREY. Mr. President, I do not know whether the chairman wishes to speak.

Mr. HOLLAND. Mr. President, I would like to have 1 additional minute.

Mr. ELLENDER. I yield 1 minute to the Senator from Florida.

Mr. HOLLAND. I desire to read from the letter of the Department of Agriculture, signed by Clarence L. Miller, Assistant Secretary, to the chairman of the committee, the Honorable ALLEN J. ELLENDER, dated August 28, which reads as follows:

The Department has recommended an extension of 1 year for title I foreign currency sales and an increase in authorization of $1.5 billion. We do not recommend a 3-year extension and increase of $4.5 billion. We believe a 1-year extension and $1.5 billion authorization is adequate to continue the programing of surplus agricultural commodities to friendly countries. While there is obvious need to maximize the disposal of several major commodities, we believe there is little to be gained in a longer extension of title I and it is not required for efficient operation of the program. No greater rate of disposition would result from a 3-year extension. A 1-year extension would have a terminal date of December 31, 1960. If additional authorization is needed as a result of increased disposals within the concepts of the food-for-peace program we will request an additional authorization prior to the end of this fiscal year.

Mr. President, it seems rather clear that not only the Department of Agriculture and the Farm Bureau Federation, but also logic itself argues against a 3-year extension, when we do not even know we will have a surplus to dispose of during all that time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I wish to add one or two extra bits of evidence to support the case for the 3-year extension.

First, the report of the former Assistant Secretary of Agriculture, Mr. John H. Davis, one of the most eminent of our public servants, who was on special assignment for our Government, recommended not an extension of 3 years, but an extension of 5 years.

Secondly, a special report was made by a group of businessmen for the International Cooperation Administration, and that report recommended a continuation beyond 1 year.

Mr. Clarence Francis, of the Inter-Agency Committee for Surplus Disposal, and his committee made a recommendation for an extension beyond 1 year.

Finally, Mr. President, the distinguished minority leader [Mr. DIRKSEN] in debate in the Senate has made comments in this regard, and I wish to quote from page 74 of the transcript of the hearings of July 7, 8, and 10, Senate Committee on Foreign Relations:

May I ask the Senator if this is the administration program?

That is the question asked by the Senator from Montana [Mr. HUMPHREY] relating to the agricultural proposal of the Senator from Illinois [Mr. DIRKSEN], at the time the wheat bill was under consideration.

I continue the quotation:

Mr. DIRKSEN. Yes.

Mr. HUMPHREY. When did the administration change its mind? Because the last notice we had was a 1-year extension. I asked the question only as a matter of interest because I am pleased with the proposed 3-year extension.

Mr. DIRKSEN. I do not know when or if the administration changed its mind. All I know is what I have before me.

Mr. HUMPHREY. The Senator is reading from a paper. The committee had recommendations from the Secretary for a 1-year extension. I wondered if the Secretary had changed his mind. If so, I wanted to stand up and congratulate him and wish him well. We hope to be able to extend the authority for 3 years.

Mr. DIRKSEN. The Secretary has never indicated to me anything other than a 3-year extension.

Mr. HUMPHREY. In his testimony his recommendation was a 1-year extension.

Mr. DIRKSEN. I was not there.

Mr. President, regardless of the testimony, the fact is that the Senator from Vermont has put his finger on the real evidence and the really persuasive argument. This provision will make possible sound planning. It provides for what every agricultural economist in the country has urged, some longer term type of operation, so that the planning can be satisfactory not only for our country, but also for the recipient country.

I add, Mr. President, that only two witnesses favored the 1-year extension. Those were the Department of Agriculture and the American Farm Bureau. There were some 60 witnesses, and a total of 2 were in favor of 1 year.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SCHOEPPEL. I will say to the distinguished Senator from Minnesota, he well knows there are a number of amendments he either is presenting or will present with which the Senator from Kansas disagrees, but with regard to this amendment I share with the Senator from Minnesota, as well as with other distinguished members of the Committee on Agriculture and Forestry who have spoken, a desire to extend the provisions of the law.

When I was in South America I found the experienced men handling these programs indicated that a 1-year program was not long enough.

I share with the Senator from Minnesota the feeling that since we have these topheavy surpluses—and certainly that is true in the small grains—if the program could be extended for a period of 3 years, as the senior Senator from Vermont so aptly said a moment ago, we could make better progress. I think it would make for a more stable approach to the program we are fostering and assisting in some of these countries. Therefore, as I indicated when the matter came up, I shall support the 3-year extension.

Mr. ELLENDER. Mr. President, a few moments ago the distinguished Senator from Florida read from a letter from Assistant Agriculture Secretary Miller which was received by the Agriculture Committee some time ago. However, only today I received a letter from Secretary of Agriculture Benson, dated September 3, addressed to me, in which Mr. Benson states:

In order to make the position of the Department of Agriculture crystal clear regarding the extension of Public Law 480, we reaffirm our position as follows:

We support the extension of title I of Public Law 480 for 1 year through December 31, 1960, and an increase in authorization of $1.5 billion. We also support a 1-year extension of title II and an increased authorization for this program of $300 million.

Mr. President, what is happening now in my humble judgment, is that the State Department is trying to enter into this picture. An effort is being made by the State Department to use Public Law 480 as another arm of its foreign policy.

The amendments which are going to be offered by the distinguished Senator from Minnesota, will clearly demonstrate that.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I shall be glad to yield, on the Senator's time.

Mr. HUMPHREY. That will be fine.

I wish to say to the Senator that he is absolutely correct. I do not disguise that at all.

The purpose involved in the proposal is not merely to dispose of surpluses but also to utilize the God-given abundance of food and fiber we have for the objectives of American foreign policy; to relieve human suffering; to provide for economic development; and to aid in regard to education, health, nutrition, sanitation, and a host of other things which are all very good.

Mr. ELLENDER. The Senator knows that we have already spent almost $50 billion for such foreign aid programs in hard cash. Mr. President, I think we have had enough of that manner of spending the American taxpayers' dollars.

What is being sought is permission for the State Department to sign long-term agreements with foreign countries, promising them payment, in effect, in surplus agricultural commodities. Why, as the Secretary of Agriculture stated, this law has been administered for the past 5 years as 1-year programs. As a matter of fact, although I do not recall exactly what year it was, one year the Department was unable to contract the full amount of the authorization.

The present authorization expires on December 31 of this year. I am informed that the amount which will be contracted for in title I loans will be slightly under the existing $1½ billion limit.

Mr. President, irrespective of what has been said tonight, I know of my own knowledge that much of the agricultural surpluses which could be used abroad in large quantities, cannot be stored, simply because there are not sufficient storage facilities. I am certain that the Department of Agriculture speaks the truth when it says that it cannot dispose of more than $1½ billion worth of commodities, under title I loans in 1 year's time.

As has been stated, if, perchance, contracts can be made for more than the $1½ billion limitation, all that is necessary is that the Department come to Congress and demonstrate it is able to do so.

In my judgment, the mere extension of the program for 3 years, making it a 3-year program, will not be of help in the disposition of surplus agricultural commodities.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Florida.

Mr. HOLLAND. I have before me the letter to which the Senator referred, which is a letter from Secretary Benson to the Senator as the chairman of the Committee on Agriculture and Forestry, dated yesterday, September 3, 1959. I note, in addition to the matters which the Senator from Louisiana has read into the RECORD, after the recital of other rather minor amendments the Secretary ends with these words, which I think are very meaningful:

> We are opposed to any other changes in Public Law 480.

That means the Secretary is opposed to the 3-year extension, as he is opposed to the $4½ billion authorization. He is opposed to the assumption in advance that this great Nation and this Congress are not going to be able to come to grips with this problem for 3 years and are willing to admit it in advance.

Mr. ELLENDER. Mr. President, it has been my privilege to serve on the Appropriations Committee for many years.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. HUMPHREY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. One minute remains to the Senator from Minnesota.

Mr. HUMPHREY. I was going to divide my time with the Senator. I offer the Senator from Louisiana 30 seconds.

Mr. ELLENDER. Mr. President, I thank the Senator from Minnesota.

What I was going to say was that over the years, the Department of State has started the practice of entering into long-range agreements which we in the Senate are more or less under obligation to carry out. We have all seen many instances when the State Department has offered to perform certain duties or supply certain materials. Although Congress had not provided funds for such programs, yet in time we were under obligation to fulfill those commitments, and we had to do it.

Mr. HUMPHREY. Mr. President, I will take my 30 seconds and merely say this:

We are talking about supplies of agricultural commodities which come into the possession of the Government because of the terms of existing agricultural programs. There is not one scintilla of evidence which indicates that those supplies are going to be diminished. I can point to years of evidence which shows that surpluses grow, not diminish.

One argument offered today is that the supply of butter is less than in previous years. That is true. But there are also fewer dairy farmers and lower dairy income. I do not think that makes very much sense either.

Now that we have used up the time, I suggest we vote.

The PRESIDING OFFICER. The question is on agreeing to the first amendment.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the first committee amendment, on page 1, line 7. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Hawaii [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference, at Warsaw, Poland.

The Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The result was announced—yeas 47, nays 38, as follows:

YEAS—47

Aiken	Douglas	Johnson, Tex.
Anderson	Engle	Johnston, S.C.
Bartlett	Fulbright	Keating
Beall	Gore	Kefauver
Byrd, W. Va.	Gruening	Kuchel
Carlson	Hart	Langer
Carroll	Hill	McCarthy
Case, N.J.	Humphrey	McNamara
Clark	Jackson	Magnuson
Cooper	Javits	Mansfield
Monroney	Prouty	Symington
Morse	Proxmire	Williams, N.J.
Morton	Randolph	Yarborough
Mundt	Schoeppel	Young, N. Dak.
Muskie	Scott	Young, Ohio
Neuberger	Sparkman	

NAYS—38

Allott	Ellender	Long, La.
Bennett	Ervin	McClellan
Bible	Fong	Martin
Bridges	Frear	Moss
Butler	Goldwater	Pastore
Byrd, Va.	Green	Robertson
Cannon	Hayden	Russell
Cotton	Hickenlooper	Smith
Curtis	Holland	Stennis
Dirksen	Hruska	Talmadge
Dodd	Jordan	Thurmond
Dworshak	Kerr	Williams, Del.
Eastland	Lausche	

NOT VOTING—15

Bush	Hartke	Murray
Capehart	Hennings	O'Mahoney
Case, S. Dak.	Kennedy	Saltonstall
Chavez	Long, Hawaii	Smathers
Church	McGee	Wiley

So the first committee amendment was agreed to.

Mr. AIKEN. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The LEGISLATIVE CLERK. On page 1, it is proposed to strike out lines 8 through 11 and insert in lieu thereof the language down to and including line 7, page 2, of the amendment offered by the Senator from Minnesota on behalf of the committee.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. President, I yield myself 5 minutes. I now yield to the Senator from Louisiana.

Mr. ELLENDER. As I understand, the pending amendment is to provide for an annual authorization of $1,500 million, or a total of $4,500 million for the 3 years, for title I loans under the act.

Mr. HUMPHREY. The amendment would provide $1,500 million annually for 3 years, as it is written; yes.

Mr. ELLENDER. As it is written. Since the Senate has voted in favor of a 3-year extension of the act, then it is necessary to provide the funds to carry out the program. I have read the amendment proposed by the Senator from Minnesota. As I pointed out in private conversation with the Senator from Minnesota, the amendment is now so worded that the total of $4.5 billion for title I loans could be spent in 1 year, if the Secretary of Agriculture so desired. Following our conversation, the Senator from Minnesota agreed to modify his amendment so it will provide that the annual authorization for title I loans will be limited to $1,500 million, with a carryover of whatever is left from one year to the next. With that modification, I would be inclined to accept the amendment.

Mr. HUMPHREY. Mr. President, I offer the modifications which have been suggested by the Senator from Louisiana and ask that my amendment be modified accordingly.

The PRESIDING OFFICER. The amendments in the nature of modifications will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 1, line 8, after "title," it is proposed to insert "in any calendar year."

On page 2, line 3, strike out "$4,500,000,000" and insert "$1,500,000,000".

On page 2, line 4, strike out "prior periods" and insert "the preceding calendar year".

On page 2, line 6, strike out "prior periods" and insert "preceding year".

On page 2, line 7, strike out "periods" and insert "preceding year".

Mr. KEATING. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. There is so much modification, I cannot understand what the Senator is getting at.

Mr. HUMPHREY. Have faith and trust.

Mr. President, I will yield back the remainder of my time, if the chairman will yield back the remainder of his time.

Mr. ELLENDER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I call up the amendment relating to the administration of the bill, on page 5, starting with line 8. It is in the amendment designated "8–25–59—B."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

Mr. AIKEN. Mr. President, how much of the committee amendment was accepted by the last vote? I know the Senator from Louisiana accepted No. 3, but what about the rest of them?

Mr. ELLENDER. I accepted only the amendment dealing with the amounts of money to be contracted for each year.

Mr. AIKEN. May I inquire further if the committee amendments are coming up in order, or not?

Mr. HUMPHREY. It was my understanding that we had covered everything in the committee amendment down to the title of "administration." If not, we will revert to section 110 and take that up.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. As I stated a moment ago, since the Senate has agreed to extend the act for 3 years instead of 1, it is obvious that a larger authorization will be required. As the amendment submitted by the distinguished Senator from Minnesota was originally drafted, it would have meant that the total amount of $4,500 million could have been spent in 1 year for title I loans. I accepted this amendment, provided that the Senator from Minnesota modify his amendment so that not more than $1,500 million could be spent in any one year, for title I loans, and that any balances might be continued from one year to the next.

Mr. HUMPHREY. Mr. President, it is as the Senator from Louisiana has stated, so the action of the Senate related to the amounts of moneys which were appropriated for title I activities. Therefore, in order to proceed in proper order, I offer an amendment starting on page 2, line 8 of the committee amendment and continuing through the rest of the bill.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the language appearing on and beginning at page 2, line 8, down to and including line 20 on page 5 of the amendment identified as 5–29–59—B, offered by Mr. HUMPHREY on behalf of the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ELLENDER. Mr. President, I advance the same objection which I previously offered—namely, that we should not vote on these amendments en bloc, but they be voted on separately.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The Senator from Minnesota will state it.

Mr. HUMPHREY. I offered the amendment as only one amendment; and I believe that is within the rule.

Mr. MUNDT. Mr. President, let me ask what the number of the amendment is.

Mr. HUMPHREY. It is identified as "8–25–59—B."

The PRESIDING OFFICER. The Senator from Minnesota has offered a single amendment; but the elements of the amendment are divisible, to be voted on separately.

Mr. HUMPHREY. Then will the Chair advise me where the division can be stopped?

The PRESIDING OFFICER. The Chair should have added the words "if demanded."

Mr. HUMPHREY. Mr. President, will the Chair please advise me where we might perform the appropriate amount of legislative surgery, in applying the legislative scalpel, so the division would be appropriate and in order?

Mr. HOLLAND. Mr. President, may I be heard on this matter?

Mr. HUMPHREY. Mr. President, who will yield time to the Senator from Florida?

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. Mr. President, I merely suggest that each amendment which applies to a separate section may well be considered a separate amendment. So I call the attention of the Senator from Minnesota to the fact that the language on page 2 from line 8 through line 11 applies to a single section; and that from line 12 through line 16 applies to an additional section; and so forth, through the amendment. It occurs to me that such an arrangement would comply with the request for a division.

The PRESIDING OFFICER. The Chair agrees with the Senator from Florida, and so rules.

Mr. HUMPHREY. I thank the Senator from Florida for his constructive suggestion. He is always helpful in connection with these matters.

Therefore, Mr. President, I offer as an amendment the language which appears in the committee amendment identified as "8–25–59—B," on page 2, beginning in line 8, through line 11, ending with the figures "1959."

The PRESIDING OFFICER. The amendment submitted by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. It is proposed to insert, at the end of the bill, the following which appears on page 2, beginning in line 8, of the committee amendment identified as "8–25–59—B":

(4) The first section (which provides the short title) is amended to read as follows:

"That this Act may be cited as the 'Food for Peace Act of 1959'."

Mr. HUMPHREY. Mr. President, this amendment is a very simple one; yet it is very meaningful.

The Agricultural Trade Development and Assistance Act, which is the official title of Public Law 480, will thus be amended—without striking out those words—so that it will be known as the "Food for Peace Act of 1959."

It has been recommended a number of times that, instead of referring to the act, Public Law 480, as merely a surplus disposal bill, we identify this excellent program with the objectives of the U.S. Government for peace, justice, and freedom throughout the world.

Why should we shun words such as "food for peace," when that is exactly the wish and the will of the American people.

It is true that we have an abundance of food and fiber. It is true that we have surpluses beyond our domestic needs for food and fiber. But it is also true that those surpluses can be put to very constructive uses, and thereby cause the people in our country who are the producers of food and fiber—namely, our farmers—to realize that what they produce is being dedicated to and devoted to a better world, a world of peace and a world of freedom.

Therefore, Mr. President, this amendment seeks to do what was suggested in the President's message to Congress and what has been suggested in a number of proposals—namely, identify Public Law 480, which deals with the great good which we have—that is to say, our abundance of food and fiber—as the Food for Peace Act.

Mr. President, I suggest that most Americans would readily and heartily approve such a modification of the title of the act.

Mr. ELLENDER. Mr. President, this amendment would change the short title of Public Law 480, 83d Congress, from the "Agricultural Trade Development and Assistance Act of 1954" to "Food for Peace Act of 1959."

If this amendment is agreed to, there will be little actual change in the act

which was originally passed by Congress in 1954. Therefore, to now name the act the "Food for Peace Act of 1959" would really be to use a misnomer.

The original act was designated the Agricultural Trade Development and Assistance Act of 1954, and it was to be used as a means by which to dispose of our surplus agricultural commodities.

The purpose of a short title is to provide a clear, convenient method of referring to the act it identifies. The Agricultural Trade Development and Assistance Act of 1954 has been widely known and cited for 5 years by that title. To change the title at this time would only result in confusion.

The proposed new short title would not only cause confusion, but would actually be misleading. The act was approved in 1954, not in 1959. To change the title from that by which it has long been cited to a title which would indicate that the act was enacted in 1959 could only contribute to the difficulty of understanding this complex piece of legislation.

The proposed new title would further be misleading in that it would suggest that some new concept had been added, which is not the case, and that the purpose of the act is primarily that of aid rather than trade. The purpose of the law was made very clear at the time of its enactment; and I ask unanimous consent that excerpts from the debate at the time of the passage of the act be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM DEBATE ON S. 2475, 83D CONGRESS

Mr. HOLLAND. The Senator will notice that this is not an aid bill at all.

Mr. SCHOEPPEL. That is correct.

Mr. HOLLAND. It is a trade bill.

Mr. YOUNG. This is not a giveaway program. We are selling the commodities, not giving them away.

Mr. MUNDT. Yes; because it is not a giveaway program. It is a sales program and an exchange program. It is altogether different from ECA and MSA, and certainly different from what we did yesterday by the passage of Senate bill 2249, making available to the President, agricultural commodities to assist in meeting famine or other urgent relief needs of friendly countries.

Mr. SCHOEPPEL. This bill does not involve a giveaway program. The program under the bill is a dollar-and-cents program, involving exchange with the currencies of other countries. This bill will be a good will measure, and will enable the people of such foreign countries to obtain, probably for the first time under good business practices, U.S. products, such as wheat, corn, and other agricultural commodities which we have in surplus supply. We shall not be giving away those commodities.

Mr. THYE. After all, this bill relates to exchanges. The bill not only authorizes sales for foreign currencies, but it authorizes trade. I think the bill is an excellent one. I believe we are writing good American commonsense into a legislative proposal, so as to make it possible for barter to occur in much the same way that individuals have learned to trade or barter among themselves. That is a good, old American custom, and certainly it is well for us to provide for it in connection with foreign trade and commercial operations.

Mr. HOLLAND. Is it not true that the pending bill is not an aid bill, but is a trade bill designed to recognize realistically the fact that the world is divided into various camps so far as currency is concerned, and that our Nation, to a limited extent—the amount prescribed here representing values of $500 million—should attempt to break across or cut across the lines that divide the dollar countries from the pound sterling countries and other countries that employ still other currencies, in an effort to find a way by which we can trade, notwithstanding the differences in currencies?

Mr. SCHOEPPEL. The Senator from Florida is correct.

I may say it is obviously the intention that it shall be a trade bill not an aid bill.

Mr. BUTLER. I would not think for a minute that President Eisenhower would do anything wrong, but the point is whether this is a trade bill or an aid bill. It has nothing to do with the President of the United States. It is simply a question of policy. If there are those in the executive branch who want to make it an aid bill they can do it; if they want to make it a trade bill they can do it. If it turns out to be an aid bill, we can cut it off.

Mr. ANDERSON. It is very difficult to judge these things in a few months. I believe the bill should be a trade bill.

Mr. BUTLER. I have every confidence in the President of the United States, and I am perfectly willing to let him handle this program, but I think we should advise him we want this to be a trade bill.

Mr. HUMPHREY. Mr. President, as one who has been very much interested in the proposed legislation, I wish to associate myself with the philosophy which has been expressed on the floor of the Senate several times, namely, that this is a trade bill.

Mr. HOPE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this is a bill upon which the Committee on Agriculture has devoted a considerable amount of time, work and study and I know it is a measure in which many Members of the House are directly interested because we have had referred to our committee some 60 bills dealing with the subject of the disposal of surplus agricultural commodities. Some of these bills dealt with disposal in foreign trade, others dealt with the question of a wider and more effective distribution of these commodities here in our own country.

Mr. Chairman, it might be well to refer briefly to the situation which now exists with reference to surplus agricultural commodities. I do not feel that the fact we possess in this country rather large supplies of some agricultural commodities is anything which should necessarily disturb us. I believe that in every other country in the world today there would be rejoicing if those nations possessed anything like the supply of agricultural commodities which we are so fortunate to have in this country; yet it is true that when agricultural surpluses reach a certain point there is involved the difficulty of management. The time has come when we should make some additional effort to dispose to the best possible advantage of these surplus agricultural commodities. Some of them are perishable in nature; others are susceptible of storage for long periods of time; all of them, of course, are included in the provisions of this bill which sets up the method and manner in which these commodities may be disposed.

Mr. HILL. On May 7, 1954, Senator A. F. SCHOEPPEL, of Kansas, appeared before the House Committee on Agriculture, considering S. 2475, and made the following statement:

"This is a bill to develop export markets for U.S. farm products. I sponsored this bill originally. This was a unanimous recognition 10 months ago of agriculture's vital need to expand export markets for U.S. farm products. It was the soundest alternative to more severe acreage controls.

"I need not describe to you gentlemen that in the last year our agricultural situation has worsened and the need to expand exports has increased. Investments of the Commodity Credit Corporation have about doubled; exports of wheat are further down. The prospects are not good. The time has come to close ranks and take concerted action to expand our export markets for farm products.

"For 10 months S. 2475 has been subject to scrutiny, debate, and comparison with alternatives. There have been feverish attempts to devise alternatives to expand our export markets for farm products. But the principles of S. 2475 are the only program proposals that come to grips with the problem of expanding export markets for farm products. There has been some tidying up of the language and some refinements in procedures and administration, but no alternative program has been developed to expand export markets for farm products on a scale commensurate with the need and the job to be done.

"The reasons for this are clear: The program provided in S. 2475 is tailored to fit the needs of expanding export markets for farm products. Expanding any market is difficult, but expanding an export market for farm products is more difficult and more complex. All of these problems were considered in drafting S. 2475, and the solutions, so far as possible, are included.

"The program embodies an imaginative yet dignified and businesslike approach to our problem. It treats our agricultural abundance as the asset it is, not as an unmanageable surplus of which we are ashamed and, therefore, feel obliged to give it away.

"Let me inject here that the program in S. 2475 is sound, businesslike, and dignified. It is far more humanitarian than gratuities. Nothing builds human dignity like buying what people produce to sell. This program is based on a concept of producing, selling, and buying—a concept that has made our country great. This program preserves the fundamental attribute of human dignity. It then goes far beyond that and uses the otherwise frozen assets of CCC as capital to increase production and gainful employment, to expand trade, and to promote economic development so that people can continue to buy more with their earnings. It is a program based on mutual aid through trade. It is a new, imaginative, and creative program. Wherever it has been explained and thoroughly understood, across this Nation and around the world, it has been hailed as a sensible approach. All who help enact this program will take increasing pride in having contributed to this constructive legislation."

Mr. HARRISON of Nebraska. Mr. Chairman, S. 2475, Agricultural Trade Development and Assistance Act of 1954, may turn out to be the most important legislation ever passed in this House to expand agricultural industry. I, too, have introduced a bill that takes care of the trade part of this particular legislation, and I have been most interested in that particular portion of this legislation that deals with trading with foreign countries and accepting their currencies. I think that it has a great deal of possibility.

* * * * *

S. 2475 measures up to these conditions of expanded markets for U.S. farm products. It authorizes assistance in creating orderly marketing of farm products. It provides means for increasing the capacity of customers to pay for increasing amounts of farm products through loans to increase production of noncompetitive imports into the United States, such as coffee and tin, and for loans to increase production for exports to other countries.

Finally, the bill opens up new opportunities for customer nations to pay for their import needs for farm products. These

new opportunities to pay are included in the bill. They may pay the United States by—

First. Establishing orderly marketing facilities to expand the sale of farm products.

Second. Supplying strategic materials for U.S. stockpiles.

Third. Providing military equipment, materials, and services for common defense.

Fourth. Providing relief or needs to meet security objectives in lieu of appropriated dollars.

Fifth. For those countries not able to pay in one of the above, the program enables them to sell something to a third country that can pay the United States in one of the above.

The United States is spending nearly $50 billion per year for defense. It is depleting its mineral resources at the rate of 2 billion tons per year. Opening up an opportunity for customer nations to earn more by contributions to the cooperative military efforts and replenish some small part of the exhaustible minerals in exchange for farm products is mutually good business.

These are the requisites to expanded markets. S. 2475 accommodates them.

The third point I would like to make is this: S. 2475 provides the means to convert CCC's frozen assets into a revolving fund of working assets which can be used as capital to create a strong community of free nations bound together by mutual interest to preserve freedom. The funds can be used to create, to build, to expand, to stimulate production, trade, and employment.

S. 2475 is a solution in part at least to our agricultural ills. I hope this legislation will receive the unanimous support of the Members of the House.

Mr. ELLENDER. Mr. President, let us examine the proposed short title, word by word.

The first word is "Food." There has been $527,844,000 worth of cotton shipped under Public Law 480. Cotton is not generally considered to be food. Also, $256,000 worth of cotton linters, $150,045,000 worth of tobacco, and $394,000 worth of hay and pasture seeds have been shipped. None of these would normally be regarded as food. Large quantities of feed grains have been shipped; and it might be suspected that they were used for feed, rather than food. Of course, large quantities of food have been shipped, too; but I do not think we ought to mislead people by suggesting that this program concerns only food. I certainly do not think we should ignore cotton. Cotton is a very useful commodity. In most areas of the world, clothing is fully as necessary as food. I do not suggest that the act be labeled the "Cotton for Peace Act"; but I do not believe cotton should receive less than its due, either.

Actually, the common denominator is dollars. "Dollars for Peace" would be a more accurate title. When commodities are shipped out under title I, the Government pays the exporter the value of his sale in dollars, and the importer deposits foreign currencies to the credit of the United States. I do not suggest that the title "Dollars for Peace" be used; but I do not believe we ought to lead the taxpayer to believe that we are just using some surplus food that is lying around, when actually his dollars run the program.

The next important word is "peace." All of us hope that the act has contributed and will contribute to the cause of peace, just as we hope that other acts we pass will contribute to that cause. There are $307.8 million worth of foreign currencies generated under title I which have been provided by agreements under the act for the common defense. Providing for the common defense should help to insure the peace, although probably not to the same extent that the amounts we appropriate for our own national defense might be expected to insure it. It might therefore be more fitting to label each of our appropriation acts for national defense as appropriations for peace acts. That is really what they are. But all our acts have peaceful purposes. If we labeled each one as a peace act, we could not tell one from another. The State Department, which should be greatly concerned with peace, said of S. 1711, from which this provision is taken:

> It would create among some countries exaggerated expectations of economic aid and among other friendly exporting countries would create apprehension about our policies with respect to surplus disposal (hearings on S. 1711, p. 8).

The creation of exaggerated expectations among some of our friends and apprehensions among others does not contribute to peace and I hope the creation of such expectations and apprehensions will be avoided. I devoutly hope and trust that this act and every act we pass may contribute to peace. But I see no reason for so labeling every act.

The next words are "act of 1959." These words would be used to describe an act of 1954 and they are manifestly inaccurate.

The saddest results of changing the label on this act as proposed would be:

First, to mislead our own people into believing that some brave new program has been developed, when actually nothing new of any significance has been added; and

Second, to make the true evaluation of the act and full consideration of its provisions more difficult.

The short title which the act now bears is accurate and honest. Let us keep it that way.

Mr. President, we can all visualize the headlines which may appear if we adopt this short title: "Congress Passes Food for Peace Act." How much nobler that sounds than "Congress Extends Public Law 480." Of course, the latter headline would make it pretty clear what Congress had done, while the former headline allows anyone to conjure up any attractive idea that may appeal to him.

Mr. President, I would like to appeal to our friends in the fourth estate at this time. Their worth and their objective rests in their ability to report facts accurately. They carry out that duty well, and perform a great service in bringing truth to man. I appeal to them not to be gulled by what is proposed here. I appeal to them to pierce the darkness and determine the true facts. I make this special appeal in this case because while our fourth estate is usually so accurate, I have already seen some reports indicating that the Senate may consider a Food for Peace Act. Of course, no such act has been proposed to the Senate. What has been proposed is that we change the label of a 1954 act to "Food for Peace Act of 1959." I am sure that we all know the difference between label and contents, and I trust that no paper will carry the suggestion that we have passed a Food for Peace Act if this title should be adopted. A true headline accurately describing the fact would be "Congress Changes Label of 1954 Act." That would be truthful, and would advise our people of what Congress is doing.

Now, there may be some who would say that the act of 1954 is so proposed to be changed that it requires a different title. Some may say that we have taken Teddy and washed his face and combed his hair and put a new suit on him, and now we should no longer call him Teddy. We should call him George. Then we can introduce him to everyone as George, who used to be Teddy. Now, what are these wonderful changes that are proposed to Public Law 480? It would be extended. More money would be authorized either at the same rate as in the past, or possibly at a higher rate. Some additional uses for foreign currencies might be authorized, although the present authorization is already so broad that it is impossible to tell whether new uses proposed could not already be carried out under the existing law. Operations would be carried on under Public Law 480 in a fashion approximately identical to the manner in which they have been carried on for 5 years.

I believe that the principal changes proposed in the law are the addition of surplusage. The report of the Committee on Foreign Relations, I might point out, does not call it surplusage. It says that it recognizes that the authority bestowed already exists, but that it bestows the authority again because the authority has not been used to a sufficient degree heretofore. Oh, it is proposed to do other things too. It is proposed to take some language out of one subsection and create a whole new subsection of its own to carry this language. It is proposed to add new agencies, new advisory committees, both within Government and without. It is impossible to turn around these days, as each of us knows, without receiving some advice as to how Public Law 480 should be administered. There are other provisions that are proposed to give advice to the President as to how the act should be carried out. One piece of advice tells him to use the authority he already has to enter into long-term contracts to a greater degree so long as the supplies are available to do so. Another tells him to administer the law as it is written.

The change which I believe has been heralded as the most significant change proposed is called national food reserves. I think it could possibly be carried out under existing authority, but I would agree that nevertheless it does present a new concept. At present the act provides for giving practically everybody in any foreign country anything that he may need, whether it is a bridge, a railroad, an education, the translation of a document. As I say, practically anything. So what new concept is still possible? This is the new concept. We shall now give people what

they do not need. The national food reserves in essence will be the giving of grain which it does not need to a country so that it will be available to the country if, at some future time, it should need it. So much we see from the provisions of the legislative proposal itself. But the report of the Committee on Foreign Relations and the letter from the Department of Agriculture proposing this provision take us a step further. In addition to provide the grain, we shall also provide the storage facilities.

Now, let us see what other proposals are possible along this line. Well, S. 1711 contains a proposal which might go a step further. It provides that we shall pay the expenses of technicians advising on the manner in which the grain shall be stored. Well, I do not believe that anyone has come right out and proposed the next logical step, but it is so obvious that maybe it is taken for granted. After we have given them the grain, provided the money to build the storage facilities, provided the money to advise them on how to operate the storage facilities, it is perfectly obvious that we ought to pay them for storing the grain. There is, however, one proposal that I think constitutes an obvious further logical step, and that is that we send them some hungry people to eat the grain. Let us perform the complete service. Of course, maybe it would be cheaper just to have the hungry people eat it here, but I don't see how we could call that food for peace. I don't see how we could call that food for peace any more than we could call our old friend enacted in 1954 the "Food for Peace Act of 1959."

Mr. President, this bill provides not only for the conversion of American dollars into foreign currencies to build warehouses in any quantity, in any country, it also provides for the construction of unknown bridges, highways, water supply systems, dams, and public works of any sort, in any country. S. 1711, from which this title is taken, would provide $6 billion for these unbudgeted projects in foreign lands. The committee amendments to S. 1748 would provide $4.5 billion for these unbudgeted projects. Under either proposal the entire amount could be legally committed in fiscal 1960. On Friday, August 28, at 3:15 p.m., the President returned to the House of Representatives without his approval the public works appropriation bill. The President objected to it because it provided for "67 unbudgeted projects estimated eventually to cost over $800 million." He further said that "the American people are opposed to overspending no matter where it is attempted." The President further pointed out that the bill without these unbudgeted projects provided for 1960 expenditures for the Corps of Engineers and the Bureau of Reclamation amounting to $1.1 billion.

If the President believes that the American people are opposed to overspending no matter where it is attempted and if he further believes that any increase in 1960 expenditures in this country for public works over $1.1 billion is excessive, how should he feel and how should the American people feel about an authorization of $6 billion, or even $4.5 billion, for projects which may not now even be in anyone's mind, in some country which today might not be in existence? If he is opposed to unbudgeted projects, what should be his attitude toward such unknown projects? Of course, the entire $6 billion, or $4.5 billion, proposed, while it could all be committed this year to public works projects, might instead be used for other purposes such as binational cultural foundations, trips all over the world for beauty queens, postgraduate courses for students of the arts and sciences, payment of the expenses of advisers to advisers to advisers. Might not the American people object to such a proposal if it is made clear to them? But if such a proposal is marched up and down under the banner "Food for Peace," if the headlines should—inaccurately—state that Congress has passed a "Food for Peace Act," if the President should sign this measure as a step forward to peace, who would have the temerity to raise his voice in opposition to such a foreign public works appropriation measure? Let us concern ourselves not with changing labels but with improving contents. And, if we cannot at this time improve the contents, let us not pretend that we have done so.

Mr. HUMPHREY. Mr. President, the argument that has been used is really quite amazing to me. I never thought I would hear the day when the Congress was going to vote against the title "Food for Peace." If it makes somebody happy, we can change it to "Food and Fiber for Peace." I am not opposed to it. It would be a very good idea. That would include cotton. Cotton is a commodity, not a theology.

I am perfectly willing to amend my proposed title, which I may do—I will just speak about it for the moment—to make perfectly sure that anybody who thinks he is left out will be included.

The purpose of the title is to give this Government the identification it justly deserves in this food and agricultural program. It is not just a surplus disposal program. It should make us a lot of enemies in foreign countries if we speak of it as simply a surplus disposal program. If it were simply a surplus disposal program, we would not worry about how we dump commodities and how they are used. This is a program for economic development, and ought to be made so.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEFAUVER. Has the Senator suggested an amendment to change the title to "Food and Fiber for Peace Act of 1959"?

Mr. HUMPHREY. I have not as yet. I think I may.

Mr. KEFAUVER. I think it would be a good suggestion. I want to endorse the Senator's proposal, because in many uncommitted nations of the world, they are wondering which side they should aline themselves with, the democratic side represented by the nations of the North Atlantic and others, or the Communist bloc. I think a title of this kind would be useful in showing them the direction in which we are going. I hope the Senator will amend his title. I want to support him very heartily.

Mr. HUMPHREY. I thank the Senator.

The report to which I alluded earlier this afternoon, the Davis report, and the report of the ICA, recommend that this particular program take on more positive aspects in terms of our international relations than just surplus disposal.

The argument over this title is very fundamental and basic, but regardless of the outcome of the vote, I want my colleagues to know that Public Law 480 is not just a trade development act. Public Law 480 as amended has great good in it for the purposes of peaceful construction and peaceful development and peace in the world itself.

There are other amendments which have been approved and recommended by two committees of Congress, the Foreign Relations Committee and the Agriculture and Forestry Committee, which would permit us to use our food and fiber for purposes of peace.

I say to my colleagues who are friends of the farmer that the farmer in America is getting sick and tired of being told that all he produces is surpluses for disposal. Disposals are usually mechanical equipment found in kitchen sinks for garbage. I suggest we talk about food and fiber in a much more decent and a much more responsible manner.

The title "Food for Peace Act of 1959" is a good title. Any Senator who wants to vote against food for peace can answer the rollcall, because I think it will separate it from a title that relates only to food or fiber.

The Senator from Minnesota happens to believe food and fiber are good things. He believes they can be good things in terms of foreign policy and in terms of humanitarianism, and surely ought to be identified, in terms of public understanding, as a constructive force for peace throughout the world.

Why do some of my colleagues feel satisfied to let the Communists monopolize the word "peace"? Are we afraid of it? I suggest the Senator from Louisiana had a good idea when he talked about appropriations for national defense. What is the purpose of national defense? Peace. It might not be a bad idea to have appropriations for peace. I gather they are not appropriations for war or aggression. They are appropriations for peace. The world hungers for peace, and it is about time the Congress of the United States quit rattling the saber or trying to dump its surpluses, and start to think in terms of peace, peaceful construction, peaceful uses of the resources of this country. I will stand on the title "Food For Peace Act of 1959," and I am perfectly willing to have the roll called on it.

Mr. ELLENDER. Mr. President, I yield 4 minutes to the Senator from Iowa [Mr. HICKENLOOPER].

Mr. HICKENLOOPER. Mr. President, we have heard repeatedly, this

year, last year, and the year before, the accusation that the United States is a coldblooded country, not interested in peace, not interested in the welfare of the other people of the world. That word has emanated even from within our own country, and it has, in my opinion, done us more damage abroad than has any other particular philosophy or discussion we have had.

Again we hear raised on the floor of the Senate the old cliche "Food for Peace." All it is is a banner. It has no place in this bill. It has no place in the historic background of Public Law 480. It is a fooler, if I ever saw one, and I hope the amendment is defeated.

From the standpoint of the argument that we ought to do more to prove that America is peace loving, let me say, great heavens, how much more does this country have to do to establish for the record that we want peace, that we want to be benefactors to less fortunate people in this world? How much more do we have to provide than the billions of dollars we have unselfishly spent? How much more do we have to do than to send the numbers of people we have sent all over the world to help less fortunate people get themselves on their feet?

Despite all we have done we hear the cry day after day, "We have to do this to prove we are peace-loving people."

We used to say, in the old days years ago when I was a practicing lawyer, that many such arguments were "hogwash." That is what we used to call them in our area.

Mr. President, I wish to put some facts and figures into the RECORD. Let us examine them carefully. Fact No. 1 is that the volume of surplus foods distributed by this country in 1959 set an alltime record. Nearly 3 billion pounds of surplus foods were donated by the Department of Agriculture in 1959. These foods went to school lunch programs here at home and to needy people both at home and overseas.

Fact No. 2: The number of people benefiting from surplus foods from this country, donated by the American people, by the American Government, set an alltime record. More than 21 million people in this country alone received Federal surplus foods in 1959. This is more than double the number who were benefited in 1952, and illustrates the greater emphasis which is given to moving our surplus inventories into consumption, helping the needy and our schoolchildren to improve their diets.

Fact No. 3: In the past 7 years almost 12½ billion pounds of surplus foods have been moved under the Department of Agriculture's donation operations. This is another alltime record. No previous 7-year period, even in the 1930's, could come close to this record.

This shows what aggressive planning there has been and what an effective system has been provided to constructively dispose of Government-owned surplus foods. More needy families in ths country received surplus foods in 1959 than the number in any year since World War II. In 1959 nearly 5¾ million needy people in family units received surplus foods. Contrast this with the situation in 1952, when less than 100,000 people in families were benefiting.

We have rushed food to areas of natural disaster.

Most of the instances to which I have referred are instances within this country, but we must also consider the billions of dollars we have spent abroad under Public Law 480. Public Law 480 was not designed, in my judgment, and should not be designed, to be a worldwide WPA operation.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. HICKENLOOPER. Mr. President, will the Senator yield me 1 more minute?

Mr. ELLENDER. I yield 1 more minute, Mr. President.

Mr. HICKENLOOPER. Mr. President, Public Law 480 was designed partly to help us in the emergency of food surpluses which we find in this country; and, secondly, to devote those surpluses when, as, and if they exist, to the assistance of needy people.

The minute we set up a program which is designed to be a food-for-peace program in the world, with the many provisions which go into it, word will go out to the world that we are establishing a permanent program.

In fact, some of the amendments provide that we will contract long in the future to give food to people all over the world, whether we have a surplus or whether we do not. I say again, it is a dangerous program. It is a program we should not enter into.

We should continue Public Law 480 from time to time. I voted against the 3-year extension. I want to extend the law for a shorter period of time. We should continuc the Public Law 480 program so long as it serves our purposes and in turn can serve the purposes of needy people.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Kansas [Mr. SCHOEPPEL].

Mr. SCHOEPPEL. Mr. President, I wish to associate myself with what has been said by the distinguished chairman of the committee and by the distinguished senior Senator from Iowa.

It was only in 1954 that we passed this act. Now in 1959 it is said, "Let us change the name of the act."

At the time we considered the passage of Public Law 480—and I think I know a little something about that, as do many other Senators on the floor tonight—it was named the Agricultural Trade Development and Assistance Act of 1954. That is exactly what the act has been.

In furtherance of that statement, all I ask any Senator who is interested in having the name changed, for a slogan or a banner, to do is to read page 2 of the report of the committee, the summary of operations of the act, and to refer to tables 1 and 2, to keep the act strictly in character. We have had too many slogans and banners in a good many years.

I think—and I say this most respectfully—the nations which have dealt with us and which have dealt with our departments of Government around the world know what Public Law 480 means. Those nations have seen how the act has operated. If we change the name, as has been requested, as indicated by the Senator from Iowa [Mr. HICKENLOOPER] is proposed to put the act in an entirely different category and give it an entirely different character, a character I would not agree it should have.

I hope the Senate will reject the amendment.

Mr. COOPER. Mr. President, will the Senator from Louisiana yield me 1 minute?

Mr. ELLENDER. I yield 1 minute to the Senator from Kentucky.

Mr. COOPER. Mr. President, I appreciate the motives and the humanity of the Senator from Minnesota in offering the amendment. I agree with the Senator that the act has had its effects upon the relationships of our country with other countries throughout the world, and that it has been an instrument for peace.

However, it is the results of the operations under the act rather than the title of the act which have made it an instrument of peace. I do not believe that naming the act a "Food for Peace Act," or a "Food and Fiber for Peace Act" will either diminish or enlarge the effect of the program upon good and peaceful relations throughout the world, and upon peace.

I should like to vote for the amendment. I hesitate to vote for it because I would prefer to have our acts speak for themselves in the world, rather than simply have titles.

Unless the act really is designed in all respects for one purpose—that is, our foreign relations and their effect upon other nations—I think perhaps we would not be speaking absolutely truthfully in denominating the act a "Food for Peace Act." For that reason, I shall vote against the amendment.

Mr. HUMPHREY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Minnesota has 3 minutes remaining.

Mr. HUMPHREY. How much time is there on the other side?

The PRESIDING OFFICER. The time is exhausted on the opposite side.

Mr. ELLENDER. Mr. President, do I correctly understand the Presiding Officer to say that my time has expired?

The PRESIDING OFFICER. The Chair is advised that the time of the Senator from Louisiana on the amendment has expired.

Mr. HUMPHREY. Mr. President, I appreciate the comments of my colleagues on this matter of the title. I never thought we would have quite such an argument over a title. Two committees of the Congress have approved this title; the Committee on Foreign Relations and the Committee on Agriculture and Forestry.

I recognize that when a title is so meaningful and dramatic and attractive as this, some may feel that they do not want to approve it. But I see no reason why, if one has an automobile which has all the characteristics of a Lincoln Continental, one should not put a label on it.

I can hardly imagine my Republican colleagues not wanting a better title on the law. My colleagues are very good at slogans and very good at titles.

I add again, it happens to be a Democrat who is speaking up for the President's title for this bill.

He talked about food for peace in his state of the Union address. He talked about health for peace. Is it not interesting the same Senate which tonight is arguing about food for peace only a few months ago approved the International Health for Peace Act with an overwhelming majority, and Senator after Senator applauded the fact that we were going to call the health facilities of America health for peace programs. But when it comes to food which we have in abundance, food the taxpayers have paid for, food which lies in our storage bins and some of which spoils because of storage, food on which we pay $1,500,000 every day in storage charges, food that could be used to feed people and is being used to feed people, food that one governmental official after another says is the greatest force we have for peace in the world, why can we not call it food for peace?

It has been suggested that we should not change the name. We are not changing the name. We are giving a short title to it. "Public Law 480" has about as much sex appeal as an old dirty sock. What does "Public Law 480" explain? Many people, when they wish to become really "moxey" in referring to this measure, say "P.L. 480." That is a very descriptive phrase. The whole world knows what "P.L. 480" means. [Laughter.]

There is not a person in the world, no matter what language he speaks, who does not know what the word "peace" means, and we in the Senate tonight will have an opportunity to vote whether we are for Public Law 480 or whether we are for peace.

I know my good friend the Senator from Iowa [Mr. HICKENLOOPER] says we have done great things for the cause of peace. We have. In the Scripture there is a passage about not hiding one's light under a bushel. We are hiding our light of peace under millions of bushels of wheat. We talk about surplus disposal.

Surplus disposal antagonizes commercial interests. Surplus disposal is a rather unkind remark to make to people whose stomachs are bloated with hunger. In effect the term suggests, "Do you mind being a garbage can, a disposal unit?" I would rather say, "Would you care to share in the abundance that God Almighty has made available to mankind?"

I for one am proud to be associated with this title. I am proud to be associated with the President who is attempting to put some drama and inspiration into our foreign policy, and I hope my colleagues on the other side of the aisle will not repudiate the President's wish.

I hope they will not fail to do on the issue of food the very thing they did for health. The sooner the United States of America begins to be proud it is the peacemaker, proud that it is a Nation of justice and proclaims it, and proud that it uses its resources for the cause of peace, the better off we shall be.

The President of the United States on February 9, 1959, in a letter to the Secretary of Agriculture, stated:

> My message to Congress on January 29 recommending several measures improving major farm programs stressed the need for effective use of our agricultural abundance in meeting food needs at home and abroad.

I ask my colleagues, listen:

> In that message I reported steps being taken with other exporting nations to explore all practical means of using food for peace.

"Food for peace," says Mr. Eisenhower.

Every Senator has said repeatedly that foreign policy should be bipartisan. Very well. Let us make it bipartisan. The President of the United States has asked that we start talking about using food and fiber, the resources of this country, for the cause of peace.

Any of my colleagues who have traveled abroad and have gone to the Soviet Union have observed on every public building the word "Mir," meaning peace. One may say they are a bunch of phonies. Certainly they are. But we are not.

Apparently what we are afraid of is the word "peace" where the dollar sign is, peace where the word "disposal" is, peace where the word "surplus" is in a world that is hungry, in a world of sick and the weary, in a world of people who have been literally torn apart by war. They want America to stand for peace; and I know of no better way to do so than to proclaim peace. I proclaim it by this amendment.

Mr. ELLENDER. Mr President, I yield to the distinguished Senator from Florida 4 minutes on the bill.

Mr. HOLLAND. Mr. President, no one can argue with the distinguished Senator from Minnesota on the subject of the motives which animate him. However, I have been trying to look at the question with a little practicality.

What are the principal commodities purchased from my own State? I have jotted them down. They are the only ones which would be usable under this law as surplus commodities or are in the hands of the Commodity Credit Corporation. They are, first, cotton; second, cigarette tobaccos; third, wrapper leaf tobaccos; fourth, naval stores, turpentine and rosin; fifth, tung oil, which is a poison; and, lastly, peanuts.

Mr. President, I believe even the distinguished Senator from Minnesota, with all of his passion for symbols and for slogans, would find it quite difficult to consider cotton, cigarette tobacco, wrapper leaf tobacco, naval stores, turpentine and rosin, or tung oil as food. Of course, it would be a phony term to apply the term "food" to those surplus commodities.

Mr. President, if the Senator from Minnesota [Mr. HUMPHREY] wishes to make his gesture, why not say agricultural products for peace, or some other term which at least would not be a phony. Already we are charged all over the world with being phony.

Mr. President, we know that the principal motive behind this act is to get rid of our own surplus commodities. We are trying to do it in such a way as to help others, and we have every right to add to the title of the act, which has had an honorable title since 1954, the word "assistance" because we have been assisting others. But I do not believe it is correct to say this is a food for peace program. Below the St. Marys River the term would bring a loud guffaw from people who know that the commodities grown in Florida which are traded under this act, with one single exception, are not food and one or two of them are positive poisons.

So far as I am concerned I do not think we ought to put ourselves in that kind of situation. I hope that the proposed title, advanced in all good faith and with all good motives, should be repudiated by the Senate because certainly it is inapplicable to this program, which has existed since 1954, as our distinguished chairman has said, primarily to dispose of surpluses, to develop trade which we lost during World War II, and to assist those who need the various commodities—some of them food commodities, many of them not food commodities—which we propose to help them get for a small consideration, or, under title II, for no consideration at all, under the benevolent provisions of this act.

Mr. President, I hope the amendment will be defeated.

Mr. ELLENDER. Mr. President, I yield 3 minutes to my distinguished colleague from Louisiana.

Mr. LONG of Louisiana. Mr. President, I cannot vote for the amendment, because I believe it could bring about more misunderstanding than support for the program. We have surplus disposal programs in this country, and I believe we must apply our thinking to our experience with our own surplus food programs to understand what we can expect from such programs overseas.

Suppose we were to call our surplus disposal program in this country a food for peace program. The poor man who gets these surplus commodities complains that he cannot get the things he really wants. He must take what we have to give away, that which happens to be in surplus supply. That is already the big complaint about it, and he wants the program modified to give him commodities which are more useful. He is told that he must take it or leave it because the commodities must be in surplus.

In these foreign lands, in most instances this food will not be given to the people. The people have to pay for it. The politicians often wind up with the money. That is one of the complaints about that program. The poor people have to pay for it out of their hard-earned money.

It is proposed to put the slogan of peace on the food which the poor people must pay for out of their hard-earned money. It seems to me that this will lead to a great deal of misunderstanding, because even though we call

it food for peace, people cannot get what they want in the first place, and in the second place they must pay for what they get.

It seems to me it is better to leave it as it is. It is a surplus disposal program to foreign governments. That being the case, I believe there would be less misunderstanding about the program if we did not try to leave people with the impression that we are giving them a great many things, motivated by the highest ideals, without any selfish motive of any sort.

Mr. HUMPHREY. Mr. President, to meet the suggestion of the able Senator from Florida [Mr. HOLLAND], I modify the amendment so as to read:

Food and Fiber for Peace Act of 1959.

I say respectfully to my good friend from Florida that we have not tried to dispose of any poisons overseas. Exports of tung oil, rosin, and naval stores have been nil under Public Law 480. That is a theoretical argument, with no practical application.

The PRESIDING OFFICER. The amendment will be modified accordingly.

Mr. HUMPHREY. "Food and fiber" is the terminology used by the Department of Agriculture to explain everything that is produced from trees. It includes tung nuts and rosin, as well as wheat, vegetables, and fruits, cotton and cottonseed. If anything is left out we are very sorry, but I think we have covered most of the areas when we say "Food and Fiber for Peace Act of 1959," and I ask my colleagues to be as considerate of this particular title as they were in the instance of the International Health for Peace Act.

I conclude by saying that this particular amendment is a committee amendment, approved by a majority of two committees, the Comittee on Foreign Relations and the Committee on Agriculture and Forestry. It is blessed, if it needs to be, by the President of the United States. It is recognized as being the objective of Public Law 480; and so far as our domestic consumers are concerned, a little surplus for them might bring them peace of mind, possibly peace of body, and peace of soul.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, on page 2, lines 8 to 11, both inclusive, of the amendments reported by the committee, as modified.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Florida [Mr. SMATHERS], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Illinois [Mr. DIRKSEN] is necessarily absent.

The Senator from Connecticut [Mr. BUSH] is detained on official business.

The result was announced—yeas 39, nays 48, as follows:

YEAS—39

Aiken	Hill	Moss
Anderson	Humphrey	Mundt
Bartlett	Jackson	Muskie
Capehart	Javits	Neuberger
Carlson	Johnson, Tex.	Proxmire
Carroll	Kefauver	Randolph
Clark	Long, Hawaii	Sparkman
Dodd	McCarthy	Symington
Douglas	McNamara	Wiley
Engle	Magnuson	Williams, N.J.
Gore	Mansfield	Yarborough
Gruening	Monroney	Young, N. Dak.
Hart	Morse	Young, Ohio

NAYS—48

Allott	Ervin	Long, La.
Beall	Fong	McClellan
Bennett	Frear	Martin
Bible	Goldwater	Morton
Bridges	Green	Pastore
Butler	Hayden	Prouty
Byrd, Va.	Hickenlooper	Robertson
Byrd, W. Va.	Holland	Russell
Cannon	Hruska	Saltonstall
Case, N.J.	Johnston, S.C.	Schoeppel
Cooper	Jordan	Scott
Cotton	Keating	Smith
Curtis	Kerr	Stennis
Dworshak	Kuchel	Talmadge
Eastland	Langer	Thurmond
Ellender	Lausche	Williams, Del.

NOT VOTING—13

Bush	Fulbright	Murray
Case, S. Dak.	Hartke	O'Mahoney
Chavez	Hennings	Smathers
Church	Kennedy	
Dirksen	McGee	

So the committee amendment, as modified, was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment, as modified, was rejected.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I yield to the Senator from Missouri [Mr. SYMINGTON].

EQUITABLE TREATMENT FOR PRODUCERS PARTICIPATING IN SOIL BANK PROGRAM

Mr. SYMINGTON. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 2457.

The PRESIDING OFFICER (Mr. CANNON in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2457) to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government, which was, on page 2, line 14, strike out "Secretary." " and insert "Secretary. No contract heretofore or hereafter entered into shall be modified, invalidated, or changed because of the marriage of any two contracting parties." "

Mr. SYMINGTON. Mr. President, the Senate passed Senate bill 2457, to provide equitable treatment for producers participating in the soil bank program, on the basis of incorrect information furnished by the Government.

The House has also passed Senate bill 2457, with a minor amendment which is simply the addition of the following language:

No contract heretofore or hereafter entered into shall be modified, invalidated, or changed because of the marriage of any two contracting parties.

This amendment is acceptable to the chairman of the committee, as well as to me.

Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri.

The motion is agreed to.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. SPARKMAN. Mr. President——

Mr. HUMPHREY. Mr. President, I yield to the Senator from Alabama such time as he may require.

The PRESIDING OFFICER. (Mr. CANNON in the chair). The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, I rise to pay tribute to the distinguished senior Senator from Louisiana [Mr. ELLENDER], the chairman of the Agriculture Committee, and to his committee colleagues, for what I regard as a signal service to American agriculture and a great segment of American business, by means of the fresh emphasis which the committee, in its report accompanying Senate bill 1748, has given to the stimulation and development of new foreign markets for American agricultural products under Public Law 480, known as the Agricultural Trade Development and Assistance Act of 1954.

I am vitally interested in the development and expansion of markets abroad for every type of product of the farms of America and in the welfare of the business establishments which process these farm products.

I am sure that each of us is encouraged by the contribution that has been made by the operation of Public Law 480 to the development and expansion

of foreign markets for American farm products. What has been accomplished is indicative of what can ultimately be achieved if the agencies administering the program will steadfastly observe the high priority for trade development which the Agriculture Committee has called for in its report on the bill before us today.

So that there may be no misunderstanding about what the committee intends concerning the future operation of the Public Law 480 program, let me record here certain language from the committee report. The report states:

> The Agricultural Trade Development and Assistance Act of 1954, as amended, declared trade expansion as the policy of Congress. A stated objective of this policy was to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States.
>
> Section 104(a) was listed as the first currency use to help develop new markets for U.S. agricultural commodities on a mutually benefiting basis.
>
> This was no accident. It was and is the intention of Congress that foreign currencies be used to the maximum extent possible for agricultural market development and that first priority be given this use.
>
> This committee is concerned by reports that funds are inadequate for continuation and expansion of section 104(a) market promotional work abroad. * * * To insure that sufficient funds are available for section 104(a) market promotional activities, this committee recommends:
>
> 1. The use of foreign currencies for section 104(a) should be given priority over other nonreimbursable U.S. uses. The committee in approving the enactment of new currency uses, did not contemplate that this would result in a reduction of currencies available for section 104(a).
>
> 2. The Secretary of Agriculture should determine the level of funds needed for section 104(a) before foreign currencies are made available for other nonreimbursable U.S. uses authorized in the law.
>
> 3. The committee commends the Department for negotiating convertibility to nondollar currencies in title I sales agreements. However, the amount of conversion included in such agreements should be increased to permit greater market promotion looking toward the creation of permanent dollar markets in commercial market areas. Further, the inclusion of convertibility for section 104(a) should be a condition for the approval of future title I sales agreements.

The committee report recites much of our experience under Public Law 480 in developing new outlets for a number of agricultural commodities, including poultry.

Every Senator knows that the poultry industry is today in a singular crisis. The industry itself, through the instrumentality of the International Trade Development Committee representing the entire poultry industry, is redoubling its efforts to develop and expand foreign markets which are so desperately needed.

The poultry industry looks upon the Agricultural Trade Development and Assistance Act as an effective means for helping to realize the foreign market potential of American poultry and poultry products.

The importance of the poultry industry to our national economy cannot be over-emphasized. We are aware that poultry constitutes the third largest producer of farm income in America. It is the principal use of feedstuffs, using 65 to 75 percent of all commercial feedstuffs. Poultry are produced in almost every State in the Union. In my own State of Alabama, poultry constitutes the second largest producer of cash income to farmers.

The poultry industry is not strictly agricultural. It is both agricultural and industrial. In a very real sense, those engaged in it are farmer-businessmen. As such, they are entitled to the full support of the committees of Congress and the agencies of Government which are primarily concerned with the welfare of businessmen. That is why the Senate Small Business Committee, of which I serve as chairman, has made the serious and complex problems of the poultry industry a major concern of the committee. That is why our committee has joined hands with our Agriculture Committee in attempting to alleviate the problems of the farmer-businessmen in the poultry industry.

Senators will recall that the Agricultural Trade Development and Assistance Act of 1954 has two basic primary objectives. The first is to facilitate the disposal of surplus agricultural commodities. The second is to attempt to return some permanent benefit to U.S. agriculture, in the form of new and expanded markets. As the committees of Congress have heretofore consistently pointed out, the development of foreign markets is considered to be among the most important permanent benefits to be realized from Public Law 480. Notwithstanding the provisions of the act and the clear intent of Congress, as expressed in prior committee reports, the Agriculture Committee and the Small Business Committee still do not believe that sufficient emphasis is given to, or sufficient foreign currencies are being made available for, this primary objective of the act. If American agriculture is to achieve the benefits contemplated, it is essential that a greater percentage of the local currencies generated be made available for carrying out market development programs; and every effort should be made to broaden the opportunities for carrying out these activities.

The Agriculture Committee in its report reviewed some of the types of market development and promotion activities which are being carried out under Public Law 480 and some of the results which have been accomplished to date.

The fact that wholly new markets can be developed for U.S. agricultural commodities, through the use of the authority provided under Public Law 480, is perhaps best illustrated by referring to what has been accomplished, in respect to poultry, in a relatively short time in Western Germany. Western Germany is today the world's largest importer of poultry and poultry products. Prior to Public Law 480, no poultry had been imported by Germany from the United States. No taste or demand for our superior type of products had been created; and there were also barriers, in the form of license and exchange controls, which stood in the way of trade.

As a result of programs initiated under Public Law 480, these barriers, although not completely removed, have been modified; and a substantial quantity of U.S. poultry is currently being sold, through private trade, to German importers, for dollars. With the promotion activities being carried out under Public Law 480, U.S. poultry is gaining wide acceptance by German consumers. This represents an entirely new market for U.S. poultry.

Let me again remind the Senate that today poultry is in heavy surplus supply, and the prices are greatly depressed. Every housewife knows this. The price of broilers this year hit the lowest level on record. Egg prices fell to the lowest level in 18 years. Yet the quality of these products has never been higher. Public Law 480 has not been used to the extent it should have, for poultry. Since the beginning of Public Law 480, only very small quantities have been programed or made available for sale under this act, notwithstanding the fact that the act and the reports of the committees make it clear that these items are just as eligible as any other.

We know how hard Members of Congress had to work to get the Department to program fruits. I want to make it clear that I, both individually and as chairman of the Senate Small Business Committee, feel that Congress cannot tolerate any further unfair treatment of poultry. I am well aware that the Members from other poultry-producing areas are also deeply concerned.

The Agriculture Committee has wisely recommended that larger amounts of foreign currencies thus generated be made available over longer periods of time, in order that effective market-development work of this type may be expanded by the various recognized trade groups carrying out these market-development programs in cooperation with the Foreign Agricultural Service.

We have the opportunity, under the Public Law 480 program, to help relieve the present critical situation confronting the poultry industry, and at the same time to introduce these high-quality products into entirely new market areas, which eventually can become new and permanent markets. Congress must exercise the necessary legislative oversight to see that poultry is given equal treatment with other commodities under this extended authority.

Again let me commend the members of the Agriculture Committee and its distinguished chairman on a farsighted and constructive step.

Mr. President, I thank the Senator from Minnesota for yielding to me.

Mr. HUMPHREY. Mr. President, I call up amendments on page 2 of the committee amendment—and I pronounce the words "committee amendment" with some emphasis, because it is rather unusual to find the committee amendments being opposed by the committee. But I call up these committee amendments, which have been approved by two committees—namely, paragraph (5), on page 2; and paragraph (10), on page 4. Both of them concern the national food reserves, and both of them should be considered together.

Therefore, Mr. President, I ask unanimous consent that those two paragraphs may be considered together, because they are relevant and germane to the substance of the national food reserves provisions.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, now that that request has been granted, I call up the amendment, which relates to the national food reserves.

Mr. President, this is the committee amendment. I voted for it, but it is the committee amendment. May I add, this time—if it will make any impression on anyone—that this is the administration's proposal. I suppose it is rather unusual to have a member of the so-called opposition party offer amendments sponsored by the administration. Certainly no Member should have any reluctance in supporting this administration proposal if he supports the administration.

So I shall address my remarks to the Members on this side of the aisle who occasionally support the administration; and in that connection I emphasize the word "occasionally."

This amendment provides that a policy which our Government adopted some years ago in the United Nations, in the form of a resolution, be now implemented. Section 110 of the committee amendment states its purpose as clearly as could be stated in any language. It reads as follows:

SEC. 110. In order to implement the resolution adopted by the United Nations on February 20, 1957 (United Nations Resolution 1025 [XI]), which was sponsored by the United States, calling for international cooperation in the establishment of national food reserves, surplus agricultural commodities may be made available by the President on a grant basis for such reserve purposes pursuant to an agreement with the recipient country requiring that payment shall be made when such commodities are withdrawn from the reserve: *Provided*, That no payment shall be required for any quantities of such commodities which are used by agreement of the President and the government of the recipient country for purposes provided for in section 201 of this Act.

Section 201 is the section of the act to relieve famine.

Mr. President, I submit the amendment on behalf of the Senate Committee on Foreign Relations, the Senate Committee on Agriculture and Forestry, the President of the United States, the Secretary of Agriculture, and, I trust, a substantial majority of the Members of this body.

Mr. AIKEN. Mr. President, will the Senator from Minnesota yield several minutes to me?

Mr. HUMPHREY. I am happy to yield to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. Mr. President, this amendment, which includes items (5) and (10) of the committee amendment, was proposed by the administration. It authorizes the storing of surplus foods—primarily grain—in foreign countries, to be paid for if they are withdrawn and used by those countries for other than famine or emergency relief.

I do not know that there is much more to be said about the amendment.

I believe that perhaps one of the purposes of the amendment is not only to have the food available for the control of hunger and near famine, but also to hold down inflation, in that if the food were stored in and were available in some of these countries, it would have the effect of holding down inflation in these countries, and also would result in decreasing storage costs. The Senator from North Dakota [Mr. YOUNG] just now reminded me that the latter is one purpose.

Mr. President, I hope the amendment will be agreed to.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, as the distinguished Senator from Minnesota has stated, this amendment has the endorsement of the administration. But, I might point out, some of us who are on the committee are opposed to the amendment.

If this amendment were adopted, it would permit the storage abroad of a large quantity of surplus agricultural commodities. In addition, the amendment would provide opportunity for a portion of the proceeds of sales of these surplus agricultural commodities for foreign currencies to be used to construct storage facilities in foreign countries.

Mr. President, it has been my privilege to travel through many foreign countries. It is my judgment that in most of the countries where famine now exists and where there is much need for food, such food-storage facilities are not available. Furthermore, in countries such as Pakistan and India, even if additional facilities would be constructed, the weather conditions are such that our surplus agricultural commodities could not readily be stored there.

In my judgment, it would be much better for us to retain these surplus agricultural commodities here in this country and distribute them as they are contracted for.

Mr. President, if this amendment is adopted, it will mean that the Federal Government will be compelled to pay all costs to ship this food abroad, and if the food is used for any other purpose than that provided under title I, it is entirely possible that our country will have to pay for the storage of that food, as well.

It strikes me that the program as it is now operated has worked well. I can see no reason why we should obligate ourselves to any further extent than we have already in the distribution of surplus agricultural commodities abroad.

Mr. President, I ask that there may be inserted at this point in my remarks a further explanation of the pending amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NATIONAL FOOD RESERVES

This provision authorizes grants of surplus agricultural commodities for the purpose of creating national food reserves in other countries. Food withdrawn from the reserves would be paid for by the recipient country if it were withdrawn for purposes other than those provided for by section 201 of the act, namely, emergency famine or extraordinary relief assistance.

The report of the Senate Committee on Foreign Relations states:

"This section states specifically that the reserves to be created will help implement the resoluton of the Unted Nations, adopted at the 11th session of the General Assembly. That resolution calls for the establishment of national food reserves "to be used in accordance with international agreed principles." The United Nations resolution specifies that the purposes of national food reserves should be:

"(a) To meet emergency situations;

"(b) To prevent excessive price increases arsing as a result of a failure in local food supplies;

"(c) To prevent excessive price increases resulting from increased demand due to economic development programs, thus facilitating the economic development of less developed countries.

"Section 110 specifies that the reserves will be kept at agreed levels unless the President specifically approves a reduction below the agreed level. The agreements shall also contain safeguards to assure that the commodities in the reserve are not used for speculative purposes.

"The committee also emphasizes the importance of utilizing the services of and consulting with the United Nations Food and Agricultural Organization with respect to technical problems of storage, management, and operation of national food reserves.

"The committee calls attention to the fact that the building of national food reserves in food deficit countries requires the building of adequate storage facilities, that assistance in building such storage facilities is authorized under several provisions of this bill, and urges the President to use his authority, whenever necessary and advisable, to aid other countries in the building of adequate storage facilities for national food reserves."

The section, therefore, contemplates that food will be given in order to establish these reserves, and storage facilities will be built with U.S. assistance. The food will be given at a time when it is not needed, to be kept in reserve in case it should be needed at some future time. If it spoils in the meantime, that will be small loss to the recipient country. If it is withdrawn for famine or extraordinary relief assistance, the United States would receive no payment for it even though the recipient country does receive payment. Apparently this provision would remove a substantial measure of control over these commodities before the recipient country has any need for them. Then, if there is an opportunity to use them, the United States will be in a weak bargaining position in fixing a price for them.

The price-depressing effect of having large stores of commodities overhanging the market is well known. This provision would provide for stores of commodities in countries all over the world. Prices and other incentives to produce in those countries would tend to be reduced, so that this measure might well have a crippling effect on its beneficiaries and tend to keep them dependent on the United States.

Mr. ELLENDER. Mr. President, I also ask unanimous consent to have included

in the RECORD at this point a copy of a letter from the Department of Agriculture describing a similar provision.

There being no objection, the letter was ordered printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 7, 1959.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: In accordance with your request there is set out below an explanation of the provision for national reserves contained in the Department's proposed new section 110 of title I, Public Law 480. It is our intention through this requested new section to make it possible for underdeveloped countries to carry reserve stocks of commodities, such as wheat, to meet (a) temporary shortages resulting from crop failures or delays in the implementation of import plans, and (b) emergency needs resulting from natural disasters or other causes for which assistance may be made available under section 201 of title II of the act.

It has been a recurring experience in times of crop shortage in such countries that consumption has been substantially cut back over a period of 1 to 3 months while import programs were being negotiated and purchases made and shipments received in the country. Under these circumstances, a 2 or 3 months reserve supply would bridge the gap until regular imports begin to arrive. Also, in the case of disaster such as floods, where the need for food is immediate, even the promptest action in making shipments from the United States will not meet such need in time. The availability of such reserve stocks would do so.

The existing method of effecting exports of surplus commodities under title I through regular trade channels is, we believe, the most practicable means of providing reserve stocks to be available for either of the two purposes described above. Taking into account that this method moves the bulk of the commodities out of private stocks, thus avoiding the expense of acquisition, storage, and handling under the price support program, we believe it is also the most economical.

The title I agreement providing for the establishment of reserve stocks under section 110 would include provisions governing: (1) The quantity of the reserve to be established; (2) the length of time the reserve would be maintained; (3) the methods of protecting the reserve stocks, including the basis of settlement in case of damage requiring salvage operations; (4) the use of such reserve stocks for agreed purposes authorized in section 201 of Public Law 480 without any payment being made by the recipient country; (5) use of such reserve stocks for other than section 201 purposes with payment being made for the commodity by the recipient country; and (6) compliance with other requirements of title I, including safeguards against use of the commodities for speculative purposes.

The purchase authorizations providing for procurement of the commodity under such an agreement would be substantially the same as purchase authorizations providing for procurement for immediate consumption. The exporters sales price would be financed in the same way and would be subject to price analysis and reclaim, if excessive. The foreign currency equivalents of such sales price would be determined in the same manner but the recipient country would not be required to deposit such foreign currency to U.S. account at that time, as is required in the case of procurement for immediate consumption. If the commodity were later used for regular consumption purposes, the deposit would then be made. If the commodity were used to meet emergency needs agreed by the United States, the deposit would not be required and the transaction would then constitute a grant rather than a sale.

In most underdeveloped countries there is not now sufficient storage over and above that required for working stocks to carry adequate reserves against disaster and crop failures. For this reason, emphasis will be placed on measures that will result in recipient countries utilizing available grant and loan funds from title I, Public Law 480 programs and other sources to increase their storage facilities. The furnishing of assistance in expanding storage facilities through loans or grants out of title I, Public Law 480 sales proceeds would be an inherent part of the regular programs for sales of commodities for foreign currencies. It does not mean that the United States would have responsibility for storage of the reserve stocks or for costs of carrying out the storage operations. The commodities would be owned by the recipient country from the time of shipment from the United States and further storage and handling would be the responsibility of that country.

Under the proposed amendatory language, considerable flexibility would be permitted in program operations to adapt to operating problems which might arise. We will be pleased to keep the committee informed regarding actual operating procedures developed and progress made under this authority, if enacted.

Sincerely yours,

CLARENCE L. MILLER,
Assistant Secretary.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, it makes little difference who is requesting or supporting this amendment. I think it must stand or fall on its essential merits.

I call attention to some of the details of the amendment which cause me great concern.

First is the fact that storage abroad means we must build storehouses abroad.

Second, storage abroad means that we must transport and pay for the transportation of our surplus products abroad.

Third, storage abroad means that we must subject those surplus products to climatic conditions and other conditions which exist there.

Fourth, in this amendment it is provided—and this is rather an amazing thing to be suggested by those who think that they are recognizing the sovereignty of some 40 countries with which we deal, and which, it is hoped, will set up reserves among themselves to help themselves—such agreements shall require the government of the recipient country to maintain the reserve at agreed levels unless the President specifically approves a reduction below the agreed level, and shall contain reasonable safeguards to assure that the commodities in the reserve are not used for speculative purposes.

Mr. President, I do not know what countries might be willing to accept our largesse on condition that we determine what reserves or how large reserves should be kept by them, but I think that they might be few in number, and that the result of such legislation as this, far from making friends, would be exactly the opposite.

The existence of surpluses here causes trouble for every man who produces them and for every industry which handles the products. It is proposed now to extend the surplus threat to every country friendly to us, and which may deal with us under this proposal, so that each of them will have as a cloud over its own production a part of the surplus which we have here, creating for the particular country a continuing surplus unless there is disaster and unless there is need for the surplus.

Many years ago a Secretary of Agriculture promulgated a program which he called the ever-normal granary program, which at least applied only to us. This proposal is to make of us a kind of Joseph for all the free nations of the earth, under regulations which we prescribe, requiring the recipient countries to live up to those regulations. We become a Joseph for all the other free nations by preserving in their areas reserves or surpluses of products which are nonperishable.

Mr. President, so far as I am concerned, it seems to me that Mr. Wallace will probably blush with shame when he finds that his rather modest proposals of a few years ago have been far overcalled and far outdone by this proposal, which seeks to preserve a kind of ever-normal granary in all the free nations of the world, by continuing to mine our soil and continung to insist upon the production of huge surpluses.

Shall we ever reach the time when we can cut down the production of surpluses, or are we instead to write into the law provisions to the effect that for 3 years of commitments, and for about 6 years of deliveries, we are now committing ourselves to continue production of surpluses big enough to overhang production in all the friendly nations which may seek to avail themselves of this program?

The program is so astounding that I cannot support it, and I am surprised that any Senator should rise to support it.

I hope the amendment will be defeated.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, it is true that some such proposal as this has come from administration sources or from other sources. It is also true that we have been following this policy in the main over the past year. I go gack to the days of UNRRA and the terrible and disgraceful fiasco that was created by the manipulation of UNRRA abroad following World War II, when the food that we sent so generously from American ports was used for the advancement of communism by the agents of communism who got hold of the food and distributed it.

The danger in this proposal to me is, first, that it is proposed that we build warehouses all over the world. I do not care whether my administration proposes it or someone else proposes it. That makes no difference to me. We propose to build warehouses. What is to happen to such warehouses? Somebody must use them. So we propose to put food into the warehouses, and it must be kept at a certain level.

It is not to be drawn down except in famine, but there are rats and other rodents, and there are two-legged rats which, with certain political manipulations in certain countries, will, in one way or another, draw down those reserves, we can rest assured. When the storehouses are nearly empty, they will say to us, "Look at these storehouses. They are empty. We do not know where the food has gone. Please send us some more grain to keep up the level." In that way we shall be faced with more famines and emergencies all over the world in order to pull down the reserves of grain in those countries than we have ever heard of before in history, outside of wartime.

That is what I am afraid of. If we build storage facilities and begin to put grain in them, are we not under a moral obligation, in the minds of some people, at least, to keep them filled, whether we have the surpluses or not? They will not care whether we have the surpluses or not. They will say, "You built the storehouses. You ought to keep them filled. Go out in the market and buy the stocks and put them into the storehouses."

I am afraid those questions will be raised.

So far as the food reaching the people is concerned, as has been pointed out by other Members, most of it will not be given to the people as the result of the bounty of the American people, so far as they know. It will be sold to the people in these countries, and the politicians and governments in those countries will in many cases use the food to perpetuate themselves, whether they be good, bad, or indifferent, as has occurred countless times in the past. The general effect upon the hearts and minds of the people who need the food will be lost. I fear that such things will happen under this program if it is carried out.

It is a high-minded program. So long as we have the surpluses, so long as we have the things we can give, so long as the bounty of the American people continues to be as large as it has in the past, we shall keep making these commodities available to the people. But let us not tie ourselves to any actual contractual obligation with respect to which we can be accused of having assumed a moral liability to continue the programs indefinitely, and to stimulate certain countries into keeping in effect a perpetual condition of emergency and starvation in order to get free food from the United States.

I think it is a dangerous program to start in the form provided in the amendment, and I hope the amendment will be rejected.

Let us continue to make surplus foods available where they are needed and when we have them, but let us not tie our hands and get into a commitment ad infinitum.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I have no time.

Mr. ELLENDER. I yield 1 minute to the Senator.

Mr. LAUSCHE. Is the proposed program a new one?

Mr. HICKENLOOPER. The program has been presented, in one way or another, by many people.

Mr. LAUSCHE. But this is an effort to put it into effect?

Mr. HICKENLOOPER. This is an effort to put this program into effect on a contractual basis.

Mr. LAUSCHE. But is it a new program? I understand that under existing law, if a foreign nation wants to buy products with counterpart currencies it can do so.

Mr. HICKENLOOPER. It is not a new idea; it is a new program.

Mr. LAUSCHE. Under existing law, we can send food to nations suffering from famine. Is that correct?

Mr. HICKENLOOPER. Yes.

Mr. LAUSCHE. This proposal contemplates transferring our food from our own bins in this country to countries having famine conditions. Is that correct?

Mr. HICKENLOOPER. And letting them encourage their own famines.

Mr. HUMPHREY. Mr. President, I yield 5 minutes to the Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. President, it is unusual for me to support an odd combination of a Eisenhower-Benson-Humphrey program. Much has been said about embarking on a new program for building storage facilities in other countries. We are not building storage facilities. It is the foreign countries that are building them with foreign currencies.

We lend this money to them to build factories, industries, roads, all manner of works; but now it is said it is wrong that we are going to permit them to build some storage facilities, for example, in India, which country does not have but little storage facilities now. That is one of the reasons why we cannot give them more food. I see nothing wrong with the program at all.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. Mr. President, the Senator from North Dakota did not use the time allotted to him. He came right to the point.

I yield to the Senator from Vermont.

Mr. AIKEN. We may have an agreement that we will supply a certain country with 10 million bushels of wheat. This proposal will permit us, provided the country has the storage facilities, to send food to that country before the time it is needed. When it is needed for an emergency, it will be available immediately. If it is used for other purposes, the country will then pay for it. In either event we will save the storage charges which we would otherwise have to pay in this country.

Mr. HUMPHREY. Mr. President, it is always the perogative of any Member of Congress to change his mind, and I ask that Senators who oppose this amendment tonight recall their vote in committee only a few days ago. This amendment was approved in the Committee on Agriculture and Forestry. It was approved, I say most respectfully, with the vote of the senior Senator from Iowa. This amendment was approved in the Senate Committee on Foreign Relations, and I do not recall that there was any objection. The Senator from North Dakota [Mr. YOUNG]——

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. WILLIAMS of Delaware. I do not think the Senator from Minnesota would want the statement to stand that it was unanimously approved in the committee, because it was not.

Mr. HUMPHREY. I did not say that. I said that I did not recall any objection in the Committee on Foreign Relations.

Mr. LAUSCHE. Mr. President, if the Senator will yield, I voted for the measure, reserving to myself the right to cast my vote as I saw fit, after I heard no arguments of the character that were presented here tonight before the Foreign Relations Committee. Not a single question was raised of the type that has been raised by the Senator from Florida [Mr. HOLLAND], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Iowa [Mr. HICKENLOOPER].

Mr. HUMPHREY. Mr. President, I am a generous man, and I am more than willing to have these comments made on my time. My good friend from Ohio is absolutely right when he states that he reserved his right to vote as he saw fit. All the Senator from Minnesota said was that he did not recall any objections being made. Neither of us is violating the respect we have for each other, because the Senator from Ohio is one of my cherished and dear friends, and will always be so. Moreover, when he fights for a cause, he fights well and honorably.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PASTORE. Do I correctly understand the situation now is that, without enactment of the amendment, we are sending foodstuffs, under Public Law 480, to foreign countries, and money paid for the foodstuffs does not come to the United States, but constitutes counterpart funds?

Mr. HUMPHREY. No; it constitutes local currencies to the deposit of and in the account of the U.S. Treasury.

Mr. PASTORE. What is the money used for, and by whom?

Mr. HUMPHREY. It is used for many activities by our Government. We sometimes lend it back, at interest, to be repaid in local currencies or dollars. We use it to pay for costs of military construction and for embassy operations.

Mr. PASTORE. But does the money ever come back to the Treasury of the United States?

Mr. HUMPHREY. Oh, yes. Some of it is already being paid, and up to 25 percent is loaned to American industry abroad. So here we convert this money. This is almost like the alchemist of old who tried to convert a base metal into gold. Here we convert foodstuffs and fiber into economic development.

May I say, with respect to this particular amendment, since my time is limited, that in a country like Ceylon, for example, there is at the most a 2-week supply.

This is a valuable country in the contest between the Communist world and the free world. This proposal would give the President the opportunity, if he should see fit—the provision is not mandatory; it is permissive—to make available, in a food deficit area such as Ceylon or India, storage grain, if storage facilities are there, so that the grain can be used either for purposes of sale in the area or for purposes of famine relief.

Under the existing section 201 of Public Law 480, what does that do? It provides one thing; namely, a saving on storage.

If my colleagues wish us to continue to pay out a million and a half dollars a day for storage, let them continue this policy. Wheat can be stored abroad for one-fifth of the cost in this country. Moreover, the wheat, cotton, rice, or other commodity is on location. In addition, the administration is of the opinion that this provision would improve the operations of Public Law 480.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. MORSE. Is it the opinion of the Senator from Minnesota that if some of this surplus food were stored in countries where it is nip and tuck in the fight between freedom and totalitarianism, it might well be helpful to the political leaders in those countries that stand for freedom if they knew that in time of famine they would have this food available?

Mr. HUMPHREY. I do feel that way. I want to add to the Senator's comment, which is most pertinent and relevant, that the Senate voted to put large stocks of arms in Germany in caves underground in storage depots before the German army was constituted. The Senate voted to put large amounts of trucks and vehicles in surplus amounts overseas for our Armed Forces and for others. Yet Admiral Briscoe, the chief of the command of the southern flank of NATO, told the Senator from Minnesota and told a representative of the Foreign Relations Committee staff, one Mr. Patrick Holt, assigned on that mission, when I visited the southern flank of NATO, that if war broke out in Europe, because of the inadequacy of food we could not feed our own troops for 10 days. The military departments of Government have recommended for years that we maintain food reserves overseas. The Department of Defense is on record, time after time, in favor of these depots of foods overseas, not for helping others, but for helping ourselves.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PASTORE. I am very much in sympathy with this amendment. The thing which concerns the junior Senator from Rhode Island is the question raised by the Senator from North Dakota [Mr. YOUNG] to the effect that, after all, this money is being used for other industrial developments in these countries, so why not use it to build storehouses instead, to store this food?

Mr. HUMPHREY. Yes.

Mr. PASTORE. Then I asked the question whether this money would come back to the Treasury of the United States, and the Senator said it would.

Mr. HUMPHREY. Yes.

Mr. PASTORE. How do we spend this money for industrial development in foreign countries?

Mr. HUMPHREY. We loan the money to the countries at interest, repayable, under terms of an agreement, either in local currency or in American dollars.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I yield 2 minutes from the time of the bill to myself, so that I may respond to the question of my good friend and colleague.

We loan the money to the countries, and it is repayable with interest, under the terms of an agreement, country by country, contract by contract.

Mr. PASTORE. Nevertheless, it is a fact that if the money were not used for this purpose it would come back to the U.S. Treasury?

Mr. HUMPHREY. That is correct.

Mr. PASTORE. What we are seeking to do under the law is to authorize use of the money for the building of warehouses in foreign countries.

Mr. HUMPHREY. May I say, most respectfully, to my good friend——

Mr. PASTORE. I am not quarreling about it, but I think the record should be straight.

Mr. HUMPHREY. The record will be straight.

It is very difficult to spend Indian rupees in either Providence, R.I., or Minneapolis, Minn. We spend Indian rupees in India. We sell the wheat, cotton, or other commodity under title I for the local currencies, over and above what we can sell for dollars. When we sell commodities for local currencies the only place the local currencies can be used is where the local currencies are generated.

Mr. PASTORE. Therefore, this money would not come back to the U.S. Treasury. It is money we would have to spend in the foreign countries.

Mr. HUMPHREY. Yes. In the agreement relating to the use of the money, it would be repayable either in the local currency or in dollars.

The PRESIDING OFFICER. The additional 2 minutes the Senator yielded have expired.

Mr. MORSE. Mr. President, will the Senator yield himself 1 more minute?

Mr. HUMPHREY. Mr. President, I yield myself 1 more minute.

The PRESIDING OFFICER. The Chair wishes to inquire as to whether the Senator in control of the time on the bill wishes to yield time on the bill to the Senator from Minnesota.

Mr. HUMPHREY. I understand the majority leader is willing to yield time on the bill to handle these amendments. Is that correct?

Mr. JOHNSON of Texas. Mr. President, the Senator from Louisiana [Mr. ELLENDER] has control of the time on the bill. Does the Senator desire additional time?

Mr. HUMPHREY. I wish to respond to questions. Who is controlling the time against the bill? The Senator is against the committee amendments.

This is an anomaly, if I have ever seen one.

The PRESIDING OFFICER. Under the unanimous consent agreement, the minority leader controls the time in opposition to the bill.

Mr. HUMPHREY. In other words, what we have happening is that the time on both sides is controlled by the opponents.

This is a "deal."

Mr. MORSE. Mr. President, will the acting minority leader yield time?

Mr. KUCHEL. Mr. President, first let the record show that the Senator from Minnesota may or may not be correct in his statement. I am one Senator who is trying, in the midst of considerable confusion, to determine how my vote should be cast.

In any event, with the customary generosity which goes with this desk, 1 minute is allotted to the able Senator. [Laughter]

Mr. HUMPHREY. I will say, with the customary gratitude which comes from this side, "Thank you."

Mr. MORSE. Mr. President, will the Senator yield so that I may ask one question?

Mr. HUMPHREY. I yield to the Senator from Oregon.

Mr. MORSE. The Senator from Oregon understands that a considerable amount of storage space will be built in some countries with the use of soft currencies, the use of local currencies which could not possibly come back to the Treasury of the United States, but which must be spent in such countries for uses for which soft currencies can be spent. Is that a correct understanding?

Mr. HUMPHREY. The Senator is correct.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should like to go back to the point raised by the Senator from Rhode Island, in the 30 seconds remaining, if I may do so.

When we sell the commodities under title I, we get money for them. It may be dollars, pounds, or francs, or it may be some other currency, but we get money of some kind. The money is a negotiable instrument within the country where the sale is made. Therefore, under the terms of Public Law 480, we make agreements with those countries to loan back a portion of the total amount of the proceeds, as to which we are repaid interest and principal.

Mr. PASTORE. That is the point I mean to make, precisely. In other words, these warehouses will be paid for out of money which we are obligated to loan to the countries, anyway.

Mr. HUMPHREY. The Senator is correct.

Mr. PASTORE. At any rate, this is not money which will come into the United States Treasury.

Mr. HUMPHREY. It is in the Treasury.

Mr. ELLENDER. No; it is not.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. I have no time.

Mr. KUCHEL. Mr. President, the acting minority leader is available for an allocation of additional time.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield to me?

Mr. KUCHEL. I yield 5 minutes to the able senior Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I think there is some misunderstanding in connection with the amendment now pending.

The storage bins or granaries will be built with currencies which belong to the U.S. Government, and currencies which will come back to this country if they are not spent or loaned. Such currencies are spent or loaned only at our discretion. These are not counterpart funds.

The warehouses will be built with money of American taxpayers, whether it is money which we have in American dollars or whether it is money which we have in foreign currencies which we have accepted in exchange for commodities which we have sold at discounts.

This is one of the most fantastic proposals I think we have ever had in this Congress—it commits the American taxpayers to pay for the building of storage houses throughout the world. We will then be storing our surplus commodities in those storage houses. Once the commodity is in the foreign country stored in one of the storage houses, we cannot sell it to any other purchaser except the country in which it is stored, unless it give its consent. We will have to negotiate on a price with that country as the only prospective buyer. The country will know it has the commodity. We can give it to them or we can sell it at what they offer. We will even be required to pay storage on our grain stored in this foreign country in warehouses we build.

If there happens to be a famine in an adjoining country, we cannot take the commodity out of the storage house in x country, without an internal accident, and move it over to the country which has a famine.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. Who will determine how much we put in the storage house?

Mr. WILLIAMS of Delaware. The United States Government.

Mr. PASTORE. Is that not enough protection?

Mr. WILLIAMS of Delaware. It has not been in the past. It is our money. We should control it.

Mr. PASTORE. We determine whether we shall put in much or little.

Mr. WILLIAMS of Delaware. That is correct.

Mr. PASTORE. The argument has been developed here that because we put in something there should be apprehension that the program will be abused. If we have the final decision, what difference does it make?

Mr. WILLIAMS of Delaware. We could build one warehouse, or we could build several. I do not think we should build any.

Mr. PASTORE. We can put in as much as we wish.

Mr. WILLIAMS of Delaware. The Senate will determine tonight whether we want to build worldwide granaries and store all of our grain throughout the world.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I will yield in just a moment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I will yield in just a moment.

Mr. President, it has been said that these warehouses would be built with currencies which we could not bring back to the Treasury of the United States. These warehouses will be built with currencies which we can spend for needed strategic commodities which we can use in our national stockpile. This is money we can use for embassies, or military establishments abroad.

I think we had better act on this question with our eyes open. It was admitted in the committee that we would have no control over the commodity once we put it in the storage house.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. Is it not a fact that it is proposed to build these warehouses with money which can be used in foreign countries to build mills which produce and sell textile products in competition with American manufactured goods?

Mr. WILLIAMS of Delaware. The moneys can be used for that purpose, or they can be put back in the Treasury of the United States.

Mr. PASTORE. What is the difference between doing that and building a warehouse where the food can be stored?

Mr. WILLIAMS of Delaware. I am not suggesting that we should build textile mills, either.

Mr. PASTORE. In point of fact, we are doing it.

Mr. WILLIAMS of Delaware. The fact that we are doing it does not mean we should build granaries. Merely because we are doing something which is wrong, why should we start a second project which is wrong?

Mr. PASTORE. It is not exactly wrong.

Mr. WILLIAMS of Delaware. We are building textile mills in foreign countries because the Congress voted to do so. We will build warehouses if Congress votes to do so. If the Senator does not like it, he can vote against it rather than talk about it. [Laughter.]

Mr. PASTORE. Mr. President. will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

All time on the amendment has expired.

The question is on agreeing to the amendment offered by the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, a correction. It is a committee amendment.

Mr. KUCHEL. Mr. President, I yield 2 minutes to the able Senator from North Dakota.

The PRESIDING OFFICER. The Senator yields 2 minutes from the time on the bill?

Mr. KUCHEL. From the time on the bill.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 2 minutes.

Mr. YOUNG of North Dakota. Mr. President, I should like to take a minute or two to explain the provision. When we sell these commodities to foreign countries, we accept their currency.

The average deal operates in this manner: 30 percent of the funds are set aside for use by the United States. That is for our own use, and there is no doubt about it. The other 70 percent of the funds we loan back to these countries.

These storage facilities would be built by using the 70 percent of the funds which are to be loaned back to these foreign countries for some other purpose, anyway.

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. YOUNG of North Dakota. I yield to the Senator from Rhode Island.

Mr. PASTORE. That is exactly the point which impresses the junior Senator from Rhode Island. As I understand the situation, these warehouses will not be built with the hard currencies which will come back to the Treasury of the United States, but will be built by use of the soft currencies which will have to be spent, under our agreements, in those countries anyway.

Mr. YOUNG of North Dakota. They would not be built out of the 30 percent of the currencies which, under the act, would be set aside for U.S. use.

Mr. PASTORE. Is that a correct understanding?

Mr. YOUNG of North Dakota. That is correct.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] on behalf of the Committee on Agriculture and Forestry. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. ERVIN], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparlimentary meeting in Warsaw, Poland.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

On this vote, the Senator from North Carolina [Mr. ERVIN] is paired with the Senator from Wyoming [Mr. McGEE]. If present and voting, the Senator from North Carolina would vote "nay," and the Senator from Wyoming would vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Illinois [Mr. DIRKSEN] is necessarily absent.

The result was announced—yeas 42, nays, 46, as follows:

YEAS—42

Aiken	Hill	Mundt
Bartlett	Humphrey	Muskie
Carlson	Jackson	Neuberger
Carroll	Javits	Pastore
Case, N.J.	Johnson, Tex.	Prouty
Clark	Kefauver	Proxmire
Cooper	Langer	Randolph
Dodd	Long, Hawaii	Scott
Douglas	McCarthy	Sparkman
Fulbright	McNamara	Wiley
Gore	Mansfield	Williams, N.J.
Green	Monroney	Yarborough
Gruening	Morse	Young, N. Dak.
Hart	Morton	Young, Ohio

NAYS—46

Allott	Ellender	McClellan
Anderson	Engle	Magnuson
Beall	Fong	Martin
Bennett	Frear	Moss
Bible	Goldwater	Robertson
Bridges	Hayden	Russell
Bush	Hickenlooper	Saltonstall
Butler	Holland	Schoeppel
Byrd, Va.	Hruska	Smith
Byrd, W. Va.	Johnston, S.C.	Stennis
Cannon	Jordan	Symington
Capehart	Keating	Talmadge
Cotton	Kerr	Thurmond
Curtis	Kuchel	Williams, Del.
Dworshak	Lausche	
Eastland	Long, La.	

NOT VOTING—12

Case, S. Dak.	Ervin	McGee
Chavez	Hartke	Murray
Church	Hennings	O'Mahoney
Dirksen	Kennedy	Smathers

So the committee amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I have been consulting with the Parliamentarian as to whether I might call up an amendment which I sponsored in my own right. Apparently some Senators think the committee amendments which are being offered are my amendments. These are, of course, the amendments of the majority of the committee. My question is whether I may call up at this time an amendment other than those approved by the committee?

The PRESIDING OFFICER. If the amendments are to be treated as committee amendments, they will be acted on first.

Mr. HUMPHREY. If an amendment is treated as a committee amendment, it is an amendment which comes from the committee.

The PRESIDING OFFICER. The statement on the face of the amendment is: "Amendments reported by Mr. HUMPHREY, from the Committee on Agriculture and Forestry." That makes them appear to be committee amendments.

Mr. HUMPHREY. That is correct. Indeed, they are committee amendments. One would never know it, but indeed they are.

The PRESIDING OFFICER. The present occupant of the chair was advised earlier in the evening that the amendments contained in this group were not committee amendments but were amendments of the Senator from Minnesota.

Mr. HUMPHREY. I do not know who advised the Chair of that, but I appreciate the compliment.

I offer an amendment to the committee amendment.

The PRESIDING OFFICER. If an amendment other than the committee amendment is offered at this time, unanimous consent is required to permit the amendment to come in ahead of the committee amendment.

Mr. HUMPHREY. I do not believe we should ask for miracles at this hour of the night. I was trying to accommodate one of our esteemed, beloved colleagues, who wanted to make a statement in reference to the amendment, which I know will be adopted overwhelmingly. But I will proceed.

Mr. President, I call up the amendment relating to section 104, paragraphs 6, 7, 8, and 9, starting on page 2, line 17, and continuing through line 6, page 4 of the amendment designated "8–25–59—B."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to insert at the appropriate place in the bill the following:

(6) Section 104(k) (relating to scientific activities) is amended by striking out the colon and inserting in lieu thereof a comma and the following: "and to promote and support programs of medical and scientific research, cultural and educational development, health, nutrition, and sanitation:".

(7) Section 104(o) (relating to assistance to educational facilities sponsored by United States citizens) is amended by striking out so much thereof as follows the semicolon.

(8) Section 104 (relating to uses of foreign currencies) is further amended by inserting after paragraph (o) the following new paragraphs:

"(p) For supporting workshops in American studies or American educational techniques, and supporting chairs in American studies;

"(q) For assistance to meet emergency or extraordinary relief requirements other than requirements for surplus food commodities: *Provided*, That not more than a total amount equivalent to $2,000,000 may be made available for this purpose during any fiscal year;

"(r) For financing the preparation, distribution, and exhibiting of audio-visual informational and educational materials, including Government materials, abroad: *Provided*, That not more than a total amount equivalent to $5,000,000 may be made available for this purpose during any fiscal year;

"(s) For financing the services of technicians, advisers, and administrators who are nationals of any friendly country, which may be needed to further economic and social development programs in other friendly countries;".

(9) Section 104 is further amended by inserting before the period at the end thereof a colon and the following: *"Provided, however*, That foreign currencies shall be available for the purpose of subsections (p) and (s), in addition to funds otherwise made available for such purposes, only in such amounts as may be specified from time to time in appropriation Acts".

The PRESIDING OFFICER. The Chair will state that amendments to this committee amendment are now in order.

Mr. HUMPHREY. It is my intention to offer an amendment to the committee amendment.

The PRESIDING OFFICER. The Senator will submit his amendment.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Minnesota will state it.

Mr. HUMPHREY. Must an amendment relate to this particular section to be germane or to be in order?

The PRESIDING OFFICER. An amendment must be germane.

Mr. HUMPHREY. I mean must it be in order? I withdraw the statement with respect to germaneness. Must an amendment to section 104 relate to section 104 to be in order?

The PRESIDING OFFICER. So long as it does not relate to another portion of the bill.

Mr. HUMPHREY. Then I call up my amendment designated "9–1–59—B" as an amendment to the committee amendment.

Mr. KEATING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. KEATING. Is the committee amendment now offered subject to severance?

The PRESIDING OFFICER. It is subject to a division for a question.

Mr. KEATING. I ask that the amendment be divided in order to enable us to vote on that part thereof which extends from line 12 to line 16 on page 2 as a separate item.

The PRESIDING OFFICER. That matter has already been voted on.

Mr. KEATING. Then I ask that so much thereof as begins on line 9 and ends on line 13, page 3, be voted on as a separate item. Is that permissible?

The PRESIDING OFFICER. That is subject to a division.

Mr. KEATING. I ask that that part be voted on as a separate item.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota has not been stated.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that my amendment designated "9–1–59—B," title II being entitled "Enrichment and Packaging of Certain Donated Commodities; Enrichment and Sanitary Packaging of Certain Commodities," and title III being entitled "Demonstration Food Stamp Allotment Programs," be printed at this point in the RECORD. It will undoubtedly simplify action on the amend-

ment at this late hour if we proceed with a discussion of the amendment without its being read, unless there is an objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment is as followed:

On page 1, between lines 2 and 3, it is proposed to insert the following:

"TITLE I—AMENDMENTS TO THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954"

At the end of the bill add the following new titles:

"TITLE II—ENRICHMENT AND PACKAGING OF CERTAIN DONATED COMMODITIES

"Enrichment and sanitary packaging of certain commodities

"SEC. 201. (a) In order to insure the nutritional value of cornmeal, grits, white rice, and white flour when such foods are made available for distribution under section 416(3) of the Agricultural Act of 1949 or for distribution to schools under the National School Lunch Act or any other Act, such foods shall be enriched so as to meet the standards for enriched cornmeal, enriched corn grits, enriched rice, or enriched flour, as the case may be, prescribed in regulations promulgated under the Federal Food, Drug, and Cosmetic Act; and in order to protect the nutritional value and sanitary quality of such enriched foods during transportation and storage such foods shall be packaged in sanitary containers. For convenience and ease in handling, the weight of any sanitary container when filled shall not exceed fifty pounds.

"(b) The term 'sanitary container' means any container of such material and construction as (1) will not permit the infiltration of foreign matter into the contents of such container under ordinary conditions of shipping and handling, and (2) will not, for a period of at least one year, disintegrate so as to contaminate the contents of the container, necessitating the washing of the contents prior to use.

"TITLE III—DEMONSTRATION FOOD STAMP ALLOTMENT PROGRAMS

"Definitions

"SEC. 301. As used in this title—

"(a) The term 'food commodity' means any food product raised or produced in the United States on farms, including agricultural, horticultural, and dairy products, livestock, poultry, and honey.

"(b) The term 'State' includes the District of Columbia, Puerto Rico, and the Virgin Islands.

"(c) The term 'Secretary' means the Secretary of Agriculture.

"(d) The term 'food stamp' means a certificate, coupon, or other similar medium of exchange issued to eligible recipients.

"Demonstration programs authorized

"SEC. 302. (a) The Secretary is authorized and directed, as soon as practicable after the date of enactment of this Act, to formulate and administer in geographically dispersed areas of the United States demonstration food stamp allotment programs under which food commodities will be made available to persons with low incomes, unemployed persons, and such other persons as the Secretary determines to be in need of the type of assistance made available under such programs.

"(b) Demonstration food stamp allotment programs authorized by subsection (a) shall be administered by the Secretary in not less than three nor more than six different areas of the United States, and shall, to the extent practicable, be administered in areas determined by the Secretary of Labor to be areas of surplus labor. In carrying out the provisions of this section the Secretary shall provide for at least one such program in a rural area of the United States.

"Types of demonstration programs

"SEC. 303. (a) The Secretary shall, with respect to the demonstration food stamp allotment program to be administered in any area, determine the type of program it is to be, the requirements of eligibility for participation therein, and the manner in which it is to be administered.

"(b) In formulating and administering any demonstration food stamp allotment program pursuant to the provisions of this title the Secretary is authorized to consult and cooperate with appropriate State and local authorities as well as representatives of any private industry concerned with the operation of such program.

"(c) The Secretary is authorized and directed in carrying out the provisions of this title to utilize such stocks of the Commodity Credit Corporation (determined by the Secretary to be in surplus supply) as he shall deem fit.

"Rules and regulations

"SEC. 304. The Secretary is authorized to promulgate such rules and regulations as he deems necessary to effectuate the provisions of the title.

"Termination of programs—report to Congress

"SEC. 305. (a) The demonstration food stamp allotment programs authorized by this title shall terminate prior to January 1, 1962.

"(b) The Secretary shall, as soon as practicable after the termination of such programs, submit to the Congress a final report on the operation of such programs, including such recommendation as he deems appropriate. The Secretary may also from time to time make such earlier reports to the Congress as he deems appropriate.

"Appropriations

"SEC. 306. There is hereby authorized to be appropriated $20,000,000 for carrying out the demonstration food stamp allotment programs.

"Maintenance of other assistance

"SEC. 307. Receipt by any person of benefits under this title shall not be deemed to be income or resources under the provisions of the Social Security Act or any other Federal legislation pertaining to the security of the aged, blind, disabled, dependent children, unemployed, or other similar groups. Any State or local subdivision thereof which decreases the cash or other assistance extended to any person or group as a consequence of the assistance made available under this title shall be ineligible for further participation under this title."

Mr. HUMPHREY. Mr. President, do I correctly understand that my amendment to the committee amendment is the question before the Senate?

The PRESIDING OFFICER. That will be the pending question.

Mr. HUMPHREY. I thank the Chair. The request of the Senator from New York will be in order at the conclusion of the debate on the amendment to the committee amendment. Is that correct?

The PRESIDING OFFICER. Where does the Senator from Minnesota desire his amendment to appear in the committee amendment?

Mr. HUMPHREY. At the end of line 6, page 4.

The PRESIDING OFFICER. The Chair advises the Senator from Minnesota that a request has been made for a severance of the amendment at a point which will come before the point proposed by the Senator from Minnesota.

Mr. HUMPHREY. Then wherever the severance is made or the surgery is performed, I should like to have some slight plastic surgery applied at that point. That is where I should like to place the amendment which has just been called up.

The PRESIDING OFFICER. The Senator from Minnesota will proceed.

Mr. KEATING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. KEATING. On what amendment is the Senator from Minnesota about to proceed?

The PRESIDING OFFICER. The Senator from Minnesota has offered an amendment which constitutes the portion of the severance which was requested by the Senator from New York.

Mr. KEATING. So the vote, when it is taken, will be on what?

The PRESIDING OFFICER. The vote will be taken on the amendment of the Senator from Minnesota to the committee amendment.

Mr. KEATING. But this amendment has no relationship to the paragraph on page 3; is that correct?

Mr. HUMPHREY. That is correct.

The PRESIDING OFFICER. The Chair is unable to state that, because the amendment has not yet been read.

Mr. KEATING. After the reading of the amendment, I shall renew my parliamentary inquiry.

Mr. HUMPHREY. Mr. President, on whose time are we now proceeding?

The PRESIDING OFFICER. The time has not yet begun to run.

Mr. HUMPHREY. Mr. President, we must be proceeding on time available to someone.

The PRESIDING OFFICER. The amendment to the committee amendment has not yet been placed before the Senate.

Mr. HUMPHREY. Mr. President, I respectfully point out that my amendment to the committee amendment has been offered.

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. ELLENDER. To what bill is the amendment submitted?

Are we now dealing with an amendment to Senate bill 1748; or are we dealing with amendments which were reported by the distinguished Senator from Minnesota as committee amendments?

The PRESIDING OFFICER. A portion of the committee amendments was submitted, and a division was requested.

The Senator from Minnesota has submitted an amendment to the committee amendment.

The first question will be on agreeing to the amendment of the Senator from Minnesota to the committee amendment.

Mr. ELLENDER. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. ELLENDER. If that amendment to the committee amendment should be agreed to, will the issue again come before the Senate, in connection with the

question of amending the pending measure?

The PRESIDING OFFICER. If the pending amendment to the committee amendment is agreed to, the next question will be on agreeing to the committee amendment, as amended.

Mr. ELLENDER. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. ELLENDER. As I understand the situation, the Senator from Minnesota proposes to further amend the committee amendment, not the bill.

The PRESIDING OFFICER. That is correct.

Mr. ELLENDER. Very well.

The PRESIDING OFFICER. How much time does the Senator from Minnesota allot to himself?

Mr. HUMPHREY. Mr. President, I understood that 15 minutes are available to each side, in connection with the amendment.

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. Mr. President, I shall allot myself whatever time I may require.

The PRESIDING OFFICER. Very well—out of the 15 minutes available to the Senator from Minnesota.

Mr. HUMPHREY. I shall not need to use all of the 15 minutes.

Mr. KEATING. Mr. President, will the Senator from Minnesota yield for a parliamentary inquiry?

Mr. HUMPHREY. On whose time?

Mr. KEATING. On the time available to the Senator from Minnesota?

Mr. HUMPHREY. Yes, with my typical generosity.

Mr. KEATING. Mr. President, may we have the pending amendment to the committee amendment read?

The PRESIDING OFFICER. A unanimous-consent agreement was proposed, and no objection was made.

Mr. KEATING. In other words, I am too late in making my request?

Mr. HUMPHREY. The Senator from New York is never too late. In this particular instance, something happened while the Senator from New York was very busy.

Mr. KEATING. Will the Senator from Minnesota explain the amendment?

Mr. HUMPHREY. Yes; and I am about to do so, if the Senator from New York will permit me to.

Mr. President, several Senators suggested that a very important amendment which is lying at the desk be called up before they had to leave; and I thought we would accommodate them.

This amendment is on the Senate calendar as a bill reported from the Committee on Agriculture and Forestry. I believe it was reported by majority vote. I shall ask the committee staff to give me the facts in connection with the reporting of the amendment.

In any case, in our calendar for Friday, September 4, on page 9, Calendar No. 664 is Senate bill 2522, to provide for the enrichment and sanitary packaging of certain donated commodities, and to establish experimental food stamp allotment programs. The bill was reported to the Senate on August 11. It was my privilege to report the bill to the Senate, for the Committee on Agriculture and Forestry.

This bill is a combination of a proposal introduced by my esteemed friend and colleague on the Committee on Agriculture and Forestry, the Senator from South Carolina [Mr. JOHNSTON]. I now refer to the enrichment features, to enrich certain surplus foods, so they will be edible and usable and of a high dietary quality.

The other part of the bill is the Aiken-Young-Humphrey proposal; in fact, a dozen other Senators joined in the proposal for what we call a food stamp allotment program. The allotment part of it is the Aiken bill. The food stamp plan is the Symington bill.

In the Committee on Agriculture and Forestry, we held hearings for several days in regard to how best to utilize certain surplus foods for consumption in the United States, for our own needy people.

The Senator from South Carolina [Mr. JOHNSTON] pointed out, very properly and wisely, that some of the food in storage today is not usable without enrichment.

The Senator from Vermont [Mr. AIKEN] has been tirelessly—for years—seeking to have established a food allotment program as a means of supplementing inadequate diets.

The Senator from Missouri [Mr. SYMINGTON] has taken the lead, over the years, in offering to the Senate a food stamp plan, which years ago was a working arrangement in this country.

Mr. President, let me state what this particular amendment will do—inasmuch as the Senator from New York [Mr. KEATING] has asked me to explain its purpose.

The first section of the amendment provides that—

> In order to insure the nutritional value of cornmeal, grits—

That word should strike a harmonious chord—

> white rice—

Those words should appeal strongly to the chairman of the committee—

> and white flour—

I will cheer for that—

> when such foods are made available for distribution under section 416(3) of the Agricultural Act of 1949 or for distribution to schools under the National School Lunch Act or any other Act, such foods shall be enriched so as to meet the standards for enriched cornmeal, enriched corn grits, enriched rice, or enriched flour—

In other words, to make usable; or, in other words, instead of talking and talking about surplus foods, to talk about foods that will be usable for human diet.

The Senator from South Carolina [Mr. JOHNSTON] offered this amendment, not only because of his own judgment in regard to it, but also because every expert says this must be done if we are to use the foods which now are in storage.

I read now the next provision:

> DEMONSTRATION PROGRAMS AUTHORIZED
>
> SEC. 202. (a) The Secretary is authorized and directed, as soon as practicable after the date of enactment of this Act, to formulate and administer in geographically dispersed areas of the United States demonstration food stamp allotment programs under which food commodities will be made available to persons with low incomes, unemployed persons, and such other persons as the Secretary determines to be in need of the type of assistance made available under such programs.
>
> (b) Demonstration food stamp allotment programs authorized by subsection (a) shall be administered by the Secretary in not less than three nor more than six different areas of the United States, and shall, to the extent practicable, be administered in areas determined by the Secretary of Labor to be areas of surplus labor. In carrying out the provisions of this section the Secretary shall provide for at least one such program in a rural area of the United States.

Mr. President, these are to be demonstration, pilot-project programs. The maximum amount of the authorization will be $20 million, to carry out these demonstration experimental food stamp allotment programs.

Mr. President, this bill is a good one. It has been reported by the committee. Long hearings were held. The bill has the support of the overwhelming majority of the members of the Committee on Agriculture and Forestry. This measure is on our calendar as a separate bill.

A much broader measure was passed by the House of Representatives.

I wish to say to my colleagues that when we go to conference, it seems to me we should have a measure which will be within these bounds of what I call experimental pilot projects.

Mr. SYMINGTON. Mr. President——

Mr. HUMPHREY. Mr. President, at this time I yield to the Senator from Missouri.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question.

Mr. HOLLAND. Is this program limited by application to surplus food already held by the Secretary of Agriculture?

Mr. HUMPHREY. No; it is not. It is use of surplus foods held by the Secretary of Agriculture, but not more than $20 million is to be expended for the surplus foods held by the Secretary of Agriculture and such other foods as he may deem necessary. The amount of money is limited.

Mr. SYMINGTON. Mr. President, as we have just heard, the senior Senator from Minnesota [Mr. HUMPHREY] has offered an amendment to S. 1748, which will provide for the establishment of a demonstration food stamp allotment program.

This amendment represents an important step toward promoting the health and welfare, augmenting the purchasing power, and improving the nutrition of those persons receiving public assistance, the unemployed, and other low income, needy persons.

Last month a more extensive food stamp plan was adopted in the House as part of the bill extending Public Law 480. This bill was introduced by a great lady from Missouri, Congresswoman LEONOR SULLIVAN, and passed overwhelmingly, 2 to 1.

Many of our fellow Americans are underfed and undernourished—and it is a tragic commentary that this should be true in a Nation as rich and productive as the United States.

Today there are nearly 4 million Americans unemployed. Nearly 2 million of these people do not now receive any assistance, or unemployment compensation. Consequently, they cannot purchase the foods needed for a balanced diet.

The problem is also serious for the several million of our fellow Americans whose only source of income is through public assistance.

These people—the aged, the dependent children, the blind, and the disabled—are finding it increasingly difficult to make ends meet on this limited income.

The average public assistance, per individual, is some $60 per month. With such an income, it is difficult to meet the basic costs of living and still purchase the food needed for a decent diet.

The amendment offered today would supplement the purchasing power of some of those needy persons by providing food certificates, or stamps, to be used as partial payment toward the purchase of needed nutritious foods, which are in surplus in this country.

The current food distribution program of the Department of Agriculture is making some food available to hungry persons in certain distressed areas throughout the country. But the program is far from adequate, either as to quantity or quality.

Throughout the United States we have billions of dollars of Government-stored food surpluses.

Hundreds of millions of dollars of this surplus is being shipped to people in foreign lands.

Surely we can afford this proposed plan for our own least fortunate citizens.

Therefore I urge favorable action on this amendment.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

This amendment provides for, first, the enrichment and sanitary packaging of cornmeal, grits, white rice, and white flour distributed to needy or to schools; and, second, demonstration food stamp programs in from three to six areas.

It is identical to S. 2522 which was reported by the Senate Committee on Agriculture on August 11, 1959. Both the Department of Agriculture and the Department of Health, Education, and Welfare are opposed to the establishment of a food stamp program.

The Department of Agriculture reports that programs are already in effect with respect to the distribution of surplus foods to needy persons and institutions.

For the first three-quarters of last fiscal year, monthly participation in the needy family program has averaged about 5.2 million people. This is in sharp contrast to the situation 5 years ago when less than a million needy people were receiving Federal surplus foods and the program was confined to but 223 counties. In April of this year, 1,200 counties and an additional 165 cities were participating. Through the first 9 months of last fiscal year, the States have distributed over one-half billion pounds of surplus goods to needy families. This exceeds the amount distributed in all of the prior fiscal year.

It is apparent from these comparisons that the States in operating their family welfare programs have found it possible in the past 5 years to make better use of Federal surplus foods to help out in emergency situations and to provide supplemental assistance to the aged, the handicapped, and others on State or local public assistance rolls.

Mr. President, as much as I would like to see some sort of a pilot plant food stamp plan enacted, I cannot agree that attaching such a plan to Public Law 480 is the manner in which to proceed.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. CURTIS. In reference to the first part of the amendment to the amendment, it calls for the enrichment of cornmeal, grits, and so on. Who is to do that? Is that a Government operation?

Mr. ELLENDER. Government money would be used to provide for such services on a contract basis.

Mr. CURTIS. Will the Government provide the facilities, and employ Government help to carry out the program as a Government project?

Mr. ELLENDER. As I understand, this plan would be operated by the Government, and the cost of it would be paid for out of the Treasury.

Mr. CURTIS. I know the cost will be, but what I am wondering is whether we are setting up an industry. The amendment provides:

When such foods are made available for distribution—

And the Government owns title to all that are made available for distribution—

such foods shall be enriched.

Is it planned to set up a Government program of processing plants, packaging, and doing whatever is necessary to enrich and package the food in a sanitary manner?

Mr. ELLENDER. The Government would have responsibility over the program. Of course the Government is doing that now by manufacturing flour, as the Senator knows.

Mr. CURTIS. Yes; but it does not own the flour mills.

Mr. ELLENDER. No.

Mr. CURTIS. What I am getting at is this: There is no language in the amendment which provides that it shall be done by contract. It merely provides that it shall be done. How?

Mr. ELLENDER. It is a Government food stamp plan on a trial basis, to be operated by the Government.

Mr. CURTIS. I am referring to the first section.

Mr. ELLENDER. I understand.

Mr. CURTIS. Is it the Senator's understanding that the Government will contract with someone to package and enrich this food, or are we launching a program under which the Government will build processing plants and operate them?

Mr. ELLENDER. The Government could do either, I suppose.

Mr. CURTIS. Are we authorizing either under the amendment?

Mr. ELLENDER. The point I wish to make is that it is a Government operation, whether under contract or directly by the Government, and Government money would be used in order to carry on the program.

Mr. President, I ask unanimous consent that the remainder of my prepared statement be printed in the RECORD, in order to conserve time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

On pages 59–63 of the hearings on food distribution programs the Department of Agriculture testified that the present program worked in the following manner:

"First, the Department enters into an agreement with some agency of the State government which assumes basic responsibility for program operations. We do not deal directly with political subdivisions of the State.

"Second, provisions are made for the sharing of costs between the Federal Government and the States. The Department provides the surplus food to the State at no cost, finances necessary processing and packaging costs, and ships the commodities in carload lots—on a freight-paid basis—to receiving points designated by the various States. States are responsible for arranging for the receipt, storage, and delivery of the surplus foods made available to them. They also make arrangements with their counties and communities for the operation of a distribution center where the eligible families can receive the food. (In a few metropolitan areas, local arrangements have been worked out to distribute surplus foods through retail stores.)

"Third, under our present operations States are responsible for establishing eligibility standards as to recipients and for developing a procedure for certifying applicant families. The Department, however, requires that the eligibility standards used by a State bear a relationship to the standards that the States use under their own regular welfare assistance programs. This requirement, we believe, is logical from the standpoint of gearing this surplus food program into the basic, on-going, welfare assistance programs of State and local governments. Also, we believe that this requirement helps to insure that these surplus food donations can be accomplished without any significant interference with regular food markets.

"We believe that experience has demonstrated the effectiveness of these food donation policies. By requiring an agency of the State government to assume overall responsibility for the program, we can be assured that the food donation program will be operated in a manner that is consistent with the policies the State follows in the administration of its basic welfare assistance programs. Under the present arrangement, delivery costs within a State can be held to a practical minimum through the use of State, county, or municipal food storage and handling facilities and, in some cases, with the use of volunteer labor. In addition, such a system maintains sufficient flexibility to permit the scope of the program to be adjusted to changes in the need for such a program or in the volume of surplus food available for donation. More importantly, however, we do not believe the Federal Government should undertake a direct food procurement program on a welfare basis. We do not see how it could help but be disruptive to orderly food marketing or help from exerting an upward pressure on food prices. The operation of welfare assistance

programs, basically, is a State and local responsibility. Nonetheless, a complete review would show that the Federal Government already is providing significant amounts of financial assistance to help States and localities carry out that responsibility under the welfare grants authorized by the Social Security Act and through the donation of surplus foods. We do not feel additional Federal action with respect to food assistance is warranted, although we support continued full use of Federal surplus foods to supplement the diets of needy people.

"Butter, dry milk, rice flour, and cornmeal have so far this year been available for donation to needy people in family units and these foods provide significant extra nutrients to needy people. At the rates of distribution recommended by the Department for a four-person family, for example, these surplus foods alone would provide almost one-fourth of the energy and protein allowances recommended by the food and nutrition board of the National Research Council. With the exception of fat and ascorbic acid, the donated foods also would provide between about one-sixth to one-third of the NRC[1] allowances for other nutrients. In addition, these contributions will be increased during the period needy families and institutions receive the dried eggs now being purchased under a section 32 surplus-removal program. As of May 28, a total of 3.5 million pounds of dried eggs, valued at $3.9 million, had been purchased."

Mr. JOHNSTON of South Carolina. If the Senators will look at the report——

The PRESIDING OFFICER. The Senator will suspend until it can be determined who is yielding time to him.

Mr. HUMPHREY. I will yield to the Senator.

Mr. JOHNSTON of South Carolinia. If Senators will look at the report on Calender No. 664, Report No. 657, at the bottom of page 3, they will find that the Department of Agriculture has estimated that the additional cost of enrichment and packaging required by the bill would be between $200,000 and $250,000.

Mr. CURTIS. That does not answer the question.

Mr. HUMPHREY. I will answer the question.

Mr. CURTIS. Is the Government to do it by contract or is the Government to do it by direct Government action?

Mr. HUMPHREY. I suppose that Secretary Benson has enough good sense to contract it out, just as he is currently doing for oversea distribution. We are already packaging food for overseas. We are already enriching food for people in Afghanistan, for example, but if we start doing something for people in this country by enriching food, certain questions arise. We have already started.

Mr. CURTIS. My question was very simple. Is the Senator proposing a Government activity?

Mr. HUMPHREY. No.

Mr. CURTIS. Or private enterprise?

Mr. HUMPHREY. I really feel, since this is a limited program for a year, and since I suppose that Secretary Benson is not to be fired—although I have had the courage at times to say that such a noble purpose should be fulfilled—it appears that this great patron of private enterprise will do it on a contract basis. I will give the Senate my word, and I amend the amendment by saying that the processing shall not be done through socialistic methods but the noble standards of our free enterprise shall be adhered to.

Mr. CURTIS. At what point in the amendment would that language be inserted?

Mr. HUMPHREY. That amendment is included.

Mr. President, one point needs to be clarified. The Senator from Missouri was concerned, as was the Senator from Louisiana and others, about the term "surplus." This does apply to surplus foods, but all surplus foods do not necessarily have to be in the possession of the Commodity Credit Corporation. Again we rely upon the Secretary of Agriculture to determine those supplies that are in surplus.

Mr. GRUENING. Will the Senator yield for a question?

Mr. HUMPHREY. Yes; I yield.

Mr. GRUENING. Will the senior Senator from Minnesota tell us whether he is proposing an amendment which actually would do something for the American people exclusively?

Mr. HUMPHREY. This is a great day. That is true. I do not think we shall be damaged. All that is involved is a little pilot project.

I can assure Senators that if this amendment is adopted, a few good, solid, substantial citizens in the United States, people who once were taxpayers and who gave their sons and daughters to the country, may get some food stamps. Would that not be wonderful? And they may get some enriched food like that which people abroad get. I think we should package it too, just as the Senator from South Carolina [Mr. JOHNSTON] has proposed. I think he is to be commended for his efforts.

Mr. GRUENING. What a wonderful present it would be to do something for the American people.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I certainly want to join my colleague, the senior Senator from Minnesota, in support of this proposal to amend Public Law 480 so as to provide for a food stamp plan.

The proposal of the Senator from Minnesota is similar to one on which I have worked for quite a number of years. It is one I believe in. It is a proposal which I feel will do double duty in two areas of our economy which need relief.

First, one of the most pressing domestic problems facing our Nation today is the tragic plight of the American farmer. The root of this very real problem is the surplus commodities headache.

We have not been able to "eat our way out of the surplus" through the Benson assumption that lower prices for farm products would mean lower retail prices for foods, thus inducing housewives to increase their purchases.

Second, my colleague's food stamp proposal will provide assistance for millions of our less fortunately situated citizens at the same time it provides a wider outlet for disposal of the staggering surplus of agricultural products.

Over the years, numerous attempts have been made to increase the demand for farm products. Research programs have been carried on designed to find new uses. We have sold our surpluses at prices below the market level to the needy, to industrial users, and to foreign countries. We have even tried to give the surpluses away, sometimes without success.

But there has been nothing systematic or organized about these efforts. They have received far less emphasis than the other approach of restricting production. With one conspicuous exception, they have not been integrated into our present methods of distribution.

It is that one exception which may hold some hope for the future. It was tried with conspicuous success just before World War II. During the war it was abandoned, and it has never been revived. I am speaking of the food stamp plan.

Older persons receiving social security benefits represent a class of citizens for whom the food stamp plan would be particularly well suited. Under the benefits they now receive, it is hard for our older persons just to exist, to say nothing of having a decent and adequate diet. Moreover, if they find jobs which bring their incomes above a minimum level, they lose their social security benefits. What could be more desirable than a program which would enable our older citizens to eat more and better food and which at the same time would raise the incomes of the American farmer?

One of the most desirable attributes of the food stamp plan is its flexibility, a feature not possessed by many other farm programs.

As supply and demand conditions changed, new products could be put on the surplus list and others taken off. The amount of free stamps given with each purchase of regular stamps could be varied with changing conditions.

Finally, its overall scope, which is determined by the number of free stamps issued, could be increased or decreased at will. We could always know its cost because it would be determined in advance.

In closing, may I again emphasize that the food stamp plan is by no means the complete answer to the farm problem. It is just one step, but, I believe, a step in the right direction.

It has these merits:

It will increase farm incomes.

It will enlarge and improve food consumption of those whose need is the greatest.

It fits perfectly into our present method of food processing and distribution.

It can be quickly expanded if unemployment becomes a serious problem.

It is well suited to the needs of all persons receiving social security benefits, particularly our older citizens.

It is flexible and adaptable to changing conditions.

Its cost would be set and known in advance.

Finally, it has been tried in the past and it works.

[1] National Research Council.

A great philosopher once said that the only thing men learn from history is that men learn nothing from history. This observation is usually recalled when we repeat a mistake of the past. It is equally appropriate when we fail to repeat a success of the past.

I urge the adoption of the amendment of my distinguished colleague, the able senior Senator from Minnesota.

Mr. ELLENDER. Mr. President, I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, Senators who were here 3 or 4 years ago, when we initiated the current program in this field, will remember that the Senator from Florida handled it, both as chairman of the subcommittee and on the floor.

They will remember that it was established because of heavy unemployment in the coal industry in two States at that time; and the unemployment later spread to other places.

I am glad to report to the Senate that under that program exactly the same commodities which would be covered by the pending bill are now being distributed—but through the States and local official agencies—to those who need them, and to a total of several millions of our people.

The total in 1958 was of a value of $457,900,000. The total in 1959 was of a value of $413,400,000. Forty-three States are currently participating in this program.

Mr. President, because the time does not permit me to read it in full, I ask unanimous consent at this time that the latest report of the Department of Agriculture, dated September 3 of this year, USDA 2459–59, be fully printed in the RECORD at this point.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

USDA SURPLUS FOOD DONATIONS SET RECORD IN 1959 FISCAL YEAR

U.S. DEPARTMENT OF AGRICULTURE,
September 3, 1959.

A record total of nearly 3 billion pounds of surplus foods was donated by the U.S. Department of Agriculture during fiscal year 1959 for use in school lunch programs and by charitable institutions in this country and by needy persons both here and abroad. Distribution totaled 2,979,600,000 pounds, an increase of 5 percent over the previous fiscal year, and marked a record high volume for donations of Government-owned foods.

Domestic outlets received all of the increase, with donations to schools, institutions, and needy persons totaling slightly more than 1 billion pounds for the year, compared with 871,600,000 pounds the previous year. Greater amounts of wheat flour, cornmeal, rice, nonfat dry milk, and butter to needy persons in family units accounted for most of the gain.

Donations for foreign distribution amounted to 1,867,200,000 pounds in fiscal year 1959, a decline of about 100 million pounds from 1958. Increased donations of wheat flour were offset by decreased amounts of cheese, which was removed from the foreign donation list in July 1958 to reserve the declining Government-owned stocks for domestic outlets.

The foods were acquired through USDA's price-support and surplus-removal programs and were made available through the distribution program of the USDA's Agricultural Marketing Service. They are distributed to eligible recipients in this country through designated agencies of State and local governments. Foreign distribution in 91 countries was handled by 19 U.S. voluntary church and welfare organizations. Surplus foods are donated for overseas relief only after sufficient stocks have been made available to meet needs of recipients in this country.

In addition to regular distribution, surplus foods are made immediately available to victims of natural disasters. In the 1959 fiscal year, about 309,000 pounds of food were distributed to some 21,000 people in 6 States, American Samoa, and Puerto Rico under that plan.

During the 1959 fiscal year, approximately 250 million pounds of food donated through the direct distribution program benefited some 14 million schoolchildren taking part in school lunch programs. And 1,400,000 persons in charitable institutions in this country received a total of 156 million pounds. Distribution of surplus commodities to schools and institutions is made in all the States, the District of Columbia, and in five territories. Not included in these figures are foods which the Department has purchased specifically for schools participating in the national school lunch program.

Distribution to needy persons during the year totaled over 706¾ million pounds, an increase of 50 percent from the 471½ million pounds in fiscal 1958. Participation varied from month to month, and ranged from a high of 5¾ million persons to a low of 4¾ million.

Currently, 43 States, the District of Columbia, Puerto Rico, American Samoa, and the Trust Territory of the Pacific are distributing surplus foods to needy persons, with 150 cities and 1,160 counties participating in those States. The following table shows the number of needy persons in family units receiving donated commodities in June 1959:

Alabama	127,127
Arizona	50,423
Arkansas	178,341
California	23,215
Colorado	18,799
Connecticut	587
Delaware	3,062
District of Columbia	29,604
Georgia	30,878
Illinois	79,281
Indiana	75,485
Iowa	65,919
Kansas	11,370
Kentucky	280,968
Louisiana	120,604
Maine	56,543
Maryland	44,532
Massachusetts	4,114
Michigan	380,343
Minnesota	33,314
Mississippi	179,055
Missouri	93,153
Montana	8,877
Nevada	992
New Hampshire	6,703
New Jersey	13,789
New Mexico	35,628
New York	364,056
North Dakota	5,320
Ohio	113,568
Oklahoma	232,186
Pennsylvania	735,368
Puerto Rico	595,430
Rhode Island	11,432
South Dakota	23,994
Tennessee	149,458
Texas	118,138
Utah	11,667
Vermont	11,633
Virgina	37,404
Washington	3,977
West Virginia	295,345
Wisconsin	40,076
Wyoming	7,468
Trust territory	3,218
Samoa (American)	2,905
Total	4,715,349

The following tables show totals of surplus foods donated for domestic and foreign distribution during the 12 months, July 1958 through June 1959, by commodities, their costs, and with comparisons for the previous fiscal year:

Cost of surplus foods donated for domestic and foreign use,[1] fiscal years 1958 and 1959

[In millions of dollars]

Commodity	Domestic								Foreign distribution; fiscal year—		Total distribution; fiscal year—	
	Schools; fiscal year—		Institutions; fiscal year—		Needy persons; fiscal year—		Total; fiscal year—					
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959
Beans, dry	1.6	0.4	[2]	[2]	0.1		1.7	0.4			1.7	0.4
Butter	42.6	39.6	17.9	16.7	8.0	33.1	68.5	89.4			68.5	89.4
Cabbage		.1		[2]				.1				.1
Cheese	13.1	13.4	5.7	3.1	27.5	18.6	46.3	35.1	80.6	[3] 16.3	126.9	51.4
Corn									3.0	2.4	3.0	2.4
Cornmeal	1.1	.7	.6	.5	6.5	6.8	8.2	8.0	21.6	17.7	29.8	25.7
Eggs, dried	5.2	[4] .1		.2		1.1	5.2	1.4			5.2	1.4
Flour	4.6	4.7	5.6	5.0	11.6	15.6	21.8	25.3	60.0	66.0	81.8	91.3
Grapefruit, canned	.9						.9				.9	
Milk, nonfat dry	3.8	4.3	2.7	2.9	15.8	22.4	22.3	29.6	101.6	100.5	123.9	130.1
Peanut butter	.8	1.2					.8	1.2			.8	1.2
Rice	2.3	2.3	1.0	1.4	6.4	9.4	9.7	13.1	3.5	3.9	13.2	17.0
Wheat									2.2	3.0	2.2	3.0
Total	76.0	66.8	33.5	29.8	75.9	107.0	185.4	203.6	272.5	209.8	457.9	413.4

[1] Represents total cost to the Federal Government. Includes commodity cost, warehousing, transportation, processing, repackaging, and miscellaneous handling charges.

[2] Less than $50,000.

[3] Includes requests approved prior to July 1, 1958.

[4] Distribution from fiscal year 1958 purchase.

Quantities of surplus foods donated for domestic and foreign use fiscal, years 1958 and 1959

[Million pounds]

Commodity	Domestic								Foreign distribution; fiscal year—		Total distribution; fiscal year—	
	Schools; fiscal year—		Institutions; fiscal year—		Needy persons; fiscal year—		Total; fiscal year—					
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959
Beans, dry	17.9	4.5	0.3	0.1	1.0		19.2	4.6			19.2	4.6
Butter	68.9	64.6	29.0	27.1	12.9	54.0	110.8	145.7			110.8	145.7
Cabbage		3.4		1.0				4.4				4.4
Cheese	32.9	36.7	14.4	8.5	68.9	51.1	116.2	96.3	193.4	[1] 38.7	309.6	135.0
Corn									62.5	40.2	62.5	40.2
Cornmeal	16.6	15.0	8.6	9.3	96.1	142.2	121.3	166.5	298.2	276.4	419.5	442.9
Eggs, dried	4.6	[2] .1		.2		1.0	4.6	1.3			4.6	1.3
Flour	58.6	75.0	72.6	81.0	149.0	250.0	280.2	406.0	769.7	862.8	1,049.9	1,268.8
Grapefruit, canned	6.5						6.5				6.5	
Milk, nonfat dry	21.1	24.4	14.7	16.7	87.3	127.7	123.1	168.8	549.7	554.3	672.8	723.1
Peanut butter	4.9	6.0					4.9	6.0			4.9	6.0
Rice	19.8	20.0	8.7	12.0	56.3	80.8	84.8	112.8	59.6	54.1	144.4	166.9
Wheat									39.9	40.7	39.9	40.7
Total	251.8	249.7	148.3	155.9	471.5	706.8	871.6	1,112.4	1,973.0	1,867.2	2,844.6	2,979.6

[1] Includes requests approved prior to July 1, 1958.

[2] Distribution from fiscal year 1958 purchase.

Mr. HOLLAND. Mr. President, nearly 3 billion pounds of surplus foods of all kinds were distributed to our people, under this program, in the fiscal year ending on July 1, 1959.

The Secretary of Agriculture has very strongly opposed the addition of even this limited food stamp program—which would be a very minor one, $20 million, applicable in only six limited areas—because of the fact that it would be a duplicate program, reaching to the same general class of people, every one of whom is eligible now, provided the authorities in the State, county, or city are willing to assume the responsibility of distribution, which has been done in very great degree in each year of the operation of the present program.

Mr. President, I think the RECORD should show also that the bill introduced by my distinguished friend, the Senator from South Carolina [Mr. JOHNSTON], referred to by the Senator from Minnesota, had nothing to do with this particular bill or program; but it was a highly meritorious bill, suggesting that enrichment processes be used in connection with surplus foods now being distributed under the existing program. That bill was reported to the Senate, as I recall, unanimously—the Senator from South Carolina can correct me if I am inaccurate—and is on the calendar.

I would be perfectly willing and happy to see the pending program changed so as to make more nourishing every one of the surplus foods we have on hand now, and which we may have on hand in the future.

I am willing to have it apply now to surplus foods, whether they come under the price support program or whether they are bought under section 32, when surpluses arise in various perishable commodities.

Mr. President, to attempt a second, duplicate program, to make a welfare official of the Secretary of Agriculture, over his strenuous opposition, and when this new program would be but a drop in the bucket compared to the tremendous program already being accomplished, bringing all kinds of administrative difficulties into the picture, I think would be most unwise. Therefore I oppose it.

Mr. KUCHEL. Mr. President, I yield 1 minute to the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, for the last 15 years a food allotment program has been proposed. It is something that ought to be considered seriously. However, I will not vote to put the food allotment program onto other amendments which, judging from previous votes, are likely to be defeated. I would much prefer to have the food allotment program stand on its own feet, and not be tied to a sudden death amendment or defeated in any other way.

Therefore, if I have to vote against the pending amendment I do not want that vote to be construed as meaning I am opposed to the food allotment program, because I am in favor of a food allotment program but I am not in favor of committing hara-kiri in this matter.

Mr. HUMPHREY. Mr. President, will the acting minority leader yield me 1 minute?

Mr. KUCHEL. I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. I understand the Senator's concern, but I say to the Senator from Vermont that the Senator from New York [Mr. KEATING] has asked for a division of the amendments relating to section 104, and we shall be voting on those separately. Then, if these particular amendments do not succeed, there is one amendment which the Senator from New York insists stand on its own, namely, the administration proposal for $2 million for extra supplies. I say to my friend, who is the main sponsor of this proposal——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. Mr. President, I yield 30 additional seconds to the Senator from Minnesota.

Mr. HUMPHREY. The Senator cannot waste his vote on this amendment, because other items will have to be voted on before this particular amendment is added to the bill.

Mr. AIKEN. Is it proposed to add this amendment to the other amendments?

Mr. HUMPHREY. We shall vote on this one first, but then the other amendments are to be divided, and then this particular amendment will be put on whatever other amendments are left in section 104.

Mr. AIKEN. I understood the Senator from Minnesota was proposing the food allotment amendment as an amendment to another amendment.

Mr. HUMPHREY. To the committee amendments; but the committee amendments are to be divided, according to the suggestion made by the Senator from New York [Mr. KEATING]. The parliamentary situation, as I understand, is that the Senate will vote on this amendment, and then vote on the division of the other committee amendments under section 104(k).

I ask the Chair if that is correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. If they are defeated, this particular amendment will stand on its own merits.

Mr. AIKEN. Mr. President, will the Senator offer it again?

Mr. HUMPHREY. Yes.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. HICKENLOOPER. Mr. President, does the Senator from Louisiana have time remaining?

Mr. ELLENDER. Yes. I yield 3 minutes to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I certainly agree that the amendment should not be tacked on to Public Law 480.

There are certain features in regard to the amendment which, at the proper time and the proper place, it might be well to consider.

Again I should like to state for the RECORD the fact that needy people in this country have indeed been getting food. Nearly 3 billion pounds of Federal surplus foods were donated by the Department of Agriculture in 1959. In 1959 5¾ million people in family units received surplus foods. More than 21 million people in this country this year were beneficiaries. We are not neglecting the needy people in this country. The needy people are getting food.

This is a proposal for a new program, superimposed on the old. I do not think it has any place in the bill under consideration. I think it should be consid-

ered on its own merits, separate and distinct from Public Law 480.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The time of the Senator has expired.

The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] to the committee amendment.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the interparliamentary meeting in Warsaw, Poland.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Illinois [Mr. DIRKSEN] is necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

The result was announced—yeas 41, nays 46, as follows:

YEAS—41

Aiken	Hart	Monroney
Anderson	Hill	Morse
Byrd, W. Va.	Humphrey	Moss
Cannon	Jackson	Muskie
Carroll	Johnson, Tex.	Neuberger
Clark	Johnston, S.C.	Pastore
Cooper	Kefauver	Proxmire
Dodd	Kerr	Randolph
Douglas	Long, Hawaii	Sparkman
Engle	Long, La.	Symington
Frear	McCarthy	Williams, N.J.
Fulbright	McNamara	Yarborough
Gore	Magnuson	Young, Ohio
Gruening	Mansfield	

NAYS—46

Allott	Bush	Cotton
Bartlett	Butler	Curtis
Beall	Byrd, Va.	Dworshak
Bennett	Capehart	Eastland
Bible	Carlson	Ellender
Bridges	Case, N.J.	Ervin
Fong	Lausche	Scott
Hayden	McClellan	Smith
Hickenlooper	Martin	Stennis
Holland	Morton	Talmadge
Hruska	Mundt	Thurmond
Javits	Prouty	Wiley
Jordan	Robertson	Williams, Del.
Keating	Russell	Young, N. Dak.
Kuchel	Saltonstall	
Langer	Schoeppel	

NOT VOTING—13

Case, S. Dak.	Green	Murray
Chavez	Hartke	O'Mahoney
Church	Hennings	Smathers
Dirksen	Kennedy	
Goldwater	McGee	

So Mr. HUMPHREY's amendment to the committee amendment was rejected.

Mr. ELLENDER. I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HOLLAND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

GOVERNMENT BOND PRICES

Mr. CAPEHART. Mr. President, on September 2, 1959 the Senator from Tennessee [Mr. GORE] raised the question in the Senate as to why marketable Treasury bonds issued in the period August 1957 to June 1958 could be offered at successively lower rates dropping from 4 percent in the fall of 1957 to 2⅝ percent in June 1958 in comparison with the higher rates prevailing now on both Treasury and high-grade corporate bonds.

The Senator from Tennessee obtained unanimous consent for me to place in the RECORD the answer to this question. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

It is only necessary to look behind the figures at the hard facts of the economic situation to find the explanation for the differences in interest rates in these two periods. What was not pointed out in making the comparison is that the period of declining interest rates in 1957–58 was also a period of rising unemployment, declining incomes, and falling output. Monetary policies during that period were properly directed toward easier credit as a means of helping us get out of the recession.

Today, in contrast, our economy has passed the recovery point and is moving rapidly into the boom phase. Employment is high, incomes are rising and—up to the time of the steel strike—output was expanding in almost every sector of the economy. Under these circumstances there has been a heavy demand for credit and interest rates have moved up in response to this demand.

The question is simply this: Do we want the low interest rates which accompany a recessionary situation, or do we want a prosperous economy in which the higher level of interest rates reflects a strong demand for funds? As Secretary of the Treasury Anderson stated in his testimony before the House Ways and Means Committee on June 10, 1959: "Interest rates commonly decline during recessions, partly because of a slackening demand for funds on the part of individuals and businesses, partly because of a relative increase in availability of financial savings, and partly because of greater availability of bank credit in connection with a flexible shift of monetary policy toward credit ease."

No responsible government, the Secretary adds, would attempt to induce recession—with its accompanying loss of production and rise in unemployment—simply to produce lower rates of interest. "For a responsible government, the choice between high levels of business activity and employment as opposed to low interest rates is actually no choice at all. Stated differently, high interest rates are not an end in themselves; rather they are the usual accompaniment of the active credit demands that characterize expansion in production, employment, and income."

As was suggested in the debate in the Senate on September 2, there is one way of getting interest rates down in a boom period. This is to require the Federal Reserve to support Treasury bonds by standing ready to purchase any amount of them at a stated price—as was done during World War II and in the early part of the postwar period. The unfortunate experience with this technique up to 1951, when it was abandoned, should convince serious observers of the dangers involved.

During the period of market support, as a former Chairman of the Board of Governors of the Federal Reserve System has remarked, the System was transformed into an "engine of inflation." It could not fulfill the central banking function of attempting to promote sustainable economic growth, since market operations of the System could take place in only one direction: The creation of bank reserves through purchases of securities in whatever amounts market holders should desire.

To sum up: Interest rates are higher now than they were in 1957–58 because our economy has changed from recession to a rate of activity close to boom proportions. We could probably bring interest rates down somewhat by returning to a policy of Federal Reserve support for Treasury bonds. But this would open the floodgates to an increase in the money supply which would be entirely beyond the power of the Federal Reserve System to control. The result would almost certainly be a disastrous inflation leading to later recession, with the loss and damage which that entails to the entire economy.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 2033. A bill to amend the mining laws of the United States to provide for the inclusion of certain nonmineral lands in patents to placer claim (Rept. No. 904).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 8437. An act to provide for the reinstatement and validation of U.S. oil and gas lease BLM 028500 (Rept. No. 906).

By Mr. HUMPHREY, from the Committee on Foreign Relations, with amendments.

S. Res. 129. Resolution favoring continued efforts by all nations to strengthen cooperation in health and research activities (Rept. No. 905).

By Mr. CARROLL, from the Committee on the Judiciary, with amendments:

H.J. Res. 403. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency (Rept. No. 907).

By Mr. PASTORE, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 1886. A bill to amend the Communications Act of 1934 with respect to community antenna television systems and certain rebroadcasting activities (Rept. No. 908).

AMENDMENT OF FEDERAL-AID HIGHWAY ACTS OF 1956 AND 1958, RELATING TO CERTAIN ADJUSTMENTS IN HIGHWAY PROGRAM—REPORTS OF COMMITTEES—MINORITY AND INDIVIDUAL VIEWS

Mr. CHAVEZ. Mr. President, from the Committee on Public Works, I report favorably, with amendments, the bill (H.R. 8678) to amend the Federal-Aid Highways Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, and I submit a report (No. 902) thereon.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to consider House bill 8678.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I move that the bill be referred to the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

Subsequently, Mr. BYRD of Virginia, from the Committee on Finance, reported the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, with amendments, and submitted a report (No. 903) thereon.

Mr. GORE subsequently said: Mr. President, on behalf of myself, the Senator from Louisiana [Mr. LONG], and the Senator from Minnesota [Mr. MCCARTHY], as members of the Committee on Finance, I submit minority views to the report on House bill 8678, the Federal Highway Act, together with the individual views of the senior Senator from Illinois [Mr. DOUGLAS]. I ask unanimous consent that the minority and individual views be accepted and printed, as part of the report of the Committee on Finance.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NEUBERGER subsequently said: Mr. President, on behalf of myself, the Senator from Kentucky [Mr. COOPER], the Senator from Iowa [Mr. MARTIN], the Senator from Vermont [Mr. PROUTY], and the Senator from Pennsylvania [Mr. SCOTT], as members of the Committee on Public Works, I submit minority views on House bill 8678, the Federal-aid highway bill, and I ask unanimous consent that they be printed with the majority report of the committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. BEALL:

S. 2647. A bill for the relief of Hans Goldstein; to the Committee on Finance.

By Mr. JAVITS:

S. 2648. A bill for the relief of Nathan Isenberg; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 2649. A bill to extend the provisions of the Federal Employees' Compensation Act to State and local law enforcement officers who are killed or injured while, or as a direct result of, enforcing any Federal law; to the Committee on the Labor and Public Welfare.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT ASSISTANCE ACT OF 1954—AMENDMENT

Mr. KENNEDY (for himself, Mr. HART, Mr. CLARK, Mr. YOUNG of Ohio, Mr. CARROLL, Mr. MCNAMARA, Mr. RANDOLPH, Mr. MANSFIELD, Mr. MORSE, Mr. BYRD of West Virginia, Mr. MURRAY, Mr. MCCARTHY, Mr. YARBOROUGH, and Mr. MCGEE) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, which was ordered to lie on the table and to be printed.

EXTENSION OF AUTHORITY OF SURGEON GENERAL RELATING TO AIR POLLUTION CONTROL—AMENDMENT

Mr. CHAVEZ submitted an amendment, intended to be proposed by him, to the bill (H.R. 7476) to extend for 2 additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution control, which was ordered to lie on the table and to be printed.

AMENDMENT OF FEDERAL-AID HIGHWAY ACTS OF 1956 AND 1958—AMENDMENTS

Mr. DOUGLAS (for himself, Mr. CLARK, Mr. PROXMIRE, and Mr. MCCARTHY) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, which was ordered to lie on the table and be printed.

Mr. LONG of Louisiana submitted an amendment, intended to be proposed by him, to House bill 8678, supra, which was ordered to lie on the table and to be printed.

PUBLIC LAND WITHDRAWALS ACT AMENDMENTS OF 1959—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of August 24, 1959, the names of Senators ANDERSON, BIBLE, BYRD of West Virginia, CANNON, CARROLL, CHAVEZ, CLARK, DODD, DOUGLAS, ENGLE, FONG, HART, HARTKE, HOLLAND, HUMPHREY, JOHNSTON of South Carolina, KEFAUVER, KERR, LANGER, LAUSCHE, LONG of Hawaii, MAGNUSON, MANSFIELD, MCCARTHY, MORSE, MOSS, MURRAY, MUSKIE, RANDOLPH, SYMINGTON, WILLIAMS of New Jersey, YARBOROUGH, and YOUNG of Ohio were added as additional cosponsors of the bill (S. 2587) to require an act of Congress for public land withdrawals in excess of 5,000 acres in the aggregate for any project or facility of any department or agency of the Government, introduced by Mr. BARTLETT (for himself and Mr. GRUENING) on August 24, 1959.

AUTHORITY FOR SELECT COMMITTEE ON SMALL BUSINESS TO SUBMIT REPORTS SUBSEQUENT TO SINE DIE ADJOURNMENT

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Select Committee on Small Business be authorized, during the adjournment of the first session of the 86th Congress, to file with the Secretary of the Senate a report entitled "Shopping Centers—1959," and that the report be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that the Select Committee on Small Business be authorized, during the adjournment of the first session of the 86th Congress, to file with the Secretary of the Senate a report entitled "Dual Distribution in the Automotive Tire Industry—1959," and that the report be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRINTING AS A SENATE DOCUMENT SPECIAL STUDY ENTITLED "SOVIET ECONOMIC PENETRATION IN THE MIDDLE EAST"

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a special study entitled "Soviet Economic Penetration in the Middle East," prepared at my request by Dr. Halford L. Hoskins, of the Legislative Reference Service, be printed as a Senate document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, September 4, 1959, he presented to the President of the United States the following enrolled bills:

S. 6. An act to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons;

S. 53. An act to amend the acts approved April 16 and June 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont.;

S. 685. An act to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia;

S. 1372. An act to extend the jurisdiction of the domestic relations branch in the municipal court for the District of Columbia to cover the adjudication of property rights in certain actions arising in the District of Columbia;

S. 2035. An act authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and requiring persons re-

ceiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor;

S. 2424. An act to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs; and

S. 2524. An act relating to the power of the States to impose net income taxes on income derived from interstate commerce, and authorizing studies by congressional committees of matters pertaining thereto.

RECESS TO 11 O'CLOCK A.M. TOMORROW

Mr. JOHNSON of Texas. I move that the Senate stand in recess until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 10 o'clock and 42 minutes p.m.) the Senate took a recess until tomorrow, Saturday, September 5, 1959, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 4 (legislative day of August 31), 1959:

U.S. JUDGES

John Lewis Smith, Jr., of the District of Columbia, to be chief judge of the Municipal Court for the District of Columbia for the term of 10 years, vice Leonard P. Walsh, elevated.

DeWitt S. Hyde, of Maryland, to be associate judge of the Municipal Court for the District of Columbia for the term of 10 years, vice John Lewis Smith, Jr., elevated.

Milton S. Kronheim, Jr., of the District of Columbia, to be an associate judge of the Municipal Court for the District of Columbia for the term of 10 years. He is now serving in this office under an appointment which expired March 29, 1959.

IN THE COAST GUARD

The following-named person to be a lieutenant commander in the U.S. Coast Guard:

Alvin T. Durgin, Jr.

The following-named persons to be lieutenants in the U.S. Coast Guard:

James A. Atkinson	Harold B. Summey
Robert W. Finnie	Julius Leo Weisgerber
Joseph L. E. Hamilton	Edmund R. Corkery
William H. Simpson	Edward J. Sullivan, Jr.

The following-named persons to be lieutenants (junior grade) in the U.S. Coast Guard:

John B. Ekman
Harry A. Rowe
Joseph J. Wicks

The following-named person to be a chief warrant officer, W–4 in the U.S. Coast Guard:

James R. Walsh

The following-named persons to be chief warrant officers, W–3 in the U.S. Coast Guard:

Hugo A. Cruz
Robert C. Sykes

HOUSE OF REPRESENTATIVES

FRIDAY, SEPTEMBER 4, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 112: 7: *He shall not be afraid of evil tidings: his heart is fixed, trusting in the Lord.*

Eternal and ever-blessed God, inspire us now to receive and respond to all the experiences of this new day in ways that shall be acceptable unto Thee.

Grant that we may have a greater insight into Thy gracious and beneficent purposes and seek more eagerly to bring them to fulfillment.

We pray that Thou wilt lead us in these perilous times into those safety zones of peace and blessedness which Thou hast marked out for all who put their trust in Thee.

May none of the pressures of life deflect our minds and hearts from loyalty to those noble ideals and instincts which Thou hast implanted within our souls.

Help us to give ourselves as completely to the work of preserving our freedoms as our forefathers gave their lives to the task of establishing them.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 53. An act to amend the acts approved April 16 and July 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley project schools, Yellowstone County, Mont.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1555) entitled "An act to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes."

The message also announced the appointment of the Senator from Colorado, Mr. CARROLL, to be a conferee on the bill (S. 607) entitled "An act for the relief of the estate of Sinclair G. Stanley," in place of the Senator from Wyoming, Mr. O'MAHONEY, excused.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 60–5.

PUBLIC WORKS APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the public works appropriation bill.

Mr. JENSEN. Mr. Speaker, I reserve all points of order.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. HALLECK. Mr. Speaker, reserving the right to object, does this request have anything to do in any way with bringing up the bill tomorrow?

Mr. CANNON. It has nothing at all to do with bringing up the bill. It merely gives us until midnight to file a report to be brought up at any time the two distinguished gentlemen, the majority and the minority leaders, decide to bring it up.

Mr. McCORMACK. Just a moment. The gentleman from Missouri said at any time the majority and the minority leaders decide to bring it up. The Speaker has a voice, too, and every Member has a voice. It takes a unanimous-consent request.

Mr. HALLECK. Under the rules of the House, of course, the bill would have to lie over for 3 days unless unanimous consent is given for its consideration.

Mr. McCORMACK. Naturally.

Mr. HALLECK. And, of course, if there is objection to its being considered tomorrow, then it would have to lie over.

Mr. CANNON. All we ask is that we have until midnight tonight to file a report.

Mr. HALLECK. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

MILITARY CONSTRUCTION APPROPRIATION BILL, 1960

Mr. SHEPPARD. Mr. Speaker, I call up the conference report on the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1146)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 6, and 10.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 8, 9, 11, 12, 13, and 14, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$204,112,400"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$776,832,500"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,980,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 2.

HARRY R. SHEPPARD,
JAMIE L. WHITTEN,
CLARENCE CANNON,
CHARLES R. JONAS,
JOHN TABER,
Managers on the Part of the House.

JOHN STENNIS,
DENNIS CHAVEZ,
RICHARD B. RUSSELL,
LYNDON B. JOHNSON,
LEVERETT SALTONSTALL,
STYLES BRIDGES,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

ADVANCED RESEARCH PROJECTS AGENCY

Amendment No. 1—Advanced Research Projects Agency: Corrects appropriation title.

MILITARY CONSTRUCTION, ARMY

Amendment No. 2—Military Construction, Army: Reported in technical disagreement. The committee of conference has approved the program as proposed by the House with the deletions thereto proposed by the Senate and the following additional projects:

(Army)

White Sands Missile Range, New Mexico, commissary	$254,000
Fort Lee, Virginia:	
Enlisted men's barracks	203,600
Bachelor officer quarters	289,000
Fort Huachuca, Arizona:	
1 barracks	690,000
Heating plant	145,000
Bn. Adm. & Supply Bldg	267,000
Bn. Mess Bldg	365,000
Cold Regions Laboratory, New Hampshire	225,000
Fort Eustis, Virginia, hospital	3,500,000
Carlisle Barracks, Pennsylvania, infirmary	1,130,000
Fort Meade, Maryland	879,000
Fort Benning, Georgia, bachelor officer quarters	682,000
Fort McClellan, Alabama, hospital	2,625,000
Fort Sam Houston, Texas, aircraft facilities	510,000
Fort Sill, Oklahoma, missile training facilities	1,800,000
U.S. Military Academy, barracks	4,225,000
Helemano, Hawaii, land acquisition	90,000
Army Security Agency, location 12	1,700,000
Army Security Agency, location 23	1,025,000
Forward depots	1,000,000
Minor construction	275,000
Access roads	263,000

Hospitals: The conferees have approved the amounts shown above and in amendment Nos. 3 and 5 for hospital construction for the services. This is done with specific directions to the Secretary of Defense that the funds will be used to meet all hospital requirements, including fixed equipment, at each location, construction will be strictly on a utilitarian basis to meet essential needs and maximum utilization made of existing private and governmental medical facilities in the area. The Secretary of Defense is directed to certify to the Committees on Appropriations of the House of Representatives and the Senate prior to the obligation of construction funds for each facility that the service concerned is in compliance with these conditions. The committee of conference directs that available equipment be utilized to equip these hospitals prior to initiation of new procurement, including fixed equipment and other equipment not normally financed from construction funds.

Fort Huachuca, Arizona: The committee of conference has confirmed the House action in reducing funds for construction at Fort Huachuca, Arizona, due to high costs. Funds requested at this installation in the future should be based on costs similar to those experienced elsewhere within the continental United States.

Fort Knox, Kentucky: The committee of conference has deleted the $347,000 approved by the Senate for post office facilities at Fort Knox, Kentucky. The Defense Department is directed to thoroughly review existing facilities at this location to meet the need for this postal substation. The Post Office Department is expected to restudy the need for a substation of this size and scope at this location.

Fort Sam Houston, Texas: The conferees are in agreement that the funds mentioned above for Fort Sam Houston, Texas, have been provided with the specific understanding that this will be the only facility maintained in this general geographical area for the training of personnel in the proper utilization of helicopters in aero-medical evacuation services.

Fort Sill, Oklahoma: The conferees have approved $1,800,000 for certain missile training facilities requested for Fort Sill, Oklahoma, instead of $2,500,000 as proposed by the Senate. The Department of Defense is directed to restudy the requirements at this installation and at Fort Bliss, Texas, especially in view of the reduction in the air defense program, to insure the maximum utilization of facilities at these two installations and to use these funds only to meet essential requirements.

Location 12, Japan: The conferees have approved $1,700,000 for an Army Security Agency facility in Japan as proposed by the Senate. The conferees are in agreement that these funds are available only for the purchase of local currencies available through the United States Treasury and to be used only for the construction of facilities, other than housing and community facilities, at this location.

MILITARY CONSTRUCTION, NAVY

Amendment No. 3—Military Construction, Navy: Appropriates $204,112,400 instead of $180,048,000 as proposed by the House and $225,785,400 as proposed by the Senate. The committee of conference has approved the funding program as proposed by the House and the following additional projects:

Naval Submarine Base, New London, Connecticut:	
Barracks	$2,225,000
Land acquisition	27,000
NAS, Meridian, Mississippi:	
Crosswind runway	1,729,000
Outlying field	2,887,000
NAS, Lemoore, California, hospital	1,874,000
NAMC, Philadelphia, Pennsylvania	333,000
NNMC, Bethesda, Maryland	6,788,000
NRL, Washington, D.C	1,591,000
NSD, Guam, POL facilities	3,060,000
NTC, Great Lakes, Illinois	3,250,000
Minor construction	175,000
Access roads	125,000

Amendment No. 4—Military Construction, Navy: Deletes language proposed by the Senate.

MILITARY CONSTRUCTION, AIR FORCE

Amendment No. 5—Military Construction, Air Force: Appropriates $776,832,500 instead of $756,616,600 as proposed by the House and $803,495,600 as proposed by the Senate. The committee of conference has approved the funding program as proposed by the House and the following additional projects:

SAC dispersed maintenance shops	$2,650,000
Ground powered equipment shops	750,000
Shepherd AFB, hospital	5,547,200
L. G. Hanscom AFB:	
Laboratory	1,286,000
Library	500,000
Amarillo AFB, training facility	1,040,000
Webb AFB, air defense facilities	1,679,600
Davis-Monthan AFB, air defense facilities	338,100
Lackland AFB, training facility	1,067,400
Clinton County AFB, hospital	1,200,000
Grand Forks AFB, hospital	1,232,200
George AFB, hospital	1,555,400
Main site, community support facilities	370,000
Minor construction	500,000
Access roads	250,000
Surplus commodity housing support	250,000

SAC Dispersed Maintenance Facilities: The committee of conference has approved $2,650,000 for shop facilities in support of the SAC dispersed maintenance program, instead of $5,329,800 as proposed by the Senate. The conferees are in agreement that these funds shall be allocated to specific locations upon a priority to be determined by the Department of Defense with the understanding that maximum utilization will be made of existing facilities and that funds will be allocated only for the construction of complete shops.

Ground-Powered Equipment Shops: The amount of $750,000 has been approved for ground-powered equipment shops instead of $2,232,900 as proposed by the Senate. The committee of conference is in agreement that these funds shall be allocated to specific locations upon a priority to be determined by the Department of Defense with the understanding that maximum utilization will be made of existing facilities and that funds will be allocated only for the construction of complete shops.

Lackland AFB, Texas: Funds in the amount of $1,067,400 have been approved for technical training facilities at Lackland Air Force Base, Texas, as proposed by the Senate. The committee of conference is in agreement that prior to the obligation of these funds, a study should be made by the Secretary of Defense as to the feasibility of combining the various cryptographic training schools of

the several services at a single location and the Committees on Appropriations of the House of Representatives and the Senate notified of the results of this study.

MACE Facilities: Since the Secretary of Defense has not yet made a determination as to the procurement and deployment of the MACE missile, no funds have been approved for the construction of facilities in support of this missile. Should a determination for such procurement and deployment be made, the Secretary of Defense is directed to use funds available and unobligated within this appropriation, including prior year funds, for the construction of necessary facilities after the Committees on Appropriations of the House of Representatives and the Senate have been notified of the type, location, and cost of these facilities and when 30 days have elapsed from the date of said notification.

MILITARY CONSTRUCTION, ARMY RESERVE

Amendment No. 6—Military Construction, Army Reserve: Appropriates $20,000,000 as proposed by the House instead of $20,160,000 as proposed by the Senate.

MILITARY CONSTRUCTION, NAVAL RESERVE

Amendment No. 7—Military Construction, Naval Reserve: Appropriates $8,980,000 instead of $8,589,000 as proposed by the House and $9,000,000 as proposed by the Senate.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

Amendment No. 8—Military Construction, Air Force Reserve: Corrects appropriation title.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

Amendment No. 9—Military Construction, Army National Guard: Appropriates $23,219,000 as proposed by the Senate instead of $11,000,000 as proposed by the House.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

Amendment No. 10—Military Construction, Air National Guard: Appropriates $16,440,000 as proposed by the House instead of $17,000,000 as proposed by the Senate.

GENERAL PROVISIONS

Amendment Nos. 11, 12, 13, and 14: Add clarifying language as proposed by the Senate.

HARRY R. SHEPPARD,
JAMIE L. WHITTEN,
CLARENCE CANNON,
CHARLES R. JONAS,
JOHN TABER,
Managers on the Part of the House.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include tables.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHEPPARD. Mr. Speaker, the total in the military construction bill as reached by the conference committee is $1.363 billion. This is approximately $200 million less than the budget estimates, $78.9 million above the House bill and $64.2 million less than the Senate bill. The increases agreed to by the conferees above the House bill are, generally speaking, for high priority projects where additional information was made available to the Senate which was not available at the time of the House hearings.

The two large increases are for construction of hospitals and Army National Guard armories. Largely as a result of the House action in deleting funds for hospital construction and language in the House report the Senate was able to make substantial reductions in hospital costs, including changes recommended by the House as to design and scope. Accordingly the conferees accepted the Senate action in this area which, although an increase of $26 million in the House bill, is a reduction of over 20 percent in the budget estimates for hospital construction.

Your conferees accepted the Senate increase of $12.2 million for Army National Guard armories. We felt that these additional funds are needed to provide long overdue training facilities for the guard units. This is in keeping with the action of the Congress on the recent Defense Department appropriation bill which increased the strength of the guard to 400,000 men. The specific projects are listed in the Senate committee report and represent only those projects for which the local governments have provided their portion of the funds required for the armory construction.

The managers on the part of the House are in complete agreement on this conference report and on the amendment to be offered. I urge its adoption without change.

Summary tabulation

CONTINENTAL UNITED STATES

Alabama:	
Army:	
Anniston Ordnance Depot	$1,700,000
Fort Rucker	2,233,000
Redstone Arsenal	5,218,200
Total	9,151,200
Alaska:	
Army:	
Fort Greely	3,322,000
Fort Richardson	315,000
Subtotal	3,637,000
Navy:	
Naval Radio Station, Buskin Lake	84,000
Naval Security Group Activity, Cape Chiniak	40,000
Subtotal	124,000
Air Force:	
Bethel Air Force Station	182,000
Campion Air Force Station	228,000
Eielson Air Force Base	780,000
Elmendorf Air Force Base	775,000
Fire Island	1,219,500
Galena	100,000
Gulkana	502,000
King Salmon Airport	1,365,000
Indian Mountain	1,893,500
Ladd	250,000
Murphy Dome	1,407,000
Northeast Cape	1,925,000
White Alice	531,000
Tropo Scatter	7,000,000
Subtotal	18,158,000
Total	21,919,000
Arizona:	
Army: Fort Huachuca	5,994,500
Navy: Marine Corps Auxiliary Air Station, Yuma	3,439,000
Air Force:	
Davis-Monthan Air Force Base, Tucson	864,100

Summary tabulation—Continued

Arizona—Continued	
Air Force—Continued	
Williams Air Force Base, Chandler	$143,000
Subtotal	1,007,100
Total	10,440,600
Arkansas:	
Air Force:	
Blytheville Air Force Base, Blytheville	902,000
Little Rock Air Force Base, Little Rock	325,000
Total	1,227,000
California:	
Army:	
Presidio of San Francisco	218,000
Fort Ord	2,186,000
Subtotal	2,404,000
Navy:	
Marine Corps Supply Center, Barstow	432,000
Marine Corps Base, Camp Pendleton	2,258,000
Naval Air Station, El Toro	48,000
Naval Air Station, Lemoore	23,428,400
Naval Shipyard, Long Beach	500,000
Naval Air Station, Miramar	305,000
Naval Air Missile Test Center, Point Mugu	25,823,000
Naval Supply Depot, San Diego	100,000
Naval Training Center, San Diego	4,343,000
Marine Corps Air Facility, Santa Ana	2,216,000
Marine Corps Base, Twenty-nine Palms	1,137,000
Subtotal	60,590,400
Air Force:	
Beale Air Force Base, Marysville	187,000
Castle Air Force Base, Merced	393,000
Edwards Air Force Base, Muroc	542,000
George Air Force Base, Victorville	1,555,400
Hamilton Air Force Base, San Rafael	1,131,000
Mather, Sacramento	1,491,000
McClellan Air Force Base, Sacramento	38,000
Vandenberg Air Force Base, Lompoc	147,000
Subtotal	5,484,400
Total	68,478,800
Colorado:	
Army: Fitzsimons Army Hospital	188,000
Air Force:	
Lowry Air Force Base	405,000
NORAD	10,000,000
Subtotal	10,405,000
Total	10,593,000
Connecticut:	
Navy:	
Navy Submarine Base, New London	3,129,000
Navy Medical Research Laboratory, New London	75,000
Total	3,204,000

Summary tabulation—Continued

Delaware: Air Force: Dover Air Force Base, Dover, total	$408,000
District of Columbia: Navy: Naval Research Laboratory, total	1,591,000
Florida:	
Navy:	
Naval Air Station, Mayport	1,323,000
Naval Communications Training Center, Corry Field	1,000,000
Naval Air Station, Jacksonville	700,000
Naval Air Station, Pensacola	400,000
Naval Auxiliary Air Station, Whiting Field	7,490,000
Subtotal	10,913,000
Air Force:	
Eglin Air Force Base	833,000
Cape Canaveral	279,000
Homestead Air Force Base, Homestead	4,734,000
McCoy Air Force Base, Orlando	6,949,000
MacDill Air Force Base, Tampa	240,000
Tyndall Air Force Base	3,677,000
Subtotal	16,712,000
Total	27,625,000
Georgia:	
Army:	
Fort Benning	1,242,000
Fort Stewart	235,000
Subtotal	1,477,000
Air Force:	
Robbins Air Force Base, Macon	900,000
Turner Air Force Base, Albany	984,000
Subtotal	1,884,000
Total	3,361,000
Idaho: Air Force: Mountain Home Air Force Base, Mountain Home, total	1,263,000
Illinois:	
Army: Savanna Ordnance Depot, Savanna	1,725,000
Navy: Naval Training Center, Great Lakes	3,520,000
Total	5,245,000
Indiana: Air Force: Bunker Hill Air Force Base, Peru, total	1,562,000
Kansas:	
Army:	
Fort Leavenworth	160,000
Fort Riley	597,000
Subtotal	757,000
Air Force:	
Forbes Air Force Base, Topeka	665,000
McConnell Air Force Base, Wichita	930,000
Schilling Air Force Base, Salina	3,938,000
Subtotal	5,533,000
Total	6,290,000

Summary tabulation—Continued

Kentucky:	
Army:	
Fort Campbell	$2,360,000
Fort Knox	2,191,000
Total	4,551,000
Louisiana:	
Army: Bossier Base (AFSWP)	38,000
Air Force:	
Chenault Air Force Base, Lake Charles	265,000
England Air Force Base, Alexandria	2,351,000
Subtotal	2,616,000
Total	2,654,000
Maine:	
Navy:	
Naval Radio Station, Washington County	3,179,000
Naval Radio Station, Winter Harbor	271,000
Subtotal	3,450,000
Air Force:	
Dow Air Force Base, Bangor	312,000
Loring Air Force Base, Limestone	48,000
Subtotal	360,000
Total	3,810,000
Maryland:	
Army:	
Aberdeen Proving Ground	436,000
Army Chemical Center	2,104,000
Fort Detrick	1,437,000
Fort George G. Meade	2,012,000
Fort Ritchie	43,000
Subtotal	6,033,000
Navy:	
Naval Air Station, Patuxent River	1,050,000
Naval Academy, Annapolis	1,025,000
National Naval Medical Center, Bethesda	6,788,000
David Taylor Model Basin, Carderock	318,000
Naval Propellant Plant, Indian Head	972,000
Naval Air Station, Towers Field	1,051,000
Subtotal	11,204,000
Air Force: Andrews Air Force Base, Camp Springs	16,980,000
Total	34,217,000
Massachusetts:	
Army: Fort Devens	59,000
Navy: Naval Shipyard, Boston	1,422,000
Air Force:	
L. G. Hanscom Field, Bedford	1,952,000
Otis Air Force Base, Falmouth	604,000
Subtotal	2,556,000
Total	4,037,000
Michigan:	
Air Force:	
Kimross Air Force Base, Sault Ste. Marie	1,066,000
K. I. Sawyer Municipal Airport, Marquette	893,000

Summary tabulation—Continued

Michigan—Continued	
Air Force—Continued	
Selfridge Air Force Base, Mount Clemens	$302,000
Wurtsmith Air Force Base, Oscoda	1,560,000
Total	3,761,000
Minnesota: Air Force: Duluth Municipal Airport, Duluth, total	1,144,600
Mississippi:	
Navy: Naval Auxiliary Air Station, Meridian	5,049,000
Air Force: Columbus Air Force Base, Columbus	54,000
Total	5,103,000
Missouri:	
Army:	
Fort Leonard Wood	553,000
St. Louis Support Center	261,000
Subtotal	814,000
Air Force:	
Richards-Gebaur, Kansas City	802,000
Whiteman Air Force Base, Knobnoster	150,000
Subtotal	952,000
Total	1,766,000
Montana:	
Air Force:	
Glasgow Air Force Base	2,028,000
Malmstrom Air Force Base, Great Falls	473,000
Total	2,501,000
Nebraska:	
Air Force:	
Lincoln Air Force Base, Lincoln	164,000
Offutt Air Force Base, Omaha	743,000
Total	907,000
Nevada:	
Army: Lake Mead Base (AFSWP)	130,000
Air Force: Nellis Air Force Base, Las Vegas	557,000
Total	687,000
New Hampshire:	
Army: Cold Regions Laboratory	3,225,000
Navy: Naval Shipyard, Portsmouth	3,497,000
Air Force: Pease Air Force Base, Portsmouth	450,000
Total	7,172,000
New Jersey:	
Navy:	
Naval Supply Depot, Bayonne	123,000
Naval Air Station, Lakehurst	453,000
Subtotal	576,000
Air Force: McGuire Air Force Base, Wrightstown	907,000
Total	1,483,000

Summary tabulation—Continued

New Mexico:	
Army: White Sands Missile Range	$1,513,000
Air Force:	
Walker Air Force Base, Roswell	904,000
Cannon Air Force Base, Clovis	800,000
Holloman Air Force Base, Alamagordo	909,000
Sacramento Peak	581,000
Subtotal	3,194,000
Total	4,707,000
New York:	
Army: U.S. Military Academy	10,999,000
Navy:	
Naval Shipyard, Brooklyn	365,000
Naval Medical Supply Agency, Brooklyn	113,000
Subtotal	478,000
Air Force:	
Plattsburgh Air Force Base Plattsburgh	1,029,000
Griffiss Air Force Base, Rome	590,000
Subtotal	1,619,000
Total	13,096,000
North Carolina:	
Army: Fort Bragg	1,543,000
Navy:	
Marine Corps Base, Camp Lejeune	328,000
Marine Corps Air Station, Cherry Point	330,000
Subtotal	658,000
Air Force: Seymour-Johnson Air Force Base Goldsboro	2,534,000
Total	4,735,000
North Dakota:	
Air Force:	
Grand Forks Air Force Base, Grand Forks	2,596,000
Minot Air Force Base, Minot	2,452,000
Total	5,048,000
Ohio:	
Air Force:	
Clinton County Air Force Base	2,252,000
Wright-Patterson Air Force Base, Dayton	9,227,000
Total	11,479,000
Oklahoma:	
Army: Fort Sill	6,415,000
Air Force: Clinton-Sherman Air Force Base, Clinton	369,000
Total	6,784,000
Oregon: Air Force: Kingsley Field, Klamath Falls, total	955,000
Pennsylvania:	
Army: Letterkenney Ordnance Depot	454,000
Air Force: Olmsted Air Force Base, Middletown	1,421,000
Total	1,875,000

Summary tabulation—Continued

Rhode Island:	
Navy:	
Naval Supply Depot, Newport	$1,877,000
Naval Station, Newport	7,353,000
Total	9,230,000
South Carolina:	
Navy: Marine Corps Auxiliary Air Station, Beaufort	51,000
Air Force:	
Charleston Air Force Base, Charleston	758,000
Myrtle Beach Municipal airport, Myrtle Beach	151,000
Shaw Air Force Base, Sumter	505,000
Subtotal	1,414,000
Total	1,465,000
South Dakota: Air Force: Ellsworth Air Force Base, Rapid City, total	1,145,000
Tennessee:	
Navy: Naval Air Station, Memphis	330,000
Air Force:	
Arnold Engineering Development Center, Tullahoma	5,690,000
Sewart Air Force Base, Smyrna	2,249,000
Subtotal	7,939,000
Total	8,269,000
Texas:	
Army:	
Fort Bliss	8,000,000
Fort Hood	585,000
Fort Sam Houston	1,510,500
Killeen Base (AFSWP)	25,000
Subtotal	10,120,500
Air Force:	
Amarillo Air Force Base, Amarillo	1,254,000
Bergstrom Air Force Base, Austin	170,000
Biggs Air Force Base, El Paso	259,000
Carswell Air Force Base, Ft. Worth	1,327,000
Dyess Air Force Base, Abilene	217,000
James Connally Air Force Base, Waco	216,000
Lackland Air Force Base	1,188,400
Perrin Air Force Base, Sherman	408,000
Sheppard Air Force Base, Witchita Falls	5,636,200
Webb Air Force Base, Big Springs	1,679,600
Subtotal	12,355,200
Total	22,475,700
Utah:	
Army: Dugway Proving Ground	532,000
Air Force: Hill Air Force Base, Ogden	341,000
Total	873,000
Virginia:	
Army:	
A. P. Hill Military Reservation	226,000
Fort Belvoir	1,061,000

Summary tabulation—Continued

Virginia—Continued	
Army—Continued	
Fort Lee	$670,600
Subtotal	1,957,600
Navy:	
Air Force Staff College, Norfolk	4,000,000
Naval Air Station, Norfolk	81,000
Naval Communications Station, Norfolk	1,781,000
Naval Air Station, Oceana	336,000
Subtotal	6,198,000
Air Force: Langley Air Force Base, Hampton	1,962,000
Total	10,117,600
Washington:	
Air Force:	
Fairchild Air Force Base, Spokane	158,000
Geiger Air Force Base, Spokane	190,000
Larson Air Force Base, Moses Lake	468,000
McChord Air Force Base, Tacoma	323,000
Total	1,139,000
West Virginia: Navy: Naval Radio Research Station, Sugar Grove, total	3,957,000
Wisconsin: Air Force: Richard Bong AFBM, Kansasville, total	16,000,000
Wyoming: Air Force: Warren Air Force Base, total	1,461,000
Various locations:	
Navy	2,861,000
Air Force:	
Air control and warning	91,503,000
Ballistic missile early warning system	33,456,000
Ballistic missiles	369,540,000
Strategic missiles	10,000,000
Other	255,000
Subtotal	504,754,000
Total	507,615,000
OVERSEAS	
Antigua: Air Force, total	$437,000
Azores: Air Force, total	511,000
Bermuda: Navy: Naval station, total	295,000
Ascension Island: Air Force, total	300,000
Canal Zone: Army, total	1,286,000
Canada:	
Navy: Argentia	4,133,000
Air Force: Various locations	2,118,000
Total	6,251,000
Cuba: Navy: Naval Station, Guantanamo Bay, total	760,000
Germany:	
Army: Various locations	8,322,000
Air Force: Various locations	392,000
Total	8,714,000
Greece: Air Force: Crete, total	231,000
Greenland: Air Force: Various locations, total	3,249,000
Hawaii:	
Army:	
Helenano	90,000
Fort Shafter	177,000
Schofield Barracks	1,251,000
Subtotal	1,518,000

Summary tabulation—Continued

Navy:	
Naval Supply Center, Pearl Harbor	$4,796,000
Marine Corps Air Station, Kanoehe	47,000
Naval Radio Station, Lualualei	350,000
Naval Radio Station, Wahiawa	274,000
Subtotal	5,467,000
Total	6,985,000
Iceland: Air Force, total	1,302,000
Italy: Army, total	1,054,000
Iwo Jima: Air Force, total	2,670,000
Japan:	
Navy	1,640,000
Air Force	1,476,000
Total	3,116,000
Korea:	
Army	7,000,000
Air Force	2,526,000
Total	9,526,000
Libya: Air Force, Wheelus Air Force Base, total	35,000
Mariana Islands:	
Navy:	
Naval ship repair facility, Guam	507,000
Navy Supply Depot, Guam	3,060,000
Air Force, Guam	106,000
Total	3,673,000
Marshall Islands: Air Force, Wake Island, total	2,211,000
Netherlands: Air Force, total	207,000
North Ireland: Navy: Naval Radio Facility, Londonderry, total	267,000
Okinawa:	
Army: Fort Buckner	213,500
Navy	2,038,000
Air Force: Various	751,000
Total	3,002,500
Philippines:	
Navy: Naval Air Station, Cubi Point	76,000
Air Force: Clark Air Force Base	1,714,000
Total	1,790,000
Puerto Rico:	
Navy:	
Naval Air Station, Roosevelt Roads	2,810,000
Naval Radio Station, Sabana Seca	86,000
Subtotal	2,896,000
Air Force: Ramey Air Force Base	1,251,000
Total	4,147,000
Spain:	
Navy: National Air Station, Rota	5,400,000
Air Force: Various locations	234,000
Total	5,634,000
Turkey: Navy: Various locations, total	425,000
United Kingdom: Air Force: Various locations, total	3,507,000

Summary tabulation—Continued

Various locations:	
Army:	
Forward depots	$4,000,000
ASA O/S	7,703,000
Signal O/S	4,000,000
Navy	17,573,000
Air Force:	
Aircraft control and warning	16,927,000
Comunication facilities	2,620,000
Other	4,339,000
Total	57,162,000
GENERAL SUPPORTING PROGRAMS	
Planning:	
Army	5,350,000
Navy	13,500,000
Air Force	25,000,000
Total	53,500,000
Minor construction:	
Army	5,675,000
Navy	3,475,000
Air Force	14,500,000
Total	23,650,000
Title VIII housing, offsite utilities:	
Army	5,350,000
Navy	3,750,000
Air Force	8,000,000
Total	17,100,000
Surplus commodity housing:	
Navy	250,000
Air Force	750,000
Total	1,000,000
Access roads:	
Army	1,913,000
Navy	1,625,000
Air Force	3,250,000
Total	6,788,000
Land acquisition: Air Force, total	300,000
Restoration of damaged facilities:	
Navy, total	4,000,000
Rehabilitation of substandard quarters:	
Army	300,000
Navy	300,000
Total	600,000
Surface-to-air missiles tactical facilities (inside and outside United States): Army, total	118,646,000

DEPARTMENT OF THE AIR FORCE

Mr. Speaker, $2,650,000 is included in the appropriation for aircraft and engine maintenance shops at locations to be selected on a priority basis; $750,000 is included for ground equipment shops at locations to be selected on a priority basis:

Army National Guard

ARMORY—LOCATION

Alabama:	
Ashford	$70,000
New Brockton	70,000
Alaska:	
Bethel	480,000
Fairbanks	277,000
Juneau	150,000
Ketchikan	277,000
Sitka	45,000
Arizona:	
Phoenix	65,000
Yuma	45,000

Army National Guard—Continued

Arkansas:	
Beebe	$45,000
De Witt	45,000
Hazen	45,000
Little Rock	260,000
California:	
Culver City	38,000
Fontana	105,000
Hollister	105,000
San Fernando	115,000
San Rafael (Fairfax)	115,000
Ventura	115,000
Colorado: Greely	132,000
Connecticut: New London	360,000
Georgia:	
Atlanta	132,000
Calhoun	110,000
Eatonton	90,000
Gainesville	90,000
Marietta	90,000
Quitman	90,000
Reynolds	90,000
Savannah	600,000
Hawaii: Kealakekua	145,000
Idaho:	
Jerome	57,000
Preston	57,000
Rigby	57,000
Twin Falls	90,000
Indiana:	
Tell City	188,000
Valparaiso	168,000
Iowa: Storm Lake	95,000
Kansas:	
Colby	80,000
Yates Center	93,000
Kentucky: Middleboro	130,000
Maine:	
Belfast	75,000
Brunswick	75,000
Gardiner	75,000
Millinocket	75,000
Portland	75,000
Saco	150,000
South Portland	150,000
Maryland: Baltimore (Dundalk)	215,000
Massachusetts:	
Agawam	210,000
Boston (Hyde Park)	270,000
Saugus	210,000
South Boston	360,000
Whiteman	210,000
Michigan:	
Ishpeming	280,000
Sturgis	220,000
Minnesota:	
Duluth	37,000
Minneapolis	88,000
St. Paul (west central)	565,000
Stillwater	37,000
Mississippi:	
Batesville	54,000
Durant	54,000
Iuka	54,000
Ocean Springs	54,000
Quitman	54,000
Webb	54,000
Missouri:	
Farmington	115,000
Fredericktown	135,000
Montana:	
Butte	70,000
Plentywood	63,000
Nebraska:	
Omaha	450,000
Wahoo	115,000
New Hampshire: Concord	375,000
New Jersey:	
Bound Brook	80,000
Cape May Court House	250,000
Flemington	80,000
Freehold	80,000
Hackettstown	80,000
Hammonton	175,000
Newton	80,000
Pitman	175,000
Tuckerton	80,000

Army National Guard—Continued

New Mexico:	
Belen	$57,000
Espanola	57,000
Roswell	200,000
Silver City	60,000
Socorro	57,000
New York:	
Amsterdam	55,000
Buffalo	75,000
Catskill	300,000
Olean	46,000
Oswego	52,000
Patchogue	375,000
Saranac Lake	300,000
Smithtown	300,000
Troy	47,000
North Carolina:	
Asheville	132,000
Belmont	98,000
Benson	105,000
Elizabeth City	105,000
Farmville	105,000
Greensboro	357,000
Hendersonville	120,000
Kannapolis	109,000
Lasker-Woodland	105,000
Laurinburg	105,000
Lincolnton	95,000
Mount Olive	105,000
Rockingham	98,000
Shallotte	95,000
Smithfield	105,000
Wallace	95,000
Ohio:	
Caldwell	135,000
Elyria	160,000
Greenville	165,000
Lancaster	160,000
Norwalk	140,000
Oregon: Salem	321,000
Pennsylvania: Johnstown	375,000
Puerto Rico:	
Bayamon	150,000
Juncos	38,000
Mayaguez	160,000
Ponce	150,000
San German	150,000
South Carolina:	
Batesburg	99,000
Belton	122,000
Chesterfield	99,000
Clover	99,000
Inman	99,000
Jonesville	99,000
Johnston	99,000
Lake City	99,000
Pacolet Mills	99,000
Whitmire	99,000
South Dakota: Salem	150,000
Tennessee:	
Camden	91,000
Crossville	91,000
Harriman	91,000
Kingsport	165,000
Livingston	91,000
Milan	91,000
Oak Ridge	142,000
South Pittsburg	91,000
Waverly	91,000
Texas:	
Amarillo	231,000
Cuero	93,000
Dallas No. 5	154,000
Edna	93,000
El Campo	104,000
Gainesville	111,000
Houston No. 2	264,000
Martindale (Army Air Field)	210,000
Texarkana	153,000
Vermont: Swanton	137,000
Virginia:	
Berryville	135,000
Norfolk (Blues)	441,000
Richmond	441,000
Washington: Coleville	150,000
West Virginia:	
Beckley	200,000
Clarksburg	189,000
Gassaway	189,000

Army National Guard—Continued

West Virginia—Continued	
Keyser	$157,000
Logan	189,000
Princeton	60,000
Ronceverte	54,000
Weston	189,000
Wisconsin: Tomahawk	160,000
Wyoming:	
Cody	142,000
Lovell	142,000
Alterations and expansions of armories at undetermined locations (cost $50,000 or less)	200,000
Total, 169 projects	24,229,000

Army National Guard consolidated listing, fiscal year 1960—Funding plan

NONARMORY—LOCATION

Iowa:	
Camp Dodge	$80,000
Camp Dodge	120,000
Louisiana:	
Camp Beauregard	325,000
Camp Beauregard	279,000
Maine: Augusta	190,000
Mississippi: Camp Shelby	165,000
Missouri: Jefferson City	113,000
New Hampshire: Concord	145,000
New Jersey:	
Camp Drum	308,000
Trenton	80,000
North Carolina: Camp Butner	353,000
North Dakota: Bismarck	57,000
South Carolina: Columbia	80,000
Utah: Salt Lake City	235,000
Vermont: Burlington	208,000
West Virginia: Buckhannon	206,000
Wisconsin: Hayward	52,000
Total, 17 projects	2,996,000

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman.

Mr. GROSS. By how much, if any, did the other body up this bill?

Mr. SHEPPARD. One hundred and forty-three million dollars.

Mr. GROSS. I thank the gentleman; and on the basis of the increase in conference, I wish to record my opposition to adoption of the report.

Mr. JONAS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JONAS. Mr. Speaker, this conference report is not an agreement based upon an arbitrary division of the dollar differences in the House and Senate bills. It is a carefully reached agreement based upon all available facts and reflects the collective judgment of the House and Senate conferees. It was arrived at after long and arduous hours of discussion extending over a period of 4 full days.

Mr. Speaker, I should like to emphasize the points made by the chairman of the House conferees, the gentleman from California [Mr. SHEPPARD], with respect to hospitals and National Guard armories. To my mind, the action taken with respect to hospitals is one of the most forward steps taken in this field in recent years. It directs the Secretary of Defense to see to it that the funds provided for hospital construction shall be expended on a strictly utilitarian basis to meet essential needs and requires the maximum utilization of existing private and governmental medical facilities.

Funds are provided in the bill agreed upon in conference to build the armories for which local and State contributions are already in hand. These new armories will provide adequate housing for one National Guard and take care of a long standing need.

The budget estimate for military construction was $1,563,200,000. The House reduced this sum by $278,197,300 and passed a bill which contained $1,285,002,700. The other body added $143,176,000 to the House bill and the Senate bill as it passed that body contained $1,428,178,700. In conference the House bill was increased by $78,958,500 and the Senate bill was reduced by $64,217,500, so we wind up with a bill containing $1,363,961,200 which is $199,238,800 below the budget.

Mr. Speaker, I believe this is a good conference report. It was agreed to unanimously by the managers on the part of the House and I urge its adoption.

Mr. SHEPPARD. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 2, line 20, strike out "$241,564,100" and insert "$278,773,700."

Mr. SHEPPARD. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. SHEPPARD moves that the House recede from its disagreement to the amendment of the Senate numbered 2, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "$263,632,300, including $1,700,000 to be used only for the purchase of foreign currencies to construct military facilities (except housing and community facilities) for the Army Security Agency, location 12."

The motion was agreed to.

A motion to reconsider the vote by which action was taken on the motion was laid on the table.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

Mr. BARDEN. Mr. Speaker, I call up the conference report on the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1147)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Labor-Management Reporting and Disclosure Act of 1959'.

"DECLARATION OF FINDINGS, PURPOSES, AND POLICY

"SEC. 2. (a) The Congress finds that, in the public interest, it continues to be the responsibility of the Federal Government to protect employees' rights to organize, choose their own representatives, bargain collectively, and otherwise engage in concerted activities for their mutual aid or protection; that the relations between employers and labor organizations and the millions of workers they represent have a substantial impact on the commerce of the Nation; and that in order to accomplish the objective of a free flow of commerce it is essential that labor organizations, employers, and their officials adhere to the highest standards of responsibility and ethical conduct in administering the affairs of their organizations, particularly as they affect labor-management relations.

"(b) The Congress further finds, from recent investigations in the labor and management fields, that there have been a number of instances of breach of trust, corruption, disregard of the rights of individual employees, and other failures to observe high standards of responsibility and ethical conduct which require further and supplementary legislation that will afford necessary protection of the rights and interests of employees and the public generally as they relate to the activities of labor organizations, employers, labor relations consultants, and their officers and representatives.

"(c) The Congress, therefore, further finds and declares that the enactment of this Act is necessary to eliminate or prevent improper practices on the part of labor organizations, employers, labor relations consultants, and their officers and representatives which distort and defeat the policies of the Labor Management Relations Act, 1947, as amended, and the Railway Labor Act, as amended, and have the tendency or necessary effect of burdening or obstructing commerce by (1) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (2) occurring in the current of commerce; (3) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods into or from the channels of commerce, or the prices of such materials or goods in commerce; or (4) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing into or from the channels of commerce.

"DEFINITIONS

"SEC. 3. For the purposes of titles I, II, III, IV, V (except section 505), and VI of this Act—

"(a) 'Commerce' means trade, traffic, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof.

"(b) 'State' includes any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and Outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act (43 U.S.C. 1331–1343).

"(c) 'Industry affecting commerce' means any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce and includes any activity or industry 'affecting commerce' within the meaning of the Labor Management Relations Act, 1947, as amended, or the Railway Labor Act, as amended.

"(d) 'Person' includes one or more individuals, labor organizations, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, or receivers.

"(e) 'Employer' means any employer or any group or association of employers engaged in an industry affecting commerce (1) which is, with respect to employees engaged in an industry affecting commerce, an employer within the meaning of any law of the United States relating to the employment of any employees or (2) which may deal with any labor organization concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work, and includes any person acting directly or indirectly as an employer or as an agent of an employer in relation to an employee but does not include the United States or any corporation wholly owned by the Government of the United States or any State or political subdivision thereof.

"(f) 'Employee' means any individual employed by an employer, and includes any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice or because of exclusion or expulsion from a labor organization in any manner or for any reason inconsistent with the requirements of this Act.

"(g) 'Labor dispute' includes any controversy concerning terms, tenure, or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee.

"(h) 'Trusteeship' means any receivership, trusteeship, or other method of supervision or control whereby a labor organization suspends the autonomy otherwise available to a subordinate body under its constitution or bylaws.

"(i) 'Labor organization' means a labor organization engaged in an industry affecting commerce and includes any organization of any kind, any agency, or employee representation committee, group, association, or plan so engaged in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours, or other terms or conditions of employment, and any conference, general committee, joint or system board, or joint council so engaged which is subordinate to a national or international labor organization, other than a State or local central body.

"(j) A labor organization shall be deemed to be engaged in an industry affecting commerce if it—

"(1) is the certified representative of employees under the provisions of the National Labor Relations Act, as amended, or the Railway Labor Act, as amended; or

"(2) although not certified, is a national or international labor organization or a local labor organization recognized or acting as the representative of employees of an employer or employers engaged in an industry affecting commerce; or

"(3) has chartered a local labor organization or subsidiary body which is representing or actively seeking to represent employees of employers within the meaning of paragraph (1) or (2); or

"(4) has been chartered by a labor organization representing or actively seeking to represent employees within the meaning of paragraph (1) or (2) as the local or subordinate body through which such employees may enjoy membership or become affiliated with such labor organization; or

"(5) is a conference, general committee, joint or system board, or joint council, subordinate to a national or international labor organization, which includes a labor organization engaged in an industry affecting commerce within the meaning of any of the preceding paragraphs of this subsection other than a State or local central body.

"(k) 'Secret ballot' means the expression by ballot, voting machine, or otherwise, but in no event by proxy, of a choice with respect to any election or vote taken upon any matter, which is cast in such a manner that the person expressing such choice cannot be identified with the choice expressed.

"(l) 'Trust in which a labor organization is interested' means a trust or other fund or organization (1) which was created or established by a labor organization, or one or more of the trustees or one or more members of the governing body of which is selected or appointed by a labor organization, and (2) a primary purpose of which is to provide benefits for the members of such labor organization or their beneficiaries.

"(m) 'Labor relations consultant' means any person who, for compensation, advises or represents an employer, employer organization, or labor organization concerning employee organizing, concerted activities, or collective bargaining activities.

"(n) 'Officer' means any constitutional officer, any person authorized to perform the functions of president, vice president, secretary, treasurer, or other executive functions of a labor organization, and any member of its executive board or similar governing body.

"(o) 'Member' or 'member in good standing', when used in reference to a labor organization, includes any person who has fulfilled the requirements for membership in such organization, and who neither has voluntarily withdrawn from membership nor has been expelled or suspended from membership after appropriate proceedings consistent with lawful provisions of the constitution and bylaws of such organization.

"(p) 'Secretary' means the Secretary of Labor.

"(q) 'Officer, agent, shop steward, or other representative', when used with respect to a labor organization, includes elected officials and key administrative personnel, whether elected or appointed (such as business agents, heads of departments or major units, and organizers who exercise substantial independent authority), but does not include salaried nonsupervisory professional staff, stenographic, and service personnel.

"(r) 'District court of the United States' means a United States district court and a

United States court of any place subject to the jurisdiction of the United States.

"TITLE I—BILL OF RIGHTS OF MEMBERS OF LABOR ORGANIZATIONS

"Bill of rights

"SEC. 101. (a)(1) EQUAL RIGHTS.—Every member of a labor organization shall have equal rights and privileges within such organization to nominate candidates, to vote in elections or referendums of the labor organization, to attend membership meetings, and to participate in the deliberations and voting upon the business of such meetings, subject to reasonable rules and regulations in such organization's constitution and bylaws.

"(2) FREEDOM OF SPEECH AND ASSEMBLY.—Every member of any labor organization shall have the right to meet and assemble freely with other members; and to express any views, arguments, or opinions; and to express at meetings of the labor organization his views, upon candidates in an election of the labor organization or upon any business properly before the meeting, subject to the organization's established and reasonable rules pertaining to the conduct of meetings: *Provided,* That nothing herein shall be construed to impair the right of a labor organization to adopt and enforce reasonable rules as to the responsibility of every member toward the organization as an institution and to his refraining from conduct that would interfere with its performance of its legal or contractual obligations.

"(3) DUES, INITIATION FEES, AND ASSESSMENTS.—Except in the case of a federation of national or international labor organizations, the rates of dues and initiation fees payable by members of any labor organization in effect on the date of enactment of this Act shall not be increased, and no general or special assessment shall be levied upon such members, except—

"(A) in the case of a local labor organization, (i) by majority vote by secret ballot of the members in good standing voting at a general or special membership meeting, after reasonable notice of the intention to vote upon such question, or (ii) by majority vote of the members in good standing voting in a membership referendum conducted by secret ballot; or

"(B) in the case of a labor organization, other than a local labor organization or a federation of national or international labor organizations, (i) by majority vote of the delegates voting at a regular convention, or at a special convention of such labor organization held upon not less than thirty days' written notice to the principal office of each local or constituent labor organization entitled to such notice, or (ii) by majority vote of the members in good standing of such labor organization voting in a membership referendum conducted by secret ballot, or (iii) by majority vote of the members of the executive board or similar governing body of such labor organization, pursuant to express authority contained in the constitution and bylaws of such labor organization: *Provided,* That such action on the part of the executive board or similar governing body shall be effective only until the next regular convention of such labor organization.

"(4) PROTECTION OF THE RIGHT TO SUE.—No labor organization shall limit the right of any member thereof to institute an action in any court, or in a proceeding before any administrative agency, irrespective of whether or not the labor organization or its officers are named as defendants or respondents in such action or proceeding, or the right of any member of a labor organization to appear as a witness in any judicial, administrative, or legislative proceeding, or to petition any legislature or to communicate with any legislator: *Provided,* That any such member may be required to exhaust reasonable hearing procedures (but not to exceed a four-month lapse of time) within such organization, before instituting legal or administrative proceedings against such organizations or any officer thereof: *And provided further,* That no interested employer or employer association shall directly or indirectly finance, encourage, or participate in, except as a party, any such action, proceeding, appearance, or petition.

"(5) SAFEGUARDS AGAINST IMPROPER DISCIPLINARY ACTION.—No member of any labor organization may be fined, suspended, expelled, or otherwise disciplined except for nonpayment of dues by such organization or by any officer thereof unless such member has been (A) served with written specific charges; (B) given a reasonable time to prepare his defense; (C) afforded a full and fair hearing.

"(b) Any provision of the constitution and bylaws of any labor organization which is inconsistent with the provisions of this section shall be of no force or effect.

"Civil enforcement

"SEC. 102. Any person whose rights secured by the provisions of this title have been infringed by any violation of this title may bring a civil action in a district court of the United States for such relief (including injunctions) as may be appropriate. Any such action against a labor organization shall be brought in the district court of the United States for the district where the alleged violation occurred, or where the principal office of such labor organization is located.

"Retention of existing rights

"SEC. 103. Nothing contained in this title shall limit the rights and remedies of any member of a labor organization under any State or Federal law or before any court or other tribunal, or under the constitution and bylaws of any labor organization.

"Right to copies of collective bargaining agreements

"SEC. 104. It shall be the duty of the secretary or corresponding principal officer of each labor organization, in the case of a local labor organization, to forward a copy of each collective bargaining agreement made by such labor organization with any employer to any employee who requests such a copy and whose rights as such employee are directly affected by such agreement, and in the case of a labor organization other than a local labor organization, to forward a copy of any such agreement to each constituent unit which has members directly affected by such agreement; and such officer shall maintain at the principal office of the labor organization of which he is an officer copies of any such agreement made or received by such labor organization, which copies shall be available for inspection by any member or by any employee whose rights are affected by such agreement. The provisions of section 210 shall be applicable in the enforcement of this section.

"Information as to act

"SEC. 105. Every labor organization shall inform its members concerning the provisions of this Act.

"TITLE II—REPORTING BY LABOR ORGANIZATIONS, OFFICERS AND EMPLOYEES OF LABOR ORGANIZATIONS, AND EMPLOYERS

"Report of labor organizations

"SEC. 201. (a) Every labor organization shall adopt a constitution and bylaws and shall file a copy thereof with the Secretary, together with a report, signed by its president and secretary or corresponding principal officers, containing the following information—

"(1) the name of the labor organization, its mailing address, and any other address at which it maintains its principal office or at which it keeps the records referred to in this title;

"(2) the name and title of each of its officers;

"(3) the initiation fee or fees required from a new or transferred member and fees for work permits required by the reporting labor organization;

"(4) the regular dues or fees or other periodic payments required to remain a member of the reporting labor organization; and

"(5) detailed statements, or references to specific provisions of documents filed under this subsection which contain such statements, showing the provision made and procedures followed with respect to each of the following: (A) qualifications for or restrictions on membership, (B) levying of assessments, (C) participation in insurance or other benefit plans, (D) authorization for disbursement of funds of the labor organization, (E) audit of financial transactions of the labor organization, (F) the calling of regular and special meetings, (G) the selection of officers and stewards and of any representatives to other bodies composed of labor organizations' representatives, with a specific statement of the manner in which each officer was elected, appointed, or otherwise selected, (H) discipline or removal of officers or agents for breaches of their trust, (I) imposition of fines, suspensions, and expulsions of members, including the grounds for such action and any provision made for notice, hearing, judgment on the evidence, and appeal procedures, (J) authorization for bargaining demands, (K) ratification of contract terms, (L) authorization for strikes, and (M) issuance of work permits. Any change in the information required by this subsection shall be reported to the Secretary at the time the reporting labor organization files with the Secretary the annual financial report required by subsection (b).

"(b) Every labor organization shall file annually with the Secretary a financial report signed by its president and treasurer or corresponding principal officers containing the following information in such detail as may be necessary accurately to disclose its financial condition and operations for its preceding fiscal year—

"(1) assets and liabilities at the beginning and end of the fiscal year;

"(2) receipts of any kind and the sources thereof;

"(3) salary, allowances, and other direct or indirect disbursements (including reimbursed expenses) to each officer and also to each employee who, during such fiscal year, received more than $10,000 in the aggregate from such labor organization and any other labor organization affiliated with it or with which it is affiliated, or which is affiliated with the same national or international labor organization;

"(4) direct and indirect loans made to any officer, employee, or member, which aggregated more than $250 during the fiscal year, together with a statement of the purpose, security, if any, and arrangements for repayment;

"(5) direct and indirect loans to any business enterprise, together with a statement of the purpose, security, if any, and arrangements for repayment; and

"(6) other disbursements made by it including the purposes thereof; all in such categories as the Secretary may prescribe.

"(c) Every labor organization required to submit a report under this title shall make available the information required to be contained in such report to all of its members, and every such labor organization and its officers shall be under a duty enforceable at the suit of any member of such organization in any State court of competent jurisdiction or in the district court of the United

States for the district in which such labor organization maintains its principal office, to permit such member for just cause to examine any books, records, and accounts necessary to verify such report. The court in such action may, in its discretion, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action.

"(d) Subsections (f), (g), and (h) of section 9 of the National Labor Relations Act, as amended, are hereby repealed.

"(e) Clause (i) of section 8(a)(3) of the National Labor Relations Act, as amended, is amended by striking out the following: 'and has at the time the agreement was made or within the preceding twelve months received from the Board a notice of compliance with sections 9 (f), (g), (h)'.

"Report of officers and employees of labor organizations

"SEC. 202. (a) Every officer of a labor organization and every employee of a labor organization (other than an employee performing exclusively clerical or custodial services) shall file with the Secretary a signed report listing and describing for his preceding fiscal year—

"(1) any stock, bond, security, or other interest, legal or equitable, which he or his spouse or minor child directly or indirectly held in, and any income or any other benefit with monetary value (including reimbursed expenses) which he or his spouse or minor child derived directly or indirectly from, an employer whose employees such labor organization represents or is actively seeking to represent, except payments and other benefits received as a bona fide employee of such employer;

"(2) any transaction in which he or his spouse or minor child engaged, directly or indirectly, involving any stock, bond, security, or loan to or from, or other legal or equitable interest in the business of an employer whose employees such labor organization represents or is actively seeking to represent;

"(3) any stock, bond, security, or other interest, legal or equitable, which he or his spouse or minor child directly or indirectly held in, and any income or any other benefit with monetary value (including reimbursed expenses) which he or his spouse or minor child directly or indirectly derived from, any business a substantial part of which consists of buying from, selling or leasing to, or otherwise dealing with, the business of an employer whose employees such labor organization represents or is actively seeking to represent;

"(4) any stock, bond, security, or other interest, legal or equitable which he or his spouse or minor child directly or indirectly held in, and any income or any other benefit with monetary value (including reimbursed expenses) which he or his spouse or minor child directly or indirectly derived from, a business any part of which consists of buying from, or selling or leasing directly or indirectly to, or otherwise dealing with such labor organization;

"(5) any direct or indirect business transaction or arrangement between him or his spouse or minor child and any employer whose employees his organization represents or is actively seeking to represent, except work performed and payments and benefits received as a bona fide employee of such employer and except purchases and sales of goods or services in the regular course of business at prices generally available to any employee of such employer; and

"(6) any payment of money or other thing of value (including reimbursed expenses) which he or his spouse or minor child received directly or indirectly from any employer or any person who acts as a labor relations consultant to an employer, except payments of the kinds referred to in section 302(c) of the Labor Management Relations Act, 1947, as amended.

"(b) The provisions of paragraphs (1), (2), (3), (4), and (5) of subsection (a) shall not be construed to require any such officer or employee to report his bona fide investments in securities traded, on a securities exchange registered as a national securities exchange under the Securities Exchange Act of 1934, in shares in an investment company registered under the Investment Company Act of 1940, or in securities of a public utility holding company registered under the Public Utility Holding Company Act of 1935, or to report any income derived therefrom.

"(c) Nothing contained in this section shall be construed to require any officer or employee of a labor organization to file a report under subsection (a) unless he or his spouse or minor child holds or has held an interest, has received income or any other benefit with monetary value or a loan, or has engaged in a transaction described therein.

"Report of employers

"SEC. 203. (a) Every employer who in any fiscal year made—

"(1) any payment or loan, direct or indirect, of money or other thing of value (including reimbursed expenses), or any promise or agreement therefor, to any labor organization or officer, agent, shop steward, or other representative of a labor organization, or employee of any labor organization, except (A) payments or loans made by any national or State bank, credit union, insurance company, savings and loan association or other credit institution and (B) payments of the kind referred to in section 302(c) of the Labor Management Relations Act, 1947, as amended;

"(2) any payment (including reimbursed expenses) to any of his employees, or any group or committee of such employees, for the purpose of causing such employee or group or committee of employees to persuade other employees to exercise or not to exercise, or as the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing unless such payments were contemporaneously or previously disclosed to such other employees;

"(3) any expenditure, during the fiscal year, where an object thereof, directly or indirectly, is to interfere with, restrain, or coerce employees in the exercise of the right to organize and bargain collectively through representatives of their own choosing, or is to obtain information concerning the activities of employees or a labor organization in connection with a labor dispute involving such employer, except for use solely in conjunction with an administrative or arbitral proceeding or a criminal or civil judicial proceeding;

"(4) any agreement or arrangement with a labor relations consultant or other independent contractor or organization pursuant to which such person undertakes activities where an object thereof, directly or indirectly, is to persuade employees to exercise or not to exercise, or persuade employees as to the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing, or undertakes to supply such employer with information concerning the activities of employees or a labor organization in connection with a labor dispute involving such employer, except information for use solely in conjunction with an administrative or arbitral proceeding or a criminal or civil judicial proceeding; or

"(5) any payment (including reimbursed expenses) pursuant to an agreement or arrangement described in subdivision (4);

shall file with the Secretary a report, in a form prescribed by him, signed by its president and treasurer or corresponding principal officers showing in detail the date and amount of each such payment, loan, promise, agreement, or arrangement and the name, address, and position, if any, in any firm or labor organization of the person to whom it was made and a full explanation of the circumstances of all such payments, including the terms of any agreement or understanding pursuant to which they were made.

"(b) Every person who pursuant to any agreement or arrangement with an employer undertakes activities where an object thereof is, directly or indirectly—

"(1) to persuade employees to exercise or not to exercise, or persuade employees as to the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing; or

"(2) to supply an employer with information concerning the activities of employees or a labor organization in connection with a labor dispute involving such employer, except information for use solely in conjunction with an administrative or arbitral proceeding or a criminal or civil judicial proceeding;

shall file within 30 days after entering into such agreement or arrangement a report with the Secretary, signed by its president and treasurer or corresponding principal officers, containing the name under which such person is engaged in doing business and the address of its principal office, and a detailed statement of the terms and conditions of such agreement or arrangement. Every such person shall file annually, with respect to each fiscal year during which payments were made as a result of such an agreement or arrangement, a report with the Secretary, signed by its president and treasurer or corresponding principal officers, containing a statement (A) of its receipts of any kind from employers on account of labor relations advice or services, designating the sources thereof, and (B) of its disbursements of any kind, in connection with such services and the purposes thereof. In each such case such information shall be set forth in such categories as the Secretary may prescribe.

"(c) Nothing in this section shall be construed to require any employer or other person to file a report covering the services of such person by reason of his giving or agreeing to give advice to such employer or representing or agreeing to represent such employer before any court, administrative agency, or tribunal of arbitration or engaging or agreeing to engage in collective bargaining on behalf of such employer with respect to wages, hours, or other terms or conditions of employment or the negotiation of an agreement or any question arising thereunder.

"(d) Nothing contained in this section shall be construed to require an employer to file a report under subsection (a) unless he has made an expenditure, payment, loan, agreement, or arrangement of the kind described therein. Nothing contained in this section shall be construed to require any other person to file a report under subsection (b) unless he was a party to an agreement or arrangement of the kind described therein.

"(e) Nothing contained in this section shall be construed to require any regular officer, supervisor, or employee of an employer to file a report in connection with services rendered to such employer nor shall any employer be required to file a report covering expenditures made to any regular officer, superviser, or employee of an employer as compensation for service as a regular officer, supervisor, or employee of such employer.

"(f) Nothing contained in this section shall be construed as an amendment to, or modification of the rights protected by, section 8(c) of the National Labor Relations Act, as amended.

"(g) The term "interfere with, restrain, or coerce" as used in this section means interference, restraint, and coercion which, if done with respect to the exercise of rights

guaranteed in section 7 of the National Labor Relations Act, as amended, would, under section 8(a) of such Act, constitute an unfair labor practice.

"Attorney-client communications exempted

"SEC. 204. Nothing contained in this Act shall be construed to require an attorney who is a member in good standing of the bar of any State, to include in any report required to be filed pursuant to the provisions of this Act any information which was lawfully communicated to such attorney by any of his clients in the course of a legitimate attorney-client relationship.

"Reports made public information

"SEC. 205. (a) The contents of the reports and documents filed with the Secretary pursuant to sections 201, 202, and 203 shall be public information, and the Secretary may publish any information and data which he obtains pursuant to the provisions of this title. The Secretary may use the information and data for statistical and research purposes, and compile and publish such studies, analyses, reports, and surveys based thereon as he may deem appropriate.

"(b) The Secretary shall by regulation make reasonable provision for the inspection and examination, on the request of any person, of the information and data contained in any report or other document filed with him pursuant to section 201, 202, or 203.

"(c) The Secretary shall by regulation provide for the furnishing by the Department of Labor of copies of reports or other documents filed with the Secretary pursuant to this title, upon payment of a charge based upon the cost of the service. The Secretary shall make available without payment of a charge, or require any person to furnish, to such State agency as is designated by law or by the Governor of the State in which such person has his principal place of business or headquarters, upon request of the Governor of such State, copies of any reports and documents filed by such person with the Secretary pursuant to section 201, 202, or 203, or of information and data contained therein. No person shall be required by reason of any law of any State to furnish to any officer or agency of such State any information included in a report filed by such person with the Secretary pursuant to the provisions of this title, if a copy of such report, or of the portion thereof containing such information, is furnished to such officer or agency. All moneys received in payment of such charges fixed by the Secretary pursuant to this subsection shall be deposited in the general fund of the Treasury.

"Retention of records

"SEC. 206. Every person required to file any report under this title shall maintain records on the matters required to be reported which will provide in sufficient detail the necessary basic information and data from which the documents filed with the Secretary may be verified, explained or clarified, and checked for accuracy and completeness, and shall include vouchers, worksheets, receipts, and applicable resolutions, and shall keep such records available for examination for a period of not less than five years after the filing of the documents based on the information which they contain.

"Effective date

"SEC. 207. (a) Each labor organization shall file the initial report required under section 201(a) within ninety days after the date on which it first becomes subject to this Act.

"(b) Each person required to file a report under section 201(b), 202, 203(a), or the second sentence of 203(b) shall file such report within ninety days after the end of each of its fiscal years; except that where such person is subject to section 201(b), 202, 203(a), or the second sentence of 203(b), as the case may be, for only a portion of such a fiscal year (because the date of enactment of this Act occurs during such person's fiscal year or such person becomes subject to this Act during its fiscal year) such person may consider that portion as the entire fiscal year in making such report.

"Rules and regulations

"SEC. 208. The Secretary shall have authority to issue, amend, and rescind rules and regulations prescribing the form and publication of reports required to be filed under this title and such other reasonable rules and regulations (including rules prescribing reports concerning trusts in which a labor organization is interested) as he may find necessary to prevent the circumvention or evasion of such reporting requirements. In exercising his power under this section the Secretary shall prescribe by general rule simplified reports for labor organizations or employers for whom he finds that by virtue of their size a detailed report would be unduly burdensome, but the Secretary may revoke such provision for simplified forms of any labor organization or employer if he determines, after such investigation as he deems proper and due notice and opportunity for a hearing, that the purposes of this section would be served thereby.

"Criminal provisions

"SEC. 209. (a) Any person who willfully violates this title shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(b) Any person who makes a false statement or representation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact, in any document, report, or other information required under the provisions of this title shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(c) Any person who willfully makes a false entry in or willfully conceals, withholds, or destroys any books, records, reports, or statements required to be kept by any provision of this title shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(d) Each individual required to sign reports under sections 201 and 203 shall be personally responsible for the filing of such reports and for any statement contained therein which he knows to be false.

"Civil enforcement

"SEC. 210. Whenever it shall appear that any person has violated or is about to violate any of the provisions of this title, the Secretary may bring a civil action for such relief (including injunctions) as may be appropriate. Any such action may be brought in the district court of the United States where the violation occurred or, at the option of the parties, in the United States District Court for the District of Columbia.

"TITLE III—TRUSTEESHIPS

"Reports

"SEC. 301. (a) Every labor organization which has or assumes trusteeship over any subordinate labor organization shall file with the Secretary within thirty days after the date of the enactment of this Act or the imposition of any such trusteeship, and semiannually thereafter, a report, signed by its president and treasurer or corresponding principal officers, as well as by the trustees of such subordinate labor organization, containing the following information: (1) the name and address of the subordinate organization; (2) the date of establishing the trusteeship; (3) a detailed statement of the reason or reasons for establishing or continuing the trusteeship; and (4) the nature and extent of participation by the membership of the subordinate organization in the selection of delegates to represent such organization in regular or special conventions or other policy-determining bodies and in the election of officers of the labor organization which has assumed trusteeship over such subordinate organization. The initial report shall also include a full and complete account of the financial condition of such subordinate organization as to the time trusteeship was assumed over it. During the continuance of a trusteeship the labor organization which has assumed trusteeship over a subordinate labor organization shall file on behalf of the subordinate labor organization, the annual financial report required by section 201(b) signed by the president and treasurer or corresponding principal officers of the labor organization which has assumed such trusteeship and the trustees of the subordinate labor organization.

"(b) The provisions of section 201(c), 205, 206, 208, and 210 shall be applicable to reports filed under this title.

"(c) Any person who willfully violates this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(d) Any person who makes a false statement or representation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact, in any report required under the provisions of this section or willfully makes any false entry in or willfully withholds, conceals, or destroys any documents, books, records, reports, or statements upon which such report is based, shall be fined not more than $10,000 or imprisoned for not more than one year or both.

"(e) Each individual required to sign a report under this section shall be personally responsible for the filing of such report and for any statement contained therein which he knows to be false.

"Purposes for which a trusteeship may be established

"SEC. 302. Trusteeships shall be established and administered by a labor organization over a subordinate body only in accordance with the constitution and bylaws of the organization which has assumed trusteeship over the subordinate body and for the purpose of correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objects of such labor organization.

"Unlawful acts relating to labor organization under trusteeship

"SEC. 303. (a) During any period when a subordinate body of a labor organization is in trusteeship, it shall be unlawful (1) to count the vote of delegates from such body in any convention or election of officers of the labor organization unless the delegates have been chosen by secret ballot in an election in which all the members in good standing of such subordinate body were eligible to participate, or (2) to transfer to such organization any current receipts or other funds of the subordinate body except the normal per capita tax and assessments payable by subordinate bodies not in trusteeship: *Provided*, That nothing herein contained shall prevent the distribution of the assets of a labor organization in accordance with its constitution and bylaws upon the bona fide dissolution thereof.

"(b) Any person who willfully violates this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"Enforcement

"SEC. 304. (a) Upon the written complaint of any member or subordinate body of a labor organization alleging that such organization has violated the provisions of this title (except section 301) the Secretary shall

investigate the complaint and if the Secretary finds probable cause to believe that such violation has occurred and has not been remedied he shall, without disclosing the identity of the complainant, bring a civil action in any district court of the United States having jurisdiction of the labor organization for such relief (including injunctions) as may be appropriate. Any member or subordinate body of a labor organization affected by any violation of this title (except section 301) may bring a civil action in any district court of the United States having jurisdiction of the labor organization for such relief (including injunctions) as may be appropriate.

"(b) For the purpose of actions under this section, district courts of the United States shall be deemed to have jurisdiction of a labor organization (1) in the district in which the principal office of such labor organization is located, or (2) in any district in which its duly authorized officers or agents are engaged in conducting the affairs of the trusteeship.

"(c) In any proceeding pursuant to this section a trusteeship established by a labor organization in conformity with the procedural requirements of its constitution and bylaws and authorized or ratified after a fair hearing either before the executive board or before such other body as may be provided in accordance with its constitution or bylaws shall be presumed valid for a period of eighteen months from the date of its establishment and shall not be subject to attack during such period except upon clear and convincing proof that the trusteeship was not established or maintained in good faith for a purpose allowable under section 302. After the expiration of eighteen months the trusteeship shall be presumed invalid in any such proceeding and its discontinuance shall be decreed unless the labor organization shall show by clear and convincing proof that the continuation of the trusteeship is necessary for a purpose allowable under section 302. In the latter event the court may dismiss the complaint or retain jurisdiction of the cause on such conditions and for such period as it deems appropriate.

"Report to Congress

"SEC. 305. The Secretary shall submit to the Congress at the expiration of three years from the date of enactment of this Act a report upon the operation of this title.

"Complaint by Secretary

"SEC. 306. The rights and remedies provided by this title shall be in addition to any and all other rights and remedies at law or in equity: *Provided,* That upon the filing of a complaint by the Secretary the jurisdiction of the district court over such trusteeship shall be exclusive and the final judgment shall be res judicata.

"TITLE IV—ELECTIONS

"Terms of office; election procedures

"SEC. 401. (a) Every national or international labor organization, except a federation of national or international labor organizations, shall elect its officers not less often than once ever five years either by secret ballot among the members in good standing or at a convention of delegates chosen by secret ballot.

"(b) Every local labor organization shall elect its officers not less often than once every three years by secret ballot among the members in good standing.

"(c) Every national or international labor organization, except a federation of national or international labor organizations, and every local labor organization, and its officers, shall be under a duty, enforceable at the suit of any bona fide candidate for office in such labor organization in the district court of the United States in which such labor organization maintains its principal office, to comply with all reasonable requests of any candidate to distribute by mail or otherwise at the candidate's expense campaign literature in aid of such person's candidacy to all members in good standing of such labor organization and to refrain from discrimination in favor of or against any candidate with respect to the use of lists of members, and whenever such labor organizations or its officers authorize the distribution by mail or otherwise to members of campaign literature on behalf of any candidate or of the labor organization itself with reference to such election, similar distribution at the request of any other bona fide candidate shall be made by such labor organization and its officers, with equal treatment as to the expense of such distribution. Every bona fide candidate shall have the right, once within 30 days prior to an election of a labor organization in which he is a candidate, to inspect a list containing the names and last known addresses of all members of the labor organization who are subject to a collective bargaining agreement requiring membership therein as a condition of employment, which list shall be maintained and kept at the principal office of such labor organization by a designated official thereof. Adequate safeguards to insure a fair election shall be provided, including the right of any candidate to have an observer at the polls and at the counting of the ballots.

"(d) Officers of intermediate bodies, such as general committees, system boards, joint boards, or joint councils, shall be elected not less often than once every four years by secret ballot among the members in good standing or by labor organization officers representatives of such members who have been elected by secret ballot.

"(e) In any election required by this section which is to be held by secret ballot a reasonable opportunity shall be given for the nomination of candidates and every member in good standing shall be eligible to be a candidate and to hold office (subject to section 504 and to reasonable qualifications uniformly imposed) and shall have the right to vote for or otherwise support the candidate or candidates of his choice, without being subject to penalty, discipline, or improper interference or reprisal of any kind by such organization or any member thereof. Not less than fifteen days prior to the election notice thereof shall be mailed to each member at his last known home address. Each member in good standing shall be entitled to one vote. No member whose dues have been withheld by his employer for payment to such organization pursuant to his voluntary authorization provided for in a collective bargaining agreement shall be declared ineligible to vote or be a candidate for office in such organization by reason of alleged delay or default in the payment of dues. The votes cast by members of each local labor organization shall be counted, and the results published, separately. The election officials designated in the constitution and bylaws or the secretary, if no other official is designated, shall preserve for one year the ballots and all other records pertaining to the election. The election shall be conducted in accordance with the constitution and bylaws of such organization insofar as they are not inconsistent with the provisions of this title.

"(f) When officers are chosen by a convention of delegates elected by secret ballot, the convention shall be conducted in accordance with the constitution and bylaws of the labor organization insofar as they are not inconsistent with the provisions of this title. The officials designated in the constitution and bylaws or the secretary, if no other is designated, shall preserve for one year the credentials of the delegates and all minutes and other records of the convention pertaining to the election of officers.

"(g) No moneys received by any labor organization by way of dues, assessment, or similar levy, and no moneys of an employer shall be contributed or applied to promote the candidacy of any person in an election subject to the provisions of this title. Such moneys of a labor organization may be utilized for notices, factual statements of issues not involving candidates, and other expenses necessary for the holding of an election.

"(h) If the Secretary, upon application of any member of a local labor organization, finds after hearing in accordance with the Administrative Procedure Act that the constitution and bylaws of such labor organization do not provide an adequate procedure for the removal of an elected officer guilty of serious misconduct, such officer may be removed, for cause shown and after notice and hearing, by the members in good standing voting in a secret ballot conducted by the officers of such labor organization in accordance with its constitution and bylaws insofar as they are not inconsistent with the provisions of this title.

"(i) The Secretary shall promulgate rules and regulations prescribing minimum standards and procedures for determining the adequacy of the removal procedures to which reference is made in subsection (h).

"Enforcement

"SEC. 402. (a) A member of a labor organization—

"(1) who has exhausted the remedies available under the constitution and bylaws of such organization and of any parent body, or

"(2) who has invoked such available remedies without obtaining a final decision within three calendar months after their invocation,

may file a complaint with the Secretary within one calendar month thereafter alleging the violation of any provision of section 401 (including violation of the constitution and bylaws of the labor organization pertaining to the election and removal of officers). The challenged election shall be presumed valid pending a final decision thereon (as hereinafter provided) and in the interim the affairs of the organization shall be conducted by the officers elected or in such other manner as its constitution and bylaws may provide.

"(b) The Secretary shall investigate such complaint and, if he finds probable cause to believe that a violation of this title has occurred and has not been remedied, he shall, within sixty days after the filing of such complaint, bring a civil action against the labor organization as an entity in the district court of the United States in which such labor organization maintains its principal office to set aside the invalid election, if any, and to direct the conduct of an election or hearing and vote upon the removal of officers under the supervision of the Secretary and in accordance with the provisions of this title and such rules and regulations as the Secretary may prescribe. The court shall have power to take such action as it deems proper to preserve the assets of the labor organization.

"(c) If, upon a preponderance of the evidence after a trial upon the merits, the court finds—

"(1) that an election has not been held within the time prescribed by section 401, or

"(2) that the violation of section 401 may have affected the outcome of an election, the court shall declare the election, if any, to be void and direct the conduct of a new election under supervision of the Secretary and, so far as lawful and practicable, in conformity with the constitution and bylaws of the labor organization. The Secretary shall promptly certify to the court the names of the persons elected, and the court shall thereupon enter a decree declaring such per-

sons to be the officers of the labor organization. If the proceeding is for the removal of officers pursuant to subsection (h) of section 401, the Secretary shall certify the results of the vote and the court shall enter a decree declaring whether such persons have been removed as officers of the labor organization.

"(d) An order directing an election, dismissing a complaint, or designating elected officers of a labor organization shall be appealable in the same manner as the final judgment in a civil action, but an order directing an election shall not be stayed pending appeal.

"Application of other laws

"SEC. 403. No labor organization shall be required by law to conduct elections of officers with greater frequency or in a different form or manner than is required by its own constitution or bylaws, except as otherwise provided by this title. Existing rights and remedies to enforce the constitution and bylaws of a labor organization with respect to elections prior to the conduct thereof shall not be affected by the provisions of this title. The remedy provided by this title for challenging an election already conducted shall be exclusive.

"Effective date

"SEC. 404. The provisions of this title shall become applicable—

"(1) ninety days after the date of enactment of this Act in the case of a labor organization whose constitution and bylaws can lawfully be modifid or amended by action of its constitutional officers or governing body, or

"(2) where such modification can only be made by a constitutional convention of the labor organization, not later than the next constitutional convention of such labor organization after the date of enactment of this Act, or one year after such date, whichever is sooner. If no such convention is held within such one-year period, the executive board or similar governing body empowered to act for such labor organization between conventions is empowered to make such interim constitutional changes as are necessary to carry out the provisions of this title.

"TITLE V—SAFEGUARDS FOR LABOR ORGANIZATIONS

"Fiduciary responsibility of officers of labor organizations

"SEC. 501. (a) The officers, agents, shop stewards, and other representatives of a labor organization occupy positions of trust in relation to such organization and its members as a group. It is, therefore, the duty of each such person, taking into account the special problems and functions of a labor organization, to hold its money and property solely for the benefit of the organization and its members and to manage, invest, and expend the same in accordance with its constitution and bylaws and any resolutions of the governing bodies adopted thereunder, to refrain from dealing with such organization as an adverse party or in behalf of an adverse party in any matter connected with his duties and from holding or acquiring any pecuniary or personal interest which conflicts with the interests of such organization, and to account to the organization for any profit received by him in whatever capacity in connection with transactions conducted by him or under his direction on behalf of the organization. A general exculpatory provision in the constitution and bylaws of such a labor organization or a general exculpatory resolution of a governing body purporting to relieve any such person of liability for breach of the duties declared by this section shall be void as against public policy.

"(b) When any officer, agent, shop steward, or representative of any labor organization is alleged to have violated the duties declared in subsection (a) and the labor organization or its governing board or officers refuse or fail to sue or recover damages or secure an accounting or other appropriate relief within a reasonable time after being requested to do so by any member of the labor organization, such member may sue such officer, agent, shop steward, or representative in any district court of the United States or in any State court of competent jurisdiction to recover damages or secure an accounting or other appropriate relief for the benefit of the labor organization. No such proceeding shall be brought except upon leave of the court obtained upon verified application and for good cause shown, which application may be made ex parte. The trial judge may allot a reasonable part of the recovery in any action under this subsection to pay the fees of counsel prosecuting the suit at the instance of the member of the labor organization and to compensate such member for any expenses necessarily paid or incurred by him in connection with the litigation."

"(c) Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use, or the use of another, any of the moneys, funds, securities, property, or other assets of a labor organization of which he is an officer, or by which he is employed, directly or indirectly, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

"Bonding

"SEC. 502. (a) Every officer, agent, shop steward, or other representative or employee of any labor organization (other than a labor organization whose property and annual financial receipts do not exceed $5,000 in value), or of a trust in which a labor organization is interested, who handles funds or other property thereof shall be bonded for the faithful discharge of his duties. The bond of each such person shall be fixed at the beginning of the organization's fiscal year and shall be in an amount not less than 10 per centum of the funds handled by him and his predecessor or predecessors, if any, during the preceding fiscal year, but in no case more than $500,000. If the labor organization or the trust in which a labor organization is interested does not have a preceding fiscal year, the amount of the bond shall be, in the case of a local labor organization, not less than $1,000, and in the case of any other labor organization or of a trust in which a labor organization is interested, not less than $10,000. Such bonds shall be individual or schedule in form, and shall have a corporate surety company as surety thereon. Any person who is not covered by such bonds shall not be permitted to receive, handle, disburse, or otherwise exercise custody or control of the funds or other property of a labor organization or of a trust in which a labor organization is interested. No such bond shall be placed through an agent or broker or with a surety company in which any labor organization or any officer, agent, shop steward, or other representative of a labor organization has any direct or indirect interest. Such surety company shall be a corporate surety which holds a grant of authority from the Secretary of the Treasury under the Act of July 30, 1947 (6 U.S.C. 6–13), as an acceptable surety on Federal bonds.

"(b) Any person who willfully violates this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"Making of loans; payment of fines

"SEC. 503. (a) No labor organization shall make directly or indirectly any loan or loans to any officer or employee of such organization which results in a total indebtedness on the part of such officer or employee to the labor organization in excess of $2,000.

"(b) No labor organization or employer shall directly or indirectly pay the fine of any officer or employee convicted of any willful violation of this Act.

"(c) Any person who willfully violates this section shall be fined not more than $5,000 or imprisoned for not more than one year, or both.

"Prohibition against certain persons holding office

"SEC. 504. (a) No person who is or has been a member of the Communist Party or who has been convicted of, or served any part of a prison term resulting from his conviction of, robbery, bribery, extortion, embezzlement, grand larcency, burglary, arson, violation of narcotics laws, murder, rape, assault with intent to kill, assault which inflicts grievous bodily injury, or a violation of title II or III of this Act, or conspiracy to commit any such crimes, shall serve—

"(1) as an officer, director, trustee, member of any executive board or similar governing body, business agent, manager, organizer, or other employee (other than as an employee performing exclusively clerical or custodial duties) of any labor organization, or

"(2) as a labor relations consultant to a person engaged in an industry or activity affecting commerce, or as an officer, director, agent, or employee (other than as an employee performing exclusively clerical or custodial duties) of any group or association of employers dealing with any labor organization,

during or for five years after the termination of his membership in the Communist Party, or for five years after such conviction or after the end of such imprisonment, unless prior to the end of such five-year period, in the case of a person so convicted or imprisoned, (A) his citizenship rights, having been revoked as a result of such conviction, have been fully restored, or (B) the Board of Parole of the United States Department of Justice determines that such person's service in any capacity referred to in clause (1) or (2) would not be contrary to the purposes of this Act. Prior to making any such determination the Board shall hold an administrative hearing and shall give notice of such proceeding by certified mail to the State, county, and Federal prosecuting officials in the jurisdiction or jurisdictions in which such person was convicted. The Board's determination in any such proceeding shall be final. No labor organization or officer thereof shall knowingly permit any person to assume or hold any office or paid position in violation of this subsection.

"(b) Any person who willfully violates this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(c) For the purposes of this section, any person shall be deemed to have been 'convicted' and under the disability of 'conviction' from the date of the judgment of the trial court or the date of the final sustaining of such judgment on appeal, whichever is the later event, regardless of whether such conviction occurred before or after the date of enactment of this Act.

"Amendment to section 302, Labor Management Relations Act, 1947

"SEC. 505. Subsection (a), (b), and (c) of section 302 of the Labor Management Relations Act, 1947, as amended, are amended to read as follows:

"'SEC. 302. (a) It shall be unlawful for any employer or association of employers or any person who acts as a labor relations expert, adviser, or consultant to an employer or who acts in the interest of an employer to pay, lend, or deliver, or agree to pay, lend, or deliver, any money or other thing of value—

"'(1) to any representative of any of his employees who are employed in an industry affecting commerce; or

"'(2) to any labor organization, or any officer or employee thereof, which represents, seeks to represent, or would admit to membership, any of the employees of such employer who are employed in an industry affecting commerce; or

"'(3) to any employee or group or committee of employees of such employer employed in an industry affecting commerce in excess of their normal compensation for the purpose of causing such employee or group or committee directly or indirectly to influence any other employees in the exercise of the right to organize and bargain collectively through representatives of their own choosing; or

"'(4) to any officer or employee of a labor organization engaged in an industry affecting commerce with intent to influence him in respect to any of his actions, decisions, or duties as a representative of employees or as such officer or employee of such labor organization.

"'(b)(1) It shall be unlawful for any person to request, demand, receive, or accept, or agree to receive or accept, any payment, loan, or delivery of any money or other thing of value prohibited by subsection (a).

"'(2) It shall be unlawful for any labor organization, or for any person acting as an officer, agent, representative, or employee of such labor organization, to demand or accept from the operator of any motor vehicle (as defined in part II of the Interstate Commerce Act) employed in the transportation of property in commerce, or the employer of any such operator, any money or other thing of value payable to such organization or to an officer, agent, representative or employee thereof as a fee or charge for the unloading, or in connection with the unloading, of the cargo of such vehicle: *Provided,* That nothing in this paragraph shall be construed to make unlawful any payment by an employer to any of his employees as compensation for their services as employees.

"'(c) The provisions of this section shall not be applicable (1) in respect to any money or other thing of value payable by an employer to any of his employees whose established duties include acting openly for such employer in matters of labor relations or personnel administration or to any representative of his employees, or to any officer or employee of a labor organization, who is also an employee or former employee of such employer, as compensation for, or by reason of, his service as an employee of such employer; (2) with respect to the payment or delivery of any money or other thing of value in satisfaction of a judgment of any court or a decision or award of an arbitrator or impartial chairman or in compromise, adjustment, settlement, or release of any claim, complaint, grievance, or dispute in the absence of fraud or duress; (3) with respect to the sale or purchase of an article or commodity at the prevailing market price in the regular course of business; (4) with respect to money deducted from the wages of employees in payment of membership dues in a labor organization: *Provided,* That the employer has received from each employee, on whose account such deductions are made, a written assignment which shall not be irrevocable for a period of more than one year, or beyond the termination date of the applicable collective agreement, whichever occurs sooner; (5) with respect to money or other thing of value paid to a trust fund established by such representative, for the sole and exclusive benefit of the employees of such employer, and their families and dependents (or of such employees, families, and dependents jointly with the employees of other employers making similar payments and their families and dependents): *Provided,* That (A) such payments are held in trust for the purpose of paying, either from principal or income or both, for the benefit of employees, their families and dependents, for medical or hospital care, pensions on retirement or death of employees, compensation for injuries or illness resulting from occupational activity or insurance to provide any of the foregoing, or unemployment benefits or life insurance, disability and sickness insurance, or accident insurance; (B) the detailed basis on which such payments are to be made is specified in a written agreement with the employer, and employees and employers are equally represented in the administration of such fund, together with such neutral persons as the representatives of the employers and the representatives of employees may agree upon and in the event the employer and employee groups deadlock on the administration of such fund and there are no neutral persons empowered to break such deadlock, such agreement provides that the two groups shall agree on an impartial umpire to decide such dispute, or in event of their failure to agree within a reasonable length of time, an impartial umpire to decide such dispute shall, on petition of either group, be appointed by the district court of the United States for the district where the trust fund has its principal office, and shall also contain provisions for an annual audit of the trust fund, a statement of the results of which shall be available for inspection by interested persons at the principal office of the trust fund and at such other places as may be designated in such written agreement; and (C) such payments as are intended to be used for the purpose of providing pensions or annuities for employees are made to a separate trust which provides that the funds held therein cannot be used for any purpose other than paying such pensions or annuities; or (6) with respect to money or other thing of value paid by any employer to a trust fund established by such representative for the purpose of pooled vacation, holiday, severance or similar benefits, or defraying costs of apprenticeship or other training programs: *Provided,* That the requirements of clause (B) of the proviso to clause (5) of this subsection shall apply to such trust funds.'

"TITLE VI—MISCELLANEOUS PROVISIONS

"Investigations

"SEC. 601. (a) The Secretary shall have power when he believes it necessary in order to determine whether any person has violated or is about to violate any provision of this Act (except title I or amendments made by this Act to other statutes) to make an investigation and in connection therewith he may enter such places and inspect such records and accounts and question such persons as he may deem necessary to enable him to determine the facts relative thereto. The Secretary may report to interested persons or officials concerning the facts required to be shown in any report required by this Act and concerning the reasons for failure or refusal to file such a report or any other matter which he deems to be appropriate as a result of such an investigation.

"(b) For the purpose of any investigation provided for in this Act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 49, 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary or any officers designated by him.

"Extortionate picketing

"SEC. 602. (a) It shall be unlawful to carry on picketing on or about the premises of any employer for the purpose of, or as part of any conspiracy or in furtherance of any plan or purpose for, the personal profit or enrichment of any individual (except a bona fide increase in wages or other employee benefits by taking or obtaining any money or other thing of value from such employer against his will or with his consent.

"(b) Any person who willfully violates this section shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.

"Retention of rights under other Federal and State laws

SEC. 603. (a) Except as explicitly provided to the contrary, nothing in this Act shall reduce or limit the responsibilities of any labor organization or any officer, agent, shop steward, or other representative of a labor organization, or of any trust in which a labor organization is interested under any other Federal law or under the laws of any State, and, except as explicitly provided to the contrary, nothing in this Act shall take away any right or bar any remedy to which members of a labor organization are entitled under such other Federal law or law of any State.

"(b) Nothing contained in titles, I, II, III, IV, V, or VI of this Act shall be construed to supersede or impair or otherwise affect the provisions of the Railway Labor Act, as amended, or any of the obligations, rights, benefits, privileges, or immunities of any carrier, employee, organization, representative, or person subject thereto; nor shall anything contained in said titles (except section 505) of this Act be construed to confer any rights, privileges, immunities, or defenses upon employers, or to impair or otherwise affect the rights of any person under the National Labor Relations Act, as amended.

"Effect on State laws

"SEC. 604. Nothing in this Act shall be construed to impair or diminish the authority of any State to enact and enforce general criminal laws respect to robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotics laws, murder, rape, assault with intent to kill, or assault which inflicts grievous bodily injury, or conspiracy to commit any of such crimes.

"Service of process

"SEC. 605. For the purposes of this Act, service of summons, subpena, or other legal process of a court of the United States upon an officer or agent of a labor organization in his capacity as such shall constitute service upon the labor organization.

"Administrative Procedure Act

"SEC. 606. The provisions of the Administrative Procedure Act shall be applicable to the issuance, amendment, or rescission of any rules or regulations, or any adjudication, authorized or required pursuant to the provisions of this Act.

"Other agencies and departments

"SEC. 607. In order to avoid unnecessary expense and duplication of functions among Government agencies, the Secretary may make such arrangements or agreements for cooperation or mutual assistance in the performance of his functions under this Act and the functions of any such agency as he may find to be practicable and consistent with law. The Secretary may utilize the facilities or services of any department, agency, or establishment of the United States or of any State or political subdivision of a State, including the services of any of its employees, with the lawful consent of such department, agency, or establishment; and each department, agency, or establishment of the United States is authorized and directed to cooperate with the Secretary and, to the extent permitted by law, to provide such information and facilities as he may request

for his assistance in the performance of his functions under this Act. The Attorney General or his representative shall receive from the Secretary for appropriate action such evidence developed in the performance of his functions under this Act as may be found to warrant consideration for criminal prosecution under the provisions of this Act or other Federal law.

"Criminal contempt

"SEC. 608. No person shall be punished for any criminal contempt allegedly committed outside the immediate presence of the court in connection with any civil action prosecuted by the Secretary or any other person in any court of the United States under the provisions of this Act unless the facts constituting such criminal contempt are established by the verdict of the jury in a proceeding in the district court of the United States, which jury shall be chosen and empaneled in the manner prescribed by the law governing trial juries in criminal prosecutions in the district courts of the United States.

"Prohibition on certain discipline by labor organization

"SEC. 609. It shall be unlawful for any labor organization, or any officer, agent, shop steward, or other representative of a labor organization, or any employee thereof to fine, suspend, expel, or otherwise discipline any of its members for exercising any right to which he is entitled under the provisions of this Act. The provisions of section 102 shall be applicable in the enforcement of this section.

"Deprivation of rights under act by violence

"SEC. 610. It shall be unlawful for any person through the use of force or violence, or threat of the use of force or violence, to restrain, coerce, or intimidate, or attempt to restrain, coerce, or intimidate any member of a labor organization for the purpose of interfering with or preventing the exercise of any right to which he is entitled under the provisions of this Act. Any person who willfully violates this section shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

"Separability provisions

"SEC. 611. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"TITLE VII—AMENDMENTS TO THE LABOR MANAGEMENT RELATIONS ACT, 1947, AS AMENDED

"Federal-State jurisdiction

"SEC. 701. (a) Section 14 of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following new subsection:

"'(c)(1) The Board, in its discretion, may, by rule of decision or by published rules adopted pursuant to the Administrative Procedure Act, decline to assert jurisdiction over any labor dispute involving any class or category of employers, where, in the opinion of the Board, the effect of such labor dispute on commerce is not sufficiently substantial to warrant the exercise of its jurisdiction: *Provided,* That the Board shall not decline to assert jurisdiction over any labor dispute over which it would assert jurisdiction under the standards prevailing upon August 1, 1959.

"'(2) Nothing in this Act shall be deemed to prevent or bar any agency or the courts of any State or Territory (including the Commonwealth of Puerto Rico, Guam, and the Virgin Islands), from assuming and asserting jurisdiction over labor disputes over which the Board declines, pursuant to paragraph (1) of this subsection, to assert jurisdiction.'

"(b) Section 3(b) of such Act is amended to read as follows:

"'(b) The Board is authorized to delegate to any group of three or more members any or all of the powers which it may itself exercise. The Board is also authorized to delegate to its regional directors its powers under section 9 to determine the unit appropriate for the purpose of collective bargaining, to investigate and provide for hearings, and determine whether a question of representation exists, and to direct an election or take a secret ballot under subsection (c) or (e) of section 9 and certify the results thereof, except that upon the filing of a request therefor with the Board by any interested person, the Board may review any action of a regional director delegated to him under this paragraph, but such a review shall not, unless specifically ordered by the Board, operate as a stay of any action taken by the regional director. A vacancy in the Board shall not impair the right of the remaining members to exercise all of the powers of the Board, and three members of the Board shall, at all times, constitute a quorum of the Board, except that two members shall constitute a quorum of any group designated pursuant to the first sentence hereof. The Board shall have an official seal which shall be judicially noticed.'

"Economic strikers

"SEC. 702. Section 9(c)(3) of the National Labor Relations Act, as amended, is amended by amending the second sentence thereof to read as follows: 'Employees engaged in an economic strike who are not entitled to reinstatement shall be eligible to vote under such regulations as the Board shall find are consistent with the purposes and provisions of this Act in any election conducted within twelve months after the commencement of the strike.'

"Vacancy in office of General Counsel

"SEC. 703. Section 3(d) of the National Labor Relations Act, as amended, is amended by adding after the period at the end thereof the following: 'In case of a vacancy in the office of the General Counsel the President is authorized to designate the officer or employee who shall act as General Counsel during such vacancy, but no person or persons so designated shall so act (1) for more than forty days when the Congress is in session unless a nomination to fill such vacancy shall have been submitted to the Senate, or (2) after the adjournment sine die of the session of the Senate in which such nomination was submitted.'

"Boycotts and recognition picketing

"SEC. 704. (a) Section 8(b)(4) of the National Labor Relations Act, as amended, is amended to read as follows:

"'(4)(i) to engage in, or to induce or encourage any individual employed by any person engaged in commerce or in an industry affecting commerce to engage in, a strike or a refusal in the course of his employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services; or (ii) to threaten, coerce, or restrain any person engaged in commerce or in an industry affecting commerce, where in either case an object thereof is:

"'(A) forcing or requiring any employer or self-employed person to join any labor or employer organization or to enter into any agreement which is prohibited by section 8(e);

"'(B) forcing or requiring any person to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease doing business with any other person, or forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provisions of section 9: *Provided,* That nothing contained in this clause (B) shall be construed to make unlawful, where not otherwise unlawful, any primary strike or primary picketing;

"'(C) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his employees if another labor organization has been certified as the representative of such employees under the provisions of section 9;

"'(D) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work:

Provided, That nothing contained in this subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this Act: *Provided further,* That for the purposes of this paragraph (4) only, nothing contained in such paragraph shall be construed to prohibit publicity, other than picketing, for the purpose of truthfully advising the public, including consumers and members of a labor organization, that a product or products are produced by an employer with whom the labor organization has a primary dispute and are distributed by another employer, as long as such publicity does not have an effect of inducing any individual employed by any person other than the primary employer in the course of his employment to refuse to pick up, deliver, or transport any goods, or not to perform any services, at the establishment of the employer engaged in such distribution;'.

"(b) Section 8 of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following new subsection:

"'(e) It shall be an unfair labor practice for any labor organization and any employer to enter into any contract or agreement, express or implied, whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, selling, transporting or otherwise dealing in any of the products of any other employer, or to cease doing business with any other person, and any contract or agreement entered into heretofore or hereafter containing such an agreement shall be to such extent unenforcible and void: *Provided,* That nothing in this subsection (e) shall apply to an agreement between a labor organization and an employer in the construction industry relating to the contracting or subcontracting of work to be done at the site of the construction, alteration, painting, or repair of a building, structure, or other work: *Provided further,* That for the purposes of this subsection (e) and section 8(b)(4)(B) the terms "any employer", "any person engaged in commerce or an industry affecting commerce", and "any person" when used in relation to the terms "any other producer, processor, or manufacturer,", "any other employer", or "any other person" shall not include persons in the relation of a jobber, manufacturer, contractor, or subcontractor working on the goods or premises of the jobber or manufacturer or performing parts of an integrated process of production in the apparel and clothing industry: *Provided further,* That nothing in this Act shall prohibit the enforcement of any agreement which is within the foregoing exception.'

"(c) Section 8(b) of the National Labor Relations Act, as amended, is amended by striking out the word "and" at the end of paragraph (5), striking out the period at the end of paragraph (6), and inserting in lieu thereof a semicolon and the word "and", and adding a new paragraph as follows:

"'(7) to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer where an object thereof is forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative, unless such labor organization is currently certified as the representative of such employees:

"'(A) where the employer has lawfully recognized in accordance with this Act any other labor organization and a question concerning representation may not appropriately be raised under section 9(c) of this Act,

"'(B) where within the preceding twelve months a valid election under section 9(c) of this Act has been conducted, or

"'(C) where such picketing has been conducted without a petition under section 9(c) being filed within a reasonable period of time not to exceed thirty days from the commencement of such picketing: *Provided*, That when such a petition has been filed the Board shall forthwith, without regard to the provisions of section 9(c)(1) or the absence of a showing of a substantial interest on the part of the labor organization, direct an election in such unit as the Board finds to be appropriate and shall certify the results thereof: *Provided further*, That nothing in this subparagraph (C) shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public (including consumers) that an employer does not employ members of, or have a contract with, a labor organization, unless an effect of such picketing is to induce any individual employed by any other person in the course of his employment, not to pick up, deliver or transport any goods or not to perform any services.

"'Nothing in this paragraph (7) shall be construed to permit any act which would otherwise be an unfair labor practice under this section 8(b).'

"(d) Section 10(l) of the National Labor Relations Act, as amended, is amended by adding after the words 'section 8(b),' the words 'or section 8(e) or section 8(b)(7),' and by striking out the period at the end of the third sentence and inserting in lieu thereof a colon and the following: '*Provided further*, That such officer or regional attorney shall not apply for any restraining order under section 8(b)(7) if a charge against the employer under section 8(a)(2) has been filed and after the preliminary investigation, he has reasonable cause to believe that such charge is true and that a complaint should issue.'

(e) Section 303(a) of the Labor Management Relations Act, 1947, is amended to read as follows:

"'(a) It shall be unlawful, for the purpose of this section only, in an industry or activity affecting commerce, for any labor organization to engage in any activity or conduct defined as an unfair labor practice in section 8(b)(4) of the National Labor Relations Act, as amended.'

"Building and construction industry

"SEC. 705. (a) Section 8 of the National Labor Relations Act, as amended by section 704(b) of this Act, as amended by adding at the end thereof the following new subsection:

"'(f) It shall not be an unfair labor practice under subsections (a) and (b) of this section for an employer engaged primarily in the building and construction industry to make an agreement covering employees engaged (or who, upon their employment, will be engaged) in the building and construction industry with a labor organization of which building and construction employees are members (not established, maintained, or assisted by any action defined in section 8(a) of this Act as an unfair labor practice) because (1) the majority status of such labor organization has not been established under the provisions of section 9 of this Act prior to the making of such agreement, or (2) such agreement requires as a condition of employment, membership in such labor organization after the seventh day following the beginning of such employment or the effective date of the agreement, whichever is later, or (3) such agreement requires the employer to notify such labor organization of opportunities for employment with such employer, or gives such labor organization an opportunity to refer qualified applicants for such employment, or (4) such agreement specifies minimum training or experience qualifications for employment or provides for priority in opportunities for employment based upon length of service with such employer, in the industry or in the particular geographical area: *Provided*, That nothing in this subsection shall set aside the final proviso to section 8(a)(3) of this Act: *Provided further*, That any agreement which would be invalid, but for clause (1) of this subsection, shall not be a bar to a petition filed pursuant to section 9(c) or 9(e).'

"(b) Nothing contained in the amendment made by subsection (a) shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

"Priority in case handling

"SEC. 706. Section 10 of the National Labor Relations Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"'(m) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of subsection (a)(3) or (b)(2) of section 8, such charge shall be given priority over all other cases except cases of like character in the office where it is filed or to which it is referred and cases given priority under subsection (l)."

"Effective date of amendments

"SEC. 707. The amendments made by this title shall take effect sixty days after the date of the enactment of this Act and no provision of this title shall be deemed to make an unfair labor practice, any act which is performed prior to such effective date which did not constitute an unfair labor practice prior thereto."

And the House agree to the same.

GRAHAM A. BARDEN,
PHIL M. LANDRUM,
FRANK THOMPSON, Jr.,
CARROLL D. KEARNS,
WILLIAM H. AYRES,
ROBERT P. GRIFFIN,
Managers on the Part of the House.

JOHN F. KENNEDY,
PAT MCNAMARA,
JENNINGS RANDOLPH,
BARRY GOLDWATER,
EVERETT M. DIRKSEN,
WINSTON L. PROUTY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment to the House to the bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause and inserts a substitute. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the House amendment and the substitute agreed to in conference are noted in the following outline, except for minor, technical, and conforming changes.

SECTION 3—DEFINITIONS

The House amendment makes many changes in the definitions the Senate bill contains. In all major respects the compromise the conference agreed on adopts the House versions. However, in the conference substitute, the definition of "labor organization" and specification of which labor organizations that are engaged in an industry affecting commerce are changed to include "general committees." This refers to organizations of the type commonly found in the railway unions that designate general committees.

SECTION 101—BILL OF RIGHTS

This section of the Senate bill and the House amendment, for the most part, contain similar provisions. In all instances where there are differences between the Senate bill and the House amendment the conference substitute follows the House amendment.

In this section there is a matter that must be explained. In paragraph (5), relating to safeguards against improper disciplinary action, it should be noted that the prohibition on suspension without observing certain safeguards applies only to suspension of membership in the union; it does not refer to suspension of a member's status as an officer in the union.

SECTION 201—REPORT OF LABOR ORGANIZATIONS

The conference substitute is the same as the House amendment, except that it makes clear that the Secretary of Labor may prescribe the different categories financial data that labor organizations must report.

SECTION 203—REPORTS OF EMPLOYERS

The conference substitute substantially rewrites section 203 of the House amendment.

Subsection (a) of both the House amendment and the conference substitute require employers to make detailed reports to the Secretary of Labor of payments, expenditures, or agreements described below.

First, both the House amendment and the conference substitute require employers to report payments and loans to unions and union officers and employees; and they both except payments that section 302(c) of the Labor Management Relations Act, 1947, permits. The substitute also contains an exception, taken from the Senate bill, for payments and loans made by credit institutions, such as banks.

Second, the substitute requires reports of all payments by an employer to his employees, or to a group or committee of his employees, for the purpose of causing them to persuade other employees to exercise or not to exercise, or as to the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing. This requires reporting payments to "front organizations" that employers set up purportedly as spontaneous employee committees or groups. Payments of this type would not have to be reported if they were disclosed to such other employees when they were made or before they were made.

Third, the substitute requires reports of expenditures by an employer made to interfere with, coerce, or restrain employees in exercising their statutory rights to organize and bargain collectively, or to purchase information not otherwise available concerning activities of employees, or of a union, in connection with a labor dispute involving such employer, unless the information is for use solely in connection with an administrative or arbitral proceeding, or a civil or criminal judicial proceeding. It should be noted that an employer is not required to report expenditures to obtain information in connection with a labor dispute in which he is not involved.

Fourth, the substitute requires reports of all agreements with independent contractors, such as Nathan Shefferman, pursuant to which the independent contractor undertakes to persuade employees to exercise or not to exercise, or as to the manner of exercising, their statutory right to organize and to bargain collectively, or undertakes to supply the employer with information concerning activities of employees, or of a union, in connection with a labor dispute involving such employer, unless the information is for use solely in connection with an administrative or arbitral proceeding or a criminal or civil judicial proceeding.

Fifth, the substitute requires reports of payments under the agreements the preceding paragraph describes.

Subsection (b) of section 203 of the substitute agreed upon in conference deals with reports by labor relations consultants.

It requires reports from a consultant who enters into an agreement with an employer to engage in any of the activities that, under section 203(a)(4), must be reported by the employer.

Subsection (c) of section 203 of the conference substitute grants a broad exemption from the requirements to the section with respect to the giving of advice. This subsection is further discussed in connection with section 204.

Subsection (d) of section 203 makes it clear that reports are required only where an expenditure, payment, loan, or agreement of the kinds described has been made.

Subsection (e) of section 203 makes it clear that no regular officer, supervisor, or employee is required to file a report in connection with services rendered to his employer. Similarly, no employer is required to file a report of expenditures made to any of his regular officers, supervisors, or employees for their services as such.

Subsection (f) of section 203 makes it clear that this section does not impair the free speech that is described in section 8(c) of the National Labor Relations Act, as amended.

Subsection (g) of section 203 provides that the term "interfere with, restrain, or coerce" has the same meaning when used in this section as it has when used in the National Labor Relations Act. The House amendment contains a similar provision.

SECTION 204—ATTORNEY-CLIENT COMMUNICATIONS EXEMPTED

The Senate bill provides that an attorney need not include in any report required by the Act any information which was lawfully communicated to such attorney by any of his clients in the course of a legitimate attorney-client relationship.

The conference substitute adopts the provisions of the Senate bill, but in connection therewith the conferees included, in esction 203(c), a provision taken from the Senate bill that provides that an employer or other person is not required to file a report covering the services of such person by reason of his giving or agreeing to give advice to such employer or representing or agreeing to represent such employer before any court, administrative agency, or tribunal of arbitration or engaging or agreeing to engage in collective bargaining on behalf of such employer or the negotiation of an agreement or any question arising thereunder.

SECTION 205—REPORTS MADE PUBLIC INFORMATION

The Senate bill, as a part of subsection (a) of this section, authorizes the Secretary of Labor to publish any information and data which he obtains under the title, and to use it for statistical and research purposes as he deems appropriate. It also allowed him to publish such studies, analyses, reports, and surveys based on information and data obtained under the title as he may deem appropriate. The House amendment contains no comparable provision. The conference substitute includes this provision.

SECTION 401—TERMS OF OFFICE; ELECTION PROCEDURES

Subsection (b) of section 401 of the Senate bill contains a provision making it the duty of each union and its officers to comply with reasonable requests of candidates to distribute, at the candidates' expense, campaign literature to all members of the union, and to refrain from discrimination in favor of or against any such candidate with respect to the use of lists of members. The Senate bill also requires that when a union or its officers authorize the distribution to members of campaign literature on behalf of any candidate or of the union itself, similar distribution shall be made by the union and its officers at the request of any other bona fide candidate, with equal treatment as to the expenses of the distribution. The duty so imposed could be enforced by civil action in the Federal courts.

The House amendment omits these provisions, but includes a provision giving every bona fide candidate the right to inspect and copy a list of the names and addresses of all members of the union who are subject to a union shop collective bargaining agreement, which list is to be maintained at principal office of the union.

The substitute agreed upon in conference contains both the provisions of the Senate bill and of the House amendment, except that the provisions from the House amendment are modified to deny candidates the right to copy membership lists and to restrict the right of candidates to inspect such lists to one time within 30 days of the election.

Subsection (d) of section 401 of the Senate bill requires that notice of a union election be mailed to the last known address of each member not less than 15 days before it is held. The House amendment provides that notice of a union election must be given in a manner which is reasonably calculated to inform substantially all of the members eligible to vote of the time and manner of making nominations and of the place and date of the election. Such notice would be given between the 45th and 15th day before the final day on which nominations could be made. The conference substitute accepts the Senate bill on this point.

Subsection (g) of section 401 of the proposed substitute accepts the provision of the Senate bill which permits, in union elections, union money to be used for factual statements of issues only if they do not involve candidates.

Subsection (b) of the conference substitute deals with removal of officers guilty of serious misconduct. The Senate bill provides that where the Secretary, upon application of a member of a local union, finds after a hearing that the constitution and bylaws of the local union do not provide an adequate procedure for the removal of an elected officer guilty of serious misconduct, such officer may be removed, for cause shown and after notice and opportunity for a hearing, by the members of the union voting in a secret ballot conducted by the officers in accordance with its constitution and bylaws insofar as they are not inconsistent with this title.

The House amendment provides a procedure which is similar, except that the Federal courts rather than the Secretary of Labor would determine whether the constitution and bylaws provide an adequate procedure for the removal of elected officers guilty of serious misconduct. The House amendment applies to all unions, not just to locals.

The conference substitute adopts the provisions of the Senate bill, and also the final subsection in the Senate bill which gives the Secretary the duty to make rules prescribing minimum standards and procedures for determining the adequacy of removal procedures.

SECTION 402—ENFORCEMENT

Subsections (a) and (b) of section 402 of the Senate bill provide that if a member of a union who has exhausted the remedies available under the constitution and bylaws of the union and its parent body (or has invoked such remedies without obtaining a final decision within three months) may file a complaint with the Secretary of Labor alleging a violation of section 401 (which includes a violation of the constitution and bylaws of the union pertaining to the election and removal of officers). The Secretary will investigate each such complaint, and if he finds probable cause to believe that a violation of the title has occurred and has not been remedied, he will bring a civil action against the union in a Federal district court to set aside the invalid election, if any, and to direct the conduct of an election (or hearing and vote upon the removal of officers) under the supervision of the Secretary of Labor. During the course of a proceeding under this section a challenged election will be presumed valid and the affairs of the union will be conducted during such period by the officers elected or in such other manner as its constitution and bylaws may provide. When a civil action is filed, the court will have power to take such action as it deems proper to preserve the union's assets.

The House amendment differs from the Senate bill in that the members of the union, instead of the Secretary, can bring the civil action, and, therefore, there would be no investigation by the Secretary.

The conference substitute is the same as the Senate bill on this point.

In subsection (c) of section 402, the conference substitute adopts the provision of the Senate bill that directs the court to set aside an election if the violation "may have" affected the outcome. Under the House amendment an election could be set aside only if the violation did affect the outcome.

Subsection (d) of section 402 of the Senate bill would not permit the staying of an election during an appeal. The House amendment made this discretionary with the court. The conference substitute adopts the language of the Senate bill.

SECTION 502—BONDING

The House amendment contains a provision which requires the bonding of certain labor union officials in an amount not less than 10 per centum of the funds handled by them and their predecessors, if any, during the preceding fiscal year. The conference substitute adopts this provision of the House amendment, but, in addition, provides a maximum limitation so that no such official will be required to be bonded in an amount greater than $500,000.

SECTION 503—LOANS TO OFFICERS OF LABOR ORGANIZATIONS

The Senate bill sets $1,500 as the maximum amount by which an officer or employee could be indebted to his union. The House amendment raised this amount to $2,500. The conference substitute sets this maximum at $2,000.

The House amendment provides that the penalty for violating this section should be a fine of not more than $10,000, or imprisonment for not more than 1 year, or both. The conference substitute adopts the House amendment, except that the maximum fine is reduced to $5,000.

SECTION 504—PROHIBITION AGAINST CERTAIN PERSONS HOLDING OFFICE

The House amendment makes it a crime for a person to hold a union office for a prescribed period after he has been a Communist (or while he is a Communist), or after his conviction of certain offenses. The conference substitute is the same as the House amendment, except that it adds a provision taken from the Senate bill which also makes it a crime for a labor organization or officer thereof to knowingly permit any person to assume or hold any office in violation of the section. A provision has also been added to make it clear that the prohibitions apply regardless of whether the conviction which disqualifies occurred before or after the date of enactment of the act.

SECTION 601—INVESTIGATIONS

The Senate bill contains a provision which directs the Secretary to conduct an investigation when he believes it necessary in order to determine whether any person has, or is about to, violate the act, or any rule or regulation authorized by the act.

The House amendment directs the Secretary to make an investigation when he has probable cause to believe that any person has violated a provision of the act, other than title I.

The conference substitute is similar to the Senate bill, except that the investigation authority is permissive rather than mandatory, no investigation may be made with respect to violations of rules and regulations, and the investigation authority does not extend to title I.

The Senate bill also contains a provision authorizing the Secretary to report to interested persons concerning the facts required to be shown in reports and concerning the reasons for failure or refusal to file a report or any other matter he deems appropriate as a result of an investigation. The conference substitute adopts this provision.

SECTION 611—SEPARABILITY PROVISIONS

The Senate bill provides that if any provision of the act, or its application to any person or circumstances, is held invalid the remainder of the act or the application of such provision to other persons or circumstances, shall not be affected thereby. The House amendment merely provides that if any provision of the act is held invalid, the remainder thereof will not be affected. The conference substitute adopts the provisions of the Senate bill.

SECTION 701—FEDERAL-STATE JURISDICTION

The Senate bill provision relating to this subject amends the National Labor Relations Act, as amended, so as to provide that nothing in that act could be construed to prevent any State or Territorial agency, other than a court, from exercising jurisdiction over all cases over which the Board has jurisdiction, but by rule or otherwise has declined to assert jurisdiction provided the State or Territorial agency applies and is governed solely by Federal law as set forth in section 8(a) and 8(b) and section 9 of the National Labor Relations Act.

The House amendment contains a provision which authorizes the Board, in its discretion, by rule of decision or by published rules adopted pursuant to the Administrative Procedures Act to decline to assert jurisdiction over any labor dispute involving any class or category of employers, where in the opinion of the Board, the effect of such labor dispute on commerce is not sufficiently substantial to warrant the exercise of its jurisdiction. The House amendment provides further that nothing in the National Labor Relations Act, as amended, shall be deemed to prevent or bar any agency or the courts of any State or Territory (including the Commonwealth of Puerto Rico, Guam, and the Virgin Islands) from assuming and asserting jurisdiction over labor disputes over which the Board, in its discretion, by rule of decision or by published rules adopted pursuant to the Administrative Procedures Act declines to assert jurisdiction.

The substitute agreed upon in conference contains the House amendment with two modifications. The first modification provides that the Board shall not decline to assert jurisdiction over any labor dispute over which it would assert jurisdiction under the standards prevailing upon August 1, 1959. The second modification would amend section 3(b) of the National Labor Relations Act, as amended, to authorize the Board to delegate to its regional directors its powers under section 9 to determine the unit appropriate for the purpose of collective bargaining, to investigate and provide for hearings, and determine whether a question concerning representation exists, and to direct an election or take a secret ballot under subsection (c) or (e) of section 9 and certify the results of such election, except that upon the filing of a request therefor with the Board by any interested person, the Board may review any action of a regional director delegated to him under section 9, but such a review by the Board would not, unless specifically ordered by the Board, operate as a stay of any action taken by the regional director.

SECTION 702—ECONOMIC STRIKERS

The Senate bill amends the second sentence of section 9(c)(3) of the National Labor Relations Act, as amended, to provide that employees on strike shall vote under such regulations as the National Labor Relations Board shall find to be consistent with the purposes and provisions of the Act.

The House amendment amends that sentence by adding a proviso that in any lawful strike in which recognition was not an issue when the strike began, no direction of election pursuant to a petition filed after the commencement of the strike by any person other than the bargaining representative shall issue prior to the termination of such strike as determined by the Board or the expiration of a six-month period from the commencement of the strike (or for a twelve-month period if the petition is filed by an employer), whichever occurs sooner. Under this provision the Board of course, could limit this right to vote even during this twelve-month period.

The substitute agreed upon in conference amends the second sentence in section 9(c)(3) to provide that "Employees engaged in an economic strike who are not entitled to reinstatement shall be eligible to vote under such regulations as the Board shall find are consistent with the purposes and provisions of the National Labor Relations Act, as amended, in any election conducted within twelve months after the commencement of the strike.

SECTION 704(a)—BOYCOTTS

The House amendment contains provisions amending the secondary boycott provisions of section 8(b)(4) of the National Labor Relations Act, as amended. The Senate bill does not contain comparable provisions. The conference committee adopted the provisions of the House amendment with the following changes: (1) the phrase "or agree to cease" was deleted from section 8(b)(4)(B) because the committee of conference concluded that the restrictions imposed by such language were included in the other provisions dealing with prohibitions against entering into "hot cargo" agreements, and therefore their retention in section 8(b)(4)(B) would constitute a duplication of language; (2) a proviso was added which specified that, for the purposes of this paragraph (4) only, nothing contained in such paragraph shall be construed to prohibit publicity, other than picketing, for the purpose of truthfully advising the public, including consumers and members of a labor organization, that a product or products are produced by an employer with whom the labor organization has a primary labor dispute and are distributed by another employer as long as such publicity does not have an effect of inducing any individual employed by any person other than the primary employer in the course of his employment to refuse to pick up, deliver, or transport any goods, or not to perform any services at the establishment of the employer engaged in such distribution; (3) no language has been included with reference to struck work because the committee of conference did not wish to change the existing law as illustrated by such decisions as *Douds* v. *Metropolitan Federation of Architects*, 75 Fed. Supp. 672 (S.D. N.Y. 1948), and *NRLB* v. *Business Machine and Office Appliance Mechanics Board*, 228 Fed. 2d 553; (4) the amendment adopted by the committee of conference contains a provision "that nothing contained in clause (B) of this paragraph (4) shall be construed to make unlawful, where not otherwise unlawful, any primary strike or primary picketing." The purpose of this provision is to make it clear that the changes in section 8(b)(4) do not overrule or qualify the present rules of law permitting picketing at the site of a primary labor dispute. This provision does not eliminate, restrict, or modify the limitations on picketing at the site of a primary labor dispute that are in existing law. See, for example, *NRLB* v. *Denver Building and Construction Trades Council, et al.*, 341 U.S. 675 (1951); *Brotherhood of Painters, Decorators, and Paper Hangers, etc.*, and *Pittsburgh Plate Glass Co.*, 110 NRLB 455 (1954); *Moore Drydock Co.*, 81 NLRB 1108; *Washington Coca-Cola Bottling Works, Inc.*, 107 NLRB 233 (1953).

SECTION 704(B)—HOT CARGO AGREEMENTS

The Senate bill amends section 8 of the National Labor Relations Act, as amended, by adding at the end thereof a new subsection (e) which makes it an unfair labor practice for any labor organization and any employer who is a common carrier subject to part II of the Interstate Commerce Act to enter into any contract or agreement, express or implied, whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, or transporting any of the products of any other employer, or to cease doing business with the same.

The House amendment amends section 8 of the National Labor Relations Act, as amended, by adding at the end thereof a new subsection (e) to make it an unfair labor practice for any labor organization and any employer to enter into any contract or agreement, express or implied, whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, selling, transporting or otherwise dealing in any of the products of any other employer, or to cease doing business with any other person. The House amendment also makes any such agreement heretofore or hereafter executed unenforceable and void.

The committee of conference adopted the House amendment but added three provisions. The first proviso specifies "that nothing in this subsection (e) shall apply to an agreement between a labor organization and an employer in the construction industry relating to the contracting or subcontracting of work to be done at the site of the construction, alteration, painting, or repair of a building, structure, or other work." It should be particularly noted that the proviso relates only and exclusively to

the contracting or subcontracting of work to be done at the site of the construction. The proviso does not exempt from section 8(e) agreements relating to supplies or other products or materials shipped or otherwise transported to and delivered on the site of the construction. The committee of conference does not intend that this proviso should be construed so as to change the present state of the law with respect to the validity of this specific type of agreement relating to work to be done at the site of the construction project or to remove the limitations which the present law imposes with respect to such agreements. Picketing to enforce such contracts would be illegal under the Sand Door case (*Local 1796, United Brotherhood of Carpenters* v. *NLRB*, 357 U.S. 93 (1958)). To the extent that such agreements are legal today under section 8(b)(4) of the National Labor Relations Act, as amended, the proviso would prevent such legality from being affected by section 8(e). The proviso applies only to section 8(e) and therefore leaves unaffected the law developed under section 8(b)(4). The Denver Building Trades case and the Moore Drydock case would remain in full force and effect. The proviso is not intended to limit, change, or modify the present state of the law with respect to picketing at the site of a construction project. Restrictions and limitations imposed upon such picketing under present law as interpreted, for example, in the United States Supreme Court decision in the Denver Building Trades case would remain in full force and effect. It is not intended that the proviso change the existing law with respect to judicial enforcement of these contracts or with respect to the legality of a strike to obtain such a contract.

The second proviso specifies that for the purposes of this subsection (e) and section 8(b)(4) the terms "any employer," "any person engaged in commerce or an industry affecting commerce," and "any person" when used in relation to the terms "any other producer, processor, or manufacturer," "any other employer," or "any other person" shall not include persons in the relation of a jobber, manufacturer, contractor, or subcontractor working on the goods or premises of a jobber or manufacturer or performing parts of an integrated process of production in the apparel and clothing industry. This proviso grants a limited exemption in three specific situations in the apparel and clothing industry, but in no other industry regardless of whether similar integrated processes of production may exist between jobbers, manufacturers, contractors, and subcontractors.

The third proviso applies solely to the apparel and clothing industry.

SECTION 704(C)—ORGANIZATIONAL AND RECOGNITION PICKETING

Both the Senate bill and the House amendment contain provisions which place certain restrictions on organizational and recognition picketing. The committee of conference adopted a substitute provision, section 704(c), which amends the National Labor Relations Act, as amended, to add a new section 8(b)(7) making it an unfair labor practice to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer where an object thereof is forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative, unless such labor organization is currently certified as the representative of such employees:

"(A) Where the employer has lawfully recognized in accordance with this Act any other labor organization and a question concerning representation may not appropriately be raised under section 9(c) of this Act.

"(B) Where within the preceding twelve months a valid election under section 9(c) of this Act has been conducted or

"(C) Where such picketing has been conducted without a petition under section 9(c) being filed within a reasonable period of time not to exceed thirty days from the commencement of such picketing: *Provided*, That when such a petition has been filed the Board shall forthwith, without regard to the provisions of section 9(c)(1) or the absence of a showing of a substantial interest on the part of the labor organization, direct an election in such unit as the Board finds to be appropriate and shall certify the results thereof: *Provided further*, That nothing in this subparagraph (C) shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public (including consumers) that an employer does not employ members of or have a contract with, a labor organization, unless an effect of such picketing is to induce any individual employed by any other person in the course of his employment, not to pick up, deliver or transport any goods or not to perform any services."

The final sentence to the proposed new section 8(b)(7) of the Act provides that "Nothing in this paragraph (7) shall be construed to permit any act which would otherwise be an unfair labor practice under section 8(b) of the Act." Section 8(b)(7) overrules the Curtis and Alloy cases to the extent that those decisions are inconsistent with section 8(b)(7).

SECTION 705—BUILDING AND CONSTRUCTION INDUSTRY

The Senate bill amends section 8 of the National Labor Relations Act, as amended, to add a new subsection (e) which provides that it shall not be an unfair labor practice under subsections (a) and (b) of section 8 of that Act, for an employer engaged primarily in the building and construction industry to make an agreement covering employees engaged (or who upon their employment would be engaged) in the building and construction industry with a labor organization (not established, maintained, or assisted by any action defined in section 8(a) of the National Labor Relations Act, as amended, as an unfair labor practice) of which building and construction employees are members (1) where the majority status of such labor organization has not been established under the provisions of section 9 of the National Labor Relations Act, as amended, prior to the making of such agreement, (2) because such agreement requires as a condition of employment, membership in such labor organization after the seventh day following the beginning of such employment, or the effective date of the agreement, whichever was later, or (3) because such agreement requires the employer to notify such labor organization of opportunities for employment with such employer, or gives such labor organization an opportunity to refer qualified applicants for such employment, or (4) because such agreement specifies minimum training or experience qualifications for employment or provides for priority in opportunities for employment based upon length of service with such employer, in the industry or in the particular geographical area. The Senate provision specifies, however, (1) that nothing in such provision shall set aside the final proviso to section 8(a)(3) of the National Labor Relations Act, as amended, and (2) that any agreement which would not be valid except for this amendment which permits an agreement to be entered into where the majority status of such labor organization has not been established under the provisions of section 9 of that Act prior to the making of such agreement, shall not be a bar to a petition filed pursuant to section 9(c) or 9(e) of that Act. The Senate provision also specifies that nothing therein shall be construed as authorizing the execution of or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or territorial law.

The conference adopted the provision of the Senate bill permitting prehire agreements in the building and construction industry. Nothing in such provision is intended to restrict the applicability of the hiring hall provisions enunciated in the *Mountain Pacific* case (119 NLRB 883, 893), or to authorize the use of force, coercion, strikes, or picketing to compel any person to enter into such prehire agreements.

GRAHAM A. BARDEN,
PHIL M. LANDRUM,
FRANK THOMPSON, JR.,
CARROLL D. KEARNS,
WILLIAM H. AYRES,
ROBERT P. GRIFFIN,
Managers on the Part of the House.

CALL OF THE HOUSE

Mr. KEARNS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 161]

Andrews	Davis, Tenn.	Mitchell
Anfuso	Derwinski	Rhodes, Pa.
Baumhart	Evins	Scott
Bolton	Ford	Van Pelt
Broyhill	Hall	Wainwright
Canfield	Hébert	Westland
Carter	Holifield	Willis
Celler	McDowell	
Cooley	Martin	

The SPEAKER. On this rollcall 409 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

Mr. BARDEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, your conferees on the part of the House have had a very, very difficult job because the bill under consideration is not only a very long bill but one that involves some new fields. I will not at this time attempt to go into a detailed discussion, because I think the report is clear, and the statement on the part of the managers certainly covers the important parts.

Mr. Speaker, the first six titles of this bill are essentially the same as the Landrum-Griffin bill which was thoroughly debated on the floor of the House and was, of course, passed by the House. We changed some language; I think in several respects we cleared up some of the language, and I honestly believe these first six titles are in just as good or better shape now than they were when they left the floor of the House. We removed some of the provisions that some Members raised objections to. I think at one

point in the debate there seemed to be some question about the law prohibiting all picketing including picketing in protest of unfair labor practices. I think that has been cleared to the satisfaction of everyone concerned.

With reference to the no man's land provision, that is worked out in a way that I think is satisfactory. It fixes a date when the jurisdictional standards set by the National Labor Relations Board shall prevail. That was, I believe, on August 1, 1959. What that does is this; the jurisdiction of the Board as of August 1 stands and those cases below that are to be handled by the States.

There is one addition and that is this. The conferees adopted a provision that there should be some consideration given to expediting the handling of some of the representation cases. Therefore, the Board is authorized, but not commanded, to delegate to the regional directors certain powers which it has under section 9 of the act.

Upon an appeal to the Board by any interested party the Board would have the authority to review and stay any action of a regional director, delegated to him under section 9. But the hearings have not been dispensed with. There is not any such thing as reinstating authority or procedure for a quicky election. Some were disturbed over that and the possibility of that is out. The right to a formal hearing before an election can be directed is preserved without limitation or qualification.

With respect to the bonding provisions, there are many sections in the bill that were perhaps touched up some but personally I was so enthusiastic over the bonding provision, I think it will be satisfactory. It makes the person himself responsible for that bond instead of its being an office bond or a position bond. It is a personal bond.

I think it is well within the knowledge of everyone that in the handling of the finances there have been many wrongs committed and there was a very high risk run by all the members who had an interest in those funds. With respect to the matter of a personal bond, I think it is clear to everyone that a bonding company is not going to write a bond for a bad risk. In that manner I think this will be of tremendous value to the unions because of the fact that when the bond is written, they will know that the man involved will be a good man to start with and will not be some criminal who has just been released from prison after having robbed a bank.

The first proviso under subsection (b) of section 704 permits the making of voluntary agreements between a labor organization and an employer in the construction industry relating to the contracting or subcontracting of work to be done directly on the site of construction.

This proviso is intended to permit what is now lawful and deals only with situations where there is a contractor-subcontractor relationship and not to situations where there is no privity of contract between two or more contractors on a particular site, such as in the case of cocontractors, each having direct contracts with the owner.

Section 705 relates to prehire agreements in the building and construction industry. During the Senate debate in 1958 on S. 3974, which contained a similar provision, a colloquy took place between Senator HOLLAND and Senator KENNEDY as to the correct interpretation of the provision as it related to such prehire contracts. I am in full accord with the statements which Senator KENNEDY made during that particular colloquy as to the proper interpretation to be placed on that provision and I believe that interpretation is equally applicable to section 705 of the bill we are considering today. The colloquy between Senator HOLLAND and Senator KENNEDY to which I have referred, is reported in the CONGRESSIONAL RECORD of June 16, 1958, volume 104, part 9, page 11308, and reads as follows:

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. Mr. President, my constituents are expressing concern as a result of some difficulty with the interpretation, at least, on their part, of the provisions of section 604(a).

Accordingly, we have prepared a question and an answer which have been agreed upon between the Senator from Massachusetts [Mr. KENNEDY] and myself. We hope this will clarify the matter. So I shall appreciate it if the Senator from Massachusetts will yield for a question at this time.

Mr. KENNEDY. I yield.

Mr. HOLLAND. Was it the intention of the committee that section 604(a) shall require employers to enter into prehire agreements where the union had not been the recognized or certified bargaining agent of the employees involved?

Mr. KENNEDY. I shall answer the Senator from Florida as follows—and it is my intention, by so answering, to establish the legislative history on this question: It was not the intention of the committee to require by section 604(a) the making of prehire agreements, but, rather, to permit them; nor was it the intention of the committee to authorize a labor organization to strike, picket, or otherwise coerce an employer to sign a prehire agreement where the majority status of the union had not been established. The purpose of this section is to permit voluntary prehire agreements. This is because of the inability to conduct representation elections in the construction industry.

Other Members will go somewhat into detail on various matters, and of course they will be in a position to answer questions that are asked. But let me say this. This has been the roughest assignment I have had in my many years in the House. I think we have done a good job. I think this bill is going to be approved by the American people. When I say the American people, I think it is going to be approved by the rank and file of labor and eventually by the leaders of organized labor because they have much at stake. The good name of labor was in jeopardy. I think this will do a lot to restore it and eventually I think they, too, will applaud the action of Congress in passing this bill.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Illinois.

Mr. ARENDS. I simply want to take a moment to express to the gentleman from North Carolina [Mr. BARDEN], to the gentleman from Pennsylvania [Mr. KEARNS], and to every one of the conferees my appreciation and I think the appreciation of most of the Members of the House, for the splendid job, for the excellent work the conferees of the House did on this bill under the most trying circumstances. I will say to the gentleman that I think he is to be highly commended for his work, as is each and every one of the conferees.

Mr. BARDEN. I am sure the members of the Committee of Conference are, and certainly I myself am, very grateful for those kind remarks. I think I can truthfully say for everyone on the committee, we did our best. That is all anyone can do.

The SPEAKER. The gentleman from North Carolina [Mr. BARDEN] has consumed 8 minutes.

Mr. BARDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

QUESTION: WHO WRITES OUR LAWS?—ANSWER: THE PEOPLE, WHEN AROUSED

Mr. HOFFMAN of Michigan. Mr. Speaker, it is obvious to those of us who have watched the proceedings that what is said here today will not change any votes. The bill will receive an overwhelming majority.

"Who Writes Our Laws?" That was the title of a short talk made by me from the well of the House on July 27 last.

The answer was given by the House on August 14, when Congressmen, having been given an opportunity to consider the terms of the legislation adopted the night before by a majority of 28, to again go over the letters from home which were in their files, seized the opportunity—and perhaps in part because of the exposé by Peter Edson of political contributions made to Congressmen—to demonstrate their independence and the fact that, when the people were aroused, they are truly the people's lawmakers, will respond to their constituents' demand. They did just that by giving a majority of 178 for the pending legislation, instead of the majority of 28 given the day before.

Last night, the Senate likewise demonstrated its willingness to give the people, by a vote of 95 to 2, the answer to my question as to who writes our law.

When the chips are down, the people through their Representative, write the law, though sometimes many individuals must be grievously hurt before they insist their public servants conscientiously perform their duty.

Scientists have made wondrous progress. Today we hear and we see individuals on the other side of the world, but human nature remains much the same.

One of my earliest pleasures was to hear the blare of the cornet and the boom of the drum, as the parade came within sight and hearing. No time was wasted by me in joining in at the tail, and today politicians and statesmen hesitate not at all when the people who elect them, who place them in office, insist that a certain thing be done.

Yesterday, to my desk came a letter from the gentleman from Pennsylvania

[Mr. KEARNS].[1] After advising that I would be permitted to speak when the bill again came before the House, and being told over the phone that I would be given 5 minutes, the gentleman from Pennsylvania wrote:

However, I would like to advise you that no doubt Mr. AYRES, Mr. GRIFFIN, and myself who have sat in the conference, might be in a better position to go into the details of the legislation.

That, it may be assumed, was a directive that, because of my lack of knowledge of what was in the conference report, I refrain from discussing in detail the terms of the report.

It is freely conceded by me that the gentlemen named have a far greater knowledge of what they were trying to do than does your humble servant.

It may be permissible, however, to call attention to the fact that I have, on occasion, not only read the CONGRESSIONAL RECORD, the newspapers, many of the hearings of the McClellan committee and, as late as yesterday, was given a press release written by the gentleman from Arizona, Senator GOLDWATER,[2] who, as he was one of them, has at least some knowledge of the accomplishments of the conferees. It was also my privilege to hear much of last night's debate in the Senate and to read the RECORD of this morning.

While my knowledge as to what is in the report of the conferees may be somewhat vague and limited, as is suggested by my delightful colleague from Pennsylvania [Mr. KEARNS], because it was my privilege to, in April of 1937, introduce a bill which contained what might be called a bill of rights, and subsequently, to write and introduce approximately 135 so-called labor bills and to,

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[1] The letter is as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 3, 1959.

Hon. CLARE E. HOFFMAN,
House of Representatives,
Washington, D.C.

DEAR CLARE: The conferees' bill on labor-management reform legislation, known as the Kennedy-Landrum-Griffin bill, will either hit the floor of the House tomorrow or go over until Tuesday or Wednesday of next week. This decision will depend largely on whether or not the Senate wraps it up today.

As you well know, each side has 30 minutes for debate and I want to extend the privilege to each and every person on our side of the committee to have time. However, I would like to advise you that no doubt Mr. AYRES, Mr. GRIFFIN, and myself, who have sat in on the conference, might be in a better position to go into the details of the legislation.

Please let me know by telephone if you wish time and I will schedule it for you.

Always,

CARROLL D. KEARNS.

P. S.—I will make the request that all Members will have 5 days to extend their remarks.

[2] Statement of Senator BARRY GOLDWATER on Senate floor on adoption of conference report with Landrum-Griffin provisions, September 3, 1959:

"Mr. President, as one of the Senate conferees who sat for 12 days in the conference on the labor bill between the House and Senate, I am pleased we have reached agreement on a bill which, I believe, will not only merit overwhelming approval of both Houses of Congress, but most of all, will fully meet the demand that the American people have emphatically made upon us for the enactment of a strong and effective labor reform bill.

"Mr. President, the conference report before us today carries out, in substance, all of the recommendations contained in the McClellan committee interim report of March, 1958. In addition, this conference report contains provisions which strike at the heart of the racketeering, hoodlumism and gangsterism in the union movement so dramatically revealed during the 2½ years of hearings held by the McClellan committee.

"First, I would like to read to the Senate the five legislative recommendations made in the first interim report. These recommendations are:

"1. LEGISLATION TO REGULATE AND CONTROL PENSION, HEALTH, AND WELFARE FUNDS

"Last year Congress enacted a bill to require filing of reports on the management of union pension and welfare funds. This year, using the Landrum-Griffin bill's language, we require bonding of officials who handle all union funds, requiring of them high standards of fiduciary responsibility. I will explain this in connection with the next McClellan committee recommendation.

"2. LEGISLATION TO REGULATE AND CONTROL UNION FUNDS

"In four major areas, the bill which we agreed to in conference gives full force and meaning to the McClellan committee recommendation for the regulation and control of union funds, by the adoption of provisions in the Landrum-Griffin House passed bill.

"We deleted the Senate provision granting an exemption from reporting for small unions because the McClellan committee report made no distinction between large and small unions and, in fact, some of the worst abuses uncovered involved smaller unions. Thus, under the conference bill, members of small locals are given the same opportunity to know how their money is being spent as are members of large unions.

"We dropped the provision in the Senate bill which would have required only those union officers and employees receiving more than $5,000 a year from the union to report any conflict-of-interest transactions in which they may be involved. We agreed to the House provision requiring all officers and employees to report conflicts-of-interest transactions because it is our belief that the Senate provision would have created a major loophole by means of which the crooks and shady operators could have evaded the filing requirements to the detriment of the honest union members.

"While both the Senate and House bills contained a provision requiring every union officer who handles funds or property to be bonded, the Senate bill would have permitted blanket bonding with a maximum bond of $250,000. The House provision was much stricter, requiring personal bonding of not less than 10 percent of the amount handled by the union officer. An additional safeguard of the House provision prohibited the placing of the bond with a surety company in which an officer or employee of the union had any interest. The conferees originally agreed to the House provision but subsequently adopted an amendment which I offered, striking out the 10-percent minimum and making the maximum amount $500,000. There are many unions with pension and welfare funds totaling hundreds of millions of dollars. To require a bond of 10 percent of such funds would be unrealistic and burdensome.

"A further strengthening provision of the House bill which the conferees adopted dealt with the fiduciary responsibility imposed upon union officers. The McClellan committee recommendations on regulation and control of union funds specifically stated that:

"'Since union-dues moneys, as well as health and welfare funds, are in actuality a trust, being held for the members of the union by their officers, the committee feels that attention should be given to placing certain restrictions on the use of these funds, such as are now imposed on banks and other institutions which act as repositories and administrators for trust funds.

"'This type of legislation, in the committee's opinion, would go a long way toward preventing wholesale misappropriation and misuse of union funds such as that disclosed by committee testimony.'

"While the Senate bill imposed a fiduciary responsibility upon union officers, the House bill in addition gave the union member a right to bring suit in court against a union officer to recover damages growing out of a breach of fiduciary responsibility.

"3. LEGISLATION TO INSURE UNION DEMOCRACY

"While both bills effectively carried out this recommendation, the conferees adopted a very important provision contained in the House bill. It guarantees to every bona fide candidate for union office the right to inspect a list containing the names and addresses of all members of the union who are covered by a union-shop contract. Such a provision, in my opinion, is a long stride forward in equalizing the balance between candidates running for union office, now so heavily weighted on the side of incumbents.

"4. LEGISLATION TO CURB ACTIVITIES OF MIDDLEMEN IN LABOR-MANAGEMENT DISPUTES

"In this area, both the Senate and House bills, by requiring detailed reports from employers and labor relations consultants, effectively controls the Shefferman-type operation spotlighted by the McClellan committee. We borrowed language from both bills in order to achieve our desired objective.

"5. LEGISLATION TO CLARIFY THE 'NO MAN'S LAND' IN LABOR-MANAGEMENT RELATIONS

"The McClellan committee was very explicit in recommending that—

"'The NLRB should exercise its jurisdiction to the greatest extent practicable, and, further, that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.'

"The Senate bill attempted to solve the 'no man's land' problem by allowing State labor relations boards (but not State courts) to take jurisdiction over cases declined by the NLRB. The State board, however, would have to apply Federal law. Only 12 States have labor boards and even those States would have to pass legislation allowing the board to apply Federal law. Obviously, this treatment of the 'no man's land' offered no solution to the problem.

"The House provision, which was agreed to by the conferees, specifically carries out the recommendation of the McClellan committee by authorizing State labor boards and courts to assume jurisdiction and apply State law in cases over which the NLRB declines to assert jurisdiction. The conferees added a provision requiring the NLRB to continue to take cases meeting its present standards.

"Secondary boycotts, 'hot cargo' agreements, and recognition and organizational picketing

"Some of the most shocking of the revelations of the McClellan committee involve the use of secondary boycotts and recognition and organizational picketing as a weapon of extortion, terror, and intimidation. Many small 'main street' businessmen were forced to their knees by the use of these

as chairman of a subcommittee, or ranking member of such a committee, participate in some 16 hearings, 68 days in different cities, it will be conceded, I hope, that I have some slight knowledge, not necessarily of what is in this bill, but of what should be in it.

The bill is not a tough bill in the sense that it unduly restrains the right of an individual or of a labor union. A bill which would be tough in that sense is neither needed, nor wanted, by fair-minded individuals.

Many needed restraints to curb the criminal activities of those who have found sanctuary and opportunity for extortion in labor organizations, and their misuse and abuse of special legislative privileges granted labor, can be found in either State or Federal law.

But, as always, shrewd, able lawyers have been able to find loopholes through which to slip a client. It is those unanticipated ways of escape which the Congress must continuously seek to close. That is one of the purposes of this bill.

Present evil practices by so-called labor leaders who in no sense represent the union have become intolerable primarily because of lack of enforcement of existing State and Federal legislation. However, as was made clear in the Senate debate last night, some additional legal restraints are needed if the security of the Nation is to be protected, the right of the individual maintained.

While the proposed legislation does not contain adequate restraints which will fully protect the people, it is a long, long step toward the desired goal. Just as the laws which punish robbery and murder do not end either, so this bill will not end the misuse or abuse of union power.

THERE MUST BE ENFORCEMENT

The Lindbergh law was designed to prevent kidnaping. We have stringent laws against rape. Yet, within the week, here on the streets of the Nation's Capital, two young women employees of the FBI were kidnaped and raped. Enactment of laws is not an answer—just the road toward a desired end.

Legislation does not prevent crime. Neither does it automatically bring about a desired objective or situation. There must be adequate enforcement.

We should, nevertheless, make an effort to, as completely as possible through legislation, and, of equal importance, its enforcement, continue our efforts to minimize and possibly cure the present evil practices brought to public notice by the McClellan committee and publicized by press, radio, and TV.

In the debate last night, the Senator from Arkansas, Senator MCCLELLAN, among other things, said:

> If this legislation won't stop the Hoffas and the Bridges, then there is only one alternative—place the transportation unions in this country under the antitrust laws.

An amendment to do just that was offered by me in the House when the present bill was under consideration on August 13. I was given just 54 seconds to discuss it.

Two bills, H.R. 7331 and H.R. 7332, doing just what the Senator suggested, were introduced—one on May 5, the other on May 21, 1958—both reintroduced this year—but ignored by both the House committee and by the House on August 13, 1958.

When we were writing the Taft-Hartley law, at one time we had in it a provision designed to prevent nationwide, industrywide bargaining.

When the draft of the bill came up for final consideration, on the insistence of the then Republican leader, the gentleman from Indiana [Mr. HALLECK] in spite of my violent protest, that provision was stricken.

Had that provision been included in the Taft-Hartley Act, and enforced, it would have been a deterrent to Hoffa's recent boast that, if denied his demands, he, Bridges, and their associates might tie up nationwide transportation.

There would appear to be no sound reason why those provisions making antimonpoly laws applicable to unions should not now be in this bill.

The bill also fails to carry an offered provision designed to prevent strikes and work stoppages in public utilities. The need has time and again been demonstrated several times here in Washington.

Another provision, that preventing the extracting of involuntary contributions from union members for political purposes of which they do not approve, should be in the books.

Public approval of all three of these provisions was existent. The votes were available, had the leaders of the coalition been willing to accept them, as they were urged. Under the circumstances, it is impossible for me to see any other reason except that of political expediency for the refusal to accept them.

Overall, the present bill is probably as effective a bill as can now be written, and it will undoubtedly be passed by the House with an overwhelming majority. It should not, however, be assumed that it will of itself end the practices of which the people now so vigorously complain. It must be followed by enforcement which has, in connection with present legislation, been intolerably lacking in some sections of the country.

The Kennedys, the Senator from Arkansas, Senator MCCLELLAN, the Senator from Arizona, Senator GOLDWATER, as well as a host of others, are to be commended for the consistency and the vigor they have shown in now translating into legislation some of the complaints and demands of our people. Equality under the law rather than political expediency should be the present political slogan.

While many are now claiming credit for the enactment of the bill now before us, honesty compels the statement that it was not until public hearings, given publicity, brought about an aroused public demand that justice be done that the Congress even undertook consideration of the present measure. Its adoption by an overwhelming vote forces the admission that the people still rule. Even the

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tactics and were either forced out of business or else succumbed to the unions' demands. In all such cases the interests and desires of the employees involved as to whether they wished to be unionized were never considered.

"The people of this country have reacted to this sordid condition and have expressed themselves in no uncertain terms in one of the greatest avalanches of mail from irate constitutents Congressmen and Senators have ever received. The demand is uniform—they want immediate relief from this exercise of coercive power.

"The House bill carried out this mandate by closing up the loopholes in secondary boycotts and by banning recognition and organizational picketing. With some clarifying provisions, the conferees adopted the House bill on secondary boycotts, 'hot cargo' agreements and recognition and organizational picketing.

"The Senate bill did not deal with the subject of secondary boycotts. The House bill, however, closed up every loophole in the boycott section of the law including the use of a secondary consumer picket line, an example of which the President gave on his nationwide TV program on August 6.

"Only 'hot cargo' agreements between a union and a common carrier were banned by the Senate bill; the House bill extended this ban to all unions and employers by making them illegal, unenforcible and void. Because of the persuasive arguments made our colleagues, Senators JAVITS, KEATING, and SCOTT, the Republican conferees were persuaded to support the addition of a provision exempting the garment industry from the prohibitions on boycotts and 'hot cargo' agreements.

"In the field of recognition and organizational picketing, the Senate bill prohibited picketing for these purposes for 9 months after an election or when another union had been certified or lawfully recognized. This was all. The Landrum-Griffin bill went further—it restricted picketing unless the union could show a 30-percent interest among the employees and then allowed it only for a reasonable period of time, not exceeding 30 days. The conferees adopted the substance of the House provisions except for the 30 percent showing of interest requirement.

"All in all, the sentiment expressed so overwhelmingly by the House in approving the Landrum-Griffin bill was again manifested by the conference which adopted the basic Landrum-Griffin bill with a few clarifications and modifications. The bill that we have agreed upon carries out President Eisenhower's urgent request for labor reform legislation.

"The bill carries out not only the recommendations of the McClellan committee, but it also reflects the provisions of Senator MCCLELLAN's own bill which was used as a guide in drafting the Landrum-Griffin measure substantially adopted by the conference.

"Mr. President, at the time of passage by the Senate of the Kennedy-Ervin bill, I cast the lone negative vote. At that time I declared that the bill would mislead the public into the false belief that adequate measures had been adopted to cope with the evils they abhor.

"I contended, in voting at that time, that I did not choose to be a party to this deception. I also declared that I regarded it as my duty, not only as a Senator, but as an American citizen to enlighten the public to the facts of the matter.

"Therefore, Mr. President, I am extremely gratified with the events of the past few weeks. I applaud the work of the House, the response of the public, the encouragement of the President, and the efforts of the joint conferees in recognizing the need for adequate labor reform legislation.

"We have now succeeded in putting together a bill which is a victory for the American people and for organized labor itself when we consider that organized labor is the workingman."

master political strategists now cry "me too."

May the enforcement agencies of State and Nation follow through.

The SPEAKER pro tempore (Mr. HARRIS). The time of the gentleman from Michigan has expired.

Mr. BARDEN. Mr. Speaker, I yield 6 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Speaker, I have lived with this legislation in this session since early in March. I sat on the subcommittee through all of the hearings and participated in the executive sessions of the full committee in the writing of this bill. I wish I could take a more encouraging position but I find it impossible. When this bill, the so-called Landrum-Griffin bill, was before the House I found it impossible to support it and opposed it. I had some hope that when the bill came back from the conference of the 14 conferees that some improvements and realizations could be made in the final bill. But as this conference report comes to us here today I find little if any substance in the way of changes. There was some language in the bill that passed the House that was not quite in order. There were some interpretations to be made, to be sure; but as this report comes to us here this morning for the acceptance or rejection of the House in its final form, I repeat, there have not been the changes that I expected and hoped would be made. Therefore I want to say to the world that I just cannot accept this bill, nor can I vote for it, because to me, individually, on behalf of the movement I have been associated with for so long, it is an antiunion bill, call it what you will.

We started out on a theme song in March and that was: "Get Hoffa. Perfect the laws to cure some of the evils and some of the abuses of trust that were involved in his high office. But it was not long before we found the program as enunciated over a year ago by the National Chamber of Commerce, the National Manufacturers Association, the American Farm Bureau Association, the American Retail Trade Association, all of them following the same trend and the same line of legislative objectives. All of those objectives except two—they were uniformly presented around the Nation—all of those objectives except two, if I remember correctly, are now a part of this bill.

I have been associated with an international union, as I have said before on this floor, since 1914; that is 45 years. My international union is made up of little local unions all over the United States, and in one of the jurisdictions of my international is the motion picture operators, small locals all over the United States, with the exception, of course, of the big urban centers. Those are the unions that are going to be deeply affected by the procedures and the severe restrictions that they are limited to under this bill.

This is a curbing bill; this is a bill taking away the most effective economic weapons the worker has in his trials and tribulations of trying to get his fair share of the production created in the plant in which he works. Let me say to you there are on the floor here a lot of people pondering what they are going to do when the roll is called—if there is going to be a rollcall, and I hope there will. I know that many of you hope to be able to perpetuate yourself here. I did not come here to perpetuate myself in office. I came here to live and let live.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. BARDEN. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. Speaker, may I say to those who are in doubt as to where you stand, I will use myself as an example. I have a lot of antiunion employers in the city in which I live. They have not all become angels yet. And may I say to you that the record was made here for me and those of you who voted pro and con. In my next election those in industry and my Republican opponent which I am bound to have, will point to the vote of August 12, Wednesday, August 12. That was the vote of 201 to 229. That is the vote, not the vote on final passage, not the vote on this formality of passing a conference report. It will be on the vote that you have already cast.

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOLLAND. Mr. Speaker, I believe that the Members of this House should certainly consider the full meaning of the conference report which we are going to vote on today. I would like to go behind the real purpose and intent of the Landrum-Griffin bill on the economy of the Nation.

Some of the questions you must answer and I hope that you will consider them before casting your vote.

Should our income be cut to meet Southern States demands for cheap labor? Shall we permit southern Democrats and northern Republicans to destroy our unions? Here are some comparisons:

Per capita income for 10 southern right-to-work States for 1954

Alabama	$1,359
Arkansas	1,228
Florida	1,876
Georgia	1,487
Mississippi	1,053
North Carolina	1,384
South Carolina	1,218
Tennessee	1,439
Texas	1,814
Virginia	1,674

Percentage of draftees disqualified by mental tests and physical tests for 1957 in our 10 southern right-to-work States

Alabama	42.6
Arkansas	32.1
Florida	31.3
Georgia	37.0
Mississippi	49.9
North Carolina	32.4
South Carolina	49.8
Tennessee	28.9
Texas	23.1
Virginia	31.9

Would you, as a resident of the Northern States like to have your per capita income lowered to the above standard or your educational facilities lowered to the extent that such a percentage would be turned down for the draft because of illiteracy?

In my own State of Pennsylvania the per capita income for 1958 was $2,127 and the percentage turned down for the draft was 9.5.

There was plenty of nationwide publicity given to this so-called "labor reform" bill. The press was full of it. The newscasts—sponsored by big industry—covered it continually. The television gave the President free time to endorse and request its passage. But only one side of the story was heard.

In a recent column by Drew Pearson the explanation for the President's endorsement was revealed. He stated that "personal friends of the President—who are members of industry active in the U.S. Chamber of Commerce, the National Association of Manufacturers, and national right-to-work organizations—have convinced him that he should stay out of the present steel strike controversy so the steel companies can give the union a defeat it will not soon forget." Pearson further pointed out these individuals contributed $214,250 to Mr. Eisenhower's 1956 campaign for reelection, and he lists as follows:

National Steel, with Mr. George M. Humphrey, contributing $37,200. Republic Steel, with Mesrs. James Black and George Allen contributing $16,300. United States Steel, with the executives of that company contributing $26,800. Armco Steel, with Mr. and Mrs. Charles Payson, Mr. Kenneth Spencer, and other officers, contributing $96,450. Bethlehem Steel, with its executives, contributing $8,750. Inland Steel, with Mr. and Mrs. E. L. Ryerson, contributing $3,150. Jones & Laughlin, with its executives, contributing $25,800.

This all ties in together when you stop to think that should this bill be enacted into law the public will wake up and discover it is not labor reforming, but, rather, labor deforming, for the following points are included in it:

First. The right to organize would be denied the southern workers, and would naturally react upon those in the North.

Second. Improvements of inadequate unemployment insurance, workmen's compensation laws, and other fringe benefits in Southern States would be blocked, thus undermining the standards long established for working men and women in our own State of Pennsylvania and other Northern States.

Third. It would deny freedom of speech to union members in efforts to appeal to the public for assistance in winning fair labor standards, and this raises a question of constitutionality.

Fourth. It would weaken, if not destroy, voluntary machinery for settling jurisdictional disputes, successfully supported for over a decade by both employers and unions.

Fifth. It would turn over to States the so-called no man's land problem, undermining a national labor policy and imposing complex labor problems on States which have no established machinery—only four States have—for handling them.

Sixth. It fails to correct inequitable provisions of the Labor Act which prohibits economic strikers to vote in Labor Board representation elections, a provision which has been called union busting by our esteemed President who endorsed this bill apparently without reading it.

Let me assure you that I was—and still am—in favor of the original purpose of the so-called labor reform legislation that was to eliminate crooks and racketeers in both labor and management.

The Shelley bill—for which I was a cosponsor—did this, and I voted for it. The Landrum-Griffin bill does not do this, and I voted against it. The Landrum-Griffin bill penalizes the very people it is alleged to protect—the rank-and-file members of labor unions.

The Landrum-Griffin bill was passed by a coalition of southern Democrats and northern Republicans. The reason is not too difficult to find when you look at the economic picture.

One of the sponsors comes from Georgia. His State is one of the 19 States which have so-called right-to-work laws. Alabama, Arkansas, Florida, Mississippi, Tennessee, Texas, and Virginia also have these right-to-work laws; and the Congressmen from these States almost unanimously supported the Landrum-Griffin bill.

In Georgia, laws prohibit mass picketing. In Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Texas there is no compulsory law for workmen's compensation. Alabama, Florida, Georgia, Mississippi, North and South Carolina, Tennessee, and Texas have no minimum wage law. Arkansas, the home of the great defender of the laboring man, has a minimum wage law; it is 16 cents per hour.

The South has been luring industries from the North by bragging of their tax advantages and vacant plants and their supply of cheap labor. They want to keep it that way and prevent organized labor from going into the South and raising the living standards, the wages, providing more education for the masses, and improving the general welfare of the citizens of those States. That is their idea of labor reform.

A mayor of a city in Mississippi wrote to a northern manufacturer as follows:

> No one will tell you whom you must employ. All detrimental State laws for industrial operations have been repealed. The closed union shop in Mississippi has been outlawed. Industrial wages are from 50 cents to 95 cents an hour below Northern States.

This conference report will guarantee the continuation of cheap labor and unbelievably poor working conditions for the workers. The northern Republican Congressmen—who voted for this bill—apparently want to see those same conditions and wages exist in our State and all Northern States also.

I am forced to vote against the conference report, as the changes still do not make it a good bill.

The American labor movement has been continuously under investigation for the past 5 years and, while isolated cases representing a very small segment of the labor movement, have been found guilty of wrongdoing, it must be realized this corruption did not and could not exist in a vacuum. It is a part of a pattern that is deeply rooted in the ethical deterioration of business and industry in our country today.

This deeper corruption of our business society is well known, but as yet it has not been investigated nor any attempt made to correct it. It would seem that legislation should be drawn to correct the $5 billion which—according to Life magazine—normally changes hands among businessmen and industrialists in the form of kickbacks, payoffs, and bribes every year.

Today class legislation against the labor segment of our Government is being considered and possibly enacted; tomorrow another Congress can just as easily legislate against business and industry, the other segment of our Government, with a different type of class legislation.

This is not a threat. It is common sense. If the pendulum swings too far one way it is bound to swing just as far the other way.

Mr. BARDEN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Speaker, I rise to second the tribute of our minority whip, to the conferees and to the committee, especially to the sponsors, the gentleman from Georgia [Mr. LANDRUM] and the gentleman from Michigan [Mr. GRIFFIN] but more especially than all to the chairman of a great committee, a great chairman.

The gentleman from North Carolina [Mr. BARDEN] sat through all of these meetings and all these sessions. I was a member of the subcommittee and I was present at practically all of the sessions.

I want to tell the House, Mr. Speaker, this statesmanship on the part of the gentleman from North Carolina was superb.

I rise to pay tribute also to our minority leader on the committee, the gentleman from Pennsylvania [Mr. KEARNS]. A large part of the harmony that ensued in our committee, and it was a bipartisan proposition right straight through, was due to the magnificent leadership of the gentleman from Pennsylvania [Mr. KEARNS].

Mr. Speaker, this is the House bill 98 percent. This is the bill that the House passed with a thumping and decisive majority of 229 on the first vote and 303 on the final vote. It is essentially a bipartisan bill.

Mr. Speaker, I recommend this House bill. As mild as it is, it is a good step in the right direction. It will help drive out, or at least reform, some of the crooks and racketeers. It will give power to union members that will enable them to clean out some of the dictator bosses. It is the very best we could do, and it is a good start. But we should act today with full knowledge that passage of the Landrum-Griffin bill will not solve every problem. The heart of the problem, the very heart, is the sheer power in the hands of labor union leaders due to their above-the-law status with respect to our antimonopoly laws.

This peculiar exemption to basic law plus certain Supreme Court decisions, are back of State and local law enforcement agencies' failure to protect our citizens from abuse by labor racketeers. Every State has laws against extortion, conspiracy, robbery, blackmail, assault, and so forth. But organized labor, in effect, has many times been treated as though immune to these laws.

Some sheriffs no doubt, ignore union misdeeds for political reasons. But mainly, officers have been told not to "take sides" in labor disputes because of the confusion and frustration surrounding previous attempts to hold them responsible for their crimes. And the confusion and frustration is based on their special relationship to the law.

We should now direct our attention to this problem. In my judgment, it should be the first order of business at the next session. In the meantime, the Landrum-Griffin bill, distinctly a workers' bill, will be a lasting tribute to the 86th Congress because it is for the rank and file union members and the public. It deserves a unanimous vote. I hope it will get it.

Mr. BARDEN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Speaker, at the outset I should like to join in the congratulations to all the conferees on this report. As an editorial in today's New York Times puts it, the conference committee has done a conspicuous service to the public and to honest democratic unionism in sweating out a labor reform bill. Sweating it out is what the conference committee has been through. Theirs was a difficult and delicate task. They have done what I am sure we all recognize is a remarkable job. Legislation in this field is not easy to develop. Still more difficult is the reconciliation of widely differing views which has been achieved. This is an accomplishment of the first magnitude.

The House conferees especially, in my opinion, are to be commended for their steadfastness in sticking to the basic principles of the Landrum-Griffin bill. This conference report represents essentially what the House passed. There may be some Members who regret that more major changes were not made in the bill as passed by the House, but, in my opinion, that is one of the basic reasons why we should be thankful that we have before us this conference report today.

As a member of the Education and Labor Committee, I should like to say also, now that the miracle has occurred, that I would never have been presumptuous enough last January to predict that we would be enacting such constructive and substantial legislation. No one expects perfection in a law of this kind, and as it is now before us it represents a compromise of varying views as to what needs to be done. Nonetheless, it is a landmark, representing unquestionably the major legislative achievement of this session. I am convinced, as we gain experience under this new law, that all segments of our population will benefit. Despite the hostile

criticism from some quarters it is my conviction that our great organized labor movement will also benefit.

The SPEAKER. The time of the gentleman from New Jersey has expired.

Mr. QUIE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Speaker, the enactment of an effective labor-management reform bill will be remembered as a great achievement of the 1st session of the 86th Congress. For that reason, I do not want this occasion to pass without extending a personal word of praise, and a heartfelt thank you, to the members of the Conference Committee who worked long and hard to ultimately produce this sound bill.

I never believed that the differences between the House-passed bill and the legislation approved by the other body were insurmountable—but I realized that nevertheless they were substantial. And along with many other Americans, I knew that the emergence of a sound bill depended on the good faith and capacities of the men chosen to settle these differences.

For 12 days as these men worked together, the people of our country waited for word on the labor bill. Now it can be said that the people are the beneficiaries of the work of the conference. And so I say to the men on both sides of the aisle and in both legislative chambers: Well done. I believe our country has cause to be grateful to you for the hours you devoted and the work you accomplished.

The results of the conference are plain to see. Ninety-five percent of the measure authored by my distinguished colleagues, the gentleman from Georgia [Mr. LANDRUM] and the gentleman from Michigan [Mr. GRIFFIN], was retained, as well it might, because the House bill provided a sound approach to labor-management reform.

In addition, the bill as agreed to in conference clarifies questions which have arisen as it affects the building and trades unions—protecting their rights in the event of farmed-out work and permitting prehire agreements requiring union membership after 7 days' employment.

Those who stand to gain most from the bill are working men and women themselves. For the bill outlines their equal rights, as union members, to the conduct of their union affairs. It guarantees freedom of speech and assembly. It specifies their protection against arbitrary increase of dues. It stresses their right to take court action to protect their rights. It safeguards their right against improper disciplinary action.

Free union elections—freely conducted—are guaranteed by this bill as is protection of union funds. Machinery is now at hand to enable union members to remove dishonest officials. Protection of economic strikers has been granted and regulation of trusteeships has been specified.

In addition, certainly title VII of the bill provides the best solution to the "no man's land" troubles which have been plaguing the labor movement—granting union members and employers a court remedy to enforce rights under the law and the opportunity to gain recourse through a State court or agency when the NLRB refuses to take jurisdiction.

Certainly the bill can be praised for its provisions which close all the secondary boycott loopholes. It deals effectively with blackmail picketing but does not prevent justifiable organizational picketing or protest picketing.

Because this bill accomplishes much for the labor movement, rank-and-file union members, and the cause of sound labor-management relations, I feel that it should be described to the Nation as just the bill it is: a labor-management relations bill which is in line with the free processes of our Republic, a bill of which all the people can be proud.

Mr. BARDEN. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. THOMPSON].

Mr. THOMPSON of New Jersey. Mr. Speaker, I would like to join in the tributes being paid here today by commending the chairman of the committee, the gentleman from North Carolina [Mr. BARDEN], by saying that he has shown great patience, understanding, and endurance. We have not agreed on details, but this is part of the legislative process and, indeed, the way in which our system has always worked.

Particular tribute is due the junior Senator from Massachusetts, JOHN F. KENNEDY, who was chairman of the joint conference. I have long admired Senator KENNEDY, and have realized what great talents he possesses. The high regard which I have for him was more than fully justified by his magnificent performance under the most difficult and exacting conditions of the conference. My estimation of his performance is, I am sure, shared by each and every member of the conference, for all expressed similar sentiments when our work was finished. The junior Senator from Massachusetts has proven beyond all doubt that he is a legislator of the highest quality. I am grateful to him for his leadership and courage, and I am sure that the American people are equally grateful to this truly great statesman.

Mr. Speaker, I rise in support of the conference report and urge its adoption. In all candor, I cannot say that I am completely satisfied with the legislation but I realize that none of us can ever hope to have 100 percent of his legislative desires satisfied on such a complicated and controversial a subject as is before us.

The Kennedy-Ervin bill passed the other body by a vote of 90 to 1 and came to the House committee where it was amended 102 times before assuming its final form as the Elliott bill. Much was made of the number of amendments—some said it was weakened, others said it was strengthened. I say it was vastly improved.

This body worked its will in rejecting the Elliott bill in favor of what has been called the Landrum-Griffin bill. Those of us who supported the Elliott bill are flattered by the fact that our colleagues, the gentleman from Georgia [Mr. LANDRUM] and the gentleman from Michigan [Mr. GRIFFIN], adopted 80 of the 102 amendments without change and 8 others with small change. In other words, Mr. Speaker, the bill which went to conference was not less than 80 percent the Elliott bill. The 20 percent which was the Elliott bill which did not become a part of Landrum-Griffin was the part to which the minority leader, the gentleman from Indiana [Mr. HALLECK], referred to as the "killer."

The joint conferees adopted not less than 75 amendments to the House-passed bill. These amendments represent a return to the original committee, or Elliott, bill. The facts are, therefore, that the conference report on which we are about to vote represents a great improvement over the House-passed measure. We have before us what is really 95 percent Elliott bill—a complete vindication of the position taken by those of us who rejected the Landrum-Griffin bill in favor of the more sane, reasonable committee bill.

Following are 15 of the most important improvements made by the conferees to the Landrum-Griffin bill:

MAJOR CHANGES MADE IN GRIFFIN-LANDRUM BILL BY CONFERENCE COMMITTEE

The following changes safeguarding the rights of workingmen were made upon the insistence of the conferees:

1. Subcontracting: The legality of restricting subcontracting in the garment industry in order to keep out sweatshops was established.

2. Consumer appeals: The right to publicize nonunion goods to consumers, without causing a secondary work stoppage, is recognized in the conference agreement. Employees will also be entitled to publicize, without picketing, the fact that a wholesaler or retailer sells goods of a company involved in a labor dispute. All appeals for a consumer boycott would have been barred by House bill.

3. Organizational picketing: The conference report preserves the right to engage in organizational picketing provided that a petition for an election is filed within a reasonable time not to exceed 30 days. Unless the union won the election, the picketing would have to cease. The House bill would have virtually banned organizational picketing.

4. Organizational picketing: The right to engage in purely informational picketing without filing a petition for an election is secured provided that the picketing does not halt the pickup or delivery of goods or the rendition of services by the employees of other employers.

5. Primary strikes: The conference report recognizes the right to engage in primary strikes and primary picketing, thereby eliminating the danger that the House bill would sometimes invalidate such picketing.

6. Defense to picketing: Although the conference agreement contains a prohibition upon picketing an employer who has a contract with another union, language was added to the House bill which would make it a defense to show that the General Counsel had issued a complaint charging the employer with unlawfully dominating, maintaining, or assisting the other union.

7. Union liability for damage suits: The section imposing liability on labor unions for damages in the case of unlawful organizational picketing was eliminated.

8. Federal-State jurisdiction ("no man's land"): The conference report permits the States to take jurisdiction over labor cases over which the Board currently refuses to assume jurisdiction. Under the House bill the NLRB could have refused jurisdiction over additional cases. The Board's present jurisdictional standards are broader than they have ever been, thus insuring more unions and employers protection of the act.

9. Economic strikers: The House bill contained no provision permitting economic strikers to vote in representation elections. The conference provision permits strikers to vote in representation elections within 1 year after the commencement of a strike.

10. Struck work: The conference report preserves existing law on the question of the right of labor to refuse to work on struck goods. The House bill would have limited this right.

11. Prehire contracts in the construction industry: Conference report permits prehire contracts in construction industry accepting Senate provision on this subject. Conference report also permits unions and prime contractors in construction industry to enter into agreements by which contractor refuses to subcontract to nonunion operators.

12. Bonding: Conference report places a $500,000 limitation on amount of bond required to be taken by a union officer; the House bill had no such limitation.

13. Elections: Conference report makes the Secretary of Labor responsible for bringing suits in a Federal court to remedy improper elections. The House bill would have provided that individual members could bring suits in U.S. district courts to overturn improper elections.

14. Membership lists: House bill gave candidates for union office the right to inspect and copy from membership lists in union shops. Conference report restricted this to one inspection 30 days prior to an election without right to copy.

15. Employer reporting: Conference strengthened immeasurably employer reporting section 203 which was meaningless in the House bill.

Mr. Speaker, I have just set forth the 15 major areas in which the conferees improved the House-passed bill. Following is a summary of these items on eight major points in considerably more detail. There are tremendous improvements, for they represent the return to the American labor movement of its right of survival. They are:

In the 12 days during which the conference met, the majority of the conferees secured important changes in the restrictive provisions of the Landrum-Griffin bill, thereby protecting traditional and essential rights of workingmen seeking to improve conditions of employment. It is important that the House should note these changes:

1. "No man's land": The conferees insisted upon an amendment which prevents the NLRB from declining to exercise its existing jurisdiction and thereby depriving both employers and employees of the protection of the National Labor Relations Act. The Landrum-Griffin bill would have allowed the Board to surrender unlimited jurisdiction to the States, 35 of which provide no protection to the rights to organize and bargain collectively. The conference report prevents further cession. The current standards of the NLRB assure the widest effective exercise of Federal jurisdiction in the history of the National Labor Relations Act.

2. Organizational picketing: The House bill would have forbidden virtually all organizational picketing, even though the pickets did not stop truck deliveries or exercise other economic coercion. The amendments adopted in the conference secure the right to engage in all forms of organizational picketing up to the time of an election in which the employees can freely express their desires with respect to the choice of a bargaining representative. When the picketing results in economic pressure through the refusal of other employees to cross the picket line, the bill would require a prompt election. Purely informational picketing cannot be curtailed under the conference report, although even this privilege would have been denied by the Landrum-Griffin measure.

3. Secondary boycotts: The secondary boycott provisions of the House bill would have curtailed legitimate union activities. Accordingly, the conferees insisted that the report secure the following rights:

(a) The right to engage in primary strikes and primary picketing even though the employees of other employers refused to cross the picket line.

(b) The right of employees to refuse to work on goods farmed out from an establishment in which the employees are on strike.

(c) The right to appeal to consumers by methods other than picketing asking them to refrain from buying goods made by nonunion labor and to refrain from trading with a retailer who sells such goods.

(d) The right of labor unions representing employees in the apparel and clothing industry to refuse to work for a jobber or contractor who subcontracts parts of the process of production to nonunion subcontractors. This guarantee, which was opposed by the House conferees for 2 weeks, is absolutely essential to the stability of these industries. The bill makes special mention of the industry because it has peculiar problems.

The chief effect of the conference agreement, therefore, will be to plug loopholes in the secondary boycott provisions of the National Labor Relations Act. There has never been any dispute about the desirability of plugging these artificial loopholes.

4. "Hot cargo." The Landrum-Griffin bill extended the hot cargo provisions of the Senate bill to all agreements between an employer and a labor union by which the employer agrees not to do business with another concern. The Senate insisted upon a qualification for the clothing and apparel industries and for agreements relating to work to be done at the site of a construction project. Both changes were necessary to avoid serious damage to the pattern of collective bargaining in these industries.

5. Economic strikers: The conferees adopted the substance of the provisions of the Senate bill reversing the Taft-Hartley rule that economic strikers who have been replaced should not vote in an NLRB election. This is a highly important change, for the Taft-Hartley prohibition had opened the door to union-busting practices.

6. Prehire agreements: The conference report incorporates the provisions of the Senate bill authorizing labor unions and contractors in the construction industry to negotiate prehire agreements. The Landrum-Griffin bill contains restrictive and unworkable provisions on this point.

7. Employer reports: The conference provision adopts the substance of the Senate bill dealing with the reports to be filed by employers and labor relations consultants, the purpose of which is to disclose to the Government and public opinion any repetition of the unsavory practices brought to light by the McClellan committee. One of the important consequences of these reports will be the full disclosure of sums of money spent by employers to finance "front" organizations distributing propaganda designed to prevent further union organization.

8. Membership lists. The House bill would have required a labor union to open its membership lists to any candidate in connection with an election of officers. Although this requirement is fair in the case of bona fide candidates, it created grave dangers that "stooges" would obtain the membership lists for subversive organizations or commercial use. The conferees secured additional safeguards by limiting the right to one inspection within 30 days prior to an election, without the right to make copies of the list.

Mr. Speaker, I invite the attention of the Members of the House to page 17901 of the CONGRESSIONAL RECORD of September 3, 1959, in which Senator KENNEDY and Senator CARROLL establish a carefully thought out legislative history for the "no man's land" provisions of the conference report. The Members will note that the committees of both Houses of the Congress will watch most carefully the operations of the States in this area.

While I have serious reservations regarding the conference report proposal to cede to the States part of the traditional Federal responsibility under the interstate commerce clause of the Constitution of the United States, I shall support the proposition because of its limitations. We are not giving the National Labor Relations Board the right to abandon its responsibility. We are, in fact, limiting that right and are saying—quite clearly—that they may assume even more jurisdiction than they now have, and that they must follow our directions most carefully. They must preserve the guarantees given to the Nation's working people under the National Labor Relations Act, and they—the NLRB—can take more jurisdiction, not less. The committees of the Congress will keep a careful watch to see that this limited grant is not abused. I see no analogy between this section and section 14B of the Taft-Hartley Act, and no such analogy was intended by the joint conferees.

Mr. Speaker, in connection with the conference report there is one more matter of great importance which must be made clear if there is to be a valid legislative history accompanying this vital legislation. I did not have an opportunity to see or to read the statement of the managers on the part of the House before it appeared in the CONGRESSIONAL RECORD today. Upon a very hasty examination of this document, I find at least one statement therein upon which I should like to make this comment for purposes of clarification. The last paragraph of the statement is correct when it refers to the fact that the conference adopted the provision of the Senate bill permitting prehire agreements in the building and construction industry. In these circumstances, the considerations in the Senate committee report which were before the Senate when it debated the bill are governing in determining the intent of the language on this subject in the conference report.

With respect to the phrase in the last paragraph of the statement that nothing in section 705 is intended "to authorize the use of force, coercion, strikes, or picketing to compel any person to enter into such prehire agreements," I would state that literally speaking, the

above quoted phrase is not incorrect. However, it should be entirely clear that there is no language in the conference report which justifies any implication that section 705 is intended to deny the right of a union to strike or to picket for a legal object, such as a prehire agreement in the building and construction industry which is validated by section 705.

Mr. Speaker, in conclusion I would like to state that I am grateful to have had the opportunity to serve on the conference committee. It has been a terrible ordeal, but one which brings rewards in that I have had the opportunity to espouse the cause of reason and moderation in a time when the Congress and the Nation have been engulfed by the demands of extremists at each end of the spectrum. There have been those who will be satisfied with nothing less than the destruction of the Nation's trade union movement and those who will be satisfied with nothing less than the right to trample, unfettered, over the destinies of those whom they purport to represent as labor leaders. Neither side has been pleased, and so it should be. We have offered here today a compromise which will clean the rot out of the labor movement without destroying that wonderful segment of our society. It is an honest and honorable compromise. I am not completely satisfied with the legislation, but it is, at least, a vast improvement over the bill which the House enacted under the pressure of uninformed, but powerful influences. The Congress of the United States has done the legislating and in so doing has done its duty.

Mr. UDALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, it is my considered judgment that the position taken by the supporters of the Elliott bill was substantially vindicated by the conference report. Indeed, I will go one step further and assert that the bill we are completing final action on today is closer to the Elliott bill than to any of the other bills which were considered by the House last month.

Although naturally I have reservations with regard to some of the language in this report, it is my judgment that the compromise worked out by the conferees represents a middle-road approach to the complex problems which confronted the conference.

Mr. Speaker, for the benefit of our colleagues I have analyzed the major amendments adopted by the conference and have compared the final product with the pertinent sections of the Elliott bill.

Here are the main points of comparison as I see them:

First. No man's land: The Elliott bill required the NLRB to hear and decide all cases falling within the Federal jurisdiction. The Landrum-Griffin bill turned all no man's land cases over to the States, and conferred discretion on the NLRB to decline to hear cases which now are within the purview of its jurisdiction and turn them over to States. In other words, the Landrum bill placed no limitation whatsoever upon the Board's power to narrow its jurisdictional boundaries and deny the protection now accorded by the NLRB.

The conference compromise authorizes the NLRB to cede the no man's land cases to the States but simultaneously mandates the Board not to contract its jurisdiction. This is a very constructive step, as the NLRB is presently exercising the widest effective Federal jurisdiction in the history of the National Labor Relations Act. One other highly significant fact deserves notice. The conference report does not inhibit the Board from expanding its scope of activity in the future: thus if some future Board has the will—and the necessary congressional support—to exercise plenary jurisdiction and take all cases—the Elliott solution—such a solution is a permissible one under the conference agreement.

Second. Organizational picketing: The Landrum bill forbade all organizational picketing with one exception which permitted recognition picketing for 30 days by unions having at least a 30-percent membership in a particular plant. The Elliott bill forbade organizational picketing after an election—unless the union won the election, or subsequently secured a majority without picketing—and accelerated the holding of elections so that one might be secured by either labor or management within 45 days from the time a petition was filed. In other words, the most important distinction between the two bills on this subject was that the committee bill did not forbid picketing before an election. As I read the report, it is plain that the basic assumptions of the Elliott approach prevailed, and the amendments adopted by the conference allow organizational picketing up to the time of an election, with the proviso that when such picketing results in overt economic pressure—by stopping the flow of transportation, or through refusal of other employees to cross a picket line—a prompt election is mandatory. The conference report also protects informational picketing that does not result in economic coercion—a right of free speech which would have been denied by the Landrum bill. Thus, clearly the conference compromise in this area hews much closer to the line drawn by the Elliott bill than that of Landrum-Griffin.

Third. Secondary boycotts: The secondary boycott provisions of the Elliott bill would have closed the "hot cargo contract" loophole which has been a source of power which has been abused by Mr. Hoffa and the Teamsters Union. The Landrum-Griffin secondary boycott provision was so broadly drawn that some of us, during the debate on this issue 3 weeks ago, expressed grave doubts that the reach of this language was so broad that many legitimate union activities would be curtailed. My colleagues will recall that during my opening statement in support of the Elliott bill, I asserted that the Landrum-Griffin secondary boycott section would outlaw primary picketing even where a bona fide labor dispute existed over wages and working conditions. The conference recognized the validity of this argument and affixed a proviso to protect lawful primary picketing.

In addition, the conferees wisely set out to plug the few remaining loopholes in the secondary boycott provisions of the Taft-Hartley Act without impinging upon basic rights vital to some segments of the labor movement. Hence, the amendments adopted in conference: (a) Protect the stability of the garment industry—with its unique problems and traditional practices—a move, I might say, which will be applauded both by management and labor spokesmen of this industry; (b) affirm the right of employees to refuse to work on "struck goods"; and (c) protect the free speech right to appeal to consumers by nonpicketing methods.

It was the contention of supporters of the Elliott bill in debate that they were not opposed to the closing of the artificial loopholes in the Taft-Hartley secondary boycott embargo providing precise language was used which would prevent encroachment on the beneficent and necessary rights of trade unions. It is understandable, then, that we regard the conference solution in this section as a sound one which largely vindicates our point of view.

Fourth. The right to vote of economic strikers: The conference adopted the essential point of view taken by the Elliott bill by according the right to vote to economic strikers. This right was qualified by a reasonable 1-year limitation on voting.

Fifth. Prehire agreements: The conference report incorporates the essential provisions of the Elliott bill authorizing labor unions and contractors in the construction industry to negotiate prehire agreements. The more restrictive and unworkable provisions of Landrum-Griffin were rejected.

Sixth. Criminal penalties for forceable interference with rights guaranteed by the act: This was a major dispute between the supporters of the Elliott and Landrum-Griffin bills during floor debate. It was the contention of the backers of the Elliott bill that the Landrum-Griffin penalties were so stringent that they might deter honest men from seeking and holding union office. We argued that the rights conferred by the act were so numerous and varied that in most instances the penalty did not fit the crime with the result that this sanction would be both harsh and unworkable. Our argument on this point prevailed and the Landrum-Griffin bill was quietly amended so that the drastic felony penalty was reduced to a misdemeanor. This solution was then adopted by the conference report.

Seventh. The conferees also reached into the Elliott bill and adopted one of its provisions which will enable the NLRB to handle more cases, and to handle them more expeditiously, by decentralizing its supervision of elections.

These, Mr. Speaker, are some of the reasons why, in good conscience, I feel that those who supported the Elliott bill can vote for the conference report today.

Mr. QUIGLEY. Mr. Speaker I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. QUIGLEY. Mr. Speaker, they said it could not be done. And, frankly, Mr. Speaker, for a long time and with good reason I thought they might be right. I suspect that if the truth were known, that there were moments when all 14 of the conferees were themselves certain that they could never come to an agreement. Fortunately, however, this thought never came to a majority of the 14 at the same time. As a consequence, to their credit, to the delight of their colleagues and to what, I trust, will be the ultimate good of the Nation, the House and Senate conferees finally came to an agreement on a labor-management reform bill.

That bill is now to become the law of the land. The other body has already passed it by the overwhelming vote of 95 to 2. The vote in this House will be somewhat less overwhelming but nonetheless the measure is certain to clear here today with a preponderance of votes in its favor. No one has any doubt that the President will sign it into law.

We all know why this has happened. It is not just because of the determination and patience displayed by the members of the conference committee as they struggled with the almost impossible task of reconciling differences in legislation as difficult and divergent on a subject as emotionally and politically charged as the separate labor measures passed by each House of the Congress. The conferees acted as they did because every last one of them wanted a bill. They knew that just about every one of their colleagues in both bodies on both sides of the aisle wanted a bill. But the conferees acted as they did and the Congress has and will act as it will because all of us know that the people in this country want a law which they trust and hope and pray will give them the answer to the sickening display that they have watched on their television screens during the almost 2½ years of disclosures before the McClellan committee. This is why the American people have demanded a bill and this is why the Congress will give them the bill now before us.

To what extent this demand was spontaneous or how much it may have been carefully manufactured I do not think it is necessary or appropriate for me to comment upon at this time. Only the most naive among us would fail to recognize the phoniness in many of the demands that were part of a very obvious builtup pressure to which we were all subjected a few weeks back when the issue was being considered on the floor of this House. However, only those of us who are completely blind would fail to recognize that despite all the stimulation and the simulation there was and is a real demand in this country for effective legislative action to curb the excesses and abuses that have unfortunately made their way into labor-management relation matters. How real this demand may be I cannot say. That it is real I am certain.

How adequate to the needs of this demand is the bill now before us I cannot say either. Only time and a lot of future court decisions will really tell. In other words, how really good or really bad a bill we are passing today no one can honestly say with certainty. Time alone will tell whether the decision we make today is truly right or quite wrong, but at the moment we do not have that kind of time. In a very short order, the roll will be called and we will make our decision. We will make that decision not on the basis of how good or how bad a law it will prove to be but on the basis of how good or bad a bill we believe it to be at this moment.

When that moment comes the choice we face will be "yes" or "no." When your name is called, under the rules of the House no member can vote "maybe" or "perhaps" or only for part of the bill, however much such a vote might accurately reflect your true feelings and honest views of the measure being voted upon.

When my name is reached I shall vote "yes." This is a vote born of the twin conviction that, first, in the words of the junior Senator from Massachusetts who chaired the conference committee which produced this bill, "it is the best bill we can get and still get a bill," and, secondly, the further conviction on my part that we must have a bill.

In the less than 48 hours since the conferees finally agreed, I have not—nor for that matter has any Member in this body—had the opportunity to study in detail every one of the 137 pages of the final bill. What we are doing here today is in fact a very dramatic demonstration of the congressional committee system in operation. The vote today, just as the vote late last night in the other body, is nothing so much as a vote of confidence in the work and the integrity of the members of the conference committee. If we are honest with ourselves, we must admit that our vote will reflect much more our faith in the conferees than our knowledge of their handiwork.

I have, however, in the limited time available, made as complete a study as I possibly could, not only of the bill itself but of the all-important conference report. On the basis of this admittedly unthorough study, it is my conclusion that the bill for which I am about to vote could best be described as a good bill with some bad parts.

The CONGRESSIONAL RECORD for today, just like the public press in recent days, is certain to be cluttered up with a lot of pure semantics. To illustrate what I mean, I would merely mention that at one stage of the conference, one of the conferees publicly stated that up to that point 90 percent of what the conferees had adopted was Landrum-Griffin. This newsless news was promptly relayed to the American people through the media of the Nation's press, radio, and television. I do not think anyone would deny that the final draft of the bill is more like the House-passed Landrum-Griffin bill than the Senate-passed Kennedy bill. Yet this tells us nothing. When anyone suggests that the final bill is, say 85 percent Landrum-Griffin, you must keep in mind that about 75 percent to 80 percent of the Landrum-Griffin bill was itself lifted lock, stock, and barrel from the Elliott bill reported by the House Committee on Education and Labor. I do not want to add to the confusion by getting involved in this numbers game or in a lot of meaningless names. I merely want to state that when, on the many matters of internal union reform covered by the first six titles of the bill, the conferees moved, as they did, away from the Senate-passed bill and toward the House version, they were, in fact, in most cases moving in the right direction. I will leave it to others to quibble over the matter of whether the language finally adopted was more like Landrum or Griffin or Kennedy or Elliott or Kearns or what. My own suspicion is that in a good many cases the language finally hit upon was more like Cox.

On the other hand, when it came to dealing with the all-important seventh title of the bill—the Taft-Hartley amendments—I am grateful that the Senate conferees were as successful as they were in getting the pendulum to swing as far back as it did in the direction of fairness and sanity. I would have been happier if it had gone further, but I am pleased that, for example, to get at the evils of blackmail or extortion picketing, the conferees did not follow the Landrum-Griffin approach of—for all practical purposes—outlawing all organization picketing no matter what the circumstances. Again, for example, I was pleased that in the blind haste to get at corruption the conferees opened their eyes long enough to see some of the realities in the garment industry and building trades and to amend the bill accordingly.

On the other hand, I deeply regret that having come so close to what I consider to be an almost ideal solution to the "no man's land" problem when they had the Prouty amendment before them, that the conferees finally fell short of this much-needed goal. In my judgment, there is no question that the one section in the bill that could be used as a vicious anti-union device is section 701(a). This is the H.R. 3 provision in this bill. The Taft-Hartley law already has one H.R. 3 provision and it has fathered the rash of so-called right-to-work statutes that since 1947 have been put upon the statute books of too many States. Now today we are adding a second H.R. 3 section to Taft-Hartley. This I truly deemed to be unfortunate. I recognize that the conferees did succeed in improving the language of this section and to build in safeguards for the rights of employees in small business which were not present in the original Landrum-Griffin bill. As I said before, only time will tell whether what I believe to be the antiunion potential of section 701(a) develops and, if it does, whether the administrative remedy for such a situation provided for by the conferees will prove adequate.

Ironically, while section 701(a) is the worst section in the bill, from the point of view of the unions in my own State, it may prove to be the best. This seem-

ing contradiction arises from the fact that Pennsylvania is one of the States with a State labor relations act and having a State labor relations board ready to administer it. From now on, where the NLRB leaves off in Pennsylvania, the Pennsylvania Labor Relations Board will take over, and when it does the applicable and controlling law will be the State's "little Wagner Act."

On August 13, when my every effort and my every vote fell short of producing a better labor-management reform bill, I voted to send the Landrum-Griffin bill to conference. This was not, I assure you, a vote of confidence in Landrum-Griffin but rather a vote of hope that the conferees might succeed where the House had failed—to write a reform bill which would be both effective and fair. Now that the conferees have reported, I cannot honestly say that my hopes have been fully realized but neither could I say that they have been dashed. I do not think that the bill we are about to pass is either completely effective or fair. However, considering the forces at work and considering the odds against the conferees producing any bill at all, what they did was in balance a remarkable, even an unbelievable, accomplishment. I will cast my vote with certain misgivings which I trust time will demonstrate unjustified. I will also cast my vote with the fond hope that principles of union democracy which we have today attempted to write into law may prove to be a great new wellspring of good unionism—in every meaning of the word—in this country. As the senior Senator from Minnesota so eloquently pointed out to the Members of the other body last evening, the contributions which the unions have made and are making to the welfare of this country and the cause of freedom everywhere can never be adequately measured and are too seldom appreciated by most Americans in and out of unions and, I might add, in or out of this Congress. My hope is that today marks the end of a short, somewhat sordid chapter in what has been and will continue to be the great and glorious history of the trade union movement in America.

Mr. BARDEN. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Speaker, it has been mentioned here that we have a good conference report. We do have. However, I did not realize so many people now want to adopt this labor baby. But, I believe we should leave it with its natural father, the Landrum-Griffin bill, because that is what it is, and because the conference committee, in its deliberations, in the final analysis, has adopted the basic principles that were voted on in this House.

Now, I am, frankly, very happy with the conference report. We have corrected many of the evils, but we have not in any way put in the legislation one thing that will hurt the legitimate organizations of working people in this country. We have not done one thing that will prevent a man from joining a union if he wants to. We have in the field of secondary boycotts eliminated a very serious evil. What has been happening to the Burt Manufacturing Co. and other companies in similar situations cannot happen in the future. It is not going to be necessary to have injunctions to prevent one union from picketing another. In fact, the final provisions contained in the Landrum-Griffin bill are these, among others: A bill of rights; requiring all unions to report; outlawing all hot cargo agreements; closing all the secondary boycott loopholes; dealing effectively with blackmail organization picketing; and providing a realistic and workable solution for the no-man's problem.

Mr. Speaker, it was a rather difficult situation for the chairman of the conference. He was up against the very difficult problem in view of the fact that there was so much in the Landrum-Griffin bill that was not in the Senate-passed bill. I have the feeling—and I just make this as my own observation—that there may have been a few political considerations in the conference.

Then right in the middle of this we received the threatening letter from Mr. Carey in which he informed us, in no uncertain terms, that those of us who had supported the Landrum-Griffin bill would not have a chance to come back here in the next Congress. Mr. Carey did not speak for all of the union leaders because I think the legitimate union leaders of this country realize that the rank and file workers wanted the Landrum-Griffin bill.

This letter is typical. I have enough union members in my district to back up this stand. I had my staff go through the file and pick out letters from union members asking for this bill. Everyone is free to come over and look at them, if he likes. This is a typical letter.

DEAR MR. AYRES: We want to thank you for the position you have taken concerning labor reform.

We as members of Teamsters Local 24 know the great need for such legislation.

The labor leaders say they are going to defeat all of you men who voted for this labor bill. As far as we know the only votes controlled by the labor leaders here in Akron, Ohio, are their own.

The people wanted the Landrum-Griffin bill, and I am happy that they got it.

Which bill did Congress pass?

First. When S. 1555 was reported from the Senate Labor Committee, of which Senator KENNEDY is chairman, its principal titles dealt only with reporting, trusteeships, and elections.

(a) Under the existing Taft-Hartley law, all unions, regardless of size, must now file annual financial reports in order to obtain elections or file unfair labor practice charges with the NLRB. The reports which would have been required under S. 1555—as reported by the Senate committee—were almost identical to those now being filed; however, the bill would have permitted the exemption of any or all unions having fewer than 200 members.

(b) The only proposed amendments to the Taft-Hartley Act then in the bill were, first, an unworkable provision dealing with no man's land; and, second, several "sweeteners" demanded by union leaders.

On August 3, 1959, Senator KENNEDY made a speech in Oregon to the AFL–CIO State convention. Following is a quotation from the official text of his address:

I do not say that the bill (S. 1555) as it finally passed the Senate was perfect in every respect. Certainly I do not blame the AFL–CIO for trying to change some of the amendments added on the Senate floor. Certainly I share their regret that the reasonable, fair and responsible bill reported by the Senate Labor Committee—worked out carefully with President Meany and his lawyers, and supported by the executive council—was altered—undesirably and unfortunately altered—on the floor of a supposedly friendly Senate.

Second. What were the amendments adopted on the Senate floor?

(a) Senator MCCLELLAN's bill of rights would have failed, and there would have been no bill of rights for union members in the Senate-passed bill, except for the tie-breaking vote of Vice President NIXON. Senator KENNEDY voted against the McClellan bill of rights.

(b) Hot cargo: A very limited amendment was adopted on the Senate floor which would have outlawed only some of the Teamsters Union hot cargo contracts. Hot cargo is only one of the secondary boycott loopholes.

(c) Other secondary boycotts: Senator KENNEDY opposed efforts made on the Senate floor to close the other secondary boycott loopholes.

(d) Blackmail picketing: Senator KENNEDY opposed amendments offered on the Senate floor which would have dealt effectively with this deadly weapon used against the small businessman and his employees. The Senate finally adopted a very weak provision which was hardly more than a restatement of existing law.

Third. The Landrum-Griffin bill, as it passed the House, among other provisions (a) contained a meaningful bill of rights for union members; (b) required all unions to report; (c) outlawed all hot cargo agreements; (d) closed all the secondary boycott loopholes; (e) dealt effectively with blackmail organization picketing; (f) provided a realistic and workable solution for the no man's problem.

Fourth. The Senate-House conference adopted the House-passed bill with only a few modifications and clarifying amendments.

Which bill did Congress pass?

In my judgment it was the Griffin-Landrum bill.

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, the righteous indignation with which the gentleman from Ohio [Mr. AYRES] rises to discuss Mr. James Carey's letters to the Congress, does the gentleman from Ohio credit. It is always a good thing when the Congress of the United States witnesses such moral fervor. A sense of outrage, a bit of anger is a healthy thing.

In short, Mr. Speaker, I was delighted to hear the fervor with which the gentleman from Ohio denounced the efforts of James Carey who suggested to Members of Congress who voted for Landrum-Griffin that they were, in fact, casting an antilabor vote—one which could be held against them by labor.

Mr. Speaker, it may be that I do not appreciate double standards, or it may be that there is a new House rule of which I am unaware, which says that only labor can be criticized for pressure mail and for lobbying in its own interest. If I am violating such a rule, I ask your pardon and the pardon of the distinguished gentlemen who have told us of their sense of outrage at Jim Carey's letter. If there is no such rule, I wonder why it is that so little of this fine moral sensitivity has been expended upon such outrageous lobbying tactics as those, for example, used by the chairman of the Republican National Committee. That gentleman, Mr. Speaker, frankly and unblushingly described his lobby techniques, and his comments were reprinted in the Washington Post—the day after the vote, of course. Under unanimous consent, I include the news story to which I refer at this point in my remarks:

MORTON SUGGESTS FEDERAL INSTALLATION CLEARING HOUSE

THRUSTON B. MORTON, chairman of the Republican National Committee, sees a need in the Eisenhower administration for a clearinghouse to review proposed closings of Federal installations.

He said yesterday the party is trying to "get a setup, I don't know whether it will be in the White House or not, where if any installation has to be closed they will let somebody with political savy look at it."

"If the action can just as well wait until after an election, let us do that," he proposed.

But MORTON urgently felt the need for such a clearinghouse Thursday. He said he was trying to persuade two Members of the House, both from labor districts, to support the administration's labor bill. One declined flatly, claiming it would be political suicide. The other reluctantly agreed.

Before the day was over, MORTON related an announcement was made that a Federal installation would be closed in the district of the Member who was supporting the bill and that a new installation would be opened in the other Member's district.

"We got to that one just in time and got it straightened out," he added.

I understand similar pressures were used at the time of the vote to override the veto on the public works appropriation bill.

Now, Mr. Speaker, I do not suggest that the chairman of the GOP National Committee should not have lobbied for Landrum-Griffin. The punitive provisions of that bill—happily left behind on the floor of the conference committee—fully expressed the antilabor attitudes of the members and the backers of the Republican Party. As chairman of the national committee, that gentleman had a duty to lobby for the legislation for which his party stands. So I do not criticize the distinguished gentleman from Kentucky for doing the job to which he was assigned by his party and his President. If, as Members on the other side of the aisle have admitted, they have been threatened with being replaced in their own primaries if they voted against Landrum-Griffin, this may cause some concern. But I do not believe that any Member on either side of the aisle has voted as he did on this controversial issue because of fear of electoral reprisal. I do not think, however, Mr. Speaker, that the use of Federal installations—the opening and closing of such installations in a Member's district, is a proper way of "persuading" a Member of this House that a party-sponsored bill is necessarily sound legislation. In the light of the statements by the able, active, and effective chairman of the GOP National Committee, I am certainly moved to congratulate the Members opposite who voted against Landrum-Griffin, for the courage which they demonstrated. It is my sincere hope that these courageous Members of the opposite party will not have too many installations closed in their districts, and that their opponents in the coming primaries will not be too openly supported by the administration. I think we can hope for a little finesse, at least.

Thousands of letters have been received in recent weeks on the labor-management reform bill. The pressure mail on Landrum-Griffin demonstrated clearly the truth of the statement of the Senator from Arizona, who was one of its strongest backers, Mr. GOLDWATER, when he said, "To the people of the country, Landrum-Griffin is the bill they want, even if they don't know what is in it." Landrum-Griffin, Mr. Speaker, was the beneficiary of a vast amount of pressure letters signed by people who evidently did not know what was in it, but directed and inspired by people who knew exactly what was in it.

This propaganda was successful beyond the wildest dreams of the professional lobbyist. Big business pressure groups sold the Landrum-Griffin bill to the people and to the House on the specious grounds that it was tougher on racketeers than were the other bills at hand. These lobbyists, Mr. Speaker, deserve to bear a little of the righteous indignation which my friend from Ohio has heaped upon Mr. Jim Carey.

It is certainly true that pressure from Hoffa's lobbyists was just as intense and just as carefully inspired as was pressure from the management side. But much has been said about labor pressures and little has been said of the other pressures.

Last night I leafed through my voluminous files of correspondence on the labor bills. I have extracted from those files, without any difficulty, a few of the more overbearing examples of pressure mail. These are not, by any means, all the letters of this type that I have received. But they are typical. They are typical in that they combine an assertion that I will probably vote as labor dictates but with a firm insistence that I must vote as their—not my—conscience directs. In several of these letters, Mr. Speaker, you will notice a thinly veiled threat—or an unveiled threat—in regard to my political future. And, for the most part, they display either a complete ignorance of what was in the Landrum-Griffin bill, or complete indifference to its effect upon the people of this country. These are the letters which are supposed to reflect public demand. These are the reasonable, thoughtful, persuasive letters which the gentlemen who have been so indignant about Jim Carey have consistently forgotten to mention.

It is time for anger, Mr. Speaker. It is time for anger when a miller in Illinois can be so arrogant as to refer to the House of Representatives as "yellow-bellied mollycoddles" because some of us do not share his antiunion sympathies. Under unanimous consent, I include his letter at this point in my remarks:

DEAR MADAM: Last night I listened to President Eisenhower make his appeal to the American people to support the American way of life on labor legislation.

We are getting in a pretty sad state of affairs when our President has to go to the people, and in effect, tell them our lawmaking bodies are made up of a majority of "yellow-bellied mollycoddles," hamstrung by labor hoodlums, so that they cannot or will not think for themselves or the people that they represent.

The American people and I have been fully aware of this ever since the beginning of the excellent exposé of Senator MCCLELLAN'S committee, but it is rather revolting to have to write an American lawmaker and ask him to vote American.

I hope this shoe does not fit you—but if it does, I plant it on your foot as solidly as I know how, and ask you, if you cannot support the administration's labor reform bill, or the Landrum-Griffin bill, then please give your American constituency the common decency of resigning so that they may be honestly represented.

Yours very truly,

_____ _____.

It is time for anger, Mr. Speaker, when one of the spokesmen for the union busters frankly states that their objective is to have "all the labor leaders yelling from their cells." Under unanimous consent, I include this letter at this point in my remarks:

Dear MRS. GREEN: I am extremely disappointed with your position on the Landrum-Griffin bill. The bill in my opinion is not strong enough, and until we pass bills that knock some of our labor leaders off their pedestal we are going to continue with the corruption that is plaguing our United States. Unless your position changes you will never receive my vote or the vote of many others I know.

I urge you to pass a bill so strong all the labor leaders will be yelling from their cells.

Sincerely,

_____ _____.

I began by saying I was delighted at the demonstration of righteous indignation displayed by my friend from Ohio—but I wonder if we can get 100 or 75 or even 50 of our Republican colleagues to join us on this side of the aisle in directing some righteous indignation at the mobs of yelling cowards who line up by the hundreds to frighten 9 schoolchildren, or in other towns who return at night under the cover of a grimy sheet and the cloak of darkness to throw bombs at synagogues and schools. I am sure the gentleman will not begrudge me the exercise of some indignation at these betrayals of the public interest.

But where is the evidence of congressional intent to act to stamp out these instances of violence, these attacks upon democracy? Just about 2 weeks ago, I asked if the President intended to plead as eloquently for legislation in the

field of civil rights as he had pleaded for punitive labor legislation. I have heard no answer from the President or from his lieutenants in the Congress.

Are we so hypnotized by N.A.M. propaganda that we think violence in the field of labor relations is somehow more objectionable than the violent denial of constitutional rights? Are we so confused by the pressure politics which have been played by the antilabor forces of the country, from the President on down, that we think it is more improper for a union official to dip his hand in the till than it is for a corporation to engage in transparent tax dodges? Mr. Speaker, have the "budget balancers"—who oppose any bill to combat juvenile delinquency—have they persuaded us that violence in a union meeting is a greater threat to the Nation than violence in a juvenile gang war?

Mr. Speaker, during these last several weeks I have joined my colleagues in the committee and on the floor in arguing for a labor-management reform bill. It is needed. And I intend to support the conference committee bill—not because it is perfect. It is not, and there are two main provisions I hope we will change next year.

But the good parts—the necessary parts of the bill far outweigh the bad provisions. And it will at least equip the American people to chase the crooks from one segment of the Nation's economic bloodstream. I sincerely hope, with perhaps more optimism than realism, that the high moral fervor which possessed this House when we were riding down crooks in labor and management, when we were legislating against violence in unions, when we were crusading to protect the secret ballot in unions—I hope, I say, that this high moral fervor will still be present when we turn to civil rights legislation—to legislation to eliminate violence as a mode of race relations, to legislation to guarantee any ballot at all, much less a secret one, to colored Americans in States where they are denied the ballot. I hope the fearlessness which motivated the backers of the Landrum-Griffin bill will be in evidence on this floor when those civil rights bills are before us. I would certainly want to see those rumors about a deal on civil rights put to rest once and for all.

Mr. BARDEN. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Speaker, the battle is over. I do not think there is a Member on this floor who does not know what the vote is going to be. The record has been made. I have made my record and I am ready to stand by it. It is based on conscience and my district. For those of you who have not had the chance to ask me how I am voting, I am here to tell you. On the eve of Labor Day, the day set aside to honor the free American worker, I am not going to join those who stand with a loaded gun at the head of labor and a knife at its heart. I am voting against the adoption of this conference report because I think there are still things in title VII that are inimical and dangerous to the welfare of the working men of this country and, in the long run, dangerous to the welfare of this democracy.

I say to those of you from the North and the West who are inclined to join in the skulduggery that has been perpetrated by those who over the years have fought labor and whose States in a certain area, State after State, have statutory prohibitions and roadblocks against the organizing of people, do not be surprised if you see your industries moving to cheap labor areas where labor organizations will be prevented from organizing the workers.

I think the cat was let out of the bag here on this floor today when a couple of speakers who preceded me said, "This is just the first step." That is all this is, the first step to throttle free labor in this country; and then come in with a national right-to-work law, with the application of antitrust laws to all trade unions, with a prohibition against organizing in public utility fields. And no matter what concessions labor may make, these are the goals of those who do not want free and organized trade unions in this country.

I have made the record. I ask nobody to vote as I vote. But I call some of these things to your attention so you may know what the future holds.

I am against the conference report because I think it is not in the best interests of labor or the country.

Mr. Speaker, the conferees have brought back a report that is not as stringent or as vicious as the Landrum-Griffin bill. Like others I commend all the conferees for their efforts, but I cannot find it in myself to compliment them on the result. Let me make a few specific points of the weaknesses of this report as a law.

I think, Mr. Speaker, that some of the comments made in reference to this bill are more revealing than anything that was said by its advocates during the debate of last month.

Here, and in the other House as well, we have heard the principal supporters of this measure describing it, as I said, as a "first step"—to be followed, in due time, by placing unions under the antitrust laws, by the prohibition of nationwide or companywide bargaining, and so on.

I presume that all these remarks will be duly printed in the CONGRESSIONAL RECORD. If they are printed as they were uttered, I can only express my regret that the RECORD does not penetrate into every American household.

Now, at last, the real objectives of the so-called reformers are laid bare Now, at last, they admit that their goal is not the elimination of the crooks, but the destruction of trade unionism.

They are quite right when they call this bill a long step toward that objective. However, they are wrong when they call it a first step. The first step was the Taft-Hartley Act, adopted in 1947. This is a second step in the same direction—the wrong direction for labor and for America.

Mr. Speaker, as the author of a reform bill that this House rejected—the only bill, in my opinion, that punished the guilty instead of the innocent—I want to set before the House a few simple facts.

The first fact, the one that so many of us have forgotten, is that the U.S. Government is committed, by act of Congress, to the encouragement of collective bargaining.

That policy was established in the Wagner Act. It was specifically upheld by Chief Justice Hughes, a Republican, in the Supreme Court decision that declared the Wagner act was constitutional. The same policy is repeated in the preamble to the Taft-Hartley Act.

I challenge the supporters of this bill, and those who speak so bravely of the other measures that will follow it, to state, openly and honestly, their real intentions. I challenge them to seek a reversal of our national policy—to reject the principle that collective bargaining is good for the country.

That's what they believe; and I dare them to say so.

I have no fear, Mr. Speaker, that any of these gentlemen will take up the challenge. They will continue along their established course, paying lip-service to collective bargaining, while they do everything in their power to prevent it.

This bill, Mr. Speaker, is one of the steps on that course.

It is a bill replete with sins—sins of commission and sins of omission. And that is why, with all due respect to the conferees of both Houses, I cannot support it.

Let me try, as quickly as possible, to summarize the sins which this bill commits against the honest, legitimate labor movement.

First, it combines with the Taft-Hartley Act to freeze the labor movement at its present size. That is the meaning and the purpose of its restrictions on the right to picket.

Do we in this Congress really believe in that proposition? Do we really want to say to the unorganized workers, "You came along too late—you can't join a union"?

Do we want to say to the labor movement, the organized workers, "You can't have a peaceful picket line to tell the public about nonunion goods"? Do we want to forbid union members from taking a united stand against sweatshops and strikebreakers?

When you take the picketing restrictions in this bill, both as to organization and as to secondary boycotts, that is what we are doing.

We are telling the country that 15 million union members are all that we will allow. We are reversing, by subterfuge, what this House would not dare to reverse by direct action—the right to organize.

Second, this bill makes new rules for the "no man's land," the area which the present National Labor Relations Board refuses to govern.

I suppose it can be said that the bill does not make matters any worse. The "no man's land" was created by the present NLRB. It represents the philosophy of the present administration, that only big companies, and large groups of workers, are worthy of the Government's

attention and entitled to the equal protection of the law.

Mr. Speaker, it was the duty of the Congress, and especially of this House, which is closest to the people, to correct the administration's error. Instead of correcting it, we are confirming it. We are relegating many thousands of workers to the conflicting or nonexistent agencies of the 50 States. We are creating a class society within labor, with the dollar sign as a password.

Third—and I am reluctant to try my hand at such a technical point—we are placing union officers in a "fiduciary" relationship to the members. That has a nice, responsible sound to it. The word smells like the inside of a Boston bank, full of tradition and respectability.

But what does it mean? It means that any member can challenge, not the honesty of the union officers, but the wisdom of the membership, with the officers holding the bag.

Let me draw a parallel. Let us suppose that this House voted a loan of $100 million to the Government of France. If we were bound by this bill, the President of the United States, the Secretary of the Treasury, and—in all likelihood—many others in the executive department could be sued by any citizen, not because the action was illegal, but because in the opinion of one citizen it was unwise.

In such a case the judgment of the courts would be substituted for the judgment of the people's duly elected representatives. This bill would do exactly that in the case of the labor movement.

Mr. Speaker, these are only a few of the iniquities and inequities of this bill, which I am well aware is about to be enacted into law. Rather than continue this recitation, I want to return, very briefly, to the motives of those who have supported its most controversial terms.

The hard core of this group, the ones who made this legislation possible, come from an area of our country which is lowest in average income, lowest in educational standards, lowest in social benefits of all kinds, and lowest in degree of union organization.

I say this, not in criticism of the area or its people, but out of my compassion for them. I think it is tragic that the business leaders in that area, and those who represent them in Congress, are convinced that they can move ahead only by lagging behind; that they can develop the industries they need only by appealing to sweatshops, strikebreakers, and wage cutters.

It is my hope that my friends from the South will see the error of their ways before too many years have passed. In the meantime, however, we as a Nation cannot afford to indulge them in their mistake. We cannot afford to be dragged down to their economic level. Yet this bill is another step in that direction; another triumph of reaction over progress.

To put it another way, this is a cheap labor bill. And cheap labor is bad for those who seek it, bad for the South and bad for the Nation.

I think it is especially unfortunate, Mr. Speaker, that we should be adopting this bill on the Labor Day weekend. By our action we are rejecting the meaning of the holiday itself. In a sense, perhaps, we are making this 1959 Labor Day memorable; and I am sure it will endure in history as the low point of our times, the day when an unholy alliance of the National Association of Manufacturers, the chamber of commerce, the Republican Party and the southern defenders of perpetual poverty triumphed over the rights of man.

Mr. Speaker, I have spoken today from the heart, out of my deep convictions with regard to this bill. I have left to a later date a legal and technical analysis of its terms. I feel that this occasion was not one for statistics; but I assure you the statistics bear me out, and I shall ask leave to enter them in the RECORD at some future time.

I know it would be fruitless for me to appeal for a vote against this bill. So I will close by predicting with utter confidence, that time will prove my point; and many of those who supported this measure will live to acknowledge their mistake.

Mr. BARDEN. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Speaker, my remarks will be very brief. As one of the House conferees, I prepared a report which was put in the CONGRESSIONAL RECORD yesterday, and which will be found on page 18021. The report summarizes the settlement of the conferees on important points of difference between the Senate and House bills.

Mr. Speaker, I wish to pay tribute to, and indicate my profound respect for, the distinguished gentleman from Georgia [Mr. LANDRUM]. I pay tribute also to the chairman of our committee, the gentleman from North Carolina [Mr. BARDEN] and to the ranking minority member, the gentleman from Pennsylvania [Mr. KEARNS], who have provided outstanding bipartisan leadership to make possible enactment of this legislation.

As one conferee, I pay tribute also to the junior Senator from Massachusetts, Senator KENNEDY, who, as chairman of the conference, presided over the long and difficult sessions with fairness.

I believe that the conference reached an agreement which retains substantially all of the House bill, with but a few modifications and clarifications. I commend the bill agreed upon to my colleagues as a fair and effective bill that will go a long way toward cleaning corruption out of some unions and will help the honest and legitimate unions to grow stronger and to flourish.

In response to a remark made by the gentleman from California [Mr. SHELLEY], I should like to say, as far as I am concerned, as one member of the Committee on Education and Labor, particularly in light of the passage of this bill, that I am definitely against a national right-to-work law. This bill will help rank-and-file union members by guaranteeing freedom and democratic rights which they so desperately need and must have to maintain control of their unions and to run them properly. While I would oppose a national right-to-work law, that is not to say, of course, that there is no need for further legislative study in the labor-management field.

Mr. Speaker, I humbly but earnestly urge my colleagues in the House to vote for this conference report and to pass this bill which will mark a great victory for the American people and for the working men and women of our country.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. GRIFFIN. I yield.

Mr. PELLY. Mr. Speaker, my friends in organized labor entertained serious fears as to the provisions of the Landrum-Griffin bill. I believe that many of the causes of their objections have been overcome by the diligent work of the joint conference committee of the House and Senate.

For example, labor was unhappy with the 30-percent membership requirement on organized picketing. I am sure the new provision is an improvement and will not ban their long-established right of informing the public.

I have supported personally the legalizing of prehire agreements in the building industry, so that by adopting the Senate version in this respect the Landrum-Griffin bill has been improved, to my way of thinking. With the on-site picketing legislation which has been promised for early action in the next session, I am told the building trades are satisfied with this section of the report.

Just how much redtape will be required in disclosure of union financial operations I do not know. We can hope the rule of reason will prevail in the administration of the law.

There does not seem to be too much controversy over protection of rights of union members and establishment of democratic procedures. At least, I am assured that only where improper activities and practices exist need there be any serious fears of this compromise bill.

There has been a tremendous public demand for a labor bill. I am always dubious about legislation which is enacted in times of national stress. However, in this case the conferees have included qualifications and exemptions in the harsh boycott and picketing sections, so that I do not think the labor unions will suffer unduly by anti-Hoffa sentiment.

As the best legislation that can be worked out, I support the conference report and urge prompt and favorable action.

Mr. BARDEN. Mr. Speaker, I yield such time as he may require to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, I would like at the outset to pay tribute to my fellow conferees, and to those of the other House for their work on this bill. They labored with great diligence and with the utmost patience under the most difficult circumstances. Not only is this a very complicated bill; but for every one of its complications there were a

half dozen different shades of opinion among the committee members.

I say with complete sincerity that this is a far better bill, both technically and in substance, than the one which left this House 2 weeks ago. For this achievement my colleagues deserve the applause of the House and of the American people.

However, Mr. Speaker, even though I recognize the dimensions of the accomplishment, I did not sign the committee report. It is a better bill, but it is still a bad bill. It is still a measure that punishes the innocent for the sins of the guilty. It still aims its heaviest blows, not at the crooks in labor and management, but at the freedom of workers to organize and bargain collectively.

I wish to state that I have supported legislation in committee and on the floor of the House that had all the necessary provisions to eliminate the crooks, racketeers, and goons from the labor movement, but at the same time would have preserved the legitimate rights of trade unions.

The bill which I favored would have prevented the repetition of the wrongdoing which the McClellan committee so diligently illustrated. Let me remind you of some of the provisions which the bill that I supported contained:

It would have guaranteed members rights in unions, assuring them the right to vote and elect union officers, protect them from unfair disciplinary action and would give them a right to sue on union matters in courts.

It would have required full disclosure of union finances. This would have stopped the Becks from dipping their hands in union tills.

Embezzlement of union funds would have been punishable by 5 years in prison.

Criminals would be barred from holding union office until citizenship rights had been restored or for a period of 5 years after they served their jail sentence. This would have kicked out many of the present racketeers who are in union office and would prevent the repetition of unions being taken over by goons and racketeers.

The bill that I supported would have prevented union officers from engaging in businesses which constitute conflict of interest with their duties as representatives of the members in collective bargaining.

This bill would have required secret election of officers. I believe that once a union member would be given an opportunity in racketeer-dominated unions to vote for honest officers, the crooks would be kicked out in the next election. I have consistently supported legislation to correct the intolerable situation that now exists in a few unions.

To digress for a moment, I think it is ironic that we found ourselves in substantial agreement, in principle at least, on virtually every point that actually involved reform. Where we differed was on the application of new and stringent restrictions upon the legitimate functions of legitimate trade unions.

For instance, in this bill we place a 30-day limit on organizational picket lines. We bar any picketing at all for a year after a union has lost a Labor Board election. One would automatically think that the application of this provision would mean what it says and apply equally to all unions. But here is where the so-called no man's land created by the National Labor Relations Board in this administration applies. This no man's land is a typical big-business concept—the concept that some companies and their workers are not entitled to the full protection of the law and the full resources of the Federal Government because they are too unimportant to bother with.

For my part, Mr. Speaker, I reject that concept. It is an offense against our moral principles as well as our democratic heritage. On Sundays we may be taught the importance of the sparrow in the field; but on weekdays, under this concept, we are to erect a dollar qualification in the path of workers' rights.

How does this bill resolve the matter? Not, as many of us urged, by insisting upon equal justice for all. No, this bill joins the National Labor Relations Board in casting out this same group of workers, in the forlorn hope that the various States will take care of their needs.

I say that every worker who wants to hold a union card and join in collective bargaining with his employer is entitled to the equal protection of the law, regardless of the size of his company. I am not ready to set up a class society in this country on the basis of the dollar sign.

Any small group of employees seeking to organize, for instance, a business establishment that does under $500,000 worth of business would be subjected to a different set of laws in different States. This will mean that the organizational picketing statute of 30 days would have no application because the Federal law is not applicable. In some States which have strong antilabor legislation, picketing might be stopped in 1 hour without giving the union any chance. In other States with more liberal labor laws, the picketing may continue many months beyond the time provided in the Federal law. We must remember that only 12 out of the 50 States have at the present time a labor relations act and the proper machinery to regulate labor-management disputes. Practically all the other States will resort to the injunction which was quite prevalent before the Norris-La Guardia Act.

The compromise provision to the proposed legislation would allow States to take jurisdiction over all cases over which the National Labor Relations Board refuses to assume jurisdiction. However, the Board will not be able to reduce its jurisdiction even further and the standards that are applicable on August 1, 1959, will remain. In each case the State will be able to apply State law to do the handling of labor-management disputes which are not subject to the National Labor Relations Board. The preferable Senate provision, which would have required the States to apply Federal law even in cases where the National Labor Relations Board ceded jurisdiction, was deleted by the conferees, over my objections. Under the Senate provision the appeal from the State courts could have been taken to the U.S. Supreme Court which would have made it mandatory that the Federal law would be applicable.

Real blackmail picketing aimed at coercing the employer into a payoff or a "sweetheart" contract is covered in another section, which I heartily support. In fact, such picketing is now illegal under both Taft-Hartley and under the Hobbs Act.

During the deliberations in the conference committee, I offered an amendment that would have exempted local unions with less than 200 members from the requirement to file reports. This appears to me a basically fair provision. When it comes to business, we exempt enterprises with less than $300,000 assets from filing SCC reports. But small local unions and lodges with the most limited assets must file detailed financial reports. A few miners in a local union or a handful of railroad workers in a remote station having no paid officials will be imposed upon to file reports which will require a CPA and a lawyer to complete. The small unions, unable to exist, will have to consolidate into large unions. Areawide bargaining will take the place of local bargaining. This is hardly what management wants. It may not be in the public interest. How much thought has been given in the bill to these and related matters?

A number of union officials and a few unions have definitely stepped out of line in their activities with the result that the need for a labor reform bill was obvious. I have consistently supported sound labor reform legislation and will continue to do so. However, I do not feel that true labor reform legislation should contain other punitive provisions. I feel the labor movement as a whole is a great force for good, perhaps the most powerful champion for progress for all the people in our Nation today.

Considering the bill as a whole, I will vote in the negative.

Mr. BARDEN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, after the vote in the other body, it will, of course, be very difficult for those who vote against the conference report not to be accused of being against everything in the conference report. There are some things which, however, I am sure any fair minded person would agree with. On the other hand, I heartily endorse the remarks made by my colleague from California [Mr. SHELLEY]. I think for those of you, if there be any, who have not yet made up your minds, I would like to call specific attention to the no man's land provision, which even my good friend, the gentleman from New Jersey, admits he has reservations about. This is a further extension of section 14(b) of the Taft-Hartley law which allows State right-to-work laws. It will provide one standard for the rich unions and another standard for the poor unions. It will create confusion as to the law throughout the land.

I would refer you, also, to pages 27 and 28 of the report as to secondary boycotts

and recognition picketing. In my humble opinion, there could be written no language which is more unconstitutional than to deny the right to picket for informational purposes. I sincerely believe, if you read this language, which says you can engage in that kind of picketing so long as it does not induce somebody to prevent others from having access to a plant or company, you will quickly recognize that no organizational picketing in actuality is going to take place in the future in this country.

Let me explain, as briefly as I can, what I mean. The so-called clarifying language that came out of conference is, in my opinion, not a compromise, as is widely hailed, but is actually a semantic bribe. And no better proof exists than in the very language contained in the bill as reported by conference.

In the matter of recognition picketing the language sets forth conditions under which picketing is not permitted. Then a proviso is added that these anti-picketing provisions shall not be construed "to prohibit any picketing or other publicity for the purpose of truthfully advising the public—including consumers—that an employer does not employ members of, or have a contract with, a labor organization." This sounds better than the provisions of the Landrum-Griffin bill as passed by the House. That is, it sounds better until your read on, because the sentence then continues "unless an effect of such picketing is to induce any individual employed by any other person in the course of his employment, not to pick up, deliver, or transport any goods, or not to perform any services."

Now, Mr. Speaker, one does not have to be a lawyer or legal draftsman to see how empty and meaningless this so-called compromise language is. Surely, one can readily see how a primary employer could break such informational picketing. All he would have to do is get a fellow employer, not kindly disposed to trade unions, to instruct his secretary—say—to refuse to deliver a message to the primary employer on the pretext that her service would violate her conviction aroused by the picket line. And there you have it. The picket line would be declared unlawful. Under the provisions of the bill, this informational picketing would have to stop.

We are faced with the same language gimmick—another so-called compromise—regarding the secondary boycott provisions. Secondary boycotts are prohibited with a qualification—a conference achievement, supposedly—that is intended to offset a complete violation of the constitutional right of free speech.

And what is this language gimmick? It is this: the anti-secondary-boycott provisions have presumedly been made more acceptable by adding the language that a union can carry on publicity, "other than picketing, for the purpose of truthfully advising the public, including consumers and members of a labor organization, that a product or products are produced by an employer with whom the labor organization has a primary dispute and are distributed by another employer, as long as such publicity does not have the effect of inducing any individual employed by any person other than the primary employer in the course of his employment to refuse to pick up, deliver, or transport any goods, or not to perform any services, at the establishment of the employer engaged in such distribution."

Here again, Mr. Speaker, the anti-union employer can easily arrange, without much fear of detection for the interruptions of the services belonging to a secondary employer and claimed to be so interrupted as the result of the union publicity campaign. The result would be that a union advertisement would suddenly be in violation of the law.

Singled out for exception to the strict hot cargo provisions are union organizations in the garment and building and construction industries. This is discrimination in reverse. While I am personally pleased to see them taken out from under what I consider highly questionable constitutional provisions, I cannot accept the premise that certain trade union groups—in either good or bad legislation—should be treated apart from the rest of the trade union movement. It is unfair to the trade union movement as a whole. I wish to emphasize a very telling fact that many legal problems lie ahead, not only for labor, but for management. The need to exempt two given trade union groups is the best argument I know to prove this point.

The secondary boycott and recognition picketing provisions play off worker against worker. And I thought this legislation had been championed by its advocates as the savior of the worker. Far from it. It is a bill designed to give employers and employer groups Government-approved tools by which they can dissipate union activity where it already exists and to prevent unionization in the cheap labor areas of the South. This, of course, is to the detriment of unionized industry in other sections of our Nation.

How ironic it is that in this Congress we have heard cries of despair that imports, produced by cheap labor abroad, are threatening domestic industries; but this hue and cry suddenly loses its color and vibrancy when these selfsame facts are turned toward the domestic scene where tariff protection does not apply.

Let us face it. This bill will accelerate the movement of industry from the industrial States of the North, Middle West and West to the low-wage areas of the South.

Mr. Speaker, on August 17 I listed a few of the pertinent reasons why I felt the Landrum-Griffin bill as passed by this body was not a labor management reform measure—which I sincerely sought—but a union-busting measure at its worst and a union-harassment measure at its best. I do not think the Conference Committee has come out with a bill that substantively changes the features I then listed.

I have already discussed "no man's land," secondary boycotts, and hot cargo, and recognition picketing. I think the record should show that other points I made at that time are equally valid today and are further proof that it is misleading to call the conference report a compromise,

First. It still imposes undue expense on the small union in its reporting requirements, and only by having the Secretary of Labor review some 40,000 cases will any of them be granted an exemption. Obviously, few, if any, will be exempted.

Second. It still contains completely inadequate reporting provisions for employers, thus failing to get at the Schefferman-type middleman.

Third. It still contains a bond provision automatically eliminating most of the eligible bonding companies, both within and outside the United States.

Fourth. It eliminates any provision that an employer's unfair labor practice may be used as a defense against a charge of illegal picketing.

Fifth. It fails to grant equal opportunity for membership in, and equal rights within, a labor organization regardless of race, color, or creed.

The right of economic strikers to vote in representation elections presumably reflects a better position than the Landrum-Griffin bill, since it was agreed in conference that such strikers can vote during a period of 1 year after a strike commences. Obviously, it would be to the advantage of a struck employer not to seek an election, following the hiring of strikebreakers, but rather to wait out the year, form a company union with the strikebreakers, and then demand an election which would result in decertification of the union whose members are on strike. Here again, we get an example of the alleged concern for the individual union member. Just another irony.

One final comment I believe is in order, Mr. Speaker. I wish to commend my colleagues, Mr. LANDRUM and Mr. GRIFFIN, for their honest statement in their press release which was issued following the agreement by the conferees. They stated:

> The bill as agreed to by the conferees after 12 days of exhaustive discussion, is basically the Landrum-Griffin bill with a few clarifying amendments.

They also commented:

> The language of the bill agreed upon by the conference follows our original pattern with only minor adjustments.

I heartily commend them for stating it in this direct and honest fashion rather than stating that a compromise had been reached.

With the President's signature assured, I can only hope that those responsible for the administration of this law will act with objectivity, common sense, and understanding of the proper purpose and objectives of the trade union movement. If this is not done, I think that we should go all the way and abolish Labor Day.

Mr. KARTH. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. KARTH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KARTH. Mr. Speaker, it is with a deep sense of responsibility that I rise

in opposition to the conference report on the Landrum-Griffin bill.

I am well aware of the fact that there is need for labor reform that will rid the labor movement of crooks, racketeers, gangsters, and other illegalities. I have introduced a bill that will do this better and more effectively than the bill now before us. It is with my sincere regret that the Rules Committee originally reported a semiclosed rule which allowed but two substitutions. With that rule I supported the Shelley bill and will support it now. The Shelley bill and the Karth bill were nearly identical.

While I support labor reform, I cannot, however, stand idly by and vote for a measure that will slowly but surely annihilate many small businesses and most, if not all, small unions.

There is not one northern legislator, Republican or Democrat, who should support this measure. This bill will kill unions in the South without any doubt. I say as conscientiously as I can and with the utmost of conviction that organization in the South will be stopped dead in its tracks. It is tragic that where the standard of living needs lifting the most, where the economy shamefully drags on the progress of our entire Nation, is where the people are destined to suffer most and fastest. But that is not the purposeful end result. As the South kills the attempts of organized labor to help people shed the dregs of misery, giant industries will move to locate in those areas. Then with cheap labor for the giants let those who cannot afford to move "lock, stock, and barrel" try to compete. Small business and small industry in the North shall die on the vine like a water-starved flower in the desert. The workers of the North will starve along with small industry and small business as the South becomes industrialized.

During this transition period, small unions will be forced to join large international organizations. They will be so forced because of the impossible burdens placed upon them in addition to the legal and technical entanglements that only a lawyer or large, well-versed labor organization could provide. This, then, will in time give the enemies of organized labor great ammunition to propose antitrust legislation which will outlaw international unions. With the large internationals splintered to pieces, and with a situation existing making it impossible for small unions to survive, the end of life may very well come to the labor movement and in all probability will. Senator GOLDWATER has already publicly declared his intentions on union antitrust laws. The stage is set, the die is cast, and the fight for survival begins for small business, small labor, and labor in general as soon as this bill becomes law, if it does.

The Secretary of Labor, Mr. Mitchell, last night said the law will be enforced reasonably and with fairness. I expect this to be true until after the 1960 elections, where, if an anti labor, anti small business or anti small industry Republican administration is elected, the worm would be turned quickly, brutally, and disastrously.

This conference report on Griffin-Landrum bill, as the authors proclaim, even violates the basic fundamentals of freedom of speech.

As time goes on I feel eminently secure with the thought that a "No" vote on this bill will be the one to save posterity.

Mr. BARDEN. Mr. Speaker, I yield 7 minutes to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Speaker, I feel that this is a most historic day because we—each of us—can say that he or she was a Member of the 86th Congress that had the courage and stability to pass the labor reform bill. I doubt whether many of you realize that we held hearings for months, and it is interesting to know that the conferees were in session for 22 days. I called upon the Library of Congress and asked them to do a little research for me on the length of conference sessions. I find this was the third longest session in the history of the U.S. Congress. The longest was in the 81st Congress on the Army Civil Functions bill. That was a 4-month conference. The next was in 1949 when the conferees on the Executive Reorganization Act were in session for 1 month. Your conferees on this bill sat 22 days, which makes it the third longest in the history of the Congress.

I want to pay particular tribute to the Committee on Labor, to my chairman [Mr. BARDEN], and to every Member on the other side of the aisle, and to the 10 men on my side, and to the sponsors of this bill, Mr. LANDRUM and Mr. GRIFFIN; but beyond that to those who served as conferees, sitting mornings and afternoons, trying to work out a compromise labor bill.

It was not easy, and I know that each and every one of the conferees could stand up and verify what I am going to say: Time and time again we were ready to break up and not have a bill, but then there was that good Member, whether he be Democrat or Republican, that staved off such a situation and we stayed there and worked out a bill. Now, when we go home, and I know we will, a week from tomorrow, we will say that we passed labor reform legislation that the people of this country can live under.

And will it not be wonderful to walk up and down the main street—highways and byways—and say "The Congress of the United States has acted."

And then, Mr. Speaker, I want to pay particular tribute to you. I want to pay tribute to Mr. MCCORMACK, the majority leader; I want to pay tribute to Mr. HALLECK, the minority leader, and to all the others who helped so much. This was a team play for America—this labor bill.

And when we wrap this up with the vote, and I know it will have an overwhelming majority, we can go home and say: "Mr. and Mrs. America, you can live with the labor reform bill of 1959."

Mr. BARDEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Speaker, those of you who are a little in a hurry to vote might reflect somewhat upon history and recall to your minds the stories of the Roman amphitheater when the patricians sat in all their glory and luxury casting the deciding vote on the death or life of the slaves. Let us take our time on this the eve of Labor Day, on this job that is about to be done.

One wonders this day, whether the real meaning of Labor Day has not been completely forgotten during the dying days of this session of Congress.

What can labor be thankful for? Can it be jubilant about the Landrum-Griffin bill?

Can it enjoy the new place it holds in the sun where all of the slander, propaganda, and vicious attacks have put the entire membership of organized labor?

Can it be happy in knowing that when the chips were down, many of their so-called friends turned their backs and slipped the knife blade into labor unity?

Can labor be happy with the dismal record of this Congress with the economic and welfare legislation it failed to pass for the continued economic well-being of the worker and his family?

Can it reflect this Labor Day with joy upon the coming visit of the Boss Communist Khrushchev, and remember still the McCarthy hearings and the condemnation by association even if a labor leader said "Hello" to a Communist?

Can labor wonder why the steelworkers, glassworkers, rubberworkers, and 90 percent of all the unions are treated as stepchildren while a few unions are treated as citizens under the Landrum bill?

If labor wonders today whose Labor Day it is, just let them read this from the chamber of commerce:

> The efforts of groups such as the chamber's governmental affairs committee are beginning to bring results, as shown by forcing House passage of the Landrum-Griffin bill to curb labor.
>
> This action should be encouragement enough to spur each of us on to do our part to see that the battle is successfully completed.

Labor Day does not belong to free labor this day. The bands and marching feet of long ago are beginning to feel the dead weight of the chains of regimentation and Government control.

A free labor movement and a free enterprise have made this country the envy of the world. Are we now succumbing to the controlled state idea of communism?

The Honorable Ralph Gwinn, longtime Member of Congress and a Republican had this to say recently:

> Communists do not need nor intend to take us over by armed aggression from abroad. They are taking us over from within and with little resistance.
>
> Communist agents and fellow travelers, who operate our variety of socialism, are now protected in their jobs by civil service, so they continue their subversive influence regardless of which party is in power.
>
> Congress this year clamors more loudly for more government-owned property and less private freedom. The Supreme Court approves. The President compromises between talk of the free economy and approves more expenditures for socialist measures than did Roosevelt or Truman.
>
> The American people, brainwashed so long by Communist-influenced publications, radio, TV, movies, etc., do not know what is happening to them.

In my county if I had said that, Harry Pore of the Monessen Daily Independent would have torn me apart in one of his so-called editorials.

His idea of fair legislation for labor is best exemplified by the treatment he gives his political opponents. That means any Democrat who votes for decent treatment for human beings, regardless of their color, race or creed or financial status.

However, this is not an attempt to answer the drivel he prints because long ago, I learned not to get into a squirting contest with a skunk. You cannot win.

However, this Labor Day it is imperative that the people know the truth about the Landrum-Griffin antiworker bill.

Here is what it does—Harry Pore notwithstanding:

First. It stops a union from advertising against nonunion employers by picketing but they can advertise in newspapers, and so forth.

Second. No picketing by any unions except certain craft unions on construction projects. Why are some unions fish, and others fowl?

Third. No union can write contracts which protect its members from handling non-union-made goods even when said goods are made in a plant where the workers are locked out except garment workers and building trades.

This year, 1959, Labor Day, takes on a new and to many a disturbing meaning.

Historically, this day belongs to labor, a period for enumerating gains made by the workers in their long and continuing economic struggle. Most of us only know the conditions that exist in our own area, in our own employment and in some cases, a rough conception of the situation as it obtains in other areas.

Today, in making this report, I want to cover recent actions of Congress as well as some background information in order that you can have some facts that are not well known.

The problem of labor will be multiplied by the passage of legislation such as the Landrum-Griffin bill.

It is not the things that the bill does that makes it so bad, but rather the rules, interpretations, and Court decisions that will follow its passage.

Legislation is often passed because someone wants to gain an advantage over someone else. Sad but true, too much legislation has selfish interest behind its passage.

Buried deep in the Landrum bill is the hidden, but real threat to the economy of the northern and western highly organized industrial States.

Some 25 years ago, as your State Senator, I headed a committee studying the flight of industry from Pennsylvania. We had a serious problem in our textile and hosiery centers because of the exodus from Pennsylvania.

It was found without a reasonable doubt that the move from Pennsylvania was prompted by inducements offered by the Southern States on the basis of low wages and low taxes.

Now we find a great drive by the South to raid the northern industrial centers aided and abetted by the passage of legislation which can make further organization practically impossible.

Who suffers? Our district and our State.

Who benefits? Southern congressional districts and States.

How? By offering to northern manufacturers a low wage nonunion atmosphere for their plants.

As an example of this, let me quote from a letter received by one of our northern manufacturers from the mayor of a city in Mississippi:

> No one will tell you whom you must employ. All detrimental State laws for industrial operations have been repealed. The closed union shop in Mississippi has been outlawed. Industrial wages are from 50 cents to 95 cents an hour below northern States.
>
> The South has been luring industries from the North by bragging of their tax advantages and free vacant plants and their supply of cheap labor. They want to keep it that way and prevent organized labor from going into the South and raising the living standards, the wages, providing more education for the masses, and improving the general welfare of the citizens of those States. That is their idea of labor reform.
>
> The Landrum-Griffin bill was passed by a coalition of southern Democrats and northern Republicans. The reason is not too difficult to find when you look at the economic picture. The southerners wanted industry and the northern Republicans wanted a political issue. They both got what they wanted on this score.
>
> Congressman LANDRUM comes from Georgia. His State is one of the 19 States which have so-called right-to-work laws.
>
> In Georgia, laws prohibit mass picketing. In Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Texas there is no compulsory law for workmen's compensation. Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, and Texas have no minimum wage law. Arkansas—the home of the "great friend" of the laboring man Senator MCCLELLAN—has a minimum wage law, it is 16 cents per hour.
>
> The Landrum-Griffin bill, as passed by the House, will guarantee the continuation of cheap labor and unbelievably poor working conditions for the workers. The northern Republican Congressmen—who voted for the bill—want to see those same conditions and wages exist in our State and all Northern States by stopping all advances on the economic front by working men and women.
>
> As a matter of information, I present some interesting figures on annual per capita income and the rejections by the armed services of draftees from these States:
>
> *Per capita income for 10 southern right-to-work States for 1958*

Alabama	$1,359
Arkansas	1,228
Florida	1,876
Georgia	1,487
Mississippi	1,053
North Carolina	1,384
South Carolina	1,218
Tennessee	1,439
Texas	1,814
Virginia	1,674
Pennsylvania	2,127

> *Percentage of draftees disqualified by mental and physical tests for 1957*

Alabama	42.6
Arkansas	32.1
Florida	31.3
Georgia	37.0
Mississippi	49.9
North Carolina	32.4
South Carolina	49.8

> *Percentage of draftees disqualified by mental and physical tests for 1957*—Con.

Tennessee	28.9
Texas	23.1
Virginia	31.9
Pennsylvania	9.5

> The Congressmen from these States almost to a man voted for the Landrum bill. One Member, Congressman ERWIN MITCHELL, from Georgia, elected the same week as I was in a special session, opposed the bill and the threats and abuses he suffered caused him to say that he went through more h—— during the debates on the labor bill than he did as a flier in World War II. It is very significant that little or no notice was taken of this unprecedented pressure by the public press.
>
> As usual, the people only heard about labor pressure, little was printed about the abusive and thinly veiled threats by the backers of the antilabor bill sent to many Members of Congress.
>
> Another phase that seems to be lost in the jungle of one-sided propaganda passed out to the people, was the so-called lists of contributions to campaigns by labor organizations. Nothing has been said about the $214,250 contributed to Eisenhower's campaign by chief executives of seven steel companies, led by Armco Steel with $96,450 and closely followed by United States Steel with $26,800.
>
> The Landrum-Griffin idea is to stop all union contributions to campaigns while allowing contributions from industry sources. You figure out who will benefit from this setup. Will you?
>
> Too many of our businessmen, professionals, educators, and even newspapers seem to think they have no stake in this type of legislation. They do have and to a much greater degree than what they realize.
>
> When industry moves, where do they go? Those of us who have watched the closing of the coal mines can remember all too well that without payrolls no one prospers.
>
> Let us take these same States that are promoting the Landrum-Griffin-type legislation and see what they pay their school teachers as compared to Pennsylvania:

Alabama	$3,350
Arkansas	3,270
Florida	4,980
Georgia	3,625
Mississippi	3,070
North Carolina	3,770
South Carolina	3,305
Tennessee	3,475
Texas	4,410
Virginia	3,900
Pennsylvania	5,000

> Pennsylvania teachers on an average earn up to as much as 60 percent more than these Landrum bill States.
>
> As a member of the senate for many years I can testify to the struggles and heartaches the teachers had to undergo in our State to get even to the point they now have as salary schedules.
>
> The teachers' salary bills in Pennsylvania always had the full-fledged support of all organized labor.
>
> The greatest push for teachers' tenure and job security came from the United

Mine Workers and the AFL. There was no CIO in 1935–37.

These same groups pushed through the 4-year extension of the reciprocal trade agreements and now the American worker finds himself faced with an even greater threat than southern wage levels.

Following are just a few examples of foreign wages that they expect Americans to compete against:

Common labor

[Per hour]

	Construction	Iron and steel workers	Bricklayers
Japanese	$0.22	$0.27	$0.28
England	.56	.62	.65
America	2.41	2.97	4.15

Schoolteachers in Europe earn approximately $100 a month.

Is it any mystery, then, that 300 textile plants on the eastern coastline shut down, throwing 345,000 workers out of jobs?

In 1947 we exported $748 million worth of textiles, imported $24 million.

In 1955 we exported $242 million worth of textiles, imported $125 million.

So far this year we are importing more than we are exporting. Japan has had a 3-year embargo against our cars, but is shipping Japanese cars into America every day.

The importation of wire has cost us 11,000 American jobs.

In 1956 foreign cars imported were 107,000, in 1957, 400,000.

In 1956 American-made cars accounted for 57 percent of all cars imported into Brazil.

Today, the Brazilian Government with outside money—mostly from American sources—is building a $600 million plant to make its own cars. We are not opposed to this, but we do not want the cry of "high American wages" being used against American workers at the bargaining table by the very people who are investing in these foreign enterprises.

It is estimated that a large number of our great American enterprises have from 50 to 70 percent of their production overseas.

On this Labor Day we had better stop and reflect on where we have been and where we are going.

The primary consideration of any country is to provide for its own self-preservation. When a nation pursues policies injurious to its own economy, that nation is committing national suicide.

Business reports show Japan booming greater than at any time in its history. West Germany has 100,000 more jobs than job seekers, England has reduced its personal and business taxes three times since World War II.

Billions of dollars of American capital have left this country and have gone into construction of capital equipment in foreign machines which provide job opportunities and economic growth for those countries, but which do not assist the laboring man of this Nation.

When we consider that the wage rates in the United States are generally from 4 to 5 times as high as in England, and over 10 times as high as in Japan, it becomes apparent that, given the know-how and the equipment, foreign labor can produce more cheaply than can American.

It is stupid today to believe that the American laboring man is competing with ignorant, poorly trained and ill-equipped foreigners. We are now competing with people whom we have trained, people whom we have taught the skills which made this country great, and who are working in the most modern of factories which we have built.

We are now beginning to reap the whirlwind we have sown.

We are making the United States the worst place to buy and the best place in the world to sell. If we continue, we will have full employment in Manila and Tokyo and increasing unemployment in Topeka and Detroit.

In this atmosphere was dumped the Landrum-Griffin bill. With this in mind, a Member has to think long and hard and in good conscience, cast his vote for the peoples, for their jobs, their industry, their schools, their roads and parks, their health and welfare, and their public and professional services.

This is Labor Day. All the great men of history have been greater because of their feelings, their sympathy, and compassion for the workers.

This is Labor Day. The organized, the unorganized have all benefited from the struggle of courageous men and women who have led the fights for workman's compensation, overtime pay, social security, paid vacations, limited work hours, welfare and pension plans, hospitalization, and on and on and on.

These are the standards of American workers. These standards must be protected and expanded if this country is to be the leader in the world for peace and prosperity.

Our help, supported by labor, to our needy neighbors, our allies and to the world nations should be for their help not for our destruction.

Labor Day being labor's day, let us give labor a toast not a mickey finn.

The conference report is so full of inequities and personal and private concessions that its passage is a mockery of justice.

How can anyone face the public with anything but shame when he votes for a bill that says to the Clothing and Garment Workers you are a good union, an honest union, you will not hurt the economy or the public or the nonunion employer, so you can write a contract with your employer which forces him to do business with union jobbers only.

Now that is fine for the clothing workers but why should every other union in the country be subject to criminal penalties if they try to write a contract which contains the same protections for their members?

Is this the kind of justice the conferees felt this Congress believes in?

The fact that one of the sponsors of this type of legislation was, according to the newspapers, given this concession to help his garment workers unions does not justify penalizing all other unions.

Another example of special privilege and personal exemption is contained in the building trades concessions.

Mind you fellow Americans, this epic of doubletalk actually writes in a provision giving the building trades an exemption from the hot cargo ban by allowing these unions to make contracts with contractors prohibiting the use of nonunion subcontractors.

This again is fine for the building trades and I am for it, but how can any honest Member of Congress face his rubberworkers, glassworkers, steelworkers, textileworkers, and every other worker in America and say in effect "think the building trades are all good unions, they won't hurt the economy, they won't abuse their rights, but all the rest of the unions will and must therefore be legislated against."

If this is the kind of doubletalk you want, go ahead, but I do not think even a seat in Congress or a favorable editorial is worth this kind of unjust action by Congress.

Another nice gimmick worked out for political expediency and personal advancement is the provision that allows these same unions to make a closed-shop contract which compels an employer to refuse to hire any person who is not a member of a union or who refuses to join the union in 7 days.

This again is fine for these unions, but now you are saying to all the other unions in America with 30,000 locals or more and 12 million workers, if you try to make a closed shop out of your employer's plant, your employer is not permitted to sign such a contract without an election and under no consideration can he agree to force a worker into your union in 7 days, for that matter, 7 years.

In fact, this is the greatest of all giveaways when it comes to showing the utter disregard for equal and decent treatment for all workers that this bill contains.

Again, I would like to congratulate the gentleman from Michigan [Mr. GRIFFIN], one of the sponsors, whose brother is the president of a craft union because, unlike many of us with steelworkers, glassworkers, rubberworkers, and so forth, in our families, he can go home without throwing his hat in first.

Any Member of Congress who believes he is voting for legislation that does what the President of the United States, the Secretary of Labor, and those other champions of labor, the chamber of commerce and the National Association of Manufacturers, and humanitarian "I like labor" sponsors say it does by proclaiming it a bill of equal rights for labor "either can't read, won't read, or if they do read it and still believe it to be a fair and equitable piece of legislation, this America is in one awful mess, legislatively."

There has been a great deal of misinformation given to this Congress by the proponents of this legislation who proclaim that under the Taft-Hartley Act labor has grown, yet the facts remain

that organized labor, which flourished and grew under the New Deal has actually lost ground in proportion to the population during the past 6 years while its strength has been gravely undermined by numerous rulings of the Eisenhower-appointed National Labor Relations Board. It would be a brave man who could say that organized labor in the United States today has the power it had 6 years ago.

One by one, the broad programs of social advancement upon which the Federal Government embarked during the past 25 years either have been abandoned or where abandonment was impossible, have been weakened.

During the past quarter of a century the American people have built up a considerable number of institutions designed primarily to serve the broadest possible segments of the population.

Many of these people's projects, as they might be called, have been under heavy fire during the past 6 years during the Eisenhower administration and some of them might have been known to take a beating. Public works have suffered, slum clearance and housing, aid, low-income bracket workers have suffered in this regard. There is nothing left but a token program. Even against the repeated warnings, for the past 6 years, that Federal aid for education has become a desperate necessity, low teachers' salaries have caused a dangerous shortage of well-equipped instructors for the Nation's youth.

One by one, these broad programs of social advancement have been chopped away and it will not be too long until the farmers cooperatives feel the sting of this administration's lack of regard for the needs of the little peoples, and although they have been unable to destroy social security, minimum wage, and unemployment compensation which have stood out as the built-in stabilizers against depression, they have strongly ignored the need for refinements and advancements in these programs. One thing can honestly be said that in keeping the Eisenhower administration's policy of choking off public power, weakening labor, holding back social legislation in the fields of health, education, housing, and slum clearance, they have now this infamous, ill-conceived piece of legislation known as the Landrum-Griffin bill. As this administration is searching for a proper token to hand to the Communist dictator Khrushchev when he arrives in this country, I can suggest nothing that would please him more than an embossed copy of the Landrum-Griffin bill. For any Congress that would legislate a so-called bill of rights to think that the inequities, special privileges, and political concessions contained in this piece of legislation cannot honestly believe that the American labor force is a free and unfettered citizenry.

It would be, in one sense of the word, considered ludicrous for a Congress that denies its own Members the right to organize, except at the whim of a few who control the speeding time in the House on subjects of vital and mortal importance to their constituency, and denies to them the right to criticize any Member of the Senate while at the same time putting criminal penalties upon an officer of the union who would deny these same privileges and rights to any member of their organization. One wonders if a knowing American public would approve of legislation such as this if they knew all of the restrictive covenants placed upon the working force of America.

Although it appears as insignificant in this bill, there is a dangerous provision that too many of us who have come through the generation of Hitler, Mussolini, Stalin, and the rest of the dictator type, a denial of the freedom of movement and rights of a member of organized labor who is for the first time subjected to criminal penalties if he discussed with a fellow worker the proposition of refusing to go through a picket line even as a matter of simple conversation in his own home. This, then, is the labor's new Magna Carta, drafted and sponsored, endorsed and promoted by men and organizations who have devoted all of their energies to legislation throughout the years that would restrict, punish, and cripple a free American labor movement. After all of the fuss and fury has subsided, a cold, calculated, and open-minded analysis of the Landrum-Griffin bill must, in all honesty, reach the conclusion that this is a new concept of freedom of speech, freedom of action, and freedom of choice by both the unorganized and the organized workers of this country. In closing, another little noticed item that was put into this legislation by the conferees points up vitally the inequities and inequalities of the special concept of injustice that is being placed around the shoulder of the American worker: When a union is denied the right to advertise with their own homemade placards a nonunion shop or the fact that nonunion and strike goods are being sold or manufactured in a substandard plant or nonunion establishment, but he has all of the rights in the world if he can afford to advertise this fact by paid advertisements in the newspapers.

If this is the type of equality and justice that the Landrum-Griffin proponents feel is all that labor deserves, then I for one, and maybe only one, must protest by my vote. The record shows clearly and vividly and without fear of anything that I have stood foursquare in every proposal just as solidly against the proposals that would eliminate the honest rights of the American workers.

Mr. BARDEN. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Speaker, I welcome this moment to acknowledge with grateful thanks all of those who have enthusiastically and effectively supported the position which our distinguished friend, the gentleman from Michigan, and I chose to take in sponsoring this legislation. Likewise, I welcome this moment to express my deep respect and admiration for those who saw fit with equal enthusiasm to oppose our efforts, because it is out of such activity that the real product of American democracy must come.

Now that we have arrived at the best product the conferees could develop from the knowledge of each of the bodies, I beseech all of the Members of this House and all of the citizens of America to provide a wholesome atmosphere in which this legislation can live and work to the betterment of all mankind.

Mr. BARDEN. Mr. Speaker, I yield one minute to the gentleman from California [Mr. KASEM].

Mr. KASEM. Mr. Speaker, it has occurred to me that to be sure an injustice was not done a proper approach to the labor problem would have been to put joint restrictions, and the same restrictions, upon labor and management. I thought perhaps I could vote for a bill that would place the same limitation on the delegation of authority to the officers of a corporation that appear in this bill in regard to union officers. I could have perhaps voted for a bill that would place in the hands of administration blessed private bonding companies the right to veto the elected officers of a corporation as is done in this bill with unions. And so on down the line with so many of the injunctions and prohibitions on unions in these bills.

But, in fact, I do not hope for such a bill to come before us, because it would be unfair to corporations in the same manner that this bill is unfair to the labor unions and to its members.

Think along those lines and the day will come that you will see that action will have to be taken or else the organizations that represent not only the people who work for a living, but the organizations who speak, the only major organizations in America, who speak on behalf of the consumer and try to protect him, will be weakened and diminished and they will be forced to turning themselves into political organizations which is the very thing you are trying to prevent.

This bill is deceitfully presented. It does not accomplish what it should accomplish in restricting racketeering. Indeed, it only seems to be incidentally concerned with the problem of racketeering. But no opportunity is lost to burden union organizational and political activity, and this of course, the primary and principal object of this bill. Concurrent and equal restrictions should be imposed on business and management if we are to be fair. I do not advocate restrictions of this nature on business and management. Notwithstanding that the misuse of management positions for personal gain at stockholders expense would make abuses by labor leaders seem trivial, I still believe that the right of management and business to organize capital and to be active politically is of greater importance.

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. LIBONATI. Mr. Speaker, the 86th Congress faced an aroused public demand that a strong labor reform law be

enacted. The primary purpose was to root out corruption and racketeering. Labor constituents opposed any legislation that curtailed or curbed labor practices, which were always considered in the area of special union rights, such as the secondary boycott—a practice of blacklisting a firm that deals with another firm against which the union has its major dispute—and organizational picketing of a plant in an attempt to compel unionization, though its employees have or are already members of another union.

Both the Senate-approved bill and this House bill would attack union corruption, by requirements for financial reporting to the Government, controls on handling of union funds, and guarantees for secret balloting and free speech, with access to the courts for violations.

The tougher House bill also goes after union practices.

The evidence, from congressional mail and general inquiry, is that the Senate rackets hearings have aroused great interest and concern all across the Nation. The Congressman who wired James R. Hoffa, Teamster president, that he should resign because he was responsible for the drive for strong legislation, was reflected in the basic public appeal of the sponsors appearing on video programs.

The passage of the vigorous, or sometimes called the "killer," Landrum-Griffin bill, by a vote of 303 to 125, resulted from the pressure of public opinion aroused by the McClellan committee hearings, and the broadcasting activities of its personnel. The overwhelming impetus came with the radio-television appeal by the President for its passage. It changed public opinion and created a national demand for a tough labor reform bill.

Passage of strong legislation has been aided by the usual coalition of conservative southerners and Republicans, by a very active White House lobby working among the lawmakers, and by business pressure groups which saw here an opportunity, at long last, to swing the congressional pendulum away from its usual prolabor position.

But of almost equal importance, surely, has been a general public feeling that, somehow and somewhere, the consumer ought to have a larger say and a larger interest in economic affairs. The stalemated steel negotiations cause concern; the previous habit of high wage demands—passed on by management to the consumer—is censured for having spun the spiral of inflation. The suggestion that big unions be made subject to the antitrust laws has been recollected.

The primary demand is to root out corruption and racketeering. The secondary demand derives for other corrective measures—again due to the rackets committee hearings.

This is not typical union behavior. AFL–CIO president, George Meany, has taken strong strides to clean up the unions. The big majority of unions are run by sustantially democratic methods. Congress failed to resist the activities of some employer lobbyists who used today's public concern to turn the clock way back and inhibited even the honest organizational drives of labor where the field is clear.

But the McClellan committee has done its job well. Society is decreeing a closer watch, not only on Teamster Union practices, but on big labor in general, to be sure that it operates within agreed concepts of fair play.

Even though the Landrum-Griffin bill was toned down by the Senate-House conference committee, the final legislation, is highly potent legislation.

It is both unfortunate and fortunate that in a democracy the public mind can be influenced, propagandized or channeled into a demand for legislative action. This frenzied demand for action sometimes results in the adoption of hurried and ill-considered proposals that weaken and destroy the fundamental concepts that have been conceived and adopted after years of study by experienced law-givers who, in their analytical treatment of the subject, have kept uppermost in their minds the total effect upon the whole economy and the welfare and interests of all of the people as a whole. The Taft-Hartley law, in spite of certain criticisms, presented a model study.

It can result in changes that, under more sober conditions, would never have been made. Basic concepts of a problem or program are, in themselves, the very keystone of labor's existence.

In dealing with the interests of those affected by the legislation, certain rights were guarded and protected. But in this instance, labor became the public whipping boy. It was inevitable that, as a result, the measure before us proposes changes that will harass and cripple the labor union movement for years.

The public ordered the reform action and the edict resulted in a victory for the people. A victory that will cost years of unrest in both the political family and the economy.

Neither union leaders nor management—National Association of Manufacturers—are satisfied with the report which the House and Senate conferees have approved.

Some Members of Congress, sitting on a "hot seat", will vote approval only to escape public wrath. The few who will oppose it are representative of laboring areas, and who are honestly apprehensive of the provisions in the bill that could, if enforced, hurt, curb, and sap the future of the labor movement.

The compromise will emasculate the labor movement, and will not permit criminal practices. But it will require—

First. Union and employers to make financial reports;

Second. Union members have a bill of rights, with criminal penalties for violations;

Third. Union elections are regulated;

Fourth. Sweetheart contracts are illegal; and

Fifth. "Hot cargo" deals are illegal.

The building trades were excluded from certain provisions of the bill. Their contractual right to enter into contracts with the employer; agreeing not to deal with nonunion subcontractors—also, signing agreements before a job is started, requiring every worker to join a union within seven days. The right to picket a job where a dispute was pending like other industrial unions, was denied.

The garment industry was also excluded from certain restrictive provisions of the bill; that is, secondary boycott or picketing by unions—except where the article was produced by "low wage" production arrangements. These two exclusions may subject these provisions to constitutional attack in the courts as class legislation.

Unions can only advertise against an establishment selling unfair goods. Picket lines are illegal where there is no primary dispute.

The organizing of unions has come under terrific restrictive provisions. It is illegal if picket lines have the effect of interfering with business operations. Bargaining election must be applied for in 30 days—giving little time to organize an effective campaign. Unions cannot resume picketing for a year.

If the election is lost by the unfair practices of the employer, then the NLRB's counsel is instructed not to seek an injunction against picketing; otherwise, if not unfair, proceeds under the Taft-Hartley Act, for decision of the NLRB or the courts.

All disputes involving small business can be decided by State courts or State agencies. The provision authorizing jurisdiction to NLRB regional directors in these matters has given them a more liberal interpretation of powers. The basic rights of unions are destroyed.

It is the history of our country that no important large segment of our society was ever cajoled, harassed or betrayed by unfair laws for very long.

As to the present crisis affecting labor legislation, to be sure the issue was born by the indiscreet action and criminal practices of isolated labor leadership. It was kindled into a devouring flame of public opinion by the enemies and so-called friends of labor. The labor leaders themselves never realized the consuming effects of cleverly manipulated dissemination of public news, on the part of television and commentators. After all, it was news, and certainly created an intriguing interest on the part of millions of listeners. Some may say that a conspiracy was afoot to hamstring labor but an aroused public interest in union affairs certainly cannot be denied.

After all, the public discerns for itself the conditions that negate public good.

The conferees' report is a declaration of rigid reform, so confining in its effect as to labor operation that the movement has suffered a terrific setback, especially in the area of "strikes."

The injunctive relief and jurisdiction vested in State courts on labor questions has always been a sad reminder of the old practices of "yellow" contracts and bold-faced injunctive process of labor control of the unions by biased judges.

The real sufferers will be the Congressmen from balanced districts, especially those who have been elected to office over the years through union influence, regardless of party affiliation.

If labor shows its teeth in embittered political reaction to the forced treatment

it has received, there could be a strong bid for a laborite government in the United States, in the near future. The tremendous power in the electorate of the card holders need only be matched with the farmer, England is an example of what can happen to a conservative government.

The interference with union recruiting in unorganized labor groups of industrial workers is an area that touches the sensitive heart core of the labor movement.

The absorption of the smaller unions, under 200 members, is a foregone conclusion. The broad charters of the larger unions cover almost any type of employment.

The die is cast and the struggle is on. Whoever wins will cost the economy of the country more than a hot war.

The American people owe everything to labor that touches upon the raising of the standards of living.

The history of labor bears out the loyalty of her leaders, as well as the rank and file, to the highest of patriotic motives. It would have been far better to permit labor to purge her own shortcomings. There was no need for new laws on crime. Labor departures are no different from those punished under specific State and Federal statutes. The enemies of labor have drawn first blood and the splatter of it will eventually cover the political front.

Although certain provisions of the bill are contributory to the realization of the purpose of the legislation, I cannot in good conscience support legislation that straps labor in its efforts to organize working men and women into a unit of labor to bargain for better working conditions. They are a valuable asset to contribute to the public well-being. For a complete realization of their purposes, they must not be interfered with or constrained by Government control. It reads, plain as day, that if the Government becomes too involved in union business, unions will make the Government's business their business. Either condition is not good for the continuance of good political relations. Labor or Government cannot survive in this struggle. One is needed to support the other. Both must be free to pursue their own affairs and work together to keep the economy and Nation strong.

Labor did not deserve subjection to a slow death by partial strangulation. The hot-cargo and picketing bans insure its demise by confinement.

Mr. JENSEN. Mr. Speaker, under leave to extend my own remarks, I include the following exchange of letters:

AUGUST 18, 1959.

DEAR CONGRESSMAN: Only you know, in the privacy of your own conscience, whether you carefully considered the possible consequences of the Landrum-Griffin bill when you voted for it on August 13, 1959. If you did, and realized that it is a punitive, repressive measure intended to weaken all labor unions and thereby all working men and women, you have much to answer for. If you did not, and merely yielded to the pressures of the chamber of commerce and the National Association of Manufacturers, your guilt is perhaps even greater.

You should realize now, if you did not during the heat of battle, that this vindictive assault on the labor movement will, in the long run, prove to your constituents that you are less interested in individual rights and democracy than in property rights and the concentration of power in the hands of big business.

You may believe that you are safe in such action because organized labor is relatively weak in your district, and cannot call you to account for the damage you have sought to do to it. You may be right—at the moment.

We wish to assure you, however, that we shall do all in our power to prove to the working men and women in your district that you have cast your lot against them and they should therefore take appropriate action at the ballot box.

Very truly yours,

JAMES B. CAREY,
President.

AUGUST 21, 1959.

DEAR MR. CAREY: In reply to your letter of August 18, I wish to remind you that the American people have once again proven they are the masters of their own destiny. Such threats as yours are most unfair to all the millions of hard-working, patriotic rank and file union members—nor do your threats impress or scare any servant of the people who is not bought and paid for by union boss racketeers.

Truly,

BEN F. JENSEN.

Mr. Speaker, the above exchange of letters followed a few days after the House of Representatives had voted on the Landrum-Griffin labor reform bill last month when 95 southern patriots joined with 134 Republicans to pass this important and vital piece of legislation.

Insofar as party responsibility is concerned I would prefer that there were always enough Republicans in the national legislature to keep some sanity in our lawmaking. However I must confess that it is comforting to have that solid corps of a hundred or so conservative votes from Dixie to count on as we try to enact legislation which is beneficial to all America.

Here are a few excerpts from a speech I made in the House of Representatives last January 9:

Mr. Speaker, the time has come to speak plainly. Many members who had the contracted support of Reuther's so-called liberal labor party were elected last November and, of course, they are expected to blindly follow orders from the organization which contributed greatly to their campaign, since they are bought and paid for.

Democrats and Republicans are hoping—yes, praying—that Congress will hold the line against those who for selfish reasons are bringing concerted pressure on us to follow their anti-American liberal concepts. Every well informed, unbiased, American citizen knows that the true definition of a "modern Reuther liberal" is one who is primarily liberal with our constitutional rights and with our taxpayers' dollar.

May God give us courage and strength to meet the test, with the outspoken support of courageous men and women here in Congress and all over our broad land.

On this the opening of the 86th Congress, I felt it in my heart to give expression—as I have here—to my innermost feelings, to be printed in the RECORD, that thousands, yea millions, might read and then do their part, and more, to preserve our precious American liberties.

I am now proud and happy to say that courageous men and women from every section of our broad land did speak up in great numbers and in no uncertain terms to again prove that the people are the masters of their own destiny.

Mr. DERWINSKI. Mr. Speaker, my absence from Washington as an official delegate of the U.S. Congress to the Interparliamentary Union Conference in Warsaw, Poland, has precluded my being able to vote on the conference report on the labor reform bill. However, I certainly want to have my position recorded on this important vote.

Labor legislation must provide the workingman, in his capacity as a dues-paying union member, with a full bill of rights, insuring the right to freedom of speech and assembly, protection from arbitrary dues, protection of rights in court and safeguards against improper disciplinary action. It must preserve the right of members to receive a true financial accounting of the activities of their union. It must protect the public from abuses exposed by the McClellan committee, while at the same time preserving the rights of legitimate unions.

Mr. Speaker, if the conference report on the labor reform bills embodies these principles, if present I would vote, "yea."

Mr. STRATTON. Mr. Speaker, the legislation before us today has been designed to meet the overwhelming demand of the American people to eliminate the kind of racketeering in the labor movement, conducted at the expense of rank and file members of unions, which has been uncovered over the past several years by investigations of the McClellan committee. While there is certainly a need to provide appropriate laws to see that this kind of racketeering is eliminated and that individuals like Jimmy Hoffa who believe they can put themselves above the law are effectively prevented from carrying on the kind of activities disclosed by the committee, I believe the American people also feel that such legislation should not penalize the overwhelming majority of unions and union members who are loyal, law-abiding, American citizens and who are sincerely and properly devoted to their legitimate function of improving the wages and working conditions of their members.

Throughout the long months that this complex subject has been under consideration by the 86th Congress, those have been the two major considerations which I have kept in mind, and I believe in so doing I am reflecting the views of the overwhelming majority of the people of my district, whether they are themselves members of union organizations or not.

When the subject of labor-management reform legislation finally came before the House last month for consideration I indicated my support for the bill officially voted out by a majority of the members of the House Education and Labor Committee, the so-called Elliott bill. I supported this bill because it had been thoroughly studied and examined in the committee and also because it seemed to me to deal with the more flagrant issues that had been uncovered by the McClellan committee without at the same time impinging on the legitimate activities of the great majority of fair and decent union organizations. When

the basic issue arose on August 13 in the House of replacing this carefully considered bill, which closely resembled legislation previously adopted by a 90-to-1 vote in the U.S. Senate, with a bill only recently introduced by the gentleman from Georgia [Mr. LANDRUM] and the gentleman from Michigan [Mr. GRIFFIN] I voted against the Landrum-Griffin substitute. When the House, in spite of my vote, decided 229 to 201 to substitute the Landrum-Griffin bill I then stated that although there were many features of the Landrum-Griffin bill which I opposed as being unfair and unnecessarily harsh toward legitimate union activity, I would nevertheless vote in favor of final passage of this bill and send it to conference with the Senate rather than vote for no labor legislation at all. I said at that time that I felt it was important that a fair and effective labor reform bill be enacted into law by Congress this year, and I also said that if such a bill were not enacted into law this year there was the strong possibility that legislation which would more drastically upset normal labor-management relations might be enacted into law next year.

I therefore voted in favor of sending the Landrum-Griffin bill to conference with the express understanding, as I said in the RECORD at the time, "That my vote does not constitute approval of many of the provisions of the Landrum-Griffin bill." I then continued, "I am hopeful that as a result of the conference a fairer bill can be worked out which will still root out the Hoffas and the racketeers in the labor movement without penalizing legitimate union organizations. I voted to send the bill to conference also with the understanding that I will definitely reserve my final vote until I have a chance to see whether the conference committee agrees to a better and fairer bill, more nearly in line with either the bill which was reported out by the House committee or the Kennedy-Ervin bill which passed the Senate earlier this year."

Mr. Speaker, I have now studied the conference report carefully since the time it was submitted the other evening and I have been very greatly impressed with the work which the conferees have done. I think it is quite clear to say, as has already been said, that the bill agreed to by all but 2 of the 14 conferees is "infinitely better" than the Landrum-Griffin bill sent by the House to conference. As has already been mentioned on this floor this afternoon, the conference bill represents about 95 percent of the original Elliott bill reported out of the House Committee, the bill which I originally strongly supported as being a fair, middle-of-the-road approach to this complex legislative problem.

I am frank to say that I do not feel happy about every single provision in the conference bill. The thing that concerned me most about the Landrum-Griffin bill was that it would make it extremely difficult if not impossible for normal and legitimate labor organization activities to be carried on in the Southern States of our country, and this fact would perpetuate the unfortunate cost differential between the States of the South and the more progressive and highly developed industrial States of the North; and as a result of this continuing differential the serious and steady flow of industry from the North to the South could be expected to continue, with even greater and more disastrous results in terms of unemployment in my State and in my district.

I am still not completely satisfied, for example, with the solution to the "no man's land" problem in the conference report, although this is a considerable improvement over the solution contained in the original Landrum-Griffin bill. It still seems to me proper in setting up a national law to govern labor-management relations, as we are doing here, that we should require that all administration of this law be in line with the provisions of the law itself. It just does not make sense to me to turn over these matters to State agencies, especially when 35 of our 50 States have no labor agency at all, and then to say that these States are not required to follow the provisions of the same Federal law which gives them jurisdiction.

But no one can probably ever be completely satisfied with any piece of legislation, and compromise is of course the essence of the legislative process. One of the things about the Landrum-Griffin bill which particularly disturbed me was the provision which would have made organizational picketing completely impossible and in practice might possibly have prevented all effective labor organization in the South. This requirement has now been eliminated as a result of the conference and I believe the solution which has been worked out, which is virtually the same solution as contained in the original Elliott bill, will now make possible proper and legitimate organizational activities by decent unions.

We have seen the conferees come up with a remarkable example of compromise and adjustment, a bill which I believe will protect union members and legitimate union activity in the overwhelming percentage of the cases and at the same time eliminate the kind of unwholesome racketeering which has come from a small minority of the labor movement and has created the public demand for this action.

Mr. Speaker, as one who represents a district which has been severely hit by foreign competition and who has spoken out on this side of the aisle in the House for promoting strict adherence to the Buy American law and in behalf of efforts to tighten that law to protect American wage standards against low-wage competition from abroad, I was particularly happy to see in the CONGRESSIONAL RECORD for September 3 in the account of the debate on the conference report which appeared in the other body the statements by the Senator from Arizona [Mr. GOLDWATER] and the Senator from Massachusetts [Mr. KENNEDY] that the decision of the conference report would have no effect in "limiting or prohibiting the various Buy America campaigns which are now being carried on by certain unions and business groups and even by some governmental bodies." Both Members of the other body made it clear that legislation in the conference report was not intended to interfere with these proper and laudable campaigns to protect our American standards, and I am happy indeed to see that the legislative history has now been made clear on this point. I make these comments today so that the legislative history in this body may also be just as clear on this important point.

Mr. Speaker, let us not forget as we pass this legislation on the eve of Labor Day, that labor union organizations and the working men and women of America have made a tremendous contribution to the development of our country and to the development and protection of the high living standards under which we all live. This free labor movement of ours can and must continue because it is a part of the great American tradition of freedom. It will now be up to those who administer this new law to make sure that nothing contained herein will set back the clock of progress or the great effort to improve the living standards of the working men and women of America through free, legitimate, and proper union activity. I believe that every Member of this body will be watching with careful interest the practical application of this law and I hope that we will be just as eager and just as prompt in perfecting and improving it in years to come in the light of experience as we have been in adopting it this year.

Mr. HALPERN. Mr. Speaker, as one who, like many others in the House, was very concerned with some of the provisions of the labor-management reform bill that passed this body, I am pleased to see that some of the apparent inequities have been corrected in the Senate-House conference. I expressed my concern in this respect pointing to specific provisions in an individually written appeal to the conferees during their deliberation.

I am particularly impressed with the revision of the secondary boycott section which excludes from the application of the new coercion-of-employers clause, the garment industry.

I am very interested in this industry and I am a stanch admirer of the vast strides made in it through collective bargaining and, the great alleviation of sweatshops and substandard working conditions that the garment workers unions have accomplished.

That is why I wish to particularly commend the conferees for their decision to remove that industry from the application of the new section 8(e) of the National Labor Relations Act.

Of all the industries in the Nation the garment industry was one of the most susceptible to employer evasions of agreements. It was particularly difficult for unions to police competition from sweat shops because employers hired jobs out to hidden lofts and received back the finished product before the unions could catch up with them. By the time they did, a jobber might already have given another lot to a different sweat shop.

Consequently, low wages and terrible working conditions at one time characterized the industry. But the garment workers unions and responsible employers came to learn that the practice could be checked only if manufacturers

would agree not to do business with contractors who had not signed union contracts.

Inhuman working conditions for most garment employees were immeasurably alleviated. This magnificent accomplishment reflects great credit on the unions and on fairminded employers.

Unfortunately, the House version of the bill as originally introduced, would have imperiled this fine achievement. It would have made it unlawful for a union to threaten, coerce or restrain any employer where the object was to force such employer to agree to cease doing business with any other person. Such a provision would have wiped out at one stroke the gains registered in the garment industry.

Therefore, the conference report language exempting the garment industry from the interdiction against coercing an employer from handling the products of another or from doing business with another is a welcome one indeed. The garment unions can continue to make agreements with jobbers not to contract out work to subcontractors using nonunion labor.

Commendable as this correction is, Mr. Speaker, there are other provisions about which I am still concerned. In this regard I agree with Senator KENNEDY that the bill goes further in some areas than I think desirable or necessary. But, this is the only bill it is possible to obtain under all the circumstances.

I will keep a close watch on how the new legislation works and will press for any necessary amendments to correct injustices so that reasonable law for the protection and benefit of all Americans will eventuate.

Mr. SMITH of Iowa. Mr. Speaker, the conference report which we are now to vote upon substantially adopts the Kennedy-Elliott bill and certainly supports the position of such bill against both extremes. Dr. Archibald Cox has worked with this legislation more than any other person. He has been an adviser to the Senate committee and the conferees and is one of the foremost labor law authorities. He proclaims that the bill is closer to the Kennedy-Elliott bill than any other bill, and, of course, that bill was patterned after the original Kennedy-Ives bill. So we can see that most of the demagogery that was thrown into this matter during the past 2 years by both extremes has been largely separated and eliminated in the final product.

I do hope that reflection upon the diverting, unreasonable, inappropriate activities and actions of extremists will help prevent stampeding in the legislative process in the future. Reflection upon this whole process and activity certainly strengthens the arguments against a unicameral National Legislature where legislation adopted under feverish, intemperate conditions would become law without an adequate opportunity for review.

I do still have some serious reservations concerning this bill and especially with regard to leaving so many businesses and their employees without the protection and service of the National Labor Relations Board. These businesses and employees which were in no man's land are discriminated against; but, they also are being discriminated against at the present time. I am glad that the committee is agreed that this matter needs to be watched closely. The conference report does greatly improve the Landrum bill provisions on no man's land by prohibiting the NLRB from withdrawing its protection and service from any additional classes or categories of businesses and employees.

There are a couple of provisions that undoubtedly will become subject to court suits as unconstitutional and probably upheld; but, in a bill of this size, that is not too uncommon and those court actions will eventually result in improving and contributing to the body of labor law.

There are also some provisions in the bill which correct inequities against working people that have been recognized and recommended for several years.

With 437 Members in the House, no Member can expect a bill to be exactly what he would prefer. One must vote either "yes" or "no" and cannot vote "yes, with certain amendments."

I, like the majority of Members, want a law passed that will provide corrective but not "killer" legislation; and I believe this bill is the best that can be expected at this time.

Mr. DONOHUE. Mr. Speaker, the compromise judgment of the House and Senate conferees, on the Labor-Management Reporting and Disclosure Act of 1959, is finally before us and, although many of us here may still have conscientious doubts about the extreme nature of a few provisions, it is now, on the whole, worthy of the acceptance of this House.

After many days and nights of laborious, painstaking, and wearisome discussions, the members of the conference committee, with patriotic dedication have overwhelmingly approved a modified bill representing concessions by reasonable men on both sides.

The compromise solution that was developed is, in my opinion, a vindication of those of us who consistently from the beginning worked and voted toward this objective.

In all the understandable excitement that has surrounded this legislative problem this year, it seems to have been rather widely forgotten that this controversy was considered in the last 85th Congress, of which I was privileged to be a Member. I would like to remind you that the Senate, on June 17, 1958, passed by a vote of 88 to 2, S. 3974 of the 85th Congress, the Labor-Management Reporting and Disclosure Act of 1958. On July 23, 1958, as the 85th Congress was approaching its end, I urged the leadership to take appropriate action for "this labor-management reform bill to be presented to the House before adjournment so that it may be discussed, debated, and acted upon in accord with our democratic legislative traditions." Further, in the course of my remarks on that day, I stated that—

> As conscientious legislators it is our duty to closely examine these pressures (from labor and management) and concentrate our attention upon the enactment of a reasonable compromise designed primarily to inspire observance of the law with good will because of its essentially important nature.

Mr. Speaker, in response to the urging of myself and many other colleagues, S. 3974 was presented to this House, under suspension of the rules, on August 18, 1958. Mr. Speaker, I, and 197 other Members, voted in favor of the measure, but it failed of passage because of the two-thirds requirement.

In my judgment, if the passage of that bill had not been blocked by a partisan coalition, for dubious purposes, we would have had, then and there, a reasonable law to effectively curb unscrupulous individuals and eliminate corrupt practices revealed by the Senate investigating committee. The passions and the prejudices leading to the bitter and extreme controversy that has recently occurred here over this matter would have been avoided in the national interest and the vitally important economic area of labor-management relations would be much healthier today.

As we are all only too well aware, the extremists of both labor and management, with their advocates, set the tragic stage for a fatiguing legislative battle in both Chambers of this Congress. At the end of that unhappy struggle, it appears that despite the patriotic spirit of the compromising efforts of over 200 Members here a measure of too punitive impact upon the legitimate activities of labor and management had been approved by the slight margin of 28 votes. Ironically, it seemed that those who cried the loudest for the protection of the public had unwittingly constructed a legislative provocation for labor and management to become embroiled in the most bitter and divisive struggle in our history; a struggle that could shake the foundations of our economic stability into a disastrous shambles at the most crucial period of our national life and on the eve of the visitation of the leader of our Communist enemy to this city.

Ironically some of these same extremists, who spoke, not too long ago, in such eloquent reverence of the late coauthor of the Taft-Hartley Act seem to have completely forgotten that that great patriot and statesman, Senator Robert A. Taft, had publicly admitted and openly proclaimed his intention of seeking the modification of certain provisions of his own law; the same provisions that they were perseveringly determined would not be changed in any fashion whatsoever. In memory of that good and dedicated man, we are impelled to ask ourselves—how fleeting is fame and how unmindful we can be of recognized authority and wisdom.

Mr. Speaker, fortunately for this Nation, the calm, temperate efforts of the reasonable men on the conference committee have worked out a modified measure under the most trying circumstances that can challenge any patriotic legislative group. The compromise judgment that has been developed is the fullest legislative response that can be obtained

to the public demand for reform in current labor-management activities.

Mr. Speaker, over the 2 years of this controversy I have consistently and publicly stated my desire and objective to be the enactment of the most reasonable legislation possible to constrain effectively the "crooks and gangsters" and eliminate the unscruplous practices, as revealed by the Senate Investigating Committee, from and within the area of labor-management activities, while at the same time protecting and preserving their legitimate operations in our economic society. The most acceptable approach to this objective, in reply to the public demand, is now before us in the form of the final legislative conscience of the U.S. Congress. Let us each, in accord with our patriotic principles, heed the voice of that conscience.

Mr. MONAGAN. Mr. Speaker, I am glad that Congress will soon pass a labor law. I shall wholeheartedly vote for its passage. It is not the bill which I would have written myself, nor do I agree with its provisions in every regard, although in many respects the conference has improved the separate versions of the House and Senate. Nevertheless, I feel that it is vital for the Congress to pass an adequate law at this session to satisfy the demand of the American people for firm action to curb abuses in the labor movement. With the bill which the conference has presented, I believe that we shall satisfy this demand.

This law will have no effect upon the growth of the American labor movement, but it will give an added protection to individual members against unscrupulous leaders.

Mr. BOLAND. Mr. Speaker, I am going to support the conference report on the labor-management reform bill before us. The American people and the great majority of my constituents in the Second Congressional District of Massachusetts have demanded that a reform bill be passed in this session of Congress after witnessing the shocking and sickening revelations of the McClellan committee during the last 2½ years.

I said before when this issue was before the House that the abuses revealed by the McClellan Committee must be stopped and we must enact legislation that will put an end to the thugs, the goons, and embezzlers who have been nefariously engaged in bilking the rank and file of American labor, cheating and defrauding the labor unions, management, and the general public.

Mr. Speaker, I will vote for the bill because I am sure that it will correct these abuses. It is the only bill that is possible to obtain this late in the session of Congress. The conferees lead by my Massachusetts colleague, Senator JOHN F. KENNEDY, are to be complimented for the long hours during which they labored for 12 days arriving at this compromise, which, Senator KENNEDY has explained, will protect the traditional and essential rights of the working people of America legitimately striving to improve conditions of employment.

Mr. VANIK. Mr. Speaker, I am opposed to the conference report on S. 1555, the Labor-Management Reporting and Disclosure Act of 1959, because it contains provisions which I believe will prove extremely harmful to the legitimate procedures of labor organizations.

I also fear that it will prove to be an industry dispersion bill, providing inducements never anticipated to lure industry from the organized labor areas concentrated in the large industrial cities of the North.

The Southern States will press their claim with new vigor in luring northern industry with low-cost labor.

The provisions which permit the States to assume jurisdiction in the so-called no man's land in labor disputes are invitations for the States to guarantee industry statutory immunity from effective labor organizational activity. Thirty-five States have no adequate labor laws. They will endeavor to outbid each other for the reputation of having the most severe antilabor laws and the most favorable atmosphere for industry.

The failure of the conference report to provide that the State courts and agencies would administer the Federal law constitutes, in my opinion, its most patent failure.

Organizational picketing gave labor its most useful organizational tool and resulted in the success of the labor movement throughout the North. The limitation on organizational picketing in the conference report will result in further discriminaton against efforts to organize labor where it is not presently organized—a further advantage to the low-cost labor areas.

It is my considered judgment that this bill, ostensibly created to eliminate and curb labor corruption, will prove to widen the schism between management and the overwhelming number of legitimate labor unions.

Instead of creating an atmosphere of balance and understanding between these vital segments of our economy, it may well prod them toward opposite goals. Conflicts between labor and management could be encouraged. Strikes and lockouts could become more common. The productive and prosperity goals of the Nation could suffer.

Management has newly gained powers under this bill which it may use selfishly or with wisdom. It is my hope that it will exercise puntive powers with greater restraint than past history indicates. With this legislation, management has scored a great victory. It will prove only temporary unless its added discretion is temporized with humane understanding.

Mr. BATES. Mr. Speaker, the major provisions of this bill now before us in the form of a conference report has been debated at great length and carefully scrutinized in conference. It is important, however, to determine the intent of the Congress in those areas which have not been spelled out in detail so that the legislative history will be clear.

As you know, our Government has instituted a policy of buy American. Management and labor throughout our country have also adopted campaigns, in various forms, to implement and augment the Federal laws on this subject to protect the capital investment and jobs of our people. I was pleased to note that on yesterday, in a colloquy in the other body, the Senator from Arizona [Mr. GOLDWATER], and the Senator from Massachusetts [Mr. KENNEDY], agreed that this conference report in no way was intended to interfere with such practices. This was certainly my understanding of the report recognizing, as I do, the fine efforts of many industries including the hat, shoe, and textile industries, to maintain American standards in the face of substandard wages abroad.

In brief, there was nothing in the Taft-Hartley Act, nor is there anything in this new labor reform act, which impairs or diminishes in the slightest degree the right of employers and their associations or employees or unions to seek to protect the job security and labor standards from the competition of foreign-made goods imported into this country. As American citizens, they have the right to conduct campaigns such as are now being conducted throughout the country, to promote the sale of American-made products. They have the right to seek and to secure agreements in which promises are given to buy American goods. For example, a union may carry on a campaign to protect the labor standards of American workers from being undermined by the competition of goods which are made behind the Iron Curtain or in any other foreign country and may secure and enforce agreements with employers, wholesalers, and retailers to buy American-made products only. Nothing in this bill prohibits such campaigns nor prohibits the enforcement of such agreements reached thereby by court action, arbitration, or the traditional means of unions to enforce any other type of agreement.

I support this bill and urge its adoption.

Mr. OLIVER. Mr. Speaker, even if there were no other reasons for me to vote against the pending conference report on the so-called labor-reform bill, I would vote against it solely because of the economic discriminations and disadvantages which are certain to develop against the economy of Maine and New England as a result of the "no man's land" area of labor-management disputes jurisdiction.

The economic advantages which are guaranteed to the Southern States by the provisions of the conference report have been covered in detail by several of my colleagues. The "pirating" of the New England textile industry by the Southern States, over the past several years, has been accomplished by reason of the low-wage levels and lack of statutory and collective-bargaining requirements for decent working conditions in these States. Naturally, there has been almost unanimous support by Southern Congressmen for the punitive and restrictive labor-organizational provisions of the Landrum-Griffin proposal and its 90-percent acceptance by the House and Senate conferees. Wage levels and working conditions cannot be improved without strong, aggressive union organization in the South. This conference report nails down, by congressional fiat, the economic advantages of the South over the northern industrial States. In short, this Landrum-Griffin conference report

is a legislative license to procure northern industry and jobs. Does any industrial manager in Maine think for 1 minute that any State where there is a State minimum wage law of 16 cents per hour, is ever going to increase that minimum to Maine's $1 per hour requirement, as long as NLRB denied jurisdiction over labor disputes and proceedings is taken over by the State courts of that State? Do any of the industrial managers of Maine or the members of the chambers of commerce of our communities, who have pressured me to vote for the Landrum-Griffin shackles for labor organizations, think for 1 minute that States where there are no compulsory laws for workmen's compensation, are going to be forced to adopt such 20th century protection for labor unless and until strong and aggressive labor organizations force the issue?

I would expect, Mr. Speaker, that every businessman in Maine, who applied the pressure on me to vote to curtail the organizing activities of unions, has on many occasions, expressed his opposition to the low wage levels and substandard working conditions of the South and yet these same leaders of industry in my State condemn me for voting against legislation which will perpetuate these unfair and substandard advantages which have so effectively undermined the Maine economy. Certainly, I was not elected to Congress to liquidate further our already diluted Maine industry and the sadly decreased number of jobs which it provides.

It is my sincere conviction that a vote for the Landrum-Griffin conference report was a vote to speed the flight of industry from the North to the largely unorganized South. Maine and New England industry will really get the "sales pitch" now to move into not only the unorganized, but also, the never-to-be-organized South.

Another strongly motivating factor in my vote against the Landrum-Griffin conference report was the open invitation for the powerful unions of the Nation to take over the small, struggling unions. Under the terms of this conference agreement, only the well-entrenched international unions with great assets and legal talent will be able to meet the legal delays, the legalistic entanglements and the slanted anti-labor decisions of State courts, operating under State statutes and decisions. This, in turn, means that small unions who cannot afford to fight against these handicaps will be absorbed by the big unions which have caused the people of America, who have been getting this anti-labor brainwashing over the past several years, to demand so-called reform legislation. The Landrum-Griffin conference report is not corrective—it is punitive and destructive of legitimate union activities.

Another inevitable result, in my opinion, of the adoption of this Landrum-Griffin conference report, will be encouragement and opportunity for racketeers and crooks to take over official leadership of small unions. Dedicated, honest union leaders, confronted with almost impossible duties of mandatory detailed financial reports and faced with criminal penalties, if found in violation of the so-called bill of rights of union membership, will refuse to expose themselves to the abuse of stooges, agitators, Communists, drunks and hired wreckers of their union organizations. They will resign and the type of leadership which the exposures of the McClellan committee publicized to the Nation will take over in increasing numbers. This probability is not good for anybody in America, for it is not good for the working men and women of America.

As I see the picture, Mr. Speaker, the adoption of this Landrum-Griffin conference report leads in only one direction. It is just one more step toward more restrictive labor legislation. The U.S. Chamber of Commerce, the National Manufacturers Association, speaking and acting for big business with their appetites for further labor control whetted by this victory, will press for the ultimate victory; namely, a national so-called right-to-work law and then, the antitrust stranglehold for which they are really aiming. Many of them have already so stated. The program of big business in America is not only to control financially and economically, but also politically. Strong labor unions now stand in the way of their objective just as America and the free world stands in the way of Khrushchev and his totalitarian power.

The Taft-Hartley law, and its mal-administration for these past 6½ years, by the National Labor Relations Board, through its big business-administration appointees, has served as a brake to slow down the growth of labor organizations, which otherwise, today, would have numbered far more than the now organized 18 million of the total 67 million working men and women of America. If Taft-Hartley had not replaced the real magna carta of labor, the Wagner Labor Relations Act of the depression days, organized labor would have been far more effective in gaining equalization with the power of big business and accordingly would have been far more effective in the Congress. The Landrum-Griffin conference report will not only slow down further the growth and strength of the trade-union movement, but it will eventually lead to the more repressive developments to which I have referred; namely, the so-called right-to-work laws on a national scale and then, the crowning blow, the antitrust knockout punch. This will mean the breakdown of American democracy.

As long as I am a Member of this House, Mr. Speaker, my vote will never be recorded for legislation which makes illegal the economic weapons which the working men and women need, to fight for and get their fair share of the production of this great productive plant which is known as industrial America.

Mr. Speaker, I am opposed to and shall vote against this Landrum-Griffin conference report.

Mr. GRIFFIN. Mr. Speaker, I do not propose to discuss in detail the provisions of the conference report, a few brief comments on several sections of the bill might be helpful in clarifying legislative intent.

Section 101(a)(4) of the bill of rights is designed to protect the right of a union member to resort to courts and administrative agencies. The proviso which limits exhaustion of internal remedies is not intended to impose restrictions on a union member which do not otherwise exist, but rather to place a maximum on the length of time which may be required to exhaust such remedies. In other words, existing decisions which require, or do not require, exhaustion of such remedies are not to be affected except as a time limit of 4 months is superimposed. Also, by use of the phrase "reasonable hearing procedures" in the proviso, it should be clear that no obligation is imposed to exhaust procedures where it would obviously be futile or would place an undue burden on the union member.

Furthermore, the proviso was not intended to limit in any way the right of a union member under the Labor-Management Relations Act of 1947, as amended, to file unfair labor practice charges against a union, or the right of the NLRB to entertain such charges, even though a 4-month period may not have elapsed.

The last proviso in section 101(a)(4) was added to make sure that interested employers do not take advantage of rights accorded union members by encouraging or financing harassing suits or proceedings brought by union members against their unions. The purpose of the proviso should be kept in mind and it should not be so narrowly construed as to impose unnecessary or unintended restrictions upon employers in their relationship with their employees. For example, the language does not prevent, and there is no intent to preclude, an employer from encouraging his employees to write or otherwise communicate with their Congressman or legislators concerning legislation.

Section 201(d) repeals the reporting and non-Communist affidavit filing obligations of section 9 (f), (g), and (h) of the Taft-Hartley Act. This provision will become effective upon enactment of the bill. However, the repeal of these sections does not have a retroactive effect and is not intended to excuse any previous failure to comply therewith.

Section 701(b) authorizes the National Labor Relations Board to delegate to its regional directors certain powers under section 9 pertaining to representation elections. Two safeguards are included to make certain that regional directors precisely follow Board rules and policy regarding representation cases. These are, first, the explicitly stated right of the Board to review any action of a director delegated to him under the section; and second, the permissive nature of the delegation. The latter would allow the Board to withdraw the delegation from a director who refused or failed to follow Board policy in such matters. It should be emphasized that the section relates only to representation matters and is not intended in any way to alter the present supervisory authority of the General Counsel over regional directors and their staffs.

Section 702 relaxes the present ban on voting by economic strikers in representation elections. Two limitations are imposed: First, economic strikers are not to be eligible to vote after 12 months

from the commencement of the strike; and second, they shall be eligible prior to that time only in accordance with regulations established by the Board consistent with the purposes of the act. In other words, a maximum length of time is established but the Board may limit the right by regulations consistent with the purposes of the act.

Section 704(c) is an amendment to the Taft-Hartley Act dealing with organizational and recognition picketing. It bans such picketing in three instances:

First, where the employer has lawfully recognized another labor organization and an election under section 9(c) is barred.

Second, where a valid representation election under section 9(c) has been conducted within the preceding 12 months. Any valid election is sufficient; the picketing union need not have been on the ballot. Otherwise, this subsection could easily be avoided through picketing by different locals of the same international union.

Third, where picketing has been conducted beyond a reasonable time (not more than 30 days) from the commencement of the picketing without a representation petition having been filed. Of course, the picketing may be enjoined in less than 30 days if the Board finds the circumstances are such as to make it unreasonable to permit it to continue and it must be stopped at the end of 30 days. The second proviso to the subsection makes an exception of picketing or other publicity directed to consumers which is for limited purposes and which does not have the effect of inducing employees of others to refuse to cross the picket line to make pickups and deliveries and to perform services. Any type of publicity, including picketing, which has this effect is not protected by the proviso. The proviso pertains to subsection (c) only and therefore consumer appeals for organizational or recognition purposes are banned after an election.

Mr. BARDEN. Mr. Speaker, I hope the few brief comments which I am about to make on several sections of the bill, which are in addition to those I have already made, will be helpful in clarifying legislative intent.

With reference to section 701(b), it is clearly intended that the regional directors in making any decisions or rulings pursuant to a delegation permitted by that section would be subject to and bound by the various precedents and rules and regulations established by the Board and, furthermore, an appeal to the Board is provided to prevent and/or remedy any abuse of discretion or departure from Board precedent or Board rules and regulations by the regional directors.

Section 501 imposes fiduciary responsibilities and obligations upon the officers, agents, shop stewards, and other representatives of a labor organization and provides that such persons occupy a position of trust in relation to such organization and its members. The McClellan committee recommendations on regulation and control of union funds specifically stated that:

> Since union dues moneys, as well as health and welfare funds, are in actuality a trust, being held for the members of the union by their officers, the committee feels that attention should be given to placing certain restrictions on the use of these funds, such as are now imposed on banks and other institutions which act as repositories and administrators for trust funds.
>
> This type of legislation, in the committee's opinion, would go a long way toward preventing wholesale misappropriation and misuse of union funds such as that disclosed by committee testimony.

Section 501 is intended to meet the needs, purposes, and objectives set forth in the McClellan committee recommendations which I have just quoted. The language of section 501 clearly and unmistakably carries out that intent.

The general principles stated in section 501 are familiar to the courts, both Federal and State, and therefore incorporate a large body of existing law applicable to trustees and a wide variety of agents. The purposes for which funds of a labor organization may be expended or invested will necessarily therefore, be restricted and limited by such existing law regardless of any provision in the constitution, bylaws or resolutions of a labor organization purporting to limit the application of such law.

Section 702 only restores the law with respect to voting of economic strikers to what it was prior to the enactment of the National Labor Relations Act of 1947, as amended, with the qualification, however, that after the expiration of 12 months after the commencement of the strike, economic strikers not eligible for reinstatement, would lose such right to vote as they may have had prior to the expiration of such 12-month period. Prior to 1947, the Board sometimes permitted either the strikers, the replacements, or both the strikers and replacements to vote depending upon all the circumstances. It is important to note that section 702 does not give employees engaged in an economic strike who are not entitled to reinstatement an unqualified right to vote. Rather this section provides that they shall be eligible to vote only under such regulations as the Board shall find are consistent with the purposes and provisions of this act and then only if the election is conducted within 12 months after the commencement of the strike.

Impressive evidence was presented to the labor committees of both Houses of Congress with respect to the devastating injury to the businesses of employers, the jobs of employees and the welfare of the public, which has often resulted from the blackmail organizational and recognition picketing activities engaged in by certain labor organizations.

The purpose of the proviso to paragraph (C) of section 704(c) which states that when such petition has been filed the Board shall forthwith direct an election, is to enable an employer or the employees to obtain a prompt election instead of having to go through an indefinite and prolonged period of picket line warfare which could have the effect of placing the employer's business and the jobs of his employees in jeopardy.

Such being the problem dealt with, it was not the intent that this proviso, which was added in conference, should be used as a device or subterfuge by a picketing union to bring about a prehearing or so-called quickie election.

Therefore, in all cases, it will be appropriate for the Board to investigate as to whether a labor organization is using the picketing as a device simply to bring about a prehearing election. Where the Board has reason to believe that this is the intent of the petitioning labor organization, the Board will be under a duty to direct the petitioner to follow the provisions of section 9(c)(1), and to afford the opportunity for a hearing. The right to a hearing is a sacred right and it should not be denied where such denial would lend support to a subterfuge.

Mr. BARDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. THOMPSON of New Jersey. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 352, nays 52, answered "present" 1, not voting 30, as follows:

[Roll No. 162]

YEAS—352

Abbitt	Cannon	George
Abernethy	Carnahan	Giaimo
Adair	Casey	Glenn
Addonizio	Cederberg	Goodell
Albert	Chamberlain	Grant
Alexander	Chelf	Gray
Alford	Chenoweth	Green, Oreg.
Alger	Chiperfield	Griffin
Allen	Church	Griffiths
Andersen, Minn.	Clark	Gross
	Coad	Gubser
Anderson, Mont.	Coffin	Hagen
	Cohelan	Haley
Arends	Collier	Halleck
Ashley	Colmer	Halpern
Ashmore	Conte	Hardy
Aspinall	Cook	Hargis
Auchincloss	Corbett	Harris
Avery	Cramer	Harrison
Ayres	Cunningham	Hays
Baker	Curtin	Hébert
Baldwin	Curtis, Mass.	Hechler
Barden	Curtis, Mo.	Hemphill
Baring	Daddario	Henderson
Barr	Dague	Herlong
Barry	Daniels	Hess
Bass, N.H.	Davis, Ga.	Hiestand
Bass, Tenn.	Davis, Tenn.	Hoeven
Bates	Denton	Hoffman, Ill.
Becker	Derounian	Hoffman, Mich.
Beckworth	Devine	Hogan
Belcher	Diggs	Holt
Bennett, Fla.	Dingell	Horan
Bennett, Mich.	Dixon	Hosmer
Bentley	Donohue	Huddleston
Berry	Dooley	Hull
Betts	Dorn, N.Y.	Ikard
Blitch	Dorn, S.C.	Irwin
Boggs	Dowdy	Jackson
Boland	Downing	Jarman
Bolling	Doyle	Jennings
Bonner	Durham	Jensen
Bosch	Dwyer	Johansen
Bow	Edmondson	Johnson, Colo.
Bowles	Elliott	Johnson, Md.
Boykin	Everett	Johnson, Wis.
Boyle	Fallon	Jonas
Brademas	Fascell	Jones, Ala.
Bray	Feighan	Judd
Breeding	Fenton	Kastenmeier
Brewster	Fisher	Kearns
Brock	Flynt	Keith
Brooks, La.	Fogarty	Kelly
Brooks, Tex.	Foley	Kilburn
Broomfield	Forand	Kilday
Brown, Ga.	Forrester	Kilgore
Brown, Mo.	Fountain	King, Calif.
Brown, Ohio	Frazier	King, Utah
Budge	Frelinghuysen	Kirwan
Burke, Ky.	Friedel	Kitchin
Burke, Mass.	Fulton	Kluczynski
Burleson	Gallagher	Knox
Bush	Gary	Lafore
Byrnes, Wis.	Gathings	Laird
Cahill	Gavin	Landrum

Lane	Norrell	Simpson, Pa.
Langen	O'Brien, Ill.	Sisk
Lankford	O'Hara, Ill.	Slack
Latta	O'Hara, Mich.	Smith, Calif.
Lennon	O'Konski	Smith, Iowa
Levering	Osmers	Smith, Kans.
Lindsay	Ostertag	Smith, Miss.
Lipscomb	Passman	Smith, Va.
Loser	Patman	Spence
McCormack	Pelly	Springer
McCulloch	Pfost	Steed
McDowell	Philbin	Stratton
McFall	Pilcher	Stubblefield
McGinley	Pillion	Sullivan
McGovern	Pirnie	Taber
McIntire	Poff	Taylor
McSween	Porter	Teague, Calif.
Macdonald	Preston	Thomas
Mack, Ill.	Pucinski	Thompson, La.
Mack, Wash.	Quie	Thompson, N.J.
Magnuson	Quigley	Thompson, Tex.
Mahon	Rabaut	Thomson, Wyo.
Mailliard	Rains	Thornberry
Martin	Randall	Tollefson
Mason	Ray	Trimble
Matthews	Reece, Tenn.	Tuck
May	Rees, Kans.	Udall
Meader	Reuss	Ullman
Merrow	Rhodes, Pa.	Utt
Metcalf	Riehlman	Van Zandt
Michel	Riley	Vinson
Miller, Clem	Rivers, Alaska	Wallhauser
Miller, George P.	Rivers, S.C.	Walter
	Roberts	Wampler
Miller, N.Y.	Robison	Watts
Milliken	Rodino	Weaver
Mills	Rogers, Colo.	Weis
Mitchell	Rogers, Fla.	Wharton
Moeller	Rogers, Mass.	Whitener
Monagan	Rogers, Tex.	Whitten
Montoya	Rostenkowski	Widnall
Moore	Roush	Williams
Moorhead	Rutherford	Willis
Morris, N. Mex.	Saund	Wilson
Morris, Okla.	Schenck	Winstead
Morrison	Scherer	Withrow
Moss	Schwengel	Wolf
Moulder	Scott	Wright
Mumma	Selden	Yates
Murphy	Sheppard	Young
Murray	Shipley	Younger
Natcher	Short	Zablocki
Nelsen	Siler	
Norblad	Simpson, Ill.	

NAYS—52

Bailey	Green, Pa.	Nix
Barrett	Harmon	O'Neill
Blatnik	Healey	Oliver
Buckley	Holland	Perkins
Burdick	Holtzman	Price
Byrne, Pa.	Inouye	Prokop
Celler	Johnson, Calif.	Rooney
Dawson	Karsten	Roosevelt
Delaney	Karth	Santangelo
Dent	Kasem	Shelley
Dollinger	Kee	Staggers
Dulski	Keogh	Teller
Farbstein	Kowalski	Toll
Fino	Libonati	Vanik
Flood	Madden	Wier
Flynn	Meyer	Zelenko
Garmatz	Morgan	
Granahan	Multer	

ANSWERED "PRESENT"—1

Saylor

NOT VOTING—30

Andrews	Ford	O'Brien, N.Y.
Anfuso	Hall	Poage
Baumhart	Holifield	Powell
Bolton	Jones, Mo.	Rhodes, Ariz.
Broyhill	Lesinski	St. George
Canfield	McDonough	Sikes
Carter	McMillan	Teague, Tex.
Cooley	Machrowicz	Van Pelt
Derwinski	Marshall	Wainwright
Evins	Minshall	Westland

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Westland for, with Mr. Saylor against.

Mr. Machrowicz for, with Mr. Powell against.

Mr. Teague of Texas for, with Mr. Anfuso against.

Until further notice:

Mr. Lesinski with Mr. Baumhart.

Mr. Holifield with Mr. Van Pelt.

Mr. Sikes with Mr. Wainwright.

Mr. Evins with Mr. Minshall.

Mr. Hall with Mr. Derwinski.

Mr. O'Brien of New York with Mr. Broyhill.

Mr. McMillan with Mr. Rhodes of Arizona.

Mr. Carter with Mr. Ford.

Mr. Cooley with Mr. McDonough.

Mr. Andrews with Mrs. St. George.

Mr. Marshall with Mrs. Bolton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT

The SPEAKER. The Chair thinks that the Members ought to know that if the Senate overrides the veto of the President on the housing bill, an attempt will be made to override it in the House today.

INTEREST RATE ON SERIES E AND SERIES H U.S. SAVINGS BONDS

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 376 and ask for its present consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9035) to permit the issuance of series E and H United States savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes. That after general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and to myself such time as I may need.

Mr. Speaker, this resolution makes in order the consideration of the bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes. That is a bill lifting the ceiling on the interest rate on E- and H-bonds in order to relieve the present distressed condition of the U.S. bond market. It goes no further than consideration of that one question, lifting the interest ceiling on the E- and H-bonds.

As is the case with all tax bills, this bill comes to you under a closed rule which provides 2 hours of general debate, after which the bill will be considered as having been read. It is not subject to amendment but is subject to one motion to recommit with or without instructions.

Mr. ALLEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this rule makes in order H.R. 9035, a bill to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes.

Several months ago the President of the United States sent a message to the Congress requesting legislation to, first, raise the interest rate which the Government pays on its savings bonds; and, second, to remove the limitation on the interest rate at which it is allowed to borrow money for periods longer than 5 years.

Again the other day, the President sent an urgent appeal to the Congress for action on this legislation, noting that the American people have a tremendous stake in its enactment. Failure to act, the President said, means that millions of thrifty Americans who purchase savings bonds cannot be fairly treated, since the Treasury will be unable to pay them a fair rate of interest.

And, finally, said the President, it means that responsible people at home and abroad can only conclude that we have not yet determined to manage our financial affairs as soundly as we should.

In the case of U.S. savings bonds, the interest rate which the Treasury is paying to the 40 million owners of some $42 billion worth of series E and H bonds, is limited by law to 3¼ percent. This is far below what the Treasury is compelled by market conditions to pay to other holders of its bigger I O U's, and well below what an individual can earn simply by putting his extra cash in most savings banks or institutions.

As a result, in each of the last 4 months, more savings bonds have been cashed than the Treasury has sold. To redeem these bonds and to meet its other obligations, the Treasury has had to borrow money from investors in the so-called short-term market—generally for 90 days up to 1 year. This, of course, puts the Government in competition with business firms and other small borrowers for available short-term money.

The bill which this rule makes in order fulfills but one part of the request of the President—namely, to raise the interest rate the Government pays on its savings bonds. It fails to provide the second part of his request—namely, to remove the limitation on the interest rate at which it is allowed to borrow money for periods longer than 5 years.

The second part of the President's request is ignored in this bill. The problem, in short, is to make long-term bonds more attractive so that the public will not only buy them, but will hold them until maturity.

At the present time, the Treasury is unable to sell its long-term bonds, which mature in more than 5 years, at the maximum 4¼ percent interest rate which was fixed by law in 1918. Investors can simply get a better return on their money from other sources. It means that the Treasury is obliged to continually raise 70, 80, or more billions of dollars every few months.

When members of the Committee on Ways and Means were before the Rules Committee requesting a rule on H.R. 9035, several members of the Ways and Means Committee—realizing the seriousness of including the second request of the President to remove the limitation on the interest rate at which the Treasury is allowed to borrow money for periods longer than 5 years—urged that the rule make in order the substitution of the Harrison-Simpson bill, which provides for the same.

When the present rule was considered by the Rules Committee, I moved that the substitute Harrison-Simpson bill be made in order, but my motion was defeated.

It is my sincere hope that during the debate on this bill, our colleagues, the gentleman from Virginia [Mr. HARRISON], the gentleman from Pennsylvania [Mr. SIMPSON], the gentleman from Wisconsin [Mr. BYRNES], and others will speak on the importance of removing the limitation on interest rates for long-term borrowing, and that their remarks will be deemed sufficiently important so that a bill will be presented before we adjourn which will take care of the matter.

Mr. Speaker, I know of no one who is opposed to the rule presently before us, and I urge its adoption.

Mr. ALLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Idaho [Mr. BUDGE].

Mr. BUDGE. Mr. Speaker, while I think the chairman and the members of the Committee on Ways and Means are to be complimented for bringing this bill to the floor of the House, I also feel that it should be pointed out that the bill is in no sense a solution to the problem which confronts the Treasury of the United States. The legislation covered by this bill simply calls upon the Federal Treasury to pay more money out in interest in managing a segment of the national debt. It does absolutely nothing to give the Treasury the power to adequately and properly manage the national debt in the field of long-term financing, where that authority is most necessary. The bill could even be considered as inflationary because of the additional expenditures which will be taken out of the Federal Treasury. It is important, therefore, Mr. Speaker, that the chairman and the members of the Committee on Ways and Means do, at the first possible opportunity, take the next step in granting to the Secretary of the Treasury the power to adequately manage the national debt and the problems which now confront the Nation in its fiscal management.

Those problems are serious, we could say even grave, and deserve the fullest attention of the Congress.

Mr. ALLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I may be delaying the proceedings, but not as much as would be necessary later in the day. From the inception of our Government it has been customary for a small section of the press to question the integrity, the patriotism, and the ability of Members of the Congress. Recently that has been done in several different ways. The happenings in the last week or two have demonstrated, at least to my mind, that Congressmen—and in that I include, of course, Members of the other body—cannot, Mr. Speaker, be purchased.

More than a million dollars has been expended by unions in attempting to elect individuals to the Congress who will carry out the will of the union official. The vote in the House on the 13th and on the 14th of last month, that in the Senate prior to that, and last night in the Senate and again here today has demonstrated beyond any argument that those who received campaign contributions nevertheless vote as their judgments and consciences dictate. Many are getting sick and tired of the thought that Congressmen can be purchased as so much merchandise is bought in a supermarket. It just cannot be done. It happens that I know quite intimately practically every one of the 52 Members who just voted against this bill, and in my judgment every one of them voted his sincere conviction, and it is an outrage for the papers to continue to say that Members of Congress can be purchased either by labor organizations, by the chamber of commerce, the National Association of Manufacturers, or any other group when the demand affects our national welfare.

The foregoing does not mean that the practice is approved. In my judgment it is wrong. My purpose is to call attention to the fact that often when the issue is clear Congressmen are faithful to their constituents.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

RAISING THE INTEREST RATE ON SAVINGS BONDS WILL RAISE ALL INTEREST RATES, CAUSE MORE UNFAIRNESS TO 98 PERCENT OF THE AMERICAN FAMILIES, BRING ABOUT NO MORE SAVINGS, AND STRENGTHEN THE ADMINISTRATION'S DRIVE TO BREAK THE HISTORIC 4¼ PERCENT CEILING ON MARKETABLE BONDS NOW FAVORED BY WALL STREET SPECULATORS

Mr. PATMAN. Mr. Speaker, I will have to vote against the bill. In doing so I recognize that there are many valid arguments for the bill.

We are told that the people who buy savings bonds are the true savers. They are, of course, individual savers, not institutions. Furthermore, there are no speculative profits to be made on variations in the market price of these savings bonds. That is all true.

We are also told that the rate being paid on savings bonds is out of line, and on the low side, relative to the other interest rates. That is true.

Furthermore, we are told that the Government ought to be fair with the purchasers of savings bonds and give them a rate which is on a parity with the rates the Government is paying on its marketable bonds, considering, of course, that some differential is justified by reason of the fact that the Government stands ready to cash in the savings bonds at par at any time. In other words, the person who puts $100 in a savings bond can be sure of getting back $100, whereas if he puts his $100 in a marketable bond it may be that he will get back only $90, or $80, or $70, or even less. No one can be sure these days, because of our Government's policy of raising interest rates higher and higher, and thus reducing the market value of bonds which have been previously issued at lower rates.

The argument that we should be fair to these savers who purchase savings bonds appeals to me very much. If we could raise the interest rate on these bonds without also raising all other interest rates, I would be for it. But I think the effect of raising these rates will be to raise all rates, and we will thus cause a much greater unfairness to the overwhelming majority of the American people than if we held the rate as it is.

If we do anything to cause, or to make it easier for this administration, with the help of the Federal Reserve System, to raise the general level of interest rates, we will greatly penalize the overwhelming majority of the American people in return for more special benefits to the big money lenders and the very small percentage of wealthy families in the country. We will cause more inflation. All prices will go up, and this will take a bite out of every family's budget. Utility rates will go up. Taxes will go up. And the cost to consumers of financing a home, or buying things on the installment plan will all be increased. I think that raising the rate of savings bonds will automatically increase all other rates. Furthermore, the effect of increasing the other rates will be to put those of us in Congress who are trying to hold the line against repealing the ceiling on marketable bonds in a weak position to hold out against the administration's efforts to pry the lid off of these bonds, which means prying the lid off all interest rates.

And that, of course, is the administration's main objective. It has succeeded in getting interest rates up now above the 40-year record, and this is a most historic record, during which the previous Democratic administrations were able to lick a depression and fight the greatest war in history without violating this 40-year ceiling.

RAISING INTEREST RATES DOES NOT INCREASE THE SUPPLY OF SAVINGS

Here are the considerations which lead me to believe the bill is bad.

First, will raising interest rates on these bonds bring about any larger amount of savings? No, I do not think so. A larger amount of savings could

be brought about if the administration would put on a campaign to sell savings bonds. If the administration would put only half the effort into a campaign to encourage savings as it has been putting into its campaign to frighten people about inflation, it could solve its problem and get interest rates down, if it wanted to get interest rates down. But that would be contrary to the administration's policy. The administration's policy is to get interest rates up, not down.

The point is simply this: We have had high interest rates and we have had low interest rates, but the American people have not saved any larger percentage of their incomes when interest rates were high than when interest rates were low. This is according to the official Department of Commerce figures. Within the last decade interest rates in general, including interest rates that were available to family savers, have been changed from year-to-year by almost 100 percent. When the rates were doubled people saved less as often as they have saved more. Similarly, when the rates were cut in half, people have saved more as often as they saved less.

So raising interest rates on the savings bonds is not going to bring about a greater supply of savings. Raising interest rates in general is not going to bring about a greater supply of savings. All it will do is to cause us to pay more interest on the same amount of savings, making the rate on savings bonds competitive with rates paid on time and savings accounts will cause these rates to be raised.

Now the argument we hear is that people are cashing in their savings bonds in order to put their money where they can get a higher rate of interest. The argument is that the commercial banks are paying somewhat higher rates on time deposits, the mutual savings banks are also paying higher rates on savings deposits, and the savings and loan associations are paying higher dividends. Thus we are told that this is the reason that more savings bonds are being cashed in than are currently being sold.

There is a great deal of truth in this, although the truth is being greatly exaggerated. One of the reasons that people are cashing in their savings bonds is that consumer spending in general is on the rise. At such times people cash ing their savings bonds in order to buy the things they have been saving to buy, not to put their money in some other form of savings.

There is enough truth in the statement that people are transferring their savings, however, to put us on warning against doing the thing we are being asked to do. Certainly a substantial number of people, people who have rather large amounts of savings, while they do not save any more by reason of high interest rates, do put their savings where they can get the best interest rate. And the argument is that the rate on savings bonds should be made competitive with the rates being paid on time and savings deposits so as to reverse the present trend and divert more savings back into savings bonds.

Remember now, raising the rates is not going to create any more savings. The whole argument is to divert savings from time deposits and from savings deposits. So if raising these rates accomplishes what the proponents of the legislation expect to accomplish, the effect will be merely to raise the rates on time and savings deposits. The State banking authorities are already under pressure to raise the rates which the mutual savings banks can pay. And the Federal Reserve is already under pressure to raise the rate which its member banks can pay on time deposits. What will prevent these authorities from raising these rates? Nothing. They will, in my judgment, promptly do so.

This will mean, then, that the commercial banks and the mutual savings banks will promptly raise their lending rates, first on mortgages, then on other types of loans. The savings and loan associations will be squeezed, and they will have to raise both their lending rates and their dividend rates. So shortly after we raise the rates on these savings bonds, the new rates will be just as much out of line as now, and there will be the same arguments and the same justifications for raising them again. Furthermore, the administration, which says it wants to treat its savers fairly, will have to ask for another increase in the rate paid on postal savings accounts, bevause this rate is also 3 percent.

HIGHER RATES ON SAVINGS BONDS WILL ATTRACT NO MORE SAVINGS BUT WILL HELP RAISE THE RATE ON 4¼ SPECULATORS BONDS

Finally, market rates will still be even more out of line with the 4¼ percent ceiling on marketable bonds, and Congress will be under a great deal more pressure to pry the lid off marketable bonds, and when this happens the sky will be the limit on all interest rates.

The unavoidable issue, it seems to me, is whether we are going to have a roll forward or a rollback in the general level of interest rates. Raising the rate on savings bonds will in no way resolve this issue. It will only increase the likelihood that the issue will be resolved in favor of the moneylenders, in favor of more inflation, and in favor of a further redistribution of the income in favor of the wealthy at the expense of the few.

Let us consider how many people will be helped by raising the rate on savings bonds as against the number of people who will be hurt.

First, only a very small percentage of all the families in the country have any savings at all in the form of liquid assets. The low-income families have, altogether, very little in the way of savings. It is the high-income families and the very wealthy families who do substantially all of the saving.

SEVENTY-THREE PERCENT OF THE FAMILIES OWN NO SAVINGS BONDS—FIVE PERCENT OF THE FAMILIES OWN EIGHTY-SEVEN PERCENT OF THE BONDS

According to a recent survey by the Federal Reserve Board, 73 percent of the families of this country own no savings bonds whatever. They will still own no savings bonds after the rate on these bonds is raised, but they will pay out a great deal more money in higher prices, higher taxes, higher carrying charges, and higher utility rates if this bill is passed.

Only 9 percent of the families own savings bonds in an amount of $1,000 or more. And we might ask what will this bill mean to a family owning $1,000 worth of savings bonds? The administration has told us that if we take the ceiling off the rate on savings bonds it expects to raise the rate by one-half of 1 percent. This will mean, then, that a very few families will receive as much as $5 a year as a result of this bill. That is a very small amount, indeed, and to go to a very few people, to justify increasing interest costs on every family in the country.

Just how are the savings distributed?

The recent survey by the Federal Reserve Board made early this year, shows that only 5 percent of the families in this country own savings bonds in amounts of $2,000 or more. These 5 percent of the families own 87 percent of all the savings bonds outstanding.

Furthermore, if we had the facts I have no doubt that even among this 5 percent of the families a great majority own bonds only in the neighborhood of $2,000 worth, and that three-fourths or more of all the outstanding savings bonds are owned by no more than 1 percent or 2 percent of all the families in the country.

So, in answer to the plea that we ought to be fair to the savings bondholders, we have got to remember that this means that we will authorize interest payments in significant amounts to no more than 2 percent or 3 percent of the families of the country, while we will take a much greater slice out of the budget of the average family.

INTEREST RATES DO NOT REFLECT SUPPLY AND DEMAND—ARE FIXED BY ADMINISTRATION POLICY

Now, of course, the basic premise in all the propaganda we are hearing and reading these days is that the Government is helpless in this matter of interest rates, that interest rates are simply a free market reflection of the supply and demand for funds. Nonsense. If interest rates were determined in a free market and did reflect supply and demand, I would be for taking off all ceilings on interest rates. But this imaginary world that we read about in the administration's propaganda is not the kind of world we actually live in. It has been this administration's deliberate policy to raise interest rates, and the truth is that interest rates can be determined only by the Federal Reserve System and the Treasury. Let me illustrate.

In 1952 and in 1953 interest rates were relatively low. In 1957, they were almost doubled. What were the results? Was the supply of savings increased?

Well, the Department of Commerce reports that in 1952 and 1953, the American people saved 7.8 percent and 7.9 percent of their personal disposable incomes in those years respectively. In 1957, they saved somewhat less—7.5 percent, notwithstanding the doubling of interest rates.

But was the demand for savings as great in 1957? Can we say that the big investment boom of that year took a

larger share of the national income? No; it did not. It took a much less percentage of the national income than in 1952 and 1953.

We recognize two kinds of demand on the national income. One is for consumption. The other is for savings to finance the gross private domestic investment—which includes plant expansion, business inventories, housing, and so on—to finance also the net deficits of all governments, and to finance the net foreign investment, including that brought about by the foreign aid programs.

In 1952, the total demand for savings amounted to 18.3 percent and 18.1 percent, respectively, of the national income, including, of course, business income. In 1957, the total demand for savings had dropped to only 16.8 percent of the national income. So obviously supply and demand for savings had nothing to do with the fact that interest rates were almost doubled. Interest rates had been raised only because the administration, with the help of the Federal Reserve, decided to raise them. And the same is true today. Interest rates have now been raised even above the previous record of 1957. Yet so far this year the demand for savings is a lesser percentage of the national income than in 1952 and 1953. This is a remarkable accomplishment. Certainly we have learned by now that if we do not take a firm stand against this policy of raising interest rates higher and higher, the sky will be the limit.

CALL OF THE HOUSE

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. SMITH of Virginia. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 163]

Andrews	Ford	Pillion
Anfuso	Hall	Poage
Barden	Halleck	Powell
Baumhart	Holifield	Rhodes, Ariz.
Becker	Jones, Mo.	St. George
Bolton	Kluczynski	Sheppard
Bow	Landrum	Sikes
Broyhill	McDonough	Smith, Kans.
Canfield	McMillan	Teague, Tex.
Carter	Machrowicz	Thompson, La.
Cooley	Marshall	Thomson, Wyo.
Davis, Tenn.	Minshall	Wainwright
Derwinski	Norrell	Westland
Evins	O'Brien, N.Y.	
Fisher	Osmers	

The SPEAKER. On this rollcall 391 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INTEREST RATE ON SERIES E AND H U.S. SAVINGS BONDS

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9035, with Mr. UDALL in the chair.

The clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MILLS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, as you are well aware, the question of public debt management has occupied a considerable portion of the public press over the last three months. This started with a series of proposals advanced to the Congress and then in public hearings before the Committee on Ways and Means. Broadly I could summarize these proposals as follows, in three parts.

The first proposal was to remove the statutory ceiling interest rate of 4½ percent on Government bonds with a maturity of 5 years or longer.

The second part of the over-all proposal was to remove the statutory ceiling interest rate of 3.26 percent on series E and H bonds known as savings bonds.

Then, the third part of the proposal was to provide a number of statutory changes affecting debt management, including provisions for certain tax-free bond exchanges that would make possible an advance refunding of a portion of the public debt.

The bill before the committee, Mr. Chairman, H.R. 9035, deals with the last two of these three sets of proposals. The bill provides that the President may issue a finding that the national interest requires that series E and series H savings bonds be sold at an interest rate above the present statutory ceiling of 3.26 percent. The bill also provides all of the special debt management provisions which the Treasury Department asked for. I might elaborate very briefly on what the bill does provide. Basically it gives the President authority to act as though there were no statutory ceiling on the interest rate on Series E and H bonds. The President also has the authority to provide that in the case of outstanding bonds of this nature, E and H, the redemption values for interest periods beginning after June 1, 1959, shall be increased proportionately to whatever the new interest rate is and with respect to new issues of E and H bonds let me illustrate how this works.

If you have a bond which you purchased for $75 on June 2 last, the bond would presently show a redemption value after it had been held for 6 months of $75.60. Under a schedule which the Treasury has indicated it might follow with respect to the new bond sales, the redemption value on this bond would be actually set at $75.64 after 6 months and it would advance so that the bond would mature at $100 after 7 years and 9 months instead of 8 years and 11 months as is the case at the present time under existing law.

The other detailed provisions include a more generous authorization for the Treasury to permit continued holding of matured savings bonds at current interest rates.

Next, the bill contains a provision for relief from liability after 10 years for individuals who make erroneous payments in redeeming these U.S. bonds.

Third. Permission for the trust funds to buy new issues of Government bonds at the issue price rather than at par, since this will be the market price.

Fourth. A reaffirmation of the exemption from certain local taxes on Federal bonds.

Fifth. The provision for nonrecognition of gain or loss on certain exchanges of U.S. obligations from the Treasury where the Secretary of the Treasury has provided under regulation that the nonrecognition treatment will apply to this type of exchange.

We are told by the Secretary of the Treasury that the principal purpose of this provision is to make possible an advance refunding of certain outstanding bonds now selling at a discount as part of the program for extending maturities of the debt. This nonrecognition feature will be of particular advantage to certain savings institutions which will be able to avoid showing a book loss at the time of the refunding.

I think there is little need to emphasize the desirability, the actual requirement, that Congress take some action with respect to the savings bonds sales. I am sure all Members of Congress know, because most all of us hold certainly E-bonds if we do not both E- and H-bonds, that E-bonds are bonds largely held by individuals. In 1957 the change was made with respect to E- and H-bonds, that they can be held by other than individuals except that no one can purchase more of them in any calendar year than $10,000 in maturity value, and except that commercial banks cannot own E- and H-bonds. The interest has been figured on E- and H-bonds of recent issue of the last several months at 3¼ percent. We are in a position today of finding that we are having more of these E- and H-bonds cashed than we are actually selling, and in this present third quarter of 1959 we are told that the redemption of series E- and H-bonds will be in excess of $500 million more than the actual sale of E- and H-bonds in this period.

I am saying in this quarter of this year, the third quarter, the one we are in now, we expect that redemptions will exceed sales of E-bonds by approximately one-half billion dollars. This figure would be much higher, frankly, in my opinion, if it were not for the fact that a great deal of publicity has been given to the possibility—really more than a possibility, I would say—of the interest rate on these bonds being raised effective as of June 1, 1959.

People have been holding them, in my opinion, with the expectation that Congress would enact legislation which will permit some increase in the interest rate. If we should adjourn without taking action which they expect will be taken, and which I hope will be taken, I am satisfied for the next quarter of this year and for the immediate future until remedial action is taken in another session of the Congress that the redemption rate would far exceed this $500 million figure per quarter, that is, the redemption rate over the sale of new bonds. Now, why is it so important that we not let disaster occur to the savings bond program? First of all, we are talking here in terms of that part of the overall debt of the country that will be owned largely by individuals. Almost all of these E- and H-bonds are owned by individuals although, as I said, corporations and others can own them—except that commercial banks cannot. Most of them are owned by individuals. The inflationary effect of your huge public debt is felt far less, if it is held by individuals than if it is held by banks. I think anybody would agree with this. Certainly, it is a fact. Should we not permit an increase in interest what would we be doing? We would be creating a situation wherein the very people we want to hold a maximum amount of this debt will be surrendering their holding of the debt. So the Treasury then would have to go into the marketplace and use short-term paper or other long-term paper to replace that which is lost through surrendering these E- and H-bonds by individuals, which is a very stable holding of a large part of our debt. Now, then, where are they going to go? They are going to go to the banks and other institutions; are they not? They are going right to these lending institutions and place more and more of the debt into the holding in them, and the holdings become greater and the inflationary effect of the debt becomes more pronounced. That is one of the primary reasons why I think we must do something about this ceiling on E- and H-bonds. Then, in addition to that, it occurs to me we ought not to expect people to be willing, as patriotic as their motives are, to put their savings into a Government paper on which they can only get 3¼ percent when all in the world they have to do is to walk down the street and put their money into a mutual savings bank, a building and loan association, or other savings account, and get 4 percent or some such figure for their savings. Now we are not, and let no one mislead you, we are not here proposing that the Government step in through the management of the public debt to increase the rate of interest that people can get for savings. What we are trying to do here is to put the Treasury Department in a position of being able to compete for the savings that people have in the area of E- and H-bonds, and not be left with a situation such as they will be without this degree of relief that this legislation affords.

There are other reasons I could advance for this program as to why it should be done. But is it not common fairness to these people who have, because of patriotic reasons, permitted a deduction from payroll for E-bonds to get at least as fair a break on interest rate as others may be getting who did not put their money into E-bonds? Furthermore, is it not just as fair for them to get a break as it is for those who are not individuals but incorporated in the form of a commercial bank to get the interest? I think it is. I appeal to the membership, certainly, to do this that we are suggesting from the Committee on Ways and Means today.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I am glad to yield to my colleague.

Mr. BAILEY. Has the committee ascertained what part of this investment that the ordinary individual would have to invest in Government bonds is being diverted to spending on the stock exchange?

Mr. MILLS. I will say to my colleague from West Virginia that I do not have that information and I do not know if there is any way to get the answer to it. I would imagine that some redemptions result from the fact that people from time to time have a need to draw on their savings and will liquidate some of them.

Mr. BAILEY. The gentleman will agree with me that they also get liquidated in the fluctuations of the market.

Mr. MILLS. Certainly, but I think most of the redemptions are due to the fact that the people feel, very frankly, that they can get more interest on their savings if they go into some other form of investment than in E's and H's and being wise investors many do just that.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. GROSS. Do I understand correctly that this applies to series E- and H-bonds?

Mr. MILLS. To them only.

Mr. GROSS. And that have matured on or before July 1 or are being presently purchased?

Mr. MILLS. No, sir; those individuals who are possessed of E- and H-bonds as of June 1, 1959, will get the benefit as of that date forward of such increases in the interest rate as are provided with respect to new issues of the bonds, E's and H's, that are issued under the authority contained in the bill to exceed the 3.25 percent; so we would have to do that. I am sure the gentleman understands that if we did not do this the people who owned E- and H-bonds would immediately turn them in, then turn right around and buy new savings bonds carrying the higher rate of interest.

Mr. Chairman, I had intended to say something about a part of the overall program that is not in this bill. It was in this area of the 4¼ percent interest rate on long-term Government obligations other than savings bonds that we have had most of our discussion and controversy. The fact is that I do not suppose there was anybody on the committee really who opposed at any time the thought of treating series E- and series H-bondholders as we are proposing in this bill. The controversy in the committee raged over the elimination of the ceiling, or the right of the President to exceed the ceiling prescribed by law, of 4¼ percent that has been effect for 41 years with respect to long-term obligations.

Our committee gave many days and hours of serious consideration to this matter of the interest rate ceiling on Government bonds. In the first place, it was hard to see that there was any real urgency attached to this issue comparable to the urgency of changing the rates on E- and H-bonds. Right now, long-term bonds are close to the highest levels that they have reached since the 1920's. Unless one is convinced that the rates will continue to go higher, it is not wise financial practice to invest a large amount of the debt at this peak interest rate that will have to be paid for many years in the future even though current rates should decline. Certainly this proposal is more argumentative than the proposal in the bill on E- and H-bonds.

I must observe that the committee's reluctance to immediately endorse the President's proposal has not caused any panic in the investment markets. In mid-June when the President made his proposal to Congress the average interest yield on taxable U.S. Government bonds was 4.09 percent. In the week beginning August 15, the interest rate was 4.06 percent. In the same period, high grade municipal bonds fell from a yield of 4.04 percent to 3.94 percent and triple A corporates fell from 4.46 to 4.42 percent.

Future developments may tighten the situation at which time Congress can again look at the problems then existing.

I also believe the Treasury should gain some experience with the nonrecognition provisions to see if they will not be of considerable help.

Let me say to the membership that I am not ready at the moment to cross the bridge of removing that ceiling; I am not ready to cross the bridge of permitting the President to exceed that ceiling today. A situation can develop that is entirely possible by the time Congress reconvenes and looks at this matter, that it would be deemed feasible by a lot of us who do not now deem that action desirable or who are unwilling to undertake it at the moment. This ceiling rate has been there, as I say, for about 41 years. The Secretary of the Treasury wants authority lodged in the President to exceed it also, leaving flexibility in the management of the public debt. It is all right if one takes the position that there can be no change with respect to the trend in interest rates and that they must fluctuate further upward and upward; but I believe that this is not the time to give authority to exceed this 4¼ percent those bonds can pay. I believe this situation as far as interest rates is concerned may well have reached its peak, or if not, almost reached its peak, or that it is bound to fall. There may be a period within the next several months ahead where we will be not faced with increased rates but with the desirable prospect of a relaxation in the area. I think it would be our thought that it would now appear to be a mistake to

place any appreciable portion of this public debt in long-term securities of 10, 15, 20, or 25 years committed to a rate of interest in excess of 4¼ percent that would have to be paid over that length of time without change even though the rate of interest in the meantime may well have declined to where the Government could actually finance its obligations for less.

To me this is not so pressing as is this matter of the ceiling held on E- and H-bonds. We should not finally dispose of that question today because I think it merits further consideration. It should remain alive before the Congress to be considered at such time as the Congress may want to consider it in the future, but I do not want this joined with what all of us know we ought to do now—take care of interest on the E- and H-bonds—and have the whole program bogged down somewhere along the line. The savings bond part can and should be passed.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. MILLS. Mr. Chairman, I yield myself 1 additional minute.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. SANTANGELO. With respect to the E and H savings bonds, has the committee considered maintaining a rate of interest or reducing it and making the interest tax exempt?

Mr. MILLS. That has been discussed in the committee, yes. I have a very strong feeling personally about this possibility of every time something seems to be desirable of using the tax laws to give an advantage. You may say that because of the circumstances it would be highly desirable to exclude this kind of income from tax, but let me call your attention to the fact that the more of that we do the less is the ultimate possibility of making proper adjustments in the rate structure applicable to the base of our tax. It is my hope that we can stop whittling away at the tax base and make adjustments in our rate structure so that everybody can receive some benefit through that process.

In the case of interest on the public debt, the charge should be a direct charge so we know its cost. It should not be hidden in tax exemptions.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, let the record be clear at the outset that the minority Members of the House of Representatives support the proposal to provide authority to the Secretary of the Treasury to pay a fair and equitable yield to holders of series E and H bonds. The bill, H.R. 9035, gives that authority. The minority Members of the House were willing to do that on June 8, 1959, at the time the President transmitted his legislative recommendation on the subject of public debt management to the House.

Let the record be clear at the outset that the minority Members of the House of Representatives are also willing to support legislation that would strengthen the hand of the administration in assuring that the holders of series E and H bonds upon maturity of the bonds were paid back in dollars that had a comparable value to the dollars which they invested at the time of purchasing the bonds. The minority Members of the House were willing to do that on June 8 when the President's message was received by the Congress. The bill, H.R. 9035, in its present form does not do that. It is unconscionably and grossly deficient in that respect.

The House leadership by approving the floor consideration of H.R. 9035 after 3 months of vacillation, procrastination, and disputation has taken a timid step toward dealing with the fiscal facts of life and is today giving the House a long-awaited opportunity to be halfway responsible. It can be said with certainty that H.R. 9035 is not an adequate solution to the problem of public debt management. Regrettably, it may also be true that H.R. 9035 is no solution at all.

Three months ago on June 8, 1959, the President of the United States sent a message of unusual importance to the Congress asking the passage of legislation designed to give the Executive more realistic authority in dealing with the very momentous problem of public debt management. In asking that authority he made two specific requests with respect to interest rates payable on Government securities. First, he asked that the 3.26 percent ceiling on series E and H savings bonds be repealed. Second, he asked that the 4¼ percent interest rate ceiling on marketable bonds be repealed. He was seeking the authority to pay higher interest rates if market conditions required and if in the judgment of the responsible and capable officials charged with the management of our debt the payment of higher rates in the long term money market would have the effect of reducing the cost of maintaining our $290 billion public debt. It should be made clear that the President was not asking authority to increase interest rates needlessly. It should be made clear that he was seeking to minimize and not increase public debt costs. That his proposal was directed to the point of decreasing debt costs rather than increasing them has been attested to by the great preponderance of fiscal experts and financial writers.

Mr. Chairman, I would call attention to pages 45 to 52 of the report wherein there is a long list of editorial comment in every respect endorsing the recommendation made by the administration to do everything which is in the bill before you plus one thing more asked by the administration.

Mr. Chairman, since the receipt of the President's message on June 8 there has been much uninformed talk and no definitive action. The Committee on Ways and Means on an on-again-off-again basis has struggled to find an alternative solution to the legislative request of the President. Of course, the only real solution is to deal straightforwardly with the issue and approve the President's recommendation. Unfortunately, there were those members of the committee who, for various reasons, considered such straightforward action undesirable. On two occasions the committee marched up the hill to give tentative approval to a legislative proposal only to march back down the hill and reverse itself. The third attempt to scale the heights of fiscal responsibility has produced partial success in that we at least have before the committee the bill, H.R. 9035, dealing with the statutory ceiling on series E and H bonds and ignoring the problem caused by the ceiling on marketable bonds.

Approximately 40 million Americans hold $42 billion in savings bonds. In recent months redemptions of such bonds have exceeded sales. That fact is a reflection of public concern over the wisdom of investing in Government securities. I submit, Mr. Chairman, that the same economic principles that have prompted a net redemption of savings bonds are applicable to the areas of marketable bonds. These same economic forces that have impaired Treasury endeavors to increase the holding of savings bonds have also seriously encumbered the Treasury endeavors to handle and refinance the $183 billion that is outstanding in marketable bonds, Treasury bills, notes and certificates. While 42 million Americans may be directly interested in savings bond yields, 177 million Americans are vitally and directly interested in the part of the President's recommendation that H.R. 9035 blindly disregards.

Presently our borrowing is exclusively being done by securities with less than 5-year maturities in competition with anyone and everyone, business and individuals, who seek to borrow money.

I refer you then to the first full paragraph on page 31 of the committee report where it is stated:

> Under the majority proposal the Congress runs the risk of misleading the public. We offer them, on the one hand, the assurance by the Congress of a more adequate yield on their patriotic investment in series E and H bonds.

The ones I refer to are your neighbors and my neighbors who are asked to buy and to hold series E and H bonds which today they are not buying but are selling because the interest rate is too low or because of their fear of inflation and they seek to put their money into something less likely in their judgment to suffer from inflationary effects.

That is what this bill does which is before us, but by restricting the Treasury refinancing to the short-term market we could merely be fanning the fires of inflation with the consequence that at maturity these savings bonds would be redeemed at a higher yield but with an inflation-eroded dollar.

It is said that we should vote to take care of the savings bond matter because that is all we can hope to get through the Congress in the closing days of this session. It is also said that the Congress can take another look at the neglected portion of the President's recommendation next year. The Congress has been looking for 3 months now under the most urgent and compelling conditions that argue in favor of granting the President the authority he requested. That 3-month look has produced no result.

If the leadership procrastination had not brought us to the point of imminent adjournment before this legislation was allowed to come before the House, this issue could have been more thoroughly considered by the membership. The proponents of procrastination have used the other body as an alibi for no House action. But, Mr. Chairman, that alibi is no longer available to them. We were also told, Mr. Chairman, that a gas tax increase could not be gotten through the House of Representatives, but yesterday the House of Representatives voted by a vote of 243 yeas to 162 nays to support a gas tax increase.

I believe the time has come when the leadership must cease discounting the willingness of the House to deal responsibly with national issues. The leadership should give the House the opportunity to decide for itself what its attitude will be on legislative matters.

The President of the United States, the Secretary of the Treasury, the Chairman of the Federal Reserve Board of Governors, and the Republican members of the Committee on Ways and Means have all been diligent in our efforts to overcome the "sit and wait" obstruction tactics of the House leadership. We have persisted in our endeavors not as a "political play" but instead, because we knew the best interests of our Nation and indeed of the free world, required such action.

Despite all contentions to the contrary, the majority-approved proposal is inflationary in its import. It will have the practical effect of forcing the Treasury to refinance approximately $74 billion in the next 12 months in the short-term—under 5 years—money market. In refinancing this huge portion of our $290-billion debt in such a way we will be keeping a large portion of the total national savings in the next thing to money as far as liquidity is concerned. In addition by limiting the Treasury Department to short-term money we are placing the Federal Government in competition with the same sources of borrowing that are resorted to by small business for working capital and capital improvement, and by the American public as consumers in purchasing automobiles and other durable goods. This concentration of the forces of borrowing demand in the short-term money market will inevitably force the interest rate on short-term money to continue to climb. This will impose the havoc of inflation on the American people and will add inestimably to the cost of maintaining the public debt.

Mr. Chairman, if we were to improve this legislation by adopting the motion to recommit we could then with honesty say that we are assuming our responsibility as legislators in passing this legislation and putting the responsibility for the debt management where it belongs, namely the administration. The President on August 25 stated:

> The administration is willing to assume full responsibility for managing the Federal Government's debt if it is allowed to do so free from artificial restrictions and on a parity with other borrowers.

The inference is and the fact is that if we in the Congress refuse to remove the artificial barriers which in effect force the Government to borrow money in the short-term field, the responsibility for the inflationary effects of borrowing money in this short-term area rests with us. We will not here be doing our duty as responsible legislators if we do not give the authority to the President as he has requested.

The President stated further on August 25, in referring to this legislation—and I hope you will listen: "No issue of greater importance has come before this session of Congress." Think of that. Not the labor bill; not the highway bill; not mutual security; the legislative issue before us today is of primary importance. No issue of greater importance has come before this session of Congress than this question of the security of the debt of the United States in the hands of its citizens, representing their lifetime savings. I repeat that this request of the President has been supported by every sound financial writer, and we of the Committee on Ways and Means do not bring you that part of the bill which is the most vital and anti-inflationary part of the requested legislation. It is true the Treasury says they will accept this bill if it becomes law, but emphatically as of yesterday the Secretary of the Treasury said it is inadequate. He said it is no compromise with the Treasury; it is inadequate. He said the Treasury will continue to urge that the ceiling on long-term bonds be removed. The Treasury is no party to this legislation before us.

The phrase to keep in mind is "good debt management." That is the phrase which keeps cropping up time after time, "good debt management." What can be done to borrow the money the cheapest and with the greatest possibility of avoiding inflation? The one thing that stops us in this law passed 41 years ago which limits the authority for long-term investments to an interest rate of 4¼ percent or less. There is no limit on what we pay for short-term money. That could go up and up and up, and will go up unless we allow the Treasury to tap those sources of funds which are available on a long-term basis.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from California.

Mr. HIESTAND. The gentleman has said that concentrating so large a part of our debt on short-term money is inflationary, and we say that that is true. A high percentage of that investment goes to commercial houses and banks.

Mr. SIMPSON of Pennsylvania. A large part of it goes to that type of purchaser and is, in effect, money which provides a basis for the issuance of new money. It may be cash on demand, and a large part of it is only 90-day paper, anyway.

Mr. HIESTAND. Can the gentleman state about how much of that short-term money goes to financial institutions?

Mr. SIMPSON of Pennsylvania. I regret that I cannot, offhand.

Mr. HIESTAND. I thank the gentleman.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Virginia.

Mr. HARDY. I am searching for an answer on this subject. We talk about short-term money being inflationary and long-term money guarding against inflation. What is the cutoff period? Where does the period become inflationary and where does it prevent inflation?

Mr. SIMPSON of Pennsylvania. The Treasury has told us if they are permitted to invest their money with those purchasers who are willing to tie their money up for anything over 5 years, they thereby lessen or reduce the chance of that money becoming inflationary.

Mr. HARDY. Then is not the key to the problem the length of the term for which the bond is issued, or is it the individual that holds it?

Mr. SIMPSON of Pennsylvania. Let me put it this way: The life insurance companies formerly bought vast amounts of bonds and tied up millions of dollars in long-term securities. They have completely reversed that policy and are now placing their money in the short-term area, where they can make the money available to business and personal loans.

Mr. HARDY. I would appreciate the gentleman's helping me clear up some of these questions in my own mind. In the case of a long-term bond with a relatively high interest rate, would it not have the capacity of being just as inflationary as a short-term bond in that it would provide the basis for short-term credit?

Mr. SIMPSON of Pennsylvania. Well, the fact is that the money is tied up, and the man cannot demand that the Government give him cash. He may go on the market and endeavor to sell it.

Mr. HARDY. Is he not able to borrow?

Mr. SIMPSON of Pennsylvania. He may borrow on it; that is correct.

Mr. HARDY. At a lower interest rate than the long-term security?

Mr. SIMPSON of Pennsylvania. That would depend upon economic and monetary conditions. Now, this bill before us has the effect of increasing the cost of borrowing money from the people who buy the E- and H-bonds. Believe me, they are entitled to it for they are risking their money in a certain area when they could put their money in some other institution of lending and get a greater return. So the fact is that the costs as a result of this piece of legislation are being increased. More pressure for spending under our budget is represented by this piece of legislation and we refrain from doing anything whatever to help the Treasury Department control the influences which tend to bring about inflation.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman.

Mr. ALGER. In partial answer to the question directed earlier by the gen-

tleman from Virginia, is it not true that the shorter the term the more liquid the money becomes; in fact, it evenually actually becomes money. In that connection may I ask the gentleman with reference to the statement on page 34 of the report if the answer is not to be found partly in this sentence:

> In the years 1920–21, the ceiling forced the Treasury to engage in 25 separate short-term debt operations at interest rates above 5 percent—or three-fourths point higher than the ceiling.

Mr. SIMPSON of Pennsylvania. That is right. Traditionally the short-term money will continue to increase in cost as we are forced to bid against all those who want to borrow money—businesses, individuals, and so forth.

Mr. Chairman, I could discuss the grave issue presented to the House by the inaction of the majority party in approving only a small part of the President's request for legislation at considerably greater length. Time will not permit my dealing with this subject as fully as I would like. I would, however, refer you to the supplemental views of the minority Members set forth beginning on page 29 of House Report No. 1148 which accompanies this legislation to the floor of the House. I would also call your attention to previous remarks that have been made by the Republican members of the Committee on Ways and Means which appear in the CONGRESSIONAL RECORD. Specifically, I would refer you to the CONGRESSIONAL RECORD of July 23, 1959, beginning on page 14162; the CONGRESSIONAL RECORD of July 30, 1959, beginning on page 14855; and the CONGRESSIONAL RECORD of August 18, 1959, beginning on page 16246. The facts, the issues, the considerations are presented in those documentary references.

Mr. Chairman, I have made frequent reference this afternoon to the Republican members of the Committee on Ways and Means. That is not to say that the issue before us today is a partisan issue as far as we are concerned. I will predict that the Republican Members of the House will virtually vote to a man in favor of the motion to recommit that will be offered. This will not be a partisan vote as far as we are concerned. Instead, it will be a vote to protect the investment of the very citizens we are purporting to benefit under the majority bill, namely, the holders of series E and H bonds. It will be a vote to protect the fiscal solvency and the integrity of the credit of our Nation. But I would make this point unequivocably clear that if the Democratic Party opposes the motion to recommit that I will offer instructing the Committee on Ways and Means to report back to the House immediately with a bill dealing more realistically with this problem, the responsibility for the consequences of that opposition must rest solely and exclusively with the Democratic majority in the House of Representatives.

Mr. Chairman, the motion to recommit that I will offer while some two pages in length can be simply described.

It embodies the provisions of the bills H.R. 8637 and H.R. 8638 which are identical measures cosponsored by the gentleman from Virginia [Mr. HARRISON], and myself. We introduced these bills at the direction of the Committee on Ways and Means after their substance had been given tentative committee approval.

These bills would deal responsibly and realistically with the problem of debt management by giving to the Executive adequate authority to seek Government borrowing in the most economical money market and to place an appropriate portion of the debt in long-term maturities. The motion to recommit would include the general substantive effect of all the provisions of H.R. 9035. But the motion would provide that for a 3-year period, upon a finding by the President that such action was in the national interest, the Secretary of the Treasury would be allowed to disregard the 3.26 percent ceiling on series E and H bonds and in addition he would be allowed to exceed the 4¼-percent ceiling on marketable securities having a maturity in excess of 5 years. In addition the motion would include the same sense of Congress expression contained in the bills introduced by the gentleman from Virginia [Mr. HARRISON] and myself which has been termed unobjectionable by the administration.

Mr. Chairman, let there be no mistake that a vote for this motion to recommit is a vote against inflation; a vote to defeat this motion to recommit is a vote in favor of inflation. After this vote is taken we will know who the inflationists are. The taxpayers of our Nation will know; the retired citizens living on fixed incomes will know; indeed, the world will know. The world will also know whether or not the Congress of the United States is willing for our Federal Government to take the courageous steps necessary to preserve the integrity of our national credit, the soundness of our dollar and our fiscal stability. Remember, the public confidence, at home and abroad, in our country, is at stake in the vote on this motion to recommit.

Remember, also, that this is not a vote for higher interest costs on the public debt. Instead, it is a vote to give authority to the Secretary of the Treasury to manage our public debt at least cost to our taxpayers and with minimum interference with the functioning of our free enterprise economy. If the motion is defeated, the small businessman who 3 months from now has to pay more for the money he needs for working capital or for capital improvement will know by reading the rollcall of this vote who is responsible for the tight money in the short-term market. A vote against the motion to recommit is a vote for tight money insofar as funds for borrowing are available to our consumers and to our small businessmen.

May I at this point say that at one stage of the game 15 of our members of that committee against 10 favored the reporting out of the bill which will be the recommittal motion basis to be offered a bit later on.

It is true that our committee has gone up the hill and down the hill. Believe me, a promise to wait until next year and allow inflationary circumstances to continue to grow between now and that time is not only foolish, it is dangerous. What we should do today is to adopt and send to the other body the substitute which is the basis of the recommittal motion to be offered later on.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, I take this time mainly to try to set the record straight on this very controversial issue. I think I can say in all sincerity that I have been sympathetic to the problems that Secretary Anderson has brought before the committee in connection with this matter. I think, too, that I can say that I share the concern that most Americans do about the spiraling of interest rates throughout our country.

As a matter of fact, only on the day before yesterday it was announced by the principal banks in New York that the prime rate of interest had moved up to 5 percent. That means that the very best loans, the best risks that are available in this country must pay a prime rate of 5 percent, which means that when you get down to the lesser valued risks the rate will vary from 6 to 7 and 8 percent. There is no telling how high it may go.

So, between the two propositions, namely, that of responsible financing of this tremendous public debt and the proposition of attempting to keep the cost of money at a reasonable rate, our committee has attempted to operate. Now let us review a little bit what really transpired. My good friend, the gentleman from Pennsylvania [Mr. SIMPSON], said 15 members voted to report the bill, which he is now supporting. So far as I know, that is not technically correct. Fifteen members voted to consider such a bill, but the bill that we originally agreed upon, where 18 members out of 25 members of the Committee on Ways and Means instructed the chairman to introduce a bill, was the one I am going to refer to in just a moment. I say this, Mr. Chairman, without fear of contradiction—if it had not been for what I consider the shortsighted opposition of Governor Martin, of the Federal Reserve Board, this matter would have been disposed of at least a month ago, and pretty generally to the satisfaction of everybody concerned.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. SIMPSON of Pennsylvania. The bill to which the gentleman referred did include the provision eliminating the 4¼ percent. It had the approval of 18 members.

Mr. BOGGS. Oh, yes; it did.

Mr. SIMPSON of Pennsylvania. So the committee at that time thought it was good legislation.

Mr. BOGGS. Yes; and the bill I refer to includes the provision that is in the bill the gentleman is going to offer as a substitute on a motion to recommit.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield for an observation on the point that he is just making?

Mr. BOGGS. I yield to the gentleman, if I can get a little more time.

Mr. CURTIS of Missouri. The Chairman of the Federal Reserve Board is not a member of the administration, and it was the administration that was requesting this; was it not?

Mr. BOGGS. Well, I must confess that kind of an argument is a tweedledee and tweedledum argument. I do not know what the Federal Reserve Board is. As a matter of fact, I get the impression it is a fourth branch of the Government. That we have a Congress of the United States, the judiciary, the executive, and a Federal Reserve Board.

After a great deal of debate, and this was a serious debate, and I do not think the members of the Committee on Ways and Means should be criticized for what transpired there—after having serious debate, we voted 18 to 7 to instruct the chairman of the committee to introduce a bill which carried out what the gentleman from Pennsylvania [Mr. SIMPSON] wants to do with one or two exceptions. We had in that bill what we called a sense of Congress resolution. Let me read this to you and see how much objection any of you can find to it. This is the language that Governor Martin said he could not accept under any conditions. I will read it to you:

It is the sense of Congress that the Federal Reserve System, while pursuing its primary mission of administering sound monetary policy, should, to the maximum extent consistent therewith, utilize such means as will assist in the economical and efficient management of the public debt and in so doing the System should, wherever feasible, bring about needed future monetary expansion by purchasing U.S. securities, of varying maturities.

That is the end of the quote and the end of the sense resolution.

This was the language that the Federal Reserve Board said under no conditions could it accept. I might say in connection therewith there came about an exchange of correspondence between the Republican members of our committee, if I remember correctly, and the distinguished gentleman from Texas, the honored and revered Speaker of the House of Representatives, Mr. RAYBURN. I was very pleased, in that connection, to read in a very conservative and well thought of business publication, Business Week, for August 1, 1959, just a month ago, the following editorial in connection with that exchange of correspondence.

It is very short; I will read it to the Committee. The title is: "The Speaker's Rebuke."

Speaker SAM RAYBURN has a sharp tongue, but there was considerable justice as well as sharpness in the rebuke he administered last week to some of the more vocal supporters of the Federal Reserve Board.

"I have been forced to the conclusion," RAYBURN declared, "that the Federal Reserve authorities have reached a point in their thinking where they consider themselves immune to any direction or suggestion by the Congress, let alone a simple expression of the sense of Congress."

Without referring to the editorial I must say that it seems to me that any reasonable person would agree with that conclusion in the light of the language which I have just now read; but returning to the editorial, it continues:

Speaker RAYBURN'S voice is a powerful one in Washington, and when he says something like this, it is worth listening to. In fairness, though, his rebuke should apply not to the Fed itself but to some of its more ardent champions who have rushed to attack the proposed "sense of Congress" amendment to the bill raising the ceiling on the interest rate the Federal Government can pay.

The merits of the amendment itself may be arguable—though it can be remarked in passing that the language is moderate and the principle has been supported by some highly qualified students of central banking (Business Week, July 18, 1959, p. 128).

But whether the amendment is wise or foolish, the right of Congress to give these or any other instructions to the Fed should be beyond question. The Fed itself has always acknowledged this. But some of its partisans with their charges of a "political foray" seem to have forgotten it.

It is a basic principle of our Government—and an excellent principle—that the expert administrator operates not by divine authority but by virtue of his ability to persuade duly elected representatives of the laity that he knows what he is doing.

Regardless of what happens to the "sense of Congress" amendment, it will be a sad day for the country—and for the Federal Reserve System—if we ever try to operate on any other basis.

That is the end of the article.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman.

Mr. REUSS. Is it not a fact that the editor of Business Week is a very distinguished Republican, Mr. Elliott Bell, economic adviser to former Governor Dewey?

Mr. BOGGS. He could be; I really do not know.

In connection with editorials I note that some commentators—and I am always interested in commentators—you know some fellow said that you study medicine all your life and by the time you are ready to die you know a little bit about one part of medicine. Maybe the same thing applies to other professions, but these commentators and editorialists become authorities on everything overnight. I notice some of them are saying that our great Speaker has lost some of his influence and some of the affection of the Members. Without going into the record of Congress, because it is still being written, I daresay that come next week or whenever it does come that we close this first session of the 86th Congress, that it will be one that all of us can be proud of and that the stamp of SAM RAYBURN will be all over it; and it will be a good stamp.

Frankly, Mr. Chairman, I hate to say it, but I am afraid there has been a good bit of politics played in this thing. I do not accuse Secretary Anderson of playing politics, I genuinely do not. I think he is one of the great men in our Government. But I am concerned about Governor Martin and the people on the Federal Reserve Board who brought enough influence on our committee and the other Members of this body to have this language withdrawn.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. No; I am not going to yield.

Mr. CURTIS of Missouri. The gentleman has made a very serious charge.

Mr. BOGGS. It is going to stay in the RECORD.

Mr. McCORMACK. The gentleman has made a moderate charge.

Mr. BOGGS. The charge I made will not be changed in one iota.

When we talk about fiscal responsibility of the Government, I think the record shows that we on the Democratic side have attempted to maintain that responsibility since we have had the authority to do so. This business of throwing out words like "inflation," "spenders," and all of these other scare words that are being used should be stopped. As a matter of fact, I have not been able to count the appropriations as they have not been finally totaled, but it looks as if by the time the record is written next week or the week thereafter we will have appropriated considerably less than Mr. Eisenhower asked for in his $77 billion budget which he submitted to the Congress last year before Congress met.

The idea of coming here after the Ways and Means Committee has acted and has instructed the chairman by a vote of 18 to 7 to report this bill and saying they would not take it under any condition should not permit the administration to complain when we give them the authority to handle the E- and H-bonds. Incidently, these long-term issues which you are complaining about are not due as far as I know within the next 12 months. Is that correct?

Mr. MILLS. The gentleman has reference to the fact that none of them become due until next year.

Mr. SIMPSON of Pennsylvania. There are $80 billion to be refinanced in the next 12 months, no part of which can be separated.

Mr. MILLS. None of the long-term bonds come due until next year.

Mr. SIMPSON of Pennsylvania. It makes no difference whether it is a long-term debt or a short-term debt, we have to borrow the money to refinance the long-term debt or the short-term debt and unless we change the law we can only borrow in the short-term market, which is up to 5 years.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Tennessee.

Mr. BAKER. I am interested in the statement made that this bill was reported by a vote of 18 to 7.

Mr. BOGGS. I did not say that, I do not believe.

Mr. BAKER. What in the world can the 10 Republicans do to keep that bill from being introduced and reported to the floor?

Mr. BOGGS. I am not charging anyone with anything. I am saying to the gentleman and to all Members of this body that the word was conveyed to me

and as far as I know to my colleagues on the committee, that this so-called sense language was not acceptable to the Federal Reserve System.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 4 additional minutes. Will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Arkansas.

Mr. MILLS. Certainly the word was conveyed to us that the administration would not accept a bill all of the 18 members told me to introduce as long as that language was in it. The bill was unsatisfactory if it contained that language. The matter could have been resolved in July or August had that language been acceptable. The gentleman from Louisiana knows that the objection that was made to it at the time was just simply patent nonsense.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I have very little time, but I am happy to yield to the gentleman.

Mr. CURTIS of Missouri. I would like to ask the chairman of the Committee on Ways and Means if that was submitted to the committee? I do not know what dealings were going on with the chairman or with somebody else.

Mr. MILLS. I had no intention of introducing a bill to try to help the administration with a problem that the administration would not support.

Mr. CURTIS of Missouri. Does not the gentleman think it should have been submitted to the committee?

Mr. BOGGS. I cannot yield further.

Mr. Chairman, we must put this thing in perspective to understand the dilemma faced by members of the committee, and I refer to those on each side, and why this sense resolution was so important. The prime rate of interest was 5 percent, the Government came in and asked for authority to raise its rates across the board. With these rates going up it meant building and loan associations, savings banks, municipalities, State bond issues, public works issues, the whole gamut of the interest structure, had to go up proportionately.

What we were trying to do was to reach a position where we could have some degree of control over this precipitous proposition. We did not think for one moment that this sense resolution in itself would do that, but we did feel that this was an expression of the feeling of the representatives of the people so that we might maintain some ceiling on these interest rates.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. We hear a lot of talk about what happened in the Committee on Ways and Means with reference to the sense resolution. The minority has the power to offer a motion to recommit. There is nothing to stop them from including in the motion the sense resolution.

Mr. SIMPSON of Pennsylvania. I would say that the sense of Congress resolution is in there, the one presented by the gentleman from Texas [Mr. IKARD] and adopted. The objectionable one is not in there.

Mr. BOGGS. I am glad the gentleman used that term "objectionable" because this, of course, pins it down. The gentleman from Missouri a moment ago inquired of me as to where the objection came from and the gentleman from Tennessee [Mr. BAKER] inquired of me as to where the objection came from. I am happy that the gentleman from Pennsylvania has pinned it right down. It comes from the administration. And, the best proof of it is that in the gentleman's substitute he does not include the language which was included in the original bill.

Mr. SIMPSON of Pennsylvania. Permit me to say that it was Mr. IKARD's amendment which is included in the Harrison-Simpson bill.

Mr. BOGGS. I understand that, and I bow to the gentleman from Texas [Mr. IKARD]. I supported him. I was one of those who voted with him, because I feel this is a problem that we should try to work out. And, I never saw a man work harder to help resolve this problem than the gentleman from Texas, but he finally gave up and said, "My goodness. There is no way to satisfy the Federal Reserve System." That is the record, my colleagues.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I would like to direct a question to the chairman of the Committee on Ways and Means as to whether he or anyone else contends that the bill we have before us, H.R. 9035, provides for good debt management.

Mr. MILLS. My thought is, to the extent that it goes, it does provide all necessary authority to accomplish good debt management with respect to E- and H-bonds. I have very serious doubt at the moment with respect to the part that the gentleman would include of exceeding the limit on long-term bonds, the 4¼ percent limit. I would like to know more about how much of the debt is intended to be put in these long-term securities at an interest rate in excess of 4¼ percent and indeed, whether we need a rate in excess of 4¼ percent with the change in savings bond rate.

Mr. CURTIS of Missouri. I thank the gentleman for his answer. Of course, the point is that in order to have a bill on good debt management, we should do something about the ceiling on long-term bonds. As to the sense of Congress resolution, I do not know just where that comes in on a question of debt management, because actually it pertains to the subject of the Federal Reserve System and the way the Fed handles itself. That is a very interesting point, incidentally, because legislation affecting the Federal Reserve System under the jurisdiction of the House is in the Committee on Banking and Currency and has never been in the Committee on Ways and Means. The Committee on Ways and Means is concerned with the problems of the Treasury Department as they relate to proper debt management. It is perfectly true that the Congress does have control over the Federal Reserve, and I think a grave injustice has been done to Mr. Martin, the Governor of the Federal Reserve Board, in stating that he in any sense has implied that Congress does not have control over the Federal Reserve Board. It, in effect, is a creature of the Congress, and the Congress can change the Federal Reserve Act any time the Congress sees fit. Now, if the gentlemen who have been promoting this sense of Congress resolution were as sincere as they profess to be in attaining that particular end, why did they not present it to the Committee on Banking and Currency and get the change made at that time?

Now, I must say this, and I hope the gentleman from Louisiana is here, because he made a very serious charge, and I think we ought to examine it to find out just what he did mean. He said that the Federal Reserve Board exercised great pressure. I do not know just who the pressure was exerted upon and I do not know what he meant by "great pressure," but the implication and the innuendo of the word "pressure" certainly indicated something improper. I would like to have the gentleman from Louisiana identify just what he meant by the word "pressure" and whether he did mean something improper or whether he was simply referring to the facts and the logic that were presented in the full committee hearings by the Chairman of the Federal Reserve Board.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. Perhaps the gentleman from Wisconsin can answer that point, and I yield to him.

Mr. REUSS. I reply only because the gentleman from Louisiana seems to be absent from the Chamber at the moment.

On July 8 of this year the Committee on Ways and Means by an affirmative vote of 18 members, as has been stated, adopted the so-called sense resolution. That was on, I believe, a Thursday. That same day the administration, through Secretary of the Treasury Anderson, accepted the package saying they could live with it. According to the Wall Street Journal, the next Monday Governor Martin spent some time with the President in the White House. We do not have a transcript of the discussion, of course, but the fact is that the next day the administration made a 180-degree switch and came out against the package which the Committee on Ways and Means, with a very statesmanlike approach, offered. I am sure that is one of the things that the gentleman from Louisiana [Mr. BOGGS] had in mind when he said there was pressure brought by Governor Martin on the administration.

Mr. CURTIS of Missouri. I am glad to have it identified that much. This is

news to me. I do not know where this omniscience comes from.

Mr. REUSS. From reading the Wall Street Journal.

Mr. CURTIS of Missouri. I am glad to know that that is the gentleman's authority and that that is the source. Actually this matter was not presented to the Ways and Means Committee. The Republican members, I might state, on the Ways and Means Committee, certainly never changed their position on this particular sense of Congress. We had accepted it. We had worked the thing out. As a matter of fact, the Committee on Ways and Means did not even meet for another 2 or 3 weeks, as I recall it, at which time the chairman and the gentleman from Texas offered a substitute resolution which was presented, on the basis that this would be acceptable to certain groups on the Democratic side, so that it could get through the House; otherwise it would not be voted up by the House of Representatives. That was the argument used in the committee as to why the Committee on Ways and Means should not do what they thought was right, because we could not get it through on the floor of the House. The position on our side of the aisle was that if we thought it was right, let us go to the House, present our arguments and let those who disagreed with us have the opportunity to present their side. Then we could see whether or not the House wanted to back us.

At one stage of the game I made this remarks in the Ways and Means Committee, that I thought that all we needed was about 80 votes on the Democratic side of the aisle and we could get the package through, just as the administration had requested, which included the Ikard amendment. The latest argument for no House action is that it is not the House that would not act but that the Senate would not act. That is when we got into this long course of up and down the hill and up and down the hill.

Mr. Chairman, what I want to get back to is this. I think it is very wrong for irresponsible statements to be made in debate. Statements made in debate ought to be backed up. I am satisfied from my knowledge of Bill Martin, the Chairman of the Federal Reserve Board, that he would never exercise anything that could even be implied as being improper pressure. Certainly he advanced arguments and facts as best he could. It was his duty to do so. Is it not very strange that a Republican has to take the floor of the House to defend the former Assistant Secretary of the Treasury under Mr. Truman, because that was Mr. Martin's position before he became Chairman of the Federal Reserve Board. This man is a dedicated public servant. I may disagree with him or agree with him. There are some things on which I have disagreed and others on which I have agreed. But I do not think anyone on either side of the aisle should imply that Bill Martin does anything other than act with a full sense of his own conviction of what is right, and he does it above board and in open committee hearings so that all the facts can be seen.

I think the gentleman from Louisiana [Mr. BOGGS] owes an apology to the Chairman of the Federal Reserve Board for the innuendo that he has left here.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. BOGGS. I have no intention of apologizing. I stand on the statement that I made.

Mr. CURTIS of Missouri. I am very sorry that the gentleman from Louisiana has said that. I think he owes it not only to his colleagues on his side, but to himself, to the rest of the House, and to this country to back up his charges of pressure. I do not know what the gentleman meant when he said pressure. I assumed, and the innuendo was, that it was something improper, something other than facts and arguments.

Mr. BOGGS. Mr. Chairman, will the gentleman yield further?

Mr. CURTIS of Missouri. I yield.

Mr. BOGGS. The answer was very simple; "We will not accept this bill."

Mr. CURTIS of Missouri. Is that what the gentleman meant by pressure? Will the gentleman from Louisiana answer that? Is that what the gentleman meant when he waved his arms and shouted around here about pressure?

Mr. BOGGS. When does the Federal Reserve Board have the right to dictate to Congress? That is dictation.

Mr. CURTIS of Missouri. I might say to my friend that he did not have to dictate to the Congress, if the Ways and Means Committee had done exactly what we on our side wanted to do, namely, come in before the Congress and the House and present this matter. You have the votes. What does the gentleman mean by pressure? Is it the gentleman who was being pressured?

Mr. IKARD. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman.

Mr. IKARD. In connection with the use of the word pressure, I think the most effective pressure that can be exercised in a legislative body was used; that is, at least as far as I was concerned. It was indicated to me by responsible men on the Republican side that even though the committee had voted 18 to 7, or something like that, to introduce the bill, when it came up to the matter of reporting it, there would not be a single Republican vote for it.

Mr. CURTIS of Missouri. Oh, no.

Mr. IKARD. I am just reporting what I was told by Republican Members. Would the gentleman have voted to report the bill out?

Mr. CURTIS of Missouri. Yes; as a matter of fact I did on the 18 to 7 vote. And I also voted for the gentleman's amendment. And my position was that I was even for reporting this particular bill out.

Mr. IKARD. Mr. Chairman, will the gentleman yield for a correction?

Mr. CURTIS of Missouri. I yield.

Mr. IKARD. The gentleman referred to both of these amendments as being mine. While I voted for both of them, and I have no apology to make for that, I have asked that the minutes of the committee be checked, so that I may be correct.

But my recollection, which I have confirmed with the staff of the committee, is that I offered neither of these amendments and they were offered by other distinguished members of the committee. If they are called by my name, that is fine with me, but I would just like the record to be straight.

Mr. BOGGS. Mr. Chairman, will the gentleman yield? He mentioned my name several times.

Mr. CURTIS of Missouri. I want to make a final statement because I have only 1 additional minute.

Mr. BOGGS. I yielded to the gentleman several times.

Mr. CURTIS of Missouri. I have yielded to the gentleman from Louisiana.

Mr. Chairman, I simply want to say this. Getting away from all this discussion, we are faced with a very serious situation. If we do not do something along the line proposed in this motion to recommit, which will bring back to the House a bill which will permit long-term bonds to be sold, we are going to create an inflationary situation that is going to badly damage this country. We cannot wait for 3 or 4 months. The damage will already be done. I predict, and I hate to predict anything of this nature, but if we do not take this action, we are possibly going to have to come back into special session to meet this problem. I think it is that serious. So, entirely apart from what happens, let us examine where we are now and whether, indeed, it is not necessary to grant to the President the authority he is asking for in order to be able to market some of this Federal debt in the long-term bond field instead of short term. We are paying well above 4¼ percent interest in the 5-years-and-below bonds, and that is inflationary as well as expensive. If we continue to confine the Federal Government to borrowing in the short-term market, we will be forcing more costly debt financing at higher interest rates.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, let us leave the Federal Reserve Board and its problems and its actions out of this situation. I want to try, in the few minutes given to me, to picture the problem, and it is a serious problem that confronts this Congress in the provisions of this bill. First, I want to say this. That this Congress and previous Congresses have spent billions of dollars more than has come into the Treasury. Therefore, to get the money to pay the bills, the Treasury has had to borrow in order to pay those bills. That is the first point I want to make.

The second point I want to make is this. The Treasury has just two ways to get the money to pay the bills. One way is the long-term way, on which 40 years ago the Congress placed a 4¼-percent limit on the interest. The other

way is the short-term way below 5 years, the E- and H-bonds plus other short-term paper. On the short term, they can pay and have paid much more than the 4¼ percent. The Treasury could, if it wanted to, on the long term by evading the law sell its long-term 4¼-percent bonds at 90 percent of par or 80 percent of par, and thereby pay 6 or 7 percent interest. But that would be indirectly avoiding the law.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield for a question?

Mr. MASON. I will not yield for any questions.

Mr. Chairman, we have that proposition before us. If we refinance and borrow the $13 billion more that we have spent this last year on short-term paper, we are competing in the money market with other people who are borrowing to expand their businesses and that is very inflationary. A 91-day piece of paper is exactly the same as cash. It can be used in exchange and you can take it to the bank. It is due in 91 days. It is exactly the same in its operation as currency. Now to avoid that, the administration and particularly the Treasurer of the United States came in and said in order for us to manage the financial affairs of this Nation, we would like to have that 4¼ percent taken off the long-term obligations so that we can put more of our financial problems into long-term paper, and thereby avoid the inflationary situation. But in this bill we say, No, we are not ready to do that; you will have to manage the long-term debt and the finances of this Nation with handcuffs on. In other words, we are impeding the efficient, the effective, the sensible handling of the public debt. That is exactly what we are doing when we refuse this one thing that above all things is necessary in order to handle the debt of this Nation effectively.

That is the picture. I have painted it as clearly and as simply as possible. We are responsible for the debt; we are responsible for tying the hands of the Treasurer, so perhaps it is our obligation to correct that trouble.

Mr. KNOX. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. KNOX. Mr. Chairman, this legislation which is before us today may give some help in the managing of the national debt, but it is a long ways away from the flexibility that is needed if the Secretary of the Treasury is to be able to manage the national debt in a manner consistent with the best interest of 177 million Americans.

It is difficult for me to understand why there is so much opposition here today to the proposal to remove the interest ceiling on long-term obligations. If I recall correctly, I believe it was on February 4 of this year that this House voted in favor of increasing the interest rate on veterans' home loans to 5 percent. The justification that was given for the increase was that there was no money available at 4¾ percent for the veterans to obtain a loan.

Let me also point out to the membership that on June 2, 1959, the Baltimore Sun quoted Senator JOHNSON as follows:

> Senator JOHNSON * * * pointed out that in the single showdown in which high interest rates had been at issue, the Senate majority, including a majority of Democrats, had voted to pay the rates demanded by the market. The pending bill had been a GI housing measure.

So here the Democratic majority in the other body saw the light and voted to raise the interest rate to 5 percent on GI housing loans so that the GI's would have an opportunity to finance their housing, but the Democratic majority in the House cannot see the light with respect to helping all Americans protect the integrity of their savings and purchasing power.

Business News analyst Sam Dawson wrote for the Associated Press:

> If the Treasury could sell more long-term bonds to investors and more U.S. savings bonds to individuals, it would tend to dampen the fires of inflation, since such money wouldn't be breeding new credit, as short-term Treasury bills do.

One amazing statement that happens to be in the supplemental views of the committee report on page 45 is a quotation from the Baltimore Sun in which Senator DOUGLAS is quoted as saying this:

> I believe in a competitive interest rate. I do not believe that the Government should artificially lower the interest rate. Without such flexibility, the Treasury will be forced to adopt inflationary expedients and the soundness of the dollar will be even more seriously threatened than it is.

I have supported removal of the ceiling on the interest rate so far as long-term bonds are concerned because I believe it is in the best interest of my country; I believe it is one manner in which we can give flexibility to the Secretary of the Treasury so that he may be able to go into the long-term market and sell our securities at the lowest possible cost to our taxpayers. I am opposed to forcing the Treasury to finance exclusively in the short-term market which takes away the capital that is necessary to the consumers and small business people that are the backbone of our free enterprise economy. Of course, the more demands there are for money at short-term level, the higher the interest rates shall be and the Government will have to pay that rate.

On page 82 of Business Week of August 29, 1959, appears an article headed, "Is the Government Headed for a Crisis?—Congress Refusal To Lift U.S. Bond Issue Ceiling Is Starting Chain Reaction Toward Higher Rates All Around."

Mr. Chairman, I submit we cannot blindly refuse to deal with reality. We must allow the Treasury authority to finance the $290 billion public debt in the cheapest money markets. Let there be no doubt that those who oppose the full package administration proposal are the inflationists.

Mr. Chairman, it has been contended that removing the 3.26 percent ceiling rate on savings bonds is the most effective action the Government can take in combating inflationary pressure, inasmuch as sales of these bonds directly absorb consumers' purchasing power. It is also argued that removal of the 4¼-percent ceiling on marketable Treasury bonds would be inflationary, in that the higher rates on these bonds would lead to larger purchases by commercial banks and an increase in the money supply.

The removal of the savings bond ceiling rate, which will permit the Treasury to raise the rate of E- and H-bonds to 3¾ percent, will indeed facilitate efforts to combat inflation, because it will enable the Treasury to sell more securities directly to savers. Nevertheless, this action in and of itself is insufficient. No one expects that we will achieve a huge upsurge in the sale of savings bonds when the new program is put into effect; rather, the goal is primarily to prevent further deterioration. This will be beneficial, but it will by no means solve all problems of debt management.

The idea that removal of the 4¼-percent rate on marketables will lead to greater commercial bank purchases of Government bonds is absolutely incorrect. In the first place, banks are not interested today in buying Government securities, and especially those of more than 5 years' maturity. The pressure of loan demand on the part of consumers and businesses is so strong that banks are hard pressed to meet these demands with the limited funds available. This is what led to the increase in the prime lending rate earlier this week. It is only in periods of recession, when loan demands are slack and reserves readily available, that banks tend to buy many securities of more than 5 years' maturity, and even then they seldom go beyond 10 years. It is ridiculous to believe that they are interested in acquiring long-term Governments under the circumstances of today.

Secondly, if banks were to be interested at all in buying more Governments under today's conditions, they would almost certainly be shorter maturities—of less than 5 years. Banks now want to maintain their liquidity, not eat it up by putting funds into long-term investments. Consequently, restriction of the Treasury to borrowings on less than 5 years involves a much greater danger of commercial bank purchases of Governments and a resultant growth in the money supply.

Third, even if banks wanted to purchase long-term Governments at yields higher than 4¼ percent, they could easily do so right now—simply by buying some of those issues in the market. For example, the Treasury bond maturing in February 1965 is now yielding 4.75 percent. And if this bond were purchased by a bank in the 52-percent tax bracket, and held to maturity in 1965, the "taxable equivalent" return would be almost 6 percent. Thus, there are plenty of high-yielding long-term Governments available for banks that want them today. But they do not want them; they are striving to meet demands of customers for loans.

Finally, as has been emphasized many times, removal of the 4¼-percent ceiling will not cause interest rates to rise. Removal of the ceiling would be merely a recognition of the market situation—of what has happened because business is booming and demands for credit have risen to very high levels. We cannot repeal the quotations on Government securities that are made in the market every day.

Thus, the fact remains that if the Treasury is to be able to handle the debt in a sound, noninflationary manner, it must be free to borrow long-term as well as short-term money. So long as the ceiling exists, with current levels of rates, the Treasury is forced to do all of its borrowing on less than 5-year maturities. This increases the danger of a growing money supply, further inflation, and a decline in the purchasing power of our savings.

Mr. Chairman, I urge my colleagues to support the endeavors of the Republican members of the Committee on Ways and Means to improve the bill, H.R. 9035, and to then vote for its passage.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KNOX. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I have listened with a great deal of interest, even as I have in committee, and I appreciate the privilege of participating in the Ways and Means Committee deliberations.

I would particularly like to call the attention of my colleagues to the minority report, page 29, because while this is a somewhat technical matter, no matter what your final viewpoint, you will will have lots of information that will help you when you go back home and in today's debate.

I want to call the attention of the House to something which I think is very interesting. While we are a political body, indeed, it is not often that men agree entirely within each party, on either side of the aisle. Neither do people agree in a family. So it is surprising to find that the Republicans are 10 out of 10 in Ways and Means Committee and we agree with the recommendations of the President, the Secretary of the Treasury, Chairman of the Reserve Board, Mr. Martin, most of the bankers, and most of the newspapers. I simply feel that you ought to know there is a weight of feeling behind the expression that you will find in the minority report. To whatever degree politics has become a part of this bill and debate in trying to make an issue of whether you are for or against higher interest rates, I decry it as wrong.

What is an interest rate? Here is how I will try to explain it this fall back home. Interest rate, as I define it, is nothing but the cost of using somebody else's money. You might call it renting money. If you can get your hands on it, you have to pay a price for the use of somebody else's money. That is what interest is. Naturally, you get it depending on the normal factors of demand and supply. That, to me, is all there is to it, most simply stated.

What the Secretary has asked us for is the right to have flexibility in setting interest rates. We are asked to remove the ceiling. It is for reasons of flexibility that the Secretary testified. It is quite possible there will not be an increase in interest in many cases when negotiating in the market of long-term money. On occasion we can actually expect to borrow at a lesser rate than what we would expect otherwise.

With that thought in mind, and I hope I can have the chairman's attention, I want to call your attention to Secretary Anderson's statement. It was a masterful presentation, whether you agree or disagree with the viewpoint of the Secretary of the Treasury. I respectfully call to the attention of my colleagues—correct me if I am wrong—that all during the time the Secretary appeared before our committee in answering questions I have yet to hear anyone take issue with him: "Mr. Secretary, you are wrong in your facts."

I simply present this to you. If I am wrong, please correct me. We are all entitled to our viewpoint and our interpretation of those facts. But I have yet to find anybody, at least as far as I recall and I was there most of the time, contradict him as to fact.

He said, "Gentlemen, what we are dealing with is the value of the currency of the United States here and abroad and the very credit standing of the United States."

To me this puts it on a plane above politics and I naturally want to think that politics will not be the deciding factor. I hope it is not.

When the Secretary made that statement, he was asked by the chairman and others present, "Mr. Secretary, is there an alternative to what you propose, that is, to remove this ceiling of 4¼ percent on long-term obligations?"

He said, "Mr. Chairman, members of the committee, there is no alternative."

I will concede he was forced to partly contradict himself but only in good faith when the chairman said, "Mr. Secretary, we do not think we can get it through the House, and we are not sure we can get it through the other body. We want an alternative."

The Secretary agreed to the alternative which was for the Congress to transfer the responsibility to the administration. When the President and the Secretary of the Treasury find in the need of the national interest the necessity to raise the ceiling, they would be permitted to do so. That was the first concession made by the Secretary after he said, "Under these facts there is no alternative."

Then he further conceded when he was asked—I do not know who directed this question—"Mr. Secretary, how about the time limit?" He said, "I believe I need at least 10 years to work within this field." Then he said, "At least, 6." But, I understand—and again correct me if I am wrong—finally, a time limit was placed on him of 2 years. He said, "I do not think that is long enough." But, again, the Secretary of the Treasury has done all he could to go along with us here after saying, "However, there is no alternative to these facts, gentlemen, that our bonds are weakening; that they are being cashed in."

Mr. Chairman, in addition, it is appropriate to note that big Federal spending, beyond Federal Government income, is the big problem. To foot the bill, the money must be raised by the Treasury. To do this, the Treasury must go into the money market and borrow. At this point, the Secretary of the Treasury is handicapped by being forced by the 4¼-percent artificial interest ceiling to borrow under 5 years where there is no interest ceiling. The result is, it actually costs more in interest which costs the taxpayer more. The Federal Government is in competition with auto purchasers, families, and small businessmen for the short term loan money. All of which is caused by the same big spenders who first occasioned the need for borrowing and, secondly, who refuse to lift the artificial interest ceiling in Government borrowing over 5 years.

It is time we accepted the fact of Secretary Anderson and lift the 4¼-percent ceiling, not just increase the interest rates on E- and H-bonds.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MILLS. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. IKARD].

Mr. IKARD. Mr. Chairman, it had not been my intention earlier in the day to take any time in the debate, for I felt that the issues were clear and that this would be a matter that could be disposed of in short order.

Now, however, since certain implications have been injected into this debate, I think it is only fair that the whole story be told here. In the first place the gentleman from Missouri [Mr. CURTIS], asked a moment ago about some evidence of pressure in regard to this first amendment expressing the sense of Congress to which reference was made earlier. Now, I have here in my hand a statement that is signed by 10 Republican members of the Committee on Ways and Means. It was addressed to the Speaker of the House of Representatives. It is dated July 23, 1959. The text of that letter with respect to this amendment is as follows, and I quote:

> The second amendment to which we object would express the sense of Congress that the Federal Reserve System should return to the discredited wartime practice of supporting the price of Government bonds. As evidenced by comments on the floor of the House by members of your own party, there is confusion as to whether this amendment would be mandatory or permissive on the Federal Reserve System. Regardless of its intent in this respect, its inflationary implications would tend to destroy the public confidence we seek to maintain.
>
> These amendments would be injurious to proper debt management and would tend to deprive the Federal Reserve System of the discretionary flexibility in monetary affairs that the Congress has historically recognized

the need for it to have. We are categorically opposed to any amendments that would serve to destroy the very public confidence that we are seeking to protect by this legislation.

Then the 10 Republican members of the committee go on in the letter to say why they are opposed to any amendments that have been considered to date. Now, this was after the vote in the committee to introduce a bill before it was reported. That vote was 18 to 7. Here are some 10 pages of press releases and letters, with at least 8 or 9 saying in effect that the Republicans no longer can support the measure.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. IKARD. I yield to the gentleman from Louisiana.

Mr. BOGGS. In connection with the same document from which the gentleman is quoting, the gentleman standing to my right, Mr. CURTIS of Missouri, in his request that I apologize to Mr. Martin, to which I said I would not under any circumstances, wanted some evidence of where the pressure came from. Well, in this same document there is a copy of a letter dated July 14, 1959, addressed to the Honorable RICHARD M. SIMPSON, signed by William McChesney Martin, Jr., who is the Chairman of the Federal Reserve Board, wherein he takes great exception to the sense of the committee amendment, as he calls it. I will not take time to read his letter, but I hope that the gentleman in his remarks will make it a part of the RECORD at this point. I would also like to say to the gentleman, in connection with the apology request of the gentleman from Missouri, that he might address a similar letter to Business Week and see if they will apologize to Mr. Martin.

Mr. IKARD. I will be glad to make the letter a part of my remarks at this point.

BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM,
Washington, July 14, 1959.

The Honorable RICHARD M. SIMPSON,
House of Representatives,
Washington, D.C.

DEAR MR. SIMPSON: This response to the request contained in your letter of July 13 puts in writing the gist of the comments I made in the executive session meetings of the Ways and Means Committee on the amendments to the legislative proposals originally offered by the administration.

It is my considered judgment we are facing a serious financial situation. The limitation on interest rates is unrealistic in the light of present market quotations and denies the U.S. Treasury the tools essential to effective balanced handling of its borrowing needs. By statute the Treasury is now limited, because of the ceilings, to the issue of short-term certificates which under present conditions of rising prosperity is dangerous. These short-term obligations can readily be converted into money at the option of the holder. In effect, they are a substitute for money, and thus could swell the flow of money far beyond that needed to purchase available goods and services at current price levels. The threat of a money flow out of hand has a major impact on the cost of living and places a burden on all of us.

It serves no useful purpose at the moment to argue whose fault it is that we are in our present predicament. The fact of the matter is we are in it. The committee is not being asked to vote whether interest rates should or would go up or down, but merely to grant the Treasury authority to exercise its best judgment in meeting an existing problem. We are discussing a crucial matter—the credit of the United States. Failure to deal with this could (and I was careful not to threaten or assert that it necessarily would) have the most serious implications. It was my duty to warn of this, much as I disliked the task. These are the basic facts with which we were dealing and any amendments must be considered in this light.

The amendment to retain the statutory ceilings but permit them to be disregarded if the President found the national interest so required did not seem to me to present unworkable problems. Accordingly, I did not raise objections, although I prefer the original.

The "sense of the Committee" amendment is quite a different matter. I object to this on principle. The Open Market Committee and the Federal Reserve Board are given the responsibility under the Federal Reserve Act for regulating the money supply. If the Congress wishes to spell out the means of doing this, it should amend the Federal Reserve Act and not tack this onto a debt management bill.

Furthermore, under present conditions, I am convinced that this amendment, when stripped of all technicalities, and regardless of whether the language is permissive or mandatory, will cause many thoughtful people both at home and abroad to question the will of our Government to manage its financial affairs without recourse to the printing press. To me this is a grave matter. We are here dealing with trust and confidence which is the keystone of sound currency. Therefore, I must oppose this proposal as vigorously as possible, as I did during the hearings.

The amendment limiting the President's authority to 2 years is, in my judgment, unsound. It could be a source of embarrassment to both the next President and the then Secretary of the Treasury.

I have tried as faithfully as possible to summarize what I actually said during the hearings, and not to introduce new ideas. May I, in conclusion, thank you and all the members of the Committee for the courtesy and consideration shown me and my associates throughout the meetings. I am taking the liberty of sending a copy of this letter to Chairman MILLS.

Sincerely yours,

WM. MCC. MARTIN, JR.

Mr. CURTIS of Missouri. Mr. Chairman, if the gentleman will yield, I did address a letter to the editor of Business Week, and I got a very interesting reply, and within 3 weeks Business Week had a different approach about this whole matter. Now, to get back to the specific question here, though, the gentleman will recognize, of course, that many times we will vote a measure out of committee, feeling that we can get it on the floor of the House and argue against amendments. As a matter of fact, I voted this measure out feeling that we would have an opportunity to compose the alternatives in this narrow area. So, although I did feel that way about the sense of Congress resolution, I certainly would have voted and did vote that out of the committee, knowing that we would have the right to try to do something on the floor. One final comment, if I may. If that is all the gentleman from Louisiana is referring to as pressure, I am not worried about that. The implication of improper pressure was a matter that I was concerned about.

Mr. BOGGS. Mr. Chairman, if the gentleman will yield further, of course, I am not a member of this administration and I do not know how heavy pressure can get. They tell me that a few days ago on a certain matter here there was a lot of pressure, so I consider this very severe pressure.

Mr. CURTIS of Missouri. Evidently it was severe enough to make the Democrats change their minds on the thing.

Mr. IKARD. Mr. Chairman, as I said in the beginning, these are collateral matters away from the basic issue. I think it is reasonable that the Treasury be given these technical amendments that provide the implements for better and more effective debt management. Certainly there can be no serious objection, in my judgment, to the adjustments of the rates that savings bonds might bear. Even though admittedly I have been interested personally in trying to find some solution to this problem and, frankly feel to some degree the Treasury should have greater flexibility in the long-term securities, that is a much more serious question and one which involves some rather basic and fundamental decisions which are not at issue here in the committee bill.

It is my judgement that the committee bill should be acted upon favorably and that the motion to recommit with instructions should be voted down.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I have been very much interested in the statements of the gentleman from Louisiana [Mr. BOGGS] concerning pressure on this bill. I recall about a year ago when extention of the so-called Reciprocal Trade Agreements Act was before the House. Never was there more brazen pressure put upon the Congress than that by Eric Johnston and some others, including certain administration officials in support of that legislation. But I did not hear the gentleman from Louisiana, [Mr. BOGGS], one of the most vocal supporters of the free trade bill, cry out about that. He did not shed a single crocodile tear. I did not hear him raise his voice about pressure then; no, not for half a second. With him it apparently depends upon whose boar is in the cabbage patch.

Mr. Chairman, I took this time primarily to ask a question or two of the chairman of the committee. It is not clear in my mind what constitutes a long-term security and what constitutes a short-term security. Where does it begin and where does it end? Is it 3 years, 5 years, 10 years, or what?

Mr. MILLS. It is 5 years for long-term securities.

Mr. GROSS. Anything above 5 years?

Mr. MILLS. Anything below that does not now have a ceiling in law on interest. Only for 5 years and longer

do you have the 4½ percent ceiling except the savings bonds, and that is 3.26.

Mr. GROSS. Is that because of the restriction on the interest rate, or what?

Mr. MILLS. No, sir; there are several different descriptions of Government obligations. A bond is a Government obligation of 5 years or longer. A bill may be for 90 days or 180 days; and so on. They have different descriptions of these various obligations, but we generally refer to the long-terms as 5 years and longer.

Mr. GROSS. Mr. Chairman, I find myself in a difficult spot on the issue of increasing interest rates. I have been trying to vote for economy; I have been trying to avert this kind of a situation. And I am saying to you here and now that again today in the House of Representatives we are dealing with an effect and not the cause. We will never stop this sort of thing until we deal with the cause, which is the spending of money we do not have and the piling up of debt. This legislation will be worse than meaningless unless we remove the root of the evil.

I recall when Secretary of the Treasury Humphrey resigned he said in effect, "I inherited a mess and I am leaving a mess." He was very frank about it, and every Member of this House knows that to raise interest rates, without squarely facing the issue of deficit spending and increasing debt, will only mean more inflation and a compounding of the Government's financial troubles.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. UTT].

Mr. UTT. Mr. Chairman, there is an item or two that I want to call to the attention of this House before this debate closes. In the first place, I want to know that this is not a family squabble. This is recognized as worldwide. They have newspapers in Japan, they have newspapers in West Germany and in France, and they know what we are doing here today.

Here is something that might make all of you feel very proud. I notice that Japanese bonds, 15-year bonds, are selling at $101. The 15-year American bonds are selling at $80. That is a nice situation. Belgian bonds are selling at 99 to 106. Those are 15-year bonds. American 15-year bonds of the same general issue are selling at 81. So the condition of the credit of the United States is recognized all over the world. Other countries recognize that they cannot get long-term money in the short-term market. They pay a higher interest rate in order to finance themselves over a long period. What we are actually doing, if we refuse to raise the interest rate on the long-term issue is to cause inflation that will cause a depreciation in the E- and H-bonds, which are held by 40 million American people. We simply say to them, "We are going to give you half a percent more if you will hold them instead of selling them or turning them back to the Government."

But for doing that, we are going to depreciate that dollar at least 5 or 10 percent over the next several years.

Mr. KASEM. Mr. Chairman, will the gentleman yield?

Mr. UTT. I yield.

Mr. KASEM. Has the gentleman explored the cause as to why U.S. bonds are so far below par and are in such a disadvantageous position with all the other bonds of the major nations of the world?

Mr. UTT. Yes; I am very happy you asked me that because I was going to explain that in a minute. Every time we raise the cost of short-time money, the yield is higher. Therefore, the yield has got to be higher on longtime bonds and the value has got to go down in order to keep the yield up. So if you raise the interest rate on short-time bonds, to 5 percent, or 6 percent, or 7 percent, to which it may go, the value of the longtime bonds is going to depreciate from 5 to 10 points more in order to yield the same rate because, if you will follow the daily quotations, every time the interest on short-time money increases, the yields are higher and the yield has got to be higher on the longtime bonds, and they, in turn, have to depreciate in value in order to maintain the same yield.

Mr. KASEM. Might I not suggest then that the proper solution would be not to increase the yield on short-term obligations.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. UTT. Of course, if you do not raise interest rates on short-time money, you just do not get the money. I go to a bank to borrow money and what they ask for the use of the money, I pay or I do not get my money. That is what the Treasury is going to find in the money market. With reference to that "sense of Congress" or "no sense of Congress" as it sometimes has been referred to in the national magazines, I want to say it is not what it says or what we believe it said, it is what the people in Paris, Japan, and Germany and London thought it meant, and they thought it meant a spiral of inflation. They own $13 billion worth of our bonds in these foreign countries, and they can redeem them in American gold at Fort Knox. They can come over here with a truck and go home with $13 billion in gold from Fort Knox, and then where is your gold reserve?

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, I rise in support of this measure, and I want to indicate why. I endorse the arguments advanced by the distinguished chairman of the Committee on Ways and Means.

In supporting this, I still refuse to support the increase in interest on other long-term Government bonds. I think there are a number of significant differences.

I think we must differentiate between the E- and H-bonds and the long-term Government bonds.

In the first place, the E- and H-bonds are only bought, or almost exclusively, by individuals.

Therefore, they represent true savings and do not represent new money simply created by the banking system. At a time such as this, we should be particularly concerned to encourage true savings. This bill will have that effect.

Second. There can be no speculation in these bonds. They are not negotiable. It is individuals who buy the E- and H-bonds. No one can buy more than $10,000 worth in any one year. They can only be sold back to the Treasury. Consequently, they are sufficiently safeguarded so that the public is assured that no one will make any financial killing from the purchase or sale of these bonds.

Third. These bonds are publicly safeguarded against loss by those who buy the bonds. Some long-term Government bonds are now selling near 80, which means that the purchasers have taken a capital loss of approximately 20 percent, because of the failure of the administration and the Federal Reserve to fight inflation in the price of money—in interest rates.

Fourth. E- and H-bonds are pegged. It is interesting that the administration, which apparently opposes any other pegging of the market, has no objection to pegging the price of these bonds. The investors, therefore, are protected against losses arising from manipulation which raises the price of money and shrinks the value of the bonds. On the other hand, because the bonds are not negotiable, there can be no quick capital gain from the sale of such bonds at a later date when the interest rates fall.

Fifth. By providing additional encouragement to individuals to increase their purchases of Government bonds, we may relieve some of the pressure that the administration's hard-money policy has created and, therefore, permit an easing of the interest rate. The interest rate could be eased by changing the practices of the Federal Reserve, but since we do not seem to have any influence on that, we can at least offer some assistance here by approving this measure. But let's look at the consequences if we were ever to vote to approve the Treasury's request for unlimited-interest rates on long term Government bonds.

Assuming that the Treasury were to sell $10 billion of 40 year, 5 percent bonds, we would burden the taxpayers with a payment of $20 billion in interest over the life of the bonds without having paid off one dime on the original $10 billion of debt. Moreover, the interest rate will fall—in the not too distant future—to a reasonable long-term rate of around 2½ percent. The purchasers of such Government bonds would then stand to make an immediate capital gain approximately equal to their original investment because these bonds would gain in market value by almost $10 billion.

Every billion dollars of bonds sold, if the recommittal motion prevails, would be a giveaway of another billion dollars from the Treasury.

This would be the biggest robbery of the public Treasury ever performed in broad daylight with the consent of the Congress itself.

I cannot comprehend anyone in this House voting for what would be the biggest giveaway of this or any other administration by approving an increase in the long-term interest rate at this time.

I am firmly convinced that the present high interest rates are temporary and that it would be the height of folly to permit the Treasury now to commit generations yet unborn to long-term high-interest bonds, especially since these bonds may be nothing more than money created by the banks.

I will support the committee, but I am unalterably opposed to any motion to recommit with instructions to raise other long-term rates. We must protect the taxpayers against such a raid and against such a giveaway.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, this is a good bill. The interest rates on savings bonds should be enlarged. But the debate has centered on the whole question of the cardinal principle of the administration's economic policy: tight money and high interest rates.

It is a curious idea that a policy of high interest rates is the only way to fight inflation. High interest rates are inflation, just as are high prices for a suit of clothes or a house or a steel ingot. The higher you push interest rates or prices, the less economic activity you have. That is the way either one fights inflation.

It makes no sense to denounce someone who raises commodity prices as unpatriotic and inflationary, and praise someone who raises the price of money as patriotic and anti-inflationary.

My family has been in the banking business for over 100 years. The principle of banking which my father and grandfather followed was: Let us provide more and more loans, at lower and lower interest rates. The administration's principle is: Let us provide fewer and fewer loans, at higher and higher interest rates.

If the administration wants to fight inflation, let it present to Congress a fiscal program which plugs tax loopholes, and sees to it that we run a substantial surplus, permitting us to pay off a part of the national debt. That will bring interest rates down, and stop inflation in its tracks.

If the administration is concerned about stopping inflation, let it control the volume of consumer credit, now at an all-time high. Let it pay some attention to prices and wages in concentrated administered-price industries like the steel industry.

If the administration has the courage to come up with a real program for price stability and economic growth, I will vigorously support it. But its one-track, high-interest policy feeds inflation in the name of fighting it. It is high time the administration took a good look at its high-interest policy.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield the balance of my time to the gentleman from Wisconsin [Mr. BYRNES].

The CHAIRMAN. The gentleman from Wisconsin is recognized for 11 minutes.

Mr. BYRNES of Wisconsin. Mr. Chairman, we have had many important pieces of legislation before us during this session. In fact, the labor-management legislation we voted on and finally cleared earlier today was an extremely important piece of legislation; but in my personal view none of the matters we have considered have been as important to the welfare of this country as the piece of legislation that is presently before us. It is important not only to the present but to the future welfare of the people of our country and also to the people of the entire free world.

We are the greatest country on earth today. The integrity of the American dollar is of the utmost importance to us, but it is also of extreme importance in the free world. We have before us the matter of protecting the integrity of our currency, of the dollar, which is looked to by all of the free nations of the world.

I regret, frankly, that the committee on which I serve, the Committee on Ways and Means, has turned its back upon the most pressing and important problem facing the Nation today, that matter of protecting the integrity of the American dollar and the credit of our country. Our action today will directly involve the fiscal stability of this country and the economic strength of the Nation.

Let me call your attention to a statement made by the Secretary of the Treasury. I do not think there is an individual on either side of this aisle who questions the ability, the capacity, and the integrity of the present Secretary of the Treasury; in fact, I was most pleased to hear the remarks of the gentleman from Louisiana [Mr. BOGGS]. Although he took issue with Mr. Martin, of the Federal Reserve Board, he paid a compliment to Secretary of the Treasury Anderson, and recognized his ability and his integrity. Let me quote to you what the Secretary of the Treasury said as recently as August 18:

> We have tried to make it clear that under present restrictions the Government in the management of the debt can actively contribute to inflationary pressures by being confined to short-term financing, which, the shorter it gets, is more nearly like money.
>
> We have tried to make it clear that the Government has a dual responsibility to 40 million savings bonds holders. First we should see to it that they get a fair return on their savings.

The bill reported by the committee dealing with E- and H-bonds will enable the Secretary to carry out this responsibility. But note what else the Secretary said:

> And, second, we should take such actions as will help guarantee their savings against loss in the purchasing power of the invested dollar.

Further he said:

> We have tried to make it clear that vital to the security of the free world is the maintenance of international confidence in our collective resolve to maintain sound financial systems. Because of our position as a leader in this community of nations, many countries hold large dollar deposits with us and have large investments in our securities. They have therefore a real concern in the way in which the United States manages its financial affairs. In asking to have the artificial restrictions removed from our debt management legislation, we seek to assure the people both at home and abroad that we will manage the debt in a way consistent with the preservation of the dollar as an international standard of value.

Mr. Chairman, when we refuse to accede to the request of the Secretary of the Treasury that he be given the tools with which to manage our national debt, we are not acting "consistent with the preservation of the dollar as a national standard of value." Let us recognize that we have today a debt approaching $290 billion. During the coming year we will have to go into the market to finance or to refinance between $76 billion and $100 billion of that debt, almost one-third of it has to be refinanced. We have to go into the market and find somebody who will lend us the money. The question before us is, How is this financing to be done? Are we going to give the President and the Secretary of the Treasury the tools to manage that debt and borrow that amount of money in a sound, economical manner?

Let me point out to you that this is not a matter of giving something to the present Secretary of the Treasury or giving something to the present President of the United States, in other words, doing a favor for them. It is a matter of doing ourselves a favor. How that debt is managed will determine what the dollars we earn today or earn tomorrow, or the investments which we have in savings or pensions or anything else, will amount to. This is not some favor you are doing for a Secretary of the Treasury or a President. Whether he be a Republican Secretary of the Treasury or a Republican President or a Democratic Secretary or a Democratic President, I have confidence they are going to do what they think is best in the management of the debt, best for the interests of the country. One thing I am not going to do is be a party to restricting them and tying their hands, saying, "No, you cannot do what you feel is necessary to preserve the integrity of our dollar and of our savings." Yet that is the attitude being taken by the Democrat majority on the Ways and Means Committee in its refusal to lift the interest ceiling on long-term marketable securities.

The motion to recommit, which will be offered by the minority, proposes that the Secretary of the Treasury be given the tools which he says he needs, and he says any other Secretary would need to properly manage the debt.

In the motion to recommit we will ask that he be given the tools to properly

manage the debt because under the committee bill the most important tool is denied him. He is not able to go into the long-term market for at least some of this financing, or some of this $78 billion to $100 billion he must borrow.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. Is it not true that the committee bill before the House does contain this provision for the long-term debt?

Mr. BYRNES of Wisconsin. There is a technical provision providing for refinancing turnover.

Mr. MILLS. Would not that be helpful with respect to the bond values?

Mr. BYRNES of Wisconsin. To some degree but very insignificant, I would say to the chairman, as compared to putting the Secretary of the Treasury in a position where he can look to all of the potential money markets to see at the particular time, which is the most desirable from the standpoint of the economic management of this debt.

You still restrict him exclusively to short-term bonds of under 5 years. You require him to compete in the money market with the very people that you say you want to protect from high interest rate. It is to this short-term market that your average constituent must go when he needs to borrow to buy a car, or a refrigerator. It is where your small merchant must go to borrow for his inventory. Yes, the borrowings by the average person who needs money is for a period of under 5 years, the short-term.

Unless you give the Secretary of the Treasury authority to go into the long-term market, as we will ask in the motion to recommit, you force him into the short-term market to compete with these people and forcing the price these little people must pay for their money up through the ceiling.

Mark my word—if you refuse to let the Secretary look to the long-term as well as the short-term market for the borrowing that we know he must do, you will force a further increase in the interest rate that the average person in this country will have to pay on borrowed money. You will also further increase the cost to the Government in carrying our huge national debt.

You will complain next year, just as you complain now, about the cost of carrying the debt. Just remember that your refusal to face up to the facts of life today will make that cost even higher tomorrow.

You have nothing to lose; you have everything to gain by voting today to give the Secretary of the Treasury the authority he needs to manage the debt. I plead with you to be reasonable and responsible and vote for the motion to recommit.

Mr. MILLS. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Chairman, like the other members of the committee, I am supporting H.R. 9035 to give the President authority to increase the rate of interest on E- and H-bonds. Since 1958 redemptions have exceeded sales in every month. In 1959 monthly sales have decreased every month. This bill will reverse the trend and put more of the national debt into the hands of the people of America.

Now, in the remaining time I have I want to touch on the part of the package that the President is insisting upon and, we are told, is going to be part of the motion to recommit with instructions to be offered by the gentleman from Pennsylvania [Mr. SIMPSON] to increase interest rates on long-term bonds; to take the present ceiling of 4¼ percent off. Last week President Eisenhower vetoed the public works appropriation bill. In his veto message he said, "Although the cost of the unbudgeted items will be relatively small in 1960, about $50 million, their ultimate cost will be more than $800 million." Now, more than $200 million of those unbudgeted items were reclamation projects that will repay the Treasury every cent of the cost. At the same time, the gentleman from Pennsylvania and the President are proposing an increase in interest rates on long-term bonds that may eventually cost the taxpayers many times $800 million. The public debt in June was almost $282 billion. One-fourth of 1 percent interest on $1 billion is $2.5 million a year. For every $1 million of bonds issued at one-fourth of 1 percent over the present limit for a period of 20 years, the additional cost to the taxpayers will be $50 million. If the $53 billion of Treasury borrowing that is coming due between now and December 1960 is refinanced on long-term 20-year bonds at a rate of only one-quarter of 1 percent over the present limit, the eventual cost to the taxpayers would be $2.6 billion. If the rate goes up a full percent, 1 whole percent, the increased interest would be $10.6 billion.

The Republican administration repeatedly says it is against spending. President Eisenhower has twice vetoed housing bills as extravagant and inflationary. Secretary Flemming has said that the President will veto any bill for aid to education that costs more than $25 million annually. I have already mentioned the public works veto. And yet there is an area where this Republican administration will spend and spend and spend. This is the spendingest administration in history insofar as interest is concerned. The cost of carrying the public debt has gone from $5.8 billion annually in 1952 to $8.6 billion in 1959. In January the estimated interest charge on the public debt was $8.1 billion. Now, because of the interest increases in the last 8 months the estimate has gone up another half a billion dollars. The extra money spent for interest in the last 6½ years would have built all the classrooms we need; would have built all the hospitals we need; would have provided all the public housing we have asked for, and left some money over for area redevelopment. The maximum rate of interest at 4¼ percent was fixed in 1917. We have had this maximum rate ever since then. When the administration asked us to change, to take the ceiling off, the members of the Committee on Ways and Means listened. We listened with some approval, but because of the mismanagement of the public debt by this administration, we felt that if we took the interest rate ceiling off, we should have a mild admonition to the Federal Reserve System "to assist in economical and efficient management of the public debt." Now, that is the objectionable resolution that was ordered; that is the objectionable sense of Congress resolution, that the Federal Reserve System assist in economical and efficient management of the public debt.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman.

Mr. BYRNES of Wisconsin. The gentleman knows that those words, that kind of a sense resolution is contained in the motion to recommit to be made by the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. METCALF. I am reading from the sense of Congress resolution that I offered as an amendment and that the gentleman from Pennsylvania characterized as objectionable.

Mr. BYRNES of Wisconsin. Those are only a few words taken out of it.

Mr. METCALF. We already have the tools for the management of this public debt. All that the Democratic members of the committee that adopted this sense of Congress resolution wanted was to insist that the Federal Reserve System use the tools that were already available.

Let us see about this management of the public debt since 1917. Since then the Treasury has operated within the interest rate ceiling, through World War I, through the boom of the late twenties, through the great depression, through World War II and the Korean war and down to date. In World War II the national debt rose from $45 billion to $270 billion and there was no need to increase interest rates.

Twice President Eisenhower has campaigned on a platform of defending the dollar. Yet the most spectacular failure of this administration has been its monetary policy. When Secretary Humphrey assumed office as Secretary of the Treasury, he announced that it would be his policy to attempt to get more of the debt into long-term securities. The average maturity of Government bonds at the end of 1952 was 5 years, 8 months. After 6 years effort in getting the debt into long-term securities this has declined to an average of 4 years, 7 months in June 1959. In 1952 yields on long-term Government bonds had fluctuated around 2.75 percent. One of Humphrey's first actions was in April 1953 when he offered a long-term issue at 3¼ percent. Immediately after his offering of bonds at a rate on one-half of 1 percent above the market, all other interest rates went up, and by June of 1953 the average yield on long terms had been driven up to 3.1 percent. Secretary Humphrey has always been a

high-interest man. Four years ago, while still Secretary of the Treasury, he told the financial editor of the Christian Science Monitor, "Why, I can remember when 7 percent interest was normal. We thought nothing of it."

When the hearings were held on this bill I asked Governor Martin where the interest rate would go, if we raised the ceiling on the 4¼-percent long-term bonds. He said he could not tell me. I asked him if it would go up 1 percent. He said he could not tell me, he did not know. Perhaps they desire that it go as high as Secretary Humphrey remembers and think nothing of it, an interest rate of 7 percent.

This administration's answer to every fiscal problem in fiscal management has been higher interest rates and nothing succeeds in fiscal management in this administration like failure.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman.

Mr. HAYS. Is not the reason for that because higher interest rates help the big contributors to the Republican Party?

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. SIMPSON of Pennsylvania. The gentleman is supporting the bill today because they are raising the interest rate. Where is the consistency of his argument?

Mr. METCALF. The consistency is that as a result of this incredible mismanagement of the financial and fiscal policy of the Government, in order to get some of the debt into the hands of the small investor we have to increase the interest rate on E and H bonds.

Mr. SIMPSON of Pennsylvania. So the gentleman does favor an increase in interest rates?

Mr. METCALF. Yes. But I say we do not have to increase interest rates on the long-term securities. Higher interest rates is to this Republican administration like a shot of penicillin; it will cure any ill.

So we are told today, after almost 7 years of mismanagement, that we cannot sell long-term bonds at the legal rate. One reason that long-term bonds cannot be sold is that the administration has created an expectation and anticipation that interest rates will be higher.

This has caused investors and the banks to hold off purchase lest they suffer a capital loss. The way to answer this is for Congress to take a firm stand and refuse to raise the legal limit and these anticipations will no longer affect the market. The other reason is that the administration is not disposed to put into effect a genuine anti-inflation policy and the financial community is aware of this. This is no time to compound past errors and present inadequacy by a further increase in interest notes.

I urge you to vote against the motion to recommit.

Mr. ULLMAN. Mr. Chairman, before the House takes action on the motion now under consideration, I think it important that all members realize the real issue involved. Assuredly, it is not merely the issue of increasing interest rates on series E and H savings bonds. Rather, the real issue will be presented in the recommittal motion to remove the ceiling on interest rates for long-term Government securities.

We have heard a great many pious statements in support of increased interest rates. But behind this facade lies one of the most unconscionable giveaway schemes with which this or any other Congress has ever been presented.

Let us not forget that the so-called interest rate crisis has been created by a premeditated, calculated Government policy. A change in this policy by the President and by the Secretary of the Treasury can relieve our present interest rate problems.

Before casting a vote in favor of the recommittal motion, I would ask my colleagues to consider the following facts:

First. No long-term Government bonds fall due for more than a year.

Second. The Government already has full authority to issue short-term securities without any interest rate restrictions. Such short-term securities may be issued for a period up to 5 years.

Third. Interest rates on long-term and short-term bonds have remained virtually the same, with very little spread between them.

Fourth. If conversion to long-term securities is so important, why was not this conversion made last year? Within the past year, the Government could have sold almost unlimited amounts of Federal long-term securities at 2⅝ percent interest.

Fifth. By initiating a revised fiscal policy, the present Administration could remedy current problems besetting the long-term bond market.

Sixth. If long-term Government securities went to 5 percent interest the housing, farm mortgage, and small business loan programs would come to a dead end.

Mr. Chairman, I have labeled this attempt to remove the ceiling on interest rates a "giveaway." I believe this is correct terminology for let us remember that the Goverment, armed with this legislation, could finance during the next few years up to $100 billion of the national debt at interest rates of 5 percent or more. Let us also bear in mind that average long-term bond rates have been maintained at an average of 2½ percent for many decades. There is no reason to believe that, with a return to sound monetary policies, long-term rates would not return to that figure. Imagine the staggering bonanza to the big financial interests of the country at the expense of the taxpayers of the Nation.

Mr. Chairman, I urge my colleagues to vote against the recommittal motion that will be offered.

Mr. KEOGH. Mr. Chairman, I rise in support of the bill now before the Committee. This legislation has received the careful and intensive consideration of the Committee on Ways and Means and has been reported to the House after the most careful and thorough study. The Committee on Ways and Means, as has been so ably explained by our esteemed and respected chairman, explored in detail the many aspects and ramifications of the recommendations which were made by the President, and also by the Secretary of the Treasury during the course of the public hearings. The Ways and Means Committee concluded that action was appropriate and necessary in this area relating to the U.S. savings bond program.

As we all know, savings bonds, since the initiation of the program in 1935 have constituted a significant portion of our Federal public debt. The importance of maintaining an appropriate segment of the public debt in the form of savings bonds held by thousands of millions of small individual investors across the Nation is generally recognized. I therefore need not here add my comments to those who have preceded me on this phase of the matter.

It is, however, clear that since the end of World War II the public appeal of savings bonds has been considerably reduced even though the rate of return on these bonds, when held to maturity, has at times equaled or exceeded that paid by mutual savings banks and commercial banks on savings deposits and by most savings and loan associations on share accounts.

The point that I should like to emphasize, Mr. Chairman, is that the area of the money market which is available to the sale of United States savings bonds is a relatively limited area and competition within that area for the savings dollar is intense. There are in fact four principal competitors within this area: mutual savings banks, savings and loan associations, and thrift accounts of commercial savings banks, and the Government savings bond program. These are the competing institutions which scramble for the available dollars in competition with our savings bond program in this area.

There has been within the past several years a traditional and historical balance between the rate of interest payable by the several institutions in this area. As Members will recall, due to the adverse position of the Treasury competitively in 1957 with respect to the savings bond program, the Congress enacted legislation designed to permit the Treasury Department to restore the competitive position of savings bonds with other comparable forms of saving without causing any significant change in the then present distribution of investments. The 3¼-percent series E bond was first offered to the public in February 1957 following enactment of this legislation. Since that time yields of U.S. Government securities have advanced by at least one-half of 1 percent and rates on newly offered issues of corporate and State and municipal securities have also advanced during the intervening period. At the same time

the U.S. savings bond program has been slipping badly and in recent months the rate of redemptions on series E and H savings bonds has increased steeply. In fact, for the past several years, with the exception of the first quarter of 1958, redemptions on series E and H bonds have continually exceeded cash sales of these bonds. Following the legislation enacted in 1957 the sales on E and H bonds improved somewhat and redemptions declined significantly. However, in 1959 the sales of series E and H savings bonds have declined by 10 percent in the first 8 months with the downward trend of sales steepening in recent months. In addition, the 1959 redemptions through August were 13 percent above a year ago with the trend also worsening.

The Committee on Ways and Means was advised that during the month of July 1959, the excess of redemptions of sales of E and H bonds amounted to $156 million, the largest amount in any month since April 1946.

As I have said, Mr. Chairman, and I cannot emphasize too strongly, there is a very delicate competitive balance which should be maintained between the several comparable forms of savings competing for the money available in this area of investment. These savings bonds are competing with savings and loan shares, mutual savings bank deposits, and commercial bank savings deposits. The customary and historical balance and the traditional position as between these several forms of savings should and must be maintained.

In fact, Mr. Chairman, I should point out here that the New York State Banking Board, only about a month ago, placed a limit of 3½ percent on the regular and annual dividend rate that mutual savings banks can pay depositors, although the board also took action to permit banks to pay a special additional dividend beginning next year of one-fourth of 1 percent on savings which have been on deposit for at least 2 years. I may say here that the action of the New York State Banking Board bears a close relationship to the situation which has existed within the past several months following the recommendations of Secretary Anderson with respect to the U.S. savings bond program.

Mr. Chairman, the bill now before the committee is designed to permit the Treasury to restore the competitive position of the savings bonds and thus will contribute to proper debt management and will afford protection to the purchasers of this form of investment. The role of savings bonds in Federal debt management is a significant one. We in the Congress should give to the Secretary of the Treasury the flexibility which he needs in order to sustain the savings bond program and to maintain its traditional and historical competitive position.

Mr. Chairman, I urge adoption of the bill now before the committee, and I shall oppose the motion which will be offered to recommit the bill to the Committee on Ways and Means.

Mr. ANDERSON of Montana. Mr. Chairman, the most inflationary influence in our economy today is the administration's high interest policy. In a Nation whose tremendous economic production and whose high standard of living is a result of contributions of natural resources, of manpower, and particularly of capital investment, it is obvious that the interest rate paid for capital is directly reflected in the costs of production. Whereas costs of labor have advanced very little since 1952, and whereas the costs of those raw materials produced from our natural resources have actually been reduced since 1952, the level of interest rates has increased anywhere from 50 to 80 percent.

This inflationary result of the high interest policy is shown most strikingly in the interest on the national debt, where interest charges have gone from $4.7 billion in 1946 to $8.6 billion in 1958, or an increase of 80 percent.

The way to cope with inflation is to reduce, not increase, interest rates, and to make available sufficient supplies of currency and of credit to encourage our free enterprise economy to expand production. Through the workings of our competitive economy this will result in a lowered level of the cost of living and a higher standard of living.

The proposal before us this afternoon to increase the interest rate on savings bonds may be justified by saying that in view of the fact that this administration has succeeded in tremendously increasing interest rates on all other forms of capital investment, it is unfair that investors in savings bonds should not be offered an increase in interest. For that reason, I shall vote to permit an increase in savings bonds interest, but exceedingly reluctantly and only in the face of the fait accompli of the greatly inflated level of interest charges accomplished by the Republican administration.

I am serving final and definite warning that if any move is made today or any other day, in this session or any other session, to remove the 4¼-percent-interest-rate ceiling on long-term Treasury bonds, I shall fight the proposal to the last ditch. We have heard a lot of slogans about "creeping inflation" and "spiraling inflation" and "another step up the staircase of inflation," but a move to remove the 4¼-percent-interest-rate ceiling on long-term Treasury bonds would literally be a 12-foot-high step up an enormous ladder of inflation, one whose effect could not be ameliorated for perhaps a generation.

If we permit the administration at this time, when no long-term debt obligations are coming due, to refinance the expiring short-term obligations in the form of high-interest, long-term obligations, then we are simply writing blank checks to the big investors in the million dollar Government bond issues. It has been estimated that these checks would be filled out over the next 20 to 40 years for sums that would total anywhere from five to fifteen billions of dollars, checks that would have to be paid by your children and mine. If any move is made today to recommit, with instructions to include removal of the 4¼-percent-interest-rate ceiling, or if any bill is introduced or brought to the floor in this session, or in the next session. I would hope that every one of my Democratic colleagues who oppose inflation and oppose the strangling grip of high-interest money upon our economic growth, will arise to strike it down; and I would hope that those of our Republican colleagues who truly believe in fiscal responsibility would join us in our fight against the inflation of exorbitant high interest rates.

Mr. WOLF. Mr. Chairman, I want to state clearly that because I have voted for an increase in the interest rates on E and H bonds, this does not mean that I am in favor of raising interest rates across the board. I am stating further that if next spring the administration comes in with a proposal to raise the interest rates of other bonds, I shall oppose it. The fact that we are faced with the necessity of raising interest rates in order to attract people to buy the greatest security in the world is indicative of the financial boondoggling of the incumbent administration.

Mr. MILLS. Mr. Chairman, there are no committee amendments.

PROGRAM FOR THE BALANCE OF THE WEEK AND FOR NEXT WEEK

Mr. ARENDS. Mr. Chairman, I ask unanimous consent to address the House for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Chairman, I ask for this time in order to inquire of the majority leader concerning the program for the rest of the week and for next week.

Mr. McCORMACK. While we shall meet tomorrow, there is no legislative business on the program and Members may govern themselves accordingly.

If the extension of Public Law 480 should pass the Senate today, we want to meet in order to send that bill to conference. However, there will be no rollcalls and no legislative matters so that Members may make their own arrangements accordingly. I make this statement so Members will know and they know that I will protect them.

On Monday we have the Consent Calendar.

Then there are five suspensions.

S. 601, construction of the Bardwell Reservoir.

House Joint Resolution 352, to authorize a study, Library of Congress, additional building.

H.R. 8343, acquisition of cropland by eminent domain.

H.R. 5196, Federal employees per diem allowances.

H.R. 7758. Oversea Differentials and Allowances Act.

If there are any other bills on which the Speaker is going to recognize to suspend the rules—and I do not know of any at the moment—but, if any should arise, I will announce that tomorrow.

On Tuesday, the Private Calendar will be called, and when we are in the House I will ask unanimous consent that the Private Calendar be called on Tuesday.

Then there is the public works appropriation bill for 1960.

The only other bill that I can announce now, so far as Tuesday and the rest of the week is concerned, is the bill S. 2208, the Federal airport funds for Alaska and Hawaii.

Mr. ARENDS. In keeping with the agreement that has been entered into, there will be no rollcalls on Monday?

Mr. McCORMACK. There will be no rollcalls on Monday. That has already been done by unanimous consent.

There is the usual reservation that any further program will be announced later.

Of course, conference reports may be brought up at any time.

Of course, next week is a very busy week and the Members will be subject to immediate action on matters, and I may not be able to give notice to Members as long in advance of a bill coming out as I have been able to give during the session to date.

Mr. ARENDS. I might say to the gentleman from Massachusetts that some of us are anxiously waiting as to whether or not there is such a thing as a sine die adjournment listed there anyplace.

Mr. McCORMACK. Nobody is more anxious for that than I am. We have had a long session; in fact, one of the longest in the history of the country. I have no further comment to make except to say, certainly, the people of the country appreciate the fact that we personally as Members of the Congress and the members of our families are entitled to consideration and a vacation. We certainly have had a very long session and, while I will not enumerate the accomplishments of this session of the Congress, under the most trying circumstances, we have had a very effective democratic session.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. UDALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, pursuant to House Resolution 376, he reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SIMPSON of Pennsylvania. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SIMPSON of Pennsylvania moves to recommit the bill (H.R. 9035) to the Committee on Ways and Means with instructions to report the same to the House forthwith with amendments as follows:

Page 1, strike out line 7 and all that follows through line 4 on page 2, and insert:

"SEC. 25. In the case of any offering of bonds issued or to be issued under this Act, the maximum limits on the interest rate or the investment yield or both may be exceeded upon a finding by the President with respect to such offering that the national interest requires that such maximum limits be exceeded.

"(b) It is the sense of the Congress that the monetary and debt management officials of the Government shall, in discharging their responsibilities, take fully into account the importance of promoting continuity of employment opportunities, achieving the maximum sustainable rate of economic growth, maintaining reasonable stability in the purchasing power of the dollar, and assuring that the cost of servicing the public debt is kept to the minimum, consistent with these vital national objectives."

Page 2, line 5, reletter subsection "(b)" as subsection "(c)".

Page 2, strike out line 21 and all that follows through line 4 on page 3, and insert:

"(d)(1) The amendments made by subsections (a) and (c) shall apply only to offerings made during the three-year period which begins on the date of the enactment of this Act and only—

"(A) to bonds issued during such three-year period, and

"(B) to bonds issued under section 22 of the Second Liberty Bond Act, as amended, before the date of the enactment of this Act.

"(2) In no case shall the interest rate, or investment yield, on any bond be changed pursuant to the amendments made by this title for any period which begins before June 1, 1959."

Amend the title so as to read: "To facilitate management of the public debt, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be without recognition of gain or loss for income tax purposes, and for other purposes."

Mr. SIMPSON of Pennsylvania (during the reading of the motion to recommit). Mr. Speaker, I ask unanimous consent that the further reading of the motion be dispensed with since it has been discussed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MILLS. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced in the opinion of the Chair, the noes had it.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 133, nays 256, not voting 46, as follows:

[Roll No. 164]

YEAS—133

Adair	Dooley	Meader
Alger	Dorn, N.Y.	Merrow
Allen	Dwyer	Miller, N.Y.
Andersen, Minn.	Fenton	Milliken
	Frelinghuysen	Mumma
Arends	Fulton	Nelsen
Auchincloss	Gavin	Norblad
Avery	Glenn	O'Konski
Ayres	Goodell	Osmers
Baker	Gross	Ostertag
Baldwin	Gubser	Pelly
Barry	Halleck	Pirnie
Bass, N.H.	Halpern	Poff
Bates	Harrison	Quie
Belcher	Henderson	Ray
Bennett, Mich.	Hess	Reece, Tenn.
Bentley	Hiestand	Rees, Kans.
Berry	Hoeven	Robison
Betts	Hoffman, Ill.	Rogers, Mass.
Boland	Hoffman, Mich.	Saylor
Bosch	Holt	Schenck
Bray	Horan	Scherer
Broomfield	Hosmer	Schwengel
Brown, Ohio	Irwin	Short
Budge	Jackson	Siler
Bush	Jensen	Simpson, Ill.
Byrnes, Wis.	Johansen	Simpson, Pa.
Cahill	Jonas	Smith, Calif.
Cederberg	Judd	Smith, Kans.
Chamberlain	Kearns	Springer
Chenoweth	Keith	Taber
Chiperfield	Kilburn	Taylor
Church	Knox	Teague, Calif.
Collier	Lafore	Thomson, Wyo.
Conte	Laird	Tollefson
Corbett	Langen	Utt
Cramer	Latta	Van Zandt
Cunningham	Lindsay	Wallhauser
Curtin	Lipscomb	Weaver
Curtis, Mass.	McCulloch	Weis
Curtis, Mo.	McIntire	Wharton
Dague	Mack, Wash.	Widnall
Derounian	Mailliard	Wilson
Devine	Mason	Withrow
Dixon	May	Younger

NAYS—256

Abbitt	Colmer	Hagen
Abernethy	Cook	Haley
Addonizio	Daddario	Hardy
Albert	Daniels	Hargis
Alexander	Dawson	Harmon
Alford	Delaney	Harris
Anderson, Mont.	Dent	Hays
	Denton	Healey
Ashley	Diggs	Hébert
Ashmore	Dingell	Hechler
Aspinall	Dollinger	Hemphill
Bailey	Donohue	Herlong
Baring	Dorn, S.C.	Hogan
Barr	Dowdy	Holland
Barrett	Downing	Holtzman
Bass, Tenn.	Doyle	Huddleston
Beckworth	Dulski	Hull
Bennett, Fla.	Durham	Ikard
Blatnik	Edmondson	Inouye
Blitch	Elliott	Jarman
Boggs	Everett	Jennings
Bolling	Fallon	Johnson, Calif.
Bonner	Farbstein	Johnson, Colo.
Bowles	Fascell	Johnson, Md.
Boykin	Feighan	Johnson, Wis.
Boyle	Fino	Jones, Ala.
Brademas	Fisher	Karsten
Breeding	Flood	Karth
Brewster	Flynn	Kasem
Brock	Flynt	Kastenmeier
Brooks, La.	Fogarty	Kee
Brooks, Tex.	Foley	Kelly
Brown, Ga.	Forand	Kilday
Brown, Mo.	Forrester	Kilgore
Buckley	Fountain	King, Calif.
Burdick	Frazier	King, Utah
Burke, Ky.	Friedel	Kirwan
Burke, Mass.	Gallagher	Kitchin
Burleson	Garmatz	Kluczynski
Byrne, Pa.	Gary	Kowalski
Cannon	Gathings	Lane
Carnahan	George	Lankford
Casey	Giaimo	Lennon
Celler	Granahan	Levering
Chelf	Grant	Libonati
Clark	Gray	Loser
Coad	Green, Oreg.	McCormack
Coffin	Green, Pa.	McDowell
Cohelan	Griffiths	McFall

McGinley
McGovern
McSween
Macdonald
Mack, Ill.
Madden
Magnuson
Mahon
Matthews
Metcalf
Meyer
Miller, Clem
Miller, George P.
Mills
Mitchell
Moeller
Monagan
Montoya
Moore
Moorhead
Morgan
Morris, N. Mex.
Morris, Okla.
Morrison
Moss
Moulder
Multer
Murphy
Murray
Natcher
Nix
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Mich.
Oliver
Passman
Perkins
Pfost
Philbin
Pilcher
Pillion
Porter
Preston
Price
Prokop
Pucinski
Quigley
Rabaut
Rains
Randall
Reuss
Rhodes, Pa.
Riley
Rivers, Alaska
Rivers, S.C.
Roberts
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rostenkowski
Roush
Rutherford
Santangelo
Saund
Scott
Selden
Sheppard
Shipley
Sisk
Slack
Smith, Iowa
Smith, Miss.
Smith, Va.
Spence
Staggers
Steed
Stratton
Stubblefield
Sullivan
Thomas
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Trimble
Tuck
Udall
Ullman
Vanik
Vinson
Walter
Wampler
Watts
Whitener
Whitten
Wier
Williams
Willis
Winstead
Wolf
Wright
Yates
Young
Zablocki
Zelenko

NOT VOTING—46

Andrews
Anfuso
Barden
Baumhart
Becker
Bolton
Bow
Broyhill
Canfield
Carter
Cooley
Davis, Ga.
Davis, Tenn.
Derwinski
Evins
Ford
Griffin
Hall
Holifield
Jones, Mo.
Keogh
Landrum
Lesinski
McDonough
McMillan
Machrowicz
Marshall
Martin
Michel
Minshall
O'Brien, N.Y.
O'Neill
Patman
Poage
Powell
Rhodes, Ariz.
Riehlman
St. George
Shelley
Sikes
Teague, Tex.
Teller
Thompson, La.
Van Pelt
Wainwright
Westland

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Martin for, with Mr. Keogh against.

Mr. Van Pelt for, with Mr. Landrum against.

Mr. McDonough for, with Mr. Holifield against.

Mr. Bow for, with Mr. Lesinski against.

Mrs. Bolton for, with Mr. Anfuso against.

Mr. Baumhart for, with Mr. Evins against.

Mr. Ford for, with Mr. Teague of Texas against.

Mr. Broyhill for, with M. O'Neill against.

Mr. Minshall for, with Mr. Patman against.

Mrs. St. George for, with Mr. McMillan against.

Mr. Griffin for, with Mr. Machrowicz against.

Mr. Becker for, with Mr. Teller against.

Mr. Westland for, with Mr. Sikes against.

Mr. Michel for, with Mr. Shelley against.

Until further notice:

Mr. Hall with Mr. Riehlman.

Mr. HIESTAND changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on passage of the bill.

Mr. MILLS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 378, nays 7, not voting 50, as follows:

[Roll No. 165]

YEAS—378

Abbitt
Abernethy
Adair
Addonizio
Albert
Alexander
Alford
Alger
Allen
Andersen, Minn.
Anderson, Mont.
Arends
Ashley
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Bailey
Baker
Baldwin
Baring
Barr
Barrett
Bass, N.H.
Bass, Tenn.
Bates
Beckworth
Belcher
Bennett, Fla.
Bennett, Mich.
Bentley
Berry
Betts
Blatnik
Blitch
Boggs
Boland
Bolling
Bonner
Bosch
Bowles
Boykin
Boyle
Brademas
Bray
Breeding
Brewster
Brock
Brooks, La.
Brooks, Tex.
Broomfield
Brown, Ga.
Brown, Mo.
Brown, Ohio
Buckley
Budge
Burdick
Burke, Ky.
Burke, Mass.
Burleson
Bush
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Carnahan
Casey
Cederberg
Celler
Chamberlain
Chelf
Chiperfield
Chenoweth
Church
Clark
Coad
Coffin
Cohelan
Collier
Colmer
Conte
Cook
Corbett
Cramer
Cunningham
Curtin
Curtis, Mass.
Curtis, Mo.
Daddario
Dague
Daniels
Dawson
Delaney
Dent
Denton
Derounian
Devine
Diggs
Dingell
Dixon
Dollinger
Donohue
Dooley
Dorn, N.Y.
Dorn, S.C.
Dowdy
Downing
Doyle
Dulski
Durham
Dwyer
Edmondson
Elliott
Everett
Fallon
Farbstein
Fascell
Feighan
Fenton
Fino
Fisher
Flood
Flynt
Fogarty
Foley
Forand
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gallagher
Garmatz
Gary
Gathings
Gavin
George
Giaimo
Glenn
Goodell
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Gubser
Hagen
Haley
Halleck
Halpern
Hardy
Hargis
Harris
Harrison
Hays
Healey
Hébert
Hechler
Henderson
Herlong
Hiestand
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Hogan
Holland
Holt
Holtzman
Horan
Hosmer
Huddleston
Hull
Ikard
Inouye
Irwin
Jackson
Jarman
Jennings
Jensen
Johansen
Johnson, Calif.
Johnson, Colo.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Judd
Karsten
Karth
Kasem
Kastenmeier
Kearns
Kee
Keith
Kelly
Kilburn
Kilday
Kilgore
King, Calif.
King, Utah
Kirwan
Kitchin
Kluczynski
Knox
Kowalski
Lafore
Laird
Lane
Langen
Lankford
Latta
Lennon
Levering
Libonati
Lindsay
Lipscomb
Loser
McCormack
McCulloch
McDowell
McFall
McGinley
McGovern
McIntire
McSween
Macdonald
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Mahon
Mailliard
Mason
Matthews
May
Meader
Merrow
Metcalf
Meyer
Miller, Clem
Miller, George P.
Miller, N.Y.
Milliken
Mills
Moeller
Monagan
Montoya
Moore
Moorhead
Morgan
Morris, N. Mex.
Morris, Okla.
Morrison
Moss
Moulder
Multer
Mumma
Murphy
Murray
Natcher
Nelsen
Nix
Norblad
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Oliver
Osmers
Ostertag
Passman
Pelly
Perkins
Pfost
Philbin
Pillion
Pirnie
Poff
Porter
Price
Prokop
Pucinski
Quie
Quigley
Rabaut
Rains
Randall
Ray
Reece, Tenn.
Rees, Kans.
Reuss
Rhodes, Pa.
Riley
Rivers, Alaska
Rivers, S.C.
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rostenkowski
Roush
Rutherford
Santangelo
Saund
Saylor
Schenck
Scherer
Schwengel
Scott
Selden
Sheppard
Shipley
Short
Siler
Simpson, Ill.
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Kans.
Smith, Miss.
Smith, Va.
Spence
Springer
Staggers
Steed
Stratton
Stubblefield
Sullivan
Taber
Taylor
Teague, Calif.
Thomas
Thompson, N.J.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Toll
Tollefson
Trimble
Tuck
Udall
Ullman
Utt
Vanik
Van Zandt
Vinson
Wallhauser
Walter
Wampler
Watts
Weaver
Weis
Wharton
Whitener
Whitten
Widnall
Wier
Williams
Willis
Wilson
Winstead
Withrow
Wolf
Wright
Yates
Young
Younger
Zablocki
Zelenko

NAYS—7

Flynn
Forrester
Harmon
Mitchell
Pilcher
Preston
Simpson, Pa.

NOT VOTING—50

Andrews
Anfuso
Barden
Barry
Baumhart
Becker
Bolton
Bow
Broyhill
Canfield
Carter
Cooley
Davis, Ga.
Davis, Tenn.
Derwinski
Evins
Ford
Griffin
Hall
Hemphill
Hess
Holifield
Jones, Mo.
Keogh
Landrum
Lesinski
McDonough
McMillan
Machrowicz
Marshall
Martin
Michel
Minshall
O'Brien, N.Y.
O'Neill
Patman
Poage
Powell
Rhodes, Ariz.
Riehlman
Rogers, Mass.
St. George
Shelley
Sikes
Teague, Tex.
Teller
Thompson, La.
Van Pelt
Wainwright
Westland

So the bill was passed.

The Clerk announced the following pairs:

Mr. Anfuso with Mr. Barry.

Mr. Hall with Mr. Van Pelt.

Mr. Thompson of Louisiana with Mr. Broyhill.

Mr. Teague of Texas with Mr. Hess.

Mr. Hemphill with Mr. Ford.

Mr. Holifield with Mr. Baumhart.

Mr. Teller with Mr. Wainwright.

Mr. Powell with Mr. Griffin.

Mr. O'Brien of New York with Mr. Becker.

Mr. Evins with Mr. Westland.

Mr. Cooley with Mr. Rhodes of Arizona.

Mr. Shelley with Mr. Minshall.

Mr. Sikes with Mrs. St. George.

Mr. McMillan with Mrs. Bolton.

Mr. Machrowicz with Mr. Michel.

Mr. Lesinski with Mr. Canfield.

Mr. Landrum with Mr. McDonough.

Mr. O'Neill with Mr. Bow.

Mr. Carter with Mr. Riehlman.

On this vote:

Mr. Martin for, with Mr. Derwinski against.

Mr. Keogh for, with Mr. Patman against.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members

desiring to do so may have permission to extend their remarks in the RECORD just prior to the vote on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CERTIFICATIONS TO U.S. ATTORNEYS IN CONTEMPT PROCEEDINGS

The SPEAKER. The Chair lays before the House the following announcement, which the Clerk will read:

The Clerk read as follows:

The Chair desires to announce that, pursuant to sundry resolutions of the House, he has, today, made certifications to the U.S. Attorney, District of Columbia, and the U.S. Attorney, Northern District of Illinois, as follows:

To the U.S. ATTORNEY,
District of Columbia:

House Resolution 374: The refusal of Martin Popper to answer questions before the Committee on Un-American Activities.

To the U.S. ATTORNEY,
Northern District of Illinois:

House Resolution 375: The refusal of Edwin A. Alexander to answer questions before the Committee on Un-American Activities.

PRIVATE CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order on Tuesday next for the Private Calendar to be called.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in accordance with my policy of keeping the Members advised as soon as possible about matters that will come up, some day next week the following bills, when recognized by the Speaker, will be called up by the gentleman from Arkansas, Mr. MILLS, chairman of the Committee on Ways and Means. All of these bills have been unanimously reported out of the Committee on Ways and Means.

H.R. 529, narcotics control bill.

H.R. 6132, tax on issuance of shares of stock.

H.R. 6785, tax on laminated tires.

H.R. 7947, FNMA bill.

H.R. 6482, unemployment tax for merged corporations.

H.R. 5547, Virgin Islands bill.

H.R. 5920, social security, credited four quarters of coverage for maximum earnings before 1951.

H.R. 5887, granulated seaweeds.

H.R. 1217, amorphous graphite.

H.R. 4251, 4-year limitation on deeducation of exploration expenditures.

H.R. 8229, supplemental unemployment benefit trusts.

GEORGE W. POTTER

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, on August 10 last the State of Rhode Island lost a keen observer and fairminded interpreter of State, national, and international affairs in the death of George W. Potter, former chief editorial writer of the Providence Journal and the Evening Bulletin.

I knew George Potter, and one of the things that struck me most about him was his love of people. Writer and scholar though he was, his everyday interest in his fellow man, in his foibles, his achievements, and his yearnings, was what impressed me most.

One article appearing after his death said:

Books, documents, and people were all alike to him, and of the three he had the most affinity for people.

"I don't care what you say, you've got to get to the people. They're smarter than anybody," he often quipped, but seriously.

Another said:

He was a man of omniverous interests; everything from classical music to horseracing fascinated him. The common denominator was people. His own lovable personality made it natural for all kinds of men and women to respond to his warm, affectionate interest in them; scarcely a day went by that he did not make a new friend. To use a phrase he himself liked to employ occasionally, he was truly a sweet person.

Mr. Speaker, it is the people who sent us to this House of Representatives. Here in this House the problems with which we deal are the problems of people, their security, and their aspirations. The more we mingle with people, the more we listen to people, the more we like people, the more, in short, we behave in the pattern of the George Potters of the world, the better, I am sure, we will handle those problems.

In closing I would like to include the following articles which appeared in the Providence Journal and Evening Bulletin, expressing the high regard in which George Potter was held by everyone who knew him:

[From the Providence (R.I.) Journal Aug. 10, 1959]

GEORGE POTTER DIES—JOURNAL EDITORIALIST

George W. Potter, 59, Pulitzer Prize winning editorial writer for the Providence Journal-Bulletin, died early today at Miriam Hospital after suffering a heart attack.

George Potter had won honor as a scholar, newspaperman and writer, but he was one of the first editorial writers in Providence to destroy the concept that editorial thinking belongs in an ivory tower.

Books, documents and people were all alike to him, and of the three he had the most affinity for people.

"I don't care what you say, you've got to get to the people. They're smarter than anybody," he often quipped, but seriously.

George had won the Pulitzer Prize in 1945 for a 1944 editorial discussing the deep relation of freedoms, human and economic, and their relation to the press as a safeguard of true freedoms.

A year later Brown University awarded him the honorary degree of doctor of literature. In 1955 he was made honorary member of Phi Beta Kappa scholastic society, and in the same year Durfee Technical Institute in his native Fall River gave him an honorary master's degree.

But before these honors had come to him, George had made a significant contribution to newspaperdom in the community.

He had come to Providence to go to Brown University, where he was graduated in 1921. His home had been Fall River, a city which in the early 1920's was full of fierce newspaper competition, and whose residents had as much savvy as in any city in America, arising from its hot political, labor, economic and church leaders.

George's father, Joseph H. Potter, Jr., was a Durfee mill superintendent who had first gone to work in the mills as a youngster of 9 in New Hampshire, graduated to the bowler-hat which characterized the millman who rose from the ranks, and died in 1910. His mother, Ellen L. Potter, was one of three Irish girls who had emigrated to this country as a young girl.

Even while attending B.M.C. Durfee High School, and later as a student at Brown, he developed an insatiable belief in the newspaper as an institution of truth.

At Brown, where he won the Hicks prize for 4 years of the highest standing in English literature, he worked as correspondent for the old Providence Tribune. He corresponded for the New Bedford Times and the Fall River Herald, and for 2 years after he was graduated, he plowed a beat for those newspapers.

In New Bedford, Fall River, and Providence in those days most public communication was on the street. George fast learned to talk and listen, and his faith in the fundamental rightness of ordinary people grew.

The Providence Tribune hired him in 1923 as an editorial writer. George was then working also as an assistant in the English department at Brown. For nearly 15 years thereafter he also conducted the extension course in journalism on the Hill, a course in which makeup and headlines had little part, but writing good English counted most.

While at the Tribune, in the Dwyer-Barry era of that offbeat Republican paper, he became associate editor, and finally succeeded Fred Luther as editor.

Sevellon Brown, late editor and publisher of the Journal-Bulletin, picked George in 1929 as one of several "down the street" men he wanted on his staff when the Tribune was bought by Peter G. Gerry, owner of the Democratic Providence News.

He was chosen at a time when the editorial staff of the Journal-Bulletin was being expanded into a group of men from assorted backgrounds, geographical areas, and scholarly interests. The purpose was to create an editorial staff whose members would be a sounding board and a forum of every possible view and horizon, so that the newspaper's considered editorial policies

would be removed from individualism, whim or personal animus.

George's field of interest for many years was that of international affairs, and history. Yet he contributed as much from his insight in local people, politics and economics as from his own studies.

He was made chief editorial writer for some years in 1939, succeeding the late Henry R. Palmer.

In all this time he not only preached to other newspapermen that they always must remember the concept of news beats, be they city halls, courts, police stations, public libraries, histories of diplomacy or civilization, or just street corners, a trolley or bus trip, or even a saloon.

He also was an assiduous notetaker of all he heard and read, because he believed any writer had to relate the world as he saw it to his study.

In the late 1940's George began to submerge himself into a college-time entrancement with the Irish literary renascence. Especially as it had been encouraged in the 1880's by the late Alfred M. Williams, then editor of the Journal, who had first encouraged in this country such literary greats as Yeats, A. E. Synge, and the rest.

The result was that in 1949 the Journal-Bulletin commissioned George to go to Ireland to secure more scholarly evidence of the part the Journal played in those days in spreading to the world the writings of the Irish dramatists, poets and story writers of the late 19th century.

Offshoot of this was the establishment of the Williams collection in the Providence Public Library, unique in this country.

Later, when it became apparent that George was amassing a wealth of evidence about Irish culture in America, the Guggenheim Foundation in 1956 awarded him a year's fellowship abroad to learn all he could about the bases of Irish immigration, and the history of the Catholic Irish in America between 1820 and 1860. It was a field strangely neglected by other historians.

After several years of monumental research poring through old records and newspapers and talking to countless Irish historians, George finally produced the results of his work in a book.

He was a member of the board of trustees of the Williams collection, a member of the board of editors of the Brown Alumni Monthly, member of Phi Kappa fraternity and the Sphinx and Pi Kappa societies at Brown and had lectured at the Columbia Press Institute.

For many years George had lived in one of the quietest spots possible in Providence, a cottage at 30 Mount Avenue that was a part of the Cole farm. Until recent years, in fact, cows had browsed under his window as he sat and read books, newspapers and microfilm records at home.

While he never lost his affection for the people he met and knew by the thousands on downtown streets, he liked to escape in the summer to Nantucket or Cuttyhunk Islands. Even on his trips to Ireland, he gravitated instinctively to it as an island, remote from European civilization and politics, and closest to the West.

He leaves his wife, the former Erna Dingwell, of New Bedford; a sister Mary D. Potter, of Boston; and two brothers, Joseph H. and James F. Potter.

Mr. and Mrs. Potter had no children.

[From the Providence (R.I.) Journal, Aug. 11, 1959]

GEORGE W. POTTER: EDITORIALIST, SCHOLAR, AND FRIEND

The death of George W. Potter marks the end of an era in the history of these newspapers as an institution. For those of us who have worked with him and known him intimately over the years, it is an event of profound sadness.

As a foremost contributor to these columns for some 30 years, Mr. Potter was the last active writer on an editorial staff assembled in the late 1920's. All of them now are dead or in retirement. Yet he himself would be the first to insist that the editorial voice of the Journal-Bulletin must and will endure, through the changing generations, for George Potter, had a deep interest in the vital function of the American press generally and a unique understanding of the institutional quality of his own newspaper.

However the fullness of a life may be measured—by achievements, by friendships, by the truths a man believes in and expresses—by all of these standards, George Potter lived a full life though he died at 59. He was a man of omniverous interests; everything from classical music to horseracing fascinated him. The common denominator was people. His own lovable personality made it natural for all kinds of men and women to respond to his warm, affectionate interest in them; scarcely a day went by that he did not make a new friend. To use a phrase he himself likes to employ occasionally, "he was truly a sweet person."

But Mr. Potter never let understanding or affection get in the way of a sure appreciation of men, manners and events. He had no patience with intellectual dishonesty, in people or in institutions. A wry, kindly, gently prodding observer of the human parade here and around the world, he kept before the Rhode Island he loved a sense of continuity by dipping into history for parallels with the news of the day.

Primarily a stylist among newspapermen, Mr. Potter became in later years principally a scholar, largely through his consuming interest in the history of the Irish in America. In both capacities, sometimes in the face of handicaps and adversity, he gained conspicuous professional success, as evidenced by his winning of a Pulitzer Prize for editorial writing in 1945 and by his later achievement of a Guggenheim fellowship to pursue his historical research. Brown University, his alma mater, gave him an honorary doctorate in 1946. These and other honors came to him, and he wore them modestly.

Commenting editorially on such a personality and so dear a friend as George Potter is infinitely difficult. Again, he himself would be the first to recognize this. As an oldtime editorial writer, perhaps therefore he would forgive his colleagues for the inadequacy of this attempt to say simply that we shall miss him.

[From the Providence (R.I.) Sunday Journal, Aug. 16, 1959]

LIBRARY BOARD PAYS TRIBUTE TO GEORGE POTTER

The board of trustees and staff of the Providence Public Library were deeply saddened by the death of George W. Potter, editorial writer for the Providence Journal-Bulletin, and a warm and valuable friend of this library.

Many a librarian's day was brightened by his frequent visits and by his enthusiasm when a newly uncovered bit of evidence added another facet to his researches on Irish history. He often spoke and wrote of his indebtedness for the richness of Providence libraries, and once observed that the unique personality of Providence was due to the existence of Brown University, the Providence Journal, and the Providence Public Library. To these institutions he was earnestly devoted.

He will be chiefly remembered at the library for assisting the staff in establishing the Alfred M. Williams Memorial on Irish Culture just 10 years ago. Mr. Potter had then returned from a pilgrimage to Ireland, and, with the support of Sevelion Brown, then editor and publisher of the Journal, he helped to formulate plans for building a center of Irish studies in the library.

His own words best express the purpose of the endeavor: "While scholarly pursuits will be encouraged and aided, the hope is that the memorial will be used by all the people of Providence to widen and extend the cultural life of the community."

Providence had long been aware of Douglas Hyde, Katherine Tynan, William Butler Yeats, John Todhunter, and other writers associated with the Irish literary renaissance. Some of their works had been published in the Providence Journal by its editor, Alfred M. Williams, thereby giving that newspaper a "sort of left-handed immortality," as Mr. Potter expressed it.

After the establishment of the Memorial in 1949, Mr. Potter drew attention to the growing collection of books by inviting such distinguished visitors as Padraic Colum, Irish poet, novelist, and folklorist; Dr. Richard J. Hayes, director of the National Library of Ireland; William Howard Taft III, former U.S. Ambassador to Ireland; and John J. Hearne, Eire's Ambassador to the United States.

He encouraged local Irish societies, individuals and The Providence Journal to enrich the collection by presenting gifts of cash. The Swiss reproduction of the Book of Kells, a scarce original of the Easter Rebellion Proclamation, Irish street ballads and the Charles James Fox collection of over 400 pamphlets containing raw material for the study of 18th and 19th century Ireland—these and many other gifts were stimulated by his zeal. His gentle needling of the staff to purchase desirable items from bookseller's catalogs was another method of building the collection to one of significance in this country.

The library staff will remember him with affection, and the Irish Collection, which he named for a predecessor, will always be thought of as a memorial to George W. Potter.

STUART C. SHERMAN,
Librarian, Providence Public Library.
PROVIDENCE.

PUBLIC WORKS APPROPRIATION BILL

The SPEAKER. Under previous order of the House, the gentleman from Wyoming [Mr. THOMSON] is recognized for 45 minutes.

Mr. THOMSON of Wyoming. Mr. Speaker, I take this special order as a member of the Appropriations Committee, to attempt to put in focus the situation pertaining to the public works appropriation bill. I hope that what I have to say will be of assistance, for the situation definitely needs to be brought into focus in order, first, to resolve the deadlock that appears to exist between the Congress and the Executive; second to present the facts to the members not on the committee, so that they can cast an informed vote when called upon to act; and third, to advise the people of this country of the true situation.

In the first place, the veto of the bill by the President was unfortunate. For this, I do not blame the President. At

the time it was being considered, he was occupied with most important questions of foreign policy vital to the peace and security of this Nation and of the world. As a matter of fact, when the veto was delivered, he was out of the country and had been for some time.

This did not permit those who really knew the true situation to consult with him or for him to consult with them. The President was denied the advice of the gentleman from Iowa [Mr. JENSEN], who is ranking Republican member of the subcommittee which considered the bill, is best informed, and has time and again proved that he is really an economy Congressman, resulting in savings of billions of dollars of the taxpayers' money.

The real blame must rest on the shoulders of those who gave the President the wrong basic information, as reflected by his veto message. One can make a wise decision only as he has the correct information on which to base it. The veto of the bill was based upon wrong information and was ill considered, because it does not bring about true economy and because without at least some of the projects objected to by the President, we will not be meeting the responsibilities of both the executive and the legislative to provide for the orderly and sound development of the water resources of this Nation.

We must provide for the economic strength and growth of our country if we are to act with responsibility. Irresponsible cuts are no more economy than irresponsible spending. Proper water development is a must if this is to be done.

The President has repeatedly recognized this. His own Cabinet Committee reported such, stressing the needs for increased water supply to meet the growing needs of the Nation. The Hoover Commission stated:

Economic development and conservation of water resources is vital to the future of the United States.

At this point I insert some pertinent quotes from the President, his Cabinet Committee's report, and the Hoover Commission report:

THE PRESIDENTIAL ADVISORY COMMITTEE ON WATER RESOURCES POLICY—DECEMBER 22, 1955

1. SUMMARY

A sound water policy must look toward an adequate supply of water for our people, prevent waste, reduce water pollution to its lowest practical level, provide means for the best and most effective distribution of water, improve navigation, and take steps to check the destructive forces of water which destroy land, property, and life.

2. OUTLINE OF PROBLEM

Water is more than a natural resource; it is a necessity of life. Here in the United States, blessed with a continent of virgin soil, we lived more than 200 years before the water problem became generally acute. But the uses we make of water in modern society are so tremendous that they stagger the imagination. The coming of our industrial era, the raising of our living standards, and the increased application of water to land have now highlighted the problems until in much of the Nation there is a grave and increasing concern over water resources.

Shortages of water for domestic and agricultural use are frequent. Industry is finding it increasingly difficult to locate adequate water supplies. Many streams and rivers are seriously polluted. Concurrently, tremendous losses in water are being experienced through wasteful practices and failure to conserve available supplies. Lack of adequate planning threatens to impose a water scarcity which can become a limiting factor on the growth of some of our cities, while at the same time flood damage in many areas continues to be great.

* * * * *

Because these problems are nationwide, it is appropriate that the Federal Government take cognizance of them and provide leadership for solving them by establishing sound nationwide policies, as well as provide standards for its own participation in the development of economically sound water projects. It is also appropriate that this be done in cooperation with the States and other locally interested parties.

HOOVER COMMISSION—TASK FORCE REPORT ON WATER RESOURCES AND POWER

The economic development and conservation of water resources is vital to the future of the United States. Soundly conceived, efficiently executed, timed for our needs, it can strengthen the economy. Good development can supply new communities and growing cities with water, provide for expanding industries, open paths for transportation, water arid acres, generate power and establish means for recreation. Its management can conserve floodwaters for doing useful work and can contain, or at least reduce, floods that otherwise would endanger human lives and waste the substance of farm, factory, and city.

QUOTES FROM PRESIDENT EISENHOWER

Letter (May 26, 1954) to Secretary of the Interior Douglas McKay, designating him chairman of the Cabinet Committee on Water Resources Policy:

"The conservation and use which we make of the water resources of our Nation may in large measure determine our future progress and the standards of living of our citizens. If we are to continue to advance agriculturally and industrially we must make the best use of every drop of water which falls on our soil, or which can be extracted from the oceans."

State of the Union message, January 5, 1956:

"I wish to reemphasize the critical importance of the wise use and conservation of our great natural resources of land, forests, minerals and water, and their long-range development consistent with our agricultural policy. Water in particular now plays an increasing role in industrial processes, in the irrigation of land, in electric power, as well as in domestic uses. At the same time, it has the potential of damage and disaster.

"A comprehensive program for water conservation will be submitted to the Congress during the session. The development of our water resources cannot be accomplished overnight. The need is such that we must make faster progress and without delay."

If we do not solve the problem in an orderly fashion, we will eventually have to have a crash program, like the highway problem now confronting us, which will end up with extravagance and deficit spending, at the expense of the taxpayers of the Nation.

I voted to override the veto with great reluctance because I had to on the only criteria I know which I can follow—on the basis of right and wrong based on the facts.

Let us examine the veto message and compare it with the facts. You will then understand why it was based upon misinformation. The veto message charges a "tremendous expansion in Government expenditures in just this one area," and infers that there has been a threefold increase in expenditures, which leads us to deficit spending and our fiscal problems of today. What are the facts in respect to this? I am inserting at this point a series of tables:

Appropriations for Bureau of Reclamation

[In millions]

Appropriation made in calendar year	For fiscal year	Construction only	Total
1949	1950	$335.6	$358.9
1950	1951	243.7	271.7
1951	1952	207.8	234.4
1952	1953	177.7	206.4
1953	1954	116.3	143.0
1954	1955	133.8	161.4
1955	1956	146.0	180.1
1956	1957	157.0	193.8
1957	1958	161.8	204.5
1958	1959	214.3	265.8
1959	1960	212.1	256.7

Appropriations for Corps of Engineers

[In millions]

Appropriation made in calendar year	For fiscal year	Construction only	Total
1949	1950	$528.0	$640.6
1950	1951	595.0	619.5
1951	1952	480.0	617.2
1952	1953	464.4	562.0
1953	1954	320.5	426.6
1954	1955	352.4	443.7
1955	1956	492.2	611.9
1956	1957	516.5	639.2
1957	1958	509.8	638.6
1958	1959	671.2	816.0
1959	1960	749.1	877.6

Mr. Speaker, what do these tables show? In the first place, with regard to appropriations made by the Congress and signed by the President for each of the last 10 years:

As to reclamation, which is of primary interest to western water development, the appropriations for construction only, have dropped from $335.6 million, made in 1949 for fiscal year 1950, to $212.1 million in the bill vetoed in 1959 for fiscal year 1960—a drop of over $120 million.

For total reclamation, there was appropriated in 1949 for fiscal year 1950, $358.9 million, as compared to an appropriation in 1959 for fiscal year 1960, as vetoed, of $256.7 million, or a total drop of over $100 million. Obviously, Mr. President, this is no tremendous expansion. And those that advised you otherwise were simply in error.

In this respect, I would call the attention of my Democrat friends on the other side of the aisle to the fact that this is no party issue. These appropriations had in fact dropped to $177.7 million in 1952, the last year of the Truman administration, for construction, and to $206.4 million for total reclamation. Under this administration,

they have in fact been brought up from that low level to $212.1 million for construction, and $256.7 million for total reclamation. Both of our political parties should work together to continue to meet the problem.

With regard to the Corps of Engineers, which is primarily concerned with flood control, the tables show that there was appropriated in 1949 for fiscal year 1950, $528 million, as compared to an appropriation in 1959 for fiscal year 1960, which was vetoed, of $749.1 million, or an increase of approximately $200 million. Total appropriations in 1949 for fiscal year 1950 were $640.6 million, as compared to $877.6 million in the bill vetoed, or a total increase of $237 million. Considering increased costs of construction and the problem, this can certainly not be justified as extravagant.

When these figures, however, were presented by myself to the executive, they said, "Oh, but those are appropriation figures, and it's expenditures that really count, because that's what means deficit spending or not."

All right, let us take a look at that on an expenditure basis. At this point I am inserting a chart which shows the facts, taken from the figures furnished by the executive:

Expenditure projection—Water resource construction agencies (actual 1950–59; projected 1960–63), assuming no new starts after 1959

[In millions of dollars]

Agency	Year ending June 30—													
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Corps of Engineers (flood control)	627	610	589	693	509	501	534	610	699	779	815	865	910	880
Reclamation	298	298	256	231	196	166	166	171	226	246	270	272	290	275
Agriculture (watershed)	7	8	8	6	9	13	19	22	26	35	39	45	47	50
Total	932	916	853	930	714	680	719	803	951	1,060	1,124	1,182	1,247	1,205
Total Government expenditures	39,617	44,058	65,408	74,274	67,772	64,570	66,540	69,433	71,936	80,871	77,030	--------	--------	--------
HEW (annual appropriation for regular activities)	--------	1,763	1,741	1,987	1,928	2,001	2,099	2,480	2,736	3,300	3,449	--------	--------	--------

You will note from this chart that expenditures for reclamation construction for the fiscal year 1950 were $298 million, whereas the expenditures for the fiscal year ending June 30, 1960, projected by the executive department itself, would only be $270 million, or $28 million less. The $14 million provided in the bill vetoed would still leave this at $14 million under 1950 expenditures.

With regard to the Corps of Engineers—flood control—you will note that expenditures for construction would go up from $627 million in fiscal year 1950 to $815 million for the fiscal year 1960, or an increase of $188 million.

The total expenditures for water development construction go up from $932 million in 1950 to $1,124 million in 1960, or an increase of only $192 million. Compare this with the total increase in Government expenditures of $39,617 million for 1950 to $77,030 million estimated for 1960, and you will realize that the $47 billion increase is not caused by this bill.

I think everyone knows where the increases have been, and I have taken the Health, Education, and Welfare Department's annual appropriation to point this out.

This shows that the total appropriation for this Department's activities in the year 1951 were $1,763 million, as compared to $3,449 million for fiscal year 1960, or almost a 100-percent increase of nearly $1,700 million. This and other similar areas are the real places that spending has increased, and a bill was just signed which went $259 million over the budget requests for this year alone. That is the bill which should have been vetoed. That is the bill which, as the chart proves, has the real, built-in increases.

I am sure that my colleagues will be interested in the expenditures for water development abroad.

In this year's foreign aid bill there is money for new starts on water development projects scattered all over the world totaling $320 million.

Apparently we can afford to develop the world, but we cannot afford to develop our own country to provide for our own children.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield.

Mr. HORAN. First, I want to commend my colleague for taking this time and spreading this on the RECORD. I am familiar with quite a number of the fiscal items the gentleman is mentioning here. I think the gentleman is taking a conservative approach in painting the picture as it is. No one really knows what all we are spending in foreign countries. No one knows how many American dollars we are spending in foreign countries for the development of reclamation, irrigation, water development including flood control and hydroelectric power projects. However, in the hearings on the foreign-aid bill on page 1465, we do have a table entered there by the foreign-aid administration which lists the 10 years from April 3, 1948, until December 31, 1958, not including the 1959 and 1960 budget which the gentleman has just mentioned. The total of American dollars, and these are direct appropriations for that period, was $516 million. I think this should be a part of the RECORD because there is a resentment at home because of this apparent discrimination against our own nationals.

Mr. THOMSON of Wyoming. I thank the gentleman for his contribution, and I congratulate the gentleman from Washington for I have had the privilege of associating with him on this committee, and he is one who is really informed on the importance of water development and also the importance of fiscal responsibility and having a proper and orderly development of water resources.

Mr. HORAN. If the gentleman will yield further, I think it is in the preparation for the creation of new wealth that we will find at least a portion of our future salvation. In this day and age when through cloverleaf intersections and highways and rights-of-ways and by urban development, we are taking present reclamation projects out of production, it is certainly not well understood, and it is not liked by those who see these things happening every year for us to be cutting down on the normal and sound progress in reclamation wherever it might be.

Mr. THOMSON of Wyoming. I agree with the gentleman and I thank him.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentlewoman.

Mrs. ROGERS of Massachusetts. I do not know whether the gentleman saw the television picture of the President and Mr. Macmillan in England in which they both agreed that you must spend a great deal in developing underdeveloped countries abroad.

Mr. THOMSON of Wyoming. I cannot agree at all that we can do that at the American taxpayers' expense if we cannot develop our own country for our needs and those of our children.

Now, the people who undertook to advise the President know just as well as I do that the increases in spending have not been in the area of water development, and they know full well where they have been occurring. Why do they not have the political courage to recommend the proper action?

However, just in case their memories may need refreshing, and for the information of the Members of the House, I am inserting at this point tables taken from the "Budget in Brief for Fiscal Year 1960," prepared by the Bureau of the Budget, the Executive Office of the President, showing budget expenditures by function and budget totals and public debt for the years 1953 to 1960. Anyone who studies these tables can see where the real areas of extravagant spending are, and it is not in the military, which has gone down from $50 billion to $46 billion, and again I repeat that it is not in the water resource development.

Budget expenditures by function

[Fiscal years. In millions of dollars]

Description	Actual						Estimate	
	1953	1954	1955	1956	1957	1958	1959	1960
Major national security:								
Department of Defense	43,611	40,336	35,532	35,791	38,439	39,062	40,800	40,945
Atomic energy	1,791	1,895	1,857	1,651	1,990	2,268	2,630	2,745
Mutual security program—military assistance	3,954	3,629	2,292	2,611	2,352	2,187	2,312	1,850
Stockpiling and defense production	1,008	1,045	944	588	490	625	378	265
Total, major national security	50,363	46,904	40,626	40,641	43,270	44,142	46,120	45,805
International affairs and finance:								
Mutual security program—economic:								
Defense support	1,467	967	1,463	1,184	1,143	874	815	780
Development Loan Fund	------	------	------	------	------	2	125	200
Technical and other assistance	235	286	464	406	456	548	629	668
Other economic and technical development	258	257	34	25	86	485	1,753	120
Conduct of foreign affairs	150	130	121	120	157	176	246	216
Foreign information and exchange activities	106	91	100	111	133	149	141	145
Total, international affairs and finance	2,216	1,732	2,181	1,846	1,976	2,234	3,708	2,129
Commerce and housing:								
Aviation and space flight	239	275	253	251	295	404	678	903
Water transportation	455	370	349	420	365	392	463	488
Housing and community development	487	−506	211	54	49	357	1,236	386
General aids to business	−111	−330	−404	−83	59	115	205	213
Postal service	659	312	356	463	518	674	752	109
Civil defense and disaster aids	65	64	57	101	86	86	80	81
Regulation and other	709	631	685	824	85	81	94	63
Total, commerce and housing	2,504	817	1,504	2,030	1,455	2,109	3,509	2,243
Agriculture and agricultural resources:								
Farm price support and related programs	2,125	1,689	3,486	3,900	3,430	3,151	5,386	4,490
Agricultural land and water resources	320	253	291	305	375	448	514	675
Rural electrification and rural telephone loans	239	217	204	217	267	297	325	335
Farm ownership and operation loans	109	256	236	231	227	239	251	196
Research and other agricultural services	142	142	173	215	227	255	299	300
Total, agriculture and agricultural resources	2,936	2,557	4,389	4,868	4,526	4,389	6,775	5,996
Natural resources:								
River basin development and power	1,191	1,009	887	743	861	1,064	1,110	1,149
Forests, public domain, and Indian lands	150	164	167	198	225	249	292	279
National parks	30	33	35	44	59	69	97	83
Minerals	38	37	37	38	62	59	78	78
Fish and wildlife	34	38	43	45	51	60	69	70
Natural resources—Con.								
General resource surveys and other	34	35	34	35	38	43	61	51
Total, natural resources	1,476	1,315	1,202	1,104	1,296	1,543	1,708	1,710
Labor and welfare:								
Public assistance (payments to States to aid needy persons)	1,332	1,439	1,428	1,457	1,558	1,797	1,987	2,022
Promotion of public health	318	290	275	351	469	546	669	678
Promotion of education	290	273	324	279	290	315	436	479
Labor and manpower services	281	277	328	475	400	458	827	425
Promotion of science, research, libraries, and museums	34	33	53	56	71	72	133	228
School lunch, vocational rehabilitation, and other	171	173	165	202	235	259	328	297
Total, labor and welfare	2,426	2,485	2,575	2,821	3,022	3,447	4,380	4,129
Veterans' services and benefits:								
Compensation	1,713	1,731	1,830	1,864	1,876	2,020	2,065	2,043
Pensions	660	716	800	883	951	1,036	1,135	1,203
Hospitals and medical care	757	782	727	788	801	856	930	946
Readjustment benefits for education and training	659	546	664	767	774	699	619	490
Readjustment benefits for unemployment, loan guarantee, and other	138	158	150	123	126	168	149	115
Insurance and indemnities	102	100	57	105	47	43	44	49
Other services and administration	269	223	229	226	218	200	256	242
Total, veterans' services and benefits	4,298	4,256	4,457	4,756	4,793	5,026	5,198	5,088
Interest:								
Interest on public debt:								
Marketable obligations	3,300	3,101	3,127	3,659	4,103	4,582	4,600	5,200
Savings bonds	1,678	1,667	1,656	1,635	1,582	1,526	1,500	1,400
Special issues	1,044	1,128	1,115	1,138	1,241	1,223	1,200	1,200
Other nonmarketable issues	482	487	473	354	319	275	200	200
Interest on refunds and uninvested funds	80	88	67	60	63	82	101	96
Total, interest	6,583	6,470	6,438	6,846	7,308	7,689	7,601	8,096
General government:								
Financial management	442	449	431	475	476	502	566	563
Property and records management	185	155	164	164	194	239	343	373
FBI, alien control, and related programs	147	160	157	188	187	199	217	219
Central personnel costs	387	93	115	334	627	140	215	211
Legislative and judicial functions	78	78	91	115	130	132	153	187
District of Columbia, territories, and possessions	55	53	67	69	74	73	94	98
Weather Bureau and other	177	247	174	281	98	70	86	84
Total, general government	1,472	1,235	1,199	1,627	1,787	1,356	1,673	1,735
Allowance for contingencies	------	------	------	------	------	------	200	100
Total budget expenditures	74,274	67,772	64,570	66,540	69,433	71,936	80,871	77,030

Budget totals and public debt since 1953

[In millions of dollars]

Fiscal year	Budget receipts	Budget expenditures	Surplus (+) or deficit (−)	Public debt at end of year
1953	64,825	74,274	−9,449	266,071
1954	64,655	67,772	−3,117	271,260
1955	60,390	64,570	−4,180	274,374
1956	68,165	66,540	+1,626	272,751
1957	71,029	69,433	+1,596	270,527
1958	69,117	71,936	−2,819	276,343
1959 estimate	68,600	80,871	−12,871	285,000
1960 estimate	77,100	77,030	+70	285,000

The veto message further states that the bill would have included 67 unbudgeted projects, with an eventual cost of over $800 million. This is misleading information. Included in this figure is the Burns Creek project in Idaho which is unauthorized, and therefore could not possibly be constructed, and the Trinity power project, which the President still wants left in, both of which I shall discuss later and which total over $100 million; and the small loan project money of $17.8 million. When these are eliminated, the total cost of projects for future construction in reclamation is $85 million, instead of over $206 million.

Similar adjustments must be made for the Corps of Engineers, where Kahului Harbor project is unauthorized and therefore cannot possibly be built.

Offset against this must be the three projects which were recommended in the budget and on which construction was stopped. When these adjustments are made, we end up with less than 50 projects, with a total cost of about $500 million. This would be spread out over a construction period of 10 years. Offset against it would have to be the projects which would be completed, of which there are 40 in the coming fiscal year, with about the same total estimated cost. Therefore, the bill would not be expanding the construction program in years ahead.

I could go on at some length, continuing to show by the facts that the veto was ill considered because it was based upon false information, but I do not think that is necessary. The point is already made. What is really important is that we are now apparently deadlocked in an impossible situation.

The Appropriations Committee has today voted out the bill as vetoed, with a 2.5-percent cut in all appropriation items, which would result in the bill being below the budget estimates. Although I voted for this, I frankly doubt if it will solve the problem. Although I will vote for it again if it is brought up on the floor of the House, I would seriously doubt if it could become law.

What must be done is to take a reasonable approach to this problem and come up with some solution.

The full Appropriations Committee met yesterday at 10 o'clock. At 11:45, we adjourned after adopting a preferential motion referring the bill back to the subcommittee. This was the bill introduced by the chairman of the committee, which would have carried out his interpretation of the President's veto message, as shown on page 17455 of the CONGRESSIONAL RECORD of August 31, 1959, which I am inserting at this point, and which would strike out the construction money for all unbudgeted projects except the Trinity, and would leave in the unbudgeted advance planning and general investigation money for 121 projects.

EXTENSION OF REMARKS OF HON. CLARENCE CANNON, OF MISSOURI, IN THE HOUSE OF REPRESENTATIVES, MONDAY, AUGUST 31, 1959

Mr. CANNON. Mr. Speaker, an analysis of the veto message on the public works appropriation bill for 1960—H.R. 7509—shows clearly that the basis of the President's objection to the bill is the unbudgeted construction starts. No reference is made to unbudgeted general investigations and preconstruction planning items. Items in these categories do not represent substantial dollar commitments and the absence of any reference to them in the veto message warrants the conclusion that the President has no objection to them. Unbudgeted items added by the Congress in thse two categories are:

Rivers and harbors and flood control:	
General investigations	89
Advance planning	32
Subtotal	121
Bureau of Reclamation:	
General investigations	1
Advance planning	0
Subtotal	1
Total	122

The veto message makes no reference to increases or decreases made by the Congress on budgeted items. It can therefore be assumed that there is no objection on the President's part to the individual project figures in H.R. 7509 for all projects which were budgeted.

The only reference which the veto message makes to power facilities concerns the Trinity River project in California. The statement concedes that funds for starting Federal construction of these facilities are necessary unless partnership development with Pacific Gas & Electric Co. is authorized. In the absence of any other reference to power facilities, it may be assumed that there is no objection to other adjustments made by the Congress in the power program.

The following two lists indicate which unbudgeted items would remain in the bill and which would be eliminated if the veto is sustained:

Unbudgeted items remaining in the bill if veto is sustained

GENERAL INVESTIGATION ITEMS

Arizona:	
Gila River below Painted Rock Dam	$20,000
Gila River, Phoenix metropolitar area	30,000
Arkansas: Benton Dam survey	5,000
California:	
Dry Creek resurvey	50,000
Napa River	5,000
Soquel Creek	3,000
Sweetwater River	40,000
Connecticut:	
Connecticut River at Essex	5,000
Popuonock River, Groton	5,000
Delaware:	
Indian River Bay via Peppers Creek to Dagsboro	$9,000
Broad Creek River, Sussex County	5,000
Florida:	
Pensacola Harbor	7,500
Tampa Harbor (Ybor Channel)	27,000
Georgia:	
Oostanaula River	25,000
Savannah turning basin	4,000
Tugaloo River, Georgia and South Carolina	26,000
Illinois:	
Illinois River	25,000
Little Calumet River	10,000
Indiana: Michigan City	8,000
Kansas:	
Cow Creek	20,000
Three Mile Creek, Leavenworth	5,000
White Clay Creek, Atchison	8,000
Kentucky:	
Bunches Creek	15,000
Kentucky River	12,000
Licking River Basin	20,000
Louisiana:	
Bayou Bartholomew and tributaries	25,000
Bayou Bonfouca	10,000
Calcasieu River salt barrier	9,000
Maine:	
Kennebunk River	9,000
Monhegan River	2,500
Portsmouth Harbor, Piscatague River, Maine and N.H	9,000
Searsport Harbor	9,000
Stave Island Harbor	8,000
Maryland: Wicomico River	15,000
Massachusetts: Town River survey	9,000
Michigan:	
Detroit metropolitan area	5,000
Holland Harbor: Lake Michigan-Lake Macatawa Channel	13,500
Kawkawlin River	8,000
Ontonagan Harbor	8,900
Red Run-Clinton River	10,000
Traverse City Harbor or Refuge	5,000
Minnesota: Levee wall at Winona	9,000
Mississippi: Okatibbe Creek	25,000
Missouri: Clarksville	6,000
Nevada: Las Vegas Wash	9,000
Nebraska:	
Missouri River slackwater navigation	10,000
Republican River	15,000
Missouri River bank, stabilization and navigation, Sioux City to Yankton	20,000
New Jersey:	
Newark Bay—Passaic River Channel	15,000
Sandy Hook Inlet (Shrewsberry River, N.J.)	25,000
New York:	
Buttermilk Channel	10,000
Cazenovia Creek	10,000
Hudson River siltation	114,000

Unbudgeted items remaining in the bill if veto is sustained—Continued

GENERAL INVESTIGATION ITEMS—Continued

New York—Continued	
Little Neck Bay	9,000
New York State Barge Canal	10,000
New York Harbor deepwater anchorage	10,000
Tonowanda Creek	32,000
North Carolina:	
Rogue Inlet and Swensboro Harbor	15,000
Cape Fear River	10,000
Rollinson Channel-Hatteras Harbor	6,500
Shallote River	7,500
Wrights Creek	10,000
North Dakota:	
Missouri River bank stabilization, Garrison to Oahe	10,000
Souris River	10,000
Ohio:	
Chagrin River	10,000
Crab Creek at and in the vicinity of Youngstown	30,000
Mad River drainage basin	22,000
Sandusky River Basin	60,000
White Oak Creek	10,000
Oklahoma: Oklahoma City floodway extension	$6,000
Oregon:	
Rogue River	11,000
Umpqua River, north to Reedsport	11,000
Walla Walla River, Milton Freewater	13,500
Willow Creek	18,400
South Carolina: Santee River and tributaries	30,000
Texas:	
Arkansas-Red River pollution survey	75,000
Big and Little Vince Bayou	21,000
El Paso	20,000
Guadalupe River	11,000
Gulf Intercoastal Waterway Channel to Port Isabel	7,500
Lake Kemp	35,000
Neches River	10,000
Salt Fork and Prairie Dog Town Fork of the Red River	90,000
San Jacinto survey	15,000
West Fork, Double Bayou	2,000
Utah: Great Salt Lake (Saltair)	25,000
Washington:	
Ben Franklin Dam	20,000
Swinomish Slough	20,100
West Virginia:	
Deckers Creek	15,000
Twelve Pole Creek	10,000

ADVANCE PLANNING ITEMS

Alabama: Holt lock and dam	150,000
Arkansas:	
DeGray Reservoir	150,000
Gillham Reservoir	80,000
Illinois: Subdistrict No. 1 of Drainage Union No. 1 and Bay Island Drainage and Levee District No. 1	50,000
Indiana:	
Clinton (deferred for restudy)	5,000
Sugar Creek levee	15,000
Terre Haute-Conover levee (deferred for restudy)	2,000
West Terre Haute	30,000
Iowa:	
Green Bay Levee and Drainage District No. 2	75,000
Saylorville Reservoir	200,000
Kansas:	
Frankfort	50,000
Marion Reservoir	25,000
Kentucky: No. 2 Green Reservoir	50,000
Michigan: Hammond Bay Harbor	20,000
Missouri: Marion County drainage district	73,000

Unbudgeted items remaining in the bill if veto is sustained—Continued

ADVANCE PLANNING ITEMS—Continued

New York: Herkimer	48,000
Ohio: Belleville locks and dam, Ohio and West Virginia	125,000
Oklahoma:	
Lukfata Reservoir	50,000
Pine Creek Reservoir	80,000
Oregon:	
Willamette River basin channel improvement and major drainage: Coyote and Spencer Creeks	50,000
Yaquina Bay and Harbor	100,000

Unbudgeted items remaining in the bill if veto is sustained—Continued

ADVANCE PLANNING ITEMS—Continued

Pennsylvania: Turtle Creek	25,000
Texas: Matagorda ship channel: 36-foot channel	150,000
Virgin Islands: Christiansted Harbor (inactive)	3,000
Washington:	
Columbia River between Vancouver, Wash., and The Dalles, Oreg.; (b) Bingen Barge Channel	10,000
Little Goose lock and dam	450,000

Unbudgeted items remaining in the bill if veto is sustained—Continued

ADVANCE PLANNING ITEMS—Continued

Wisconsin:	
Bad River:	
(a) Mellen Channel	25,000
(b) Odanah, moving village and raising school	25,000
Eau Galle River	75,000
Saxon Harbor	31,000

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

Construction and planning:	
Greenville Harbor	60,000
Lower White River	107,000

Unbudgeted construction items to be eliminated if veto is sustained

CORPS OF ENGINEERS

Project	Benefit-cost ratio	Total estimated Federal cost	Appropriation to date	Amount in H.R. 7509
Arkansas: Beaver Reservoir [2]	1.1	$56,100,000	$1,291,000	$1,500,000
Alaska: Dillingham Harbor	1.3	412,000	6,000	406,000
California:				
Mill Creek levees	2.1	1,740,000	107,000	500,000
New Hogan Reservoir	1.7	19,300,000	740,000	1,500,000
Redwood City Harbor: 30-foot depth San Bruno Shoal entrance and Redwood Creek channels	1.6	1,380,000	2,000	1,378,000
San Jacinto River and Bautista Creek	2.1	5,770,000	215,000	225,000
Connecticut:				
Hall Meadow Brook Reservoir	2.4	2,210,000	20,000	250,000
Mad River Reservoir	1.2	5,970,000	18,000	275,000
Florida:				
Apalachicola Bay:				
(a) Channel at East Point: Reimburse	N.A.	[1] 39,100		39,100
(b) St. George Island: Reimbursement	N.A.	[1] 43,000		43,000
Intracoastal Waterway, Caloosahatchee River to Anclote River	N.A.	6,860,000	370,000	600,000
Hawaii: Kahului Harbor	2.9	963,000	14,000	140,000
Illinois:				
Drury drainage district	3.7	1,520,000	84,000	540,000
Henderson River: Diversion unit	2.8	1,750,000	150,000	550,000
Hunt drainage district and Lima Lake drainage district	1.8	5,420,000	174,000	1,000,000
Iowa: Red Rock Reservoir	1.5	71,400,000	1,717,000	1,113,000
Kansas:				
Council Grove Reservoir	1.8	12,700,000	303,000	300,000
Wilson Reservoir	1.2	18,100,000	259,000	500,000
Kentucky: No. 2 Barren Reservoir	2.3	23,500,000	214,000	1,000,000
Louisiana:				
Gulf Intracoastal Waterway: (a) Algiers Cutoff, Jefferson-Plaquemine drainage district	N.A.	[1] 1,420,000		1,420,000
Barataria Bay	3.5	2,400,000	85,000	1,000,000
Massachusetts:				
Boston Harbor: (b) 35-foot reserved channel	2.3	829,000	4,000	825,000
Westville Reservoir	1.1	7,450,000	328,000	1,800,000
Michigan: Grand Marais Harbor	N.E.	1,020,000	5,000	300,000
Mississippi: Pascagoula Harbor	1.8	1,248,000	6,000	1,242,000
Missouri: Des Moines and Mississippi Levee District No. 1	2.7	1,690,000	103,000	500,000
Nebraska: Gering and Mitchell Valleys	1.8	$1,400,000	$45,000	$350,000
New Mexico:				
Two Rivers Reservoir	1.2	6,900,000	390,000	75,000
Rio Grande Floodway, Cochiti to Rio Puerco	N.A.	4,400,000	50,000	800,000
New York:				
Buttermilk Channel [2]	N.A.	1,551,000		1,500,000
Hudson River, New York City to Albany 32-foot channel	1.9	36,300,000	65,000	500,000
New York-New Jersey pierhead line [2]	1.4	1,311,000		500,000
Ohio Street Bridge, Buffalo River	N.E.	4,520,000		2,000,000
North Carolina:				
Morehead City Harbor	1.9	1,382,000	12,000	600,000
Wilkesboro Reservoir	1.2	8,350,000	387,000	1,000,000
Ohio:				
Muskingum River Reservoir [2]	N.E.	615,000		500,000
West Branch Mahoning River Reservoir	1.3	6,940,000	261,000	525,000
Oregon: Malheur River, Vale unit	2.3	423,000	70,000	250,000
Pennsylvania:				
Allegheny River Reservoir [2]	1.3	113,000,000	2,733,000	1,400,000
Brookville	2.7	1,340,000	87,000	500,000
Shenango River Reservoir, Pennsylvania and Ohio	1.7	28,000,000	374,000	500,000
Texas:				
Colorado River channel	1.5	1,310,000	54,000	400,000
Gulf Intracoastal Waterway, channel to Port Mansfield	1.1	3,446,000	15,000	150,000
Port Aransas-Corpus Christi Waterway, channel to La Quinta	5.4	[1] 959,000	5,000	954,000
Proctor Reservoir	1.4	17,100,000	325,000	300,000
Virginia: Pound Reservoir	1.2	17,700,000	331,000	2,500,000
West Virginia:				
East Rainelle	2.0	840,000	58,000	500,000
Princeton	1.8	1,085,000	74,000	500,000
Summersville Reservoir	2.6	46,800,000	685,000	2,000,000
Flood control, Mississippi River and tributaries:				
West Tennessee tributaries	3.0	8,400,000	170,000	200,000
Wolf River and tributaries	1.3	2,025,000	43,000	300,000
Yazoo backwater	2.2	30,900,000	279,000	50,000
Total, Corps of Engineers (52 projects)		598,231,100	12,728,000	37,800,100

RECLAMATION

California: Trinity power facilities		$59,607,000		$2,415,000
Idaho: Burns Creek		44,616,000		500,000
Washington: Greater Wenatchee Division	7.0	7,579,000		500,000
Missouri River Basin:				
Kansas: Cedar Bluff unit	2.02	4,625,000		400,000
Montana: East Bench unit	2.07	20,597,000		1,000,000
Nebraska: Red Willow Dam	1.87	6,597,000	$214,253	525,000
Upper Colorado River:				
Colorado: Smith Fork	1.2	$4,420,000		$500,000
New Mexico: Hammond project	2.1	3,280,000		500,000
Wyoming: Seedskadee project	1.5	37,885,000		1,354,000
Loan program (6 projects)		17,089,500		6,016,500
Total reclamation (15 projects)		206,295,500	$214,253	13,710,500
Grand total (67 projects)		804,526,600	12,942,253	51,510,600

[1] Reimbursements to local interests.

[2] Resumption of construction.

Mr. Speaker, the full committee met again this morning, and after an hour voted to report the bill as vetoed, with the 2.5 percent across-the-board cuts.

Never did we really get down to trying to figure out a solution. It seems to me that we must do this, both as the legislative and the executive, if we are to meet our mutual responsibilities to the Nation in a manner which the people of America have a right to expect.

For this reason, I make the following suggestions, which may bring the problem into focus.

The President has repeatedly stated on other matters that he is willing to make reasonable compromise, and I think we should do likewise, but I think that as the facts above show, the Congress is basically right, and that we should not sacrifice principle or abdicate our responsibilities.

One of the things that annoyed me most and I am sure had a like effect upon many other Members who were placed in the same position, was that in deciding we would do what was right on this bill, based upon the facts, that is to vote to override the veto, we were confronted with the efforts of those who tried to tag us as "spenders" in their all-out effort to sustain the veto at all costs.

I have long realized the fiscal dangers to this Nation of irresponsible spending, and I have consistently voted for true economy since coming to Congress in 1955. All of you know that. Again, the President was not properly advised.

If we want to truly cut the cost of future programs, the place is not to cut in the construction money that was in the bill, but in the area of investigations and advance planning. The veto message was interpreted, apparently with the approval of the White House, to leave these unbudgeted funds in the bill.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. THOMSON of Wyoming. I agree.

Mr. HORAN. We make the mistake, I think, of regarding investments in western development as grants. They are nothing of the kind; they are investments.

Mr. THOMSON of Wyoming. And they are repaid.

Mr. HORAN. They are repaid to the Treasury twice: The actual cost with certain limitations, of course; but they are repaid in full. And in addition to that, the people are enabled to create new wealth and the tax coffers benefit from western development. That should be understood thoroughly. I repeat it now.

Mr. THOMSON of Wyoming. I agree with the gentleman. Everyone familiar with the program knows that investigations and advance planning are where the money or expenditures required can really be controlled.

Everyone familiar with the program knows this. Almost all members of the Appropriations Subcommittee have agreed in our committee meetings that that is the fact. These include 32 unbudgeted projects for advance planning, at a cost of $2,389,000, but which would require over $450 million in eventual expenditures to complete in future years.

These include 89 unbudgeted projects for general investigation, for which $1,541,900 was provided in the bill, which would cost from $1 billion to $2 billion in future years to complete.

If we really want to cut the water resource development program, which I do not think we should do, this is the place where we should cut, rather than on construction items. Actually, the first year of construction money is almost entirely for advance planning. I have had this checked, and in the area of reclamation for the projects which are authorized, but were unbudgeted and vetoed, the construction money in the bill was $4,779,000. Of this, $1,915,000 would be spent for what is the same as advance planning that was approved, or in other words, to initiate preconstruction activities to include collection of design data, designs and specifications, foundation explorations and associated activities. At least we must treat these projects the same as we treat those which are left in the bill.

I decided that although I did not think it was the best course of action, that if that was to be the basis of our vote, then we should have a real economy vote, and I offered in committee an amendment which would have eliminated the unbudgeted advance planning and general investigation money.

As I say, I do not think this is the best solution, but if the projects objected to are to be left out of the bill, then I think this must be done in the interest of true economy. There is absolutely no sense in accelerating advance planning on projects, if we can't afford to go ahead on those projects which we have on hand and are ready for construction money. That would be throwing the taxpayers' money down the drain. Therefore, if the projects for which construction money was provided remain out of the bill, then I think that these unbudgeted advance planning and general investigation funds must come out, and I will offer amendments to do such, just as I did in the committee. Whether or not those amendments are supported will be the true test as far as economy and cutting down spending are concerned. As I have shown, though, this is not the area of excess spending.

Another possible solution that would permit treating the projects ready for construction money at least as favorably as the unbudgeted projects which were left in the bill, would be to provide an increase in advance planning funds in both the Corps of Engineers appropriation and the reclamation appropriation, to complete the advance planning on these projects. To accomplish this, I would insert at page 8, line 12 of the bill ordered reported by the Appropriations Committee, the following amendment:

Strike $4,788,710 and insert in lieu thereof $6,703,710, of which $1,915,000 shall be used for advance planning to include collection of design data, designs and specifications, foundation explorations and associated activities, on the Greater Wenatchee, Cedar Bluff, East Bench, Frenchman-Cambridge (Red Willow), Hammond, Smith Fork and Seedskadee projects.

The effect of this, as compared with the construction funds provided in the vetoed bill, is shown in the table which I shall insert at this point:

TABLE 6.—*Portion of figures for new starts in fiscal year 1960 budget allocated to preconstruction work*

Project	Fiscal year 1960 requirements, total	Preconstruction requirements
Greater Wenatchee	$500,000	$275,000
Missouri River Basin:		
Cedar Bluff	400,000	165,000
East Bench	1,000,000	400,000
Frenchman-Cambridge (Red Willow)	[1] 525,000	[1] 100,000
Colorado River storage project:		
Hammond	500,000	145,000
Seedskadee	1,354,000	630,000
Smith Fork	500,000	200,000
Total	4,779,000	1,915,000

[1] Red Willow: This is in addition to $150,000 in the budget program for preconstruction.

A similar amendment would have to be offered for the Corps of Engineers funds. The Corps advises me that they would require $572,000 for these activities to bring the vetoed projects for which this work has not been done up to the point that they are ready to award construction contracts. Although this would be a better solution, I still do not think it is the best one.

Finally, we come to what I think is the best solution and the one which should be adopted. I think that we should pass the bill as vetoed, with these amendments:

We should adopt the committee amendment to make an across-the-board cut of 2½ percent. This would make the appropriation below budget estimates for this year. In addition, in the area of reclamation, we should take out the Burns Creek project and the Trinity power facilities. This would result in a further reduction of current appropriations of $2,915,000, and the elimination of projects with an eventual cost of $104,233,000. Eliminating the small-loan projects which are only appropriated for 1 year, it would only leave in the bill $4,779,000 for construction of projects with a total cost of $85 million, which would be spread out over a period of 10 years and would have little impact upon future budgets.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from Washington.

Mr. HORAN. The gentleman mentioned the Burns Creek and Trinity projects and said he felt they should be taken out of the bill. What was the gentleman's reason?

Mr. THOMSON of Wyoming. I will cover that.

The Burns Creek project should be eliminated because it is unauthorized and is, in my opinion, a bad project which should never be authorized. The total cost of it is really $49 million. It is strictly a power project, which would produce power at a cost of over 5.4 mills per kilowatt-hour, to be sold at 3.67 mills per kilowatt-hour, and would take millions of dollars from the true reclamation program. Regardless of whether it is a good project or not, however, it is not authorized. The House Interior Committee has passed it over for continuation of hearings next year, and there is no chance of it being authorized so as to commence construction in this fiscal year. It should come out of the bill and to take it out could not possibly do any harm.

The President was misinformed again as far as the importance of providing funds for the Trinity power facilities this year. The private utility company has stated in writing to the Secretary of the Interior and that it will continue with the preparation of final design and specifications, of required major equipment and engineering studies in collaboration with the Bureau of Reclamation engineers, and will make all of these available without charge to the Bureau. This is what the funds provided in this bill are designed to do. Mr. Dominy, the Commissioner of Reclamation, in response to a question asked by the chairman of the Senate Appropriations Committee, stated, "We could take over their designs without a measurable delay in completing this project." Here is a chance to really save the taxpayers some money. Besides that, what has happened on this bill clearly points up the need for con-

struction of the Trinity power facilities as a partnership project.

Unless we want our reclamation program brought to a halt, we cannot permit power to be used to subsidize power instead of being used for reclamation assistance. To refresh your memory, the Trinity project was authorized in the 84th Congress, with the proviso that it would be studied as to partnership possibilities, and with a rather clear understanding, as shown by the record and the law, that if this was the most beneficial way to proceed, then it would be done.

Unfortunately, even though this has been proved, the partnership has been blocked.

The President is in error about the necessity for constructing these power facilities, because the effect of this would be to produce power at a cost of 8.9 mills to 9.6 mills per kilowatt-hour, which would be sold to SMUD—Sacramento Municipal Utility District—at a rate of 4.5 mills, or at a big loss. There is no point in hurrying to construct something that is going to operate at a loss.

Furthermore, over a period of 50 years this would result in a loss to the reclamation fund of $175 million. I would say to my friends who have felt they must support this project for other reasons that his veto brings quite sharply to our attention that, unless these funds are made available to reclamation, we are going to destroy the reclamation program. Furthermore, this project would result in the loss of Federal taxes over the 50-year period of $83 million, or a total loss to the taxpayers of the Nation of over $318 million.

So I say to you, Mr. President, there should be no hurry to get this project constructed, and I say to my fellow Members of Congress that we should avoid this expenditure entirely; but, at the very least, there would be no harm done in not including it in this bill, because the same information will be provided to us for free that the money appropriated would be used to acquire, at taxpayer expense, in all events.

I am not so familiar with the Corps of Engineers appropriation, but I do know that there is $140,000 provided for construction of the Kahului Harbor project in Hawaii, which would eventually cost $963,000, and should in all events come out because it is not authorized.

In addition to that, there were 12 projects out of 28 added in the Senate which were approved in conference. I think the Members of Congress who have a real knowledge of this should get together and figure out six or seven other projects, or perhaps more, which could be rightfully taken out without doing serious damage to the water resource development program, and would materially reduce the program so that we might reasonably expect the Executive to accept it. If all of these projects are of such merit that they should be included, then I would say knock out the one unauthorized project and still go forward.

But I do think that in any event, true leadership should be shown in this House, and we should get together to pass a bill that would provide for the adequate development of this Nation's water resources, which everyone agrees is necessary, including the President.

It is unfortunate that he was given misinformation, but we should not allow the Nation to suffer. Both the Congress and the Executive have the responsibility to see that this is done. If this leadership is not shown so that this can be done, either by further action of the committee or otherwise, then I think that we should proceed to do such on the floor of the House, and will offer the amendments to do so on the basis of these remarks unless someone comes up with a better solution. I will offer these in the inverse order here presented based on what I consider their merit to be.

I urge your support of my efforts as being true economy and true responsibility.

PERSONAL EXPLANATION

Mr. BARRY. Mr. Speaker, on rollcall No. 165 I was unavoidably detained. If I had been present, I would have voted "yea." I was called away on very important business.

"THOUGH THE MILLS OF GOD GRIND SLOWLY, YET THEY GRIND EXCEEDINGLY SMALL"

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, an editorial in today's Chicago Tribune, captioned "They're Catching Up With Glimco at Last," calls to mind the above quotation. That editorial reads:

THEY'RE CATCHING UP WITH GLIMCO AT LAST

Joey Glimco's name was not a familiar one 5 years ago when the Tribune began to publish what may be called gleanings from the biography of a thoroughly disreputable character. In fact, his name was scarcely known outside the hoodlum circles in which he moved. Since then the gleanings have become a bumper harvest. Glimco is no longer an obscure character.

In the intervening years, a few details were filled in by the Federal prosecutors, even though their attempt to send Glimco to the penitentiary, where he surely deserves to be, were unsuccessful. More information, some of it new and some of it corroboratory, came from the McClellan committee which had the advantage in conducting an investigation of the power of subpena, which our reporters lacked.

It all began when Sandy Smith, a Tribune reporter, when driving past Tony Accardo's house spotted a fancy car parked in front and noted its license number. Passing the house on several other days, he saw the same car. He took the trouble to find out who owned the car. It was registered in the name of Glimco, a name as unfamiliar then to Smith as it was to almost everybody else. He began to make inquiries. That was the start.

The effort is beginning to pay off. The Glimco who shook down the chicken wholesalers, squandered the dues of the members of his union on houses and vacations for himself and his mistress, and even used union money to defend himself against the charge he had misappropriated union money, has been ordered to resign from the presidency of Teamsters' Local 777. The order comes from the monitors appointed by the U.S. district court to cleanse the Hoffa union of many forms of corruption.

This is good but it is not enough. Glimco has yet to be tried for his violations of the criminal code of Illinois. On some of his crimes the statute of limitations has run, but his known misdeeds are many and some of them are recent enough to permit prosecution. So far, all that the forces of law in Illinois have done to him is to pick up his driver's license.

It is my hope that the editor of the Tribune is not unduly optimistic.

This incident and the editorial are called to your attention today because a lack of law enforcement by State officials—yes, and some lack on the part of Federal law enforcement agencies—made it necessary for the House today to enact additional labor legislation.

Many an outrageous, atrocious crime publicized by the McClellan committee has gone unpunished because the statute of limitations has run.

If the people will now turn their attention to, and direct their activities at, their local law-enforcing officials, insist upon a strict performance of duty, as has been the practice in days gone by in the Fourth Congressional District of Michigan, some of the outrageous situations in various cities and States may be ended, the necessity for further national legislation cease.

The incident shows that the determination of the Tribune reporter Sandy Smith finally will bring results. He is to be commended.

PRESERVING COMPETITION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Colorado [Mr. JOHNSON] is recognized for 30 minutes.

Mr. JOHNSON of Colorado. Mr. Speaker, the American people are deeply devoted to the preservation of the free competitive enterprise system. Most businessmen are willing to hold their own in the fair competitive tussle. Unhappily, the greatest enemy of the free competitive enterprise system in America is not the Communist Party; it is not government, not the labor unions; it is in the ranks of business itself. I refer to those businessmen who seek to build monopoly or destroy competition by tactics which are immoral, if not illegal, unfair and unethical.

These remarks are prompted by a situation currently occurring in the Denver metropolitan area, the suburban portion of which I represent. A few months ago several food chains and several national dairy chains touched off a milk price war whose effect was to cause the independent dairies to lose money so rapidly that a few more months of the price war would have driven some of them out of business. In the course of the price war, some of those who were hurt were more vocal than others. The spokesman for the independents, in requesting a congressional investigation—and an investigation of possible violations of Federal

law by the FTC and Department of Justice—was a fine young man representing an independent dairy operating in my district. At the hearings we recently concluded he was a witness and he was helpful to the committee in securing other witnesses who testified under oath with respect to the pricing practices prevailing in the Denver market. On August 4, 1959, he wrote me as follows:

OWEN'S DAIRY,
Englewood, Colo., August 4, 1959.

Hon. BYRON JOHNSON,
U.S. House Building,
Washington, D.C.

DEAR CONGRESSMAN JOHNSON: I find it hard to convince myself that in this wonderful country of ours one man, one company, or any minority group can, at their slightest whim, push fellow Americans out of business. Our company, as an example, is approximately 30 years old. It was started by George Owen. After several years he decided that the business was taking too many hours away from his farming. My father, Lynn Miller, purchased one-half interest in the business in 1947. Since that time he has acquired the entire business. Our family has worked day and night these past 12 years to make this business what it is today. We have a new plant, built in 1952, as well as tripling our business and replacing and adding new trucks and equipment. All our money is tied up in this business. We have a good many assets; however, they are not worth anything in times such as these. We are now faced with the prospect of being wiped out entirely, or if we happen to survive, being dictated to for the rest of our days in the dairy business.

Is this the future that faces all of America's small business? This is not the America that was envisioned by our forefathers, the men that formed the framework of our Nation. This is the road to monopoly, socialism, and finally communism. I know how you feel on this subject; how do the other Congressmen feel? Do they realize how serious this problem is? Is there anything more that I personally can do?

I know that the FTC and also the Justice Department are overworked and undermanned; nevertheless, here is an opportunity for the Government to show the monopolies that they are not going to idly stand by while at least 15 independent, reputable businessmen are wiped out. Now is the time to stop this cancer called monopoly. Not next year, or next month, but now.

I probably sound a lot like the fellow on the soapbox in the park, but maybe we need to get that type of thing back; perhaps it would awaken the people to the threat of monopoly. When monopoly controls all business they will also control all people, consumers included.

Naturally we want to continue in our business if at all possible. Whether or not our company is still in business, I will be more than willing to do anything possible to assist in the job of controlling monopoly, one of the greatest threats to our country.

Sincerely,

PAUL R. MILLER.

Mr. Speaker, he acted openly and honorably in the finest American tradition and I want to pay tribute to Paul R. Miller of Owen's Dairy for his courage. According to the information available to me, the Owen's Dairy does not have more than 2 percent of the home delivery market. It is not a major factor to Denver, but it is operated in the finest tradition of American free competitive enterprise.

Recently one of the old independent dairies, City Park, was merged with Brookridge, and City Park-Brookridge is owned and operated now not as an independent but as part of a national chain under Beatrice Foods. This national chain dairy had played a leading part in the price war and is now playing a leading part in disciplining Owen's Dairy. The word "discipline" I understand is the polite word used to define cutting the throats of those who dare to defend their rights.

I have been advised by friends of Owen's Dairy that a systematic campaign is being conducted to bribe, browbeat, or induce Owen's customers to transfer their patronage to City Park-Brookridge. Fancy premiums are offered to the customers in an effort to induce them to quit the dairy which has given them service over so long a period. Naturally, if this campaign is successful, it will destroy not just another independent dairy, it will destroy the leading spokesman for all the independent dairies in the area. The company is defending itself with a letter to its customers, as follows:

DEAR CUSTOMER: We want to take this opportunity to thank you for your patronage and loyalty, especially through the last two price wars. It is our sincere hope that you will remain one of our valued customers in spite of the concentrated efforts that one of our competitors is making to attract our customers away from us.

It is quite natual for the consumer to welcome a price war of any kind, gasoline, milk or otherwise, for the simple reason that price reductions will relieve the consumer's budget temporarily. We call your attention to the word "temporarily" because no business can continue to operate long on a basis of selling below cost. The purpose of a price war, that is, temporarily selling below cost, is to put one or more competitors out of business so that the market can be monopolized; once this happens the competitive prices now prevailing would be a thing of the past.

We welcome fair and honest competition. That is the backbone of our democratic economy. However, the actions of one nationally owned milk company do not meet this test. Our customers are being solicited by this large company—not for the immediate purpose of enlarging the success of that company—but for the purpose of crippling our business. The methods employed consist of severe price cutting, offers of free merchandise or milk products, and including false and slanderous statements about our company. The offers made to some of our customers indicate that it is the intention of this competitor to attract all of our customers away from us, regardless of the cost involved. Once successful, this large competitor could concentrate on another independent milk company such as ours, and then another, until the market was monopolized and prices could be raised without competition.

Owen's Dairy is now the initial target for this insidious scheme because it has resisted the nationally owned companies in their efforts at monopoly.

We believe we have built our business upon the basis of quality products and excellent service. We intend to continue upon exactly the same basis and assure you that you will receive the best products for the lowest consistent prices.

If you are invited to accept delivery from another company, we would welcome your call and appreciate an opportunity to discuss the matter with you. It is important to both of us.

Sincerely,

OWEN'S DAIRY.

If an American chain operation will use unfair and underhanded tactics deliberately to destroy one company for having had the temerity—the audacious courage—to avail itself of the remedies which Congress has provided, it will have effectively repealed the laws of Congress, because other businessmen will realize that if they avail themselves of the remedies which we provide, they will be destroyed.

Mr. Speaker, I submit that this kind of behavior in which a large and prosperous corporation deliberately destroys a small and lean corporation is the kind of behavior which is the worst enemy of the free competitive enterprise system. I do not believe that all is fair in love, war, politics, or business. I think men and institutions both have an obligation to the community. I think the community must judge them by the moral and ethical content of their behavior and not just by their profit and loss statements. It may well be that the Congress cannot pass laws adequate to protect the public against the destructive practices of those predatory businessmen who seek to destroy competition so as to fatten themselves at the public expense. We can do no less than try, but we can also call the whole issue to the attention of the American people, to the attention of the industry involved and to the attention of the consumers of that industry, that they may be alerted. And let me warn again, let the buyer beware.

If the buyers give their patronage exclusively to the major corporations who will offer them temporary advantages, they run risks. So long as competition prevails, they are protected against monopoly price increases, but after competition has been destroyed, monopolies will set those prices which will yield highest profits. It is much easier to take a firm out of this business than it is to get a new one in this business. Consequently monopoly profits, after competition is destroyed, are not in fact a guarantee that competition can be restored. It is awfully hard to unscramble the monopoly corporate eggs.

I want to commend not only those brave souls in the Denver area who continue to support free competitive enterprise, I also want to pay tribute to those Members of Congress and congressional staffs who seek to preserve competition. I refer especially to the members of the Select Committee on Small Business and their staff who have been standing like Horatius on the bridge safeguarding competition against the enemy within. I refer, of course, to the gentleman from Texas [Mr. PATMAN], the gentleman from Oklahoma [Mr. STEED], and their five associates.

Let me warn those who think that the free enterprise system can continue to operate as it has if it is no longer the free competitive enterprise system. If free enterprise now means monopoly, and if competition is to be sacrificed on the altar of corporate monopoly, the day will come when the American people will have to choose among three alternative routes. One route is to give the Government over to its corporate masters, and this is the route of fascism which some

nations have chosen in our generation. A second route is expanded public regulation over business in which the Government tries to tell business what it may or may not do in an effort to protect the public against the abuses of its corporate masters. The final alternative will be the more revolutionary choice of direct socialization of enterprise in which the public will take over those businesses whose behavior no longer serves the public interest. Many nations in Western Europe have been driven to some form of socialization, because they have not had a strong tradition of free competitive enterprise. In those countries cartels and monopolies have been considered good ideas and sound business practices in the past. Fortunately, they, too, have been reconsidering the virtues of competition and favoring it.

The issues with which we deal involve more than the right of one dairy to stay in business. The bigger issue is more than the morality of one business firm which seeks to destroy a competitor for using his right of free speech and right to petition for redress of grievances. The bigger issue is not only the nature of our economy but the nature of our whole society itself. Those who choose to ignore the broader issue while pursuing any route to profit, however unethical, must accept the burden of blame which history will come to lay at their door for the consequences of their action.

Meanwhile, I invite the Members of the House to support with renewed zeal the preservation of competitive free enterprise while there is yet time.

Mr. STUBBLEFIELD. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. STUBBLEFIELD. Referring to getting the highest price, that is synonymous to all the traffic will bear, is it not?

Mr. JOHNSON of Colorado. It is all that the traffic will bear.

Mr. STUBBLEFIELD. I want to wholeheartedly join the gentleman from Colorado in his presentation here. I am experiencing the same trouble in my district, where they are selling three half gallons of milk for $1, and the milk costs 36 cents to produce. I want to thank the gentleman for his assistance in guiding me in trying to correct that situation down there.

Mr. JOHNSON of Colorado. I certainly hope it can be corrected, not only in your district and in my district, but throughout the country. I think the competitive-enterprise system must be preserved.

Mr. STUBBLEFIELD. Would the gentleman care to comment on the effect that this cutthroat competition would have on our milk producers, the small milk producers?

Mr. JOHNSON of Colorado. The situation that was obtaining during the recent price war in the Denver area was so serious that one dairy told me they were losing more than $100 a day. This is a small dairy. Another small dairy was losing over $70 a day. Now, you do not have to be much of a mathematician to figure out how long the net worth of a corporation would last if it is a small corporation under those circumstances. More than that, if you assume the businessman has any reason or sense at all, he is going to want to bail out before he is broke and his creditors have him in the bankruptcy court. So he may be tempted to sell out to the very monopolist who brought on the condition in an effort to save what little stake he has in the hope maybe he can find someplace else to invest his money and get back into the enterprise system.

The tragedy is that the cutthroat competition is so unfair. The national chain can take the profits it makes in other parts of the country and subsidize a local outlet at great length for long periods of time without worrying about any danger to their profit situation, but the little independent businessman in this one community does not have a national chain to help him and when he is forced to sell below cost it eats into his capital quickly and drives him to the wall.

Mr. STUBBLEFIELD. Mr. Speaker, will the gentleman yield further?

Mr. JOHNSON of Colorado. I am happy to yield to the gentleman.

Mr. STUBBLEFIELD. Would the gentleman care to comment about the price spread between the producer and the consumer?

Mr. JOHNSON of Colorado. I am distressed over that. These national, vertical, integrated chains have things pretty much in their own hands. It has happened in my area of the country that the processor will own a dairy herd or several dairy herds, or a dairy milking operation, and he will lease the herd, or 3, or 5, or 10, and he will be independent for a portion of his supply. He will have a sufficient source of supply for most of his needs so that he can then ply the whip hand to the producers and say: "Either cut your price to what I will pay or I will expand my operation further and I will buy nothing from you."

This kind of situation already obtains in a portion of the livestock industry in my area and I am fearful it will prevail in the dairy industry. They want to control the supply so they can set the price to the producer even as they gouge the consumer with higher prices.

Mr. STUBBLEFIELD. The result is that when competition is eliminated a monopoly would set the price of the producer's milk.

Mr. JOHNSON of Colorado. If you are the sole buyer or if a group of buyers get together and support the set price they can set the price they will pay just as they can set the price for what they sell, since the producers have no alternative.

Mr. STUBBLEFIELD. I thank the gentleman.

Mr. JOHNSON of Colorado. I appreciate the gentleman's interest. I hope we can by this method call the attention of the American people to the risks in this vital industry, not just to the independent businessman but also to the consumer and to the producer. I want a fair price structure, but it has got to be fair for all, the producer, processor, retailer, and the consumer.

Mr. STUBBLEFIELD. I agree wholeheartedly with the gentleman.

Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point an editorial from the Paducah Sun-Democrat of August 31, dealing with this subject.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

(The editorial referred to follows:)

DANGEROUS MILK PRICING PRACTICES OBVIOUS HERE, SAYS INVESTIGATOR

(By Don Pepper)

Obvious unfair pricing exists in Paducah's milk market which, unless stopped, will destroy independent producers here, a House investigator said today.

"It's just prima facie," said Brooks Robertson, the investigator. "Of course, I'm just starting the investigation, but I drove around town yesterday and saw signs on grocery windows advertising milk for 25 cents.

"You can't produce milk for that."

Robertson, investigator for the Special Subcommittee on Dairy Problems of the House Select Committee on Small Business, is conducting a 1-day inquiry into pricing practices of milk producers and distributors in this area.

FOLLOWING PATTERN

Robertson said Paducah's milk market, on the face of it, appears to be following a pattern that is nationwide.

Investigations across the Nation have shown that eight or nine giant milk producers are gradually eliminating competitors at the local level, said Robertson.

Once competition is eliminated in a locality and a milk monopoly established, milk prices shoot up to astronomical levels, he said.

"This has already happened in New York and Chicago," he said.

"There is no competition in milk in either city, and milk prices are out of sight."

NOT HERE TO RAISE PRICES

Robertson said he wanted to make it clear that he isn't in Paducah to raise milk prices.

He is here as a factfinding investigator for the subcommittee. The subcommittee, in turn, is to recommend legislation to restore competitive conditions in the dairy industry.

Violations of existing antitrust and unfair competition laws which the investigation discloses will be turned over to the Federal Trade Commission or to the Department of Justice for action.

HEARING POSSIBLE HERE

A hearing before the subcommittee could be scheduled here if the investigation fails to achieve correction of undesirable practices, said Robertson.

The practices which the subcommittee has found across the Nation, said Robertson, includes below-cost prices set up in an area by monopoly milk producers. The monopoly makes up its losses there by raising prices in another area where it has already driven out competition.

Then when competitors are destroyed in the new area, prices again shoot up to compensate for below-cost prices in another area which the monopoly seeks to dominate.

As a result of its investigations, the subcommittee has tentatively recommended three new laws:

1. To require publication of prices, discounts, rebates, allowances, commissions, loans and gifts by all sellers.

2. To prohibit price discriminations which would have the effect of substantially lessening competition or tending to create a monopoly.

3. To provide for process under the Federal Trade Commission Act for temporary injunctive relief pending issuance of final orders in litigated cases.

A bill embodying the third recommendation has already been introduced in the House. Rep. FRANK A. STUBBLEFIELD of Murray was one of several legislators who introduced a bill for that purpose.

It was at STUBBLEFIELD's request, said Robertson, that the subcommittee dispatched him to Western Kentucky to investigate the milk situation.

INFERIOR MILK ISSUE

Robertson pointed out that under monopoly conditions inferior milk frequently is placed on the market.

The McCracken County Health Department said, however, that it stands ready to guarantee consumers that inferior milk will not be sold here.

Dr. Norman Parrott pointed out that dairy products sold on the Paducah market must, by ordinance, meet U.S. Public Health Service standards.

The health department, said Dr. Parrott, feels it can enforce those standards here.

Robertson said he will be at the Irvin Cobb Hotel today and tonight to hear those affected by the milk market.

"I want to hear people from all levels of the market, from producer to consumer," said Robertson.

He said he will work all night if necessary. First he intends to hear complaints, then representatives of the larger dairies and chainstores, milk producers and consumers.

Democratic members of the subcommittee, whose chairman is Democrat TOM STEED of Oklahoma, are Representative JAMES ROOSEVELT of California and Representative CHARLES BROWN of Missouri. Republican members are Representative HOWARD W. ROBISON of New York and Representative EDWARD J. DERWINSKI of Illinois.

The parent committee is under the chairmanship of Representative WRIGHT PATMAN, Texas Democrat.

"Mr. PATMAN," said Robertson, "has devoted 30 years to the work of protecting competition in American small business. He has made it the ruling principle of his life to preserve the free enterprise system."

WESTERN STATES CONFERENCE OF YOUNG DEMOCRATIC CLUBS

Mr. QUIE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. WILSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. WILSON. Mr. Speaker, word has reached many of us here in Congress of action by a supposedly responsible segment of the Democrat Party which is not only startling but does represent in fact, as one editorial writer put it, the voice of the naive.

The Western States Conference of the Young Democratic Clubs of America at a meeting in San Francisco this week adopted a resolution, with only one dissenting vote, calling for the United States to establish diplomatic relations with Red China.

I am reminded that just 2 weeks ago this House by an overwhelming vote of 368 yeas to 2 nays passed a concurrent resolution which stated:

That it is the sense of the Congress that its opposition to the seating at the United Nations of the Communist China regime as a representative of China should be and is hereby reiterated; and be it further

Resolved, That it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations.

This affirmative vote, Mr. Speaker, by all but two of our colleagues can leave no question as to the attitude of the people of the United States with respect to any recognition of this aggressor nation.

The timing of this resolution is further astounding when we consider that at the present time the Red Chinese are still holding captive American soldiers and American citizens, are assaulting the territory of free China at Quemoy and Matsu, have invaded the country of Tibet and are threatening to do the same thing in Laos, and at the present time are engaged in acts of violence on the borders of India.

Mr. Speaker, need I remind these young people that our President is at this very moment meeting with the leaders of the world in the interests of peace while the Red Chinese are committing overt acts of aggression against the free peoples of several countries.

I hope and pray, Mr. Speaker, that responsible leaders in the Democrat Party will enlighten these young people and will persuade them in their forthcoming national convention in Toledo, Ohio, to adopt responsible resolutions to disavow the resolution adopted by the Western States Conference of the Young Democratic Clubs of America.

OUR CHEMICAL, BIOLOGICAL, AND RADIOLOGICAL POLICIES ARE MORALLY INDEFENSIBLE

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. HECHLER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HECHLER. Mr. Speaker, this body yesterday had the opportunity of listening to a wise, factual, and thought-provoking speech by my distinguished colleague from Wisconsin [Mr. KASTENMEIER] on the increasing emphasis being placed on the Nation's development of chemical, biological, and radiological weapons.

My colleague, who has obviously devoted a great deal of research, study, and thought to this grave subject, expressed very precisely and thoughtfully the sobering moral issue which is parallel to and rising in importance with the accelerated development of these weapons.

I wish to concur fully with this able presentation, to congratulate my colleague on the excellence of his presentation, and to commend the reading of his remarks to every Member of this body.

I particularly want to applaud the gentleman from Wisconsin for the emphasis which he placed on the deplorable, but apparently growing tendency of our military leaders who are charged with the development of this program to disregard the essential inhumanity of these weapons and to attempt to sell them to the American people and to the world as clean or humane.

I also heartily concur with his deep concern over the abandonment by these same officials of the principle that the United States must use its strength and military might only for defensive and retaliatory purposes.

While these generals decry the notion that they might ever be accused of advocating preventive war, they speak piously against agreements "that if we are going to fight we are going to do it with our hands tied behind our backs," and urge that "we must change our policy, which is that we do not hit back until you hit us."

These pseudo sabre rattlers describe this recommended policy of striking first if it is evident that an enemy is about to strike us as preemptive war.

Mr. Speaker, I submit that it is self-evident that preemptive war is nothing more than preventive war. They are all policies that are totally alien and unacceptable to a democratic society filled with the fervent desire for real, lasting peace throughout the world.

The attitudes of many of our military leaders who now or in the past have been directly associated with the development of chemical and biological weapons is morally outrageous, and wholly indefensible in a world already groping for a solution to the awesome nuclear stalemate.

These individuals, of course, are entitled to their opinions. However, in the powerful, secrecy-cloaked offices they administer, they are given unique power to activate their philosophies in a manner that, I am sure, is detrimental to the welfare of the Nation and mankind.

Expressions of this frightening philosophy, and actions which have sprung from it, have come frequently to my attention in hearings held before the House Science and Astronautics Committee, on which I am privileged to serve.

Maj. Gen. William M. Creasy, former head of the Army's Chemical Warfare Corps, for example, scoffed at the very concept of disarmament negotiations in response to a question I put to him at one of these hearings. He went so far as to question the wisdom of disarmament discussions even in the field of nuclear weapons.

Yet just a few moments earlier he had conceded that he would use nuclear weapons to devastate four places in the Soviet Union if the Communists should start any more "brushfires" or regional agitation.

But at the same time, General Creasy was describing the biological and chemical agents which the Army is developing as "humane," and saying that they were designed to prevent war as deterrents.

Under unanimous consent, I submit the following excerpt from hearings before the House Committee on Science and Astronautics on June 16 and 22, 1959:

Mr. HECHLER: It is not the province of this committee nor do I want to get you into any discussion of high policy strategy here, but I was disturbed a little by what you inferred

about outlawing these weapons, and I would just like to ask you, are you in favor of disarmament, providing it is gangsterproof, providing you have guarantees?

General CREASY: Yes, sir; I would like utopia, also.

Mr. HECHLER: The way you answer that question——

General CREASY: I just don't believe it is practicable. I think your basic premise is you are dealing with people of integrity, and since your contract is no better than your judgment of the integrity of the people who made the contract, clearly a contract of this type would be self-voiding.

Mr. HECHLER: So, in other words, you believe not even in the nuclear field our Government should carry on negotiations for disarmament?

(No response.)

Mr. HECHLER: I don't want to press this too far, except I would like to relate your answer to this whole area that we are discussing.

General CREASY: I don't believe I could qualify myself as an expert in that area, but I think it is a fruitless exercise.

Mr. HECHLER: I can't get it through my thick head how it prevents a war to start a war. Here I think we might get into a rather long discussion which we could draw out at length which would not be profitable to this committee. But I do think it is dangerous and borders on the irresponsible to suggest this.

General CREASY: Yes, I think I disavowed any intention of talking about preventive wars. But you prevent wars by occupying a position, a posture, if you will, as well as a position, that makes it undesirable for other people to start wars with you.

Your posture is the thing that keeps him from wanting to slug it out with you. But your relative position must also be maintained. If you permit him to push you further back into a corner, whether he does this geographically or financially, you have lost the war.

Someplace in this series of withdrawals, he has really struck this blow. He has started this war. I think we must further define what this point is.

Mr. HECHLER. Mr. Speaker, I firmly believe that more information about our potential in the CBR field must be made known to the American public and to the peoples of the world. Likewise, the American people and other peoples must be informed of what the Soviet Union and her satellites are doing in this area. On the one hand we are advertising these awesome, terrible weapons as deterrents to war, and on the other simultaneously denying the world all but the sketchiest of details about them—and this usually disseminated in the lurid, sensationalized format of the Sunday supplement.

If we are truly developing these weapons to discourage the Communist bloc from ever daring to make war upon the free world, then where is the wisdom of keeping any information which might indeed deter an enemy in the darkest and most heavily guarded classified file?

And if an enemy knows nothing of the potential which we have developed or are developing, how can the generals possibly suggest that the primary nature of these weapons are defensive or deterrent?

I am not suggesting that we strip our work in this area nude to the point that the technical or academic details—which might be of value to an enemy—are even remotely visible. But even the Military Establishment, with its preoccupation for secrecy, surely could give out enough information to justify the repeated insistence that theirs is a retaliatory or deterrent operation.

Now if it seems illogical to say we are scaring the Communist hobgoblin away by not mentioning a word about the weapons which we possess for the alleged sole purpose of scaring him—and this does indeed seem highly illogical—at least it is no less senseless that the concurrent policy of keeping our own people in the dark about the weapons which might be used against them.

We can hardly conceal discussion of our own progress in the field without belittling and discrediting any progress by the Russians in the same line.

Thus our own people are denied the information that might some day save their lives. I assure you that the same is not true in the Soviet Union.

Another hearing of the Committee on Science and Astronautics brought out the startling information that possibly today even more than 30 million people in the U.S.S.R. have been trained and have become imbued with the need for this defense, CBR-wise, among the civilian population. That statement was delivered by Dr. Nathan Gordon, Chief of the Army Chemical Corps Intelligence Agency.

And the present director of the Chemical Corps, Maj. Gen. Marshall Stubbs, said that "the Soviet civilian population receives thorough training in defense against chemical and biological warfare."

How many Americans have been similarly trained to protect themselves against this exotic new means of visiting death or incapacitation against our people? Thirty million? Thirty thousand would be an overly ambitious estimate, I would imagine.

But while the leaders of this program see the necessity for such a program of civil defense, virtually nothing has been done to instrument such a program. I must admit here that from the hearings we have held, it seems evident that some efforts have gone into protecting the lives and maintaining the combat effectiveness of our soldiers, but this is little comfort to the civilian population, who certainly would become the major casualties in any widespread chemical or biological attack.

From a standpoint of sheer survivability, it seems incomprehensible that some of our leaders would suggest preemptive use of CBR weapons against a populace well trained to cope with them, knowing full well that the enemy would retaliate with similar weapons against an American people ill-trained and uninformed about the horrors of chemical and biological warfare.

I think there has been a feeling that we have not had the national leadership in the past few years in order to lead the people, pinpoint their thinking and really to stir their feelings about the absolute necessity for disarmament and peace. I think that this, very frankly, is the job of the President of the United States. And I think that he could help to wake up our people to the dangers of CBR warfare and alert them to the need for planning defenses against these horrible weapons.

Recently, I had an opportunity to appear in a taped interview with correspondent Tris Coffin, discussing the moral and strategic aspects of this terrible new form of warfare. Under unanimous consent, Mr. Speaker, I insert the text of this interview in the RECORD following my remarks.

Author, Columnist, and Radio Correspondent TRIS COFFIN: How is your moral fiber tonight? Well, the Army has found a way to tear it down completely—quite simply and cheaply, too. It's all part of a delightful new program which is being presented to the taxpayers in little, sugar-coated drops, and it's known as CBR. This stands for chemical, biological, and radiological warfare.

It was arranged to have the chemical warfare boys spread their tray of goodies before the House Science and Astronautics Committee. The committee was told that CBR is capable of tearing down the moral fiber of men, altering human behavior, and killing people with no mess at all.

One witness, a major general, described a psychochemical drug in these words: "There's a material in the human system that acts as a transmitter of a nerve impulse from one nerve joint to another. The nerve gas stops the production of this material and you do not have any nerve transmission. If this happens to nerves around the heart, the heart constricts and stops."

One member of the committee was particularly startled at the prospect of the Army chemists' brave new world. He is Congressman KEN HECHLER, of West Virginia, a former Princeton professor and White House assistant. I asked him if he did not think that the testimony was not like Aldous Huxley's famous fantasy, "Brave New World." The Congressman replied, on tape recording:

Mr. HECHLER: Well, it certainly was; and just sitting as a member of the Science and Astronautics Committee hearing about these new and terrible forms of warfare can be quite a depressing experience. I think that the reaction of some of the members of the committee was a little bit different. Others seemed to feel that this would provide a powerful new weapon in America's arsenal, but my own reaction was different. Looking at it from the standpoint of humanity and civilization itself, what steps are we going to have to take in order to protect not only our own country but all of civilization against its destruction?

Now, to my mind, it's very different to think in terms of a clean bomb or dirty bomb or certain types of warfare that are more or less destructive than others and therefore more or less humane. Naturally, all types of warfare are inhumane. Yet, it seems to me that this is an extension and a new type of warfare that's going to mean taking a lot of educational work on the part of our civilian defense to alert our people as to what is involved.

In addition to that, it's a great challenge to our social scientists, international lawyers and others who will have to figure out means of getting this within the framework of our thinking on international disarmament.

Mr. COFFIN: What are some of the types of CBR that were displayed or discussed before the committee?

Mr. HECHLER: There were several types. There are the so-called nerve gases, which in a sense change a person's personality and cause him to lose the will to fight. Then there are the more destructive agents which, if they touch the skin, can cause death in a very, very short space of time; or, if they even get on the clothing, can cause death in a few minutes.

There are agents which can be sprayed very easily from the exhaust of motor cars or motor boats, without any visible sign as

these death-dealing agents are dispersed among the populations of our cities or military installations.

Mr. COFFIN: I detected, I thought, just an example of the "soft sell" when General Creasy was testifying.

Mr. HECHLER: I wasn't exactly sure what you meant by that phrase, the soft sell, Tris. What do you mean?

Mr. COFFIN: Well, I mean he used the word "humane" so many times as if this were something that ought to be taken up and accepted by mankind.

Mr. HECHLER: This has been a tendency, I notice, among all chemical warfare officers. When I was in the infantry during the war, and we were going through basic training, the chemical warfare officer assembled us and tried to get every member of our outfit to admit that the use of gas was more humane than any other type of warfare.

Mr. COFFIN: Congressman, you also spoke about social scientists. Is there any way in which we can start from the beginning and, in effect, teach mankind that war is—as you suggest—inhumane and that we had perhaps start working from the bottom to learn how we can eliminate it.

Mr. HECHLER: I think this is highly important, Tris. You know we recognize the necessity of catching up with Russia in the training of our scientists, engineers and others who can aid in the defense of the country, by producing more death-dealing missiles and agents of war. It seems to me that equally important is the training of social scientists in the ideals and imagination that can enable us to control and live in a better world. This is a challenge to social science and it's a challenge to civilization to produce this kind of thinking that has the idealism and the willpower to move ahead and make this a safer, better and more peaceful world.

Mr. COFFIN: I think that one problem is that peace is never presented as very heroic to people. We put up statues of our generals and write our great epic poetry about wars.

Mr. HECHLER: That's true. You may recall William James' book entitled "The Moral Equivalent to War." During wartime people feel a great sense of patriotism and national unity. Peace is a hard thing to come by, and it's for this reason, I think, that we are going to have to stir up the spirit of the people to realize that peace on earth, good will toward men is one of the greatest ideals that we can strive toward.

Mr. COFFIN: As a Congressman, of course, you are very close to the people. Do you find that there is an underlying hope among people in your own district whom you talk to for peace, so we won't have to use all these weapons?

Mr. HECHLER: It's a rather vague hope, Tris. I'm afraid that people tend to be a little pessimistic about the future. They rather vaguely hope that something may come out of it, and there's a feeling that we haven't had the national leadership in the past few years in order to lead the people, pinpoint their thinking and really to stir their feelings of the absolute necessity for disarmament and peace. I think that this, very frankly, is the job of the President of the United States.

I believe he's made some fine general speeches about disarmament, but on this question we were talking about—chemical, biological, and radiological warfare—the President has not really informed the American people of what these issues are. And he has not informed them of the nature of the challenge in trying to produce a peaceful world.

Mr. COFFIN: I read a memorandum—I suppose it's supposed to be confidential—by Arthur Schlesinger in which he suggested that the people a few years ago were not ready to be led, but they are coming to the place where they are seeking leadership. Do you think that's true?

Mr. HECHLER: Yes, I think there's a great deal of that. Of course, after World War I, we had an opportunity to rest for a few years. And then during World War II, the people were stirred to quite a great pitch and then they were left emotionally tired after the war. During the late 1940's and the 1950's their noses were kept to the grindstone by the worst cold war in history followed by the worst and most frustrating limited war in history, in Korea.

As a result, there was a great tendency to want to let down at some point, and I'm afraid that this letdown, which I feel has occurred in our national leadership, has really hurt us over the past few years. Yet there is a certain ferment which I believe portends a new feeling on the part of the people that we can and must move forward. What we need now, of course, is national leadership and I believe that that can be supplied only by the White House itself.

Mr. COFFIN: Thank you, Congressman KEN HECHLER, for this thoughtful discussion. This is Tris Collins.

KHRUSHCHEV UNMASKED

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. LANE] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. LANE. Mr. Speaker, behind the curious make-believe attitude of the White House toward Khrushchev as it goes out of its way to confer respectability upon him, is the wishful thinking that he will abandon his life of crime after a visit to the United States.

But this master of deceit may score his most dangerous triumph by prevailing upon the Government of the United States to deceive itself.

This onetime shepherd boy became the world's No. 1 Communist by engineering mass murder, doublecrossing his associates, betraying captive peoples, and confusing other countries by his mixture of crude threats and assurances of peaceful coexistence.

The American people do not know much about the real Khrushchev and his bloodstained record. It is time they did, so that they will not be misled by his public smile or his straight-faced lies.

The alert and reliable U.S. News & World Report has contributed much to the cause of freedom through the years, but it has surpassed all its previous accomplishments in the September 7 issue, now on the stands. Its leading article, "Khrushchev—the Real Story of the Man and His Deeds," does a timely service in unmasking the unwelcome guest.

Read it and then be on guard.

WALTER R. LEE

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. LANE] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. LANE. Mr. Speaker, on Tuesday last, it was my privilege to join with many of my colleagues in expressing our regret that Walter R. Lee, legislative assistant to the House Committee on the Judiciary, had decided to retire from Capitol Hill. Only last weekend, without any warning, he became ill at his work, and due to the emergency, it was necessary to have him admitted to the hospital for medical attention.

However, I am pleased to advise that he is convalescing at his home and is well on the road to a full and speedy recovery.

Walter has written me expressing his thanks and appreciation for the tribute accorded him on the floor of the House, and the following is his letter:

HOUSE OF REPRESENTATIVES, U.S.,
COMMITTEE ON THE JUDICIARY,
Washington, D.C., September 3, 1959.

Hon. THOMAS J. LANE,
House Office Building,
Washington, D.C.

DEAR MR. LANE: Words are so inadequate to express my deep appreciation and heartfelt thanks to you for the tribute paid me on the House floor on Tuesday. Through you, I want to express my thanks to the Members of the House who so kindly expressed themselves in my behalf. I do not feel that I am worthy of the many kind remarks.

I am sure that you and my many friends know that it is not an easy task for me to say farewell to Capitol Hill and as I said to the committee last week, I hope that I may be able to enjoy my retirement with as much pleasure as I have my work and association with the Members of the Congress.

Through this media, because it is impossible for me to thank each one personally now, I want to thank the many Members and staffs for the many letters, cards, and telegrams which I have received on my retirement and illness and the beautiful flowers sent me in the hospital and since I am home.

I am on the road to complete recovery. So says my fine doctor, and I myself feel that I am, for which I am most thankful.

With all good wishes.

Most gratefully,

WALTER R. LEE.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TEAGUE of Texas (at the request of Mr. YOUNG) for September 4 and 5, 1959, on account of official business.

Mr. HEMPHILL, for 1 day, September 5, 1959, on account of illness of his wife.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. ROGERS of Massachusetts, for 10 minutes, today, Saturday, and Monday next.

Mr. FEIGHAN, for 30 minutes, tomorrow.

Mr. MOORHEAD, for 15 minutes, on September 8.

Mr. BAILEY, for 20 minutes, on September 9.

Mr. HALPERN, for 10 minutes, today.

Mr. EVINS (at the request of Mr. JOHNSON of Colorado), for 30 minutes, tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. IKARD and Mr. BOGGS (at the request of Mr. MILLS) and to include extraneous matter in connection with their statements made in the Committee of the Whole today.

Mr. PORTER.

Mr. MACK of Washington.

(At the request of Mr. QUIE, and to include extraneous matter, the following:)

Mr. KNOX.

Mr. SAYLOR.

Mr. SIMPSON of Pennsylvania.

The following Members (at the request of Mr. JOHNSON of Colorado) and to include extraneous matter:

Mr. RODINO.

Mr. MULTER.

Mr. BREWSTER.

Mr. ABBITT.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 213. An act to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, and to permit the States of California, Kansas, North Dakota, and Vermont to obtain social security coverage, under State agreement, for policemen and firemen in positions covered by a retirement system;

H.R. 2411. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, to liberalize the tariff laws for works of art and other exhibition material, and for other purposes;

H.R. 2906. An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts;

H.J. Res. 406. Joint resolution to facilitate the admission into the United States of certain aliens;

H.J. Res. 444. Joint resolution for the relief of certain aliens; and

H.J. Res. 445. Joint resolution to facilitate the admission into the United States of certain aliens.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 53. An act to amend the acts approved April 16 and June 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont.; and

S. 2524. An act relating to the power of the States to impose net income taxes on income derived from interstate commerce, and authorizing studies by congressional committees of matters pertaining thereto.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration reported that that committee did on this day deliver to the White House for presentation to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 213. An act to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, and to permit the States of California, Kansas, North Dakota, and Vermont to obtain social security coverage, under State agreement, for policemen and firemen in positions covered by a retirement system;

H.R. 2411. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, to liberalize the tariff laws for works of art and other exhibition material, and for other purposes;

H.R. 2906. An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts;

H.J. Res. 406. An act to facilitate the admission into the United States of certain aliens;

H.J. Res. 444. An act for the relief of certain aliens; and

H.J. Res. 445. Joint resolution to facilitate the admission into the United States of certain aliens.

ADJOURNMENT

Mr. JOHNSON of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 25 minutes p.m.) the House adjourned until tomorrow, Saturday, September 5, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1357. A letter from the Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the appropriation to the Department of Agriculture for "Forest protection and utilization, Forest Service," for the fiscal year 1960, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

1358. A letter from the Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the appropriation to the Department of the Interior for "Management of lands and resources," Bureau of Land Management, for the fiscal year 1960, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

1359. A letter from the Under Secretary, Department of the Air Force, transmitting a report of claims paid by the Department of the Air Force for fiscal year 1959, pursuant to section 2732(f) of title 10, United States Code, as amended; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRANT: Committee on Agriculture. S. 2504. An act to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes; with amendment (Rept. No. 1149). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY: Committee on Post Office and Civil Service. H.R. 8289. A bill to accelerate the commencing date of civil service retirement annuities, and for other purposes; without amendment (Rept. No. 1150). Referred to the Committee of the Whole House on the State of the Union.

Mr. SELDEN: Committee on Foreign Affairs. H.R. 9069. A bill to provide standards for the issuance of passports, and for other purposes; with amendment (Rept. No. 1151). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON: Committee on Appropriations. H.R. 9105. A bill making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 1152). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONNER:

H.R. 9084. A bill to repeal certain retirement promotion authority of the Coast and Geodetic Survey; to the Committee on Merchant Marine and Fisheries.

By Mr. BRADEMAS:

H.R. 9085. A bill to abolish the poll tax as a condition of voting in any primary or other election for national officers; to the Committee on House Administration.

By Mr. BROOMFIELD:

H.R. 9086. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FLYNT:

H.R. 9087. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimp and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. HAGEN:

H.R. 9088. A bill to provide for an exchange of land between the Bureau of Reclamation and the city of Delano, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. KEARNS:

H.R. 9089. A bill to amend section 8(b)(4) of the National Labor Relations Act, as

amended; to the Committee on Education and Labor.

By Mr. KILGORE:

H.R. 9090. A bill to save and preserve, for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McDOWELL:

H.R. 9091. A bill to promote the foreign policy of the United States by providing for the appointment of an assistant to the Secretary of State to assure the coherent development of all official international cultural activities of the United States; to the Committee on Foreign Affairs.

By Mr. McGINLEY:

H.R. 9092. A bill to amend subsection (b) of section 334 of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. McINTIRE:

H.R. 9093. A bill to amend the Internal Revenue Code of 1954 to provide for refund to States of certain taxes on distilled spirits and wine destroyed by fire, casualty, or act of God; to the Committee on Ways and Means.

By Mr. RIVERS of Alaska:

H.R. 9094. A bill to establish the U.S. Study Commission on the Development of the Rivers, Ports, and Drainage Basins (and intervening areas) of the State of Alaska; to the Committee on Public Works.

By Mr. THOMPSON of New Jersey:

H.R. 9095. A bill to provide for the establishment of Cape Cod National Seashore Park; to the Committee on Interior and Insular Affairs.

By Mr. WILSON:

H.R. 9096. A bill to strengthen the criminal penalties for the mailing, importing, or transporting of obscene matter, and for other purposes; to the Committee on the Judiciary.

H.R. 9097. A bill to provide additional compensation for employees in the postal field service required to qualify on scheme examinations; to the Committee on Post Office and Civil Service.

By Mr. YOUNG:

H.R. 9098. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

H.R. 9099. A bill to save and preserve for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PERKINS:

H.R. 9100. A bill to amend section 8(b)(4) of the National Labor Relations Act as amended; to the Committee on Education and Labor.

By Mr. BOYKIN:

H.R. 9101. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. FORAND:

H.R. 9102. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. OSTERTAG:

H.R. 9103. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. SHEPPARD:

H.R. 9104. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. CANNON:

H.R. 9105. A bill making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

By Mr. BYRNES of Wisconsin:

H.J. Res. 519. Joint resolution to amend the Constitution to enable the Congress to function effectively in time of emergency or disaster; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H.R. 9106. A bill for the relief of John E. Simpson; to the Committee on the Judiciary.

By Mr. CANFIELD:

H.R. 9107. A bill for the relief of Joseph Maz; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 9108. A bill for the relief of Frank De Nardo; to the Committee on the Judiciary.

By Mr. FLOOD:

H.R. 9109. A bill for the relief of Elio Tapparelli; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.R. 9110. A bill to exempt from taxation certain property of the National Woman's Party, Inc., in the District of Columbia; to the Committee on the District of Columbia.

By Mr. LESINSKI:

H.R. 9111. A bill for the relief of Amalia Sandel Malachowski and her minor child, Barbara Sandel; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H.R. 9112. A bill for the relief of Mrs. Fannie A. Dablias; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 9113. A bill for the relief of Mihaly Matrai; to the Committee on the Judiciary.

By Mr. THOMAS:

H.R. 9114. A bill for the relief of Wallace Edward Wells; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Crab and Oyster Imports

EXTENSION OF REMARKS

OF

HON. RUSSELL V. MACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. MACK of Washington. Mr. Speaker, canned crabmeat and canned oyster imports from Japan are increasing at an alarming rate and threaten the prosperity and employment in the Pacific coast shellfish industry.

In the first 6 months of 1959 canned crabmeat imports from Japan totaled 4,289,000 pounds compared to 2,739,000 in the same period of the preceding year. This is an increase of 56 percent.

Canned oyster imports from Japan for the first 6 months of 1959 were 2,600,000 pounds compared to 1,853,000 pounds in the same 6 months of 1958 or an increase of 40 percent.

I have written to Representative HERBERT C. BONNER, chairman of the House Committee on Merchant Marine and Fisheries, urging that his committee this fall investigate the impact of these increasing canned shellfish imports upon the prosperity and employment in the American shellfish industry and to make recommendations to Congress as to the most effective way to protect the domestic industry against damage.

Convention of the Ukrainian American Youth Association

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. RODINO. Mr. Speaker, I would like to take this opportunity to greet the Ukrainian American Youth Association which is about to hold a convention marking the 10th year of the existence of this great organization. Some 8,000 delegates will shortly meet simultaneously at Spring Glen, N.Y., and in Detroit, Mich. They deserve our good wishes, our encouragement, and our applause. It is events such as these which lend inspiration to the whole movement and which give them the courage to continue their dedication to freedom and independence.

To descendants of the people of the Ukraine the battle against Russian imperialism is no new event. They have struggled against Russian tyranny for 300 years. Indeed, their forthcoming convention heralds the 300th anniversary of the triumphant victory of the Ukrainian Army against the Russians at Konotop, and the 250th anniversary of their tragic defeat by the Russian Army at Poltava. The Ukrainian-American knows perhaps better than any of us the threat and the danger of Russian aggression, because they have fought it when it bore the flag of the Czar, and continue to fight it when it carries the flag of the hammer and sickle. Their persistent spirit and dedication to the cause of freedom should serve as an inspiration to all of us.

I want to especially congratulate those members of my district who will be among those attending this fine and praiseworthy convention. They make up an important segment of the Ukrainian Youth Association. Their voices will be strong in the forthcoming proceedings.

I deeply regret my inability to attend and participate in this event, as I have on numerous occasions in the past. I will be with them in spirit, as I think all of us will be, and I wish them success and fulfillment in their great endeavors.

Lafayette-Marne Day, September 6

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. MULTER. Mr. Speaker, Marquis de Lafayette, whose 202d birth anniversary falls on September 6, was the hero of two continents, the pride of two nations struggling for democracy and freedom.

He was born in 1757 in a chateau in Auvergne, France, and at the time of his death, in 1834, his name had become a household name both in France and in America.

This gallant and gifted son of France, who, in the course of our War of Independence, rendered invaluable services and thereby earned the everlasting gratitude of the American people, was a remarkable man in many ways. In mid-1777, when he asked for and received a commission of major general, the highest rank after the commander in chief, he had not passed his 20th birthday. The youthful and precocious soldier of freedom quickly acquitted himself most honorably on the battlefield. As a resourceful leader and first-rate tactician, his abilities were fully appreciated by Washington.

When his military career in this country came to an end after the Battle of Yorktown he returned to France. There he was made a major general in the French Army in 1781. Later he found himself in the very center of the French Revolution. In 1787 he became a member of the Assembly of Notables, and some time before the Revolution he urged the King to convoke the States-General. During the Revolution he constantly pleaded for personal freedom—for the abolition of arbitrary imprisonment, for religious tolerance, for popular representation, and for the establishment of trial by jury. He was rebuffed by many of the violently Revolutionary leaders. He was sadly disappointed with the course of the Revolution.

For a while he had to flee France, and lived in retirement. In 1824 he revisited the United States at the invitation of President Monroe. Here he was overwhelmed with popular applause, and the Congress voted him the sum of $200,000. He gratefully accepted the gift, returned to his native land. He died on May 20, 1834.

Today in honoring the memory of this great soldier of freedom on his 202d anniversary, we also observe another event falling on the same date, September 6, that is, Marne Day, marking the first battle of the Marne which began 45 years ago early in the First World War and continued for the next 3 days. That battle has often been described as the turning point in that war. By participating in that world struggle and thus insuring the conclusion of that war in favor of democratic forces, we also repaid some of the debt to France which America had incurred at the time of our War of Independence.

In expressing our gratitude for General Lafayette's signal services to this country, and also in expressing our profound admiration for the gallant French soldiers who almost alone fought successfully in the first Battle of the Marne, we pay our respect to their blessed memory.

The Situation in Laos

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE SENATE OF THE UNITED STATES

Friday, September 4, 1959

Mr. KEATING. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by me with respect to the situation in Laos. The statement calls for renewed efforts for the establishment of a United Nations police force.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEATING

The morning radio reports that the Government of Laos has asked the help of the United Nations in curbing the invading Communist forces calls for immediate action by the United States and the U.N. This is a legitimate request of a duly constituted government which is being victimized by outside aggression, and the free world cannot ignore it. No matter how much Peiping and Moscow may proclaim their innocence, the machinations of the international Communist conspiracy are clearly evident in the events in Laos.

I hope the United States will see its way clear to send further aid to the people of Laos in this crisis. I hope, in addition, that the wheels will begin to turn within the United Nations for the creation of a permanent international army which can deal with nibbling Communist aggression such as this. I am today writing to the President urging him to instruct the Secretary of State and our Ambassador to the United Nations to press for positive steps by the U.N. for the establishment of an international police force. Perhaps the crisis in Laos can serve as the spur needed for the U.N. to take this essential step to the building of lasting peace.

One of the most tragic aspects of the request of the Laos Government for U.N. help is that the U.N. does not have any kind of police force which can be rushed into the breach. There is no international army primed for instant action when such conflagrations break out around the world.

It is true, of course, that there is a splendid precedent for using a U.N. group as a buffer between warring states. The special U.N. Emergency Force has wrought miracles in patrolling the Israeli-Egyptian border in the wake of the conflict there. It has provided the cushion which was needed to keep the protagonists apart and promote stability in an area of acute tension.

It is my firm conviction there has been sufficient study and experience concerning a United Nations police force. There is plenty of evidence to show how great a factor it could be in preserving peace. No nation of good will can in good conscience oppose the creation of such a group.

Indeed, I believe we would have every right to question the motives of any nation which would oppose this essential step toward establishing a firm and lasting peace. The United States has repeatedly demonstrated its willingness to participate in an international army for peace and its resolve has been bolstered by resolutions adopted by the Congress.

Certainly, outbreaks of aggression such as we have witnessed in recent years in Korea, Hungary, various places in the Middle East and Far East, and now in Laos, make an international army an imperative the world can ill afford to ignore any longer.

It should, of course, be under the control of the United Nations, ready to move instantly in case of an international emergency at the request of a member government which believes itself threatened by outside aggression or subversion directed by another country.

In a world contracted by speedy communications and transportation, in a world in which so many nations possess the terribly destructive weapons of modern warfare, any international conflict—no matter how localized—can spread like wildfire and thus present a real threat to world stability. The only feasible answer to this challenge to the peace of the world is a U.N. force capable of so spreading an international mantle over an embattled area as to inhibit—if not directly to prevent the spreading of any local conflict.

A U.N. police force need not be a huge, all-powerful army. It might not number more than 50,000 or 60,000. It might perhaps be best to establish a firm nucleus at all times centered under one command, with other forces in the individual countries available upon call.

The smaller nations should form the backbone of this international group. This will prevent the bigger powers running the risk of being dragged into a nuclear conflict which could doom all mankind.

Such an international army could not—and should not—fight wars. But it could serve as an effective deterrent to hostilities, could be a focus for the moral opinion of the world, and could serve numerous practical buffer uses in observation, patrol, and guard duty between hostile states.

Because of the dangers inherent in man's vast technological and material progress, because of the repeatedly demonstrated determination of some powers to stir up trouble at every opportunity, we must search with imagination and foresight for the answers to the enigmas of world peace. Today we have too little of either—at a time when we stand in desperate need of both.

Time is running short. Each new crisis brings us closer to the potential horrors of world war III. The next international brush fire may set off that world conflagration if the nations of the world do not rise to the occasion.

A permanent United Nations police force provides a new, decisive means by which the nations of the world which sincerely believe in peace can provide the machinery to quarantine regional conflicts and Communist military probes, and thus better insure their solution. It would be fitting for the United States, with its demonstrated dedication to creating a peace based on justice and morality, and with its repeatedly affirmed belief in the United Nations, to take the lead in this great task.

In the meantime, I am extremely hopeful our Government will do everything possible to give aid and comfort to the embattled

Government of Laos. I hope steps can be taken within the U.N. to establish a temporary, emergency police unit to come to the aid of that nation as it attempts to resist the Communist. I hope ways and means will be found to send additional American aid to Laos. Clearly, the United States and the free world cannot stand idly by while Laos is engulfed in the tide of the international Communist conspiracy.

Ill-Considered Threat

EXTENSION OF REMARKS
OF
HON. VICTOR A. KNOX
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, September 4, 1959

Mr. KNOX. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following news report that I have sent to my constituents in the 11th Congressional District of Michigan:

Much has been written and said during the last few weeks about labor reform legislation, especially the Landrum-Griffin bill. I have received hundreds of letters, telegrams, and post cards on this subject from all parts of the Nation. None of these contained a threatening tenor, except for the form letter I have received from James B. Carey, president of the International Union of Electrical, Radio and Machine Workers. So that my constituents may be informed in this matter, I am including a copy of his letter and setting out my reply to him. His threatening communication is a reflection on the citizens of the United States and an un-American attempt to intimidate the Congress of the United States.

AUGUST 18, 1959.

DEAR CONGRESSMAN: Only you know, in the privacy of your own conscience, whether you carefully considered the possible consequences of the Landrum-Griffin bill when you voted for it on August 13, 1959. If you did, and realized that it is a punitive, repressive measure intended to weaken all labor unions and thereby all working men and women, you have much to answer for. If you did not, and merely yielded to the pressures of the chamber of commerce and the National Association of Manufacturers, your guilt is perhaps even greater.

You should realize now, if you did not during the heat of battle, that this vindictive assault on the labor movement will, in the long run, prove to your constituents that you are less interested in individual rights and democracy than in property rights and the concentration of power in the hands of big business.

You may believe that you are safe in such action because organized labor is relatively weak in your district, and cannot call you to account for the damage you have sought to do to it. You may be right—at the moment.

We wish to assure you, however, that we shall do all in our power to prove to the working men and women in your district that you have cast your lot against them and they should therefore take appropriate action at the ballot box.

Very truly yours,

JAMES B. CAREY, *President.*

AUGUST 21, 1959.

DEAR MR. CAREY: I have received your form letter of August 18 endeavoring to intimidate me because of my favorable vote on August 12, 1959, in support of the Landrum-Griffin bill, which also was supported by President Eisenhower as well as by 303 of my colleagues out of the total membership of 426 in the House of Representatives.

It is interesting to note that you have described this legislation as "a punitive and repressive measure." This phrase characterizes the tenor of your letter. In my judgment your action constitutes a grave and intemperate misuse of the money of the rank and file of labor union members. By your ill-considered threat you are exposing the labor boss practice of the denial of the basic rights and democratic processes of your union members. A threat from you is no more terrifying to me than would be a threat from Mr. Hoffa, although I believe even he would be inclined to use better judgment than you have demonstrated.

By your act you have caused me to realize more than ever that I was correct in voting for the Landrum-Griffin bill. I am sure my voting record has proven to my constituency that I am interested in individual rights and democracy more than in the concentration of power in the hands of big business, regardless of whether that big business be the management boss or the labor boss.

The people of the 11th Congressional District of Michigan will not yield to the unthinking dudgeon of any labor leader when they are exercising the right to mark their ballot in secret for the candidates of their choice. Similarly, I would not, and did not yield to any pressures from the National Association of Manufacturers and the chamber of commerce, as you allege, when I cast my vote for the Landrum-Griffin bill.

I have always supported legislation that would protect the rights of labor union members and would rid the unions of the practices of corruption, breach of trust, gangsterism, violence, and abuses of power. The political hoodlumism that you imply will be brought to bear against me does not dismay me, and I am sure it will not be persuasive with the thinking people of my congressional district.

In order that my constituency may be aware of your activities I am sending a copy of your letter and my reply to all individuals on my mailing list. I respect the intelligence of the people whom I have the honor to represent, and know that they too will realize more than ever the real need for the enactment of the provisions of the Landrum-Griffin bill.

Yours truly,

VICTOR A. KNOX,
Member of Congress.

Settlement of Bethlehem Steel Co. Dispute With Shipbuilding Workers Is Vital to Our Country's Defense

EXTENSION OF REMARKS
OF
HON. DANIEL B. BREWSTER
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Friday, September 4, 1959

Mr. BREWSTER. Mr. Speaker, my esteemed colleague, the gentleman from Massachusetts [Mr. BURKE] has done the Members of the House of Representatives and the public a signal service by forcefully calling to our attention the present stalemate in contract negotiations between the Bethlehem Steel Co. and the Industrial Union of Marine and Shipbuilding Workers of America, AFL–CIO.

It has been pointed out that the Bethlehem Steel Co. operates 8 shipyards along the Atlantic coast employing some 17,000 men who represent the core of shipbuilding know-how in the eastern United States. One of these yards is located in my district at Sparrows Point, Md., and I, personally, know many of the men employed there who have devoted their entire lives to the shipbuilding industry. The Industrial Union of Marine and Shipbuilding Workers of America, AFL–CIO, is one of the country's most highly respected unions. Its members have proved time and again that they are willing to place our country's strength and well-being above their own economic interest.

The union's contract with Bethlehem Steel expired on July 31, 1959. Prior to that time the union's representatives had begun efforts to negotiate a new collective bargaining agreement with the company. The company has presented the union with demands that the union simply could not accept. Principal among these demands is the threatened elimination of the seniority rights of many highly skilled craftsmen.

I believe that the shipyard workers have given strong evidence of their desire to bargain in good faith. They have proposed that the expired agreement be extended for a brief period in order that negotiations could continue. This offer was refused by the company. The union then offered to submit both the company's demands and the union's proposals to arbitration. This offer was also rejected by the company. The union members have further shown their good faith by continuing on the job despite the fact they do not have a contract.

This is particularly significant because in many of its yards Bethlehem shipbuilding is engaged in vitally important work for the U.S. Navy. At this time Bethlehem shipyards are building the nuclear missile carrier *Long Beach* and the nuclear frigate *Bainbridge.* At the same time one of its yards is converting the missile firing cruiser *Springfield.* We simply cannot afford to lose any more ground in our efforts to match and surpass the growing Soviet military machine.

I call upon both labor and management to join in full and open collective bargaining in keeping with our established tradition of fair play. It has been suggested that the House Armed Services Committee's subcommittee on defense activities conduct an immediate factfinding investigation. There is ample precedent for this step because the same subcommittee investigated a similar situation in 1954. The previous investigation produced favorable results and should the present situation continue, I, as a member of the Armed Services Committee, will support the request for committee action.

I am further concerned by this situation because recently two of our Atlantic coast shipbuilding concerns lost sizable contracts to California shipbuilders. These contracts were lost because of an unfair and artificial 6 percent advantage given California firms by an archaic section of the Merchant Marine Act. I have introduced H.R. 8176, which will repeal this unfair clause. If the east coast firms are to compete successfully with other areas, with or without this

unfair advantage presently enjoyed by some, we must have fair and stable labor-management relations.

We must also consider the absolute necessity of maintaining our pool of highly skilled and experienced shipyard workers. The collective know-how of these men is vital to our national security. The dissipation and eventual loss of these special skills could have a far-reaching effect on our country's ability to produce today's nuclear vessels.

Glittering Generalities Courtesy of A.T. & T.

EXTENSION OF REMARKS
OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. PORTER. Mr. Speaker, last month I read with interest a full-page advertisement which the American Telephone & Telegraph Co. placed in Life magazine August 3. It was entitled "Why in Heaven Don't You Speak Out on Inflation?"

Naturally I was interested. I estimate that millions of readers saw that appeal.

I believe this ad is part of a campaign being waged by big business as a part of the antediluvian thinking of the Republican Party. I have replied to other such ads and I have sent copies to the Bureau of Internal Revenue to see if they are legitimately paid for as a business expense.

Now no one is against a strong, sound, and stable dollar.

No one likes unreasonable demands.

No one approves excessive spending.

Neither do we approve of child beating or the kicking of dogs.

My point, Mr. Speaker, is that this ad, like too many appearing in newspapers and magazines these days, deals with glittering generalities. The vague proposal or statement is a favorite weapon of Madison Avenue.

I have written to the president of the American Telephone & Telegraph Co., Mr. Frederick R. Kappel, to offer some comments about his company's participation in what appears to be a big phony anti-inflation campaign.

The advertisement and my letter to Mr. Kappel follow.

AN INTERESTING LETTER SAID, "WHY IN HEAVEN DON'T YOU SPEAK OUT ON INFLATION?"

I have received a number of letters from men and women who are concerned about inflation. One A.T. & T. shareowner asked, "Why in heaven don't you speak out on this subject?"

The letter went on to say, "If you would alert the 1,625,000 shareowners and 700,000 employees to the facts about inflation, they would help spread the news."

I warmly agree that it is essential to alert more people to the dangers of inflation and we in the Bell System are speaking up and speaking out at every opportunity.

In recent articles and bulletins to employees, the Bell System companies have discussed the threat which inflation poses to the purchasing power of the dollar and to savings, insurance, and pensions.

At the annual meeting of A.T. & T. shareowners I pointed out that inflation has been a tough problem in the telephone business. But we have not just talked about the problem—we have developed more efficient equipment and introduced many economies of operation. It is worth noting that the price of telephone service generally has gone up less since World War II than most other things.

But we know that the forces of inflation are far too widespread and powerful for any one individual or business to stem them singlehanded.

This brings me to the question that I believe so many are asking: "How can I help?" In these ways, it seems to me:

By giving spoken and written support to those who are working for a strong, sound, and stable dollar.

By opposing unreasonable demands, excessive spending, and schemes that add fuel to the inflationary fire.

Your friends and associates, and especially your representatives in Congress, are entitled to your constructive views.

For our part, we will continue to fight inflation by pushing research hard and effecting economies in our business. And by speaking out against this threat to the people and the country.

FREDERICK R. KAPPEL,
President, American Telephone & Telegraph Co.
NEW YORK, N.Y.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., Sept. 3, 1959.

Mr. FREDERICK R. KAPPEL,
President, American Telephone & Telegraph Co., New York, N.Y.

DEAR MR. KAPPEL: Your full-page advertisement in the August 3 issue of Life magazine, entitled "Why in Heaven Don't You Speak Out on Inflation?" appears to be part of a concerted effort by big business corporations to influence public policy through paid ads in national magazines.

As I read your advertisement I could not help but reflect that you must have a pretty poor opinion of the intelligence of the American people to think that they could be influenced by so vacuous a statement. You are for a strong, sound, and stable dollar. So are we all. What specifically, then, is it that you would have us speak out against?

You urge the public to oppose unreasonable demands. But what the unreasonable demands are that should be opposed you do not tell us. Has it occurred to you that many of the readers of the advertisement might regard putting pressure upon governmental regulatory agencies to establish rates that add considerably to the cost of telephone service as falling into the category of unreasonable demands? And, you know, rate hikes are also inflationary.

The recent order of the Federal Communications Commission, cutting long-distance telephone rates by $50 million a year, would seem to indicate that if you were genuinely concerned about containing the forces of inflation you would make every effort to achieve a downward revision of the toll charges to your customers without putting the Government into position of having to do it for you.

Your urge us to oppose excessive spending. Here again you are deliberately vague. Surely, it is not your intention that the consumer should curtail his expenditures for telephone services. I presume that what you do have in mind is the reduction of governmental expenditures. Shall we curtail outlays for national defense, foreign aid, highways, schools, etc.? Shall the letters which you urge the public to write aim to support those Members in Congress who wish to maintain a lid on interest rates so as to keep down the cost of servicing the Government debt? Unfortunately, you furnish us with no guidance. Certainly you would want us to be discriminating. Otherwise the public might end up by unwittingly urging the adoption of proposals advanced by the Democratic Party rather than those advocated by the Republican administration, in support of which you are using the funds of the A.T. & T. for paid advertisements.

What we need from business leadership is more enlightenment rather than obfuscation, less of an appeal to the emotions and more to the rational consideration of great national issues. Madison Avenue techniques for getting people to purchase commodities are hardly the tools for promoting understanding and for arriving at intelligent decisions in matters of public policy.

As one of the largest business corporations in America, the A.T. & T. has joined the ranks of what is essentially an antidemocratic movement among certain top business leaders who are determined to employ the funds of their corporations for the purpose of influencing public opinion. Have you ascertained how many of your 1,625,000 shareholders would endorse your campaign to frighten Americans about inflation? I am certain that there are a great many stockholders who do not share your views on political and economic issues. They would, of course, not question your right as a private citizen to publicly express your views. But it is another matter when you use the name and funds of your company to foist on the public your personal opinions as to current events. The taxpayer has also a right to be aggrieved when these paid advertisements are charged off as a corporate expense.

You must have noticed, Mr. Kappel, that 2 weeks after you felt compelled through your advertisement to alert the American people on the threat of inflation, the second report of what is popularly known as the Nixon Anti-inflation Committee was released. In contrast to the first report, issued only 7 weeks earlier, which stated that "our economy is now at a critical juncture urgently requiring action to forestall inflation," the second one contained no warning about the imminence of inflation. In the words of Business Week (Aug. 22), the former bristled with a sense of crisis with respect to inflation, while the latter was described as playing down inflation talk, with greater attention given to economic growth. This suggests that before you commit yourself to another full-page advertisement you had better check with the Vice President as to what is the latest official line. In that way you might get the maximum benefit out of your advertising expenditures.

May I remind you, Mr. Kappel, that during the past year when the administration was clamoring vociferously that inflation was so pressing and immediate a threat, fellow legislators with whose thinking I agree have pointed out that there was little basis in fact to support the administration's claims; that the Consumer Price Index had remained more or less at a constant level throughout the year; that most of the increases in the price level had occurred during and shortly after wars, when too many dollars were chasing too few goods; and that in view of our great responsibilities as the leading nation of the free world and of our neglected needs at home, it was imperative that the administration concentrate its efforts on promoting the acceleration of the American rate of economic growth.

I can only draw one conlusion from the anti-inflation campaign. The term "inflation" has come to be a slogan employed by conservative elements to defeat any legislation which they look upon with disfavor. It is a weapon used to frighten us away from measures designed to improve the lot of the common man through programs for

the removal of slum and blighted areas, for strengthening our school systems, and for expenditures on much needed public services and facilities. It also has had the unfortunate result of taking dangerous risks with the future of our national security through inadequate support of much needed defense expenditures.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

Report of U.S. Commission on Civil Rights

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Friday, September 4, 1959

Mr. KEATING. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by me with respect to the report of the United States Commission on Civil Rights.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEATING

The report of the Commission on Civil Rights, although not yet officially released, already has stirred violent verbal blasts from some quarters. This reaction is not unexpected since the work of the Commission has been subjected to obstruction by its opponents from its very inception. It is obvious that there are some people who do not want the facts with regard to civil rights to be studied and discussed. These people are determined to leave no stone unturned in their conspiracy to prevent information on these vital issues from reaching the American people.

I have reviewed the report of the Civil Rights Commission with great interest. It is a balanced, well-documented analysis of the legal and moral problems in the way of realizing equality under the law in accordance with our democratic tradition. These problems are not sectional or partisan. They should be of concern to all Americans throughout the country who respect the Constitution.

I can well understand some differences of opinion with regard to the specific recommendations of the Commission. I cannot, however, condone the blanket condemnation and venom which have already been heaped upon its work by its diehard opponents. Nor can I sympathize with any effort to prevent Americans from exercising their sacred right to vote or from enjoying the same privileges under our laws regardless of their race, creed or national origin.

In my opinion, the Commission's recommendations for the most part are very moderate. Its first recommendation, for example, is that the Bureau of the Census be authorized and directed to undertake a nationwide compilation of registration and voting statistics. I thought we in this country had long passed the day when we would consider such statistic-gathering activities by the Bureau of the Census as un-American. The Commission also recommends that voting records shall be preserved and be made public provided that all care is taken to preserve the secrecy of the ballot. This seems to me to be an eminently reasonable proposal. There also are recommendations with respect to appointment of temporary Federal registrars, for prosecution of persons who under color of law deprive individuals of an opportunity to register and vote, and for the enforcement of the Commission's present subpena powers, which would certainly deserve Congress' support. The only dissent from any of these recommendations is by Commissioner Battle, the former Governor of Virginia. The other Commissioners, Chairman Hannah, president of Michigan State University; Robert Storey, the dean of the Southern Methodist University Law School; Doyle Carlton, former Governor of Florida; Father Hesburgh, the president of the University of Notre Dame; and George M. Johnson, former dean of the Howard University School of Law; were unanimous in their support of these proposals.

The Commission's report deals with housing and education as well as with voting rights and, of course, there are some differences among the various Commissioners with respect to specific proposals made in these fields. This in no way serves to undermine the importance of the Commission's report. Rather, it serves to emphasize the necessity for continuing the great work in which these men are engaged so that further light can be shed on the many difficult issues which are faced in the field of civil rights. These men, all of them distinguished Americans, are engaged in a great dialogue on a subject which goes to the core of our American way of life. Discussions and reports can pave the way for an era of ever-increasing freedom and liberty for all Americans. It has always been my creed that no American can feel secure in his freedom unless the freedom of all Americans is safeguarded. This appears also to be the dominant theme of the Commission's report. I applaud the results the Commission has thus far accomplished. Under no circumstances should we even consider adjournment until the authority for continuation of the Commission has been assured.

The Federal Government Can Save Tax Dollars—Move Its Operations to Depressed Areas

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, September 4, 1959

Mr. SAYLOR. Mr. Speaker, last week the proposal to reduce appropriations for schools in federally impacted areas was rejected by a House Education and Labor Subcommittee. The decision was disappointing to supporters of the administration's program to cut down on unnecessary spending. It was another blatant refusal to take a stand against inflationary practices.

The recommendations of Dr. Arthur S. Flemming, Secretary of the Department of Health, Education, and Welfare, were modest enough, with the principal item providing for a 50-percent decrease in aid to school districts where parents of students work for the Government in another jurisdiction. A district in point is Montgomery County, Md., the residence of many men and women who are employed by the Federal Government in the District of Columbia. Montgomery County, which prides itself as one of the wealthiest—if not the wealthiest—counties in the United States, comes in for a handout of about $3 million this year under Public Law 874, which one of the laws the administration sought to modify in the interest of economy.

The total cost of the prevailing program amounts to $225 million annually, with beneficiaries including numerous school districts serving permanent military bases. Under the administration plan, appropriations would have been reduced by almost 30 percent the first year, with additional savings scheduled for succeeding years. At a time when the general public is alarmed at the high cost of Government that is constantly reducing purchasing power of the wage earner's dollar, it is extremely unfortunate that an opportunity to save more than $60 million annually was dismissed by the subcommittee. Yet it is encouraging that members considering the amendments submitted this observation in their report:

> It is the feeling of the subcommittee that certain modifications of these programs may be desirable.
>
> For that reason, the subcommittee plans to take up the question again early in the next session with the intention of making specific recommendations.

Mr. Speaker, it is my firm hope that the subcommittee will in its wisdom make a complete reevaluation of the impacted area gratuities in order that the taxpaying public may at long last obtain relief from the current imposition on the Federal Treasury. Meanwhile, Congress can make a distinct contribution to the cause of economy if demands of local citizens are determined before sites for further Government installations are selected.

As Representative of the 22d Congressional District of Pennsylvania, I should like to invite my colleagues to inspect the advantages of Armstrong, Cambria, and Indiana Counties as locales for military bases and Federal offices. Although our per capita income cannot be compared with that of Montgomery County, we should be happy to provide the necessary school facilities for children of Government workers if they are located in our district. We resent having to contribute to the education of students in communities that have pleaded for Government construction and then insist on subsidies to provide for normal services and facilities.

If Montgomery County cannot afford to pay for its own schools, give us some of the new Government offices that are contemplated for the future. We would appreciate the employment opportunities and steady paychecks that come with them. In our part of the country we have thousands of men and women wholly competent of serving in whatever capacities are needed. They will welcome the economic stimulation which Government payrolls provide, and in turn they will meet whatever tax assessments are necessary to maintain our schools.

The 22d Congressional District has ample space, excellent transportation facilities, and a climate far superior to that of Montgomery County. I suggest that Congress consider these advantages before deciding upon further new construction. We would be happy to be classified as a federally impacted area without permitting our school system to become a public charge.

Reciprocal Treatment for Tariff Concessions

EXTENSION OF REMARKS
OF
HON. RICHARD M. SIMPSON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, September 4, 1959

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I submit that orderly foreign commerce conducted on a basis of reciprocity and mutual trust is a goal worth striving for, and I would suggest to the State Department that one way to achieve this worthy objective would be for the United States to insist on reciprocal treatment for every tariff concession granted by our negotiators.

Perhaps we have a right to hope that the State Department will recognize the merits of this policy in time for the next big tariff bargaining festival to be held under the auspices of the General Agreement on Tariffs and Trade in 1961.

The adoption of such a policy, however, would mark a sharp departure from our present practice of tariff giveaways, a procedure to which our diplomats have clung through thick and thin for a quarter of a century. Time after time they have successfully resisted the efforts of embattled American producers and jobholders to encourage real reciprocity in our international commerce.

Another instance of this one-sided give-and-take—we give and they take—came to light this week in the pages of two different newspapers.

The New York Times, long-time advocate of freer trade, reported the tremendous boom in the transitor radio industry in Japan. Exports this year will be more than doubled over 1958, the Times disclosed, and no less than 60 percent of the 4 million transitor sets to be shipped abroad by the Japanese will land in the United States.

Japan's next biggest customer will receive 10 percent of total exports, or about one-sixth as many as are crowded into the U.S. market.

That is half of the story. The other half appears on the pages of the Journal of Commerce, another booster of freer trade. There we learn that the United States plans to talk once again with the Japanese about their discrimination against goods from the dollar area.

The press report goes on to list those products from the dollar area that are denied automatic import license approval. The 10 items on the list include lard, cattle, hides, beef tallow, soy beans, pig iron, and steel, and copper scrap.

Besides that, says the news story, the Japanese discriminate against automobiles made in the United States in favor of small cars manufactured in Europe.

This, of course, illustrates only a single instance of bogus reciprocity in our foreign trade. There are numerous others everywhere we look. The British Prime Minister, in a televised conversation with the President of the United States, appealed for more lenient treatment of British woolen imports, implying to millions of viewers that the United States had quite a way to go to match Britain's liberal trade outlook.

The Prime Minister did not say "ease up on our woolens and we will ease up on your automobiles or electrical equipment." He did not suggest "give our woolen manufacturers a break and we will liberalize our token import plan." In short, he did not say "give us something and we will give you something in return." Not at all. He simply said, politely, "give us something."

Australia offers another case study of bogus reciprocity in action.

In 2 years, 1956 to 1958, the Australians increased their shipments of mutton to the American market by thirtyfold—from a trifle more than 300,000 pounds to more than 14 million pounds. And in the first 6 months of 1959 these imports jumped to 23 million pounds.

Two years ago Australia sent us less than 6 million pounds of beef and veal. Last year these shipments reached 17 million pounds, and in the first half of 1959, they rose to a staggering 83 million pounds.

But what is happening in Australia's domestic market? One development of certain interest to American industry is the appeal of Australian producers of internal combustion engines for a protective tariff.

Engines and engine parts, it seems, are the only parts of motor vehicles which are not now favored by import duties. Australian producers are anxious to remedy this alleged defect. They want a 42½ percent tariff on imported engines and engine parts—but that would apply only to the United States and other countries outside of the Commonwealth preferential tariff system. Nations inside the Commonwealth family would only have to pay a 35 percent tariff to place their engines in the Australian market.

No one knows better than those who recognize its false implications what an effective word "reciprocal" really is. It is rich in meaning; it raises powerful images of faith and trust and mutual responsibility; it is the Golden Rule at work in international relations.

And, sad to say, it represents a picture of foreign trade as illusory, as misleading, as unfair to American industry and labor, as if the entire issue had been distorted and sentimentalized and glamorized in a Hollywood scenario.

Our Government is now making preparations to take part in the next multilateral tariff conference to be sponsored by GATT.

By preparing to take part, I mean specifically that the Government is scanning American industry for products on which to offer new tariff concessions. Experts in the State Department, the Commerce Department, the Agriculture Department, the Tariff Commission, and other agencies are working to put together our country's official bargaining list—some choose to call it, on the basis of painful past experience, the sacrificial offering list.

Nevertheless, this is a highly appropriate time to urge those who are responsible for these negotiations, as well as for the preparatory research that is already underway, to spend some time reexamining this question of reciprocity.

A bargaining list is one thing; what our negotiators do with it when they sit down with representatives of other nations is something else. As long as we have committed ourselves to the disadvantages of multilateral negotiation, let us try to make the best of it. Let our negotiators insist on payment in kind; for one thing, let us stop extending outright tariff reductions in return for somebody else's promise that they will not raise their tariffs on our products.

In my opinion, this practice of granting tariff concessions in return for the other fellow's agreement to stand pat is tantamount to saying, "We will give you something if you promise not to take something away from us that we already have." It is like giving away your car in order to persuade the other fellow not to raise the price of the house he is going to sell you.

Yet, this is exactly what we have done in previous negotiations. Perhaps we have learned our lesson. For the sake of our American economy, I most certainly hope so.

Law Enforcement Officers Deserve Better Public Support

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Friday, September 4, 1959

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address which I delivered before the Tennessee Law Enforcement Officers Association at Knoxville on August 28, 1959.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a pleasure to be back here in Knoxville this evening and to discuss a subject of utmost concern to you as law enforcement officers, to me as a legislator, and to all Americans as responsible citizens.

Crime is a cancer that destroys the minds and the souls of its practitioners and extorts severe penalties from all of us.

Approximately 3 million crimes will be committed in the United States this year. In order to meet this menace about $22 billion will be spent by local and Federal law

enforcement agents. That's more than half the amount that this Nation will spend this year for our national defense. It is 140 times the amount that has been asked by the administration to implement the National Education Defense Act. For every dollar that is contributed to our churches 10 will be spent to combat crime. From a tax standpoint $22 billion cost every citizen $128.

These startling financial figures do not represent the greatest expense that crime inflicts. Most serious of all is the loss in human resources, the corruption of our youth, the weakening of our moral fiber.

When we are locked in a global struggle that threatens our ideals and ideas we cannot afford to see our future strength sapped by the corruption of our youth. I am sure you are well aware of our juvenile delinquency problem and the central part it plays in the whole crime movement. During 1959 more than 1 million young people will get in trouble with the police. More than 50 percent of all those arrested for crime against property will be youths under 21 years of age. The rate of juvenile arrests is growing 2½ times faster than the rate of population growth in this age classification.

Crime does not pay—although a few hoodlums make temporary financial profits. But crime certainly does cost.

Organizations such as yours lead the counterattack against this national menace. The first line of defense against the criminal is the man with the badge who walks the beat or cruises in a patrol car; the sheriffs and officers and policemen who face the gunman, the burglar, and the mugger and at times give their lives in defense of law and order.

ENFORCEMENT OFFICERS DESERVE SUPPORT

You are doing a determined and courageous job, and your ranks are filled with able, dedicated men. But you can't do it all by yourselves. Your efforts are the central ones, but they must derive added strength from other sources. An effective anticrime campaign is one in which America's law enforcement officers represent the link between local civic activity and national coordination. You must have the support and interest of the individual citizens which you are protecting. And your efforts would be greatly enhanced by an exchange of ideas and information between various law enforcement agencies through a national crime commission.

Let's briefly consider these two anticrime elements.

During the hearings before the Senate Crime Investigating Committee in 1950–51, of which I was chairman, we found that the American public was dangerously uninformed and apathetic about the pervasive presence of crime. We met many policemen during our investigations—men who told us of the difficulties they have in enforcing the law because of a lack of support from the law-abiding citizens of their community; men who told us how pressure to obtain special consideration or favors breaks down the whole system of law enforcement.

The ugly facts that splashed across the television set of the Nation served to arouse the American people and rid them of their apathy about the crime problem. The hearings stirred a good deal of anticrime activity in the form of volunteer citizens groups, new crime commissions, tightening of State laws, and congressional legislation.

NEED OF CONSTANT PUBLIC INTEREST

But unfortunately much of this activity, particularly the concern of local citizens, has been sporadic and needs dramatic stimulants. An honest and courageous police officer is priceless even as the children and adults he protects. There may be an occasional bad apple, but the vast majority of our law enforcement population represents America's most dedicated men and women. It is the responsibility of all our citizens to see that our anticrime leaders receive adequate salaries and work in conditions unimpaired by dissension or patronage.

Our law enforcement officers need to be better paid, and they need to have more adequate security when they retire or when they are disabled. Unless we can provide these incentives it is going to be hard to maintain the high caliber of people entrusted with the enforcement of our laws. I think there is a duty on the part of the Federal, State, and local governments in this connection. A great many State and local violations are also violations of Federal statutes. Local law enforcement officers very frequently assist in the enforcement of Federal statutes as well as State laws. Many times they may be killed or disabled while doing so. So I think it is proper that the Federal Government join State and local communities in a program of seeing that our law enforcement officers have better protection.

With this in mind I have filed a bill that will extend the provision of the Federal Employees' Compensation Act to cover State and local law enforcement officers when they are killed or injured while enforcing any Federal law. The bill provides for payment to the extent of one-third of the amount set forth in the Federal Employees' Compensation Act. It is contemplated that the State and local governments would make similar provisions if they have not already done so. I believe that a joint undertaking would help us retain good men and women in the law enforcement service. I believe it is equitable from the viewpoint of the Federal Government. The bill that I have introduced is as follows:

A bill to extend the provisions of the Federal Employees' Compensation Act to State and local law enforcement officers who are killed or injured while, or as a direct result of, enforcing any Federal law

"Whereas it is in the public interest to coordinate the efforts of the Federal, State, and local law enforcement agencies in order to improve the enforcement of laws; and

"Whereas many activities which constitute violations of State laws also constitute violations of Federal laws; and

"Whereas State and local law enforcement officers frequently assist in the enforcement of Federal criminal statutes; and

"Whereas State and local law enforcement officers and their families frequently are not adequately protected in the event any such officer is killed or injured and disabled while engaged in the enforcement of laws; and

"Whereas it is the policy of the Congress that the Federal Government contribute toward the provision of a more adequate measure of protection for State and local law enforcement officers and their families in cases where any such officer is killed or injured and disabled while engaged in enforcing any Federal law: Therefore

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a), except as otherwise provided by section 2, the provisions of the Federal Employees' Compensation Act, as amended, shall apply in the case of any State law enforcement officer (as defined in subsection (b)) who is killed or injured while engaged in, or as a direct result of having engaged in, the enforcement of any Federal law in like manner as if such law enforcement officer were an "employee" as defined in section 40(b) of such Act.

"(b) For the purposes of this Act, the term 'State law enforcement officer' means any sheriff, deputy sheriff, policeman, constable, town marshal, or other officer or employee of any State or political subdivision thereof who is authorized to apprehend and arrest criminals and who is charged with the duty of suppressing criminal activity, apprehending criminals and persons suspected of crimes, preserving the peace, and protecting life and property.

"SEC. 2. The amount of any compensation payable under the Federal Employees' Compensation Act by reason of the provisions of this Act shall be equal to one-third of the amount which would be payable if the individual to whom or on whose account such compensation is payable were an 'employee' as defined in section 40(b) of the Federal Employees' Compensation Act, as amended."

While crime is largely a local problem there is much that can be done nationally to assist our law enforcement agents. Since our investigations in 1950–51 Congress has passed many bills dealing with various types of criminal activity. This legislation, while beneficial, generally can deal only with specific types and certain manifestations of crime. It cannot strike mortal blows at the broad evil that only occasionally hits the headlines, but usually is carried on quietly down the street.

NATIONAL CRIME COMMISSION

Toward this end, I am planning to introduce again in the Senate a bill to establish a National Crime Commission. This Commission, similar to the ones I've proposed in past sessions of Congress, would act as a clearinghouse for the various Federal agencies and anticrime organizations spread throughout the country. It would not interfere with the fine work of the FBI but would supplement it.

It would study the manner and extent to which organized crime uses the facilities of interstate commerce, and evaluate the adequacy of Federal laws dealing with this problem. The Commission would submit recommendations based on its findings, coordinate the activities of various law enforcement agencies, and expedite exchange of information between such groups.

I believe such an organization would provide elements that are often missing from our anticrime movements: unity and permanence. The unity would be supplied by the organizations' coordination of anticrime efforts and cross-ventilation of ideas and techniques. The permanence would come from its continuing presence as a source of information and a sponsor of new programs.

Local encouragement and national cooperation—these are the elements that have been largely absent in past campaigns against crime. In the past 8 years there have been significant improvements along these lines. Present crime rates show clearly that there is much more to be done.

Award of Paul Bunyan Award to Senators Capehart and Sparkman

EXTENSION OF REMARKS

OF

HON. JOHN SPARKMAN

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Friday, September 4, 1959

Mr. SPARKMAN. Mr. President, recently the distinguished senior Senator from Indiana [Mr. CAPEHART] and I were honored by the Lumbermen's For-

est in Israel, an organization in Pennsylvania consisting of people directly or indirectly concerned with home building. This organization honored Senator CAPEHART and me by giving to each of us the Paul Bunyan annual award. The award was made to each of us according to the wording of the plaque "in recognition of his foresight and unrelenting effort in sponsoring legislation for a progressive housing policy aiming to provide the finest housing in the world for the American people." I deemed it a great honor and I am sure that the same was true for Senator CAPEHART.

On that occasion I made a brief talk. I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, Senator CAPEHART, distinguished guests, ladies and gentlemen, I am overwhelmed by your courtesy in doing me this great honor. I think that even Paul Bunyan himself would have been impressed with the dimensions of your generosity.

It is fitting that there should be events, such as this, celebrated in the name of Paul Bunyan. His name is symbolic of the resilience and audacity of a frontier society. This frontier spirit is well expressed by Carl Sandburg when he says that—

"The people will live on.
The learning and blundering people will live on.
They will be tricked and sold and again sold
And go back to the nourishing earth for rootholds,
The people so peculiar in renewal and comeback,
You can't laugh off their capacity to take it."

Daniel G. Hoffman quotes those few lines from Sandburg and observes that the poet finds in the Bunyan stories, "conquests of terror by laughter, of despair by comic ingenuity, and the victory of the indomitable human spirit over adversity."

No task was too great for Paul Bunyan, nor for the indomitable people who created his legend, nor for the people who came after him—both here and in freedom-loving lands abroad.

I wish that we had a Paul Bunyan to take over the task of housing the American people. This is a task which will require all our talents and all our determination.

According to the Bureau of the Census, in 1957 13 million homes in this Nation were substandard—this represents 24 percent, or 1 out of 4 of the 55,340,000 dwelling units in the continental United States. In 1950, the Census Bureau reported 16 million substandard dwelling units, so that in those 7 years we made some progress, but very little indeed when one considers the high level of prosperity during the period.

Why is this?

The simple answer is that we are not producing enough housing units to meet the need. We are not adding enough new units to force abandonment of many existing units which are worn out and have long ago ceased to be fit for human occupancy.

The formation of new nonfarm households over the past few years has amounted to about 1 million units per year. Housing starts, according to the Bureau of Labor statistics, have been a little over 1 million units per year. This is just enough to take care of new household formation.

We must increase production of housing in the future. We have a dual job. First, to produce enough new units to accommodate the big family formation expansion expected to take place in the mid-1960's; and second, to replace the old, wornout, and dilapidated units still occupied.

The babies of the midforties will be the new heads of households of the midsixties, so it requires only simple arithmetic to estimate the probable new family formation for that period. In addition to the need to build enough units to meet the requirements of new household formation and to replace existing substandard units, there is an ever-pressing demand for improvement in the quality of housing consistent with our existing standard of living.

The construction of homes priced to meet the growing needs of larger families is another pressure for expansion of housing construction.

With all these demand factors in mind, we have some rough idea of the job ahead of us. With the right product and the right price, housing production of the mid-1960's could easily double that produced today.

The question is—Can it be done? Do we have the tools to produce housing units within the next 10 years at a rate double the present performance?

I know what Paul Bunyan's answer would be—and my answer is the same. We can produce as much housing as we are willing to produce—and we should never rest until every family in this Nation has a decent home in a suitable living environment.

It is also fitting that Paul Bunyan should be a symbol for your efforts to encourage land reclamation and the development of forests in Israel. For Israel is indeed a frontier, even as our own land was—not so many years ago. Perhaps this work you do through your committee is in partial fulfillment of God's word, when He spoke through Isaiah to say:

"I will open rivers in high places, and fountains in the midst of the valleys: I will make the wilderness a pool of water, and the dry land springs of water.

"I will plant in the wilderness the cedar, the shittah tree, and the myrtle, and the oil tree; I will set in the desert the fir tree, and the pine, and the box tree together."

You in this assembly, and others all over the country, are helping Israel survive under difficulties almost beyond imagination. Israel is an area no larger than the State of Massachusetts, bordered on three sides by unfriendly nations, and suffering from a minimum of natural and climatic resources. We are helping this tiny nation to remain a lamp of freedom, in a part of the world besieged by Communist pressures, in spite of the many handicaps her people face.

What has already been accomplished toward making Israel economically independent is almost unbelievable.

Land under cultivation increased from 400,000 acres in 1949 to 950,000 in 1957. To restore these vast areas to fruitfulness was in many instances a matter of digging stones out of rough terrain by hand. Most of it was done, however, by modern agricultural equipment supplied in large part by help from people in the United States.

In a great program of reforestation in which your organization has played such an important part there have been planted 27,585,000 trees.

Even with this tremendous development of her land resources Israel supplies only about 70 percent of her overall agricultural needs.

Industrial production has increased by more than 300 percent since 1949. Productivity per worker has risen about 50 percent.

This greater industrial production gave a needed boost to Israel's exports, which quintupled during the decade. Exports totaled $200 million in 1957, and reached $250 million last year.

All this was achieved despite a crippling security burden, an Arab boycott, and the absorption of 900,000 immigrants.

We Americans, it seems to me, must assume these fundamental facts about Israel:

1. It is a reality. It is idle to argue whether or not there should be a country such as Israel.

2. The United States had a leading part in the establishment and recognition of Israel as a free and independent country. It cannot, and will not, stand idly by and see Israel destroyed.

3. Perhaps most important of all, despite the initial hardships and difficulties which this new little State has encountered and despite the efforts of the Communists to entice Israel into their orbit, Israel has stood firm for freedom in the great struggle of this mid-20th century.

To Israel we say: "We cherish your freedom and we intend to do what we can to keep you free."

It is imperative that we renew this assurance from time to time. We need to do so to make crystal clear to Russia and to others that we will live up to the moral obligation that we incurred when we helped to establish that little country.

By patience, tolerance, perseverance, and vigilance in the protection of individual freedom, Israel can serve to lead others to democracy and its many advantages.

It is encouraging that you are doing your bit in working for continued economic development and prosperity in that area.

Let me thank you again for this occasion and this opportunity to be with you. I wish you every success in your great work.

Excerpts From Speech by Senator Harry F. Byrd, of Virginia, at His 37th Annual Orchard Picnic, Berryville, Va., Saturday, August 29, 1959

EXTENSION OF REMARKS
OF
HON. WATKINS M. ABBITT
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Friday, September 4, 1959

Mr. ABBITT. Mr. Speaker, on Saturday, August 29, the Honorable HARRY F. BYRD, senior Senator from Virginia, gave his 37th annual orchard picnic at Berryville, Va. Senator BYRD is so widely known, respected, and beloved by the people that I will not go into his many accomplishments but simply state that he is Virginia's first citizen and one of the outstanding statesmen of America. At the picnic, as has been the custom in the past, Senator BYRD delivered a most enlightening and cogent speech on the events of interest to our people. Under leave to extend my remarks, I include herewith Senator BYRD's speech:

One of the main topics of conversation in Washington is the approaching visit of Khrushchev. The Congress appears to be divided as to the wisdom of his visit. It has its minus side as well as its plus side. Should one of the hundreds of thousands of refugees who have come to America because of the cruelty of Communist Russia take a shot at Khrushchev, it might start a third world war. Such risks as this, in my opinion, outweigh the plus side of his visit.

I am one of those Senators who do not believe he should be invited to address a joint session of the Congress of the United States.

That is the supreme honor accorded only to those we can trust and those who are our friends, such as Winston Churchill. Should a resolution inviting him be presented, and I hope it will not be, I will consider it my duty to vote against it. I am not willing for the Congress officially to pay tribute to the world's greatest Communist and our most dangerous enemy by inviting him to speak formally to the Congress of the United States.

We all know that we must live in the same world with those who ideas differ from ours, and with nations which have different forms of government. But in the case of Russia, let us always remember that Russia is a totalitarian nation, controlled by one man who recognizes only brute strength.

Let us greet Mr. Khrushchev with courtesy, let us protect him in every way possible, but do not let him or any other Russian lead us into a sense of false security. And above all do not let him sell us a bill of goods.

We must keep our military strength equal to if not greater than Russia's. This is our only protection. The Russians equal or excel us in the field of rockets. They definitely excel us in submarines equipped with nuclear weapons, but we excel them in the air and on the sea and in the development of atomic weapons.

It is tragic that after World War II we should find it necessary to prepare ourselves against attack by a formidable nation whose leader appears to be bent on extending his frontiers and control over weaker nations wherever he can find them. As a member of the Armed Services Committee I tell you we must not let our guard down.

As has been my custom, I will give you a BYRD's eye view of the work of the Congress and elsewhere in the Government this year. I shall not go into detail because much has happened since our last meeting.

THE WARREN SUPREME COURT

I call the present Supreme Court the Warren court so as to distinguish it from those courts on which great Justices previously have served our country so honorably and well and with such distinction and dedication to our principles.

The Warren court continues to run true to form, continues to render decision after decision in defiance of constitutional democracy, which, in the brief space of about 180 years, has made America the greatest of all nations.

America has only one-sixth of the population of the world, one-seventh of the earth's surface, but produces one-third of all the world's goods. This is because of our competitive enterprise system and the freedoms of our people.

The Warren court hands down decisions on Mondays. Nearly every Monday when the Court is in session is a Black Monday.

I will not go over the ground which I covered here a year ago when I listed the decisions of the Warren court since 1954. Beginning with the integration decision, these Warren court decisions have steadily weakened our democracy.

This school decision is perhaps the most iniquitous and infamous of all. It was not based upon law nor was it based upon the Constitution, as many distinguished lawyers have so often said.

Since I spoke to you last, the Warren court has rendered three more particularly vicious decisions:

One to search a man's house without a warrant.

Even under the despotic rule of the early English kings a man's home was his castle, and no one could enter without due process of law.

Another decision would destroy the right of States to control and protect their citizens from indecency and immorality in books and pictures.

The third was a decision to permit the States to tax interstate commerce, which is in violation of the interstate commerce clause of the Constitution.

It happens that I have two distinctions, although some may think they are not too creditable. One is that I am the only Member of the Senate now who voted against the Wagner Labor Act in 1935 which gave special privileges to the labor unions.

The second distinction is that I am the only Member of the Senate now who opposed the Tennessee Valley Authority.

These votes represent my philosophy of government. I do not believe in special privileges for either labor or business. I believe in the private enterprise system which is the source of our progress and advancement.

The Senate labor bill was a weak bill. I did all I could to strengthen it. The House labor bill is strong. It not only gives protection to the membership of the unions, but also controls secondary boycotts, hot cargoes, and such things which can destroy businesses not directly involved in any strike.

The House bill has strong provisions to prevent the intimidation of workers by means of picketing. Virginia is fortunate in that during the administration of Gov. William M. Tuck workers were guaranteed the right to work and are protected against violence and interference by pickets or otherwise.

The new Federal labor bill is now in conference where the differences between the House and the Senate bills are being worked out. Labor legislation must not be unfair to labor, but the excesses of ruthless labor leaders must be curbed. Only Congress has the power to do this.

James B. Carey, president of the International Union of Electrical Radio and Machine Workers, inadvertently gave an assist to the passage of the stronger House bill when he wrote to each Member of Congress threatening to defeat every Senator and Congressman who voted for the bill.

PRINCE EDWARD

Before I conclude let me mention that ordinarily public schools next week would be reopening all over the State. But this year not a public school in Prince Edward County will open. Never before in the history of public schools in Virginia or any other State has a whole county withdrawn from the public education system.

It is vital, I think, that we in Virginia and people everywhere in America understand the conditions that brought about this closing of all public schools in an entire county.

In 1951 a suit was instituted against Prince Edward County in Virginia and Clarendon County, S.C., to require school integration. In 1954 the Warren court rendered a decision directed at these two counties imposing integration in all public schools with deliberate speed.

The great and able Virginia judge, Sterling Hutcheson, in a memorable decision, found deliberate speed in the case of Prince Edward to be at least 6 to 7 years.

The leaders of the NAACP then took an appeal, although they were urged not to do so my many of those who favored the Warren Supreme Court decision. Then the Federal Court of Appeals overruled Judge Hutcheson and ordered the Prince Edward schools to be integrated in the school year beginning next week. Thus, the county of Prince Edward faced massive integration. Such an enforced integration means the destruction of the public schools in that county.

There are 1780 colored pupils in Prince Edward and 1562 white pupils. The people of Prince Edward were prepared. They had determined when the suit was first instituted against them 8 years ago that they would resist forced integration. They did this in order to preserve a system of education because they knew white students would not attend integrated schools.

It is significant that although Clarendon County, S.C., was the other defendant in the suit, no effort has been made by the NAACP to integrate in that county.

The people of Prince Edward made no threats, they issued no inflammatory statements. There was no violence and no disorder. They have calmly and deliberately established a new system of private education without the use of a single public-school facility, buildings, schoolbuses, or any other public-school equipment.

Every white student in the county will go to school, using completely nonpublic facilities. The parents of the colored students have not attempted to avail themselves of other means of education.

In order to comply with the decision of Chief Justice Taft, rendered in 1928, providing for equal but separate school facilities, Prince Edward expended $1 million on a colored high school building. Prince Edward still owes $400,000 on this school. It will be closed. The blame for this situation must be placed directly upon the ruthless action of the NAACP.

The colored people of Prince Edward County have been the victims of their leaders. Their lack of education must be laid directly at the door of those NAACP leaders who have become the integration enforcement agents for the Warren court.

Since the NAACP is responsible for closing the Negro schools in Prince Edward it would be appropriate for this association to allocate a part of its large tax exempt income to aid the Negroes in this county to obtain an education. In doing this the NAACP could in part make atonement for the injury they have done to these members of their race.

Knowing the people of Prince Edward as I do, I am confident that they are prepared to do everything wthin their power to give the colored students of Prince Edward the same education they have had in the past in segregated schools.

The NAACP has won its lawsuits and the Negroes have lost their schools, operated 85 percent at the expense of the white people of Prince Edward.

It is a tragedy for everyone—all because the NAACP deliberately and maliciously forced this action upon Prince Edward. Prince Edward has taken the only action it could take. The county had sought by every honorable means to avoid this step. It was faced with the destruction of its school system. White parents had taxed themselves heavily to build new Negro schools, and the Negroes had as many classrooms as the whites—Negro schoolteachers were paid exactly the same as the white.

The action that Prince Edward has taken is courageous, and it was thoughtfully and well considered. The brave citizens of Prince Edward are true to the faith of their fathers.

Those who expressed confidence in the so-called moderation of the NAACP which is enforcing the integration laws should not only take note of this ruthless action taken against Prince Edward, but they should note the recent statement by the NAACP spokesman, Roy Wilkins, which has great significance.

"With the collapse of massive resistance laws," declares Roy Wilkins, national executive secretary of the National Association for the Advancement of Colored People, "the

South is trying to adopt a token compliance policy to get around the 1954 Supreme Court decision. Generally," he adds, "we are opposed to any form of token integration on the grounds that it is contrary to the Court's decision, but the NAACP will go along with plans where it appears to be a bona fide start toward desegregation."

Note that Wilkins accepts token integration only as a "bona fide start toward desegregation." Desegregation means massive integration.

I and other Virginians who advocated massive resistance to the illegal school integration decision of the Warren court have been bitterly denounced, chiefly by those outside of Virginia.

I stand now as I stood when I first urged massive resistance.

I believe then as I believe now that it is either massive resistance or in the long run run massive integration, and this would destroy our entire school system.

As one who has been honored so often by the Virginia people I felt my duty was to give the best advice of which I was capable.

At least under the massive resistance program Virginia remained segregated for 5 years after the Warren decision, notwithstanding the fact that massive efforts of the Federal Government and the NAACP were directed at Virginia alone.

Due to the concentration of all power against us today Virginia is the only Southern State having enforced integration.

The policy was to break Virginia down first, and now the unholy alliance of the NAACP and the Federal Government will attempt the same strong-arm methods throughout the South.

I am firmly convinced that as long as the NAACP is in the driver's seat, the goal is massive integration all down the line in all walks of life.

Just a few weeks ago the NAACP met in New York City in annual convention and were addressed by so-called political notables.

A resolution was adopted declaring for complete integration of the races in all areas, effective on the 100th anniversary of the signing by Lincoln of the proclamation for the emancipation of the slaves. This program naturally includes declaring unconstitutional all State laws prohibiting mixed marriages.

If Warren lives long enough and remains on the Court this decision will certainly be rendered. It is not necessary for me to forecast the calamitous results of massive integration accompanied by legal encouragement toward mixed marriages.

SENATE

SATURDAY, SEPTEMBER 5, 1959

(Legislative day of Monday, August 31, 1959)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal Father, strong to save: Amid all the confusion and bafflement of these days, we pray by Thy sustaining grace that our minds may be kept clear and clean and uncluttered by prejudice.

Lord, in this hour of tumult;
Lord, in this night of fears;
Keep open, O keep open
Our eyes, our hearts, our ears
In this sacred temple of the Republic's life,
Not blindly nor in hatred,
Lord let us do our part.
Keep open, O keep open, dear Lord,
Our eyes, our mind, our heart.

Amen.

REQUESTS FOR COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Banking and Currency Committee, which is considering the housing bill, be permitted to sit during the session of the Senate today.

The VICE PRESIDENT. Without objection——

Mr. MORSE. Mr. President——

The VICE PRESIDENT. Is there objection?

Mr. MORSE. I object.

The VICE PRESIDENT. Objection is heard.

Mr. JOHNSON of Texas. Mr. President, it may be necessary to recess the Senate, in order to permit committees to meet, to transact the public business. I hope that will not be necessary; but I want all Members to be on notice that it may be necessary. I trust that the 90-odd Members who indicated that they were willing, ready, and anxious to work to complete the job which we were elected to do will be here to support that position.

Mr. President, I ask unanimous consent that the Finance Committee, which has under consideration the bill on the interest rate ceiling on E bonds and H bonds, may be permitted to sit during the session of the Senate today.

Mr. MORSE. Mr. President, I object

FEDERAL-AID HIGHWAY ACT OF 1959

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 934, House bill 8678.

The VICE PRESIDENT. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, which had been reported from the Committee on Public Works, with amendments; and subsequently had been reported from the Committee on Finance, with additional amendments.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the motion to consider the bill was agreed to be reconsidered.

Mr. KUCHEL. Mr. President, I move to lay on the table the motion to reconsider.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I give notice to the Senate that we expect to have a late session this evening. It may continue until as late as midnight, at least. We are hopeful that the Senate will be able today to pass the very important Federal-aid-to-highways bill.

We received complete cooperation from all the members of the two Senate committees yesterday; and I particularly wish to express the appreciation of the Senate and, I believe, of the country, to the very able Senator from Tennessee [Mr. GORE], the very able Senator from Minnesota [Mr. MCCARTHY], and the very able Senator from New Mexico [Mr. ANDERSON], and to other Senators who had proposals in which they were interested. They realize the importance of this bill; and they also realize that with each day that passes, the country is losing taxes it will need in order to make the highway program a success.

As a result of their diligence and the diligence of the chairman of the Finance Committee, the Senator from Virginia [Mr. BYRD], and the chairman of the Public Works Committee, the Senator from New Mexico [Mr. CHAVEZ], we were able—notwithstanding the fact that it was necessary for the Senate to be in recess—to get that important piece of proposed legislation reported.

Each Member will have a chance to say what he wishes to say on that measure, today; and a little later I will propose a unanimous-consent request for a limitation of time, so that Members who may desire to be away from the Chamber may know when to expect votes.

But at the moment——

Mr. PROUTY. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. PROUTY. The Senator from Texas knows that a very controversial amendment, an amendment which relates to billboards, which was approved yesterday by the Public Works Committee, is in the highway bill; and millions of people throughout the country are very much concerned about that provision.

I hope the distinguished majority leader will not seek to limit time on this important question, about which few Members know anything; they have no idea of what the effects will be on their individual States. I believe widespread resentment would result if we were to act on this proposal too precipitately.

Mr. JOHNSON of Texas. Mr. President, I do not intend to act on it precipitately. I am simply trying to carry out the requests of the administration and of the Members of the Senate.

So we shall be here hour after hour after hour, to attend to the necessary business.

Mr. President——

The VICE PRESIDENT. The Senator from Texas.

RECESS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate take a recess, subject to the call of the Chair.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and (at 11 o'clock and 5 minutes a.m.) the Senate took a recess, subject to the call of the Chair.

At 12 o'clock and 45 minutes p.m. the Senate resumed its session, on the expiration of the recess.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 5, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. ALAN BIBLE, a Senator from the State of Nevada, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. BIBLE thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

S. 1555. An act to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes;

S. 2457. An act to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government;

H.R. 7040. An act making appropriations for sundry independent executives bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes; and

H.R. 8575. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

ORDER OF BUSINESS

Mr. BYRD of Virginia. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives.

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate a bill coming over from the House of Representatives, which will be read the first time.

The bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, was read the first time by its title.

The ACTING PRESIDENT pro tempore. Is there objection to the second reading and reference of the bill?

Mr. MORSE. Mr. President, I object.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in adjournment for 3 minutes.

The motion was agreed to; and, at 12 o'clock and 48 minutes p.m., the Senate adjourned for 3 minutes.

AFTER ADJOURNMENT

(Saturday, September 5, 1959)

The Senate met at 12 o'clock and 51 minutes p.m., pursuant to adjournment.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 5, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. ALAN BIBLE, a Senator from the State of Nevada, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. BIBLE thereupon took the chair as Acting President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou Master of all good workmen, enrich us with the durable satisfactions of life, so that the multiplying years may not find us bankrupt in those things which matter most—the golden currency of faith, and hope, and love.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

The ACTING PRESIDENT pro tempore. The Secretary will proceed to read the Journal.

The Secretary proceeded to read the Journal of Thursday, September 3, Friday, September 4, and Saturday, September 5, embraced in the legislative day of Monday, August 31, 1959.

During the reading the following occurred:

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Is it proper to have the bill read the second time now?

The ACTING PRESIDENT pro tempore. It will be proper to do so as soon as the reading of the Journal has been disposed of.

Mr. JOHNSON of Texas. That will take several minutes, if it is desired to waste the public funds to engage in dilatory tactics by reading the Journal. But if it is necessary to do so, that can be done. Then we hope to have the bill read the second time and referred to committee. It is a very important bill. It is a bill on which we want to act next week. The committee is prepared to meet late this afternoon. If the Journal can be approved without having it read in its entirety, I should like to have that done, because the reading of the Journal is purely a formality.

I ask unanimous consent that the reading of the Journal be dispensed with, so that the bill may be read the second time and referred to committee, and that the committee can give proper consideration to it.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Reserving the right to object, I shall not take any time now to discuss certain reasons for the course of action which the senior Senator from Oregon is taking in regard to the parliamentary problems before the Senate. I shall discuss them at some length in a later speech. Therefore, at this time I will object.

The ACTING PRESIDENT pro tempore. The clerk will proceed with the reading of the Journal.

The Secretary resumed the reading of the Journal.

Mr. MORSE. Mr. President, may we have order, so that I can hear the reading of the Journal? I raise a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senate will be in order. The Senator may state his parliamentary inquiry.

Mr. MORSE. Will the Chair advise me whether the Journal is being read in sequence, without omissions? The only reason why I raise the question is that I notice the reading clerk has turned a great many pages. I assume they are blank pages and are not a part of the Journal.

The ACTING PRESIDENT pro tempore. The Chair is advised that the Secretary read the action on the conference report, but did not read the conference report word for word.

Mr. MORSE. Mr. President, I object to the omission from the reading of any

of the material contained in the Journal. The rule makes perfectly clear that the Journal is to be read and that the Journal is subject to approval; and I object to any omission or failure to read any part of the official Journal.

The ACTING PRESIDENT pro tempore. The Chair is advised that objection has been made; therefore, the Journal is to be read in full.

The Secretary resumed the reading of the Journal.

Mr. MORSE. Mr. President, I cannot hear the Secretary.

The ACTING PRESIDENT pro tempore. The Chair must insist that the Senate be in order. The Secretary will suspend until the Senate is in order.

The Chair asks the Secretary to read just a little louder, so the Senator from Oregon can hear every word.

The Secretary will proceed.

The Secretary resumed and concluded the reading of the Journal.

ENROLLED BILLS SIGNED

The ACTING PRESIDENT pro tempore announced that he had signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 1555. An act to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes;

S. 2457. An act to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government;

H.R. 7040. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes; and

H.R. 8575. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

INTEREST RATES ON E AND H U.S. SAVINGS BONDS—HOUSE BILL REFERRED

The PRESIDING OFFICER (Mr. CANNON in the chair). The Chair lays before the Senate House bill 9035 for a second reading and reference to the Committee on Finance.

The bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, which was read the second time by title and referred to the Committee on Finance.

FEDERAL AID HIGHWAY ACT OF 1959

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 934, House bill 8678, the Federal Aid Highway Act of 1959.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 8678), to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments, and subsequently reported from the Committee on Finance with additional amendments.

Mr. JOHNSON of Texas. Mr. President, I wish to inform Senators that this is a very important bill. There are a number of amendments both from the Committee on Public Works and the Committee on Finance which Senators will wish to examine. Several amendments have been submitted by the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. MCCARTHY], and other members of the Finance Committee. I am told that so far as the committee is concerned, no lengthy debate will be necessary, although a full explanation is desired of each amendment and of its effect. Rollcalls will be requested.

One of the amendments involves reducing the appropriations 1 percent. Another amendment involves using the tax dividend credit, to take care of highway obligations. There are other amendments with which I am not familiar in detail.

The Senate will remain in session as late this evening as necessary to pass the bill and send it to conference. Some amendments have been added by both the Public Works Committee and the Finance Committee. It is desired to send the bill to conference before the Senate adjourns or takes a recess this evening. So I ask the acting minority leader and the attachés on the minority side, as well as those on the majority side, to give each Senator due notice that there is pending business.

It may be necessary for the Senate to take a recess for a brief period for consideration of other committee business if we are unable to obtain consent to have committees meet during the session of the Senate. I am hopeful that we shall be able to obtain consent for the Finance Committee to meet for a brief period. If so, we shall not have to take a recess. However, if a recess is necessary, it will be taken, and the Senate will reassemble later.

I also expect to ask unanimous consent, if I am able to arrive at a satisfactory arrangement with the author of an amendment and with the chairman of the committee and any other Senators who may be interested in specific amendments, so that Senators who may be detained at other places in the city or at their homes will know definitely the time we expect to vote, in order that all Senators may have an opportunity to record themselves.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. I intended to propound this inquiry immediately following the reading of the Journal. For the RECORD, I should like to make this inquiry: Will the Chair advise the Senator from Oregon whether or not the entire Journal was read, without omissions?

The PRESIDING OFFICER. So far as the Chair knows, the entire Journal was read, without omission.

The clerk will state the first committee amendment.

The LEGISLATIVE CLERK. On page 2, after line 15, it is proposed a new section, entitled "Parkways."

Mr. JOHNSON of Texas. Mr. President, I inquire of the Senator from Tennessee [Mr. GORE] if he is prepared to offer his amendment when he obtains recognition?

Mr. GORE. I am.

Mr. JOHNSON of Texas. I hope all Senators now in the Chamber will take note of this fact, and that the aides will notify other Senators.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill, as thus amended, be regarded as original text for the purpose of amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments of the Committee on Public Works agreed to en bloc were:

On page 2, after line 15, to insert a new section, as follows:

"SEC. 104. Parkways.

"For the purpose of carrying out the provisions of section 4(b) of the Federal-Aid Highway Act of 1958 (72 Stat. 93), there is hereby authorized to be appropriated for the construction, reconstruction, and improvement of parkways, authorized by Acts of Congress, on lands to which title is vested in the United States, the additional sum of $2,000,000 for the fiscal year ending June 30, 1960."

At the top of page 3, to insert a new section, as follows:

"SEC. 105. National System of Interstate and Defense Highway mileage study for Alaska and Hawaii.

"The Secretary of Commerce is authorized and directed to make a study of the need for the extension of the National System of Interstate and Defense Highways within the States of Alaska and Hawaii, and report the results of such study to the Congress within ten days subsequent to January 4, 1960. The report shall include recommendations as to the approximate routes and mileages thereof which should be included in such system within those States."

After line 11, to insert a new section, as follows:

"SEC. 106. Exemption from national standards of certain areas adjacent to the Interstate System.

"That subsection (b) of title 23, section 131 of the United States Code is amended by striking therefrom the following language: 'Upon application of the State, any such

agreement may, within the discretion of the Secretary of Commerce consistent with the national policy, provide for excluding from application of the national standards segments of the Interstate System which traverse incorporated municipalities wherein the use of real property adjacent to the Interstate System is subject to municipal regulation or control, or which traverse other areas where the land use is clearly established by State law as industrial or commercial:' and substituting therefor the following language: 'This section shall not apply to those segments of the Interstate System within the presently existing boundaries of incorporated municipalities where in the use of real property adjacent to the Interstate System is subject to municipal regulation or control, or which traverse other areas where the land use, as of the date of approval of this Act, is clearly established by State law as industrial or commercial:'"

And on page 4, after line 10, to insert a new section, as follows:

"SEC. 107. Emergency relief.

"(a) That section 125 of title 23, United States Code, is amended to read as follows:

"'§ 125. Emergency relief.

"'(a) An emergency fund is authorized for expenditure by the Secretary, subject to the provisions of this section and section 120, for the repair or reconstruction of highways, roads, and trails which he shall find have suffered serious damage as the result of disaster over a wide area, such as by floods, hurricanes, tidal waves, earthquakes, severe storms, landslides, or other catastrophes in any part of the United States. The appropriation of such moneys, not to exceed $30,000,000 as may be necessary for the initial establishment of this fund and for its replenishment on an annual basis is authorized. Pending such appropriation or replenishment the Secretary may expend from any funds heretofore or hereafter appropriated for expenditure in accordance with the provisions of this title, including existing Federal-aid appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriations herein authorized when made.

"'(b) The Secretary may expend funds from the emergency fund herein authorized for the repair or reconstruction of highways on the Federal-aid highway systems, including the Interstate System, in accordance with the provisions of this chapter. Except as to highways, roads, and trails mentioned in subsection (c) of this section, no funds shall be so expended unless the Secretary has received an application therefor from the State highway department, and unless an emergency has been declared by the Governor of the State and concurred in by the Secretary.

"'(c) The Secretary may expend funds from the emergency fund herein authorized, either independently or in cooperation with any other branch of the Government, State agency, organization, or person, for the repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, and Indian reservation roads, whether or not such highways, roads, or trails are on any of the Federal-aid highway systems.'

"(b) Subsection (f) of section 120 of title 23, United States Code, is amended to read as follows:

"'(f) The Federal share payable on account of any repair or reconstruction provided for by funds made available under section 125 of this title shall not exceed 50 per centum of the cost thereof, except that the Federal share payable on account of any repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, and Indian reservation roads may amount to 100 per centum of the cost thereof, whether or not such highways, roads, or trails are on any Federal-aid highway system. Any project agreement for which the final voucher has not been approved by the Secretary on or before the date of this Act may be modified to provide for the Federal share authorized herein.'"

The amendments of the Committee on Finance agreed to en bloc were:

On page 7, at the beginning of line 2, to strike out "September" and insert "October"; at the beginning of line 10, to strike out "September" and insert "October"; on page 8, line 5, after the word "on", to strike out "September" and insert "October"; in line 16, after the word "after", to strike out "November 30" and insert "December 31"; on page 9, line 5, after "July 1,", to strike out "1951" and insert "1961"; on page 11, line 19, after the word "distributor", to insert "and a dealer selling gasoline exclusively to producers of gasoline", and on page 12, line 7, after "(2)", to strike out "is registered and bonded" and insert "elects to register and give a bond."

Mr. JOHNSON of Texas. Mr. President, if the Senator from Tennessee will offer his amendment at the conclusion of these statements by Senators who now desire recognition, I shall attempt to obtain the attendance of other Senators.

THE CRISIS IN LAOS

Mr. DODD. Mr. President, the latest phase of overt Communist aggression against free and peaceful neighbors, the subjugation of Tibet and the guerrilla-type invasions of Laos and India, marks the end of the uneasy truce that has existed in southeast Asia since the Geneva accord of 1954. The conjunction of this aggression with the preparation of an exchange of informal summit meetings between Khrushchev and President Eisenhower calls to mind two events of recent history.

One is the trip of Bulganin and Khrushchev to India in 1955. Prime Minister Nehru, in an honest but misguided attempt to give Khrushchev and Bulganin full opportunity to observe and to be observed, gave them every chance to make the most of their visit. Every kindness and honor imaginable was extended to them. Khrushchev and Bulganin were invited to address the Indian Parliament, just as many have urged that Khrushchev be invited to address our Congress. The theme of their talks was peaceful coexistence, just as Khrushchev has recently released an address on peaceful coexistence for publication in American newspapers.

Khrushchev and Bulganin donned Indian headdress, publicly observed the rituals and customs of the Moslems, and in general took full advantage of every opportunity to make a favorable impression and to create a false atmosphere of good feeling.

And what was the result of all this?

The people of India were softened up. The hand of communism within India was strengthened. The Government of India was lulled into a false sense of security. And now, those who preached peaceful coexistence a few years ago have launched Communist invasions into Indian territory and are directing Communist uprisings and riotings in the cities of India.

The second event which the present world situation calls to mind is the ill-fated Geneva Summit Conference also in 1955. That conference, like those of this year, was called ostensibly to achieve a "lessening of tensions."

The same make-believe atmosphere of false optimism that is now so apparent filled the air then.

We now know that at the very time free world leaders were meeting with Khrushchev and Bulganin to discuss peace, the Communists were secretly shipping arms to the Middle East in an attempt to stir up further warfare and subversion.

And so it is not surprising that preparations for a new round of summit conferences should be accompanied by new acts of Communist aggression, this time in southeast Asia.

But there is one striking difference in the circumstances surrounding the summit conference of 1955 and the present series of negotiations.

Khrushchev made some peaceful gestures to pave the way for the last summit conference, by agreeing to the liberation of Austria and by the dramatic though short-lived restoration of normal relations with Yugoslavia. And at that time, the treacherous arms shipments to the Middle East were made under a veil of secrecy.

Here lies the great difference between then and now. The present Communist estimate of the free world and its leaders is so diminished that they now seek, and gain, their conferences by ultimatums. And the Communists are now so contemptuous of us that they engage in open aggression as a prelude to meetings with our President.

The guerrilla attacks on India and Laos constitute only a part of an entire pattern of Communist aggression extending along the 2,000-mile border of Communist China which parallels the borders of Laos, Burma, India, Bhutan, Sikkim, and Nepal. Each of these nations is being attacked, infiltrated or threatened by forces directed from Peiping and Moscow. From the China Sea to the Himalayas, militant and aggressive communism is on the march.

There is a great deal of speculation about the nature of Khrushchev's role in these attacks. I believe that Khrushchev is an accomplice and a collaborator. During the early stages of the attack on Laos, the North Vietnamese Communist chief, Ho Chi Minh, was Khrushchev's guest during an extended state visit to Moscow. Ho was in Moscow throughout the period when the propaganda barrage against Laos was unleased. First, the Red government in Hanoi, then the Red government in Peiping, and finally the Red government in Moscow joined in the propaganda attack which accompanied the invasion.

The Moscow press continues to make its false charges against Laos and the United States.

There was a time, only a few months ago, when the President refused to negotiate under the threat of an ultimatum. Now, we not only negotiate under ulti-

matum, but in the face of open aggression against the free world.

The subjugation of Tibet is now an accomplished fact. Its remoteness and inaccessibility foreclosed its defense.

As for India, Prime Minister Nehru declines to call the attack across Indian borders an invasion. He does not seek free world assistance and we must await further action by the Government of India before planning our own course.

But in Laos the situation is different. It is a nation which can be defended. It is a nation which has asked for free world help. It is a nation whose defense is essential, geographically and psychologically, if we are to save southeast Asia from communism.

The fall of Laos would give the Communists easy access to Cambodia and Thailand across a vulnerable frontier, and it would allow them to flank South Vietnam. Should Laos fall, should the story of North Vietnam be repeated, it is probable that the free peoples of southeast Asia would become so demoralized as to make their lands impossible to defend.

And so I should like briefly to review the situation there and suggest a course of action for our country.

Laos is a small nation with about two million inhabitants. Its borders were created by the Geneva truce of 1954 by which French Indochina was divided between the Communists and the free world. The Communist half bears the name North Vietnam. The free half was in turn subdivided into the states of Laos, South Vietnam and Cambodia.

The United States did not sign the Geneva accord which divided French Indochina, presumably because of Secretary Dulles' conviction that this agreement represented appeasement to communism.

Having neither the courage for armed intervention against the Communists in Indochina nor the honesty to openly acquiesce in appeasement, our Government, like Pontius Pilate, washed its hands of the matter. But we have not been able to wash our hands of the consequences of this appeasement.

It is somewhat remarkable that the free section of Indochina has resisted Communist subversion for 5 years. At the time of the Geneva accord in 1954, all signs pointed to a swift Communist takeover of the entire Indochina area. A combination of factors, including effective local leadership and large scale free world assistance has preserved this area from falling victim to Communist subversion or infiltration. It is now clear that it will fall only through overt military aggression and that is what is taking place at this moment.

Since 1955, the United States has poured $225 million of economic aid into Laos, an enormous amount for a nation of this size.

There are conflicting estimates of the effectiveness of our Lao foreign aid program. Some grave charges have been made against its operation, and strong rebuttals have been made to those charges. Whatever the imperfections of the program, it is clear that our aid has strengthened the country and improved conditions of life there.

The leader of Laos, Prime Minister Phoui Sananikone, has apparently proved to be a forceful, capable, and popular figure. Faced in the beginning with two provinces under the control of a Communist group known as the Pathet Lao, and saddled with Communist representatives in his Cabinet, he has integrated Pathet Lao into free Laos and has banished Communist representation from his government.

Laos now has an army of about 25,000 regular troops, backed up by 16,000 militia. This army is largely untrained, and a training program, directed by the French, is now under way. The army is financed and equipped through U.S. aid.

Communist guerrilla invaders are now active in 8 of the 12 provinces of Laos. They are present in large numbers only in the Province of Sam Neua, where two Communist pincer movements have this province virtually surrounded.

It is estimated by Lao observers that approximately 2,500 Communist guerrillas are in Sam Neua Province, broken up into small groups of 50 to 200 men. An additional 1,000 Communist guerrillas are scattered throughout the other seven provinces.

As yet there have been no pitched battles nor large-scale fighting. But the mountainous, junglelike, inaccessible terrain of Laos adapts itself perfectly to Communist guerrilla tactics.

Guerrilla forces have struck within 16 miles of Vientiene, the administrative capital of Laos. Today's reports place them a dozen miles from the principal government position in Sam Neua. Characteristic of this type of warfare is the report of one of these guerrilla units called a "psychological warfare unit" containing approximately 130 men. This unit is terrorizing Lao communities by raiding villages, and by slashing the throats of infants in the presence of their parents and hurling their multilated bodies into the Mekong River in order to send a message of terror to the communities to the south. This is the authentic mark of communism.

The situation is further complicated by the fact that this is the monsoon season. This makes it difficult for the Government of Laos to maintain supply lines and communications with its troops, and we may assume that it similarly hampers the invading Communist forces. The monsoon season ends in November. The present limited invasion is achieving four Communist military objectives preparatory to a possible full-scale invasion in November.

First, by forcing the Lao Army to enter the field in full strength, it is badly interfering with the vitally needed training program which the French and the United States are trying to carry out.

Second, it has broken up government military operations in the outlying areas thus enabling Communists to infiltrate the population of these provinces.

Third, it has forced the deployment of the Lao Army in scattered positions throughout Laos.

Fourth, it is softening up the people of Laos through terror and demoralization in a land which cannot be defended without determined and courageous popular support.

And so all the elements of disaster are present in Laos today. The full proportions of the danger will not be known until November.

The response of our Government thus far leaves much to be desired. Laos apprised us of the danger early this summer and asked for increased militay assistance prior to the first Communist attacks. It repeated its request after the fighting began.

Last week it again requested aid. This time our Government belatedly responded by reportedly granting aid which will provide for between 5,000 and 8,000 additional troops for the Lao Army. It has been announced that an immediate airlift operation is being put into effect by the Navy to get this aid to the Lao Army.

This is encouraging. But our official statements on the Lao question have been so lethargic, legalistic, and halfhearted as to give encouragement to the Communist aggressors. Instead of making it clear that we will provide Laos with whatever assistance necessary to defend its borders, we have been publicly minimizing our participation and apparently acquiescing in a limitation upon the type and amount of assistance. For weeks the State Department has been repeating that the United States has no bases in Laos in an apparent attempt to mollify the Communists. We have seemed overanxious to prove that the United States has only a small number of technicians and accountants in Laos. We have emphasized that our aid was only of the small arms variety and have indicated that our aid would be limited in amounts and in kind.

Our officials are quoted as saying that no thought was being given to action by the Southeast Asia Treaty Organization.

Also we have put out a lot of nonsense about not doing anything to violate the "spirit of the Geneva accords"; accords which have already been torn up by the Communists; accords which would limit the military strength of Laos to an inadequate force armed with obsolete weapons; accords which the United States was never signatory to in the first place.

At a time when Laos is fighting for its life, at a time when the confidence of its people in free world help may make the difference between victory and defeat, the United States contents itself with announcing not what it is doing, but what it is not doing.

Since we do not now know the degree to which the guerrilla invasion will be backed by North Vietnam, Communist China, and Russia, we cannot know whether the invasion of Laos can be thrown back by Lao forces alone, or whether the armed intervention of the United States and perhaps other free world nations will be required to defend that country.

In the last few days we have had newspaper reports that outside Communist help to the guerrilla invaders was being dramatically stepped up. We received this information not from our Government, with appropriate warnings of the gravity of the situation, but through the efforts of courageous and dedicated newspapermen.

One of these, Joseph Alsop, after warning our people day after day of the dangerous situation there, has risked his life by flying to the fighting front in the jungles of Laos in order that a sleeping nation could have firsthand reports.

The details of our action must vary with shifting conditions, but the implacability of our resistance, the firm resolve to do whatever becomes necessary to drive back the Communist invaders, must be clearly known from the outset, and it must be constant and not subject to change.

Whatever the Communist motive and plan of attack, we know one thing which will always be right and which will always furnish a guide for action. We cannot yield another foot of territory to communism anywhere in the world.

For once, I hope that we will not wait upon the Communist initiative month after month and tailor our actions by what they do.

President Eisenhower said only a week ago that we will oppose any aggression "if necessary by force." I think it is necessary for the President to repeat this pledge with specific reference to Laos, and I urge members of his administration and Members of Congress continually to restate this principle, and to take whatever steps may be necessary to live up to it.

Let me repeat: I recommend that we announce to the world that, whether through the United Nations or through SEATO or through unilateral action, we will do whatever becomes necessary to defend Laos, including armed intervention.

I ask for an official, irrevocable statement that it is a national policy of this country to defend Laos whatever this defense entails.

I ask for a speedup in deliveries of arms and equipment to the Lao Army and for an announcement that our aid will not be limited by any Geneva accords and will be governed only by the needs of the Lao Army.

I ask that the Senate restore the unwise cuts which were made in the military assistance program.

I ask that our Government do everything it can to bring about a special session of the United Nations Security Council which in turn could summon a special emergency session of the United Nations General Assembly.

If the U.N. Secretary General is now powerless to act, as he says he is, we must swiftly take the necessary steps to give him a mandate to act.

If the United Nations proves unable to act effectively against Red aggression, at least it can bring the moral condemnation of the free world to bear upon the Communists at the very time their leader is attempting to soften up the free world with protestations of peace and with propaganda tours through non-Communist nations.

I urge the President reconsider his plan for an exchange of visits with Khrushchev. At the very least, the President should lay before Khrushchev the alternatives of either calling off the Communist aggression in Asia or canceling the proposed conferences. If Khrushchev should reply that the events in Asia are beyond his control, then we should make him prove it by agreeing not to use the Soviet veto to block action by the United Nations Security Council.

Each day brings further evidence that Khrushchev has no intention of seeking peace and that he regards peace conferences and State visits abroad only as additional means of waging war against free nations.

If we indicate now, unmistakably and irrevocably, that there is no limit to the action we are prepared to take to drive the Communist invaders out of Laos, past experience leads us to believe the Communists may withdraw from their aggressive designs.

If they do not withdraw, it will only indicate that years of neglect of our military strength in the face of the Communist military buildup, years of vacillation in the face of Communist firmness, years of inaction in the face of aggressive and determined Communist action, have at last brought us to the point where our words are no longer respected and where we must now meet the Communist challenge with our deeds and with our blood.

Once again it has fallen to the people of a small, weak, and impoverished nation to wage the battle against communism for freemen everywhere. Once again a people already destitute, already the victims of tragedy and injustice, are having added to their bitter lot the terror of Communist aggression.

It seems that it is always the poorest and the most unfortunate who must bear the main burden of our common struggle against communism.

Today in Laos, men and women are being given rifles to defend their homes, by themselves, from a vicious invader.

We must see to it that they are not permanently abandoned to fight the battle alone.

The future of southeast Asia and perhaps of the entire free world hinges on the courage and the vigor of our response to the latest event in the constant Communist design to subjugate the free world.

TRIBUTE TO SENATOR MANSFIELD

Mr. DODD. Mr. President, yesterday, the able and respected Senator from Montana [Mr. MANSFIELD] made another notable address on foreign relations.

I commend the Senator from Montana, not only for the speech that he made yesterday, but also for the selfless, fearless and effective efforts he has been making for a very long time to bring about widespread discussion on vital aspects of foreign policy and to lay before the Nation imaginative proposals in the quest of peace.

Those who do not know the Senator from Montana except through his published speeches must have a deep respect for his eloquence, his scholarship, his courage, and his dedication to peace.

Those who are privileged to know him can add to this regard a deep personal respect and affection for one whose tolerance, magnanimity and selfless devotion to the public good shine through all his actions.

I associate myself with much of what the distinguished Senator from Montana had to say yesterday and commend him for a very great address.

THE HOUSING ACT OF 1959

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks a summary of the proposed housing bill which I presented this morning before the Senate Committee on Banking and Currency. It is the pending business before that committee. This proposal will be taken up when the committee meets again.

I do this in order that Senators may have an opportunity to read the proposal. The housing situation is becoming quite complex. I feel that each Senator would like to know exactly what is pending before the Committee on Banking and Currency with respect thereto.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF SENATOR CAPEHART'S PROPOSED HOUSING BILL

1. Urban renewal: Provide additional authorization of $200 million. No time limit.

2. FHA insurance authorization: Provide $6 billion in additional authorization. No time limit.

3. College housing: Provide $150 million in additional funds.

4. Public housing: Authorize 37,000 units. No time limit.

5. Title 1 (FHA property improvement): Extend expiration date to September 30, 1960. Existing date is September 30, 1959.

6. Farm housing research: Provide $75,000.

7. Voluntary home mortgage credit program: Extend expiration date to September 30, 1960. Existing date is September 30, 1959.

8. Veterans' and servicemen's waiver for entrance in public housing: Extend expiration date to September 30, 1960. Expired on March 1, 1959.

9. Lanham Act occupancy: Extend time in which servicemen and essential employees may remain in certain Lanham Act projects sold to cities for low rent public housing use—Passayunk to September 30, 1960; now January 31, 1960—Newport to September 30, 1960; now December 31, 1959.

(These are the only changes Senator CAPEHART proposes in the existing law.)

INDEPENDENT OFFICES APPROPRIATIONS, 1960

Mr. MORSE. Mr. President, on behalf of the Senator from Washington [Mr. MAGNUSON], I ask unanimous consent to have printed in the RECORD at this point a table showing a comparison of the estimates with the action taken on each item in the independent offices appropriations bill for 1960.

There being no objection, the table was ordered to be printed in the RECORD.

Comparison of estimates with action taken on independent offices appropriation bill, 1960

TITLE I—INDEPENDENT OFFICES

Item	Appropriations, 1959 [1]	Budget estimates, 1960	House bill	Senate bill	Conference agreement
TITLE I					
EXECUTIVE OFFICE OF THE PRESIDENT					
OFFICE OF CIVIL AND DEFENSE MOBILIZATION					
Salaries and expenses	$23,285,000	$28,800,000	$23,285,000	$23,285,000	$23,285,000
Federal contributions	0	25,000,000	10,000,000	25,000,000	10,000,000
Emergency supplies and equipment	20,000,000	13,900,000	6,950,000	6,950,000	6,950,000
Research and development	2,000,000	7,270,000	3,500,000	4,500,000	4,000,000
Total, Office of Civil and Defense Mobilization	45,285,000	74,970,000	43,735,000	59,735,000	44,235,000
INDEPENDENT OFFICES					
CIVIL AERONAUTICS BOARD					
Salaries and expenses	6,540,200	7,500,000	6,925,000	6,925,000	6,925,000
Payments to air carriers	54,844,500	62,618,000	57,000,000	60,000,000	58,500,000
Total, Civil Aeronautics Board	61,384,700	70,118,000	63,925,000	66,925,000	65,425,000
CIVIL SERVICE COMMISSION					
Salaries and expenses	19,787,200	20,165,000	18,800,000	19,440,000	19,120,000
Investigation of U.S. citizens for employment by international organizations	450,000	412,000	400,000	400,000	400,000
Annuities under special acts	2,570,000	2,450,000	2,450,000	2,450,000	2,450,000
Administrative expenses, employees' life insurance fund	(123,800)	(70,000)	(240,000)	(258,000)	(249,000)
Total, Civil Service Commission	22,807,200	23,027,000	21,650,000	22,290,000	21,970,000
FEDERAL AVIATION AGENCY					
Expenses	258,016,100	326,400,000	283,200,000	320,200,000	301,700,000
Establishment of air navigation facilities	158,500,000	145,000,000	131,200,000	139,700,000	135,200,000
Grants-in-aid for airports (liquidation of contract authorization)	48,000,000	50,000,000	47,500,000	47,500,000	47,500,000
Research and development	297,000	63,600,000	47,100,000	50,350,000	48,725,000
Operation and maintenance, Washington National Airport	2,490,000	2,400,000	2,400,000	2,400,000	2,400,000
Construction and development, additional Washington Airport	50,000,000	0			
Operation and maintenance of public airports, Territory of Alaska	1,075,650	0			
Airways Modernization Board	31,500,000	0			
Total, Federal Aviation Agency	549,878,750	587,400,000	511,400,000	560,150,000	535,525,000
FEDERAL COMMUNICATIONS COMMISSION					
Salaries and expenses	9,781,100	11,000,000	10,400,000	10,700,000	10,550,000
FEDERAL POWER COMMISSION					
Salaries and expenses	6,932,500	7,425,000	7,062,000	7,374,000	7,218,000
FEDERAL TRADE COMMISSION					
Salaries and expenses	6,488,000	6,975,000	6,745,000	6,935,000	6,840,000
GENERAL ACCOUNTING OFFICE					
Salaries and expenses	39,020,500	41,869,000	41,800,000	41,800,000	41,800,000
GENERAL SERVICES ADMINISTRATION					
Operating expenses, Public Buildings Service	145,818,960	155,100,000	148,150,000	153,150,000	151,000,000
Repair and improvement, federally owned buildings	75,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Payments, public buildings purchase contracts	310,900	1,675,000	1,675,000	1,675,000	1,675,000
Sites and expenses, public buildings projects	39,915,000	0	25,000,000	25,000,000	25,000,000
Construction, public buildings projects	152,810,000	0			
Construction, Federal Office Building No. 6, Washington, D.C.	14,000,000	0			
Construction, United States Court of Claims and Federal Office Building, Washington, D.C.	1,200,000	0			
Construction, United States Mission Building, New York, N.Y.	3,750,000	0			
Construction, public buildings	323,000	0			
Hospital facilities in the District of Columbia	1,020,000	0			
Operating expenses, Federal Supply Service	[2] 3,715,690	[3] 3,970,000	[3] 3,770,000	[3] 3,970,000	[3] 3,770,000
Expenses, supply distribution	20,507,000	22,000,000	21,150,000	21,550,000	21,450,000
General supply fund	21,250,000	0			
Operating expenses, National Archives and Records Service	8,082,500	9,300,000	9,176,800	9,176,800	9,176,800
Operating expenses, Transportation and Public Utilities Service	1,995,800	2,029,000	2,000,000	2,000,000	2,000,000
Strategic and critical materials	3,000,000	0	[4]	[4]	[4]
Salaries and expenses, Office of Administrator	372,240	225,000	225,000	225,000	225,000
Allowances and office facilities for former Presidents		200,000	200,000	200,000	200,000
Refunds under Renegotiation Act	1,400,000				
Administrative operations fund (limitation)	(12,366,900)	(13,000,000)	(12,500,000)	(13,000,000)	(12,750,000)
Total, General Services Administration	494,471,090	254,499,000	271,346,800	276,946,800	274,496,800
HOUSING AND HOME FINANCE AGENCY					
Office of the Administrator:					
Salaries and expenses	8,684,000	10,025,000	8,702,000	9,402,000	9,052,000
Urban planning grants	3,250,000	975,000	975,000	975,000	975,000
Capital grants for slum clearance and urban renewal	50,000,000	100,000,000	90,000,000	90,000,000	90,000,000
Reserve of planned public works (payment to revolving fund)	7,000,000	7,000,000	6,000,000	6,000,000	6,000,000
Total, Office of the Administrator	68,934,000	118,000,000	105,677,000	106,377,000	106,027,000
Public Housing Administration:					
Annual contributions	107,500,000	124,000,000	120,000,000	120,000,000	120,000,000
Administrative expenses	12,574,000	13,000,000	12,660,000	13,000,000	12,830,000
Total, Public Housing Administration	120,074,000	137,000,000	132,660,000	133,000,000	132,830,000
Total, Housing and Home Finance Agency	189,008,000	255,000,000	238,337,000	239,377,000	238,857,000
INTERSTATE COMMERCE COMMISSION					
Salaries and expenses	18,747,800	20,150,000	19,400,000	19,900,000	19,650,000

[1] Includes funds contained in the Second Supplemental, 1959 (Public Law 86-30).
[2] And $1,999,010 from proceeds of surplus personal property disposal.
[3] And $2,230,000 from proceeds of surplus personal property disposal.
[4] Rescission of prior year funds.

Comparison of estimates with action taken on independent offices appropriation bill, 1960—Continued

TITLE I—INDEPENDENT OFFICES

Item	Appropriations, 1959	Budget estimates, 1960	House bill	Senate bill	Conference agreement
TITLE I—Continued					
INDEPENDENT OFFICES—Continued					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Salaries and expenses	$86,286,300	(1)			
Research and development	50,000,000	(1)			
Construction and equipment	48,000,000	(1)			
Total, National Aeronautics and Space Administration	184,286,300	0			
NATIONAL CAPITAL HOUSING AUTHORITY					
Operation and maintenance of properties	38,000	$45,000	$40,000	$40,000	$40,000
NATIONAL SCIENCE FOUNDATION					
Salaries and expenses	134,000,000	160,300,000	143,273,000	160,300,000	152,773,000
International Geophysical Year	2,500,000	0			
Total, National Science Foundation	136,500,000	160,300,000	143,273,000	160,300,000	152,773,000
RENEGOTIATION BOARD					
Salaries and expenses	3,025,500	3,000,000	2,700,000	3,000,000	2,850,000
SECURITIES AND EXCHANGE COMMISSION					
Salaries and expenses	7,705,000	8,275,000	7,800,000	8,275,000	8,100,000
SELECTIVE SERVICE SYSTEM					
Salaries and expenses	29,556,800	30,650,000	29,000,000	29,556,800	29,278,400
VETERANS' ADMINISTRATION					
General operating expenses	164,680,000	163,373,000	163,373,000	163,373,000	163,373,000
Medical administration and miscellaneous operating expenses	26,726,300	23,005,000	27,349,000	31,349,000	29,349,000
Inpatient care	769,318,000	786,779,000	792,079,000	792,079,000	792,079,000
Outpatient care	82,333,000	83,866,000	83,866,000	83,866,000	83,866,000
Maintenance and operation of supply depots	2,201,700	2,303,000	2,218,000	2,218,000	2,218,000
Compensation and pensions	3,252,500,000	3,307,000,000	3,300,000,000	3,300,000,000	3,300,000,000
Readjustment benefits	700,000,000	588,000,000	585,000,000	585,000,000	585,000,000
Veterans insurance and indemnities	51,100,000	53,000,000	53,000,000	53,000,000	53,000,000
Grants to the Republic of the Philippines	1,250,000	2,000,000	2,000,000	2,000,000	2,000,000
Construction of hospital and domiciliary facilities	19,295,000	20,159,000	30,159,000	33,159,000	31,659,000
Soldiers' and sailors' civil relief	1,300,000	0			
Total, Veterans' Administration	5,070,704,000	5,029,485,000	5,039,044,000	5,046,044,000	5,042,544,000
Total, title I	6,875,620,240	6,584,188,000	6,457,657,800	6,559,348,600	6,502,152,200

[1] Being considered on supplemental appropriation bill, 1960 (H.R. 7978).

TITLE II—CORPORATIONS—ADMINISTRATIVE EXPENSES

[Limitations on amounts of corporate funds to be expended]

Corporation or agency	Authorizations, 1959 [1]	Budget estimates, 1960	House bill	Senate bill	Conference agreement
Federal Home Loan Bank Board	$1,699,000	$1,900,000	$1,800,000	$1,800,000	$1,800,000
Federal Savings and Loan Insurance Corporation	750,600	800,000	775,000	775,000	775,000
General Services Administration:					
Abaca fiber program	51,950	52,500	47,000	47,000	47,000
Federal Facilities Corporation	26,620	24,000	20,000	20,000	20,000
Reconstruction Finance Corporation liquidation fund	53,960	44,000	40,000	40,000	40,000
Housing and Home Finance Agency:					
College housing loans	1,718,200	1,780,000	1,723,000	1,723,000	1,723,000
Public facility loans	434,200	550,000	500,000	550,000	525,000
Revolving fund (liquidating programs)	650,900	755,000	653,000	755,000	653,000
Federal National Mortgage Association	4,885,000	6,100,000	6,050,000	6,050,000	6,050,000
Federal Housing Administration	7,841,500	8,200,000	8,100,000	8,100,000	8,100,000
Public Housing Administration	12,574,000	13,000,000	12,660,000	13,000,000	12,830,000
Total, administrative expenses	30,685,930	33,205,500	32,368,000	32,860,000	32,563,000

[1] Includes funds contained in the Second Supplemental, 1959. (Public Law 86-30).

JUVENILE DELINQUENCY

Mr. KEATING. Mr. President, yesterday in connection with remarks which I made on the subject of juvenile delinquency, I ask unanimous consent that certain extraneous matter, including editorials and other material, be printed with my remarks in the permanent RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL-AID HIGHWAY ACT OF 1959

The Senate resumed the consideration of the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, the Senator from Tennessee [Mr. GORE] has an amendment at the desk. I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out title II of the bill and in lieu thereof, insert the following:

TITLE II—HIGHWAY TRUST FUND AND INTERNAL REVENUE CODE AMENDMENTS AND RESCISSION OF APPROPRIATIONS

SEC. 201. Transfers to highway trust fund.

(a) TRANSFERS.—Section 209(c) of the Highway Revenue Act of 1956 (relating to

transfer to Highway Trust Fund of amounts equivalent to certain taxes) is amended by renumbering paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) EXCISE TAX ON PASSENGER AUTOMOBILES, ETC.—There is hereby appropriated to the Trust Fund, out of any money in the Treasury not otherwise appropriated, amounts equivalent to—

"(A) that portion of the taxes received in the Treasury after June 30, 1959, and before July 1, 1960, under section 4061(a)(2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 4 percent in lieu of the applicable rate; and

"(B) that portion of the taxes received in the Treasury after June 30, 1960, and before July 1, 1964, under section 4061(a)(2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 6 percent in lieu of the applicable rate."

(b) CLERICAL AMENDMENT.—Paragraph (4) (as renumbered by subsection (a)) of such section 209(c) is amended by striking out "paragraphs (1) and (2)" each place it appears and inserting in lieu thereof "paragraphs (1), (2), and (3)".

SEC. 202. Rescission of 1 percent of certain appropriations for 1960 fiscal year.

(a) RESCISSION.—Except as provided in subsection (b), an amount equal to 1 percent of each appropriation made from the general fund of the Treasury for the fiscal year ending June 30, 1960, by each Act of Congress enacted during the first session of the Eighty-sixth Congress which makes regular or supplemental appropriations for such fiscal year is hereby rescinded.

(b) EXCEPTIONS.—Subsection (a) shall not apply to any appropriation made for any of the following purposes to the extent that the President determines that the amount of such appropriation cannot be reduced by 1 percent:

(1) compensation and pensions payable under the laws administered by the Veterans' Administration,

(2) refund of overpayments of taxes, custom duties, and other amounts paid to the United States,

(3) interest on the public debt, and

(4) any other obligation of the United States the fulfillment of which is both authorized and directed by Act of Congress.

SEC. 203. Repeal of credit against income tax for dividends received by individuals.

(a) REPEAL OF SECTION 34.—Effective with respect to taxable years beginning after December 31, 1958, section 34 of the Internal Revenue Code of 1954 (relating to credit for dividends received by individuals) is repealed.

(b) TECHNICAL AMENDMENTS.—

(1) The table of sections for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out

"Sec. 34. Dividends received by individuals."

(2) Section 35(b)(1) of such Code is amended by striking out "the sum of the credits allowable under sections 33 and 34" and inserting in lieu thereof "the credit allowable under section 33".

(3) Section 37(a) of such Code is amended by striking out "section 34 (relating to credit for dividends received by individuals),".

(4) Section 584(c)(2) of such Code is amended by striking out "section 34 or".

(5) Section 642(a) of such Code is amended by striking out the first sentence, and by striking out "section 34 and" in the second sentence.

(6) Section 702(a)(5) of such Code is amended by striking out "a credit under section 34,".

(7) Section 854(a) of such Code is amended by striking out "section 34(a) (relating to credit for dividends received by individuals),".

(8) Section 854(b) of such Code is amended by striking out "the credit under section 34(a)," in paragraph (1) and by striking out "the credit under section 34," in paragraph (2).

(9) Section 1375(b) of such Code is amended by striking out "section 34, section 37, or section 116" and inserting in lieu thereof "section 37 or 116".

(10) Section 6014(a) of such Code is amended by striking out "34 or".

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply only with respect to taxable years beginning after December 31, 1958.

Mr. JOHNSON of Texas. Mr. President, I understand that the Senator from Tennessee is temporarily detained but will be here momentarily. He is very desirous that all Senators who can possibly be present be here while the amendment is being considered. I ask the aids of the minority and majority parties to please telephone Senators that a very important amendment is being considered.

The Senator from Tennessee has informed me that he expects a number of questions to be asked, and that his presentation will be as brief as possible, perhaps 25 or 30 minutes.

Mr. President, I hope we may have order in the Chamber, so that all Senators may hear the discussion, because we expect to have a yea-and-nay vote on the amendment. While there is a good attendance of Senators now, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. CANNON in the chair). The question is on agreeing to the amendment of the Senator from Tennessee, as called up by the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Tennessee, so he may proceed with the statement he desired to make.

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Tennessee will state it.

Mr. GORE. Is the amendment now before the Senate the one identified by the letter "D"?

The PRESIDING OFFICER. The pending amendment is identified by the letter "C".

Mr. GORE. Mr. President, I withdraw that amendment, and call up my amendment "D", and ask that it be stated.

The PRESIDING OFFICER. Inasmuch as the yeas and nays have been ordered on the question of agreeing to the amendment "C", the Senator from Tennessee will have to obtain unanimous consent before he can have the amendment withdrawn.

Mr. GORE. Mr. President, isasmuch as, by error, the wrong amendment was called up, I ask unanimous consent that I may withdraw that amendment at this time, and may call up my amendment D.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object—although of course I shall not object—I wish to propound a parliamentary inquiry of the Chair, if the Senator from Tennessee will be so kind as to permit me to do so: Has any time limitation in regard to consideration of the amendment or the bill been entered into?

The PRESIDING OFFICER. No.

Mr. JAVITS. I thank the Chair.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? Without objection, it is so ordered; and the amendment is withdrawn.

Mr. GORE. I ask unanimous consent that the names of Senators LONG of Louisiana, MCCARTHY, and MONRONEY may be added as additional cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. President, I now call up my amendment identified as "D."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out title II of the bill, and in lieu thereof insert the following:

TITLE II—HIGHWAY TRUST FUND AND INTERNAL REVENUE AMENDMENTS

SEC. 201. Transfers to highway trust fund.

(a) Transfers.—Section 209 (c) of the Highway Revenue Act of 1956 (relating to transfer to Highway Trust Fund of amounts equivalent to certain taxes) is amended by renumbering paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) EXCISE TAX ON PASSENGER AUTOMOBILES, ETC.—There is hereby appropriated to the Trust Fund, out of any money in the Treasury not otherwise appropriated, amounts equivalent to—

"(A) that portion of the taxes received in the Treasury after June 30, 1959, and before July 1, 1960, under section 4061(a)(2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 4 percent in lieu of the applicable rate; and

"(B) that portion of the taxes received in the Treasury after June 30, 1960, and before July 1, 1964, under section 4061(a)(2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 6 percent in lieu of the applicable rate."

(b) CLERICAL AMENDMENT.—Paragraph (4) (as renumbered by subsection (a)) of such section 209(c) is amended by striking out "paragraphs (1) and (2)" each place it appears and inserting in lieu thereof "paragraphs (1), (2), and (3)".

SEC. 202. Repeal of credit against income tax for dividends received by individuals.

(a) REPEAL OF SECTION 34.—Effective with respect to taxable years beginning after December 31, 1958, section 34 of the Internal

Revenue Code of 1954 (relating to credit for dividends received by individuals) is repealed.

(b) TECHNICAL AMENDMENTS.—

(1) The table of sections for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out "Sec. 34. Dividends received by individuals."

(2) Section 35(b)(1) of such Code is amended by striking out "the sum of the credits allowable under sections 33 and 34" and inserting in lieu thereof "the credit allowable under section 33".

(3) Section 37(a) of such Code is amended by striking out "section 34 (relating to credit for dividends received by individuals),".

(4) Section 584(c)(2) of such Code is amended by striking out "section 34 or".

(5) Section 642(a) of such Code is amended by striking out the first sentence, and by striking out "section 34 and" in the second sentence.

(6) Section 702(a)(5) of such Code is amended by striking out "a credit under section 34,".

(7) Section 854(a) of such Code is amended by striking out "section 34(a) (relating to credit for dividends received by individuals),".

(8) Section 854(b) of such Code is amended by striking out "the credit under section 34(a)," in paragraph (1) and by striking out "the credit under section 34," in paragraph (2).

(9) Section 1375(b) of such Code is amended by striking out "section 34, section 37, or section 116" and inserting in lieu thereof "section 37 or 116".

(10) Section 6014(a) of such Code is amended by striking out "34 or".

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply only with respect to taxable years beginning after December 31, 1958.

Mr. GORE. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. GORE. Mr. President, my discussion of the highway program and the amendment which I have offered—and I offer it on behalf of myself and the junior Senator from Minnesota [Mr. MCCARTHY]—will be brief.

To begin with, there is no disagreement between the members of either the Finance Committee or the Public Works Committee in regard to continuation of the highway program. It is agreed that the highway program must be continued.

I desire to point out that the difference or the issue presented by this amendment is divisible into two parts: first, the source from which, and the manner by which, additional revenue will be raised; and, second, the dedication to the highway trust fund of an amount sufficient to prevent a default in the fund within the present fiscal year.

Mr. President, there is a third question with which the Senate will need to deal, and it relates to apportionments for future years.

The amendment I have proposed is offered as a substitute for title II. It provides two things:

First, the amendment substitutes a repeal of the credit on dividends for a levy—as provided in the House version of the bill—of an additional 1 cent a gallon on every gallon of gasoline bought by every man, woman, and child in the United States. It also provides that four percentage points of the excise tax on automobiles shall be dedicated to the highway trust fund in fiscal 1960 and dedication of six percentage points of that tax for fiscal 1961, 1962, 1963, and 1964.

According to estimates made by the Treasury Department, the repeal of the dividend credit will yield to the general fund of the Treasury revenue in the amount of $335 million per year. The revenue from the additional 1-cent tax on gasoline, to begin October 1—as provided in the bill now before the Senate—would yield, according to estimates, $333 million this fiscal year.

So the yield to the Treasury—the additional revenue resulting from the bill before the committee or that resulting from the amendment I have submitted, on behalf of myself and the Senator from Minnesota [Mr. MCCARTHY]—will be approximately the same; the difference between the two will, according to the estimates, be only $2 million.

So the Senate has a choice between providing for $335 million of revenue, through repeal of the tax favoritism given to income received from dividends, on the one hand; or the levying of an additional 1 cent a gallon Federal sales tax on each gallon of gasoline, on the other hand.

I think that Members of the Senate question the equitableness of the proposed levy. Gasoline is a necessity and an essential commodity. Nearly every person in America—or, at least, an overwhelming proportion of the people in America—find it necessary to use gasoline. A sales tax on gasoline bears equally upon those who are able to pay and those who are not able to pay; it is no respecter whatever of ability to pay.

If this were the only tax upon this essential commodity, perhaps we could overlook it. But, Mr. President, I call attention to the fact that gasoline already bears a heavier tax than does any other essential commodity. For instance, in my State, the combination of State taxes and Federal taxes on gasoline approximates the refinery cost of gasoline. Where is there another essential commodity on which a 100 percent tax is already levied? Indeed, one must search far and near to find even a luxury commodity which bears the heavy burden of taxation that gasoline bears. I can think of only two which may be so heavily taxed; they are liquor and tobacco.

Mr. RANDOLPH. Mr. President, will the Senator from Tennessee yield to me at this time?

Mr. GORE. I yield.

Mr. RANDOLPH. I think it important, during this debate, to indicate that the American people are not so much interested in the purchase of small automobiles because of the fact that they are small as they are interested in purchasing such cars—and today they are purchasing them by the tens of thousands—of foreign manufacture, and, more recently, of American manufacture, because of the decreased consumption of gasoline in small automobiles. Tires on a replacement basis bring an additional saving.

I repeat that it is not because Americans are so much interested in smaller automobiles versus larger automobiles; the car size interests them not so much as does the amount of gasoline the automobile engines they purchase consume. Motorists are finding that the average annual use, for business and recreational purposes, of the small type of automobiles I have mentioned actually saves—because of the decreased fuel consumption—each motorist using such an automobile approximately $200 annually.

The presentation of this subject by the well informed Senator from Tennessee, is of utmost importance.

Mr. GORE. Mr. President, I appreciate very much the contribution the Senator from West Virginia has made. He has stated a point of view which had not occurred to me.

Another point of view which has not been brought to the attention of the Senate, insofar as I am aware, is that only about one-seventh of the Nation's traffic is expected to use the System of Interstate and Defense Highways; yet every person who purchases gasoline—whether he uses the interstate highways or not—and in that connection I refer to the people in Alaska and the people in Hawaii—will be required to pay this additional tax. It is a very inequitable levy—inequitable not only for those reasons, but also because the tax on gasoline is already very heavy and quite burdensome.

It is inequitable for yet another reason: The users of our highways are already paying this year more than $1,600 million in excess of the amount devoted to highway improvement and construction. One billion six hundred million dollars is being diverted to purposes other than highway construction.

I do not accept the theory which some persons advocate that highway users should pay the entire cost of highways. I think highways benefit the entire Nation. Indeed President Eisenhower and General Clay presented this program as necessary in the interest of national defense.

There are many segments of our economy which benefit from highways that do not pay highway user excise taxes. Let us take the situation of Miami, Fla., for example. I notice the distinguished senior Senator from Florida [Mr. HOLLAND] is doing me the honor of listening to my remarks. The resort at Miami, with hundreds of beautiful hotels, depends in large part for its patronage upon people who use the highways traveling to and from the great and beautiful resort.

What about the automobile tire manufacturers, such as Goodyear and Firestone? Are not they beneficiaries of improved highways? What about General Motors, Ford, Chrysler? Indeed, one man out of seven who works in America today, we are told, earns his living in some way from the highway transportation industry.

Why, then, must the entire cost of highways be borne by the direct users of the highways? I do not accept this thesis. But, Mr. President, if we accept it, the highway users are already paying more—far more—than the cost of high-

ways. As I have said, $1,600 million is being diverted this year from highway uses to other purposes.

How much money do we need this year? We need an estimated $493 million, according to the testimony before the committee, to meet the deficit in the highway trust fund. I am sure there will be no disagreement on that point. When do we need it? Immediately. The highway trust fund will be completely out of money on about October 1, we are told.

That is why I moved, earlier in this session, to replenish the funds in the highway trust fund. That is why we must move quickly now to do so.

Does the bill before the Senate wipe out the deficit in the highway trust fund? It does not. How much does it provide? $333 million. And what is the deficit? $493 million.

So, by the testimony given to the committee yesterday—and Senators will find it on their desks—even with the passage of House bill 8678, the highway trust fund would be in default $160 million this fiscal year. Because of the seasonal peaks of construction, the deficit will be $353 million December 31, this year, with the enactment of H.R. 8678.

So I submit that enactment of H.R. 8678 is not adequate. It will not solve the fiscal problem immediately at hand—the problem of meeting obligations already due. This will mean that the Federal Government will be in default to the States.

What does that mean to them? It means that the States will be in default upon the payment of contracts that have been performed and on which payment is due, unless, of course, the States can have special sessions of their legislatures to provide for the sale of bonds or raise funds in another manner.

Mr. President, this is a serious matter. This is a commitment. This highway program has been in operation since 1916. It has been on a matching basis, on a cooperative basis.

The Congress each 2 years has passed a bill providing for apportionments to the respective States for highway construction, in accordance with a formula determined by law. Each State knows exactly the amount to which it is entitled. Its legislature has without doubt proceeded upon this commitment. But now we are told that these commitments cannot be honored, even with the enactment of H.R. 8678. I would that all Members of the Senate could be made aware of this fact.

How does Mr. Tallamy propose to operate the Bureau of Public Roads without honoring the apportionments made by law? He told us yesterday he would do so by contract control. I hope that Senators will read the hearings of yesterday before they vote. I hope each Senator will read the testimony, because he told us that the Federal Government would exercise control of contracts within the respective States, even though the States provide 50 percent of the cost of projects on a matching basis.

The deficit to which I refer as existing this year will be for the reimbursement to the States for contracts already entered into on which no Federal control was exercised. These contracts were made pursuant to a law enacted by Congress and signed by the President. It is that deficit to which I refer when I refer to the deficit within the present fiscal year, which deficit will still be $160 million after H.R. 8678 becomes law, if it does.

Therefore, I propose to dedicate to the highway trust fund a sufficient amount in the present fiscal year to meet the deficit in the fund in order that the Federal Government can honor the commitments which have been made solely by an enactment of law by the Congress and the President of the United States.

Mr. WILEY. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. WILEY. I wish to compliment the distinguished Senator from Tennessee. He is making a very clear statement. I think I understand the Senator's amendment.

I am wondering, in view of what the Senator has shown us, whether it would be advisable not only to keep the 1 cent increase but also to repeal the credit against the income tax on stocks. That would give us the funds which are necessary, and give an overage, and I am sure the Treasury needs all taxes it can get.

I make this suggestion because these days, when there is a big national income, now close to $400 billion, we have to reach out and get those who can afford to pay to pay.

I simply make that suggestion. I am not a member of the committee, nor have I studied the problem before. The thought occurred to me as I heard the very fine, lucid statement of the distinguished Senator.

Mr. GORE. The Senator has made a very worth while suggestion. It is not at all without merit. Were it not for the inequitableness and unfairness of levying additional taxes on gasoline, which already bears such a heavy burden, I would readily accept his suggestion. Why? Because with the passage of H.R. 8678 we shall not only fail to meet the problem this fiscal year, but the problem we have this fiscal year is comparatively mild compared to what we shall face in the next fiscal year. I remind the Senate that at the beginning of the present fiscal year the highway trust fund had a surplus of about $500 million, whereas by the terms of H.R. 8678 we shall begin the next fiscal year with a deficit a $160 million. So we shall be $600 million worse off 1 year from now than we are now. There is no question that additional revenue is needed.

I do not offer my amendment as a solution to all the problems of the highway program. I offer it to accomplish two purposes: First, to dedicate a sufficient amount of the excise tax on automobiles to the highway trust fund to meet the deficit in the fund this year, secondly, to provide new revenues to the Treasury in an approximate amount which would result from the 1-cent tax on gasoline. I prefer the repeal of the dividend credit to the 1-cent additional tax on gasoline. The Senator has suggested the possibility of both.

Mr. WILEY. I appreciate the Senator's fine approach to what I believe is the real, overall problem.

Mr. GORE. I thank the Senator. As he knows, I have been involved in highway legislation. I have never approached it in any partisan way whatsoever. The program has had bipartisan support, and it must remain that way.

Mr. WILEY. We all agree that the deficit in the Treasury continues. This year we anticipate a deficit of $2 billion or $3 billion, I believe, if things keep on going the way they are. Much could be said in favor of the argument the Senator made in relation to not adding the 1-cent tax. But when we consider what gasoline is selling for in Britain and in other places, we realize we do not pay really half of what the British have to pay. Then when we appreciate also that the tax we collect relates to a 40-cent dollar, in value, or a 40 percent penny, we begin to realize that the tax is not very high on gasoline after all.

From the standpoint of taxing dividends, that argument we know. It is double taxation. There are many widows who depend upon the small dividends they get. But it seems to me what we must think about is the overall challenge to keep this country, if it is possible, on an even keel financially. I for one, would be very happy to adopt the suggestion of getting taxes from both sources.

I have not studied the matter, but in view of the figures the Senator has given us, which show a deficit this year and a deficit next year, it seems to me we are proposing to meet the problem only half way. By taking funds from the Treasury, if there are any funds there, that should be applied otherwise, it seems to me is "passing the buck."

Mr. GORE. The Senator speaks of taking away the gasoline tax. The Senator understands my amendment would not reduce the existing tax on gasoline.

Mr. WILEY. Oh, no.

Mr. GORE. It would merely substitute a repeal of the dividend credit for the proposed 1-cent increase.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. I wish to answer the Senator from Wisconsin [Mr. WILEY], and then I will yield to the distinguished Senator from Louisiana.

The highway bill (H.R. 8698) now before the Senate provides for a severe slowup of the program. It would reduce the authorized apportionment from the level of $2,500 million per year on the interstate and defense system, to $2 billion for fiscal 1961, of which only $1,800 million could actually be apportioned. According to the tables which the Senator will find in the committee hearings, this slowup and stretchout provided in H.R. 8678 would mean that the highway system would not be completed until 1977. This would destroy the whole concept of an integrated National System of Interstate and Defense Highways completed within a generation's time, and at design standards equal to the traffic needs of 1975.

I say this bill is inadequate. It is unacceptable. It will not solve the problem this year, next year, or in the future.

It fails to meet the problem this year. It makes the problem worse next year. It provides a stretchout, which means that these highways may not be completed within the lifetimes of many Members of the U.S. Senate.

Mr. LONG of Louisiana. Will the Senator yield?

Mr. GORE. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. It seems to me we might observe what has happened taxwise in this administration.

The first thing this administration did in 1954 was to give us its rich man's tax relief bill. That started out being 375 pages long, without one line in there to help the workingman, and yet it meant about $6 billion or $7 billion of tax relief. We finally put on there some reduction in excise taxes, not the gasoline tax.

This particular one that the Senator wants to take away, this dividend credit, is an amendment which was adopted in the House of Representatives under a rule, and that is the only way in which this provision could have become law, and the Senator knows as well as I do that this particular provision was adopted in the House of Representatives under a closed rule, under which the House could not vote on the merits of the proposal. I am glad that I was one of those who voted against the dividend credit in the Senate at the time when the Senate voted by a majority of, I believe, about 4 to 1, and knocked this dividend credit out of the tax bill. However, the House conferees never permitted the House to vote on it. They were able to sustain their original position to keep this provision in the law. If the House had ever had a chance to vote on this proposition, they would have killed it, just as the Senate had by a 4-to-1 majority.

The administration recommended and helped to put into law this provision which helps corporation stockholders. Mr. President, it has helped the wealthy of this country. It is a completely unnecessary, unjustified tax advantage to those people.

Having given all this tax advantage to all those in higher income tax brackets, the administration has brought us two different bills, one to increase the gasoline tax, and then another one to raise it another cent.

I think the Senator will find that if his amendment wins again, the Senate will express itself that this tax advantage is not justified, and on the other hand we will put the tax back on those who are well able to pay.

If more money is needed, it seems to me the Senator suggests the obvious way to get it. Here is one place where we could get some revenue very easily, surely, and it is certainly preferable to these continual increases in the gasoline taxes.

Mr. GORE. I thank the Senator for his support. I desire to suggest again that the tax favoritism to income from dividends operates to the discrimination of the person who invests in local community improvement. If one builds a building or a business in his hometown from which he receives personal income, he is taxed on that income at the regular rate, but the person who turns away and buys bonds or General Motors stock and receives his income from that, gets a tax advantage. If the Senate is not aware of how great that advantage becomes, I should like to point out that the persons with an income of under $3,000 receives, on the average a credit of $18, while a person with an income of $1 million or more receives, on the average a credit of $38,995.

I should like to put into the RECORD, Mr. President, a compilation that has been made which shows the amount of tax saved by this dividend tax credit device.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

Who benefits and how much?—The dividend credit tax loophole, 1957

Adjusted gross income	Number of taxable returns filed	Returns claiming dividend credits	
		Percent of returns filed	Tax saved by credit
Under $3,000	11,543,127	2.1	$18
$3,000, under $5,000	14,137,633	3.0	27
$5,000, under $7,000	10,078,686	4.2	33
$7,000, under $10,000	6,618,334	8.2	42
$10,000, under $15,000	2,211,504	22.6	64
$15,000, under $20,000	543,154	43.7	103
$20,000, under $25,000	250,583	54.8	147
$25,000, under $50,000	366,156	66.8	244
$50,000, under $100,000	93,289	83.5	622
$100,000, under $150,000	14,089	89.3	1,528
$150,000, under $200,000	3,986	93.7	2,509
$200,000, under $500,000	3,979	95.3	4,401
$500,000, under $1,000,000	578	96.0	10,470
$1,000,000 or more	217	95.4	38,995
Total	46,865,315	6.2	--------

Source: Statistics of Income, 1957, "Individual Income Tax Returns," U.S. Treasury, Internal Revenue Service.

Mr. LONG of Louisiana. If the Senator will yield again, one reason the administration is trying to tell us we are not responsible unless we vote to raise interest rates on the national debt, these corporation stocks are so much more attractive to these people than Government bonds, and one of the reasons is that they get this tax advantage on dividends on corporation stocks.

Mr. GORE. I think it is an unsound tax advantage or favoritism to income from dividends that cannot be justified. Some mention has been made of double taxation. That is a canard. Under the law a corporation is one person; a stockholder is another.

I do not wish to argue at length about the matter of this tax. The Senate has voted on it once already this year. As the able Senator has pointed out, the Senate has by rollcall vote with a heavy majority voted to repeal it. It has also voted with a heavy majority against the assessment of an additional tax on gasoline.

Here we have a clean, clear-cut, simple choice between two things: First, a Federal sales tax of 1 cent on every gallon of gasoline bought by every man, woman, and child in America or its possessions or, second, the repeal of this tax favoritism.

I should like to point out that neither will completely solve the highway program, either this year, next year, or in later years.

Mr. President, what I have proposed is a dedication of enough of the excise taxes on automobiles to the highway trust fund to meet the deficit in the trust fund this fiscal year and to meet the anticipated deficit in future years through 1964. I hope the Senator understands that.

Mr. CLARK. Will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. Mr. President, the Senator knows, because we have talked together, that I am very sympathetic with his point of view and that if there is any possible alternative, I wish to utilize it instead of passing this regressive tax on gasoline which I think is utterly against the interests of the ordinary American citizen.

The tax on gasoline in my State is presently 5 cents, and that is too high. The Federal tax is 3 cents and it would go up to 4 under this bill. That will make a total of 9 cents taken out of the pockets of the relatively poor as well as those of middle income and the rich and the corporations. I think that kind of regressive sales tax is a great mistake, and therefore I support the general point of view which my friend from Tennessee has indicated.

I want to ask the Senator from Tennessee if he will be kind enough to turn to his amendment and answer a couple of questions for me. As I understand it, on page 2 of his amendment "D," under the subheading "Excise Tax on Passenger Automobiles," does the Senator find that?

Mr. GORE. I have it.

Mr. CLARK. As I understand, the Senator proposes to transfer out of the general fund of the United States enough in terms of excise taxes on passenger automobiles to permit the highway program to go forward for the indefinite future at the rate contemplated when the legislation was passed. It that correct?

Mr. GORE. I am sorry that it will not accomplish all those purposes. The transfer will approximate $500 million this year.

Mr. CLARK. Five hundred and twenty million dollars, I believe.

Mr. GORE. Well, I am speaking in round figures. As the Senator knows, these are estimates, and we cannot speak in exact terms. I believe, as a matter of fact, that the estimate is about $520 million. The estimate deficit is $493 million.

Mr. CLARK. The Senator is correct.

Mr. GORE. So far as the present year is concerned, the amendment would solve our fiscal problem, and it would allow the Federal Government to honor its commitments to the States, rather than to be in default.

Mr. CLARK. That is correct.

Mr. GORE. I cannot assure the Senator from Pennsylvania, however, that that amount of money transferred to the highway trust fund will permit the highway program to continue in the future at the full rate authorized in the schedule of apportionments in the 1958 act.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. GORE. It would be much closer, however, than would be provided by the House bill now before the Senate.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. CLARK. The figures which I have before me, and which I understand were prepared jointly by the Senator's staff and by my staff indicate that for fiscal year 1961 the highway fund deficit would, if nothing were done, be $816 million, whereas the Senator, as shown on page 2 of his pending amendment, would have the portion of the excise taxes which would be transferred to the highway fund increase from 4 percent to 6 percent. This would raise $804 million, which would still permit the highway program for fiscal 1961 to go forward at the present rate, because there will be enough surplus from 1960 to more than make up the difference between $804 million and $816 million.

Mr. GORE. That is correct.

Mr. President, I ask unanimous consent to place a table in the RECORD at this point. This table shows the estimated amount of auto excise tax revenue which would be transferred to the highway trust fund under my amendment.

Mr. KUCHEL. Mr. President, reserving the right to object, what is the source of the figures the Senator wishes to place in the RECORD?

Mr. GORE. The table shows the amount of money which would be transferred from the general fund to the highway trust fund by the terms of the amendment which I have offered. The estimates come from the Bureau of Public Roads.

Mr. SCOTT. Mr. President, reserving the right to object—and I shall not object—can the Senator answer this question for me——

Mr. GORE. Will not the Senator permit the statement to go into the RECORD?

Mr. SCOTT. I withhold the objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated receipts from auto excise tax

Fiscal year	Percent	Receipts
		Millions
1960	4	$520
1961	6	804
1962	6	828
1963	6	858
1964	6	882
Total		3,892

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. Let me say to my good friend and colleague from Pennsylvania that I am in the midst of trying to develop what the amendment would do, and I would appreciate it if my colleague would allow me to finish.

Mr. SCOTT. I am very happy to defer to my colleague until he finishes.

Mr. CLARK. I appreciate the courtesy of my colleague.

I ask my friend from Tennessee if it is not true that, on the basis of the figures which have just beeen introduced into the RECORD, transfers of the excise tax on passenger automobiles, which my friend from Tennessee contemplates by his amendment, would, so far as we can now estimate, permit the highway plan to go forward at the contemplated rate for the indefinite future.

Mr. GORE. At the rate provided for this fiscal year and fiscal year 1961, it would meet the problem of the deficit existing now and the deficit which looms for next year. It would fall somewhat short of the anticipated deficit in years following if full apportionments are made as authorized.

Mr. CLARK. The table which I have before me indicates trust fund balances as a result of the transfers my friend contemplates, for all fiscal years through 1964. I ask him whether perhaps I have been misinformed.

Mr. GORE. That is true; but it would not provide sufficient funds to permit apportionment at the full levels contained in the 1958 act, for years beyond 1962, because funds apportioned for 1963 would require disbursements extending into 1965.

Mr. CLARK. Could we not agree that the transfer contemplated by my friend in his amendment D would put the highway fund in funds to continue the present program at the contemplated rate at least through the fiscal year 1962?

Mr. GORE. That is true; and perhaps beyond. But I do not wish to claim too much for it. I wish to make it emphatic to my colleagues in the Senate that the bill now before the Senate would solve none of these problems. It would leave a deficit this fiscal year of $160 million, with which we would have to start the next fiscal year, after the Federal Government had been in default to the States to the extent of $160 million; and the trust fund would have a deficit of perhaps $660 million at the middle of fiscal year 1961; and still have a deficit of $50 million at the end of fiscal year 1961.

Mr. CLARK. Mr. President, will the Senator further yield?

Mr. GORE. I yield.

Mr. CLARK. By transfers from general funds in the ordinary budget of sums sufficient to take care of the highway program through fiscal year 1962, under his amendment my friend contemplates, does he not, making up a part—but a part only—of what he takes out of the general fund by repealing the 4 percent dividend credit?

Mr. GORE. The Senator is correct. I say in all candor, as I have tried to say before, that the amendment would transfer from the general fund 4 percentage points of the tax on automobiles to the highway trust fund in the fiscal year 1960. This amounts to approximately $520 million, to meet the estimated deficit of $493 million.

To come to the point just made by the senior Senator from Pennsylvania, my amendment proposes to bring new revenue into the general fund in the amount of $335 million, accomplished through a repeal of the dividend tax credit; and the House bill provides new revenue in the sum of $333 million by way of a 1 cent increase in the tax on gasoline.

Mr. CLARK. Mr. President, will the Senator further yield?

Mr. GORE. I yield.

Mr. CLARK. I am in complete accord with the Senator's objective. I am against the 1-cent increase in the tax on gasoline, except as a last resort. I am in favor of transferring to the highway fund enough money to permit the highway program to go forward as contemplated; but I am strongly opposed to not refurbishing the general fund by closing other tax loopholes which will make it possible for us, on this side of the aisle, to show that we are putting back into the Treasury not only what we take out for the highway fund, but a little more, to help balance the budget for 1960, 1961, and 1962.

So I say to my good friend from Tennessee that I will wholeheartedly support his amendment; and if it is adopted, I will support the amendment which my good friend from Minnesota is prepared of offer as soon as the amendment of the Senator from Tennessee is disposed of. That would impose a tax at the source on dividends, just as we have taxation at the source on wages.

That would come closer to filling the gap. Therefore I shall myself offer loophole closings which will impose a tax at the source on interest, which would more than equal the revenue transfered to the highway trust fund and follow that with the gift-entertainment-dues-expense account stiffening amendment. We would end up by putting back into the general fund several hundred million dollars more than we take out.

Mr. GORE. I thank the Senator. I shall listen with interest to the discussion of the amendment he proposes to offer later.

I wish to invite attention to the amendment now before the Senate, which would meet the fiscal problem of the highway trust fund this year, and without which, I warn each Member of this body, the Federal Government will be in default to the States, and the States will either be in default with respect to contracts performed, upon which payment is due, or the legislatures will have to meet to provide funds, unless they can be provided from some other source to avoid default.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. SCOTT. Will the Senator answer this question: Why is it unfair that those who use the highways should pay for the use of the highways?

Mr. GORE. I do not believe I have said that it was entirely unfair. I believe they should bear a heavy portion of the cost, but I do not believe they should bear the entire cost, because there are so many other interests which benefit, including national defense, automobile companies, tire companies, and other industries which depend upon highway transportation. However, even if we accept the thesis which the able Senator advocates, the highway users are already paying far more than enough. One billion, six hundred million dollars in revenue from highway

user taxes is being diverted to purposes other than the highways this year.

Mr. SCOTT. I wonder why the Senator from Tennessee and also my senior colleague from Pennsylvania [Mr. CLARK] are trying to find some other way, some other tax, or loophole, to pay for the highway system without facing the basic problem, which is that if the people of the United States want certain benefits, they ought to know that those benefits cost money. They ought to be aware that if they are extracting from the Federal Treasury all kinds of benefits, assistance, assurances, gifts, grants, and donations, those things have to be paid for. If those who use the highways desire, as we all do, better highways, safer highways, more elaborate highways, and more automobiles on the highways, what is wrong, I again ask, why not say: "You should be aware that you must pay for what you use?" That was a good American tradition for a long time. What is wrong with it now?

Mr. GORE. I know that it has not been possible for the junior Senator from Pennsylvania to hear all the remarks of the junior Senator from Tennessee. Therefore, I doubt that the Senator understands fully the amendment which I propose. I have proposed to do just that. I propose to bring into the Treasury——

Mr. SCOTT. I cannot agree that the amendment does that.

Mr. GORE. I propose to bring into the Treasury the same amount of revenue which the House bill proposes, but I propose to do it in a more equitable way. I propose to do it by closing a tax loophole, rather than by levying a heavier sales tax on this essential commodity. I think I have answered the Senator.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. PASTORE. I merely wish to make a slight observation, preparatory to asking a question. It certainly would not shock the sensitivities of the junior Senator from Rhode Island to vote to repeal the credit against dividend income. I have done it twice before. But I simply do not see the compatibility. While I understand the objective of trying to raise money in order to fill a gap which is created by appropriating money from the general fund in order to continue the accelerated Federal-aid highway program, why would it not be better, since we are trying to close tax loopholes, in order to pick up the money which is necessary, if the money is to be appropriated from the general Treasury——

Mr. GORE. The Senator understands that the additional revenue from repeal of the dividend tax credit would go into the general fund, does he not?

Mr. PASTORE. I realize that.

Mr. GORE. And that 4 percentage points of the automobile tax is dedicated to the highway trust fund.

Mr. PASTORE. I realize that. But why do we not look to greener pastures? Why do we not look to the repeal of the oil depletion allowance of 27½ percent? Why do we not consider closing a loophole which is a real loophole, one which is almost as big as a hole which would be created by the dropping of a hydrogen bomb? If we are to be guided by relativity and compatability it seems to me that we stand face to face with this source—the oil depletion allowance.

Mr. GORE. I have voted affirmatively upon amendments seeking to reduce the deduction for oil depletion. I seek here not to solve all the inequities in the tax laws, but to prevent an additional inequity from being enacted by substituting therefor repeal of one of the inequities, as I regard it, which would bring in approximately the same amount of money.

Mr. PASTORE. I realize that. I applaud the Senator from Tennessee for it. But on the scope of compatibility, we are allowing the oil industry to get away with a 27½ percent depletion allowance. I do not know what the historic background for it may have been, but today, when everyone is forced to pay high taxes, why should the oil people, get a 27½ percent depletion allowance on oil production? Why should we not fill in that gap and take the money which is coming out of oil and use it to build highways, so that more people can buy more gasoline? And the profit circle would bring back much of the sacrificed bonus of the depreciation allowance we take away.

Mr. GORE. The Senator from Rhode Island convinces me all the more that so long as so many tax loopholes exist, it is utterly unfair to solve all our tax problems by levying heavier and heavier Federal sales taxes.

Mr. PASTORE. But does not the Senator think that it would sit better with the American people if we concentrated on gasoline and oil? The 27½ percent oil depletion allowance is very fertile ground. Perhaps it is time to cut that allowance down. We could spend part of those billions to build the best roads in America—expanding this great income source of the oil industry.

Mr. GORE. I must acknowledge that if that loophole were closed, it would bring in revenue far in excess of the 1 cent tax on gasoline.

Mr. PASTORE. Why are we afraid to do it?

Mr. GORE. I am not. Is the Senator from Rhode Island?

Mr. PASTORE. I think the Senator from Tennessee ought to amend his amendment. Then I could vote for it.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. I hope the Senator from Tennessee will not let his amendment be defeated by being led astray and accepting the proposal made by the Senator from Rhode Island. The reason why it will not be possible to finance the highway construction by cutting the 27½ percent oil depletion allowance is that there are not enough votes in the Senate to do it. It is just that simple.

What the Senator is trying to do is to take away a tax advantage which the Senate has repeatedly expressed itself as being opposed to, but which the House will vote to take away if the House ever gets a chance to vote on it.

I urge the Senator from Tennessee not to let himself be led astray. When the oil depletion tax matter came to a vote in the Senate some time ago, it was defeated overwhelmingly.

The Senator has an amendment which I believe might be agreed to. I point out these figures: Highway users are paying $3,885 million a year right now in excise taxes on gasoline, lubricating oil, passenger cars, trucks, buses, automobile parts, tires, tubes, rubber, and diesel fuel. The total comes to almost $4 billion.

Mr. GORE. In addition to the payment of those taxes, the highway users pay every other tax which everyone else pays. They pay excise taxes; they pay income taxes.

I appreciate the fact that there are a number of inequities in the tax laws. I submit that we have before us in H.R. 8678 a proposal to levy an additional inequity. Gasoline is an essential commodity which every person must use, and it is already bearing a higher tax than any other necessity in America. Yet it is proposed to levy an additional Federal sales tax upon every gallon of gasoline.

As the senior Senator from West Virginia [Mr. RANDOLPH] pointed out, the principal reason why so many Americans are buying small foreign cars is that such cars consume less gasoline. Do not think that the price of gasoline is not a matter of concern to the American people.

Only the other day, I walked out of my abode and engaged a taxicab to come to the Senate Office Building. I do not recall that I had ever seen the driver of that taxicab. For some reason, he recognized me as being the junior Senator from Tennessee. He pulled off to the right side of the street, turned around, and with enthusiasm said, "I thank you for fighting this increase in the gasoline tax. With this car, I make a living for myself, my wife, and my three children. I am already paying about $300 in gasoline taxes a year. If that tax is raised any more, it will reduce my standard of living. It will increase my cost of living."

I point out, incidentally, that that man does not use the interstate highways at all in his business, as most people do not.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. GORE. I promised to yield first to the junior Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I am in complete accord with and support the amendment of the junior Senator from Tennessee. I agree wholeheartedly that the proposed tax is a super sales tax. I had occasion to have some research done this morning in the U.S. statistical book. The combined State and Federal taxes on gasoline, on the national average, today total $63.92. The 1-cent a gallon increase advocated by the administration will add another 10 percent to that amount. That will put the total average of gasoline tax above $70 a year for the average automobile user. It does not include the taxicab driver, who makes his living by driving his cab. It includes the wage earner who has bought a house with a GI or an FHA loan, a house which is 15

or 20 miles from his place of work. Such a person's cost of transportation is as essential a part of his cost of living as the bread, butter, and milk he buys for his children, because otherwise he cannot earn his income.

Mr. GORE. This is a regressive tax. It is completely unfair, as I have pointed out. It levies an additional tax burden on a necessity which already bears the heaviest tax of any essential commodity.

Mr. MONRONEY. Let me further illustrate the impact: When this tax reaches $70 per automobile, it will be the equivalent of a 2 percent sales tax on $3,500 a year, which is more than the annual income the average man has. Yet the tax now proposed would bring the total tax to $70 a year, which would be the same as the total sales tax, at the rate of 2 percent, which the average wage earner pays on all the other things he purchases in a year. No commodities, except liquor, are taxed as heavily as are gasoline and oil.

Mr. GORE. And all luxuries are taxed at a lower rate than the tax on this essential commodity—gasoline.

Mr. MONRONEY. One who purchases diamond rings, platinum watches, or strings of pearls is required to pay a maximum tax of 10 percent, I believe, regardless of just what luxury he may purchase. But, today, the average State gasoline tax is 6 cents a gallon, and it is now proposed to increase the Federal gasoline tax to 4 cents a gallon—which will make a total tax of 10 cents a gallon, which amounts to more than a 33⅓-cent tax on gasoline.

Mr. GORE. On the basis of the retail price.

Mr. MONRONEY. Yes, on the basis of the retail level price. On the basis of the price at the refinery, that total tax amounts to a tax of approximately 100 percent.

Mr. GORE. That will depend on the State involved. In many States, the State tax is 7 cents a gallon, and the Federal tax is 3 cents a gallon; and I am told that the refinery cost of gasoline is approximately 10 cents a gallon. So, in that event, the total tax on gasoline is approximately 100 percent of its cost at the refinery.

Where is there another commodity which is taxed so heavily?

Mr. MONRONEY. Mr. President, will the Senator from Tennessee yield further to me?

Mr. GORE. I yield.

Mr. MONRONEY. This morning, I was amazed to realize the sleight-of-hand trick acomplished by transferring the cost of the ABC program—the cost of the normal State highway program, for which the Federal Government contributes on a 50–50 basis—from the general revenue fund to the highway trust fund; but the revenue from the ABC program—in other words, from the tax on automobiles, and so forth—was not transferred to the highway trust fund. So we find that those expenses were charged to the highway trust fund; but none of the income from the automobile excise tax, the tax on lubricating oil, and so forth, was transferred to the highway trust fund.

Yet the Federal Government has had, since 1934, a law which prohibits the States from spending the highway users' tax on things other than highways; and if that law is violated, the State's allocation is reduced to one-third.

Mr. GORE. The Senator from Oklahoma is now referring to the Hayden-Cartwright Act, is he not?

Mr. MONRONEY. That is correct; and it has been on the statute books since 1934.

Mr. GORE. By means of that policy, that requirement is made of the States; but the Federal Government does not proceed to do likewise. Will the Senator from Oklahoma refer to that policy again?

Mr. MONRONEY. That law has been in force since 1934. It requires the States to spend on highway uses the revenue they obtain from their highway users' tax—in other words, the tax revenue from automobile licenses, the tax on automobile tires, the State gasoline tax, and other items spelled out in the law. Yet the Federal Government—which makes that requirement of the States—has not only preempted this field, now, for general taxation, while moving $800 million of expenses out of the revenue fund and into the highway trust fund, but has not increased the revenue going into the highway trust fund.

I understand this is what the Senator from Tennessee is trying to correct. He is trying to move into the highway trust fund, not all of that tax revenue, although the Federal Government requires the States to do that, but only 40 percent of the excise tax on automobiles.

Mr. GORE. Yes, the tax on automobiles only.

Mr. MONRONEY. And that will leave more than $1 billion of the highway users' tax to go into the general fund.

Mr. GORE. Approximately $1,100 million.

Mr. MONRONEY. And the Senator from Tennessee would go even further, because he proposes a much needed correction in that connection; he is attempting to close the tax loophole by means of the 4 percent dividend credit. He proposes that that be replaced with the revenue which his proposal would transfer. It not that correct?

Mr. GORE. That is correct.

Mr. President, the junior Senator from Pennsylvania [Mr. SCOTT] raised the question of highway user taxes. I wish to point out that in the 1956 Act, the Congress increased the gasoline tax from 2 cents a gallon to 3 cents a gallon; increased the tax on diesel fuel from 2 cents a gallon to 3 cents a gallon; increased the tax on automobile tires from 5 cents to 8 cents per pound; imposed a tax of 3 cents per pound on tread rubber—which had not previously been taxed; increased the excise tax on trucks, buses, and trailers from 8 percent to 10 percent, for 1957, and from 5 percent to 10 percent from 1958 to 1972; and a new truck use tax was levied at $1.50 a thousand pounds.

Those additional taxes were levied in 1956. Those taxes were levied or increased by the Congress to pay for the highway program. But highway user taxes are being diverted to other uses.

I also wish to point out to my friend, the Senator from Oklahoma, and to my other fellow Senators, that the choice presented by means of my amendment is not simply between levying an additional 1 cent tax on every gallon of gasoline or repealing the dividend credit; the choice is also between having the Federal Government in default to the States to the extent of $160 million, ths year, or being able to meet its obligations fully.

How can the Senate exercise any honorable choice other than to provide the necessary funds to meet this commitment?

Mr. SCOTT. Mr. President, inasmuch as the Senator from Tennessee mentioned my name, will he yield to me?

Mr. GORE. In just a moment. I have been having a colloquy with the Senator from Oklahoma, and I wish to finish it, first.

Mr. MONRONEY. Mr. President, if the Senator from Tennessee will yield further, I wish to say a question was raised as to why the highway users do not pay more of the cost of the Interstate System of Highways. I believe the Senator from Tennessee has already explained that already they are paying, paying, paying, and paying. Today, I took occasion to call Mr. Tallamy, the head of the Bureau of Public Roads; and I asked how much of the average automobile mileage is traveled—according to his studies—on the Interstate Highway System—since we are going to provide additional funds for it, and are expected to increase the gasoline tax until it will be 10, 11, or 12 cents a gallon.

Mr. YOUNG of Ohio. Mr. President, I rise to a point of order: There is too much conversation in the Chamber, particularly by those who stand behind me; and there is too much noise in the Chamber. I ask for order.

The PRESIDING OFFICER. The Senate will be in order. Senators who desire to carry on conversations will retire to the cloakrooms. The aides of the Senate will be silent and will find seats.

Mr. MONRONEY. So, Mr. President, I was amazed to find that only 20 percent of the automobile mileage is traveled on the Interstate System highways.

Mr. GORE. Yet this tax will apply to all those who purchase gasoline, regardless of the roads on which they drive.

Mr. MONRONEY. Yes, including the taxi drivers who travel only in the cities.

I repeat that only 20 percent of the passenger car mileage of the Nation is traveled on the Interstate System highways, according to the Bureau of Public Roads. Yet the automobile users already are paying far more than the highway users' tax, and are carrying a great deal of the general tax load for the Nation's defense, social welfare programs, health programs, and so forth.

Certainly it is high time that we provide general revenue taxes to take care of general revenue items, and transfer—as would be done by means of the amendment of the Senator from Tennessee—some of the automobile users' tax receipts—such as those from the automobile excise tax—to help defray a

part of the vast cost of this necessary System of Interstate Highways.

Mr. SCOTT. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. In one moment.

At this time I wish to point out to my friend, the junior Senator from Oklahoma, that by means of the pending amendment, I do not propose to stop all of that diversion. I propose to dedicate to the highway trust fund only 4 percent of the 10-percent excise tax on automobiles in fiscal year 1960. My amendment would not touch the revenue from the tax on trucks, buses, trailers, automobile parts and accessories and other highway user taxes which now go to the general fund. Still there will be diverted, after my amendment is enacted, approximately $1,100 million for building of highways in Burma, or for other purposes, whatever they may be.

I yield now to the junior Senator from Pennsylvania.

Mr. SCOTT. Would the distinguished Senator, for purposes of clarification, tell me this: Do I understand the Senator abandoned his proposal for a rescission of 1 percent of the general revenues.

Mr. GORE. I have that amendment pending at the desk. I hope this amendment will be adopted. I would prefer the closing of a tax loophole to a rescission of appropriations. If the Senate should, unfortunately, decline to accept the pending amendment, I will then propose the amendment to which the Senator has made reference.

Mr. SCOTT. In other words, if the pending amendment fails, it is the intention of the Senator from Tennessee to propose a general rescission of 1 percent of the general revenues. Is that correct?

Mr. GORE. Well, I would not say general; it is general with the exception of statutory requirements, such as for veterans' pensions and interest on our public debt. But I do not wish to discuss that amendment at this time. Let us not confuse that amendment with the pending amendment.

Mr. SCOTT. I was hoping the Senator would answer a relevant question. Would his proposal not include rescission of 1 percent of the $40 billion of the defense budget, and would not it take away $400 million from the defense of the United States?

Mr. GORE. That question is not now before the Senate, and I hope the Senator will not try to confuse the issue. The pending question is very simple.

Mr. SCOTT. May I ask——

Mr. GORE. Well, now——

Mr. SCOTT. On this amendment, then. I will confine myself to this pending amendment with one further question.

Mr. GORE. I yield.

Mr. SCOTT. Will the Senator inform me how much revenue he expects to be gained by this amendment in its several parts?

Mr. GORE. It has only one part relating to additional revenue.

Mr. SCOTT. It relates to the excise tax——

Mr. GORE. The Senator misunderstands. There is only one source of revenue provided in the amendment, and that is the repeal of the dividend credit.

Mr. SCOTT. How much then would go to the general fund?

Mr. GORE. An estimated $335 million, and that estimate comes from the Treasury Department.

Mr. SCOTT. So that that $335 million taken from the general fund must be raised in some other manner if we are going to raise the $40 billion for the defense budget?

Mr. GORE. I am sorry the Senator does not understand the amendment.

Mr. SCOTT. I suspect I am not the only one.

Mr. GORE. If he will join me on the couch in the back, I will endeavor to explain it to him. [Laughter.]

Mr. SCOTT. I do not propose to psychoanalyze the able Senator. [Laughter.]

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Arkansas.

Mr. McCLELLAN. I thank the distinguished Senator. I actually seek information. I should like some enlightenment. If I am correct, will the Senator please so advise me? The Senator simply would take the excise tax on passenger automobiles as now levied——

Mr. GORE. In part. The levy is now 10 percentage points. I would transfer 4 percentage points to the highway fund in fiscal 1960.

Mr. McCLELLAN. Four out of the ten.

Mr. GORE. 40 percent.

Mr. McCLELLAN. The Senator would transfer that money from the general fund into the highway trust fund.

Mr. GORE. That is correct.

Mr. McCLELLAN. The deficit in the general fund has to be made up. So the Senator wants to make up that deficit in the general fund by repealing the dividend credit now in the tax law. Is that, simply stated, the amendment of the Senator?

Mr. GORE. That is correct. The senior Senator from Arkansas understands it.

Mr. McCLELLAN. I came into the Chamber a little late. The Senator proposes simply to transfer permanently 40 percent of the excise tax now in effect on passenger automobiles into the trust fund for highway construction.

Mr. GORE. For this year.

Mr. McCLELLAN. For this year only.

Mr. GORE. Then 6 percentage points the following 4 years.

Mr. McCLELLAN. How much is it estimated will that take out of the general fund for this year?

Mr. GORE. $520 million.

Mr. McCLELLAN. $520 million.

Mr. GORE. May I point out how we arrived at that amount? The deficit in the highway trust fund this year is estimated to be $493 million. The 40 percent of the excise tax on automobiles will produce an amount as nearly equal to that amount as could practicably be selected.

Mr. McCLELLAN. In other words, that amount is adequate to make up the deficit?

Mr. GORE. That is right; it is adequate.

Mr. McCLELLAN. To replenish the general fund, into which the passenger automobile tax is now going, the Senator simply proposes to repeal the dividend tax credit now allowed?

Mr. GORE. That is right.

Mr. McCLELLAN. How much revenue will the repeal produce?

Mr. GORE. $335 million, according to an estimate of the Treasury Department, which compares, I point out, to an estimate of $333 million from the proposal in the House bill of a 1-cent increase in the gasoline tax.

Mr. McCLELLAN. In other words, the levy on the gasoline tax will amount to only $333 million, according to the estimate?

Mr. GORE. That is correct, for fiscal 1960. I should like to say that I disagree with the recommendation of the administration that we should impose an additional gasoline tax. If the problem is to be solved in that manner, however the Administration was correct in asking for a 1½ cent additional tax, instead of a 1-cent tax. An additional tax of one cent will not do the job. The provision for a 1-cent tax as contained in the House bill will leave a deficit in the highway trust fund of $160 million this year, and that means the Federal Government will be in default to our States.

Mr. McCLELLAN. Does the transfer of funds from the passenger automobile tax adequately cover the deficit?

Mr. GORE. This year.

Mr. McCLELLAN. For this year?

Mr. GORE. And next year.

Mr. McCLELLAN. The Senator proposes to make up a part of that deficit by a repeal of the dividend allowance. Is that correct?

Mr. GORE. That is correct.

Mr. McCLELLAN. Some money will still be taken out of the general fund, however? That will not be replenished?

Mr. GORE. That is correct. I seriously considered proposing a transfer from the general fund only of the amount equal to the amount the dividend credit repeal would bring in, but I could not bring myself to do so because it would not solve the problem at all. It would still leave a deficit in the highway trust fund. As the Senator knows, as long as he has been a Member of the Congress, we have made apportionments, and the State governors and the State legislatures and the State highway departments have depended upon them. They have never been questioned before.

Mr. McCLELLAN. May I state my understanding of the proposal? With the amendment of the Senator from Tennessee, we are given the choice of substituting a repeal of a dividend allowance, which is now received under existing law, or raising the gasoline tax by 1 cent. Is that correct?

Mr. GORE. That is correct.

Mr. McCLELLAN. Will either completely solve the problem?

Mr. GORE. No.

Mr. McCLELLAN. We are still left without the problem being fully resolved, either way we go?

Mr. GORE. Well, there is another provision in my amendment about which

the Senator has interrogated me. The other part of my amendment provides for a dedication of 40 percent of the revenue from the automobile tax to the highway trust fund.

Mr. McCLELLAN. I just stated that.

Mr. GORE. It would solve the fiscal problem so far as the highway trust fund is concerned. It would raise the problem which the able Senator has discussed—that we would transfer out of the general fund to the highway trust fund more money than the amendment would bring into the general fund.

Mr. McCLELLAN. That is the point I was making. There would still be a deficiency or a deficit.

Mr. GORE. With my amendment.

Mr. McCLELLAN. How are we going to make up that deficit?

Mr. GORE. May I state what H.R. 8678 does? It raises approximately only the same amount of revenue my amendment proposes. One amount is $335 million; the other is $333 million.

Mr. McCLELLAN. In other words, does the Senator think there would be about the same deficit, either way we go? Is that right?

Mr. GORE. Not quite. The House bill, however, would let the States bear the deficit by having the Federal Government default on a commitment that we have made, under which the States have awarded contracts. The contracts are being performed. When a contract is completed, as the able Senator knows, the contractor expects to be paid. How is the State going to pay the contractor? The House bill leaves a deficit in the trust fund, according to the testimony—it is all in the hearings of yesterday—of $160 million in this fiscal year and a deficit next year which will be substantially larger, at least until near the close of the next fiscal year.

Mr. McCLELLAN. If I may, I should like to make one brief observation and then conclude. I thank the distinguished Senator.

Mr. GORE. I will say that after the catechism of the able senior Senator from Arkansas the question has been brought so plainly and simply before the Senate I think the best thing I can do is take my seat. The Senator has contributed greatly by bringing the points into focus.

Mr. McCLELLAN. The Senator from Tennessee contributed greatly to my understanding. I thought I understood the matter, but it has been clarified.

I should like to make one other observation, if the Senator will permit. What is attractive to me about the Senator's proposal is that I have long desired to see the gasoline tax and the automobile taxes—the revenues raised from those sources—applied first to cover all that we spend on Federal highways.

Mr. GORE. The Senator has not only done that——

Mr. McCLELLAN. I have been anxious to see that done. We require the States not to divert any of their gasoline tax funds.

Mr. GORE. The Senator is correct.

Mr. McCLELLAN. I know the fiscal situation which confronts us. We are confronted with alternatives. If we want to try to keep this thing in balance, we are simply confronted with the alternative of either placing a 1-cent additional tax on gasoline or repealing the dividend credit.

Mr. GORE. Or we can leave the Government in default to our States.

Mr. McCLELLAN. Or we will further pyramid the national debt.

Mr. GORE. The Senator is correct.

Mr. McCLELLAN. I thank the distinguished Senator.

Several Senators addressed the Chair.

Mr. GORE. I yield first to the Senator from Pennsylvania.

Mr. CLARK. If I may, I should like to have the attention of the Senator from Arkansas for a minute.

Mr. McCLELLAN. Yes.

Mr. CLARK. I heard the Senator's interesting colloquy with the Senator from Tennessee. It is true that the amendment offered by the Senator from Tennessee will not make up to the general fund of the Treasury all of the money it would take out, but I shall support the Senator's amendment, because if it is adopted—and I hope it will be—then the Senator from Minnesota, the Senator from Wisconsin, and I propose to offer another amendment which will be an amendment, really, to require the deducting of the tax on interest and dividends at the source. If that amendment is agreed to, we will not only make up everything we will take out of the general fund of the Treasury, but we will provide a $100 million surplus.

Mr. GORE. I should like to add one other thing to the statement made by the Senator from Arkansas, before I yield to another Senator.

I think I referred to the suggestion of Mr. Tallamy yesterday, about contract control, before the senior Senator from Arkansas entered the Chamber. Never before, since 1916, have the apportionments which Congress has enacted every 2 years been questioned. The integrity of those apportionments was put into question yesterday, because of what Mr. Tallamy told the committee. What he said is in black and white, several times, because I questioned Mr. Tallamy at length about the matter.

Mr. Tallamy said he proposed to solve the problem of the deficit by a Federal control of State contracts, even though the State provides a 50—50 matching fund on the primary, secondary, and urban extensions. I hope every Senator will read the RECORD, before he votes to support the House bill.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GORE. I yield now to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I congratulate the Senator from Tennessee for the very fine fight he is making against the increase in the gasoline tax. I support the Senator enthusiastically.

I should like to invite the attention of the Senate to the fact that in the event the amendments proposed by the Senator from Pennsylvania and other Senators should fail, I have an amendment I may offer to reduce the depletion allowance on oil. I think there is a great merit in what the Senator from Rhode Island has said, because this is particularly and peculiarly pertinent to a highway bill, since it involves oil, of course. As many Senators know, there are great inequities involved. Whether I offer that amendment or not will depend on whether it seems at the time that I have any chance of winning adoption of the amendment.

Mr. GORE. I thank the Senator from Wisconsin very much.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. GORE. I yield to the junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, I wish to say to my distinguished colleague that I have an amendment to offer to his amendment. When I can get the floor in my own right I intend to offer the amendment.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. NEUBERGER. Mr. President, I have an amendment to offer, and I would like to get the floor.

Mr. GORE. Mr. President, I shall conclude as quickly as possible.

I now yield to the Senator from Colorado.

Mr. CARROLL. Mr. President, I hope that the Senator from Wisconsin did not indicate he intended to offer the depletion allowance amendment on top of the other amendments. As I understand the situation, only if the other amendments fail will the Senator offer the amendment.

Mr. PROXMIRE. If the Senator from Tennessee will yield for a moment, so that I may reply to the Senator from Colorado, I am delighted to have the Senator from Colorado emphasize that point. I will only offer the amendment in the event that I am required to do so because the other amendments which are offered do not pass. In that event, I feel this alternative might conceivably be considered favorably by the Senate, and in that event I may or may not offer this amendment.

Mr. CARROLL. The reason why I make that statement is that the Senator from Rhode Island said we ought to have a depletion allowance amendment offered. This has been worked on for 30 years. This is a problem which was considered in the time of President Roosevelt and in the time of President Truman. The able Senator from Louisiana, who comes from a great gas State, knows that if the amendment ever is adopted—and it is almost impossible ever to have it adopted in the first place—it would be vetoed at the White House.

I say we should stick to first things first. The Senator from Tennessee has made a very able presentation. It is so clear that even the Senator from Colorado can understand it. [Laughter.]

Mr. GORE. Mr. President, I shall take only 1 additional minute.

It would be hard to overestimate the importance of our highway program. According to recent estimates, approximately 40,000 American citizens were killed in wrecks on our inadequate highways last year. Even with this program which we have underway, we are not meeting the need for better highways.

Through World War II and through the Korean war, because of a shortage

of money and material, we let our highway improvement program take a back seat. Now we have a vigorous program designed to bring our highways to a condition of adequacy, in all of the categories, by 1975. I urge the Senate not to leave the program in default, and to provide equitable and adequate financing for the program.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question on an entirely different point? I wanted to wait until the other Senators had exhausted their questions on the money angle.

Mr. GORE. I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I have a question to ask the Senator from Tennessee regarding history. In the Federal-Aid Highway Act of 1956, section 116, subparagraph (c), it is stated:

> Public hearings: Any State highway department which submits plans for a Federal-aid highway project involving the bypassing of, or going through, any city, town, or village, either incorporated or unincorporated, shall certify to the Commissioner of Public Roads that it has had public hearings, or has afforded the opportunity for such hearings, and has considered the economic effects of such a location: *Provided*, That, if such hearings have been held, a copy of the transcript of said hearings shall be submitted to the Commissioner of Public Roads, together with the certification.

My question of the distinguished Senator is this: Is it the Senator's understanding—and was it the Senator's understanding at the time the legislation was written—that, with regard to a highway project involving the bypassing of a community, the wishes of the community were to be considered by the State highway body?

In other words, let us consider that it might be found desirable, under the formula set up by the Bureau of Public Roads, to buypass a small town. Was that town to be allowed a chance to say something about the bypassing before it was done?

Mr. GORE. The Senator has read the provision of the law which is still in effect. The law does not make mandatory that a hearing be held, but it makes mandatory that there be an opportunity for a hearing, if a community desires it.

Permit me to make one additional point. The act provided that the highways should be located and constructed so as to give equal consideration, insofar as practicable, to intrastate traffic and interstate traffic.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Arizona.

Mr. GOLDWATER. My reason for asking the question is that in the Far West, as the Senator knows, interstate highways do not have the importance of intrastate highways, and when a State like the State which I represent, in part, goes into a program of interstate highways, it realizes that what we are attempting to do, in essence, is to provide a means for tourists in the East to get to California a little earlier. I do not know why anyone should want to do so, but, nevertheless, that is what they are doing. Likewise, they are providing means for people from California to get to the eastern part of our country. Therefore, as the Senator might imagine, this has not met with general acceptance in the Western States.

I merely wished to clear up, if I could, with the distinguished Senator from Tennessee, the legislative intent of this particular subparagraph of section 116. Are these communities to have anything to say about bypassing, or is it merely subterfuge we find in the act?

Mr. GORE. So far as I am qualified to state the intent of the committee—and I am qualified to state my own intent—it was intended that every community would be afforded an opportunity to have a public hearing, if it so desired.

Mr. GOLDWATER. I have one additional question, on which I will try to be brief. Is it the Senator's further recollection, in the establishment of the legislative history, that the State highway engineering body, whatever it might be called—in my State it is the highway commission—would be the organization which would first prepare the plans for the Interstate System, or was that power to be vested in the Public Roads Bureau?

Mr. GORE. The act provides for the submission of construction plans by the respective States. Those plans, including proposed design and location, are subject to approval or disapproval by the Secretary of Commerce. The initiation of projects is entirely a State matter.

Mr. GOLDWATER. Is it then clear to the junior Senator from Arizona, from what the Senator from Tennessee has just said, that the State highway body is the initiating body in this program, and not the Bureau of Public Roads?

Mr. GORE. That is correct.

Mr. GOLDWATER. I mention that point because in my State occasions have arisen when the State highway body has said they had received the plans from up above. Some bypasses involved 40 or 50 miles, and were not economically desirable or feasible. If I can have the assurance of the intent of the author of the act that the State is the level at which these plans are to be initiated, I am perfectly satisfied.

Mr. GORE. There is nothing in the act which forbids the Bureau of Public Roads in the Department of Commerce from making suggestions concerning location of routes through States, but the application for approval of construction plans originates in the States, and it can originate in no other place.

Mr. GOLDWATER. I thank the Senator.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. I believe it should be made clear, in the event it is not fully understood, that highway users are already paying almost twice as much in excise taxes imposed on highway users as is presently going into the fund. It is not fully twice as much, but they are paying about $3,885 million in excise taxes, including the tax on automobiles. In addition, the amount going into the fund is approximately $2,200 million, I believe.

Mr. GORE. It is approximately 58 percent of the total amount collected.

Mr. LONG of Louisiana. About $2,200 million. So all the Senator is saying is that highway users are already paying more than enough to pay for the highways, and $1.5 billion or perhaps $1.6 billion over and above that to finance general Government.

Mr. GORE. That is correct.

Mr. LONG of Louisiana. In addition to that, they are paying all the other taxes. Ten members of the House Ways and Means Committee who voted for the bill we have before us said what the Senator is saying here. They said that highways users are already paying more than their share. Here are 10 members of the House Ways and Means Committee who send us a bill and who say there are other more fair and equitable means of raising additional funds, if we wish to adopt them. They themselves point out, in their supplemental views, there are more equitable methods of increasing the general revenues than by imposing an additional tax on gasoline.

There is very substantial support in the House of Representatives for exactly the position the Senator has taken. The trouble is that in the House the rules prevent them from voting for the kind of bill the Senator has in mind.

Mr. GORE. Mr. President, I appreciate the attention of my colleagues.

Mr. NEUBERGER. Mr. President, I propose an amendment to the amendment submitted by the distinguished Senator from Tennessee. My amendment would add a new section to the amendment, as follows:

> There will be imposed an additional 1 cent tax on gasoline, diesel fuel, and special motor fuels for the 21-month period beginning October 1, 1959, and ending June 30, 1961.

The PRESIDING OFFICER. The clerk will report the amendment.

The LEGISLATIVE CLERK. At the appropriate place, insert the following:

> There will be imposed an additional 1-cent tax on gasoline, diesel fuel, and special motor fuels for the 21-month period beginning October 1, 1959, and ending June 30, 1961.

Mr. GORE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the Senator from Tennessee.

Mr. GORE. The Senator proposes to repeal the dividend credit?

Mr. NEUBERGER. That is absolutely correct. I should like to make a few remarks, and then I shall be glad to yield.

The Senator from Tennessee and his associates are eminently correct in wanting to close tax loopholes, but I also believe we need more revenues in the Government. Let us not fool ourselves about this need. We have a $12 billion to $13 billion deficit in the fiscal year just concluded. We are not even beginning to live up to our responsibilities during the present fiscal year.

The President of the United States and the Prime Minister of Great Britain

said, in their meeting a few days ago in London, that they expected the cold war between the free world and Russia to continue indefinitely, which means we are going to have vast expenditures in the field of armament throughout the future.

Only last night or the night before the distinguished Admiral Rickover told the American Legion convention we were not really doing our job in the field of education if we are to keep up with the Soviet Union in scientific and other fields.

We know there are unlimited Government responsibilities such as health we are not properly carrying, and yet already the Treasury anticipates a deficit in the current fiscal year. Therefore I believe we should close the existing tax loopholes and we should also raise the Federal gasoline tax.

Members of the Senate should know the Saturday Evening Post pays nearly 25 cents a word for fiction. There have been speeches today claiming there is a plot to raise the gasoline tax and big business wants to unload the burden of cost on the little fellow. This is fiction. Unless we consider the big petroleum companies as "papa and mama" stories, that claim is wrong. We know for months the big oil companies have carried on propaganda against President Eisenhower's proposal to raise the gasoline tax. I have here a statement published by one of the big gasoline companies, Texaco, which is headed "Stop Unwarranted Federal Gasoline Tax Increase." I ask unanimous consent that it be inserted at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNWARRANTED FEDERAL GASOLINE TAX INCREASE

For every gallon of gasoline your car consumes you now pay State and Federal taxes that average more than 40 percent of the retail price, less tax. Yet Congress is being asked to increase the Federal tax on gasoline from 3 to 4½ cents.

Proponents of the increase argue that it is needed to prevent a deficit from developing in the Federal highway trust fund set up in 1956 to finance the network of interstate highways now under construction. The fact is there would be no deficit whatsoever in the highway trust fund if Federal automotive taxes already being collected from vehicle owners were not being used to subsidize other governmental functions. In fiscal 1958, 42 cents out of every dollar in Federal automotive taxes went into the general fund of the Treasury instead of the highway trust fund. These diverted automotive taxes would be more than sufficient to make up any anticipated deficits in the highway program.

For this reason, Texaco believes that an increase in the Federal gasoline tax is unwarranted. If you share this view, we suggest you make it a point to let your Congressman know that you do.

The combined national average of State and Federal taxes on a gallon of gasoline now amounts to 80 percent of the refinery price, 54 percent of the tank wagon price, and 41 percent of the retail price, less tax. Any further increase is unjustifiable and should be vigorously opposed.

Mr. NEUBERGER. I have also a statement published by another "papa and mama store," the General Petroleum Corp., telling us not to increase Federal gasoline taxes. I ask unanimous consent to insert that article in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The price you pay for gasoline is not the price of gasoline.

You pay 80 to 95 cents tax on 10 gallons of gasoline—30 cents Federal plus 50 to 65 cents State.

On the national average, a dollar's worth of gasoline, plus taxes, costs $1.41. No other necessity carries such a taxload.

We all want and need adequate highways. So far, highway users have been willing to shoulder a fair cost burden. What is fair should be for users to judge.

A tax once considered fair can become unfair if excessive taxes force people to drive less, or if tax money is wasted or spent for frills, or spent for nonhighway purposes.

The Federal Government puts into the highway fund less than $2 out of $3 it collects from motorists. The rest goes into the general fund.

Now, to keep the highway fund out of the red, Congress is being asked to increase the Federal gasoline tax to 45 cents on 10 gallons. This wouldn't be necessary if all Federal tax dollars collected from motorists went into highways.

Also, this year, bills to increase State gasoline taxes have appeared in 15 States. They were enacted in New York and West Virginia. They failed in Arizona, Oregon, and Washington. One is still pending in California.

We don't like to have any more tax added to your bill than you will endorse and support.

Let your representatives in Government know your feelings when a tax change is proposed. It will be too late after the tax appears on your monthly bill.

Without the tax, gasoline is a bargain in both price and quality. Since 1940, gasoline prices have gone up less than half as much as most other items in your budget, with quality constantly improving. Only the tax is high.

GENERAL PETROLEUM CORP.

Mr. NEUBERGER. At the same time, these little "papa and mama" stores, the big gasoline companies, tell us not to raise the gasoline tax to 4 cents and close up our Federal financial and fiscal deficit, as the President has recommended. What are they doing? Here is a story from the New York Times of July 28, 1959, headed "Gasoline Prices Up." I ask unanimous consent that the article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 28, 1959]

GASOLINE PRICES UP—STANDARD OF INDIANA RAISES DEALER RATES IN ILLINOIS

CHICAGO, July 27.—Standard Oil Co. of Indiana raised prices of gasoline today. The increases were expected to be also adopted by other major gasoline producers.

In the Chicago metropolitan area, the price to service station dealers goes up eight-tenths cent a gallon. In northern Illinois area, the increase is 1 cent.

A spokesman for Standard said the increases restored in whole or in part price cuts made earlier this year.

Mr. NEUBERGER. Here is an article from the Wall Street Journal of August 7, 1959, stating:

In Cleveland, Standard Oil Co. (Ohio) raised the price of gasoline 1 cent a gallon at all marketing levels.

I ask unanimous consent that this article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Esso Standard Oil Co. reduced prices of its kerosene, No. 2 fuel and diesel oils by 0.3 cent a gallon. Areas affected by the cuts include most of the Atlantic seaboard. In Cleveland, Standard Oil Co. (Ohio) raised the price of gasoline 1 cent a gallon at all marketing levels. Sohio said the increase puts the company's motor fuel prices back to where they were last fall.

Mr. NEUBERGER. Next is an article from the Wall Street Journal of August 10, 1959, headed "Sun Oil, Atlantic Refining Raise Some Gasoline Prices." I ask unanimous consent that this article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 10, 1959]

SUN OIL, ATLANTIC REFINING RAISE SOME GASOLINE PRICES

PHILADELPHIA.—Sun Oil Co. and Atlantic Refining Co. increased wholesale gasoline prices 0.8 cents a gallon in Pennsylvania. Atlantic said it would boost the price by the same amount in Delaware.

The higher tank-wagon prices will result in a 1-cent increase at retail in Pennsylvania, where gasoline is "fair traded" at 28.9 cents for regular grades in the eastern part of the State and 28.9 cents in western Pennsylvania, including taxes.

New tank-wagon price for regular gasoline is 16.1 cents in eastern Pennsylvania and 16.9 cents in western Pennsylvania. The new tankwagon price for Atlantic gasoline in northern Delaware is also 16.1 cents, and in the southern part of the State is 16.7 cents. Tankwagon prices exclude taxes.

New York-Esso Standard Oil Co., marketing affiliate of Standard Oil Co. (New Jersey), has increased its wholesale price of gasoline to dealers 0.8 cents a gallon, effective August 8, in Pennsylvania and at Wheeling, W.Va.

The change is in line with increases by other marketers in the area.

Mr. NEUBERGER. Here is a story from the Washington Post, a newspaper published in the city where we now live temporarily, but which we hope soon to leave for a spell. It states:

Esso Standard Oil Co. announced a 1-cent increase in wholesale gasoline prices to Washington area retailers yesterday.

I ask unanimous consent that this article be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GASOLINE PRICE INCREASED HERE

Esso Standard Oil Co. announced a 1-cent increase in wholesale gasoline prices to Washington area retailers yesterday.

Horace Walker, a spokesman for the Retail Gasoline Dealers Association, said a spot check of local dealers indicated that they would pass on to the consumer, increases varying from 1 to 1.5 cents per gallon. He said he was unable to learn the reason for the increase, but expected other companies to follow suit.

The Esso increases would apply to all grades of gasoline, which sell locally at retail from 28.9 to 30.9 cents for regular, 32.9 to

34.9 for extra, and 34.9 to 36.9 for the new "super" grades.

Mr. NEUBERGER. What is the situation? The very oil companies that have been flooding the country with propaganda, and putting propaganda into each motorist's car as he comes up to the gasoline pump, against a 1-cent or 1½-cent increase in the Federal gasoline tax to maintain the roads on which these motorists drive, are constantly increasing their own prices. They bleed for the little motorist, and undertake to defend him against an increase in the gasoline tax, but they are quite ready to raise their own gasoline prices.

I have been sitting here for an hour listening to speeches by distinguished Senators, telling us that this is a great plot of big business and big corporations to load the 1-cent or 1½-cent increase in the tax—and I am willing to vote for an increase of 1½ cents in the gasoline tax—on the little fellow. Yet, all the gasoline companies are flooding the country with propaganda against President Eisenhower's proposal.

What is the situation with regard to the contention that somehow the gasoline tax must be dedicated only to the purpose of roads? There is no such doctrine in our country, and has never been any such doctrine of taxation. If that were true, why do people without children pay school taxes in every State in the Union, as they should? Why do people who live in brick apartment houses and hotels have to pay to support the fire department to enable it to put out a fire in a frame dwelling that is combustible—as they should do?

We know that our Federal and State governments collect taxes from Christian Scientists and use the money for medical research. Do Senators mean to tell me that they should not pay? The Christian Scientists are not going to draw on medical research. It is contrary to the sincere teachings of their religion. But they are taxed, and the taxes are used to promote public health activities, which they often oppose, much less acquiescing in it.

We have never had any doctrine of taxation to the effect that every dollar collected should go to the particular purpose to which it is related. If that were the case, we would take all the money from cigarette taxes and use it in cancer research, to learn more about dreaded lung cancer. We would take the taxes from liquor and use them to try to rehabilitate the 5 million victims of chronic alcoholism. Or we would take the substantial excise tax on electric light bulbs and dedicate it to hydroelectric plants, or to the TVA, or St. Lawrence Seaway, in the States of the Senators from Wisconsin and New York.

We have an opportunity to close some tax loopholes, which the Senator from Pennsylvania, the Senator from Tennessee, and other Senators have very properly excoriated.

We also have an opportunity to be responsible legislators, and to raise some money to help pay for what we need to do here and abroad, if we are to protect the free world and maintain progress at home.

Suppose in 1 year we should collect a little more than we spend, and help to whittle away a small part of the $290 billion national debt. Would that be a felony? I favor such a policy.

I have read the writings of J. M. Keynes, a very famous economist. I have often quoted him. Many of my liberal friends—and I hope I am a liberal—say that in times of depression we should have deficit financing. That may be true. It is also said that in good times we should retire the debt caused by deficit financing during the earlier depression. That time never seems to arrive.

I have offered my amendment to the amendment of my able friend from Tennessee in order that we might have in one vehicle the means of closing some of the tax loopholes and at the same time increasing revenues.

One of the most outstanding speeches I ever heard in the Senate was delivered after we passed the mutual security authorization bill by the distinguished chairman of the Committee on Foreign Relations [Mr. FULBRIGHT] who is now present in the Chamber. He pointed out that he thought the American people would rather survive in a Lark than go down to defeat and perdition in a Cadillac. If I am not mistaken—I quote from memory—he said that he thought the American people would be willing to pay higher taxes if that were necessary to maintain the free world and to maintain our competitive position with the Soviet Union and Red China.

I do not see why we should not increase the Federal gasoline tax. Certainly it is a sales tax. There are all kinds of sales taxes. There is a high sales tax on electric light bulbs. Are electric light bulbs any less a necessity than gasoline? I would rather have an old car and electric lights in my home than to have a new car and have no electric lights in my house. I cannot very well get along with a Coleman lantern, as I used to do when I was a Boy Scout or soldier camping in a tent. I have passed that age.

Women in the galleries pay a heavy sales tax every time they paint their faces. Ask them which is the greater necessity—putting on their cosmetics or getting into an automobile to go downtown. Would they rather take a street car while wearing cosmetics, or an automobile, and forgo the use of cosmetics?

There are all kinds of sales taxes on necessities. The able Senator from Tennessee has pointed out what an imposition it would be to raise the Federal gasoline tax from 3 to 4 cents a gallon; yet I do not believe I abuse the truth when I say that he, who was the predominant figure in connection with the Federal Interstate Highway Act, himself collaborated and participated in raising the Federal gasoline tax from 2 to 3 cents a gallon. How can it be sound wisdom to raise the Federal excise tax on gasoline from 2 to 3 cents a gallon, but a heinous offense to raise the same tax from 3 cents to 4 cents? Who ordains that the line of demarcation between good and evil occurs at 3 cents? If we face up to the truth, I believe we shall have to raise more revenues in this country, and not less.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. McCARTHY. I should say that the difference might be about the same as the difference between holding a man's head 1 inch above the water and holding it 1 inch below the water. There is a significant difference.

Mr. NEUBERGER. I am probably very stupid, but I do not understand the analogy.

Mr. McCARTHY. The Senator says there is no difference between raising the gasoline tax from 2 to 3 cents and raising it from 3 to 4 cents.

Mr. NEUBERGER. We have had a period of inflation in between. Roads have become more costly.

Mr. McCARTHY. We have not had a period of inflation since last year.

Mr. NEUBERGER. Have we had no inflation from 1956 to 1959?

Mr. McCARTHY. Not that much.

Mr. NEUBERGER. We have had some inflation, and we have expanded the Interstate Highway System and added to the mileage.

Mr. McCARTHY. The economy has expanded, too, as has the consumption of gasoline.

Mr. NEUBERGER. It seems to me that we would have a balanced program if we were to close tax loopholes, and also increase the Federal gasoline tax. Those who drive on the roads should help to pay for them. It appears to me that this is a tax which all our States support. I do not know of any State that fails to have a gasoline tax. I do not know any Member of this body who has ever returned to his State and protested against the State gasoline tax.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. FULBRIGHT. I am not quite clear what the Senator's amendment would do. Would his amendment provide for the repeal of the credit on dividends received?

Mr. NEUBERGER. What my amendment does is this: At the desk is an amendment offered by the able Senator from Tennessee [Mr. GORE]. I am probably presumptuous in seeking to explain his amendment, but his amendment would repeal the credit on income tax for people who receive dividends.

Mr. FULBRIGHT. The dividend credit.

Mr. NEUBERGER. Yes. He would put it in the general fund to make up for that portion of the automobile excise taxes which would be taken by his amendment from the general fund and placed in the highway trust fund.

Mr. GORE. It transfers 4 of the 10 percentage points of the excise tax on automobiles to the trust fund in fiscal 1960.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oregon yield?

Mr. NEUBERGER. I yield.

Mr. JOHNSON of Texas. I am informed that the language the Senator has prepared needs to be put in another form if it is to get the results he desires. The chairman of the Committee on Finance [Mr. BYRD] has some witnesses

from the Treasury here. He would like to have a meeting for possibly 30 or 40 minutes. I have spoken with the author of the amendment, the Senator from Tennessee [Mr. GORE]. He thinks it might be possible, by taking a recess now, to discuss the language proposed by the Senator from Oregon to see if the matter can be straightened out. I shall move that the Senate take a recess subject to the call of the Chair, if that is agreeable to all parties.

Mr. FULBRIGHT. I should like to complete my question.

Mr. JOHNSON of Texas. Certainly.

Mr. FULBRIGHT. I wanted to have my point made clear. That is the same measure, is it not, which the Senate, so far as the repeal of the dividend credit is concerned, passed upon earlier this year?

Mr. NEUBERGER. I think the Senate passed upon it, if I am not mistaken. It was rejected in conference.

Mr. ANDERSON. No; on the floor.

Mr. CLARK. The Senator is incorrect. The amendment was agreed to on the floor of the Senate by a vote of 47 to 31. It was taken to conference and was rejected in conference.

Mr. FULBRIGHT. What the Senator from Oregon is offering is not some new, radical idea; it is exactly the same proposal as that which the Senate adopted earlier this year in a different tax matter. Is that not correct?

Mr. NEUBERGER. That is correct. That is the amendment of the Senator from Tennessee.

Mr. FULBRIGHT. Just a moment. I know there is some overlapping, but what the Senator is offering is a substitute.

Mr. NEUBERGER. It is an addition.

Mr. FULBRIGHT. It is the repeal of the dividend credit, is it not?

Mr. NEUBERGER. That is what the Senator from Tennessee is proposing.

Mr. FULBRIGHT. But the Senator from Oregon is adopting that, is he not?

Mr. NEUBERGER. Yes, and I am adding to it.

Mr. FULBRIGHT. I am trying to understand the effect of the amendment of the Senator from Oregon. He is adding a proposal to increase the tax, which is the same as what the House has passed.

Mr. NEUBERGER. That is correct.

Mr. FULBRIGHT. The Senator from Tennessee is opposed to that, but the Senator from Oregon is offering it as an amendment to the repeal of the dividend credit, and the net result would be, if the Senator's amendment was adopted, that we would repeal all the dividend credit, which would contribute about $380 million to the Treasury and provide for an increase in the gasoline tax. Is that what the Senator's amendment does?

Mr. NEUBERGER. All my amendment does is to add to the amendment of the Senator from Tennessee [Mr. GORE] a 1-cent increase in the Federal motor fuel tax until July 1, 1961.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. CARROLL. I want the Senator from Tennessee to hear me on this. If I correctly understand the amendment of the Senator from Oregon—and I believe I understand it now—it is similar to the bill passed by the House, with the addition if we should adopt it, of the amendment offered by the Senator from Tennessee.

Mr. GORE. Mr. President, will the Senator from Oregon yield?

Mr. NEUBERGER. I yield.

Mr. GORE. As the distinguished majority leader has pointed out, the amendment offered by the junior Senator from Oregon is in the form of a statement of intent and purpose; but to be legally applicable to the amendment I have offered, it would have to be offered in precise language as an amendment to the pending amendment. I think it would require some little time on the part of the legislative drafting service. For that reason, the distinguished majority leader has suggested that this might be an appropriate time to take a recess in order that the Senator may have his amendment drafted in a form applicable to the pending proposal.

Mr. CARROLL. I understood there was some imperfection with respect to the intent and purpose of the amendment offered by the junior Senator from Oregon. That is why I wanted the attention of the Senator from Tennessee. If the bill is drawn in the same form as it came from the House, and after the recess we adopt the amendment of the Senator from Tennessee, is there any doubt in anybody's mind what will happen in conference? This matter went to conference before and was rejected. It will happen again, just as surely as I stand before the Senate now. The only chance we have, in my mind, is to pass a different bill along the lines of the amendment of the Senator from Tennessee. Then perhaps we can meet the issue headon.

EMERGENCY HIGHWAY CONSTRUCTION FUNDS

Mr. MANSFIELD. Mr. President, I would like to speak briefly about a situation which is of great concern to my distinguished senior Senator [Mr. MURRAY] and myself.

As the Members of the Senate know one of the major aftermaths to the earthquake in southwestern Montana has been the need for repairing and reconstructing highways and roads. It is estimated that it will cost $6 million.

The existing Highway Act creates an emergency relief revolving fund of $30 million for reconstructing roads destroyed by castastrophes such as earthquakes. These funds are restricted to Federal aid roads and are available on a 50-50 matching basis in all instances. This program goes into operation when an emergency is declared by the Governor and concurred therein by the Secretary of Commerce.

Unfortunately the 50-50 matching formula also applies to forest, park, and Indian roads which were originally constructed with 100 percent Federal funds.

The highways and roads in southwestern Montana and Yellowstone National Park in need of repair and reconstruction are all forest, park, or Indian roads and highways that were originally constructed with 100 percent Federal moneys. It seems reasonable to expect that any repairs and reconstruction would be done on a 100-percent Federal-financing basis. The Federal Government is a self-insurer.

The existing law was geared to the Federal-aid highway program, and I feel that it was an oversight in considering emergency aid to federally constructed roads and highways.

Senator MURRAY and I introduced legislation, S. 2623, which would rectify this situation and will allow these emergency funds to be used to provide the entire amount needed to put these Federal agencies' highways and roads back into shape without placing a burden on the program of either the State or any Federal agency.

Because adjournment appears to be near at hand, we brought this matter to the attention of the Senate Public Works Committee so that it might be included as an amendment to the Highway Act in the bill that we are considering today. I am very pleased with the fine response we received from the distinguished chairman of this committee, the senior Senator from New Mexico [Mr. CHAVEZ], and the unanimous approval by the committee members for including the language of our bill as an amendment to the highway-financing legislation. I also wish to express my appreciation to the junior Senator from Utah [Mr. Moss] for the fine job he did in supporting this measure and discussing in detail the need for such legislation. His recent trip to the earthquake area made it possible for him to give an actual account of the need for this emergency highway program.

Mr. President, this new language in the highway bill will be most helpful to restoring normal conditions in southwestern Montana and Yellowstone National Park. In addition, this bill will also apply to any future situations of this nature.

HIGHWAY ACT

Mr. MURRAY. Mr. President, I wish to rise to mention briefly one provision included unanimously by the Senate Public Works Committee in the Highway Act. This is the Murray-Mansfield bill to extend the application of the emergency fund in the Highway Act which is used to restore roads destroyed by disaster. Up to now, forest highways, park roads and trails, forest development roads and trails, and Indian roads have been, through oversight, not covered by the emergency fund. These roads are normally constructed with 100 percent Federal funds since they are on Federal lands. The amendment will include these roads.

The fund provides a Federal share of 50 percent in restoring these roads. The amendment makes it a 100 percent Federal share on the basis that these roads are a Federal responsibility.

These are the only policy changes in existing law. The rest stands. It will still be necessary for a Governor to make a declaration and the Secretary of Commerce to concur that a disaster has occurred before 1 penny can be spent.

The checks and balances that have restricted the use of the emergency fund to disaster will continue in full force and effect.

I would be remiss if I did not say that each and every member of the Senate Public Works Committee has my heartfelt thanks for his willingness to help us to meet Montana's disaster problem, and in the process to correct an inequity in the present law. The senior Senator from New Mexico [Mr. CHAVEZ] has shown his humanity and understanding. The chairman of the Roads Subcommittee [Mr. MCNAMARA] has been most helpful. The Senator from Utah [Mr. Moss] deserves credit for both going to Montana to see this problem and taking the lead in committee in securing adoption of this needed amendment. I thank each member of the committee for their bipartisan support of our effort to restore this disaster stricken area in Montana and Wyoming.

Finally, I want the RECORD to show that we had from the outset good cooperation and help from Mr. Tallamy, Director of the Bureau of Public Roads.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and (at 4 o'clock and 55 minutes p.m.) the Senate took a recess subject to the call of the Chair.

At 6 o'clock and 3 minutes p.m., the Senate resumed its session and was called to order by the Presiding Officer (Mr. MANSFIELD in the chair).

INTEREST RATES ON SERIES E AND H U.S. SAVINGS BONDS—REPORT OF A COMMITTEE

Mr. BYRD of Virginia. Mr. President, from the Committee on Finance I report favorably, with amendments, the bill H.R. 9035 to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, and I submit a report (No. 909) thereon.

The PRESIDING OFFICER. The report will be received and printed.

FEDERAL-AID HIGHWAY ACT OF 1959

The Senate resumed the consideration of the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. NEUBERGER].

LAOS AND THE COMMUNIST THREAT

Mr. JAVITS. Mr. President, I have waited a considerable part of the day to make a speech on a very important subject, in regard to which I have already issued a release. If the Senate will be so kind as to indulge me for approximately 10 minutes, I should like to proceed at this time to make the speech.

First, Mr. President, I wish to point out that, as always happens in our very complex world, while we have been engaged with measures relating to roads and other measures which are of great domestic interest and importance, our world is burning.

Some very serious things are happening in connection with our foreign policy and, I believe, the security of our country.

There is a real conflagration in Laos; and the State Department has today issued a statement which I believe commends itself—notwithstanding our present concern with domestic matters and with Senate procedure—to the consciousness of every Member.

The State Department has stated, in regard to what is happening in Laos:

> It is now clear that the Communist bloc does not intend to permit the sovereign Lao Government to remain at peace.

The State Department release ends with the following injunction to us and to the rest of the country:

> It is appropriate that this matter be brought to the world's attention. It is obvious that any further augmentation of the invading force or continued material support thereof by Communists in North Vietnam will require a major change in the nature and magnitude of the Royal Lao Government's need for support. The United States is confident that the free world would recognize such a new danger to peace and would take the action necessary. For its part the United States supports that view.

Mr. President, I ask unanimous consent that the full text of the State Department release be printed at this point in the RECORD, as a part of my remarks.

The PRESIDING OFFICER (Mr. JACKSON in the chair). Is there objection?

There being no objection, the release was ordered to be printed in the RECORD, as follows:

Following is the text of the statement issued by the State Department today on the situation in Laos:

"The United States as a member of the United Nations will fulfill in good faith the obligations assumed by it under the charter. One of these obligations is to take appropriate measures in support of the charter. To this end the United States will support United Nations consideration of the Royal Lao Government's appeal.

"The U.S. Government has repeatedly announced its strong support of the Royal Lao Government in its determination to resist Communist efforts to undermine the security and stability of Laos. On August 26, 1959, the United States announced that, in response to specific and urgent requests from the Lao Government for improving its defense position, additional aid was being authorized to permit emergency increases in the Lao Army and Militia to cope with the threat posed to that Government by the Communists. The United States announced at the same time that it would continue to support reasonable approaches to achieve a peaceful solution of the current situation in Laos.

"On August 30 a strong attack from the northeast was launched against Royal Lao Army units in the northeastern border area of Sam Neua Province. The small Lao forces in this Province had been reinforced and had begun to push back an earlier Communist salient which had extended about 50 miles from the North Vietnam border in an area northwest of the town of Sam Neua. The August 30 attack against the northeastern border area provides further evidence of the active support of Communist rebel forces within Laos from Communist North Vietnam. The attack could not have been supported nor coordinated without such outside collaboration.

"It is now clear that the Communist bloc does not intend to permit the sovereign Lao Government to remain at peace. The Communist bloc apparently intends to foment and direct a rebellion within Laos and to give extensive support to the attempt to seize important areas and otherwise to prevent the establishment of those peaceful conditions necessary to implement basic economic and social programs. In short, the Communist intervention is apparently aimed at preventing the Lao people from realizing their just hopes for a better life.

"That outside Communist intervention exists is demonstrated by (1) the assistance evidently being received by the Communist forces within Laos, including supplies and military weapons that could be provided only from Communist territory; (2) the false and ridiculous Communist propaganda emanating simultaneously from Hanoi, Peiping, and Moscow to the effect that the Lao Government has been instigated by the United States to stir up a civil war within its boundaries; (3) the continuing flow from Moscow, Peiping, and Hanoi of propaganda and false information about the situation in Laos aimed at confusing world opinion and stating that the United States is using Laos as a military base; and (4) the fact that the military outbreak in Laos has followed conferences in Moscow and Peiping between Ho Chi Minh and Soviet and Chinese Communist leaders and also conferences in Moscow between two members of the North Vietnam Politburo and Deputy Prime Minister Anastas Mikoyan.

"The latest attack upon the Lao Army in Sam Neua Province has resulted in an appeal by the Royal Lao Government for United Nations assistance. It is appropriate that this matter be brought to the world's attention. It is obvious that any further augmentation of the invading force or continued material support thereof by Communists in North Vietnam will require a major change in the nature and magnitude of the Royal Lao Government's need for support. The United States is confident that the free world would recognize such a new danger to peace and would take the action necessary. For its part the United States supports that view."

Mr. JAVITS. Mr. President, we may have another Korea right on our doorstep, facing us right now.

As I have said, notwithstanding the obsessions of the moment, I should like to state, as one Senator, that I think the U.S. Government is doing exactly the right thing. I hope very much that if it is necessary to organize United Nations forces, they will be organized and we will participate.

I hope very much that we will make that clear to the Security Council, which I understand meets in emergency session on Monday, and to the General Assembly of the United Nations, which should be called into speedy session if the Russians veto—and undoubtedly they will—anything the Security Council seeks to do.

Mr. President, these are times in which the world can be dealt a death blow while we argue about domestic matters which, although they seem important to us, are relatively irrelevant to our survival.

One of those things is the need to defend freedom, wherever it exists today, by the collective action of all mankind.

We have learned some lessons—among them, that a struggle for freedom, whether in Korea, at Dien Bien Phu, or in Berlin, is just as much a struggle for the survival of the United States as would be another December 7, 1941, attack on Hawaii or an attack on the mainland of the United States.

Mr. President, when we consider what has been going on today in the Senate, I believe it very important that we be reminded of these very stern facts and happenings in the world.

I hope other Senators will join in encouraging our President and our Government, in this very solemn moment and this very dangerous hour, indeed. In fact, I do not think we yet begin to understand the quality and the aggressive character of the Communist Chinese Government, and the North Vietnam Government which it backs, and the whole Communist complex in the center of Europe and in Asia, until we view their activities in this light.

Mr. President, in order to deal properly with such situations, one has to have great moral determination and great courage in terms of providing for the support of the country. It is most important that we take realistic steps which will demonstrate that courage; and I believe we owe it to the President and to the Secretary of State, who only recently has returned from abroad, and to our United Nations delegation, to demonstrate our support in these very critical hours.

Mr. President——

The PRESIDING OFFICER. The Senator from New York.

THE MIDDLE EAST

Mr. JAVITS. Mr. President, I should like to say a few words in regard to another area of the foreign policy of the United States. I shall not take very long to do so.

I had prepared remarks to be made today, in response to a significant speech made Monday, August 31, on the floor of the Senate by the distinguished chairman of the Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT]. His speech was entitled "Statement on the Middle East."

Mr. President, I realize the need to answer that speech, because one of the grave dangers we face, as I view it, is a failure to appraise with the greatest accuracy the situations in foreign relations which are so dangerous to the security of the world. I think one of them exists in the Middle East.

With the greatest of respect for my colleague [Mr. FULBRIGHT], who has so distinguished a position in the Congress—and, Mr. President, let me say, incidentally, that I have advised him that I would make this speech—I should like to address myself at this time to that subject, because it relates to an area in which I have long had a keen interest, and which I have previously discussed in the Senate.

I make these remarks in order to develop by debate the most constructive policy recommendations for our country.

It will be recalled that we had a similar debate in regard to Berlin. That debate was sparked by the distinguished junior Senator from Montana [Mr. MANSFIELD]; and it resulted in tremendously constructive policy determinations on the part of our Government. Indeed, only the other day the Senator from Montana [Mr. MANSFIELD] referred in the course of the very excellent speech he made on our foreign policy—and in the course of his speech he was so kind as to name some of us who participated—to the crystallization of foreign policy which resulted from the Berlin situation. Mr. President, it is in the same spirit that I make these remarks about the Middle East.

In his statement, the Senator from Arkansas [Mr. FULBRIGHT] pointed to the relative calm in the Near East and suggested that this climate offered an opportunity to improve our relationship with the United Arab Republic and other Arab States. It is interesting to compare this appraisal with that of the deputy majority leader, the distinguished Senator from Montana [Mr. MANSFIELD], who spoke on September 4, 1959, only a few days later, on the Middle East, saying:

> Sooner or later, we are going to have to decide who in the Middle East works sincerely and with forbearance to end the state of fear and incipient war which prevails in that region.

In the course of his remarks, the Senator from Arkansas called for a new long-range American policy, and criticized what he termed the "ad hoc measures" which, he said, had characterized our policy in the past.

Mr. President, I have followed our Near East policy most closely for more than a decade, and I share the opposition of the Senator from Arkansas to ad hoc measures. I agree that we should attempt to achieve better relationships. But, Mr. President, is this a period of "relative calm," as Senator FULBRIGHT states, which I agree is "essential to the development of representative government and economic growth among the Arab States"? My answer is, Decidedly not. I make these statements in view of the following four serious unsettling developments which persist in the Near East:

First. Threats of war to the very national existence of Israel and to the survival of its people, thus imposing a threat to the peace of the world.

Second. Continued uncertainty regarding relations between the United Arab Republic and the Soviet Union, and the threats of aggression or subversion which these relationships pose for the whole Near East.

Third. Blockade of the Suez Canal against international cargoes and shipping, in violation of international law, the Suez Canal Convention and the assurances of the Egyptian Government when it took control of the canal in 1956.

Fourth. Rejection of the initiative of the Secretary General of the United Nations to endeavor to nationalize the position of the Arab refugees through resettlement in the Arab countries where they are now located and to free them from their continued confinement to the refugee camps under international relief.

These are the dangerous issues for the Near East; they hardly sound like relative calm, but more like the state of fear. But we cannot consider our contribution to the resolution of these issues except in the context of a program for the area—in that I agree with the Senator from Arkansas, though he does not suggest such a program, but only suggests that we should have one.

Regarding the first point, threats of war to the very national existence of Israel, and thus the peace of the world, the Arab States have continued their threats to exterminate Israel and to push its people into the sea; and have, as a matter of fact, intensified their economic warfare against that free nation. Unhappily, the Arab States continue to give the unmistakable impression that they will launch armed conflict against Israel with a view to its total extermination at a time of their own choosing.

At times of crisis elsewhere in the world, the Soviets have seen fit to set counterfires in the Middle East tinderbox to divert our attention and resources. Thus, it must be realized that these threats to the existence of Israel are not only the concern of some who may feel an attachment of sentiment to it, but are a very real and deep concern to the very security of our Nation and the free world.

To think that Israel is the source of all Middle East political and military crises is, however, to overlook recent events, for internal dissension in Lebanon, Syria, Jordan, and Iraq, as well as a whole catalog of disputes between the Arab States themselves, have featured the area. However, the consistent and continuing threats of warfare against Israel remain for the Soviets the convenient button to push to set into motion another world crisis for their own ends.

The principal sore point at this time from which a major crisis could erupt is the matter of the blockade of the Suez Canal, in violation of international law.

It will be recalled that in 1951, the U.S. delegation to the United Nations voted that the Suez Canal blockade was illegal and reiterated this position when the issue came before the United Nations Security Council in 1954. This position was strongly reaffirmed in 1957 when we called upon Israel to withdraw its forces from the Sinai Peninsula and President Eisenhower declared:

> We should not assume that, if Israel withdraws, Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Aqaba. If, unhappily, Egypt does hereafter violate the Armistice Agreement or other international obligations, then this should be dealt with firmly by the society of nations.

And a few days later, when the Israelis agreed to withdraw, President Eisenhower sent a message to Prime

Minister David Ben Gurion to the effect that—

> Israel will have no cause for regret having thus conformed to the strong sentiment of the world community. * * * It has always been the view of this Government that after the withdrawal there would be a united effort by all the nations to bring about conditions more stable, more tranquil and more conducive to the general welfare than those which existed heretofore.

In reliance on these assurances, Israel's Government withdrew its forces and for the next 2 years there was a measure of serenity on the Israel-Egypt frontier. Israel's own ships passed through the Straits of Tiran, opening up that country's trade with Asia and Africa, and Israel's cargoes were permitted to transit the Suez Canal—though not Israel's shipping.

But this state of comparative calm came to an end early this year. After permitting some 40 ships to pass through the Suez Canal carrying cargoes to and from Israel, President Nasser suddenly halted two ships in the canal in the spring of this year. In both cases, cargoes either to or from Israel were seized. A few weeks later a Greek ship was allowed to pass, but on May 21 Egyptian authorities halted the *Inge Toft*, a Danish freighter, as it attempted to carry an Israel cargo of cement, potash, and other goods to Hong Kong, Manila, and Japan. This ship is still in Port Said. President Nasser will not let it pass.

Since that time and within recent weeks the Egyptians have seized mail bound for Israel from Australia from the Norwegian freighter *Tarn* and impounded from another Norwegian freighter *Tagof*, a box containing equipment and literature for the Israeli meteorological service from Australia.

All members of the United Nations, whether they be big or small, are entitled to protection from aggression, and all members of the United Nations owe an obligation to that body to help it discharge its responsibilities. We will not carry out our responsibilities to meet and solve the problem of the Suez Canal by an airy reference of the issue to Mr. Hammarskjold or the United Nations. The U.N. is no stronger than any of its members, and we are one of the strongest. This is not an issue to be decided by asking little Israel to accept some abridgment of its rights, and by pressuring Israel to live under imposition, blockade, and siege. The premise upon which the United Arab Republic predicates its course is untenable. No member nation of the U.N. has the right to assert that it is in a state of war with its neighbors in the face of a United Nations Security Council resolution making a contrary finding. The U.N. Charter requires it to work for peace and to live in peace.

In this connection, I should like to recall two of the six principles which President Nasser accepted in 1956. They provided, first, there should be free and open transit through the canal without discrimination overt or covert; and, second, the operation of the canal should be insulated from the politics of any country.

On June 24 a group of 25 Senators joined in a telegram addressed to President Eisenhower, expressing our concern over shipping in the Suez Canal. Nine days later, on July 3, we received a reply from Assistant Secretary of State William B. Macomber, which was made public, in which we were reassured that our Government clearly and unequivocally adhered to its original position in opposition to any restrictions on the use of the Suez Canal. Secretary Macomber's letter has been inserted in the CONGRESSIONAL RECORD of August 6.

The United Arab Republic has now requested from the International Bank for Reconstruction and Development a $40 million loan to widen and deepen the Suez Canal. There is little question that such a physical improvement of that international waterway would be of great benefit to the world and to the United States. However, to what avail is such an improvement if the canal should be operated illegally and, once improved, as a more efficient instrument against the peace wielded by the United Arab Republic?

The World Bank is a specialized agency of the United Nations. It makes its own decisions. It is independent. It decides who shall receive its loans. It is not responsible to the United Nations. But the Bank, like any responsible lender, owes some obligations to the international community by which it is sponsored. Does the World Bank propose to lend large sums to one of its stockholders to improve a waterway which is used in violation of a U.N. decision and in illegal action against other stockholders?

It is very sad to reflect that after 11 years the Arab-Israel conflict is just as far from solution as it ever was. We have not been able to bring the parties closer together. We cannot hope to bring about peace and concord between Israel and Egypt now, but we can hope to pursue a consistent policy which in this area we have already inaugurated in 1956 and 1957, and insist on respect for international law. Our policy has been often criticized for failure of consistency in its application; this is a situation in which such consistency is both practical and needed. Hence, on this step-by-step basis, we should insist now that illegal restrictions on the use of the Suez Canal must be lifted and the *Inge Toft* case settled; otherwise we cannot give aid or fail to protest aid proposed by other international agencies.

I would urge, therefore, that as a condition for the World Bank loan the Egyptians pledge operation of the Suez Canal in accordance with the Constantinople Convention of 1888 and subsequent international agreements providing for unrestricted access and use, and that this pledge be guaranteed by the U.N., of which the International Bank is a constituent body. The United Arab Republic is a member both of the U.N. and the International Bank.

Just as the Tripartite Pact of 1950, under which Great Britain, France, and the United States assured Israel's borders, and the U.N. Emergency Force in the Gaza strip and the Strait of Tiran has brought to an end border raids on the Egyptian border, so such a U.N. guarantee could be meaningful in terms of achieving a solution to the problem of transit through the Suez.

The third unsettling development to which I referred earlier is the question of the Arab refugees.

U.N. Secretary Dag Hammarskjold early in June published a proposal to deal with the refugee problem, wherein $1.5 to $2 billion would be expended within the next 5 years on projects that would make production jobs for the estimated 900,000 refugees in Arab countries. The Arab States have rejected the proposal, indicating that they would be satisfied with no less than repatriation of the refugees in Israel—an obvious impossibility with their final position to be taken at the impending Casablanca conference of the Arab League.

Jordan has qualified its position out of concern for the territorial problems of what was formerly Palestine, but this has not changed the basic situation. This follows a pattern in which I feel that Arab States have been most misguided in refusing to cooperate in the firm settlement of the Arab refugees, where they can be so practicably accommodated, but have insisted on keeping hundreds of thousands of the refugees in the misery of the refugee camps as a political weapon against Israel.

The U.N. General Assembly will undoubtedly have this item on its agenda this month.

The United States can do no less than be fully prepared to move for settlement of the Arab refugee problem, which has too long been one of the most critical problems in the Mideast. A resettlement plan should include worldwide action of the same nature as Europe's resettled displaced persons. Whatever may be the objections of Arab spokesmen to the proposition that the Arab refugees were made to leave what is now Israel by exhortations of the Arab armies in preparation for a triumphant return after the Jews had been pushed into the sea, the unfortunate fact is that for 10 years there has been no Arab cooperation in their resettlement and they have been used largely as a political dagger pointed at Israel. Recent reports indicate that 1,400 jobs for refugees went unfilled when exit permits were denied them by Arab host governments, host governments which have rejected also plans for extensive development programs for resettlement. Syria and Lebanon, on their part, have obliged UNWRA to transport supplies for these unfortunates by railroad rather than, less expensively, by truck.

Arab refugees constitute almost half the population in Jordan, about 517,388 being there, with 221,058 in the Gaza Strip, 102,586 in Lebanon, and 92,524 in Syria, with an annual net population increase of 25,000 to 30,000 due to a continuing high birth rate. It is clear that the problem must be settled now.

Israel has evidenced willingness to negotiate compensation for Arab properties, notwithstanding its heavy counterclaims against the Arab States, which ejected 300,000 Jews since 1948 and deprived them of their property.

The problem of land could be quickly settled by the Arab governments, particularly Iraq, which has the resources in land and water and is underpopulated,

and whose new revolutionary regime we have just recognized. A major effort by the United Nations and the United States to enlist its participation could prove most fruitful at this time.

I believe that Israel will take a reasonable number of the refugees suitable for repatriation and giving consideration to the dangers to its security by any fifth column. Also, Israel has already repatriated 25,000 to 30,000 Arabs, and in reuniting Arab families and by other means, it is estimated as many as 100,000 former Arab refugees are now located in Israel.

Obviously, the resettlement of the Arab refugees is not a complete policy for the Mideast, but it does represent an initiative upon which the other elements can be built. They include:

First a clear guarantee of Mideast borders against direct or indirect aggression, preferably under U.N. auspices. This would include also the U.N. guarantee of freedom of transit through the Suez Canal.

Second. A suitably adapted and adequately financed Mideast regional economic plan based on self-help and mutual cooperation, and started with those who choose to cooperate even if this does not include all the Arab States. President Eisenhower in his August 13, 1958, address before the U.N. General Assembly, proposed the establishment of such an Arab Development Bank on a regional basis to accelerate progress in such fields as industry, agriculture, water supply, health and education. It would provide loans to the Arab States as well as the technical assistance required in the formulation of development projects, would be managed by the Arab States themselves and would serve also to attract needed private investment funds to the area as well. Such an Arab Development Bank, I believe, should not only include the Arab nations originally contemplated—United Arab Republic, Jordan, Iraq, Saudi Arabia, Lebanon, Yemen, and Kuwait—but study and consideration should be given to include also such other nations as Iran, Libya, the Sudan, Tunisia, Turkey, Afghanistan, Morocco, Somalia, and Ethiopia.

Third. Broad-scale activities in person-to-person exchanges and the establishment of technical training institutes and other institutions in the Middle East.

One of the primary aspects of an initiative by the United States would be in respect of a regional economic plan for the area if this is taken up and implemented. There is every assurance that other governments will cooperate in the financing of such a plan, notably the United Kingdom, Italy, and Germany have already indicated their interest, and so has the International Bank for Reconstruction and Development.

It would be essential also to bring into Mideast economic development and the resettlement of the Arab refugees the oil revenues of the Mideast and the oil companies which pay them. These oil revenues aggregated $1.026 billion in 1957 and are an indispensable element of any Mideast program.

The argument is made that the Arab States might not work with us due to Arab nationalist pressure, but in efforts in regional economic development we are not confined to the Arab States alone but should include the economic region involved, leaving the problems of an economic bridge to Israel to be solved for the present through the United Nations. The leaders of these countries outside the Arab bloc have also led their peoples out of colonial status yet with acceptance of their responsibilities in the civilized world and without seeking to build personal power hegemonies.

Settlement of the Suez Canal dispute, Mr. President, is, I believe, the first great step at this time. For a guarantee of a freedom of transit through that international waterway by the United Nations would clearly stake out the interest of the world community in taking an active role in assuring peace in the strife-ridden Middle East. As a principal member of the International Bank and a leader in the United Nations, the United States can assume the leadership position in seeing that this is done.

Last week 13 members of the House Committee on Banking and Currency addressed a communication to the World Bank appealing to that body to withhold the loan for improvements to the canal until the Suez Canal is recognized as an international artery without limitations or restrictions, thus concurring with the sentiments previously expressed by Members of this body to which I have referred. The International Bank surely can do no less than this, for it has within its power, as the lender of important funds highly desired by the United Arab Republic, an instrument to help bring about that compliance with international law which we all seek. A key to the peace lies within our hands; let us grasp it.

Mr. President, I close with a word for which I hope perhaps I shall be forgiven by all Senators present. I express the hope and I make the prayer, as one new Member of this body—and I am relatively new, since this is only my third year in the Senate—that the face of the Senate which is turned to the people of the United States and to the people of the world, especially in hours which are very likely to see the adjournment of the Congress, be the best, the most constructive, the most invigorating and the finest face which we can turn to them. I hope and pray we will do our utmost to subordinate our personal desires or our personal irritations, or even our personal pet projects, bearing in mind that no matter what we debate, whether it be highways, Laos, the Mideast, or some inconsequential bill, we will not be judged on that, but we will be judged on our total overall performance, on the fact that we proceed with deep consciousness of the prestige of our country, which is on the line in this body—yes, Mr. President, tonight as never before in the great history of our country.

I hope, Mr. President, I shall be forgiven and understood for uttering these words. I am not critical of anyone concerned. I know every Senator is trying to do his best for our country and for the world. Sometimes it is helpful if we look at things in that light, bearing in mind the fact that we are not only in a fish bowl for the United States, but also in a fish bowl for the whole free world.

FEDERAL-AID HIGHWAY ACT OF 1959

The Senate resumed the consideration of the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

Mr. NEUBERGER and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER. The junior Senator from Oregon is recognized.

Mr. NEUBERGER. Mr. President, I have decided to withdraw my amendment to the amendment of the distinguished Senator from Tennessee [Mr. GORE] at this time, because of the technical difficulties involved in synchronizing my proposal with the language in the amendment of the Senator from Tennessee. I have consulted on this matter with learned legal counsel, and they feel it is not possible effectively to dovetail my proposal with that of the Senator from Tennessee [Mr. GORE].

In order that the issue before the Senate may remain as clear cut and as forthright as possible, I hope the Senate will proceed to an early vote on the amendment offered by the Senator from Tennessee [Mr. GORE].

Should the Senate approve the Gore amendment, it is my understanding there will be offered another amendment, I believe by the senior Senator from Pennsylvania [Mr. CLARK], which will be designed to eliminate a deficit which would be created by the diversion of the automobile excise taxes from the general fund to the highway trust fund, which deficit will not be entirely made up by a repeal of the credit against income tax for dividends received by individuals.

A second amendment, which I am informed will be offered, will deal with the withholding at the source of taxes on dividends and interest, and the revenue to be realized from those items has been estimated to cover more than the general fund deficit.

If the Senate should fail to adopt the latter proposal, it is my present intention to offer again an amendment to increase, by 1 cent, the Federal tax on gasoline and other motor fuels, so as to cover the deficit.

In conclusion, I wish to say it is my opinion that not only should these tax loopholes be closed, but we should face up to our fiscal responsibilities by increasing the Federal gasoline tax 1 cent, or perhaps even 1½ cents.

Mr. GORE and Mr. JAVITS addressed the Chair.

Mr. NEUBERGER. I yield to the Senator from Tennessee.

Mr. GORE. I appreciate the generous action of the able Senator from Oregon, because this will permit the Senate to make a simple choice, a clear-cut choice. The amendment which the Senator has in mind can be more readily drafted as an additional section to

the bill, rather than as an amendment to my amendment.

Mr. NEUBERGER. The Senator, I am sure, knows of my desire to cooperate with him on these very vital issues.

Mr. JAVITS and Mr. LAUSCHE addressed the Chair.

Mr. NEUBERGER. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I simply want to send an amendment to the desk for printing under the rule.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the desk.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am willing to yield the floor, unless the Senator wants to discuss what I have recently said.

Mr. MORSE and Mr. LAUSCHE addressed the Chair.

The PRESIDING OFFICER. The senior Senator from Oregon is recognized.

THE PARLIAMENTARY SITUATION, VISIT BY PREMIER KHRUSHCHEV TO THE UNITED STATES, AND SINE DIE ADJOURNMENT

Mr. MORSE. Mr. President, I should like to have the staff notify the majority leader I am about to make some remarks in which he may be interested. I have explained to the majority whip that as soon as I got the floor in my own right I should like to have the majority leader notified.

Mr. President, I have been waiting for some hours to take the floor to discuss briefly my position in regard to the parliamentary situation which confronts the Senate. I think I owe it to the Senate and I certainly owe it to myself and to my friends to make a statement as to my position in regard to the parliamentary situation which confronts us and my part in it. I shall discuss it from the standpoint of three general topics: First, my reason as to why I do not think the Senate should adjourn sine die by September 12; second, my position in regard to the parliamentary situation in which I found myself yesterday with respect to protecting my own parliamentary rights in the Senate; third, my views in regard to what we ought to do with respect to a legislative program before we adjourn.

THE KHRUSHCHEV VISIT

One of the reasons, Mr. President, why I think the Senate should not adjourn sine die September 12 is that I think it should be in session at least for a few days after Khrushchev arrives in the United States. I am sorry, but it is my feeling—and I think there is reason to support my feeling—that one of the primary reasons for the sudden speedup in Senate business in recent days is that there is a strong movement on to avoid having the Congress in session when Khrushchev arrives in the United States. Roscoe Drummond in a column today expressed a view with which I completely agree when he said:

> Congress certainly ought not to run for cover during Mr. Khrushchev's presence in Washington by rushing to adjourn before it finishes its business.
>
> Mr. President, I ask unanimous consent that the entire column by Roscoe Drummond, appearing in the Washington Post this morning, be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> CONGRESS AND MR. K.—NO PRECEDENT OR PROTOCOL CALLS FOR INVITATION
>
> (By Roscoe Drummond)
>
> Before the debate gets needlessly off the rails, let's get out the facts on this question of Congress inviting Premier Khrushchev to address a joint session.
>
> I find a lot of people, in Government and out, who believe and strongly urge that Congress should invite Mr. Khrushchev in the conviction: (1) That the invitation is required by protocol; (2) that Congress always invites heads of government to address it; (3) that not to invite him would be discourteous discrimination.
>
> If you were to check these three statements true or false, what would your answer be? The truth is that they are all false.
>
> There are no protocol requirements whatsoever about inviting foreign dignitaries to speak before Congress—either presidents, prime ministers, kings, queens, shahs, or governors general. The initiative is with Congress. The decision is with Congress. The precedents set no pattern of policy whatsoever.
>
> Far from inviting all visiting chiefs of state or heads of government to address it, Congress over the past decade has extended invitations to fewer than half. I have just checked the array of the top foreign statesmen who came to the United States from 1947 through 1958. There were 88 such visits; a few came more than once but only 34 of them addressed either the House or Senate or joint session.
>
> The precedents are so diverse as to make nothing automatic. Just look at a few of them: The Prime Minister of France, Guy Mollet, was invited to address a joint session of Congress. The Prime Minister of Great Britain, Harold Macmillan, was only invited to address the Senate. The President of Brazil addressed Congress; the President of Chile didn't. The Queen of the Netherlands addressed Congress. The King of Greece did not.
>
> Certainly past practice shows no pattern of policy to be followed automatically. Then, would there be discourtesy or discrimination if Congress did not invite Premier Khrushchev?
>
> There is actually no legislation and no established procedure by which Congress determines whom it shall invite to address it. The chief parliamentarian of the Senate says that the custom has been for the decision to be made by the leadership. That would mean a decision by the majority and minority leaders of the House and the Speaker, and the majority and minority leaders of the Senate and the President of the Senate.
>
> But what happens if there is disagreement among the congressional leaders? Does the issue go to the floor of the House and Senate if there is a tie vote among the leaders or even if there is only one dissent? There is no rule and no precedent to govern this situation, but it can, I am sure, be taken for granted that there will be no invitation if any of the leaders seriously object. A harsh controversial floor debate is wanted by nobody.
>
> I cannot myself escape these conclusions: That neither protocol nor precedent nor courtesy requires Congress to invite Mr. Khrushchev to speak.
>
> That Congress certainly ought not to run for cover during Mr. Khrushchev's presence in Washington by rushing to adjourn before it finishes its business.
>
> That, since the Soviet Premier was invited to make a public tour of the United States and to have private talks with the President, there is no reason why the precious, prized platform of Congress should be thrust into his hands. Let's reserve that for those who believe in representative government, not give it to those who want to destroy it.

Mr. MORSE. Mr. President, as a member of the Foreign Relations Committee, I believe that any planned congressional walkout on Khrushchev will be interpreted in many parts of the world where we are trying to win men's minds to the cause of freedom, as an affront not only against Russia, but against our own professed ideals of peace.

We claim to be searching for honorable ways of establishing permanent peace in the world. We represent to the world that we are willing to give reasoned judgment to the representations of the leaders of people of other nations such as Russia, who may lead us into war, if an acceptable basis for peace is not worked out in our time. I hold to the view that there is not much time left.

NATIONAL INTEREST SERVED BY CONGRESS REMAINING IN SESSION

Congress, along with the President, has the responsibility to help mold a program of peace through a system of world justice by law. Congress has a duty to the American people to carry out its responsibility, under the advice and consent clause of the Constitution, to help promote a better understanding with Russia and other potential enemies.

Democratic institutions are worth looking at. The American people have the right to be proud of their democratic institutions. Congress is one of the great trio of the independent branches of democratic government which help distinguish democratic self-government from a totalitarian politboro.

We should not run out on the Khrushchev visit. To the contrary, we should proceed between now and then with a regular legislative program unscarred by steamroller parliamentary pressures and tactics. Congress should recognize that the eyes of the world generally are on America because of the forthcoming Khrushchev visit.

Much is being said about Khrushchev trying to turn his visit into a Communist propaganda barnstorming of the United States. I have no doubt that Khrushchev will try to take advantage of every incident, of every interview, of every public appearance, of every demonstration of public reaction to him, in an endeavor to propagandize himself and his Communist sophistry and the Communist claims that his government is seeking peace and coexistence, but finds lack of cooperation on the part of the Western nations including especially the United States.

What I am urging is that we in Congress not run away from our opportunity and our duty to stand with the President in extending proper Congressional protocol and diplomatic responses to Khrushchev's official visit to the United States.

What are we afraid of? What are we worrying about? Does anyone think that the American people are any less able than we are to appraise whatever representations Khrushchev may make while he is in our country? I respectfully point out that we should adopt an affirmative and positive rather than a negative and defeatist attitude to Khrushchev's visit to the United States. We should demonstrate to the world that we seek an honorable peace and we should outline to Khrushchev a program for peace which will place the burden on Russia to demonstrate to the world in return that she is willing to keep faith with the professings about peace.

Mr. President, let me make it clear that I did not favor Khrushchev's visit in the form in which it is about to take place. In fact, long before the President ever extended any invitation to Khrushchev, the record is perfectly clear that time and time again I urged that the leaders of the nations of the world should meet under the canopy of the United Nations at the United Nations headquarters in New York City for a discussion of the various problems that threaten the peace of the world. Under such an arrangement Khrushchev would have come as only one of many visiting heads of state.

I believe that inevitably, if we are going to win this great battle for peace, the heads of all nations will have to get together in such an international conference under the auspices of the United Nations for a discussion of what can be done to avoid a nuclear war. It may very well be humanity's last chance to save itself. However, another course of action was followed by the President of the United States.

I suppose, Mr. President, that no one in the Senate has been more critical of the President of the United States on many issues than the senior Senator from Oregon, but when it becomes an issue of national survival, when it becomes an issue of peace or war, when it becomes an issue of standing behind the President in an hour of national crisis, the senior Senator from Oregon will yield to no man in the Senate. I believe, although I may be wrong—but my intuition tells me not—that we are approaching a decisive hour in the history of mankind. When we have such a visit as is about to take place in this country by the head of a state which we all recognize would probably be our greatest potential enemy in case of another world war, then we in Congress should be on hand, side by side, shoulder to shoulder with the President, to demonstrate the working of democracy during the visit of that head of state.

Mr. President, it is not for me to say what the form of the welcome should be so far as the official program of my Government is concerned. However, as a Member of the Senate and as a member of the Foreign Relations Committee, I owe it to the people of my State and of my Nation to make myself clear as to what I think Congress ought to be ready to do, provided the President of the United States and the State Department desire that kind of assistance from us during the Khrushchev visit.

I think we ought to be on the job, ready and willing to cooperate with the President in the extending of any protocol that a Congress in session can extend to the visiting head of a foreign state. It is not for the Congress to take the initiative in such matters but rather to stand ready to cooperate with whatever request the President and the State Department might make of the Congress.

I wish to point out, Mr. President, that we are going to be judged in India, in Burma, in Pakistan, in all of southeast Asia and Africa and in all the areas of the world where we are in a contest with Russia for the minds of men, by the way we keep faith with our professing of our good will, of our claimed sincerity in trying to work out a permanent and honorable peace, of our willingness to listen to ideas with which we do not agree, of our national policy of politeness, and of our friendship for the people of Russia.

I believe we also need to keep in mind that we should not play into the hands of Russian propaganda by following a congressional course of action of adjourning sine die almost on the eve of the arrival of Khrushchev. By doing so, we would provide much fodder for the Russian propaganda machine in regard to the failure or the refusal of Congress to at least be on hand when the Premier of Russia arrives. It would be represented as a symbolic insult to the people of Russia.

Mr. President, I point out that Khrushchev has welcomed many Governors of States of the United States in Moscow. I would point out that Khrushchev has laid out the so-called protocol red carpet for many American businessmen. I would point out—and I think it was very helpful to our cause because of the discussion that took place in Moscow—that the Vice President of the United States received the so-called red carpet protocol treatment from the head of the Russian state. I would point out also that a good many Senators and Representatives have availed themselves of the protocol courtesies of the Premier of Russia and other high officials of Russia when they have been in Moscow. Also let us not forget that the President of the United States will be a guest in Russia later this fall.

Mr. President, I am not passing any valued judgment on the visits of American officials and businessmen to Russia. I am only pointing out that these are facts. Therefore I do not like to see Congress put itself in a very embarrassing position by going into sine die adjournment on September 12, just before the Russian Premier arrives in the United States. If it should do so, we would probably read in the press of the countries of southeast Asia, India, and Africa that the Congress of the United States, to use the language of Mr. Drummond in his article this morning, ran for cover during Mr. Khrushchev's presence.

There are great differences among us in the Congress as to what our course of action should be. All I am saying in the Senate tonight is that we should be on hand to follow out whatever protocol ceremonies the President or the Secretary of State may call upon us to perform.

Also, as I shall show when I reach another point shortly, there is need for a longer session of the Congress to complete the legislative program which will be uncompleted if the Congress adjourns sine die on September 12.

I also point out that two dignitaries from the Soviet Union, Deputy Premier Mikoyan and Mr. Kozlov, visited us. The Senate Foreign Relations Committee met with both those representatives of the Soviet government. I happen to think it was very helpful to us. Speaking only for myself, I think it was very helpful to me to sit there during the period of questions and answers and conversation, and evaluate the nature of the men who were here representing the Soviet Union. Men in whose totalitarian hands there rests such vast power of life and death over so many millions of people in Russia, and—let us be frank about it—perhaps also in the United States.

This is a dangerous period in world history. We are not going to solve the problems of peace if we do not take every advantage that comes our way, to try to find out what it is that makes the minds of these men tick.

I think we would be in a much better position with the Congress in session, and with the Foreign Relations Committees of the two Houses of Congress, if they should decide to do so, ready to sit down in a conference with Khruschchev. Such a course of action would enable us to put to Khruschchev, as we did to Mikoyan and Kozlov, certain pertinent questions the answers to which would be helpful to us in appraising and evaluating and judging the future course of action which we should follow in our relations with Russia.

So I publicly confess that one of the reasons I am urging a slow bell, so to speak, in the adjournment of this session of Congress is that I think it is in the national interest for Congress to be in session for at least a few days after the arrival of Khrushchev. I believe that if we follow the course of action I have suggested, we shall not regret it.

There may be some acrimonious debate in Congress while Khrushchev is here. There may be some incidents. But that is democracy at work. Are we afraid of it? That is free speech, manifested in a country which practices self-government. It would be good for Khrushchev to observe these workings of democracy and to take those observations back to Russia no matter what incidents, what points of view, or what debates occur in the United States during his visit. I do not believe that we should put democracy under wraps during the period of Khrushchev's visit. I believe that the Congress of the United States, the legislative branch of the Government, along with the executive branch, should be working together during the period of this historic visit.

THE END OF THE SESSION SPEEDUP

I turn now to the second reason for the course of action I am following parliamentarywise in the Senate. I think my colleagues know that this is not the

first year that I have been very much concerned about the speedup of Senate action in the dying days of a session. I learned many years ago, early in my 15 years of service in the Senate, that during the last days of a session we need to perform the services of a watchdog on legislation in the Senate, because under the rush and the pressure, under the many unanimous consent agreements, bad legislation is frequently passed.

I do not need to recall to my colleagues that the last afternoon and night of the last day of the session last year only two or three of us, under a great deal of criticism, and it is never pleasant to be in that role—followed a parliamentary course of action in the Senate which, in my judgment, stopped the passage of what was generally recognized as anti Supreme Court legislation. I am satisfied that more legislation of that nature would have been enacted if two or three of us had not taken an adamant position that we would exercise all of our parliamentary rights under the rules of the Senate.

ABUSE OF UNANIMOUS CONSENT

I resolved last year, after that experience, that, come this year, I would start earlier, and that this year I would slow up the procedures of the Senate in the last days with respect to unanimous-consent agreement. Let me say respectfully that we have almost reached the point where most pieces of legislation are offered to us on the basis of a unanimous-consent agreement to limit debate.

This is not the first time I have spoken against this approach. I doubt if any other Member of this body has objected to more unanimous-consent requests to limit debate than has the senior Senator from Oregon. I serve notice tonight that for whatever additional period of time I serve in the Senate, I shall object to many more—percentagewise—unanimous-consent agreements from the beginning of each session than I have in the past. I have become convinced that legislating through unanimous-consent agreements is not in the best interest of the Senate or of the Nation. I have become convinced that major pieces of legislation should not be passed in the Senate under unanimous-consent agreements to limit time for debate.

Time and time again colleagues have come to me, after they had become parties to a unanimous-consent agreement, and said, "I wish I had known that this particular point would arise in the debate. If I had known it, I never would have given consent because there is not enough time now to make a convincing case in opposition to it." I have heard that point of view expressed many times after the fact—a point of view which I think is right. I serve notice tonight that from now on I shall grant unanimous-consent requests to limit debate on any major issue in the Senate only upon the rarest of occasions, and only when the facts and circumstances in an individual case convince me that the public interest could not possibly be jeopardized by the agreement.

Three or four years ago, I believe, I placed in the RECORD an analysis of the history and development of unanimous-consent agreements to limit debate in the Senate. I have not had time this afternoon because of my work on the floor to locate that study and refresh my memory about it, so I must speak about it from memory.

The analysis showed that unanimous-consent agreements have become a very common procedure in recent years in the Senate. Until recent years it was a procedure that was used only rarely. I believe that the tendency to transact most business in the Senate—at least in connection with anything of major consequence—by way of unanimous-consent agreements, has been very costly to the effectiveness of the Senate as a deliberative parliamentary body.

I think it has been very costly to the purpose of debate and the exchange of ideas in the Senate. I think we are going too far away from the intention and purposes of our constitutional fathers in respect to unlimited, full, deliberate debate in the Senate. Do not tell me that if Senators sit and listen to debate, if they are actually present and hear the debate, their minds are not changed.

No one will ever convince me that at least some of the amendments offered last night by the Senator from Minnesota [Mr. HUMPHREY] in connection with Public Law 480 would not have been adopted if all Senators had been on the floor of the Senate, heard the debate, and realized that many of the amendments were committee amendments, and not Humphrey amendments. Discussions I have had today lead me to believe that votes were cast last night against some amendments by Senators who thought they were voting to sustain the committee. The fact of the matter is that the Senator from Minnesota was presenting committee amendments, not Humphrey amendments, in many instances.

But what happens when a unanimous-consent agreement is entered to limit time? We all know what happens. The few who are engaged in debate speak to an almost empty Senate Chamber.

A unanimous-consent agreement to limit debate has resulted in the common practice in the Senate of Senators not attending debate, once the agreement has been entered into. Then if an agreement is entered to vote at a time certain—say a time certain to vote next Wednesday at 2 o'clock—we all know what happens. Senators not only leave the Chamber, but they go elsewhere, far removed from the Senate in many instances. I do not think that is good for the Senate. I do not think it is in keeping with the history and purpose of debate in the Senate. I think the entering into unanimous-consent agreements to limit the time for debate, and sometimes to fix a time certain to vote, has reached the point of abuse.

I have the power, as do other Senators under the rules, until they are changed, to carry out what I think is my duty in regard to that practice. It is only fair to Senators to say so. They can pass any value judgment on it they wish. It is only fair to them to know that this is my view, and that I am giving notice as to what my position will be.

INTENTION TO APPLY SENATE RULES

Some very dear and close friends in the Senate have pleaded with me to change my course of action. They have pleaded with me out of sincerity and friendship, and I think deep affection, to retreat from my position on the ground that they thought my course of action is offending many of my colleagues, and stirring up animosity against me in the Senate, neither of which I like, both of which I wish I could avoid. But my reply to them has been that I have made a study of this practice, and I am satisfied that this is my duty, so long as I sit here. If carrying out my duty means the loss of friendship and the stirring up of animosities, then I will pay that penalty rather than follow a course of inaction because I lacked the courage to do what I thought was right.

So I repeat: I think the unanimous-consent agreement method of doing business in the Senate has reached the point of abuse. It is not good for the Senate. I intend to apply the rules with respect to it.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. MORSE. If the Senator will permit me to finish, I should like to do so. Then I will yield.

No one regrets more than I the incidents and, in some respects, misunderstandings which led to the situation yesterday which caused me to proceed to exercise my rights under the rules. I made a request through the same channels through which other Senators time and time again have made similar requests. I made a request through the Secretary to the majority that the majority leader, or whoever was sitting in the majority leader's chair at any time, be notified that I wanted a quorum call before any unanimous-consent agreement was requested in connection with a proposed time limitation on any issue. Under the rules we are not entitled in this situation to a quorum call as a matter of parliamentary right, but every Senator who is within hearing of my voice knows it is common practice as a matter of Senate courtesy when the leadership is placed on notice to have a quorum call. Many times in each session of Congress a quorum call is asked for before a unanimous-consent agreement is submitted in regard to any major legislative issue.

I believe I had the right to expect a quorum call in connection with the fixing of a time limitation to consider a veto on the housing bill.

I had no intention of leaving the floor of the Senate yesterday at any time, but I received a message from Mr. Jack Bell of the Associated Press asking me to step into the press room to answer a couple of questions which apparently AP subscribers elsewhere in the country, including my own State, sought to have him get from me. I sent out to him the message I could not leave the floor at that time.

Immediately a second message came back to me from Mr. Bell, saying he hoped I would do what I could to arrange

to leave the floor of the Senate because it would take him only a minute or two—and it took him less than 3 minutes—to get answers to those questions.

I asked a colleague who was seated next to me at the time—and my colloquy was heard by another colleague—if he would protect me until I got back in case a unanimous-consent agreement was asked for. I was not off the floor of the Senate 3 minutes. I am not criticizing the majority leader with any bitterness for what happened. I am simply making a statement of fact as to my understanding of what happened.

I returned to the floor of the Senate within 3 minutes of the time I left to discover that a unanimous-consent agreement limiting time on the housing bill debate had been entered into. To my shocked surprise, it provided for 1 hour of debate. It was said that members of the committee were willing to accept the limitation, but members of the committee do not speak for me or any other Member of the Senate. We speak for ourselves.

Mr. President, I happen to think the veto message on the housing matter raised such an important question of policy that the discussion of it should not have been limited to 1 hour, but should have been at great length. There are many phases of the whole veto problem which have been presented by the President to Congress, and which were raised again by the housing bill veto. We ought to have had a thoroughgoing discussion of it.

A 1-hour limitation of debate agreement did not make that possible.

I came into the Senate Chamber and discovered the agreement had been entered into. It was no fault of the majority leader because he says he did not know of my notice to have a quorum call. It was no fault of the colleague who had agreed to protect my interest. The fact of the matter is that my colleague said he did not hear the majority leader offer the unanimous-consent agreement. He said the action happened so quickly that he thought the majority leader was only asking for a quorum call. He said that the majority leader did not speak loud enough to be heard throughout the Senate Chamber. I can understand how those things happen and I am critical of no one for what happened. But I am making this statement of fact to the Senate because that incident satisfied me the time had come for me to protect myself completely in regard to my procedural rights, and I made very clear to the majority leader that that was my position. If we do not like the rules in the rulebook, we can change them.

But I take it for granted that the Senate rules were written by our predecessors in the Senate to be available to any Senator who wishes to use them when, in his judgment and according to his rights, it becomes his duty, in carrying out his obligations to his constituents, to use them.

That is all I have been doing, and that is all I shall do for the duration of this session of Congress, whenever in the future I wish to resort to the rules.

By using them, I believe the Senate will be required to take time to deliberate more carefully and discuss more fully the remaining important, unsettled major issues which will have to be considered by the Senate before it adjourns sine die, whether that comes before September 12 or after that date.

Now I come to the last reason for following the course of action I am taking. I believe it is very well known.

SENATE SESSION ON LABOR DAY UNWARRANTED

I think it was a great mistake to schedule a meeting of the Senate on Labor Day.

I understand that 90 or more Senators expressed, on a poll, a preference for meeting on Labor Day. It is one thing to take a poll; it is another thing to have a group policy discussion as to whether such a course of action is wise. Very often a poll will be quite different after a discussion, as compared with the result of a poll if held in the absence of a discussion.

It is my view that it would have been very helpful if the policy committee, at least for the Members of the Senate on this side of the aisle, had met, so that those of us who had some very definite objections in regard to a meeting of the Senate on Labor Day would at least have had an opportunity to express our point of view.

I can well understand that many will not agree with me, although I wish to say that some who voted against me the other night have been fair enough to say to me they think there is some merit to the view I take.

In view of the labor bill the Senate voted for the other evening, I think it is not good psychology to hold a Senate session on Labor Day, unless we wish to devote that session to a discussion of labor problems and the history of the labor movement and the importance of the free labor movement to a strong democracy.

Knowing that the bill we passed is not going to be received with enthusiasm on Labor Day by the free men and women who belong to organized labor and will meet on Labor Day in many halls throughout the country to pay honor to that day, and in view of the fact that those meetings will be taking place, I do not think it will be good psychology for the Senate to meet on Labor Day. It will amount in a way to rubbing salt into the wounds the Congress has inflicted on labor.

But be that as it may, I felt that at least some consideration should have been given to, and there should have been more opportunity to give consideration to, the point of view of those of us who do not think the Senate should meet on Labor Day.

Let me put one ugly rumor to rest at once: This afternoon, I was told by a newspaperman that it is rumored in the Press Gallery that by having the Senate meet on Monday, the senior Senator from Oregon would lose an honorarium of $2,000, which otherwise he would have received for making a speech on that day.

In the first place, I do not know what an honorarium of that sort looks like.

In the second place, I was not planning to make an honorarium speech on that day at all. In fact, although I would have attended a labor meeting on that day, my major activity would have been complete relaxation at the Oregon State Fair. Certainly that would have been no reason for not agreeing to have the Senate meet on Monday.

I was perfectly willing to waive that activity, to conform myself to the decision to meet on Monday. But I think it was a mistake to decide to meet on Monday for the other reasons I have mentioned and will mention.

LABOR DAY SESSIONS

Mr. President, Labor Day was established in 1894. It became a national holiday in that year.

Since 1894, the Senate has been in session 19 times through Labor Day; that is to say, on 19 occasions since 1894 the sine die adjournment came after Labor Day. But since 1894 the Senate has met on Labor Day only three times.

The first time the Senate met on Labor Day was in 1913. The Labor Day meeting of that year was due to President Wilson's calling the 63d Congress into "extraordinary" session in April instead of waiting until December, when a new Congress ordinarily met. He told Congress that the 1912 election was a mandate they should act on promptly and not wait for more than a year.

The great debates of that period were on the Federal Reserve System and the Federal Trade Commission; and the great, progressive legislative program of Woodrow Wilson which was then under consideration. Of course, at that time the President had some legislative problems, too; a long session had been held, and it had been a highly controversial one. It was decided that the Senate should remain in session on that Labor Day. But the House of Representatives was not in session. Only the Senate met on Labor Day, in 1913.

In 1918, both Houses of Congress met on Labor Day. I do not believe I need point out to the Senate that at that time our Nation was in the midst of war.

In 1942, the Senate met on Labor Day again in the midst of a war.

In 1945 the Senate took a recess from August 1 to September 5; and during that time, the Labor Day holiday occurred.

So, Mr. President, by meeting on Labor Day, next Monday, we shall be acting quite contrary to the general, historic pattern of Senate conduct in regard to Labor Day. I respectfully submit that next Monday there will be no emergency that will justify a meeting of the Senate on that day. Regardless of what others may wish to point out, in my judgment no sufficient case or argument can be presented in that connection; it cannot be shown that there exists any emergency which will necessitate a meeting of the Senate on next Monday, Labor Day.

I happen to think, Mr. President, that we owe it to one of the great foundation stones of democratic self-government; namely, the free labor movement, to honor it, in the absence of a real emergency, next Monday, by standing in recess, so that this hard-working staff of the Senate and of our own offices, who, after all, belong to the ranks of labor

in the real sense may enjoy that holiday. Furthermore, Members of the Senate who would like to keep some commitments in regard to honoring Labor Day should have the opportunity to do so, without the inconveniences that are going to be caused and the embarrassments that are going to be caused by our meeting next Monday.

Mr. President, I yield to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, earlier in the remarks of the senior Senator from Oregon, he made the statement that he probably has brought on to himself the animosity of the Members of the Senate because he has exercised the rights which he said were his and which he believed should be exercised in the interest of good government.

If I may say so to the Senator from Oregon, I have not heard a single Senator express animosity toward him. I say that with a great deal of contentment, because it reflects the high attitude of the Members of this body not to look with contempt on the action of a Senator who is exercising his right under the rules and attempting to present to the Senate his views on important matters pending before us.

Mr. MORSE. I appreciate the comments of the Senator from Ohio. I trust that at least with the lapse of time, after which we all have a tendency to forget pain of all sorts, if there are any painful feelings toward the Senator from Oregon, time will cure them. But, contrary to what the Senator from Ohio has said, I think there is some basis for the comment I made on the basis of other evidence which has been made available to me. And I believe it bears out my comment. If I were to let that deter me, then I would have no right to sit at this desk, because I must do my duty as I see it no matter who may become resentful about it.

Mr. DODD. Mr. President, will the Senator yield?

Mr. MORSE. I yield with the understanding that I do not lose the floor and that the remarks of the Senator will follow mine. I am almost through, I may say to the Senator from Connecticut.

Mr. DODD. I want to ask the Senator some questions about that part of the Senator's remarks having to do with whether or not Congress should adjourn before the visit of Mr. Khrushchev. I do not want to intrude, if the Senator would rather have me wait until he is through.

Mr. MORSE. No. I will be glad to yield.

Mr. DODD. The Senator from Oregon referred to a column by Mr. Roscoe Drummond, published in the Washington Post of this morning. Does the Senator not agree that Mr. Drummond said, in that column, that neither protocol nor precedent nor courtesy requires Congress to invite Mr. Khrushchev to address Congress?

Mr. MORSE. I did not suggest we should, either.

Mr. DODD. It seems to me this point ought to be made clear to our colleagues. As the Senator knows, I have opposed Mr. Khrushchev's visit and an invitation to address Congress. I have never suggested we should adjourn because of this impending visit of Mr. Khrushchev.

I do not know anyone else in this body who has. So I think we ought to make clear that the objection of some of us to an invitation to Khrushchev to address Congress is based on the fact that throughout our history—and I have asked the Library of Congress to look into this—we have never before invited a tyrant or a dictator with the blood of millions on his hands to be a guest of Congress and to be afforded the ceremonial and signal honor of being a guest of Congress at a joint session. That is why some of us have been urging Congress not to tolerate an invitation to one of the worst tyrants and dictators in the world.

The second point I should like to make is that the Senator very earnestly and eloquently told us about the symbol of Labor Day. I think it is important. I do not want anything I say to be understood as anything less than that. There is an importance in symbols, and there is an importance in psychology.

I wonder if the Senator would not agree that the symbolism involved in one of the world's worst tyrants in history being invited as a guest of a free Congress is not of great significance, too?

Mr. MORSE. I shall be glad to discuss the comments which the Senator has made. First let me say to my colleague that I put in the RECORD the entire Drummond column, not just an excerpt. Second, I made very clear, as the RECORD will show, that the protocol and the reception and the procedure for handling the Khrushchev visit rests on the executive branch of this Government, particularly the President and the Department of State. But I said I thought we ought to be in session, ready and willing to cooperate with our President, in carrying out any protocol that the President or the Department of State might decide would be helpful in connection with the visit of this head of a foreign state. Although one can argue technically as to whether he is the head of the Government of Russia, we all know that in practical effect he is, just as the Queen of Great Britain or the President of any republic who might be visiting the United States is the head of their respective governments.

This is a difficult and delicate matter. I understand the point of view of the Senator from Connecticut, and that is one of the reasons why I said in my remarks that because there may be a discussion and a division of opinion between us or among us while Khrushchev is here, that is all to the good. I would not put free speech and open debate under a bushel. I would not conceal it. That is democracy at work. That is one of the things freedom stands for, and it is one of the lessons Khrushchev ought to take back to Moscow.

Mr. President, you cannot get away from the ugly fact that he is the head, the symbol of the Soviet Union. You cannot get away from the fact that all the difference between peace and war in our time may be dependent upon an honorable course of action we may be able, and we pray we may be able, to effectuate with the Russians.

Mr. DODD. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DODD. I am sure the Senator remembers the India visit about 3 years ago. Would the Senator not agree that about 3 years ago Mr. Khrushchev and his then confidant and companion, Mr. Bulganin, visited India as official guests of that country and were invited, and accepted the invitation to address the Indian Congress. In India they talked in terms of coexistence and peace. They were wined and dined throughout the Indian nation.

But I am sure the Senator from Oregon is as aware as I that tonight 3 years later, Communist aggressive forces are massing on the Indian border, and Communist sympathizers and Communist Party members within India are rioting in her cities.

Does the Senator have any fear of or does he suspect that the now disclosed true purposes of the Krushchev visit to India may be similar to the purposes which Mr. Khrushchev has in visiting the United States?

Mr. MORSE. I wish to say to the Senator from Connecticut, I am well aware of the Indian visit of Khrushchev and Bulganin. I am well aware of the duplicitous record which characterizes Communists generally, including heads of their State. But I refuse to blind myself to the fact that the contest which is going on for the minds of men around this world will be determined by whether or not we are able to work out an honorable program for peace with the very person who is coming to the United States at the invitation of the President of the United States as a guest at least of the executive branch of the Government, but also, I think, through the President, as a guest of the Government of the United States.

In the light of that invitation I think we will stand better as a united nation with the Congress in session, ready and willing to cooperate with the President of the United States in his very difficult situation in which he will find himself in connection with this visit, rather than to do what I think we will be doing—playing right into the hands of the Russian propagandists in Asia, Africa, and elsewhere in the world by being out of session. Thcse propagandists will say that we ran away from that visit and that we did not keep the congressional session flag of this Capitol flying, to show that the Senate and the House were in session transacting the business of the people of this country during the course of Mr. Khrushchev's visit in the United States.

Those are my views about the subject. I have one other brief subject matter I want to cover in regard to my explanation of my reasons as to why we should stay in session after September 12.

Mr. DODD. Mr. President, if the Senator from Oregon will permit me to do so, I ask unanimous consent to have printed in the RECORD a list of all foreign dignitaries who have been invited to ad-

dress a joint session of Congress or either body. I ask my colleagues to look over the names of this list beginning with Lafayette in 1824. They will find in it no precedent for extending this honor to a Communist dictator.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Foreign dignitaries who have addressed the Congress of the United States

Name	Country	Body addressed	Date
Gen. Marquis de Lafayette	France	House	Dec. 10, 1824
Gen. Louis Kossuth	Hungary	Senate	Jan. 7, 1852
King David Kalkaua	Hawaii	Joint session	Dec. 18, 1874
Hon. Charles Stuart Parnell, Member of Parliament.	Great Britain	House	Feb. 2, 1880
Count Albert Apponyi, Minister of Education.	Hungary	do	Feb. 9, 1911
M. Rene Viviana	Italy	Senate	May 1, 1917
		House	May 3, 1917
M. Jules J. Jusserand, Ambassador.	France	House	Do.
M. Joseph Joffre, Marshal	do	Senate	May 1, 1917
		House	May 3, 1917
Hon. Arthur James Balfour	Great Britain	House	May 5, 1917
		Senate	May 8, 1917
Hon. Ferdinando di Savola, Prince of Udine.	Italy	Senate	May 31, 1917
		House	June 2, 1917
M. Signor Marconi	do	do	Do.
Baron Moncheur	Belgium	Senate	June 22, 1917
		House	June 27, 1917
B. A. Bakhmetieff, Ambassador	Russia	do	June 23, 1917
		Senate	June 26, 1917
Viscount Ishii	Japan	do	Aug. 30, 1917
		House	Sept. 5, 1917
Dr. Milenko R. Vesnitch	Serbia (Yugoslavia).	Senate	Jan. 5, 1918
		House	Jan. 8, 1918
M. Jules J. Jusserand, Ambassador.	France	Senate	Sept. 24, 1918
Hon. J. Ramsey MacDonald, Prime Minister.	Great Britain	do	Oct. 7, 1929

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Heads of foreign governments who have addressed the Congress of the United States, 1935–58

Name	Country	Body addressed	Date
Hon. John Buchan, Lord Tweedsmuir, Governor General.	Canada	Senate	Apr. 1, 1937
		House	
General Anastasio Somoza, President.	Nicaragua	Senate	May 8, 1939
		House	
Hon. Winston Churchill, Prime Minister.	Great Britain	Joint session	Dec. 26, 1941
Hon. Manuel Prado, President	Peru	Senate	May 11, 1942
		House	
Hon. Manuel Quezon, President	Philippines	do	June 2, 1942
		Senate	June 4, 1942
King George II	Greece	do	June 15, 1942
		House	Do.
King Peter II	Yugoslavia	Senate	June 25, 1942
		House	Do.
Queen Wilhelmina	Netherlands	Joint session	Aug. 6, 1942
Carlos Alberto Arroyo del Rio	Ecuador	House	Nov. 24, 1942
		Senate	Nov. 25, 1942
Mme. Chiang Kai-shek	China	do	Feb. 18, 1943
		House	Do.
Hon. Enrique Penaranda, President.	Bolivia	Senate	May 6, 1943
		House	Do.
Dr. Eduard Beneš	Czechoslovakia	Senate	May 13, 1943
		House	Do.
Hon. Winston Churchill	Great Britain	Joint session	May 19, 1943
Hon. Edwin Barclay, President	Liberia, West Africa.	House	May 27, 1943
		Senate	Do.
Gen. Higinio Moringio M., President.	Paraguay	do	June 10, 1943
		House	Do.
Isaias Medina Angarita, President.	Venezuela	Senate	Jan. 20, 1944
		House	Do.
Rt. Hon. Clement R. Attlee, Prime Minister.	Great Britain	Joint session	Nov. 13, 1945
Miguel Aleman, President	United Mexican States.	do	May 1, 1947
Enrico Gaspar Dutra, President	Brazil	do	May 19, 1949
Elpidio Quirino, President	Philippines	House	Aug. 9, 1949
		Senate	Do.
Hon. Pandit Jawaharlal Nehru, Prime Minister.	India	do	Oct. 13, 1949
		House	Do.
His Excellency Enrico Gaspar Dutra, President.	Chile	Senate	Apr. 13, 1950
Liaquat Ali Khan, Prime Minister.	Pakistan	House, Senate	May 4, 1950
Rt. Hon. Robert Gordon Menzies, Prime Minister.	Australia	do	Aug. 1, 1950
Vincent Auriol, President	France	Joint session	Apr. 2, 1951
Galo Plaza, President	Ecuador	do	June 21, 1951
Alcide de Gasperi, Prime Minister.	Italy	do	Sept. 24, 1951
Hon. Winston Churchill, Prime Minister.	Great Britain	do	Jan. 17, 1952
Queen Juliana	Netherlands	do	Apr. 3, 1952
Celal Bayar, President	Turkey	do	Jan. 29, 1954
Rt. Hon. Vincent Massey, Governor General.	Canada	do	May 4, 1954
His Imperial Majesty Haile Selassie I, Emperor.	Ethiopia	do	May 28, 1954
Syngman Rhee, President	Republic of Korea.	do	July 28, 1954
Pierre Mendes-France, Premier and Foreign Minister.	France	Senate only	Nov. 18, 1954
Rt. Hon. Robert Gordon Menzies, Prime Minister.	Australia	House, Senate	Mar. 16, 1955
Hon. Mario Scelba, Prime Minister.	Italy	do	Mar. 30, 1955
Hon. P. Pibulsonggram, Prime Minister.	Thailand	do	May 4, 1955
Hon. U Nu, Prime Minister	Burma	do	June 30, 1955
Hon. Juscelina Kubitchek de Oliveira, President-elect.	United States of Brazil.	Senate	Jan. 5, 1956
Rt. Hon. Sir Anthony Eden, Prime Minister.	Great Britain	House, Senate	Feb. 2, 1956
Giovanni Gronchi, President	Italy	Joint session	Feb. 29, 1956
John A. Costello, Prime Minister.	Ireland	House, Senate	Mar. 15, 1956
Dr. Sukarno, President	Indonesia	Joint session	May 17, 1956
Guy Mollet, President of the Council of Ministers.	France	House, Senate	Feb. 27, 1957
Ngo Dinh Diem, President	Vietnam	Joint session	May 9, 1957
Konrad Adenauer, Chancellor	Federal Republic of Germany.	House, Senate	May 28, 1957
Nobusuke Kishi, Prime Minister	Japan	House only	June 20, 1957
Theodore Heuss, President	Federal Republic of Germany.	Joint session	June 5, 1958
Harold Macmillan, Prime Minister.	Great Britain	Senate	June 10, 1958
Carlos F. Garcia, President	The Philippines	Joint session	June 18, 1958
Sardar Mohammad Daud, Prime Minister.	Afghanistan	House, Senate	June 25, 1958

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Representatives of foreign countries who have addressed the House of Representatives, the Senate, or a joint session, 1958 to Sept. 1, 1959

Name	Country	Body addressed	Date
Theodore Heuss, President	Federal Republic of Germany.	Joint session	June 5, 1958
Harold Macmillan, Prime Minister.	Great Britain	Senate	June 10, 1958
Carlos F. Garcia, President	The Philippines	Joint session	June 18, 1958
Sardar Mohammad Daud, Prime Minister.	Afghanistan	House, Senate	June 25, 1958
Kwame Nkrumah, Prime Minister.	Ghana	Senate	July 24, 1958
		House	July 25, 1958
Amintore Fanfani, Premier and Foreign Minister.	Italy	Senate	July 29, 1958
Arturo Frondizi, President	Argentina	Joint session	Jan. 21, 1959
Jose Maria Lemus, President	El Salvador	do	Mar. 11, 1959
Sean T. O'Kelly, President	Ireland	do	Mar. 18, 1959
King Baudoin	Belgium	do	May 12, 1959

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BYRD of West Virginia. I thank the Senator from Oregon. I do not know of any Member of the Congress who has suggested that Congress should adjourn and run away because Khrushchev is coming to this country. I have taken the position that Khrushchev should not be invited to address the Congress if it is in session when he is here. I, for one, think that, if there is still work to be done, we should stay and do it, but I still take the position that Khrushchev should not be invited to address a joint session of Congress.

Two thousand years ago the greatest Peacemaker of all time said:

> Give not that which is holy unto the dogs, neither cast ye your pearls before swine, lest they trample them under their feet, and turn again and rend you.

I fear, Mr. President, that we may be casting our pearls before swine and that the time may come when he will turn again and rend us. So far as I am concerned, I have only this question for those who suggest that we invite Khrushchev to address the Congress: "How spineless can we get?"

Mr. MORSE. I will say to the Senator from West Virginia, I think it is never very convincing to try to settle differences of points of view by placing spiritual truths in contest. There is also a great spiritual teaching:

> Blessed are the peacemakers: for they shall be called the children of God.

COMMITTEE CONFERENCE WITH KHRUSHCHEV SUGGESTED

I only want to say, Mr. President, we have a task of making peace with honor. The Senator from Oregon has not suggested that Mr. Khrushchev be invited to address a joint session of Congress. The Senator from Oregon has made very clear he feels we should only cooperate with the administration in connection with its task of handling this visit.

I do not have any reason to believe, if the administration should suggest to the leadership of the Congress it would be helpful, that the suggestion would not receive very courteous consideration by the Congress in the reaching of its final decision. But I have no hesitancy in saying, as a member of the Committee on Foreign Relations of the U.S. Senate, I should like to have Khrushchev at a question-and-answer conference with the committee, as we had Mikoyan and Koslov.

Mr. DODD. Mr. President, will the Senator yield so that I may ask one more question?

Mr. MORSE. I will yield in just a minute, after I finish this thought.

I should like to see what Mr. Khrushchev would have to say in answer to the questions which would be put to him at such a conference, and I think it would be good for him. It would be good for him to see what free representatives of a free people have the right to do in a democracy, in respect to the examination of officials of Government—yes, even the officials of a foreign government who come before us for conference purposes. I think that would be a healthy thing.

What a good thing it would be in India, in southeast Asia, and in Africa to have the word go out that in Washington, D C., the Foreign Relations Committee of the U. S. Senate—and I should like to see it done in a joint committee meeting with the House—spent a period of time in discussion with Khrushchev in regard to questions of foreign policy which were of interest to the members of the committee.

Why draw the line between Mikoyan and Khrushchev? Why not go to the top?

Now, I yield to the Senator from Connecticut.

Mr. DODD. I shall be very brief. I take it the Senator would agree we should not stay in session, if we have concluded our business, simply because Khrushchev is coming?

Mr. MORSE. The Senator is correct.

That leads me to the last point I will make just as soon as I finish my statistics on this issue in regard to meeting during holidays.

SENATE MEETINGS ON NATIONAL HOLIDAYS

Mr. President, as a general practice the record, as compiled for me by the Library of Congress, shows that the Senate does not customarily meet on national holidays.

We meet on Washington's Birthday, but we meet on Washington's Birthday and have done so historically primarily to pay honor to George Washington. George Washington's farewell message has been read before the Senate on Washington's birthday for years and years and years. The RECORD shows that on a few occasions on George Washington's birthday, Mr. President, some business has been transacted in the Senate, but it is seldom major business and is usually pretty much pro forma. The RECORD shows that usually following the reading of the Farewell Address the Senate adjourns or recesses.

What about the Fourth of July? The only data I have been able to get—and this has had to be done very hurriedly, Mr. President—has been data on what has happened since 1940. The Senate has met once on the Fourth of July. That was in 1952, during the Korean War, when it sat on Friday, July 4. Twice, in 1943 and 1954, July 4 fell on a Saturday, and the Senate was not in session. Twice, in 1944 and 1948, the Senate was out of session. In 1948 it adjourned sine die on June 18, and it was called back into special session by President Truman on July 17. In 1944 it recessed from June 22 to August 1.

So out of the last 19 years the Senate has been on hand 17 times on July 4, but has met only once, and that was a war year. I mention it because it was stated to me this afternoon that the Senate has met frequently on July 4. Research at the Library of Congress does not bear out that claim, and I offer it for what it is worth.

I turn now to my last reason for believing that we should not adjourn sine die on September 12.

May I say this further in response to the Senator from West Virginia [Mr. BYRD]. I did not say, Mr. President, that any specific person in Congress had said we ought to adjourn sine die by September 12 because of the approaching Khrushchev visit. I said, and I repeat now, Mr. President, that it is my feeling and belief that it is a motivating reason for a rush toward adjournment. I do not think it is an expressed reason, but I think it is there and I think it is in the backs of the minds of many people. Mr. President, I think it is perfectly proper and appropriate for me to express my view that it is an influence in the matter.

I do not think we should adjourn sine die September 12. I do not think we ought now, in the closing days of this session, to try to rush through, without full deliberation and careful consideration, the proposed legislation which is scheduled for consideration between now and September 12.

UNRESOLVED ISSUES STILL PENDING

There are many pieces of proposed legislation that I think ought to have very careful consideration and that we are never going to get to if we adjourn sine die on September 12. Let me mention one or two.

One that is always highly controversial, one that is a hot issue, one that will take a considerable amount of time and debate and deliberation is civil rights legislation, about which we are very much divided among ourselves.

The fact still is we are one branch of a legislative body representing the interests of the American people. The issue of civil rights legislation is a national issue, and there are many of us here who believe that the people of the country are expecting us to act upon some civil rights legislation, one way or another. For example, I just received today a communication from a group of people very much interested in civil rights legislation, calling themselves the Leadership Conference on Civil Rights. Without taking the time to read it, Mr. President, I ask unanimous consent that it be incorporated at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LEADERSHIP CONFERENCE ON CIVIL RIGHTS,
New York, N.Y., September 3, 1959.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: It is a tragic thing that at this late date, on the eve of adjournment of the present session, the Senate has not yet had an opportunity to pass meaningful civil rights legislation. Like a broken record the same theme has been played again and again. The Constitutional Rights Subcommittee has voted out a bill, albeit woefully inadequate, after extensive hearings, and thereupon the filibuster in the full Judiciary Committee has been going strong.

In light of this situation, we welcome the actions which have been taken to bypass the Judiciary Committee. In now appears likely that through one route of another the Senate may have the opportunity to act on civil rights legislation before it adjourns.

Because of the timing of the probable action, however, we are greatly disturbed over the possibility that the Senate might feel compelled to accept so little substantively that the final product would be a civil rights bill in name only. If the issue comes to the floor of the Senate just prior to an announced adjournment target, we urge the friends of

civil rights not to be stampeded into accepting a token civil rights bill.

Although men of good will may disagree on the last details of a meaningful bill for 1959, we think that there really is no room for disagreement on the imperative need to include in any bill provisions for explicit and substantial implementation of the school desegregation decisions which have now been the law of the land for more than 5 years. The most effective provision thus far proposed towards this end is the part III which was struck from the 1957 bill. Events since then have only underlined the need for this provision giving the Attorney General authority to institute civil actions on behalf of those whose rights have been denied.

Part III is included in the amendment to S. 2391 which Senator HENNINGS has already offered to the Senate for calling up at any time and on any bill. This amendment, as a matter of fact, includes all of S. 810, the Douglas-Javits-Humphrey-Case bill. We support this amendment as the most complete and meaningful "package" of civil rights proposals and earnestly request your support for it, and, if the parliamentary situation should develop that way, against tabling it.

The newspapers have been speculating for some time now about a possible "package" which will be offered by the leadership of the Senate on both sides of the aisle. We cannot, of course, appraise a proposal which has not been unveiled. We feel compelled to state, however, that if the press reports of its probable contents are accurate, this token bill will be opposed by civil rights groups of the Nation. No other proposal, written or rumored, packaged or separate, which omits backing for the law of the land as contained in the Hennings amendment we endorse can win the backing of those seeking vindication of rights protected by the Constitution.

Regardless of the particular parliamentary situation which may develop, we call upon the friends of civil rights not to yield to adjournment jitters, to filibuster threats, to cries for party harmony, or any other excuse for doing less than is morally justified at this crucial moment in the battle for human rights.

Sincerely yours,

Roy Wilkins, Chairman, Leadership Conference on Civil Rights, and Executive Secretary, National Association for the Advancement of Colored People; Patrick Murphy Malin, Executive Director, American Civil Liberties Union; (Mrs.) Aretha B. McKinley, Director, American Council on Human Rights; John Slawson, Executive Vice President, American Jewish Committee; Arnold Aronson, Secretary, Leadership Conference on Civil Rights; Isaac Toubin, Executive Director, American Jewish Congress; Irving Lechliter, Executive Director, American Veterans Committee; Joseph L. Rauh, Vice Chairman for Civil Rights, Americans for Democratic Action; E. Raymond Wilson, Executive Secretary, Friends Committee on National Legislation; Mike Masaoka, Washington Representative, Japanese American Citizens League; Bernard Weitzer, National Legislative Director, Jewish War Veterans; James B. Carey, President, International Union of Electrical, Radio, and Machine Workers; Francis Shane, Executive Secretary, Committee on Civil Rights, United Steelworkers of America; Walter Reuther, President, United Automobile Workers of America; Annalee Stewart, Washington Representative, Women's International League for Peace and Freedom; A. Philip Randolph, President, Brotherhood of Sleeping Car Porters.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSTON of South Carolina. I should like to ask one question. Does the Senator know whether or not the President or the head of any executive department has requested of the leadership of the Senate or the House to invite Mr. Khrushchev before Congress?

Mr. MORSE. No; I do not know. I have expressed my full view in my speech in regard to it. I do not know what the plans are for the handling of the Khrushchev visit.

Mr. President, going back to my point in regard to civil rights legislation, I believe we ought to stay on the job until we have passed some needed civil rights legislation.

Mr. President, I think I have a right to speak on this matter because I happen to be the only northern Democrat who voted against civil rights legislation in 1957. I voted against it because in my judgment the bill in the form it came to us at that time was not acceptable. I did not think it was good enough. It was not because I was not for civil rights legislation, but I did not think the bill of 1957 was effective civil rights legislation.

I have always taken the position, Mr. President, that an unfinished job remains in the field of civil rights legislation. Many of my colleagues who voted for the legislation in 1957 are my witnesses that they too think there is still a job to be done. It ought to be done this year and, may I say quite frankly, I believe it ought to be done this year rather than next. I think it ought to be done in 1959 for many reasons: First, because of the merits of the issue itself, because of the need of giving full civil rights protection to all Americans irrespective of the color of their skin or their religious faith or race. It ought to be done in the second place before the 1960 party conventions are split by this issue.

Mr. President, that raises a very important question for debate. I do not believe we ought to run out on that either. I believe we ought to stay here for a full debate on an adequate piece of civil rights legislation and get this issue behind us before the 1960 elections.

Next, I think we ought to come to grips with education legislation. Mr. President, we ought to have a Federal aid to education bill that goes far beyond school construction. However, I have little hope, if we adjourn sine die on September 12, that we will even have a school construction bill that is more than a label.

The Senate has heard me to the point of boredom, I am sure, on the need for Federal aid to education. The problem is still with us, and I think it is apropos to urge action on it before we adjourn when we take a look at what Russia is doing in the field of education.

What I am proposing is that we come to grips with the educational program from the standpoint of teachers' salaries, classroom facilities, scholarships, aid for brilliant students, and aid to the communities that cannot at the present time support an adequate school system. We need a Federal aid to education program that will give to the boys and girls an equal break and a chance to go to college. We know from the experience we had with the GI bill in the field of education what it means to the Nation economically to train minds to their maximum potentiality. In our hearings on education legislation this year the Senator from West Virginia [Mr. RANDOLPH], did able work in our labor committee on the so-called Youth Conservation Corps, and also has been of great assistance to us on educational matters. I can cite him as my witness, as I can the Senator from Alabama, the chairman of my committee, concerning the testimony as to increased tax dollars flowing to the Treasury of the United States through benefits we gave GI's so they could go to college. There was a great increase in national wealth because we developed the brainpower of those GI's who would never have had a college education except for that training. They were able to earn larger incomes on which to pay taxes because of their educational training. It is only an example, Mr. President, of what could happen to the whole potential student population of this country if we were to come to grips with this educational program.

Jefferson said democracy cannot be stronger than the enlightenment of its people. I know of no better way to keep a people enlightened than to provide our people with educational opportunities so that they have a chance to develop to the maximum their intellectual potential.

The testimony before us is that thousands upon thousands of American boys and girls are denied a college education today because of no fault of their own. They go to grade schools and high schools so low in standards that they cannot qualify for college.

So I say, rightly or wrongly, irrespective of the point of view of others on the merits of the issue, it is an issue which the American people are entitled to have decided in this session of Congress before adjournment. If it means sitting until Christmas to do it, I am for sitting in session that long.

We still have great unsettled problems in the field of taxation with which we have not come to grips, in my judgment, in this session of Congress. I think it is still true that one of the best ways to demonstrate that we believe in the principle of uniform justice in this country is by means of a tax structure that is truly based upon the principle of ability to pay. This means that there must be a great revision of the administration's tax program, which the Congress mistakenly enacted in 1954. It means that we must come to grips with some new tax problems which have arisen since 1954.

In my judgment we also have a great deal of unfinished business, as was demonstrated on the floor of the Senate last night, in the whole field of agricultural legislation. We cannot run away from the farm problem, because it will follow us. It will follow us back to the States and the voters precincts, I say most respectfully to my colleagues, when they get back home.

There was much bold talk some months ago as to what was to be done

about farm legislation. In my judgment the record is an unsatisfactory one today, and we should stay to finish it.

Area redevelopment legislation to give greater help to distressed areas should be enacted. We have a tremendous job to do in that field.

I could continue with a rather lengthy list of what I consider to be vital items of legislation, which should be acted upon before we adjourn sine die, because I believe that is our duty. I feel that we should not adjourn on September 12. As I intimated earlier, and as I wish to say specifically now, I do not believe the coincidence of September 12 as a proposal for adjournment sine die, and the visit of Khrushchev a few days thereafter, is a coincidence we ought to let come to pass.

For all these reason I most respectfully say that it will be my parliamentary course of action between now and the time Congress adjourns sine die to exercise my judgment and to act in accordance with my parliamentary rights in respect to applying the rules of the Senate to the business of the Senate.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PASTORE. I applaud the noble objectives expressed by the distinguished Senator from Oregon. Does he think we can accomplish those objectives most expeditiously and effectively with the harassment of having the Journal read for 2½ hours, consuming valuable time which could be devoted to the other measures enumerated by the distinguished Senator from Oregon?

Mr. MORSE. I think it would have been very interesting——

Mr. PASTORE. It might be interesting, but it is not effective. It is consuming valuable time which should be devoted to other matters.

Mr. MORSE. I intend to answer the Senator's question. I do not intend to allow him to answer it for me.

I think it would have been very interesting and very helpful to our reflective processes if we had contemplated very carefully the interesting part of the reading of the Journal today, setting forth the course of action we followed in regard to the legislation on labor which we passed. Even as one of the conferees who worked very hard in that conference, listening to the reading of the Journal today I saw newer connotations in regard to that legislation than I had previously recognized, which convinced me even more that we had made a grievous mistake. If we had listened today carefully it still might not be too late to enact some corrective legislation in this field.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BUTLER. Has the Senator outlined the Morse formula?

Mr. MORSE. I have no formula.

Mr. BUTLER. It is not that strict?

Mr. MORSE. I have no formula.

Mr. BUTLER. When will the Senator allow the Senate to adjourn?

Mr. MORSE. Under the rules of the Senate I feel that we should do a very thorough job, and a careful job, and not act under unanimous-consent agreements, which assure empty seats in the Senate. The Senate can adjourn when it votes to adjourn.

Mr. BUTLER. The Senator has neglected several subjects upon which he might talk.

Mr. MORSE. I did not try to cover them all. I tried in all sincerity to present to Senators my reasons for following the parliamentary course of action I propose to follow.

Mr. BUTLER. Is this the Morse blueprint for making the world perfect?

Mr. MORSE. No.

Mr. BUTLER. Only the United States?

Mr. MORSE. The Senator is perfectly free to attach any judgment he wishes to attach to the position of the Senator from Oregon; but let me assure him, as I tried to intimate, that I am perfectly willing to permit my colleagues to form any judgments they wish, but their judgments will not deter me from insisting on applying the rules of the Senate when I think they should be applied.

Mr. PASTORE. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. PASTORE. Do I correctly understand it to be the interpretation of the Senator from Oregon that the Senate is deliberately planning to adjourn by September 12, in order to avoid a situation in which Mr. Khrushchev might be asked to address a joint session of Congress?

Mr. MORSE. If the Senator from Rhode Island heard the speech of the Senator from Oregon, he will recall that in effect the Senator from Oregon said that he is satisfied that behind all this drive to adjourn September 12 is the unexpressed desire to adjourn by the time Khrushchev arrives. I believe it is a mistake to let such coincidence of dates come to pass.

Mr. PASTORE. In view of the implication leveled at the Senate by the Senator from Oregon—and I cannot speak for other Senators; I speak only for the Senator from Rhode Island—let me say that I am perfectly willing to remain here as long as necessary. I do not care whether the Congress adjourns sine die on the 12th, the 15th, the 16th, or the 17th of September. So far as I am concerned, I do not believe that Khrushchev ought to be invited to address a joint session of Congress. I do not believe it is necessary. I do not believe anyone has offered such an invitation.

I do not believe that the implication should be leveled at this branch of Congress or the other branch of Congress that we are scurrying away from Washington by September 12 because we are afraid to be here on September 13, when Khrushchev arrives. I am perfectly willing to be here on the 13th, the 16th, or the 17th. But I do not believe he should be invited.

Mr. MORSE. I have two things to say to the Senator from Rhode Island. First, the Senator from Oregon did not say that Khrushchev should be invited to address the Congress. I do not propose to permit the Senator from Rhode Island to leave that implication in the RECORD.

Mr. PASTORE. I think my ears are clear enough to hear the words uttered by the distinguished Senator from Oregon, who said that the purpose is not being expressed, but the implication is being left, that we are all rushing away by September 12 because we are afraid to be here on the 15th. The junior Senator from Rhode Island is not afraid to be here on the 15th, the 16th, or the 17th.

Mr. MORSE. I do not know of anything the Senator from Rhode Island would be afraid of; but in view of the Senator's comments, I would place much greater confidence in his eyesight, after he reads the RECORD, than I would in his words, or the implications he is seeking to leave as to the remarks of the Senator from Oregon. I do not believe the Senator's eyesight will bear him out when he reads the RECORD. The RECORD will stand as spoken.

I wish to make it very clear that I do not believe we should allow the coincidence of dates to occur, in view of the fact that we have so much unfinished business to do. We cannot complete the unfinished business by September 12.

The chief thing I said about September 12 was that it was generally understood that the drive is for sine die adjournment by September 12, as the Senator can see for himself if he reads the newspapers.

Mr. PASTORE. I quite understand that. As a matter of fact, that has been said; but I have not heard anyone else say that the date of September 12 was connected for any reason to the coming of Khrushchev to the United States.

I realize that about this time of the year it is quite natural to look forward to the adjournment of Congress. At other times Congress has adjourned sine die in the latter part of August. On a number of occasions it has remained in session during September and October.

I realize that there is much important business to be considered. I regret very much that there have been times when the Senate has convened at 12 o'clock and has recessed or adjourned by 5 o'clock in the afternoon. We did that only last week. But I say to the distinguished Senator from Oregon that the distinguished majority leader [Mr. JOHNSON of Texas] canvassed the entire membership of the Senate a week or so ago. I was one of those who were asked if they would be willing to give up this weekend with their families and friends, to remain here and do the important work that had to be done, both, today and on Labor Day. I did not consider that an affront to the labor movement of the country. I did not consider that as relating to the so-called labor legislation which was enacted a few days ago.

I took that to mean that we had important work to do, and that we should stay here and do it, even to the point of giving up a holiday or a weekend vacation. We were asked to do that. I understand the majority of Senators expressed their opinion to the distinguished majority leader, and that predicated upon that expression he decided that the Senate would be in session on Saturday and on Monday.

I do not know why the majority leader has to be punished. I do not know why he has to be chastized. I do not know why he has to be called a dictator. I do not think he has to be called any of those names at all. I think he has tried to do his work as best he can, for the benefit of the entire membership of the Senate.

I may say to the distinguished Senator from Oregon—and he may deny it if it is untrue—that I believe there have been times when the distinguished Senator from Oregon has asked the distinguished majority leader if he would not let a vote be postponed or if he would not ask for a unanimous consent agreement so that the Senator from Oregon might be accommodated on one occasion or another. I know that he has been very solicitous for the welfare of all of us. I think he has behaved himself in that regard. To go out and look at the news ticker and see the majority leader called what might be termed unkind, to use even a kind word—unkind names, is going too far, in the humble judgment of the junior Senator from Rhode Island.

To be frank, I have the highest regard, respect, and affection for the senior Senator from Oregon, and he knows it. I think what he did was rather ungenerous on his behalf. I take personal offense at it, because of my own friendship for both of the personalities involved. I do not think it did the country any good. I do not think it did the Senate any good. I do not think it is doing any of us any good, in doing the work which has to be done, as the senior Senator from Oregon pointed out only a short while ago.

Mr. MORSE. Mr. President, I shall be glad to reply to the Senator from Rhode Island. In my speech on this matter, I think I spoke with great fairness, restraint, and regret about any differences I have with the majority leader. I have great differences with him in regard to the parliamentary course of action which he follows toward the Senator from Oregon. I did not believe, and I still do not believe, that that was a matter for me to discuss here in public debate, although I should like to say that there was a time in the history of this body when the Senator from Texas became the majority leader because of the position taken by the senior Senator from Oregon. That is a point which, sometimes, I think some of my Democratic colleagues, when they engage in their criticisms of the senior Senator from Oregon, overlook. The matter of the exchange of cooperation and courtesy is a two-way street. I know of no one on this side of the aisle who has any better record of cooperating with the majority leader. I never have refused to put myself out in granting concessions and cooperation to the majority leader. Time after time after time, month after month, I have been perfectly willing to cooperate by delaying making any comments on the floor of the Senate until the rest of the Senators had gone home. I did this to accommodate Senators, including the majority leader, when I still felt a record had to be made. If Senators think that was helpful in my public relations, they are quite mistaken.

Mr. PASTORE rose.

Mr. MORSE. I am going to finish answering the Senator from Rhode Island; then he can reply.

If Senators think that for me to postpone making speeches until after Senators had left the Chamber was very helpful in my public relations, they are wrong. But those things do not bother me.

I have some great differences with the majority leader. But he and I will thrash them out. However, the so-called tickertape bulletin, to which the Senator from Rhode Island refers, was an accurate description of the treatment I had received. I still stand on it. I do not think any good purpose will be served by the Senator from Rhode Island and the Senator from Oregon engaging in a discussion of some Democratic Party family problems which, I say most respectfully, I think ought to be discussed in a Democratic caucus or before the Democratic policy committee.

Mr. PASTORE. That may be so. All of us have very intimate family considerations. Most of us have been compelled to come here on this long Saturday. We were here until late last night. None of us are complaining, because if our duty commands us to be here, we are perfectly willing to come back. I will be willing to come back on the Sabbath Day if it is in conformity with the tradition of the Senate, if important work needs to be done. I will foresake every other important consideration to be here to do my work. Most of us have arranged to give up our holiday.

It is awfully exasperating as I believe the Senator from Oregon will agree, to insist that, under the rule, the Journal be read for 3 or 4 hours, when important business has to be transacted, merely for the sake of delaying; merely for the sake of harassing the entire Senate.

I realize the Senator from Oregon may have reasons of his own, but when his action extends beyond that and affects every other Member of the Senate, and when it reaches out and touches the activities of 99 other Members of the Senate, then I say that a man ought to ask himself this question: "Am I God?"

Mr. MORSE. Mr. President, I may say to the Senator from Rhode Island that the Senator from Oregon does not play God, nor does he make the kind of implied insulting remark to a colleague which the Senator from Rhode Island has just made.

I will tell the Senator from Rhode Island what the Senator from Oregon intends to do, contrary to his false statement that the Senator from Oregon would seek to harass the Senate. I intend to apply the rules on the books of the Senate, to which the Senator from Rhode Island is a party, until those rules are repealed. I think I should exercise my rights under them, and I am going to exercise them.

If it does not please the Senator from Rhode Island, I am sorry, but the Senator from Rhode Island has just finished demonstrating how wrong the impression of the Senator from Ohio was, as expressed a few minutes ago on the floor of the Senate.

Mr. President, I yield the floor.

CIVIL USES OF ATOMIC ENERGY—AMENDMENT TO AGREEMENT FOR COOPERATION WITH GOVERNMENT OF ISRAEL

Mr. PASTORE. Mr. President, pursuant to section 123c of the Atomic Energy Act of 1954, as amended, the following documents were submitted to the Joint Committee on Atomic Energy on August 21, 1959: First, an amendment to the agreement for cooperation with the Government of Israel; second, a letter from the Atomic Energy Commission to the President recommending approval of the proposed amendment; and, third, a letter from the President, dated August 3, 1959, to the Atomic Energy Commission approving the amendment, containing his determination that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and his authorization to execute the proposed amendment.

This amendment clarifies the responsibilities assumed by the parties with respect to information or data transferred pursuant to the agreement. It provides that the Atomic Energy Commission may sell or lease a net amount of 10 kilograms of uranium enriched up to 20 percent in the isotope U^{235} for use in research reactors and, at the Commission's discretion, may make all or a portion of the 10 kilograms available as material enriched up to 90 percent for use in research reactors, materials testing reactors, and reactor experiments. Provision is made regarding the responsibilities arising out of the handling or use of atomic energy materials transferred pursuant to the agreement and for the reprocessing of source or special nuclear material by the Commission facilities or in facilities acceptable to the Commission.

A new provision is incorporated in the amendment permitting the transfer of quantities of special nuclear materials, on an as may be agreed basis, for defined research projects related to the peaceful uses of atomic energy other than fueling reactors and reactor experiments.

Several provisions are incorporated to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes. The parties affirm their common interest in the International Atomic Energy Agency and agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the agency.

The amendment will enter into force when the two governments have exchanged written modifications that their respective statutory and constitutional requirements have been fulfilled.

Mr. President, I ask unanimous consent that these documents be printed in the RECORD.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, August 3, 1959.

The Honorable JOHN A. MCCONE,
Chairman, Atomic Energy Commission,
Washington, D.C.

DEAR MR. MCCONE: Under date of July 29, 1959, you informed me that the Atomic Energy Commission has recommended that I approve the proposed amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of Israel Concerning Civil Uses of Atomic Energy, determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The amendment would modify the agreement for cooperation signed by the Government of the United States and the Government of Israel on July 12, 1955.

Among other things, the amendment provides that the Commission may sell or lease, as may be agreed, a net amount of 10 kilograms of uranium enriched up to 20 percent in the isotope U^{235}, except as noted below, for use in research reactors, materials testing reactors and reactor experiments. The Commission, at its discretion, may make all or a portion of the 10 kilograms available as material enriched up to 90 percent for use in the foregoing facilities, each capable of operating with a fuel load not to exceed 8 kilograms of contained U^{235} in uranium. It is also provided that when any source or special nuclear material received from the United States requires reprocessing, such reprocessing will be performed either in Commission facilities or in facilities acceptable to the Commission.

The quantity of uranium enriched in the isotope U^{235} transferred to the Government of Israel for use as fuel in reactors will not at any time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel is radioactively cooling or in transit or, subject to Commission approval, is being reprocessed in Israel.

The amendment further permits the transfer of quantities of special nuclear materials, including U^{235}, U^{233}, and plutonium, on an as-may-be-agreed basis, for defined research projects related to the peaceful uses of atomic energy other than fueling reactors and reactor experiments. It also incorporates provisions clarifying the responsibilities of the parties with respect to atomic energy materials, or information, or data, transferred pursuant to the agreement.

The amendment also contains several provisions which are designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes. Finally, the amendment contains a provision whereby the parties affirm their common interests in the International Atomic Energy Agency and agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the Agency.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby (1) determine that the performance of the proposed amendment will promote and will not constitute an unreasonable risk to the common defense and security of the United States; (2) approve the proposed amendment to the agreement for cooperation between the Government of the United States of America and the Government of Israel enclosed with your letter of July 29, 1959; and (3) authorize the execution of the proposed amendment for the Government of the United States of America by appropriate authorities of the U.S. Atomic Energy Commission and the Department of State.

Sincerely,

DWIGHT D. EISENHOWER.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed "Amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of Israel Concerning Civil Uses of Atomic Energy," determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The Department of State supports the Commission's recommendation.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would modify the agreement for cooperation signed by the Government of the United States and the Government of Israel on July 12, 1955. Major features of the amendment are summarized below.

Article I of the amendment includes a new provision clarifying the responsibilities assumed by the parties with respect to information or data transferred pursuant to the agreement.

The existing agreement provides that the Commission will lease to the Government of Israel, as fuel for research reactors, up to 6 kilograms of contained U^{235} in uranium enriched up to a maximum of 20 percent U^{235}, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous use of the reactor involved. Article II of the amendment provides that the Commission may sell or lease, as may be agreed, a net amount of 10 kilograms of uranium enriched up to 20 percent in the isotope U^{235}, except as noted below, for use in research reactors, materials testing reactors, and reactor experiments. The Commission, at its discretion, may make all or a portion of the 10 kilograms available as material enriched up to 90 percent for use in the foregoing facilities, each capable of operating with a fuel load not to exceed 8 kilograms of contained U^{235} in uranium. In addition, article II provides that when any source or special nuclear material received from the United States requires reprocessing, such reprocessing will be performed either in Commission facilities or in facilities acceptable to the Commission. Article II also contains a provision (par. H) clarifying the responsibilities assumed by the parties with respect to liability for any causes arising out of the handling or use of atomic energy materials, including source of special nuclear material, transferred pursuant to the agreement.

The quantity of uranium enriched in the isotope U^{235} transferred to the Government of Israel for use as fuel in reactors will not at any time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel is radioactively cooling or in transit, or, subject to Commission approval, is being reprocessed in Israel.

Article III of the amendment incorporates a new provision permitting the transfer of quantities of special nuclear materials, including U^{235}, U^{233}, and plutonium, on an as-may-be-agreed basis, for defined research projects related to the peaceful uses of atomic energy other than fueling reactors and reactor experiments.

Article IV of the amendment incorporates several provisions which are designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes.

In article V of the amendment the parties affirm their common interest in the International Atomic Energy Agency and agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the Agency.

Following your approval and subject to the authorization requested, the amendment will be formally executed by the appropriate authorities of the Government of the United States of America and the Government of Israel and placed before the Joint Committee on Atomic Energy in compliance with section 123c of the Atomic Energy Act of 1954, as amended.

Respectfully,

———— ————,
Chairman.

(Enclosure: Amendment to agreement for cooperation with Israel.)

AMENDMENT TO AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ISRAEL CONCERNING CIVIL USES OF ATOMIC ENERGY

The Government of the United States of America and the Government of Israel, desiring to amend the Agreement for Cooperation Between the Government of the United States of America and the Government of Israel Concerning Civil Uses of Atomic Energy, signed at Washington on July 12, 1955 (hereinafter referred to as the "Agreement for Cooperation"), agree as follows:

ARTICLE I

Article I of the Agreement for Cooperation is amended to read as follows:

"A. Subject to the limitations of Article V, the Parties hereto will exchange information in the following fields:

"1. Design, construction and operation of research reactors and their use as research, development, and engineering tools and in medical therapy.

"2. Health and safety problems related to the operation and use of research reactors.

"3. The use of radioactive isotopes in physical and biological research, medical therapy, agriculture, and industry.

"B. The application or use of any information or data of any kind whatsoever, including design drawings and specifications, exchanged under this Agreement shall be the responsibility of the Party which receives and uses such information or data, and it is understood that the other cooperating Party does not warrant the accuracy, completeness, or suitability of such information or data for any particular use or application."

ARTICLE II

Article II of the Agreement for Cooperation is amended to read as follows:

"A. The Commission will sell or lease, as may be agreed, to the Government of Israel, uranium enriched up to 20 percent in the isotope U^{235}, except as otherwise provided in paragraph C of this Article, in such quantities as may be agreed, in accordance with the terms, conditions, and delivery schedules set forth in contracts, for fueling defined research reactors, materials testing reactors, and reactor experiments which the Government of Israel, in consultation with the Commission, decides to construct or authorize private organizations to construct and which are constructed in Israel and as required in experiments related thereto; provided, however, that the net amount of any uranium sold or leased under this

Article during the period of this Agreement shall not at any time exceed 10 kilograms of the isotope U^{235} contained in such uranium. This net amount shall be the gross quantity of such contained U^{235} in uranium sold or leased to the Government of Israel during the period of this Agreement less the quantity of such contained U^{235} in recoverable uranium which has been resold or otherwise returned to the Government of the United States of America during the period of this Agreement or transferred to any other nation or international organization with the approval of the Government of the United States of America.

"B. Within the limitations contained in paragraph A of this Article, the quantity of uranium enriched in the isotope U^{235} transferred by the Commission under this Article and in the custody of the Government of Israel shall not at any time be in excess of the quantity necessary for the full loading of each defined reactor project which the Government of Israel or persons under its jurisdiction construct and fuel with uranium received from the United States of America, as provided herein, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of such reactors or reactor experiments while replaced fuel is radioactively cooling, is in transit, or, subject to the provisions of paragraph E of this Article, is being reprocessed in Israel, it being the intent of the Commission to make possible the maximum usefulness of the material so transferred.

"C. The Commission may, upon request and in its discretion, make all or a portion of the foregoing special nuclear material available as uranium enriched up to 90 percent in the isotope U^{235} for use in research reactors, materials testing reactors, and reactor experiments, each capable of operating with a fuel load not to exceed 8 kilograms of the isotope U^{235} contained in such uranium.

"D. It is understood and agreed that although the Government of Israel may distribute uranium enriched in the isotope U^{235} to authorized users in Israel, the Government of Israel will retain title to any uranium enriched in the isotope U^{235} which is purchased from the Commission at least until such time as private users in the United States of America are permitted to acquire title in the United States of America to uranium enriched in the isotope U^{235}.

"E. It is agreed that when any source or special nuclear material received from the United States of America requires reprocessing, such reprocessing shall be performed at the discretion of the Commission in either Commission facilities or facilities acceptable to the Commission, on terms and conditions to be later agreed; and it is understood, except as may be otherwise agreed, that the form and content of any irradiated fuel shall not be altered after its removal from the reactor and prior to delivery to the Commission or the facilities acceptable to the Commission for reprocessing.

"F. Special nuclear material produced in any part of fuel leased hereunder as a result of irradiation processes shall be for the account of the Government of Israel and after reprocessing as provided in paragraph E of this Article, shall be returned to the Government of Israel, at which time title to such material shall be transferred to that Government, unless the Government of the United States of America shall exercise the option, which is hereby granted, to retain, with appropriate credit to the Government of Israel, any such special nuclear material which is in excess of the needs of Israel for such material in its program for the peaceful uses of atomic energy.

"G. With respect to any special nuclear material not subject to the option referred to in paragraph F of this Article and produced in reactors fueled with material obtained from the United States of America which is in excess of the need of Israel for such material in its program for the peaceful uses of atomic energy, the Government of the United States of America shall have and is hereby granted (a) a first option to purchase such material at prices then prevailing in the United States of America for special nuclear material produced in reactors which are fueled pursuant to the terms of an agreement for cooperation with the Government of the United States of America, and (b) the right to approve the transfer of such material to any other nation or international organization in the event the option to purchase is not exercised.

"H. Some atomic energy materials which the Commission may provide in accordance with this Agreement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of Israel the Government of Israel shall bear all responsibility, in so far as the Government of the United States of America is concerned, for the safe handling and use of such materials. With respect to any source or special nuclear material which the Commission may, pursuant to this Agreement, lease to the Government of Israel or to any private individual or private organization under its jurisdiction, the Government of Israel shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such source or special nuclear material after delivery by the Commission to the Government of Israel or to any authorized private individual or private organization under its jurisdiction."

ARTICLE III

Article III of the Agreement for Cooperation is amended to read as follows:

"A. Subject to the availability of supply and as may be mutually agreed, the Commission will sell or lease, through such means as it deems appropriate, to the Government of Israel or authorized persons under its jurisdiction such reactor materials, other than special nuclear materials, as are not obtainable on the commercial market and which are required in the construction and operation of research reactors in Israel. The sale or lease of these materials shall be on such terms as may be agreed.

"B. Materials of interest in connection with defined research projects related to the peaceful uses of atomic energy and under the limitations set forth in Article V, including source materials, special nuclear materials, byproduct materials, other radioisotopes, and stable isotopes, will be sold or otherwise transferred to the Government of Israel by the Commission for research purposes other than fueling reactors and reactor experiments in such quantities and under such terms and conditions as may be agreed when such materials are not available commercially."

ARTICLE IV

Article VI of the Agreement for Cooperation is amended to read as follows:

"A. The Government of the United States of America and the Government of Israel emphasize their common interest in assuring that any material, equipment, or device made available to the Government of Israel pursuant to this Agreement shall be used solely for civil purposes.

"B. Except to the extent that the safeguards provided for in this Agreement are supplanted, as provided in Article VI bis, by safeguards of the International Atomic Energy Agency, the Government of the United States of America, notwithstanding any other provisions of this Agreement, shall have the following rights:

"1. With the objective of assuring design and operation for civil purposes and permitting effective application of safeguards, to review the design of any (i) reactor, and (ii) other equipment and devices the design of which the Commission determines to be relevant to the effective application of safeguards, which are to be made available to the Government of Israel or persons under its jurisdiction by the Government of the United States of America or any person under its jurisdiction, or which are to use, fabricate, or process any of the following materials so made available: source material, special nuclear material, moderator material, or other material designated by the Commission;

"2. With respect to any source or special nuclear material made available to the Government of Israel or any person under its jurisdiction by the Government of the United States of America or any person under its jurisdiction and any source or special nuclear material utilized in, recovered from, or produced as a result of the use of any of the following materials, equipment, or devices so made available: (i) source material special nuclear material, moderator material, or other material designated by the Commission, (ii) reactors, (iii) any other equipment or device designated by the Commission as an item to be made available on the condition that the provision of this subparagraph B2 will apply, (a) to require the maintenance and production of operating records and to request and receive reports for the purpose of assisting in ensuring accountability for such material; and (b) to require that any such material in the custody of the Government of Israel or any person under its jurisdiction be subject to all of the safeguards provided for in this Article and the guaranties set forth in Article VII;

"3. To require the deposit in storage facilities designated by the Commission of any of the special nuclear material referred to in subparagraph B2 of this Article which is not currently utilized for civil purposes in Israel and which is not purchased or retained by the Government of the United States of America pursuant to Article II, paragraph F and paragraph G(a) of this Agreement, transferred pursuant to Article II, paragraph G(b) of this Agreement, or otherwise disposed of pursuant to an arrangement mutually acceptable to the Parties;

"4. To designate, after consultation with the Government of Israel, personnel who, accompanied, if either Party so requests, by personnel designated by the Government of Israel, shall have access in Israel to all places and data necessary to account for the source and special nuclear materials which are subject to subparagraph B2 of this Article to determine whether there is compliance with this Agreement and to make such independent measurements as may be deemed necessary.

"5. In the event of non-compliance with the provisions of this Article, or the guaranties set forth in Article VII, and the failure of the Government of Israel to carry out the provisions of this Article within a reasonable time, to suspend or terminate this Agreement and require the return of any materials, equipment, and devices referred to in subparagraph B2 of this Article;

"6. To consult with the Government of Israel in the matter of health and safety.

"C. The Government of Israel undertakes to facilitate the application of the safeguards provided for in this Article."

ARTICLE V

The following new Article is added directly after Article VI of the Agreement for Cooperation:

"ARTICLE VI BIS

"The Government of the United States of America and the Government of Israel affirm

their common interest in the International Atomic Energy Agency and to this end:

"(a) The Parties will consult with each other, upon the request of either Party, to determine in what respects, if any, they desire to modify the provisions of this Agreement. In particular, the Parties will consult with each other to determine in what respects and to what extent they desire to arrange for the administration by the Agency of those conditions, controls, and safeguards, including those relating to health and safety standards, required by the Agency in connection with similar assistance rendered to a cooperating nation under the aegis of the Agency.

"(b) In the event the Parties do not reach a mutually satisfactory agreement following the consultation provided for in subparagraph (a) of this Article, either Party may by notification terminate this Agreement. In the event this Agreement is so terminated, the Government of Israel shall return to the Commission all source and special nuclear materials received pursuant to this Agreement and in its possession or in the possession of persons under its jurisdiction."

ARTICLE VI

This Amendment shall enter into force on the day on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such Amendment and shall remain in force for the period of the Agreement for Cooperation.

In witness whereof, the undersigned, duly authorized, have signed this amendment.

Done at Washington, in duplicate, this 20th day of August 1959.

For the Government of the United States of America:

G. LEWIS JONES,
Assistant Secretary of State for Near East and South Asian Affairs.

JOHN H. WILLIAMS,
Acting Chairman, U.S. Atomic Energy Commission.

For the Government of Israel:

YAACOV HERZOG,
Chargé d'Affaires ad interim, Embassy of Israel.

Certified to be a true copy:

WILLIAM M. FULLERTON,
Chief, Agreement and Liaison Branch, Division of International Affairs, U.S. Atomic Energy Commission.

FEDERAL-AID HIGHWAY ACT OF 1959

The Senate resumed the consideration of the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

Mr. KUCHEL. Mr. President——

Mr. GORE. Mr. President, I ask for a vote on my amendment.

Mr. KUCHEL. Mr. President, in 1956 Congress embarked upon the development of the Interstate Highway System. The program provided for the payment from the Federal Treasury of 90 percent of the cost of constructing 40,000 miles of high-speed, limited-access highways in America. The gasoline tax and other highway users' taxes were increased, in order to provide funds with which to complete the system.

In 1958, Congress was faced with the problem of speeding up construction of the Interstate Highway System; and, for the second time, legislation in that field was enacted. Many of the States speeded up their process of providing for the plans, the specifications, and the actual construction of the Interstate System within their borders.

Meanwhile, the cost of constructing highways rose prodigiously; and what in 1956 was contemplated as a $25 billion undertaking, is now contemplated as a $36 billion undertaking.

So far, the theory behind the construction of the Interstate Highway System has been "pay as you go."

In January of this year, it was clearly possible to demonstrate that the Federal Treasury would not have sufficient funds to permit the program to continue. So, in January, the President, in addressing the Congress, asked for a 5-year 1½-cent a gallon increase in the Federal gasoline tax.

No action was taken.

In June, a courageous Member of the Senate, the junior Senator from Oregon [Mr. NEUBERGER], said Congress needed to provide the additional funds the President had requested; and the junior Senator from Oregon asked the Members of the Senate to approve an amendment which provided for a 1½-cent tax increase.

Regrettably, the Senate refused to accept his recommendation.

Meanwhile, the Members of the House of Representatives felt they should not approve any increase at all. I think it is to the infinite credit of the leadership of the House of Representatives and the great majority of the membership of the House of Representatives that only a few days ago a bill was passed providing for a 1-cent Federal highway tax increase for the next 22 months.

Here is what a prominent Member of the majority party in the House said at the time the bill was taken up. I quote from the statement of the distinguished Representative, Mr. THORNBERRY, on page 17946 of the RECORD:

All of us will agree that we never like to impose taxes. We all look forward to the day when we can reduce taxes. We cannot, under the present fiscal condition of our Government, call upon the Federal Government to continue this program at its present level without providing further necessary revenue to finance it. We must have a sound fiscal program if we are to continue to meet the highway needs of this country and to be certain that we do not cripple the economy of our Nation by causing this great program to come to a complete halt.

To which I am proud to say as a Member of Congress, "Amen."

The President of the United States said:

I must again express my objection to proposals that would, in the absence of a foreseeable budget surplus, divert receipts from the general fund of the Treasury that are collected from various excise taxes on automobiles. The transfer of these receipts to the highway trust fund would only shift the fiscal problem from the highway trust fund to the general fund, which is already in precarious balance.

The distinguished Senator from Tennessee, a member of the Finance Committee, offered the amendment now pending before us in the Finance Committee. The Finance Committee voted down his proposal, and, to its infinite credit, sent to the Senate the House bill which is before us. It is simply beyond my capacity to understand how we can justify taking money out of one pocket to try to underwrite part of the cost of a great undertaking, and that is precisely what my friend from Tennessee is trying to do in his amendment.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. KUCHEL. Not now. The Senator from Tennessee is going to take money which now goes into the general fund and say, "We are going to use some of this for a specific purpose."

The Secretary of the Treasury will have one more burden as the only result of that approach. He will have to borrow that much more money in order to pay the prodigious costs of the Government of the United States.

It is true that the Senator from Tennessee also asked us to repeal the 4-percent dividend exclusion. Several years ago when the subject was under debate in the Senate Chamber originally, I tried to study the background of the idea of double taxation on dividends. I went back to the days when the late great Franklin D. Roosevelt was President. I believe I remember with accuracy during his administration some of his associates suggested that double taxation was morally wrong. However, this ought not to be the place to debate that sort of proposition.

Mr. President, the pending question is and ought to be, What is the Senate going to do with respect to the interstate highway problem now? That is the question before the Senate, and I think it is completely irrelevant for my friend from Tennessee to say now, "Let us take the dividend exclusion law and wipe it out and provide that the moneys which its repeal would bring into the Treasury shall go back into the general fund." I wondered how much money that would amount to, and I asked the staff today to get a letter from the Treasury Department covering the point. I will read it. It is very short:

DEAR SENATOR: This is in response to your inquiry about the revenue effect of repealing the income tax credit for dividends received by individuals which is now provided in section 34 of the Internal Revenue Code. We estimate that repeal of the dividends-received credit would have the effect in a full year of increasing revenues by $310 million. This assumes dividends and incomes at the levels prevailing in the calendar year 1959. If the repeal were made effective July 1, 1959, and extended to June 30, 1961, it is estimated that revenues would be increased by $620 million, as follows:

By $248 million in fiscal 1960—

That is the year in which we are borrowing—

by $310 million in fiscal 1961, and by $62 million received in the fiscal year 1962.

Sincerely yours,

FRED C. SCRIBNER,
Under Secretary of the Treasury.

I believe it is fair to say that the effect of the amendment of the Senator from Tennessee would be to put back into the general fund by the repeal of the proposed dividend exclusion about half the money he takes out of it in order to provide revenues for the interstate highway construction program.

Mr. President, I am not a member of the Finance Committee. I am from a State which is interested in the construction of the Interstate Highway System. I believe I know a little something about the feelings of the people who use the Interstate Highway System and who look forward to using it more, and it seems to me they would rather have that system completed on the basis of the recommendations of the administration, on the basis of what the House of Representatives has now agreed ought to be done, and on the basis of what the Senate Finance Committee likewise agrees ought to be done. Let us continue to the greatest extent possible a pay-as-you-go basis on which this legislation will be carried forward and all the unhappy, melancholy and foreboding thoughts about inflation and the responsibilities of the Government to borrow, and borrow additional billions of dollars at least will be alleviated by men having the courage to stand up here and vote, as my Democratic friend in the House said, for an additional temporary increase in the gas tax.

I yield to the able Senator from New Mexico.

Mr. ANDERSON. We studied the subject of the amendment in the Finance Committee very carefully. Does the Senator think the House of Representatives enjoyed voting an increase in the gasoline tax?

Mr. KUCHEL. Of course not.

Mr. ANDERSON. Does the Senator think the members of the Finance Committee who voted for a 1-cent increase in the gasoline tax enjoyed so voting?

Mr. KUCHEL. Of course not.

Mr. ANDERSON. Does the Senator not recognize that something must be done which will be effective in the passage of a dividend credit and the termination of that will probably not be effective in the present temper of the House? I say quite frankly I am one of those who voted to end the dividend credit. If the rollcall vote is in the Senate Chamber, it will show I voted for it, and I shall vote for it again. But I do not believe this is the place to do it, because it would place the two Houses of Congress in conflict with each other. The Senator knows the extreme difficulty with which Speaker RAYBURN was faced when he tried to put through a program which was satisfactory. It called for extraordinary efforts on his part.

If we now reverse it by the passage of this dividend credit, he undoubtedly knows that we shall be in a conference which will last a long, long time.

We have just been through a conference on labor legislation that lasted a very, very long time; and if we go on to this one, we shall be here a long time trying to straighten it out.

I am glad the able Senator from California points out that this seems to be the sensible thing to do. I do not enjoy it a bit more than he does. I have communications from the gasoline people of my State, distributors of gasoline, pleading against the 1-cent tax. I have written letters to every one of them saying, "I think you are right. We should not do it. But we have to do it to keep the road program going."

I was the first administrator of the emergency school tax in the State of New Mexico. It was passed in 1933. It was only going to last for 2 years. The emergency is still on. It is still there. There was financial difficulty. Nobody relishes the fact that it had to be done in order to keep the revenues of that State going.

This is a situation where the road program is of great importance to the States, where it is vital to the life of the States, where it is making a fine contribution to the States, where we can get into an impasse if we fail to act.

The Finance Committee took those facts into consideration. I watched the votes of the men when the roll was being called. I know how some of the individual Members felt. They were committed against an increase in taxes. They were committed in their own minds against a 1-cent tax. But they voted for the only thing that will make it possible for the bill to be passed.

If the Senate tonight accepts the alternative proposed by the able Senator from Tennessee, we shall be in a bad situation, in my opinion, because we shall be a long, long way from agreement between the two Houses.

Mr. KUCHEL. I am most grateful for what the able Senator from New Mexico has said. There, from the lips of a man who is a member of the majority, who is a distinguished member of the Finance Committee, who thus may be presumed to be an expert in this field, has been demonstrated abundantly the wisdom of the action which the committee took and which the Senate ought to follow here tonight. The people of the American Union will applaud the courage this Senate has shown if it joins the House of Representatives in approving the House-passed bill.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. GORE. The junior Senator from Tennessee has reason to believe that if a repeal of the dividend tax credit were resubmitted to the House of Representatives at this time, the action of that body might be different from its action on a prior occasion.

The Senate has a very clear choice, that of continuing the highway program through a levy of an additional tax on every gallon of gasoline that every man, woman, or child in this country may buy, or repealing the tax favoritism now accorded income from dividends.

I should like, however, to turn to a different point. This is something I think the Senate should consider. If the Senator will be so kind as to yield, I should like to read a little of the colloquy which begins at the bottom of page 20 of the hearings held yesterday:

Senator GORE. Mr. Tallamy, your problem has two distinct parts, does it not? One, the lack of funds to meet commitments and obligations falling due within the present fiscal year?

Mr. TALLAMY. Yes, sir.

Senator GORE. And two, the making of apportionments for use and obligation of the States for future years?

Mr. TALLAMY. Yes; that is right.

Senator GORE. And each of those two major parts is subdivided, are they not, into the interstate highway program, on the one hand, and the ABC, the primary, secondary, and urban highways, on the other.

Mr. TALLAMY. That is right.

Senator GORE. I would like first to discuss problem number one, to which little reference has been made thus far.

What are the obligations falling due within the fiscal year, or the amount of obligations falling due within the present fiscal year which you are unable to meet without additional legislation or appropriation?

Mr. TALLAMY. Would you ask me that question again?

Senator GORE. What is the amount, what is the total of the obligations falling due within the present fiscal year, 1960, for which you would be in default without either additional legislation or appropriation?

Mr. TALLAMY. Divided into two parts, we require an expenditure this year of $1.11 billion for the ABC program, and $2.25 billion for the interstate program.

Senator GORE. You are giving me now the total commitments?

Mr. TALLAMY. The result of the total commitments. This is the result.

Senator GORE. The figure I am asking you for is the amount of default on the trust fund, if I must use that word, without additional legislation or appropriation, or a combination of the two.

Mr. TALLAMY. I understand: $400 million.

Is the able junior Senator from California hearing that?

Mr. KUCHEL. He is.

Mr. GORE. I continue reading:

Senator KERR. That is the deficit for the current fiscal year which you forecast?

Mr. TALLAMY. Yes, sir.

Senator GORE. I thought you had estimated it to be $493 million.

Mr. TALLAMY. $490 million is what I have on this chart. Maybe it is $493 million.

One of his aides whispered to him, and then he said:

The interest is $3 million, I am told.

Senator GORE. Then as a matter of fact, it is $493 million?

Mr. TALLAMY. Yes.

Senator GORE. Now, how much additional revenue within the fund will be provided by H.R. 8678, within the present fiscal year?

Mr. TALLAMY. $383 million. That is based on the present legislation being effective on September 1.

Senator GORE. That cannot now be a correct answer.

Mr. TALLAMY. So it will be reduced. My charts are all based on that, but it will be reduced $50 million, so it will be about $333 million.

Senator GORE. Then you have a deficit in the fund of $493 million and the bill before the committee would provide only $333 million.

Mr. TALLAMY. Yes.

Senator GORE. Then that would leave you in default to the States $190 million, would it not?

Senator KERR. $160 million.

Off the record, the Senator from Oklahoma [Mr. KERR] is faster with figures than any of us.

Senator GORE. $160 million.

Mr. TALLAMY. $157 million is what the deficit would be at the end of this fiscal year.

The bill before the Senate will leave the Government in default to the Senator's State, to my State, to all the States, to the extent of $157 million, plus $3 million in interest.

Mr. KUCHEL. Would the Senator approve raising the 1-cent tax to 1½ cents, as the President recommended, in order to cure that deficit?

Mr. GORE. I would not. But if the Senator is going to try to solve the problem with a gasoline tax, he could not solve it now even with a 1½-cent tax, because there are only 9 months left in this fiscal year. The administration proposed a 1½-cent tax for 12 months. There is now before the Senate a bill providing for only a 1-cent tax for 9 months. I tell the Senator it will not solve the problem either for the present fiscal year or for future apportionments.

Mr. KUCHEL. Let me say this to my friend before I ask the able Senator from New Mexico to comment on this point.

I regret that the Senator from Tennessee has had to leave the Chamber. Let the RECORD so indicate.

I merely wish to say, Mr. President, that I am sure the Senate Finance Committee did not commit an idle act. I am sure the House of Representatives did not commit an idle act.

I should like to ask my able friend from New Mexico, who is a member of the committee, to comment on the question raised by the Senator from Tennessee.

Mr. ANDERSON. First of all, Mr. President, I regret that the Senator from Tennessee is not present in the Chamber, because I should like to say, in compliment to the Senator, that I believe he performed two very fine services during the hearing. The first of these was to focus attention on the system of contract controls which was discussed in the hearing. I think this system is completely repugnant to the desires of most States. The Senator pursued that question vigorously and valiantly. I commended him then and I commend him now.

I also commend the able Senator from Tennessee because of the fact that he developed the actual figures to show that even if the 1-cent gasoline tax increase is passed there would still be a deficit.

I also say that the Committee on Finance is supposed to use judgment, and I think the Committee on Finance did use judgment.

I hope my figures are correct, Mr. President. It was pointed out to us that by December 31, 1959, there would be a deficit in this fund of about $353 million. There is a bill which is being prepared for submission to the Congress which would permit borrowing from the general fund in order to replenish the trust fund, for a temporary period, and the money would be repaid from collections during the following 6 months.

So while a Member of the Senate might stand up on the floor to say, "All of this does not do anything, because we will have a deficit of $353 million by December 31," the situation actually is not too bad when we recognize that the collections begin to accumulate during the following few months.

Let us consider the period ending June 30, 1960. By then we will have a deficit, if I am correct, of $157 million, as the able Senator from Tennessee developed and pointed out for the first time to the committee. I commend the Senator for that, because he brought it into the RECORD.

We then asked the representatives before us what they would do about the matter. They answered, very easily, that they would allow vouchers to accumulate for about 2 or 2½ weeks, until collections could take care of them. But they did not intend to cut down on the funds for any individual State.

The Senator from Oklahoma and the junior Senator from Tennessee were two of those who pressed the witnesses very strongly on that point, as to whether they were going to use the contract controls, which the able Senator from Tennessee had developed for the first time, to cut down by the $157 million which would be in deficit. The answer came back that it was not their intention to so do. The witnesses stated they contemplated that there would be collections early in July, and that they would wait 2 or 2½ weeks for sufficient collections to accumulate to wipe out the deficit.

So the Senator from California is correct. The House did not do a futile thing. The Senate would not be doing a futile thing if it passed the bill. The legislative history is clear in the hearings on that point.

Mr. KUCHEL. Again I thank my friend, the able Senator from New Mexico, very much.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. McCARTHY. I should like to have the Senator know that so far as the specific proposal before the Senate at the present time is concerned, a vote was taken in the Committee on Finance. The proposal failed of passage by a vote of 9 to 7. What we have before the Senate now is something which the final action of the committee, by a vote of 9 to 7, rejected in the committee. I think it is quite in order for Senators to consider this proposal as a substitute for the action which the committee itself took.

Mr. KUCHEL. I agree with my friend completely that it is in order to consider the proposal. However, I very much hope the Senate will confirm the wisdom shown not merely by the Senate Committee on Finance, but also by the membership of the House of Representatives as a whole.

Mr. McCARTHY. I did not hear all the remarks of the Senator from Tennessee, but I do not think the Senator said at any point that the action taken by the House or by the Finance Committee of the Senate was futile. I believe the Senator said it was not adequate to meet the full needs of the highway program, as now projected.

Mr. KUCHEL. I thought the burden of the comments of the Senator from Tennessee—and I wrote down a little of the precise wording he used—was that what is before us tonight would not accomplish the job, would leave the States high and dry, and would not fulfill the statutory commitment of the Federal Government to give the States 90 percent of the cost of constructing the interstate mileage and system, so I interpreted the words to have the implication that what was being done so far was futile.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to my friend from New Mexico.

Mr. ANDERSON. The Senator from Tennessee was completely correct in saying that approval of a 1-cent increase in the gasoline tax would not completely fill all of the pockets which might need to be filled.

Mr. KUCHEL. That is correct.

Mr. ANDERSON. I assume that is the reason why the President of the United States suggested a 1½-cent increase in the tax, instead of a 1-cent increase.

Mr. KUCHEL. That is correct.

Mr. ANDERSON. Unfortunately the majority of the Finance Committee and the majority of the House of Representatives do not choose to agree with the President of the United States, probably due to the fact that nearly everybody in the individual States objects to any increase in the gasoline tax at all. Therefore, the committee felt it was desirable, if there were to be an increased tax, that the increase be 1 penny instead of 1½ pennies. Nobody claims that 1 penny will do what a penny and a half will do.

Mr. KUCHEL. It is exactly that simple.

Mr. ANDERSON. However, the 1-cent increase will come very close to doing it. It will come sufficiently close to satisfy the financial requirements of the States and to fulfill the apportionments made by the highway department. That is the crucial test. The test is not whether one has all the money one wants, but whether one has enough to see him through, borrowing if he has to just a little bit for the next 2 weeks, knowing that at the end of 22 months the fund will be solvent. That is the test.

Mr. McCARTHY. Mr. President, will the Senator yield to me?

Mr. KUCHEL. I yield.

Mr. McCARTHY. I am sure the Senator from California and the Senator from New Mexico will agree that the $340 million which would be derived from the cancellation of the present dividend credit would do just as much toward financing the highway program as the $342 million which would be derived from the imposition of a 1-cent increase in the gasoline tax.

Mr. ANDERSON. If the Senator will yield, that is surely true.

Mr. KUCHEL. Mr. President, I ask unanimous consent that this colloquy may continue.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. ANDERSON. I agree with that statement except that the $343 million to be derived from the repeal of the dividend credit would not be anything we could lay our hands on.

Mr. KUCHEL. It would feed the general fund.

Mr. ANDERSON. We have no way of knowing whether the House will or will not agree to that proposal. We have no way of knowing whether the President will or will not sign such a bill.

There is a possibility the President would not agree. Certainly, of all Members of the Senate I am least in a position to speak for the administration, but I have a feeling that if the Senate makes a sincere effort to meet the situation, as I think a one-cent increase in the gasoline tax would do, the bill might be signed. I have no feeling that the dividend credit repeal would pass the House or, if it succeeded in the conference, would be signed into law by the President. Quite obviously, that is not the way to cure the problem, because it would be money taken out of the general revenues designed further, perhaps, to increase problems later on. I think the result would not be of real help.

Mr. KUCHEL. The Senator is completely correct in his point.

Last month in the special message which the President sent to us he suggested that a 2-year 1-cent-per-gallon increase was a "step in the right direction." What the House has done has been to approve the 1-cent increase for 22 months, which is certainly substantial agreement with that comment on the part of the President.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to my friend from Utah.

Mr. BENNETT. Does the Senator remember that a good many times in the last 2 or 3 years this proposal to repeal the dividend credit has been attached to different bills?

I could be mistaken, but as I remember the action, I do not think the Senate Committee on Finance has ever approved the provision. Despite that, it has come up and has been attached to one bill or another until frankly, so far as the Senator from Utah is concerned, it has become a symbol. It has become a proposal which is brought out on any occasion which will focus attention upon it.

With all due respect to my friend from Tennessee, who has done yeoman service in developing the road program, I regret very much that the Senator would even taken the slightest risk of jeopardizing the road program for the benefit of this symbol.

It seems to me also that this has become a symbol of a kind of ideological difference. The ideology on one side is that the taxation of corporations is double taxation and that the stockholders are entitled to a little relief. This is only token relief of that double taxation. But to many people in this body this little relief has become a symbol of a raid on the Treasury by Wall Street and by the rich stockholders.

I think there should be an opportunity to argue this point out in regard to a bill to amend the income tax laws. Let us have all the questions considered and go over all the ground when we are in that particular field.

To apply it as the solution of the financial needs of a program whose basic phiolosophy is user taxes seems to me to be dragging this symbol in the wrong situation, and I regret very much that my friend from Tennessee [Mr. GORE] has taken this action to bring forward this particular proposal. It seems to me that it is another case in which the symbol is more important than the solution.

Mr. KUCHEL. I appreciate the comments of my friend from Utah, who graces the Senate Finance Committee and who has indicated once again that the problem involved in the proposed amendment is the sort of problem which ought to be heard in committee on its merits, such as they are, and should not be attached to a highway measure.

Mr. BENNETT. That is my feeling.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to the Senator from Minnesota.

Mr. McCARTHY. In defense of the Senator from Tennessee, I point out that he is not arguing that this program should not be financed through user taxes. As I understand, he said that user taxes which are now imposed upon automobiles and upon gasoline should be used to support the highway program, and what he proposes in his amendment is to transfer only a part of those funds which are now assessed on the users of the highways and to use them for highway purposes. There is no violation of that principle proposed by the Senator from Tennessee.

The Senator from Utah has also made the point that this is a question of a difference in ideology. I believe that we might make some argument on that basis.

It is a question of whether we wish to impose an additional excise or sales tax on gasoline, or whether we wish to put money into the Treasury through the repeal of a provision which knocks the top off the graduated income tax scale. I shall not argue whether we are trying to tax the rich. I should like to quote figures for 1957, which show that people with under $3,000 of adjusted gross income filed over 11 million tax returns, and that only 2.1 percent of those taxpayers made a claim regarding dividend credits. The amount of tax saved for each one of these averaged $18; whereas with respect to people in the $100,000 to $150,000 income bracket, 89.3 percent of those who filed in that category saved over $1,528 per return. When we come to the class above a million dollars, 217 such returns were filed, and 95.4 percent of them claimed dividend credits, with an average saving of $38,995.

I think this is evidence as to who gains from the dividend credit provision of the income tax laws.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to my friend, the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I point out that if we take this money from excise taxes, we help to unbalance the budget by another $300 million, which I do not believe does any favor to this country in its present situation.

When we talk about ideologies, I believe I may have offended some people yesterday or the day before by suggesting, in connection with the housing bill, that if we were in favor of houses, we should vote against classrooms, and that if we were in favor of issues, we should vote for classrooms. It was that simple. We come down to about the same thing in connection with this provision. If we are really in favor of roads, we should vote for the gasoline tax. That will provide the roads. If we are looking for an issue, we should vote for the very popular issue, which is the repeal of the dividend credit to the rich.

Actually, as many poor people use the roads as rich people. A great many of them drive daily to work. They want highways that are good. When they travel across the country, I believe very frankly that they hope to pay for good highways. Therefore, I believe, knowing what the situation is in the House and what it was with the administration, that if people really desire roads, we shall have to vote for the bill which came from the House and from the Committee on Finance.

Mr. KUCHEL. That is a fine contribution, and I thank the Senator from New Mexico.

Mr. CARROLL. Mr. President, will the Senator yield, so that I may ask a question of the Senator from New Mexico before he leaves the Chamber?

Mr. KUCHEL. Yes; I ask unanimous consent that I may do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARROLL. I should like to ask the Senator from New Mexico some questions, because I have been listening to his discussion with a great deal of interest. I am not a member of the Committee on Finance. I am trying to ascertain what the facts are.

It is my impression that the 1-cent increase in the gasoline tax would yield in the next 9 months' period $333 million. Is that correct?

Mr. ANDERSON. I believe that is correct. The figure given to us was $383 million. In testimony before us Mr. Tallamy said that figure would have to be reduced $50 million because of the lateness in which it would become effective. I made the motion in the committee that this provision become effective October 1, because that is the first practical date.

Mr. CARROLL. This leads me to my second question. For the full 12-month period in 1961, this same tax would yield approximately $577 million. Is that correct?

Mr. ANDERSON. I think that is correct. I believe $580 million was the figure, but I will not argue that with the Senator.

Mr. CARROLL. In general terms.

Mr. ANDERSON. Yes, I believe that is absolutely right.

Mr. CARROLL. It is my impression that the money we shall need for 1961 is approximately $816 million under the present program. The distinguished Senator from New Mexico said something about phasing out this program, and this is what bothers me. Are we talking about a slowdown and a cutback under the 1-cent gasoline increase? I must have this information for my own State.

Mr. ANDERSON. I do not know how the Senator could have heard me say

something about phasing out the program.

Mr. CARROLL. I was under the impression that he thought 1 cent would be adequate.

Mr. ANDERSON. I did.

Mr. CARROLL. Why would it be adequate?

Mr. ANDERSON. I say to my friend from Colorado that I do not know where he got his figures. All I can do is take the figures submitted by Mr. Tallamy, which were not challenged by a single person on or off the committee, so far as I know, and which indicated that by December 31 the deficit will be somewhere in the neighborhood of $380 million, but by June 30 the deficit will be reduced to $157 million. I believe he said that could be collected in 2½ to 3 weeks in July of 1960, and that thereafter the books would balance for the 1961 fiscal year. I am not the author of those figures. I do not attempt to defend them. I only say they were not subject to challenge, even though Mr. Tallamy was under very vigorous cross-examination by many members of the committee.

Mr. CARROLL. I regret that the junior Senator from Tennessee is not in the Chamber because I think this is of vital importance. I wish to say in response to the Senator from California that the junior Senator from Tennessee had to leave the Chamber on a very important matter. But I want to press this question.

Mr. ANDERSON. May I interrupt to say that before the Senator from Colorado returned to the Chamber I pointed out that the committee was deeply indebted to the able Senator from Tennessee for developing the fact that there was proposed to us something about contract controls. That was the first I had heard of contract controls; and the Senator from Tennessee, aided by the senior Senator from Oklahoma [Mr. KERR], vigorously cross examined not only Mr. Tallamy but the experts for the Bureau of Public Works, and I thought did a creditable job of establishing the fact that something was being proposed that we did not like. So I did nothing but commend the Senator from Tennessee. Through the questioning of the Senator from Tennessee, he developed for the first time the fact that even with a 1-cent tax we would have a deficit during the next fiscal year.

Mr. CARROLL. A deficit, as I understand, of about $160 million?

Mr. ANDERSON. $157 million. That is correct.

Mr. CARROLL. As I look to the next fiscal year, the fiscal year 1961—and this is very important to us in the West, in Colorado, New Mexico, and in fact to the whole area, to the whole country—I see in my figures a possible deficit unless the program is slowed down or stopped—I emphasize "unless"—of $399 million. This is based on the 1-cent gasoline tax. That is what I want to know about.

Mr. ANDERSON. I only say to the Senator from Colorado that nothing of that nature was submitted to the Finance Committee by anyone, so far as I know. I wonder if the Senator from Utah [Mr. BENNETT] heard those figures. I wonder if the Senator from Kansas heard those figures. I know of no one who heard such figures. Where did they come from? Heaven only knows; but I cannot answer figures when I do not know where they come from.

Mr. CARROLL. If we really needed only a 1-cent increase, was the President wrong in asking for a cent and a half? What is the basis of the reasoning and the logic behind it?

Mr. ANDERSON. I would be happy to have the Senator from Utah answer the question.

Mr. CARROLL. I should like to have the Senator from New Mexico respond.

Mr. ANDERSON. I believe that the statements which have been made indicate why the President asked for 1½ cents. He wanted to take care of the $157 million deficit on a pay-as-you-go basis. Some of us felt that 1½ cents was a little more than the people wanted to swallow. We reduced it, and found that the lower figure would stretch. The Senator from Utah made fine contributions all the way through. He could probably answer the question much better than can the Senator from New Mexico. The President asked for a sum which he knew would be adequate. The House and Senate gave him something less than that, in the hope that it would be adequate.

Mr. KUCHEL. Mr. President, let me add this comment: The House bill has a provision which covers the problem which my friend raises. The recommendation of the administration was for a 1½-cent increase.

Mr. CARROLL. That is correct.

Mr. KUCHEL. The majority of the membership of the House, in their own wisdom, determined, as my friend from New Mexico suggested, that not more than a 1-cent increase in the tax would be needed. To compensate for the difference in revenues between what a 1-cent increase would bring, as distinguished from a 1½-cent increase, by the bill which was sent to us, the House slowed down the level of future expenditures in the system.

Mr. CARROLL. This is very important. This is what I have been trying to establish. I thank the Senator from California. From the statements of the Senator from New Mexico it is obvious that, in round terms, in the fiscal year 1960 there would be a deficit of $160 million under the 1-cent tax increase program. No one disputes that.

Mr. KUCHEL. No. What the Senator from New Mexico said is completely right. We are legislating not merely for 12 months, not merely for 2 years, but for 5 years.

What the Senator from New Mexico said, was completely accurate description of the fashion by which, during the coming 12-month period, the Federal Government will make its allocations.

I read the language on page 2, beginning in line 3:

> Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $2,500,000,000 for the fiscal year ending June 30, 1961," and inserting in lieu thereof the following: "the additional sum of $2,000,000,000 for the fiscal year ending June 30, 1961,".

It is in the second year that the cutback takes place. A year ago we were legislating a speedup in the construction program of the interstate system. There was an opportunity, it appeared to the Congress, to help the employment situation by stepping up the construction program, and that was what was done. In this instance, in the wisdom of the Congress, we cut back.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CARROLL. I should like to follow through on this line.

Mr. KUCHEL. The House realistically faced today the problem of an increase in taxes, and voted for it. What is involved in the amendment of my friend from Tennessee? It means borrowing from one fund and using it in another fund. We would be manufacturing additional problems for the Treasury Department, because we would be going deeper into debt. This is more deficit financing. It is that simple.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. CARROLL. I should like to pursue this line if I may.

The Senator from New Mexico made it so clear that anyone who can hear can understand, that the deficit for the year 1960 is $157 million plus $3 million interest. Is that correct, I ask the Senator from New Mexico? It is exactly right.

Take the next year. I ask this question specifically. Let us not beat around the bush. Let us get down to cases. The deficit for the next year, 1961, is $399 million.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. ANDERSON. Will the Senator from Colorado tell us where he gets that figure?

Mr. CARROLL. The first figure I got from the Senator from New Mexico.

Mr. ANDERSON. That figure is correct. Where did the Senator get the other figure?

Mr. CARROLL. The Senator from New Mexico said there was no basis, so far as he knew, for the second figure. I will be fair enough to say that.

Mr. ANDERSON. That is correct.

Mr. CARROLL. The junior Senator from California has made the real point clear. This is what I was trying to ascertain from my own State, based upon the 1-cent increase. Does this contemplate a slowdown in the program? I understand the Senator from California to say it does. Is that so?

Mr. KUCHEL. What the Senator has said is true.

Mr. CARROLL. That is all I want to know.

Mr. McCARTHY. Mr. President——

Mr. KUCHEL. Will the Senator from Colorado listen?

Mr. CARROLL. I shall be happy to listen.

Mr. KUCHEL. It is precisely the same slowdown that is involved in the amendment of the Senator from Tennessee, because this provision in the bill before us is not touched by the amendment of the Senator from Tennessee.

Mr. CARROLL. I am not arguing with the Senator from Tennessee. I am

trying to ascertain the facts. The Senator from New Mexico has established one fact, about the deficit in 1960. The Senator from California has established another fact; namely, that there is to be a slowdown in the program. That is all the junior Senator from Colorado wishes to know.

I thank the Senator from California.

Mr. ANDERSON, Mr. MCCARTHY, Mr. NEUBERGER, and Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from California yield; and, if so, to whom?

Mr. KUCHEL. I yield to the Senator from New Mexico.

Mr. ANDERSON. I say to the Senator from California that he should be extremely careful in saying that there is to be a slowdown, just as he should be extremely careful in saying that last year there was an acceleration. I thought there was an acceleration in the program for 1958, but when we presented figures to Mr. Tallamy, and he began to present figures, I listened very carefully. I got the impression from his testimony that he needed extra money to keep pace with the increased production costs, and that the program was about the same as it had been. It would have been cut down if it had not been for the extra money.

Mr. KUCHEL. I thank my friend. He speaks with greater accuracy than I did when I used those words.

Mr. ANDERSON. In 1961 there will be no slowdown, because we will collect taxes through 12 months, rather than a short period.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. BENNETT. The question was raised a little earlier as to why the President proposed an increase of 1½ cents and is now willing to accept a cent, on the assumption that that would be adequate.

The House not only provided a tax increase of 1 cent, beginning in September, for 22 months, but it provided that a part of the tax on passenger automobiles and a part of the tax on parts would come in in the fiscal year 1961.

Mr. ANDERSON. 1962. It starts on July 1, 1961. The Senator must be careful.

Mr. BENNETT. It is fiscal year 1962, but calendar year 1961.

That revenue would come in to carry on the process of bringing the fund back into balance. Therefore the House felt that by this combination of a gas tax increase of 1 cent and a diversion of a part of the excise tax on passenger cars and parts, the financial need would be met. The operation would be phased in and phased out—not immediately—and the fund would be put back into a solvent condition.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. NEUBERGER. I have received a letter from the deputy State highway engineer in my State, Mr. Forest Cooper, to the effect that even if House bill 8678 becomes law, the highway program in Oregon—and I presume the situation is quite similar in other States—will have to be cut back at least 25 percent.

Mr. President, I ask unanimous consent to have Mr. Cooper's letter printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF OREGON,
STATE HIGHWAY DEPARTMENT,
Salem, Oreg., August 31, 1959.

Hon. RICHARD L. NEUBERGER,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: Thank you for your letter of August 21, and, as you suggested, I am outlining herewith what appears to be the effect of H.R. 8678 on Oregon's immediate highway future. I am answering in Mr. Williams' absence from the State.

While the proposed legislation authorizes two billion dollars for fiscal 1961, the condition of the Federal highway trust fund will govern how much work can be undertaken. It is our understanding that, even though H.R. 8678 is enacted, there will be a deficiency in the fund of some 350 million dollars near the end of this calendar year. Should this occur, the Bureau of Public Roads would have to put into effect a slow down on contracting and might have to delay the payments to the States for work already obligated and under way. This prospective delay in Federal-aid payments could be very serious as far as Oregon is concerned, providing the delay would be very prolonged. We have been advised that the Treasury Department is willing to go along on a repayable advance proposition in order to cover this anticipated deficit, but it will be necessary for Congress to authorize the procedure.

Assuming that H.R. 8678 becomes law, and further assuming that some action is taken to assure the States that Federal reimbursements can be paid with reasonable promptness, Oregon's construction program would be about 75 percent of that authorized under the 1958 highway act. While this much cutback is a disappointment to both our State Highway Commission and the local construction industry, we recognize that some slow down at this time seems inevitable.

Under such a program, we can complete the Pacific Highway to Eugene and possibly to Goshen to interstate standards; the Baldock Freeway from Salem to its connection with Harbor Drive in Portland can be finished; some progress can be made on the continuation of remodeling the Columbia River Highway as a freeway between Portland and The Dalles, and possibly a minor start can be made on the East Bank Freeway in Portland. In addition to this, a fairly comprehensive right-of-way acquisition schedule can be maintained and an adequate survey, design, and planning procedure can be continued.

The State Highway Commission appreciates the efforts you have made in behalf of highway legislation.

Very truly yours,

FORREST COOPER,
Acting State Highway Engineer.

Mr. NEUBERGER. I ask the Senator from Utah if there is any constitutional or statutory provision of law which would prevent the Senate from approving an increase of 1½ cents, rather than 1 cent, in the gasoline tax and sending it to conference with the House?

Mr. BENNETT. None at all.

Mr. NEUBERGER. It seems to me that would be wise and reasonable. We would be living up to our fiscal responsibilities by sending the 1½ cent increase to conference.

Mr. BENNETT. I remember when the Senator offered that amendment, when we were debating the question a month or so ago. I was happy to support him.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. LAUSCHE. I should like to ask the Senator from Utah a question.

I observe that it was deemed inadvisable to take out of the general fund moneys in this fiscal year and the next fiscal year, and allocate them to the trust fund. I ask the Senator from Utah why it is prudent to take the moneys out of the general fund in 1962, and is not prudent to take them out now.

A further question is, if we are afraid of a deficit now, what assurance is there that there will not be a deficit and a bad fiscal situation in 1962? I do not think any revenues should be taken from the general fund, but that new revenues should be provided, from one source or another, to finance the highway program.

Mr. BENNETT. My understanding is that a study is underway in the Bureau of Public Roads to reevaluate the cost of the program. That study will probably result in recommendations being made to Congress before July 1, 1961.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Has the Senator from California yielded the floor?

Mr. KUCHEL. I have.

The PRESIDING OFFICER. The Chair will state that no other Senator has been recognized.

Mr. BENNETT. Mr. President, I understood the Senator from California had yielded to me to answer a question.

Mr. LONG of Louisiana. Mr. President, I believe the situation is that the Senator from California yielded the floor to the Senator from Ohio [Mr. LAUSCHE] who asked if he might propound a question.

The PRESIDING OFFICER. The Senator from California has yielded the floor. No other Senator has been recognized.

Mr. ANDERSON. Mr. President, I ask for recognition.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. ANDERSON. I am not trying to take the floor from the Senator from Ohio. I therefore ask unanimous consent that, without losing the floor, I may yield to the Senator from Ohio to address a question to the Senator from Utah.

Mr. LAUSCHE. I thank the Senator from New Mexico.

Mr. BENNETT. I appreciate the courtesy. A study is being made, the results of which will be made available to the Committee on Finance, to the House Committee on Ways and Means, and to the Committees on Public Works of the two bodies. It will be made available in ample time so that before July 1, 1961, we may have before us recommendations which will result in changes in the taxation pattern to support the program. But if we do not, we have put a backstop in the bill.

Mr. LAUSCHE. Mr. President, will the Senator further yield?

Mr. ANDERSON. I yield.

Mr. LAUSCHE. This report shows that in 1962 $802 million will have been taken out of the general fund and put into the highway trust fund. I have grave apprehensions about that kind of fiscal policy, because I believe that in 1962 the Government will be in the same difficult fiscal position with respect to the general fund as it is now, in fiscal 1960.

Mr. BENNETT. But before then Congress will have had an opportunity to review the situation.

Mr. LAUSCHE. I thank the Senator from Utah.

Mr. ANDERSON. Mr. President, I ask for the floor in order that I might comment on the letter which the distinguished junior Senator from Oregon [Mr. NEUBERGER] placed in the RECORD. The letter reads, in part:

> While the proposed legislation authorizes two billion dollars for fiscal 1961, the condition of the Federal highway trust fund will govern how much work can be undertaken. It is our understanding that, even though H.R. 8678 is enacted, there will be a deficiency in the fund of some $350 million near the end of this calendar year.

That is exactly what I said. Everyone who was listening heard what I said. There will be a deficit as of December 31. But I pointed out that the deficit, which came to $157 million by June 30, will be taken care of by extra collections which might have come in by that time.

The letter continues:

> Should this occur, the Bureau of Public Roads would have to put into effect a slowdown on contracting and might have to delay the payments to the States for work already obligated and under way. This prospective delay in Federal-aid payments could be very serious as far as Oregon is concerned, providing the delay would be very prolonged. We have been advised that the Treasury Department is willing to go along on a repayable advance proposition in order to cover this anticipated deficit, but it will be necessary for Congress to authorize the procedure.

Again, that is what I pointed out a short while ago. Legislation will be proposed to provide for an authorization whereby the Treasury Department can advance the $350 million which would be necessary on December 31 and get it back out of collections.

So I say the letter from the State of Oregon does not contradict, but confirms, exactly what has been said to the Senate.

Mr. LONG of Louisiana. Mr. President, it seems to me that some Senators, even after all this discussion, do not understand the amendment now before us. The amendment would provide more revenue than the House bill provides. The amendment would merely raise the additional funds for the Government in a somewhat different way than that proposed in the House bill. For most of the projects which the Federal Government constructs, such as waterways, dams, reclamation, and almost anything else of that kind, in most instances the money is appropriated, and Congress then looks at the budget to see if more taxes are necessary, and provides them if necessary. That is how the foreign-aid program is handled for example.

Some years ago someone suggested that inasmuch as this program was for the benefit of highway users, they should pay for it. I suppose one reason advanced was that Congress had just finished cutting taxes by $9 billion in the previous session, based on this administration's recommendations. So rather than to have the administration say it had cut taxes too greatly, it was said that the highway users should pay for the highway program, rather than rescinding some of the previous tax cut. I am one who did not vote to increase the tax on gasoline at that time.

I ask unanimous consent that a statement that I have prepared be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

So-called automotive taxes

[Dollars in millions]

	Estimated collections fiscal 1960	Transferred to highway trust fund	
		Percent	Amount
Gasoline	$1,750	100	$1,750
Lubricating oil	70	0	0
Passenger cars	1,300	0	0
Trucks and buses	225	50	112
Auto parts and accessories	175	0	0
Tires, tubes, and tread rubber	275	100	275
Diesel and special motor fuel	55	100	55
Use tax on certain vehicles	35	100	35
Total	3,885		2,227

Amount of so-called automotive taxes retained in general fund of the Treasury—$1,658 million, or 43 percent.

Mr. LONG of Louisiana. Mr. President, the highway users at that time even under the new program, were going to pay twice as much as the cost of what the Federal Government proposed to do.

Under the present situation, only 58 percent of the excise taxes imposed on highway users will go into the fund. I heard some reference made by the acting minority leader, the Senator from California [Mr. KUCHEL], to the effect that the House exercised careful statesmanship in working out the highway bill. I cannot find any ideological conflict between what the House did and what the Senate proposes to do.

The administration asked the House for a 1½-cent increase in the gasoline tax. The House said it would not grant a cent-and-a-half increase but would agree to a 1-cent increase. The House said it would take some of the taxes on passenger cars, automobile parts, and accessories, and put a part of them into the fund starting in fiscal year 1962, which means beginning July 1, 1961.

If it is wrong now to do what the Senator from Tennessee says, namely, to take some of the excise taxes on new cars, auto parts, and accessories, and put them into the fund, then what makes it right to do it in 1962? It is fair to give highway users the same credit in the highway fund for what they pay in excise taxes on passenger cars, auto parts and accessories. If it is right to do it in 1962, it is right now.

The Senator from Tennessee merely proposes to advance the date, so that highway users will be given some credit on the excise taxes they are paying on cars, parts, and accessories now, rather than to build the highways now with increased gasoline taxes. The proposal of the Senator from Tennessee would raise more money for the Government than the provision he is proposing to eliminate from the bill. This is a question of opposing points of view.

Let us keep this in mind.

I ask Senators to examine the report of the House committee to the House. It is not a majority report; it is made up of a group of supplemental views, because none of the House committee members could bring forth a measure with which all of them would be satisfied.

In the first set of supplemental views, the largest of the groups said that the method proposed was a very unfair and very inequitable way of handling the matter, because the highway users are already paying too much taxes. That was the conclusion which the largest group of the House committee members reached.

Then they said that the measure they were reporting was the best they could report to the House, under the circumstances. Apparently someone had been consulting with the White House, and had been informed that that arrangement would be acceptable.

But the largest single group of the House committee members said the bill was inequitable and unfair and provided for the most unfair way they could think of to finance the program.

The Senator from Tennessee [Mr. GORE] is trying to have the Senate take action in line with the views of the largest single group of the House committee members, who thought that some other method of raising revenue would be more fair.

What does the Senator from Tennessee propose? He proposes the elimination of a tax advantage which I submit has never been favored by a majority of either the House or the Senate. That tax advantage exists in the tax law only by accident.

I am one of the few Members of the Senate who voted for that tax advantage when it went into effect the first time. I recall the history of that matter in 1954. I told a number of my constituents that I would vote for it. When it came up, a motion to strike it out was made; and the motion to strike it out of the bill was agreed to, and it was stricken out of the bill, which had come to the Senate from the House. The vote in the Senate was 71 to 7; and I was one of the 7. So the action the Senate took at that time was taken by a majority of 10 to 1.

I heard the statement made, here on the floor of the Senate, that some great ideological difference is involved.

Mr. President, I have no ideological problem here. I supported that tax advantage or exemption, until the Senate decided that it did not want it. I respected the opinion of the 10-to-1 major-

ity of the Senate Members who said they did not want to permit such a tax advantage.

The result of striking out this tax advantage, as we now propose, will be to bring into the Treasury more revenue than that which would be obtained by increasing the gasoline tax by 1 cent a gallon.

We are proposing to strike out this tax advantage, which was put through in the House under a closed rule. It got through the House only because it was included in a package bill, in a situation in which the only motion which could be made at that time was a single motion to recommit.

At the time that this tax advantage got into the law, I suppose it would have been stricken out by both the House and the Senate, if the House had had an opportunity to vote on a motion to that effect, by a majority of similar to the majority by which the Senate had voted to strike it out.

In the conference, the House conferees included some very firm and very determined Members. I have seen what we can expect from some of the House conferees who are members of the Ways and Means Committee, and who insist on having everything their way. The late Representative Reed, one of the House conferees, was successful in getting the Senate conferees to agree to half of what the House had sent to the Senate. The dividend credit began at 8 percent, in the House bill; and the conferees settled for a 4-percent dividend credit. Senators did not like it; but that is how it got into the law.

The House has never been permitted to vote on it since that time.

This year, we sent this measure to the House; and it was in conference. The House conferees would not permit the House to vote on the question of removing this tax advantage. If they ever permitted the House to vote on the question of removing it, the House would certainly vote to remove it, just as the Senate did.

So this tax advantage is now in the tax laws only by accident. A majority of each House has always been opposed to it; yet it remains in the law. That situation is a tribute to the power of a small group of House committee members, who were able to get into the law, and keep in the law, this tax advantage, solely by preventing both the majority of the House to have an opportunity to vote this tax advantage out of the law.

So we now propose to eliminate the tax advantage, and to advance the date when the highway users will receive some credit for the taxes they are paying on their purchases of passenger cars, automobile parts, and accessories.

But I repeat that, there is no ideological conflict in my mind in regard to this matter. I was one of the seven Senators who voted for this tax advantage the first time it came before the Senate. I was one of those who voted to eliminate it after I found that it had not been favored by a majority, and that it offered no particular advantage over other tax measures.

The highway users already are paying almost twice as much tax as is required by the highway fund. The largest single group of members of the House committee which reported this measure to the floor of the House stated in their report—and now I quote from page 61 of the House committee report:

> There are more equitable methods of increasing the general revenue than by imposing an additional gasoline tax.

They also said:

> The administration's underlying purpose for the additional 1-cent gasoline tax is to provide a surplus in the general budget, at the expense of the highway users.

That is what was said in that report by the largest single group of members of the House committee which reported this proposal to the floor of the House.

So, Mr. President, I say that the elimination of this special tax advantage would be a better way, and would raise more money, than the proposal the House has sent to us.

Mr. GORE. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG of Louisiana. I yield.

Mr. GORE. The Senator from Louisiana has dramatically, ably, and accurately pointed out that the measure which I have offered with his cosponsorship will bring to the Government more revenue in fiscal 1960 than will the pending bill.

I wish to ask the Senator from Louisiana if, on the other hand, it is true—and I should like to have the Senator from Ohio [Mr. LAUSCHE] hear this—

Let me ask the Senator from Louisiana whether he will yield further.

Mr. LONG of Louisiana. I yield.

Mr. GORE. The Senator from Louisiana has pointed out most dramatically how this piece of favoritism, in the form of a tax advantage, is a tribute to a gag rule that usually is applied to all tax measures in the other body; in fact, it always is applied.

I should like to say that I enjoy the freedom of being a Member of the U.S. Senate. I served in the other body for 14 years; but in all that time I never had an opportunity to offer one amendment to a tax bill, and I do not recall that I ever had an opportunity to vote on one. As a Member of the House, I found that its Members were regularly faced with a question of "take it or leave it" or "vote for all of it or vote against all of it"—in other words, either to accept or reject an entire package.

That is what the House was faced with in connection with the bill now before us. The House Members had to vote either for no highway program at all or for an increase in the gasoline tax; and even under those circumstances, 163 Members of the other body voted against the bill.

Just as the Senator from Louisiana has pointed out, my amendment will bring into the Treasury, in this fiscal year, slightly more revenue than will the pending bill.

I wish to ask the Senator from Louisiana if it is true that my amendment will not create any new obligations.

Mr. LONG of Louisiana. That is correct.

Mr. GORE. My amendment merely provides that the Government will meet the obligations which the Congress created with the apportionment bill last year. Those apportionment bills have been passed since 1916; and this is the first time the States have been faced with a default on the part of the Government.

Only a few moments ago I read the testimony of Mr. Tallamy to the effect that under the provisions of the House version of the bill, there would be a deficit in the trust fund, at the end of this fiscal year, of $157 million, plus $3 million interest.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield for a question?

Mr. COOPER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield to the Senator from Ohio for a question.

Mr. LAUSCHE. I should like to ascertain how much revenue the Gore amendment will provide or what funds it will make available.

I read from paragraph (A):

> (A) that portion of the taxes received in the Treasury after June 30, 1959, and before July 1, 1960, under section 4061(a)(2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 4 percent in lieu of the applicable rate; and

What will the 4 percent produce in the first year?

Mr. GORE. Approximately $520 million. That tax is levied now.

Mr. LAUSCHE. Paragraph (B) deals with the same subject, but covers the period beginning June 30, 1960.

Mr. GORE. That is correct; and the Senator from Ohio will find that the House version appropriates to the trust fund part of the automobile excise tax revenue, beginning in fiscal 1962.

Mr. LAUSCHE. So $520 million will be produced out of the excise tax in 1959.

Mr. GORE. The Government will receive the same amount of money from the automobile excise tax, under either version of the bill.

Mr. LAUSCHE. Very well. But I understand that $520 million will be received from the excise tax in the fiscal year 1960.

Mr. GORE. That will be a transfer, not a levy.

Mr. LAUSCHE. And $335 million will be produced by removing the dividend credit for individual taxpayers, as I understand.

Mr. GORE. That is correct; and that amount is to be compared with the estimated $333 million which the 1-cent-a-gallon gasoline tax would produce for the remainder of this fiscal year.

Mr. LAUSCHE. Then the total which would be produced by the Gore amendment during the first year would be approximately $850 million?

Mr. GORE. That is not correct. The automobile excise tax is already levied. Neither bill levies a new excise tax on automobiles.

Mr. LAUSCHE. I understand that, but there is $1,500 million of excise taxes and accessories on automobiles which now goes into the general fund.

Mr. GORE. The bill before the Senate would allocate no part of the excise taxes to which the Senator has referred, except 40 percent of the automobile tax, to the highway trust fund.

Mr. LAUSCHE. That would produce $520 million.

Mr. GORE. It would not produce; it would transfer.

Mr. LAUSCHE. It would transfer to the highway trust fund.

Mr. GORE. That is right. The House bill would produce $333 million for the highway trust fund.

Mr. LAUSCHE. By the 1-cent gas tax.

Mr. GORE. But the deficit is $493 million; so it would leave a net deficit in the trust fund of $160 million.

Mr. LAUSCHE. That is correct. But the $520 million which would be transferred out of the general fund and into the highway trust fund would be taken away from a potential use in the general operation of the Government.

Mr. GORE. Instead, the revenue from the repeal of the dividend tax credit would go, not into the trust fund, but into the general fund.

Mr. SPARKMAN. How much is that?

Mr. LAUSCHE. That is $335 million, I understand. Will the Senator from Tennessee now tabulate the figures as he understands them, stating how much more money would be available from the trust fund and how much more money would come into the general fund?

Mr. LONG of Louisiana. Mr. President, if the Senator will look at the figures I have before me, I believe he can see what would happen. Under the House bill an additional 1-cent tax on gasoline would be levied and that would be directed into the fund. That would produce about $330 million for the next year. In fiscal year 1962, which means July 1961, one-half of the tax which is at present being collected on passenger cars would be directed toward the fund, and five-eighths of the tax which is now being collected on auto parts and accessories would be directed into the fund.

Mr. LAUSCHE. Yes. I have that and I have another figure.

Mr. LONG of Louisiana. Instead of that, the Senator from Tennessee proposes that we approach the problem in this way: Instead of waiting until 1962 to put some of the funds from the tax on passenger cars into the highway fund, he would put in 40 percent starting now.

Mr. LAUSCHE. That is correct.

Mr. LONG of Louisiana. Then he would make up that revenue, or most of it—at least, more than the 1-cent gasoline tax would bring—by eliminating the tax advantage, which many of us feel never should have been in the law. I am one of those who voted to keep it. That being the case, the revenue to the Government would be more. The expenditures from the fund would be somewhat greater.

But the reason we would do that would be to avoid having to decline the fulfillment of Federal commitments on the highway program. In other words, rather than having a slow down by the so-called method of contract control, we would allot money less rapidly than was intended. We would simply go forward with the program as planned when the program was put into effect.

Mr. COOPER. Will the Senator yield?

Mr. LONG of Louisiana. I yield to the Senator from Kentucky.

Mr. COOPER. I invite the attention of the Senator from Tennessee and the Senator from Louisiana, who stated that the revenue which would be produced by the Gore amendment would be greater than the revenue produced by the committee bill. I wish to point out a distinction which should be made. It is not a question of the total revenue for all purposes which would be produced. The question is the effect the Gore amendment would have on the trust fund, and on the general funds available for all appropriations.

I believe this is a correct statement: The Gore amendment would make the trust fund solvent, but it would take away from the general funds available for all appropriations nearly $200 million. If there were a deficit, it would add to that deficit in the general fund $200 million. If there were no deficit, it would take that amount away from the general fund.

Mr. GORE. Will the Senator yield?

Mr. COOPER. I should like to ask my question.

Mr. LONG of Louisiana. I believe I have the floor. I yield to the Senator from Kentucky.

Mr. COOPER. Is it not correct that while the trust fund would be made solvent by this device, the general fund would be reduced by nearly $200 million a year?

Mr. LONG of Louisiana. The Gore amendment would create no new obligation whatever. The difference is that unless we adopt the Gore amendment, the passage of the committee bill will mean a slowdown by the method of contract control, which I interpret to be just a way of letting the money go more slowly than was intended, so as to slow down the program. That is in violation of the contracts that were made with 50 different States.

Mr. COOPER. I ask the Senator, which is more important, to slow down the highway program by a year or two, or to take $200 million out of the general fund and create a deficit? I want the pay-as-you-go principle to be maintained.

Mr. GORE. The highway trust fund has a deficit of $493 million this year. What for? For contracts that are being completed this year under an agreement between our respective States and the Bureau of Roads. Unless we put the money in the trust fund to fulfill those commitments, the State of Kentucky and the State of Tennessee will be left holding the bag, owing contractors who have completed their contracts, because the Federal Government is in default.

Mr. COOPER. I am not worried about that. It will be corrected by the committee bill.

Mr. GORE. I do not know why the Senator should not worry about it.

Mr. COOPER. I ask my friend if he will answer my question.

Mr. GORE. I shall be glad to answer it.

Mr. LONG of Louisiana. Mr. President, I ask if I may yield to the Senator from Tennessee.

The PRESIDING OFFICER. Has the Senator from Louisiana yielded the floor?

Mr. CLARK. Mr. President——

Mr. LONG of Louisiana. I would prefer to yield to the Senator from Tennessee, who has the best understanding of the problem, since he was a member of the Public Works Committee when the interstate program was started.

Mr. COOPER. I simply wish to know the fact. The Senator from Ohio raised this question. I therefore ask these questions for information. I know the Senator from Tennessee is one of the authors of the bill and that he has a great interest in it. He has said that the transfer of a part of the excise tax derived from automobiles, accessories and parts, involved the transfer of $520 million from the general fund to the trust fund. Now the Senator says that by removing the exemption on dividends we would increase the general fund by $335 million. That would mean that we would have reduced the general fund by $185 million a year. Is that correct?

Mr. LONG of Louisiana. That is correct.

Mr. COOPER. Your amendment would make the highway trust fund solvent?

Mr. GORE. That is correct.

Mr. COOPER. But it would reduce the general fund by $185 million a year.

Mr. GORE. Why does the trust fund need to be solvent? Because there is a solid commitment to the States to reimburse them for contracts, on a matching basis, which contracts have been approved by the Department of Commerce of the U.S. Government.

The contracts are being completed. Payment is due. Either this Congress provides the funds, or the Government of the United States is going to be in default to the respective States.

Mr. COOPER. In the Public Works Committee it was said, as I understood it, that the additional 1-cent gasoline tax will provide the money needed in the next 3 years to meet the needs of the program, with some deceleration. I again ask the question, What is more important? To delay the final completion of the program a year or two, or to create a deficit in the general fund of $200 million a year? I think it better to stretch out the program than to engage in deficit financing from the general funds.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. First let me answer that question. The question is twofold. The first is, "Which way would you rather raise money? Would you rather raise the money by raising a 3-cent to a 4-cent tax on gasoline, or would you rather leave it as it is and take away the dividend tax advantage? Do you want to finance the program with a 4-cent gasoline tax, when the States need to tax the same item, anyway, or would

you rather take away a special tax advantage which neither a majority in the Senate nor in the House wanted, and which never would have been in the law if it had not been for a rule in the House which prevented an amendment to strike it?"

Mr. LAUSCHE. Mr. President, will the Senator let me answer his question?

Mr. LONG of Louisiana. Yes.

Mr. LAUSCHE. I would prefer to avoid impairing the general fund and imposing the 1-cent tax, and remove the credits given to the dividend collectors.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I intended to ask a mere rhetorical question. I am sure the answers will vary, as we shall see when we call the roll. The question is, Which way is the better way to raise the money? By taking away a tax advantage which 90 percent of the Senate, and I am sure 90 percent of the House, never were for, or to put this extra 1-cent tax on gasoline, which is a very regressive tax, and a tax which the States need for themselves.

Secondly, what about the 50 States? Contracts are being completed in those States. Is the Federal Government going to live up to its commitments to put up the money, or slow down its payments, and, in effect, default on its commitments to 50 different States, which are really contracts with the States?

Some persons would say to their constituents, "Well, I would rather delay the highway program than to see the Federal Government go $100 million in debt." I ask them, Did you take that point of view when the Senator from Virginia [Mr. BYRD] asked you to delay the veterans' bill so as to keep the Federal Government in better fiscal condition? No, you voted for the Kerr amendment and voted for the Government to assume that liability. The Senator from Virginia [Mr. BYRD] was trying to tell you that the widows could wait a couple of years and that pensions to widows of veterans who had no service-connected disabilities could be postponed for 2 years before going into effect. You said you could not wait. Senators voted for an amendment which will cost $10 billion during the next 40 years. They could not wait to get that into the law.

Are we going to take the attitude that the Federal Government is going to default on its commitments to 50 States which have contracts within those States because, while we could not wait to provide new pensions for widows of veterans with no service connected disability? It does not make sense to me.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, may I have the attention of the Senator from Kentucky [Mr. COOPER]?

In my judgment, what the Senator from Kentucky has said is correct. If the Gore amendment is adopted, there will be a deficit of $185 million in the general fund for 1960. If the Gore amendment is adopted, I intend to call up my amendment "C," which would impose an obligation to withhold taxes on interest and dividend at the source. If that amendment carries, instead of a deficit of $185 million for 1960, the general fund will have a surplus of $145 million for 1960, and in each year thereafter the surplus in the general fund will increase.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Martin
Allott	Goldwater	Monroney
Anderson	Gore	Morse
Bartlett	Green	Morton
Beall	Gruening	Moss
Bennett	Hart	Mundt
Bible	Hayden	Muskie
Bush	Hickenlooper	Neuberger
Butler	Hill	Pastore
Byrd, Va.	Holland	Prouty
Byrd, W. Va.	Hruska	Proxmire
Cannon	Humphrey	Randolph
Capehart	Jackson	Robertson
Carlson	Javits	Russell
Carroll	Johnson, Tex.	Saltonstall
Case, N.J.	Johnston, S.C.	Schoeppel
Chavez	Keating	Scott
Clark	Kefauver	Smith
Cooper	Kerr	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Dodd	Lausche	Talmadge
Douglas	Long, Hawaii	Thurmond
Dworshak	Long, La.	Wiley
Eastland	McCarthy	Williams, N.J.
Engle	McClellan	Williams, Del.
Ervin	McNamara	Young, N. Dak.
Fong	Magnuson	Young, Ohio
Frear	Mansfield	

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Idaho [Mr. CHURCH], is absent on official business attending the Interparliamentary Union Conference in Warsaw, Poland.

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the Gore amendment in the nature of a substitute for title II, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. Were he present and voting he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the interparliamentary meeting in Warsaw, Poland.

I further announce that, if present and voting, the Senator from Missouri [Mr. HENNINGS], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Florida would vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Massachusetts would vote "yea."

The result was announced—yeas 35, nays 50, as follows:

YEAS—35

Bartlett	Hill	Monroney
Byrd, W. Va.	Humphrey	Morse
Cannon	Jackson	Moss
Carroll	Johnston, S.C.	Muskie
Clark	Kefauver	Neuberger
Dodd	Langer	Proxmire
Douglas	Lausche	Sparkman
Engle	Long, Hawaii	Symington
Ervin	Long, La.	Talmadge
Gore	McCarthy	Young, N. Dak.
Gruening	McClellan	Young, Ohio
Hart	McNamara	

NAYS—50

Aiken	Eastland	Morton
Allott	Fong	Mundt
Anderson	Frear	Pastore
Beall	Fulbright	Prouty
Bennett	Goldwater	Randolph
Bible	Green	Robertson
Bush	Hayden	Russell
Butler	Hickenlooper	Saltonstall
Byrd, Va.	Holland	Schoeppel
Capehart	Hruska	Scott
Carlson	Javits	Smith
Case, N.J.	Johnson, Tex.	Stennis
Chavez	Keating	Thurmond
Cooper	Kerr	Wiley
Cotton	Kuchel	Williams, N.J.
Curtis	Magnuson	Williams, Del.
Dworshak	Martin	

NOT VOTING—15

Bridges	Hartke	Mansfield
Case, S. Dak.	Hennings	Murray
Church	Jordan	O'Mahoney
Dirksen	Kennedy	Smathers
Ellender	McGee	Yarborough

So the amendment of Mr. GORE in the nature of a substitute for title II, as amended, was rejected.

Mr. ANDERSON. Mr. President, I move to reconsider the vote by which the Gore amendment was rejected.

Mr. ALLOTT. Mr. President, I move to lay that motion on the table.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McNAMARA. Mr. President, I offer my amendment, which is at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. 203. Tax on passenger automobiles, etc.

Section 4061(a)(2) of the Internal Revenue Code of 1954 (relating to tax on passenger automobiles, etc.) is amended by striking out "on and after July 1, 1960, the rate shall be 7 percent" and inserting in lieu thereof the following: "(A) on and after July 1, 1960, and before July 1, 1961, the rate shall be 7 percent, (B) on and after July 1, 1961, and before July 1, 1962, the rate shall be 6 percent, and (C) on and after July 1, 1962, the rate shall be 5 percent".

Mr. JOHNSON of Texas. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. I yield.

Mr. JOHNSON of Texas. Mr. President, the Senator from Michigan would like to have the yeas and nays ordered on his amendment. In order that all Senators may be on notice, I ask that they join us in the request.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. I understand that the Senator from Michigan expects to explain his amendment briefly.

Mr. BUSH. We cannot hear what the majority leader is saying.

Mr. JOHNSON of Texas. The Senator from Michigan does not expect to speak at great length—perhaps 20 minutes—on his amendment. The yeas and nays have been ordered on it. I expect that a vote on the amendment will be had within the next 30 minutes. I hope that Senators will be on notice in that regard. I thank my friend from Michigan for yielding.

Mr. McNAMARA. Mr. President, we now have before us one of the most important bills of this frequently frustrating session.

The bill provides for additional financing for the Federal highway program—financing that is vital at this stage in order to continue work on this 41,000-mile interstate network of roads.

It is extremely unfortunate that deliberations on achieving the necessary financing—deliberations outside the control of the Senate—have taken so long.

We are now presented with the measure in the closing days of the session.

Despite what I—and I am sure many of my colleagues—consider great defects and inequities in the bill, we are forced to consider it under the impediment of time.

We are faced with what almost amounts to a take-it-or-leave-it situation.

Those of us who took part in the development of this tremendous highway program have little choice between seeing it die or accepting the unattractive features of the bill before us.

Those features are self-evident.

One provides for a 1-cent increase in the Federal gasoline tax for a 21-month period—another unfair burden on the already hard-pressed consumer.

A second feature dedicates one-half of the 10-percent automobile excise tax and five-eights of the parts tax to the highway trust fund.

These are two bitter pills. They certainly contain nothing that I—as a Senator from Michigan—can swallow with any degree of enthusiasm.

A few minutes ago I voted for the amendment of the Senator from Tennessee, which also proposed to transfer excise taxes to the highway trust fund. I do not want my vote for his amendment to reflect my endorsement of the concept.

However, the amendment of the Senator from Tennessee also included repeal of the dividend tax credit, a proposal I find very attractive and worthwhile. This added a little sweetening to the bitter pill. It is like taking castor oil with orange juice.

Realistically, the only thing to recommend the legislation is the knowledge that failure to approve it would result in a drastic curtailment of the Federal highway construction program.

This is an alternative so devastating as to represent no alternative at all.

For if the highway construction program was essential when it was adopted 3 years ago, its essentiality has only increased with the passage of time.

The considerations of national defense which led to the establishment of this program are as valid today as they were 3 years ago.

The desire to improve traffic safety through the construction of adequate roads has increased with the growing population and the ever-increasing use of automobiles and trucks in interstate transportation.

The tremendous impact of this program on our national economy, providing as it does more than 700,000 jobs directly or indirectly, is of the greatest importance.

These vast numbers of working men and women and large and small contractors have accepted jobs and undertaken obligations, relying on the belief that when Congress said it was going to institute a long-range road program Congress meant what it said and would honor its word.

These and other considerations have served to make mandatory some program for additional financing in the next few years.

We all recognize, I think, that the road building operation is one which cannot be subjected to wide fluctuations from year to year.

This is certainly inherent in the planned apportionment—and 13-year duration of the program—set forth in the original 1956 act.

So, Mr. President, as I see it, we in the Senate have little or no alternative but to develop an immediate, short-term, revenue program, one which would enable us to continue the highway program with the smallest possible abatement.

If left to my own devices I would not have selected an increase in the gasoline tax as the means by which to raise the additional revenue needed to sustain this program.

I think that the motoring public is already being taxed to the extent that this group should be required to bear in financing the highway building program.

This 1-cent gas tax increase, when added to the existing 3-cent Federal rate and the 6- or 7-cent per gallon tax rate in the States, means that whenever the driver fills his 20-gallon tank at the service station, up to $2 of what he pays will be earmarked, under either Federal or State law, for highway and other road construction and improvements.

And we must recognize that this is another of those consumer taxes which is unrelated to ability to pay.

Certainly an automobile can no longer be reasonably classed as a luxury. Automobiles and automotive transportation are today a necessity. This is admitted by everyone with the possible exception of tax architects in the Treasury Department.

Yet we are now confronted with a proposal which will not only increase the cost of the operation of an automobile, but which could perpetuate much of the discriminatory excise tax now levied against automotive consumers under existing law.

Mr. President, much as I dislike the idea of an increase in the gas tax, I can as a realist accept it.

However, even as a realist I cannot accept the logic of those who now propose, contrary to all prior arguments, to take from the general fund of the Treasury such a large portion of the automotive excise taxes.

These are the same taxes, believe it or not, which less than 3 short months ago were so essential to the integrity of the general fund that we passed legislation to extend their existing high rate in order to avoid a scheduled 3-percentage-point reduction in them.

Now we do not even have the sweetener that the Senator from Tennessee offered, repeal of the dividend tax credit.

I understand there are those who urge that there is really nothing to be alarmed about in the inclusion of the scheduled transfer of excise taxes beginning in July 1961, since the Department of Commerce is expected to submit financing recommendations at the conclusion of its study of the Federal highway program.

These recommendations are due in January of 1961, 6 months before the effective date of the transfer proposed by the pending bill.

It is then suggested, despite the apparent finality with which this transfer is accomplished in the pending bill, that Congress will be able to study the recommendations of the executive branch and perhaps produce a source of revenue which will remove the need of such a transfer.

This seems so unrealistic as to be comical, since we have known about the financing problem in the roads program for more than 9 months in this session of the Congress. Yet the pending bill is apparently the end product of our best fiscal thinkers.

Another thing which makes me doubt that the proposed transfer is temporary is that I have had some experience in witnessing how the executive branch, when confronted with difficult dilemmas like the one which has been handed them in the proposed study, frequently utilize congressional actions in support of their recommendations.

Briefly, my experience leads me to believe that with the proposed transfer we probably are providing at least one—and probably a major—recommendation of the Department of Commerce in its 1961 study.

As a matter of fact, it would be quite convenient for the Department of Commerce, when it submitted its recommendation, to say to Congress that the transfer provided in the existing legislation is sufficient to supply the additional funds required.

Or, if costs rise, or a more ambitious program is recommended, the Department might call for the dedication of the remainder of the excise tax revenues not already committed by the Congress.

However, again speaking as a realist, I doubt that this can be accomplished at this late date, especially since it is necessary for highway departments to plan ahead.

Mr. President, I have tried to consider what could be done to salvage some measure of relief for the automotive consumer in this legislation.

I have done so because I am aware that while the proposal is supposedly a temporary transfer of automotive excise taxes to the highway trust fund, I know, too, that in the tax field what is called temporary is often more permanent than that which is said to be permanent.

I also recognize that with the dedication of a portion of the automotive excise taxes to the highway trust fund there will be a distinct tendency, particularly on the part of those who desire to avoid linkage of some other tax to the trust fund, to suggest that the remaining, uncommitted portion of such excise taxes be transferred to the trust fund.

I am aware of these tendencies, as are other Members of this body. Consequently, I propose that Congress demonstrate its good faith and incorporate in the proposed legislation provisions which would not only reaffirm the reduction in the automotive excise tax to 7 percent, scheduled for July 1, 1960, but, in addition, schedule an additional one percentage point reduction in this tax for each of the next 2 fiscal years beginning July 1, 1961, and July 1, 1962, respectively.

The adoption of such a proposal would reassure the automotive purchaser that Congress has no further intention of cementing uncommitted portions of the auto excise tax permanently into the tax structure by transfer to the highway trust fund.

The anticipated loss of revenue would be small. The long-pledged, but not yet realized reduction to 7 percent, which is now scheduled to go into effect July 1, 1960, would, under current estimates, result in a loss of less than $350 million.

This does not take into account the strong likelihood that such a reduction in automobile excise taxes would result in increased sales and, therefore, additional tax revenues.

In the succeeding 2 years, when the one percentage point reduction per year is contemplated, the annual loss of revenue would total less than $115 million.

It does not take an accomplished mathematician to figure out that the combined 3-year loss of revenue represents but one one-hundred-and-sixtieth of the revenues needed to sustain a budget of $80 billion.

Further, I am convinced that the beneficial effect upon auto sales would completely offset this so-called loss with additional tax revenues.

Mr. President, I do not know why I trouble myself and the other Members of this body with a recitation of how small the loss of revenue would be under the amendment which I propose. It is so obvious from the pending legislation itself that the general fund of the Treasury no longer needs the revenue provided by the automotive excise tax.

This is readily apparent from the provisions of the bill which, without regard to the fiscal situation in 1961, transfer over half of the receipts from automotive excise taxes to the highway trust fund, and away from the general fund of the Treasury.

Surely if the general fund of the Treasury can spare the revenues provided by the major portion of the automotive excise taxes, there is no need to deny the automotive consumer the reduction he has long been promised.

All my amendment proposes, in addition, is that we give the automotive consumer the additional pledge that, in exchange for his patience to date, he will receive an additional 1 percentage point reduction in the automotive excise tax annually for a period of 2 additional years.

This is such a minor pledge to such an overwhelming number of people in this country that it is difficult for me to believe that it could not readily be accepted for inclusion in the pending amendment.

I have spoken of this amendment in terms of relief for the automotive consumer.

Last year, when my amendment to cut the auto excise tax in half was before the Senate, I noted that I had previously questioned whether such a reduction would be passed on to the automobile purchaser.

The major automobile companies and dealers at that time assured us in messages which can be found in the CONGRESSIONAL RECORD.

I have been reassured that the pledges made then are still in effect.

Consequently, the consumer would be the real beneficiary of the excise tax reductions which I propose. This would represent a first step to that widely heralded—but elusive—goal of reducing the cost of living.

Mr. President, the text of the amendment I propose is very simple.

I want to emphasize that it costs no money at this time, and consequently would not affect the current budget; it does not affect the operation of the highway program; and its basic purpose is to carry out the promise made to the American people—namely, that this unfair automobile excise tax would be reduced.

My amendment provides that on July 1, 1960, the automotive excise tax rate would be reduced from 10 percent to 7 percent. On July 1, 1961, there will be an additional one percentage point reduction, so that the rate then would be 6 percent. On July 1, 1962, there would be a further one percentage point reduction, so that the ultimate tax rate for automobiles would be 5 percent, which is the amount which the pending legislation proposes to transfer to the highway trust fund, beginning July 1, 1961.

Mr. President, I think this is a fair proposal. I think it can be adopted, now that it is no longer asserted that the revenues from the automotive excise taxes are essential to the fiscal well-being of the general fund of the Treasury.

I hope the Members of this body will support this amendment, in order that the automotive consumers of this country will at last receive the relief they so well deserve.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Michigan yield to me?

Mr. McNAMARA. I am glad to yield.

Mr. WILLIAMS of Delaware. Do I correctly understand that the Senator from Michigan is proposing to cut the excise taxes on automobiles by 5 percent, over a period of 3 years?

Mr. McNAMARA. I propose that early next year, the Korean war tax, which was three additional percentage points—bringing the total tax from 7 percent to 10 percent—be dropped; and in the next 2 years, we drop or decrease the tax one percentage point each year, leaving a total of 5 percent. This is the amount of the excise tax which the pending bill proposes be used for highway construction purposes.

Mr. KERR. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. I am happy to yield to the Senator from Oklahoma.

Mr. KERR. The present rate is 7 percent, is it not?

Mr. McNAMARA. No; the present rate is 10 percent, because we keep extending the Korean war tax of 3 percent, when it was supposed to be cut back.

Mr. KERR. That is aside from the basic 7 percent, is it not?

Mr. McNAMARA. That is correct; it is in addition.

Mr. KERR. I mean insofar as the continuing tax, which is 7 percent, is concerned.

Mr. McNAMARA. But it is now 10 percent.

Mr. KERR. But the 3 percent is for a particular period of time, and the 7 percent is permanent; is that not correct?

Mr. McNAMARA. That is correct.

Mr. KERR. Will the Senator from Michigan tell us how much revenue the total 10 percent produces annually?

Mr. McNAMARA. I have the figures before me.

Mr. ANDERSON. Will the Senator from Michigan not agree that the total cost of his amendment would be $1,560 million?

Mr. McNAMARA. That figure has been stated several times this evening.

Mr. ANDERSON. That total is composed as follows: $390 million the first year, $520 million the second year, and $650 million the third year—or a total of approximately $1,560 million.

Mr. McNAMARA. Yes. It would be an estimated $520 million a year for a full year period. That would leave the 5 percent.

Mr. KERR. I should like to go about the matter in a different way, if the Senator from Michigan will permit.

Mr. McNAMARA. Of course.

Mr. KERR. The total amount of revenue from the 10 percent tax is how much?

Mr. McNAMARA. It is twice the amount from the 5 percent, or approximately $1,200 million a year.

Mr. KERR. One billion two hundred million dollars a year?

Mr. McNAMARA. That is correct.

Mr. KERR. Of the total of 10 percent, 3 percent has a termination date in the law; is that correct?

Mr. McNAMARA. That is correct. I want this amendment to be adopted, so that we shall honor our commitment at that time, when we come to it, which is July 1, 1960.

Mr. KERR. That is the termination date of the 3-percent tax, is it?

Mr. McNAMARA. That is correct.

Mr. KERR. If the amendment of the Senator from Michigan were adopted, there would be written into the law a termination date for half of the 10 percent, would there not?

Mr. McNAMARA. Yes, because there would also be a removal of one percentage point each year, for each of the following 2 years, according to this amendment.

Mr. KERR. So the only continuing part of the tax which would be provided in the law would be the 5 percent; and the proceeds from the 5 percent would go into the trust fund?

Mr. McNAMARA. That is correct.

Mr. KERR. In the absence of continuing legislation with reference to the other 5 percent, the revenue loss after July 1, 1961, which would be the beginning of the fiscal year 1962, would be four-tenths of $1,200 million; and for the following fiscal year it would be one-half of $1,200 million; is that correct?

Mr. McNAMARA. That is correct.

Mr. KERR. I merely wish to make clear that the amendment of the Senator from Michigan would have the effect of reducing the amount remaining in the general revenue fund, from this source, to the extent of the figures we have stated during this colloquy.

Mr. McNAMARA. That is entirely correct.

I say there is every justification for doing so. The 3 percent tax was added at the time of the Korean war. These funds are not needed, according to the plan now recommended to us by the House of Representatives and by the Senate Finance Committee.

Mr. KERR. Does the Senator from Michigan mean they are not required?

Mr. McNAMARA. They are not required in the highway trust fund, because we have this plan.

Mr. KERR. I will say to the distinguished Senator from Michigan that, as one member of the Finance Committee which brought this bill to the floor, if I had thought we could have transferred all of the automotive excise tax to the highway trust fund, beginning this fall, and could have gotten the bill signed by the President, I would have endeavored to do so.

The only reason why I, as one member of the committee, voted to limit the action to half of the 10 percent, to go into the trust fund beginning July 1, 1961, was that I thought that would be the most we could take out of the revenue fund and still have the bill signed by the President.

I thought there was such an overwhelming necessity to have a highway bill enacted into law that I went along with the program in the Finance Committee.

I hope the Senator from Michigan will not press for the adoption of his amendment, because, frankly, I think its adoption would jeopardize the enactment of the entire bill.

Mr. McNAMARA. I wish to state for the RECORD that I appreciate the frankness of the Senator from Oklahoma. He is always frank and honest about such matters.

But I have stated that I fear that if this guarantee is not given now, it will be only a matter of time until the U.S. Government will find it expedient to continue this 10-percent tax, which I say is the most unfair tax of all the excise taxes the people pay. The automotive industry carries many times its share of the tax burden, in proportion to the amount carried by any other industry. This tax is a most unfair one.

I am sure that if Senators will give this matter proper consideration, they will not want this tax continued.

Mr. KERR. I agree with the Senator's belief that this tax should be eliminated as soon as it is possible to do so.

But I fear that if we were to eliminate it by means of this bill, instead of helping either the automotive industry or the highway program, we would only get the bill vetoed.

Mr. McNAMARA. My interest is not confined to the automotive industry and the highway program; I am also interested in the consumers—all of the people of the United States.

Mr. KERR. The Senator from Michigan admits, does he not, that if his amendment were adopted, there would be a possibility that the entire bill would be vetoed?

Mr. McNAMARA. Of course there is always a possibility of a veto. Some of the vetoes have been most astonishing to both me and the Senator from Oklahoma, I am sure.

Mr. McCARTHY. Mr. President, let me inquire in what year the 3 percent reduction would go into effect.

Mr. McNAMARA. Beginning July 1, 1960.

Mr. McCARTHY. I do not know that we should be afraid of a veto as the Senator from Oklahoma suggests.

Mr. McNAMARA. I am sure he was being facetious.

Mr. McCARTHY. As I recall, when we extended the excise profits tax, this year, the Senator from Oklahoma submitted an amendment—which was retained in the bill—which repealed, at the end of the fiscal year, the tax on communications; and, as I recall, that amendment involved a tax loss of approximately $500 million.

Mr. KERR. The Senator is mistaken.

Mr. McCARTHY. Well, I am not sure of the exact cost of the amendment. What was its cost?

Mr. KERR. Approximately $300 million.

Mr. McCARTHY. And it was to go into effect at the end of the next fiscal year. I think the Senator from Michigan might very well take the same chance, in the case of his amendment.

Mr. McNAMARA. I will gladly run the risk.

Mr. McCARTHY. Particularly since the new Secretary of Commerce, soon after he took office, made a speech in which he boldly said the administration favored tax reduction, but not at this time.

It seems to me that is the position of the Senator from Michigan, in connection with his amendment—namely, to favor tax cuts, not now, but about 1 year from now.

Mr. McNAMARA. Yes; and we already have this commitment to the automotive consumers and to the automotive industry.

Mr. McCARTHY. The Director of the Bureau of the Budget, when he appeared before us, stated he was not too much concerned, and that they were not quite satisfied with the action taken by the House, because he said that the Secretary of Commerce would submit a report to Congress early in 1961 which would take into account the question of equitable distribution of tax burdens.

So they might very well make a recommendation to us taking into account what the Senator is proposing.

Mr. McNAMARA. I thank the Senator.

Mr. HART. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield to my colleague, who is a cosponsor of the amendment.

Mr. HART. I thank the Senator. I hesitate to inject anything for fear that what I might say might be regarded as a nationalistic undertaking which is worthy of the support of only 1 of the 50 States.

As the senior Senator from Michigan has stated, we are talking about a commodity which affects intimately most families in the Nation. The Senate will recall that several months ago the Senate, notwithstanding the then fiscal needs of the Nation, removed one of the excise taxes which had been imposed. As I recall, it affected transportation of passengers for hire. This was done because, among other reasons, there was an element of unfairness in the tax, and travel in most cases was said to be a necessity. At that time I made the motion that we treat similarly the 3-percent post-Korea excise tax. I was beaten. I suggest that this is the way to accomplish the object I sought when I was told the Senate would consider this proposal very quickly when the transition could be reasonably made.

This is precisely the appeal that should be strongest in the presentation of the senior Senator from Michigan. This proposal gives the Senate a reasonable opportunity to make the transition. As the Senator from Minnesota just remarked, it would not bring about the reduction forthwith.

I believe the Senator from Michigan has presented in a very effective fashion and quite realistically a reasonable request not alone of the Big Three, the favorite whipping boys of some of us, but also of Senators and their families who depend upon the output of the Big Three—now the Big Five—in transportation.

I hope the amendment will not be regarded as a gesture by two men from a single State and representing a single interest. I believe this situation affects all.

Mr. McNAMARA. I thank my colleague. The amendment not only affects Members of the Senate and their families, but consumers generally, because nearly everyone uses an automobile to some extent.

I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. It is my understanding that the Senator from Michigan uses as the basis for his argument the contention that this tax should be reduced in the manner in which he suggests because the bill now pending before us provides that in 1962 the excise tax on automobiles and automobile accessories, of $802 million, as shown on page 7 of the committee report, should be taken out of the general fund and put into the highway trust fund. That is correct, is it not?

Mr. McNAMARA. Substantially. I do not have the figures before me, but I am sure they are correct.

Mr. LAUSCHE. The inference is that if the Finance Committee says that $802 million should be taken out of the general fund and put into the highway trust fund, that demonstrates we no longer need the money in the general fund.

Mr. McNAMARA. The Senator is saying what I said in other words just a few minutes ago.

Mr. LAUSCHE. Suppose we do need it in the general fund? What if we ought to be paying off part of our debt, and what if we ought to put our fiscal conditions in a sound position so that people would be willing to buy our bonds. Should we then eliminate this step?

Mr. McNAMARA. I answer the Senator in this way. We could do it in no more unfair way than to continue this system or reinstitute it, as the Senator suggests. I suggest that we do it through our income tax system, under which everybody pays in proportion to his earnings or income.

Mr. LAUSCHE. I can understand the position of the Senator from Michigan.

Mr. McNAMARA. No matter how we cut it, this tax is unfair and should be taken care of.

Mr. LAUSCHE. My concern is the fiscal plight in which we find ourselves.

I do not agree with the budget director or with the committee that at present we are in a fiscal position to take $802 million out of the general fund in 1962 and put it into the highway trust fund.

Mr. McNAMARA. That is another argument.

Mr. LAUSCHE. That is another argument.

Mr. McNAMARA. I yield the floor.

Mr. ANDERSON. Mr. President, I desire to vote. I shall be very brief. By the terms of the bill, 5 percent of the tax is to be diverted to the highway fund. The Senator from Michigan, with zeal for a great industry in his State, would take the other 5 percent and forgive it. That is a withdrawal of $1,300 million a year from the Federal Treasury, and that is a substantial amount of money.

Mr. McNAMARA. It has actually happened.

Mr. ANDERSON. No; we are going to forgive 5 percent and divert 5 percent.

Mr. McNAMARA. My amendment affects only one half of that amount. Let us be fair.

Mr. ANDERSON. I am not arguing with the Senator from Michigan as to what his amendment involves.

Mr. McNAMARA. I believe the Senator is being unfair with respect to the amendment before the Senate.

Mr. ANDERSON. The bill already takes out $650 million. The Senator would take out the other $650 million, and the difference is $1,300,000,000. I did not intend to be unfair to the Senator from Michigan.

I point out also that revenue bills originate in the House of Representatives, and while it is true the Senate may vote to change completely by an excise tax of this nature, those Senators who have served in the House, particularly those of us who have served on the Ways and Means Committee of the House, know how that action would be resisted by the House of Representatives. I suggest that this is a poor time to do it, and the amendment ought to be defeated.

Mr. WILLIAMS of Delaware. Mr. President, what I wish to say has nothing to do with the bill before us, but if Congress wants to cut taxes, there is one way to do it and that is to stop spending money. This proposal represents a $650 million tax cut in the face of a deficit in the period in which the reduction is proposed. I say the amendment should be overwhelmingly defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. McNAMARA]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. Were he present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference in Warsaw, Poland.

I further announce that, if present and voting, the Senator from Louisiana [Mr. ELLENDER], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference in Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES] would vote "nay."

The result was announced—yeas 7, nays 78, as follows:

YEAS—7

Bartlett	Langer	McNamara
Gruening	McCarthy	Morse
Hart		

NAYS—78

Aiken	Fong	Monroney
Allott	Frear	Morton
Anderson	Fulbright	Moss
Beall	Goldwater	Mundt
Bennett	Gore	Muskie
Bible	Green	Neuberger
Bush	Hayden	Pastore
Butler	Hickenlooper	Prouty
Byrd, Va.	Hill	Proxmire
Byrd, W. Va.	Holland	Randolph
Cannon	Hruska	Robertson
Capehart	Humphrey	Russell
Carlson	Jackson	Saltonstall
Carroll	Javits	Schoeppel
Case, N.J.	Johnson, Tex.	Scott
Chavez	Johnston, S.C.	Smith
Clark	Keating	Sparkman
Cooper	Kefauver	Stennis
Cotton	Kerr	Symington
Curtis	Kuchel	Talmadge
Dodd	Lausche	Thurmond
Douglas	Long, Hawaii	Wiley
Dworshak	Long, La.	Williams, N.J.
Eastland	McClellan	Williams, Del.
Engle	Magnuson	Young, N. Dak.
Ervin	Martin	Young, Ohio

NOT VOTING—15

Bridges	Hartke	Mansfield
Case, S. Dak.	Hennings	Murray
Church	Jordan	O'Mahoney
Dirksen	Kennedy	Smathers
Ellender	McGee	Yarborough

So Mr. MCNAMARA's amendment was rejected.

Mr. ALLOTT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCARTHY. Mr. President, I offer an amendment, which is at the clerk's desk.

The PRESIDING OFFICER. Does the Senator desire the amendment to be read?

Mr. MCCARTHY. Mr. President, I ask unanimous consent that it may be printed, without reading. I can explain it in a few moments.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment will be printed in the RECORD.

The amendment offered by Mr. MCCARTHY is as follows:

On page 12, line 16, strike all through line 9, page 13, and insert the following:

"SEC. 202. Transfers to Highway Trust Fund.

"(a) TRANSFERS.—Section 209(c) of the Highway Revenue Act of 1956 (relating to transfer to Highway Trust Fund of amounts equivalent to certain taxes) is amended by renumbering paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"'(2) EXCISE TAX ON PASSENGER AUTOMOBILES, ETC.—There is hereby appropriated to the Trust Fund, out of any money in the Treasury not otherwise appropriated, amounts equivalent to—

"'(A) that portion of the taxes received in the Treasury after June 30, 1959, and before July 1, 1961, under section 4061(a)(2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 2½ percent in lieu of the applicable rate; and

"'(B) that portion of the taxes received in the Treasury after June 30, 1961, and before July 1, 1964, under section 4061(a)(2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 6 percent in lieu of the applicable rate.'"

At the end of the bill add a new section as follows:

"SEC. 203. Repeal of credit against income tax for dividends received by individuals.

"(a) REPEAL OF SECTION 34.—Effective with respect to taxable years beginning after December 31, 1958, section 34 of the Internal Revenue Code of 1954 (relating to credit for dividends received by individuals) is repealed.

"(b) TECHNICAL AMENDMENTS.—

"(1) The table of sections for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out

"'Sec. 34. Dividends received by individuals.'

"(2) Section 35(b)(1) of such Code is amended by striking out 'the sum of the credits allowable under sections 33 and 34' and inserting in lieu thereof 'the credit allowable under section 33'.

"(3) Section 37(a) of such Code is amended by striking out 'section 34 (relating to credit for dividends received by individuals),'.

"(4) Section 584(c)(2) of such Code is amended by striking out 'section 34 or'.

"(5) Section 642(a) of such Code is amended by striking out the first sentence, and by striking out 'section 34 and' in the second sentence.

"(6) Section 702(a)(5) of such Code is amended by striking out 'a credit under section 34,'.

"(7) Section 854(a) of such Code is amended by striking out 'section 34(a) (relating to credit for dividends received by individuals),'.

"(8) Section 854(b) of such Code is amended by striking out 'the credit under section 34(a),' in paragraph (1) and by striking out 'the credit under section 34,' in paragraph (2).

"(9) Section 1375(b) of such Code is amended by striking out 'section 34, section 37, or section 116' and inserting in lieu thereof 'section 37 or 116'.

"(10) Section 6014(a) of such Code is amended by striking out '34 or'.

"(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply only with respect to taxable years beginning after December 31, 1958."

Mr. MCCARTHY. Mr. President, this amendment would accomplish three purposes. It accepts the 1-cent-a-gallon gasoline tax increase, and would earmark it for the highway trust fund. It would repeal the dividend credit. It would transfer funds collected from excise taxes which are imposed upon highway users, and which are not now earmarked for the trust fund, to the trust fund in the amount of 2½ percent in 1960, 2½ percent in 1961, and 6 percent in the following years, so that the highway trust fund would be solvent.

Those who are concerned about fiscal responsibility can be assured that the adoption of this amendment would bring additional revenue into the General Treasury. Those who are concerned about the continuation of the highway program would be assured that the amendment would provide adequate funds to continue the program according to the schedule now proposed.

That is the purpose and the effect of my amendment.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MCCARTHY. I yield to the Senator from Tennessee.

Mr. GORE. Do I correctly understand that the Senator's amendment would transfer a sufficient amount of funds from the general fund to the highway trust fund to prevent a default to the States?

Mr. MCCARTHY. The Senator is quite correct.

Mr. GORE. It would bring more money into the general fund than would be transferred from the general fund?

Mr. MCCARTHY. The Senator is quite correct. There would be a $20 million to $30 million a year increase in the funds going into the general fund of the Treasury. The amendment would provide for applying the 1-cent increase in the gasoline tax which is recommended by the committee to the highway trust fund, and for a transfer of 2½ percent of the other excise taxes which are not now allocated, for 1959 and 1960, and, following that, a 6 percent transfer, which is now provided.

Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. MCCARTHY].

Mr. LAUSCHE. Mr. President, perhaps other Senators know what the amendment provides. I do not. I should like to ask a number of questions. I hope Senators will indulge me.

First of all, the Senator's amendment subscribes to the 1-cent gasoline tax increase?

Mr. MCCARTHY. That is correct.

Mr. LAUSCHE. That would produce, as I understand, $560 million in 1 year?

Mr. MCCARTHY. In the full year 1961; that is correct.

Mr. LAUSCHE. The Senator also proposes to eliminate the dividend credit?

Mr. MCCARTHY. That is correct.

Mr. LAUSCHE. Which would produce about $335 million?

Mr. MCCARTHY. Three hundred and thirty-five million dollars, which would go into the general revenues of the Treasury.

Mr. LAUSCHE. That would be $560 million plus $335 million?

Mr. MCCARTHY. That is correct.

Mr. LAUSCHE. Eight hundred and ninety-five million dollars. What is the other 2½ percent?

Mr. MCCARTHY. The 2½ percent is a transfer from the automobile excise tax fund into the highway trust fund. In other words, revenue derived as a result of the repeal of the dividend credit would go into the general fund.

Mr. LAUSCHE. I understand.

Mr. MCCARTHY. But we would take the 2½ percent from the automobile excise taxes, which are now in general revenues.

Mr. LAUSCHE. How much would that produce?

Mr. McCARTHY. About $300 million a year.

Mr. LAUSCHE. So into the highway trust fund would go the 1 penny gasoline tax increase, or $560 million?

Mr. McCARTHY. Plus about $300 million.

Mr. LAUSCHE. That would be $860 million?

Mr. McCARTHY. Yes.

Mr. LAUSCHE. Would anything else go into the highway trust fund?

Mr. McCARTHY. I would add nothing more to what now goes into the highway trust fund.

Mr. LAUSCHE. While the Senator proposes to take out $300 million, through the 2½ percent provision, from the general fund, he proposes to put in how much?

Mr. McCARTHY. Approximately $335 million.

Mr. LAUSCHE. I thank the Senator very much.

Mr. McCARTHY. The Treasury would be better off by about $35 million, and the highway trust fund could be kept current. The Bureau of Public Roads could meet all its commitments to the States, according to the present schedule.

Mr. GORE. Mr. President, it is with some regret that I impose myself further upon the Senate to express my views. I feel very deeply that a working relationship between the Federal Government and the States, which has persisted honorably and cooperatively since 1916, will be breached unless the Congress in some way provides sufficient funds to prevent the highway trust fund from being in default. I have attempted to do this in two different ways. The Senate declined to accept an amendment which I offered 2 months ago, and the Senate has now declined to accept the amendment which I have offered this evening. I accept the decision of the Senate.

Mr. President, I am prepared to support the pending amendment. Regretful as I am to endorse the 1-cent increase in the gasoline tax, the amendment now before us would not only keep the highway trust fund intact and provide funds to keep our highway program on schedule, but it would do that which neither of my amendments would have done—it would provide additional revenue to the Treasury of the United States over and above amounts to be transferred to the trust fund.

I plead with the Senate to agree to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. McCARTHY]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILEY (when his name was called). On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further anounce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Meeting in Warsaw, Poland.

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Florida would vote "nay."

I further announce that, if present and voting, the Senator from Missouri [Mr. HENNINGS], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

If present and voting, the Senator from Nebraska [Mr. HRUSKA] would vote "nay."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Massachusetts would vote "yea."

The result was announced—yeas 40, nays 43, as follows:

YEAS—40

Bartlett	Hart	Mansfield
Bible	Hill	Monroney
Byrd, W. Va.	Humphrey	Moss
Cannon	Jackson	Mundt
Carroll	Johnson, Tex.	Muskie
Clark	Kefauver	Neuberger
Dodd	Langer	Pastore
Douglas	Lausche	Proxmire
Engle	Long, Hawaii	Sparkman
Ervin	Long, La.	Symington
Fulbright	McCarthy	Williams, N.J.
Gore	McClellan	Young, Ohio
Green	McNamara	
Gruening	Magnuson	

NAYS—43

Aiken	Dworshak	Prouty
Allott	Eastland	Randolph
Anderson	Fong	Robertson
Beall	Frear	Russell
Bennett	Hayden	Saltonstall
Bush	Hickenlooper	Schoeppel
Butler	Holland	Scott
Byrd, Va.	Javits	Smith
Capehart	Johnston, S.C.	Stennis
Carlson	Keating	Talmadge
Case, N.J.	Kerr	Thurmond
Chavez	Kuchel	Williams, Del.
Cooper	Martin	Young, N. Dak.
Cotton	Morse	
Curtis	Morton	

NOT VOTING—17

Bridges	Hartke	Murray
Case, S. Dak.	Hennings	O'Mahoney
Church	Hruska	Smathers
Dirksen	Jordan	Wiley
Ellender	Kennedy	Yarborough
Goldwater	McGee	

So Mr. McCARTHY's amendment was rejected.

Mr. KUCHEL. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. ANDERSON. Mr. President, I move to lay that motion on the table.

Mr. GORE. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico [Mr. ANDERSON] to lay on the table the motion of the Senator from California [Mr. KUCHEL].

The motion to lay on the table was agreed to.

Mr. NEUBERGER. Mr. President, on behalf of the Senator from California [Mr. KUCHEL], the Senator from Kentucky [Mr. COOPER], and myself, I offer an amendment, on page 3 of the bill, line 12, to the bottom of the page, strike out section 106; and on page 4, strike out the remainder of section 106, from line 1 to 10, inclusive.

Mr. President, I can summarize very briefly in one sentence what this is about. Then I shall ask for the yeas and nays.

The purpose of the amendment is to eliminate from the bill a provision which would weaken the Federal highway roadside protection standards which were adopted in 1958.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. NEUBERGER. Mr. President, I shall try to be very brief.

Last year the Senate Public Works Committee held extensive hearings that continued for weeks, on the question of protecting our interstate highways from billboards and affording machinery whereby State governments, on their own initiative, could enter into voluntary and cooperative agreements with the United States Government to protect scenery and safety along our 41,000 miles of interstate highways. After extensive hearings and prolonged debate in the Senate, an amendment sponsored jointly by the able senior Senator from California [Mr. KUCHEL] and myself was adopted. It was accepted by the House and it was included in the bill which was signed by President Eisenhower.

I emphasize what happened yesterday in the Senate Public Works Committee, of which I am a member. In less than 10 minutes, without hearing any witnesses,

either from the administration or the public, the Public Works Committee adopted an amendment which would automatically exclude all areas in municipalities, and areas State-zoned as industrial or commercial, from application of these national policies.

We heard no witnesses from the public. We heard no witnesses from the national administration.

I suggest to Senators that they examine the minority views in the report on the bill, Calendar No. 934. They will find therein a letter dated June 18 from the Under Secretary of Commerce, who is now the Secretary of Commerce, opposing very vigorously, on behalf of the administration, an identical bill which was before the House of Representatives. Yet our committee acted and included this amendment in the bill before us without even hearing the departmental views and learning why the Department of Commerce opposes this measure so vigorously.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. CURTIS. Is it not true, however, that the language retained in the bill is a clarification of what Congress intended to do in the prior act?

Mr. NEUBERGER. It certainly is not my opinion that Congress intended to do that. I was one of the sponsors of the language that was adopted last year. I did not have the impression that we intended to automatically exclude all these areas.

I ask the Senator from California [Mr. KUCHEL], who was a sponsor with me, if that was his idea of what we were adopting at that time.

Mr. CURTIS. Certainly it should not be in the province of the Federal Government to determine matters which are clearly a zoning power or a judicial power. I do not have the figures, but if this provision is stricken out, it will add to the cost of that portion of the program.

Mr. NEUBERGER. We consulted with the Bureau of Public Roads today and found that not a single State has asked for exclusion under this provision.

Today we are seeking to continue the policy of leaving it to the States to determine whether they want to exclude municipal areas or State-zoned industrial and commercial areas.

I call attention to the language of the Department of Commerce, in a letter signed by the present Secretary of Commerce, indicating that in certain Eastern States virtually the entire interstate system would be excluded from the Federal highway beautification standards.

Mr. CURTIS. But merely transferring that prerogative to the States would not meet the problem, because there are cities in the States which have home rule charters. So the question is entirely up to the municipalities to determine. The language of the bill would leave the decision and the responsibility with the municipalities. Certainly they are interested in the appearance of their highways. They have the power of zoning. That is a responsibility which the Federal Government should not take on.

Mr. NEUBERGER. To begin with, we should not take any such fundamental step without hearing witnesses. I have received telegrams protesting this action from numerous influential groups representing hundreds of individuals throughout the United States. I ask unanimous consent that typical examples be printed at this point in the record.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
September 5, 1959.

Hon. RICHARD NEUBERGER,
Senate Office Building:

National Council of State Garden Clubs representing over 400,000 members in 47 federated States opposes Kerr billboard amendment in Highway bill H.R. 8678. We urge your best effort to obtain public hearing on Kerr amendment.

MRS. C. D. SHOEMAKER,
Legislative Committee, National Council, State Garden Club.

WASHINGTON, D.C.,
September 5, 1959.

Hon. RICHARD NEUBERGER,
Senate Office Building:

Confusion and much difficulty would result from inclusion of billboard provision in highway bill without hearing. Important that it be eliminated to allow careful consideration of serious issue.

MRS. VANCE HOOD,
Chairman, National Roadside Committee.

WASHINGTON, D.C.,
September 5, 1959.

Hon. RICHARD NEUBERGER,
Senate Office Building:

The members of the American Association of Nurserymen opposed to Kerr amendment to billboard control legislation passed last year, reported from committee without hearings. We would have appeared in opposition to Kerr amendment if given opportunity. Regulation of billboards within areas embraced by Kerr amendment is important for safety as in other areas. We represent nursery firms, over 1,700, in 47 States. Opposition to Kerr amendment universal.

RICHARD P. WHITE,
President, American Association of Nurserymen.

WASHINGTON, D.C.,
September 5, 1959.

Hon. RICHARD NEUBERGER,
Senate Office Building:

Inclusion of billboard provision in highway bill would be seriously crippling. Should be subject of careful hearing. Hope you can have it removed.

RICHARD W. WESTWOOD,
President, American Nature Association.

MOUNT KISCO, N.Y.,
September 5, 1959.

Senator DICK NEUBERGER:
Senate Office Building, Washington, D.C.:

The Garden Club of America strongly opposes the Kerr proposal which if left in the highway bill would have crippling effect on billboard legislation passed last year. My organization feels this drastic measure should not be included without hearings being held on the same and requests the opportunity to testify at such as to the adverse effects of the Kerr proposal. Above all we feel that it is a violation of States rights in that it deprives these States of its own right of determining the areas to be included in any Federal-State agreement.

MRS. THOMAS M. WALLER,
Conservation Chairman, Garden Club of America.

MEDIA, PA., *September 5, 1959.*

Senator RICHARD NEUBERGER,
Senate Office Building, Washington, D.C.:

The Penna. Road Side Council speaks for over a million Pennsylvanians in protesting any amendment to the Federal billboard control law—our legislators in Washington have been informed of our strong opposition.

HILDA FOX,
Chairman, Executive Committee, Pennsylvania Road Side Council.

WEEKAPAUG, R.I.,
September 5, 1959.

RICHARD L. NEUBERGER,
Senate Building, Washington, D.C.:

National Council State Garden Clubs urges your assistance in calling for public hearing on Senator KERR's amendment to H.R. 8678 nullifying progress made by Highway Act of 1958.

CLAIRE M. STIEFF,
Chairman of Legislation.

BALTIMORE, MD.,
September 5, 1959.

RICHARD L. NEUBERGER,
Senate Office Building, Washington, D.C.:

Following wire sent to Senator DENNIS CHAVEZ: "Federated Garden Clubs of Maryland, Inc., with membership of over 4,000 bitterly oppose Kerr amendment to the Fallon roadside control bill, H.R. 5950, and stress the importance of a public hearing."

MRS. RICHARD N. WILLS,
President.

Mr. NEUBERGER. The Secretary of Commerce is opposed to this provision. We did not even hear from him or his associates in the Bureau of Public Roads.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. AIKEN. Is it not true that the cities derive their power of zoning from the States?

Mr. NEUBERGER. Certainly. It is a delegated power. Cities are not sovereign. They have only such powers as are delegated to them by States and counties.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. NEUBERGER. I yield.

Mr. CLARK. Do I correctly understand that the Eisenhower administration is opposed to the action of the committee which the Senator from Oregon now seeks to set aside?

Mr. NEUBERGER. If Frederick H. Mueller, Under Secretary of Commerce, in vigorous, forthright language, speaks for the Eisenhower administration, then certainly the administration is opposed to the action of the committee.

Mr. CLARK. Is not Mr. Mueller at present the Secretary of Commerce?

Mr. NEUBERGER. He is now. When he wrote the letter on June 18, he was Under Secretary of Commerce.

Mr. CLARK. Does not the Senator consider this action by the committee as a turning of its back on what Congress did last year with respect to billboards?

Mr. NEUBERGER. It is a turning of its back on what Congress did last year without giving that provision any valid opportunity to function.

Mr. CLARK. Does not the Senator believe that the action taken by the Committee on Public Works was a violation of the principle of States rights?

Mr. NEUBERGER. I think it was. I think discretion in this matter should be left to the States.

Mr. CLARK. Does not the Senator feel that it is a violation of sound legislative procedure to reverse the action of Congress taken last year, without proper justification for such action?

Mr. NEUBERGER. I certainly do, without hearing from public or administration witnesses.

Mr. CLARK. In the opinion of the Senator from Oregon, is the billboard lobby behind this action?

Mr. NEUBERGER. I cannot say for a certainty, but I believe that if the Senate retains this language in the bill, the billboard lobby will not be unhappy.

Mr. CLARK. I thank the Senator from Oregon for his courtesy.

Mr. CURTIS. Mr. President, I believe this language should remain in the bill. After all, the Federal highway program is costly enough as it is. Extension of the power of the Federal Government to clear the areas adjacent to highways in municipalities is a burden which the Federal Government should not take on.

Furthermore, it was the intent of Congress in the earlier act that certain powers be granted to the States. In the States where cities are granted home-rule charters, we cannot carry out what was contemplated in the House language by excepting interstate highways going through municipalities.

I certainly believe we should not strike out this provision without knowing what additional costs will be incurred by reason of such action. The committee has placed the language in the bill. The amendment ought to be rejected.

Mr. KERR. Mr. President, the committee did not reverse the action of Congress; it confirmed the action of Congress. The amendment provides specifically what the sponsors of the legislation last year told us their proposal would do.

The committee had witnesses before it. I shall call them to the witness stand here and now for the Senate. First I quote the distinguished senior Senator from California [Mr. KUCHEL]. When he introduced his bill in 1958, in a statement of national policy he specifically covered the main traveled way and all portions of the Interstate System outside incorporated municipalities. In that connection, the Senator from California pointed out—and I quote from the CONGRESSIONAL RECORD, volume 101, part 2, page 1547:

> The State of California, under its Constitution, can exercise its authority in the field of property use only in the areas of my State which lie outside incorporated municipalities.

Now I shall call the distinguished junior Senator from Oregon [Mr. NEUBERGER] to the witness stand. He testified on the bill in the CONGRESSIONAL RECORD, volume 104, part 4, page 5097. A cosponsor of the bill, he then said:

> We would not want the Federal Government to intrude upon the right and prerogatives of the officials of the States of California and Oregon.

I now call to the stand again the Senator from California [Mr. KUCHEL], who said in the CONGRESSIONAL RECORD, volume 104, part 4, page 5105.

> By reason of the problem created by home rule communities, the bill recognizes that under any agreement between the Federal Government and a State, incorporated communities which exercise home rule authority shall be excluded.

I now call to the witness stand the distinguished junior Senator from New Hampshire [Mr. COTTON], who was one of those who participated in this action last year. He said in the CONGRESSIONAL RECORD, volume 104, part 4, page 5377:

> As has already been pointed out, the provisions in the bill relating to billboard advertising are essentially restricted to the portions of the Interstate Highway System which are outside the commercial areas, outside the metropolitan areas, and outside the areas which are within the incorporated towns, where advertising is already permitted and in many cases, if not in most cases, already controlled by local and State regulation.

Mr. President, I call again to the witness stand the distinguished junior Senator from Oregon [Mr. NEUBERGER], who said in the CONGRESSIONAL RECORD, volume 104, part 4, page 5099:

> The heavy right-of-way acquisition costs are in cities and other heavily populated, commercial, or industrial areas. These, as I have said, may be eliminated from the agreements with the States. Obviously, for example, it would not make sense for a State to purchase billboard-control rights out to 660 feet from both edges of a highway right-of-way that passes between the high, narrow walls of warehouses, or factories of an urban industrial area.

Now I can call the Senator from California to the witness stand; I read from the CONGRESSIONAL RECORD, volume 104, part 2, page 1547:

> From a practical standpoint, therefore, the interstate mileage located within cities is not of the highest importance when we think of beautification. Indeed, I venture to suggest that much of the interstate mileage within cities will traverse industrial areas and business or commercial districts which would not present an opportunity to preserve scenic beauty, and which probably would present little opportunity to create it.

Now I call to the witness stand the then Secretary of Commerce, Mr. Weeks, who, when he appeared before the Public Works Committee on March 18, 1957, said—as shown on page 3 of the hearings on Senate bill 963:

> State and local zoning laws would be recognized by permitting advertising in areas actually zoned industrial or commercial.

A member of the committee then asked him this question:

> You do not contemplate inclusion of municipal areas within the areas to which the standards are applicable?

Secretary Weeks replied:

> As I see it, we would not control advertising in business, industrial, or manufacturing areas or land zoned for those purposes. There would be no reason for it.

At the same hearing, Mr. Tallamy, then and now the Director of the Bureau of Public Roads, in the Department of Commerce, said:

> If the State, through State zoning, or if the local communities, through their own zoning powers, have zoned those areas for commercial or industrial purposes, then, under this proposal, outdoor advertising would be permitted.

So, Mr. President, I repeat that in referring to the language of the bill, the committee was not reversing the position taken by Congress; instead, the committee was confirming the action taken by the Congress.

The committee did not act without witnesses. It had before it witnesses of the highest dignity and standing. It had the authors of the legislation. It had the Secretary of Commerce, who sponsored the legislation. It had the Director of the Bureau of Public Roads, under whose management the program was put into operation.

Without exception, those witnesses—of great dignity and prestige and influence and position—confirmed what was in the mind of the Congress and in the minds of the sponsors of the legislation when the bill was enacted last year.

It was the purpose of the committee only to clarify and reaffirm what the authors said we were doing, what the Secretary of Commerce said we were doing, what the Director of the Bureau of Public Roads said we were doing, and what the Members of the Senate understood they were doing when they passed the bill which resulted in this legislation.

Mr. NEUBERGER. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from Oklahoma yield to the Senator from Oregon?

Mr. KERR. I yield.

Mr. NEUBERGER. Were any one of the statements the Senator from Oklahoma has read to the Senate tonight called to the attention of the committee during the 10 minutes it considered this issue?

Mr. KERR. My good friend was there during those 10 minutes. He knew the pressure under which we were operating. I must say to him that the statements to which I have referred were made in his presence, and some were made by him; and I am sure the other members of the committee had the same resourcefulness that I had——

Mr. NEUBERGER. Mr. President, the Senator from Oklahoma has not answered my question. He said we had before us in the committee witnesses of the highest character.

Mr. KERR. I did.

Mr. NEUBERGER. We had no witnesses.

Mr. KERR. But I read to the Senate tonight their names and what they said.

Mr. NEUBERGER. Yes; the Senator read that to the Senate tonight. But yesterday at the committee meeting, the Senator from Oklahoma did not read to the committee any statements by anyone. Those are only the Senator's interpretations——

Mr. KERR. Oh, no; I read the exact words; I read them from the RECORD. I

read the words used by the Senator from Oregon.

Mr. NEUBERGER. Does the Senator from Oklahoma say he read them to the committee, on yesterday?

Mr. KERR. I read them to the Senate; the matter is now before the Senate.

Mr. NEUBERGER. The Senator from Oklahoma said the committee had before it witnesses of the highest character. When did the committee have such witnesses before it?

Mr. SALTONSTALL and Mr. KUCHEL addressed the Chair.

Mr. KERR. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask the Senator from Oklahoma a question:

All of us are opposed to advertising on the interstate highways of the country. As I read the amendment, its purpose is to clarify what was done last year, so that in the municipalities and the industrial and commercial areas, when the interstate highways may pass through those areas in incorporated municipalities, the municipalities will be permitted to regulate the advertising in those areas.

Mr. KERR. The Senator from Massachusetts is correct. We were so careful that we limited the area affected by this amendment to that "now zoned," to those "now incorporated." We did not make the amendment broad enough to include areas which may hereafter be included in incorporated municipalities.

Mr. SALTONSTALL. The language used in the amendment states that it applies only to industrial and commercial areas; is that correct?

Mr. KERR. That is correct.

Mr. FULBRIGHT. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. FULBRIGHT. If the legislative history which the Senator from Oklahoma has read to us shows so clearly that that was the intent, why should we specify it again, now?

Mr. KERR. Because the then Secretary of Commerce said that "State and local zoning laws would be recognized by permitting advertising in areas actually zoned industrial or commercial"; but in spite of the fact that he said that, and in spite of the fact that later he said, as I see it, that we would not control outdoor advertising in business, commercial, or industrial areas or on land zoned for those purposes, because there would be no reason to do so, they have since that time promulgated regulations, under that statute, whereby they are doing exactly what the sponsors of the legislation said they would not do, and what the Secretary of Commerce and the Director of the Bureau of Public Roads told the Committee on Public Works they would not do.

Mr. KUCHEL and Mr. COTTON addressed the Chair.

Mr. KERR. I yield to the Senator from New Hampshire.

Mr. COTTON. Mr. President, in view of the fact that my distinguished friend the Senator from Oklahoma, has brought my name into this controversy, I should like to suggest to him that when we considered this subject in the last Congress—as he will remember—it is perfectly true that it so happened that the junior Senator from New Hampshire offered an amendment which took out of the highways along which billboards would be regulated those highways located in areas where the Interstate System followed established rights of way where advertising was already exhibited.

So the restriction applied to the new, virgin highways being built throughout the country.

I am sure that that amendment enabled us to obtain sufficient votes to have the bill passed and to have the regulations go into effect.

But I say to the Senator from Oklahoma that it was the understanding at least of the Senator from New Hampshire, all through the period when we were considering the subject of billboard advertising, in the Public Works Committee, and later on the floor of the Senate, that the Federal Government would not endeavor to place a ban on billboard advertising in those portions of the Interstate System which were actually within the heavily commercial sections of cities.

But the language which has been placed in this bill tonight makes the Senator from New Hampshire apprehensive that when the restriction is excluded entirely from any portion of a highway within incorporated cities, the effect will be—particularly in New England and elsewhere in the eastern portion of the country—that there will be many miles of Interstate System Highways that will be out of sight of commercial areas and will be out of sight of factories; I refer to the miles and miles of such highways that will pass through the edge or the very perimeter of incorporated cities—and, immediately this provision takes effect, it will remove the restrictive provision and take it out of effect, even though the local inhabitants would desire to have the restrictive provision apply.

Mr. KERR. Does the Senator from New Hampshire have before him a copy of the bill?

Mr. COTTON. Yes.

Mr. KERR. I should like to have the Senator from New Hampshire turn to page 4, and examine the language in line 3.

Let me say that it is not our purpose to have what the Senator from New Hampshire fears, done.

I read now from line 3:

This section shall not apply to those segments of the Interstate System—

Insert the words—

which traverse commercial or industrial zones within the existing boundaries of incorporated municipalities.

Would that eliminate the fear my friend has?

Mr. COTTON. If we are to legislate on the floor of the Senate, the concession my friend from Oklahoma has made would be very comforting to the Senator from New Hampshire. The Senator from Oklahoma knows how I value his sincerity, but in view of the fact that I sat for many long hours in the Committee on Public Works and noted the complete absence of solicitude on the part of the distinguished Senator from Oklahoma and others who are opposing the amendment tonight for the control of advertising, I am a little reluctant, after a few short minutes, to accept the suggestion as a safe provision to have in the bill on advertising control.

I was much impressed by the observation of the distinguished Senator from Arkansas [Mr. FULBRIGHT] when he asked a very pertinent question: If the language of the law is so clear already, what is the purpose of the amendment? In view of the fact that it was submitted by my friend from Oklahoma and others, who very sincerely and very ably opposed any kind of billboard control, I am still a little afraid that, even though the Senator is very generous in offering the amendment, and even though I would eagerly accept it, I would still like to see this provision stricken out.

Mr. President, despite the sincere assurances given by the Senator from Oklahoma, I must support the amendment offered by the Senator from Oregon [Mr. NEUBERGER].

Mr. KERR. I ask the Senator to offer the amendment suggested, and on behalf of the managers of the bill I will accept it.

I say to the Senator from New Hampshire and to the Senate that I did oppose that part of the bill last year, but the Senate passed it, and the Secretary of Commerce and the Director of Highways told us that they understood it would not apply to zoned and commercial areas, but now they have promulgated regulations which are not consistent with that understanding, and it is our purpose to clarify the law. I shall be glad to accept the words which I read as an amendment of the Senator from New Hampshire.

Mr. COTTON. Will the Senator give us one example of the administration of this act in which the Department of Commerce and the Bureau of Public Roads have controlled advertising in an area which is commercial and in which there should not be control?

Mr. KERR. I say to my good friend from New Hampshire that the regulations are full of such instances. I do not have them before me, but I have examined them, and I say to him sincerely and correctly that the regulations have been issued, and they are not consistent with the position taken by the Secretary of Commerce. It is the purpose of the amendment only to clarify the law and carry out the will of Congress as stated last year and in accordance with the statement of its sponsors and the interpretation given it by the Secretary of Commerce.

Mr. KUCHEL. Mr. President, the able senior Senator from Oklahoma has called a number of witnesses to speak on behalf of his amendment. The fact that they speak, as it were, in absentia did not for a moment deter my able friend from abusing them and from endeavoring to frighten them. But I submit that the very best witnesses in favor of defeating the amendment of the Senator from Oklahoma are the witnesses whom he called and whose testimony he read.

No one who had anything to do with billboard control legislation in the last Congress intended to give any Federal incentives to a State to beautify commercial or industrial areas which any segment of the Interstate Highway System traverses or was about to traverse.

The trouble with the language of the amendment offered by the Senator from Oklahoma is that it is too all inclusive. For example, it begins, "This section shall not apply to those segments of the Interstate System," and so forth. What is "this section"? That is the entire section which deals with the language setting up Federal standards for States to follow if they wish to obtain the Federal incentive payments. It is a section which indicates to States that if they purchase rights-of-way along the path the Interstate System will traverse, there will be an incentive payment from the Government to them. Under the language of the Senator's amendment, the entire section would be eliminated so far as municipalities are concerned.

There are States in the Union which are called home-rule States. Senators know this better than I. In those States—and my State is one example—the cities have the right under their State constitutions to do anything they wish. Obviously the State of California could not enter into an agreement with the Federal Government to control what those cities should do. The constitutions of other States permit the State to declare what shall be zoned and what shall not be zoned, and in those areas surely we should not say in this legislation, as my friend from Oklahoma suggests, that all cities automatically should be cut out. I suggest if there is a problem—and there may well be—it would not be cured by the language of the Senator from Oklahoma. On that basis, I hope the Senate votes down the amendment.

Mr. COOPER. Mr. President, I shall speak only 2 or 3 minutes, I do so because I was in the committee when the vote on this amendment was taken, opposed it, and have joined in the amendment to strike it from the bill. As has been said, the vote was 8 to 6 in the committee to carry the amendment. As far as discussion of the amendment was concerned, less than 30 minutes was spent. There were no hearings. The amendment was adopted without hearing witnesses from the Federal agencies, the States, the municipalities, the areas concerned or interested organizations. It has been said the purpose of the amendment is to clarify provisions of the billboard law enacted last year. In my judgment—and I say this with deference to the distinguished Senator from Oklahoma—it does not clarify the billboard law. It is a radical change in the law passed last year. I shall give my reasons for saying so.

The billboard amendment which was passed last year authorized the Federal Government to enter into cooperative arrangements with the States, to enable the States to take advantage of Federal roadside protection benefits. It was not mandatory upon the States that they should enter into such arrangements. But they could if they desired, enter into arrangements to protect the interstate highway roadsides from unsightly advertising. The effect of this amendment is to deny to the States, and to the communities, the opportunity to enter into any arrangements with the Federal Government to protect roadsides within municipalities, or any part of municipalities through which an interstate highway passes. The amendment excludes from the billboard and advertising legislation enacted last year. All of an interstate road within a municipality. It is a radical change, it is not a matter for the cities alone.

The Federal Government does have an interest in preventing advertising on interstate highways. It pays 90 percent of the money for interstate road construction. Secondly, a municipality should not be able to place a burden of unsightly advertising on interstate travel. Again, signs and billboards affect the safety of persons who use the roads.

The committee amendment takes all authority away from the Federal Government to protect roadsides within municipalities of whatever size. It takes authority away from the States. It leaves such authority wholly to municipalities. It is a radical change. That is the reason I opposed the provision in committee, and joined in the minority report.

Mr. ALLOTT. Mr. President, I wish to address myself to the Senator from Oklahoma. If the Senator will look at line 6 on page 4, I think, on reading the language, he will agree that his amendment should, first of all, be amended so that the two words "where in" are one word. Otherwise, the amendment makes no sense.

Mr. KERR. Mr. President, I think the Senator is correct.

Mr. ALLOTT. Would the Senator accept that amendment?

Mr. KERR. I would.

Mr. NEUBERGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NEUBERGER. I am rather uninformed on this matter, but can a Senator, on the floor, accept an amendment to a bill on behalf of the entire Senate?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that the Senate would have to vote on the amendment.

Mr. NEUBERGER. I thank the Chair.

Mr. ALLOTT. Mr. President, I am opposed to the amendment, but I wanted it to make sense, in the event it is adopted; and in order to make sense, the two words "where in" on line 6, page 4, should be one word.

The sole argument for the billboard restriction, in my mind, is not solely one of unification; it is one of safety. The many hours we discussed the sizes of signs will be remembered. The proposal is to exempt industrial areas and municipalities, as they are described, while they still would be able to draw Federal money. Agreements may be entered into with the States, which in turn grant the municipalities whatever authority they may obtain. We offer the States incentives for restrictions as to signs, and yet it is proposed to exempt municipalities. I really think that not only is a question of ethical values involved, but if the amendment is adopted, I think it will increase problems in the highway system as it applies to municipalities.

For that reason I shall oppose the amendment. However, I do want to offer my amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. It is proposed on page 4, line 6, to strike out the two words "where in" and insert in lieu thereof the one word "wherein."

The PRESIDING OFFICER. The question is on agreeing to the amendment by the Senator from Colorado.

Mr. CLARK. Mr. President, a parliamentary inquiry.

Mr. KERR. Mr. President, if the Senator will yield, let me say that if the amendment of the Senator from Oregon is defeated, and I hope it will be, I will offer both that amendment and the one mentioned to the Senator from New Hampshire.

Mr. CLARK. Mr. President, do I correctly understand that the Senator from Colorado has withdrawn his amendment?

Mr. ALLOTT. No; it was ruled out of order.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. A vote for the Neuberger amendment is a vote to delete the billboard provision which the Senator from Oklahoma has so clearly explained. Is that correct?

The PRESIDING OFFICER. The Chair does not place any interpretation upon amendments.

Mr. CLARK. A parliamentary inquiry, then. Is a "yea" vote on the Neuberger amendment a vote to strike from the bill the provision which has to do with billboards?

The PRESIDING OFFICER. The Chair wishes to advise the Senator from Pennsylvania that a "yea" vote would strike section 106 of the bill.

Mr. CLARK. I thank my friend, the Presiding Officer.

Mr. CARROLL. Mr. President, as a member of the Public Works Committee, I worked on the so-called billboard legislation. It seems to me, in view of the record we are making this evening, this should be said. The Senator from Arkansas has asked the question, "What is the reason for clarification?" The answer is that a regulation has been promulgated by the Secretary of Commerce.

I can say to my colleagues that I have an interest in this legislation. I was almost the "swing" vote on this matter to get it out of committee.

My inforation is that no State has asked for an exclusion under this regulation since it was promulgated. That fact raises the question, What is the necessity for it? While I do not say it

is improper, I do think it is highly inadvisable to make such a change in this important piece of legislation, which was so controversial such a short time ago, without having hearings; and I hope the amendment of the Senator from Oregon will be adopted.

Mr. NEUBERGER. Mr. President, I call to the attention of the Senate the fact that we consulted the Bureau of Public Roads as late as 6 o'clock this evening. They told us not one State had asked for exclusion of municipal areas under this act.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Has any action been taken on the Allott amendment?

The PRESIDING OFFICER. No action has been taken on the Allott amendment.

Mr. JOHNSON of Texas. Is the amendment not in order?

The PRESIDING OFFICER. The question now is on agreeing to the Allott amendment.

Mr. ALLOTT. Mr. President, I have not withdrawn it. I was told it was out of order. I offer it.

Mr. JOHNSON of Texas. Mr. President, there has been no such ruling, has there?

The PRESIDING OFFICER. The amendment is not out of order. The question is on——

Mr. KERR. Mr. President, I ask the Senator to withdraw his amendment for this reason: If the amendment of the Senator from Oregon is agreed to, the section is out of the bill. If it is not agreed to, the Senator from Oklahoma has said he will join the Senator from Colorado in offering the amendment.

Mr. ALLOTT. I have no objection to withdrawing it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from Oregon. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE], and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Conference at Warsaw, Poland.

I further announce that, if present and voting, the Senator from Missouri [Mr. HENNINGS] would vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 39, nays 44, as follows:

YEAS—39

Aiken	Douglas	Magnuson
Allott	Engle	Martin
Beall	Fulbright	Morse
Bible	Gore	Neuberger
Bush	Gruening	Pastore
Butler	Humphrey	Prouty
Byrd, W. Va.	Jackson	Proxmire
Carroll	Javits	Scott
Case, N.J.	Johnston, S.C.	Smith
Clark	Keating	Symington
Cooper	Kefauver	Wiley
Cotton	Kuchel	Williams, N.J.
Dodd	Lausche	Young, Ohio

NAYS—44

Anderson	Hayden	Moss
Bartlett	Hickenlooper	Mundt
Bennett	Hill	Muskie
Byrd, Va.	Holland	Randolph
Cannon	Johnson, Tex.	Robertson
Capehart	Kerr	Russell
Carlson	Langer	Saltonstall
Chavez	Long, Hawaii	Schoeppel
Curtis	Long, La.	Sparkman
Dworshak	McCarthy	Stennis
Eastland	McClellan	Talmadge
Ervin	McNamara	Thurmond
Fong	Mansfield	Williams, Del.
Frear	Monroney	Young, N. Dak.
Hart	Morton	

NOT VOTING—17

Bridges	Green	McGee
Case, S. Dak.	Hartke	Murray
Church	Hennings	O'Mahoney
Dirksen	Hruska	Smathers
Ellender	Jordan	Yarborough
Goldwater	Kennedy	

So Mr. NEUBERGER's amendment was rejected.

Mr. KERR. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, I offer an amendment, on page 4, line 6, as suggested by the Senator from Colorado, to correct what is clearly a typographical error, where the words "where in" are shown as two words instead of one. I offer an amendment for the word "wherein" to be shown as one word.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

Mr. KERR. Mr. President, beginning at line 3, page 4, with the words "this section shall not apply to those segments of the Interstate System," I offer an amendment to add the words, as I suggested to the Senator from New Hampshire, "which traverse commercial or industrial zones," before the words, "within the presently existing boundaries of incorporated municipalities."

Mr. HOLLAND. Mr. President, will the Senator from Oklahoma restate those words?

Mr. KERR. Between lines 4 and 5 add the words "which traverse commercial or industrial zones."

Mr. HOLLAND. After the word "System"?

Mr. KERR. Yes, and before the word "within".

Mr. HART rose.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. KERR. I yield to the Senator from Michigan.

Mr. HART. The Senator from California, who supported the Neuberger amendment, emphasized the opening words "This section" as meaning the section in its entirety shall not apply to these industrial areas. I wonder if it is true that "This section" includes items others than regulation of advertising.

Mr. KERR. If the Senator thinks it does I will offer a corrective amendment on that as soon as this amendment is acted upon.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. COTTON. I thank the Senator for offering the amendment. This will clarify the matter and go far to guard against the things the Senator from New Hampshire feared with regard to the outer perimeters of an incorporated city.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

Mr. KERR. Mr. President, in order that there may be no doubt about the question raised by the Senator from Michigan, on page 4, line 3 before the word "This" I offer an amendment to read as follows:

Agreements entered into between the Secretary of Commerce and State highway departments under

In other words, instead of the language being "This section shall not apply," it would clearly state that the amendment refers only to "Agreements entered into between the Secretary of Commerce and State highway departments under this section."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. KERR].

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

Mr. KEFAUVER. Mr. President, I offer, for myself, my colleague [Mr. GORE], and the Senator from Mississippi [Mr. EASTLAND], the amendment which is at the desk, and I ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 6, after line 15, it is proposed to insert a new section, as follows:

"Sec. 108. Increase in amount authorized for bridges over Federal dams.

That subsection (d) of section 320 of title 23, United States Code, entitled "Highways", is amended by striking out "$10,000,000" and inserting in lieu thereof "$13,000,000."

Mr. CHAVEZ. Mr. President, it was the idea of the committee and the committee itself that this should be brought up by separate legislation. However, I believe we will be justified in taking it to conference anyway, and I will accept the amendment if it meets the approval of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER].

The amendment was agreed to.

Mr. MORSE. Mr. President, am I in order if I make a brief statement on the bill?

The PRESIDING OFFICER. The Senator from Oregon is in order. The Senate will be in order.

Mr. MORSE. Mr. President, I am perfectly willing to have the bill go to third reading.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. MORSE. Mr. President, I shall be very brief. In fact, I shall insert most of my remarks in the RECORD.

I think it is well known to the Senate that I am opposed to any increase whatsoever in the gasoline tax. I am opposed to Federal sales taxes. I am opposed to oppressive taxes.

Mr. President, I think that taxes ought to be based on ability to pay. The question is raised as to how would the Senator from Oregon raise the money needed for Government services. Would he increase the income tax? To those suggesting that an increase in the income taxes is something unthinkable and horrible, my answer is I would increase the income tax if that is the alternative to increasing sales taxes.

Mr. President, I would eliminate the loopholes in the present tax structure, many of which this body itself helped create in 1954.

Mr. President, I would make great savings in the foreign aid program, by which we are wasting hundreds and hundreds of millions of dollars and not helping improve America's foreign relations.

I would come to grips, Mr. President, with that type of waste.

I would seek to bring some benefits to our own people in order to strengthen our own economy in time, Mr. President, while we still have the time to win this great fight for peace and freedom. We cannot do it, Mr. President, if we continue to impose further and further taxes in this country not based upon ability to pay, but pass the burden onto the backs of people least able to pay, as is, once again, being done in this proposed legislation.

It is difficult to obtain figures which show just who pays the gasoline tax, and in what proportion to the total income of the taxpayer.

But I have obtained from the Library of Congress the "Study of Consumers Expenditures for 1956," which throws a lot of light on the regressiveness of the gasoline tax.

The "Study of Consumer Expenditures" shows the amount of income spent on gasoline and motor oil by income group, ranging from those families with incomes under $2,000 a year to those with incomes of $10,000 a year and over.

They show that in 1956, families with incomes under $2,000 a year spent $79 for gas and oil for their cars, or 7.9 percent of their income; families with $2,000 to $3,000 spent $124 or 4.9 percent; the group from $3,000 to $4,000 spent $147, or 4.2 percent; from $4,000 to $5,000 spent $168, or 3.7 percent; the group from $5,000 to $7,000 spent $190, or 3.2 percent; and the families having incomes ranging from $7,000 to $10,000 spent $205 for gas and oil, or 2.4 percent of their income.

Mr. ANDERSON. May we have order, please, Mr. President?

SEVERAL SENATORS. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Oregon may proceed.

Mr. MORSE. Mr. President, the Federal gasoline tax bears a reasonable ratio to the expenditure on gas and oil, although the quality of the gasoline purchased would make some difference. One must take into consideration, too, the heavy tax which many States also levy upon gasoline.

Although the total amount spent for these items goes up with income, it does not go up nearly as fast as income, and hence becomes a smaller percentage of the higher incomes.

Mr. President, it has been my opinion since this debate first started that the Senator from Tennessee [Mr. GORE], has been a great statesman and leader on this issue. I have followed him in most particulars in regard to it. I am sorry to see tonight that the Senate is voting to press this yoke of a regressive Federal sales tax upon the gasoline users of this country. I fear it also from the standpoint of its precedential implications. It is another move to get a little bit more of the camel's body under the tent.

Mr. President, we have to take a much firmer stand than we are taking in Congress against the ever increasing trend toward a Federal sales tax. I have had something to say on this subject on different occasions in the past. On August 26, 1959, in a radio statement broadcast in my State I discussed the Federal gasoline tax problem. I ask unanimous consent that it may be included in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RADIO BROADCAST OF SENATOR WAYNE MORSE, AUGUST 26, 1959

Fellow Oregonians, one of the hottest issues of the closing weeks of this session of Congress is the one shaping up over how to finance the Federal highway program which was authorized in the Highway Act of 1956.

You will recall that in that act of 3 years ago, a new Interstate Highway System was authorized, for which the Federal Government would pay 90 percent of the cost and the States 10 percent. This network is to be in addition to the regular primary, secondary, and urban roads to which the Federal Government already contributes.

At the same time, it was provided that these new roads would be paid for through highway use taxes which were imposed or increased, and which were to go into a new highway trust fund. Of course, many highway use taxes were already in existence. There was an excise tax on new cars, taxes on trucks, auto accessories, and a 2 cents a gallon sales tax on gasoline. In 1956, the gasoline tax was raised to 3 cents, and the entire 3 cents, plus some new taxes on tires, trucks, and diesel fuel were diverted into the highway trust fund.

I had many reservations about this type of financing, which I expressed at the time. But all objections were overridden in the interest of getting the new roads under construction.

Early last year, when the sharp recession of late 1957 and 1958 was underway, the Congress ordered a speedup in the entire highway construction program in order to keep industry busy and to keep men at work. But the result was that construction proceeded faster than the trust fund collections provided for. Because the Highway Act required—mistakenly, in my opinion—that these roads be paid for with trust fund collections only, work on them has come to a halt in several States, including Oregon.

Now the administration, which insisted upon the trust fund financing of these roads in 1956, is insisting that the gasoline tax be raised again so construction may continue. But in making this plea, the administration spokesmen avoid telling you, the motorist the whole story. Part of what they avoid mentioning is that not all the highway use taxes were diverted into the highway trust fund in 1956. In fact there are additional taxes upon motorists amounting to a total of $1½ billion which go into the general Treasury and not into the trust fund at all. So the trust fund gets only $2 billion of the roughly $3½ billion which truckers and motorists pay for the privilege of getting behind the wheel of an automobile.

These other taxes are the 10-percent sales tax on new cars, the sales tax on lubricating oil for your car, the sales tax on auto parts and accessories, and part of the tax on trucks and buses.

So the real issue is not just whether highway users should pay for new highways, but whether they should pay for new highways and for other services of Government, too. As I did in 1956, I take the view that good roads are not a special service provided only for the comfort and ease of those who drive, but are a service to the entire community and all who live and do business in it. For example, every time Congress is asked to finance the foreign aid program for another year, administration spokesmen come before us to request hundreds of millions of dollars in funds to build highway systems in the underdeveloped countries of Asia and Africa. They are justified on the ground that a road system is vital to their economies, to the promotion of their business activity, of commerce, and trade. But unfortunately,

the administration does not take that view of roads here at home. Here at home, the President wants new roads to be charged to those who actually travel on them, regardless of the benefits in trade and business they promote for the manufacturer, the hotel owner, the garages, and oil companies who profit from truck and auto traffic.

That is why I am stanchly opposed to this request that the gasoline tax be raised again, this time from 3 cents per gallon to 4½ cents. I regard it as unfair for three reasons: First, other highway taxes are going into the Treasury; second, roads are not of benefit and profit solely to those who use them, and in the same proportion; and third, the gasoline tax is a regressive sales tax which runs exactly counter to the principle of ability to pay taxation.

To take the first of these objections, I believe that until all highway use taxes go into the trust fund, there is no reason to raise the gasoline tax. If it is really as important as the administration says it is that motorists and trucks finance the new roads, then all of those particular taxes should go into highway construction. Therefore, I am supporting proposals made by Senator GORE, of Tennessee, Senate author of the Highway Act of 1956, to divert these other highway taxes into the trust fund, along with the gasoline tax.

My second objection is to the whole principle that only road users should pay for the roads. How much profit do you suppose the businessmen, manufacturers, and service industries of your town or city would lose, if all the roads in your town or city and all the roads connecting with other towns and cities suddenly disappeared? If you can imagine that situation, you have an idea of the stake which our whole economy has in the highway system. That is why I believe roads, like other services of Government, should be financed by general taxation. Diversion of present highway use taxes out of the Treasury, or general appropriations from the Treasury would both accomplish that objective.

Third, I am opposed to the trend toward consumer sales taxes which this pressure for a higher gasoline tax represents. When you hear the argument that taxes must be raised when expenditures are raised in order to keep the budget in balance, be sure you find out just whose taxes it is that are planned to be raised. In my opinion, the basic and most important standard in levying taxes is the standard of ability to pay. Does the tax take the most from those who have the most wealth? Or does it take a larger percentage of income from the little fellow? Where a particular service is involved which is of value almost exclusively to the customer, then it is appropriate to charge reasonable fees; but for general services which benefit the entire community or Nation, then I believe they should be paid for on the basis of ability to pay.

Consumer sales taxes, like the telephone and transportation tax, as well as the gasoline tax, are what economists call "regressive," because they take a larger percentage income from a small income than they do from a big income. They are not even what are called "proportionate" taxes, because a proportionate tax takes the same percentage of everyone's income. At the other end of the scale are the "progressive" taxes, which take the largest percentage from the largest incomes. Our Federal income tax is a progressive tax, and is a true ability to pay tax.

There are plenty of loopholes in the ability to pay taxes which should be closed before we talk about raising money from more sales taxes. For example, a few weeks ago the Senate voted by a fairly large margin to close the loophole which gives favored tax treatment to personal income from dividends. This dividend income loophole was created in 1954 by the Eisenhower administration when it had a Republican majority in Congress. This year, the Senate tried to close it, and to gain for the Treasury $335 million a year in revenue.

But the administration was the leading opponent of that proposal, just as it has been an opponent of the efforts some of us have been making in Congress to reduce or repeal the depletion allowance for oil and gas companies. Because of this opposition by the administration, the House of Representatives did not approve our repeal of the dividend income loophole.

By its opposition to these efforts to increase revenue on the basis of ability to pay, and its insistence upon increasing revenue through more sales taxes, the administration reveals that its real interest is in shifting the tax burden off the upper brackets and onto the lower and middle income groups. Watch for new sales tax proposals to be pushed, if the pressure of the administration for a boost in the gasoline tax succeeds.

I pledge to you that I shall not be a party to these efforts.

Mr. MORSE. Mr. President, in a recent newsletter to my mailing list I discussed the subject of "Dispute Over Gasoline Tax Continues." I ask unanimous consent that it be printed at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DISPUTE OVER GASOLINE TAX CONTINUES

The House of Representatives, which must originate tax legislation, is still split over the financing of the highway program. At one time, its tax committee agreed to 1 cent of the 1½ cents a gallon boost requested by the administration. But a proposal to raise it one-half cent and also use for highways some of the 10 percent automobile sales tax which now goes into the Treasury is also under consideration.

Whatever proposal comes to the Senate floor, I shall continue to work for allocation of some of the other auto taxes to roadbuilding, or general appropriations for it. Motor taxes should not be expected to support both roadbuilding and other services of Government. General services of Government should be paid for with taxes based on ability to pay. Sales taxes are just the opposite. They are called "regressive," because they take a bigger percentage of the little fellow's income than of the big fellow's.

The telephone tax, transportation tax, and gas tax are good examples of regressive sales taxes levied upon necessities. They are not even proportionate, because proportionate taxes take the same percentage of everyone's income. Our Federal income tax is progressive, because it takes a larger percentage as income goes up. It is a true ability to pay tax.

Actually, I share the view of Senator GORE, of Tennessee, Senate author of the Highway Act of 1956, that it was unwise to require the Federal share of new roads to be paid for entirely by a few of the several highway use taxes. A good road system is a general service of government which benefits the whole economy. The need in underdeveloped countries for roads which will aid their business and commerce is often given to the Senate Foreign Relations Committee as a reason for sending them large amounts of money.

Better to close the many tax loopholes enjoyed by big business and big taxpayers to bring additional revenue into the Treasury than raise the gas tax. The Senate voted a few weeks ago to close the loophole for dividend income, and thereby bring $335 million into the Treasury, well over half the amount another cent of gas tax would bring in. But the administration strongly opposed that change, and it was lost in conference with the House of Representatives.

There are also excessive amounts in the President's budget for foreign aid which are being saved by Congress. We have already cut $400 million from his foreign aid budget, and I think more will be cut when we actually appropriate the money for it.

Because the economic argument for a higher gas tax is so thin, it is evident that it is really another effort to change from ability-to-pay taxes to sales taxes, and thus shift more of the tax load onto low- and middle-income groups. Watch for more sales taxes to be pushed in the future, if this effort to raise the gasoline tax succeeds.

Mr. MORSE. Mr. President, on still another date I discussed in a newsletter my views in opposition to an increase in the Federal gasoline sales tax. I ask unanimous consent that this material be inserted at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ADMINISTRATION PUTS SQUEEZE ON CONGRESS

Another phase of political pressure technique in the closing days of a session of Congress is White House attempts to force through expedient measures. The present administration is very adept at these squeeze plays of political expediency. Such legislative proposals are offered as an expedient way of meeting some emergency situation rather than coming to grips with the problem by the passage of long-term legislation containing solutions fair to all.

A good example of political expediency is the drive now on by this administration to pass a law that amounts to a higher sales tax to be imposed upon the users of automobiles to pay for highway construction. This proposal by the White House to increase the Federal gasoline tax from 3 cents a gallon to 4½ cents is blatant expediency and it is grossly unfair.

If you would really like to see what pressure mail sent to a Senator contains, you should read some of my heavy mail urging me to vote for a 1½ cents per gallon increase in the Federal gasoline tax. The administration and the lobby at work for this Federal sales tax are "riding herd" on Congress these days, but I have no intention of being roped in. It is an unfair tax proposal, and all the rationalizations of its proponents can't make it a sound tax based upon the fundamental tax test of ability to pay.

In many States, including Oregon, the important highway construction program authorized in 1956 has come to a halt because the highway trust fund has run out of cash. Under the 1956 law, new highway user taxes, and an increase in the gasoline tax were levied to finance highway construction. Now, however, the fund is depleted, and construction has been suspended in many States. To remedy the situation, the President insists that the gasoline tax be raised another 1½ cents a gallon on top of the present 3 cents Federal tax.

Once again the public is not being given the facts. It is not being told that an increase in the Federal gasoline tax is both unnecessary and unfair. In urging this remedy, the President does not mention that 42 percent of all the various highway use taxes got into the general Treasury, and only 58 percent of the tax collection goes into the highway trust fund for road construction purposes.

If all these taxes went into the highway trust fund, there would be enough money in the fund to keep the road construction program going on schedule. The public is not being told that none of the 10 percent excise tax on new cars goes into the road construction trust fund, nor does any of the Federal tax on lubricating oil, auto-

mobile parts and automobile accessories. Only one-half of the excise tax on trucks, buses, and trailers goes into the fund.

As long as this is true, I do not feel that I can justify voting for another boost in the Federal gasoline tax on the basis of the lame excuse that it is needed for highway construction. I believe we should require all highway use taxes to go into the highway trust fund, or at least as much as is necessary to keep the road construction program on schedule. If more money than that is needed for roadbuilding purposes, then I believe Congress should appropriate money out of the Treasury itself to keep the authorized road construction program going.

WHY I OPPOSE RAISE IN GAS TAX

First, I think the present 3 cents per gallon Federal gasoline tax is high enough to cover the fair share that the gasoline user should be expected to pay toward highway costs. Don't forget that there are many other Federal excise taxes that the automobile owner must pay in addition to the gasoline tax. Also, don't forget that the user of an automobile is not the only one who benefits from the construction of a road.

Every economic interest that is served by a new road benefits, the owners of real estate along the road and every business to which the road helps to bring customers is benefited. In fact, the entire economic life of each community served by the road is enriched by its construction. Is it fair, therefore, to require the motorists to assume the cost of building the road just because it is easy and convenient to impose a gasoline sales tax and other forms of automobile sales taxes upon them, irrespective of their ability to pay?

All the economic interests of the community should be expected to chip in and help pay for this new capital asset which helps the economy of the entire area. It is my view that such capital investments as roads bring direct and indirect benefits to all the people and therefore, their major cost should be paid out of the general funds of the Treasury.

Second, excise taxes, such as a sales tax on gasoline and automobiles, are regressive taxes. They discourage purchases. They tend to restrict our economy; when we need an ever-expanding economy. I am very much opposed to an extension and enlargement of the excise tax policy. For several years, I have warned the people of our country to be on guard against attempts to use specific sales taxes as a back door approach to the imposition of a general Federal sales tax.

There are selfish economic groups in our country which, in reality, are best able to pay general taxes, but which are hard at when the cry is raised in the Halls of Congress to increase user taxes and sales taxes in order to relieve themselves of some of the taxes which, in all fairness, they should be expected to pay because of their ability to pay. I have no intention of helping promote their selfish aims by voting for an increase in a gasoline sales tax.

That leads me to point out that tax economists generally agree that excise and sales taxes bear no economic relationship to ability to pay taxes. They are usually adopted by politicians as the line of least resistance when the cry is raised in the Halls of Congress that some meritorious program like the road construction program is about to come to an end unless some funds are raised quickly. It is the line of least resistance because the highway contractors and construction unions are organized, but most motorists are not.

However, that is no justification for taking unfair tax advantage of automobile users simply because the politicians know that the use of the automobile has become an absolute necessity in modern American society. Rather, it is our duty as legislators to pass fair tax legislation to meet this highway trust fund emergency.

MORE HIGHWAY-USE TAXES SHOULD BE DEVOTED TO ROAD CONSTRUCTION

Why doesn't the present administration do it? Why doesn't the administration recognize the fairness of requiring that all the money which is now collected from the various automotive sales taxes should go into the highway trust fund for roadbuilding purposes?

Senator GORE of Tennessee, who is the author of the highway bill that brought the highway trust fund into being, has proposed amendments which would do just that. I am supporting those amendments. Senator GORE has proposed amendments to devote 100 percent of the Federal tax now collected on trucks and buses, 50 percent of the tax on lubricating oil, 50 percent of the tax on automobiles, and 100 percent of the tax on automobile parts and accessories to the highway trust fund for roadbuilding purposes. He points out that these revenues, in addition to the present 3 cents per gallon Federal tax on gasoline, amount to about $964 million. This would be enough to keep the roadbuilding program on schedule. In fact, an increase of 1½ cents in the Federal gasoline tax would raise only $800 million per year.

THE BALANCE-THE-BUDGET SCARECROW

The administration is opposing Senator GORE's proposal and insisting upon a 1½-cent-per-gallon increase in the Federal gasoline tax because it is a part of the President's balance-the-budget program. Even if we take them at their word, this is no way to balance the budget because it is not based upon the fair principle of ability to pay.

I, too, want to balance the administrative costs of Government with Government income, but I want our tax revenues to be derived from those who ought to pay them, rather than from those whom it is easy to victimize with various regressive excise and sales taxes.

My answer to the administration is that if it sincerely wants to avoid any deficit in connection with highway programs, let it agree to devote all of the highway user taxes to highways, and then make up any losses to the general funds of the Treasury by closing up the tax loopholes now available to big corporate enterprises and personal income taxpayers. The administration's proposal for an increase in gasoline taxes is another way of shifting more of the tax burden off the big fellow onto the consumers.

One of the reasons I fought so hard to eliminate hundreds of millions of dollars of waste in the foreign aid program was to make the necessary savings for many vitally needed domestic programs such as the highway construction program. Since we passed the foreign aid program in the Senate, the President's own special commission on foreign aid has issued a report in which it, too, points out that there is a great deal of waste in foreign aid.

Again, let me say I am for a sound foreign aid program based primarily upon loans for needed projects that will help the standard of living of the people in underdeveloped countries; but I am against the inexcusable waste of the American taxpayers' money that now honeycombs our foreign aid program. Let the budget balancers show their good faith by joining with us in stopping that waste.

Mr. MORSE. Mr. President, these materials which I have just inserted in the RECORD contain brief summaries of my reasons why I will never vote in the Senate, in view of the present economic situation of this country, for placing a greater burden on the people least able to pay by imposing a higher and higher gasoline tax upon them.

I take the position, Mr. President, in regard to the building of the highways, that it is the responsibility of all the people of the United States to pay for their construction. The burden should not just fall upon those who happen to drive on the highways, because the highways serve all economic interests. Highway construction ought to be paid for out of the Treasury of the United States. We ought to raise taxes based upon ability to pay, Mr. President, and pay for those highways. We ought not follow the line of least resistance, which I think we are following tonight, and that is, to impose an unfair tax upon those who have the least ability to pay.

Mr. RANDOLPH. Mr. President, it was my purpose to speak on this subject. We need affirmative action now to continue the highway program.

I realize the compulsion under which we toil, and I ask unanimous consent that the remarks I had intended to make be included in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AFFIRMATIVE ACTION NECESSARY TO CONTINUE HIGHWAY PROGRAM

One month ago I spoke in this Chamber and called attention to what I then termed the immediate effects of three stalemates upon the domestic economy of this country. Reference was made to the breakdown of negotiations between management and labor which brought on the protracted steel strike. Then I mentioned the variance of views of the President and the Congress on housing and highway legislation. Neither of the first two of these impasses, the steel strike and housing legislation problems, is any closer to being set aside by solution. In fact, in each instance the country is further away than it was 1 month ago from being the beneficiary of the good that would accrue to the economy and the social order if we were to have a settlement of the steel strike and adequate new housing legislation on the statute books.

It was demonstrated that men of understanding can work toward the desired end of sensible compromise when the committee on conference produced a report that brought many opposites into consonance through the application of give-and-take. The same should have been true with respect to labor-management collective bargaining in the steel industry and certainly there is no reason for an even worse stalemate to have been brought about with respect to housing legislation by another Presidential veto.

In speaking of the situation as it pertained to the housing problem, I stated that the Senate already had achieved sensible compromise when it accepted the conference committee report on the first housing bill passed by the 86th Congress. I remarked then and reiterate with emphasis now, we can cooperate, when possible, with the executive branch, but we must not abdicate.

Yes, we still have the steel strike as a stalemate blight upon our country's economic progress, and we have another White House sponsored impasse on public housing legislative authority.

But we may be only a step away from bringing to an end the third distressing stalemate to which I referred, on which occasion I deplored the lack of positive action and apparent unwillingness or inability to compromise positions necessary to solve the perplexing problem of highway finance policy and programing.

It was then that I said, too, that we are approaching an economic disaster period, at least in degree, when we trifle with progress in the building and construction industry of the United States—an authority which is dedicating itself to necessary housing and highway programs.

I have opposed an increase of the Federal tax on gasoline as long as taxes paid by highway users to the Federal Government are not dedicated wholly or in substantial part to help pay the national share of the Federal-States highway construction and maintenance programs.

It would be my preference that the gasoline tax be reserved to the States en toto if all other factors in the equation were equal.

At this time, however, a compromise seems to be forced upon us by the exigencies of Executive Department policies and demands on the one side and the pressure of time requirements on the other.

Our first consideration must be that of sustaining the country's highway program which, in turn, ties in so closely with extremely important elements of our economic pattern.

It seems important, in this connection, that we bring into focus the impact of the highway program upon the total economy, and to understand why we must take vital action now, even if it is on the basis of a compromise arrangement for which a substantial number of us as individuals have less enthusiasm than we might have for a measure which would not call for increasing the Federal tax on gasoline.

Since 1957, the highway construction dollar has been expended on an average as follows: 27 percent for labor; 44 percent for materials; 29 percent for equipment and overhead.

For each $1 billion of highway investment expenditure, 228 million man hours of work have been provided. In terms of payroll, this represents approximately $500 million per $1 billion of total highway spending.

This same $1 billion of highway expenditure for construction also contributes to gross national product, in part, as follows: 510,000 tons of steel; 995,000 tons of bituminous materials; 16 million barrels of cement; 18½ million pounds of explosives; 76½ million tons of aggregate; 122 million gallons of petroleum products.

In addition to these statistics, it is important to bear these figures in mind, too.

For each $1 billion in excess of the annual rate of $5.8 billion of highway construction, 345,584 pieces of construction equipment and 22,500 vehicles—cars and trucks—have been contributed to the gross national product.

Indeed, much of the stability of the country's economy hinges upon the progress of the construction industry, the heavy construction equipment industry, and the supporting supply industries.

By the same token, as the new chairman of my home State's newly formed economic development agency, Lawrence Rogers, is pointing out in a statement this weekend, "Without a comprehensive road program, the State's economic development agency will be virtually powerless to achieve its aims," because "a State master plan is meaningless without the road system to make it work."

Doubtless, the same situation obtains with respect to most States and, as we are fully aware, each State has come to the point of planning its highway network largely around the Federal Interstate or the Federal ABC authorizations and actual allocations made to it by the U.S. Bureau of Public Roads.

In the light of these facts, we have a duty to provide positive action—and without delay—to come to grips with a compromise solution which will provide immediate relief for the pressing problems in West Virginia and the Nation without creating a disastrous delaying action or a stretch-out which would retard highway progress, severely lessen needed employment and force the impairment or liquidation of many construction companies and allied businesses and industries.

Mr. LAUSCHE. Mr. President, to some of my constituents back home I have repeatedly made statements to the effect that as between financing the highway trust fund by taking moneys out of the general fund, which is now in stringent straits, on the one hand, and decelerating the program, on the other, they would choose the latter. The bill before the Senate provides that there shall be taken out of the general fund, in 1962, $800 million. The general fund cannot stand that. I will not vote for the bill.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The bill having been read the third time, the question is, shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Conference in Warsaw, Poland.

On this vote, the Senator from North Carolina [Mr. JORDAN] is paired with the Senator from Wyoming [Mr. McGEE]. If present and voting, the Senator from North Carolina would vote "nay" and the Senator from Wyoming would vote "yea."

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Indiana would vote "nay" and the Senator from Florida would vote "yea."

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

If present and voting the Senator from South Dakota [Mr. CASE] and the Senator from Nebraska [Mr. HRUSKA] would each vote "yea."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from New Hampsire would vote "yea" and the Senator from Arizona would vote "nay."

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

The result was announced—yeas 70, nays 11, as follows:

YEAS—70

Aiken	Fong	Monroney
Allott	Frear	Morton
Anderson	Fulbright	Moss
Bartlett	Gore	Mundt
Beall	Gruening	Muskie
Bennett	Hart	Neuberger
Bible	Hayden	Pastore
Bush	Hickenlooper	Prouty
Butler	Hill	Randolph
Byrd, W. Va.	Holland	Russell
Capehart	Humphrey	Saltonstall
Carlson	Jackson	Scott
Carroll	Javits	Smith
Case, N.J.	Johnson, Tex.	Sparkman
Chavez	Keating	Stennis
Clark	Kefauver	Symington
Cooper	Kerr	Talmadge
Cotton	Kuchel	Thurmond
Curtis	Long, Hawaii	Wiley
Dodd	McCarthy	Williams, Del.
Douglas	McClellan	Williams, N.J.
Dworshak	McNamara	Young, Ohio
Eastland	Magnuson	
Engle	Martin	

NAYS—11

Byrd, Va.	Langer	Proxmire
Cannon	Lausche	Robertson
Ervin	Long, La.	Young, N. Dak.
Johnston, S.C.	Morse	

NOT VOTING—19

Bridges	Hartke	Murray
Case, S. Dak.	Hennings	O'Mahoney
Church	Hruska	Schoeppel
Dirksen	Jordan	Smathers
Ellender	Kennedy	Yarborough
Goldwater	McGee	
Green	Mansfield	

So the bill (H.R. 8678) was passed.

Mr. KEATING. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHAVEZ. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. BYRD of West Virginia in the chair) appointed Mr. CHAVEZ, Mr. KERR, Mr. MCNAMARA, Mr. COOPER, and Mr. MARTIN conferees on the part of the Senate.

CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that on

Monday after the morning business, there be a call of the calendar for the consideration of measures to which there is no objection, beginning with Calendar No. 812.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. I object.

Mr. MAGNUSON. Mr. President, will the Senator yield? At what time is it expected the Senate will meet on Monday?

Mr. ANDERSON. Objection has been made to the call of the calendar.

Mr. JOHNSON of Texas. We will have to see what time the Senate takes a recess. Objection was made to the call of the calendar on Monday.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 518, S. 1748.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Will the majority leader tell us what the bill is?

Mr. JOHNSON of Texas. It is the bill to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes; the bill which was previously under consideration and which was displaced in order to take up the bill just passed.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the time limitation in connection with Senate bill 1748, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, not begin to run until the bill is laid before the Senate on Monday.

The PRESIDING OFFICER. Without objection——

Mr. MORSE. I object.

The PRESIDING OFFICER. Objection is heard.

REPORTS OF COMMITTEE ON PUBLIC WORKS

Mr. CHAVEZ. Mr. President, I submit reports from the Committee on Public Works.

PRINTING OF REVIEW OF REPORTS ON CENTRAL AND SOUTHERN FLORIDA PROJECTS, KISSIMEE RIVER BASIN (S. DOC. NO. 53)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting an interim report dated April 8, 1959, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of reports on central and southern Florida projects, Kissimee River Basin—Nicodemus Slough area—requested by the Committee on Public Works, U.S. Senate, adopted November 15, 1954. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection——

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. In regard to the first matters the Senator from New Mexico sent to the desk, do I correctly understand that the Senator from New Mexico has filed reports from the Committee on Public Works?

Mr. CHAVEZ. Yes, from the Committee on Public Works.

The PRESIDING OFFICER. That is correct; and the Senator from New Mexico has asked to have a document printed.

Mr. MORSE. I thought he requested that the second one be printed as a document.

Mr. CHAVEZ. One is a letter from the Army Engineers, making a report on a project in Florida. The other were incidental bills reported by the Committee on Public Works, for the calendar.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Do I correctly understand——

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry: In whose time are we now proceeding? I asked that the time required for the making of insertions in the RECORD, and so forth, not be charged to the time available to either side under the limitation; but objection was made; and we are now under controlled time.

The PRESIDING OFFICER. Some Senator who has time under his control will have to yield time before any Senator can make a statement at this time.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Is there not before the Senate a unanimous-consent request by the Senator from New Mexico?

The PRESIDING OFFICER. Will the Senator state his inquiry again?

Mr. MORSE. Is there not before the Senate a unanimous-consent request by the Senator from New Mexico?

The PRESIDING OFFICER. The Chair asked whether there was objection to the request for the printing as a document of the material then submitted.

Mr. MORSE. And I proceeded at once to propound a parliamentary inquiry, preparatory to deciding whether I would object.

I respectfully point out to the Chair that I am in a position to reserve the right to object, and I do reserve the right to object; and if I cannot have time in which to inquire about this matter, I will object.

Mr. JOHNSON of Texas. Mr. President, a moment ago, I asked unanimous consent that all Senators might be allowed time in which to make insertions in the RECORD and to present other matters, and that the controlled time not begin to run until Monday, so that Senators could now make insertions in the RECORD and unanimous-consent requests, and so forth.

I renew that request.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. I object.

I object also to the filing of the papers, and so forth, to be printed as a document.

PRINTING OF CERTAIN NUMBER OF COPIES OF INVESTIGATION INTO FINANCIAL CONDITION OF THE UNITED STATES

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from New Mexico [Mr. ANDERSON].

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. ANDERSON. Mr. President, on behalf of the senior Senator from Virginia [Mr. BYRD], and the chairman of the Finance Committee, I submit a resolution for which I request immediate consideration.

The PRESIDING OFFICER. The resolution will be read, for the information of the Senate.

The resolution (S. Res. 187) was read, as follows:

Resolved, That there be printed for the use of the Committee on Finance two thousand five hundred copies of an analysis (part 7) of the hearings entitled "Investigation of the Financial Condition of the United States," held by that committee during the 85th Congress.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the resolution? The Chair hears none.

Mr. MORSE. Mr. President, reserving the right to object, let me say that I have no objection to the resolution, as I explained to the Senator from New Mexico, to whom I talked about this matter some time ago.

Mr. ANDERSON. Mr. President, adoption of the resolution is necessary, because the present stock of the hearings has been exhausted. Five thousand five hundred copies were printed; but the requests made by Senators have exceeded that supply.

Therefore, I should like to have the resolution agreed to.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 187) was considered and agreed to.

REPORTS OF A COMMITTEE—PRINTING OF REVIEW OF REPORTS ON CENTRAL AND SOUTHERN FLORIDA PROJECTS, KISSIMEE RIVER BASIN (S. DOC. NO. 53)

Mr. CHAVEZ. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I shall be glad to yield to the Senator from New Mexico [Mr. CHAVEZ], if he wishes to make a statement.

Mr. CHAVEZ. Mr. President, I would plead with my good friend, the Senator from Oregon, in connection with the request I have already made. I have reported three bills from the Committee on Public Works. I am not trying to use the time available to any other Member of the Senate or to take advantage of any Senator.

After the committee has taken action on the bills and after they are ordered reported to the Senate, I think it only fair that I be permitted to report them to the Senate.

The PRESIDING OFFICER. Is there objection to receiving the reports submitted by the Senator from New Mexico?

Mr. MORSE. Mr. President, reserving the right to object, I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. In reporting the bills from the Committee on Public Works, is the Senator from New Mexico placing those measures in a position in which they may be considered by the Senate, under the rule, after they have been before the Senate for the definite period of time called for by the rule, which, according to my recollection, is 3 days?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that the measures reported are not general appropriation bills; thus, the measures reported can be considered after 1 legislative day has intervened.

Mr. MORSE. I thank the Chair.

I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico?

The Chair hears none.

Without objection, the reports will be received, and the bills will be placed on the calendar.

The reports are as follows:

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 2362. A bill to authorize the Secretary of the Army to convey to the city of Arlington, Oreg., certain lands at the John Day lock and dam project (Rept. No. 912); and

H.R. 7125. An act to provide for a study of the feasibility of establishing the President Adams Parkway (Rept. No. 910).

By Mr. CHAVEZ, from the Committee on Public Works, with an amendment:

S. 793. A bill to amend title 23 of the United States Code in order to increase the amount authorized for bridges over Federal dams (Rept. No. 911).

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico for the printing of a Senate document?

The Chair hears none; and it is so ordered.

PROGRAM ON MONDAY

Mr. JOHNSON of Texas. Mr. President, does any other Senator desire me to yield to him at this time?

If no Senator now desires that I yield——

Mr. HUMPHREY. Mr. President, will the majority leader yield?

Mr. JOHNSON of Texas. I yield.

Mr. HUMPHREY. Will the majority leader give us some guidance and direction relating to the procedure on Monday morning, in connection with Senate bill 1748?

On Monday commence, after the prayer, will there be a morning hour; or will the Senate proceed forthwith after a quorum call, to resume the consideration of Senate bill 1748 and the amendments thereto?

Mr. JOHNSON of Texas. I am afraid I cannot give the Senator that information.

I should like to have the Senate have a morning hour on Monday, and I should like to have Senators be able to transact the public business. But that must be done under a unanimous-consent request; and I do not know whether the request will be objected to or not.

I plan to make the request, as I have done numerous times today, and for the last several days.

Mr. President, I now ask unanimous consent that on Monday, there may be the usual morning hour for the transaction of routine business, including the submission of petitions and memorials; and that statements in connection therewith be limited to 3 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, I suggest that, in view of the lateness of the present hour, we agree that the request be renewed on Monday morning.

As of now, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. JOHNSON of Texas. I say to the Senator from Minnesota that is the answer to his question.

Mr. HUMPHREY. Mr. President, will the majority leader yield further?

Mr. JOHNSON of Texas. I yield.

Mr. HUMPHREY. I understood the Senator from Oregon to say that in view of the lateness of the present hour, he would prefer to have that request renewed on Monday morning.

I have a feeling that the Senator from Oregon will be cooperative.

Let me add that if there is objection, then I understand that the Senate will proceed at that time to resume the consideration of Senate bill 1743, and to consider the amendments to that bill, as laid before the Senate.

Mr. JOHNSON of Texas. That is correct.

Mr. HUMPHREY. The bill is now before the Senate; is it not?

Mr. JOHNSON of Texas. That is correct.

Mr. HUMPHREY. And if the Members of the Senate wish to submit certain routine business, a Senator who then had the floor could yield for that purpose—unless, of course, there were objection.

Mr. JOHNSON of Texas. Yes. But if a Senator objected, the Senator who then had the floor could yield only for a question.

Mr. HUMPHREY. Yes.

Let me state that I have a feeling that we shall be a much happier body about 24 hours from now; in fact, I hope it will not take even that long.

Mr. JOHNSON of Texas. I would hope so.

Mr. HUMPHREY. I think we will.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

RESOLUTION OF COUNCIL OF CHIEFS, ST. REGIS TRIBE OF INDIANS OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Council of Chiefs of the St. Regis Tribe of Indians in New York State, relating to the leasing of lands owned by that tribe.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

"Whereas the American St. Regis Indian Reservation in New York State is located adjacent to the St. Lawrence River; and

"Whereas the said Indian reservation lands are the only lands still available in the United States and east of the first locks in the St. Lawrence Seaway for industrial and commercial purposes; and

"Whereas the St. Lawrence Seaway has made the availability of such lands of tremendous importance toward industrial and commercial progress in the United States; and

"Whereas, we, the Council of Chiefs of the St. Regis Indian Tribe of American Indians, recognize that possible leases of some of the lands of our reservation in this area would inure to the benefit of the tribal membership: Now, therefore, be it

"*Resolved*, That we, the Council of Chiefs of the St. Regis Tribe of Indians in New York State, residing upon our reservation at Hogansburg, N.Y., recommend that legislation be adopted by Congress declaring that lands owned by the St. Regis Tribe of Indians may be leased for such purposes and for such periods as may be permitted by the laws of the State of New York."

The clerk of our tribe is hereby directed to forward a copy of this resolution to those representatives in our U.S. Government and other officials for the purpose that such legislation may be adopted at the present session of Congress or any future session.

Dated the 31st day of August 1959.

MARGARET C. LAZORE,
Clerk.

INTEREST RATE ON SERIES E AND H U.S. SAVINGS BONDS—SUPPLEMENTAL VIEWS

Mr. JOHNSON of Texas. Mr. President, I send to the desk the supplemental views of the Senator from Illinois [Mr. DOUGLAS] and the Senator from Minnesota [Mr. MCCARTHY], on the bill (H.R.

9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes. I ask unanimous consent that the supplemental views may be printed as a part of Senate Report No. 909.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. The majority leader is sending to the desk the supplemental views of members of a committee which has made and filed a report. Is that the request?

The PRESIDING OFFICER. Yes.

Mr. MORSE. I have no objection.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIAMS of New Jersey:

S. 2650. A bill for the relief of Jadwiga Kyzenewski and daughter, Barbara Binienda; to the Committee on the Judiciary.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO TECHNICAL CHANGES IN CERTAIN EXCISE TAX LAWS—AMENDMENT

Mr. JAVITS (for himself and Mr. DOUGLAS) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 8725) to amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes, which was ordered to lie on the table and be printed.

HIGHWAY ACT OF 1959—AMENDMENT

Mr. BRIDGES submitted an amendment, intended to be proposed by him to the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-Aid highway program, and for other purposes, which was ordered to lie on the table and be printed.

LIMITATION OF APPLICABILITY OF ANTITRUST LAWS TO EXEMPT CERTAIN ASPECTS OF DESIGNATED PROFESSIONAL TEAM SPORTS—ADDITIONAL COSPONSOR OF BILL

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the name of the Senator from Illinois [Mr. DOUGLAS] may be added as an additional cosponsor of the bill (S. 2545) to limit the applicability of the antitrust laws so as to exempt certain aspects of designated professional team sports, and for other purposes, introduced by me and other Senators on August 17, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KEFAUVER:

A statement by him in support of S. 2540, relating to automatic promotions of certain officers upon retirement.

By Mr. KEATING:

Statement by him on the prospective sine die adjournment of Congress.

By Mr. WILEY:

Editorial entitled "It's Time for Young People To Learn That They Owe Something to Society," published in the LaCrosse (Wis.) Tribune, on September 1, 1959.

News release prepared by him, entitled "Wiley Says Laos Crisis Creates More Evidence for Need of U.N. Police Force," dated September 6, 1959.

Text of broadcast recently made over Wisconsin radio stations relating to the legislative work of this session of Congress.

RECESS TO MONDAY AT 9 A.M.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate now stand in recess until Monday, at 9 o'clock a.m.

The motion was agreed to; and (at 12 o'clock and 10 minutes a.m., on Sunday, September 6, 1959) the Senate took a recess until Monday, September 7, 1959, at 9 o'clock a.m.

HOUSE OF REPRESENTATIVES

SATURDAY, SEPTEMBER 5, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Mark 5: 36: *Be not afraid, only believe.*

Almighty God, as we daily encounter unknown and untried experiences, may we commit ourselves to Thy divine providence with courage and hope, claiming Thy promise, "I will never fail thee nor forsake thee."

We cannot ask for anything more and dare not ask for anything less than the assurance of Thy presence, Thy peace, and Thy power in our longings and labors to discharge faithfully and for Thy glory the tasks and responsibilities which are ours.

Help us to subdue and conquer every self-centered ambition and desire and may our minds and hearts be stirred with new vistas of blessedness and new visions of service for all the needy members of the human family.

Hear us in the name of the Master who went about doing good. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2457. An act to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2181) entitled "An act to amend the Mineral Leasing Act of February 25, 1920," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ANDERSON, Mr. Moss, and Mr. ALLOTT to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8575) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes."

The message also announced that the Senate concurs in the amendment of the House to the amendment of the Senate numbered 2 to the above-entitled bill.

The message also announced that the Senate recedes from its amendment No. 1 to the bill (H.R. 7040) entitled "An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1960, and for other purposes."

The message also announced that the Senate, having proceeded to reconsider the bill (S. 2539) entitled "An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes," returned by the President of the United States, with his objections, to the Senate, in which it originated, it was

Resolved, That the said bill do not pass, two-thirds of the Senate present not having voted in the affirmative.

LEGISLATIVE BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker on Thursday of next week, as well as the remainder of next week, to recognize to suspend the rules.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, I shall have to object until we know what bills are to come before the House.

Mr. McCORMACK. Well, the gentleman, of course, is aware of the fact, or ought to know—and I am sure he does—that the majority leader, who happens to be me, would keep the House advised as

early as possible of suspensions coming up, except some emergency matter that might arise which would require immediate action.

Mr. GROSS. Mr. Speaker, I would not be opposed to this request on an emergency matter, but I must object to giving that kind of blanket authority to bring bills up without knowing what the bills are. Therefore, I object, Mr. Speaker.

Mr. McCORMACK. I announce that next Monday one of the suspensions will be a resolution to enable the Speaker to recognize to suspend the rules. I hope my friend will not press his objection, however.

Mr. GROSS. I have objected.

Mr. McCORMACK. Well, the gentleman can always withdraw it.

The SPEAKER. Objection is heard.

Mr. McCORMACK. I announce that one of the suspensions on Monday will be a resolution to that effect.

I also desire to announce that another suspension on Monday will be H.R. 9069, a bill to provide standards for the issuance of passports, and for other purposes.

I also desire to announce that from the Committee on House Administration—while it is not necessary to request unanimous consent, because they have a preferential status—there are 10 resolutions from the Subcommittee on Printing of the Committee on House Administration, which I will insert in the RECORD at this point:

House Resolution 341, House Resolution 352, House Resolution 353, House Resolution 354, House Resolution 370, House Concurrent Resolution 404, House Concurrent Resolution 405, Senate Concurrent Resolution 53, Senate Concurrent Resolution 72, House Resolution 378.

These all have to do with the printing of documents.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I notice my leader, the gentleman from Iowa [Mr. GROSS] is here today. He called me earlier in the day about Government business. Now, is there any use of us staying around today, making a point of no quorum, and inconveniencing Members?

Mr. McCORMACK. I can assure the gentleman, as I said yesterday, that there is no legislative business today. The only possible matter that action might be taken up, if the Senate passes the extension of Public Law 480, would be to send it to conference.

Mr. HOFFMAN of Michigan. That is the bill the Senate was considering last night?

Mr. McCORMACK. That is my understanding, and that is the only business of a legislative nature that we would take up and send that bill to conference if it is messaged over here.

Mr. HOFFMAN of Michigan. Would the situation be the same on Monday?

Mr. McCORMACK. The situation will be different on Monday. The Consent Calendar will be called on Monday. That can be taken care of by unanimous consent. Then there are several suspensions and there is a unanimous-consent agreement heretofore entered into that if there are any rollcalls on Monday, they will go over until Tuesday.

Mr. HOFFMAN of Michigan. Does that apply to quorum calls, too?

Mr. McCORMACK. No; it does not apply to quorum calls.

Mr. HOFFMAN of Michigan. I thank the gentleman.

Mr. McCORMACK. I could not bind myself to that extent.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOEVEN. Mr. Speaker, may I inquire of the majority leader if the Senate today passes the extension of Public Law 480, whether it will be in order to appoint conferees at any time during the day while the House is in session?

Mr. McCORMACK. That is the intention.

Mr. HOEVEN. I notice there are several special orders scheduled. At any time during the period of those special orders, it will be in order to appoint conferees?

Mr. McCORMACK. That is the intention. Of course, I do not know what may develop. If it looks as though the Senate may pass the bill after the special orders have been concluded—and I am not saying that is going to happen, but it could happen—it would be agreeable to me for the House to take a recess for the purpose of meeting again to receive the message from the Senate. That has not even been discussed and I do not know what may happen in this regard. I just wanted to go one step further in connection with possible action today than the gentleman's inquiry went.

Mr. HOEVEN. The reason I make the inquiry is that, as ranking minority member of the conferees, I am rather anxious to get that bill to conference so that we may expedite the business of the House.

Mr. McCORMACK. I am aware of that, and we are also anxious.

Mr. Speaker, I desire to advise the Members of the House that in addition to the other bills to come up under suspension on Monday, there is a bill, H.R. 8429, to amend the Subversive Activities Control Act of 1950.

Mr. GROSS. Can the gentleman state whether these bills will come up substantially in the order in which they are listed under suspension of the rules?

Mr. McCORMACK. I will promise the gentleman they will with the exception that the first one might be if it is, and I hope it will be adjusted or arranged between now and Monday, the first one I indicated with reference to the resolution on suspensions starting on Thursday of next week, that might be the first one. I will not hold myself to it. But if the gentleman from Iowa wants me to, I will make the promise that they will be brought up in the order in which they were announced. Does the gentleman want that?

Mr. GROSS. I think it would be helpful to the Members of the House to know the order they will be brought up.

Mr. McCORMACK. I am not questioning the gentleman, but if he tells me that he wants it that way, I will exercise my limited influence to persuade the Speaker to do it that way.

Mr. GROSS. I think it would be helpful to all the Members of the House to know in what order the bills are coming up. I thank the gentleman.

Mr. McCORMACK. Is that what the gentleman wants? The gentleman can answer "Yes" or "No."

Mr. GROSS. Yes. This is for the benefit of the Members of the House also so that they may know; this is not just to please the gentleman from Iowa.

Mr. McCORMACK. I understand thoroughly, but all I want is to have the gentleman tell me that is what he wants, and I will promise to use my influence to see that they will be brought up in the order they have been announced.

LABOR CONFERENCE REPORT

Mr. KOWALSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KOWALSKI. Mr. Speaker, yesterday, after long discussions and heated debates on the labor bill, I was called upon to declare myself for or against the labor conference report. This was not an easy decision for me to make. Deep inside of me fundamentals were in conflict.

Eleven years ago and 9,000 miles from here on the other side of the globe, I was privileged to participate in the greatest peacetime revolution the world has ever seen. At that time I was a member of that historic American military team which brought democracy to a devastated and beaten Japan.

There, under the inspired leadership of Gen. Douglas MacArthur, we reorganized the governmental structure of a war-torn nation, introducing popular elections for the national government, the governors, state assemblies, and local officials. We changed their legal structure and recodified their laws. We encouraged the nation to decentralize its school system and introduced local school boards. We instituted a program of progressive land reform, giving to those who worked the land the right to own it. But most important of all, we brought to the workingman a new hope of dignity and opportunity, the right to group together, to organize into unions. For man is not born to stand alone.

It was my task as military governor in the Osaka-Kyoto-Kobe industrial complex to explain to the Japanese workers the meaning, the potential, and the obligations of unions in a democracy. We helped to establish labor relations boards and explained to the board members, the workers, the managers, and the public the purpose of these agencies. We sustained the right of the Japanese workers to organize, to strike, to picket, to use the accepted, peaceful tools of the trade unionist in his efforts to negotiate for better working conditions and economic security. Under the brilliant guidance of General MacArthur, union membership rose from a few thousand to six and a half million workers. This

was dynamic America bringing to a defeated people not only the fruits of democracy but the elements of democratic action. In this way we reached the hearts of the Japanese people. And may I say, that dedicated to this democratic approach we can reach the minds and hearts of all the people in the world.

So yesterday as I sat on the floor of the House waiting for my name to be called I could not get out of my mind that if I voted for the labor conference report I would thereby be repudiating what I did and what this great Nation did in taking democracy abroad. If the accepted tools of trade unions were right and were needed to establish democracy in Japan then how could I vote against these tools here in my country. If in executing the mission assigned to me by my Government in Japan, I was correct in sustaining the right of the Japanese workers to organize, to strike, to picket, the right to use accepted democratic trade union tools, then how could I take these rights away from the American workingman.

FISCAL IRRESPONSIBILITY

Mr. HALEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HALEY. Mr. Speaker, as a result of fiscal irresponsibility, the public debt has increased from nearly $43 billion in 1940 to approximately $290 billion today—or $247 billion in just 20 short years. Yet, the Congress has failed to do anything about this unreasonable and unsound increase. We have been all too willing to grant authority to lift the legal debt ceiling, but we have failed miserably in facing up to our responsibility in the matter of paying off this debt. My bill, H.R. 5203, would correct this error and provide a reasonable method for paying off this tremendous debt we have accumulated.

Any family or prudent business may be faced with the necessity of borrowing money at times, but the prudent family or businessman will set aside a certain amount of money, out of receipts, to meet such obligations. If not, that family or businessman will soon face bankruptcy. Is it not reasonable to say the same principle applies to the Federal Government? As a matter of fact, I am of the opinion the Government should be even more alert in employing sound methods in meeting its obligations since the solvency of the Federal Government is a matter affecting the lives of each American citizen. H.R. 5203 is based on this idea. It is a sound method and I earnestly believe it deserves the support of Congress.

Mr. Speaker, H.R. 5203 would require the President to include in each budget he submits to Congress an amount, not less than 5 percent of the estimated budget receipts for the ensuing fiscal year, for retirement of the public debt. After July 1 of each year, the Treasury would be required to set aside the first amounts received until the 5-percent figure was obtained. That amount would then be applied on the debt. In addition, the bill would prevent the President from recommending loans as a means of making up any estimated deficiency in the budget except in time of war. This provision would require the President to recommend taxes or other appropriate action as a means of balancing the budget. For example, if the receipts for the fiscal year 1961 were estimated to be $80 billion, the President would include $4 billion, as a budget item, to be used solely for retirement of the public debt. If the remainder of the estimated expenditures was in excess of $76 billion, the President would be required to recommend additional taxes or other action, but he could not recommend loans, as a means of making up the estimated deficiency. Then, after the budget went into effect, July 1, 1961, the first $4 billion received in the Treasury would be applied on the debt.

It certainly seems to me to be just good common sense to adopt such a method of meeting our obligations. We do include in the budget the amount necessary to pay the interest on the public debt. Is it then not reasonable to also carry an item for payment on the debt?

Under my proposal, we would enter the turn of the next century debt-free, if we consider revenues will increase at the rate of 3 percent annually. I admit it is difficult to forecast any future expectations with respect to revenues in each of the next 40 years. However, a 3-percent increase per year is believed to be a reasonably conservative estimate. For example, the budget receipts in 1940 were $5.144 billion and the receipts in 1958 amounted to $69.117 billion.

In fiscal year 1960, it is estimated that the interest on the debt will amount to $8 billion. Beginning in 1940, and in every year thereafter, the annual interest charge on the public debt reached a cost in excess of $1 billion. For the period from 1940 through 1960, we will have expended about $105 billion on interest expenditures. If the estimated level of debt of $285 billion for 1960 is maintained without reduction, at an annual interest rate of 3 percent, the total interest cost for the 40-year period 1961–2000 will be $342 billion. We surely cannot expect the American people and their children to bear such a financial burden. If we do not take active steps to reduce the debt now, these estimated large sums may be even larger, for at the rate we have been going, the legal debt limit is nothing more than legal fiction, and the debt will continue to rise.

It seems to me that if we do not take steps to retire the public debt now, such steps may not be taken at all. At the present time, our gross national product, our national income, and the personal income is at an alltime high. It just does not make sense in the face of such facts that our national debt should also be at an alltime high. Now is the time for us to pay off, or at least adopt a reasonable plan for retiring this tremendous burden.

In addition to this recommended action, I respectfully submit that we must strive to eliminate, by gradual reduction, three substantial expenditure items now carried in the budget. Once we have eliminated or greatly reduced them we should not be plagued by deficits and necessary borrowing, except in dire emergencies. One of these items, as I have suggested, is the interest on the debt, which accounts for about 10 percent of the budget expenditures. Another item is Federal aid to the States, and to local units, individuals and others within the State. The third item that should be drastically reduced is the foreign-aid program.

The expenditures in Federal aid to the States, local units, individuals and others within the State, in fiscal year 1958 amounted to $7.4 billion. This also represented about 10 percent of the budget. Fiscal responsibility for providing these services should be returned to the States.

Mr. Speaker, there was a time when we agreed with our 22d President, Grover Cleveland, when he stated, "though the people support the Government, the Government should not support the people." Apparently, we have discarded that notion and have reverted to a theory leading toward a paternalistic form of government. It seems we no longer have the fear which haunted the founders of this Nation—the fear of a strong Central Government in which the functions of local and State government are limited and the freedom of the individual is likewise restricted. No longer does the majority cherish the sense of responsibility for the support of Government. Instead, when maladjustment develops, the Federal Government is called upon to act, possibly to create another bureau or commission. Thus, we have become masters in bureaucracy.

An excellent example of the faulty approach we have too often taken is indicated in a recent statement made by Adm. John T. Hayward, Assistant Chief of Naval Operations for Research and Development, when he concluded:

> After a year of furious U.S. activity, I sincerely conclude that U.S. supremacy in space science is threatened, not by lack of talent, but by our skill in bureaucracy.

I want to add that it is this skill in bureaucracy and the concept of government we have adopted that has brought on the enormous debt and the excessive and nonessential Federal spending.

Mr. Speaker, I am convinced that one of the best ways to achieve fiscal responsibility reduce and balance the Federal budget and bring about an orderly retirement of the national debt, is for the State and local governments as well as the individual citizens to assume their proper responsibilities without relying upon the Federal Government for support.

I suggest in accomplishing that, the Federal Government could withdraw from certain tax sources which the States can successfully tap to provide adequate funds for financing these necessary programs.

With respect to the third item that I maintain we should eliminate or drastically reduce, I believe the ill effects of

the foreign-aid program will soon cause us to stop and take stock of this foolish expenditure. However, it is not my purpose to belabor that issue at this time. But I do submit that the American people should wake up to the dire results and ill effects this foreign-aid giveaway is having upon our own domestic affairs and our international relations. It is serious.

In summary then, Mr. Speaker, I want to strongly recommend that we begin to seriously consider the future of this great country of ours.

We must remain strong, vigilant and thrifty. It is time that we settled down to do some serious reflection upon our own state of affairs and start to get our own house in order. We must adopt a policy of fiscal responsibility. I urge the Congress to live up to its responsibility in this area. I believe my plan has merit and I hope the fine Committee on Government Operations will consider H.R. 5203 in the near future.

DR. WILLIAM CAMPBELL BROWNE, PROMINENT PHYSICIAN OF CURWENSVILLE, CLEARFIELD COUNTY, PA., IS NEARING THE COMPLETION OF 60 YEARS SPENT IN THE PRACTICE OF MEDICINE

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, at the turn of the century the community of Burnside, Clearfield County, Pa., beckoned to the youthful Philadelphia physician Dr. William C. Browne a year after his graduation in 1899 from Hahnemann Medical College. This year marks the 60th year of Dr. Browne's practice of medicine in Clearfield County, 34 years of which were spent in Burnside, and the remaining 26 years in Curwensville where he is still active at the age of 82 in the daily practice of his noble profession.

Dr. Browne's medical career is unique since it embraces both the horse and buggy era of the family doctor in rural America and the present highly specialized age of medical advancement. True to the high precepts of the medical profession Dr. Browne has kept pace with scientific progress in the field of medicine and surgery.

As a result he can indulge in fond recollections of the so-called "horse and buggy" days and enjoy comparing them with the modern methods of healing which he has acquired from constant study and daily practice of his profession. Thus in the discharge of his role of a country doctor who has acquired knowledge of all the modern techniques in the fields of surgery and internal medicine he speaks with authority born of 60 years of surging forward in medicine's and humanity's struggle against disease and death.

Dorothy Bladin Hill in a touching tribute to the family doctor had in mind such a physician as Dr. William C. Browne when she penned the following lines:

FAMILY DOCTOR

Out of a world of black ignorance and jagged fear
Standing sturdy like a beacon of guiding light
Dispelling the horror of a pain-filled night,
You come to us, with your brusque, good cheer.

How quick your hands to probe, your eyes to peer;
What God-given strength lies in your quiet might,
What sinewy muscles you use to win your fight.
It's over, and instantly your face is clear

As you smile over a task well done.
Quietly you repack your medical kit
And stop a moment long enough to say,
"How bright the room is with the morning sun!"
And then you go again, doing your needed bit
To help the world face yet another day.

During World War I Dr. Browne served in France as a captain in the Army Medical Corps. After his discharge from the Army Medical Corps he became a member of the Medical Corps Reserve and later retired with the rank of full colonel.

Dr. Browne during 55 of the 60 years of medical practice has had a valiant ally in his devoted wife Fannie. Together they celebrated their 55th wedding anniversary and Mrs. Browne's 82d birthday on August 4 at a dinner given them by their family at the Clearfield-Curwensville Country Club.

There are many families in the Burnside and Curwensville areas who can look back over the years and recall that they and their children and grandchildren have regarded Dr. Browne as "our family doctor." A great number of them were delivered at birth by Dr. Browne and today many of them as individuals take pride in saying, "I'm one of his babies."

The older residents recall Dr. Browne in his role as a general practitioner who drove his horse and buggy over the hills of Clearfield County with a little black bag that served as his drugstore. In those days there were few if any prescriptions to write because "Doc" Browne as he is affectionately called carried his remedies with him. His grateful patients found however, that he carried more than pills and cough syrup. He also dispensed confidence, advice, and cheer coupled with good common sense, all of which proved powerful stimulants to troubled hearts.

Today "Doc" Browne still retains the same philosophy of life as he now prescribes the modern miracle drugs that are a monument to the progress of medicine.

It would be difficult to even try to enumerate the many kind deeds of amiable "Doc" Browne and the great good he accomplished for suffering humanity who sought and obtained his medical care. Suffice to say that many grateful hearts continue to sing his praises for his dedicated zeal in alleviating human ills. Those who were unable to pay for medical care were never denied "Doc" Browne's healing touch. The result is that such unpaid medical fees over a period of 60 years represents a sizable investment in humanity by the genial "Doc" Browne.

Truly he is a member of the large group of pioneering physicians who have added luster to their names and their profession and thus have merited lasting appreciation.

Ida Marian Breed emphasized the role the medical profession plays in the crowded ways of life when she wrote the following tribute which in a sense can be made applicable to physicians both living and dead:

MEMORIAL TO A DOCTOR

A straight young man goes swiftly by,
Once twisted child with halting crutch;
My heart sees a memorial
To my dead father's healing touch.

It has been my good fortune to value Dr. William C. Browne as a close personal friend for many years. Therefore, it is a pleasure to join in a dual salute to one of Clearfield County's best-loved physicians on the 60th year of the practice of his profession, and to extend to him and his devoted wife heartiest congratulations on their 55th wedding anniversary.

In concluding this tribute of love and respect to Dr. and Mrs. William C. Browne, I wish to include at this point in my remarks the following interesting article written by Mary Ellen McEwan, staff writer of the Clearfield (Pa.) Progress, which appeared in the July 11, 1959, issue following a personal interview with Dr. Browne at his office in Curwensville, Pa.:

DR. BROWNE IN 60TH YEAR OF PRACTICE

(By Mary Ellen McEwan)

A short, neat, elderly man walked into the waiting room. "I'll be with you in a minute," he smiled, as he returned to his office and one of the thousands of patients he has treated in the last six decades.

Dr. William C. Browne, of Curwensville, this year marks his 60th anniversary as a physician, having devoted his life to the service of mankind through the medical profession.

Still spry at 82, Dr. Browne was born March 30, 1877, in Philadelphia. He attended Girard College and graduated from Hahnemann Medical College in 1899.

A year after graduation, he took up residence in Clearfield County and began his practice in Burnside. Thirty-four years later he moved to Curwensville, where he has lived ever since.

In regard to his early years of practice, Dr. Browne recalled that at one time there was very little respect for members of the medical profession.

"People felt that doctors should be on call 24 hours a day, 365 days a year," he began. "Fees were meager. Why, even today's doctors' calls are just a little more than taxi fares.

"Transportation developments have helped the medical profession greatly in the last 60 years," he continued. "In 1900, Clearfield County had perhaps 1 doctor for every 1,200 to 1,500 people. Today, we have only about one-third or one-half that many physicians, but automobiles and good roads make it possible for a doctor to do 5 or 10 times the amount of work as he did in 'horse and buggy days.'"

Dr. Browne recalled that he often traveled in a buggy, and when the roads were too muddy for that, he would ride on horseback. "There were many times when the

only way I could get to a patient was by pulling on my hip boots and wading through the mud," he added.

When asked if all of these experiences had ever affected his own health, he recalled that on many occasions he was sicker than the patients he visited, but that in 60 years' practice he has only missed 6 days' work.

Problems confronting medical science have changed during Dr. Browne's career.

"In 1902 I treated 190 cases of smallpox," he related. "Nowadays, this and other diseases such as diphtheria, scarlet fever, and typhoid, all great threats at one time, are not heard of very often."

Asked what he thought was the greatest discovery in medicine during his lifetime, Dr. Browne replied that antibiotics were probably the greatest advance, but that their use had been greatly abused at times by physicians who did not realize the potential dangers of the drugs.

Other great contributions to medicine cited by the doctor included the X-ray machine and the use of radium.

"From 1900 until today, the X-ray has developed into a wonderful tool of medicine," he explained. "Also, the use of radium has been introduced in the pathological laboratory, greatly advancing the diagnosis and cure of many diseases."

Looking toward the future, Dr. Browne said that he thinks the greatest need in scientific advancement is a definite means of making a diagnosis of cancer in its earlier stages when the disease is curable.

Sharing Dr. Browne's life with him for the past 54 years, Mrs. Browne is the former Fannie Browell. The Brownes, who will celebrate their 55th anniversary August 4, have three children and six grandchildren.

During World War I he served as a medical officer in France, where he studied for a short time at the University of Bordeaux after his discharge. Returning home, he remained active in the Reserves and retired as a full colonel in 1941.

Dr. Browne gave up confinement work 3 years ago, but he still keeps a full schedule of office, home, and hospital calls. Does he ever plan to retire? "Not as long as I'm able to work," he answered, hurrying to type a prescription.

THE REPORT OF THE CIVIL RIGHTS COMMISSION

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, I have now had the dubious pleasure of reading the diatribe written by certain dubious members of the Civil Rights Commission which I understand will be filed with the Congress next week. It is apparent that some members of the Civil Rights Commission have decided that their perpetuation in office must be effected no matter what the cost.

There is some encouragement in the knowledge that the report is far from unanimous, and that those who favor drastic civil rights action vary in their extremes.

But I shall approach this report somewhat differently, perhaps, than others, by saying that I am glad the report contains what it does.

Now the American people will have a much better idea of just what we in the South, as well as millions of intelligent, reasonable people in the North and West, have prophesied concerning this idiotic experiment of creating the Civil Rights Commission.

This is not a question of voting rights; this is not a question of equality; this is not a question of educational opportunities; this is a question of whether America, as we know it, will continue to survive as a free Nation or whether a small fanatical group of rabble rousers will remake the Nation into its own mold.

If we are to reach the point in our history as a Nation where a convicted felon is to be welcomed with open arms by civil rights enthusiasts, then I think it is fortunate that the American people know who is supporting this type of proposal.

If an inmate of a mental institution is to be given the right to participate in government without restriction, then those who advocate such a proposal should be made known to the American people so that the intelligent, God-fearing people of this Nation will fully realize who the advocates of civil rights legislation are.

Should convicted criminals like Alger Hiss be permitted to exercise the privilege of voting as to whom shall serve in the White House, or the Senate, or the House? Certain members of your Civil Rights Commission say they should because they are allowed to do so in a few States.

Certain members of the Commission propose a constitutional amendment which guarantees universal suffrage with only two qualifications—age and length of residence. Previous criminal records are of no consequence to these wild-eyed zealots.

"Forgive the felons; forget the Founding Fathers; foster fraternization of the races; foment discord among the people; fan the flames of civil strife; and further the cause of communism"—this should become the motto of the "Let's change America" members of the Civil Rights Commission.

Now, it does not take a detective to determine that the real control of the Civil Rights Commission, so far as certain members are concerned, is expressed by the National Association for the Advancement of Colored People; and I want to say right here and now that the NAACP does not represent the fine colored citizens in my district, but I do not doubt for a moment that the NAACP does represent some parts of the United States.

And I do not doubt for a moment that the NAACP will be the first to scream discrimination when as effort is made to eliminate juvenile delinquency in the city of New York.

I do not doubt that the NAACP and civil rights enthusiasts will be Johnnie on the spot when a trial commences for the Negro knife wielders of the Brooklyn subways; or the Negro rapists and other Negro hoodlums who now control, for practical purposes, some of the largest cities in America.

Perhaps it is time that the American people were asked to go into the voting booths and vote "Yes" or "No" on the civil rights question. Perhaps if the people voiced their opinions in a voting booth instead of having their opinions voiced for them by professional do-gooders the results would startle even the NAACP.

Because, Mr. Speaker, I firmly believe that there are more intelligent people in this Nation than some of the members of the Civil Rights Commission and the NAACP would have us believe. Perhaps an honest discussion of all aspects of civil rights will focus the attention of the Nation on the real problem which confronts us as a Nation—and that is, the civil rights of every American citizen walking down the streets of Washington, New York, Chicago, Los Angeles or any other place in the United States.

As long as equality under the law has been raised by certain members of the Civil Rights Commission, let us pursue it to its logical end. Did the wife of the deceased Deputy Secretary of Defense, Mrs. Donald Quarles, enjoy the equal protection of the law when she was assaulted by a Negro hoodlum in a respectable part of Washington?

Did the young student nurse enjoy the equal protection of the law when she was assaulted in a Brooklyn subway car the other morning by a Negro hoodlum? Do the crime rates of this Nation, released by the Federal Bureau of Investigation, indicating the percentage of criminal acts by Negro hoodlums, arouse your interest with regard to the equal protection of the law, everywhere in America? These are the rapists, the switch-blade artists, the dope addicts, the pistol wielders, the slashers, the sex fiends, and the drunken drivers. Go through these figures if you will and determine who is responsible for the major portion of the crimes committed in these same cities, and then ask yourself whether the equal protection of the laws has been made applicable on a fair basis to all citizens of the United States.

Mr. Speaker, I suggest that instead of worrying about who votes, and for whom, in the South, we all better worry about who will live and for how long, in the North. It is time that the do-gooders in the North did some housecleaning of their own problems before they make further suggestions about how the South should live. Time and again this Congress and the American people have been propagandized by the civil-rights enthusiasts, but the real problem of the Nation, when it comes to civil rights or any rights whatsoever, is the right of survival in a community in which the Negro hoodlum element runs rampant.

I suggest, Mr. Speaker, that a poll be taken of the victims of Negro hoodlum assaults to determine their stand on civil rights. Then, I suggest we poll the mothers and fathers in the big cities of the United States where integrated schools have been forced on the people by their own legislators and ask them if they are in favor of integrated schools and the Negro hoodlums that their children are forced to associate with. Ask that group of mothers and fathers which is more important, a Federal registrar supervising Federal elections in the South or the lives of their children going to school in the North?

As an eye opener I enclose, for those who believe the facts and are worried about the conditions in Washington, a report on crime in the District of Columbia in 1958. These are cold facts and they are official facts. The percentage of crimes committed by Negroes in the District of Columbia is astounding. The Capital of the United States will soon acquire a new name, "The Negro Crime Capital of the World." What an appendage to place on the memory of the father of our country.

The report follows:

HOUSE OF REPRESENTATIVES, U.S.,
COMMITTEE ON THE
DISTRICT OF COLUMBIA,
Washington, D.C., August 31, 1959.

Memo to Hon. L. MENDEL RIVERS:

This is to transmit to you the following statistics pertaining to crime in the District of Columbia, as requested by Hon. JOHN L. MCMILLAN.

Statistics on District of Columbia offenses during fiscal 1958, in the categories of robbery, attempted robbery, and assault

	Actual offenses reported (not including unfounded)	Arrests (with racial breakdown)		
		Total	White	Colored
Robbery	968	997	140	856
Attempted robbery	108	88	13	75
Aggravated assault	2,791	2,441	255	2,185
Other assaults (including misdemeanors)	3,323	2,572	491	2,069

Source: Annual report of Metropolitan Police Department, Washington, D.C., fiscal year 1958.

Should you wish any further information on this subject, we shall be glad to supply it.

LEONARD O. HILDER,
Staff Investigator.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, in view of the circumstances, I ask unanimous consent to yield back my time.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SHOULD KHRUSHCHEV BE ALLOWED TO DESECRATE THE CONGRESS OF THE UNITED STATES?

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 30 minutes.

Mr. FEIGHAN. Mr. Speaker, there is much discussion going on as to whether the leaders of Congress will permit Khrushchev to address the House or a joint session of Congress. Unfortunately, there is very little thought being given to the implications involved in this issue. It appears that in this era of "me too" or in the spirit of "conformity" which grips our national life, individual thinking on the merits of this issue has been drowned out by the massive propaganda effort which has been launched from official Washington in support of Khrushchev's visit to our country. Some people in high positions are saying that a request from President Eisenhower to allow the Russian Dictator Khrushchev to speak before Congress would put them on the spot. In this I agree wholeheartedly. It would put them on the spot to strike a blow for national sanity, a blow for the dignity of representative government, and those whom the people have freely elected to Congress, a blow for the cause of human freedom and peace with justice. This can be done by rejecting such a request, whether it comes from President Eisenhower or his spokesmen in Congress.

After the dust has settled on the invitation episode and the people of our country have been able to take a second thought on this question, it is becoming increasingly evident to them that President Eisenhower has pulled the political boner of the century. The moral revulsion which has set in since the President announced his decision to invite Khrushchev as his official guest has struck fear and alarm into the ranks of the Republican high command. They are desperately in need of having the Congress and all the Members thereof associated with them in the political blunder of the century. By so doing they hope to distribute the guilt so widely that all others will fear to dissent on the acts and secret agreements which will likely follow in the wake of the political confusion which has resulted from this whole affair. This is what really lies back of any suggestion that Khrushchev be allowed to appear before the Congress.

Now, the question arises among Members of the Congress, "Who wants to associate himself with the political blunder of the century?" This is the basic question which Members must ask themselves if they are called upon to express their opinion on the desirability of Khrushchev addressing the Congress.

As Members of Congress contemplate this question they should bear in mind the following:

First. What caused the near collapse of NATO? Why did President Dwight Eisenhower have to rush off to Europe to assure our allies that he would make no secret deals with Khrushchev? Obviously the invitation to Khrushchev and its clear implications of evil.

Second. What forced the revered Chancellor Adenauer to make the degrading statement to Khrushchev that he was not strongly opposed to communism? Adenauer has been the symbol of a strong stand against the Russian Communists for the people of both West and East Germany for all these years we have been working to reconstruct Europe and build the military shield of NATO. Adenauer has been a symbol of the determined will of the German people to fight on for a free, united and democratic Germany. Look what the Khrushchev invitation has done to this great man of peace with justice.

Third. What caused President de Gaulle of France to make it known that he was planning a round of personal diplomacy with Khrushchev? This is a clear break in the united front of the European powers in their desire for collective security and against personal diplomacy, secret deals and agreements by the great powers at the expense of the small nations of the world. The invitation to Khrushchev, of course, is the reason.

Fourth. What caused the large Communist Parties of Italy and France to launch intensive membership drives and to proclaim that the United States has now retracted all its false claims against the Communist aggressors? Nothing but the invitation to Khrushchev.

Fifth. What caused Radio Moscow to launch a round-the-clock propaganda program against Chancellor Adenauer, calling for his overthrow—to be replaced by someone sympathetic to the new era of peaceful coexistence to be launched by Eisenhower and Khrushchev? The invitation to Khrushchev and the political victory he already feels is his.

Sixth. What has encouraged the Chinese Communists to carry out new campaigns of armed aggression in Laos, India, Nepal, and elsewhere in southeast Asia? Nothing but a determination made in Moscow that the invitation to Khrushchev represents another round of Munich appeasement, that the democracies are weak, that they will not fight for justice or human freedom.

Seventh. What will the millions and millions of non-Russian people enslaved behind the Bolshoi and Bamboo Curtains think of American promises to stand firm for a peace with justice and freedom for all nations and people? Will they trust our word on anything when they see Congress playing party to the individual who is the symbol of their slavery, the one who has buried them in despotism and now threatens to bury us in the same grave?

Eighth. What will the common man of the world think of the United States, when on the one hand the Congress passes the Captive Nations Week resolution, and then a few weeks later our President invites as his guest to our country, the symbol of human slavery? We will be regarded as specialists in duplicity, as unworthy of the sacred trust handed down from our founding fathers to preserve and extend the blessings of human freedom throughout the world. What else would or could they think if Congress allowed this individual to speak in these hallowed Halls?

In recent years the American people have been robbed of the full opportunity to make a choice on issues affecting the common good. The Republican Party has been trying to be all things to all people, claiming to be supporters of all those things for which the Democratic Party has been the champion and at the same time standing for all those things which the ultraconservative Republicans say are musts. The Democratic Party has been remiss in taking advantage of sharp divisions on public issues, in standing for what it believes and letting the electorate decide whether it is right or wrong. Now, here is a golden opportunity for the Democratic Party to take the issue of the day before the people. We can do this by making certain that the Republican leadership takes full and unshared responsibility

for the Khrushchev visit to our country. We owe this to the two-party system which rests at the foundation to our representative form of Government and to the people who, in the final analysis, are the Government. The people must be given an opportunity to judge the merits of each of the two political parties on the basis of the position they take on the Khrushchev visit to our country. The only chance left to the Democratic Party to extend this opportunity to the people is by taking a firm stand against any request that Khrushchev be allowed to address Congress. There is no room for Monday morning quarterbacks on this issue.

I am well aware that many Members of the Republican Party stand firmly against the invitation to Khrushchev to visit our country and to allowing him to address Congress. I salute them for the stand they have taken, and I hope that in November of 1960 the people of their districts and States will remember the stand they have taken. It would be tragic in the extreme if they were associated in any way with the political blunder of the century.

I am also aware that some Members of the Democratic Party have associated themselves with this personal decision by President Eisenhower, Vice President Nixon, and Secretary of State Herter to allow the Russian leader Khrushchev to make a forced entry into the United States. It is not too late for them to change their position, it is not too late for them to disassociate themselves from the political boner of the century. I hope they have taken the time to study the repercussions, nationally and internationally, this affair has produced.

It is interesting to note that many stories are now being attributed to the Rockefeller campaign group to the effect that Vice President NIXON has eliminated himself as a serious contender for the Republican nomination because of the key role he played in this whole affair. This makes Nelson Rockefeller the last hope of the Republican Party in 1960—so say the vast corps of public opinion experts connected with the Rockefeller strategy group. Some people say Rockefeller is taking a gamble on this but the politically astute rate him a "shoo-in" for the Republican nomination. It also looks as though the Vice President has suddenly awakened to the blunder to which he is a party. Only a few nights ago he changed his tune as to why Khrushchev was invited to this country. His latest line is that it will afford us an opportunity to confront him with many aggressions of which he stands guilty. How different this is from the advice given by the Vice President when he returned from his campaign tour in Moscow a few weeks ago—recall that he asked the American people to treat Khrushchev with courtesy and consideration when he arrives in this country. The Vice President has always been known as an expert flip-flopper on basic political issues, but this time his coattail is firmly caught on the Khrushchev fence. It will take more than a cocker spaniel puppy to get him off the Khrushchev hook.

Now I suppose it will be said that it is out of order to make a political issue out of the President's invitation to Khrushchev. Let me answer the critics now. I am not making a political issue. All I am doing is recognizing that a crucial political issue has been created by the President through his invitation. Any schoolchild knows that this is a fact. The blame does not rest upon me or people of like mind but rather with those who are responsible for the invitation to Khrushchev.

Others, may try to drag out the old issue that foreign affairs is above the national political arena and not a fit subject for full-scale public debate in or out of the Congress. To them I say—the United States is still a Republic with a democratic form of government, the people are entitled to a choice in foreign policy, we owe it to them to give them a choice where a choice is possible. We must flush up all the facts surrounding a foreign policy decision which may spell the difference between war and peace. If we fail to do this we will have allowed our country to drift on the road to a dictatorship, we will certainly be moving in the direction of a British Foreign Office where decisions on foreign policy are taken without regard to the popular will of the people and where such decisions are made by a group of so-called experts who claim to know what is best for the people. We have representative government in this country and unless we take care we will lose this blessing. It is fitting and proper for all who may or may not be experts to voice their opinions on a foreign or domestic policy issue, but the decision on what course of action is to be taken must rest with elected officials who are subject to recall by the people. In the world in which we live foreign policy is as much a popular issue as is housing legislation, social security legislation, labor legislation and civil rights. Anyone who fails to recognize this reality of life in the next national elections had better remain home.

Mr. Speaker, I respectfully request that if an attempt is made by the President or any of his spokesmen to have the Russian Dictator Khrushchev address the House or a joint session of the Congress that you put the issue squarely before Members of this body under conditions which would require each and every Member to stand up and be counted on the issue. To fail to do otherwise will make Congress a party to the political blunder of the century; it would deprive the American people of the opportunity to know exactly where their elected representatives stand on this issue. Such action would afford each Member of Congress a fair opportunity to publicly disassociate himself from the guilt which attaches to the basic immorality of having the leader of the international Communist conspiracy treated as a guest of our country. I ask for nothing more and look for nothing less from the distinguished Speaker of this House.

Mr. LEVERING. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I am happy to yield to my distinguished colleague from Ohio.

Mr. LEVERING. I want to say to the gentleman that I recognize the significance of the statement he is making today. I wonder if the gentleman has any doubts about the fact that the Khrushchev visit is a diplomatic triumph for Soviet Russia, where the Soviet dictator will have the oportunity to use the White House as a sounding board in an attempt to increase his prestige in the eyes of the captive peoples of the world.

Mr. FEIGHAN. I think that there is no question but that your conclusion is absolutely correct.

Mr. LEVERING. I would ask the gentleman this further question, as to whether he thinks that this invitation to Premier Khrushchev suggests in any way that an effort is being made to exercise the art of compromise on the Congress of the United States.

Mr. FEIGHAN. I think definitely so. I think an effort is being made to associate the Congress with this guilt that attaches to the invitation that has been issued by President Eisenhower to Khrushchev.

Mr. LEVERING. I thank the gentleman.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I am happy to yield to the gentleman from Illinois.

Mr. PUCINSKI. I, too, would like to congratulate and commend the gentleman from Ohio for his forthright statement here today, in calling attention to the dangers confronting our people by the invitation of Czar Khrushchev to this country. It is lamentable, indeed, that those who sent this invitation failed to recognize the devastating effect that this visit is going to have, not on our country, because I think the American people are much too intelligent, much too smart, too enlightened not to recognize the Khrushchev visit for exactly what it is. I do not have any particular fear that it might break down any great effort on the part of this country against communism, but I do agree with the gentleman that the greatest danger and the greatest demoralizing effect is going to be on the captive nations, the people behind the Iron Curtain, that we have been trying so desperately for the last 14 years to hold, at least in spirit, on our side. Just imagine the wealth of propaganda material that Czar Khrushchev is going to take back to Russia with him after he leaves this country, when he takes back pictures of the Communist flag flying over our airfield when his plane is landing, and the flag flying over the White House and the other Government agencies. This is a devastating result of his visit, and it is unfortunate that those who engineered this visit did not realize it. I congratulate the gentleman for his statement and for calling this to the attention of the House.

Mr. FEIGHAN. I thank the gentleman. I wholeheartedly agree with you. You have put your finger on the triumph that will be Khrushchev's and its tragic effect upon the free world. The moral indignation that has been aroused in the people of the United States is proof evident that the people of the United States will not become soft on communism by President Eisenhower's invitation to Khrushchev and Khrushchev's presence in our country.

Mr. LEVERING. Mr. Speaker, will the gentleman yield further?

Mr. FEIGHAN. I yield.

Mr. LEVERING. I wonder if my distinguished colleague from Ohio will agree that perhaps all Americans should at this time recall the admonition of Winston Churchill, still one of the world's greatest statesmen, who said on that occasion when the Prime Minister of England, Neville Chamberlain, came back from Munich waving the Anglo-German agreement and proclaiming peace in our time:

> If we do not stand up to the dictators now, we shall only prepare the day when we shall have to stand up to them under far more adverse conditions. Two years ago, it was safe. Three years ago, it was easy, and four years ago a mere dispatch might have rectified the position. But where shall we be a year hence?

Mr. FEIGHAN. I thoroughly agree with you that all Americans, and particularly the present administration, should recall and carefully examine that admonition. I regret exceedingly that this present administration has not seen fit to follow that admonition of Winston Churchill, then Prime Minster of Great Britain.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Oregon.

Mr. PORTER. I appreciate the gentleman's concern, but I want to point out that this is a two-way street, of course. Although Khrushchev may get propaganda advantages—and no doubt will try to get them when he comes here, and I agree with the gentleman—Mr. Eisenhower is going over there, and certainly in a world of ideas and facts, so far as comparison goes, we here in the United States, with our form of government, have nothing to fear.

Mr. FEIGHAN. The United States has nothing to fear for its own internal security, while Khrushchev is in the United States. However, Khrushchev's visit is designed by the Kremlin to weaken the strength of the alliances of the free world and when that strength is weakened, our own internal security is weakened.

But I think the gentleman misses the point entirely. The mere fact that Khrushchev is over here will be an indication to all the people who are captive, suffering under the inhuman yoke of Russian Communist tyranny, as well as those who are free and those free people now fighting against aggression, such as people in Laos and other places in Asia where Communist aggression is going on now, will be made to think that they cannot believe what the United States has said, namely, that we will support the captive people in their fight for liberty and individual freedom. That is where the danger is. When Eisenhower goes over to Moscow, in the first place the great masses of people there and in the non-Russian nations enslaved by Moscow will not have an opportunity to hear him. Whether President Eisenhower will get on the TV or the radio in Moscow and reiterate that he stands by the promises of his 1952 and 1956 election campaigns, that he stands for the peaceful liberation of all the people enslaved by Russian communism, I do not know. We can discuss that later, although I do not think he will. I wish he would.

Mr. PORTER. Mr. Speaker, if the gentleman will yield further, I certainly agree that so far as this visit is misrepresented so as to make it look as though we are softening our stand against communism, that is a disgrace and something we should try to prevent. But so far as our attitude toward dictators is concerned, so far as this is an expression of a policy that was agreed upon earlier this year, recommended by Milton Eisenhower, namely, the formal handshake for dictators and the warm embrace for democratic leaders, so far as this can be a formal handshake, a matter of essential communication, then I say that it can be done. But if it is misrepresented then I think we had better look to our USIA and our other agencies and see that the peoples of the world do understand that we are not turning soft on communism.

Mr. FEIGHAN. The people of the world, in my opinion, are getting the idea that the present administration is getting soft on communism because of President Eisenhower's invitation to Khrushchev.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield.

Mr. PUCINSKI. The gentleman from Ohio spoke of the great blunder of the administration in inviting Czar Khrushchev to this country. Would it be the gentleman's opinion that we are compounding that blunder when the President goes to Russia?

Mr. FEIGHAN. I think so, very definitely.

Mr. GEORGE. Mr. Speaker, under leave granted to extend my remarks at this point I include the following letter:

> QUEEN OF THE HOLY ROSARY SCHOOL,
> *Overland Park, Kans., August 31, 1959.*
> Representative NEWELL A. GEORGE,
> *House of Representatives,*
> *Washington, D.C.*
>
> HONORED SIR: We are a group of educators who wish to voice our disapproval of the threatened Khrushchev visit to our country.
>
> Why must we be forced to the indignity of having a murderer, a liar, a dictator, a despiser of freedom, a slave driver, a God hater darken the door of our country—our "Nation, under God, indivisible, with liberty and justice for all."
>
> It is hard to believe that our Nation's leaders plan to welcome the "bloody butcher of Hungary." Please, as our Representative, register our strong disapproval of the welcome that is being planned by Washington officials for this enemy of the American people.
>
> We can see no indication that the proposed visit can result in any possible good for any peoples of the free world. Anti-Communist morale will certainly be weakened by our welcome to the number one Communist leader; and the freedom-loving peoples, the slaves of Khrushchev, will be forced to despise our weakness in dealing with the enemy of all freedom.
>
> As sincere, practical American citizens, it seems inexcusable to us, to give the undeserved prestige and unwarranted dignity to Khrushchev, as well as to allow the shameful triumph of Communist propaganda that will be the result of this disgraceful courtesy to the avowed enemy of all free peoples.
>
> As citizens in a nation that has always considered belief in God a necessary prerequisite for just and efficient self-rule of free people, we believe that the invitation that has been extended to Khrushchev is a serious act of immorality by the Government of the United States of America, and furthermore, we consider it a great national sin against God in whom we profess to believe and to trust.
>
> We respectfully urge you, our Representative, to insist that the arch-murderer of Moscow postpone his visit to our country until he shows by his treatment of the peoples behind the Iron Curtain that he is no longer the enemy of freedom nor the enemy of God.
>
> Praying that God will give you the grace to do what is best for our common good, we are,
>
> Respectfully yours,
> Sister M. Alice, Sister Kevin, Sister Dominica, Sister M. Susanna, Helen Poe Eason, Margaret Leeker, Therese Goldsich, Jean Kostusik, Mary Margaret Shine, Sister M. Francis de Sales, Sister M. Patrick, Sister M. Carmelita, O.S.U., Sister M. Aurelia, O.S.U., Sister M Clara, O.S.U, Mary Ellen Heiman, Sister Marie William, O.S.U., the faculty of the Holy Rosary School, Overland Park, Kans.

RETIREMENT OF DR. STANTON GARFIELD

The SPEAKER pro tempore (Mr. EDMONDSON). Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, Surgeon General Leroy E. Burney of the U.S. Public Health Service announced on September 1, 1959, the retirement of Dr. Stanton Garfield, a medical officer in the Service's commissioned corps, and grandson of James A. Garfield, 20th President of the United States. Dr. Garfield is leaving the Service at the mandatory retirement age of 64.

Dr. Garfield was appointed to the PHS commissioned corps in 1944. His first assignment with the Service was as a medical officer with the United Nations Relief and Rehabilitation Administration mission to Yugoslavia from 1944 to 1946. At the time of his retirement, he was in the Service's Division of International Health, where he served as fellowship program director and training officer. Dr. Garfield has been responsible for planning training programs for foreign health and medical personnel in the United States under sponsorship of the International Cooperation Administration and the World Health Organization.

Prior to entering the Public Health Service, Dr. Garfield was in general pediatric practice in my own city of Concord, Mass., from 1927 until 1944. In addition to his private practice, for 17 years he was school physician to the Fenn School in Concord and was on the teaching staffs of Harvard Medical School and Harvard School of Public Health. He also served as head of the Medical Division of the Concord Office of Civil Defense.

In 1946, Dr. Garfield went on inactive duty status in the commissioned corps to accept a teaching position in maternal

and child health at Harvard Schools of Medicine and Public Health and to serve on the Concord Board of Health. In 1953, he returned to the service as an active duty medical officer.

Dr. Garfield was born in Cuyahoga County, Ohio, but has lived most of his life in New England. His father was Harry A. Garfield, eldest son of President Garfield, and a former president of Williams College.

Dr. Garfield received his bachelor of arts degree from Williams College in 1917 and his medical degree from Harvard Medical School in 1922, and did postgraduate work in pathology in Vienna. In 1944 he received the master of public health degree from Harvard School of Public Health.

He is a member of the American Academy of Pediatrics, the New England Pediatric Society, the Massachusetts Public Health Association, American Public Health Association, and American Medical Association.

I am very proud to count Dr. Garfield one of my constituents in the town of Concord, Mass. He is a very illustrious son of a great President and a fine and distinguished father.

Dr. Garfield's contributions to the public health of America and to international health has been very great. The Nation is very much in his debt. May he continue for years to give of his fine talents to the promotion of public health.

THE 86TH CONGRESS HAS BEEN CONSTRUCTIVE AND HAS ACCOMPLISHED MUCH IN THE PUBLIC INTEREST NOTWITHSTANDING THE DIFFICULTIES ENCOUNTERED BY A DIVIDED GOVERNMENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Tennessee [Mr. EVINS] is recognized for 30 minutes.

Mr. EVINS. Mr. Speaker, the 86th Congress and its predecessor, the 85th Congress, will occupy a special niche in the history of our Government. For the past 5 years we have seen a Government in which the responsibility has been divided between the two parties. The executive branch has been entrusted by the people into the hands of a Republican President, whereas the Congress has been entrusted into the hands of the Democratic Party. This particular instance is notable first because this division of the Government has existed now a longer period, and secondly, because the Democratic majority in the Congress has been enlarged every 2 years—until today it is one of the largest majorities any party has ever enjoyed.

This division of the Government has brought with it many serious problems and has made the position of both the executive branch and the Congress more difficult. Such a division inevitably brings with it conflicts in basic philosophies and in points of view on particular issues. In recent weeks these conflicts have been intensified and dramatized by the President's exercise, on several occasions, of his veto powers. These vetoes have nullified many months of work by the Congress in various legislative areas. The Congress has also been threatened with vetoes of other legislation it now has under consideration.

Our history shows that our Government works best when both the legislative and the executive functions are entrusted to the same party. This is true for several reasons. First, when the people have elected a President and a Congress of the same party they have also at the same time clearly indicated a preference for the principles and the policies for which that party stands; and, therefore, there is no confusion, or there is less likely to be confusion, about what the people desire the Government to do on the various issues of importance.

Secondly, although ours is a Government of divided responsibility, both commonsense and the lessons of history indicate clearly that our Government operates best under a working partnership between the executive and the legislative branches. Such a working partnership is obviously easier when both the President and the majority of the Members of the Congress represent the same party and, therefore, the same basic philosophies on the issues of the day.

When the President is of the same party, the Congress, of course, should not blindly follow Presidential leadership or serve merely as a rubber stamp or surrender to the President its own responsibility to make the legislative decisions itself. But, unquestionably, an understanding and self-respecting cooperation between the Congress and the President leads to the most effective Government under our Constitution.

Fortunately, during the most critical years of our history such a partnership has prevailed. Conversely, undoubtedly the lowest points in our history have occurred when there has been no effective working partnership between the President and the executive branch and the Congress.

In 1952, following our traditional pattern, the people elected both a Republican President and a Republican Congress. Apparently unhappy with the result of this arrangement, in 1954, in the congressional elections, the people returned a Democratic majority to the Congress.

The 84th Congress was therefore the first to be faced with the necessity of deciding whether it would endeavor to try to make this divided Government work or whether it would merely stand in opposition and obstruct the program of a Republican President. Under similar conditions the leadership of the other party has chosen the latter course. We all recall that a distinguished former Republican Senator stated the philosophy that the function of the opposition was just to oppose. The leadership of the 84th Congress, however, took a more responsible position. It decided that, without abandoning the principles for which the party stood and campaigned, it would not bring our Government to a standstill but instead would endeavor to work and to cooperate and do the best possible under the circumstances.

In 1956, the people clearly approved this responsible position. Despite the pleas of both parties and both presidential candidates to elect a President and a Congress of the same party, the people again elected a Republican President and a Democratic Congress and with a much larger majority. The 85th Congress again faced the choice of either opposing and obstructing or of trying constructively to work and cooperate for the national interest.

Few Congresses earned the respect and approbation that the 85th Congress received when it completed its work last year. In the elections of last year the people clearly approved the constructive work of the Democratically controlled 85th Congress by electing a Congress with the largest Democratic majority in more than 20 years.

Mr. Speaker, we cannot assume that when the people speak as emphatically as they spoke in the last election that they did not know what they were doing.

If we believe in our form of Government, if we believe that this is a Government by the people, we must accept the judgment of the people as superior to our own when it differs from our judgment. Those who believe in our kind of democracy cannot abdicate their responsibilities as citizens, much less their responsibilities as members of the Government serving the people, simply because the people do not agree with them. Much less, can we obstruct the will of the people when it is plainly and emphatically stated and expressed, as it surely was in the last congressional elections. We must make the Government work for the people and this Congress has endeavored to do so.

The differences in the policies between the Democratic Congress and the Republican President manifestly have been many. The issues which were presented to the electorate were the very issues on which there is division here today—the farm problem, the problems of our urban communities, the problems of our depressed areas, the housing problem, economic conditions, adequate defense, the problem of catching up with the dramatic Russian progress in missile and space vehicles. The people heard both the Republican and the Democratic position on these issues. Overwhelmingly, they elected candidates to Congress who espoused the Democratic positions. To maintain that there was no relation between the election of a Democratic Congress and the policies that the Democratic Party stood for would be to deny intelligence to our citizens.

The President and his administration, however, have held stubbornly to the same positions that the people repudiated in the elections and instead of bowing to the will of the people and making some concessions in their own policies to make them conform, in some degree at least, to the mandate of the people. The President and his administration made it clear from the moment this Congress met that they would not relax their opposition to the program of the Democratic Party.

The Democratic leadership of this 86th Congress has tried again to arrive at

some workable arrangement with the President and his administration. Toward this end, the Democratic leadership has tried to be reasonable; it has met the administration more than half way on most of the controversial issues facing the Nation. In my opinion, the people of the country have continued to elect and to reelect Democratic Congresses because even under trying and difficult circumstances, such as we face today, the Democratic leadership has striven for progress and consistently made records of constructive achievement.

It takes two to make a working partnership and, Mr. Speaker, I submit that there has been little effort on the part of the executive branch to make any concessions. Instead we have seen on the most critical issues a stubborn insistence that our legislation agree in almost every particular with the policies and the point of view of the administration. This is plainly evident in the veto messages that have accompanied the objections of the President to a number of actions taken by this Congress. For example, consider the vetoes of the two farm bills we passed this year and the one we passed last year. Everybody is aware that the present farm policies have been disastrous failures. Certainly the farmer has not profited from them.

During the past 6 years the course of inflation has increased the average income of most Americans. Only the farmers have not participated in this increase in income. The farmers' net income has been on the average 19 percent less during the last 4 years than it was in 1952. In that year our farmers had a total net income of 15.3 billions. In the past 4 years the net income of our farmers has averaged only 11.9 billions.

With farming becoming less profitable, millions of farmers have left the farms and some 700,000 farms have literally gone to seed. In 1952, our farm population was 24.2 million on 5.4 million farms. Last year our farm population was only 20.8 million on 4.7 million farms. In other words, we have had a decrease of 14 percent in our farm population and 13 percent in our farms under the plows.

The theory of Secretary of Agriculture Benson has been that if prices were lowered production of farm products would decrease and surpluses would be reduced.

As a matter of fact, this has not happened at all. Although we have had fewer farms and fewer people working on farms, the output per farm has increased by almost 20 percent. As a result of this, the surplus crops owned by the Commodity Credit Corporation have increased by 5½ times in the 6 years since this administration came into office. As of January 1, 1953, the Commodity Credit Corporation held a little over a billion dollars worth of surplus commodities. On January 1, 1959, it held almost $5½ billion worth. The Commodity Credit Corporation estimates that in 1960 there will be another increase of about $3.6 billion which would bring the total to almost $9 billion.

The cost of administering the farm price support program has also increased by staggering proportions. In 1952, it cost us $34.6 million to administer the price support program. Last year it cost us $365 million, more than 10 times as much. This is merely the cost of administering the CCC surplus program. The other costs in the Department of Agriculture have also risen. The number of employees in the Department of Agriculture has also increased—increased from 67,000 on January 1, 1953 to 85,000 on January 1 of this year—an increase of 17 percent.

Meanwhile, the cost of everything the farmer buys has risen. To give you several examples in terms that are meaningful to the farmer, let us make a few comparisons. In 1952, a farmer could buy a tractor with 1,000 bushels of wheat; today it takes 1,400 bushels. The cotton farmer in 1952 could buy this tractor with 5,340 pounds of cotton, but in 1958 it took 7,500 pounds. Thinking in terms of the things for his home, in 1952 it took 66 bushels of wheat to buy an electric washer; in 1958 it took 87 bushels. For the cotton farmer in 1952 it took 350 pounds, whereas in 1958 it took 460 pounds.

In other words, we see that the farmer would have to grow 50 percent more corn or cotton this year to buy for himself and his family needed farm and household machinery and appliances.

Thus there has developed through these policies a vicious circle—reducing farm supports reduces farm prices. To try to get the same income, the farmer has to raise more crops. But, when crops are increased, prices go down further. This is so simple and so plain that I cannot see how anybody can fail to realize that as long as the sliding scale and declining price theory is in operation, production will be encouraged, crops production and surpluses will be increased; the farmer's net income will continue to decrease and the net effect is a vicious downward spiral. For the 20 years previous to 1952, we had a farm policy that worked. It was not perfect—there were many mistakes made but it did raise the farmers' income; it did improve his economic position and put him in a position of enjoying to a large degree the high standard of living that our laboring, business, and professional people enjoyed. That policy was based on sound psychology. It recognized the simple fact that the only way a farmer could be encouraged to actually reduce production was to insure him against a fall in income. A farmer did not mind reducing his production if the reduced production brought him the same or higher income. Crop loans, therefore, were tied in with acreage reductions. The farmer knew that if he grew less he would nevertheless not have to sacrifice his family's standard of living. We did have some surpluses but these were small in comparison with what they are today. In retrospect, we can well call those 20 years before 1952 the "golden years" of the farmer.

It is impossible, of course, to retrace our steps for 6 years and get back to where we were before the present farm disaster started. But, it is possible to enact a realistic farm policy based on the sound principle of reducing farm production.

Unfortunately, all of our efforts to do this have been nullified by Presidential vetoes. The administration has made it clear that it will not accept any farm bill except one that Mr. Benson is permitted to write.

The differences between the policies of the President and his administration on the housing program on the one hand and those of the Democratic Party on the other hand again illustrate our difficulties. In the areas of our country where housing and urban renewal were among the most important and pressing problems, the voters overwhelmingly elected those who maintain the position that action needs to be taken to alleviate housing conditions in our cities and to maintain an orderly growth of adequate housing throughout the country. As we know, when the Congress wrote a housing bill in this session a modest, moderate bill was written to meet the position of the administration more than half way. Yet the President vetoed the bill. And when another bill was passed going still farther to meet the administration position, it too has been vetoed.

A similar situation exists in respect to the program for the development of our natural resources. As we know, earlier this year we passed and sent to the President the public works appropriations bill which provided funds for our great program of water resource development. The President has vetoed this bill.

In enacting this bill the Appropriations Committees of both Houses, and the Congress itself, did not accept the no-new-starts policy which was expressed in the budget presented by the Budget Bureau and the President. The action of the Congress in approving this bill evidences a rejection of the no-new-starts policy and a firm approval of a reasonable program of continuing construction of worthwhile and needed projects and studies of other future projects by both the Corps of Engineers and the Bureau of Reclamation of the Department of Interior.

It will be recalled that in submitting the public works budget the President and the Budget Bureau favored a policy of continuing the construction of projects already begun but of not undertaking any new starts or even the planning of new projects. The Appropriations Committee disagreed with this policy and expressed itself in favor of carrying on the program of water resource development in an orderly and uninterrupted manner. The Subcommittee on Public Works Appropriations approved and recommended funds for 37 new construction starts and for the planning of 11 other projects. The House approved this recommendation in passing the bill.

The Senate added 30 additional starts and 33 new planning studies of other projects. The conferees compromised on 52 new starts and 30 planning studies. This decision by the conferees was accepted by both bodies in the passage of the public works appropriation bill for 1960.

It should be noted that the additional new starts and studies involve an added cost of less than $25 million over the budget as submitted to the Congress. So that, although the funds appropriated are close to the recommendation of the President, the policy underlying the use of the funds is quite different.

Apparently it is the philosophy of the Budget Bureau and the administration that the principal function of the public works program is to provide employment in poor times and that in good times we should stop or delay the development of the Nation's water resources.

In passing this appropriation bill, the Congress has refused to take such a narrow and limited view, and has, instead, looked upon our water resource development program as a positive program to develop the capabilities of our Nation for the continued growth and prosperity of the entire country. These programs are more than expenditures—they are investments in America. Our Nation must have a well-planned and continuing program of both construction and planning; in the long run this is more economical, practical, and represents sound policy.

Granting that in times of economic stress we can also use this program as an economic stimulant, it would nevertheless be foolish to restrict the surveying and planning of any new projects. Only with intelligent and deliberate planning can we make sure that we have on the shelf, as it were, well-thought-out projects that the Nation will need if an economic emergency should develop.

Therefore, in repudiating the no-new-starts policy, the Congress in my view acted wisely and with a forward-looking perspective, to provide for an orderly development of our resources at this time in step with the growth of our Nation.

Mr. Speaker, the veto power is an important instrument of the President's power. But, when it is used repeatedly in circumstances like these the question arises as to the proper use of this power in the public interest. The President does not have the item veto power, but he has, in effect, vetoed many items—and blocks of items.

It would be presumptuous for me to advise the President on the use of the veto power. I have always had the greatest respect for General Eisenhower as a military officer and, in fact, I look back upon my service under his command, as one of the high spots in my life. I also have the highest respect for the Office of the President of whatever party he may be and for the prerogatives of the President. As a Member of Congress, I am jealous, and I believe properly so, of the powers and prerogatives of the Congress, and I would be resentful if the President tried to tell the Congress how it should discharge its responsibilities under the Constitution. I have no doubt the President is sincere in his personal disapproval of some of the policies reflected in the actions of this Congress. But perhaps he does not fully realize that in exercising his veto power to disapprove measures enacted by this Congress he is not only expressing a difference in point of view between himself and the Congress but also a difference in point of view between himself and the people who have elected this Congress.

Under our system of divided government, with its checks and balances, each of the three branches must recognize and respect the responsibility and functions of the other two. Despite the fundamental differences of opinion and philosophy, the Democratic leadership of the Congress has respected and recognized the responsibilities and prerogatives of the President and the executive branch. It has refrained from opposition for the sake of opposition. It has respected the President's prerogatives to differ with the Congress. Recognizing those differences, it has tried to reconcile them as much as it could without selling out the constitutional responsibility of the Congress to determine the policies of our Government. I doubt that our history can show a similar attitude on the part of a Congress dominated by the party that is in opposition to the party of the President.

Despite all these difficulties of operating under a divided government and with a constant threat of veto, the 1st session of the 86th Congress has a constructive record that attests to the determination of the Democratic leadership to make a Government work in the public interest under these most trying of circumstances. I think it might be well if we reviewed briefly the things we have accomplished in this 1st session of the 86th Congress.

We recall that as this session began there were partisan cries about wild spending and wild spenders and that the President sought and claimed for himself the position as sole guardian of economy in our Government.

Mr. Speaker, we of course know what the facts on the budget are. We know that in the past 6 years we have seen the highest peacetime budgets in history. We know also that every year the President has submitted to the Congress a budget higher than for the previous year. We know also that every year except 1958, when we were facing a recession, the Congress has cut the President's budget severely. In spite of all this, the budget has continued to rise and with it the deficits that have added to our national debt, which now stands at the highest level in history.

We know that the Appropriations Committee of the House recommended this year and the House voted this year to cut more than $2 billion from the budget submitted by the President. Although the other body has partially restored some of these cuts, we know that the total appropriations voted by this Congress will still be well below the recommendations of the President.

Mr. Speaker, we welcome the interest of the President and this administration in a more economical Government; but in view of the above facts, it is a little strange to see the administration trying to establish itself as the sole guardian of the Treasury.

The 86th Congress, like its immediate predecessors the Democratic-controlled 84th and 85th Congresses, has tried to provide adequately for the vital needs of our Nation but without waste or extravagance. The record of these three Congresses speaks for itself, and I am sure that this was one of the principal reasons why the voters of our Nation have chosen to entrust the Congress in the hands of the Democratic Party.

Perhaps the most important concern of the 86th Congress has been that of insuring that our defensive position is adequate to meet the threatening challenge of any possible enemies. Of the some $72.5 billion the Congress will appropriate, no less than $46.5 billion or 64 percent will go for national defense. The Defense Department will get approximately $40.5 billion; the Atomic Energy Commission, whose work is largely related to our defense, will get $2.6 billion; the National Space Agency will get $450 million; and the mutual security program will receive between $3¼ and $3½ billion.

We all know that the voting of billions in funds for defense is not in itself a guarantee of an adequate defensive posture. We will recall that the 85th Congress reorganized the Defense Department to improve its efficiency and to eliminate the waste of effort and the duplications which, in part, were responsible for our falling behind Soviet Russia in the vital missile and space research fields.

In this session, the appropriate committees of the House have continued their investigations and studies of the Defense Department and pointed out areas where further improvement was needed. Among other things, we enacted legislation to reorganize the Navy Department for a more efficient utilization of its resources in the development and acquisitions of naval armaments.

The Appropriations Committee, in apportioning the funds for the Defense Department, has recommended certain changes in policies which would eliminate additional wastes and bring about a more efficient use of the funds and facilities provided the Defense Department.

This Congress has extended the draft for an additional 4 years. This was not a pleasant task. As a nation, it is still hard for us to become reconciled to the necessity of having to draft our young men into the Armed Forces. Nevertheless, recognizing that these difficult times require the most effective mobilization of all our resources, both human and material, the Congress has extended the draft.

Our National Guard and Reserve units are, of course, a vital arm of our defensive strength. As a matter of fact throughout our history the National Guard and our Reserves have traditionally been our reservoir of trained soldiers, sailors, and marines.

In all our recent wars our National Guard and Reserve units have been our national lifesavers. They have provided us with organized units which could be sent directly to the fields of battle without much previous, additional training. We all recall that during the last war several of our National Guard divisions were able to hold back the forces of Japan in the Pacific while here at home we raised additional strength through

the draft. Our National Guard and Reserve units have also provided cadres of organization which could be filled in with quickly trained draftees. In short, it is doubtful whether, without the National Guard and Reserve units, we would have had time enough to raise and train the great armies we had to have before we could gain the initiative and conquer the enemies of democracy. Nevertheless, for some reason or other, there have been those who have wanted to cut down the National Guard and the Reserves. Once again this year the Congress has had to make sure that the strength of the National Guard and the Reserves was not reduced and that these vital arms of our defense could continue to serve our Nation in the future as they have in the past.

Another important action we took was to extend the Renegotiations Act providing for the recovery of excess profits on defense contracts. The investigations of the Comptroller General this year which brought out that a number of our largest industries were guilty of overestimating their costs on contracts and thus made excessive profits, once again point out the vital need for continuing this authority to renegotiate contracts in the defense field.

It will be recalled that last year as a result of the sputnik crisis we established the National Space Agency and entrusted it with the responsibility of carrying on research in space exploration. This year we provided the Space Agency with a total of nearly one-half billion dollars for its work in the coming year. Although our progress in this field may not be as rapid as some optimists have forecast, it is notable that despite many failures we have also had many significant successes. It is difficult we all know to establish a crash program in basic research. But, with the funds made available to the National Space Agency, the National Science Foundation, and to the research branches of the Armed Forces, and with the determination of American scientists to succeed in this vital field, I believe that this Nation can look forward to an accelerated and successful program in this field in the coming years.

The sputnik crisis also made clear to this Nation that we needed to accelerate our education of well-qualified scientists, engineers, and technicians. Last year the Congress took several vital steps in this direction and in this session we have continued to act positively in this field. One of the most significant actions we have taken is to greatly increase the appropriations for scholarships, fellowships, and scientific training teachers' programs of the National Science Foundation.

In other areas of domestic legislation, this 1st session of the 86th Congress is also building a constructive record of solid achievement. From the point of view of the people of the district and State which I have the honor to represent, one of the most vital actions of this Congress has been the enactment into law, after 4 long years of effort, of the TVA self-financing bill. With the passage of this legislation the great uncertainty regarding future growth and financing that has hung over this great agency of our Government has been removed. The TVA will be able to continue to serve not only the 6 million people of the Tennesseee Valley and the South but also all of the people of the United States. It will serve them directly because half of all the power that TVA generates goes to Federal agencies such as the Atomic Energy Commission, the Arnold Engineering Development Center, and the Army's Redstone Arsenal Rocket and Missile Center. It will serve the people of the entire Nation also by continuing to serve as an example of how mass production of power, sold at low cost, can expand the horizons of our life by giving us electrical help in industry, on the farm, and in the home to relieve the drudgery of physical effort. With the uncertainty of TVA's future removed, the Tennessee Valley can also look forward with some assurance to participating in the growth and progress of the Nation with other areas.

The long battle to preserve the TVA has resulted in a triumph for the TVA, and I may say also a triumph for the Nation.

This session of the Congress will be remembered for enactment of a labor reform bill to curb and correct the abuses in the labor-management field revealed by the McClellan investigating committee. The revelations of this committee shocked the Nation and demanded a correction and elimination of the abuses which some unscrupulous labor leaders have been guilty of by exploiting the unions and the funds contributed by the members for their own selfish benefit. As we know, both Houses this week have acted favorably on labor bills and with the President's signature the Labor Management Act of 1959 will soon become law.

This Congress will go down in history because during it our Union reached the number of 50 States. Last session we admitted Alaska to the Union as a full fledged State and this year Hawaii was admitted. Thus, the horizon of our Nation has been expanded into the Pacific and far to the northwest. Our flag, which for 45 years had 48 stars, will now have 50, as our Nation has grown in strength and world status.

This Congress has been forced to provide for a temporary increase in the debt limit. This was another unpleasant duty which I am sure we would all have preferred to avoid. Certainly, it is time for us to consider ways and means for dealing with this great and enlarged national debt. Times of prosperity are times in which the debt should be reduced. Instead of that, we have seen it increased by many billions of dollars in the past few years.

It is necessary that our Nation make plans to start an orderly reduction of the national debt.

Largely because of the need for revenue, this Congress has not been able to give serious consideration to reforming our present structure of taxes. We have taken some steps in this session, to close a few loopholes and to equalize the tax burden to a limited degree. We repealed the tax on local telephone calls and reduced the tax on transportation of persons and made other minor excise tax adjustments. The Congress also closed loopholes in the income taxes of life insurance companies and revised the schedule of taxes for these companies.

In one area our program of development of our Nation in the public interest did not run into a veto. We extended the Federal Airport Aid Act to continue the Federal partnership with the States in the development of airports. This has been made all the more necessary by the fact that our airlines are beginning to use jet planes which require longer runways; and also because air traffic is growing tremendously.

Our coal industry has been suffering a very serious depression in the last few years. The availability of natural gas as a fuel for household heating and power generation have greatly reduced the consumption of coal. To find new markets and new uses for coal, the Congress this year established a Coal Research and Development Commission. I might venture to point out one of the steps this Commission could recommend would be the encouragement of private utilities to use electric power for house heating. The TVA has had a tremendous success in this field and partly because of it, the TVA has become the greatest single consumer of coal in the world. The TVA has proved that the use of coal in this way is an economical and convenient utilization of our great coal resources. Should the Nation's private utilities go as far as the TVA in this respect I am sure the coal problem would approach a solution.

The increasing concentration of economic power through mergers and purchases by large companies of smaller ones continues to present a problem in the enforcement of our antitrust laws. In this connection this Congress has taken a few steps in the direction of assuring better enforcement of our antitrust laws. Among other actions, the Congress enacted a law to expedite procedures for enforcements of cease and desist orders by the Federal Trade Commission. Appropriations for antitrust prosecutions have been provided and a number of other measures are under consideration by the appropriate committees of the Congress for this purpose. It is certainly to be hoped in the interest of our small business communities and in the public interest that those agencies which are charged with preserving our free enterprise system shall have the means and the tools to do their job effectively.

In the field of social security the Congress revised the Railroad Retirement and Unemployment Compensation Acts, increasing the benefits to the retired employees and making some readjustments and revisions in these acts. The Congress also extended benefits of temporary unemployment compensation for 3 additional months to the jobless whose State payments had expired. This was an extension of the legislation we enacted last year, which I have no doubt had an influence in generating the recovery from last year's recession.

Congress extended programs for training public health personnel and advance

training for public nursing and authorized funds for this program. We extended the coverage of the Social Security Act to bring nonprofessional school district employees into the social security program, authorized an increase in the limitation on the special school milk program to $85 million for 1960 and to $90 million for 1961, and increased by $3 million the authorized expenditures under this milk program for 1959.

The Congress also revised the program of non-service-connected pensions to veterans, their widows and children. There have been many inequities in the operations of our veterans' pension program. For example, under the old law, the widows and orphans of World War II and Korean war veterans can benefit only if the veterans had a service-connected disability. The new Veterans' Pension Act of 1959 places the widows and orphans of those who fought in these last two conflicts on the same footing—with the same pension rights—as those of World War I veterans. The law also provides for a new system of pensions with payments proportioned to the need. It provides a graduated scale of payments, with the highest payments going to those with the greatest needs and the smallest income from other sources.

The Congress appropriated a total of $3,300 million for pensions and compensations for veterans for the next year. This is an increase of nearly $50 million over the funds available for the current year.

Increased appropriations have also been provided for the veterans' hospital and medical program. The medical program of the Veterans' Administration has improved in recent years, but it still suffers from the lack of sufficient beds and hospital facilities. The new veterans' hospitals authorized by Congress recently, which are now being constructed, will ease this situation. As these new hospitals go into service and present ones are modernized to provide for more efficient service there should be an improvement in the medical care of our veterans.

This Congress has also authorized $100 million for direct housing loans to veterans. It has written legislation to revise the control of the estates of incompetent veterans to assure greater protection for the veterans and their families.

Another act provides that medical care for veterans temporarily living abroad include those with peacetime service incurred disability. With these and other additions to our great veterans benefits programs our Nation is providing the greatest benefits for our veterans of any nation in the world.

As previously pointed out our efforts to enact an improved farm program were nullified in this session by two Presidential vetoes. But we did enact some helpful legislation for agriculture. For example, we broadened the power of the Crop Insurance Board to extend its program into additional counties. Congress transferred the responsibility for making appraisals of farms from the Farm Credit Administration to the Federal land banks. We extended for 2 years the provisions of the Bankhead-Jones Farm Tenant Act, authorizing refinancing of loans of family-size farms and provided appropriations for our vast catalog of agriculture acts and progress.

Our international relations are, of course, of great concern in every session of the Congress. Once more, recognizing the need to support our friends and allies, the Congress extended the mutual security program and voted appropriations of approximately $3 billion to carry on this program in the coming year. We provided also for the establishment and participation by our country in an Inter-American Development Bank for loans to friendly allies. Congress authorized an increase in the U.S. subscription to the International Monetary Fund and the International Bank of Reconstruction and Development.

I have reviewed only the highlights of our activities and I have covered largely only the most important legislative enactments. The Congress, of course, has continued its many studies by the various committees which will lead to additional legislative recommendations. I have not stressed also the many important decisions the Congress has made regarding the operations of our Government in the course of appropriating funds for the manifold branches of our Government. Some of the most important actions we have taken have been taken through the appropriation bills. This is a record in which all those who have served in the 86th Congress can take pride. It is a record that is the best testimonial to the effective and responsible Democratic leadership in the Congress. It is a record which should have the approval of the people of the Nation. It is a record that proves that the leadership of this Congress has risen successfully to the challenge of these difficult times.

Many problems remain for solution—such as the farm problem. If the spirit of cooperation which has been evidenced on the side of Congress will be reciprocated fully by the executive branch this and other problems will be solved.

The problems of a divided government are many—but a spirit of cooperation and an attitude of willingness to work for the national need and welfare will result in more success and advancement for all our citizens in the public interest.

Perfection is never achieved but this Congress has worked diligently and consistently in the public interest of all America.

STANDARDS FOR ISSUING PASSPORTS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 60 minutes.

Mr. PORTER. Mr. Speaker, I rise at this time to discuss a bill which will be up before this House on suspension on Monday. This is the first time we learned it is to be brought up under suspension of the rules. This is an important bill and I want to express my views for the RECORD at this time.

The bill is H.R. 9069, which was introduced by the able gentleman from Alabama [Mr. SELDEN]. I am glad to see my friend is here on the floor and, of course, I will be glad to yield to him in due course or at any time he wishes me to yield for questions or for comment. I have a great deal of respect for the gentleman's integrity and ability, as I do for the integrity and ability of the entire Committee on Foreign Affairs. I must add, however, the committee voted this bill out 25 to 1, with only the gentleman from Vermont [Mr. MEYER] voting against it.

I believe it is a dangerous and unnecessary bill. I think this can be demonstrated in a very simple manner. I think it surrenders essential prerogatives of the Members of Congress to travel to any country in the world, and to get facts that Members of Congress need in the pursuit of their duties. I think it is probably unconstitutional but I do not want us to have to wait to see whether it is unconstitutional and cause the litigants much loss of money and to cause us as a Nation in a time of peril the loss of facts that we need in making decisions on matters of foreign policy.

I want to say before I go into the bill itself, I am not taking this position because of a lawsuit I have in the District Court of the District of Columbia which would probably become moot if this became law. I have every reason to believe that the other body would not act on this bill even if it were passed on Monday. My suit which is to require the Secretary of State to allow me to travel in China will, I hope, be decided before next year. I will say that I do not think it is important that I personally go to China. I think it is important though that Mr. SELDEN's committee, the Committee on Foreign Affairs of this House and the Committee on Foreign Relations of the other body and the Committee on Interstate and Foreign Commerce of both bodies—I think it is important that these properly constituted committees be allowed to go any place in the world and that it not be up to the Executive to decide where they can go in the world.

That is what this bill does. This bill ties Congress hands so far as gathering facts necessary for important decisions is concerned. I hope this will become clear in the short time we have between now and the time this House is asked to vote on it on Monday.

Mr. Speaker, we Americans are not afraid of ideas or facts. We tolerate unpopular opinions, we glory in argument. We think freedom is essential to our happiness and essential to our integrity and strength as a nation. We know that before decisions are made points have to be developed and facts ascertained. We do not endure censorship except in times of emergency and then only with the protection of due process of law.

What I should like to ask the House Foreign Affairs Committee is, What is the emergency which requires passport restrictions such as proposed in H.R. 9069 which was reported out of the Foreign Affairs Committee yesterday? If we have been harmed by Chinese Communists or Communist supporters who

travel abroad I have yet to see the evidence. On the other hand, I am sure that such restrictions as proposed in this bill would do us a great deal of harm.

As for the area restrictions provided in this bill, here is a complete surrender to the Executive, a surrender which includes a ban on travel by Members of Congress to any area where the administration may not want them.

Remember, under this bill the Executive is given complete discretion to decide on exceptions, including which Members of Congress can go to these areas, and they do not have to state the reasons for making the exceptions.

Did you ever see a more complete, abject surrender to the Executive by this Congress of one of its most important prerogatives and purposes, namely to get the facts necessary for the wisest decisions of the important issues before us?

Certainly this is wrong. Congress should not restrict itself, so the Executive can do this to the legislative. And the Executive is doing it now. That is what my lawsuit is about. It will be decided in the U.S. Supreme Court before long. In the meantime I think that Congress should not tie its own hands.

This reminds me of an incident under the leader exchange program. A labor leader, so I was informed, was sent here from Venezuela. He was a Communist and his invitation was a mistake, of course. But when he got back to Venezuela he found that he could not speak about the United States with the same vehemence, the same vitriol, as he did before. Travel had broadened him.

I suggest to you, Mr. Speaker, that our country has no need to fear comparison. We have no need to worry about ideas and facts. Our traditions are great enough, our ideas are great enough to stand up. We do not need to fear what our citizens will find in other countries. We do need to fear when we start to restrict access to these facts.

Let us look at the bill. Section 5 makes the point that American passports allow Communists and their supporters to act as couriers and agents. We have ample laws against espionage, and we certainly know that diplomatic pouches can take care of most courier matters quite easily.

It states that for such persons to travel is harmful to the security of the United States. I suppose a good many editorials and a good many upstanding newspapers could be said to be harmful to the policies of the United States. They disagree, just as many speeches on this floor, as I said, are clearly in disagreement, clearly in criticism of actions and policies.

Our security in this country is not so frail that we have to invoke this kind of censorship. What is the nature of the emergency that we now must impose this kind of censorship? I hope this will be shown before this House; and I would be glad to stop at this point to yield to any member of the committee—and I see members from both sides of the aisle here—who will tell me what the emergency is that requires this censorship.

Let us consider section 6:

> The Secretary of State is authorized to deny a passport to, or revoke the passport of any person who is, or has been since January 1, 1951, a member of, or affiliated with, the Communist Party, or knowingly engages or has knowingly engaged since January 1, 1951 in activities intended to further the international Communist movement.

In other words, anybody who has been a Communist since January 1, 1951, cannot get a passport if the Secretary thinks it would harm our security. That is a pretty clear standard. For myself, in my opinion, if Communists manage to stay out of the law's reach in other ways, and if they want a passport to go abroad, I would like to see them get more education. It is especially necessary for them to get more education. If they do anything against our country that is a crime we have an excellent Federal Bureau of Investigation. We will hold them accountable for what they do.

As far as their right to travel is concerned, why should we restrict them? But aside from the merits, membership or affiliation is a fairly clear standard. I do not know what "affiliated" means. That is a little vague.

Let us go to the next one. This is one that is terribly vague and uncertain and which would surely lead to a great deal of trouble in the matter of interpretation. I think this would surely be called unconstitutional as much too vague a basis for denying or revoking a passport.

This is the provision I want to talk about now. You are a member of the Communist Party since 1951, "or knowingly engage or have knowingly engaged since January 1, 1951, in activities intended to further the international Communist movement." If so, your passport can be revoked if the Secretary thinks you are a security risk.

"Intended to further." Who says they are intended to further? Whose intentions? How do you prove these intentions except by inferences?

Let us look at the rest of the bill and go back to this:

> The Secretary of State shall not deny a passport to any person solely—

And get the word "solely"—

> on the basis of membership in any organization, association, individual, or group adherence to unpopular views or criticisms of the United States or its domestic or foreign policy.

In other words, the Secretary of State cannot deny a passport solely on these grounds, for instance if you have "unpopular views." I wonder, Mr. Speaker, who among us do not hold a few unpopular views, and do we not glory in the fact we allow people to hold unpopular views in this country? And sometimes unpopular views become popular views.

Also, Mr. Speaker, I ask you, do we want to put into the law guilt by association? It says it cannot be the sole base, but it implies very plainly that it can be a basis for denying a passport to a person who wants to travel overseas. Continuing—

> or criticisms of the United States or its domestic or foreign policies.

Every legislative day we have criticisms of domestic or foreign policies of the United States on this floor and throughout the land, and we glory in this right, we glory in these criticisms, and we should have these criticisms.

Let us see. A person is guilty of the terrible thing of criticizing our domestic or foreign policies or let us say holds unpopular views, or he belongs to an organization—it does not say what organization, it says "not solely on the basis of any organization or association with any individual or group."

These things cannot be the sole basis. You have to turn back. Let us see, this man is not a Communist or affiliated with the Communists. That is, you can use that provision that he has unpopular views, that he has joined the wrong organization or he has criticized the United States or some of our policies. It can be called that, and it is simple. It does not require much effort. Consider the words: "Any of those activities intended to further the international Communist movement."

I submit to you many things that are done today in the United States are very quickly called pro-Communist by people who disagree with what is being done. They say, "I do not think you are a Communist, but what you are doing is helping the Communists." This may or may not be true, but it is true that this is a matter of opinion.

But that is the standard that is set up here to be taken into court. Let us talk about that a little. There is due process of law in these passport proceedings because the Supreme Court says there has to be due process of law. There is a case on that which says the right to travel cannot be taken away without due process of law. I think that this bill violates due process by setting up a standard so vague and so indeterminate that it could be applied at the discretion or lack of discretion by the Executive.

Let us look at the usual case. The person who wants to go abroad would have to go to court. It costs money to go to court. He would have to take the case to the Supreme Court and it costs money to do that. Many people would not even try. They would say, "I hold unpopular views, I have criticized the Government. I don't want publicity as a possible security risk." It puts too much power in the hands of the Executive and it does not give us any standards. No; it is not a good law, it is not a good provision, it is a dangerous provision, it is an unnecessary provision.

Let us go on with the bill. The bill itself provides for due process that costs money to invoke.

Now let us look at title II, "Geographic limitations—Penalties."

This is the same section of the bill that exists in Senator FULBRIGHT's bill, another man for whom I hold the highest respect. It says:

> The President shall have the power by appropriate annual declaration, pursuant to subsection (b) of this section, to restrain the travel of all citizens and to limit the validity of all passports with respect to travel in the following places.

He gives three occasions for the exercise of this power:

1. Countries with which the United States is at war.

No objection to that. That is unnecessary, however. Who is going to go to a country with whom we are at war without violating other laws of this country? So, that is unnecessary.

2. Countries or areas where armed hostilities are in progress.

Armed hostilities are in progress in a great many countries today, where, I submit Members of Congress, journalists, and other people ought to be allowed to travel freely to get the facts we need about those countries. Let us say the Dominican Republic. There are armed hostilities going on there from time to time. Let us say Cuba. There have been armed hostilities there. There have been hostilities recently in India. There are hostilities going on in many countries of the world today. We need to know about those, and we do not want to have to rely, as this bill would require, on the President of the United States to decide, in complete, unbridled discretion, as to who gets to go. I have great respect for the Office of the President of the United States. I have great respect for the present incumbent. However, we have disagreements in this country on foreign policy, and we should be allowed to gather facts so that we can make the right decision. Let us look at this for a moment and come back to that point. What is the third reason?

3. Countries or areas to which the President finds that travel must be restricted in the national interest either because the U.S. Government is unable to provide adequate protection to citizens traveling therein—

Let us pause there for a moment. Where in the world can we give adequate protection to any traveling U.S. citizen? Certainly we cannot do it in any police state. And, we have difficulty doing it even in friendly democratic states. What kind of a standard is this "adequate police protection"? However, this provision means nothing, because the next provision in this law, in its wisdom, gives complete discretion to the President. He does not need this first provision. Listen to this—

or because such travel would seriously impair the foreign relations of the United States.

That gives the President of the United States complete discretion. He is the man who decides about the foreign relations of the United States. What he says could not be challenged. He has to set it out. The next provision is a good provision. This determination by the President has to be made annually, and he has to set out the reasons why he puts these areas off limits, and then it has to be stamped on the passport, too. All right. That is good. I am glad it is there. It is a better bill with it. But, it is still a very bad bill, because what this Congress would do, if it passes this bill, and what the Foreign Affairs Committee has proposed, is that we give the President of the United States the power, unlimited power, to say what areas of the world shall be off limits to all the people of the United States. And, we do not ask him to make any particular findings. He is accountable to no one. He can pursue his own foreign policy without criticism based on firsthand facts. His policies may or may not be correct in every instance. They may be able to be improved in many instances if this Congress, both by direct travel—that is, travel of its own Members—and through the eyes of journalists or writers or ordinary citizens, for example, businessmen, who might go abroad and bring back information about what is going on in various places in the world. But, no, this bill would cut that off and it would give the power to the President to decide completely on his own whether or not a particular area should be made off limits. There would be no control on it at all by the Congress.

But, this is not all. You go further in this bill, and you can see he can make exceptions. In other words, he can decide that he wants to let some businessmen, some journalists, some Members of Congress go to this area, anyone, in his complete, uncontrolled discretion. He can decide to let anyone go to one of these areas, and he does not have to explain. Let me read the paragraph, part (c) of section 201:

In the national interest the President, without stating his reasons, may make exceptions to any such general geographical restraint for particular individuals or categories of persons.

Now, I am sure that the President would act in good faith. I am sure he would act for what he thought was in the national interest, but as every Member of this House knows, we often disagree about what the national interest is. The way to help resolve our disagreements is through gathering and evaluating the facts. What this bill does is cut off an important means of gathering facts we need for decisions, and that is the bill that is going to be brought up under suspension on Monday. That is the bill that this House is going to be asked to agree to. That is the bill that is going to reduce the prerogatives and, indeed, the duties of Members of Congress to gather facts that they need in the pursuit of their duties in making these important decisions about foreign affairs. I say it is a dangerous bill, an unnecessary bill. It is a blank check for the President. I believe that it would be eventually called unconstitutional because of the vagueness and uncertainty of the provisions.

I have here, and I am going to include at the conclusion of my remarks, by unanimous consent, a comparison of passport bills before the Senate. I think that it is something which Members will be interested in. It shows the various provisions of those bills. I am also including remarks that I made before the Government Operations Subcommittee on passport legislation of the other body, a statement that I made on September 1, 1959, and two editorials, one from the Oregon Journal for August 29 and one from the Oregonian for August 29 concerning my suit against the Secretary of State.

In conclusion, and before I yield for questions or remarks that members of the committee may want to make—and I hope they will want to make them here, because we do have a little more time here than we will have on Monday—I want to say that I think we should have legislation in this field. I think the matter ought to be under the control of Congress and not left at large.

I think that the provisions in Mr. FULBRIGHT's bill regarding the conditions when a passport can be refused make sense largely. I do have some doubts about one of his provisions in this respect, but I think we should take over and legislate in this field and provide for due process as the Supreme Court has said is required. But I do not think we should enact any legislation which would set up such a vague and indeterminate standard for the granting or refusal of passports. I do not think we should be a party to tying the hands of Congress and its committees and its Members who want to travel and who should travel throughout the world, to see for themselves as best they can the facts which should underlie any sensible, effective foreign policy.

Mr. SELDEN. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I am happy to yield to the gentleman, my good friend who is a member of the Committee on Foreign Affairs and who is the author of the bill I have been denouncing.

Mr. SELDEN. Mr. Speaker, I thank the distinguished gentleman from Oregon. I want to say to him that certainly we agree on one point and that is that Congress should legislate in this field. In order to set the record straight, I should point out that the bill the gentleman has just been discussing—H.R. 9069—does authorize the Secretary of State to deny passports to or revoke passports of persons knowingly engaged in activities intended to further the international Communist movement. Such denial or revocation is made contingent upon a finding by the Secretary of State that the activities or presence abroad of such persons would be harmful to the security of the United States, and any denial or revocation of a passport under this authority is made subject to judicial review.

Up until June 16 of last year the Secretary of State had been, under existing regulations, denying passports. On the 16th of June the Supreme Court in two cases, Kent against Dulles and Dayton against Dulles, ruled that the regulations of the Secretary of State denying passports to supporters of the world Communist movement were invalid because of a lack of specific legislative authority. Let me point out that the Supreme Court raised no constitutional issue with respect to the denial of passports. The Court held that the Secretary of State did not have legislative authority to deny passports.

On July 7, 1958, the President requested Congress to enact legislation granting authority necessary to deal with this matter and emphasized the urgency of the problem.

After receiving the President's message, the Committee on Foreign Affairs

during the 85th Congress held hearings on passport legislation and reported a bill. This bill was considered in this body last year on the last day of the session and passed without a dissenting vote. It was not considered by the Senate before adjournment. That same bill was introduced by me on the first day of the present session of Congress. We have had extensive hearings this year, and I should add at this point that some 20 other bills have been introduced dealing with the issuance of passports. The Committee on Foreign Affairs, for more than a week, has worked on marking this bill up. The bill reported—H.R. 9069—in the judgment of the committee, not only will grant to the Secretary of State the necessary authority to deny passports to persons knowingly engaged in activities intended to further the international Communist movement, provided it is determined their presence abroad will be harmful to the security of the United States, but it gives to the persons involved both administrative and judicial review.

In my opinion, this measure is cloaked with safeguards I am certain the gentleman from Oregon would want in it.

Although I shall attempt to go into this matter more thoroughly on Monday when the bill comes up for consideration, I have imposed on the time of the gentleman from Oregon in order to make a brief explanation of this legislation so that it might be better understood by the Members of the House.

Mr. PORTER. I thank the gentleman. I know that the committee has worked hard and very carefully on this important subject, but I still insist that the standard set up in section 6, "knowingly engages or has knowingly engaged, since January 1, 1951, in activities intended to further the international Communist movement"—and I will go on and read, as the gentleman correctly referred, to the next sentence: "as to whom it is determined that his or her activities or presence abroad would under the findings made in section 5"—which is the general section right ahead of this—"be harmful to the security of the United States."

Certainly, what is harmful to the security of the United States under section 5 is equally vague and equally uncertain, and would again just emphasize the point I made that this would mean complete discretion in the executive.

Mr. SELDEN. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield.

Mr. SELDEN. Let me point out that under the terms of this legislation, as I understand it, the evidence that is brought in during administrative review of the case is subject to judicial review. If the evidence is not sufficient to satisfy the courts then, in my opinion, the passport must be issued.

Mr. PORTER. Yes, but I want to say this first about the judicial review. It is my opinion, as I have already stated, that the yardstick provided in this legislation is insufficient from a constitutional point of view in that it is too vague and uncertain. Therefore, I believe it will be declared unconstitutional because the yardstick is to vague and so uncertain. The words "intended to further the international Communist movement"—that can be said about many things and it is said about many things every day which have no connection with the disloyalty of any person to the United States. As far as "the security of the United States" is concerned, that is another vague and uncertain phrase which would be applied according to whatever policies the executive had at that time, which policies would no doubt be in good faith, but which may be very mistaken and confused and which may need criticism.

Mr. SELDEN. I am sure the gentleman will agree with me that any question as to the constitutionality of this bill ultimately will have to be decided by the courts. I have great respect for the wisdom of my friend, both as a legislator and as an attorney. However, if he can fathom the minds of the present occupants of the Supreme Court, then he can qualify also as a psychiatrist.

Mr. PORTER. There is another statement that I want to ask my friend about. This is the sentence on page 3, at the top.

> The Secretary of State shall not deny a passport to any person solely on the basis of membership in any organization, association with any individual or group, adherence to unpopular views, or criticisms of the United States or its domestic or foreign policies.

Does the gentleman understand that as I do, that although these things could not be the only basis for denying a passport, they could be considered by the Secretary of State in denying a passport.

Mr. SELDEN. Membership in the Communist Party—yes.

Mr. PORTER. No, no; I am talking about these things on page 3.

Mr. SELDEN. You must tie the first sentence on page 3 in with the whole context of section 6.

Mr. PORTER. Yes; but the question is: Can he consider adherence to unpopular views for example, in connection with the provisions in the first part of the section having to do with either membership since January 1, 1951, or knowingly engaging since January 1951, in activities intended to further the international Communist movement.

Mr. SELDEN. I would think, yes, but it would also have to be tied in with the requirement "as to whom it is determined that his or her activities or presence abroad would be harmful, under the findings made in section 5, to the security of the United States."

Mr. PORTER. Fine.

Mr. SELDEN. I think we should make the record clear, and I would like to read the findings set forth in section 5, if the gentleman will allow me to do so.

Mr. PORTER. I will be glad to have the gentleman read it.

Mr. SELDEN. It reads as follows:

> SEC. 5. The Congress finds that the international Communist movement of which the Communist Party of the United States of America is an integral part, seeks everywhere to thwart United States policy, to influence foreign governments and peoples against the United States, and by every means, including force and violence, to weaken the United States and ultimately to bring it under Communist domination.

Mr. FASCELL. Mr. Speaker, will the gentleman yield at that point?

Mr. PORTER. I yield.

Mr. FASCELL. I would like to ask the gentleman from Oregon insofar as the gentleman from Alabama has read the findings which are carried in section 5 of this legislation, does the gentleman from Oregon agree or disagree?

Mr. PORTER. Of course, this is the kind of flag waving that will convince Members of the House who do not have the opportunity——

Mr. FASCELL. I am asking the gentleman whether he agrees or disagrees.

Mr. PORTER. Wait just a moment, please.

Mr. Speaker, I do not yield further. As I was saying, this is the kind of flag waving that will convince a good many Members of this House who do not have an opportunity to go into this legislation that they have to be alined with it.

Of course we agree with this. This is true. Now go ahead with the reading, unless the gentleman from Florida [Mr. FASCELL] has something further to complete this thought.

Mr. SELDEN. Section 5 continues as follows:

> That the activities of the international Communist movement constitute a clear, present, and continuing danger to the security of the United States; that travel by couriers and agents is a major and essential means by which the international Communist movement is promoted and directed; that a United States passport requests other countries not only to permit the holder to pass freely and safely, but also to give all lawful aid and protection to the holder, and thereby facilitates the travel of such holder to and in foreign countries; and that in view of the history of the use of United States passports by supporters of the international Communist movement to further the purposes of that movement, the issuance of passports to any person described in section 6 is harmful to the security of the United States and therefore passports should be denied to such persons.

Does the gentleman agree with the remaining portion of section 5 that I have just read?

Mr. PORTER. If I may comment on that, certainly I agree down to the end of line 4, ending with the words "United States."

I do not know whether travel by couriers and agents is a major and essential means by which the international Communist movement is promoted and directed. I suppose it does play an important part. Whether it is a major and essential part over and above what they send in diplomatic pouches I have no way of knowing.

Mr. SELDEN. The House Committee on Foreign Affairs has gone into this subject very thoroughly, and this bill was approved with only one dissenting vote.

Mr. PORTER. I am aware of that.

Mr. SELDEN. This legislation has been a matter of study for a period of more than 12 months. I am sorry also that it has come up this late in the session. I personally would have preferred that it be considered under a rule, but we could not get a rule. The only way

it can be considered is under suspension.

Had I known the gentleman was going to have this special order today I would have attempted to have had more detailed information to give to him in connection with the bill, but I can assure the gentleman that on Monday I will go into the question that he has raised, more thoroughly.

Mr. PORTER. May I say that had I known this bill was coming up under suspension of the rules on Monday some of my ammunition would have been of somewhat higher caliber also.

With some of this I might agree. I do not think it can be demonstrated that all of it is true.

That a United States passport requests other countries not only to permit the holder to pass freely and safely—

That is all right; we agree to that—

but also to give all lawful aid and protection to the holder, and thereby facilitates the travel of such holder.

Even if it has helped, the question is, does it do more harm to us than good to allow freedom of travel by our citizens, even citizens who do not agree with us and people who have opposing unpopular views? What have we got to fear from time in the marketplace of ideas?

It seems to me that these people in their travels, if they are engaged in espionage, one already covered by penal law; we do not have to worry about that. But as far as restricting the rights of people to travel and giving unbridled discretion to the Executive, and having it include even Members of Congress, is quite a different matter.

Does the gentleman understand this as meaning that Members of Congress would be subject to this law? I will point out to the gentleman that one Member on your side said he did not think it would apply. So with all your thorough discussion it was not unanimous. Would the gentleman care to reply to that question?

Mr. SELDEN. In my opinion, a Member of Congress would be subject to this law.

Mr. PORTER. Let us see. Suppose the gentleman from Alabama who is the distinguished chairman of Inter-American Subcommittee of the Foreign Affairs Committee decides that he and his committee wants to visit Latin America next year and he wants to take the committee, including the gentleman from Florida, and let us say that the President decides that things are pretty rough down there, that the gentleman does not agree with his policies and he is not going to have him go down there, so he puts the whole area or part of it off limits under this bill as he could do. In short, because of this legislation he can say that this committee of this House, which is charged with getting such information and with drawing up legislation in this field, cannot go. Would you like that, Mr. Chairman of the Inter-American Subcommittee?

Mr. SELDEN. I may say to the gentleman I have enough confidence in the President of the United States, whoever he may be—Democrat or Republican—to believe that he would not place an entire area of the world off limits to everyone in order to prevent a congressional committee from performing its constitutional duties.

Mr. PORTER. If it did happen and there was such disagreement, as there frequently is, of this nature, and I think we should have it because we get better policies out of disagreements, would not the gentleman feel he was not able to do the job that the House had put upon his shoulders?

Mr. SELDEN. Let me reemphasize to the gentleman from Oregon that, in my opinion, no President of the United States would use the regulations set forth in this bill except in the best interests of this Nation.

I might point out to the gentleman that the President under present law, as indicated by the passport suit the gentleman has filed, has authority along this line. Title II of this bill, in my opinion, limits the authority of the President to set geographical limitations on the use of passports. Title II requires the President to annually declare and publish determinations as far as geographic limitations are concerned and to state specifically and in detail the reason for the necessity of such action.

Mr. PORTER. I want to say to the gentleman that the President has to set it forth but nobody can question it. It is entirely in his discretion. He has to tell you why he says it and we can argue about it here, but under this bill he has complete power and we have none except to enact legislation to repeal or revise the law.

Mr. SELDEN. What does he do now?

Mr. PORTER. What he does now is being subjected to a court test.

Mr. SELDEN. This legislation will be subject to a court test also.

Mr. PORTER. Apparently the President's authority is much in doubt by the President himself, or he would not be asking for the legislation from the committee in the first place, knowing it is being questioned in the courts as it has been.

Mr. SELDEN. The courts did not question the President's authority on constitutional grounds. It is questioned because of a lack of specific legislative authority. In other words, it has dropped the matter back into the hands of the Congress, and the Congress is now legislating on it.

Mr. PORTER. Whether the President has power under existing law to do this is sub judice. Let us go on with the problem before us. Should we abandon our rights as a separate branch of the Government, one of these rights being to get facts underlying the decisions we make? Apparently the gentleman is willing to say to any President, "I am willing to give up my prerogative as a Member of the separate branch. I know you are going to act in good faith and wisely."

I believe he will act in good faith. But will he act wisely? It is a question of wisdom, what is the national welfare. They are the things we discuss in these halls. If we give up this prerogative of Congress, and the gentleman is willing to do that, I hope the Supreme Court will say we cannot do it any more than we can give up the coining of money and the declaring of war and other powers which are given to us by the Constitution. Our power to legislate includes the power to get facts, and the power to get facts certainly includes the power of any committee of this House or any Congressman to go any place in the world so that he can see for himself as best he can what is going on, then come back and do what the Constitution asks him to do and what his constituents expect him to do.

Mr. SELDEN. I think the gentleman is overly concerned about this legislation. The Congress is acting under its authority in passing this legislation, if it should do so, and we have the same authority to repeal it in the event it is abused. I am willing to take that chance in the present cold war we presently are waging with the forces of international communism and in view of the dangers that it presents.

Mr. PORTER. I have every faith in the gentleman's ability and good intentions. But we do not want to rob ourselves of the ability to get firsthand facts for ourselves and just docilely let the President tell us where to go.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Florida.

Mr. FASCELL. I do not quite have the concern that the gentleman has with respect to the fact Congress is hurting itself in passing this legislation, or making it impossible for them to get information which is needed to carry on its legislative duties.

Mr. PORTER. But the gentleman is willing that be done.

Mr. FASCELL. I am willing that it should be done, because it occurs to me one of the material considerations in the President's refusal to allow a Congressman to go any place in the world would depend on whether that Congressman goes as an individual at his own expense or whether he goes on congressional business at the expense of a committee for governmental purposes. I think there is a great deal of difference. If the President saw fit to abuse his discretion in that regard, I think it would have immediate repercussions in the Congress. But, I cannot conceive any circumstance where any President would deny the right of a committee of Congress to travel where it wanted.

Mr. PORTER. There is a distinction between my going to China or any——

Mr. FASCELL. As an individual citizen.

Mr. PORTER. Any single Member going to China or anyplace else. There is a distinction between that and Senator MAGNUSON'S Committee on Interstate and Foreign Commerce having an official subcommittee to go over there studying potentials and conditions of trade. There is a difference, but I do not think there is a legal difference.

Mr. FASCELL. I did not say there was a legal difference.

Mr. PORTER. I do not think there is a legal difference, because I think

every Member of this House and every Member of the Senate has, so far as concerns every other Member, similar responsibilities under the Constitution to get the facts underlying his decision as he votes. So, I do not think that would make any difference in terms of the law, in terms of how we ought to consider this bill's proposed trespass on the prerogatives of the Congress. The gentleman is willing to have the Congress tie its hands and say to the President, as the gentleman from Alabama is: "Mr. President, we not only trust your good faith, but we also trust your wisdom as to whether or not our committees can travel." I cannot buy that. Preventing committees from doing their work is more important from the standpoint of Congress itself. We depend on our particular committees to do this business of gathering information and reporting out legislation, not individual Members. But legally that does not make any difference. It is much more important that committees be allowed to go rather than individual Members.

Mr. FASCELL. I have not made any particular distinction, I will say to the gentleman. I would make no distinction in law. And, I certainly would not support an amendment which would nullify this prohibition as to Members of Congress. I would remind the gentleman, we are first citizens of the United States and secondly Congressmen who represent our particular constituents and districts. I therefore would be perfectly willing to have the law apply with equal force to every single individual in this country.

Mr. PORTER. Of course, I recognize and agree with the gentleman that we are citizens like everybody else. It is my position that there should be freedom of travel for all American citizens, including Congressmen. However, if you are going to restrict travel, if you are going to restrict the travel of Congressmen, you are restricting the representatives of the people of the United States. We Members of Congress have the responsibility of enacting laws having to do with prosperity, freedom, and peace. Therefore, it becomes even more dangerous, this law, because it does apply to Members of the Congress. It does cut off our means of getting information we need and have a duty to gather as best we can.

Mr. FASCELL. That may or may not be true. I ascribe no greater degree of intelligence or inferiority to the Members of Congress than any other citizen. I say that we are quite representative of the American citizen, and therefore I do not have the same fears and dangers as the gentleman from Oregon does. But, let me ask this philosophical question: Would you do away with passports completely as a matter of policy? After all, the passport does little or nothing for the individual according to your view?

Mr. PORTER. If the gentleman will recall, in my earlier remarks I said I thought we should legislate in this field, and, of course, we should have passports as a means of identification, and I also believe in time of war, of course, we should not have people going to countries with which we are fighting. I also agree that a man who owes the United States for his passage home the last time he was abroad should not be allowed to go, or if he is under indictment he should not be allowed to go overseas. There is a provision in Senator FULBRIGHT'S bill having to do with somebody who wants to go abroad but might violate our security and hurt the United States, and that this can be shown in court, with the burden on the Government to show it. I think I would go along with a provision like that. Now, those provisions are different from this provision. The gentleman's position is that if a committee of Congress wants to go to China, for example, and if this Congress should disagree with the administration policies in this area, we should ask the President for permission, "Please, may we leave the room, Mr. President? May we go see what is going on in China?" And he says, "No, I know what is going on there, and it would not be good for the U.S. policy in the Far East."

Mr. FASCELL. Is that any different from the situation that presently exists?

Mr. PORTER. The situation at present has been challenged in court.

Mr. FASCELL. It has been challenged many times.

Mr. PORTER. And the administration has come to the Congress and asked for this very right to legalize what it has been doing illegally and unconstitutionally.

Mr. FASCELL. The gentleman knows very well that the request of the President was made before there was any particular challenge by the case of the gentleman from Oregon.

Mr. PORTER. That is of no significance. There was a challenge by Mr. Worthy and others about their ability to control passports.

Mr. FASCELL. The gentleman is aware that there has been legislation on the books for a long time giving the President this authority, in general terms.

Mr. PORTER. I come back to the essential point in my remarks, that every American, with very few exceptions as noted, ought to be allowed to travel freely throughout the world and that this is especially important for Members of the Congress who, under the Constitution, have the power and the responsibility of making laws in this country for keeping us at peace, for helping our prosperity, and preserving our freedom.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Does the gentleman think that just because we are fortunate enough to be elected to the Congress, that we are superior to anybody in the United States?

Mr. PORTER. Of course not. What I meant to make clear to this House, I say to my distinguished friend from Massachusetts, the majority leader, was that we have a special responsibility under the Constitution. That is why we are given an office; that is why we are given a staff; that is what we are here for. It is important that we get the facts, and we should not tie our hands along these lines especially at the whim of the President, who represents another coequal branch of the Government.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PORTER. Of course.

Mr. McCORMACK. The Constitution does not give us any special privileges.

Mr. PORTER. I agree with my friend and I would not ask for any special privileges.

Mr. McCORMACK. The gentleman refers to a staff. The Constitution does not provide that. That is provided by the House, by the Congress, in order that we might more effectively and efficiently perform our duties for the people. As to the offices, the Constitution says nothing about building these office buildings. We do so so that the Members may have offices in order more efficiently to perform their duties.

Mr. PORTER. I agree with the gentleman and I thank him. Of course, these are not privileges that we get because we are above ordinary mortals. But let me say this to the gentleman: the Library of Congress has its Legislative Reference Service as a help to us in doing our work. If the President were to be given the power to say that we could not take certain books out of that library, that would be analogous to what is being proposed here, because the right to a Congressman to travel is the right to get firsthand information, such information being frequently much better than any which is available in books. The gentleman certainly would not allow the President of the United States to censor these books. We should not allow him to censor our right and our duty to travel throughout the world and seek information so we may be better Congressmen.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield further, here is the situation. The Congress of the United States passes a law. I may not agree with the law. The gentleman has the perfect right to oppose. I recognize that right. It is one of our great heritages. We have freedom of speech, freedom of the press, freedom of religious conscience, the sanctity of the home. There are some laws on the statute books, some provisions of which I may not agree with, but as long as they are there and as long as this is a government of laws and not of men, I am supposed to obey them until they are amended or repealed.

I do not know whether I am in complete agreement with the laws on the statute books with relation to passports, but as long as they are there, this being a government of laws, I am supposed to obey them.

Does the gentleman agree with that?

Mr. PORTER. Of course; and I say to my distinguished friend, the majority leader, with whom I usually agree, that that is why I filed my lawsuit, rather than violating the law.

Mr. McCORMACK. Let me say to the gentleman that he has the right under our Constitution to bring a suit and without regard to what the outcome

of the suit may be, that is immaterial; the gentleman has the right to bring the suit and I would fight to preserve his right to do so.

Mr. PORTER. Let me say that since I have been conscious of the fact that a House of Representatives exists, I have known the name of JOHN MCCORMACK and I have associated it with liberalism.

Mr. McCORMACK. Will the gentleman make that progressivism?

Mr. PORTER. Progressivism.

Mr. McCORMACK. Yes.

Mr. PORTER. I have associated it with things that are good and that I admire, call it liberalism, progressivism, or what you will. I know my friend from Massachusetts believes that unpopular views in this country are necessary and proper. I should hope that my friend from Massachusetts would not want adherence to uppopular views as provided in this bill to be used as a part of the reason for denying a passport to a citizen of the United States. And that is what this bill provides, that such unpopular views or criticism of the United States in its domestic or foreign policies may be used to deny permission to travel abroad.

Mr. SELDEN. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman.

Mr. SELDEN. The gentleman did not go far enough. That can be used as one factor in making the determination—but it must be coupled with the other provisions of section 6 of H.R. 9069.

Mr. PORTER. I thought I made that absolutely clear. It must be coupled with this vague and uncertain standard which says activities intended to further the international Communist movement which the Government thinks will be harmful to the security of the United States. I say that is too vague and uncertain as a basis for criminal action and the denial of a passport.

Mr. SELDEN. The gentleman admits that is only a part of the consideration?

Mr. PORTER. That is exactly what I said, that would be a part of the reason for denying a passport.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield.

Mr. FASCELL. I would respectfully submit to the gentleman that that is a strained construction which would not be supported by the courts. I doubt that the gentleman can find a case which would say that the affirmative language in the paragraph read by the gentleman could by inversion make an affirmative finding of law.

Mr. PORTER. If the gentleman will be patient, I will go through this again. I assume the gentleman has a copy of the bill. Let us not strain at all, let us look at it and see what is written down. I am referring to section 6.

Mr. FASCELL. Let us read the last paragraph, the one to which the gentleman had reference.

Mr. PORTER. Let us read the whole section.

Mr. FASCELL. Very well, read it.

Mr. PORTER. Page 2, section 6:

> The Secretary of State is authorized to deny a passport to, or revoke the passport of, any person who is, or has been since January 1, 1951, a member of, or affiliated with, the Communist Party—

That is a clear standard because I suppose you can find out whether he is a member or has been affiliated, although I do not know exactly what affiliated means in this connection.

Mr. FASCELL. The gentleman does not agree with that so far?

Mr. PORTER. I do not agree with it. We have law against Communists and their activities and I think they should be enforced. But I think allowing a Communist to travel overseas cannot hurt us on the balance and may sometimes help him get facts that he may need to change his ways.

Mr. FASCELL. Even though his activities would be intended to further the Communist movement and even though his activities would be contrary to the security of the United States as determined by the President?

Mr. PORTER. So far as they may be so determined and are subject to laws of the United States, those laws should be enforced.

Mr. FASCELL. Mr. Speaker, will the gentleman yield at that point?

Mr. PORTER. I yield.

Mr. FASCELL. Overt acts against our Government are now punishable by law——

Mr. PORTER. I think the law is a little more explicit than that.

Mr. FASCELL. Does the gentleman oppose additional restriction or limitations on persons commiting such acts?

Mr. PORTER. Of course, not. We have many restrictions on ememies of the United States, whether they be Communists or something else.

Mr. FASCELL. Then this is an additional restriction to which in principle the gentleman is really not opposed.

Mr. PORTER. Let us get back to this amendment. The gentleman said he wanted to see it demonstrated without any strain. Let us demonstrate it. We have already said "whether a person is a member of the Communist Party." Now we go on—" or knowingly engages or has knowingly engaged since January 1, 1951, in activities intended—" intended by whom by the way?—and in whose conception?—"intended to further the international Communist movement as to whom it is determined that his or her activities or presence abroad would under the findings made in section 5 be harmful to the security of the United States."

All right, we have two grounds—either a Communist Party member or engaging in these activities intended—and so on—and then I will go on to the sentence which I read, and which I deplore. Let us get the evidence before us.

Mr. FASCELL. Wait a minute.

Mr. PORTER. Mr. Speaker, I do not yield.

Mr. FASCELL. What meaning do you place on the "as to whom" clause.

Mr. PORTER. Mr. Speaker, I do not yield.

Mr. Speaker, I want to continue this because the gentleman wanted to get this without any strain here, and I want to see that he does not get it.

The bill reads further:

> The Secretary of State shall not deny a passport to any person solely on the basis of membership in any organization, association with any individual or group, adherence to unpopular views, or criticisms of the United States or its domestic or foreign policies.

Let me say I am sure the committee put this in with the thought that it was making us a more liberal section. But, I say the effect of this, and the plain effect of this, is when it says that he will not do this "solely", it means he can use unpopular views as part of the bases for the denial or revocation of a passport. That is not straining at all.

The SPEAKER pro tempore. The time of the gentleman from Oregon has expired.

Mr. FASCELL. The gentleman will admit that he just modified the language in the construction of the sentence by saying, "But, I say the effect of this,—"

Mr. PORTER. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

Mr. CHELF. Mr. Speaker, I would like to make that 10 minutes because I think these things need to be discussed. This is something every Member is very much interested in.

The SPEAKER. Is there objection to the unanimous consent request that the gentleman from Oregon proceed for 10 additional minutes.

There was no objection.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Florida to complete his statement.

Mr. FASCELL. I thank the gentleman.

We had two points. Reading section 6, as you read it, I would like to go back to the first part of it so that we can clarify our thinking on it. I think it is important to determine whether we agree on the construction of the language. The bill speaks of the denial by the Secretary of State of a passport to a person who has since January 1, 1951, been a member of or affiliated with the Communist party or he knowingly engages or has knowingly engaged in activities intended to further—and so on. There is a clause subsequent to that, immediately following, which clause relates to all the prior language. Does the gentleman agree the clause which reads "as to whom it is determined" relates to the prior language?

Mr. PORTER. I not only agree to that, but I pointed that out to the gentleman a moment ago.

Mr. FASCELL. I am glad that we are in agreement.

Mr. PORTER. But I say this is still a vague and uncertain standard which no court could apply with any semblance of certainty.

Mr. FASCELL. The gentleman is entitled to his opinion.

Mr. PORTER. Thank you.

Mr. FASCELL. I would respectfully submit that there is no difficulty interpreting what "security of the United States" means. I submit that with regard to the last paragraph of that section the gentleman has given an interpretation which does not, I respectfully submit, appear in the law.

Mr. PORTER. Will the gentleman demonstrate that the phrase "shall not deny a passport solely on the basis of membership" means that you can use unpopular views or criticism of the United States as part of the determination that it is harmful to the security of the United States or that it was intended to further the interests of international communism?

Mr. FASCELL. The gentleman is placing a forced construction on that language. The language says "solely"; it does not say he may use part of it, a material part of it, a substantial part of it; it does not say anything about that whatsoever.

Mr. PORTER. It does. It says that you cannot do it solely on that basis in determining whether it was done to help the Communist movement, but that you can use it in connection with the finding by the Secretary of State.

Mr. FASCELL. That is not what it says, you must relate it to the basic grounds for denial explicitly set forth in the first paragraph of section 6.

Mr. PORTER. That is exactly what it says. I would like to yield to the gentleman from Minnesota for whose views I have great respect but with whose views I find myself frequently in disagreement.

Mr. JUDD. Let us look again at the language of section 6 to note the two findings, not one, that the Secretary of State must make before he can deny a passport. First the person must, since January 1, 1951, have been a member of or affiliated with the Communist Party; or, two, he must be knowingly engaging in or have knowingly engaged in activities intended to further the international Communist movement.

Mr. PORTER. They are alternative.

Mr. JUDD. They are all one; that is one condition.

Mr. PORTER. No; the word "or" is a disjunctive, not a conjunctive.

Mr. JUDD. It is a person who is found to be in one or the other, or both, of these two categories. That is the first requirement; but there is also another condition. Let me read from our report, for it sets it out accurately, I think:

> The bill provides for the denial or revocation of a passport of any person as to whom two findings are made—

Two determinations. The gentleman asked who makes them; the Secretary of State makes them. There is no question about that. But he does not have the final say, as I shall point out. Then the report goes on:

> First, the Secretary of State must find that the person either is or has been since January 1, 1951, a member of, or affiliated with, the Communist Party, or knowingly engages or has knowingly engaged, since January 1, 1951, in activities intended to further the international Communist movement.

That is the first determination. If the person cannot be proved to be or to have been an actual member or affiliate of the Communist Party, the Secretary of State has to make a finding that he has engaged in activities intended to further the international Communist movement. He has to show intent; and it is a mightly hard job to do that, to make a case that will stand up in court that a person's activities were intended to further the international Communist movement. Would the gentlemen have preferred that we delete the word "intended"—and have it read, "activities which furthered the international Communist conspiracy," whether so intended or not?

We have surrounded it with every possible safeguard. But now, to go ahead——

Mr. PORTER. Before we go further let us dwell on that, because I would like to respond to the gentleman's analysis. I think the gentleman's analysis does not go far enough. I think that there are these two things: He has to be a member or has to be engaged in these activities plus. It must be against the security of the United States. Then, going to the last paragraph.

Mr. JUDD. Let me comment there.

Mr. PORTER. In just a minute. It has to support the findings that this is harmful to the security of the United States and intended to help the Communist Party.

Mr. JUDD. That last sentence was not in the bill originally. It was put in by the Committee. Would the gentleman prefer not to have that sentence in the bill?

Mr. PORTER. I think I would, yes. I would be glad to have any part of it stricken out and eliminated.

Mr. JUDD. That does not answer my specific question. Would the gentleman feel more secure if that last sentence of section 6, the first five lines on page 3, were eliminated?

Mr. PORTER. No, considering its effect, I would rather have that language there. I am sure the committee meant it as a safeguard.

Mr. JUDD. A protection to the citizen.

Mr. PORTER. Yes; that mere association or unpopular views, or criticism of the Government of itself could not be used alone to say that a man is a security risk. What I object to is that it is made subject to the discretion of the Executive.

Mr. JUDD. Let us consider the first sentence of the section a little further. The Secretary must find first, that the person, since January 1, 1951, has been a member of or affiliated with the Communist Party or has knowingly engaged in activities intended to further the international Communist movement.

Second, the Secretary of State must determine also that the person's "activities or presence abroad would under the findings made in section 5 be harmful to the security of the United States." This is the crux of the matter. He cannot deny a passport on the basis only of what the person has been or is, or what he has done or is doing now here at home. He has to determine that to have him abroad would be harmful to our security. That is no easy thing to do.

The gentleman has said this gives the Secretary of State unbridled discretion to restrict travel, that he can act on a capricious basis or for political reasons or upon almost any whim that may motivate the Secretary of State. That simply is not true. In how many cases can the Secretary make such stringent findings? Even so, we provide that denial or revocation of a passport pursuant to section 6, which we have been discussing, "shall be subject to judicial review on the record in the District Courts of the United States." So we do not give final authority to the Secretary of State; we give final authority to the district courts of the United States.

Does the gentleman distrust the District Courts of the United States?

Mr. PORTER. No, I do not, but I say that takes a long time. I want to make a correction of what I said. I had Mr. SELDEN'S first bill which had the "who" in it. I see the "who" has been crossed out in the latest version which he gave me just prior to my taking the floor today. That has the effect of making it conjunctive rather than disjunctive. But that does not change the point because of this. A person who is a member of or affiliated with the Communist Party or knowingly engages or has knowingly engaged in activities still makes the point, and if they are doing things that the Secretary decides furthers it, if he finds this hurts the security of the United States, then he can decide to issue no passport or to revoke an existing passport.

Mr. JUDD. The key thing in the language is that the Secretary must make a determination that this person's activities or presence abroad would be, not just troublesome to the Secretary or to the administration in power, but harmful to the security of the United States. The applicant can have the district court review the action, whether or not he was a member of or affiliated with the Communist Party, whether or not he has knowingly engaged, or is knowingly engaged in activities intended to further international communism. Then the court will also have to rule on the determination that to have that person abroad would be harmful to the security of the United States. The section gives all possible protection against any innocent person's being denied a passport.

Mr. PORTER. It is too vague and indefinite. I thank the gentleman for his remarks.

Mr. SELDEN. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Alabama.

Mr. SELDEN. Am I correct in assuming that the gentleman desires legislation in connection with this matter?

Mr. PORTER. Yes, I think there should be legislation.

Mr. SELDEN. Would the gentleman prefer the Fulbright bill which he mentioned earlier rather than the bill now before the House?

Mr. PORTER. The Fulbright bill is the best bill, but it has provisions in it which include section 2 with which I do not agree.

Mr. SELDEN. Am I correct in assuming that the two main objections that the

gentleman has to this bill are lines 1 to 5 on page 3 and title II of the bill, beginning at page 4, line 8?

Mr. PORTER. No. As I told the gentleman from Minnesota, I would rather have 1 to 5 in, if you are going to have this bill.

Mr. SELDEN. The main argument that the gentleman has made this afternoon has been in connection with the sentence at the top of page 3 and also in connection with title II of the bill.

Mr. PORTER. It shows the kind of thing that can be used to deny or revoke a passport, for instance, unpopular views, or criticism of the United States.

Mr. SELDEN. Am I correct in stating that the gentleman has indicated he would prefer having the first sentence on page 3 in the bill rather than having it eliminated?

Mr. PORTER. Yes; if there is going to be a bill.

Mr. SELDEN. Am I correct in stating that title II of this bill is almost identical with title IV of the Fulbright bill which the gentleman has indicated he prefers rather than H.R. 9069?

Mr. PORTER. Yes; but minus that title, however.

The SPEAKER pro tempore. The time of the gentleman from Oregon has expired.

Mr. MEYER. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to continue for 15 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. SELDEN. Mr. Speaker, will the gentleman yield further?

Mr. PORTER. I feel I should yield to the gentleman from Vermont, but I yield to the chairman of the subcommittee at this time.

Mr. SELDEN. In connection with the gentleman's desire for legislation, did he introduce any passport measure so that the committee could have the benefit of his views in this connection?

Mr. PORTER. No. I am late in giving my views to the committee, but I hope the committee will consider them.

Mr. SELDEN. Does the gentleman realize the committee had open hearings on this matter and that Members of Congress were given an opportunity to testify?

Mr. PORTER. I say mea culpa.

Mr. SELDEN. I hope the gentleman will take into consideration that this will possibly be the only passport legislation considered this year. If he is in favor of legislation of this type, I trust he will give H.R. 9069 serious consideration when it is before the House next Monday.

Mr. PORTER. I do not see that there is any emergency that we have to bring it up under suspension of the rules. I see no reason for haste As one of the committee members said, he wanted this to come up under a rule, and I would like to see it come up under a rule.

Mr. SELDEN. I would prefer to have the bill considered under a rule so the gentleman could have all the time he desires to make his views known. We explored that angle but at this point in the session a rule cannot be obtained. I have not been remiss in attempting to secure consideration of H.R. 9069. As a matter of fact, I have been working on it since the first week of January. I personally feel that the emergency is such that we should consider H.R. 9069 now under suspension of the rules rather than delay its consideration until the next session of the Congress.

Mr. PORTER. I thank the gentleman for his participation, and again I pay tribute to his ability and integrity.

Mr. MEYER. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Vermont.

Mr. MEYER. May I say that I believe most sincerely that my colleagues on the Committee on Foreign Affairs worked long and diligently to hammer in shape a bill that they thought was proper and would protect the rights of American citizens. However, I personally disagree with the type of legislation that came out, and I would like to point out a couple of these things. For instance, it has been said that we must have a Government of laws and not of men. I would say that it is my opinion that this legislation basically—and we must go by intent—has much in it that is the intent of the State Department as expressed by Mr. Hanes, its security officer; that they really want to have a Government of men rather than a Government of laws and that their objectives in getting this bill are not good. They want to control the activities of Americans without due process, and this is a matter of record in the hearings. It is a matter of record by what they said. It is a matter of record by what they are really driving at. And, I say most sincerely I believe that this bill is bad, not because our committee did not want to have a good bill, having done everything that they possibly could to have a good bill, but merely because the net result is going to be harmful to the protection of the rights of American citizens. I would like to have the gentleman comment on that point of intent as expressed by Mr. Hanes in his testimony that we know about, not only before our committee but before the Senate committee.

Mr. PORTER. I thank the gentleman. In commenting on the point he brings up, I will say that the best example of how the President has misused the power he pretends to have now, but in my opinion he does not have, and the courts will eventually so decide—is that he has authorized 40-odd newsmen to go to China, but when a Congressman requests the right to travel to China, he says, "No, it is not in the interest of the United States." Since when is there such an emergency there that 40-odd newsmen are allowed to go, but one Member of the Congress, who has certain responsibilities, which I sought to point out here this afternoon, is not allowed to go? This is the answer to the question whether the discretion would be exercised correctly. I say that this is another example where the intent of this administration to keep facts away from the Congress is very plain.

Mr. MEYER. I wonder what would happen if I, as a member of the Far Eastern Affairs Subcommittee, or Far Eastern Pacific, would request a passport to go there.

Mr. PORTER. I think I can tell the gentleman—and I hope he will make such a request. The gentleman is certainly entitled, indeed obliged, to see what the situation is at firsthand, so that he can then evaluate the many problems.

Mr. MEYER. I thank the gentleman.

Mr. KASEM. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from California.

Mr. KASEM. On page 4, line 19, subsection (3) of section 201, it provides that the President shall have the power by appropriate annual declaration to restrain travel—he is not talking about passports—of all citizens and to limit the validity of all passports with respect to travel to the following places:

> 3. Countries or areas to which the President finds that travel must be restricted in the national interest either because the U.S. Government is unable to provide adequate protection to citizens traveling therein or because such travel would seriously impair the foreign relations of the United States.

Now, am I to understand and does the gentleman understand with me that if the President of the United States determines that it would impair international relations or the foreign relations of the United States, he could imprison every citizen in the United States, within the boundaries of the United States? Is that right?

Mr. PORTER. I think he would have to violate the law first by going there.

Mr. KASEM. No. It says "to restrain the travel of all citizens."

Mr. PORTER. You are perhaps talking about the legal definition of "imprisonment?"

Mr. KASEM. Subsection 3, page 4. It does not say in time of war or otherwise. In other words, if I want to go and see firsthand by myself what the conditions are abroad so that I can give a most conscientious vote on the matters that come before this Congress, I have got to have the President's permission.

Mr. PORTER. Yes.

Mr. KASEM. I think that is a bad law.

Mr. PORTER. I say to the gentleman from California that it has not been denied on the floor here today that this bill would give unbridled discretion to the President of the United States to decide what areas of the world are to be off limits and who shall go there. That is provided specifically here. It says that anybody that the President wants to have go will be allowed to go, and the President does not need to say why he makes the exception. Indeed, it has not been denied; it has been glorified in by some who say that the President ought to have this power and that we ought to give up this power.

Mr. KASEM. I would never impose that responsibility on any President, Democratic or Republican, and no one unless he has dictatorial ambitions, should ever want it; is that right?

Mr. PORTER. I think he would be better off without it.

Mr. FASCELL. Mr. Speaker, if the gentleman will yield further, the truth

of the matter is that the President always has the responsibility of the security of the Nation, whether he has it by law or not.

Mr. PORTER. Yes.

Mr. FASCELL. By virtue of the fact that he is President.

Mr. PORTER. But how far we let him go depends on the doctrine of the Constitution, especially the first, fifth and ninth amendments, among other things, all of which would be violated. We should not be worried about violations in court; we should be concerned here about the kind of legislation which reduces the liberties of American citizens.

Mr. FASCELL. The gentleman will admit, will he not, that there is information now here in Washington which the gentleman is not entitled to and does not receive as a Congressman, because, from the executive viewpoint and under his responsibility, it affects national security, and therefore he cannot have it?

Mr. PORTER. I am glad to see that the gentleman is coming around to my viewpoint because, when there is information which I am not allowed to get it is because of its nature, because of its being highly confidential, highly secret.

Mr. FASCELL. I am glad to see that the gentleman is coming around to my viewpoint.

Mr. PORTER. It is done only under special circumstances and in this I see no such special circumstances with regard to any country in the world that we should keep——

Mr. FASCELL. That is the opinion of the gentleman from Oregon.

Mr. PORTER. That we should keep American citizens from going within their boundaries. These countries may keep us out, but under our history and traditions as a free Nation we should not be told that we are not free to let our citizens go any place in the world.

Mr. FASCELL. I would certainly agree with that last statement of the gentleman, but I would say——

Mr. PORTER. I am glad that the gentleman has accepted my viewpoint.

Mr. FASCELL. I have not accepted the gentleman's viewpoint by any long stretch of the imagination. The gentleman's construction of my answer is just as strained as his construction of the law, as his construction of the President's responsibility, and as his construction of his own responsibility.

Mr. PORTER. I will withdraw my remark if the gentleman will recognize that his own remarks are frivolous, too.

Mr. FASCELL. I wil certainly not admit that my remarks are frivolous and I would not ask the gentleman to withdraw his remarks at all, because I would want his to stand by the test of logic and reasonableness, as I would require mine to stand the same test.

I should like to ask the gentleman this question. Will he admit that there is a difference in responsibility with respect to problems of foreign affairs and problems of national security as between the President of the United States and the Representative from Oregon?

Mr. PORTER. Of course. We each under the Constitution have our own duties. One of my duties is to seek facts everywhere, in books, personally, so that my decisions may be as wise and as responsible as possible within my very human limitations.

Mr. KASEM. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I am glad to yield to the gentleman.

Mr. KASEM. During this past Congress I have sometimes despaired of my usefulness as a Congressman to the people of the United States and I have thought perhaps I could better serve the interests of the free world if I went to the Anglo-Egyptian Sudan, in that great continent of Africa, where they are groping for democracy and the way to go as the age of industrialization comes upon them. I thought perhaps I could be of greater service both to the United States and to every man. I thought I might like to go down there and help them get an educational system started, have them learn something of the technology of the United States. But in order for me to do that, if this were the law, if the President of the United States were to determine that this was not in the best interests of the international relations of the United States, I would not be able to go; is that right?

Mr. PORTER. That is right. It would be up to the President to decide, in his own unbridled discretion.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield.

Mr. JUDD. The bill requires, not that the travel be determined to be merely unfavorable to or not in the best interests of the United States; it would have to "seriously impair the foreign relations of the United States." The language of the bill is quite different from the language the gentleman used—it would have to "seriously impair."

Mr. PORTER. Let me point out to the gentleman from Minnesota that there is no way to question the President's decision under this because, as has been pointed out, he has the power to decide what is the foreign policy of the United States. All that he has to do every year is to say what he thinks. If we do not like it, we can go to the stump but we cannot change it and the gentleman from California [Mr. KASEM] would still be kept out of the Sudan.

Mr. JUDD. That does not go along with the argument that the gentleman has used here repeatedly, namely, that the people of America can be trusted with the facts, that they can and will make their own judgments. If the President of the United States were to make such a decision on a frivolous basis, unbridled, without solid cause, an abuse of his authority, the gentleman knows as well as anyone what an avalanche of public condemnation would come upon his head. It is unthinkable that any President would use capriciously or arbitrarily or irresponsibly this authority, and no President ever has in the whole history of our country, before the authority was questioned last year by the Supreme Court. But a President would be derelict in his duty and irresponsible if he did not exercise this authority whenever he is convinced that the activities or the presence abroad of a given American, whether a Congressman or whatever, would in a particular situation seriously impair the conduct of our foreign affairs, which the Constitution—not this law—places in his hands.

Mr. PORTER. That is, in his opinion. But I say to the gentleman that ours is a Government of checks and balances and we do not suspend all these checks and balances and the doctrine of the separation of power for 4 years and then decide whether or not the President has done the right things. Of course, we criticize the President if we think he has violated any of these doctrines, but we do not suspend them. We say that we are going to give him the discretion and we hope that he exercises it rightly. But we maintain the checks and balances and we are going to maintain the separation of powers doctrine also, I believe.

Mr. JUDD. But the Constitution itself gives him the authority in this field. If we do not like the way he conducts our foreign relations, we have ultimately only one appeal. That is to impeach the President.

Mr. PORTER. I agree that it would help the President in carrying out his foreign policy to have this power, just as it would help him if he were given the opportunity and the privilege of reading all of our speeches before we gave them, or of reading all of the editorials in the newspapers before they were printed. But we are not going to give up those freedoms because we balance them against the advantage that it would be to him.

Mr. KASEM. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman.

Mr. KASEM. The gentleman from Minnesota and I believe in Almighty God, but I do not believe that Almighty God has been elected the President of the United States yet. We have consistently and persistently delegated the powers of this Congress to the executive branch with these rules like "in the public interest" and "reasonable conditions exist" and so on. We have hardly passed a piece of legislation in this session which was not a delegation of authority to the executive, it was an abandonment of our congressional duties. In view of the famous, I think it was, Butler decision in the poultry case under the NRA where it was held unconstitutional when the Congress delegated this authority—what are we going to be faced with in these matters?

Mr. PORTER. I thank the gentleman. I suppose no one wants to make the veto power of the President absolute in any matter.

The SPEAKER pro tempore. The time of the gentleman from Oregon has expired.

U.S. CONSTITUTION: THE POWER IN THE STATE AND PEOPLE

Mr. ALFORD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ALFORD. Mr. Speaker, a grave constitutional crisis was precipitated in 1954 by the Brown case ruling of the U.S. Supreme Court. That decision, required forced integration in public schools of the States, was largely based on theories of a Swedish and other sociologists—evolution, not revolution is the answer. Thoughtful citizens throughout the Nation were shocked at this constitutionally unauthorized assumption of legislative power.

What at the time appeared a matter affecting only school administration has now expanded into the greatest constitutional issue in our history. It affects practically every facet of American life, not only the specific questions of forced racial integration in public schools but also such matters as the destruction of vast real estate values, taxation to cover the costs of enforcement and resistance, harassment of State officials and their diversion from pressing problems requiring concentrated attention, causing of strife between races where harmonious relations previously existed, attempted breaking of wills, impairment of our educational systems at the very time we are lagging in educational production as compared to that in the Soviet Union, and even an armed Federal assault on the capital city of Arkansas and the illegal military occupation of its high school, coupled with the unconstitutional federalization of that State's militia.

The tragic events in Little Rock, still fresh in our minds, helped to dramatize the gravest issue involved: Constitutional liberty or administrative centralism.

The great mass of our press, editors, and commentators, through ignorance or design, have failed to clarify the constitutional issues. Few voices were raised to show the way out of a situation as grave as that of 1776.

Meanwhile, many States, in ill-advised efforts to protect their people from long recognized evils of integration, resorted to counter coercive measures, which inevitably proved to be legal "booby traps." Thus, the time is overdue for a rigorous clarification of the constitutional issues involved—questions which transcend all partisan and personal considerations and must be determined on the highest plateau of patriotism and statesmanship.

Among the first important steps at clarification was creation by the Commonwealth of Virginia of its Commission on Constitutional Government, a body of distinguished membership. In a statement on September 9, 1958, on the fixing of boundary lines in Federal-State relations, this body laid the groundwork for national debate and appealed to the people of all the States to reflect upon the serious constitutional dangers of the course set in motion by the 1954 Brown case ruling.

Did the great metropolitan press and other molders of mass opinion meet this challenge and present an adequate treatment of the issues? They did not.

It was, however, taken up by a small western newspaper, the Pioche Record, of Pioche, Lincoln County, Nev. In a remarkable series of editorials starting on October 23, 1958, it undertook to deal adequately with the constitutional issues, attracting attention of thoughtful leaders in many parts of the Nation, including State legislatures and the Congress.

Featured by simple and incisive expression that eliminates the inconsequential and focuses on the fundamental, these editorials effectively clarify the constitutional powers in the State and people and show the way out of the dangerously explosive situation provoked by the usurpations of the sociologically minded Warren Supreme Court.

Dealing with questions as complicated and hazardous as those which faced the Founders of our Federal Government, these Pioche Record editorials measure up to the standards of the celebrated "Federalist Papers" by Alexander Hamilton, John Jay, and James Madison. The "Federalist Papers" aimed at creating the Federal Union; the Pioche Record papers at its preservation.

As such they are commended for study by all concerned with the problems of maintaining State sovereignty and individual liberty under our system of constitutional government. But especially are they commended to cognizant agencies in our Federal and State governments; our high schools, colleges, and universities in the fields of history, political science, and law; and the professional and lay press of the Nation.

To all these intellectual and governmental leaders, I would stress that under our constitutional system of government, the people are sovereign and organized into an indestructible Union composed of indestructible States. The people realize that they have suffered loss of their rights and liberties because of usurpation of power by officers of their Government. Moreover, they are determined to retrieve them through constitutional processes.

Also, I would emphasize to those studying these matters that school racial segregation or race mixing, public schools or private schools, or even the recent Supreme Court assault on one of the Biblical commandments that in some States is embodied in law, are not the real issues, but only the effects of criminal usurpations. The real issues are constitutional questions which, when properly resolved, should effect a return to constitutional morality.

The solution is not through negative evasive tactics to what is legally unauthorized or by other confusing distractions, but in the positive method of the States taking firm legal stands in the enforcement of the Constitution with provisions for adequate sanctions against usurpers.

In order that these splendid contributions may be available to the Nation, I include as part of these remarks the full texts of the Pioche Record editorials followed by the September 9, 1958, statement of the Virginia Commission on Constitutional Government:

[From the Pioche Record, Pioche, Lincoln County, Nev., Oct. 23, 1958]

THE SUPREME COURT, THE CONSTITUTION OF THE UNITED STATES, AND THE SOUTH'S PUBLIC SCHOOL PROBLEM

Recent decisions of the U.S. Supreme Court have subjected that wing of our Government to what is perhaps the sharpest criticism it has received at any time in the history of this country. One of the most far-reaching of these is in relation to the decision of the Court which directs who can attend what schools maintained by the States of Arkansas and Virginia.

The President has expressed concern over some of the Court's rulings. The Legislature of the State of Virginia has appointed a special commission to study and report on the decisions of the Court, as they relate to their powers to regulate attendance at schools maintained by the taxpayers of the State and which may require white children to attend colored schools in some cases, where it is contrary to their wishes.

Newsweek in its October 20 issue, quotes retired Federal Judge Learned Hand as saying: "When the Court strikes down a law because it does not 'commend itself to the Court's notion of justice,' then the Court is usurping the function of the legislative branch and becomes, in effect, 'a third legislative chamber.' "

THE SHARPEST CRITICISM

But, says Newsweek, "The sharpest criticism that the Court has received from American jurists came at the conference of State Chief Justices, in California, last August. There an overwhelming majority—36 to 8—voted for a resolution charging that the Court 'too often has tended to adopt the role of policymaker without proper judicial restraint.' " Continuing, Newsweek says, "such criticism of the highest tribunal by the Nation's top State judges was without precedent, and it was a hard blow at the Court's battered prestige."

The keynote of the report of the Virginia Commission is that the Supreme Court by its mandate is in effect making a new law. It is not ruling, as a Court, in accord with the established law. It is upsetting the law—law which has been established by enactments of the lawmaking power, founded in the Constitution and stabilized by prior rulings of the highest Court and so administered over a long period of years.

This upsetting of the clear intent of the Constitution as well as upsetting established law, is a revolutionary movement which brings about what is classed by Senator HARRY BYRD as the gravest crisis since the War Between the States. Not that the Supreme Court should dictate who in their opinion is to attend what schools but that the Court should supersede the State in directing the management of the State's schools, without clear authorization under the Constitution giving it the power to do so.

THE 14TH AMENDMENT

The Virginia Commission in its report issued on September 9, 1958, makes the following observations: "The 14th amendment, leaving aside all questions of the validity of its adoption, was conceived primarily as a prohibitory amendment. It was intended to prohibit to the States certain powers they had exercised in the past; specifically, the States were prohibited from denying to any citizen the 'equal protection of the laws'—the rights, for example, to own property, to enter into contracts, and to sue and be sued.

"Clearly, the Congress that framed the 14th amendment, and the States that ratified it, never intended for an instant that a guarantee of equal protection of the laws

was to affect the operation of separate schools in any way. Long after the amendment was ratified, States both north and south continued to maintain racially separate institutions. It is unthinkable that they understood the amendment to prohibit them from the exercise of powers they were daily exercising.

"The correctness of this understanding was confirmed repeatedly by the highest State and Federal courts in an unbroken line of decisions stretching over many years. It was confirmed, also, by the tacit acquiescence of the States themselves. When the doctrine of separate but equal was sanctioned by the Supreme Court of the United States in 1896, not a single State voiced a protest or asserted a misinterpretation of the amendment. And Congress, from the date of the amendment until the date of the school segregation cases, demonstrated its understanding of the amendment by actively maintaining separate schools in the District of Columbia. Thus the boundary line was fixed. By what authority may it now be changed?

THE COURT'S ORDER IS WITHOUT AUTHORITY

"The position of the Southern States today is that the governmental power they exercised constitutionally for so many years—the power to maintain racially separate schools—cannot be prohibited to them by a mandate of the Supreme Court. Many persons, it appears, believe that the Court has the right, as well as the power, to impose this prohibition upon the States as an addition to the law of the land. In actual fact, the Court's mandate is no more than the law of the case in which it is handed down; the Court's power is a judicial power, not a legislative power, and it is worth emphasizing that there is now no law and no provision of the Constitution requiring racially integrated schools. In effect the Court sought not merely to interpret the Constitution, but substantively to amend the Constitution, and this the Court has no authority to do."

Another question: Is it for the Federal courts to undertake to enforce their decisions through injunction proceedings? While such a course may be taken against officers of the United States it is beyond the authority granted by the State if exercised against an officer of the State. It then becomes an unauthorized act and it may be a forceful invasion of the rights of the State.

A TOWERING QUESTION OF CONSTITUTIONAL AUTHORITY

No such power has been granted to the Federal Government but on the contrary such power has been specifically denied, except on the request of the Governor of the State whose constitutional rights are invaded. It then becomes the problem of the State to determine how can the dignity and lawful powers of the State be defended from the unlawful and aggressive interference by the Federal Government. And this is the outstanding question.

The recent report of the special commission of the Virginia Legislature classes this as "a towering question of constitutional government which transcends the immediate and personal issues of particular children in particular schools. The human conflicts presented over the South's public schools are real, are complex and cannot be minimized." Then the report points out the principle of government wherein the solution lies, namely that, "our Union is a union of States. That is what it was in the beginning and that is what it remains today. In this Union, all power to govern flows from the people in their States. Some powers the people have delegated, under the Constitution, to Federal authority; all other powers they have reserved, under the Constitution to themselves."

THE VIEWS OF STATESMEN AND JUSTICES

The commission in concluding its report points out that these apprehensions are not peculiar to the South in 1958; Washington voiced them in his Farewell Address. Lincoln many times emphasized the same points. Holmes, Hughes, Sutherland, Harlan, Taney, among a host of great jurists, have insisted down through the years on strict adherence to the rule, in Hughes' phrase, that "it is not for the Court to amend the Constitution by judicial decree." More recently, Mr. Justice Black has asserted that it is not for the Supreme Court "to roam at large in the broad expanse of policy and morals, and to trespass on the legislative domain of the States." Mr. Justice Douglas has warned that "instability is created" when "a judiciary with life tenure seeks to write its social and economic creed into the charter." The late Chief Justice Vinson emphasized that, "because the Court must rest its decisions on the Constitution alone, we must set aside predilections on social policy and adhere to the settled rules which restrict the exercise of our power to judicial review."

The Conference of Chief Justices of 44 States in their meeting in August proclaimed as "sound doctrine" the following words of Elihu Root:

"If the people of our country yield to impatience which would destroy the system that alone makes effective these great impersonal rules and preserves our constitutional government, rather than to endure the temporary inconvenience of pursuing regulated methods of changing the law, we shall not be reforming, we shall not be making progress, but shall be exhibiting * * * the lack of that self-control which enables great bodies of men to abide the slow process of orderly government, rather than to break down the barriers of order when they are struck by the impulse of the moment."

THE BECLOUDED BUT REAL ISSUE

In response to these appeals, the people are called to face the question:

Can the Supreme Court overrule the law as already made and established? Can they put into effect a new law prompted by political or social aims which happen to be the personal views of the members of the Court and not approved by the people, who are the high source of all lawmaking powers under the theory of government set forth in the Declaration of Independence. Shall the Court be permitted to usurp the amendatory power which under the Constitution requires the ratifying vote of three-fourths of the States?

Especially, shall they be permitted to do these things where such grave consequences must follow from disrupting the happy relation, achieved only with greatest difficulty, of two races living together in the same localities, with mutual respect and esteem and often with mutually affectionate regard?

Collateral details enter, but should not becloud the main matter for consideration which is not what shall be done, or how the States should proceed in solving their problems or how long it should take in working out the solution, but rather the immediate question is, who has the right or legal power to interfere with the States in the exercise of their own judgment in the solution of their problems.

And the further question, shall we disintegrate and destroy that bulwark of our liberties—the Constitution of the United States, under which after throwing off foreign rule, there was given to the States which elected to join in, the assurance against future foreign rule for them, by the provision that all rights not specifically given up to the planned association were reserved to each of those who would join in and further that the agreed plans of the association could not be changed, altered, corrected or improved without the voted assent of the legislatures of three-fourths of the States.

The Virginia Commission on Constitutional Government in concluding its report, appeals to "our sister States"—"to view the matter dispassionately, and not fail to perceive the grave danger to all State powers that lies in the Court's drastic action here."

[From the Pioche (Nev.) Record, Nov. 6, 1958]

OUR CONSTITUTION—SHALL WE DESTROY IT—OR AMEND IT?

In a recent issue of the Pioche Record we published parts of a report of the Virginia Commission on Constitutional Government.

That report charges that the U.S. Supreme Court, an agency of judicial powers, has usurped governmental powers; that its decision, which has since had the result of forcing schools to be closed, schools which were being operated under the management of the State, is void and lacking in legal effect. The report is a challenge to the U.S. Government as to its operations under a void and illegal order of Court.

It would be difficult to overestimate the importance of this report of the Virginia Commission, in view of the determined attitude of the State to defend its right to manage State schools, without interference from the National Government.

If the Legislature of Virginia, by its regular lawful procedure, should endorse and approve this report, and make it an action of the State, we would face an amazing situation: The State of Virginia, a government of plenary powers, in dealing with a government of no primary powers at all, but only secondary or delegated powers, is charging its created agency with having acted beyond the powers granted to it, and further of attempting to enforce this assumed authority.

It is to be noted as a detail, that this coercive attempt is against a Government from which their lawfully delegated powers were derived. It is also to be noted that when the execution of these delegated powers was entrusted to the agency Government, created for that purpose; namely the United States of America, oaths of office were to be required from all important employees of the agency government, so that they would not exceed the authority granted to them. All their acts were to be in accord with this authority, and their oath of office even goes so far as to require them to preserve, defend and protect these limitations to their power.

WHAT IS THE LAW?

The order of the Court in question is not a judicial determination of an issue at law. The law having long ago been determined differently the Court's act amounts to legislation, or to a new law, changing an old law. It is without authority under the Constitution to do this, says the Virginia Commission. In such case it is not an order of a Court at all. Under our law an order lacking in authority is void. What in law is void is a nullity. It does not exist. There is no order of a Court to be enforced in a case where Constitutional authority is lacking.

Let us assume that the facts as stated by this report of the Virginia Commission are later sustained by formal approval of the State, and the report, or some modification of it, becomes a legislative act and a formal declaration of the State of Virginia. In that case the charges against the National Government, of which the Supreme Court is but one branch, may be compared with the events at the time when the effort of the British Government to collect taxes on tea in Boston, levied without the consent of the people, led to action by the unorganized "minutemen" of Massachusetts.

And the action of the executive branch of the U.S. Government in sending troops into Arkansas, to enforce the rule of a court acting without constitutional authority, may be compared with the sending of British troops

to enforce foreign edicts and to arrest citizens of Massachusetts, on orders originating in England.

Has the President of the United States sent the Nation's military force into a State to enforce an order of a group of men lacking in authority? So states the Virginia Commission, and if the State of Virginia through its legislative branch adopts this as its determination, we have a ruling from a higher legal authority than the Supreme Court because it is the source of the authority given to the Supreme Court.

MILITARY MIGHT

The President has sent in troops and he says the orders of the Court must be enforced. The commission takes up the question, whether the Court's orders are valid and declare them to be invalid. They are lacking in authority at the base of the proceedings. And if the State of Virginia adopts and approves this report of its commission the exact issue is formally matured. It is laid down on the line for solution. And the solution must be by law and not by force.

The Constitution as adjudicated and administered for half a century had fixed the law to be that States can have separate but equal school facilities, under the 14th amendment. This construction by the U.S. Supreme Court in 1896, was approved, consented to and practiced by all of the States, including the District of Columbia. This crystallizes and permanently establishes the law. How can this be changed?

Says the Virginia Commission, an act of legislation can be changed by Congress, an act of the Constitution can be changed by amendments as allowed under the Constitution, which requires the ratification of three-fourths of the States, but the Supreme Court cannot legislate at all, either to change an act of Congress, to change the Constitution provisions or to change the law.

The Virginia Commission makes another and less important point. For the "equal protection of the law" provision of the 14th amendment to be construed so as to give power to regulate schools leads to the question was it so intended? What is meant by "protection of the law?" Was it intended to give the Supreme Court the power to regulate the liquor laws of Mississippi, or the gambling laws of Nevada, so that all of its citizens may have "equal protection of the laws" from the use of liquor or from losses from gambling.

WHO IS TO MAINTAIN OUR CONSTITUTION?

If the President of the United States sent the military power into Nevada to enforce a Court ruling that the 14th amendment of "equal protection of the law" was violated, would there be any remedy somewhere in the framework of our law for this assumption of power to be classed as a usurpation?

Of course with the State of Nevada the case is different. Nevada did not take an independent position among the nations of the world before the United States was formed. Nevada did not create or delegate powers to the United States. Nevada was created by the United States. Nevada as a government is secondary not primary. However it too in some way should be protected from the Government's encroachment on its rights.

If the members of the Supreme Court take an oath of office which requires them to support and maintain the Constitution of the United States, and if the State of Virginia charges that they have upset the law as established under the Constitution and have promulgated a new and different law, what shall be the source of power, and what the proceedings, to call a halt on such usurpation of power?

If the authorized government of Virginia declares the Supreme Court lacks constitutional powers, and the Supreme Court declared they have not transgressed their constitutional powers, where are we?

ACTION TO REPLACE WORDS

We have arrived at a point where what has been nebulous is definite. What before has been conversation becomes action. Words and conversation are converted into concrete legal positions and the higher law must govern. And the law to be applied is extremely simple. If the authority resides in the Court its position is supported, otherwise not. But the Court cannot be an autocratic arbiter of its own authority where that is denied by the source of the authority granted and where there is the provision that all authority not granted is specifically denied.

The simple process of history leads us to the solution of the problem. The State must decide what to do when it is faced with a usurpation of powers it has reserved and now declines to give up. Where the U.S. Government happens to be the usurper, this becomes a detail that should not confuse the legal construction.

In such a situation the U.S. Government is being called upon to respond to the charge made by the State, and to disclose wherein the power was conferred upon it to run the schools of the State of Virginia, and it must show that power was given expressly and not inferentially. In such a legal study no construction of language can confer power on the Supreme Court. It must be plainly stated. So plainly stated in fact that it must have been the intent of the State, when the language was ratified, to convey the powers claimed.

It is to be presumed that the U.S. Government will respond if a charge is brought against it by the State of Virginia and that it will avail itself of the opportunity to remove the cause of complaint.

LAWFUL PROCEDURE

The Congress of the United States may find a solution by proposing a constitutional amendment so as to do legally what is attempted to be done illegally and thus clear away the doubts and differences. But the officials of the United States will lack governmental power to obstruct the States until this action, or some other action that meets the situation, is taken by the Congress.

The State can proceed along the lines directed by established law until U.S. agents exert physical force to stop the operation of its law. Then let the conduct of such agencies be surveyed in the light of law. If they lack authority they are as private citizens and responsible to the State for their conduct. Invalid immunity does not protect them from the consequence of resisting officers of the State. Federal proceedings and Federal authority can be questioned by the State authorities as to validity, as can any other proceedings or authority. Nowhere in the Constitution are the orders of a Federal court made immune from questioning by the government of the State affected.

THE PRESIDENT MUST OBEY THE LAW

Then what becomes of the power of the Executive to send troops to enforce what is claimed to be a law but which, as far as these States are concerned, lacks the authority of law and is so declared and ordered by the State. Troops cannot make law even if clothed in the pretense of enforcing law.

The Governor of Arkansas has called for a vote of the people and their mandate is overwhelmingly to the effect that the State shall run its own business and let the National Government and the other States run theirs.

The constitution of Virginia requires its government to "establish and maintain an efficient system of public schools." Is it not logical or reasonable, for an agency created by a government of State, and created with limited powers, to tell the State how it can be permitted to carry out the mandates of its own constitution?

Military might can close the schools of these States but it cannot force their people to abide by foreign-made laws, and what they have formally declared to be invalid laws, any more than British troops could force the people of Boston to abide by the laws of Parliament.

[From the Pioche (Nev.) Record, Nov. 27, 1958]

THE CONSTITUTION, THE COURTS, AND THE NEVADA MINING INDUSTRY

In a recent issue of this paper there appeared an editorial quoting extensively from the report of the Virginia Commission on Constitutional Government.

This editorial under the heading, "The Constitution, The Supreme Court, and the South's Public School Problem," has received unexpected widely spread comment and gratifying expressions of interest. Among these received is one from the editor of one of the leading papers in Virginia enclosing a scholarly and ably edited and documented report by the Committee for Courts of Justice of the Virginia Senate.

The purport of this report is that the State is committed to "resist encroachment by the Supreme Court, through judicial legislation, upon the reserved powers of the State," and it points out that "in every State and in every region, there are certain critical domestic problems of a State, or regional, character that wisely should be left for solution to the people most intimately familiar with them." Which proposed action, as far as Nevada is concerned, points an eloquent finger at the present paralysis of its principal and basic industry, an industry now largely inactive, which in the past has contributed so much to the wealth of the Nation. Without the fabulous monetary wealth produced from Nevada's mines in the early seventies extreme doubt has been expressed as to how, if at all, we could have emerged from our paper-money debacle at that time.

Incidentally this gave the only excuse there was for elevating Nevada with a few hundred population to the position of a State, so as to furnish the one extra vote needed to amend the Constitution and make legal the measures the Government had promised, and some of which now are concerned in this present situation.

BILL OF RIGHTS

This report of the Senate Committee also points out that before the State of Virginia signed the contract which gave away a part of the powers it held as an independent nation, achieved at so tremendous a cost by the treaty of peace in the war with England, it took extreme precautionary measures. The subordinate agency Government to which it assigned these powers was to be rigorously held within the limits of the contract being agreed to. And the State's convention demanded that a Bill of Rights be made a part of this contract. This Bill of Rights required among other things that all powers not granted were reserved to the States and that in the event of the exercise of arbitrary power it must be accepted as a matter of principle "that the doctrine of nonresistance against arbitrary power and oppression is absurd, slavish, and destructive of the good and happiness of mankind."

The State now claims the right to exercise this provision by all means within its reserved legal powers and appeals to "her sister States for that decision which only they are qualified under our mutual compact to make."

It would appear that assistance can be given in two ways. One by a clarifying amendment to the Constitution which would appear not at all necessary as the present wording is sufficiently clear and definite, if the language is construed in the light of what was intended by the signatory parties at the time of their agreement to it. Any

deviation from this intent would be clearly in violation of established law which would be beyond the power of the Court and would so invalidate its ruling.

If it is desired to change this intent as already established for over half a century then any such desired change could properly be effected by a constitutional amendment.

The other course for the State would be to declare what is the status of the law in the particular State in view of the ultra vires nature and consequent illegality of the Court's decision, where they find the facts to justify such legislation.

This is a procedure discussed briefly in our editorial of November 6, the purpose of which was to invite discussion and study rather than any effort to elucidate any particular method of escape from the condition of affairs now pressing so seriously in these States.

THE STATE OF NEVADA IS CONCERNED

The State of Nevada has no reason to be particularly concerned over the segregation question, but Nevada as a mining State is very much concerned with the depression of the developments of its mineral wealth through a similar misuse of the powers and processes of the Federal courts.

Also Nevada has suffered much along with the rest of the country from the officials of the United States, its courts and its legislative bodies, not being required to hold to their oaths of office which are intended to confine their actions strictly within the limits of their constitutional powers. The application of this matter to Nevada may not be of such immediate or critical concern as the closing of schools in other States, but it has mowed a broad swath of ruin to Nevada's basic industry.

The mines of Nevada have quite generally been closed as the cumulative result of laws which are little understood. The principal ones of these laws were arbitrarily not allowed to be debated in the House of Representatives (steamroller tactics) and for some reason they received little or no analytical discussion in the Senate. In the most important of these laws the time which should have been allowed for action was so limited that not a single Member of the House had read the bill when it voted its passage. Under such pressure as this they passed a law which brushed aside constitutional requirements, binding on both the legislative and the executive branches of the Government and as predicted has been followed by billions being added each year to the national debt.

MISAPPLICATION OF THE POWERS OF THE COURTS

As far as this discussion concerns the judicial department in relation to Nevada, it may be said that a large part of the area in this important mineral district at Pioche, has been held in idleness over a long period of years by the misuse of the processes and powers of the District Federal court and by its refusal for a long time to obey the orders of the higher court, meanwhile, from such parts of this area as were permitted to operate, there was produced more lead and zinc than any other area in Nevada and its full share of the production in the United States.

In the brief filed recently with the Court in that case we find the following:

"Therefore the key to the question of reinstating the original complaint brings in the more important question of how the instrumentalities of our law have been used, and how they can be used, as an instrument for depressing a business enterprise, and this despite the best and most diligent attention as far as the courts are concerned.

"There is much discussion today about a world of free enterprise. The issues in this case, in papers filed 18 years ago, and which have never been allowed to be tried, touch the question, Is there a world of free enterprise and are we part of it?"

For these reasons it could be expected that the State of Nevada, in principle will lend a willing ear to the appeal of the Virginia State Commission, for help in the position it is in, but more properly after the issue is more clearly defined. After the governments of the affected States speak and pronounce that as far as those affected States are concerned, the ruling of the Supreme Court in the Brown Case is not law in Virginia and the actions of the members of that Court exceeds their constitutional authority, and the resulting orders are therefore null and void and of no effect as far as they conflict with the laws of Virginia.

Until then no matter how far beyond its powers is the action of the Court, nor how definitely the Court exceeds its authority, the President can and perhaps should, consider it his duty to enforce the formally expressed veiws of the members of the Court without giving his consideration to the question of what were the powers or rights of the members of the Court to render the decision.

After all the question of what are the powers of the Court is a matter more properly to be determined by the States whose laws are being interfered with or from States from whom the Court's powers have been derived, and those which alone have familiarity with the conditions to which the laws are being applied, on the principle that the powers of Government are derived from the consent of the governed.

THE ADVANTAGE OF A FIXED LEGAL POSITION

Despite the forceful, convincing, and eloquent appeals of committees and delegations and individuals within these objecting States, their lawmaking powers have not spoken. They have not formally proclaimed that the opinion in question is merely the views expressed by men, who happen to be members of the Supreme Court and is not the expression of a court whose opinion would be competent if based on constitutional authority and therefore cannot be considered the law within the jurisdiction of their State.

As soon as the State takes this step it becomes definite what its legal position is but until then all objections are but a matter of words which leaves the matter in such position that the orders of the Court must be considered the law. After the governments of Virginia or Arkansas take this step they are challenging the application of the Court's ruling to the laws of their State. Then the only question that can be raised is whether the legislation of the State or the ruling of the Court are the law in that State. It is doubtful, in such a case, if the President would apply force to suppress the State in carrying out its laws applicable to the situation, because in that State the Supreme Court ruling has been rendered of at least doubtful authority. The State law must then stand until this doubt is removed. The State is the source, and the Court or the National Government is the recipient, of the powers in question and where there is doubt the States have the authority.

The sister States can then make definite their position on one side or the other of this question. The States that are affected have the power to speak, where the rulings of the Court conflict with their laws. They are either the parties to the contract which gives, and limits, the powers to be exercised by the Court, or they have acquired the same privilege when they became a State.

But if Arkansas or Virginia speak and with the voice of their duly constituted government, they declare that the action of the Court is not within the power given it and declare the action of the Court to be null and void as far as the State is concerned, the matter then becomes a question between two governments, the government of the State with all of its primary powers except those it has delegated, and the agency government possessed of only secondary or delegated powers, which powers have been relinquished to it by the State.

CONSTRUCTION OF CONTRACT IS THE ESSENCE OF THE CONTROVERSY

It then has become a question of the construction of a contract, between the two parties to the contract, thus eliminating the frills and fancies and entanglements that are brought in by the agencies of these governments, who cannot properly be the arbiters of their own powers nor the judges of their own actions.

The whole question is then susceptible of orderly discussion and action instead of remaining in the present confused state, which has resulted from efforts to experiment with the application of the Court's ruling to laws of the State, and to head off by this means conflict between State and Federal authorities. This is an indirect approach which was bound to fail in view of the Court's assuming an executive as well as a legislative role, but it gives the advantage of making definite that a well backed, determined effort was organized and at work, to break up the established and well progressed plan under which two races were living together with increasing mutual trust and confidence and the majority of both being contented with the steady improvement being carried on in their relationship.

In his letter to President Eisenhower, Mr. Carleton Putnam, of Boston, expresses this idea in the following words:

"Indeed, there now seems little doubt that the Court's recent decision has set back the cause of the Negro in the South by a generation. He may force his way into white schools, but he will not force his way into white hearts nor earn the respect he seeks. What evolution was slowly and wisely achieving, revolution has now arrested, and the trail of bitterness will lead far."

[From the Pioche (Nev.) Record, Jan. 1, 1959]

THE PLIGHT OF OUR CONSTITUTIONAL SYSTEM OF GOVERNMENT

The Constitution of the United States has achieved world recognition for having established individual personal freedom and opportunity to an extent never before even approached in the history of governments. There is now a sudden realization that there has come about a change.

This change is not the result of laws drafted by representatives of the people as authorized by the Constitution. In certain instances Congress has delegated its duties, without the constitutional right or authority to do so, to specially selected bodies of men who are not responsible to and not expressive of, the will or the wishes of the people. Another case is where the Supreme Court steps out of its authorized field and asserts governmental powers to back up invalid orders which are nothing more than the opinions of men without authority.

The United States as a whole faces such a state of affairs in various large sections of the Nation that we are brought to a realization of a far-reaching fact.

That fact is that the Revolutionary War, whereunder the colonies gained their independence, was fought to remedy what had become an unbearable evil, but more important than that to establish the remedy as a matter of principle that "the right to govern rests upon the consent of the governed."

This principle was the basis of the agreement among the colonies, who then became separate and independent nations, a pact called the Constitution of the United States. The purpose of that agreement was three-

fold (1) to assign certain well defined and strictly limited powers to a central agency called the Federal Government and (2) more important to reserve, to the nations which formed the federation, complete authority and control of their own governments, called State governments. (3) Most important of all to assure the prevention of any expansion of, or Federal encroachment on, the rights, reserved by the States.

THE SITUATION IN ITS GENERAL ASPECT

We now find productive industry in the States in a critical condition. Agriculture dependent upon taxpayers buying their crops to be wasted, mining industry closed down to allow imports of metals so as to export manufactured products thus to overcome the effects of depressed world commerce and now we add to that the sudden realization that in certain large sections of the Nation the educational system is in a critical state because of the resistance of the people to the enforcement of laws not of their own making or approval.

We now wake up to the fact that there has been a growing encroachment upon all freedom of action by the individual citizen in all sections of the country, especially upon the businessman who is not a part of the large and generally secretly controlled business organizations, so that it is difficult for the ordinary businessman to maintain himself in business.

On a studied reflection this sad and widespread state of affairs all springs out of the administration of bureaucratically made and enforced laws, all of which are in violation of the spirit and intent and definite wording of the Constitution.

A LESSON FROM HISTORY

The Southern States seem to be bewildered as to their rights and their powers, almost exactly as they seemed to be in 1861. Instead of taking a legal position, one that was legally correct, and putting it up to the Federal Government to make the next move, history has repeated itself and they have resorted to hastily considered, and what now appears to be ill-advised, countercoercive measures.

In 1861 South Carolina could have permitted the forts to be reinforced and asserted its legal position. Its reply to the President could have included criticism for threats to use force and for the improper conduct to its commissioners, thus pointing to a moral basis for a world public opinion, while leaving their rights to be determined by law, not by force.

Up to that time the legal position of South Carolina was unassailable. Its correctness did not depend upon the occupancy of the forts. Reinforcing the forts, and the threats to use force, was a trap to bring about the war, just as Mr. Toombs said it was at the Cabinet meeting where the ill-fated decision was made.

The challenge from Washington to use force could have been declined, so as to rest South Carolina's case on the legal construction of a contract duly signed by the other States wherein all had agreed to South Carolina's reserved right to withdraw from the compact.

THE VIRGINIA POSITION

In previous discussions in our editorial column, the Pioche Record has commented on the work done to evolve plans for action. The essential matter is to assert the superior governmental position of the State, as against the inferior position of the Federal Government, which entirely lacks all governmental powers except by assignment from the States of certain definitely defined and strictly limited powers. It is generally considered that to yield on this matter of principle would be fatal to our constitutional form of government.

It is the position of the States that these limits fixed by the Constitution, have been exceeded in the rulings of the Federal courts in the school cases. Chief Justice Marshall is authority (if authority is needed) for the proposition that a decree of the Supreme Court, where its action is beyond its authority, is void. But the Executive in sending in Armed Forces, to enforce such an order raises the question of what action should be taken by the State in these unusual circumstances. First, it is necessary that the unauthorized nature of the Court's ruling is not merely the opinion of men, but is the ruling of the government of the objecting State.

In the present case the report of the Virginia Commission on Constitutional Government points to a correct legal position and the State could occupy it. The report is a clear analysis and statement of the law. But this commission has not constitutional authority to speak for the State, and this must be borne in mind. The commission was empowered to make a study and report to the legislature but as yet the legislature has not taken proper action as indicated in the report. It is merely a first step. It lacks the constitutional power to speak just as the Supreme Court is lacking in constitutional power in what it has decided and decreed. However, the invalid order of the Supreme Court remains in effect until the legislature acts as there is no other authority under our law that can take this step except the State Government acting through its legislature.

But based on the same legal grounds, as so well analyzed in this commission's report, the State legislature is entirely competent as the lawmaking body, to declare as a matter of law, that the Brown case decision is beyond the constitutional authority of the Supreme Court and to declare it to be null, void, and of no effect, and not the law within the jurisdiction of the State of Virginia.

NOT A VALID LAW BUT AN INVALID ASSUMPTION OF POWER

This could be placed on the basis that the Court's order is legislative and not judicial, one of the points clearly stated in the report; or it could be placed on the basis that "equal protection of the law" is language that cannot be stretched so far as to imply the meaning of "equal education and social opportunities"—a moral and administrative impossibility. Also it conflicts with the strict interpretation of language required by the law in such a case.

The Supreme Court has gone far beyond this strict construction of language, which the law requires in this case. Even the prior decision of 1896 as a matter of legal construction went too far. The obvious intent expressed by the language was exceeded. That decision need not be considered now, except as far as the commission has used it, to show it to be a legislative act to change, after 50 years, the established law under the prior decision. Enlarging the intent carried by the language used, after 50 years, is clearly legislative in its essence, but to extend the meaning any further than the "separate but equal" decision which has been carried out for 50 years, is a usurpation of power that calls for a halt or else there will, from now on, be no limit to what powers the Court may assume.

First let us consider this question: Where Virginia has a law being put into effect and a group of men try to forcibly obstruct the law, what government but Virginia can protect the enforcement of its law? And if the opposition to this law enforcement asserts the authority of another government, who else but Virginia can inquire into, and determine, the validity of this claimed foreign authority?

If the Virginia Legislature declared the action of the Federal courts, under the Brown case decision, void as lacking a constitutional foundation, what higher law is available? The Supreme Court certainly cannot properly be the arbiter of a question involving the limits of its own powers or its own actions, even if such a power had been given it, which it most certainly has not.

THE QUESTION OF EXECUTIVE INTERVENTION

The President has been given no authority either to pass on the constitutional validity of the Court's orders or to obstruct the enforcement by Virginia of its laws. And most assuredly an unconstitutional order of a Federal court does not increase his authority.

If Virginia officially declared the Court's decision to be unconstitutional and void within that State's jurisdiction, and the President has been given no constitutional power to decide the question, then as far as the jurisdiction of Virginia is concerned when agents of the President enter the State they are subject to its law.

The President's oath requires him to uphold the Constitution, not the Supreme Court. Where is there any power given to the Federal Government, under the Constitution, in the enforcement of its laws to override the State, or to prevent the State, in this case, from acting under its powers expressly reserved under the Constitution for just such an emergency? Or to inhibit the States in any other action except what is specifically assigned to the agency Government under a strict, not liberal, construction of the meaning of the language used and intended? The answer is very clear. There is no such power accorded to any branch of the agency Government.

UNAUTHORIZED AND ILLEGAL TYRANNICAL POWERS

Next let us take this question: Assuming that the Court is guilty of a brazen assumption of authority in an offensive use of tyrannical power greater than George III ever used, which may be considered by some a description which fits this case, is it to be assumed there is no remedy? If there is, what protection other than this is given to the State?

Is it to be assumed that the far-seeing, astute framers of this plan for an agency Government with rigidly limited authority, have neglected to provide protection from what the Revolutionary War was fought to remedy? Are we to assume that within the scrupulously guarded plan to prevent the agency Government from becoming tyrannical and oppressive, there was no intent that the reserved-power-provision could be used to protect the event where the Supreme Court would run amuck?

This Court is composed of political appointees, with life tenure in office. It is the one agency of the Government the more easily and completely to be taken into radical hands, which might use its powers as some have asserted it now intends to do, to destroy the very safeguards the founders of this agency Government were seeking to establish. Is it to be assumed that the framers of, and the signatory nations to, our Constitution were asleep on this crucial point of danger?

Is it logical under the Constitution for the Virginia Legislature as the lawmaking power of the State, to declare the orders of the Court ultra vires if such is the fact and that it is not valid within the jurisdiction of the State? Such declaratory action of the legislature must be within the framework of the powers specifically reserved, since such procedure is the only constitutional power available when it may become necessary to curb a tyrannical, arbitrary, and oppressive assertion of an entirely unauthorized, assumption of power, on the part of the Supreme Court. Such a contingency must have been foreseen and who else but the State is in a position to curb the unauthorized power of the Court, when it reaches into the jurisdiction of the particular State whose rights are affected?

In such a situation what is the position of the U.S. Government? The three departments of the created Federal agency, are

made equal and independent. Each is deprived of the required power over the other. The States are therefore left as the only power to correct such abuses and the States as governments are given full power under the reserved powers provision. The United States Congress has been given no such authority. The President has been given no such power while on the other hand the States have reserved all powers not specifically granted.

PROTECTION IS PROVIDED IN A BLANKET PROVISION

In drafting the Constitution the arrangement and limitations of powers are so manifestly intended to assuredly, and without any question, prevent governmental tyranny, and the intent is so evident to assure the freedom of the signatory States from any such usurped powers, there must be intended to give a means of protection. In such a state of affairs it is heartsickening to read of what is being endured by the schoolchildren in many of our States under the makeshift, improvised arrangements for the closing of their schools, while they submit to their State being prevented from carrying out its own laws, as directed by its own State constitution. Taxpayers have provided the money, other extensive provisions have been made, instructors are under contract and all is chaos because of the invalid order of a Court and the failure of the State to take the legal position provided for it under the Constitution.

If the State, through its legislative powers formally approves and adopts the conclusion of law already reached by the Virginia Commission on Constitutional Government, that makes it the law of the State. It then becomes a lawful act of the legislature, that this Supreme Court ruling is not based on constitutional authority, that it is ultra vires, and for that reason is declared to be not valid and therefore not the law within this jurisdiction of the State. It is open to the State to take that step. The State can declare what is the law in the State and what is not the law as long as what they declare is not in conflict with the Constitution.

If the State does this without transgressing the powers it has conceded to the Central Government under and by virtue of the Constitution, its position is unassailable. Then let it become the Federal Government's next move.

A LIMITED FEDERAL POWER MUST HONOR ITS LEGAL LIMITS

It is to be assumed it will not move lawlessly or so as to interfere with the enforcement of Virginia laws after what is the law within the State has been made definite. One lawful course would be to convince the Virginia Legislature that the Brown case decision conformed to constitutional requirements and is a valid decision. The other would be to amend the Constitution and have it conform to their forced construction and so-called liberal interpretation.

It is not to be assumed that the Executive, acting under his oath of office, will proceed otherwise than by authority which has been given to him under the Constitution and within the required strict construction of the language used and that is therefore binding on the State. And in the State it must recognize that we have there a government of total powers, subject only to its being the source of such authority that was granted, and what authority had been granted, to the Federal Government. These are the considerations which are required of the President under his oath of office, for the violation of which he is subject to impeachment.

[From the Pioche (Nev.) Record, Feb. 5, 1959]

MASSIVE RESISTANCE LIQUIDATED

Massive resistance is the name given to an effort made by the State of Virginia to run its own public school system. This so-called massive resistance was a house built upon a foundation of the sands-of-uncertainty. This foundation was washed away by recent decisions of the courts, a result which from the standpoint of law, was inevitable from the beginning.

In the situation which results from uncertainty as to what is now the law, there is in front of the State of Virginia the immediate task of replacing uncertainty with certainty. When the recent, superbly eloquent speech of the Governor of that great State was delivered, there was one outstanding question which stood before him and before the State. That one question was: What is the law?

A SUPREME COURT RULING MAY OR MAY NOT BE THE LAW OF THE LAND

This foundation on which the complicated structure of massive resistance had been built, could not be classed as established law. On the other hand if the decision in the Brown case was a valid and constitutionally authorized decision of the Supreme Court, it was the law. But if the ruling in the Brown case was not a lawful decision but was the unauthorized opinion of members of the Court, who had disregarded constitutional requirements, then it was not a ruling of the Supreme Court and it is not the law.

In the present critical situation the question, whether the Brown ruling was a decision of the Supreme Court, or the unauthorized opinion of nine men, stands out as one question to appropriately occupy a position somewhere within the bounds of the Governor's eloquent and admirable discussion with its stirring appeal to the people of his State. But the question was not there, and it was conspicuous for its absence.

Until the answer to this question is removed from the realm of uncertainty everything relating to the operation of State schools will be clouded with doubt.

The effort to modify the effect of constitutional law by State statutes now must be abandoned. The question of what is constitutional law, in the realm of operating State schools, is automatically given the right-of-way and the answer to that question can and no doubt will be made definite, by States whose laws are being interfered with, among which States Virginia has assumed leadership.

THE VIRGINIA COMMISSION REPORT

The Virginia Legislature has appointed a Commission on Constitutional Government to help resolve this very question, and that appointed commission has made a study of the Brown case decision. It has made its report which finds that the Court's action was "ultra vires" which is to say that the Court exceeded the constitutional limits of its authority. If this is in accord with the facts, then the Brown ruling is invalid. It is not a decision of the Supreme Court. But such a finding must be declared by the government of a member State whose laws are brought in question by the Court's orders.

The government of the State of Virginia has so far taken no action in approval of the conclusion reached in the report of its Commission. But if the government of Virginia, speaking for the State, after a full investigation and study of the facts resolves this question and reaches a conclusion as to whether the Court was acting within its constitutional requirements, then Virginia, as a State, can hand down its verdict of what is and what is not the law in that State, insofar as its laws are affected by the invalid order of the Supreme Court and all orders of Federal courts which are offshoots from this ruling in the Brown case. In this formal way it can be made definite that the men who are members of the Court, when they are not acting within the authority required for its rulings, cannot issue orders that have the effect of law in that State.

OUR CONSTITUTION—IT MUST BE PRESERVED

Many other States besides the South are interested in preserving their heritage of freedom from tyranny, which has been assured to them under the Constitution of the United States, and if it can be preserved and perpetuated.

While these other States are, many of them onlookers in this particular decision, as affecting local school problems, yet they are concerned that their liberty of action in other walks of life, are kept free from the unconstitutional dictatorship of the members of a court when they speak their personal conclusions, outside of the limits of their authority, or when they act beyond the restrictions imposed upon them by the Constitution.

It is of interest to these States that Virginia will now proceed to use its constitutional reserved powers and in line with its deliberate duty, to the end that if it finds the clear fact to be that the Court has acted out of bounds, as has been reported by its Commission on Constitutional Government, that the consequent resulting invalidity of the Court's procedure, will be declared in a way to carry the proper restraint; on the principle that our Constitution must be preserved and only the States have that responsibility and only the States have been given the power, to act to that accomplishment—and on the principle that eternal vigilance is the price of liberty.

Virginia has contributed more than any other State to establishing our constitutional form of Government and now it falls to the lot of Virginia to take the steps that will save it from those who would destroy it.

[From the Pioche (Nev.) Record, Mar. 5, 1959]

WHEN GOVERNMENTS RUN AMUCK

Is appropriate thought being given to this trend in our country today, to break away from restraining influences and run wild on tangent orbits?

The spread of this trend to our teenagers has built up a staggering record of juvenile crime which is but one phase in a general trend.

If governments break their halters of restraint and we find them running wild, can this be considered less seriously especially when such breaking away from the moorings of security is most certainly drifting us into the realm of chaos?

Our notion is new; we have not had training to catch and tame this kind of runaway, but as we review our records we can find that the wise and far-seeing founders of our form of government, have not neglected to provide the way for such an event to be handled. And these same records show that those Founding Fathers have discussed at length, among themselves, the danger of there being unloosed this very destructive force which now must be dealt with.

In his recent address to his legislature the Governor of Virginia helps bring before our view a strange combination of these broken halters.

DISREGARD OF RESTRAINT

In stirring language he has brought down his criticism on one branch of his Virginia government, namely the Supreme Court of the United States—a branch of government constituted by the government of Virginia in agreement with other governments, as an agency for the performance of a definite and limited role, and for that role only. The Governor arraigns the members of this Court so constituted, for breaking the halter which has tied them and strictly limited their power.

He charges them with wrongfully appropriating legislative powers which have not been given to them. While at the same time

he himself proceeds to break the halter which ties him to the executive post of his government. He proceeds to appropriate to himself the powers which have been allotted to the legislature of his State.

He goes ahead, and lays down on the line, what course of action his State will take, when the determination of that problem is strictly a matter for the legislative branch of his government to attend to. The Governor himself being limited, as far as his office is concerned, to the equally strict role of recommending to the legislature what in his opinion should be their course of action, and the veto power if he wishes to use it.

LEGISLATIVE ACTION

The legislative branch of the government has already directed its attention to the problem under discussion. They have gone so far as to appoint a Commission on Constitutional Government to chart out an analysis of the law bearing on the situation. This commission has made a report declaring reasons why the Supreme Court's decision should not be recognized as the law in Virginia.

Further proceedings along these lines were held up by certain proposed indirect lines of action which were not properly founded on established law, and for that reason they have been knocked out by decisions of the courts. This leaves an unfortunate but inevitable mass of debris in the wreckage of the plan, but the legislature is thereby given a free hand to go ahead with proceedings, as a follow-up of this report of the Commission on Constitutional Government, and discontinue futile efforts to oppose constitutional law by legislative enactments.

AUTHORITATIVE PROCEDURE

It is the problem of the legislature, not the Governor, to declare what the law is as far as the jurisdiction of Virginia is concerned. It is for the legislature, not the Governor to determine the question as to the invalidity of actions of the members of the Supreme Court, and whether their actions were beyond the powers granted to them as a court, on which question its Commission has already made its report.

It is for the legislature to say what is the effect on Virginia law of any action which has been taken by members of the Supreme Court wherein they have exceeded their constitutional powers and to say what is the law of Virginia where such a question is to be resolved.

If it is assumed as true, or established as a fact, that a ruling of the U.S. Supreme Court is beyond its granted powers, or if it is claimed on high authority that the Court ruling is unconstitutional, you only have as a result a difference of opinion.

The invalid ruling of the Court must stand until a constitutional power speaks, which is closer to the source of authority than the Supreme Court. But if after a proper investigation of the facts such a source of constitutional power finds, and lawfully declares that the order because of lack of authority was not an order of the Court, then in that event the act is merely the order of members of the Court, without constitutional power.

If this should be the government of a member State which takes such action then, within the jurisdiction of that State, the higher legal authority is the government of the State and it is the final arbiter of what is the law in that State. Then the illegal action of the members of the Court become, in that jurisdiction a nullity. But the Governor of a State is not the government of that State. What he declares to be the effect of the Court's ruling is merely his personal opinion.

[From the Pioche (Nev.) Record, Apr. 9, 1959]

THE CONSTITUTION AND A STRANGE PERPLEXITY

The Virginia Assembly will meet in what some consider to be the most critical moment in the history of that State. If the Constitution is to be altered from now on, without the consent of the people, it is also of concern to all of the States.

The meeting stands as if it were at the pass of Thermopylae. It is standing alone, disputing the progressive movement of what the Governor of that State has classed as "a conspiracy to destroy the Constitution of the United States." And this movement must be stopped at this point or the flood gates will be opened.

The question that is now before the Virginia Assembly, reduced to definite terms may be thus stated:

(a) Is the ruling in the Brown case a valid ruling of the Supreme Court or is it an unauthorized assumption of authority on the part of the members of the Court?

(b) If the Virginia Government finds the fact to be as stated in its Commission on Constitutional Government's report, that the Court was not acting within the bounds of its authority, and that the Constitution did not grant to the Supreme Court the authority assumed by its members, in their decision in the Brown Case, what is the law in such a situation?

(c) If the Government of Virginia, by law duly enacted, in proper form, declares the ruling in the Brown case not constitutionally authorized, and not a lawful act of the Supreme Court, and for that reason not the law within the jurisdiction of the Government of Virginia, what authority has been conferred upon the Supreme Court to override this action of the Virginia Government?

(d) What is the importance of intent in construing the meaning of the Constitution? Is it the law that the intent, of the parties who drafted and parties who approved the language used, must govern its construction, and is the Supreme Court bound by this law? Did the Supreme Court follow that law in the Brown decision?

(e) Did the States who are parties to the Constitution, intend to give to the Court, under any assumed pretext, the power to regulate their schools or to make rulings that have the effect of laws, which if submitted to their legislatures, could not gain the approval of the representatives of the people, or did the states give the Court power to otherwise negate the principle, established by the American Revolution, that governments derive their powers to govern from the consent of those governed?

These questions comprise the matters that must be handled. But in front of these questions there is another matter for solution. Who is to unscramble the eggs? A hopeless confusion arises from mixing two problems together which first must be separated in order for either to be solved.

THE CART BEFORE THE HORSE

It has been overlooked, due to its emotional element, that the question, whether it is good or bad to enforce segregated schools upon an unwilling people is not the primary issue. The issue of who is to decide the question comes first. It is not a question at this stage, how the schools are to be managed. The first question is who will do the managing. If the State authorities are managing the schools and at the same time the Federal authorities are managing the schools, we have a hopeless entanglement. Let the gentleman who has come up and taken the front seat be ushered back to the seat to which his ticket entitles him, and we can handle the matter. In that simile the gentleman taking the wrong seat is an employee, or any department of the Federal Government, the master who issued the ticket being the State, and the usher being the legislature. The immediate question being the examination of the ticket, the legislature has already taken preliminary action, in the report of its commission, but then the matter was dropped to experiment with State authority and Federal authority both at the same time, trying to do the same thing; namely, to dictate as to the management of the schools, and both have been acting unlawfully with resulting entanglements and confusion.

According to the report of its duly appointed Commission on Constitutional Government there is no valid decision of the Supreme Court on this subject, for the reason that constitutional authority was lacking. Its rulings were ultra vires. If this is the law, the Supreme Court is not entitled to the position it has assumed.

If this can be followed up by lawful proceedings, and the government of Virginia can confirm the conclusion of its Commission on Constitutional Government, and after a full investigation of the facts declare the ruling in the Brown case to be unconstitutional, and not valid, then in that State at least there can, from then on, be no confusion, as to what is the law affecting the operation of its schools. What the Court attempts to do, beyond its rights under the Constitution, is invalid. That is the law, but it must be made definite what is the status of the matter, by proper action of a source from which the authority of the Supreme Court was originally derived.

WHAT IS THE CONSTITUTION

One unfortunate element in correcting this situation is that the people of the country are confused in their understanding. They have been misled by the information generally current as to the powers of the Federal Government. What we have to deal with is not a question of State rights so much as a question of what are the limitations to Federal power. The State rights are unlimited excepting those it has surrendered. The Federal Government has no rights at all except those that have been given to it.

It is a question of making a study of the Constitution. What is the Constitution? Who constituted it, for what purpose, and what are the ends to be achieved? Who is made the boss? Let us take a closeup look at what is the Constitution of the United States.

The Constitution is a written agreement, among separate and independent nations to whom that status was given, some years before, under the terms of the treaty of peace at the end of the Revolutionary War. In order to consolidate some of the burden of government they agreed on a plan to appoint an agency Government.

By a treaty arrangement they thus constituted three separate agencies, each being made independent of the other, and to each is granted a limited authority to perform a certain well-defined part of their national functions, no more and no less. All authority not specifically granted was specifically reserved.

Also employees of the agency Government were to be required to take an oath of office to protect and defend this agreement which defines and limits their powers, with the hope that it would not be necessary to use the reserved powers in order to gain the intended protection. But before signing the agreement, at the insistence of the State of Virginia, they made sure that there could be no uncertainty as to the intent, that all powers not granted were reserved to the parties to the agreement.

It is the present use of this reservation which is now a matter for the attention of the assembled representatives of the people of the State, and it is particularly concerned with the point that the Supreme Court has no authority beyond what the State of Virginia has intended to give it. All the authority and all the power the Supreme Court can claim to exercise, must as a matter of law, be clearly stated in papers signed by the State of Virginia, and it is the law that

the papers can only carry the powers intended at the time. While Virginia has acted in agreement with other governments in giving the authority granted, that does not change or enlarge the authority.

THE PEOPLE SPEAK

The State's leaders must assume the responsibility for this simple and necessary question being so mixed up as to become almost hopelessly confused, and this confusion must now be cleared up if this meeting of the assembly is to measure up to the requirements of the people.

The recent unprecedented meeting on the Richmond Capitol grounds of nearly 8,000 orderly but seriously intending citizens, volunteering to come from all parts of the State, with a designated spokesman to express their views, left no doubt of the seriousness of their intent that governments must obey the law.

The legislature will have before it two reports. The report of its especially delegated Commission on Constitutional Government which report declares the U.S. Supreme Court in the case of *Brown* v. *The School Board* was out of constitutional bounds in its proceedings and consequently its ruling was ultra vires.

The assembly will also have a report of another commission selected by the Governor of that State. The Governor has taken the position of dealing with and acceding to this same ruling of the Supreme Court which the Commission on Constitutional Government has reported to be illegal. The people of the State have most positively refused to be governed by it and if the presently assembled government agrees with the Commission on Constitutional Government and declares the Court's ruling to be not constitutionally founded and therefore not the law within the jurisdiction, then in that case the proceedings proposed by the Governor will not be necessary. The matters will be otherwise taken care of.

While the commission appointed by the assembly has given its reasons why this ruling is beyond the Court's constitutional authority and therefore void, yet this does not preclude further investigation by the assembly before adopting the report. A thorough overhauling of this entire matter, by so dignified a body as the Virginia Legislature, would be a milestone in the progress in developing the American form of Government.

CONSPIRACY TO DESTROY THE CONSTITUTION

The Governor has said that his State is "battered by the unholy alliance of a conspiracy to destroy the Constitution." And yet he proposes new legislation which in effect assents to the validity of this same ruling and in a measure gives effect to it. In reference to this same ruling of the Supreme Court the Governor has said, "I saw the Court ignore the Constitution, cast aside all precedents, Federal and State, and judicially legislate the ideology of a foreign socialist into the Constitution."

In this amazing discord and confusion it is most fortunate that one thing stands out with clarity, and that is the law which has already been established and which must guide the legislature and afford a foundation for its action. The law is the controlling factor in this critical affair, critical to their State, critical to what in the Governor's charge is a "conspiracy to destroy the Constitution," and of course of concern to all of the States which wish to see the Supreme Court deterred from roaming in the green pastures of usurped autocratic power. The law is what will govern if the law is applied.

APPLICATION OF THE LAW TO QUESTIONS UNDER CONSIDERATION

Quoting Chief Justice John Marshall in the leading and often quoted case of *Marbury* v. *Madison*, 5 U.S. 179:

"It is apparent that the framers of the Constitution contemplated that instrument as a rule for the government of courts as well as the legislature. * * * A law repugnant to the Constitution is void, and the courts as well as other departments are bound by that instrument."

Alexander Hamilton was one of the leaders among the founders of the Constitution. In Federalist Paper No. 33, he affords highest authority on the question of what was the intent of the framers of the Constitution on this point. Mr. Hamilton says: things that are done in "violation of constitutionally defined authority will be merely acts of usurpation, and will be deserved to be treated as such."

These two authorities alone would outweigh the basis for the Court's decision in the Brown case which mainly hinged on its reference in footnote 11 to its opinion. The authority there cited is a patently superficial foreign writer on social theories. It has nothing to say about the issue before the Court which is to interpret the intended meaning of the 14th amendment.

SUPREME COURT'S CITED AUTHORITY

The author, who is cited as authority to back up the decision of the Court, has this to say about the Constitution: "The American Constitution is in many respects impractical and ill suited for modern conditions." If the author can convince the Court of the correctness of his conclusion, which would mean that the Constitution should be abandoned in favor of a Communist regime from which it is our main defense, the Court could recommend amendments to the Constitution, but hardly change it to suit the author, without the approval of the people, or hand down a decision to that effect.

The Virginia government is justified in rejecting the Court's conclusion as the law for interpreting the Constitution, as far as it is based on footnote 11 in its decision. On the other hand the State is justified in ruling that Chief Justice Marshall and Alexander Hamilton are better authorities for determining what was the intent of that document and how the authority of the Court is limited in construing it.

It would be helpful to the legislature if the attorneys would furnish, for their consideration, extracts from the Court's rulings which would give a legal basis for changing the interpretation of the language "separate but equal," in the 1896 opinion of the Court to conform with the views of the writers quoted, who express disapproval of the Constitution as the basic law.

This would give the assembly a better opportunity for an analysis of authorities on which the decision was based, and disclose its bearing on the proceedings of the Court, being within the authority conferred upon it, by the Constitution.

THE LEGAL EFFECT OF INTENT

What is the legal effect if the Court, in reaching its decision, has flagrantly ignored and made no effort to determine the intent of the signatory parties, at the time of their agreeing to the Constitution or its amendments. What is the importance of "intent" as a matter of law?

The law on this question is very clearly expressed in the U.S. Supreme Court's decision reported in (199 U.S. 488): "The Constitution is a written instrument. As such its meaning does not alter. That which it meant when adopted it means now. * * * Those things which are within its grants of power, as those grants were understood when made, are still within them, those things not within them remain still excluded."

Quoting from the decision of Chief Justice John Marshall in *Gibson* v. *Ogden*, 9 Wheat 199:

"As men whose intentions require no concealment, generally employ the words which most directly and aptly express the ideas they intend to convey, the enlightened patriots who framed our Constitution, and the people who adopted it, must be understood to have employed words in their natural sense, and to have intended what they have said."

THE PROBLEM BRIEFLY STATED

Divested of all its trappings, the situation in hand can be thus plainly stated:

(a) The Supreme Court has no power except what the State of Virginia intended to confer upon it.

(b) The State of Virginia has never intended to give the power to the Supreme Court to regulate its schools.

(c) The Supreme Court by a forced construction of words cannot override the principle of local self-government and home rule for which the Revolutionary War was fought and won.

(d) It must be kept in mind that the State of Virginia created the Supreme Court and limited its authority, requiring an oath of office that insures its integrity. Any act of the Court, in excess of authority authorized, is of necessity unauthorized and void, and the source from which the authority is given must be also the ultimate judge of its performance. Otherwise it is not a rule of law that has been established, but a rule of men—not a republic but an oligarchy.

THREAT OF FORCE

The Governor of Virginia takes the position that he cannot overthrow or negate "the overriding power of the Federal Government."

This statement overlooks that the Federal Government must be given the authority, before it can make use of any power. No power can be used to oppose the State in any matter where the Federal Government lacks constitutional authority. What the Federal Government bases its rights on, when it attempts to coerce the State, must be within the clear provisions of the Constitution as intended by the signatory parties at the time.

It is not a question of the overriding power of the Federal Government, rather it is a question of what is the right of the Federal Government, and whether the State has ever conceded that right. The power question beclouds the present issue. The power of the Federal Government is entirely irrelevant to the problem under consideration. It is a question of the right of the Supreme Court not the power of the Government.

The founders of our Government have had their work brushed aside if power is substituted for right, and when the rule of men is substituted for the rule of law, it falls to our lot to see that this is not done. The military might that has been allowed the Federal Government has no use or application here. The task is rather that of defining and making sure what is the law, and using the powers reserved to the States so that the law may be so defined as to require its being given due respect by all agencies of the law. Had the Legislature of Arkansas, with the Governor's approval, invalidated the Federal ruling as not the law in that State, the Executive would not have had constitutional authority to defy the law of Arkansas by sending in troops.

This question may be asked, after the State government has made definite by the required proceedings, what is the law within its jurisdiction, what authority does the Constitution confer upon the executive department of the Federal Government to obstruct the lawful functions of the State? Under what provision of the Constitution would the executive department be acting if it interfered with the State in the enforcement of its laws?

Unless the Constitution has been abandoned, any department of the Federal Government dealing with the State could be required to answer this question.

[From the Pioche (Nev.) Record, Apr. 23, 1959]

QUO VADIS, VIRGINIA?

With the Virginia Legislature in session the news has presented the silent aspect. It is claimed the main issue of the Revolutionary War is at stake, but throughout the Nation who knows what has been going on in Richmond?

The Governor of the State just before calling this special session of his legislators, in a special nationwide TV address, gave his listeners to understand that there was a serious question of constitutional law which needed the attention of his lawmakers.

He advanced very good reasons, and advanced them with force and eloquence, why the ruling of the Supreme Court which had closed the schools of his State, entrained a tyrannical usurpation of power, and had overreached its constitutional limits of authority.

Because of the grave nature of this change and far-reaching principles involved, he announced that in such a situation there could be no compromise.

When the legislature assembled there was another address by the Governor. In it he said:

"I am not aware of any crisis in the history of Virginia more grave nor any emergency creating a more impelling necessity for the convening of the representatives of our people.

"Encompassed by the iron will of arrogated power, buffeted upon the storms of an uneven contest, pierced with the daggers of political expediency and battered by the unholy alliance of a conspiracy to destroy the Constitution, Virginia, true to the faith of the Founding Fathers' heritage, must never recede in this struggle to preserve her rights nor suffer her voice to be stifled in the councils of the Nation."

It may be there are some in our American citizenry who are not particularly interested in preserving the liberty of person and property that once was assured by their Constitution. For them we would not speak. But for those of us who feel that these once assured rights to freedom, have been whittled away, and wish to see that what is left is preserved, the result of the proceedings in Richmond are of real concern. They will direct our future.

A CHANGE OF FRONT

The Virginia Assembly has met as scheduled. But from the daily national press the public would not gather that, within their range of the news, a grave constitutional crisis was there being dealt with.

The Governor himself selected a group from the assembly members, as his working staff. Why his legislature is not left to select their own commission does not appear. But the procedure is being directed by the Governor. The matters selected by his leadership are to be given short shrift and rushed through. Time has become the important element, as it was in Washington in 1933–34 when the Constitution was forgotten, foreign commerce destroyed, the groundwork was laid for our now present imponderable national debt and the destruction of our wealth-producing industries.

The defense of the people from the transgressions upon their right of self-government, so eloquently promised on January 20th, suddenly is shifted over and the subject is to be shunned. In their place questions will have consideration such as the means for transporting what children to what schools; tuition grants to children who might prefer not to attend schools provided by law; whether they are to be paid by the State or by the localities; modification of statutes providing for liens on buildings; many complicated and strongly contested details of school administration. All is based on the assumption that there is to be a surrender without the public knowledge. No time being given for debate or discussion on the matter of principle, or whether constitutional limits have been disregarded by the courts or whether their proceedings have the validity of law. Darkness still prevails on the question, What is the law?

THE QUESTION AND THE ANSWER

In his address on opening the assembly meeting the Governor said:

"I saw the Court ignore the Constitution, cast aside all precedents, Federal and State and judicially legislate the ideology of a foreign Socialist into the Constitution, outside of the record, with no opportunity for a hearing or cross-examination."

He also said: "If any of them know the way through the dark maze of judicial aberration and constitutional exploitation, I call upon them to shed the light for which Virginia stands in dire need in this, her dark and agonizing hour. No fair-minded person would be so unreasonable as to seek to hold me responsible for failure to exercise powers which the State is powerless to bestow."

In answer to this, if it had been permitted for the proceedings to provide for it, members of the Virginia Commission for Constitutional Government could have proposed the answer to this question by a resolution giving effect to the findings of the previously appointed commission of the legislature. The simple answer is a resolution declaring the ruling of the Supreme Court not within its constitutional authority and therefore void and not the law within the jurisdiction of the State, which action by the legislature, when approved by the Governor would have ended all doubt as to what was the law in Virginia on the school question.

But in the present stage of the proceedings, no reverberations have come through of any debates on the question of the Court's constitutional powers or the tyranny of the orders of the Court. No Patrick Henry has revived the "give me liberty or give me death," memories. Instead we see the planned details of what appears to be the arrangements of a surrender.

When the Governor's program was rushed to completion and ready to be sent to the proper committee, it appeared that sure defeat was awaiting it by that route. The committee was then bypassed. The vote of the senate as a committee of the whole was used, as a strategy move, to save its defeat. A most unique, in fact an unprecedented move to override the will of the people's established organization.

The people wish the constitutional question met and disposed of. The Governor and his followers, in an attitude of defiance, suddenly switched the plan of action to what would accord with the Supreme Court being given the right of usurpation which once they so eloquently condemned.

In exchange they gain the planning of such matters as the handling of tuition grants and a number of kindred questions, all of them based on conceding to the Court the right to invade areas of power, which heretofore have been strictly denied them, and which would pave the way to changing over from a Government of the people to a new form of autocratic dictatorship.

AN OUTSTANDING EVENT

Despite the scarcity of space given these events in the metropolitan press an incident in the history of our Nation, known to those present, throws considerable light on what is going on in this Virginia constitutional crisis. On March 31 there appeared in the capitol grounds at Richmond a voluntary crusade of thousands of citizens from all parts of the State. More than 5,000 citizens assembled, with an orderly but determined purpose, to speak with the Governor of the State and with the members of the legislature, in a face-to-face assembly.

The Governor did not appear. He had other appointments. But the members of the assembly seated on the front steps of the capitol building heard what the citizenry had to say speaking to them through their well-selected spokesman.

In this extraordinary if not unprecedented procedure, these representatives of the people of the State, presented with extreme courtesy, their plainly-put demand, that the constitutional rights of the people must be defended and not surrendered. At the same time they reminded the legislators that they were speaking for the people to their elected representatives.

The speaker, Mr. Edward J. Silverman of Blackstone, Va., after a graceful introduction by the chairman of the newly organized "Bill of Rights Crusade," sponsored by the Virginia Committee for Constitutional Government, and after a short but impressive opening prayer, proceeded to address himself to the absent Governor and to the members of the assembled Virginia Legislature.

THE PEOPLE SPEAK

With dignity and directness the Governor and the legislators were brought to a realization of the serious nature of the occasion.

Speaking of the Governor, he said:

"He is a great orator. He is a great citizen of Virginia. He has been honored many times by his fellow Virginians. But his voice no longer rings out against Federal tyranny, and it appears that he wishes this legislative body to surrender and submit to the ruthless might of Washington.

"Virginians have always loved their Governors. Rare is it that a Virginia Governor has had to face such a demonstration as this—demonstration by the people who elected him because they feel now he has surrendered his State. Is not this crusade the proof needed that the people of Virginia still run their government?"

Speaking to the legislators, he said:

"And so, we are now turning to you, the elected representatives to the legislative branch of our government. You are our only remaining line of defense.

"We appeal to you to give us the leadership and statesmanship necessary to lead us through this dark crisis and to make the long, hard sacrifices necessary to preserve our liberties and the sovereignty of our Commonwealth.

"We do not believe that Virginia, in this grave hour, is without that statesmanship which has brought her through the trials of the centuries.

"You must snatch up the torch of liberty from where the executive branch has let it fall. The eyes of Virginia and the Nation are upon you.

"The question has been asked by certain Virginia officials as to how the sovereignty of the State can be interposed, in that we cannot meet the physical force of the Federal Government with like physical force. We must rely upon the dauntless spirits of Virginia leadership to passively resist every judicial abuse of the Federal Government."

Speaking of the school issue, he said:

"But the school issue is only a springboard being used by those who would destroy States rights. While important, it, in itself, is insignificant to the events which may come tomorrow or next week.

"The acceptance and submission of Virginia to this principle, that the nine Justices of the Supreme Court of the United States may thus destroy the Constitution, designed by our forefathers as the bulwark of liberty for all generations of America, is the acceptance of tyranny and a betrayal of the historic destiny and tradition of Virginia as the creator and preserver of American liberty."

In this dramatic performance the legislators were in the saddle, but next November the voters will hold the position of power.

It will be the wish of all lovers of freedom that, by then, through diligent attention to their task, they will have moved into a position to effectively use it.

[From the Pioche (Nev.) Record, July 2, 1959]

OUR CONSTITUTIONAL RIGHTS: CAN THE PEOPLE DEFEND THEM?

A far-reaching issue is being molded in the State of Virginia for the approaching election. This question is whether the people of the United States will govern themselves or whether the scepter of government can be passed out of their hands. Virginia stands once again, in its historic position. It will guard the rights of the people of all the Nation or it will fail. The decrees of fate have set the issue to find its solution in Virginia.

Such an issue is of vital concern to all the people. But there is a prevailing silence, and even in Virginia the critical issue of "a rule of the people" is buried in emotional discussions.

There are two political action groups which have been developed in Virginia. One of these, headed by its political leaders, represents what is charged by their critics to be a masterpiece in betrayal and duplicity. It is charged that while proclaiming with words and promises that they will uphold the rights of the people against usurpation of assumed Federal authority, and while heaping inordinate abuse upon the members of the Court (who may be in entire good faith even if acting under a mistaken guidance), they proceed to adopt as the law, and apply to their State, the very illegal rulings they so strongly condemn.

In their criticism of the Court they make use of the same words that could be used to proclaim the Court's acts of usurpation to be illegal. And they neglect the legal means that has been provided, through the constitutionally reserved powers, which could be used to accomplish the fulfillment of their political promises, or at the very least such an effort could be debated.

Those who have been elected on the strength of their repeated assurances, that they would never yield to the unlawful usurpation in question, have hastened to yield, at the last special session of the legislature. This they did without time being given to debate the issues. Their only grounds given for this reversal, is their fear of Federal power—thus proclaiming to the world another declaration in error, that America is ruled by force and not by law.

THE POINT OF DIFFERENCE

The second group agrees that the Supreme Court ruling is unconstitutional, on the ground that it stands for the usurpation of a power which is denied to it. And therefore it is an ultra vires act. This second group contends that the ruling being illegal, it should be treated to that effect as a matter of law. It is usurpation and should be treated as such.

They would give effect to the language of Alexander Hamilton when he said: "Violation of constitutionally defined authority will be merely acts of usurpation, and will be deserved to be treated as such."

They would adopt the Supreme Court ruling handed down by Chief Justice John Marshall: "A law repugnant to the Constitution is void, and the courts as well as other departments are bound by that instrument."

This second Virginia group might well select a name better fitted to their belief in the law and to their determination to suppress lawlessness. However they have been branded with the unfortunate label of "Massive resistance."

This implication of resistance is a misfit. There is no remedy by the route of resistance to what is legally unauthorized. It calls for being put in cold storage. It is legally dead and needs to be buried in due form.

Powers not granted are reserved to the States. The States must use their reserved powers when it becomes necessary to protect their laws from acts of tyranny or usurpation of authority, especially where the State is the source of the authority being illegally assumed.

The invalid action of employees of any department or division of the Federal Government calls for its formal invalidation. Its lack of legal effect must be determined by proper authority. It cannot be determined by third party onlookers.

In the language of Chief Justice Marshall, any action of the departments of the Federal Government beyond the authority allotted to it is void. And this, he says, applies to the courts as well as to other offices created by the Constitution. This is the law. But it needs to be applied to the given situation.

THE QUESTION ANALYZED

If it is a fact that the decision in the Brown case is unconstitutional, as beyond the power granted to the Court under the Constitution, or if it is ultra vires to use the language of the report of the Virginia Commission on Constitutional Government, then it is void. The fact in this statement, is agreed to by all parties as applied in the Virginia situation. And what is the law, is a matter that has been decided by the Supreme Court.

If this is so found by a signatory State, one which has granted to the Supreme Court its powers, then the situation is not one which calls for resistance—it calls for an undoing of something that has been wrongfully done. It calls for such action as to make legally definite and beyond personal opinion, or debate, the fact that the unlawful act will not be recognized as a lawful act. Then as a matter of law the act becomes void and of no effect and there is no authority given anywhere under the Constitution that can contradict it. It stands as an exercise of an authority that has been reserved because it has not been otherwise granted.

The President is required to take an oath before he can qualify for the duties of his office that he will preserve, protect, and defend the Constitution of the United States.

Not so with members of the Supreme Court. It is required that they shall be bound by an oath to support this Constitution.

They, and all empolyees whose office is constituted by the agreement, are that firmly bound or tied in, as only an oath can bind them to the Constitution. None of their acts which are not a part of their constitutionally conferred authority can be an act of government and necessarily are void, as far as it concerns the Government.

A FIXED LEGAL POSITION

Any decision based on the authority quoted in the Brown case ruling in its footnote 11, to the effect that the Constitution is outmoded and not adapted to modern conditions, is out of the bounds fixed, and cannot be classed as an authorized act of the Court.

It would seem that the founders of our form of government have done their part to defend coming generations, and free them from the oppressions of that tyrannical rule it had cost them so much to throw off. Are we to admit we are unable to accomplish their clearly intended objective, with the means they have provided to that end?

But the founders of this constitutionally limited Government have done more than require an oath to assure that Government agencies will stay put within the limits set. Among other protecting safeguards, they made the Federal agencies legally the employees of the States; that the signatory States constituted the positions that were to be filled by the employees of the agencies created and neither the agencies nor the employees are made parties to the agreement.

Their legal position is strictly one of a limited agency or employee. To demand the salaries due them is their only implied legal right, and all rights not given them being reserved to the States completes the work of the Founding Fathers to assure to the States the right of action against tyranny in the form of usurpation of powers by these employees or agencies.

THE SHOWDOWN

Since this Government was founded there has never been permitted to bring to a showdown such a clear-cut issue of whether the people of the Nation must consent to be ruled by an autocratic, unlawful, usurpation of tyrannical authority, against which the Constitution of the United States is designed and intended to furnish the most definite and complete protection.

Usurpation was the one great fear of the founders of our form of government. They considered its danger and did not end their labors without carefully laying down in principle the way to handle such unlawful actions.

For any politically strong group of men to be allowed to grasp autocratic powers through usurpation of authority is to submit to a complete overthrow of rule by the people. Such procedure is a side-door entrance to a Russian form of government, also established by usurpation, backed by lawless force, an autocratic dictatorship, which by the strangest paradox in history was firmly established as a world power by the wealth and manpower of the United States.

After more than 50 years of gradual encroachment upon individual rights by a slow, invisible movement, a kind of creeping paralysis, at last there is a showdown in the issue as now set up in the State of Virginia—the highly organized political force of the invisible hand against untutored, unorganized but firm will of the people to resist encroachment on their rights of self-government.

Before the people lies the role to elect representatives who will favor a law wherein the government of Virginia proclaims that the school-case ruling is beyond the range of power conferred upon the Court under the Constitution, and, therefore, is invalid and void and not the law in that State.

ON THE FIXING OF BOUNDARY LINES—A STATEMENT BY THE VIRGINIA COMMISSION ON CONSTITUTIONAL GOVERNMENT, SEPTEMBER 9, 1958

The human conflicts present in the controversy over the South's public schools are real, are complex, and cannot be minimized. Yet the public attention concentrated upon these social problems unfortunately has obscured a towering question of constitutional government, and this question transcends the immediate and personal issues of particular children in particular schools. It is in the hope of encouraging consideration of a basic concept of the American Republic that this commission, created by the General Assembly of Virginia in 1958, offers this statement.

This basic concept cannot be understood without some recognition of unalterable facts of history and long-established principles of law. Our Union is a union of States. That is what it was in the beginning and that is what it remains today. In this

Union, all power to govern flows from the people in their States. Some powers the people have delegated, under the Constitution, to Federal authority; all other powers they have reserved, under the Constitution, to themselves.

WE ARE NOT THE SAME

There are sound reasons for this. The States are not all the same; their economies, societies, interests, resources, are not all the same; customs and traditions vary enormously from State to State, and laws that might be wise and useful in one area may be demonstrably needless or even harmful in another. This diversity is part of the strength of the Union. It has been recognized as such from the very beginnings of our history, and the underlying theory of the Constitution is that the States are left free to govern themselves, subject only to the prohibitions they have expressly imposed upon themselves by the Constitution.

The States manifest their individual powers in many different ways. Each State, for example, fixes a minimum age at which its citizens may vote; and though some may believe it unwise to permit 18-year-olds to vote, nothing in the Constitution prohibits a State from thus extending its franchise. Similarly, many persons may doubt the soundness of a State law providing for rent control, but a State may adopt such a law if its people choose. Two States, Oklahoma and Mississippi, regard traffic in intoxicating liquors as immoral, and they have prohibited it; but the other 46 States are not compelled to accept this view. Half the States permit parimutuel gambling on horseraces; the other half do not. The point we seek to emphasize is that a practice which many people may regard as unwise, or unsound, or immoral, is not unlawful until it is made so by lawful process. That which some persons conceive to be socially or economically wrong may still be constitutionally right.

THE KEY QUESTION

Acceptance of this plain truth of our Government is vital to any proper understanding of the constitutional issue at stake in the South's public school crisis. The Southern States, or some of them, do not conceive the maintenance of racially separate schools to be morally wrong; on the contrary, they believe this policy to be in the best interests of all their people. That many persons strongly oppose this view is not to be doubted. But the question is not whether the Southern States, in exercising a power to maintain such schools, are acting morally or immorally; the question is whether they are acting constitutionally. Distasteful as the conclusion may be to some critics of the South, the conclusion cannot be escaped that the Southern States are fully within their constitutional rights in the position they have taken.

The conflict here, fundamentally, is one of the rights of the citizen and the powers of a State. Whatever the rights of the individual are, these rights cannot be infringed; correspondingly, whatever the powers of the State may be, these powers may be exercised at the State's discretion. In this controversy, as in countless others, the problem rests in determining the line at which rights end, and powers begin; it is a problem in the fixing of boundaries.

We must look to the 14th amendment to determine where this boundary lies. The 14th amendment, leaving aside all questions of the validity of its adoption, was conceived primarily as a prohibitory amendment: It was intended to prohibit to the States certain powers they had exercised in the past; specifically, the States were prohibited from denying to any citizen the equal protection of the laws. Beyond question, the effect of the amendment also was to vest in the newly freed Negro people certain rights they had not enjoyed before—the rights, for example, to own property, to enter into contracts, and to sue and be sued.

WHAT ADDED?—WHAT SUBTRACTED?

The constitutional issue now before the country, in this context, is simply stated. So far as public schools are concerned, what individual rights were created? What State powers were reduced? If in 1868 certain rights were added to those possessed by the citizen, then in 1868 certain powers must have been subtracted from those held by the States. What did the amendment mean in terms of public schools?

Clearly, the Congress that framed the 14th amendment, and the States that ratified it, never intended for an instance that a guarantee of equal protection of the laws was to affect the operation of separate schools in any way. Long after the amendment was ratified, States both North and South continued to maintain racially separate institutions. It is unthinkable that they understood the amendment to prohibit them from the exercise of powers they were daily exercising.

The correctness of this understanding was confirmed repeatedly by the highest State and Federal courts in an unbroken line of decisions stretching over many years. It was confirmed, also, by the tacit acquiescence of the States themselves: When the doctrine of "separate but equal" was sanctioned by the Supreme Court of the United States in 1896, not a single State voiced a protest or asserted a misinterpretation of the amendment. And Congress, from the date of the amendment until the date of the school segregation cases, demonstrated its understanding of the amendment by actively maintaining separate schools in the District of Columbia. Thus the boundary line was fixed. By what authority may it now be changed?

THE LAW OF THE CASE

The position of the Southern States today is that the governmental power they exercised constitutionally for so many years—the power to maintain racially separate schools—cannot be prohibited to them by mandate of the Supreme Court. Many persons, it appears, believe that the Court has the right, as well as the power, to impose this prohibition upon the States as an addition to the "law of the land." In actual fact, the Court's mandate is no more than the "law of the case" in which it is handed down; the Court's power is a judicial power, not a legislative power, and it is worth emphasizing that there is now no law and no provision of the Constitution requiring racially integrated schools. Nevertheless, we acknowledge that some observers believe this to be the effect of the Court's opinion in the school cases. For our own part, we hold that in attempting to prohibit to the States the power to operate separate schools, the Court usurped the amendatory power that constitutionally is vested in three-fourths of the States alone.

In effect the Court sought not merely to interpret the Constitution, but substantively to amend the Constitution and this the Court has no authority to do.

The Virginia Commission on Constitutional Government respectfully urges the people of every State to reflect thoughtfully upon these matters. There are two questions involved in this struggle. The only question properly before the Supreme Court of the United States was whether a State's maintenance of separate schools is constitutional. The other question, whether such schools are morally and socially right or wrong, is a question of policy, not of jurisprudence.

It is our prayer that the people of the United States, whatever their views on segregation, will reflect carefully upon the consequences of entrusting the formation of national social policies to a judicial body appointed for life. We cannot believe that our sister States, viewing the matter dispassionately, will fail to perceive the grave danger to all State powers that lies in the Court's drastic action here.

"IT IS NOT FOR THE COURT—"

These apprehensions are not peculiar to the South in 1958; Washington voiced them in his "Farewell Address." Lincoln many times emphasized the same points. More recently, Mr. Justice Black has asserted that it is not for the Supreme Court to roam at large in the broad expanses of policy and morals, and to trespass on the legislative domain of the States. Mr. Justice Douglas has warned that instability is created when a judiciary with life tenure seeks to write its social and economic creed into the Charter. Mr. Justice Frankfurter has declared that, "As a member of this Court, I am not justified in writing my private notions of policy into the Constitution, no matter how deeply I may cherish them or how mischievous I may deem their disregard." The late Chief Justice Vinson emphasized that because the Court must rest its decisions on the Constitution alone, we must set aside predilections on social policy and adhere to the settled rules which restrict the exercise of our power to judicial reivew. Holmes, Hughes, Sutherland, Harlan, Taney, among a host of great jurists, have insisted down through the years on strict adherence to the rule, in Hughes' phrase, that "it is not for the Court to amend the Constitution by judicial decree."

We should like also to direct attention to the words of Elihu Root, recently proclaimed as sound doctrine by the conference of chief justices of the several States:

"If the people of our country yield to impatience which would destroy the system that alone makes effective these great impersonal rules and preserves our constitutional government, rather than to endure the temporary inconvenience of pursuing regulated methods of changing the law, we shall not be reforming. We shall not be making progress, but shall be exhibiting * * * the lack of that self-control which enables great bodies of men to abide the slow process of orderly government rather than to break down the barriers of order when they are struck by the impulse of the moment."

Let us not abandon these wise admonitions in the passions of a turbulent hour.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PORTER, for 60 minutes, today.

Mr. PUCINSKI, for 30 minutes, on September 7.

Mr. BRAY, for 5 minutes, on Monday, September 7.

Mr. BARR (at the request of Mr. McCORMACK), for 15 minutes, on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HOLLAND and to include extraneous matter.

Mr. SILER in two instances and to include extraneous matter.

Mr. RIVERS of South Carolina and to include a statement of the Surgeon General.

Mr. MCCORMACK and to include extraneous matter.

Mr. GEORGE and to include a letter immediately following the remarks of the gentleman from Ohio.

Mr. BRADEMAS.

Mr. TOLLEFSON.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 7040. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes; and

H.R. 8575. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1555. An act to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes; and

S. 2457. An act to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government.

ADJOURNMENT

Mr. PUCINSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 14 minutes p.m.), under its previous order, the House adjourned until Monday, September 7, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1360. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to the provisions of section 212(d)(6) of the Immigration and Nationality Act, also a list giving the names of the aliens; to the Committee on the Judiciary.

1361. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by certain subjects, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of Alabama: Committee on Public Works. S. 1473. An act to repeal the act of May 27, 1912, which authorized and directed the Secretary of the Treasury to sell certain land to the First Baptist Church of Plymouth, Mass.; without amendment (Rept. No. 1153). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. S. 2291. An act to authorize the erection of a plaque in honor of the late Honorable Sam D. McReynolds on or near the site of the Chickamauga Dam; without amendment (Rept. No. 1154). Referred to the House Calendar.

Mr. BLATNIK: Committee on Public Works. H.R. 8171. A bill amending the act of February 20, 1931, as amended, with respect to a rail transit crossing across the Bay of San Francisco; without amendment (Rept. No. 1155). Referred to the House Calendar.

Mr. BLATNIK: Committee on Public Works. H.R. 8347. A bill to authorize the acquisition of land for a national wildlife refuge at Jackson lock and dam navigation project, Alabama; with amendment (Rept. No. 1156). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H.R. 5738. A bill to authorize the Secretary of the Army to transfer to the Waukegan Port District the commitment of the city of Waukegan, Ill., to maintain a public wharf in Waukegan Harbor on land conveyed to the city in 1914; and for other purposes; without amendment (Rept. No. 1157). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOWLES:

H.R. 9115. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GEORGE:

H.R. 9116. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Iowa:

H.R. 9117. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of Texas:

H.R. 9118. A bill to bring employees of the agricultural stabilization conservation county committees within the purview of any group health benefits program for Government employees; to the Committee on Post Office and Civil Service.

By Mr. PUCINSKI:

H.J. Res. 520. Joint resolution relating to restoration of freedom to captive nations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SMITH of Iowa:

H.R. 9119. A bill for the relief of Maria Cretelli Ventura; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 9120. A bill for the relief of Ivan Feduszko; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Memorial to Judge William Lewis

EXTENSION OF REMARKS

OF

HON. EUGENE SILER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 5, 1959

Mr. SILER. Mr. Speaker, even in the rush of these closing days of our 1959 session of the 86th Congress, I would like to take this opportunity to memorialize one of our former Members who served briefly in 1948, Judge William Lewis of London, Ky., and who represented my district in the U.S. Congress during that year and who has now passed out of this mortal life at the age of 90 years at his home in Kentucky, on August 8, 1959, after a lingering illness of several years' duration.

I knew Judge Lewis during the days of his maturity as a lawyer and a judge and as a public figure in southeastern Kentucky. He was always kind, affable, congenial, and courteous. Never did I see him in anger or exhibiting a spirit of vindictiveness toward his fellow man. He was a scholarly man and one of the ablest lawyers down in my part of Kentucky. He understood the mountain people and their homespun philosophy and their humble origin. He himself had the same philosophy and origin, for he came from the humblest of the humble. Although his fill-in term of service was very brief, yet he must have impressed quite a few Members of this body with his native ability and his pleasing personality because several who served with him have inquired about him since I became a Member of Congress.

Judge Lewis' career in public service covered half a century. For 18 years he had been judge of the same circuit—made up of Clay, Laurel, and Jackson Counties.

His son, Ray C. Lewis, London, served later the same district as circuit judge.

On April 24, 1948, he was elected to Congress to serve out the remainder of the term of the late John M. Robsion, Sr. This was in the strongly Republican Ninth District, which is now the Eighth.

The Democratic Party leaders made one attempt to nominate a candidate, but were prevented by a flood from holding a scheduled convention. So only

write-in votes opposed Judge Lewis in the special election. He won easily.

But he had had a much harder time in the deadlocked nominating convention on April 2, 1948, at London. County chairmen and chairwomen from the 17 counties in the district voted to select a nominee. Thirty-two people voted and 17 votes were needed for the nomination.

Five men were placed in the race, but after several ballots there were 15 votes for Lewis, 15 for John M. Robsion, Jr., son of the late Congressman, and 2 for Charles L. Seale, Booneville.

The tally remained unchanged for three ballots. Judge Lewis was backed by former Gov. Simion Willis' faction of the party.

After the seventh ballot the younger Robsion withdrew. He said,

> It is harmful to the party to continue this deadlock. While we all have our personal ambitions, there comes a time when somebody has to give.

On the eighth ballot, Judge Lewis won with 27 votes to 4 for Seale.

Mr. Robsion later moved to Louisville and was elected to Congress from the Third District and is the GOP nominee for Governor this year.

Judge Lewis did not seek reelection in the fall of 1948.

He was born in Perry County, Ky., on September 22, 1868. He was educated in public schools in Perry and Leslie Counties and in Hyden High School and Laurel County Seminary. A private tutor taught him law.

In 1890 he became Leslie County sheriff. He was named Leslie County school superintendent in 1894. In 1899 he was elected to the Kentucky General Assembly.

From 1903 to 1909 he was Commonwealth's attorney in the 27th judicial district. He served as circuit judge of that district from 1909 to 1921, and from 1927 to 1933.

Survivors include his wife; the son, Judge Ray Lewis; and a daughter.

Mr. Speaker, I wish to extend to the family and many friends and relatives of Judge Lewis my deepest sympathy in the loss of this well-loved man and able leader from my part of Kentucky.

More Young People Should Learn That They Owe Something to Society

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Saturday, September 5, 1959

Mr. WILEY. Mr. President, today, one of the major social challenges in the country is that of channeling the vast reservoirs of energy, talent, imagination, and ideas of our youth into constructive activities. In this fast-moving age, the rapid changes in our social and economic system—as well as the scientific and technological revolution—unfortunately, has not provided adequately for the exercise of the talents and abilities of youth.

Consequently, several undesirable circumstances have arisen.

First. We are letting go to waste too much of the capabilities of our youth.

Second. Energies being dissipated in just killing time could better be channeled into constructive activities. In circumstances of this kind, someone has suggested that "the best way to kill time is to 'work it to death'."

Third. Because of their boundless energies not channeled into constructive outlets, too many teenagers are getting into trouble.

Regrettably, the Nation has experienced waves of bad behavior, ranging from truancy to murder. As a result, the rate of court cases is rising at an alarming rate. For example, it has been increasing 136 percent in 1948 through 1957.

What is the answer?

A great many studies and constructive efforts are underway at the National, State, and local levels. Insofar as these can contribute to solution of the problem, these should, of course, be carried forward with all possible speed.

However, I continue to believe that the major responsibility for channeling the talents, abilities, and energies of our young folks likes, first, with the parents, and, second, with the local community.

Although national programs aimed at curbing juvenile delinquency can service a purpose, certainly, we cannot expect the long arm of Uncle Sam to reach into the homes across America, to train individual youths to be useful, productive citizens.

Because of the minimum opportunities for jobs and other activities to employ their energies, however, parents, I believe, require the assistance of the local communities in carrying out projects that will absorb the talents of our young folks.

In view of the wave of crime and misdemeanors, I would hope that, as a nation, we would soon wake up and learn how to deal effectively with this social problem. This should be accomplished before juvenile delinquency becomes an even greater legal and, ultimately, an economic burden as well as a social blight and a personal tragedy to millions of individuals and families.

Unfortunately, there has developed in recent years a kind of "the world owes me a living" philosophy.

For those of us who have experienced a "bit of life," we know this is not true. To the contrary, the person who seeks to live a fruitful, constructive, productive—and, yes, happy life, learns that this is achieved for the most part by dedication to worthwhile causes in a constructive field of endeavor, not by waiting for the world to "give us a handout" for a life—which, incidentally, I firmly believe is not warranted without a commensurate effort made by ourselves.

Recently the La Crosse Tribune published a thoughtful editorial entitled "It's Time for Young People To Learn That They Owe Something to Society."

Reflective of a good common sense that bears significantly upon the juvenile delinquency problem, I ask unanimous consent to have the editorial printed in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the La Crosse Tribune, Sept. 1, 1959]

IT'S TIME FOR YOUNG PEOPLE TO LEARN THAT THEY OWE SOMETHING TO SOCIETY

A good house painter is a busy fellow these days most anywhere. Often he needs a helper.

We know a skilled, conscientious painter who took on a boy of around 18. The boy seemed willing enough to learn, and he soon was drawing $1.50 an hour, pretty fair country wages for a beginner.

Not too long afterward, however, the painter noticed that his boy was doing a pretty careless job. He was forgetting to paint whole sides of radiators, to finish off trim, and so on. The man found he was spending hours tracking after his apprentice, redoing the unfinished work.

Listening to the painter's complaints, the boy was unmoved. He didn't say he would try to do better. He said: "I won't be able to work for you any more unless I get $2 an hour."

That, needless to say, was the end of the boy's job.

But the point here is that he is just one of countless youngsters, entering the labor market either temporarily or permanently, who think the world owes them a good wage whether they work well or not.

Employers the Nation over can tell you stories of young applicants and workers who make astonishing demands in the way of salary and benefits, without offering convincing evidence of either ability or the willingness to work hard and learn.

If the demands are not met, they look elsewhere, with a presumptive arrogance that would ill befit them even if they were loaded wtih talent.

In this age we get an awful lot of this business of the young demanding things, from their parents, their friends, their schools, their employers, without feeling it necessary to offer much in return.

This is not the place to argue how the blame for this circumstance should be distributed. It is the place to say a society is in trouble when any fair proportion of its young people imagines the world owes them a living and a good time.

From parents on down the scale, it's time to tell them that they owe something to society, too. On this tough old crust, you earn your way, one way or another, or in the end you flounder and go under.

"But God said to Jonah, Do you do well to be angry for the plant? And he said, I do well to be angry, angry enough to die."—Jonah 4: 9.

Recent Legislative Actions by Congress

EXTENSION OF REMARKS

OF

HON. THOR C. TOLLEFSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 5, 1959

Mr. TOLLEFSON. Mr. Speaker, during the closing days of this session of Congress, action has been taken on several measures which have been of importance to the people of the Nation. A great many of my constituents have written to me concerning them.

THE FEDERAL HIGHWAY PROGRAM

The Federal highway program faced a serious crisis when it appeared that there would not be sufficient funds to keep it on schedule. Several projects in my State were confronted with the possibility of a slowdown or a shutdown. Not only did this involve a loss of work and jobs in the State but it meant that the traffic requirements of the State would fall further short of the necessary goals.

The President had requested a cent-and-a-half increase in the Federal gasoline tax. The House of Representatives after a delay of many months finally approved a compromise measure which calls for a 1-cent increase in gas taxes until July 1, 1961. At that date 50 percent of the 10-percent tax on automobiles and 62½ percent of the receipts from the 8-percent tax on parts and accessories—presently going into the general fund—would be transferred to the highway fund. This measure will permit the highway program to continue with only a minor slowdown.

LABOR LEGISLATION

Following lengthy hearings, and after intense debate and consideration, Congress finally approved a bill calling for reforms in management-labor relations. Several bills were considered. Foremost was the Kennedy proposal, S. 1555, which was approved by the Senate last April. The House Education and Labor Committee reported the Elliott labor bill, H.R. 8342, which was supported by Speaker SAM RAYBURN in his nationwide broadcast. Another bill, the so-called Landrum-Griffin bill, H.R. 8400, bore the names of its authors and was supported by the President over a nationwide TV broadcast. A fourth bill was known as the Shelley bill, H.R. 8490.

Eighty-five percent of the provisions of all bills were similar. They differed chiefly with respect to the extent to which they amended the Taft-Hartley Act. The Landrum-Griffin bill went furthest in this regard and was spoken of as the strongest bill. However, with respect to democracy in unions, elections of officers, reporting of union finances and the protection of union funds, all four bills contained approximately the same provisions. There was little or no controversy over these. The main controversies arose over the proposed amendments to the Taft-Hartley Act. The House approved the Landrum-Griffin bill. Because it differed from the Senate-passed Kennedy bill, it was necessary to send the matter to conference. The House and Senate conferees worked diligently for about 2½ weeks, and finally reached an agreement on a compromise measure. In effect, the Landrum-Griffin bill was softened somewhat. Both Houses of Congress then approved the compromise measure and it was sent to the President for his signature.

INCREASED INTEREST ON GOVERNMENT BONDS

Congress gave the President authority to give 40 million Americans who hold $42 billion of series E and H savings bonds bigger returns on their investment. The President in his message to Congress had requested that the ceiling on interest rates on long-term Government bonds be eliminated. People were not purchasing them in the amounts required to meet the Government's financial needs. Since 1956 bond redemptions have generally exceeded bond sales. In other words, more bonds previously acquired were being turned back than were being purchased.

The President in his message said that people in a free society could not be compelled to buy Government bonds when they could get better returns on their money from other investments. The Government needs to borrow money, and the Treasury Department has been confronted with the necessity of placing the entire national debt in short-term bonds on which the law does not impose maximum interest rates. It would be difficult to estimate what the cost of such a procedure would be to the Government.

After considerable delay by the House Committee on Ways and Means, a bill was presented to the House of Representatives which would eliminate the ceiling on the interest on series E and H savings bonds. The limit on the interest rate since 1957 has been 3.26 percent. The bill would also authorize an increase in interest rates on outstanding series E and H bonds. The President is given authority to increase rates in both instances where he finds the national welfare so requires. The bill contained certain other provisions to make Government bonds more attractive and salable. After some debate, the House of Representatives approved the measure.

TVA CONSTRUCTION PROGRAM

Congress in recent years has not appropriated all the funds which the Tennessee Valley Authority has requested for plant development and new facilities—particularly steamplants for the generation of electrical energy. Congress passed a measure which authorized TVA to sell $750 million in bonds to obtain the capital it needed. There would then be no need for annual appropriations by Congress.

The President vetoed the first TVA bill because it attempts to divorce the TVA's construction program of new power-producing projects from executive review and would not afford an opportunity for the President to exercise his constitutional role in the legislative process.

When it was agreed by the House and the Senate to delete the objectionable features from the bill by separate action, the President signed the TVA proposal.

Laos Crisis Creates More Evidence for Need of U.N. Police Force

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Saturday, September 5, 1959

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a news report, prepared by me, relating to the crisis in Laos.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

WILEY SAYS LAOS CRISIS CREATES MORE EVIDENCE FOR NEED OF U.N. POLICE FORCE

Senator ALEXANDER WILEY, Republican, of Wisconsin, ranking Republican of the Senate Foreign Relations Committee, today cited the Lao crisis as one more bit of evidence on the need for a United Nations police force.

"Around the world, the Communists—in Laos, on the India-China border, and elsewhere—continue to engage in infiltration, attempts at subversion, and outright aggression, to attempt to accomplish their goal of world conquest.

"The establishment of an effective U.N. police force, I believe, could do much to control and/or prevent such situations," Senator WILEY said.

"Overall, the nations of the world must increase their efforts to encourage respect for territorial integrity, international law, adherence to high standards of conduct, and, more particularly, to discourage such infiltration and aggression as is now occurring in Laos.

"Until enforcement machinery is provided, however, we can—in view of the Communists pursual of their goal of world domination—expect this kind of outlawry to continue to create threats to the security of countries.

"We recall that, in 1958, the U.S. Congress, by resolution, expressed its support for establishment of such an international force. Unfortunately, opposition by the Soviet Union has, until now, prevented the creation of such a force within the United Nations.

"The Lao crisis—as well as the India-China border dispute and other such Communist-inspired crises—furnish additional evidence of the need for establishment of an effective U.N. police force to curb such violations and provide for a more secure peace," Senator WILEY concluded.

Us or Laos?

EXTENSION OF REMARKS

OF

HON. EUGENE SILER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 5, 1959

Mr. SILER. Mr. Speaker, I note in the U.S. News & World Report of September 7, 1959, the statement that U.S. aid to Laos has cost the taxpayers of our country $225 million since 1955. Laos is the little country in southeast Asia where the Chinese Reds are now coming across the border and trying to conquer this small, rugged bit of sovereignty and convert it to their own use and dominion. The headlines of our daily papers are right now full of Laos and the problem of Laos. Apparently the $225 million of U.S. aid has done nothing to secure Laos or to keep it out of the vest pocket of communism. The U.S. aid mentioned has paid for the following, according to the U.S. News & World Report:

1. A local army of 25,000 men.
2. Jungle highways, a power station, irrigation dams.
3. Health services, sanitation, development of farming, communications, mining.

4. Planning for future flood control, power, irrigation projects.

5. Training for teachers and technicians.

Although this $225 million donation may have done nothing whatever toward its intended purpose over in Laos, just think what it would have done for us—not Laos—in some of the underprivileged sections of America if we had sent the aid up the creeks and into the hollows of our own country. With this kind of help we could have built in all the school districts of Kentucky, Tennessee, and West Virginia some adequate and badly needed school buildings; or we could have constructed badly needed flood control projects in every water damaged section in Kentucky and perhaps in one or two additional States besides.

I am willing that no one should ever treat Laos as a louse but I am wondering if it is not time for us to quit treating the good American in our own house as a louse.

Support of S. 2540: Automatic Promotion of Certain Officers Upon Retirement

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Saturday, September 5, 1959

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by me in support of S. 2540.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ESTES KEFAUVER

For 34 years, the Navy, Marine Corps, and Coast Guard have enjoyed a tradition established by law allowing members of these services who were commended in combat to receive an automatic promotion upon retirement. This promotion did not carry with it extra pay or pension, but merely the prestige accorded to persons who had served their country above and beyond the call of duty.

On July 27 the Senate passed H.R. 4413, which had appended to the body of the bill a repeal of this tradition, effective November 1. Since this provision was never available to members of the Army and Air Force, it was, as it stood, discriminatory against members of these services. Accordingly, I introduced a bill which would extend this privilege to members of these services. My bill has been opposed by the Department of Defense, and in the absence of passage, perhaps termination of the privilege for naval officers will be the only way to end the discrimination.

With this, I am not taking issue. It is the abruptness of the termination which I oppose. When Naval, Marine Corps, and Coast Guard officers have charted their careers over a period of years expecting in good faith to have this tombstone promotion, as it is called, awarded to them in the twilight of their service, 2½ months is not enough time to change course. For those who may want to retire early in order to get in under the wire, adequate opportunity to revise their retirement plans is not afforded.

The Senator from Illinois [Mr. DOUGLAS], has introduced on behalf of himself and others, S. 2540, which will continue until July 2, 1960, authority to promote these officers who have been commended for combat action. I want to express my support for this bill. I believe it will effectively accomplish the original purpose, without working any undue hardship on the officers which would be affected.

Are Steelworkers Wages Too High?

EXTENSION OF REMARKS
OF
HON. ELMER J. HOLLAND
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, September 5, 1959

Mr. HOLLAND. Mr. Speaker, one of the baseless lies repeated over and over again in steel industry propaganda and by uninformed persons is that steelworkers already get paid too much. Any homemaker in a steelworker's family could tell you how ridiculous this accusation is as she struggles to make ends meet on the meager and very uncertain wage of a steel employee. And anyone familiar with the hard, grueling conditions under which steelworkers turn out more and more steel per hour would concede that steel wages are hardly adequate.

Much is made of a Bureau of Labor Statistics report that shows average earnings in the steel industry during June 1959 came to approximately $3.10 an hour. The implication is that this is a normal wage rate collected by the steelworkers 8 hours a day, 5 days a week, 52 weeks a year, bringing his annual pay to a figure exceeding $6,000. Nothing could be further from the truth.

The $3.10 hourly figure was compiled at a time when the steel industry was feverishly stockpiling its product in anticipation of the mill shutdown it planned to force upon its employees. In estimating average hourly earnings, the BLS lumps together with the base rate of employees all compensation including overtime pay, extra pay for holiday work, incentive earnings paid for extra exertion on the part of employees, shift premiums and all other wage payments which the steelworker deservedly may have coming. There is no assurance he can continue this rate of earnings and there is enough proof to show that he seldom can even approach this earning rate under normal plant operations.

Only once in the last 13 years have steelworkers averaged as much as 40 hours a week. In 1958, for instance, the average steelworker wages for the entire year totaled only $4,700. This is a far cry from the $6,000 a year which industry would like the public to believe that steelworkers earn.

Workers in many other industries earn more hourly and annually than the steelworkers. Seven other industries have base rates which top those in steel.

And while industry profits are customarily quoted after taxes, no industry spokesman ever explains that the steelworkers wage figures used publicly are before taxes and before the many deductions which put quite a hole in the average paycheck. Steelworkers can spend only their take-home pay—not the exaggerated, blown-up and mythical wage earnings which the industry talks about.

It is interesting to note that the city worker's family budget, prepared by the Bureau of Labor Statistics, calls for a minimum income of about $4,700 yearly for a family of four. But in 1958, one-half of all steelworkers did not earn even enough to "afford" the low standards provided by this BLS budget. This budget, mind you, was last calculated by the Government in October 1951, and is based largely on studies of family spending in the 1930's. The standard of living attainable today under this criteria is, of course, hopelessly inadequate. Still, even under these extremely low standards of existence, this budget shows one-half of the union members in steel did not qualify.

The more adequate Heller Wage Earner's Budget in September 1958 required annual earnings of $6,087 for a home-renter and $6,435 for a homeowner. Three-fourths of all steelworkers in 1958 failed to earn $6,000 annually. This factual study by one of our leading universities thus demonstrates how pitifully meager steelworkers wages are in comparison to what they actually need to enjoy a fairly decent standard of living.

Those who have some knowledge of steel mill operations will readily concede that a steelworker earns every penny of his wage. He puts up with intense heat and prolonged periods of concentrated effort calling for the fullest skills and demanding the heaviest type of responsibility. He endures smoke and fumes, dangerous dust and suffocating blasts of gas-laden air billowing and blowing about him. He is exposed to ear-shattering noise and torrid, grimy, and hazardous conditions equaled in few other industries.

In spite of the challenging conditions under which he works and despite the inadequate compensation he gets, the steelworker of today is the most productive and efficient the industry has ever employed.

Year after year, industry records show that less and less man-hours are needed to produce a ton of finished steel. In 1949, it required 16.3 man-hours. By 1954, this figure was reduced to 15 man-hours, and to 13 man-hours by 1956. The latest figures, as of April 1959, show that it takes but 10.7 man-hours to make the same ton of steel.

In the face of these startling employee productivity figures, the American public must be completely baffled by the unfair and purely ridiculous charges of "featherbedding" and "loafing" which the steel companies have injected in current negotiations with the union. This hardly squares with the factual report by Secretary of Labor Mitchell which shows the steel companies are making more and more money with fewer and fewer steelworkers on the job.

Steel profits so far this year are rolling in at the unprecedented and breathtaking rate of $3 billion a year. Yet today

there are 44,000 fewer steelworkers on the payrolls than there were in 1953 and this reduced work force has actually turned out 30 percent more steel.

The rich, prosperous steel industry, which accumulated its record profits with the hard work and sweat of its highly productive employees chooses to ignore these plain facts. Instead of helping the union find ways to reward him through wage and contract improvements, the companies are unbelievably trying to punish and set the steelworker backward.

There has never been a more brazen, cruel, and heartless attempt by any industry to not only deprive employees of economic justice but to confiscate what already belongs to them.

Address by Congressman Thaddeus Machrowicz in Warsaw, Poland, on the 20th Anniversary of Hitler's Attack on the Polish People

EXTENSION OF REMARKS
OF
HON. JOHN BRADEMAS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Saturday, September 5, 1959

Mr. BRADEMAS. Mr. Speaker, this week marks the 20th anniversary of Hitler's infamous attack on the brave and noble people of Poland. The brutal invasion of Poland in 1939 in turn touched off World War II, the war which brought so much suffering to millions of human beings throughout the world.

It is fitting indeed that two decades after Hitler's attack on Warsaw the ringing voice of freedom should be heard in that great city. The voice was that of our distinguished colleague from Michigan, Congressman THADDEUS MACHROWICZ, who spoke last week in the chamber of the Parliament of Poland on the opening day of the meeting of the Interparliamentary Union. Our able colleague, the gentleman from Louisiana [Mr. BOGGS], also a delegate to this conference, has told the House of the tremendous ovation received by Mr. MACHROWICZ at the conclusion of his address, which was delivered in Polish.

Congressman MACHROWICZ is a native of Poland and served during World War I in the Polish Army.

Mr. Speaker, as we reflect on the continuing desire of the people of Poland to enjoy the full blessings of liberty, I am sure that Members of Congress will be moved as they read the address delivered on August 27, 1959, by Congressman MACHROWICZ in Warsaw. The address follows:

ADDRESS BY HON. THADDEUS M. MACHROWICZ

Mr. Chairman, honorable delegates, my request that as an American delegate I be permitted to speak in the Polish language is, I realize, somewhat unusual, but I would like to justify it by citing certain facts. I am personally of Polish birth and served in the Polish Army in World War I. I became an American citizen and the American Nation has entrusted me for the last 10 years with membership in its highest parliamentary body, and lately with membership in the delegation to the Interparliamentary Union.

I am very proud of my ancestry in the great Polish nation. I am equally proud of my citizenship in the great American Nation. This somewhat dual character of my individual membership impels me to make a few remarks which are probably more appropriate from me.

In his excellent report, the General Secretary called our attention several times to the great advances made in the last few years by the Polish nation in the economic and political fields under conditions which we all recognize as most difficult. I agree wholeheartedly with his findings in this respect.

It was unquestionably proper that in his address of welcome to this Interparliamentary Conference, the Honorable Aleksander Zawadzki, chairman of the state council of our host, the Republic of Poland, called to the attention of the delegates that this historic session is being held in Warsaw on the 20th anniversary of the commencement of World War II.

It was right here in Warsaw 20 years ago, on September 1, 1939, that a shower of bombs thrown without warning, without declaration of war, put into motion World War II with all its years of terror, loss of lives, and of untold damage.

There is no city in the world which withstood so gallantly so much suffering, loss of human lives, so much wanton destruction. A brief visit around the town still shows the scars left by those days of horror, despite the remarkable efforts of reconstruction by the Government and nation.

On this 20th anniversary of the commencement of the greatest military tragedy suffered by humanity—one which cast mourning over the entire world—a tragedy which took the lives of 20 million persons—in Poland alone 6 million or over 15 percent of the population—I would like to offer my respect to those to whom it is due. Above all, it belongs to the courageous population of Warsaw and all of Poland, which by its sacrifice of human lives, blood, suffering, and general destruction, demonstrated actively its dedication to those ideals which we in the Interparliamentary Union acknowledge, opposing aggression, that terrible threat to international security.

In discussing problems of international security and disarmament, we cannot, however, rest in paying our respect to this nation. The reconstruction of Warsaw from ruins and shambles, through the great effort of the Polish nation and Government, inescapably casts upon us the query: What was the reason for this catastrophe which literally destroyed an entire generation? How was this gigantic historic process, the results of which are felt bitterly by the entire world in both hemispheres, put into motion? And what lesson should the world derive from this experience?

I would like to recall to the honorable delegates some historical facts which throw significant and important light on the general problem of international security.

When 20 years ago, on September 1, 1939, the forces of Hitler made the unprovoked attack on Poland, they completely disregarded their international commitments, particularly the freely-entered-into Polish-German pact of nonaggression of January 26, 1934.

Only 16 days later, on September 17, 1939, Poland's powerful neighbors from the East commenced occupation of the eastern territories of Poland.

This joint action was by no means coincidental. On the contrary, it has been fully documented in the secret Stalin-Hitler pact of August 23, 1939.

This secret pact, concluded 8 days before the German aggression on Poland, cynically decided on the future division of Poland, an independent nation. These secret negotiations became public only after the war, after publication of the secret Hitler documents which fell into American hands after Hitler's defeat in 1945.

My limited time does not permit me to cite more completely from these documents, copies of which are in my hands, but they do disclose how the plan was actually put into action.

In reminding the delegates of these undeniable historical facts in connection with the attack on Poland, I sincerely hope that in consideration of that historical moment, we keep in mind all the facts and keep them in proper perspective.

A full and serious contemplation of these historical facts led me to the introduction of a resolution dealing directly with international security, which would serve to help prevent the recurrence of another world war.

Unfortunately, for purely procedural reasons, since it was not listed on the Secretary's desk within the prescribed time, it cannot be considered without unanimous consent, which I realize I could not obtain. The resolution merely states that the Interparliamentary Union solemnly declares that conspiracy between governments directed toward the destruction of the independence, freedom, territorial integrity and internal safety of any other state shall be deemed an international crime and, further, it is urged upon all parliaments to take effective measures on their respective national levels precluding the commission of such crimes.

I regret that we probably will not have the opportunity at this session to discuss that resolution, so proper and necessary to assure peace and security to the entire world. I do believe, however, that we shall never have fully accomplished our obligation in that respect until we adopt that or some similar resolution.

What's the Big Rush To Adjourn?

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Saturday, September 5, 1959

Mr. KEATING. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by me in regard to the prospective sine die adjournment of the Congress.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEATING

WHAT'S THE BIG RUSH?

That annual malady commonly called adjournment fever has made itself felt in recent days, and I am very troubled by what this development might portend. We have been witnessing today, as earlier in the week, some of the manifestations of this illness which appears to be peculiar to the banks of the Potomac.

I certainly want to join with my colleagues in commiserating with the leadership as these events have unfolded. And, of course, while the problems of a minority leader are great, those of a majority leader are prodigious. We should all have great sympathy for the vicissitudes of the majority leader as he labors with his many complex assignments and coworkers in these closing days.

However, we cannot abdicate our responsibilities as Senators in these last days of the session and close up shop without com-

pleting important tasks. No one seems to want to say it, but there is a strong aura of suspicion that some people want us to fold up our tent and leave before the impending visit of Mr. Khrushchev.

I must challenge any decision to adjourn before the end of next week if it will mean that must items will be lost in the shuffle. Khrushchev may be the Typhoid Mary of international statesmanship, but is that any sign that free Americans lack immunity to the virus he peddles? It really won't hurt us to be in the same city with him; nothing says we have to invite him into our parlor.

Now, there are a number of very vital legislative matters which must command the attention of the Senate before we can adjourn in good conscience. I refer particularly to the matter of civil rights.

We have received repeated assurances from the majority leadership that bills in this vital field will be brought up before the end of the session. But now there is talk of running out of town in advance of Khrushchev's visit without acting on civil rights. That, in my view, would be unthinkable, and I shall oppose any movement in that direction with all the weapons at my command. Surely, this Congress cannot in good faith adjourn without at least extending the life of the Civil Rights Commission. And there are other important proposals in this field which I think we should act upon.

It would be ironic, indeed, if we were to slight the civil rights of Americans just to avoid the presence of a man who has done more to undermine civil rights than any man in the world.

It is clearly beneath the dignity and prestige of the Congress of the United States for us to end our work and turn our back on the pressing needs of the Nation just because a foreign dictator comes to our shores. I trust this view will prevail as we enter the closing days of this session.

Procedure Followed When a Visiting Head of State Is Invited To Address a Joint Meeting of the Congress

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Saturday, September 5, 1959

Mr. McCORMACK. Mr. Speaker, in my remarks I include for the information of the Members a statement I recently made to the press and to television and radio stations:

There is considerable misunderstanding, even in the minds of Members of Congress, about the procedure that is followed in connection with the head of a state visiting our country and addressing a joint meeting of the Congress. In such case, the request always comes from the State Department to the leaders of the Congress, asking us to cooperate with the State Department in making such arrangements. In a press conference recently, President Eisenhower unintentionally made a statement to the contrary, to the effect that the executive department has nothing to do with the extending of an invitation. All such invitations start in the State Department, and they have been confined to those persons who are heads of state. In the case of Mr. Khrushchev, he is not the head of state of the Soviet Union. He is the dictator, and he is the boss, in every respect. Of that there is no question, and the world knows it, but he is not technically the head of state.

When a head of a state is visiting our country, the request for a joint meeting of the Congress comes to the leaders of the Congress from the State Department.

Three Stars for Surgeons General—Eisenhower Establishes the Precedent

EXTENSION OF REMARKS
OF
HON. L. MENDEL RIVERS
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Saturday, September 5, 1959

Mr. RIVERS of South Carolina. Mr. Speaker, I am delighted to see that the Surgeon General of the Army is about to receive the rank of lieutenant general. I highly commend this action which is long overdue recognition of the vital importance of the Medical Department with its Medical Corps, Dental Corps, Medical Service Corps, and Nurse Corps, to the maintenance of the health and welfare of our servicemen and their families and to the combat readiness and efficiency of our Armed Forces.

The devotion and skill of our medical personnel in preventing disease and in reducing the fatalities and disabilities resulting from combat and during peacetime, has been a tremendous factor in increasing the manpower available for active service. This also has reduced our overall manpower requirements and as a result has saved millions of dollars in the cost of pay and support for these additional personnel, in medical care, retirement, and pension costs.

This achievement has been possible because of the strong, dynamic, and competent leadership and professional guidance of the Surgeons General of the Army, Navy, and Air Force.

As I indicated, I think it is most fitting that the Surgeon General of the Army has been recognized by this increase in rank. This recognition should also be extended to the Surgeons General of the Navy and Air Force. Their responsibilities are of no less importance than that of the Surgeon General of the Army.

The Surgeons General of the Army, Navy, and Air Force represent the Armed Forces and military medicine in many civilian professional and medical research groups. Unequal rank between the three has the connotation of secondary status to the medical department of the service or services not so recognized. The greater majority of the physicians of the country have served in one of the armed services.

The appointment of all of the Surgeons General to the grade of lieutenant general or vice admiral would be a significant recognition of the essential contributions of the physicians of the country in providing medical care for our servicemen, and conversely the lack of such recognition of one of the Surgeons General would be a reflection on the contributions and services of the physicians who are serving or have served in that service.

I have on several occasions recommended and proposed legislation to provide such three-star grade recognition of the importance of the medical departments of the armed services. During World War II the Surgeon General of the U.S. Navy served in the grade of vice admiral. Today the Surgeon General of the U.S. Navy—the world's largest navy—is a rear admiral while his counterpart in the British and French Navies are vice admirals. This reflects adversely on our Navy as a whole and on our country.

Of great advantage to the Armed Forces have been the advances in clinical medicine, medical research, and military medicine in this space and atomic age. Many of the aspects of military medicine are unique and have no direct counterpart in civilian medicine. These activities are vital in the adaptation of military medicine to our revolutionary changes in weapons systems with the challenge and problems of space flight, jet and rocket aircraft, and nuclear propulsion in aircraft, submarines, and ships. Air crew and submarine personnel selection, operational fatigue, vehicle habitability and personal equipment problems, atomic and nuclear hazard controls, and mass casualty treatment have necessitated major contributions by medical department personnel.

The Surgeons General are each responsible for the medical care of nearly a million men and a somewhat greater number of dependents and retired personnel. Each is responsible for a large industrial medicine program. For example, the Surgeon General of the Navy is responsible for the health of a far-flung military and civilian enterprise which has many ramifications due to the complex mission of the Navy, including the Marine Corps, with its aviation, submarine, surface ship, and amphibious operations. To support this mission, the Navy is one of the largest employers of civilian skills in the United States—over 300,000 people—and the Surgeon General of the Navy thus has direct responsibiilty for the occupational health and safety of this great group of people.

The mission of the medical department of the Navy involves plant facilities whose value is roughly one-half billion dollars and includes research and preventive medicine units, medical department schools, dispensaries, station hospitals, and 26 Navy hospitals whose average daily load is 10,000 patients with military and civilian staff of some 16,000 persons. Some 40,000 medical, dental, medical service and nurse corps officers, warrant officers, and enlisted hospital corps and civilian personnel come under the professional training and administrative responsibilities of the Surgeon General of the Navy. Similar responsibilities in industrial, operational, and clinical and military medicine and medical readiness and training evolve upon the other Surgeons General.

In closing I emphasize again that the importance of three-star rank for the Surgeons General of the Armed Forces—Army, Navy, including the Marine Corps, and Air Force—evolves about both

military and nonmilitary aspects of their role and responsibilities due to the scope of the former and the close interrelationship with civilian medicine, medical education and training, medical research, and hospital administration. The Surgeons General serve on major committees of civilian medicine. While they are primarily doctors they represent the Armed Forces in civilian medical gatherings and thus their rank is a factor in the recognition of the importance and contributions of military medicine to the country's defense.

Although considerable training and adaptation of civilian medical techniques is required to meet particular military medical applications, the Armed Forces must depend on civilian medicine for its basic source of medical manpower. The higher rank thus would be a tangible acknowledgment to the doctors of this country that the contributions of their profession to the defense of the country and the welfare of the servicemen is recognized and it would also be a recognition of the scope and essentiality of military medicine to our operational readiness and our ability to preserve the peace.

Significance of National Legislation to Wisconsin

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Saturday, September 5, 1959

Mr. WILEY. Mr. President, now that the end of the first session is in sight, there is opportunity to review some of the major legislative work that has been accomplished.

Looking at the calendar—and the schedule ahead—it is apparent that important work remains to be done.

Recently, in a broadcast prepared for delivery over Wisconsin radio stations, I reviewed the significance—and benefits to be derived from—action in these fields—particularly as it affects Wisconsin. These include highway, health benefits for civil servants, expansion of the school milk program, extension of the Federal Airport Act, liberalizing veterans pensions, and others.

I am aware, of course, that—in view of Uncle Sam's difficult budget problems—it is important that we take a look, from time to time, at the role played by the Federal Government in national programs.

That is why I was particularly pleased to join in cosponsoring the resolution, Senate Concurrent Resolution 70, introduced by the junior Senator from New York [Mr. KEATING], aimed at redefining State-Federal responsibilities in the economic field.

Although this proposal for establishing a joint congressional committee was introduced late in the session—too late for final action on it—I would hope that this would receive early consideration next year.

As a review of some of the major legislative action taken this session, I ask unanimous consent to have the text of my broadcast printed in the RECORD.

There being no objection, the broadcast was ordered to be printed in the RECORD, as follows:

WILEY OUTLINES BENEFITS OF LEGISLATION FOR WISCONSIN

(Excerpts of address prepared for delivery by Senator ALEXANDER WILEY, Republican of Chippewa Falls, over Wisconsin radio stations)

Friends, the 86th Congress is now winding up its 1st session. There is, of course, still a good deal of work to be accomplished prior to adjournment. These include a number of major pieces of legislation of particular interest to Wisconsin.

In evaluating legislation, questions arise such as: What will it do for us? How will it affect our progress in Racine, Milwaukee, Green Bay, Superior, Chippewa Falls, La Crosse, and other fine communities around the State?

Briefly, I would like to view the outlook for benefits to us.

NEEDED: FUNDS FOR HIGHWAY PROGRAM

First, let's take a look at the highway program. Unfortunately, the Congress has been too slow in acting upon legislation to provide additional funds needed to finance the highway building program. As a result, there has been serious curtailment in this program, which is designed to provide us with an improved and expanded network of highways.

"Question: What is its significance to Wisconsin, Senator?

"Answer: As of June 30, 1959, 180 miles of roadways were either under construction, or advertised for bid, in the Badger State. This amounted to $57.1 million in expenditures of which $49 million in Federal funds were contributed.

"Under the Highway Act of 1956, Wisconsin was scheduled to receive $26 million in 1961 and $23 million in 1962. Unless Congress acts to provide additional money, however, the State may get nothing in 1961 and only $5 million in 1962.

"Currently, Congress is considering ways and means of providing additional financing for this program. The task is to find an equitable way to provide funds for improving and expanding the National System of Interstate Highways—so badly needed to handle the ever-greater volumes of traffic now, and in the years ahead."

AID TO EDUCATION

"Question: What about aid to education, Senator WILEY?

"Answer: Under the Defense Education Act, passed in 1958, Wisconsin's State educational agencies and nonprofit private schools will receive financial assistance from the Federal Government for the purposes of (1) acquiring laboratory and other special equipment suitable for use in providing education in science, mathematics, or modern foreign languages; (2) expansion and improvement of supervisory and related services in public elementary and secondary schools in these fields; and (3) minor remodeling of laboratory or other space used for such materials or equipment.

"Recently, the State legislature took action to make it possible for Wisconsin to participate in this vital program to improve education in the fields of science and technology; with Wisconsin being eligible to receive up to $1,900,000 per year for the next 3 years on a dollar-for-dollar matching basis.

"Question: Is there any new legislation?

"Answer: As of now, there are pending in committees—in both the House and the Senate—bills to provide more Federal aid for constructing classrooms, laboratory facilities, and general aid. There now appears to be serious questions that there will be final action this session on this legislation."

HEALTH BENEFITS FOR CIVIL SERVANTS

"Question: Senator WILEY, as I understand it, Congress has approved a program of health insurance for folks under civil service.

"Would this benefit many people in Wisconsin?

"Answer: About 20,000 civil servants would be eligible for participation in this program. The costs would be shared on a 50–50 basis by the employee and the employer—in this case, Uncle Sam.

SCHOOL MILK PROGRAM

"Question: Senator, I recall that you supported legislation to expand the school milk program.

"Answer: Yes, the bill, S. 1289—which I cosponsored—has been enacted to provide up to $84 million in fiscal 1960 for supplying milk in the Nation's schools, child-care institutions, summer camps, and similar nonprofit institutions. Under this program, Wisconsin children consumed over 80 million half-pints of milk in 1959; with over 4,500 schools and institutions participating. Approximately $2,745,000 of Federal funds was expended in financing this fine project. Overall, the program offers a splendid opportunity for improving the health of our youth; in addition, it provides a splendid outlet for surplus milk."

EXPANDING AIRPORTS

"Question: With the increasing volume of air traffic, is there any action to expand airport facilities?

"Answer: The Federal Airport Act has been extended by Congress this session. Under provisions of the new law, $993,906 annually would be provided in Federal funds for the construction and expansion of airports in Wisconsin during the next 2 years.

"The program would provide for airport facilities, taxiways, land acquisition, parking areas, and other purposes."

LIBERALIZING VETERANS' PENSIONS

"Question: Did Congress pass any veterans' legislation this session?

"Answer: Yes. The Congress approved—and the President has signed the bill, H.R. 7650—to liberalize pension benefits for veterans with non-service-connected disabilities, and their widows and orphans.

"Overall, more than 1 million pensioners in Wisconsin, and throughout the Country, would benefit from the liberalizing law. Among other things, the bill would provide pensions for widows and children of World War II and Korean veterans.

"The bill, of course, is not a completely comprehensive measure covering all problems in this field. However, it was designed to attempt to put benefits more on the basis of need."

VETO OF HOUSING AND RIVERS AND HARBORS BILLS

"Question: Senator, what about the housing and the rivers and harbors bills?

"Answer: As you know, the President vetoed measures in both these fields, because he felt the expenditures were too high.

"Now, the Congress is faced with the challenge of taking action—as I believe it should—on modified bills to carry forward these essential programs.

"Although there are many features in the housing bill, for example, it is particularly important that congressional action be taken to extend the FHA insurance authorization program. Under FHA, millions of American families have purchased homes. In Wisconsin, over 3,000 home mortgages, amounting to over $37 million, were processed in 1958.

During the 1935–58 period, the FHA insured 39,671 mortgages in the Badger State.

"Overall, this program has helped to make it possible for three out of every five American families to own their own homes.

"Under the rivers and harbors bill, too, there are several Wisconsin projects—either for construction or for planning work. Among them were: work on the Mellen Channel; moving the village of Odanah, and raising the school, on the Bad River, construction at Bayfield Harbor; planning on the Eau Galle River; planning at Saxon Harbor; and planinng at Two Rivers Harbor."

SUMMARY

"Question: Senator WILEY, I know our listeners appreciate getting your review of the significance to Wisconsin of some of the major legislation acted upon in this session of Congress, including: Highways, education, health benefits, school milk, airports, veterans' pensions, housing, and rivers and harbors development projects.

"Answer: Naturally, I am delighted that Wisconsin is sharing so significantly in these national programs.

"However, I believe it is important to make clear that—even though we are receiving substantial amounts of aid in several fields—it is well to remind ourselves that this is not a 'free gift' from Uncle Sam. Every Federal dollar that is spent comes out of the American taxpayer's pocket—yours and mine.

"Consequently, I believe it is extremely important that we take a new look—from time to time—at the kind of role Uncle Sam is playing in these programs.

"As President Eisenhower, reflecting the philosophy of Lincoln, has said:

" 'The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot so well do for themselves, in their separate and individual capacities. In all that people can individually do as well for themselves, government ought not to interfere.' "

COMMITTEE TO STUDY FEDERAL-STATE RELATIONSHIPS

To better define State and Federal responsibilities, I have recently joined in cosponsoring a measure to set up a joint congressional committee. The purpose would be to study the entire field of economic relations between the Federal Government and the States. Following its study, the committee would report to Congress the results of its findings, together with recommendations on ways and means of remedying the many problems which recurrently arise in the field of Federal-State economic relations.

Specifically, the committee would aim to (1) insure fair and equitable distribution among the several States of Federal funds disbursed under grants-in-aid programs, (2) clarify and redefine relations between the Federal Government and the States in the field of taxation, and (3) restore to the States functions which are primarily their responsibility and which the States themselves are financially able to carry out.

CONCLUSION

Now, friends, I have greatly appreciated the opportunity to share this program with you.

This is your senior Senator, ALEX WILEY, saying, "Thanks for listening."

SENATE

MONDAY, SEPTEMBER 7, 1959

(Legislative day of Saturday, September 5, 1959)

The Senate met at 9 o'clock a.m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, as on this day dedicated to the workers of the world we bow at this national altar, make us mindful, we pray, of the just aspirations and righteous goals of those who bend to the heavy tasks of brawn and brain, so essential to the life of all our people.

Grant to us, we pray, a larger comprehension of the essential worth of these, our comrades, that we may inspire them in their struggles, and understand them in their mistakes.

Give to the marching hosts of labor a burning wrath at those who would pollute their sacred movement, and a determination to cleanse their ranks from all that contaminates and degrades.

As more and more they succeed in their efforts for leisure and a fairer wage, teach them not to waste their costly gains on indulgences and pleasures that add nothing to the stature of personality, but to use their rewards for the development of the higher faculties, for enriched minds, for better homes, and nobler manhood. We ask it in the name of the carpenter of Nazareth who declared, "My father worketh hitherto, and I must work," and whose pierced hands are building a fairer habitation for all humanity. Amen.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I shall shortly send to the desk a concurrent resolution, and ask for its immediate consideration.

I rise now in opposition to paragraph (q) of the committee amendment on page 3.

I desire to make a brief statement.

CONCURRENT RESOLUTION EXPRESSING THE APPRECIATION OF CONGRESS OF THE CONTRIBUTIONS OF AMERICAN LABOR

Mr. JOHNSON of Texas. Mr. President, I believe that most of us are aware of the fact that America's high standard of living and America's economic strength are due in great part to America's working men and working women.

Mr. MORSE. Mr. President, a parliamentary inquiry.

Mr. JOHNSON of Texas. Mr. President, I do not yield for a parliamentary inquiry.

Mr. MORSE. Mr. President, a point of order.

Mr. JOHNSON of Texas. Mr. President, I ask protection of my rights to the floor.

The VICE PRESIDENT. The Senator from Texas has the floor, and declines to yield.

Mr. JOHNSON of Texas. Mr. President, I hope I shall not be harassed. This will take only 2 or 3 minutes, if Senators will indulge me.

Mr. President, a nation's economic strength rests upon the ability to shape natural resources into the commodities which represent wealth. This is something that cannot be done unless there are skilled and hardworking men and women.

From the beginning, America has been a nation of people who were willing to work, and who knew how to work. These qualities converted a wilderness into an industrial nation that is the envy of the rest of the world.

It is customary in our country—

Mr. President, may we have order at the desk, please?

The VICE PRESIDENT. The Senate will be in order.

Mr. JOHNSON of Texas. Mr. President, it is customary in our country to set aside the first Monday in September to commemorate the services to our country of American labor, both organized and unorganized.

It is a day on which we recall the strength we have received from labor, both in war and in peace.

Mr. President, I believe that every American realizes every day that without American labor and without its high degree of skill, dedication, and patriotism, this would be a weak country, indeed. So it is fitting that we dedicate one day specifically to this end.

The Senate is meeting today in an effort to expedite the transaction of the business of the American people. The Senate has met on Labor Day in the past. It is rather unusual for Congress to be in session in September; but we have been delayed some this year, Mr. President; and we are here, and we are going to face up to our responsibilities.

As I have stated, it is highly unusual for us to meet on this day, because almost invariably we have completed the session by this time.

But I think that one end that should be served today is to adopt a concurrent resolution which I shall send to the desk, and which I believe will express the true feelings of the Congress.

I may say that I have talked to the leadership of the other body about this resolution, and I have talked to the leadership on the minority side of this body about the resolution; and I believe we are of one opinion, namely, that this concurrent resolution should be adopted.

I now read the concurrent resolution:

Whereas American labor has raised its standards of productivity to heights unequaled in world history; and

Whereas the efforts of American labor have brought to this country a standard of living that has no parallel; and

Whereas American labor has served the Nation in peace and war; and

Whereas American labor has been a bulwark of freedom; and

Whereas the first Monday in September is traditionally set aside to commemorate the services of working men and women to our Nation: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress does hereby express its deep realization and appreciation of the basic role that labor plays in our economy and of the contributions that American working men and women have made to America's well-being.

Mr. HUMPHREY. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I appreciate the courtesy of the Senator from Texas in yielding to me.

The Senator from Texas may recall that on the evening when the Senate adopted the so-called conference report on the labor-management reform bill, I was deeply concerned lest it appear throughout the Nation that we were unmindful of the great contributions which have been made by American labor.

Mr. JOHNSON of Texas. And I thought the Senator from Minnesota made one of the most eloquent, most touching, and most impressive statements, that evening, that I have ever heard in the Senate.

Mr. HUMPHREY. I thank the Senator from Texas.

I believe this concurrent resolution is highly fitting and appropriate; and I am also sure it will be well received and, well heralded throughout the land, because the resolution expresses, in my opinion, the sense of the American people.

Did I correctly understand the Senator from Texas to say it is a concurrent resolution?

Mr. JOHNSON of Texas. Yes; and I have talked to the leadership of the House of Representatives, and am informed that if the Senate acts promptly on the concurrent resolution, the House will likewise act promptly on it, today.

Mr. HUMPHREY. I hope the Senate will act promptly on it, and will put its stamp of approval on the concurrent resolution.

Mr. KUCHEL. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield to the Senator from California, the acting minority leader.

Mr. KUCHEL. Mr. President, it is entirely fitting and proper that on this occasion the Congress salute the men and women who toil with their hands in this free society of ours.

For many years, the first Monday in September has been set aside by our people and our Government to pay homage to our free labor movement, organized and unorganized alike.

Today, as Congress meets on this first Monday in September, it faces many challenges and many rollcalls, the results of which will have a direct bearing on the men and women who toil in this country.

Thus, Mr. President, what we in the Senate do and what the House of Representatives does, as well, on this Labor Day will be of direct and vital concern to American labor.

For us now to pause for a moment and to consider a concurrent resolution in which we, who are the representatives of the American people and the legislative branch of the American Government, express our appreciation of the contributions which the American people—men and women, alike—in the ranks of American labor make to this free economy is, as I have said, a good thing; and I trust that the Congress will proceed unanimously to do so.

Mr. SALTONSTALL. Mr. President——

Mr. MANSFIELD. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield first to the Senator from Massachusetts; and then I shall yield to my friend, the Senator from Montana.

Mr. SALTONSTALL. Mr. President, I commend the action of the majority leader in submitting the concurrent resolution today; and I heartily concur in the statements which have been made by the Senators who have preceded me in speaking. I wish to join in the statements they have made.

Massachusetts is one of the oldest industrial States of the Union. Massachusetts thrives on industry. As times change and improve, our workers have shown themselves competent to change with the times and to become skilled in new industries.

Today, when we meet on Labor Day—an unusual proceeding, but a necessary one—I wish to join in commending the millions of the American people who work in industry in our great country, and who have made our country what it is today.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Montana.

Mr. MANSFIELD. As a former member of organized labor, a member of the American Federation of Teachers, AFL, I wish to joint the distinguished majority leader and my colleagues in expressing my full support of this concurrent resolution. I would hope that every Member of this body would wholeheartedly support this demonstration on our part toward labor for the many fine contributions it has made toward the betterment of our country.

I speak not only as one who, as a member of the teaching profession, belonged to organized labor, but as one who has also worked with his hands in the mines of Montana.

I think this is not only a good gesture, but it is a resolution well deserved; and I repeat, I hope every Member of this body will support it.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Nevada [Mr. BIBLE].

Mr. BIBLE. Mr. President, I should like to associate myself with the remarks just made by the distinguished Senator from Montana. I join in support of the resolution.

Mr. MORSE. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from Oregon.

Mr. MORSE. Has the Senator from Texas asked unanimous consent for the consideration of the resolution?

Mr. JOHNSON of Texas. I have not.

Mr. MORSE. Has the Senator from Texas offered the resolution?

Mr. JOHNSON of Texas. I have not.

Mr. MORSE. Is the Senator from Texas speaking under the unanimous-consent limitation?

Mr. JOHNSON of Texas. The Senator is.

Mr. DODD. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from Connecticut.

Mr. DODD. I wish to join the majority leader and to commend him in offering the resolution. Some of us feel—I know I do, very strongly—that most of the decent and progressive labor legislation which is on our statute books, and which has been placed there during my lifetime, has been the result of the good influence of the majority of the good people in the organized labor movement. I think that ought to be said, and I commend our leadership for having offered the resolution. I join them in supporting it.

Mr. JOHNSON of Texas. I yield to the Senator from Michigan [Mr. HART].

Mr. HART. Mr. President, I have no wish to intrude on the time of the Senate except to join in what the Senator from Connecticut has just said and to commend and join the leadership that offered the resolution and those who understand and are in sympathy with the labor movement.

Mr. JOHNSON of Texas. I yield to the Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. President, I wish to join in support of the resolution honoring labor. As a young man I worked in an industrial plant where labor was not organized. I know what kind of sweatshop work that was, and the gains labor has made since that time. At one time, as a young man, I also worked as a section hand on a railroad.

There have been vast improvements in all the working conditions of labor during the intervening years. Labor is to be commended for the great gains it has made, not only for itself, but gains that have been good for the Nation as a whole.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Wisconsin [Mr. WILEY].

Mr. WILEY. Mr. President, I have listened with interest and with approbation to what has been said in relation to the resolution, which provides the Congress is hereby expressing its deep realization and appreciation of the basic role labor plays in our economy and of the contributions that American working men and women have made to America's well-being.

May I say that I am the son of an immigrant, who worked in the woods, on the rivers, and in the mills. I remember so well the days of my boyhood, when we did not have what might be called an efficient labor union to protect the rights of honest, hard-working labor.

I have personally worked in the sawmills. I have worked at painting houses. I have clerked in a store. All those activities now are unionized. In my days they were not. Of course, in those days, when we were paid 15 cents an hour for our work in the mills, the dollar gave us three meals and a room. There has been a change.

I want to say I am very happy to join with those today who are expressing their support of labor.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Utah [Mr. Moss].

Mr. MOSS. Mr. President, I am very happy to lend my support to this proposed concurrent resolution presented by the majority leader. Certainly, we here in the Congress should pay our tribute to labor, organized and unorganized, throughout this land.

Today, in my State of Utah, organized labor is having a giant meeting and celebration, and the president of the AFL–CIO, George Meany, is to be the speaker at that meeting.

I had hoped to be in attendance there to pay my respect to that labor organization. Because of the meeting of the Senate to do the business of the country here in Washington, I have had to forego that opportunity, and I am here today.

I welcome this opportunity to associate myself in support of this concurrent resolution, so that I can better express what I would like to have expressed personally to my friends of organized labor in Utah and across the Nation. I am very happy to be associated in support of this resolution.

Mr. JOHNSON of Texas. I yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, I wish to commend the majority leader and the other Members of the Senate who are offering this resolution paying tribute to labor. As Governor of the State of Kansas, I had the privilege of working in cooperation with many leaders and members of organized labor. We had the finest of cooperation with them. I wish to commend labor for the splendid work it has done in behalf of our State and Nation.

Mr. JOHNSON of Texas. I yield to my friend from South Carolina [Mr. THURMOND].

Mr. THURMOND. Mr. President, I wish to commend the majority leader for offering this resolution. I think it is very fine that our country has set aside this day of the year to honor our working people. They deserve this consideration. They have contributed greatly to the development and progress we have reached in this, the greatest Nation on the face of the earth. I salute the majority leader for having offered the resolution.

Mr. JOHNSON of Texas. I yield to the Senator from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. I wish to associate myself with this concurrent resolution. Were we not in session today, I would be in my home State, speaking at a labor gathering in commemoration of this day. I would say just about what I have read editorially in the Washington Post of this morning. I think it states very well the happenings of the past week, and what I believe to be the opinion of Congress and all of us in regard to labor. In effect, what the editorial states is that Congress has closed some doors to corruption and arbitrary use of power, but the national interest in a strong, vigorous, and clean labor movement is as great as it ever was.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO DOGHOUSE FOR LABOR

Labor Day, 1959, finds some of the leaders of organized labor in sackcloth and ashes and others deeply confused by the events of last week. Congress not only enacted a stiff labor reform bill; it did so by overwhelming votes in both Houses. It was not merely the coalition of Republicans and southerners that ignored the protests of organized labor, but almost the entire Congress. Does this mean that the country has suddenly swung into an antilabor mood?

Despite the gloom in some labor circles, we think the question must be answered with an emphatic "no." The people have conveyed to Congress an unmistakable demand for legislation to protect the rights of individual workers, to oust racketeers from the labor movement and to curb various practices that some unions have indulged in to the detriment of the public interest. But in our opinion the support for good working conditions, high wages, the right of workers to organize and bargain collectively remains unshaken. Not for a moment did the public call for a "killer bill" against labor. Rather, the bill won landslide support because of the belief that its provisions are fair to organized labor as well as to employers and individual workers.

Some persons who have abused the great power now in the hands of labor unions are certainly in the doghouse, but not labor as a whole. Taken as a group, the United States 71 million working men and women have the highest living standard ever known. Most of them have also attained a large measure of economic and social security along with the right of voluntary association to improve their working conditions. They enjoy the rights of free expression, free movement and general participation in the political life of the country. Congress has closed some doors to corruption and arbitrary use of power, but the national interest in a strong, vigorous, and clean labor movement is as great as it ever was.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that each Member of this body may have an opportunity, within the next hour, to join in sponsorship of the resolution, if he desires, and each Member of this body, within the next hour, may have not to exceed 3 minutes to speak on the resolution.

The VICE PRESIDENT. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, I should like to make some parliamentary inquiries, if I may, under that reservation.

Mr. JOHNSON of Texas. I yield for a parliamentary inquiry, and ask that the time taken in making it not be charged to either side.

The VICE PRESIDENT. The Senator's time has expired. Is there objection to a parliamentary inquiry being propounded without the time being charged to either side?

Without objection, the Senator may proceed.

Mr. MORSE. Mr. President, reserving the right to object, I state my parliamentary inquiry.

Mr. President, I am in complete accord with the sentiments of the proposed concurrent resolution. I am in such complete accord with those sentiments that I think the meaning and symbolism of the resolution should be discussed at some length. I think it is particularly fitting that on this Labor Day the Senate be allowed to discuss the importance of the free labor movement in this country as one of the great foundations of democracy, and that we should not be limited in time to 3 minutes.

So my first parliamentary inquiry is, If the Senator from Oregon should object to the request of the Senator from Texas in its present form and if the Senator from Texas would ask only to consider the concurrent resolution as proposed, would the offering of the resolution be subject to debate in the Senate?

The VICE PRESIDENT. The Senator is correct.

Mr. MORSE. Therefore, Mr. President, because I should like to have the resolution before the Senate, because I am in complete accord with the objectives of the resolution, and because I should like to afford myself an opportunity, and anyone else in the Senate who would like to have it, an opportunity to discuss the resolution in full, I object to the request in its present form.

Mr. JOHNSON of Texas. Mr. President, I shall attempt to meet the viewpoint expressed by the Senator. I do not know how much time each Senator would desire to discuss the resolution, but I ask unanimous consent that each Senator be permitted to address himself to the resolution for not to exceed 15 minutes, and that the senior Senator from Oregon be permitted to address—I ask that each Senator be permitted 15 minutes on the resolution.

Mr. MORSE. Mr. President, reserving the right to object, and I shall object, I want to say that I feel that on a matter as important as this my majority leader ought to return to the protection of what I think is a very important right in the Senate; that is, unlimited debate. Therefore, I shall object to any offering of this resolution with any time limitation placed upon it whatsoever. I object.

The VICE PRESIDENT. The objection is heard.

Mr. JOHNSON of Texas. Mr. President, the country will know the sentiments expressed by most of the Members of the Senate. I think most people recognize that we have asked that a reasonable time be afforded each Senator, but we do not want to give an opportunity for delaying tactics, when we have very important bills which have to be considered.

I commend the Senate for the action it took the last 2 days of last week notwithstanding the parliamentary tactics which were employed. We met and reported two very important bills from committees, the roads bill and the E- and H-bond bill. We passed the roads bill. We passed two conference reports, on the independent offices appropriation bill and the military construction appropriation bill. We voted on the President's veto of the housing bill, and we made substantial progress in regard to the very important proposed legislation known as the extension of Public Law 480.

I am going to ask the Senate, under the unanimous-consent time limitation to which we have agreed, to remain in session until midnight this evening, if necessary, in an attempt to complete action on the extension of Public Law 480.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MANSFIELD. What is the present legislative situation?

The VICE PRESIDENT. The question is on agreeing to paragraph (q) of the committee amendment, page 3.

Mr. MANSFIELD. Has all time been consumed on that amendment?

The VICE PRESIDENT. The opposition time of 15 minutes, under the control of the Senator from Minnesota, is still remaining.

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield to me 10 minutes, or 8 minutes?

Mr. HUMPHREY. I would be happy to.

Mr. MORSE. Mr. President——

Mr. MANSFIELD. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Oregon?

Mr. MORSE. Mr. President, there is a request I would like to make.

Mr. MANSFIELD. I will yield, provided I do not lose my right to the floor.

Mr. MORSE. Do I correctly understand that the Senator from Montana wishes to speak on a matter other than the particular item in the bill in issue?

Mr. MANSFIELD. That is correct, although it is tied in indirectly with the item in the bill.

Mr. MORSE. I only wish to say that, so far as I am concerned, I would be willing to ask unanimous consent that the Senator from Montana have 10 minutes, without the time being charged to either side.

Mr. MANSFIELD. I thank the Senator.

Mr. President, I make that unanimous-consent request for 10 minutes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? Without objection, the Senator from Montana is recognized for 10 minutes.

LAOS

Mr. MANSFIELD. Mr. President, according to press reports, the situation in Laos is growing more serious by the hour. Guerrilla activity is spreading throughout northern Laos. Lao rebels, supported and probably led by Communist cadres from North Vietnam, are isolating and overrunning government garrisons in the Provinces of Sam Neua and Phong Saly. There are even reports that a battalion or two of regular Vietminh forces from North Vietnam are participating directly in the military engagements.

I would point out that there are two distinct aspects to this crisis, from our national point of view. It will be well to keep the two clear and distinct in our thinking as the crisis intensifies.

In the first place, there is an international aspect, a United Nations aspect. The Lao Government has charged North Vietnam with aggression. It has appealed to the United Nations for support—for a military force—to repel the aggression.

We are members of the United Nations. We—along with other members—have an obligation to see to it that this charge of the Lao Government is aired immediately and completely. The place to do it, in the first instance, is in the Security Council. If that body is deadlocked by the veto, on the basis of precedent, the question should be carried to the General Assembly.

The United Nations cannot, indeed, it must not, ignore a formal charge of aggression regardless of where it originates. Every member of the Organization—and Laos is a member—is entitled to full and impartial consideration in a matter as serious as the charge of aggression. It does not matter that the nation is small, weak and remote.

Out of U.N. consideration should come measures to get at the facts, promptly and accurately, in Laos and to bring about a halt to the fighting.

I realize that it is not going to be easy for the United Nations to devise these measures. In the first place, Laos is a remote land with the most primitive means of communication; the scene of the present difficulties, as I recall personally from three visits to Laos in the past, is isolated, rugged, jungle terrain.

Further, the government which stands accused of the aggression, North Vietnam, is not a member of the United Nations and is not likely to respond eagerly to peaceful efforts by that body to get at the facts and stop the fighting; nor is the nation, Communist China, which stands behind North Vietnam and which may well have inspired and underwritten the action in Laos.

Finally, there are obscure and complex factors in the Lao political situation itself. Guerrilla warfare and palace revolutions have been going on intermittently in Laos for a decade or more. In 1955, under the Geneva Accords on Indochina, a truce was arranged between the rebels who held the northern provinces of Sam Neua and Phong Saly and the Royal Lao Government. This truce was preserved between 1955 and 1958 by the presence of a peace team consisting of detachments from Canada, Poland and India. In the latter year, the team was withdrawn at the insistence of the Lao Government after the latter had reached a political agreement with the rebels. It should be noted that the present military outbreak in northern Laos was preceded by the breakdown in the political agreement at the capital in Vientiane.

Most recently, Tiao Savang Vathana, Crown Prince of Laos, has assumed a regency in Laos. For years, he has properly sought to remain aloof from the obscure intrigues and palace politics which afflict the country. Now, in the emergency, he has been asked to assume power in place of his long-ailing father. Prince Savang is an able and intelligent and courageous man. He may yet succeed in reconciling the various Lao factions in the interest of the nation. Certainly, he should be given every encouragement if he seeks to do so.

Those, then, are the principal factors which will make the task of getting the facts on this situation and acting on them very difficult for the United Nations. I do not presume to anticipate the actions of that organization in the matter. It seems to me, however, that the best approach to this situation, in the first instance, is through the Security Council, if that is at all possible. It seems to me, further, that an unwillingness on the part of any member of that organ to cooperate, at least in seeking to establish machinery for getting the facts on this charge of aggression, would cast the gravest doubts on its peaceful intentions.

I would say, further, that if there is any opportunity for a prompt determination of the facts and the devising of a satisfactory, peaceful settlement, a great deal depends on India. That country can play an immensely helpful role in this situation, if it can spare the effort, in the light of the grave developments on its own border.

If the situation continues to deteriorate in Laos and the United Nations is unable to act in a constructive fashion, there is still another international recourse open to the Lao Government. It can appeal to the Southeast Asia Treaty Organization. The nations of that organization, and we are one of them, have a deep concern in the matter since they have committed themselves to respond to a request from Laos for aid against aggression in accordance with their constitutional processes.

I believe that it is highly desirable for the SEATO nations to meet now to de-

termine what courses they may follow in the event an appeal from Laos is forthcoming. But I wish also to emphasize that in my opinion, the administration will be well advised to go slow on any direct military involvement of this Nation in Laos. Military force ought to be the last resort in international disputes, not the first.

The best hope for a peaceful solution of the difficulty in Laos, as I have already tried to indicate, I believe lies in the fullest support of the political efforts of Crown Prince Savang within Laos, in the fullest utilization of the peacekeeping recourses of the United Nations, and the conciliatory capacities of India.

If the current crisis in Laos raises serious international questions, it also raises equally grave questions as to the administration of the foreign policies of this Government. I think we have got to ask ourselves these questions: First, what effect the vast increase in American officials in Laos from a total of two State Department people in 1953 when I first visited the country to the hundreds at the present time, representing numerous executive agencies—what effect this sprawling growth has had on the development of our policies, our relations and our deepening involvement with that country; second, what influence, if any, this administration or any branch of it, may have exercised in connection with the withdrawal of the Geneva truce team before a stable, peaceful, political situation had been created in Laos; third, how is it, that after spending hundreds of millions on aid to Laos, after being assured by the executive branch just a short time ago that this aid had built stability and kept out the Communists, the defense of the entire country can be so rapidly undermined by a battalion or two of Vietminh forces? This development, coming as it does, just a few months after the adverse report of the Hardy Committee on the aid program in Laos, highlights again the concern which has been expressed over and over again in Congress on shortcomings in the administration of foreign aid.

Most of all, we have got to ask ourselves, How have we been making the policy and administrative decisions on Laos? On September 4, I suggested to the Senate that "the power to interpret the will of the Nation in respect to our vast and complicated relations with the rest of the world has been diffused through the enormous labyrinth of the executive branch of the Government. The power to decide has been scattered and diluted to the point where it has become virtually impossible to fix responsibility."

Is that what has happened in Laos? Has it, in fact, been the President and the Secretary of State who have made the decisions on Laos in the past few years? Or, do we have, in that country a policy based on executive agency accommodation, with the Defense Department, the ICA, the CIA, or whatever, each putting in an oar and the State Department trying to guide the boat while it does not really have the power to control the rudder?

Regardless of what has happened in the past, this administration had better see to it that in the present delicate situation, it is the President and the Secretary of State and the Department of State—they alone—and no one else in the executive branch who calls the shots and makes the decisions and that the rest of the executive branch falls in line. Otherwise we are going to be in grave danger of stumbling into what may be an avoidable military involvement.

In conclusion, Mr. President, I wish to express my full support of actions taken up to this time by the Department of State in trying to bring about an alleviation of the present situation in this unhappy, this remote, this faraway country.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SALTONSTALL. Mr. President, as one who has visited Laos briefly, and has studied and watched the situation ever since that visit, I agree with the Senator from Montana that this is a serious situation. It involves Cambodia, Thailand, and South Vietnam. It certainly should have the attention of the highest authorities of our Government.

Mr. MANSFIELD. I thank the Senator.

Mr. MORSE. Will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, the Senator from Montana, as a member of the Committee on Foreign Relations, has laid down a set of principles with regard to the protection of freedom in that area of the world where freedom is under such severe attack with which I wish to associate myself. I think the Communists are going to find the American people united in support of the State Department and in support of the principles just enunciated by the Senator from Montana.

Mr. MANSFIELD. I thank the Senator.

Mr. WILEY subsequently said: Mr. President, after hearing the fine statement this morning by the Senator from Montana [Mr. MANSFIELD], I caused to be prepared a short statement on the same subject, as follows:

Mr. President, as you know, the United Nations Security Council is scheduled to meet this afternoon on the request of Laos to send U.N. observers to that strife-torn country.

The United Nations, I hope, will take expeditious action upon the request of this beleaguered nation.

Yesterday, the United States declared its support of the Lao plea for a U.N. observer mission.

The position, which I believe is a sound one, again represents our willingness to assume obligations as a responsible member of the United Nations Charter.

We can, of course, expect the Communists to attempt to throw roadblocks in the path of any effort to effectively investigate the violation by them of the territorial integrity of Laos.

However, every effort must be made to not only point the finger of blame at the Communists—where it belongs—but also to develop more effective machinery for dealing with this kind of aggression.

At this time, I request unanimous consent to have printed in the RECORD the text of the statement issued by the State Department on the Lao situation.

In addition, I request to have the State Department comments followed by a statement by myself issued yesterday. The release cites the Lao crisis as one more bit of evidence on the need for an effective United Nations police force to curb such violations and to provide for a more secure peace.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

[From the New York Times]

U.S. STATEMENT ON LAOS

WASHINGTON, September 5.—Following is the text of the State Department statement today on Laos:

"The United States as a member of the United Nations will fulfill in good faith the obligations assumed by it under the charter. One of these obligations is to take appropriate measures in support of the charter. To this end the United States will support United Nations consideration of the Royal Lao Government's appeal.

"The U.S. Government has repeatedly announced its strong support of the Royal Lao Government in its determination to resist Communist efforts to undermine the security and stability of Laos.

"On August 26, 1959, the United States announced that, in response to specific and urgent requests from the Lao Government for improving its defense position, additional aid was being authorized to permit emergency increases in the Lao Army and militia to cope with the threat posed to that government by the Communists.

"The United States announced at the same time that it would continue to support reasonable approaches to achieve a peaceful solution of the current situation in Laos.

"NORTH VIETNAMESE ACCUSED

"On August 30 a strong attack from the northeast was launched against Royal Lao army units in the northeastern border area of Sam Neua Province. The small Lao forces in this province had been reinforced and had begun to push back an earlier Communist salient which had extended about 50 miles from the North Vietnam border in an area northwest of the town of Sam Neua.

"The August 30 attack against the northeastern border area provides further evidence of the active support of Communist rebel forces within Laos from Communist North Vietnam. The attack could not have been supported nor coordinated without such outside collaboration.

"It is now clear that the Communist bloc does not intend to permit the sovereign Lao Government to remain at peace. The Communist bloc apparently intends to foment and direct a rebellion within Laos and to give extensive support to the attempt to seize important areas and otherwise to prevent the establishment of those peaceful conditions necessary to implement basic economic and social programs.

"In short, the Communist intervention is apparently aimed at preventing the Lao people from realizing their just hopes for a better life.

"EVIDENCE OF INTERVENTION

"That outside Communist intervention exists is demonstrated by:

"1. The assistance evidently being received by the Communist forces within Laos, including supplies and military weapons that could be provided only from Communist territory.

"2. The false—and ridiculous—Communist propaganda emanating simultaneously from Hanoi, Peiping, and Moscow to the effect that the Lao Government has been instigated by the United States to 'stir up a civil war' within its boundaries.

"3. The continuing flow from Moscow, Peiping, and Hanoi of propaganda and false information about the situation in Laos aimed at confusing world opinion and stating that the United States is using Laos as a military base.

"4. The fact that the military outbreak in Laos has followed conferences in Moscow and Peiping between Ho Chi Minh and Soviet and Chinese Communist leaders and also conferences in Moscow between two members of the North Vietnam Politburo and Deputy Prime Minister Anastas Mikoyan.

"The latest attack upon the Lao Army in Sam Neua Province has resulted in an appeal by the Royal Lao Government for United Nations assistance. It is appropriate that this matter be thus brought to the world's attention.

"It is obvious that a further augmentation of the invading force or continued material support thereof by Communists in North Vietnam will require a major change in the nature and magnitude of the Royal Lao Government's need for support.

"The United States is confident that the free world would recognize such a new danger to peace and would take the action necessary. For its part, the United States supports that view."

LAO CRISIS CREATES MORE EVIDENCE FOR NEED OF U.N. POLICE FORCE

Senator ALEXANDER WILEY, Republican of Wisconsin, ranking Republican of the Senate Foreign Relations Committee, today cited the Lao crisis as one more bit of evidence on the need for a United Nations police force.

"Around the world, the Communists—in Laos, on the India-China border, and elsewhere—continue to engage in infiltration, attempts at subversion, and outright aggression, to attempt to accomplish their goal of world conquest.

"The establishment of an effective U.N. police force, I believe, could do much to control and/or prevent such situations," Senator WILEY said.

"Overall, the nations of the world must increase their efforts to encourage respect for territorial integrity, international law, adherence to high standards of conduct, and more particularly, to discourage such infiltration and aggression as is now occurring in Laos.

"Until enforcement machinery is provided, however, we can—in view of the Communists persual of their goal of world domination—expect this kind of outlawry to continue to create threats to the security of countries.

"We recall that, in 1958, the U.S. Congress, by resolution, expressed its support for establishment of such an international force. Unfortunately, opposition by the Soviet Union has, until now, prevented the creation of such a force within the United Nations.

"The Lao crisis—as well as the India-China border dispute and other such Communist-inspired crises—furnish additional evidence of the need for establishment of an effective U.N. police force to curb such violations and provide for a more secure peace," Senator WILEY concluded.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that we have the usual morning hour for the introduction of bills, petitions, and memorials, and the transaction of other routine business. For the convenience of all the membership, Mr. President, I ask unanimous consent that there be a limitation on statements not to exceed 3 minutes.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MORSE. Is the Senator from Oregon to understand that this request——

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that we have the usual morning hour for the introduction of bills, petitions, and memorials, and the transaction of other routine business with the limitation on statements of not to exceed 3 minutes. The exact form of the request is found in the RECORD each morning when the Senate assembles. I make that same request.

Mr. MORSE. Mr. President, a parliamentary inquiry. Let me assure the majority leader that I understood the request. I was raising a parliamentary inquiry about the request. It is my understanding——

Mr. JOHNSON of Texas. Mr. President, may we have order? I cannot hear the Senator.

The VICE PRESIDENT. The Senate will be in order.

Mr. MORSE. Is my understanding correct that if the request is granted, then the morning hour called for by the request will be conducted outside of the unanimous-consent agreement with regard to the pending business before the Senate?

The VICE PRESIDENT. The Senator is correct.

Mr. MORSE. I have no objection.

The VICE PRESIDENT. The request is agreed to.

Mr. JOHNSON of Texas. I ask unanimous consent that at the conclusion of the regular morning hour, this being Monday, it be in order to call the calendar for the consideration of measures to which there is no objection.

The VICE PRESIDENT. Is there objection?

Mr. MORSE. Mr. President, I object.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL EMPLOYMENT AND PAY

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of July 1959. In accordance with the practice of several years' standing I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, JULY 1959 AND JUNE 1959, AND PAY, JUNE 1959 AND MAY 1959

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for July 1959 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In July numbered—	In June numbered—	Increase (+) or decrease (−)	In June was—	In May was—	Increase (+) or decrease (−)
Total [1]	2,370,661	2,366,991	+3,670	$1,043,832	$998,224	+$45,608
Agencies exclusive of Department of Defense	1,292,699	1,288,765	+3,934	552,201	530,870	+21,331
Department of Defense	1,077,962	1,078,226	−264	491,631	467,354	+24,277
Inside continental United States	2,188,934	2,183,637	+5,297			
Outside continental United States	181,727	183,354	−1,627			
Industrial employment	568,656	569,101	−445			
Foreign nationals	185,182	188,517	−3,335	22,997	22,164	+833

[1] Exclusive of foreign nationals shown in the last line of this summary.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside continental United States by agencies.

Table III, breaks down the above employment figures to show the number outside continental United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies both inside and outside continental United States.

Table V shows foreign nationals working under U.S. agencies overseas, not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during July 1959, and comparison with June 1959, and pay for June 1959, and comparison with May 1959*

Department or agency	Personnel				Pay (in thousands)			
	July	June	Increase	Decrease	June	May	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	98,254	97,240	1,014		$38,296	$35,027	$3,269	
Commerce [1]	32,289	32,304		15	15,558	14,459	1,099	
Health, Education, and Welfare	59,467	59,101	366		27,039	25,998	1,041	
Interior	55,552	54,992	560		25,748	23,609	2,139	
Justice	30,282	29,987	295		16,996	16,120	876	
Labor	5,963	5,937	26		3,171	2,972	199	
Post Office	552,094	549,951	2,143		218,458	212,139	6,319	
State [2]	35,811	35,770	41		15,762	15,404	358	
Treasury	75,097	76,011		914	38,557	37,251	1,306	
Executive Office of the President:								
White House Office	405	406		1	$236	$238		$2
Bureau of the Budget	437	431	6		327	311	$16	
Council of Economic Advisers	31	31			26	27		1
Executive Mansion and Grounds	72	72			28	31		3
National Security Council [3]	62	64		2	44	41	3	
Office of Civil and Defense Mobilization	1,759	1,794		35	1,065	1,010	55	
President's Advisory Committee on Government Organization	5	4	1		3	4		1
President's Committee on Fund Raising Within the Federal Service	4	4			4	3	1	
Independent agencies:								
Alaska International Rail and Highway Commission	2	2			2	2		
American Battle Monuments Commission	514	513	1		84	83	1	
Atomic Energy Commission	6,796	6,855		59	4,277	4,096	181	
Board of Governors of the Federal Reserve System	607	607			349	330	19	
Boston National Historic Sites Commission	2	3		1	1	1		
Career Executive Board [4]		4		4	3	3		
Civil Aeronautics Board	718	719		1	451	431	20	
Civil Service Commission	3,748	3,791		43	1,996	1,916	80	
Civil War Centennial Commission	6	6			4	4		
Commission of Fine Arts	3	4		1	2	2		
Commission on Civil Rights	86	82	4		48	43	5	
Commission on International Rules of Judicial Procedure	4	4			3	2	1	
Development Loan Fund	75	68	7		54	51	3	
Export-Import Bank of Washington	225	225			149	141	8	
Farm Credit Administration	848	843	5		491	466	25	
Federal Aviation Agency	33,905	33,624	281		18,677	17,668	1,009	
Federal Coal Mine Safety Board of Review	7	7			3	3		
Federal Communications Commission	1,295	1,281	14		756	701	55	
Federal Deposit Insurance Corporation	1,245	1,250		5	693	662	31	
Federal Home Loan Bank Board	957	954	3		544	517	27	
Federal Mediation and Conciliation Service	345	342	3		263	248	15	
Federal Power Commission	874	871	3		510	486	24	
Federal Trade Commission	747	734	13		486	449	37	
Foreign Claims Settlement Commission	52	55		3	48	47	1	
General Accounting Office	5,169	5,194		25	2,841	2,677	164	
General Services Administration [5]	27,868	27,948		80	11,906	11,297	609	
Government Contract Committee	27	28		1	15	14	1	
Government Printing Office	6,514	6,531		17	3,432	3,180	252	
Housing and Home Finance Agency	11,132	11,115	17		6,120	5,691	429	
Hudson-Champlain Celebration Commission	4	4			2	1	1	
Indian Claims Commission	15	17		2	14	9	5	
Interstate Commerce Commission	2,288	2,283	5		1,305	1,253	52	
Lincoln Sesquicentennial Commission	5	5			3	5		2
National Aeronautics and Space Administration	9,303	9,235	68		5,550	5,190	360	
National Capital Housing Authority	314	310	4		130	123	7	
National Capital Planning Commission	36	39		3	21	20	1	
National Gallery of Art	311	314		3	121	120	1	
National Labor Relations Board	1,493	1,484	9		891	838	53	
National Mediation Board	110	117		7	92	83	9	
National Science Foundation	512	544		32	262	250	12	
Outdoor Recreation Resources Review Commission	21	17	4		10	3	7	
Panama Canal	14,042	14,059		17	3,844	5,947		2,103
Railroad Retirement Board	2,503	2,460	43		1,183	1,065	118	
Renegotiation Board	296	301		5	225	212	13	
St. Lawrence Seaway Development Corporation	168	179		11	101	105		4
Securities and Exchange Commission	941	937	4		564	531	33	
Selective Service System	6,405	6,413		8	1,819	1,706	113	
Small Business Administration	2,033	2,015	18		1,047	1,060		13
Smithsonian Institution	1,114	1,088	26		456	420	36	
Soldiers' Home	1,037	1,027	10		290	316		26
South Carolina, Georgia, Alabama, and Florida Water Study Commission	22	20	2		9	8	1	
Subversive Activities Control Board	29	28	1		23	24		1
Tariff Commission	234	233	1		154	145	9	
Tax Court of the United States	148	152		4	105	101	4	
Tennessee Valley Authority	14,374	14,768		394	7,481	7,606		125
Texas Water Study Commission	21	19	2		7	4	3	
Theodore Roosevelt Centennial Commission					1	2		1
U.S. Information Agency	10,787	10,785	2		3,830	3,611	219	
Veterans' Administration	172,103	171,414	689		67,035	64,134	2,901	
Virgin Islands Corporation	675	739		64	100	123		23
Total, excluding Department of Defense	1,292,699	1,288,765	5,691	1,757	552,201	530,870	23,636	2,305
Net increase, excluding Department of Defense			3,934				21,331	
Department of Defense:								
Office of the Secretary of Defense	1,786	1,780	6		1,223	1,123	100	
Department of the Army	405,249	[6] 405,865		616	180,381	170,950	9,431	
Department of the Navy	356,815	357,110		295	168,276	161,041	7,235	
Department of the Air Force	314,112	313,471	641		141,751	134,240	7,511	
Total, Department of Defense	1,077,962	1,078,226	647	911	491,631	467,354	24,277	
Net change, Department of Defense			264				24,277	
Grand total, including Department of Defense	2,370,661	2,366,991	6,338	2,668	1,043,832	998,224	47,913	2,305
Net increase, including Department of Defense			3,670				45,608	

[1] July figure includes 224 seamen on the rolls of the Maritime Administration and their pay.

[2] July figure includes 13,058 employees of the International Cooperation Administration as compared with 13,017 in June, and their pay. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The July figure includes 1,942 of these trust fund employees and the June figure includes 1,936.

[3] Exclusive of personnel and pay of the Central Intelligence Agency.

[4] Cease to exist.

[5] Includes 3 employees of the Federal Facilities Corporation.

[6] Revised on basis of later information.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during July 1959, and comparison with June 1959*

Department or agency	July	June	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	97,070	96,019	1,051	
Commerce [1]	31,664	31,691		27
Health, Education, and Welfare	58,947	58,591	356	
Interior	54,908	54,354	554	
Justice	29,913	29,630	283	
Labor	5,849	5,833	16	
Post Office	549,979	547,860	2,119	
State [2]	8,761	8,821		60
Treasury	74,214	75,113		899
Executive Office of the President:				
White House Office	405	406		1
Bureau of the Budget	437	431	6	
Council of Economic Advisers	31	31		
Executive Mansion and Grounds	72	72		
National Security Council [3]	62	64		2
Office of Civil and Defense Mobilization	1,759	1,794		35
President's Advisory Committee on Government Organization	5	4	1	
President's Committee on Fund Raising Within the Federal Service	4	4		
Independent agencies:				
Alaska International Rail and Highway Commission	2	2		
American Battle Monuments Commission	14	14		
Atomic Energy Commission	6,755	6,817		62
Board of Governors of the Federal Reserve System	607	607		
Boston National Historic Sites Commission	2	3		1
Career Executive Board [4]		4		4
Civil Aeronautics Board	718	719		1
Civil Service Commission	3,736	3,779		43
Civil War Centennial Commission	6	6		
Commission of Fine Arts	3	4		1
Commission on Civil Rights	86	82	4	
Commission on International Rules of Judicial Procedure	4	4		
Development Loan Fund	75	68	7	
Export-Import Bank of Washington	225	225		
Farm Credit Administration	838	833	5	
Federal Aviation Agency	32,379	32,103	276	
Federal Coal Mine Safety Board of Review	7	7		
Federal Communications Commission	1,281	1,267	14	
Federal Deposit Insurance Corporation	1,243	1,248		5
Federal Home Loan Bank Board	957	954	3	
Federal Mediation and Conciliation Service	345	342	3	
Federal Power Commission	874	871	3	
Federal Trade Commission	747	734	13	
Foreign Claims Settlement Commission	52	55		3
General Accounting Office	5,093	5,118		25
General Services Administration [5]	27,820	28,898		78
Government Contract Committee	27	28		1
Independent Agencies—Continued				
Government Printing Office	6,514	6,531		17
Housing and Home Finance Agency	10,952	10,939	13	
Hudson-Champlain Celebration Commission	4	4		
Indian Claims Commission	15	17		2
Interstate Commerce Commission	2,288	2,283	5	
Lincoln Sesquicentennial Commission	5	5		
National Aeronautics and Space Administration	9,300	9,231	69	
National Capital Housing Authority	314	310	4	
National Capital Planning Commission	36	39		3
National Gallery of Art	311	314		3
National Labor Relations Board	1,469	1,460	9	
National Mediation Board	110	117		7
National Science Foundation	512	544		32
Outdoor Recreation Resources Review Commission	21	17	4	
Panama Canal	403	399	4	
Railroad Retirement Board	2,503	2,460	43	
Renegotiation Board	296	301		5
St. Lawrence Seaway Development Corporation	168	179		11
Securities and Exchange Commission	941	937	4	
Selective Service System	6,227	6,236		9
Small Business Administration	2,005	1,987	18	
Smithsonian Institution	1,104	1,078	26	
Soldiers' Home	1,037	1,027	10	
South Carolina, Georgia, Alabama, and Florida Water Study Commission	22	20	2	
Subversive Activities Control Board	29	28	1	
Tariff Commission	234	233	1	
Tax Court of the United States	148	152		4
Tennessee Valley Authority	14,374	14,768		394
Texas Water Study Commission	21	19	2	
U.S. Information Agency	2,686	2,697		11
Veterans' Administration	170,938	170,267	671	
Total, excluding Department of Defense	1,232,963	1,229,109	5,600	1,746
Net increase, excluding Department of Defense			3,854	
Department of Defense:				
Office of the Secretary of Defense	1,739	1,736	3	
Department of the Army	348,503	348,794		291
Department of the Navy	323,652	323,647	5	
Department of the Air Force	282,077	280,351	1,726	
Total, Department of Defense	955,971	954,528	1,734	291
Net increase, Department of Defense			1,443	
Grand total, including Department of Defense	2,188,934	2,183,637	7,334	2,037
Net increase, including Department of Defense			5,297	

[1] July figure includes 224 seamen on the rolls of the Maritime Administration.
[2] July figure includes 1,902 employees of the International Cooperation Administration as compared with 1,919 in June.
[3] Exclusive of personnel of the Central Intelligence Agency.
[4] Cease to exist.
[5] Includes 3 employees of the Federal Facilities Corporation.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during July 1959, and comparison with June 1959*

Department or agency	July	June	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,184	1,221		37
Commerce	625	613	12	
Health, Education, and Welfare	520	510	10	
Interior	644	638	6	
Justice	369	357	12	
Labor	114	104	10	
Post Office	2,115	2,091	24	
State [1]	27,050	26,949	101	
Treasury	883	898		15
Independent agencies:				
American Battle Monuments Commission	500	499	1	
Atomic Energy Commission	41	38	3	
Civil Service Commission	12	12		
Farm Credit Administration	10	10		
Federal Aviation Agency	1,526	1,521	5	
Federal Communications Commission	14	14		
Federal Deposit Insurance Corporation	2	2		
General Accounting Office	76	66		
General Services Administration	48	50		2
Housing and Home Finance Agency	180	176	4	
National Aeronautics and Space Administration	3	4		1
National Labor Relations Board	24	24		
Panama Canal	13,639	13,660		21
Independent agencies—Continued				
Selective Service System	178	177	1	
Small Business Administration	28	28		
Smithsonian Institution	10	10		
U.S. Information Agency	8,101	8,088	13	
Veterans' Administration	1,165	1,147	18	
Virgin Islands Corporation	675	739		64
Total, excluding Department of Defense	59,736	59,656	220	140
Net increase, excluding Department of Defense			80	
Department of Defense:				
Office of the Secretary of Defense	47	44	3	
Department of the Army	56,746	[2] 57,071		325
Department of the Navy	33,163	33,463		300
Department of the Air Force	32,035	33,120		1,085
Total, Department of Defense	121,991	123,698	3	1,710
Net decrease, Department of Defense			1,707	
Grand total, including Department of Defense	181,727	183,354	223	1,850
Net decrease, including Department of Defense			1,627	

[1] July figure includes 11,156 employees of the International Cooperation Administration as compared with 11,098 in June. The ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The July figure includes 1,942 of these trust fund employees and the June figure includes 1,936.
[2] Revised on basis of later information.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by the executive agencies during July 1959, and comparison with June 1959*

Department or agency	July	June	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	3,343	3,332	11	
Commerce	1,491	1,765		274
Interior	7,079	7,046	33	
Treasury	5,292	5,274	18	
Independent agencies:				
Atomic Energy Commission	172	172		
Federal Aviation Agency	742	732	10	
Federal Communications Commission	13	13		
General Services Administration	1,195	1,223		28
Government Printing Office	6,514	6,531		17
National Aeronautics and Space Administration	9,303	9,235	68	
Panama Canal	6,934	6,947		13
Tennessee Valley Authority	11,549	11,979		430
Virgin Islands Corporation	675	739		64
Total, excluding Department of Defense	54,302	54,988	140	826
Net decrease, excluding Department of Defense			686	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 139,100	[2] 139,222		122
Outside continental United States	[1] 8,900	[2] 8,960		60
Department of the Navy:				
Inside continental United States	201,323	201,203	120	
Outside continental United States	5,306	5,288	18	
Department of the Air Force:				
Inside continental United States	157,696	156,546	1,150	
Outside continental United States	2,029	2,894		865
Total, Department of Defense	514,354	514,113	1,288	1,047
Net increase, Department of Defense			241	
Grand total, including Department of Defense	568,656	569,101	1,428	1,873
Net decrease, including Department of Defense			445	

[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under U.S. agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of July 1959 and comparison with June*

Country	Total		Army		Navy		Air Force	
	July	June	July	June	July	June	July	June
Belgium	12	12					12	12
England	3,502	3,624					3,502	3,624
France	22,282	22,250	16,966	16,904			5,316	5,346
Germany	81,644	82,821	69,581	70,695	59	58	12,004	12,068
Japan	65,727	67,543	21,883	24,623	16,868	15,894	26,976	27,026
Korea	7,997	8,224	7,997	8,224				
Malta		79				79		
Morocco	3,408	3,362	6	6	884	865	2,518	2,491
Netherlands	41	40					41	40
Norway	23	21					23	21
Trinidad	546	541			546	541		
Total	185,182	188,517	116,433	120,452	18,357	17,437	50,392	50,628

STATEMENT BY SENATOR BYRD OF VIRGINIA

The cost of civilian employment in the executive branch of the Federal Government reached its all-time high in fiscal year 1959 which ended June 30. The regular Federal payroll exceeded $12 billion for the first time averaging more than $1 billion a month.

The 12 months total was $12,330 million plus $278 million in U.S. pay for foreign nationals not on the regular rolls.

The payroll cost for employment by civilian agencies in fiscal year 1959 was $6,564 million and for civilian employment in military agencies was $5,766 million.

Figures by years since 1955 follow:

Annual Federal expenditures for civilian payroll, executive branch, fiscal years 1955–59

[In millions of dollars]

Fiscal year	Civilian agencies	Department of Defense [1] (civilian employment)	Total
1955	4,921	4,700	9,621
1956	5,359	5,167	10,526
1957	5,602	5,399	11,000
1958	6,040	5,415	11,455
1959	6,564	5,766	12,330

[1] Excludes U.S. pay for foreign nationals not on regular rolls.

Payroll figures for fiscal year 1959 included the full year effect of pay increase legislation enacted during the last session of Congress. The 1958 figures reflected the pay increase for only 6 months of that year in accordance with the retroactive provision of the law.

Both employment and payroll increased in fiscal year 1959. Employment by executive branch agencies during fiscal year 1959 (ended June 30) averaged 2,352,242 as compared with an average of 2,347,344 in the previous year. Employment by civilian agencies averaged 1,266,566, an increase of 23,625 as compared with an average of 1,242,941 in the previous year. Civilian employment by military agencies averaged 1,085,676, a decrease of 18,727 as compared with an average of 1,104,403 in the previous year.

Average employment by years since 1955 follow:

Average civilian employment by Federal agencies, executive branch, fiscal years 1955–59

Fiscal year	Civilian agencies	Department of Defense (civilian employment)	Total
1955	1,182,663	1,184,627	2,367,290
1956	1,189,458	1,174,584	2,364,042
1957	1,219,835	1,174,263	2,394,099
1958	1,242,941	1,104,403	2,347,344
1959	1,266,566	1,085,676	2,352,242

JULY EMPLOYMENT

Monthly reports on personnel to the committee showed civilian employment by executive agencies of the Federal Government during July totaled 2,370,661, an increase of 3,670 over the previous month.

Agencies reporting the larger increases in civilian employment were the Post Office Department with an increase of 2,143, Agriculture Department with an increase of 1,014, Veterans' Administration with an increase of 689, Interior Department with an increase of 560, and the Department of the Air Force with an increase of 641.

Total employment inside continental United States in July was 2,188,934, an increase of 5,297 as compared with June. Total employment outside continental United States in July was 181,727, a decrease of 1,627 as compared with June.

Employment by civilian agencies in July totaled 1,292,699, an increase of 3,934 over June. Civilian employment by military agencies in July totaled 1,077,962, a decrease of 264 as compared with June.

FOREIGN NATIONALS

The total of 2,370,661 civilian employees certified to the committee by executive agencies in their regular monthly personnel reports includes some foreign nationals employed in U.S. Government activities abroad, but in addition to these there were 185,182 foreign nationals working for U.S. military agencies overseas during July who were not counted in the usual personnel report. The number in June was 188,517. A breakdown of this employment for July follows:

Country	Total	Army	Navy	Air Force
Belgium	12			12
England	3,502			3,502
France	22,282	16,966		5,316
Germany	81,644	69,581	59	12,004
Japan	65,727	21,883	16,868	26,976
Korea	7,997	7,997		
Morocco	3,408	6	884	2,518
Netherlands	41			41
Norway	23			23
Trinidad	546		546	
Total	185,182	116,433	18,357	50,392

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Harold K. Wood, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania.

By Mr. DODD, from the Committee on the Judiciary:

Henry J. Friendly, of New York, to be U.S. circuit judge for the second circuit.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY:

S. 2651. A bill to authorize the President of the United States to present, in the name of Congress, a Medal of Honor to Herman Miller; to the Committee on Armed Services.

By Mr. DODD (for himself and Mr. KEATING):

S. 2652. A bill to strengthen the internal security of the United States; to the Committee on the Judiciary.

PERMANENCE OF PROVISIONS OF REORGANIZATION ACT OF 1949—AMENDMENTS

Mr. GRUENING (for himself and Mr. BARTLETT) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 1474) to make permanent the provisions of the Reorganization Act of 1949, which were ordered to lie on the table and to be printed.

EXEMPTION OF CERTAIN ASPECTS OF DESIGNATED PROFESSIONAL TEAM SPORTS FROM ANTITRUST LAWS—AMENDMENTS

Mr. KEATING. Mr. President, the sports bill (S. 2545) reported last week by the Senate Antitrust and Monopoly Subcommittee to the Committee on the Judiciary, is completely inadequate because it does not include baseball. True, it represents a step in the right direction of eliminating the present confused antimonopoly status of professional football, basketball, and baseball. As far as those three games are concerned, the anamoly resulting from various Supreme Court decisions will be removed.

But the fatal flaw in this bill is that it does not do the whole job, because it does not extend congressional ratification to the Supreme Court's rulings concerning baseball and the antitrust laws. I do not intend to stand by while baseball, which has been the subject of extensive hearings stretching over a number of years, is shortchanged in this way. There has been no evidence adduced by witnesses before Congress or by staff studies which would justify leaving our national pastime out of any legislation which is enacted.

I particularly regret this action by the Antitrust Subcommittee because it comes at a time when baseball is in an exciting but delicate transition stage. The onset of a third major league has delighted sports fans all over the country. Wonderful progress is being made toward that goal.

Sufficient ground work has been laid for Branch Rickey, the elder statesman of baseball, to consent to take over the tiller and guide the destiny of the Continental League as its president. Ford Frick and organized baseball have pledged to cooperate with the third league as it organizes.

It would be tragic, in my view, if this important work were in any way impeded by shortsighted action in Congress. Clarification of baseball's status under the antitrust laws by congressional action would be a significant contributing factor in permitting the third major league movement to go forward without the uncertainty of further scrutiny by Congress.

In order to prevent shaking the confidence of investors in the Continental League, in order to assure all concerned that Congress will not unduly tamper with the operations of organized baseball which have proved themselves over the years, and generally to stimulate progress toward the goal of a third big league, the omission of baseball from the proposed antitrust-sports bill must be corrected. In order to rectify this serious flaw, therefore, I shall offer an amendment to include baseball within the coverage of the measure when it comes before the full Judiciary Committee.

I am hopeful that an objective analysis of the whole situation, both in terms of the responsibilities of Congress with regard to the antimonopoly statutes and our obligations to the millions of sports fans of America, will result in making this a much better bill before it is enacted by the Senate and House. By adding baseball to the bill, and perhaps making other changes, we will be completing well a job which has long confronted Congress. And incidentally, we will be speeding the day when major league baseball can be witnessed by many more fans, including my constituents in the New York City area, who will enjoy the addition of a second big league club to that area.

For that purpose, I shall offer, when the bill comes to the full committee, an amendment to include baseball in the provisions of the bill.

I submit for printing, under the rule, this amendment, and also two other amendments dealing with the right to operate in specified geographic areas, and one to deal with the telecasting provisions of the bill as reported.

The VICE PRESIDENT. The amendments will be received, printed, and referred to the Committee on the Judiciary.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO ESTATE-TAX MARITAL DEDUCTION TO WIDOW'S ALLOWANCE OR AWARD—AMENDMENT

Mr. GORE submitted an amendment, intended to be proposed by him, to the bill (H.R. 2573) to amend the Internal Revenue Code of 1954 with respect to the application of the estate-tax marital deduction to widow's allowance or award, which was ordered to lie on the table and to be printed.

AMENDMENT OF REORGANIZATION ACT OF 1949, AS AMENDED—AMENDMENTS

Mr. GRUENING (for himself and Mr. BARTLETT) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 5140) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1961, which were ordered to lie on the table and to be printed.

INTEREST RATE ON SERIES E AND H U.S. SAVINGS BONDS—AMENDMENTS

Mr. BUSH. Mr. President, earlier in the morning hour I discussed the possibility of offering an amendment to H.R. 9035, the purpose of which would be to lift the ceiling on long-term Treasury bonds, open-market bonds, as well as on savings bonds.

I submit an amendment to accomplish that purpose.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

Mr. BUSH also submitted amendments, intended to be proposed by him, to House bill 9035, supra, which were ordered to lie on the table and to be printed.

Mr. LONG of Louisiana submitted an amendment, intended to be proposed by him, to House bill 9035, supra, which was ordered to lie on the table and to be printed.

FIRST BUSINESS AGREEMENT DRAWN IN AMERICA

Mr. SALTONSTALL. Mr. President, we in Massachusetts are proud of the contribution we have made to the American free enterprise system. The town of Bourne, Mass., is observing its 75th anniversary this year by recalling one of the earliest contracts signed within the borders of the United States.

At this point I ask unanimous consent to have printed in the RECORD what is believed to be the first business agreement drawn in America. It was drawn before the 6th of November 1627.

The VICE PRESIDENT. Is there objection?

Mr. MORSE. Mr. President, what is the unanimous-consent request?

Mr. SALTONSTALL. The unanimous-consent request is to insert at this point in my remarks a copy of the first business agreement drawn up in America, which was an agreement drawn up between the Plymouth Colony on the one part and William Bradford and others on the other part. The record shows

that it was drawn before November 6, 1627.

Mr. MORSE. I assure the Senator from Massachusetts that the only reason I made my inquiry was that I did not hear what he had said.

The VICE PRESIDENT. Is there objection?

There being no objection, the agreement was ordered to be printed in the RECORD, as follows:

COPY OF THE FIRST BUSINESS AGREEMENT DRAWN IN AMERICA

This contract, given verbatim in Gov. William Bradford's "Letter Book" represents the commencement of orderly, well organized business in America. Because of this and the worldwide development of our great industries, and the creation on this side of the Atlantic of the world's financial center, this little trading post at once assumes a unique position of national historic interest. From it, as one of the very earliest of the important outposts, in New England, and hence in America, has developed the world commerce of our Nation.

"Articles of agreement between the Colony of Plymouth in New England, on the one party, and William Bradford, Capt. Miles Standish, and Isaac Allerton, and such others as they shall take as partners and undertakers with them, on the other party, made the ——— (from an entry in Plymouth Colony records this date was before November 6, 1627):

"First. It is agreed and covenanted betwixt the said parties, that they, the said William Bradford, Capt. Miles Standish, and Isaac Allerton, and such others as they shall take unto them, have undertaken, and do by these presents covenant and agree to pay, discharge, and aquit the said colony, of all the debts, both due for the purchase, or any other way belonging to the same, at the day of the date of these presents.

"Secondly, the avovesaid parties are to have and freely enjoy the pinass the boat at Manament, and the *Shallop*, called the base boat. With all other implements to them belonging, that is in the store of the company: with all the whole stock of furs, pelts, breads, corn, wampampeak hatchers, knives, etc., that is now in store, or any way unto the same upon account.

"Thirdly, that the avovesaid parties have the whole trade to themselves, their heirs, and assigns, with all the privileges thereof, as the said colony doth now, or any use the same; for 6 full years to begin the last of September next ensuing.

"Fourthly, in further consideration of the discharge of the said debts every several purchaser, doth promise, and covenant yearly to pay, or cause to be payed, to the abovesaid parties, during the full term of said 6 years, 3 bushels of corn, or 6 pounds of tobacco. At the undertaker's choice.

"Fifthly, the said undertakers shall, during the aforesaid term, bestow 50 per annum in hose and shoes, to be brought over for the colony's use, to be sold them for corn, at 6 shillings per bushel.

"Sixthly, that at the end of the said term of 6 years, the whole trade shall return to the use and benefit of the said colony, as before.

"Lastly, if the aforesaid undertakers, after they have acquainted their friends in England with these covenants, do (upon the first return) resolve to perform them, and undertake to discharge the debts of the said colony according to the true meaning and intent of these presents, then they (upon such notice given) to stand in force, otherwise all things to remain as formerly they were, and a true account to be given to the said colony, of the disposing of all things according to the former order.

"For the colony: William Brewster, Stephen Hopkins, Francis Eaton, Jona Brewster, Manas Kenpton, Thomas Prince, Anthony Anable, John Shaw, William Basset, Cudbert Cudbers, John Adams, Phineas Pratt, Stephen Trasie, Edward Doty, Joshua Pratt, Stephen Dean, Wm. Wright, Francis Cook, William Palmer, Expeer Michell, Edward Bangs, Samuel Fuller, Robert Hicks, John Howland, John Billington, Peter Brown, John Fance; for the undertakers: William Bradford, Captain Standish, Isaac Allerton, John Allden, Edward Winslow, William Brewster, John Howland, Thomas Prince; for those of London: James Sherly, John Beauchamp, Richard Andrews, Timothy Hatherly."

Mr. SALTONSTALL. Mr. President, Bourne will be celebrating at the Aptuxcet Trading Post, a replica of the original. The agreement setting up the trading post and giving certain of their number control of the trade there was written and signed by the colonists of Plymouth Plantation at the plantation, 20 miles distant. Its purpose was to pay off the huge debt still owed to the London backers of the Mayflower expedition, to transport more of their brethren to Plymouth, and to bring profit to the colony.

This agreement was the first business contract drawn up and signed in America and established Aptuxcet's claim in Bourne as "the birthplace of American capitalism."

Today we may take renewed faith in the ability of our free enterprise system to solve the problems confronting it. As it has brought us to the most advanced Nation in the world, so it may continue our progress.

TRIBUTE TO LABOR

Mr. JOHNSON of Texas. Mr. President on behalf of myself, the acting minority leader [Mr. KUCHEL], the Democratic whip [Mr. MANSFIELD], and the chairman of the minority conference [Mr. BRIDGES], I submit the concurrent resolution to which I previously referred, congratulating American labor.

The VICE PRESIDENT. The concurrent resolution will be read for the information of the Senate.

The concurrent resolution (S. Con. Res. 76) was read, as follows:

Whereas American labor has raised its standards of productivity to heights unequaled in world history; and

Whereas the efforts of American labor have brought to this country a standard of living that has no parallel; and

Whereas American labor has served the Nation in peace and war; and

Whereas American labor has been a bulwark of freedom; and

Whereas the first Monday in September is traditionally set aside to commemorate the services of working men and women to our Nation; Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress does hereby express its deep realization and appreciation of the basic role that labor plays in our economy and of the contributions that American working men and women have made to America's well-being.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that any Senator who wishes to associate himself with the concurrent resolution be permitted to do so.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MORSE. I understand that the majority leader has sent to the desk a so-called labor resolution, asking that it lie on the table for the signatures of other Members of the Senate who wish to sign it, but that he is not asking for consideration of the concurrent resolution at this time.

The VICE PRESIDENT. The Senator is correct.

Mr. MORSE. He only seeks to have it placed in the RECORD and lie on the table.

The VICE PRESIDENT. The Senator is correct.

Mr. JOHNSON of Texas. That is correct. I submit the concurrent resolution and ask that it lie on the desk for the remainder of the day, in order that any other Senators who desire to do so may join in cosponsorship.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MORSE. Before the concurrent resolution could be considered it would have to be taken from the desk; and after it is taken from the desk and considered it will be subject to debate.

The VICE PRESIDENT. The Senator is correct.

Mr. MORSE. I have no objection.

Mr. JOHNSON of Texas. I thank the Senator.

Subsequently, the names of the following Senators were added as additional cosponsors of Senate concurrent resolution 76:

Mr. AIKEN, Mr. ALLOTT, Mr. ANDERSON, Mr. BARTLETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BUSH, Mr. BUTLER, Mr. BYRD of Virginia, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. COTTON, Mr. CURTIS, Mr. DIRKSEN, Mr. DODD, Mr. DOUGLAS, Mr. DWORSHAK, Mr. EASTLAND, Mr. ELLENDER, Mr. ENGLE, Mr. ERVIN, Mr. FONG, Mr. FREAR, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GORE, Mr. GREEN, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HAYDEN, Mr. HENNINGS, Mr. HICKENLOOPER, Mr. HILL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON of South Carolina, Mr. JORDAN, Mr. KEATING, Mr. KEFAUVER, Mr. KENNEDY, Mr. KERR, Mr. LAUSCHE, Mr. LONG of Hawaii, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MARTIN, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MCGEE, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORSE, Mr. MORTON, Mr. MOSS, Mr. MUNDT, Mr. MURRAY, Mr. MUSKIE, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PASTORE, Mr. PROUTY, Mr. PROXMIRE, Mr. RANDOLPH, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SCHOEPPEL,

Mr. SCOTT, Mr. SMATHERS, Mrs. SMITH, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. TALMADGE, Mr. THURMOND, Mr. WILEY, Mr. WILLIAMS of New Jersey, Mr. WILLIAMS of Delaware, Mr. YARBOROUGH, Mr. YOUNG of North Dakota, and Mr. YOUNG of Ohio.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	Monroney
Allott	Fulbright	Morse
Anderson	Goldwater	Morton
Bartlett	Gore	Moss
Beall	Green	Mundt
Bennett	Gruening	Muskie
Bible	Hart	Neuberger
Bush	Hayden	Pastore
Butler	Hickenlooper	Prouty
Byrd, Va.	Hill	Proxmire
Byrd, W. Va.	Holland	Robertson
Cannon	Humphrey	Russell
Capehart	Jackson	Saltonstall
Carlson	Johnson, Tex.	Schoeppel
Carroll	Johnston, S.C.	Scott
Case, N.J.	Jordan	Smith
Chavez	Keating	Sparkman
Clark	Kerr	Stennis
Cooper	Kuchel	Symington
Cotton	Langer	Talmadge
Curtis	Lausche	Thurmond
Dodd	Long, Hawaii	Wiley
Dworshak	Long, La.	Williams, N.J.
Eastland	McCarthy	Williams, Del.
Ellender	McClellan	Young, N. Dak.
Engle	Magnuson	Young, Ohio
Ervin	Mansfield	
Fong	Martin	

Mr. MANSFIELD. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. MCNAMARA], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from West Virginia [Mr. RANDOLPH] is absent on official business delivering Labor Day addresses in West Virginia.

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN], the Senator from Nebraska [Mr. HRUSKA], and the Senator from New York [Mr. JAVITS] are necessarily absent.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). A quorum is present.

Further morning business is in order.

INTEREST RATES ON GOVERNMENT SECURITIES

Mr. BUSH. Mr. President, I should like to give notice to the Senate that when the bill—H.R. 9035, I believe—comes up, dealing with the interest rate on series E and H U.S. savings bonds, I intend to offer amendments to eliminate the ceiling on the open market bonds of the Treasury.

Having studied this matter for months, and especially over this weekend, I have come to the conclusion it is of vital necessity to this Government, and to the whole world, that the Treasury's hands be united in connection with the management of the debt. If we fail to do that, we shall make a mistake which may be catastrophic in its consequences.

I intend to discuss this matter rather extensively with the Senate, and offer amendments which will have the effect of eliminating the interest ceiling on long-term bonds. I want all Senators to be on notice I intend to do that. Of course, if some member of the Finance Committee wishes to offer the amendments, I would defer to him, as a matter of protocol and as a matter of senatorial privilege; but unless that is done, I intend to do it myself.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BUSH. If I may yield, I will yield to the Senator from Tennessee.

Mr. GORE. It is my understanding that there was an understanding on both sides of the aisle that the interest rate on E- and H-bonds would be permitted to be increased, but that the matter which the Senator has said he intends to raise would not be seriously advanced. If the Senator does seriously advance that proposal, I shall offer, as a substitute, a declaration of policy by the Congress of the United States as to the course the Government should follow, in the opinion of the Congress, in this regard.

Mr. BUSH. The Senator is always at liberty to do that. If he wants to take the responsibility to do that, I assume he is perfectly entitled to do so.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. ANDERSON. What the Senator from Tennessee has said I think is correct. It is an absolute certainty that the bill concerning interest rates on series E- and H-bonds would not have been reported when it came out and how it came out if there had not been an understanding this other proposal was not to be made. I suggest that the Senator not talk about responsibility——

Mr. BUSH. Who had the understanding?

Mr. ANDERSON. The members of the committee.

Mr. BUSH. Nobody had any understanding with me.

Mr. ANDERSON. The Senator is correct.

Mr. BUSH. I made the statement that I would offer the amendments to which I have referred in response to an inquiry by the Senator from Pennsylvania several days ago on the floor of the Senate. He asked me that question point blank.

Mr. ANDERSON. The Senator has a perfect right to do it, but do not say the Senator from Tennessee would do something on his own responsibility. The Senator is opening up the subject of the financial policy of the United States, and that involves a 2- or 3-week debate. If he wants it to come now, let it come. It is perfectly satisfactory with me. If he is interested in changing the interest rate on E- and H-bonds, he will not offer that proposal. If he is not interested in so doing, he is taking the exact course to make it impossible to change the interest rate on those bonds, and he knows it?

Mr. BUSH. I have no desire to debate this question for a week. I simply said I proposed to have an extensive discussion of it. That might take a day.

Mr. ANDERSON. The rest of us intend to have an extensive discussion of it also.

Mr. BUSH. Fine.

Mr. ANDERSON. We took 2,000 pages of testimony. We tried to distill it down in accordance with the lessons we learned. We ended up with 200 pages of distillation. This is a subject which requires some comment, and about which there is some controversy. This is not the way to handle it. I am glad the Senator has served notice on us.

Mr. BUSH. I thought it was only fair.

Mr. ANDERSON. It is fair. It is only fair to serve notice on the Senator that this will be a long discussion any time we start it.

Mr. BUSH. Mr. President, may I reply?

Mr. JOHNSON of Texas. Mr. President, if the Senator will yield to me I might be able to clarify this in a moment.

Mr. BUSH. I will be glad to yield in just a second.

I should like to say I was asked by the minority leader whether I wanted to do this. I stated I did not want to agree to any unanimous-consent agreement which would foreclose a full discussion of this issue. The minority leader asked me how much time I thought I would require, and I said no less than 1 hour on the bill, and that I had an amendment which might take a half hour. The Senator asked me whether an hour's time on the amendment, divided half and half, would be satisfactory.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON from Texas. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Connecticut.

Mr. BUSH. The Senator asked me about the time on the amendments and I said I would agree to 1 hour, to be divided half and half.

Therefore, I have not stated any proposition which is going to delay the

Senate unduly on an issue which is the most pressing issue before us this year, in my judgment. Other Senators may consider other issues are more important.

Mr. JOHNSON of Texas. Mr. President, if the Senator has completed, I wish to make a brief statement now.

Mr. President, we face a practical problem in regard to what legislation is going to be considered and how long it will take and when we expect to complete the session.

Mr. MUNDT. Mr. President, will the Senator speak louder?

Mr. MORSE. Mr. President, I cannot hear the Senator.

Mr. JOHNSON of Texas. I ask Senators to move closer. I am talking about as loud as I can talk.

We do not expect to seek any unanimous-consent agreement on the E- and H-bond bill, if the E- and H-bond bill is called up by motion.

After talking to the authorities in the administration—and I will say in very high places—it was pretty generally concluded by the leadership on both sides of the aisle, in both bodies, that no affirmative action could be taken on the entire administration proposal this session. It was felt, I think even by the administration and by the leadership on both sides of the aisle, in both Houses, that it was better from the administration point of view to get a part of a loaf, rather than no loaf at all.

I am in a position to say that in my opinion the Senate will pass the proposal regarding the E- and H-bonds. That is purely a personal opinion. To go beyond that I think would endanger the entire proposal. The minority leader has concurred in that opinion, after surveying his side of the aisle.

I have said to many people that while I expected the administration proposal would be offered and discussed, I did not expect that it would be adopted or that a substantial number of Senators on either side thought it could be adopted. I will say further that I have been assured that if there were a possibility of its adoption the whole proposed legislation would be set aside.

I have made a genuine and earnest attempt to get consideration of the E- and H-bond matters, even to the extent of recessing the Senate time and time and time again to get the bill out of the committee. I am going to make an earnest attempt to bring the bill before the Senate, for the Senate to consider the bill on its merits. If an attempt is made to load the bill down with other amendments, I am going to make a motion to table those amendments. I have been assured of the support of the minority leader in that regard. If the amendments are not tabled, Mr. President, I am going to join with other Members of the Senate to see, if we can, that no legislation is enacted in that field.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I think good faith requires that course of action.

I yield to the Senator.

Mr. ANDERSON. The reason I raise the question is this: The Senator from Louisiana [Mr. LONG] introduced at yesterday's meeting of the Senate Finance Committee the resolution with reference to the general financial policy and the need for the Federal Reserve Bank to work with Congress and the Treasury. The Senator from Tennessee [Mr. GORE] has very strong feelings in that matter.

I am not trying to misquote the Senator from Tennessee, but I believe he sympathized strongly with the Senator from Louisiana, and when the roll was called in our committee the Senator sat shaking his head, and finally he said, "I have to vote 'no,' although that is not my true sentiment. I want to help get the bill through Congress, and therefore I vote 'no'." If I have misquoted the Senator from Tennessee, he may correct me.

There were Senators on that committee who voted against a formal declaration of fiscal policy on the plea that we should get the bill to the Senate. If the Senator from Connecticut wants to open up the subject, I assure him the declaration of policy and other similar matters might come in.

Mr. JOHNSON of Texas. Mr. President, I am under a time limitation. I want the Senate to know that I am not going to make a motion to consider the E- and H-bond bill, reported by the committee, until in my judgment we have sufficient votes to pass that bill in its present form. I thought I had that assurance.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I believe I have it now. If I can do that and take that step, I will do it. If I cannot, then it will be somebody else's responsibility.

I yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, as a member of the Committee on Finance I wish to concur in the statement of the majority leader. I plead with my colleague from Connecticut not to offer the amendment. While we have no definite commitments, I assume, in the Finance Committee, this is my personal feeling and I will support the Senator on that basis. I sincerely hope the Senator from Connecticut will not bring up the matter. I agree with the Senator in principle, but this is not the time to do so.

Mr. JOHNSON of Texas. I thank the Senator from Kansas. I have no objection to it being brought up and discussed. I want all Senators to know what the facts are and what agreements have been reached. The agreements have been that we would not attempt to force through at this session the entire program, because we knew, from a practical standpoint, we could not do it.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. We felt we would try to get as much of the loaf as we could. That agreement was made with the knowledge and the consent of the appropriate people in the committee and in the administration.

Mr. BUSH. Mr. President, I would like to make my position clear. In the first place, I have no agreements.

Mr. JOHNSON of Texas. I understand. I was informed of that.

Mr. BUSH. Naturally, I do not want to see the savings bonds bill lost.

Mr. JOHNSON of Texas. I understand that.

Mr. BUSH. I think that would be a tragedy almost as bad as the other.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for 3 minutes more.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. I thank the Senator.

Mr. President, I realize that the Senator spoke correctly when he said that he has the votes to stop the amendment.

Mr. JOHNSON of Texas. I do not say that.

Mr. BUSH. I realize that the Senator has the votes.

Mr. JOHNSON of Texas. I am going to have them before I make any such motion.

Mr. BUSH. I am sure the Senator will have them. I am sure that the votes are with the Senator to stop, to block, to kill the amendment which I am going to discuss.

I will say to the Senator, in view of what the Senator has said, I want to consider my position on this matter. I will consider the whole matter again, with a view to trying to accommodate myself to his wish that I do not press the amendment to a vote.

Mr. JOHNSON of Texas. That is perfectly agreeable.

Mr. BUSH. But I do feel that the Senator should not want to foreclose me from a full discussion of the fact that I wish to try to impress upon the Senate what a terrible mistake I believe it will make by not adopting the amendment.

Mr. JOHNSON of Texas. The Senator is a very reasonable man. I would certainly not suggest that he not offer the amendment or not discuss the amendment. We have had no understanding in that regard. We expect the Senator to offer the amendment, and we expect him to discuss it, but we do not expect the Senate to adopt it. We hope the amendment will not be pressed, if it endangers the other proposed legislation. That is the point which has been made. I can assure the Senator it would endanger the proposed legislation.

Mr. BUSH. Mr. President, I thank the Senator for his frank discussion and his advice in this matter, which I shall consider very carefully, I promise him.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. MORSE and Mr. CLARK addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

POSITION OF SENATOR MORSE REGARDING SINE DIE ADJOURNMENT

Mr. MORSE. Mr. President, I ask unanimous consent, under the 3-minute rule, that there be printed in the RECORD the editorial entitled "Ambushing the Senate," published in this morning's

Washington Post and Times Herald, criticizing the parliamentary course of action of the senior Senator from Oregon.

I wish only to say about the editorial that the editorial——

Mr. COTTON. Mr. President, may we have order in the Chamber, so that we can hear the Senator?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Oregon may proceed.

Mr. MORSE. Mr. President, I wish to say that the editors completely overlooked the true position of the Senator from Oregon. There is not a word in the editorial about the fact that I take the position that I consider it my duty to do what I can to prevent an adjournment of the Senate on Saturday night, September 12. I think the Senate should continue in session next week to be available to the President of the United States and the State Department to carry out any protocol they may ask us to follow in connection with the official visit, at the invitation of the President of the United States, of the Premier of Russia.

Second. The editors of the Washington Post also overlooked completely in their editorial my point, which is that I have learned from experience in the Senate that the closing days of the Senate are very dangerous days from the standpoint of a constant possibility of the passing of bad legislation by a limitation upon debate. As I said last Saturday, I think that we have gone too far in transacting business in the Senate of the United States by way of unanimous-consent agreements.

Third. The Senator from Oregon is following this course of action because he found it necessary in order to protect his parliamentary rights in the Senate, which on too many occasions, in the opinion of the Senator from Oregon, have not received the fair consideration Senators are entitled to have their rights receive.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AMBUSHING THE SENATE

Senator MORSE's one-man campaign in the Senate to slow down the adjournment rush dramatizes two facts. First, Mr. MORSE's unusual ability to irritate those with whom he works. Second, the outmoded nature of the Chamber's rules, which make it possible for a single Senator to tangle the entire body in delaying snares. While his fellow Senators fume at the Oregonian's tactics, perhaps they also ought to muse a bit about the venerable rules which encrust the Chamber's legislative machinery. Mr. MORSE, it should be noted, is not using filibuster tactics; he is simply invoking various anachronistic clauses in the Senate's own hallowed writ.

Of course, to some extent any set of parliamentary rules can be used to impose delay and stall decision; that is one important purpose of procedural devices in any democratic assembly. But few sets of rules are embedded with so many lairs from which a single Member can ambush his colleagues as those which govern the Senate. As a practical matter, the Senate operates by an unspoken agreement in which the details of the rule book are ignored by unanimous consent. But no group of which Mr. MORSE is a member can count on unanimity, and in his own crusty way, the Senator has pointed to the need of reform. To be sure, nothing can be done this week, but perhaps Mr. MORSE's campaign will help to prod the Senate into action sometime during the next half century.

Mr. MORSE. Mr. President, while I am on my feet I should like to raise a parliamentary inquiry because I am here at this desk——

Mr. COTTON. Mr. President, may I again ask for order? It is impossible to hear what the Senator is saying with so many conversations going on.

The PRESIDING OFFICER. The Senator will suspend until the Senate comes to order. If Senators desire to carry on conversations, they will please retire to the cloakroom.

The Senator may proceed.

Mr. MORSE. Mr. President, while I am on my feet, at the pleasure and with the indulgence of the Senate, I wish to make a parliamentary inquiry.

I am at this desk, not my own, because the majority leader requested that I come closer in order that I might hear him. I have found from experience that when the majority leader rises from his seat, very frequently he asks for Senate action——

The PRESIDING OFFICER. The Senator will suspend until the Senate comes to order.

The Senator may proceed.

Mr. MORSE. Unless one can hear the majority leader when he asks for action, one may find himself in a parliamentary situation in which he may consider that his rights have been taken away from him because of his failure to object to some agreement the majority leader has asked for.

Mr. President, I understand a ruling was made the other day by the Presiding Officer that a Senator wishing to address the Senate must rise at his own desk. Because of the situation that will probably confront us in the next few days, the Senator from Oregon would like to have an official ruling on this matter. I respectfully submit that it is a little bit ridiculous to require any Senator, whether it is the Senator from Oregon or any other Senator, to rush from his desk to a spot nearer the majority leader so that he can hear the majority leader's request and then have to rush back to his desk in order to raise any objection he may wish to raise. This is no reflection on the majority leader at all, but I raise the point in order to find out what my rights are.

My parliamentary inquiry is this: If a Senator wishes to address the Senate and transact business that he wishes to propose to the Senate, is it necessary for the Senator to be standing at his own desk? If he makes a request standing behind another desk, may he be taken off his feet by a point of order?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that there is nothing in the rule book on that point whatever. When a Senator is recognized on the floor, he is not required to be at his particular desk.

Mr. MORSE. I did not catch the last sentence.

The PRESIDING OFFICER. A Senator is not required to be at his individual desk.

Mr. MORSE. If he is recognized while standing at some other desk?

The PRESIDING OFFICER. If he is recognized by the Chair.

Mr. MORSE. He cannot be taken off his feet by a point of order that the Senator is not at his desk?

The PRESIDING OFFICER. That is correct.

Mr. MORSE. Is he entitled to be recognized if he stands at some other desk?

The PRESIDING OFFICER. He is entitled to be recognized.

Mr. MORSE. I thank the Chair.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. With the further proviso that the Senator addresses the Chair ahead of another Senator.

Mr. MORSE. I understand. I mean, if a Senator follows the regular procedure in the Senate of addressing the Chair and no one has sought to address the Chair in advance of his request for recognition.

The PRESIDING OFFICER. The Senator is correct.

Mr. MORSE. I thought it was important that we get this matter cleared up in order to avoid any possibly embarrassing situation.

The PRESIDING OFFICER. The Senator from Colorado will state his parliamentary inquiry.

Mr. ALLOTT. Mr. President, the parliamentary inquiry is this—and I should like to have the attention of the Senator from Oregon: In the event order is called for by the Presiding Officer, the Presiding Officer does have the power, does he not, to force every Senator to take his own seat prior to the time the business of the Senate proceeds?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that the Chair has the right to enforce order by requiring Senators to be seated. There is nothing in the rules requiring or permitting the Chair to order a Senator to his own seat.

Mr. ALLOTT. I thank the Chair. Mr. President, are we proceeding under the morning hour?

The PRESIDING OFFICER. We are in the morning hour.

Mr. ALLOTT. Mr. President, I should like to say just one thing to my colleagues, and I shall make my statement in about 1 minute.

As I look around this room—and I am sure I look about as bad as anyone else—and I see the fatigued faces of the gentlemen in this room, I say to everyone, and I say this to my good friend from Oregon, who, as far as I am concerned personally, has always been very considerate of me, we have much to accomplish this week, and there is not going to be anything accomplished by detaining the Senate beyond this week.

I hope that all of us will be forbearing. I hope that we can try to compromise our differences or work them out, because I feel that any attempt to forestall progress or any attempt to cause unnecessary delay is only going to result, in the long run, in the kind of legislation and the kind of activity which we will all regret.

I pledge, for one, that this week I shall do all that I can do to get our work done so that we can get out of here as soon as we can. Any other course is going to lead to legislation we will regret.

Mr. MORSE. Mr. President, under the 3-minute rule, I wish to make a brief reply to the Senator from Colorado.

I fully understand his position. I understand that his position is probably that of an overwhelmingly majority of the Senate. Nevertheless, the rules are in the rule book for the use of a Member of the Senate when he believes the course the majority is following is a course of action that is not in the public interest. It is a decision each Senator must make.

It is my judgment that if the majority takes the position that the Senate must adjourn by Saturday night of this week, it is not in the public interest to do so. Therefore, I shall take full responsibility and will stand all the costs and the political liabilities that flow from such a course of action as I shall take.

I think it is imperative that the Senate remain in session next week to proceed to consider a long list of issues involving the public interest that are pending before committees or are ready to come to the calendar or are already on the calendar. Later today I shall discuss in some detail a list of those issues.

I merely wish to say to my friend from Colorado that I am not a candidate this morning in a popularity contest in the Senate. However, I do intend to carry out my duty under the rule.

I think the public interest calls for the Senate to continue in session during next week and for whatever period of time it may take to take care of such legislation as remains to be considered.

I mention on this Labor Day particularly amendments to the minimum wage law, pending before the Committee on Labor and Public Welfare. There is also civil rights legislation, tax legislation, education legislation, depressed area legislation, and a whole series of important pieces of legislation which the people of this country are entitled, in my judgment, to have Congress act upon before adjournment.

I recognize that one Senator alone cannot win this fight probably in the long run against an overpowering majority here in the Senate, but it will not be the first time that I have gone down before the majority. However, I will have kept faith at least with what I think the public interest is by doing everything within my parliamentary power in the Senate to get the Senate to take action on this public business next week.

U.S. EDUCATIONAL MISSION TO RUSSIA

Mr. PROXMIRE. Mr. President, is the Senate still in the morning hour?

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. Yesterday the U.S. Commissioner of Education released an exceedingly interesting report on education in the Soviet Union. This report was the result of a careful, on-the-spot study by a remarkably competent and qualified group of American educators teaching throughout our vast land. These educators included the U.S. Commissioner of Education and several of his top assistants; representatives of the Graduate School of Education of Harvard University; representatives of the National Science Foundation; and a number of other eminent educational authorities. As I say, this was an on-the-spot study of education in Russia. These educators went to Russia and studied the situation at firsthand.

To me this report is far more disturbing than any revelation of Soviet military might could be. It is more significant than U.S.S.R. missiles or submarines or nuclear bomb achievement. More challenging than sputnik is the central message of this authoritative report.

The most vital power resource in the world is trained and organized human intelligence. The United States of America is the leading power in the world exactly because we excel in it. We are ahead of the U.S.S.R. in trained intelligence; and, in our educational system, far ahead. But Soviet Russia has developed a grand passion for education, as this report makes clear. Our potential enemy is devoting between 2 and 3 times as large a proportion of its resources to education as we are. Her teachers are among the best paid persons in the U.S.S.R. They are competent and dedicated. The report tells us that the leading Russian slogan is "In education, reach and overreach America."

Mr. President, the first precept of victory is to know your opponent, and do not underestimate him.

I ask unanimous consent to have printed in the RECORD at this point as part of my remarks the excellent report in yesterday's New York Times by Fred M. Hechinger, and excerpts from the report of the U.S. mission on education in the Soviet Union, which also appeared in the Sunday New York Times; together with a list of the members of the mission and a table showing the administrative system of Soviet education.

There being no objection, the material referred to was ordered to be printed in the RECORD, as follows:

U.S. MISSION FINDS SOVIET EDUCATION IS GRAND PASSION—REPORT SAYS RUSSIANS STUDY TO OVERREACH AMERICA—TEAM REVIEWS TOUR

(By Fred M. Hechinger)

WASHINGTON, September 5.—An American team of school experts has found the Russians to be a people with a grand passion for education.

According to the report of the first official U.S. education mission to the Soviet Union, the Russians' leading slogan is:

"Reach and overreach America."

The report said the people of the Soviet Union are convinced that time is on their side and that through education and hard work they can win their way to world acceptance of Communist ideology.

The report, a 135-page document, "Soviet Commitment to Education," was released by the U.S. Office of Education today. It covers a 1-month tour, from May 8 to June 6, 1958, by an 11-man team, headed by Laurence G. Derthick, U.S. Commissioner of Education.

VISITED 100 SCHOOLS

The tour included visits to about 100 schools and other educational institutions. The group traveled from Byelorussia to the Urals and from the Chinese border to the Black and Baltic Seas.

In their joint report the American educators said they were convinced that the Soviet Union regarded education "as one of the chief resources and techniques for achieving social, economic, cultural, and scientific objectives in the national interest."

They found the Soviet people not only crowding schools and universities but also seeking part-time education by way of evening study and correspondence courses.

They were impressed by the national and personal sacrifices that the Russian people were willing to make for the sake of better schooling because being well educated is the key to advancement.

They are convinced that the Russians are making those sacrifices because they consider the schools as the necessities in their race for world supremacy.

Among the key observations of the mission are that:

The Soviet is channeling getween 10 to 15 percent of its national income into education, as compared with about 5 percent in the United States.

The Soviet's 1,800,000 teachers are considered members of a privileged profession, paid roughly on the level of physicians.

Soviet teachers are subjected to far more intensive study of the subjects they teach than are American teachers.

In the preparation of elementary and secondary school teachers there appears to be an increasing emphasis on solid subject matter content, with relatively less emphasis on pedagogy.

COMPARISONS AVOIDED

The report carefully avoids comparisons with the United States. But it warned that we cannot afford to be apathetic about educational developments in the U.S.S.R."

It said that "clearly the Soviet Union is bent on overtaking and surpassing us as a world power, and it proposes to use education as one of the primary means of obtaining this objective."

Not everything the American observers encountered seemed to them admirable or superior. For example:

They were critical of the method of language instruction, although they admired the extent of the language requirement.

They questioned the uniformity of the curriculum in the 10-year schools of general education. Both as to content and method they found teachers subservient to the idea that "there is just one right way to do anything in the classroom."

They found little stress on the humanities, and while superior work in music, dance, and art is being done by a small, selected group of youngsters in special schools, these areas are generally neglected in the mass-education schools.

They saw examinations used only to push students into habits of hard work, without any attempt to test aptitiudes or to encourage the cultivation of special talents.

CHANCE FOR GOOD WORK

But despite these limitations, the report warns, it would be wrong to conclude that many able students were not being given a chance to do outstanding work, even when their classroom requirements made no special allowance for this.

Students, it was found, have opportunities to work on independent projects and develop their creative ability through extracurricular activities in carefully supervised circles.

Outstanding students often are given special, personal attention by their teachers. A variety of competitive devices are used to inspire students to give their all to their studies.

In one school a classroom was dedicated to two former pupils who had been killed

in World War II. Each year the class judged to be the best in the school was given the privilege of using that classroom.

There seems to be no conscious attempt to separate children according to academic ability. But those who fall behind in their studies are frequently helped by their teachers or by outstanding fellow students.

REFORM PLAN MINIMIZED

The report includes an appendix on the recently announced school reform and an analysis of that reform by William K. Medlin, specialist for Eastern Europe of the U.S. Office of Education. But the members of the team found Soviet reform plans far less radical than had earlier been believed.

In a special news conference at the Department of Health, Education, and Welfare yesterday, Dr. Derthick said that he and his staff had been startled by the original terms of the school reform.

"But after conferences with Soviet officials, we found that the changes are not going to alter the basic program substantially."

He emphatically denied that there was any reason to expect a watering down of the academic content of the Russian elementary and secondary school as a result of the reform.

TO LINK STUDY AND WORK

According to the report and to the more detailed study by experts at the U.S. Office of Education, the reform will increase the number of students who will combine study and work during the last 3 years of the 10-year school.

An indication that this is not expected to detract from academic goals is the announced intention to add an 11th year to the secondary school.

At the same time, flexibility will be added by an option to continue on a work-study basis after grade 7 or to leave school and continue academic work through correspondence courses.

Also, the ablest seventh-year students may continue the last 3 years much as in the prereform academic fashion. This would be closer to the American pattern than the Russian school had been in the past.

Actually, some members of the team feel, the major reason for the school reform is not educational. They say it is an attempt to stop the massive rush to the universities and to provide instead more skilled manpower for technology on a level that does not require university training.

RUSH TO UNIVERSITIES

In the last 4 years, the Russian 10-year schools have been turning out about four times as many qualified university candidates as the universities were able to admit.

The key to Soviet education progress is probably the tough and demanding teacher training program. It is 4 years for elementary and 5 years for secondary school. However, many of the present teachers undoubtedly have less schooling.

Dr. Medlin estimated that 5 years of Russian teacher training add up to about twice the number of classroom and practice hours as a 5-year course in the United States.

It is estimated that Soviet teacher trainees spend 40 percent of their time on preparation of their major subject, 15 percent on technological application of their speciality and 15 percent on the specific method of teaching their major subject.

The remainder is divided among general pedagogy, psychology, foreign languages, physical education and political indoctrination.

RELATIVELY WELL PAID

The report summed up the Soviet teacher this way:

"In general, teachers appear to be relatively well paid; they have very good working conditions; as a group they appear to be highly motivated and well educated professionals who are happy in their work and proud of it.

"Teachers are not overburdened with extracurricular work. Their clerical duties are minimal. Extra teachers, or tutors, are available to work with slow learners, and to assist generally as teachers' aides. Although schools in the Soviet Union meet 6 days a week, each teacher has 1 workday a week completely free."

There are striking contrasts on the Soviet education scene. There is no teacher shortage. On the contrary, too many young Russians want to enter the profession, which ranks high in esteem and equals the pay of physicians.

But because of the rapid growth of the system, there are still many double sessions. In Moscow, 27 percent of the pupils were on two shifts last year.

HOURS REMAIN LONG

The double sessions, however, do not cut the number of school hours required. The morning shift runs from 8:30 a.m. to 2 p.m. and the afternoon shift from 2 p.m. to 7 p.m.

The Soviet problems, both real and imagined, seem to range wide. Anatol Shustov, Moscow's chief education officer, was asked about his problems. He included among them the question of general versus vocational education, as well as "the need to agitate for tennis courts; they are not in the standard plan."

Enrollment in 1957–58 in all elementary and secondary schools was 30,624,900 in 214,162 schools. This includes 104,500 pupils in 456 boarding schools, which are still considered somewhat experimental.

In 1957, about 1,500,000 pupils were graduated from secondary school and 686,000 finished the lower type of labor reserve schools. Enrollment in the United States for 1959–60 puts elementary and secondary totals at 42,700,000.

CORRESPONDENCE COURSES

About 2 million Russians of varying ages are reported to be enrolled in correspondence courses that may lead to high school graduation as well as to admission to the universities.

Both correspondence courses and part-time study, often with released time from industry, are a very common Soviet practice, the report said.

CONFLICT ON MATHEMATICS

There appears to be some conflict as to the need for such academic subjects as advanced mathematics.

"Soviet officials recognize that many pupils will never use the algebra and geometry they are required to learn, but they believe that such study is good discipline and has great transfer value," the report says.

There are, however, indications that in some of the new polytechnical courses, which combine industrial work with academic study, such subjects as mathematics are taught as applied, practical tools rather than as theoretical studies.

Along similar lines, the report states:

"Pupils without the ability or talent to become scientists use the science training they receive as a base for polytechnical education, which prepares them for industrial work."

In physics, along with the conventional idea of introducing pupils to the natural phenomenon, the Soviet student must study the basic principles of production processes.

STRESS ON TECHNOLOGY

Increasingly, the U.S. mission found, the primary emphasis appears to be on the practical and technological aspects of science.

Even a statewide competition for new science textbooks made it clear that the prizes would go to works which have a bearing on the polytechnical training of the students and the formation among them of a materialistic world outlook.

About 45 percent of the pupils required to learn a foreign language selected English. About 35 percent study German and 20 percent French. A substantial number of special students also are said to study such languages as Arabic, Chinese, and Hindu.

Soviet youngsters are required to do a fair, but not a staggering amount of homework. The daily assignments vary from 1 to 4 hours, but young children are given very little.

One Soviet school director said:

"The better the teacher, the less homework is required."

NO CORPORAL PUNISHMENT

The Soviet school does not permit corporal punishment. Membership in the Young Pioneer organization is a matter of considerable status importance. So withdrawal of the student's membership is considered severe punishment.

But probably more important, the ever-present realization that education is the means toward a better and perhaps easier life is in itself both stick and carrot and decreases the customary discipline problem.

Dr. Derthick told the news conference, "Direct comparisons of the quality of education in two countries as different in goals and aspirations are difficult, if not impossible."

Soviet teaching methods and content, he said, are designed to insure that every pupil passes. Since low marks are often considered a reflection on the teacher rather than on the pupil, teachers do their utmost to get pupils to pass, either by extensive drill or by special help.

The report dealt mainly with the 10-year school. But it also contains a brief section on the universities, some special schools and kindergartens.

STIPENDS ARE CITED

"To provide the professions and trained manpower the Soviet Union needs, the state pays stipends to approximately 80 percent of the 1,100,000 full-time students in institutions of higher education," Dr. Derthick said. None of these students pays tuition.

The American team explains its reluctance to compare the Soviet and the American education systems by stressing the difference of the roles given to education by a totalitarian and a free society.

Actually, it is known that there had been some disagreement on this point in the preparation of the report. Some team members felt that an attempt to relate the meaning of the Russian findings to the American school scene would have been a valuable service and a guide in the competition for world leadership.

COMMON AIM DETECTED

One team member noted that while the systems and the societies they serve differ greatly, the ultimate aim of survival is common to both. But since the document was a team report, it was ultimately agreed that, in the main, no comparisons were to be made.

Dr. Derthick said that while he was greatly reassured by progress made in recent years in the better American schools, he was "more disturbed than ever about this country's poorer schools when he saw the tremendous contest" in the Soviet Union.

"The American schools are doing a better job than ever before," he asserted, "but because of the explosion of knowledge we have to do much better than that."

"Soviet Commitment to Education" is part of a series of studies issued by the Office of Education. It was preceded in 1957 by "Education in the U.S.S.R."

The complete "Soviet Commitment to Education" is available for 70 cents from the Government Printing Office in Washington.

EXCERPTS OF U.S. MISSION'S REPORT ON EDUCATION IN SOVIET UNION—ACADEMY OF PEDAGOGICAL SCIENCES FOUND KEY INFLUENCE IN RUSSIAN SCHOOL GAINS

FOREWORD

This is a brief report on the observations of the first official U.S. education mission to the U.S.S.R. The first mission was made possible by an exchange agreement negotiated by the U.S. Department of State and signed on January 27, 1958.

As members of the first exchange group, we spent 1 month, from May 8 to June 6, 1958, in the U.S.S.R. While there we conferred with Soviet educators and visited approximately 100 schools and other educational institutions. Our visit was returned by a group of nine Soviet educators in November and December 1958.

Our mission had two main purposes: To lay the foundation for productive cultural relations between the education agencies and institutions of the U.S.S.R. and the United States of America and to secure firsthand information on the operation and accomplishments of Soviet schools.

In the towns and cities we broke up into smaller groups, first, because in that way we were able to obtain a more comprehensive view of Soviet education and, second, because of the different interests of the various members. We were given a friendly reception in all places, and often men and women on the streets, in the theaters, and elsewhere gathered around us with questions and messages of good will.

Did we see what was really going on? We believe we did, at least in education. Visiting schools and colleges and conferring with Soviet educators were similar to such experiences in the United States except for the language barrier. Teacher and school people have many common problems the world over. We felt quite at home discussing some of the problems educators face everywhere.

In seeking firsthand information about Soviet education we focused our attention on three central education programs: The general education (10-year) school; teacher education for the general school; and technical education. We were, of course, also interested in and observed other phases of education, but because our time was limited we had to concentrate on our primary interests. In presenting our observations we, therefore, discuss the first three programs in greater detail, but to round out the picture we summarize our observations on other phases of education.

Reader cautioned

We caution the reader not to make broad and conclusive generalizations on the basis of the observations we report. The Soviet Union and Soviet education are very large entities and, as we have noted, the situation is indeed in a state of transition. We are striving in this report to contribute to the reader's understanding of the background of present Soviet education so that he may be in a better position to interpret future developments. We are convinced that it is important for the American people to examine the Soviet program closely and to keep up to date on the developments and trends in Soviet education.

We make no effort to compare the schools of the United States with those of the U.S.S.R., for we must measure the progress of each by its own separate goals. But we do emphasize that, whether we like it or not, competition has been imposed upon us by a nation of vast resources, a people of seemingly unbounded enthusiasm for self-development, governed by a ruling hierarchy which is determined to use that self-development to cast about the world the shadow of Communist domination.

To sense this issue at first hand is indeed a sobering experience. We came back deeply concerned about our poorer schools now suffering from neglect. But we returned with a new appreciation and renewed faith in the American system as reflected in our better schools, where citizens have cared enough and done enough to make the American ideal of a sound education for all come true, or nearly so.

The question is: Will we Americans work and sacrifice to extend to all of our youth the best in American schools?

L. G. DERTHICK,
Chairman of the Delegation.

I. A NATION COMMITTED

The one fact that most impressed us in the U.S.S.R. was the extent to which the nation is committed to education as a means of national advancement. In the organization of a planned society in the Soviet Union, education is regarded as one of the chief resources and techniques for achieving social, economic, cultural, and scientific objectives in the national interest. Tremendous responsibilities are therefore placed on Soviet schools, and comprehensive support is provided for them by all segments and agencies of Soviet society.

One of the leading Soviet educators told us: "We believe in a planned society, you in individual initiative. Let time tell."

Wherever we turned we heard the slogan: "Reach and overreach America." And everywhere the people seem to respond in the conviction that education, in addition to hard work and the postponement of many creature comforts is the best means of winning world supremacy.

Education reaches far beyond school-age children and youth and is eagerly sought by hundreds of thousands of full-time workers who are also full-time students; hundreds of thousands of others take correspondence courses. Many of these correspondence students also hope to qualify for university entrance. They do this because being well educated is the key to advancement. We are sure that the Soviet people anticipate the day when their present sacrifice for knowledge will bring them many rewards, but right now, as we see it, they regard good schools and universities as the necessities in their race for world supremacy.

And they have been building schools and universities at a rapid pace. Down on the borders of China where only a half century ago the people were almost 100 percent illiterate, we saw thriving schools, an impressive scientific academy, and other institutions that have reduced illiteracy and advanced knowledge to an astounding degree. From the shores of the Black Sea to remote Siberia we found the attitude summed up in the expression of a Soviet education official: "A child can be born healthy, but he can't be born educated."

There seems to be complete equality between men and women. The relationship between boys and girls in school appears to be characterized by dignity and mutual respect for each other. At each desk there is usually one boy and one girl. A professor at the University of Leningrad said: "With us, boys and girls, men and women, are partners. We are partners in education, partners in love, and partners in work."

Today, of course, education is planned, financed, controlled, and administered by the State. Even though education in the U.S.S.R. is controlled by the Government and is therefore standardized and regimented, there is some flexibility of operation. Furthermore decisions on policy, on textbooks, on teacher training, on curriculum, and on similar matters are not always made arbitrary. We found fairly widespread evidence that before making decisions on education, the Government seeks opinions from specialists at all levels of education, from teachers throughout the country, and information based on research and experience. And it seems to get willing cooperation.

Few nations or people are today more passionately committed to education than the Soviet Union and the Soviet people are. The Soviets see what has already been accomplished and are confident of the future.

II. THE ADMINISTRATIVE SYSTEM OF SOVIET EDUCATION

The fact that Soviet educational administration is centralized has often been commented upon. In outward form, however, the Soviet school system is decentralized, with 15 Republic Ministries of Education and many regional and local departments of education. The official pattern before one's eyes is therefore diversity, not uniformity; diffusion, not centralization. Uniformity in educational policies and methods is nonetheless real and is brought about by an invisible hand, and one becomes very much aware of this fact.

Educational policies (including those on science and research) and administration are controlled at three different political centers by appropriate bodies responsible for these fields: By Federal governmental agencies (ministries and bureaus), by Federal organs of the Communist Party, and by Republic bodies of both Government and party. These various centers of political authority over education are entrusted with supervising the carrying out of laws passed by the legislatures (supreme soviets) and the decrees issued by the various councils of ministers and central committees of the Communist Party in the U.S.S.R. as a whole and the 15 constituent Soviet Republics.

Primary responsibilities for the administration and operation of schools lie with the ministries of education at both Federal and Republic levels of jurisdiction and with other governmental agencies concerned with them. Table 1 shows the different levels of jurisdiction and the various agencies exercising power in education.

The Ministries of Education supply a great volume of books, magazines, and newspapers and distributes copies of them through Government bookstores.

Financing

Typical of the commitment of the Soviet Union and the Soviet people to education is the provision that is made for its support. While exact figures on the total cost of education annually in the U.S.S.R. are difficult to obtain, it is generally conceded that from 10 to 15 percent of the total national income is channeled into education of all types.

To provide the professional and trained manpower the U.S.S.R. needs as a world power, the state is financing education of many young people by paying them stipends of varying sizes, with the size fixed by the Ministry of Higher Education. The following isolated facts may give some indication of their effort and the cost.

The cost of educating a student at the university is said to be 11,000 rubles a year [1] on the average. However, at Moscow University it runs somewhat higher.

About 80 percent of the 1,178,000 full-time students in institutions of higher education receive stipends. None of the students in these institutions pays tution.

The stipends of university students usually range from 240 to 750 rubles a month (from $24 to $74) but are higher in fields such as mining and chemical engineering than in pedagogy, and with increases according to

[1] The official rate of exchange is 4 rubles to $1, but it is not an adequate measure for conversion purposes. Once inside the U.S.S.R., the rate of 10 rubles to $1 usually applies.

stage of progress through the university. An addtional 25 percent is granted to students with grades of excellent in all their courses.

III. NURSERIES AND KINDERGARTENS

In the U.S.S.R. most women work outside the home. Many of them work in industrial plants. For mothers with young children nurseries (generally called crêches) are provided for the care of children from 2½ months to 3 years old.

Usually the mother brings her child to the center at 7:30 a.m. and calls for it at 5:30 p.m.

Since the Ministry of Education is not yet able to provide kindergartens for all children aged 3 to 7, children of employed mothers, especially those in industry, or children of party members, are given priority. Parents pay tuition, the amount depending on their wages and the size of their family, but the average, a ministry official told us, is from 18 to 20 percent of the cost of the service. It is estmated that parents pay about 40 percent of the food costs and the rest is paid by the state or by the sponsor. Some parents, however, pay nothing; for example, unmarried mothers, persons on pension, or persons who have been injured in industry do not pay.

Kindergartens operate on a 24-hour day, although no one teacher works for more than 6 hours.

The program for kindergarten children includes emphasis on health and physical education, moral education, respect for and experience with useful labor, clear and correct speech, music, singing, dancing, drawing and modeling. Children are taught to pay attention and to follow verbal directions. Under the heading of "moral education," emphasis is given to developing the "sense of the collective," which is basic in Communist philosophy.

IV. SCHOOLS OF GENERAL EDUCATION

The goal of public education in the U.S.S.R. according to official statements, is to produce broadly educated citizens, with the kind of cultural and prevocational background which will enable them to contribute most effectively to the growth, development and life of their country.

In an interview with us, Mr. Yevgeni Afanasenko, the Minister of Education, said: "Each pupil should be useful to the state. We do not want young people who are good for nothing. We carry out education in such a way that each pupil participates in productive work while in school. Earlier generations first worked and then studied. Our effort now is to combine study and work." The primary function of Soviet schools is, then, to train young citizens for maximum service to the state.

The Soviet system of education is built basically around the general school. In 1930 the Council of People's Commissars decreed a universal 4-year course for boys and girls starting at age 8. In 1944 the school-entering age was lowered to 7, and in 1949, 7 years of schooling was made compulsory in the cities and large rural communities.

In 1950 the general education school began to receive particular attention. Until 1958 the goal of Ministries of Education had been to make 10 years of education universally available in all areas by 1960. At the time of our visit our hosts maintained that the goal of 10 years of education had been achieved for all children in cities. Certainly there were indications of vast growth: As of 1950 there were only 1,500,000 pupils in school grades 8 to 10, and in 1956 there were more than 5 million.

The program of general education consists of 4 elementary school years and 6 secondary school years. A single unified curriculum is planned for the elementary or 4-year school, for 7-year (incomplete secondary), and for the 10-year (secondary).

The elementary school is a 4-year school, whether it exists by itself in a rural community, whether it represents the first 4 years of a 7-year school or whether these are the beginning years of a 10-year school. Children of elementary school age (7 through 10) attend classes in the same building with older pupils when such groups exist.

All general schools are coeducational, attendance is compulsory through the seventh grade, and attendance records are carefully checked. Classes for all grades are usually conducted in one building. Classes are conducted and textbooks and teaching aids are prepared in the native language of the pupils enrolled. Altogether more than 60 languages are spoken in the U.S.S.R. schools.

Schedule

The school year begins on September 1 and ends between May 20 and June 20, with a 12-day winter holiday and a 10-day spring holiday. Children go to school 6 days a week, Monday through Saturday, usually from 8:45 a.m. to 2:30 p.m., though the schedule varies for different grades and different days of the week. There are no study periods as such during the school days.

Enrollment

In 1957–58 there were 214,162 general schools of all types in the U.S.S.R., with a total enrollment of 30,624,900 students, including the 104,500 pupils in the 456 boarding schools, but excluding the 2,088,000 children attending kindergarten. Technical and other specialized secondary schools, including those offering instruction through correspondence, enrolled 2 million; and higher institutions, including those offering instruction through correspondence, enrolled approximately 2 million. More than 3,500,000 persons were studying part time in higher institutions, secondary specialized schools, general schools for young workers and collective farmers, and schools for adults. (Enrollment figures are for the fall of 1957.)

In 1957 approximately 1,500,000 pupils finished secondary school and were issued school-leaving certificates and 686,000 finished labor-reserve schools.

Curriculum

The curriculum adopted is used in all the school systems; however, some variations are permitted between rural and urban districts and in practical subjects, depending on the type of work predominant in a particular district. Literature and history courses may also be modified to include local writers and local history. Although these slight variations are permitted, it was our impression that adherence to the official curriculum was common practice.

The standard curriculum offered in the Russian Soviet Federated Socialist Republic schools is shown below:

Grades 1–3: Russian language and literature, arithmetic, drawing, singing, physical education, and introduction to manual training.

Grade 4: History, geography, and elementary biology—largely nature study—are added to subjects taught in grades 1 to 3.

Grades 5–10: Russian language and literature, foreign language, history, arithmetic, algebra, geometry, trigonometry, physics, chemistry, botany, zoology, anatomy, Darwinism, geography, astronomy and drafting, polytechnical training (agricultural and industrial training), drawing, singing, and physical education.

In some places children who enter the first grade have had 4 years of kindergarten training, through which they have acquired attitudes and habits that enable them to begin primary schooling immediately. They begin at once to form letters, drawing them in an exact space set off by slanting lines on ruled paper. We were told that children begin to write with pen and ink on the 10th day of school.

Mathematics, Russian language and literature, and physical education are required in all grades. Mathematics and science are particularly emphasized throughout the general school; mathematics primarily because of its relation to other fields of knowledge. Soviet officials recognize that many pupils will never use the algebra and geometry they are required to learn, but they believe such study is good discipline and has great transfer value.

Only one foreign language is required in the basic curriculum (instruction begins in grade 5 and continues through grade 10), and a pupil has a choice of the language he takes among those offered. He may, however, study a second language in an extracurricular language club. Outside the R.S.F.S.R. in non-Russian-speaking Republics, the Russian language is taught along with the native language.

In the 6 years of grades 5 through 10 all students in general schools take a total of 7,196 hours of instruction: 2,499 in the humanities, 3,009 in science and mathematics, and 578 in practical training in agriculture and industry.

Mathematics

In the 4-year primary school, the arithmetic curriculum is designed to carry Soviet children through a program covering the four operations of arithmetic—addition, subtraction, and multiplication and division—real and imaginary numbers, the metric system, the measurement of time, decimals, and the rudiments of geometry.

The mathematics course, which includes arithmetic (grades 5 to 6), algebra and geometry (6 to 10), and trigonometry (9 to 10), is particularly designed for polytechnical education. Work with calculating tables and measuring and drawing instruments is combined with work in practical projects, all of which require the application of mathematical knowledge and habits of thought. Such exercises are tied in with the program without apparent interruption to the system of teaching mathematics. Other courses are integrated with the mathematics course. For example, the drawing course is related to the geometry course through use of theorems and geometrical constructions. Principles studied in different courses are further related in polytechnical training in the school shops.

Science

Science education for Soviet children includes scientific training through in-school and out-of-school programs. It is important to distinguish between the two, but together they represent the sum total of science education in the Soviet general school.

The state pays particular attention to the education of scientific workers. It provides for their early years of scientific education and training, encourages them in various ways, and helps them develop in the science field. Pupils without the ability or talent to become scientists use the science training they receive as a base for a polytechnical education which prepares them for industrial work.

Science education for Soviet pupils begins in the kindergarten. There a groundwork for scientific habits in the observation of natural phenomena and plant and animal life is laid before they enter the general school. In the elementary grades courses in biology, chemistry, and physics are comparable to good elementary science courses in United States schools.

Physics: Natural science subjects occupy an important place in the study plan. Among the subjects of particular importance is physics, which aims at acquainting the pupil

with natural phenomena and the basic principles of production processes. The phrase points up an important phase of the Soviet educational system.

In grades 6 and 7 pupils become acquainted with principles of mechanics and heat and electrical phenomena. These form the base for the studies to follow in a deeper, systematic course in physics, mathematics, chemistry, and biology. In grades 8 to 10, the principles of mechanics, acoustics, molecular physics, as well as heat, electricity, optics, and the structure of the atom are covered.

Visual demonstration and experiment are broadly applied in physics courses, particularly in laboratory work. The content of physics courses is expanded and emphasized in practical shop work with special projects in machine work and electrical technology. The out-of-class work in physics, particularly in the various technical circles, is of great importance. Such circles are designed to stimulate pupils' interest in technology, develop their construction capabilities, and equip them with practical knowledge and work habits.

Chemistry: The study of chemistry begins in the seventh grade with elementary instruction on substances and their transformation; on atomic and molecular studies and the principal laws of chemistry; on oxides and the bases of acids and salts; and on the properties of oxygen, hydrogen, the air, and water. After this, pupils prepare for a systematic course in grades 8, 9, and 10, where the work plan calls for a study of chemical elements according to their grouping in the "Periodic Table of Elements," as well as a study of their combinations.

Demonstration experiments are designed to point up the industrial aspects of the subject by emphasizing the chemical basis for obtaining substances in industrial production. For this purpose pupils do laboratory and practical work and go on excursions to local chemical production plants.

Biology: A systematic course in biology includes the study of botany (grades 5–6) zoology (grade 7), human anatomy and physiology (grade 8) and the principles of general biology (grade 9) which stresses the practical aspects of agriculture. The objectives appear to be to teach pupils the general scientific principles involved in agricultural and livestock production and to instill in them good work habits in caring for animals and plants.

Work outside of class is important in the teaching of biology. Pupils take excursions to agricultural areas and also work on a collective farm or a state farm. In grades 5 to 7 and 9, biology pupils may work with live animals in the experimental area attached to the school. At times, during their summer vacation periods, or in critical labor shortage months, such as harvestime, they may be called for agricultural work.

Astronomy: In the 10th grade an introduction to astronomy is given to present to the students a picture of the materiality of the universe and to acquaint them with the practical application of astronomy.

Polytechnical influence: The polytechnical emphasis in the general school has modified the content of physics, chemistry, biology, and mathematics. Science subjects, although important in the training of future scientists, now have the major function of establishing an educational foundation for a polytechnical system of training which prepares a large number of students for practical industrial work.

General observations: One of the state's functions in the educational field is to stimulate the publication of useful materials in science and technology. For example, a competition for the best book on science and technology produced during the period 1956–58. This contest, which was announced in September 1956 by the Ministry of Education, R.S.F.S.R., in accordance with a resolution of the Council of Ministers, was organized and managed by the state publishing house for children's literature of the R.S.F.S.R. Ministry of Education. The prizes awarded were listed as follows: three first prizes—15,000 rubles each; five second prizes—10,000 rubles each; seven third prizes—5,000 rubles each.

The objective of the competition clearly indicates the kind of subject matter desired by the state "to make possible the formation of new literary works for outside-of-the-class reading by students in science and technology, to indicate the role and significance of science and technology in the life of a person. in Socialist construction, in the fulfillment of the sixth 5-year plan, and for the development of the U.S.S.R. economy—of works which have a bearing on the polytechnical training of the students and the formation among them of a materialistic world outlook."

As indicated earlier, the emphasis on the practical and technological aspect of science and its direct application to industrial problems of production and agriculture are probably the outstanding characteristics of science teaching in the general school. Production needs or various economic determinants play an important role in the designing of the curriculum to meet the practical requirements of the state's economy.

Foreign language instruction

The quality of foreign language that we observed in the Soviet secondary schools was not very different from foreign language instruction in American high schools. However, we are greatly impressed by the extent of foreign language instruction in the secondary schools, where a foreign language, usually French, German, or English is required of every general secondary school pupil. Continued study of the same foreign language, or a second one, is required at the college or university level.

We were also impressed by what we heard of the special language schools for those planning eventually to make language an important tool or specialty, as well as the language institutes for language training at the higher levels.

Several of us observed lessons in English, French, German, and lessons in Russian to non-Russian speaking pupils—totaling 34 individual observations. The lessons in foreign languages that we observed appeared to be organized, prepared, and conducted at present with an emphasis on grammar and reading ability rather than on the linguistic or conversational approach.

Of all foreign languages, English is the most widely taught in the Soviet Union.

Polytechnical education

In 1956 the First Secretary of the Central Committee of the Communist Party called for an uninterrupted advance in the technique of production as a task of prime importance. He said:

"A big shortcoming of our school system is that the instruction is divorced from life to some extent; those who finish school are insufficiently prepared for practical work. The secondary school curriculum should be revised to include greater production specialization, so that boys and girls who finish the general or 10-year school have a good general education opening the road to a higher education, and at the same time are prepared for practical activity, since no small number of those leaving school will at once start to work in various branches of the national economy."

Soon after the Secretary's statement a change in the general school program was announced—a change which represents a new emphasis on polytechnical education. In Minsk, the Minister of Education of the Byelorussian Republic, told us that changes were in prospect for the curriculum of the school.

In substance the Minister said:

"Primary and secondary education are too theoretical. Pupils need practical preparation for life. The present curriculum was fine when its objective was only preparation for a higher education, but it is now realized that most graudates go to work in industry or in agriculture and the curriculum should be changed to serve them. Thus polytechnical education and preparation for work are to be combined; that is, general principles of industrial production and proper working habits will be a part of the instruction, and each pupil should be skilled in some special trade, including those who will go on to higher education. The schools are teaching plant breeding, the mechanization of agriculture, cattle breeding, construction of machines, mechanics of metals, motor-cars and tractors, and other courses related to the attainment of this new objective in grades 8 to 10, inclusive."

The Government of the Soviet Union has a number of reasons for revising its curriculum. It wants all people to have a wholesome attitude toward labor, to be able to relate theory to practice, to be prepared to do a day's productive work on the farm or in a factory. It is looking toward further industrialization of the country and will need additional skilled manpower. Furthermore, with the extension of compulsory 10-year education, larger numbers of pupils are graduating from secondary schools than can be admitted to higher institutions. (Admission to higher institutions is governed by the needs of the country for specialists. The polytechnical program provides a transition for pupils from school to work.

Homework

The maximum amount of homework is fixed by the Republic Ministries of Education. Daily assignments are made, varying from grade to grade and by number of lessons and requiring from 1 to 3½ or 4 hours to complete. No homework is assigned for Sunday.

Homework is checked daily and marked on the same five-point scale as classwork. We noticed that pupils' copybooks were done in ink, in very good handwriting.

Schools are kept open until 9 or 10 p.m., some until 11 p.m. School libraries and reading rooms are open, and it is our impression that teachers are often available to give pupils special help.

Examinations

Soviet examinations seem strange to Americans, even to those familiar with British or French systems of education. Schools in the U.S.S.R. rely on oral examinations of a rather special type, and although they use written examinations to some extent, these, too, are different from the essay examinations that we are familiar with. Furthermore, they do not use modern testing methods, which we would expect them to find particularly valuable. They use objective tests in a few psychological laboratories, but do not use them for the identification, guidance, or placement of pupils as we do in the United States. The reason seems to be that in minimizing the significance of inheritance, as compared to environment and training, Soviet leaders have found it necessary to banish the concept of the IQ and with it all tests resembling intelligence tests.

Examinations in Soviet schools are used mainly to audit achievement, since the kinds of examinations used are not really measuring instruments. Through examinations, authorities satisfy themselves that pupils have learned the minimum essentials of important courses. The aim of the Soviet educational system at the elementary and secondary school levels is to give, not differentiated education, but exactly the same education to all pupils regardless of their special abilities, and examinations are devised and administered to make sure that this is accomplished.

Another aspect of the Soviet examination system which seems strange to us is that virtually all of the students permitted to take the examinations pass. In the schools we visited it was rare to find that in the previous year a single pupil had failed his examinations.

Discipline

There are 20 rules of behavior for Soviet children, and they are enforced by the children themselves. Rewards for excellence in studies, work, and behavior as well as punishments for infraction of rules are set by the Republic Ministries of Education. Corporal punishment is prohibited. Forms of punishment permitted are, in order of seriousness: (1) Reproof by the teacher, the director, or—for more serious offenses—the pioneer leader; (2) withdrawal of a pupil's pioneer tie; and (3) denial of the privilege of working. Pupils are not disciplined for falling behind in their studies; instead they are helped by their teachers or by pupils scoring excellent marks.

Soviet teachers

More than 1,800,000 teachers are employed in schools at all levels in the U.S.S.R. and all have had some pedagogical training, at least after beginning their careers. We were told that more than 270,000 of them have been awarded medals for outstanding service or for a contribution to educational theory and practice. As members of an honored profession teachers are highly respected and well paid. Many have been elected to public office. Some are party members, some are not.

In our visits to Soviet general schools we found the teachers friendly, hospitable, and gracious in answering our questions, as they were in schools of other types. Moreover, we were impressed by their competence, seriousness of purpose, their desire to increase their skill, their evidence of affection for their pupils, and their pupils' respect for them.

Soviet educators are very much concerned with teaching methods; methods are emphasized in teacher-training institutes, in textbooks (many textbooks carry instructions for their use), in published literature and in inservice training. The emphasis is reflected in teachers' daily classwork.

Each teacher is required to work out careful plans for her lessons and have them approved by her principal. A commonly used plan calls for review of material covered, followed by presentation of new material.

The teaching we observed, the recitations we heard and the copybooks we saw indicated that there was much rote learning.

Salary scale varies

Salaries of teachers in general schools are fixed by the Republic Ministry of Education, but the scale varies according to the region and the teacher's position and years of service. Teachers in areas offering less attractive living conditions get higher salaries than those in cities and other areas usually considered attractive.

Salaries of beginning teachers are equal in general to those of doctors and engineers, and they can make extra money by increasing their teaching load or serving as group leaders in Young Pioneer circles. Merit teachers get higher salaries or a bonus. There are periodic increases, according to length of service, after 5 and 10 years. Pensions are granted after 25 years, but a teacher with more than 25 years of service who continues to work receives both pension and salary. In a general school we visited at Tashkent 12 of the teachers were receiving pensions as well as salaries, evidently because they had been asked to continue teaching after reaching retirement age.

It is difficult to compare the salaries of teachers with those of persons in industry because they are paid on a different basis; a few figures, however, will give a general idea of the teachers' relative position:

A graduate of a pedagogical institute receives an average of 670 rubles a month as a beginning teacher (depending on the region). A young beginning physician, the graduate of a 6-year medical institute, receives 600 rubles a month. A young beginning engineer receives about 800 rubles a month.

In a general school we visited in Sverdlovsk the director received 3,000 rubles a month, which, we were told, was equal to the salary of a chief in industry; the merited teacher of mathematics received 1,700 rubles a month, and an English teacher, 1,400. We were told that the average wage of a parent of the children who attended this school was 600 to 700 rubles a month. But we noted that an average worker in heavy machine industry in the Sverdlovsk area received from 1,200 to 1,500 rubles a month; skilled workers received more.

Normal teaching load

The normal teaching load for an elementary-school teacher is 24 hours a week; for a secondary teacher it is 18 hours. A young teacher may not teach less than 18 hours; all teachers may increase their salaries by increasing the number of hours they work.

All teachers work for 10 months of the year, with a 2-month vacation in the summer at regular pay. They are required, however, to spend 2 weeks in August preparing for the next school year. We polled a number of teachers in a general school in Leningrad and found that all were planning to spend their summer vacations in leisure pursuits.

V. EXTRASCHOOL ACTIVITIES

Paralleling the programs of the general schools are the programs of extraschool activities. Such activities are conducted in the afternoon after class in the school building and in special centers open throughout the day, 7 days a week, usually from 9 a.m. to 9 p.m.

VI. EDUCATION FOR THE ARTS

For children especially talented the U.S.S.R. maintains schools of music, ballet, and fine arts which provide training in these fields in addition to the general school program.

VII. PREPARATION OF WORKERS

The U.S.S.R. places great emphasis on the preparation for work in addition to general education for all in schools, higher institutions and other training facilities. For some persons preparation is a continuing process of work and study leading, it would seem, to their optimum development as workers to serve the state. Some pupils leave school before completing their secondary education. Some of them go directly to work; for these there are schools for working youth. Others enter labor reserve schools to receive training in specific occupational skills. Others enter technicums where they can complete their secondary education and at the same time acquire technical knowledge and skills. Workers under 18 years of age are employed for 7 hours a day, those over 18 years of age, for 8 hours.

We were informed that none of this education and training experience is necessarily terminal. Some of those who complete the school for working youth may go on to higher education. Some who finish labor reserve schools may, after a period of work experience, enter technicums, and some who complete technicums may be admitted to institutes. These experiences are available not only to youth but also to adults. In one school where employed workers were completing their secondary education we observed classes in which students up to 45 years of age were in attendance.

VIII. TEACHER EDUCATION

Soviet educators are in the process of achieving two major objectives that have in recent years been the concern of our own teacher educators in the United States: (1) To unify all teacher education, and (2) to bring all teacher education to a college or university degree-level status.

Teacher educators throughout the Soviet Union are now transforming the training programs of elementary-school teachers from 7 years of elementary and secondary schooling plus 4 years of normal school to 10 years of elementary and secondary schooling plus 4 years of work in a teachers college (pedagogical institute) or in a university. In the training of secondary-school teachers, they are adding 1 year of college work to a program that previously consisted of 10 years of elementary and secondary schooling plus 4 years of teachers college or the university.

In the preparation of both elementary and secondary-school teachers, there appeared to be an increasing emphasis on solid subject-matter content, with relatively less emphasis on pedagogy as such.

Soviet teacher educators consider practical work, that is—observation of teaching, student participation in the classroom situation, and student teaching—to be of the highest importance for teachers in training for both elementary and secondary schools.

The selectivity in teacher education is approximately 5 to 1; that is, out of approximately five students who apply for admission to an institution of teacher eduction, one is accepted.

IX. ACADEMY OF PEDAGOGICAL SCIENCES

Perhaps the most important influence in Soviet educational progress is the Academy of Pedagogical Sciences of the R.S.F.S.R., an institution which has no counterpart in the United States. The academy is the research, development, and resource organization that keeps the educational system moving ahead and improves curriculum and methods of teaching. It is a part of the Russian Republic, not the Soviet Union generally, but as none of the other Republics has such an academy its work is used throughout the country.

The Academy of Pedagogical Sciences has no direct relationship to the Academy of Sciences except that some persons may be members of both, and at times members work together in planning research. The Pedagogical Academy also cooperates closely with other academies, like the academies of medicine and of agriculture.

It maintains eight research institutes, seven in Moscow and one in Leningrad. The 1958 budget for support of these institutes was 44,000,000 rubles, which it received directly from the Government, although its budget is presented by the Minister of Education.

X. HIGHER EDUCATION

Although our interest was primarily in the general school, we conferred with one of the Assistant Ministers of Higher Education and visited several institutions of higher learning in addition to the pedagogical institutes mentioned earlier. These institutions are also undergoing reforms, but we were not impressed as much as in the secondary schools with the atmosphere of change and experimentation. This situation may be explained in part by the fact that the universities remain much more highly selective than the secondary schools; furthermore, they are relatively more tradition bound.

Higher education in the Soviet Union is carried on in two types of institutions: The university and the specialized institute. Specialized institutes do not enroll students in programs outside their special fields and are to be contrasted with the universities which enroll students in many different disciplines, as do universities in the United

States. The Soviet organization of higher education and of economic planning tends to perpetuate this insulation from the university concept—that historic concept which brings all students, teachers, specialists, and researchers together where they may share each other's ideas and problems.

Admission: Standards and practices

In theory, anyone who wishes to enter a university or institute may do so by passing entrance examinations. Admission is based on results of entrance examinations prepared by faculties of the particular university to which students apply. The examinations are, however, much alike because each is based on what is taught in the general school. The same series of examinations are required of students applying for a particular field of study, whether it is in Leningrad or Moscow, but individual examinations differ somewhat.

During the past year 800,000 students took entrance examinations, and 85 percent of them passed.

When we asked what proportion of general school graduates go to a university or other higher institution, the assistant minister said: "All must try to receive a higher education. If a man doesn't try to develop to his utmost, he won't be satisfied."

He illustrated his point by telling us the following incident: About a year ago a group of industrial workers, some of them blacksmiths with only 10 years of education, told him that even though they were satisfied with their work, they were beginning higher education courses in literature and law to qualify as people's judges after they retired.

XI. THE ACADEMY OF SCIENCES

To several members of our delegation, the most dynamic element in Soviet education and technology appeared to be the institution called The Academy of Sciences. By sciences, Soviet educators mean all branches of knowledge—the humanities, the social sciences, and the natural sciences.

This institution, the Academy of Sciences, is the means for broad subsidization of brainpower by the State on a scale beyond any promotion of basic research that we had known before. Talented persons, who have proved their worth through productive research, are virtually given an income for life and a great deal of latitude to conduct their research. The degrees of freedom doubtless vary with subject fields, but there appeared to be no question of practically unlimited financial support for their research activities.

It was of special interest to us to note the virtually unlimited support for basic research that the Soviet Union is providing through the U.S.S.R. Academy of Sciences and the Republic academies. Apparently the Soviet Government considers basic research to be the most practical investment it can make. This attitude along with the high prestige accorded brainpower in the Soviet Union, makes the Academy of Sciences the most powerful scientific institution that many of us have ever known.

XII. CONCLUSION

In retrospect, the strongest impressions we retain of our visit to the schools of the U.S.S.R. include the zeal of its people for education and the rapidly increasing degree of educational opportunity.

We have avoided comparisons between our educational system and that of the Soviet Union because, as we have stated, the objectives of education in the two countries are so different as to make comparisons misleading.

The Soviets educate their citizens to a pattern shaped to serve the needs of the State whether or not those needs coincide with those of the individual. Our system is designed to give young people the know-how to help them to excel in their best fields of endeavor as free individuals.

Although we traveled widely and saw a great many schools, obviously there was much that we did not see and our time was limited. It should be noted, too, that education in the U.S.S.R. is changing rapidly. Some of what we saw and reported may no longer be current practice. It is valuable now chiefly as a backdrop of history against which continuing changes will undoubtedly take place. Therefore, we hope that educators in the United States will continue to study education in the U.S.S.R. so that their findings can be coordinated and evaluated and be made widely available.

Some of the areas of Soviet education about which we particularly need more information include the content and procedures in university courses, especially in science; vocational schools other than technicums; the schools for the exceptional children, including the deaf, the crippled, and the mentally retarded; 4-year and 7-year rural schools; gymnastic schools; military schools; party schools; experimental English schools; adult education courses; Pioneer camps, inservice teacher education programs; parent relationship to schools; the patterns of choices of circles by individual young people; and the facts of history which are taught, particularly in the history of other countries.

Aside from the broad impression we gained, we were favorably impressed by the following specific aspects of Soviet education:

The growth and development, the management and equipment, of nurseries, and kindergarten establishments.

The clean, neat boarding schools and the industry of pupils and teachers.

The favorable teacher load, class size, and the supporting personnel such as laboratory assistants and curriculum aids.

Emphasis on productive work and respect for manual labor.

Part-time schooling and correspondence schooling.

Dignity and respect between boys and girls.

Close cooperation of industry with the schools.

The quality and adequacy of laboratory equipment and teaching aids, many of which were made by pupils and/or teachers.

The heavy emphasis and effectiveness of foreign language instruction at the pedagogical institutes and universities.

The motivation for individual learning and enrichment provided by the work of the pioneer circles, which keep boys and girls constructively engaged outside of the regular classroom hours.

The close cooperation of schools with the home.

Parent education courses and frequent parent-teacher conferences.

The emphasis on physical education and health; the provisions for medical and nursing services in the schools.

The education provided for the blind.

The close articulation between the pioneer circles and the schools and between school and industry.

The provision of time in the program for school excursions.

The program of summer camps provided for the young pioneers.

Aspects questioned

On the other hand, we question these specific aspects of Soviet education:

The adequacy of conversational practice in foreign languages below the university level, in terms of the number of years devoted to such study.

The uniformity of the curriculums in the general education or 10-year schools.

The requirement that all pupils wear uniforms.

The seeming lack of emphasis on the humanities.

The paucity of artistic training within the regular school day (except in the special schools of music, ballet, and art).

The limited nature of homemaking programs.

The in-school provision for the gifted as contrasted with the great emphasis on pushing weaker pupils through the uniform curriculum.

The use of examinations, aside from motivating students and as a learning experience in work under pressure.

The lack of instruction on other economic systems and societies.

These are highlights of our impressions from a brief contact with Soviet schools. We think that such contacts should be continued and expanded. We noted for instance, with regret, the absence of letters and exhibits from the United States among such displays in the U.S.S.R. schools and in the pioneer palaces. We hope that the cultural exchanges now underway will encourage an exchange of materials as well as people between the two countries.

We cannot afford to be apathetic about educational developments in the U.S.S.R. Clearly the Soviet Union is bent on overtaking and surpassing us as a world power, and it proposes to use education as one of the primary means of obtaining this objective.

Since the educational system of any people or country is one of the most brilliantly illuminating facets of a culture, we feel that within the scope of our observations we have gained some insight into the people of the U.S.S.R. through studying their educational system.

We want to emphasize that what we saw in the U.S.S.R. only served to renew our confidence in our better schools. But, at the same time, what we saw increased our concern for our poorer schools, suffering from neglect.

In the light of all we saw, we cannot stress too firmly our conviction that our Nation must never forget nor underestimate the power and potential of education.

APPENDIX B

SOVIET EDUCATIONAL REORGANIZATION FOR 1959–63

(By William K. Medlin)

Following several years of gradual changes in Soviet school programs toward making education more practical, and after many months of active discussion in the Soviet press and public institutions, the Soviet Legislature (Supreme Soviet) enacted on December 24, 1958, a new fundamental law on education. This law, if fully implemented, will substantially recast the educational system in the U.S.S.R. The measure is entitled "Law on Strengthening the Ties of School With Life and on the Further Development of the System of Public Education in the U.S.S.R.," and it is binding on all 15 constituent Soviet Republics. The law contains four major sections, each dealing with a major school system (primary-secondary, vocational-technical, secondary special, and higher schools), and has a total of 42 articles.

The immediate background of the reforms which have been passed by the legislature can be traced to the 19th Congress of the Communist Party of the Soviet Union, held in October, 1952, when high officials in the party and Government called for more practical training of Soviet youth along polytechnical lines.

ABUNDANT LITERATURE

The abundant literature and information given out so far on the question of school reforms provide some explanation and rationale for the impending changes. For some years Soviet schools have not been producing sufficient numbers of young people with particular vocational, technical, and other labor skills. With enrollments in the 3 senior grades (8 to 10) of the 10-year school mounting to 5 to 6 million and annual graduations ranging from 1 million to 1,500,000, the 10-year schools have been training too many

youngsters in the academic, preuniversity line and too few in the vocational and industrially oriented lines of education. This situation has had important economic and social effects which the government has now determined to eliminate. Among these effects has been a growing disinclination of secondary school students and graduates to engage in physical labor.

In his public statement to the Presidium of the Central Committee in September 1958, Mr. Khrushchev said: "A portion of those who finish the 10-year school unwillingly go to work in factories, plants, and collective and state farms, and some even consider that it is an insult to them." Young people ought "to know how to hold a hammer and not to confuse the handle with the claws," he remarked at the April Komsomol Congress. In addition to singling out a negative attitude toward physical labor, the Soviet leader pointed to social inequities in higher school admissions procedures. He said that in Moscow institutions of higher learning, "30-40 percent of the students are children of workers and peasants. The rest of the students are children of employees, the intelligentsia."

The new Soviet law outlines in broad fashion the essential features of the new school reforms that will be introduced, but it does not delineate very specifically or precisely the character and content of future studies. These details are left to educational administrations in the fifteen Soviet Republics and in the Soviet Federal Government.

Some further indication of the different kinds of curriculums to be offered may be found, however, in the November recommendations (theses) put forward by the Central Committee and the U.S.S.R. Council of Ministers. The new December law states that the Supreme Soviet "approves the theses * * * which have received general support in the course of national consideration [of them]." These recommendations will provide us some additional insights into the major changes in Soviet schools. A brief analysis of these changes follows.

PRIMARY-SECONDARY EDUCATION

A compulsory, universal, and generally unified 8-year school is to be the basic educational program throughout the Soviet Union. The school's curriculum will be similar to that now used in the 7-year school, but with a decidedly stronger industrial-arts-vocational orientation. It will be, in official terms, "an incomplete secondary, general educational, labor, polytechnical school, which must give to pupils the simple fundamentals of general education and polytechnical knowledge, teach love for labor and preparation for socially useful activity, and educate children along moral, physical, and esthetic lines." Boys will receive better preparation in knowledge and skills useful in industry or agriculture, while girls will receive training in domestic skills.

After graduation from the 8-year school, all youths will be expected to engage in some form of productive labor. If the young person so chooses, he or she may continue secondary education on a part-time basis.

OBSERVATIONS ON THE SOVIET EDUCATION REFORMS

After the reform measures take effect, it will be well to see the results of the new Soviet education on technical and scientific competencies of Soviet society. Should there be no serious disruption in the university level programs or in the selectivity of qualified youth for higher education and training, how would the system of rigid priorities as well as of selective procedures tend to shape social forms, especially among scientific, political, and cultural milieux?

If Soviet society in the next 3 to 5 years enters into an intensive "tooling-up" period, would the increased technical and scientific competencies that might ensue therefrom have implications for education in the United States? Certainly the course of the Soviet educational reforms, and particularly developments in certain fields—such as education by correspondence and through split-session programs—should receive deserved attention by competent observers in the years ahead. Experiences of recent years instruct us to remain alert to and informed about educational developments abroad.

MEMBERS OF U.S. SURVEY TEAM

WASHINGTON, September 5.—Members of the team of the education mission to the Soviet Union were:

Lawrence G. Derthick, U.S. Commissioner of Education.

Oliver J. Caldwell, coordinator of the exchange, Assistant Commissioner for International Education, Office of Education.

Lane C. Ash, Assistant Director, Division of Vocational Education, Office of Education.

George Z. F. Bereday, professor of comparative education, Teachers College, Columbia University.

Henry Chauncey, president, Education Testing Service, Princeton, N.J.

A. John Holden, Jr., Vermont Commissioner of Education.

Herold C. Hunt, Charles William Eliot professor of education, Graduate School of Education, Harvard University.

Harry C. Kelly, assistant director for scientific personnel and education, National Science Foundation.

John R. Ludington, Director, Aid in State and Local Schools Branch, Office of Education.

Helen K. Mackintosh, Chief Elementary Schools Section, Office of Education.

John B. Whitelaw, Chief for Teacher Education, Office of Education.

William K. Medlin, specialist for eastern Europe, Office of Education, although not a member of the team, provided an appendix on the content and the implications of the recent Soviet school-reform plan.

TABLE 1.—*The administrative system of Soviet education*

Political level of agency jurisdiction	Substantive areas of agency jurisdiction	Educational agencies	Other agencies
I. Federal (entire U.S.S.R. composed of 15 republics).	Higher schools (all aspects). Science and research. Teaching and methodology in teachers institutes and in special secondary, vocational, and technical schools. Vocational, trade, and technical schools. Planning and budget (delegated powers). Construction and property. Publications.	U.S.S.R. Ministry of Higher Education.[1] U.S.S.R. Main Administration of Labor Reserves. U.S.S.R. Academy of Sciences.	U.S.S.R. State Planning Committee. U.S.S.R. Ministry of Health. U.S.S.R. Ministry of Culture. U.S.S.R. Ministry of Railways. U.S.S.R. Ministry of Communications. U.S.S.R. Ministry of Agriculture. U.S.S.R. Ministry of Defense, etc. Republic and regional economic councils and enterprises.
IIa. Republic (each of 15 republics).	Special institutes and schools (programs). Teachers' institutes. Elementary and secondary schools (all aspects). Pedagogical research. Planning and budget (delegated powers). Construction and property. Publications.	Republic Ministries of Education. Autonomous Republic Ministries of Education. Republic Academies of Sciences.	Republic Ministries of Health, Culture, etc.
b. Krai and oblast (territory and region).[2]	Elementary and secondary schools (delegated powers). Planning and budget (delegated powers). Construction and property.	Krai and oblast departments of education.	Agricultural and industrial establishments.
c. Raion (district) and city or town.[2]	Same as above.	Raion and city or town departments of education.	Same as above.

[1] The Ukrainian S.S.R. Ministry of Higher Education shares in the control of college-level institutions located in the Ukrainian Republic.

[2] Large municipalities like Moscow and Leningrad are on the administrative level of oblasts; small municipalities are on the level of raions.

LINDA KAY GIBSON—LIFESAVER EXTRAORDINARY

Mr. HUMPHREY. Mr. President, the other day there appeared in the press of my home State a wonderful story, a news story of great human interest, and a story which portrays qualities of character and courage that should be an inspiration to anyone.

The U.S. Senate has been discussing some rather serious matters throughout the year. Once in a while it seems that we may become so involved in saving the world that we forget about how to save a life.

I hold in my hand a United Press International news story datelined St. Paul, Minn., September 5, 1959. It reads as follows:

GIRL, 10, REVIVES SISTER—RECALLS STORY AND BREATHES INTO MOUTH OF 2-YEAR-OLD

ST. PAUL, September 5.—A 10-year-old girl breathed life into the body of her 2-year-old sister.

Linda Kay Gibson revived her sister, Joyce, Thursday while their mother frantically tried to telephone a doctor and the police for help.

Linda Kay said that she had noticed that her sister, who was ill, began to strangle. She called her mother. After a vain effort to help the baby, Mrs. Eugene Gibson handed the baby to Linda Kay and rushed to phone for help. The baby appeared to have stopped breathing.

Linda Kay said she remembered that her mother once told her about a newspaper story that told of a life being saved by mouth-to-mouth resuscitation.

"So I thought it might work with Joyce," she said. It did.

It seems to me that every once in a while a story as dramatic, touching, and inspiring as this little human interest story ought to be printed in the CONGRESSIONAL RECORD.

THE ADMINISTRATION'S FISCAL PROGRAM FOR FISCAL YEAR 1961

Mr. CLARK. Mr. President, late Saturday night our friends across the aisle, with, I regret to say, the assistance of the very sincere and conservative wing on my side of the aisle, defeated for the second time an effort to close tax loopholes in order to raise enough money to protect the general fund and yet permit the highway program to go forward without the imposition of a regressive, and to my way of thinking, unfair tax on gasoline.

It occurs to me that when we reassemble next year it might be possible to persuade the administration to reverse its field in its adamant opposition to the closing of tax loopholes.

Accordingly, the senior Senator from Illinois [Mr. DOUGLAS], the junior Senator from Wisconsin [Mr. PROXMIRE], the junior Senator from Minnesota [Mr. MCCARTHY], and I have addressed a letter to Hon. Maurice H. Stans, Director, Bureau of the Budget, urging him, in the course of the preparation of the 1961 budget, to obtain the consent of the President to closing seven outrageous and inequitable tax loopholes.

I am sure that if the administration would take this action we would have the additional revenue necessary to do one or more of three things: First, to make a reduction in the national debt; second, to balance the budget; and, third, to put some money into social programs which, in my judgment, are so badly needed. I hope this plea to the administration will not fall on deaf ears.

I ask unanimous consent that the letter addressed to the Director of the Bureau of the Budget by the four Senators I have named under date of September 2, 1959, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 2, 1959.

Hon. MAURICE H. STANS,
Director, Bureau of the Budget,
Executive Office Building,
Washington, D.C.

DEAR MR. STANS: The preparation of the administration's fiscal program for fiscal year 1961 is undoubtedly well advanced by this time and will be completed during the period in which Congress will stand in adjournment.

Although we might differ about whether increased public revenue should be used for debt retirement, needed public services or tax reform and relief, we feel confident that we share with you a common objective in your work on the 1961 program: that the yield from our revenue-raising laws should be increased, wherever possible, by the elimination of unjust loopholes and better enforcement of those laws.

Our legislative efforts during the present session of Congress have convinced us that additional revenue could and should be raised by the following actions:

1. Requiring that income taxes on dividend and interest payments be withheld at source;

2. Tightening the rules concerning the deduction of "ordinary and necessary" business expenses, especially in the luxury expense account and business gift areas;

3. Narrowing the types of income accorded favored capital gains treatment;

4. Elimination of the 4-percent-dividend credit;

5. Reduction of the rate for oil, gas, and other mineral depletion allowance for oil, gas, and other minerals.

6. Requiring second-class users of the U.S. mails to pay for the full costs of their use of the mails;

7. Increasing the number of enforcement personnel in the Internal Revenue Service to permit more auditing and intensified search for unreported income.

In preparing the administration's program for fiscal 1961, we urge you to give special attention to these areas, where the potential for increasing public revenues is great, and to include remedial legislation among the President's recommendations to the second session of the 86th Congress.

We would appreciate your advice as to the extent you are in accord with our views on the foregoing.

Sincerely,

JOSEPH S. CLARK.
EUGENE J. MCCARTHY.
PAUL H. DOUGLAS.
WILLIAM PROXMIRE.

INCREASE IN CEILING ON INTEREST RATES ON GOVERNMENT SECURITIES

Mr. CLARK. Mr. President, I listened with great interest to the colloquy which took place a few moments ago as a result of the statement by the senior Senator from Connecticut [Mr. BUSH] of his intention to propose an amendment to the bill to remove the ceilings on the interest rates on E- and H-bonds, as well as open market long-term securities.

I have already told my friend from Connecticut that I applaud him in that regard, although I shall do my best to see that his amendment is defeated. I disagree with him.

Mr. President, I am in no hurry to get home. I do not believe that we should force an adjournment of Congress next Saturday. We have many important matters to deal with, and raising the ceiling on the interest rate on Government securities is an important matter, deserving of free and full debate, without limitation by unanimous consent. I think we should be accorded the privilege of debating the subject. The President has asked for it. I believe that the subject deserves careful consideration, and I, for one, would like the privilege of voting the President down.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLARK. Mr. President, I ask unanimous consent to continue for 1 more minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. I think we should deal calmly and quietly with legislation to be passed at this session, including civil rights legislation, minimum wage legislation, and Federal aid to education legislation; also a decision on the interest rate on Government securities. I, for one, am prepared to remain here, under the ordinary rules of debate in the Senate, until those matters are disposed of. The arrival of Mr. Khrushchev does not scare me a bit.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. HOLLAND. Mr. President, in the debate on Friday, September 4, 1959, I placed in the RECORD the latest report from the Department of Agriculture, dated September 3, 1959, covering the distribution of surplus food for needy persons and for other objectives such as are now approved, including the school lunch program, the institutional program, and some distribution to foreign beneficiaries. Everything which I said in my remarks at that time, which begin on page 18105 of the CONGRESSIONAL RECORD, is true and applicable to the debate on the pending business, which is the proposed extension of Public Law 480, except that in one matter I used a figure which applies to the combined cost of the domestic and foreign programs, instead of applying only to the domestic program, which is what I was discussing at that time. This is clearly shown by the table itself, which appears in the RECORD.

But I call attention now to the fact that instead of stating that $457.9 million was the total cost of the program for 1958—although that is correct—I should have said that the cost of the domestic program in 1958 was $185.4 million, while the balance of the figure of $457.9 million covered foreign distribution; and instead of stating that $413.4 million was the total cost of the program for 1959, I should have stated the figure as $203.6 million as the cost of the domestic program for 1959.

The larger figures deal with the total cost of the foreign and domestic programs for the 2 years, 1958 and 1959.

I believe the table is quite clear, but in order to mislead no one I call attention to the discrepancy between my statement and the actual facts as shown by the compilation which was placed in the RECORD.

I also call attention to the fact that my statement to the effect that 43 States are now cooperating in the program for the distribution of surplus foods as processed under the extension and enlargement of a program originally authorized in legislation which I handled in committee and on the Senate floor in 1955, was correct.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, I ask unanimous consent for an additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. Senators will find on page 18105 the number of persons unemployed or otherwise needy or entitled to food from our surplus supplies who were receiving donated commodities from the Department of Agriculture, under the existing laws, in June of 1959.

As would be expected, these numbers totaling 4,715,349 are greatest in those States where there are great unemployment problems, which is what Congress intended.

I call attention to this matter at this time because additional amendments may be offered later during the day relative to the distribution of surplus commodities, and I want to be on record as being strictly in accord with the facts under the law and the latest report of the Department of Agriculture.

FHA HOUSING LOAN COMMITMENT FEES

Mr. GORE. Mr. President, I have received from a citizen in Tennessee, who wishes to build a home, a copy of an FHA commitment. This citizen wishes to build for himself and his family a modest home to cost $14,000. I have the commitment before me, and I should like to read from it:

> Fees and charges will be made as outlined to you at the time the application was taken, which we estimate to be $417.98.

The figure "$417.98" is written into a space provided on the application form for that purpose. There is also typewritten into the commitment letter this additional statement:

> This commitment is issued subject to someone other than the buyer paying to us a discount equivalent to 6 percent of the loan, which in this case amounts to $885.

Mr. President, these two fees added together amount to more than $1,300 on one workingman's home, which he must pay in order to enable him to obtain insurance of his mortgage by the Government of the United States.

This cost, I emphasize, is not all, because after the application is approved there is added to it another one-half percent premium, called an insurance premium.

Here is another line I wish to read:

> We estimate monthly payments to be $110.21.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. GORE. Mr. President, I ask *unanimous consent* that I may have 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, this is a 25-year loan commitment, so the payment will be made over a period of 300 months. A calculation indicates that this worker, who wishes to build a home for himself and his family, will pay $34,365.98 for a home on which he received a loan of $14,750. This a partial illustration of how homeowners, or persons who wish to build or buy homes, are being bilked under the high interest rate policy.

Mr. President, I ask unanimous consent that the letter of commitment, from which I have stricken the street address, the name of the borrower, and the name of the mortgage lender, be printed at this point in the RECORD.

There being no objection, the commitment letter was ordered to be printed in the RECORD, as follows:

NASHVILLE, TENN., *September 3, 1959.*

No.: FHA ———— VA ————.

Property: Nashville, Tenn.

Amount: $14,750. Rate 5¼. Term 25 years.

Type: ☒FHA ☐GI ☐Conventional.

This commitment will expire October 31, 1959.

DEAR SIR: Reference is made to your loan application filed with us in connection with the property described above. We are pleased to advise that the loan has been approved as set out above. Based on such approval, we agree to make the loan subject to:

☒ the terms and conditions appearing on the FHA commitment;

☐ the terms and conditions appearing on the VA commitment or certificate of reasonable value;

☐ satisfactory completion of the improvements;

☒ receipt of satisfactory evidence of title;

☒ receipt of satisfactory survey of the property showing the location of the improvements thereon;

☒ insurance policy in an amount satisfactory to us;

☐ receipt of VA or FHA commitment in the above mentioned amount, term, and interest rate.

Remarks: This commitment is issued subject to someone other than the buyer paying to us a discount equivalent to 6 percent of the loan, which in this case amounts to $885.

We estimate monthly payments to be $110.21.

Fees and charges will be made as outlined to you at the time the application was taken, which we estimate to be $417.98.

Very truly yours,

———— ————.

Mr. MONRONEY. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. MONRONEY. I compliment the Senator from Tennessee on showing graphic evidence of what is happening to the Government-insured interest rate. As the Senator read the figures, I did rapid calculation. My calculation shows that the buyer is buying $14,000 worth of house and $20,000 worth of interest. Is that not correct?

Mr. GORE. That is approximately correct.

Mr. MONRONEY. And the administration has set, as a pattern, in estimating the cost of public works and others, the ultimate cost over period of years; so the $14,000 cost of the house and $20,000-interest charge come out of the $34,000 figure, do they not?

Mr. GORE. Yes; the $34,000—plus.

The PRESIDING OFFICER (Mr. CANNON in the chair). The time available to the Senator from Tennessee has expired.

Mr. GORE. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered; and the Senator from Tennessee may proceed for 2 additional minutes.

Mr. MONRONEY. Does not the Senator from Tennessee feel that this is graphic proof, because it happens to figure out at exactly 5¾ percent interest, plus one-half of 1 percent extra charges for Government insurance, which bring the working rate that he pays to 6¼ percent?

Mr. GORE. I believe it is 6½ percent.

Mr. MONRONEY. Is this not graphic proof that today a mortgage insured by the U.S. Government is bringing a higher interest return than are the conventional mortgages which are being written by insurance companies or other home-finance agencies?

Mr. GORE. I agree thoroughly. This discount racket stultifies the mortgage-insurance program of the U.S. Government.

Mr. MONRONEY. And we are seeing a higher yield from Government-insured mortgages than from mortgages that do not carry the guarantee of the U.S. Government, are we not?

Mr. GORE. Yes; and that raises the question of the integrity of the whole program.

Mr. MONRONEY. Will the Senator from Tennessee yield further to me?

Mr. GORE. Yes.

Mr. MONRONEY. Is it not also a fact that it is an open secret, known everywhere in the housing industry, that as soon as Congress adjourns, the FHA Administrator will raise the present going interest rate on FHA mortgages from 5¼ percent to 5¾ percent?

Mr. GORE. Yes; and I hope the Senator from Oklahoma will join me, if there is to be a third housing bill, in writing a provision to prevent that from happening.

Mr. MONRONEY. At least until Congress can return and can take action to prevent it from happening; is that correct?

Mr. GORE. Yes, that is correct.

The PRESIDING OFFICER. The additional time made available to the Senator from Tennessee has expired.

Mr. MONRONEY. Mr. President, I seek recognition in my own right.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. MONRONEY. Let me ask the Senator from Tennessee whether it is not also a fact that in view of the historic difference between the Government's long-term interest rate, which is pegged at 4¼ percent, and the FHA interest rate, which is the Siamese twin of the interest rate on long-term Government bonds—because the former also has Government security and a Government guarantee behind it—the present development has the definite effect of linking together these two interest rates?

Mr. GORE. Yes; indeed.

Mr. MONRONEY. So if we raise the latter by administrative action—as has been done countless times by this administration, in the case of the Farmers Home Administration and in regard to everything else that can be raised—we are placing ourselves on an escalator which is lifting higher and higher the long-term Government interest rate and also the rate which Uncle Sam must pay to service the public debt, which today is approaching $300 billion?

Mr. GORE. I thoroughly agree with the Senator from Oklahoma.

Mr. MONRONEY. So the Government—and also, in some cases, the Con-

gress—today is creating the chaotic condition with which we now find ourselves confronted, with the chiefs of the governmental agencies which deal in this field pleading for an unlimited interest rate ceiling on long-term Government bonds?

Mr. GORE. Yes, indeed; and the Senator from Oklahoma has joined with me in two attempts to outlaw the discount practice; and I believe we were correct in the position we took.

Mr. MONRONEY. And time has proven again and again that a higher interest rate on Government-insured securities begets a demand for higher and higher interest rates on the entire public debt which must be managed by the administration.

PROPOSED COMMISSION ON EQUAL JOB OPPORTUNITIES UNDER GOVERNMENT CONTRACTS

Mr. KEATING. Mr. President, one of the civil rights bills which has received too little attention during this session is the proposal to establish a Commission on Equal Job Opportunity Under Government Contracts.

I believe that it is in the national interest to pass this bill. Our Government has made, under this administration and preceding administrations, significant progress toward securing equal job opportunity for all qualified persons. We must continue this progress. I believe that the proposed Commission will be an effective instrument for doing just this.

We know that the equal job opportunity program has been carried on by the President's Committee on Government Contracts. This Committee, which was established in August 1953, by Executive order of President Eisenhower, has been quietly, but effectively, carrying on its assignment.

The Vice President, who is Chairman of the Committee, and the Secretary of Labor, who is the Vice Chairman, have authorized me to state that they will resign upon the enactment of this bill. They will recommend to the President that the Chairman and the Vice Chairman should be public, rather than governmental, representatives. These recommendations should eliminate the fear of anyone who thinks that this legislation is being proposed as a vehicle for the advancement of either the Vice President or the Secretary of Labor.

The policy of our Government to promote equal job opportunity for all qualified persons is a concept that demands the allegiance of all. Public morality demands that since all persons contribute to the Public Treasury, without regard to race, religion, color, or national origin, all persons are equally entitled to fair and equitable treatment on work paid for from public funds. Certainly within the area of employment carried on by the Federal Government, there can be no question that it must be administered without the blight of racial or religious bigotry.

Let me briefly touch upon the highlights of the bill:

Under its terms the President is to appoint a Commission of 15 members to carry out the national policy of equal job opportunity. The Commission would execute this program by making recommendations to the President and the Federal contracting agencies for improving and implementing the standard nondiscrimination provision which is contained in all Government procurement contracts; the Commission would encourage the furtherance of educational programs by nongovernmental groups; the Commission would cooperate with State and local governments, as well as other groups, to eliminate discrimination in employment; and it would be empowered to make investigations, studies, and surveys, as well as to conduct hearings which would be necessary and appropriate in order for it to discharge its assigned duties.

This Commission is a continuation of this administration's efforts to eliminate discrimination in employment. The present Committee on Government Contracts, composed of top officials of the Government, of labor and management, and of the public, has acted in three areas: compliance, education, and liaison.

In its compliance efforts, acting as a recommendatory, consultative, and advisory group to the Federal contracting agencies, it has made considerable progress in seeing that the Federal contracting agencies adopt appropriate procedures to aid the contracting agencies in securing fair employment in the many plants doing business for the Federal Government in every part of the country. It has also assisted the agencies in adopting effective procedures to enable them to resolve complaints filed by aggrieved persons. It has instituted a compliance survey program, whereby the employment practices of the major contractors of the Federal Government are reviewed each year, without waiting for complaints to be filed with the President's Committee.

The Committee has carried on an extensive educational program with the top leaders of business and industry, labor unions, trade associations, educators, clergy, and other interested and important segments of the general public who are concerned that our country should not countenance or condone intolerance, bigotry, or discrimination.

The President's Committee also maintains effective liaison with the many private and public agencies charged with the responsibility and the duty of eliminating discrimination in employment.

Effective as the work of the President's Committee has been, the time has now come to advance this program in a meaningful way. The enactment of this bill creating a Commission on Equal Job Opportunity Under Government Contracts, in addition to sustaining our concept of public morality, which I have already mentioned, also will aid in the efficient utilization of all our manpower. We shall not waste any skills which may exist, because of the irrelevant factors of racial and religious bigotry. We shall also continue, and maintain, the unique standing this country has had as a beacon for democratic ideals. We shall be judged by our accomplishments, not our excuses. I also believe that if the work of the President's Committee has been meaningful and successful, we then have a right to demand that the concept of equal job opportunity be expressed by the national legislature, rather than by order of the Chief Executive. In our form of government, national policies are, and should be, expressed by the legislature. If this policy is worth adhering to, it should be appropriately stated by the Congress, as an expression of public policy. If this work is worth doing, it is worth doing well.

I urge the enactment of this bill, because it is in keeping with the best traditions of our country. Our country has grown strong by waging a constant struggle against religious or racial bigotry. We will grow stronger by the passage of this bill, because of its adherence to the concepts of fair play and the elevation of human dignity.

YOUNG MAN WITH A PURPOSE

Mr. KEATING. Mr. President, the New York Times on Saturday published a heartwarming story about a young man, aged 13, named Chris Nogeire, who, with his $1 weekly allowance, on Friday visited the offices of New York City's newspapers in an attempt to explain the recently much-publicized problems of youth in New York City. Chris sounds like a fine young man. He belongs to a group called the Sea Battalion—organized, not for violence and crime, but for recreational activities of a nature that will allow boys to grow in an atmosphere conducive to good health and good citizenship.

Mr. President, I ask unanimous consent that the article from the New York Times be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BOY, 13, STARTS HIS OWN DRIVE TO EXPLAIN PROBLEMS OF YOUTH—HE SPENDS ALLOWANCE TO TELL HOW HIS BRONX GROUP FOSTERS LEADERSHIP

(By Richard J. H. Johnston)

A small, energetic 13-year-old boy yesterday began his own personal drive against juvenile delinquency and for adult recognition that "all kids aren't bad."

"Everybody, I guess, wants to be recognized, but not everybody knows how to go about it," said Chris Nogeire of 3320 Kossuth Avenue, the Bronx.

Chris spent yesterday—and a large part of his $1 weekly allowance—visiting newspaper offices to ask that the perturbed adult community understand the attitudes of youngsters who are equally perturbed over recent outbursts of juvenile violence.

The world in which Chris lives is not so very different from that of other boys who have run afoul of the law.

His father died 10 years ago. Chris lives with his mother, who works as a secretary for a law firm. He is an eighth-grade pupil at St. Anne's Roman Catholic School at Bainbridge Avenue and Gun Hill Road. He lives in a neighborhood of Italians and Spanish-speaking families. He was born in Washington, D.C., and was brought to New York when he was 3 months old.

EXPLAINS HIS GROUP

"There is plenty of chance for a boy to be recognized as a leader, for instance, in a

group like the one I belong to. It's the Sea Battalion at 3207 Philips Avenue. I have written an article about it that you may have," Chris declared.

He proffered a neatly typed explanation of his group, its purposes, costs, and activities.

"We have sports and recreation under supervision and discipline. It costs only $1 to join and 20 cents a week for dues. Our uniform costs $10, and we meet every week. We have kids from 8 years old on up to the twenties and we have lots of competition that can make you a leader, if you want to be one," Chris explained.

"Sure, there are some kids that think we're 'square,' but we also have some who changed their minds after they came to look us over," he added.

"I think that organizations like ours may be what the city needs in places like Hell's Kitchen," he said.

There is a "big difference," Chris thought, between wanting to be "a big shot" and wanting to be "a leader."

"There is a difference, I guess, between being a 'big shot' and a 'leader' but it's not always easy for kids to figure it out," Chris remarked.

Chris hopes to become a seaman first class when the First Battalion of the Sea Battalions in the Bronx resumes its meeting with the reopening of school. In the year he has belonged to the group he has been working for the promotion.

Howard S. Irving of 3165 Fairmont Avenue, the Bronx, a railroad fireman who commands the First Battalion, said, "Chris is typical of the boys and girls in our and similar groups. Our group has never had an instance of juvenile delinquency."

FOUR HUNDRED IN FIVE BATTALIONS

The Sea Battalions, Inc., was founded 5 years ago in the Bronx to provide sports and recreation under modified military discipline for children who might otherwise be forced to spend their leisure time in the streets.

There are 400 youngsters enrolled in five battalions. The First Battalion is affiliated with St. Theresa's Roman Catholic Church, 1912 Mayflower Avenue, the Bronx.

The cadets and their girl counterparts, the Wavettes, hold an annual military ball. Frequent visits are made to scenic areas and to military installations. The cadets have been guests at the U.S. Naval and Military Academies. They also have visited the Naval Training Station at New London, Conn.

Membership is open to all children to have the desire to "belong" and the ability or aspiration to work with others for fun and preparation for life, Mr. Irving explained.

Mr. Irving said that the organization had been trying for several years to acquire a surplus naval craft for training the cadets. The group's treasury, he explained, is too small to buy one.

After high school Chris hopes to enter the Massachusetts Institute of Technology and become a nuclear physicist.

Asked if he aspired to become a leader in the world of science, he replied:

"Well, like I've been saying, you have to learn an awful lot to be a leader. You can't do it by fighting and hurting people."

Mr. KEATING. Mr. President, last week I addressed the Senate on the need to deal firmly with the problem of juvenile crime. I would not be fair, if, at the same time, I did not commend boys such as Chris Nogeire and leaders such as those of the Sea Battalion, who have done so much to foster healthy attitudes of brotherhood and good citizenship among New York City's youth.

Mr. President, I commend Chris Nogeire for his timely reminder to all of us that it is, fortunately, still the exception, not the rule, that a young man shall seek his pleasures in murder, violence, or vandalism.

THE PRESIDENT'S EUROPEAN TRIP: A GREAT TRIUMPH

Mr. WILEY. Mr. President, as we know, President Eisenhower is scheduled to return from his European trip this afternoon.

The Eisenhower trip—a strategic and diplomatic master stroke—represents one of the major efforts and accomplishments by a leader of the free world to bind up Western unity more securely in the post-World War II era.

Of great significance—and most heart warming—were the demonstrations by the people of West Germany, Great Britain, and France of their affection, admiration, and respect for our President.

Although the trip resulted in no new formal agreements—which, of course, was not its purpose—there were, nevertheless, many real accomplishments, including:

First. Erasure of some of the fears that have arisen in the European mind that the United States might make a separate deal with the Soviet Union, during the Khrushchev visit, without adequate regard for the interests of our allies.

Second. Reaffirmation of the confidence of the people of Western Europe, not only in the capability of President Eisenhower, but in the United States as a dynamic, forward-moving leader of the free world.

Third. Promotion of understanding, and creation of a better climate for resolving whatever differences exist among the leaders of the Allies.

Fourth. By his restated willingness to do whatever is humanly possible—to go anywhere any time—to promote peace and prevent war—the President helped to put the lesser problems among the allies in better perspective.

Fifth. The "spelling out" for Khrushchev of the unity of the Allies and the confidence which not only the United States, but also the people of Europe, have in Ike's leadership.

Although these and other accomplishments may be less tangible than formal, signed agreements, perhaps in the long run, they will be of even greater significance.

Overall, the trip, I believe, greatly helps to strengthen the Allied position by inspiring new confidence among the Western nations and, by contrast, greater respect among the Communists—to enable us to deal more effectively with their threats to peace now and in the future.

Upon his return, the President again—as for similar accomplishments throughout his tenure of office—deserves the deep gratitude of the American people for one more job well done.

TWO MOBRIDGES IN TWO STATES

Mr. MUNDT. Mr. President, Mobridge, S. Dak., has long prided itself in being "the only Mobridge in the world." Quite recently, Mobridge learned that it is no longer alone since the founding of Mobridge, Mont., on the banks of the Missouri River in Fergus County. In a neighborly gesture this week, Mobridge, S. Dak., extended a hand of congratulations to the new community in a letter from Bob Bickett, president of the chamber of commerce to George Komerik, the first mayor of Mobridge, Mont.

Bob Bickett indicates his puzzlement that other communities along the "Big Muddy" had not adopted the name, as Mobridge did 53 years ago, when the main line of the Chicago, Milwaukee, St. Paul & Pacific Railroad was extended through the northern part of my home State. Because there was no town at the site of the river crossing, all construction materials were addressed to "Missouri River Bridge, South Dakota," later shortened to "Missouri Bridge," and still later "Mobridge." With the coming of the railroad, Mobridge, S. Dak., grew up on the banks of the "Mighty Mo," becoming one of our most prosperous and vigorous communities in the State and the Northwest.

In the correspondence between the two Mobridges, helpful hints are offered on how to become a "Mobridge, first class" and to outline the standards for cities named "Mobridge."

Mr. President, I suggest that the letter I hold in my hand presents some standards for all progressive communities. South Dakota has given birth to the original Mobridge, and has set high standards for the Mobridge club. I know that Mobridge, Mont., will live up to that criterion, and will become another jewel in the Treasure State.

Mr. President, I ask unanimous consent that the Mobridge Chamber of Commerce letter be printed in the RECORD, since it contains useful advice for all our smaller communities.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MOBRIDGE CHAMBER OF COMMERCE,
Mobridge, S. Dak., September 1, 1959.

Mr. GEORGE KOMERIK,
Roy, Mont.

DEAR SIR: We, at Mobridge, S. Dak., were unaware until very recently that a new town was being built in Montana, near the new Missouri River bridge in Fergus County, which would be named "Mobridge, Mont." As you may have heard, our community of Mobridge, S. Dak., has long prided itself as being the only Mobridge in the world. Actually, we have long been puzzled because we could not understand why other cities have not adopted such an excellent name. Now, you have joined the club, and we have two Mobridges in 2 States, 2 down and 48 to go.

Our reason for writing you this letter, in addition to congratulating you on your new city, is that we wish to call your attention to the standards for cities named "Mobridge" as has been established by our community in the past 53 years. For example: To qualify as a "Mobridge, first class," you must assemble a citizenry of 5,500 friendly people, who have stuck to their town, through thick and thin, dust, drouth, grasshoppers, and Republican and Democratic administrations alike. (The number of citizens can be varied, the quality must be up to the standard as outlined.) To qualify as a Mobridge, first class, you must have wide, blacktopped streets, a first class

water supply, and adequate transportation via railroad, and highway. You must have a ball park, swimming pool, and other recreational facilities so that your young people have adequate opportunities for good clean fun. You must have civic minded organizations, ready to assist with the work of building your city ever larger and better. (Of course, an active chamber of commerce is a must, without it you will spend a good deal of time charging windmills, instead of progressing, and taking advantage of your opportunities.) And last, but not least, you must have an Indian chief, of the stature of Sitting Bull, buried near your town, properly marked and cared for, as a tribute from your people to America's original citizens.

That's all there is to it. Whenever your town is formally opened, we would appreciate an invitation to attend any ceremonies you may plan. And if you need any advice on how to be a Mobridge, first class, drop us a line, we've got 53 years of experience going for us, we may be able to help.

Every good wish.

BOB BICKETT,
President, Mobridge Chamber of Commerce.

ARMY LANGUAGE SCHOOL

Mr. HUMPHREY. Mr. President, I should like to call to the attention of the Senate a letter which I today addressed to Secretary of Defense McElroy relating to a serious situation existing at the Army Language School at Monterey, Calif.

As Members may recall, the Air Force earlier this year announced its intention of withdrawing its support from the Army Language School, the Nation's largest foreign language training center, effective July 1, last, to send its students to private institutions for specialized training the Air Force claimed it could not obtain at Monterey.

While I was not in full accord with this decision, I did not demand that it be rescinded because of financial commitments the Government had already made with certain universities to train the Air Force's students and because of assurances given by the Department of Defense that the highest priority would be given to maintaining the Army Language School at its maximum strength despite the Air Force's withdrawal from the facility.

However, Mr. President, I am now in receipt of a communication from Mr. George Shkabara, president of Local No. 1263 of the National Federation of Federal Employees, at Monterey, who quotes a representative of the Department of the Army to the effect that the Air Force's withdrawal may result in a major reduction in force among the instructors at the facility—instructors, I might add, who have been recruited at great expense from all parts of the world to teach foreign languages to members of the military services. This, if true, Mr. President, certainly contradicts the Defense Department's avowed intention of maintaining the Army Language School at its maximum strength to meet the urgent foreign language training needs of the military services.

I, therefore, have addressed a letter to the Secretary of Defense, asking that he give his immediate attention to this matter before any major reduction in force among the instructors at this vitally needed facility is made. I ask unanimous consent, Mr. President, that my letter to the Secretary of Defense, along with Mr. Shkabara's letter to me, be incorporated in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SEPTEMBER 3, 1959.

Hon. NEIL H. MCELROY,
Secretary of Defense,
The Pentagon, Washington, D.C.

DEAR MR. MCELROY: As you are aware, members of the subcommittee were assured at the executive hearing conducted on the Federal Government's foreign language training program earlier this year that the highest priority would be given to restoring the Army Language School at Monterey, Calif., to its maximum strength following the Air Force's withdrawal July 1.

I have been informed, however, that the National Federation of Federal Employees has been notified by the Department of the Army that there is a possibility of a major reduction in force among the institution's instructors because of the Air Force's withdrawal, as indicated in the attached letter from Mr. George Shkabara, president of Local No. 1236, of the federation, dated August 21, 1959.

In view of the fact that this information appears to contradict the views expressed by the representatives of the Department of Defense at the aforementioned hearing, I would indeed appreciate it very much if you would give me a full report in writing on the situation existing at the Monterey facility, covering, but not limited to, the following salient points:

(1) Steps that have been taken by the Department of Defense to centralize direction of the Military Establishment's foreign language training programs.

(2) The progress that has been made in the establishment and/or the appointment of an official within the Department of Defense at high policy level to have the responsibility for operation of the military services foreign language training programs.

(3) The specific steps that have been taken by the Department of Defense and/or by the Department of the Army to build up the strength of the Army Language Training School to offset the impact of the Air Force's withdrawal of its students.

(4) The total number of students assigned to the Army Language Training School as of January 1, 1959, as of July 1, 1959, and the anticipated number which will be assigned as of January 1, 1960. The total number of Air Force students withdrawn from the facility as of July 1, 1959.

(5) The total number of instructors assigned to the Army Language School as of January 1, 1959, July 1, 1959, and the total number anticipated to be assigned as of January 1, 1960.

(6) Total Federal expenditures for operation of the Army Language Training School for fiscal year 1959, including training costs, administrative costs, trainees' salaries, and other related operating costs.

(7) The estimated budget or estimated operating costs, including the expenditures enumerated above, for comparative purposes, for fiscal year 1960.

(8) The anticipated reduction in instructors, if any, which will result from the Air Force's withdrawal from the facility.

I would indeed appreciate your immediate attention to this request. That there is danger of a major reduction in force at the Army Language School is indeed disturbing as it has been my distinct impression that every effort would be made to keep this vital facility at its maximum efficiency to meet the urgent need for trained linguists in the military services.

With kindest regards.

Sincerely yours,

HUBERT H. HUMPHREY.

(Attachment: Letter from Mr. George Shkabara, president, Local No. 1236, National Federation of Federal Employees.)

NATIONAL FEDERATION OF FEDERAL EMPLOYEES, LOCAL NO. 1263,
Monterey, Calif., August 21, 1959.

Hon. HUBERT H. HUMPHREY,
Chairman, Subcommittee on Government Reorganization, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We felt you might be interested to share the information we have from the Under Secretary of the Army regarding the operation of one of the most important departments at the U.S. Army Language School—the Russian Language Department.

According to Under Secretary Hugh M. Milton, II, "there is a possibility of a major reduction in force in the Russian Language Department in the present fiscal year." The Under Secretary adds in his letter dated August 17, 1959, to Mr. Vaux Owen, president of our Federation, that "The withdrawal by the Department of the Air Force of its supported training at the U.S. Army language School has made such action necessary."

Headquarters, U.S. Army Language School estimates probable loss in personnel at the Russian Language Department would not exceed 40 instructors. So far no official authorization to effectuate a reduction in force has been received from the Department of the Army, but the authorities of the school believe that a reduction in personnel, if any should take effect before the end of the current calendar year.

Strange as it may seem, the reality is in full contradiction with the recently expressed desires of the Department of Defense to bring the school up to its maximum strength during the present fiscal year; we feel that fact should not escape your vigilance.

Respectfully,

GEORGE SHKABARA, *President.*

Mr. HUMPHREY. I am asking the Secretary of Defense to give his particular attention to this matter before there is any major reduction in force at this vitally needed facility.

Finally, let me say the Department of Defense is guilty of a waste of public funds by this duplication of the foreign language training program. I recognize that this item does not run into the hundreds of millions or billions of dollars, but, again, it is symbolic. It represents again the determination on the part of the respective individual services to have their own programs, separate and distinct from the other services, at great cost to the taxpayers, and, may I say, at no real reward to the students or the services themselves.

The Army Language Training School at Monterey ought to be utilized to the maximum extent possible. The services and the facilities are there. At the present time the school is being utilized at less than 50 percent. The Department of Defense should be censured for this waste of public funds. I am not at all satisfied with the explanation given by the Air Force for its new training program exclusive of that at Monterey. The Navy is equally guilty. It is about time that the Department of Defense stopped talking about unification of the

services, and started practicing it. One place it can do it is in the foreign language school, and save some money in doing it.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. HUMPHREY. Mr. President, on behalf of the senior Senator from Oregon, who of necessity had to leave the Chamber, I must object.

The PRESIDING OFFICER. Objection is heard.

The Chief Clerk resumed and completed the call of the roll, and the following Senators answered to their names:

Aiken	Fong	Martin
Allott	Frear	Monroney
Anderson	Fulbright	Morse
Bartlett	Goldwater	Morton
Beall	Gore	Moss
Bennett	Green	Mundt
Bible	Gruening	Muskie
Bush	Hart	Neuberger
Butler	Hayden	Pastore
Byrd, Va.	Hickenlooper	Prouty
Byrd, W. Va.	Hill	Proxmire
Cannon	Holland	Robertson
Capehart	Humphrey	Russell
Carlson	Jackson	Saltonstall
Carroll	Johnson, Tex.	Schoeppel
Case, N.J.	Johnston, S.C.	Scott
Chavez	Jordan	Smith
Clark	Keating	Sparkman
Cooper	Kerr	Stennis
Cotton	Kuchel	Symington
Curtis	Lausche	Talmadge
Dodd	Long, Hawaii	Thurmond
Dworshak	Long, La.	Wiley
Eastland	McCarthy	Williams, N.J.
Ellender	McClellan	Williams, Del.
Engle	Magnuson	Young, N. Dak.
Ervin	Mansfield	Young, Ohio

The PRESIDING OFFICER. A quorum is present.

Is there further morning business? If there is no further morning business, morning business is closed.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which is S. 1748.

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to paragraph (q) on page 3, beginning at line 9 of amendments identified as "8–25–59–B," on which a separate vote is asked.

Mr. HUMPHREY. Mr. President, I have no further statement to make on this paragraph except to say that it has administration recommendation. It is surely desirable.

I yield back the remainder of my time on this paragraph if the proponents are willing to do likewise.

The PRESIDING OFFICER. The time in opposition has expired.

The Senator from Minnesota yields back the remainder of his time. All time for debate has expired.

Mr. HUMPHREY. Mr. President, the parliamentary situation is that we are voting now to include paragraph (q). Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. ELLENDER. Mr. President, I ask unanimous consent to place in the RECORD at this point an explanation of this amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EMERGENCY NONFOOD RELIEF

Page 3, lines 9 through 13 of committee amendments (par. (12) "(r)" of S. 1711):

This amendment provides for the use of title I foreign currencies for nonfood emergency or extraordinary relief requirements. It would be limited to $2 million in each fiscal year and therefore appropriation act authorization would not be required. It is contemplated that this authority would be used to provide blankets, tents, medicines, and similar supplies required as immediate assistance as a result of disasters such as fire, flood, or earthquake. The Deputy Director of the International Cooperation Administration testified that the President now has authority to use dollars for this purpose, and that distribution would be made through relief agencies such as Red Cross.

OTHER PROPOSED CHANGES IN LEGISLATION

"I should also like to comment briefly on two other proposed changes in the Public Law 480 legislation.

"1. New subsection authorizing use of foreign currency accruing under title I of Public Law 480 for emergency relief assistance: And you, Mr. Congressman, were talking about this a little earlier, sir.

"This subsection, if adopted, will permit the President to meet emergency requirements of friendly peoples abroad other than those which are normally met under title II of Public Law 480 through grants of agricultural commodities or through use of currencies generated by grants of such commodities. The proposed authority would be useful, for example, in enabling the United States to provide blankets, tents, medicines, and similar supplies which are required immediately as a result of disasters such as fire, flood, or earthquake.

"I want to reiterate this is a proposed use of a local currency already generated, and not a new use of dollars.

"It is not expected that large amounts of foreign currencies will be needed for this purpose, and a ceiling figure is proposed of not more than the equivalent of $2 million to be used in any fiscal year for emergency relief purposes. It is believed that this statutory annual ceiling on use of currency for emergency purposes of this kind will provide the Congress with adequate fiscal control over the use of the proposed new authority. In view of the unforeseen emergency nature of the requirements which the authority is designed to meet and the necessity of immediate response to such requirements when they arise, it will not be practicable to seek authorization to use currency for this purpose in appropriation acts.

"We have lots of instances, gentlemen, where there has been an earthquake, or there has been a flood, or there has been a disaster of some kind or other. People may have no place to live, and the authority from the Congress to use this local currency to pick up local supplies, including tents, medicine, clothing, and that sort of thing, would enable us to rush them in there quickly. We wouldn't have to fly such supplies from the United States and pay dollars for them. We think this authority would be a useful addition. It is not a vital one, but we think it would be useful.

"Mr. POAGE. That is a point I wanted to ask, Dr. FitzGerald. There is authority under the law at the present time, as I understand it, for the President to provide exactly this kind of emergency equipment, but he has to pay for it in dollars, does he not?

"Mr. FITZGERALD. That is correct.

"Mr. POAGE. And this is simply allowing, instead of dollars, the use of local currency where he could?

"Mr. FITZGERALD. That is correct.

"Mr. HOEVEN. I was going to ask the same question.

"What about the overlapping of such program with the work of the Red Cross? They take care of emergencies throughout the world and are very prompt in furnishing all of the materials and services you mention. Is there going to be some conflict of effort?

"Mr. FITZGERALD. No, sir. We work very closely with the Red Cross and in fact frequently use the Red Cross for the purpose of handling this.

"Mr. POAGE. You would find the material and turn it over to the Red Cross for distribution, wouldn't you?

"Mr. FITZGERALD. We might, or we might provide it to the local Red Cross.

"Mr. HOEVEN. But you wouldn't do it independently of the Red Cross, would you?

"Mr. FITZGERALD. This would be independent in the sense that we wouldn't go through the American Red Cross, but I can assure you we always clear with the Red Cross before we do anything.

"Mr. HOEVEN. I think that is important. We don't want any duplication of effort which might result in a lot of waste and misunderstanding.

"Mr. POAGE. Let's get this clear. I think you intended to make it clear, but I think you confused, at least you did me when I asked you if you wouldn't go ahead if you had this authority and buy this equipment and turn it over to the Red Cross for distribution rather than distribute it yourself.

"If I understood you correctly, you said that you might not turn it over to the Red Cross, but you might turn it over to the local Red Cross. That is, of course, what I meant.

"I did not mean that you would necessarily run it through the American Red Cross, but you would turn it over to the relief agency to make the distribution, and you wouldn't set up a relief agency to go out and distribute it.

"Mr. FITZGERALD. You are absolutely right. If I left any thought in the minds of the committee that we would establish a relief agency to make the distribution, I apologize. We would turn it over to the appropriate authority and we would reach agreement with the American Red Cross to do so.

"Mr. HOEVEN. And whatever you would do would be at the request of and in cooperation with the local Red Cross?

"Mr. FITZGERALD. At the request of the agency of that government.

"Mr. POAGE. It might be the Red Crescent in Turkey.

"Mr. FITZGERALD. That is correct.

"Mr. HOEVEN. Well, whatever agency it is."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Is the situation now that the balance of the amendment,

starting on line 17, page 2, through line 6, on page 4, is the pending business?

The PRESIDING OFFICER. The question now is on agreeing to the other parts of the amendment offered by the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, unless there is opposition, I would suggest that the Senate vote.

Mr. ELLENDER. Mr. President, earlier this morning the distinguished Senator from Minnesota and I conferred for quite some time with respect to his pending amendments. One of the aims sought by these amendments is to provide that the Appropriations Committee must approve the spending of any Public Law 480 funds before they can actually be expended for the various uses outlined in other amendments. In effect, only one new use would be added to the Public Law 480 program under the Senator's amendments. I refer to the one listed in paragraph (r) on page 3 of the printed committee amendments. It would establish a limitation of $5 million on the use of foreign currencies to finance the preparation, distribution, and exhibiting of audiovisual informational and educational materials.

Under the law as it now stands, dollars could be used for that purpose. This amendment includes a provision to make it possible to use a maximum of $5 million in these Public Law 480 funds for that purpose.

There remains a slight disagreement between the distinguished Senator from Minnesota and myself with regard to certain uses to which these funds can be put, and as to what the law now provides. I suggested to the Senator from Minnesota that, as chairman of the Committee on Agriculture and Forestry, I was willing to accept these amendments on the condition that, in the meantime, we look into the legality of some of the provisions, to be certain that there is no duplication. Then if we discover that there is any illegality, we can make any necessary corrections in conference.

Mr. HUMPHREY. That was the understanding.

Mr. ELLENDER. With that understanding, I have no objection to the proposals included in the amendment.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. One further understanding is that these items should clear through the Appropriations Committee from year to year.

Mr. ELLENDER. Yes. I so stated.

Mr. HUMPHREY. That was the purpose of the amendment.

Mr. ELLENDER. There is the further understanding that the amendment to title IV will not be agreed to.

Mr. HUMPHREY. The Senator is correct.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, lines 9 to 13, of the printed committee amendments.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an explanation of each of the separate titles now under discussion.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SCIENTIFIC, CULTURAL, EDUCATION, AND HEALTH PROGRAMS

Page 2, lines 17 through 22, of committee amendments (par. (10) of S. 1711):

This provision authorizes the use of title I foreign currencies to promote and support programs of medical and scientific research, cultural and educational development, health, nutrition, and sanitation. The committee report indicates that this authority already exists and that this provision is intended to emphasize those uses. The language is very broad and will most likely be construed to grant some new authority, as it purports to do. At least one witness appearing before the Foreign Relations Committee cited it as an example of the manner in which S. 1711 would have broadened the atuhorized uses of local currencies (page 124 of hearings). The Department of Agriculture in its letter of August 28, reporting on the amendments to S. 1748, reported by the Committee on Agriculture and Forestry, also indicates that it considers this provision to represent an "expansion of the section 104(k) currency use." It therefore appears clear that this language, which the report of the Committee on Foreign Relations described as emphasis rather than expansion, is likely to be construed to mean something different than the Committee on Foreign Relations intended.

WORKSHOPS IN AMERICAN STUDIES

Page 2, line 23 through page 3, line 8 (pars. (11) and (12) of S. 1711):

This provision strikes a currently authorized use out of section 104(o) and reenacts it as section 104(p). As S. 1711 was introduced, this provision would have removed this use from the necessity of appropriation act authorization. This is not the case as this provision was contained in the Committee amendments on S. 1711 as that bill was reported. The provision now serves no apparent purpose.

AUDIOVISUAL MATERIALS

Page 3, lines 14 through 19 of committee amendments (par. (12) "(t)" of S. 1711):

This provision provides for the use of title I foreign currencies for financing the preparation, distribution, and exhibiting of audio-visual informational and educational materials, including Government materials, abroad: *Provided*, That not more than a total amount equivalent to $5 million may be made available for this purpose during any fiscal year. The Department opposed this use in its letter of August 28, reporting on the committee amendments to S. 1748.

Present legislation now authorizes the use of Public Law 480 local currency sales proceeds to promote economic development. Funds may be made available on a loan basis under section (g) or, if the applicability of section 1415 is waived, on a grant basis under section 104(e). In addition, section 104(d) authorizes the use of local currency sales proceeds to finance the purchase of goods or services for other friendly countries. Here again, if section 1415 is waived, section 104(d) funds may be made available to friendly countries as a grant.

To the extent that the new uses of currency proposed under this provision would permit financing activities which are included in the concept of economic development, the addition of the new sections would not expand the authority already available. For example, in administering either grant or loan funds available under sections 104 (a), (e), or (g), ICA could approve educational projects which involved the use of audio-visual aids, such as films, exhibits and similar teaching materials.

THIRD COUNTRY TECHNICIANS

Page 3, lines 20 through 23 of committee amendments (par. (12) "(u)" of S. 1711):

This provision provides for the use of title I foreign currencies for financing the services of technicians, advisers, and administrators who are nationals of any friendly country, which may be needed to further economic and social development programs in other friendly countries. It is opposed by the Department of Agriculture in its letter of August 28, reporting on the committee amendments to S. 1748.

APPROPRIATION ACT REQUIREMENT

Page 3, line 24 through page 4, line 6 of committee amendments (par. (13) of S. 1711):

This provision limits the use of foreign currencies for the subsections specified by it to amounts specified in appropriation acts. The use specified in subsection (p) is not a new use and is already subject to such a limitation.

Mr. HUMPHREY. Mr. President, the distinguished Senator from Arkansas [Mr. FULBRIGHT] desires to address the Senate today. He could obtain time in his own right by offering an amendment to the committee amendments. However, I wonder if it would not be possible to vote upon the remaining committee amendments, as agreed to between the distinguished chairman, the senior Senator from Minnesota, and other Senators. Then, instead of yielding 10 minutes to the Senator from Arkansas, I would ask unanimous consent that he be granted 10 minutes following the vote. Otherwise I could yield him 10 minutes at this time, under the time limitation provided in the unanimous-consent agreement.

Mr. MORSE. Mr. President, I should like to hear the distinguished Senator from Arkansas, and I am glad to join in the request of the Senator from Minnesota.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the remaining committee amendments, beginning on page 2, line 17, and extending through line 8 on page 4.

The amendments were agreed to.

Mr. HUMPHREY. Mr. President, as I understand, the agreement is that the Senator from Arkansas may have whatever time is available to the Senator from Minnesota.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Does that mean that when the Senator from Arkansas has concluded, the Senate will resume consideration of the pending bill under the time limitation contained in the unanimous-consent agreement?

Mr. HUMPHREY. Yes.

The PRESIDING OFFICER. The Senator is correct.

"THE UGLY AMERICAN"

Mr. FULBRIGHT. Mr. President, as everyone knows, a book may sometimes create a pattern of thinking or a viewpoint among a people. It may be a good book or an inferior one, true or false, veracious or venal. It may be helpful to the Nation or harmful to it.

Chief among recent books to affect the point of view of many Americans concerning our conduct of foreign relations and the men who conduct them in the field is "The Ugly American," by William J. Lederer and Eugene Burdick.

Messrs. Lederer and Burdick have directed a stream of oversimplified and sensational criticism at the directors of our program of foreign aid in southeast Asia. This does a number of harmful things simultaneously. It heartens those Americans who detest foreign aid and who use these criticisms as an argument for the abandonment of such aid to Asian countries. It coarsely brushes aside the extraordinary, delicate, and novel complexities of the immense problem of Asian foreign aid. And it hinders a serious, unemotional examination of the manner in which aid should be handled.

"The Ugly American" is fiction.

This book was written as fiction—

The authors say. Then they add:

But it is based on fact

This, I take it, means that a fictional book ought not be regarded as fiction, but as fact. And the authors, anxious to parade fiction as fact, conclude their book with a 15-page "factual" epilog. Here they outline what they consider to be the "facts" about our foreign-aid activities in southeast Asia and the men who carry on the work there. But in this so-called factual epilog the authors of a book about the concrete subject of foreign aid nowhere make it clear that they are substituting fiction for fact.

According to the authors of "The Ugly American" if only our officers in the field took their advice, they would become personally popular and their country would wield great political power. That is, if our foreign-aid officials should become backslappers, baby kissers, and all around good fellows, the influence of the United States would increase over the vast reaches of the Pacific. More than that, our omniscient authors who are apparently willing to tackle everything but truth, lay down specific instructions how our foreign-aid officials can greatly help the United States in Asia. Here are a few items from the recipe for success according to Lederer and Burdick:

First. Our diplomats ought to be better trained.

Second. They ought to be able to speak Laotian, Cambodian, Vietnamese, and other extraordinarily difficult languages of southern Asia. It does not matter to our all-knowing authors that these languages, while difficult to acquire, are spoken by relatively small numbers of people and are of no value elsewhere in Asia or in the world to the men who might have acquired them only through years of work. Neither does it matter that Congress persistently refuses to give the State Department enough money to provide adequate language training.

Third. Our diplomats would also do better, say our authors, if they stopped getting drunk. This reckless charge is not documented presumably because our authors are intent upon showing that theirs is indeed a work of fiction.

Fourth. If our diplomats left the cities for the villages, they would do better, we are told, although how and why they would do better is not convincingly stated. Neither is it stated how a diplomat can carry on business with a government—which is his job—if he is in a village and the government is in the capital city. It would make as much sense to say that an ambassador to the United States ought to forsake Washington for Pocatello, Idaho.

Fifth. It would also be helpful to the general cause, one learns, if our foreign representatives were all missionaries and technicians instead of what our authors scornfully call bureaucrats.

Sixth. Much improvement to Asia and the United States would ensue if our representatives devoted themselves to breeding better chickens instead of constructing roads, dams, and irrigation works.

Seventh. But the greatest good would flow from one thing—if only our technicians in the fields would remove themselves to the villages, renounce personal sanitation, and live in disease-infected areas under disease conducive conditions so that they would become weakened by dysentery, their wives riddled by fever, and their children doomed to a sickly childhood or death.

Eighth. While living in the villages, during bouts of fever, the technicians, say our authors, could do a number of useful things that would enable them partially to earn their keep. They could describe to the local people the evils of communism and the beauties of democracy, read the books our enemies have written telling us in plain Russian or plain Chinese just how they intend to destroy us, and all the while conduct a 24-hour alert against spies.

This is the recommended recipe for winning southeast Asia to our side. It is, one must say, up to the authors' general standard of knowledge, wisdom, and mastery of international politics.

Sterile, devoid of insight, reckless and irresponsible, "The Ugly American" does nothing to help Americans overcome their perplexities with regard to the great and difficult questions of foreign aid. On the contrary, it merely contributes its own confusions to an already confused area of activity. Nor is this all.

Perniciously and dangerously, the book suggests that since we are engaged in a political struggle for which we have neither talent nor the will to win and indeed find it impossible to excel and distasteful to endure, only one course is open to us. That is to abandon the whole thing. Hence "The Ugly American" is actually a panic-stricken American in hysterical retreat from a job that he finds too tough to handle.

If this is a false and shameful conclusion to a false and in many ways shameful book, it is an inevitable conclusion because of the basic contradiction of the whole book; namely, that while written as fiction but presumably based upon fact, it does not state the facts and fails to be fiction.

Nowhere in the so-called factual epilog do the authors give us the source of their so-called facts. Nowhere do they prove, or undertake to prove, the numerous charges they make against our aid program in southeast Asia. Their sole stated sources are two. One is a quotation from the New York Times. One is an excerpt from a speech by the late Secretary of States Dulles.

In only one place do the authors attempt to explain the fictional conditions under which one of their own heroes moves. This man is named Tom Knox. He is a fictional chicken expert in Indochina and our authors apparently seem to believe that the road to American success in southeast Asia is paved with chickens. Chickens seem, indeed, to obsess them. In any event, the chicken expert Tom Knox, for reasons never stated, is a man of such consequence to us that the French go to great pains to corrupt him.

The Tom Knox story is accompanied by a curiously arrogant statement on the part of the authors.

We tried to point out—

They say—

the fact that we spend billions on the wrong aid projects while overlooking the almost costless and far more helpful ones. Most American technicians are involved in the planning and execution of projects: dams, highways, irrigation systems.

Who said the projects are wrong? Why none others than Lederer and Burdick. This is their opinion and they are certainly entitled to express it; but if they are serious about it, they ought also to try to document it instead of letting it stand as nothing but a dogmatic and arbitrary assertion. But Lederer and Burdick do not name any project. They do not name any country. They do not cite one figure.

They do—glibly—tell us why a project is good only if it is small. They list projects they regard as good and allude to native economists who allegedly supplied them information on the subject. But they name no economist, just as television hucksters say "890 doctors use it" without citing the name and credentials of a single doctor. From what country do these so-called native economists come? What are their credentials by way of scholarship and achievement? Again we are left in the dark; the dark that seems so congenial to our authors.

Although the native economists remain anonymous, they do give us some invaluable information through the instrumentality of Lederer and Burdick. Communism, they say, can be made to lose its appeal to Asians. How? The answer is so simple that if we Americans had had a grain of sense we would have ascertained the method for ourselves without waiting for the authors of "The Ugly American" to discover it and toss

it off just like that. How, then, may communism be made to lose its appeal?

By improving chicken and pig breeding, extending men's knowledge of commercial fishing and food canning, developing better seeds, building small paper making plants, encouraging the growth of small, light industries. Such projects we are told by our self-appointed experts "would not only make friends, while costing little, but are also prerequisites to industrialization and economic independence for Asia."

"The Ugly American" shies from hard fact and hard thinking. What is meant by "village-size papermaking plants"? Does the creation of small industries come within the category of "almost costless" aid projects?

We are told that we do not have small projects in southeast Asia. Such a conclusion could have been arrived at only by men who have confused fact and fiction and who are so reckless, so intellectually lazy, that they have not taken the pains to ascertain what we are actually doing in southeast Asia.

For the fact is this: Most of our projects in southeast Asia are small projects. The more one ponders the contents of "The Ugly American" the more one realizes that it is the authors of this book—not the American people—who need enlightenment.

They could have learned a great deal about American aid programs in southeast Asia without ever leaving Honolulu. They had only to read the "Report of Overseas Operations of the U.S. Government," submitted to the Senate by our distinguished colleague from Louisiana [Mr. ELLENDER] in 1957 and printed as Senate Document No. 31 of the 85th Congress. This report reveals how we have been spending foreign aid funds. It also reveals, by indirection, the abysmal ignorance of Lederer and Burdick.

Consider, for example, Thailand. The Ellender report lists 99 projects, of which 91 involved dollar expenditures and 8 local currency—baht—expenditures, in this country of 20 million people in a period of 6 years. Certainly a project in a country of this size upon which there is expended $1 million in 6 years could hardly be called big. Of the 91 projects in Thailand, involving dollar expenditures, 68 are in this group.

Of the 68, 28 cost less than $100,000, 15 cost less than $50,000, 5 cost less than $10,000.

What do these projects comprise? They comprise precisely those items which Lederer and Burdick say we ignore. By way of aiding Thailand's fishing industry, we built 4,000 small, private fish ponds and an adequate number of fish hatcheries. We improved the country's fish marketing facilities and raised the quality of its dried, smoked, and salted fish. Thus at small expense, American aid has brought Thailand an immense source of low-cost, high-protein food for domestic use and export.

Thailand is one of Asia's great rice producers. Here we have grown more than 5,000 varieties of Thai and foreign rice for observation and yield tests to ascertain those best suited for various areas of the country. We have supplied the Thai people with better breeds of poultry, hogs, and cattle, raised their soil fertility, and restored fallow land. Also, we have taught them to make better use of available fertilizers, fight animal and plant diseases, obtain sanitary water and protect their forests. Day after day our technicians employ dozens of small projects in agricultural and community development as pilot plants for instructing the Thai people in the use of methods that will enable them fully to exploit the natural resources of their country.

So much for the small projects in Thailand. What of the big projects? One of them—irrigation and land reclamation—costs as much as $3 million over a 6-year period. The most costly—highway development—required a total contribution by us of less than $17 million by the end of 1956.

"The Ugly American" is silent about South Vietnam. Perhaps the reason is that none of its generalizations apply in this country where there is no rising tide of antagonism. The Communists still control North Vietnam. But they have not taken South Vietnam, although only 5 years ago nearly everyone conceded it to them. Far from taking that country, Communists suffered a disastrous defeat there in the period 1954 to 1956. This is of great significance. For it was the first defeat inflicted on communism in Asia with entirely political weapons.

Long before "The Ugly American" was concocted, our aid administrators and technicians had done a superb job in South Vietnam. But it is characteristic of the spirit of the authors of this book that although they consistently deride the works of our foreign aid administrators in southeast Asia they do not acknowledge the fine work done by these men in South Vietnam.

There, our program is similar to that which we have been pursuing in Thailand, with this exception: Considerable sums were necessarily spent to repair the country's war-damaged transportation system and for refugee resettlement occasioned by the Indochina war. This reduced the money available for small projects. Yet when we turn to the Ellender report, we find that of 63 projects described by it, at least 50 are small by any standard—that is, less than $300,000 over the 3-year period, 1954 to 1956.

Here the effort has been to recultivate abandoned land, repair small canals and irrigation works, build roads between villages and towns, and improve crops and livestock through inexpensive technical assistance. What is the result of all this?

There has been a steady increase in the production of rice, vegetables, fruits, coffee, tea. For the first time in 200 years this area will be self-supporting in rice. And the cost of many of these efforts is largely borne by the Vietnamese themselves, even down to the village level.

In the villages one will find an ample supply of small pumps. Perhaps the authors of "The Ugly American" would be surprised by this. For, according to them, their man Homer Atkins had to invent pumps for Sarkhan when he worked in that mythical country doing foreign aid.

Lederer and Burdick assure us that the almost costless projects are the ones for us to pursue in southeast Asia. Well, if this is the criterion, the Communists would have little chance in the southeast Asia that we have honeycombed with small projects.

Let me repeat that Lederer and Burdick disdain fact. Thus they say:

> We do not need the horde of 1,500,000 Americans, mostly amateurs, who are now working for the United States overseas.

This is an exaggeration of the fact by about 40 times. There are about 40,000 American civilians working for the United States overseas. More than half of them—some 21,000—are employed by the Department of Defense.

About 1,200 American civilians are employed in the entire Far East by the International Cooperation Administration—the agency that administers foreign aid. About 1,200 more work under various ICA contracts—mostly with universities—and another 1,200 for the Department of State. In addition, 330 persons are employed by the Overseas Information Service—USIA.

Hence, there are less than 4,000 Americans working for our Government in the Far East, other than employees of the Defense Department, and a little more than half of them are stationed in southeast Asia.

These 2,000 officials and technicians—a number somewhat less than the so-called horde of 1,500,000 Americans whom Lederer and Burdick say work for us abroad—are nonetheless held responsible for our allegedly poor aid operations, and are prejudged as culprits in the event of future Communist success in southeast Asia.

Let us now turn to some of the remarkable so-called true stories that occur in "The Ugly American"; stories as preposterous as the fiction of the book.

Here it is said that a conference was held in Hong Kong at which U.S. representatives tried to persuade neutralist Asian countries to stockpile thermonuclear weapons.

What American agency convened this conference? What Americans represented us there? Who asked Laos, Cambodia, and Thailand to stockpile thermonuclear weapons? We are not told. Yet this is a sensational charge against all members of the Government, including the President and the Congress, who conduct our foreign relations.

What authority is there for the statement that a tough and confident Jewish union negotiator headed an American diplomatic delegation at an international meeting devoted to military affairs? Who was the union negotiator? How did he come to head an American diplomatic delegation? Where was the international meeting held? The authors do not tell us.

What authority is there for the statement that India is neutral because one of our diplomats accredited to an Asian country had no idea of what he was doing? The authors do not say. It obviously did not occur to them—or did

it—that India is neutral because the Indians want it that way.

We have noted the insistence of Lederer and Burdick that the salvation for American foreign aid in Asia lies in operating small projects. If this is true, how do our cocksure authors reconcile this with the fact that India, the greatest of the uncommitted countries, needs big projects. They do not attempt to reconcile the irreconcilable. When the facts cannot be stretched to suit their feverish fiction, they simply avoid the subject.

But it is clear that Indian economic improvement awaits the construction of large industries, great dams, highways, and small and large irrigation systems. This is not lost upon the Russians, even if it is ignored by "The Ugly American." In 1959, for example, a Russian-built steel mill with a capacity of 1 million tons a year and costing $275 million was officially opened in India.

It is in keeping with the general bias of this book that it does not mention the many Americans who have worked many years in the Indian countryside and in Indian villages on small projects.

Burma is one of the few nonfictional countries mentioned in "The Ugly American." In Burma there was at least one American, according to our authors, who was trying to save the country from communism. Naturally this man is not a U.S. Government official. He is Father Finian, a Catholic priest who, we are told, has taken on the huge task of defeating communism even if he had to do it alone.

He ignores the fact that in this struggle he is a Johnny-come-lately, since the Burmese had been fighting bloodily against communism ever since 1948 when the Communists tried to capture Burma at gunpoint. He does not seem to know they had fought successfully against great odds. Nor does he know they had already defeated the Communists when Finian, out to save them, "crystallized his plan of attack."

Here again "The Ugly American" distorts history and misrepresents the brave, successful struggle of an Asian people recently emerged from a desperate war against the Japanese and only newly come into independent sovereignty to save their hard-won freedom by victory against their would-be Communist destroyers.

Nowhere do Lederer and Burdick mention Burma's political parties, her Government, her officials, her army, her gallant efforts to build a society based upon democracy. They do recommend that Americans study communism's evils by studying Karl Marx. But they fail to say that Burma's leaders became acquainted with these evils the hard way; when Communist activities threatened their lives, their political aspirations, the new-found freedom of their country.

What does "The Ugly American" tell us about the war in Indochina? The authors say they "could find no American—or French—military or civilian official who had read the overall Communist operation plan contained in "The Selected Works of Mao-tse Tung." Our military missions, they say, "advised, and the French went down into defeat without having studied Mao's writings."

Lederer and Burdick have the cockiness of their ignorance. Thus, in a dispatch to the New York Times of November 15, 1958, which details French Army opposition to de Gaulle, the newspaper's chief foreign correspondent, C. L. Sulzberger, says:

> The army's professional cadres are dominated by men who fought through the unsuccessful Indochina campaign and, in the process, studied the tactics of Mao-tse Tung and his Vietminh friends. Without accepting Mao's ideology, they are deeply impressed by his methods of infiltrating civilian populations.

In the world of Lederer and Burdick almost everything is reduced to idiot simplicity. The truth, however, is more complex. No matter how many books the French might have read, victory would elude them so long as they lacked the one element indispensable to winning: namely, sufficient support from the local people of the area. Nonetheless, the Indochinese war affords Lederer and Burdick another opportunity to advance their warped thesis for American success in foreign policy; that it will flow from the use of tricks and wiles and learning our enemies' secrets.

"The Ugly American" owes much of its box office success to the use of tricks and wiles by its authors, but this is small recommendation for the employment of such a method in conducting the foreign affairs of the United States.

I now turn with relief from this murky book to a recent report published in Newsweek for August 31, 1959, and written by its distinguished correspondent, Ernest K. Lindley. Noting the favorable tide he had found on his survey of 17 Asian countries, he says:

> My concern is about current and possible future mistakes that might reverse this tide.
>
> The worst general mistake is to pay attention to such a preposterous book as "The Ugly American," grotesque cartoon of a few misfits and errors of the past. Some of its suggestions for improving American operations in Asia are out of date—already having been put into effect. Some are ridiculous. At the same time, it ignores some of the things Asians most need from us. As a result, anyone who takes this book seriously is misinformed about the present situation and badly advised as to the future.

"The Ugly American" has been a best-seller among us. For some strange reason many Americans revel in American-made slanders of our own public servants. But how do Asians regard this book? This is Mr. Lindley's answer to the question:

> Few free Asians I saw on this trip had read this book. They were too intelligent to take it seriously, although some remarked that it furnished propaganda for our common enemies, and one noted that it was insulting to Asians. The distinguished Thai editor, Kukrit Pramoj, has written an urbane reply. He calls it "The Loud and Beautiful American." Due to appear in the September number of Pacifica, it deserves an audience throughout America.

Then Mr. Lindley says:

> It is the effect of "The Ugly American" on Americans, including some members of Congress and certain sections of the press, which disturbs a U.S. observer just returned from Asia.

It was inevitable perhaps that this book of grotesque slander should seem to offer moneymaking opportunities to some of the scavengers of Hollywood. The prospect alarms Mr. Lindley and he writes:

> One shudders to think how many more people, here and throughout the world, may be misled by the movie version.

"The Ugly American" is a coarse cartoon of our foreign aid activities and the men who conduct them in southeast Asia. It follows that the movie version of the book will, in all probability, be even coarser. Hence I share Mr. Lindley's fears that the movie will be harmful to us everywhere, and my apprehensions are the greater by virtue of the script of the forthcoming movie.

I have been told upon excellent authority that one of the producers of the movie said:

> This is our story line. Here is this lush shacked up with a Eurasian dame to whom he spills American secrets.

Translating this from Hollywood language, this means that the U.S. Ambassador to a southeast Asian country is a drunkard who has a Eurasian mistress to whom he betrays secrets of our foreign policy. Thus our Ambassador is pictured as a drunkard, a lecher, and a traitor. I do not see how anyone could more effectively discredit this country—especially in the eyes of Asians—than through the production of such a film. But it is apparently enough for the producers that they can make money out of it even at the cost of their country for, as the phrase is, it will have everything: (a) An exotic tropical background, (b) a high-placed American rotting in the Tropics, (c) an attractive Asian—or Hollywood actress portraying an Asian—actress for purposes of playing up the box office attractions of sex in the Tropics.

Nor is this all. The producers of the movie are not merely content to make a movie which will traduce the United States through the medium of a book that traduces it. They also have the arrogance to insist that the Department of State cooperate with them on location so that they may produce their wretched film with the greatest speed, economy, and authenticity of diplomatic usage if nothing else.

I hope that the Department of State will deny its cooperation to men who deserve well neither of it nor of the United States

Let me turn again to Mr. Ernest K. Lindley and his reports to Newsweek about conditions in free Asia as he had found them a few weeks ago. He makes these points.

First:

> Our policy of extending economic and technical aid, with no political strings attached, to the neutralist countries has improved their attitude toward us:

Second:

> With the completion of some projects which took several years, the results of our economic-aid program are more visible and more widely appreciated. We have made

mistakes * * * but our overall aid program is a successs.

Third:

Gradually we have built up a corps of people who understand the various Asian peoples and we have won their confidence. Officially we are well represented. * * * We have a competent lot of Ambassadors in Asia, and some are very, very good. USIS has many very capable and experienced man, and I was favorably impressed with scores of other official Americans I met.

Mr. Lindley concludes his observations with a statement that gives the lie both to "The Ugly American" and the projected movie that will mirror it. He says:

It is time to discard the ugly fiction that we have bungled in Asia. We have made our mistakes but, on the whole, our policies are sound, reasonably well executed, and productive of heartening results.

At this point, Mr. President, I wish to say how much I am indebted to Mr. Joseph Buttinger for his analysis of "The Ugly American" from which I have liberally borrowed. The author of a study of Indochinese history entitled "The Smaller Dragon," he is an active figure in the International Rescue Committee, and has worked hard to help political refugees in Asia and Europe. He is also chairman of the Executive Committee of the American Friends of Vietnam, and was conference chairman of a meeting held in Washington in April 1959, to consider the theme of "Aid to Vietnam: An American Success Story." Mr. Buttinger's devasating analysis of "The Ugly American" appeared in the summer, 1959, issue of Dissent.

The mischief of "The Ugly American" is that it caters to the parochialism, and the frustration of the American people. A perfectly natural reaction to reading the book—a reaction which is greatly encouraged by such things as the President's veto of the public works bill—is to ask why we must build dams abroad, when we cannot build them at home. There are two things wrong with this question. In the first place, it is based on the fallacious assumption that we have to choose between dams abroad and dams at home. We are rich enough to have both if we really want them. In the second place, the question ignores the fact that if our foreign policy fails, we certainly cannot build dams at home—or very much else, except missile-launching sites. The question overlooks all the domestic public works projects which had to be postponed during World War II and the Korean war. The real answer to the question is that the best way to be sure we can develop this country as we see fit is to be sure, first, that we are living in a free and secure world.

The task of building a free and secure world is enormously subtle, complicated, and expensive. It is no wonder that for more than a decade the American people have been suffering from a kind of mass frustration which is never very far below the surface. We are an impatient people, given to seeing things in black and white, anxious to get on with whatever job needs doing. When the job does not go so well as we think it should—or when it takes longer than we like—it is easy to get the feeling that there must be some reason why we are not making more headway. A few years ago, the phony and demagogic explanation was that the State Department was full of Communists. Now it is that ICA is full of incompetents. I suppose this is progress, of sorts. At least, we have advanced from questioning the patriotism, to simply questioning the intelligence, of our public servants.

Mr. President, there are reasons why we are not making more headway in our foreign policy. One is the magnitude and complexity of the problems we face. Another is that we, as a people, are poorly prepared to deal with problems of this character. A third is that our attention is constantly being diverted from the real reasons for our difficulties by loud public outcries over irrelevant or even nonexistent shortcomings.

It is the duty of responsible publicists to highlight, illuminate, and explain the real reasons for our lack of progress and our frustration. It is a grave and harmful disservice when those who command a national audience merely exploit the phony reasons.

Mr. LAUSCHE. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. LAUSCHE. I desire to express my commendation of the Senator from Arkansas for his fine presentation of a problem about which each of us should be thinking. I commend him for his courage in dealing so bluntly with it. Frequently, I think how important it is for those of us who have been gifted with the right of free speech and a free press to impose voluntary restrictions upon what we say. Everyone in this country is permitted—subject to the action of libel or the action of slander—to write and to speak his thoughts; but that extraordinary liberty imposes upon the will of the individual extraordinary restrictions.

If the book referred to does not tell the truth, although impliedly it may be a libel on some persons, the truth is that it is a libel on the people of the United States and the Government of the United States. An individual who is libeled can sue. But what can the Government do about that? It can do nothing; we have to bear it.

The impression sought to be established by the Communists is that the people of the United States are a debauched, drunken, licentious, irresponsible people; that is the technique of the Marxists, and they have succeeded in a substantial degree in spreading throughout the world their lies about what they allege to be the "irresponsibility of the Americans." I am unwilling to concede any of that.

Mr. FULBRIGHT. The sad fact is that the United States itself, by means of the motion picture, is going to spread that feeling abroad. Can the Senator from Ohio think of anything that the Russians could do that would be more damaging to the prestige of the United States?

The PRESIDING OFFICER. The time available to the Senator from Arkansas has expired.

Mr. MORSE. Mr. President, I ask unanimous consent that the Senator from Arkansas may proceed for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. KUCHEL. Mr. President, reserving the right to object—although I shall not object—this should be an opportunity for us to get along with a whole fistful of amendments to a very important piece of proposed legislation.

Mr. HUMPHREY. Mr. President, I believe that I will object; and I do.

The PRESIDING OFFICER. Objection is heard.

Mr. ELLENDER obtained the floor.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield to me 3 minutes on the bill, in order that I may refer to the matter which recently has been under discussion?

Mr. ELLENDER. I yield.

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes on the pending bill.

Mr. HOLLAND. Mr. President, I wish to congratulate the Senator from Arkansas, who, in his responsibility as chairman of the Senate Committee on Foreign Relations, has come to grips with a matter which I believe has been disturbing to every Member of the Senate, every Member of the House of Representatives, and, doubtless, thousands of other patriotic Americans.

I think his use of the words "false and shameful," as applicable to the book entitled "The Ugly American," which he has mentioned, is a restraint in the use of terms which long since should have been publicly used, because in my opinion that book verges on the treasonable and the traitorous, and seeks to discredit some of the finest people we have, and seeks to discredit this great Nation, which wants nothing but peace, and seeks to discredit its generosity.

Mr. FULBRIGHT. Furthermore, just think of the effect such a motion picture could have.

Mr. HOLLAND. I thoroughly agree with the Senator from Arkansas that such a motion picture issued as a production of the United States of America would be even more harmful, because although the book probably would not be translated into hundreds of languages, so that it might be read all over the world, the motion picture might easily be shown on screens all over the world, and be interpreted as a faithful reproduction, by American mechanical genius, of the thinking of our people.

I certainly think the Senator from Arkansas has done a fine thing in making this presentation.

Let me say, also, that I think Mr. Ernest Lindley has rendered a splendid service by making a careful survey, on the spot, of the scene supposedly covered by the book "The Ugly American," and then in writing the various fine articles which he has written, so as to make it perfectly clear that, as a seasoned observer, he regards the book as a diatribe and a libel upon both the objectives and the performance of this generous Nation.

Mr. MORSE. Mr. President, will the Senator from Florida yield to me for 30 seconds?

Mr. HOLLAND. I yield.

Mr. MORSE. I wish to associate myself with the remarks of the Senator from Florida.

I believe the American people should keep two things in mind, in regard to the ICA: In the first place, ICA law is so drafted as to make it very difficult for the ICA employees to have tenure for any length of time—which makes extremely difficult the selection of the personnel, in the first place.

In the second place, I think a remarkably fine job has been done in selecting the personnel of the ICA. Let us not forget that the ICA personnel who, in various parts of the world, are trying to carry out that program, day in and day out, 24 hours every day, are constantly risking their own health. I think that often we do not sufficiently appreciate the great risks the ICA personnel run; and I believe it is time that a word be spoken here on the floor of the Senate in their defense.

I am glad the Senator from Arkansas has done so today; and I wish to associate myself, as a member of the Foreign Relations Committee, with his remarks.

The PRESIDING OFFICER. The additional time yielded has expired.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment submitted by the Senator from Minnesota [Mr. HUMPHREY], on page 5, being title IV.

Mr. HUMPHREY. Mr. President, I wish to say just a brief word in regard to this amendment: In light of some of the action previously taken by the Senate, particularly as relates to the title of the bill, I believe this amendment is not needed.

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ELLENDER. I had understood the Senate had adopted those amendments a while ago.

The PRESIDING OFFICER. All amendments except the one to title 4 have been agreed to. The question now is on agreeing to the amendment relating to title 4.

Does the Senator yield back his time?

Mr. ELLENDER. Has the Senator offered his amendment to title 4?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota.

Mr. ELLENDER. Is that the pending question?

The PRESIDING OFFICER. That is the pending question.

Mr. ELLENDER. I yield myself 2 minutes.

This provision authorizes the President to carry out Public Law 480 and section 402 of the Mutual Security Act of 1954 either directly or through an administrator designated by him. The administrator would perform his functions under the general supervision and direction of the Secretary of Agriculture.

Public Law 480 programs have a wide impact on many U.S. Government programs. Under the present administrative organization, the interests of these programs are taken into account through two interagency committees: First, the Francis Committee, which deals with policy considerations, and second, the Interagency Staff Committee led by the Department of Agriculture, which develops and coordinates individual programs and conducts the day-to-day operations. This has been an effective means of developing programs which emphasize full utilization of surpluses and the attainment of broad U.S. objectives. The proposed provision, if it does anything, and I am not sure that it does, would complicate rather than facilitate these activities.

As I stated a moment ago in agreeing to the amendments offered, beginning on line 17 on page 2 down to line 6 on page 4, it was my understanding that title 4 would be eliminated from the amendments.

I therefore ask that the Senate vote down title 4, which is now before the Senate.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. Yes.

Mr. LAUSCHE. I listened to what the Senator from Louisiana earlier said when we agreed to an amendment offered by the Senator from Minnesota. He specifically stated that there was an agreement made that the title would not be amended.

Mr. ELLENDER. That title IV would be eliminated.

Mr. LAUSCHE. If there was such an agreement made, how does the amendment now come before the Senate?

Mr. ELLENDER. From a parliamentary standpoint, it has to be done in that way.

Mr. HUMPHREY. Mr. President, I assure the Senator from Ohio we agreed to forego it. It was necessary to offer it under the parliamentary situation. Title IV is nothing but permissive authority which, under the Reorganization Act, the President already has.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. AIKEN. Mr. President, I call up my amendment identified as "9–3–59—A," and ask to have it read as modified. It was intended to be three different amendments, and was inadvertently printed as one. I ask that it be stated as modified.

The PRESIDING OFFICER. The amendment offered by the Senator from Vermont will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 2, to strike out lines 1 through 3 and insert the following:

(3) Section 203 of such Act is amended, effective January 1, 1960, by striking out the first sentence and inserting in lieu thereof:

"Not more than $300,000,000 (including the Corporation's investment in such commodities) plus any amount by which transfers made in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than could have been expended during such preceding year under this title as in effect during such preceding year shall be expended in any calendar year during the period January 1, 1960, and ending December 31, 1962, for all such transfers and for other costs authorized by this title."

Mr. AIKEN. Mr. President, this amendment would repair an omission in the committee's amendments to S. 1748, which extend title II for 3 years instead of the 1 year requested by the executive branch, but fail to provide more than the additional $300 million in funds requested by the executive branch as estimated to meet requirements for 1 year.

The wording of the amendment has been gone over with the chairman of the committee, the Senator from Louisiana [Mr. ELLENDER]. It has also been approved by representatives of the administration. It is purely corrective.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ELLENDER. As I understand the original amendment submitted by the distinguished Senator from Vermont, it incorporated two other provisions amending other sections of the bill. Is that correct?

Mr. AIKEN. That is correct. They were inadvertently printed as one amendment.

Mr. ELLENDER. So that the amendment has been modified by striking out all on page 1 from line 1 to line 8, and on page 2, from line 10 to line 15. Is that correct?

Mr. AIKEN. That is correct.

Mr. ELLENDER. Then the rest of the amendment has been modified so as to conform to what the Senate did Friday in extending the act for 3 years. Is that correct?

Mr. AIKEN. That is correct.

Mr. ELLENDER. With that understanding, I have no objection to the amendment. I yield back my time.

Mr. AIKEN. I yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JOHNSON of South Carolina. Mr. President, I offer an amendment. The committee was unanimously in favor of the particular amendment I am now offering.

The PRESIDING OFFICER. The amendment offered by the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. It is proposed at the end of the bill to add the following new section:

SEC. 101. (a) In order to insure the nutritional value of cornmeal, grits, white rice, and white flour when such foods are made available for distribution under section 416 (3) of the Agricultural Act of 1949 or for distribution to schools under the National School Lunch Act or any other Act, such foods shall be enriched so as to meet the standards for enriched cornmeal, enriched corn grits, enriched rice, or enriched flour, as the case may be, prescribed in regulations promulgated under the Federal Food, Drug, and Cosmetic Act; and in order to protect the nutritional value and sanitary quality of such enriched foods during transportation and storage such foods shall be packaged in sanitary containers. For convenience and ease in handling, the weight of any sanitary container when filled shall not exceed fifty pounds.

(b) The term "sanitary container" means any container of such material and construction as (1) will not permit the infiltration of foreign matter into the contents of such container under ordinary conditions of shipping and handling, and (2) will not, for a period of at least one year, disintegrate so as to contaminate the contents of the container, necessitating the washing of the contents prior to use.

DEFINITIONS

SEC. 201. As used in this title—

(a) The term "food commodity" means any food product raised or produced in the United States on farms, including agricultural, horticultural, and dairy products, livestock, poultry, and honey.

(b) The term "State" includes the District of Columbia, Puerto Rico, and the Virgin Islands.

(c) The term "Secretary" means the Secretary of Agriculture.

(d) The term "food stamp" means a certificate, coupon, or other similar medium of exchange issued to eligible recipients.

DEMONSTRATION PROGRAMS AUTHORIZED

SEC. 202. (a) The Secretary is authorized and directed, as soon as practicable after the date of enactment of this Act, to formulate and administer in geographically dispersed areas of the United States demonstration food stamp allotment programs under which food commodities will be made available to persons with low incomes, unemployed persons, and such other persons as the Secretary determines to be in need of the type of assistance made available under such programs.

(b) Demonstration food stamp allotment programs authorized by subsection (a) shall be administered by the Secretary in not less than three nor more than six different areas of the United States, and shall, to the extent practicable, be administered in areas determined by the Secretary of Labor to be areas of surplus labor. In carrying out the provisions of this section the Secretary shall provide for at least one such program in a rural area of the United States.

TYPES OF DEMONSTRATION PROGRAMS

SEC. 203. (a) The Secretary shall, with respect to the demonstration food stamp allotment program to be administered in any area, determine the type of program it is to be, the requirements of eligibility for participation therein, and the manner in which it is to be administered.

(b) In formulating and administering any demonstration food stamp allotment program pursuant to the provisions of this title the Secretary is authorized to consult and cooperate with appropriate State and local authorities as well as representatives of any private industry concerned with the operation of such program.

(c) The Secretary is authorized and directed in carrying out the provisions of this title to utilize such stocks of the Commodity Credit Corporation (determined by the Secretary to be in surplus supply) as he shall deem fit.

RULES AND REGULATIONS

SEC. 204. The Secretary is authorized to promulgate such rules and regulations as he deems necessary to effectuate the provisions of this title.

TERMINATION OF PROGRAMS—REPORT TO CONGRESS

SEC. 205. (a) The demonstration food stamp allotment programs authorized by this title shall terminate prior to January 1, 1962.

(b) The Secretary shall, as soon as practicable after the termination of such programs, submit to the Congress a final report on the operation of such programs, including such recommendation as he deems appropriate. The Secretary may also from time to time make such earlier reports to the Congress as he deems appropriate.

APPROPRIATIONS

SEC. 206. There is hereby authorized to be appropriated $20,000,000 for carrying out the demonstration food stamp allotment programs.

MAINTENANCE OF OTHER ASSISTANCE

SEC. 207. Receipt by any person of benefits under this title shall not be deemed to be income or resources under the provisions of the Social Security Act or any other Federal legislation pertaining to the security of the aged, blind, disabled, dependent children, unemployed, or other similar groups. Any State or local subdivision thereof which decreases the cash or other assistance extended to any person or group as a consequence of the assistance made available under this title shall be ineligible for further participation under this title.

Mr. JOHNSTON of South Carolina. Mr. President, this amendment would require cornmeal, grits, white rice, and white flour distributed pursuant to section 416 of the Agricultural Act of 1941 or to schools to be enriched so as to meet the standards for enrichment prescribed by the Food and Drug Administration and to be packaged in sanitary containers not exceeding 50 pounds.

The amendment is a somewhat expanded version of S. 651, which I introduced on January 23. Hearings were held on S. 651 and other bills by the Senate Committee on Agriculture and Forestry on April 24.

The 100-pound bags now used for rice donated to schools are too heavy for the women who prepare the school lunches to handle. They tear and admit dirt and moisture, both in transportation and in winter, and they must be dragged along the floor.

In South Carolina and in some other States, State law requires that cereal grain be enriched before the grain is sold. The food that we furnish our schoolchildren should be clean and free from foreign substance and of high nutritional value.

It will be found, according to the report of the Department of Agriculture that this provision will cost between $200,000 and $250,000.

That would mean it would cost about one-fourth of 1 percent of what we are spending at the present time on our school lunch program. It would also provide for the resacking necessary to carry out the program.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator for a question.

Mr. SCHOEPPEL. As I understand, there would be no change, except to make certain additions to the enrichment program, and to provide for more practical packaging, as the Senator pointed out. Is that the case?

Mr. JOHNSTON of South Carolina. That is true. This is not a new program. We already enrich about 80 percent of the foods we furnish under the school lunch program.

If there are no further questions, Mr. President, I am willing to yield back my time.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUMPHREY. First I wish to say to the Senator that as he knows, this matter was considered very seriously in the committee. It was approved twice unanimously in the Committee on Agriculture and Forestry.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. HUMPHREY. Surely this is a well-deserved part of the proposed legislation. It is a part of the general amendment which we considered Friday evening. We divided the amendment, to let the enrichment provision stand on its own, and it certainly ought to be agreed to.

Mr. CARLSON. Mr. President, will the Senator from South Carolina yield to me for a few minutes?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, I do not rise particularly to participate in the debate regarding the amendments, but I should like to make some remarks regarding the extension of Public Law 480.

Mr. President, the American farmer is the world's largest exporter of food and fiber and for that reason plays an important part in our economic program.

I cannot stress too strongly the importance of extending Public Law 480, and I approve the 3-year extension recommended by the Senate Committee on Agriculture and Forestry.

It occurs to me that this must be more than a program on an annual basis, and I can see real advantage in having it on an extended basis. In other words, the disposal of surplus food and fiber is important to agriculture not only now, but also, in my opinion, will be important to agriculture for years to come.

The export of farm commodities means not only dollars for farmers, but it has been and will continue to be an important part of a program of bringing closer relationships with countries that do not have an abundant food supply.

"Food for Peace" must be more than just a slogan, it can and must be a reality. It is for that reason that I supported the proposal of the Senator from Minnesota

[Mr. HUMPHREY] when the bill was before the Senate Foreign Relations Committee.

Last year we exported crops from 50 million acres of cropland. Our Nation must continue to expand its export market of these farm products.

I do not like to delve into statistics, but it is interesting to note that slightly less than 20 percent of the total volume of all farm products similar to those produced in the United States entered into world trade.

We exported about one-half of our cotton produced, two-fifths of our wheat and rice, one-third of our soy beans and tobacco, one-third of the tallow produced in this country, and one-sixth of our lard output.

At the present time we have a number of surplus disposal programs. Under Public Law 480, the Agriculture Trade Development and Assistance Act, we have had programs under which we could sell our surpluses for foreign currency, donate them to foreign countries for emergency relief, distribute them to private agencies, to hungry people at home and abroad and barter them for strategic materials.

Thirty-eight countries have participated in the Public Law 480 programs. Under title I, which allows surplus sales for local currencies, India has received $544 million, Yugoslavia $341 million, Spain $276 million, Pakistan $240 million and Brazil $155 million from U.S. surplus stocks.

Through our mutual security program we are distributing our agricultural commodities at the rate of $175 million per year. This $175 million was continued for another year in the authorization bill which is before Congress.

Many are asking why it has not been possible to make greater use of the ever-increasing surpluses, particularly wheat. I think it should be mentioned that there are three principal reasons.

First. The most important is the problem of competition. This makes a real problem in dealing particularly with our Canadian neighbors to the north who also have great surpluses of wheat.

Recently the Canadian Chamber of Commerce complained that the United States was using subsidized flour as an economic weapon to displace Canada from second place as a supplier to the new West Indies Federation.

Second. Another problem we have in moving this food to foreign countries is the inability of many of the underdeveloped countries to handle incoming shipments.

For instance, we send a shipload of American wheat to India every day, but India's ports are so congested that it is impossible to secure immediate handling of our shipments.

Many suggestions have been made that improved unloading and handling facilities at the docks be arranged, but these suggestions have met opposition from the Indian Government because of the great surplus of labor, and therefore, the unloading is done mostly by hand.

In addition to this problem, we have the problem of inadequate storage and distribution facilities in most of the underdeveloped countries.

Third. Congress must appropriate money to reimburse the Commodity Credit Corporation for stocks that are removed and distributed for food in needy countries.

Many of us on the Senate Foreign Relations Committee had hoped that we might increase substantially the amount of money available for food through the mutual aid progam, but evidence was presented to our committee which indicated that the present authorization of $175 million was about all that could be used, based on the facilities that the underdeveloped countries had for receiving and distributing this food.

From a humanitarian standpoint, I know of nothing we can do as a Nation which will win friends faster and more permanently than getting food and fiber into the hands of the needy.

While it is essential that we maintain programs of military assistance, defense support and economic aid, it is, in my opinion, equally important that we continue to build good will and friendship, based on our Nation's Christian teachings and background that we are "our brother's keeper."

Our military strength, our great national production through the private enterprise system, and the humanitarian aspects of our people, by giving aid to those who are less fortunate, have placed us in an enviable position among the nations.

I thank the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I yield back my time, unless there are further questions concerning the amendment.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

Senators will recall that last Friday the Senate voted down an amendment, which included both the enrichment and food stamp programs.

I have discussed the matter with the distinguished Senator from South Carolina. As the Senator stated, the Agriculture Committee was unanimous in its approval of the enrichment program. As the Senator further stated, 80 percent of the food is already being enriched. This would complete the job.

Although I do not believe such an amendment should be attached to Public Law 480, since we are dealing with surplus agricultural commodities and since the amendment is to attach itself solely to surplus commodities, I have no objection.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator yield back his remaining time?

Mr. ELLENDER. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON].

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new title:

DEMONSTRATION FOOD STAMP ALLOTMENT PROGRAMS

Definitions

SEC. 301. As used in this title—

(a) The term "food commodity" means any food product raised or produced in the United States on farms, including agricultural, horticultural, and dairy products, livestock, poultry, and honey.

(b) The term "State" includes the District of Columbia, Puerto Rico, and the Virgin Islands.

(c) The term "Secretary" means the Secretary of Agriculture.

(d) The term "food stamp" means a certificate, coupon, or other similar medium of exchange issued to eligible recipients.

Demonstration programs authorized

SEC. 302. (a) The Secretary is authorized and directed, as soon as practicable after the date of enactment of this Act, to formulate and administer in geographically dispersed areas of the United States demonstration food stamp allotment programs under which food commodities will be made available to persons with low incomes, unemployed persons, and such other persons as the Secretary determines to be in need of the type of assistance made available under such programs.

(b) Demonstration food stamp allotment programs authorized by subsection (a) shall be administered by the Secretary in not less than three nor more than six different areas of the United States, and shall, to the extent practicable, be administered in areas determined by the Secretary of Labor to be areas of surplus labor. In carrying out the provisions of this section the Secretary shall provide for at least one such program in a rural area of the United States.

Types of demonstration programs

SEC. 303. (a) The Secretary shall, with respect to the demonstration food stamp allotment program to be administered in any area, determine the type of program it is to be, the requirements of eligibility for participation therein, and the manner in which it is to be administered.

(b) In formulating and administering any demonstration food stamp allotment program pursuant to the provisions of this title the Secretary is authorized to consult and cooperate with appropriate State and local authorities as well as representatives of any private industry concerned with the operation of such program.

(c) The Secretary is authorized and directed in carrying out the provisions of this title to utilize such stocks of the Commodity Credit Corporation and other commodities (determined by the Secretary to be in surplus supply) as he shall deem fit.

Rules and regulations

SEC. 304. The Secretary is authorized to promulgate such rules and regulations as he deems necessary to effectuate the provisions of this title.

Termination of programs—Report to Congress

SEC. 305. (a) The demonstration food stamp allotment programs authorized by this title shall terminate prior to January 1, 1962.

(b) The Secretary shall, as soon as practicable after the termination of such programs, submit to the Congress a final report on the operation of such programs, including such recommendation as he deems appropriate. The Secretary may also from

time to time make such earlier reports to the Congress as he deems appropriate.

Appropriations

SEC. 306. There is hereby authorized to be appropriated $15,000,000 for carrying out the demonstration food stamp allotment programs.

Maintenance of other assistance

SEC. 307. Receipt by any person of benefits under this title shall not be deemed to be income or resources under the provisions of the Social Security Act or any other Federal legislation pertaining to the security of the aged, blind, disabled, dependent children, unemployed, or other similar groups. Any State or local subdivision thereof which decreases the cash or other assistance extended to any person or group as a consequence of the assistance made available under this title shall be ineligible for further participation under this title.

Mr. HUMPHREY. Mr. President, the modified amendment is the second half of the amendment which included the enrichment provisions relating to certain surplus food commodities, agreed to by the Senate as offered by the Senator from South Carolina [Mr. JOHNSTON].

This particular amendment is offered on behalf of myself, the Senator from Vermont [Mr. AIKEN], and the Senator from Missouri [Mr. SYMINGTON]. It is the food stamp allotment plan on a very modest pilot project basis providing for food stamp plans in not less than three or more than six communities geographically dispersed. It provides a maximum sum of money to be allotted for this purpose of $15 million. It further provides that the supplies used shall be supplies in surplus, as determined by the Secretary of Agriculture.

The amendment itself is one which has been talked about, thought about, and worked on for a number of years. I have discussed the amendment this morning with a number of my colleagues. It is slightly different from the amendment which was offered as a package proposal on Friday evening. It would embrace the food stamp allotment and the food allotment plan on a modified and very limited basis, so that we could test out the feasibility of this kind of program, under the rules and regulations as prescribed by the Secretary of Agriculture, in not more than six nor less than three geographical areas.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. Do I correctly understand the proposal which the Senator from Minnesota has offered as an amendment would be permissive, to be used in the discretion of the Department of Agriculture?

Mr. HUMPHREY. The program authorizes and directs the Secretary in regard to not less than three nor more than six communities. The supplies to be made available would be at the discretion of the Secretary.

The proposal would not be permissive, but it would authorize and direct the Secretary between now and 1962 to have a program in not less than three nor more than six areas. The supplies which would be used would have to be surplus supplies at the discretion of the Secretary.

Mr. HOLLAND. Mr. President, perhaps I misunderstood the matter, but I have discussed it in some detail with the distinguished Senator from Vermont [Mr. AIKEN]. I had understood from the Senator this was to be a permissive program only.

Mr. AIKEN. I will say that I had contemplated offering an amendment which would have been permissive. The amendment which is offered now would appear to be mandatory to the extent of three to six trial areas.

Mr. HUMPHREY. This is the provision in the bill as reported by the Senate Committee on Agriculture and Forestry to the calendar.

Mr. AIKEN. I have not offered an amendment which is permissive.

The bill which I originally introduced, of which the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from North Dakota [Mr. YOUNG] were cosponsors, would have had the effect of being permissive, and would have provided a more complete program than the one now offered. The whole thing would have been permissive.

For the last 15 years I have urged that the Congress adopt legislation which would authorize the Secretary of Agriculture to carry out a food allotment program, the extent of which would be determined by the Committee on Appropriations and the Secretary. The purposes of such a program would be threefold.

The first purpose would be to see that the 26 million people in this country whom we are told have inadequate diets would have enough to eat. Those people include those who are receiving old age assistance and survivors insurance, dependent children, permanently disabled persons, blind persons, general assistance beneficiaries, persons living in broken homes, and persons living on inadequate pensions and retirement funds.

The second purpose of the proposed legislation would be to get the Government out of competition with private industry, for while the sun is shining now, the time is coming when it will not shine so brightly—I am sure of that—and when that time comes, unless we are prepared to carry out a food allotment program in another way, we will find Government coming in wholesale in direct competition with the normal channels of trade.

The third purpose is to increase markets by increasing the quality of food which these 26 million people would use. It would increase, for instance, the use of dairy products by about 30 percent, and of citrus fruits and green vegetables by about 30 percent, and so on.

I never intended that it should be of a scope to cover the whole country, although the proposed legislation authorizes it if the need should arise. What I had hoped was that we would enact legislation which would authorize trial runs, pilot plants, or whatever the correct word would be in this case, so that when the time came we would know how to operate a national program.

Mr. HUMPHREY. Will the Senator yield at this point?

Mr. AIKEN. I yield.

Mr. HUMPHREY. Mr. President, the point is raised here about the scope of authorization on the larger bill which the Senator from Vermont introduced and the pending bill. The amendment authorizes and directs, because it is only a pilot plant project.

Mr. AIKEN. That is true, but I did not realize that. The amendment which I would have prepared would have been permissive only. However, the pending amendment, with which I will go along, strictly limits the amount which can be spent.

Mr. HUMPHREY. That is correct.

Mr. AIKEN. It limits the period of time during which the experiment or the trial program can be operated.

Mr. HUMPHREY. It has a $15 million limitation. It covers a minimum of three areas and a maximum of six.

Mr. AIKEN. That is correct.

Mr. HUMPHREY. There is a time limit upon it as well. These provisions have to go to conference, but if we are ever going to try out a program, we just cannot have it permissive. We ought to at least given it a trial run, and that is all we are trying to do.

Mr. AIKEN. The House bill contains a provision which was adopted by a 2-to-1 vote, which provides for a very broad program, and for expenditures up to $1 billion a year.

Mr. HUMPHREY. That is right.

Mr. AIKEN. It seems to me that we are not ready for such a broad program at this time. That is why I am supporting this proposal, which provides for three to six trial areas where this can be worked out.

We are doing it in the rural development program in up to 50-odd counties, I believe, and I am in favor of trying it out in other areas.

Mr. HUMPHREY. It seems to me that it is a necessary trial run, and it is quite limited, compared with the provisions in the House authorization, which was adopted by a 2-to-1 vote in the House. I cannot imagine the Senate, which has already approved this very same bill in a larger amount in committee, rejecting it.

Mr. AIKEN. This amendment is not as explicit as the bill which I have been introducing in company with the Senator from North Dakota and the Senator from Minnesota over a period of years, but I would hope that if this becomes law, the Secretary would carry out in general the procedure which is laid down in the bill, and I believe that if it is enacted, he would do so, because it handles these programs through the normal channels of trade, such as the local stores, and local banks. I should like to get away from the method whereby Government does everything, even to delivering the cornmeal and the flour and whatever else it has to the people who need it.

Mr. SCHOEPPEL and Mr. HOLLAND addressed the Chair.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator yield; and, if so, to whom?

Mr. HUMPHREY. I feel I should yield first to the Senator from Kansas.

Mr. SCHOEPPEL. I should like to ask the distinguished Senator from Minnesota whether his proposal is permissive or mandatory insofar as it is being presented here.

Mr. HUMPHREY. The pending amendment is the same as the bill which was reported by the Committee on Agriculture and Forestry as a separate bill under Calendar No. 664. It was handled in the Committee on Agriculture and Forestry and reported to the Senate and is now on the calendar. It is an authorization and a direction for a minimum of three and a maximum of six pilot plants, to the limited sum of $15 million.

Mr. AIKEN. May I add this. The trial areas selected would undoubtedly be areas where the Government is presently heavily involved in relief programs.

Mr. HUMPHREY. There is no doubt about that.

Mr. AIKEN. This will simply direct them to use another disposal method in a limited number of areas.

Mr. HUMPHREY. Exactly. The bill provides that priorities shall be given to what we call labor surplus areas, or to areas where there is a further need.

Mr. SCHOEPPEL. To the extent the distinguished Senator has answered my question, it would be mandatory. Is that correct?

Mr. HUMPHREY. As to the three areas, that is correct, three to six.

Mr. HOLLAND. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. The Senator will realize that this subject matter has been handled in a rather loose way in committee and up to now on the floor.

Mr. HUMPHREY. No. I disagree with the Senator.

Mr. HOLLAND. In committee the general principle was acquiesced in by the committee, and the matter was turned over to be drafted in the form of an amendment by counsel for the committee, the exact form to be approved by the distinguished Senator from Minnesota [Mr. HUMPHREY] and the distinguished Senator from Vermont [Mr. AIKEN]. It was drafted. It was reported. Since that time I have had discussions with both Senators and with the chairman, the distinguished Senator from Louisiana [Mr. ELLENDER] who was not present in committee when action of the type I have mentioned was taken.

This morning—and I ask particularly the attention of the Senator from Vermont to what I am about to say—in an effort to get together I discussed the matter not only with the Senator from Minnesota, but particularly with the Senator from Vermont and the Senator from Louisiana, and my understanding from the Senator from Vermont was that the proposal was to be offered in the form of a permissive amendment, and I so repeated it to the chairman of the committee. The chairman of the committee and I—and I can speak only for ourselves, of course—had agreed to the adoption of such a permissive amendment insofar as we were concerned only, fully knowing that we had in conference a difficult problem ahead of us, and fully knowing that we had a huge program already in being.

The latest report of the Department shows that about 4¾ million citizens received food under the existing program in June of this year. Speaking only for myself, I thought that if we made available to the Department an opportunity to try out this food stamp program, preferably in an area where there was already a heavy need for such a program, there could be no great objection to it, provided it was limited in its amount and would not be regarded as a general departure from the very large program which is already under way.

If I misunderstood the Senator from Vermont, I should like him to correct me.

Mr. AIKEN. The Senator did not misunderstand me. The amendment which I would have offered would have authorized this only. However, I found that the Senator from Minnesota planned to offer this other amendment and so I did not offer any amendment myself.

Mr. HOLLAND. I understood that the Senator from Minnesota was offering this amendment in behalf of himself and the Senator from Vermont.

Mr. AIKEN. That is right.

Mr. HUMPHREY. And the Senator from Missouri [Mr. SYMINGTON].

Mr. HOLLAND. And the Senator from Missouri.

Mr. AIKEN. This will be in conference. Personally, I do not know whether it makes too much difference whether it is an authorization or a directive, because the House bill, in effect, contains a directive for a very broad, sweeping program which was adopted by the House, I believe, by a vote of 2 to 1.

Mr. HUMPHREY. Two to one.

Mr. HOLLAND. However, the House bill is permissive, in the first place; in the second place, the Senate has voted down a directive program. The Senators from Louisiana and Florida were trying to work out a program which would be in accord with the sentiment of the Senate as expressed, or at least not contrary thereto, and which would give us a chance to go into conference with an expression of the Senate that something in this field should be done.

Mr. AIKEN. I did not understand that the Senator from Florida was going to accept the proposal which I would have made had the Senator from Minnesota not offered his amendment.

Mr. HOLLAND. I think I told the Senator I would not object to it. Later I conferred with the chairman of the committee and found that he was willing, as I was, to accept it if it were in a permissive form, and limited as the Senator indicated he proposed to limit it. I am still of that opinion. If we go into conference with an expression of the Senate differing from our expression the other day, it will indicate that we think something should be done in this field. In that case, I would be happy to accept the amendment.

Mr. HUMPHREY. Mr. President, this is an argument based upon a difference in point of view. The Senator from Florida has not been for the food stamp plan, by direction or by authorization, either in the committee or outside the committee. I feel that if we are to have a trial run we should not have it in less than three areas. We have limited the proposed program to a maximum of six areas. We have reduced the amount of funds for the use of surplus commodities to $15 million.

The plan would operate in areas where we are currently operating a food distribution program; but, as the Senator from Vermont has said, it is not a program in which Government officials are handing out Government packages from a Government warehouse, to people who are made to feel subservient. This program will be operated through normal channels. Witnesses before the committee said they would be delighted to try it. As a matter of fact, the commissioner of welfare came from Detroit to outline the entire program, and said that Detroit would be one area where they would like to make a trial run.

In conference we already have a broad authorization from the House. The authorization provides that the Secretary "shall"—not "may." If the chairman will give me the bill, I will read it.

Mr. ELLENDER. Read the preceding paragraph, and the Senator will see that the language is permissive.

Mr. HUMPHREY. I read from section 306(a), on page 7 of House bill 8609:

> In order to promote the general welfare, raise the levels of health and of nourishment for persons whose incomes prevent them from enjoying adequate diets * * * the Secretary of Agriculture * * * is hereby authorized to promulgate and put into operation as quickly as possible a program to distribute to needy persons in the United States through a food stamp system such surplus food commodities.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. My colleagues have been very generous in using my time. I ask for 5 minutes on the bill.

Mr. ELLENDER. I yield 5 minutes on the bill to the Senator from Minnesota.

Mr. HUMPHREY. Reading further:

> (c) The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under subsection (b)(1), food stamps—

And so forth. The overriding force of that authorization is that the Secretary "shall" do these things. All we are asking for is a modest trial run. We are going to conference, and possibly we will end up with nothing but an authorization; but make no mistake about it, when the House, on a rollcall vote, votes two to one, we had better have something to offer as a counterproposal. We have been in conference with Members of the other body on previous occasions, and they have been able to stand their ground fairly well.

I think this proposal should be voted on. If the Senate wishes to say that

with $9 billion worth of surplus food, we are not prepared to authorize a food stamp plan which has been talked about and worked upon, and with respect to which even the Department itself has made a study, if we are not prepared to authorize and direct the undertaking of at least three trial run projects, there is something wrong. I should like to see a vote on the proposal.

Mr. JORDAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JORDAN. As the Senator knows, I am a member of the Committee on Agriculture and Forestry.

Mr. HUMPHREY. And a very fine member.

Mr. JORDAN. This subject was discussed at great length, and there was a wide division of opinion on the subject.

If the proposed plan were put into effect, would it not be over and above the present program?

Mr. HUMPHREY. The Senator is correct.

Mr. JORDAN. We would continue to distribute the amount of food we are now distributing, and the proposed program would be in addition.

Mr. HUMPHREY. In the areas where the plan would be utilized to serve the people, we would not be serving them with other commodities than those in surplus supply.

Mr. JORDAN. The bill does not so provide.

Mr. HUMPHREY. The Secretary would have full power. The Secretary would be authorized to promulgate whatever rules and regulations he might wish to promulgate. The only limitation is that these contributions may not be deducted from social security payments, and the plan could not be operated under the present distribution system, involving large containers of food.

Mr. JORDAN. My principal objection is that the Senator is saying that we must put in operation one of these plans whether it is needed or not.

Mr. HUMPHREY. No; that is not correct.

Mr. JORDAN. Under the terms of the bill, the Secretary must find at least three areas in which to operate the plan.

Mr. HUMPHREY. He would surely have no trouble, in the United States finding three areas in which to start the plan for the distribution of $15 million worth of food through the food-stamp system. This argument is like saying that if one looks at the sky in the evening he is likely to see stars. Certainly he is.

Everyone knows that there are vast areas in the country where these programs are needed. If we have a food distribution program to the tune of $200 million a year—and that is what the Senator from Florida just reported—let no one tell me that there are not places in America where the food-stamp trial-run program could be set in operation.

The bill provides a maximum. It does not require the expenditure of the entire $15 million a year. The food-stamp program is much more desirable than the handout food distribution program, which makes people "reliefers."

Mr. JORDAN. I still come back to the same objection to the bill.

Mr. HUMPHREY. Mr. President, this amendment would provide for, first, demonstration food-stamp programs in from three to six areas.

It requires the Secretary of Agriculture to formulate and administer demonstration food-stamp programs in not less than three nor more than six geographically dispersed areas, at least one of which shall be a rural area. To the extent practicable, they shall be surplus labor areas. These programs would terminate by January 1, 1962. Appropriation of $15 million is authorized to carry them out.

The Secretary of Agriculture is given very broad authority with respect to the types of food-stamp demonstration programs to be carried out. He would be expected to provide for use of the normal channels of trade to the maximum extent practicable in carrying out such programs. It is anticipated that stamps or coupons would be distributed or sold to eligible recipients to be used by them in the purchase of food or particular kinds of food at eligible food stores. Stores could in turn redeem the coupons through designated banks. The Secretary would be required to report to Congress on the operation of the demonstration programs as soon as practicable after their termination so that Congress would be prepared to provide for a large-scale program should such a program become necessary.

Section 303 of the amendment authorizes the Secretary to use surplus commodities in carrying out these demonstration programs as he sees fit.

Benefits under the food-stamp-allotment programs would not be considered income for the purposes of the Social Security Act or related legislation; and assistance under this legislation, as well as assistance from State and local governments, would not be a basis for denying eligibility for the benefits of the food-stamp-allotment programs.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

Senators heard all of these arguments last Friday, and at that time, we rejected this proposal. This morning I had further occasion to discuss the subject with the distinguished senior Senator from Minnesota [Mr. HUMPHREY] and the distinguished senior Senator from Florida [Mr. HOLLAND]. It was my understanding at that time that the proposal which would be submitted today would be a permissive one, and not a mandatory order to the Secretary of Agriculture. With all due respect, the Senator from Minnesota is in error when he states that the program adopted by the House is a mandatory one. It is permissive. Section 306 of the House bill makes that point very plain. It states:

> The Secretary of Agriculture * * * is hereby authorized to promulgate and put into operation as quickly as possible a program to distribute to needy persons in the United States through a food stamp system such surplus food commodities.

If the Secretary of Agriculture decides to promulgate such a program, he then "shall" do what the Senator from Minnesota states. But the authority in the House bill is permissive.

I wish to correct another statement made by the distinguished Senator from Minnesota. The cost of this program would not be limited to $15 million, as the Senator said. That figure represents only the actual dollars which the Congress would have to appropriate to carry out the demonstration food stamp program.

Section 303(c) of the amendment of the Senator from Minnesota provides as follows:

> The Secretary is authorized and directed in carrying out the provisions of this title to utilize such stocks of the Commodity Credit Corporation (determined by the Secretary to be in surplus supply) as he shall deem fit.

In other words, in addition to the $15 million, the Secretary could, for all practical purposes, utilize unlimited amounts of surplus agricultural commodities on hand.

So let us not say that this is only a $15 million program. It is not. The cost may run as high as $100 million or $200 million. There is no limitation.

When I, as chairman of the committee, agreed to accept this amendment in view of the fact that the House had adopted a food stamp plan provision, I accepted it with the understanding that the program would be permissive.

If the Senator from Minnesota would modify his amendment so as to make the authority given the Secretary of Agriculture permissive——

Mr. HUMPHREY. Does the Senator from Louisiana think the Secretary of Agriculture will do anything at all if it is merely permissive?

Mr. ELLENDER. I do not know. To begin with I may say, as I said Friday, that this stamp program should not be attached to Public Law 480. The pending amendment is now on the calendar in bill form. I think this program should stand or fall on its own merits. The agriculture committee reported a similar food stamp program, as the Senator knows, several weeks ago. It strikes me that instead of trying to add this program to Public Law 480, the bill now on the calendar should be called up and acted upon. If the Senate desires to give a mandate to the Secretary of Agriculture, good and well. But, as I said before, the Senate turned down this identical proposal last Friday. In discussions which we have had today, this proposal was revived. I personally agreed to accept it, on the condition that it be made a permissive program since there is a food stamp program in the House bill, so we could work on it in conference. If the Senator will agree to a permissive program, I will urge no objection to his amendment. Of course, the proposal will have to be submitted to the Senate. However, I do not believe a program of this kind should be in the form of a directive to the Secretary of Agriculture. I call attention to the fact that millions of dollars of surplus agricultural commodities will be used for this program—and I admit this is a worthy cause in addition to the $15 million to carry out the program.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. I yield myself 2 more minutes.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I did not seek a broad interpretation to be put on it, as the Senator from Louisiana does. I had proposed a limitation of $15 million as a trial run. If the Senator wants to make this a broader bill——

Mr. ELLENDER. No; I do not want to make it a broader bill. I am ready to act on the pending amendment.

Section 202 of Public Law 480 authorizes the President to use such surplus stocks of the Commodity Credit Corporation to carry out administration programs as he sees fit. These commodities would be in addition to the $20 million authorized to be appropriated to carry out this program.

Mr. HUMPHREY. We have changed the language in the modified bill.

Mr. ELLENDER. But the Senator did not strike from the bill section 303(c), which provides for surplus food.

Mr. HUMPHREY. I read from the amendment:

> The Secretary is authorized and directed in carrying out the provisions of this title to utilize such stocks of the Commodity Credit Corporation (and other commodities as determined by the Secretary to be in surplus supply) as he shall deem fit.

Section 306, in the amendment, provides:

> There is hereby authorized to be appropriated $15 million for carrying out the demonstration food stamp allotment programs.

If the Senator from Lousiana wants to change the amount to $20 million, I will vote for it, and it would still be a good demonstration project. I admit it is a pittance. In Public Law 480, we provide for oversea distribution of foods. We have just provided for $300 million each year for 3 years, under the amendment offered by the Senator from Vermont. I am for that. It is for famine relief and aid to the needy.

Under title I, in which provision is made for the use of soft currencies, where such currencies cannot be used anywhere else but in the countries of their origin, such as in Poland, food stamps could be used in Poland.

But I am being told today that a food stamp plan for the United States ought not to be adopted.

It is very true that a food stamp program is a better ordered program than mass distribution. It gives a person a sense of dignity. In order to get surplus food, he can walk into a grocery store where foods are listed as being surplus. He can buy like any other customer, and he will not have to go down the street to the relief office and ask for a handout. He can walk into a store and use food stamps just as he would use currency in order to buy food.

I think it is about time that Congress treated the American people as we treat others. I will be very much surprised if we do not.

[Manifestations of applause in the galleries.]

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The guests of the Senate who are in the galleries will remain in order.

Mr. ELLENDER. Mr. President, I yield myself 2 more minutes. As I stated a moment ago, this amendment was rejected last Friday. To hear the distinguished Senator from Minnesota talk now, one would assume that there is no program at all for the needy people of the United States. The Senator from Minnesota knows better than that.

The Senator from Florida [Mr. HOLLAND] clearly pointed out Friday that there is a program for the needy of this country which involves the expenditure of more than $200 million per year.

But the proposal of the Senator from Minnesota is a brand new one which he seeks to have attached to Public Law 480. I say it has no place in Public Law 480. The food stamp plan should be called up and considered on its own merits. As I have said, a bill to provide such a food stamp plan is now on the calendar. It ought to be considered by itself.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 1 more minute. The House has adopted a food stamp program which is permissive. I am willing, as I said to the Senator from Minnesota and other Senators, to take such a proposal to conference.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. Mr. President, I yield myself 1 more minute, and I now yield to the Senator from Florida.

Mr. HOLLAND. In order that the exact facts may be shown at this point in the RECORD, the report of the Department of Agriculture covering the program of distribution of surplus foods to the needy of the United States was filed as of September 3, 1959, and continues through June of this year. It shows that for fiscal 1959, which ended with June of this year, the total value of food products given to the needy——

Mr. ELLENDER. In the United States.

Mr. HOLLAND. In the United States—was $203.6 million; and that the total number of beneficiaries in the month of June was 4,715,349 persons.

Mr. HART. May we have similar figures for the people in foreign countries?

Mr. HOLLAND. The similar figure for the amount spent in foreign countries in fiscal 1959 is $209.8 million. The number of beneficiaries is not shown on the report, because the commodities are channeled for distribution through the governments of the foreign countries.

Mr. HART. The other figure is the best for comparison.

Mr. HOLLAND. The other figure is the best for comparison.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. I yield myself 2 more minutes, and I yield to the Senator from Florida.

Mr. HOLLAND. Furthermore, it would be a duplicate program; and certainly as a duplicate program it could not be used in any State in which the State authorities prefer to use the other program, and not to use this one.

I think the program should be permissive because, by all means, it will call for negotiations as to the areas in which it should be used, and whether it should properly be used in any particular area.

To make the execution of the program mandatory upon the Secretary, regardless of the programs which the States may have, regardless of what the cities may have, and regardless of what the trade may do—because, after all, this program is something which enters into the channels of trade; to provide that the Secretary must, mandatorily, find a place to spend $15 million in competition with other suppliers, regardless of the attitude of the public officials of the States and cities affected; that is a conclusion which I would not care to make. I do not propose to place upon the Secretary of Agriculture such a requirement. That is the reason why I do not favor a mandatory program.

Mr. ELLENDER. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Louisiana has 1 minute remaining.

Mr. ELLENDER. I point out that under the program discussed by the distinguished Senator from Florida, 4,715,349 needy people, in all the States of the Union, have received and are receiving surplus food through existing channels.

Michigan has 380,343 persons benefiting from the program. Mississippi has 179,000; Arkansas, 178,000; Kentucky, 280,000; Louisiana, 120,000.

This program has been in operation for some time. The amendment before the Senate would merely add one more program on top of these now in existence.

I point out that if the program is enacted in the form of a directive to the Secretary of Agriculture, it will cost the $15 million in cash, plus the value of surplus commodities on hand.

I do not believe the Senate should adopt a program of that magnitude at this time.

The PRESIDING OFFICER. All time for debate on the amendment has expired.

The question is on agreeing to the amendment of the Senator from Minnesota.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. For what purpose does the Senator from Pennsylvania address the Chair?

Mr. CLARK. For the purpose of requesting that I be allowed to speak for 3 minutes on the bill, in order to speak further on the amendment. I seek that time from either the acting majority leader or the acting minority leader. In fact, I make the request myself; I ask unanimous consent that at this time I may proceed for 3 minutes.

Mr. ELLENDER. Mr. President, I shall gladly yield 2 minutes on the bill to the Senator from Pennsylvania.

Mr. CLARK. I thank the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 minutes on the bill.

Mr. CLARK. Mr. President, I wish to ask the Senator from Minnesota whether this amendment has been approved by the Committee on Agriculture and Forestry.

Mr. HUMPHREY. That is correct.

Mr. CLARK. Has not the amendment also been approved by the Foreign Relations Committee?

Mr. HUMPHREY. No; the amendment has been approved only by the Committee on Agriculture and Forestry.

Mr. CLARK. I ask my friends on this side of the aisle to consider how much attention they think the Secretary of Agriculture will pay to a permissive amendment. It seems to me that if we want this food stamp plan put into effect, we had better follow the recommendation of the Senator from Minnesota and direct the Secretary of Agriculture to put this food stamp program into effect.

I do not have a shadow of doubt in my mind that 6 cities in Pennsylvania will be glad to direct that the food stamp plan be put into effect there, even though in Pennsylvania we have a food distribution program going on. In fact, I have no doubt that not only 6 cities in America, but 66 or 666 cities in America will be glad to use food in that way, to sustain human life in areas where private enterprise does not have sufficient funds to pay for the needed food, and will be glad to put this food plan into effect.

Mr. President, I hope the Senate will, by its action, sustain the action taken by the Committee on Agriculture and Forestry.

Mr. HART. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. HART. Let me remind the Senate that the committee was advised by W. E. Fitzgerald, executive secretary of the Food Industry Committee, of Detroit, that they had a program in writing, and would welcome an opportunity to participate.

Mr. CLARK. Mr. President, I ask the Senate to support its Committee on Agriculture and Forestry.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum; and I ask unanimous consent that the time required for the quorum call not be charged to the time on the bill available to either side.

Mr. HOLLAND. First, Mr. President, will the Senator from Louisiana yield 30 seconds to me?

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. HOLLAND. Will the Senator from Louisiana yield to me 30 seconds on the bill?

The PRESIDING OFFICER. The absence of a quorum has been suggested; and the clerk will call the roll.

Mr. ELLENDER. Mr. President, I withdraw my suggestion of the absence of a quorum; and at this time I yield to the Senator from Florida 30 seconds on the bill.

The PRESIDING OFFICER. The Senator from Florida is recognized for 30 seconds on the bill.

Mr. HOLLAND. Mr. President, I merely wish to advise the Senator from Pennsylvania that a report by the Department of Agriculture, dated September 3, shows that in June of this year, his own State of Pennsylvania, which professedly has the greatest need for this program, had 735,000 citizens who were receiving surplus food. Under those circumstances, someone would have to exercise judgment as to whether duplicate programs, if established, could properly serve the need, under the conditions which obtain.

Mr. CLARK. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

The PRESIDING OFFICER. The time yielded to the Senator from Pennsylvania has expired.

Mr. CLARK. Mr. President, let me say that I am well aware of the facts which my friend, the Senator from Florida, has called to my attention. I do not need to be shown that record in order to be aware of them.

Mr. ALLOTT. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. CARROLL subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD, prior to the vote, an editorial entitled "Senate Should Take the Bold Road," from the Denver Post of August 27, 1959.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATE SHOULD TAKE THE BOLD ROAD

The Senate this week is expected to make its last effort of the current session at trying to further reduce surplus farm crops owned or stored by the Government's Commodity Credit Corporation.

The House has already passed and sent to the senior Chamber a 1-year extension of Public Law 480. Under this law CCC may dispose of some of the surplus at home or abroad in a number of ways at less than normal commercial crop prices.

An example of the kind of thing the House hopes for in the domestic field is a stamp plan to aid welfare cases short of food.

The Department of Agriculture is authorized, although not required, to dispose of up to $1 billion in surplus crops next year by issuing food stamps to persons recommended by welfare agencies.

Needy people anywhere in the country would use the stamps to buy designated surplus foods at regular groceries.

The Senate has a more modest stamp plan in mind, at least in the Agriculture Committee. This would use the stamps only in a few distressed areas, would provide only $20 million for the year's authorization, and would provide nonsurplus foods needed by the welfare cases for health reasons.

The Department of Agriculture hasn't wanted to bother with these stamp plans, both because they can't move too much of the huge surplus, and because they might interfere in some cases with regular commercial marketing.

As to foreign disposal, the Senate deliberations will be between the simple extension of Public Law 480 and the more comprehensive food for peace bill of Senator HUBERT HUMPHREY which has been approved by the Foreign Relations Committee.

The Humphrey bill would authorize a 3-year commitment of up to $2 billion a year in surplus crops. These could be given away where needed, sold on the basis of long-term loans, or sold with the resulting foreign currencies being plowed back into foreign aid projects in the food buying country.

Besides its long-range and more comprehensive nature, the Humphrey bill would also pull our foreign food operations together under one new office within the Department of Agriculture. They are now dispersed, and sometimes neglected, in a dozen odd crannies of government.

In both cases, it would be wise for the Senate to take the boldest route offered, by adopting the full Humphrey plan and the larger stamp program.

It is easy for detractors of these programs to object to details. The Department of Agriculture at the recent hearings has been particularly notable for saying it couldn't be done.

But the overall gravity of the surplus problem calls for the most creative, vigorous push the Senate can give our farm policy.

The possible mistakes, or disruption of comfortable administrative arrangements, are small risks compared to our great need to learn as much as we can as fast as we can about moving crop surpluses into more mouths and off taxpayers' backs.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

Mr. ALLOTT. Mr. President, I understood that the absence of a quorum had been suggested.

Mr. MANSFIELD. That suggestion was withdrawn.

The PRESIDING OFFICER. That is correct.

The question now is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll; and Mr. AIKEN answered in the affirmative.

Mr. CARROLL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Colorado will state it.

Mr. CARROLL. I was under the impression that the Senator from Louisiana had suggested the absence of a quorum, and then requested that the time required therefor——

The PRESIDING OFFICER. Let the Chair state that the vote is in progress, and the parliamentary inquiry is not in order.

The clerk will proceed with the call of the roll.

The Chief Clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr.

KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. MCNAMARA], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from West Virginia [Mr. RANDOLPH] is absent on official business delivering Labor Day addresses in West Virginia.

On this vote the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Nebraska would vote "nay."

The Senator from West Virginia [Mr. RANDOLPH] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from West Virginia would vote "yea," and the Senator from Florida would vote "nay."

I further announce that if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. MCNAMARA], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN], the Senator from Nebraska [Mr. HRUSKA], and the Senator from New York [Mr. JAVITS] are necessarily absent.

On this vote, the Senator from South Dakota [Mr. CASE] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from Tennessee would vote "yea."

The result was announced—yeas 44, nays 38, as follows:

YEAS—44

Aiken	Cooper	Green
Bible	Dodd	Gruening
Byrd, W. Va.	Engle	Hart
Cannon	Frear	Hayden
Carroll	Fulbright	Hill
Clark	Gore	Humphrey
Jackson	Mansfield	Prouty
Johnson, Tex.	Martin	Proxmire
Johnston, S.C.	Monroney	Sparkman
Kerr	Morse	Symington
Langer	Moss	Wiley
Long, Hawaii	Mundt	Williams, N.J.
Long, La.	Muskie	Young, N. Dak.
McCarthy	Neuberger	Young, Ohio
Magnuson	Pastore	

NAYS—38

Allott	Curtis	McClellan
Anderson	Dworshak	Morton
Bartlett	Eastland	Robertson
Beall	Ellender	Russell
Bennett	Ervin	Saltonstall
Bush	Fong	Schoeppel
Butler	Goldwater	Scott
Byrd, Va.	Hickenlooper	Smith
Capehart	Holland	Stennis
Carlson	Jordan	Talmadge
Case, N.J.	Keating	Thurmond
Chavez	Kuchel	Williams, Del.
Cotton	Lausche	

NOT VOTING—18

Bridges	Hennings	McNamara
Case, S. Dak.	Hruska	Murray
Church	Javits	O'Mahoney
Dirksen	Kefauver	Randolph
Douglas	Kennedy	Smathers
Hartke	McGee	Yarborough

So Mr. HUMPHREY's amendment was agreed to.

Mr. AIKEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MUNDT. Mr. President, on behalf of myself, the Senator from North Dakota [Mr. YOUNG], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Colorado [Mr. ALLOTT], I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. At the end of the bill, it is proposed to add the following new section:

SEC. . In lieu of the limitation on annual payment rates for 1960 conservation reserve contracts prescribed in clause (2) of the sixth proviso under the head "Conservation Reserve" in Public Law 86-80, no such annual payment rate shall be established in excess of 20 percent of the value of the land placed under contract, such value to be determined without regard to physical improvements thereon or geographical location thereof; but in no event shall such annual payment rate be established in excess of the maximum rate which the county committee determines would have been established for such land under the 1959 conservation reserve program, except that the county committee in making such determination shall not be required to obtain the landowner's or operator's estimate as to value or his certificate as to production history and productivity.

Mr. MUNDT. Mr. President, the amendment I have offered on behalf of myself, the distinguished Senator from Kansas [MR. SCHOEPPEL], the distinguished Senator from North Dakota [MR. YOUNG], and the distinguished Senator from Colorado [MR. ALLOTT], represents an emergency matter which is required because next week, or perhaps at the end of this week, the farmers will begin to sign up for 1960 crop year rental rates for conservation reserve acreage throughout the country. This next crop year is the final year in which the soil bank program is authorized to operate, by signing up compliance acres.

We have been operating according to a rental formula of payments which has worked out rather satisfactorily in the past, especially during the current crop year. Under the original act we gave the Secretary of Agriculture certain guidelines to follow in establishing payment rates, leaving a sufficient latitude within those guidelines for him to set rates which were fair and reasonable.

However, my amendment is now necessary, Mr. President, because a new limitation was written into the Department of Agriculture appropriation bill at the insistence of the House last year, which has proved to be unworkable, which is making it impossible to carry out the objectives of Congress.

The new limitation provides:

In establishing annual rental rates for new contracts, no such rental rate shall be established in excess of the local fair rental value of the acreage offered, such fair rental value to be based upon the average annual crop production harvested from such acreage during the past 5 crop years.

In application, Mr. President, this limitation has proved to be unworkable, because of average derived from total production divided by the 5 years. We run into situations in different States, or even within counties, where there have been crop failures, grasshopper plagues, droughts, or floods. In some instances this would mean that the farmer, in order to put his land into the conservation reserve, would have to accept less than 50 percent of what was the figure for the preceding year. That was never the intention of the committee at the time the limitation was written, but that is the way it has operated.

My amendment has the support of the Department of Agriculture.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from the Acting Secretary, Marvin L. McLain, supporting the proposed legislation, together with a statement which I made before the Senate Committee on Appropriations in this connection.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

AUGUST 28, 1959.

HON. CARL HAYDEN,
Chairman, Committee on Appropriations, U.S. Senate.

DEAR SENATOR HAYDEN: This is in reply to the request of Senator MUNDT during the hearings before your committee, on August 26, 1959, for an example of how the "local fair rental value" limitation on conservation reserve payments in the Agricultural Appropriation Act will apply in the case of a landlord-tenant operated farm.

The "local fair rental value" limitation leaves the county committee no discretion except to take the production on the farm for the last 5 years and divide it by five to get the average annual production. In areas where cash rental rates are not available, the landlord's customary share of the production must be taken to establish the local rental value.

If we take as an example a farm on which the average return per acre for the last 5 years has been $40, in an area where the landlord's customary share of the crop is one-fourth, the rent would be established at $10 per acre. Even if we add $2 per acre to

cover the cost of controlling weeds, repair of fences, maintaining cover, and other special obligations which the producer assumes under the conservation reserve contract, the maximum rate per acre which may be paid on the farm under the limitation, is $12 per acre. This $12 per acre does not all go to the owner, but must be shared by the owner with the tenant.

In areas where drought or other disaster conditions have prevented a normal crop in any 1 or more of the 5 years, the rate of payment will be even lower.

Under this limitation, the 1960 rates are considerably less than the rates in effect for 1959, and it is obvious that such rates are not sufficient to attract participation by landlord-tenant operated farms.

Under the amendment proposed by Senators MUNDT, YOUNG, and SCHOEPPEL, the rates for 1960 would be comparable to the rates in 1959.

Sincerely yours,

MARVIN L. MCLAIN,
Acting Secretary.

STATEMENT BY SENATOR MUNDT BEFORE SENATE APPROPRIATION COMMITTEE

Mr. Chairman, I wish to submit an amendment, to be inserted at the proper place in the bill, having to do with the soil bank. This amendment is necessary to make the program workable.

At the insistence of the other branch of the Congress, a new limitation was written into the Agricultural Appropriation Act this year providing a new formula for determining the rate of annual payments for land put in the conservation reserve.

Under the original Soil Bank Act, we gave the Secretary of Agriculture certain guidelines to follow in establishing payment rates and left him sufficient latitude within those guidelines to set rates which were fair and reasonable. We said there that "The rate or rates of the annual payment to be provided for in the contracts shall be established on such basis as the Secretary determines will provide producers with a fair and reasonable annual return on the land * * * taking into consideration the value of the land for the production of commodities customarily grown on such kind of land in the county or area, the prevailing rates for cash rentals for similar land in the county or area, the incentive necessary to obtain contracts covering sufficient acreage for the substantial accomplishment of the purposes of the Conservation Reserve Program, and such other factors as he deems appropriate."

You will notice that we stated that the aim should be to provide producers with a "fair and reasonable" return on their land. Under another provision in the Soil Bank Act, we directed the Secretary to provide adequate safeguards to protect the interests of tenants and sharecroppers including provision for sharing on a fair and equitable basis in the payments.

The new limitation on payments which was written into the Agricultural Appropriation Act this year has proved to be unworkable and makes it impossible to carry out those objectives.

The new limitation contained in the Appropriation Act provides that "in establishing annual rental rates for new contracts, no such rental rate shall be established in excess of the local fair rental value of the acreage offered, such fair rental value to be based upon the average annual crop production harvested from such acreage during the past 5 crop years."

Under this new limitation, county committees are left with no discretion in determining the rates of payment other than to take the farmer's production for the last 5 years, divide it by five to get the average annual production, and then take a landlord's fourth of that to determine the rental value. A small amount may be added to reimburse the farmer for the special obligations which he assumes under the conservation reserve contract such as the cost of controlling weeds, building fences, and maintaining the cover.

If we take as an example land which has an average gross return of $40 per acre, a landlord's one-fourth or whatever it might be of that. If we add $2 to cover the cost of weed control, mowing the cover, building fences, etc., the maximum annual payment which could be paid would be $12 per acre.

The owner will not even receive all of this $12 since it must be divided between him and his tenant. What owner, who can rent his land to a private individual for $10, is going to put his land in the Conservation Reserve for $12 and have to share the $12 with a tenant?

In some States, such as my own, where there have been 1 or more dry years during the last 5 years, the amount of the annual payment in many cases will be ridiculously low.

What this means is that some States will virtually be excluded from participation in the program. And in nearly all States, the 1960 rate will be much below the rates being paid under current contracts.

The amendment which I propose would substitute for the limitation in the original Appropriation Act, the provision that no annual payment shall be established in excess of 20 percent of the value of the land placed under contract but in no event shall such payment rate be established in excess of the 1959 rate.

This will give the local county committees sufficient discretion to set rates which are fair and reasonable and at the same time will afford adequate safeguards against the rates being too high.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Will the Senator yield me 3 minutes?

Mr. MUNDT. Mr. President, I am about to yield to the Senator from North Dakota, but before I do so I wish to state that we appeared before the Committee on Appropriations, because originally we thought this provision could be added to the supplemental appropriation bill, if one came along, or to the mutual security appropriation bill. Because of the urgency of the matter, since it is necessary that the State and county committeemen know the rules, we are offering this proposal at this time, since it seems to be the first place it can be done realistically, to get the guidelines out to our farmers and their committeemen so signups can proceed effectively for the crop year of 1960.

Mr. President, I am happy to yield 3 minutes to the Senator from North Dakota, reserving the balance of my time for later discourse.

Mr. YOUNG of North Dakota. Mr. President, I am happy to support the amendment.

The purpose of the amendment is to correct the effects of a rider which was placed on an appropriation bill for the Agriculture Department, without hearing. The intent of the rider was well meant, well intentioned; it would have based the payments on rental values, rather than on the land production history of all the farms. That procedure will work all right in certain areas of the United States, but in probably over two-thirds of the United States the payments would be very unfair, particularly as between the renter and the landlord. If there were no renter at all, the payments would not be too bad in certain instances.

In no event under the amendment we are offering could the payments be higher than those of last year. In fact, Mr. President, because there is only about half as much money available for the program in 1960 as was available for the program in 1959, there will be a sharp bidding among the farmers to put their land under the program. As a result, the payments will be far less per farm in 1960 than they will be this year.

If the present law is not changed, there will be a grave injustice done to farmers in many areas of the United States. North Dakota is one of those areas.

The Department of Agriculture has recognized that the provisions of the rider which was written into the previous appropriation bill are unfair and unworkable. The Department of Agriculture is supporting the amendment.

Mr. President, we face an urgent situation. We have the "signup" all over the Nation for the soil bank program for next year on September 10. Unless Congress takes action immediately, there will be a very unfair situation and an unworkable situation throughout practically all the United States.

Mr. MUNDT. Mr. President, I yield 2 minutes to the Senator from Kansas [Mr. SCHOEPPEL], a cosponsor of the amendment.

Mr. SCHOEPPEL. Mr. President, I join with my colleagues, as indicated, in support of the amendment. As pointed out, an emergency situation confronts the areas which will be affected by the measure due to the fact that we are up against a deadline. It has been freely admitted that the rider placed on the appropriation bill heretofore places an entirely different criteria on the payment than was intended by the Congress. This is the only opportunity we shall have before the deadline to get corrective legislation, to eliminate a lot of inequities among the landlords and the tenants as well.

There is one other thing which we who sponsored this amendment believe should be taken into consideration. That is, no consideration was given to the criteria that would have to be followed in carrying out the rider in the appropriation measure, which was heretofore placed on the measure in the event of crop failures.

Various sections in the United States have had one or two crop failures in a period of 5 years. It would absolutely be an inequitable situation, and this type of amendment, we believe, equitably and fairly eliminates inequities which would result.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield 2 minutes to the Senator from Colorado.

Mr. ALLOTT. Mr. President, I feel very strongly about this amendment. I know that in many conversations, as well as communications from my own area of the country, I have found that the present provisions of the law result in very great injustices and inequities.

Under the present 5-year average of the present law, this would result in my own State, and, in fact, in most of the Great Plains area, in rentals of $2 to perhaps $3 being paid under the conservation reserve. Of course, that means that the people in that area could not avail themselves of the conservation reserve in any respect.

It seems to me that this inequity should be corrected, and should be corrected now, because this is probably the only opportunity we will have to correct it. For that reason I have joined my colleagues in the submission of the amendment. I hope it will be agreed to.

Mr. MUNDT. Mr. President, I have discussed this amendment with the distinguished chairman of our Agriculture Committee, the Senator from Louisiana [Mr. ELLENDER], and I believe he is willing to accept it. In the event there is no further discussion, I am willing to yield back the remainder of my time.

In short, what the amendment does is to provide that in the last year in which the soil bank is authorized to operate, the rental payments and allocations will be commensurate and related to those which obtained for 1959, and that the language which has caused so much concern throughout the country will be set aside insofar as it was not in accord with the appropriations bill of last year.

Mr. ELLENDER. Mr. President, I yield myself 3 minutes.

As the distinguished Senator from South Dakota has stated, hearings were held a few years ago in an attempt to pinpoint the evils about which he complains. It is by belief that there is a great deal of merit in the proposal he is making, but it is also my judgment than an amendment of this kind should not be attached to legislation extending Public Law 480, but since this bill has already had the food stamp plan and other provisions added to it, I urge no objection to the amendment.

I yield back the remainder of my time.

Mr. MUNDT. I yield back the remainder of my time.

Mr. ELLENDER. I ask unanimous consent that a further explanation of the amendment prepared by the staff of the Agriculture Committee be placed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

In essence, this amendment reinstates the limitation on annual rental payments under the conservation reserve program which was in effect in 1959 under the 1959 Appropriation Act, and supersedes the limitation prescribed by Public Law 86-80, the 1960 Appropriation Act.

The limitation which was prescribed by the 1959 Appropriation Act was 20 percent of the value of the land placed under contract.

The limitation prescribed by the 1960 Appropriation Act for new contracts entered into in 1960 is the local fair rental value of the land placed under the contract, determined upon the basis of the average annual crop production during the past 5 crop years. A number of problems have arisen with respect to the limitation prescribed by the 1960 Appropriation Act. Since the law provides for sharing by the landlord and tenant of the payment, the 1960 Appropriation Act limitation would require that the landlord receive less than the fair rental value as his share of the payment. Further, since the purpose of the program is to take land out of production, it requires something more than the fair rental value to accomplish this purpose. Still further, the 5-year production basis causes problems where the land is summer fallowed in some years or has been subject to drought for some period of the 5 years.

The amendment is designed to correct these difficulties by returning to the limitation prescribed in 1959. The amendment, however, does also provide, as an additional safeguard, that the annual payment rate shall not be in excess of that which would have been established under the 1959 program. Due to the lateness of the change in the limitation which would be made by the amendment, the amendment excuses landowners and operators from estimating the value of the land or certifying as to production history or productivity.

It may be that the amendment would accomplish a good purpose, but it has no relation to the pending measure and has not been studied by the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. MUNDT].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. COOPER. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

( ) Title III of such Act is amended by adding at the end thereof a new section as follows:

"SEC. 306. Whenever the Secretary of Agriculture determines under section 106 of this Act that any food commodity is a surplus agricultural commodity, he shall make such commodity available for distribution to needy families and persons in the United States in such quantities as he determines are reasonably necessary before such commodity is made available for sale for foreign currencies under title I of this Act."

Mr. COOPER. Mr. President, I offer the amendment for myself and my colleagues, Senators MORTON, DOUGLAS, LANGER, YOUNG of North Dakota, HENNINGS, KEATING, CLARK, SCOTT, BUSH, RANDOLPH, BYRD of West Virginia, YARBOROUGH, FONG, and JAVITS.

I have distributed copies of the amendment, and I hope that Senators will read the amendment.

Mr. President, I can explain the purpose of the amendment very briefly. Its purpose is to assure that needy persons in the United States who are designated by State agencies eligible to receive surplus agricultural food shall have the opportunity to receive what is reasonably necessary for their needs, before surplus agricultural foods are sold abroad for foreign currencies.

Let me make it clear at the outset that my amendment does not establish any new relief agencies. It does not upset the present Federal Government-State-local community relationship. It does not add to the number of recipients of surplus foods unless the States take action at the local level to enlarge the number of our people eligible to receive food. It does not interfere with dollar sales at home or abroad.

The amendment does provide that in the event the Secretary of Agriculture determines that there is a sufficient supply of surplus foods to permit their sale abroad for foreign currency, that before he makes such sales or authorizes such sales to be made abroad, he shall first make the surplus food available to the needy people and needy families of the United States. My amendment will assure that we do justice to the needy people of our own country, that we supply them needed food before we send it to other peoples throughout the world. We can satisfy the needs of our people, and still there will be plenty left, supplies running over, to send to other peoples.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. COOPER. Yes.

Mr. MORSE. Mr. President, I heartily endorse the Senator's amendment. As he knows, I took a somewhat similar position in principle earlier this year to get food to needy families in the District, to feed about 7,000 little boys and girls who do not even get one meal a day. I would consider it a great honor if the Senator from Kentucky would include my name as one of the cosponsors.

Mr. COOPER. I ask unanimous consent that the Senator from Oregon be added as a cosponsor to the amendment. He has been a great fighter for the school lunch program. This amendment will help the school-lunch program.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Will the Senator yield?

Mr. COOPER. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the amendment which the Senator from Kentucky presents is similar to an amendment he called to our attention in the Committee on Agriculture and Forestry. It is somewhat similar to the amendment which the senior Senator from Minnesota had attached to the Mutual Security Act. I believe it spells out with a little more definiteness and detail the objectives the Senator has so justly sought. What he seeks to do is the very essence of social justice in our country. He seeks to have surplus commodities used on a basis of equality for home consumption for our own needy as for recipients of commodities abroad. In other words, what the Senator from Kentucky is asking is that we apply the old adage that charity begins at home. In that spirit he has performed a great service.

I support his amendment, as I indicated to him earlier, and I, too, should like to be associated with him as a cosponsor of the proposal.

Mr. COOPER. I thank the Senator from Minnesota. I should like very much for him to be joined in the amendment. He has worked hard on this problem for months to assure an adequate supply of food for the needy of the United States.

Mr. KUCHEL. Will the Senator yield so that I may speak on an extraneous matter?

Mr. COOPER. I shall take a few more minutes, and then I shall yield. I should like to finish explaining the amendment.

Mr. CLARK. Will the Senator yield?

Mr. COOPER. May I just take a minute? This is not an academic matter to me. It arises from experience last September, when I went into the eastern part of my State when Congress adjourned. I found that thousands of people—unemployed miners, their children, older people—were receiving surplus food. They were receiving shipments, at irregular intervals, powdered milk, rice, cornmeal, flour, and sometimes cheese. I talked to the officials of Harlan County and other counties, and immediately asked the Department of Agriculture for help. I said, "Can you send more regular shipments, and will you provide a better variety of food for the needy people of Kentucky and other States?" The Department of Agriculture did send more regular shipments. But the Department did nothing about providing a better variety of food. The Department contended that under the provisions of section 416 of the Agricultural Act of 1949, section 106 of Public Law 480, and other provisions of law, priorities had been established which placed the needy people of this country behind the people of foreign countries, if food commodities were sold or could be sold for foreign currencies.

For a year now I have been trying to get beans, cooking oils, and fruits and fresh and canned meats, when available. I found that even though they were in supply, they were being held, because it was possible that a sale for foreign currencies, might be made.

I shall not take further the time of the Senate. I have an analysis which shows that at the very time people in the United States needed beans and cooking oil and other available products, the Department of Agriculture would not send them to the needy of this country, because they thought it possible to make a sale for foreign currency. In all fairness, I repeat that the Secretary contended, and I assume with sincerity, he was following the law. My amendment will direct him to take care first of our needy—and, as I have said, there will be plenty left for other people in the world, and I am glad that we can help them. It will have no effect on wheat, corn, rice, dried milk, and other surplus foods, for they are in tremendous supply. The amendment will provide a better variety of filling foods, beans, cooking oil for gravy, fruit, and meats when available.

I have outlined the purposes of my amendment. Today in this country—although our economy is booming, and most people in this Nation have more to eat than ever before—thousands of people are still out of work through no fault of their own and need food. This amendment would give them the same privilege we give to the people of other countries.

I would like to add that my colleague, Senator MORTON, is very interested in the amendment of which he is a cosponsor, and is supporting it fully. Also those among others, Senators BYRD and RANDOLPH, of West Virginia, representing coal-producing States, also cosponsors, have made tremendous efforts to secure more food for their peoples, as have Senators CLARK and SCOTT, of Pennsylvania. And I want to pay a special tribute and say to cosponsor Senator DOUGLAS, of Illinois, with whom I joined as a cosponsor of the depressed areas bill, and who has fought for 2 years for the people of our depressed areas.

RETURN OF THE PRESIDENT

Mr. KUCHEL. Mr. President, will the Senator yield to me?

Mr. COOPER. I yield.

Mr. KUCHEL. Mr. President, the President of the United States is scheduled to return to Washington in just 20 minutes. No doubt almost all Members of the Senate would be on hand to greet him at 2 o'clock at the airport were it not for the fact that we are engaged in transacting the public business.

However, I think the record should be made crystal clear that it is only for the reason that we are required to be in session devoting ourselves to highly important legislation, that we are prevented from saluting, in a body, an American Chief Executive, as our able friend from Wisconsin previously said, on a return from a thrilling, moving, and constructive sojourn abroad.

Mr. HUMPHREY. Mr. President, I wish to associate myself with the remarks of the Senator from California, and to join in the expression of good wishes and commendation for the President.

He has undertaken a very arduous tour. He has met with the leaders of the great North Atlantic Treaty alliance. I truly believe that this visit by the President to the chiefs of state of certain nations, particularly Germany, Great Britain, and France, has been a very constructive and helpful enterprise.

I am sure it is gratifying to every one of us that the President returns to us in good health and strength, and safely. As a member of the so-called opposition party, I wish to join the acting minority leader in saying that nothing would be more pleasing to me than to be able to be at the National Airport to greet the Chief Executive as he returns to the United States of America, to his work and the call of duty.

Mr. COOPER. I too, would like to associate myself with my colleagues, in their words of appreciation, felicitations, and pride over the leadership, in the quest for peace with honor, of the President of the United States.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. CLARK. Mr. President, as one of the principal cosponsors of the amendment offered by the Senator from Kentucky [Mr. COOPER] I urge its adoption on my colleagues.

Senators will note that there is almost an equal number of sponsors on both sides of the aisle for the amendment of my good friend, the Senator from Kentucky.

My friend, the junior Senator from Colorado [Mr. CARROLL], has asked unanimous consent that his name may be added as a cosponsor of this amendment. Is that satisfactory to the Senator from Kentucky?

Mr. COOPER. I am very happy to have him as an additional cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. We in Pennsylvania probably have a greater need for distribution of food products to needy persons than any other State in the Union. With the assistance of my junior colleague on the other side of the aisle [Mr. SCOTT], we have been endeavoring to the best of our ability to pry some food loose from the Department of Agriculture for those people. We have been signally unsuccessful in getting any additional products made available. The reason given by the Department representatives was that Public Law 480 sales of surplus food abroad have priority over all other domestic and foreign distribution.

Under the head of domestic and foreign distribution there are three priorities: First, the school-lunch program; second, institutional programs; third, the program for the needy.

The amendment of the Senator from Kentucky, of which I am happy to be a cosponsor, would change the order of priority. It would give food for the needy of the United States first priority. This seems to me to be just, right, and fair. I have been one of those who have supported foreign aid. I would support it again. But I see no need for taking food out of the mouths of hungry Americans in order to sell it abroad, for currencies of dubious value.

I hope the amendment will be agreed to.

Mr. KEATING. Mr. President, I am happy to be a cosponsor of the amendment of my distinguished friend from Kentucky.

It seems to me that when we are supplying machinery, equipment, technical advice, military assistance, and many other things, including food under Public Law 480 to assist other countries, we certainly should use some of it to take care of our own people in this country. There is something very wrong, it seems to me, if we are not as willing to aid our needy as we are to aid needy people in other parts of the world.

Surely we cannot close our eyes to the suffering of many thousands of Americans in this country.

The funds involved here merely represent money being paid by the Government to the Government, in that the funds are drawn from the Treasury to the account of the Department of Agriculture or an appropriate agency in it. Not only would any additional moneys spent under this amendment be paid to the Government, but there is also important saving, in that if we get rid of the surplus food in storage, we save

storage costs on our huge stock of agricultural surpluses.

Therefore, with enthusiasm I shall support the amendment of the distinguished Senator from Kentucky. I commend him for the leadership he has taken in bringing this subject to our attention at this time.

Mr. COOPER. Mr. President, I thank the Senator from New York for his steady support of this amendment now, and all during the year.

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. COOPER. In closing, I point out again that the amendment I offer would not establish any new relief system. It would not upset the State-Federal relationship with respect to the distribution of surplus food or the designation of recipients. In my judgment it would not cost any more money than the program now operated. I think it would actually save money, because the transfer of food to foreign countries requires expensive ocean freight charges.

Only a relatively small amount of food is involved. Let me give one example. Early this year we were trying to get cooking oil and beans. We could get neither oil nor beans. Yet, during the 6-month period from January 1, 1959, to June 30, 1959, a total of $2 million in dried edible beans was sent abroad, with no distribution to needy people in this country. During the past fiscal year, fiscal year 1959, a total of $4.1 million in dried edible beans was sent abroad, but none was supplied to the domestic food distribution program.

During the fiscal years 1955 through 1959, a total of $509.3 million in cooking oil was sent abroad, while domestic distribution to the needy people of this country during the same period amounted to only $14.4 million.

I close by repeating that it is a matter of justice that we treat the needy of this country as well as we do those of other countries. And I make that statement as one of those who have always supported our foreign aid program. I ask the Senate to adopt the amendment.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. COOPER. I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes. I would like to point out that the Secretary of Agriculture already has the authority to do what this amendment provides. The only difference is that under section 32, which provides for funds, and under section 416 of the act of 1949, the Secretary is permitted to use quantities of our surplus commodities as he determines are reasonably necessary to assist our own people before any of the surpluses are sold under title I.

The amendment of the Senator from Kentucky makes it obligatory on the Secretary to do that which is now permissive. It is my judgment that in every case, whether it be permissive or obligatory, it still is left to the Secretary to set aside such quantities of surplus agricultural commodities as he determines are necessary to take care of our own needy people before any surplus commodities are sold abroad.

I shall be glad to take the amendment to conference.

Mr. COOPER. Mr. President, will the Senator from Louisiana yield for 1 minute?

Mr. ELLENDER. I yield.

Mr. COOPER. The Senator from Louisiana has agreed to take the amendment to conference, so I do not want to be like the lawyer who asks an additional question after the judge has ruled in his favor, and then loses the case. But a minute ago the Senator made a statement which was—as I understood him—that the Secretary has authority now to do what my amendment proposes. The Senator knows the tremendous confidence I have in him. However, the Secretary has told me that he does not have such authority. For 1 year I have asked the Department of Agriculture to send beans, cooking oil, fruit, and any other commodities available to the people of my State and other States. But he has told me that he did not have such authority if the commodities could be sold abroad for foreign currencies.

Mr. ELLENDER. The reason for that may have been that such commodities were sold for dollars and not for soft currencies.

Mr. COOPER. My amendment would not apply if the commodities could be sold for dollars.

Mr. ELLENDER. That is correct.

Mr. COOPER. I am informed that the Department of Agriculture held beans, cooking oil, and other commodities in storage in the expectation that they could be sold for foreign currency.

Mr. ELLENDER. I am advised by the counsel of the Agriculture Committee that what the Senator from Kentucky seeks to do can now be done. The only difference is that his amendment makes it obligatory. I am willing to let it go at that. Of course, even though it is made obligatory, the Secretary under this amendment could dispose of, or would be almost forced to dispose of, surpluses for dollars before he made them available to the people of this country. It is only in the event that the commodities are sold for soft currencies that the proposal is made obligatory.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CLARK. Mr. President, I express my deep appreciation to the Senator from Louisiana for his willingness to take the amendment to conference. What the representatives of the Department of Agriculture told the Senator from Kentucky was the same as they told me, namely, that the order of priority administratively, at present, is: First, sale abroad for dollars; second, sale abroad for foreign currencies; third, the school lunch program; fourth, distribution to institutions; and fifth, the needy persons programs. That is why I am so glad the Senator from Louisiana is willing to take the amendment to conference. I commend him for his action.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

Mr. ANDERSON. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. Section 347 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following: *"Provided, however,* That the national marketing quota for the 1960 crop of such cotton shall be not less than 90 per centum of the 1959 marketing quota for such cotton."

Mr. ANDERSON. Mr. President, I yield myself 3 minutes. The amendment relates only to the extra long staple cotton, or premium grade cotton. While it is true that the Senator from Louisiana said he preferred not to include the amendment in the bill, but to try to restrict the bill to the items germane to it, nevertheless, the inclusion of the food stamp plan has violated the rule of germaneness. Therefore, I asked the able Senator from Louisiana if I might present my amendment in opposition to his desire not to do so. The amendment provides that for the year 1960 only, the marketing quota for extra long staple cotton shall not be less than 90 percent of the current marketing quota. I hope the amendment may be adopted.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. LAUSCHE. Did I correctly understand the Senator to say that in face of the fact that there has been a departure from an agreed program with respect to another item in the bill, the Senator from New Mexico is now offering this proposal?

Mr. ANDERSON. Yes.

Mr. LAUSCHE. Which is the item on which there has been an abandonment of the agreed upon program?

Mr. ANDERSON. I do not say there was an agreement; I simply say that the food stamp plan is covered by another bill, which I understand the Committee on Agriculture and Forestry has reported. Yet, instead of waiting for the other bill to reach the floor, the Senate in its wisdom decided to adopt the food stamp plan and place it in this bill.

Mr. ELLENDER. I may state to the Senator from Ohio that the food stamp plan proposal which was adopted over my protest is identical with a bill on the calendar of the Senate today. I do not believe the pending measure is the place for the food stamp plan. That was why I objected to it.

The proposal which the distinguished Senator from New Mexico is offering has been adopted by the House and is in the House bill.

Mr. LAUSCHE. That does not answer my question. The statement has been made that there was an agreed course of action.

Mr. ANDERSON. No; I wish to correct that impression. There was no understanding by any Senators except the Senator from Louisiana [Mr. ELLENDER], the Senator from Arizona and myself. We agreed to withhold this amendment because of the desire of the Senator from Louisiana to keep only germane items in the bill. But there has been a departure from that wish by the adoption of the food stamp plan amendment. So the agreement between the Senator from Louisiana and myself has been abandoned.

Mr. LAUSCHE. I heard the Senator from Louisiana a moment ago engage in a discussion in which he said that there was an understanding that the trial of the food stamp plan was to be made permissive. But then it was finally changed and made mandatory. That was contrary to what he understood was to be the plan.

Mr. ELLENDER. That is correct.

Mr. LAUSCHE. There was a departure from that agreed course of conduct. Is that correct?

Mr. ELLENDER. There was a misunderstanding or a disagreement about what the Senator from Vermont [Mr. AIKEN] had agreed to and what was proposed by the Senator from Minnesota [Mr. HUMPHREY]. The Senator from Vermont had agreed to offer an amendment making the food stamp plan permissive. He so stated to the distinguished Senator from Florida. But instead of the amendment being offered by the Senator from Vermont, it was offered by the Senator from Minnesota, and in that amendment the plan was made obligatory. Of course, that is why I objected to it.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. I yield myself 2 more minutes. I objected to the amendment and spoke against it. But the opponents of the amendment lost.

Mr. LAUSCHE. Are we now beginning to pass bills because we are becoming physically exhausted? Are we beginning to yield on amendments because we no longer have the energy to stand up and learn about them and do what we think is right? The Senator need not reply.

Mr. ANDERSON. Mr. President, the amendment does not involve that kind of situation. It was originally to have been handled as a separate item, but this is an expeditious way to handle it. I appreciate the attitude of the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I yield back the rest of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

The bill is open to further amendment.

Mr. BUTLER. Mr. President——

The PRESIDING OFFICER. The Senator from Maryland.

Mr. HUMPHREY. Mr. President, will the Senator from Maryland yield? I understand his amendment relates to the shipping portion of the bill. I think we have about finished with the consideration of the substantive amendments. However, I have one which I should like to offer. I do not think there will be too much controversy about it. So will the Senator from Maryland yield for the consideration of my amendment?

Mr. BUTLER. I am happy to yield. I will withhold the offering of my amendment.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I call up my amendment identified as "9–1–59—D."

The PRESIDING OFFICER. The amendment will be stated.

Mr. HUMPHREY. Mr. President, I ask that the printed amendment be modified, in line 4, on page 1, by striking out the word "directed" and inserting, in lieu thereof, the word "authorized."

The PRESIDING OFFICER. The amendment will be modified accordingly, and will be stated.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the amendment, as modified, be printed at this point in the RECORD, without being read.

The PRESIDING OFFICER. Is there objection?

There being no objection, the modified amendment submitted by Mr. HUMPHREY was ordered to be printed in the RECORD, as follows:

( ) Title III is further amended by adding at the end thereof a new section as follows:

"SEC. 306. Notwithstanding any other provision of law, the Commodity Credit Corporation is hereby authorized—

"(1) to dispose of its stocks of animal fats and edible oils or products thereof by donation, upon such terms and conditions as the Secretary of Agriculture deems appropriate, to nonprofit voluntary agencies registered with the Department of State, appropriate agencies of the Federal Government or international organizations, for use in the assistance of needy persons outside the United States;

"(2) to purchase for donation as provided above such quantities of animal fats and edible oils and the products thereof as the Secretary determines will maintain the support level for cottonseed and soybeans without requiring the acquisition of such commodities under the price support program.

Commodity Credit Corporation may incur such additional costs with respect to commodities to be donated hereunder as it is authorized to incur with respect to food commodities disposed of under section 416 of the Agricultural Act of 1949, and may pay ocean freight charges from United States ports to designated ports of entry abroad."

Mr. HUMPHREY. Mr. President, the amendment authorizes the Commodity Credit Corporation, under such terms and conditions as the Secretary of Agriculture may deem to be appropriate, to make available its stocks of animal fats and edible oils and products thereof, for donation by voluntary, nonprofit agencies registered with the State Department, and international organizations, for use in the assistance of needy persons outside the United States.

Mr. President, we need legislation of this sort, particularly in view of the potential influx of substantial quantities of lard, due to excess production of pork.

The amendment also relates to oils which are the products of cottonseed, soybeans, and linseed. It merely authorizes the Secretary to utilize these commodities and their products for the purposes of donation for relief feeding.

I think the amendment will have a very salutary effect, in light of what the market conditions might be.

Mr. President, I have a statement in regard to the amendment, and ask unanimous consent that the statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

Section 306: This new section specifies that the Commodity Credit Corporation should dispose of its stocks of animal fats and edible oils or products thereof by donation to the appropriate agencies of the Federal Government, nonprofit voluntary organizations registered with the Department of State, and international organizations for use in the assistance of needy persons outside the United States. The Commodity Credit Corporation is also authorized to purchase for donations animal fats, edible oils, and products thereof to maintain the support level for cottonseed and soybeans. The executive branch already has this authority, but this section makes it specific, in order to urge the executive branch to comply with the request of the Congress in this matter. Animal fats and edible oils have been needed and requested by voluntary organizations, but have been denied by the Government.

Mr. ELLENDER. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. Of course.

Mr. ELLENDER. I understand that the amendment, as originally drafted, directed the Secretary to do these things, but that the modified amendment is permissive.

Mr. HUMPHREY. That is correct; the language of the amendment, as modified, is permissive.

Mr. ELLENDER. Mr. President, with that understanding, I agree to take the amendment to conference.

Mr. HUMPHREY. I thank the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have included in the RECORD at this point in my remarks a summary of the amendment.

There being no objection, the following explanation was ordered printed in the RECORD:

FATS AND OILS DONATIONS

This provision would authorize the Commodity Credit Corporation (1) to donate its stocks of animal fats and edible oils or products thereof for the assistance of needy persons outside the United States, and (2) to purchase such quantities of such commodities for such donation as will maintain the support level for cottonseed and soybeans.

Authority for the donation of such commodities already exists under section 416 of the Agricultural Act of 1949 and other provisions of law upon the same conditions applicable to other commodities. Authority to acquire such commodities also exists. There appears to be no reason why fats and oils should be treated differently than other commodities. In its report on S. 1711, the Department of Agriculture advises that "Current market situations indicate the strong possibility that all surplus edible vegetable oils in the United States may be needed to

meet demands of dollar sales or title I agreements. The continued low production of coconut oil, the flood disasters in the Argentine area, and the failure of Communist China to deliver in accordance with earlier indications may develop a tightness in the world market for edible oils which will be more than enough to absorb the indicated surplus in the United States."

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Minnesota.

The amendment, as modified, was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 825. An act to revise eligibility requirements for burial in national cemeteries, and for other purposes;

S. 1164. An act to authorize the appointment of a commissioner for Grand Canyon National Park, Ariz.;

S. 1973. An act to extend the validity of the passport to 3 years;

S. 2390. An act to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park; and

S.J. Res. 25. Joint resolution to change the name of Roosevelt Dam, Reservoir, and Power Plant in Arizona to Theodore Roosevelt Dam, Lake and Power Plant.

The message also announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 53. Concurrent resolution to print additional copies of hearings on "Fallout From Nuclear Weapons Testing"; and

S. Con. Res. 72. Concurrent resolution to print additional copies of hearings on "Biological and Environmental Effects of Nuclear War."

The message further announced that the House insisted upon its amendments to the bill (S. 2181) to amend the Mineral Leasing Act of February 25, 1920, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ASPINALL, Mr. ROGERS of Texas, Mr. MORRIS of New Mexico, Mr. SAYLOR, and Mr. WHARTON were appointed managers on the part of the House at the conference.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. BUTLER. Mr. President, the senior Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. Therefore, at this time I call up his amendment which is designated as "8–29–59–A," and offer the amendment for him, on behalf of himself, myself, the Senator from California [Mr. KUCHEL], the Senator from Delaware [Mr. FREAR], and my colleague from Maryland [Mr. BEALL].

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to add the following new section:

At the end of the bill add a new section as follows:

SEC. II. The Agricultural Trade Development and Assistance Act of 1954 is further amended by adding at the end of title III a new section as follows:

"SEC. 306. Shipments of surplus agricultural commodities destined to foreign countries, exported under titles I, II, or III of this Act, shall be delivered directly to the export vessel at a United States port. For the purpose of this section 'export vessel' shall mean the ocean vessel transporting the surplus agricultural commodities from the United States port of loading to foreign port of discharge."

Mr. BUTLER. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. BUTLER. Mr. President, as I have stated, this amendment is the amendment of the senior Senator from New Hampshire [Mr. BRIDGES]; and I have joined him in offering it, as have my colleague from Maryland [Mr. BEALL], the Senator from California [Mr. KUCHEL], and the Senator from Delaware [Mr. FREAR].

Mr. President, the purpose of the amendment is quite obvious. It would require that any agricultural products shipped to a foreign country under titles I, II, or III of the act, be directly loaded at an American port for export.

Mr. President, when the Agricultural Trade Development and Assistance Act of 1954 was enacted, it was declared to be the policy of Congress to promote the economic stability of American agriculture and the national welfare. Title I of the act authorized the President to negotiate agreements with friendly nations for the sale of surplus agricultural commodities for foreign currencies.

Now that we have been called upon to extend the authority of the 1954 act, we would do well to carefully examine, in the light of the national welfare, the promotion of which Congress has declared to be its policy, a recent action of the Department of Agriculture. I refer, Mr. President, to the decision to provide U.S. inspection and grade certification of title I grains at Canadian ports on the St. Lawrence River.

Grains moving under oversea trade contracts have heretofore required certificates of grade issued pursuant to the provisions of the U.S. Grain Standards Act. This has been, and continues to be, an altogether wise and just requirement, whereby the quality of the American export is guaranteed to the foreign countries participating in the trade contracts. It has also been heretofore required, with equal wisdom and justice, that the inspection which results in the issuance of grade certificates be carried on exclusively at points of departure in the United States. It is this second requirement which the Department of Agriculture, without legal or moral justification, and without regard for consequence, has discarded by its recent ruling; and it is the purpose of the present amendment not only to restore the agency requirement, but also to make it a permanent addition to the Agricultural Trade Development and Assistance Act.

In joining in the amendment of the Senator from New Hampshire, I would not have it thought that I am opposed to the principle of selling surplus agricultural commodities for foreign currencies. In my judgment, both the principle and the methods which have been devised for carrying the principle into effect are of indisputable value. They not only permit the disposal of the expensive and unmanageable surpluses held in stock by the Commodity Credit Corporation, but they also increase the consumption of American produce abroad and make available funds to finance needed activities and services in foreign countries. Rarely have domestic and foreign policies been advanced so generously by a single law.

Nor would I want it thought that I am opposed to adequate and improved inspection of American grain exports, for we have an undoubted responsibility to warrant the quality of our merchandise. What I am opposed to, Mr. President, is the careless disruption of many segments of the American economy which will inevitably and immediately take place now that the Department's new inspection regulation has become effective as of September 1.

In the first place, the inspection and certification of title I and other export program grains at Canadian ports are of questionable legality. What procedures have been established for procuring Federal appeal grade certificates, the extra quality assurance which is available at U.S. ports? What jurisdictional arrangements have been made in the event the U.S. Grain Standards Act, in large part a criminal statute, is violated in Canada? These are legal points upon which I do not intend to dwell, because so much more of importance is at stake. The fact that the Department of Agriculture has failed to express itself on these points, however, is a good indication of the dubious and uncertain legal foundation of its decision.

Now, Mr. President, let us proceed to the true crux of the problem. What has the Department of Agriculture accomplished by its arbitrary decree? In simplest terms, it has assured that the grains contractually committed to foreign countries under trade agreements be moved from the midwestern grain centers for shipment out of the nearest available outlets. It mattered not one iota that the nearest outlets happened to be Canadian. And when the Department awakened to the realization that export grains could be inspected only at American outlets, it simply waved its administrative wand and made the requirement disappear. In just such a casual manner as this, after only one public hearing, at which bitter opposition was expressed by Atlantic and gulf port representatives and by the National Grain Trade Council, the Department of

Agriculture effectively rerouted the course of millions of bushels of grain every year. This diversion will leave in its wake economic devastation of gigantic dimensions. All along the Atlantic and gulf coasts it will cause a tremendous annual loss in wages and taxes and transportation earnings. It will idle facilities which were created and manpower which was employed in anticipation of continuing shipments of surplus agricultural commodities. And all this economic distress will have been generated to satisfy the whims of a supposedly impartial agency of the Federal Government.

Mr. President, I must congratulate the Department of Agriculture on the ingenuity it has displayed in improving on that legendary financial transaction in which Peter is robbed to pay Paul. In this instance, the deepwater Atlantic and gulf ports, the skilled labor employed at these ports, and the American taxpayer generally is robbed in order to fatten up the economies of Canada and a few Midwestern States. It certainly requires no precise definition or scholarly analysis to realize that building up Canadian commerce at the expense of American commerce is not in the public welfare, but since the Department of Agriculture has proved itself such an inept interpreter of the public welfare, the grave responsibility to legislate has devolved upon the Senate.

As the situation stands, now that the inspection and certification of grains is available at Canadian ports, the surplus grain commodities earmarked for foreign countries will be loaded into barges at midwestern lake ports, carried to the large Canadian Seaway ports, and there transferred to the final export vessel. By this arrangement, all the Seaway operators and all the foreign shippers who handle the bulk of Seaway exports will prosper and multiply. But let me emphasize, Mr. President, that for every dollar of new Canadian prosperity there will be a dollar less in the pockets of American labor and industry. And let me emphasize that this reallocation of economic resources to promote Canadian welfare has been ordered at the expense of the American taxpayer, with whose dollars the Commodity Credit Corporation purchases the surplus agricultural commodities for export.

It is argued that the present amendment deals a fatal blow to the great Midwest, that its enactment will cripple useful operations on the St. Lawrence Seaway. The argument is made that, since the Seaway project was constructed at great public expense, it should now be utilized to the greatest possible extent. This very line of reasoning was taken in a letter pertaining to the export grain situation which I recently received from the Department of Agriculture:

It is assumed that with substantial expenditures by the United States for development of the Seaway it should be used to the extent practical in exporting U.S. grain.

Mr. President, I ask unanimous consent that the letter in which this sentiment was conveyed be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 4, 1959.

Hon. JOHN MARSHALL BUTLER,
U.S. Senate.

DEAR SENATOR BUTLER: This is in reply to your letters of July 22 and August 3, 1959, in further reference to U.S. inspection at the Canadian port of U.S. grain transshipped through Canadian ports.

Prior to the meeting on July 21, we considered making U.S. grain transshipped through Canadian ports on the St. Lawrence Seaway eligible for financing under title I, Public Law 480, both on the basis of U.S. inspection at the U.S. lake port at which the grain was loaded and on the basis of U.S. inspection at the Canadian port. In discussing the situation with representatives of the Canadian Government we learned that it now requires the inspection of grain loaded to ocean vessels at St. Lawrence ports even though such grain was inspected at the time it was loaded to lake boats at Fort William and Port Arthur. This is a recent change with a view to providing high-quality grain for export.

The Department in 1933 discontinued the use of so-called split certificates in connection with grain loaded at the upper Lakes sold in Eastern States. Complaints have been received from foreign buyers concerning the quality of U.S. grains transshipped through Canada. It appears proper to require U.S. inspection of all U.S. grains exported under U.S. subsidy programs through Canadian ports. Inspection at Canadian ports of such grain provides information concerning the kind and quality of U.S. grain loaded to ocean vessels at Canadian ports and information with which to review the price paid by the foreign country, particularly with reference to grain obtained under title I, Public Law 480, for which the United States receives foreign currency in payment.

It is assumed that with substantial expenditures by the United States for development of the Seaway it should be used to the extent practical in exporting U.S. grain. We do not believe it can be determined at this time whether or not requiring U.S. inspection of U.S. grain transshipped through Canadian ports of itself will be or will not be detrimental to the port of Baltimore and other Atlantic ports.

Our current policy of a common subsidy for each grain exported from the gulf, the Atlantic coast, and the St. Lawrence Seaway permits the flow of grain the same as it would if there was no subsidy.

Enclosed is a copy of the Department's press release of July 23, which states that U.S. inspection at Canadian ports on the St. Lawrence Seaway will be required under all grain port programs if an export subsidy is paid including sales under title I of Public Law 480. The Public Law 480 title I regulations and other export program terms and conditions are in the process of being amended to require U.S. inspection of grain transshipped through Canadian ports on the St. Lawrence River. Copies of these amended regulations and terms and conditions will be furnished as soon as they are available.

The requirement that U.S. grain transshipped through Canadian ports on the St. Lawrence River be U.S. inspected at the Canadian port is an administrative requirement. The authority for such a requirement is in the Commodity Credit Corporation Charter and in Public Law 480, 83d Congress.

Recent freight rate reductions on grain shipped from the Midwest to the Atlantic coast have been of some assistance to the Atlantic coast. We understand that reduced freight rates on ex-lake grains from Buffalo to Atlantic coast ports are under consideration. We are not unmindful of the substantial reduction in the volume of grain moving in export channels from the Atlantic coast. The previous substantial volume exporting from Atlantic ports was either because of lower costs to the Continent or because the U.S. Government paid the difference.

It appears to us that the railroad companies and others interested in the exports from the Atlantic coast will find it possible to compete with exports from the gulf and the St. Lawrence Seaway to the extent that it is possible for them to make the necessary adjustments which will provided a landed cost on the other side competitive with other ports.

Sincerely yours,

MARVIN L. MCCLAIN,
Assistant Secretary.

Mr. BUTLER. Mr. President, it is encouraging to note that the Department of Agriculture is so attentive to Seaway needs and interests. A mere glance at the statistics, however, offers convincing proof that the Seaway operation can look after itself. Monthly grain exports from the port of Baltimore now total 1,210,000 bushels, as compared with a maximum monthly volume of 12 million 3 years ago, the balance having already been diverted to Seaway outlets. And since the American Seaway ports have inadequate facilities to load full cargoes on their own, the practice of transshipment through Canadian ports has been established. In this way the full benefit of grain diversions has accrued to the Canadian economy, and the full loss has been absorbed by the American economy. A pointed illustration of this shift can be obtained by comparing the shipments of grain from North Atlantic ports versus Great Lakes ports for the 3-month periods of May, June, July, 1958 and May, June, July, 1959. On page 2 of volume 7, No. 32 of the Grain Market News published by the Grain Division of the Agricultural Marketing Service of the Department of Agriculture on August 14, it was shown that shipments out of North Atlantic ports have declined from 42,905,000 bushels to 25,436,000 bushels, or 42 percent during the 3-month period, while shipments from Great Lakes ports have increased from 7,126,000 bushels to 72,420,000 bushels, for an increase of 916 percent over the same period.

May I now give the figures for the port of Baltimore for the months of July and August 1959, as compared with July and August of 1958?

Mr. MORSE. Mr. President, will the Senator from Maryland yield to me for 30 seconds?

Mr. BUTLER. I am happy to yield.

Mr. MORSE. I shall ask that immediately following the remarks of the Senator from Maryland [Mr. BUTLER], in support of the Bridges-Butler-Kuchel-Frear-Beall amendment, there be printed a copy of the amendment, to be followed by a series of telegrams I have received from constituents in the State of Oregon, such as the Commission of Public Docks of Portland, Oreg., the Commission of Public Docks of Oregon, the Wheat League, the Port of Astoria, and others.

In support of the amendment, I ask unanimous consent that the telegrams and a copy of the amendment be printed following the remarks of the Senator

from Maryland. I wish to say to the Senator from Maryland I shall support his amendment.

Mr. BUTLER. I thank the Senator from Oregon.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. BUTLER. Mr. President, the figures I am about to give were published and compiled by the Baltimore Chamber of Commerce.

In July 1958 there passed through the port of Baltimore 4,688,033 bushels of grain.

In July 1959, 1 year later, we shipped but 1,210,038 bushels of grain, a decrease of over 70 percent in 1 year.

In August of 1958 there passed through the port of Baltimore 5,429,659 bushels of grain.

In August of 1959 the number has declined to 1,379,266 bushels, a decrease of approximately 70 percent.

On the basis of these figures, it would be difficult to contend that the Seaway is not participating to a practical extent in the exporting of U.S. grain. These figures, Mr. President, likewise show the imperative necessity that the Bridges amendment be added to the bill.

It is now proposed to extend the practice of transshipment through Canada to the export of surplus agricultural commodities. If this proposal is allowed to stand, the business and commerce generated by transactions authorized under Public Law 480 will in large measure be turned over to Canada. Baltimore, as well as other Atlantic and gulf ports, will be permanently denied the opportunity to participate in these relief export programs. Mr. President, I ask unanimous consent to have printed in the RECORD several articles by Helen Delich, the fine maritime editor of the Baltimore Sun papers, in which is described the full devastating effect which further grain diversion will have on the metropolitan Baltimore area.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Baltimore (Md.) Sun, July 13, 1959]

UNITED STATES TO INSPECT GRAIN AT SEAWAY

(By Helen Delich)

The Department of Agriculture intends to provide official inspectors to clear U.S. grain transshipped through Canadian ports, despite protests by Baltimore port officials and those from other Atlantic and gulf coast ports.

The Agriculture Department announced yesterday that U.S. grain being exported under the subsidy programs can be shipped through Canadian ports on the St. Lawrence Seaway after September 1, only if U.S. inspection is obtained there.

And that inspection will be provided, Agriculture Department heads reported yesterday, to facilitate the marketing of U.S. grain in export channels.

FEE BASIS AVAILABLE

The service will be provided on a fee basis upon request with inspection and certification on the basis of U.S. official grade standards.

This action is expected to be seriously detrimental to the port of Baltimore, since it long was the leading grain exporting port on the east coast and has suffered other setbacks on this particular commodity in the last 2 years.

Pressure to provide U.S. grain inspectors was applied by midwestern farmers because they felt that their grain could move cheaper through Canadian ports with the all-water transportation provided by the St. Lawrence Seaway and, therefore, they could sell more abroad.

PROGRAMS INVOLVED

The move to permit the transshipment through Canada will apply to exports under the feed grain and wheat payment-in-kind programs and to Commodity Credit Corporation sales, the Department said, including those under barter and the CCC credit sales programs and those made at special export pricing.

For feed grain bids accepted under the export program and registered under the wheat program after September 1, official U.S. inspection will be required on exports through Canadian ports on the Seaway.

SAFETY DRIVE BEGUN

An on-the-job safety campaign, covering every operating location in the port of New York, was announced yesterday by the New York Shipping Association and the International Longshoremen's Association.

The program calls for the placement of 250 suitably framed messages in prominent positions on all piers. The safety messages will be changed every 2 weeks.

The two groups said each poster will point to a major cause of accidents. They hope to materially lower the accident frequency rate in that port.

The campaign is patterned after ones in other industries, but has never been tried on any waterfront in connection with longshoremen.

BEMBO ENDS CAREER

John D. Bembo ends his long career of service to the Federal Government today, his last day as area representative and chief of the Baltimore section of the ship repair and maintenance branch of the Maritime Administration.

He will be honored at a testimonial dinner August 10 at the Southern Hotel.

[From the Baltimore Sun]

WATERFRONT SIDELIGHTS

(By Helen Delich)

The port of Baltimore is indebted at this time to a man from a neighboring (and usually competing) port on a matter that is of interest to both, but of more value to Baltimore.

The man is John H. Frazier, assistant director of port development of the Delaware River Port Authority, who has been serving as the chairman of a grain committee for the Atlantic and gulf ports, the principal purpose of which is to stop midwestern U.S. grain from being exported through Canadian ports.

Although all the ports of the Atlantic and gulf will be hurt if the Senate does not restrict to U.S. ports the shipment of Government-aid grain, Baltimore will be hurt the worst because the bulk of that midwestern grain has moved through Baltimore and Norfolk.

GULF HAS MORE COMEBACK

The gulf ports naturally will lose some, too, to the all-water northern route if big ships can be loaded fully with Department of Agriculture aid grain, but they will not suffer as much as Baltimore because they can offer an all-water river route for delivery from the farmlands.

Mr. Frazier, who has specialized in grain matters for nearly 30 years, has been working to get Congress to limit the movements of the grain which is being paid for indirectly by the U.S. taxpayers so at least the wages earned from these shipments will go into American pockets instead of into those in another country.

HOUSE BEAT PLAN BY EIGHT VOTES

The House of Representatives defeated the amendment by only eight votes last week. It is felt that a rollcall vote would have resulted in a victory for the limitation to U.S. seaports but the amendment was tied to other phases of the giveaway grain bill.

Now it will be up to the Senate to take action when S. 1748 is brought to the Senate floor this week. Already Senators BUTLER and BEALL, Republicans, of Maryland, have pledged their support to the limitation of this grain to U.S. ports.

However, Mr. Frazier feels it vital that labor unions and members make a strong drive to gain support from Senators throughout the United States in order to assure a victory in the upper House. This then would mean that the matter would go to a conference committee.

POSSIBLE VETO OF WHOLE BILL

Of course, there is a possibility that the bill to extend the grain program might be vetoed by the President because of a House-approved amendment adding a stamp plan for the distribution of grain to those in need. The Republicans seem opposed to the stamp method.

The loss in the House, therefore, leaves the grain issue far from decided and Mr. Frazier and his committee need support. Their success means money to the metropolitan area of Baltimore and the State of Maryland.

The fight to restrict aid shipments to U.S. ports resulted from a directive issued by the Department of Agriculture to place its own inspectors in Canadian ports after September 1 to inspect all grain transshipped through those ports.

The Great Lakes Congressmen know that right now they need the Canadian ports to top off the shipments of grain from their own areas, so they are going to support the Department policy.

EXPERT SEES NO SALES LOST

However, it is predicted that in 3 years, when ships can load full cargoes on their own at the lake ports, the lake ports will begin to suffer and pay for the business being pushed through Canada, which will then be well enriched.

The farm bloc claims the farms need the Canadian ports for the movement of their agricultural products because it is slightly cheaper than shipping to the Atlantic coast and then out.

And yet, when Representative BOYKIN, Democrat, of Alabama, acting chairman of the House Merchant Marine Committee, last week asked Walter C. Berger, Executive Vice President of the Commodity Credit Corporation, how many sales would be lost by shipping only through U.S. ports, Mr. Berger replied that probably none would be.

Those who are close to the scene feel there is more to the movement by the Department of Agriculture than meets the eye. What caused this directive is a question Maryland and other interests would like to know.

[From the Baltimore Sun, Aug. 7, 1959]

GRAIN MOVE IS DENOUNCED—CONGRESSMEN CHARGE AID TO FOREIGN PORTS

(By Helen Delich)

WASHINGTON, August 6.—The Department of Agriculture today was accused by several

Congressmen of building up foreign ports at the expense of American ports—including Baltimore—and American shipping.

In a heated informal hearing before the House Merchant Marine and Fisheries Committee—with several members of the House Agriculture Committee attending—the department was charged with deliberately injuring the United States by issuing a directive that will place U.S. grain inspectors in Canadian ports without consulting Congress or anyone else.

C. B. Palmby, in charge of the program for the Agriculture Department, told the committee under sharp questioning by east and gulf coast members that he was uncertain as to how American flag ships will be affected.

BOOST CONCEDED

He conceded that grain already is moving in unprecedented amounts through the St. Lawrence Seaway, that the directive would help raise the tonnage and that in 2 to 3 years the grain movements would be much higher on the seaway.

The directive is to go into effect September 1.

Representative GARMATZ (Democrat, of Maryland), a ranking member of the Merchant Marine and Fisheries Committee, called for the Department of Agriculture to rescind its order until "everyone had a chance to look into it and study every aspect and its affect."

This suggestion met with general approval of the other committee members who then decided to proceed with formal hearings. The first session will be at 2 p.m. Monday.

EXPORTER MENTIONED

The following statements were made at today's informal hearing:

1. That Cargill, Inc., a major U.S. grain exporter, probably was behind the directive because a 15 million-bushel elevator is being built for that firm at the mouth of the St. Lawrence River for year-round operation.

2. That foreign-flag ships now were transporting the bulk of the grain in and around the Great Lakes area and St. Lawrence Seaway.

3. That the 70th Congress had to put a stop to U.S. grain movements through Canada because American ports were being hurt at that time.

4. That there is considerable question as to whether the Department of Agriculture's move is legal under the Grain Standards Act.

5. That the Department of Agriculture opposed the 50–50 act which calls for the transportation of at least half of all Government-financed cargoes on American-flag ships if available at reasonable rates.

Representative DORN, Republican, of New York, declared the Department of Agriculture deliberately was evading the 50–50 act on a minor technicality in making U.S. grain more available for foreign-flag ships and that it was openly recognizing a foreign port to handle giveaway grain while hurting the economy of America.

Representative BOYKIN, Democrat, of Alabama, said he was amazed to discover on a recent trip to Canada—for the official opening of the seaway—that the Canadian dollar was firmer than America's and that Canada is in much better financial shape than this country.

"America is being ruined already. We're in terrible shape," the southerner said. "We have got to look out after ourselves and not Canada."

John H. Frazier, an executive in the Delaware River Port Authority, and chairman of the Atlantic and Gulf Ports Grain Committee, said the Department of Agriculture issued its directive less than 48 hours after his group and the North Atlantic Exporters Association asked that the inspector service not be provided to Canada.

He charged that the matter had long been settled and that their appeal had not even been considered.

Capt. Andrew Crinkley, of Isbrandt Co., told the committee that he felt it a crime to punish the ports on the Atlantic by building up Canadian ones and charged that apparently a considerable amount of political pressure was applied for the Agriculture Department to act as it did.

[From the Baltimore Sun, Aug. 10, 1959]

WATERFRONT SIDELIGHTS

(By Helen Delich)

There is a hearing today on whether U.S. grain inspectors should be placed in Canadian ports and the importance of the hearing was emphasized last week when the chamber of commerce reported that Baltimore had exported less grain in July than in any other month since before World War II.

The St. Lawrence Seaway was cited as the principal reason for this sudden plunge to 1,210,000 bushels of export grain moving through what once was the Nation's leading grain exporting port.

WILL GET WORSE, OFFICIAL SAYS

A Department of Agriculture witness said the situation probably would worsen for eastern seaports rather than improve over the next 2 or 3 years.

Therefore, if it is made still easier to move U.S. grain through ports outside this Nation, Baltimore and other eastern ports are in for even more hurt than is already provided in the natural movement of grain through the ports bordering the new inland waterway.

The drop already charged to the seaway and grain movements down the Mississippi River and the port of New Orleans amounts to $1,500,000 in revenue lost monthly to the Baltimore metropolitan area.

FROM 12 MILLION TO 1

And if one compared the 1,210,000 bushels to the 12 million bushels this port was exporting monthly only 3 or 4 years ago, the dollar loss to this area would run as high as $3 million.

Various cost studies show that a ton of grain is worth about $12 to a metropolitan area.

This embraces the longshore work, the elevator operation, the railroad haul, truck movements, the handling of the ship into and out of the port, and numerous other costs. Grain has to be trimmed, and even though automatic trimmers now are used, trained men must operate them.

THIRTY-MILLION-DOLLAR ANNUAL LOSS SEEN

Grain ships must be sealed, cleaned, and prepared properly to permit the grain to be loaded aboard.

When one begins to add up the effect of the loss of grain to this metropolitan area, one realizes that the dollars lost here run well above $30 million annually.

Representative GARMATZ has suggested that the agriculture officials put off the September 1 date now set for opening inspection offices in Canadian ports until Congress has time to study the directive.

MAY BE ONE-BROKER PLAN

Actually, it was indicated at the preliminary hearing last week that the plan was initiated by one grain broker which does business internationally but which has headquarters in the United States.

It was testified that the Canadians are building a large elevator for Cargill, Inc., to operate near the mouth of the St. Lawrence River on a 12-month basis.

And it was said Cargill wanted U.S. grain inspectors and expected to slip through the directive from the Department of Agriculture without opposing ports even realizing what had happened.

SEAWAY RATE WAR SEEN

Despite its success on grain, the Seaway apparently is not producing sufficient quantities of cargo to keep all of the steamship lines operating there happy.

That is the reason the three German lines announced last week they were withdrawing from conference operation on the Great Lakes-St. Lawrence Seaway.

Their withdrawal virtually means they intend to initiate a rate war up there so they can take all the cargoes available by offering lower rates than conference lines can offer.

MARITIME BOARD NOTIFIED

The Federal Maritime Board was notified Friday of the lines' withdrawal officially. However, it is doubtful that the Federal agency can intervene.

What effect a rate war on the seaway might have on the east coast is anybody's guess, but it could be detrimental. If the freight rates are lowered sufficiently, more general cargo could be channeled to seaway ships even though they take a longer time to make the inland trip than those moving directly in and out of Baltimore or other Atlantic points.

The German lines can afford to lower their rates below the conference price, but American lines cannot.

FOREIGN COSTS ARE LESS

All foreign ship costs are cheaper than those under the U.S. flag, so that if foreign ships obtain freight rates equal to those of U.S. ships, their profits are higher than are the Americans.

Under a conference, all member lines must charge the same rate on all commodities. These rates usually are scaled to afford the highest priced operator, United States Lines, a profit on their ships. Thus it protects U.S. ships in that others cannot quote lower prices because their costs are lower.

The break in the conference is not to become effective until September 1, the same date this country is supposed to assign grain inspectors to Canada. That should be an eventful day to the port of Baltimore.

[From the Baltimore Sun, Sept. 2, 1959]

GRAIN-PLAN DAY PASSES—NO INSPECTORS PUT IN CANADA PORTS ON DATE SET

(By Helen Delich)

WASHINGTON, September 1.—Today was the day the Department of Agriculture was supposed to begin stationing inspectors in Canada to approve the quality of U.S. giveaway grain exported through Canadian seaports—to the detriment of Baltimore and other American ports.

But no permanent inspectors have been assigned there yet, although preliminary steps had been taken to place one man on duty in Montreal.

At the same time, the Department has been seeking support from all the various agriculture bodies of all the 49 States in what port interests refer to as a "backdoor method of trying to gain approval of an act they are afraid of."

DEPARTMENT BELIEVED SHAKEN

These actions suggest that the opposition, led by Atlantic and gulf coast port interests, to the Agriculture Department's directive has shaken the Department's assurance and made it try to rally its forces in the Senate against the proposed amendment that would limit to U.S. ports the exportation of grain financed by Uncle Sam.

An Agriculture spokesman said there are inspectors on call at Boston and New York whenever they are needed.

No staff will be set up, he said, until officials are able to measure the need by the volume moving through the Canadian ports. He guaranteed that the Department is prepared to go ahead when ready.

The move by the Department of Agriculture to gain support from the States is complicated.

The request to the various agriculture divisions in the States called for approval of an amendment to permit U.S. inspection of grain at Canadian ports.

A Department spokesman explained that this was routine and that it came under the 1,200 trust fund division of the act and was simply a means of assuring that the Canadian inspection service would be self-supporting.

He further explained that all agreements in this special group were self-supporting and that the Department could not take on additional agreements with the trust fund without circularizing all the States.

CLAIMS SOME STATES

However, he said that only a single State's sanction was needed to permit the Department to proceed with the plan. The spokesman said that more than 24 States have given their approval and that some were Atlantic Coast States whose ports were objecting to the original directive.

Mr. BUTLER. Mr. President, is it the position of the Department of Agriculture that the American economy is not entitled to its share of the benefits accruing from Public Law 480 sales? Or is it the Department's intention to subsidize the growth and development of the Canadian economy with tax moneys collected from U.S. citizens? The American people deserve an answer to these questions. The railroadmen, the longshoremen, the grain elevator operators and the many others whose jobs and security the Department has found it convenient to forfeit deserve an answer to these questions. Yet, Mr. President, every attempt to elicit an answer on behalf of the American people has been either ignored or treated to evasion and doubletalk. Perhaps the reasonable motives which prompted the Department's action are so obscure as to be almost nonexistent.

If American vessels were expected to retain control of the diverted grain cargoes, the Department's action would at least make some sense. But every indication is that foreign-flag vessels have carved out the St. Lawrence Seaway as their own private domain. By way of illustration, I quote from an article which was published in the July 26 edition of the New York Times.

American-owned vessels are being squeezed out of the Great Lakes grain market, the Lake Carriers Association said today.

Grain shipments in June climbed to 1,691,775 net tons from 1,556,718 tons a year ago, the associated reported, but only 29 of 247 cargoes were hauled by U.S. vessels. A total of 165 cargoes were moved by vessels of Canadian registry and 53 by foreign ships.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. BUTLER. Mr. President, will the acting minority leader yield me time?

Mr. ALLOTT. May I inquire how much time the Senator desires?

Mr. BUTLER. I should like to have 5 minutes on the bill.

Mr. ALLOTT. I yield 5 minutes to the Senator from Maryland from the time on the bill.

The PRESIDING OFFICER. The Senator from Maryland is recognized for an additional 5 minutes.

Mr. BUTLER. Mr. President, these figures represent an alarming shift of traffic to vessels of an alien flag, a shift which is apparently countenanced by the Department of Agriculture. The newly ordered inspection and certification of U.S. grains at Canadian outlets will empty the holds of the American vessels presently handling the Public Law 480 cargoes. It will transfer to vessels of foreign registry the substantial tonnages which belong to the American economy.

Far from being a mere technicality or administrative requirement, the installation of grain inspection stations in Canada will touch off a sweeping reorganization in the marketing of U.S. grain. Aside from its doubtful legality, this reorganization will lay waste to segments of the American economy which heretofore have served their country with great efficiency and distinction. No such ruinous discrimination was intended by Congress when it enacted the Agricultural Trade Development and Assistance Act of 1954, and I urge that the objectives of this act be reaffirmed by the adoption of the proposed amendment. Mr. President, there is no reasonable or patriotic alternative.

There are limits to the lengths we can go in being neighborly without obscuring the national interest. We have now arrived at these limits, and if the present amendment fails, we will have arrived at a time in U.S. history when the water ties of an international seaway are stronger than the blood ties which bind together the States of our indissoluble Union.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement showing a comparison of charges on grain via Baltimore, Md., and via the St. Lawrence Seaway, from the Midwest to Rotterdam, Netherlands.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Statement showing a comparison of charges per gross ton on grain via Baltimore, Md., and via St. Lawrence Seaway from the Midwest to Rotterdam, Netherlands

WHEAT FROM RAPID CITY, S. DAK.

	Via Duluth, seaway		Via Baltimore, Md.
	Ocean carrier from Duluth	Transship at Montreal	
Rail to port	$16.01	$16.01	$25.20
Water carrier beyond	9.25	8.80	4.00
Total	25.26	24.81	29.20
			25.26
Difference in favor of seaway:			
Per gross ton	----------	----------	3.94
Per bushel	----------	----------	.106

WHEAT FROM GRAND ISLAND, NEBR.

Rail to port	$14.22	$14.22	$19.93
Water carrier beyond	9.25	8.80	4.00
Total	23.47	23.02	23.93
			23.47
Difference in favor of seaway:			
Per gross ton	----------	----------	.46
Per bushel	----------	----------	.012

Statement showing a comparison of charges—Continued.

CORN FROM CHAMPAIGN, ILL.

	Via Chicago and seaway		Via Baltimore, Md.
	Ocean carrier from Chicago	Transship at Montreal	
Rail to port	$3.36	$3.36	$8.29
Water carrier beyond	9.25	(1)	4.00
Total	12.61	----------	12.29
			12.61
Difference in favor of Baltimore, Md.:			
Per gross ton	----------	----------	.32
Per bushel	----------	----------	.008
Wheat: Difference in favor of Baltimore, Md.	----------	----------	.075

[1] Not available.

EXHIBIT 1

PORTLAND, OREG., *August 27, 1959.*

Hon. WAYNE MORSE,
U.S. Senate,
Senate Office Building,
Washington, D.C.:

Reference conversation today relative Public Law 480, specifically S. 1748. We emphatically oppose legislation permitting the loading of surplus grain to vessel at any other than U.S. ports. Earnestly ask your best efforts supporting Kuchel or other amendment restricting such export loadings to U.S. seaports only. Reasons: First, believe situation parallels in principle 50–50 law regarding use of U.S.-flag vessels which Congress continues despite heavy foreign interest pressure. Second, believe danger inherent that surplus grain loading at foreign ports can be means to avoid 50–50 law, third, believe establishment of such principle can ultimately result in diversion of our own grain volumes in whatsoever degree to Canadian west coast ports with heavy loss to the United States; example, last 2 years Portland exported 2 million and 1½ million tons, respectively, grain surplus and other, while Columbia River including Portland exported 4¼ million and 3 million tons same years. Consider port earnings of $1.50 per ton conservative and even that figure demonstrates financial considerations at stake. Fourth, principle of S. 1748 without amendment inimical to heavy public investments here in particular and in all other U.S. public seaports. Fifth, we understand Kuchel amendment includes U.S. St. Lawrence Seaway and/or U.S. Great Lakes ports. Kindest personal regards same wire to Senator Neuberger tonight.

THOMAS P. GUERIN,
General Manager, Commission of Public Docks, Portland, Oreg.

PORTLAND, OREG., *September 3, 1959.*

The Honorable WAYNE MORSE,
U.S. Senate,
Senate Office Building,
Washington, D.C.:

Understand S. 1748 regarding Public Law 480 pending forthwith. As per previous wires is grave concern to us and vital to entire grain trade our area. Following additional to economic points in our wire August 27. Columbia River averaged approximately 3½ million tons grain export last 2 years inclusive surplus grains. Estimating 15½ tons per longshore man-hour average hourly rate per man-hour, $3.10, means $700,600 total annual payroll from grain alone to longshoremen and exclusive all other earnings, such as rail and barge freights on grain to tidewater vessel earnings, etc. Add at least 10 percent for overtime, etc., and longshore payroll. This item alone aproaches $1 million annually. Aside from vicious principle

in proposed diversion all economic considerations emphasize urgency your support of Kuchel amendment.

Kindest regards,

THOMAS P. GUERIN,
General Manager, Commission of Public Docks.

ASTORIA, OREG., *August 24, 1959.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

We are advised that Senator KUCHEL is introducing an amendment to S. 1748 requiring grain distributed under Public Law 480 be shipped through American ports. Along with other Columbia River ports, we endorse this amendment. We would like to urge your studied consideration of the amendment and if possible, not only support it but jointly sponsor it along with Senator KUCHEL.

PORT OF ASTORIA,
R. J. BETTENDORF,
Manager.

ASTORIA, OREG., *August 27, 1959.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

We repeat our urging to support KUCHEL's amendment to S. 1748. We are fearful that without such a restriction, it is conceivable that grain historically moving through Columbia River and Puget Sound ports could be diverted to British Columbia ports without justification.

PORT OF ASTORIA,
R. J. BETTENDORF,
Manager.

PORTLAND, OREG., *August 20, 1959.*

Hon. WAYNE MORSE,
U.S. Senate,
Senate Office Building,
Washington, D.C.:

Re S. 1748 respectfully urge your support of amendment to this bill which will insure that all surplus agricultural commodities must be loaded at a U.S. port to vessel transportation goods from U.S. port of loading to foreign port of discharge. Best regards.

R. F. WATTS,
Commission of the Public Docks of the City of Portland.

WASHINGTON, D.C., *September 1, 1959.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Re Public Law 480 ship operators west coast strongly support Butler amendment to curb Department Agriculture use of non-U.S. ports for loading surplus grain exports. Next step might be Agriculture desire use of Mexican ports for cotton or British Columbia for grain. Our member companies concentrate on serving U.S. ports and we don't want threat of getting squeezed out of our share of tax-financed exports when they move out of nearby foreign ports.

RALPH B. DEWEY,
President, Pacific American Steamship Association.

PENDLETON, OREG., *September 1, 1959.*

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Urge your support of provisions to utilize St. Lawrence Seaway for U.S. grain exports in bill to extend provisions of Public Law 480.

FRANK TUBBS,
President, Oregon Wheat Growers League.

PENDLETON, OREG., *September 3, 1959.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Oregon Wheat League position is to support whatever encourages sound movement of U.S. wheat into export. P. & W. is penalized by USDA's programing of 480 wheat from gulf ports, hence anything that improves movement of Midwest wheat improves our position for future exports. P. & W. wheat exports down 30 percent and carryover up 73 percent in past year. Seaway battle is over. Seaway exists and should be used. Topping cargos at Canadian points necessary to movement of U.S. wheat.

OREGON WHEAT GROWERS LEAGUE.

S. 1748, 86th Congress, 1st session, in the Senate of the United States—August 28 (legislative day, August 26), 1959—Ordered to lie on the table and to be printed

Amendment intended to be proposed by Mr. BRIDGES (for himself, Mr. BUTLER, Mr. KUCHEL, Mr. FREAR, and Mr. BEALL) to the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes: At the end of the bill add a new section, as follows:

"SEC. II. The Agricultural Trade Development and Assistance Act of 1954 is further amended by adding at the end of title III a new section, as follows:

" 'SEC. 306. Shipments of surplus agricultural commodities destined to foreign countries, exported under titles I, II, or III of this Act, shall be delivered directly to the export vessel at a United States port. For the purpose of this section "export vessel" shall mean the ocean vessel transporting the surplus agricultural commodities from the United States port of loading to foreign port of discharge.' "

Mr. ELLENDER. Mr. President, I yield myself 3 minutes.

Mr. President, in effect, the pending amendment, by prohibiting the movement of any surplus commodities under titles I, II, and III by transshipment through Canadian ports, would effectively deny the use of the St. Lawrence Seaway for Public Law 480 grain exports. There is no man in the Senate who fought any harder than I to prevent construction of the St. Lawrence Seaway. I fought the issue for over 11 years. One of the main reasons I opposed the construction of the seaway was its cost—the over a billion dollars which would be assumed as an obligation by the United States.

Later, after the seaway finally had been built, the United States obligated itself to pay for that portion of the channel passing through the United States near Massena, N.Y.

Mr. President, since this seaway has been constructed I think it would be an error on our part to pass legislation to prevent the use of it, because that is exactly what the effect of the amendment would be. I know it may be difficult for the port of New Orleans, in my home State of Louisiana, to accept the transshipment of the grains through Canadian ports as a fact of life, but it is something which must be done.

I have been asked to vote for the amendment but, Mr. President, in all good conscience, I cannot see my way clear to do so. The seaway, although I opposed its creation, has been built. It exists. In my judgment, it would be the height of folly for us to deny the use of this facility. What is more, in my humble opinion, if the amendment were agreed to, it would be a direct slap in the face of our neighbor to the north, Canada.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I will yield in just a moment.

Mr. President, as I said, I regret having to take this position. I want to say further, I realize that there is the possibility that some of our ports will lose some trade because of these transshipments.

But I would like to point out that not only would the amendment prevent transshipment of the surplus commodities through the seaway, it would also deny the right of the ports of the Great Lakes to utilize their facilities to transship these surplus commodities to Canadian ports.

Mr. LAUSCHE, Mr. WILEY, and Mr. BUTLER addressed the Chair.

Mr. ELLENDER. I yield to the Senator from Ohio for a question.

Mr. LAUSCHE. Mr. President, will the Senator further explain his statement that the amendment would deny the ports of the Great Lakes their right to use their facilities?

Mr. ELLENDER. The ports of the Great Lakes are not deep enough to handle large cargo vessels. As a consequence, many smaller boats are used to transport grains to Canadian ports. From there the wheat or whatever surplus commodity is involved is loaded onto larger vessels.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I will yield in just a moment. There is no doubt that the amendment would deny ports of the Great Lakes the right and privilege to handle a good deal of this grain trade.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 1 more minute.

For the reason I have just stated, passage of this amendment would be a direct slap to our good friends to the north. That is one reason why I oppose the amendment.

Several Senators addressed the Chair.

Mr. ELLENDER. Mr. President, I have very little time. I will yield 30 seconds to the Senator from Maryland for a question.

Mr. BUTLER. I wish to say to the Senator, there is no intention to deprive the Great Lakes ports of their rightful share of the traffic. When the ports are able to handle the traffic we would expect, in normal course, that shipper would take the first available American port. However, when there is a bypassing of all the American ports, that is going too far.

The PRESIDING OFFICER. The time the Senator yielded has expired.

Mr. ELLENDER. Mr. President, I yield myself a half minute.

The shippers are sending the grain to the Canadian ports through the Great Lakes.

Mr. BUTLER. Would the Senator allow me a half minute to answer?

Mr. ELLENDER. Mr. President, I yield 4 minutes to the distinguished Senator from Wisconsin.

Mr. WILEY. Mr. President, I do not care to yield to Senators. I wish I had time to do so.

Mr. President, as we know, the bill, S. 1748, with accompanying amendments, now before the Senate, proposes to extend the Agricultural Trade Development and Assistance Act—more popularly known as Public Law 480—for 3 years.

The extension of this program, I believe, is definitely in the best interests of the American farmer, national economy, and our foreign policy.

However, I am deeply concerned with the amendment, which, as I understand it, is intended to limit the ways and means by which surplus commodities could be shipped to overseas ports. Generally, the amendment reads:

> Any shipment of surplus agricultural commodities to be exported to a foreign country under this Act shall be delivered to the ocean vessel on which such commodities are to be transported to the foreign port of discharge only at a United States port.

Now, what would this amendment really do?

If adopted, it would prevent surplus commodities from being shipped by the most inexpensive method under Public Law 480 to destinations around the globe—that is, by way of the St. Lawrence Seaway.

As yet, limiting depths in channels of the Great Lakes prevent the traversing of large oceangoing vessels freely in and out of the Great Lakes through the seaway. As a result, it is sometimes necessary for commodities to be transferred from lake vessels to oceangoing ships at Montreal and other eastern Canadian ports.

The amendment, if adopted, would, first, substantially increase the costs of shipping surplus commodities from the producer to the foreign ports, thus hitting the American taxpayer a blow; second, the increased costs might well prevent shipment of as large a volume of surplus commodities—thus further hurting the American farmer, already sharing too little in the national economy, by eliminating an outlet for surplus products; third, the extra costs would provide a handicap to programs of relief to needy people, as well as adversely affect sales of such produce abroad; and fourth, it would reduce traffic on the St. Lawrence Seaway in which the American people have a $140 million investment, which is depending upon maximum volume to pay of its construction.

The attempt to serve eastern or gulf coast interests at the cost of the American taxpayer, I believe, is completely unjustified. By preventing surplus farm commodities from being shipped at the lowest possible cost, the amendment would also have the effect of being a handicap to the international program.

Unrealistic, unjustified, and unwarranted, the amendment, I believe, should be defeated.

Overall, this amendment—camouflaged in innocent sounding words—would extensively damage the Public Law 480 program. We recall that it was defeated in the House of Representatives. The Senate, I would hope, will also reject it.

Over the years, we recall that there has been a long-running battle with eastern and gulf ports, as well as the railroads, to complete the St. Lawrence Seaway. To a great many of us, it had appeared that the battle was won with the enactment of the seaway legislation in 1954; and more finally, with the completion of the project itself, in June of this year.

Unfortunately, however, we find these same interests continuing to sabotage efforts to fully utilize the traffic opportunities of the seaway.

Naturally, I can appreciate that Members wish to look out for the interests of their constituents. However, I believe that when these efforts run contrary to the interests of the American taxpayers, as well as threaten to jeopardize such an important program as Public Law 480, they certainly should be defeated.

Now here are some facts on the comparative costs of transportation. These rates are for the movement of wheat from Duluth and Minneapolis to Antwerp or Rotterdam:

First. Ocean vessels, direct from Duluth to either of above destinations, $9.25 per long ton.

Second. Lake vessels to Montreal or lower St. Lawrence ports, then transferred to ocean vessels, to above destination, $10.15 per long ton.

Third. Barge via Mississippi to New Orleans, then transferred to ocean vessels—plus demurrage, if any—$11.70 per long ton.

Fourth. Lake vessel, Duluth to Oswego, N.Y., New York State Barge Canal to Albany, N.Y., then transferred to ocean vessel, $13 per long ton.

Fifth. Lake vessel, Duluth to Buffalo, N.Y., then railed to North Atlantic port, namely, Boston, New York, Philadelphia, and Baltimore, to October 1, 1959, $14.50 per long ton; after October 1, 1959, $13.80 per long ton.

From these facts, it is evident that it will cost the U.S. taxpayer or foreign purchaser all the way from $1.55 to $3.65 more per ton, depending upon the route, to transport surplus agricultural commodities overseas under the programs of Public Law 480, if the amendment proposed by Senators BRIDGES, BUTLER, KUCHEL, FREAR, and BEALL is approved by the Senate.

The effect of the amendments will be to eliminate the transshipment of surplus commodities under this act at Canadian ports such as Montreal and Baie Comeau and will prohibit United States-Canadian lake vessels from carrying surplus grains to eastern Canadian ports as the return cargo for iron ore, brought into the lakes. As this is the most economical means of transporting both iron ore and grain in and out of the Middle West, it will thus not only impose a penalty on the Great Lakes transportation system and reduce the amount of traffic through the St. Lawrence Seaway, but, in addition, will increase the cost of transporting these surplus agricultural commodities, most of which is borne by the U.S. taxpayer, by from $1.55 to $3.65 per ton.

Recognizing the inequities which would be created if such an amendment is adopted, I contacted the State Department to get its views. In response I received a letter from Acting Secretary Douglas Dillon.

Mr. President, I ask unanimous consent that the letter from the Acting Secretary of State be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., August 28, 1959.

The Honorable ALEXANDER WILEY,
U.S. Senate.

DEAR SENATOR WILEY: In your letter of August 27 you called my attention to the amendment to S. 1748 tabled by Senator BUTLER, requiring that the shipment of surplus agricultural commodities under Public Law 480 be from U.S. ports and asked for the Department's comments.

The amendment would discriminate against the Great Lakes ports and the St. Lawrence Seaway project, a venture which we have recently hailed as an achievement with few historic parallels. It might add substantially to the cost of the Public Law 480 disposal programs. We can anticipate that the adoption of such a restriction would attract considerable adverse comment in Canada.

Until the St. Lawrence Seaway is in condition to accommodate fully loaded oceangoing vessels, a requirement that products shipped under the authority of Public Law 480 be loaded only at U.S. ports, would virtually exclude Great Lakes ports from participation in the export trade created by that law. At present grain shipments may be made from Great Lakes ports with transshipment at Canadian ports under both titles II and III of Public Law 480. The Department of Agriculture has announced that title I exports will also be eligible for these shipping arrangements beginning September 1, when official U.S. inspection service will be available at Canadian ports of the St. Lawrence Seaway.

Since most oceangoing vessels cannot yet safely navigate parts of the St. Lawrence Seaway when fully loaded, they customarily proceed to Canadian ports to complete their cargo after having taken on partial loads at lake ports of the United States. The grain taken on at Canadian ports has been previously carried there from U.S. lake ports by lake vessels. Regardless, therefore, of whether grain is transshipped through Canadian ports, initial loading takes place in lake ports of the United States.

As it would be uneconomic for oceangoing vessels to operate without full loads, the exclusion of Canadian ports from sharing in the handling of Public Law 480 grain would force such vessels to go to ocean ports for their full cargoes. This will clearly discriminate against our lake ports and would retard the development and the use of the St. Lawrence Seaway. It might also add substantially to the cost of the Public Law 480 surplus disposal programs. The extent of such increased costs would depend on ocean freight rates, rail rates to seaport destination of the grain shipped, and other factors.

The Department appreciates the opportunity to comment on this proposal and hopes that the amendment will not be adopted.

Sincerely yours,

DOUGLAS DILLON,
Acting Secretary.

Mr. WILEY. Mr. President, it seems to me that a point of order could be raised against this amendment, and I raise the point of order.

Mr. BUTLER. Mr. President, I yield myself 2 minutes from the time on the bill.

The PRESIDING OFFICER. Does the Senator from Wisconsin insist upon his point of order at this time?

Mr. WILEY. I insist upon the point of order.

Mr. BUTLER. Mr. President, I yield myself 2 minutes on the bill, on the point of order.

Mr. President, I stand here as a representative of a great State. This bill is literally loaded with amendments which are not germane.

A point of order has now been made against the amendment.

I am here pleading for the vital interests of my home city and my State; I feel at least entitled to the expression of the U.S. Senate on whether Americans should be denuded of their economic rights and have them turned over to a foreign nation.

I say this to the Senate. We cannot set up an inspection system under the present ruling of the Department of Agriculture that will not bring down on the head of the United States on every shipment of grain an appeal that it is not up to grade, for the following reason: We inspect the grain when it is loaded on the barge at the Great Lakes ports. It is then transshipped. We lose control of it. It may get mixed up with other grain. It may be of grade; it may not be of grade. We do not know what it is at the actual time of export.

The foreign country, under the inspection provisions of the act, have a right to appeal that the grain is not up to standard, and the United States is helpless, because as I have said, it did not see the grain when it finally went to the ship for export and therefore will have no defense.

I say this should not happen in the national interest. When we are so willing to help other people that we are ready to denude the great seaports of America on the western and eastern seaboards and on the gulf coast overnight, with no notice, in 1 short year, taking 70 or 75 percent of their trade away from them, I say we are being just a little too neighborly.

Mr. WILEY. I press my point of order.

Mr. BUTLER. I say the people of America do not want to be that neighborly. We should look out for America now and then.

Mr. WILLIAMS of New Jersey. Mr. President, I wish to associate myself with the forceful arguments the Senator has expressed in terms of the port of Baltimore. I believe his arguments apply equally to the other great ports of our country which now are equipped to ship grain. Only yesterday the administration announced that there was a big trade deficit, and that they are worried by the thought that we are losing the advantage in the balance of payments. Here is one of the aggravating factors; namely, the dollars that are being spent and sent abroad for shipping.

Mr. BUTLER. I completely agree with the Senator.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. Seven minutes remain on the amendment.

Mr. MANSFIELD. I understand that the yeas and nays have been ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. MANSFIELD. I also understand that we are limited to one-half hour of debate on each amendment.

The PRESIDING OFFICER. The Senator is correct.

The Senator from Wisconsin has indicated that he insists on his point of order. The Chair is prepared to rule on the point of order.

Mr. MANSFIELD. Mr. President, I am opposed to the Butler amendment. However, in view of the fact that the yeas and nays have been ordered, I certainly hope that we will have an opportunity to vote on the amendment, to vote it up or down.

Mr. CLARK. Mr. President, before the Chair rules on the point of order, with respect to the germaneness of the amendment, I hope the Chair will take into account the substance of the amendment. It explicitly refers to the shipment of commodities exported under titles I, II, or III of the act. It is very difficult for me to understand how an amendment which pertains directly to titles I, II, or III of the act could be ruled to be nongermane.

The PRESIDING OFFICER. The Chair will take that into consideration.

Mr. KUCHEL. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The Senate will be in order. The Chair is prepared to rule on the point of order raised by the Senator from Wisconsin [Mr. WILEY]. In the opinion of the Chair, the pending amendment is not germane to any provision in the pending bill. The amendment is related to the shipment of surplus agricultural commodities, a matter not covered by any provision in the pending bill. Therefore, the point of order is sustained.

Mr. KUCHEL. Mr. President, I desire most respectfully to appeal from the ruling of the Chair.

The PRESIDING OFFICER. That is the right of the Senator from California.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Is the motion subject to debate?

The PRESIDING OFFICER. It is subject to debate for 30 minutes.

Mr. CLARK. I thank the Chair.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. KUCHEL. Mr. President, I shall be very brief.

The substance of the amendment deals with American surplus grain raised by American farmers, owned by the American Government, and paid for by dollars from the American Treasury raised in taxes from the American people.

The relevant part of the amendment provides that the shipments of those surplus agricultural commodities destined to foreign countries "shall be delivered directly to the export vessel at a U.S. port."

That is all this does. It ought to be adopted. It ought to be adopted overwhelmingly. There is nothing in it which discriminates against any one section of the ports in the United States. This simply and solely says a U.S. port.

Surely, Mr. President, the Members of the Senate ought as a body to write into the legislation now before it the text of the amendment. It is for that reason, because I feel that the Chair's ruling is open to some technical question, that I have availed myself of my right to appeal, most respectfully, from the Chair's ruling.

Mr. ALLOTT. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield?

Mr. KUCHEL. Do I have time on this amendment, Mr. President?

The PRESIDING OFFICER. The appeal is debatable for 30 minutes.

Mr. KUCHEL. I am glad to yield 1 minute to the able senior Senator from Colorado.

Mr. ALLOTT. Mr. President, I should like to make one remark to my colleagues. I do not intend to vote for the amendment, but because of the situation in which we find ourselves on the floor of the Senate, it is my hope that the Senate will give the same opportunity and consideration to the amendment which has been presented that it gave to all the other amendments presented today which are not strictly germane to the bill. While I shall not support the amendment, I certainly do intend to support the appeal from the ruling of the Chair.

Mr. KUCHEL. I now yield 5 minutes to the able Senator from South Dakota.

Mr. MUNDT. Mr. President, since it appears that the decision as to whether or not the Chair is to be upheld or overruled on this point of order will be determined largely by the attitude of individual Senators toward the amendment itself, I should like to say something, first of all, in opposition to the proposed amendment. Then I shall say something, at the end of my time, about the germaneness of the amendment and the disposition of the point of order.

I am opposed to this amendment, Mr. President, not only as a Senator and a taxpayer but I am opposed to it from the standpoint of the American farmer, whom, after all, the pending bill, to extend Public Law 480, is intended to help. The proposed amendment definitely is to the disadvantage of our farmers and to all who pay taxes.

We are trying very hard to reduce the huge surpluses of grain and other crops. It is costing a great deal to dispose of those surpluses. This proposal to amend Public Law 480 would add to that cost without giving any advantage to farmers or anyone else except a few railroads and port facilities on the eastern seaboard. This amendment, by preventing surplus farm commodities destined to move to foreign countries from going to a Canadian port on the seaway and then being transshipped, would mean sharply

higher shipping costs to the American farmer.

It seems to me it would be sheer folly for the U.S. Congress to adopt a measure approving a seaway and then adopt a bill providing that we cannot use the seaway after it is developed.

I am reminded of a piece of doggerel which was bounced around in South Dakota when I was a boy:

Father, father, may I go out to swim?
O, yes, my darling daughter,
Hang your clothes on a hickory limb,
But don't go near the water.

Should we adopt the pending amendment we would be building this great seaway, but we would also be saying, "Do not use it. Do not let it help the farmer for whom it was intended. Do not go near the water."

Why should we spend millions of dollars to build a seaway and then take action such as that proposed by the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Maryland [Mr. BUTLER]?

Some of our agricultural problems have been caused by the fact that we have not had proper legislation dealing with transportation facilities. The question of denying the export of agricultural products through the seaway should not be permitted to rise and becloud a successful program such as that proposed in Public Law 480.

The proposed amendment to Public Law 480 takes advantage of the fact that the seaway is unable to accommodate large seagoing vessels fully loaded from the lake ports. The entire seaway just will not take a full 10,000-ton cargo. Therefore, it is necessary to limit to a partial load the loading of most of our farm products that we are exporting.

If we were to adopt the Butler amendment, it would be equivalent to placing a quarantine sign against the use of this great seaway by the farmers of America for the shipment of their products.

Competition is keen in world markets for the farm commodities which we export. We are paying hundreds of millions of dollars in export subsidies in order effectively to compete in the world market.

We are already providing for taking care of the question of rates for the shipment of American commodities overseas in American ships and now an effort is being made to exclude us from using the seaway to get our grain en route to foreign countries.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Previous to the opening of the seaway it cost 70 cents a bushel to get wheat from Bismarck, N. Dak., to Buffalo, N.Y.

It was estimated by the Department of Agriculture that the average rate established by the various steamship companies for transportation from Buffalo, N.Y., to Rotterdam was an additional 23.6 cents a bushel. The cost of shipping a bushel of wheat was already more than 90 cents a bushel. The opening of the seaway reduced that cost by 10 to 15 cents a bushel, depending upon the place from where it was shipped.

The Canadians had enjoyed an advantage over us. They have not had a freight rate increase since 1895 on grain shipments moving from their prairie provinces.

Our farmers are attempting to compete with the farm commodities of Canada and other nations of the world, and yet it is proposed to saddle still another burden upon them.

I ask to have inserted in the RECORD at this point, a story appearing in the Washington Post of September 4, 1959, headed "Farm Exports Fell Below 1958 Imports."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARM EXPORTS FELL BELOW 1958 IMPORTS

In a reversal of form, the United States imported more agricultural products during the year ending July 31 than it exported.

In the previous 12-month period, the exports exceeded the imports.

Preliminary figures put exports during the year at $3,720,450,000 in value and imports at $4,005,258,000. In the preceding year, the exports were $4,001,820,000 and the imports $3,929,422,000.

Agriculture Department officials said the decline in foreign sales during the past year largely reflected a sharp drop in cotton sales. United States cotton prices were above world levels.

An upsurge in exports is expected during the 12-month period ending next July 1, largely on the basis that cotton has been returned to a competitive price basis in world markets.

Mr. YOUNG of North Dakota. For the first time in quite a while our imports exceeded our exports. If we cripple the Public Law 480 program, we shall have a still worse situation, and agriculture will be in still more trouble. Agriculture really is in trouble, and before long the whole Nation will be adversely affected.

Mr. MUNDT. The Senator is exactly right. Since wheat is an international commodity, the price of wheat is always quoted as "less transportation," and the farmer consequently suffers a sharp increase in transportation costs when he has to ship by rail, because he is denied the right to ship by water.

The purpose and objective of Public Law 480, both title I and title II, is to stimulate additional exports of U.S. agricultural commodities. It would be the height of inconsistency to adopt legislation prohibiting use of the St. Lawrence Seaway in the implementation of the Government export programs.

We would be trying to go in two directions at the same time, and the Senator from Wisconsin [Mr. WILEY] is precisely correct in raising a point of order against such legislative inconsistency.

I strongly urge that the proposed amendment to Public Law 480 not be adopted.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I wish to associate myself with the argument made by the distinguished Senator from South Dakota as to the main issue before us. I ask the Senator from South Dakota this question: Is it not a fact that if the amendment is adopted, it will cost the American farmers around 16 or 17 cents a bushel in additional costs?

Mr. MUNDT. The Senator is entirely right, depending upon where the farmer is located. However, transportation always costs all American farmers a very substantial amount, and instead of permitting Public Law 480 to work to the advantage of the agricultural industry, it would make it work to the disadvantage of the agricultural industry.

Mr. SCHOEPPEL. I think it has been calculated that the average cost from the Midwestern States affected would be increased by 16 or 17 cents a bushel.

Mr. MUNDT. I believe the Senator's statistics are correct.

Mr. WILEY. Mr. President, will the Senator yield for a question?

Mr. MUNDT. I yield to the Senator from Wisconsin.

Mr. WILEY. Is it not true that this amendment would not only take from the farmers what has been stated, but would also take from the economy of the Great Lakes what it has now? I say that because smaller vessels which are transporting grain to Montreal will continue in that process until the larger vessels can get through. I know what my good friends from the East want. I do not blame them. We had to fight them until the hot spot really froze over to get the St. Lawrence Waterway through.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. KUCHEL. I yield 2 additional minutes to the Senator.

Mr. WILEY. If that is the case, the strong words used by my good friend from Maryland are not apt at all. He suggests that we are taking something from them. The only thing that we are claiming is that which belongs to us. The wheat is grown in the Midwest and West, and its natural channel of disposition is where it has been going continually.

Mr. MUNDT. The Senator is exactly correct. If this amendment were adopted, we would be in worse shape than we were before the passage of Public Law 480, so far as shipping is concerned; and as one who has been an early vigorous and consistent supporter of the St. Lawrence Seaway since before the time I came to Congress over 20 years ago, I believe it would be a travesty to have an amendment of this kind fastened on a piece of legislation designed to help the American economy and designed to help the American farmer, providing a market for disposal of his surplus products.

Mr. President, I wish to say a word on the point of order raised by the Senator from Wisconsin. This legislation is designed to aid the export of agricultural surpluses and to make them available, under a series of formulas, to people in foreign countries. The Butler amendment deals with something en-

tirely remote from that. It deals with what might be described as a maritime problem. I believe the Chair has ruled precisely correctly in saying it is not germane, and I hope the Members of the Senate will sustain the ruling of the Chair if that issue is brought to a vote and the point of order is not withdrawn. However, this is an issue which sooner or later must be decided on merit, so perhaps the point of order should be withdrawn, and the amendment defeated now while all Senators have the arguments clearly in mind.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. I now yield 2 minutes to the able Senator from Maryland [Mr. BEALL].

Mr. BEALL. Mr. President, I should like to ask the Senator from South Dakota a question. Is it not a fact that the subsidies on grain raised in the United States are paid by all the taxpayers in the country?

Mr. MUNDT. In the first place, the Senator from South Dakota states that he denys that subsidies are paid on grain raised by the American farmer. There is a price support program, but it is not a subsidy by any means. Frequently the American Government has made money in the disposition of grain it has been required to claim for its ownership under the price support program.

Mr. BEALL. There is no difference between a subsidy and a support program.

Mr. MUNDT. If the Government is getting a profit, it is not paying a subsidy.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. I yield 1 minute more to the Senator from South Dakota, in order that he may yield further to the Senator from Maryland.

Mr. BEALL. Mr. President, until recently the Department of Agriculture has required that surplus agricultural commodities destined for oversea ports be shipped through U.S. ports. This requirement was implemented through regulations directing that the commodities in question must be inspected and graded by U.S. grain inspectors who were stationed only at U.S. ports.

On July 23, 1959, the Department of Agriculture announced modifications in its requirements which have become effective on September 1, 1959. Under the new regulations, the Department will establish official grain inspection services at Canadian ports.

The net effect of this change will be to divert millions of tons of commerce away from United States ports and into Canadian ports.

I rise to oppose this practice that will subsidize the development of Canadian ports with Federal funds and, at the same time, deprive our own ports of much needed commerce.

We must not forget that the commodities shipped under Public Law 480 are subsidized under programs that represent a major item in our Federal budget. It seems to me that the price supports could serve a dual purpose if we required that the commodities be shipped through American ports. In this way, we would be benefiting both the American farmer and the American port of shipment rather than the Canadian ports which will become heir to this new windfall under the Department's regulations.

It is interesting to note that the St. Lawrence Seaway was financed by all the taxpayers of the United States. The grain in question is subsidized by all the taxpayers of the United States. Yet we now find themselves in the embarassing position of taking from a large segment of our population their very livelihood. I refer to those people who live and work in the vicinity of those U.S. ports which will lose millions of tons of commerce if this amendment is not adopted.

I refer to the workers who service these great ports—the men who load the ships; the men who transport this grain to the ships; I refer to all those men and their families who take part in the process of delivering a bushel of grain from an American port to a foreign port. I am thinking of our merchant marine fleet which is already losing millions of tons of commerce to foreign bottoms.

I am thinking of the railroads whose plight we recognized through legislation last year.

Mr. President, the failure to adopt the Bridges amendment will deal a severe blow to millions of Americans who will nevertheless continue to pay taxes which will benefit not the ports of Baltimore or New York, but, of all places, the port of Montreal.

The Department of Agriculture is presumed to issue regulations that are in the public interest.

I submit that any regulations which have the effect of diverting commerce from American ports to a foreign port are not in the public interest.

Since the enactment of Public Law 480, agreements signed under its authority have represented some $3,700 million in foreign currencies.

A report of the Senate Committee on Agriculture and Forestry dated July 15, 1959, shows the following totals of shipments which have been made or will be made under this program, as follows: 840 million bushels of wheat; 4 million bales of cotton; 33.5 million bags of rice; 210 million bushels of feed grains; and 250 million pounds of tobacco; as well as other commodities.

I repeat, Mr. President, that all the taxpayers of the United States contribute to the subsidization of these commodities. Yet, we are told that it will be necessary to establish an inspection service at Canadian ports.

I fail to see how this can possibly be in the public interest. I fail to see how any program favoring foreign ports over those of the United States can be in the public interest.

For these reasons, Mr. President, I urge the adoption of an amendment to S. 1748, which would require that shipments of surplus agricultural commodities destined to foreign countries, exported under titles I, II, or III of Public Law 480, be delivered directly to the export vessel at a U.S. port.

Mr. KUCHEL. Mr. President, I yield 2 minutes to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. KUCHEL. Mr. President, I yield 2 minutes on the bill to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, we are not arguing the merits of this question. We are arguing whether the point of order is well taken or not. That comes under the question of germaneness. I simply make this point: The grain has to go abroad in ships. It has to go abroad somehow. It cannot get to Europe or anywhere else unless it is moved in ships. To say that the port where a ship shall be loaded shall be designated seems certainly to be germane to the bill. I am not arguing the merits as expressed by the Senator from South Dakota and the Senator from North Dakota. The only question before the Senate is the point of order on the ground of germaneness.

I submit most respectfully that when grain has to be moved by ship, the port on the Atlantic seaboard where the grain must go can be designated.

Mr. KUCHEL. Mr. President, I yield 2 minutes on the bill to the junior Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I agree with the statement of the distinguished Senator from Massachusetts. I support his position as to the germaneness of the amendment. I also associate myself with the general sentiments expressed by the two distinguished Senators from Maryland. I will support the amendment.

Mr. President, I ask for the yeas and nays.

Mr. JOHNSON of Texas. Mr. President, I hope the Senator will not ask for them. There will be a lot of trouble securing the withdrawal of such an order.

Mr. SCOTT. Mr. President, I withdraw my request at this time.

Mr. KUCHEL. Mr. President, I yield 2 minutes to the senior Senator from Pennsylvania.

Mr. CLARK. Mr. President, I oppose the ruling of the Chair. I shall confine my remarks at the moment to the point of order; later I shall speak briefly on the amendment.

The Chair has ruled, on the advice, of course, of the Assistant Parliamentarian, that the amendment is out of order because it is not germane to the bill. But, Mr. President, if this amendment is out of order, then all the amendments which the Senate has been voting on for the last few days have been out of order.

What does the amendment propose to do? It purports to amend section 2 of the Agricultural Trade and Assistance Act of 1954 by adding a new section, section 306. That was what the Senate did 45 minutes ago when the amendment of the Senator from Kentucky, of myself, and other Senators was agreed to and a new section, 306, was included in the bill. That is exactly what we did on Friday, when we were debating the bill, when the distinguished Senator from Minnesota was bringing up amendments. The distinguished Senator from Minnesota was bringing up amendment after amendment after amendment. This

amendment does nothing more than those amendments were intended to do. It puts a new section in the bill. If this amendment is out of order, so is every amendment which has gone before.

The amendment adds a new section to the Agricultural Trade and Assistance Act. It is directly pertinent to the act. It provides that surplus food called for to be shipped to foreign countries under the act will have to be shipped from American ports. If that is not germane to the purpose of Public Law 480, I do not know what germaneness is. It seems to me that the ruling of the Chair was erroneous, and I ask the Chair to withdraw it.

Mr. JOHNSON of Texas. Mr. President, I hope Senators will indulge me for a few minutes, because I think we are about to do a number of Senators a decided injustice.

The Senate is operating under a unanimous-consent agreement. The Senate, as all Senators know, has no rule of germaneness. The only reason why a point of order would lie, if one does lie—and I do not believe it does—is that a unanimous-consent agreement is in effect. The only reason why the provision relating to germaneness is incorporated in unanimous-consent agreements is that several Senators, including the able senior Senator from Florida [Mr. HOLLAND], have insisted that when we have unanimous-consent agreements, we require that a provision relating to germaneness be included, so that controversial riders such as civil rights cannot be added from time to time without the knowledge of Senators. That has been the only reason for the provision relating to germaneness. That was the only reason why it was included in this unanimous-consent agreement.

I doubt that many amendments which the Senate has considered thus far with respect to Public Law 480 would have been held to be germane if the majority leader or any other Senator had decided to make a point of order. I stated that the other evening to the distinguished Senator from Minnesota [Mr. HUMPHREY]. I told him that if any Senator decided to make a point of order on his amendments, they could be ruled out on the ground that they were not germane; but that if such a ruling were made, it would not be keeping faith with the Senate, and it would not be in accord with what Senators agree to when they enter into unanimous-consent agreements.

There is no Member of the Senate for whom I have greater respect or affection than the present Presiding Officer, the distinguished senior Senator from Alaska [Mr. BARTLETT], whom I have known for a number of years. He is carrying out the advice which the Assistant Parliamentarian gives him. I respect the judgment of the Assistant Parliamentarian. He knows much more about the rules than do any of us, although in this instance I think he is wrong, and in this instance I do not believe a point of order should lie.

I regret that the Chair has made the ruling he has made. I regret that the point of order has been raised.

I hope that if there is no other way to get out of this situation, so as to keep faith with all of us, the Senate will vote to override the ruling of the Chair, so that we can then vote on the merits of the amendment.

I am not prepared to discuss the relative merits of the amendment, but all Senators ought to be willing to let the amendment stand on its own bottom, without having to raise a point of order.

As the Senator who submitted the unanimous-consent agreement, and who has submitted a great many of them in the past, in an attempt to expedite the action of the Senate, I may say that I did not anticipate that a point of order would be raised. I do not think it properly lies. I think the amendment is germane. I hope the Senate will vote to override the ruling of the Chair, if that becomes necessary. I do not believe Senators should want to rely on a unanimous-consent agreement obtained for another purpose in order to withhold a vote on any amendment.

Senators can do no more than pass upon it after a few hours, because when we are not operating under a unanimous-consent agreement, as we will not be in a few minutes, the amendment can be offered to any other bill, and then a vote can be had on the merits of the question. So I do not see why we do not take a vote now on the merits of the amendment. If it is necessary to vote to override the ruling of the Chair, I am willing to vote to override, notwithstanding what I have said about my great respect for the present occupant of the chair. It was never the intent of the unanimous-consent agreement to bar amendments such as the one offered by the Senator from Maryland [Mr. BUTLER] or the ones offered by the Senator from Minnesota [Mr. HUMPHREY].

I can imagine the furor which would have gone up in the Chamber if we had technically applied the present ruling of the Assistant Parliamentarian to each amendment which has been offered.

I believe in the Golden Rule, doing unto others as I would have them do unto me. I think in this instance the sponsors of the amendment have a right to try to "sell" it on the basis of its being good for the United States; and that the opponents have every right to oppose the amendment on the ground that it would be damaging to the country, and thus probably defeat the amendment. But I hope it will not be necessary to refuse to vote on it merely because it is held not to be germane. I think a reading of the amendment by any lay person will indicate that it is germane. He will conclude that it is germane. But if we use the yardstick of the ruling of the Chair on this amendment, I believe all the other amendments would have to be ruled out too.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. MORSE. I agree with every observation the majority leader has made in regard to the point of order.

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MORSE. I think we all know, as the Senator from Texas has pointed out, that the only reason why the language of germaneness was included in the agreement in the first place was to protect Senators who are opposed to civil rights legislation from having any civil rights riders attached to proposed legislation.

The Senator from Texas has made a statement of fact, and I assure the Senate that I will implement that statement of fact, so far as future action is concerned, in that the same amendment will be offered before this session of Congress adjourns sine die, in an appropriate place in our proceedings, because those of us who are in support of the amendment propose to have a vote on this amendment before the Senate adjourns sine die.

I am sure the senior Senator from Wisconsin knows that I do not have a dearer friend in the Senate than he, because I think it is proper to say that a very close personal relationship exists between the senior Senator from Wisconsin and the senior Senator from Oregon. Therefore, I should like to have the Senator from Wisconsin give consideration to the parliamentary situation now confronting us, because the only thing he could gain by pressing for action on his point of order would be a little time; assuming that the Chair is sustained—and I doubt that the Chair will be sustained; but let us assume that he will be sustained. As surely as the Senator from Wisconsin is on the floor of the Senate this afternoon, there will be a vote on the amendment anyway. Therefore, I respectfully suggest that the senior Senator from Wisconsin agree to withdraw his point of order, as the Assistant Parliamentarian has said he can do, if he decides to do so, and that would clear the table, so to speak, and the Senate could proceed to a vote, and stand or fall on the best opinion of the Senate as to the merits of the amendment.

Mr. JOHNSON of Texas. Mr. President, I yield to the senior Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I may say to the distinguished majority leader and to my good friend, the distinguished Senator from Wisconsin [Mr. WILEY], that I believe exactly as does the Senator from Wisconsin [Mr. WILEY] regarding the effect of the amendment of the Senator from Maryland. I oppose the amendment; I think it would be unjust, unfair, and would work hardships upon American agriculture and upon the American economy.

But I must confess that, as the majority leader has said, there is a sort of Golden Rule which should apply, and that those of us who oppose the amendment would strengthen our case by proceeding on the basis of meeting the amendment head on, on its merits.

I have discussed this matter with a number of my colleagues on this side of the aisle who also oppose the amendment. They think that the ruling of the Chair on the point of order in regard to lack of germaneness is not one with which they can agree, for they believe that we should not lose the strength of

our opposition to a substantive matter by agreeing that the amendment should be ruled out on a procedural point.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. The Senator has used the word "phony." I referred to the matter as one of procedure. I wish to state that anyone who raises such a point of order is not doing anything improper, but is perfectly within his parliamentary rights.

I have no better friend than the Senator from Wisconsin [Mr. WILEY]; and there is no more able Member of the Senate than the present occupant of the chair [Mr. BARTLETT]; and I have pointed that out. The Senator from Wisconsin is not only my friend; he is also my counselor from moment to moment and from hour to hour. I do not want anything I have said to be interpreted as a statement to the effect that the Senator from Wisconsin should not have raised the point of order.

But I wanted to point out the intent of the unanimous-consent agreement; and I believe that Senators who are opposed to the amendment would better preserve their position by voting against the amendment, rather than by refusing to permit the Senate to vote on the amendment at this time.

Mr. HOLLAND. Mr. President——

Mr. JOHNSON of Texas. I yield.

Mr. HOLLAND. I thank the majority leader for yielding to me.

Mr. President, it happens that I am not in accord with this amendment, not because I am unsympathetic with the plight of some ports whose business is going to be affected, but because ever since I voted for the St. Lawrence Seaway program, I have known that adjustments in maritime commerce, such as that now confronting us, would be made necessary by the service rendered by that great waterway.

It was my pleasure, in representing the Senate Appropriations Committee, to attend the dedication of the waterway; and I attended it because I felt all of us were proud of the fact that the waterway had been completed and would be in service to us and to the free world.

As much as I like my distinguished friend, the Senator from Maryland [Mr. BUTLER], I expect to oppose his amendment on its merits, because to take the position that we have constructed this great waterway, but will not use it, particularly when it will be of benefit to both our Government and its economy, would be wrong.

The majority leader is entirely correct in his statement that the reason for the insertion of the provision for the requirement of germaneness in all unanimous-consent agreements is the feeling of some of us, including myself—and frequently we have stated our position on the floor—that if we are going to enter into unanimous-consent agreements to lay aside the customary rules in order to do something constructive in connection with passage of legislation pertaining to other fields, we should have knowledge and assurance that we shall not be confronted with civil rights proposals under a limitation of debate.

The PRESIDING OFFICER. The time yielded to the Senator from Minnesota has expired.

Mr. HOLLAND. Mr. President, will the Senator from Texas yield further to me?

Mr. JOHNSON of Texas. Mr. President, has all time expired? If not, I ask the Senator from Louisiana to yield 3 additional minutes to me, so that I may yield to the Senator from Florida.

Mr. ELLENDER. I yield.

Mr. JOHNSON of Texas. I thank the Senator; and at this time I yield further to the Senator from Florida.

Mr. HOLLAND. Mr. President, I shall conclude my statement in just a moment.

It seems to me that the ruling of the Chair in sustaining the point of order on germaneness should be overruled by the Senate without reference to its technical correctness so that the Senate may express its sentiments in regard to the amendment itself.

I may say also that I am not entirely sure that the point of order was correctly made, because I note that since the pending unanimous-consent agreement was entered into, the Senate has voted into the bill provisions in regard to title II of the existing law; and anyone who takes time to read title II will find in it several provisions relating to "f.o.b. vessels in U.S. ports," and other provisions relative to shipment of surplus farm products, including, and I quote, "on board vessels in U.S. ports," and so forth.

I think the Senate should face this issue on its merits.

It is for that reason that I hope the Chair's ruling on the point of order will not be sustained—and let me say that I have not only respect but affection for the Presiding Officer [Mr. BARTLETT], who, I know, is relying, as he should, upon the advice of the Assistant Parliamentarian in connection with this matter.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Ohio [Mr. LAUSCHE].

Mr. WILEY. Mr. President——

Mr. JOHNSON of Texas. First, Mr. President, let me yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, I have listened to my brethren; and the only admonition I can give is that when we face another situation that is similar we will likewise give it consideration.

I thought the point of order which provided opportunity, in connection with the appeal from the ruling of the Chair, for what I regarded as a very fine exposition of the merits of the issue, would solve the problem.

I have listened to the majority leader and to the other Members of the Senate who have spoken; and, of course, I realize that often legislation is a matter of give and take.

So, Mr. President, I withdraw my point of order.

Mr. JOHNSON of Texas. I thank the Senator from Wisconsin very much.

The PRESIDING OFFICER. Without objection, the point of order is withdrawn.

Mr. JOHNSON of Texas. Mr. President, have the yeas and nays been ordered on the question of agreeing to the pending amendment?

Mr. KUCHEL. Yes.

Mr. ELLENDER. Mr. President, I yield 1 minute to the Senator from Michigan [Mr. HART].

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. HART. Mr. President, I appreciate the opportunity merely to say that in the 1 minute the Senator from Louisiana has yielded to me, I desire to pay a compliment. I realize that perhaps on a nationalistic basis the Senator could take a very narrow view of this amendment. However, I believe that, instead, he views the amendment on the basis of the broad interest of the entire country when he opposes the amendment.

I believe the basic issue now before the Senate is whether we shall permit eastern ports to charge a toll of approximately 15 to 17 cents a bushel on wheat moving out of this country; or whether we shall not permit that to be done; also, whether we shall treat the St. Lawrence Seaway in the way an automobile was treated 50 years ago—in other words, that it is all right to own one, but do not use it. I believe that nothing could be more shortsighted.

Mr. LAUSCHE. Mr. President——

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, at the outset I should like to make a comment about unanimous-consent agreements. I cannot subscribe to the argument that the inclusion in the unanimous-consent agreements of a provision requiring that amendments be germane to the substance of the bill to which the agreement applies is only the consequence of trying to guard against attempts to include civil rights amendments in such measures.

In my opinion, the principal purpose of the requirement of germaneness is to make certain that, in dealing with an important piece of proposed legislation, debate on such matters will not be limited to one-half an hour or to whatever other period of time is prescribed by the agreement.

The portion of unanimous-consent agreements which requires germaneness is not ad hoc civil rights. Instead, the germaneness provision of such agreements is incorporated in them on the basis of application of the principle that under no circumstances, by means of such unanimous-consent agreements, will Senate debate on so important a subject as civil rights or any other important subject be subject to the one-half hour limitation or other limitation prescribed by the agreement.

I would never subscribe to a consent agreement of that type if it had in mind only the civil rights bill.

Now, getting to the merits of the amendment of the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and other Senators, I think we are entering into a dangerous field when the United States Congress contemplates declaring what

type of transportation shall be used and what ports shall be used by a department of government in transacting the business of the world. I think it is generally conceded that this amendment contemplates making mandatory movement by water and by railroads of the grains of the interior to ports along the Atlantic and the Pacific coasts.

Mr. HUMPHREY. Mr. President, may we have order? I want to hear the very able argument of the Senator from Ohio.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Ohio.

Mr. LAUSCHE. I humbly suggest a question to this Congress: By what authority of the Constitution or of ethics can be it be said that Cleveland shall be excluded as a possible port of shipment, and that Baltimore shall be chosen? By what authority can we in this Congress say that the farmers of the country shall have to pay 15 cents a bushel more in transportation to serve the ports along the Atlantic and the Pacific coast, at the expense of the interior and the American farmer?

Moreover, what answer shall we give to the arguments that the St. Lawrence Seaway should be developed, and that the farmer should be able to compete with the world in the shipment of his products, because of the creation of reasonable rates of transportation, instead of the extravagant rates that they were supposedly required to pay?

I love the Senator from Maryland, but I believe that, in solitude, if he will reflect upon his proposal, he will answer, "Probably the opponents of my measure are right."

The U.S. Congress should not start channelizing where the business shall be, but should allow it to flow on the basis of natural laws, which allow to get the business the type of transportation which is able to deliver the goods at the lowest price, whether it be railroads, transportation companies on the lakes, or those on the Atlantic or Pacific coasts.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Nebraska.

Mr. CURTIS. If the Congress adopts a policy of directing the type of transportation that shall be used, does it not also follow that it should adopt a policy that directs how coal, other minerals, and any other type of commodity shall be shipped?

Mr. LAUSCHE. I subscribe completely to that declaration.

The PRESIDING OFFICER. The time of the Senator has expired.

All time on the amendment has expired.

Mr. HUMPHREY. Mr. President, I wonder if the Senator from California——

Mr. ELLENDER. Mr. President, I yield one-half minute on the bill to the distinguished Senator from Ohio [Mr. YOUNG].

Mr. KUCHEL. Mr. President, I have previously had two additional requests for time.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. YOUNG of Ohio. Mr. President, I desire to ask unanimous consent to have inserted in the RECORD a speech I had prepared for delivery on this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR YOUNG OF OHIO

Although the battle for the great St. Lawrence Seaway has been fought and won, its opponents are constantly introducing legislation which would nullify this progressive achievement. The same groups who fought bitterly to prevent its construction are now trying to smother it in its infancy.

We have before us for consideration an amendment which on its face appears to be the soul of innocence, the essence of patriotism. At first glance, it appears to merely state that ships transporting surplus agricultural commodities to foreign countries shall be loaded only at a U.S. port. This sounds harmless enough.

I assert that this harmless-looking amendment is nothing more than a "wolf in sheep's clothing," which for all practical purposes would prevent the shipping of surplus farm products, especially grain, to foreign countries from Great Lakes ports, our fourth seacoast.

I maintain that it is a flagrant attempt of eastern and gulf coast shipping corporations in combination with railroad interests to stifle the flow of trade through our newly created Great Lakes seaports. It would, to their great satisfaction, erase the seaway's natural function as a commercial waterway for grain and other farm products from their great Midwest Farm Belt.

The proponents of this legislation are well aware that large oceangoing vessels cannot move through the seaway when fully loaded with grain. They know that the 27-foot channel does not permit a full ocean cargo.

They are cognizant of the fact that because of this, oceangoing vessels take advantage of as heavy a cargo as the lake route will permit and further along the seaway in Canadian territory, where there are no channel limitations, fill their remaining capacity with American grain previously shipped through the seaway and stored at Canadian ports.

This amendment fools no one. It would forbid this transshipment of U.S. wheat from Canadian ports. The effect would be that the surplus farm products of the Midwest would have to be shipped by rail to the ports of the East and the South.

A recent Department of Agriculture rate study shows that grain shipped via the seaway from 17 States is shipped at an average of 17 cents per bushel less than by other shipping routes. Loss of this saving would cost the American people millions of tax dollars.

It would adversely affect our already hard-pressed farmers. Anything that increases the cost of shipping these commodities can jeopardize this program so vital to them.

Mr. President, the American people did not pay half a billion dollars to build this seaway merely for the use of rowboat and canoe enthusiasts. It was constructed to facilitate and diminish the cost of shipping. The Department of Agriculture study shows that it fulfills both these great expectations.

Now it is proposed that the taxpayers, having paid for a seaway, now should pay extra money to limit its use. That would be like buying a new washer and dryer and then insisting that your wife use a scrub board.

This amendment will create an artificial barrier that will substantially increase the cost of shipping surplus from my own State of Ohio and the entire Midwest.

It is a fact that the proposed amendment will mean more business for railroad interests and fatter profits for shipping corporations on our Atlantic and gulf coasts.

It is also a fact that these profits will be at the expense of not only the American taxpayers and farmers but of the seaway itself. Since the financial stability of the seaway depends on the tolls received, this amendment, if passed, could result in a drastic curtailment of the seaway's income.

I, for one, do not want to see the American taxpayer forced to shell out the increased transportation cost which will result if this amendment passes. I do not like to contemplate the higher transportation costs in the future to the people of the Midwest because of selfish attitudes of certain vested interest groups.

Mr. President, these groups never seem to learn that what benefits all Americans will inevitably be of benefit to them. They never seem to realize that although progressive legislation may bring a temporary setback, in the long run it brings even greater profits.

I was privileged to be a Member of the Congress that passed the original Social Security Act and to have played a part in its passage. Later I served as a member of the Ways and Means Committee of the House of Representatives during which time important amendments to the Social Security Act were considered and passed.

Each time the insurance companies screamed "socialism" and let up a howl of protest that social security meant the ruination of the insurance industry. They repeatedly tried to nullify this great social legislation and oppose any extension of it.

Yet, today any insurance salesman will tell you that social security is his best talking point in selling insurance and that it has been the most vital factor in making Americans more insurance conscious. It has stimulated millions of Americans into buying private insurance to supplement their social security benefits in their retirement programs.

In great part due to the social security legislation it fought so strongly, the insurance industry is more prosperous than ever and constantly growing.

The same story could be told of all progressive social legislation and the vested interest groups who opposed them—FHA, CCC, GI bills, and many others.

Not long ago I had a visit from a savings and loan executive who complained of legislation which has been introduced which would deprive his company of Federal Deposit Insurance Corporation benefits. It amused me that this same man violently objected to the FDIC and all progressive banking legislation during the days of the New Deal.

Likewise, Mr. President, the great St. Lawrence Seaway will bring progress and greater prosperity not only to the Great Lakes region but to all America. As the people of the Midwest receive the benefits of this great project they will buy more of the products manufactured in other regions. All will benefit, including the port and rail interests who are unable to see any farther ahead than next year's profit and loss statement.

They are trying now and will try again to use their "Trojan horse" tactics to deprive America of the full benefit of the Seaway.

I urge that this amendment, this latest attempt to covertly destroy the usefulness of the St. Lawrence Seaway, be defeated if Americans are to benefit from the fruits of this forward-looking achievement.

Mr. ELLENDER. Mr. President, I yield one-half minute on the bill to the Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. President, I had prepared a statement on the pending amendment. Since time is short, I ask unanimous consent that

there be printed in the RECORD at this point the speech I had intended to deliver.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR YOUNG OF NORTH DAKOTA

The proposed amendment to Public Law 480 would have the effect of prohibiting the transshipments of surplus U.S. grain from Canadian ports on the St. Lawrence Seaway. This proposal is just another effort by interests opposed to the St. Lawrence Seaway to keep trade from utilizing that facility. The completion of the St. Lawrence Seaway and its opening should mean freedom to utilize that facility to the maximum extent practicable for the benefit of American industry, including agriculture.

This effort to amend Public Law 480 to prohibit the transshipment of our surplus agricultural commodities moving under provisions of that law and thus from utilizing Canadian ports on the St. Lawrence Seaway would definitely be a step backward. The St. Lawrence Seaway is now in operation and the Congress should not take any steps which would restrict its use to the detriment of American agriculture. Every advantage possible is needed in order to encourage the export of our agricultural surpluses.

The proposed amendment is aimed directly toward restricting the use of the St. Lawrence Seaway to the direct benefit of certain eastern seaboard railroads and ports. Why should we restrict the use of the new Seaway for the special benefit of those certain special interests? They should be willing to compete for the trade without such protective legislation as is proposed.

At the present time surplus grain from American farms can be transported through the St. Lawrence Seaway to European countries at several cents per bushel less than the cost of moving it from the Midwest by rail to the east coast for export to Europe. Therefore, the adoption of the proposed amendment would be at the expense of the American farmer, the taxpayer, or both.

This proposed legislation would mean that we first spend millions of dollars in helping build the St. Lawrence Seaway, and then almost immediately restrict its use in moving surplus farm products and by so doing force the Government to pay higher transportation costs in order to move those surpluses abroad. It would not make much sense.

I am sure if the questions involved in this proposal were well known to Members of this body, it would not be adopted. The proposal sounds simple enough but there is a great deal behind it.

It is not generally known that full ocean cargo loads cannot move through the entire Seaway. In practice the loading of surplus corn, for example, at our lake ports for shipment abroad has to be limited to cargoes of as little as one-half of normal loads. Further along the Seaway, at a Canadian port, it is possible for those ships to be loaded to capacity with U.S. grain stored at that Canadian port. This practice is called "topping off." The grain used in "topping off" the cargo is U.S. grain. It has been previously brought to that port, unloaded and stored at the Canadian port for this particular purpose.

The proposed amendment would prohibit the use of this system in moving surplus agricultural commodities under Public Law 480.

I cannot believe that either the American farmer or the general public would approve of any law which would prohibit this practice and thus cause a greater expense in moving our surpluses.

I urge that this proposed amendment be rejected.

Mr. HUMPHREY. Mr. President, will my beloved friend from California yield 1 minute to me?

Mr. KUCHEL. I yield 1 minute to the distinguished Senator from Minnesota.

Mr. HUMPHREY. A finer friend no man could have.

Mr. President, I oppose this amendment.

I oppose this amendment for one simple reason, and yet one that is very profound. It is unfair. It has no place in this legislation or, to my mind, any other.

The Department of Agriculture has prepared a bulletin entitled "Potential Effects of the St. Lawrence Seaway on Costs of Transporting Grains." It is Marketing Research Report No. 319.

On the third page of the report it points out the maximum potential savings as computed in cents per bushel:

On wheat, from Duluth to Rotterdam, 17.23 cents.

From Chicago to Rotterdam, 17.52 cents.

From Toledo to Rotterdam, 12.9 cents a bushel.

I say to my colleagues we cannot toss aside these kinds of savings on the basis that we want to help one port as compared to another.

I want the ports of Philadelphia, Baltimore, and all the others to go to their maximum utilization. With this country's ever-expanding economy and prosperity, I think they will.

Combined shipments from beginning of this season—at breaking of ice—up to August 1 on the Great Lakes via the St. Lawrence Seaway totaled 68,656,348 net tons, representing a large increase over last year when 48,342,041 tons moved.

Movement of ore this season up to August 1 was 35,577,842 gross tons, compared with 21,753,390 in 1958.

Movement of bituminous coal this season up to August 1 was 22,246,277 tons, compared with 18,790,458 in 1958.

In July of this year, 2,075,100 net tons of grain were shipped, compared with 1,210,646 tons in July of 1958. This was the third highest total monthly movement in history.

These figures are from a report by the Lake Carriers Association of Cleveland, reported in a release dated August 20 to the New York Times.

This data indicates how extremely important the Great Lakes are as an artery of commerce. For grain, the lakes at last are coming into their own, and a further expansion is probable next year as problems regarding loading facilities, lake traffic patterns, and canal congestion are solved. The lakes will afford an opportunity for grain farmers, as well as soybean producers, to participate in this more economical freight movement.

Grain moving from 17 States through Duluth to Rotterdam is shipped at an average cost of 25 cents per bushel, from 12 to 17 cents per bushel less than by other shipping routes.

Who would be hurt if this amendment were adopted?

First. The American taxpayer would be hurt because of the greater cost of shipping these commodities by other routes.

Second. The American farmers in 17 States would be hurt, since anything that increases the costs of shipping these commodities endangers the program.

Third. The people in the recipient nations, who need this food, would be hurt.

Fourth. The St. Lawrence Seaway would be hurt. It is a self-liquidating project and any lessening of the volume of traffic will make its operations more costly.

Fifth. Our friendly relations with our ally, Canada, who has shared in the cost of the Seaway, would be damaged.

The question of the 50–50 shipments does not really enter here. No change has been made in this law, so 50 percent of the shipments have to move in American ships.

It must not be overlooked that many American Great Lakes carriers are involved in shipping the grain in their smaller boats from Duluth to Montreal, where it is used to top off the loads in the larger ships which were not able to load to capacity in the Seaway. If these foreign oceangoing vessels are prohibited from loading American grain, they will load Canadian grain, possibly at distress space rates, so in effect the United States would be subsidizing the shipment of Canadian grain.

Mr. KUCHEL. Mr. President, I yield one-half minute to the Senator from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. President, in the short time I have, I merely wish to say that the Congress should not try to direct the shipment of the farm products of the Middle West into certain channels. I want to mention on thing that has not been mentioned this afternoon, and that is that if the amendment prevails the American farmer in the Middle West will be put at a 13- to 17-cent a bushel disadvantage as compared with the Canadian farmer who happens to live north of the St. Lawrence Seaway. That is an important point to bear in mind.

I sympathize with the Senator from Maryland and the other Senators who are sponsoring the amendment, but let us not hang another millstone on the farmers of the Midwest.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. KUCHEL. I yield.

Mr. MORSE. There is one point in this discussion that has me very much puzzled. I am at a loss to understand why the grain, if this amendment is adopted, cannot be shipped from Duluth, Milwaukee, Cleveland, Chicago, or any other grain port, on the St. Lawrence Seaway. What is there about the amendment that says shipments cannot go to those ports and be loaded? If that is true, I do not see how it is a disadvantage to the wheat farmers of the Midwest.

Mr. KUCHEL. The Senator from Oregon is right. I think a cursory reading of the amendment will indicate the complete correctness of his statement.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield to me so that I may reply?

Mr. KUCHEL. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. It happens that the big storage facilities are on the Canadian side, where American wheat is stored. This amendment would prohibit Public Law 480 wheat from getting the cheaper freight rate made possible by loading out vessels to the maximum.

Mr. MORSE. Would not the amendment be an inducement, which I think is sorely needed, for the development of the American merchant marine and the development of facilities at Duluth, Milwaukee, Cleveland, and elsewhere, so that we could make the wheat available for American ships?

Mr. YOUNG of North Dakota. I think in time storage facilities will be and should be built on the American side, but at the present time the amendment does have the effect of raising the rates from 13 to 17 cents a bushel. Canadians now have a rate from the prairie Provinces for export trade of 40 percent of ours, because of the crow's-nest provision in their freight rate structure that goes back to 1895. They have not had an increase since that time.

Mr. KUCHEL. Mr. President, I yield 2 minutes to the able Senator from New York [Mr. KEATING].

Mr. KEATING. Mr. President, the point made by the distinguished Senator from Oregon is what I want to stress. Just a reading of this amendment shows all that is required here is that these shipments shall be delivered directly to the export vessel at a U.S. port.

That is what we who are interested in this matter have been trying to convince the Secretary of Agriculture of. We have exhausted every effort at the administrative level and have been unable to convince him. It is necessary to legislate on the subject if we are going to protect the U.S. ports and all the people employed in those ports. The end result of the action taken by the Secretary of Agriculture will be to significantly curtail business through our own ports, perhaps even causing some of them to shut down certain facilities and to throw many people out of work, either decreasing the already very small margin of profit under which they operate, or increasing the deficit.

The Public Law 480 program is not designed to aid foreign ports. It is designed only for the relief of hungry people in the lesser developed countries of the world.

We have, in Public Law 480, a unique foreign aid program which seeks to provide assistance on a basis which will benefit the donor nation at the same time it benefits the recipient. If we allow foreign ports to handle the Public Law 480 grain, we are in effect giving away a part of the possible domestic benefits which can accrue under Public Law 480. There certainly is nothing in the law which says domestic benefits should not accrue.

The American shipping industry has already suffered great and irreparable losses as a consequence of expanded foreign competition. This ruling of the Department of Agriculture will only serve to increase the inroads of foreign competition in the vital industry.

I was interested in the remarks of the distinguished Senator from Ohio [Mr. LAUSCHE], when he said that he loved our friend from Maryland. I love him, too, and I am going to vote with him.

Mr. CLARK. Mr. President, will the Senator from California yield me 1 minute?

Mr. KUCHEL. Mr. President, I wish to say that the time which has been allocated in the last few minutes has come out of the time which is to be allocated on the bill by whoever occupies this desk. There are going to be some Senators on the Republican side who will wish to speak with respect to the bill. I do not want to exhaust the capacity of whoever occupies the minority leader's chair to make an allocation of time. However, I yield 1 minute to the able Senator from Pennsylvania.

Mr. CLARK. Mr. President, I am deeply touched by the interest of my fine friend, the Senator from Minnesota, in the future of the port of Philadelphia. I share that interest myself. I also have a deep interest in the port of Erie, Pa. For that reason I shall support the amendment.

The amendment will merely provide that the vast expenditure of capital which has been put into the port of Philadelphia in my State for the purpose of taking grain shipments from railroads and shipping them overseas shall not be totally and completely lost.

I have as much interest in the Great Lakes ports as has my friend from Minnesota in the port of Philadelphia. I should like to see Duluth and every other place prosper, but we can let them wait until they can get ocean shipping into those ports, which they will in due course of time. At that time, if they can compete successfully with the port of Philadelphia for this traffic, I would be happy to have them do so. I see no reason for expediting the arrival of that perhaps unhappy event by providing our friends from Canada a whole lot of business which they would otherwise not get. I hope for that reason the pending agreement will be agreed to.

Mr. KUCHEL. Mr. President, I yield 1 minute to the able junior Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 1 minute.

Mr. MORTON. Mr. President, I think a few things ought to be pointed out. This grain originates in the United States. It comes from Toledo, Duluth, or some other area.

It so happens that in the winter the lakes freeze, and there are several months in the year when one can only transport in the salt water level in the St. Lawrence. The grain for the most part is not stored in grain elevators but is stored in oreboats which cannot be used during the winter. The grain is then transshipped during the months of the freeze from these boats to the oceangoing vessels, or the oceangoing vessels are "topped off" when they come through, because they cannot get through the present channels.

The grain starts from an American port. The grain is handled by an American elevator. The grain is loaded in an American boat. It is merely held, because of a navigational problem, the problem of the channels and the problem of the freezing.

I think the amendment should be defeated.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Rhode Island [Mr. PASTORE].

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 2 minutes.

Mr. PASTORE. Mr. President, I am very much opposed to this amendment because I think it embodies a philosophy which in the long run will do irreparable harm to our free enterprise system.

I want to caution Senators at this moment with reference to another bill which is on the calendar, S. 1789, which is more or less being supported by the wheat growers of this country, which provides, in effect, that because at harvest time the wheat country may have a shortage of wheat-conveying freight cars it is the desire of the Congress to have the people of the East, such as the people of Rhode Island, pay through their railroads an increase in per diem use of freight cars. This is based on the false philosophy that if the eastern railroads are compelled to pay this increase perhaps the men who are in the transportation business in regard to wheat will have more money with which to buy more wheat transporting freight cars.

The only reason why the Senator from Rhode Island rises this afternoon is to point out that this same philosophy is being proposed by the people of the Middle West, who are interested in a cheap transportation system because of their wheat production, which will impose an added burden upon the freight conveyors in the East. I repeat, and experience proves, that the reasoning is unsound. It is a false philosophy that if one raises the per diem on the freight cars in the East accordingly the West will have more freight cars to transport wheat at harvest time. That argument is fallacious.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PASTORE. I hope we remain consistent, and bear this in mind when S. 1789 comes up for consideration.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 1 minute to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 1 minute.

Mr. MANSFIELD. Mr. President, I think it ought to be said about the freight car situation that all we in the West and the Middle West are trying to do is to get back the freight cars which belong to the railroads which operate in our area. It seems that when the freight cars come east of the Mississippi what is done in that part of the country is to keep them. The railroads are willing to pay the per diem rate which has been imposed by the Interstate Commerce Commission. All we want is the use of the box cars which belong to the

roads which operate west of the Mississippi River.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. PASTORE. That will certainly not be done simply by raising the per diem charge.

Mr. MANSFIELD. It will be all right with us if the cars are sent back.

Mr. PASTORE. We will and we do send the cars back, but we should not have to send them back at cost beyond the rate of return that the railroads themselves have set as fair.

If we wish to be logical, we should remain consistent.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. We have to find some way to get the freight cars back, because they have been used more in the East than in the West.

Mr. NEUBERGER subsequently said: Mr. President, I ask unanimous consent that some pertinent telegrams and messages which I received bearing on the Bridges amendment, on which we voted a few moments ago, be included in the RECORD just before the yea-and-nay vote.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ASTORIA, OREG., *August 24, 1959.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D.C.:

We are advised that Senator KUCHEL is introducing an amendment to S. 1748 requiring grain distributed under Public Law 480 be shipped through American ports. Along with other Columbia River ports, we endorse this amendment. We would like to urge your studied consideration of the amendment and, if possible, not only support it but jointly sponsor it along with Senator KUCHEL.

PORT OF ASTORIA,
R. J. BETTENDORF, *Manager.*

ASTORIA, OREG., *August 27, 1959.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D.C.:

We repeat our urging to support KUCHEL's amendment to S. 1748. We are fearful that without such a restriction, it is conceivable that grain historically moving through Columbia River and Puget Sound ports could be diverted to British Columbia ports without justification.

PORT OF ASTORIA,
R. J. BETTENDORF, *Manager.*

PORTLAND, OREG., *August 20, 1959.*
Hon. RICHARD NEUBERGER,
U.S. Senate, Senate Office Building,
Washington, D.C.:

Re S. 1748, respectfully urge your support of amendment to this bill which will insure that all surplus agricultural commodities must be loaded at a U.S. port to vessel transporting goods from U.S. port of loading to foreign port of discharge. Best regards.

R. F. WATTS,
Commission of Public Docks of the City of Portland.

PORTLAND, OREG., *August 21, 1959.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D.C.:

Port of Portland informed amendment being offered S. 1748 Monday strengthening position of U.S. ports and American-flag steamship lines in export of Government surplus agricultural commodities. Strongly urge your support of this and any other measures intended to keep American ports and ships active. Representatives GREEN and NORBLAD informed re similar legislation in House.

JOHN J. WINN, Jr.,
Port of Portland.

WASHINGTON, D.C., *September 1, 1959.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D.C.:

Re Public Law 480, ship operators west coast strongly support Butler amendment to curb Department of Agriculture use of non-U.S. ports for loading surplus grain exports. Next step might be Agriculture desire use of Mexican ports for cotton or British Columbia for grain. Our member companies concentrate on serving U.S. ports and we don't want threat of getting squeezed out of our share of tax financed exports when they move out of nearby foreign ports.

RALPH B. DEWEY,
President, Pacific American Steamship Association.

PORTLAND, OREG., *August 27, 1959.*
Hon. RICHARD L. NEUBERGER,
U.S. Senate,
Senate Office Building,
Washington, D.C.:

Reference conversation today relative Public Law 480, specifically S. 1748. We emphatically oppose legislation permitting the loading of surplus grain to vessel at any other than U.S. ports. Earnestly ask your best efforts supporting Kuchel or other amendment restricting such export loading to U.S. seaports only. Reasons: First, believe situation parallels in principle 50–50 law regarding use of U.S.-flag vessels which Congress continues despite heavy foreign interest pressure. Second, believe danger inherent that surplus grain loading at foreign ports can be means to avoid 50–50 law. Third, believe establishment of such principle can ultimately result in diversion of our own grain volumes in whatsover degree to Canadian west coast ports with heavy loss to us; example, last 2 years Portland exported 2 million and 1½ million tons, respectively, grain surplus and other while Columbia River including Portland exported 4¼ million and 3 million tons same years. Consider port earnings of $1.50 per ton conservative and even that figure demonstrates financial considerations at stake. Fourth, principle of S. 1748 without amendment inimical to heavy public investments here in particular and in all other U.S. public seaports. Fifth, we understand Kuchel amendment includes U.S. St. Lawrence Seaway and/or U.S. Great Lakes ports. Kindest personal regards. Same wire to Senator MORSE tonight.

THOMAS P. GUERIN,
General Manager, Commission of Public Docks.

PORTLAND, OREG., *September 3, 1959.*
The Honorable RICHARD L. NEUBERGER,
U.S. Senate,
Senate Office Building, Washington, D.C.:

Understand S. 1748, regarding Public Law 480, pending forthwith. As per previous wires, is grave concern to us and vital to entire grain trade our area. Following additional to economic points in our wire August 27. Columbia River averaged approximately 3½ million tons grain export last 2 years inclusive surplus grains. Estimating 15½ tons per longshoreman-hour average hourly rate per man-hour $3.10 means $700,600 total annual payroll from grain alone to longshoremen and exclusive all other earnings, such as rail and barge freights on grain to tidewater vessel earnings, etc., add at least 10 percent for overtime, etc., and longshore payroll. This item alone approaches $1 million annually. Aside from vicious principle in proposed diversion all economic considerations emphasize urgency your support of Kuchell amendment. Kindest regards.

THOMAS P. GUERIN,
General Manager, Commission of Public Docks.

PENDLETON, OREG., *September 1, 1959.*
Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D.C.:

Urge your support of provisions to utilize St. Lawrence Seaway for U.S. grain exports in bill to extend provisions of Public Law 480.

FRANK TUBBS,
President, Oregon Wheat Growers' League.

PENDLETON, OREG., *September 3, 1959.*
Senator RICHARD L. NEUBERGER,
U.S. Senate,
Washington, D.C.:

Oregon Wheat League position is to support whatever encourages sound movement of the U.S. wheat export. P. & W. is penalized by USDA's programing of 480 wheat from gulf ports, hence anything that improves movement of Midwest wheat improves our position for future exports. P. & W. wheat exports down 30 percent and carryover up 73 percent in past year. Seaway battle is over. Seaway exists and should be used. Topping cargoes at Canadian points necessary to movement of U.S. wheat.

OREGON WHEAT GROWERS' LEAGUE.

Mr. ROBERTSON subsequently said: Mr. President, I ask unanimous consent to insert in the RECORD, in connection with the debate on the Bridges amendment, a letter and telegram which I received pertaining to that provision.

Without objection the letter and telegram were ordered to be printed in the RECORD, as follows:

NORFOLK PORT AUTHORITY,
Norfolk, Va., August 24, 1959.
Hon. A. WILLIS ROBERTSON,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ROBERTSON: Earlier this afternoon I sent you a telegram urging you to support an amendment to the Agricultural Trade Development and Assistance Act (Public Law 480). The proposed amendment to be inserted as a new paragraph, to follow section 2 of the act, reads as follows: "*Provided,* That shipments of surplus agricultural commodities destined to foreign countries, exported under titles I, II, and III of this Act, shall be delivered directly to the export vessel at a United States port. For the purpose of this section 'export vessel' shall mean the ocean vessel transporting the surplus agricultural commodities from the United States port of loading to foreign port of discharge."

We and other port and transportation and grain interests have met with officials of the Department of Agriculture to protest their action of establishing official U.S. grain inspection services at Canadian points. We were not successful.

An amendment to the House bill was defeated by a vote of 142 to 134 last week. The vote was a sectional one—the grain producing States voting against the proposed amendment and the North Atlantic and Gulf States voting for it.

We believe that the establishment of a U.S. grain inspection service at Canadian ports is not warranted by law; that the Department's decision is contrary to the provisions of the U.S. Grain Standards Act; that the decision is inconsistent with the provisions of the Agricultural Marketing Act of 1946; and it is damaging to the orderly, historic marketing of U.S. grain.

We have two export grain elevators at Norfolk which have just been expanded. Grain has become an important commodity in Norfolk's port commerce and the diversion of grain from Norfolk through Canadian St. Lawrence Seaway ports would seriously affect the economy of this portion of our port business.

We would greatly appreciate your support of this amendment when it is offered.

Cordially yours,

MICHAEL M. MORA,
General Manager.

NORFOLK, VA.

Senator A. WILLIS ROBERTSON,
Senate Office Building,
Washington, D.C.:

Please see my letter, June 26 regarding exports of Public Law 480 grain and proposal of Department of Agriculture place inspectors at Canadian ports thus permitting exportation this grain direct from those ports. Department issued regulations July 23 placing this arrangement in effect September 1. Advised Senate Agriculture and Forestry Committee will hold executive session tomorrow, August 25 to further consider bill S. 1748 to extend the life of Public Law 480. Urgent that such legislation carry amendment providing that agricultural exports under Public Law 480 principally grain shall be delivered directly to the export vessel at a U.S. port. In event such amendment not added by Senate Agriculture and Forestry Committee, understand it will be offered from floor of Senate. Virginia State Ports Authority urges your support of amendment to require continued exportation direct from U.S. ports. Exports Public Law 480 grain of great importance to Hampton Roads. Figures released by Department of Agriculture indicate that total exports this grain have amounted to about 45 percent of total grain exports from all Atlantic and gulf U.S. ports. Similar telegram being sent Senator BYRD.

D. H. CLARK,
Executive State Ports Authority.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROUTY (when his name was called). On this vote, I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. If he were present and voting, he would vote "yea"; if I were permitted to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. MCNAMARA], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from West Virginia [Mr. RANDOLPH] is absent on official business delivering Labor Day speeches in West Virginia.

On this vote, the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Massachusetts would vote "yea."

The Senator from Alaska [Mr. GRUENING] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Texas would vote "yea."

The Senator from Michigan [Mr. MCNAMARA] is paired with the Senator from West Virginia [Mr. RANDOLPH]. If present and voting, the Senator from Michigan would vote "nay," and the Senator from West Virginia would vote "yea."

I further announce if present and voting, the Senator from Illinois [Mr. DOUGLAS], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. HENNINGS], the Senators from Wyoming [Mr. MCGEE and Mr. O'MAHONEY], and the Senator from Montana [Mr. MURRAY] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

If present and voting, the Senator from South Dakota [Mr. CASE] and the Senator from Nebraska [Mr. HRUSKA] would each vote "nay."

The pair of the Senator from New Hampshire [Mr. BRIDGES] has been previously announced.

The result was announced—yeas 37, nays 44, as follows:

YEAS—37

Beall	Ervin	Muskie
Bennett	Fong	Neuberger
Bible	Frear	Robertson
Bush	Hill	Russell
Butler	Javits	Saltonstall
Byrd, Va.	Johnson, Tex.	Scott
Byrd, W. Va.	Johnston, S.C.	Sparkman
Cannon	Jordan	Talmadge
Capehart	Keating	Thurmond
Clark	Kerr	Williams, N. J.
Cotton	Kuchel	Williams, Del.
Dodd	Morse	
Engle	Moss	

NAYS—44

Aiken	Gore	Mansfield
Allott	Green	Martin
Anderson	Hart	Monroney
Bartlett	Hayden	Morton
Carlson	Hickenlooper	Mundt
Carroll	Holland	Pastore
Case, N.J.	Humphrey	Proxmire
Chavez	Jackson	Schoeppel
Cooper	Langer	Smith
Curtis	Lausche	Stennis
Dworshak	Long, Hawaii	Symington
Eastland	Long, La.	Wiley
Ellender	McCarthy	Young, N. Dak.
Fulbright	McClellan	Young, Ohio
Goldwater	Magnuson	

NOT VOTING—19

Bridges	Dirksen	Hartke
Case, S. Dak.	Douglas	Hennings
Church	Gruening	Hruska
Kefauver	Murray	Smathers
Kennedy	O'Mahoney	Yarborough
McGee	Prouty	
McNamara	Randolph	

So the amendment offered by Mr. BUTLER on behalf of Mr. BRIDGES, for himself and other Senators, was rejected.

Mr. WILEY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HART. Mr. President, in the necessary absence of the Senator from Massachusetts [Mr. KENNEDY], on his behalf, as well as that of the Senator from Pennsylvania [Mr. CLARK], the Senator from Ohio [Mr. YOUNG], the Senator from Colorado [Mr. CARROLL], the senior Senator from Michigan [Mr. MCNAMARA], the senior Senator from West Virginia [Mr. RANDOLPH], the junior Senator from Montana [Mr. MANSFIELD], the Senator from Oregon [Mr. MORSE], the junior Senator from West Virginia [Mr. BYRD], the senior Senator from Montana [Mr. MURRAY], the junior Senator from Minnesota [Mr. MCCARTHY], the Senator from Texas [Mr. YARBOROUGH], the Senator from Wyoming [Mr. MCGEE], and myself, I offer the amendment which I send to the desk and ask to have stated. It is designated "9-4-59—A."

The PRESIDING OFFICER. The amendment offered by the Senator from Michigan will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert a new title, as follows:

TITLE IV—DIRECT FOOD DISTRIBUTION PROGRAM AUTHORITY OF SECRETARY

SEC. 401. (a) To provide a more adequate and varied diet to needy persons, the Secretary of Health, Education, and Welfare is authorized and directed to receive from the Department of Agriculture surplus agricultural food products and to purchase supplementary foods in addition to surplus agricultural food products for distribution to such persons through the same channels and under the same standards and regulations as are established for the distribution of surplus agricultural food products. The Secretary shall consult with the Secretary of Agriculture regarding the purchase of such supplementary foods to the end that such purchases will have a maximum effect on increasing farm income, insofar as possible within the purposes of this title.

(b) Insofar as it does not conflict with the basic purposes of this title, the Secretary may utilize the purchasing and processing facilities of the Commodity Credit Corporation to reduce costs and prevent duplication of personnel.

(c) Annual expenditures for the purchase of supplementary foods under this section shall not exceed $150 million in any fiscal year.

Assistance to States

SEC. 402. The Secretary is authorized and directed to give financial assistance to State and local governments in meeting the costs of food distribution, including provision for local storage, where such assistance is necessary to extend and expand the program for the distribution of food to needy persons as directed in this title, including the addition of other cities and counties in the program. Such assistance shall be made available in

accordance with standards prescribed by the Secretary based upon a formula which shall include consideration of the per capita taxable wealth of the States and local subdivisions thereof, the per capita revenues of the governmental units from whatever source, and the extent of need as represented by the number of needy persons.

Standards of eligibility

SEC. 403. (a) The Secretary is authorized and directed to establish minimum standards of eligibility for participation in the program of food distribution to needy persons. Such minimum standards shall establish the lower limits in terms of income or other resources which an individual or family may have and be eligible for participation. The failure of a State or local subdivision thereof to adhere to such standards shall constitute a bar to participation in this program: *Provided,* That the right of any State or local subdivision thereof currently participating in this program to continue to do so shall not be denied under any such standards until the appropriate legislative body of such unit of government shall have had reasonable opportunity to adjust standards to those established by the Secretary: *And provided further,* That no State or local government shall be permitted to participate in this program which denies foods made available under this title to needy persons who are ineligible for reasons of lack of legal residence only.

(b) In establishing minimum standards of eligibility for participation in the program of food distribution for needy persons, the Secretary shall specify that the receipt of income or other assistance under the Social Security or related Acts as well as assistance from State and local governments, as such, shall not be the basis for denying eligibility for surplus foods. Insofar as possible standards for participation should relate only to income currently available to needy persons on a per capita basis.

Transfer of domestic food programs to Department of Health, Education, and Welfare

SEC. 404. (a) Not later than ninety days after the date of enactment of this title, the administration of the direct commodity distribution programs under section 416(3) of the Agricultural Act of 1949, as amended, is hereby transferred to the Secretary of Health, Education, and Welfare, and all functions and activities carried out by the Secretary of Agriculture under such section shall be carried out by the Secretary within the Department of Health, Education, and Welfare, except as hereafter provided.

(b) Such transfer shall not apply with respect to the donation of food commodities under such section for use in nonprofit school-lunch programs and in nonprofit summer camps for children.

(c) So much of the assets, liabilities, commitments, property, records, personnel, and unexpended balances of appropriations, allocations, and other funds (including authorizations and allocations for administrative expenses), available or to be made available, for the administration of the program administered under section 416(3) of the Agricultural Act of 1949, as amended, and transferred pursuant to this section, as the Director of the Bureau of the Budget shall determine relates primarily to the administration of such program shall be transferred from the Department of Agriculture to the Department of Health, Education, and Welfare at such time or times as the Director shall direct.

Transfers of surplus agricultural food products

SEC. 405. (a) Upon request by the Secretary of Health, Education, and Welfare, the Secretary of Agriculture and the Commodity Credit Corporation shall make available a maximum quantity of surplus agricultural food products acquired by the Commodity Credit Corporation. The Commodity Credit Corporation shall upon the request of the Secretary arrange for the processing, enriching, packaging, and delivery to designated points of any food commodity.

(b) The Secretary shall reimburse the Commodity Credit Corporation for costs incurred by the Corporation in making commodities available under the provisions of this title from funds appropriated for the Department of Health, Education, and Welfare pursuant to section 408 of this Act. Such reimbursement shall include all costs incurred by the Corporation in processing, reprocessing, enriching, packaging, handling, and transporting food commodities pursuant to the request of the Secretary, plus the market price of such products at the time such products are requested by the Secretary.

Priority established

SEC. 406. Surplus agricultural food commodities available for sale for foreign currencies under title I of this Act, or for transfer on a grant basis under title II of this Act shall also be made available for distribution under the provisions of this title.

Maintenance of other assistance

SEC. 407. Receipt by any person of benefits under this title shall not be deemed to be income or resources under the provisions of the Social Security Act or any other Federal legislation pertaining to the security of the aged, blind, disabled, dependent children, unemployed, or other similar groups. Any State or local subdivision thereof which decreases the cash or other assistance extended to any person or group as a consequence of the assistance made available under this title shall be ineligible for further participation under such program.

Appropriations

SEC. 408. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this title.

Definitions

SEC. 409. As used in this Act—

(a) The term "food commodity" means any food product raised or produced in the United States on farms, including agricultural, horticultural, and dairy products, livestock, poultry and honey.

(b) The term "surplus agricultural food product" means an agricultural commodity acquired by the Commodity Credit Corporation under the price support programs or under section 32 of the Act of August 24, 1935 (49 Stat. 77), including any food product processed or manufactured in whole or substantial part from any such commodity.

(c) The term "direct commodity distribution" means the program for the distribution of food commodities transferred to the Secretary of Health, Education, and Welfare under section 404 of this title.

(d) The term "State" includes the District of Columbia, Puerto Rico, and the Virgin Islands.

(s) The term "Secretary" means the Secretary of Health, Education, and Welfare.

Mr. HART. Mr. President, I should like to explain the amendment.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. HART. I yield myself 7 minutes.

The amendment would establish a domestic food program of some size.

Mr. President, I ask for the yeas and nays on the amendment, in order that we may plan our time.

The yeas and nays were ordered.

Mr. HART. I do not anticipate extending my remarks beyond the statement prepared by the Senator from Massachusetts [Mr. KENNEDY]. The committee will then have available 15 minutes.

Those of us who are sponsoring this more direct action on the domestic scene by way of an amendment to Public Law 480 have long supported and urged the continuation and expansion of our Public Law 480 program under which our agricultural surpluses can be used to raise the standard of living of our friends and allies. It is an important instrument of policy in our search for world peace and stability. But we cannot ignore our own undernourished and underprivileged citizens while we provide for our friends abroad.

It is a striking paradox that in the midst of overwhelming farm surpluses—so large that they are frequently called our No. 1 problem—there are many areas of the country where poverty and hunger are commonplace.

At the same time we have in storage $6 billion of farm products, we have 17 million citizens who suffer from some form of malnutrition due to insufficient food. We have authorized price support expenditures totaling in excess of $3 billion per year but use only a small fraction of the commodities purchased—less than 3 percent—for food donations to the needy.

The Secretary of Agriculture has broad authority under section 32 of Public Law 320, 74th Congress and sections 407 and 416 of the Agricultural Act of 1949 to purchase food products and to make surplus stocks available to the needy. But this is wholly discretionary and has been sparingly utilized. Last year, despite unemployment which reached a high of 5,437,000 and a condition where the average earnings of 15 percent of our families were below $40 per week, the Secretary used no section 32 funds in the food distribution program.

I have always believed in the concept that our farm abundance is a blessing and not a curse. The amendment I offer is designed to help us use that abundance to eliminate many of the problems of the needy and undernourished families right here at home.

It has six major purposes and effects.

First, it transfers from the Department of Agriculture to the Department of Health, Education, and Welfare the responsibility for distribution of food to the needy. Repeatedly the Department of Agriculture has asserted a reluctance to use surplus food stocks to feed the hungry. Four years ago Secretary Benson opposed the donation of wheat and corn, in the form of flour and meal, to eligible domestic recipients, on the ground that it could not be justified as an agricultural program. More recently, the Under Secretary reiterated this position when the Department was asked to expand the program for donation of food surpluses in order to alleviate hardship. The Department of Agriculture—perhaps justifiably—takes the position that it is not in the welfare business.

Second, the bill authorizes the Secretary of Health, Education, and Welfare to spend up to $150 million in order to provide a balanced diet to American

families in need of this food. The present program is inadequate, unrealistic, and ineffective because it is limited to the distribution of those commodities stored by the Commodity Credit Corporation. The present program assumes that a balanced diet can be prepared from these products.

Earlier this year the distinguished Senators from West Virgnia [Mr. RANDOLPH and Mr. BYRD] served all of us who were interested a meal consisting of these surplus supplies. Not many were in attendance, and not many would have gone back for seconds.

Even if they were provided in sufficient quantities—and they are not—a diet so limited would soon produce severe malnutrition. With the funds provided by this legislation the Secretary of Health, Education, and Welfare may purchase such necessary food items as whole milk, butter, eggs, fruits, berries, vegetables, poultry, and other meats. Purchases will be made so as to improve farm income to the fullest extent possible.

Third. The bill authorizes greater use of our farm surpluses for our needy. With the transfer of distribution to the Department of Health, Education, and Welfare goes new authority to distribute additional quantities of the farm products in storage.

Fourth. Local welfare agencies will be given limited financial assistance in transporting, storing, and distributing the food. As appears from the record, many communities cannot participate in any food distribution program because they are unable to pay these costs. It is relatively small and should not exceed $500,000 per year, but this is given as the major reason for nonparticipation in the program by local agencies.

Fifth. All costs under this program will be allocated to the Department of Health, Education, and Welfare, where they belong. The bill deprives the Department of Agriculture of none of its responsibilities for price support or for the acquisition of commodities. Even in the distribution process it must be consulted. But the bill does place primary responsibility for the distribution program in the Health, Education, and Welfare Department, and it does charge the costs to that Department. I believe it is time we recognized that this is not an agricultural program.

The Department of Agriculture has said, in correspondence, that the primary responsibility of the Department is to encourage and carry out farm programs which will benefit the farmers. So the Department is afraid to incur costs which cannot be justified by a charge against the farm program.

Finally, the general emphasis of the program will be shifted to the consumer's side of the picture. Although it will continue to affect our agricultural policies by reducing, to some extent, our food surpluses, its primary purpose will be to eliminate hunger and malnutrition. The Commodity Credit Corporation today is primarily engaged in an effort to minimize its losses. It is, therefore, reluctant to process and donate commodities for which there is any prospective, reimbursable use. This bill would eliminate this as the sole criteria for donation of food.

I hope the Senate will adopt this amendment for it would be a significant step toward the resolution of the paradox of unused abundance in the presence of great need.

I ask unanimous consent that a brief summary of this amendment be printed at this point in my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

This amendment provides:

(1) For the distribution of both surplus and supplementary foods by the Secretary of Health, Education, and Welfare to needy persons;

(2) For the transfer of the responsibility for distributing commodities to the needy under section 416(3) of the Agricultural Adjustment Act of 1949 from the Secretary of Agriculture to the Secretary of Health, Education, and Welfare;

(3) That the Secretary of Agriculture and the CCC shall make available a maximum quantity of surplus agricultural food products upon request by the Secretary of Health, Education, and Welfare;

(4) For the expenditure of up to $150 million for the purchase of supplementary foods each fiscal year for distribution under the amendment;

(5) That CCC be reimbursed by Health, Education, and Welfare for any costs incurred by CCC in making surplus foods available to the Secretary of Health, Education, and Welfare, including the market price at the time of transfer;

(6) For financial assistance to States and local governments in meeting the costs of food distribution, including local storage;

(7) That the Secretary of Health, Education, and Welfare establish national eligibility standards for the program;

(8) That surplus food commodities shall not be available under titles I and II of Public Law 480 unless the Secretary of Health, Education, and Welfare shall have first made them available for distribution under this title; and

(9) For an appropriation authorization of such sums as are necessary to carry out the provisions of the amendment.

Mr. CLARK. Mr. President, will the Senator yield me 3 minutes in support of his amendment?

Mr. HART. I am glad to do so.

Mr. CLARK. Mr. President, I support the amendment for four reasons. First, I am convinced that the Department of Agriculture has not satisfactorily carried out this primarily welfare function, and that the Department of Health, Education, and Welfare should do so.

Second, I am convinced that in my own State of Pennsylvania this is a very important problem, and that the authorization of $150 million a year is needed.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Pennsylvania will not proceed until the Senate is in order.

The Senator may proceed.

Mr. CLARK. Mr. President, second, I am convinced that the authorization of $150 million for food for the needy is needed, not only in my State but elsewhere. For example, the poultry market is glutted in the East, generally—in Pennsylvania, New Jersey, and perhaps in North Carolina, too. The egg market is in bad shape. Why should we not buy these domestic products and feed them to our needy.

The third reason I support the amendment is that it enables the establishment of national standards of eligibility. This, to my way of thinking, is as important to the question of food for the needy as it is to the question of unemployment compensation.

Finally, I am convinced from my own experience as mayor of Philadelphia, and from my knowledge of conditions in other communities of Pennsylvania, that these provisions of the bill will give communities a chance to get started with a program of feeding their needy, which is essential if the program is to be carried out correctly.

At the moment, only four products are being distributed to the needy: Corn meal flour, butterfat, dried milk, and rice. Yet our country has abundant surpluses of many other products which, in my judgment, could well be supplied to needy families who have no adequate income.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I made before the Committee on Agriculture and Forestry on this subject, which appears beginning on page 109 of the hearings on food distribution programs.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. JOSEPH S. CLARK, A U.S. SENATOR FROM THE STATE OF PENNSYLVANIA

Mr. Chairman, I appear this morning in support of S. 1884 introduced by Senator KENNEDY and cosponsored by 14 other Senators.

This bill, as the chairman knows, includes four main points: Distribution of surplus food to the needy to be transferred from the Department of Agriculture to Health, Education, and Welfare, the welfare nature of the program to be recognized.

This seems to me to be of substantial importance, because at least in my State the experience with the Department of Agriculture has been quite unsatisfactory. This, I think, is rather natural, because the function of the Department of Agriculture is not fundamentally a welfare function. I refrain from a witticism which might be made in view of the present status of our farm program.

Essentially, this distribution of surplus food is a welfare job, it is a job of assisting local and State welfare agencies by providing not only food for the hungry, but administrative assistance for shipping it, storing it, breaking it up into appropriate lots for individual use, and seeing that it gets to the right people. This is not the function of the Department of Agriculture, and I think it is a mistake to leave the program in Agriculture.

The second page or part of S. 1884 is the authorization of $150 million a year for supplemental purchases to broaden the types of food distributed.

First, with respect to the types of food, at the moment only five pretty dreary staples, wheat, cornmeal, rice, dried milk, and butter are being distributed. The distribution of butter, I understand, will cease at the end of June this year. No cheese has been distributed since December. And meat, vegetables, and fruit have been off the list of distribution items for many months. The type of food distributed today is in my judgment entirely inadequate to meet human needs.

And this is unnecessary, because there are available surplus foods in the categories

which I have just outlined which, if added to the program, would give a balanced diet and a far better service to the needy.

Now, right now in my State and in New Jersey and elsewhere throughout the East—perhaps in North Carolina, too—the poultry market is glutted, and the egg market is in bad shape.

This, I think, would be a particularly good field in which such purchases should be made. At the moment, only surpluses obtained through price support programs are available. And this $150 million would, if appropriated, service a double purpose. It would help the hard-pressed poultry industry and egg industry, and it would put food into the mouths of the hungry. It seems to me an incredible situation in which hundreds of millions of dollars of food, indeed—5 billions of dollars are being shipped overseas pursuant to Public Law 480, while hungry people in America are not given access to surpluses of farm products right here in our own country.

I hasten to add that I support Public Law 480, I think it is right, just as I support mutual security and foreign aid—but it does seem to me that this administration has had a very blind spot in ignoring the needs of our American citizens while being very zestful, very alert, in feeding the hungry overseas. And I am happy they are helping to feed the hungry overseas.

Now, you may ask why $150 million. And to some extent that figure is lowered by reason of the current "budgetitis" which inevitably, like poison ivy, has spread over most of the body politic. And yet I think we need to be practical. With the White House's present position toward the budget, some of the more extravagant bills which have been suggested to this committee, and which were so virulently attacked by the administration in the paper this morning, bills which the administration says would cost $2½ billion, obviously would not be approved in the White House if Congress passed them.

On the other hand, if this program is to be meaningful, there has to be a sufficient appropriation, and there has to be a sufficient authorization to really put some food in the mouths of the hungry and not just to make a gesture which will look good on paper but won't cut out the hunger.

I think Senator KENNEDY and my other colleagues have come to a sensible middle ground in fixing the figure at $150 million. There is no imagination in that figure. But in the light of the psychological condition about the budget—I might say also the psychopathic condition about the budget which now affects us—I would say that that is a figure which we could sustain and which it would be very difficult for the President in good conscience to veto.

The third main point in the Kennedy bill, S. 1884, is to empower HEW to establish minimum or maximum standards of eligibility. And that, I think, is desirable, perhaps because I am one of those who think that we live in a national economy in which it makes no difference whether a person is hungry in Arizona or North Carolina or Pennsylvania or Maine, he is still an American citizen, and that national standards of eligibility are a wise thing to set forth within very broad limits with adequate flexibility to State and local agencies to move within those standards to fulfill the needs of their particular community.

I find an analogy in this situation and that in the unemployment compensation picture, where I have been one of those with Senator KENNEDY who has long urged the establishment of national standards for unemployment compensation. I think the same arguments apply here.

The fourth major purpose in the Kennedy bill is to give assistance to local agencies in transporting, storing and distributing food. And this, I think, is of the greatest importance. When I was mayor of Philadelphia we had great trouble in establishing an adequate surplus food distribution program because we couldn't get the assistance from the Federal Government which we needed in transporting, warehousing, and distributing surplus food. This, I think, was in part due to the quite natural tendency of the Department of Agriculture to look on this program from a welfare angle on a practical basis.

There have been many counties in the Commonwealth which have had great difficulty in setting up surplus food programs which were sensible and adequate because of the inadequacies of the provisions in the Federal law dealing with transportation, storage, and distribution.

We are fortunate in having here before the committee today Mr. Fred Klunk, deputy secretary of the Department of Property and Supplies of the Commonwealth of Pennsylvania, who is an expert in this field, and will call to the attention of the members of the committee the problems which confront him as a State administrator in dealing both with the Federal Government and with the local agencies.

He will make some specific suggestions as to how the Kennedy bill could perhaps be improved in dealing with this particular point. And I should like to endorse the views which he has made available to me before he presents them to the committee, at least in general. I am sure the committee will give careful consideration to Mr. Klunk's testimony.

Now, in conclusion, Mr. Chairman, I would like to state why we in Pennsylvania feel so strongly about this measure. Our Commonwealth, I think, at the moment has the largest number of surplus labor markets of any State in the country. We are affected, in fact inflicted, with chronic and persistent unemployment. Chronic and persistent unemployment inevitably brings hunger in its course. There are presently 800,000 people in Pennsylvania who are dependent on surplus food to keep alive. In some of our counties, which include these depressed areas, as many as one out of every three residents is receiving this form of assistance.

At the moment there are 914,412 persons eligible in Pennsylvania for surplus food as of the end of April.

This is a marked falloff from the winter's high figures of the month before. Well, I am hopeful that the peak of unemployment is passed and the conditions will improve. I think we ought to take out a little insurance not only for the 914,000 people presently eligible, but for the many hundreds of thousands more who have been eligible in the immediate past and many well be again.

In March, for example, there were 940,000 eligibles in Pennsylvania. In April, there were 780,770 recipients, which is 7 percent of the State's population of slightly over 11 million individuals. The figure in March was 858,000 or over 8 percent. A year ago it was far higher.

During the last steel strike—and another is threatened—almost 1,500,000 people in Pennsylvania were receiving surplus food. They may be on that surplus food program or eligible for it again within the next 30 days.

Pennsylvania receives almost twice as much under this program as any other State, and includes about 15 percent of the Nation's 5,277,000 recipients.

For these reasons, Mr. Chairman, I strongly urge that your subcommittee make a favorable report on S. 1884.

May I thank you again for your courtesy in giving me this opportunity to appear before the subcommittee.

Mr. SCOTT. Mr. President, will the Senator from Michigan yield?

Mr. HART. I yield.

Mr. SCOTT. I ask the Senator from Michigan if he will be kind enough to explain the paragraph at the end of the paragraph (a) of section 403, which reads:

And provided further, That no State or local government shall be permitted to participate in this program which denies foods made available under this title to needy persons who are ineligible for reasons of lack of legal residence only.

I am wondering whether under this program a person could move into one State, and on the day after his arrival participate in the program; move to another State on the following day and participate again; and keep traveling around the country and obtaining this food. This strikes me as being a rather loose provision. I have great concern about it. I should appreciate having the Senator explain it.

Mr. HART. If I thought the cost of traveling would be less than the cost of food, I would worry about that question, too. I think this provision is merely a safeguard so that a State could not use this method alone without reference to a prior history of approval. If a State welfare director saw such a practice was growing, it might be that he would deny such participation, but not for the lack of legal residence alone.

Mr. SCOTT. How can we be certain that the allocations and quotas provided in the amendment have any true relationship to the population of a State, if it is not necessary for a person to be a legal resident of the State in order to participate under the plan proposed in the amendment?

Mr. HART. I am not familiar with the requirements of Pennsylvania law at present, but I do know that in a great many States this requirement is included. There is no directive to the welfare director that he shall say to a hungry man: "I am sorry, but you will have to go back to Tennessee." I think that is perfectly clear.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. PASTORE. Is it not true that there are many States where there is a limitation or condition as to residence operating before a person can avail himself of the benefits, for lack of a better word, under the public assistance program, and that this proposal is made in order to overcome that obstacle—that delay—with reference to the food. That is the purpose of the insertion of this provision in the bill, is it not?

Mr. HART. Yes. I thank the Senator from Rhode Island.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. MONRONEY. I have been studying the amendment. I consider it to be very laudatory in its objective. But I note with interest that only $150 million will be permitted to be spent under the authority to be granted, while we give to all the 50 States the right to provide not only warehousing but also to assist the States in the participation of the distribution of the commodities, as well as going on the open market and buying

other commodities which are not in surplus.

I ask the Senator from Michigan if this matter, which deals with the creation of rather large establishments within the Department of Health, Education, and Welfare, has ever been referred to the Committee on Labor and Public Welfare, which has jurisdiction of that Department?

Mr. HART. It is my impression that the Senator from Oklahoma has asked two questions. An assumption is implicit in the second question.

I point out that the $150 million is to enable the Department of Health, Education, and Welfare to purchase goods not in CCC stock. This would not be the full scope of distribution. Second, this proposal, in varying form, was presented to the Committee on Agriculture and Forestry, of which the distinguished gentleman from Louisiana [Mr. ELLENDER] is the chairman, but without success, I might add. To me, the persuasiveness of the proposal is that it would take a program which basically is a welfare program and put it in the department which I think would demonstrate much more sympathy toward it than the Department of Agriculture. I think that may be our problem in the Committee on Agriculture and Forestry. We are concerned with insuring against anything being built into the farm program which would make it more difficult to sell the farm program per se. I feel that by removing it from the Department of Agriculture and placing it in the Department of Health, Education, and Welfare we will have a truer perspective of the problem.

Mr. MONRONEY. I agree with the Senator from Michigan that it should properly be placed in the Department of Health, Education, and Welfare. But what worries me is that no testimony has been taken or no consideration given to a vast new program which should be started on its way in a proper, correct, and well-studied manner. It has not been taken before the Senate body which is charged with the consideration of legislation affecting the Department of Health, Education, and Welfare. I have conferred with the chairman of the committee, the distinguished Senator from Alabama [Mr. HILL], and he tells me he is not aware of this proposal ever coming before his committee. Yet it would be his committee which would have to check on the administration of the program.

Mr. HART. The Senator from Oklahoma is correct. The matter should be referred to the Committee on Labor and Public Welfare.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. CLARK. While this proposal has not formally been referred to the Committee on Labor and Public Welfare, on which I serve, and my statement may not be a complete answer to this question, if the Senator will look at the amendment, he will see that it is sponsored by the Senator from Massachusetts [Mr. KENNEDY], the chairman of the Subcommittee on Welfare of the Committee on Labor and Public Welfare; by myself, and by Senators MCNAMARA, RANDOLPH, MANSFIELD, MORSE, BYRD of West Virginia, MURRAY, MCCARTHY, YARBOROUGH, and MCGEE.

Mr. MONRONEY. The point I am trying to make——

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The time of the Senator from Michigan has expired.

Mr. MONRONEY. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MONRONEY. What I should like to ask is whether any testimony about the amendment has been adduced. I have the greatest respect for the objectives of the sponsors of this amendment, but it calls for a program of great magnitude.

Although I would be inclined to support the amendment if it had been properly considered, and if sufficient testimony regarding it had been taken, and if, perhaps, corrections had been made in the amendment, following such hearings, instead of having the amendment come before us without having been the subject of hearings on the part of the committee which must finally have jurisdiction of it——

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I am happy to yield.

Mr. CLARK. A voluminous letter in opposition to the amendment was directed to the Committee on Agriculture and Forestry by the Department of Health, Education, and Welfare. So I have no doubt that that Department and the administration are opposed to the amendment.

Mr. PASTORE. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. PASTORE. Mr. President, I ask unanimous consent that at this time I may speak for 2 additional minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I would assume that this amendment was drawn prior to the drafting of the amendment which provides for the food stamp plan, which a short time ago was acted on by the Senate.

Mr. HART. No, I do not think so. It is my understanding that this amendment, in bill form, was included in a series of perhaps six or eight bills on which the Committee on Agriculture and Forestry held hearings, and that this bill was not favorably reported.

Mr. PASTORE. Do I correctly understand that the chairman of the committee will explain that point?

Mr. ELLENDER. Yes.

Mr. PASTORE. Very well, I await his explanation.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, in answer to the question which was asked by the Senator from Rhode Island, I wish to state that the Committee on Agriculture and Forestry held hearings on a bill similar to the pending amendment. As a result of those hearings, the committee approved the food stamp plan which already has been adopted by the Senate. The committee objected to the proposal offered by the Senator from Michigan, but approved the food stamp plan.

Mr. PASTORE. Do I correctly understand that the objective of the food stamp plan is more or less similar to the objective of the pending amendment, with the exception of not being so broad in scale?

Mr. ELLENDER. Yes, I think so.

Mr. PASTORE. In other words, this amendment would result in a duplication, would it not?

Mr. ELLENDER. Yes; it would overlap the provision which the Senate already has included in the bill.

This amendment, Mr. President, is most far-reaching. It would vest the Secretary of Health, Education, and Welfare with authority over a broad food distribution program. Not only would surplus foods be used in order to carry out the provisions of the amendment, but the Congress would have to appropriate up to $150 million a year in order to purchase supplementary foods to carry out the program. Such purchases would be in addition to surplus foods now on hand, which also would be utilized in order to carry out the program.

The amendment also includes authorization for funds to administer the program at the National and the State levels. The appropriation of funds would be authorized in order to store some of the commodities wherever they would be used.

I say that a measure of this character should certainly not be considered by the Senate without more hearings and study than has been given it thus far.

I sincerely hope the amendment will be rejected.

At this time I yield 3 minutes to the senior Senator from Vermont [Mr. AIKEN].

Mr. HICKENLOOPER. First, Mr. President, will the Senator from Louisiana yield for a question?

Mr. ELLENDER. I yield for 1 minute.

Mr. HICKENLOOPER. Do I correctly understand that the bill contains no limitation whatsoever on the amount which is to be expended?

Mr. ELLENDER. Yes; insofar as surplus agricultural commodities are concerned.

Mr. HICKENLOOPER. There is a $150 million limitation on the amount for supplementary foods, is there not?

Mr. ELLENDER. Yes.

Mr. HICKENLOOPER. But not as regards surplus foods. So far as surplus foods are concerned, the bill is absolutely unlimited, and we do not know anything about what the amount would be; is that correct?

Mr. ELLENDER. That is correct.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield 1 minute to the distinguished Senator from Vermont.

Mr. AIKEN. Mr. President, the House bill already contains a provision for a food stamp program, with a limitation of $1 billion. The Senate bill contains a more restricted provision for the food allotment plan, and in that connection provision is made for a maximum time and a maximum amount.

The Senate should not agree to the pending amendment, even though it contains several good provisions. We cannot afford at this time to divide the responsibility for carrying on surplus food activities. Certainly we do not want to create duplicating services; in other words, we do not want to provide for a cotton administration, a wheat administration, and various other administrations of that sort.

In addition, the proposed period of time in which the Department of Health, Education, and Welfare would be directed to establish so elaborate a system is certainly insufficient, even if the amendment were all right otherwise.

I believe the Congress has already provided for sufficient programs of this sort—both through the action taken by the House of Representatives and the action taken by the Senate—to fulfill our needs for this year.

Mr. ELLENDER. Mr. President, unless other Senators wish me to yield time to them, I now yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time on the amendment has been yielded back.

Mr. MORSE subsequently said: Mr. President, as a cosponsor of the amendment just defeated, I ask unanimous consent that my testimony, with supporting letters, given before the committee at the time the proposal was before the committee, be printed in the RECORD immediately before the rollcall on the amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

The statement is as follows:

STATEMENT FILED BY HON. WAYNE MORSE, A U.S. SENATOR FROM THE STATE OF OREGON

Mr. Chairman, it is with great pleasure that I testify today in support of S. 1844, the Food Distribution Act of 1959. I am a cosponsor of the bill and I support it because in my judgment, it will provide for a workable plan to meet human needs here at home in a manner that is more effective than the operation at present of our surplus foods program.

Since the bill would transfer the jurisdiction over a portion of the surplus food program from the Department of Agriculture and vest it in the Department of Health, Education, and Welfare, one can expect that it will be received coolly by the Department of Agriculture. This is understandable. However, in terms of the human needs that exist, I feel we have a duty to take such action as will assure that the bountiful production of our farms is placed within reach of those low-income families who can, with profit to their health and welfare, make good use of it. Certainly members of families receiving public assistance are among the first who should be enabled to get surplus food stocks.

Recent hearings on the problems of hungry children in the District of Columbia have convinced me that need for food exists in this large city and a similar situation probably prevails in hundreds, possibly thousands of communities elsewhere in the Nation.

In the elementary grade school age group alone, according to a letter received from the Director of the Department of Public Welfare on May 27, 1959, in Washington there are estimated to be 10,500 children now receiving surplus foods consisting of cornmeal, dried milk, flour, rice, and butter. I am informed that cheese is no longer available but that it is hoped that powdered eggs will be added starting in July.

When it is realized that here in the District an estimated 10,650 families with 34,000 children exist at or below the very low public assistance standard of income, the problem begins to assume its proper magnitude. Philip Stoddard Brown in his column in the Washington Post of May 25, 1959, revealed 70,000 men, women, and children, about one in 12 of the District residents, simply, to use his own words "do not have income to buy as much food, clothing, and other essentials as is provided relief recipients under the standards now in effect." This is a shocking situation which should be rectified. S. 1844 provides a procedure which will permit us to take the steps to correct the situation.

I have spoken about the District, but the problem is not confined to the District. I have had inquiries from the public assistance authorities in Klamath Falls, Oreg., as to how they might participate in the program. With your permission Mr. Chairman, I shall incorporate at this point in my statement, copies of correspondence with the Department relative to the problem raised by Mr. Metler of Klamath Falls, Oreg., and the departmental replies to him and to Miss Jeanne Jewett, State administrator of public welfare of Oregon.

The reorganization of function which would follow upon enactment of S. 1844 should prove most healthy. The U.S. Department of Agriculture would be relieved of a task to which it is not particularly adapted and the Department of Health, Education, and Welfare would be given a responsibility which falls within its scope of operation. The ultimate gainers, it appears to me of this reorganization, would be the destitute whose needs could be met more quickly, and the farmers who would be assured that their work was relieving human misery and hunger instead of being stored in sterile surplus bins.

I urge that serious consideration be given by the subcommittee to the measure and that it be reported favorably from the full committee at an early date.

KLAMATH FALLS, OREG., *April 1, 1959.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: I am writing you at this time with regard to surplus food items that might possibly be made available to the welfare department in our county and also other counties within our State. I am serving as a member of the Klamath County Welfare Commission and firmly believe that if we can obtain certain items for our welfare recipients that no doubt it will give them a better standard of living. We also believe that there are many of the old-age pension recipients and seasonal workers who are residents of this area who are not eligible for benefits under the welfare regulations and code and that these people need help in a like manner.

I would appreciate any information that you may be able to give us as quickly as possible that may enable us to carry out a program to bring about better living conditions for our people and your people in other counties in the State of Oregon.

Yours very truly,

METLER BROS.,
EVERETT E. METLER.

DEPARTMENT OF AGRICULTURE
Washington, D.C. May 7, 1959.

Hon. WAYNE MORSE,
U.S. Senate.

DEAR SENATOR MORSE: Thank you for your letter of April 24, with enclosures.

The Food Distribution Division has written directly to Mr. Everett E. Metler of Klamath Falls, as you requested, giving him information about the present availability of surplus foods for welfare distribution, and telling him how Klamath County may participiate in the program.

A copy of this letter was sent to Miss Jeanne Jewett, of Portland.

We are enclosing copies of the letters to Mr. Metler and Miss Jewett, as well as the pamphlet mentioned in the correspondence.

Sincerely yours,

CLARENCE L. MILLER,
Assistant Secretary.

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL MARKETING SERVICE,
Washington, D.C., May 1, 1959.

Mr. EVERETT E. METLER,
METLER BROS.,
Klamath Falls, Oreg.

DEAR MR. METLER: The Honorable Wayne Morse, U.S. Senator from Orgeon, has asked us to write you in connection with your recent inquiry about the availability of surplus foods for distribution to needy families in Klamath County.

The surplus food items now in Federal inventory and available for donation to authodized State agencies for distribution to needy families and individuals, whom State and local public welfare agencies have certified to be in need of food assistance, are butter, nonfat dry milk, rice, wheat flour and cornmeal.

As you indicated in your letter to Senator MORSE, no surplus distribution program for needy families has been authorized yet in your State. Participation in this program is voluntary, with each State having the prerogative of inaugurating a welfare distribution program, or not, according to its own desires and judgment. The Department of Finance and Administration, which now distributes federally donated foods to nonprofit charitable institutions, such as hospitals, homes for the aged, child-care centers, orphanages, and summer camps for children, recently indicated to our area office in San Francisco that the welfare distribution program will not be started any time soon, due to general economic recovery in the State.

County and other local public welfare agencies wishing to participate in the surplus food program must make appropriate arrangements with the intended or authorized State distributing agency which, in this instance, will be the Department of Finance and Administration. For current information on this situation, you may write to Mr. Wakefield B. Walker, Chief, Surplus Property Section, 1965 Taft Street, in Salem. If the State Welfare Commission or the Governor decides to inaugurate the program, and surplus foods are requested for this purpose, the U.S. Department of Agriculture will be glad to donate available surplus products and ship them free to the State distributing agency.

We are enclosing a pamphlet about the distribution of surplus foods to eligible outlets, including needy families, which will give you additional informaton about the Department's surplus dsposal programs.

Sincerely yours,

HOWARD P. DAVIS,
Deputy Director,
Food Distribution Division.

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL MARKETING SERVICE,
Washington, D.C., May 1, 1959.

Miss JEANNE JEWETT,
State Administrator,
Portland, Oreg.

DEAR MISS JEWETT: We are enclosing a copy of our letter to Mr. Everett E. Metler, a member of the Klamath County Welfare Commission.

The Honorable WAYNE MORSE, U.S. Senator from Oregon, requested us to write Mr. Metler in reply to his inquiry about the availability of federally donated surplus foods for distribution to needy families in Klamath County and elsewhere in your State. Senator MORSE suggested that we might wish to write you also about surplus foods, in the event that you may be interested in a similar way about this matter.

We have indicated to Mr. Metler the surplus food items which are currently available for distribution in domestic welfare programs, and explained how local public welfare agencies may receive surplus foods for that purpose.

A copy of the pamphlet, which we mentioned in the final paragraph of our letter to Mr. Metler, is enclosed for further clarification of the Department's surplus disposal programs.

Sincerely yours,

HOWARD P. DAVIS,
Deputy Director,
Food Distribution Division.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan [Mr. HART]. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Conference at Warsaw, Poland.

The Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from West Virginia [Mr. RANDOLPH] is absent on official business delivering Labor Day speeches in West Virginia.

On the vote, the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Texas would vote "yea."

I further announce that if present and voting, the Senator from Illinois [Mr. DOUGLAS], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachussetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Montana [Mr. MONRONEY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from West Virginia [Mr. RANDOLPH] would each vote "yea."

I also announce that if present and voting, the Senator from Indiana [Mr. HARTKE] would vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. HRUSKA] would each vote "nay."

The result was announced—yeas 18, nays 64, as follows:

YEAS—18

Byrd, W. Va.	Jackson	Mansfield
Carroll	Langer	Morse
Clark	Long, Hawaii	Neuberger
Dodd	Long, La.	Symington
Hart	McCarthy	Williams, N.J.
Humphrey	Magnuson	Young, Ohio

NAYS—64

Aiken	Ervin	Morton
Allott	Fong	Moss
Anderson	Frear	Mundt
Bartlett	Fulbright	Muskie
Beall	Goldwater	Pastore
Bennett	Gore	Prouty
Bible	Green	Proxmire
Bush	Hayden	Robertson
Butler	Hickenlooper	Russell
Byrd, Va.	Hill	Saltonstall
Cannon	Holland	Schoeppel
Capehart	Javits	Scott
Carlson	Johnson, Tex.	Smith
Case, N.J.	Johnston, S.C.	Sparkman
Chavez	Jordan	Stennis
Cooper	Keating	Talmadge
Cotton	Kerr	Thurmond
Curtis	Kuchel	Wiley
Dworshak	Lausche	Williams, Del.
Eastland	McClellan	Young, N. Dak.
Ellender	Martin	
Engle	Monroney	

NOT VOTING—18

Bridges	Hartke	McNamara
Case, S. Dak.	Hennings	Murray
Church	Hruska	O'Mahoney
Dirksen	Kefauver	Randolph
Douglas	Kennedy	Smathers
Gruening	McGee	Yarborough

So the amendment offered by Mr. HART for Mr. KENNEDY and other Senators was rejected.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Hawks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. MUSKIE in the chair), laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 435) declaring that the Congress does hereby express its deep realization and appreciation of the basic role that labor plays in our economy and of the contributions that American working men and women have made to America's well-being, in which it requested the concurrence of the Senate.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I call up my amendment identified as "9–1–59—G."

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated.

The CHIEF CLERK. It is proposed, at the proper place in the bill, to insert the following:

( ) Section 104(g) (relating to loans for promotion of multilateral trade and economic development) is amended by inserting before the semicolon at the end thereof a period and the following: "Foreign currencies received in repayment of the principal or payment of interest on such loans shall be available, either through direct expenditure or through investment and use of the proceeds, for grants or loans in accordance with this section and without regard to the provisions of Public Law 213, Eighty-second Congress, to any jointly controlled nonprofit foundation established in a friendly foreign country pursuant to agreement between the United States and such country for the purpose of fostering and promoting research, education, health, and public welfare".

Mr. HUMPHREY. Mr. President, I yield to the Senator from South Dakota [Mr. MUNDT] whatever time he desires.

Mr. MUNDT. Mr. President, I was a cosponsor with the Senator from Minnesota of the amendment at the time it was discussed in the committee. It was not rejected in the committee, but we simply did not get to the amendment in the committee proceedings.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. HUMPHREY. It should be noted, with regard to the amendment, that it is cosponsored by the Senator from South Dakota.

Mr. MUNDT. I thank the Senator.

Mr. President, I suggest, on page 2, that we strike the word "and," the next to the last word on line 4, and on line 5 add the following after the word "welfare:" "and mutual good will and understanding."

I should like to state my reasons for this suggestion.

The PRESIDING OFFICER. Does the Senator propose that as an amendment?

Mr. HUMPHREY. I accept the modification, Mr. President.

The PRESIDING OFFICER. The Senator from Minnesota accepts the modification to the amendment.

Mr. MUNDT. I thank the Senator. My reason is very ample. This amendment deals with what is known as the binational centers. Those who have traveled in other countries where there are these centers are familiar with them. In my opinion, this is one of the most constructive outgrowths of the Smith-Mundt program. In these communities a group of Americans living abroad and indigenous people living abroad meet together in a hall, a bi-national center. In some places, by joint effort, they have constructed little buildings. Here they study the English language or study the various educational, health, public welfare, and research aspects of the country.

To that we would add the creation of good will and mutual understanding.

During the Easter recess I visited one of these centers at Bogotá, Colombia. The Colombians have become so enhanced with this very fine concept that they have created, with the use of their own funds, little buildings for these centers. They have the flags of Colombia and of the United States crisscrossed at the entrance. They show little motion pictures about America.

There are few places in all the world where we can spend these counterpart funds more effectively than in the cementing of relationships between this country and the recipient countries.

It seems to me this is one amendment we should agree to unanimously. It would not add an iota to the cost; it would simply make available this additional end use of money received from Public Law 480 operations.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. JAVITS. I should like to express my support of the amendment, Mr. President. Food can be an extremely important item with respect to enabling countries which are not industrialized to industrialize, both by taking people off the land and, for the moment, using them as the Communists do, by reducing the standard of living in order to bring about industrialization through reduction of consumption, or, as we propose, by giving the people the margin of food which they need.

I think in the same spirit the philosophy of the people and their understanding of what they are working for, and why, would be contributed to by adoption of the amendment, which would give the ideological background for food for peace, which I like, and for which I voted. I hope very much the Senate will see fit to agree to the amendment.

Mr. HUMPHREY. I thank the Senator from New York.

Mr. President, this amendment has been concisely and accurately described and reported by the distinguished Senator from South Dakota [Mr. MUNDT]. It relates to programs which he and our distinguished former colleague from New Jersey, Mr. Smith, were able to get authorized by the Congress some years ago.

This would not add a single dime to the cost. The program is based upon the funds which are repaid from loans, either principal or interest. The argument that there is not enough of counterpart funds to go around falls of its own weight. This program would be financed from the repayment schedules, from interest repayments and principal repayments.

Furthermore, though time does not permit me to go into this matter completely, I have a study of the currencies which are going to be available under this program, and I wish to say that unless something such as the Binational Foundation is established to promote the particular enterprises we have listed, we are going to find ourselves in a very serious and embarrassing situation in many countries.

Furthermore, Mr. President, this amendment will make possible some constructive action in Poland, for example, where one can spend the zlotys no place except in Poland, and one can do literally nothing with them except under a binational foundation.

It seems to me we have an opportunity to do as the Senator from South Dakota says, to build mutual good will and understanding, to promote a program of education, research, health and public welfare. I hope the Senate will see fit to approve the amendment as a very desirable addition to existing policies.

Mr. ELLENDER. Mr. President, I rise in opposition to the amendment.

This is an effort to spend the repayments in loans made from proceeds of sales of surplus commodities, as those repayments are collected. This money could certainly be used by the United States to pay some of our own bills within the countries where the food is sold and the currencies collected.

Mr. President, the language of the proposal is so broad "fostering and promoting research, education, health, and public welfare"—as to make the scope of operation of such foundations as are proposed to be authorized practically unlimited. To take an extreme example, it would be within the legislative language for a foundation to foster research to find ways of increasing exports of wheat, dairy products, and other surpluses into the United States.

Mr. President, my good friend from South Dakota has mentioned the binational centers. This amendment deals with those.

It was my privilege to travel throughout South and Central America last year. I found that the binational centers as now constituted there are doing a good job. What makes that success possible is the fact that they are constructed, erected and handled by local people at their own expense.

Students come to these binational centers. These students pay tuition fees to learn English or to get a business education for example. What makes these centers successful, in my humble judgment, is that they are managed and operated by the local people. They are free of any propaganda taint.

Now, simply because we may have some extra money from the proceeds of loans made after the surplus commodities are sold, ways and means are already being developed to utilize the money. To my way of thinking, such efforts will ultimately do violence to the great program of developing binational centers.

I hope that the amendment will be rejected.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a full explanation of the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This amendment provides for the use of section 104(g) loan payments and interest to finance nonprofit foundations in foreign countries to foster and promote research, education, health and public welfare.

The language of the proposal is so broad—"to foster and promote research, education, health, and public welfare"—as to make the field of operation of the foundations practically unlimited. To take an extreme example, it would be within the legislative language for a foundation to foster research to find ways of increasing exports of wheat, dairy products, and other surpluses into the United States.

The foundations could become permanent institutions, since there would be authority to invest the currencies made available and to use the proceeds of such investments for the authorized purposes.

The question of the various uses to be made of foreign currency loan repayments is being studied by the administration, and recommendations will be submitted to the Congress in ample time for necessary legislation to be enacted before the volume of such repayments become significant. At the present time and during the coming year such repayments do not constitute a problem either in total amount or in any individual country.

Even if it were established that the financing of foundations would be a worthy purpose for which to use loan repayments, the enactment of such authority at this time would not be desirable. Most of the repayments now being received are in countries where such funds are readily usable by the U.S. Government for purposes for which dollars have been appropriated. Use for these purposes returns the appropriated dollars to the U.S. Treasury as net savings to the taxpayer. Under these circumstances any amount of such repayments used for financing binational foundations would represent dollar cost to the U.S. Government.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. Is it not a fact that on the floor of the Senate repeatedly, in praise of Public Law 480, arguments have been made that the repayments are already in progress and that money is accumulating, inuring to the benefit of the American taxpayer?

Mr. ELLENDER. The Senator is correct.

Mr. LAUSCHE. The amendment now proposes to devise ways and means to begin to spend that money?

Mr. ELLENDER. The Senator is correct.

Mr. LAUSCHE. The amendment proposes the establishment of foundations

to which these repayments will be given, which foundations will be permitted to invest the money and use the proceeds of the investments for research, education, and the promotion of public health.

Mr. ELLENDER. And public welfare.

Mr. LAUSCHE. And public welfare in foreign countries.

Mr. ELLENDER. In foreign countries. Exactly.

Mr. LAUSCHE. When foundations are established, if they are authorized to invest and use the proceeds, that means that they may become independent foundations in foreign countries to which these repayments will be made.

Mr. ELLENDER. The Senator is entirely correct, and once they are started we will be expected to keep them up.

Mr. HUMPHREY. Mr. President, I yield to the Senator from West Virginia [Mr. BYRD]. I think he has a modification to suggest.

Mr. BYRD of West Virginia. Mr. President, I wonder if the Senator from Minnesota would agree to delete the word "research" from the amendment.

Mr. HUMPHREY. It is agreeable with the Senator from Minnesota. The amendment would then read "for the purpose of fostering and promoting education, health, public welfare, mutual good will, and understanding."

Mr. MUNDT. Mr. President, the Senator from West Virginia discussed that point with me as a cosponsor. It is entirely agreeable to me. He says and perhaps with some justification, that the research might fan out and become competitive with American industry, especially in the field of mining.

Mr. HUMPHREY. Mr. President, the amendment being sponsored by the Senator from South Dakota and myself is the product not of our research alone, but is also the result of recommendations made to the President of the United States, the State Department, the ICA, and the Department of Agriculture by a very splendid task force of distinguished Americans who studied in 27 countries for several months the problems that were accruing relating to the accumulation and administration of local currencies. I have that report in my hand. It is a special report dated August 1958, and on page 39 there is a reference to binational foundations.

This report was signed by Mr. Robert L. Berenson, Director of the International Bank of Washington, and formerly with the Grace Line; Mr. William M. Bristol, director of Bristol-Myers Co., and board chairman of its international division; and Mr. Ralph I. Straus, formerly secretary of R. H. Macy & Co., Inc., and presently a member of its board of directors. He was formerly a director of the Export Promotion Division in the office of the special representative, ECA, Paris.

This group of three distinguished businessmen of this country spent months and months in making a careful study of what to do about the accumulation of currencies, many of which currencies will be worthless unless put to work in the countries of their origin, and their recommendations appear on page 39. The first thing they note is that we in the United States have established the unique investment device of the tax-free foundation for benefiting mankind, and so forth. They point out that this is one of the great contributions that our country could make. They say, "It seems very appropriate to create this same type of institution as a living reminder of the mutual security program of the United States in the underdeveloped areas. To do this, we recommend a program along the following lines." Then it lists the various portions of the amendment which the Senator from Minnesota and the Senator from South Dakota have offered, even down to the management of the foundation, on the basis that the foundation shall be managed by a group with representatives equally divided between the host country and the United States.

I ask unanimous consent to have printed at this point in the RECORD an excerpt from the report.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

4. FOUNDATIONS

The United States has utilized the unique investment device of the tax-free foundation for benefiting mankind, especially in the fields of education, health, and welfare. These great eleemosynary institutions such as the Carnegie, Ford, Rockefeller, Guggenheim, and other foundations have contributed so much internationally, that they have carried the message of American generosity and friendship throughout the world. Therefore, it seems very appropriate to create this same type of institution as a living reminder of the mutual security program of the United States in the underdeveloped areas.

To do this, we recommend a program along the following lines: The United States could advantageously use its local currency holdings to establish a foundation in the foreign country to be jointly administered by the latter and the United States. For reasons of maintaining a permanent reminder of the source of the official grants, it would seem desirable that the name of the foundation include the words "United States" or "America," as well as the name of the host country; for example, the "Pakistan-American Foundation for Agricultural Research" or the "United States-India Foundation for Scientific Advancement," etc.

The actual management of the foundation should be by qualified personnel, trained in such work, and under the supervision of a board of trustees of six or eight or more members, half to be appointed by the foreign government and half by the United States, these to select an additional member as their own chairman. Probably some qualified person from the U.S. Embassy could be appointed as a trustee to insure a certain amount of continuity of interest and direction.

The investment of the local currency funds of the proposed foundations offers an interesting opportunity to support and encourage private enterprise in the host country through the medium of purchasing shares of local companies. The bylaws of the proposed foundations should permit great freedom to the management in its investment policy.[4]

The income from the foundations could be used for the creation and/or support of such organizations as would be permitted under its bylaws. These should be drawn to fit the peculiar needs of each country.

[4] Mr. Bristol envisages the possibility of the trustees making some of the funds available as venture capital for new and sound enterprises. He realizes this is probably unorthodox by U.S. standards, but there is a great need to spread the ownership of private industry from the few to the many.

Mr. HUMPHREY. Mr. President, great good can come from this. We have over $300 million worth of zlotys in Poland. How are we going to use that? There is more good will to be derived in Poland if we put it to work in binational foundations than in almost any other place in Europe.

We have in other parts of the world—in Pakistan, in Burma, in India, in country after country—currency which today is losing its value because of inflation. It is being eroded by inflation. We can put citizen groups to work on a binational foundation basis to promote good will, understanding, education, and welfare for themselves and for ourselves.

I think it is about time that Congress faced the fact that on the one hand, as we export our grain and our fibers, as we create these tremendous resources of currencies, these currencies are being repaid; and as they are repaid, they can be reused. The Treasury of the United States has warned the committees of Congress that we must start to program the use of these currencies. We cannot use them in America. We cannot use, for example, Iranian currency in this country, or Egyptian pounds in America. We would use it in these recipient countries, and we would use it under these terms, not in a governmental agency but in an agency of private individuals, something as American as the Statue of Liberty, a binational foundation.

I hope that we will not reject the proposed amendment. It does not cost us a nickel. As a matter of fact, it will save us money.

Had we had a binational foundation in Spain, we might have created much good will. Already we have lost in Spain one-third of all the value of the currency that we have accumulated because of the failure of use it. Apparently some people think that if we sit on this currency long enough it will hatch. The trouble is it does not hatch; it spoils.

Mr. MUNDT. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MUNDT. What the Senator says about saving the American taxpayer money is exactly correct. We now operate with appropriated dollars these analogous programs as a part of the U.S. information program overseas. The part we can utilize in this fashion, in binational activities, with foreign currency, is the part we can save from appropriated dollars now doing the same kind of work. This is economy, doing a job that needs to be done with money available to us from a source from which we cannot use money effectively in this country.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. ELLENDER. I yield 3 minutes to my colleague from Louisiana.

Mr. LONG of Louisiana. Mr. President, even though I can see some worthy purposes in the amendment, I cannot vote for it, as loosely drawn as the

amendment is, because there is no assurance whatever that the United States will get the least bit of credit for it, or that people in foreign countries will know that the money is being spent for their advantage.

The same people who would handle this program are the people who handled the foreign aid fund and paid off the national debt of six foreign countries. They did that, and no one knew that that had been done. Two and a half billion dollars was used to pay off the national debt of these foreign countries. The people in the foreign countries did not know that it had been done. The American people did not know about it. Congress did not know anything about it. No one knew anything about it until years after it had happened.

It has been mentioned that if we do not give the money away quickly, and without setting up any standards or without any assurance that we will get any credit whatever for doing it, the value of money will depreciate.

Mr. President, I am one of those who believe that we should have had an agreement with the foreign countries in the way of a maintenance-of-value arrangement. We never made such an arrangement. As a result, the value of the currency was squeezed out. We ought to make them reimburse us with more funds. I think something along this line could be done, but I think we ought to know what is going to be done with this money rather than find out 3 or 4 years later how we got rid of this money without anybody in the country knowing about it.

That is the basis of this amendment, and that is the basis on which I am going to vote against it. On that basis I must vote against it.

Mr. ALLOTT. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield 2 minutes to the Senator from Colorado.

Mr. ALLOTT. I must rise in opposition to this amendment. I do not stand opposed to what is said to be the purpose of the amendment. I can see that under proper circumstances it might result in good. But when I look at the amendment I wonder how foolish the Congress can get.

Here is an amendment which does not even provide how these people are to get the money. According to the amendment, as I see it, the Foundation would practically have a right to demand it. Then it could obtain American assets—I do not care whether they are zlotys or something else. For one thing, the moneys would not be appropriated by the Congress.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. HUMPHREY. The Senator does not wish to make a misstatement. This is an amendment to section 104 of Public Law 480, to insert a new section. The President must make the loan or grant, and it must go through the appropriation process. The proposed amendment is an amendment to a section. I respectfully suggest that the Senator study the law.

Mr. ALLOTT. I also would like to invite the Senator's attention to one other feature of the amendment. Can the Senator tell me anything—including research—that is not included in the language, "for the purpose of fostering and promoting education, health, public welfare, and mutual good will and understanding"? If the Senator can show me anything that is not included, I will withdraw my objection. But literally I know of almost nothing—except shining shoes; perhaps that is not included—that is not included in this definition.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ALLOTT. It seems to me that the time has come for us to say where our money shall go, and not put it into any more of these broad-ended gifts, grants, and loans, when we cannot keep control of it and know where it is going.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ALLOTT. I have no doubt the Senator's purpose is lofty; but certainly neither the Congress nor the executive branch will ever be able to control the amounts appropriated, granted, or loaned under this amendment.

Mr. STENNIS. Will the Senator yield?

Mr. ALLOTT. Mr. President, will the Senator yield 1 minute for the Senator from Minnesota to answer?

Mr. ELLENDER. I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. First, this is an amendment to section 104 of Public Law 480. It is designated as an amendment to section 104(g), relating to loans for promotion of multilateral trade and economic development. The standards are set in section 104(g). The President himself is authorized to make whatever loans or grants he determines are necessary under the appropriation process of the Congress. So what we are really doing is providing that the Appropriations Committees of the Congress shall review the requests of the President relating to loans or grants, of funds that are paid in, including both principal and interest, to a binational foundation in which we have a 50-percent representation.

Furthermore, the recommendations provide that the President of the United States, speaking for the Government of the United States, may lay down whatever rules and regulations are required relating to the use of our funds.

Mr. ALLOTT. I hove only 1 minute. Let me say this in answer to my friend. I am sure the Senator does not seriously contend that under the provisions of this amendment the U.S. Congress or the President will ever be able to keep control of the money that goes into this fund.

Mr. HUMPHREY. Congress will be able to keep better control under this amendment than it does under any provision of Public Law 480 up to date, because we would require that all these transactions go through the Appropriations Committees.

Mr. ALLOTT. We appropriate directly for it.

Mr. HUMPHREY. I am rather surprised that the Congress was not concerned about this question before.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. Mr. President, I desire to ask a few brief questions of the senior Senator from Louisiana.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

Mr. STENNIS. Let me observe that it seems to me this is a very broad amendment, and a very fine one, if it could be properly handled; but it certainly has not been fully explained, although the fine points have been made.

Reference is made to agreements. As I understand, those will be agreements made between the President and the other countries.

Mr. ELLENDER. Yes.

Mr. STENNIS. Are there any guidelines or limitations upon the amount that can be agreed to, or upon the proportionate percentage we would furnish and the other country would furnish? Is there anything of that nature in the amendment?

Mr. ELLENDER. Yes. Under the law as it is now written, the proceeds from the sale of these commodities may be used in 16 or 17 different ways, aside from lending much of it to the purchasing country.

In the past 2 or 3 years, the amount of the loans, percentagewise, has been decreasing, because there is greater use of the proceeds for purposes of education and things of that kind. All of that, as I have said, must be included in the agreement.

Mr. STENNIS. Does the agreement referred to in the amendment mean a 50–50 arrangement, under which we would furnish 50 percent and the agreeing nation the other 50 percent?

Mr. ELLENDER. Oh, no.

Mr. STENNIS. What percentage will be furnished——

Mr. ELLENDER. That has nothing to do with it.

Mr. STENNIS. Then the other country will not furnish anything? We will furnish all the funds?

Mr. ELLENDER. We are lending back as much as 42 percent of the proceeds of the sale, on an average. Instead of that money being used for our purposes when it is repaid, it would be used for the purposes described in the amendment.

Mr. STENNIS. It would be a plan under which we would furnish all the financing.

Mr. ELLENDER. The Senator is correct.

Mr. STENNIS. I had not understood that.

With regard to promoting research, is there any limitation on the kind of research which would be included?

Mr. ELLENDER. That feature has been eliminated. The purposes now are to promote education, health, public welfare, and mutual good will and understanding.

Mr. LONG of Louisiana. Is there anything in this amendment to assure us that if we start spending all this money to provide for education, health, public

welfare, and mutual good will and understanding, the country spending for the same purposes will not reduce its expenditures for the same purposes?

Mr. ELLENDER. There is nothing in the amendment to prevent that.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. These are binational foundations of private individuals.

Mr. ELLENDER. Let us let them remain so. That is exactly the argument I made a while ago. The Senator from Minnesota wants to take them out of the hands of those who now handle them. I repeat what I said a while ago. It has been my experience that binational centers have done a great job in South and Central America for the reason that they are owned, administered, and controlled by the local people. But some of our administrators of ICA and USIS desire to get us into the picture and to have the United States furnish money not only to assist in administering the binational centers, but even to erect buildings. That would be very costly. Also, the buildings would be owned, not by the Government, but by these private individuals who direct the binational centers.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I should like to ask the distinguished chairman of the committee, who is a keen student of this particular legislation, as well as other legislation, what he expects to use Polish zlotys for, since they belong to the account of the United States of America? There is more currency in Poland today than in any other country except India. What does the Senator expect to do with that currency, if we cannot put it to some use of this kind?

Mr. ELLENDER. Poland has not been asking for economic aid, but, to be perfectly frank, I would be inclined to prefer to let the Poles use some of those zlotys for economic development, in order to wean them away from their Communist rulers, rather than creating binational centers.

Mr. HUMPHREY. We do that; but when the economic loan is repaid, is there any reason why we should not permit them to use the money again for the purposes described in the binational agreement?

Mr. ELLENDER. Let us use it as a revolving fund, to do some economic expansion. The trouble is we are trying to use these funds for purposes that are now under the control of individuals in the various countries where binational centers are constructed. I can point out to the distinguished Senator many countries in Central America where there are many Americans who put up their own cash in order to construct binational centers. Then, from the fees collected from the students who attend school at the binational centers, and who use the libraries of the binational centers, all under control by local people, sufficient funds are obtained to operate the binational centers.

If we proceed to put our hand in the pie and furnish money, the local people are going to lose interest in it. That is why I want to leave it as it is.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. Yes; if I have more time.

The PRESIDING OFFICER. The Senator from Louisiana has 1 minute remaining.

Mr. ELLENDER. I will yield for a question, if I can answer it in a minute.

Mr. HUMPHREY. Is it not true that the binational foundations, as the Senator says, are doing good work?

Mr. ELLENDER. Oh, yes.

Mr. HUMPHREY. Is it not true that the recommendation of those who have studied the problem of our Government is that some of the local currencies which are not of value to us, but are only of value in the countries of their origin, should be put to work, so as to be of value to us in the programs contemplated under the amendment?

Mr. ELLENDER. I could name a group of persons who have made studies such as those to which the Senator has referred and who take an opposite view.

Mr. HUMPHREY. Two years ago the Senator from Minnesota stood on the floor of the Senate and argued for funds for the translation of scientific documents overseas with foreign currencies. I had the fight of my life. It was said, "Oh, we cannot do this; we cannot do that." But since that time we have translated hundreds of thousands of documents by using foreign currencies to pay for it.

Had we used such currencies before sputnik, we might not have come in second. We are apparently addicted to the fact that we are going to have currency accumulating in other countries.

The PRESIDING OFFICER. All time has been used.

Mr. BUSH. Mr. President, I yield myself 2 minutes on the bill. I am reluctant to voice a discordant note in this farm-happy atmosphere.

I intend to vote "nay" on the bill to extend Public Law 480, in protest against the extravagant, dangerous farm-surplus situation in the United States.

Public Law 480 was first proposed as a temporary emergency measure, with the hope that changes would be made in the basic legislation to alleviate the pressures which were creating surpluses. I favored the law for that reason.

But no such helpful changes of importance have been made. The situation has worsened. Public Law 480 now acts as a spur to further increasing surpluses.

Consider wheat. The Government now owns $3 billion worth of wheat, costing $1,500,000 a day in handling, storage, and interest charges. Thirty percent of the value of our surplus products lies in wheat. Yet wheat represents only 6 percent of farm income in the United States.

This situation has become intolerable and will become catastrophic unless we change our course.

Public Law 480, in the guise of helping our neighbors and reducing our surpluses, has become a spur to further surpluses. We need more production, it is said, to implement Public Law 480. So instead of being a stopgap, it has become a loophole, which is a very unpopular word.

I shall vote against the extension bill in full protest against the extravagant subsidy involved in the whole high-price farm-support program.

I yield back the remainder of my time.

Mr. COTTON. Mr. President, will the Senator from Connecticut yield to me?

Mr. BUSH. I yield to my friend, the Senator from New Hampshire.

Mr. COTTON. I wish to state that I associate myself with the statement the Senator from Connecticut [Mr. BUSH] has made; and, for the reasons which he has so well stated, I shall vote against the bill.

Mr. BUSH. I thank the Senator from New Hampshire.

Mr. MUNDT. Mr. President, will the acting minority leader yield me 1 minute out of the minority's time on the bill?

Mr. BUSH. I yield 1 minute to the Senator from South Dakota.

Mr. MUNDT. Mr. President, I hope we will not reject an amendment which gives us an opportunity to achieve some really constructive results in the area of good will and international accomplishment with foreign currency which otherwise is likely to deteriorate and disappear. Not one word has been said against this by Senators in all this debate. It is only a question of how the program will be financed. Our amendment proposes to finance it with money from funds which are received under Public Law 480, instead of having to finance it entirely by profitable dollars in those areas where we have to. We have some programs operating which, as the chairman of the Committee on Agriculture and Forestry has said, are entirely financed by Americans abroad and wealthy foreigners abroad. We have some which require a little assistance from the Federal Government as they get underway. We should be extending and expanding them in other cities. The money is piling up and doing nothing, yet all we say is that they should be given an appropriation. Congress has the right to appropriate from the counterpart funds sufficient money to keep this program going and to add others, and thus create good will institutions.

Mr. LONG of Louisiana. Mr. President, I desire to offer an amendment.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to add at the appropriate place the following: *"Provided,* That prior to such grants and loans the recipient nations shall give assurance that there will be no diminution of effort and expenditures by the recipient country to care for the same educational, health, and public welfare programs."

Mr. HUMPHREY. Mr. President, I should like to accept that modification. I think it is a very constructive endeavor. I fully concur in it. The Senator from Louisiana has always expressed this attitude. I hope we will accept it. If my cosponsor, the Senator from South Dakota [Mr. MUNDT] accepts it, we are perfectly willing to accept it.

Mr. MUNDT. I am perfectly willing to do so. I think this will be the ultimate outcome of the program anyway.

Mr. LONG of Louisiana. I offer it because it seems to me that while there should be considerable assurance of closer standards with respect to this matter, it seems to me that when we start to spend money for education and welfare services in foreign nations, the foreign nations should not reduce their own expenditures for the same purpose, and, therefore, shift the burden off onto Uncle Sam for things which they are already providing themselves.

Mr. HUMPHREY. The amendment of the Senator from Louisiana is an excellent one. I hope it will be agreed to.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent to have printed just before the vote on the Binational Foundations amendment a statement I have prepared on this subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

BINATIONAL FOUNDATIONS

This amendment authorizes the President to negotiate and carry out agreements to establish in friendly countries nonprofit foundations to foster and promote research, education, health, and public welfare.

This amendment specifies that such foundations should be directed by a board of trustees composed of U.S. nationals and nationals of the country in which the foundation is located.

It authorizes the President to grant or loan in accordance with the provisions of section 104, and without regard to the provisions of Public Law 213 (the Battle Act), to any foundation established under this title local currencies which accrue to the United States as repayments of principal and payment of interest on loans made under section 104g. The foundations will become increasingly important as loans made under section 104 are repaid.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana to the amendment of the Senator from Minnesota.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota, as amended. [Putting the question.]

Mr. ELLENDER. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

Mr. HUMPHREY. Mr. President I move that the vote by which the amendment, as amended, was agreed to be reconsidered.

Mr. MUNDT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, this has been a long day. If there are no other amendments, I am ready for action on the bill.

The PRESIDING OFFICER. The bill is open for further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be discharged from the further consideration of H.R. 8609, and that the Senate proceed to consider H.R. 8609, which is a bill on the same subject.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 8609) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Do I correctly understand that what the Senator from Louisiana is really doing is asking for the substitution of the House bill?

Mr. ELLENDER. That is correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

There being no objection, the Senate proceeded to consider the bill.

Mr. ELLENDER. Mr. President, I move that all after the enacting clause of H.R. 8609 be stricken and that the language of the Senate bill be inserted in lieu thereof.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 8609) was passed.

The title was amended so as to read: "An act to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes."

Mr. ELLENDER. Mr. President, I ask that the bill, as amended, be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Strike out all after the enacting clause and insert:

"TITLE I—AMENDMENTS TO THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

"That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

"(1) Sections 109 and 204 of such Act are amended by striking out '1959' and substituting in lieu thereof '1962'.

"(2) Section 103(b) (prescribing limit on appropriations) is amended, effective January 1, 1960, to read as follows:

"'(b) Agreements shall not be entered into under this title in any calendar year during the period beginning January 1, 1960, and ending December 31, 1962, which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of $1,500,000,000, plus any amount by which agreements entered into in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such preceding year by this Act as in effect during such preceding year.'

"(3) Section 203 of such Act is amended, effective January 1, 1960, by striking out the first sentence and inserting in lieu thereof:

"'Not more than $300,000,000 (including the Corporation's investment in such commodities) plus any amount by which transfers made in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than could have been expended during such preceding year under this title as in effect during such preceding year shall be expended in any calendar year during the period January 1, 1960, and ending December 31, 1962, for all such transfers and for other costs authorized by this title.'

"(4) Section 104(k) (relating to scientific activities) is amended by striking out the colon and inserting in lieu thereof a comma and the following: 'and to promote and support programs of medical and scientific research, cultural and educational development, health, nutrition, and sanitation:'.

"(5) Section 104(o) (relating to assistance to educational facilities sponsored by United States citizens) is amended by striking out so much thereof as follows the semicolon.

"(6) Section 104 (relating to uses of foreign currencies) is further amended by inserting after paragraph (o) the following new paragraphs:

"'(p) For supporting workshops in American studies or American educational techniques, and supporting chairs in American studies;

"'(q) For assistance to meet emergency or extraordinary relief requirements other than requirements for surplus food commodities: *Provided*, That not more than a total amount equivalent to $2,000,000 may be made available for this purpose during any fiscal year;

"'(r) For financing the preparation, distribution, and exhibiting of audiovisual informational and educational materials, including Government materials, abroad: *Provided*, That not more than a total amount equivalent to $5,000,000 may be made available for this purpose during any fiscal year;

"'(s) For financing the services of technicians, advisers, and administrators who are nationals of any friendly country, which may be needed to further economic and social development programs in other friendly countries;'.

"(7) Section 104 is further amended by inserting before the period at the end thereof a colon and the following: '*Provided, however*, That foreign currencies shall be available for the purpose of subsections (p), (r), and (s), in addition to funds otherwise made available for such purposes, only in such amounts as may be specified from time to time in appropriation Acts'.

"(8) Title III of such Act is amended by adding at the end thereof a new section as follows:

"'SEC. 306. Whenever the Secretary of Agriculture determines under section 106 of this Act that any food commodity is a surplus agricultural commodity, he shall make such commodity available for distribution to needy families and persons in the United States in such quantities as he determines are reasonably necessary before such commodity is made available for sale for foreign currencies under title I of this Act.'

"(9) Title III is further amended by adding at the end thereof a new section as follows:

" 'SEC. 307. Notwithstanding any other provision of law, the Commodity Credit Corporation is hereby authorized—

" '(1) to dispose of its stocks of animal fats and edible oils or products thereof by donation, upon such terms and conditions as the Secretary of Agriculture deems appropriate, to nonprofit voluntary agencies registered with the Department of State, appropriate agencies of the Federal Government or international organizations, for use in the assistance of needy persons outside the United States;

" '(2) to purchase for donation as provided above such quantities of animal fats and edible oils and the products thereof as the Secretary determines will maintain the support level for cottonseed and soybeans without requiring the acquisition of such commodities under the price support program.

Commodity Credit Corporation may incur such additional costs with respect to commodities to be donated hereunder as it is authorized to incur with respect to food commodities disposed of under section 416 of the Agricultural Act of 1949, and may pay ocean freight charges from United States ports to designated ports of entry abroad.'

"(10) Section 104(g) (relating to loans for promotion of multilateral trade and economic development) is amended by inserting before the semicolon at the end thereof a period and the following: 'Foreign currencies received in repayment of the principal or payment of interest on such loan shall be available, either through direct expenditure or through investment and use of the proceeds, for grants or loans in accordance with this section and without regard to the provisions of Public Law 213, Eighty-second Congress, to any jointly controlled nonprofit foundation established in a friendly foreign country pursuant to agreement between the United States and such country for the purpose of fostering and promoting education, health, public welfare, and mutual good will and understanding: *Provided*, That prior to such grants and loans the recipient nations shall give assurance that there will be no diminution of effort and expenditures by the recipient country to care for the same educational, health, and public welfare programs'.

"TITLE II—DEMONSTRATION FOOD STAMP ALLOTMENT PROGRAMS

"Definitions

"SEC. 201. As used in this title—

"(a) The term 'food commodity' means any food product raised or produced in the United States on farms, including agricultural, horticultural, and dairy products, livestock, poultry, and honey.

"(b) The term 'State' includes the District of Columbia, Puerto Rico, and the Virgin Islands.

"(c) The term 'Secretary' means the Secretary of Agriculture.

"(d) The term 'food stamp' means a certificate, coupon, or other similar medium of exchange issued to eligible recipients.

"Demonstration programs authorized

"SEC. 202. (a) The Secretary is authorized and directed, as soon as practicable after the date of enactment of this Act, to formulate and administer in geographically dispersed areas of the United States demonstration food stamp allotment programs under which food commodities will be made available to persons with low incomes, unemployed persons, and such other persons as the Secretary determines to be in need of the type of assistance made available under such programs.

"(b) Demonstration food stamp allotment programs authorized by subsection (a) shall be administered by the Secretary in not less than three nor more than six different areas of the United States, and shall, to the extent practicable, be administered in areas determined by the Secretary of Labor to be areas of surplus labor. In carrying out the provisions of this section the Secretary shall provide for at least one such program in a rural area of the United States.

"Types of demonstration programs

"SEC. 203. (a) The Secretary shall, with respect to the demonstration food stamp allotment program to be administered in any area, determine the type of program it is to be, the requirements of eligibility for participation therein, and the manner in which it is to be administered.

"(b) In formulating and administering any demonstration food stamp allotment program pursuant to the provisions of this title the Secretary is authorized to consult and cooperate with appropriate State and local authorities as well as representatives of any private industry concerned with the operation of such program.

"(c) The Secretary is authorized and directed in carrying out the provisions of this title to utilize such stocks of the Commodity Credit Corporation and other commodities (determined by the Secretary to be in surplus supply) as he shall deem fit.

"Rules and regulations

"SEC. 204. The Secretary is authorized to promulgate such rules and regulations as he deems necessary to effectuate the provisions of this title.

"Termination of programs—Report to Congress

"SEC. 205. (a) The demonstration food stamp allotment programs authorized by this title shall terminate prior to January 1, 1962.

"(b) The Secretary shall, as soon as practicable after the termination of such programs, submit to the Congress a final report on the operation of such programs, including such recommendation as he deems appropriate. The Secretary may also from time to time make such earlier reports to the Congress as he deems appropriate.

"Appropriations

"SEC. 206. There is hereby authorized to be appropriated $15,000,000 for carrying out the demonstration food stamp allotment programs.

"Maintenance of other assistance

"SEC. 207. Receipt by any person of benefits under this title shall not be deemed to be income or resources under the provisions of the Social Security Act or any other Federal legislation pertaining to the security of the aged, blind, disabled, dependent children, unemployed, or other similar groups. Any State or local subdivision thereof which decreases the cash or other assistance extended to any person or group as a consequence of the assistance made available under this title shall be ineligible for further participation under this title.

"TITLE III—MISCELLANEOUS

"SEC. 301. (a) In order to insure the nutritional value of cornmeal, grits, white rice, and white flour when such foods are made available for distribution under section 416 (3) of the Agricultural Act of 1949 or for distribution to schools under the National School Lunch Act or any other Act, such foods shall be enriched so as to meet the standards for enriched cornmeal, enriched corn grits, enriched rice, or enriched flour, as the case may be, prescribed in regulations promulgated under the Federal Food, Drug, and Cosmetic Act; and in order to protect the nutritional value and sanitary quality of such enriched foods during transportation and storage such foods shall be packaged in sanitary containers. For convenience and ease in handling, the weight of any sanitary container when filled shall not exceed fifty pounds.

"(b) The term 'sanitary container' means any container of such material and construction as (1) will not permit the infiltration of foreign matter into the contents of such container under ordinary conditions of shipping and handling, and (2) will not, for a period of at least one year, disintegrate so as to contaminate the contents of the container, necessitating the washing of the contents prior to use.

"SEC. 302. In lieu of the limitation on annual payment rates for 1960 conservation reserve contracts prescribed in clause (2) of the sixth proviso under the head 'Conservation Reserve' in Public Law 86-80, no such annual payment rate shall be established in excess of 20 per centum of the value of the land placed under contract, such value to be determined without regard to physical improvements thereon or geographical location thereof; but in no event shall such annual payment rate be established in excess of the maximum rate which the county committee determines would have been established for such land under the 1959 Conservation Reserve Program, except that the county committee in making such determination shall not be required to obtain the landowner's or operator's estimate as to value or his certificate as to production history and productivity.

"SEC. 303. Section 347 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following: '*Provided, however*, That the national marketing quota for the 1960 crop of such cotton shall be not less than 90 per centum of the 1959 marketing quota for such cotton'."

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion to reconsider was agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. JOHNSON of Texas. Mr. President, have the yeas and nays been ordered on the question of final passage of the bill?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, I should like to make a brief statement.

Before I left the Chamber a few minutes ago, I had been asked by other Senators whether there would be a yea-and-nay vote on the question of final passage of the bill to extend Public Law 480. I assured them that there would, inasmuch as I had asked for the yeas and nays.

However, I have been told that the bill was passed by a voice vote while I was out of the Chamber.

Therefore, I desired the vote on the question of passage to be reconsidered, and that was done; and now the yeas and nays have been ordered on the question of passage of the bill.

That is the only statement I care to make; and at this time I am glad to have the yea-and-nay vote taken on the question of passage of the bill.

Mr. JAVITS. Mr. President, has the voice-vote vote which was taken on the

question of passage of the bill been reconsidered?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. Is the Senate now about to take a yea-and-nay vote on the question of passage of the bill?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. On this vote, a vote "yea" will be in favor of passage of the bill, will it?

The PRESIDING OFFICER. That is correct.

Mr. SCHOEPPEL. Mr. President, before the vote is taken, I ask unanimous consent—in order to save time—that a statement I have prepared on this subject be printed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SCHOEPPEL

At the conclusion of this discussion on this important agriculture measure Public Law 480, I think it is well for us to have before us again what this important measure has done.

Let us consider just a few—important matters in this regard.

SUMMARY OF OPERATIONS

Agreements signed since the beginning of the program provide for the shipment of 840 million bushels of wheat, 4 million bales of cotton, 33.5 million bags of rice, 3.3 billion pounds of vegetable oil, 210 million bushels of feed grains, 250 million pounds of tobacco, 120 million pounds of meat, 180 million pounds of lard, 285 million pounds of dairy products, 175 million pounds of fruit and vegetables, as well as other commodities.

In 1955–56, the first full year of operation of title I, foreign currency shipments totaled $427 million at export market value, or 12 percent of total U.S. agricultural exports. During 1956–57 title I shipments amounted to $900 million, nearly 20 percent of the total; during 1957–58 about $650 million, approximately 16 percent; and during 1958–59, $725 million, about 20 percent.

Agreements signed to date will result in foreign currency payments of more than $3.7 billion. About 60 percent of the total will be used for economic development purposes in importing countries, about 10 percent will be used to support the defense forces of our allies, and the remaining 30 percent is planned for meeting U.S. expenses overseas and expanding certain U.S. programs.

Title I originally provided for an authorization of $700 million in terms of what it costs the Government to supply commodities under the program. The value of these commodities at current world prices, of course, is considerably less. This authorization has been raised four times and now is $6.25 billion. Nearly $5.1 billion of this limit has moved or will move under more than 150 agreements signed with 38 friendly countries. Agreements totaled about $500 million in the year ending June 30, 1955, $1 billion in 1955–56, $1.5 billion in 1956–57, $1 billion in 1957–58, and $1.1 billion last year.

For certain commodities the program has been particularly important. For example, more than half the total U.S. wheat exports during the past fiscal year, or about 230 million bushels, moved under title I; also, about 750 million pounds of soybean oil and cottonseed oil, or about 65 percent of total edible oil exports; about one-third of rice exports; and one-fifth of cotton shipments.

USES OF FOREIGN CURRENCIES

Foreign currencies received in payment for commodities are deposited to the account of the United States overseas and are used for purposes authorized in section 104 of Public Law 480 and specified in the sales agreement. Several departments and agencies have responsibility for administering the expenditure of these currencies. For example, the Department of Agriculture is concerned with the use of currencies for agricultural market development purposes; the International Cooperation Administration for currencies loaned back to importing countries for economic development purposes; and the Export-Import Bank of Washington for currencies loaned to private business firms.

About $52 million in currencies has been tentatively earmarked for agricultural market development under existing agreements. To date, about $12 million of this is being obligated for approved projects together with contributions by private trade organizations cooperating in these projects of nearly $6 million. Trade fair and other activities not involving project agreements with trade groups total the equivalent of about $6 million. Results of these promotion efforts are expanding agricultural outlets. Cotton use is up in several countries, particularly France and Japan; tobacco and wheat consumption is increasing in a number of countries; poultry sales have increased in West Germany; and sales of livestock are being made in South America. In this connection, 40 international exhibits have been held in 16 countries with emphasis on distributing samples to millions of fair visitors.

More than half the foreign currencies expected to accrue under existing agreements will be loaned back to importing countries for use in economic development projects agreed upon with the International Cooperation Administration. Considerable emphasis is placed upon coordinating plans for the use of these funds with the overall development programs of these countries. In approving loan projects for agricultural purposes care is exercised to avoid encouragement of production which would result in reduced outlets for U.S. agricultural commodities.

The extension of Public Law 480 granted in August 1957 provided for relending of foreign currencies, largely to U.S. firms and their affiliates, to assist in the development and expansion of private business in foreign countries. The equivalent of about $225 million is being reserved for these purposes in agreemnets negotiated to date with 22 countries. These funds will be available to private business firms through the Export-Import Bank of Washington when commodities under these agreements are shipped and paid for and proceeds assigned to the bank.

Currencies are also being used for the payment of U.S. expenses abroad; for the procurement of military services and equipment for military assistance; for educational exchange programs; for assistance to American-sponsored schools, libraries, and community centers; for the translation, publication, and distribution of books and periodicals; and for the purchase of goods for other friendly countries.

TRADE DEVELOPMENT

The Agricultural Trade Development and Assistance Act of 1954, as amended, declared trade expansion as the policy of Congress. A stated objective of this policy was "* * * to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States."

Section 104(a) was listed as the first currency use "to help develop new markets for U.S. agricultural commodities on a mutually benefiting basis." This was no accident. It was and is the intention of Congress that foreign currencies be used to the maximum extent possible for agricultural market development and that first priority be given this use.

Many amendments have been offered to this important measure. In the main, I think we should be careful that we do not depart from the original intent of this legislation. To do so drastically would cause this measure to lose much of its practical use and effect.

The PRESIDING OFFICER. The question is, Shall the bill pass?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Conference at Warsaw, Poland.

The Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from West Virginia [Mr. RANDOLPH] is absent on official business delivering Labor Day speeches in West Virginia.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Wyoming [Mr. McGEE and Mr. O'MAHONEY], the Senator from Michigan [Mr. McNAMARA], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] would vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent. If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. CASE], and the Senator from Nebraska [Mr. HRUSKA] would each vote "yea."

The result was announced—yeas 69, nays 14, as follows:

YEAS—69

Aiken	Clark	Green
Allott	Cooper	Hart
Anderson	Curtis	Hartke
Bartlett	Dodd	Hayden
Bennett	Dworshak	Hickenlooper
Bible	Eastland	Hill
Byrd, W. Va.	Ellender	Holland
Cannon	Engle	Humphrey
Capehart	Ervin	Jackson
Carlson	Fong	Javits
Carroll	Frear	Johnson, Tex.
Case, N.J.	Fulbright	Johnston, S.C.
Chavez	Gore	Jordan

Keating	Monroney	Schoeppel
Kerr	Morse	Scott
Kuchel	Morton	Smith
Langer	Moss	Sparkman
Long, Hawaii	Mundt	Stennis
Long, La.	Muskie	Symington
McCarthy	Neuberger	Wiley
Magnuson	Pastore	Williams, N.J.
Mansfield	Prouty	Young, N. Dak.
Martin	Proxmire	Young, Ohio

NAYS—14

Beall	Goldwater	Saltonstall
Bush	Lausche	Talmadge
Butler	McClellan	Thurmond
Byrd, Va.	Robertson	Williams, Del.
Cotton	Russell	

NOT VOTING—17

Bridges	Hennings	Murray
Case, S. Dak.	Hruska	O'Mahoney
Church	Kefauver	Randolph
Dirksen	Kennedy	Smathers
Douglas	McGee	Yarborough
Gruening	McNamara	

So the bill (H.R. 8609) was passed.

Mr. ELLENDER. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. HUMPHREY, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. HICKENLOOPER conferees on the part of the Senate.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. For the information of the Senate, I would not expect to have any more rollcalls this evening. At least, I hope there will not be any, and, so far as I am aware, there will not be, and so far as I can control the situation, there will not be.

I desire to have some business pending to be considered tomorrow, and to have the Senate act on the resolution that was submitted earlier today with regard to the House and the Senate expressing their deep realization and appreciation of the basic role labor plays in our economy.

INTEREST RATES ON SERIES E AND H SAVINGS BONDS

Mr. JOHNSON of Texas. Mr. President, first, I should like to ask that Calendar No. 935, H.R. 9035, become the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments.

EXPRESSION BY CONGRESS OF APPRECIATION OF THE ROLE OF LABOR

Mr. JOHNSON of Texas. Now, Mr. President, I ask that the pending business be temporarily laid aside. I want to return to it in a moment, after we consider House Concurrent Resolution 435, which I ask the clerk to state.

The PRESIDING OFFICER. The concurrent resolution will be read by the clerk.

The Chief Clerk read House Concurrent Resolution 435, as follows:

Whereas American labor has raised its standards of productivity to heights unequaled in world history, and

Whereas the efforts of American labor have brought to this country a standard of living that has no parallel, and

Whereas American labor has served the Nation in peace and war, and

Whereas American labor has been a bulwark of freedom, and

Whereas the first Monday in September is traditionally set aside to commemorate the services of working men and women to our Nation: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Congress does hereby express its deep realization and appreciation of the basic role that labor plays in our economy and of the contributions that American working men and women have made to America's well-being.

The PRESIDING OFFICER. Is there objection to the consideration to the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. JOHNSON of Texas. Mr. President, in view of the fact that 99 Senators cosponsored this resolution, it is very obvious it represents the sentiments of most of the Members of the Senate. I should like to have a division vote on passage of the resolution, so as to avoid a rollcall.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state his inquiry.

Mr. MORSE. The resolution is subject to discussion?

The PRESIDING OFFICER. The resolution is debatable.

Mr. MORSE. Mr. President, I have some very brief comments I want to make on the resolution, if I may have the floor in my own right.

Mr. JOHNSON of Texas. Mr. President, I yield the floor.

Mr. MORSE. Mr. President, I intend——

Mr. ALLOTT. Mr. President, I cannot hear the Senator.

Mr. JOHNSON of Texas. May we have order in the Chamber, please, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MORSE. I will not say to the Senator from Colorado, as was suggested to me this morning when I made the same comment, that he can come closer. I will do my best to have my voice reach the Senator's seat.

Later in the evening I shall discuss some of my views with regard to the meaning of Labor Day and the relationship of organized labor to democratic institutions. However, I am perfectly aware of the fact that there is a desire on the part of many of my colleagues to leave the Chamber, after a long and arduous day. Probably contrary to their expectations, I want to accommodate them. [Applause.]

Therefore, I am not going to speak at any length on this resolution, as the majority leader well knows, although I want to say, Mr. President, this is a very interesting combination of words which I do not think is going to impress the rank and file of organized labor of America this fateful night with any belief that the Senate of the United States and the House of Representatives of the United States, after all, are greatly concerned about labor. We have demonstrated in recent days our attitude toward labor in the Congress. If we had all this great dedication to the objectives of organized labor in America I most respectfully say we would not have passed a labor bill which contains the no man's land provision the bill contained, and we would not have passed a labor bill which contains what I considered to be all of the wrongs and injustices to labor which I set out in a lengthy speech the other day.

But, Mr. President, I think it is good to express high-sounding sentiments. I think it is good verbally to rededicate ourselves to great ideals. It is somewhat apropos, in connection with the language of the resolution, to relate the advice which some of us in my entering class in the Senate received some 15 years ago, when the incomparable Alben Barkley, whom we always affectionately referred to as the Veep, addressed us, as I recall, at the Press Club, at a party held for new Members of Congress. I only speak from recollection, but I believe the remarks were somewhat as follows:

Senator Barkley said, "I want to call your attention to the verbal patterns which you will experience in the Senate." "Of course," he said, "if some colleague gets up on the floor and refers to you as the 'distinguished Senator from X State,' consider yourself lucky. If your colleague refers to you as 'the able and distinguished Senator from some State,' you had better get a little bit on guard, for the knife is getting a little sharper. If your colleague refers to you as 'the able and distinguished Senator from such and such a State, and my friend,' you can be pretty sure that he is trying to see if the jugular vein is exposed. But if your colleague should refer to you as 'the able and the distinguished and my very good friend from such and such a State,' you either had better get ready to duck or take the stabbing."

I have somewhat that reaction to the nice sounding language of this resolution, in view of what the record of the Senate has been in recent days with regard to the passage of labor legislation. But I always like to see people at least commit themselves to nice, fine sounding sentiments. Since there are very beau-

tiful sentiments set out in the resolution in regard to organized labor, I was privileged to cosponsor the resolution, and I shall be pleased to vote for it when the vote is taken.

Mr. JOHNSON of Texas. Mr. President, may we have a standing vote?

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

On a division, the concurrent resolution (H. Con. Res. 435) was agreed to.

The PRESIDING OFFICER. Without objection, the preamble will be agreed to.

Without objection, Senate Concurrent Resolution 76 will be indefinitely postponed.

Mr. LONG of Louisiana. Mr. President, I regret as much as anyone that we found it necessary to meet on this Labor Day. I know that the AFL–CIO in the State of Louisiana invited me to be its speaker at the largest meeting it ever holds in that State, at Shreveport, La., on this date.

I have on occasion found it necessary to work on days which should be holidays, but I never felt that was showing disrespect to any group.

I was rather concerned that my friend, the Senator from Oregon, seemed to feel that the Congress had shown its disrespect to labor by voting for a labor bill which I believe was for the benefit of all organized labor and for the workingman. As one of those who voted for the legislation, I was thanked by a great number of laboring men for voting for the bill which passed the Senate in the first instance.

I heard considerable complaints from some persons about the House bill, but I wish to state for the RECORD, as one who has a great number of friends in organized labor—I believe I have, and I certainly hope so—and as one who has been invited to be the Labor Day speaker in Louisiana at the largest labor meeting, I have yet to hear from a single labor leader in my own State or anywhere else to ask me to vote against the conference report in regard to the bill we passed.

In view of the fact that I did not decline to receive any telephone calls, that I was available to all my friends at all times, and that I received vast numbers of calls from them and told every one of them if he felt the bill was going to be really injurious to labor to let me know the respects in which he thought so, I frankly do not feel that I was doing a disservice to labor, but rather I feel that I was serving labor's best interests when I voted for the measure.

Although there has been some criticism of the measure, I really believe the many friends I have known from time to time in organized labor certainly would have informed me about it—and they have yet to do so—if they really had felt there was any real injury to them involved in the bill which the Senate passed, I believe by a vote of 95 to 2.

Mr. JOHNSTON of South Carolina. Mr. President, today, as the U.S. Senate plods along through its legislative schedule, I hope we will not forget that this is Labor Day—a day set aside by our Nation to honor the men and women who work not only for a living, but who do as much as any of us to keep America free and strong.

While we have our differences of opinion upon how to legislate and handle the innumerable problems which confront us, such as the action the Senate took last week in approving labor legislation, I believe we all concur and agree that America's working men and women have always rendered unquestioned loyalty to this great Nation. Without this total loyalty, America would not be the great Nation that it is.

I believe that one of the foremost accomplishments of labor in the United States has been its contribution to our surging economy. The purchasing power created by good wages for our working people has stimulated the greatest market for manufactured goods in the history of the world. No nation on earth has ever enjoyed a standard of living similar to that enjoyed in America by people in every walk of life. The people who labor in mills, in factories, in offices, and as public servants, today are making good wages and are producing more, per capita, than ever before in history.

This is, in great part, due to the accomplishments of organized labor. We sometimes get angry at the abuses of a few gangsters or hoodlums within the ranks of labor, just as we have become angry in the past at the abuses of tycoons and the unscrupulous in big business. But, in our free country, we always manage to correct the injustices and surge forward to greater heights of accomplishment without destroying either free enterprise or free labor.

It is fitting that we honor laboring people today, regardless of whether they are organized or not, for everywhere in our land we find a wholesome attitude of a fair exchange of salaries or wages for work accomplished. The greatness of America's economy is in keeping this ratio of wages and production in balance.

Mr. President, I salute the laboring people of America, organized and unorganized, and I pray that they will always remain free, for no nation can remain strong and free itself, if its laboring people are ever bonded in slavery, physically, economically, legislatively, or otherwise.

Mr. BEALL. Mr. President, earlier today I became a cosponsor on a concurrent resolution introduced by the majority leader, to the effect that Congress realizes and appreciates the basic role which labor plays in our economy, and the contributions that American working men and women have made to America's well-being.

It is entirely fitting and proper that we in Congress should pause briefly from our pressing business and on this Labor Day reaffirm our appreciation of the American labor movement.

The workingman in America has come a long way since the turn of the century. No doubt further progress will take place in years to come. It is this progress—this desire to move forward—that embodies our American way of life.

It is indeed a pleasure for me to join with the majority leader and my other colleagues in the Senate in saluting American labor.

LABOR DAY 1959

Mr. HUMPHREY. Mr. President, I rise to support the concurrent resolution.

Sixty-five years ago, on June 28, 1894, to be exact, a great Democratic President, Grover Cleveland, signed into law a bill which read:

> The first Monday of September in each year, being the day celebrated and known as labor's holiday, is made a legal public holiday.

The idea for such a holiday was conceived in 1882 by Peter J. McGuire, of the Knights of Labor, and the organizer of the United Brotherhood of Carpenters and Joiners of America.

Labor Day—

Said Peter McGuire—

> is dedicated to peace, civilization, and the triumphs of industry. It is a demonstration of fraternity and the harbinger of a better age—a more chivalrous time, when labor shall be best honored and well rewarded.

We have made great and noble strides in America since the Nation first celebrated Labor Day in 1894. The gains made by working people have been a great chapter in the record of America's achievement and advancement: Hours of labor reduced; wages increased; child labor laws enacted; pension plans instituted; vacations with pay granted; workmen's compensation laws enacted along with unemployment compensation and social security benefits; the right to belong to a union given legal sanction; yellow dog contracts outlawed. Yes, all of these things have been achieved and many more.

Behind all such accomplishments has been the guiding principle that man has certain God-given rights. And this means rights not just for the rich and the powerful, but for all people regardless of their status in life and regardless of their color or creed or religion or national origin or occupation.

We have come a long way in giving meaning to this principle since 1894. But we have still a long way to go.

There are still too many migrant farm workers living in abject poverty. There are still too many Americans who are denied decent jobs, housing and education because of their race, creed, or color. There are still too many Americans who receive substandard wages. There are still too many Americans who live in slums. There are still too many Americans without proper medical care, food and clothing.

The struggle for social justice must continue. The general prosperity of the country must not close our eyes to the job that remains. Today is an appropriate occasion to remember not only how far we have come but also how far we have yet to go in enhancing the dignity of mankind.

In conclusion, Mr. President, I ask unanimous consent that the Labor Day

address as delivered today by the President of the AFL–CIO, George Meany, be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MEANY URGES RESURGENCE OF UNION FIGHTING SPIRIT

(By George Meany, president, AFL–CIO)

Labor Day was created as a day of dedication rather than one of celebration. The pioneers who founded the trade union movement had precious little to celebrate back in 1882. The unions of those days were weak, impoverished, and the targets of constant harassment by employers. It took a brave man, a man with deep loyalty and plenty of fighting spirit, to join a union and stand by his union under the oppressive conditions that prevailed before the turn of the century.

Today the trade union movement needs above all a rebirth of that fortitude and resolution which enabled Sam Gompers and his associates to lead a parade of progress for humanity unparalleled in human history.

They fought and won despite open warfare by employers and handicaps so great as to make their ultimate victory almost miraculous.

Today, labor faces another kind of warfare—a cold war deliberately invoked against the whole trade union movement by the big business interests of the Nation.

The spokesmen for these interests—such as the National Association of Manufacturers and the chamber of commerce—pay lip service, of course, to the undeniable fact that unions have done a great deal to improve the American way of life and that unions are therefore here to stay.

But at the same time, big business leaders are doing everying in their power to weaken and destroy our trade union movement. Let me cite three major examples:

They have come out for a wage freeze, forming a solid wall of opposition to any further economic gains by the workers of this country. The steel strike, forced upon 500,000 steelworkers and their families, epitomizes this new form of economic pressure.

They have undertaken an all-out campaign of high-powered deception to prevail upon Congress to enact restrictive antilabor laws in the name of accomplishing labor reform.

They have financed at the State level a blistering bombardment to undermine the security of trade unions through adoption of the misnamed right-to-work laws.

These developments are not haphazard or unconnected. They didn't just happen spontaneously. They have been carefully planned and deliberately organized and heavily financed by the big business interests which are determined to cut down the power of organized labor.

That power has been a power for good for the people of our country. It has enabled the workers of America to gain for themselves the highest standard of living prevailing anywhere in the world. It has created the mass markets which have made industry and the farmers prosperous. It has made it possible for the great majority of the people of this country to live in decent homes, to send their children to school and to enjoy some measures of economic and social security.

Are the workers of this country willing to submit tamely to the forfeiture of these gains? Or are they ready to stand up together again, as their forefathers did in the old days, and fight for the preservation of their rights and their trade unions?

The American Federation of Labor and Congress of Industrial Organizations doesn't have to take a Gallup poll to obtain the answer to those questions.

We know from direct contact with the members of our unions and the leaders of those unions that they are ready to meet the challenge head on.

In that knowledge, the AFL–CIO executive council chartered a program of action.

1. We have officially proclaimed this Labor Day to be "Support the Steelworkers Day," so that the 13.5 million members of our federation and their friends will be able to demonstrate their complete solidarity with the embattled steelworkers. To make that support concrete, the general board of the AFL–CIO will hold a special meeting in San Francisco on September 18. At that meeting, a definite program will be drawn up to mobilize the maximum organizational, financial, and moral support of the entire AFL–CIO to insure victory for the steelworkers. Once that victory is won, the whole wall of resistance erected by big business agents further wage increases will crumble.

2. We have determined that we will have to organize for political education and political action in the same thorough and painstaking way that we organized in the past for economic purposes.

This program will take time and patience and hard work and money. But it is our only hope for the resumption of progress in the future.

We want the American people to understand that labor is entering upon the political battleground with reluctance. If we had any other recourse, we would be happy to stay out of politics. But our enemies have chosen to weaken the trade-union movement through restrictive legislation so that it will be rendered ineffective at the bargaining table.

To remain true to our trust, to fulfill the responsibilities that the workers of this country have delegated to their unions, labor must fight back in the political arena. We intend to use every legal weapon we have, including the right of every citizen to engage in politics, to regain the ground we have lost.

In this effort, education will play a key part. Against the unscrupulous and deceptive propaganda unleashed against us by the opposition, we must rely on the power of truth.

We need not go beyond the facts and the record to prove our case.

The record shows that the AFL–CIO favors and supports the strongest possible law to drive the crooks and racketeers out of the labor-management field. The record shows that State and local authorities have failed to enforce existing laws against the criminal activities of these racketeers.

The record shows that under guise of Federal legislation against corruption big business has sought to prohibit legitimate union activities such as organizational picketing and secondary boycotts.

The record shows that the AFL–CIO has demonstrated its integrity by expelling member organizations found to be dominated by corrupt influences and by establishing strict codes of ethical practice for all affiliated unions and their officers.

The record shows that no business organization has ever taken such stringent action, despite the fact that the frauds and embezzlements perpetrated by business and banking executives make the transgressions committed by a few labor officials look like petty larceny.

The record shows that big business has tried to fool the public by masquerading its legislative attempts to destroy union security under the false front of right-to-work laws in the States.

The record shows that these laws, now in force in 19 States, have not granted the right to a job to a single worker; that they have not improved the economic status of a single worker; that their one and only purpose is to outlaw the union shop.

Once the American people fully understand these facts, the massive antilabor campaign instigated by big business will founder and collapse.

We have our work cut out for us. The opposition possesses unlimited resources and controls the main channels of communication with the public. They have a host of soft-soap artists at their command, skilled in distorting the truth and inventing artful propaganda slogans designed to mislead the public.

But we have on our side the strength of numbers and the power of truth. If we use them, we will win.

On this Labor Day, the trade union movement, with the willing support of the decent working men and women who make up its loyal membership, pledges to work and fight until we do win.

ORDER FOR RECESS TO 9:30 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

CRIMES IN GREAT CITIES

Mr. THURMOND. Mr. President, the September 14, 1959, issue of U.S. News & World Report, which arrived in my office this morning, contains two articles which merit the attention of the Congress. One is entitled "Terror Comes to City Streets," and the other is entitled "In the Nation's Capital: Where Women Are Afraid To Go Out at Night."

The first article points out some of the principal underlying reasons for the current wave of terror, crime, and juvenile delinquency in the big American cities of the North which have acceded to political demands for integration of the races. According to the article, the police, whose job it is to determine the cause of the current crime wave, say that racial frictions are closely related to the upsurge in crime. The article also quotes Dr. Billy Graham as telling several New York ministers that New York City is a racial tinderbox. Dr. Graham is reported further to have said that if the outbreaks of juvenile violence in New York had occurred in a southern city, "there would have been an outcry for Federal troops."

Mr. President, most of the political leaders in these large northern metropolitan areas have been guilty of political hypocrisy in trying to force mixing of the races on the people of the South, where forced integration would bring even more serious consequences than those which have occurred in the large northern cities. I have already called to the attention of the Senate news stories from both the North and South pointing out that the Negroes themselves do not desire forced integration. The New York Times reported last week that thousands of Negro parents are sending their children south for a peaceful and segregated education. I placed this article in the RECORD, as well as another from Birmingham, Ala., which reported that a large group of southern Negroes had wired President Eisenhower of their strong sentiments

against forced integration of the races. Since that time, Mr. President, another article has appeared in the national press, reporting that a southern Negro editor feels that the members of his own race are against school desegregation.

The evidence is mounting, Mr. President, and the politicians of the North might as well face the facts now and put their efforts to more fruitful endeavors.

We in the South will not accept an even more mammoth mess than their own people in the North are willing to take.

I ask unanimous consent, Mr. President, that the articles referred to above be printed in the CONGRESSIONAL RECORD, following these remarks, together with the article from the Washington Post of September 6, 1959, entitled "Dixie Negroes Oppose Integration, Editor Says."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report, Sept. 14, 1959]

TERROR COMES TO CITY STREETS

(NOTE.—Yokings, murders, assaults, robberies, battles in the streets—that's the record of rising violence in youth crime. In New York, four killings in 8 days stirred alarm. In Washington, a Congressman called for the U.S. Marines. A survey shows why streets are not safe in many cities, why calls are increasing for less coddling of juvenile thugs.)

Terror on the streets is a growing problem in big American cities. In New York, as in Washington, in Philadelphia, in Chicago, and elsewhere, youthful criminals are turning more and more to violence.

Murderous attacks by gangs of teenagers have brought emergency police measures in New York. Four killings, other stabbings, all in an 8-day period, aroused the public. In Washington, D.C., the Nation's Capital, a Member of Congress has demanded that two companies of U.S. Marines patrol the streets at night so that citizens may be safe. Police themselves have issued special instructions to women who must walk or drive on Washington streets.

Philadelphia long has faced a problem of youthful violence. Boston not long ago had a youth-gang killing. The trend in many big cities is up in yokings, criminal assaults, robbery, and street fighting among gangs of youths.

WHAT FIGURES SHOW

The Federal Bureau of Investigation reported on September 2 that the number of juveniles arrested for serious crimes increased by 8.1 percent last year. Their arrests helped push the national crime rate 9.3 percent above 1957.

J. Edgar Hoover, FBI Director, pointed out that the crime rate in 1957, in turn, had been the highest in U.S. history. He called the 9.3 percent increase "shocking." Mr. Hoover said the report showed that some areas are a veritable "no man's land." He criticized citizens who have a "detached attitude toward crime."

On the increasingly large part played by youth in the major crime picture, including murder, rape, and aggravated assault, Mr. Hoover says this:

"The recent scourge of street 'mugging,' sex attacks, bodily assaults, murder, and other carnage by young criminals across the country demands a reappraisal of the ugly reality which is juvenile crime. * * * The growing menace of youthful depradation is the core of the crime cancer in America."

HEAT, HATE, AND SMUT

People ask: "Why?" "What is going on?" "What can be done about it?"

Many explanations are offered for growth in crimes of violence and sex crimes involving teenagers. These range from summer heat waves that drive boys and girls into the streets to racial antagonisms and the increase in distribution of pornographic material.

In New York there was a tendency to blame the August heat wave for the surge in crime which included two outbreaks of teenage gang terrorism in which three boys and a girl were killed. Dr. Robert MacIver, prominent sociologist and director of the city's delinquency-evaluation project, however, discounted that. He said that juvenile crimes flare in the summer because the "disgruntled, the discouraged, and the retarded" congregate then and have nothing to do. New groups coming to cities—often Negroes or Puerto Ricans—live in a "curious tangle of nothingness."

THE RACIAL ANGLE

Police say racial frictions are closely related to the upsurge in crime. Trouble brews, for example, when Negroes or Puerto Ricans move into neighborhoods once regarded as predominantly Irish or Italian.

A young Puerto Rican accused of leading a murderous attack was quoted as saying: "We went there to get the Irish and the Italians. We heard Puerto Ricans were being pushed around in the neighborhood."

The Reverend Billy Graham, in an interview at Asheville, N.C., on September 2, said several New York ministers told him recently that the city is a racial tinderbox. He said that, if the outbreaks of juvenile violence in New York had occurred in a southern city, there would have been an outcry for Federal troops.

A FIERY SERMON

A Roman Catholic clergyman in New York, Msgr. Joseph A. McCaffrey, denounced the city for coddling juvenile gangsters. At funeral services for a 16-year-old victim of a knife-wielding band of youths, the clergyman departed from Catholic custom and preached a sermon excoriating the coddlers. He named them as lenient judges, oversympathetic youth-board consultants, professional do-gooders, and sob sisters, male and female. The prelate said:

"What we should do is to pass a law by which all known members of gangs be arrested and sent to jail. * * * I know that there is a cry that there is no room in jails. * * * Then build more jails. Divert the money from other things, but build them. We cage wild animals. * * * Shall not these boys and girls be caged?"

EASY DAY IN COURT?

It is argued that the weakest link in crime prevention in New York and elsewhere is found in the courts. Last month, for example, a 15-year-old boy accused of stomping a man to death in Brooklyn was released in $5,000 bail by a judge who said he thought it was a case for children's court.

The district attorney disagreed angrily. He said he could not understand why the boy should be free, adding: "I am going to prepare this case for speedy trial on a charge of first-degree murder."

The ferocity of young gangsters who roam big-city streets is intensified by alcohol and narcotics. Henry L. Giordano, Deputy Commissioner of the Federal Narcotics Bureau, said that large quantities of dope still are being smuggled into this country from sources which include Red China. Much of the dope traffic centers in New York.

A CALL FOR MARINES

In Washington, a number of Congressmen are calling for an all-out attack on hoodlumism in the District of Columbia. The demand for a patrol of U.S. Marines was made on August 25 by Representative OMAR BURLESON, Democrat of Texas. He cited:

"The beating and robbery of the widow of Deputy Secretary of Defense Donald Quarles by a street gang;

"The killing of a Bolling Air Force Base sergeant by a gang of young toughs he caught tampering with his car;

"A beating and robbery on August 14, witnessed by Representative CHARLES C. DIGGS, Democrat of Michigan."

Representative DIGGS, one of four Negroes in Congress, said the six Negro youths who committed the atrocity were "just like a pack of wolves." He maintained that the incident pointed up a great need for social responsibility on the part of Washington's Negro community.

For this, he was criticized by Eugene Davidson, a former president of the Washington branch of the National Association for the Advancement of Colored People, who insisted that the racial issue should not be highlighted.

ONE CITY'S STRATEGY

In New York, Governor Rockefeller is mobilizing State, city, religious, and other forces in an attempt to meet the juvenile-crime emergency.

The Governor scheduled a top-level meeting in his New York City office on September 8 to chart action against what he called the great tragedy of murderous, juvenile violence.

POLICE ACTION

Mayor Robert F. Wagner, in the wake of the outbreaks of juvenile terrorism, ordered diversions of funds from other city services to add 1,089 policemen to the rolls. This will bring the police department to its full budgeted strength of 24,508.

FORCE AGAINST FORCE

Stephen P. Kennedy, police commissioner, detached 1,400 policemen from other duties and created a special task force to patrol areas frequented by New York's 150 teenage hoodlum gangs. He promised stern justice.

NO MORE "KID GLOVES"

The handling of New York juvenile-delinquency problem was taken largely from social workers and entrusted to the police.

WHAT IT ALL MEANS

In New York and elsewhere, law-enforcement officials are calling for:

1. An end to "coddling" of young criminals by the courts.

2. Curfew laws for teenagers, such as those already in effect in Chicago, Philadelphia, and Detroit.

3. Laws holding parents responsible for the actions of juvenile offenders.

4. Crackdown on teenage gangs before they can stage organized violence.

5. A camp system, modeled along the lines of the depression era Civilian Conservation Corps, to get potential troublemakers off city streets in summer.

The latest outbursts of youth gang violence in New York served to emphasize and dramatize the jungle-like savagery which is causing concern throughout the country.

The view is growing in the United States that sentimentality or softness toward young criminals can lead only to greater terror.

[From U.S. News & World Report, Sept. 14, 1959]

IN THE NATION'S CAPITAL: WHERE WOMEN ARE AFRAID TO GO OUT AT NIGHT

(NOTE.—In Washington, D.C., the Nation's Capital, there is growing danger for women. The story of violence and terror is told in an article from the Washington Star of August 30, reprinted below. This account includes a set of suggestions by the police department to guide women, whether driving a car or walking on streets—in better neighborhoods or elsewhere.)

Washington is becoming a city of closed doors for many of its women residents.

The continuing wave of purse snatchings, yokings, and other assaults on the street has frightened many women into not venturing out at night.

Interviews by the Star with scores of women after the recent unprovoked attack on Mrs. Donald A. Quarles, widow of the Deputy Secretary of Defense, have revealed this picture:

Women who have been the victims of a purse snatcher, whether or not violence was involved, still are nervous and afraid months later.

They prefer not to go out after dark. On occasions when they must, they start at every footfall, feel uneasy and upset until they are back behind their own doors—which they all keep carefully locked.

Women who have been the victims of violence are even more intimidated. Some have changed jobs, in order not to be out after dark.

In discussing their experiences, they ask that their names not be revealed.

Some, whose attackers have been apprehended and convicted, fear retaliation for their testimony when the attacker gets out of jail. To forestall this, some have tried to "get lost." They have moved, leaving no forwarding addresses, and acquired unlisted telephones.

"I used to feel safe anywhere," said one woman who lives very close to where Mrs. Quarles was knocked down by a pickpocket.

"I have walked around what people said were the bad streets of Chicago during the war. No one ever came near me. I've lived in Washington long enough to know the good from the bad," she said.

Yet she was set upon on Connecticut Avenue, right near the Shoreham Hotel, and while accompanied by two women friends.

"Since then I haven't felt safe anywhere," she said. "My friends don't either. We used to go back and forth to each other's houses to play cards at night. We don't do it any more."

She is one of the women who has moved and tried to bide her identity.

"It sort of makes you afraid to leave your front door," said another. "I guess I was lucky. I didn't get hurt. Another woman whose purse was snatched the same day as mine lost her eyesight."

Most of the women interviewed, while wishing the police could do more, are inclined to be sympathetic with the men on the force.

"The way that one policeman was beaten up recently, they're not very safe themselves," one woman said sympathetically. "They used to travel in twos. I think maybe they should go in three or fours."

A Senator's wife whose purse had been taken feels strongly that the courts are the key to the problem.

"It all goes back to too-lenient sentences," she said. "I don't think there is a thing a woman can do—except hide in her house—until we get ride of these hoodlums. You can't struggle with these characters. They're many times stronger than you are. But if the judge threw a good stiff sentence at them, it would keep them off the street for a time, and make them think twice before attacking someone else."

The District police department has a lot of suggestions for women who want to avoid dangerous encounters.

Lt. Murray Kutner of the robbery squad makes these suggestions:

1. Always travel with a companion, if possible.

2. Stick to well-traveled, well-lighted streets wherever possible, whether on foot or in a car.

3. If you must enter a poorly lighted street, take a good look first, to see if anyone is loitering. If you have the slightest suspicion of anyone, go to the nearest home and ask the occupant to call police, or let you call. Usually a householder will invite a frightened woman to come inside, the lieutenant added.

4. Do not hesitate to call police because you aren't sure and "feel foolish" about your suspicions. "That is what police are for," Lieutenant Kutner says. "They don't mind going out on 100 such calls, if it just turns up one crime."

5. Carry your purse hugged close to you. A purse hanging loose over the arm—or, worse, yet, an over-the-shoulder bag flapping behind you—often is an unbearable temptation to an "impulse" purse thief, Lieutenant Kutner said.

6. Personal safety also dictates clutching your purse close to you. Generally, if a woman gets hurt, "it's because the thief snatched her purse and the strong strap wrenched her arm," Lieutenant Kutner said. "Sometimes the force of the tug throws her to the ground."

7. If a brash thief does grab for your closely held purse, at least you have a chance to look at his face. You often don't see the thief who snatches your dangling bag.

8. Don't carry much cash, and don't carry jewels or other valuables, including important papers.

9. If you are accosted despite these precautions, don't struggle. "Cooperate for the safety of the person," is the way Lieutenant Kutner puts it.

10. If your purse is taken, don't wait until you get home to call police. Call them immediately.

11. Don't lay down your purse on a store counter.

12. On a busy streetcar platform, don't suspect the one who jostles you, but one on the other side. The jostler is probably trying to draw your attention while the other one "lifts" your purse or wallet.

13. Scream if you like—"who's going to stop a woman from screaming?" the lieutenant asks. But remember that it may excite the thief, and cause him to turn back and belt you.

Lieutenant Kutner has a special set of suggestions for women in automobiles, as follows:

1. Stay on well-traveled streets.

2. Keep your car door locked.

3. Keep your windows up, even on hot nights, except for the one next to the driver, which you may need to give traffic signals.

4. Don't leave your pocketbook on the seat. Put it in the glove compartment or on the floor under your feet.

5. Always keep the car in gear. If anyone suspicious approaches you, "take off." This is true even if it means running a red light, Lieutenant Kutner says. "That will attract the police as fast as anything you can do, and after all, that's what you want," he said.

6. If someone tries to cut you off with his car, or otherwise acts suspiciously, get his license number and report it to police as soon as possible.

7. As far as practicable, park in a lighted spot. And look around for loiterers before leaving the car.

[From the Washington Post, Sept. 6, 1959]

DIXIE NEGROES OPPOSE INTEGRATION, EDITOR SAYS

JACKSON, MISS., September 5.—Percy Greene, editor and publisher of Mississippi's only Negro newspaper, said today southern Negroes do not want public-school desegregation and those who have taken action were prodded by the NAACP.

Greene said in the Jackson Advocate there never has been a spontaneous effort by a Negro family in the South to integrate a white school.

"Every movement to put Negro children in white schools in the South has been urged by the NAACP and usually with some financial guarantee to the family of the child or children involved," Greene said.

The Negro editor asked that northern Negroes not be regarded as spokesmen for his race in the South. He said they "do not understand our southern bicultural society."

A white storekeeper meanwhile backed down on his plan to build a home for his family in a Negro neighborhood here after 82 Negroes protested that they preferred segregated housing.

W. J. Garrett, 62, told Hinds County building permits director G. H. Harris he would not carry out his plan to construct a house in a Negro section.

The 82 Negroes signed a petition saying that "Mr. Garrett has three teenage daughters and, of course, there are a lot of young colored boys in this area. We do not want anything to happen which would cause any trouble."

Mr. JAVITS. Mr. President, will the Senator yield to me with respect to what he has just said?

Mr. THURMOND. I yield.

Mr. JAVITS. Mr. President, I shall take only a minute, and I intend to be brief. I have had occasion today to reply to the distinguished Senator from South Carolina on the same subject, and I should like to reply briefly to the distinguished Senator, for whom I have very high personal regard, on what he has said.

Mr. President, I believe we are paying the penalty for a long number of years in which we have failed to bring up to parity the education, housing, and employment opportunities of the Negro members of all our communities. I believe that has been especially true of the Southern States.

Mr. President, I think the fundamental and sincere difference which exists between people like myself and the great majority of opinion in the country on the one hand, and the opinion in Southern States on the other hand, with respect to the desegregation of public schools, is this: Are we ever going to have an end to this, or is the mess going to go on for a hundred or a hundred and fifty years or more? We must bring an end to it, and the way to do it is to have every citizen a first-class citizen, with the right to study in the same place with every other citizen.

Mr. President, these gentlemen do not agree with us. I believe they want to continue the very conditions which have brought us to this difficulty. I believe what the rest of us want to do is at long last to begin to make an end of it. That is the real controversy.

Mr. THURMOND. Mr. President, in reply to the Senator from New York, I would say that this is a matter for the States to handle. We will not have an end to it so long as some legislators and some people from some sections who know nothing about conditions in other sections try to force upon people a way of life which they are not going to accept.

Mr. EASTLAND. Will the Senator yield for a question?

Mr. THURMOND. I shall be glad to yield in a moment.

Mr. President, this is a matter for each State. I can tell the distinguished Senator from New York now that South Carolina—and I speak for South Carolina in the Senate—is not going to accept in-

tegration; that South Carolina is following the Constitution; that the Constitution leaves this matter to each State.

When people try to force upon other States something which they have no right under the Constitution to do, we expect to oppose it and oppose it bitterly and to the end. I am putting the Senator from New York on notice now, and any other persons also, who try to force upon the States something that they have no right to do, we will oppose them.

The Constitution delegated certain powers to the Central Government when the Union was founded. States were in existence before the Nation was founded. The only powers the Federal Government has are those given to it in the Constitution. The Constitution contains all the rights of the Federal Government.

Mr. EASTLAND. Will the Senator yield?

Mr. THURMOND. Those powers are listed in the Constitution. The States have all other rights. They have never delegated them. They have never delegated the question of education. They have never delegated a great many other matters. Therefore the States have exclusive jurisdiction in those fields.

Mr. EASTLAND. Will the Senator yield for a question?

Mr. THURMOND. I am glad to yield to the distinguished Senator from Mississippi.

Mr. EASTLAND. Is this not an attempt to export the deplorable social conditions which exist in interracial schools in New York City and which are a stench in the nostrils of the decent people of this country?

Mr. THURMOND. I thoroughly agree with the Senator, and if the Senator from New York wishes to render such a great service to this country, I suggest he go back to New York City and clean up his own mess there first.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. THURMOND. We have not had a single racial incident in South Carolina. We have segregation in South Carolina, and we do not have trouble down there. I do not see why we need people from New York or any other State to tell us how to run our business when we are having no trouble. We are having peace and harmony. The Senator from New York is trying to create tensions and start racial hatreds among people of different races in my State.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. THURMOND. I yield.

Mr. EASTLAND. I ask the Senator to compare the peace, harmony, and lawfulness in South Carolina, Mississippi, and other States with the murder, rape, theft, and criminality existent in other States, with police patrolling the corridors of the schools of New York City. Yet the Senator from New York says, in effect, that that is what he wants to import into the Southern States.

Mr. THURMOND. I heartily agree with what the Senator from Mississippi has said. It is not necessary for me to tell the Senate the story. The newspapers and magazines in recent weeks have almost daily carried accounts of crime after crime in integrated New York. They have not carried a single account of crime in South Carolina that I know anything about. We are having no trouble in the South. Where is the trouble? It is in the integrated sections of the country.

Mr. EASTLAND. Mr. President, will the Senator further yield for a question?

Mr. THURMOND. I yield.

Mr. EASTLAND. Is not the Senator ashamed that such conditions exist anywhere in the United States?

Mr. THURMOND. If I lived in that State I would be ashamed of it. Such conditions as that would send a flush of shame to my cheeks and a pang of regret to my heart.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. THURMOND. I yield.

Mr. EASTLAND. Who is the Senator from New York, to advise Southern States how to operate their schools and conduct their social affairs? Why does he not go to New York, and promote justice, harmony, and lawfulness in his own State?

Mr. THURMOND. He has a wide open field in New York to do a great deal of good. With all the crime that has been committed—murders, rapes, and other atrocious crimes—in New York, it seems to me that he would have his hands full if he were to stay in New York City and work among his own people.

Mr. EASTLAND. I should like to ask the Senator from South Carolina this question——

Mr. MORSE. Mr. President, I make a point of order. I respectfully suggest that the comments being made by the Senator from South Carolina and the Senator from Mississippi, under rule XIX, reflect on the great Empire State.

Mr. EASTLAND. Mr. President, will the Senator yield for one more question?

Mr. MORSE. Mr. President, I ask for a ruling on my point of order.

Mr. MANSFIELD. Mr. President, I call for the regular order.

The PRESIDING OFFICER. Under the rule the Senator from South Carolina will——

Mr. MANSFIELD. Mr. President, I call for the regular order.

Mr. THURMOND. Mr. President, I cannot hear what the Chair is saying.

The PRESIDING OFFICER. The Chair has no choice. Under the rule the Senator from South Carolina will take his seat.

Mr. MORSE. I move that the Senator be permitted to proceed in order.

The motion was agreed to.

Mr. THURMOND. Mr. President, I should like to have the RECORD show that the Senator from South Carolina did not bring on this controversy. I may say I think the subject has been fully discussed, and I have nothing else to say.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. If I may yield without losing my right to the floor, I am glad to yield to the Senator from South Carolina.

Mr. EASTLAND. Mr. President, will the Senator from South Carolina yield for a question?

Mr. MORSE. The Senator from Oregon has the floor.

Mr. EASTLAND. Will the Senator permit the senior Senator from South Carolina to yield for a question?

Mr. MORSE. I yield for a question, provided I do not lose my right to the floor.

Mr. EASTLAND. Is there a single policeman patrolling the corridors in a single school in South Carolina at this time?

Mr. JOHNSTON of South Carolina. Not that I know of. I would answer that question "No," but I am not down there all the time. I have never known of such a thing.

RACIAL PROBLEMS OF THE NATION

Mr. JOHNSTON of South Carolina. Mr. President, several newspaper stories of extreme interest came to my attention over the weekend, and I now wish to bring them to the attention of the Members of the Senate.

These items deal with racial relations. In the first place, I see that Governor Rockefeller of New York has been enrolled as a life member of the National Association for the Advancement of Colored People. This fact was contained in an Associated Press dispatch, datelined New York, September 4, 1959, which appeared in nearly every major newspaper in America.

It is regretful that the Governor of a State would enlist himself in such a controversial partisan organization, which is promoting forced integration upon people all over this land and which has promoted forced integration within the boundaries of the State of New York, and principally in cities in New York such as New York City itself, the result of which has brought tragedy to that State and to the sidewalks of New York.

I hope Governor Rockefeller has only joined the NAACP as a political gesture to enlist the votes of the members of the NAACP, and has not joined that organization with any plan to carry out the programs of that organization, some of whose past members have been affiliated with organizations listed by the Attorney General's office of the United States as being subversive in nature.

Mr. President, on Saturday, September 5, 1959, the Chicago Daily Tribune, one of the largest newspapers printed in America, carried an article datelined Jackson, Miss., entitled "Negroes Rip Integration—Attack White's Plan To Enter Area."

Mr. President, this item relates that 82 Jackson, Miss., Negroes signed a petition protesting the moving into their segregated all-Negro neighborhood of a white man who was planning to set up a business and home in that area. These Negroes said that Mr. White, by moving into that area with his family, was inviting trouble. Spokesmen for the Negro group declared:

We believe that the races should be segregated as far as possible, and for these purposes this petition (seeking to prohibit the

white man and his family from moving into that area) is respectfully submitted.

Mr. President, I believe this is the strongest evidence possible that has yet been presented to the Congress that segregation is desired by everyone in the South, and that not even the Negroes, with the exception of imported officials of the NAACP, desire to integrate.

I am glad to report that the followup to this story is that the white person involved has happily agreed not to move into the Negro area, and not to establish his home and business there, as requested by the Negroes of that section of Jackson, Miss. I commend the Negroes of that area for their desire to remain segregated, and for their courage in speaking up in this manner. Segregation is a mode of life in the South, and it is peacefully enjoyed by both whites and Negroes.

I hope those who are promoting forced integration through civil-rights legislation and other means will desist in their efforts, for we living in the segregated areas of this Nation do not wish to have conditions such as we find in New York and elsewhere forced upon us.

Mr. President, to support my charge that integration has been forced upon persons living in places such as New York and other large cities outside of the South, I bring to the attention of the Members of the Senate an article appearing in the Washington Post and Times Herald of this morning, September 7, 1959, entitled "Crowd Attacks Pickets Protesting Racial Ban."

This article relates how a crowd of citizens in Baltimore attacked some pickets who were protesting the exclusion of Negroes from an amusement park.

Mr. President, apparently the attempt of some Negroes to force themselves into the segregated park brought on the riot. There were more than 500 persons involved, and there were several persons injured and threats to "get a rope" implied possible desire on the part of some of the mob to lynch one of the pickets.

Mr. President, this is another example of what results when people attempt to force themselves to mingle with others who do not desire to mingle.

Mr. President, I likewise bring to the attention of the Members of the Senate an article originating in New York City, appearing in the Washington Post and Times Herald this morning, September 7, 1959, entitled "Puerto Rican Beaten—Six Youths Arrested."

Mr. President, this article describes how a gang of white youths beat up an 18-year-old after he said he was a Puerto Rican. This is just a continuation of juvenile gang fights in New York; but in nearly every instance it has been brought out in reports that there are whites versus Puerto Ricans, or Puerto Ricans versus Negroes, or Negroes versus Puerto Ricans or versus whites. In this instance, the article relates that the white group was out to get the Puerto Rican group. We can expect next week, probably, to get a report that the Puerto Ricans beat up a white group in some reprisal.

Mr. President, I abhor a white group attacking a Puerto Rican just as much as I would abhor a Puerto Rican attacking a Negro, or a Negro group attacking some other Negro. The reason why I bring this article, and these other articles, to the attention of the Senate is that, when assembled together, they all present a picture of what happens when integration is forced upon people. There is no question that forced integration has caused much of this havoc, and I implore the Members of the Senate not to hastily go after politically inspired civil-rights legislation that would foster conditions which we find in these cities in other areas of the Nation which practice segregation and which do not have these same problems.

Mr. President, I ask unanimous consent that the article from the Chicago Daily Tribune of September 5, 1959, entitled "Negroes Rip Integration—Attack White's Plan To Enter Area," and the two articles from the Washington Post and Times Herald of September 7, 1959, entitled "Crowd Attacks Pickets Protesting Racial Ban," and "Puerto Rican Beaten—Six Youths Arrested," be printed in the body of the RECORD with my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Chicago Daily Tribune, Sept. 5, 1959]

NEGROES RIP INTEGRATION—ATTACK WHITE'S PLAN TO ENTER AREA

JACKSON, MISS., September 4.—A group of Negroes Friday protested integration of their neighborhood by a white man who they said is planning to build a home in the Negro section.

A petition to the Hinds County Board of Supervisors requesting that H. J. Garrett be refused a building permit was signed by 82 Jackson Negroes.

"Mr. Garrett has three teenage daughters and, of course, there are a lot of young colored boys in this area," the petition said. "We do not want anything to happen which would cause any trouble."

BELIEVE IN SEGREGATION

County Attorney Paul G. Alexander, representing some of the petitioners, presented the petition to the supervisors.

"We believe that the races should be segregated as far as possible and for these purposes this petition is respectfully submitted," the Negro group said. "It would be our impression that if the situation were reversed, you would in some way prevent a colored person from doing the same thing in an exclusively white neighborhood."

"Most of us in this area own our homes," the petition continues. "Some of us have our homes paid for. We are proud of our homes and our community.

BUYS TWO LOTS

The group said Garrett had purchased two lots in their area and planned to build a service station, a store, and a home on them. They said they had no objection to the store and service station, but they did not want the Garrett family living among them.

"If there is anything that you can do to deny Mr. Garrett a building permit on the property which he has just purchased for the erection of a store, a service station, and a home, we would be forever grateful."

[From the Washington Post and Times Herald, Sept. 7, 1959]

CROWD ATTACKS PICKETS PROTESTING RACIAL BAN

BALTIMORE, September 6.—Violence erupted amid the celebration of "All Nations Day" at an amusement park today when an angry crowd attacked pickets protesting the exclusion of Negroes.

Five pickets were arrested in the melee at Gwynn Oak Park, a privately operated establishment just northwest of Baltimore.

A sixth was pounced upon and beaten by members of the mob, while two of those under arrest were assaulted by the crowd as they were being dragged from the park by police. No serious injuries were reported.

During the outbreak, about 500 persons gathered about the pickets, yelling, "Get them. * * * get a rope. * * * back to Russia."

About 40 Negro and white pickets from the Committee on Racial Equality had turned out to protest the park management's refusal to admit Negroes. Similiar protests were raised during the four previous annual "All Nations Days" celebrations, in which representatives of various nationality groups parade to the park in native costumes and display wares and foods.

Today five pickets slipped past guards and approached a booth for tickets to an amusement ride. They were surrounded by a swelling group of visitors who jeered and threatened to evict them.

Baltimore County police arrived about 10 minutes later and escorted three of the pickets out, but the other two locked arms and refused to move. Finally police dragged them to the park exit as members of the shouting mob directed glancing blows and kicks at them.

They were booked as James L. Lacy, 24, of 945 L Street NW., Washington, and Joseph C. Sheehan, 26, Baltimore.

Three who were taken out earlier were identified as Juretha Z. Joyner, Baltimore; Dale H. Drews, 23, of 512 Second Street, Washington, and Mrs. Giles E. Brown, 44, Baltimore.

All were charged with disorderly conduct.

As Lacy and Sheehan were being taken from the park, Ivor Kraft of Baltimore, 34-year-old picket, was knocked to the ground by the mob. He was struck several times on the head, his eyeglasses were knocked off and a sleeve was ripped from his shirt.

[From the Washington Post and Times Herald, Sept. 7, 1959]

PUERTO RICAN BEATEN—SIX YOUTHS ARRESTED

NEW YORK, September 6.—Three 6-foot youths were held today on charges they beat and stomped an 18-year-old after he said he was a Puerto Rican.

Russell Brander, 16; Joseph Mills, 16; and James Brooks, 17; all white, were held in $500 bail each for a September 14 hearing.

Their victim, Hector Battista, is in a Bronx hospital with a broken nose and numerous cuts and bruises.

The attack last night in the Bronx was one of a series of incidents of juvenile violence, including four killings, which have led city and State officials to project a strong campaign against juvenile delinquency.

The playground slaying of two youths on the West Side a week ago resulted from an attack by a group of Puerto Rican youths. They reportedly had been led to believe that a gang of other national origins was out to get the Puerto Ricans.

A half-dozen youths, most of them Puerto Ricans, have been charged with homicide in the slayings.

THE CRISIS IN LAOS

Mr. JOHNSTON of South Carolina. Mr. President, the growing crisis in Laos is probably the most vivid example of the failure of America's foreign affairs resulting from a foreign aid giveaway program.

Ever since the first foreign aid program was devised I warned the Senate that we could not buy friends with money anywhere in this world. As early as June of this year I warned the Senate of the dangerous situation that was developing in southeast Asia. On July 2 I summarized the situation in Laos to the Senate and cited reports emanating from that section of the world that I thought should be given consideration. But my words went unheeded, as did the words of other Senators who saw a similar problem in southeast Asia. I wish now to reiterate some of my remarks of July 2 to the Senate. I said:

Take the country of Laos, for example. In that small nation of less than 2 million people, our foreign aid giveaway program has been handled in such a stupid manner that it is impossible for the U.S. Government to actually determine how much money went into that country.

Estimates have placed it at around $30 million for that 4-year period, but the Committee on Government Operations in its seventh report dated June 15, 1959, stated that it is impossible to determine the value of U.S. aid in dollars.

The United States, since Laos became an independent country, has supported the total military budget of that country and is, in fact, virtually supporting the entire economy, so states the Senate report. Laos is the only country in the world where the United States supports the military budget 100 percent and yet, again quoting the Senate Government Operations Committee report, our military judgments have been totally disregarded. All this financial support, etc., has been to sustain a 25,000-man army and to maintain the financial stability of the country.

Mr. President, I charge that a 25,000-man army in Laos could not hold back a single attack from the Red Chinese hordes if they ever decided to go into that country, and certainly a 25,000-man army against a nation of over 600 million people is not frightening anybody from making such an invasion.

The truth is that all this money for military and economic assistance has accomplished little or nothing in Laos or in any other southeast Asian country, and I doubt if in any foreign country.

Mr. President, those words were mine of several months ago. They are not hindsight after the tragedy. Laos is incapable of defending itself and we are going to the United Nations for assistance and I presume we will wind up sending Marines and other men and equipment to save Laos. It will be the stark tragedy of Korea all over again.

Mr. President, I pray that a peaceful solution can be reached and I take no glee in rehashing my old warning. I can think of nothing more horrible and tragic than any type of fighting. War, in any form, destroys lives and is depressing upon the morale of the world.

But, on the realistic side of this situation, I believe anyone should be able to see that the $30 million we poured into Laos and the other advice and counsel that we have given that nation in our foreign aid program, which I call the "giveaway America" program, we have accomplished nothing in Laos. In the first place, if we had simply guaranteed that country military assistance in case of invasion and not spent one nickel, we would not be any worse off today. In fact, that money could have been spent on America's own military program and we would know that it was spent properly.

During the years that we sent all that money and equipment and advice to Laos, not one single time did that country follow our military advice even though we supported its military program 100 percent. It is the only nation where we totally supported a country's military budget. Its 25,000-man army is practically helpless against the guerrilla warfare being brought on by Red China. This is the stupidity contained in our foreign aid giveaway program and I hope the Senate will never be called upon to vote another dollar to go into such programs that never can cope with the communistic aggression. If we must spend money on military might, let us spend it building up America's military machinery and not throw it away where we have no control over what it is used for.

I think the speech I made on that day is now showing to the Nation and to the world that we cannot buy our friendship with other nations.

VOTING RIGHTS

Mr. JOHNSTON of South Carolina. Mr. President, an editorial entitled "Precarious Right," published in the Washington Post and Times-Herald this morning, cites figures from a survey made by the Southern Regional Council which states that Negroes are behind whites in registering for voting purposes in several Southern States.

Of course, the Southern Regional Council, an organization which I would call leftwing, to say the least, is attempting to state that because Negro registration is lagging behind white registration that there is some sort of clandestine efforts by officials of the Southern States to prevent Negroes from registering.

This is an out and out slanderous insinuation and I charge that it is an attempt by the Southern Regional Council to intimidate Congress and to unjustly accuse the Southern States.

Mr. President, I hold no brief with the Washington Post and Times Herald for it has only based its editorial upon figures released by the Southern Regional Council, but I wish to point out to the Post and Times Herald and to the Members of the Senate that the Southern Regional Council is a prejudiced organization which has no official standing, holding to preconceived ideas regarding integration and civil rights matters.

I can only speak for South Carolina which is mentioned in the editorial, for that is my State. I dare the Southern Regional Council, the Washington Post and Times Herald, or any others interested in the voting rights of the people of my State to find, name, and bring to the front, any citizen, black or white, who has been intimidated, coerced, or for similar reason kept from registering to vote. South Carolina has simple requirements for registering to vote. There are no gimmicks or tricks in the book and our State is proud of the fact that everyone legally qualified can vote. When registration time rolls around in South Carolina anyone can go to any courthouse in the State and find Negroes lined up to register and they are registered.

Mr. President, the true reason why registration is behind or has dropped from 1956 to 1958 is because of this:

South Carolina has a registration law requiring that voters reregister every 10 years. Nineteen hundred and fifty-eight was the anniversary date for reregistration; therefore, automatically everyone, regardless of race, creed, or color, who had previously been registered was dropped from the books until they reregistered. This system is to give the State some check against misuse of old registration certificates of deceased persons and those who may have moved from the State, and so forth. Mr. President, it stands to reason that when you enter upon a new registration period that there will be a significant drop in the number of persons registered during the first year.

I do not know if this same situation exists in other States in the South but I suggest that Congress go upon the official records of the States to determine voting conditions in the various States and not upon the figures and presumptions of some leftwing group such as the Southern Regional Council. The official records of the States are available from the secretaries of state of the various States and I intend to get South Carolina's record and present it to the Senate as soon as possible.

Mr. President, there is no "foot lagging" on Capitol Hill such as charged by the Washington Post and Times Herald. We are engaged upon a lengthy and detailed study of problems surrounding civil rights legislation, as the Senate conducted a lengthy and detailed study into the problems entailed in using water from the Great Lakes last week.

Mr. President, in order that the Senate may have the benefit of everything said in the editorial I mentioned, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From The Washington Post and Times Herald, Sept. 7, 1959]

PRECARIOUS RIGHT

A survey of Negro voting in the South conducted by the Southern Regional Council underscores with stark, incontrovertible figures the urgent need for civil rights legislation in the present session of Congress. The council study shows that in eight states of the Deep South—Arkansas, Florida, Georgia, Louisiana, North Carolina, South Carolina, Texas, and Virginia—the number of Negroes registered to vote dropped by

45,845 from 1956 to 1958. An estimated 25 percent of the eligible Negroes are registered in the South as compared with 60 percent of the white citizens of voting age.

When one considers the obstacles that have been put in the way of Negro voting in the South, the fact that more than a million Negroes have registered is a tribute to their courage and their sense of citizenship. They have registered in spite of poll taxes, in spite of literacy tests administered with gross discrimination, in spite of the hostility of registrars and in spite of threats of violence and other forms of intimidation. The right to vote must be looked upon as precious indeed by those who face such perils to exercise it.

It is, of course, the fundamental right of American citizenship—a right guaranteed by the Constitution of the United States. And this is why the Government of the United States must not fail or falter in protecting it. There can be no doubt of the need to require States to keep registration and voting records—and to afford the Attorney General ready access to those records so that Federal protection of the right to vote can be made effective. This is a minimum requirement of civil rights legislation. It ought to be operative before the next election despite the foot dragging so apparent on Capitol Hill.

REPORT OF U.S. COMMISSION ON CIVIL RIGHTS, 1959

Mr. EASTLAND. Mr. President, will the Senator from Oregon yield me 1 minute?

Mr. MORSE. Mr. President, I understand the Senator from Mississippi desires to place some material in the RECORD and assures me he will not take more than 2 minutes. Provided I do not lose my right to the floor, I yield to that purpose.

Mr. EASTLAND. Mr. President, late last week the Commission on Civil Rights issued a 38-page printed document entitled "Excerpts From Report of the U.S. Commission on Civil Rights, 1959."

It is clear to me, and should be clear to everyone, that even the sponsors of the recommendations in the report realize and know that under the Constitution of the United States their proposals are grossly void and unconstitutional.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD excerpts from the report of the Commission which were issued late last week, together with a statement by me on this subject.

There being no objection, the excerpts and statement were ordered to be printed in the RECORD as follows:

EXCERPTS FROM REPORT OF THE U.S. COMMISSION ON CIVIL RIGHTS, 1959

VOTING: FINDINGS AND RECOMMENDATIONS—THE PROBLEM

"To secure these rights," declared the great charter of American liberty, "governments are instituted among men, deriving their just powers from the consent of the governed." The instrument by which consent is given or withheld is the ballot.

Few Americans would deny, at least in theory, the right of all qualified citizens to vote. A significant number, however, differ as to which citizens are qualified. None in good conscience can state that the goal of universal adult suffrage has been achieved. Many Americans, even today, are denied the franchise because of race. This is accomplished through the creation of legal impediments, administrative obstacles, and positive discouragement engendered by fears of economic reprisal and physical harm. With those Americans who of their own volition are too apathetic either to register or, once registered, too apathetic to vote, this report does not concern itself. But with denials of the right to vote because of race, color, religion, or national origin, this Commission and the Congress of the United States are urgently concerned.

The Commission's studies reveal that many Negroes are eager to exercise their political rights as free Americans and that they have made some progress. Our investigations have revealed further that many Negro American citizens find it difficult, and often impossible, to vote. An attempt has been made to gather and assess statistics and facts regarding denial of the right to vote. This task has required careful analysis and understanding of the legal impediments.

The Commission has sought to evaluate the extent to which there is an obligation on the part of the Federal Government to prevent denial of the right to vote because of discrimination by reason of color, race, religion, or national origin. This is what Congress asked. The scope of Federal power to protect the suffrage depends on whether interference comes from State and local officers or from private persons; on whether improper voting procedure alone is involved, or whether the interference is based on race or color, and on the nature of the election itself, whether State or National.

Article I, section 2, of the U.S. Constitution has long stood for the proposition that while the qualifications of electors of Members of Congress are governed by State law, the right to vote for such Representatives is derived from the U.S. Constitution. Article I, section 4, authorizes Federal protection of voting in Federal elections against interference from any source. The 14th amendment affords protection against State interference with the equality of opportunity to vote in any election. The 15th amendment prohibits any action by the United States or a State in any election, which interferes with the right to vote because of race or color or previous condition of servitude. The 17th amendment provides that a person possessing State qualifications has a right to vote which is derived not merely from the constitution or the laws of the State from which the Senator is chosen, but has its foundation in the Constitution of the United States. The 19th amendment supports action in any election against State interference with the right to vote because of sex.

On many occasions our Nation has found it necessary to review the state of the civil rights of its people. During the period 1776 through 1791 civil rights were of prime concern in the drafting of the Declaration of Independence, the writing of the Constitution and the Bill of Rights. A new concept of liberty emerged. It was almost immediately challenged by the Alien and Sedition Acts of 1798. Then, prior to, during, and after the War Between the States an appraisal of civil rights culminated in the adoption of the 13th, 14th, and 15th amendments. The most recent review prior to 1957 was initiated by Executive Order 9808 promulgated by President Harry S. Truman on December 5, 1946, establishing the President's Committee on Civil Rights. This culminated in the 1947 report of the Committee entitled "To Secure These Rights." Many recommendations were made in the voting field. Twelve years have passed since that report was issued. Without attempting to evaluate specific changes other than those reflected in the body of our report on voting, it has become apparent that legislation presently on the books is inadequate to assure that all our qualified citizens shall enjoy the right to vote. There exists here a striking gap between our principles and our everyday practices. This is a moral gap. It spills over into and vitiates other areas of our society. It runs counter to our traditional concepts of fairplay. It is a partial repudiation of our faith in the democratic system. It undermines the moral suasion of our national stand in international affairs. It reduces the productivity of our Nation. In the belief that new legislation is needed, we submit for consideration of the President and the Congress the following recommendations which we believe will help Americans to make good our declarations of national purpose.

Registration and voting statistics

Background: The Commission study of voting revealed that information on voting turnout in the United States is incomplete. Data on voting turnout among specific racial groups, particularly on a comparative basis for States or sections, was impossible to obtain except for fragmentary material provided by the Survey Research Center of the University of Michigan, Elmo Roper and Associates, and the Gallup Organization. Official State sources are of only limited help. Some States report total registration figures, in some cases broken down by counties. Other States do not report such figures. To know the extent of nonvoting requires a standard, and the one usually adopted is the potential vote, that is, the total number of citizens of voting age. This is an inexact standard because, in any year, millions of citizens are ineligible to vote because of State residence and other requirements. If it were possible to have reliable registration figures, State by State and county by county, the computation of voting turnout among those qualified to vote would be simple. Millions of citizens are eligible to register but neglect to do so and their number can be more accurately estimated if reliable registration figures are available.

Findings: The Commission finds that there is a general deficiency of information pertinent to the phenomenon of nonvoting. There is a general lack of reliable information on voting according to race, color, or national origin, and there is no single repository of the fragmentary information available. The lack of this kind of information presents real difficulties in any undertaking such as this Commission's.

Recommenedation No. 1: Therefore, the Commission recommends, that the Bureau of the Census be authorized and directed to undertake, in connection with the census of 1960 or at the earliest possible time thereafter, a nationwide and territorial compilation of registration and voting statistics which shall include a count of individuals by race, color, and national origin who are registered, and a determination of the extent to which such individuals have voted since the prior decennial census.

Availability of voting records

Background: In its effort to discharge its duty to "investigate" formal complaints of denial of the right to vote by reason of race and color, the Commission found it necessary to examine the registration and voting records kept by local officials pursuant to provisions of State law. In both Alabama and Louisiana, the two States which led in the number of voting complaints received by the Commission, the Commission and its staff encountered obstacles in its effort to examine records. These obstacles were erected upon existing State laws, or interpretations thereof, by State officials; they were at least partially effective as a deterrent to the Commission's discharge of its duty.

Specifically, officials of the State of Alabama interpreted constitutional provisions vesting adjudicatory powers in boards of registrars to pass upon applications as precluding examination thereof by a nonjudicial

body of the Federal Government. This interpretation was held to be without merit by the Federal courts. Alabama officials further interpreted custodial and repository provisions of State law as precluding production of the records at the Commission's hearing. By compromise agreement, some of the records were examined by the Commission staff after the hearing.

Officials of the State of Louisiana interpreted provisions for examination of the State registration and voting records as prohibiting such examination by the Commission staff. This interpretation, similar to the Alabama refusal, necessitated exercise of the Commission's subpena power, and unnecessarily delayed the Commission's efforts to evaluate the merits of the complaints in both States.

Furthermore, after records in only one-half of the counties being investigated in Alabama had been examined, the State legislature passed a bill which permits the destruction of application forms of persons denied registration. Such forms are essential to any investigation of denials of the right to vote.

Findings: The Commission finds that lack of uniform provision for the preservation and public inspection of all records pertaining to registration and voting hampers and impedes investigation of alleged denials of the right to vote by reason of race, color, religion, or national origin.

Recommendation No. 2: Therefore, the Commission recommends that the Congress require that all State and Territorial registration and voting records shall be public records and must be preserved for a period of 5 years, during which time they shall be subject to public inspection, provided that all care be taken to preserve the secrecy of the ballot.

Evasion of responsibility

Background: Complaints were frequently made that State officials charged with responsibility to register qualified persons as electors evaded this responsibility, in the case of persons of a particular race or color, by inaction. Such practices are beyond the effective reach of the present remedial provisions of the Civil Rights Act of 1957.

Specifically, the Commission found that boards of registrars in both Bullock and Macon Counties in Alabama frequently did not function as boards to register Negro applicants on scheduled dates for registration. Furthermore, in these same two counties, on several different occasions, one or more members of such boards—always in sufficient numbers to preclude the existence of the majority required for approval of registration—resigned their posts. And further, State officials responsible for appointing members of boards of registrars repeatedly have delayed such appointments when boards became inoperative through resignation.

Findings: The Commission finds that the lack of an affirmative duty to constitute boards of registrars, or failure to discharge or enforce such duty under State law, and the failure of such boards to function on particular occasions or for long periods of time, or to restrict periods of function to such limited periods of time as to make it impossible for most citizens to register, are devices by which the right to vote is denied to citizens of the United States by reason of their race or color. It further finds that such failure to act is arbitrary, capricious, and without legal cause or justification.

Recommendation No. 3: Therefore, the Commission recommends that part IV of the Civil Rights Act of 1957 (42 U.S.C. 1971) shall be amended by insertion of the following paragraph after the first paragraph in section 1971(b):

"Nor shall any person or group of persons, under color of State law, arbitrarily and without legal justification or cause, act, or being under duty to act, fail to act, in such manner as to deprive or threaten to deprive any individual or group of individuals of the opportunity to register, vote and have that vote counted for any candidate for the Office of President, Vice President, presidential elector, Member of the Senate, or Member of the House of Representatives, Delegate or Commissioner for the Territories or possessions, at any general, special, or primary election held solely or in part for the purpose of selecting or electing any such candidate."

Refusal of witnesses to testify

Background: In the course of conducting voting hearings in Montgomery, Ala., in December 1958, the Commission was impressed with the fact that its purposes were not fully realized because of the divided authority for compelling the production of registration records. The Commission can subpena such records but the initiative rests with the Attorney General to petition the court to order a contumacious witness to comply with a Commission subpena. Such divided responsibility is unusual. These situations require rapid, coordinated action and communication. Both are difficult to achieve when there is dual responsibility and operation.

Findings: The Commission finds that the necessity for securing the aid and cooperation of a separate agency of the Federal Government in order to discharge the Commission's responsibility under law is a needlessly cumbersome procedure. It is not a sound system of administration. Full and effective implementation of Commission policy in the discharge of Commission responsibilities under law requires full and exclusive control of any necessary resort to the courts by the Commission itself.

Recommendation No. 4: Therefore, the Commission recommends that in cases of contumacy or refusal to obey a subpena issued by the Commission on Civil Rights (under sec. 105(f) of the Civil Rights Act of 1957) for the attendance and testimony of witnesses or the production of written or other matter, the Commission should be empowered to apply directly to the appropriate U.S. district court for an order enforcing such subpena.

Appointment of temporary Federal registrars

Background: The Commission has investigated sworn complaints of denials of the right to vote by reason of color or race in seven States. In two States where it determined to hold formal hearings, Alabama and Louisiana, its efforts to secure all relevant facts were met with open resistance by State officials. Nevertheless, on the basis of the testimony of witnesses and the examination of the registration records that were made available in Alabama, and through field investigation in other States, the Commission found that a substantial number of Negroes are being denied their right to vote. The infringement of this right is usually accomplished through discriminatory application and administration of State registration laws.

But discriminatory registration is not the only problem. The Commission also found instances in which there was no registration board in existence, or none capable of functioning lawfully. In all such cases, the majority of the electorate already registered were white persons.

For one example, the members of the Macon County, Ala., Board of Registrars resigned after this Commission's Alabama hearing. At the hearing, 25 Macon County Negroes had testified that the board had unlawfully refused to register them. Invited to answer these charges, the Macon County registrars had refused to testify. But an injunction suit against the board to compel registration of 17 of the hearing witnesses and other apparently qualified Negroes, brought by the U.S. Attorney General under the new provisions of the Civil Rights Act of 1957, was dismissed for lack of anyone to sue. Subsequently, new appointees to the Macon County board were named in July 1959. They refused to serve. Their reason, according to a United Press International report, was "the pressure for Negro registration" and "fear of being 'hounded' by the U.S. Civil Rights Commission."

The two other suits brought by the Attorney General under the same act had not at this writing resulted in a single registration. The suit in Georgia had been dismissed and was on appeal; the one in Louisiana was pending.

In short, no one had yet been registered through the civil remedies of the 1957 act.

Class suits on behalf of a number of Negroes to obtain registration have rarely been successful. The courts have inclined to the view that these suits are of an individual nature, with the result that a vast number of suits may be necessary.

The delays inherent in litigation, and the real possibility that in the end litigation will prove fruitless because the registrars have resigned make necessary further remedial action by Congress if many qualified citizens are not to be denied their constitutional rights to vote in the 1960 elections.

Findings: The Commission finds that substantial numbers of citizens qualified to vote under State registration and election laws are being denied the right to register, and thus the right to vote, by reason of their race or color. It finds that the existing remedies under the Civil Rights Act of 1957 are insufficient to secure and protect the right to vote of such citizens. It further finds that some direct procedure for temporary Federal registration for Federal elections is required if these citizens are not to be denied their right to register and vote in forthcoming national elections. Some method must be found by which a Federal officer is empowered to register voters for Federal elections who are qualified under State registration laws but are otherwise unable to register.

Such a temporary Federal registrar should serve only until local officials are prepared to register voters without discrimination. The temporary Federal registrar should be an individual located in the area involved, such as the postmaster, U.S. attorney, or clerk of the Federal district court. The factfinding responsibilities to determine whether reasonable grounds exist, to believe that the right to vote is being denied could be discharged by the Commission on Civil Rights, if extended. Because of the importance of the matter, such a temporary Federal registrar should be appointed directly by the President of the United States.

Recommendation No. 5: Therefore, it is recommended that, upon receipt by the President of the United States of sworn affidavits by nine or more individuals from any district, county, parish, or other recognized political subdivision of a State, alleging that the affiants have unsuccessfully attempted to register with the duly constituted State registration office, and that the affiants believe themselves qualified under State law to be electors, but have been denied the right to register because of race, color, religion, or national origin, the President shall refer such affidavits to the Commission on Civil Rights, if extended.

(A) The Commission shall (1) investigate the validity of the allegations; (2) dismiss such affidavits as prove, on investigation, to be unfounded; (3) certify any and all well-founded affidavits to the President and to such temporary registrar as he may designate.

(B) The President upon such certification shall designate an existing Federal officer or employee in the area from which complaints are received, to act as a temporary registrar.

(C) Such registrar-designate shall administer the State qualification laws and

issue to all individuals found qualified, registration certificates which shall entitle them to vote for any candidate for the Federal office of President, Vice President, presidential elector, Members of the Senate or Members of the House of Representatives, Delegates or Commissioners for the Territories or possessions, in any general, special, or primary election held solely or in part for the purpose of selecting or electing any such candidate.

(D) The registrar-designate shall certify to the responsible State registration officials the names and fact of registration of all persons registered by him. Such certification shall permit all such registrants to participate in Federal elections previously enumerated.

(E) Jurisdiction shall be retained until such time as the President determines that the presence of the appointed registrar is no longer necessary.

Dissent by Commissioner Battle: I concur in the proposition that all properly qualified American citizens should have the right to vote but I believe the present laws are sufficient to protect that right and I disagree with the proposal for the appointment of a Federal registrar which would place in the hands of the Federal Government a vital part of the election process so jealously guarded and carefully reserved to the States by the Founding Fathers.

PROPOSAL FOR A CONSTITUTIONAL AMENDMENT TO ESTABLISH UNIVERSAL SUFFRAGE

(By Chairman Hannah and Commissioners Hesburgh and Johnson:)

The Commission's recommendation for temporary Federal registration should, if enacted by Congress, secure the right to vote in the forthcoming national elections for many qualified citizens who would otherwise, because of their race or color, be denied this most fundamental of American civil rights. But the proposed measure is clearly a stopgap.

In its investigations, hearings, and studies the Commission has seen that complex voter qualification laws, including tests of literacy, education and "interpretation," have been used and may readily be used arbitrarily to deny the right to vote to citizens of the United States.

Most denials of the right to vote are in fact accomplished through the discriminatory application and administration of such State laws. The difficulty of proving discrimination in any particular case is considerable. It appears to be impossible to enforce an impartial administration of the literacy tests now in force in some States, for where there is a will to discriminate, these tests provide the way.

Therefore, as the best ultimate solution of the problem of securing and protecting the right to vote, we propose a constitutional amendment to establish a free and universal franchise throughout the United States.

An important aim of this amendment would be to remove the occasion for further direct Federal intervention in the States' administration and conduct of elections, by prohibiting complex voting requirements and providing clear, simple, and easily enforceable standards.

The proposed constitutional amendment would give the right to vote to every citizen who meets his State's age and residence requirements and who is not legally confined at the time of registration or election.

Age and residence are objective and simple standards. With only such readily ascertainable standards to be met, the present civil remedies of the Civil Rights Act should prove more effective in any future cases of discriminatory application. A court injunction could require the immediate registration of any person who meets these clear-cut State qualifications.

The proposed amendment is in harmony with the American tradition and with the trend in the whole democratic world. As noted in the beginning of this section of the Commission's report, the growth of American democracy has been marked by a steady expansion of the franchise; first by the abandonment of property qualifications and then by conferral of suffrage upon the two great disfranchised groups, Negroes and women. Only 19 States now require that voters demonstrate their literacy. Michigan, New Hampshire, Pennsylvania, Tennessee, and Vermont have suffered no apparent harm from absence of the common provisions disqualifying mental incompetents. With minor exceptions, mostly involving election offenses, Colorado, Maine, Massachusetts, Michigan, Pennsylvania, Utah, Vermont, and West Virginia have no provisions barring certain ex-convicts from the vote, and of the States which do have such provisions, all but eight also provide for restoration of the former felon's civil rights. In only five States is the payment of a poll tax still a condition upon the suffrage.

The number of Americans disqualified under each of these categories is very small compared with the approximately 90 million now normally qualified to vote. It is also small in relation to the numbers of qualified nonwhite citizens presently being disfranchised by the discriminatory application of these complex laws. The march of education has almost eliminated illiteracy. In a nation dedicated to the full development of every citizen's human potential, there is no excuse for whatever illiteracy that may remain. Ratification of the proposed amendment would, we believe, provide an additional incentive for its total elimination. Meanwhile, abundant information about political candidates and issues is available to all by way of television and radio.

We believe that the time has come for the United States to take the last of its many steps toward free and universal suffrage. The ratification of this amendment would be a reaffirmation of our faith in the principles upon which this Nation was founded. It would reassure lovers of freedom throughout a world in which hundreds of millions of peopie, most of them colored, are becoming free and are hesitating between alternative paths of national development.

For all these reasons we propose the following 23d amendment to the Constitution of the United States:

"ARTICLE XXIII

"Section 1

"The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State or by any person for any cause except inability to meet State age or length-of-residence requirements uniformly applied to all persons within the State, or legal confinement at the time of registration or election. This right to vote shall include the right to register or otherwise qualify to vote, and to have one's vote counted.

"Section 2

"The Congress shall have power to enforce this article by appropriate legislation."

SEPARATE STATEMENT REGARDING PROPOSED 23D AMENDMENT

(By Vice Chairman Storey and Commissioner Carlton:)

We strongly believe in the right of every qualified citizen of the United States, irrespective of his color, race, religion, or national origin, to register, vote, and have his vote counted. We regard full protection of these rights of suffrage by both State and Federal Governments necessary and proper. Therefore, we have supported and voted for all recommendations of the Commission (except the proposed 23d amendment) to strengthen the laws and improve the administration of registration and voting procedures. However, we cannot join our distinguished colleagues in the recommendation of the proposed constitutional amendment. These are our several reasons:

1. We believe that our Commission recommendations, if enacted into law and properly enforced, will eliminate most if not all of the restrictions on registration and voting by reason of race, color, religion, or national origin.

A recommendation proposing a constitutional amendment granting additional power to the Federal Government would be in order only if we had found a lack of power under existing constitutional provisions. Such is not the case.

2. On principle, proposals for constitutional amendments which would alter longstanding Federal-State relationships, such as the constitutional provision that matters pertaining to the qualifications of electors shall be left to the several States, should not be proposed in the absence of clear proof that no other action will correct an existing evil. No such proof is apparent.

3. The Constitution of the United States of America presently includes sufficient authority to the Federal Government to enable it effectively to deal with denials of the right to vote by reason of race, color, religion, and national origin.

4. The information and findings cited in support of the proposed 23d amendment disclose that some illiteracy still exists, that authoritative State statistics and studies are wholly lacking to support such an important proposal, and that our staff has not had the opportunity to make a thorough study of such a far-reaching proposal.

"I heartily agree with the objections of Commissioners Storey and Carlton to the proposed constitutional amendment." (John S. Battle, Commissioner.)

* * * * *

The Department of Health, Education, and Welfare has announced its general policy on grants to noncompliant schools as follows:

"(1) Under the Supreme Court decision on segregation in reference to public elementary and secondary education, it is the Federal judiciary, and not the executive branch of the Federal Government, which is to determine how compliance with the Supreme Court mandate is to be brought about and what constitutes compliance in good faith.

"(2) Judicial implementation of the Supreme Court decision, in the manner charted by the Court in its decree, and the meeting of the urgent, overall educational needs of our country, can go forward at the same time.

"(3) For the executive branch to exercise the power, on the basis of its own determinations as to the requirements of the Supreme Court mandate, to reserve or withhold funds necessary to progress in meeting educational needs, might interfere with such progress and would in the long run interfere with the responsibilities of the Federal judiciary."

The chief and perhaps only Federal aid disbursed directly to designated institutions of higher education by statutory directive goes to land-grant colleges and universities under the Morrill-Nelson and Bankhead-Jones Acts.

The statute authorizing financial assistance to these State colleges and universities seems to be the only one governing Federal educational grants that specifically forbids racial discrimination. But it further provides that this requirement may be satisfied by separate colleges for white and colored students. This provision was, of course, nullified by the school decision of 1954—which, the Supreme Court later made clear, definitely applies to tax-supported institutions of higher education.

By September 1958 more than half of the 208 white public colleges and universities in the 17 segregating States had admitted Negro students. But among the colleges and universities which had not done so were all

those in Georgia, Mississippi, South Carolina, and (except for one Negro matriculant who was promptly expelled) Alabama. Yet these latter were still receiving their land-grant payments from the U.S. Government.

And these and many other colleges and universities, public and private, were still receiving a multiplicity of other Federal grants. Among them were a number whose admission policies were at least suspect of being in violation of the Supreme Court decision of 1954.

EDUCATION: THE PROBLEM—FINDINGS AND RECOMMENDATIONS

In 1954 the Supreme Court of the United States held that compulsory racial segregation in public schools is a denial of the equal protection of the laws under the 14th amendment to the U.S. Constitution, and of the due process of law required by the 5th amendment. In so holding, the Court did not require racial integration in the schools. What the Court did hold is that publicly supported schools must be opened to all races on a nonsegregated basis.

The requirements of this declaration of constitutional principle have been stated clearly by the late Judge John J. Parker of the U.S. Court of Appeals for the Fourth Circuit in the case of *Briggs* v. *Elliott*.

"What it (the Supreme Court) has decided, and all that it has decided, is that a State many not deny to any person on account of race the right to attend any school that it maintains. This, under the decision of the Supreme Court, the State may not do directly or indirectly; but if the schools which it maintains are open to children of all races, no violation of the Constitution is involved even though the children of different races voluntarily attend different schools, as they attend different churches (132 F. Supp. 776 (1955))."

The Commission based its study of legal developments constituting a denial of the equal protection of the laws in the field of public education upon two fundamental premises:

(1) The American system of public education must be preserved without impairment because an educated citizenry is the mainstay of the Republic and full educational opportunity for each and every citizen is America's major defense against the world threat to freedom.

(2) The constitutional right to be free from compulsory segregation in public education can be and must be realized, for this is a government of law, and the Constitution as interpreted by the Supreme Court is the supreme law of the land.

The problem, therefore, is how to comply with the Supreme Court decision while preserving and even improving public education. The ultimate choice of each State is between finding reasonable ways of ending compulsory segregation in its schools or abandoning its system of free public education.

Information, advisory, and conciliation services

Background: The Commission's studies, and particularly its conference with school officials from districts in border States and a few in the South that have in some measure desegregated since 1954, demonstrate that when local school officials are permitted to act responsibly in adopting plans that fit local conditions the difficulties of desegregation can be minimized. A variety of plans have proved to be successful, ranging from the merger of the former Negro and white school systems into one integrated system (particularly in communities where the Negro population was small and the cost of maintaining separate systems considerable) to the gradual Nashville plan that began in the first grade and is proceeding at the rate of one grade a year, with voluntary transfer permitted to any child assigned to a school where his race is in the minority.

In *Shuttlesworth* v. *Birmingham Board of Education*, 358 U.S. 101 (1958) the U.S. Supreme Court upheld as valid on its face the Alabama pupil placement law on the assumption that the law would be administered in a constitutional manner. Eight Southern States have adopted pupil placement laws as a means of meeting the test of nondiscrimination. This is another possible method by which compliance may be achieved.

In many instances desegregation has been used by the local community as the occasion to raise its educational standards. In many instances remedial programs have been adopted for the handicapped, and advanced programs established for gifted students. Such programs were described to the Commission at its Nashville conference by the superintendents from Wilmington, Del.; Washington, D.C.; and San Angelo, Tex. St. Louis, Mo., has adopted a similar program. It is important that any transition should not result in the lowering of educational standards for either the white or Negro students. If possible, it should result in an improvement of educational standards for both; a number of school officials report that this has already happened in their communities.

In the transition to a nondiscriminatory school system, a carefully developed State or local plan is better than a plan imposed by a court for the immediate admission of certain litigants, or a plan imposed by any outside agency. The Supreme Court and the Federal lower courts have made it clear that they will consider sympathetically any reasonable plan proposed in good faith. This seems to be an area in which the principle of State's rights can most effectively express itself through local option in meeting this problem. If State governments do not permit local school officials to develop such plans for good faith compliance, the effectiveness of the school system in the State as a whole will be impaired. By permitting such local option a variety of methods of transition can be developed that take into account the varying circumstances in different areas of the State.

Findings:

1. The ease of adjustment of a school system to desegregation is influenced by many factors including the relative size and location of the white and Negro population, the extent to which the Negro children are culturally handicapped, segregation practices in other areas of community life, the presence or absence of democratic participation in the planning of the program used or preparation of the community for its acceptance, and the character of the leadership in the community and State.

2. Many factors must be considered and weighed in determining what constitutes a prompt and reasonable start toward full compliance and the means by which and the rate at which desegregation should be accomplished.

3. Desegregation by court order has been notably more difficult than desegregation by voluntary action wherein the method and timing have been locally determined.

4. Many school districts in attempting to evolve a desegregation plan have had no established and qualified source to which to turn for information and advice. Furthermore, many of these districts have been confused and frustrated by apparent inconsistencies in decisions of lower Federal courts.

Recommendations No. 1(a) and 1(b): Therefore, the Commission recommends: 1(a) That the President propose and the Congress enact legislation to authorize the Commission on Civil Rights, if extended, to serve as a clearinghouse to collect and make available to States and to local communities information concerning programs and procedures used by school districts to comply with the Supreme Court mandate either voluntarily or by court order, including data as to the known effects of the programs on the quality of education and the cost thereof.

1(b) That the Commission on Civil Rights be authorized to establish an advisory and conciliation service to assist local school officials in developing plans designed to meet constitutional requirements and local conditions; and to mediate and conciliate, upon request, disputes as to proposed plans and their implementation.

Annual school census

Background: The primary problem of equal protection of the laws in the field of public education is desegregation of public school systems in which separate schools for white and Negro children have been maintained by compulsion of State law. The Commission's study of this problem necessarily required public school enrollment figures, by race of students and type of school attended, for all school districts in the 17 States and the District of Columbia where compulsory segregation had been the rule.

The Commission found that the U.S. Office of Education of the Department of Health, Education, and Welfare, which formerly collected and published such information, ceased doing so with the school year 1953–54. It was necessary, therefore, to secure such data directly from State and local officials or from secondary sources. As a matter of policy the keeping of records by race has been discontinued in the States of Kentucky, Missouri, Oklahoma, West Virginia, and in some parts of Maryland.

A study such as that of the Commission requires complete and authoritative factual data. But because there is a possibility that school records of the race of students might be used in a discriminatory manner in recommendations to colleges and universities and to prospective employers, the Commission cannot request the maintenance of permanent school records by race.

Findings:

1. No agency of the U.S. Government, other than this Commission, has collected data either on public school enrollment by race since the school year 1953–54, or on the existence of segregation or nonsegregation by policy or practice in the public schools of the Nation.

2. The public school study of the Commission has been rendered difficult by the lack of such information within the Federal Government and by the policy, adopted by some States and school districts that maintained racially segregated schools immediately prior to May 17, 1954, to discontinue recording the race of pupils.

Recommendation No. 2: Therefore, the Commission recommends: That the Office of Education of the Department of Health, Education, and Welfare, in cooperation with the Bureau of the Census of the Department of Commerce, conduct an annual school census that will show the number and race of all students enrolled in all public educational institutions in the United States, and compile such data by States, by school districts, and by individual institutions of higher education within each State. Further, that initially this data be collected at the time of the taking of the next decennial census, and thereafter from official State sources insofar as possible.[1]

SUPPLEMENTARY STATEMENT ON EDUCATION

(By Vice Chairman Storey and Commissioners Battle and Carlton:)

Although the portion of the report dealing with public education contains much inter-

[1] Commissioner JOHNSON. I have agreed to this recommendation with the understanding that it does not suggest or require that public educational institutions maintain school records by race and that the recommended school census can be taken without the maintenance of such records.

esting material, the text preceding the findings and recommendations is to a large extent argumentative and colored by the author's views of the sociological and philosophical aspects of the school integration problem. It is based largely upon information supplied by school officials from five large "border" cities which have integrated their schools. These officials appear to take pride in their accomplishment and constitute special pleaders for their cause. Little acknowledgment has been given to different conditions found in large areas of the country where the problem is most acute.

Further study and investigation should be made of the areas where school integration efforts run counter to long-established customs and traditions that formerly had legal sanction.

This tremendously serious and complex problem will not be solved by hasty action but must have the most careful and sympathetic consideration, with due regard for the way of life of large numbers of loyal Americans.

PROPOSAL TO REQUIRE EQUAL OPPORTUNITY AS A CONDITION OF FEDERAL GRANTS TO HIGHER EDUCATION

(By Chairman Hannah and Commissioners Hesburgh and Johnson:)

More than $2 billion a year of Federal funds go for educational purposes and to educational institutions. The principal recipients of these funds are the Nation's colleges, universities, and other institutions of higher education. Whether tax-supported or privately financed, they receive Federal grants and loans both for their general support and capital improvements as well as for research projects, special programs, and institutes.

Discriminatory admission policies and other practices are known to exist in a number of such institutions. None of the Federal agencies administering these educational assistance programs require proof or an attestation of nondiscrimination by the institutions as a condition for the receipt of Federal funds.

With its duty to "appraise the laws and policies of the Federal Government with respect to equal protection of the laws under the Constitution," the Commission was compelled to ask whether it is consistent for the Federal Government to aid and support educational programs and activities in institutions of higher education which are not open to all citizens on an equal and nondiscriminatory basis.

While Congress has not required such conditions for these grants, the operations of the Federal Government are subject to the constitutional principle of equal protection or equal treatment.

The Supreme Court has held racial discrimination in public education to be a denial of equal protection. In regard to public institutions of higher education the courts required the immediate admission of qualified students without discrimination. The reasons for the gradual elimination of racial discrimination in elementary and secondary schools do not obtain in the field of higher education. There, immediate equality of opportunity for qualified students of all races is possible and necessary.

Although the equal protection clause of the 14th amendment applies only to State action, "it would be unthinkable," the Supreme Court has held, "that the same Constitution would impose a lesser duty on the Federal Government."

We believe that it is inconsistent with the Constitution and public policy of the United States for the Federal Government to grant financial assistance to institutions of higher education that practice racial discrimination.

We recommend that Federal agencies act in accordance with the fundamental constitutional principle of equal protection and equal treatment, and that these agencies be authorized and directed to withhold funds in any form to institutions of higher learning, both publicly supported and privately supported, which refuse, on racial grounds, to admit students otherwise qualified for admission.

Additional proposal by Commissioner Johnson

While joining in the above proposal, I recommend that the policy set forth apply to all educational institutions that receive Federal funds, including public elementary and secondary schools. My reasons are set forth in my closing statement at the end of this report.

SEPARATE STATEMENT ON CONDITIONAL FEDERAL GRANTS FOR HIGHER EDUCATION

(By Vice Chairman Storey and Commissioners Battle and Carlton:)

We oppose the recommendation that Federal agencies be authorized to withhold all public funds from institutions of higher learning (public and private) which refuse, on racial grounds, to admit students otherwise qualified for admission for the following reasons:

1. The Commission has agreed that the preservation and improvement of education is a matter of great national interest, and is a fundamental principle within which the problems of equal protection must be evaluated. Therefore, we cannot conscientiously endorse a program which might well undermine that principle.

2. Present problems of equal protection pertaining to education fall within the sweep of the 14th amendment, an area long since preempted by the courts. We cannot endorse a program of economic coercion as either a substitute for or a supplement to the direct enforcement of the law through the orderly processes of justice, as administered by the courts.

3. Such a proposal by this Commission—as a branch of the Federal Government—would drastically affect the administration of privately owned institutions of higher education. Such action goes beyond the scope of the Commission's duties.

4. Our staff studies were directed toward understanding and evaluation of equal protection problems in public and secondary schools, not private schools upon any level, and not institutions of higher education, whether public or private.

* * * * *

HOUSING: FINDINGS AND RECOMMENDATIONS—THE PROBLEM

It is the public policy of the United States, declared by the Congress and the President and in accord with the declared purposes of the Constitution, that every American family shall have equal opportunity to secure a decent home in a good neighborhood. Since the home is the heart of a good society it is essential that this aspect of the promise of equal protection of the laws be fulfilled forthwith.

From the Commission's study of housing two basic facts were found to constitute the central problem.

First, a considerable number of Americans, by reason of their color or race, are being denied equal opportunity in housing. A large proportion of colored Americans are living in overcrowded slums or blighted areas in restricted sections of our cities, with little or no access to new housing or to suburban areas. Most of these Americans, regardless of their educational, economic, or professional accomplishments, have no alternative but to live in used dwellings originally occupied by white Americans who have a free choice of housing, new or old. Housing thus seems to be the one commodity in the American market that is not freely available on equal terms to everyone who can afford to pay. It would be an affront to human dignity for any one group of Americans to be restricted to wearing only hand-me-down clothing or to eating the leftovers of others' food. Like food and clothing, housing is an essential of life, yet many nonwhite American families have no choice but secondhand homes. The results can be seen in high rates of disease, fire, juvenile delinquency, crime and social demoralization among those forced to live in such conditions. A nation dedicated to respect for the human dignity of every individual should not permit such conditions to continue.

Second, the housing disabilities of colored Americans are part of a national housing crisis involving a general shortage of low-cost housing. Americans of lower income, both colored and white, have fewer opportunities for decent homes in good neighborhoods. Since most suburban housing is beyond their means, they remain crowded in the central city, creating new slums. Since colored people comprise a rising proportion of the city dwellers with lowest income, these slums are becoming increasingly colored. The population of metropolitan areas, already comprising over 60 percent of the American people, is growing rapidly not merely by births but by migration. These migrants, many of them colored, most of them unadapted to urban life, form the cutting edge of the housing crisis.

From these facts it is evident that for decent homes in good neighborhoods to be available for all Americans, two things must happen: the housing shortage for all lower income Americans must be relieved, and equality of opportunity to good housing must be secured for colored Americans. If racial discrimination is ended but adequate low-cost housing is not available, most colored Americans will remain confined in spreading slums. If low-cost housing is constructed in outlying areas and little or none of it is available for colored Americans, the present inequality of opportunity and the resulting resentments and frustrations will be accentuated.

The need is not for a pattern of integrated housing. It is for equal opportunity to secure decent housing. The difficulties in achieving this are considerable. Most of the available city land is already occupied and the cost of clearing slum property for new low-rent housing is practically prohibitive without Government assistance. The pressure for expansion of overcrowded Negro areas is so great that when an opening occurs, the pent-up Negro demand pours into the new neighborhood and the white residents usually flee in panic. The Negro's need for an alternative to blockbusting as a way of securing housing must be met just as the legitimate interests of white neighborhoods on the edge of Negro expansion areas must be protected. To achieve both these results and relieve the pressure of the present Negro concentration, new housing opportunities available to Negroes on all levels of income must be opened in the metropolitan area generally; slum clearance and the construction of new housing must take place in the central city.

The development of adequate and sound programs to achieve such equal opportunity to decent housing is urgent. The Commission found that a number of existing city, State, Federal, and private programs are contributing to this. It offers the following specific findings and recommendations as a further contribution to the necessary public understanding and action.

City and State laws, policies, and programs

Findings: In New York City, as in Pittsburgh and in four States—Colorado, Connecticut, Massachusetts, and Oregon—there are far-reaching laws against discrimination in the sale or rentals of multiunit housing, and all publicly assisted housing. In New York State, as in 12 other States, there are laws against discrimination in publicly-

assisted or urban renewal housing. Officials and community leaders in New York testified that these laws are having a valuable educational effect and that their enforcement, principally through mediation by the city commission on intergroup relations and the State commission against discrimination, is helping to promote equal opportunity in housing.

In Atlanta, the work of the mayor's west side mutual development committee, representing equally the Negro and white people in the area of the city undergoing the greatest racial transition, has served to replace blockbusting and reduce racial tension and violence by means of expanding Negro residential areas through negotiation and consent. This has enabled Negroes in Atlanta, unlike those in most American cities, to gain access to good outlying land and to build new suburban neighborhoods.

In Chicago, which has neither New York's laws against discrimination nor Atlanta's policy of negotiating agreements for Negro expansion, the Commission found that the Negroes' primary method of securing better housing was through the mutually unsatisfactory system of blockbusting, with the consequent uprooting of adjacent white neighborhoods and with inevitable racial tension and occasional violence.

On the basis of its hearings in these three cities the Commission finds that, whatever the particular approach adopted, some official city and State program and agency concerned with promoting equal opportunity to decent housing is needed. Such programs and agencies can bring about better public understanding of the problems and better communications between citizens. Whether or not cities or States are prepared to adopt antidiscrimination laws, and even in areas where racial separation is the prevailing public policy, it is possible that through interracial negotiation practical agreements for progress in housing can be reached. Where public opinion makes possible the adoption of laws against discrimination in housing, this might contribute significantly to the work of the agency promoting equal opportunity in housing. Then the agency would have legal support in its efforts at mediation and conciliation.

Recommendation No. 1: The Commission recommends that an appropriate biracial committee or commission on housing be established in all cities and States with substantial nonwhite populations. Such agencies should be empowered to study racial problems in housing, receive and investigate complaints alleging discrimination, attempt to solve problems through mediation and conciliation, and consider whether these agencies should be strengthened by the enactment of legislation for equal opportunity in areas of housing deemed advisable.[2]

Overall Federal laws, policies, and programs

Findings: The Federal Government now plays a major role in housing. Its participation in slum clearance, urban redevelopment, public housing and mortgage loan insurance amounts to billions of dollars. The Constitution prohibits any governmental discrimination by reason of race, color, religion, or national origin. The operation of Federal housing agencies and programs is subject to this principle. In addition there is in effect an act of Congress adopted in 1866 and re-enacted in 1870 that recognizes the equal right of all citizens, regardless of color, to purchase, rent, sell, or use real property.

While the fundamental legal principle is clear, Federal housing policies need to be better directed toward fulfilling the constitutional and congressional objective of equal opportunity. Mr. Norman Mason, the Administrator of the Housing and Home Finance Agency, who is responsible for coordinating the various housing programs of the constituents of HHFA, testified before this Commission that he intends to develop policies that will further promote the principle of equal opportunity in all these housing programs. The Commission finds that there is much that the Administrator of the HHFA can do, through careful and determined administration, to assure that the principle of equal opportunity in Federal housing programs is applied not only in the top policies but at the operating levels in each constituent agency.

Because of the paramount national importance of this problem the Commission finds that direct action by the President in the form of an Executive order on equality of opportunity in housing is needed. The order should apply to all federally assisted housing, including housing constructed with the assistance of Federal mortgage insurance or loan guarantees as well as federally aided public housing and urban renewal projects.

There have been such Executive orders calling for the application of the principles of equal opportunity and equal treatment in the fields of Government contracts and Government employment, and in the armed services. Instead of establishing a new Presidential Committee, as was done in these other Executive orders, the President could request the Commission on Civil Rights, if its life is extended, to conduct the necessary continuing studies and investigations and make further recommendations.

Recommendation No. 2: Therefore, the Commission recommends that the President issue an Executive order stating the constitutional objective of equal opportunity in housing, directing all Federal agencies to shape their policies and practices to make the maximum contribution to the achievement of this goal, and requesting the Commission on Civil Rights, if extended, to continue to study and appraise the policies of Federal housing agencies, to prepare and propose plans to bring about the end of discrimination in all federally assisted housing and to make appropriate recommendations.

Recommendation No. 3: That the Administrator of the Housing and Home Finance Agency give high priority to the problem of gearing the policies and the operations of his constituent housing agencies to the attainment of equal opportunity in housing.

FHA and VA

Findings: The present policy of the Federal Housing Administration and the Veterans' Administration is not to do further business with a builder who has been found in violation of a State or city law prohibiting discrimination. However, waiting upon the appropriate State or city agency to make a finding of violation of State or city law may result in Federal assistance to a builder who is openly or manifestly evading such law. By the time any State or city action against such a builder has been completed the projects may well have been built and sold or rented on a discriminatory basis.

Recommendation No. 4: Therefore, the Commission recommends that, in support of State and city laws the Federal Housing Administration and the Veterans' Administration should strengthen their present agreements with States and cities having laws against discrimination in housing by requiring that builders subject to these laws who desire the benefits of Federal mortgage insurance and loan guaranty programs agree in writing that they will abide by such laws. FHA and VA should establish their own fact-finding machinery to determine whether such builders are violating State and city laws, and, if it is found that they are, immediate steps should be taken to withdraw Federal benefits from them, pending final action by the appropriate State agency or court.

Public housing

Findings: The location of sites for public housing projects and the kind of housing provided play an important part in determining whether public housing becomes almost entirely nonwhite housing, whether it accentuates or decreases the present patterns of racial concentrations, and whether it contributes to a rise in housing standards generally. A policy of "scatteration" of smaller projects throughout the whole metropolitan area may remedy some of the present defects of public housing.

Public housing projects can serve as schools for better housing and home keeping. A large number of the tenants are recent migrants from rural areas, unprepared for urban life. Placing them in decent housing units and requiring that decent standards be maintained will help them make a successful adjustment to city life. Locating these projects in better neighborhoods and making them less institutional in appearance will add to this educational process.

As a result of the large number of nonwhites in need of low-cost housing and the tendency of whites to avoid living in the midst of a nonwhite majority, many projects are all or predominantly nonwhite. This may result in a proportion of nonwhite occupancy higher than that actually required under the Public Housing Administration's "racial equity" formula based on the estimated needs of the two racial groups. In one city the Commission found that the location of public housing sites within areas of Negro concentration resulted in *de facto* discrimination against low-income white citizens.

Recommendation No. 5: Therefore, the Commission recommends that the Public Housing Administration take affirmative action to encourage the selection of sites on open land in good areas outside the present centers of racial concentration. PHA should put the local housing authorities on notice that their proposals will be evaluated in this light. PHA should further encourage the construction of smaller projects that fit better into residential neighborhoods, rather than large development of tall "high rise" apartments that set a special group apart in a community of its own.

Urban Renewal

Findings: City and private programs of slum clearance, conservation, and redevelopment, assisted by Federal aid from the Urban Renewal Administration, are changing the face of the nation. Since nonwhite residents comprise a large proportion of the persons displaced by these programs and since nonwhites do not have equal opportunity to housing, it is important that special needs and problems of the nonwhite minority receive adequate and fair consideration in all such programs.

Recommendation No. 6: Therefore, the Commission recommends that the Urban Renewal Administration take positive steps to assure that in the preparation of overall

[2] Commissioners Hesburgh and Johnson wish to add that in line with the Commission's recommendation for biracial committees it would be helpful if all real estate boards admitted qualified Negroes to membership. In view of the important role real estate boards play in determining housing policies and patterns throughout a community, they believe these boards are not merely private associations but are clothed with the public interest and that the constitutional principle of nondiscrimination, applicable to all parts of our public life, should be followed. With white and Negro realtors meeting and working together, misunderstandings could be cleared up and there would be greater possibility of solving racial housing problems through negotiation, understanding, and good will.

community "workable programs" for urban renewal, spokesmen for minority groups are in fact included among the required citizens participation.

SUPPLEMENTARY STATEMENT ON HOUSING

(By Vice Chairman Storey and Commissioners Battle and Carlton:)

We yield to no one in our good will and anxiety for equal justice to all races, in the field of housing as elsewhere. A good home should be the goal of everyone regardless of color, and the Government should aid in providing housing in keeping with the means and ambitions of the people. Government aid is important where public improvements have displaced people and where slums become a liability to the community. This does not mean, however, that the Government owes everyone a house regardless of his ambition, industry, or will to provide for himself. When generosity takes away self-reliance or the determination of one to improve his own lot, it ceases to be a blessing. We should help, but not pamper. But there remains, and is, a financial limit beyond which the Government cannot go.

In dealing with the problem of housing, we must face realities and recognize the fact that no one pattern will serve the country as a whole. Some parts of the foregoing report are argumentative, with suggestions keyed to integration rather than housing, and if carried out in full will result in delay and in many cases defeat of adequate housing, which is our prime objective. The repeated expressions, "freedom of choice," "open housing," "open market," and "scatteration" suggest a fixed program of mixing the races anywhere and everywhere regardless of the wishes of either race and particular problems involved. The result would be dissension, strife, and even violence evident in sections where you would least expect it.

To use it is not only wise but imperative that biracial committees be set up in different sections to provide areas for adequate housing in keeping with just requirements for the people involved. This can be done; it is being done in different sections such as Atlanta, Ga., in keeping with the wishes of both races. This responsibility, however, must be met in a positive, courageous, and constructive manner in keeping with the requirement at the local level.

SUPPLEMENTARY STATEMENT ON HOUSING

(By Commissioners Hesburgh and Johnson:)

While the Commission has not had time to consider many important aspects of the complicated housing problem in view of its primary attention to investigation of alleged denials of the right to vote and to studies in the education field, three points that were much under discussion in the Commission's housing hearings in our opinion deserve special attention.

(1) Relocation of persons displaced by federally aided projects: The Commission has found that nonwhite Americans constitute a high proportion of those displaced by urban renewal programs (and, it should be added, by federally aided highway programs), and that such nonwhites are severely restricted in their housing opportunities. We believe that, in addition to the recommendation of the Commission that in the preparation of local workable programs for urban renewal there be adequate nonwhite participation, other measures should be taken to assure that the human side of slum clearance and redevelopment is given adequate attention.

For instance, the Federal-aid highway program, which is displacing an increasing number of urban residents and is often being used to clear slums, has no provision requiring that displaced families be rehoused in accordance with specific standards, nor is any financial assistance provided for their relocation. While property owners receive compensation for property condemned, the problem of relocation arises largely in urban areas where those displaced, many of them tenants who receive no compensation have great difficulty finding, or cannot find, decent, safe, and sanitary dwellings within their means.

In the urban renewal program, on the other hand the act of Congress requires that "decent, safe, and sanitary dwellings" be available at rents and prices within the financial means of the displaced families, either in the urban renewal area itself, or in areas "not generally less desirable." However, the Commission received evidence that such housing for relocation is in some places not in fact available.

President Eisenhower has said that steps must be taken "to insure that families of minority groups displaced by urban redevelopment operations have an opportunity to acquire adequate housing." It seems to us essential that all the Federal agencies take such positive steps to assure that these minimum human requirements of slum clearance and redevelopment are in fact met by local communities.

While the Federal-aid highway program should not be turned into a housing program, the act should be amended to provide that in any urban area where any substantial number of low-income persons are to be displaced by the construction of a Federal-aided highway, the locality must incorporate the highway program in its urban renewal program, and the relocation requirements and standards of the Urban Renewal Administration must be met in regard to all such displaced persons, or the localities must otherwise see that decent, safe, and sanitary housing is available to such persons.

(2) Racial patterns in urban renewal: As President Eisenhower has also said, the Federal Government must "prevent the dislocation of such [minority group] families through the misuse of slum clearance programs." In the Commission's housing hearings there were allegations that urban renewal programs are being used in some instances for "Negro clearance" and that either new patterns of segregated neighborhoods are being created or existing patterns of segregation are being substantially accentuated. With the nonwhite citizens' participation in planning urban renewal at the local level which the Commission has recommended such questions should be raised at an early stage. In addition, we recommend that communities' "workable programs" and specific urban renewal projects be examined by the Urban Renewal Administration and the Housing and Home Finance Administrator to assure that no community is using Federal urban renewal assistance to accomplish such results. Examination of each urban renewal project in this light will require the services of persons of special competence in the field of intergroup relations.

(3) The shortage of low-cost housing: The studies and hearings of the Commission have shown that progress in remedying the lack of opportunity to decent housing by nonwhite Americans depends in large part upon progress in overcoming the general housing shortage for lower income Americans. This is also directly connected with relocation and urban renewal. Slum clearance and urban redevelopment are necessary but they require the provision of decent low cost housing for those displaced. President Eisenhower has said that the Government will "encourage adequate market financing and the construction of new housing for such families on good, well located sites."

In the absence of better answers, it seems imperative that the present programs of urban renewal, public housing, home mortgage insurance, and assistance, including the voluntary home mortgage credit program, be continued on a sufficiently long term basis to make sound planning by local housing authorities possible. Beyond this, most officials, housing experts, and industry leaders testified that further efforts must still be undertaken to encourage the construction and sale of decent low-cost private housing.

The Commission did not try to make specific recommendations in these areas that require expert knowledge, but we would like to stress the importance of this being done and of sound measures being put into effect by those who are so competent.

In view of the testimony in Atlanta and Chicago that the ceiling on section 221 (low cost relocation housing) mortgage insurance is too low for new housing in urban areas and in view of the recent action of Congress in approving an increase in the permissible amounts of FHA mortgage insurance, including an increase in the ceiling on section 221, consideration should be given to raising the section 221 limitations to levels consistent with the cost of new housing in urban areas. Consideration should also be given to proposals made by leaders of the housing industry in the Commission's hearings for the reduction of the cost of financing housing for lower income residents, including proposals for special mortgage assistance through the Federal National Mortgage Association and for direct loans such as those provided at 3⅛ percent interest for 40 years in the college housing program of the Community Facilities Administration.

Without trying to appraise particular proposals, it can be said that programs to overcome the housing shortage for lower income Americans are not luxuries but are essential needs of the Nation.

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PART SIX: GENERAL STATEMENTS BY COMMISSIONERS

Statement by Commissioner Theodore M. Hesburgh

I should like to explain my personal position on the basic issues of this report and, especially, on those recommendations which were not unanimous. May I say, at once, how deeply I respect the persons, the convictions, and the judgments of all my distinguished fellow Commissioners, and may I frankly disavow, for myself, any personal claim to ultimate wisdom in these difficult questions of prudential judgment. One can only, in good conscience, do his honest best.

In appraising admittedly thorny situations in the various areas of civil rights examined by the Commission, one must be guided by his own general philosophical and theological convictions. I believe that civil rights were not created, but only recognized and formulated, by our Federal and State constitutions and charters. Civil rights are important corollaries of the great proposition, at the heart of Western civilization, that every human person is a res sacra, a sacred reality, and as such is entitled to the opportunity of fulfilling those great human potentials with which God has endowed every man. Without this spiritual and moral concept of the nature and destiny of man, our political philosophy is meaningless, bankrupt, and defenseless in the face of the opposite philosophy of man that stalks the world today.

I begin, then, with the proposition so well enunciated in our Declaration of Independence, that all men are indeed created equal. Equality, however, is not the same as egalitarianism, for all men are not created with equal intelligence, equal ambition, equal talent. But all men are entitled to an equal opportunity to exercise and develop whatever intelligence, ambition, and talent they possess. Ultimately, the full flowering of the democratic process depends upon the full

development of all the various human talents existing in the Nation.

As I read American history, the unfolding story of our Nation centers about the often agonizing attempts to achieve the fullness of human dignity through the ever-widening application of that equal opportunity which has best characterized America in the family of nations. Deep and often dark emotions have been aroused by the discussion of integration and segregation, but anyone who really understands the majesty of the "American dream" cannot fail to see in our history that equality of opportunity for all men has been our most valid response to the inherent and God-given dignity of every human person.

I firmly believe that if all Americans are given the equal opportunity to be educated to the full extent of their human talents, equal opportunities to work to the fullness of their potential contribution to our society, equal opportunity at least to live in decent housing and in wholesome neighborhoods consonant with their basic human dignity, and, moreover, equal access to housing and neighborhoods as befits their means and social development, and, finally, equal opportunity to participate in the body politic through the free and universal exercise of the franchise, then the problem of civil rights for all Americans will eventually solve itself, to the end that America, and the human dignity of all Americans, will be the richer for this solution.

The growth of equal opportunity on this fourfold front of voting, education, work, and housing is the full and unavoidable price of completely eliminating second-class citizenship across the face of America. The civil rights problem differs, of course, from place to place, but it would be difficult, if not impossible, to find any section of America where all of these equal opportunities flourish in their fullness. And there are localities in America today where not one of these four opportunities exists for nonwhite Americans.

Several myths impede a reasonable approach to a solution. Perhaps the most basic is the myth of white superiority: That any white man is, simply by reason of his being white, superior to any nonwhite man. Apart from the philosophical, theological, and scientific absurdity of this myth, it is best disproved in practice. Deprive any white man, however talented and ambitious, of the equal opportunity to become educated; to work as befits his education, ambition, and talent; to live in a decent house and neighborhood; deprive him of the opportunity of participating in the political process; continue this total deprivation for his children and his children's children, and then see how superior he, his children, and his grandchildren are. On the other hand, open up such equal opportunities to nonwhites and their children, and see how many of them will begin to excel. This is not a distant speculation. It is already happening here and abroad.

A lesser corollary of this myth of white superiority is to say that the nonwhites are not ready for equal opportunity. Yet, if nonwhites are to be eternally denied the opportunity, they will never be ready, and the problem becomes eternally insoluble. There must be a beginning to every solution.

No full-fledged solution is possible unless the fourfold equal opportunity mentioned above is considered to be indivisible. If the nonwhite American is granted one equal opportunity, say, education, and then denied the choice of a job and a house commensurate with his education and achievement, the inner core of his motivation for self-improvement is destroyed. If he achieves education, professional status, and the vote—three equal opportunities possible in some sections of America—and still is constrained from living where his heart desires and his means and achievement permit, then the stigma of second-class citizenship is still visited upon him and his family. I see no answer to this total problem unless human judgments and evaluations be made by reason of the quality, not the pigmentation, of the human person.

No one is so naive as to imagine the complete and overnight realization of equal opportunity on this fourfold front for all Americans. But, on the other hand, no one who really believes in full-fledged citizenship for all Americans should delude himself today regarding the true personal price involved in achieving it. The price will be nothing short of heroism in certain areas. Because of the deep emotional overtones of this problem, and its existence in every phase of American life, no American can escape taking a stand on civil rights. No American can really disengage himself from this problem. Each of us must choose to deepen the anguish of the problem, by silence and passivity, if nothing more, or must take a forthright stand on principles that give some hope of eventual solution.

There have been and will be reasonable differences of opinion regarding the nature and timing of practical solutions. But prudence, patience, good will, honesty, and compassion must be among the ingredients of all hopeful solutions. I pray that our differences of opinion may not divide us; that the basic principles of human dignity may be asserted by all; and that respect for the sacred reality of every human person may be central to all solutions.

* * * * *

Now for the specifics. The Commission's voting recommendation No. 5, for the appointment of temporary Federal registrars in cases of voting discrimination, is an attempt to assure qualified voters of equal opportunity to vote in the next Federal election, an opportunity now denied many. I have gone beyond this, together with Chairman Hannah and Commissioner Johnson, to propose an amendment to the Constitution that as a long-range solution would, clearly and simply, assure all Americans the equal opportunity of free and universal suffrage in all elections. The American dream would thus at last become a political reality, and America could then validly proclaim to all the world that we have full faith in the democratic process, without equivocation, chicanery, or subterfuge. To me, this is the final answer to the problems we have studied in the field of voting.

In education, again I have associated myself with Chairman Hannah and Commissioner Johnson in calling for consistency in the three powers of the Federal Government. The judiciary has outlawed compulsory segregation, and yet legislative programs and executive agencies continue to grant millions to institutions of higher learning which in practice disregard the supreme law of the land. Solutions are admittedly more difficult and complicated in the area of elementary and secondary education. But higher education is a mature and sophisticated domain, the birthplace of our future leaders, the alma mater that is ready, I believe, as the Armed Forces were, to grant immediate full opportunity to all Americans who qualify to enter this domain. I favor equal opportunity to obtain Federal educational subsidies that strengthen all our institutions of higher education in this country, both public and private. But the reception of these public funds should be conditioned by the equal opportunity of all the public to enjoy the educational benefits they provide, insofar as any American is qualified educationally, not racially, to enjoy them. Any other arrangement allows the various branches of Government to work at cross-purposes, and places an undue burden on the judiciary alone. Moreover, I am personally convinced that the intelligent and mature leaders of higher education, administrations and faculties alike, are ready for this forthright admission of equal opportunity in this most sensitive segment of our Nation—our colleges and universities, both public and private.

Finally, in the field of housing, perhaps the most difficult of all areas, I have associated myself with Commissioner Johnson in several conclusions beyond those unanimously adopted by the Commission. Again, the use of public money for the benefit of all, equal opportunity, is the cardinal principle. How to do this practically, in a world of admitted prejudice, is the nub of the problem. It does not appear revolutionary to insist that, when the most needy members of our society—those with the presently poorest housing and the lowest income—are displaced by Federally-assisted slum clearance, urban redevelopment, or new highway programs, they be given opportunity to find decent, safe, and sanitary housing elsewhere, within their means, and not be dumped into already overcrowded racial ghettos. It does not seem inconsistent with the testimony we have heard to suggest that local and State laws might lead the way in those communities that pride themselves on equal opportunity. However, it would seem inconsistent with equal opportunity if Federal funds are used in a discriminatory manner, either to confine nonwhite Americans to a certain area of the city, generally less desirable, or to circumscribe Federal assistance in new private housing almost entirely at the whim of builders for white Americans. Also, it seems unfair that federally assisted hospitals and airports have different facilities for different classes of American citizens.

While Federal laws and policies may and should illuminate the ideal of equal civil rights for all Americans, it is fairly obvious, from the varying and nationwide dimensions of the problem, that only State and local leadership, wise and courageous, patient, compassionate, and understanding, will eventually bring the ideal to greater reality throughout our Nation. It is in this sense that legislation alone will not solve the problem, and that ultimate solutions must come, as the President has said, from individual minds and hearts. But law, defining the goals and standards of the community, is itself one of the great changers of minds and hearts. In this democracy, law points the way toward ultimate freedom and justice, for all Americans, everywhere in our land. Equality under the law has long been a cherished American ideal. May it ever become, more and more, a proud American reality.

Statement by Commissioner George M. Johnson

While my service as a member of the Commission has been relatively short, I have been involved in its studies from the beginning as director of the Office of Laws, Plans, and Research. Some of the points I make in this supplementary statement arise from my desire to make the Commission's recommendations more fully responsive to the findings of those studies. It is our duty to recommend measures that are equal to the problems disclosed by our factfinding. I would like to have had more time to discuss some of these points further with my fellow Commission members. However we may disagree on certain matters of timing and principle, I respect each one's judgment.

The problems which Congress assigned to this Commission for investigation, study, and appraisal relate generally to the American constitutional promise of equal justice under law for all citizens. Implicit in this promise is the democratic goal of equal opportunity for all citizens. Under our Constitution the power and responsibility to implement and fulfill the constitutional promise and the goal are shared by the Federal Government; State and local governments, and the people. This Commission was asked by the Congress to study and appraise the Federal Government's role in

exercising its power and discharging its responsibilities in this regard.

A crucial element in such a study and appraisal is the extent to which the Federal Government may be found to be participating, directly or indirectly, in activities contrary to the goal of equal opportunity. The elimination of all Federal policies and practices falling in this category is, in my view, a matter of prime importance and requires immediate remedial action by the executive and legislative branches of the Federal Government.

Prompt and effective measures to eliminate such practices should be undertaken, even though some citizens may be inconvenienced temporarily. For this reason I have recommended the withholding of Federal funds in aid of education at the primary and secondary levels, as well as those in aid of higher education, wherever the policies and practices of the institutions involved are not in accord with the constitutional principle of equal protection of the laws. Since 1954, compulsory racial segregation in public schools has been unconstitutional. It is time to require as a condition of further Federal assistance to any such school or school district that there be some indication of good-faith compliance with the constitutional requirement of desegregation with all deliberate speed.

The achievement of equal justice under the law and equality of opportunity should not be left to the Federal judiciary. The legislative and executive branches of the Federal Government also have basic responsibilities to secure and protect the constitutional rights of all citizens. The public interest is not best served if private citizens and organizations are left to vindicate constitutional rights of national significance through litigation in the Federal courts. The development of public law should not be left primarily to private litigation.

The void created by inaction on the part of the legislative and executive branches of the Federal Government must be filled with positive and constructive measures designed to remove from all Federal policies and practices any semblance of inconsistency with the mandate of the Constitution. Where necessary, laws should be enacted to accomplish this result.

Experience has demonstrated that laws are necessary to implement fundamental constitutional principles and that they are effective in areas of intergroup conflict. Laws restrain those few who will not respect the rights of others. They also have an educative value for the community as a whole. In this way laws help to change the hearts and minds of men by changing some of their practices and by keeping them ever mindful of the goals toward which a free people dedicated to equal justice under law and equal opportunity for all citizens must strive.

Accordingly, in my view, there is great merit in the often proposed legislation to broaden the powers of the Attorney General to seek injunctive relief in civil rights matters. Such legislation would provide the executive branch of the Federal Government with additional power to correct flagrant abuses of the rights of some American citizens. Unfortunately, the shortness of time and the pressure of its activities precluded the Commission from exploring the need for such legislation. However, my appraisal of the areas of study selected by the Commission, and particularly of the problem of effecting school desegregation, has convinced me of the necessity for and the efficacy of such legislation.

While I believe that laws consistently and effectively enforced are necessary to secure and protect the civil rights of some American citizens, they constitute only a portion of what is required if equal justice and equal opportunity are to be attained throughout this Nation. There is as great a need for leadership.

Neither in their enactment nor in their enforcement will laws of themselves provide real and lasting solutions of the most controversial problems of civil rights facing this Nation. The need is for enlightened and constructive leadership capable of devising practical programs consonant with constitutional principles and of rallying the American people to the cause of justice for all citizens.

The Federal Government should take the lead in this task. It should seek to bring together leaders of both races who in good faith could explore ways and means to reduce tensions, create better understanding, increase respect for law and order, and organize the resources of the Nation in a concerted effort to eradicate within the foreseeable future inequalities based on race, color, religion, or national origin. I believe that within our Nation such leadership exists and that when marshaled and fully utilized it will be capable of meeting the present crisis in civil rights.

Finally, I would say that while no one man or group of men has the solutions of these complex problems, by approaching them with moral conviction and resolute courage we can take the necessary and proper steps toward full realization of the goal of equal justice under law and equal opportunity for all American citizens.

Statement by Commissioner John S. Battle

I have stated my objections to certain specific recommendations contained in the report.

In addition thereto, and without in any way impugning the motives of any member of the Commission, for each of whom I have the highest regard, I must strongly disagree with the nature and tenor of the report. In my judgment it is not an impartial factual statement, such as I believe to have been the intent of Congress, but rather, in large part, an argument in advocacy of preconceived ideas in the field of race relations.

STATEMENT BY SENATOR EASTLAND

Late last week the Commission on Civil Rights issued a 38-page printed document entitled "Excerpts From Report of the U.S. Commission on Civil Rights, 1959."

I opposed the creation of the Civil Rights Commission in 1957 for a number of reasons, which I stated during the debate on the floor in 1957. My opposition to the Commission then is now justified after examining the excerpts from the Commission's report. It will be recalled that those who were arguing the creation of this Commission stated over and over again that this body was to be purely a factfinding commission and that its primary responsibility would be to gather facts. The then Attorney General, Mr. Brownell, emphasized that the purpose of the Commission is to provide "a full scale public study to bring out the facts and to unite responsible people of good will in a common effort to solve these problems."

I ask any fair-minded person, after reviewing the outline of the Commission's report as it has been sent up to us, if it is, first, a factfinding report, and second, if it is such a study which would unite responsible people of good will in a common effort to solve these problems. Quite to the contrary, in my judgment, it will not.

As I read it, this report will do more to create dissension among the races than any document I have ever seen produced by an instrumentality of our Government. A respected member of the Commission, the Honorable John S. Battle, stated:

"I must strongly disagree with the nature and tenor of the report. In my judgment, it is not an impartial factual statement such as I believe to have been the intent of Congress but rather, in large part, an argument in advocacy of preconceived ideas in the field of race relations."

I agree wholeheartedly with Commissioner Battle. This is not an impartial, factual statement as was to be expected when Congress created this Commission. The ideas expressed and many of the recommendations proposed by this Commission flaunt the Constitution and the long established decisions of our Supreme Court.

These excerpts present first, what are called Commission recommendations, and second, proposals (by one to three Commissioners).

These so-called Commission recommendations and proposals are the most radical, extreme, unreasonable, far-reaching and nation-destroying propositions I have ever read. They cause me great concern for the safety, the welfare, and the future of our States and Federal Government. I am concerned not only about the contents of these recommendations, but I am equally concerned because of such ideas being advanced by a governmental commission.

In my judgment, these excerpts demonstrate that certain members of the Commission have exceeded the powers and duties conferred upon them and the clear intent of Congress, as contained in the 1957 Act creating the Commissison. I am sustained in this assertion by certain members of the Commission.

All of the recommendations are either unnecessary, unwise or unconstitutional and contrary to the basic theories of the organization and operation of our State and National Governments. All proposals call for a destruction of and complete change in the basis principles of our Republican form of Government under which the States and this Nation have operated since 1788.

Many of the recommendations and proposals, in my opinion, could only have been equalled by mutterings from The Kremlin. I feel that when Khrushchev arrives in this country next week and hears about these recommendations, he will feel completely at home, and probably will find himself in substantial agreement with the ideas advanced in this report.

If certain of the so-called recommendations and proposals are carried out in form or spirit, then this indestructible union of States will be in jeopardy.

The Commission is composed of six members: John A. Hannah, president of Michigan State University; Robert G. Storey, Dallas, Tex., dean, Southern Methodist Law School; John S. Battle, former Governor of Virginia; Doyle E. Carlton, former Governor of Florida; Rev. Theodore M. Hesburgh, president, Notre Dame University; and George Johnson, former employee of the Commission.

No proposal is approved by a majority of the Commission. There are three proposals. Two of them, one for a constitutional amendment to establish universal suffrage, are proposed by Commissioners Hannah, Hesburgh, and Johnson. It is violently opposed by Commissioners Battle, Storey, and Carlton. The second proposes to withhold funds from any public or privately owned and operated college or university which does not mix the races. This was first proposed, I believe, by Representative ADAM CLAYTON POWELL, of New York. It is here opposed by Commissioners Battle, Carlton, and Storey. In opposing this idea they stated that their "staff studies were directed toward * * * public and secondary schools, not private schools upon any level, and not institutions of higher education, whether public or private."

Commissioner Johnson proposes to withhold such Federal funds from any public elementary and secondary State-operated school which does not mix the races, but he is not joined in this by any of the other five Commissioners.

No single recommendation has the approval of all Commissioners. Commissioner

Battle dissents pointedly from many of them and generally the entire report. Commissioners Storey, Carlton, and Battle express views contrary to the recommendations dealing with education.

Commissioners Storey, Battle, and Carlton dissent from the premise and the conclusions in the housing recommendation. They interpret the recommendations on housing to say that the "Government owes everyone a house regardless of his ambition, industry, or will to provide for himself," and they, Commissioners Storey, Battle, and Carlton, deny this.

Six of the basic principles upon which this Nation was founded and has operated since the adoption of the Constitution of the United States in 1788, are:

(1) A union of several sovereign political entities, States, for common purposes;

(2) Division of legislative, executive, and judicial powers between the Federal Government and the States; the Federal Government is solely one of delegated and enumerated powers; the States and their people are the holders of all power not delegated to the Federal Government;

(3) The State and Federal Governments operate within their spheres as set out in the Constitution upon all persons and property within the territorial limits of the Nation;

(4) The States and Federal Government each have their own spheres of law enforcement and executive and judicial power;

(5) The Federal Government is supreme over the States only in the spheres and as to matters delegated to it by the States and the people of the States;

(6) Citizenship in and of the United States; citizenship in and of each State.

Many of the so-called recommendations and proposals of the Civil Rights Commission, if accepted and enacted into law, would create an astounding similarity to certain sections of the Constitutions of the Soviet Union and its satellite Latvia, and also Yugoslavia, which is a Communist state.

From page 793 and 794 of the 1959 printed hearings of the Civil Rights before the Constitutional Rights Subcommittee of the Senate Judiciary, we find the provisions of the Russian, Latvian, and Yugoslavia Constitution quoted and which are:

RUSSIAN CONSTITUTION

"Article 123 of the U.S.S.R. Constitution provides that:

"Equality of rights of citizens of the U.S.S.R., irrespective of their nationality or race, in all spheres of economic, government, cultural, political, and other public activity is an indefeasible law."

LATVIAN CONSTITUTION

"Article 95: The equality of rights of the citizens of the Latvian S.S.R., regardless of their nationality and race, in all branches of economic, state, cultural and social-political life is an unalterable law."

YUGOSLAVIA CONSTITUTION

"Article I: Any limitation of rights, or the granting of any concessions or privileges to citizens of the F.P.R.Y. on the grounds of difference of nationality, race or religion, which contravene the constitutional principles of equal rights for all citizens and people and fraternity and unity of the peoples of the F.P.R.Y., shall be punished under this law."

I suggest you keep the above provisions in mind as you read and study these excerpts. You be the judge of whether there is any similarity.

The entire tenor of the proposals which represent the thinking of Commissioners Johnson, Hesburgh, and Hannah, and some of the recommendations, do, in my opinion, bear down to this objective: To bring about mixing and amalgamation of the races in this nation in every aspect of its life. The vehicles of education and housing are chosen on which to bring this about, together with certain phases of the voting recommendations. Many of the recommendations and the proposals which are opposed by Commissioners Battle, Carlton, and Storey seek to make the members of the colored race a specially privileged group, giving to them privileges not permitted to the members of the white or any other race.

Incidentally, in connection with housing, a most remarkable theory is advanced by Commissioners Hannah, Johnson and Hesburgh, and I refer you to page 171 of the Excerpts. The theory there announced is that no "nonwhite American families" should be required to live in "secondhand houses"; that the Government owes a house to everybody, and particularly members of the nonwhite race. They say, substantially, if you give a man a new house to live in, you make him a different man.

The proposed constitutional amendment is thus:

"ARTICLE XXIII

"Section 1

"The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State or by any person for any cause except inability to meet State age or length-of-residence requirements uniformly applied to all persons within the State, or legal confinement at the time of registration or election. This right to vote shall include the right to register or otherwise qualify to vote, and to have one's vote counted."

This amendment is, in language and intent, contrary to the basic purpose and intent of the Constitution of the United States under which the Federal Government leaves to the States the determination of who shall be qualified electors for the most numerous branch of their State legislature and then selects these persons as those who are qualified to vote for Senators and Representatives in Congress. See article I, section 11, clause 1, and section III, clause 1, as amended by the 17th amendment.

Under this proposed Amendment all idiots, insant persons, paupers and criminals, who are not in "legal confinement" may vote provided they are citizens of the United States and meet the State-set requirements of residence and age. Thus we will have a Government selected in part by idiots, insane persons, paupers, illiterates, and criminals, who are not in "legal confinement."

This proposed amendment also goes to the extent of wiping out all State laws which impose any requirements to become a qualified elector except age, and length of residence, and citizenship of the United States.

Such a proposal in my opinion should shock the conscience of any American.

This proposed amendment would nullify the laws of 39 States which prohibit idiots and insane persons from registering or voting. It would nullify the law of 43 States which prohibit persons who have been convicted of a felony or infamous crime from voting. It would nullify the laws of 8 States which prohibit paupers from voting. It would nullify the laws of 22 States which have other provisions disqualifying persons from voting on other grounds. It would nullify the laws of 19 States which require a literacy test of electors.

The Federal Government would be controlling the qualifications of State offices and State electors for those State offices.

If such a preposterous idea had ever been advanced during the Constitutional Convention of 1787, the Members would have recoiled in horror, and the Constitution of the United States would never have been brought into being.

This proposal is so ridiculous as to be insulting to the intelligence of Congress and the citizens of this Nation.

Commissioners Battle, Carlton, and Storey strongly condemn this proposal. Pages 95 and 96 of the excepts.

Further, as to voting after laying a fallacious and unsound premise, pages 91–93 of the excepts, five of the Commissioners, with former Governor Battle, strongly dissenting, proposed substantially the following:

A startling, invalid and ridiculous proposal dealing with registration and voting for presidential electors and Senators and Representatives whereby among other things all control over the qualifications, registration, and voting for those offices be withdrawn completely from not only the States, but the courts, Federal and State, under startling circumstances, and in the place of the courts substitute the Civil Rights Commission.

In substance, this so-called recommendation No. 5, provides:

"Whenever nine persons 'in a district, county, parish, or other recognized political subdivision of a State, swear that they believe themselves qualified under State law to be electors, but have been denied the right to register because of race, color, religion or national origin, and place such affidavits in the hands of the President of the United States, they can then destroy the control of the States and the courts over registration and voting for these offices. They can make the President of the United States act. Upon such affidavits being received by the President, he shall refer them to the Civil Rights Commission; and upon receiving them, the Commission shall investigate the allegations, and if they find that any of the affidavits are "well-founded affidavits," they shall certify them to the President and to such temporary registrar as he may designate.

Upon receipt of such certification the President shall appoint any Federal officer or employee in the area from which such complaints are received, as a temporary registrar. This registrar then shall take over and administer the State qualification laws—determine who are qualified electors and who are not under the State laws; the persons the registrars find qualified will then be given a certificate entitling them to register and vote for the offices of presidential electors or Senators or Representatives; such registrar shall certify to the State registration officials the names of the persons he finds so qualified; the State authorities would be absolutely bound to let those persons vote in any, or all, elections, for said offices; and the registrar shall continue in office until the President decides that it is no longer necesary to keep him.

This is equally as preposterous, and in some respects, even worse than, the proposed constitutional amendment. Under this recommendation, all that is required to completely divest the State authorities of any control over the qualifications of electors is for nine people to believe that they are qualified under State law to be electors and to believe that they have been denied the right to register because of race, color, religion, or national origin. That is the sole, and only criteria. If the Commission finds that they believe as aforesaid, then comes the Federal registrar. The issue is not, and could not be, under the proposal, whether they are in fact qualified or whether they have been in fact and in law, qualified, or whether they have been in fact and in law, denied the right to register for said reasons.

The courts are powerless to act. Full authority is vested in the Civil Rights Commission. The President of the United States does not have any discretion. He is made merely the errand boy of these nine persons and the Civil Rights Commission.

It is clear to me and should be to everyone that even the sponsors of this recommendation realize and know that now under

the Constitution of the United States this proposal is grossly void and unconstitutional.

Mr. JAVITS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. For what purpose does the Senator from New York desire the floor?

Mr. JAVITS. So that I may speak for 1 minute.

Mr. MORSE. I yield to the Senator from New York for 1 minute.

Mr. JAVITS. Mr. President, I regret very much that there should be such vehemence about the matter of desegregation in the public schools, which we are discussing, but it does not faze me a bit. If it did, I think it would be a triumph for the very negation of the Constitution of the United States against which I protest.

So long as the State of New York pays 20 percent of the taxes of the United States, which include millions upon millions of dollars which go to every one of the Southern States which in terms of the Supreme Court's decision in the Brown case are flouting the Constitution every day, and so long as New York's millions have shed their blood in the defense of this whole country——

Mr. THURMOND. Mr. President, I invoke rule XIX. The Senator from New York stated that the Southern States are flouting the Constitution. I deny that South Carolina is flouting the Constitution.

The PRESIDING OFFICER. Under the rule, the Senator from New York will take his seat.

Mr. MORSE. Mr. President, I move that the Senator from New York be permitted to proceed in order.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from New York will proceed in order.

Mr. JAVITS. I shall be through in just a minute. So long as the people of New York, more than 16 million strong, have shed their blood in the defense of the United States of America, and so long as the people in a great Civil War saw fit to affirm the very values which are put in issue here; to wit, that we are a Nation, not a collection of miscellaneous States—just so long, I shall carry on. I am certain that many others in this body, with dignity and with complete respect for the sincerity of those who argue the other way—will strive with me in the humble effort to provide legislation which can be lived with by men and women who have had social customs with which many of us disagree—and I think the great majority of the people of the country disagree, and have disagreed for many, many years. So long as it is necessary to give them every opportunity to accommodate themselves to what is required by our Constitution and the modern world.

It is not a very pleasant occupation, and I promise I will not get so vehement about it as perhaps some other persons. But, Mr. President, I feel, in deep conscience, and in pursuance of my oath as a Senator of the United States, that I shall carry on.

I am grateful to the Senator from Oregon for yielding.

Mr. EASTLAND. Mr. President, will the Senator from Oregon yield for 1 minute?

Mr. MORSE. I yield, provided I do not lose the floor.

Mr. EASTLAND. Mr. President, Mississippi, South Carolina, and other Southern States do not flout the Constitution. We have harmony. We have racial amity. We will not permit any State or any section where rape, murder, theft, and other crimes are widespread in the educational system, according to the press, as they are in some States, to dictate the educational system of our section of the country.

God knows, we are free men, and we are going to stay free. We will not be dictated to by New York or any other group.

I have evidence, from Government public housing reports, of the horrible conditions which exist in New York's interracial housing. I shall make those reports available to the Senate in the very near future.

TRIBUTE TO SENATOR MARGARET CHASE SMITH OF MAINE

Mr. KUCHEL. Mr. President, will the Senator from Oregon yield me not to exceed 1 minute, with the understanding that he will not lose the floor?

Mr. MORSE. I yield for that purpose.

Mr. KUCHEL. Mr. President, a few minutes ago, by a yea-and-nay vote, the Senate acted on the bill to extend the Agricultural Trade Development and Assistance Act of 1954. This was the 700th consecutive rollcall which the distinguished senior Senator from Maine [Mrs. SMITH] has answered.

I pay tribute to Senator SMITH. Her accomplishment is a mark of the zeal which ever motivates her public labors and the indefatigable devotion to the public trust which is present in her every act.

I rather imagine that to have stood up and be counted 700 consecutive times is a unique record. The people of Maine may be proud of the record of their senior Senator. The Senate is.

On this occasion, on behalf of all my colleagues, I am most happy to pay my respects to a very gallant and a most gracious Senator, as we observe this additional evidence of her high devotion to the public trust.

Mr. MORSE. Mr. President, the statement by the distinguished Senator from California simply illustrates again my wonderment about the phenomenon called coincidence, because his remarks about the distinguished senior Senator from Maine [Mrs. SMITH] are in line with something I was about to say before he asked me to yield, and without my even knowing the purpose of his request.

When I put this rose in my lapel this afternoon, it was, of course, symbolic of my intention to speak at some length tonight in case it became necessary to do so. But, Mr. President, it is obvious now that it will not be necessary for me to speak at any great length. Therefore, I shall conserve my energies for another day.

I have taken the rose from my lapel. I would not want to leave it there because to do so would be notice to the Senate, so long as it stayed there, that I intended to speak at length.

I, too, would like to join in paying tribute to Senator SMITH, because each day she graces the rose by wearing one. That is a great honor to the rose; and, of course, the rose does great honor to her graciousness and beauty, and to the affection in which she is held in the Senate. But I hope she will not be embarrassed or will not take offense if I ask a member of the Senate staff to see to it that the rose is delivered to her, or if I ask that a page boy deliver it to her. She will be found in the family gallery of the Senate at this time. I send this beautiful rose to her with my compliments for the great record she has made in the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 8609) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. GRANT, Mr. GATHINGS, Mr. ALBERT, Mr. THOMPSON of Texas, Mr. HOEVEN, Mr. BELCHER, and Mr. MCINTIRE were appointed managers on the part of the House at the conference.

KLAMATH COUNTY PUBLIC WELFARE COMMISSION'S VIEWS ON THE FOOD STAMP PLAN

Mr. MORSE. Mr. President, there came to my attention shortly after the conlusion of the debate on the Public Law 480 amendments an excellent letter addressed to me by the Klamath County Public Welfare Commission. This letter expresses strong support of the food stamp plan. I ask unanimous consent that it be inserted at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KLAMATH COUNTY PUBLIC WELFARE COMMISSION,
Klamath Falls, Oreg., August 25, 1959.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: Local publications reveal that the House of Representatives has passed a bill making surplus commodities available to recipients of public assistance and low income families on a food stamp plan. We would like to ask you, as a Member of the Senate, to give this bill your most careful consideration when it comes before you.

The Klamath County Public Welfare Commission has been vitally interested in the

distribution of surplus commodities to recipients of public assistance and low income families as a supplement to the amounts we are able to budget for family food purchase. We have conducted a thorough investigation of the distribution under the present plan. Our investigation has revealed that the only commodities which would be regularly available would be white flour, rice, corn meal, and dried skim milk. The nutritive value of these commodities, weighed against the cost of distribution, seem to make the present plan impractical.

Again, we wish you to strongly consider the food stamp plan when it is presented to you. The State Public Welfare Commission tells us from their experience a food stamp plan is a much more practical plan for the distribution of surplus commodities.

Very truly yours,

EVERETT E. METLER,
Chairman, Committee on Surplus Commodities.

SENATE PROCEDURE

Mr. MORSE. Mr. President, I turn now to another matter.

I had anticipated that the Senate would hold a rather long session today. At least, such was the expectation. Today we were confronted with a unanimous-consent agreement over which I had no control, because it had been entered into rather early last week, which applied to proposed legislation which thereafter became the pending business of the Senate. When that measure became the pending business today, the unanimous consent continued to apply to it. Since I was confronted with a unanimous-consent agreement today; I acommodated myself to it.

However, I wish to say it will be the last unanimous-consent agreement my colleagues will experience for a long, long time—at least, the last one which will be entered into while I am on the floor.

I had announced that if there were an intention to continue to try to do business on this Labor Day, I would speak at great length honoring the institution of Labor Day. But, as I have indicated, I shall not do so now.

I shall make a very brief speech honoring Labor Day. But before I turn to it, I wish to restate my parliamentary position and the reason for following the parliamentary course of action I have followed.

There are three reasons why I intend to continue to follow my parliamentary course of action, criticism to the contrary notwithstanding.

FIRST REASON FOR LEGISLATION SLOWDOWN

It is a mistake for the Congress to adjourn on the eve of the arrival in the United States of the Premier of Russia. As I stated earlier, I was not a party to the invitation to him to come to the United States; and, as I also said before, he would not have been invited that way, if my wishes had been followed. Instead, he would have come to the United States—if, as, and when he came—as a member of an official United Nations' delegation to the United Nations headquarters in New York City, along with the heads of all other states, for the purpose of discussing the great threat to the peace which confronts the world, for the purpose of having the heads of the states—of all nations, large and small—try to reach some honorable understanding which would make it possible to remove, once and for all, the terrible threat of a nuclear war.

I have been heard to say before, and repeat now, the problem of working out a lasting peace is not a matter to be settled by Great Britain, France, the United States, West Germany, and Russia; instead, it must be settled by all the nations of the world, because all the nations of the world have a stake in the great issue of peace or nuclear war.

The President decided on another course of action in regard to an invitation to the Premier of Russia; he decided upon the course of action—as he had a perfect right to do—of extending to the Premier of Russia an invitation to visit the United States.

Mr. President, I am proud of our American democratic institutions. I am proud of our system of self-government, composed at the Federal level of three independent branches of the Government—the executive, the judiciary, and the legislature. I am proud to have the leaders of those countries, from totalitarian areas of the world, observe the operation of self-government as it is administered through these three independent branches.

Sincere men can differ as to the implications which they think are involved; but I hold to the point of view that it would be a great mistake for the Congress not to be in session when the Premier of Russia arrives in this country. I believe we should hold ourselves ready, in session, to be of any service we might be to the President and the State Department, in extending to them any courtesies of protocol which they might find—and who knows now what the developments may be—would be of help to them in extending a protocol reception to the Premier of Russia.

As I said the other day, speaking as a member of the Foreign Relations Committee, my own, personal view is that it would be a very good thing—if it met with the pleasure of the executive branch—to have the Premier of Russia appear before the Senate Foreign Relations Committee, as did the Deputy Premier, Mr. Mikoyan, and as did Mr. Kozlov, later—for a discussion and a period of questions and answers. I recognize that there are honest differences of opinion among us in regard to that.

But be that as it may, one of the reasons why I believe the Senate should not adjourn sine die on the night of Saturday, September 12, is that from the standpoint of the best possible foreign relations around the world, I believe the Congress should be in session. This would avoid even the remotest basis for any propaganda to the effect that the Congress was guilty of impoliteness of conduct or lack of protocol, despite our professions that we are ready to meet people with ideas contrary to our own.

We should make it clear to the world that we are ready to meet even Khrushchev in accordance with such requests as the President and the State Department might make of us.

SECOND REASON FOR DELAY IN ADJOURNMENT

Second, I do not believe Congress should adjourn on the evening of Saturday, September 12, because, in my opinion, Congress could not adjourn then without being guilty of rushing through and steamrollering through, without giving adequate consideration to, and without having adequate debate on, even the proposed legislation which apparently the leadership contemplates having considered before the adjournment.

That leads me to point out—as I have done in the past, but I wish to reiterate it at this time—that I note that the press continues to seek to give the impression that the course of action I am following is being followed just because I find myself in conflict with the majority leader, because while I was off the floor of the Senate for 2 or 3 minutes, the other day, the majority leader obtained Senate approval of a proposed unanimous-consent agreement to limit debate on the housing bill veto matter.

But, Mr. President, that was only an incident; it was only a small part of the problem which confronts me.

I have made very clear that I do not think a unanimous consent agreement should be entered into—particularly when it is known that a Member of the Senate holds the views which I hold toward unanimous-consent agreements—until a quorum call has been had or until there has been given to any Senator who holds very definite views on unanimous-consent agreements—as I do—notice that it is planned to request an entering into a unanimous-consent agreement.

As I said the other day, no rule requires it; but in the instance, I am discussing I did what every Senator has a right to do; I used procedure commonly used, to have the majority leader notified that I was opposed to a unanimous-consent agreement to limit debate on any issue.

Finding that the request that I had asked to be transmitted to the majority leader had not been honored—although the majority leader says he was not aware of it—I thought it important to make clear that I intend to protect my parliamentary rights in the future.

However, I wish to make clear that I think the unanimous-consent procedure has been abused in the Senate. The Senate has almost reached the point where its business cannot be conducted except by unanimous-consent agreement.

In my judgment, it is leading to many evils for the Senate. It is changing, really, the nature of this body from the body which was designed by our forefathers to be a deliberative, debating body. The Senate was designed as a body where men's minds would be made up on the floor of the Senate by evidence and facts, where men's minds would be changed here during the course of debate on the basis of the evidence, rather than by way of commitments and understandings made on the floor of the Senate.

I believe it is the best interest of the United States that we return to the early, historic purpose of the Senate, namely,

that it be a deliberative body where decisions are reached here on the floor of the Senate.

As I said before, we all know what happens when we permit a unanimous-consent agreement to limit debate in the Senate and to fix a time certain to vote. It brings this body to an end, for all intents and purposes, as a deliberative body. Therefore, I repeat the notice I served the other day: It is going to have to be a very rare situation, an extraordinary situation, that will cause me to give unanimous consent to limit debate and fix a time certain to vote.

THIRD REASON FOR DELIBERATE ACTION PRIOR TO ADJOURNMENT

My third reason is that I think the public interest demands that we stay here beyond September 12 to consider a whole series of very important items of legislation which the Congress owes it to the American people to vote upon before adjournment.

I speak most respectfully, but the time schedule will speak for itself. When I think of the slow bell, when I think of the easygoing way we function around here, from the standpoint of a time schedule, for weeks, Mr. President, in the early part of this session, I am not the least bit moved now by any urging that we ought to speed up.

The Senate needs to adopt some common sense rules of procedure. I have advocated a set of procedural reforms for the Senate of the United States since 1947. I take only a moment to give the broad outlines of them tonight. We would not get into this great speed-up situation at the end of each session of the Senate if we had some rules of procedure which provided for orderly consideration of business from the first day the Senate convened in January of a given year on through to final adjournment.

It just is not common sense for us to be holding the Senate in session when committees are also in session, usually with 5 or 10 men here on the floor of the Senate, day in and day out, week in and week out. We all know it certainly does not make a good public impression.

It was in 1947, I believe, when I first proposed what we ought to do is try to agree upon a sensible business schedule, an orderly time schedule, for running the Senate.

I suggested we agree that in the first part of the session the Senate convene at 9 o'clock in the morning, run to about 12:30, and take up again at 2 o'clock, giving us an hour and a half for lunch, and continuing in session to 5 or such time thereafter as we might decide, in our judgment and wisdom, to continue in session that day.

Mr. President, this custom of having the Senate in session while we rush down to the dining room, eat under great pressure and haste, come back up, only to ask, "What happened when I was away? What happened during the lunch hour?" makes no sense. A high school debating society knows better than to try to run itself in that way.

I also suggested that that schedule be adopted, for the first part of the session, for Mondays and Wednesdays; and that committees meet on Tuesdays, Thursdays, Fridays, and Saturdays for those who might wish to meet on Saturdays, with the understanding, of course, that if an emergency situation should develop, the leadership could call us into floor session.

Then, Mr. President, I have suggested that, as the session gets older and the committees start completing their work, the Senate meet on Mondays, Wednesdays, and Thursdays, and that the committees meet on Tuesdays and Fridays, until finally we get down to the point where usually a committee would need only 1 day of the week.

Be that as it may, Mr. President, I think it is important that we try to modify our time schedule in the Senate so as to avoid this "great, mad rush" at the end of each session of Congress. It has been my observation, as the result of my 15 years of service in the Senate, that those are the days when one needs to be on guard against bad legislation.

It is also my observation that unanimous-consent agreements have a tendency to make bad legislation worse, because too frequently one finds himself limited and handicapped by a very strict unanimous-consent agreement which simply does not provide the time necessary, when some unexpected point is raised with respect to the merits of some issue, to discuss thoroughly the proposal.

I should like to stress this point, Mr. President, because I think many do not understand this particular reason for the course of action the Senator from Oregon is following. Mr. President, I reflect upon no one. I stated only my personal feelings about this matter.

I have tried to be cooperative in the Senate. I will not take the time to detail my acts of cooperation, but they are legion. Yet I have been a little disappointed, Mr. President, at the frequency with which the Senator from Oregon from time to time has found himself on rather the short end of the stick, so to speak. I was very much disappointed by what took place in the Senate earlier this year, since there was no great emergency facing the Senate at the time. Through no fault of our own, but because we were not protected procedurally, several of us missed important votes on a tax bill.

I had been appointed by appropriate officials of the Senate, along with several of my colleagues who are members of the subcommittee of the Senate Committee on Foreign Relations which deals with American-Canadian affairs to conduct official business in Canada. The same problem confronted the members of some subcommittees of other committees who also went to Canada at the time of the St. Lawrence Seaway opening. In my case, Mr. President, I went to that opening as incidental to the main purpose of my trip to Canada. I went there as a working member of a working subcommittee of the Committee on Foreign Relations assigned to the task of meeting with a subcommittee of the Canadian Parliament to consider officially, as Government business, some of the perplexing problems which exist between Canada and the United States.

Mr. President, I simply took it for granted that since we were going on the official trip at least pairs would be arranged—or, better still, since there was no reason in fact, on the basis of any emergency legislation pending before the Senate, that on that particular day the Senate would not be in session.

I am speaking about the matter publicly, although I will say, Mr. President, there are others who have had some rather definite things to say about it off the floor of the Senate.

I was completely surprised that we were not given the parliamentary protection I think we were obviously entitled to have; either live pairs on our votes, or, since it would have been more appropriate, a recess of the session during that day, because there were a great many Members of this body who were absent on official business that day.

Those things happen. One takes a look at the situation and one says to oneself, "It is about time for me to start protecting myself on my parliamentary rights."

In my judgment, Mr. President, those of us who made that trip on official business of the Senate, appointed by the leadership of the Senate to perform that function for the Senate and for the Government, were entitled to a little better parliamentary treatment than we were subjected to on that occasion.

I cite that only as one example. There are others I could cite. I do not intend to belabor the RECORD tonight, but I will cite the cases whenever the matter becomes an issue, I assure Senators.

PROTECTION OF PARLIAMENTARY RIGHTS

Mr. President, when one is a liberal in this body one needs to keep in mind the lesson I learned a very short time after I first came to this body in 1945. I have said this on another occasion. I learned the lesson from the great liberal who was then sitting in this body, Robert M. La Follette, Jr., of Wisconsin. To me, he was known affectionately as "Young Bob." I grew up with him as a boy; in fact, I showed ponies against him as a boy year after year at the Dane County fairs in Wisconsin.

On the occasion to which I refer, I had just made my first major speech in the Senate. In the speech I made a plea for some general welfare legislation, because I happen to hold to the point of view, as a liberal, that the primary function of this Government of ours is to promote the general welfare of the people. That is what this Republic was set up to do, and I think the constitutional fathers made it perfectly clear in the great organic law they wrote.

After I finished that speech "Young Bob" came up to me, and I shall never forget the lesson he taught me. He said, "You marked yourself today as a liberal. There will be those in the Senate who will do what they can to make things tough for you in the Senate. My suggestion to you is that you familiarize yourself with the rules of the Senate and do what every liberal must do—protect your parliamentary rights. If you do not protect your parliamentary rights you will find yourself taken advantage of and in difficulty many times."

I wish to say to my present liberal colleagues in the Senate, Mr. President,

that is a lesson they need to learn also, if they have not already learned it.

The history of liberalism in the Senate is the history of the days of the great liberals whose footsteps we cannot fill, albeit we can do our best to try to walk in the imprints they have left on the carpet in this great Chamber. History shows that those liberals stood together in respect to the protection of the parliamentary rights of any one of them, because they recognized it might be one today and another tomorrow who would need protection. They recognized, Mr. President, that even though they might, as liberals, disagree on the merits of some substantive legislative issue, there was one point on which they had better not be found in disagreement, which was the point of protecting the parliamentary rights of each one of them.

Mr. President, the rules were written in the rules of the Senate, in my judgment, to protect minorities in the Senate from the conduct of a majority which sought at any time to trample upon the rights of the minority.

These rules were written into the rules of the Senate, Mr. President, to prevent "steamroller tactics," to assure full debate, and also to give the country time to reflect upon the merits of any issue which is pending before the Senate and to be heard from before the final vote is taken.

Consider, for a moment, the most recent veto of the housing bill. It so happens that I think the veto message of the second housing bill raised a series of problems far beyond the significance of a housing bill itself. It raised some great questions of political science. The liberals in this body ought to have pondered long as to the course of action to be followed when confronted, as we have been confronted, with a series of vetoes by the President. These vetoes are rapidly turning the Congress of the United States into a legislative body by veto. I am afraid it is true that too much of our legislation is now being compromised and adjusted and trimmed to comply with threats of a veto. I do not think, Mr. President, there is any justification at any time for changing one's course of action in regard to passing legislation simply because somebody says, "If you leave that in, the bill is going to be vetoed."

I do not believe in legislating under threat, Mr. President, although I believe that the President has the constitutional duty to carry out his veto power when in his conscience he believes he ought to do so. It is one of the great checks of the Constitution.

We have the duty as Senators to pass legislation which we think ought to be passed in the public interest. If the President wishes to veto it, he has the right to do so, and we have the duty then to consider whether or not there is merit in his veto. If there is merit in the veto, we should modify our language accordingly, but if there is not, we should try to override the veto. If we cannot override, we have the duty to repass the legislation if we still think it is as good as when we first voted on it, and to send it back to the President and let him take a second thought and a second look at it.

"Oh," it is said, "but that could go on indefinitely." No, Mr. President, because the time comes when we make a final decision, and if we think the legislation is still meritorious, we take it to the people. We let the people decide at the ballot box at the first opportunity what the course of action shall be. Let the people decide whether the President or the Congress shall be vetoed. Be that as it may, the point I am making is that this session of Congress has demonstrated over and over again that we have not been passing the legislation which we really believe to be the legislation we ought to pass. Too often we have been passing legislation by yielding to the threat of a veto. I do not think the American people in 1958 elected an overwhelming majority of Democrats to Congress to function that way legislatively.

So, Mr. President, this point is involved, too, in the position which I have taken in protecting my parliamentary rights in the Senate and in urging a go-slow program here in the closing days until we can take a long, hard look at some of the legislation which the people of the country have a right to have us pass before adjournment.

NEEDED LEGISLATION

Let me name some of that legislation.

First, I think we ought to pass minimum-wage legislation. We have pending before the Senate Committee on Labor and Public Welfare a set of amendments to the minimum-wage law. The subcommittee has reported it. I have the honor to be a member of that subcommittee, whose chairman is the Senator from Massachusetts [Mr. KENNEDY].

Mr. President, I am one of two cosponsors in the Senate, along with Representative ROOSEVELT in the House, of this set of minimum-wage modification proposals. I ask unanimous consent that there be incorporated in the RECORD, without my taking the time to read it, a summary analysis of S. 1046, the minimum-wage amendment bill of which Senator KENNEDY and I are coauthors, which was introduced in the House by Representative ROOSEVELT. I ask that the summary analysis of this bill be incorporated at this point in my remarks.

There being no objection, the summary analysis was ordered to be printed in the RECORD, as follows:

Summary analysis of S. 1046 as reported from Subcommittee on Labor

PRESENTLY COVERED EMPLOYEES

1. For presently covered employees (24,300,000) the new rate will be $1.15 an hour the first year and $1.25 an hour thereafter.

NEWLY COVERED EMPLOYEES

	Estimated number employees covered
1. Retail and retail-service industries:	
(a) Annual gross sales below $750,000: $1 per hour effective 18 months after enactment; no overtime requirement	3,598,000
(b) Annual gross sales above $750,000: Wage and hour coverage according to following schedule	4,400,000

Effective date	Hourly rate	Overtime after (hours)
1st year	$1.00	46
2d year	1.10	44
3d year	1.20	42
4th year	1.25	40

2. Laundries:	
(a) Annual gross sales less than $250,000: $1 per hour 18 months after enactment, no overtime coverage	300,000
(b) Annual gross sales more than $250,000 or 15 percent sales to commercial customers: same scale as 1(b) above for retail-service over $750,000 sales	170,000

NEWLY COVERED EMPLOYEES—continued

	Estimated number employees covered
3. Local transit: Same schedule as retail-service 1(b) above	102,000
4. Construction, annual sales of $50,000 or more: Same schedule as retail-service 1(b) above	1,331,000
5. Seamen: Seamen on American-flag vessels: Same minimum wage coverage as 1(b) above, no overtime coverage	100,000
6. Telephone operators: Switchboard operators, except those with switchboards in homes, according to schedule 1(b) above	43,000
7. Fish processing: Grants wage-and-hour protection to all employees in the fish processing industry according to schedule in 1(b)	32,000
8. Logging: Applies present wage-and-hour exemption to logging operations employing 8 or fewer employees; present cutoff is 12 employees	40,000
9. Establishments some of whose employees are already covered by the act: Coverage as in 1(b) above	615,000
Total	10,731,000

10. Other changes:
Motor carriers and pipeline employees now covered by minimum wage provisions are given maximum hour protection.
Puerto Rican and other workers whose minimum wage rates are set by industry wage committees would have their present rates increased by 15 cents per hour.
Tips would be included in computation of wages.
Nonprofit hospitals, educational and other eleemosynary institutions are not covered.
Processing of agricultural commodities has been extended a limited overtime exemption during the peak season in lieu of a complete overtime exemption during such period.

Mr. MORSE. Mr. President, on March 25, 1959, I engaged in a radio broadcast with Senator KENNEDY in regard to the main features of our minimum wage bill. I ask unanimous consent that what we said on that occasion be inserted in the RECORD at this point.

There being no objection, the radio broadcast was ordered to be printed in the RECORD, as follows:

RADIO BROADCAST, MARCH 25, 1959, SENATORS MORSE AND KENNEDY ON LABOR REFORM AND MINIMUM WAGE

Senator MORSE. Fellow Oregonians, I am delighted to have as my guest on the broadcast today Senator KENNEDY, of Massachusetts. I want to say that one of my prides in the Senate is that I can call Senator KENNEDY friend because he is a warm personal friend and I have a very high regard for him. I think he is one of the great statesmen in America today. Senator KENNEDY, as you know, was the author last year of the labor bill that passed the Senate but

failed to pass in the House of Representatives. Once again this year, he is the author of the labor reform bill which is known as the Kennedy-Ervin bill and I am proud to be one of the cosponsors of this bill. In fact, I am proud to be one of the cosponsors of the Kennedy minimum wage bill. That is known as the Kennedy-Morse bill. Before this program is over, I hope Senator KENNEDY will make some comments on that bill but in this broadcast I want him to stress the Kennedy-Ervin bill and tell what its purposes really are. Senator KENNEDY, it's a great pleasure to have you on this program with me.

Senator KENNEDY. WAYNE, I'm delighted to be on here and to talk to the people of the State from which you come. Every trip I've made to your State has been as your guest so that I'm delighted to once again have an opportunity through you to visit your State.

Senator MORSE. Well, I'm pleased to have you as my guest this morning, and will you proceed now, Senator, to tell the people of Oregon what we're trying to accomplish in the Kennedy-Ervin bill this year.

Senator KENNEDY. Well, I think in a general way we're attempting to make it unprofitable for racketeers and hoodlums and those who prey off the labor-management movement of this country to continue. We're anxious to strengthen the labor movement in this country. We're not anxious under the guise of reform to pass legislation which will weaken labor's position at the bargaining table. Rather we're attempting to make it an honest and responsible union and attempting to provide by Federal legislation that the principles of the ethical practices code of the AFL–CIO will become national law.

Senator MORSE. Senator, I have been saying to the people of Oregon as I've discussed your bill that what we seek to do is place penalties on wrongdoers who have wormed their way into positions of union leadership and have betrayed the trust that they owe the membership of the union, rather than pass a piece of legislation that seeks to penalize the membership of the union. For example, in our bill, the Kennedy bill this year, we again provide that the penalty shall be on the individual wrongdoer rather than to deny to the union its rights before the National Labor Relations Board because it has discovered that it has some union official that has betrayed its trust. Would you comment on that?

Senator KENNEDY. Well, I think that the chief distinction between the administration Goldwater bill and the bill which we have sponsored has been in the penalties. We provide that it would be necessary, for example, for all union officials to disclose how they deal publicly with the money which is entrusted to them. If they make a false report or they do not report, or if they destroy the records or mutilate them on which an honest report would be based, then they are subject to criminal penalties. The Goldwater bill would provide that, in addition to the union officer who is guilty of being subject to a criminal penalty, the union members themselves who are guiltless in this case would be denied the use of the National Labor Relations Board in order to protect themselves against unfair labor practices, and so forth. This seems to me to be totally unfair and I think it represents a spirit along with other amendments which indicate that the cry for reform is being used as a means of lessening the rights of honest union members rather than merely pinpointing penalties against the wrongdoers.

Senator MORSE. Well, I want to say to this Oregon audience that Senator KENNEDY has stood out against attempts to substitute for his bill legislation that would penalize unions rather than penalize the wrongdoers within unions and in our argument in committee, I use by way of analogy this argument. Would the administration supporters agree to passage of legislation that would deny to a corporation, for example, its rights before the courts of this country because it was discovered that it had some corporation official that had proved to be a crook? Of course, at once the administration leaders on the committee agree that you couldn't do that to a corporation but they still wanted to deny unions rights before the National Labor Relations Board because it might be discovered that some racketeer had worked into some union. Senator KENNEDY is deserving of great credit for standing out against that kind of legislation.

Senator KENNEDY. I think the punishment should fit the crime and I think in our bill, it does.

Senator MORSE. Do you think, Senator, it is fair to say that your bill seeks to carry out a principle of good government, namely that full public disclosure helps clean up a lot of bad doings within a democracy and that your bill is really a public disclosure bill, for example, of the use of union funds, the sources of income, any evidence of conflict of interest within the union? We're making a public record required under this bill so that the individual union members can get from the Department of Labor the facts in regard to the operation of their union. Do you think that is a fair analysis of your bill?

Senator KENNEDY. That's right. And then by providing that there shall be secret elections for union officers and that there shall be full protection to various candidates to put themselves forward, that there shall be adequate notice of meetings, that there shall be protection against reprisals. We give the union members the right to exercise their democratic rights. I think it might be worth while to very quickly indicate the major provisions.

Senator MORSE. I wish you would.

Senator KENNEDY. One is to provide for the disclosure of uses to which union moneys are put. Secondly, we provide a prohibition, as you suggested, against a conflict of interest where a union leader may own a piece of a company with which he is bargaining collectively on behalf of the employees. Three, we prohibit employers from paying off union leaders in order to get a contract and substandard wages. Fourth, we provide for secret elections and for democratic procedures within the unions at regularly appointed times. And then we make it impossible for felons to come out of prison and assume positions of importance and responsibility within the union movement. Next, we provide a limitation of 18 months on so-called trusteeships by which an international union can seize control of the assets and the organization of a local union and thereby maintain a tremendous control over all the locals throughout the country. By putting a limitation of 18 months, we will provide a protection against this abuse. I would think that this is, as you have frequently stated, a bill of rights for union members. We can provide the framework. In the final analysis, we hope this will make it possible for the union members to exercise their rights and meet their responsibilities.

Senator MORSE. Senator, there's one phase of this bill I'd like to have you comment on because you were of great help to me in regard to an amendment I offered. It may not be the final form that our proposal will take but at least it's a step forward. Remember I told the committee the other day about a Salem, Oreg., businessman running a plumbing establishment who came into my office and pointed out that he couldn't get any help from the National Labor Relations Board because his case was one of these that the Board wouldn't take jurisdiction over. It was in the so-called no man's land area. Neither the State nor the Federal Government would take jurisdiction over the case. You will remember that I used that as an example in support of the amendment I offered which would authorize the National Labor Relations Board to delegate to the States jurisdiction over the cases that the National Board won't take jurisdiction over provided the State will set up a State labor relations board and that State labor relations board in regard to these so-called Federal cases will follow Federal standards. Would you tell this Oregon audience your opinion of at least the objectives of my amendment although you and I are agreed that we are going to perfect it when it gets to the floor of the Senate, if possible.

Senator KENNEDY. Well, one of the big problems in labor relations has been that there have been thousands of small employers and hundreds of thousands of working people who are so small, at least in their effect on commerce, that the National Labor Relations Board has refused to assume jurisdiction but that the States have not been able because it has been in Federal interstate commerce. These people have been in what is called, as you say, no man's land. Now the problem has been that some people have been reluctant to have the States assume jurisdiction because most States have been unable to do so. They have no State labor board and they don't want the Federal Government because it puts an overwhelming burden on the five-man National Labor Relations Board. Now you have in your amendment, I think, suggested the best solution. That is, we will permit these State boards to be set up and to exercise the principles of the national law in dealing with these cases. I think it represents a rather unique partnership between the State and Federal Government recognizing the basic rights of both and most importantly dealing with this problem of employers and employees in this area who have been denied this equal protection of the law. I have great hopes that your amendment will be accepted on the floor because I think it's the best of all the proposals, better than the one that I originally had in this bill, much better than the administration's, and I would think that this would perhaps be one of the most significant parts of this bill.

Senator MORSE. Well, I want to thank you for the great help you gave to me in regard to the amendment.

Now in the closing minutes of this broadcast, I'd like to have you tell the Oregon audience something about the Kennedy-Morse minimum wage bill.

Senator KENNEDY. Well, WAYNE, we're going to start now in the middle of April, having finished this job, on hearings on our bill to raise the minimum wage to $1.25 and extend the coverage of the minimum wage to 7 million people who are today not covered. I think you and I share the very strong conviction that no one should have to work in the United States for 40 hours, for today they have to work in many cases including my own area of New England, for less than $40. Now there are many millions of people, and most of them women, most of them working in rather large stores, who today receive less than $1 an hour for a 40-hour week. We want to bring them under the coverage of the minimum wage and we want to raise the minimum wage on those who are already covered and I think you and I are of the strong conviction that no American should have to work for 40 hours for less than $50 a week today.

Senator MORSE. What I think it means, Senator, is that you and I are such firm supporters of the private enterprise system that we're saying to American industry and the American people, our system of enlightened capitalism can afford a decent minimum wage for every person no matter what his occupation may be. Isn't that putting it rather straightly?

Senator KENNEDY. That is certainly correct and I think that we realize that it's impossible for any American to live in the way that we think they ought to live if you're going to pay them a wage of less than $45 or $50 a week. They endure and survive but they don't really live in the way we want them to live and I don't think anyone should continue in business, and make a profit, and serve the public while paying their people a substandard wage.

Senator MORSE. Well, I happen to know some of the evidence that's going to be brought before our committee and the American people are going to be surprised to discover that in some occupations not now covered by the minimum wage, the present wages are far below the $1 an hour. We are making progress. I remember back in 1939, I was chairman of the Paper Products Industry Board. In those days, you had a committee come to Washington and take testimony and then make a recommendation as to what the minimum wage should be and I remember that they were trying to justify in 1939, 25 cents an hour in some of the paper products plants of this country. So we have come a long way but there's still a way to go.

Senator KENNEDY. We're talking about big companies, not the corner store. We're talking about companies that have a business of a million dollars and there's no reason why they shouldn't pay a decent wage to Americans who work in their stores.

Senator MORSE. We were talking in that instance about the paper industry, for example. Well, in closing this broadcast, Senator KENNEDY, again I want to thank you and I want to say we want you back in Oregon soon. It's always a great pleasure for us to have you there and I am very happy to present this broadcast to the people of Oregon this coming week with you as my guest. This is WAYNE MORSE reporting from Washington, D.C. Until next week, at the same time, the same station, I bid you goodby.

Mr. MORSE. Mr. President, I think we should stay in session next week or the week after, if necessary, in order to take action in the Senate on minimum wage legislation.

I know the argument will be made, "But the House may not wish to take action." That is the business of the House. I do not think we should cut our legislative cloth in the Senate in order to fit the House. I think we ought to cut our legislative cloth in the Senate in order to fit the responsibilities of the Senate and let the House decide for itself.

Second, I do not think that we can justify adjourning without passing some civil rights legislation of substance. As we know, some legislation on civil rights is awaiting action in the Committee on the Judiciary. I think at least a great effort should be made to pass some civil rights legislation, and I think we ought to stay in session after September 12 to give consideration to that subject matter.

Third, we still have a housing legislation problem before us. It is awaiting further action at the present time in the Committee on Banking and Currency. It has had two Presidential vetoes. We should stay in session long enough to give thorough and not just superficial consideration to housing legislation.

Fourth, as I said on Saturday, but will not repeat at length today, I do not see how we can possibly avoid our responsibility of passing legislation in the field of education.

Mr. President, we cannot afford, in my judgment, to let the present educational situation in this country go unattended by way of Federal legislation. We ought to stay in session until we pass a Federal aid to education bill.

Fifth, I think we should give some consideration to the Humphrey resolution in regard to the World Court. As the record will show, for years and years I have taken the position that Arthur Vandenberg was right when in those great historic speeches, while he was chairman of the Committee on Foreign Relations or the ranking minority member of that committee, he said with his great eloquence that there is no hope for peace in the world until the nations of the world set up a system of international justice through law for the settlement of issues which threaten the peace.

There is pending before the appropriate committee of the Senate the Humphrey resolution on the World Court. It seeks to repeal the Connally amendment to the Morse resolution of 1945, which was a resolution I had submitted and which was adopted by the Senate, and which pledged our country to the compulsory jurisdiction of the World Court. The Connally amendment proposed that it should not apply to any domestic issue. It has always been my position as a lawyer that under international law it would not apply anyway to a domestic issue.

There is a legal argument as to whether or not the World Court has jurisdiction to determine the question of jurisdiction in the face of such a pledge of compulsory jurisdiction of the World Court. In my judgment it has. Any court has the power to determine its jurisdiction within the legislation of reference which sets up the court in the first instance. However, there are many people who think that the Connally amendment is a great handicap to the functioning of the World Court. I have never shared that point of view. Since that view is held by so many people, including many distinguished lawyers, I heartily support the Humphrey amendment which seeks to repeal the Connally amendment.

I believe we can settle that matter in not more than 2 days of debate in the Senate. I believe we ought to get it settled because it is one of the greatest appeals we have to the free nations of the world by way of proof that the United States of America seeks a peaceful course of action in the settlement of troublesome issues which threaten the peace of the world.

I wish to point out that in November in Australia the Commonwealth Parliamentary Conference will be held again. The United States will be invited as a guest. I have been advised by the Secretary General of that conference that one of the major topics of discussion will be the whole subject of the place of the World Court in the settlement of international disputes which threaten the peace of the world.

I should like to see our country in a position in that conference in November of being able to stand up proudly and say, "We have committed ourselves to the compulsory jurisdiction of the World Court, and we have made our commitment perfectly clear by repealing the Connally amendment."

Sixth, I believe we should take action before we adjourn on the plugging of tax loopholes, including amendments on (a) the 4 percent dividend credit; (b) the 27½ percent oil depletion allowance; (c) procedures for collection of taxes on interest and dividends at the source; (d) reexamination of tax advantages under the capital gains plan; and (e) nonlegitimate business expense deductions.

Seventh, I think we should take some action on unemployment compensation. There has been a considerable amount of legislation on that subject pending. If we really mean it, when we pass a resolution here, as we did a few minutes ago, with nice sounding phraseology of our high regard for American labor, the best way to manifest our high regard for American labor would be to do social and economic justice to American labor. Unemployment compensation legislation would do just that. We should stay in session until we pass it.

Eighth, farm legislation. What has happened to all the promises of the Democratic Party and those made in the Congress of the United States about what we were going to do in this session with respect to adequate farm legislation? I speak respectfully, Mr. President. The Democrats are going to have to go home to the precincts of their districts and their States without having made a record showing they have kept faith with their big, high-sounding promises about what they were going to do with respect to farm legislation. It is no answer to me to say, "With Benson still Secretary of Agriculture, if the Senate had passed such legislation, the President would have vetoed it anyway." I think that is probably true, but does that mean we should not have taken action? Does that mean we should substitute the President of the United States for the Congress of the United States? We should have passed some farm legislation, and we ought to stay in session until we do.

Ninth, we ought to pass a clean election law. We should do it this session. The 1960 election is coming. We Democrats made some promises about a clean election law, and we ought to pass some legislation on the subject.

Tenth, the constitutional amendment giving equal rights to women is before us. I see no reason why we should not face up to that subject and decide the matter one way or the other.

Eleventh, we have awaiting action the extension of the International Wheat Agreement Act of 1949.

Twelfth, juvenile delinquency legislation should be passed in this session.

Thirteenth, there is pending on the calendar some small business legislation that needs immediate action.

Fourteenth, water pollution legislation. This legislation is one of the most important domestic issues we have. It affects the welfare of the people in many areas of the country. People are suffering from pollution which could be

remedied by adequate antipollution legislation. We owe it to them to pass such legislation.

Fifteenth, legislation dealing with Federal contributions in lieu of taxes, as now pending on the calendar.

Sixteenth, the amendment to the Transportation of Explosives Act, which was reported the other day by the Senate Committee on Interstate and Foreign Commerce.

Mr. President, I speak with some feeling and great concern about this legislation. I talked about it at some length a few days ago on the floor of the Senate and urged action by our Interstate Commerce Committee. The Senator from Washington [Mr. MAGNUSON] is the author of the bill. I proposed immediate action on this legislation which the Senate once before, in an earlier Congress, passed. However, it became bogged down in the House of Representatives. Had a law on this subject been on the statute books, the probabilities are that the great catastrophe which occurred in Roseburg, Oreg., on August 7, might have been avoided. On that day many city blocks of Roseburg were devastated and a good many people were killed bacause a truck driver for a private concern, not a common carrier, parked his truck in the middle of the town and a fire occurred in the building next to it. The fire caused the truck, which was loaded with very highly explosive material, to explode, causing great damage. Such a catastrophe could happen in any town in the State of any Senator. The evidence is perfectly clear that if we adopt the same regulatory legislation for the handling of vehicles carrying explosives that we now require of interstate common carriers, we will greatly reduce the danger of a repetition of such an explosion as occurred in Roseburg, Oreg.

Seventeenth, I think we ought to debate—and I think there is a possibility of Senate approval—the constitutional amendment to repeal the poll tax.

Eighteenth, I think we ought to debate before we adjourn—and I believe there is a possibility we might obtain approval—the proposed constitutional amendment to give national representation to residents of the District of Columbia.

Nineteenth, I think we ought to give consideration to legislation to require disclosure of income from all sources by Members of Congress and the top executive officials of the Government.

Senators have heard me say before that in a democracy there is no substitute for full public disclosure of matters that involve the public interest. For years and years I have fought for public disclosure legislation requiring disclosure of the incomes of Members of Congress and other Government officials. I believe we should take some action on that measure.

Twentieth, legislation to expand timber access roads, a subject on which I have talked many times in the Senate, but which is particularly needed now in view of what is happening to some segments of the lumber industry.

Twenty-first, health insurance for the elderly as a part of the social security program.

Mr. President, I think we should discuss, debate, and, I hope, vote upon the Forand-Morse bill, which seeks to provide medical care to elderly people under the social security system. I do not think we should adjourn until we do so. Judging from my mail, there is no doubt about the fact that this proposed legislation has tremendous support across the country.

ACTION IMPERATIVE ON BILLS PENDING IN THE HOUSE

Then we have certain legislation which has passed the Senate but which is pending in the House. We ought to give the House adequate time to pass on this legislation. I understand from a reliable source that if we go forward with the rush program which is contemplated by a sine die adjournment on Saturday night, September 12, there is very little chance any of the legislation which we have already passed in the Senate will be considered in the House this year.

First, there is the District of Columbia home rule bill.

Second, legislation to relieve economically depressed areas.

Third, the Youth Conservation Corps bill.

Fourth, post-Korea GI benefit bill.

Mr. President, I do not want the impression to be formed by anyone that I think these are the only bills we ought to consider before we adjourn. Also I do not wish to leave the impression we should stay in session until each and every one of those bills is considered. I realize that would be unreasonable. But if the Senate remained in session another 2 weeks, we could handle a good many of them. If we stayed in session another 2 weeks, I think we would be demonstrating the determination on the part of the Congress to carry out the legislative rights and needs of the American people to the best of our ability, before we go home. We could then get our instructions from our constituents. Perhaps it would then be a good idea to come back the latter part of November and take up where we left off, and go on to finish the other pieces of legislation in the list of pending proposed legislation I have outlined.

THE LABOR DAY SESSION

I turn to the last subject matter I am going to take up. The majority leader today in discussing the meeting of the Senate on this Labor Day called attention to the historic record of the Senate in regard to meeting on Labor Day. He did not go back as far as I did in my speech in the Senate on September 5, which is to be found on page 18227 of the CONGRESSIONAL RECORD. Since the majority leader made his comments earlier today on this subject, I wish to repeat what I said the other day, for there can be no question about the facts of the statement I make.

Labor Day was established as a legal holiday in 1894. Since 1894 the Senate has been in session 19 times through Labor Day. On 19 occasions since 1894 the sine die adjournment came after Labor Day. But since 1894 the Senate has met on Labor Day only three times. The first time the Senate met on Labor Day was in 1913. The Labor Day meeting in that year was due to President Wilson's calling the 63d Congress into extraordinary session in April instead of waiting until December, when a new Congress ordinarily met. He told the Congress the 1912 election was a mandate they should act on promptly and not wait for more than a year.

The great debates of that period were on the creation of the Federal Reserve System and the Federal Trade Commission. This was the great progressive legislative program of Woodrow Wilson, which was then under consideration. Of course, at that time the President had some legislative problems too. A long session had been held, and it had been a highly controversial one. It was decided that the Senate should remain in session on that Labor Day in 1913, but the House of Representatives was not in session on that day.

In 1918 both Houses of Congress met on Labor Day. I do not believe I need point out to the Senate that in 1918 our Nation was in the midst of war, and it was highly desirable that the Senate meet on that Labor Day because of the war emergency which confronted the Nation. But no such emergency confronts the Nation on this day in 1959.

In 1942, the Senate met on Labor Day, again in the midst of war.

In 1945, the Senate took a recess from August 1 to September 5, and during that time the Labor Day holiday occurred.

So, Mr. President, by meeting on Labor Day the Senate has acted quite contrary to the general historic pattern of Senate precedent in regard to Labor Day. I respectfully submit that there is no emergency in this Nation today which justified the Senate's meeting. Let us be frank about it. We met today because of the great push to adjourn next Saturday night.

A better way in which we could have honored labor today would have been to be in recess, meeting with labor at the crossroads of America, to discuss some of the implications, for example, of what, in my personal view, was the unfortunate labor bill which was passed by Congress last week. It was a bill upon which we should have followed a different course of action. But I do not intend to permit to remain unanswered any allegation or representation to the American people that it was because of any emergency need that the Senate met in session today.

The only piece of proposed legislation which the Senate passed today—and that under a unanimous-consent agreement which was entered into early last week—was the agricultural food bill. This certainly could not be considered as an emergency measure which had, by all means, to be passed today, failing which some great harm would have befallen this Republic.

I think the holding of the session today, in view of the known commitments which some Senators had made, was

wrong. Some Senators kept those commitments and were not present today. I do not think it was fair to them to place them in a situation where they could not be here to vote, and thus cause them to blemish their voting records, as they have been blemished today.

I do not think it was either fair or reasonable that the Senate be held in session today, as it was. I objected to it. I have no apologies to make to anyone for exercising my parliamentary rights in following the course of action which I took, which limited the activity of the Senate, so far as the transaction of business was concerned, to the agricultural bill and to the adoption of the so-called labor concurrent resolution.

I believe a much more fitting tribute to organized labor should be made than that which is symbolized by the concurrent resolution which was adopted. Although I had intended to read, if necessary, from a series of great works, one book being entitled "Theory of the Labor Movement," by Selig Perlman, the second entitled "History of Trade Unionism in the United States," also written by Selig Perlman, and another, a three-volume work entitled "History of Labor in the United States," of which Selig Perlman was one of the coauthors, I shall not read from any of those works tonight.

However, I reserve the right to discuss this matter at a later date, when I think it will be just as appropriate, if I decide it is desirable to do so.

TRIBUTE TO PROFESSOR PERLMAN

I simply wish to say this about Selig Perlman. I gave a eulogy concerning him a few days ago, because only recently Selig Perlman, who I think is generally recognized by labor scholars in the United States as having been one of the three or four greatest labor economists of our time, has passed away. He, together with Prof. Ed Witte, of the University of Wisconsin, was one of my graduate professors in the study of labor economics. American scholarship has lost one of its great intellects with the passing of Selig Perlman. I think it is particularly fitting on this Labor Day, that I should pay this homage to him. He not only was a great intellect, a great labor economist, but he was a great human being, and one of the most magnificent teachers at whose feet I ever sat. He was a source of great inspiration. It was a high privilege to sit at his feet hour after hour, at seminars and in them to experience, and to observe the workings of that mind of genius. The volumes to which I refer are monuments to his great life.

CONTRIBUTION OF FRANK GRAHAM

In honor of the great American labor movement today I shall quote from one of the most beautiful treaties I have ever read on the significance and symbolism of the free trade union movement in this country. It was written by a former Member of this body, one of the great men living in America today. In fact, when he took his seat in this body it seemed for a while that his seat would be challenged. I was then sitting on the Republican side of the aisle, and he was to be seated on the Democratic side of the aisle, but I answered the major attack which was made upon him in this body, as the CONGRESSIONAL RECORD will show. I refer, of course, to the great Frank Graham, former president of the University of North Carolina, a former public member of the National War Labor Board during World War II, and later, for a period of time, a U.S. Senator from the great State of North Carolina.

In my defense of Frank Graham in the Senate, because I had come to know him on the War Labor Board and had come to love him, I said, as the RECORD will show, and as I repeat tonight, that Frank Graham was one of the most Christlike men I have ever known. During World War II, the economy of this country was rocked by the famous Little Steel case. It was of the utmost importance to the successful prosecution of the war that the Little Steel case be settled; that it be settled fairly and impartially; and that it be settled without resort to any economic action on the part of either labor or management. The War Labor Board undertook that grave responsibility.

It was my privilege to take a very active part in the settlement of that dispute, as the decision of the Board shows. The case was divided into a series of issues, which were assigned to certain ones of us on the Board to cover through written opinions, which were then submitted to the Board for vote and approval.

In that decision—and I shall not take the time to read it in detail—the great and able George Taylor, of the Wharton School of Finance, of the University of Pennsylvania, who was a member of the Public Division of the Board, was assigned the task of writing the opinion on the wage issue. Dr. Graham was given the assignment of writing the opinion on the issue of union status; and I was given the assignment of writing the opinions on the issue of the minimum-wage guarantee and the issue relating to the jurisdiction of the Board.

I wish to read from the opinion written by Dr. Graham on the issue of union status. It constitutes my tribute to organized labor on this historic Labor Day. When I finish reading this very brief opinion, I shall yield the floor.

I wish to say, Mr. President, that I shall read only the part of Dr. Graham's opinion on the issue of union status that deals with his views in regard to the symbolism of labor in a democracy.

Dr. Graham wrote this opinion under the heading "The Labor Union as the Fourth Chapter in Rise of Democracy."

Mr. President, all that I shall state from now on will be a direct quotation from what I regard one of the greatest statements on the significance, the true meaning, and the symbolism of a free trade union.

I read now from the statement by Dr. Graham:

THE LABOR UNION AS THE FOURTH CHAPTER IN RISE OF DEMOCRACY

High on Hitler's list of the institutions of democracy early marked for the destruction necessary to clear the way for the rise of the Nazi dictatorship were and are the church, the parliament, the corporation, and the labor union. These four institutions are the focal motive force of the four main chapters in the rise of human freedom. The freedom of human beings to organize in autonomous groups has been won through long struggles in the fields of religion, politics, business, and labor.

The power of the great Roman Empire struck down the unrecognized and despised organizations of early Christians but the little congregations of lowly believers became the church universal, which transformed the sackable city of Rome into the unsackable city of God, transmitted the ancient learning, resynthesized Western culture, built the cathedrals, founded the universities, and despite all its faults and failures, with its Hebraic-Christian conception of the brothers of men and the sons of God, has been for the longest period the most beneficent organization in history. The church, in its turn of predominance, tried to block the rise to absolute power of the new autonomous nations within the ecclesiastical dominion. Then the new absolute national monarchies, having become entrenched in independent power, sought to check the rise to increasing power of the autonomous organization of the people's representatives in Parliament. Yet Parliament won its struggle for collective bargaining with the King, and their written agreement became the English Bill of Rights, which, since 1689, has been the charter of constitutional government for all nations which have followed the traditions of the English-speaking peoples.

It was historically logical that the democratic idea of autonomous organization, which achieved victories in the fields of religion and politics, should become an issue in the fields of commerce and industry. The commercial and industrial revolutions created successively the commercial and industrial middle classes, which, through autonomous corporations, soon established their dominant positions in modern society. The corporations helped to overthrow feudal serfdom and gathered the savings of people anywhere in the service of people everywhere. The English Parliament having become a stronghold of the commercial and industrial leaders, and an instrument of corporate power, prohibited workingmen from organizing in behalf of better conditions of life and labor. The struggle of industrial workers to organize and win the relucant recognition of legislative bodies, the courts, and the corporations, is the latest chapter in the democratic struggle of human beings for autonomous organization around a great human need. The movement of working people against heavy odds to win a simple share in the control of their own lives is one of the great human movements of the last hundred years and is at the center of the struggle for freedom and democracy in our time.

The freedom and independence of the labor union is of the essence of historic Americanism. The little band of religious Pilgrims who, in seeking the right to organize for the worship of God without the consent of king or bishop, after many vicissitudes in a foreign land and across uncharted seas still clinging to their principles of piety and autonomous religious organization, fetched up on the wintry shores of Massachusetts where their spiritual heroism made Plymouth Rock one of the foundation stones of self-government in America. One year before the Pilgrims reached American shores, Sir Edwin Sandys led a movement in the London Company to recognize the self-organization of the settlers in Virginia. The less far-sighted businessmen said it would ruin the business enterprise to give these workingmen the right to share in the regulation of their conditions of life and labor. But the

intelligent idealism of Sir Edwin Sandys prevailed over the fears of the more practical minded businessmen. Thus was born the first representative assembly in the New World. The democratic idea of autonomous political organization, later federated in the American Union, whose American standard was first raised on the banks of the James River in old Virginia, still flies its flag high in all the Western World. The freedom and security of the right of all human beings to organize in churches, legislatures, corporations, and labor unions is part of the basic meaning of our American freedom and is at the heart of what the war is all about. Hitler is out to destroy the freedom of America and the free basic institutions of democracy everywhere. The struggle over the freedom and security of the union is, therefore, one of the latest episodes in the American chapter of the rise of democracy in the modern world, and is at the very center of the global struggle between the United Nations and the Axis Powers.

THE PRESENT CRISIS

Today the power of the Axis tyranny reaches from the Alaskan islands to the outposts of Australia, across the Mediterranean and north Africa to the gates of Alexandria, from the top of Norway to the Bay of Biscay, and from the shores of France to the plains of Russia across the Don and in a mighty sweeping movement toward the Volga. In mankind's darkest hour, still holds the heroism of the Russian, British, and Chinese peoples counting not the cost even unto death of millions of their best and bravest sons, giving their all that the free institutions of the people shall not perish from the earth. One of the youngest of these free institutions would, by this decision, be made more secure for the all-out effort to win the war. By provision for the freedom and security of this union, the empire of steel becomes potentially the commonwealth of steel. The commonwealth of steel becomes even more a basic resource of the American Commonwealth in the production of ships, planes, tanks, and guns for the mighty forward fronts of democracy which will beat back the Axis powers and make possible at last the advance of freedom and the organization of justice and peace in the world.

Opinion by:

FRANK P. GRAHAM.

Mr. President, to those words of the great Frank Graham, in honor of the great free labor movement in the United States, I say "amen."

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, September 7, 1959, he presented to the President of the United States the following enrolled bills:

S. 1555. An act to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trust ships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes; and

S. 2457. An act to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information by the Government.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, in accordance with the order previously entered, I move that the Senate now stand in recess until tomorrow morning at 9:30.

The motion was agreed to; and (at 7 o'clock and 10 minutes p.m.) the Senate took a recess, under the order previously entered, until tomorrow, Tuesday, September 8, 1959, at 9:30 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 7 (legislative day of September 5), 1959:

U.S. DISTRICT JUDGE

Joe J. Fisher, of Texas, to be U.S. district judge for the eastern district of Texas, vice Lamar Cecil, deceased.

U.S. AIR FORCE ACADEMY

Col. Robert F. McDermott, 9782A, Regular Air Force, for appointment as Dean of the Faculty, U.S. Air Force Academy, under the provisions of section 9335, title 10 of the United States Code, with rank of brigadier general.

HOUSE OF REPRESENTATIVES

MONDAY, SEPEMBER 7, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

I Corinthians 3: 9: *We are laborers together with God.*

O Thou gracious benefactor, who hast blessed us with the gift of a new day, may all of its hours be radiant and vibrant with that which is noble and beautiful.

Grant that this Labor Day may kindle within us a longing to have a larger part in building a social order in which bruised and burdened humanity shall find and enjoy the blessings of peace and prosperity, of health and happiness.

Inspire us to give life a more sacred and valiant reading by interpreting and manifesting its high and holy meaning and mission in terms of service for Thee, our beloved country, and all mankind.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Saturday, September 5, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which concurrence of the House is requested, a bill of the House of the following title:

H.R. 8678. An act to amend the Federal Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAVEZ, Mr. KERR, Mr. MCNAMARA, Mr. COOPER, and Mr. MARTIN to be the conferees on the part of the Senate.

ROCKEFELLER—LIFE MEMBER OF NAACP

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, those who may have been wondering whether or not the Governor of New York, Nelson Rockefeller, would be a candidate for President of the United States may relax. His decision has been announced, by act if not by words.

The basic requirement for national office north of the Mason-Dixon line is membership in the NAACP. Governor Rockefeller has not only qualified for membership in that dubious organization but he has qualified for and accepted life membership in the NAACP.

Political success and support of the NAACP go hand and hand in New York. They are as close as Damon and Pythias. So it was to be expected that when Rockefeller was running for Governor that a great point was made about the substantial contributions of the Rockefeller family to the NAACP. On the basis of the results it is obvious that this support earned Rockefeller admission to New York's political hall of fame.

Having established peace, at least political peace, with the NAACP, a new and horrible specter has raised its head in New York. To the shock of the entire civilized world we discovered that robbery, murder, rape, felonious assault, and narcotics violations are rampant. They seem to be beyond the control of lawful authorities. So I wonder if the reestablishment of law and order in New York is as dependent upon the Governor's colleagues in the NAACP as was his temporary political success.

DISCHARGE PETITION ON CIVIL RIGHTS BILL

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, the discharge petition concerning the civil rights bill is now on the Speaker's desk for signature. I hope as many as possible will sign the petition as expeditiously as possible.

DISCHARGE PETITION ON CIVIL RIGHTS BILL

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I am not happy at being here on Labor Day, but I am going to take advantage of being here to sign the discharge petition for the civil rights bill. On Labor Day we rededicate ourselves to the mission of maintaining the dignity of man by giving recognition to the men and

women in the great labor forces of our country as equal participants in our national effort for a democracy of justice and equality in which all men of good hearts and good deeds are equally mentioned. In the spirit of this day we can make amends for our being here by signing a petition aimed at giving the blessing of dignity to our fellow Americans now denied it. I hope, Mr. Speaker, that this House will not even consider the matter of adjournment until a strong civil rights bill has been passed.

HIGH INTEREST ON GOVERNMENT BONDS IS INFLATIONARY AND IS DRYING UP LOAN MONEY

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, the policy of making Government bonds speculative high interest securities rather than nonspeculative low interest securities is now causing a shortage of loan money for farmers and further threatening the farm problem. Many banks are not now willing to make many farm and personal loans. Some banks are holding Government bonds that would have to be sold at a loss in order to get the money to make the loans. The banks that have cash want to buy the high interest bearing Government bonds rather than take the trouble to make a series of loans.

Failure to support the bond market and making Government bonds speculative has left banks in a position of gambling with depositors' money almost as much as if they were buying common stock. For this reason, many normal customers for Government bonds have jumped into the stock market and driven it up to a dangerous level. Banks' obligations to their customers are in terms of dollars rather than purchasing value, and it would be in both their interest and the interest of the Government for them to purchase lower interest, nonspeculative securities. It now develops that the departure from marketing and supporting this type of Government bond is drying up the money available for farm and small loans. Higher and higher interest rates on Government bonds help only a few who don't need help and unless this high interest policy of the administration is stopped, we are bound to have another inflationary spiral of higher interest rates with even less money available to loan to individuals.

KHRUSHCHEV SHOULD NOT COME TO THE UNITED STATES SO LONG AS COMMUNIST AGGRESSION CONTINUES IN LAOS

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, I have today introduced a House concurrent resolution calling on the President of the United States to withdraw the invitation to Soviet Premier Khrushchev to visit the United States unless and until all Communist action in Laos has come to a complete stop.

Like many Members of this body I was originally willing to go along with Vice President NIXON's recommendation in favor of this visit.

But, Mr. Speaker, in view of the drastic changes in world conditions that have taken place since Mr. Eisenhower originally invited the Communist dictator to this exchange of visits, I now believe it would be a major diplomatic disaster for us to go ahead with it as originally scheduled.

The United States today is proceeding in the United Nations to take action with regard to the aggression in Laos. Over the weekend, in fact, the State Department has directly accused the Communists of duplicity in fomenting the aggression in Laos, and it seems to me we certainly should not receive the dictator of the Soviet Union on a red carpet at Andrews Field at the same time such action is being taken by the United States. To go ahead with the Khrushchev visit under such conditions would be to negotiate with a gun at our heads and converse with a switchblade knife at our throats.

I hope my resolution will be speedily adopted, and that the invitation will be promptly withdrawn.

CIVIL RIGHTS-LABOR BILLS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, my very, very dear friend and colleague, formerly from the Fourth Congressional District of Michigan, and now Chicago, the gentleman from Illinois [Mr. O'HARA], was bemoaning the fact that we had not brought out a civil rights bill, and he hoped we would stay here until we did. I do not know why the gentleman wants a civil rights bill for it evidently would not apply to Congressmen. Members will remember, 4 or 5 days ago I was trying to get time to talk about a couple of amendments to the labor bill which many considered were not only desirable but necessary. I got 54 seconds on one and 54 on another, although Mr. Meany had recommended one of those amendments. Why the gag? Why the knockdown tactics? Why the hurry? Now, since that time we have spent at least 3 days, Mr. Speaker, fussing around here, trying to find something to do. Why could they not have let a Member discuss for at least 5 minutes—go on and exercise my right to be heard? Perhaps the talk would not have been valuable to anybody, but still it would have brought the issue fairly to the attention of the House and just possibly it might have been adopted.

It seems somewhat silly to ask for a recognition of civil rights when a Member is denied 5 minutes to discuss an amendment offered in good faith.

Rather inconsistent for a coalition which claims to be trying to obtain equal rights for union members in union meeting to deny the right of a Member to discuss an amendment.

U.S. DEFENSE POLICIES IN 1958

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 341 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the document entitled "United States Defense Policies in 1958" by Charles H. Donnelly, Library of Congress, be printed as a House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HANDBOOK ENTITLED "THE UNITED STATES COURTS"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 352 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the handbook entitled "The United States Courts", by Joseph F. Spaniol, Jr., of the Administrative Office of the United States Courts, with a foreword by Honorable EMANUEL CELLER, chairman of the Committee on the Judiciary, be printed as a House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON SCIENCE AND ASTRONAUTICS

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 353 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Science and Astronautics one thousand additional copies of the hearings on space propulsion held by that committee during the current session.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL COPIES, HEARINGS OF COMMITTEE ON SCIENCE AND ASTRONAUTICS

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 354 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Science and Astronautics one thousand additional copies of the hearings on missile development and space sciences held by that committee during the current session.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FOREIGN TRADE INTERESTS IN STATE OF OREGON

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 370 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the document entitled "Foreign Trade Interests in the State of Oregon" be printed as a House document.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman explain what this document is concerning foreign trade?

Mr. HAYS. This is a study made by the Library of Congress. It is similar to a study that was made on request of Members from Michigan concerning the State of Michigan. The one concerning Michigan has proved to be a valuable document and is in great demand. This is a similar study on the State of Oregon.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. HAYS. I yield.

Mr. GROSS. Is this a promotion of the so-called Reciprocal Trade Agreements Act?

Mr. HAYS. No, I would say it is not. It is an evaluation of the pros and cons of reciprocal trade in any given State and, as most documents done by the Library of Congress, all that I have seen, it is impartial and evaluates both sides of the issue.

Mr. GROSS. I thank the gentleman.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS HONORING MEMORY OF FATHER JUNIPERO SERRA, O.F.M.

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 378 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That there be printed as an appropriate House document, with an illustration, the proceedings conducted in Statuary Hall of the Capitol, Friday, August 28, 1959, commemorating and honoring the memory of Father Junipero Serra, O.F.M., on the occasion of the one hundred and seventy-fifth anniversary of his death.

With the following committee amendment:

On line 6, strike out the period and insert the following: "; and that five thousand additional copies shall be printed for distribution by the chairman of the Committee To Commemorate and Honor the Memory of Father Junipero Serra, O.F.M."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REVISION OF FEDERAL INCOME TAX LAWS

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 404 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Ways and Means, House of Representatives, five thousand additional copies of the compendium of papers entitled "Compendium of Papers Submitted on Revision of the Federal Income Tax Laws."

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

HOSPITAL, NURSING HOME, AND SURGICAL BENEFITS FOR OASI BENEFICIARIES

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 405 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Ways and Means, House of Representatives, four thousand additional copies of the hearings entitled "Hospital, Nursing Home, and Surgical Benefits for OASI Beneficiaries".

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FALLOUT FROM NUCLEAR WEAPONS TESTING

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration I call up Senate Concurrent Resolution 53 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on Atomic Energy be authorized to have printed for its use ten thousand additional copies of the public hearings on "Fallout From Nuclear Weapons Testing", held by the Special Subcommittee on Radiation during the Eighty-sixth Congress, first session.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

BIOLOGICAL AND ENVIRONMENTAL EFFECTS OF NUCLEAR WAR

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration I call up Senate Concurrent Resolution 72 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on Atomic Energy be authorized to have printed for its use ten thousand additional copies of the public hearings on "Biological and Environmental Effects of Nuclear War," held by the Special Subcommittee on Radiation during the Eighty-sixth Congress, first session.

The concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

MINERAL LEASING ACT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2181) to amend the Mineral Leasing Act of February 25, 1920, with House amendments thereto, insist on the House amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? The Chair hears none, and appoints the following conferees: Messrs. ASPINALL, ROGERS of Texas, MORRIS of New Mexico, SAYLOR, and WHARTON.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

DISPOSAL OF COCONUT OIL FROM NATIONAL STOCKPILE

The Clerk called the resolution (H.J. Res. 441) relating to the disposition of coconut oil from the national stockpile under the Strategic and Critical Materials Stock Piling Act.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

WILDLIFE CONSERVATION IN MILITARY RESERVATIONS

The Clerk called the bill (H.R. 2565) to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation in military reservations.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

ARCTIC WILDLIFE RANGE, ALASKA

The Clerk called the bill (H.R. 7045) to authorize the establishment of the Arctic Wildlife Range, Alaska, and for other purposes.

Mr. RIVERS of Alaska. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

There was no objection.

GREAT LAKES PILOTAGE

The Clerk called the bill (H.R. 57) to require pilots on certain vessels navigating U.S. waters of the Great Lakes, and for other purposes.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PENALTIES FOR UNOFFICIAL USE OF GOVERNMENT VEHICLES

The Clerk called the bill (H.R. 766) to amend section 5 of the act of July 16, 1914, relating to penalties for the use of Government-owned vehicles for other than official purposes.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LONGER TERM LEASES ON THE AGUA CALIENTE RESERVATION

The Clerk called the bill (H.R. 6672) to authorize longer term leases of Indian lands on the Agua Caliente (Palm Springs) Reservation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 1 of the Act of August 9, 1955 (69 Stat. 539), is amended to read as follows: "All leases so granted shall be for a term of not to exceed twenty-five years, except leases of land on the Agua Caliente (Palm Springs) Reservation which may be for a term of not to exceed fifty years, and except leases of land for grazing purposes which may be for a term of not to exceed ten years."

With the following committee amendment:

Page 1, line 8, strike out the word "fifty" and insert in lieu thereof the word "ninety-nine".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESIDENCE REQUIREMENTS FOR POSTMASTER APPOINTMENTS

The Clerk called the bill (H.R. 5571) to exempt regular and classified substitute employees in post offices of the first, second, and third classes from residence requirements governing appointment and service of postmasters at post offices to which such employees are assigned.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes", approved June 25, 1938, as amended (39 U.S.C., sec. 31b), is amended by adding at the end thereof the following: "The residence requirements contained in this section shall not apply with respect to any regular or classified substitute employee in the postal field service assigned to any such post office who is an applicant for appointment to the position of postmaster at the post office to which he is assigned. The provisions of section 8 of the Act of April 28, 1904 (39 U.S.C., sec. 32), shall not apply in the case of any such employee who is appointed to such position of postmaster.".

With the following committee amendment:

Page 2, line 1, strike out the word "such" and all that follows down through the period in line 3 on page 2 and insert in lieu thereof "post office of the first, second, or third class who is an applicant for appointment to the position of postmaster at such post office and who has been on the rolls as an employee at such post office for not less than three years immediately prior to appointment to such position of postmaster."

Mr. GUBSER. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. GUBSER to the committee amendment: On page 2, line 8, strike out the word "three" and insert the word "ten" in lieu thereof.

Mr. GUBSER. Mr. Speaker, this is to overcome the only objection I heard from the floor the last time the bill was called.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. GUBSER. I yield.

Mr. ROOSEVELT. I would just like to say I think this amendment offered by the gentleman from California does overcome the objections and I am glad that the gentleman has presented it at this time.

The SPEAKER. The question is on the amendment to the committee amendment offered by the gentleman from California.

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL FEDERAL HOME LOAN BANK DIRECTORS

The Clerk called the bill (H.R. 8591) to amend section 7 of the Federal Home Loan Bank Act so as to authorize additional directors for Federal home loan banks under certain circumstances.

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

INCLUDE FLOATING DRYDOCKS UNDER TERM "VESSEL"

The Clerk called the bill (S. 107) to amend title XI of the Merchant Marine Act, 1936, relating to Federal ship mortgage insurance, in order to include floating drydocks under the definition of the term "vessel" in such title.

Mr. PRESTON. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AGRICULTURAL ATTACHÉ ROTATION

The Clerk called the bill (H.R. 8074) to amend section 602 of the Agricultural Act of 1954.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

COMMISSIONER FOR GRAND CANYON NATIONAL PARK, ARIZ.

The Clerk called the bill (S. 1164) to authorize the appointment of a commissioner for Grand Canyon National Park, Ariz.

The Clerk read the title to the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask if there are commissioners in other national parks with similar status as this commissioner who would be installed in the Grand Canyon National Park in Arizona.

Mr. ROGERS of Colorado. The answer to that is yes.

Mr. GROSS. What would be the salary of this commissioner?

Mr. ROGERS of Colorado. The regular commissioner's salary.

Mr. GROSS. What is that salary?

Mr. ROGERS of Colorado. $2,100 up to $10,000, depending upon the classification of the particular commissioner.

Mr. GROSS. $2,100 up to $10,000?

Mr. ROGERS of Colorado. Yes, sir.

Mr. GROSS. What is the proposed salary of this one?

Mr. ROGERS of Colorado. That is the range through which a U.S. commissioner may be paid. The district judge fixes the salary and it is subject to the approval of the Judicial Conference.

Mr. GROSS. Does the gentleman have any idea of what this salary would be?

Mr. ROGERS of Colorado. I cannot tell you what the district judge in the State of Arizona may set up as the salary.

Mr. GROSS. Does the gentleman have any idea what the total cost would be? There will be some secretarial and clerical help here, as well as office help and office equipment; and so on and so forth.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Yes, I am happy to yield. I am looking for information.

Mr. CELLER. This procedure outlined in this bill concerning the setting up of National Park Commissioners is not unusual. This is a course we have always followed. The compensation paid to the Commissioner in this case is left to the district judge in the district where the Commissioner serves, subject however, to the approval of the Judicial Conference.

Mr. GROSS. The gentleman says this is not unusual. Will the gentleman state where any other National Park Commissioner has been established?

Mr. CELLER. I cannot give you exactly the name of a park, but we have done this before. I would not say it has been done often, but we are confronted with this situation. The commissioners usually are too far distant from the scene of operations here and when there is any infraction of the law it would be much more convenient to have the infraction tried by the commissioner in the park itself, otherwise those who are accused of violation of the law would have to travel a great distance before a U.S. commissioner.

Mr. GROSS. I understand the purpose of this bill, but I still do not have an answer to my question.

I now yield to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. I thank the gentleman for yielding. The situation is precisely as the gentlemen from New York and Colorado stated. This is a situation in which the situs of the park is so great and the distance from the nearest commissioner that the violations which might occur under the park rules and other matters within the park are not conveniently brought before any forum until the individual is taken to Phoenix which is a long distance away. I hope the gentleman from Iowa will not see fit to object.

Mr. GROSS. Let me ask the gentleman a question which I have not yet receive an answer to. In what other national parks are commissioners established on the basis that this commissioner would be?

Mr. RHODES of Arizona. I know, I will say to the gentleman, of no other national park and I know of no other situation similar to this.

Mr. GROSS. This, then, becomes a precedent, does it not?

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from Colorado.

Mr. ASPINALL. The Mesa Verde National Park in southwestern Colorado has a commissioner. He draws in the neighborhood of $4,000 a year and is appointed by the Federal district judge. The Rocky Mountain National Park, Estes Park, the Colorado National Monument, and the Grand Canyon National Monument at Grand Junction have commissioners.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I think it is important to bear in mind the fact that after the compensation has been fixed it is more or less a guess as to the quantity of work. The compensation agreed to is referred to the Judicial Conference, and if it is unconscionable and out of all reason, then, of course, the conference instructs the judge to modify the order in which the compensation was fixed.

Mr. GROSS. I may say to the gentleman from New York and also to the gentleman from Pennsylvania that the thing about which I am concerned is whether this is going to be a precedent for the establishment of commissioners in other national parks of substantial size in the United States.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. CELLER. I would like to read to the gentleman from section 631 of title 28 of the United States Code under the title of U.S. Commissioner, the following:

One commissioner shall be appointed for each of the following-named national parks: Lassen, Big Bend, Crator Lake, Glacier, Hawaii, Isle Royale, Mesa Verde, Mammoth Cave, Mount Rainier, Olympic, Rocky Mountain, Sequoia, Shenandoah, Yellowstone, and Yosemite.

Mr. GROSS. I point out to the gentleman that in the committee report on this bill no mention is made of any commissioner being appointed in any other park so far as I was able to see.

Mr. CELLER. We did not anticipate that question would arise. I am glad the question was asked because the answer can now be given.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. CHELF. Let me say to the gentleman that I have personal knowledge of only one place where there is a U.S. commissioner and that is Mammoth Cave National Park in Kentucky, most of which is located in the district of the gentleman from Kentucky [Mr. NATCHER], but the entrance to which is located in my Fourth Congressional District, and covers approximately 4,000 acres of the 50,000 total acres.

This position was held for quite some time by a very, very dear friend of mine, Judge William Yancey Handy, and at the time of his death our Federal judge at Louisville, the Honorable Roy Shelburne, appointed as his successor a fine young man from Glasgow, Ky., in my district, U. O. Barrickman, who is now serving.

I think the salary is somewhere in the neighborhood of $3,000 to $3,600 a year. Of course, an income of that size is insufficient, but combined with his practice of law he is able to make a go of it. He is a splendid young lawyer and doing an excellent job.

I am trying to shoot square with the gentleman and to lay the cards face up on the barrel top just like I know my friend wants me to do. A good, energetic, conscientious, capable, fair commissioner at any national park can really protect it. One is needed like a city judge is necessary for the local police court.

Mr. GROSS. Mr. Speaker. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States District Court for the District of Arizona shall appoint a special commissioner for the Grand Canyon National Park, Arizona. The commissioner shall hold office for four years, unless sooner removed by the district court, and he shall be subject to the general laws and requirements applicable to United States commissioners.

SEC. 2. The jurisdiction of the commissioner in adjudicating cases brought before him shall be limited to the trial, and sentencing upon conviction, of persons charged with the commission of those misdemeanors classified as petty offenses (18 U.S.C. 1) relating to the violation of Federal laws or regulations applicable within the park: *Provided,* That any person charged with a petty offense may elect to be tried in the district court of the United States; and the commissioner shall apprise the defendant, of his right to make such election, but shall not proceed to try the case unless the defendant, after being so apprised, signs a written consent to be tried before the commissioner. The exercise of additional functions by the commissioner shall be consistent with and be carried out in accordance with the authority, laws, and regulations of general application to United States commissioners. The rules of procedure set forth in title 18, section 3402, of the United States Code shall be followed in the handling of cases by such commissioner. The probation laws shall be applicable to persons tried by the commissioner and he shall have power to grant probation.

SEC. 3 The commissioner shall receive an annual salary to be fixed by the district court with the approval of the Judicial Conference of the United States and shall account for all fees, fines, and costs collected by him as public moneys. He shall reside within the boundary of the park or at some place reasonably adjacent thereto designated by the Secretary of the Interior with the approval of the district court.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXAMINATION OF ATTORNEYS' FEES

The Clerk called the bill (H.R. 8708) to amend subdivision d of section 60 of the Bankruptcy Act (11 U.S.C. 96d) so as to give the court authority on its own motion to reexamine attorney fees paid or to be paid in a bankruptcy preceeding.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That subdivision d of section 60 of the Bankruptcy Act (11 U.S.C. 96d) is amended to read as follows:

"d. If a debtor shall, directly or indirectly, in contemplation of the filing of a petition by or against him, pay money or transfer property to an attorney at law, for services rendered or to be rendered, the transaction may be examined by the court on its own motion or shall be examined by the court on petition of the trustee or any creditor and shall be held valid only to the extent of a reasonable amount to be determined by the court, and the excess may be recovered by the trustee for the benefit of the estate.

"If, whether before or after filing, a debtor shall agree orally or in writing to pay money or transfer property to an attorney at law after the filing, the transaction may be examined by the court on its own motion or shall be examined by the court on petition of the bankrupt made prior to discharge and shall be held valid only to the extent of a reasonable amount to be determined by the court, and any excess obligation shall be canceled, or if excess payment or transfer has been made, returned to the bankrupt."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MINERALS ON THE CROW INDIAN RESERVATION, MONTANA

The Clerk called the bill (H.R. 6508) to grant minerals, including oil and gas, on certain lands in the Crow Indian Reservation, Montana, to certain Indians, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of June 4, 1920 (41 Stat. 751), as amended by the Act of May 26, 1926 (44 Stat. 658), is hereby amended to read as follows:

"SEC. 6. (a) Any and all minerals, including oil and gas, on any of the lands to be allotted hereunder are reserved for the benefit of the members of the tribe in common and may, with the consent of the tribal council, be leased for mining purposes in accordance with the provisions of the Act of May 11, 1938 (52 Stat. 347; 25 U.S.C. 396 a–f), under such rules, regulations, and conditions as the Secretary of the Interior may prescribe: *Provided,* That when any land is leased for mining purposes and development thereunder shall indicate the presence of minerals, including oil and gas, in paying quantities, the lessee or lessees shall proceed with all reasonable diligence to complete the development under said lease to extract the mineral, including oil and gas, from the land leased and to bring the product mined or extracted into market as speedily as possible unless the extraction and sale thereof be withheld with the consent of the Crow Tribe of Indians: *Provided further,* That allotments hereunder may be made of lands classified as valuable chiefly for coal or other minerals which may be patented as herein provided with a reservation, set forth in the patent, of the coal, oil, gas, or other mineral deposits for the benefit of the Crow Tribe: *Provided further,* That at the expiration of fifty years from the date of approval of this Act, unless otherwise ordered by Congress, the coal, oil, gas, or other mineral deposits upon or beneath the surface of said allotted lands shall become the property of the individual allottee or his heirs or devisees, or their heirs or devisees, subject to any outstanding leases, regardless of any prior conveyance by such allottee, heirs, or devisees of the lands overlying such minerals and regardless of the form of reference in such conveyance, or lack of reference, to the minerals reserved by this Act and made subject to further order of Congress.

"(b) Title to the minerals so granted shall be held by the United States in trust for the Indian owners, except that if upon the expiration of said fifty years, the entire Indian interest in the minerals within any allotment or parcel thereof is granted by this Act to a person or persons who at that time hold an unrestricted title to the lands overlying such minerals, then the Secretary of the Interior shall by fee patent transfer to such person or persons the unrestricted fee simple title to such minerals, which title shall vest in such person or persons as of the date of the patent."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSITION OF MONEY AND EFFECTS OF DECEASED SEAMEN

The Clerk called the bill (H.R. 6067) to amend section 4544 of the Revised Statutes of the United States to provide that, if the money and effects of a deceased seaman paid or delivered to a district court do not exceed in value the sum of $2,500, such court may pay and deliver such money and effects to certain persons other than the legal personal representative of the deceased seaman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4544 of the Revised Statutes of the United States (46 U.S.C. 627) is amended by striking out "$300" both places where it appears therein, and by inserting in each such place the following: $2,500.

Amend the title so as to read: "A bill to amend section 4544 of the Revised Statutes of the United States to provide that, if the money and effects of a deceased seaman paid or delivered to a district court do not exceed in value the sum of $1,500, such court may pay and deliver such money and effects to certain persons other than the legal personal representative of the deceased seaman."

With the following committee amendment:

Page 1, line 6, strike out "$2,500" and insert in lieu thereof "$1,500."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title of the bill was amended to read: "A bill to amend section 4544 of the Revised Statutes of the United States to provide that, if the money and effects of a deceased seaman paid or delivered to a district court do not exceed in value the sum of $1,500, such court may pay and deliver such money and effects to certain persons other than the legal personal representatives of the deceased seaman."

A motion to reconsider was laid on the table.

TRANSPORTATION OF WATER-HYACINTHS

The Clerk called the bill (H.R. 6309) to amend section 46, title 18, United States Code, with respect to transportation of water-hyacinths and all seeds.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 46, title 18, United States Code, is amended by inserting after the word "both", before the period, ": *Provided,* That none of the provisions of this section shall be applicable with respect to the transportation of water-hyacinth plants or the seeds thereof in interstate commerce into the States of New Jersey, Pennsylvania, Ohio, Indiana, Illinois, Missouri, Kansas, Colorado, Utah, Nevada, or Oregon or any State north thereof, or with respect to advertisements in such States concerning such plants or seeds".

With the following committee amendment:

Page 1, line 7, after "hyacinth plants" insert (Eichhornia Crassipes)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATE OF OKLAHOMA

The Clerk called the bill (H.R. 7605) for the relief of the State of Oklahoma.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the State of Oklahoma, for the sole use of highway projects of such State, the sum of $652,-019.71. The payment of such sum shall be in full settlement of all claims of the State of Oklahoma against the United States by reason of an agreement made by the United States through the Works Projects Administration, under a stipulation filed on February 25, 1951, in the case of United States versus Phillips and others (civil action numbered 351 in the United States District Court for the Northern District of Oklahoma), for the Works Projects Administration to participate in certain highway projects in the Grand River Dam Reservoir area undertaken by the State Highway Commission of the State of Oklahoma and necessitated by reason of the construction of the Grand River Dam. The payment provided for herein is in accordance with the recommendation of the Court of Claims in its decision dated June 3, 1959, in a congressional case numbered 10–55, a congressional reference case resulting from

H. Res. 278, Eighty-fourth Congress, first session: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, lines 13 and 14, strike out "in excess of 10 per centum thereof."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATION OF RETIRED JUDGES ASSIGNED TO ACTIVE DUTY

The Clerk called the bill (H.R. 2982) to fix the official station of retired judges assigned to active duty.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I understand this would provide for paying the expenses of a retired judge assigned to active duty from the place of domicile rather than from the judicial station. Is that correct?

Mr. CELLER. Yes. I might give the gentleman an illustration so he may better understand the purpose of the bill. Let us say we have a retired New York judge who has gone to Florida where he wants to pass the rest of his life. He is then called back to active duty in Chicago. Under present law he cannot receive any travel allowance beyond that which he would receive in going from New York to Chicago, rather than his present abode, Florida, to Chicago. It is to obviate that injustice that this bill was suggested.

Mr. GROSS. My concern is that on the adoption of this bill we will be paying the transportation costs of judges from California to New York when there are judges in intervening territory; in other words, pile up traveling expenses in the assignment of judges. I would like to have the assurance of the gentleman that it is not the intent of this legislation to move judges back and forth across the continent simply because their expenses are being paid, moving them from California to New York or New York to California for instance, when there are retired judges in between who are available at less expense.

Mr. CELLER. I do not think the gentleman need have any fears about that. We have been assured by members of the Judicial Conference and by the Administrator of the U.S. Courts and many of the chief judges of the court of appeals that will not be the case. They try to get judges as near as possible to the courts where the calendars are congested and they do not go too far unless they have to.

Mr. GROSS. I understand the purpose of the bill, but I think there should have been some restrictive language in the bill or in the report, if not in the bill; stating that judges would not be moved from the Canadian border to Florida, from New York to California or vice versa, with judges available in between. I just do not want to see that sort of thing happen. I am not going to object to the bill, but I hope the gentleman's committee will take a second look at this, once the bill goes into effect, and ascertain whether the bill is being abused in that respect.

Mr. CELLER. We will be glad to consider the gentleman's view.

The SPEAKER pro tempore. (Mr. WALTER). Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 374 of title 28 of the United States Code is amended to read as follows:

"§ 374. Residence of retired judges; official station

"Retired judges of the United States are not subject to restrictions as to residence. The place where a retired judge maintains the actual abode in which he customarily lives shall be deemed to be his official station for the purposes of section 456 of the title."

SEC. 2. Item 374 in the analysis of chapter 17 of title 28 of the United States Code, immediately preceding section 371 of such title, is amended to read as follows:

"374. Residence of retired judges; official station."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILSON'S CREEK BATTLEFIELD NATIONAL PARK, MO.

The Clerk called the bill (H.R. 725) to provide for the establishment of the Wilson's Creek Battlefield National Park, in the State of Missouri.

Mr. PELLY. Mr. Speaker, I ask animous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

ACQUISITION OF CROPLAND BY EMINENT DOMAIN

The Clerk called the bill (H.R. 8343) relating to the preservation of acreage allotments on land from which the owner is displaced by reason of the acquisition thereof by a Government agency in the exercise of the right of eminent domain.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

EXTENDING THE VALIDITY OF THE PASSPORT TO 3 YEARS

The Clerk called the bill (S. 1973) to extend the validity of the passport to 3 years.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, this is not the bill that is on the list of suspensions for today?

Mr. MORGAN. No, sir.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act to regulate the issue and validity of passports, and for other purposes", approved July 3, 1926 (44 Stat. 887), is amended (1) by striking out "of two years" and inserting in lieu thereof "of three years", and (2) by striking out "four years" and inserting in lieu thereof "five years".

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CUTTING OF HAY FROM SOIL BANK LAND

The Clerk called the bill (H.R. 8578) to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 107(a)(3) of the Soil Bank Act is amended by inserting before the period at the end thereof a comma and the following: "and except that the Secretary may authorize the county agricultural stabilization committees to sell hay on such acreage, with the consent of the producer, to the highest bidder, and return the proceeds thereof to the United States Treasury, less such amounts as the committees deem adequate to compensate the producer for damage, if any, to his premises, if after certification by the Governor of the State in which such acreage is situated of the need therefor, the Secretary determines that it is necessary to permit such sale in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster".

With the following committee amendment:

Page 2, line 1, strike out "if" and insert "provided".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHANGING THE NAME OF ROOSEVELT DAM, RESERVOIR, AND POWER PLANT IN ARIZONA TO THEODORE ROOSEVELT DAM, LAKE, AND POWER PLANT

The Clerk called Senate Joint Resolution 25, to change the name of Roosevelt Dam, Reservoir, and Power Plant in Arizona to Theodore Roosevelt Dam, Lake, and Power Plant.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the dam, reservoir, and power plant in Arizona, known as Roosevelt Dam, Reservoir, and Power Plant, shall hereafter be known as Theodore Roosevelt Dam, Lake, and Power Plant, and any law, regulation, document, or record of the United States in which such dam, reservoir and power plant are designated or referred to under the name of Roosevelt Dam, Reservoir, and Power Plant shall be held to refer to such dam, reservoir, and power plant and by the name of Theodore Roosevelt Dam, Lake, and Power Plant.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROMOTING PEACE THROUGH THE REDUCTION OF ARMAMENTS

The Clerk called House Concurrent Resolution 393.

The SPEAKER pro tempore. Is there objection to the present consideration of the House concurrent resolution?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to have some explanation of the necessity for this legislation. I should like particularly to have some explanation of the language on page 2 of the bill reading "to devote a substantial portion of any resultant savings to expand its works of peace throughout the world."

Mr. ZABLOCKI. Mr. Speaker, I know the gentleman is fully familiar with the report accompanying this House concurrent resolution. The purpose of the resolution is very clear. It is to encourage and to reassure the nations of the world of the reaffirmation by the Congress of the U.S. policy toward disarmament and to assist undeveloped countries in the years to come. As the gentleman knows, Communist propaganda reiterates to the people of the world that U.S. assistance to other nations is related only to our cold war effort. This resolution states it is the intent of the United States to divert a portion of the money not used for armament for the improvement of undeveloped countries.

Mr. GROSS. Let me ask the gentleman this question. Why do we have to reaffirm our position in this matter of disarmament and peace to any nation in the world? What makes this sort of a resolution necessary?

Mr. ZABLOCKI. Well, I am sure the gentleman is fully aware of the fact that Communist propaganda is exploiting developments in certain parts of the underdeveloped areas of the world. Therefore, I am sure the gentleman will agree with me that it is necessary to reiterate our position.

Mr. GROSS. Is there any question on the part of anyone, outside of the Iron Curtain countries, perhaps, about where we stand on disarmament and peace? I just cannot understand what this resolution is designed to do.

Mr. ZABLOCKI. I agree with the gentleman that there should not be any doubt. But, if there is one iota of evidence that there is some doubt, I think that the passage of the resolution is warranted. It is in keeping with our international policy.

Mr. GROSS. Now, let us get down to the language on page 2. The resolution reaffirms our position in behalf of disarmament and then states that it is the policy of Congress "to devote a substantial portion of any resultant savings to expand its work of peace throughout the world." What do you mean by that? If we cut off several billion dollars in providing weapons, are we going to turn around and spend that on some more foreign boondoggles as we are today?

Mr. ZABLOCKI. It does not mean that at all.

Mr. GROSS. Then, what does it mean?

Mr. ZABLOCKI. Let us say there is a saving of $10 billion as the result of this disarmament program. A substantial amount—could be interpreted to be $1 billion, half a billion, or $200 million; in my opinion a million is a substantial amount. The point is we are reiterating that should there be any savings as a result of disarmament, it is our intent to whatever extent practicable or reasonable, to divert such savings to better the economies of the underdeveloped areas of the world.

Mr. GROSS. How do you propose to do that, add to all of the boondoggles that are now being carried on? Where and how do you propose to spend the money? Are you just dealing in euphemy here? Again, what does that mean?

Mr. ZABLOCKI. I do not think we are dealing with euphemy. I think it is very necessary. I might point out that any savings due to demilitarization or less expenditure on military projects could very well be diverted to continue the agricultural surplus program.

Mr. GROSS. Let me ask the gentleman in all fairness and in all candor this question. Does not the gentleman from Wisconsin think that if we can make any saving as a result of disarmament, that we ought to apply that to retirement of the $290 billion Federal debt instead of adding it to the load that is already being poured out all over the world? Why this language? Do you want to come back to the Congress on another day and say, "Oh, you voted for the resolution that established this policy." You hear that almost every day.

Mr. ZABLOCKI. The gentleman knows that this or any Congress cannot bind any future Congress. Because of the psychological impact I believe it is very vital and necessary that Congress reiterate our desire for peace.

Mr. ANDERSEN of Minnesota. Mr. Speaker, this measure is of such far-reaching importance that it should be fully discussed under the rules of the House, and I object to its consideration.

CHANGING THE DATE OF CHILD HEALTH DAY

The Clerk called the resolution (H.J. Res. 317) to change the designation of Child Health Day from May 1 to the first Monday in October of each year.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. GROSS. Mr. Speaker, reserving the right to object, does this mean that we have so many days set off under the law that no one can keep track of them and so they conflict with each other? Is that not about the situation in connection with this resolution?

Mr. FORRESTER. Mr. Speaker, if the gentleman will yield, what it means is this: In 1928 this Congress—a long time before I was here——

Mr. GROSS. And before I was here, too.

Mr. FORRESTER. Passed a Child Health Day. A few years ago this Congress set up a Loyalty Day, one which was very needful and designed for the express purpose of furnishing some opposition to the Communists in the State of New York on May Day. So, they passed that last bill, and you have two bills for the same day now.

Mr. GROSS. Well, that is what I say. We are getting so many of these days that nobody seems to be able to keep track of them. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective January 1, 1960, the Act of May 18, 1928 (36 U.S.C. 143), is amended by striking out "May 1" and inserting in lieu thereof "the first Monday in October".

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELATING TO FALSE FINANCIAL STATEMENTS IN BANKRUPTCY

The Clerk called the bill (H.R. 4346) to amend the Bankruptcy Act to limit the use of false financial statements as a bar to discharge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 14c(3) of the Bankruptcy Act, as amended (11 U.S.C. 32(c)(3)), is amended to read as follows:

"(3) while engaged in business as a sole proprietor, partnership, or as an executive of a corporation, obtained for such business money or property on credit or as an extension or renewal of credit by making or publishing or causing to be made or published in any manner whatsoever a materially false statement in writing respecting his financial condition or the financial condition of such partnership or corporation; or"

SEC. 2. Subdivision a. of section 17 of the Bankruptcy Act, as amended (11 U.S.C. 35a), is amended to read as follows:

"a. A discharge in bankruptcy shall release a bankrupt from all of his provable debts, whether allowable in full or in part, except such as (1) are due as a tax levied by the United States, or any State, county, district, or municipality; (2) are liabilities for

obtaining money or property by false pretenses or false representations, or for obtaining money or property on credit or obtaining an extension or renewal of credit in reliance upon a materially false statement in writing respecting his financial condition made or published or caused to be made or published in any manner whatsoever with intent to defraud, or for willful and malicious injuries to the person or property of another, or for alimony due or to become due, or for maintenance or support of wife or child, or for seduction of an unmarried female, or for breach of promise of marriage accompanied by seduction, or for criminal conversation; (3) have not been duly scheduled in time for proof and allowance, with the name of the creditor if known to the bankrupt, unless such creditor had notice or actual knowledge of the proceedings in bankruptcy; or (4) were created by his fraud, embezzlement, misappropriation or defalcation while acting as an officer or in any fiduciary capacity; or (5) are for wages which have been earned within three months before the date of commencement of the proceedings in bankruptcy due to workmen, servants, clerks, or traveling or city salesmen, on salary or commission basis, whole or part time, whether or not selling exclusively for the bankrupt; or (6) are due for moneys of an employee received or retained by his employer to secure the faithful performance by such employee of the terms of a contract of employment."

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. WALTER). The Chair will count. [After counting.] One hundred and sixty-six Members present, not a quorum.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 166]

Abbitt	Daniels	Holifield
Addonizio	Davis, Tenn.	Holland
Alger	Delaney	Holtzman
Allen	Dent	Horan
Anfuso	Derounian	Inouye
Ayres	Derwinski	Jarman
Bailey	Devine	Jennings
Barden	Diggs	Johnson, Md.
Barrett	Dollinger	Jonas
Bass, N.H.	Donohue	Jones, Ala.
Bass, Tenn.	Dorn, S.C.	Jones, Mo.
Bates	Downing	Judd
Baumhart	Dulski	Kastenmeier
Becker	Evins	Keith
Bentley	Farbstein	Keogh
Betts	Fenton	Kilburn
Blatnik	Fino	King, Calif.
Blitch	Flynn	Kirwan
Boggs	Flynt	Kluczynski
Boland	Fogarty	Lafore
Bolton	Forand	Landrum
Bosch	Ford	Lesinski
Bow	Frazier	Levering
Bowles	Friedel	Loser
Boyle	Fulton	McDonough
Brademas	Gallagher	McDowell
Brewster	Gary	McGovern
Brock	George	Macdonald
Broyhill	Glenn	Madden
Buckley	Goodell	Marshall
Burke, Ky.	Gray	Martin
Burke, Mass.	Green, Pa.	Michel
Bush	Griffin	Miller, N.Y.
Byrne, Pa.	Hall	Minshall
Cahill	Hargis	Moeller
Canfield	Harmon	Moorhead
Carter	Harris	Moulder
Cederberg	Harrison	Multer
Cook	Healey	Nix
Cooley	Hemphill	O'Brien, N.Y.
Corbett	Henderson	O'Hara, Mich.
Cramer	Herlong	O'Neill
Curtis, Mass.	Hess	Osmers
Patman	Rodino	Tollefson
Perkins	Rostenkowski	Tuck
Philbin	St. George	Vanik
Pilcher	Santangelo	Van Pelt
Poage	Sheppard	Wainwright
Powell	Sikes	Watts
Price	Smith, Va.	Westland
Prokop	Staggers	Williams
Quigley	Taylor	Winstead
Reuss	Teller	Yates
Riehlman	Toll	Zelenko

The SPEAKER. On this rollcall 273 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RELATING TO FALSE FINANCIAL STATEMENTS IN BANKRUPTCY

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: On page 2, line 16, strike out "defraud" and substitute "deceive".

On page 2, line 25, strike out "or".

On page 3, line 2, strike out "or" where it appears before (5).

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLL BRIDGE ACROSS THE RIO GRANDE NEAR LOS INDIOS, TEX.

The Clerk called the bill (H.R. 8582) to authorize the San Benito International Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Tex.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, I take this time to compliment the gentleman from Texas [Mr. KILGORE] on the fact that private enterprise is building the toll bridge across this stream in Texas. I simply want to compliment the gentleman from Texas on the fact you are doing it by private enterprise and not saddling the cost of this bridge upon all of the taxpayers as Congress has done in building bridges over the Potomac River between the States of Maryland and Virginia.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the San Benito International Bridge Company of San Benito, Texas, is authorized to construct, maintain, and operate a toll bridge, and approaches thereto, across the Rio Grande at or near Los Indios, Texas, in accordance with the provisions of the Act entitled "An Act to regulate the construction of bridges over navigable waters", approved March 23, 1906 (33 U.S.C., secs. 491 to 498, inclusive), subject to—

(1) the conditions and limitations contained in this Act;

(2) the approval of the International Boundary and Water Commission, United States and Mexico; and

(3) the approval of the proper authorities in the Republic of Mexico;

with respect to the construction, operation, and maintenance of such bridge.

SEC. 2. The San Benito International Bridge Company may fix and charge tolls for transit over the bridge referred to in the first section of this Act in accordance with the laws of the State of Texas, and the laws of the United States, applicable to such tolls, and the rates of toll so fixed shall be the legal rates until changed under the authority contained in section 4 of the Act of March 23 (33 U.S.C., sec. 494).

SEC. 3. The San Benito International Bridge Company may sell, assign, transfer, or mortgage the rights, powers, and privileges conferred on such Company by this Act to any public agency, or to an international bridge authority or commission, and any such agency, authority, or commission is authorized to exercise the rights, powers, and privileges acquired under this section (including acquisition by mortgage foreclosure) in the same manner as if such rights, powers, and privileges had been granted by this Act directly to such agency, authority, or commission.

SEC. 4. Notwithstanding the provisions of section 6 of the Act of March 23, 1906 (33 U.S.C., sec. 496), this Act shall be null and void unless the actual construction of the bridge referred to in the first section of this Act is commenced within three years and completed within five years from the date of enactment of this Act.

SEC. 5. The right to alter, amend, or repeal this Act is expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLL BRIDGE ACROSS THE RIO GRANDE, AT OR NEAR RIO GRANDE CITY, TEX.

The Clerk called the bill (H.R. 8694) to authorize the Starr-Camargo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to facilitate international commerce, improve the postal service, and other purposes, the Starr-Camargo Bridge Company of the State of Texas is authorized to construct, maintain, and operate a toll bridge and approaches thereto across the Rio Grande, so far as the United States has jurisdiction over the waters of such river, at a point suitable to the interests of navigation, at or near Rio Grande City, Texas, in accordance with the provisions of the Act entitled "An Act to regulate the construction of bridges over navigable waters", approved March 23, 1906, subject to the conditions and limitations contained in this Act, and subject further to the approval of the International Boundary and Water Commission, United States and Mexico, and also subject to the approval of the proper authorities in the Republic of Mexico to the construction, operation, and maintenance of such bridge.

SEC. 2. The Starr-Camargo Bridge Company is hereby authorized to fix and charge tolls for transit over such bridge in accordance with any laws of the State of Texas or the United States applicable thereto, and the rates of toll so fixed shall be the legal rates until changed under the authority contained in the Act of March 23, 1906.

SEC. 3. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this Act to any pub-

lic agency, or to an international bridge authority or commission, is hereby granted to the Starr-Camargo Bridge Company; and any such public agency, international bridge authority, or international bridge commission to which such rights, powers, and privileges may be sold, assigned, or transferred, or which shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such public agency, international bridge authority, or international bridge commission.

SEC. 4. Notwithstanding the provisions of section 6 of the Act of March 23, 1906 (33 U.S.C. 496), this Act shall be null and void unless the actual construction of the bridge referred to in the first section of this Act is commenced within three years and completed within five years from the date of enactment of this Act.

SEC. 5. The right to alter, amend, or repeal this Act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE PRESIDENT TO INVITE FOREIGN COUNTRIES TO PARTICIPATE IN A WORLD'S FAIR, NEW YORK, 1964

The Clerk called House Joint Resolution 496.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that this House joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

REVISING ELIGIBILITY REQUIREMENTS FOR BURIAL IN NATIONAL CEMETERIES

The Clerk called the bill (S. 825) to revise eligibility requirements for burial in national cemeteries, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. O'HARA of Illinois. Mr. Speaker, reserving the right to object, and I shall not object, I would like to ask a clarifying question. The bill states that any member or former member of the armed services is eligible to be buried in a national cemetery. Does that include members and former members of the Reserve components?

Mr. ASPINALL. Mr. Speaker, if the gentleman will yield, such members at the present time have these rights, but this legislation is for the purpose of seeing to it that those forces to which the gentleman has made reference will be entitled to this privilege even when they are going to an assignment or coming back from an assignment.

Mr. O'HARA of Illinois. I thank the gentleman. My interest stems from the fact that a number of years ago a most distinguished son of Illinois, who served under military orders and as part of the Armed Forces in Cuba and in Puerto Rico with outstanding courage and brilliancy, but technically as a member of the National Guard, I think, from the State of Washington, was denied burial in a national cemetery.

Mr. ASPINALL. That would be possible under certain circumstances, and it would even with this legislation.

Mr. O'HARA of Illinois. Then, what am I to understand as the meaning of the words "armed services?" Does that include the National Guard?

Mr. ASPINALL. It includes the National Guard when the National Guard is serving as a component of the Armed Forces of the United States, as I understand, during training activities or during wartime.

Mr. O'HARA of Illinois. I do not know that I quite understand the reply. Now, in the Spanish-American War I was in a National Guard regiment that was federalized. I am entitled under the present law to burial in Arlington. But the distinguished son of Illinois of whom I have spoken likewise was a member of a National Guard regiment on active duty. Now, how could burial in Arlington be denied him?

Mr. ASPINALL. I do not know. I will have to say to my colleague from Illinois that I do not have the answer to that.

Mr. O'HARA of Illinois. Then, I trust that in the next session, if such a case is not covered, that we can again amend this act to see that such an injustice does not occur again. I should explain that the gentleman to whom I have referred at the time was a Member of Congress and the law then was that a Member of Congress entering the armed services had to resign from Congress. This enforced retirement from Congress did not hold when the service was with the National Guard. I hope the committee will recommend remedial legislation, if needed, at the next session. I withdraw my reservation of objection, Mr. Speaker.

Mr. GROSS. Mr. Speaker, further reserving the right to object, I would like to address a question to the gentleman from Colorado [Mr. ASPINALL]. Do I understand this greatly expands the number of persons who can be interred in the various national cemeteries?

Mr. ASPINALL. I believe the gentleman is wrong in using the word "greatly." This expands it to take care of a few. There are only a very few individuals, as I understand, who are now denied the privilege but who would come in under the terms of this legislation.

Mr. GROSS. Under present law can minor children be buried in national cemeteries?

Mr. ASPINALL. Yes.

Mr. GROSS. Under present law can adult children be buried in national cemeteries?

Mr. ASPINALL. Under certain circumstances.

Mr. GROSS. Is it discretionary?

Mr. ASPINALL. That is right. Members of the National Guard and Reserve components who have been serving alongside of the other branches of the military.

Mr. GROSS. Well, it is my opinion that this bill greatly expands the number of persons being buried in national cemeteries.

Mr. ASPINALL. I do not think so, over what it is at the present time.

Mr. GROSS. The gentleman is entitled to his opinion, and only time, through the test of this legislation, will prove which of us may be right. But, I should like to say that in view of the opinion I hold that it will bring additional burials in these national cemeteries, I think this is an excellent time to abandon all future talk of constructing that monstrosity known as the Freedom Wall adjacent to Arlington Cemetery. It seems to me that Arlington Cemetery, as one of the national cemeteries, will use every acre of ground that they can get hold of in the forseeable future to take care of those burials without the land being used for other purposes.

Mr. ASPINALL. On page 2 of the report it states:

It has been estimated that not more than 25 burials per year wold be requested under the circumstances covered by the measure.

May I say also that the plot of ground to which my colleague refers, the Nevius tract, will only take care of about 25 burials.

Mr. GROSS. Well, that would be of some help.

Mr. ASPINALL. That will be of some help.

Mr. GROSS. I hope the gentleman's committee will abandon any further consideration of the so-called Freedom Wall.

I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of May 14, 1948 (ch. 289, 62 Stat. 234), is amended to read as follows:

"(a) Under such regulations as the Secretary of the Army may, with the approval of the Secretary of Defense, prescribe, the remains of the following persons may be buried in national cemeteries:

"(1) Any member or former member of the Armed Forces who served on active duty (other than for training) and whose last such service terminated honorably.

"(2) Any member of a reserve component of the Armed Forces, and any member of the Army National Guard or the Air National Guard, whose death occurs under honorable conditions while he is—

"(A) on active duty for training, or performing full-time service under section 316, 503, 504, or 505 of title 32, United States Code;

"(B) performing authorized travel to or from that duty or service;

"(C) on authorized inactive duty training, including training performed as a member of the Army National Guard or the Air National Guard; or

"(D) hospitalized or undergoing treatment, at the expense of the United States, for injury or disease contracted or incurred under honorable conditions while he is—

"(i) on that duty or service;

"(ii) performing that travel or inactive duty training; or

"(iii) undergoing that hospitalization or treatment at the expense of the United States.

"(3) Any member of the Reserve Officers' Training Corps of the Army, Navy, or Air

Force whose death occurs under honorable conditions while he is—

"(A) attending an authorized training camp or on an authorized practice cruise;

"(B) performing authorized travel to or from that camp or cruise; or

"(C) hospitalized or undergoing treatment, at the expense of the United States, for injury or disease contracted or incurred under honorable conditions while he is—

"(i) attending that camp or on that cruise;

"(ii) performing that travel; or

"(iii) undergoing that hospitalization or treatment at the expense of the United States.

"(4) Any citizen of the United States who, during any war in which the United States is or has been engaged, served in the armed forces of any government allied with the United States during that war, and whose last such service terminated honorably.

"(5) The wife, husband, surviving spouse, minor child, and, in the discretion of the Secretary of the Army, unmarried adult child of any of the persons listed in clauses (1)–(4).

"(b) The remains of any person listed in subsection (a)(5) may, in the discretion of the Secretary of the Army, be removed from a national cemetery proper and interred in the post section of a national cemetery or in a post cemetery if, upon death, the related person named in subsection (a)(1)–(4) is not buried in the same or an adjoining gravesite. However, the remains of a person listed in subsection (a)(5) may not be removed from a national cemetery proper if the related person is—

"(1) lost or buried at sea;

"(2) officially determined to be permanently absent in a status of missing or missing in action;

"(3) officially determined to be dead for the purpose of terminating his status of missing or missing in action; or

"(4) one whose remains have not been recovered."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRESENT A STATUE OF GEN. GEORGE WASHINGTON TO URUGUAY

The Clerk called the bill (H.R. 8911) to provide for the presentation by the United States of a statue of Gen. George Washington to the people of Uruguay, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State is authorized and requested to procure a bronze statue of General George Washington and present the same, on behalf of the people of the United States, to the people of Uruguay as an expression of appreciation for the gift by the people of Uruguay of a bronze statue of General José Gervasio Artigas to the United States. Such statue shall be prepared only after the design, plans, and specifications therefor have been submitted to and approved by the National Commission of Fine Arts.

SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, including payment of the cost of such statue, the design and construction of a suitable pedestal therefor, transportation, including insurance; and traveling expenses of persons delegated by the Secretary of State to present such statue, on behalf of the people of the United States, to the people of Uruguay.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTER-AMERICAN CHILDREN'S INSTITUTE

The Clerk called the joint resolution (H.J. Res. 511) to amend the joint resolution providing for membership and participation by the United States in the inter-American Children's Institute, formerly known as the American International Institute for the Protection of Childhood, as amended.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask the gentleman for some information concerning this resolution. I think Members of the House will be interested. Can the gentleman give us an explanation of what is proposed here?

Mr. SELDEN. Mr. Speaker, this resolution increases from $25,000 to $50,000 the authorization for fiscal years 1961 and 1962 of the amount that may be appropriated to meet the annual contributions of the United States to the regular budget of the Inter-American Children's Institute.

This organization was established in 1928 and is composed of one representative from each of the 21 American republics. The Institute is a center for study, information, documentation, technical consultation, and advisory services on all questions concerning child life and child welfare in the Americas. The U.S. share of the total annual assessment is 40 percent.

The State Department in its request to the Committee on Foreign Affairs proposed an unlimited authorization for this program. The committee felt that the activities of the Institute required further study and a 2-year authorization of $50,000 annually was recommended.

Mr. GROSS. And that in spite of the fact that the U.S. delegate voted against the increase, did he not?

Mr. SELDEN. That is correct, but we are only one of 21 members of that organization. Unless this authorization is increased, we cannot meet our obligations to it.

Mr. GROSS. This started out with a contribution of $2,000 a year, did it not?

Mr. SELDEN. In 1928 our assessment was $2,000.

Mr. GROSS. And then in 1950 it went up to $10,000 annually, and it was increased in 1956 to $25,000 annually. This is growing and growing and growing, is it not?

Mr. SELDEN. Admittedly it has grown over a period of 30 years. The committee has limited the authorization request to $50,000 annually for 2 years so that our commitments to this organization can be met. It is the purpose of the committee to go into this matter very carefully during the next session of the Congress.

Mr. GROSS. It is stated here that we have certain obligations, that "in order to meet the obligations of the United States as a member of the Inter-American Children's Institute," and so forth. The bill recognizes our so-called obligations. But what about these other countries? According to the Subcommittee on Appropriations for the Department of State, the other member countries owe $65,000 to this fund, do they not?

Mr. SELDEN. There are member nations who are in arrears. It is my understanding that the United States is in arrears at the present time and unless this authorization can be increased we will continue to be in arrears.

Mr. GROSS. Does not the gentleman think that Argentina could take up the slack for $15,000 that they owe this fund?

Mr. SELDEN. I certainly do. I would be in favor of all members paying what they owe.

Mr. GROSS. Is Brazil so bankrupt that it cannot pay their arrears of $16,000? Is Mexico so bankrupt that it cannot put up its $12,150 that it owes, according to the report to the Appropriations Subcommittee this year?

Mr. SELDEN. Perhaps they are trying to take the same action we are now trying to take—to increase their authorization so that they can meet their obligations under this program.

Mr. GROSS. Mr. Speaker, I will say to the gentleman that I am getting completely fed up with this business of a meeting being held in New Delhi, India, or Buenos Aires, or Warsaw, Poland, or Bonn, Germany, or Paris, or anywhere else in the world, where a bunch of foreigners sit down in some international organization and increase assessments on the United States when they themselves owe money to almost every one of these organizations. Yes, with the greatest of ease they meet somewhere, anywhere in the world, and increase the assessment and the load on the United States and our taxpayers. I am getting sick and tired of it.

Mr. SELDEN. The fact remains that we are a member of this group and, if we are going to stay in it, we should provide the funds necessary to meet our commitments. Otherwise, we should withdraw from the organization.

Mr. GROSS. And they are also members of this group. Surely, this is not a large amount of money, but there is a principle involved in this that interests me. The reason I am speaking as I do is because this is not the only agency that is doing this. Every one of these international agencies increases the assessments and when we protest it does not make any difference. Up go the assessments and we have to pay.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

FACILITIES FOR THE GORGAS MEMORIAL LABORATORY

The Clerk called the bill (S. 2219) to authorize appropriations for construction of facilities for the Gorgas Memorial Laboratory, to increase the authorization of appropriations for the support thereof, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective for fiscal years ending after June 30, 1960, section 1 of the Act of May 7, 1928 (22 U.S.C. 278), relating to the authorization of annual appropriations for maintenance and operation of the Gorgas Memorial Laboratory, is amended by striking out "$150,000" and inserting in lieu thereof "$250,000".

SEC. 2. Such Act is further amended by adding at the end thereof the following new section:

"SEC. 4. There are hereby authorized to be appropriated from time to time such sums as the Congress may find necessary for construction and equipment of facilities for the Gorgas Memorial Laboratory, including preparation of plans and specifications, acquisition, alteration, expansion, and remodeling of buildings, and site improvements; but excluding the cost of the acquisition of land."

With the following committee amendment:

On page 2, line 3, after "appropriated" add "not to exceed $250,000"; and on page 2, lines 4 and 5 strike out "from time to time such sums as the Congress may find necessary".

The committee amendment was agreed to.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ROBERTS. Mr. Speaker, I rise in support of this bill. It was my pleasure on June 29, 1959, to introduce H.R. 8016, which is identical to S. 2219, sponsored by Senator HILL and approved by the Senate.

This legislation authorizes appropriations for certain purposes at the Gorgas Memorial Laboratory in Panama.

Two motivations brought me to sponsor legislation in this regard.

First, as the chairman of the Subcommittee on Health and Safety of the Interstate and Foreign Commerce Committee, I am particularly interested in all matters pertaining to health, and I am keenly aware of the great contribution that is being made in this field by the Gorgas Laboratory.

Secondly, as an Alabamian, I feel a very close affinity for the work which was begun a half century ago by another Alabamian, the illustrious William Crawford Gorgas, and I strongly want this work to continue as it has by Gorgas Laboratory.

America, and the world for that matter, owes a great deal to General Gorgas His medical and sanitation techniques not only made possible the building of the Panama Canal with all this means to us today, but they also marked a significant advancement in the continuing battle of man against disease.

I think Members will be interested in some of the background of this man and his work.

William Crawford Gorgas, born in Mobile, Ala., served in the U.S. Army Medical Corps after graduating from medical college.

In 1901, in Cuba, Gorgas for the first time put into use medical and sanitation techniques which eradicated the dread epidemic disease yellow fever.

When the tropical disease which had infested the Isthmus of Panama for four centuries defeated all efforts to build a canal there, Gorgas was dispatched to make the area livable.

Using the techniques proven in Cuba, Gorgas exterminated the disease-carrying mosquitoes and the canal was built.

Shortly after Gorgas died in 1920, the Gorgas Memorial Institute of Tropical and Preventive Medicine was founded. Its purposes were to conduct and encourage research in preventing and treating disease, particularly as applied to tropical disease.

In 1928, Congress authorized an annual contribution for maintenance and operation of the Panama Laboratory, in the amount of $50,000.

Following the U.S. lead, the Government of Panama ceded to Gorgas Memorial Institute a parcel of land and a building which through the years has increased in value and is now worth an estimated $225,000. It is near the heart of downtown Panama.

In 1948, Congress raised the annual appropriation to $150,000.

The legislation now under consideration asks for an annual $250,000 appropriation and for funds for enlarging the physical plant of the Laboratory.

The work of the Gorgas Laboratory has continually expanded, and its importance in the field of tropical disease has been steadily magnified.

The Laboratory has been at the forefront of the fight against yellow fever, and has been particularly effective since the new outbreak of that dreaded disease in 1948.

All of the armed services of this country utilize the Laboratory, and its research findings have proven invaluable to us.

During the past few years, the Laboratory has had a difficult time maintaining its operations, including professional personnel, on the appropriations it has received for the past 11 years.

In 1958 and 1959, for instance, the budget items for personal services alone exceeded the entire congressional appropriations for those years.

Under these circumstances, the Laboratory has had to rely very heavily upon research grant funds from other sources which it has been able to obtain from year to year.

Of course, this puts the work of this institution in an unstable and untenable position.

It is highly important, in view of the contributions made by our friends in Panama to this cause, that we not fall down in our share of the burden.

I understand that the Government of Panama has inquired of the authorities at Gorgas Institute about whether it plans to utilize the valuable property where the Laboratory is located.

The gift of the land was made with the stipulation that it be used by the Gorgas Memorial Institute for the purpose of conducting investigations in tropical and preventive medicine and that if such operation should be suspended for a period exceeding 5 years the property would revert to the Government of Panama.

The Institute needs and would like to expand its physical plant on this property, but has been unable to do so under its current appropriation.

There is a real danger, unless we utilize that property, that some of it may revert to Panama.

Under the appropriation we are now asking, the plant can be expanded and certain improvements made.

The annual increase will help maintain an adequate staff of competent research scientists and provide better administrative support.

I urge passage of the bill.

Mr. SELDEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection?

Mr. SELDEN. Mr. Speaker, S. 2219 increases the authorization of annual appropriations for maintenance and operation of the Gorgas Memorial Laboratory from $150,000 to $250,000. It also authorizes an appropriation not to exceed $250,000 for the construction, alteration, and equipment of facilities for the Laboratory.

The Gorgas Memorial Institute of Tropical and Preventive Medicine was established in January 1929, by an act of Congress. The Institute sponsors the Gorgas Memorial Laboratory, which is located in Panama City, Panama. The Gorgas Memorial Laboratory is the research center for investigation into the causes and prevention of tropical diseases, both human and animal. Both the Laboratory and the Institute are dedicated to the furthering of the cause of public health, primarily in tropical areas.

While the major mission of the Laboratory is in the field of medical research, it also performs valuable service functions. It is a reservoir of medical knowledge for visiting doctors and scientists from all over the world. We are all aware of the Laboratory's great contribution to our servicemen in World War II in combating malaria.

In 1948, yellow fever reappeared in Panama for the first time since 1905. In succeeding years, the yellow fever virus moved northward at a rapid pace. The studies made by the Laboratory disclosed the source of the viruses and the transmitting agents which prevented untold epidemics.

The need for an increase in annual appropriations is apparent. New viruses are being discovered which will require additional research medical scientists.

The physical facilities of the building are inadequate for expanded laboratory purposes. Not only are the premises inadequate, but they are not safe because

the viruses can be easily transmitted to the laboratory workers. The original building was constructed for a medical school and not for a research laboratory. New equipment and modern medical facilities are required to help combat diseases that take so many human lives each year. These diseases can be eliminated and many lives saved.

The Subcommittee on Inter-American Affairs heard several witnesses in support of this measure. At this point, under unanimous consent, I insert in the RECORD the fine statement of Dr. Walter A. Bloedorn, president of the Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc.:

STATEMENT OF WALTER A. BLOEDORN, M.D., PRESIDENT, GORGAS MEMORIAL INSTITUTE OF TROPICAL AND PREVENTIVE MEDICINE, INC., BEFORE THE SUBCOMMITTEE ON INTER-AMERICAN AFFAIRS, COMMITTEE ON FOREIGN AFFAIRS

I am Dr. Walter A. Bloedorn, formerly dean of the School of Medicine of George Washington University and medical director of the George Washington University Hospital. Since 1957 I have been president of the Gorgas Memorial Institute of Tropical and Preventive Medicine, and am appearing before you in that capacity.

S. 2219 and the House bill, H.R. 8016, which are identical bills, would (1) authorize an annual appropriation up to $250,000 for support of the Gorgas Memorial Institute, as compared with the present authorization of $150,000, and (2) authorize appropriations for construction and equipment of facilities.

The Gorgas Memorial Institute was named for a great general who made it possible to build the Panama Canal by the conquest of yellow fever and malaria. It was created in 1928 when legislation was passed permitting an annual authorization for the support of the Institute. In 1930, Panama ceded in perpetuity to the Gorgas Memorial Institute a parcel of land and a building constructed thereon originally intended to serve as a medical school. The plot of land comprises an entire city block which today is valued at over a quarter of a million dollars. The building was converted to a laboratory by the installation of utilities and equipment appropriate for research use. In its early years, there were only a few professional employees of the Laboratory so that the building itself could house animal quarters, insectaries, and laboratory space for visiting investigators.

During the last decade, increases in size of the professional staff were made possible by constructing a temporary building for the housing of laboratory animals and an insectary for rearing vectors and, unfortunately, by restricting the number of visiting scientists using the facilities.

ORGANIZATION

The Gorgas Memorial Institute is incorporated under the laws of the State of Delaware and is governed by a Board of Directors which includes the Ambassador of Panama, the Surgeons General of the Army, Navy, Air Force, and Public Health Service, presidents of selected professional organizations, and a group of elected directors. The Board of Directors meets annually and determines the policies of the Institute. The officers serve without compensation. The Gorgas Memorial Laboratory is the operating arm of the Institute and its entire staff is located in Panama. A Scientific Advisory Board assists in developing the research programs.

PERSONNEL

The Laboratory employs nine professional personnel, most of whom enjoy international scientific reputations. The Laboratory has been fortunate in the low turnover rate of its scientists which has provided a unique stability permitting long-term investigations. Until a few years ago, salaries were far below those of comparable research positions elsewhere with no provision for retirement. The Board of Directors at its annual meeting in 1954 approved a pay schedule more commensurate with that of comparable research workers in the United States and approved a contributory retirement plan. These actions are providing an even greater degree of stability than that of the past.

In my opinion, the staff is not only highly competent and well qualified, but has an eminence unexcelled anywhere in a small research laboratory. With such a staff, we can predict a continued output of highly significant research findings.

FINANCE

The major portion of the financial support of the Institute is appropriated by the Congress, but some funds are received from contracts with nongovernmental organizations (United Fruit Co.). Research funds available under the Gorgas authorization are augmented by research grants from the National Institutes of Health.

FUNCTIONS

The Laboratory was created to serve both the United States and Panama in research on those diseases which require a base of operations in a tropical area. The results are reported to the Congress annually. A perusal of these reports amply demonstrates the high quality of the work being performed. However, annual reporting may not give a proper perspective to the value and importance of the work. To illustrate, I will discuss research on two of the diseases—malaria and yellow fever—which have received the attention of the Laboratory.

Early work in the Laboratory consisted of evaluating a new German synthetic chemical—atabrine—against the malaria. Until 1930, quinine was the only available drug against this disease.

The Director of the Laboratory at that time, Dr. Herbert Clark, surveyed the malaria incidence among natives in Chagres River villages and then divided the villages into groups, treating some with quinine and some with atabrine. During the next decade, Dr. Clark obtained information on the value and limitations of atabrine as both a prophylactic and treatment agent against malaria.

This work took on an unanticipated importance in World War II, when U.S. imports of quinine were stopped and it became necessary to use another drug to supplement the diminishing supply of quinine to protect U.S. troops fighting in the South Pacific. During the early years of World War II, the United States therefore was forced to substitute atabrine for quinine, a substitution made possible by the investigations of Gorgas Memorial Laboratory.

In 1948, the yellow fever reappeared in Panama for the first time since 1905. In succeeding years, the yellow fever virus moved northward through the isthmus, up Central America, progressing at an average rate of 13 miles a month. This extension of yellow fever resulted from infections in monkeys transmitted by treetop mosquitoes with man as an incidental host. The Laboratory collected and identified mosquitoes transmitting the disease and studied their ecology. It also studied the mammalian hosts of the infection. These findings contributed greatly to the factual knowledge available today for prognosticating the movements of jungle yellow fever and for the scientific basis upon which it is hoped procedures can be developed. Much more needs to be done because there is epidemiological evidence that a mammal other than monkeys can serve as a reservoir of the virus, and mosquitoes presently not incriminated can transmit the disease, and because the mechanics of survival of the virus during climatically unfavorable periods are unknown.

While the major mission of the Laboratory is in the field of medical research, it also performs valuable service functions. It has, since its creation, been host to visiting medical scientists from the United States whose research endeavors carried them into the Tropics. Generally one, two, or even three such scientists are provided with Laboratory facilities for limited periods. The Laboratory also serves as a training station for U.S. physicians interested in tropical medicine who have traveling fellowships. Fellowships administered by the dean of LSU Medical School have included time spent in the Laboratory and on field trips under the direction of members of the regular staff. The Laboratory also serves as a diagnostic reference center for special examinations not otherwise available to the Panamanian authorities. Because of the competence of the staff, they are sometimes detailed to U.S. agencies for investigations of little known diseases. Such was the case when a senior staff member was loaned to the Army to investigate outbreaks of acute hemorrhagic fever in Korea.

RELATIONS WITH THE GOVERNMENT OF PANAMA

One of the most unique features of the Laboratory is the relations with other governments and agencies. It has been repeatedly reported that the Panamanian Government takes a great deal of pride in the work and accomplishments of the Laboratory. Through the Republic of Panama and its association with the Laboratory, personnel are given ready access to the countries of Central America, making it possible for them to follow their epidemiological investigations across national frontiers without the delays ordinarily experienced in international research.

RELATIONS WITH OTHER AGENCIES

The Laboratory collaborates very closely with the Pan American Health Organization which has need for expert talent and specialized laboratory facilities to carry on its control and eradication programs of Central America. Experts from both organizations frequently accompany one another on field expeditions, each contributing in his area of proficiency.

The new Middle America Research Unit of the National Institutes of Health, located in the Canal Zone, and the Gorgas Laboratory are carrying on cooperative studies made possible by the special resources available to each institution.

During 1958, Laboratory facilities were made available to research scientists from the U.S. National Museum, the University of Pennsylvania, Universidad Central de Venezuela, and the World Health Organization.

Consultant services are provided to various tropical industrial organizations, particularly the United Fruit Co.

The availability of NIH grants to the Laboratory makes it possible to carry on basic research on problems dealing with exotic diseases. The approval of such grants is subject to the same painstaking scrutiny as are other NIH grants but the number of grants that the Institute can request is limited by the physical facilities available and by the time that can be committed by the permanent staff. In this connection, I would like to point out that the funds available from Congress for development of medical research facilities in the United States under the Health Research Facilities Act are not available to the Gorgas Institute because of its geographic location outside the United States.

FUTURE OF THE INSTITUTE

It is obvious that with the increased rapidity and amount of international travel, the medical problems of Central America become more important to the United States. The new Pan American Highway provides a new artery for traffic between

the United States and Panama but also provides a new channel for the transmission of tropical diseases. Every military emergency that this country has faced has shown us that we know too little of the diseases not ordinarily occurring in this country which in both World Wars and the Korean conflict led to unnecessary death and disability. These needs, along with the importance the Panamanians attach to this joint endeavor, point to the need for expansion of the Laboratory which can be expected to continue to pay dividends far beyond the amount invested. The joint endeavor of the United States and the Republic of Panama in medical research is an example of international cooperation of the highest quality.

With these considerations in mind, the Board of Directors of the Institute believe that the time has come when the annual operating authorization should be increased to $250,000 and when plans should be formulated for the expanding of physical plant to provide the space necessary for the Laboratory employees and for housing visiting investigators and fellows. The Board therefore hopes that you will give your full support to S. 2219.

Mr. Speaker, the funds requested in this authorization bill are required, and the beneficial results attained will serve the needs of mankind.

I urge the support of this measure.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN LANDS FOR EVERGLADES NATIONAL PARK

The Clerk called the bill (S. 2390) to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to further the administration and use of the Everglades National Park, the Secretary of the Interior is authorized to accept on behalf of the United States title to the following described parcels of land:

Those parts of tracts "R" and "S" which lie west of the right-of-way of State Road Numbered 29, and lots 1 to 9, inclusive, of block 40, in Everglades City, Florida, comprising 18.98, 1.32, and 3.17 acres, respectively, as shown on N.P.S. Map No. EVE–NP–E–1, dated June 23, 1959, of Everglades City, Florida; and not to exceed 15 acres of submerged lands lying adjacent to said tracts "R" and "S", if such additional lands are considered necessary by the Secretary of the Interior to permit full utilization of the lands above described;

and, in exchange for such parcels of land, to convey to the owner or owners thereof all right, title, and interest of the United States in and to the following described parcels of land within the Everglades National Park:

Tract "L" and block 34, comprising 9.09 and 1.65 acres, respectively, lying in or in the vicinity of Everglades City, Florida.

SEC. 2. All lands and submerged lands title to which is accepted by the Secretary of the Interior pursuant to the provisions of this Act shall, upon the acceptance of title thereto, become parts of the Everglades National Park and shall be subject to all laws and regulations applicable thereto.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DETERMINING THE DISCHARGEABILITY OF PROVABLE DEBTS IN BANKRUPTCY

The Clerk called the bill (H.R. 4150) to amend the Bankruptcy Act to authorize courts of bankruptcy to determine the dischargeability or nondischargeability of provable debts.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, I wonder if someone interested in this bill can tell me whether there is any significance in the fact that there are three or four bankruptcy bills on this Consent Calendar today and there have been other bankruptcy bills passed in the House in this session of the Congress. Is there any significance to this? Is bankruptcy increasing in this allegedly prosperous Nation of ours with its $290 billion of debt?

Mr. FORRESTER. So far as I know, there is not. I cannot answer that question.

Mr. O'HARA of Illinois. Mr. Speaker, if the gentleman will yield, I would inform him that there have been more bankruptcies in this prosperous Republican administration than we have had in a long, long time.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 2 of the Bankruptcy Act, as amended (11 U.S.C. 11(a)), is amended by adding at the end thereof the following:

"(22) Determine the dischargeability or nondischargeability of all provable debts. If a case is reopened solely for the purpose of determining such dischargeability or nondischargeability, no additional filing fees shall be collected."

SEC. 2. That subsection (a) of section 11 of the Bankrutcy Act, as amended (11 U.S.C. 29a), is amended to read as follows:

"(a) A suit which is founded upon a claim from which a discharge would be or is claimed to be a release, and which is pending against a person at the time of the filing of a petition by or against him, shall be stayed until an adjudication or the dismissal of the petition; if such person is adjudged a bankrupt, any action upon a claim from which a discharge would be or is claimed to be a release may be further stayed until the question of his discharge and the question of the dischargeability or nondischargeability of the claim or determined by the court after a hearing, or by the bankrupt's filing a waiver of, or having lost, his right to a discharge, or, in the case of a corporation, by its failure to file an application for a discharge within the time prescribed under this Act: *Provided, however,* That such stay shall be vacated by the court if, in a proceeding under this Act commenced within six years prior to the date of the filing of the petition in bankruptcy, such person has been granted a discharge, or has had a composition confirmed, or has had an arrangement by way of composition confirmed, or has had a wage earner's plan by way of composition confirmed."

With the following committee amendments:

Page 1, line 6, strike out the word "Determine" and insert the following: "Upon application of the bankrupt and the creditor concerned determine."

Page 2, lines 4 and 9, strike the words "or is claimed to be".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BASIC COMPENSATION RATES FOR CERTAIN POSITIONS

The Clerk called the bill (S. 1845) to provide for the establishment of rates of basic compensation for certain positions in the Patent Office in the Department of Commerce, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202 of the Classification Act of 1949, as amended (5 U.S.C. 1082), is amended by redesignating the paragraph thereof which was added by the Defense Department Overseas Teachers Pay and Personnel Practices Act as paragraph (33), and by changing the period at the end of such subsection to a semicolon and adding the following new paragraph:

"(34) examiners in chief and designated examiners-in-chief in the Patent Office in the Department of Commerce."

SEC. 2. The first paragraph of section 3 of title 35, United States Code, is amended by adding at the end thereof the following new sentence: "The Secretary of Commerce is authorized to fix the rates of basic compensation of examiners-in-chief and designated examiners-in-chief in the Patent Office, at per annum rates not in excess of the maximum scheduled per annum rate of compensation provided for positions in grade 17 of the General Schedule under the Classification Act of 1949, as amended."

SEC. 3. The enactment of the amendments made by the first section and section 2 of this Act shall not affect—

(1) any position of examiner-in-chief in the Patent Office in the Department of Commerce existing immediately prior to the date of enactment of this Act,

(2) the compensation attached to such position of examiner-in-chief, or

(3) any incumbent of such position, his appointment thereto, or his right to receive the compensation attached thereto,

until appropriate action is taken under authority of the amendment made by section 2 of this Act.

SEC. 4. (a) The rate of basic compensation of the Administrative Assistant Attorney General, the Administrative Assistant Secretary of the Interior, the Administrative Assistant Secretary of Agriculture, the Administrative Assistant Secretary of Labor, and the Administrative Assistant Secretary of Treasury shall be $19,000 per annum.

(b) Section 505 of the Classification Act of 1949, as amended, is amended by adding at the end thereof a new subsection as follows:

"(j) The Attorney General is authorized to place a total of three positions in the Bureau of Prisons in grade 17 of the General

Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b)."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"POSITIONS OF EXAMINER-IN-CHIEF AND DESIGNATED EXAMINER-IN-CHIEF IN THE PATENT OFFICE

"SECTION 1. (a) Section 3 of title 35 of the United States Code is amended by adding at the end thereof the following sentence: 'The Secretary of Commerce is authorized to fix the per annum rate of basic compensation of each examiner-in-chief in the Patent Office at not in excess of the maximum scheduled rate provided for positions in grade 17 of the General Schedule of the Classification Act of 1949, as amended.'.

"(b) The last sentence of section 7 of title 35 of the United States Code is amended to read as follows: 'The Secretary of Commerce is authorized to fix the per annum rate of basic compensation of each designated examiner-in-chief in the Patent Office at not in excess of the maximum scheduled rate provided for positions in grade 16 of the General Schedule of the Classification Act of 1949, as amended. The per annum rate of basic compensation of each designated examiner-in-chief shall be adjusted, at the close of the period for which he was designated to act as examiner-in-chief, to the per annum rate of basic compensation which he would have been receiving at the close of such period if such designation had not been made.'.

"(c) The amendments made by this section shall not affect—

"(1) any position of examiner-in-chief or designated examiner-in-chief existing immediately prior to the effective date of this section, or

"(2) any incumbent of any such position, his appointment thereto, his rate of compensation, or his right to receive such compensation,

until appropriate action is taken under authority of such amendments.

"POSITIONS IN GRADES 16, 17, AND 18 OF THE GENERAL SCHEDULE OF THE CLASSIFICATION ACT OF 1949

"SEC. 2. (a) Section 505 of the Classification Act of 1949, as amended (5 U.S.C. 1105), is amended by adding at the end thereof the following:

"'(k) The Secretary of the Treasury (or his designee for the purpose) is authorized, subject to the standards and procedures prescribed by this Act, to place a total of two hundred and sixty positions in the Department of the Treasury in grades 16, 17, and 18 of the General Schedule, as follows:

"'(1) not more than one hundred and eighty-four such positions shall be in such grades during the period beginning on the date of enactment of this subsection and ending on June 30, 1960;

"'(2) not more than two hundred and twenty-two such positions shall be in such grades during the period beginning on July 1, 1960, and ending on June 30, 1961; and

"'(3) not more than two hundred and sixty such positions shall be in such grades on and after July 1, 1961.'

"(b) Section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), is amended—

"(1) by striking out 'fourteen hundred and eighty-three' and inserting in lieu thereof 'fourteen hundred and twenty-nine';

"(2) by striking out 'three hundred and ninety-seven' and inserting in lieu thereof 'three hundred and seventy-one'; and

"(3) by striking out 'one hundred and fifty-seven' and inserting in lieu thereof 'one hundred and fifty-three'.

"(c) Nothing contained in this section shall affect—

"(1) any position existing under authority of section 505(b) of the Classification Act of 1949, as in effect immediately prior to the date of enactment of this Act, or

"(2) the compensation attached to any such position and any incumbent thereof, his appointment thereto, and his right to receive the compensation attached thereto, until appropriate action is taken under authority of subsection (k) of section 505 of the Classification Act of 1949, as contained in the amendment made by subsection (a) of this section.

"POSITIONS IN CERTAIN DEPARTMENTS AND AGENCIES SUBJECT TO THE FEDERAL EXECUTIVE PAY ACT OF 1956

"SEC. 3. (a) Section 106(a) of the Federal Executive Pay Act of 1956, as amended (5 U.S.C. 2205(a)), which prescribes an annual rate of basic compensation of $20,000 for certain positions, is amended by adding at the end thereof the following paragraphs:

"'(46) Commissioner of Social Security.

"'(47) Commissioner of Education.'.

"(b) Section 106(b) of such Act, as amended (5 U.S.C. 2205(b)), which prescribes an annual rate of basic compensation of $19,000 for certain positions, is amended by adding at the end thereof the following paragraphs:

"'(10) Deputy Commissioner of the Internal Revenue Service.

"'(11) Chief Counsel of the Internal Revenue Service.

"'(12) Administrative Assistant Attorney General.

"'(13) Administrative Assistant Secretary of the Interior.

"'(14) Administrative Assistant Secretary of Agriculture.

"'(15) Administrative Assistant Secretary of Labor.

"'(16) Administrative Assistant Secretary of the Treasury.'.

"(c) Section 107(a) of such Act, as amended (5 U.S.C. 2206(a)), is amended by striking out '(1) Administrator, Agricultural Research Service, Department of Agriculture.', '(18) Commissioner of Social Security.', and '(20) Deputy Commissioner of the Internal Revenue Service.'.

"ADDITIONAL SCIENTIFIC AND PROFESSIONAL POSITIONS FOR RESEARCH AND DEVELOPMENT PURPOSES

"SEC. 4. (a) Subsecton (e) of the first section of the Act of August 1, 1947 (Public Law 313, Eightieth Congress), as added by section 12(c) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213; Public Law 85–462), is amended to read as follows:

"'(e) The Secretary of Agriculture is authorized to establish and fix the compensation for not more than fifteen scientific or professional positions in the Department of Agriculture, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.'.

"(b) Subsection (f) of the first section of the Act of August 1, 1947 (Public Law 313, Eightieth Congress), as added by section 12(c) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213; Public Law 85–462), is amended to read as follows:

"'(f) The Secretary of Health, Education, and Welfare is authorized to establish and fix the compensation for not more than ten scientific or professional positions in the Department of Health, Education, and Welfare, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.'.

"REDESIGNATION OF THE POSITION OF ASSISTANT DIRECTOR OF THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

"SEC. 5. (a)(1) Sections 601, 603, and 606 of title 28 of the United States Code are amended by striking out the words 'Assistant Director' wherever they appear in such sections and inserting in lieu thereof the words 'Deputy Director'.

"(2) The analysis at the beginning of chapter 41 of such title is amended by striking out the words 'Assistant Director' in the items thereof relating to sections 601 and 606 and inserting in lieu thereof the words 'Deputy Director'.

"(3) Section 107(a) of the Federal Executive Pay Act of 1956, as amended (5 U.S.C. 2206(a)), is amended by striking out '(6) Assistant Director of the Administrative Office of the United States Courts.' and inserting in lieu thereof '(6) Deputy Director of the Administrative Office of the United States Court.'

"(4) Whenever the Assistant Director of the Administrative Office of the United States Courts is referred to in any other law, such reference shall be deemed to be to the Deputy Director of the Administrative Office of the United States Courts.

"(b) The Director of the Administrative Office of the United States Courts, may, in accordance with the provisions of section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), procure the temporary or intermittent services of experts or consultants at rates not in excess of $75 per diem.

"MISCELLANEOUS

"SEC. 6. (a) Section 202 of the Classification Act of 1949, as amended (5 U.S.C. 1082), is amended—

"(1) by changing to a semicolon the period at the end of paragraph (32) of such section 202, which paragraph (32) was added to such section 202 by the first section of the Act of May 29, 1959 (73 Stat. 63; Public Law 86–36);

"(2) by redesignating, as paragraph (33) of such section 202, paragraph (32) thereof which was added by section 3 of the Defense Department Overseas Teachers Pay and Personnel Practices Act (73 Stat. 213; Public Law 86–91);

"(3) by changing to a semicolon the period at the end of such paragraph (33), as redesignated by subparagraph (2) of this subsection; and

"(4) by adding at the end of such section 202 the following paragraph:

"'(34) examiners-in-chief and designated examiners-in-chief in the Patent Office in the Department of Commerce.'.

"(b) Section 5(b) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (73 Stat. 214; Public Law 86–91) is amended—

"(1) by striking out 'paragraph (32) of section 202 of such Act, as added by section 3 of this Act,' and inserting in lieu thereof 'paragraph (33) of section 202 of such Act, added by section 3 of this Act.': and

"(2) by striking out 'such paragraph (32)' and inserting in lieu thereof 'such paragraph (33)'.

"EFFECTIVE DATES

"SEC. 7. (a) This section, and sections 2, 4, and 5 of this Act, shall become effective on the date of enactment of this Act.

"(b) Sections 1, 3, and 6 of this Act shall become effective on the first day of the first pay period which begins after the date of enactment of this Act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to provide for the reestablish-

ment of rates of basic compensation for certain Government positions."

A motion to reconsider was laid on the table.

BANKRUPTCY ACT—VERIFICATION OF PLEADINGS

The Clerk called the bill (S. 1944) to amend the Bankruptcy Act in regard to the verification of pleadings.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subdivision c of section 18 of the Bankruptcy Act (11 U.S.C. 41c) is hereby repealed and subsections d, e, f, and g of such section are relettered to read "c", "d", "e", and "f", respectively.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That subdivision c of section 18 of the Bankruptcy Act is amended to read as follows: 'c. Petitions for both voluntary and involuntary bankruptcy shall be verified under oath.'"

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROMOTING PEACE THROUGH THE REDUCTION OF ARMAMENTS

Mr. ANDERSEN of Minnesota. Mr. Speaker, I ask unanimous consent to return to Calendar No. 300—House Concurrent Resolution 393—a concurrent resolution to promote peace through the reduction of armaments.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. ANDERSEN of Minnesota. Mr. Speaker, I reserve the right to object.

This proposed resolution is of major importance not only to the people of the United States but to the people of the entire world. If its adoption might in some manner or measure start a worldwide movement toward peace and disarmament, then it might prove to be one of the most crucial actions taken at this session of the Congress.

It seems to me that such an important step should be judiciously taken. If the world is to have confidence in its provisions, it is my belief that the resolution should be brought up under a rule and debated freely and openly. If the resolution is as significant as I believe it to be, then I likewise believe it should be accorded an appropriate measure and degree of consideration. To do less may raise serious doubts as to the sincerity of our purpose and in these crucial times we must leave no such doubts.

The spotlight of world attention is focused upon the Capitol of the United States. If it be the purpose of the Congress to implement by appropriate resolution the statement made by President Eisenhower on April 16, 1953, then by all means let us implement it with all the power and dignity of which the Congress is possessed. In my judgment, there might be raised considerable doubt as to the depth of our feeling if we bring up and pass such a far-reaching proposal by means of the Consent Calendar.

Beyond that, Mr. Speaker, I believe we should know more about the implications of this resolution before we give it our stamp of approval. No one can question our dedication to the objectives of the resolution, but we should know more about the commitment it asks us to make for future foreign aid programs. If the integrity of the Congress is to be preserved, we should proceed with great caution and deliberate care when we venture into the field of promises for appropriations to be made by succeeding sessions of the Congress.

I bow to no man in my desire for world peace. I have talked to people in many other countries and if there is a single, common ground it is this mutual desire for peace. But are peace and disarmament of so little value to mankind that they must be bought by promises of economic aid? Can we be certain without hearings and debate what these commitments will entail in the way of demands to be made upon our Treasury in the future? And what assurance have we that our own economy in the process of conversion from a state of cold war to disarmament will be able to bear the burdens here proposed?

If given the opportunity to more fully consider the resolution I might become one of its most sincere advocates, but too little time and consideration have been given this proposal which could alter the entire course of world events.

Mr. Speaker, I would like to ask the gentleman from Wisconsin [Mr. ZABLOCKI], Is there any intention in this particular resolution to bypass the Committee on Appropriations?

Mr. ZABLOCKI. There is absolutely no intent to bypass the Committee on Appropriations. There is no authorization for any funds. There is no money involved. The Bureau of the Budget to the Department of State have no objection as stated in the report.

Mr. ANDERSEN of Minnesota. The gentleman well knows that the report is based and the entire findings on the merits of the bill relative to the statements by first, former President Truman, and secondly by President Eisenhower who on April 16, 1953, pledged that the U.S. Government was ready to ask its people to join all nations in devoting a substantial percentage of the savings achieved by disarmament to a fund for world aid and reconstruction. What does that word "substantial" mean? And how does the executive department have it within its power to tell the Congress that perhaps $3 or $4 or $5 billion shall go for further foreign aid? Where is that within the rights of the President of the United States?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield.

Mr. ZABLOCKI. It is within the prerogative of the executive department, of course, since he has the responsibility of administering international relations to make a decision as to the amount of assistance to any particular nation. Further to try to clarify the word "substantial" I might say to the gentleman if it is $100 that is involved, then $50 would be a substantial amount. If it is $10 million or $10 billion, one-tenth of such an amount in my estimation would be a substantial amount.

I am sure the gentleman will agree that should there be any real savings, a substantial amount of savings, due to disarmament or to a cutback of military expenditures it would then be the decision of Congress to determine what portion of the savings the Congress would allocate for assisting other nations that are underdeveloped and underprivileged.

Mr. ANDERSEN of Minnesota. I think the gentleman will agree that this Congress has often been in difficulty by bypassing the Appropriations Committee. Just the other day we had an example of that in the matter of the interstate highway program which was taken out of the hands of the Appropriations Committee to study each year, and we now are faced with the fact that the program is practically bankrupt.

We had a similar situation in the housing legislation. To me this has at least the potentiality of continuation of foreign aid, regardless of what the consensus of the Congress might be in the matter. Is there any justification for my belief there?

Mr. ZABLOCKI. I would like to assure the gentleman that it is not. I want to assure the gentleman. If I thought such was the intent of this legislation I certainly would not have introduced the resolution.

Mr. ANDERSEN of Minnesota. May I ask this question? This bill passed the Senate on August 4, I understand.

Mr. ZABLOCKI. Yes, on August 4.

Mr. ANDERSEN of Minnesota. Over a month ago. If it was so important why did the committee not get a rule to bring it to the floor for consideration long before this?

Mr. ZABLOCKI. In order to satisfy some members, the Committee on Foreign Affairs went into the proposal very carefully. It is therefore understandable that the committee was not able to report it out prior to August 31.

The gentleman I am sure is fully aware that the Committee on Rules is no longer in session. Therefore a rule could not be obtained.

Mr. ANDERSEN of Minnesota. May I inquire why the Committee on Rules is not sitting while Congress is in session?

Mr. ZABLOCKI. The gentleman will have to address that question to the chairman of the Rules Committee.

Mr. ANDERSEN of Minnesota. I do not see any recommendation from the State Department for this resolution. There is simply the statement in the report that they have no objection. Did the State Department come before the Foreign Affairs Committee of the House?

The SPEAKER. The regular order is, Is there objection?

Mr. ANDERSEN of Minnesota. Will the Speaker pardon me while I finish this one question?

The SPEAKER. I thought the gentleman wanted to return to the bill and pass it; I did not know the gentleman wanted to fight it.

Mr. ANDERSEN of Minnesota. I was just making the inquiry——

The SPEAKER. The Chair will withhold asking for the regular order.

Mr. ANDERSEN of Minnesota. Did the State Department urge upon the Committee of Foreign Affairs that they enact this legislation?

Mr. ZABLOCKI. The State Department does not have any objection to the proposal.

Mr. ANDERSEN of Minnesota. They have no objection?

Mr. ZABLOCKI. As to testifying in favor, I would suggest to the gentleman that the proposal has complete approval of the Department.

Mr. ANDERSEN of Minnesota. The report does not so state.

Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. It has already gone over; it was objected to before.

Mr. ANDERSEN of Minnesota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ANDERSEN of Minnesota. It seems to me I was the party who originally objected to the consideration of this bill. My purpose in asking that that objection be removed is to retain my right to ask that it go over without prejudice.

The SPEAKER. The bill has already been objected to.

Mr. ANDERSEN of Minnesota. I want to withdraw that objection. Have I not the right to do so?

The SPEAKER. Is the gentleman withdrawing the resolution?

Mr. ANDERSEN of Minnesota. I do not want to be so abrupt as to object; I want to give them another chance to come before the House, so I ask permission that the bill be passed over without prejudice.

The SPEAKER. The bill will remain on the calendar.

ADDITIONAL BUILDING FOR THE LIBRARY OF CONGRESS

Mr. BURLESON. Mr. Speaker, I move to suspend the rules and pass the resolution (H.J. Res. 352) to authorize preliminary study and review in connection with proposed additional building for the Library of Congress.

Mr. GROSS. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. The Chair desires to say that we had a quorum call just a little while ago because certain Republicans wanted to be at the airport to meet the President of the United States. They have not returned and will not until around half past 2.

Mr. GROSS. Mr. Speaker, I withdraw the point of order momentarily.

The SPEAKER. The gentleman from Texas moves to suspend the rules and pass the resolution, H.J. Res. 352, which the Clerk will report.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Architect of the Capitol, under the direction of the Joint Committee on the Library, is authorized and directed to prepare preliminary plans and estimates of cost for an additional building for the Library of Congress.

SEC. 2. The Architect of the Capitol is authorized to make such expenditures as may be necessary to carry out the provisions of this resolution, and there is hereby authorized to be appropriated for such purpose the sum of $75,000.

The SPEAKER. Is a second demanded?

Mr. SCHENCK. Mr. Speaker, I demand a second.

The SPEAKER. Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas [Mr. BURLESON] will be recognized for 20 minutes, and the gentleman from Ohio [Mr. SCHENCK] for 20 minutes.

Mr. BURLESON. Mr. Speaker, House Joint Resolution 352 authorizes an appropriation of the sum of $75,000 for a study and survey of preliminary plans for the construction of an annex to the Congressional Library, if, and when, Congress determines the need therefor.

The Joint Committee on the Library has had this matter under consideration for some 3 years. During that time extensive consideration and study has been given to many proposals designed to relieve the acute need for space, storage and other functional operations of the Library of Congress. The Library of Congress must necessarily expand if it is to continue the high purpose for which it was created.

Someone may ask—I am sure they will ask, and properly so—Is this measure an authorization for building an annex, or to furnish architectural plans for a new building for the Library of Congress if, subsequently, Congress determines that such a need is clearly evident? The answer is that it is not an authorization for building an annex. That is the province of the Committee on Public Works which determines the question of erection of all public buildings. Our position here is to bring to the attention of the House that an acute shortage of space is currently hampering the Librarian of Congress in the orderly conduct of carrying out his monumental task of furnishing statutorily all the services demanded by the Congress. This proposal merely requires the Architect of the Capitol to prepare the preliminary plans and estimates of cost, including location, design and other necessary criteria for Congress to consider if, and when, it is its will that the need of further expansion so demands.

So, Mr. Speaker, this is what we think is a farsighted and orderly way of planning. We certainly must produce another facility for the Library of Congress if it is to carry on its expansion, which is my judgment is clearly inevitable. People all over the country, and especially Members of Congress, are demanding services which tax the fullest capacities of the Library. While our population has been increasing tremendously through the post-war years, according to statistics may I cite that the growth of output in the publishing industry has also reached new highs in volumes of printed matter, which are required by law to be retained as Library material. Other services also have been added, including microfilming, preservation of motion pictures of all sorts and kinds, recordings, and a great many other advances in the field of printed arts and sciences. Need I say anything to add to the importance of the Legislative Reference Service as one of the functions of the Library. What more can be said in the face of these growing conditions other than the simple fact that the Library of Congress needs this study of space expansion.

The Library officials appeared before the Committee on Appropriations this year—I think last year, too, as a matter of fact, but this year particularly—asking for an appropriation of a half million dollars that they may rent space which is greatly needed, not only for storage but for the actual working operations to render the type of service that is expected of it. The Appropriations Committee in its wisdom—I do not think it turned it down irrevocably—thought we should proceed along this line, as I understand the contention.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Texas.

Mr. THOMAS. Mr. Speaker, I would like to commend our colleague and his very able committee for the manner in which they are handling this bill. Chairman BURLESON is exactly right. The Library of Congress officials came to our subcommittee to get funds to rent a building. Now, they desperately need more space. Let us be practical about it. We suggested to them that they go to the proper committee, the Joint Committee on the Library, and explain their needs. We urged them to go on and buy the land and build the building, because the Library is going to continue to grow. It would be the most economical way that this problem could be handled. They want to spend half a million dollars for rental space—which is their minimum request right now. A 10-year program of such rental arrangement would not be conceded to be in the interests of sound economics when we know that these moneys could be applied to building the necessary annex to coincide with the understandable growth of the Library of Congress. Now, that is just how simple it is.

Mr. BURLESON. I appreciate the statement of my colleague from Texas.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Illinois.

Mr. COLLIER. The gentleman mentioned as one of the services the recording and microfilming in the Library. Is it true at the present time recordings

made of historical events or speeches of importance are not made by the Library of Congress as such but is a function within the Library that is not supported by Federal funds, or am I incorrect in that statement?

Mr. BURLESON. I think the gentleman is correct in that direct recording is not, of course, a service of the Library.

Mr. COLLIER. May I ask one other question?

Mr. BURLESON. I shall be glad to yield.

Mr. COLLIER. Do you not think it is vitally important that some action be taken in this planning program to incorporate in the regular functions of the Library of Congress some means by which a divsion or a department could be set up to record and maintain speeches of this nature, anything that might be of value at some future time, so one could go back years from now and actually hear the recording of, say, the state of the Union address or the inaugural address of the President, which we do not now have?

Mr. BURLESON. I think I may say safely to the gentleman that that is in the plan of the Library operation. They have done some of it to the extent that they have the facilities. But, I thoroughly agree with the gentleman that that is highly important matter and something new that has to be developed.

Mr. SCHENCK. Mr. Speaker, House Joint Resolution 352 came before our Joint Committee on the Library, and rather extensive hearings were held. Now, as the result of these hearings and because of the fact that our Joint Committee on the Library has a very small staff, I believe it was the consensus of opinion that the members of the committee did not feel qualified to make a decision as to the need, the type, the size, or the location of such a proposed building. Therefore, in following good administrative procedures, the committee felt that it was wise and proper to have a study made by those who are well qualified to make such a study, and that such a study would then be reported to the Congress, at which time the Congress in its wisdom could work its will in deciding whether or not the building as recommended, designed, and located by this study should be built.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. SCHENCK. I will be glad to yield to the gentleman from Florida.

Mr. HALEY. The gentleman speaks of having this study made by people who are qualified. Would the gentleman tell me what the resolution specifies in that regard? Certainly it is not this National Capital Planning Commission, is it?

Mr. SCHENCK. Mr. Speaker, may I tell my friend from Florida that the study would be carried on under the supervision of the Architect of the Capitol, who would employ such architectural and engineering associates and talent as would be necessary to develop the proper plans.

Mr. HALEY. Mr. Speaker, if the gentleman will yield further, I hope that when this study is made it will be a thorough and complete study, and I hope that we do not have the situation that we had in regard to the housing arrangement of the other body, where many defects in the building were found. I hope that the people who are authorized to make this study are able and are competent.

Mr. SCHENCK. May I say to my friend from Florida that his well expressed question is one of the very definite purposes of this resolution, to make sure that the plans and specifications and study, type, and location, are well documented by persons competent to do so, and that all of that information will then become available to the Members of the Congress, who then may act in their own wisdom as to whether or not the building shall be authorized.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, may I ask this question; this is money to do what? To put an addition on the Library because they need room?

Mr. SCHENCK. Mr. Speaker, may I say to my friend from Michigan that this resolution provides $75,000 to make a study of plans and specifications, location, the need for, and the design of an additional building for the Library of Congress. It is not to build an addition to the present building.

Mr. HOFFMAN of Michigan. Do they lack space now?

Mr. SCHENCK. There is no question that the Library is very crowded and lacks space for the proper cataloging and preservation of the books and records which it has.

Mr. HOFFMAN of Michigan. May I ask the chairman of the committee, has his committee made any study about the amount of space that is used by, for example, Members of Congress in the Library? Some years ago one of our Members from Illinois, when he was a Member and then for some years after, Mr. Keller, had space in the Library of Congress. Then a few months ago, Mr. Speaker, I read something about a Republican, Mr. George Bender, formerly a Member of the House, and later a Senator from Ohio, had space over there. Just for personal information and for the information of other Members of the House who may be interested, how do I go about getting space over in the Library? What do I tell them I need?

Mr. BURLESON. Mr. Speaker, if the gentleman will yield to me, there has been a great deal of criticism of people ensconcing themselves in the Library for great periods of time. The Joint Committee on the Library 5 weeks ago tightened up the rules on the operation and use of the Library, and I think that will eliminate these criticisms. The proposed regulations for study rooms will be released to all Members of Congress this week. It has no connection with the resolution under consideration, only that the Joint Committee on the Library handles each question as propounded by the Library of Congress officials.

Mr. HOFFMAN of Michigan. I am not critical at all of anything any Member does.

Mr. BURLESON. If the gentleman is not, it would seem that everybody else is.

Mr. DINGELL. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. HOFFMAN of Michigan. Mr. Speaker, I understood that many Republicans are going down to meet the President and that is why we cannot have a quorum call right now.

Mr. DINGELL. Mr. Speaker, in view of the fact that all of our Republican colleagues have left this very important debate to go to the airport to meet the President, I withdraw my point of order.

The SPEAKER pro tempore (Mr. BONNER). The point of order is withdrawn. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. I hope I can get more time to discuss this matter.

Mr. BURLESON. Mr. Speaker, I shall be glad to yield the gentleman additional time. How much times does he require?

Mr. HOFFMAN. I want enough time to correct my very dear friend from Michigan [Mr. DINGELL] that all Republicans have gone down to the airport. But I am asking this in good faith, because some of us are crowded for office space. What I want to know is, how may I apply to the Library to get some office space?

Mr. BURLESON. Has the gentleman ever applied?

Mr. HOFFMAN of Michigan. No; I do not know how to do so. All I want the gentleman to do is to tell me how to get space there.

Mr. BURLESON. I can tell the gentleman that first he has to apply for it.

Mr. SCHENCK. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, it is very interesting if the gentleman is accurate in what he said to the gentleman from Michigan [Mr. HOFFMAN] about obtaining space in the Library of Congress. Do I understand all a Member has to do is to apply for space in the Library of Congress and he or she can get it?

Mr. BURLESON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am happy to yield.

Mr. BURLESON. Yes; the gentleman must apply, and if the space is available he can have a reading room for himself or for designated employees.

Mr. GROSS. Then the gentleman has made in those few words the best argument against this $75,000 appropriation that he possibly could make. Why in the world should Members of Congress be able to go over and get space in the Library of Congress for himself, his staff or some of his friends or for somebody else? If they have that kind of space to dish out over there they do not need a new building, in my opinion.

Mr. BURLESON. That is what the Library is for. You cannot read the books out on the lawn.

Mr. GROSS. Oh, we do not do that, but this is the crack in the door, this $75,000, not a very big one, but it is the crack in the door to another building costing millions of dollars.

Mr. BURLESON. Very definitely it is, and it is not meant to be a crack, it is

meant to open the door to provide space which is very badly needed by the Library of Congress.

Mr. GROSS. That is exactly right. Let us have it right out where we can see it.

Mr. BURLESON. Exactly.

Mr. GROSS. It happened in about the same way with respect to the New House Office Building.

Mr. BURLESON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am happy to yield to the gentleman.

Mr. BURLESON. I have noticed now within the last few days in reading some publications, I do not know what, but supposedly about people who just simply differ in their opinions. The gentleman from Florida made reference to the office building of the other body. Some of them have called it the Taj Mahal. Some say it should be in the zoo. Without making any inference in any way, I have never seen the Taj Mahal, but I have seen the Senate Office Building and I have been to the zoo, and I reserve my opinion as to where it should be placed. But that has nothing to do with the people who occupy it or its functions. It is simply a matter of opinion. Now, that is what we are trying to avoid by this resolution. You see, in 5 or 6 years we hope there is a building. But in the meantime my colleague, the gentleman from Texas [Mr. THOMAS], who is on the Committee on Appropriations and I think a great many other members on the Committee on Appropriations will tell you that for the Congressional Library to carry out its function and meet the demands made upon it today, they are going to have to spend from $500,000 to $750,000 annually to procure about 300,000 square feet additional for storage and Library operation. I do not think we should pay out that rent. The Committee on Appropriations does not want to appropriate money for that purpose. So what we are trying to do, and I repeat what I said a little bit ago, is to have an orderly and sensible development so that when these plans in their preliminary stages are made ready, we can submit them to our Committee on Public Works.

The SPEAKER pro tempore (Mr. BONNER). The time of the gentleman has expired.

Mr. BURLESON. I am glad to yield the gentleman 3 additional minutes or as much time as I have.

The SPEAKER pro tempore. The gentleman from Iowa [Mr. GROSS] is recognized for 3 additional minutes.

Mr. BURLESON. If I may continue in your time allotment, Mr. GROSS, these plans, in a very understandable and orderly way, will be submitted to the Committee on Public Works so that that committee can see exactly what is proposed, and if in their judgment, the request lacks substance, they can turn it down and that is all there is to it.

Mr. GROSS. Can the gentleman tell me how much space is presently occupied by Members of Congress, former Members of Congress, their favorites of one kind and another—I will withdraw the word "favorites" and say "preferential customers"?

Mr. BURLESON. There are 226 study rooms over there, all told. They average about 100 square feet per room. About 67 study rooms involve congressional assignments but that does not mean that 67 Members have study rooms. Some are assigned to committees and some are double rooms. It was brought out during hearings that less than 67 rooms are being used by individual Members. In fact, hearings developed that some of the space in those study rooms was being used for shelving seldom-used volumes. The question of allocating so-called study rooms to people plays a very minor part in the overall important question before us. It was set up that way in the beginning.

Mr. GROSS. I do not care about the beginning. Now we are confronted with a $290 billion Federal debt.

Mr. BURLESON. Oh, yes, but we are interested in the beginning. We have to consider knocking out partitions and trying to do something about it. It is just like this glorious Capitol Building—if we had to build it over again there are many nooks and crannies that could be better utilized. There are many ornamental features that are now considered waste of space. But space was not at a premium then as it is today.

Mr. GROSS. The national debt was not at the premium then that it is today.

Mr. BURLESON. Of course, I agree with the gentleman on that; but if we are going to have a Library of Congress and if we continue to make demands on it, and if your constituents and mine are also going to make demands on it, then you have to have a place for the Library to expand and you have to have a place for the people to work. Such a conclusion is obvious.

Mr. GROSS. Let me ask the gentleman this question. Does he agree with his colleague, the gentleman from Texas [Mr. THOMAS] who stated that the rental for the space that they want would cost $500,000 a year and that in 10 years they would have the building paid for? Does the gentleman agree with Mr. Thomas that this new building would cost $5 million.

Mr. BURLESON. I do not know what it would cost. I cannot comment intelligently on the estimated total cost. I do not know exactly what his conclusions were. But I do know this, the cost for rental space is estimated to be a minimum cost of $500,000 a year and that is not exactly hay in Texas or Iowa.

Mr. GROSS. I agree with you on that, but what is this building going to cost?

Mr. BURLESON. I do not know what it is going to cost. That is what we desire to find out; what it is going to cost, and what it is going to furnish as to the need as a public service.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. HALEY. I might state to my distinguished friend, the gentleman from Texas, that the gentleman from Florida does have some concern because as I recall it the original resolution that was put through here several years ago for a building program on the Hill was originally for $25,000. We now wind up with a cost of $100 million. And if we are going to follow along in proportion to that of course this building and what you are going to do here is going to cost $300 million.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. BURLESON. Mr. Speaker, I yield the gentleman an additional minute. Let me repeat to say for the fourth time that what we are trying to do is in an orderly way to bring something before the gentleman's committee so he can see what the cost will be and other details. We are trying to get it in such shape that the Appropriations Committee can take it from there. The gentleman will recall that appropriations were demanded for a Science Building and for the Atomic Energy Commission on the ground that it was an emergency. I do not doubt that it was, but that is what we are trying to avoid here; we are trying to avoid coming in under the plea of emergency.

Mr. GROSS. Some of us are trying to stop some of these buildings.

Mr. BURLESON. I understand that full well and the gentleman is to be complimented, not criticized for his attitude and effort, because I think there is opportunity to save money when things are developed in an orderly way. This is an attempt at an orderly development, whether it comes to fruition 5 years or 10 years from now, or next year; we are trying to be orderly about the proposal. It has yet to come before the Public Works Committee and the Appropriations Committee, and there will be ample time in which to discuss it.

Mr. SCHENCK. I would just like to point out that this resolution approaches these problems in a business-like manner and in the same way that any business would do in first making a complete survey of the need, location, and cost along with all details of the construction of any facility it may contemplate to build.

If after these studies are made the Committee on Public Works or the Committee on Appropriations does not feel that it is justified, then that is that. If the House in its wisdom approves such authorization it will then be up to the Committee on Appropriations to determine whether or not the appropriations are proper and in line with the authorization.

Mr. Speaker, I have no further requests for time.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. How much time has the gentleman from Ohio remaining?

The SPEAKER. The gentleman from from Ohio has 9 minutes remaining.

Mr. GROSS. That is what I thought.

Mr. BURLESON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to suspend the rules and pass the bill.

The question was taken and the Chair announced that in the opinion of the Chair two-thirds had voted in the affirmative.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Under the agreement of last Saturday further proceedings under the call will go over until tomorrow.

ACQUISITION OF CROPLAND BY EMINENT DOMAIN

Mr. ALBERT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8343) relating to the preservation of acreage allotments on land from which the owner is displaced by reason of the acquisition thereof by a Government agency in the exercise of the right of eminent domain, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 378(a) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1378(a)), is amended by adding at the end thereof the following new sentence: "The former owner of land acquired as described in this subsection shall not be considered for the purposes hereof to have been displaced from such land during any period for which such land is leased to such former owner: *Provided,* That the occupancy of the former owner under the lease follows immediately after his occupancy as owner: *And provided further,* That if a former owner has been displaced prior to the effective date of this amendment and no allotment from the land owned by such former owner has been transferred from the allotment pool and such former owner leases the land formerly owned by him prior to one year from the effective date of this amendment such allotment shall be retransferred from the pool to such land and the occupancy of such former owner under the lease for the purposes of this subsection shall be deemed to have begun immediately after his displacement as owner. The provisions of subsections 344(m)(2), 353(e), and 358(g) shall not be applicable to allotments on lands held under the lease by a displaced owner which are subject to the provisions of this amendment."

SEC. 2. Section 125 of the Soil Bank Act (7 U.S.C. 1813) is amended by adding at the end thereof the following new sentence: "The provisions of this section shall not be applicable with respect to the leasing of such farmlands to the former owners thereof.

The SPEAKER pro tempore. Is a second demanded?

Mr. McINTIRE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

Mr. ALBERT. Mr. Speaker, I yield myself such time as I may consume.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER pro tempore. Does the gentleman from Iowa insist on his point of order?

Mr. GROSS. The gentleman from Iowa insists on his point of order, Mr. Speaker.

The SPEAKER pro tempore (Mr. BONNER). The Chair will count. [After counting.] One hundred and thirty-five Members are present, not a quorum.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 167]

Abbitt	Dulski	Madden
Addonizio	Evins	Marshall
Alger	Farbstein	Martin
Allen	Fenton	Miller, N.Y.
Anfuso	Fino	Minshall
Aspinall	Flynn	Moeller
Ayres	Flynt	Monagan
Bailey	Fogarty	Moorhead
Barden	Forand	Moulder
Barr	Ford	Multer
Barrett	Frazier	Nix
Bass, N.H.	Friedel	O'Brien, N.Y.
Bass, Tenn.	Fulton	O'Hara, Mich.
Baumhart	Gallagher	O'Neill
Becker	Gary	Osmers
Bentley	George	Passman
Betts	Glenn	Patman
Blatnik	Goodell	Perkins
Blitch	Gray	Philbin
Boggs	Green, Pa.	Poage
Boland	Griffin	Powell
Bolton	Hall	Price
Bosch	Hargis	Prokop
Bow	Harmon	Quigley
Bowles	Harris	Reuss
Boyle	Harrison	Riehlman
Brademas	Healey	Roberts
Brewster	Hébert	Rodino
Brock	Hemphill	Rostenkowski
Broyhill	Henderson	St. George
Buckley	Herlong	Santangelo
Burke, Ky.	Hess	Schwengel
Burke, Mass.	Holifield	Sheppard
Bush	Holland	Sikes
Byrne, Pa.	Holtzman	Simpson, Pa.
Cahill	Horan	Smith, Va.
Canfield	Inouye	Spence
Cannon	Jarman	Staggers
Carter	Jennings	Taylor
Cederberg	Johnson, Md.	Teague, Tex.
Celler	Jonas	Teller
Cook	Jones, Ala.	Thomas
Cooley	Jones, Mo.	Toll
Corbett	Judd	Tollefson
Cramer	Kastenmeier	Tuck
Curtis, Mass.	Keith	Vanik
Daniels	Keogh	Van Pelt
Davis, Tenn.	Kilburn	Wainwright
Delaney	Kirwan	Watts
Dent	Kluczynski	Westland
Derounian	Lafore	Williams
Derwinski	Landrum	Wilson
Devine	Lesinski	Winstead
Diggs	Levering	Withrow
Dollinger	Loser	Yates
Donohue	McDonough	Younger
Dorn, S.C.	McDowell	Zelenko
Downing	Macdonald	

The SPEAKER. On this rollcall 262 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the rollcall were dispensed with.

ACQUISITION OF CROPLAND BY EMINENT DOMAIN

The SPEAKER. The gentleman from Oklahoma [Mr. ALBERT] is recognized.

Mr. ALBERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. McINTIRE. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. McINTIRE. Mr. Speaker I ask unanimous consent that the time allotted to me under the second be yielded to the gentleman from Iowa [Mr. HOEVEN].

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. GROSS. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Under suspension of the rules can time be allotted to a third party?

The SPEAKER. The gentleman from Maine asked unanimous consent that he be allowed to do it. The Chair put the request and there was no objection.

The gentleman from Oklahoma will proceed.

Mr. ALBERT. Mr. Speaker, H.R. 8343, which I have introduced and the Committee on Agriculture has reported, would amend section 378(a) of the Agricultural Act of 1958 and section 125 of the Soil Bank Act. Public Law 835 enacted in 1958 provided a uniform law for the transfer of acreage allotments to new farms when a farm is taken over by the Government under the right of eminent domain.

This law stipulated that upon the acquisition of such land by the Government, any acreage allotment upon it should be placed in an allotment pool and should be available to other farms owned by the displaced farmers. By providing for the immediate transfer of the allotment to the pool and its use limited to providing allotments for "other farms" owned by the displaced farmer, the law prevents a farmer from continuing to use his allotment in his operation under lease arrangement. Obviously this was not the intent of Congress in enacting the uniform acreage transfer law. It has been the Government policy under the law to ease the displacement blow somewhat by permitting farmers to lease back their lands until the Government actually had to take them over. But if a farmer cannot get the allotments back, the Government is leasing him back something far different than he had before the Government exercised its right of eminent domain.

H.R. 8343, in effect, would make it compulsory for the Government to give a man whose land has been taken over for a dam or similar project his farm allotment on that land when he leases it back from the Government for use. Under the present provisions of the law this is not compulsory.

The committee adopted three amendments to this bill:

First. Released reapportionment would not apply—allotments released by former owners would not be assigned to other producers in the same county. The cotton, rice, and peanut laws provide that a farmer will receive credit for planting his full acreage allotment if he releases his allotment for reapportionment in the county. That law would not apply to the allotments on these leased lands.

Second. The provisions of this bill will apply only to farmers whose occupancy has been continuous, and

Third. Any displaced farmer who has not acquired any acreage allotment under Public Law 835 may have his occupancy considered to have been continuous if he leases his former farm within 1 year of the enactment of this amendment.

No additional cost will result from this legislation nor would it result in added

acreage being planted in allotted crops. These allotments are already in existence and are being planted and even if Public Law 835 is not amended the acreage will go into an allotment pool and will be available for allotment under the provisions of that act. The allotment will be in existence even after the land is inundated.

It is simple justice to take care of people being displaced in the construction of Federal reservoirs. The Government, with or without the consent of the owners, purchases or condemns these lands. It is often times years before the actual flooding takes place and in the meantime the former owners are given a priority in leasing them. In the Eufaula Dam area in my district, and I am sure there are comparable situations throughout the country, some of the better land of the county is being taken over because bottom lands are taken when these big lakes are built. Some of the displaced farmers have farmed these lands since before statehood—50 or 60 years, with farms having come down through generations. The allotments on their land are geared to their farming operations. The farms are valueless without the allotments and conversion to any other kind of operation would require many years work and untold expense.

Another consideration is that unless farmers can begin now to plan for next year, they will be faced with the forced sale of their equipment at considerable loss since there will be so many sales in a short time. In addition, many farmers, and this is true in my district and others, are finding it practically impossible to find a farm to rent in so short a time.

It is important to remember that the amount of land devoted to these restricted crops in reservoir areas is relatively insignificant in terms of State and national acreage. Furthermore, these allotments have been planted for years and will not contribute to the surplus. But the loss of these crops is a personal disaster to the farmers involved and an economic blow to their areas. If the Government is to deal fairly and responsibly with a hardship situation created by Federal construction, it is compelling upon it to correct a problem which has arisen inadvertently through the enactment of Public Law 835.

Mr. Speaker, I reserve the balance of my time.

Mr. HOEVEN. Mr. Speaker, I reserve the balance of my time.

Mr. EDMONDSON. Mr. Speaker, this bill is necessary to correct a serious inequity in the law regarding acreage allotments in areas where farmers are displaced through exercise of eminent domain.

In our State of Oklahoma, where thousands of acres are being acquired for needed reservoir construction, we can substantially reduce the hardship of hundreds of our citizens under this proposal.

The able gentleman from Oklahoma [Mr. ALBERT], who is one of the greatest friends the American farmer has in Washington, has clearly explained the terms of the bill and its need to correct an injustice.

I join my colleague in urging favorable action on this bill.

Mr. ALBERT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks in the RECORD immediately preceding passage of the bill H.R. 8343, and that all Members may have 5 legislative days in which to extend their remarks in the RECORD on this legislation.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

A TRIBUTE TO LABOR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 435, which I send to the Clerk's desk.

The Clerk read the House concurrent resolution, as follows:

Whereas American labor has raised its standards of productivity to heights unequaled in world history; and

Whereas the efforts of American labor have brought to this country a standard of living that has no parallel; and

Whereas American labor has served the Nation in peace and war; and

Whereas American labor has been a bulwark of freedom; and

Whereas the first Monday in September is traditionally set aside to commemorate the services of working men and women to our Nation: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Congress does hereby express its deep realization and appreciation of the basic role that labor plays in our economy and of the contributions that American working men and women have made to America's well-being.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the House concurrent resolution.

The House concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

SUSPENSION OF THE RULES

Mr. McCORMACK. Mr. Speaker, I move to suspend the rules and pass House Resolution 379, which I send to the Clerk's desk.

The Clerk read the House resolution, as follows:

Resolved, That it shall be in order for the Speaker at any time on Thursday, September 10, 1959, and at any time during the remainder of the week, to entertain motions to suspend the rules, notwithstanding the provisions of clause 1, rule XXVII.

The SPEAKER. Is a second demanded?

Mr. HALLECK. Mr. Speaker, I demand a second.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Mr. Speaker, is the gentleman opposed to the resolution?

Mr. HALLECK. No.

Mr. GROSS. Mr. Speaker, I demand a second.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, this resolution speaks for itself. I reserve the balance of my time.

Mr. GROSS. Mr. Speaker, I yield myself such time as I may consume within 20 minutes.

Mr. GROSS. Mr. Speaker, I have no copy of this resolution before me. There is probably only one in existence and it is at the Speaker's desk. Let me ask the gentleman, this provides for suspensions over what period of time?

Mr. McCORMACK. Thursday, Friday, and Saturday of this week.

Mr. GROSS. This resolution, if adopted by the House, will give the leadership of the House authority to bring in legislation during those 3 days, regardless of what it is and without conforming to a rule of the House which provides that 6 days prior to adjournment, upon adoption of an adjournment resolution, suspensions may be in order.

Now you are asking for authority to bring in legislation at any time during the 3 days specified, without previous notification to the Members of the House, and without having adopted an adjournment resolution; is that correct?

Mr. McCORMACK. Well, the gentleman overlooks the fact—and I am sure when I call it to his conscious mind, he will appreciate it—that this does not abdicate authority. The leadership is very careful in regard to it. Any bill that is brought up on this basis has to receive the approval of the Speaker, of the minority leader, and the majority leader. Even if anyone does not approve of it, the bill will not come up. That is an arrangement that we have had throughout the years from time to time.

Mr. GROSS. If who does not approve of it?

Mr. McCORMACK. Any one of the leadership. I might advise my friend—and I am sure he will remember it—that the leadership does not exercise that as an arbitrary power. The Speaker and I do not put down bills on the list, on the agenda, without consulting with the Democratic Members, and then seeing that the Republican Members are consulted with. And, the Republican leader naturally does the same thing. So, this resolution thoroughly protects the rights of the Members and, as I said before, when I submitted my unanimous consent request last week, insofar as it is

humanly possible for me, as majority leader, I will announce the day before the bills intended to be brought up under suspension. That is only after screening.

Mr. GROSS. I am glad—please do not take quite all of my time—that the gentleman says insofar as it is humanly possible to do so, which may have some meaning and it may not have any meaning whatever. In other words, it is entirely within the discretion of the gentleman on any one of those 3 days to call up a bill without previous notice of any kind.

Mr. McCORMACK. No. The matter of discretion and the exercise of discretion are two different things. Now, the gentleman recognizes that.

Mr. GROSS. I hope the Members of the House understand what suspension of the rules means, and I am sure they do, but I want to remind them that it means exactly what is stated; all rules are suspended. You cannot offer an amendment. Debate is limited to 40 minutes and strictly controlled. The House cannot work its will. Not even a motion to recommit is in order. There is a bill coming up, a highly controversial bill, this afternoon under suspension. That bill should never have been brought here under suspension.

Mr. McCORMACK. Under suspension.

Mr. GROSS. I do not want to belabor this issue, but I am unalterably opposed to this method of legislating. Let me say to the Members of the House that I have heard some of you say that it would be well if we could abolish the last 2 weeks of the session because of some of the legislation that goes through. And I point out that this resolution is before you now without the slightest previous notice or warning. Vote for this resolution and you can expect to get some more of that legislation, legislation that perhaps you do not want and you cannot work your will on. Now, go ahead and vote for it, but do not complain thereafter. I am opposed to it.

Mr. Speaker, I reserve the balance of my time.

Mr. McCORMACK. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I think the Members of the House have confidence in the intellectual honesty of the leadership on both sides. Certainly, the leadership on both sides falls over backwards, so that no one Member will feel that there has been a sharp practice engaged in, not only next Thursday, Friday, and Saturday but throughout the entire year.

Mr. HALLECK. Mr. Speaker, is the gentleman speaking on his own time?

Mr. McCORMACK. Yes.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, I just want to say that I have been here not too long, 25 years. I have been here when my side has been in the majority and I am here now and have been here most of the time when my side has been in the minority. So far as I can remember, this sort of an arrangement has always been worked out, and I have found it to be very successful, bringing about orderly determination of legislative matters before us so that we can adjourn in some sort of a reasonable time. So far as I am concerned, I am for this resolution. I am sorry that objection was raised to it. As far as I am concerned, as minority leader, certainly I have been diligent, as diligent as I might have been expected to be, in doing the things that the people on my side expect me to do. There are many areas where we can work together for the accomplishment of things that are good for the country and need to be done, and certainly in that area I want to cooperate with the majority leader. I want to say to the gentleman from Iowa that we had agreed to suspension a little while back.

I called a meeting of not only the leadership on my side of the aisle but the ranking Republican Members and sent over a list of the bills, one by one, to determine whether or not they should come up under suspension. I think out of that list that was submitted to me there were four or five we thought should not come up under suspension. Certainly it seems to me there is no reason why this sort of resolution should not be adopted and I ask the Members on my side to vote for it.

Mr. GROSS. Mr. Speaker, I yield myself 1 additional minute.

The gentleman from Indiana [Mr. HALLECK] says this is orderly procedure but I say to you it is harsh procedure because under this proposal for suspension of the rules the membership may not have adequate notice as to what legislation is to be brought before the House. I point out to you that this House has met on approximately 9 Fridays during the past 8 months. We could have had orderly procedure; we could have considered far more bills under the 3-day-notice rule, so that we would know what is going on, if the Thursday to Tuesday club had not been in operation so much this session. Now we are asked to accept a semigag rule and I protest.

Mr. McCORMACK. I think that is to the credit of the House, acting upon business that has come before the House throughout the weeks.

The SPEAKER. The question is, Will the House suspend the rules and pass the resolution?

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 163, noes 5.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Under the agreement previously made, further proceedings under this resolution will go over until tomorrow.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means have until midnight tonight, September 7, 1959, to file a report on the bill H.R. 8684, the so-called dealers' reserve bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I have heretofore announced a list of bills that the chairman of the Committee on Ways and Means will sometime this week, and probably tomorrow or Wednesday, call up by unanimous consent. I am adding to that list the bill H.R. 8684 concerning which the chairman of the Committee on Ways and Means has just obtained unanimous consent for the committee to file a report by midnight tonight.

INCREASED PER DIEM ALLOWANCE FOR TRAVEL

Mrs. GRANAHAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5196) to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representative of the United States of America in Congress assembled, That section 3 of the Travel Expense Act of 1949 (5 U.S.C. 836) is amended by striking out "$12" and inserting in lieu thereof "$15".

SEC. 2. Section 4 of the Travel Expense Act of 1949 (5 U.S.C. 837) is amended by striking out "6 cents" and inserting in lieu thereof "7 cents", and by striking out "10 cents" and inserting in lieu thereof "12 cents".

SEC. 3. The second sentence of section 4 of the Travel Expense Act of 1949 (5 U.S.C. 837) is amended by inserting immediately after "the actual cost of" the following: "parking fees,".

The SPEAKER. Is a second demanded?

Mr. BARRY. Mr. Speaker, I demand a second.

Mrs. GRANAHAN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mrs. GRANAHAN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, H.R. 5196, reported by the Committee on Government Operations, will amend the Travel Expense Act of 1949 to increase the maximum per diem allowance for subsistence and travel expenses for regular Government employees while engaged on official business from the present $12 per day to $15 per day. As you know, the per diem is an amount allowed in lieu of reimbursement for certain actual travel expenses including food, hotel rooms, and incidental expenditures. The bill will also permit the reimbursement of the actual cost of parking fees for privately owned vehicles when engaged on official business. Furthermore, it will increase the maximum mileage rate for privately owned automobiles and aircraft when used on official business from the present 10 cents per mile to 12 cents per mile, and for motorcycles from the present 6 cents per mile to 7 cents per mile.

This is a bill to give to the President and heads of executive departments and agencies the authority and the discretion to set per diem rates and mileage allowances for employees that are more in line with present-day travel expenses than the existing maximum would allow. I wish to emphasize that the allowances contained in this bill are only maximums. We are merely raising the ceiling. The Bureau of the Budget and the department heads set rates based on their knowledge of the costs likely to be incurred on a given trip. There are various rates within the departments and between departments—some of which will not be disturbed by this bill. The department head has the discretion and will keep the discretion to set the specific figure so long as it does not exceed the ceiling we put into the law. But it is clear that revision has been made necessary since the last ceiling was set in 1955 and it is the duty and obligation of the Congress to set maximum rates that will not require Government employees to pay the cost of doing Government business out of their own pockets.

We all know that travel costs have increased. The only questions before the committee was how much have they increased.

The bill as originally introduced called for an increase in the maximum per diem from $12 to $16 per day. The committee, based on the evidence available of it, reduced the proposed increase to $15.

The original bill called for an increase in per diem for consultants serving without compensation from the present $15 to $16 per day. The committee rejected this increase because it wished to keep regular employees and consultants on the same expense basis as far as may be practicable.

The original bill proposed an increase in the actual expense proviso of the Travel Expense Act and the Administrative Expenses Act—the latter covering consultants—from the present $25 to $30 per day. This was rejected by the committee.

The bill as introduced would have raised the mileage allowance for motorcycles from 6 cents to 8 cents per mile. The committee reduced this to 7 cents per mile. It retained the increase for autos and aircraft from 10 to 12 cents.

In all the committee took a conservative approach to the problem while still realistically recognizing the fact of increased cost of travel in recent years.

During our hearings representatives of Government employee organizations presented testimony showing present-day costs of travel and all strongly supported this legislation.

The Bureau of the Budget presented evidence based on data taken from actual expense accounts of Government employees and data from outside sources showing that the total average cost of subsistence—that is for the items such as food, hotel, and so forth, included in the per diem—was now $14.30 per day. The full details of the Budget Bureau's study is contained in the report on the bill and the interrogation will be found in the printed hearings. The Bureau proposed an increase in per diem from $12 to $14 per day. The committee, however, agreed on $15 per day inasmuch as the Bureau's own figures showed a cost of $14.30 per day. Furthermore, the Bureau admitted that its study was not "scientific," thus leaving considerable room for error.

The Bureau of the Budget opposed any increase in auto mileage allowances but members of the committee were aware from their own experience that the cost of operating an auto has increased since 1955. Gasoline is higher, tires are higher, oil is higher, and the autos themselves cost more. As you know, just last week it was the will of the House to raise the gasoline tax 1 cent per gallon. One company which specializes in developing automobile standard allowances estimates that 12 cents per mile is the cost of operating one of the low-priced three cars for 10,000 miles. This estimate takes into account the cost of gasoline, maintenance, and tires, as well as the fixed costs of taxes, insurance, licenses, and depreciation. It was pointed out in the hearings that the Internal Revenue Service recognizes that 12½ cents per mile is a proper allowance for private employers to grant their employees.

The inclusion in the bill of the provision for the reimbursement of parking fees was done on the recommendation of the Bureau of the Budget which had found that this had become a significant item of expense to Government employees who use their cars for official purposes and upon the fact that reimbursement of similar costs such as toll charges are already authorized by law.

The provisions in the original bill redefining the term "continental United States" were deleted inasmuch as this would have reduced the present subsistence allowances for travel in Alaska and Hawaii. Travel costs in Alaska and Hawaii are still higher than in the mainland States and under existing regulations issued by the Bureau of the Budget higher per diem allowances are paid.

We were not able to obtain any accurate estimates of the total cost to the Government of the increases in maximum rates proposed by this bill. During the hearings the Bureau of the Budget made a rough informal estimate that an increase in the per diem rate from $12 to $14 would possibly cost in the neighborhood of $20 million, and that this could be absorbed in the 1960 budget without supplemental appropriation requests. Following this rough estimate the increase to $15 as proposed here may cost in the neighborhood of $30 million. The committee anticipates that this figure may also be absorbed.

Reliable figures on the cost to the Government of any increase in mileage allowance are likewise not available. The Bureau of the Budget acknowledged this. We do know that the maximum mileage rate is relatively meaningless so far as computing costs to the Government is concerned. Much of the travel authorized by the various departments and agencies is at a rate below the authorized maximum. A substantial amount of auto travel may not exceed the cost of travel by common carrier. In these cases frequently more than one official Government traveler travels in the same automobile. Only one mileage rate is authorized, and the Government saves the transportation costs of one or more employees. As the report states: "If figures were available taking into account all of these factors, it is not unreasonable to believe that the net cost to the Government of the proposed 2 cents per mile increase would be insignificant. In no case may auto mileage be authorized in excess of the cost of travel by common carrier unless there is a determination that transportation on a mileage basis is more advantageous to the Government."

I believe that the bill, H.R. 5196, is a fair and reasonable exercise of our legislative responsibilities. We only seek to do justice to our Federal employees who must necessarily travel to perform their duties.

I hope the bill will be passed by an overwhelming vote.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am very much impressed with the very fine explanation of the bill by the gentlewoman from Pennsylvania and am impressed by her fairness. I have seen the gentlewoman from Pennsylvania at meetings of Federal employees. Anyone who has will agree it is a rare sight because of the affection, respect, admiration, and appreciation they have for her and her very fine work. They are her most loyal and enthusiastic supporters.

I am very sure this bill will pass because it is only a matter of justice to our dedicated civil servants, a reimbursement of money that should be theirs for expenses for things needed to do the Government's work. Again I commend the lovely and the gracious Mrs. GRANAHAN, who is working so hard in the interest of the Federal employees, and for good and efficient Government.

Mrs. GRANAHAN. I thank the distinguished gentlewoman from Massachusetts for her very fine remarks and her great contribution to this bill.

Mr. FASCELL. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from Florida.

Mr. FASCELL. I would like to commend the gentlewoman for the very clear analysis she has before this House of the legislation under consideration. I would like to ask her this question: Is it not a fact that the basis upon which the figures were arrived at in the committee is the same basis that is used by industrial concerns throughout the country?

Mrs. GRANAHAN. That is correct.

Mr. LANE. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from Massachusetts.

Mr. LANE. I, too, want to compliment the gentlewoman for her very fine report on a very, very important bill. I am satisfied, too, that the gentlewoman from Pennsylvania [Mrs. GRANAHAN] and her very able committee having studied this subject at some length and have

brought in to us a very fine report and I wish to congratulate her upon her excellent presentation.

Mrs. GRANAHAN. I thank the gentleman from Massachusetts.

Mr. LANE. Mr. Speaker, the Travel Expense Act of 1949, as amended in 1955, must be updated, to accord with present realities.

No fairminded person expects that employees of the Federal Government who must travel on official business, should dig down into their own pockets to pay for such expenses.

Apart from equity, it is a practical impossibility for Federal employees to do so, because their wages and salaries are substandard in the first place.

Expense accounts which cover more than lodgings, meals, and transportation have been recognized as an essential cost of doing business by private enterprise for generations. Employees can draw on their respective companies for travel expenses necessary in the performance of their work, or be reimbursed for the same.

We are asked to amend the Travel Expense Act of 1949, as amended in 1955.

It is time that we did so, because the per diem standards of 4 years ago are hopelessly inadequate today. Unless we upgrade these allowances to a realistic level, we shall force more and more experienced employees out of the Government service in sheer self-defense. The present obsolete per diem allowance and mileage allowance compels them to pay for the difference between such frozen allowances and actual costs, out of their own meager salaries. In effect, it results in a pay cut.

Small wonder that the wasteful turnover in Government personnel is higher than in any other group of employees.

Even the Bureau of the Budget has admitted that the total average cost of the subsistence items included in the per diem is now $14.30 per day and not $12 as the present law provides.

The Bureau's testimony stated that: "In our review we found that the present $12 maximum is inadequate to cover the subsistence expenses which a traveler would normally incur in a day." The Bureau arrived at this conclusion after a study of actual expense accounts of Government employees, including hotel rooms, meals, and such incidental expenses as tips, fees, laundry, cleaning, and pressing, telegrams for room reservations, and so forth.

But this cost figure is an unweighted average of the lowest set of expense figures.

This bill also provides for an increase in mileage allowance from 10 to 12 cents for the use of privately owned automobiles and airplanes used by Government employees on official business.

It is apparent that the cost of operating an automobile has increased during the past 4 years.

The Internal Revenue Service recognizes that 12½ cents per mile is a proper and reasonable allowance for private employers to grant to their employees for travel expenses incurred in the course of their work.

Not only is the cost of the automobile itself, and the cost of gas, oil, tires, considerably higher than in 1955, but the maintenance costs, insurance, and taxes have also gone up.

Opposition to the recommended increase in mileage allowance for Government employees become academic in the fact of congressional action authorizing a penny-a-gallon increase in the Federal gasoline tax. For good reason, the Congress itself has added to the cost of operating a car.

The costs of travel subsistence and the cost of operating an automobile on official business have both increased since 1955.

If we are to retain dependable Federal employees and avoid the much greater cost of excessive turnover in Government personnel, we must provide them with realistic allowances while they are traveling on official Government business.

If we do not, they will have to cut corners, resulting in an impairment of their efficiency and a loss to the proper functioning of Government.

By raising the maximum per diem from $12 to $15 and the mileage allowance from 10 to 12 cents per mile we shall avert this danger.

H.R. 5196 will hold the line against deterioration in Government service caused by false economies.

Mr. SMITH of Iowa. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I would like also to commend the gentlewoman for the great work she has done in the committee and the way she pressed hard in our committee for this legislation. I would like to ask her if this is not true: That what we are doing is trusting the administration within this ceiling. They may set the rate as much lower as they deem necessary in appropriate cases. Is that right?

Mrs. GRANAHAN. That is true; they do not have to use the maximum.

Mr. SMITH of Iowa. And, in addition to that, in no case can this automobile mileage be authorized where the rate by common carrier is lower, unless in those cases where it would be deemed advantageous for some other reason to have the travel done by automobile rather than by common carrier. Is that true?

Mrs. GRANAHAN. That is true.

Mr. BARRY. Mr. Speaker, I yield myself such time as I may consume.

Mr. BARRY. Mr. Speaker, it is with a certain feeling of regret that I feel it necessary to oppose the gentlewoman from Pennsylvania because I know she is devoted and sincere in her efforts to make this bill workable so far as the emloyees of the Government are concerned and for the betterment of good Government. However, I would be remiss in my obligations were I not to point out that there is a certain carelessness in this legislation when we say to a department of Government: "The maximum you are allowed by regulation to spend for travel allowance is 8 cents per mile, but by statute Congress is now allowing 12 cents per mile." Either this Congress is economy minded and we are going at economy from the standpoint of principles or we are careless. Are we going to set the price at 12 cents a mile when there is not a business in the Nation that allows more than 10 cents a mile? I believe if you are going to establish the principle of economy the place to do it is right here in the Congress. How is a bureau of our Government going to practice economy when we here say: "Go ahead, up it to 12 cents a mile"? There is only 5 percent of the businesses in the Nation that even allow 10 cents a mile. Ninety percent of them allow 8 cents a mile or below. So, from the standpoint of principle, it shows a certain carelessness or callousness with regard to the efforts this Nation is presently engaged in when we hear the maximum shall now be 12 cents per mile.

There is another part of this bill which we did not object to very strenuously, but which demonstrate the same type of carelessness. The other phase of the bill has to do with the per diem allowance for travel. I refer your to paragraph 3 of page 48 of the hearings, and I would like to read to you the statement which I made then:

> I have had an opportunity to look over the 1955 hearings before the Subcommittee on Government Operations. The same two firms were employed by the Bureau of the Budget; namely, Harris, Kerr, Forster & Co., were employed then and they also are employed presently. In the 1955 hearings, it is stated that the firm of Harris, Kerr, Forster & Co. quoted the single room average in 1954 was $7.30. The new rate for that same grouping—is $9.04, representing an increase of approximately 20 percent. Also employed in 1955 was the firm of Horvath & Horvath, and at that time they estimated the rate was $6.82 for a single room. At the present the average single room rate by the same company is $8.11. There again that represents an approximate 20 percent increase in cost. Therefore, I am led to the conclusion that when the Director of the Bureau of the Budget in his recommendations raised the expense allowance from $12 to $14, he was following a consistent pattern and we would be well advised to stay within the confines of our actual cost experience.

May I also refer you to page 16 of the hearings of the 86th Congress which gives a summary of the Bureau of the Budget recommendations. The distinguished gentlewoman from Pennsylvania [Mrs. GRANAHAN] referred to the increase in tax on gasoline. She raises that point so that perhaps the minority would be willing to go up a penny and therefore bring this legislation to unanimous agreement. I would refer the gentlewoman to the Internal Revenue Code where she will find that gasoline taxes are a deductible item, so that all of this increase would not be applicable to increased costs of operation. It should be pointed out that a 1-cent increase in gasoline would amount to less than a tenth of a cent increase cost on a per-mile basis.

I would also like to call attention to several other statements that have been made. The Bureau of the Budget opposes any increase in the allowance, and states:

> The present rates are adequate and we recommend no change in the statutory maximum mileage allowance.

Also the General Accounting Office stated:

> We have no information as to the need for an increase in the mileage allowance for use of privately owned vehicles on Government business.

Mr. Speaker, this business of adequately ascertaining what an automobile costs per mile is not easy, but there are certain firms who make that their specialty, one of which is R. E. Runzheimer & Co. I have had submitted to me recently by the chairman of the Government Operations Committee some information which would purport to show that the average per-mile cost of a 1-year-old automobile would be slightly more than 12 cents. I have taken occasion to analyze these figures and I would like to acquaint you with just what goes into making the alleged cost figure to operate a 1958 Chevrolet automobile, based on 10,000 miles use per year. There are certain fixed costs, and I would invite you to think of those as one category, and then there are variable costs in another category. Let us examine the fixed costs first. For such an automobile it is estimated that $647.74 goes for depreciation, for 10,000 miles in 1 year, and the rest of the fixed costs such as insurance and licenses are only $153.24—making a total of $800.98 or 8 cents per mile. So that of the total fixed costs approximately three-quarters of that cost is in depreciation.

But, now, what are the variable costs? The variable costs are estimated to be only $399 or 4 cents a mile. So, here we have a situation where, of the total alleged cost of 12 and some odd cents a mile, over half of that or 6.47 cents is in depreciation.

Now, I say to you, first of all, does a person use his automobile every single day for Government business? What about holidays? What about Saturdays? The entire depreciation would be paid by the Government based on 10,000 miles a year of Government use. Is it right to charge Uncle Sam $647 depreciation for a private individual to use his car 5 days a week and not charge the individual anything for depreciation for the use of his car on weekdays for personal use or on Saturdays, Sundays, and holidays for personal use.

I say it is unconscionable to allow 12 cents a mile when there is no industrial firm in this Nation that allows 12 cents a mile and when total depreciation can be chargeable to Uncle Sam even though the automobile may be used extensively for private use.

Now, there are many other spots in this bill that could be economized upon, but the minority do not strenuously object to them.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. I think the gentleman has propounded his ideas very well. Here we are now at 3:15 on Labor Day; and if I could present a resolution, it would be that all Members were reported present to pay tribute to industry and labor in this great country of ours on this day.

Mr. BARRY. I thank the gentleman and join with him in such a tribute.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Approximately, what is the cost of this legislation, that is, additional cost to the Government, on mileage?

Mr. BARRY. The additional cost to the Government would only eventuate were the heads of departments to allow a greater allowance under a directive in the form of Government regulations. That does not mean to me that we should set sights that would tend to make the department head raise the allowance. This bill is not a directive; it only authorizes.

Mr. REES of Kansas. Assuming that the Government operated under these higher figures, does the gentleman have any idea how much it would cost?

Mr. BARRY. It would go into the millions; but in order actually to estimate the cost, one would have to know the number of miles traveled by privately owned automobiles and then compute it. I do not know, but it would be very large.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. BARRY. I yield.

Mr. FASCELL. Is it not true that in response to the question of the gentleman from Kansas [Mr. REES] the gentleman from New York did not know the answer? And neither do I.

Mr. BARRY. I said I did not know the answer.

Mr. FASCELL. That is, we cannot estimate how much the increased mileage allowance is going to cost the Government, except from the testimony we have which is that it is insignificant and can be absorbed under present allocations and appropriations.

Mr. REES of Kansas. Nobody knows what it is going to cost.

Mr. FASCELL. Not on the mileage allowance.

Mr. BARRY. That is one of the reasons I am opposed to the bill. We do not know what it will cost.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. BARRY. I yield.

Mr. HOSMER. What is the travel cost figure for a year for a Chevrolet?

Mr. BARRY. For depreciation $647.74.

Mr. HOSMER. That would be 6.47 cents per mile on a 10,000-mile basis.

Mr. BARRY. That is correct.

Mr. HOSMER. And what is the figure for operation?

Mr. BARRY. $399 or approximately 4 cents a mile.

Mr. HOSMER. That brings it to 10.47 cents a mile or almost 11 cents a mile actual cost.

Mr. BARRY. There are other fixed costs such as insurance and license, and so forth.

Mr. HOSMER. Then it would bring it to over 12 cents a mile according to the gentleman's own figures?

Mr. BARRY. That is true, but that assumes the use of an automobile for 10,000 miles on Government business 365 days a year.

Mr. HOSMER. Oh, no.

Mr. BARRY. Yes, it does.

Mr. HOSMER. That is a miscalculation, because no matter why it is used, the wheels turn around for 10,000 miles and we get our cost figure on that basis; that is, whether it is used on Government business or by the individual for himself. As a consequence, you come up with some 11.47 cents per mile cost plus some admitted extras which have not been included. So actually we are getting by at 12 cents a mile for less than it cost the man to take his car out and use it on Government business. I think that is a pretty good bargain.

Mr. BARRY. If the gentleman will permit me to correct his statement, the depreciation used in the calculation is based on the use of the car for the first 10,000 miles. But there are several factors to be considered. First, there is the assumption that the car is driven 10,000 miles a year on Government business. If the car is driven more than that there is no depreciation on the cost of this further use as all depreciation was charged to the first 10,000 miles of Government use.

Mr. HOSMER. I realize that, and I am delighted to have the gentleman correct me, but thus far he has not done so.

Mr. BARRY. The other factor involved is this. Basically a 1958 car is not the average car used by a Government employee. The figures given by Runzheimer show that there is even a lesser depreciation on cars 2, 3, and 4 years of age.

Mr. HOSMER. My car costs me $85 a month on capital cost, and that is an old 1954 De Soto. Perhaps I am inefficient in the operation of the car—and I probably am—but I am probably in the same category with other individual drivers who drive their own car as distinguished from an organization which furnishes cars to its employees and has the facilities to keep them operating efficiently. As a matter of fact, I do not think the average individual can possibly drive his car for as low a cost as cars that are furnished by Avis or any other car renting firm which has the facilities to keep the cars in perfect operating conditions at all times.

Mr. BARRY. I think if the gentleman will refer to some of the Runzheimer figures he would be assured that the average costs for running a car in this country have been well substantiated not only by them but by the Automobile Association of America and on the basis of 10,000 miles use per year that, they are in accordance with the figures that I have indicated.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. BARRY. I yield.

Mr. COLLIER. During the course of the hearings on this proposed legislation did any Government employee testify to the effect that he was losing money?

Mr. BARRY. I am very glad the gentleman brought up that question. There is nothing in the record and there was nothing during the hearings to show that anyone submitted such information with respect to the insufficiency of auto-

mobile allowances, in the first place. There was no showing that anyone was injured. There were no letters submitted by any branch of Government or by any employee at the hearings or to the committee that there was a need for this increase in allowable mileage rate. So far as I am concerned this was dreamed up and I classify it in the spend-spend classification and I was therefore unwilling to agree that it go on the Consent Calendar.

Mr. Speaker, I would like to insert in the RECORD my statement to the Government Operations Committee as follows:

STATEMENT BY CONGRESSMAN ROBERT R. BARRY ON H.R. 5196, BEFORE THE HOUSE GOVERNMENT OPERATIONS COMMITTEE

Mr. Chairman, I am unable to concur in the recommendation of the Committee on Government Operations that the current maximum mileage allowance for civilian employees of the Government be increased from 10 to 12 cents per mile for the use of privately owned airplanes and automobiles while on official business. No evidence or testimony was presented to the committee which would demonstrate a need for the increase. In fact, the Bureau of the Budget recommended against an increase.

The report of the Bureau of the Budget, and the testimony of a representative of the Bureau of the Budget when the committee was considering the increase (H. Rept. No. 683, to accompany H.R. 5196) was to the effect that the current rate is adequate. This conclusion was supported by reference to various reports, as follows:

The American Automobile Association, in a recent report on driving costs, indicated that 10 cents per mile is generally sufficient to cover variable and fixed costs, including amortization.

Runzheimer & Co., a Chicago accounting firm specializing in automobile standard allowances, last year computed costs on a low-priced car 1 year old. Variable costs (gasoline and oil, maintenance, and tires) were estimated at 3.77 cents per mile. Fixed costs (insurance, license and registration fees, and depreciation) were estimated at 7.01 cents per mile, computed on the basis of annual mileage of 10,000 miles. The total cost thus was estimated as 10.78 cents per mile. It was recognized that this figure would vary depending upon annual mileage and age of the car. For example, the Red Book, published by the National Market Reports, Inc., giving official used-car valuations shows that depreciation on a low- and middle-priced car, 5 years old, driven 10,000 miles a year, would be 1.7 cents per mile lower than for a 1-year-old car having a total per mile cost of 10.78 cents.

The Dartnell Corp., a Chicago management consulting firm which makes annual surveys of mileage allowances paid by private business, reports that no mileage allowances in excess of 10 cents per mile was paid by the companies surveyed which reimburse employees on a flat mileage basis. The survey for 1958 showed that 88 percent of these companies allowed 8 cents per mile or less and that only 5 percent allowed as much as 10 cents per mile.

The National Industrial Conference Board, Inc., in a 1959 report "Studies in Personnel Policy, No. 170", based on studies in 1958, reported that of 103 manufacturing firms surveyed, only 10 percent authorized a flat mileage allowance in excess of 8 cents per mile.

The report of the Bureau of the Budget also stated that a large majority of the Federal agencies from whom recommendations were obtained saw no need for increasing the present rate of 10 cents per mile.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. MEADER].

(By unanimous consent, Mr. MEADER asked and was given permission to proceed out of the regular order and to revise and extend his remarks and include extraneous matter and that his remarks appear following action on the pending bill.)

Mrs. GRANAHAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. The only point at issue on this legislation today seems to be the question of mileage allowances. The gentleman from California [Mr. HOSMER] who preceded me, put his finger exactly on the answer to the question.

The Budget Bureau in analyzing the question as to whether there should be an increase in the mileage allowance over what is presently allowed in the act, which is 10 cents per mile, recommended no change be made in the statutory maximum mileage allowance. This recommendation was—as stated by the Bureau—based upon the following collective data: Two major agencies reported that they did not need it. One agency recommended 12 cents a mile. Two agencies recommended 11 cents a mile. The Bureau of the Budget said this was not a sufficiently broad base to enable them to make a recommendation. Then they went on to say that a recent report of the American Automobile Association quoted that 10 cents a mile covered all costs of driving an automobile, including the amortization of the cost of the vehicle. At this point we arrive at some differences of opinion. First, the gentleman from New York [Mr. BARRY] takes issue with the fact that depreciation is considered part of the cost of the operation of an auotmobile. I am not an accountant. But I point out, Mr. Speaker, that the general standards used by most industrial concerns include depreciation as the major part of the cost in computing the cost of the operation of an automobile: I have here a brochure from the American Automobile Association which quotes Runzheimer & Runzheimer, the very agency used by the Bureau of the Budget and also the agency which establishes this national standard criteria used by over 200 industrial concerns. Here is what they say very simply about depreciation:

It is included as part of the fixed cost. For most motorists the largest single expense of owning a car is depreciation.

There seems to be no question about it despite the opinion of the gentleman from New York [Mr. BARRY], there is no way you can avoid depreciation in computing cost and be fair, adequate, and proper. Depreciation is a normal part of the cost of operating an automobile whether it be owned and operated by an employee of the Government or of private enterprise.

In this same report Runzheimer & Runzheimer goes on to compute, just as the gentleman from California [Mr. HOSMER] did in his head a moment ago, that the actual cost of operating a 1958 Chevrolet 8-cylinder, 4-door sedan at 10,000 miles is 11.998 cents per mile, or 12 cents a mile for all practical purposes. So we have two different figures on cost per mile of operation, both attributed to the same source. In order to reconcile the figure of 10 cents and 12 cents a mile we asked Runzheimer & Runzheimer about their figures. Their telegraphic reply to the committee was that the 10-cent figure, cited by the Bureau of the Budget, was dated December 1957; and the second group, or 12 cents per mile cost of operation cited by the American Automobile Association in this brochure is dated January 6, 1959. Furthermore, even the 1959 figures are now under further revision for publishing in the October issue of Sales Management magazine. I think it is a fair assumption that cost figures will be higher and not lower.

So 12 cents per mile seems to be a proper figure allowable as computed and compiled by Runzheimer & Runzheimer as of January 1959.

This is the latest cost figure available to us. The additional cost on this single item has not been estimated because it is practically impossible to do so. But the committee is of the opinion that the total cost to the Government of this single item would not be significant.

Mr. Speaker, since this issue is the only one which has been raised in objection to this bill, and since I respectfully submit the objection has been fully answered and eliminated, this bill should be passed and Government employees thus assured they will receive fair treatment.

The SPEAKER pro tempore. All time has expired.

The question is, Will the House suspend the rules and pass the bill as amended?

The question was taken; and on a division (demanded by Mr. BARRY) there were—ayes 73, noes 17.

Mr. BARRY. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER pro tempore. Under the agreement entered into, further proceedings under the call will go over until tomorrow.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD just preceding the vote.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GENERAL LEAVE TO EXTEND

Mrs. GRANAHAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend or revise and extend their remarks at this point in the RECORD on the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Pennsylvania?

There was no objection.

Mr. MEADER. Mr. Speaker, I desire to call the attention of the House to an article in the September 1, 1959, issue of the Bulletin of the American Society of Newspaper Editors. This article is written by Clark Mollenhoff, a reporter for the Des Moines Register, who has

made a special study of a very important subject. I refer to the right and the power of the Congress to obtain information from the executive branch of Government.

Increasingly congressional committees have been confronted with a refusal on the part of agencies and departments of the Government to provide information necessary for the congressional committees to make intelligent judgments in their legislative jurisdiction and in their investigative work.

The article reviews briefly the history of the efforts on the part of Members and leaders in the House of Representatives, including the efforts of my colleague, the gentleman from Virginia, the Honorable PORTER HARDY, Jr., chairman of the Foreign Operations and Monetary Affairs Subcommittee of the House Committee on Government Operations. I commend this article to the attention of all Members of Congress because of its basic importance to the prerogatives and to the rights and powers of the Congress of the United States. I am not, in inserting this article, endorsing all of the statements made by Mr. Mollenhoff, particularly those which relate to legal problems.

There are two paragraphs particularly which I wish to call to the attention of the Members. One is this paragraph which I read as follows:

> The Congress has made its intentions clear on this matter of executive privilege. Supporters of HARDY'S position concede that the cutting off of funds for the ICA would still leave the Attorney General in a position in which he could thwart the will of Congress.

I do not concede that is an accurate statement of the law.

Another paragraph I will read is as follows:

> Some consideration is being given to further legislation that would give the Comptroller General the right to go to court to force production of records without relying on the Attorney General, a member of the executive family.

If there is such a movement I know nothing whatever about it.

This matter is now of exceptional interest because the other body is considering the mutual security appropriation bill which contains language offered by the gentleman from Virginia [Mr. HARDY] and unanimously adopted by the House of Representatives. When that bill becomes law we will test whether or not Congress may use its power of the purse to compel respect by Government agencies for the congressional power of investigation.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield.

Mr. HARDY. First of all, let me commend the gentleman for calling the attention of the House to the article by Mollenhoff in the American Society of Newspaper Editors Bulletin and also for calling attention to these particular two paragraphs. It seems to me there is a fundamental error in that approach. In the first place it is inconceivable to me that anybody in the executive branch of the Government would need any prodding to enforce the law.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mrs. GRANAHAN. Mr. Speaker, I yield 2 additional minutes to the gentleman from Michigan.

Mr. MEADER. I yield further to the gentleman from Virginia.

Mr. HARDY. Let us raise no question about this. Personnel in the executive branch who are concerned with this matter are all sworn to uphold the Constitution and to carry out the law. Let there be no assumptions that there will be willful violations either of the provision of the Mutual Security Act which relates to furnishing information to Congress or to the companion provision which the House put in the appropriation bill.

Mr. MEADER. I thank the gentleman and agree with him that this provision should cause no difficulty whatever. It will however compel officials and agents in the executive branch of the Government to respect the right of the Congress to be more informed and accurately informed and completely informed about the public business.

Mr. HARDY. If the gentleman will yield further, I would just like to make this observation. The gentleman from Michigan has been most diligent in trying to preserve and protect the rights of the Congress and I commend him for bringing this matter to the attention of the Congress at this time.

Mr. MEADER. I thank the gentleman.

Mr. Speaker, I insert the text of the Mollenhoff article at this point in my remarks:

[From the Bulletin of American Society of Newspaper Editors, Sept. 1, 1959]

MOLLENHOFF REPORT—NEW PATTERN DEVELOPS IN FIGHT AGAINST THE BROAD CLAIM OF EXECUTIVE PRIVILEGE

The problem of secrecy in the executive branch of the Government received the attention of the Senate and House, and a pattern developed that could become a standard means of fighting the broad claim of executive privilege.

Irritated with the refusal of the International Cooperation Administration to make certain internal reports available to Congress and the General Accounting Office, Representative PORTER HARDY attached amendments to the bills for authorization and appropriation in the foreign-aid area.

The first Hardy amendment was attached to the foreign-aid authorization bill in the House, and was accepted by the Senate. It provided simply that all reports of the ICA and of an inspector general established for the ICA should be made available to the auditors of the General Accounting Office and the properly authorized committees and subcommitees of Congress.

THE PRESIDENT PROTESTS

President Eisenhower signed the foreign-aid authorization bill with this provision in it, but commented at the time that the executive branch would continue to exert its executive privilege to refuse to make available inspector general reports, evaluation reports, and reports with recommendations in them. The President reasoned that there is a constitutional right for the executive branch to withhold any testimony on records involving advice or recommendations within the executive branch of Government.

Representative HARDY took sharp issue with this, and declared that President Eisenhower and the legal advisers in the White House were using an "item veto" to state what parts of the law would be obeyed and which would not.

At this point, HARDY was successful in attaching an amendment to the foreign aid appropriations bill. It provides that funds shall be cut off from any division of the ICA 20 days after a request for information is refused GAO or a proper committee of Congress.

Despite sharp criticism of this by President Eisenhower as an invasion of the power of the executive branch, HARDY gained support of Democrats as well as Republicans on the Senate side of the Capitol.

HARDY ACTION MAY BE IMITATED

HARDY pointed out that Comptroller General Joseph Campbell has informed the Congress that "executive privilege" claims are hampering his access to records in the auditing of the Navy, Air Force, and ICA. HARDY declared that he is only one of many congressional committee chairmen who are concerned about the refusal of the executive branch to make information available.

Others have indicated to HARDY and to Representative JOHN MOSS that they will seek to use the same type of amendments used by HARDY to force production of records by other departments.

HARDY declared that it is absurd for the executive branch to claim that it is unconstitutional for Congress to use its power over the purse strings to force executive agencies to account to Congress on the expenditure of public funds.

The Congress has made its intentions clear on this matter of executive privilege. Supporters of HARDY'S position concede that the cutting off of funds for the ICA would still leave the Attorney General in a position in which he could thwart the will of Congress.

Some consideration is being given to further legislation that would give the Comptroller General the right to go to court to force production of records without relying on the Attorney General, a member of the executive family.

NATIONAL SECURITY NOT INVOLVED

There has been a tendency on the part of some in the executive department and some newspapers to treat the executive privilege problem as if national security was involved.

The ICA, Air Force, and Navy have admitted there is no problem of defense secrets or diplomatic secrets involved in the refusal to make reports available to the GAO and Congress. There are specific laws which allow secrecy where military security or diplomatic matters are involved.

What is at stake is the claim of the executive department that it can arbitrarily withhold any record from the GAO or Congress if that record contains any recommendation or advice. Leonard J. Saccio, Deputy Director of the ICA, has admitted to Congress that under this definition almost any paper or document could be withheld from the GAO or Congress.

The SPEAKER. The time of the gentleman has expired.

OVERSEAS DIFFERENTIALS AND ALLOWANCES ACT

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7758) to improve the administration of oversea activities of the Government of the United States, and for other purposes, with amendments, which I send to the Clerk's desk.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this

Act may be cited as the "Overseas Differentials and Allowances Act".

TITLE I—PURPOSE AND DEFINITIONS

Part A—Purpose

SEC. 101. The Congress hereby declares that it is the purpose of this Act to improve and strengthen the administration of overseas activities of the Government by—

(1) providing a means for more effectively compensating Government employees for the extra costs and hardships incident to their assignments overseas,

(2) providing for the uniform treatment of Government employees stationed overseas to the extent justified by relative conditions of employment,

(3) establishing the basis for the more efficient and equitable administration of the laws compensating Government employees for the extra costs and hardships incident to their assignments overseas, and

(4) facilitating for the Government the recruitment and retention of the best qualified personnel for civilian service overseas.

Part B—Definitions

SEC. 111. As used in this title, title II, and section 522 of title V, the term—

(1) "Government" means the Government of the United States of America;

(2) "Government agency" means (A) each executive department of the Government, (B) each independent establishment or agency in the executive branch of the Government, including each corporation wholly owned (either directly or through one or more corporations) by the Government, (C) the General Accounting Office, and (D) the Library of Congress;

(3) "Employee" means an individual employed in the civilian service of a Government agency and more specifically defined in regulations prescribed by the President, but including ambassadors, ministers, and officers of the Foreign Service of the United States under the Department of State;

(4) "United States", when used in a geographical sense, means the several States of the United States of America and the District of Columbia;

(5) "Continental United States" means the several States of the United States of America, excluding Alaska and Hawaii but including the District of Columbia; and

(6) "Foreign area" means any area (including the Trust Territory of the Pacific Islands) situated outside the United States, the Commonwealth of Puerto Rico, the Canal Zone, and the possessions of the United States.

TITLE II—ALLOWANCES AND DIFFERENTIALS IN FOREIGN AREAS

Part A—General provisions

SEC. 201. Notwithstanding section 1765 of the Revised Statutes (5 U.S.C. 70), the allowances and differentials provided by this title are authorized for and may be granted only to an employee officially stationed in a foreign area unless otherwise provided in this title—

(1) who is a citizen of the United States, and

(2) whose rate of basic compensation is fixed by statute or, without taking into consideration the allowances and differentials provided by this title, is fixed by administrative action pursuant to law or is fixed administratively in conformity with rates paid by the Government for work of a comparable level of difficulty and responsibility in the continental United States,

except that such allowances and differentials may be paid to an employee officially stationed in a foreign area who is not a citizen of the United States to the extent that the payment of such allowances and differentials to such noncitizen employee is authorized by any provision of law other than this title.

SEC. 202. Allowances granted under this title may be paid in advance, or advance of funds may be made therefor, through the proper disbursing officer in such sums as may be deemed advisable in consideration of the need and the period of time during which expenditures must be made in advance by the employee or employees. Any advance of funds not subsequently covered by allowances accrued to the employee or employees under this title shall be recoverable by the Government by setoff against accrued salary pay, compensation, amount of retirement credit, or other amount due from the Government to such employee or employees and by such other method as may be provided by law for the recovery of amounts owing to the Government.

SEC. 203. The allowances and differentials authorized by this title shall be paid in accordance with regulations prescribed by the President establishing rules governing payments thereof and the respective rates at which such payments shall be made, the foreign areas, the groups of positions, and the categories of employees to which such rates shall apply, and other related matters.

Part B—Quarters allowances

SEC. 211. Whenever Government-owned or Government-rented quarters are not provided without charge for an employee in a foreign area, one or more of the following quarters allowances may be granted to such employee where applicable:

(1) A temporary lodging allowance for the reasonable cost of temporary quarters incurred by the employee and his family (A) for a period not in excess of three months after first arrival at a new post of assignment in a foreign area or a period ending with the occupation of residence quarters, whichever shall be shorter, and (B) for a period of not more than one month immediately preceding final departure from the post subsequent to the necessary evacuation of residence quarters;

(2) A living quarters allowance for rent, heat, light, fuel, gas, electricity, and water, without regard to the limitations of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(3) Under unusual circumstances payment or reimbursement for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred in initial repairs, alterations, and improvements to an employee's privately leased residence at a post of assignment in a foreign area, if such expenses are administratively approved in advance and if the duration and terms of the lease justify payment of such expenses by the Government.

Part C—Cost-of-living allowances

SEC. 221. The following cost-of-living allowances may be granted, where applicable, to an employee in a foreign area:

(1) A post allowance to offset the difference between the cost of living at the post of assignment of the employee in a foreign area and the cost of living in Washington, District of Columbia;

(2) A transfer allowance for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred by an employee incident to establishing himself at any post of assignment in a foreign area or at a post of assignment in the United States between assignments to posts in foreign areas;

(3) A separate maintenance allowance to assist an employee who is compelled, by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post of assignment in a foreign area or for the convenience of the Government, to meet the additional expense of maintaining, elsewhere than at such post, his wife, or his dependents, or both;

(4) An education allowance or payment of transportation costs to assist an employee with the extraordinary and necessary expenses, not otherwise compensated for, incurred by reason of his service in any foreign area or foreign areas in providing adequate education for his dependents, as follows:

(A) An allowance not to exceed the cost of obtaining such elementary and secondary educational services as are ordinarily provided without charge by the public schools in the United States, plus, in those cases where adequate schools are not available at the employee's post, board and room, and periodic transportation between such post and the nearest locality, where adequate schools are available, without regard to the limitations of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); but the amount of the allowance granted shall be determined on the basis of the educational facility used;

(B) The cost of transporting dependents of an employee to and from a school in the United States to obtain an American secondary or undergraduate college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education; but no allowance payments under subparagraph (A) of this paragraph (4) shall be made for any dependent during the twelve months following his arrival in the United States for secondary education pursuant to authority contained in this subparagraph (B). Notwithstanding section 111(6) of this Act, transportation, for the purpose of obtaining undergraduate college education, may be authorized under this subparagraph (B), under such regulations as the President may prescribe, for dependents of employees who are citizens of the United States stationed in the Canal Zone.

Part D—Post differential

SEC. 231. A post differential may be granted on the basis of conditions of environment which differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. Such differential also may be granted to any employee who is officially stationed in the United States and who is on extended detail in a foreign area. Additional compensation paid as a post differential shall not in any instance exceed 25 per centum of the rate of basic compensation.

TITLE III—MISCELLANEOUS EXPENSES

Part A—Storage

SEC. 301. (a) Paragraphs (4) and (5) of section 911 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (4) and (5)) are amended to read as follows:

"(4) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

"(5) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and, in connection with separation of an officer or employee of the Service, the cost of packing and unpacking, transporting to and from a

place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law."

(b) Paragraphs (1) (D) and (E) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 209, 72 Stat. 337; 50 U.S.C. 403e(a)(1) (D) and (E)) are amended to read as follows:

"(D) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

"(E) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and in connection with separation of an officer or employee of the Agency, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law."

(c) The first section of the Administrative Expenses Act of 1946 (60 Stat. 806) as amended (5 U.S.C. 73b–1), is amended—

(1) by striking out "(not to exceed seven thousand pounds if uncrated or eight thousand seven hundred and fifty pounds if crated or the equivalent thereof when transportation charges are based on cubic measurement)" in subsection (a) of such section and inserting in lieu thereof "(not to exceed seven thousand pounds net weight)"; and

(2) by adding at the end of such section the following new subsection:

"(e) Whenever any civilian officer or employee (including any new appointee in accordance with section 7 of this Act) is assigned to a permanent duty station outside the continental United States to which he cannot take or at which he is unable to use his household goods and personal effects or whenever the head of the department concerned authorizes storage of any such property in the public interest or for reasons of economy, storage expenses (including related transportation and other expenses) may be allowed such officer or employee in accordance with regulations prescribed by the President; but in no instance shall the weight of the property stored under this subsection, together with the weight of property transported under subsection (a), exceed the maximum weight limitation provided by subsection (a)."

(d) The term "furniture and household and personal effects", as used in the amendments made by this part to the Foreign Service Act of 1946, as amended, and the Central Intelligence Agency Act of 1949, as amended, and the term "household goods and personal effects", as used in the amendments made by this part to the Administrative Expenses Act of 1946, as amended, mean such personal property of an employee and the dependents of such employee as the Secretary of State and the Director of Central Intelligence, as the case may be, with respect to the term "furniture and household and personal effects", and the President, with respect to the term "household goods and personal effects", shall by regulation authorize to be transported or stored under the amendments made by this part to such Acts (including, in emergencies, motor vehicles authorized to be shipped at Government expense). Such motor vehicle shall be excluded from the weight and volume limitations prescribed by the laws set forth in this part.

Part B—Official residence expenses

SEC. 311. (a) The Administrative Expenses Act of 1946 (60 Stat. 806), as amended, is amended by adding at the end thereof the following new section:

"SEC. 22. Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries for the purpose of defraying the unusual expenses incident to the operation and maintenance of official residences suitable for the chief representatives of the United States at such posts and such other senior officials of this Government in foreign countries as the President may designate."

(b) Section 8 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287e), is amended by striking out "and the allotment of funds, similar to the allotment authorized by section 902 of the Foreign Service Act of 1946, for unusual expenses incident to the operation and maintenance of such living quarters, to be accounted for in accordance with section 903 of said Act;" and inserting in lieu thereof "and unusual expenses similar to those authorized by section 22 of the Administrative Expenses Act of 1946, as amended by section 311 of the Overseas Differentials and Allowances Act, incident to the operation and maintenance of such living quarters."

Part C—Transportation of motor vehicles

SEC. 321. The first section of the Administrative Expenses Act of 1946 (60 Stat. 806), as amended (5 U.S.C. 73b–1), is amended by adding thereto, immediately following the new subsection (e) added to such first section by section 301(c) of this Act, the following new subsection:

"(f) Under such regulations as the President may prescribe, the privately owned motor vehicle of any employee (including any new appointee, in accordance with section 7 of this Act) assigned to a post of duty outside the continental United States on other than temporary duty orders may be transported to, from, and between the continental United States and such post of duty, or between posts of duty outside the continental United States, whenever it is determined by the head of the department concerned to be in the interest of the Government for such employee to have the use of a motor vehicle at his post of duty. Not more than one motor vehicle of any employee may be transported under authority of this subsection during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any employee may be so transported during such period upon approval, in advance, by the head of the department concerned and upon a determination, in advance, by such department head that such replacement is necessary for reasons beyond the control of the employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this subsection of a privately owned motor vehicle of any employee who has remained in continuous service outside the continental United States during such period, the transportation of a replacement for such motor vehicle for such employee may be authorized, in accordance with this subsection, by the head of the department concerned. The head of each department may, in accordance with this subsection, authorize the transportation of privately owned motor vehicles of employees of such department, assigned to duty outside the continental United States, by commercial means if available at reasonable rates and under reasonable conditions or by Government means on a space-available basis. This subsection shall not apply to the Foreign Service of the United States under the Department of State and to the Central Intelligence Agency but shall not affect the authority contained in section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) or paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 210, 72 Stat. 337; 50 U.S.C. 403e(a)(4))."

SEC. 322. Section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) is amended to read as follows:

"Transportation of Motor Vehicles

"SEC. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned motor vehicle in any case in which he shall determine that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin and destination. Not more than one motor vehicle of any such officer or employee may be transported under authority of this section during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Secretary and upon a determination, in advance, by the Secretary that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this section of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the continental United States (excluding Alaska and Hawaii) during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Secretary in accordance with this section."

SEC. 323 (a) That part of section 4(a) of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 209, 73 Stat. 337; 50 U.S.C. 403e), which precedes paragraph (1) thereof, is amended—

(1) by striking out "(a)"; and

(2) by striking out "permanent-duty stations outside the continental United States, its territories, and possessions," and inserting in lieu thereof "duty stations outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia,".

(b) Paragraph (4) of section 4 of the Central Intelligency Agency Act of 1949, as amended (63 Stat. 210, 73 Stat. 337; 50 U.S.C. 403e(a)(4)), is amended to read as follows:

"(4) Notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned motor vehicle in any case in which it shall be determined that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin

and destination, and pay the costs of such transportation. Not more than one motor vehicle of any officer or employee of the Agency may be transported under authority of this paragraph during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Director and upon a determination, in advance, by the Director that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this paragraph of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Director in accordance with this paragraph."

TITLE IV—AMENDMENTS TO ANNUAL AND SICK LEAVE ACT OF 1951

SEC. 401. Subsections (d), (e), and (f) of section 203 of the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2062 (d), (e), and (f)), are amended to read as follows:

"(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed forty-five days at the beginning of the first complete biweekly pay period, or corresponding pay period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized for the following categories of employees of the Federal Government stationed outside the United States:

"(1) Persons directly recruited or transferred by the Federal Government (A) from the United States, or (B) from the Commonwealth of Puerto Rico or the possessions of the United States for employment outside the area of recruitment or from which transferred.

"(2) Persons employed locally but (A) (i) who were originally recruited from the United States, or from the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment, (ii) who have been in substantially continuous employment by other Federal agencies, United States firms, interests or organizations, international organizations in which the United States Government participates, or foreign governments, and (iii) whose conditions of employment provide for their return transportation to the United States or the Commonwealth of Puerto Rico or the possessions of the United States, or (B) (i) who were at the time of employment temporarily absent, for the purpose of travel or formal study, from the United States, or from their respective places of residence in the Commonwealth of Puerto Rico or the possessions of the United States and (ii) who, during such temporary absence, have maintained residence in the United States or in the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment.

"(3) Persons who are not normally residents of the area concerned and who are discharged from service in the Armed Forces of the United States to accept employment with an agency of the Federal Government.

"(e) The leave granted pursuant to this title shall be exclusive of the time actually and necessarily occupied in going to and from the post of duty and exclusive of such time as may be necessarily occupied in awaiting transportation, in the case of an officer or employee (1) who is within the purview of subsection (d) of this section, (2) whose post of duty is outside the United States, and (3) who returns on leave to the United States, or to his place of residence, which is outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. The provisions of this subsection shall not apply to more than one period of leave in a prescribed tour of duty at a post outside the United States.

"(f) Upon completion of twenty-four months of continuous service outside the United States, officers and employees may be granted, in accordance with regulations of the President, leave of absence at a rate not to exceed one week for each four months of such service without regard to any other leave provided by this title, for use in the United States, or, if their respective places of residence are outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. Such leave so granted may be accumulated for future use without regard to the limitation in subsection (d) of this section but no such leave shall be made the basis for any terminal leave or for any lump-sum payment."

SEC. 402. (a) Section 202(b)(2) of the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2061(b)(2)), is amended to read as follows:

"(2) This title, except section 203(g), shall not apply to alien employees who occupy positions outside the United States."

(b) Section 203(g) of such Act, as amended (5 U.S.C. 2062(g)), is amended by striking out "the several States and the District of Columbia" and inserting in lieu thereof "the United States".

(c) Section 202 of such Act, as amended (5 U.S.C. 2061), is amended by adding at the end of such section the following new subsection:

"(d) As used in this title, the term 'United States' means the several States of the United States of America and the District of Columbia."

SEC. 403. The amendments made by this title to the Annual and Sick Leave Act of 1951, as amended, shall take effect on the first day of the first pay period following the date of enactment of this Act.

TITLE V—APPROPRIATION, REPEAL, AMENDATORY, AND MISCELLANEOUS PROVISIONS

Part A—Appropriation provisions

SEC. 501. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act and the amendments made by this Act.

(b) Appropriations or funds otherwise available, for the fiscal year ending June 30, 1960, to any department, agency, establishment or corporation of the Government of the United States of America within the purview of this Act or of any amendment made by this Act are hereby made available for the purposes of this Act and of any such amendment in accordance with the authority contained in this Act or contained in any law amended by this Act and in accordance with such regulations as the President may prescribe.

Part B—Repeal with amendatory provisions

SEC. 511. (a) The following provisions of law are hereby repealed:

(1) Sections 443, 901 (1) and (2), 902, 903, and 911(9) of the Foreign Service Act of 1946, as amended (60 Stat. 1006, 1025, and 1026; 69 Stat. 27; 22 U.S.C. 888, 1131, 1132, 1133, and 1136(9));

(2) Sections 2(b), 13, and 14 of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (70 Stat. 890, 892; Public Law 885, Eighty-fourth Congress; 5 U.S.C. 170g(b), 170r, and 170s); and

(3) Sections 1(d) and 4(b) of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 208 and 211; 50 U.S.C. 403a(d) and 403e(b)).

(b) Any provision of law which is not repealed by subsection (a) of this section but is inconsistent with any provision of this Act or of any amendment made by this Act shall be held and considered to be amended, modified, or superseded to the extent necessary to carry out the purposes of and conform to such provision of this Act or of such amendment.

(c)(1) Section 1(c) of the Central Intelligence Agency Act of 1949 (63 Stat. 208; 50 U.S.C. 403a(c)) is amended by striking out "Government; and" and inserting in lieu thereof "Government.".

(2) Paragraph (1)(A) of section 4 of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 209; 72 Stat. 337; 50 U.S.C. 403e(a)(1)(A)), is amended to read as follows:

"(1)(A) pay the travel expenses of officers and employees of the Agency, including expenses incurred while traveling pursuant to authorized home leave;".

(3) Paragraph (3)(A) of section 4 of such Act (63 Stat. 209 and 210; 72 Stat. 337; 50 U.S.C. 403e(a)(3)(A)) is amended to read as follows:

"(3)(A) Order to any of the several States of the United States of America (including the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States) on leave of absence each officer or employee of the Agency who was a resident of the United States (as described above) at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter."

(4) Paragraph (3)(B) of section 4 of such Act (63 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e(a)(3)(B)) is amended to read as follows:

"(B) While in the United States (as described in paragraph (3)(A) of this section) on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere as the Director may prescribe; and the time of such work or duty shall not be counted as leave."

(5) Paragraph (3)(C) of section 4 of such Act (63 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e(a)(3)(C)) is amended to read as follows:

"(C) Where an officer or employee on leave returns to the United States (as described in paragraph (3)(A) of this section), leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States (as so described) and such time as may be necessarily occupied in awaiting transportation."

(6) The Act entitled "An Act to provide living quarters, including heat, fuel, and light, for civilian officers and employees of the Government stationed in foreign countries", approved June 26, 1930 (46 Stat. 818; Public Law 445, Seventy-first Congress; 5 U.S.C. 118a), is amended—

(A) by striking out "and, where such quarters are not available, may be granted an allowance for living quarters, including heat, fuel, and light, notwithstanding the provisions of section 1765 of the Revised Statutes (U.S.C., title 5, sec. 70)"; and

(B) by striking out that part of the first proviso of such Act of June 26, 1930, which reads "or allowances in lieu thereof".

Part C—Miscellaneous provisions

SEC. 521. Whenever reference is made in any other law or in any regulation to any provision of law which is repealed, modified, amended, or superseded by reason of section 511 of this Act, such reference, unless inconsistent with this Act, shall be held and considered to refer to this Act or the appropriate provision of, or amendment made by, this Act.

SEC. 522. Notwithstanding any provision of this Act and until such time as regulations are issued under this Act, employees shall

continue to be paid allowances and differentials in accordance with rules and regulations issued pursuant to the laws in effect immediately prior to the enactment of this Act and such rules and regulations may be amended or revoked in accordance with the provisions of such laws.

SEC. 523. (a) Section 912 of the Internal Revenue Code of 1954 (relating to exemption for certain allowances) is amended to read as follows:

"SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.

"The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

"(1) FOREIGN AREAS ALLOWANCES.—In the case of civilian officers and employees of the Government of the United States, amounts received as allowances or otherwise (but not amounts received as post differentials) under—

"(A) title IX of the Foreign Service Act of 1946, as amended (22 U.S.C., sec. 1131 and following),

"(B) section 4 of the Central Intelligence Agency Act of 1949, as amended (50 U.S.C., sec. 403e),

"(C) title II of the Overseas Differentials and Allowances Act, or

"(D) subsection (e) or (f) of the first section of the Administrative Expenses Act of 1946, as amended, or section 22 of such Act.

"(2) COST-OF-LIVING ALLOWANCES.—In the case of civilian officers or employees of the Government of the United States stationed outside the continental United States (other than Alaska), amounts (other than amounts received under title II of the Overseas Differentials and Allowances Act) received as cost-of-living allowances in accordance with regulations approved by the President."

(b) Paragraphs (1) and (2) of section 912 of the Internal Revenue Code of 1954, as amended by subsection (a) of this section, shall apply only with respect to amounts received on or after the date of the enactment of this Act in taxable years ending on or after such date.

The SPEAKER pro tempore (Mr. KILDAY). Is a second demanded?

Mr. REES of Kansas. Mr. Speaker, I demand a second.

Mr. GROSS. Mr. Speaker, is the gentleman opposed to the bill?

Mr. REES of Kansas. Mr. Speaker, I am not opposed to the bill.

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman from Iowa opposed to the bill?

Mr. GROSS. I am opposed to the bill.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, the purpose of the amendment I sent to the Clerk's desk is to eliminate a provision of the bill providing that, when authorized by the President, representation allowances could be paid by any department or agency overseas out of administrative funds.

Mr. Speaker, as chairman of the Committee on Post Office and Civil Service in the 84th Congress, I authorized the Civil Service Subcommittee to conduct a study, in cooperation with the personnel adviser to the President and other executive departments concerned, and to submit such recommendations as it found appropriate for strengthening civilian personnel administration in the extensive oversea activities of our Government.

The subcommittee visited 8 European countries and held hearings and conferences in areas where a large part of the 30,000 American citizens employed overseas are assigned to duty. Based on these hearings and upon completion of the cooperative study, the Post Office and Civil Service Committee unanimously approved a report on oversea personnel administration which was printed as House Report No. 2109, 84th Congress.

The report contained four major areas of recommendation. The first, relating to extension of the competitive service overseas, was placed in effect during the 84th Congress. The House of Representatives on July 6, 1959, approved S. 96, which became Public Law 86-91, placing in effect the second recommendation which relates to pay and employment conditions of teachers in schools conducted for dependents of oversea personnel. The third such recommendation is embodied in H.R. 7758, before us for consideration today. Several bills to carry out the fourth recommendation presently are pending before our committee.

This legislation has been before the committee for several Congresses, either in the form of legislative proposals or introduced bills. In my judgment, it has received very thorough consideration by the committee and by the executive branch. The Department of Defense in the 85th Congress submitted an official recommendation for substantially identical legislation as a part of the President's legislative program in that Congress. H.R. 7758 has the approval of the Bureau of the Budget and of the departments and agencies concerned.

The general purpose of the legislation is to improve oversea civilian personnel administration by bringing together in one law a number of varying existing statutory provisions authorizing allowances and differentials for oversea employees of the Government and by extending similar authorizations to those departments and agencies which do not now have such statutory provisions. The objective is to provide substantially equal treatment for all American citizens who work overseas for the Government with respect to allowances and differentials to compensate them for additional expenses, hardships, and inconveniences related to their oversea employment which do not generally affect Government employees within the United States.

In connection with section 523 of the bill, which amends parts of the Internal Revenue Code of 1954 granting exemptions for certain allowances for Federal employees, the amendatory language makes no change in tax policy but is merely for the purpose of conforming language suitable to the allowance provisions of H.R. 7758. In accordance with the policy of our committee in considering any legislative provision within the jurisdiction of another committee, the chairman of the Ways and Means Committee was consulted on the proposed amendment to the Internal Revenue Code, who has given his approval.

Mr. GROSS. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. WALLHAUSER].

Mr. WALLHAUSER. Mr. Speaker, I rise in wholehearted support of this legislation which will serve to improve and strengthen the administration of oversea activities of the Government of the United States.

This legislation provides for uniformity of treatment for all oversea employees to the extent justified by relative conditions of employment. It recognizes that very fundamental principle that the Government should provide uniform treatment for all of its civilian employees who are assigned to oversea posts of duty with respect to additional expenses necessarily incurred by such employees in relation to their overseas service.

The importance of sound and effective personnel policies in the conduct of oversea programs of the Government is well recognized. Employees assigned to overseas civilian posts are responsible for carrying out very important duties with respect to military and economic commitments in foreign countries.

I wholeheartedly support this legislation because it will strengthen the administration of our Nation's oversea activities by—

First. Providing a means for more effectively compensating civilian officers and employees of the Government for extra costs and hardships incident to their oversea assignments.

Second. Providing for uniform treatment of civilian officers and employees of the Government stationed overseas to the extent justified by relative conditions of employment. Application of this principle of uniform treatment will eliminate certain inequitable and unjustifiable disparities and differences which now exist with respect to the treatment of Government civilian officers and employees stationed overseas.

Third. Establishing the basis for the more efficient and equitable administration of the laws compensating Government civilian officers and employees for extra costs and hardships incident to their assignments overseas.

Fourth. Facilitating for the Government the recruitment and retention of the best qualified personnel for civilian service overseas.

The additional cost of the legislation to the Department of Defense, which has on its rolls 21,000 employees working for the Government in foreign areas, is estimated to be less than $3 million per year. The additional cost attributable to the remainder of the 33,000 employees serving overseas is negligible. I, for one, feel that this is one of the best investments that can be made. I urge adoption of H.R. 7758, as amended.

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Speaker, I was a member of the subcommittee which approved this legislation. The key word here is "equality." As has been pointed

out, all that this legislation would do is to bring some 21,000 civilian employees of the Defense Department up to the standards of the Foreign Service. That is all this legislation does. It is going to cost some money, yes, but that is in the interest of saving more money because we need the very best people overseas.

I want to call the attention of the committee to the hearings on page 25 where I asked Mr. Jackson, Assistant Secretary of Defense, who testified before our committee, as to the need for this legislation. Why do we have to be fair and equitable to the employees of the Defense Department? I think it is obvious, but I wanted to hear what effect the inequality had on the service being given and on recruitment problems. He referred the matter to Mr. Sompayrac, one of the experts who was with him. He, of course, did agree that it would have a substantial effect, and he pointed out—

> Probably the greatest effect of the lack of such comprehensive legislation has been, as Mr. Jackson says, in our inability in some cases to persuade people to go overseas. "The other major effect has been some dissatisfaction on the part of employees who are overseas," according to Mr. Jackson, "because they do not receive certain of the benefits which employees of other agencies may receive. This is a general equalization of benefits available to persons of all Federal agencies overseas, that is what it amounts to."

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Maryland, an able member of the Civil Service Subcommittee.

Mr. FOLEY. I rise in support of the bill and I wish to associate myself with the remarks of the gentleman from Oregon and the remarks of the gentleman from New Jersey. I commend them both for the position they have taken.

Mr. PORTER. I thank the gentleman from Maryland. In sum, I do not think we need delay on it. This legislation is simply to equalize these benefits, these emoluments, if you like, for oversea employees, which they deserve because of additional cost and hardship of such service. This legislation was unanimously approved by a committee which the gentleman from Louisiana [Mr. MORRISON] headed in the 84th Congress, which went to Europe to look into these matters firsthand. It was approved by our committee, 15 to 3. It was recommended by the Defense Department. It is simply in the interest of equality, and I believe that it should be approved overwhelmingly here.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore [Mr. KILDAY]. The gentleman will state it.

Mr. GROSS. Would it be possible to have the amendments offered by the gentleman from Tennessee read, without it coming out of his time?

The SPEAKER pro tempore. By unanimous consent that could be done.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the amendments be read at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read as follows:

Page 8, strike out line 22 and all that follows down through "Part B—Storage" in line 7 on page 9 and insert in lieu thereof "Part A—Storage."

Page 9, line 8, strike out "SEC. 311." and insert in lieu thereof "SEC. 301."

Page 14, line 1, strike out "Part C—Official Residence Expenses" and insert in lieu thereof "Part B—Official Residence Expenses."

Page 14, line 2, strike out "SEC. 321." and insert in lieu thereof "SEC. 311."

Page 14, line 4, strike out "thereto, immediately following the new section 22 added to such Act by section 301 of this Act," and insert in lieu thereof "at the end thereof."

Page 14, line 7, strike out "23." and insert in lieu thereof "22."

Page 14, line 23, strike out "Section 23" and insert in lieu thereof "section 22."

Page 14, line 24, strike out "section 321" and insert in lieu thereof "section 311."

Page 15, line 3, strike out "Part D—Transportation of Motor Vehicles" and insert in lieu thereof "Part C—Transportation of Motor Vehicles."

Page 15, line 4, strike out "SEC. 331." and insert in lieu thereof "SEC. 321."

Page 15, line 8, strike out "311(c)" and insert in lieu thereof "301(c)."

Page 17, line 1, strike out "SEC. 332." and insert in lieu thereof "SEC. 322."

Page 18, line 4, strike out "SEC. 333." and insert in lieu thereof "SEC. 323."

Page 24, line 6, strike out "901," and insert in lieu thereof "901(1) and (2)."

Page 28, line 15, strike out "or 23."

Mr. GROSS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Speaker, I rise in opposition to this bill. I am not going to take a great deal of the time of the House but I would like to point out two or three facts with respect to this legislation. The first of those facts is that this involves an extension of allowances and benefits to some 21,000 civilian employees of the Department of Defense and a total of about 23,000 foreign employees of the United States Government not currently covered under the Foreign Service provisions. In extending the existing benefits to this additional category of employees there has been to my knowledge, and so far as I have been able to learn, no review whatsoever of the existing provisions with respect to special allowances that already exist. We know that there are instances and examples in which, due to these additional benefits including extra compensation for hazardous or hardship conditions, quarters allowances, extra compensation for the mere fact of having oversea duties—we know that there have been instances in which the increases over the normal compensation of the employee run as high as 35 to 50 percent. It is my understanding that the original additional allowances had their legislative origin in the Committee on Foreign Affairs of the House. Apparently there is some question as to jurisdictional authority with respect to any basic review of the overall program.

What we are doing here today is substantially extending this coverage to another large category of employees and doing it without any review of the basic premises to determine the soundness of the existing program.

That is my first objection to this legislation. In the second place, I object to this legislation because it is one more step in the institutionalizing of the program of foreign aid on a basis which will assure its continuance in perpetuity. Just this last week we had a witness before us from the Foreign Training School conducted under the auspices of the Federal Government by Johns Hopkins University. I asked the director of that school who was a witness before the committee and who was testifying about the elaborate and costly training programs being developed in the field of foreign aid, this question: "Is it not true, in your judgment, that the development of programs of this character tend further to institutionalize foreign aid and thereby assure its permanence?" He was a very frank, honest, and candid witness and he replied that that was unquestionably the case.

What we are doing here today relates primarily to the civilian employees of the Department of Defense connected with military assistance programs. I submit that by applying these same standards to this new category of employees in a once supposedly temporary program we are further institutionalizing and guaranteeing the permanence of that program and category of employees.

Of course, we have here the same argument today which we have heard before and hear frequently whenever legislation of this type is offered, and that is that after all the sole purpose is to establish equality. But of course it is an old game and it is endlessly repeated. First we start some new type of benefit in a single instance, then we justify it because of the unusual and exceptional circumstances involved in that instance. Then, as time passes, we have further exceptions and then of course it becomes inevitable we must proceed to provide complete equality in the setup.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. GROSS. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. JOHANSEN. Mr. Speaker, I would like to direct the attention of the House to some of the new provisions, the new allowances and the new benefits that are provided as a result of this legislation:

Temporary lodging allowances may be granted for not to exceed 3 months after first arrival at a new post and for a period of not more than 1 month immediately preceding final departure.

Providing for leased residence quarters when authorized and when administratively determined to be necessary.

Transportation of dependents for secondary schooling that is the dependents of the civilians attached to the Defense Department and serving overseas.

Transportation of dependents for secondary schooling for undergraduate college work in the United States is authorized.

That is to be completely new for all classified employees.

Cost of storage and transportation to and from storage of household effects of employees.

Transportation of employee's motor vehicle to a foreign post is authorized.

The accumulation of not to exceed 45 days of annual leave is authorized for employees included or transferred from Alaska, Hawaii, and Puerto Rico.

Finally, home leave may be granted after at least 24 months of continuous service overseas.

Mr. Speaker, I say what is needed before we extend these additional benefits and existing benefits to new categories of all employees is to have a thorough and comprehensive review of the present overall program.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. JOHANSEN. I yield.

Mr. HOFFMAN of Michigan. It has recently come to my attention in connection with our foreign policy that all the United States is required to do now is to appropriate the money and individuals from other nations who participate in the program determine how and when and where it is to be used.

The SPEAKER pro tempore. The time of the gentleman from Michigan has again expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Speaker, the parliamentary inquiry is, Is it permissible now under the situation which has developed to move to strike out the last word?

The SPEAKER pro tempore. No, it is not. The time is under the control of the gentleman from Tennessee and the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. JOHANSEN. I yield further to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. If the gentleman has the answer to my question, if he has it in mind.

Mr. JOHANSEN. I do not have the answer to the gentleman's question but I am certain if the matter the gentleman describes involves further laxity in the control of the funds by Congress, I have no doubt the answer to the gentleman's question is in the affirmative.

Mr. HOFFMAN of Michigan. Then all we have to do is to furnish the money.

Mr. JOHANSEN. Of course we are still privileged to exercise that authority.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. MURRAY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Speaker, I rise in support of this bill. Though I am in sympathy with the views of my distinguished colleague from the State of Michigan. I oppose his position on this bill. I think the best method by which he might accomplish his objective of having an overall review of these matters would be for him to join in this legislation. If overseas personnel regulations are unified there will be similar treatment given to a member of the Department of Defense, to the Department of State, and other departments of Government. If he will do this I am confident that this Congress will take the time to make certain that there will be an overall review of the matters that he is concerned about. I think we all should be concerned about them. So I would say to the distinguished gentleman, the way to bring this matter to a head to his satisfaction and to the satisfaction of our distinguished colleague, the gentleman from Iowa, would be to end this patchwork that has gone on since World War II in various departments of Government who have so many overseas personnel, and to allow this bill to go through the Congress and then review the matter as a body in the appropriate committee in the future.

There are some things that may not have been mentioned here, such as inequities that exist. For instance, I would call your attention to allowances for personal effects taken abroad. There is allowable 7,000 pounds of uncrated personal effects that an employee of the Government may take abroad or an allowable of 8,750 pounds crated. This is too small an allowance for crating, inasmuch as crated personal effects are almost double the uncrated weight. So I say in justification to our personnel overseas we should do everything we can to straighten out certain inequities of which I have touched upon only one due to time limitation on this debate.

Mr. GROSS. Mr. Speaker, I yield myself 5 minutes.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No, not at this time. I cannot yield to the gentleman.

I wonder where these 14 amendments came from? Were these 14 amendments considered in the committee, may I ask the chairman?

Mr. MURRAY. I will say to the gentleman that only the first amendment is of any importance in this bill; the rest of the amendments are just a renumbering of sections.

Mr. GROSS. Let me ask the gentleman this question: What is proposed in section 22 with regard to entertainment?

Mr. MURRAY. There is no such section in the bill. As the gentleman knows the bill, read as amended as required under suspension of the rules, contained my amendment striking it out.

Mr. GROSS. Is not section 22 still in this bill? No amendment is adopted until the bill is approved.

Mr. MURRAY. The first amendment by me strikes out from line 22 on page 8 all that follows down to the end of the paragraph. It strikes out all of "entertainment."

Mr. GROSS. It strikes out the use of administrative funds to buy liquor and provide entertainment; is that correct?

Mr. MURRAY. That is correct. There was no purpose in this bill to buy liquor.

Mr. GROSS. Of course that was the purpose. I call attention to the fact that this is just a sample of how this bill has been handled. It is brought here with 14 amendments. It was not properly taken care of in the full committee, and now, under suspension of the rules, only the chairman can offer amendments.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I do not yield at this time. It does not make any difference how many abuses there are in the present allowances and pay differentials by the State Department and the Foreign Service; no matter how many abuses are being perpetrated, this bill will permit another 20,000 to 30,000 Federal employees to get their fingers in the grab bag. Before this legislation is enacted, Congress ought to set different standards for the State Department and the Foreign Service in the matter of transporting automobiles, furniture and so on and so forth all over the world. Is this legislation immediately necessary?

Let me call your attention to some of the testimony in connection with hearings on this matter. I asked Assistant Secretary Jackson of the Defense Department:

> Mr. GROSS. You say you have an 18-percent turnover. What do you estimate your turnover will be if this legislation is adopted and you are caught up with the Joneses in the State Department?
>
> Mr. JACKSON. I would like to make it clear that we are not prognosticating any dramatic change in retention by this bill.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No; I do not yield at this time.

Mr. PORTER asked Mr. Sompayrac, of the Defense Department, if they were having any trouble with recruitment on the basis that their allowances for these various differentials had not been given them, and the answer was that they were having no recruitment troubles whatever.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No.

Mr. PORTER. The gentleman mentioned my name.

Mr. GROSS. Certainly I mentioned the gentleman's name in reading the hearings.

Mr. PORTER. Then the gentleman should yield to me.

Mr. GROSS. I yield to the gentleman very briefly.

Mr. PORTER. I asked him if the Department fully endorsed the bill.

Mr. GROSS. He said he had no concrete evidence of dissatisfaction on the part of Defense Department employees.

Mr. PORTER. He said a number of things in his testimony.

Mr. GROSS. He said there had been no dissatisfaction.

Mr. PORTER. Both said that this legislation was necessary, that it would help.

Mr. GROSS. I do not yield further.

Mr. PORTER. That they had to have it to keep these people going overseas. I refer to page 25.

Mr. GROSS. In direct response to your statement——

Mr. BARRY. If the gentleman would yield I would like to read Mr. Jackson's statement as presented to the committee.

Mr. GROSS. Let me read it.

Mr. PORTER on page 26 asked this question:

I suppose you do have figures on recruitment in terms of how many people apply for the available jobs. Do they show a progressive decline because of the dissatisfaction arising from these inequitable conditions?

And Mr. Sompayrac said:

No, sir, they don't.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Speaker, I yield myself 2 additional minutes.

Mr. PORTER. Mr. Speaker, will the gentleman yield for a brief correction?

Mr. GROSS. No; I cannot yield further.

The question of automobile transportation to oversea posts came before the Appropriations Subcommittee for the Department of State.

On page 558 of the hearings the following appears:

Mr. ROONEY. This comes to quite a substantial amount, does it not?

That is, the shipment of cars overseas.

It comes to about $350,000 or $400,000 for shipping the 791 cars?

Is the fact shown in this sheet that 103 cars come back to the United States, whereas, the balance of these 791 go overseas any indication of a pattern? Is about the same thing true each year?

Mr. BROWN. I think it would, Mr. Chairman.

In other words, the bulk of the cars that are shipped overseas at taxpayer expense are sold there at a profit. Yet those who support this bill want to put thousands of additional employees on a par with the abuses that are now being carried on in the State Department.

Let me read to you some of the costs of transferring people, as appears on page 575 of the same committee hearings. Here is a $6,900 a year FSO–6, total cost of his transfer from Buenos Aires to Havana, $8,563.95, including household goods and so forth. Here is an FSS–10, paid $5,425 a year, total cost of transfer $14,615.05 from Malaya to Norway. There are many other similar examples.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Speaker, I yield myself 1 additional minute.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. HAYS. The gentleman has put a finger on a real abuse. I think the cure for that is for the Congress to set down a policy that these people shall not be transferred all over the world every few years. About the time he learns his job somewhere, they move him out somewhere else where he has to start all over again, and at a terrific expense to the taxpayers.

Mr. GROSS. Certainly. This bill is a cart before the horse. This bill as I have said, should be given consideration following elimination of the abuses. Read pages 574 and 575 and other pages of the Appropriations Subcommittee hearings which will show you what is happening. Yet you want here today to put 20,000 or 30,000 more people on the same basis.

I urge the defeat of this bill.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I too rise in support of this bill which has been submitted to the House by the Committee on Post Office and Civil Service. It is the result of a fine study made by the Morrison committee over a period of time.

Mr. Speaker, American civilians who are working for our Government overseas, put up with many difficulties that they would never have to face at home.

We sometimes forget that Government must compete with private enterprise in the recruitment and retention of qualified personnel.

It is a well-known fact that U.S. corporations with branches or field operations in foreign countries, provide attractive inducements for those who are willing to work away from home. These companies go out of their way to secure adequate housing, provide social and recreational facilities, and make available the various items that are a familiar part of the American standard of living.

American civilians working for the U.S. Government abroad have to contend with hardships and inconveniences that are nonexistent in the United States. To compensate them for these sacrifices, and to insure equal treatment for all, I join with many of my colleagues in support of H.R. 7758, the Overseas Differentials and Allowances Act.

The purpose of this bill is "to improve and strengthen the administration of oversea activities of the Government of the United States. The purpose is to be accomplished by the establishment of a coordinated and reasonably uniform system for more effectively compensating Government employees for additional costs, and for hardships and inconveniences incident to their working assignments in oversea areas."

Although there are other important provisions, the heart of the bill is found under title 11.

Section 211 of the bill adds, for all departments and agencies, new authority, first, for payment of a temporary lodging allowance for a period not exceeding 1 month immediately before final departure of an employee from an oversea post, and, second, for reimbursement of reasonable expenses incurred for initial repairs, alterations, and improvements in order to make substandard living quarters habitable. This section extends to departments and agencies—other than those operating under the Foreign Service Act of 1946 or statutes related thereto, which already have such authority—authority, first, to pay a temporary lodging allowance for a period not exceeding 3 months upon first arrival of an employee at a foreign post; second, to include water as a utility covered by quarters allowances; and, third, to make advance payment of quarters allowances.

Section 221 amends, for all departments and agencies, existing authority to grant a separate maintenance allowance for dependents of an employee in a foreign area so as to permit payment of such allowance where an employee must maintain a separate establishment for his dependents away from his post of duty but not necessarily outside of the country of assignment. This section continues and consolidates for all departments and agencies, authority to pay, first, a post allowance to compensate for the difference in local living costs which are higher than those in Washington, D.C.; second, a transfer allowance upon assignment of an employee to duty at any post in a foreign area or at a post in the United States between foreign assignments; and, third, an allowance for education of an employee's dependents. This section continues, for departments and agencies operating under the Foreign Service Act of 1946 or related laws, and adds, for all other departments and agencies, authority to provide transportation of an employee's dependents for educational purposes.

Section 231 continues and consolidates, for all departments and agencies, existing authority to pay a hardship post differential, not exceeding 25 percent of basic compensation, for conditions of environment at foreign posts which warrant additional compensation as a recruitment and retention incentive.

The working and living conditions of U.S. citizens employed overseas, has a direct bearing upon the success of our oversea programs—both military and economic.

In order to carry out their responsibilities, which could determine whether we have peace or war, it is necessary to provide them with the means and the facilities that will promote the highest morale and efficiency.

The Department of Defense alone employs two-thirds of all U.S. citizens working for the Government in foreign areas.

This bill will encourage the ablest American men and women to serve the United States and the cause of peace with freedom and justice at our outposts around the globe.

Mr. GROSS. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Speaker, the intent and purpose of this legislation is to bring about a more equitable situation with respect to allowance as well as pay for those employed in the overseas service. That is all there is to it. There is nothing world-shaking about this legislation. But this is a step intended in the right direction.

The gentleman from Iowa has pointed out a rather important thing, and that is we should examine the whole picture clear across the board. We need a better balanced situation with respect to employment with the Government.

I think this bill ought to be supported. Our committee, or some committee, ought to make a complete investigation or study into this whole problem and make recommendations to Congress with respect to oversea pay as well as to allowances of various kinds. If allowance rights are being abused they should be stopped. If these rights are too liberal, let us correct them.

Mr. GROSS. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I would like to read a provision in this bill, section 22, at the top of page 9:

> Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries and to resident missions to international organizations for representation purposes in the promotion of official policies and programs.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Tennessee.

Mr. MURRAY. That is the very section that in my motion was stricken from the bill.

Mr. GROSS. At this late date, you offer an amendment to take it out of the bill. You concocted an amendment as late as last Saturday to take it out. That demonstrates the consideration proponents have given this bill. This section provided that money appropriated for administrative purposes could be used for liquor and entertainment in foreign countries. That is the kind of a bill we have here. I called attention to this provision and when the bill was being considered in the full committee, but no one attempted to take it out then.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman and I are both opposed to this representation money.

Mr. GROSS. Why did you wait until last Saturday, without consultation with anyone else, to frame an amendment to take it out? It was called to the attention of the committee long ago.

Mr. REES of Kansas. The chairman was happy to strike it out.

Mr. MURRAY. Mr. Speaker, I yield the balance of the time to the gentleman from Louisiana [Mr. MORRISON].

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman from Ohio.

Mr. HAYS. I would like to say in answer to some of the arguments that were made against this bill that I kind of go along with this bill. It is not too bad, but it is the policy of these moves that is bad. And, as chairman of the Subcommittee on Personnel in the State Department, we are going into this matter at some length and see what we can do about the policy of moving these people around every 2 years willy-nilly, whether there is any reason for it or not. I think that is where the ill is, and I think that is where the ill needs to be corrected.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman from Virginia.

Mr. HARDY. I would like to ask the gentleman whether the committee in considering this measure took into consideration the possible use of local currencies, counterpart funds, if you will, for meeting these extra costs. I notice that the bill itself, in the statement of purposes, says that this is for the purpose of meeting extra costs and hardships incident to their assignments overseas.

Mr. MORRISON. I agree with the gentleman from Virginia that that would be a very excellent idea, but that is under the jurisdiction of the Committee on Foreign Affairs. If they will introduce such a bill, I believe I would be inclined to support it.

Mr. HARDY. Does not the gentleman agree that it would be a fine thing to utilize some of these funds which we have overseas to take care of these costs so that we would not have to use dollars?

Mr. MORRISON. Yes.

Mr. HARDY. In connection with oversea assignments there are occasions when oversea personnel are permitted certain special exchange concessions in the purchase of foreign currency.

Mr. MORRISON. That was taken into consideration in the study and the hearings that were held on this bill.

Mr. HARDY. But that policy is still permitted, I take it.

Mr. MORRISON. That is correct, in many places. In some places they do not have the advantage of that.

Mr. HARDY. So the allowances in this bill would be in addition to any special concession which may be available through that sort of a gimmick?

Mr. MORRISON. No. This brings these people up, who are not on any direct legislation, equal to all of our other foreign service employees.

Representatives of both the Departments of Defense and State have indicated that any advantages in the monetary rate of exchange are taken into consideration by the Government in establishing the cost-of-living and other benefits to Federal employees stationed overseas.

Federal employees overseas are paid their salaries in American dollars. However, all exchanges into local currency must be made on the official rate of exchange. Black market exchanges are cause for the Federal Government to bring an employee back to the United States.

In general, however, no department has a hard and fast rule, oversea employees are paid in local currency at the official rate of exchange for quarters allowance, cost-of-living allowance, and education allowances.

Mr. HARDY. Well, now, if the gentleman would permit on that point so that we may be clear, there are countries, for instance, in connection with studies which my subcommittee has recently made, in which special concessions have been given and are being given in the way of special rates on the purchase of foreign currencies.

Mr. MORRISON. All that was taken into consideration in the preparation of this bill and in reporting it out.

Mr. HARDY. Then, in other words, that will not be permitted in the future; at least, they will not be permitted to both have that and the concession in this bill?

Mr. MORRISON. I think they will continue to have whatever concession they have been getting. But that has been taken into consideration in this bill.

Mr. Speaker, I refuse to yield further on that point, because that is extraneous matter and not directed to the subject matter of the bill. I would like to explain this bill.

Mr. HARDY. I disagree with the gentleman on that.

Mr. MORRISON. Well, that is your privilege.

Mr. Speaker, the two opponents of this bill have tried to give the impression that this bill came out of the committee without thorough study. Two subcommittees voted in favor of this bill and the full committee voted it out with only three dissenting votes—practically unanimous.

This legislation was started 4 years ago by an intensive oversea study by a subcommittee that went to practically every city in Europe and very carefully held full hearings. A printed book of hearings about 4 inches thick resulted from these hearings and studies. Then when we returned the committee made its report. In turn, another subcommittee took it under their jurisdiction. Then it was reported out of the full committee with only three dissenting votes.

Now let us get the record straight about this bill. There are no extra-pay provisions. It merely brings the civilian employees overseas up to same basis and with the same benefits as those covered by former laws governing Department of State employees and some Defense civilian employees.

President Eisenhower wants this bill.

The State Department wants this bill.

The Defense Department wants this bill.

The Comptroller General is in favor of this bill.

The Bureau of the Budget has no objection.

The Civil Service Commission wants this bill.

This legislation is based on the principle that the Government should compensate its civilian employees at oversea posts for additional expenses related to their service overseas which are not incurred by Government employees within the United States, as well as for hardships and other conditions of environment at oversea stations which justify additional compensation or allowances.

At the outset, I want to emphasize that the great majority of benefits written into the law by this bill are already available to large groups of oversea Government personnel—in some instances pursuant to statute and in others under informal approval by the General Accounting Office granted as a matter of necessity with the understanding that the legislation now embodied in H.R. 7758 would be requested.

The general purpose of the legislation therefore, is to bring together existing statutory and administrative policies in a single law, with such additional provisions as are necessary, in order to provide a coordinated and reasonably uniform system of allowances and differentials to be granted U.S. citizens employed by the Government overseas on an equal basis so far as is practicable.

To carry out this purpose, H.R. 7758 groups together in one act provisions now found in a number of separate laws and administrative regulations, and fills in gaps where the lack of appropriate statutory or administrative action has created inequities in respect to certain groups of oversea employees.

Enactment of H.R. 7758 will materially improve and strengthen the administration of oversea activities of the Government. Both operations and personnel administration will be facilitated by the establishment, under this bill, of a comprehensive allowance and differential policy which will apply generally to all American citizens who are employed in civilian posts for the Government in oversea areas, regardless of the department or agency for which extent justified by relative conditions of employment.

This legislation is based upon, and will place in effect, an official recommendation of the Department of Defense. It also carries out the unanimous recommendations of the Post Office and Civil Service Subcommittee contained in the subcommittee report printed as House Report No. 2109, 84th Congress. The bill now before us was developed through extensive hearings and conferences held by the Civil Service Subcommittee in oversea areas during the 84th Congress, supplemented by a continuing cooperative study by the subcommittee, the Department of Defense, the State Department, the personnel adviser to the President, the Civil Service Commission, and the General Accounting Office.

I believe the Members will be interested in a brief comment on House Report No. 2109 which was included in a letter from the White House to our committee chairman, dated August 24, 1956, and I quote:

I would like to say first that this was an excellent report, carefully prepared and reflecting a comprehensive review of the facts, both in the oversea hearings and in the staff research. I believe that the liaison between your office and both my White House office and the Civil Service Commission has been a fine example of cooperative effort between legislative and executive branches of Government, in developing sound legislation in this field of personnel administration.

It is fair to state that no bill ever considered by our committee has had more thorough and painstaking consideration by a subcommittee or has been worked out more carefully, in relation to all departments and agencies, in order to strengthen management and personnel administration of essential Government functions.

I should like to invite the special attention of the Members to the explanation of the bill in the accompanying report, House Report No. 902. In my judgment, this is one of the most complete and exhaustive statements accompanying any bill reported to this House in the present session and fully reflects the careful and extensive consideration this legislation received both in the Civil Service Subcommittee and before the full Post Office and Civil Service Committee.

I would like to emphasize the careful consideration this legislation received by calling your attention to the fact that transportation of motor vehicles under subsection (f) of section 331, will be authorized only upon a determination by the department or agency head concerned that it is in the interest of the Government for the employee to have the use of the motor vehicle at his post of duty.

This legislation is strongly recommended by the administration and is necessary to modernize and strengthen civilian personnel administration in our critical oversea defense activities and other essential Government programs abroad. The reported bill has the overwhelming support of the membership of the Post Office and Civil Service Committee and I believe will receive equal approval by the House today.

I urge the House to vote favorably on this meritorious legislation.

The SPEAKER pro tempore. The time of the gentleman has expired.

All time has expired.

Mr. MORRISON. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER pro tempore. Under the rules of the House all time has expired.

The question is, will the House suspend the rules and pass the bill H.R. 7758, as amended?

The question was taken and on a division (demanded by Mr. JOHANSEN) there were—ayes 72, noes 24.

Mr. JOHANSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. SHELLEY). Pursuant to the order of the House of last Friday, further proceedings will go over until tomorrow.

FINAL ORDERS OF SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. WALTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8429) to amend the Subversive Activities Control Act of 1950 to provide for a procedure under which certain final orders of the Subversive Activities Control Board with respect to Communist organizations may be made applicable to successor organizations, with amendments.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Subversive Activities Control Act of 1950 (64 Stat. 989) is amended by inserting, immediately after section 13A thereof, the following new section:

"PROCEEDINGS WITH RESPECT TO SUCCESSOR ORGANIZATIONS

"SEC. 13B. (a) When there is in effect a final order of the Board determining that any organization is a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization, such final order shall also be applicable with respect to any organization determined by the Board under this section to be the successor of such organization, regardless of the assumed name, from and after the date on which the order of the Board granting the determination that such organization is a successor organization becomes final.

"(b) Whenever the Attorney General has reason to believe that any organization is the successor to any organization determined by a final order of the Board to be a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization, he may file with the Board and serve upon such organization a petition for a determination that such organization is such a successor organization. In any proceeding so instituted, two or more affiliated organizations may be named as joint respondents. Whenever any such petition is accompanied by a certificate of the Attorney General to the effect that the proceeding so instituted is one of exceptional public importance, such proceeding shall be set for hearing at the earliest possible time and all proceedings therein before the Board or any court shall be expedited to the greatest practicable extent.

"(c) Each petition shall be verified under oath, and shall contain a statement of the facts relied upon in support thereof. Upon the filing of any such petition, the Board shall serve upon each party to such proceeding a notice specifying the time and place for hearing upon such petition. No such hearing shall be conducted within 20 days after the service of such notice.

"(d) The provisions of subsections (c) and (d) of section 13 shall apply to hearings conducted under this section, except that upon the failure of any organization named as a party in any petition filed by or duly served upon it pursuant to this section to appear at any hearing upon such petition, the Board may conduct such hearing in the absence of such organization and may enter such order under this section as the Board shall determine to be warranted by evidence presented at such hearing.

"(e) In determining whether any organization is a successor organization, the Board shall consider, among other things—

"(1) to what extent, if any, the management of the affairs of such organization is conducted by the same individuals who conducted the management of the affairs of the Communist organization alleged to be the predecessor of such successor organization;

"(2) to what extent, if any, the policies of such successor organization are the same as the policies of the Communist organization alleged to be the predecessor of such successor organization;

"(3) to what extent, if any, the assets of such successor organization are the same as the assets of the Communist organization alleged to be the predecessor of such successor organization; and

"(4) to what extent, if any, the membership of such successor organization is the same as the membership of the Communist organization alleged to be the predecessor of such successor organization.

"(f) After hearing upon any petition filed under this section, the Board shall (1) make a report in writing in which it shall state its findings as to the facts and its conclusion with respect to the issues presented by such petition, (2) enter its order granting or denying the determination sought by such petition, and (3) serve upon each party to the proceeding a copy of such order. Any order granting any determination on the question whether any organization is a successor organization shall become final as provided in section 14(b) of this act."

SEC. 2. Subsections (a) and (b) of section 14 of such act (50 U.S.C. 793 (a) and (b)) are amended by inserting ", or subsection (f) of section 13B," in each such subsection, immediately after "section 13A,".

The SPEAKER pro tempore. Is a second demanded?

Mr. SCHERER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. WALTER. Mr. Speaker, I yield myself such time as I require.

Mr. Speaker, in proceedings under the Subversive Activities Control Act of 1950 the Subversive Activities Control Board on June 30, 1955, found the Jefferson School of Social Science to be a Communist front organization. Subsequently and before the Communist front organization registered it announced that it had dissolved. Shortly thereafter the organization moved to a new location, moving the old furniture and office equipment, and went back in business under a new name, the name being the Faculty of Social Science. The evidence adduced at the hearings by the Committee on Un-American Activities disclosed that this is a familiar pattern followed by Communists in order to avoid the impact of the law. The bill (H.R. 8429) is designed to permit the Attorney General of the United States to petition the Subversive Activities Control Board for leave to proceed against the newly erected organization in order to show that it is the successor to the organization against which the original order had been entered. I think, Mr. Speaker, in order to prevent any group from laughing at the laws of the United States it is essential that the recommendation of the Department of Justice and the Board be agreed to.

Mr. SCHERER. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. SCHERER. Is it not a fact that these hearings before the Subversive Activities Control Board require months of hearings and exhaustive investigations and then after the finding is made if these organizations can just change their names and escape the penalties of the Board's findings an actual fraud is perpetrated on the Government of the United States?

Mr. WALTER. Yes; that is the situation exactly. As a matter of fact in this particular case the people who conducted this school made the announcement in the Daily Worker so that everybody was advised of what had happened. But the Government is powerless to proceed against this new organization. The bill (H.R. 8429) which the Committee on Un-American Activities has reported favorably, makes applicable to a successor organization the final order of the Subversive Activities Control Board made against a predecessor organization. The bill has procedural provisions governing the manner in which the Board may make a determination that a particular organization is in fact a successor organization.

In a few minutes we will consider, I suppose, a bill having to do with passports. The lawyer who went to the Supreme Court on behalf of the Communist who sought a passport was a former professor of this school, Professor Boudin. He is the lawyer who has been appearing so successfully before the Supreme Court of the United States.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. McCORMACK. While I was chairman of the special committee as far back as 1934 that was appointed to investigate communism, nazism, fascism, and bigotry——

Mr. WALTER. May I ask the gentleman why he relinquished a post in which he was distinguishing himself?

Mr. McCORMACK. I realized many years later that a much better man than I, the gentleman from Pennsylvania [Mr. WALTER], would assume the distinction and the responsibilities.

Mr. WALTER. The gentleman is most generous.

Mr. McCORMACK. As the gentleman remembers, out of that committee came a recommendation for what now is the Smith Act, the Foreign Agents' Registration Act, the tightening up of our immigration laws in relation to subversive persons, and giving the Army and Navy and the Air Force the power in peacetime to control subversive activities in the installations of our armed services.

I know the tremendous pressures that are brought upon the members of the Committee on Un-American Activities. I know the influences that operate to try to undermine the effective work of the chairman and the members of this committee, and I want to express my hearty congratulations to the gentleman from Pennsylvania [Mr. WALTER] and the members of the committee on both sides for the outstanding work they have done. With resolution and courage they have protected our country against subversive individuals and against sabotage.

I want to ask my friend a question or two. I am wondering if my friend can give the House any information as to whether or not in recent months, if not the last year or two Communist activities in America have increased?

Mr. WALTER. Yes; I do not think there is any question about that. We know it has increased since the decision of the Supreme Court of the United States in the Yates case. Shortly after the decision was handed down, at a meeting of the Communist Party in California the leader of the party announced that this decision was the greatest contribution made to the Communist cause in many years, and then said: "We will now move forward."

The movement has increased. Unfortunately, too many people in high positions regard communism as a political movement. It is not political in any sense of the word; it is part of the international conspiracy the object of which is world domination. The thing that disturbs me about the visit of Mr. Khrushchev is not that he is the head of the Government in effect, but that he is the head of the international conspiracy. When he comes to the United States he will come here as the head of the world Communist movement of which the Communist operations in the United States is one tentacle.

Mr. McCORMACK. May I ask my friend in view of his statement about Mr. Khrushchev being the head of the Government; as a matter of fact, within the Soviet Union he is not, technically, the head of the state, is he?

Mr. WALTER. That is correct.

Mr. McCORMACK. He is the head of the party, and within the Soviet Union the state is not supreme, the party is supreme.

Mr. WALTER. That is it, precisely correct.

Mr. McCORMACK. With the United States and other countries, without the Soviet Union we deal on a nation to nation basis; within the Soviet Union the party is supreme. Technically in fact, he is not the head of the state. Is that right?

Mr. WALTER. That is absolutely correct.

The SPEAKER. The question is: Will the House suspend the rules and pass the bill?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ORDER FOR CONSIDERATION OF PASSPORT BILL

Mr. SELDEN. Mr. Speaker, I ask unanimous consent that it may be in order to consider under the general rules of the House the bill (H.R. 9069) to provide standards for the issuance of passports, and for other purposes; that general debate continue for not to exceed 1 hour, one-half to be controlled by myself and one-half controlled by the ranking minority member of the Committee on Foreign Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CALL OF THE HOUSE

Mr. PORTER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, will the gentleman withhold his point of order until a consent request can be acted upon?

The SPEAKER. It is too late to do anything. He held the floor and the Chair declared that a quorum was not present. The only thing that can take place now is a call of the House.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 168]

Abbitt	Fallon	Marshall
Addonizio	Farbstein	Martin
Alger	Feighan	Miller, George P.
Allen	Fenton	Miller, N.Y.
Anfuso	Fino	Minshall
Ashley	Flynn	Moeller
Aspinall	Flynt	Moorhead
Auchincloss	Fogarty	Moulder
Ayres	Forand	Multer
Bailey	Ford	Nix
Baker	Frazier	O'Brien, N.Y.
Barden	Friedel	O'Hara, Mich.
Barrett	Fulton	O'Neill
Bass, N.H.	Gallagher	Osmers
Bass, Tenn.	Garmatz	Ostertag
Baumhart	Gary	Patman
Becker	George	Perkins
Bentley	Glenn	Philbin
Betts	Goodell	Poage
Blatnik	Gray	Powell
Blitch	Green, Pa.	Price
Boggs	Griffin	Prokop
Boland	Hall	Quigley
Bolling	Hargis	Reuss
Bolton	Harmon	Riehlman
Bosch	Harris	Roberts
Bow	Harrison	Rodino
Bowles	Healey	Rostenkowski
Brademas	Hébert	St. George
Brewster	Hemphill	Santangelo
Brock	Henderson	Sheppard
Brown, Mo.	Herlong	Sikes
Broyhill	Hess	Simpson, Pa.
Buckley	Holifield	Smith, Va.
Burke, Ky.	Holland	Spence
Burke, Mass.	Holtzman	Springer
Bush	Horan	Staggers
Byrne, Pa.	Inouye	Steed
Cahill	Jarman	Taber
Canfield	Jennings	Taylor
Carter	Johnson, Md.	Teller
Cederberg	Jonas	Thompson, La.
Cook	Jones, Ala.	Thompson, N.J.
Cooley	Jones, Mo.	Toll
Corbett	Judd	Tollefson
Curtis, Mass.	Kastenmeier	Udall
Daddario	Kearns	Vanik
Daniels	Keith	Van Pelt
Davis, Tenn.	Keogh	Vinson
Delaney	Kilburn	Wainwright
Dent	Kirwan	Watts
Derounian	Kluczynski	Westland
Derwinski	Lafore	Whitten
Devine	Landrum	Williams
Diggs	Lesinski	Winstead
Dollinger	Levering	Withrow
Donohue	Loser	Yates
Dorn, S.C.	McDonough	Younger
Downing	McDowell	Zelenko
Dulski	Macdonald	
Evins	Madden	

The SPEAKER. On this rollcall 254 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

PROVIDING STANDARDS FOR THE ISSUANCE OF PASSPORTS

Mr. SELDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9069) to provide standards for the issuance of passports, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9069, with Mr. RILEY in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. Mr. Chairman, I yield myself such time as I may require.

Since June 16, 1958, it has been impossible for the United States Government to deny passports to persons who are active supporters of the international Communist movement even though they openly acknowledge that fact and frankly state that they are going abroad to further the cause of international communism. On that date in June a year ago, the Supreme Court handed down two decisions—Kent against Dulles and Dayton against Dulles—in which the Court ruled that the regulations of the Secretary of State denying passports to supporters of the world Communist movement were invalid because of a lack of specific legislative authority.

Let me quote from a speech made in Moscow in March 1959—only a few months ago—by James Jackson, the secretary of the American Communist Party National Committee:

Dear Comrades, on the authority of our national executive committee and on behalf of our delegation, I bring you the heartfelt greetings of the Communist Party of the United States. Comrades, if President Eisenhower could say in truth what Premier Khrushchev stated as a simple matter of fact—that there is not one political prisoner in the country—several of our comrades might be here to greet you on this extraordinary occasion; our national secretary, Comrade Eugene Dennis, our honorary chairman, Comrade William Z. Foster, Comrades Hobson, Flynn, Davis [three names indistinct], and others; also our dear Comrades Henry Winston and Joe Green, who still languish in Federal prisons in our country.

Jackson goes on to say:

Certain imperialist circles within our country have brought great shame upon our country in Latin America, the Middle East, Hungary, and elsewhere. The leaders of our people, however, are increasingly struggling to remove these stains from our national honor, to establish a new course in foreign affairs, to replace brinkmanship with peace, economic blackmail with fair trade practices, enmity against the countries of socialism with new relations of friendship and coexistence.

The reason why I cite these particular statements is not that Mr. Jackson, an acknowledged Communist, actively supports the Communist line but that Mr. Jackson was present in Moscow attending a conference of Communists sponsored by the Soviet Union, bearing a U.S. passport which he obtained by entirely legal means and which our State Department, much as they desired to do so, could not deny him.

In July 1958, the State Department informed the Committee on Foreign Affairs that it had some 70 applications for passports pending from persons with known Communist affiliations, many of which the State Department would have denied if it had not been for the Supreme Court decision. During the recent hearings conducted by the Committee on Foreign Affairs on the bill now before the House, we were informed that presumably all 70 of these passports had been issued. How many more U.S. passports have been granted to active supporters of world communism cannot be determined because since the Kent against Dulles decision, the State Department no longer investigates the background of applicants for Communist activity.

The question has been asked: What is the emergency that requires passport restrictions such as are proposed in this bill?

In the first place, let us not forget that the Soviet Union and Red China openly advocate the overthrow of our system of government. We are drafting 9,000 of our young men a month because of this emergency. Most of our people, I am sure, are very much aware that an emergency exists.

That there is a particular emergency relating to passports is also clear. Since the Supreme Court decisions of June 1958, our State Department has been required to issue passports to known and active supporters of international communism. Some of these people are undoubtedly traveling throughout the world today on missions detrimental to our security.

During hearings on this bill, the Honorable Robert Murphy, Under Secretary of State, submitted a list of specific examples of cases involving active supporters of world communism who have received U.S. passports since the Supreme Court decisions of June 1958. The concrete examples submitted by Secretary Murphy follow:

Since June of 1958 a considerable number of old-line, hard-core Communist Party members have come forward to get their passports. Some of them apparently have no present intention of traveling but want to be in a position to do so in the event the party decides they are needed someplace abroad.

Communist Party activities involving travel abroad have taken a noticeable upturn during the last year.

The Department has received information which shows a rather clear disposition on the part of Communist passport recipients to disregard the geographical restrictions in their passports. A number of such persons who, under our invalidated regulations would not have received passports, have, on receiving them, gone almost immediately into areas for which their passports are not valid.

It is difficult to estimate the extent to which the Communists have taken advantage of the gap in our system of laws designed to safeguard the national security since the Supreme Court decisions of June 1958. A large number of applications have been received from persons about whom the Department has some evidence of Communist affiliations. This number, of course, is increasing daily. Under the Department's previous regulations the record of these persons' activities would have been scrutinized very carefully and further inquiries would have been made where necessary. There is no doubt that a substantial number of them would not have received passports under the procedures previously in effect. Some undoubtedly would have turned out to be eligible under the regulations and would have received passports. It is impossible to make an accurate estimate of the number in either category, however, since the Department does not feel that it can justify the time and the trouble involved in endeavoring to determine the extent of a person's connection with the Communist conspiracy when it can no longer deny passports on such grounds in any event.

The information the Department happens to have already available, of course, varies

in each individual case. Some have previously applied for passports and were turned down; others are notorious or avowed members of the Communist Party; a great many others are persons about whom the Department has only fragmentary information. Some of the latter group might, on further inquiry, turn out to be no longer involved in Communist activities or relatively harmless joiners or dupes. However, others might well turn out to be extremely dangerous Communist activists.

It should be emphasized that there is presently no congressional authorization enabling the Department to deny passports to any member of the Communist Party, U.S.A. Any or all of them, those who have not already done so, could come in tomorrow and receive their passports merely by demonstrating their citizenship, except in the unusual cases where they might also be a fugitive from justice or a law violator. Thus, a major aspect of the present danger is the total effect on the orderly conduct of our foreign policy and our national security involved in the completely unrestricted travel of as many proponents of the Communist conspiracy as it determines to have travel. The outside bounds of this loophole in our defenses are entirely up to the Communist apparatus to set.

The Communists have not hesitated, where their purposes could be served, to take full advantage of the opportunity open to them.

For example, James Jackson, a member of the Communist Party since 1933, and a member of the National Executive Committee of the Communist Party, recently went to Moscow to address the 21st Congress of the Communist Party of the Soviet Union as an official representative of the Communist Party of the United States of America. While there, he excoriated the United States in statements which, of course, were widely publicized by Radio Moscow. Jackson told the Department on his application that he wished a passport to visit France. There is no formal indication of what altered Jackson's travel plans; but, in any event, his mission was made much easier and his travels more convenient by the valid U.S. passport he had with him.

The general manager of the Worker, William Lorenzo Patterson, is at present a holder of a valid U.S. passport. Patterson, who runs the Worker and for years headed the Civil Rights Congress, has recently admitted under oath before a committee of the U.S. Senate that he was presently a member of the Communist Party. That Department does not know whether Mr. Patterson has yet traveled or where, although his passport application listed various countries in Europe and the Soviet Union. On previous trips abroad, however, Patterson was in close contact with Communist Party functionaries of other countries.

Anna Louise Strong, a life-long Communist, who had been previously denied passport facilities, traveled from Moscow into Communist China in late 1958, where, according to the Department's information, she has for months now participated actively in Peiping's "hate-America campaign."

The recent efforts of Harry Bridges to further his influence among labor movements of the maritime nations could, in the event of Communist-inspired aggression in the Far East or elsewhere, be a matter of gravest concern to this Government. The Department feels that these efforts were facilitated when it was required to afford him passport facilities. Mr. Bridges, according to our reports, traveled to such places as Tokyo and East Germany which were not included in the itinerary he furnished the Department on his passport application.

The Communist-sponsored Seventh World Youth Festival, held in Vienna, Austria, from July 26 to August 3 of this year, was one of the latest Soviet efforts to reap political and propaganda dividends. Intensive preparatory steps were undertaken by the Soviet-controlled organizations behind this festival and, within this country, all possible efforts were made to assure control over the approximately 350 Americans who were expected to attend the festival.

Fortunately, many of the young citizens who attended the festival were loyal Americans. Others, however, including many who were prominent in the festival organization and planning, were strongly pro-Communist and devotees of this Soviet propaganda show.

Among the Americans at the festival were youths already well indoctrinated along Communist lines. One festival participant had a background of active affiliation with the Labor Youth League and was associated with numerous Communist-front organizations. This person has been prominent in the formation of a Communist Party youth group and was in attendance at a Communist Party function.

Another festival delegate, and one who was active in forming the American delegation, received previous organizational experience through the formation of a Marxist-Leninist organization under the authorization of a State Communist Party committee. This person has been active in Communist Party youth activities and reportedly is a member of the Communist Party.

A close relative of a prominent Communist was also a festival participant. This person's background includes close affiliation with the Communist youth organizations and association with Communist-front organizations.

Two other persons, who attended the festival, have been affiliated with organizations created and dominated by the Communist Party for the purpose of attracting and indoctrinating American youths. One of these persons was a member of the executive committee of a Labor Youth League club.

These cases illustrate the type of youths selected by the Communists to represent the United States. The impressions they created and the impact of their actions are not easily gaged but they, and the others so trained and instructed, had as their purpose the discrediting of the loyal Americans who were present and, in every way possible, the embarrassment of this country, its policies, and its leaders.

Although concerned regarding the attendance of these and other persons at the festival, and fully aware of their Communist backgrounds and activities, the Department of State was nevertheless unable to deny any of them passport facilities.

There are set out below additional illustrations of the kind of individuals who have received passports subsequent to the Supreme Court decisions of June 1958.

CASE NO. 1

This person is a charter member of the Communist Party (CP). He founded and is president of International Publishers Co., Inc. He has held any top posts in the Communist Party during the past 30 years. He is believed to have acted as liaison man between the Communist Party and high ranking Soviets. He was a delegate to the Fourth Congress of the Communist International and has attended numerous high-level convention, conference, and committee meetings of the Communst Party in Russia, Germany, Canada, Mexico, France, and Cuba.

CASE NO. 2

This person has been identified with the Communist movement since the mid-1930's, and has been an elector for the presidential and vice presidential candidates on the Communist Party ticket. This person was reported to be a Communist Party member in Trieste, Italy, during the 1950's. In 1956 this person allegedly effected the transfer of funds to the Communist Party of Trieste.

CASE NO. 3

This person has been identified as a charter member of the Communist Party and is known to have been active in the Communist movement for the past 20-odd years. He was a delegate to the All-Slav Congress in Belgrade, Yugoslavia, in 1946.

CASE NO. 4

This person, in 1949, was a witness for the defense in the case of the *U.S.* v. *William Z. Foster*, and testified that he was a member of the Communist Party and had joined the Communist Party in 1929. He also testified that he had held numerous posts in the Communist Party, including membership on the national committee. In 1950 and 1954 he attended Communist Party meetings and conventions outside the United States. He has been recently characterized as one of the most important functionaries of the Communist Party.

CASE NO. 5

This person, a member of the Communist Party for many years and once a full-time paid functionary of the Communist Party, has also been active in the affairs of the Communist Party in England in recent years.

CASE NO. 6

This person, who has been identified as having held Communist Party membership under another name, has recently served as the private secretary of a prominent member of the American Communist group in another country.

CASE NO. 7

This person, who previously served as executive secretary of a Communist Party unit in New York, has reportedly toured the world as an international Communist courier.

CASE NO. 8

This person, allegedly a Communist Party member, was active in Communist-inspired front organizations and while enjoying the benefits of a U.S. passport, is reported to have attended an espionage training school abroad. She violated the travel restrictions in her passport during 1955 when she traveled in Poland, Czechoslokavia, and the U.S.S.R. While residing abroad, subject married a Communist official of a foreign country and reportedly will seek to bring this person to the United States.

CASE NO. 9

This person reportedly held a previous assignment which involved furnishing information to officials of a Communist country as to the names of persons in this country who were active anti-Communists and who had relatives behind the Iron Curtain.

CASE NO. 10

This person has a long history of Communist Party activities, having served as a Communist Party functionary. She is reported to have visited Guatemala in 1954 and obtained information for the use of the Communist Party, U.S.A.

CASE NO. 11

This person previously traveled to Communist China, the Soviet Union, Poland, and Czechoslovakia in violation of the restrictions in his passport. He served as a delegate to the so-called Peiping Peace Conference, after which he condemned the United States for engaging in germ warfare.

CASE NO. 12

This person has been active in the Communist Party over an extended period of time, serving as a Communist Party functionary. She previously has attended a number of Communist-sponsored international conferences on both sides of the Iron Curtain.

CASE NO. 13

This person joined the Communist Party as early as 1924, and was, at one time, involved in a scheme of counterfeiting for the

purpose of financing Soviet espionage. Using the birth certificate of a dead Communist, he obtained a passport under the name of the deceased and used this passport in furtherance of the counterfeiting scheme. Fortunately, he was apprehended, tried, and convicted, but throughout his trial Communist Party financial assistance was provided. The Communist Party reportedly considered this person extremely loyal and following his conviction continued efforts were made to effect his release. He has now received a U.S. passport and is free to travel abroad wherever he may be ordered by the leaders of the Communist conspiracy.

CASE NO. 14

This person, with a long record of Communist affiliations, has resided abroad for an extensive period and has traveled throughout Western Europe, behind the Iron Curtain and in Communist China repeatedly ignoring travel restrictions imposed on his passport. He has continually criticized the United States as endorsing "slave labor" camps in the South. While visiting Communist China, he falsely charged that Chinese students were being forcibly detained in the United States. In speeches and writings he loudly praised Communist Chinese advancements and castigated high U.S. officials for what he termed discriminating actions against the Negro population. Much use was made in the Communist press of this person's attacks on the United States.

CASE NO. 15

This person, a longtime member of the Communist Party, is a specialist in the organization and recruiting fields. He has been extremely useful to the Communist Party over the years. Because of his organizational ability, he was transferred, apparently under Communist Party orders, to various sections of this country where he was able to supervise and direct Communist Party activities and members. He now has passport facilities and is free to extend his activities abroad.

The Secretary of State has very accurately summarized the situation by saying that there is ample evidence that dangerous participants in the international Communist conspiracy have hastened to "take advantage of the breach in our defenses" which now exists as a result of the above-cited decisions of the Supreme Court.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. SELDEN. I shall be happy to yield to the gentleman.

Mr. CHELF. I would like to say to the gentleman that he and his committee have done a very fine job, an exceptionally good job. I was very pleased to have been able to be here on Saturday last when this very bill was discussed at quite some length. The fact of the matter is, as the gentleman remembers, I asked that additional time be granted to the gentleman from Oregon so that it could be well discussed.

It is a bill which I think is l.p.d.—it is long past due—and I am for it and I am for what it wants to do. I am for the State Department. For once in their life they were right in denying passports to those birds who speak against America. I have always thought it was a mistake to let these fellows go abroad talking when they should stay right here at home listening. Hell. That is where they belong. Excuse me.

Mr. SELDEN. I thank the gentleman.

At first glance, the solution to the problem might appear to be simple and obvious. Let me point out that the Supreme Court raised no constitutional issue with respect to the denial of passports. The basis of the Supreme Court decisions was that the Secretary of State in denying passports to Communists in the past had acted without specific legislative authorization from the Congress. The apparent solution to the problem is for Congress to pass a law giving the Secretary the authority which the Supreme Court says he lacks.

I am sure that the overwhelming majority of the Members of the House believe that it is important that active supporters of world communism should be prevented from traveling outside the United States for the purpose of advancing the Communist cause and that we should not grant them passports which inevitably facilitate such travel.

At the same time, everyone who studies the problem is confronted at once with the fact that the drafting of legislation giving to the executive the authority necessary to prevent the travel of persons clearly intending to serve the interests of the international Communist movement and clearly embarking on a course of action which would be detrimental to U.S. security is very difficult to do without at the same time giving the executive discretion which may infringe the liberties which are guaranteed to U.S. citizens by our Constitution.

This is the basic issue with which the Foreign Affairs Committee has been struggling for more than a year. The problem is to find a way to keep active adherents of the world Communist movement from going abroad to carry on their work, without giving the Secretary of State authority so broad that it might be used to deny passports to individuals merely because they held unpopular views or because they advocated policies contrary to those favored by the administration in power.

H.R. 9069 which is before the House represents the Foreign Affairs Committee's effort to reconcile this conflict. It is the result of full hearings and careful study by the committee. There were 23 bills which had been referred to the committee relating to passports. These bills represented a variety of methods for dealing with the problem, and the analysis and discussion of the various approaches which they involved was very helpful to the committee in arriving at a final judgment. The bill reported represents a combination and reconciliation of features contained in many of them.

The committee has not attempted to report a comprehensive passport bill which includes a revision of existing passport legislation. The purpose of the present bill is merely to grant the necessary authority so that the executive can take action to meet the most urgent needs of the present situation.

The bill contains a finding by the Congress that the international Communist movement is hostile to the United States; that it constitutes a clear, present, and continuing danger to the security of the United States; that travel by couriers and agents is a major and essential means by which the international Communist movement is promoted; that the possession of a U.S. passport protects the holder and facilitates his travel, and that consequently the issuance of passports should be denied to supporters of the international Communist movement for use to further the purposes of that movement. Before a passport can be denied, however, the Secretary of State must make two findings: First, that the applicant either is or has been, since January 1, 1951, a member of, or affiliated with, the Communist Party, or knowingly engages or has knowingly engaged, since January 1, 1951, in activities intended to further the international Communist movement, and, second, the Secretary of State must also determine that such person's activities or presence abroad would under the findings made in section 5, as added by the bill, be harmful to the security of the United States.

Both of these findings must be made before a passport may be denied or revoked. The bill does not permit denial or revocation of a passport on the sole ground of membership in any organization or association with any individual or group. Nor does it permit the denial or revocation of a passport on the sole ground that the individual's activities or presence abroad would be harmful to the security of the United States. The bill does not, however, restrict such authority as the Secretary of State already has to deny or revoke passports.

Let me emphasize that this authority is definitely limited so that no one can be denied a passport merely because he once belonged to the Communist Party or to any other organization. The bill specifically states that—

The Secretary of State shall not deny a passport to any person solely on the basis of membership in any organization, association with any individual or group, adherence to unpopular views, or criticisms of the United States or its domestic or foreign policies.

I would like to point out further that this authority would not authorize the denial of a passport solely on the grounds that a person is at present an active supporter of international communism. The Secretary of State has to find, in addition, that the activities or presence of such person abroad would be harmful to the security of the United States.

The bill authorizes the Secretary of State to require as a prerequisite to the issuance of a passport that the applicant take an oath as to whether he is or has been since January 1, 1951, a member of the Communist Party or a supporter of the international Communist movement. The date January 1, 1951, in the opinion of the committee members, clearly gives protection to those persons who may have innocently been adherents of the Communist Party in the past but who have seen the error of their ways.

The Korean war began in the summer of 1950. The nature, purpose and methods of international communism were fully discussed and exposed in the United Nations in succeeding months. No one, after January 1, 1951, could have any excuse for not being fully

aware of the meaning of the international Communist movement and of the significance of his affiliation with it.

The fact that lines 3, 4, and 5 on page 3 of the bill contain the words "association with any individual or group," "adherence to unpopular views," "criticisms of the United States or its domestic or foreign policies" has been cited as indicating that passports could be denied to persons to whom such words might apply. A reading of the bill makes clear that this is not the case.

No one can be denied a passport under the authority of this bill unless he is or has recently been an active supporter of international communism. The bill gives no authority to deny passports to anyone else. The words at the top of page 3 should be read only in context.

The bill endeavors to give the fullest possible protection to the individual against the misuse of secret information. No application for a passport may be denied and no passport may be revoked except after an opportunity for a hearing. The bill provides further that in the case of the denial, such hearing shall be held in the judicial district in which the applicant resides. In addition, the bill provides that any such denial or revocation of a passport shall be subject to judicial review on the record in the district courts of the United States. The words "on the record" give to the individual assurance that the courts will have the right to review the record of the hearing on which a determination was made to sustain the denial of his passport; and if that evidence and record do not fulfill the requirements of this law, then the court may overrule the denial, and the Department may be required to issue a passport to the applicant.

I am sure there are those who will say that in our efforts to protect the rights of the individual the committee has left open too many loopholes. There is no doubt that under the language contained in the bill, persons actively engaged in the world Communist movement may succeed in obtaining passports. The committee is well aware of the fact also that people can cross the borders of the United States to enter Canada and the American Republics without passports. The committee has been informed that there is an active market in forged U.S. passports and that these are available to key Communist agents and couriers.

Nevertheless, we are convinced that the restrictions contained in this bill will help the Secretary of State in dealing with the serious problems with which our country is confronted.

In the first place, well-known persons cannot travel on forged passports. It should be recognized also that there are many people who will not be willing to apply for a passport if they know that their record of Communist affiliation will be fully explored and ultimately publicized.

Another consideration is the fact that when known Communists are forced to use irregular or illegal means of obtaining documents to authorize foreign travel, these activities have in the past uncovered new links in the Communist apparatus not previously known to intelligence agencies.

Title II of the bill gives legislative authority to the President to restrain the travel of all citizens and to limit the validity of all passports with respect to travel to designated countries or areas. Such limitations are required to be established by annual declaration and the reasons for such limitations must annually be stated specifically and in detail.

Travel may be restrained only to, first, countries with which the United States is at war; second, countries or areas where armed hostilities are in progress; and third, countries or areas to which the President finds that travel must be restricted in the national interest either because the U.S. Government is unable to provide adequate protection to citizens traveling therein or because such travel would seriously impair the foreign relations of the United States.

The bill authorizes the President to make exceptions to any such geographical restraints for particular individuals or categories of persons.

Section 202 of the bill forbids travel by a citizen to any country which has been declared off limits under section 201 of the bill, and violators are made guilty of a misdemeanor and subject to a fine of not more than $1,000.

An argument has been made against the bill on the ground that it gives the President authority to deny passports to Members of Congress with the result that Members of Congress may be prevented from discharging their official duties.

In the first place, let me point out that the first part of the bill which authorizes the issuance or denial of passports to individuals grants such authority only with respect to individuals who are active in their support of international communism. I do not believe that any Member of Congress is now or will in the future be engaged in such activity, so that the authority of this part of the bill clearly does not have any relation to travel by Members of Congress.

Title II of the bill, which gives authority to establish geographical limitations for the validity of passports, clearly does apply to Members of Congress. It seems to me, however, that the bill rather than giving the President additional authority which he does not now possess over the travel of Members of Congress, instead limits and gives precise definition to such authority.

The latest and most pertinent statement of the law with respect to geographical restriction on travel is contained in Worthy against Herter, decided June 9, 1959, by the United States Court of Appeals for the District of Columbia Circuit. Let me quote from this decision:

> We think the designation of certain areas of the world as forbidden to American travelers falls within the power to conduct foreign affairs. The bare determination that certain areas outside this hemisphere are trouble spots, or danger zones, is a phase of foreign affairs. * * * A decision on the part of the President to prevent, if possible, the necessity for calling into play his diplomatic instrumentalities and the use of his powers—persuasive or compulsory—upon a foreign Nation is a phase of foreign affairs. The selection by him of the means to be used in a given such case rests in large part upon policy, obviously foreign policy.
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> * * * * * *
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> We think that, if the Executive foresees that the presence of American citizens in a designated foreign area may, by reason of military or political conditions there, evolve into, or be the occasion of, a clash, diplomatic or military, with a foreign government, his power in respect to foreign affairs includes power to refuse to sanction the travel of American citizens in that area. To hold the contrary would be to hold that the protection of the peace against American-caused incidents in foreign countries is outside the realm of foreign affairs. Such latter holding would be both illogical and unrealistic. In foreign affairs, especially in the intimate posture of today's world of jets, radio, and atomic power, an individual's uninhibited yen to go and to inquire may be circumscribed. A blustering inquisitor avowing his own freedom to go and do as he pleases can throw the whole international neighborhood into turmoil. Worthy's avowed intent is to seek "especially stores that involve the risk of war."

The Court in the Worthy case makes a very clear and convincing argument that under the Constitution the President already has power to impose geographical limitations on travel. What the bill does is to establish procedures and limitations with respect to such travel restraints. It is more correct, in my judgment, to say that the bill makes it possible for Members of Congress to carry out their official duties rather than otherwise.

The restrictions on travel to areas authorized by the bill apply to everyone. The bill does not grant authority for the President to say to each individual passport applicant: "You are authorized to go to country A but not to country B." Any restriction must apply to everyone.

The President can declare that travel to country A is forbidden to all citizens, but he cannot say that such travel is forbidden to John Smith alone.

The bill, however, authorizes exceptions to the general geographical limitations imposed. The President is authorized to make exceptions for individuals or categories of persons. This clearly would permit the President, even though he had declared Red China or any other country or area "off limits" for American citizens, to make an exception so that Members of Congress or other individuals, such as the mothers of Americans imprisoned by the Red Chinese, could receive passports to visit such areas.

The only way that the President can deny any Member of Congress the right to visit any particular part of the world is to impose a general restriction applicable to everyone on travel to that area.

The argument that the bill gives the President power to grant or refuse passports to Members of Congress or to anyone else on the basis of whether or not the views or attitude of such individuals are acceptable to the President is unfounded in fact. Let me quote this additional paragraph from the decision in the Worthy case, which I think is pertinent:

> The in terrorem argument that to sustain the Secretary's power in this case is to confer upon him an unrestricted discretion to

grant or to refuse passports is wholly unimpressive. He has not exercised such a discretion. He does not claim it, and we are not considering any such power in the remotest degree. The claimed power, so far as this case is concerned, is narrow and clearly delineated.

The bill strengthens the control of passports by the Secretary of State. The State Department has informed me informally that although the bill contains certain provisions with which the Department does not agree, it contains a much larger number of provisions which it considers to be excellent, and that on balance it believes the bill to be desirable and helpful.

It cannot be claimed that the passage of this bill will assure that no active Communists will be able to travel outside the United States. It will, however, give the Secretary of State authority to deny passports to a considerable number of persons who without this legislation will receive passports and whose presence abroad is definitely detrimental to our security. I believe that the bill deserves and will receive the overwhelming approval of the House.

Mr. ADAIR. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, I strongly favor the passage of H.R. 9069 which authorizes the Secretary of State to deny or revoke passports of persons knowingly engaged in activities intended to further the international Communist movement. I introduced a similar bill.

This legislation is necessary because the Supreme Court by a 5 to 4 decision ruled that the regulations of the Secretary of State, denying passports to those Communists actively engaged in the world Communist movement were invalid.

Since this ruling has tied the hands of the State Department to prevent travel abroad by Communists, concerning whom the State Department has sufficient evidence to believe their activities abroad would endanger the security of the United States, I believe this legislation is urgently needed. I am convinced there are a considerable number of Communists whose activities abroad would be detrimental to the United States and they should be prevented from traveling by enactment of this bill.

It also provides that the State Department can restrain travel in countries with which the United States is at war, in areas where armed hostilities are in progress, in areas where the President finds that the U.S. Government is unable to provide adequate protection to citizens traveling therein, or where such travel would seriously impair the foreign relations of the United States.

I do not feel this bill goes far enough. I want to protect the individual citizen's right to travel and I believe sufficient safeguards are contained in the bill, such as judicial review, which would protect the citizen's rights under the Constitution. But in determining if a Communist's activities abroad would be harmful to the security of the United States, it seems to me the State Department must in some instances make such a finding on confidential information. This bill would not permit such evidence to be considered but the finding of the Department must be "on the record." I think there should be some discretion left to the Department in this field. Information received from abroad from confidential sources, if disclosed, might jeopardize even the lives of those furnishing such information and dry up or destroy valuable sources of information important to the security of the United States.

Nevertheless I believe this bill is a step in the right direction and should be passed. Time is of the essence and we should stop the travel of those citizens now abroad who are endangering our security or may wish to go abroad.

It is my sincere hope the Senate will pass a similar bill this session of Congress for our own security.

Mr. ADAIR. Mr. Chairman, I yield myself 4 minutes.

Mr. ADAIR. Mr. Chairman, I rise in support of H.R. 9069, a bill to provide standards for the issuance of passports and for other purposes. This bill is a necessary and overdue step in our continuing effort to protect ourselves from the Communist menace. It gives authority to the Secretary of State to deny to or to revoke passports of persons knowingly engaged in activities intended to further the international Communist movement. But, it is also important to remember that such denial or revocation can only be made after there has been a finding by the Secretary that to permit such persons to go abroad would be harmful to the security of the United States. Furthermore, any such denial or revocation is subject not only to administrative, but also to judicial review, so that the rights of the individual are given the most complete protection against arbitrary action by the Executive.

Prior to July 16, 1958, the Secretary of State had exercised the authority to deny passports to supporters of the world Communist movement. On that date the Supreme Court in two decisions—*Kent* v. *Dulles*, 357 U.S. 116, and *Dayton* v. *Dulles*, 357 U.S. 144—ruled that the regulations under which the Secretary had acted were invalid because of a lack of specific legislative authority. This bill attempts to supply that authority.

Last year shortly after the decisions above referred to, the President requested the Congress to enact legislation granting authority to deal with this matter. The House, pursuant to that request, took action and did pass a bill, but because of the ending of the session of Congress, the Senate did not have time to act. Since the convening of the 86th Congress, the executive department has renewed its request for legislation of this type.

Under the terms of the bill before us today, a passport may not be denied or revoked until the Secretary of State has found that a person is "a member of or affiliated with, the Communist Party, or knowingly engages or has knowingly engaged, since January 1, 1951, in activities intended to further the international Communist movement."

And then, secondly, the Secretary must find that such person's activities or presence abroad would be harmful to the security of the United States. Certainly, these and the other safeguards either present in existing law or established by this bill provide adequate assurance that the rights of individuals will be protected.

It is not anticipated that this can stop the foreign travel of all Communist sympathizers who seek to harm our Nation, but it will make possible the exercise of some control over it.

Some concern has been expressed as to the number of people who might be affected by this legislation. In the record of the hearings before the Foreign Affairs Committee on page 3, the Honorable John W. Hanes, Jr., Administrator, Security and Consular Affairs, Department of State said:

> The loss of our ability to stop American members of the Communist apparatus from getting passports has blunted the other weapons we have against the Communist conspiracy. For example, our success in preventing the entry of foreign Communist agents and couriers with their financing and instructions from headquarters becomes rather hollow if American members of the apparatus can travel freely out of the country. Similarly, the most successful penetration of the domestic Communist apparatus by agents of the United States is rendered much less useful if the persons can evade observation for extended periods of traveling abroad, probably behind the Iron Curtain where we can hardly expect to know what they are doing.
>
> The Communists have invariably stepped up their activities whenever we have let the bars down. At one time the dangerous members of the conspiracy, if they had to travel abroad, had the alternatives only of doing so illegally without a passport, or of resorting to fraud and falsification to get passports, and thereby exposing themselves to criminal prosecution. Today an American Communist does not have to resort to fraud—there is no incentive for it. He may get a passport, in his own name, on his own birth certificate, with his own picture. He can require his Government to legalize and assist his travels. This is the facilitation he wants and needs.
>
> I would like briefly to try to put the problem of control of Communist travel in proper perspective. For the 2 calendar years preceding the Supreme Court decisions of last summer, over a million passports were issued or renewed. Out of this group, 51 were initially and tentatively turned down because of alleged affiliation with the Communist movement. These individuals were afforded access to an elaborate hearing and appeal machinery. Indeed, in the entire 6-year period since that machinery was established in 1952, the Secretary of State—and it must be the Secretary personally—finally denied passports on Communist grounds to only 15 persons after they had exhausted their administrative remedies. Some others were granted passports after hearings; and some did not contest the Department's ruling.

In conclusion, Mr. Chairman, let me urge most strongly that this legislation be enacted at this time. It has been given careful thought and study now for a period of over a year. It takes away no prerogative that ought to be granted to any citizen of the United States and it establishes fair standards for any refusal or revocation of a passport. This is a step which we must take for our national preservation and well-being.

Mr. SELDEN. Mr. Chairman, I yield to the distinguished chairman of the

House Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN] such time as he may desire.

Mr. MORGAN. Mr. Chairman, I urge the support of the House for H.R. 9069. The need for legislative authority for the Secretary of State to deny passports to known, active Communists is apparent. Since June 1958 active members of the Communist Party and persons openly affiliated with international communism have been able to obtain U.S. passports on demand, and they are moving freely to all parts of the world. There can be no question but that travel of such persons in foreign nations is harmful to our security and that we ought to do all that we can to restrict it.

The problem which the committee faced in reporting a bill to deal with this matter is the problem of giving the necessary authority while protecting the liberty which American citizens are guaranteed under our Constitution. In our effort to impose restrictions which prevent those intending to further the international Communist movement from traveling, we must be sure that we do not give the Executive so much discretion that passport can be denied arbitrarily to persons merely because an official in the State Department would prefer that they remain at home. H.R. 9069 as reported by the Committee represents our best effort, after detailed hearings and careful consideration, to reach a solution of this problem.

I am convinced the bill gives adequate protection to the liberties of the individual. It gives no authority to deny a passport except to persons presently or recently actively engaged in the furtherance of international communism, and even restricts this authority to cases in which the Secretary of State makes a finding that the activities or presence of such persons abroad would be harmful to the United States. No person can be denied a passport without an administrative hearing and any denial of a passport is made subject to review by the courts on the record.

This bill will not plug all the loopholes nor prevent all travel by supporters of world communism outside the United States. It will, however, give the Secretary of State authority he does not now have and which he earnestly seeks and urgently needs.

The choice confronting the House is whether we do something to assist in meeting the present emergency or whether we do nothing. If this bill does not pass, the State Department will be faced with the necessity of continuing to issue passports to active Communists. If the bill becomes the law, the State Department will be able to take action which will add to our security.

Mr. SELDEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, the bill authorizes the Secretary of State to deny passports to or revoke passports of persons knowingly engaged in activities intended to further the international Communist movement. Such denial or revocation is made contingent upon a finding by the Secretary that the activities or presence abroad of such persons would be harmful to the security of the United States, and any denial or revocation of a passport under this authority is made subject to judicial review.

Mr. SELDEN. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, enforced imprisonment in one's own home or within the domain of one's own country is still imprisonment.

The denial of a passport is the act of a jailer which cannot carelessly and arbitrarily be taken, nor is it an act that Congress can authorize according to its desire or its whim. Any measure in this area that the Congress may pass is certain to have the closest and most penetrating scrutiny as to its constitutionality by the Supreme Court of the United States.

In its consideration of H.R. 9069 the Committee on Foreign Affairs has been conscious of the danger to individual rights unless in the bill there were adequate protection of those rights and of the difficult question of constitutionality.

The State Department insisted on the power to deny a passport on secret information furnished from undisclosed sources in this or a foreign nation. This power, it was the judgment of the committee, should not be granted.

The committee also rejected the proposal that a judicial review should be limited to a submission of the secret and undisclosed evidence, en camera, to a judge sitting in chambers.

I wish to make it clear, as an expression of legislative intent, that the provision in lines 22, 23, and 24 on page 3 was intended by the committee to assure the giving to the court and its consideration by the court of all the facts and all the evidence, with a full disclosure of information of a so-called secret nature and identification of its sources.

As the denial of a passport is in effect a sentence of forced imprisonment within the applicant's own country the committee felt the applicant denied a passport was entitled in right, in justice, and under the Constitution to a judicial review on the record with all the rights, privileges, and safeguards of the accused facing imprisonment in a penitentiary on conviction of a crime in a trial court and seeking review in a court of appeals.

This was the clear intent of the committee after full discussion and long deliberation.

The committee also rejected the proposal that judicial review could be held only in the district court in the District of Columbia. This would have placed an unfair burden on an applicant residing far from the District of Columbia. H.R. 9069 grants the right to a judicial review on the record in any Federal district court, and again I repeat the intent of the committee is that nothing shall be withheld from the court. It is the thought of the committee that withholding from the court or from the applicant seeking judicial review any evidence or charges on which the denial of passport was based would be unconscionable, contrary to the American concept of justice and probably unconstitutional. The committee flatly turned thumbs down on the request of the State Department for power to refuse passports on the strength of reports from espionage agents that were not revealed.

Mr. Chairman, I cannot agree that the State Department has made a case as to the urgent necessity of this legislation. Apparently that is the thought in the other body since no action is contemplated there at this session. But I do agree that if a bill setting the standards for the issuance and denial of passports can be framed that adequately protects the rights of individuals and that comes within the Constitution, we should pass it on the chance that it will do some good in guarding our country against evil conspirators to our undoing.

Under the guidance and inspiration of a great and dedicated chairman, our committee has worked diligently to produce such a bill. Every member of the committee has made a large contribution. Our differences we have sought fairly to compromise. Thus I am giving my support to a bill with which I am not in every particular satisfied but which does represent the best approach to the solution of a very difficult and complex legislative problem that our committee could reach after days of public hearings and hours of earnest discussion.

I am especially pleased with one provision that resulted from a long conference had by the distinguished gentleman from Maine [Mr. COFFIN] and me with our distinguished colleagues, the gentleman from Alabama [Mr. SELDEN], the author of the bill, and Dr. JUDD. This is the provision that sets January 1, 1951, as the shutoff date for inquiry into an applicant's past as regards membership in the Communist Party. This is an entirely new legislative concept in this field.

At an earlier period there were persons who joined the Communist Party as a gesture in idealism, just as there were many idealists who allied themselves with the Socialist Party some decades ago. They were loyal Americans, were in fact not knowing participants in a conspiracy against their country, its institutions, and its welfare. When they became aware of the purpose of an international conspiracy, they withdrew from the party. It is possible that even in 1948 some remained, still holding to what to them was a concept in idealism, still distributing the existence of an international conspiracy.

But then came Korea and everyone was on notice. So we have in this bill a new concept, based on something definite, the hostilities in Korea—January 1, 1951, as the shutoff date. All before that may be forgiven and forgotten. It is merely applying the principles of the statute of limitations which governs the period during which one can be indicted for a criminal act or proceeded against in a civil action.

Mr. ADAIR. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, it is rather hard to go against the tide and the tide seems to favor this bill. I am

one of those who feels that this bill if passed will just give us our labor for our pains, because the Supreme Court in the case of Kent against Dulles, decided in most emphatic language that the right to travel is not a mere privilege to be granted or withheld as a matter of grace, but that the right to travel is an inherent right, a constitutional right guaranteed by the fifth amendment. And since it is a right guaranteed by the fifth amendment it cannot be taken away from one, or one cannot be deprived of that right except by due process. And there is not due process in this bill as we know it from the case law.

For example, you still permit what is known as faceless accusers; that is, persons who bring charges against an applicant and the applicant need not know who the accuser may be.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Ohio.

Mr. HAYS. The gentleman is a little bit wrong about that because, if he will read on page 3, lines 23 and 24 it says that this act shall be subject to judicial review on the record.

Mr. CELLER. What does "on the record" mean? The record is the record made by the Secretary of State. He can make the record very narrow, he can make it very wide. But the record would permit, as the bill is drafted, the so-called testimony of hooded, secret, faceless accusers. There is no right of confrontation, there is no right of cross-examination.

Mr. HAYS. Mr. Chairman, will the gentleman yield further?

Mr. CELLER. I yield to the gentleman from Ohio.

Mr. HAYS. Your own great daily liberal newspaper from New York City, the New York Times, in its editorial yesterday said, and I will quote only one sentence in order to save time:

If the Secretary knows anything derogatory about the individual he will, therefore, have to trot it out.

Now, the committee means and intends by this language "on the record," and I had a good deal to do with putting this in, I think I am the author of it, that the record shall be complete and that the accused shall have the right to know who his accusers are, and he shall have the right to see the record on which the Secretary made his determination. If the Secretary refuses to produce that, it is the intent of the committee that the court shall order a passport granted forthwith.

Mr. CELLER. I will say to the gentleman he did not read all of that editorial in the New York Times. The New York Times did not give fulsome praise or fulsome approval to this bill. But beyond that there is nothing in this bill except the words "on the record" and what that can mean is very difficult to state because the language is very vague. It is anybody's guess. The Supreme Court went out of its way to state in order that there shall be due process the Court will very narrowly—not broadly—construe the statute. Since we have these so-called hooded denouncers and irresponsible rumor bearers and since there is no confrontation and no right of cross-examination and insofar as informers are usually wrong as to the identity of those whom they are accusing, and insofar as they are often misinformed and very likely are at times vicious and malicious—otherwise they would disclose their names—I cannot conceive how the Supreme Court demand that there is a due process is satisfied by this bill.

We seem to be legislating always because of fear. Fear of this fear that we seem to see ghosts everywhere. I am reminded of what Cervantes said in the dialog between Sancho and Don Quixote.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, will the gentleman yield me additional time? He promised to yield more time.

Mr. SELDEN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CELLER. Mr. Chairman—

The trouble is—

Sancho said to Don Quixote—

you are so afraid that you cannot see or hear properly; for one of the effects of fear is to disturb the senses, and cause things to appear other than what they are.

Indeed, our fear builds up walls to bar light and reason.

But how can we justify this situation? Here we welcome with open arms one of the worst of the Communists, a man who built up his power over the dead bodies of thousands and thousands of his victims. We invite Mr. Khrushchev here. We invited Koslov here. We invited Mikoyan here, and we even let them see our nuclear installations. Beyond that we have had Mr. Andrei Tupolev, the Soviet Union's leading aircraft designer, who was permitted to see the production line of the Thor intermediate range ballistic missile at Douglas Aircraft Co. in Santa Monica, Calif. How can you justify those actions? And then refuse to grant passports to Communists or fellow travelers going into Russia? I say that is grotesque. We should pause long before we pass such legislation.

I herewith insert my remarks before the House Foreign Affairs Committee on August 10, 1959:

Last year about this time I had the privilege of appearing before this committee on the very question which confronts you today: Should we have passport legislation, and, if so, what form should it take?

Last year I spoke in favor of a bill which I had introduced and which took the positive approach to this problem. Rather than restrict the travel of Americans, my position was that we should concern ourselves with assuring to our people the right to travel. Events of this past year have, I think, further justified my position. At a time when the three top Communists of the Soviet Union, Khrushchev, Mikoyan, and Koslov, have or will be given the red carpet tour of our country, is it not incongruous to restrict the travel of American citizens on the ground that they have leftist associations? At a time when Andrei Tupolev, the leading Russian designer of jet aircraft, is shown the assembly line of our Thor intermediate range ballistic missile, is it not anomalous to be so obsessed with security that we insist on legislation which will allow the security of the State to deny passports to an Arthur Miller or even a Paul Robeson?

Although I had profoundly hoped that this committee would act favorably upon my right-to-travel bill in the 95th Congress, the overwhelming vote in the House of Representatives approving the restrictive legislation endorsed by this committee convinced me that it would be unrealistic to expect favorable action on nonrestrictive legislation at this time. However, I believe that there is a middle ground on which the security conscious and the freedom conscious can meet. If what the security conscious are concerned with are certain activities against the United States abroad, then let us write legislation denying passports where there is a reasonable anticipation of certain defined activities rather than associations for the holding of opinions.

Unfortunately, however, most of the proposals before this committee would deny an American his right to travel not because of evidence that the applicant was about to commit an act with serious consequences to the national security, but rather on the basis of who are his friends, what he said in the past, and what some minor functionary concludes his beliefs were or are. Thus, a disposition to engage in any activity unfavorable to the United States would be sufficient cause for denial.

However, even among people who are so disposed there may be vital differences in their activities abroad. Some will criticize U.S. policy or praise Soviet policy or attend a peace conference, others will transmit secrets, and others will, in fact, do nothing disadvantageous to the United States. There obviously are significant qualitative differences among these activities. Under our system of constitutional guarantees, some activities may be made the subject of criminal law and prohibited, others clearly may not. Yet the standards which were followed by the State Department and are now proposed to be enacted seem to have completely disregarded this essential factor. I believe that a policy consistent with our traditions must predicate any denial of a passport upon evidence of the particular activity which the denial is intended to prevent.

While the impending activities of an individual cannot be predicted with mathematical certainty, it is entirely feasible to establish reasonable grounds on which to believe that a person is going abroad to commit a certain act. Let us assume that an individual is shown to have had access to important classified material, that he had during recent years been active in the Communist Party, that he has recently been in contact with Red agents in this country, that he has booked passage for Europe. Proof beyond reasonable doubt adequate for a criminal conviction, no. But reasonable grounds to believe that he is going abroad to transmit secrets, yes.

Still, it is argued that our national security will be jeopardized in those cases which are difficult to prove. I submit that the danger to our national security which would result from the travel of most fellow travelers and even most Communists has been vastly exaggerated. It certainly has no relevance to those who have been unjustifiably denied passports under the broad standards and unreliable factfinding procedures which have characterized the passport program.

The professional and really effective spies like Colonel Abel obviously do not have to rely on Miss Frances Knight's good graces to enter or leave the United States. A nation that can launch a sputnik and a lunik is capable of providing false papers to its agents. Furthermore, it is patently ridiculous to believe that vital secrets once obtained can be retained within the borders of the United States even by denying passports to everyone who wears or has worn a red carnation. Iron Curtain diplomats come and go freely. Diplomatic pouches are sent back and forth from Washington to Moscow without interference or search. Americans

who are denied passports may still travel to a number of countries in the Western Hemisphere without passports and there meet Red couriers or officials.

What, then, do we accomplish by restrictive legislation of the kind that is generally being proposed? In the main, we deny exit to people who, because of current attitudes or past associations, may provide favorable propaganda abroad for the Soviet Union. Again, I say this is patently unrealistic. Communist sympathizers need not leave the United States to accomplish a propaganda purpose. Tape recordings and films made here and transported abroad, statements made here which are reported abroad, releases to the foreign Communist press are all available and effective means of communication. And how much greater is the propaganda value when there is appended a brief editorial comment that the writer has been confined within the United States because of his disagreement with the official attitude of the U.S. Government? For then we have an indictment of the United States, not by the misrepresentations of some fellow traveler, but more damningly by the repressive action of the U.S. Government itself. Considered in the context of our commitment to a program of free travel and our condemnation of the Russians for prohibiting travel by those who disagree with the Marxist line, the effect on our international stature of restrictions of this kind can only be most injurious. Our security slip is showing.

A graphic illustration of what I am talking about is the Paul Robeson case. As long as he could not get a passport, Robeson's restriction made good propaganda. Since he has gotten a passport, the Reds have lost an effective argument which appealed to millions around the world. Robeson has been abroad since last summer. During that time he made a concert appearance in Moscow in which he exhibited warm friendship for the Soviet Union and called upon the Russian people to fight for freedom. What freedom or whose he did not specify.

Has the strength of this Nation so deteriorated that we feel threatened by a performance of this sort?

Another example of how foolish we have made ourselves appear to the rest of the world, and for no good reason, is the Arthur Miller case. In 1954, the Pultizer Prize winning author of "Death of a Salesman" was not allowed to go to Brussels to see a performance of his own play, "The Crucible." Finally, in June 1955, the U.S. Court of Appeals for the District of Columbia Circuit upset the State Department's denial of the passport because it was based on insufficient reasons. Mr. Miller subsequently went to Europe and the foundations of the Republic have not crumbled. Actions like this have brought us uncomfortably close to what the free world found so outrageous in the Russian treatment of Boris Pasternak.

I do not say that the right to travel is absolute, that no limitations can be justified. Clearly, in time of war, the President should and must be free to issue almost any travel regulation he considers necessary. But what about periods when the President or Congress has determined that although we are not at war the Nation is nevertheless beset by great dangers—a period of national emergency? If this committee deems that legislation is necessary, then I think that the interests of national security and individual freedom can be best accommodated by legislation which would permit the denial of a passport in periods of national emergency when the Secretary of State finds reasonable grounds to believe that the applicant will commit either of the following acts while abroad:

1. Transmit secrets affecting the national security;

2. Incite attacks by force upon the United States or attempt to overthrow its Government by force and violence.

These acts are punishable as crimes if committed within the jurisdiction of the United States. It would seem that society should have the right to protect itself from acts against it abroad if it has the right to protect itself from the same acts committed within its jurisdiction.

I would, therefore, support legislation authorizing these acts as grounds for the denial of passports provided that proper procedural safeguards are incorporated in the legislation.

Because of the significance of the right at stake, a passport should not be denied without a full trial-type administrative hearing. The applicant should be given prompt notice of any tentative denial of his application. The notice should inform him of the reasons for denial in sufficient detail that he can explain or refute them. He must have a hearing before an impartial tribunal with a right to appear and to be represented by counsel. The Government should be required to present its evidence on the record and to confront the applicant with the witnesses against him. The administrative board should be required to make a reasonable decision on the record and subject to judicial review.

While the State Department is willing to provide all the other elements of a trial-type hearing, it insists that considerations of national security often preclude it from (1) explaining the reasons for denial in detail, (2) disclosing certain evidence to the applicant, and (3) confronting the applicant with the witnesses against him. To do so, argues the Department, would be to reveal vital information about our counterintelligence and espionage systems which would inevitably destroy our sources of information.

That there is some merit to this argument, cannot be denied. However, balanced against it are the risks of unjustifiably depriving a citizen of his constitutional right to travel. As any trial lawyer will tell you, the disclosure of evidence and the opportunity to cross-examine witnesses are indispensable to arriving at the truth. Informers make mistakes in identification. They are sometimes maliciously motivated. Investigators have been known to be slipshod in their methods and conclusions. Lies, half-truths, unjustifiable conclusions which would go unchallenged in secret proceedings, usually break down under the tests of effective questioning. For these reasons, the courts have held that in criminal cases the Government must reveal its evidence and confront a defendant with the witnesses against him or it must let him go free.

While the deprivation of liberty consequent upon a criminal prosecution may be more onerous, still the deprivation of a particular individual's right to travel may result in serious hardships and indignities. It is a right of sufficient importance so that the risk of its unjust deprivation is far more serious to our way of life than the risk that an occasional effective enemy may receive official approval to leave the United States.

Up to now I have been discussing restraints upon individuals. There is, however, another facet to the problem: the question of geographical or area restrictions affecting all American travelers.

Unlike the issue of individual restraints, the question of the extent of the Secretary's power to impose area restrictions has not been ruled on by the Supreme Court although this issue is involved in current litigation. It would appear, however, that since the Executive has exclusive power in the field of international relations, the Secretary would have broad discretion in applying area restrictions as an instrument of foreign policy.

This is not to say that what the Secretary can do he has done well or will do wisely. During the past few years the State Department has seemingly forgotten that in addition to foreign policy, other vital interests are affected when Americans are barred from foreign lands; among them is the need to know what is going on.

Curiosity is not the only thing at stake, although the value of that disappearing virtue is too frequently understimated. What is ultimately at stake is the vitality of the democratic process in reacting to the issues which confront it. Intelligent decisions by the electorate require facts, not solely as presented in official statements, but as observed by individuals and by trained reporters.

I do not say that there can be no reason for the imposition of area restrictions. Situations have arisen and will arise where the presence of large numbers of American nationals may substantially increase the likelihood of our involvement in hostilities. In that case a convincing argument can be made for putting the area off limits. But how, then, do we justify the prohibitions on travel which the State Department imposed on Egypt, Israel, Jordan, and Syria in 1956, 2 days after all parties to the hostilities had formally agreed to a cease-fire? A prohibition which continued until April 1, 1957, a period during which no other country found that the safety of its nationals required such a restriction, and I include Great Britain and France, two of the belligerents.

Were the decision mine, I would impose area restrictions only where the presence of American nationals is likely to result either in abuses to them which would severely embarrass American prestige or where the presence of our nationals is likely to bring us into armed conflict.

The suggestion of the Association of the Bar of the City of New York that the Secretary of State "accompany the imposition of area restrictions with a full statement setting forth the reasons therefor" is a desirable advance. The prospect of exposure to critics whose names do not appear on the routing slips in Foggy Bottom may produce a less mechanistic application of standards which of necessity leaves much to the judgment of the Secretary of State.

It is only with sadness that I find that the ideal of complete freedom of travel cannot now be realized. But just as we must recognize that reality, we must also recognize that we have during the past decade gone too far in abridging that right. The Supreme Court's decision in the Rockwell Kent case has had the happy effect of generating a widespread reevaluation of our past policies. The challenge and the opportunity for a statesmanlike solution lies with the 86th Congress.

Mr. SELDEN. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I do not yield to the gentleman from New York or anyone else in this body in my desire to defend people from faceless accusers. That is why we have assiduously worked to write protective language into this bill to prevent that kind of thing from happening.

It is true I did not read the entire editorial from the New York Times. I did not mean to mislead anybody. I certainly admit that the editorial does not wholeheartedly endorse nor oppose this bill. But I was trying to point out, with reference to the particular issue the gentleman was making, that the person is entitled to a judicial review—if I can read the English language and can interpret it correctly, the New York Times

says he is guaranteed that right. Here is what it says completely on that point:

In all cases the unsuccessful applicant for a passport would be guaranteed a hearing and would be entitled to judicial review on the record. If the Secretary knows anything derogatory about the individual he will therefore have to trot it out. Nobody can be denied the right to see Paris or Rome or spend a summer in Majorca just because somebody has whispered unflattering words into the ear of the Secretary of State or one of his subordinates.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. CELLER. I will say that the gentleman's own bill was a fair bill and I would wholeheartedly approve it because it in so many words said that there would be hearings in unequivocal language, but I failed to see anything of that sort in this bill.

Mr. HAYS. Let me say to the gentleman I tried to get that spelled out in an amendment but I was unsuccessful.

Being the realist that I am, I did the best I could, and I am frank to say I think this law needs modification because you yourself said that the Court said it was intended to take a very narrow view of this, and I interpret that as meaning that in the vernacular used in my district, you have got to put up or shut up. We say that if the Court is not satisfied that the evidence adduced is sufficient that they shall order that the man be granted a passport.

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Maine.

Mr. COFFIN. May I verify what the gentleman said; and I refer to the hearings, pages 11, 49, 77, and 101. This same point of view was expressed, namely, that the State Department when challenged would have to divulge all of its information or none. If it did not want to divulge all of its information then it would have to issue a passport. This is a very vital feature of the judicial review.

Mr. HAYS. As a matter of fact, the gentleman will recall that the people from the State Department were opposed to this. Then they said that if we would strike out these three words they would like the bill. They did not like any part of going on the record.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HAYS. Mr. Chairman, will the gentleman yield me an additional minute?

Mr. SELDEN. Mr. Chairman, I yield the gentleman an additional minute.

Mr. HAYS. I would point out that last year in the hearings I asked with reference to this bill we are now considering whether under the language of the bill the Department could withhold a passport from a Member of Congress. The representative said "We would not be that irresponsible." I said: "Never mind that; could you do it?" And he said, "Yes, we could."

We put in language to take care of that. We have tried to surround this bill with all the safeguards possible.

Mr. KASEM. Mr. Chairman, will the gentleman yield for a question?

Mr. HAYS. I would not be down here supporting the bill if I did not think it contained every safeguard that could be written in it that the courts of this country could consider.

I yield to the gentleman.

Mr. KASEM. Title 2 provides that the President may restrict travel of individuals when it would seriously impair the foreign relations, or when the United States could not adequately provide protection. I see no provision for judicial review.

Mr. HAYS. May I say to the gentleman that that is quite an involved question. I do not desire not to answer it, but my minute is almost up. I hope when the bill is read under the 5-minute rule I will have time to answer the gentleman fully.

Mr. ADAIR. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. POFF].

Mr. POFF. Mr. Chairman, with due deference to the opinion expressed by the distinguished chairman of the Committee on the Judiciary, it seems to me clear that there can be no reasonable doubt that the bill, so carefully drawn, affords due process of law as we have understood it in this country for generations.

There can be no reasonable doubt that the bill is constitutional, and there can be no reasonable doubt that the sovereign has the power to protect itself against a member of a seditious conspiracy by restricting his movements even, if necessary, by depriving him of his entire liberty by incarceration.

I strongly favor this bill and would like to use the remainder of my time to inquire of a member of the committee as to the prospects of this bill in the other body at this session.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield.

Mr. ADAIR. There is legislation pending in the other body. Informally we learn that the prospects for action on it at this session are not very bright.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield.

Mr. HAYS. The fact is that the chairman of the Foreign Relations Committee of the Senate announced that they would not have time to consider it at this session.

Mr. POFF. I consider that most regrettable.

Mr. ADAIR. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SCHERER].

Mr. SCHERER. Mr. Chairman, I think the best way we can demonstrate the absolute need for this legislation is for me to review one or two cases of the many that have been developed before the House Committee on Un-American Activities with reference to the abuse of the use of passports. Take the case of Jane and George Zlatovski. George was a Russian before he became a naturalized American citizen. They made application for a passport. The State Department denied it. Why did they deny it? Simply because at that time the intelligence agents of this country were engaged in the investigation of one of the greatest espionage rings involving the selling of defense secrets.

Jane and George Zlatovski were involved in the investigation. The State Department denied them a passport, but the investigation was not complete. The Court came along and said that the State Department had to give them the passport.

Jane and George Zlatovski were given a passport. They traveled all over the world, and a year later they were indicted along with the notorious Colonel Abel for espionage and sabotage in this country.

Jane and George Zlatovski are today at large some place in the world and this country is not able to bring them to trial.

Then there is the case of Louis Wheaton, a graduate of one of our top law schools in this country. Wheaton made application for a passport so he could get a master's degree at Geneva University. He committed perjury in making his application for passport. He said he was going to Geneva University in Switzerland but instead he went to attend a phony peace conference in Peiping. There he broadcast over the Peiping radio. His testimony was monitored by the State Department. He attacked the United States and said that in the Korean war our boys had waged bacteriological warfare.

He certainly inflamed the minds of the people of Asia against the United States by these and other statements he made. They were monitored by the State Department. He said he had seen in the Korean war where American boys had taken Chinese women and put them in a barn, taken their children and put them across the road in another house, poured gasoline on the house, set fire to it, and then machinegunned the Chinese women as they rushed to their children.

That man got a passport through fraud. That is what we are trying to stop by this bill. We caught up with him; that is, the Committee on Un-American Activities, when this fellow was back in California lecturing for peace and preaching the Communist line to the mothers of the very boys he had accused of these atrocities.

Mr. RIVERS of South Carolina. Mr. Chairman, will the gentleman yield.

Mr. SCHERER. I yield to the gentleman from South Carolina.

Mr. RIVERS of South Carolina. Does this bill stop such people as Paul Robeson from running all over Russia talking against the United States?

Mr. SCHERER. This would put a stop to it. He was another witness who appeared before our committee. I would like to tell you some of the things that Paul Robeson said about the United States of America while he was traveling in Europe on a U.S. passport.

Mr. RIVERS of South Carolina. Tell us about the insolence that he displayed before your committee and the insolence to you.

Mr. SCHERER. He was the most insolent, arrogant witness I have ever seen during my term as a member of the Committee on Un-American Activities.

I happen to have Robeson's testimony, or some of his testimony, here. This is what he said while in Russia:

> It is unthinkable that the Negro people of America or elsewhere in the world could be drawn into war with the Soviet Union. If the American warmongers fancy that they could win America's millions of Negroes for a war against the Soviet Union and the peoples' democracies, then they ought to understand that this will never be the case. Why should the Negroes ever fight againt the only nation of the world where racial discrimination is prohibited, where the people can live freely? Never.
>
> Moscow is very dear to me, and very close to my heart. I want to emphasize again that only here in the Soviet Union did I feel that I was a real man with a capital "M."

Then he goes on into another tirade and bitter attack on the United States.

Mr. RIVERS of South Carolina. That is the kind of man that the gentleman from New York says should have the unrestricted right to travel everywhere in the world?

Mr. SCHERER. I cannot speak for the gentleman from New York, but certainly this gentleman from Ohio is opposed to allowing these individuals to travel freely all over the world attacking the United States and its foreign policy .

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SELDEN. Mr. Chairman, I yield 4 minutes to the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, in considering this bill we must think a little bit about intent. I would like to say that Mr. Hanes, security officer of the State Department, has said, and I quote from the National Tribune, a veterans' paper:

> Hanes urged Congress to kill the whole program unless it is willing to let the Department base passport denials on information from counterespionage agents and other confidential sources if this is deemed necessary. "We would rather have no bill at all," he said, "than one that would require the unmasking of undercover people."

If that is the intent of the State Department, we can see that regardless of what we write here, if the language is as vague and as indefinite as this language is, how the State Department is going to interpret it.

This brings up the vital point. Those of us who are going to object to this rule or semblance of a rule find out in justice now that our speakers against the bill, probably three of them, are going to end up with about 10 minutes out the 60 minutes. This is another example of the justice which we can expect because somewhere along the line we are outmaneuvered and never get a fair chance to present the opposing testimony, and neither will the people who want a passport get the chance. Sure, we can approve the bill in the committee, but what will happen in its implementation?

The State Department wanted to take off the whole head and the neck of liberty, but we were successful in compromising, so now they are only going to take off the top part of the head. Nevertheless, the brain is being taken out in the process. I admit that the committee tried to do a good job, but with this kind of legislation it is almost impossible to do a proper job and safeguard the liberties of Americans. Sure, we want to get at the Communists, at the saboteurs, but I say to you the best way to get at them is through existing law. Enforce the existing law. We have a good FBI department. If the men are guilty, let us get hold of them, but let us not give the State Department another chance to ruin innocent people by making accusations and then, if they want to, withdraw their accusations and not present their testimony, because that is possible under this bill. They could make their accusations and then withdraw them and not present their witnesses or their testimony on the record.

A further thing that they can do, is injure people by temporary denial of their right to travel and putting them to the expense of protecting their own rights. And, that is all right, if you are getting someone who is guilty, but it is not all right if you are getting an innocent, good American citizen. Now, you may say to me that this is not going to happen. But, I say to you that our State Department is on record for what they have done in the past and they are going to do exactly this. And, I say that the careless wording in the bill will speak for itself; not that our committee was careless. Our committee was very careful, but in the heat and the confusion of discussion and debate, in the markup, with the time running out and the urge to bring this up under suspension of the rules at the last moment, we see the price of improper consideration. And, I would say that our committee report itself says that this subject has not been considered thoroughly enough to present a comprehensive passport bill. I plead with you to reject this bill until such time as our committee can present a thorough, comprehensive bill.

Mr. SELDEN. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I would like to point out—the gentleman from Vermont would not yield to me—that it is not the State Department who interprets the intent of a law, and if the people who are so worried about protecting the rights of individuals would quit cluttering up the RECORD with what the intent of Congress is, and let us point out that the intent of the Congress is to give the people who apply for this every safeguard, that is the record the courts are going to read. They are going to try to find out what the intent of the Congress is. If I thought Mr. Hanes' position were as sound as he is sincere I would not try to amend this bill. I am trying to write a bill that will protect people from the Haneses and people like that and give them the rights in the courts of the United States that have been traditionally theirs. And, it is going to be the record written here that the courts are going to look at to find out what the intent is. They do not care what the intent of the State Department is, because the State Department does not write the law .

Mr. MEYER. Mr. Chairman, will the gentleman yield? I would like to show where the State Department has done this.

Mr. ROGERS of Florida. Mr. Chairman, I appreciate the opportunity to address myself today to a proposal which would grant legislative authority to the Secretary of State to deny passports to Communists and known sympathizers.

If ever there was a time in our history when we should take positive steps to close the loopholes in our national security network, that time is now. Should we doubt the wisdom of this statement, we have only to look to the impasse reached around the conference table at Geneva. The Communists have time and time again displayed an unwillingness to honorably negotiate the momentous issues facing the world today. Their leader has publicly promised to "bury" us. This signal warning should serve to stir even the most complacement and apathetic into concerted action aimed at self-protection and preservation.

Since the passage of the Subversive Activities Control Act of 1950, the effectiveness of the efforts of agencies entrusted with our national security has been lessened in many instances by adverse decisions of our highest Court. This has been due in part to the absence of a clear legislative mandate in some of the fields in which the Government has sought to operate. For the most part, however, these decisions seem to reflect a reluctance on the part of the Court to strike a balance between the rights of the individual on one hand and the dictates of our national well-being on the other. While this balance is admittedly very delicate, it does not require a stretch of the imagination to envision a political system in which all individual rights are subverted to those of the state.

Realizing that these decisions have had the effect of seriously hampering our efforts toward self-protection, the American Bar Association recommended certain proposals designed to offset their effect. The measure under discussion today is intended to implement one of those recommendations.

Historically speaking, the Secretary of State has always been empowered to refuse passports to persons whose presence abroad might adversely affect our foreign policy or endanger our national security. These determinations, however, have not been based on statutory provisions. Thus, the Supreme Court decided recently that the Secretary of State could not legally deny passports to Communists or Communist sympathizers. This decision resulted in passport applications from almost 400 people believed to come under the category denied passports under the proposed legislation. We need to give legislative recognition to the Secretary of State in his fight to see that our foreign policy does not suffer. World domination, the ultimate aim of communism, is dependent on free and unrestricted travel of its advocates, whether they be American or otherwise. To permit these people such an opportunity is to permit them to broadcast their distortions and untruths about our way of life while at the same time affording them the protection of the very Government they are attempting to undermine.

There is nothing arbitrary or capricious involved here. Provision is made for a full administrative hearing which requires that the Secretary of State show cause why a passport should be denied. Nor is it a question of denying the right of an individual to entertain unorthodox political, economic or social views so long as these views do not endanger our security. What is involved, however, is whether our democratic ideals and institutions will be able to withstand the assaults leveled against them from within and without if we do not take steps to substantially strengthen and protect them.

Mr. Chairman, I hope that the House will look favorably on this proposal.

Mr. GUBSER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GUBSER. Mr. Chairman, I believe this legislation is urgently needed and I strongly favor it.

My reasons can best be given by repeating portions of my testimony before the Committee on Foreign Affairs in support of my own bill H.R. 5575.

Mr. Chairman, I consider the enactment of this legislation to be a matter of urgency. Since the Supreme Court decision of June 16, 1958, it is well known that applications for passports by persons engaged in Communist activity have increased greatly. The late Secretary of State John Foster Dulles and President Eisenhower have stated many times that such travel is not in the best interest of the U.S. Government.

It is well known that a favorite device of persons dedicated to overthrowing our system of government is to send agents abroad who can bring back instructions from international communism through the courier system. These agents also carry American funds abroad to be used in the financing of the international Communist movement. Certainly it is in the best interest of our way of life and our system of government that such travel be restricted.

Technically, freedom to leave the continental limits of the United States is a right of every citizen. But, leaving with a passport and the protection of the U.S. Government is a privilege.

I realize from the discussion that has taken place here this morning, this is probably the crux of the entire matter.

I don't agree with the statement which has been made here this morning that a passport is nothing more than an exit permit. Practically, I think we will all agree, it is used primarily as a travel document.

We all know that it is necessary at any point of entry to present your passport and without such travel document it is not possible to gain entry to that particular country.

Now, I'd like to raise this point: If the receipt of a passport is a right—if the right to travel is a constitutional right—why then do we issue passports at all? It obviously is something more than a right of exit. We know that its practical use is for other purposes. If it was solely for a right of exit, why then should we bother to issue them at all and set up any regulations concerning them?

Now, I contend that this right to receive this travel document which carries with it certain privileges is a privilege which is bestowed at the discretion of the executive branch of the Government.

This committee, I know, has had numerous hearings with respect to the status of forces treaties. Now, I, for one, have always defended those treaties, but in them we have a situation where American citizens are denied their constitutional rights as U.S. citizens because they are in a foreign country. They are denied the rights of habeas corpus, trial by jury and numerous others.

I bring this up merely to make the point that I believe the existence of the status of forces treaty, having been ratified by the Senate, clearly shows that all of your constitutional rights do not go with you when you are in a foreign country. I think the same point can be made with respect to the right to travel. That if you have the right to leave this country which no one denies—certainly I do not—you do not carry with you into a foreign country all of the rights that you might have in this country.

One other point I would like to make in this respect: It has been said here in this hearing this morning that reentry into this country is a right. Yet I think it is pretty generally accepted that if a person leaves this country and returns he must prove upon his return that he has been inoculated against certain diseases. If he has not been inoculated, then it is my understanding that we can require that he be inoculated before he has the complete and absolute right of reentry.

I raise that point to make another. If the reentry right—and I assume you call it a constitutional right—can be restricted with conditions which are in the general public interest—namely, inoculation against communicable disease—then why can't the exit right be restricted in the same public interest?

To conclude my statement, it is traditional that privileges are only granted to those citizens who conduct themselves in a manner which is in the best interests of the greatest number of people. It is not offensive to our basic beliefs in liberty and freedom when the privilege of freedom is denied a murderer or other persons guilty of committing a crime against society. Since the activity of Communists is not in the best interests of society in general, I think it only proper that the privilege of receiving a passport should be denied them.

Liberty and personal freedom are things which I am very jealous about. However, I believe my liberty and freedom is the direct result of our system of free democratic government. If Communists have their way, that system of government will be abolished and with it will go my freedoms and personal liberty. It is only proper that those who would seek to restrict our constitutional liberties by overthrowing the Government which guarantees them should be restricted in the accomplishment of their avowed purpose.

I strongly urge your committee to take favorable action on some legislation restricting the passport privilege.

Mr. Chairman, for the same reasons as I presented to the committee I urge passage of this bill.

Mr. SELDEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RILEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 9069) to provide standards for the issuance of passports, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. SELDEN. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks in the RECORD on the bill H.R. 9069.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Will this legislation be the first order of business tomorrow, or is the Speaker prepared to say?

The SPEAKER. No; I do not think so.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8609. An act to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. HUMPHREY, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. HICKENLOOPER to be the conferees on the part of the Senate.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. GRANT. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H.R. 8609, "to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes," with a Senate amendment thereto, disagree with the Senate amendment, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? The Chair hears none, and appoints the following conferees: Messrs. GRANT, GATHINGS, ALBERT, THOMPSON of Texas, HOEVEN, BELCHER, and MCINTIRE.

CITATION BY MISSOURI FARMERS ASSOCIATION

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Missouri [Mr. CANNON], I ask unanimous consent that he may extend his remarks in the

RECORD to include a citation by the Missouri Farmers Association for distinguished service to agriculture by Senator SYMINGTON, of Missouri, and his response.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

IRRESPONSIBLE SPENDING IN OUR RIVERS AND HARBORS APPROPRIATION BILL

Mr. BRAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRAY. Mr. Speaker, irresponsible spending in our Rivers and Harbors appropriations bill—often known as the pork barrel bill—can not only injure the financial stability of our country, but unless we use common sense and restraint, this irresponsible spending will eventually wreck the very rivers and harbors program it purports to expedite.

Every Congressman justifiably wants needed improvements in the waterways of his locality, but we must proceed in an orderly and fair manner and not proceed like a gang of kids in a candy store. We cannot commence every project at this time that may ever be worthy.

When I came to Congress about 9 years ago, Indiana was participating but sparingly in our Federal public works program.

Our State had, however, organized the Indiana Flood Control and Water Resources Commission to study and work out a sensible long-range solution of our flood control problem and the equally important problem of utilization and improvement of our water resources. We are working out a long-range coordinated plan for that solution with our State engineers in cooperation with the U.S. Corps of Engineers. I have worked closely with my State and with the Corps of Engineers on these Indiana projects. Every Indiana project in this year's public works bill had been studied and approved by the Indiana Flood Control and Water Resources Commission, by the U.S. Corps of Engineers and by the Bureau of the Budget. I believe that Indiana Senators and Congressmen are justified in asking every other State to follow the same fiscal responsibility in regard to their projects.

It is also a fact, Mr. Speaker, that Indiana has the only project in this bill in which the State is contributing more than is the Federal Government. When this bill came before the House earlier this year, I worked and voted to limit the bill to those properly engineering projects that were in the budget. We failed, however, in this worthwhile attempt and 67 unapproved projects were ultimately included. It is interesting that on the whole those States which succeeded in adding unapproved projects to the bill are also getting a lion's share of projects on which the Corps of Engineers is already working.

A certain way to wreck the entire Federal flood control program, and with it Indiana's properly engineered and approved projects, is to load the bill each year with unapproved costly projects. Fiscal irresponsibility will wreck any program, and that includes our flood control program.

One relatively small but interesting project in the bill is for $500,000 to control water lilies in the Louisiana rivers. That project was inserted in the bill on the floor by a one-vote majority.

The cost for this 1 year on the 67 unapproved projects is not a large sum but by the time these projects are finished it will cost the American taxpayers $800 million, which is approximately the present average personal tax paid by a million families for 1 year.

The President vetoed this bill and we sustained his veto by only one vote. The rollcall vote was 274 to override the President's veto to 138 to sustain it. It takes a two-thirds majority to override a veto. In other words, 274 voted for these unauthorized projects and only 138 of us voted against them. Frankly, we are outnumbered about 2 to 1. I doubt that we will be able to hold the line much longer, but I insist that we must realize it is the taxpayers' money we are spending. Unless we balance the budget, this money must be paid for by our children and our children's children.

The situation reminds me of a story where a father and son were on a ship. The ship hit a rock and commenced to sink. The son ran to his father and said: "Father, father, the ship is sinking." The father smiled and said, "Why should we worry, son, we don't own the ship." However, Mr. Speaker, all America is on the ship in this case, and every American owns a share of it, to boot.

VISIT OF MR. NIKITA KHRUSHCHEV

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, I have been gravely concerned over the impending visit of Nikita Khrushchev and of the behavior of American citizens at that time.

Few if any of us approve of godless, atheistic communism or the behavior of the Government of Soviet Russia, either under Mr. Stalin, Mr. Malenkov, or Mr. Khrushchev; nevertheless, Soviet Russia is one of the most powerful governments and political forces in the world today, and on our behavior, individually and collectively, may hinge the future relationship of his nation and ours. Although I was not in favor of extending an invitation to Mr. Khrushchev to visit the United States, he is now coming as the invited head of a government recognized by the United States and with whom the United States has at least the fiction of friendly relations.

We need not delude ourselves that the millennium is upon us from either the visit of Mr. Khrushchev to the United States or that of our own President and Vice President to the Soviet Union.

However, these exchanges coupled with other changes in Soviet-American relations can result in an opportunity to establish a real peace and mean certain changes in the cold war are already accomplished. Mr. Khrushchev comes as the guest of the United States and is entitled to the traditional hospitality given to a guest in the home. It is imperative that he be received with courtesy. Although Americans need not forgo their traditional right of free speech and expression, it should be exercised without hostility and disrespect.

In view of the history of half-truth, distortion, and outright falsehood that has clouded every phase of Soviet Russia's teaching of history and dissemination of information, we can expect that Mr. Khrushchev comes to the United States with certain delusions about warmongering, suffering, and oppression of the individual, in keeping with the basic Marxist doctrine on America and a free capitalistic economy.

These delusions can be in part dispelled by his visit when he observes the number of homes and automobiles belonging to ordinary Americans, a thing unheard of in Russia, and the prosperity and wordlyy possessions available to all over here. Mr. Khrushchev must be allowed every opportunity to see the freedom and historic self-determination of the American people of their city, State, and Federal Governments. If he is afforded proper opportunity, there is much else Mr. Khruschev can and will learn which will have a beneficial effect on his future attitude. Mr. Khruschev can learn that we are a peace-loving people, anxious to live at peace in the world, but willing and able to fight if forced to preserve our independence and freedom and our American way of life. Mr. Khrushchev can observe our strength in our industries, our wealth of raw materials, our military, technical and scientific ability as well as the will, skill and determination of our people, our richest resource.

We must also remember that World War I began with postol shots and assassination of a head of state. A bitterly hostile press and people, even in a small local minority, causing a few isolated instances of hooliganism like egg or tomato throwing can do much to destroy any favorable impression of Mr. Khruschev. Indeed, such a reception would send Mr. Khruschev home bitter and alienated far beyond his present disposition toward the United States. Certainly our own Vice President received a gracious reception in the Soviet Union, and America must not be shamed in its own hospitality by comparison.

Our welcome must even be such that Mr. Khruschev be invited to address a joint session of Congress, if in session, as are all other visiting heads of State.

Mr. Khruschev's visit does not mean a termination of the cold war nor that we are embarking on an era of peace which can be a golden age for humanity.

America must not let down its guard as a result of one visit. We must, at the same time, assure our allies that we are not engaging in any two-party diplomacy and negotiations to their exclusion by selling our friends and allies, as well as the people behind the Iron Curtain, down the river because, during, or as a result of, Mr. Khrushchev's visit. If America uses this visit wisely and if Americans everywhere will act with dignity and maturity this visit may yet have far reaching influences for good for all people.

LABOR UNIONS FORTRESS OF DEMOCRACY

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, today is Labor Day. I rise to pay tribute to millions of loyal Americans, and to the leaders and members of the great American labor union movement. For it is only because of the persistent, imaginative efforts of labor unions that the working men and women of this country have achieved the highest standard of living of any nation in the world.

As we turn back the pages of history, we recall the dark days of exploitation and strife, the company plug-uglies and private detective forces armed with shotguns to mow down those workingmen with the courage to ask for a living wage. That was a sorry chapter in the economic history of our land, just as the infiltration of cheap crooks and racketeers into some unions is something which shames us all.

Faced with the determined and armed opposition of shortsighted owners, labor union members stuck to their principles and succeeded in welding unions which made major contributions to the welfare of the country. I believe that one of the outstanding reasons for the success of the labor union movement has been that its leaders and members have raised their sights above mere bread and butter issues, and have worked for the betterment of the nation's welfare. Better schools, housing, health, social security, conservation, and development of natural resources—all of these issues have found the labor unions unselfishly in the forefront of the fight.

Labor unions in recent months have been going through a very difficult period. The racketeers and hoodlums who have wormed their way into high places in some unions, and then blackened the reputation of the labor union movement, should be mercilessly cleaned out. There is some evidence that businessmen, through so-called "sweetheart" contracts, have encouraged crooked elements in labor unions in order to weaken the power and reputation of the union movement in the eyes of the public. There is also some evidence that lax law enforcement has failed to net and imprison these racketeers, and honest unions have paid for this duplicity.

Mr. Speaker, I have taken a firm position from the start against these elements in the labor union movement, and it is to the high credit of the AFL–CIO that that great organization has bent every effort to clean its own house. It has cost the AFL–CIO annual dues of $800,000 to kick out the Teamsters Union. I am proud to join with millions of honest labor union members and their leaders in denouncing these elements which have besmirched the fair name of American labor unionism.

I hasten to point out, Mr. Speaker, that those who would use this crisis in labor to try and thwart or cripple the labor union movement are making a terrible mistake. We seek to eliminate dishonesty, not to eliminate labor. Yes, I voted for the labor reform legislation, but I do not propose to be a party to having it used as a jagged sword to be plunged into labor's jugular vein. If the law is interpreted fairly, it can help protect the individual union member and wind up making the labor union movement stronger as it rids itself of corrupt elements.

West Virginia has a great labor union movement, Mr. Speaker. It was conceived in the blood and violence of the mine wars, but it has grown to maturity under wise leadership. I believe that the West Virginia Labor Federation is one of the most forthright and decent to be found anywhere. Under the leadership of its sincere and high-principled young president, Miles C. Stanley, the West Virginia Labor Federation is a growing force for the betterment of the State.

I would like to pay tribute also to the thousands of railroad workers in West Virginia, through whose brotherhoods so much economic progress has been made. And I salute the United Mine Workers on this Labor Day for the gains they have brought to the Mountain State.

We need only look at the tremendous advance in our standard of living since the end of World War II, then look into the dynamic forces which impelled this upward surge, and we shall find inevitably that the labor unions—with their steady insistence on economic betterment—are the propelling force. I challenge you to find a single group which has done more in a practical way to fight communism by clearing the Communists out of its ranks and by practicing the principles of constructive Americanism than the labor unions.

It is fitting on Labor Day 1959 that we recall again those wise words of Abraham Lincoln in his first annual message to Congress 98 years ago when he said: "Labor is prior to, and independent of, capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed." Those who would write off the labor union movement, and those who would start preparing funeral orations for the labor union movement had better pay heed to the words of Lincoln. For I believe that with the help of this new legislation when the unsavory elements are cleaned out of labor, we will find labor on the threshold of great new advances for the benefit of all mankind.

I cannot let this occasion pass, Mr. Speaker, without calling attention to the systematic efforts on the part of some newspapers to blacken labor's reputation. If a banker embezzles a million dollars, this is inside-page news and does not stir the editor to raise a hue and cry against all bankers. But uncover a cheap crook in a labor union, and it is front-page news and soon the editor is whipping up hysteria against the whole labor union movement. I am not minimizing in the least the crookedness which has been turned up by the McClellan committee, but I believe we should place it in perspective and give the labor unions their just due for the persistent efforts they have made to clean their own house.

At this point, I would like to quote the special counsel of the McClellan committee, Robert F. Kennedy, who filmed for West Virginia television an interview with three high school students who worked for a week in my office this summer. One of the students asked Mr. Kennedy whether there was more corruption in labor than in management, and he answered:

> We found wrongdoing in management and in members of bar associations. And I might say to you that the only group that's taken any action to try and clean up their problems has been the AFL–CIO which has dealt with corruption within their midst. No bar association has taken action against lawyers that have been found to act improperly and I don't know of any management group that's taken any action.

I believe the above statement by the able young counsel of the McClellan committee is highly significant. It underlines the fact that the labor union movement, contrary to the impression some newspapers are trying to create, has indeed taken the lead in cleaning its own house.

Mr. Speaker, I am very proud today to add my tribute to those of many others who recognize the power and force for good represented by the American labor union movement. I will fight shoulder to shoulder with the American workingman to help him improve his lot through labor unions, and thus further the welfare of all mankind.

A TABLE OF FABLES ON THE BACK PAGE OF THE CONGRESSIONAL RECORD

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, on the back page of the daily RECORD for the past week and a half has appeared a table of fables I presume prepared to bamboozle the public into a false idea of congressional savings.

The side-door arithmetic slyly slips by more than a billion and a half—$1,683,900,000—worth of failure to provide revenues and built-in spending that the President did not request for things like public housing, agricultural conservation, and veterans' pensions. I shall

place a table in the RECORD documenting this item.

Furthermore, table I is incomplete and inaccurate and this year charges against the President deferments Congress made last year. I shall supply a correct table I for the RECORD.

In the August 28 RECORD, the gimmicks in table II juggle unlike figures into a $930 million error and blithely claim Congress decreased the President's requests for new obligational authority by $324 million. Actually, Congress increased these requests by $606 million.

Fruit basket mathematics is used to add apples and oranges to produce pineapples. The cost of the President's 4-year airport program is illogically compared with congressional action on the first 2 years, with no mention of deferred action on the other 2 years.

The tipsy tables ridiculously say that the $1,300 million in new obligations of the first vetoed $2.2 billion housing bill would have cut the President's request of $800 million for the comparable 2-year period. In the September 4 RECORD, the second housing bill is juggled into claiming that it—a vetoed bill—would have cut the President's request by over $825 million. So, the President's request was cut by more than he even requested in the first place.

There is a time and place for a bit of the ridiculous. But, this weary and wandering Congress does not have the time, and the back of the official RECORD is definitely not the place.

I vigorously object to this practice and will continue, along with the help of my colleagues, to spell out in greater detail the tricks of the tables. If the opposition believes in this kind of arithmetic, let them defend it in the debate on the floor of the House and Senate, but surely the back page of the CONGRESSIONAL RECORD is no place for phony political propaganda.

LABOR DAY

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, to the schoolboy Labor Day means the point of no return. It closes the gate on the carefree days of summer, and leads him into the disciplined effort of the classroom. His labors begin.

For the housewife it is a day of liberation. Quiet settles over the neighborhood. She no longer has to put up with the shrill voices of children asking for this or that or to worry about what mischief they may be up to when they are out of sight.

To the tens of millions of Americans who are classified as employees, it means the end of the vacation period, and the start of a new work year.

This pause between the economic seasons is honored as Labor's Holiday, when we recall the struggles of the working men and women to win recognition, unity, and collective bargaining power.

Usually, we can add up the gains made by organized labor since the previous Labor Day.

In 1959, we can point to a high level of employment throughout the Nation with the exception of communities like my own where jobs are not available for all the people who want to work. We read with satisfaction that those who are employed are getting somewhat higher wages than they did a year ago this time. Even though this optimism is qualified by the rise in the cost of living which cancels out part of this progress.

Organized labor is in a thoughtful mood on this first Monday in September. Twelve years ago, in 1947, it suffered a setback, via the Taft-Hartley Act. In 1959, it suffered a similar rebuff, through the slightly altered Landrum-Griffin bill.

But these reverses happen as exceptions to the rule of general and steady progress for organized labor. The labor reform bill of 1959 could be a blessing in disguise if it alerts labor to the need for constant vigilance—not only against its enemies, but against its own complacency.

A labor leader, like a Congressman, must represent his own constituents first. From time to time, however, certain issues arise that require him to put the national interest first.

We have a two-party political system in the United States, and a three-party economic system composed of labor, management, and the general public.

Since the Wagner Act liberated organized labor from its servitude, it also provided the opportunity for labor statesmanship. In the State houses across the country, and in the National Capitol, the AFL–CIO has fought for the social and economic legislation that has improved and strengthened our free society.

It is regrettable that a handful of labor leaders seeking absolute power by means that public opinion will not tolerate, have placed the overwhelming majority of law-abiding respectable unions on the defensive.

Liberal Congressmen tried to moderate the emotional demand for legislation to curb these abuses. We managed to get the reasonable Shelley reform bill, supported by labor, before the Congress in an attempt to head off an extreme bill but we were outnumbered.

The new law is a disappointment but not a defeat.

For the organization by which individual workers achieve the collective strength to realize their just goals is an indispensable part of our national economic life.

The principles and ideals of organized labor cannot be stifled by any laws, because these motivations reflect the spirit of the American people. Think of the times that you have taken the lead in fighting for civil rights, and for education, issues which did not mean material gain or an increase in power for the unions.

You went out of your way to help the underprivileged.

That is the secret of your strength. It won the admiration and support of the people in the past and it will do so again.

Leadership and responsibility are indivisible.

Sooner or later leaders in every walk of life learn that public confidence in them is earned only by constructive deeds.

Organized labor will go forward, striving for those objectives that will not only improve the wages and working conditions of its own members, but will also contribute to the progress of the United States and all of its people.

On Labor Day, 1959, we celebrate the genuine accomplishments of unionism through the generations. We are proud of that record, which no one can impeach.

The few racketeers will be booted out and the millions of honest, patriotic members of the AFL–CIO will continue their advance toward social and economic democracy.

THE RECORD RIGGED WITH A BILLION DOLLAR HOAX

Mr. ROBINSON. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. BASS] may extend his remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BASS of New Hampshire. Mr. Speaker, somebody knowingly or not, is rigging the RECORD. And when that RECORD happens to be the CONGRESSIONAL RECORD of the Congress of the United States, corrective action should be taken.

The rigging of the RECORD to which I refer occurs in the tables now appearing in the Daily Digest of the CONGRESSIONAL RECORD. These tables purport to show how financing requests of legislation proposed by the President compare with financing provisions contained in such legislation as passed by the Congress.

In the CONGRESSIONAL RECORD, Daily Digest for September 4, table II, entitled "New Obligational Authority Provided Outside the Appropriation Process"—so-called back-door financing—is a misleading presentation of half facts.

It compares the cost of a 6-year urban renewal program proposed by the President with a 1-year program passed by Congress. It compares a 4-year airport program proposed by the President with a 2-year program passed by the Congress. That would be just like comparing a $1,200-yearly rental of one individual with the $200-monthly rental of another individual and attempting to claim the cost of the second individual was less than the first. To compare with the table, this would have to be done without ever noting the fact that in the case of the first individual the rental was expressed on an annual basis and the second on a monthly basis.

Lack of appropriate footnotes explaining the differences in time factors of these two programs is misleading the

public and even deluding highly placed members of the majority party into publicly claiming savings which do not exist.

The President proposed a 6-year urban renewal program of $1,450 million of which $100 million would become available in fiscal 1959 and $250 million in fiscal 1960. The bill passed by Congress provides $550 million to become available upon enactment, namely in fiscal 1960. In addition to this increase of $200 million, the bill passed by Congress contained $50 million more for college housing than requested by the President and $25 million additional for FNMA purchase of cooperative housing mortgages for which the President did not request any additional authority.

With respect to the airport bill the President proposed a 4-year $200 million program of which $65 million would be come available for commitment in fiscal 1960 and $55 million in fiscal 1961. The 2-year bill passed by the Congress provides $63 million in fiscal 1960 and $63 million in fiscal 1961.

Now let us deal with the facts. Place the President's proposals on the same time basis for activating the obligational authority as that contained in the legislation passed by Congress. Then in place of the decrease by Congress of $825 million shown for the housing bill, the congressional action resulted in an increase of $275 million. In place of a decrease by Congress of $74 million shown for the airport bill, the congressional action resulted in an increase of $6 million.

In other words, the $799 million decrease or "saving" by the Congress—as shown in the third column from the right of table II—actually should be an increase of $381 million.

Mr. Speaker, it is wrong to allow this billion dollar hoax to continue. I call for an immediate end to this rigging of the RECORD.

REDUCTION OF THE NATIONAL DEBT

Mr. ROBISON. Mr. Speaker, I ask unanimous consent that the gentleman from Utah [Mr. DIXON] may extend his remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DIXON. Mr. Speaker, I have recently introduced H.R. 8913 which is identical to S. 2506 introduced by Senator WALLACE F. BENNETT, of Utah, cosponsored by Senators PRESCOTT BUSH, of Connecticut, and ROMAN L. HRUSKA, of Nebraska. I believe that legislation along this line is urgently needed to assure the fiscal integrity of Congress.

More than 50 bills have been introduced this year calling for an annual appropriation systematically to reduce the national debt. As far as I know, however, none of these bills except Senator BENNETT'S and my own have the real teeth of automatically raising taxes following a year in which Congress fails to balance the budget and make a payment on the national debt.

We have chosen the figure of $2½ billion for the annual retirement of the debt. This is less than 1 percent of the national debt, and we believe it would be a modest amount. However, Congress could choose its own figure if its adopts this program. As soon as possible after June 30, the end of the fiscal year, the Treasury Department would determine whether we had really balanced the budget and paid off our annual sum for debt retirement. If we had failed, a special tax would be added to all personal and corporate income taxpayers requiring that they pay a specified percentage of their actual tax in addition to their tax as regularly calculated.

The percent for the supplemental tax would be as much as the previous year's budget and debt retirement exceeded Federal revenue. The tax forms would have two extra lines added, one for the "makeup tax" and the other for the total of the regular tax plus the "makeup tax". This is a simple system which would not require any change in the present law in respect to rates, exemptions, exclusion, withholding requirements, and so forth. It would require no changes in the body of rules and regulations nor would the cost of examining tax returns be materially increased. Limit is placed on the "makeup tax" so that it cannot exceed 10 percent in any one year. Thus, if we have another serious deficit like the $12 billion plus that we had in 1959, its effects can be spread forward for a few years and not concentrated into one.

Of course in a year of serious depression or war Congress and the President could repeal the effect of this law for a year. However, the fact that a positive enactment would be required would guarantee against this being done for flippant reasons.

I see the following as some of these urgently needed benefits which would accrue from passage of this bill:

First. It would so restore the confidence of investors in the faith and credit of the U.S. Government that it would restore Government bonds to a prime investment thereby lowering the interest on the debt by possibly as much as the annual appropriation to retire the debt. Considering Congress' reluctance to raise the interest rates on Government bonds, this bill is an effective alternative.

Second. The fact that the Government would reverse its typical position of being a net borrower and become the equivalent of a lender would change the supply and demand for credit so as to lower interest rates generally throughout the economy as well as on Government bonds themselves.

Third. It would save billions of dollars to taxpayers in interest on the debt which is now the largest item in the budget outside of defense and is approaching $9 billion a year. These interest payments amount to a diversion of a trillion dollars in tax funds in just a little more than one century. In just 28 years the cost of repayment plus interest would be less than the cost of interest alone at the start.

Fourth. Systematic reduction of the national debt would help stop inflation dead in its tracks.

Fifth. It would alleviate the pressure for new Federal spending because each program would have to be considered frankly and honestly in the light of its cost in taxes.

Sixth. By increasing people's tax consciousness and making them more clearly aware that they must pay in taxes for every Federal program it would increase the political support for Congress to economize and cut back expensive Federal programs whose cost is not justified.

Seventh. It would restore the balance between the Federal Government and State and local government in handling problems because the Federal Government would suddenly find it didn't have any more money to spare than do local governments, because it would suddenly be bound by the same fiscal rules as local governments.

Eighth. It would enormously strengthen the moral fiber and faith of Americans because the Federal Government would be repaying its debts and not simply postponing the day of reckoning by borrowing money to meet every problem and thereby going into the hole as the Government has 24 out of the past 30 years.

Shortly after Senator BENNETT first introduced this bill the Deseret News on August 20, 1959, published a laudatory editorial which I would like, in conclusion, to include in the RECORD:

SPECIFIC PLAN FOR FISCAL INTEGRITY

Congress may be turning a historic corner with its labor reform bill, and has enjoyed publicity on this matter entirely appropriate to such a history-making step.

But another measure was introduced in Congress last week that could lead to an even more historic, far-reaching, important corner turning. It has had no publicity at all.

Utah's Senator WALLACE F. BENNETT introduced a bill requiring that tax rates be set high enough each year to balance the budget and to provide for annual reduction of the annual debt. The bill was greeted with dead silence, partly, at least, because so much attention was being given just then to the labor fight. But it would be hard to find any single measure now before Congress with a greater potential effected on the Nation's future.

If passed, it could restore America's fiscal integrity, halt inflation in its tracks, stop the drain of gold overseas, and put America on a stable, honest, sound, long-range path.

It would force upon Congress the business-like attitude, "how much can we earn?" not "how much can we spend?"

Senator BENNETT'S plan is devastatingly simple. It sets the goal of a balanced budget and enough surplus for systematic debt reduction. The Senator proposes a surplus of $2.5 billion a year. If income in any given year fell short of reaching that goal, additional personal and corporate income taxes would be levied to make up the difference.

There would be a safety valve, of course. In event of war or other crisis that made a balanced budget inadvisable for any given year, the requirement could be set aside by act of Congress and approval of the President.

The surplus to be used for debt reduction could be set at any level. Perhaps $2.5 billion may seem a little high. But, as Senator BENNETT pointed out to the Senate, even at that figure, it would take at least 115 years to pay off the present debt—even assuming no more wars or other crises.

Some experts will quickly conclude that such a plan is politically impossible, that

the American public will not pay such extra taxes—or, more likely, that the politicians will not put themselves in a position where they cannot approve spending without levying taxes to pay for it. Such experts will forget, no doubt, how "impossible" an adequate labor reform bill seemed a few weeks ago.

They might also forget something else, namely, the public's increasing impatience with deficit spending.

In the past 30 years, America has had just 6 surplus years. In that period's peacetime years alone, the average deficit has run $3 billion a year. The public is saying, in no uncertain terms, let's put a stop to it.

The results of that public clamor have been little less than spectacular. This year's Congress, despite all predictions, has not indulged in runaway spending. Some Democrat leaders are trying to take credit for an economy wave. The President's Cabinet Committee on Price Stability even went so far as to declare that fighting inflation is as important a Government goal as is full employment. Not for a long, long time, if ever, has it been as politically popular as it is right now to preach economy and balanced budget.

Senator BENNETT is no Johnny-come-lately in this field; he was almost a lone economy voice in the wilderness not many years ago. The fact that a great many other voices have now been added, reflecting a general public demand, gives the best indication that some such hard but honest plan as his for debt reduction has at least a solid fighting chance.

THE PRESS AND THE CONGRESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Arizona [Mr. UDALL] may extend his remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. UDALL. Mr. Speaker, for many years William R. Mathews of the Tucson Arizona Daily Star has been fighting to remove excessive restrictions on government information. In his own State of Arizona he refused to accept the Governor's contention that the public had no right to read a report by the attorney general which was the basis for the Governor's dismissal of a land commissioner. Bill Mathews took his case to court and proved that such reports are State business.

On the Federal level he has been a strong supporter of congressional attempts to remove the executive arrogance which blocks public access to information which the people must have if they are to participate intelligently in a democratic society. He recognizes clearly that Congress, to be successful in its fight against executive secrecy, needs the backing of the Nation's press. He made that point clear to his fellow editors in the following article published in the September issue of the American Society of Newspaper Editors Bulletin:

A CALL FOR QUICK ACTION—MATHEWS SAYS EDITORS MUST COOPERATE WITH CONGRESSMEN IN THE FIGHT TO OPEN RECORDS OF GOVERNMENT AGENCIES

(By William R. Mathews)

This is prompted by the articles of Clark Mollenhoff in the July ASNE Bulletin and the July Atlantic Monthly. When any bureaucracy created by Congress successfully defies Congress in refusing to account for its conduct, the time has come for the press of the Nation to act.

It is time to go big game hunting instead of swatting flies or hunting rabbits. I mean that instead of harassing Members of Congress with relatively trivial complaints about closed committee meetings, and accounting publicly for the way they spend their legal office expenses, we should cooperate with them. Indeed, we should urge them to seek a common and paramount objective of accountability to Congress, and to the public by all Government bureaus and departments on the conduct of their offices.

We can remind Members of Congress of the power they have. If they can create an Air Force by statute they can abolish an Air Force by statute. The same applies to the ICA and the most other Government bureaus and agencies.

Some 20 years ago here in Arizona, the legislature abolished an existing highway committee with whom it was at loggerheads. It immediately created a new one with appointees more amenable to cooperating with the legislature.

We should continue more vigorously our present efforts to get a statute requiring various Government agencies to make their public records open for an inspection. The lack of such a statute seriously impairs the feasibility of a taxpayer's suit of mandamus ordering such report. The Mollenhoff articles on how various agencies created by Congress are defying Congress make the issue a timely one. If Congress knew it had the support of the ASNE and the general press and news media of the Nation, it might well be persuaded to act soon; that if it can create a bureau, it can abolish it or starve it when it defies Congress.

We will not get to first base on this issue as long as we make ourselves appear unreasonable to many Members of Congress. We do this when we make such absolute demands as that all committee meetings be open ones, or when we harass and ridicule individual Members for the way they run their offices. We are the last people on earth who should complain about junkets and their cost when made by Members of Congress. We can charge the cost of our junkets to expenses. The big issue is, do we want the support of Congress in seeking our paramount objective, or is it more important to arouse the fear and distrust of Congress by trivial needling of its individual members?

As I see it, the time is ripe to put forth our most vigorous efforts. Timing is such an important factor in the enactment of controversial legislation. We will need not only legal counsel but the formation of a lobby in getting the best legislation we can.

LABOR DAY

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I shall take only a moment or two, because while the Members of Congress who came here today came voluntarily, the employees were compelled to come and I should like to give them all the time possible.

Mr. Speaker, I cannot leave today without paying a brief tribute to the great people of America, the laboring people, for their wonderful work all these years.

In looking at the picture of President Eisenhower landing at Prestwick, Scotland, I remember that in 1944 I flew from there to the United States. I spoke almost immediately at a rubber corporation plant at Lowell, Mass. I told them that rubber cable was vitally needed at the front. I had seen it in Italy. Although New Years was a holiday, every one of those workers worked all day New Years in order to provide that vital war material for the people at the front, to keep our country and the other countries of the world safe.

SALUTE TO LABOR

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. PUCINSKI] is recognized for 30 minutes.

Mr. PUCINSKI. Mr. Speaker, since this is only the third time that Congress has actually met on Labor Day since the day was established, I believe it is fitting that we here today pay tribute to the working men and women on their national holiday.

Labor pioneer, Peter I. McGuire, of New York, is hailed as the "Father of Labor Day." Founder of the United Brotherhood of Carpenters and Joiners of America, and cofounder of the American Federation of Labor, he first originated the idea of the annual holiday among the labor organizations in 1882. The movement spread and was finally approved as a national legal holiday by act of Congress, June 28, 1894. It is now observed in the 50 States, the District of Columbia, and U.S. territories.

It is regrettable, indeed, that this year Labor Day is being observed in the wake of new legislation just approved by the Congress which indeed will dull much of labor's legitimate tools in its never-ending struggle to carve a better existence for the American working men and women.

This legislation was enacted in the wake of loosely worded claims that labor unions have an assured and impregnable position in our society. This entire Nation was led to believe that unions are too strong and must be shorn of some of their powers. It was argued that they must be more democratic than the New England town's council of old.

On this Labor Day, we have a right to ask what is the status and the function of the legitimate labor unions in our present-day free enterprise system?

We cannot properly assay the role of labor unions in America today without an understanding of the nature and concentration of modern corporate power. Approximately 50 percent of American manufacturing today is held by about 150 corporations, reckoned on the basis of asset values.

Taking a larger group, it is probable that about two-thirds of the economically productive assets of the United States, excluding agriculture, are owned by a group of not more than 500 corporations.

Thus, in terms of power, not only do 500 corporations control two-thirds of the nonfarm economy, but within that

500 a still smaller group has the ultimate decisionmaking power.

This is the highest concentration of economic power in recorded history.

The concentration of economic power may also be expressed in terms of individuals. Thus, recently the National Bureau of Economic Research made the following finding:

> In 1953 the wealthiest 1 percent of the population owned about 30 percent of all wealth, at least 90 percent of all common stocks, and virtually all State and local government and corporate bonds.

As James Carey, member of the executive board of the AFL–CIO, told the House labor committee recently:

Each corporation is a highly centralized authoritarian institution in which the officers and boards of directors control policy with almost no check or veto from the stockholders. These officers and directors, for all practical purposes, designate their associates and successors on the boards of directors. The result is that a great corporation is an automatic self-perpetuating organization. Such an organization can, of course, act quickly and secretly in the making of policy, and move without delay in executing that policy with massive power. If labor organizations are to have any impact on this type of economic organization, they must be organized in a manner which can cope with authoritarian power of this nature.

John K. Galbraith, certainly one of the most penetrating of American economists, points out that corporate power necessitates comparable union power. He has called it "countervailing power," and illustrates it this way:

> Private economic power is held in check by the countervailing power of those who are subject to it. The first begets the second.

In other words, big industry begets big unions.

Let there be no illusion, however, as to the security of unions today. The struggle to organize unions, and to retain them, is intense and bitter on many sectors of the industrial front. Established unions have to fight for their existence in some industries. A well-known example is the textile industry. Under the law, every union is theoretically subject to extinction when the term of its collective bargaining contract expires and challenge may be made to its continued majority status. While this is only a theory in some instances, it is a painful fact for a very large number of unions. In short, in a very substantial part of American industry, trade unions do not have a secure place.

Such security as they have is under an ever present threat from tightly knit industry employing nonunion help, which is sizable indeed. Only slightly over 33 percent of approximately 50 million nonprofessional and nonsupervisory employees are in trade unions. It must be remembered, however, that this union membership is not evenly distributed. In fact, about 15 million union members are concentrated among about 31 million nonagricultural workers. Less than 10 percent of the remaining 20 million nonagricultural workers are organized. Of about 13 million clerical and sales workers, only about 18 percent are organized. The number of union members among the 6 million domestic and agricultural workers is infinitesimal.

Furthermore, 15 years of relatively sustained prosperity in America since the war ended have led many Americans to lose perspective of the role of the legitimate union in our free enterprise system. I submit that those who are quick to criticize and denounce the union today as being either too strong, or too big, have forgotten the blood, sweat, and yes, even tears, which the people of this country had to sacrifice to bring us to the highest standard of living ever conceived by man. It is significant to me that 57 percent of the Nation's population today has no personal recollection of what a major depression is like. And I think it is fair to ask if the American labor movement has as devastating an effect on our economy as some of the witnesses have claimed before the House Labor Committee of which I am a member, how is it that American industry today is reporting the greatest profits ever imagined by man anywhere in the world throughout the history of this universe?

Too many of our young Americans, in particular, have either never learned or have conveniently forgotten that the very dynamics of a republic, of a free enterprise system, or a capitalistic system such as we have in America today, a system for which thousands of Americans have died in battle to preserve—yes, the very dynamics of this system lies in the never-ending struggle between the employer on the one hand, who seeks—and quite properly so—to retain for himself and his stockholders the highest return of profit on his investment, and at the other end of the spectrum, the American worker, who through his union, engages in the continuing determination to win a higher remuneration, a higher reward, a higher pay for his daily effort.

This great struggle between employer and employee symbolizes the very essence of a democracy. Nowhere in the world have we seen the sort of industrial progress and the dramatic rise in the standard of living as we have in this country simply because we have had, within the framework of a Republic, the basic freedom for these two forces to carry on this constant battle.

It should come as no surprise, then, that the legitimate labor movement on this Labor Day, 1959, has adopted a policy of rededication to the principles of trade unionism.

Legislation passed last week by this Congress and now awaiting the President's signature will impair in many ways the legitimate efforts of organized labor. But, I for one, agree with George Meany, president of the AFL–CIO, that legitimate unions have made too indelible a mark on America's economy and progress to be crushed by any one peace of legislation, although admittedly they will have to struggle harder to make any further gains.

On the credit side of this legislation, which I supported with considerable reservation, is the fond hope that the enemies of labor will now be denied their most effective weapon—the charge of corruption against the labor movement. It is my belief that despite the obstacles written into this law, the labor movement may well experience a new era of voluntary enlistment into the ranks of organized labor by those millions of unorganized Americans who have stayed away because unfortunately they believed the propaganda of the National Association of Manufacturers about all labor being corrupt.

As a matter of fact, under the employer reporting provision, perfected in conference, for the first time in American history our people will be able to see for themselves the countless millions of dollars spent by antilabor forces to destroy honest unions. I am sure labor will follow with eager interest these financial reports by employer groups, and I hope the administration will prosecute with the same vigor those employers or employer groups who would falsify their reports as it plans to prosecute labor organizations suspected of any similar abuses.

On this Labor Day, 1959, I earnestly hope the leaders of the American labor movement will indeed rededicate their efforts to trade union principles and intensify their efforts for survival. Let us not forget that every despot in the history of the world first destroyed the labor movement in his respective country before his conquest of other human liberties could succeed. This was true of Hitler; this is true today of Khrushchev.

Let those who would destroy the legitimate aims of the American labor movement keep well in mind the indisputable fact that should the legitimate American trade union movement ever be destroyed, something else is bound to come in its place. History shows that free people have always suffered when class war became the order of the day.

INTERNATIONAL MONETARY FUND AND WORLD BANK

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. BARR] is recognized for 15 minutes.

Mr. BARR. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include tables.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BARR. Mr. Speaker, on March 25, 1959, I made my first speech in the House of Representatives in defense of a bill which would authorize the United States to increase its capital investment in the International Monetary Fund and in the World Bank. One of the provisions of this bill provided that 25 percent of our subscription to the Monetary Fund should be paid in gold to the amount of $344 million. During the debate, the distinguished gentleman from Florida [Mr. HALEY] raised the question,

"Do we have enough gold to support this additional investment in another International Bank?" He also asked, "Does anyone know whether this country has enough gold to meet the obligations that it has incurred all over the world?" These are not exact quotes but summed up his questions as I understood them.

At that time I was not adequately prepared to answer the gentleman, and I do not believe that any Member gave him a satisfactory answer. Since that date, however, these questions have tended to haunt me, and I have conducted an intensive investigation as to the gold position in the United States, in an attempt to find answers to the questions propounded by the gentleman from Florida. I think that I have found some answers, and this speech today is dedicated to an attempt to provide Mr. HALEY and the Members of this Congress with the answers that I have dug up. The questions were certainly valid, and the answers seem to indicate the United States will soon have to face up to a change in many of its international policies—especially in the field of foreign aid and military expenditures outside of the United States.

The first question that Mr. HALEY asked, "Do we have enough gold to support an additional investment in these international banks?"—can be answered with an unqualified "Yes." Our gold position at the moment is sufficiently strong in my opinion to justify this investment in the International Monetary Fund and the World Bank. It is also sufficiently strong to justify our investment in the newly created Inter-American Bank in which we are cooperating with 21 Latin American nations in an attempt to work out some of our economic problems in the Western Hemisphere. The second question that Mr. HALEY asked, "Do we have enough gold to meet all the obligations that the United States has incurred all over the world?"—can be answered with a flat "No." I am inserting in the RECORD the following table showing the gold position of the United States over the last 10 years:

TABLE 1.—*U.S. net gold position*

[In millions of dollars]

Year	U.S. Treasury gold stock	Total Federal Reserve gold certificate reserve	Federal Reserve note and deposit liabilities	Required reserves	Unobligated reserves	Short-term dollar liabilities to foreign countries		Ratio of gold certificate reserve to deposits and Federal Reserve note liabilities combined
						Official	Official and private	
Dec. 31—								*Percent*
1949	24,427	23,176	42,389	10,597	12,579	2,908	5,960	54.7
1950	22,706	21,458	43,397	10,849	10,609	3,620	7,117	49.4
1951	22,695	21,468	46,256	11,564	9,904	3,548	7,661	46.4
1952	23,187	21,986	47,594	11,899	10,087	4,654	8,961	46.2
1953	22,030	21,354	47,981	11,995	9,359	5,667	10,019	44.5
1954	21,713	21,033	46,624	11,656	9,377	6,770	11,149	45.1
1955	21,690	21,009	47,276	11,819	9,190	6,953	11,720	44.4
1956	21,949	21,269	47,724	11,931	9,338	8,045	13,487	44.6
1957	22,781	22,085	47,652	11,913	10,172	7,917	13,641	46.3
1958	20,534	19,951	47,398	11,849	8,102	8,663	14,615	42.1
May 31, 1959	20,188	19,605	46,846	11,712	7,893	8,797	15,424	41.9
Aug. 12, 1959	19,600	19,304	46,785	11,696	7,608	(1)	(1)	41.3

[1] Not available.

Source: U.S. official data.

If you will look at this table, you will note that there has been a dramatic change in the gold position in the United States since 1949. In 1949 the United States had $24½ billion in its gold stock. We needed $10½ billion to meet the required reserve of 25 percent behind our currency and the member bank deposits of the Federal Reserve Board. This left an excess of $12½ billion in gold which could be used to meet foreign claims. In 1949 these claims, official and private, amounted to $6 billion. So the distinguished gentleman from Florida and my colleagues can see that in that year we had enough gold to back up our currency and demand deposits in the Federal Reserve System and still had twice as much gold left over as we needed to meet any foreign claims.

Another look at the chart though will show that starting in 1950, the United States has had a continuous drain on its gold with the exception of two years—1952 and 1957. The record of this 10 years has been one of a steady decline in the gold resources of this Nation. On May 31 of 1959, the last date for which the figures are available, the U.S. supply of gold had fallen to $20½ billion—a loss of about $4 billion in 10 years. Of this amount we needed a little less than $12 billion to back up our currency and the member bank deposits of the Federal Reserve Board. This left $8 billion to meet the demands of the foreigners, official and private, who had claims against the United States. These claims jumped from the $6 billion that I mentioned, in 1949, to $15½ billion on May 31, 1959. So today, Mr. HALEY, we are short $7½ billion if all the potential demands for gold hit us at one time. In all honesty, I can tell the distinguished gentleman and my colleagues that this is highly unlikely. As a matter of fact, only $8½ billion of the $15½ billion held by foreigners, is ever likely to be converted into gold. This is the amount held by foreign banks and foreign governments. But even there we can see that we are short a half billion at the moment if all these claims on our gold were cashed in at once—back in 1949 totals held by foreign banks and governments amounted to only $3 billion while our excess gold amounted to $12½ billion, so we had the claims covered by a 4 to 1 ratio.

I am going to digress here just a bit in an attempt to find out what has been the trouble. Why has this run on the gold of the United States developed over the past 10 years? First of all, let us look at why we do lose gold. The basic reason that we lose gold is that we are spending more abroad than we are getting from foreign countries. The total that we spend abroad, however, is made up of several totals. The principal items of our expenditures overseas are goods that we buy abroad, transportation charges, travel by American citizens in foreign countries, military spending abroad, Government grants to foreign countries, Government loans to foreign countries, and private investments abroad. Our principal source of income from foreign countries comes from goods that we sell abroad, transportation charges paid to us, money that foreigners spend to travel in the United States, and the income that we receive from our investments overseas. This is a brief summary of how we spend our money overseas and where our income from overseas comes from.

Now, let us take a look to see where the trouble really is. You will find a lot of people who say that the United States is pricing itself out of oversea markets—that our prices are becoming so high that people in foreign countries simply cannot afford to buy our products. The record simply does not bear this out. The record shows that the United States through last year has had a vigorous and strong competitive position in its exports. Over the past 10 years we have maintained the relative position of our exports to total world trade. Over this 10-year period our exports have run from 17½ to 19 percent of the total export trade in the world. To give you a few figures—in 1950 the U.S. exports amounted to 17.7 percent of world trade; in 1954 they amounted to 17 percent; in 1958 they amounted to 17.2 percent. In 1956 and 1957, because of the Suez crisis, they jumped temporarily to 18.7 percent in 1956, and 19.4 percent in 1957. When we stop to consider that in this 10-year span, the United States has had to face rough competition from the countries that have rebuilt their economies and their industrial plants after World War II, all of us would have to agree that American industry, labor, and salesmanship have turned in a truly magnificent record. There is absolutely no evidence to show that the reason that we are losing gold is the fault of American industry.

The other side of the coin is the argument that we hear so frequently that the United States is buying a lot more from foreign countries than it used to. Of course, one of the most dramatic examples has been the success of small foreign cars in this country. This has led many people to jump to the conclusion that the United States has suddenly gone on a binge of buying foreign products. This simply is not true. It is true, of course, that we are buying a lot more

foreign products, but we are buying even more relatively from our home production. I am going to insert a table here at this point, showing the total imports of the United States as a percentage of gross national product from 1951 through 1958:

TABLE 2.—*U.S. imports and the gross national product*

Year	GNP	Imports	Imports, GNP
	Billions	*Billions*	*Percent*
1951	$329.0	$11.07	3.37
1952	347.0	10.79	3.11
1953	365.4	10.97	3.00
1954	363.1	10.30	2.99
1955	397.5	11.46	2.91
1956	419.2	12.74	3.04
1957	440.3	13.14	2.98
1958	437.7	12.94	2.96

A look at this chart will show that in 1951 the United States bought $11 billion from overseas, and that our gross national product was $329 billion. Thus our imports were 3.37 percent of our gross national product. This percentage, as you will see from the chart, dropped every year with the exception of 1956. In 1958, when the foreign-car boom was running full blast, we bought $13 billion from oversea producers against a gross national production of $438 billion. In 1958, as you can see, our imports ran 2.96 percent of our gross national product. It is evident from these figures that we have not gone on a foreign buying binge, and that we are not using a larger proportion of our U.S. money to buy things produced overseas.

It is obvious from the above that there is nothing wrong with our export markets or our ability to sell overseas. It is also obvious that we are not spending too much of our money on imports. The truth of the matter is that we have consistently increased our trade surplus every year since 1950. The following table is inserted to point out these facts:

TABLE 3.—*U.S. surplus on trade and current account, 1950–58*

[In millions]

Year	Trade surplus	Current account surplus
1950	$1,009	$1,856
1951	2,921	3,534
1952	2,481	3,757
1953	1,291	2,355
1954	2,445	3,849
1955	2,753	4,304
1956	4,530	5,981
1957	6,036	8,354
1958	3,263	5,232

The only inconsistencies in the table are the years 1956 and 1957. Here again the Suez crisis distorted the picture and jumped our sales in 1956 and 1957 to an unusual degree. If you knock out those years you will see that our trade surplus, the excess of what we sell over what we buy, has increased steadily—from a billion dollars in 1950 to $3.2 billion in 1958. This surely is dramatic evidence that the reason we are losing gold does not lie with American industry or American labor. Then what is the trouble? The trouble lies with the Government of the United States and the investment of private funds overseas.

Table No. 4, which I am inserting, shows what has happened in these two areas since 1950:

TABLE 4.—*U.S. private capital outflow and U.S. Government transfers abroad*

[In millions]

Year	U.S. private net capital outflow	U.S. Government expenditures and transfers
1950	$1,265	$4,742
1951	1,068	5,931
1952	1,158	6,940
1953	369	8,844
1954	1,619	7,318
1955	1,211	7,259
1956	2,980	7,836
1957	3,211	8,136
1958	2,924	8,449

NOTE.—Tables Nos. 2, 3, and 4 were taken from a paper entitled "International Position of the United States Dollar", by Edward M. Bernstein.

In 1950 the private investment of U.S. companies and individuals in foreign investments amounted to $1,265 million. In 1958 it had jumped to $2,924 million. The expenditures and transfers of the United States of America which include military expenditures overseas, grants of military supplies, other grants, and U.S. net capital outflow, jumped from $4,700 million in 1950 to $8½ billion in 1958.

The first side of this picture—the U.S. private investment overseas—is not necessarily a cause for alarm on the gold situation. These investments bring a return to the United States and cause funds from foreign nations to flow back to this country. The real trouble lies in the enormous expenditures the Government of the United States of America has made overseas. There is no return on this investment except the hope of preserving the peace of the world. Since 1950, in spite of the fact that we have consistently had a surplus in our world trade position, as a result of the efforts of U.S. industry, still the Government of the United States has managed to spend more abroad than we have earned—to the tune of $11 billion. This is the reason for our current position. This is the reason that I must tell the gentleman from Florida that today we do not have enough gold to back up our own currency and still meet all the potential demands of foreign nations and individuals.

I am not going to be a demagogue at this point and insist that the United States is in a dangerous position. We are not. We do have enough gold to make the investment in the World Bank and Monetary Fund prudent and sound. We do have enough gold to make the investment in the Inter-American Bank with safety and reason. Compared to the rest of the world we are still loaded with gold. The point that I am trying to bring out here is that we cannot continue the policies which have characterized this Government for the past 10 years. The United States cannot continue to loan and grant to nations all over the world more money than our industry and our labor can earn in overseas sales. We cannot continue policies that pile up deficits of $11 billion in our trade balances over 10-year periods. If we do that, the Communists will have won an important victory because our financial leadership of the world will definitely be imperiled.

I voted against the mutual security appropriation because these facts were becoming apparent to me. In the late forties the United States was dedicating its funds to rebuilding a ravaged world. We were the only free nation in a position to do it. About 1952 a good part of the world had rebuilt its industrial plant and was ready to go. Since that time the nations of Western Europe have stepped up their production and recaptured their world markets—Germany's share of the world market jumped from 10 percent in 1951 to 18.6 percent in 1958, and Japan's share jumped from 4.3 percent in 1951 to 6 percent in 1958. After rebuilding their plant and recapturing their share of the world markets, the countries of Western Europe especially, began a drive to rebuild their own balances of gold. To a large extent this was a healthy drive because it enabled them to make their currencies sound and conservative. It put the nations of Western Europe and Japan back in a strong financial position. It put them in a position where now they can compete toe to toe with the United States and the world market.

Now that they are up to date, however, it seems to me ridiculous that this Nation should continue to transfer our reserves of gold and dollars to these nations in the forms of military grants and aid programs that are no longer needed. It is high time that the United States says to the nations of Western Europe and Japan—"Look here. We put you back on your feet; we have given you the gold reserves that you need to run your country on a sound and conservative basis, now let us all pitch in and share the cost of protecting and developing the world." Their stake in the freedom and security of this world is as great as ours. We have followed a pattern of unparalleled generosity in rebuilding these nations. Now it is high time for them to put their shoulders to the wheel and give the U.S. taxpayer a hand.

Although I voted against mutual security, I fought for the increased capitalization of the World Bank and the Monetary Fund. I fought for the creation of the Inter-American Bank. Every one of these institutions has moved on the principle that every nation must do its share.

The United States of America might as well look the facts in the face. We no longer have the gold reserves to support an aid program on the scale that we have in the past. The countries of Western Europe and Japan are now in a position to pick up their share. It is high time that we dispel the notion prevalent all over the world that any time there is trouble the United States will come forward with the cash. It is high time that we tell them, "Look, we will do our share, but you must do yours." Any other course is bound to lead to disaster and a resounding Communist victory.

BIRTH CENTENNIAL OF THEODORE ROOSEVELT — NOTABLE CANAL ZONE CELEBRATION

The SPEAKER. Under previous order of the House, the gentleman from Texas

[Mr. THOMPSON] is recognized for 15 minutes.

Mr. THOMPSON of Texas. Mr. Speaker, one of the best planned and most successful of all the many programs commemorating the centenary of the birth, October 27, 1858, of Theodore Roosevelt, our 26th President, was that presented in the Canal Zone during the week of November 9 to 15, 1958, and which brought into special focus the historic visit to the Isthmus of Panama made by him in November 1906. That visit, in addition to other vital features, was the first ever made by a President of the United States to a foreign country—in this instance, Panama.

The Theodore Roosevelt Memorial Committee which had charge of the collective event consisted of the Governor of the Canal Zone, Gen. W. E. Potter; Lt. Gov. John D. McElheny; executive chairmen, Pacific side, Mrs. Amy McCormack, and Atlantic side, Gerard K. Schear; general chairman, W. G. Arey, Jr.; dedication ceremony, Gerard K. Schear, chairman; transportation and reservations, F. G. Dunsmoor, chairman; budget, Philip L. Stears, chairman; bust and plaque, Lt. Col. R. D. Brown, Jr., chairman; invitations, Fred deV. Sill, chairman; participating groups, Mrs. Amy McCormack, chairman; construction-day open house and dance, Edward A. Doolan, chairman; conservation ceremony, Judge John E. Deming, chairman; programs and publicity, J. Rufus Hardy; pageant, Victor Herr and Donald Musselman; and veterans' day, Alfred Gauvin, the American Legion, and Ralph W. Zachry, the Veterans of Foreign Wars.

Every day of the celebration had its special features to make and emphasize some facet or phase of the versatile character of Theodore Roosevelt. Thus, to enumerate, Sunday, November 9, "Father and Family Man"; Monday, "Pioneer, Adventurer, and Naturalist"; Tuesday, "Soldier"; Wednesday, "Public Servant"; Thursday, "Social Reformer"; Friday, "Statesman"; and Saturday, November 15, "American." These subjects were all treated in appropriate manner by means of pictures, speeches, TV, and radio; and this was carried through on both sides of the isthmus, but without duplication. The whole was punctuated by excellent musical programs by the high school and military bands.

Particular emphasis was given, of course, to the genesis and construction of the Panama Canal, with which the dynamite "Teddy" had so much to do.

Something like 60 or 70 oldtimers—surviving U.S. citizens of the canal construction era of half a century ago—were in attendance—a few with their wives or other members of their families. Most of these had voyaged to the isthmus on the two Panama Line steamers, the *Ancon*, Captain Foley; and the *Cristobal*, Captain Gorman. A few of the old timers, like Frederick G. Swanson, of Tyler, Tex., had flown to the isthmus for the occasion. Thus, old friendships were renewed, and olden scenes were brought to life. All ship passengers arriving at the port of Cristobal—wearing Rough Rider hats—were greeted by Governor Potter and others of his staff. Every arrangement possible for the comfort, convenience, and entertainment of the visitors had been provided. The Panama Canal Company gave special passage rates to all thus attending—all of whom, as was required, were Roosevelt medal holders, those who had served not less than 2 years in the construction work, in whatever capacity, during the canal building years. It was the desire of Governor Potter and the Panama Canal Company to have a goodly number of these veterans of the canal to attend and join in the celebration; and the total of these who thus participated was, indeed, gratifying. But few of them had ever been back to the isthmus since the construction days—not many of them since the canal went into operation—and their enjoyment was obvious.

Among the distinguished visitors in attendance were Mrs. Ethel Roosevelt Derby, daughter of Theodore Roosevelt, and her two daughters, Mrs. Robert T. Gannet and Mrs. Adelbert Ames and husband, Dr. Ames. These came and went by air. They received a most cordial welcome, and, with zeal, took part in various programs.

In the category of distinguished visitors and participants there were also former Isthmian Canal Commissioner and Congressman, Maurice H. Thatcher, of Kentucky and Washington, D.C., and Mrs. Thatcher; and Dr. Herman Hagedorn, of New York, and Mrs. Hagedorn.

Governor Thatcher is the only surviving member of the Isthmian Canal Commission—the body charged with the duty of supervising the construction of the canal; and during the period of his tenure he also served as civil Governor of the Canal Zone, in immediate charge of all the civil agencies, and representing the Commission in all its relations with the Government of Panama.

The Thatchers traveled by Panama liners to and from the isthmus; and about 60 other oldtimers similarly traveled. The Hagedorns went by ship, and returned by air.

Dr. Hagedorn served as Director and Secretary of the Theodore Roosevelt Centennial Commission, the national body created by act of Congress to formulate and execute plans for the centenary celebration, which were so extensively carried out throughout the States, territories, and possessions of the United States during 1958. He is a widely known author and biographer of Theodore Roosevelt, and has long been an intimate friend of the Roosevelt family.

Some of the highlights of the week's celebration may be indicated. On the evening of November 10 Dr. Hagedorn delivered an informal but very interesting address on Theodore Roosevelt, with especial reference to his life in the West. This was under the auspices of the Canal Zone post of the American Society of Military Engineers, at a dinner in the Tivoli Guest House—the historic Tivoli Hotel built by John E. Stevens, chief engineer of the canal project, in 1906.

During the week Dr. Hagedorn appeared on several other programs and gave much valuable historical and personal information concerning the life and deeds of Theodore Roosevelt.

On November 11—Armistice-Veterans Day—a fine program was put on at Balboa. This included marchings and parades by military, school, and youthful scout organizations, and a patriotic address by Lt. Gen. Ridgely L. Gaither, U.S. commander of the Caribbean forces. In addition Governor Thatcher presented medals to the winners, on the Pacific side, of the contest for the best student essays on Theodore Roosevelt: First, Arthur O'Leary; second, Jane Shannard; and third, Dorothy Strumpf.

A splendid address on the life and character of Theodore Roosevelt was delivered at the Balboa Theater on the evening of November 13 by Governor Thatcher. He was greeted by a capacity audience which included many Panamanian officials and their wives, the group headed by the President of Panama, Hon. Ernesto de la Guardia, Jr., and Senora. Also present were a large number of zonians, including prominent officials of the Panama Canal and the Canal Zone Government, led by Governor Potter; as were, also, many of the U.S. Army and Naval contingents and the diplomatic establishments. In addition there was noted the presence of Congressman John M. Robsion, Jr., of Louisville, Ky., and Mrs. Robsion, who were on tour of the South American Continent by air. The program for the evening was given under the supervision of the Isthmian Historical Society—a youthful, but already a greatly distinguished organization—with its president, L. B. Burnham, presiding.

Governor Potter presented Governor Thatcher, who was cordially received by the audience, and his address followed, at the close of which, as stated in the Panama press, he was given a standing ovation.

The other feature of the evening was the presentation of a very colorful and interesting pageant commemorative of canal construction conditions during the Stevens era, and included a clever reenactment of the principal scenes of the visit of President Theodore Roosevelt to the isthmus in November 1906. In this feature "Johnnie" Ehrman, well known and popular Panamanian, did a most entertaining and effective sketch in his depiction of Dr. Amador, one of the prime movers in the Panamanian revolution of 1903, and first President of the Panamanian Republic.

Appropriate memorial programs in honor of Theodore Roosevelt—"T. R." and "Teddy," as he was everywhere called by the Old Timers—were given by the American Legion, church, civic, Masonic, and other organizations. Among other interesting features of the celebration was a tree-planting ceremony, with a tree planted in memory of Mr. Roosevelt, in Balboa, with Judge John E. Deming in charge, and with participation of Mrs. Derby; a meeting of the attending Roosevelt Medal holders in the Tivoli Guest House; and the tape recording of their voices and talks with respect to experiences on the isthmus during the construction period; a run through Culebra—Gaillard—Cut by the Old Timers; and addresses at a luncheon of the Canal Zone College Club—women—delivered by Assistant Secre-

tary of Defense, Dr. Frank B. Berry, and Mrs. Thatcher—the latter speaking most interestingly of social conditions, aspects, and experiences during the construction years. Also, there was a well attended and enthusiastic gathering of alien employees of the Panama Canal enterprise in Morris Hall in Ancon, which was addressed by Governor Thatcher, Fred Sill, and others.

Finally, on Saturday, November 15, the last day of the celebration, there took place in the Administration Building in Balboa Heights, the unveiling and presentation of a fine bust of Theodore Roosevelt donated by Edward A. Bacon, Deputy Assistant Secretary of the Army—Mrs. Bacon performing the act of unveiling; and the presentation, also, of a plaque, appropriately inscribed with a famous quotation from Theodore Roosevelt, and placed in the rotunda of the Administration Building as a companion piece of the bust. The plaque was presented by Walter F. Berman, Vice President of the American Society of Civil Engineers, acting in behalf of the society, and was dedicated to all those who participated in the construction of the Panama Canal, regardless of race or nationality, and it is the only tangible memorial in the Canal Zone so broadly—and justly—based.

As a feature of the day's program a very interesting address was delivered by Assistant Secretary of the Army, George H. Roderick. The Latin American School Glee Club featured the program with some lovely singing.

Also, reference should be made to the issuance of a special 4-cent postage stamp on November 15. It is brown colored, with the first and reverse sides of the Roosevelt Panama Canal Medal depicted, and bearing the inscription "Theodore Roosevelt 1858–1958." A folder containing one of the first day's issue was presented to each Roosevelt Medal holder in attendance upon the celebration.

Thus the outstanding celebration came to a close; and in its various and most interesting events it is believed that it was in no wise excelled by any like celebration in the United States—if, in fact, equaled. It was characterized by the Panama American as being "the most elaborate and comprehensive public ceremonies ever held in the Canal Zone."

As something distinct from all this, yet apropos, was the formal dedication, on Sunday afternoon, November 16, by Governor Thatcher, in the town of Arraijan, in the Republic of Panama, of a splendidly equipped playground for the children of the Arraijan area. He was responsible for the establishment and equipment of the playground, having furnished the grounds therefor, and having selected and, joined by the Government of Panama, having purchased the equipment. The playground was named by the municipal authorities of Arraijan "Parque Infantil Thatcher," or, in English, "Thatcher playground." Also, Arraijan, with a population of about 3,000 and situated on the west side of the Canal about 12 miles from the city of Panama, was recently divided into two municipal divisions, one of which is designated "Barriada Thatcher." A street in the town is named "Calle Thatcher." The dedication ceremonies were attended by a large number, including Panamanian and Arraijan officials who, in their talks referred to Governor Thatcher as the "benefactor of Arraijan and Panama." Several hundred schoolchildren welcomed the Thatchers with waving Panamanian and U.S. flags. Residents of the Arraijan community have been most grateful for the ferry and highway later mentioned.

In news stories and the editorial columns of Panamanian newspapers Governor Thatcher was lauded as a friend and benefactor of the Panamanian people, and an early and effective advocate of the "good neighbor" policy. The heartiest greetings were everywhere—both in the Canal Zone and Panama—accorded him and his greatly esteemed "esposa."

He had, indeed, rendered honorable and effective service—not only during the construction days of the canal—but since then, both in and out of Congress. Then Mrs. Thatcher, during her husband's official tenure on the isthmus, had learned to speak the Spanish language with fluency, and this fact endeared her to Panamanians. Moreover, she had proven herself to be a gracious and popular hostess. In Congress Governor Thatcher was the author of important legislation affecting the canal, the Canal Zone, and the Republic of Panama, such as the act establishing the free ferry at the Pacific entrance of the canal and providing for the construction of the connecting zone road on the west side of the canal—both officially named for him; and the act providing for the establishment and permanent operation and maintenance of the Gorgas Memorial Laboratory, located in the city of Panama, and now known and esteemed throughout the world. The Laboratory is one of the outstanding institutions of the tropical regions dealing with research on the cause and prevention of tropical disease—with especial emphasis on yellow fever—of which in South and Central America there has been a recrudescence in recent years, also malaria and sand fly ailments. With ever-increasing agencies of transportation—by sea, air, and land, including the Inter-American Highway System—the value of this institution becomes more and more apparent. This is true, not only as to the tropics, but as well to our own country. In recent years the Laboratory has done much to determine the fact that monkeys, marsupials—including opossums—are reservoirs for yellow fever, and that newer types of mosquitoes—vectors or carriers of the dread virus—live and breed in the "canopy of the jungle," thus presenting new problems of peril. Also, through the years—both in and out of Congress—Governor Thatcher has done much for Panama Canal and Panama Railroad employees—construction and afterconstruction eras—in the way of obtaining beneficial legislation for both American citizens and noncitizens.

Coming to the Isthmus during the week of celebration for a brief visit was a small congressional group made up of Congresswoman LEONOR K. SULLIVAN, of Missouri, chairman of the Subcommittee on the Panama Canal—House Committee on Merchant Marine and Fisheries; WILLIAM K. VAN PELT, of Wisconsin, also a member of the Merchant Marine and Fisheries Committee, and Mrs. Van Pelt; MELVIN R. LAIRD, of Wisconsin, member of the House Appropriations Committee, and Mrs. Laird; and EMMET F. BYRNE, of Illinois, and members of his family.

Among the old timers who made the pilgrimage by ship were Stephen Latchford, president of the Panama Canal Society of Washington, D.C., and several past presidents of the society, Ben Jenkins, Col. David R. Wolverton, Governor Thatcher, and Andrew W. Dewling. Also Frank S. Wichman, president of the Panama Canal Society of Chicago, and Mrs. Wichman; and Mrs. Frederick D. Willson, of Washington, D.C., who, like Mrs. Thatcher, is a past president of the Panama Canal Society Auxiliary of Washington.

All of the old timers returned to their respective homes throughout the States, refreshed and revitalized—as the contact with "fountain of youth"—by the visit to the scenes of their historic labors a half century ago, and the experiences which were theirs during the fleeting days of the celebration. Very grateful they were, indeed, for the heart-warming greetings received by them on the Isthmus, and for the many fine courtesies accorded them by the Panama Canal Co., the Panama Line, Governor Potter, and others of the Panama Canal enterprise; and also by the officials, the people, and press of Panama and the Canal Zone.

Through the eloquence of their presence the old timers lent a very strong note of color and vitality to the memorial event; and the contributions made thereto by Governor Thatcher and Dr. Hagedorn were, indeed, of notable character.

The Star and Herald and the Panama American—the two leading bilingual dailies of Panama, with story, picture, and editorial treatment greatly aided in the success of the celebration, as did, also, the Panama Canal Review, the official magazine of the Panama Canal and the Canal Zone Government. The following is quoted from an editorial of November 19, 1958, in the Star and Herald, one of the oldest newspapers in the Western Hemisphere:

OLD CANAL ZONE HOMEWEEK ENDS

Today Panama and the Canal Zone bid farewell to Mr. and Mrs. Maurice H. Thatcher and 29 other oldtimers and Isthmian friends who will sail for their U.S. homes by the Panama liner *Ancon*.

It has been wonderful for all of us local residents, both of Panama and the Canal Zone, irrespective of our lands of origin, to meet these fine people, hear them speak and get their versions of life as lived here in the early days of Panama Canal construction.

By their interest in life, although many are in the old-age brackets, they seem to have stood the tropics well during their employment in the Canal Zone. Perhaps it was the Chagres River water they drank here that helped them survive the hardships the early Canal Zone population had to face. Possibly it lured them back here.

Perhaps it was the sense of adventure that brought them here. Whatever the urge that brought them, they not only accomplished their tasks for their Uncle Sam, they also learned to love the tasks they found here.

* * * * *

All we can say to the dear oldtime Gringos is "Hasta luego, compañeros; come back and see us sometime. You'll always be welcome."

In conclusion, it may be said that this extensive, intensive commemoration of the birth of Theodore Roosevelt wrote another stirring chapter in the long and dramatic history of the Panamanian Isthmus—a spot of the earth where, because geography, the surrounding seas, and climate, have given it a great role in the providences of time and destiny. To Governor Potter and his associates in planning and executing a program of commemoration with so great a skill and judgment, the thanks of all our people are due; in fact the thanks of all everywhere, by such occasions of reminder history is vitalized and cherished.

Under leave accorded there is included as a part of these remarks the very able and eloquent address of Governor Thatcher. I believe that it, together with the story presented, well deserves a place in the pages of the CONGRESSIONAL RECORD.

The address follows:

ADDRESS OF HON. MAURICE H. THATCHER ON THEODORE ROOSEVELT AT BALBOA THEATER, NOVEMBER 13, 1958

At the outset I must thank Governor Potter for his very kind invitation to Mrs. Thatcher and myself to attend this Isthmian celebration of the centenary of the birth of Theodore Roosevelt. I am also deeply grateful for this opportunity to participate at this time, and in this way, in the program; and I include in my thanks the committees especially created to formulate the program.

In addition, I must express grateful appreciation for the presence of President de la Guardia, and other high officials and friends from Panama. Also, I wish to take advantage of the occasion to express for and on behalf of all the old timers, the Roosevelt medal holders, and those with them, coming on this historic pilgrimage, their deepest gratitude to the Governor and the Directors of the Panama Canal Company for the invitation to visit the isthmus for this commemoration, and for the steamship rate accorded, and the acommodations here arranged for. We assure you, Governor Potter, and all your helpers and associates, that the fine courtesies thus bestowed will never be forgotten. Having been, in varying capacities, part and parcel of the vast and unique organization which dug the "ditch," we—out of greatly reduced ranks, which are thinning with ever-increasing acceleration—are justly proud of, and grateful for, the privilege of joining in this effort to pay fitting tribute to him who, at the nod of destiny, acted with promptitude, wisdom, and strength to bring to glorious fruition, the greatest dream of the centuries.

In the construction of this great waterway the vast peace army here assembled, performed, indeed, the mightiest industrial feat ever known, before which the greatest marvels of the past pale into insignificance. The Pyramids of Egypt, the Hanging Gardens of Babylon, and other famed wonders, all created by enslaved labor, to serve the pride and vanity of despotic rulers, counted for little of intrinsic public good, when compared with what was here fashioned by a free nation, and free men, this unrivaled instrument of commerce and good will which stretches from one to the other ocean in perpetual benefaction to all the world. Not only my own country, but as well, all lands and peoples, owe eternal gratitude to all those who built the canal, from the highest to the least; the chief of whom was and is the great leader whom we now strive to honor. Included in all the overall list are those of the Panamanian Republic, who, in the overwhelming emergency which arose, met it with the vision, energy, and patriotic action the situation required. There is, indeed, glory enough for all, and impartial history must so declare. And then we must not forget those who, through the succeeding years—in peace and in war—have maintained, defended, preserved, and successfully operated the canal. They, too, have earned the enduring gratitude of all.

Time and the scythe have cut deep, indeed, into the ranks of those who labored here in the construction era. The lengthening of their lives, paradoxically, has shortened them, for always the inevitable barrier has to be met. In the construction days the payroll, at times, embraced more than 50,000 employees. Of the citizens of the United States here engaged, only an approximate guess may be ventured as to how many yet survive. Under the Panama Canal Construction Annuity Act of 1944 which yielded for U.S. citizens an initial total of about 2,900 annuitants, meeting the 3-year requirement of eligibility, death has substantially reduced this number. Then there are those with lesser periods of service. An even greater percentage of mortality has occurred, I am sure, among the unskilled workers; but all were dedicated to the performance of a great task, and they did not falter or fail.

For all those who rendered service here in the construction era, it may be said that—

All were as one; and they strove and
wrought
To shape the passage to the Ind.
In terms of life it was dearly bought;
In money, cheap. The ranks are thinned
By time and death, but the deed they did
Excels all others of like and kind;
Its strength and virtue cannot be hid.
It lives—all tongues and lands to bind!

At this juncture I ask, as something fitting that we should do, that all of us stand for a moment in silent reverence of the memory of all of those of this great army of workers who have gone on before.

The task assigned me this evening—though pleasing in most of its aspects—is quite formidable in others. So much has been written and spoken of the great man being honored in this centennial year—and so well written and spoken—that I must needs approach my subject with great diffidence. This is especially true because there is now present a most excellent biographer of our 26th President, the Director and Secretary of the Theodore Roosevelt Centennial Commission, Dr. Hermann Hagedorn; in which capacity, I may add, he has been discharging a most exacting duty in a most acceptable manner.

In my opinion, among the many programs for this centennial celebration throughout the United States and its contacts, none has been better planned than that which is here under observance. The thanks of all are due Governor Potter and the memorial committees and the directors of the Panama Canal Company and all associates for their effective labors to make this celebration a climactic success. Included for thanks are the Panama Canal Review and the press of Panama. By and through them there has been fully disseminated the story of this celebration.

From a life so crowded with vital deeds and experiences, as was that of Theodore Roosevelt, it is hard to choose what is most fitting for mention and comment in a general presentation of the subject. My theme has been announced as that of "Social Reformer," though I have been assured that more latitude has been given me. I shall so proceed, but will endeavor to give emphasis to the indicated title. In this celebration, running from the 9th to the 15th of November, the program wisely and effectively features different phases of the character and achievements of Theodore Roosevelt.

The date of his birth, as you know, was October 27, 1858, and the place of his birth, New York City. His father was Theodore Roosevelt, a man of fine integrity and business capacity, and member of a distinguished family of Dutch descent, and other interminglings. The mother was Martha Bulloch, a native of Georgia—a woman of especial charm and breeding. She came of a long line of Scotch, Huguenot, and English descents. In the blood of the youthful Theodore, there was, therefore, many strains of the sturdy types of early settlers and builders of our Nation. Thus he was heir to a fine American heritage, and came to a discharge of the duty thus imposed with sympathetic understanding. He was, indeed, an ideal American and, in the presence of distinguished Latin Americans, I may say that the term "American" is used in an idiomatic and, perhaps, rather provincial way, as peculiarly attaching to the United States. All the peoples of the Western Hemisphere are Americans, and as such are entitled to share with us the name. From habit and convenience I shall, however, use it, and none will take offense.

Growing up as a physically weak and sickly child, afflicted with defective sight, his early life was one of grave discouragement. Urged by his father to strive to overcome these infirmities, and to become strong and forceful, young Theodore responded with the utmost ardor and success. By his determined and lasting resolve he was, physically and mentally speaking, literally born again. By a thoughtfully planned and executed system of exercise, including boxing, he emerged from the condition of weakness and fear to that of robust health and strength, crowned and blessed with fearlessness, self-confidence, and a magnificent ambition to play an important role in life. These qualities forever after distinguished him, and brought him success in every field of his endeavor. Indeed, from the date of his rejuvenation until his death, he preached and practiced the worth of the strenuous life.

The young Theodore, with eager and inquiring mind, turned to the study of natural history, a subject that greatly engrossed his interest through all the years to follow. Indeed, his love of natural history was such, that with his vital energy and thirst for practical results, he might have become—had he devoted his life to the task—a scientist in this field, comparable with some of the most eminent naturalists, such as Humboldt and Agassiz. As it was, he thus elicited the wonder and admiration of all, including distinguished men of science. This bent of his mind doubtless led to his famous travels, including safari in Africa, and the tragic tour in South America. Had he given his years to exploration and travel, he might have been another Livingston or Stanley.

Early in life he became imbued with an intense desire to serve the public weal; and he was practical enough to know that, to be effective, it was necessary to ally himself with a great political organization, and his associations and general beliefs were such that he chose the party of Lincoln, and always he sought to use his influence in making of it an instrument of progress.

From this point let us go hastily on. The father of our Theodore left him a comfortable means, and he was thus free to undertake in life the task and labors to which he was most inclined. On leaving Harvard, where he grad-

uated, he became a member of the 21st district Republican Association or club in New York City. Then he was elected to the lower house of the State of New York in 1881, and re-elected in 1883. This was the so-called silk-stocking district. The city of New York was then under the complete control of Tammany Hall. He was civic minded, and possessed of the finest traits of integrity, courage, and leadership. He dedicated his life to a political career, and consecrated all his energies and talents to the task of helping to bring about social betterment and civic reform. In the general assembly he had to fight both political machines in his effort to procure legislation curative of evils in taxation and other matters, and, against heavy odds, was surprisingly successful.

In 1883 he went to the Red Lands of North Dakota and there acquired two cattle ranches and, for several years, he operated them. He became a rancher and cowboy, and had many thrilling and ofttimes dangerous experiences—in dealing with the rough men he met there in a country where the law of the first draw usually prevailed. With amazing courage he held his own, and became to be respected by all, notwithstanding his original tenderfoot status.

Then, in the spring of 1889 he was appointed Civil Service Commissioner by President Benjamin Harrison, after having been defeated as a Republican candidate for mayor by Abram S. Hewitt, his Democratic opponent. He served, under Harrison, 4 years as Civil Service Commissioner; and thereupon he continued in this post 2 years under President Cleveland; and he says of this tenure that he was treated with the utmost consideration by both Presidents. During his 6 years as such Commissioner he took the lead in greatly extending the scope of civil service, and certainly helped, in most substantial manner, the cause of civil service reform. Constantly he had to fight spoilsmen of power in both the great political parties.

In the spring of 1895, by William L. Strong, of New York, a reform mayor, he was appointed police commissioner, and in that capacity served for 2 years in the newly elected reform administration. He immediately began the task of curbing the graft and favoritism long practiced in the police department, and again against entrenched odds, he brought about a vast improvement in the police system.

The year 1897 witnessed his appointment, by President McKinley, as Assistant Secretary of the Navy, and in that role he signally distinguished himself in helping to strengthen the Navy, and in choosing Admiral Dewey for the command of our fleet in the Pacific area, with instructions to act—in case of the outbreak of the war with Spain, as was generally expected—and to attack and destroy the Spanish fleet in the Philippine waters, which later was brilliantly accomplished.

Always he was preaching the gospel of preparedness. When the war came, he felt so strongly that he should be a soldier in arms that he and Leonard Wood in 1898 took steps to organize what was designated as the 1st U.S. Volunteer Cavalry, made up of various types of men, but which became known as the Rough Rider Regiment, or the Rough Riders; this because of the hard-riding, straight-shooting contingent that distinguished it in public estimation. Wood, who had the benefit of some military experience in Indian campaigns, was made colonel of the regiment and Theodore Roosevelt, lieutenant colonel. The latter resigned as Assistant Secretary of the Navy, and assumed his command. In due course the regiment entered into the Cuban campaign, and promptly engaged in action which culminated in July 1898 with the charge and capture, with Roosevelt in immediate command, of San Juan Hill. In these military exploits he proved himself as a man of great courage, ardor, and resourcefulness. The successes obtained by himself and the regiment electrified our Nation, and the Rough Riders became the most glamorous unit in the war. Colonel Roosevelt, himself, became a war hero.

Then followed his nomination by his party for the governorship of New York; and his election in November 1898. In that capacity he fought the same kind of fight for betterment that he had waged previously as a public official. Again he had to meet, customarily, the opposition of the two great political machines of New York; and again he won, through the support of the public to which he appealed, most of these battles. He grew in national esteem and strength. Through the desire of the leaders of his own party organization, who wished to ease him out of the Governor's chair, and because there was a nationwide demand of his party that he be nominated for Vice President, he was, in 1900, so nominated, to run with McKinley, a candidate for reelection. The McKinley ticket won the election by a substantial margin, and he became Vice President.

The tragedy at Buffalo soon followed, and in September 1901 President McKinley was slain by the bullet of an assassin, and Theodore Roosevelt became President. After serving out the term, he was renominated and reelected. This was in 1904.

During his incumbency in the White House he pursued the same general course he had always pursued with respect to public questions. He became a "trust buster," the effective friend of international peace, and a continuing social reformer, conservationist, and civil service advocate. He won the Nobel Prize for his efforts for peace. His fame and prestige encompassed the globe. He sent the American fleet around the world, and America's standing was enhanced. He arranged for the construction, by the United States, of the Panama Canal and sped the work to the point of assured success. This was his greatest single achievement. Many other things of the first order marked his 7 years as President, but they cannot be all recounted here. They are well known to all.

At the conclusion of his service as President, he retired, having refused to consider renomination for another term. He espoused the candidacy of Secretary Taft, and in 1908 the latter was elected to succeed him. He went to Africa on his famed safari, and there in big game hunts showed his skill, courage, and daring. Always he exhibited great physical prowess, whether in the bad lands, or in the campaign in Cuba, or under the attack of the would-be assassin in his 1912 campaign. Then there followed the break with President Taft, and the Bull Moose party, with his nomination for the Presidency in 1912, in opposition to Mr. Taft. Then the defeat of both of them, and the election of Woodrow Wilson, the Democratic candidate. Next came World War I with his four sons marching forth to battle, and the loss of Quentin. He had instilled into the boys the idea of duty of citizens to be soldiers in time of conflict, and they acted without hesitation. He became writer, editor, and the tireless advocate for causes that he believed to be just. His efforts to be made a commanding officer in World War I failed, greatly to his disappointment. Later his old thirst for adventure, for exploration, revived. He organized a party, his son, Kermit, with him, to make a tour through the terrible jungles of Brazil, to solve the mystery as to the River of Doubt; and he solved it; and the river was renamed for him. During this fearful adventure he sustained severe injuries and incurred a fever that almost took his life. Never afterwards was he free from pain, and he finally passed away on the 6th day of January 1919. His last words were to his faithful colored valet, "Please put out that light."

His burial in a local Oyster Bay cemetery followed.

I cannot agree with the suggestion, often made, that Theodore Roosevelt was not a man of innate genius; that he was but possessed of ordinary qualities, greatly cultivated and applied. I believe that he had, in very large degree, a genius for public affairs, that was utilized by him for the general good. I am sure that he carried within himself a genius, as well as a passion—to serve wisely and well—the masses of his fellow citizens, and to this end he also had the genius for achieving close contact with the general public and to make of its members devoted friends and helpers. I consider that his was the genius, also, of leadership, without which his dreams of useful and highly effective service would have counted for naught. Genius, with these facets, may not be of the type possessed by a great astronomer, an eminent philosopher, a supreme artist, and others who have mounted to eminence in their respective fields; but the kinds of genius which distinguished Theodore Roosevelt united to make of him a great and successful leader in the most difficult of all areas of endeavor, that of the art of governing wisely and effectively. Thus, no accident or favoritism took place when he was selected for dramatic depiction on the mighty cliff in the Bad Lands, in companionship with other universally accepted Presidents, as of the first magnitude, Washington, Jefferson, and Lincoln.

It has been said, in one or another form, that the history of any people or country, is the story of the lives of its great men; and I would add, if you please, also, of its great women. In the light of this saying, it may be declared that the story of the life and achievements of Theodore Roosevelt is, in very large measure, the history of the United States during his era.

Theodore Roosevelt was an intense American, and he loved his country and its institutions, with unsurpassed ardor. In consequence, he did not have any patience with a polygot or hyphenated Americanism; especially in the time of national peril. Regardless of whether one might be of native or foreign birth, he was forthright and forceful in his views that each and every one enjoying the liberties and benefits derived through American citizenship, owed unfailing loyalty and devotion to the Nation's Constitution and flag; and that no lingering sentiment for any foreign land should interfere. He preached with tremendous power the gospel of Americanism. He believed, of course, that every citizen of an alien land of freedom should be loyal thereto; that a patriotic citizen of one free nation would serve freemen everywhere. He dramatized the United States of America as perhaps no other President ever dramatized it. In outstanding measure he vitalized the Nation's potential energies, its visions, hopes, and aspirations. During his more active life he seemed to be the articulate voice of America. He loved the other nations of the hemisphere and was ever ready to aid—and, if needs be, to defend them. Indeed, his sturdy and robust Americanism should prove of the highest exemplary value to generations to come.

Once fronted in the right direction, Theodore Roosevelt, with untiring and resistless energy, and ofttimes against seemingly impossible odds, strove for the accomplishment of a great tasks for the public weal. Witness, for examples, his fight in the General Assembly of New York, as a member in those early days of his political life, for measures of reform; his years of labor, as a Civil Service Commissioner of his country, whereby he, more than anyone else, laid the

foundations for a true, and all-embracing civil service system; his work as Police Commissioner of New York through which, in something like 2 years, the police conditions of graft and alliance with crime were changed to a situation of law enforcement and the divorcement of police action from political considerations; his bold and effective labors as Assistant Secretary of the Navy that strengthened our naval establishment, and the selection of Admiral Dewey to lead the naval forces in the Pacific, with the resulting destruction of the Pacific Spanish Fleet in the Spanish-American War, whereby was won the liberation of Cuba; the enforcement of the antitrust laws; his effective efforts for conservation of our country's national resources; and the upbuilding of the national park and monument system. The enumeration of all his worthwhile achievements seems to be a task impossible of performance. There was his work in bringing about the settlement of the Russo-Japanese war, followed by his receipt of the Nobel Prize; his settlement of the coal strike and the Alaskan boundary question; his forceful action which precluded the Kaiser's attack on Venezuela, and the adjustment of the issue involved by methods of peace; his influence exerted successfully for the composition, without war, of the controversy between France and Germany; his strenuous, but successful efforts to curb the great trusts of the Nation. With sturdy health and strength, he seemed to thrive on the battles he had to fight with respect to most of his achievements. Like the ships of the sky he rose against the wind, and flew to his goal. He appeared to love a fight, and never lowered his guard because of dangerous antagonism. He met challenge with dauntless courage, and as the people's champion and relying on their understanding and support, was most successful in encompassing the ends he sought. He was a practical idealist who knew the rules of the game.

During his official career he preached the doctrine of the Square Deal which, after all, is the Best Deal. He sought to treat labor and capital justly, but without discrimination. Not only did he curb the trusts, but he did not hesitate to oppose labor leadership when he believed it to be in the wrong. A friend of labor while Governor, he promptly used the military power of the State of New York to stop rioting and bloodshed in the Croton Aqueduct and Buffalo strikes.

Speaking of his 3 years of service in the Legislature of New York and his unsuccessful fight for its speakership, he said:

"If I wished to accomplish anything for the country, my business was to combine efficiency with decency; to be a thoroughly practical man of high ideals who did his best to reduce the ideals to actual practice. This was my ideal, and to the best of my ability I strove to live up to it."

On the subject of labor and wealth, he said:

"The only kinds of courage and honesty which are permanently useful to good institutions anywhere are those shown by men who decide all cases with impartial justice, on grounds of conduct, and not on grounds of fact."

He was a sturdy optimist, a prophet of the future and courageous challenger of oppressive practices and tendencies in the industrial world.

Step by step, and battle by battle, he was compelled to march and fight through the political maze of his time until he won—as he usually did—the solution of grave economic problems.

The assassination of President McKinley made Theodore Roosevelt his successor at the age of 47, the youngest President the country has ever known.

Undoubtedly, he was the most dynamic and versatile President our country has ever had; one of the most picturesque; and the one with the widest range of information, and the most prolific writer. Also, he had the broadest contacts, and was at home with more varied ranks of the social order than any other occupant of the Presidential chair. He was experienced in the camp and familiar with the hardships and stresses of soldier life; at ease in the halls and drawing rooms of art and culture; congenial and happy in the libraries and the most diverse circles of authorship; thrilled by the rough life of cowboys and the cattle range; learned in the fields of the natural sciences; expert in the areas of exploration and travel through the perilous regions of the earth, and in the dangerous domains of big game, where the steady nerve, quick judgment, and skilled shot, and a courage that defied death itself, were necessary for survival.

He was wont to quote the old Boer maxim, "Speak softly and carry a big stick." He was intrigued with this sentiment—not only for its good sense in a world of struggle, but also because of its touch of humor.

Theodore Roosevelt was our first great conservation President, and with effective zeal he preached its gospel throughout the years. He had to fight powerful, selfish elements in this connection, but he did more to advance the conservation of our natural resources, and to inculcate in the minds of the people the indispensable need for such a policy, than any other Chief Executive.

Much he did to build up our naval strength; and he was wise enough and strong enough to do ever so much for driving home to our people the need for preparedness to the end that we might, not only bring and keep our Nation in the focus of respect by the other nations, but if need be, wage war for the protection of the weak and oppressed, as in the case of Cuba.

Anyone who contemplates the varied and successful activities of Theodore Roosevelt must marvel at his unprecedented versatility. As naturalist, explorer, traveler, big-game hunter, rancher, soldier, scholar, author, social reformer, and statesman, he was singularly successful. He was an idealist, but not one of the Pollyanna type. He was, withal, wise and practical; and, therefore, usually successful—though ofttimes strongly, not to say violently, opposed.

Theodore Roosevelt was a man of the finest moral integrity. His was a Christian home. He was a model of domestic demeanor, of conjugal fidelity, of affection and companionship for his children; and he never walked with a "moral" limp. In these connections, his life and home constituted the most splendid examples for the American people to emulate. Our Nation was founded on the Christian home; the Mayflower, pilgrimage, the Plymouth Colonies, and the others of that early day of our American history, established the ideals of domestic and public integrity, of civil and religious liberty on which our colonies were based and sustained, the seminal seed which grew and ripened into the mighty Nation we have today, with its institutions of freedom—indeed, a light unto the world.

In eminent degree, our Theodore possessed the "common touch" and thus, in every walk of life, he was a popular hero; and in every section of society he made and held friends with the proverbial bonds of steel. The so-called "masses" held him in affectionate regard and zealously followed his leadership. To them he was not "Colonel Roosevelt" nor "Mr. Roosevelt," nor "the President," he was "Teddy" and "T. R." With the exception of Lincoln, I believe that no American President was ever closeer to the people than was he. The language of all he spoke; by all he was understood.

His political opponents and critics severely criticized him for his attitude on preparedness, and his insistence on adequate military strength. He did not wish his Nation to bully the other nations, but he did desire that his own country should be and remain strong enough to prevent others from the attempt to bully it. His enemies and critics made much of his "soft-speech" and "big-stick" utterances, and labeled him as reckless and a warmonger. This brings to mind the criticisms of Old Hickory, Andrew Jackson, the iron soldier of his day. Many feared that his elevation to the Presidency would bring conflict—and, possibly, war with foreign nations. Daniel Webster visited Thomas Jefferson, the author of the Declaration of Independence and twice President of the United States, at the famous home of the latter, Monticello, near Charlottesville, Va. This was in the closing years of Jefferson's life. Each had forgotten political differences, and they met with mutual respect and esteem. Webster recorded that in the course of their conversations, Jefferson said that he was fearful that, if Jackson ever came to the Presidency, his violent temper and intense prejudices might cause him to exercise his great powers with such rashness as to bring grave injury to the Nation; that he had observed Jackson as a U.S. Senator, and had often seen him literally choke with a violence of feeling whenever any fellow Senator said anything on the Senate floor that excited his wrath. Afterward, Jackson was twice elected to the Presidency but, said Webster, contrary to the fears and predictions of breaches in our foreign relations, Jackson acted with unexpected prudence and conservatism, though never with a surrender of American rights. The very fact that he had been a successful soldier, and it was well understood that American rights would be fully upheld at any and all times, had the effect of causing foreign nations to deal with his administration with a commendable prudence. By the same token, foreign rulers knew that Theodore Roosevelt, as President, would promptly act to maintain the rights and honor of his country and, accordingly, avoided situations which would undoubtedly have occurred if a weaker man had been at the helm of the ship of state. Thus, his prestige abroad was so great that the German warships kept away from Venezuelan waters, and also out of the Mediterranean Sea, and Russia and Japan made peace at Portsmouth.

Touching the policy and attitude of President Theodore Roosevelt with respect to the independence of Panama, and the building of the canal, it may be sufficient to say that, in all he did with regard to the independence of Panama and the launching of this mighty isthmian enterprise, was done in good conscience, and with the purpose in mind to serve not only the best interests of the people of Panama who, under the circumstances involved, were entitled to freedom with the assurance that the canal would be built here; but, as well, to serve the best interests of his own country and the world at large. The results that followed, I am sure, justify all that the patriotic leaders of Panama did in that connection, and all that he did; and I doubt not that impartial history will so record. To him and to his associates in leadership, and to the Panamanian leaders in making the fateful decisions of that early time, this vast instrument of commerce and good will constitutes a monument which attests the worth and wisdom of their actions. Opportunity may knock once, it never importunes; and had not these grave steps been taken as they were, there might not have eventuated the Panama Canal, as destiny had certainly designed.

Theodore Roosevelt, as President, visited the isthmus in November 1906, and it must be considered as a very happy choice of the planners of this program of celebration here to have it coincide, in date, with the period of that visit. He went into Panamanian territory, and with Panama's first President, Dr. Amador, addressed the people of Panama

City. He was the first of the Presidents of the United States to visit foreign soil. Everywhere on the isthmus he was highly acclaimed. He made a grassroots study of the canal work and problems, and there followed his comprehensive report to Congress, and his conclusions, which were of optimistic character. He came away from the isthmus firm in his belief that the canal would be built. Colonel Gorgas was proceeding well with the prerequisite job of ridding the isthmus of yellow fever and in reducing malaria—then twin plagues of the isthmian region. John F. Stevens, then chief engineer of the project, was working with his accustomed celerity and efficiency in creating the indispensable organization required. The value of Steven's decisions in planning the major features of the canal was attested by the fact of their approval by President Roosevelt and the Congress, and the recorded judgment of the outstanding engineers who continued the work after his departure. One of the best and wisest of policies was that of his wholehearted support of the sanitary labors of Colonel Gorgas, a decision which, at a critical moment in canal history, was made by President Theodore Roosevelt. Had Colonel Gorgas not been upheld, the result would have been disastrous.

Reverting a moment to the independence movement of 1903, I may say that its leaders were men of courage, vision, and character. It was my privilege to know the greater number of them, and my judgment is thus derived. I have ever regarded them as close and dear friends, but they are no more. Some served in important official capacities in their government during my isthmian tenure, and I may state, in this general connection, that a part of my official duties was to represent the Isthmian Canal Commission in all its relations with the Panamanian Government and the foreign representatives accredited to that government; and that there was never a request that I submitted for the consideration of Panamanian authorities that was not promptly considered and granted. Such wholehearted cooperation was of the greatest importance to the canal enterprise—especially in the matters of health and sanitation.

On the occasion of that visit of President Theodore, he made an impromptu, but most inspiring address to the employees assembled at Culebra and elsewhere. What he said had a magical effect, and those hearing it, together with others who learned of it, received new courage and inspiration for their tasks. Undoubtedly, his action which resulted in the building of the canal, was one of the outstanding achievements of his Presidency, and by him was so regarded—and of which he was justly proud. Not only was it his most dramatic accomplishment but, perhaps, his most beneficial one.

Theodore Roosevelt was a prolific and talented writer. In connection with his labor in writing his interesting history, the "Winning of the West," I recall the fact that he came to my home city of Louisville in Kentucky years ago, and spent considerable time in the library of the widely famed Filson Club, and procured invaluable information there—particularly that which pertained to the conquest of the famous Northwest Territory under the heroic leadership of George Rogers Clark, a Virginia-Kentuckian. On that visit he made many lasting Kentucky friends, who were attracted by his vigor and unique personality.

As to the parting of the ways of Taft and Roosevelt in 1912, no time is permitted for any detailed discussion of this tragic incident in the lives of these two men of great abilities, each motivated by his conception of duty, each mindful of the national welfare. President Taft was a jurist of distinction, and afterward was Chief Justice of the United States. He had performed outstanding service as Governor General of the Philippines, and as Secretary of War in President Theodore's Cabinet, and had especially distinguished himself as the overall administrator of the building of the Panama Canal.

It was, indeed, distressing to see close personal relationships disturbed and torn asunder; and as already stated, the resulting campaign of 1912 brought their joint defeat for the Presidency. I have always thought the differences of temperament and methods of action were largely responsible for this situation. The one was deliberate and judicial in his consideration of public matters, and the other was dynamic and aggressive; and the ex-President thought that the President, a beneficiary of his powerful aid, was indifferent or hostile to the Theodore Roosevelt policies; and thus the break came. Both were able Presidents; and both wrote their names imperishably in the annals of the Panama Canal.

As the after years wore on, and the asperities were tempered, the two again became friends—maybe not friends as they were before, of the Jonathan and David, and Damon and Pythias type—yet friends, with the removal of causes for controversy, and lighted anew with the aura of the old companionship; and once again swayed by the memory of all the best and dearest that had gone before. Historian Hagedorn, who is in a position to speak with authority, tells me that, when Mr. Taft attended the funeral of Theodore Roosevelt, a newspaperman, then present, returned to the graveside after the last ceremonies were performed and found there, Mr. Taft, standing alone and in tears.

Where there is so much of eulogy, is there any thought of fallibility? Of course, there is. Theodore Roosevelt was no exception to what is universal. All men make mistakes, however wise and good they may be. He made mistakes; he sometimes erred in judgment and aim, just as was true of Washington, Lincoln, and others accounted great in American history. But, like these, his general purposes and achievements were for peace, progress, and the general good; and in these fields he wrought mightily and well. Usually time deals gently with those who have greatly achieved. The practice of posterity is to glorify the achievements of worth and to forget the errors which are accounted incidental and not truly germane. Men and women are thus judged by their best; and this is as it should be. Usually the mistakes they may make in their imperfect judgment, or in their dealings with the grim and realistic struggles of life pale to nothingness in the light of worthwhile deeds rendered by them, as truly consecrated leaders, devoted to the ideals of betterment for the human race. Thus judged, Theodore Roosevelt—our most versatile and dynamic President—stands indeed very high in the ranks of great Americans, and his light will shine on through the long reaches of the years to come.

Finally, permit me to suggest that, in this isthmian land—hallowed and consecrated by the touch of Columbus and Bolivar—which felt, and must always feel, the force and impact of the great and fateful decisions made by Theodore Roosevelt with respect to the canal, it seems that his spirit is ever present and brooding. To each and every one who made contributions to the success of the great isthmian enterprise, the thanks of all are due—and there is glory enough for all—but, as to him—because of the key position of strength and authority he held, and utilized—it is the general judgment that his name, like that of Abou ben Adhem, has "led all the rest."

FROM THE FARMER'S POINT OF VIEW

The SPEAKER. Under previous order of the House, the gentleman from South Dakota [Mr. McGOVERN] is recognized for 15 minutes.

Mr. McGOVERN. Mr. Speaker, writing to his friend, John Jay, in 1785, Thomas Jefferson observed that—

> Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous, and they are tied to their country, and wedded to its liberty and interests, by the most lasting bonds.

The faith of Jefferson in the American farmer was a basic tenet in the philosophy of this great architect of American democracy. Yet, from that day to this the farmer has been faced with hazards and hardships that have required all the courage, patience, and skill that he could muster. The exploits of the frontier scout, the trapper, and the cowboy have been told a thousand times, but the most significant story of the frontier is the saga of the strong men and patient women who cleared the land, broke the prairie and braved the elements to erect the greatest agricultural economy in the history of the world. Some day I hope to have the time to write that story with its mingled heartache and joy.

Life on the farm is deeply satisfying in many respects. The joy of working with the soil and bringing a crop to harvest, or livestock, dairy products, and poultry to market is a satisfying experience. There is a social and spiritual quality about life close to the land that has played a larger part in the development of American institutions than we can fully grasp.

But there is also disappointment for the farmer—drought, insect invasions, hailstorms, glutted markets, and uncertain prices. The farmer is always at the mercy of cruel shifts in the elements that can destroy his production, sometimes in a matter of hours. When he does bring in a bountiful harvest, he is thrown into a market in which more often than not he is at the mercy of the buyer and the speculator. When he goes to town to buy the things that he needs, he asks "How much does this article cost?" But when he takes his produce to town to sell, he must ask "How much are you paying today?"

I remember as a small boy in South Dakota seeing the discouraged faces of farmers who year after year watched their crops wither from the drought or be devoured by grasshoppers. There were times when the only feed available for cattle was the tumble weed. Vivid memories of my childhood are tumbleweeds rolling across windswept prairies sometimes accompanied by dust storms that filled the air with fine topsoil until the noonday sky became black as midnight.

I remember, too, discovering that even strong men can cry. It was the day I heard a farmer friend of my father's explain that the check he had received in payment for his hogs was just large enough to pay the trucker for hauling them to market. I made up my mind then as a boy of 12 that this was an injustice that must some day be righted. It has always seemed to me that the farmer, who works harder than any of the rest of us and against greater odds,

is entitled to strong and enthusiastic representation in the halls of government and in the public forum. The farmer is too involved in the day-by-day demands of farm management and hard labor to publicize his own needs and problems. Yet, there is a sense of loneliness in rural living that craves public expression.

Aside from the feeling of loneliness that comes from physical separation from life in the cities, the farmer has often felt that the great instruments of finance, government, and mass communication were passing him by. As one Midwest farmer recently put it:

> Ever call out across the prairie and feel nobody's listening? Well, it hurts to listen for somebody too hard. Hurts inside here. So we're lookin' all the time for somebody that's listening, lending us an ear.

It is true that radio, television, and improved press coverage have given the farmer better information on the world around him, but these improvements have not enhanced the farmer's capacity to talk back. The farmer who yearns to tell his story to the public cannot argue with the television screen or the news commentators. Certainly, much of what is said these days about the farmer cries out for answers—answers that ought to be made by men in high places with strong voices and clear minds.

Unfortunately, there are few voices such as Jefferson's who are championing the cause of the present day farmer. During the age in which Jefferson lived, 9 out of 10 Americans made their living in agriculture. Today the ratio of farmers to city dwellers is reversed with rural families comprising only a little better than 10 percent of the population of the United States. What is more, as the rural percentage of our population has declined, so have the number of public spokesmen who plead the farmer's case, and defend his interest.

Indeed, as one reads the big circulation magazines and listens to some of the farm critics on the floor of Congress, he wonders how the general public can possibly learn the truth about our agricultural problem. Even the Secretary of Agriculture who is supposed to lead the fight for the farmer in Washington seems to have enlisted on the side of the detractors rather than the defenders.

Typical of the slanted commentaries on the farm problem offered at the expense of the farmer was an editorial in the April 20, 1959, issue of Life magazine in which Life asked its readers if they were not getting fed up with a farm program that raised the price of bread and the shirts on our backs. The implication was that the farmer's share of the consumer dollar is too big.

This type of commentary is maddening to farmers who know very well that their slice of the consumer's food dollar has been steadily shrinking.

The facts are that 10 years ago the farmer was getting 50 cents of the housewife's food dollar; today he receives 38 cents. When Life talks about farmers raising the price of bread, they seem to forget that there is only about 2 cents worth of wheat in a loaf of bread. Furthermore, with wheat selling for 20 percent less than it did 10 years ago, bread is selling for 54 percent more.

To understand the irritation of farmers when they hear commentators blame them for the increased cost of food, one need simply remind himself of the fact that since 1952, farm prices have fallen 15 percent while retail food prices have gone up 5 percent.

In 1957, for example, the American people consumed 11 percent more farm-produced food than in 1952, but the farmers received $600 million less for that larger volume of food production. In painful contrast, food processors, shippers and other middlemen between the farm gate and the retail checkout counter received $6.1 billion more.

Little wonder then that farm families resent it when they are blamed for the high cost of living. Actually, the rising cost of living has hit the farmer harder than any other person because he has been caught in the middle of a cost-price squeeze. With the cost of everything he buys going up—machinery, parts, medical care, and so forth—and his own prices going down, the farmer justifiably feels that he is not sharing in the prosperity of the Nation.

Some time ago a young farmer from Britton, S. Dak., sent me a sample of a small screw that he purchased for the steering mechanism of his tractor. That little part no bigger than the end of his smallest finger cost $3. As he pointed out to me, it would take 3 bushels of corn, 7 bushels of oats, or 15 dozen eggs to pay for this tiny item. Farmers have a special reason to read with raised eyebrows the news stories of this summer reporting that United States Steel Corp. made a net profit of $255 million during the first half of the year, $119 million more than for the same period last year and a new high for the company.

Rural families do not resent business and labor making money because they know that unless these groups are prospering there will be no purchasers for the products of the farm and ranch. But they do feel that agriculture's share of the national income should be improved.

That this feeling on the part of the farmer is more than imagination is revealed in Government statistics showing that the per capita income of rural families is only half the national average. Since the end of World War II, most Americans have substantially increased their incomes, but the farmer has experienced a sharp income drop which with inflated costs has slashed his purchasing power by one-third.

Secretary Benson has suggested that the farmer's difficulty stems from his inefficiency. Actually, nothing could be further from the truth. During the last decade farmers have increased their efficiency—measured by output per man-hour—three times as much as workers in the rest of our economy.

The efficiency of the American farmer is the envy of the world, including the Kremlin which sent top experts to the United States to visit the farms of South Dakota, Iowa, and other States. Representing only slightly more than one-tenth of our population, farmers produce enough food to take care of our domestic and foreign needs and leave an ample surplus on hand. In striking contrast, half of the Russian people are engaged in agriculture and they still have been unable to produce much more than enough to feed the other half of the Russian people.

The sad fact is that the American farmer's efficiency has created much of our current farm problem—the problem of mounting farm surpluses. The Government's investment in farm surpluses is now approaching $10 billion with storage and handling charges expected to reach $1 billion annually. It is obvious that this tremendous outpouring of farm abundance will prove a burden both to farmers and to the taxpaying public unless it is more effectively used than at present.

What then can we do about the farm problem—the cost-price squeeze, low farm income, and mounting farm surpluses? It is safe to say that there is no easy solution to the problems of agriculture. Certainly, I have no quick and painless panacea to offer. Tomorrow, however, I expect to take the floor to point out what I believe are the weaknesses in the Benson farm policies and then go on to make some positive suggestions in the interest of an improved farm economy.

LABOR DAY 1959

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, today in New York City, a colorful parade is marching down Fifth Avenue. One hundred thousand working men and women, all members of the AFL–CIO, are proudly stepping out in a dedicated, happy resumption of a wonderful, meaningful old custom. One hundred bands and seventy colorful floats mark what unquestionably is one of the Nation's most impressive demonstrations of solidarity and pride in achievement.

While parades and demonstrations are signifying this great day in many other sections of the United States as well, the spectacular display in New York is, significantly, the first of its kind in 20 years. The last such parade was held in 1939. The intervention of the war years and the gradual drifting away from the custom were responsible for the abandonment of the parade in the city.

With the lapse of the parade, and with similar waivering of overt demonstrations in other cities and towns, Labor Day was beginning to lose its true significance. It was a day that America began taking for granted. For too many Americans the day had come to mean little more than a day off, the last fling to mark the end of summer, the time when families trek back from vacation, the beginning of a new school year.

But going back to first principles, Harry Van Arsdale, president of the New York City Central Labor Council, remembered the spirit in which the day was founded.

Thanks to him and to the New York City Central Labor Council the parade has returned to New York City. Now organized labor of this great city is given

the opportunity once again to display its dedication to the theme of this historic day—a theme which Mr. Van Arsdale so aptly applied to the parade—"a strong, free labor movement means a strong, free America."

It is a theme that 100,000 men and women joined in today. They represented the unions affiliated with the American Federation of Labor and Congress of Industrial Organizations ranging in skills from acting to welding.

This was truly a dedication of labor unity and pride in its role in the Nation's economic and social life. It was echoed in cities, in towns, in villages throughout the breadth of our land in many forms—parades, meetings, services, statements, articles, and other means of public expression.

Let us hope in the years to come, more observance, more dedication, more respect for this day will be realized.

It follows the truly spirit of the man who is recognized as the founder of Labor Day—Peter J. McGuire, whose inspiration gave rise to the observance of this day. He wrote:

> Pagan feasts and Christian observances have come down to us through the long ages. But it was reserved for the American people to give birth to Labor Day. In this they honor the toilers of the earth, and pay homage to those who from rude nature have delved and carved all the comfort and grandeur we behold.
>
> More than all, the thought, the conception, yea the very inspiration of this holiday came from men in the ranks of the working people—men active in uplifting their fellows, and leading them to better conditions.

Today marks the 77th anniversary of the first Labor Day. Labor truly has great reason for pride in accomplishment. It is not only the solid betterment in living conditions for so many Americans which labor has helped to achieve, but the strengthening of our democracy and the giving of deeper meaning to our incomparable individual rights—national acceptance of the belief that every man has the right to earn a living and provide for his loved ones under decent conditions—to receive a remuneration worthy of his efforts. These are rights of modern American man and labor's role in attaining them has been a magnificent one.

Our American civilization—for that matter, all civilization—has never seen an equal throughout all of history. The individual has been afforded greater significance and greater protection than in any other society. Labor has helped to make this possible. This is the real meaning of its march up Fifth Avenue, its parade on Main Street, its meetings and its tributes.

Because it has so great an importance for all Americans—and to the world—I want to join in this tribute to those who initiated the idea of Labor Day so many years ago, and, to those who have contributed so much through the years and to those who are now doing so much to transform the American dream into reality.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. McGOVERN, for 15 minutes, today.

Mr. THOMPSON of Texas, for 30 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. THOMPSON of Texas, for 30 minutes, on Wednesday, September 9, and to revise and extend his remarks and include extraneous matter.

Mr. KING of Utah, for 30 minutes, on September 9.

Mr. COLLIER, for 10 minutes, on September 10.

Mr. HALPERN (at the request of Mr. ROBISON), for 10 minutes, today, and on September 8.

Mr. CURTIN (at the request of Mr. ROBISON), for 10 minutes, on September 8.

Mr. SCHWENGEL (at the request of Mr. ROBISON), for 30 minutes, on September 9.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BROOMFIELD and to include extraneous matter.

Mr. McCORMACK (at the request of Mr. ROOSEVELT) and to include extraneous matter.

Mr. COLLIER and to include an editorial.

Mr. CHELF and to include extraneous matter.

Mr. DWYER.

Mr. CANNON.

Mr. ALGER.

(At the request of Mr. ROBISON, and to include extraneous matter, the following:)

Mr. MOORE.

(At the request of Mr. ALBERT, and to include extraneous matter, the following:)

Mr. McFALL.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 7040. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes; and

H.R. 8575. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

ADJOURNMENT

Mr. BARR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 6 o'clock and 5 minutes p.m.) the House, pursuant to its previous order, adjourned until tomorrow, September 8, 1959, at 11 o'clock a.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS: Committee on House Administration. House Resolution 341. Resolution authorizing the printing of "United States Defense Policies in 1958" as a House document; without amendment (Rept. No. 1158). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 352. Resolution to print as a House document the handbook entitled "The United States Courts"; without amendment (Rept. No. 1159). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 353. Resolution providing for the printing of additional copies of the hearings on space propulsion; without amendment (Rept. No. 1160). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 354. Resolution providing for the printing of additional copies of the hearings on missile development and space sciences; without amendment (Rept. No. 1161). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 370. Resolution to print the document entitled "Foreign Trade Interests in the State of Oregon" as a House document; without amendment (Rept. No. 1162). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 378. Resolution to print an account of the exercises conducted in Statuary Hall commemorating and honoring the memory of Father Junipero Serra, O.F.M.; with amendment (Rept. No. 1163). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 404. Concurrent resolution providing for printing additional copies of the compendium of papers entitled "Compendium of Papers Submitted on Revision of the Federal Income Tax Laws"; without amendment (Rept. No. 1164). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 405. Concurrent resolution providing for printing additional copies of the hearings entitled "Hospital, Nursing Home, and Surgical Benefits for OASI Beneficiaries"; without amendment (Rept. No. 1165). Ordered to be printed.

Mr. HAYS: Committee on House Administration. Senate Concurrent Resolution 53. Concurrent resolution to print additional copies of hearings on "Fallout From Nuclear Weapons Testing"; without amendment (Rept. No. 1166). Ordered to be printed.

Mr. HAYS: Committee on House Administration. Senate Concurrent Resolution 72. Concurrent resolution to print additional copies of hearings on "Biological and Environmental Effects of Nuclear War"; without amendment (Rept. No. 1167). Ordered to be printed.

Mr. JONES of Alabama: Committee on Public Works. H.R. 5349. A bill to provide for the conveyance to Orange County, Calif., of all right, title, and interest of the United States in and to certain real property situated in Orange County, Calif.; without amendment (Rept. No. 1168). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 8685. A bill to amend the Internal Revenue Code of 1954 to provide for the Presidential appointment of a General Counsel for Internal Revenue, to provide for the appointment of other officers for the Internal Revenue Service, and for other purposes; with amendment (Rept. No. 1169). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 8684. A bill to amend the Internal Revenue Code of 1954 to provide for

deferral of taxation of amounts withheld by a bank or finance company from a dealer in personal property to secure obligations of the dealer, until such time as such amounts are paid to or made available to the dealer; with amendment (Rept. No. 1170). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FOLEY:

H.R. 9121. A bill to amend the District of Columbia Code, Fiduciary Act, title 26, section 201; to the Committee on the District of Columbia.

By Mr. MORRIS of Oklahoma:

H.R. 9122. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. PELLY:

H.R. 9123. A bill to amend section 8(b)(4) of the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. RIVERS of Alaska:

H.R. 9124. A bill to extend the period of exemption from inspection under the provisions of section 4426 of the Revised Statutes granted certain small vessels carrying freight to and from places on the inland waters of southeastern Alaska; to the Committee on Merchant Marine and Fisheries.

By Mrs. MAY:

H.R. 9125. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mrs. GRANAHAN:

H.R. 9126. A bill to include certain service performed for Members of the House of Representatives as annuitable service under the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. HALPERN:

H.R. 9127. A bill to create a Federal Youth Office in the Department of Health, Education, and Welfare, and to strengthen and improve State and local programs to combat and control juvenile delinquency, and for other purposes; to the Committee on Education and Labor.

By Mr. CLEM MILLER:

H.R. 9128. A bill relating to the operation and maintenance by the Secretary of the Interior of reclamation works on rivers and streams tributary to the Sacramento-San Joaquin Delta in California; to the Committee on Interior and Insular Affairs.

By Mr. STRATTON:

H. Con. Res. 434. Concurrent resolution expressing the sense of Congress that the President should withdraw his invitation to Soviet Premier Khrushchev unless and until all Communist aggression in Laos has stopped; to the Committee on Foreign Affairs.

By Mr. McCORMACK:

H. Res. 379. Resolution providing for the suspension of the rules on Thursday, September 10, 1959, and the balance of the week.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to appropriate funds to complete the unoiled portion of Route 8A of the State highway system from a point beginning 10 miles west of Denio, Nev., west to the California State line; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to define, and to cause the Attorney General of the United States to issue an opinion defining, the rights of State legislatures and agencies in enacting statutes and promulgating rules and regulations which apply to State agencies administering Federal grants-in-aid; to the Committee on Government Operations.

Also, memorial of the legislature of the territory of Guam, memorializing the President and the Congress of the United States relative to expression thanks to Hon. LEO O'BRIEN for the introduction of H.R. 6392, and for supporting legislation advantageous to the health, well-being and welfare of the people of the territory of Guam; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. McCULLOCH:

H.R. 9129. A bill for the relief of Lennon May; to the Committee on the Judiciary.

By Mr. CLEM MILLER:

H.R. 9130. A bill for the relief of Mrs. Ida Donati Togneri; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 9131. A bill for the relief of Mario Menna; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 9132. A bill for the relief of the parents of the late Salvatore F. Valenti; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

274. The SPEAKER presented a petition of the city clerk, Emeryville, Calif., relative to expending every effort in behalf of legislation which will continue the financing of the Federal interstate highway program, which was referred to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Congressman Moore To Tour District

EXTENSION OF REMARKS
OF

HON. ARCH A. MOORE, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 7, 1959

Mr. MOORE. Mr. Speaker, as this session of Congress draws to a close, we all are looking forward to an opportunity to return to our respective States and visit and talk with the people whom we have the honor to represent here in the Congress.

Inasmuch as the First Congressional District of West Virginia is only an hour's time from Washington by modern air travel, I have made every effort to spend as much time in my district even while the Congress was in session. This has permitted me to better help and assist the people in my district and has given me a better than average knowledge of conditions in West Virginia and how the folks back home feel on particular legislative issues. Also, throughout the session, I have maintained an office in the district to better serve my constituents, and I have made a great many personal appearances and speeches in the seven counties which I represent. However, the limited time which I have been able to spend in my district has not permitted me to travel about as much as I would like, and to talk with persons who have problems on which I, as their Congressman, might be of assistance. Consequently, I am looking forward to adjournment as a time when I might visit each community and hold regular office hours during which time persons might drop in to say hello or to sit down and discuss specific problems.

In preparation for these annual visits in each community, I have made arrangements for office space in various courthouses, post offices, and other civic buildings where it will be convenient to meet and privately discuss problems with individuals, who might want to see me. The following schedule has been arranged and in each instance the time shown is local time in the particular community:

Tuesday, September 29, Hancock County: 10 a.m. to 12 noon, courthouse, New Cumberland; 1 p.m. to 5 p.m., post office building, Weirton.

Wednesday, September 30, Brooke County: 9:30 a.m. to 4:30 p.m., courthouse, Wellsburg.

Thursday, October 1, Ohio County: 9:30 a.m. to 4:30 p.m., fourth floor, post office building, Wheeling.

Tuesday, October 6, Taylor County: 9:30 a.m. to 4:30 p.m., post office building, Grafton.

Wednesday, October 7, Marion County: 9:30 a.m. to 5 p.m., courthouse, Fairmont.

Thursday, October 8, Wetzel County: 9:30 a.m. to 12 noon, courthouse, New Martinsville; 1 p.m. to 4 p.m., city hall, Hundred.

Wednesday, October 14, Marion County: 9:30 a.m. to 12 noon, post office, Farmington; 1:30 p.m. to 4:30 p.m., city hall, Rivesville.

Inasmuch as my district office is situated in Moundsville and is open to the general public 6 days a week, I have scheduled no courthouse visit for Moundsville but my constituents from that area are invited to present any problems they may have at any time to me personally in my district office.

These visits in the various cities and towns are as informal as we can possibly make them, and workers, businessmen,

and housewives are urged to drop by for a chat. No appointments are necessary and all persons are welcome to come as "they are" to see and visit with their Congressman. I hope the tour this year will be as successful as it was last year when we had several hundred people each day stop by our "mobile" office to let me know their feelings on various matters.

As I have stated, my district office, located in the Mercantile Bank Building in Moundsville, is open 6 days a week to serve the residents of the First Congressional District. When I am out of the office on official business, there is always a competent member of my staff available to answer questions or assist persons with their problems. I always welcome having my friends call upon me whenever my services might be of particular assistance.

Public Works Projects

EXTENSION OF REMARKS
OF
HON. WILLIAM S. BROOMFIELD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, September 7, 1959

Mr. BROOMFIELD. Mr. Speaker, in our consideration of the latest bill to appropriate funds for Federal public works projects, we have a graphic example of why our Presidents should be given "item veto" powers in appropriation bills.

The President has objected to some 67 new public works starts which will cost us more than $800 million over the years. These projects have not been eliminated from the bill proposed by the House Appropriations Committee and which is due for a vote on Tuesday.

It is in the interest of our Nation that the President have a means of eliminating objectionable projects from bills such as this one without killing funds for worthwhile projects at the same time. There is no way that these objectionable projects can be extracted without vetoing the whole bill.

Therefore, the President and Congress are faced with the prospect of killing a bill which contains many worthwhile projects or approving a bill which will cost our taxpayers a great deal of extra money.

All of us know that appropriations for new public works projects are deceptive. First-year engineering and construction costs for these projects are relatively small. It is in later years that Congress finds itself in the position of appropriating billions of dollars for projects which quite often should not have been attempted by the Federal Government in the first place.

Tax dollars are hard to come by. Let us save them and balance the budget now and in the future.

In the past 4 years, Congress has tacked on some 200 new projects over and above those projects provided for in the budget. These new starts are going to cost our people some $3,800 million before they are completed.

It would be wonderful if a Taj Mahal or a Great Wall of China could be constructed in every congressional district in our Nation so that each Member of Congress would have something tangible to which he could point with pride.

But this is one of those times in which Members of Congress should view with alarm.

It is my hope that those Members of Congress who find themselves in the very least embarrassed by this present predicament will keep in mind the necessity and the service to the American people which would result from item-veto powers for our Presidents, the vast majority of whom have sought such powers during the past half century.

These neatly wrapped, expensive packages which are presented to us by the Appropriations Committee unfortunately contain a great number of bad apples along with the good ones.

In rather a unique method, the House Appropriations Committee has come up with its newest solution to this problem.

Instead of eliminating the bad apples, we are asked to slice a 2½-percent chunk off all the apples in the package whether they are good or bad.

This novel approach to the public works program certainly would not meet with the approval of any housewife shopping at the grocery store. If such an alternative were presented to her and she were given no opportunity to eliminate the good from the bad, I believe that her decision would be to eliminate apples from her diet until such time as they were of better uniform quality and content.

The Sad Plight of the Migratory Worker Demands Immediate Congressional Action

EXTENSION OF REMARKS
OF
HON. HAROLD R. COLLIER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, September 7, 1959

Mr. COLLIER. Mr. Speaker, the fall harvest is at hand, and nearly a half million migratory farm workers will begin their trek across the Nation. In the orchards and fields these workers will gather up nature's yield of a bountiful year.

It is truly a shame that these nomadic toilers are not provided with decent housing, wages, and transportation. In some sections of the country they work under considerably better conditions than in others and the wages are more adequate depending upon the location and type of harvest but certainly it cannot be denied that legislation is sorely needed to establish better minimum standards for these people who are frequently overcrowded in totally inadequate housing facilities with lack of beds and bedding and substandard sanitation facilities.

According to the report of the President's Commission on Migratory Labor, some of these workers are required to sleep in the open, completely exposed to the elements. It is an undeniable fact that these workers are often packed into trucks by the hundreds like sardines for long trips from one area to another.

Tomorrow the Labor Department will conduct hearings which offers some ray of hope for improvement of these conditions and minimum standards for migratory workers.

While these folks choose this type of work and even the way of life it has traditionally required, the fact remains that without them, millions of dollars' worth of fruits and other crops would literally rot on the vine if they did not take to the open country each year.

Among the proposed regulations which will undoubtedly stem from the hearings along with the revelations of the President's Commission report will be: A regulation to provide through State public employment offices, adequate and sanitary housing before such agency will fill any request for workers. This, of course, would mean guarantees conforming to applicable housing and sanitary codes.

The State agencies will probably be required to make sure that pay offered will equal the prevailing rate in the area for similar jobs.

The prospective employer will probably be required to guarantee better transportation than is now provided.

Charging an invasion of States rights some farm State legislators challenge the authority of the Labor Department to implement such regulations. There may be a legal basis for their position. On the other hand, the Justice Department upholds the legality of the Federal Government to legislate standards of this nature. This might or might not be challenged where migratory workers would operate within a State and would not cross State lines in the course of their employment.

Regardless, this is a problem which the legislators can no longer ignore, and legislation at some level should and must be enacted to meet it squarely during the 86th Congress.

Distinguished Service to Agriculture Award to Senator Stuart Symington

EXTENSION OF REMARKS
OF
HON. CLARENCE CANNON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, September 7, 1959

Mr. CANNON. Mr. Speaker, under leave to extend remarks in the CONGRESSIONAL RECORD, I take pleasure in including a report of the ceremonies attending the award to Senator STUART SYMINGTON, of Missouri, made by the Missouri Farmers Association to Senator SYMINGTON, and notes from his address before the annual convention of the Association in acceptance of the award.

The Missouri association is the largest cooperative State association in the Nation and transacts a larger volume of business annually than any other State

agricultural organization. The president of the Missouri Farmers Association, Mr. Fred V. Heinkel, is one of the outstanding agricultural executives of the Nation today.

Senator SYMINGTON before his election to the United States Senate had taken a deep interest in the development of the farm cooperatives of the State and during his service in the Senate has been recognized as an authority on agricultural legislation.

In conferring this distinguished honor upon Senator SYMINGTON at the annual State meeting of the Missouri Farmers Association in session at Columbia, Mo., on August 24, President Heinkel said:

Because of your distinguished record as U.S. Senator from Missouri, and as a member of the Senate Committee on Agriculture, and because of your firm insistence on truth, honesty, and positive action as a member of that committee, because of your perfect 100-percent voting record on farm legislation while a Member of the U.S. Senate; and, further, because of your loyal support of REA, farmer cooperatives, soil and water conservation programs, forestry, and flood control; and because of your sincere interest in the health and well-being of the people of this Nation as a whole, and American farmers in particular, we feel that you have earned and are eminently deserving of the highest honor and award the Missouri Farmers Association has to offer.

Therefore, the board of directors of the Missouri Farmers Association has voted unanimously to bestow upon you the MFA's Award for Distinguished Service to Agriculture.

In response, Senator SYMINGTON said in accepting the distinguished award:

Mr. President, there must be unity in agriculture if we are to have prosperity in agriculture.

Nobody can deny that the American farmer is the forgotten man of our present economic recovery. The record proves that while other groups in our economy have moved forward from last year's recession, the American farmer has moved backward.

Part of that unfortunate record follows:

For the first 6 months of 1959, total national income is up 10 percent over 1958; but farm income is down 8 percent; in fact, parity today is the lowest in 19 years.

For the first time in our history, the farmer's share of the consumer's food dollar has sunk below 40 percent.

And as we all know, farmers' expenses are now at record levels.

The record is also clear in showing that the farm policies of this administration are pushing the farmer further toward the bottom of the economic heap. The farmer's share of the Nation's income has declined from 5.2 percent in 1952, to 3.2 percent so far in 1959, a reduction of about 40 percent in less than 7 years.

Unless our great Nation is satisfied with partial economic health, something must be done to bring farm income back to a fair return for work expended.

In addition to the income squeeze, the farmers of America now find themselves in the midst of one of the biggest administrative messes in the history of our Government.

The Government investment in farm commodities has increased from $2.5 billion in 1952, to $9 billion in 1959—and at the present rate of increase this investment will be over $12 billion by this time next year.

The resulting drain on taxpayers is tremendous, as witnessed by the fact the present Secretary of Agriculture has spent more money in his 6½ years in office than all the previous Secretaries of Agriculture in the history of our country.

Nevertheless Secretary Benson continues to reject congressional attempts to deal with this growing problem.

Of 124 agriculture bills introduced in the Senate, during his term of office, he has opposed all but 14.

Yet despite his promise to the Senate last February 16, Mr. Benson has yet to come up with any overall farm plan of his own.

As an interesting aside, note that processors of agriculture products are now making, in effect, comparable complaints against retailers that farmers have been making over recent years about processors.

If we don't stop this trend toward the vertical, soon a very few people will control it all—and this goes beyond agriculture.

FOOD-FOR-PEACE PLAN

Our agricultural abundance, instead of being an economic curse, can be used as a potent tool in our efforts to build world peace.

We should declare to the people of the world now plagued with hunger and starvation and disease and poverty that the people of the United States are willing to share our abundance—our blessings—of food and fiber.

REA

One of the greatest examples of the value of cooperation and unity in agriculture is in REA.

In 1935, less than 6 percent of our American farms had central station electric power.

Then the wheels of cooperation began to turn. Individual farmers, working hand in hand with their neighbors and with their Government, forged an organization and a network of powerlines which now provide more than 96 percent of our farms with the benefits of electric power.

But even with these outstanding achievements, we must continue to cooperate and unite against those who do not have the best interest of the farmer and REA at heart.

Some of these attacks come from the very people who are supposed to represent the American farmer.

I am glad to announce that, only last Friday, the Senate passed the Aiken resolution, which reaffirmed and restated the sense of Congress that REA shall continue to serve the American farmer.

Here again is the evidence of farmer cooperation through their representatives in Congress, to unite and cooperate to preserve this great institution.

UNITY IN AGRICULTURE

Perhaps this very meeting this week, here in Columbia, Mo., can stimulate wholehearted efforts on the part of farmers, farm leaders, and all of us interested in the future of agriculture, to unit—to speak as one voice.

I pledged my full support toward that goal.

Andrew Jackson May

EXTENSION OF REMARKS

OF

HON. FRANK CHELF

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 7, 1959

Mr. CHELF. Mr. Speaker, we are all deeply saddened by the passing of our former colleague from Kentucky, Andrew Jackson May. "Uncle Jack," as he was affectionately known, served the good mountain people of Kentucky of the Seventh District, for seven terms. He was the chairman of the old Military Affairs Committee that had to do with the U.S. World War II effort.

I shall never forget that as a new and young Member of the House—back in January 1945—"Uncle Jack" had up before the House the Mobilization of Civilian Manpower—the commonly known work-or-fight bill. Having been retired from the Air Corps a short time before I was elected to Congress in 1944, "Uncle Jack" asked me if I would speak on his committee's bill. He said that it was in trouble. He told me that he thought if I would urge the membership to support the measure—that they would be inclined to do so—since I had just left the armed services. I did speak out on the bill. I took the position that if the Congress could draft a young boy to leave home, train, fight, and even die in the defense of his country—surely then the Congress had the power and the moral obligation to draft a man to work and to fashion the tools, the guns, and the munitions for him to use in his fighting. The bill passed the House and later "Uncle Jack" was kind enough to tell the newspapers that my speech in behalf of the legislation was the difference between victory and defeat of the bill.

Andrew J. May lived to be 84 years of age. He passed away quietly at the hospital in his hometown of Prestonsburg in his beloved Kentucky mountains.

Andrew J. May led nearly every fight for every major piece of legislation that gave our great country her strength, manpower, and her vast striking power during the war. He carried this terrible load of work and great responsibility all during the entire World War II period. Specifically, he piloted the draft bill and the GI bill of rights through the House of Representatives.

Mr. Speaker, Andrew May should be remembered for the many, many good things that he did. As one of two members of the Kentucky delegation who served in the House of Representatives with "Uncle Jack"—I want to say that he was, in my opinion, kind, considerate, sympathetic, understanding, sober, and capable. He loved his home, his family, his people, and his State. May God rest his soul in peace.

To his family, I extend my deepest sympathy on this sad occasion, and may the good Lord bless them and keep them always.

Mr. Speaker, there follows excerpts from a story appearing in the New York Times of September 7, 1959:

ANDREW MAY DIES—EX-LEGISLATOR, 84

PRESTONSBURG, KY., September 6.—Andrew Jackson May, a power in Congress until war-bribe charges destroyed his career, died today in a hospital here. He was 84 years old.

Mr. May's wife, the former Julia Grace Mayo, died in the 1940's. They had three children, two of whom survive—Robert and Mrs. Olga May Latta, both of Prestonsburg.

ATTAINED PROMINENCE IN WAR

An obscure Representative from Kentucky until World War II, Mr. May gained national prominence as head of the powerful House Military Affairs Committee.

* * * * *

He had assumed that post in 1938, after having served in Congress since 1930.

* * * * *

In 1946, the Mead committee, headed by Senator James M. Mead, New York Democrat, began investigation of war contracts. * * * In a speech on the floor of the House, he branded the committee a court of inquisition, described Dr. Garsson as his "very good friend," and said that he had acted out of patriotism in aiding the syndicate.

* * * * *

Mr. May had once said that with a name like his (Andrew Jackson) he had to be a fighter. Ill and worn at 72, he fought hard at his trial to prove that he had never accepted money from the Garsson brothers and that he had not done favors for them that he would not have done for others.

* * * * *

On June 26, 1952, the Kentucky Court of Appeals restored Mr. May to his standing as a lawyer because it was "not in keeping with Christian principles" to deny him another chance. On December 25, 1952, former President Harry S. Truman granted a full Presidential pardon that restored his citizenship rights.

Since then Mr. May had lived in Prestonsburg, less than 15 miles from Langley, where he was born on June 24, 1875.

He began his career as a schoolteacher and later was admitted to the bar and entered politics. From 1901 to 1909, Mr. May was Floyd County attorney. He later was a special judge of the circuit court of Johnson and Martin Counties.

Entering business, Mr. May served as president of the Beaver Valley Coal Co. In 1930, he was elected to the 71st Congress. He was reelected successively until 1947.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, September 7, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of September 5, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

The importance of every vote was demonstrated when the House sustained the President's veto of a public works bill by just one vote. With a two-thirds majority needed to override, each vote to sustain equals, in effect, two votes. The President, bent on balancing our budget, asked for no new starts on projects this year. In this I wholeheartedly concur. Each Member, of course, defines fiscal responsibility his own way, and I was the only Texan to support the President's position on the final vote. Two hundred and seventy-four Members (263 Democrats and 11 Republicans) voted to override, and 138 (132 Republicans and 6 Democrats) to sustain. Starkly dramatic was the demand for a recapitulation, with the Speaker refusing Minority Leader HALLECK'S request for an announcement of the vote count before any recapitulation. Several vote switches could have been decisive. The one-vote margin means that each man among the 138 sustainers cast the deciding vote. The possibility of majority reprisals against the 138 became a topic of speculation. The Trinity survey funds were not deleted from the proposed substitute bill, though threatened. In all the political jockeying to take credit, or place blame, any real concern for sensible economizing is often lost.

The 1-cent gas tax increase debate was controversial, but generally not partisan. Argument centered around whether to (1) keep the program pay-as-we-go, by raising tax; (2) keep program at present high level of construction, or stretch it out; (3) dedicate more of highway user taxes to road fund. Everybody was for maintaining the highway program, one way or another. The President's proposal to boost the gas tax temporarily by 1½ cents per gallon was defeated, and a 1-cent increase agreed upon, plus earmarking other present user taxes for the highway fund. I opposed any tax increase (see July 25 and August 1 newsletters) believing that what we need is not more money, but more for our money. I feel we should check carefully into the still unexplained but soaring increases in cost estimates before increasing any taxes.

Another housing bill was vetoed and for practically the same reasons as before. The President has urged extension of FHA's insuring authority, and a slowdown or cutback in most other areas. The bill sent to him went far beyond budgeted figures in programs for college classroom construction loans, direct loans for additional housing for elderly persons, public housing, and urban renewal.

The Government interest rate ceiling brought on a heated debate, and probably this session's least understood one. The technical nature of the Treasury's debt-management problems, and the political appeal of being against "money lenders and their profits" helped muddy the water of fact and truth. Refinancing the national debt, and paying new bills run up by Congress, forces the Treasury Secretary to go into the open market and borrow under the best terms he can get. Yet he must do this under out-of-date Government-set interest rates for loans over 5 years. Unable to do so, he is forced to borrow for shorter terms, on which no such ceilings apply. Result? The Secretary is handicapped in trying to refinance on the best terms possible, and the Government is forced to compete with individuals, families, and small businesses for the short-term money available. The administration proposal to remove arbitrary interest restrictions on all Government borrowing was defeated, and only the interest ceilings on E- and H- (savings) bonds were removed. How the Treasury will refinance $85 billion of Government indebtedness during the next year was not faced up to, nor was the fact that the credit of the United States and the value of your currency is at stake. The present "political" interest ceilings will wind up costing John Doe Taxpayer much more. And the President has clearly warned that, if they refuse to act, the Democrat leadership in Congress will be responsible for the consequences.

The labor bill conference agreement, generally conforming to the stronger House bill, passed handily, 352–52. Only one Republican was among the 52 stanch labor supporters who opposed. While on labor affairs, two other items, appearing in the RECORD this week are worthy of note: (1) a quotation of Senator KENNEDY'S apt and honest description of his labor bill as "worked out carefully with President Meany and his lawyers" (CONGRESSIONAL RECORD, Sept. 3, p. 18029, and (2) a résumé of Congress-threatening James B. Carey's past affiliations with Communist front organizations as well as his opposition to them upon occasion (RECORD, Aug. 31, p. 17460).

Another National Guard armory in Dallas was included in the military construction conference report adopted this week.

Khrushchev's visit opposition may at least prove to him that the American people are not taken in by his duplicity. It is my fervent hope and prayer that (1) he will sense the tremendous "sleeping giant" strength of the American people, so he will not miscalculate our ability and determination, (2) that more good than harm comes from his visit here. Khrushchev's visit is of grave concern to most here and ever present in the thoughts of many, despite preoccupation.

The President's Veto of the Housing Bill Brings Protest From the People at Home Who Realize What the Effect Will Be

EXTENSION OF REMARKS
OF
HON. JOHN J. McFALL
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, September 7, 1959

Mr. McFALL. Mr. Speaker, those of us who worked and voted for good housing legislation only to have the wishes of the majority thwarted by Presidential opposition three times in the past 2 years are understandably disturbed and disappointed.

But even more concerned are the people on the home front who are faced with the prospects of no housing legislation because of the veto.

I am hopeful that before we adjourn we will enact a new housing bill, as good or even better than the defeated bill of 1958, the trimmed down vetoed bill No. 1 of 1959 or the even further curtailed but still vetoed bill No. 2 of 1959.

Every person in the country is hurt if our housing program is stopped, not only the real estate salesmen, builders, carpenters, and suppliers who are direct effected by shutdown of the FHA program, but all the others who are indirectly hurt.

Following are telegraphic comments from some of those in the 11th District of California who know firsthand the harm that is being done by these vetoes:

From Dean C. DeCarli, mayor of Stockton:

The city of Stockton is extremely disappointed over the veto of the housing bill by the President. As this bill is needed to assist us in financing our West End redevelopment project to provide for a needed 200 units of public housing and to provide for Federal assistance for displaced people, we urgently request that you override the President's veto.

From John E. Hirten, executive director, Redevelopment Agency, city of Stockton:

Veto of housing bill will have serious effect on entire urban renewal and housing program for the city. Completely stops possibility of renewal and redevelopment of 200 acres West End skidrow area. Also kills 200 public housing units needed to replace obsolete city owned Lanham Act war housing. We appreciate your efforts in the past and once again implore your assistance to override the President's veto. Two years without appropriate housing legislation will certainly restrict our programs and hurt interest and initiative shown by citizens of this community. It can truthfully be said that the lack of housing legislation will have detrimental affects on our community and its economy. Of all legislation the housing

bill comes closest to paying for itself in increased tax base of communities and their economy.

From C. P. Kenyon, administrator, San Joaquin County Board of Supervisors:

The President's veto of the housing bill affects several vital projects in San Joaquin County. We feel that the public housing bill should be passed and we urge your vote to override the President's veto.

From Henry Hansen, secretary of the Central Labor Council of Stockton:

Housing bill is vital to Stockton. Appreciate your support to override the veto.

From executive director of the San Joaquin County Housing Authority, Allen R. Reed:

Thank you for your letter of August 28 and your attached newsletter No. 34 on the subject of difficulty of enacting good housing legislation. We were both somewhat surprised and shocked when we learned of the President's veto of the second housing bill. All we can do at this time is to express our appreciation for your good work and await the outcome of the override action. In a telephone conversation with the Commissioners today they asked me to express their most heartfelt appreciation for your work and support of the housing bills.

Time To Curb Excessive Jet Noise

EXTENSION OF REMARKS
OF

HON. FLORENCE P. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 7, 1959

Mrs. DWYER. Mr. Speaker, the price of material progress is sometimes too high in terms of its effects on the health, safety, and comfort of human beings. Such an instance appears to be the increasing concern felt by many at the impact of jet noise on the people who live in the vicinity of airports which service commercial jet aircraft.

This problem is especially important at the major airports in the New York metropolitan area, including the Newark Airport which is adjacent to the district I represent.

I was pleased, therefore, to note that a special subcommittee of the Committee on Interstate and Foreign Commerce held a hearing today at New York's Idlewild International Airport for the purpose of inquiring into the situation. I am hopeful the subcommittee will be able to offer constructive ideas, for it is apparent that the Federal Government has at least a measure of responsibility for controlling the excesses of jet noise.

Under leave to extend my remarks in the RECORD, Mr. Speaker, I include a brief item from the Sunday New York Times of September 6, which cites the particularly bad noise record of certain domestic airlines using jet aircraft in contrast to flag carriers of other nations. I also include a longer story from United Press International which appeared in the same issue of the New York Times, and which describes the growing concern throughout the country.

Finally, I include the text of a statement I prepared for the Interstate and Foreign Commerce subcommittee hearing in New York today.

The material follows:

[From the New York Times, Sept. 6, 1959]

AIRLINE CRITICIZED FOR JET NOISE HERE

Of five airlines operating jet planes out of New York International Airport, Idlewild, Queens, American Airlines is the only one in "willful disregard of the public welfare" by making noisy takeoffs, the port authority charged yesterday.

John R. Wiley, aviation director of the port authority, which operates the airport, said that American Airlines conformed to noise standards in only 64.3 percent of its takeoffs from Idlewild during August.

Trans World Airlines conformed on 68.3 percent of its takeoffs, he added, an improvement over its 59.6 percent conformance during July, but still "far below the acceptable level."

Pan American conformed 91.8 percent, while Aerolineas Argentinas and British Overseas Airways Corp. conformed on all their takeoffs.

There are 25 takeoffs of jet planes daily at Idlewild. Residents of the Jamaica Bay area have complained of noisy takeoffs and landings.

A public hearing into these complaints will be opened at 10 a.m. tomorrow on the fifth floor of the control tower at Idlewild by a House of Representatives subcommittee.

A spokesman for American Airlines said yesterday that his company was "following closely" the voluntary procedures for noise reduction set up by the National Air Transport Coordinating Committee. This organization consists of delegates from all domestic airlines, the pilots' union, and the Federal Aviation Agency.

[From the New York Times, Sept 6, 1959]

PROTESTS OVER JET NOISE MOUNT TO A NEW PITCH AROUND AIRPORTS—SLEEPLESS RESIDENTS SEEK FLIGHT CURBS—PROBLEM IS MOST ACUTE IN NEW YORK, SAN FRANCISCO, AND LOS ANGELES

WASHINGTON, September 5.—America's new jet airliners, conquerors of distance and time, are not doing so well with people on the ground.

Specifically, those irate citizens live near airports and complain vociferously that jet noises is interfering with life, liberty and the pursuit of happiness.

The airliners are frankly worried. The organized protests have reached such proportions that some citizens' groups are demanding a curfew on all jet landings and takeoffs between 11 p.m. and 7 a.m. They have taken their fight to Congress and to the Federal Aviation Agency.

The chief trouble spots appear to be in New York, San Francisco, and Los Angeles. This is the situation in those three cities.

New York: John T. Clancy, Queens Borough president, is spearheading the opposition, directed mainly against jet operations at New York International Airport, Idlewild, Queens.

It was Mr. Clancy who proposed that no jet landings or takeoffs be permitted at Idlewild during sleeping hours—and he would extend that curfew even to LaGuardia Airport, which has no jet service. He also has threatened to start sewer construction projects in Queens that would block traffic into both airports.

San Francisco: San Francisco's International Airport is surrounded on three sides by the bay, and annoyance is limited to one residential area—the city of South San Francisco with a population of 40,000.

For more than a year this community has had an antinoise committee that holds frequent meetings. It even hired a noise expert.

SCHOOLS PROTEST

The complaints center around more than loss of sleep. The South San Francisco school district has at least twelve schools directly under the takeoff pattern, and school officials are considering legal action to keep jet noise from interrupting classes. So loud and frequent have been the complaints that a special telephone had to be installed at the airport to handle them.

Los Angeles: Several local groups from areas near Los Angeles International Airport have formed antinoise committees without getting much more than sympathy.

One school has filed complaints that classes have been stopped by noise. A single rally drew more than 1,000 persons, but the protesting committees have backed away from a proposal to move the airport itself; too many people, including some of the complainants, make their living at the airport.

COMMITTEE FORMED

A group called the Los Angeles Sound Abatement Coordinating Committee has been formed, with the aid of the airlines, Government, and airport officials.

What can be done about the noise problem? The question was put to pilots, the Federal Aviation Agency and the airlines themselves. Their unhappy but unanimous answer: Not an awful lot, for these reasons:

The jets are equipped with sound suppressors (at a cost of $25,000 per plane), but, while they reduce noise to a certain extent, a lot more work must be done in this field.

The FAA, the airlines, and the pilots put safety ahead of noise nuisance. Whenever possible, they try to use preferential runways that avoid settled areas.

RUNWAYS LIMITED

But the preferential runway solution is limited by the low number of such runways. Most airports have only one, and it is not always possible to use it. Under most conditions, particularly hot weather, jets must use the longest runway and this is not always the preferential one.

Some complaining city officials have insisted that pilots climb faster to reduce the noise problem. Pilots already are instructed to attain at least 1,200 feet of altitude as quickly as possible and also hold that altitude as long as possible before landing. Any faster climb than that is impossible under the existing air traffic control situation.

Such drastic solutions as a night curfew would wreck the airlines. For example, suspending all flight operations in New York from 11 p.m. to 7 a.m. would mean that no New York-bound flight could leave Los Angeles after 2:30 p.m. Pacific coast time.

The Federal Aviation Agency is sturdily resisting demands that it take action to reduce noise annoyances. It is convinced not much could be done at present unless the protesting groups wanted to ruin commercial aviation and it believes the noise problem must be settled largely on a community level, not by the Federal Government.

STATEMENT OF REPRESENTATIVE FLORENCE P. DWYER, SIXTH DISTRICT, NEW JERSEY, BEFORE A SUBCOMMITTEE OF THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE CONCERNING THE OPERATION OF COMMERCIAL JET AIRCRAFT AT AIRPORTS IN THE NEW YORK METROPOLITAN AREA, SEPTEMBER 7, 1959, AT THE NEW YORK INTERNATIONAL AIRPORT

Mr. Chairman and members of the subcommittee, I appreciate the opportunity of presenting this statement for your consideration. The problems related to the operation of commercial jet aircraft from the three major airports in the metropolitan New York area—that is, Idlewild, LaGuardia, and Newark Airports—are of intense and in-

creasing concern to the people who live in the areas surrounding these airports.

As the Representative of the Sixth Congressional District of New Jersey, a portion of which lies adjacent to the Newark Airport, I am concerned for the health and safety and comfort of a great many of my constituents, all of which are jeopardized by the frequent use by jet aircraft of Newark Airport.

I hope that the subcommittee, in considering these problems, will give equal attention to all three airports. The problems are the same in each; all three airports serve the same area; all three are operated by the same Port of New York Authority; and, as the subcommittee is aware, Newark Airport has been utilized, more and more often, as a supplemental airport for traffic originally scheduled for Idlewild and LaGuardia when these airports are unable to handle them adequately.

Before any of the substantive problems can be solved, it seems to me, there is a fundamental need to fix responsibility among the several agencies involved with commercial aviation in this area, to determine the specific jurisdiction and the extent of authority which each is assigned. I refer, of course, to the Federal Aviation Agency, the Civil Aeronautics Board, the Port of New York Authority, and the voluntary National Air Transport Coordinating Committee. In my own experience and in that of other Members of Congress, there has been in recent years a great deal of ambiguity and confusion and avoidance of responsibility whenever efforts are made to control the operation of aircraft in the area in the interests of the general public.

Specifically, I believe that Congress must determine what agencies have effective authority to impose necessary conditions upon the operation of aircraft, both in the air and on the ground, in order to restrict noise and otherwise provide for the safety and health and reasonable comfort of those who reside in the vicinity of the airports. If sufficient authority has not been granted to date, then I believe further that Congress should undertake the responsibility of assigning it—in clear and specific terms.

For these reasons, I have supported House Resolution 162, introduced by our colleague, Mr. BOSCH, of New York, which would establish a select committee to study these problems. However, in the event this subcommittee, with its extensive background of experience in the field, would be willing to undertake such a study, then I should be among the first to encourage you to do so.

Certainly, the seriousness of the noise problem justifies your attention. As part of its noise reduction procedure for jet aircraft, the Port of New York Authority set a maximum level of 112 perceived noise decibels. While this level is extremely liberal when compared with the 60 decibels level which medical and acoustical authorities have recommended for the hours from 11 p.m. to 7 a.m., even this high level has been frequently exceeded by aircraft operating out of New York area airports.

Levels, for instance, of 124 decibels and 129 decibels have been verified by the Port of New York Authority as having been reached by jet aircraft operating in the area within the past 2 months. In understanding these figures, please remember that 140 decibels represents the very top of the sound scale, that physical pain will be experienced at sound levels above 130 decibels, and that a level of 108 decibels (substantially below the maximum set by the Port of New York Authority) is the equivalent of the noise produced by 30 Niagara Falls roaring simultaneously.

It is obvious that exposure to constant noise disturbances of these magnitudes will seriously affect the health and comfort of people living in the area over which jet aircraft must operate flying in and flying out of New York airports.

A section of Elizabeth, N.J., called Elizabethport, is situated within 1 mile of the most heavily utilized runway at Newark Airport. This is the runway, you will recall, which was specially built following three successive crashes of aircraft operating out of the Newark Airport in a very small section of Elizabeth. Planes which land or take off from this runway in a southerly direction fly over the Elizabethport section at levels below 400 feet—considerably lower than even the most liberal permissible minimum altitude.

Despite the past assurances of Port of New York Authority officials, these aircraft increasingly are jet aircraft, since jets have recently been permitted to use Newark Airport as an alternative to Idlewild and LaGuardia. On recent evenings, as many as five huge jet transports have thundered over this residential section of Elizabeth at incredibly low altitudes. The effect on the population has been upsetting and disturbing in the extreme. One of my constituents, for example, has been forced to replace no less than nine ceilings during the past few years as a result of the physical shock of the sound of constant low-flying aircraft. The cost of this situation in terms of lost sleep, impaired health, and shaken nerves is, of course, incalculable.

Yet, the justified complaints of our people go unheard and increasingly, in fact, unacknowledged. If the public agencies involved, or the airlines themselves, displayed any determined effort to correct this menace or to develop noise controls of one kind or another, then there might be cause for hope. But as far as we can determine there is little or no serious effort being made to live up to the obligations toward the general public inherent in the public franchise enjoyed by airlines and in the responsibilities of public regulatory agencies.

As a last resort, we are seeking the assistance of the Congress: first, to define the areas of authority and responsibility, and then to see to it that the rights of the people to protection of their health and safety are respected.

Thank you very much for your cooperation.

Is Space the Way to Peace and Abundance?

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 7, 1959

Mr. McCORMACK. Mr. Speaker, the gentleman from New York [Mr. ANFUSO] is not only one of the ablest but one of the most devoted and serious-minded Members of the Congress, enjoying the respect of his colleagues and the confidence of Speaker RAYBURN and myself. He is one of the most active members of the newly established, important Committee on Science and Astronautics and is chairman of one of its subcommittees.

Congressman ANFUSO attended the 10th Annual Congress of the International Astronautical Federation that was held in London, England, on September 4, 1959, and delivered a splendid and informative address to the members attending this particular congress. The address being entitled "Is Space the Way to Peace and Abundance?"

In my remarks I am pleased to include the excellent address made by the gentleman from New York [Mr. ANFUSO]:

IS SPACE THE WAY TO PEACE AND ABUNDANCE?

(Address by the Honorable VICTOR L. ANFUSO at the 10th Annual Congress of the International Astronautical Federation, London, England, September 4, 1959)

Mr. Chairman, distinguished members of this congress, and guests, at the outset, I wish to congratulate the members of the International Astronautical Federation and particularly its illustrious president, Mr. Andrew G. Haley, for bringing us together. Mr. Haley, as an organizer and as a pioneer in the field of international cooperation and space law, has no peer.

As a member of the Science and Astronautics Committee of the U.S. House of Representatives, I feel that on this occasion we can share a few thoughts of common interest.

Let us first face the fact that never in its history has the world been so near to destroying itself; that never before has so much deception in diplomacy been practiced and that never has there been so much talk of peace, while all the planning is for war. The situation is like inviting someone to your home for dinner, while making arrangements for his demise.

It is in this kind of world that we must seek the ingredients for peace.

We know that man has already discovered a new world—many times larger than the world Columbus found—but it is one of unexplored horizons. We have opened the door to the heavens' pathless way. The questions now being asked are these: Will what we find there be good or evil? Will it prove to be a boon to humanity, or are we getting nearer to the day of destruction?

As we look back over the recent past, it is hard to believe that man's efforts to penetrate outer space came to fruition less than 2 years ago. Prior to that time, most people regarded satellite orbits and interplanetary travel as nothing more than the fantasies of children or visionaries, of comic-strip cartoonists or science-fiction writers. During these past 2 years everyone has come to recognize that the practicality of space flight has been demonstrated. The impact of all this on people's minds has been unprecedented. Of all the wonders wrought by the progress of science and technology, it seems to me that none before—not even nuclear energy—has opened such vistas for mankind. Certainly none has ever promised to free us, while still alive, from the earth itself.

At this great international gathering, it is fitting to review the material benefits, in new knowledge and the practical applications thereof, which we may reasonably expect from man's future explorations in outer space. No less important is it for us to consider the prospects that may be offered for permanent world peace. But we must not let ourselves be so dazzled by these glittering possibilities that we forget the deeper meaning of our emergence into outer space. I refer, of course, to man's moral sense, his curiosity and capacity for wonder, his faith and reverence in God, and his spirit of adventure.

I shall not waste the time of this learned audience with details of the possibilities which the exploration of space has to offer. As a layman, I am interested in the practical aspects of these discoveries and particularly how this will affect our daily lives. I am interested, for example, in the observation made by Dr. James Van Allen who said that the progress of space science and technology will bring (and I quote):

"A rich and continuing harvest of important practical applications. Many of these applications will be of military value; but their greater value will be to the civilian community at large."

Dr. Fred Whipple, Director of the Smithsonian Astrophysical Observatory, said:

"Weather forecasting, in my opinion, will become a science instead of an art. I predict that its value to the country will greatly outweigh the cost of the entire (space) program."

Dr. Wernher von Braun said that communication satellites will not only pay for themselves, "but pay for trips to the moon and other ventures in this business."

The few examples I have cited could be multiplied many times. They are the serious predictions of responsible and eminent men.

I am convinced that the expansion of knowledge and its applications can be speeded up by providing greater incentive for scientific and engineering efforts. Accordingly, I introduced a bill in Congress in April of this year, known as H.R. 6288. It calls for the creation of a Presidential Medal of Science, which is to be awarded to persons who make outstanding contributions in the physical, biological, mathematical or engineering sciences. Needless to say, achievements in the space sciences and technology are included. My bill was passed unanimously by the House of Representatives on August 19, 1959, and 2 days later by the Senate of the United States. I trust that this law will serve as an incentive for further scientific progress.

I am further convinced that the progress of space science and technology and the peaceful uses of outer space will be greatly facilitated by a full partnership of cooperating nations. Many projects in outer space, which could benefit all mankind, would be literally impossible without international cooperation, for example, if they required the use of worldwide tracking or telemetering equipment or of launching sites in certain geographical locations. Costs alone will prevent some nations, or even any one nation, from undertaking certain ambitious space operations. Some of these space projects can be done better and more cheaply if they are carried out as joint enterprises of two or more nations.

There is reason to hope that a good deal of international cooperation in the peaceful uses of outer space will be forthcoming in the foreseeable future. A good beginning has already been made. The cooperation of many nations in the International Geophysical Year (IGY) and the Committee on Space Research (Cospar) established by the International Council of Scientific Unions, has been most encouraging. Even the United Nations Ad Hoc Committee on the Peaceful Uses of Outer Space has produced some valuable results, although several nations have refused to participate in its work on the ground that its membership is unrepresentative. This situation should be corrected as soon as possible.

I propose that all governments interested in the peaceful uses of outer space should create a Committee on Space Cooperation, with fair representation from the Communist and non-Communist worlds. In my opinion, the Committee should be established within the framework of the United Nations. In any event, its functions would be the exploration and development of outer space in the common interest of all mankind. If subcommittees were subsequently formed in the various member nations, I would hope that in my own country, at least, suitable representation would be provided for science, industry, and the Government, and that both the legislative and executive branches of Government would be represented in its membership.

The challenge of outer space demands a full and true partnership, first among nations, then among science, industry, and government. To deny such participation in the peaceful exploits into outer space would widen the no man's land barrier presently existing between the Western and Communist worlds and would invite further full-scale competition. The discoveries then, on both sides, could easily be diverted, not to create a peaceful and closer knit world of abundance where no one need be in want, but to create even more menacing ways of destroying the world than we have today. Thus we would all be the losers in such competition.

Prior to attending this meeting, I addressed letters to both President Eisenhower and Prime Minister Khrushchev urging that they discuss this one area of possible agreement as a step toward world unity. I have further suggested that this proposal be given consideration by the United Nations and the NATO powers prior to the meeting of the heads of state.

An example of what can be done by joint peaceful cooperation is the agreement reached in April of this year between the United States and Canada in ionospheric research.

Another example is the agreement announced only July 29 of this year between the United States and Great Britain under which agreement British scientists will prepare the instrumentation for satellites to be put into orbit by the United States.

Still another forward step in the joint use of outer space is being taken by the International Telecommunications Union, which is meeting at this moment in Geneva.

I believe that agreement on space frequencies could set a pattern for multilateral cooperation in other space activities. Through their partnership in outer space, nations can learn the ways of meaningful cooperation on earth. Certainly cooperation is a more fruitful and more effective method than coercion—or even mere coexistence—if our goals are peace and abundance.

Whether mankind's emergence into outer space will serve the cause of peace is still a matter of hope, rather than conviction. It is true that space technology can be used for either peace or war. For that very reason, however, war has become all the more obnoxious and impractical. General Lemnitzer, the U.S. Army Chief of Staff, predicted recently that missiles will soon create "strategic nuclear disarmament," becoming so numerous and relatively invulnerable that no attack can prevent retaliation.

Regardless of such military considerations, I feel strongly that an arms race to dominate outer space must be avoided. National rivalries should be confined to the earth—and, if possible, buried there for all times.

Some observers have suggested that enterprises in outer space will provide mankind with a moral equivalent of war. Early in this century, the American philosopher and psychologist, William James, made the following comment:

"What we now need to discover in the social realm is the moral equivalent of war; something heroic that will speak to men as universally as war does and yet will be as compatible with their spiritual selves as war has proved itself to be incompatible."

We may reasonably conjecture that in the vastness of outer space man may at last find a moral equivalent of war, to evoke and satisfy his longing for adventure, his fascination with the unknown, his need to be challenged and tested to the final limit of his strength.

In addition, it is fortunate that space technology may provide the means, at long last, to maintain world peace. The risk of surprise attack, for example, could be minimized by a system of international satellite surveillance.

Perhaps the immensity of the cosmos and the new knowledge of its mysteries resulting from space exploration will bring the peoples of the world closer together in new patterns of cooperation. Is it too much to hope that man's mind and spirit will expand with the scope of his activities?

Let me conclude by saying that space can be, if we will, a way to world peace as well as abundance. If earthmen can get together on this one thing—the peaceful exploration of outer space—then that very space can be the way to the creation of a world of abundance, making war outmoded and unnecessary.

SENATE

TUESDAY, SEPTEMBER 8, 1959

(Legislative day of Saturday, September 5, 1959)

The Senate met at 9:30 o'clock a.m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou guide of our pilgrim way, out of all our frustrations and fond plans that have never come to fruition, out of all the bitter sense of failure to make of ourselves the sort of person we aspire in high hours to be, nevertheless, we come feeling that round our incompleteness flows Thy greatness and round our restlessness Thy rest.

Thou dost offer to us that abiding peace which is beyond the measure of man's mind. Always Thy still small voice, if we but listen, whispers even as we make our false choices, "Come unto me, all ye who labor and are heavy laden, and I will give you rest." Give us to see, we beseech Thee, that our misused freedom, our cheap pleasures, our fatal self-indulgence, so often bar us from Thee who art our very life. Forgiving our foolish ways:

"Take from our souls the strain and stress,
And let our ordered lives confess
The beauty of Thy peace."

Amen.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that we have the usual morning hour, for the introduction of bills, petitions, and memorials, and the transaction of other routine business, with the limitation on statements of not to exceed 3 minutes.

The PRESIDENT pro tempore. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object—and I shall not object after we have a quorum call—I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

Mr. JOHNSON of Texas. Mr. President, do I not have the right to make an-

other request before the Senator is recognized for the purpose of suggesting the absence of a quorum?

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Oregon cannot do that on a reservation to object.

Mr. MORSE. I did not hear the ruling of the Chair.

The PRESIDENT pro tempore. On a reservation to object the Senator from Oregon may not suggest the absence of a quorum.

Mr. MORSE. I wanted a quorum here before I completed stating my position on the record.

Mr. JOHNSON of Texas. Mr. President, a point of order. I make a point of order that the Senator has not been recognized for anything excepting to reserve the right to object. I am seeking recognition for some other requests to which I am sure the Senator will object, and then the Senator can be recognized in his own right, but I should like him to do that at the end of the other requests.

The PRESIDENT pro tempore. The Chair recognizes the Senator from Texas.

Mr. MORSE. May I complete my statement on my reservation?

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, in the course of time I shall not object to the morning hour with the usual 3-minute limitation, but in the absence of being allowed to have a quorum to hear the discussion, I will object now. Mr. President, I object.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be authorized to meet during the session of the Senate today.

Mr. MORSE. Mr. President, I object.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Banking and Currency be authorized to meet during the session of the Senate today to consider the housing bill.

Mr. MORSE. Mr. President, I object.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allott	Javits	Murray
Byrd, Va.	Johnson, Tex.	Pastore
Clark	Jordan	Russell
Eastland	Kuchel	Smith
Frear	Long, Hawaii	Symington
Green	Long, La.	Talmadge
Hayden	Morse	Thurmond

Mr. MANSFIELD. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. HENNINGS] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The PRESIDENT pro tempore. A quorum is not present.

Mr. JOHNSON of Texas. Mr. President, I move that the Sergeant at Arms be instructed to inform Senators that certain Senators desire their presence immediately in the Chamber, and to request their attendance.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. ANDERSON, Mr. BARTLETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BUSH, Mr. BUTLER, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CHAVEZ, Mr. COOPER, Mr. COTTON, Mr. CURTIS, Mr. DIRKSEN, Mr. DODD, Mr. DWORSHAK, Mr. ELLENDER, Mr. ENGLE, Mr. ERVIN, Mr. FONG, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GORE, Mr. HART, Mr. HICKENLOOPER, Mr. HILL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON of South Carolina, Mr. KEATING, Mr. KEFAUVER, Mr. KENNEDY, Mr. KERR, Mr. LANGER, Mr. LAUSCHE, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MARTIN, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MCGEE, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORTON, Mr. MOSS, Mr. MUNDT, Mr. MUSKIE, Mr. NEUBERGER, Mr. PROUTY, Mr. PROXMIRE, Mr. RANDOLPH, Mr. ROBERTSON, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mr. SCOTT, Mr. SMATHERS, Mr. SPARKMAN, Mr. STENNIS, Mr. WILEY, Mr. WILLIAMS of New Jersey, Mr. WILLIAMS of Delaware, Mr. YARBOROUGH, Mr. YOUNG of North Dakota, and Mr. YOUNG of Ohio entered the Chamber, and answered to their names.

The PRESIDENT pro tempore. A quorum is present.

Mr. JOHNSON of Texas subsequently said: Mr. President, I am informed that the notes of the Official Reporter are now available; and I should like to have the clerk read them, in accordance with the agreement previously entered into.

The Senator from Oregon was correct in his statement, and I was in error. I did not hear the statement the Senator from Oregon made, when he said he would object "now." I thought he said he would object. Therefore, I wish to state to the Senate that I was in error in my interpretation of what the Senator from Oregon said, and the Senator from Oregon is correct.

Mr. MORSE. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. MORSE. It is not necessary to have the statement read. Once again the Senator from Texas has demonstrated his complete fairness when he finds himself in error. I hope I will always be as big as the Senator from Texas has been.

I do not believe we need take the time of the Senate to have the notes read, insofar as they relate to the little dispute in regard to what I did or did not say.

Instead, I suggest that we permit the Senator from Virginia to proceed with the presentation he wishes to make.

Mr. JOHNSON of Texas. I thank the Senator from Oregon.

Mr. BENNETT. Mr. President, let me ask whether it is the understanding that when the Senator from Virginia concludes his presentation, there will be a morning hour.

Mr. JOHNSON of Texas. I shall make such a request.

Mr. BENNETT. I thank the Senator from Texas.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senator from Virginia concludes his presentation, the Senate have the usual morning hour, subject to a 3-minute limitation on statements.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

INTEREST RATES ON E AND H SAVINGS BONDS

Mr. BYRD of Virginia. Mr. President, I ask the Chair to lay before the Senate the unfinished business, which is H.R. 9035, relating to the issuance of series E and H savings bonds.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes.

Mr. SYMINGTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Missouri will state it.

Mr. SYMINGTON. Are we to have a morning hour?

Mr. JOHNSON of Texas. We were informed that would be objected to.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I do not have the floor.

Mr. MORSE. Mr. President, will the Senator from Virginia yield?

Mr. BYRD of Virginia. I yield a half minute.

Mr. MORSE. The Senator from Oregon objected to a morning hour before a quorum call, but made it very clear he would not object to a morning hour after a quorum call.

Mr. JOHNSON of Texas. In view of what took place, I would like to have the Official Reporter bring in the notes showing what the Senator said. I think the notes show that.

Mr. MORSE. I ask to have the notes read.

The PRESIDENT pro tempore. The Official Reporter will bring in the notes of what transpired before.

Mr. BYRD of Virginia. Mr. President——

The PRESIDENT pro tempore. We are waiting for the record.

Mr. HOLLAND. Mr. President, it seems there is some delay. I wonder if there would be objection to allowing the Senator from Virginia to proceed with the debate, with the understanding that when he completes his statement—and he always makes a short statement—we may go back to the matter of examining the notes.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that what the distinguished Senator from Florida said may be agreed to by the Senate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD of Virginia. Mr. President, the present law has a maximum interest rate of 3.26 percent on such bonds. The bill permits the maximum rate to be exceeded in case of a finding by the President that national interest so requires.

The problem in connection with savings bonds is that, beginning in the third quarter of 1956 and running to the current date, redemptions on series E and H savings bonds, with the exception of the first quarter of 1958, have continually exceeded cash sales of these bonds. In 1959 the sales of series E and H savings bonds have declined 10 percent in the first 8 months, with the downward trend of sales steepening in recent months. Moreover, the 1959 redemptions through August were 13 percent above a year ago, with the trend in this case also worsening. The excess of redemptions over sales of E- and H-bonds in July amounted to $156 million, the largest amount in any month since April 1946. Moreover, the excess of redemptions over cash sales of E- and H-bonds in the first 8 months of 1959 has amounted to $758 million, the largest cash loss for any January through August in the history of the savings bond program. Unfortunately, given the present interest rates, this excess of redemptions over cash sales is expected to continue in the future.

This problem of excess redemptions over sales in the case of savings bonds in large measure can be attributed to the increasing spread on yield which may be obtained on savings bonds and alternative forms of investment. The rate of return on E- and H-bonds is now much less favorable, relative to that on savings accounts and other forms of investment, than in earlier years. This can be shown by comparing the rates of yield for series E bonds and for different forms of investments competitive with E-bonds at the end of World War II and currently.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a tabulation showing a comparison of rates.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

	End of World War II	Current yield
Series E bonds	2.9 percent	3¼ percent.
Long-term maturities of marketable Government securities.	2¼ percent	More than 4 percent.
Savings and loan shares	2⅝ percent	3⅝ percent.
Mutual savings bank deposits.	1⅝ percent	3¼ percent.
Commercial bank savings deposits.	Less than 1 percent.	2¼ percent.

Mr. BYRD of Virginia. Mr. President, while the interest rate on series E bonds has risen only about a third of 1 percentage point from the end of World War II to the present time, the interest rates on the competitive forms of investment have risen at least a full percentage point, and in some cases by about 2 percentage points. Although the interest rate on series E bonds during and after the end of World War II was significantly higher than that for long-term maturities on marketable Government securities, the current yield on the series E bonds is about a percentage point below the current yield on these marketable Government securities.

A. SUSPENSION OF THE INTEREST RATE CEILING ON SAVINGS BONDS

The importance of maintaining a large segment of the public debt in the form of savings bonds is generally recognized. The holding by the public of such bonds is an important means of checking inflationary pressures because it absorbs funds which otherwise might be in the market competing for consumer goods. In this same connection the savings bond program also promotes saving throughout the country, as is evidenced by the fact that some 8 million individuals regularly make purchases of these bonds under payroll savings plans. In addition, the encouragement of the savings bond program is desirable because the holders of this debt represent relatively long-term investors and on the average maintain their investments in these bonds for a period of approximately 7 years.

The bulk of the savings bonds outstanding today represent series E and H bonds. These represent more than $42.6 billion of the $50.3 billion of outstanding savings bonds on August 31, 1959. The series E and H bonds now can be held by all investors, other than commercial banks. These bonds are complementary in that E-bonds are at a discount—75 percent of original maturity value—while the H-bonds are issued at par but bear interest payable semiannually. In both cases the interest yield currently is 3¼ percent to the maturity of the bond. Of the $42.6 billion in E- and H-bonds outstanding on August 31, $37.9 billion represent the discount-type series E bonds and $4.7 billion the series H bonds which pay interest semiannually. In addition, approximately $7.6 billion in old series F, G, J, and K bonds are still outstanding although the sales of these bonds were discontinued after April 30, 1957.

The administration has presented to your committee plans to solve the savings bond problem by bringing the savings bond interest rate back approximately to the same relative competitive position with other forms of comparable investments which it held in 1952. It hopes to do this by providing a higher rate of interest on savings bonds. The administration has indicated that it would like to provide a higher interest rate not only for new bonds beginning with those issued as of June 1, 1959, but also with respect to the E- and H-bonds which are already outstanding. Thus, its present plans call for a rise in the interest rate on new issues of savings bonds from approximately 3¼ percent yield to maturity to a yield to maturity of approximately 3¾ percent. Similarly, an increase of approximately one-half of 1 percentage point would also be provided in the case of the future yield of outstanding E- and H-bonds, if held to maturity.

Your committee's bill grants the administration's request in that it permits the present 3.26 percent interest rate ceiling for savings bonds to be exceeded. However, it has provided that this 3.26 percent ceiling may be exceeded only when the President finds with respect to any offering that such action would be in the national interest.

As requested by the administration, your committee's bill also makes it possible to exceed the interest rate ceiling and raise the interest rate applicable to outstanding savings bonds on which the rates of interest have already been fixed. This too, however, requires a finding by the President, in the same manner as outlined above that the public interest requires this ceiling rate to be exceeded.

B. TIME LIMIT ON LIABILITY OF AGENTS FOR ERRONEOUS PAYMENTS OF SAVINGS BONDS

Under present law qualified paying agents authorized to cash in savings bonds for holders can be relieved from liability to the United States for losses only upon a determination by the Secretary of the Treasury that there was no fault or negligence on the part of the agent, regardless of the length of time elapsing before the loss is discovered. However, where there is a long period of time before the United States discovers a loss, it is difficult for the paying agents to prove that the loss resulted from no fault or negligence on their part.

In view of this the bill provides that the liability of the paying agent is to terminate at the end of 10 years after the erroneous payment, unless a written notice of the liability, or potential liability, has been given during the interval.

C. PERMITTING TRUST FUNDS TO OBTAIN BONDS AT THE ISSUE PRICE

Under present law Government obligations may be acquired on original issue by six Government trust funds only by purchasing the obligations at par. The trust funds involved are the unemployment trust fund, the Federal old-age and survivors insurance trust fund, the Federal disability insurance trust fund, the railroad retirement account, the special trust account for the payment of certain

bonds of the Philippines, and the highway trust fund.

To the extent that the Treasury in the future offers securities on occasion at slight discounts—or premiums—existing law prevents these trust funds from buying the securities from the Treasury on original issue at prices other than par. The bill amends existing law to provide that these trust funds may acquire obligations of the United States on original issue at the issue price, whether or not this is at par.

D. CLARIFYING EXEMPTION OF U.S. OBLIGATIONS FROM STATE OR LOCAL TAXATION

Present law provides that obligations of the United States are to be exempt from taxation by or under State or local authority. The Supreme Court has held that this includes the exemption of interest on U.S. obligations from taxation by or under State or local authority. It has been pointed out to the committee, however, that one State has taken the position that the statute as now worded does not prohibit a State from including interest on Federal obligations in computing "gross income" upon which taxable net income is determined.

The bill makes it clear that the exemption for Federal obligations extends to every form of taxation that would require either the obligation, or the interest on it, or both to be considered directly or indirectly in the computation of the tax, except nondiscriminatory franchise taxes on corporations and except estate or inheritance taxes.

E. NONRECOGNITION OF GAIN OR LOSS IN THE CASE OF EXCHANGES OF CERTAIN U.S. SAVINGS BONDS

The House bill contained a provision providing for the nonrecognition of gain or loss on the surrender to the United States of outstanding U.S. obligations solely in exchange for new U.S. obligations. This tax-free exchange was to be available only when so provided by regulations issued by the Secretary of the Treasury.

The committee has retained this provision of the House bill, but modified it so that it applies only to the exchange of series E savings bonds for series H savings bonds. Your committee believed it was desirable to limit the application of this nonrecognition provision to series E and H savings bonds, in view of the fact that the treatment of these bonds represents the primary subject of this bill, postponing for future consideration the application of this nonrecognition provision in the case of other bonds.

I hope this bill will be enacted.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. MONRONEY. I tried to follow very carefully the reading of the purpose of the bill. If I understood the distinguished chairman of the committee correctly, he mentioned that the interest rate would be 3¾ percent on series E and H savings bonds. Is that correct?

Mr. BYRD of Virginia. That is what the Treasury has announced it will be.

Mr. MONRONEY. Is it a fact that nowhere in the bill or in the report is there any limitation whatsoever set forth? Under the bill, as I read it, contrary to what has been contained in the news stories to the effect that this is an effort to raise the interest rates on E- and H-bonds from 3¼ to 3¾ percent, the President can, after the bill is enacted, raise the interest rate to 10 percent, 20 percent, or 30 percent. This bill gives the President unlimited power, as I read it and the report, to pay whatever interest he wishes, so long as it is on savings bonds.

Then, of course, a precedent will have been set, and it will be said that, having done this for savings bonds, we must make the interest uniform, and we can have the sky be the limit on interest, and pay whatever the President desires to pay on long-term regular, marketable bonds.

I think the bill has been sold to the country through perhaps erroneous advertising in the press that this bill raises the interest rate on series E and H bonds from 3¼ percent to 3¾ percent, when, in fact, there may be an unlimited raising of interest rates.

Mr. BYRD of Virginia. There is no limit in the bill, but the President must make a case and a finding that an increase is in the national interest. While there is no ceiling on the interest rate fixed in the bill, the Secretary of the Treasury, in order to prevent the deluge of sales of these bonds, has said that if the law is enacted he will issue bonds on the basis of 3¾ percent. He made the statement in view of the tremendous sales of savings bonds, which are now bringing only 3¼ percent interest, when one can buy other Government bonds on the market bearing interest rates of as much as 3¾ percent, approximately.

Mr. MONRONEY. But if the Secretary of the Treasury wishes to issue these bonds at 3¾ percent, why do we not say so, instead of giving the President unlimited authority—something no President in our history has ever possessed. I had the Legislative Reference Service of the Library of Congress do some research into this question. No President, George Washington included, has ever been given power to issue these savings bonds without an interest ceiling.

Mr. BYRD of Virginia. I may advise the Senator that in committee an amendment was offered to fix the maximum interest rate at 4¼ percent, but out of the 15 committee members present, the vote was 5 in favor and 10 against.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. ANDERSON. I offered an amendment in committee to put a 3¾-percent limitation on these bonds, exactly the same limitation we have on other long-term bonds. As the Senator from Virginia knows, I am going to offer that amendment in the Senate. So the Senator from Oklahoma will have an opportunity to vote on whether a limitation should be put on such bonds.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. PROXMIRE. Were hearings held on the bill?

Mr. BYRD of Virginia. There was no opportunity to hold public hearings, but the committee heard representatives of the Treasury Department. This bill was received from the House only very recently.

Mr. PROXMIRE. Did the Treasury give specific justification for removing the limit entirely?

Mr. BYRD of Virginia. The Treasury testified that it must be in a position to compete in the market.

If the Senator will look at the bond quotations, he will find there are a number of Government bonds selling at substantially below par which can be bought on the market today. Some of them will yield 4½ to 4¾ percent, and one can simply present the savings bonds to the bank, get his money, and buy these other bonds on the market.

The Secretary of the Treasury thought it would be very desirable to give this power to the President. But the President must make a public finding that an increase in interest is necessary if it exceeds the present maximum interest rate of 3.26 percent.

Mr. PROXMIRE. If I may ask the Senator one or two more questions, I sympathize with the objective of raising the interest rate on savings bonds to 3¾ percent. It is a fact of life which we must face. Perhaps it is desirable.

On page 2 of the report the history of interest on these bonds is indicated and it is pointed out that in 1957, when the administration asked that the interest rate be increased to 3¼ percent, instead of 3 percent, Congress then responded by providing a 3.26 percent limit. I am wondering why, in view of that precedent, the committee in this case recommends the removal of the ceiling entirely.

Mr. BYRD of Virginia. There was no ceiling in the bill when it came from the House. In view of the crisis, and it is a very serious crisis, that confronts us with respect to the selling of savings bonds, the committee thought we should trust the President and the Secretary of the Treasury to the extent provided in the bill, requiring that a public finding or proclamation will have to be made if the necessity to increase the 3.26 percent interest rate develops.

Mr. PROXMIRE. Is it not true that the President of the United States would always make a finding or come to a conclusion as specified on page 5 of the report? I understand the five principles set forth there must be met. Is it not true that the President would always, in good conscience, and perfectly sincerely, feel that way, anyway, if he wished to increase the rate to 4¼ or to 4 percent? Is not this merely language rather than a real restriction?

Mr. BYRD of Virginia. I do not agree with the Senator, because the factors are set forth.

The President has to consider these factors as to increasing the rate:

(1) The effect on the growth of the economy;

(2) The effect on the economic stability of the country;

(3) The interest rates paid on other major forms of savings and investments;

(4) The distribution of the public debt between savings bonds and other obligations; and

(5) The longrun effect of any offering made above the statutory ceiling on monetary policies and on economical debt management.

The Senator is aware of the fact that in the first 8 months of 1959 the sales of E- and H-bonds exceeded purchases in the amount of $758 million. I think the Senator recognizes that as a very serious fact.

Mr. PROXMIRE. I recognize that. That is why it is necessary for Congress to provide something.

Mr. BYRD of Virginia. These savings bonds of all kinds total approximately $50 billion—$42 billion in the E- and H-bonds and $8 billion in other savings bonds. If the holders of all these bonds should present them for payment, or sell them, this country would face a financial crisis of the first magnitude.

Mr. PROXMIRE. The Senator would agree wholeheartedly that the administration should be permitted to go up to 3¾ percent. My question is whether any information was elicited in the committee, from the Department or from any other source, to justify the removal of the ceiling entirely?

Mr. BYRD of Virginia. The committee thought we should do so, after careful consideration. The Ways and Means Committee of the House thought so. The House of Representatives thought we should do so. We gave the matter our best judgment. We thought it was a matter of extreme importance. I think a very critical situation faces us.

Mr. PROXMIRE. I thank the Senator.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield to the Senator from Utah.

Mr. BENNETT. Does the Senator think that reason No. 3—"the interest rates paid on other major forms of savings and investments"—represents a very real reason why the Treasury should be free to make its savings bonds competitive?

The Senator from Utah remembers that during the committee discussion it was pointed out that 4 percent is a very common rate for savings in the building and loan associations, and in some cases the rates are up as high as 4½ percent. In addition to the reasons which exist in terms of competition with other Government bonds, the use of building and loan associations as a form of savings has become increasingly important to the American people who have small amounts of money to save.

Mr. BYRD of Virginia. I agree with the Senator from Utah.

Mr. BENNETT. If the building and loan association rates are substantially above the rates on Government bonds, it seems to me the Treasury might be at a very real disadvantage, and there is no ceiling on the rate a building and loan association can pay.

Mr. BYRD of Virginia. I agree with the Senator from Utah. One can dispose of savings bonds and use the money to buy other Government bonds, some of which are selling as low as 81 cents on the dollar. A person can get as much as 4½ percent interest yield on his money.

Mr. BENNETT. That is correct. One can get as much as 4½ percent if one puts his money into some building and loan associations.

Mr. BYRD of Virginia. One can do it with other Government securities now.

Mr. PROXMIRE and Mr. JAVITS addressed the Chair.

Mr. BYRD of Virginia. I yield first to the Senator from Wisconsin.

Mr. PROXMIRE. Is it the position of the committee it might be the case that the administration would like to go higher than 4¼ percent interest on savings bonds, in order to be in a position to be more competitive vis-a-vis other forms of investment?

Mr. BYRD of Virginia. The Treasury has already announced the rate. The Treasury has done a very unusual thing. Prior to the passage of the bill the Treasury has announced that if the bill is passed it will issue bonds at 3¾ percent interest. That was done to stop the increasing sales of these bonds. I think the position of the Treasury is that it does not know what the future holds with respect to these matters. We have to put these savings bonds in a competitive position.

If we have any class of citizens in the United States entitled to a proper and just interest from the Government, it is the holders of these savings bonds. These are the small investors. Eight billion dollars worth of bond purchases have resulted from collections in payroll deductions from persons who wanted to purchase these bonds.

Mr. PROXMIRE. In the event the Congress should decide to limit the rate the Federal Government could pay on savings bonds to 3¾ percent or to 4¼ percent, that would not have any immediate effect on the Treasury, inasmuch as the Treasury has committed itself to selling bonds at 3¾ percent?

Mr. BYRD of Virginia. The Treasury has committed itself for the immediate present. Nobody knows what the future will hold with respect to the requirements.

I think we are confronted by a very serious condition. If one looks at the Wall Street Journal, one finds that not a single Government bond is selling at par today—not a single one—and that many of these bonds are selling at 85, and one is selling as low as 81 cents on the dollar.

Mr. PROXMIRE. Is it then the position of the Senator from Virginia that the administration should not have to come back to the Congress for further approval, if the administration should want to go above 3¾ percent interest or even above 4¼ percent interest, and should be able to meet the competition, based upon the judgment of the President and of the Secretary of the Treasury?

Mr. BYRD of Virginia. Based on the judgment of the President, in carrying out the policy, and considering the factors I have mentioned.

Mr. PROXMIRE. I thank the Senator.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. BYRD of Virginia. I yield to the Senator from New York.

Mr. JAVITS. I think the Senator has covered very well the prejudice to savers and the fact that in the present market for interest rates if one had a ceiling it would very likely become a floor. In other words, if we provide a 4¼ percent interest ceiling it is very likely the rate will go to that and will be pressing against it immediately, whereas if we provide for flexibility the Government will be in a competitive position.

I have one other question which I should like to ask the Senator, as to the effect of passing the bill upon the long-term Treasury bonds, not on the savings bonds. I shall produce later in the day a series of answers from all Government bond dealers, to indicate that they feel the only way, at the present time, in which the market can be stabilized, or has a chance of being stabilized, in regard to long-term Treasury bonds, short of an interest rate increase on long-term Treasury bonds, is by an increased interest rate on the savings bonds. It is said that attrition is endangering the whole savings bond market; that is, the cash attrition of $156 million, which is a new high, which we lost, net, on the E- and H-bonds in July 1959, alone.

What I should like to ask the Senator is whether the committee gave consideration to those factors in respect to this bill, and thought that they would have an effect not only with regard to the selling of the savings bonds but also with regard to helping correct the very dangerous condition in which the whole long-term Treasury bond market now finds itself?

Mr. BYRD of Virginia. The Senate Committee on Finance did give consideration to that problem. As the Senator knows, there is no interest ceiling on bonds issued for less than a 5-year term. When the bonds go above 5 years the ceiling on interest is 4¼ percent. The Senator from Virginia would be glad to vote to remove that ceiling at this time. However, we were told if we did so the House would not agree and we would lose the savings bond rate increase. So the committee did not take up the question of increasing the 4¼ percent interest ceiling or taking off the ceiling on other bonds.

I will say to the Senator, I think of money as a commodity. I think that when money is scarce interest rates go up. When money is plentiful interest rates go down. I say that as a businessman who has had considerable experience in this field, and as a member of the Committee on Finance for 26 years. I say to the Senator from New York that at no other time in my 26 years have we faced a situation such as we face today, with the debt approaching $300 billion.

It was necessary for the Treasury to sell $13 billion worth of new bonds in this past year, and we had a deficit of $13 billion. In addition to that, a great percentage of our bonds are on a short-term basis. $85 billion worth of bonds must be refinanced in the coming year. I think we are in a very serious condition.

I say as one Senator—I know others do not agree with me—I would vote to take off the ceiling completely, and I would trust the Treasury Department and would trust the President of the United States to maintain the integrity of the bonds. When an investor looks at the bond quotations we see in the Wall Street Journal, he sees that not a single Federal bond is selling at par, yet when he looks at the stock quotations on the opposite page, he notes generally they are constantly going up, despite the fact that stocks are not paying in dividends any more than the bonds are paying in interest.

Mr. JAVITS. Mr. President, I should like to ask the Senator one other question. Would the Senator feel that, in fairness in the situation, the Treasury Department ought to make a special drive, if given the increased interest rate opportunity, to sell more savings bonds?

Mr. BYRD of Virginia. I agree.

Mr. JAVITS. It should not simply go along with the normal savings bond program.

Mr. BYRD of Virginia. I will say to the Senator, that is one of the purposes of this legislation.

Several Senators addressed the Chair.

Mr. BYRD of Virginia. I yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I invite the attention of the Senator from New York to this colloquy.

I notice one thing the committee has done which I think is a mistake. The committee has stricken out the House language which would make it possible to exchange the E- and H-bonds for other issues on the same basis that other bondholders are allowed to exchange bonds. When we talk about some incentive to buy savings bonds, I think the committee has taken away the best incentive which was in the bill.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. If the chairman would care to comment, I should like to have his comments in that regard. I certainly see no reason why the little people, who buy these savings bonds, should not have the opportunity, when a more desirable issue comes along, to exchange the bonds, as everybody else does.

At one time I asked Secretary Humphrey that question, and his answer was, "They can cash their savings bonds and buy the other bonds."

What happens, when the people cash their bonds, is that they must pay the income tax on the interest. I will not complain about that. I rather question the proposition of allowing a rollback of that tax liability. However, I do not make any great point of that. Not only does the holder of the bond have to pay income tax, but he must also go to a broker and pay a commission for buying the new bond. The holder of a $10,000 block of other bonds does not have to do that. He simply sends the bonds to the Treasury, and the Treasury makes the exchange. Why penalize the little man who holds these bonds, when he exchanges them? We talk about incentive, Mr. President. That is the way to build up incentive.

Mr. FREAR. Right along that line, would the Senator yield?

Mr. WILLIAMS of Delaware. I think I should like to reply because I believe the Senator from Alabama is in error on the point he has just made. The committee bill does provide that the holder of E-bonds can convert over into H-bonds and get tax deferment on their interest of the E-bond.

Mr. SPARKMAN. Into H-bonds, but I am talking about other bonds.

Mr. WILLIAMS of Delaware. I would have no objection to rolling over into other bonds, and I do not think the committee would. However, I call the attention of the Senator to the fact that what he is proposing in the House language is the right of banks to roll over, and that is what the Senate committee eliminated in our committee amendment.

Mr. SPARKMAN. As I understand, the House provision—I may be in error, and if so I certainly welcome being set straight—as I understand, the House provision would have allowed the holders of E-bonds and H-bonds to exchange them for other types of bonds, but the Senate struck that out, and allows E-bond holders to exchange them for H-bonds, and that is all.

Mr. WILLIAMS of Delaware. If the Senator will read the committee report, he will find that the Senate committee allowed the E- and H-bond holders all the authority which was extended under the House bill, but the Senate committee struck from the bill the language which would have permitted banks and insurance companies who hold these other marketable bonds which are selling at around 80 or 85, to exchange them and get the tax deferment.

Mr. SPARKMAN. That may be right, but that is not the way I read the language of the bill.

Mr. WILLIAMS of Delaware. I believe that the Senator will find that what is done is to confine this tax deferment privilege to E- and H-bond holders. We struck from the committee bill all the language which would have extended any tax deferment to the holders of marketable Government bonds in general. I believe the chairman of the committee will support me in that position.

Mr. SPARKMAN. I am not interested in the rollback. I do not know that the committee made a mistake in allowing that, if I understand what is meant by rollback, that is, the withholding of income tax liability until a later date.

Mr. FREAR. A deferment.

Mr. SPARKMAN. A deferment.

Mr. WILLIAMS of Delaware. We struck that out. The committee did not allow that except for holders of E- and H-savings bonds.

Mr. SPARKMAN. At the present time the holders of all bonds, except E- and H-bonds, can exchange them at any time for other issues simply by taking them to the Treasury and having the Treasury do it for them. They do not have to go to a broker to have it done; they have the Treasury do it. I do not understand why we do not extend that same privilege to the holders of E- and H-bonds. I do not understand why they too should not have the right to make the exchange on the same basis.

I remember, for instance, when the 3¼-percent issue came out in the spring of 1953, all that the holders of the old issues—2½ percent, 1¾ percent, and those low interest rate issues—had to do was to send their bonds to the Treasury. They simply swapped them for the new issue. Why should not the holder of the E-bond be permitted to do that? Instead, at the present time he must sell the bond, pay income tax on it, then go to a broker and pay a commission for buying the new desirable issue. I say these people ought to have the same privilege as other bondholders. That should be done particularly if we wish to give them an incentive to buy bonds. After all, I think the public generally has done a magnificent job in buying E- and H-bonds—to the extent of $42 billion, or something like that.

Mr. BYRD of Virginia. That amendment was adopted by a vote of eight to six.

Mr. SPARKMAN. I certainly hope the Senate will see fit to vote down that committee amendment, or at least write in a provision which will make it possible to exchange E- and H-bonds for other bond issues, just as the banks can do now, or as individuals can do, who buy big blocks of other bond issues. Let the little fellow have a chance.

Mr. WILLIAMS of Delaware. If the Senator from Alabama will check the record and talk with the Treasury Department, he will find that voting down the amendment of the Committee on Finance will not extend to the E- and H-bondholders the right to convert their bonds with the tax deferment into other types of marketable securities which are selling on the open market. If we vote down the amendment we will be extending to the banks which now hold E- and H-bonds and all the other types of bonds the right to convert those bonds. I do not know whether that should or should not be done, but I do not believe that there will be accomplished what is sought to be accomplished by the proposed action.

Mr. MONRONEY. Will the Senator yield?

Mr. FREAR. As has been stated here, this is a very important issue. I believe, however, the exchange of E- and H-bonds for new H-bonds is not the only important fact in the pending bill. I believe that the Senator from Alabama also stated that approximately $42 billion was outstanding at the present time in E- and H-bonds. Is that correct?

Mr. BYRD of Virginia. In E- and H-bonds.

Mr. SPARKMAN. I think it is E- and H-bonds.

Mr. FREAR. Is it not true that $38 billion of the $42 billion is in E-bonds?

Mr. SPARKMAN. That is right.

Mr. BYRD of Virginia. Yes.

Mr. FREAR. The maturity value of the $38 billion is $40 billion. Is that right?

Mr. BYRD of Virginia. Yes. That does not include the other class of savings bonds.

Mr. FREAR. I believe that the H-bonds bear interest payable either quarterly or semiannually. There is no accrued unpaid interest on H-bonds. Is that correct?

Mr. BYRD of Virginia. Yes.

Mr. SPARKMAN. That is right.

Mr. FREAR. The interest on E-bonds accumulates. In other words, a $100 bond sells for $75, and at maturity it is worth $100. The difference between the purchase price and the maturity value of E-bonds is not taxable as income until the bond is cashed.

Mr. BYRD of Virginia. Yes.

Mr. SPARKMAN. It is optional with the holder of the bond. He can take it either way.

Mr. FREAR. He can report it if he wishes to.

Mr. SPARKMAN. That is right.

Mr. FREAR. But he does not have to report it.

Mr. SPARKMAN. That is right.

Mr. FREAR. In the majority of cases, the interest on E-bonds is not reported. I believe the Treasury will substantiate that. I believe that was the testimony of the representatives of the Treasury Department who appeared before the committee; they gave that impression.

If we assume that approximately $40 billion of E-bonds are outstanding, and they are put into H-bonds on an exchange basis, we are relieving approximately, assuming that a person is in the 50-percent bracket, $10 billion. A 50-percent bracket means that $5 billion is what the Treasury would collect on that income by taxes if the taxes were not deferred. My point is that we are deferring tax liability to the extent of $5 billion, or approximately that, in the bill. Is that correct?

Mr. BYRD of Virginia. That is done already. The E-bond holders already have the privilege of making a choice whether to pay their taxes currently or when they cash the bonds. That is one of the inducements to people to buy the E-bonds. On the H-bonds, the interest is paid semiannually, and must be included in income tax returns as income.

Mr. FREAR. That is true, but there is a difference in the interest rate between the E-bonds and the H-bonds. If the holder of an E-bond wishes to exchange it for the higher rate H-bond proposed in the bill, he must make an exchange, in order to do so, and he does not have to pay taxes on the income or the interest rate on the original E-bond.

Mr. SPARKMAN. If my understanding is correct, the Senator is in error in referring to H-bonds as bearing a higher interest rate. It is my understanding that the interest rate is identical on the two types of bonds.

Mr. BYRD of Virginia. They both carry the same interest rate.

Mr. SPARKMAN. They both carry the same interest rate. However, there is this advantage. After an E-bond comes to maturity, it is advantageous to the holder to exchange it for an H-bond.

Mr. FREAR. I do not think the Senator from Alabama quite understood. Perhaps I did not make myself clear. The bill authorizes H-bonds at a higher interest rate than the present E-bonds.

Mr. SPARKMAN. But it also proposes to raise the rate on E-bonds. Both types of bonds carry the same rate of interest.

Mr. BYRD of Virginia. It is proposed to make this provision retroactive to June 1.

Mr. SPARKMAN. Yes; but they both carry the same rate of interest.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. WILLIAMS of Delaware. Under existing law, without any further legislation, the holder of an E-bond, whose bond is worth $100 when it comes due, may, with or without the proposed legislation, elect, under Treasury regulations, to extend it for another period of 10 years, and get the increased tax deferment. He can do that under existing law. The bill before us today provides that he may convert a $100 E-bond into an H-bond, which pays the same rate of interest, and get the tax deferment until he cashes his H-bond, and collect interest on the full $100, payable semiannually.

Mr. SPARKMAN. The Senator makes reference to the first period, during which the $75 bond increases in value to $100. When the extension period is over, he is through.

Mr. WILLIAMS of Delaware. That is correct unless he elects to transfer to H-bonds or extend the E-bond for another term.

Mr. SPARKMAN. The bond does not continue to draw interest beyond that time. Therefore, he is getting an advantage at that point by being able to exchange it for an H-bond. If I were able to do it, and went into the market and bought $10,000 worth of 3¼s or 4¼s, or whatever they may be, or if I were holding $10,000 of 2½s, the old issue, which is probably selling today in the 90s or 80s, I could exchange those bonds for a brandnew issue by sending my bonds to the Treasury. The Treasury would make the exchange for me, and I would get the advantage of going from the lower interest rate to the higher rate.

If I have $10,000 worth of E-bonds, why should I not have exactly the same privilege? Let us give to the little man who buys his bonds, perhaps, on the monthly payroll plan over a period of years, and who, in the course of time, accumulates a considerable holding, exactly the same privilege which we give to the buyers of big blocks of other issues.

Mr. WILLIAMS of Delaware. I agree that we should give this type of investor all the breaks. I agree with the Senator's statement, but I do not agree with the method by which the Senator says we can accomplish the desired result. In my opinion this bill would accomplish what the Senator says he wishes to do.

Mr. SPARKMAN. Only as between E- and H-bonds. It does not cover the field of general issues.

Mr. WILLIAMS of Delaware. Those are the only types of bonds with respect to which the Government guarantees the holder the full return of his money, plus interest.

Mr. SPARKMAN. I realize that; but when the holder of the E- or H-bond converts it into another type of bond, he is taking a risk. He is giving up the Government guarantee.

Mr. WILLIAMS of Delaware. That is correct; but I feel that in addition the E- and H-bonds should be issued at a rate of interest comparable to the rate paid in the general interest market. I have recommended publicly, and will do so again today, that the E-bond holder should be given not 3¾ percent, but 4 percent. If the Government is to sell these bonds, they will have to be issued on a 4 percent basis. I believe also that it would be a better bond if it were put on a 10-year basis, instead of carrying uncertain maturity dates, which are confusing. There are some outstanding E-bonds which run for 8 years and 11 months, some for 9 years and 8 months, and some which run the full 10 years. The result is a complete state of confusion among holders as to exactly when their bonds mature.

I suggested that they be put on a flat 10-year basis, so that people could remember the maturity dates. Then they should not be compelled to hold them to full maturity under penalty of losing their interest. If, because of unexpected sickness or emergency, they have to cash their bonds, they should be entitled to the bulk of the interest. I have proposed a more liberal formula which I have hopes the Treasury would adopt. I shall recommend it here today. I am not incorporating it in legislation, because it has always been the policy to allow the Treasury to have discretionary authority.

I am not concerned about raising this interest on E-bonds to 3¾ percent. I am concerned because I think it should be raised to 4 percent and will require a 4-percent bond to get the bond sales off dead center.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. FREAR. Did I correctly understand the senior Senator from Delaware to say that there were Government bonds that were not guaranteed to be payable at par on the maturity date?

Mr. WILLIAMS of Delaware. No. Certainly they will be paid at maturity

Mr. FREAR. Then I misunderstood.

Mr. WILLIAMS of Delaware. As I understood the Senator from Alabama, when he speaks of the right of the E-bond holder to convert such bonds into regular marketable securities, he states that there is no guarantee that they will be selling at par when the holder demands his money prior to the maturity date.

Mr. BYRD of Virginia. A savings bond can be cashed at face value after 60 days. With respect to other bonds, selling at 81, or something like that, the holder receives 100 cents on the dollar only if they are held to maturity.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. FREAR. Do I correctly understand, from the previous statement of the chairman of the committee, that the only advantage in exchanging E-bonds for H-bonds under the provisions of the bill before us is that the holders of E-

bonds could delay or defer the tax on the accumulated interest on the E-bonds, and at the same time get a bond on which he could receive interest payable semi-annually. That is the only advantage. I do not wish the chairman or anyone else to misunderstand my position. I am in favor of giving the Treasury Department the privilege of exchanging such bonds and deferring the tax on the interest until the H-bond has been sold or disposed of.

Mr. BYRD of Virginia. I have before me a copy of the latest quotations on Government securities. There is not a single Government bond selling at par. Some are selling as low as 81, and some are bringing an interest return of 4.78, or nearly 5 percent. There are only two issues of Treasury notes, coming due in the immediate future, which are selling at par. Treasury bills are selling at 4.59. They are 90-day paper.

I think we have a serious situation, which we must handle. If we do not do something about the savings bonds, and they are cashed in, we shall have a financial crisis of the first magnitude.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. SYMINGTON. As usual, I receive instruction when the able Senator from Virginia discusses the debt. I would vote to increase the interest rate on savings bonds. As regards long-term issues, back on March 23, 1959, the Treasury offered 12-year bonds at 4 percent, and received subscriptions of about $1½ billion, and sold only a little more than $600 million.

On February 28, 1958, the Treasury offered 3 percent 8½-year bonds, and received $6 billion of subscriptions, but sold only $1½ billion. In the opinion of the able chairman, is this because of inept management of the debt, or because of changing conditions?

Mr. BYRD of Virginia. The Senator is recognized as one of the best businessmen in the Senate. I think he will recognize that there has been a considerable change in conditions with respect to interest rates. The interest rate is governed by the demand for money. All interest rates have gone up. Banks have raised interest on savings in the last 60 to 90 days. Interest rates have gone up all along the line.

The Senator will recall that in 1954, Secretary Humphrey issued a 30-year bond for 3¼ percent. He was severely citicized, because it was alleged that his action resulted in an increase in the interest rates for private loans, and other borrowings. But those bonds finally went up to 112 and now they are selling around 87. In other words, a difference of 25 points in those bonds has developed within the last 5 years.

Mr. SYMINGTON. Will the Senator tell us what he believes is the major reason for the change?

Mr. BYRD of Virginia. If people can get greater interest on other securities than they get on Government bonds, they will make such investments and get better interest.

Mr. FREAR. Is that not also true with respect to Government-insured obligations which bear a higher rate of interest? Is not the money just as secure, as far as safety is concerned, in these other obligations as it is in Government bonds?

Mr. BYRD of Virginia. I did not hear the Senator's statement.

Mr. FREAR. In reply to the question of the Senator from Missouri [Mr. SYMINGTON], is it not true that there are obligations which are insured by the Government which pay a higher rate of interest, and in reality are probably just as good as the Government bonds themselves?

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. SYMINGTON. I was only referring to the time element. Only last March we were offering long-term, 12-year bonds at 4 percent and the Treasury accepted only about one-third of the subscription. The year before that we were offering 3-percent long-term bonds for 8½ years and the Treasury accepted less than a quarter of the subscriptions. It seems to me that a tremendous change has taken place over a short period of time. For example, in August 1957, the administration was saying that the way to correct this problem is to look before buying. In January 1958, they were saying the way to correct the situation is, in effect, to buy before looking. So I was wondering if the rapid change was due to an improvement or was due to the normal fluctuation of money rates.

Mr. BYRD of Virginia. If the Senator will tell me why the stock market has risen as it has, perhaps we can answer the question of interest on bonds.

Mr. FREAR. I should like to ask the chairman of the committee another question or two, if he would permit me.

In the light of our treatment of bills which come before the Finance Committee from the House under title 2, as the chairman very well knows, we struck a very important part from this bill. I believe the subject was discussed a little earlier today. That section concerned the sale of bonds other than savings bonds. I thought I understood the chairman to say that he was in favor of removing the limit on long-term bonds entirely and permitting the Secretary of the Treasury Department or the President to establish the interest rate.

I certainly think I could go along with some of that opinion myself. The part which may make some difference is that if we establish a ceiling on savings bonds higher than the established ceiling on other Government bonds, it will tend to dislodge money going into the Treasury to some extent. Is that true, or does the Senator feel that the purchasers of E- and H-bonds come from a certain segment of our economy, or the people who are in a certain economic class, and the others come from a different origin?

Mr. BYRD of Virginia. The Senator is correct. Of course, they can buy E-bonds to the extent of $10,000 a year, or H-bonds to the extent of $10,000 a year.

Mr. FREAR. The purchasers of the E- and H-bonds are limited to certain categories of buyers, is that not true?

Mr. BYRD of Virginia. They may invest $20,000 a year, but they can buy that amount every year.

Mr. FREAR. Are financial institutions permitted to buy E- and H-bonds?

Mr. BYRD of Virginia. No; they are not.

Mr. FREAR. So financial institutions by law must buy other types of Government bonds and are not permitted to buy the savings type bonds?

Mr. BYRD of Virginia. The Senator from Delaware [Mr. FREAR] has referred to the ceiling. I wish to make clear that of our $290 billion debt, $99 billion is for a term of less than 5 years and there is no ceiling on the interest rate. We have a ceiling for the long-term bonds of more than 5 years of 4¼ percent. The interest on savings bonds to which this bill relates is 3¼ percent.

Mr. FREAR. I agree with what the chairman has said, and that is my position on the bill we have before us. However, we struck the provision permitting the President to decide the rate and taking the ceiling off long-term bonds or bonds other than savings bonds. That is correct, is it not?

Mr. BYRD of Virginia. That provision was not in the bill as it came from the House.

Mr. FREAR. Part of it was, I believe.

Mr. BYRD of Virginia. The House did not include that.

Mr. PROXMIRE. Mr. President, will the Senator yield for a question?

Mr. BYRD of Virginia. I yield.

Mr. PROXMIRE. The crucial issue on the bill before the Senate for many of us is whether or not we should remove the limit entirely. I would like to call the attention of the distinguished chairman of the Finance Committee to his statement on April 15, 1957, when the issue we are now considering was before Congress. At that time he said:

> The Finance Committee gave consideration to two other issues in connection with this increase. The first was the question of whether or not there should be greater flexibility for the Treasury to increase interest rates on savings bonds if inflationary pressure should build up in the future. The Treasury originally requested that the statute provide that the savings bonds rate could be raised to 4¼ percent, even though they had only announced plans to sell a 3¼-percent bond. The House bill would raise the ceiling only to 3½ percent. The Finance Committee has further reduced the new ceiling to 3.26 percent, which will be adequate to sell the bonds described in the Treasury announcement of February 14.
>
> Let me say that the action of the Senate Finance Committee is an indication that the committee desires to discourage further increases in interest rates in financing Federal obligations.
>
> We felt strongly that the serious aspects of higher interest rates require that any further increase should be accompanied by a request for legislation. Experience in the past has indicated that the market for savings bonds declines slowly enough in an inflationary period as to afford ample time for additional legislation.

Why is that not precisely true today?

Mr. BYRD of Virginia. The answer is the conditions are entirely different now from what they were in 1957. In 1957 savings bonds were not being cashed in. In the last 8 months savings bonds cashed in exceed sales by almost $1 billion. An entirely different situation existed in 1957. They were sold at 3.26 then and were sold readily, but they are

not being sold now. To the contrary, they are being cashed in.

Mr. PROXMIRE. I recognize the rate should go to 3¾ percent. The proposal of the Senator from New Mexico under consideration provides for a tremendous flexibility all the way up to 4¼ percent, so they could compete and raise the rate from 3¾ to 4¼ percent without additional legislation.

Mr. BYRD of Virginia. That is a question for the consideration of the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Virginia yield?

Mr. BYRD of Virginia. I yield.

Mr. JOHNSON of Texas. Three committees are waiting for the Senate to recess.

Mr. MONRONEY. Mr. President, I should like to ask a question which would take only half a minute.

Mr. JOHNSON of Texas. Very well.

Mr. MONRONEY. Could the distinguished Senator from Virginia tell me what will be the interest rate which will be available on an E-bond held for 1 year and then cashed?

Mr. BYRD of Virginia. The interest rate of 3¾ percent for those who hold the bonds to maturity will be dated back to June 1.

Mr. MONRONEY. I am talking about the purchase of a $100 E-bond. If I wish to cash it a year from now, what interest will my $100 bond bear?

Mr. BYRD of Virginia. That is a complicated procedure. It will be approximately 1 to 1½ percent.

Mr. MONRONEY. I beg to disagree. I think it will keep the long elliptical curve, so that the holder will be closer to 1 percent in the market the first year.

Mr. WILLIAMS of Delaware. I have the rate. I will put the table in the RECORD.

Mr. MONRONEY. No hearings were held on this item; yet we are asked to suspend an alltime, historic procedure.

Mr. WILLIAMS of Delaware. Under the formula in effect at present on E-bonds, the Senator from Oklahoma is substantially correct. At the end of 1 year, if the E-bond is cashed, the rate of interest would be approximately 2 percent. That is one of the points I questioned in the colloquy with the Senator from Alabama [Mr. SPARKMAN]. I shall suggest later that the Treasury Department should issue these bonds on a basis wherein the bondholders will not be locked in, and that they can come nearer to getting 3¾ or 4 percent interest if, through no fault of their own, they are forced to cash their bonds before maturity.

In my opinion this should be done both from the standpoint of fairness as well as to increase sales.

I believe we are dealing with a different type of investor, a type who should be protected. I would be perfectly willing, if the Treasury felt it was too lenient, that they should restrict these sales to smaller amounts than those now in effect. But I think that at all times E-bonds should bear a reasonable interest rate in comparison with other interest rates, and that the buyers of such bonds will not be locked in and be forced to hold such bonds to maturity.

Mr. MONRONEY. Bankers tell me that the reason why the Government is being whipped to death is the competition, not so much because of interest rates, but because it is possible to get 4 percent or 3¾ percent from a building and loan association from the day the person makes his deposit. But unless a purchaser of an E-bond holds his bond up to 3 years, he will never get up to 3¾ percent.

Mr. WILLIAMS of Delaware. I am in complete agreement with your objective and I shall make a recommendation later today with respect to it.

Mr. MONRONEY. We need to modernize the program.

The PRESIDING OFFICER. Morning business is in order.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 1944. An act to amend the Bankruptcy Act in regard to the verification of pleadings; and

S. 2219. An act to authorize appropriations for construction of facilities for the Gorgas Memorial Laboratory, to increase the authorization of appropriations for the support thereof, and for other purposes.

The message also announced that the House had passed the bill (S. 1845) to provide for the establishment of rates of basic compensation for certain positions in the Patent Office in the Department of Commerce, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 2982. An act to fix the official station of retired judges assigned to active duty;

H.R. 4150. An act to amend the Bankruptcy Act to authorize courts of bankruptcy to determine the dischargeability or nondischargeability of provable debts;

H.R. 4346. An act to amend the Bankruptcy Act to limit the use of false financial statements as a bar to discharge;

H.R. 5571. An act to exempt regular and classified substitute employees in post offices of the first, second, and third classes from residence requirements governing appointment and service of postmasters at post offices to which such employees are assigned;

H.R. 6067. An act to amend section 4544 of the Revised Statutes of the United States to provide that, if the money and effects of a deceased seaman paid or delivered to a district court do not exceed in value the sum of $1,500, such court may pay and deliver such money and effects to certain persons other than the legal personal representative of the deceased seaman;

H.R. 6309. An act to amend section 46, title 18, United States Code, with respect to transportation of water-hyacinths and seeds;

H.R. 6508. An act to grant minerals, including oil and gas, on certain lands in the Crow Indian Reservation, Mont., to certain Indians, and for other purposes;

H.R. 6672. An act to authorize longer term leases of Indian lands on the Agua Caliente (Palm Springs) Reservation;

H.R. 7605. An act for the relief of the State of Oklahoma;

H.R. 8343. An act relating to the preservation of acreage allotments on land from which the owner is displaced by reason of the acquisition thereof by a Government agency in the exercise of the right of eminent domain;

H.R. 8429. An act to amend the Subversive Activities Control Act of 1950 to provide for a procedure under which certain final orders of the Subversive Activities Control Board with respect to Communist organizations may be made applicable to successor organizations;

H.R. 8578. An act to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions;

H.R. 8582. An act to authorize the San Benito International Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Tex.;

H.R. 8694. An act to authorize the Starr-Camargo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.;

H.R. 8708. An act to amend subdivision d of section 60 of the Bankruptcy Act (11 U.S.C. 96d) so as to give the court authority on its own motion to reexamine attorney fees paid or to be paid in a bankruptcy proceeding;

H.R. 8911. An act to provide for the presentation by the United States of a statue of Gen. George Washington to the people of Uruguay, and for other purposes; and

H.J. Res. 317. Joint resolution to change the designation of Child Health Day from May 1 to the first Monday in October of each year.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 404. Concurrent resolution providing for printing additional copies of the compendium of papers entitled "Compendium of Papers Submitted on Revision of the Federal Income Tax Laws"; and

H. Con. Res. 405. Concurrent resolution providing for printing additional copies of the hearings entitled "Hospital, Nursing Home, and Surgical Benefits for OASI Beneficiaries."

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H.R. 2982. An act to fix the official station of retired judges assigned to active duty;

H.R. 4150. An act to amend the Bankruptcy Act to authorize courts of bankruptcy to determine the dischargeability or nondischargeability of provable debts;

H.R. 4346. An act to amend the Bankruptcy Act to limit the use of false financial statements as a bar to discharge;

H.R. 6309. An act to amend section 46, title 18, United States Code, with respect to transportation of water-hyacinths and seeds;

H.R. 7605. An act for the relief of the State of Oklahoma;

H.R. 8429. An act to amend the Subversive Activities Control Act of 1950 to provide for a procedure under which certain final orders of the Subversive Activities Control Board with respect to Communist organizations may be made applicable to successor organizations;

H.R. 8708. An act to amend subdivision d of section 60 of the Bankruptcy Act (11 U.S.C. 96d) so as to give the court authority

on its own motion to reexamine attorney fees paid or to be paid in a bankruptcy proceeding; and

H.J. Res. 317. Joint resolution to change the designation of Child Health Day from May 1 to the first Monday in October of each year; to the Committee on the Judiciary.

H.R. 5571. An act to exempt regular and classified substitute employees in post offices of the first, second, and third classes from residence requirements governing appointment and service of postmasters at post offices to which such employees are assigned; to the Committee on Post Office and Civil Service.

H.R. 6067. An act to amend section 4544 of the Revised Statutes of the United States to provide that, if the money and effects of a deceased seaman paid or delivered to a district court do not exceed in value the sum of $1,500, such court may pay and deliver such money and effects to certain persons other than the legal personal representative of the deceased seaman; to the Committee on Interstate and Foreign Commerce.

H.R. 6508. An act to grant minerals, including oil and gas, on certain lands in the Crow Indian Reservation, Mont., to certain Indians, and for other purposes;

H.R. 6672. An act to authorize longer term leases of Indian lands on the Agua Caliente (Palm Springs) Reservation;

H.R. 8582. An act to authorize the San Benito International Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Tex.;

H.R. 8343. An act relating to the preservation of acreage allotments on land from which the owner is displaced by reason of the acquisition thereof by a Government agency in the exercise of the right of eminent domain; and

H.R. 8694. An act to authorize the Starr-Camargo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.; placed on the calendar.

H.R. 8578. An act to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions; to the Committee on Agriculture and Forestry.

H.R. 8911. An act to provide for the presentation by the United States of a statue of Gen. George Washington to the people of Uruguay, and for other purposes; to the Committee on Foreign Relations.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The concurrent resolution (H. Con. Res. 404) providing for printing additional copies of the compendium of papers entitled "Compendium of Papers Submitted on Revision of the Federal Income Tax Laws," was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Ways and Means, House of Representatives, five thousand additional copies of the compendium of papers entitled "Compendium of Papers Submitted on Revision of the Federal Income Tax Laws."

The concurrent resolution (H. Con. Res. 405) providing for printing additional copies of the hearings entitled "Hospital, Nursing Home, and Surgical Benefits for OASI Beneficiaries," was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Ways and Means, House of Representatives, four thousand additional copies of the hearings entitled "Hospital, Nursing Home, and Surgical Benefits for OASI Beneficiaries".

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 47. An act to amend the Internal Revenue Code of 1954 to provide a personal exemption for children placed for adoption (Rept. No. 913).

By Mr. BIBLE, from the Committee on the District of Columbia, without amendment:

S. 2327. A bill to amend the act entitled "An act to provide for the better registration of births in the District of Columbia, and for other purposes" (Rept. No. 914);

S. 2445. A bill authorizing the conferring of the degree of master of arts in education on certain students who enrolled in the District of Columbia Teachers College prior to July 1, 1958, and who, prior to July 1, 1961, are certified by the president and faculty of such college as having met all requirements for the granting of such degree (Rept. No. 916);

S. 2466. A bill to authorize the establishment of a Junior College Division within the District of Columbia Teachers College, and for other purposes (Rept. No. 917);

H.R. 7145. An act to amend section 35 of chapter III of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," as amended (Rept. No. 920); and

H.R. 7683. An act to provide that the tax exemption heretofore accorded the Veterans of Foreign Wars with respect to certain property in the District of Columbia, formerly owned by such organization but never used for its intended purpose, shall apply instead to other property subsequently acquired and used for that purpose (Rept. No. 919).

By Mr. BIBLE, from the Committee on the District of Columbia, with an amendment:

H.R. 8392. An act to amend the District of Columbia Stadium Act of 1957 with respect to motor-vehicle parking areas, and for other purposes (Rept. No. 921).

By Mr. BIBLE, from the Committee on the District of Columbia, with amendments:

S. 1870. A bill to provide for examination, licensing, registration, and for regulation of professional and practical nurses, and for nursing education in the District of Columbia, and for other purposes (Rept. No. 915);

S. 2439. A bill to authorize certain teachers in the public schools of the District of Columbia to count as creditable service for retirement purposes certain periods of authorized leave without pay taken by such teachers for educational purposes (Rept. No. 918);

H.R. 3030. An act to amend the act entitled "An act to authorize the establishment of a band in the Metropolitan Police force" so as to provide retirement compensation for the present director of said band after 10 or more years of service, and for other purposes (Rept. No. 977);

H.R. 3735. An act to make the Policemen and Firemen's Retirement and Disability Act amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and to their widows, widowers, and children (Rept. No. 978); and

H.R.4283. An act to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that certain additional specified officers of the executive branch of the Federal Government shall be exempt from such act (Rept. No. 922).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 1193. A bill for the relief of Eleanor Constan (Rept. No. 936);

S. 2309. A bill for the relief of Gim Bong Wong (Rept. No. 937);

H.R. 1455. An act conferring U.S. citizenship posthumously upon Gerardo Rafael Dobarganes y Torres (Rept. No. 939);

H.R. 1499. An act for the relief of Gordon Langlands Johnston (Rept. No. 940);

H.R. 1520. An act for the relief of Eva Gurman (Rept. No. 941);

H.R. 1701. An act for the relief of Mrs. Ellen Leschner (Rept. No. 942);

H.R. 2077. An act for the relief of Bernard Barrett (Rept. No. 972);

H.R. 2090. An act for the relief of Giuseppa Ferrante (Sister Candida) (Rept. No. 955);

H.R. 2390. An act for the relief of the city of Madeira Beach, Fla. (Rept. No. 943);

H.R. 2631. An act for the relief of the estate of Nathaniel H. Woods, deceased (Rept. No. 944);

H.R. 3111. An act for the relief of Rachel Nethery (Rept. No. 973);

H.R. 3410. An act for the relief of Mrs. Leonard O. Erickson (Rept. No. 945);

H.R. 4839. An act for the relief of Peter F. de Ullmann (Rept. No. 946);

H.R. 5257. An act to amend section 1915 of title 28, United States Code, relating to proceedings in forma pauperis (Rept. No. 947);

H.R. 5645. An act for the relief of Christopher J. Mulligan (Rept. No. 948);

H.R. 5747. An act to amend section 152, title 18, United States Code, with respect to the concealment of assets in contemplation of bankruptcy (Rept. No. 974);

H.R. 5910. An act for the relief of Zelda Glick (Rept. No. 949);

H.R. 6405. An act for the relief of Vukasin Krtolica (Rept. No. 950);

H.R. 6720. An act for the relief of Andrew Choa (Rept. No. 951);

H.R. 6886. An act for the relief of Liliana Caprara (Rept. No. 952);

H.R. 6954. An act for the relief of Frol Martin Simonov (Rept. No. 953);

H.R. 7256. An act for the relief of Miss Remedios Villanueva (Rept. No. 954);

H.R. 7518. An act for the relief of Rudolph Rozman (Rept. No. 956);

H.R. 7550. An act for the relief of Vartanouche Kalfayan (Rept. No. 957);

H.R. 7979. An act to waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Oklahoma holding court at Durant, Okla. (Rept. No. 958);

H.J. Res. 446. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens (Rept. No. 963); and

H.J. Res. 477. Joint resolution relating to the exclusion of certain aliens (Rept. No. 964).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

H.R. 1387. An act for the relief of Mrs. Mary D'Agostino (Rept. No. 975);

H.R. 2302. An act for the relief of Agnes Lorraine Pank (Rept. No. 959);

H.R. 6884. An act for the relief of Mrs. Barbara May Boswell (Rept. No. 960); and

H.R. 7605. An act for the relief of the State of Oklahoma (Rept. No. 961).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 1703. A bill for the relief of Raul J. Hermitte and Ginette N. Hermitte (Rept. No. 938);

H.R. 2695. An act for the relief of the Inter-County Telephone & Telegraph Co., Fort Myers, Fla. (Rept. No. 976);

H.R. 5896. An act to provide for the entry of certain relatives of U.S. citizens and lawfully resident aliens (Rept. No. 962);

H.J. Res. 478. Joint resolution relating to permanent residence and deportation of certain aliens (Rept. No. 965); and

H.J. Res. 479. Joint resolution relating to the entry of certain aliens (Rept. No. 966).

By Mr. HART, from the Committee on the Judiciary, without amendment:

S. 1447. A bill to amend section 161, title 35, United States Code, with respect to patents for plants (Rept. No. 932).

By Mr. HART, from the Committee on the Judiciary, with amendments:

H.R. 1434. An act for the relief of Mrs. Elba Haverstick Cash (Rept. No. 933).

By Mr. KEFAUVER, from the Committee on the Judiciary, without amendment:

H.R. 3781. An act for the relief of Mrs. Anna Loftis (Rept. No. 934); and

H.R. 3782. An act for the relief of the estate of Willard Phillips (Rept. No. 935).

By Mr. DIRKSEN, from the Committee on the Judiciary, without amendment:

H.J. Res. 465. Joint resolution approving certain additional powers conferred upon the Bi-State Development Agency by the States of Missouri and Illinois (Rept. No. 925).

By Mr. KEATING, from the Committee on the Judiciary, without amendment:

S.J. Res. 93. Joint resolution designating the first Sunday of June of each year as "Shut-Ins' Day" (Rept. No. 926).

By Mr. JOHNSTON of South Carolina, from the Committee on the Judiciary, without amendment:

H.R. 4821. An act to amend the act of August 12, 1955, Public Law 378, 84th Congress (69 Stat. 707), so as to provide additional relief for losses sustained in the Texas City disaster (Rept. No. 927); and

H.R. 4894. An act for the relief of the Georgia Kaolin Co. (Rept. No. 928).

By Mr. HRUSKA, from the Committee on the Judiciary, without amendment:

S. 1605. A bill granting the consent of Congress to the States of Kansas and Nebraska to negotiate and enter into a compact relating to the apportionment of the waters of the Big Blue River and its tributaries as they affect such States (Rept. No. 929);

H.R. 3096. An act for the relief of Peony Park, Inc., and others (Rept. No. 930); and

H.R. 7474. An act granting the consent of Congress to the compact entered into by the States of West Virginia and Virginia with respect to a certain part of the boundary between such States (Rept. No. 931).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 3608. An act to authorize the Secretary of the Navy to acquire certain land on the island of Guam (Rept. No. 971); and

H.R. 7870. An act to amend the Revised Organic Act of the Virgin Islands, as amended (Rept. No. 970).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

H.R. 4603. An act to amend the Organic Act of Guam for the purpose of permitting the government of Guam, with the consent of the legislature thereof, to be sued (Rept. No. 969).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

S. 2628. A bill to establish the U.S. Study Commission on the Development of the Rivers, Ports, and Drainage Basin (and intervening areas) of the State of Alaska (Rept. No. 979).

SENSE OF CONGRESS ON DEPRESSED DOMESTIC MINING AND MINERAL INDUSTRY AFFECTING PUBLIC AND OTHER LANDS—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS

Mr. ANDERSON. Mr. President, from the Committee on Interior and Insular Affairs, I report favorably, without amendment, the concurrent resolution (H. Con Res. 177) declaring the sense of Congress on the depressed domestic mining and mineral industries affecting public and other lands, and I submit a report (No. 968) thereon. I ask unanimous consent that the report be printed, together with the individual views of the Senator from Colorado [Mr. ALLOTT], the Senator from Idaho [Mr. DWORSHAK], the Senator from Iowa [Mr. MARTIN], the Senator from California [Mr. KUCHEL], and the Senator from Arizona [Mr. GOLDWATER].

The PRESIDING OFFICER. The report will be received, and the concurrent resolution will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from New Mexico.

NATIONAL MINING AND MINERALS POLICY—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS

Mr. ANDERSON. Mr. President, from the Committee on Interior and Insular Affairs, I report favorably, without amendment, the bill (S. 1537) to establish a national mining and minerals policy, and I submit a report (No. 967) thereon. I ask that the report be printed, together with the individual views of the Senator from Colorado [Mr. ALLOTT], the Senator from Idaho [Mr. DWORSHAK], the Senator from Iowa [Mr. MARTIN], the Senator from California [Mr. KUCHEL], and the Senator from Arizona [Mr. GOLDWATER].

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from New Mexico.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO JURISDICTION OVER COMMUNITY ANTENNA SYSTEMS—REPORT OF A COMMITTEE

Mr. PASTORE. Mr. President, from the Committee on Interstate and Foreign Commerce, I report an original bill to amend the Communications Act of 1934 to establish jurisdiction in the Federal Communications Commission over community antenna systems, and I submit a report (No. 923) thereon.

The PRESIDING OFFICER. The report will be received and printed; and the bill will be placed on the calendar.

The bill (S. 2653) to amend the Communications Act of 1934 to establish jurisdiction in the Federal Communications Commission over community antenna systems was read twice by its title, and placed on the calendar.

HOUSING ACT OF 1959—REPORT OF A COMMITTEE

Mr. JOHNSON of Texas. Mr. President, on behalf of the Senator from Alabama [Mr. SPARKMAN], from the Committee on Banking and Currency, I report an original bill to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, and I submit a report (No. 924) thereon.

The PRESIDING OFFICER. The report will be received and printed; and the bill will be placed on the calendar.

The bill (S. 2654) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, was read twice by its title and placed on the calendar.

CONSTRUCTION OF CERTAIN BRIDGES—REPORT OF A COMMITTEE—MINORITY VIEWS

Mr. MANSFIELD. Mr. President, on behalf of the chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], I report favorably, without amendment, three brief bridge bills, namely, S. 2531, S. 2590, and H.R. 3180, and I submit one report (No. 980) thereon. I ask that the report be printed, together with the minority views of the Senator from Ohio [Mr. LAUSCHE].

The PRESIDING OFFICER. The report will be received, and the bills will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Montana.

The bills reported by Mr. MANSFIELD, for Mr. FULBRIGHT, are as follows:

S. 2531. A bill to authorize the San Benito International Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Tex. (Rept. No. 980);

S. 2590. A bill to authorize the Starr-Camargo Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex. (Rept. No. 980); and

H.R. 3180. An act to extend for an additional 3 years the time within which the State of Michigan may commence and complete the construction of certain projects heretofore authorized by the Congress (Rept. No. 980).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BIBLE, from the Committee on the District of Columbia:

DeWitt S. Hyde, of Maryland, to be associate judge of the municipal court for the District of Columbia;

John Lewis Smith, Jr., of the District of Columbia, to be chief judge of the municipal court for the District of Columbia; and

Milton S. Kronheim, Jr., of the District of Columbia, to be an associate judge of the municipal court for the District of Columbia.

By Mr. JOHNSON of Texas (for Mr. EASTLAND), from the Committee on the Judiciary:

Joe J. Fisher, of Texas, to be U.S. district judge for the eastern district of Texas;

Bailey Aldrich, of Massachusetts, to be U.S. circuit judge for the first circuit;

Anthony Julian, of Massachusetts, to be U.S. district judge for the district of Massachusetts;

George L. Hart, Jr., of the District of Columbia, to be U.S. district judge for the District of Columbia;

Fred Kunzel, of California, to be U.S. district judge for the southern district of California;

Phillip Forman, of New Jersey, to be U.S. circuit judge for the third circuit;

Eugene R. Gilmartin, of Rhode Island, to be judge for the District Court of Guam; and

Paul C. Weick, of Ohio, to be U.S. circuit judge for the sixth circuit.

By Mr. JOHNSON of Texas (for Mr. KEATING), from the Committee on the Judiciary:

Charles M. Metzner, of New York, to be U.S. district judge for the southern district of New York; and

Lloyd F. MacMahon, of New York, to be U.S. district judge for the southern district of New York.

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Henry E. Stebbins, of Massachusetts, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Nepal; and

William A. M. Burden, of New York, to be Ambassador Extraordinary and Plenipotentiary to Belgium.

By Mr. HILL, from the Committee on Labor and Public Welfare:

Joseph A. Barnes, and sundry other candidates, for personnel action in the Regular Corps of the Public Health Service;

Lyle C. Kuhnley, and sundry other candidates, for personnel action in the Regular Corps of the Public Health Service; and

Phillip E. Searcy, and several other candidates, for personnel action in the Regular Corps of the Public Health Service.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PASTORE:

S. 2653. A bill to amend the Communications Act of 1934 to establish jurisdiction in the Federal Communications Commission over community antenna systems; placed on the calendar.

(See the reference to the above bill when reported by Mr. PASTORE, from the Committee on Interstate and Foreign Commerce, which appears under the heading "Reports of Committees.")

By Mr. JOHNSON of Texas (for Mr. SPARKMAN):

S. 2654. A bill to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; placed on the calendar.

(See the reference to the above bill when reported by Mr. JOHNSON of Texas (for Mr. SPARKMAN), from the Committee on Banking and Currency, which appears under the heading "Reports of Committees.")

By Mr. JOHNSON of Texas (for Mr. HARTKE):

S. 2655. A bill to authorize the Secretary of the Army to lease a portion of the Kingsbury Ordnance Plant at Kingsford Heights, Ind., to Union Township of La Porte County, Ind.; to the Committee on Armed Services.

By Mr. MURRAY:

S. 2656. A bill to amend the Revised Organic Act of the Virgin Islands, as amended; to the Committee on Interior and Insular Affairs.

By Mr. GREEN:

S. 2657. A bill for the relief of the Rhode Island Tool Co.; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 2658. A bill to dispose of Government owned surplus cotton and to prevent the reaccumulation of new surplus stocks; to the Committee on Agriculture and Forestry.

By Mr. JOHNSON of Texas (for Mr. HARTKE):

S.J. Res. 139. Joint resolution to establish a commission to formulate plans for memorials to the past Presidents of the United States; to the Committee on Rules and Administration.

(See the remarks of Mr. JOHNSON of Texas when he introduced the above joint resolution which appear under a separate heading.)

PRINTING OF PRAYERS OF SENATE CHAPLAIN

Mr. MORSE submitted the following resolution (S. Res. 188), which was referred to the Committee on Rules and Administration:

Resolved, That three thousand copies of the prayers offered by the Reverend Frederick Brown Harris, Doctor of Divinity, Chaplain of the Senate, at the opening of the daily sessions of the Senate and on other occasions of special interest to the Senate, during the Eighty-fifth Congress and the first session of the Eighty-sixth Congress, be printed and bound for the use of the Senate.

PRESIDENTIAL MEMORIAL COMMISSION

Mr. JOHNSON of Texas. Mr. President, on behalf of the Senator from Indiana [Mr. HARTKE], I introduce, for appropriate reference, a joint resolution to establish a commission to formulate plans for memorials to the past Presidents of the United States. I ask unanimous consent that a statement, prepared by the Senator from Indiana, relating to the joint resolution, may be printed in the RECORD.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The joint resolution (S.J. Res. 139) to establish a commission to formulate plans for memorials to the past Presidents of the United States, introduced by Mr. JOHNSON of Texas (for Mr. HARTKE), was received, read twice by its title, and referred to the Committee on Rules and Administration.

The statement of Mr. HARTKE, presented by Mr. JOHNSON of Texas, is as follows:

STATEMENT BY SENATOR HARTKE

I have had introduced, for appropriate reference, a joint resolution to establish a commission, to be known as the Presidential Memorial Commission, for the purpose of considering and formulating plans for the design, construction, and location, in the Capital City or its environs, of a permanent memorial to past Presidents of the United States.

The Commission is to be composed of four Members of the U.S. Senate, four Members of the U.S. House of Representatives, and four persons to be appointed by the President of the United States. At the present time there are three monuments in this city dedicated to past Presidents—the Washington Monument, the Lincoln Memorial, and the Jefferson Memorial. Five past Presidents have statues—Presidents Buchanan, Garfield, Grant, Jackson, Lincoln, and Washington.

Just recently Congress established the James Madison Memorial Commission to consider and formulate plans for a memorial to this great President, and Congress also approved a national contest to design a memorial to our late President, Franklin D. Roosevelt. There is also a great deal of discussion for a memorial to Woodrow Wilson.

The joint resolution will provide a fitting memorial to all Presidents. As each President completes his term of office he, too, will be recognized in this memorial.

It is my hope that money for the construction of this Presidential memorial will be provided by private contribution. In order to permit this the joint resolution authorizes the Commission to accept gifts to be used in carrying out the provisions of the joint resolution or to be used in connection with the construction or other expenses of such memorial.

Any man who is outstanding enough to have served as a President of the United States deserves a memorial which will take its place in the architectural splendor of the Capital City. Certainly it will provide a real lesson in American history and will commemorate the true meaning of democracy.

MUTUAL SECURITY APPROPRIATIONS—AMENDMENT

Mr. MORSE submitted an amendment, intended to be proposed by him, to the bill (H.R. 8385) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1960, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Address delivered by him at the Upper Kanawha Valley Local Union's Labor Day celebration, Harris Memorial Park, Smithers, Fayette County, W. Va.; and United Mine Workers' Labor Day celebration, Comfort, Boone County, W. Va., on September 7, 1959.

By Mr. LONG of Louisiana:

Address delivered by him at graduation exercises of Loyola University May 27, 1959.

By Mr. JOHNSON of Texas (for Mr. HARTKE):

Excerpts from address delivered by Senator SYMINGTON before the Indiana Democratic Editorial Association, at French Lick, Ind., on August 29, 1959.

By Mr. HUMPHREY:

Address prepared by him entitled "The Weapons of Free Men."

RECESS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in recess, subject to the call of the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and (at 11 o'clock a.m.) the Senate took a recess, subject to the call of the Chair.

At 1 o'clock and 26 minutes p.m. the Senate reassembled when called to order by the Presiding Officer (Mr. BYRD of West Virginia in the chair).

TRIBUTE TO SENATOR DIRKSEN

Mrs. SMITH. Mr. President, as this session of Congress draws to a closing, I

want to express my appreciation and admiration for a Senator who, I feel, has made outstanding contributions to this session—the junior Senator from Illinois [Mr. DIRKSEN].

At the beginning of this session, when the Republican Members of the Senate met to choose their officers, I did not support the candidacy of EVERETT DIRKSEN for the position of Senate minority leader. I had my reservations.

But as I have watched him perform the duties of minority leader I have increasingly come to conclude that his election to that position was a very wise action by the Senate Republicans. If another election were to be held today, I would unhesitatingly vote for EVERETT DIRKSEN for the position of minority leader.

I have long known the remarkable ability of EVERETT DIRKSEN. I have long known his dedication to his work. For years I have closely observed the meticulous manner in which he does his "homework"—in which he drives himself to be so exhaustively informed on legislation and issues coming before Congress. Anyone who has served on a committee with him—such as the Appropriations Committee—could not help but witness this meeting after meeting.

But it has been in the execution of his duties as minority leader that other qualities have come to the forefront. He has shown a capacity for understanding. By that I mean not just the kind of understanding by which one agrees with another. Instead, I mean more the kind of understanding by which one can disagree agreeably—by which one can differ with another without rancor, without impugning the motives of the other, but with respect, and with willingness to listen to the other side.

He has shown a capacity for tolerance and patience. Within the ranks of the Republican Senators there are varying shades of opinions on many legislative issues. EVERETT DIRKSEN has extended tolerance and patience to all opinions and views. But he has not extended tolerance and patience in a patronizing manner or with a condescending attitude. He has done this without compromising his own principles and beliefs.

But he has not permitted his remarkable capacity for tolerance and patience to lapse into complacency. Characteristically, he speaks softly and in reasoned terms. But when the occasion has arisen in a fitting and appropriate manner he has spoken with fire and sharpness to defend principle and integrity. On these occasions, his firm mental fiber has surfaced through the exterior of his understanding, patience, and tolerance.

To me, one of his finest performances in this session was on that occasion when reference was made to the fact that he had not been on the Senate floor during some debate. When the junior Senator from Illinois, the distinguished minority leader, answered that charge he minced no words. He came straight to the point with devastating effectiveness—devastating because he spoke the truth—devastating because of the power and the vigor with which he spoke the truth.

And I think it was then that he most sharply displayed his capacity for leadership—because he did not just defend himself but instead he defended all Members of the Senate on both sides of the aisle regardless of their party affiliation. For what he said then, every Member of this body owes him gratitude. For he defended all Senators from that criticism too often leveled at Senators for being absent from the Senate floor during debate. He pointed out that he was absent from the particular debate referred to only because he was in a Senate-House conference trying to work out a labor bill.

But he did not make his defense on a personal basis. Instead he exposed the unfairness of such criticism when so often Senators were absent from the Senate floor and debate only because they were working hard in committee to try to get a bill to the Senate floor for a vote.

This was an act of leadership. It was only one of the many, many instances during this session when the minority leader has more than measured up to the exacting demands of leadership.

It so pointedly demonstrates that important quality of leadership by which a leader places his colleagues collectively ahead of himself. And it is one of the many reasons why I feel that the junior Senator from Illinois has been the best Republican minority leader during all the years it has been my privilege to serve in the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Maine yield to me?

Mrs. SMITH. I am very glad to yield to the majority leader.

Mr. JOHNSON of Texas. Mr. President, the gentle lady from Maine has long known the great admiration I have for her, and she justifies it again today by the very fine and generous statements she has made about one the most beloved Americans I know. There is no person who is more devoted to duty than EVERETT DIRKSEN. There is no person more dedicated to party than EVERETT DIRKSEN. There is no person who loves his country more than EVERETT DIRKSEN. I have never been associated or worked with a person of finer character or better disposition or greater capacity.

I thank the gentle lady from Maine for having the thoughtfulness and the generosity in her usual manner to call attention to these fine traits of character possessed by the minority leader.

Mrs. SMITH. Mr. President, I am sure that the distinguished minority leader will be most grateful for the Senator's statement.

Mr. JAVITS. Mr. President, will the Senator yield?

Mrs. SMITH. I yield.

Mr. JAVITS. Mr. President, I, too, was one of the group who had another choice for minority leader when we began the session.

I am grateful to the distinguished Senator from Maine for bespeaking what I think is in the mind of every Member of that group, the fact that EVERETT DIRKSEN has served well, without seemingly even a recollection of our own position in respect to his leadership; that he has not only served his country well—and the Senator from Maine has said this magnificently—but also has served his colleagues well, in a perfectly even-handed way, without endeavoring in any way to impose his view, but, as she has said, eloquently expressing his view, as it is proper that he should for a man of such conviction.

I join in the expression of appreciation to the Senator from Maine for having said what needed to be said for all of us.

Mrs. SMITH. I thank the Senator.

DIVIDED SESSIONS OF THE SENATE

Mr. MAGNUSON. Mr. President, this is about the time in the session when I believe it is appropriate to call the attention of the Members of both Houses of Congress to a matter pertaining to their conduct of legislative business, a matter pertaining to their own responsibility under the Constitution with respect to the fiscal matters of the country. It is also a matter pertaining importantly to their personal conduct, and their health, in many cases.

I will eliminate the Senator from Washington, but there are many cases where long and tedious sessions of Congress have undermined many fine men in this body. I think what the Senator from Maine has had to say is probably a good example of that, and I am sure the majority leader and others agree with me.

So I am taking time to call the attention of the Senate to S. 2846, which I introduced at the last session. At this session the bill I introduced bears another number. It has been referred to the Committee on the Judiciary in the hope that perhaps, come January, Congress may have a look at it.

In this morning's Washington Post there appears an editorial relating directly to this subject and to other matters. I will not read the editorial, but I wish to quote one paragraph from it:

> It would be unthinkable for Congress to adjourn before completing action on badly needed legislation apart from the surplus disposal bill; civil rights, including extension of the Civil Rights Commission; the gasoline tax increase; a new public works bill; the foreign aid appropriation; stopgap housing authority; at least a minimal corrective on bond interest rates. These measures are too important for lick-and-promise consideration.

I do not know whether the Post was referring to my proposal or other proposals which I have discussed informally with the distinguished Senator from Utah and the distinguished Senator from New Mexico and other Members of this body, but at least it all relates to the same subject:

> A perfectly simple remedy has long been advocated. That is for Congress to recess in July, permit members to take a well-earned vacation with their families, and then reconvene for a cleanup session in October. It is too late, of course, for such a solution this year.

Then the editorial goes on to discuss some of the pressing matters before us now, pressing at least in the opinion of the editors.

I know there are some bugs in my proposal. This would be an important step, if Congress should decide to take it. It would be subject to many amendments and suggestions and alternatives. My proposal, in effect, as is indicated by the title of the bill, for a separate session of Congress each year to consider appropriation bills, to establish the calendar year as the fiscal year of the Government, and for other purposes. In other words, and I throw this out as a suggestion, the bill would provide that Congress divide itself into a legislative session and a fiscal session. Most legislative bodies do just that.

In other words, we would meet in January to consider important legislative matters, and then recess, to reassemble sometime in the fall—I suggest November. At that session we would consider primarily fiscal matters, with respect to which the Appropriations Committees and the Finance Committees of both bodies would hold hearings on the budget items which would be sent to the Congress in a budget message at the fall session. We would then make appropriations, and begin the fiscal year at the beginning of the calendar year.

My distinguished friend from Virginia [Mr. BYRD] knows that such a proposal involves many troubles and complications, but we must make a start somewhere, because I think it is obvious, from the condition in which we are at present, that it is pretty difficult to legislate as we should in the dying days of the session.

The proposed plan would also mean that we would have in one package our very important fiscal problems. We would know what Congress had authorized. We would then know whether we wish to raise taxes or appropriate money, or not. This would put the whole problem in better perspective. The people would see it in better perspective. The budget would be in better perspective. I think such a plan would do much toward achieving some of the objectives which the distinguished Senator from Virginia has discussed from time to time. The Senator from Mississippi [Mr. STENNIS] and the Senator from Rhode Island [Mr. PASTORE] know that some days in the Appropriations Committee, while we are considering appropriation items, the House or Senate is passing another bill on the same subject, while we are preparing to recommend an appropriation.

The Government is becoming big and complex. Federal taxes take about 20 percent of the gross national product at present. Under the proposed plan Congress could turn and study the various problems, the people would have a better understanding of what we had authorized, and what taxes and appropriations were necessary.

The proposed plan would also mean that Members of Congress could go home during the intervening time and talk with their own people. They could learn much about the feelings of the people with regard to whether or not they were willing to have further taxes taken out of their pockets.

At the present time we are under such pressure that at times it is almost impossible to know what we want to do. The suggested plan would give the Executive a better sense of perspective. Members of the executive department could study what Congress did in the legislative session, and tailor the budget accordingly.

That does not mean that Senators could not remain in Washington during the interval. The Senator from New Mexico [Mr. ANDERSON] has an interesting proposal as to the date. As I have said, there may be some "bugs" in my proposal.

In the intervening time, committees could be holding hearings on various subjects which were to be considered by the Congress in January. Committees could meet to consider nominations and treaties. I suppose there might be some emergency matters to consider.

It seems to me that we would have a better sense of direction, and the executive department would have a better sense of direction with respect to important fiscal matter. The whole Congress would have a better sense of direction with respect to the personal lives of Members.

The PRESIDING OFFICER. The time of the Senator from Washington has expired.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to proceed for 10 more minutes.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object—and I shall not object, of course—will the Senator yield to me for 3 minutes? I must attend a committee meeting at 2 o'clock.

Mr. MAGNUSON. I must attend a meeting of the Appropriations Committee shortly.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. MAGNUSON. I have no objection.

The PRESIDING OFFICER. The Chair hears no objection, and it is so ordered.

(Mr. JAVITS addressed the Senate. His remarks appear elsewhere in today's RECORD, under the appropriate heading.)

Mr. MAGNUSON. There were two or more further features contained in my original proposal, or resolution, at one time or another.

They relate to a much needed reform in our fiscal affairs. We talk about fiscal responsibility, inflation, and questions dealing with the budget, the needs of the people under the budget, the kind of budget we should have, and so forth.

We talk continually about the debt. Making the calendar year also the Government fiscal year would also, in my opinion, dictate a change in our bookkeeping system, so that the people might have a better understanding of balanced budgets, unbalanced budgets, what we owe, what we do not owe, and how much money we must borrow.

The Government keeps books like no one else. We consider what comes in, and what is appropriated for the year, and the difference is a deficit. There has been no indication to the American people at any time as to the capital assets of the Government. The Government does not keep records of capital assets, such as are kept by any well-operated company. There is much room for argument on this proposal. The argument is that the Government is not going to cease business, and therefore it does not make any difference what capital assets it has.

I do not suppose the American Telephone & Telegraph Co. will cease business. We probably would not let them do so. They have a list of capital assets. We have nothing.

It has been pointed out to the American people that some of the money we appropriate is not only reimbursable into the Treasury but in some cases it returns with interest. Many people misunderstand this operation. When we talk about borrowing and high interest rates, sometimes the American people have a conception that the Federal Government must borrow all the money it spends. The truth of the matter is we borrow only when we do not have the difference between what is in the cash register and what is paid out, which might be in some cases 1 percent of the Federal budget. This year it is more; and we should not have to do even that. Next year I hope we shall not have to borrow as much. The adoption of my proposal would serve to place our fiscal position in perspective.

I had inserted in the appropriation bill item for the General Services Administration a sufficient amount of money to make a real estate inventory, but the inventory will not be complete. It will show the value of what the Federal Government possesses and the cost at which it was acquired. In many cases the real estate is now worth millions but was acquired for nothing. However, even that information is helpful in our bookkeeping system.

We have a personal property inventory listing surplus of almost $7 billion. That is the latest figure I have received from the General Services Administration.

It seems to me that to divide the session in the way I have suggested, which most legislative parliaments in the world do, we could put all of this procedure in a better perspective. The Senator from Virginia [Mr. BYRD] has talked about the merit of this plan for years. We shall know what the Congress has authorized and then we shall sit down and ask, as one Representative in the House has said on many occasions, "Where are we going to get the money?"

That procedure is more sound than Congress authorizing a project one minute and at the last minute of the session, when Congress is trying to adjourn, when we do not know what our books reveal, appropriating money for it.

One problem is posed, I suggest. Perhaps it could be solved. It is suggested we might have a "lameduck" Congressman come back for this fiscal session. There might be one or two members of the Committee on Finance and the Committee on Appropriations in that category. Those happen to be committees

of the Senate which do not have too much of a turnover.

The Senator from New Mexico [Mr. ANDERSON] made the suggestion to me we might wish to swear in these people on December 1 so they will come to the Senate fresh from the election to discuss these matters. That may be the answer. However, it is surely something this Congress must face up to, because we cannot continue the way we are going.

The work of Congress is at best a 9-month job out of the year. We have 3 months to ourselves at home. There is no rest for any Congressman when he goes home, and there should not be, because the people want to see him. He is just as busy at home as he is here or busier. But there should be a time when he knows he can see his constituents.

Someone suggested to me that I am not the one to pose this matter. I refer to the care of our families. I understand those who have children must take them to school, bring them back to Washington, then someone in the family returns home, and the husband is here in Congress. Then the wife and family are here again. I do not think that type of living lends to good feeling and for sound legislation at this time of the year. However, I am not self-serving in this proposal, so I shall make that suggestion.

Mr. PASTORE. Will the Senator yield?

Mr. MAGNUSON. Yes, I yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. PASTORE. First, I congratulate the distinguished Senator from Washington, who is one of the Senate's most eligible bachelors, for taking it upon himself to plead the cause of us who have marital and family responsibilities. There are those of us who are separated from our families during these difficult days, arduous especially in the circumstances under which we are working at the moment. I think it is quite refreshing, after what we have experienced, for a period of a week, to have one our brethren who is not within our category of the family group to rise and espouse our cause in the eloquent way in which he has spoken.

I congratulate the Senator from Washington upon his splendid idea. He could not have chosen a more propitious time to promote our thinking on the important problem of using our time to greatest advantage so as to perform our duties here most expeditiously in the best interests of the people of the country.

Having witnessed the spectacle we have experienced for the past week or so, and the time-consuming tactics involved it becomes more essential than ever to use our time most advantageously, so that we may work on legislation calmly and patiently for the benefit of the people of the Nation.

I congratulate the Senator from Washton, and I thank him for yielding.

Mr. MAGNUSON. Mr. President, I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I also wish to encourage the Senator from Washington to continue his work on the very grave problem which he has so well outlined. I congratulate him upon the remedies which he has suggested. I myself am a convert to the idea of doing something toward regulating the sessions of the Senate, either by splitting the sessions or dividing the year into segments of work, so that we may better accommodate ourselves to the responsibilities and problems which confront us every year.

I am not in the category of those who have children attending school, but I am aware of the burden which is placed upon the children of Members of Congress. It is almost unbearable, and it is unnecessary. It should not be necessary to submit to it any longer. I hope the Senator from Washington will continue his excellent work in this field.

Mr. MAGNUSON. What the Senator from Mississippi has said is a part of the problem. I believe the real need today is to be able to adjust the fiscal responsibility of Congress. Congress, under the Constitution, has the control of the purse strings, which means the power to levy taxes and appropriate money. Therefore, these functions should be regulated in such a way that Congress can examine into and act upon them separately. I think much better work will be accomplished if Congress will function in that way.

The Budget Bureau in 1958—last year—when I submitted the proposal to them for their consideration, examined into it very carefully and expressed a wish to review it further. The Bureau of the Budget stated that the proposal raised very important questions which should be explored. They said:

> All of us can readily agree, I am sure, that there is considerable room for improvement in our budgetary and appropriation process.

So, Mr. President, even the Bureau of the Budget has become interested in such a proposal as this.

Mr. President, I ask unanimous consent to place in the RECORD, a statement I have prepared on this subject, which is similar to the one I made a couple of years ago on a bill to create fiscal and legislative sessions of Congress. Several editorials have been written about it. One which poses some of the questions I myself pose was published in the New York Journal of Commerce. I ask unanimous consent that that editorial also be printed at this point in the RECORD.

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

BILL TO CREATE A FISCAL AND A LEGISLATIVE SESSION OF CONGRESS

Inflation is one of the major problems facing the country today. Federal spending is a major factor in the trend toward rising costs since National Government collects and spends around 20 percent of the gross national income. It is not only important, but also necessary that Congress be in a better position to judge our national fiscal policies, to eliminate waste, and to provide for necessary spending on the most economic basis possible.

With this in mind I am introducing a bill which would make possible the achievement of these objectives. Under the current system in which Congress must deal with measures like civil rights one week—and an appropriation bill the next—it is impossible for an adequate job to be accomplished. Moreover, toward the end of a session like this one it is pressed by the departments to get something passed so that salaries and Government obligations can be met.

Mine is a threefold bill whch will (1) provide for a regular annual fiscal session to be separate from the session on all legislative matters; (2) establish the calendar year as the Government's fiscal year; and (3) provide Federal accounting procedures which would insure a businesslike appraisal of the Government's fiscal position in the light of the President's annual budget.

In the fiscal session of Congress—beginning annually on the second Monday of November and extending until December 31—committees other than appropriations in either House, might still meet, hold hearings, or conduct studies and investigations of matters under their respective jurisdictions, but ordinarily the only measures which would be introduced, reported upon, or enacted would be money bills.

On the other hand, the present regular session of Congress beginning on January 3—and any special sessions—would ordinarily be confined to consideration of all other nonfiscal measures. These would be known as legislative sessions.

Treaties, nominations, or other measures whose consideration during a fiscal session is requested by the President as being in the national interest would provide certain necessary exceptions to the division of congressional business between legislative and fiscal sessions. Also action might be taken on required deficiency appropriations during a legislative session.

I view inauguration of fiscal sessions the logical and most practical solution to the ever-increasing problem of thorough and timely action by Congress on appropriation bills. We in Congress are as responsible as the executive branch to the Nation for the wise and prudent disposition of public funds.

Sandwiching work on money bills into ordinary legislative business makes it almost impossible to meet that national responsibility. By contrast, the fiscal session plan will permit Congress periodically to devote its entire energies to these important matters without the pressure, haste, and confusion which has become too often associated with the consideration of money measures.

Title I of the bill sets up the fiscal session and establishes the difference between this and the legislative session.

Title II of the bill amends title 5, section 156 of the United States Code, and other related statutes, to establish the calendar year as the Governments fiscal year—thus putting the Federal accounting cycle in step with universal business practice. The bill provides that the first calendar-fiscal year will be 1960, commencing immediately after the first fiscal session in November and December of 1959. Appropriations only for the period July 1 to December 31, 1959, would be made during the session of Congress beginning January 3, 1959.

Title III affects changes in the time of submission and content of the President's budget amending section 201 of the Budget and Accounting Act of 1921. Beginning in 1959 the budget for the succeeding fiscal year would be required to be submitted on or before July 15—or approximately 4 months prior to the beginning of the fiscal session during which it will be passed upon. The benefits of having the budget published and on record well in advance of its consideration by Congress are obvious.

In order that the fiscal position of the Government be reflected in a more businesslike manner this title requires the annual budget to incorporate two features not now required by law (1) a showing of the amount of proposed appropriations and expenditures which are reimbursable to the Treasury, and (2) a report on the total capital assets of the

Government and their value, as of the end of the last completed fiscal year.

These items are essential to give Congress and the American people a true picture of the Federal financial position. The effect of the size of the budget as a whole cannot be properly analyzed unless some overall differentiation is made between absolute and reimbursable expenses. Even more important is the long-overdue requirement that some accounting be kept of our Government's capital assets.

It is almost impossible to make an intelligent appraisal of the Nation's solvency in terms of debt alone for the same reasons that the indebtedness of a business or of an individual means nothing unless we also know something of their assets. The Federal Government today has the ownership of billions upon billions of dollars of lands, minerals, buildings, capital goods, supplies, and equipment. Inconceivable as it may seem to an outsider—no official accounting has ever been required to show the current value of this property—against which to measure the amount of our national debt. Surely this reform is now—more than ever—demanded.

The present measure is sincerely recommended for approval by the Senate.

[From the New York Journal of Commerce, Sept. 3, 1957]

TIME OUT FOR MONEY?

The 1st session of the 85th Congress has adjourned, leaving behind it a meager record of accomplishment. The President is disappointed, and well he might be.

Many aspects of his legislative program never saw the light of day in the session just ended. Moreover, some probably won't in the second session, either. The reasons are manifold. They include differences between the White House and Congress and differences within Congress, not to speak of the embattled civil rights issue which, in the course of the 1st session, stalled the legislative apparatus to an unusual degree.

But other Congresses have had their deep-rooted differences and their burning issues as well. Few in recent years have moved into the end of a session with a sense of well-organized accomplishment and without a backlog of unfinished business. As any 'teener sitting in the gallery could observe, the extraordinary manner in which the legislators go about their daily work hardly makes for efficiency.

A real question is whether the difficulties under which Congress works are not of the built-in variety. Does it really make sense to go on sandwiching legislative business-like civil rights in with appropriation bills in a confused and permanent merry-go-round? Can Congress do justice either to its legislative work or to the special and complex problems raised by Federal spending decisions by this helter-skelter, hit-or-miss approach.

We doubt it. And so does the author of an imaginative plan which appeared in the form of a bill just as the first session wound up its business. It is entitled the "Proposed Fiscal Act of 1957."

Introduced by Senator WARREN MAGNUSON, Democrat, of Washington, S. 2846 would go so far as to inaugurate a new special congressional session each year, beginning in November and convened just for the money bill part of the job. This separate fiscal session of Congress would supplement the regular session, in which legislative matters, exclusive of money bills, would be concentrated upon.

The theory underlying this approach is that the legislators need to devote their entire energies to the disposition of public funds if they are to shoulder the responsibility which they share with the Executive for the wise and prudent use of those funds.

There can be no mistake that a very radical change from present practices would attend the implementation of S. 2846. One effect would be to permit shifting the time for the President to submit his budget from January to mid-July. To accommodate the new procedure, it is proposed that the Government drop the present fiscal year, which runs from one midyear to another, and adopt a calendar year basis.

Presumably, this would mean that Congress, meeting in January, would proceed to act upon the legislative program proper after receiving the President's state of the Union address and Economic Report. By July 15, the President would submit his budget, based upon the legislative actions.

But the money bills would not be considered until the fiscal session, beginning the second Monday in November and lasting through December 31. The new fiscal year would begin in January, and Congress would then enter the new session, commencing once again the consideration of a new legislative program sans money bills.

So radical an innovation as the Magnuson bill contemplates is not likely to win friends overnight. Whether it will even get to first base is a question.

But it needs discussion and thought, if only because of the central idea of concentrating during a particular time and with special procedure upon the intricate but vastly important money bills, which, after all, serve as the conveyor belts for taxpayer money. Even more important, perhaps, is the opportunity which would be provided for Congress to look at appropriations as a whole after the legislative program as a whole has been bundled up. This last point is of the utmost importance.

While S. 2846 is certainly not the whole answer and, perhaps, may not even be a partially correct one, it focuses major aspects of the problem and, by its sheer boldness, may well push thinking off dead center. Even a cursory reading of the CONGRESSIONAL RECORD reveals the disorganization inherent in present legislative methods. Senator MAGNUSON is to be commended for having extricated himself from the fracas sufficiently to suggest that this is not only a helluva way to run a railroad but no way to run the Nation's business.

Mr. MAGNUSON. Mr. President, other editorials have been written on this subject. A few students of government have looked into this matter and have made suggestions and proposed changes. But my purpose today is to bring the matter before the Senate again. I thought this was an appropriate time to discuss it again, in the hope that all of us who have similar feelings about the problem might think about it, and then in January we might hold hearings on it before the appropriate committee or committees, in the hope that positive action may be taken.

It should not be necessary for us to stay in session all summer and privately complain, as perhaps all of us do, that we ought to do something about our own situation.

Mr. President, I yield to the Senator from Utah.

Mr. MOSS. Mr. President, I associate myself with the remarks made by the Senator from Washington. I congratulate him upon bringing this matter to the attention of the Senate. What he has said, based upon his long years of experience and wisdom, is certainly impressive to me. In the short time I have been in the Senate, some of the same ideas have occurred to me. I had even gone so far as to have a concurrent resolution drafted and had expected to offer it in the Senate. But I am happy to see that the Senator from Washington, in his bill, has touched on the points I had in mind, and I am very happy to support the bill. I hope the Senate will do something more about this problem than merely talk about it.

The PRESIDING OFFICER. The time of the Senator from Washington has expired.

AUTHORIZATION TO COMMITTEE ON THE JUDICIARY TO SUBMIT REPORTS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the chairman of the Committee on the Judiciary may submit sundry reports on bills ordered to be reported by the Judiciary Committee at its meeting today, including the immigration bill.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Without objection, it is so ordered.

RECOMMENDATIONS OF CIVIL RIGHTS COMMISSION

Mr. JAVITS. Mr. President, my purpose in taking the floor this afternoon is to send to the desk eight proposals for printing under the rule, to amend Senate bill 2391, the so-called civil rights bill, now pending before the Senate Committee on the Judiciary.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on the Judiciary.

Mr. JAVITS. Mr. President, these amendments include three proposals to which I wish to invite the atttention of the Senate specifically. Two were recommended this morning by the Civil Rights Commission. They deal with the preservation of registration and voting records for a period of 5 years, and restraints on voting registrars who deprive Negroes or others similarly circumstanced of the right to vote.

The third proposal is a substitute for a part of title 3, which was fought over in 1957. It embodies the intervention idea, enabling the Attorney General to intervene in suits at his discretion. It has an analogy in other phases of the law at this time.

I point out that the report of the Civil Rights Commission, which has been released today, is in my opinion a well-reasoned, middle-of-the-road document, proposing some solid, hard-headed recommendations drawn up by a bipartisan group representing all sections of the country and dedicated to the securing of constitutional rights for all citizens. I do not consider it radical or inflammatory.

The Commission is a six-man body, composed of three members from the South—Virginia, Florida, and Texas—and a member each from Indiana, Michigan, and the District of Columbia. Yet with respect to the two recommendations for which I am submitting amendments, there was not a single dissent.

These recommendations were the outgrowth of hearings before the Commission in connection with restraints and restrictions on voting.

With respect to a more controversial recommendation, No. 5, which would have the President appoint temporary Federal registrars to register persons to vote in Federal elections who are being deprived of the right to register, the only Commission member to dissent was John S. Battle, former Governor of Virginia. Governor Battle said in his own dissent that "substantial numbers of citizens under State registration and election laws are being denied the right to register, and thus the right to vote, by reason of their race or color."

I am studying the drafting of an amendment with respect to this recommendation as well, which I shall submit later.

I close by emphasizing the point that here was a representative Commission composed in part of some distinguished men from the South. It found itself pretty much of one mind with respect to two facts, first, that there was deprivation of the right to vote; and, second, that something very material must be done about it.

EXPANDED AGRICULTURAL RESEARCH PROGRAM

Mr. STENNIS. Mr. President, the House has passed a modified version of Senate bill 690 which provides a sound and constructive approach for agricultural research. This bill has been greatly improved, in that it gives proper balance between marketing utilization and production research. It establishes necessary machinery for increasing the effectiveness of our agricultural research program. This proposed legislation will benefit both farmers and consumers, and will greatly strengthen our agricultural economy. I hope the Senate will pass this bill at this session.

Research may not have seemed so important 20 years ago. That was before the world visualized space satellites, Salk vaccine, atomic energy, and traveling cross-country by commercial jet in 4½ hours. That was before the Government started spending money on intercontinental ballistic missiles, or shooting men into space. Today, research holds the key to progress; and in the case of agriculture, it is indispensable.

Unfortunately, agriculture has lagged far behind industry in the application of research. American industry is now expanding its research programs at a rate of almost $1 billion a year, and is reaping the startling results we read about almost daily in the press. But research in agriculture is progressing at a horse-drawn pace, and is rapidly falling behind the rate of development needed to sustain a changing agriculture.

In providing research assistance, the Government gives major attention to nonagricultural needs. Agriculture 20 years ago received about 40 cents of each Federal research dollar. It now gets less than 3 cents of this dollar. Of course, we cannot reduce research expenditures in the vital areas of national defense, public health, space exploration, and atomic power. But agriculture is still one of our big problems and a very vital part of our economy. We must do everything to insure our country's health and strength through efficient and economical farming.

We can greatly improve the efficiency in our Federal research program for agriculture by this bill, which provides, first, a balanced research effort, with emphasis where and when it is needed; second, imaginative and independent program appraisal, to insure effectiveness; and, third, coordinated and determined administration.

This proposed legislation offers a unique approach for bringing about proper balance in research and independent program appraisal, and will work toward improving research administration and strengthening the overall research effort.

The bill has two major features. First, and most important, is the establishment of an Agricultural Research and Development Commission as an independent agency in the executive branch of Government.

Establishment of the Commission is the most realistic way to achieve the coordination and direction which today are so seriously lacking in agricultural research. The seven-member body, appointed by the President and confirmed by the Senate, would review the total agricultural research effort and research programs of individual commodities. It would then recommend to Congress and the Secretary of Agriculture necessary changes in the research program.

Second, the bill will give additional authority to the Secretary of Agriculture to handle research contracts and grants more efficiently. Present law discourages qualified private organizations from undertaking Government research contracts for agricultural research and grants, due to redtape and unnecessary limitations.

Laws governing the use of public patents would also be liberalized, to encourage greater commercial use of discoveries made through Government-sponsored research. In addition, commercial use would be encouraged by direct sales promotion of these research results.

Mr. President, this bill, which has been given long and careful study by some of the most qualified agricultural minds, is a major step in developing a sound and forward-looking agricultural research policy. It is supported by national farm and commodity organizations. It is my firm conviction that this measure will greatly strengthen research, and will result in greater efficiency in the production, marketing and utilization of agricultural commodities. I am most hopeful that this agricultural research bill will receive the unanimous approval of the Senate.

REPORT OF COMMISSION ON CIVIL RIGHTS

Mr. ERVIN. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD a statement prepared by me on the report of the Commission on Civil Rights.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ERVIN ON REPORT OF COMMISSION ON CIVIL RIGHTS

Before discussing the report of the Commission on Civil Rights, I wish to make certain relevant observations.

SOLUTION OF RACIAL PROBLEMS

When all is said, racial problems can be solved only by good will, intelligence, and patience on the local level where men and women live, move, and have their being. Their solution cannot be dictated from above, either by dictators holding executive offices, or dictators occupying legislative offices, or dictators wearing judicial robes.

COMPULSORY INTEGRATION

For this and other reasons, I disagree with those who seek to compel the involuntary association of the races by executive action, judicial decree, or legislative fiat. Despite assertions by sincere persons, professional agitators, and political opportunists to the contrary, racial segregation is not the product of racial prejudice. It results from the exercise of a most precious American right—the freedom to select one's own associates. Observations in the North, the South, the East, and the West show that whenever Americans are at liberty to select their own associates, they virtually always select as their associates members of their own race. This is not strange because it harmonizes with the basic law of nature that like seeks like.

Compulsory integration is fundamentally wrong because it robs the people affected by it of the freedom to select their own associates.

PROPOSED CIVIL RIGHTS LEGISLATION

The constitutional and legal systems of America are the finest products of human experience and wisdom, and should be preserved at all costs for the benefit of all Americans of all races and all generations.

It is high time for Americans of all races in all sections of the country to wake up to the fact that advocates of the major proposals for civil rights legislation are trying to sell their constitutional and legal birthrights for a sorry mess of political pottage. This is true for the very simple reason that all major civil rights proposals are repugnant to our constitutional and legal systems.

The men who framed our constitutional and legal systems comprehended in full measure the everlasting truth that no man or set of men can be safely trusted with governmental power of an unlimited nature. In consequence, they were determined, above all things, to establish a government of laws and not of men.

To prevent the exercise of arbitrary power by government, they inserted in the Constitution of the United States the doctrine of the separation of governmental powers.

They utilized this doctrine in a twofold way. They delegated to the Federal Government the powers necessary to enable it to discharge its functions as a central government, and they left to the States all other governmental powers. It was this use of the doctrine of the separation of powers which prompted Chief Justice Salmon P. Chase to make this memorable remark in his opinion in *Texas* v. *White:* "The Constitution, in all its provisions, looks to an indestructible union, composed of indestructible States."

In their other utilization of the doctrine of the separation of powers, the framers of our constitutional and legal systems vested the power to make laws in the Congress, the power to execute laws in the President, and the power to interpret laws in the Supreme

Court of the United States and such inferior courts as the Congress might establish.

Time and space do not permit me to analyze in detail the provisions of the numerous proposals for civil rights legislation. It is indisputable, however, that the provisions of the major proposals in this field cannot possibly be reconciled with the fundamentals of our constitutional and legal systems.

This is true for these reasons:

1. They undertake to concentrate in the Federal Government the power to supervise and control all relations between the States and their citizens. In so doing, they are utterly repugnant to the constitutional principle that our indestructible Union is composed of indestructible States.

2. They single out certain groups of Americans on account of their race and undertake to make them the special favorites of the laws. In so doing, they are utterly repugnant to the basic American concepts that ours is a Government of laws rather than a Government of men, and that courts are created to administer equal and exact justice according to certain and uniform laws applying alike to all men in like situations.

3. They single out certain groups of Americans and undertake to confer upon them so-called civil rights by robbing State and local officials and all other Americans involved in civil-rights disputes of the basic and invaluable constitutional and legal safeguards created by the Constitution and the Congress to protect all Americans from bureaucratic and judicial tyranny.

NEW LEGISLATION UNNECESSARY

A study of existing statutes shows that new legislation in this field is wholly unnecessary.

Sections 1981 to 1992 of title 42 of the United States Code confer upon all Americans legal and equitable remedies sufficient to enforce all of their civil rights. To be sure, advocates of new legislation in this field do not like these statutes because they require that the rights devolving upon each American as a citizen or a man shall "be protected in the ordinary modes by which other men's rights are protected."

The concept of uniform laws is abhorrent to those who would single out certain groups and make them the special favorites of the laws.

Section 241 of title 18 of the United States Code provides heavy criminal penalties for those who "conspire to injure, oppress, threaten, or intimidate any citizen in the free exercise or enjoyment of any right or privilege secured to him by the Constitution or laws of the United States, or because of his having exercised the same."

Section 242 of title 18 of the United States Code provides criminal penalties for any State or local official who "willfully subjects any inhabitant of any State, Territory or District, to the deprivation of any rights, privileges or immunities secured or protected by the Constitution or laws of the United States."

Under these two criminal statutes, the Department of Justice can prosecute in a Federal court any State or local official who willfully denies any qualified person the right to register or vote, or any other right secured to him by the Constitution or laws of the United States. To be sure, the burden would rest upon the Department of Justice to prove such State or local official to be guilty by the testimony of credible witnesses having personal knowledge of the truth of the charge against such official.

Advocates of new legislation in this field do not like these statutes because they would deny to State and local officials legal rights which they are willing to accord to persons charged with murder, smuggling, dope peddling, counterfeiting, and other crimes.

REPORT OF THE COMMISSION

Although I opposed the creation of the Commission on Civil Rights, I nevertheless entertained the hope that the Commission would suggest something new and constructive in the field of racial relations. The report which has been released by the Commission today has robbed me of this hope.

The report is not a report in any real sense of the term. This is true because the report has many authors who entertain and express differing views. The major portion of the report is written by the staff of the Commission. The other portions of the report are written by individual Commissioners or groups of Commissioners.

The portion of the report written by the staff of the Commission consists of the same old cliches which have been used for years by those who make the advocacy of Civil Rights legislation and compulsory racial integration a profession.

The real character of the portion of the report written by the staff of the Commission is clearly revealed by the following statements of members of the Commission.

1. The statement of Commissioner Battle that "the report is not an impartial, factual statement, but rather, in large part, an argument in advocacy of preconceived ideas in the field of race relations."

2. The statement of Vice Chairman Storey and Commissioners Battle and Carlton that the portion of the report dealing with public education "is to a large extent argumentative and colored by the authors' views on the sociological and philosophical aspects of the school integration problem."

3. The statement of Vice Chairman Storey and Commissioners Battle and Carlton that "some parts of the foregoing report are argumentative, with suggestions keyed to integration rather than housing," and "suggest a fixed program of mixing the races anywhere and everywhere regardless of the wishes of either race and particular problems involved."

Time and space preclude me from discussing the report in detail. For this reason, I shall confine my observations to the proposal that the Constitution of the United States be amended so as to deprive the States of their present constitutional power to prescribe the qualifications of voters; the proposal that all colleges, both public and private, be deprived of all Federal grants to coerce them into integrating their student bodies; the proposal that the Commission on Civil Rights be made a permanent governmental agency so that its staff may assist in bringing about the integration of all public schools in Southern States; and the proposal that all federally assisted housing be integrated. I wish to note at this point that Vice Chairman Storey and Commissioners Battle and Carlton, who are far more familiar with the South than the other Commissioners, entered vigorous dissents to these proposals.

THE PROPOSED CONSTITUTIONAL AMENDMENT

The Constitution provides that "each State shall appoint, in such manner as the legislature thereof may direct, a number of electors equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress" (art. II, clause 2); that "the House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures" (art. I, sec. 2); and that "the Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for 6 years. * * * The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures" (amendment 17, clause 1).

If history shows anything, it shows that the framers of the Constitution were wise in permitting the States to prescribe the qualifications for voters. On one occasion, Congress rejected the wisdom of the Founding Fathers in this respect and undertook to let the National Government act in this field. This congressional folly resulted in the tragic era now known as Reconstruction, which culminated in the shameful episode in which Samuel J. Tilden, the duly elected candidate for the office, was robbed of the Presidency.

Despite this sad historical experience, it is proposed that the Constitution of the United States be amended so as to vest in every person of the required age and place of residence not actually confined in an insane asylum or a prison an absolute right to vote in any election held for any purpose in any political subdivision anywhere in the 50 States constituting the United States, even though he be an idiot or an unreformed felon under conviction for a crime involving moral turpitude. When all is said, the only reason assigned for the proposal that the States be robbed of the right to prescribe intelligence tests for voters and barred from depriving unconfined idiots and unconfined felons from the elective franchise is simply this: That it is alleged that in a comparatively few areas of the country supposedly qualified persons have been denied the right to register and vote, and that it would be easier to establish the truth of such allegations in the future if the only qualifications required of voters were the possession of a physical body, with or without intelligence or character, plus an attained age and a fixed place of residence.

For Congress and the States to heed this proposal for such a constitutional amendment would be about as sensible as using an atomic bomb to destroy a few rats.

As I have already pointed out, there are now sufficient Federal statutes to prevent or punish any provable charges that any qualified person is being wrongfully denied the right to register and vote in any of the 165,115 voting precincts in the 50 States comprising the Union.

THE PROPOSED DENIAL OF FEDERAL GRANTS

Coercion to compel conformity or to stifle dissent is inexcusable, whether exerted by individuals or by Government. For this reason, I deplore the proposal that executive agencies and departments of the Federal Government withhold all grants to colleges, both public and private, to coerce their administrators into integrating their student bodies. It is to be remembered that Congress makes these grants to facilitate the education of the boys and girls who attend these colleges in the capacity of students and who have no control whatever over their administration. This proposal seeks to visit the supposed sins of the administrators upon the innocent students with a vengeance.

THE PROPOSAL RELATING TO SECONDARY PUBLIC SCHOOLS

In an able opinion in *Briggs* v. *Elliott*, 132 Fed. Supp. 776, the late Chief Judge John J. Parker of the U.S. Court of Appeals for the Fourth District, one of the ablest and most distinguished jurists America has ever known, explained "exactly what the Supreme Court has decided" in the so-called school desegregation cases. Judge Parker said: "It has not decided that the Federal courts are to take over or regulate the public schools of the States. It has not decided that the States must mix persons of different races in the schools or must require them to attend schools or must deprive them of the right of choosing the schools they attend.

What it has decided, and all that it has decided, is that a State may not deny to any person on account of race the right to attend any school that it maintains. This, under the decision of the Supreme Court, the State may not do directly or indirectly; but if the schools which it maintains are open to children of all races, no violation of the Constitution is involved even though the children of different races voluntarily attend different schools, as they attend different churches. Nothing in the Constitution or in the decision of the Supreme Court takes away from the people freedom to choose the schools they attend. The Constitution, in other words, does not require integration. It merely forbids discrimination. It does not forbid such segregation as occurs as the result of voluntary action. It merely forbids the use of governmental power to enforce segregation. The 14th amendment is a limitation upon the exercise of power by the State or State agencies, not a limitation upon the freedom of individuals."

After acknowledging Judge Parker's interpretation of the so-called school desegregation cases to be sound, the portion of the report written by the staff of the Commission forthwith forsakes Judge Parker's sound interpretation for its own erroneous interpretation that the cases require the complete desegregation of all public schools in the South regardless of the wishes of the people of both races in particular districts, and urges that the Commission on Civil Rights be made a permanent agency to assist in bringing such desegregation to pass. I cannot refrain from observing at this point that the central theme of the portion of the report written by the staff of the Commission is the desirability of perpetuating the Commission on Civil Rights and the jobs of the members of its staff.

THE PROPOSAL TO INTEGRATE ALL FEDERALLY ASSISTED HOUSING

The sociological bent of the staff of the Commission on Civil Rights is disclosed by many portions of the report written by it. For example, it deplores the fact that many nonwhite American families live in second-hand homes—a statement equally applicable to the overwhelming majority of all white American families, both rich and poor. The portions of the report written by the staff of the Commission relating to housing recommend that "all federally assisted housing, including housing constructed with the assistance of Federal mortgage insurance or loan guarantees as well as federally aided public housing and urban renewal projects," be integrated, and thus supports the observation of Vice Chairman Storey and Commissioners Battle and Carlton that such parts of the report are "keyed to integration rather than housing," and "suggest a fixed program of mixing the races anywhere and everywhere regardless of the wishes of either race." As these gentlemen state, suggestions of this nature "if carried out in full, will result in delay and in many cases the defeat of adequate housing." This is undoubtedly true because Senators and Congressmen who believe that Americans should have the freedom to select their own associates are not likely to support a federally assisted housing program which is diverted from its primary purpose of providing shelter for American families to that of producing compulsory association of the races.

The statements in the portion of the report of the staff deploring blockbusting, expressing concern for the legitimate interest of white neighborhoods, and advocating expanding Negro residential areas seem to justify the inference that the staff of the Commission tolerates, if it does not actually favor, the continuance of conditions now prevailing in many American cities, which were succinctly described a few days ago in the following words in a letter which one New Yorker wrote to other New Yorkers, and which I have been granted the liberty of using: "May I ask whether we really do have integration here in New York, or whether we have integration only for poor people? That is, for the people who can't afford to move to the suburbs and can't afford to send their children to private schools. Are there any so-called champions of civil rights who now live in integrated areas or whose children are attending integrated schools?"

When all is said, the report of the Commission leaves me with the abiding conviction that the staff of the Commission is inseparably wedded to the propositions that Americans ought not to have the freedom to select their own associates, and that all possible governmental powers ought to be diverted from their primary functions to that of compelling the involuntary association of the races.

Mr. STENNIS. Mr. President, the recommendations of the Civil Rights Commission in its report are both extreme and shocking. The report in itself is a mere blueprint for complete federalization of all walks of life. The far-reaching proposals would extinguish more rights than they would protect.

If carried out, the proposals would effectively destroy the relationship between the States and the Federal Government in the field of suffrage, and even would provide for registration of voters by Federal officials in some instances. The Federal Government would assume virtually complete control in the field of education. Furthermore, there would be complete Federal control over all housing for which any Federal funds have been used in any way in years past.

The only step remaining to assure complete federalization of the Nation would be enactment of an FEPC bill to bring all employment under Federal control.

In education, the role of the Federal Government has been one of leadership and assistance, with some financial aid in limited fields. As outstanding examples, we can point with pride to our land grant colleges and our extension service and vocational education, as well as grants for research.

Yet the Commission recommends that we reverse completely this role of leadership and assistance, to one of bribery, coercion and punishment, resulting in the absolute destruction of these worthy programs. Coercion in the field of education has never been—and I trust it never shall be—the policy of the Congress.

Most of the recommendations in this report are clearly visionary and impractical. There are remedies within present law for any evils, real or imaginary, about which complaint has been made.

The division of thought among the members themselves shows how unwise and futile would be any attempt to enact Federal legislation in these fields.

Commissioner Battle has accurately described the report as being "neither impartial nor factual, but a mere argument in the field of race relations."

I am confident these unprecedented recommendations will be rejected flatly by the American people and the Congress.

All thinking Americans will arise to the challenge. Thus, in sounding the alarm, this report will have served its only useful purpose.

Mr. TALMADGE. Mr. President, the report of the Commission on Civil Rights is unparalleled for the arrogance and calculation by which it proposes to extend Federal power over the intimate lives and inalienable liberties of the American people.

It is confirmation of the worst fears of those of us who opposed its creation 2 years ago.

The effect of carrying out its recommendations—the worst, of which do not even carry the endorsement of a majority of the Commission members—would be to perpetuate that agency as an unconstitutional instrument of meddling and intimidation, from which no facet of the lives, fortunes, and property of all 177 million Americans would be immune.

The recommendation that Federal registrars be appointed to determine who is qualified to vote and who is not qualified to vote is unconstitutional on its face. Under the clear wording of paragraph 1, section 2, article I of the Constitution of the United States, the State is sovereign within the limitations of the 15th and 19th amendments as to the qualifications of voters.

Should the constitutional amendment proposed by three of the Commission members be submitted by Congress and ratified by the States, idiots, lunatics, and convicted felons would be permitted to vote. In fact, the proposed language is so broad that if a murderer managed to escape from prison on election day and make his way to the polls, he, too, would be permitted to cast a ballot.

Mr. LONG of Louisiana. Mr. President, will the Senator from Georgia yield to me?

Mr. TALMADGE. I am delighted to yield to my friend, the Senator from Louisiana.

Mr. LONG of Louisiana. Some States have laws which do not permit a person to have assistance when he goes into a voting registration booth. It is very difficult to say how such a civil rights proposal would be administered when a blind man came to vote, if he was not allowed to have assistance at the time when he was required to register and to vote.

Mr. TALMADGE. That is entirely correct; and I may add that the same would be true of idiots and lunatics.

Mr. ERVIN. And the only excuse that is given in connection with the proposal to rob the States of their right to prescribe intelligence tests for voters and bar them from depriving unconfined idiots and unconfined felons from voting is the allegation that there has been some deprivation of the right to vote, and that it would be easier to establish that a person has been wrongfully denied the right to vote, if the only qualifications a person has to meet in order to enjoy the right to vote is the physical possession of a body, with or without intelligence or character, plus the attainment of a certain age and a fixed place of residence.

Mr. TALMADGE. Mr. President, the able Senator from North Carolina has summarized the matter correctly.

Mr. ERVIN. But that is precisely what the report recommends.

Mr. TALMADGE. The Senator from North Carolina is correct.

The PRESIDING OFFICER. The time available to the Senator from Georgia, under the 3-minute limitation, has expired.

Mr. TALMADGE. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Georgia may proceed.

Mr. TALMADGE. Mr. President, the proposal that the Commission be given authority to bring about integration of schools has in it the seeds of unprecedented strife and chaos. Such efforts could only result in tension and violence in the States of the South, comparable to that which we now are witnessing in the metropolitan areas of States in other regions which for many years have followed policies of integration.

The proposed formula for forced race-mixing in public and private housing not only would nullify our constitutional guarantees of security of person and property, but also would, by resorting to the authority of executive orders, bypass established legislative procedure.

Such attempts already have been made in metropolitan areas such as New York and Chicago, and all of us have seen the sorry results. In Chicago there has been violence, arson, and lawlessness which have required the full-time attention of hundreds of policemen, in order to preserve order.

It is inconceivable how anyone could believe that if such a system cannot work in the integrated cities of the North, Midwest, and Far West, it could by any stretch of the imagination be successful in the South, where segregation is the mutually accepted social pattern.

Mr. President, I am confident that if the American people knew of the dictatorship and tyranny proposed in the report of the Commission on Civil Rights, they would rise up in righteous indignation, and would demand, as one, that this Congress not only not extend the life of the Commission, but, rather, that Congress abolish it forthwith.

I agree wholeheartedly with the dissenting opinion of Commissioner John S. Battle that the report is "an argument in advocacy of preconceived ideas in the field of race relations"; and I wish to state that I expect to have much more to say on the subject of this Commission and its future when the matter comes before this Senate for determination.

FIFTH ANNIVERSARY OF SEATO

Mr. WILEY. Mr. President, today marks the fifth anniversary of the Southeast Asia Treaty Organization—SEATO. The anniversary symbolizes a unique mark of progress in efforts between Far Eastern and Western nations to cooperate in promoting peace and security.

Freedom in the world, and particularly in southeast Asia, has a better chance of survival, because of the existence of the Southeast Asia Treaty Organization.

We recognize, however, that the 8-member organization—comprised of the United States, Great Britain, France, Australia, New Zealand, Pakistan, Thailand, and the Philippines—greatly needs strengthening.

In the days ahead, we can expect that SEATO will face the full gamut of Communist pressures—from the "sword" to the "carrot"—to spread their influence among the Asian nations, as well as around the globe. These tactics will include infiltration, subversion, alternating threats and promises, treaty making and breaking, propaganda barrages, and other attempts to increase their spheres of influence and control.

The Communist willingness to flagrantly violate the territorial integrity of other nations—exemplified by the Communist action in Laos, India, and Tibet—adequately demonstrates the scope of the ever-greater challenges and threats with which the Organization will be confronted.

Indeed, the stepped up, multipronged offensive by the Communists in Asia may well create for SEATO a "test for its life."

SEATO AID FOR LAOS?

If the United Nations fail to act quickly enough in response to the appeal of Laos for help, the next logical step may well be a request directly to SEATO for assistance.

Pledged by its own charter to act within the principles of the United Nations, the organization may, nevertheless, act independently of the United Nations, if that is required.

Foresightedly, the SEATO nations have already met to consider the factors in the situation.

Unfortunately, the Soviets again are acting as obstructionists to United Nations action; they are threatening to block the effort to obtain the facts in regard to the Laos crisis.

With the threat of the veto overhanging U.N. action, it is to be hoped that SEATO will grasp the opportunity and will demonstrate to the world its willingness and ability to be of all possible assistance.

In celebrating the fifth anniversary of SEATO, its member nations must, I believe, rededicate themselves and their resources to dealing effectively with the swelling tide of Communist aggressiveness in Asia, as well as around the globe. The degree to which they accomplish their objective may well determine whether the future of Asia is free or slave.

Mr. President, right now there is a real challenge to SEATO. In the morning newspapers we notice articles which state that the Communist group in the United Nations threatens to veto proposed action by the United Nations to send a group to obtain the facts in Laos. SEATO is not bound by any such provision; it can really "go to town" now, and can demonstrate what I believe it is important that it demonstrate—namely, a determination to take action to put out the Communist fire in Laos.

FEDERAL DEBT MANAGEMENT AND INTEREST RATES ON GOVERNMENT BONDS

Mr. SALTONSTALL. Mr. President, the time is at hand for an objective look at the problems of our Nation's debt management. The time is at hand for a frank appraisal of our country's credit standing and its ability to finance its obligations in the difficult times of international crises that lie ahead.

It is regrettable that the House of Representatives has not approved the President's proposal to remove the arbitrary ceiling on interest rates payable on long-term Government bonds.

Since early 1958 the United States has lost $2.8 billion of gold to other countries: its foreign exchange position is not as strong; savings bonds redemptions are rising; long-term U.S. marketable bonds are at their lowest point; and now our Treasury is being forced to resort to a method of financing which can only contribute to new economic problems and increased inflationary pressures by the failure to act on the President's request for increasing the ceiling on interest rates on the Government's long-term debt.

Unless we face this problem squarely, we may endanger the continued prosperity and well-being of our Nation and may endanger the record-breaking prosperity which we are now enjoying.

At stake in the President's proposal is the confidence of our people at home and of other free nations in the credit and fiscal integrity of the United States. If we permit an undermining of this confidence, it may lead to the weakening of our national security.

Our security depends, as we well know, not only upon our military strength, but also upon our fiscal integrity as well. Indeed, a healthy economy, enjoying real economic growth, is essential for the military and industrial capacity required to maintain our barriers against Communist aggression and to give the necessary confidence to our friends in other parts of the world that we have that capacity.

Every economic index reports rising levels of business activity, increased wages, and increased employment, with a gross national product approaching $500 billion annually.

Our free economy has recovered vigorously from the recession of last year. We are experiencing a true economic growth, and every indicator points to continued, steady progress ahead.

But the road ahead is not free from obstacles. The gravest danger to genuine economic growth and to real prosperity lies in inflation.

In the face of this ever-present danger, the House of Representatives has taken a grave step which I believe can only aggravate these pressures of inflation. The House has rejected the President's proposal to lift the arbitrary interest rate ceiling on the sale of Government bonds. It has failed to do so despite serious

warnings issued by the President, the Secretary of the Treasury, and, more lately, the chairman of the Senate Finance Committee.

This failure may gravely affect the security of this Nation, for as vital to our Nation's security as men and modern weapons is the confidence we can create in the United States Government on the part of our allies and other free nations abroad, as well as on the part of our people at home.

If the Treasury of the United States is hampered in financing its enormous obligations, that confidence is seriously impaired. If the Treasury must resort to unsound methods in order to meet its obligations, its credit and international confidence in the U.S. economy may be seriously injured.

A stable economy, one which is not hampered by constant erosion, through inflation, is vital to our Nation's security.

We know that there are many factors which contribute to the dangers of inflation. These include deficit Government financing, the wage-price spiral, improper debt management. The action of the House compels the Government to resort to short-term debt financing, and thus leads ultimately to improper debt management.

The Secretary of the Treasury has repeatedly stated that the interest rate ceiling must be lifted if the Government is to continue long-term financing of the national debt. The rejection of the President's proposal means, in effect, that the Government more and more will have to resort to short-term financing, which ultimately becomes similar to increasing the speed of printing presses. When the printing presses are speeded, the value of our dollar becomes less and the cost of our commodities becomes greater.

Money is a commodity. Like any other commodity, it is affected by supply and demand. It experiences the normal fluctuation price of any commodity in a free economy.

The President's request for removal of the 4¼-percent limit—a limit that is now completely out of line with market realities—is not a request to raise interest rates. Interest rates have already risen because of growing economic activity.

The request is for authority to permit the Treasury to compete in the money market and thus use the credit of the Government in a sound fashion. Just recently, because the Treasury was unable to sell bonds at a rate greater than 4¼ percent, it was forced to sell short-term notes and pay 4¾ percent interest in order to get its money.

Certainly we may expect that this will continue to be the case for some time to come. In fact, the net effect of the House action may create even higher interest rates in the short-term market.

Short-term money comes in large part from banks and corporations that temporarily have extra cash. It is used for temporary purposes—for self-liquidating investments, for the carrying of inventories, and other short-term needs. Long-term money, on the other hand, comes from savings, from insurance companies, pension funds—through companies and individuals. Some of it also comes from banks. Long-term loans are used for capital investments and for permanent increases in working capital.

There is always some flexibility between these two sources and the ultimate uses of money. Availability in excess of the needs for funds in the short-term area may lead to more long-term loans, and vice versa. Commercial banks and some of our other more flexible institutions make it possible to strike a balance if the price encourages such movement one way or the other.

Now that the price of long-term money has exceeded 4¼ percent, any movement of funds from short-term into the long-term market will be less likely. Since the Treasury will have to borrow in the short-term market to supply its needs, the price of short-term money will rise—in fact, it already has. And, we must never forget that long-term investments, though for the greater part institutional in character, directly represent personal savings by individuals. On the other hand, short-term lending is done largely by large corporations and commercial banks.

The decision of the House will thus help the large corporations and banks, because it increases interest rates they receive and, contrawise, it will injure the individual saver, the consumer, and the home owner who is able to save a little bit each month and put it into savings institutions and insurance. So it is the average citizen who will suffer by the refusal of the Congress to raise interest rates.

Finally, in refusing to lift the ceiling on the Government bond interest rate, there is a direct blow to the consumer, for it will add fuel to the fires of inflation and thus bring up the cost of living for every citizen.

This is demonstrated historically. If the Treasury sells bonds to the Federal Reserve System at pegged interest rates, we can expect an increase in the cost of living similar to that experienced after the last war, when that method of financing the national debt was used. For example, in the 5 years preceding March 1951, the Consumer Price Index rose from 78 to 110.3. When the interest rates were freed in the following 5 years, the cost of living rose only four points, or one-tenth as fast as it rose in the previous 5 years, when interest rates were pegged.

We want to encourage our citizens to save and to invest in our Nation's future. We must make it attractive for them to do so, and I am glad that legislation to this effect is now being considered by the Congress with relation to E- and H-bonds. This legislation will help to restore the savings bond program to the competitive position that it once held with relation to the savings institutions. Savings bonds which are held by millions of our citizens at the present time are not in a competitive position with other good investments as they once were. This legislation will help to make them so.

But this alone is not enough. I believe it is essential for Congress to make it possible for the Government to borrow its funds on a longer term basis than 5 years.

Congress must demonstrate that the United States is willing and able to preserve its fiscal integrity and to meet its responsibilities in the face of the greatest challenge ever to our freedom and our security and our leadership in the free world.

INTEREST RATES ON GOVERNMENT BONDS

Mr. SCOTT. Mr. President, on Wednesday, September 2, certain Senators entered into a colloquy in the Senate on the question of increasing the interest rate on Government bonds. During the course of this discussion an article by J. A. Livingston was "cussed" and discussed.

Mr. Livingston is the well-known economic commentator, whose syndicated column appears locally in the Washington Post, from which he was being quoted. He is also the distinguished financial editor of the Philadelphia Evening and Sunday Bulletin, who has been called upon time and again to testify before congressional committees, including the Joint Committee on the Economic Report.

Mr. Livingston does not need my defense. He is entirely capable of taking care of his own replies. I simply want to call to the attention of the Senate that his views and statements cannot be brushed aside lightly—they represent a considerable body of opinion.

I ask unanimous consent to include at this point in the RECORD his biography, which speaks for itself.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

Joseph Arnold Livingston: economist; A.B., University of Michigan, 1925; newspaper reporter, 1925–30; executive editor, New York Daily Investment News, 1931–34; public utility editor, Financial World, 1935; economist, Business Week, 1935–42; WPB and Office War Mobilization and Reconversion, 1942–45; began column, "Business Outlook," now syndicated in United States and Canada, 1945; financial editor, Philadelphia Record, 1946; business columnist, Washington Post, 1947; financial editor, Philadelphia Bulletin, 1948——. Member, intensive review committee of Secretary of Commerce to analyze the program of U.S. Bureau of the Census. Member, American Economic Association, American Statistical Association, Financial Analysts Philadelphia.

Clubs: Cosmos, National Press (Washington); Franklin Inn (Philadelphia).

Author: "Reconversion—The Job Ahead," 1944; "The Sorret Challenge—An Economic Appraisal," 1956. Contributor to the "Encyclopedia Social Sciences," "Compton's Encyclopedia," also national publications. Home: 2110 Delancey Place, Philadelphia; also Tinicum, Pa. Office: Philadelphia Bulletin, Philadelphia.

Mr. SCOTT. Mr. President, certain easy-money advocates, including, I regret to say, some Members of this body, adhere still to the outworn theology of the economists of the Keyserling-Nathan school, who, I think, could be correctly characterized, so far as the present days are concerned, as "Neanderthal econo-

mists." They learned the technique during the depression. It is the only technique they know. They want President Eisenhower to deal with prosperity the way Franklin Delano Roosevelt dealt with the depression. It is not the same. It will not work.

In order that we may consider the fiscally responsible side of the picture, in contrast with that presented by the easy-money advocates presented on the floor of the Senate the other day, I should like to associate myself with the views expressed by Mr. Livingston and by most of the financial experts who have expressed opinions on this subject.

The absurdity of Congress voting authority to the Secretary of the Treasury to increase the public debt from $285 billion to $295 billion, and then fussing, fuming, and refusing to permit a discretionary increase in interest rates on bonds, is like the mother who gives her daughter an ample clothes allowance, but enjoins her from paying more than $7.50 for a dress, when the cheapest dress she can buy is $10.

Congress has told Secretary Anderson to base his 1959–60 financing on money market conditions which prevailed 40 years ago.

This is unrealistic and anachronistic. Any doubting Senator, before he votes on the President's request, ought to go to a bank and try to borrow long-term money at 4¼ percent.

I quote one of Livingston's poems on this subject:

> Congress, may I go into debt?
> Yes, Bob, name your target;
> Borrow whatever you have to get,
> But don't send bonds to market.

Mr. President, the root of the controversy is control versus freedom, Government intervention versus personal decision.

We have not yet learned how to control individuals, channel their energies, direct their decisions. We have not yet developed a foolproof way to decide the price of a loaf of bread, or the worth of an hour's work in the coal mines, or the rent of a home. But that, in effect, is what the advocates of cheap money, regulated money, are leading us to—regulation—though they may not realize or suspect it.

They feel that the Federal Reserve System can fix the price of money whenever and wherever it wants to do so. The fallacy of that was proved when Secretary of the Treasury Snyder wanted the Federal Reserve to peg Government bonds at 2½ percent. The insurance companies and banks dumped bonds on the Reserve banks because the 2½-percent rate was out of line with what they could earn on corporation bonds. They were not going to stint their policyholders in order to support the Government bond market.

What happened? The Reserve System got deluged with bonds. It was Atlas holding up the bond market, and the holders of Government bonds let Atlas "have it." Eventually, an accord between the Treasury and the Reserve System was worked out. The Federal Reserve stopped being Atlas. Senator DOUGLAS was one of the stanch defenders of the Reserve System in this fight.

If the Reserve Board were to follow the counsel of Senators CLARK, GORE and other easy-money advocates, it would become Atlas all over again. It would go into the market and buy Government bonds. Prices would rise. And holders would again let Atlas have it. The Reserve Board would be inundated by sales by banks, insurance companies, and other holders. The experience of the Commodity Credit Corp. would be recreated in Government bonds. Instead of holding wheat and corn and cotton, the Reserve Board would hold bonds.

Government bonds are not and have not been as attractive to buy as recent issues of corporation bonds. The interest-rate ceiling on Government bonds has been fixed by Congress at 4¼ percent. Corporation bond interest rates have no ceiling. So insurance companies, investment trusts, and so on, buy corporate new issues when they come out. The reasoning is this: If our economy is sound, the corporations are sound. There is not too great a difference in quality between a bond of a great corporation and the Government. Therefore, because the 4¼-percent ceiling is noncompetitive, the Treasury is forced out of the long-term bond market. Institutional investors go elsewhere with their money.

But this is only part of the problem as Senator DOUGLAS so well understood in his defense of the independence of the Reserve System in 1949 and 1950. When the Reserve Board buys Government securities, it introduces what has been aptly described as high-powered money into the banking and credit system. For example, if the Federal Reserve Bank of Philadelphia buys $1 million of Government bonds, it thereupon creates $1 million of reserves for some commercial bank in Philadelphia, or Atlanta, or Chicago, or San Francisco. The banking system, in turn, can use that million dollars to make loans or buy securities up to $5 million. It can create $5 million in new deposits. Federal Reserve dollars are five times as powerful as ordinary dollars.

If the Reserve Board were to flood banks with extra reserves—for that is what these Senators advocate—then the banks, in turn, would be willing, anxious, and able to make additional loans. We would have our prosperity compounded into inflation.

This was a good policy during the depression. Then the Reserve banks evolved the technique of buying Government securities to make credit ample. That is an excellent device during periods of low employment, low prices, and economic distress. But it is a completely wrong policy during a period of economic prosperity which approaches boom proportions. These "loose money" Senators have a depression psychosis. They know what to do in a depression, but do not know how to deal with prosperity.

South American governments learned that they could not control the price of coffee. We learned in the twenties we could not control the world price of wheat. Price-fixing cartels have always failed. So must a congressional attempt to deep-freeze long-term Government bonds.

The U.S. Government bonds and notes are an international security. They are held all over the world. But if the rate on these securities is forced down artificially—if the price is forced up artificially—then the bonds will be dumped on this market, on the Federal Reserve Board, and when the dumping is all over, the Treasury will be worse off, not better off. Its securities, instead of being widely distributed, will have been resold to the Reserve Board. At the same time, the commercial banks will have excess reserves. They will be inclined to make loans freely; people having access to easy money, will speculate in all sorts of ways—not only in stocks and real estate, but also will take risks greater than they would assume with less credit in buying and selling businesses, in opening new businesses. It is easy to be venturesome during prosperity. Prosperity dulls caution and encourages daring, even recklessness. It leads men to take risks which they would not take in less encouraging times. They can see only success, not failure. Avarice—yearning for the success of others—leads to unwise ventures. Do we want to give full rein to such human failings?

If we do, then let us turn the Federal Reserve System into a backdoor printing press for the Treasury. That is what the easy-money advocates would do—whether they recognize it or not. Their program requires the Reserve to buy Treasury bonds and then issue its own money for them—all for the purpose of reducing the price of money to bank borrowers and to the Treasury.

All history says that cannot but fail. The 1789 revolutionary government of France tried to do this when it issued assignats on seized church lands. The assignats became worthless and now are to be found as collectors items among numismatists.

There are times when it is the Reserve Board's responsibility to make credit easy. It responded to this responsibility during the recession of 1948–49, during the recession of 1953–54, during the recession of 1957–58. It is Congress' responsibility to define the broad policy of the Reserve System, but it is not sensible, not smart, of Congress to get into the technique and minutiae of monetary management—telling the Reserve whether to buy bonds or sell bills. That is for market experts, not legislators.

If this were a period of economic difficulty, I could understand the desire for easy money and low interest rates. But the gross national product is at an all-time high, notwithstanding a nationwide steel strike. The Reserve Board is not throttling progress or expansion. It is just the other way. It has fostered the recovery from the recession and now we are in an era of historic prosperity. Premier Khrushchev will see not only how well off the American family is but also how successfully our system of economic choice operates. He will see that the Government does not have to intervene in every decision in order to have a robust economy and a rising standard of living. The proponents of easy money

will, if they succeed, lead us to interest-rate fixing, then price fixing, then wage fixing. It is all of a piece. Can it be that they know not what they do? Or is a brass collar, regimented economy their aim?

No one has the wisdom to determine the proper interest rate of U.S. issues—neither the President, Secretary Anderson, William McChesney Martin, Jr., the Reserve Board Chairman, nor the Congress. Only the buyers and sellers of bonds can set the price in the marketplace—and it varies from day to day.

When the Government—through congressional decree—puts the rate too low, people will not buy Government bonds. We have recent evidence of that in the increase in redemptions and a decrease in sales in E- and H-bonds. Buyers of savings bonds are not experts in finance. Yet even they came to realize they were getting a bad deal. The President, therefore, asked Congress to eliminate the interest-rate ceiling on the E- and H-bonds to do justice to investors in these bonds. He also asked for elimination of the ceiling on marketable bonds, to give Secretary Anderson the tools he needs to do his job of financing the $290 billion debt. The President is not in favor of higher interest rates. He is in favor of fairness and justice to bond buyers and to the citizens of the country. It is Congress' task to give the Treasury flexibility in setting its interest rates.

The prices at which the Treasury sells bonds or other securities are public. If the prices are too low—if the rate is too high—this can be readily determined by comparing the rate with other securities. Instead, we have put the Treasury in the position of a grocer who tries to sell 4¼ pounds of beans for $1, when the grocer next door is selling 4½ or 4¾ pounds for the same price. It cannot be done.

One suspects that the loose-money advocates in Congress not only do not know money, they do not know beans.

Mr. President, I ask unanimous consent to include with my remarks in the RECORD sundry articles and editorials from Life magazine, the Philadelphia Inquirer, and Time magazine.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer]

UNSOLVED INTEREST PROBLEM

The bill to end the 3¼ percent ceiling on U.S. savings bond interest rates, which was passed by the House Friday and given speedy approval by the Senate Finance Committee Saturday, makes a necessary adjustment in the Government's borrowing authority but does not go far enough.

Legislation also is needed to remove the ceiling of 4¼ percent on interest rates for long-term marketable securities issued by the U.S. Treasury.

The Eisenhower administration seeks authority to raise the interest rates on series E and H savings bonds to 3¾ percent and on long-term marketable securities to 4¾ percent. Both increases are urgently required for the Government to maintain effective borrowing power in the face of intensified competition for investment dollars.

Series E and H savings bond sales declined 10 percent in the first 8 months of 1959 compared with the corresponding period last year. At the same time there was a 13 percent increase in savings bond redemptions. A higher interest rate is needed to stimulate savings bond sales and encourage owners of bonds to hold them.

In the case of long-term Treasury securities, there simply is no market for them at 4¼ percent when many other high grade bonds are available that offer a higher return. The Government is forced to issue short-term notes that are costly and inflationary.

A higher interest rate on long-term Treasury securities would save the taxpayers money and put the Government on a sounder financial basis.

[From Life magazine]

HOW BOND RATES AFFECT YOU

Nobody in his right mind thinks that Congress would ever imperil the national defense by refusing to pay the Pentagon's bills. And if it did so there would be such an outburst of indignation that Congress would get cracking.

But the reverse of this is happening. The management of the public debt is also of vital concern. Yet Congress is refusing to give the Treasury the powers it needs to manage the public debt in a sound and orderly way. There has been no outburst of public indignation because the issue is difficult for laymen to grasp.

They had better grasp it, for it effects the value of their savings and the security of their future. By its failure to act, Congress is driving up interest rates and adding to inflationary pressures. Here are the simple facts:

The dead hand of the past—a World War I measure passed in 1918—puts a ceiling of 4¼ percent on long-time Government bonds and savings bonds. It is these bonds, bought by insurance companies, trust funds and the savings of individuals, which should carry as much as possible of the public debt because they check inflation by taking savings out of the scramble for goods.

This 41-year-old ceiling on bond interest makes it increasingly harder for the Treasury to sell new bonds. Institutions and individuals, since they can get better rates from other securities, refuse to buy them. Since 1946, for example, life insurance companies have reduced their holdings of Government bonds from 45 percent of their assets to a mere 7 percent. Many individuals cash in their savings bonds.

Instead of putting out long-term bonds with interest rates high enough to make them marketable, the Treasury has been forced to raise the needed money by short-term paper (e.g., 91-day notes), which are bought chiefly by commercial banks. Since they are virtually the same thing as cash, these notes can be used by the banks to expand their loans. They can lend $5 of new money for each $1 of Treasury notes they own. This has an immediate inflationary effect.

Furthermore, this "monetizing" of the debt tends to drive up interest rates as the Government competes with other borrowers for scarce money. In the last fortnight, for example, the rate on 91-day notes has just risen to 3.8 percent, the highest level since the bank crisis of 1933. If this trend continues, even short-term interest rates may soon exceed the 4¼-percent ceiling on long-term bonds. This freakish result is made more likely by Speaker RAYBURN'S announcement last week that Congress won't act this year on the President's reiterated request for lifting the interest ceiling. Such inaction undermines the dollar by raising doubts abroad as to its soundness and damages the Government's credit, just as it does the economy itself.

Some leaders are urging the President, on his return, to take the issue to the voters as he did on labor reform. If Congress adjourns without action, the President may call it back in special session. But voters themselves can help speed the necessary action by letting their Congressmen know that they back the President. He has stated the issue very clearly:

"The vital interests of all Americans are at stake because excessive reliance on short-term financing can have grave consequences for the purchasing power of the dollar. * * * Let me state as plainly as I can that this is not legislation to increase interest rates. * * * We always seek to borrow as cheaply as we can. To prohibit the Treasury from paying the market price for long-term money is just as impracticable as telling the Defense Department that it cannot pay the fair market price for a piece of equipment. The result would be the same in either case: the Government could not get what it needs."

[From the Washington Post, Sept. 6, 1959]

PRICE OF PROSPERITY IS HIGH MONEY RATE

(By J. A. Livingston)

Prosperity—and that's what we are having despite the prolonged steel strike—can only be had at a price.

We—you and I and everyone else—are paying for record personal income, high employment, and a construction boom, in the higher price of money. Interest rates have gone up again.

This isn't going to please some Congressmen who favor plenty of credit at a low price. And most emphatically it doesn't please Wall Street. Stock prices sold off within 5 minutes after the First National City Bank of New York announced that the prime rate would be 5 percent instead of 4½ percent. Other banks across the Nation followed.

The prime rate is the price of money to banks' biggest and best customers, customers such as Sears, Roebuck, General Motors, Continental Can, and so on. Yet, when the prime rate notches up, the rates charged smaller businessmen go up. The costs of financing homes, automobiles, trips to Europe rise, too. States, cities, towns and school and water districts also have to pay more when they borrow.

BONDS VERSUS STOCKS

Immediately bonds went down in price, and that's why Wall Street "spazzed." Many U.S. Treasury securities sold at all-time lows. Government issues can now be bought to yield better than 4½ percent. Many tax-exempt municipal bonds yield 4½ and 5 percent. Excellent corporate bonds yield 5 percent plus. This puts pressure on stocks.

Numerous high-grade industrial stocks yield only about 3 percent. But the lure of higher dividends to come and the fear of inflation have persuaded most investors to accept the lower return. But how long can this go on? That's what canny Wall Streeters wonder.

A higher price for money was an inevitable consequence of prosperity. The Nation's banks are "loaned up." Their customers are borrowing $12 billion more than a year ago. To meet this demand, commercial banks have sold $3 billion in Government bonds. Also, they, themselves, are borrowing about $1 billion from the Federal Reserve System, some $800 million more than a year ago.

THE INFLATION ILLUSION

The jump in interest rates reemphasizes the deep schism in Washington. President Eisenhower, Secretary of the Treasury Anderson, and Federal Reserve Board Chairman Martin argue that easy money leads to inflation. In the period since 1955, we've had a 13-percent rise in per capital personal income. But only 30 percent of the advance was real. Seventy percent was the result of higher prices.

The Reserve has supported Secretary Anderson's request to Congress for elimination of the 3.26 percent ceiling on savings bonds

and the 4¼ percent ceiling on long-term marketable Government bonds.

Many Democratic Congressmen reject this thesis. They say credit restraint fosters inflation by curbing production. If we had more goods, prices wouldn't advance.

POLITICAL ISSUE IN 1960?

Anderson has been unable to get the Democratic Congress to eliminate the 4¼-percent interest rate ceiling on long-term Government bonds. However, the 3.26 percent ceiling on E- and H-bonds is likely to be raised to 3¾ percent in a last-minute push.

This monetary issue will persist long after the steel strike is settled. It could become a major campaign issue in 1960—a repeat of the Bryan-McKinley cross-of-gold contests of 1896 and 1900.

What Congressmen, in all political honesty, are groping for is an answer to this question: How do you raise the standard of living of everyone efficiently and satisfactorily?

President Eisenhower answers: Through a balanced budget and restraint on the money supply. If the money supply is restricted, then businessmen and labor unions won't be able to make price-boosting wage agreements.

APOLOGIA FOR MONEY RESTRAINT

Prof. Sidney Weintraub, in his recent book, "A General Theory of the Price Level, Output, Income Distribution, and Economic Growth," expressed the countervailing argument. He says prices depend not on the money supply but on the level of wages.

Therefore, he would suggest that before companies in basic industries, such as steel, autos, rubber, aluminum, etc., raise wages and prices, they should first publish their plans. This would subject their decisions to public reaction, probably to public hearings. The argument against this proposal is that ultimately it would force the Government to intervene directly.

Hence, the administration leans toward indirect restraint, even though—as the postwar record shows—it hasn't stopped inflation. Defenders of monetary policy apologize for its poor performance by saying: "A continually unbalanced budget is bound to have an inflationary impact on prices." I am one of these apologists.

[From Time, Sept. 7, 1959]

MONEY: TOWARD A CRISIS

Congress' refusal to act on the administration's debt-management program last week continued to disrupt the market for Government and corporate securities. Even as President Eisenhower drafted a special message urging Congress to lift the 4¼ percent interest rate ceiling on long-term Government bonds, the Treasury announced that it had to pay 3.824 percent interest on short-term (91-day) bills, the highest since the bank holiday of March 1933.

The effects of the Treasury's reliance on short-term borrowing in the midst of an overall tightening of the money supply (Time, Aug. 31) were readily apparent. By drawing $1.6 billion in new cash during the last month, Treasury financing—despite Federal Reserve Board buying support—boosted the rate on 26-week Treasury bills to a record 4.15 percent. The yield on most long-term Government bonds was more than 4 percent for the first time since the 1930's, and some yields rose as high as 4.8 percent. Corporate bond yields also rose; unable to sell their public-utility offerings at the issued price, three Manhattan underwriting syndicates broke up.

Unless Congress acts, the troubles of the Treasury and the money market will worsen in October and November. Then, to raise about $7 billion to finance the seasonal deficit and another $8.9 billion to meet debt coming due, the Treasury will have to go to market with more short-term issues.

CRIME IN THE NATION'S CAPITAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Crime in the Capital—An Intimate Message From Washington," written by Josephine Ripley, which appeared in the Christian Science Monitor for September 4, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRIME IN THE CAPITAL—AN INTIMATE MESSAGE FROM WASHINGTON

(By Josephine Ripley)

While President Eisenhower dedicates himself to the prevention of violence in world affairs, and Congress votes defense billions as a war deterrent, a high tide of crime is surging through the streets of the Nation's capital.

Congress has been investigating it. The police department is throwing its limited force into the battle against it.

The crime wave has been on the increase for the past 3 years. The strength of the police force has not. Only recently has this dangerous situation reached headline proportions, in purse snatchings and attacks which have involved prominent women and Members of Congress.

Capital residents can take no comfort from the fact that while major crimes have increased from 15,793 in 1957 to 17,865 in fiscal 1959, the authorized strength of the police force—2,508—is the same today as it was 2 years ago.

In 1957 it was found impossible to recruit even that many policemen because the salary was too low to be attractive. Salaries have been increased since then and the force today is at full strength—minus a few on military leave.

Congress, which holds the purse strings, is at last considering making more money available for a bigger police force. Hearings have been held before the Senate Appropriations Committee. There is some evidence that the police department, with an assist from lawbreakers who have been picking prominent victims, has made a persuasive case for more funds.

Among victims of attacks in recent months, mostly purse snatchings, have been Mrs. Donald Quarles, wife of the former Deputy Secretary of Defense; the wife of a prominent newspaperman, Mrs. Edgar Ansel Mowrer; a Senator's wife (unnamed); Representative CHARLES DIGGS, JR., Democrat, of Michigan, threatened with attack by a young knife-bearing gangster when he tried to go to the rescue of a man being kicked and beaten by the ruffians; Representative FRANK THOMPSON, Democrat, of New Jersey, who was squirted with acid by a passenger in a small truck as he was driving to the Capitol in the morning.

Within the past month a young Army officer was shot when he tried to scare away a gang tampering with his car. A newspaperwoman who lives near the Capitol was the subject of threatening letters delivered surreptitiously to her home.

Many of these crimes or attempted crimes are by juveniles—a fact pointing up the shortage of juvenile court judges in the District. Congress has authorized only one, and this one has been so swamped with cases that trials are delayed for months while the delinquent often roams the streets committing new offenses before being brought to account for the original one.

A bill to provide two additional judges for juvenile courts is now under consideration. Attorney General Rogers has promised that if approval is given to this request, one will be chosen from each political party.

The police department is particularly handicapped because crime is no longer concentrated in certain areas. Gangs circulate in almost all neighborhoods, including high-class residential areas. Nor do they confine their activities to dark or remote sections.

One woman was set upon on a well-lighted street near one of the city's large hotels and in the company of two women friends. Mrs. Quarles was waiting for her car on a well-lighted corner when she was knocked down by a pickpocket.

The police department is supplied with a list of the precincts in which these incidents occur. Out of the city's 14 precincts, "from 9 to 11 are on almost every list," according to an officer in the department.

Men are promptly deployed to these areas and roving patrols are stepped up, along with additional men on street patrol.

The Juvenile Bureau of the Youth Aid Division of the department sends a special patrol to question juveniles found loitering in areas where robberies have occurred, to find out if they live nearby, and if not why they are hanging around.

Police Chief Robert V. Murray and District Commissioner Robert E. McLaughlin are now considering the possibility of using trained dogs on police patrol. "The recent sharp rise in muggings and other street assaults has lent urgency to the need for a decision in using dogs," according to the Commissioner.

Dogs are being used effectively in a number of cities, including nearby Baltimore, where they accompany officers on night patrol.

Meanwhile many women venture with caution on the street at night, and keep their car doors locked if driving. Public agitation is making itself felt in new pressure on Congress for funds to protect the Nation's Capital from this shocking invasion of violence and crime.

Mr. MANSFIELD. Mr. President, we have heard a good deal about some of the well-known persons who have been subjects of muggings, thefts, and other crimes, such as Mrs. Donald Quarles, wife of the former Deputy Secretary of Defense, the wife of a prominent newspaperman, Mrs. Edgar Ansel Mowrer, Representative CHARLES C. DIGGS, JR., a Member of the other body, the acid throwing on Representative FRANK THOMPSON, and other events; but I daresay there are a lot of unreported incidents in the Capital which never reach the pages of newspapers.

I should like to express the hope that before this session is completed, the other body will pass a bill adding at least one of the two needed additional juvenile court judges necessary to cope with these depredations in the Capital City.

I think this Capital is extremely fortunate in having the kind of efficient police force it has because it is one of the best in the country. In my opinion, and I am sure I am joined by all my colleagues as well as the people of Washington, the head of the police department, Chief Robert Murray, is one of the best police chiefs in the country, as well.

Again, I express the hope that not only will the Appropriations Committee, which I understand will consider various appropriation bills today, provide for the addition of at least 100 policemen to the District of Columbia police force at the present time—I really wish it could be 250—and that next year it would see to it that a 500-man increase is included in the budget, and that, at the same time—I repeat—in the other body there is provided at least one of the two additional juvenile court judges needed to take care of a situation which is rampant

in the Capital at the present time. The need for these judges is now if we are to cope with a dangerous and growing situation.

THE STEEL STRIKE

Mr. CLARK. Mr. President, as the days go by and there appears to be no indication of a settlement of the steel strike, I am exceedingly concerned about not only the effect upon the national economy, which is very grave and serious indeed, but about the effect on unemployment in my own State, where so many thousands of men have been put out of work because of the strike, and where additional thousands have lost their jobs in subsidiary industries by reason of the fact that those industries cannot get the steel which is needed to continue operations.

I am particularly concerned that there appears to be no break in the negotiations, and I am beginning to wonder to what extent the position of the negotiators on behalf of the steel companies is a proper position and an adequate one.

There appeared in the August 20 issue of the Reporter magazine an article entitled "Roger Blough's Crusade," written by Paul Jacobs, a competent and reputable reporter. I ask unanimous consent that the article may appear at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROGER BLOUGH'S CRUSADE

(By Paul Jacobs)

This is in many ways a very odd strike. The steel negotiations have differed from the pattern of recent years on points both great and small.

For the first time in many years, the negotiations have literally been taking place—at the steel companies' request—across a table. Hitherto, company and union representatives ranged themselves casually about a room, talking from comfortable armchairs.

Also for the first time, two of the company negotiators have been taking detailed notes of what is said—thereby ensuring that nothing candid or unofficial may be said.

There have been—again by the companies' choice—no informal contacts of any kind between the two camps: no breakfasts, no cocktails, no corridor conversations.

The steel companies have confronted the union with a set of negotiators consisting of three lawyers and an industrial engineer, R. Conrad Cooper, who is chairman of the negotiating committee. In contrast to some of their predecessors, who had been operating heads of steel plants, these men are front-office administrative personnel.

The steel companies have let it become known that before the contracts expired in June and even before negotiations had begun, they had leased office space in the Chrysler East Building for their negotiating team and its staff—the lease to run until October 15.

Only a few months ago, there was no reason to anticipate such oddities as these. What seemed to be in the offing was a routine set of complicated negotiations, interrupted by a routine strike during which the companies would use up their inventory and the workers their vacation pay and some unemployment-insurance benefits, and ending with a modest wage increase to be followed by a small rise in steel prices. Hardly anyone took very seriously the florid pre-crisis rhetoric of either side, and speculation centered on the duration of the inevitable strike and the size of the inevitable wage-price settlement. The brokerage firm of Goldman, Sachs advised its clients: "We recommend purchase of the better steel equities at this time. A steel strike when labor contracts expire on June 30, appears very possible. If more than normal wage increases are granted, we would expect compensating price increases."

What made the prognosis even more hopeful were some well-known facts. First, the steelworkers, with vivid memories of the recent recession, were in anything but a militant mood; and while the union leaders were insisting on a wage increase, it was widely reported that they would settle for a cluster of fringe benefits. Second, public opinion was nervous over the issue of inflation, and the steel companies were in a position to sweep the ground away from under the union simply by announcing a token lowering of some of their prices—a step that their record profits would have made relatively painless. It was precisely because the union leadership was so alarmed at this possibility that it took such a dim—and unimaginative—view of those friendly liberal economists who were urging it openly to forego a wage claim in return for a cut in steel prices: it thought the companies might be only too happy to make a gesture in this direction, a gesture that public opinion would accept for the reality.

But the steel companies seemed to have new ideas of their own. New and yet old.

THE HIGH CHARGE OF THE OLD GUARD

The principal spokesman for these ideas is Roger M. Blough, a lawyer, who was elected in 1955 as board chairman of United States Steel. Blough is a smalltown boy who was a high school principal before becoming a corporation lawyer. Though he didn't come up from rags, as Steel's publicity people try to suggest, he has certainly risen to riches.

Unlike Myron Taylor and Ben Fairless before him, who were on friendly terms with the union leaders and who believed in good labor relations, Blough is aloof and hard, with a distinct sense of mission. This mission, as he sees it, is to free American industry from its bondage to the trade unions, to restore to capitalist enterprise its ineluctable prerogatives, and to disabuse Government of any notion that it ought to meddle in economic and industrial problems. This "new" line is, of course, really an old one. In fact, what Blough has done is to offer vigorous leadership to the Old Guard of American industry—the Taft-Knowland enthusiasts who think President Eisenhower is "soft" on liberalism. One of his allies in his current campaign is Charles White of Republic Steel, an old supporter of professional hate salesman and rabid antiunionist Joseph Kamp. For a long time it was assumed that an industrialist like White was a relic of an earlier period, soon to be extinct. But the rise to top executive power of corporation lawyers like Blough—men with strong, preconceived ideas, with no firsthand knowledge of the steelworkers' community and the role of the union in it—has breathed new life into the species.

To be sure, they are not having everything entirely their own way. Within the steel industry itself there are many—momentarily silenced—who think Blough is riding for a fall. Thus, Iron Age, the industry's magazine, has editorialized against his approach, warning that this kind of toughness could only result in eventual Government intervention.

The aluminum industry, whose wage policies are traditionally patterned after those of steel, has refused to join steel in its all-out fight and, in extending its present contract with the union, has agreed to make any wage increase retroactive. (A similar offer by the steel union, which might have averted the present strike, had been turned down flatly by Blough.) It is no secret that the Mellon group in Pittsburgh has many doubts about the new-old look in labor relations. General Lucius Clay of American Can, which had cut its prices on the basis of an assumption that steel was going to do likewise, is said to be more than a little annoyed.

RED-HOT IRON

Nevertheless, Blough is in charge. It is he who has set the tone for the full-page newspaper ads featuring a Russian worker with the caption "Will he take away our American steel worker's job?" (It is characteristic of Dave McDonald's leadership of the Steelworkers that the union's ads in reply almost always featured a photograph of—Dave McDonald.)

Early in the negotiations, the companies proposed the simple abolition of the cost-of-living clause in the previous contract, by which wages were protected against inflation. The union people could scarcely believe their ears. How could they possibly go back to their membership with what was in effect a wage cut, at a time when steel profits were sky-high?

In addition, the company later demanded that eight changes—affecting such things as working conditions, vacations, and supplementary benefits—be made in the contract as a precondition for any possible wage increase, no matter how small. Even the companies now admit that this was a serious tactical error. Some featherbedding doubtless exists, but it has never been considered a serious problem in the steel industry. If anything, the contrary is the case: rising productivity and the ensuing technological unemployment are a real headache for the union. Moreover, while the highly paid steelworkers do not have much heart in striking for more money, they take very seriously indeed any attempt to encroach on their hardwon privileges within the plant. A man will far more readily fight to the bitter end for his right to go to the toilet without first getting a supervisor's permission than he will for eight cents an hour. Every plant manager knows that; every shop steward knows it; it is precisely over such matters that the majority of "unofficial" strikes take place.

The net effect of all this was to convert a reluctant strike into a solid one. The steelworkers now feel that their union itself is in danger; and they are rallying behind it. The opposition to McDonald within the union (he is not the most popular of leaders) has been crushed in the stampede to close ranks.

But it is possible that Roger Blough does not see things in this light. His is a very private vision. One of the lawyer-negotiators for the industry, John Morse, has said that the companies have no plans to try to reopen the mills "unless the strikes goes on for a very long time and there is a revolt among the membership." It is exactly the sort of statement to alarm and infuriate every union leader in America. For steel is a pacesetter; and if management can actually conceive of breaking an official, industry-wide strike—which means breaking the steel union—then so can other companies. There can be little doubt that if the the steel industry tries to operate its mills during the strike, labor relations in America will take a long step back toward the tooth-and-claw pattern of an earlier period.

In the meantime, the White House is maintaining a hands-off policy, to the exasperation of Secretary of Labor Mitchell and to the bafflement of just about everyone else. It is hard to believe that President Eisenhower is genuinely intimidated by Blough's threat that if there is any settlement as a result of Government intervention he may push through a price increase regardless of the consequences. More likely, the President is sufficiently impressed by Blough's posture as the leader of a campaign against inflation to give him a relatively free rein.

And yet, for a variety of reasons, the Government may finally be forced to intervene. If the strike continues much longer, the loss to the Government in revenue—from corporate taxes, individual income taxes, and tax refunds—may be such as to produce a sizable budget deficit in 1960. Senator LYNDON JOHNSON has already asked Secretary of the Treasury Robert B. Anderson for an estimate of such revenue losses.

Next year is an election year—for the Republican Party if not for President Eisenhower. And it is impossible to imagine that the Republican leadership wants to campaign on a record of having stood idly by while the worst economic disruption of two decades broke out in the midst of a prosperous America.

Mr. CLARK. Mr. President, I have no way of knowing whether Mr. Jacobs' review of the situation is correct, but if it is correct, even in part, I suggest it is high time that the top executives of the steel corporations sat down with the leaders of the United Steel Workers of America to work out a sensible solution of this problem, instead of trying to turn the clock back and leaving their representation to lawyers who have never had the slightest personal experience in the operation of steel mills.

Mr. CLARK subsequently said: Mr. President, earlier in the morning hour I spoke briefly on the subject of the steel strike and its effect in my Commonwealth of Pennsylvania.

At this point I ask unanimous consent that two memorandums, one on the effect of the work stoppage in the steel industry, and the other on steel work stoppage halting unemployment decline, may appear in the RECORD at the conclusion of my earlier remarks.

There being no objection, the press releases were ordered to be printed in the RECORD, as follows:

The effects of the work stoppage in the steel industry on employment in Pennsylvania are being surveyed weekly by the Bureau of Employment Security and reports made to Gov. David L. Lawrence at regular intervals according to William L. Batt, Jr., secretary of labor and industry. The following is the most recent report prepared as of September 1, 1959:

Effects of the steel industry work stoppage on employment in Pennsylvania, as of Sept. 1, 1959

		Change from Aug. 25
Workers in industries covered by the Pennsylvania unemployment compensation law unemployed as an indirect effect of the work stoppage in the steel industry	35,104	+2,866
They are distributed by industry as follows:		
Nonmanufacturing industries, subtotal	23,952	+885
Mining	15,808	+236
Construction	4,672	+335
Transportation other than railroads	1,610	+107
Trade and service	1,491	+189
Public utilities	371	+18
Manufacturing industries, subtotal	11,152	+1,981
Metals and metal products	7,555	+1,499
Stone, clay and glass	2,321	+339
Lumber	256	+17
Chemicals	323	+32
Other manufacturing	697	+94
Railroad workers, most of whom are covered for unemployment compensation through the Federal railroad unemployment compensation program, are unemployed as an indirect effect of the steel work stoppage	13,697	+740
Steelworkers directly involved in the work stoppage and are not drawing Pennsylvania unemployment compensation benefits	168,200	None

The following tabulation shows the workers directly and indirectly affected by the steel work stoppage in the various Pennsylvania State employment service administrative districts:

PSES administrative district	Steelworkers directly involved	Workers indirectly affected	
		Railroad	Other
Total	168,200	13,697	35,104
7. Pittsburgh	91,800	8,122	8,423
2. Allentown	21,200	978	1,111
8. Greensburg	17,600	1,091	14,935
6. Altoona	13,300	1,111	5,481
9. Erie	8,000	199	1,689
1. Philadelphia	7,800	550	2,351
5. Harrisburg	7,300	576	495
4. Williamsport	1,200	458	284
3. Wilkes-Barre	0	602	245
10. Stroudsburg	0	10	90

The 67 counties are divided into the following Pennsylvania State employment service districts:

District No.	District office	Counties
1	Philadelphia	Philadelphia, Delaware, Bucks (southern portion).
2	Allentown	Northampton, Lehigh, Berks, Bucks (except southern portion), Montgomery, Chester.
3	Wilkes-Barre	Susquehanna, Wayne, Wyoming, Lackawanna, Luzerne (except western and southern portions).
4	Williamsport	Potter, Tioga, Bradford, Clinton, Lycoming, Sullivan, Union, Snyder, Montour, Columbia, Northumberland, Luzerne (western portion).
5	Harrisburg	Mifflin, Juniata, Perry, Dauphin, Lebanon, Cumberland, Lancaster, Franklin, Adams, York, Fulton.
6	Altoona	Elk, Cameron, Jefferson, Clearfield, Centre, Indiana, Cambria, Blair, Huntingdon, Somerset, Bedford.
7	Pittsburgh	Lawrence, Butler, Beaver, Allegheny.
8	Greensburg	Armstrong, Westmoreland, Washington, Greene, Fayette.
9	Erie	Erie, Crawford, Warren, Mercer, Venango, Forest, Clarion, McKean.
10	Stroudsburg	Pike, Monroe, Carbon, Schuylkill, Luzerne (southern portion).

Both continued and initial claims for unemployment compensation filed in Pennsylvania during the week ending August 28 decreased from the previous week's totals according to William L. Batt, Jr., secretary of labor and industry. Continued claims dropped from 166,814 for the week ending August 21 to 165,718 for the week ending August 28. This week's total includes 19,515 continued claims filed during the week by workers indirectly idled as a result of the current work stoppage in the steel industry. However, the increase in the number of such claims (1,400) over 1 week ago did not offset decreases from other sources. Fewer layoffs in construction, better work schedules in some segments of the apparel and textile industries plus claimants exhausting their benefit rights accounted for the major portion of the decline.

Initial claims (new unemployment) dropped from 22,899 to 22,570 during the week ending August 28. Batt stated that this week's total includes 2,533 initial claims filed by workers indirectly idled as a result of the work stoppage in the steel industry bringing the cumulative total of such claims to 25,366 since the start of the current work stoppage. The current decline resulted from fewer initial claims from primary and fabricated metals, bituminous mining, construction, food processing, transportation equipment, and chemicals. Partially offsetting these decreases were sizable increases from apparel, textiles, nonelectrical machinery, and anthracite mining.

During the week 150,521 unemployment compensation checks amounting to $4,205,003 were issued to regular unemployment compensation claimants.

Unemployment compensation reference table

	Week ended Aug. 28	Preceding week	Same week	
			1 year ago	2 years ago
Initial claims	22,570	22,879	31,442	20,714
Continued claims	165,718	166,814	270,731	135,075

Unemployment compensation fund data

a. Unemployment compensation fund balance as of Aug. 28, 1959 (including Federal advance on Apr. 6, 1959, of $96,440,000)	$213,975,797
b. Balance in the fund as of Aug. 29, 1958	195,151,738

STEEL WORK STOPPAGE HALTS UNEMPLOYMENT DECLINE

The 6-month decline in unemployment in Pennsylvania was halted in August as a result of the work stoppage in the steel industry, William L. Batt, Jr., secretary of labor and industry, announced today.

Estimated total unemployment increased 4,000 between mid-July and mid-August. This brought the total number of idled workers up to 385,000, or 7.7 percent of the total civilian labor force. In mid-July the rate of unemployment was 7.6 percent in Pennsylvania, in comparison with 5.2 percent for the Nation. United States figures for August are not yet available.

Although the 168,000 steelworkers directly involved in the steel work stoppage are not counted as part of the unemployed, workers laid off in allied industries as an indirect effect of the work stoppage are included. Such secondary unemployment amounted to approximately 39,000 in mid-August, and was concentrated principally in the mining, railroad, construction, and manufacturing industries. The manufacturing industries chiefly affected were those producing metals and metal products and stone, clay, and glass products.

Batt observed that the rise in unemployment between July and August was contraseasonal. In addition, he indicated that, were it not for the steel work stoppage, a further substantial seasonal decline in unemployment would have occurred.

The August unemployment total was still 92,000 above the prerecession level of 266,000 in August 1957 when 5.6 percent of the civilian labor force was unemployed. However, the current level is 121,000 below that of August of last year when, as a result of the recession, 479,000 workers were unemployed, representing 10.2 percent of the total civilian labor force.

THE NATIONAL URBAN LEAGUE: SOLVING RACIAL PROBLEMS THROUGH UNDERSTANDING

Mr. KEATING. Mr. President, as the National Urban League holds its 1959 annual conference here in Washington, it can look back with justifiable pride on nearly 50 years of efforts to solve the complex problems of race relations. In the area of "social progress," as the league terms it, this unique organization, through the wisdom, courage, and dogged determination of its leaders, has made great strides.

With remarkable patience and insight, the league has worked all across America

to promote better understanding and cooperation among all our people. Its members have most ably promoted the Urban League's slogan that "American teamwork works."

At a time when relations between the races are not what we would like them to be, and at a time when racial tensions are high in some areas, the program of the Urban League is vital and necessary. The league deserves the cooperation of all men of good will as it works toward its goal of insuring that every American is given the chance to develop and contribute his talents to the good of his community and his Nation.

Mr. President, two of the significant addresses made at the 1959 annual conference of the National Urban League have come to my attention. One was delivered by Dr. Lester A. Granger, executive director of the league and a long-time distinguished leader in its work. Another address was by Julius A. Thomas, the league's director of industrial relations. I ask unanimous consent to have both speeches printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ABSTRACT OF SPEECH BY DR. GRANGER

Race in American life has been repeatedly and badly mangled in its handling as an issue during the past 100 years. The wonder is not so much that a racial problem still remains today in dangerous proportions as that so much impressive progress has been made during the past half century in the face of bungling and cynical exploitation of the issue of race.

Ever since the opening of the Civil War the race problem has been used by unscrupulous elements cleverly to advance their own interests, whether they be financial or political, or merely the release of neurotic and psychotic impulses.

In this category fall the reconstruction period and Ku Klux Klan; the establishment of a color bar when the American labor movement was first organized; continued racial discrimination by rank and file labor groups even today; the notorious draft riots that swept New York City during the Civil War, and caused the symbolical lynching of Negroes; the tolerated continuance of lynching up to recent years; the iron-band imposition of racial discrimination in employment and the passage of jim-crow laws in a third of the States of the country, striking heavily at the dignity, the security and the right to self-expression of a majority of the Negro population.

Such practices and policies were carried on during the second-half of the 19th century to such a degree that the average observer would have been forgiven for relinquishing hope during the early years of the 20th century of ever seeing any appreciable dent being made in the size and shape of the American race problem.

That this is no longer true as we stand on the threshold of the Urban League's golden 50th anniversary in 1960 is due in large measure to the wisdom, courage, and determination shown by the men and women who founded our movement. For they demonstrated what was for that time a remarkable clearsighted understanding of the complexities of the American race problem.

At the same time they evidence a devoted faith in a basically simple method applied to the problem's eventual solution, namely, tying the interests of the racial minority into the overall interest of the community to the end that Americans of different races would increasingly learn to understand and trust each other, and by working together solve the problems of not only the minority but of the total community-at-large.

The fact that a problem is complicated as the race problem is complicated does not necessarily mean that efforts to solve it must be complicated to the point of tangled confusion. One of the reasons why such rapid progress in the field of racial problems has been made during the past quarter century is that a clear distinction has been made between the judicial and legislative struggle, on the one hand, and the effort to develop social progress on the other.

It is this latter effort which the league accepted as its responsibility, and which the league almost alone among American organizations has carried forward for 50 years. Not always, it is true, with clear public understanding of the special nature of the league's importance or the special accomplishments which the league has recorded over the years.

Only recently, as the legal fight has proven not to be so quickly and easily won, as was once thought possible, have colored and white Americans begun to realize that a struggle for the social, economic and political emancipation of a racial minority can no more be achieved through one method alone than a wide-ranging battle can be won solely by the sudden thrust of a regiment of tanks. A one-front battle effort can be quickly isolated, and its leadership destroyed; a one-front drive for equality of opportunity in American life would be defeated before it should be started.

Nineteen-sixty, therefore, as our golden 50th anniversary, comes during a period of near-miraculous timeliness. We are in the midst of a strong sweep of social change in every area of racial relationships.

We have an opportunity, therefore, during our year-long observance of our 50th anniversary as an interracial movement professional in our nature and democratic in our objectives, not only to evaluate our past record but also to analyze the needs revealed in current changes and to plan our next 5 to 10 years on the basis of today's new needs.

We must find a way clearly to tell our message to the American people, for once the people listen no matter what their race or political affiliation—so long as they have a belief in the democratic way of life—they must see the vital role played by the Urban League movement in American community affairs today.

For instance, tomorrow's scientists and technicians, that league-sponsored program aimed at providing Negro youth with incentives for success, becomes not merely an effort to encourage training today for tomorrow's job, but also a powerful contribution toward a stable generation of Negro youth for today and tomorrow.

Our program in housing is concerned today with problems of slum clearance, tenant relocation and urban renewal. But this includes the interim protection of tens of thousands of Negro families displaced by slum clearance. More, it means a more orderly planning today for the elimination of racial ghettoes tomorrow.

Our program of industrial relations constitutes an effort to raise the job level of 7 million Negro workers. But this means, also, raising the income level of 5 million Negro families. And all of this adds up to abolition of the race label on poverty, social disorganization, crime, and disease. It means a better America and this Americans must see.

Our interracial planning actively carried on by 3,000 white and colored American leaders throughout the country constitutes the substitution of authenticated face for irrational passion. It offers promise of solid future growth in stable racial relationships, instead of temporary amelioration of racial tension arrived at through opportunistic concessions and temporary appeasement.

When the American public, with our help, understands more widely that this is what the Urban League stands for, then that public will understand why the Urban League slogan is "American teamwork works."

STATEMENT OF JULIUS A. THOMAS, DIRECTOR OF INDUSTRIAL RELATIONS FOR THE NATIONAL URBAN LEAGUE

About 16 years ago it was my privilege to join the staff of the National Urban League. My position was designated as director of industrial relations. I must admit that I was scared half to death as I contemplated the size of the job we were endeavoring to do.

This position in the national office was comparatively new, although the Urban League had long been identified with the employment problems of Negro workers. Well do I remember the employment offices to be found in most local league offices around the country. It isn't always realized that the Urban League was the first community service agency to provide a "free employment service" such as we conducted in those early days.

As we discussed the objectives of league movement during the first few months I was in the national office, it seemed clear that our program needed something new. This was during the early days of the war. The demand for labor had all but dried up the so-called labor reserves. President Roosevelt had issued Executive Order 8802 and the flow of labor was regulated by the War Manpower Commission.

After considerable discussion with staff and board members it was generally agreed that we should endeavor to do several things that were not ordinarily done by social work agencies. Among these let me mention a few.

1. It was recognized that by and large many important industrial and business concerns knew little or nothing about the Urban League except that it was considered a "respectable group of nice people." To a certain extent this usage of Urban League was shared by a substantial segment of the labor movement. We decided, therefore, that we had to tell our story to an increasing number of management and labor leaders.

2. It was realized also that we needed to find a medium through which we could extend our areas of influence with the help of interested labor and business leadership.

Essential in the approach to a revamped industrial relations program is manpower, which I am sure you realize. We called together one or two longstanding friends and a half dozen new friends to help us crystallize our thinking. The Management Advisory Council, organized in 1945, was one of the first steps. The Trade Union Adivsory Council, formed several months later, was the second.

"In what way can an organization like the Urban League make a solid impact on employment and labor union practices?" was the question we put to these committees. The replies were varied as you might suspect but one central point was echoed again and again. It was this: You must get to know the appropriate officials in industry and labor and you must find ways of influencing their thinking as well as their behavior as it relates to our program.

This was no simple job although there was more interest in the Negro worker than we had known before World War II. One by one we approached top people in some of our industrial giants. Much to our surprise we found most of them receptive to our representations. Our management advisory committee, headed by Winthrop Rockefeller, began to recognize the soundness of our operation. Soon we were able to add other leaders of industry. Our trade union committee, led by Tom Young, began to show evidence

of vigor and we were able to expand its membership.

Much of this is well known to most of you and I will not attempt to detail the action inspired by this combination of industry, labor and Urban League teamwork. I do, however, wish to note that we incorporated other new approaches in our relationship with Government agencies. The plan of operation with the Government Employment Service was one byproduct of our many discussions with Government officials.

We also sharpened our guidance and placement program. Career conferences were proposed to colleges and high schools. The pilot placement program was successfully carried on. In these and other ways we earned an enviable place in the esteem of many persons and organizations that know of us only as "a place to get a job."

We face today a new era in Urban League industrial relations and vocational services. This new era stems from many recent developments affecting labor integration. First, I think, is the enactment of fair employment practice laws and ordinances in 18 States and 42 cities. Almost 100 million Americans live in these States and cities.

The Federal Government, through Executive and administrative orders, has taken positive action to reduce employment discrimination based on race and religion. The normal expansion in the population and the labor force—4 million more people and 800,000 more workers—have vastly increased the number and variety of jobs to be done by all American workers. And I can name other influences that have altered the context in which we work.

Against this background what should be the new role of the league's industrial relations and vocational services program? Carlton Yeldell will discuss the implications of our programing with organized labor. Bill Douthit will project our role vis-a-vis Government agencies.

Briefly, I want to talk about the things we can do more of with industrial and business management.

First, let's look at our assets:

1. We have a larger and better trained staff of professional personnel than we ever have had.

2. There is growing recognition, if not universal public understanding and approval, of what we have been endeavoring to do for the past 48 years.

3. We have supporting allies in a strong commerce and industry council and an active trade union council at the National League and comparable groups at many local leagues.

How then do we get the best average and mileage out of these resources? Again speaking primarily of our management relationship, let me venture these observations.

The corporations (29) representing the membership of our National Commerce and Industry Council employ almost 4 million workers and include almost every major industry and business field in our economy. I have often wondered what would happen if we concentrated a major part of our effort on just these 29 corporations. In addition, we can name 60 important national enterprises whose managements know us and are willing to work with us on many of our industrial relations problems and projects. Altogether we are in a position to influence the performance of nearly 100 national enterprises in the matter of Negro employment.

The next question, it seems to me, is how do we take full advantage of these relationships?

I shall not attempt to answer this question fully. I strongly urge you, however, to study carefully the speech to be heard Thursday morning when Al Watters of General Foods addresses the conference.

I do wish to point out a few things that seem to me important for further discussion.

First of all, I do not think we have organized effective followup of our national contacts in our industrial relations programing.

This is not a critical observation. The cold fact is we just do not have sufficient manpower either in the national office or in most local leagues to do the job we are all capable of doing. But a major part of our shortcomings in this regard is a result of inadequate communications—a subject we have discussed and will discuss many times during this conference.

Specifically, we in the national office have not given you a complete report on what we have done and are doing to enlist the participation of these corporations in the league's program. And, I might add, we in the national office do not get as much information from local affiliates regarding the performance of the hundreds of local units of these corporations.

An official of one of our council corporations said to me a few days ago "most of the hiring takes place where the work is being done in the local plant. After you have convinced us there still remains the job of bringing along the local plant management. We'll do our part, but we can use your help."

And this is the attitude we encounter in the majority of multiplant corporations when we discuss our program.

These remarks have extended far beyond my plan and I have just begun to give you what I believe to be the future role of the Urban League in the field of industrial relations. For example, I have not mentioned another item that always pops up when we work at this. I am referring to management procedures in corporations.

Almost every corporation has its own methods of dealing with mangement problems. So a corporation executive, once he has decided to go along with our program, proceeds to tell us how to get things done in his corporation, how not to make mistakes that will hamstring our program. These are the nuances of our job—but they are important.

Finally, let me say I believe we have come of age in the projection of our goals to a significant segment of industrial and business leadership. I hope, therefore, that this conference and the months ahead will afford an opportunity to assess our progress to date and to move forward with a full head of steam towards the realization of our goal:

To every man a chance, his God given chance to develop his talents and abilities to the highest possible level and by so doing make secure for himself, his community, and the Nation the heritage of freemen.

TRIBUTE TO THE URBAN LEAGUE

Mr. KEATING. Mr. President, this morning's Washington Post and Times Herald carries a well-merited editorial tribute to the National Urban League, which today launches its annual conference. The league which has labored so diligently, patiently and successfully in the troubled field of interracial relations, can look back with understandable pride upon its accomplishments.

I wish the league continued success in the days ahead as it carries on with its important and constructive endeavors. Mr. President, I ask unanimous consent to have printed in the RECORD the editorial from the Washington Post and Times Herald.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RACIAL CONCILIATOR

In 60-odd major cities around the country the National Urban League has worked patiently and resourcefully for half a century—through persuasion rather than through litigation—to promote understanding between the white and colored races, to open up economic opportunities for Negroes and to foster full Negro participation in the life of the community. Wherever it has operated, it has rendered useful and healing and constructive service. And it is a pleasure to record that this is particularly true of the Washington Urban League. We extend a warm welcome, therefore, to the 800 delegates asesmbling this morning for the league's 1959 annual conference on the theme, "Community Planning for Equal Opportunity." The beneficent and thoughtful efforts of the Urban League have never been more needed than now. We hope the conference will be a most fruitful one.

RIGHT TO VOTE FOR ELECTORS IN THE DISTRICT OF COLUMBIA

Mr. KEATING. Mr. President, the Constitutional Amendments Subcommittee of the Senate Committee on the Judiciary is scheduled to hold hearings on a joint resolution which Senators BEALL, CASE of South Dakota, and I have introduced to permit the residents of the District of Columbia to vote for electors for President and Vice President and for three delegates in the House of Representatives. The purpose of this resolution, in a word, is to extend democracy to Americans who live in the District of Columbia.

Editorials in the Washington Post and Times Herald and the Evening Star in the past several days have enthusiastically endorsed the proposed amendment to the Constitution. These editorial comments, while not surprising, are very heartening and inspiring to those of us interested in this extension of citizenship rights to the residents of the Nation's Capital. I believe these editorials will be of interest to all Members of the Senate, and I therefore ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Sept. 6, 1959]

GOLDEN OPPORTUNITY

The hearings, of necessity, must be brief. Congress is approaching the session's end. There is not much time. But we of Washington should find great satisfaction, and suddenly renewed hope, in the fact that Senate hearings on a proposal to amend the Constitution, permitting residents of this American Capital the right to vote for President, Vice President, and Representatives in Congress, have been scheduled for next Wednesday, with chances for favorable action.

The list of potential witnesses, ready and willing to testify in favor of this proposition, is a long one. We know of no issue on which there seems to be greater unanimity of opinion. The fundamental but long withheld right of American residents in this city to vote for President, Vice President, and Representatives in Congress, has won general acceptance. Witnesses could fill volumes with their arguments, to be added to those already in the archives.

But why? What more is there to be said on this subject? Otherwise qualified voters in a city of 850,000—the disqualification being residence in the American Capital—suffer the most wholesale and indefensible discrimination in the whole catalog of denied

civil rights. These citizens, these voteless Americans, can be given the right to representation in their Government by a simple amendment of the Constitution that corrects an understandable oversight when it was written. That amendment will not make the District a State. It will not impair, reduce or divide the wise and exclusive control by Congress over its seat of government.

What it does do is to permit residents of this city to vote for President and Vice President, preserving at the same time the concept of the District of Columbia as the Federal City, but permitting its citizens representation in the electoral college they would enjoy if the District was a State; and the right to send three Delegates to the House, with such powers as Congress by legislation may choose to give them.

The brevity of further hearings on that proposition would be a virtue. The need for removing a flagrant contradiction of what we stand for as a nation is self-evident. The resolution for amendment of the Constitution should find a place on the Senate Calendar and receive the favorable action of the Senate at this session.

[From the Washington Evening Star, Sept. 7, 1959]

THE VOTING AMENDMENT

Generally speaking, there have been two forms of constitutional amendment designed to permit residents of Washington to vote for President, Vice President, and Representatives in Congress.

One form is an enabling amendment, merely conferring on Congress the power to prescribe by legislation the degree of representation the District is to have in the electoral college and in Congress.

An example of the other form is the pending Senate Joint Resolution 138, on which Senator KEFAUVER has announced hearings for Wednesday. Introduced by Senator KEATING, of New York, it is a combination of amendments proposed by him, by Senator CASE of South Dakota, and Senator BEALL, of Maryland. It allows three Delegates in the House of Representatives, with such powers (voting or voteless) as Congress may define by legislation, and gives to the District the number of electors for President and Vice President to which the District would be entitled were it a State.

We have always thought the enabling form of amendment the wiser approach, for it permits changes in the degree of representation that experience and population growth might suggest. It has been argued, moreover, that what might seem adequate representation in Congress today, could very well become wholly inadequate in the future and reasonable flexibility is desirable.

But if Congress prefers to spell out the degree of representation in a constitutional amendment, surely the amendment should provide for three Delegates in Congress, with such powers as Congress may define, rather than three Delegates in the House of Representatives, thus closing the door, without further amendment, to any future representation in the Senate.

We would enthusiastically support any form of amendment that can muster the support of two-thirds of House and Senate and three-fourths of the States and permit residents of Washington to vote—for President and Vice President and Representatives in Congress. But we hope the amendment will not foreclose the prospect that the District may one day be represented in the Senate, as well as the House. Hawaii and Alaska, with a combined population less than that of the District, are now represented in the Senate by four Senators; in the House by two Representatives, whose number will increase with the population.

If by constitutional amendment the District would be entitled to three Delegates, with powers later to be defined by Congress, surely the division of these three Delegates as between House and Senate should also be left to Congress.

[From the Washington Post, Sept. 8, 1959]

THE FRANCHISE AMENDMENTS

Two of the proposed constitutional amendments that are moving toward a vote in the Senate are almost above controversy. Senator HOLLAND'S resolution, which has the approval of a Judiciary Subcommittee and of enough cosponsors to pass it by the required two-thirds majority, would outlaw poll taxes in the States. Senator KEATING'S resolution to allow residents of the District of Columbia to vote in presidential elections is less favored in the number of its sponsors, but it is so solidly based on democratic principles that any objection to it is difficult to imagine.

Originally Senator KEATING had intended to attach his proposed amendment to the anti-poll-tax measure. We think he was well advised to keep the issues separate to avoid any possible consolidation of opposition. It is highly desirable, moreover, that each proposed change in the Constitution stand on its own merits. Nevertheless, it would be good strategy to advance the two measures at the same time.

Some opposition to the abolition of the poll tax may be heard from the five States which still require such levies. But to the country as a whole taxing the ballot is as obsolete as property qualifications for voting. The country has waited long enough for the five States to bring their own laws into conformity with 20th century democracy.

As for the Keating resolution, the only conceivable argument against it is that it does not give the District full representation in Congress as well as the presidential electoral system, although it does provide for three Delegates in the House and they could be made voting Representatives if Congress should so decide. Even a limited vote for presidential electors, however, would be a long step forward from this community's total disfranchisement, and it should have no adverse effect on home rule. To both of these propositions we respond in the language that Justice Holmes once used to indicate his concurrence in a Supreme Court opinion: "Wee—Mussoo—I float in a fairy bark to the bight and serenely anchor there with you."

SENATOR COOPER FIGHTS WASTE IN OUR DEFENSE EFFORT

Mr. KEATING. Mr. President, few men in our Nation today have devoted greater study to or achieved greater understanding of the problems of our Defense Establishment than the distinguished Senator from Kentucky [Mr. COOPER]. His vast experience in a broad range of fields and his keen interest in maintaining the military might of our country in the face of the threat of international communism, have led him to make a series of proposals to revamp our defense organization.

The Senator from Kentucky [Mr. COOPER] revealed a number of his ideas recently as my guest on a television program, and his comments have drawn interesting editorial comment from all over the country. I ask unanimous consent to have printed in the RECORD an editorial on this subject from the Dallas Morning News of August 26, 1959.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PROBLEMS OF WASTE IN NATIONAL DEFENSE

In his book "Crusade in Europe," Dwight Eisenhower made a significant statement. He said, "All war is waste." Every attack wastes lives. Every preparation wastes money. The commander's dilemma is to decide whether the results can justify the inevitable waste.

Senator JOHN COOPER, the Kentuckian, appealing to the President personally to stop waste in the Pentagon, is both right and wrong. All preventable waste should be ended. That far he is right. But what often proves to be waste is necessary. That far he is wrong.

The only nation prepared to fight a war is the aggressor which decides whom it is going to attack and when. It can stock the latest arms for that moment. Every nation dedicated to peace but determined to prepare against war is committed to the inevitable waste in stock piling, obsolescence, research.

This is not to say that we cannot save more than we have saved. Schematically, Senator COOPER'S plans for legislation to effect defense economy have appeal. But when you come up to the practical coordination of research for such varied elements as Army, Navy, Air Force, you do not find it so simple. By the way, there is a lot of waste in the Senate, too.

YELLOWTAIL DAM

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD immediately following these remarks an editorial entitled "May Get Action Next Year on Yellowtail Dam," which was published in the August 31 issue of the Billings Gazette.

The senior Senator from Arizona [Mr. HAYDEN] will remember the author of this editorial, Tom Stout, as a Member of the 63d and 64th Congresses from 1913 to 1917.

Drawing upon his rich experience in Government and newspaper work, Mr. Stout tells how even back in the period when he was serving in Congress, more than 40 years ago, Montana citizens were working for Yellowtail Dam. He mentions, in particular, the work of John Harris, then a resident of Hardin, who made repeated trips to Washington and once took Mr. Stout up to the site of the proposed dam. I mention this bit of history to point up the extreme delay in getting such a needed and worthwhile project underway.

Granted it takes years to draw up the plans and arouse public sentiment in favor of worthwhile resource development projects, but in this instance, almost half a century has elapsed since the time that the benefits of this site were first visualized.

Congress authorized this project 15 years ago. The Congress proposed a settlement with the Crow Indians, for right-of-way payment, which the President unfortunately vetoed. Then the Congress proposed another settlement, to which the President agreed, yet he refused to put any construction money in the budget, and opposes the project just as he opposes other needed new starts.

I remember very well the contributions toward the dam made by John Harris, about whom Mr. Stout writes. Tom Stout himself is too modest to say so, but as a Member of Congress and as a leading editor in our State he, too, has played a major role in the long fight for Yellowtail Dam.

We still have not turned over one spade of dirt as far as actual construction goes. We would have turned over that first spade of dirt several years ago had it not been for the opposition of the present administration to new starts.

I devoutly hope that, as the headline suggests, we will finally get this great project into construction next year.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MAY GET ACTION NEXT YEAR ON YELLOWTAIL DAM

In an address before the Senate, Monday, August 17, Senator MIKE MANSFIELD, of Montana, expressed disappointment over the failure of a Senate-House conference committee to agree upon appropriation of $3 million for making a start on the construction of Yellowtail Dam in the canyon of the Big Horn River some 40 miles southwest of Hardin in Big Horn County. The Senate Committee on Appropriations included an allocation of the funds in a measure previously approved by public work subcommittee, but when the bill went to a conference committee, the House Members of that committee declined to accept the item which was, therefore, deleted from the bill.

Replying to the statement by Senator MANSFIELD, Senator CARL HAYDEN, of the Senate Appropriations Committee, and also chairman of the subcommittee on public works, explained why it was not considered feasible to make the appropriation at the current session but did say that the funds for starting actual construction of the dam should be made available for the 1960–61 fiscal year.

The cost of this project is fixed at $100 million, but, unless this inflationary spiral is reversed, that cost may rise as time goes on. Also, the history of many of these Government dam projects shows that in all too many instances, the final cost of the undertaking greatly exceeds the estimated cost made at the time the project was authorized. This has something or other to do with the way many of the bureaus of our Federal Government transact business.

It may be assumed that most of the older residents of this section of Montana and some of the later arrivals know the history of the Yellowtail Dam project. Actually, agitation for the construction of this dam was begun not too long after the Reclamation Bureau in the Department of the Interior was established in 1902. There was much to recommend the construction of this dam. First was the advantage which would accrue from the reclamation of several thousand acres of semiarid land. Next was the fact that the site of the structure up there in the Big Horn Canyon was one of the most nearly ideal to be found anywhere in the Western States.

The construction of projects of that kind in States of the West and particularly the Great Plains area, for the irrigation of arid and semiarid lands was the chief reason for the establishment of the Reclamation Bureau under the terms of a measure introduced by Senator Newlands, of Nevada. During his second term, 1905–1911, Senator Thomas H. Carter, of Montana, did much toward establishing that bureau on a firm foundation and for obtaining money for the Lower Yellowstone, Huntley and Sun River projects in Montana.

John Harris, a resident of Hardin until he moved to Chicago in his later years, spent years trying to promote a start on Yellowtail Dam. He made repeated trips to Washington during those years and really kept alive the movement favoring the dam even when success appeared all but hopeless to most of the other backers of the plan.

Harris made some trips to the National Capital while the writer was down there and once, during a vacation period, took us up to the site of the proposed dam. It was then a rugged trip but worth the trouble.

The engineers for the Reclamation Bureau have long recognized the merits of the plan for building a dam up there and have conducted exhaustive surveys and done considerable other preliminary work, but efforts to get started on the project were stymied by an inability to reach an agreement with members of the Crow Indian Council on the damsite and the land to be inundated by the lake created by the dam construction.

While there are some differences between the Federal Government and the Indian council still to be disposed of, there is no longer any substantial hindrance to the start of construction except the lack of an appropriation of funds by the Government and, as Senator HAYDEN has promised our Montana congressional delegation, that will probably be forthcoming after the next session of Congress—at least a sum sufficient to make a good start on the project.

Yellowtail will be a multipurpose dam as are most of those now being constructed by the Federal Government. In addition to making possible the irrigation of a large area of land, it will be equipped with generators to produce a great deal of electric power and serve as an important unit of the upper Missouri River flood control system.

The hundred million or more dollars to be spent for the construction of the dam and the additional sums required to construct an irrigation system and facilities for the generation of electric energy will contribute greatly to the economic progress of this southeastern section of Montana. The progressive little city of Hardin will share with Billings many of the advantages resulting from this project. Members of the Crow Indian Tribe are already assured of a substantial sum of cash for the damsite and land which they will surrender to the Federal Government.

TRIBUTE TO DR. H. TRENDLEY DEAN

Mr. HILL. Mr. President, my colleagues in the Congress who have been interested in the great strides made by American dentistry in recent decades will be interested in knowing that the American Dental Association has announced the retirement of Dr. H. Trendley Dean from the office of secretary of the Association's Council on Dental Research.

At the time of his appointment in 1953 as the first full-time secretary of the Council on Dental Research, Dr. Dean had just completed more than 30 years of outstanding service as a dental officer in the Public Health Service. His retirement from Federal service came after 5 years as the first director of the National Institute of Dental Research.

In his long and distinguished career as an officer in the Public Health Service, scientist, and veteran of two World Wars, Dr. Dean has been the recipient of numerous honors and awards made by many national and international scientific bodies in recognition of his notable contributions in the field of dental research.

Dr. Dean's achievements in the study of fluoridated water and its effect on dental health by themselves would have assured him lasting fame as a research scientist. But of even greater significance was his application of the techniques of epidemiology to the investigation of dental diseases. It is not inconceivable that Dr. Dean's work on the fluorides has resulted in public health measures whose ultimate benefit to mankind in the reduction of dental decay may be comparable only to the effect of vaccination programs on the infectious diseases.

Before speaking further of Dr. Dean's outstanding work as an epidemiologist and public health authority on fluoridation and oral diseases, I would like to go back and review some of the earlier highlights in the life of this dedicated scientist.

Trendley Dean was born before the turn of the century in the small midwestern town of Winstanley Park, long since a part of the city of East St. Louis, Ill. His forebears were among the town's early settlers and their contributions to the history of the community are well-known to longtime residents of the area. In 1916, he received his D.D.S. from St. Louis University. The following year he entered the Dental Corps of the U.S. Army and served in France as a Captain until 1919.

Dr. Dean joined the U.S. Public Health Service 2 years later as an acting assistant dental surgeon. During the next 10 years he served in a variety of Public Health Service posts including the U.S. Marine hospitals in St. Louis, Boston, New York, and San Francisco.

In 1931, Dr. Dean was assigned to the newly renamed National Institute of Health, formerly called the Hygienic Laboratory. As the first dental officer on the scene, he was given the task of establishing a dental hygiene unit. This became the forerunner of the present day National Institute of Dental Research. Dr. Dean headed the dental research program at NIH for the next 17 years. In 1945–46 he was detailed for special duty as colonel with the Army Dental Corps in Europe. Upon the founding of the new Dental Institute by Congress in 1948, he was wisely named as its Director.

Dr. Dean began his work on the problem of fluoridation in his first year at NIH. Investigators studying the relationship between fluorides in drinking water and a dental disease known as mottled enamel had reported that certain areas in the southwestern section of our country had water supplies which contained large amounts of fluoride. They believed this accounted in some way for the high incidence of mottled enamel among the people using those water supplies.

Dr. Dean set out to discover what the relationship was, and if fluorides were responsible for the condition, how much fluoride had to be present before mottling occurred. Working closely with his associates at NIH, Dr. Dean was able to demonstrate conclusively that excessive fluoridation caused the mottling effect. Through further investigations he determined the minimum amount of fluorides necessary to cause fluorosis. In contrast to the 8 to 1 million ratio in certain fluoridated water areas, he determined the optimum level of fluoride to water concentration to be 1 part fluoride to 1 million parts water. Later, he and his associates developed efficient and economical methods for removing excess fluorides

from drinking water and adding them when advisable.

In subsequent studies Dr. Dean made his momentous discovery of the inhibitive effect of fluoridated drinking water on dental caries. This most significant observation led directly to the current widespread public health measure of controlled fluoridation.

At the beginning of 1959 about 35 million people in nearly 1,800 communities in the United States were using fluoridated water.

After more than 10 years' study by the Dental Institute, it has been demonstrated beyond a doubt that fluoridation of public water supplies can reduce tooth decay by as much as 65 percent in certain age groups. Our children, even those whose teeth had already calcified before fluoridation was begun, are the principal beneficiaries of this program.

Over the years, Dr. Dean's professional interest has by no means been limited to the study of fluoridation. During his service with the Armed Forces, he studied other oral diseases, especially trench mouth, as it related to military populations. Throughout his career he has encouraged young investigators and, due mainly to his efforts, a well-balanced scientific staff carries on broad programs of clinical, laboratory, and epidemiological studies in dental health at the National Institute of Dental Research today. Dr. Dean has been prominent in pointing out the need for combining specialized dental research with work in the basic biological sciences.

Time and again Dr. Dean has been honored for his many contributions to the dental profession. He holds the Gorgas Medal and Award of the Association of Military Surgeons the Jarvie Fellowship Medal of the Dental Society of the State of New York, the John M. Goodell Prize of the American Public Health Association. He has been cited by the Georgetown University School of Dentistry with its award of merit. He is the only dentist ever to have been accorded the honor of delivering the Holme Lecture at the London University Hospital Medical College. He is an honorary member of the Royal Society of Medicine and the Finnish Dental Society, and will become an honorary member of the American Dental Association during its centennial session in September of this year.

Dr. Dean was also the first dentist to be made a member of the American Epidemiological Society and the Washington, D.C., Academy of Sciences. He is a past president of the International Association of Dental Research and a former vice president of the Federation Dentaire Internationale.

While an officer in the Public Health Service and more recently with the American Dental Association, Dr. Dean contributed over 90 professional papers dealing for the most part with his epidemiological studies to various scientific, public health, dental, medical, and engineering journals. Time and again he has ably represented his profession at scientific and professional meetings in the United States, Europe, and Latin America.

Now, after a lifetime devoted to improving the health of his fellow men, H. Trendley Dean has retired from the public scene.

Speaking for his countless friends and associates, I extend to him warm congratulations on his richly deserved retirement after so many years spent in humanity's service. I know that as a veteran public servant and eminent man of science Dr. Dean looks forward to maintaining all the cherished associations of his past.

We, his friends and admirers, wish him well and trust he will enjoy many more fruitful years with us.

LOSS TO CITIES BY VETO OF HOUSING BILL

Mr. McGEE. Mr. President, I invite the attention of the Senate to an editorial which was published in the Denver Post of last Sunday, September 6, 1959. Since this is an editorial which comes from a paper which is not Republican but is independent in its thinking, I think the interpretation which is placed upon the President's veto of the housing bill last week is of great significance, and I therefore ask unanimous consent that the editorial from the Denver Post, entitled "Cities Lost on Ike's Housing Veto," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CITIES LOST ON IKE'S HOUSING VETO

President Eisenhower has won another veto fight, but at a great cost. This was the veto of the second housing bill (he vetoed the first one, too), which the Senate Friday failed by five votes to override.

The costs are mainly two. Whatever chance there existed this year of cooperation between the Republican administration and the Democratic Congress is now lost.

But more important, the Nation's cities have lost what was an excellent, though minimum, program in public housing, urban renewal and other urban programs.

Since housing legislation is the Federal Government's main contribution to the health of a national asset—its cities—it is easy to see how much loss of this bill will hurt. The cities will continue to subsidize a tremendous farm program but fail to share in much of a program themselves.

Congressional leaders were at their bitterest Friday after the veto, and they can hardly be blamed. While the President was in Europe patching the Atlantic Alliance, the same group of advisers who misguided him on the first housing bill did it again.

Congress had come a long way down the road to meet the President on housing policy. The second bill was a pared-down version of the first bill, which had been pared down from the bill the Senate first passed, which had been pared down from the original Democratic proposals.

The President, at a time when compromise was wise, has yet to take the first step.

How far is one side in a divided Government expected to go in meeting the views of the other? The Democratic Congress has been elected, too, just like the President, and more recently, to boot.

The use of the veto, when used indiscriminately, thwarts majority rule. In this case, it has allowed a conservative coalition of Republicans and southern Democrats to thwart the majority, no doubt with a deal for the Republicans to go easy on civil rights thrown into the bargain.

What will happen now is questionable. The Democratic leadership may swallow its pride and go back to work on still a third housing bill.

Even so, Congress is likely to let the Federal Housing Administration go hang before surrendering completely to the President, and with justification.

The next bill may go a little way more toward the President's position, but there aren't enough days left in this year for Congress to move all the way over to the White House demands.

The genius that has made progress possible in America is the finding of common ground on which to take action. If no legislation is enacted on housing this year (and therefore no progress made) the onus will be on those who refused to search for common ground.

THE FARMER AND THE OVERALL ECONOMY

Mr. SYMINGTON. Mr. President, recently the Kansas City Star published an editorial, which was fundamentally sound, entitled "The Farmer Is Still an Important Citizen."

This editorial contains a thoughtful discussion of the role of the farmer in the changing American economy. It points out the important role the farmer has played in our economic development in the past, and the important role he should play in the future.

In summation the editorial says:

In its dilemma agriculture requires the understanding of the urban population. In fact, it also demands greater understanding from farmers themselves. Agriculture is involved in vast changes—declining farm population, the increase in the size of farms and mechanization. The changes bring problems of adaption of technology, of staggering surpluses, and increased costs. The complex situation perplexes the experts.

Mr. President, I ask unanimous consent that the editorial from the Kansas City Star of Sunday, August 30, 1959, entitled "The Farmer Is Still an Important Citizen," be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE FARMER IS STILL AN IMPORTANT CITIZEN

As we near the end of summer, this growing season is producing crops that approach last year's alltime record. Let's take our hats off to the farmer and take a good look at what he is doing for this country. For the moment let's deemphasize agriculture's price troubles.

The farm problem has dominated the agricultural scene for so long that it has become almost a legend. The public has become accustomed to day-by-day argument over farm programs, surpluses, subsidies, and parity. No wonder many people who are not fully familiar with the situation look upon the farmer as a man who can't run his own business and one who is always looking for a handout from the Government.

He does have his troubles, let's not deny it. But does America have any greater asset than its farmers?

Food is more important to the human race than any other product. In America, we haven't the slightest worry about where it is coming from. A great highway building program, industrial expansion, the production of luxury items, all can be undertaken with confidence in adequate manpower. Each year more and more people can be spared from the farm. This isn't true in many countries.

If our major worry were producing enough food we couldn't spare the manpower to turn out the many things that are a part of the modern American way of everyday living. Even in war, this country has not gone hungry. It has been the breadbasket for its allies.

Our farmers are producing this abundance with fewer and fewer workers. In the earliest years of the Nation, nearly all people were farmers. A man, who had the help of his family, produced enough for that family. Today's farmer produces enough for himself and 23 other persons. This point can't be overemphasized. If we are to be an industrial Nation, these other 23 people must have plenty of food and fiber. Economic progress halts whenever a nation fails to produce the necessities of life with less and less labor.

The farm surpluses troublesome to farmers and the Government, are in effect insurance. We are virtually guaranteed an abundance for months and years ahead. These surpluses bear down upon farm prices. It is ironic that the farm efficiency which produces the surpluses is so often costly to the farmer. In effect the farmer pays for the insurance against hunger in this country instead of collecting on it at the marketplace. We don't want continued surpluses that are too big to handle.

While the housewife may regard food prices high at the store, farm organization authorities point to the fact that an hour's work will buy more food today than ever before in history. Also, more and more of the cost of food is represented in the expenses of delivery, processing, retailing and built-in maid service.

No longer do you buy a live chicken and take it home to be killed and cleaned. In fact, more and more foods are fully prepared for cooking or even serving on the table. These services all add to the food bill.

Farmers resent charges that their prices account for the high cost of living. The reverse is true. In the cost of living index food prices have either held stable or dropped. If food had been going up, like everything else, obviously the cost of living today would be much higher than it is.

Last year Americans spent $57.7 billion for food. The farmers who grew it received about 36 percent of that amount.

So much has been said about farm subsidies that the average person may well believe that farmers alone have benefited from Government largess. Here again farm organizations, some of which are clearly unsatisfied with current farm programs, point out that farm subsidies are only a part of the benefits handed out through Government channels to American business. The tariff, they suggest, is the greatest subsidy ever granted business and labor. Its costs are hidden as the public pays through prices at the market rather than in taxes as in the case with farm subsidies.

Subsidies helped build the railroads, ships, and airlines. Government payment of postal deficits subsidizes mail costs of magazines and other publications. Government contracts assure profits to manufacturers of war materials. In fact, an extremely impressive list of subsidies can be developed by those who wish to make the point that farmers are not alone in getting financial assistance from Uncle Sam.

Of course, the fact that someone else has or is receiving a subsidy does not automatically indicate that farmers, also, should be put into a Government program. Neither does the amazing job of producing food necessarily suggest that they should have Government aid. The Nation faces a practical problem of finding a workable plan. The farmers are dissatisfied with their present lot, despite 30 years of Government programs. This fact indicates that subsidies do not automatically solve their problems.

Too many people are ready to suggest adoption of any kind of a government price support program on the theory that others are getting theirs, too. Conceivably, if farmers were better off without any programs, it would be logical to eliminate the programs. We don't think this is going to be done, but the theory holds just the same.

Agriculture is tremendously important to the economy of the Nation. Kansas City always has realized this fact. It was given a forceful demonstration in the spring of 1958 when improving conditions on the farm sparked a strong pickup in business.

Agriculture is a dynamic industry despite its price troubles. Since 1940 total farm output has increased 40 percent. During the same period the number of farmers or farmworkers has dropped faster than at any time in history. Today's farmer produces as much in an hour as he did in 2 hours in 1940. Nonfarm labor and manufacturing productivity, on the other hand, have increased slightly less than 50 percent in the same period.

Recently C. Peairs Wilson, director of the School of Agriculture at Kansas State University, compiled data to show the status of agriculture in the American economy. He found among other things:

Agriculture is the biggest buyer, seller and borrower in the United States.

The inventory of farm machinery alone is greater than the assets of the American steel industry and five times that of the automobile industry.

Agriculture uses 6½ million tons of finished steel a year—more than is used in a year's output of passenger cars. It consumes 17½ billion gallons of crude petroleum—more than is used by any other industry—and 285 million pounds of raw rubber—enough to make tires for 6 million motorcars. Agriculture takes 22 billion kilowatt hours of electrical power—more than enough to serve Chicago, Detroit, Baltimore, and Houston for a year.

Each year farmers purchase farm supplies worth about $16 billion.

The agricultural plant each year increases its use of capital, of science and technology, of management and research.

There are twice as many jobs in industries that serve farmers as in farming.

The U.S. population is increasing rapidly. Right now it is about 177 million. A conservative estimate used by Government authorities is that the population will grow from the present 177 million to 230 million by 1975. This means total farm production must be increased another 35 to 45 percent by that time. No one doubts that it will be done. Presumably there will come a day in the distant future when the country, along with all others, may face food shortages. But this generation in America has no fears.

What does this summation of the farm situation suggest?

First, we should not discount the importance of farming to the Nation just because we have no worries about food or because farmers presumably are always caught in price troubles. Per capita income on farms is about half the income of nonfarm employment. This is disparity. A way to change it must be found.

In its dilemma agriculture requires the understanding of the urban population. In fact, it also demands greater understanding from farmers themselves. Agriculture is involved in vast changes—declining farm population, the increase in the size of farms and mechanization. The changes bring problems of adaption of technology, of staggering surpluses and increased costs. The complex situation perplexes the experts.

Because of their strength, industry and labor unions have been able to a large degree to take care of themselves. Farmers, as individuals, have turned to the Government in the hope of getting a better share of national income. Years of dissatisfaction suggest that the Government programs to date have not been successful. More changes are in order.

Let's not count the farmer out. He's a mighty important fellow to have around.

THE KHRUSHCHEV VISIT

Mr. SYMINGTON. Mr. President, a thought-provoking article "The Khrushchev Visit: Dangers and Hopes," by Dr. Henry Kissinger, associate director of the center for international studies at Harvard University, was published Sunday in the New York Times magazine.

This article about the planned visit points out that issues are far more important than personalities.

Included in the issues which must be resolved with the Communists are: First, suppression of freedom in Europe; second, refusal to accept control of arms; third, continued pressure on peripheral areas, including Laos; and, fourth, the current unprovoked threat on Berlin.

The article points out what we all realize, but do not like to talk much about, namely, the fact that Khrushchev has already obtained more than he asked for, a summit meeting at the top—plus what is even more important to him, a meeting without our allies present.

The article points up the West now hangs on Mr. Khrushchev's erratic announcements, with ourselves and our allies split as to what should be done.

We have now seated East Germany at Geneva.

We are in a paradoxical military position. Our strength lies largely in the hydrogen weapons of our strategic striking forces, but few people believe we would unleash those bombs over the Berlin issue.

Nevertheless, our conventional forces have been reduced to where they are an insufficient deterrent against the Communists.

At the time we said we would not give an inch, we were continuing to reduce our military forces. A realist like Khrushchev could only be encouraged by such action.

A sentence in this article every citizen could well read says:

> We may be deflected from the long-overdue reexamination of our policies, both diplomatic and military, if the impression is created that the fact of a conference is more important than the substance of what it achieves.

Regardless of any planned trips, every informed person is now asking, What will these visits do to NATO?

The article presents the issue squarely when it continues:

> We have never had too much difficulty obtaining Soviet agreement in principle. The frustration has arisen because principle has proved impossible to translate into action. Free elections, control of arms, German unification, are slogans to which the Soviet Union agreed and which nevertheless mark the disappointment of our hopes for a peaceful world.

Mr. Kissinger says:

> At the very least, the Khrushchev visit will have gained time, and that in the nuclear age is a precious commodity.
>
> But time is neutral. It is an ally only of those with the energy and conviction to use it properly.

But time can be more than neutral. It can be negative because time, once lost, can never be regained.

I agree with this article when it says:

If we employ it [time] to change the attitudes which produced this crisis, the exchange of visits may mark a turning point in postwar history. If we use it to justify the continuation of our present course we shall have purchased a lull that will make disaster inevitable.

What informed person would want to argue with the next-to-last paragraph of the article:

We must admit to ourselves that we are in grave danger. We have to strengthen allied unity. The West has to develop more conviction about its programs than it mustered at the Geneva foreign ministers' meeting. We must remedy the military weakness that invites constant Soviet pressure. It simply does not make sense for NATO, comprising twice the manpower and three times the industrial resources of the U.S.S.R., to assert that it is unable to afford what is so plainly required for its survival.

And most important, who would disagree with its last sentences:

A policy concerned primarily with equilibrium and normalcy is not equal to the challenge of a revolutionary period. Deeper values are at stake than the ability to produce consumer goods. Our task, as that of every generation, is to make our belief in freedom and human dignity relevant to our times. To do this, it is necessary that we end the obsession with Soviet intentions and seek to become clear about our own.

Mr. President, I ask unanimous consent that Mr. Kissinger's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE KHRUSHCHEV VISIT: DANGERS AND HOPES

(By Henry A. Kissinger)

(An observer warns of the hazards in the Soviet Premier's talks with the President, and suggests a course for the West to take to turn them to its own advantage.)

In 9 days Premier Khrushchev is to arrive in the United States. His every gesture will be watched for significance; his every smile will be reported as a harbinger of a happier world; his every affirmation of the desirability of peace will be taken as a sign that Soviet policy has entered a new phase.

In these circumstances it seems almost ungracious to express a word of caution. But it is dangerous for democracies to act as if all issues could be reduced to personalities. The cold war is not the result of a misunderstanding between our leaders and those of the Soviet Union. It is the product of a conscious Soviet policy which includes the suppression of freedom in Eastern Europe (it is less than 15 months since the execution of Imre Nagy of Hungary); the Soviet refusal to accept schemes for the control of arms; Communist pressure on all peripheral areas, of which Laos is only the most recent example; the unprovoked threat on Berlin. A solution of the cold war can be found only in relation to these issues.

The exchange of visits will assist the cause of peace only if it provides a basis for dealing with these problems. It will be beneficial to the extent that it gives the Soviet leader an incentive to reverse a course which has repeatedly brought the world to the brink of war. Yet the circumstances in which the visits will take place do not inspire optimism in this respect. If Mr. Khrushchev compares his position now with what it was last November, when he first threatened Berlin, he may well conclude that bellicosity has its rewards. As a result of his pressure on Berlin, accompanied by threats of missile and nuclear attacks, Mr. Khrushchev has already gained the following points:

(1) A meeting at the top without withdrawing the threat to Berlin. Whatever the desirability of a visit by Mr. Khrushchev to the United States in the abstract, under present conditions it is a Soviet tactical victory. From the start of the Berlin crisis, we insisted that we would not go to a summit conference under duress, that there had to be some "progress" at a lower level before the heads of state convened. Throughout, Mr. Khrushchev has mentioned that the foreign ministers could settle nothing and that the "heavyweights" should talk. The threat to Berlin has not been withdrawn; the Geneva foreign ministers' meeting was a complete failure. Yet Mr. Khrushchev has done better than achieve a four-power conference. He has been invited to meetings with the President from which our allies are excluded.

(2) A demonstration of the lack of purpose in the West. The immediate reaction to the Soviet threat to Berlin was a public debate on what concessions might be made and public accusations of bad faith and irresolution among the Allies. Three weeks before the foreign ministers' conference there was still no agreed Western position, and the tentativeness with which the Western plan was presented revealed that the West lacks a clear conception of the purposes for which it might strive.

Rather than concentrating on restoring its unity or developing its own program, the West has been obsessed with determining Soviet intentions. Delegations of political leaders from most countries of the Atlantic community and from almost every political party have descended on the Communist capital. Moscow has become the focus of diplomatic activity. The West has hung on Mr. Khrushchev's erratic pronouncements as if it could do nothing save in reaction to Soviet moves. The Eisenhower-Khrushchev meetings are the culmination of a trend which has seen the Western alliance dangerously close to being split, with each ally essaying his own diplomatic approach.

(3) A hardening of the dividing lines in Germany. The attempt by Germany to pursue an isolated policy in the center of the Continent has produced disaster for Europe twice within a generation. One of the important goals of our policy must therefore be to retain Germany as a willing member of the Western community. If Germany should feel forsaken by its allies, it may seek to realize its aims by separate dealings with the East. And among these aims, unification will always occupy a key role. Thus for us a great deal depends on demonstrating that only Soviet intransigency keeps Germany divided. Any other course will in time produce what we should fear most: a dissatisfied, militant power in Central Europe.

When an East German delegation was seated at Geneva, a major step was taken not only toward the perpetuation of the division of Germany but toward our acceptance of the East German puppet regime. This was underscored by the lack of conviction with which the Western plan for German unification was presented and the haste with which it was pigeonholed at the first sign of opposition. After the first week in Geneva, the foreign ministers dealt with only one problem: the transformation of our position in Berlin, for which the quid pro quo was to be the withdrawal of a Soviet threat. We were asked to give up our rights while the Soviets would give up a menace. By accepting what amounted to a proposal that we solve problems the Soviet Union had created, we were placed in the demoralizing position of letting our well-established rights be called in question with no better argument than that they had become abnormal.

(4) The demonstration of a basic weakness in Western military policy. In our belief that deterrence is best achieved through the threat of maximum destructiveness, we have placed our principal reliance on nuclear weapons and strategic bombing. We were thus caught in the dilemma of deciding whether Berlin is worth the tens of millions of casualties of an all-out nuclear war. And it does not matter how determined we really are: if the Soviet leaders doubt our resolution they may provoke the crisis we are striving to avoid.

President Eisenhower is reported to have expressed puzzlement that our repeated warnings that we would fight for Berlin have apparently failed to impress Mr. Khrushchev greatly. The reason is not hard to find: our threat to resort to our only strategy has lost its credibility, not because our leaders are irresolute but because the threat of all-out war has become inherently implausible.

Moreover, once Soviet pressure had begun, few of our actions were calculated to reinforce our words. We did nothing to remedy the weakness of NATO's ground forces; on the contrary, we reduced both our Army and the Marines. We kept stressing the priority of long-range balance over readiness as if we did not face an immediate crisis. These actions may have encouraged a Soviet belief that our show of determination was bluff, that in our quest for relief from the burdens of military expenditures we might be induced to give up our other interests.

When we assess the exchange of visits between the President and Premier Khrushchev in this context, the potential dangers of the meetings emerge clearly. In my opinion, they are:

(1) The risk of euphoria. Some of our allies seem to feel that anyone who warns against overoptimism seeks to avoid a settlement. This is not true; no one can be opposed to a genuine end of the cold war. But we must guard against succumbing to the illusion of relaxation while the causes of the cold war remain unsolved and new crises build up in an atmosphere of blandness and normalcy. And there is a grave danger that the American people will be lulled into complacency by abstract protestations of good will; that we will confuse personal affability with a change of attitude. We may be deflected from the long-overdue reexamination of our policies, both diplomatic and military, if the impression is created that the fact of a conference is more important than the substance of what it achieves.

(2) Weakening allied ties. One of the characteristics of the postwar period has been the decline in power and influence of Europe. But one of the paradoxical results of Europe's new status has been a tendency to exaggerate its weakness. As a result, Europe has not fulfilled all her potentialities for political initiative.

It is important that the conferences between the President and Mr. Khrushchev do nothing to increase this sense of impotence. Our European allies must not be given the impression that matters affecting their most vital interests can be negotiated without their participation. No one who has read the President's remarks in the course of his European trip could suspect that Mr. Eisenhower would betray our allies. But separate conversations could underscore the junior position of our partners and be a blow to their self-respect.

We must take care that we do not reduce any future summit meeting to ratifying decisions taken by the United States and the U.S.S.R. Mr. Khrushchev has already sought to exploit this possibility. He has stated that after his meeting with the President there might be a conference including our European allies plus Poland, Czechoslovakia,

and Hungary. We must guard against having our allies reduced to the status of the East European satellites.

President de Gaulle's reported plan to visit Moscow, following the Macmillan trip to Russia and the Eisenhower-Khrushchev exchange, indicates that a situation could come about in which allied unity—in the diplomatic field, at least—would be little more than a formal pose. If the principle of separate dealings becomes established, we may well be the victims of the next phase of Soviet policy, when an attempt may be made to appeal to our allies against us.

(3) The demoralization of the free world. It is a Soviet goal to reduce contemporary issues to a clash of personalities in an effort to make us forget that the cold war has been caused by specific Soviet aggressive actions and that it can be ended only in relation to these issues. The more the Soviets can give the impression that crises stem from individuals (Adenauer's rigidity, Truman's failure to follow Roosevelt's policies, etc.), the more uncertain the free world will become, for in any Soviet-provoked crisis the West will be tempted to blame its own leaders or to search desperately for a new approach that will somehow end all tensions. Mr. Khrushchev may indeed make the ultimate decisions in the Soviet Union—as many advocates of conversations at the top maintain. It is nonetheless dangerous for democracies to permit a dictatorship to impose its manner of conducting affairs on them too completely.

Now that the invitation to Mr. Khrushchev has been issued, we must consider how the exchange of visits can be made to bring the best results.

It is likely that Mr. Khrushchev suffers from severe misconceptions about the nature of American society. Although it is not easy to imagine what the Soviet leader is likely to see in a cross-country trip of 6 days to change the attitudes of a lifetime, he should learn of the unity of the American people. Unless Soviet doctrine blinds him completely, he may come to understand, if he ever doubted it, that America has no aggressive designs, that it is unthinkable for the United States ever to initiate hostilities. At the same time, he may realize that the American people will be as one in resisting any attempt to achieve world domination. He could gain an appreciation of our strength and our productive capacity.

Mr. Khrushchev cannot fail to notice the sincerity of the President when Mr. Eisenhower says, as he has repeatedly, that in a nuclear war both sides must lose, but that, if the Soviet Union is prepared to seek security through negotiations and to forego the quest for empire, it will find us conciliatory and imaginative. And the conversations between Mr. Eisenhower and Mr. Khrushchev will demonstrate our desire for peace to the rest of the world.

Nevertheless, we face a delicate task in the forthcoming meetings. If we negotiate about specific settlements we may disrupt the Western alliance by giving our allies the impression that major decisions are being taken in their absence. On the other hand, if we confine ourselves to generalities we may confuse our people. In that case it will never be clear what was decided upon. Misinterpretation or misunderstanding will be encouraged. We shall not be able to convey even to the Soviet leaders our understanding of the causes of current tensions and the means to overcome them.

We have never had too much difficulty obtaining Soviet agreement in principle. The frustration has arisen because principle has proved impossible to translate into action. Free elections, control of arms, German unification are slogans to which the Soviet Union agreed and which nevertheless mark the disappointment of our hopes for a peaceful world.

It therefore seems important that we tell Mr. Khrushchev frankly of the perils of his present course, that we put before him as concretely as possible what we consider to be a stable world and invite him to detailed negotiations later on in which our allies will participate. If nothing is achieved by the visit but an agreement to end the methods which made a travesty of the Geneva foreign ministers' meeting and to negotiate seriously, a great deal will have been gained.

Yet we shall not succeed in this effort unless we develop a much clearer conception of our purpose in the world. If we are unable to define positive goals we shall continue to oscillate between an excessive reliance on personalities and a frantic search for tactical expedients, confusing flexibility with bargaining technique.

We cannot carry out President Eisenhower's determination to explore every avenue that might lead to peace unless we are clear about what we understand by the elements of a peaceful world. A dispatch from Washington by James Reston in the New York Times of August 12 indicates our difficulties: "Now that President Eisenhower has agreed to talk to Premier Nikita S. Khrushchev, the hunt is on here for specific proposals to talk about."

Our people must be told of the perils we face and the task before us. They must understand that the cold war cannot be ended by a smile; that it requires specific adjustments expressed in a concrete program. An improvement in the atmosphere is a useful first step, but it will prove as ephemeral as the "spirit of Geneva" if we use it as an excuse to relax our effort.

At the very least, the Khrushchev visit will have gained time, and that in the nuclear age is a precious commodity. But time is neutral. It is an ally only of those with the energy and conviction to use it properly. If we employ it to change the attitudes which produced this crisis, the exchange of visits may mark a turning point in postwar history. If we use it to justify the continuation of our present course we shall have purchased a lull that will make disaster inevitable.

We must admit to ourselves that we are in grave danger. We have to strengthen allied unity. The West has to develop more conviction about its programs than it mustered at the Geneva foreign ministers' meeting. We must remedy the military weakness that invites constant Soviet pressure. It simply does not make sense for NATO, comprising twice the manpower and three times the industrial resources of the U.S.S.R., to assert that it is unable to afford what is so plainly required for its survival.

The ultimate problem far transcends that of communism. Indeed we will be able to deal with communism effectively only to the degree that we act constructively with respect to tasks much more directly in our control, such as increasing the cohesion and growth of the Western World and fostering the development of the emergent nations. Here many opportunities await only our dedication and imagination. A policy concerned primarily with equilibrium and normalcy is not equal to the challenge of a revolutionary period. Deeper values are at stake than the ability to produce consumer goods. Our task, as that of every generation, is to make our belief in freedom and human dignity relevant to our times. To do this, it is necessary that we end the obsession with Soviet intentions, and seek to become clear about our own.

HOUSING VETO HURTS OREGON

Mr. NEUBERGER. Mr. President, a recent editorial in the Washington Post and Times Herald succinctly summarized the views of many regarding President Eisenhower's veto of the second housing bill passed by Congress this session. The Post stated:

> The President's successful veto of the omnibus housing bill can be seen as a triumph of sterile doctrine over a serious public need.

Mr. President, as the Post editorial points out:

> Because of the need, and because of the noncontroversial features of the vetoed bill, one last effort must be made to pass some form of legislation. Supporters of Federal housing programs can be given some wry pessimism, however, about an administration that seems to keep the nurse buried under a mattress while the front door sags on its hinges.

During the last few days I have received several messages from Oregon commenting on the consequences of the President's action.

Dr. Harry Dillin, president of Linfield College, wired me that his school has started building a dormitory and cafeteria. Without a housing bill to aid financing, construction will likely be halted.

A. L. Bell, president of the Salem Home Builders Association, has informed me of the concern of his organization regarding housing legislation and urging legislation this year.

C. Henry Bacon, Jr., president of the Douglas Fir Plywood Association, telegraphed me that "the effect of a slowdown in home construction will be serious for every plywood manufacturer and employee because of our great dependence on home building."

The administration, by its continual advocacy of a tight money policy and refusal to support even minimal Federal housing programs, is retarding efforts to insure that all Americans have a decent dwelling place and creating a serious threat to the economic health of those lumber-producing States who rely on residential construction markets.

Mr. President, I ask unanimous consent that there appear at the conclusion of my remarks the entire editorial, "Housing Holocaust," from the September 5, 1959, issue of the Washington Post and Times Herald; the text of the three telegrams to which I referred; and my statement submitted to the Senate Housing Subcommittee earlier this year in behalf of an adequate Federal housing program.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 5, 1959]

HOUSING HOLOCAUST

The President's successful veto of the omnibus housing bill can be seen as a triumph of sterile doctrine over a serious public need. That the bill was imperfect was clear even to the Senators who sought vainly to override the veto. But after Mr. Eisenhower vetoed a more costly housing bill last July, an effort was made to frame legislation which would be more acceptable to the administration. Yet an all-or-nothing mood seemed to prevail in the White House (and the Bureau of the Budget), and the specter of spending was invoked again in rejecting the pared-down, $1.05 billion measure. Mr. Eisenhower felt the legislation went too far, and he supported his case in part by overstating the bill's cost.

What makes the President's action so regrettable is that it may well rule out any housing legislation before adjournment—despite his professed hopes to the contrary. The urban renewal program is touching the bottom of its funds and the Federal Housing Administration has already run out of mortgage insurance authority, and lack of legislation may mean the death of this noncontroversial program. Perhaps in assembling an omnibus measure the Senate was ill-advised to tack on an unrelated college-classroom loan program—but surely a single termite on a rafter does not require the razing of a barn.

Fiscal, rather than policy questions, were stressed most in the President's veto message. Assuredly the administration faces pressing budgetary problems, although the President's successful (and proper) veto of the public works bill should reduce them. But in terms of priority, how many items rank higher than the need to help restore blight-infected cities to greater health? The veto message came the same week that slum-bred gang wars became a central concern in New York. Because of the need, and because of the noncontroversial features of the vetoed bill, one last effort must be made to pass some form of legislation. Supporters of Federal housing programs can be forgiven some wry pessimism, however, about an administration that seems to keep the purse buried under a mattress while the front door sags on its hinges.

McMINNVILLE, OREG., *September 5, 1959.*
Senator RICHARD NEUBERGER,
Washington, D.C.:

Last week Linfield started building dormitory and cafeteria hoping housing bill would be approved or veto overrider. Because of tight money and no housing loan our board meets next week for decision to stop construction. Is there likelihood of some housing bill for colleges in this session.

HARRY DILLIN,
President, Linfield College.

PORTLAND, OREG., *September 6, 1959.*
Hon. RICHARD NEUBERGER,
Senate Office Building:

Acceptable housing bill of utmost importance to Oregon. National Home Week good time to break.

A. L. BELL,
President,
Salem Home Builders Association.

TACOMA, WASH., *September 5, 1959.*
Hon. RICHARD NEUBERGER,
U.S. Senate, Washington, D.C.:

Regret to learn housing bill has been vetoed. On behalf of the 40,000 employees and 123 manufacturers in the fir plywood industry on the west coast, our industry has asked me to urge you to bend every effort to pass a housing bill before adjournment. The effect of a slowdown in home construction will be serious for every plywood manufacturer and employee because of our great dependence on home building.

C. HENRY BACON, Jr.,
President,
Douglas Fir Plywood Association.

[From hearings before the Committee on Banking and Currency on Housing Act of 1959, Jan. 22, 23, 26, 27, and 28, 1959]

STATEMENT OF RICHARD L. NEUBERGER, A U.S. SENATOR FROM THE STATE OF OREGON

Our Federal Government has a clear duty to insure that all Americans are able to secure adequate housing. Despite vigorous efforts by many in Congress, this responsibility has not been effectively discharged in the last half decade.

An estimated 13 million substandard dwelling units exist in the United States today. Net household formation and destruction of old residential structures creates a demand for approximately 1.4 million net units each year. If the Nation's present slums are to be eliminated and current housing needs met, at least 2 million homes a year must be constructed for a period of at least 20 years. We have come no closer to this goal than 1.3 million during the last 6 years.

Government's failure to meet its obligation has been both unintentional and deliberate. Some have failed to realize the magnitude of the problem. Others argued that the workings of the economy would solve the shortage. Still others seemed to hope that the situation would just go away. But the need remains—large, uncorrected, and omnipresent.

Housing demand, as opposed to need, depends on a variety of factors; individual economic well-being, new family formation, migration of population, obsolescence, vacancy rates, and ease of financing. The first and last elements are of critical importance. Unlike the others, they can—and should—be directly influenced by Government action.

Both factors are of concern to this subcommittee. Housing not only provides shelter; it also provides jobs.

Gross national product is approaching an annual rate of $450 billion—the highest in history. Yet, 4 million persons—6 percent of the labor force—are unemployed. This problem of poverty amongst plenty spurred passage of the depressed areas bill in 1958. It dictates consideration of the stimulatory effects of housing legislation.

In 1955, the value of private nonfarm residential construction in the United States amounted to $18.7 billion. In 1956, the figure was $17.6 billion and in 1957 value totaled $16.6 billion. (Preliminary statistics for 1958 indicate an increase in value, in part a reflection of the rising price level.)

These statistics reveal two pertinent facts: Residential construction represents a significant segment of national income and this sector of the economy has exhibited a continuous downward trend over the last 3 years for which accurate calculations are available.

Lumber and wood products manufacturing is a major supporting industry in the field of residential construction. In 1956, over 80 percent of nonfarm one-family houses, for which building permits were issued or work started, were frame dwellings. Twenty-four percent were wood-faced.

The manufacture of lumber and wood products is the largest manufacturing employment factor in the State of Oregon. Over 75,000 persons are employed within this classification by some 3,859 establishments, 164 of which employ 100 persons or more. (This total constitutes more than 10 percent of total national employment in this category.) Approximately 56 percent of all persons employed by manufacturing firms in Oregon are engaged in the production of lumber and wood products. Dollar value added by manufacture in 1956 was $573,672,000.

Oregon produces nearly one-fourth of the Nation's boards and planks. About three-fourths of this supply is utilized in residential construction. If residential construction is down, the lumber industry is down. This is axiomatic.

In 1958 lumber production nationally hit the lowest level in 13 years, despite an upturn in the final part of the year. Output was estimated at 32 billion board feet—3.3 percent less than in 1957. The last year production dipped below the 1958 level was in 1945. Consumption last year was estimated at about 36.1 billion feet, a figure near the 1957 amount but considerably below the levels of the preceding 7 years.

A major factor in this poor lumber market year was housing. In February 1958 the private seasonally adjusted annual rate for housing starts dropped to 915,000. An upsurge in the second half of the year resulted in a total of 1,130,600 starts for the year and private seasonally adjusted annual rate of 1,430,000 in December. Whether this pace will continue in 1959 remains doubtful. As the New York Times year-end report on the lumber industry stated:

"Lumbermen were hopeful of some improvement in lumber markets this year after 3 years of decline * * * These hopes were conditioned by fear that limits on credit might hamper homebuilding, one of lumber's principal outlets. Credit has been tightened in recent months and probably will have some effect on housing in the early part of this year."

The fear of lumbermen is well founded. Monetary manipulation of credit policy has drastically affected residential construction in the past. Examination of effective interest rates and monthly seasonally adjusted private housing starts over the past 6 years reveals a remarkably consistent inverse relationship.

Administration attempts to restrain expansionary tendencies in the spring of 1953 caused a marked rise in interest rates in the early part of that year. A decline in housing starts followed. The recession of 1953–54 saw an easing of credit restriction. Housing starts began a steady climb, reaching a high in late 1954. Recession recovery began in the third quarter of 1954 and the administration initiated a policy of restraint. Shortly thereafter housing starts began a long downward trend which continued until the second quarter of 1958. Although in the fall of 1957 there were numerous signs that pointed to a decline in economic activity, the administration failed to reverse its tight money policy until late in November.

Despite difficulty of computing time lags and assessing other pertinent factors, there is no doubt of the causal relationship between the cost of mortgage money and new residential construction.

INTEREST RATES ON E AND H SAVINGS BONDS

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate the unfinished business, which is H.R. 9035.

The Senate resumed the consideration of the bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill, as amended, be treated as original text for purpose of further amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments, agreed to en bloc, are as follows:

On page 3, line 17, after the word "for", to strike out "another nontransferable obligation of the United States" and insert "a series H United States savings bond"; on page 4, line 1, after the word "which", to strike out "the obligation" and insert "such obligation of the United States or such series H bond, as the case may be"; at the beginning of line 4, to insert "of such obliga-

tion of the United States or of such series H bond"; on page 6, in the heading, line 13, to strike out "Obligations" and insert "Savings Bonds"; after line 17, to strike out:

"SEC. 1037. Certain exchanges of United States obligations.

"(a) GENERAL RULE. When so provided by regulations promulgated by the Secretary in connection with the issue of obligations of the United States, no gain or loss shall be recognized on the surrender to the United States of obligations of the United States issued under the Second Liberty Bond Act in exchange solely for other obligations issued under such Act.

"(b) APPLICATIONS OF SECTION 1232.

"(1) EXCHANGES INVOLVING OBLIGATIONS ISSUED AT A DISCOUNT.—In any case in which gain has been realized but not recognized because of the provisions of subsection (a) (or so much of section 1031(b) as relates to subsection (a) of this section), to the extent such gain is later recognized by reason of a disposition or redemption of an obligation received in an exchange subject to such provisions, the first sentence of section 1232(a)(2)(A) shall apply to such gain as though the obligation disposed of or redeemed were the obligation surrendered to the Government in the exchange rather than the obligation actually disposed of or redeemed. For purposes of this paragraph and section 1232, if the obligation surrendered in the exchange is a nontransferable obligation described in subsection (a) or (c) of section 454—

"(A) the aggregate amount considered, with respect to the obligation surrendered, as gain from the sale or exchange of property which is not a capital asset shall not exceed the difference between the issue price and the stated redemption price which applies at the time of the exchange, and

"(B) the issue price of the obligation received in the exchange shall be considered to be the stated redemption price of the obligation surrendered in the exchange, increased by the amount of other consideration (if any) paid to the United States as a part of the exchange.

"(2) EXCHANGES OF TRANSFERABLE OBLIGATIONS ISSUED AT NOT LESS THAN PAR.—In any case which subsection (a) (or so much of section 1031 (b) or (c) as relates to subsection (a) of this section) has applied to the exchange of a transferable obligation which was issued at not less than par for another transferable obligation, the issue price of the obligation received from the Government in the exchange shall be considered for purposes of applying section 1232 to be the same as the issue price of the obligation surrendered to the Government in the exchange, increased by the amount of other consideration (if any) paid to the United States as a part of the exchange.

"(c) CROSS REFERENCES.—

"(1) For rules relating to the recognition of gain or loss in a case where subsection (a) would apply except for the fact that the exchange was not made solely for other obligations of the United States, see subsections (b) and (c) of section 1031.

"(2) For rules relating to the basis of obligations of the United States acquired in an exchange for other obligations described in subsection (a), see subsection (d) of section 1031."

And, in lieu thereof, to insert:

"SEC. 1037. CERTAIN EXCHANGES OF UNITED STATES SAVINGS BONDS.

"(a) GENERAL RULE.—When so provided by regulations promulgated by the Secretary under section 22 of the Second Liberty Bond Act, no gain or loss shall be recognized on the surrender to the United States of series E United States savings bonds in exchange solely for series H United States savings bonds.

"(b) APPLICATION OF SECTION 1232.—In any case in which gain has been realized but not recognized because of the provisions of subsection (a) (or so much of section 1031(b) as relates to subsection (a) of this section), to the extent such gain is later recognized by reason of a disposition or redemption of a series H bond received in an exchange subject to such provisions, the first sentence of section 1232(a)(2)(A) shall apply to such gain as though the series H bond disposed of or redeemed were the series E bond surrendered to the Government in the exchange rather than the series H bond actually disposed of or redeemed. for purposes of this subsection and section 1232—

"(1) the aggregate amount considered, with respect to the series E bond surrendered, as gain from the sale or exchange of property which is not a capital asset shall not exceed the difference between the issue price and the stated redemption price which applies at the time of the exchange, and

"(2) the issue price of the series H bond received in the exchange shall be considered to be the stated redemption price of the series E bond surrendered in the exchange, increased by the amount of other consideration (if any) paid to the United States as a part of the exchange.

"(c) CROSS REFERENCES.—

"(1) For rules relating to the recognition of gain or loss in a case where subsection (a) would apply except for the fact that the exchange was not made solely for series H bonds, see subsection (b) and (c) of section 1031.

"(2) For rules relating to the basis of series H bonds acquired in an exchange for series E bonds, see subsection (d) of section 1031."

And on page 10, in the wording after line 12, after the word "States", to strike out "obligations" and insert "savings bonds."

THE NEED FOR A REALISTIC INTEREST RATE

Mr. BENNETT. Mr. President, there is no more serious or difficult problem facing our country today than the economic one. The combination of persistent inflation, plus a $12½ billion increase in the national debt during the last fiscal year, plus the pressure of rapid recovery and growth, all coming at once, have accentuated the difficulties of debt management. In such a time, the Secretary of the Treasury should be free to take any needed action to handle his job, and certainly should not be plagued by a World War I interest ceiling.

Unfortunately, the situation has seemed to some of the administration's political opponents to offer them a political issue—easy money. They have labored and belabored it for at least 2 years, but it seems to the Senator from Utah that all it has brought them so far is a sense of frustration. In spite of all they have said, most economists and commentators, as well as the public, stand with the President in calling for conservative economic policies. So deep is this frustration that responsible newswriters and commentators such as J. L. Livingston, who does a syndicated economic column, and Edward Collins, of the New York Times, have been attacked and ridiculed here on the floor of the Senate because they do not follow the easy money line.

At this point I ask unanimous consent to insert in my remarks the column of Mr. Livingston which appeared in the Washington Post on September 6.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRICE OF PROSPERITY IS HIGH MONEY RATE

(By J. A. Livingston)

Prosperity—and that's what we're having despite the prolonged steel strike—can only be had at a price.

We—you and I and everyone else—are paying for record personal income, high employment, and a construction boom, in the higher price of money. Interest rates have gone up again.

This isn't going to please some Congressmen who favor plenty of credit at a low price. And, most emphatically, it doesn't please Wall Street. Stock prices sold off within 5 minutes after the First National City Bank of New York announced that the prime rate would be 5 percent instead of 4½ percent. Other banks across the Nation followed:

The prime rate is the price of money to banks' biggest and best customers, customers such as Sears, Roebuck, General Motors, Continental Can, and so on. Yet, when the prime rate notches up, the rates charged smaller businessmen go up. The costs of financing homes, automobiles, trips to Europe rise, too. States, cities, towns, and school and water districts also have to pay more when they borrow.

BONDS VERSUS STOCKS

Immediately, bonds went down in price, and that's why Wall Street "spazzed." Many U.S. Treasury securities sold at alltime lows. Government issues can now be bought to yield better than 4½ percent. Many tax-exempt municipal bonds yield 4½ percent and 5 percent. Excellent corporate bonds yield 5 percent plus. This puts pressure on stocks.

Numerous high-grade industrial stocks yield only about 3 percent. But the lure of higher dividends to come and the fear of inflation have persuaded most investors to accept the lower return. But how long can this go on? That's what canny Wall Streeters wonder.

A higher price for money was an inevitable consequence of prosperity. The Nation's banks are "loaned up." Their customers are borrowing $12 billion more than a year ago. To meet this demand, commercial banks have sold $3 billion in Government bonds. Also, they, themselves, are borrowing about a billion dollars from the Federal Reserve System, some $800 million more than a year ago.

THE INFLATION ILLUSION

The jump in interest rates reemphasizes the deep schism in Washington. President Eisenhower, Secretary of the Treasury Anderson, and Federal Reserve Board Chairman Martin argue that easy money leads to inflation. In the period since 1955, we've had a 13-percent rise in per capita personal income. But only 30 percent of the advance was real. Seventy percent was the result of higher prices.

The Reserve has supported Secretary Anderson's request to Congress for elimination of the 3.26-percent ceiling on savings bonds and the 4¼-percent ceiling on long-term marketable Government bonds.

Many Democratic Congressmen reject this thesis. They say credit restraint fosters inflation by curbing production. If we had more goods, prices wouldn't advance.

POLITICAL ISSUE IN 1960?

Anderson has been unable to get the Democratic Congress to eliminate the 4¼-percent interest rate ceiling on long-term Government bonds. However, the 3.26-percent ceiling on E- and H-bonds is likely to be raised to 3¾ percent in a last minute push.

This monetary issue will persist long after the steel strike is settled. It could become a major campaign issue in 1960—a repeat of

the Bryan-McKinley cross-of-gold contests of 1896 and 1900.

What Congressmen, in all political honesty, are groping for is an answer to this question: How do you raise the standard of living for everyone efficiently and satisfactorily?

President Eisenhower answers: Through a balanced budget and restraint on the money supply. If the money supply is restricted, then businessmen and labor unions won't be able to make price-boosting wage agreements.

APOLOGIA FOR MONEY RESTRAINT

Prof. Sidney Weintraub, in his recent book, "A General Theory of the Price Level, Output, Income Distribution, and Economic Growth," expressed the countervailing argument. He says prices depend not on the money supply but on the level of wages.

Therefore, he would suggest that before companies in basic industries, such as steel, autos, rubber, aluminum, etc., raise wages and prices, they should first publish their plans. This would subject their decisions to public reaction, probably to public hearings. The argument against this proposal is that ultimately it would force the Government to intervene directly.

Hence, the administration leans toward indirect restraint, even though—as the postwar record shows—it hasn't stopped inflation. Defenders of monetary policy apologize for its poor performance by saying: "A continually unbalanced budget is bound to have an inflationary impact on prices." I am one of these apologists.

Mr. BENNETT. Mr. President, so strong is the desire of the "easy money" advocates for immediate power that by denying the Treasury full freedom they are apparently willing to assume the responsibility for the consequences of that denial of freedom.

The bill before us is a denial to the Secretary of full freedom, because it preserves the 4¼-percent ceiling on interest on long-term marketable U.S. bonds imposed in 1918.

Under the circumstances under which we are now working, I shall support the bill as it came from the Finance Committee and shall oppose any amendments if they are offered. But the ultimate need to solve this problem by providing the Secretary with full freedom still remains and the reasons why the ceiling should be lifted must be made clear if this record is to be complete. That is the purpose of this statement.

I repeat, I do not intend to offer any amendments to the bill as it came from the committee, and I shall support the committee's position, and oppose any amendments.

Congress was asked earlier by the Secretary of the Treasury to remove the 4¼-percent interest rate limit on new issues of marketable Government bonds having a maturity in excess of 5 years and the 3.26-percent limit on savings bonds. The issues involved are simple, yet fundamental. One does not have to be an economist to understand them. I propose to outline these issues and to answer some of the arguments made against the proposal. I shall do so in nontechnical terms.

Basically, what is at stake here is a further demonstration by the Congress that it intends to defend the value of the dollar, that it stands firmly opposed to countenancing inflation as a way of life, and that it has not succumbed and will not succumb to the centuries-old blandishment that true wealth can be created by printing money.

Now why is it necessary to reaffirm by a positive vote that this Congress is determined to defend the dollar? The reason stems from the unfortunate fact that an increasing number of people in this country and abroad are questioning the dollar's future value. They are aware of the depreciation of its purchasing power in recent years and are disconcerted by what they regard as the failure of Government to come to grips with inflationary factors. As a result something quite new in our history is taking shape, namely, a growing expectation of continuing inflation, creeping or otherwise.

This expectation of inflation, which affects saving, investment, and spending decisions, must be dispelled and the Congress is the only body able to do it. The proposal now before us is an opportunity to help do just that, and we should vote for it overwhelmingly.

The people of this country must have full confidence in the dollar if they are to save on the scale needed to finance high employment. Confidence in the dollar is essential if savings are to expand to the extent necessary to finance the economic growth that we all believe in. It is necessary if economic security for the American people is to become other than a mockery. Finally, unless we affirmatively stand for a sound dollar, we shall be inviting various economic controls, including wage controls, the loss of individual freedom, and possibly forced saving.

So this proposal, while it does not go all the way, is a constructive proposal. It is put forward because the administration and, I am confident, a majority of the Congress believes in these goals of high employment, economic growth, protection of the security of the people, and the preservation of individual liberty.

Just as a sound dollar is the keystone of our economic and financial structure, so also the credit of the U.S. Government is the keystone of all credit. Unless there is confidence that the securities issued by the U.S. Treasury will not only be paid back in full but will be paid back in dollars worth as much as the dollars originally invested in them, there can be and will be no confidence in the enduring values of any other credit instruments. Already there are signs on every hand that an increasing number of savers and investors are becoming mistrustful of bonds and other fixed income obligations and are seeking to hedge against inflation risks by buying common stocks, regardless of how high they may be, and investing in real estate and other forms of property. This flight from bonds is the same thing as a flight from the dollar.

It is unnecessary to remind the Senate that long-term fixed interest obligations in the form of bonds and mortgages are the main vehicles through which the savings of the country are channeled into homebuilding, farm improvements, business expansion, and modernization, as well as the financing of Federal, State, and local governments' projects. That is why it is so important, if we really believe in high employment, economic growth, and security, to restore full confidence in the dollars in which bonds and mortgages will be eventually repaid.

The tragic situation today is that the long-term bonds of the U.S. Government are no longer sought after by investors as the safest and most attractive investment available in the world. Yet they should be. To me it is ignominious that the Treasury of the richest and most powerful Nation in the world is literally in a position where it cannot sell any new securities with a maturity of over 5 years.

There are three simple reasons for this: The first is that the demand for savings to finance the Federal Government, State and local governments, home building, business, and agriculture now exceeds the available supply of new savings. This is typical of periods of active and expanding economic activity. When demand exceeds supply, prices always tend to rise; and interest rates, which represent the price of savings or capital, are no exception. Thus those seeking to borrow from the limited supply of savings must be willing and able to bid at competitive rates.

The second reason is that both at home and abroad people with money to invest are becoming increasingly fearful that inflation is inescapable in what Professor Sumner Slichter has called "a pressure group State." Consequently investors tend to demand an even higher interest rate as at least a partial offset to the expectation that they will be paid back in less valuable dollars. To quote Professor Slichter again, he wrote in the July 23, 1959 issue of the Commercial and Financial Chronicle:

One must concede that present long-term interest rates are not adequate compensation for the hazards of owning high-grade bonds.

Most of us were brought up to believe that good bonds are about the safest and most conservative form of investment. But now, because of the expectation of inflation, even men like Professor Slichter consider them hazardous.

Finally, the third reason is that 41 years ago, in 1918, under completely different circumstances, the Congress imposed a statutory limitation of 4¼ percent on Government bonds having a maturity in excess of five years. There is no need to remind this Congress that 41 years ago, when this interest rate ceiling was voted, all bonds of the U.S. Government were exempt from Federal income taxes whereas today all new issues of government securities are fully taxable. Furthermore, 41 years ago the Treasury was not competing against bonds issued under governmental credit programs backed by Federal insurance and guarantees. These latter bonds are a comparatively recent development, and they carry higher interest rates than straight Treasury obligations. The Congress should recognize these changes.

Before going into the reasons why I believe the interest rate straightjacket must eventually be removed so that the Treasury can sell long-term bonds, I should like to dispose of an argument that is frequently made against the proposal. It is said, "Why worry about in-

flation when there is no inflation?" Critics point to the fact that for the past several months two particular economic indices have been stable, namely, the cost of living index and the index of wholesale commodity prices. This was true up to 2 or 3 months ago, but it is too soon to decide whether the recent rise in these indexes represents a trend; but there is a rise. The same thing was true in the late 1920's. I seem to remember, however, that in 1929 there was a great inflation in the stock market, in real estate, in the use and abuse of credit and in the mistaken idea that we were in a new era. That inflation was followed by the worst depression in our history.

Those who would stand pat on the 4¼-percent interest ceiling also say that if there is any inflationary psychology or inflation fear abroad in the land today it is due to scare talk by the administration, the Federal Reserve Board, and various business interests. They could not be more mistaken. The inflationary fears that exist today are no new development. They have been with us a long time. Fourteen years ago, in 1945, President Truman stated, "Inflation is our greatest domestic problem." Again in 1947 he said, "Our chief worry is still inflation."

Inflation was with us then; it has been with us ever since, though in brief periods its manifestation in certain price levels has been temporarily dormant. Today's dollar is worth 38 percent less than in 1945 and 23 percent less than in 1947 when President Truman issued his two warnings. What we are proposing is to inoculate against this sickness of the dollar before another epidemic of price increases breaks out. Fear of inflation is a matter of daily comment in newspapers and magazines, and on radio and television. Reputable advisers are constantly telling investors that because of inflationary probabilities it is safer to speculate in the stock market and in real estate than to invest money in high-grade bonds, including the bonds of the U.S. Government. Is it not time to reverse the topsy-turvy conditions that cause advice such as this?

Why is it essential that the Treasury be free to compete in the marketplace in order to sell long-term bonds? I am not arguing that there is any particular merit in long-term bonds as such. What I do argue is that there are very grave risks, inflationary risks, in having too much of any debt structure in the form of very short term securities. Again the reasons are simple, and they are chiefly two.

The first risk applies to the Government just as it applies to any person or business that is in debt. If a debtor has more short-term obligations than he can pay off when they fall due, then he is in the unhappy position of being at the mercy of lenders who may not be in a position or may not desire to renew the loans. But if the borrower has so arranged his finances that the due dates on his debts are spread over a long period of time he can probably meet his periodical principal payments without undue strain. If he is not able to do so, he can probably refinance without difficulty because the sums involved in each maturity might be relatively small.

The second reason is that very short term Treasury securities such as those maturing within a year are virtually the equivalent of money. Owners can allow them to mature, or they can sell them in almost unlimited quantities, literally over the telephone and with virtually no risk that the transaction will result in a loss. Since interest is paid on short-term governments, it is little to be wondered that businesses and financial corporations consider such paper a superior medium for the temporary investment of any surplus funds they may have on hand. But when they need—and this is particularly true of businesses—to turn part of their temporary funds into additional inventories and receivables to finance a higher volume of business, or to invest in new plant and other improvements, the first thing they dispose of is their short-term Government issues. These conditions usually arise when business is at a high level after the early stages of recovery, as in 1956 and 1957. The liquidation of short-term Government paper by business corporations in those 2 years was not in the millions, but in the billions.

The trouble is that under such conditions there are not sufficient buyers outside of the commercial banking system to absorb the sales or to refinance maturing issues. Consequently, the commercial banks or the Federal Reserve, or a combination of the two become the residual buyers. They become the residual buyers because they, and they alone, have the power to create new credit. This increases the money supply at the very time that production is pressing against the limits of capacity and the upward pressure on prices and wages is already becoming evident even without the injection of additions to the supply of money. Nothing could be more inflationary. It is to minimize this danger that the Treasury must be given the tools to sell long-term bonds at interest rates that will attract investors.

If Congress could stop the clock, there would be less urgency to remove the interest rate ceiling. Unfortunately, Congress cannot stop the clock any more than Canute could stop the tides. Treasury obligations which today are due in 13 months will be due in 12 months a month from now and what is now due in a month will have to be paid off by refinancing. If, during the remainder of the present fiscal year, the Treasury is forced to finance entirely in bills, notes, and certificates due within a year, the short-term debt will have risen from its present figure of $76 billion to $100 billion. This would mean that the Treasury would be faced with the appalling task of refinancing an average of $2 billions every week.

Let me put it another way. Since short-term Government securities are purchased not for permanent or semi-permanent investment, but as a temporary alternative to cash, the Treasury and the Federal Reserve have at all times to recognize that they are relying on unreliable holders—that is, on owners who are here today but may be gone tomorrow. Thus, the Treasury's floating debt often becomes hot money that can be moved around at a moment's notice to be spent or invested as the owners see fit.

Up to now I have been talking about the internal inflationary risks of having the Treasury completely reliant on relatively short-term securities in its financing. Let me now turn to another area, namely, our position in international finance.

Until comparatively recently we did not have to pay too much attention to what foreigners might think about the stability and strength of the dollar. This is no longer the case. The leading industrial nations of the free world have not only recovered from the devastation of their productive capacities caused by the war, they have also restored their currencies. They have built up their holdings of gold. They have increased their short-term balances in this country from about $5 billions in 1947 to $17 billions, which is more than they need to transact their business here.

Thus, we are no longer in the uniquely sheltered position that prevailed during the earlier postwar years. On the contrary, we are a part of a community of nations composed of many countries that are highly productive, efficient, aggressive, and, more important, soundly financed.

The critics of the proposals before us seem to ignore these obvious facts. They appear to be under the illusion that we can safely dismiss the unpleasant prospect that foreigners are in a position to reduce their holdings of dollars very substantially and will probably do so if they lose confidence in the dollar's value as compared to gold or other currencies. We cannot trifle with this risk. If a foreign run of the dollar should ever start and gain momentum, the rug would be pulled from underneath our whole financial structure, for the base of that structure is built on our gold reserves. We are already losing large amounts of gold, largely because our merchandise exports are falling and our imports are rising. Let us not compound this problem by flirting with experiments in economic theory by following policies of loose fiscal management and easy money.

We must never forget that the industrial countries of Western Europe and Japan experienced severe inflations before restoring their currencies. They know all the devices to which governments resort when they attempt to disguise the symptoms of inflation without attacking the causes. One of the best known of these devices is to follow what seems to be the easy way to finance the government, namely, to rely almost exclusively on short-term debt issues especially if they are sold directly or indirectly to the commercial banks and the central banking system. These nations know this from experience. They also know that our Government, the World Bank, the International Monetary Fund, and many others have consistently warned all nations of the dangers inherent in this method of financing.

I am not an alarmist. However, I do want to emphasize with all the power at my command that we must put and keep our financial house in order to avoid any possibility of a foreign exchange

or gold crisis that might arise if foreigners started putting their money out of this country. There could be no greater catastrophe, not only to ourselves, but to the whole free world.

One of the arguments put forward against removing the 4¼ percent interest ceiling is that it will tend to push up all interest rates. What we need, if we are to foster economic growth and employment, it is said, is lower interest rates. One proposal to achieve this goal is to have the Federal Reserve buy long-term Government bonds and not confine itself, as has been its practice, to short-term Government issues. The inference is clear that if only the Federal Reserve would accommodate the Treasury in this way the prices of long-term bonds would rise, and interest rates would fall and thus there would be no reason to eliminate the 4¼-percent ceiling.

Well, we tried this device in the postwar period. Finally, in 1951, the policy had to be abandoned. It had to be abandoned because when owners of long-term Government bonds saw that prices were being supported at artificial levels they dumped their holdings on the Federal Reserve by the billions. Of course, they dumped them. Any sensible investor would when he could get an artificially high price and put the proceeds to work to better advantage. Today if the Federal Reserve were to embark on any such policy of artificial support and manipulation, there could be no stopping. It would be the greatest handout to the owners of long-term Government bonds, including the banks, that could possibly be imagined. I, for one, am against any such handout.

Not only would it be a handout, it would be highly inflationary and would be so interpreted both at home and abroad by all those who know the full implications of manipulated attempts to escape the disciplines of free and open markets. Once started, there would be no stopping. It would become like the farm program about which none of us, I am sure, is happy. The difficulty is that once one has started this type of artificial support operation it seems to become extremely difficult, if not impossible, to unscramble the eggs.

Let us suppose for a moment that technically it would be possible for the Federal Reserve to fix interest rates on Government securities and that it could do so without being forced to buy most of the long-term debt now held by private investors. How in a free country could it control all other interest rates, of which there are many? How could it prevent an investor from selling a long-term Government bond to the Federal Reserve at let us say 3½ percent and reinvesting the money in some other obligation at a higher rate or putting it into common stocks, real estate, foreign securities, or even spending it? Not even big government, not even the Federal Reserve, has the power or the resources to regulate what millions of investors and millions of borrowers are willing and able to do.

It could be argued also that if the 4¼ percent interest ceiling is removed all interest rates would rise. I don't believe anyone can make this prediction with any confidence. But there is one prediction that can be made with complete assurance. If the Congress fails to pass this bill and if it fails to pursue other anti-inflationary policies, there is no telling how high interest rates will go. And here again, the reason is very simple. As people become more convinced of the inflationary trend, the less willing they will be to save. Even more important, the less willing they will be to put what they do save into mortgages, bonds, and other fixed income obligations. As the supply of savings available for bonds and mortgages declined, so also would borrowers want to increase their borrowings because they would become convinced that they could pay off their debts in depreciated dollars. Inevitably declining supply and rising demand would force up interest rates. That has been the experience throughout the world whenever inflation has been tolerated.

Some people have tried to create the impression that an aye is a vote for those who favor high interest rates and is, therefore, a vote for further inflation. Of course, this is not the case. An aye vote is not a vote in favor of high interest rates; it is a vote which recognizes that relatively high interest rates now prevail because the demand for savings exceeds the supply.

It is, of course, true that interest represents a cost of doing business, but its importance has been greatly exaggerated. Since interest is deductible before paying Federal taxes, the net interest burden is only approximately 48 percent of the gross interest rate. Furthermore, long-term borrowing by business represents only a small part of the capital employed. For these two reasons, interest is one of the least important items of business expense. Tremendously more important is the increased volume of capital that is needed to finance business under inflationary conditions of rising costs of materials, supplies, and labor.

This is conspicuously true in the case of the burden of interest on home mortgages. The cost of building a typical ranch house, for example, has increased about 75 percent since 1940 due to the inflation of costs. This means that the prospective home owner must not only put up more cash as a downpayment but must also borrow more dollars if he wants to finance the same type of house he could have bought for 75 percent less only a few years ago. The burden of paying off the principal of this increased mortgage falls upon the homeowners after tax income and is far greater than any increased burden resulting from changes in interest rates paid out of earnings before taxes.

Now, finally, we have before us the proposed removal of the 3.26 percent interest ceiling permitted on savings bonds. When savings bonds were first conceived as an investment for people of modest means, bought usually on regular savings of small amounts through payroll deductions and other plans, they were by far the most attractive savings medium. They carried a higher rate of interest than was available elsewhere, they could be cashed at any time without loss, and they had many other advantages. These conditions no longer apply. The rates at 3.6 percent aren't competitively attractive and Congress has not yet done all it can to assure that the bonds can be redeemed without loss of purchasing power. How can we in good conscience urge the average citizen to buy these bonds?

Quite aside from the moral involved, there is a very practical aspect. The people of this country have decided, in the aggregate, that presently available savings bonds are overpriced. In the past 2 months alone the public has redeemed $736 millions more bonds than it has purchased. This has obviously added to the Treasury's refinancing problems.

The Treasury's problem can and will be solved. Of this I am confident. The first and basic step is to eliminate any cause of fear as to the future of the dollar. Fear of continuing deficits, even in times of active business, high employment, and large profits, must not only be removed but Congress and the administration must continually aim for substantial budgetary surpluses in good times. A confinement of expenditures and appropriations to items having the highest priority would help more than anything else to produce the surpluses needed to reduce the Government debt. This, in turn, would release funds for investment in further economic growth and would be a powerful influence in reducing interest rates.

In addition, sooner or later the Treasury must be given the necessary tools with which to finance the debt soundly. The Treasury must be able to offer competitive rates in all maturities of its financing and refinancing. It must be able to avoid the inflationary danger of becoming almost totally reliant on short-term issues, which are the practical equivalent of money. All of this would also bolster foreign confidence in the dollar. Finally, the Treasury should be able to offer to the citizens of this country through savings bonds, the finest and safest securities in the world; and for them our citizens should be willing to pay a fair rate of interest. It is for these reasons that the proposals now before us are of such vital importance.

Mr. President, we are going to have an opportunity at this time to handle this part of the problem.

As I said when I began these remarks, although I believe this bill does not go as far as it must go sooner or later, I am going to support the bill in the form in which it came from the committee; and I shall oppose any amendments.

In these remarks I have purposely confined my comments to some of the principal issues. As I said at the beginning of my remarks, the pending bill to eliminate the interest rate ceiling is a constructive proposal. It is designed to foster economic growth, high employment, and the protection of the dollar. A vote in opposition to removal of the interest ceiling sooner or later will be a vote in favor of more inflation, will provide further support for inflationary

psychology, further weakening the confidence of investors in mortgages and bonds, and will increase the appetite for common stocks and other property regarded as inflationary hedges. Failure to remove the interest rate ceiling will pose the risk of large gold outflows, with serious consequences for the United States and the entire free world. Last, but by no means least, failure to enact this bill will be a deterrent to savings. These savings are vitally needed to finance the capital investment which is a fundamental prerequisite for sustainable economic growth.

Mr. President, this concludes my formal statement.

I should like to offer for the RECORD—and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks—a statement made by Marriner S. Eccles, published on August 2, 1959. Mr. Eccles was once Chairman of the Board of Governors of the Federal Reserve System, and he has long been regarded as an important authority in this field.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INFLATION CURBS RAISE INTEREST—SO BONDS DRAG

(By Marriner S. Eccles)

There seems to be a general lack of understanding of the economic factors which determine the interest rate. It is thought by many, including some influential congressional leaders, that the Federal Reserve can control interest rates while at the same time maintaining stable money, which is its primary objective.

The Federal Reserve can influence the growth in the supply of money as well as restrict it.

To permit an expansion greater than the growth in the national product under present conditions, would have the effect of diminishing the purchasing power of the dollar. This is inflation and if allowed to continue will lead to ever-increasing interest rates.

Under boom conditions—when the supply of money is held in check to prevent inflation—the demand for credit exceeds the supply, and interest rates are bid up. Such is the present situation.

You cannot have low interest rates in a booming economy without bringing about a dangerous inflationary situation. Only an economy in a state of declining activity produces an excess in the supply of money and credit and hence lower interest rates.

Of course, the Government can control interest rates temporarily, as during the war when it controlled everything else—wages, prices and so on—but when such controls are taken off, and the excess supply of money released, inflation is inevitable.

A large part of the postwar price inflation was a result of the Federal Reserve purchasing billions of dollars of Government securities at fixed prices in order to prevent an increase in interest rates. This was during the period when the Government had a balanced cash budget.

The Treasury and White House, over the strong protest of the Federal Reserve, required this action be taken.

The result was that an excess amount of bank reserves was created which brought about an inflationary expansion of commercial bank credit and of the money supply.

The present administration and the Federal Reserve are trying to avoid making this mistake by curbing the growth of bank credit and allowing the interest rate to rise.

Under present conditions the aggregate savings by individuals and business are inadequate to meet private investment demands and at the same time finance the large public deficit of the States and Federal Government. Hence we find interest rates going up, even though there is a growth in the money supply equal to the growth in the national product, at stable prices.

There is no effective substitute for larger savings combined with curbs in public spending as a means of preventing inflation and increasing interest rates.

It is a fallacious idea to think that the bankers control this situation and are greatly benefited by high interest rates. On the contrary, this condition causes the banks to pay increasing interest rates for savings deposits and time funds and depreciates the value of mortgages and bonds held in large amounts by the banking system.

At present, this offsets any benefits arising from increased interest rates.

The real beneficaries of the higher interest rates will be the millions of people who put their money in savings accounts in banks and building and loan companies, or those who purchase bonds and mortgages at the present high interest rates. In short, the savers.

The need is for Congress to deal with the causes of the higher interest rate, rather than to oppose an increase. The Government cannot expect to keep interest rates from rising as long as it has to finance a large budgetary deficit in times of prosperity.

The effect of this deficit under present conditions is inflationary and tends to discourage savings on the part of the public and to increase the need for credit.

A statement I made last March before the Joint Congressional Committee on the Economic Report bears repeating. It is this:

"I want to say again, that to achieve our objectives will always be a source of great political and economical controversy because everyone wants a greater share of the economic pie than it contains.

"Government and other public bodies want more money to spend; the leaders of organized labor want more pay and fringe benefits for less hours of work; business presses for further profits; and increasing ranks of oldsters call for higher pensions.

"However, everyone expects these benefits in dollars of stable purchasing power.

"Unfortunately, all the economy has to divide are the goods and services it is able to produce—and not the amount of money it could create, which is, of course, limitless.

"In our society, this situation is creating a dilemma for the Members of Congress whose constituents want easy money, lower prices, higher wages, greater profits, and fewer taxes.

"Only a combination of the Government, Congress, and the Federal Reserve can successfully deal with these diverse forces. To do this adequately it would be necessary for them to agree on the problems and have the courage to act, regardless of political conditions."

Mr. LAUSCHE. Mr. President——

Mr. BENNETT. Mr. President, at this time I am happy to yield to my friend, the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I wish to make a brief statement in my own time.

However, the question I was going to ask the Senator from Utah is whether it is a fact that in ordinary business, a person who becomes involved financially usually has imposed upon him, when he goes to borrow, the need to borrow on a short-term obligation.

Mr. BENNETT. That is entirely true. The Senator from Ohio will remember that in 1928 and 1929, that situation reached the point where people were loaning call money at 12 percent, in order to maintain the terrific inflation. And certainly it is impossible to get money any shorter than that.

Mr. LAUSCHE. In 1932 and 1933, I was on the common pleas bench; and I had coming through my courtroom the foreclosures on chattel mortgages, conditional sales agreements, and notes. I saw the frequency with which the debtor was saddled with short-term and, frequently, demand obligations.

I think we can expect that, whenever a person is in financial involvement—either as an individual or a businessman—and when he goes to borrow money. The lender usually expects a demand obligation or a short-term obligation.

I ask the Senator from Utah to express an opinion on that subject.

Mr. BENNETT. I have been a borrower, both personally and for business purposes, over the years; and I know there is nothing more difficult to face than the realization that the man who is lending you money is not willing to extend your note to the extent you hoped he would, or if he serves notice on you that he expects to be paid the next time the note becomes due.

Mr. LAUSCHE. Is it not also a fact that the nations of the world that finally have suffered economic collapse through a breakdown of the stability of their currency have found that one of the last steps preceding the collapse was the effort to keep themselves alive by short-term borrowings?

Mr. BENNETT. When inflation gets really blazing, I think everything related to currency and money is found to be in a short-term situation. I have heard it said that toward the end of the German inflation of the 1920's, the German people insisted on being paid twice a day, because if they did not spend their morning earnings by the time night came, by the next day much of the value of what they had earned would have dissipated.

Mr. PROXMIRE. Mr. President, will the Senator from Utah yield?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Senator from Utah yield to the Senator from Wisconsin?

Mr. BENNETT. I am glad to yield.

Mr. PROXMIRE. I thank the Senator from Utah for yielding to me. I shall detain him only briefly.

This morning, I asked the chairman of the committee—and now I ask the Senator from Utah, for whom I have the greatest respect; and I serve with him on the Banking and Currency Committee, and I know he is a man of great competence—whether there is any justification for what seems to me to be the real issue in regard to the Anderson amendment, namely, whether there should be a statutory limitation of some kind on the interest on savings bonds, or whether there should be no limitation whatsoever.

Can the Senator from Utah justify the proposal to remove entirely the limitation, as contrasted with the Anderson

amendment, which, as I understand, would provide a great deal of flexibility, but would provide a limit of 4½ percent.

Mr. BENNETT. I am sure the Senator from New Mexico expects to discuss that point at great length.

I should like to make just one comment on it: The Treasury has announced that it expects to issue these bonds—if given permission to do so—at 3¾ percent. But I think if the limit were imposed at 4¼ percent, in the face of the present general market conditions, in which the interest rates are very fluid, and people expect them to continue to rise, I would be inclined to say, "Well, they have a 4¼-percent limit, so that is where they are really expected to go, and they will stop when they reach that point. So I think I will wait until the interest on the bonds is changed from 4¼ to 4¾ percent."

Therefore, for that psychological reason, I do not believe it would be wise to do that.

Mr. PROXMIRE. Does the Senator from Utah mean that if there is any limit, he would prefer a 3¾-percent limit to a 4¼-percent limit?

Mr. BENNETT. I would prefer no limit at all; and I expect to support the action taken by the committee.

Mr. ANDERSON. Mr. President, if the Senator from Utah will yield to me, let me say that the limit permissible under the bill is 100 percent. Does the Senator from Utah think that point would be reached?

Mr. BENNETT. I do not understand exactly the interrogation of the Senator from Mew Mexico.

Mr. ANDERSON. The Senator from Utah said he thought the ceiling would rise from 3¾ percent to 4¼ percent. But under the bill, an increase of 100 percent would be possible.

Mr. BENNETT. I do not think that is the limit; there might be a 1,000-percent increase.

Mr. ANDERSON. In fact, could not it continue to infinity?

Mr. BENNETT. I think that, psychologically, people react to specific things; and when there is no limit, people are willing to follow the changes which occur normally in the market.

Mr. ANDERSON. Would the Senator from Utah relate that to the present 4¼-percent ceiling; and will he name one bond now at 4¼ percent that comes under the 4¼-percent limitation?

Mr. BENNETT. I am not prepared at the moment to give such an example.

Mr. ANDERSON. Of course not, because there is no such example.

Mr. CARLSON. Mr. President, I wish to compliment the Senator on a very fine speech with regard to the problems of financing our debt structure at the present time. The Secretary of the Treasury and the President have stressed certain proposals which they feel are necessary in order to carry out a proper funding of the national debt. We are probably going to meet today some of the necessities in the bill before us, but I share the views of the Senator from Utah that it will be only a matter of time before we shall have to approach this problem on a proper basis and deal with the entire bond market, instead of with only the E- and H-bonds.

It is interesting to note that even out in the country, so to speak, this problem is being thought about. I have an editorial from a newspaper in a small town in western Kansas. I read one or two paragraphs from that editorial:

> Paradoxically, the only way out of the Treasury's plight is through the removal of all controls on interest rates for Federal financing. This might result in unprecedently high interest rates temporarily. But only for a little while.
>
> Supply and demand again would come into play. The high rates would so discourage private borrowing of every sort that soon there would be a surplus of investment funds. That in itself would begin to force interest rates back down.

Mr. President, I ask unanimous consent to have the entire editorial made a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS FORCES HIGHER INTEREST RATES

> The odds are that in the near future if you want to borrow money to build a home, buy a new car, or refinance an old loan, you will have to pay a higher rate of interest. If you do, you can properly blame Congress.
>
> The majority in Congress suffers from the delusion it can hold interest rates down by law. It has refused the request by the administration that present ceilings on the rate the Government can pay on longtime loans be raised. In so doing it is forcing up all interest rates.
>
> This week the Treasury had to pay 3.8 percent to obtain 91-day loans, the highest since the bank holiday. The 4¼-percent ceiling today makes it impossible for the Government to borrow on a long-term basis. So increasingly it must do its refinancing through short-term borrowings.
>
> Supply and demand have superseded congressional controls. The requirements of the Government are so great in proportion to the short-term funds available, the rates will go on up.
>
> Paradoxically, the only way out of the Treasury's plight is through the removal of all controls on interest rates for Federal financing. This might result in unprecedently high interest rates temporarily. But only for a little while.
>
> Supply and demand again would come into play. The high rates would so discourage private borrowing of every sort that soon there would be a surplus of investment funds. That in itself would begin to force interest back down.

Mr. CARLSON. I thank the Senator from Utah.

Mr. BENNETT. I thank my friend and fellow member of the committee for his very fine observations.

I yield the floor.

Mr. BUSH. Mr. President——

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BUSH. First I wish to compliment the distinguished Senator from Utah upon his splendid presentation this afternoon. It is one of the best speeches on this subject I have ever heard. It is quite in keeping with his usual thoroughness in dealing with such serious matters.

Mr. President, I ask unanimous consent that I may yield for 5 minutes to the distinguished Senator from Ohio [Mr. LAUSCHE] without losing my right to the floor. The Senator from Ohio has an engagement and has asked me to do this. I should like to do it without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LAUSCHE. Mr. President, I am very grateful to the Senator from Connecticut for yielding to me.

We are asking the citizenry of our country to buy E and H savings bonds at an interest rate far below the rate which they may receive from bonds of municipalities, State governments, and private corporations. I believe that that expectation is wrong and that therefore we must raise the interest rate on E- and H-bonds.

I want, however, to direct my remarks to what I believe is a very deplorable situation existing in the method in which our Government bonds are held. My comparison will be of the holdings in 1946 compared with the holdings in 1959.

I have chosen the year 1946 because it was at that time, generally, that the holdings were at their highest point following World War II.

In 1946 there were $279 billion worth of bonds outstanding. In May 1959 there were $286 billion, $7 billion more than there were in 1946.

One lesson that is to be learned from those figures is that, although we were supposed to have had unprecedented prosperity between 1946 and 1959, we have not reduced the debt, but the debt has gone up. I humbly submit that good government, good husbandry, and good economic practices demanded that in the period of prosperity that debt should have been reduced.

What were the holdings in 1946? What are they in 1959? Which segment of the economy has remained firm, unselfish, devoted, and patriotic toward its Government, and which segments have failed in their responsibility? These figures to me are shocking.

Commercial banks, in 1946, had $93 billion worth of bonds. In 1959 they have $63 billion. They unloaded bonds in the sum of $30 billion. I suppose they unloaded their bond holdings and invested their money in mortgages which bring a higher rate of interest, and enjoy the guarantee of repayment made by the Federal Government. The banks reduced their holdings by 30 percent.

I now come to the insurance companies. In 1946 the insurance companies had $24 billion in Government bonds. In 1959 they have $12 billion. They got rid of $12 billion worth of bonds in the last 13 years.

So the commercial banks have dumped $30 billion and the insurance companies $12 billion worth of bonds in the last 13 years.

Now we come to the third segment of the economy that dumped its bonds, and that is the mutual savings banks.

They held $11 billion worth of bonds in 1946, and they now hold $7 billion worth of bonds. They have gotten rid of $4 billion worth of bonds, and I suppose they are investing their money in mortgages, getting a higher rate of interest, and also enjoying the guarantee of the Government in the loans which they make.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. LAUSCHE. My time is limited. I shall gladly yield if the Senator will offer me a bit more time.

Mr. BUSH. Mr. President, I do not control the time. I asked unanimous consent to yield 5 minutes to the Senator from Ohio. If I may have another 5 minutes on that same basis, I shall be glad to request it.

Mr. ANDERSON. Mr. President, is there any limitation of time on the bill?

Mr. BUSH. There is no limitation of time. I asked unanimous consent that I might yield 5 minutes, without losing the floor, to the distinguished Senator from Ohio, who had an engagement.

I ask unanimous consent to have another 5 minutes on the same basis.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CARLSON. Does the information from which the Senator from Ohio is reading show the holdings of tax-exempt securities held by the commercial banks, insurance companies, and mutual savings banks?

Mr. LAUSCHE. It does not.

Let us go to the other side of the coin. Which segments of the economy have been faithful and devoted to their Government? I look at the column dealing with the holdings of Government bonds by individuals—that is, holdings of E- and H-bonds.

This shows that in 1946 the individuals of our Nation held $64 billion worth of bonds, and they now hold $65 billion worth.

There is another column dealing with the holdings of State and local governments. In 1946, the State and local governments held $6.7 billion worth of bonds, and they now hold $18.2 billion worth, an increase of some $12 billion.

There is a third class of investors; that is, the trust foundations and others. They increased their holdings of bonds by $9 billion.

Mr. President, the point I am trying to make is that the commercial banks, the insurance companies, and the mutual savings banks have reduced their holdings of bonds by $46 billion in the last 12 years. The individual, with a soul, kept buying the Government bonds.

I think the Senate is justified in asking the insurance companies, "Why have you $12 billion less worth of bonds in your portfolio in 1959 than you had in 1946?"

We are justified in asking the commercial banks, "Why have you $30 billion less worth of bonds in your portfolio in 1959 than you had in 1946?"

The banks may answer, "We were asked to divest ourselves of our holdings because, when we hold bonds, we can turn them in to the Federal Reserve and convert them into cash."

But the insurance companies can give no such answer.

In the last 6 or 8 months, the individuals have begun to sell their bonds. I can understand why. If an individual is told that the commercial banks, the insurance companies, and the mutual savings and loan companies do not want Government bonds, why should the individual, as an ordinary person, want to buy those bonds?

I submit to my colleagues that in this question there should be a consideration which supervenes the cold profit of the dollar. There is in it the patriotic responsibility not only of the individual but also of the banks, insurance companies, and mutual savings banks.

Hail to the individual of our country. He has had faith in his Government. He has increased his bond holdings.

I can look with nothing but contempt upon those commercial institutions which, solely for the purpose of making profit, have divested themselves of their bond holdings.

Finally I say to those companies, "If you expect to continue coldly in your business approach, beware, the day may come when by your own conduct you will destroy the structure from which your great profits grew."

I have been reading from the Treasury bulletin of August 1959, and the statistics which I have quoted are shown on page 53 of that document. There is no question about their correctness. These institutions which have divested themselves of their Government bond holdings owe an explanation to the public for their seemingly mercenary action.

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. BUSH. Mr. President, the distinguished Senator from New York [Mr. JAVITS] asked me to yield to him for 5 minutes. If I may do so without losing my right to the floor, I ask unanimous consent that I may yield to the Senator from New York for 5 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, I have sought the floor at this time because some time ago I made a proposal in a Senate speech for the inauguration on the part of the United States of a campaign to sell peace bonds in lieu of savings bonds, with a higher interest rate and a special issue which would appeal to the patriotism of Americans, as well as to their instincts for thrift.

Mr. President, it seems to me that everything which has happened so far endorses that idea, fortifies it, and almost mandates it upon the administration. In the first place, the effort to take the interest rate ceiling off the long-term Treasury bond issues, or even to raise that ceiling, we see has come to naught. The only thing we are left with, in the bill before us, is the effort to take the ceiling off the interest rate on savings bonds, which is exactly what I was talking about.

Secondly, Mr. President, it has now become clear that the real hope for taking the pressure off the long-term bond market is to make the savings bonds salable and to make them stay put. The attrition—the excess of redemptions over sales—which is now at a new high of $150 million a month, is causing the worst possible reflection upon the long-term Treasury bond issues. In my opinion, and in the opinion of the experts—I shall refer to those in a minute—this is having a very serious effect on the long-term Treasury bond market.

For all those reasons it is time we took this action. It is time we passed a bill of exactly this character in the effort to alleviate our situation by the savings bond route. That is the most anti-inflationary kind of bond issue, because the money for the bonds comes right out of the savings of the people, the classical source of addition of capital, whether to a private business or to Government business, which is what we are talking about. It also represents for the people who invest, the deprivation of certain aspects of consumables, which is again an anti-inflationary aspect. Finally, it is a sure way in which to make the money stay put. The money is not used to increase bank reserves. It does not go right back into the credit stream. On the contrary, it stays put with the individual in the finest possible way.

My colleague from Delaware [Mr. WILLIAMS] has added to the idea of the peace bond issue his idea of the interest rate structure, which would have an optimum rate of 4 percent, graduating up to the optimum based upon a scale, in the same way the savings bonds are handled today. I believe the 4-percent rate is a competitive rate.

So, Mr. President, though it is not necessary to write a single thing into the proposed legislation, I rise to express not the hope but the expectation that the Treasury Department will realize the proper way to accomplish what we desire is to take advantage of the enormous patriotic instinct in the country, which evidences itself in a desire of the people to put up their money for peace rather than for war. I expect the Treasury Department to offer the people a $25 billion issue of peace bonds under the new interest rate structure as developed by my colleague from Delaware, about which he will speak himself, and which will be permitted under the provisions of the bill.

I trust the administration will not be lead-footed, Mr. President, and simply go on in the same old way, only increasing the interest rate a little bit but going on with the same old program. We have to do something new which will have a material impact upon the whole field of Government financing.

Mr. President, to bear out what I say, first as to the fact that the Treasury Department understands very clearly it has to raise the interest rate, I have a letter from the Secretary of the Treasury dated August 18, 1959, in which he says:

> Unless we are able to offer a rate on savings bonds which will permit the Treasury to reasonably compete in the market, the particular form the savings bonds campaign takes will be of little avail.

Of course, I agree with that statement; but, Mr. President, I have an earlier letter from the Secretary, of July 10, 1959, in which the Secretary said:

> We have found it takes an enormous amount of effort to enlist a volunteer organization year after year to maintain the vitality of the savings bond program. After sounding out some of our more influential volunteers, we are forced to the conclusion

that we could not sufficiently dramatize the theme of "peace bonds' 'in such a manner as to bring about any substantial increase in volunteer effort, at least in the absence of a critical national emergency.

Mr. President, I ask the Secretary of the Treasury: How serious a national emergency does he want? Does he expect that we will have a national emergency only when we are in some kind of war? Is not this national emergency enough when long-term Government issues are discountable at rates up to 19 percent, when Government bonds cannot be sold in the open market at any kind of interest rates to which we are accustomed in the traditional American way, and when we are embroiled in many parts of the world in situations which verge upon war, and some of which have already erupted, as in Laos, into war?

Mr. President, may I have an additional 5 minutes?

Mr. BUSH. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I hope to be through sooner than that.

It seems to me that we are in a very grave national emergency, and that it takes new ways to do things. The Senator from Delaware [Mr. WILLIAMS] and I have suggested a new, important, and strategic way in which to proceed, one which will gain the great support of the American people.

Mr. President, I ask unanimous consent to include as a part of my remarks certain excerpts from the statement of Secretary Anderson on public debt management, made by him before the House Ways and Means Committee in his testimony on June 10, 1959, bearing out the general thesis which I have just mentioned.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM STATEMENT ON PUBLIC DEBT MANAGEMENT BY SECRETARY OF THE TREASURY ROBERT B. ANDERSON BEFORE THE HOUSE WAYS AND MEANS COMMITTEE, JUNE 10, 1959

The savings bond program is a program that every American has a right to be proud of. It puts more of the public debt in the hands of long-term investors—few people realize that the average dollar invested in these bonds stays with the Treasury approximately 7 years.

* * * * *

Furthermore, unlike savings accounts, where rates may move either up or down from year to year, the Treasury guarantees whatever rate of interest it puts on the bond for the full term of that bond.

Americans also know that savings bonds are perfectly safe; the Treasury has replaced over a million of them which have been lost or destroyed since the program began. These are attributes of savings bonds which have not changed over the years, quite apart from the relative attractiveness of the interest rate.

CURRENT SAVINGS BOND TRENDS

Sales of series E and H bonds improved slightly from 1957 to 1958 but were still behind sales for 1955 and 1956. Redemptions in 1958 declined significantly from the 1957 peak. But the 1959 record to date has not been good. Sales for the first 5 months are 6 percent behind a year ago, with a worsening trend. Similarly, 1959 redemptions through May are 9 percent above a year ago, also with a worsening trend. The amount of E- and H-bonds outstanding (including accumulated interest on E-bonds) declined by $36 million in April and May—a greater decline than in any 2-month period since the autumn of 1950.

* * * * *

The rate of interest return on E- and H-bonds is now much less favorable in comparison with savings accounts, as well as with other types of securities—both Government and private—than in earlier years.

* * * * *

Two of the three features in the new program—a higher rate on new bonds being sold and an improved extension term for bonds reaching maturity—follow the same pattern as in earlier savings bond revisions. You will note that we would like to make these changes effective as of June 1, 1959—regardless of when the legislation is approved—so that purchasers will know it is unwise to stop buying bonds on the false grounds that by waiting they could buy a better bond.

The other feature of our savings bond program is new and although it is rather completely described in the attachment to which I have been referring, I want to call it particularly to your attention.

We feel quite strongly that the Government has an obligation to the millions of Americans who hold E- and H-bonds to improve the future earnings of bonds already outstanding. We plan no additional interest on holdings of savings bonds for any period in the past. But we do feel that each holder of an outstanding bond is entitled to an increase of approximately one-half percent per annum on the future earnings of his bond if he holds it to maturity just as we are planning to pay one-half of 1 percent more to the buyers of new bonds.

Thus, present holders of E- and H-bonds would have little or no incentive to cash present bonds and buy new ones. Such switching operations would be costly both to the investor and to the Treasury.

* * * * *

The Treasury can borrow more economically through the proposed increase in savings bond terms at the present time than it can by borrowing through marketable securities. We believe, therefore, that the net addition to next year's budget costs for interest on the public debt because of the new savings bond program may be less than $10 million, and could quite conceivably result in no net increase in all. It is realized, of course, that the gross cost on savings bonds will tend to build up in later years, but the saving in comparison with alternative borrowing would very likely continue to be a sizable offset.

Mr. JAVITS. Mr. President, I should like to conclude with the following facts. I wrote to the principal Government bond dealers in the United States upon this subject. There are 17 of them. I have up to this time, received 10 replies from the 17 to whom I wrote.

These replies are from some of the leading banking and financial houses in the country, as well as leading dealers in Government securities.

Mr. President, I should like in each case—and I shall not be lengthy—to read an excerpt from the letters from these great financial houses, showing how right we are in the idea of making savings bonds more merchantable and showing also how very important it is that the Treasury shall go one step further and have the initiative and the drive to do this in the way which will make the bonds more salable, through the peace bond effort, whether we call it by the name "peace bond" or some other name.

The fact must be flagged that the American people have a new opportunity to save at a better interest rate, and under better terms and conditions, in the patriotic interest of the country, which is so urgently required.

Salomon Bros. & Hutzler, one of the great banking houses, in their letter of September 2, states:

Such an issue would in no way adversely affect the market for marketable Government bonds and would, in my opinion, if it offered a sufficient rate of return, attract additional savings from small individual savers.

The New York Hanseatic Corp. states:

As dealers in Treasury issues we cannot visualize anything but favorable reaction to your effort as it would concern the Government bond market.

The First National Bank of Chicago, in their letter of September 4, 1959, states:

In my judgment, the market would react favorably to a savings bond drive, to sell Government bonds to individual savers at an attractive rate.

They also state:

With no immediate signs of a downturn in interest rates we may presumably expect a continued attrition in savings bonds holdings in the months to come unless the interest rate is raised.

Briggs, Schaedle & Co., of New York, an outstanding house, says:

May I take this opportunity to suggest to you and the members of the committee on which you serve that in my opinion it would be a very sound action if the committee would recommend and Congress would pass legislation which would allow the Treasury to sell Government bonds at higher than a 4¼-percent interest rate.

From Aubrey G. Lanston & Co., under date of August 28, 1959:

Bold new steps are needed to stem this attrition. In addition, at times of business strength such as now prevails, it would be highly desirable, in our judgment, to increase the amount of individual savings flowing into Treasury securities.

The Continental Illinois National Bank & Trust Co., of Chicago, in its letter of September 3, 1959, says:

We certainly share with you and your colleagues a strong desire to do everything possible to improve the sales of U.S. savings bonds to individuals.

William E. Pollock & Co., another one of the houses dealing in this kind of security, says that they believe that the matter should be permitted to await later economic conditions. They are the only one who registered an adverse reaction. They were not enthusiastic about the idea of selling these savings bonds now.

The Morgan Guaranty Trust Co., one of the great financial institutions of the United States, in their letter of September 3, 1959, state:

By the nature of the current savings bond operation, where a great majority of the purchases come through the payroll deduction plan, I feel that an increase in the effective rate of return to 4 percent would go a long way toward stopping attrition and continuing in force such payroll deduction operations.

Mr. President, may I have just 1 more minute?

Mr. BUSH. I, too, have an engagement. I yielded to the Senator for 5 minutes. It has now been about 20 minutes.

Mr. JAVITS. I believe it has been only 10.

Mr. BUSH. I will yield 1 more minute by unanimous consent.

Mr. MORSE. Delighted. Delighted.

The PRESIDING OFFICER. Without objection, the Senator is recognized for 1 additional minute.

Mr. JAVITS. The First Boston Corporation states:

> In answer to your direct question concerning the possible market reaction to a "peace bond campaign," we believe that any revision in terms which provides a fair and competitive rate for savings bonds would strengthen the overall program; cut down attrition and, perhaps, even increase the amount of savings type securities outstanding.

Finally, C. J. Devine & Co., another one of the large houses dealing with these securities, says:

> As you may recall, during the war many slogans were developed for the purpose of selling savings bonds in order to raise substantial sums of money. If that were true then, the idea of a "peace bond" is one that each and everyone of us should be anxious to participate in now.

Mr. President, this is the most important opinion available. I express the hope that together with my friend and colleague, the Senator from Delaware [Mr. WILLIAMS], we may inspire the Treasury to use this bill in the way it really should be used, in this imaginative and active way, to sell peace bonds to the people of the United States.

I thank my colleague from Connecticut for being so patient.

Mr. BUSH. Mr. President, I address myself this afternoon to an amendment which I prepared and which is at the desk, but which I shall not call up at the present time.

The purpose of the amendment is solely to remove the ceiling on interest rates from the long-term open-market securities of the Treasury, as well as the ceiling on interest rates on savings bonds.

Mr. President, I do not intend to ask for a vote on this amendment, for 3 principal reasons: First, I fear from what I have heard from my friends on the committee that calling up an amendment of this kind might result in a flood of amendments which would, according to advices I have had, imperil the whole bill. This I do not want to do, since I think a quarter of a loaf is probably better than none. Second, I know that the votes exist to defeat this amendment. Third, Mr. President, I feel just as sure as I am standing here on the Senate floor today that Senators who would vote against this amendment today will have to reverse their positions within 12 months, and I do not want to put a hurdle in their way because Senators do find it difficult to reverse their positions from time to time. I know what that means, and I do not wish to make it difficult for them.

If I thought this amendment had a good chance to pass, I would bring it up, but I have counted noses very carefully and I believe that it has no chance of passage at this time. I say that with a great deal of regret because I think it is a most important amendment. It deals with a most important subject.

To me it is fantastic that the Senate should be sitting here at this crucial time in the financial history of our Government, in this crucial time in the history of the world, when the whole free world is dependent upon the United States and upon the credit of the United States, and be insisting that the Treasury try to finance this great operation with one hand tied behind its back.

To me the situation is absolutely fantastic.

First, I wish to invite attention to a statement made by the President of the United States on August 25, when he said:

> I would like to make two things absolutely clear:
>
> First, the administration is willing to assume full responsibility for managing the Federal Government's debt if it is allowed to do so free from artificial restrictions and on a parity with other borrowers.
>
> Second, if the requested legislation is not enacted, those in the Congress who are unwilling to pass it must assume full responsibility for the possibly serious consequences.

Those are the points I emphasize this afternoon.

First, this administration is ready to take full responsibility for managing the public debt if we do not tie one hand behind its back.

Secondly, in refusing to give the administration the necessary authority to do so in an orderly fashion, Congress must assume the responsibility, which is a very heavy one, and which I feel will bring deep regret to many Members of this body before another 12 months have passed.

I assume that we are to proceed with a high rate of business activity, with industrial activity, once the steel strike is over, gaining new high levels, in which direction it is headed.

President Eisenhower also said on that day:

> The vital interests of all Americans are at stake because excessive reliance on short-term financing can have grave consequences for the purchasing power of the dollar.

I ask unanimous consent that the entire statement of the call of the President of the United States for congressional action to remove the artificial limitation in the interest rate on long-term Government bonds be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PRESIDENT'S CALL FOR CONGRESSIONAL ACTION TO REMOVE INFLATIONARY INTEREST-RATE CEILING ON LONG-TERM GOVERNMENT BONDS

To the Congress of the United States:

On June 8 I transmitted to Congress a message requesting legislation that would (1) remove the artificial limitation which the law now imposes on the interest rate at which the Treasury is allowed to borrow money for more than 5 years, and (2) remove a similar limitation on the rate the Government can pay on savings bonds.

Last week the Committee on Ways and Means of the House of Representatives voted to suspend consideration of these proposals for the remainder of this session. This action was a grave disappointment to me.

The American people have a tremendous stake in this proposed legislation. Failure to enact it means that—

Millions of thrifty Americans cannot be fairly treated, since the Treasury will be unable to pay a fair rate of interest on savings bonds;

The cost of living may rise further, as the Treasury will be forced to manage our $290 billion debt in a way that adds to pressure on prices;

Responsible people at home and abroad can only conclude that we have not yet determined to manage our financial affairs as soundly as we should.

I would like to make two things absolutely clear:

First, the administration is willing to assume full responsibility for managing the Federal Government's debt if it is allowed to do so free from artificial restrictions and on a parity with other borrowers.

Second, if the requested legislation is not enacted, those in the Congress who are unwilling to pass it must assume full responsibility for the possibly serious consequences.

This country's outstanding public debt of almost $290 billion is held by our citizens and financial institutions, and by foreign central banks and investors who have accumulated dollars as part of their reserves.

Each investor has his own investment requirements. He buys different kinds of securities in order to meet those needs. Common to all investors, however, is the requirement that the rate of interest paid on the securities be fair and equitable in the light of other investment opportunities and, secondly, that the purchasing power of their invested dollars will not be impaired.

These considerations apply directly to the way in which the Government handles its debt.

There can be no question as to the Government's obligation to deal fairly and justly with the millions of its citizens who invest a portion of their savings, sometimes as a patriotic duty, in Government bonds. And there should be no question as to our determination to manage our debt soundly and in the best interests of all of the people.

We have worked tirelessly for a balanced budget. We need this balance so that we can avoid the deficits that lead to higher prices, to a rising cost of living, and to an eating away of the value of the billions of dollars that thrifty and farsighted Americans have saved. But congressional inaction on our debt-management proposal could do much to offset the progress we have made toward fiscal responsibility.

To manage the public debt in a sound manner the Treasury must be able to borrow money for long as well as short periods of time. A 1918 statute now prescribes, however, that we cannot pay more than 4¼ percent for long-term money. So long as the present prosperity contributes to a strong demand for credit, and thus keeps the cost of new long-term borrowing higher than 4¼ percent, we will not be able to borrow for periods longer than 5 years.

Let me suggest one simple parallel to show why the Treasury should be able to borrow for longer periods. Suppose that an individual had a mortgage on his home that had to be renewed every few months. He would be exposed to every shift in the economy and to every change in financial conditions. Yet, the Congress in effect is forcing the Treasury into this type of exposed position. It is saying to the Treasury, "When you have any borrowing to do, do it all on a short-term basis."

Within the next 12 months the Government must borrow $85 billion to cover maturing securities, redemptions, and seasonal cash needs. This Government, with its

great financial resources, can normally carry a sizable amount of short-term debt. But it cannot afford to rely exclusively on borrowing that must be continually renewed. Yet, if the Congress insists that we continue to finance wholly with short-term securities, the whole $290 billion debt will grow shorter and shorter. This will make it even harder to handle in the future.

The vital interests of all Americans are at stake because excessive reliance on short-term financing can have grave consequences for the purchasing power of the dollar.

The issuance of a large amount of short-term Treasury debt would have an effect not greatly different from the issuance of new money. Because these securities are soon to be paid off, their holders can treat them much like ready cash. Moreover short-term securities are more likely to become lodged in commercial banks. When a commercial bank acquires a million dollars of Government securities, bank deposits rise by a million dollars. This is the same as a million-dollar increase in the money supply. When the money supply builds up too rapidly relative to production, inflation is the result. The piling up of an excessive amount of short-term debt poses a serious threat that may generate both the fear and the fact of future inflation at an unforeseeable time.

Now, while the Nation is enjoying a period of rapid economic advancement, we want to keep the cost of living steady. And, if we act wisely, we should be able to do so. We must live within our means and we must exercise all the necessary precautions in the use of credit.

We have made good progress toward preventing excessive Government spending. But we may fail in our efforts to keep prices from rising if we do not handle our debt in the proper way. This is why the Treasury must have the capacity to finance the Government's requirements in free credit markets without artificial restrictions.

The need for sound debt management stems not only from domestic considerations. Foreign investors have substantial holdings of our securities, as well as other claims on this Nation. With so large a financial stake in our economy, these foreign central banks and other foreign investors have a very practical interest in the manner in which we handle our affairs. It is essential that they, too, continue to view the American dollar as a strong and stable currency. In a free market economy, confidence is not the simple result of legislation. It is earned by adherence to sound practices.

Let me state as plainly as I can that this is not legislation to increase interest rates. This administration is not in favor of high interest rates. We always seek to borrow as cheaply as we can without resorting to unsound practices.

The Treasury already has the authority to borrow at any rates of interest on obligations up to 5 years. What we are seeking is the authority, already possessed by all other borrowers, to obtain funds for longer periods as well. To prohibit the Treasury from paying the market price for long-term money is just as impracticable as telling the Defense Department that it cannot pay the fair market price for a piece of equipment. The result would be the same in either case: The Government could not get what it needs.

The need for congressional action with respect to the existing 3.26-percent interest rate ceiling on savings bonds is equally pressing.

The Government occupies a dual trusteeship position with respect to the 40 million Americans who own savings bonds and the 8 million people who purchase them regularly. The average holder looks to the Government for a fair rate of return, reasonably competitive with other savings opportunities. The Treasury has announced that when the ceiling is removed, it will immediately raise the rate from 3.25 percent to 3.75 percent on all newly issued E- and H-bonds, if held to maturity. Whenever legislation is enacted, this rate increase will be made retroactive to June 1, 1959. In addition, the future return to the investor on savings bonds purchased before June 1 and held to maturity would be increased by one-half of 1 percent. These actions would result in fair and equitable rates of return on savings bonds.

The second part of the trusteeship relationship of the Government with respect to holders of savings bonds involves the purchasing power of the dollars invested in the bonds. The savings bond holder expects the Government to try to insure that the future value of his savings will not be eaten away by progressive erosion of the dollar. To help assure that the value of the dollar will be protected, the whole debt management proposal should be enacted.

Each of these trusteeship considerations is vital; the thrifty American is entitled to both.

The issue with respect to our legislative proposals is whether we are going to demonstrate responsibility in the management of our Federal debt.

Ours is the richest economy in the world. We have a large public debt, but we can certainly handle it soundly and efficiently if we remove the artificial obstacles to borrowing competitively in the free market. By adopting the administration's proposals, the Congress would be demonstrating to people at home and abroad that we have the determination to preserve our financial integrity and to protect our currency.

No issue of greater importance has come before this session of Congress. In the best interests of the American people, I urge the Congress to enact the administration's proposals at this session.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 25, 1959.*

Mr. BUSH. I also invite attention to a statement by the Secretary of the Treasury, who said, on September 3:

The entire debt management legislation requested by the President almost 3 months ago is even more important today than when first presented. The responsibility for the consequences which could occur if the full proposal is not enacted would have to rest with those who opposed it.

He also said:

Although the present measure provides needed relief for savings bonds purchasers and holders and makes certain technical improvements, we shall continue to urge that the ceiling on the marketable debt be removed in order that the Government may act most prudently in managing the debt, so as to maintain confidence both at home and abroad in our determination to handle our financial affairs soundly.

That is part of what the Secretary said on that day. In a recent interview which he had with the editors of the U.S. News & World Report Secretary Anderson was asked this question:

Are interest rates really high today compared with the past, and compared with the rates in other countries?

He replied:

Of course, if you look back, interest rates were very low during the 1930's, because there was little demand for money. During the war, most of the activities in this country were under direct controls and many people were buying Government securities—and Government securities were held at pegged prices, because we were at war.

We had a short spell after the war in which we were operating most of our economy with relative freedom, but during most of that period we still had a peg on Government securities. Then we had Korea.

So it has really been only since the Korean conflict ended and we had negotiated the Treasury-Federal Reserve accord of 1951, that there has been a relatively free market.

The Secretary continued:

Now, interest rates in Canada are higher than they are here in the United States. Their rate on 3-month borrowing is now over 6 percent. In fact, our rates are lower in the United States than in any other advanced industrial nation where credit markets are free.

This summer I looked into the rates on government bonds and long-term government bond yields. The most recent tabulation I have is for July. While most of the items are as of July, some of the rates appear to be for May and June of this year. I believe none of them go back further than May of this year.

I ask unanimous consent that the table be printed in the RECORD at this point as a part of my remarks, to show the relative rate of interest in the long-term bond market in other countries.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Long-term bond yields

	Percent
United States (July)	4.11
Canada (July)	5.05
Belgium (July)	4.27
Denmark (July)	5.34
France (May)	4.31
Italy (June)	5.33
Netherlands (July)	4.12
Norway (May)	4.55
Portugal (May)	3.01
Sweden (July)	4.24
Switzerland (July)	3.17
United Kingdom (June)	4.83
Australia (July)	4.91
New Zealand (June)	4.92
Union of South Africa (June)	5.25

Mr. BUSH. The press of the country has become increasingly interested in the question of bond interest rates. It has been interesting to me to review some of the editorial opinion which has appeared recently respecting this very important issue. I have before me several editorials from which I shall read brief excerpts, but I ask unanimous consent that at the close of my remarks these editorials be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the editorials may be printed in the RECORD as requested.

(See exhibit 1.)

Mr. BUSH. The Washington Evening Star recently said:

The Congress will be guilty of dangerous imprudence and irresponsibility if it fails to take action on President Eisenhower's recommendation, repeated in a special message this week, that authority be given for removing the statutory ceiling on Treasury bond interest rates and for raising the rate payable on savings bonds.

* * * * *

This issue of interest rates has been made a political football on Capitol Hill. It is time for the responsible leadership of Con-

gress to demonstrate its understanding and its interest in a matter of major importance to the national welfare.

I am afraid that is right. I am afraid the interest rate question has become a political football.

The St. Louis Post-Dispatch is not known to be an exceedingly conservative newspaper, and that is a well-controlled statement. However, it is very much concerned about this issue. Recently it commented in part as follows:

Although we often disagree with Representative RICHARD M. SIMPSON, of Pennsylvania, top Republican on the committee—

The House Ways and Means Committee—

in this case he is right in describing the committee action as "incredible folly." As he observes, the Government will be forced to borrow in the short-term money market in competition with State and local governments, business, and consumers. This is likely to force upward the cost of short-term money, and to inflate the supply of credit.

The same editorial says:

The 14 Democrats who voted to suspend action for this session on the legislation must know they voted against "economic growth." The Treasury should be enabled to compete with other borrowers in the money market. The discarded compromise bill would have permitted it to do so for 3 years, a reasonable period.

The author of the measure, Democratic Representative HARRISON, of Virginia, joined the 10 committee Republicans in voting for the bill. It is too bad he could not have persuaded two additional Democrats to join him.

The New York Herald Tribune recently dealt with this subject. An editorial appearing therein stated:

Sound management of the Nation's $290 billion debt is one of the pillars of fiscal stability and is impossible without long term borrowing.

Long-term debt cannot be managed without the ability to borrow in the long-term market.

Within the next 12 months the Treasury will have to borrow $85 billion to cover maturing securities, redemptions and seasonal cash needs. Unless Congress acts, this will have to be done without access to long-term funds. Speaker RAYBURN knows this. Senator JOHNSON knows it. It's up to them to put politics aside, and act promptly to free the Treasury from artificial and fiscally dangerous restrictions.

The New York Times is not exactly the most conservative paper in the country. I find my friends across the aisle frequently quoting editorials from the Times on various subjects. On this particular subject the Times has been very much exercised lately and has printed several editorials. In one which I have asked to insert in the RECORD the Times said, in part, as follows:

The existing ceilings applying to interest rates on Government bonds must be removed or liberalized.

It adds:

Savings bonds outstanding total $50.5 billion. That figure exceeds by $2 billion the total of all publicly held marketable issues of the U.S. Treasury with maturities of 5 years or longer. Every dollar that is withdrawn by a savings bond holder is a dollar that the Treasury will have to replace, and that, so long as present interest limitations remain in effect, it will have to replace by raising the money through methods highly inflationary.

So much for the New York Times.

I have an editorial from the Rockford Morning Star, the title of which is interesting: "In Fiscal Fog." I shall quote only a brief paragraph:

This embarrassment to the Treasury Department has been patiently pointed out to Congress by both the President and Secretary Anderson. And it is, indeed, more than an embarrassment; it is a fiscal peril. But Congress, still befogged by the old shibboleth of cheap interest, merely shrugs its shoulder, and, like Micawber, waits for something to turn up.

In Wichita, Kans., there is a paper called the Wichita Eagle, an editorial from which I have asked to have inserted in the RECORD at the close of my remarks. I shall read only the last paragraph:

Congress either will act to meet the Treasury's pressing need for longer term, noninflationary borrowing or it will be called back to reconsider. Getting the national debt on a more manageable basis is of the utmost concern to the future of every citizen.

In Louisville, the famous Courier-Journal is very much concerned about this matter. An editorial on the subject, in which their position is summarized, was published on Tuesday, August 25, 1959. I shall read only from the end of the editorial:

In short, Uncle Sam is at disadvantage when he goes to the money market, and is compelled to resort to devices costly to the taxpayers.

The Democrats may not be moved by the serious difficulty in which the present interest rate ceilings put Treasury Secretary Anderson. But they have given up hope that the next Treasury Secretary may be one of their own?

Finally, the Register-Republic, of Rockford, Ill., comments on the subject in an editorial entitled "Everyone Affected," the closing words of which are as follows:

If the Treasury cannot borrow more money on a long-term basis, it will not pay as much interest in the aggregate as it would by having to issue notes frequently for 90-day and 180-day periods. The fight for reasonable interest rates is thus of importance to every individual and not merely to investors who lend money to the Government.

The New York Times of last Sunday published in its financial section a very interesting article written by Paul Heffernan. The article is entitled: "Money Managers Hit a Roadblock—Treasury Is Forced Back Into Short-Term Market for New Borrowing, But the Sale of Bonds With Long Maturities Is Barred by Interest Ceiling."

I shall read the first paragraph of Mr. Heffernan's article:

If a man made $7,000 a year and owed about $29,000, of which $5,000 was payable on demand and $7,500 more within a year, he would know what it's like to be Uncle Sam. The difference is seven zeros at the end of the dollar sign.

This article discloses the very serious situation in which the Treasury finds itself.

Mr. President, I ask unanimous consent that the entire article be printed following the editorial of which I have spoken, at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD.

(See exhibit 2.)

Mr. BUSH. Mr. President, again, from the New York Times of Sunday, September 6, 1959, I read from an article written by the economic writer, Edwin L. Dale, Jr. The article is entitled: "Big Trade Deficit Is Sparking Move To Cut Aid Funds—U.S. Worried by Decrease in Gold Stockpile and Rise in Foreign Assets Here." Mr. Dale says:

Powerful voices, centering in financial agencies, have begun to argue that the flow of Government capital abroad in the form of aid is too large for the continued strength of the dollar.

Further in his article, Mr. Dale states:

The other—

Emotion—

is a growing fear for the future stability of the dollar unless two related things happen: domestic finances are controlled and the balance of international transactions is righted.

Mr. President, I ask unanimous consent that the entire article published in the New York Times be printed at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD.

(See exhibit 3.)

Mr. BUSH. Mr. President, on Monday, September 7, 1959, the Washington Post and Times Herald published an article on this subject written by Harold B. Dorsey. The newspapers are all very much concerned about what is happening. The title of the article is "Legislators Hurt Those They Profess To Protect."

I believe that is exactly what we are doing. I do not mean to say there is any deliberate attempt on the part of Senators on either side of the aisle to hurt anybody. I know very well there is not. I simply think that some Senators who support his dangerous policy of artificially controlling interest rates do so thinking they are protecting somebody. But Mr. Dorsey, I believe, very correctly points out that what we are really doing is to hurt the very people whom it is sought to protect. In his article, he said, in part:

There can be little doubt that the failure of Congress to pass legislation that would permit more flexibility to the Treasury Department in its financial operations is closely associated with the rising interest rates.

Later, in his closing paragraph, he says:

The wierd part of this whole thing is that the suffering is most serious for the millions of people whom these Congressmen profess to be protecting, while it is helping the profits of the comparatively few for whom numerous Congressmen have frequently expressed criticism—the bankers. Even the latter realize that they will ultimately suffer by the distress that is being imposed on all of the others.

Mr. President, I ask unanimous consent that the entire article by Mr. Dorsey be printed at the end of my remarks.

There being no objection, the article was ordered to be printed in the RECORD.

(See exhibit 4.)

Mr. BUSH. Mr. President, finally I call attention to an editorial entitled "How Bond Rates Affect You," published in a recent issue of Life magazine. The article reads, in part:

Nobody in his right mind thinks that Congress would ever imperil the national defense by refusing to pay the Pentagon's bills. And if it did so there would be such an outburst of indignation that Congress would get cracking.

But the reverse of this is happening. The management of the public debt is also of vital concern. Yet Congress is refusing to give the Treasury the powers it needs to manage the public debt in a sound and orderly way. There has been no outburst of public indignation because the issue is difficult for laymen to grasp.

They had better grasp it, for it affects the value of their savings and the security of their future. By its failure to act, Congress is driving up interest rates and adding to inflationary pressures.

Mr. President, I ask unanimous consent that the entire editorial be printed at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD.

(See exhibit 5.)

Mr. BUSH. Mr. President, in the Joint Economic Committee we have had before us various witnesses who have commented on this subject. One of them was Paul Samuelson, a very distinguished economist from the Massachusetts Institute of Technology. I believe it has been said of Professor Samuelson that his ideas are frequently associated with those of the so-called liberal wing of the Democratic Party. That information I have by hearsay, but from a good authority.

However, Professor Samuelson is very much concerned about the restrictions upon long-term interest rates.

Here is what he said before the Joint Economic Committee, this year; and now I quote from page 208 of the hearings beginning on January 27, 1959:

Good management of the economy might make it desirable for the Government to issue long-term bonds at just the time that interest rates are hardening and existing bonds are falling in price. In the interest of stability it may become necessary for Congress to repeal the maximum rate now payable on Government bonds, I believe now set at 4¼ percent. Such maximums, like similar maximums set on FHA or VA loans and like overall limits set on the public debt, do, in the opinion of most economists, more harm than they do good, and I would recommend their repeal.

A little later in his testimony, the following occurred, when Professor Samuelson was asked a question by my dear friend, Representative PATMAN:

Don't you think that our interest burden has become so excessive that we should give serious consideration to ways and means of lowering it, Professor Samuelson?

Mr. SAMUELSON. Let me say that the reason why I advocate the removing of that limit is precisely because in the whole postwar period there has been an upward trend in interest rates; and that limit is now getting to a point where it is no longer ineffectual. When it becomes effectual I think it is going to become harmful. We are going to have all the subterfuges of accounting that we have seen on the public debt limit, we are going to repeat the history of centuries of usury laws which, in the interest of making it better for the poor man, actually made it tougher for him to get money.

I think the Government is going to have this same particular problem. I might have a different opinion from you about structural changes in our whole banking system, but at least I could see where such structural changes might accomplish a useful purpose, whereas the fiat of a maximum interest rate, I think, is going to get into our own way and cause more and more trouble.

Finally, Mr. President, I wish to quote another authority whose testimony I believe will be of interest to the Senate. I refer now to the testimony of Dr. Wilhelm Vocke, formerly the president of the Bank Deutscher Länder, now the Deutsche Bundesbank, the Central Bank of the Federal Republic of Germany. I ask unanimous consent that the article by Dr. Vocke be printed in the RECORD at the conclusion of my remarks this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 6.)

Mr. BUSH. Mr. President, at this time I wish to call attention to several of the statements which Dr. Vocke made.

In speaking of the German experience after World War II, he said:

There are perhaps two principal lessons to be learned from the German experience. The first is that currency stability can be achieved and preserved even under the most adverse circumstances. The second, and even more significant, is that a monetary policy, firmly committed to currency stability, not only does not conflict with a high rate of economic growth but indeed is essential to its achievement. Germany's remarkable economic recovery and expansion over the past decade was closely linked to the restoration and preservation of a strong and stable monetary unit.

He also said:

This experience—

In other words, the German experience—

proves that a central bank must be persistent and unruffled in its pursuit of a determined course of action, and must not shrink from occasionally taking unpopular measures if its obligations and responsibilities to the Nation are to be properly fulfilled.

Mr. President, that is exactly what the Federal Reserve Board of this country has been doing. It has been persistent and unruffled in its pursuit of a determined course of action, and it has not shrunk from occasionally taking unpopular measures, if its obligations and responsibilities to the Nation require it to do so.

Dr. Vocke also spoke on the subject of the creeping inflation thesis, as follows:

To a foreigner it seems almost absurd that there should be certain quarters in the United States where inflation is tolerated or even recommended. Surely any price to be paid for inflation must be excessive, considering not only the adverse economic and social effects, but the irretrievable losses in national prestige it may entail. The path of inflation in the United States would not only mean the depreciation and ultimate devaluation of the dollar, but also an acute decline in the moral authority, power, and international stature of the United States.

Mr. President, that is a rather stern warning. We cannot afford any decline in the moral authority of our people and of our Government or in the international stature of the United States, in this day and age when the freedom of the entire free world and the security of the entire free world depend upon the strength of our Government, which is heavily dependent, as we know, upon the credit of the Government of the United States.

Dr. Vocke also said:

Moreover, even if a limited depreciation of the dollar is envisaged, the public will try to protect itself, and by doing so will inevitably accelerate the pace of the price rise. Stability of the rate of inflation is an illusion, for if the public knows there will be a creeping inflation of 2 percent per annum, then the 2 percent will be reached not at the end of the year, but at the beginning, and the pressure for inflation will mount.

Finally, Mr. President, I should like to make one more quotation from this German authority. Germany has been through this situation since World War II. In fact, Germany has been through it two or three times during my lifetime. Dr. Vocke also said:

And today, foreign central banks alone hold almost $10 billion here as part of their international reserves. These substantial holdings reflect the confidence of the world in the strength and stability of the U.S. dollar. One should hasten to note, however, that this faith in the dollar is by no means unshakable, and developments affecting its future are closely watched abroad.

Mr. President, some of my friends have said we should not call attention to this situation; they have said it is dangerous to do so, and that the reason why bond prices have gone down is that we have been discussing the dangers involved in this issue.

Mr. President, so far as our foreign friends who have these tremendous commitments in our country are concerned, the central banks and other investors have, together, approximately $17 billion invested in this country, subject to withdrawal on short notice—which means that the gold supply in this country could be reduced by $17 billion if they ever decided to do so.

There is concern as to whether we should discuss this issue or not. In fact, I think they are probably encouraged by the fact that we are discussing it and that at least some of us see the danger involved. What would disturb them more than anything else would be for us to go merrily along the inflationary course and not do anything about it. That would disturb them.

Mr. President, they cannot be fooled. We cannot fool the heads of these central banks. We cannot fool the Treasury heads in European countries. They know what fiscal management means. They have to have proper fiscal management in their own countries. They have to know how to do it. As a matter of fact, they have men in those responsible positions who are fully as skillful bankers and fully as skillful in handling fiscal

matters as we have in the United States. So I reject the thesis that this is a subject which we should not discuss. In fact, I think it should be well ventilated, and that is the reason why I have discussed my amendment today.

Mr. ANDERSON. Mr. President, will the Senator yield at that point?

Mr. BUSH. I yield.

Mr. ANDERSON. I was trying to learn what the purpose of the quotation from the German banker was. He said, as I understood, that there should be no place in the United States where inflation was to be tolerated. Is he speaking out of the long experience they have had in Germany, where they have constantly tolerated inflation? How does the German banker become an expert for us?

Mr. BUSH. He is the former head of the Central Bank.

Mr. ANDERSON. He knows what Germany has done in round after round of inflation.

Mr. BUSH. He knows what has happened in Germany and, like the heads of other European central banks, he knows what goes on in Europe and around the world.

Mr. ANDERSON. If his advice is so good, why did he not take it at home?

Mr. BUSH. He did take it at home.

Mr. ANDERSON. I thought the Senator just got through saying that in his own lifetime he has known of four inflationary periods in Germany.

Mr. BUSH. I did not say four.

Mr. ANDERSON. How many?

Mr. BUSH. Two or three. I go back to the 1920's.

Mr. ANDERSON. Why did he not take his own advice?

Mr. BUSH. He was not in the saddle at that time.

Mr. ANDERSON. He was working at that time, was he not?

Mr. BUSH. I do not know.

Mr. ANDERSON. The Senator is quoting him.

Mr. BUSH. I know what he has been doing. He is the former head of the Central Bank.

Mr. ANDERSON. How old is he?

Mr. BUSH. I do not know what his age is. He is old enough to be very wise. He would not have been head of the Central Bank of Germany, under Mr. Adenauer, if he were not mature.

Mr. ANDERSON. The Senator referred to a quotation "even as low as a 2-percent inflation." Have we averaged 2 percent inflation every year of the Eisenhower administration?

Mr. BUSH. What I am saying——

Mr. ANDERSON. Have we?

Mr. BUSH. I am not answering that question. I am simply saying this man points out the danger. He sees it from his post as head of the Central Bank, and knows that we cannot have creeping inflation without its being dangerous.

Mr. ANDERSON. Have we not had it?

Mr. BUSH. And we are in trouble as the result of it.

Mr. ANDERSON. Yes.

Mr. BUSH. Yes. That is exactly right.

Mr. PROXMIRE. Mr. President, will the Senator yield at this point?

Mr. BUSH. I would like the Senator to bear with me. I have quite a long speech. If, when I finish, the Senator wishes to question me, I shall be delighted to answer. I think the Senator realizes I have never avoided an opportunity or an invitation to debate this question on the Senate floor. I do not wish to appear to be doing that, but I do have a lot to say. I have been waiting for a long time to say it. I beg my friend to indulge me for that reason. I yielded to my friend from New Mexico when my voice was about to give out.

I yield now to my friend from Pennsylvania [Mr. CLARK].

Mr. CLARK. Only for an inquiry do I ask the Senator to yield. How long will it take the Senator to complete his address?

Mr. BUSH. I hope to complete it by 5 o'clock.

Mr. CLARK. I thank the Senator.

Mr. BUSH. That is not a firm commitment, I may say to my good friend. It is a hope I wish to attain.

Mr. CLARK. Does the Senator have available a copy of his address?

Mr. BUSH. No, I do not; I am sorry. I did not have time to put it in finished form.

CHANGES IN THE INVESTMENT MARKETS SINCE THE CEILING WAS ESTABLISHED

Mr. President, the 4¼-percent ceiling on Treasury obligations having a maturity in excess of 5 years was established during World War I, in the law authorizing the Third Liberty Loan. It was incorporated also in the Fourth Liberty Loan Act, and has remained on the statute books. Since that time, some far-reaching changes have taken place which have reduced the ability of the Treasury to compete in the investment markets and which necessitate a readjustment in this ceiling.

When the 4¼-percent ceiling was established, interest on U.S. Government obligations was in large part exempt from taxation by the Federal Government. Subsequently, such interest was made more completely taxable, and in 1942 tax exemption was eliminated for new issues of Treasury obligations, with the result that interest earned on Government securities by individuals, corporations, and other taxpayers—except nonprofit institutions, and so forth, since they are already exempt from Federal taxation—is now subject to taxation by the Federal Government.

The elimination of tax exemption has greatly reduced the attractiveness of Government obligations, in comparison with other outlets available to investors, particularly to individuals.

Income on State and local government obligations is exempt from taxation by the Federal Government, giving these bodies a tremendous advantage over the Treasury in attracting funds.

The Treasury must, as a result of the elimination of tax exemption, compete on a competitive interest return basis with such other borrowers as business corporations, owners of real estate, and the like.

The Treasury has been forced to compete with itself in the capital markets: the credit of the U.S. Government has been pledged to secure, through insurance or guarantee, billions of dollars of obligations issued by a great variety of borrowers, including farmers, homeowners, businessmen, shipowners, and so forth.

At the end of the fiscal year 1959, the amount of insured and guaranteed obligations outstanding was some $55 billion.

Furthermore, and this is crucial, obligations being insured or guaranteed currently all carry interest rates higher than the 4¼-percent ceiling placed upon Treasury bonds, except for $3 billion of local housing bonds which are guaranteed and tax exempt.

As a consequence, investors prefer to purchase insured and guaranteed obligations, and the market for Treasury securities has been correspondingly impaired. Commonsense would dictate that the Treasury should be permitted to pay on its own direct obligations rates comparable with those which it is forced to underwrite through insurance or guarantee operations.

The United States, or at least the financial community, is fearful of a continued erosion in the purchasing power of the dollar. Two results are apparent: First, investors have been shifting their funds into common stocks, real estate, equities in real property, or other investment media which they believe will give some protection against a steady rise in the price level; and, second, in cases in which they have continued to invest in debt obligations, they have insisted upon obtaining an increase in the rates in order to have some protection against the loss in the purchasing power of the dollar.

A comparable situation did not prevail at the time when the 4¼-percent ceiling was imposed. Investors did not then fear, as they do today, an upward trend in the price level.

This inflation fear means that the Treasury must pay higher rates on its borrowings than otherwise would be necessary.

Investors cannot be forced to buy debt obligations; they must be attracted by the yield obtainable.

Any developments that weaken inflationary expectations will help ease the problems of all borrowers; developments that strengthen inflationary fears will make the task of borrowing funds more difficult and make for higher interest rates.

Removal of the Treasury interest rate ceiling would help reduce inflationary expectations.

INTEREST RATES—PRESENT LEVELS

The present levels of interest rates are the result of basic forces operating in the economy; neither the Federal Reserve nor the Treasury desires high interest rates. Efforts to maintain artifically low interest rates will mean increased inflationary pressures in the economy.

Mr. President, interest rates fluctuate with conditions in the economy, rising in periods of expanding business and declining in periods of business slack. This has been the case in the United States for the past century and more; it

is also the case in other developed economies, such as the Western European countries.

This coincidence in the movements of business activity and interest rates is evident in the financial history of the United States in years when the Treasury was not an important factor in the credit markets and before the Federal Reserve System was established.

The experience of the United States with interest rates in the postwar years has been essentially no different from what it was in earlier periods of fluctuating business activity.

High interest rates are not an invention of the Treasury or the Federal Reserve; they are the result of the large demands for credit pressing against a limited supply of savings.

FACTORS CONTRIBUTING TO RECENT RISE OF INTEREST RATES

The factors that have contributed to the rise of interest rates that began about mid-1958 include the following:

The business upturn. Signs of recovery began to appear in the second quarter of 1958 and were confirmed soon after midyear. The recovery of the economy has been both vigorous and broadly based.

The upturn in business activity brought with it the prospect of larger demands for credit, especially since it became evident about a year ago that the Treasury would be required to finance a very large deficit in the fiscal year 1959.

These expectations of large credit demands have been validated. The Treasury, State and local governments, homeowners, and individuals all have been demanding very large amounts of credit. Corporate demands have been fairly modest so far in the business expansion, but rising inventories and plant programs and larger tax payments give promise of large credit demands in the future.

Beginning about mid-1958 there occurred a resurgence of inflationary psychology in the financial markets. As a consequence, some savings institutions and organizations shifted a larger proportion of their funds into common stocks; others, which continued to invest in debt obligations, attempted to get protection against the prospect of an upward trend of prices by asking for higher rates and for greater protection against early refunding if interest rates should move down.

The 1957 and 1958 recession did not result in any significant contraction in loans of the commercial banks: In every month of 1958, loans were higher than in the corresponding month of 1957. Since mid-1958, bank loans have been rising sharply. This means that the banking system is in a relatively tightly loaned position.

FEDERAL RESERVE AND THE RECENT RISE OF INTEREST RATES

The Federal Reserve System is not responsible for the upward course of interest rates since mid-1958.

During the business recession of 1957 and 1958, the Federal Reserve followed an easy credit policy which permitted a sharp rise in the money supply and in the holding of liquid assets in the economy, and which contributed to sharp declines in all classes of interest rates.

Such an easy credit policy may be appropriate in a recession, but it is highly undesirable in a period of rapid business expansion such as that which has been underway since the second quarter of 1958.

In the period of expanding business, the Federal Reserve has not reduced the volume of reserves available to the banking system. The active money supply—demand deposits adjusted and currency outside the banks—rose by about 4 percent between mid-1958 and mid-1959.

The total of loans and investments of commercial banks—a measure of the amount of credit made available by the commercial banks—at mid-1959 was 3 percent higher than in mid-1958.

The upward pressure on interest rates reflects the sharply increased demands associated with business expansion and a huge Treasury deficit. Interest rates have increased despite an increase in the total amount of credit provided by the commercial banks.

TREASURY AND INTEREST RATES

In this period of business recovery and heavy demands for credit, the Treasury was forced to finance a deficit of $12½ billion in the last fiscal year. Due in part at least to the interest rate ceiling, this financing was concentrated in maturities under 5 years, and the result was an especially strong upward pressure on interest rates for these maturities.

The Treasury obviously does not like to pay high rates on its financing. But in the light of the conditions prevailing in the economy, there was no alternative, unless the highly inflationary technique of financing the debt through the banking system had been adopted.

THE FEDERAL RESERVE, INTEREST RATES AND THE MONEY SUPPLY

Mr. President, it is argued that the Federal Reserve has contributed to the present high level of interest rates, since its credit policies have prevented the money supply from growing in line with the growth of the economy. The contention is made that the money supply should be permitted to grow at the rate of 3 to 4 percent a year. It is assumed that a more rapid rise in money supply would contribute to lower levels of interest rates.

That argument is fallacious, Mr. President, for these reasons:

First. The money supply has been no deterrent to economic growth. During the past decade the money supply has increased by an average of 2½ percent a year, even though there was hyperliquidity in the economy at the end of the war due to war financing. That the money supply has been more than adequate to finance real growth is indicated by the fact that the gross national product in real terms—constant dollars—has risen by about 3 percent a year over the past decade and the Consumer Price Index has risen by about 2 percent a year over the same period.

Second. The Federal Reserve has attempted to limit the rate of growth in the money supply in periods of business expansion and high level activity when the rate of turnover of the money supply has been rising. On the other hand, it has facilitated a rapid rise in the money supply in periods of business slack. Even in the past year, a period of rapid economic expansion, the money supply rose by 4 percent.

Third. The idea that the money supply should grow by a fixed amount or a fixed percentage each year would mean giving up the contribution that flexible credit policy can make to economic stabilization.

It would mean feeding a business expansion with the attendant risks of adding to inflationary pressures and boom psychology.

It would mean the economy would lose the advantage of a rapid increase in money supply in a period of economic slack.

Fourth. It is extremely doubtful whether a more rapid increase in the money supply would mean lower interest rates; in fact, it probably would mean just the reverse.

Absence of credit restraint in a business expansion would contribute to inflationary expectations and to inflationary pressures, and these would mean larger demands for credit and increased reluctance to invest in debt obligations, both of which would contribute to upward pressure on interest rates.

Fifth. The problem at the present time is not an inadequate money supply but rather a surplus of highly liquid assets—deposits and short-term obligations—in the hands of the public.

TREASURY RELIANCE UPON SHORT-TERM FINANCING

The argument is advanced that the Treasury does not need to lengthen the debt; it can do its financing through the issuance of shorter-term obligations to which the present interest ceiling does not apply.

Again, the argument is fallacious. Comment as follows:

ABOUT THE COST OF SHORT-TERM BORROWING

First. In appraising this argument, it should be pointed out that recently the Treasury has found it necessary to pay an interest cost well above the 4¼-percent ceiling for financing through shorter term issues. Thus, concentration of financing in maturities not subject to the 4¼-percent ceiling could mean higher, not lower, current carrying cost on the debt.

Second. It should also be pointed out that the average maturity of the outstanding Treasury debt is constantly being shortened by the passage of time. At present, some $75 billion of the marketable debt has a maturity of 1 year or less. If interim financing is limited to issues of a maturity of 1 year or less, by the end of 1960 the volume of these maturities would increase to nearly $100 billion, even without any increases in the marketable debt.

Third. Reliance by the Treasury upon the use of short-term obligations builds up the holdings of liquid assets in the economy and increases the inflationary potential in the economy. Holders of short-term issues can obtain access to

cash by allowing issues to mature and demanding cash instead of accepting the exchange offering.

Any bank, Mr. President, will accept a short-term Government obligation maturing in a few days or in a few weeks. That is exactly like cash to a bank. A person can walk in with that kind of an obligation and walk out with the money.

The use of short-term financing increases the necessity of relying upon the commercial banks to provide a market for Treasury obligations. Financing though the banking system means an increase in the money supply, with an attendant increase in the inflationary potential.

Business corporations have been large buyers of short-term Government obligations in recent months. However, with outlays on plant and equipment, inventory accumulation and tax payments all rising, corporations are not likely to continue to be important buyers; in fact, they will probably eventually become sellers, as they have in other business expansions.

Reliance upon bank financing requires that the Federal Reserve make reserves available to the banking system. It is impossible to prevent some leakage of these reserves into an expansion of bank loans—thus further adding to business or consumer demands in the market place.

Fourth. Reliance upon short-term issues means a corresponding increase in the amount and frequency of Treasury refinancing operations, an increase in attrition—turn-ins for cash—on maturing issues, interference with the conduct of a necessary and desirable contracyclical credit policy, and enhanced disturbance in the capital markets due to the frequency and size of Treasury financing operations.

Fifth. The prospect that the Treasury will be forced to rely upon short-term financing certainly would add to inflationary expectations in the United States and abroad. It would be interpreted as a move in the direction of inflation. It would further impair the confidence of investors in fixed-interest obligations—thus further complicating the financing problem of the Treasury. It would contribute to further questioning of the prospects for the dollar on the part of foreign holders of dollar assets—and increase the risk of a run on the dollar.

INFLATION DANGER

Let us consider the inflation danger. The argument is that for more than a year, the price level has been approximately stable. It is argued that this shows that inflationary pressures are under control and that there is very little risk of a resurgence of prices.

This is another fallacious argument, Mr. President. My comment upon it is as follows:

First. The stability in such aggregate measures as the wholesale price index and the Consumer Price Index is due to the declines in the prices of farm and food products.

Prices of industrial products and services have been rising steadily.

If farm and food prices stop declining—and prices of some important agricultural products are now close to support levels—the result would be increased upward pressure on the price indexes.

Second. Customarily and traditionally, the upward pressures on prices become greater as the business expansion proceeds.

In the early stages of business recovery, prices are held down by idle plant capacity and rapid increases in efficiency and profits due to higher levels of output.

As the business expansion proceeds, however, these deterrents to price increases diminish in effectiveness and the tempo of price advances is stepped up.

Third. It follows that a policy of credit restraint becomes increasingly necessary as business expansion proceeds, in order to avoid a rapid increase in credit that would add to the upward pressure on prices.

Fourth. Inflation can take place in sectors of the economy that are not measured in the customary price indexes, notably in common stocks and real estate.

INFLATION PSYCHOLOGY

Let us consider inflation psychology for a moment.

I assert the failure to remove the existing ceiling on Treasury bond financing will be widely interpreted as a vote in the Congress for more inflation. This will undermine still further the confidence of investors in mortgages and bonds and increase their appetites for common stocks, real estate and other assets that are regarded as inflation hedges.

A vote to remove the interest rate ceiling, on the other hand, would be interpreted as evidence of the willingness of Congress to support action that is necessary to cope with inflation. This will facilitate the flow of savings into mortgages and bonds.

The factors that have contributed to the resurgence of inflation psychology in recent months include the following:

The failure of many prices and the comprehensive price indexes to show any decline in the 1957 and 1958 recession.

The continuation of wage increases in excess of gains in productivity, in the face of business recession and increased unemployment. This has given support to the belief that the wage-cost-price spiral will continue to operate, and that continued wage increases in excess of gains in productivity underwrite rising prices.

The huge deficit in fiscal 1959, in the face of only a moderate and short decline in business activity. Some months ago there was also the threat of huge new spending programs and the resulting prospect of continuing large deficits in the years ahead.

Continued criticism of the Treasury for its policies of debt management and of the Federal Reserve for the policies of credit restraint which it followed in the 1955 and 1957 business boom. The fear is that the pressure for easy credit and low interest rates will add to inflationary pressures in the future.

EVIDENCE OF INFLATION PSYCHOLOGY

Mr. President, there is ample evidence that inflationary psychology has been at work in the financial markets in a vigorous fashion since about the middle of 1958:

Prices of equities and real property have risen sharply in the past year or more. Contributing to these price increases is the underlying fear, shared by many people, that over the years the price level will continue to rise.

Excesses in such areas as common stocks and real estate have resulted in great problems and difficulties in the past, and can in the future, unless the underlying inflationary psychology can be curbed.

Action to restrain inflationary pressures must be taken before a vigorous upward trend in prices becomes evident.

Delay increases the problem of applying effective restraint and poses the prospect that harsher measures may be required ultimately.

The inflationary risk is increased by the large amount of liquid assets in the economy; the volume of liquid assets has risen sharply during the past year. Both the money supply and the volume of short-term Government securities—which holders can convert into cash by allowing them to mature—have risen sharply during the past year of business expansion.

This high liquidity constitutes a serious inflationary potential.

Removing the ceiling on Treasury bond financing, by increasing the scope for Treasury debt management functions, would enable the Treasury to do more financing in longer maturities, thus avoiding making further additions to liquid assets in the economy.

Economic services and stock market letters have been replete with discussion of the inflationary outlook, and the general point of view is that inflation is unavoidable.

The problem of coping with the inflation problem has been emphasized by many college professors and other students of the subject.

Mr. President, I have been listening to them one after another, in the Joint Economic Committee. We have had a great many of them before us, and we shall have more before the year is out. However, the majority of them—I believe about three out of four of them—are afraid of the inflationary problem, and they do not believe that a little inflation is a good thing. Three out of four of them say that price stability is desirable and an essential condition precedent to continued economic growth.

Important investing organizations, such as corporate pension funds, have increased the proportion of their funds going into common stocks.

Other investors in debt obligations have insisted upon higher interest rates in order to provide some protection against rising prices, or have made strenuous efforts to obtain other protection against inflation, in the form of equity in real property, warrants for the purchase of common stock at predetermined prices, or in some other form. This insistence upon some protection against inflation is a development of the fairly recent past; it reflects the deep-seated fear of inflation that pervades the investment markets.

Developments in more recent months provide strong support for the conclusion that more and more individuals are buying common stocks, and in some cases withdrawing funds from savings institutions for this purpose.

This underlying inflationary psychology has contributed to the upward course of prices of common stocks during the past 18 months or so. Other factors have, it is true, also contributed: The business recovery; the sharp improvement in corporate profits; and the widespread confidence in the dynamic growth of the American economy. But the fear of inflation is basic.

The underlying inflationary psychology is reflected also in sharp increases in real estate values.

CONTAINMENT OF INFLATION

Mr. President, no one should underestimate the difficulty of stopping the upward trend of costs and prices.

If this upward trend is to be stopped, and inflationary expectations are to be defeated, there are some things that must be done and some temptations that must be avoided:

First. The budget must show a surplus in periods of business boom, since unavoidably, as recent experience shows, large deficits will materialize in moderate business recessions. Strong restraint on spending programs is the prime prerequisite.

Second. Labor and management must settle their differences on bases that will not involve a steady rise in costs.

Third. In the field of debt management, the temptation must be avoided to concentrate Treasury financing in short-term securities and to use the Federal Reserve and the banking system to facilitate Treasury financing at low interest rates.

Fourth. In the field of credit policy, the temptation must be avoided to feed a business boom by continuous injections of bank reserves in an effort to insure that all would-be users of credit can satisfy their needs at low levels of interest rates.

Perhaps the greatest risks at the moment are in the areas of debt management and credit policy.

There is some danger that the progress that has been made in coping with the problem of inflation will be undermined by the adoption of easy credit, low interest rate policies.

A vote against the proposal to remove the interest rate ceiling on Treasury financing would be interpreted as a vote for inflation and a step in the direction of trying to peg interest rates at artificially low levels. A vote for the proposal to remove the interest rate ceiling would be interpreted as a vote against inflation and in support of a program designed to assure the future purchasing power of the dollar.

WORLD POSITION OF THE U.S. DOLLAR

Mr. President, we should repeal the interest ceiling on Treasury financing in order to avoid further loss of confidence in the future of the dollar on the part of foreign holders of large amounts of dollar assets. There is a real risk that loss of confidence may become cumulative. Should this develop, the United States could experience large losses of gold which would pose serious problems not only for the United States, but for the entire free world.

Consider the balance of payments situation: The balance of payments position in the United States has changed dramatically in the past 2 years.

The dollar gap has disappeared.

The dollar is still strong but it is no longer the only strong currency in the world. Convertibility is working satisfactorily and successfully in Europe and has contributed greatly to confidence in European currencies.

The United States is running an adverse balance of payments as the result of (a) a sharp decline in our surplus of exports over imports. This reflects the adverse competitive position of important American industries, in good part because of the expansion of modern and efficient productive capacity in other parts of the world, especially in Europe; (b) large Government outlays abroad, reflecting military expenditures, grants, and credits; (c) large private investments abroad.

There is a very real prospect that the U.S. balance of payments situation will continue adverse for some time, or may even deteriorate further.

Gold losses amounted to $2¼ billion in 1958 and are still continuing, although at a slower pace.

All these factors have contributed to a feeling of caution and uncertainty abroad with reference to the prospects for the dollar.

There are recurrent stories in the European press as to the weakness of the dollar and the possibility of an increase in the price of gold.

There is a fear abroad that continued loss of gold will result in our placing an embargo on further gold exports. That is why our continued loss of gold is a topic of interest in foreign financial centers.

Foreign observers invariably point out the crucial necessity of maintaining confidence here at home in the integrity of the U.S. dollar. They point out that if Americans begin to transfer funds to foreign centers in large amounts, the pressure on the U.S. gold stock would become intolerable.

Consequently, they emphasize the need to maintain the confidence of Americans in the dollar, that is, to eliminate the present fear that American prices will continue to rise indefinitely.

Foreign holdings of short-term dollar assets total in excess of $16 billion. Loss of confidence abroad could, therefore, mean large losses of gold and a rapid decline in the U.S. monetary gold stock.

Consider the causes of uncertainty: The major factors contributing to this foreign uncertainty as to the prospects for the dollar are:

The apparent inability of the United States to stop the wage-cost-price spiral. Foreigners are watching the current steel negotiations with great interest.

The American budget record, especially the huge deficit of fiscal 1959 incurred in connection with only a short and moderate decline in business activity. Foreigners regard the recent curbing of extravagant spending programs, by efforts of the President and a militant minority of Republicans and Democrats, as a favorable sign, but they are still questioning our ability to achieve even a moderate surplus in a business boom.

The pressure in some quarters for easy credit and low interest rates, regardless of conditions in the economy or in the credit markets. Foreigners interpret the criticism of the Federal Reserve for its policies of credit restraint in the 1955 and 1957 business boom and the criticism of the Treasury for its debt management policies as evidence of this desire for easy credit. They also view the various proposals that have been advanced to require the Federal Reserve to peg interest rates or to purchase long-term Government securities and the unwillingness in some quarters to raise the Treasury's interest rate ceiling, as part of this overall effort to force interest rates down to artificially low levels. Foreigners recognize, even if some Americans do not, that all these efforts and proposals, designed to reduce interest rates, will involve an increase in inflationary pressures in the American economy.

Foreigners are very sensitive to trends in the United States. They would regard a failure to remove or raise the Treasury's interest ceiling as a step in the direction of more short-term Treasury financing, increased inflationary pressures and enhanced weakness of the dollar.

So, we must be cautious. In this situation, the United States cannot afford to take any action that would disturb foreign confidence in the future of the dollar. Why?

Foreign holdings of short-term dollar assets are some $16 billion plus.

Withdrawal of any substantial amount would mean an increase in the gold outflow.

This would reduce our gold stock and raise more questions abroad as to how long we would permit the outflow to continue.

This development could very well impair the confidence of Americans in the dollar.

This spiral could have serious consequences not only for the United States but for the entire free world. Their monetary systems are closely linked with that of the United States.

Mr. President, I should like to reemphasize this point. We cannot legislate confidence in the dollar abroad. We must earn that confidence, and we must earn it all the time. We cannot have it today and lose it tomorrow and expect that we are going to have it next year. We can impair this confidence by embarking upon policies which foreigners, out of their own painful experience, know are unsound and end in acute inflationary pressures.

It is futile to think that we can fool our friends abroad. It does not make any difference to them whether we talk about our problems or not, whether they are ventilated on the floor or not. What they look at are the figures, and they judge us by the figures.

Mr. President, we cannot afford at this time or at any time, indeed, to shake the

faith of our good neighbors abroad in the countries of the free world in the strength and integrity and credit of the Government of the United States.

The current issue is whether, by forcing a low interest rate policy, we shall undo the progress that has been made in budget matters, which up to now has helped to curb the inflationary fears that are so widespread, not only in the United States but also abroad, and has served to restore a somewhat greater measure of confidence in the dollar in foreign financial centers.

ECONOMIC GROWTH AND THE INTEREST CEILING

One of the chief objects of the current study being undertaken by the Joint Economic Committee is the study of economic growth, and I should like, Mr. President, to mention this in connection with the interest ceiling issue.

If the United States is to achieve sustained growth and avoid continued inflation, investor confidence in fixed-interest obligations must be restored. This cannot be achieved without restoring confidence in the future purchasing power of the dollar, and restoring the willingness to invest in Government bonds. This confidence cannot be attained if, as a nation, we embark upon a deliberate policy of forcing interest rates down, or require the Treasury to concentrate its financing in relatively short term issues that are not subject to the 4¼ percent interest ceiling. Both of these practices would undermine confidence in fixed-interest obligations and thus make it more difficult to achieve continued economic growth.

Repeal of the interest ceiling is required to help restore confidence in fixed-interest obligations.

Continued economic growth cannot be achieved without large investments in fixed assets of all kinds: Business plant and equipment; housing; commercial facilities; public improvements; and so forth. Only through large capital investment can the output per unit of labor be raised.

The great bulk of the capital investment in the United States is financed through the use of debt obligations—mortgages and bonds.

HOUSING

Borrowed money provides 60 to 90 percent of the cost of a house; without a plentiful supply of mortgage funds, the demand for housing would be greatly reduced.

STATE AND LOCAL IMPROVEMENTS

All manner of public improvements—highways, schools, water and sewerage facilities, public buildings, and so forth—are financed through the sale of bonds. Public improvements are dependent upon the continued flow of funds for investment in debt obligations.

FEDERAL GOVERNMENT

Treasury financing, as well as State and local government financing, is done exclusively through the use of debt obligations.

BUSINESS

Some types of business enterprise, notably electric light and power, gas and telephone, rely upon debt financing to provide a large part of the funds required for the expansion and modernization of facilities. Manufacturing corporations have been able to finance a larger part of their plant programs out of the reinvestment of profits and depreciation; nonetheless, industrial corporations are still large users of credit, both short- and long-term.

If this flow of investment funds is to prove adequate for continued economic growth, several conditions must be fulfilled: First, people must be willing to save out of their current income; second, people must be willing either to invest their funds directly in debt obligations or to leave them with financial institutions which act as intermediaries and make the necessary investments; and, third, there must be a variety of different types of savings institutions, each performing the highly necessary service of accumulating and investing savings.

The willingness of people to save and to purchase debt obligations directly, or to leave their savings with these institutions, depends upon their confidence in the future purchasing power of the dollar.

There is ample evidence that increasingly during the past year, savers and investors have been shifting into stocks, real property and other so-called inflation hedges, and insisting upon higher returns on debt obligations in order to provide some protection against the risk of rising prices.

Removal of the interest ceiling would help reduce inflationary fears and would therefore be favorable to economic growth.

INTEREST RATES AND INFLATION

It is argued that rising interest rates mean higher costs. Therefore, it is argued, higher interest rates are inflationary. Consequently, any action that may contribute to higher interest rates should be avoided. This argument is fallacious, Mr. President. Comment as follows:

First. The contribution of higher interest rates to an increase in prices has been greatly exaggerated. For a variety of reasons, increases in interest rates have very little effect in pushing up costs and, consequently, their influence upon changes in specific prices or in the price level is minor.

Second. Higher interest rates have no effect upon the interest cost of outstanding interest-bearing obligations, but affect only the cost of new borrowings.

The increase in mortgage debt and bonds in any one year, on which higher interest rates have to be paid, is only a small percentage of the total outstanding.

This fact means that the impact of a period of high interest rates upon the carrying cost of long-term debt is of nominal proportions. Of course, the effects upon the cost of short-term borrowing are more immediate.

Third. Interest payments are not an important part of the costs of significant economic and social groups. Mortgage interest—the major interest expense of consumers—has a weight of only 1.7 percent in the consumer price index. Interest payments amount to only 1.2 percent of sales of business corporations. In public utilities, interest payments comprise only 5.8 percent of operating revenues, and only 4.8 percent in the case of natural gas pipeline companies. Net interest accounts for only 3.9 percent of total national income. An increase from 5½ to 6 percent on a $10,000 20-year mortgage would increase the monthly payments by only $2.90 per month, less the saving due to the fact that interest is a tax deduction. A lengthening of the terms of a real estate mortgage has much greater effect upon the interest burden over its life than does an increase in the mortgage rate. On a 20-year, 5½-percent mortgage, total interest over the life of the loan amounts to 65.1 percent of the face of the mortgage; at 6 percent, the corresponding figure is 72.1 percent. However, an increase in the maturity from 20 to 30 years, even if the rate is kept at 5½ percent, increases the interest cost to 104.5 percent of the mortgage.

Fourth. The impact of higher interest rates is further reduced by the fact that interest payments are a tax deduction for business corporations and for individuals.

The distinguished Senator from Utah [Mr. BENNETT] brought that out earlier in the afternoon, in his remarkable address on a related subject.

Fifth. The Treasury recoups, through taxation, a large part of any increase in its interest payments that results from an increase in the level of interest rates.

Sixth. The important consideration is not that higher interest rates are inflationary but rather that policies designed to keep interest rates at artificially low levels will generate inflationary pressures and result in rising costs and prices.

The burden posed by rising prices and costs is many times as large as the larger outlays for interest that would be required if market forces were allowed to operate in the investment and credit markets.

The cost of trying to keep interest rates down is much greater than permitting them to find their level in the marketplace.

EFFECT OF REMOVING CEILING

Now it is argued that the removal of the ceiling on interest rates on Treasury bonds would result in a general rise of all interest rates, and would also increase the cost of carrying the Government debt.

This argument is fallacious for the following reasons:

First. The present levels of interest rates reflect the strength of the business recovery, large credit demands pressing upon an inadequate supply of savings, and the fear of inflation which has discouraged investment in fixed-interest obligations—bonds.

Second. Removing the ceiling on Treasury bonds would help dampen inflationary psychology; it would indicate a determination to use all available tools to contain inflationary pressures; it would reduce the threat of large-scale inflationary Treasury financing through the sale of short-term issues to the banking system; it would help reestablish the

confidence of investors in debt obligations. All these mean reduced upward pressure on interest rates.

Third. Removal of the interest rate ceiling would contribute to a readjustment and realinement of the interest rates on various maturities of debt obligations. The necessity of concentrating Treasury financing in bills, certificates, and notes maturing within 5 years has forced up yields on short- and medium-term securities. Elimination of the ceiling would relieve the upward pressure on these interest rates.

Fourth. The facts are that today yields on outstanding long-term Treasury obligations are lower than the rates the Treasury has had to pay on some of the short- and medium-term securities it has been forced to use in its recent financing operations—issues of 1-year and 4-year-9-month notes were sold in July at 4¾ percent. My proposal would free the hands of the Treasury and enable it to do its financing in the way that is most appropriate and economical in the light of conditions prevailing in the credit markets. This does not mean that the Treasury would immediately undertake to issue huge amounts of long-term debt; it would continue to adjust its financing to conditions in the market. But the Treasury could do a better and more efficient job if it were free to adapt its financing to market conditions.

THE COST OF BORROWING

It has been argued that removal of the ceiling on Treasury bonds would raise the cost of borrowing and increase the difficulties of borrowing by small business, home owners, and State and local governments.

This argument also is fallacious for the following reasons:

First. If the ceiling is removed, the Treasury is not likely to enter the market forthwith with tremendous amounts of long-term borrowings.

Debt management practices in recent years show that the Treasury is cautious in its use of long-term obligations; it has limited long-term financing to amounts that can be absorbed without having an undue effect upon the long-term capital markets.

However, the Treasury should not be prevented from issuing securities of long maturity by the existence of the present ceiling on interest rates. That is exactly the position the Treasury is in. It is being prevented right now.

Second. It is not at all certain that the sale of moderate amounts of long-term Government bonds would in fact reduce the supply of funds available for investment in mortgages and bonds, or mean significantly higher long-term interest rates.

The willingness on the part of investors to put funds into long-term Treasury obligations depends upon their confidence in the future of the purchasing power of the dollar.

A show of determination by the Treasury to cope with the inflation problem and to avoid inflationary financing of the Treasury debt would help weaken inflation psychology and expectations.

As a consequence, investors would be more willing to invest funds in long-term debt obligations.

Under these conditions, a moderately higher rate of return on long-term bonds might well induce the shift into bonds of some investment funds that are now held in other investment media.

Third. The Treasury should be in a position to claim part of the savings of the country.

The Treasury will have to be able to attract some funds from long-term investors if a progressive shortening of the debt, with all its inflationary implications, is to be avoided.

The Treasury, due to the interest rate ceiling, is not in a position to attract such long-term funds at the present time.

Fourth. The borrowing position of the Treasury has suffered progressively over the years from the development of increasingly effective competition from other borrowers. As a result, investors are demanding, on Treasury obligations, rates that are increasingly competitive with rates offered by other borrowers. Some of the factors contributing to the growingly adverse competitive position of the Treasury in the capital markets are:

State and local governments have the advantage of tax exemption, while interest on Treasury obligations is subject to Federal taxation. The present high rates of personal and corporate income taxes have increased the advantage enjoyed by State and local governments.

Home owners enjoy the advantage of a system of guarantee and insurance under which the credit of the U.S. Government backs the mortgage. Currently, insured and guaranteed mortgages carry rates 1 percentage point higher than the 4¼ percent which the Treasury is permitted to pay on its own bonds. Furthermore, interest payments on mortgages are a deduction for income tax purposes.

Corporations are able to pay well for borrowed money since its cost to them is reduced by the fact that 52 percent of the interest payments are offset by a reduction in Federal income taxes.

There is little prospect that these factors, which have worsened the competitive borrowing position of the Treasury, will be eliminated or even reduced. Consequently, the only way in which the Treasury can raise funds in the long-term market is to pay rates that are more closely competitive with rates paid by other borrowers. This is not possible under the present ceiling.

Small businesses do not borrow in the long-term capital markets in significant amounts; most of their funds are obtained from banks and from miscellaneous local sources.

Furthermore, the Federal Government is already providing substantial assistance to small business.

WHO BENEFITS FROM HIGHER INTEREST RATES?

It has been argued that the removal of the interest rate ceiling would benefit mainly the commercial banks, other large financial institutions and the wealthy.

I remind the Senate that the commercial banks are having a field day today with the short-term market for securities, and especially the short-term market for Treasury bonds. They could not ask for anything better than what they have. They do not invest in long-term Treasury bonds anyway. Those banks who do should not do so. Such practices are discouraged by State bank examiners and others; but short-term maturities—5 years and under—are the haven for commercial banks to invest deposits which are not needed in connection with their lending activities. So they could not have a better time than they are having now, while short-term interest rates are at such a high level.

The reason why short-term interest rates are at such high levels is that the Treasury has been forced to go into the short-term market to the extent of $6 billion or $7 billion of new money between now and the end of the year, and it has been going in there recently to help finance the $12½ billion deficit. It has been forced to do this in the short-term market. This is what is driving the short-term market up, in large part. If we take the Treasury out of that market and put it into the long-term bond market, the banks will not buy the long-term bonds. They will remain in short-term securities, and the interest rates on those will go down. So the argument that the banks might benefit by holding the long-term interest rate down is perfectly unsound, in my judgment.

There is no basis for the argument that if the interest rate ceiling were removed the main beneficiaries would be the commercial banks or other large financial institutions, or wealthy people. I do not believe that that assertion can possibly be proved in any way.

Removal of the interest rate ceiling on Government bonds will not necessarily be followed by a general rise of all interest rates. By reestablishing confidence both here and abroad in the determination of the Federal Government to finance outside the banking system, fears of inflation will be reduced and the willingness of investors to place their funds in fixed-income obligations will be enhanced.

Interest payments from Federal, corporate, and State and local government securities, and from mortgage investments, are widely dispersed among the millions of savers in the economy, either through savings institutions or through direct investment in bonds or mortgages.

There are 22 million accounts in mutual savings banks, averaging $1,527, and totaling $34 billion.

There are almost 24 million accounts in savings and loan associations, averaging $2,024, and totaling $48 billion.

There are over 37 million savings accounts at commercial banks, averaging $962, and totaling $40 billion.

There are some 8 million people participating in payroll savings plans to buy U.S. savings bonds, and altogether there are about 40 million who own savings bonds. Some $42½ billion of series E and H savings bonds are outstanding.

There are 112 million people with savings in the form of life insurance, with an average equity of about $800—a total of $107 billion.

There are about 14 million people who are beneficiaries of noninsured pension plans. The assets of these plans total over $22 billion and are invested heavily in corporate and Government bonds. Including dependents, the number of people covered would be significantly larger.

The upper-income groups account for about 10 percent of the population. Their share of total interest received has fallen to about 25 percent, compared to over 50 percent in the 1920's. A lesser share of interest payments is actually retained by the wealthy than by middle or lower income families, because of the higher income tax rates that apply to the upper income groups.

The bulk of interest on the public debt is paid to individuals, mutual institutions, such as savings banks and insurance companies, and public pension and other trust funds. Those interest payments which are received by commercial banks and business corporations are, in major part, recouped by the Treasury through the 52 percent income tax rate which applies to these investors.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table which shows the interest on the public debt as it was paid to individuals and mutual institutions in 1946 and in 1958; also to other investors. This is a very short table.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In billions of dollars]

	Interest on the public debt	
	1946	1958
Individuals and mutual institutions	1.9	2.4
Public funds (including Federal Reserve)	1.0	2.7
Other investors	1.8	2.5
Total	4.7	7.6

Mr. BUSH. Rising interest rates affect only new borrowers, and do not change the amount of interest paid by those who have previously incurred debt through mortgages, and so forth. Rising rates are therefore not detrimental to those who are already in debt, since only the new borrowers pay the higher rates.

When interest rates rise, savings institutions and other investors in fixed-income obligations experience a decline in the capital value of their holdings. For example, commercial banks wishing to reduce their portfolios of Government securities find they must take a capital loss if they sell their holdings. Rising interest rates therefore are to the lenders' disadvantage in this respect.

The function of rising interest rates is to restrain new borrowing at a time when demands are already high; new borrowing swells the spending stream and pushes up prices during a period of economic boom. If the underlying wants of every household and business in the country were made effective through unlimited access to borrowed money at low rates, the upward pressure on commodity prices would be fantastic.

In the last analysis, the beneficiaries of higher interest rates are not merely the savers, who make funds available for investment, and who benefit directly from the larger returns that higher interest rates bring, but every household benefits in a very real sense by being protected from the ravages of the inflation that would otherwise take place.

BILLS ONLY POLICY

Mr. President, it is contended that one reason the Treasury has been encountering difficulties in its financing operations is that the Federal Reserve has been limiting its open market operations to short-term Treasury obligations, normally, Treasury bills.

Mr. President, the Federal Reserve, so it is said, should be directed to depart from this policy and to conduct its operations in long-term Treasury securities.

Such a specific directive to the Federal Reserve to conduct open market operations in longer term securities is both unnecessary and unwise.

ORIGIN

The policy of generally limiting open market operations to short-term Treasury obligations—normally, Treasury bills—was adopted by the Federal Reserve Open Market Committee in 1953, after an exhaustive study of the operation of the Government securities market. This study supported the conclusion that the present policy would contribute to the effective functioning of the Government securities market.

DEPARTURE FROM CUSTOMARY PRACTICE

The Federal Reserve has departed from customary practice on several occasions in the past few years, namely, in November 1955, early in 1957, and again in 1958. These operations were undertaken in order to assist Treasury financing, to help correct disorderly conditions in the Government securities market, and to help effectuate the objectives of credit policy. Consequently, the practice of limiting open market operations to short-term Treasury obligations is not rigid and inflexible.

DIFFERENCES OF OPINION

The current practice of customarily limiting open market operations to Treasury bills has given rise to some differences of opinion, even within the Federal Reserve System. It is important that these differences within the System be put in proper perspective.

The differences of judgment within the Federal Reserve System do not relate to such basic matters as the objectives of credit policy, or the scope and function of the various instruments of credit policy. Nor are there any differences of opinion as to the central role that bank reserves play in credit policy. There is complete agreement that one of the primary purposes of credit policy is to influence the volume of bank reserves. Beyond this, no one in the Federal Reserve System wants to return to the practice of pegging interest rates, or to have the Federal Reserve undertake to maintain a set pattern of interest rates in the marketplace. These are fundamentals on which there is definite and specific agreement within the Federal Reserve System.

The differences of opinion relate rather to matters of technique and day-to-day operations. There are some who believe that there have been occasions in the past when the purchase or sale of Government obligations other than Treasury bills might have achieved the desired results with a smaller volume of purchases or sales than were required under the practice of limiting dealings to Treasury bills. Even then, there have probably been relatively few occasions since the present policy was adopted in 1953 when those who favor operating in a broader list of securities would have conducted any significant amount of operations in securities other than Treasury bills.

INFLUENCE ON INTEREST RATES

The Federal Reserve can influence long-term interest rates without intervening directly in the long-term securities markets and without incurring the additional problems and difficulties that such intervention would entail. The response of interest rates to changes in credit policy has not been limited to short-term money market rates; it has been evident in long-term yields as well. Long- and short-term interest rates tend to move in the same direction at about the same time.

A basic reason why the Federal Reserve does not have to deal in long-term obligations to affect interest rates is because the major impact of open market operations upon the credit markets comes as a result of their effects upon the volume of reserves made available to the banking system. Open market purchases or sales of Treasury bills have the same effects upon bank reserves as would equivalent dealings in long-term obligations.

PEGGING INTEREST RATES

Some of those who advocate the conduct of open market operations in a wider list of Treasury obligations would not limit the change in practice to occasional departures from the current practice of conducting open market operations in Treasury bills. They desire to have the Federal Reserve conduct its operations so as to achieve lower levels of long-term interest rates. This would saddle the Federal Reserve with the necessity of pegging interest rates at artificially low levels and of maintaining a pattern of interest rates in the market.

Operations in Treasury bills can be conducted more easily and expeditiously, and with less risk of an overly large impact upon securities prices, than can dealing in long-term obligations. The market for Treasury bills is a fluid and active market; dealers' inventories of short-term obligations are ordinarily much larger than are their inventories of long-term obligations; a much larger

proportion of long-term bonds is held by relatively permanent investors; and a given change in yields will obviously have a much greater impact upon prices of long-term obligations than upon the prices of Treasury bills, due to the longer maturity. Consequently, operations in Treasury bills are far less likely to give rise to false expectations in the market, and to the maladjustments, instability and wide fluctuations in prices which would ensue, should these expectations be proved wrong.

Mr. President, it has been suggested that the Federal Reserve should support the long-term Government securities market by purchasing long-term securities. In order to avoid adding to bank reserves, the Federal Reserve would sell equal amounts of short-term obligations. It is argued that this operation would help to stabilize the long-term Government securities market, reduce the cost of credit for long-term borrowers, and assist the Treasury in its debt management operations.

This fallacious argument proposes a most dangerous and unwise course of action.

This proposal is particularly inappropriate and dangerous in a period of expanding business when business confidence is ebullient, speculative sentiment is strong, investment spending on housing and business plant and equipment is rising, and demands for credit are running in excess of savings. Under these conditions, credit policy should be designed to restrain the expansion of bank credit, prevent unsustainably high rates of investment spending and limit the growth of liquid assets in the economy. This proposal would run counter to these basic objectives.

The exchange of short-term for long-term securities on the part of the Federal Reserve would have two effects upon liquidity in the economy—both of which would be just the opposite of what is required in a period of business expansion and high level activity, namely: (a) the liquidity of the Federal Reserve banks would be reduced; and (b) the liquidity of the rest of the economy would be increased.

If this policy were followed to an important extent, the Federal Reserve would be denuded of holdings of short-term obligations. This would greatly complicate the task of day-to-day operations in the money market—operations which are essential to the efficient functioning of the money market. In addition, with its supply of short-term obligations depleted, the Federal Reserve would find it very difficult to apply a policy of credit restraint. Its open market operations would necessarily be limited to sales of medium-term obligations; such sales would adversely affect the prices of long-term Treasury bonds and therefore would run counter to the mandate to support the prices of these obligations.

EFFECT UPON COMMERCIAL BANKS

This policy, if adopted, would also make it easier for the commercial banks to avoid the impact of a policy of credit restraint on their lending operations. The banks would be in a position to exchange their holdings of long-term Government securities for short-dated obligations. This would increase their liquidity and make it easy for them to obtain funds for the expansion of loans by permitting some of these short-term obligations to mature.

EFFECT UPON TREASURY DEBT MANAGEMENT

This proposal is advanced on the ground, among others, that it would ease the Treasury's debt management problems. The practical effect would be just the reverse—to further complicate and make more difficult the Treasury's task of debt management. The purchase of long-term bonds by the Federal Reserve would raise the prices and thus reduce the yields obtainable on them, making them less attractive to investors, at the very time that other demands for long-term funds are at high levels, and attractive yields are available on non-Government bonds and mortgages.

In addition, more of the short-term Treasury debt would be lodged outside the Federal Reserve System as the Federal Reserve sold its short-term securities in order to purchase longer term bonds. Holders of the short-term securities could convert them into cash by allowing them to mature, whereas if these obligations were held by the Federal Reserve, they would be exchanged for new refunding issues. The result is that attrition on maturing Treasury obligations would be increased and the Treasury would be confronted with the necessity of raising additional funds under adverse market conditions.

EFFECT UPON CAPITAL INVESTMENT

This policy, if it were effective, would mean higher prices for long-term Government bonds. This would encourage holders to sell these securities to the Federal Reserve and to put the proceeds in other long-term investments, such as mortgages, bonds, real property, or common stock. In turn this would encourage building, construction and business plant and equipment programs, at the very time when confidence is strong and these activities are expanding cyclically. The result would be to increase the danger of too rapid expansion in capital investment, with overbuilding and overexpansion of plant capacity as the ultimate result. Sooner or later, it would become evident that those sectors of the economy were expanding at an unsustainable rate; the result would be a sharp cutback, with all its adverse effects upon the general level of business activity and employment.

Achieving some reasonable stabilization of capital investment is one of the cardinal objectives of a program designed to avoid sharp cyclical fluctuations in business activity and employment. The adoption of this proposal would make more difficult the achievement of this basic objective of economic policy.

ENCOURAGEMENT OF SAVINGS

In a period of business expansion and high level activity, demands for investment funds customarily run in excess of savings. One way to encourage savings is to offer higher rates of interest on the various savings media. This proposal, designed to achieve lower interest rates, would run counter to this basic objective. Beyond this, long-term growth depends essentially upon the volume of savings available for long-term investment in capital assets of various kinds. Forcing long-term interest rates to artificially low levels would therefore not be favorable to economic growth.

PEGGING INTEREST RATES

The proposal has been advanced that the Federal Reserve return to the practice of pegging interest rates, in order to ease the financing problems of the Treasury and to reduce the cost of funds to borrowers. Some of the sponsors of this proposal have suggested that there is no inflationary risk in such an operation, since the reserve requirements of the commercial banks could be increased sufficiently to absorb any additions to bank reserves that would result from such pegging operations.

Interest rates can be pegged at levels lower than otherwise would prevail in the credit markets only by having the Federal Reserve provide a ready market for credit instruments—presumably Treasury obligations—(a) at prices higher than otherwise would prevail in the market, and (b) with the Federal Reserve standing ready to buy the Treasury obligations offered to it by holders, bank and nonbank alike.

EXPERIENCE WITH PEGGING

The American experience with efforts to peg interest rates has been consistently unfortunate and adverse. The tremendous pegging operation undertaken in connection with the financing of World War II resulted in a huge increase in the money supply and in holdings of liquid assets in the economy; these, in turn, were major contributors to the sharp postwar rise in prices.

The experience with pegging operations in the postwar period, even though reserve requirements were increased in an attempt to offset the inflationary effects, was equally adverse. For example, the outbreak of the Korean war resulted in a tremendous upsurge in the demand for credit and sharp increases in commodity prices. Because of the pegging policy to which it was then committed, the Federal Reserve was unable to follow an effective policy of credit restraint. In the 12 months from mid-1950 to mid-1951, the Federal Reserve increased reserve requirements by some $2 billion in an effort to restrain credit expansion; however, the effects of this action were more than fully negated by purchases by the Federal Reserve, under the pegging arrangements, of $4.6 billion of Government securities. The situation became so serious as to lead to the termination, in March 1951, of the arrangement between the Treasury and the Federal Reserve, under which the latter had undertaken to support the prices of Government obligations.

CONTROL OVER BANK RESERVES

Perhaps the most serious result of the adoption of a policy of pegging interest rates at artificially low levels is that the Federal Reserve thereby relinquishes its control over the amount of reserves provided to the banking system. The Fed-

eral Reserve, under this policy, has to stand ready to buy Treasury obligations in the amounts offered by bank and nonbank holders alike and these purchases increase bank reserves. The decision to increase reserves thereby rests with the holders of Government securities and not with the Federal Reserve. Obviously, the Federal Reserve cannot pursue an effective credit policy under these conditions.

Thus, the purchase of Government obligations by the Federal Reserve, an unavoidable feature of a pegging operation, adds to the volume of reserves available to the banking system. Under the American fractional reserve system, each $1 addition to member bank reserves can be used to support an expansion of $6 to $7 in bank loans and/or investments, and in bank deposits. With the volume of bank reserves increased, the potential for credit expansion is increased, regardless of whether the Federal Reserve purchases securities from commercial banks or from nonbank holders. This poses very difficult problems for the Federal Reserve, because at the time of high level economic activity, when purchases under the pegging policy would be at their peak, large additions to bank reserves would be most inappropriate.

MINIMIZING CYCLICAL FLUCTUATIONS

This policy of pegging interest rates would greatly impair, if in fact it would not destroy, the power and ability of the Federal Reserve to follow a policy of credit restraint at the time when restraint is most needed, namely, when a business boom is well under way. When business expansion has been proceeding rapidly and when record levels of business activity are being attained, as is the case today, business sentiment is optimistic; credit demands are large; upward pressure on interest rates is evident; and the turnover of the money supply is rising. These are the conditions that can easily end in a speculative splurge or in the development of a pronounced business boom, both of which carry the prospect of accompanying excesses and maladjustments and the risk of subsequent correction in business activity and employment.

Under these conditions, the objectives of a policy designed to minimize cyclical fluctuations in business activity should be:

To limit the increase in the money supply, since in a period of business expansion, the rate of turnover of money normally rises in any event.

To restrain the growth of the liquid assets in the economy, in order to minimize the risk that business optimism or speculative psychology may contribute to a bidding up of prices on real property or equities to unsustainable levels.

To place some restraint upon building, construction, and equipment programs of business in order to avoid the risk of substantial overcapacity and the prospect of sharp cutbacks in outlays later, with their disruptive effects upon business activity and employment.

In the present situation especially, to dampen inflationary expectations and speculative psychology.

To restrain the expansion of bank loans.

Adoption of the policy of pegging interest rates would run counter to these basic objectives; it would increase the chances that maladjustments and excesses would develop in the period of business expansion, and these would increase the chances of sharper contractions in the next adjustment phase of the business cycle.

EFFECT UPON LIQUID ASSETS

Pegging operations would increase the liquid asset holdings of the sellers—savings and investing institutions, commercial banks, individuals, and other investors—at the very time when sound contracyclical policy would make this development most unwise and unfortunate. There is no way that this result of a pegging operation can be avoided; it is inherent in the proposal that the Federal Reserve increase its holdings of long-term Treasury obligations.

The pegging operation would also mean an increase in the money supply. The sale of Treasury obligations to the Federal Reserve by holders other than commercial banks—that is, savings and investing institutions, individuals, business corporations, foundations, educational institutions, and so forth—would mean an increase in bank deposits, and hence in the money supply. Here again, there is nothing the Federal Reserve can do to prevent the increase in bank deposits that would result from its pegging operations, unless it could induce the sellers of long-term securities to replace them with short-term obligations. The latter is a most unlikely development; sellers of long-term Governments would want the proceeds in order to put them to work in some more attractive long-term outlet they would not sell long-term securities and replace them, in substantial amounts, with short-term Treasury obligations. Consequently, the pegging operation would unavoidably result in an increase in bank deposits and in the money supply.

HIGHER BOND PRICES—CAPITAL INVESTMENT

To the extent that a pegging policy was effective, the pegging operation would tend to maintain prices of bonds at higher levels, and bond yields at lower levels, than otherwise would be the case. This has a number of effects, all of which are inimical to a program of avoiding extreme cyclical fluctuations in the economy.

One result would be that holders of long-term Government securities would be in an advantageous position to sell them to the Federal Reserve and to put the proceeds at work either in the mortgage market, the bond market, the stock market, or in the real estate market. This situation, coupled with the fact that long-term interest rates would be lower than otherwise would be the case, would provide added incentive for capital investment and thus increase the risk that the rise in capital investment that is typical of a period of expanding business would be carried to excess and culminate in the construction of excess capacity. The increased availability of long-term funds and the artificially low interest rates that would result from an aggressive pegging policy both would help to encourage capital investment.

EFFECTS OF REMOVING ADDITIONAL BAN RESERVES

Some of the sponsors of a resumption of pegging make the point that the reserves resulting from the purchases by the Federal Reserve could be sterilized or removed by increasing reserve requirements by an amount sufficient to absorb the reserves created by the pegging operation.

First, it is true, viewing the banking system as a whole, that reserves resulting from pegging operations could theoretically be absorbed by increases in reserve requirements. Second, it is equally true that such a procedure would involve serious unpredictable consequences for the banking system and for the credit markets.

There is no way to tell in advance how large the purchases by the Federal Reserve might have to be; the higher the support prices, obviously, the larger would be the purchases and the consequent additions to bank reserves. These purchases could assume colossal proportions: as pointed out above, they amounted to $4.6 billion from mid-1950 to mid-1951, in our latest experience with pegging; it may be pertinent to point out that nearly all these purchases were concentrated in the period during which the Federal Reserve was pegging interest rates.

A pegging policy, coupled with a policy of offsetting increases in reserves through higher reserve requirements, would have highly uncertain and disruptive effects upon the commercial banks. There is no way to increase the reserve requirements of those particular banks that would gain the added reserves resulting from a pegging operation, if in fact the amount of such gains could be measured. It would be necessary to increase reserve requirements by classes of banks. The result would be that some banks would find themselves short of reserves, faced with the necessity of liquidating Government obligations or calling loans; other banks would be net gainers on balance, and end up with excess reserves.

Such disruptions are an unavoidable feature of changes in reserve requirements but the consequences are not too important if the changes in reserve requirements are fairly infrequent. However, an arrangement in which changes in reserve requirements were geared into the volume of support operations by the Federal Reserve would confront bank managements with uncertainties and unpredictables that would greatly complicate the task of managing their loans and investment portfolios.

The banks which gained reserves from pegging operations would probably, in an expanding economy and with large demands for loans, decide to expand their loan accounts rather than to increase their holdings of short-term Governments. This would effectively defeat a policy of credit restraint, so far as these banks are concerned.

There is another problem, namely, how the banks that come under pressure due to the increase in reserve requirements would balance their position—particularly if they could not sell their short-term Governments to the banks that received the benefit of the increased reserves resulting from the pegging operations. Thus the Federal Reserve would be faced with other difficult decisions.

The Federal Reserve could permit banks to meet their reserve deficiencies by continued borrowings, but this would run counter to the basic premise that total reserves available to the banking system be held constant despite the pegging operation. Or the Federal Reserve could force the member banks to adjust their positions through sales of short-term Governments. This would put short-term interest rates under severe upward pressure, with an ensuing rise in the cost of short-term borrowing to the Treasury. If the Federal Reserve stepped into the short-term market to alleviate this upward pressure, then it would be running counter to the stated objective of not permitting pegging operations to contribute to an increase in bank reserves.

The conclusion is clear: In practice, resumption of pegging would pose the threat of large increases in the reserves available to the banking system, and this threat would not be eliminated by increases in reserve requirements.

PEGGING: AN INFLATIONARY POLICY

Thus, the inescapable conclusion is that pegging interest rates will unquestionably and unavoidably result in an increase in liquid asset holdings in the country, and in an increase in the money supply; that it will increase the chances of business expansions developing maladjustments and excesses which could contribute to subsequent declines in activity and employment; that it would provide further support for inflationary expectations and for speculative psychology; and that it would be quite impossible for the Federal Reserve to follow a realistic credit policy attuned to conditions in the economy and in the credit markets, and at the same time engage in pegging interest rates.

Keeping interest rates at artificially low levels at the top of a business boom would have two additional serious effects. In the first place, it would discourage the increase in savings that is required if higher levels of capital investment are to be financed without recourse to inflationary devices. Recent experience demonstrates that higher interest rates are effective in encouraging savings; they should be allowed to have this highly desirable and necessary effect in a period of high level business activity.

In the second place, the adoption of a pegging policy designed to maintain artificially low interest rates would provide further encouragement to speculative psychology and doubtless contribute to further upward pressures on the prices of common stocks. Investors would rightly interpret the adoption of a pegging policy as a step in the direction of more inflation and inflationary expectations would be increased. Also, to the extent that lower interest rates could be achieved, the incentive to put funds into fixed interest obligations would be reduced, and a larger share of available investment funds would find its way into the stock market or into investment in real property.

Mr. President, I do not intend to ask for a vote on the amendment which I have discussed, namely, the removal of all ceilings on interest rates for the long-term bonds of the Treasury. I feel however, as I stated at the opening of my remarks, that this is the most serious issue confronting Congress today. Not only is it the most serious of all domestic issues, but it is the most serious of all issues. On the proper handling and proper management of our fiscal affairs by the Treasury and of our monetary policies by the Federal Reserve Board depend the financing of the whole defense effort of the country; and upon them depend so much of the defense effort of the whole free world. In fact, as I have said repeatedly, the cause of freedom depends more upon the credit of the Government of the United States than upon any other single thing.

I know they will not do so today, but I urge Senators, in the coming weeks, to study the problem. I venture the hope that when we return next winter we can untie the hands of the Treasury, so that they may deal with this very knotty problem as it must be dealt with, and the the Treasury may be given the freedom and leeway to handle the public debt in an efficient manner, so as to protect, as far as possible, the interests of all the people, and to reduce the inflationary forces which are pressed upon them by these restrictive practices upon which Congress insists at the present time.

EXHIBIT 1

[From the Washington Star]

CONGRESS SHIRKS ITS DUTY

The Congress will be guilty of dangerous imprudence and irresponsibility if it fails to take action on President Eisenhower's recommendation, repeated in a special message this week, that authority be given for removing the statutory ceiling on Treasury bond interest rates and for raising the rate payable on savings bonds. The House Ways and Means Committee, after an earlier decision to approve the necesary legislation, reversed itself last week and voted to table it for this year.

Although U.S. Government securities generally are considered the safest in the world, the current situation is this: The Treasury Department is unable to sell its bonds—obligations maturing in more than 5 years—at the maximum 4.25 percent rate of return which was fixed by law many years ago. As a consequence, it has been forced to meet its tremendous financing needs through the marketing of short-term securities—bills and certificates—on which there is no interest ceiling. Only recently a 1-year issue of bills was marketed at a near-record rate of 4.728 percent—the lowest the Government could find by competitive bidding in a free market. Short-term securities are held mostly by commercial banks and are employed in the banking system for an expansion of credit which, in effect, increases the supply of money and is directly inflationary as a result.

DEBT MANAGEMENT PROPOSALS

As both the President and Secretary of Treasury Anderson have emphasized, the picture of this seemingly deliberate policy of contributing to inflationary pressures raises grave questions both at home and abroad about our sense of responsibility in our fiscal management. It is quite possible, from that point, to question whether our money—the U.S. dollar—should continue to be practically the standard for the whole world, as it has been for so long. If and when it ceases to be, our entire economy is in jeopardy.

As for the savings bonds, even the most politically motivated individual should be responsive to the implications of the present problem. Approximately 40 million persons hold these small-denomination securities to a total value of $42 billion. They have been urged by their Government to buy them, but the current maximum rate of interest of 3.26 percent neither gives a fair return on today's savings nor offers a cash-in value that is commensurate in purchasing power with their original price. For this reason, cash-ins have exceeded new purchases for months past.

This issue of interest rates has been made a political football on Capitol Hill. It is time for the responsible leadership of Congres to demonstrate its understanding and its interest in a matter of major importance to the national welfare.

[From the St. Louis Post-Dispatch]

INFLATIONARY VOTE

President Eisenhower is reported in dispatches from Washington to be considering a public appeal in behalf of legislation to enable the Treasury to stimulate the Government bond market by raising interest rates above the 4.25 percent ceiling on long-term securities. Needed though the legislation is, such a move seems foredoomed to failure in view of the 14–11 party-line vote by which the House Ways and Means Committee turned it down.

Although we often disagree with Representative RICHARD M. SIMPSON, of Pennsylvania, the top Republican on the committee, in this case he is right in describing the committee action as "incredible folly." As he observes, the Government will be forced to borrow in the short-term money market in competition with State and local governments, business, and consumers. This is likely to force upward the cost of short-term money and to inflate the supply of credit.

The surprise action of the committee is difficult to understand, since it was a reversal of an August 12 decision to approve the measure. As part of that decision the committee included a directive which said, in part: "It is the sense of Congress that the Government shall take into account—the importance of achieving the maximum sustainable rate of economic growth, maintaining reasonable stability of the purchasing power of the dollar, and assuring that the cost of managing the public debt is kept to the minimum consistent with these vital objectives."

The 14 Democrats who voted to suspend action for this session on the legislation must know they voted against "economic growth." The Treasury should be enabled to compete with other borrowers in the money market. The discarded compromise bill would have permitted it to do so for 3 years, a reasonable period. The author of the measure, Democratic Representative HARRISON, of Virginia, joined the 10 committee Republicans in voting for the bill. It is too bad he could not have persuaded two additional Democrats to join them.

[From the New York Herald Tribune]

PLAYING POLITICS WITH THE PUBLIC DEBT

The question of lifting the 4¼ percent ceiling on interest rates for marketable Treasury bonds, according to SAM RAYBURN, is a dead issue in this session of Congress. But he did leave the door open yesterday for a possible boost in the ceiling on series

E and H savings bonds from the present 3¼ percent to 3¾ percent.

The Democrats have hoped to use the bond issue to tag the Republicans a "high interest rate" party. But it would be politically ticklish to oppose a clearly merited rise in interest rates on savings bonds, which are held by 40 million Americans, most of them voters.

The 3¼ percent rate now makes these bonds a poor buy; for the past 12 months, in fact, sales have lagged behind redemptions. In July $350 million were sold, $507 million redeemed. Not only is the Treasury over a barrel but the small investor isn't getting a fair shake.

Action to provide an equitable rate on these bonds is needed, but action to free rates on regular Treasury bonds is equally urgent. Bonds already issued are selling in the open market at prices yielding more than 4¼ percent, so that new long-term issues (the only ones to which the ceiling applies) can't be sold. Sound management of the Nation's $290 billion debt is one of the pillars of fiscal stability and is impossible without long-term borrowing. Within the next 12 months the Treasury will have to borrow $85 billion to cover maturing securities, redemptions, and seasonal cash needs. Unless Congress acts, this will have to be done without access to long-term funds. Speaker RAYBURN knows this, Senator JOHNSON knows it. It's up to them to put politics aside, and act promptly to free the Treasury from artificial and fiscally dangerous restrictions.

[From the New York Times]

THE INTEREST CEILING ISSUE

President Eisenhower at his news conference Tuesday renewed—and in the most emphatic manner—his request first made to Congress on June 8 that the existing ceilings applying to interest rates on Government bonds be removed or liberalized.

The ceiling on marketable securities is 4¼ percent, and applies to issues with maturities of 5 years or longer. This legislation is in the nature of an anachronistic accident. It has no logical relationship to present conditions in the bond market. It was enacted in 1918 in connection with the second Liberty Loan financing of World War I, and was based on conditions then contemporary but today purely history.

What makes this legislation imperative is that the Treasury must raise vast sums in the months ahead in order (1) to fund a constant proceession of maturing obligations, and (2) to raise new money to pay for the appropriations voted by Congress and not covered by taxes. As much as possible of such financing should take the form of securities designed to appeal to savers since, when money is raised through savings, it has no inflationary effects. In practice this means that, broadly speaking, it should be raised through the sale of long-term securities. But with business in a boom phase at present, the demands of borrowers of all categories in the money market are extremely heavy. These demands, competing for a comparatively limited supply of funds, have driven interest rates sharply upward. With the market rate on comparatively long issues above 4¼ percent the Treasury finds itself in a position in which it has no alternative but to raise its funds through the sale of short-term paper, a procedure inflationary in its implications because it involves the creation of bank credit or expansion of the money supply.

The present ceiling on savings bonds, from which the President has also asked relief, is roughly 3¼ percent, a rate that makes it impossible for the Government to compete actively with other available outlets for savings. This is not only a grave injustice to the 40 million patriotic holders of savings bonds in the Nation, but it is a potential threat of the most serious kind to the whole Government savings bond program, itself a major bulwark against monetary inflation.

Savings bonds outstanding total $50.5 billion. That figure exceeds by $2 billion the total of all publicly held marketable issues of the U.S. Treasury with maturities of 5 years or longer. Every dollar that is withdrawn by a savings bond holder is a dollar that the Treasury will have to replace, and that, so long as present interest limitations remain in effect, it will have to replace by raising the money through methods highly inflationary.

[From the Rockford Morning Star, Aug. 21, 1959]

IN FISCAL FOG

There is a striking similarity between the arguments for keeping interest on U.S. Treasury indebtedness low and the old argument for retention of a nickel subway fare. Low interest is a political shibboleth just as, in the old days, the nickel fare was. There isn't any honesty in an argument for either; the public pays.

Yet the backers of cheap interest in Congress have stood fast against any rational approach to the problem the Treasury faces in handling the Government's fiscal problem in an era of rising deficits and generally higher interest on other bonds. Treasury Secretary Anderson and President Eisenhower have stressed the bleak necessity of encouraging greater investment in Government paper by permitting a higher interest rate on long-term bonds. Because it is deemed politically expedient to stand for cheap interest as a political theory, Congress has refused to act and put over consideration at the very time when the Treasury is in desperate need of a more flexible approach to its money problems.

Statute puts a 4¼-percent top on the interest that can be paid on Government bonds maturing in 5 years or more. On short-term bonds or notes, there is only the ceiling imposed by the market place. As a consequence, the Treasury is forced continually to float short-term issues, since the long-term issues cannot compete with other bonds. You can't force people to buy Government bonds when their money can get better wages elsewhere.

To sell its short-term paper, the Government allows whatever interest the market commands. So the Treasury is actually paying out more for interest than it would if Congress permitted it a competitive position in long-term bonds, and, in addition, has the costly job of frequent rollover of the debt. In short, it is in continuous process of issuing new short-term paper to meet the maturity of other short-term paper.

The average investor doesn't want to have to keep converting his bonds or notes every 90 or 180 days. So the banks are the chief investors in short-term paper, almost to the point of being drafted. The result is an inflationary gimmick built right into the banking system. The public, which would welcome long-term Government bonds at a realistic rate of interest, lets Government paper alone and goes in for industrials, utilities, or municipals.

The public market for new Government bonds of larger denominations—leaving out E and H bonds—is practically nonexistent at the present time. Meanwhile, the decline in E and H bonds sales, and the high rate of redemptions, show that even this market has been affected by the failure of the Government to keep its interest payments on a realistic basis. This small investor market can get better wages for its money, too.

This embarrassment to the Treasury Department has been patiently pointed out to Congress by both the President and Secretary Anderson. And it is, indeed, more than an embarrassment; it is a fiscal peril. But Congress, still befogged by the old shibboleth of cheap interest, merely shrugs its shoulder, and, like Micawber, waits for something to turn up.

[From the Wichita Eagle, Sept. 1, 1959]

INTEREST RATES AND SPECIAL SESSION

Chances of a special session of Congress are based on the possibility that that body will take no action on raising the interest ceiling for Government obligations, as the President has requested. As matters stand, management of the national debt is described by those in charge of it as almost inconceivably difficult.

The ceiling on Government securities, enacted in 1918 in connection with World War I finance, is 4¼ percent. That has become unrealistic in view of competition for lendable funds.

The Treasury is assigned the task of raising billions to meet constantly maturing obligations and to obtain new money for appropriations voted by Congress which are not covered by taxes.

The best way to borrow this money is from the private savings of the American people. The Government sells the people long-term securities without inflationary effects. When such paper can't be sold, the Government competes for short-term borrowings against many demands. This competition already has driven interest rates sharply upward. Sale of Government short-term paper involves bank borrowings creating new credit and expanding the money supply. That has inflationary implications.

Present interest rate on E and H bonds to small investors is 3¼ percent. Private institutions seeking this money pay higher interest rates. The President would raise this rate so as to make such investment more attractive and add to the $50.5 billion now outstanding.

Congress either will act to meet the Treasury's pressing need for longer term, noninflationary borrowing or it will be called back to reconsider. Getting the national debt on a more manageable basis is of the utmost concern to the future of every American citizen.

[From the Louisville (Ky.) Courier-Journal, Aug. 25, 1959]

BLOATED BONDHOLDER A DURABLE GHOST

On August 12 President Eisenhower listed some of the things he hopes Congress will do before its present rapidly waning session ends. First of all he put an upward adjustment of the interest rate ceilings on Government securities. The House Ways and Means Committee had that same day approved a bill granting that authority to the Treasury.

However, last week the committee—or, for practical purposes, the Democratic majority in the committee—reversed itself, and put the President's request on the shelf, or in effect denied it for the present session. The committee's action demonstrated that not only the President but also Congress possesses a power of veto. Mr. Eisenhower, who has brandished his own veto club rather provocatively, may need a civics lesson. Even so, this was expensive and reckless pedagogy.

However, what probably influenced the Democrats more than a desire to educate Mr. Eisenhower was the psychology indicated by the old-fashioned term "bloated bondholder"—a favorite in the political oratory of earlier and simpler times. The term has become obsolete, so far as we know, but evidently the bondholder is still bloated in many minds.

But suppose that he still were vastly bloated—and he, in the case of Government securities, is usually not an individual but a bank, insurance company or other institution holding funds in trust—he will not be

unbloated by refusing to let the Government pay higher interest rates. He will simply be inclined to find other and more profitable places in which to invest the funds which he has or which are entrusted to him. In short, Uncle Sam is at disadvantage when he goes to the money market, and is compelled to resort to devices costly to the taxpayer.

The Democrats may not be moved by the serious difficulty in which the present interest rate ceilings put Treasury Secretary Anderson. But have they given up hope that the next Treasury Secretary may be one of their own?

[From the Rockford (Ill.) Register-Republic, Aug. 28, 1959]

EVERYONE AFFECTED

Both President Eisenhower and Treasury Secretary Anderson this week have renewed their requests that Congress take action on legislation to remove the interest rate on long-term Government bonds. Secretary Anderson says that inflationary pressures build up when the Treasury must sell short-term bonds in heavy amounts and pay the highest interest on these notes since the 1920's.

The House Ways and Means Committee, on an almost straight party-line vote, last week shelved the higher-interest bill. There is some indication that the Democratic majority in Congress might agree to higher interest on Government savings bonds. That adjustment is also needed, but Congress should not ignore the long-term bond issue question because all Government financing is interrelated.

The Treasury Secretary points out that raising the interest rate would reduce fears of inflation, which by itself shoots up the rate. Anderson says it is impossible to build up a surplus and reduce the national debt when the Treasury must pay unrealistic interest rates.

The average taxpayer, hoping for eventual relief from the burden he shoulders, will benefit if the Government's cost of borrowing money can be held down. If the Treasury can borrow more money on a long-term basis, it will not pay as much interest in the aggregate as it would by having to issue notes frequently for 90-day and 180-day periods. The fight for reasonable interest rates is thus of importance to every individual and not merely to investors who lend money to the Government.

Baltimore Sun, June 2, 1959: "Senator JOHNSON * * * pointed out that in the single showdown in which high interest rates had been at issue, the Senate majority, including a majority of Democrats, had voted to pay the rates demanded by the market. The pending bill had been a GI housing measure." * * *

New York Times, June 4, 1959: "There could be serious trouble if the Government is foreclosed indefinitely from selling any security longer than 5 years to maturity."

Associated Press Business News Analyst Sam Dawson has written, June 5, 1959: "If the Treasury could sell more long-term bonds to investors and more U.S. savings bonds to individuals, it would tend to dampen the fires of inflation, since such money wouldn't be breeding new credit, as short-term Treasury bills do."

Baltimore Sun: "The Government has got to offer advantages or it just isn't going to get the lender's money. That is precisely the fix in which the Government now finds itself * * *. The alternative is some kind of strong-arm action comparable to a kingly commandeering of private property."

Wall Street Journal: "So just what kind of fix do these Democratic Congressman think the U.S. Treasury will be in if it is prohibited from paying more than 4.25 percent interest in a market that has a higher interest rate? It will be in the fix it is now in, only more so."

Baltimore Sun, June 8, 1959: "Senator DOUGLAS said this: 'I believe in a competitive interest rate. I do not believe the Government should artificially lower the interest rate.' Without such flexibility, the Treasury will be forced to adopt inflationary expedients and the soundness of the dollar will be even more seriously threatened than it is."

New York Journal of Commerce: "A ceiling on borrowing cost can accomplish very little. * * * it would be extremely unfortunate for the economy if the Treasury had to continue to rely on the short-term securities with their inflationary effects just because the Congress adjourned without raising an interest ceiling that could be called at best an artificial barrier."

St. Louis Post Dispatch, June 9, 1959: "As with the ancient dream of eating one's cake and having it too, the hope of simultaneously enjoying the best of two possible worlds has a strong grip on some Senators and Representatives. They would like to enjoy both the full employment of boom times and the low interest rates of depression times. Who wouldn't? * * * What are the alternatives? The Federal Reserve System might be ordered to support the price of Government bonds, as it did during and after the war. But this is a proved way of creating inflationary pressures, since every dollar thus put into support buying adds something like $6 to the money supply."

Wall Street Journal: "Today when any man throws bricks at the hardhearted advocates of hard money, he is in reality smashing the hopes of the common man and the dream of security in the pension society."

J. A. Livingston in Washington Post and Times Herald, June 10, 1959: "Congress has no alternative. It must grant Secretary Anderson freedom to finance in the open market. It will have to raise the interest ceiling on bonds above 4¼ percent—in case he has to use it. Anderson's fix is everybody's fix."

Paul Heffernan in New York Times, June 14, 1959: "President Eisenhower's proposals for raising the Federal debt limit and removing the ceiling on interest rates of Treasury bonds are viewed in the financial district as necessary moves for putting the Government's financial affairs in an up-to-date framework."

New York Times: "The ultimate effect of the ceiling's removal, declared Martin * * * would be not only to lessen the pressures that are pushing interest rates up, but to reassure savers as to the future value of the money they have put into interest-bearing investments."

Kansas City Star, June 15, 1959: "The dollar has been regarded throughout the world as a symbol of U.S. prestige and strength. We do not suggest, nor did Secretary Anderson, that other nations have already lost faith in either the dollar or in our Government. But it is only realistic to admit that because of our inflationary and fiscal difficulties, they are watching more closely than ever before."

Washington Daily News, June 16, 1959: "Under present market conditions * * *. To get the money, the Treasury must resort to short-term bond issues * * *. But the repeated marketing of these short-term issues is expensive. Furthermore it unnecessarily disturbs the credit market where expanding industry also must go for funds * * *. The Democratic Advisory Council termed removal of the interest ceiling 'indefensible.' It said the action would have 'a damaging effect on small borrowers, States, municipalities, and homemakers.' It need have no such effect."

Wall Street Journal, June 17, 1959: "The past few days have brought into the open an attitude on the part of a number of influential lawmakers that is both disturbing and dangerous. This is an evident desire to return the Federal Reserve System to the business of pegging the Government bond market."

Wall Street Journal, June 22, 1959: "Thus it is quite possible that if the Government is forced, by a refusal of Congress to remove the ceiling, into nothing but short-term financing, its interest rate expense will become high rather than low."

Baltimore Sun, June 25, 1959: "The Democrats—in sharp contrast to the Republican minority on the Ways and Means Committee—haven't any well-formulated, concrete alternative proposal to offer the Treasury. * * * What the Democrats fear is that if they flatly brushed the President's interest proposal aside and drove the Treasury into the short-term market interest rates may go on rising anyhow. And thus in the coming Presidential year they conceivably could be left with a woeful political headache on their hands: How to explain to the voters that they failed to stop interest from rising while forcing the Treasury to resort to inflationary short-term financing and a concomitant rise in living costs * * *. Some Congressmen have been told by the Treasury 'if you force us into the short-term market exclusively, you'll probably find the cost of the national debt rising even more than it has already risen.'"

J. A. Livingston in Philadelphia Bulletin, July 1, 1959: "First, Congress votes authority to the Secretary of the Treasury Robert B. Anderson to increase the public debt from $285 billion to $295 billion. Then it fusses and fumes over the request to eliminate the interest rate ceiling of 4¼ percent on marketable bonds and 3.26 percent on savings bonds. How fit for a nursery rhyme:

"Congress, may I go into debt?
Yes, Bob, name a target;
Borrow whatever you have to get,
But don't send 'bonds to market.'"

New York Times: "It is difficult to imagine that in a final showdown a majority of the Members of Congress, acting out of ignorance or ancient prejudice or pure partisan politics, should act to hamstring the Treasury * * *. Passage of this legislation is a difficult thing to ask of the Democratic leadership, but the very essence of leadership is assumption of responsibility on the tough ones."

Wall Street Journal, July 3, 1959: "Despite the political attractiveness of shifting any onus from Congress to the White House, these men apparently felt it was too inconsistent with their 'liberal' reputations to do anything at all that might possibly seem to be for higher interest rates. So now all is in suspense while they try to work themselves out of their self-created dilemma."

Philadelphia Evening Bulletin (editorial titled "Sneaky Inflation"), July 6, 1959: "Nobody is for inflation so long as it is called by its right name. But let it be called 'expansion of the economy.' Or 'hold down the interest rates.' Or 'No bonus for bankers.' Then it's a different story. A great many people will enthusiastically back any of these appeals, happily unaware that they are helping to bring about the very thing they dread."

Wall Street Journal, July 10, 1959: "The implication is that the legal right to pay the market price for money is a sort of favor granted the President instead of being the only practical thing the U.S. Treasury, like any other borrower, can do."

New York Herald Tribune: "The House Ways and Means Committee * * * has coupled its action with a potentially damaging assault on the independence of the Federal Reserve Board."

Nat S. Finney in Buffalo Evening News, July 11, 1959: "Americans who buy on the

time payment plan or have to borrow to tide themselves over 6-month emergencies will 'pay through the nose' if Congress refuses to remove a 30-year-old interest rate ceiling on longer term Federal bonds."

Washington Star: "When the Treasury Department announced this week that it would pay a near-record 4.728 percent interest rate on a $2 billion issue of 1-year, or short-term bills it was not 'setting' the highest rate in 38 years for the benefit of the Nation's bankers. Instead, it was borrowing money at the lowest price it could find—by competitive bidding in a free market that is governed by the nonpolitical law of supply and demand * * *. It is clearly 'in the national interest' for the Treasury to have greater flexibility in its debt management."

Harold B. Dorsey in Washington Post and Times Herald, July 13, 1959: "Of at least equal importance is the fact that the Treasury Department's demand for credit in the short-term market is making it more expensive and more difficult to finance the normal operations of business. Some of those who oppose lifting the interest rate ceiling on Government bonds are inconsistently in favor of cheap credit for individuals and small businesses. They would force the Government to compete with these individuals and small businesses for the available supply of short-term credit. The natural effect is a higher interest rate for everybody in the short-term and intermediate-term credit markets."

New York Times, July 15, 1959: "Is there a relatively painless way by which the Treasury could sell more long-term bonds without paying higher interest rates? Are there devices by which the Federal Reserve System, without pumping up the Nation's bank reserves and money supply to inflationary proportions, could help solve the Treasury's problem? A number of Democrats in Congress think the answer to both those questions is "Yes" * * *. The idea is to have the Federal Reserve buy Treasury bonds from time to time, which it does not now do, while still fulfilling its 'primary mission' of a sound monetary policy. This is to be the painless cure for the debt-management problem * * *. There is no easy way to beat inflation and still keep interest rates low at a time of boom in the economy. The Ways and Means Committee would do well to recognize that fact and strike the amendment from the bill."

The Washington Daily News, July 20, 1959: "Funny money is the problem in congressional maneuvering over interest rates. An insistent minority would run the printing presses to pay the Government's bills. * * * Present high living costs * * * are substantially the result of their work. * * * The printing press influence is obvious in the Ways and Means Committee suggestion * * *. Any such "sense of Congress" as is proposed wolud advertise to the world that we haven't learned our lesson * * *. We hope that, whatever else Congress may choose to do about interest rates, it will eliminate this inflationary advice to the Federal Reserve."

Baltimore Sun, July 25, 1959: "The present management of the Federal Reserve System is very much against trafficking in Federal bonds * * *. The Government's credit is measured in the ultimate by its bonds. For the Federal Reserve to buy these bonds would, the Reserve feels, inject artificial and distorting pressures into the market. * * * The Federal Reserve System's resistance is clearly on a keep-the-camel's-nose-out-of-the-tent basis."

J. A. Livingston in Washington Post, Philadelphia Bulletin, and other newspapers, July 26, 1959: "Both the Reserve Board and Secretary of the Treasury Anderson consider the amendment misleading and inflationary. It implies that the Reserve will become a backdoor printing press for the Treasury. The vote on this will disclose the inflation and anti-inflation lineup in Congress.

The New York Times, July 27, 1959: "The independence of the Federal Reserve System, for example, is a far more vital issue than a change in the Government bond ceiling that could well prove of theoretical more than practical significance. There are other fiscal and monetary issues that are more important.

"It is to be hoped that the administration in seeking to end the illogical interest rate ceiling on Government bond offerings, will not be willing to pay to high a price for something that promises to have limited practical value, at most, all this time."

The Journal of Commerce, August 7, 1959: "The current pattern of savings in the Nation tells more about why interest rates are high than do all the speeches in Congress criticising tight money * * *. The only way to lower interest rates in a market for money, controlled by supply and demand factors, is for the Congress to practice fiscal discipline, giving an indication through its spending and taxing policies that it is seriously interested in defending the value of the dollar."

The Houston Post, August 12, 1959: "President Eisenhower and Secretary Anderson have put before Congress the only positive proposals to ease debt management worries and curb inflation. In the absence of alternates, it would appear that Congress must act to maintain confidence in the dollar."

New York Herald Tribune, August 19, 1959: "From the start congressional Democrats have treated the interest rate issue as a political football, hoping to use it as a means of pinning on the Republicans a phony 'high interest party' label. Without freedom to adjust to these forces (of a free market) the Treasury hasn't the means to manage the national debt soundly. Yesterday's action was not only fiscally imprudent but politically irresponsible."

Wall Street Journal, August 20, 1959: "The Ways and Means Committee * * * seems to share the * * * view that if you just won't think about unpleasant things they'll somehow go away * * *. The public market for new Government bonds of larger denominations is for all practical purposes now nonexistent * * *. Well, the Treasury can try to do what it has been doing, juggle its short-term debts in air in the hopes it can keep them there. But in a year's time, when the committee may again 'think about it,' that problem will be far worse * * *. Irresponsibility may be charming in a minx, but not in grown men. And even Scarlett O'Hara found out, in the end, that tomorrow was too late."

Washington News, August 26, 1959: "President Eisenhower did a first-class job in telling Congress why repeal of the 41-year-old ceiling on interest rates for long-term Government securities is so important to American pocketbooks. If Congress doesn't drop its purely political aversion to this proposal, the country is headed for another round of inflation."

New York Times, August 27, 1959: "The ceiling on marketable securities * * * is in the nature of an anachronistic accident. It has no logical relationship to present conditions in the bond market."

Wall Street Journal: "Every man knows there are sensible and foolish ways of managing the burden of debt. And only an irresponsible Congress will force the Nation of which it is caretaker further along the ways of folly."

New York Herald Tribune: "The same lawmakers who voted to raise the mortgage ceilings are refusing to grant the President's request for authority to sell bonds paying more than 4¼ percent."

EXHIBIT 2

MONEY MANAGERS HIT A ROADBLOCK—TREASURY IS FORCED BACK INTO SHORT-TERM MARKET FOR NEW BORROWING—$5 TO $7 MILLION NEEDED, BUT THE SALE OF BONDS WITH LONG MATURITIES IS BARRED BY INTEREST CEILING

(By Paul Heffernan)

If a man made $7,000 a year and owed about $29,000, of which $5,000 was payable on demand and $7,500 more within a year, he would know what it's like to be Uncle Sam. The difference is seven zeros at the end of the dollar sign.

An ordinary citizen in such a fix would first of all try to keep happy those creditors who held the demand debt so that they would not descend on him all at once with an order to shell out 70 percent of his year's salary. Next, he would persuade the other short-term creditors to give up their 1-year call on his salary for a repayment scheme that would give him 10 years or more to work out of the debt.

Not so with Uncle Sam, however. Instead of trying to wriggle out of the money pickle, the Government is getting ready to go even deeper into short-term debt. Before the year is out, the tax-poor Treasury wll have to borrow $5 billion to $7 billion in fresh cash. Much of the job will be done next month.

LONG ISSUES BLOCKED

The money will have to be borrowed at short term because Congress will not permit the Treasury to sell long-term securities (issues with a life of more than 5 years) at an interest rate higher than 4¼ percent, a ceiling enacted by a World War I Congress and since maintained.

Until about a month ago it was debatable whether the Treasury might still be able to raise long-term money at the 4¼-percent limit ordained 40 years ago. There is no question now, however. The economy's persisting vigor is making loan money scarce, a story that the bond market has been unfolding the last 2 weeks in the form of rising investment yields.

The Treasury's 14 outstanding issues of marketable long-term bonds—issues maturing from 1965 to 1995—are selling in the market at prices yielding 4.15 to 4.79 percent, except the 3s of 1995, which, because of special tax considerations, yield about 3.9 percent to maturity. Under such conditions, the Treasury could hardly expect to borrow much long-term money at a cost of less than 4½ to 4¾ percent. Within a few months, if economic conditions do not slacken materially, the rate might be 5 percent.

PIVOTAL CREDITORS

Who are the investors who hold $50 billion of payable-on-demand debt over the head of the Treasury? Who are the holders of $75 billion of other debt due within a year? Are there signs that investors are getting indifferent about holding so much of the floating public debt and would rather put the money to other use?

The answers are sobering.

The Treasury's demand creditors are the people who own savings bonds, issues slated to mature over 10 years or so from issuance, yet nevertheless subject to redemption at the holder's option on demand. Statistics show that such people are becoming increasingly reluctant to hold the bonds. Sales are falling off and cash-ins are mounting. In July, for instance, there were nearly twice as many savings bonds turned in for redemption as there were new bonds sold.

Congress last week took a belated step to make the savings bonds more attractive to holders. It approved a bill to raise the interest yield on the savings bonds, if held to maturity, from 3¼ percent to 3¾ percent.

The congressional move should go far toward arresting the growing unpopularity of

the savings bonds if the indifference of the public is due mainly to a rate of return that is no longer competitive with yields from insured savings accounts in banks and savings and loan associations and other comparable investments of conservative, yet liquid, kind.

The switching out of savings bonds, may be the result not merely of resentment against a starvation return on savings. In part, the cash-ins may mark a basic revulsion from the savings propensity in favor of spending or risky speculation. Here lies the great danger to the Treasury.

So long as savers have confidence in the worth of their Nation's money, they are not likely to be overcritical of the yield on a Government savings bond, a special investment that smacks both of immediate self-interest and patriotism. But once small investors are carried away by the urge to build or maintain estates by the purchase of speculative equities, no force short of an emergency state decree would be able to stop the avalanche of savings bond turn-ins.

The problem posed by the $75 billion of other Government floating debt is perhaps even more delicate. By far the greater part of this debt is held by the Nation's large corporations, in lieu of petty cash.

Of the $75 billion of Treasury debt held within a year, about half represents discount bills due in a week to 10 months. There has been a significant rise in the market yields on the bills over the past month. Most of the bills outstanding now yield more than 4 percent. This bespeaks two forces.

One force is swelling supply. The Treasury, facing an ever-narrowing field in which to raise money, is turning more and more to the discount bills.

The other force is receding demand. During most of the summer it was an open question as to whether the big corporations that hold the greater part of the $37,500 million bill debt would continue to be willing investors. Recent weeks suggest the answer.

The corporations are not bidding in the Treasury market as eagerly for the bills as they used to. The big companies are moving into the period of the year when inventories tend to rise. The money on loan to the Treasury in part is being switched back into the business. Besides, profits are slowing up and free cash is shrinking.

In such a pass, the luxury of carrying more than 40 percent of the public debt in the form of demand or short-dated securities is sure to exact from Uncle Sam an uncomfortable price. Probably Congress will have to see it to believe. The wait may not be long.

EXHIBIT 3

[From the New York Times, Sept. 6, 1959]

BIG TRADE DEFICIT IS SPARKING MOVE TO CUT AID FUNDS—UNITED STATES WORRIED BY DECREASE IN GOLD STOCKPILE AND RISE IN FOREIGN ASSETS HERE

(By Edwin L. Dale, Jr.)

WASHINGTON, September 5.—The big deficit in the U.S. balance of international payments, with its resulting outflow of gold and buildup of foreign assets in New York, has begun to have a major impact on administration thinking about foreign aid.

Powerful voices, centering in financial agencies, have begun to argue that the flow of Government capital abroad in the form of aid is too large for the continued strength of the dollar.

The underlying belief in top administration financial circles is that there is an entirely new situation in the world economy, with European currencies gaining strength while the dollar is showing the first faint signs of vulnerability.

EMOTIONS IN CONFLICT

The immediate results of this view came in President Eisenhower's trip to Europe, during which he urged that European nations undertake a far greater share of the burden of helping underdeveloped countries.

In a sense, the administration is torn between two powerful emotions. One stems from acceptance of the basic idea that the underdeveloped countries must be helped in the interest of the United States as well as for the good of those nations that get aid.

The other is a growing fear for the future stability of the dollar unless two related things happen: domestic finances are controlled and the balance of international transactions is righted. The U.S. deficit in international transactions was $3,400 million last year and will probably be even larger this year.

FUTURE SEEMS GLOOMY

As financial officials see the situation, it will do no good to anyone if there is a larger outflow of aid dollars but the dollar becomes of dubious value. This could happen, it is believed, if U.S. payments deficits continue on a large scale for many more years.

Such a deficit means that foreign countries as a whole obtain more dollars than they spend to buy American goods. They can take the difference in gold or can keep it in dollars and invest them in the financial markets in New York. These invested dollars are potential claims against gold. Already they total $15,651 million not far below the gold reserve, which has dwindled to $19,524 million.

As the claims grow and the gold stock declines, U.S. short-term liabilities might eventually exceed assets. Even that would not necessarily mean a run on gold or some other crisis. But U.S. officials do not like to contemplate even the remotest possibility of such an event.

Besides, some of them, looking ahead, are unhappy at the thought of potential pressure on the United States from what, in effect, would be its foreign creditors. The United States, which has been exerting the pressure for years, does not want to be on the receiving end.

Foreign countries are already substantial creditors of the U.S. Government. They have invested about $6,200 million in New York in short-term Government securities. Thus, as one high official put it, "we're borrowing short from foreigners at home and lending abroad long."

The recent deterioration in the U.S. balance of payments has come about mainly because of a drop in exports and a rise in imports, not because of an increase in foreign aid. But as financial officials view the situation, foreign aid is the one element in the total balance over which the Government has considerable control.

It is regarded as certain that the new line of thought in the administration will be a major theme in conversations with foreign Finance Ministers at the annual meeting here later this month of the International Monetary Fund and the International Bank for Reconstruction and Development.

European countries have been running strong surpluses in their balance of payments while the United States has been in deficit. To U.S. officials this means only one thing: Europe should become a much bigger exporter of capital and the United States a smaller one.

NEW VIEW ON INVESTMENTS

Officials worried about international payments deficit are even beginning to take a less enthusiastic view of investment abroad by American business. Up until very recently, this was welcomed on every count, by conservatives and liberals alike.

Now, with the payments deficit uppermost in many minds, an investment abroad is frequently seen as a double blow—first, an immediate outflow of dollars; and, second, a probable setback to American exports. The export loss occurs when an American manufacturer, for example, builds a plant in Europe to share in the Common Market rather than try to sell goods made in the United States.

This feeling accounts for the Treasury's opposition to a bill to provide new tax incentives for foreign investment unless its benefits are limited to investments in underdeveloped countries.

A reflection of the growing concern about the international payments position of the United States came in the administration position on the Development Loan Fund in the foreign-aid bill. The President refused to support a Senate move to put the Fund's financing on a long-term basis, increase its lending authority and get around the Appropriations Committees, even though the President's original position backed all three ideas.

Another reflection of the new line of thought, paradoxically, is U.S. support for the new International Development Association, even though this will cost the United States $330 million. Such a new institution has several merits in the eyes of an official worried about the U.S. payments deficit and the problem of the underdeveloped countries.

It puts Europe in the lending picture for the first time on a formal, multilateral scale.

Because it will be equipped to make "soft" loans—loans with easy terms and repayable in the currency of the borrower—it should eventually ease the pressure for a larger and larger Development Loan Fund in the United States. The Loan Fund also makes this type of loan.

EXHIBIT 4

[From the Washington Post, Sept. 7, 1959]

LEGISLATORS HURT THOSE THEY PROFESS TO PROTECT

(By Harold B. Dorsey)

The penalty of financial stringency imposed upon millions of small businesses and individual borrowers was symbolized last week by the increase from 4½ to 5 percent in the interest rates which commercial banks charge their "prime" customers. The interest rate charged for money loaned by the banks to other borrowers will not scale upward from 5 instead of from 4½ percent.

There can be little doubt that the failure of Congress to pass legislation that would permit more flexibility to the Treasury Department in its financial operations is closely associated with the rising interest rates. As prospects for this legislation diminished there seemed to be a corollary increase in interest rates. Then when it was announced that the House Ways and Means Committee had pigeonholed this legislation for the balance of the session, interest rates rose sharply.

On Monday of last week the Treasury Department had to pay the highest interest rate for its 91-day borrowings since the bank holiday in March, 1933. And Government bond prices declined again to the lowest levels since the early 1930's. The interest yield for most outstanding Government bonds is now well in excess of the 4¼ percent ceiling which Congress has refused to lift.

Only a few months ago it was considered to be only a fantastic possibility that Congress might force the Treasury Department to borrow all of its money in the short-term and intermediate-term market. Now that the fantasy seems to have become a fact, it is clear that this competition of the Government for short-term credit, in competition with all of the other kinds of borrowers, is causing an extremely tight credit situation.

One might logically ask: Why has there been so much weakness in market prices for longer term Government bonds? The answer is that the congressional attitude on this subject strongly suggests encouragement for inflation. Few lenders want to lend their money for a long period of time if

there is such a clear threat that they are going to be paid back in depreciated dollars.

At any rate, we stand today with some of these financial factors in an unusually critical condition. Furthermore, the arithmetic suggests that this condition is going to get worse between now and the end of the year. The Treasury Department has $8.9 billion of debt maturing in November to refinance and it has to raise several billions of dollars of new cash in the next few months. This substantial demand for credit has been forced into the short-term credit market.

In addition, many businesses have to increase their borrowing between now and the end of the year to carry harvests and to carry their Christmas inventories. More bank credit will be needed after the steel strike has been settled to finance the anticipated snapback in business activity.

When we pile these additional demands for credit on top of the present unusually tight situation, we do not end up with a very pretty picture. Somebody is going to get hurt. In the first place, the implied inability of small business people to borrow money for their seasonal needs is a painful matter. In addition, millions of people who borrow for their personal needs are being forced to pay higher interest rates—if they can find the credit at any interest rate.

And as if that were not enough damage, all of the rest of us are being penalized by the needlessly higher interest rates which our Government is having to pay for its borrowed money.

It is very difficult to understand why Congress has not been able to recognize these painful effects that are resulting from their amateurish efforts to tamper with the Nation's delicate credit mechanism. Is it possible that those Congressmen who are blocking the legislation to give the Treasury Department more flexibility fail to comprehend the painful effects of their inaction? If they had not been able to anticipate that their inaction would cause the Treasury Department to pay the highest interest rate on its borrowings since the bank holiday 26 years ago, then all they have to do now is look in the newspapers and find that that is the fact. If they had been advised that this kind of thing could not happen, then they should, at least belatedly, recognize the ignorance of their advisers. The facts that have already been developed prove that ignorance.

The weird part of this whole thing is that the suffering is most serious for the millions of people whom these Congressmen profess to be protecting, while it is helping the profits of the comparatively few for whom numerous Congressmen have frequently expressed criticism—the bankers. Even the latter realize that they will ultimately suffer by the distress that is being imposed on all of the others.

EXHIBIT 5

HOW BOND RATES AFFECT YOU

Nobody in his right mind thinks that Congress would ever imperil the national defense by refusing to pay the Pentagon's bills. And if it did so there would be such an outburst of indignation that Congress would get cracking.

But the reverse of this is happening. The management of the public debt is also of vital concern. Yet Congress is refusing to give the Treasury the powers it needs to manage the public debt in a sound and orderly way. There has been no outburst of public indignation because the issue is difficult for laymen to grasp.

They had better grasp it, for it affects the value of their savings and the security of their future. By its failure to act, Congress is driving up interest rates and adding to inflationary pressures. Here are the simple facts:

The dead hand of the past—a World War I measure passed in 1918—puts a ceiling of 4¼ percent on long-term Government bonds and savings bonds. It is these bonds, bought by insurance companies, trust funds and the savings of individuals, which should carry as much as possible of the public debt because they check inflation by taking savings out of the scramble for goods.

This 41-year-old ceiling on bond interest makes it increasingly harder for the Treasury to sell new bonds. Institutions and individuals, since they can get better rates from other securities, refuse to buy them. Since 1946, for example, life insurance companies have reduced their holdings of Government bonds from 45 percent of their assets to a mere 7 percent. Many individuals cash in their savings bonds.

Instead of putting out long-term bonds with interest rates high enough to make them marketable, the Treasury has been forced to raise the needed money by "short-term paper" (e.g., 91-day notes), which are bought chiefly by commercial banks. Since they are virtually the same thing as cash, these notes can be used by the banks to expand their loans. They can lend $5 of new money for each $1 of Treasury notes they own. This has an immediate inflationary effect.

Furthermore, this "monetizing" of the debt tends to drive up interest rates as the Government competes with other borrowers for scarce money. In the last fortnight, for example, the rate on 91-day notes has just risen to 3.8 percent, the highest level since the bank crisis of 1933. If this trend continues, even short-term interest rates may soon exceed the 4¼ percent ceiling on long-term bonds. This freakish result is made more likely by Speaker RAYBURN's announcement last week that Congress won't act this year on the President's reiterated request for lifting the interest ceiling. Such inaction undermines the dollar by raising doubts abroad as to its soundness and damages the Government's credit, just as it does the economy itself.

Some leaders are urging the President, on his return, to take the issue to the voters as he did on labor reform. If Congress adjourns without action, the President may call it back in special session. But voters themselves can help speed the necessary action by letting their Congressmen know that they back the President. He has stated the issue very clearly:

"The vital interests of all Americans are at stake because excessive reliance on short-term financing can have grave consequences for the purchasing power of the dollar * * *. Let me state as plainly as I can that this is not legislation to increase interest rates * * *. We always seek to borrow as cheaply as we can * * *. To prohibit the Treasury from paying the market price for long-term money is just as impracticable as telling the Defense Department that it cannot pay the fair market price for a piece of equipment. The result would be the same in either case: the Government could not get what it needs."

EXHIBIT 6

[From the Federal Reserve Bank of New York, Supplement to Monthly Review, June 1959]

THE FUTURE OF THE DOLLAR

(By Dr. Wilhelm Vocke,[1] former president of the Bank deutscher Länder, now the Deutsche Bundesbank, the central bank of the Federal Republic of Germany)

You have invited me to discuss with you the problem of the dollar, which is a task that I approach with some hesitation since it concerns, after all, your country. Yet the issues that are involved clearly reach beyond national frontiers and indeed affect the world as a whole. There would be little value in my joining this debate on monetary problems if I thought the world were headed toward another war. But I firmly believe in peace—many years of peace; and I am convinced that the United States can promote peace most effectively not only through the power of its armaments, but through the strength of its financial system as well.

The current debate over the future of the dollar and economic growth has advanced to the stage where the issues are now clearly drawn. The choice is between the path of creeping inflation and that of a strong and stable dollar. A clear decision as to which path is to be taken must be made now in the interest of the business community and the nation, which must know the direction in which the economy is moving and how much trust can be placed in the currency. Things cannot be permitted to drift, creating uncertainty and confusion among long-term investors who must plan ahead and on whose appraisal of the future the economic growth of the country depends.

THE LESSONS OF THE GERMAN EXPERIENCE

Let me first make a few observations on the German monetary experience, from which some fundamental lessons can be drawn. When I assumed office as president of the bank deutscher Länder 10 years ago, monetary conditions in Germany were in a desperate state. Several experts, both German and foreign, with worldwide reputation and extensive experience declared frankly that the deutsche mark had virtually no prospects of ever becoming a hard currency. That these well-meant opinions proved wrong, as time has shown, is no doubt in part due to a good deal of luck and favorable circumstances. But I, for one, never wavered in my conviction that a monetary policy, consistently and energetically pursued in order to establish and maintain a stable currency, must succeed.

There are perhaps two principal lessons to be learned from the German experience. The first is that currency stability can be achieved and preserved even under the most adverse circumstances. The second, and even more significant, is that a monetary policy, firmly committed to currency stability, not only does not conflict with a high rate of economic growth but indeed is essential to its achievement. Germany's remarkable economic recovery and expansion over the past decade was closely linked to the restoration and preservation of a strong and stable monetary unit.

Obviously, these policies did not escape the test of public opinion. In 1955 the German economy was unmistakably headed toward a dangerous boom. All economic indicators—production, employment, income, exports, and above all wages and prices—were surging upward at a high pitch. Under these conditions prompt and energetic measures by the central bank were called for, in order to keep the economy from losing balance. The steps taken to bridle the inflationary forces proved highly unpopular and were severely criticized by industrialists, government officials, and the public on the grounds that they would undermine economic growth. As matters turned out, none of the somber predictions came true. On the contrary, as a result of the early effort to defend the deutsche mark, the economy quickly regained both its equilibrium and the basis for continued expansion in an orderly manner. This experience proves that a central bank must be persistent and unruffled in its pursuit of a determined course of action, and must not shrink from occasionally taking unpopular measures if its obligations and responsibilities to the nation are to be properly fulfilled. In Germany, such monetary measures had to be taken on several occasions in the face of widespread criticism. But now

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[1] Condensation of remarks made in this country by Dr. Vocke on Apr. 13, 1959.

that the economy is vigorously moving forward at a high level of prosperity and on the basis of a stable currency, what were once unpopular policies have now become the object of rather general praise.

The experience in the rest of Western Europe has been much the same. Comprehensive monetary and fiscal measures have helped restore financial stability and have revitalized the economies. The United States may regard the accumulation of gold by these countries with mixed feelings, but the fact remains that the gold had to be earned by productive effort. After years of bitter experience with inflation, Western Europe has now turned to monetary stability. The rejection of policies leading to continual depreciation of the currency was dramatized last December when 13 European countries took steps to make their currencies fully convertible.

THE CREEPING INFLATION THESIS

To a foreigner it seems almost absurd that there should be certain quarters in the United States where inflation is tolerated or even recommended. Surely any price to be paid for inflation must be excessive, considering not only the adverse economic and social effects, but the irretrievable losses in national prestige it may entail. The path of inflation in the United States would not only mean the depreciation and ultimate devaluation of the dollar, but also an acute decline in the moral authority, power, and international stature of the United States. That there are close links binding a nation's prestige to its financial posture is evident from the manner in which the emergence of the deutsche mark as a sound and stable monetary unit has enhanced the stature of the new Western Germany in the family of nations.

The arguments advanced by the advocates of inflation must be earnestly and thoroughly considered. To begin with, the arguments set forth are, above all, political in character. The inflationists purport to show that inflation is an inevitable tide that can be stemmed only at the cost of economic progress. Consequently they say, the attitude toward inflation must be rendered more flexible, and economic doctrine and policy must be adapted to a new institutional setting instead of plodding along the old rut of a stable currency.

Certainly, the proponents of this thesis by no means favor galloping inflation, but only the mild, creeping kind. In fact, they would for the most part readily admit that even a moderate inflation entails certain evils. Nevertheless, they would argue also that, whatever these evils may be, they are far less serious or significant than the grave political repercussions bound to result from a policy that tolerates an impairment of full employment, however temporary. To the advocates of creeping inflation full employment and monetary stability are incompatible. And, if there exists a choice, the decision would have to be in favor of full employment, for political reasons. Superficially, at least, these arguments may appear more or less plausible, particularly since they rest on political considerations. Yet on closer examination their contradictory nature becomes self-evident.

Let us turn first to full employment. What does it mean and to what degree can it benefit the Nation and the economy? If full employment should mean that the labor force is occupied 100 percent, the law of supply and demand cannot function normally in the labor market, and there exists, in effect, a state of overemployment. Under such conditions, employers can expand output only by outbidding each other for the available work force and by drawing workers away from one another. Labor, in turn, is enabled virtually to dictate its own wages. Such a state of affairs clearly cannot be regarded as the desirable optimum for the Nation or the economy, either in its domestic or international aspects.

It is also evident that in a free economy the level of employment cannot be maintained constant to any greater degree than the level of production, consumption, investment, or trade. But, while it may not be possible to eliminate economic fluctuations entirely, the magnitude and duration of the cycles can be at least minimized. In this connection, one ought to bear in mind that, even at fairly high levels of prosperity, it is easier to influence or control the oscillations in employment and business activity than to bridle a cumulative inflation which must eventually lead to the proverbial bust. Nonetheless, the proponents of creeping inflation recommend yielding to overemployment, continually rising wages, and the price-wage spiral, while declaring at the same time that what they envisage is merely an inflation that crawls along at the leisurely rate of, say, 2 percent per annum. Let us examine how this invention will work.

THE CUMULATIVE PROCESS OF INFLATION

The initial phase of inflation has a certain appeal. Rising money income activates the economy like a breath of spring that brings out the blossoms everywhere. Industry invests and production expands; credit volume rises, with borrowers planning to repay loans in depreciated money as inflation progresses. Employment climbs, and for a considerable part of the population the standard of living actually increases as consumption moves up, while the incentives to save wane. All economic indexes surge upward, mutually reinforcing each other, and setting the inflationary spiral in motion. At this stage, and at this stage only, inflation finds many adherents. But this happy state is usually short lived and lasts only as long as some faith in the currency is still maintained. Even while this phase continues, an increasing segment of the population, dependent on fixed incomes, begins to feel the ruthless grip of the inflationary pressures.

The inflationists have a remedy at hand for the sectors that are squeezed between rising prices and lagging incomes: The escalator clause. This clause, which automatically links wages, salaries, and even some business transactions to the cost-of-living index or gold, was widely used in France, but with results that proved far from encouraging. In fact, the escalator clause is merely an illusion. As long as the depreciation of the currency is minor, the clause is not invoked. And when inflation progresses, it is satisfactory neither to income receivers nor to income payers; meanwhile the Government is forced to inflate to an ever greater extent, in order to compensate those groups that remain unsheltered by the index clause. More importantly, however, the escalator clause, in itself, officially discredits the currency and therefore intensifies inflation. Moreover, what it clearly reveals is that, once the currency no longer serves as a stable standard of value, a substitute must be found. Since stability is, after all, essential, the absurdity of abandoning a stable standard of value in the first place becomes patently obvious.

All the various adaptations, compensations, and adjustments to a rising price level may well be bearable as long as inflation remains within narrow limits. But the fact is that inflation is progressive and eventually becomes fullblown. That point is reached when the public begins to lose faith in the currency and the material-value psychosis spreads. The scramble for goods is matched only by the rush into equity investments, while the bond market sags. The damage that inflation inflicts on the market for fixed-interest securities eventually makes it virtually impossible for the Government to consolidate its short-term debt. For no one will acquire bonds when the money invested continually shrinks. The inevitable consequence is that the central bank will be asked to absorb the unmarketable public debt, which adds further fuel to the inflationary surge.

The reluctance to hold money or fixed-interest securities finds expression also in the rapid decline in savings. Wasteful consumption and misdirected investments suddenly become rational economic actions, compared with the foolishness of saving money that is rapidly becoming worthless. At this point the reckless spendthrifts and speculators are proved right and amass fortunes, while the honest, conscientious, and weak lose the little they have. As the process continues, customary standards of behavior are swept away and accepted moral attitudes are shattered. Soon everyone flees from the currency and joins in the furious dance of inflation, while the nation is rapidly moving to the brink of disaster.

The succession of events that I have just outlined would probably be considered a gross exaggeration by the proponents of creeping inflation. They would assert that the idea is not to let the inflation get out of hand, but to confine it to a delightful 2 percent per annum. How is this feat to be accomplished? Obviously, inflation cannot be kept automatically within prescribed limits. There is no stable coefficient of inflation. Once begun, inflation spreads like fire and feeds on itself. Moreover, even if a limited depreciation of the dollar is envisaged, the public will try to protect itself, and by doing so will inevitably accelerate the pace of the price rise. Stability of the rate of inflation is an illusion, for if the public knows there will be a creeping inflation of 2 percent per annum, then the 2 percent will be reached not at the end of the year, but at the beginning, and the pressure for inflation will mount.

Since inflation is not self-regulating, by what method would the advocates of creeping inflation confine it to the predetermined limits? One answer is by credit policy, including restrictions on the volume of borrowing and increases in the rediscount rate. But the applications of such measures would be precisely those which the inflationists had sought to avoid in the first place. This means, in effect, that, while the inflationist would not be prepared to sacrifice full employment to monetary stability, he would nevertheless be disposed to sacrifice it for the sake of keeping the rate of inflation within arbitrary limits. The contradictory nature of the creeping inflation thesis now becomes self-evident.

We may even go one step further. What is really meant by a 2-percent rate of inflation? If it refers to the average price level, and not to the prices of individual commodities, say, straw hats or the wages of particular workmen on the bench, then the statisticians may well find that, after they have assembled and averaged the prices of all the separate commodities, the actual rate of inflation has surpassed the stipulated maximum. The consequence might then be the application of an elaborate network of physical controls over individual prices and wages. Adoption of a policy that is defined in terms of hitting a rigid target for average prices greatly increases the chance of detailed regulation to assure its fulfilment. Such economic regimentation would severely shatter the foundations upon which this Nation was built and radically alter its way of life. Inflation inevitably breeds economic controls, regimentation, and moral corruption.

THE INTERNATIONAL ASPECT OF INFLATION

Let me now touch briefly on the international aspect of the creeping inflation thesis. During my years as president of the Bank Deutscher Länder, that institution accumulated and kept a considerable amount of dollar assets in this country as backing for the Deutsche mark. Other central banks did likewise. And today, foreign central

banks alone hold almost $10 billion here as part of their international reserves. These substantial holdings reflect the confidence of the world in the strength and stability of the U.S. dollar. One should hasten to note, however, that this faith in the dollar is by no means unshakable, and developments affecting its future are closely watched abroad.

There can be little doubt that a green light for creeping inflation would entail grave international repercussions. Acceptance of the doctrine—which to me is virtually unthinkable—would severely undermine the position of the U.S. dollar and would set in motion forces leading to its rapid replacement by gold as an international standard and store of value. The evitable result would be a massive withdrawal of foreign dollar balances and heavy gold losses for the United States. Under these circumstances the question of raising the price of gold and hence the devaluation of the dollar would again arise. I have not discussed this issue here; suffice it to say, however, that there are few things that I would regard as more detrimental to the United States and to the world than an increase in the dollar price of gold.

For all the reasons stated nothing must be permitted to give the world the impression that the stability of the dollar is in doubt. For any action that might signify yielding to the inflation thesis would involve irretrievable losses to the United States and would inflict immeasurable damage to the international monetary mechanism.

CONCLUDING COMMENTS

As a final word I may ask what there is to be gained by setting free the forces of inflation, except a postponement of the unavoidable adjustments that every economy must make sooner or later. It is certainly easier and less painful to curb incipient inflation or moderate the magnitude and duration of economic fluctuations than to tame an inflation that has reached the stage where only drastic deflationary remedies can be administered to restore balance. The measures taken in the United States last year illustrate that recession need not turn into depression and can be shortlived even without turning on the engines of inflation. Inflation essentially means weakness and thus cannot furnish a sound or lasting basis for economic progress. It is the line of least resistance, and not the road to an effective solution of economic problems or to the realization of economic aspirations.

We are living in a critical period in which courageous decisions must be made in order to win the struggle for freedom. This struggle, however, cannot be successfully waged by yielding to the disease of inflation, whether creeping, crawling, or any other kind.

The United States need not fall victim to the grip of inflation if that be the Nation's firm will. But any wavering in the determination to preserve the strength and stability of the dollar may lose the battle before it is even begun. I am confident that the underlying beliefs and traditions of this country are strong enough to give unhesitating expression to the will to preserve monetary stability on which much of the power and moral authority of the Nation rest.

The words of President Eisenhower and the firm attitude of the Federal Reserve System leave no doubt that the right choice is being made. This should be recognized throughout the world. And, as the specter of inflation is dispelled, the future of the dollar as the world's best monetary unit continues to be assured. One of the qualities that has rendered this country strong and powerful has been commonsense. If commonsense is to continue to guide American policies, the stability of the dollar cannot be in doubt.

Mr. PROXMIRE. Will the Senator yield?

Mr. BUSH. I yield.

Mr. PROXMIRE. Mr. President, it is my understanding that at least some interest rates are at a 20- or 25-year high. I noticed in the Wall Street Journal this morning that the Federal Reserve Board stated "Rise in Discount Rate To Fight Inflation, but Has Not Set Date." I presume that means they are going to pursue policies which in all sincerity they think will be desirable, but in my judgment will tend to result in higher interest rates.

Is it possible the high interest rates are likely to go down in the future or continue to rise?

Mr. BUSH. Do you mean interest rates generally?

Mr. PROXMIRE. Interest rates generally.

Mr. BUSH. I would say, as I did earlier, if business activity continues to expand and makes increasing demands upon the supply of savings available, it will have an upward pressure on interest rates.

Mr. PROXMIRE. Then the answer of the Senator from Connecticut is that interest rates are likely to continue to rise?

Mr. BUSH. I would say the Senator can draw that conclusion. I do not wish to haggle over words with him, but I say if we have a continuing increase in the rate of industrial activity and commercial activity, it would have a tendency to make more demand on savings that exist for lending purposes, and therefore it would be bound to exercise some upward pressure on interest rates. How far they would go or how much the interest rates would rise as a result I do not think I am in a position, nor is the Senator from Wisconsin, to guess. But there would be the tendency for interest rates to go up if the demand for money increases.

Mr. PROXMIRE. It is my understanding that within the last couple of years the former Secretary of the Treasury George Humphrey testified interest rates have had a long-term trend to move downward. On the assumption that Mr. Humphrey is an extremely competent man, a man who was both a practical and a successful businessman and a man who had great experience as Secretary of the Treasury, I would assume this conclusion may be correct.

Mr. BUSH. Does the Senator wish me to comment on that?

Mr. PROXMIRE. Yes; I wish the Senator from Connecticut would.

Mr. BUSH. I am not familiar with that particular part of Mr. Humphrey's testimony, but in my lifetime I have seen interest rates go down. Following World War I when I made my first loan, it was at the rate of 6 percent, and that was a standard rate of interest at that time charged by the banks in the Middle West. I then lived in Columbus, Ohio.

Ten or fifteen years later one could borrow on a similar moderate risk at a rate of interest less than that—say 5 percent. I saw those interest rates go down so that one could borrow on a similar risk at around 4 percent or even less.

I say to the Senator from Wisconsin interest rates during my lifetime and since World War I have gone down. They went down with the depression. As business activity slackened off and the demand for money slackened off, interest rates went down.

They remained down until the beginning of World War II and then they were held down because controls were put on them as they were put on prices and wages. The Senator remembers that, though he was probably in the service at the time. They were artificially held down then. Since that time they have had a tendency to rise as industrial and commercial activity have placed increasing demand upon savings.

Mr. PROXMIRE. The reason I ask the Senator these questions is that experience over a lifetime suggests that interest rates, No. 1, have been tending to drop perhaps. I also suggest that they do fluctuate, and I also suggest that it might be very unwise fiscal management for the Treasury to make a commitment to pay more than 4¼ percent for long-term money, a commitment which they would have to honor 5 years from now, 10 years from now, or 15 years from now, no matter how low interest rates drop. They would still have to pay the 4½ percent, 5 percent or 5½ percent. They would commit themselves to buy in the event the amendment the Senator from Connecticut proposes were adopted.

Mr. BUSH. I say to the Senator there is nothing new about that. After World War II we had the Victory Loan. I think it was at a rate of 4¼ percent. Subsequent to that time the Treasury was able to borrow on long-term credit at lower interest rates, depending on the conditions of the market.

But the point I am afraid the Senator overlooks is that the Treasury must borrow all the time. It has to borrow almost from week to week; certainly from year to year. The Treasury Department's hands should not be tied to place it at a disadvantage with all other borrowers. It has to borrow to take care of the business of the country.

Mr. PROXMIRE. Might not it be wise for Congress, as a kind of board of directors, to tell the Secretary of the Treasury, at times when the interest rate is high, not to make a long-term commitment to borrow money on a short-term basis? Might not that be justifiable, in view of the fact that, as I understand, no long-term bonds will be coming due until November of next year. Consequently, it would be possible to maintain the maturities we now have until then; and before next July, or so, have the Congress consider whether it should permit borrowing for a higher interest rate, for a longer period.

In other words, Congress might act as a board of directors, in telling the Secretary of the Treasury, "Do not commit the Government to pay more than 4¼ percent over a longer period of time."

Mr. BUSH. Mr. President, my enthusiasm for putting Congress in the position of a board of directors or advisers to the Treasury Department and to the

Federal Reserve Board in such matters is at a very low ebb.

Mr. PROXMIRE. I am sure it is.

Mr. BUSH. In fact, it is at so low an ebb that I can hardly feel any enthusiasm at all for it.

I have pointed out that I am very much troubled by the fact that, in my judgment, the Congress—and I am not directing this remark at any individual Member of Congress; instead, I am directing it at both Houses of Congress—does not grasp the seriousness of the situation or see the error of its ways.

I feel that if the Congress were to attempt to tie the hands of the Treasury and the Federal Reserve Board, by telling them that they should do thus and so in this very critical period, that would be a very dangerous procedure; and I shall not subscribe to any part of it. In fact, I shall oppose it just as strongly as I possibly can.

So I cannot conceive of the necessity to have any board of directors, constituted by Members of Congress or anyone else, act insofar as the Treasury and the Federal Reserve Board are concerned. They know what the problem is; it is before them every day. In effect, they are the trusted executives of the people, to deal with these matters.

I do not think anyone has questioned the ability of those men or their experience or their qualifications to serve in these positions.

The other day, I stated here on the floor that all the present members of the Federal Reserve Board were appointed by President Truman, in the first place, except one; one of the present members was appointed de novo by President Eisenhower. But all the others were appointed first by President Truman, and subsequently were reappointed by President Eisenhower; and of course that applies to the Chairman of the Board, who formerly was Assistant Secretary of the Treasury, under the preceding administration; and he also was president of the Export-Import Bank, also under the preceding administration.

So no question has been raised insofar as I know, about the quality or the ability of those men or their capacity or their background or their competence to deal with these matters and these situations.

I think we are very fortunate—and this is one of the things about which I complimented the previous administration—to have had chosen for these important positions men of such high quality; and in that connection I refer to the Export-Import Bank, the Treasury, and, in particular, the Federal Reserve System.

So I do not see any need to establish any such board of directors, other than those who now serve in the persons of the present officials of those agencies.

Mr. PROXMIRE. Mr. President, will the Senator from Connecticut yield further to me?

Mr. BUSH. I yield.

Mr. PROXMIRE. Section 8 of article I of the Constitution provides that the Congress has the power to coin money and determine the value thereof; and I understand that Congress created the Federal Reserve Board to act as its agent. As a result, the Federal Reserve Board should be independent of the Treasury.

I know the Senator from Connecticut subscribes to the independence of the Federal Reserve Board. I would concede that he is correct when he says those on the Federal Reserve Board are men of high quality. They are, indeed, fine men of great experience.

However, is it not possible that those men, who have excellent backgrounds in banking, have a strong tendency—simply because they constantly deal with bankers and the problems of bankers, and because of the banking background of at least some of those officials—to see these problems primarily through the eyes of bankers? Is it not also possible that, from a banker's standpoint, high interest rates are as desirable as high prices for agricultural commodities are desirable to farmers?

Mr. BUSH. Mr. President, the Senator from Wisconsin has asked me several questions.

First, I think the Federal Reserve Board has just as much trouble from time to time holding off special pleaders of the banking fraternity as it does with persons from other sources; and the Board has plenty of trouble with special pleaders, as I am sure the Senator from Wisconsin realizes.

But I do not think there is in the country any better group with a better economic organization than the staff of the Federal Reserve Board. The research work done in that organization is of the highest order, and is relied upon by economists and organizations of all kinds in the commercial world, and also by organizations in the field of education and elsewhere.

In the Banking and Currency Committee, of which the Senator from Wisconsin and I are members, I have repeatedly heard the staff of the Federal Reserve Board lauded—not by me or by other Senators on my side of the aisle, but by Senators on the other side of the aisle.

I must say that I have no concern whatever that the bankers are going to affect the judgment of the Federal Reserve Board in a manner that will be deleterious to the interests of the people of the country.

I think the members of the Federal Reserve Board are very well able to take care of themselves; and they are surrounded by a group of economists and wise and experienced staff members who give them the best possible information on which to base their judgments and their forecasts of the future—and, of course, the latter are also quite important.

Mr. PROXMIRE. I would agree with the Senator from Connecticut as regards the quality of the staff. They are fine men and they are expert in their field, and they have repeatedly demonstrated that.

However, it seems to me that it would be just as irresponsible for Congress to permit the Federal Reserve Board to adopt any monetary policy it might wish to adopt, as it would be for the President of the United States to permit the Secretary of Agriculture or the Secretary of State or the Secretary of Commerce to have carte blanche and a blank check, and to do whatever he might wish to do.

Certainly, Congress has the constitutional right, and also a right based on precedent, to establish certain specific policies; and one of them is to say to the Secretary of the Treasury, "We believe in a certain statutory limit on the interest rate on long-term bonds."

As the Senator from Connecticut has stated again and again, that policy is an old one; it goes back 40 years, and during that time it has been honored.

I can understand why perhaps it might be wise—although I do not think it would be—to increase the 4¼ percent limit. But I cannot see the justification for eliminating it entirely and putting Congress in the position of no longer exercising to that extent its responsibility over monetary policies.

Mr. BUSH. Let me say to the Senator from Wisconsin—who, of course, makes it difficult for me to reply to his questions, because after he asks one or two questions, he then asks three or four more before I have had a chance to reply to his first ones—that I do not question the right of Congress to do those things; and I am quite familiar with the constitutional provision in regard to the power of Congress to coin money, and so forth.

My point is—and I have stated it repeatedly here—that if Congress wishes to change something the Federal Reserve Board is doing, Congress should do so by means of legislation, not by shouting at the Board from the grandstand. I object to that kind or that type of advice from Congress, because in these "sense of the Congress" resolutions, Congress simply ducks the issue, and does not put its instructions into legal form.

Recently, the Secretary of the Treasury testified before the Joint Economic Committee. He was asked questions by Representative REUSS, in connection with the "sense of the Congress" resolution the House had in connection with the same bill—as the Senator from Wisconsin will recall. The Secretary of the Treasury replied, "We would much prefer to have you come to us with legislation." I would. I think the Senator from Wisconsin would if he were Secretary of the Treasury. If the Senate wants to change its authority, I suggest that we put it in the law, but we should not issue resolutions expressing the sense of the Senate or the sense of the House or the sense of the Congress.

Mr. PROXMIRE. To that particular part of the answer, let me reply by saying this is precisely what we are doing here. We are trying, in the amendment of the Senator from New Mexico, to say that there should be some limit. We are permitting them 100 percent more than they are asking, but we think there is some limit the Government should pay on interest.

Mr. BUSH. It is exactly the limitation I am objecting to.

Mr. PROXMIRE. Now the Senator wants it both ways. He says we should not pass "sense" resolutions, that we should not advise them from the grandstand, but we also should not enact legislation to restrict them.

Mr. BUSH. No. I say we should enact legislation if we want to effect a change. That is the way to do it. I object to the law which exists, and which has existed since World War I or thereabouts, which puts a ceiling on long-term interest rates. That is what I object to, because conditions so change as to put the Treasury in an almost impossible position in trying to manage the public debt. That is what I object to.

Mr. PROXMIRE. Let me ask the Senator, on this particular amendment, which I think is going to be the real crux of the controversy in the Senate——

Mr. BUSH. Which amendment?

Mr. PROXMIRE. The Anderson amendment, which would put a limit on interest paid on savings bonds. That is the only amendment to date, unless the Senator from Connecticut wishes to press his amendment.

Mr. BUSH. I do not intend to press my amendment to a vote.

Mr. PROXMIRE. I have asked the chairman of the committee and the Senator from Utah, who is also a monetary expert, and now I ask the Senator from Connecticut, for whom I have great respect, Is there any real reason why the Senate should not adopt the kind of generous limitation which the Senator from New Mexico has proposed, in other words, a 4½-percent limitation, since the Treasury has told us it wants to go only to 3¾ percent, rather than remove the ceiling entirely, as the bill now provides?

Mr. BUSH. My answer to that question would be, Why put the savers of this country, who want to invest in the credit of the United States, at a competitive disadvantage with anybody? I should reverse that question and ask, Why put the United States, which is bidding for the savings of the people of our country, at a competitive disadvantage with anybody?

Mr. PROXMIRE. We are going right along with the Treasury——

Mr. BUSH. Let me finish.

Mr. PROXMIRE. Very well.

Mr. BUSH. The Senator may be right, that if a ceiling of 4¼ percent were put on the interest rate, the Treasury might not have to avail itself of that level. It was only a short while ago that the appraisal was pretty general that savings bonds could be sold at 3¾ percent interest. So if a ceiling of 4¼ percent were put into effect, it might very well not be necessary to increase the interest to that ceiling, but, on the other hand, it might. I say there is absolutely no use in providing for a ceiling, because it might have an effect in restricting the freedom of the Treasury in respect to savings bonds.

Mr. President, I am about to yield the floor.

Mr. PROXMIRE. I know the Senator has been very, very patient. I should like to call the attention of the distinguished Senator from Connecticut to the statement of the Federal Reserve Board chairman, Mr. Martin, for whom I know the Senator from Connecticut has great respect, made in 1957, when he was asked by Mr. MILLS whether or not there should be a limit and how the limit ought to be determined. The Chairman of the Federal Reserve Board replied, as appears on page 33 of the House hearings——

Mr. BUSH. What was the question asked of him?

Mr. PROXMIRE. The question was whether discretionary authority to raise the interest rates on E-bonds to 4¼ percent should be provided. This was in 1957, when there was a different kind of problem, but the principle is the same. The Chairman of the Federal Reserve Board replied in part as follows:

> I served in the Treasury for a couple of years and I happen to believe that it would be wise to give them as much discretion as you gentlemen in your good judgment see fit to give them without giving them just blanket authority.

Now, blanket authority is exactly what the pending bill calls for, and what the Anderson amendment would prevent.

Mr. BUSH. I have not talked to the Chairman of the Federal Reserve Board about this particular issue. Conditions have changed a good deal since he made that statement, which was 20 months ago now. I do not know how he would feel about it today.

I would say this to the Senator: I do not feel nearly so strongly about a ceiling on savings bonds being fixed at 4¼ percent as I do on the long-term marketable bonds of the country. I think the marketable securities ought not to have any interest ceilings. So far as savings bonds are concerned, I would say at the moment it would not appear as though a 4¼-percent interest ceiling would interfere with the sale of savings bonds, but I ask, Why put on a ceiling when sometime in the future it might interfere with the sale of those bonds?

Mr. President, I would like to yield the floor, if I may.

Mr. ANDERSON. Mr. President, I call up my amendment, which is at the desk.

The PRESIDING OFFICER. The amendment of the Senator from New Mexico will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 2, line 4, to strike out the period and the quotation mark and add: "*Provided, however,* That in no event may the interest rate or the investment yield exceed 4¼ per centum per annum."

Mr. ANDERSON. Mr. President, the proposal to put a ceiling of 4¼ percent on these bonds was one I thought never would have to come before this body for approval. All through the United States people were told that the new program called for 3¾ percent interest on savings bonds.

The hearings before the House Committee on Ways and Means, on page 9, quote the Secretary of the Treasury as saying:

> As I pointed out in that statement, the new savings bond program has three major features:
>
> (1) All series E and H bonds sold beginning June 1, 1959, will earn interest of 3¾ percent per annum if held to maturity—one-half percent more than at present—with lesser improved yields for shorter periods of holding.
>
> (2) All series E and H bonds outstanding will also earn approximately one-half percent per annum more than they do now.

I will skip some of the words, and read the last portion:

> (3) All series E bonds on which an extension has already been promised and which had not yet reached first maturity before June 1, 1959, will be offered an improved extension on which 3¾ percent will be paid if held the full additional 10 years, with lesser yields (starting at 3½ percent) for shorter periods of holding.

There is not anybody in the United States who would misunderstand that statement. That is a clear statement that the bonds will bear 3¾ percent interest. That is a clear statement of the planned program of the Department.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 36. An act for the relief of Page A. Wilson;

S. 252. An act to authorize Col. Philip M. Whitney, U.S. Army, retired, to accept and wear the decoration tendered him by the Government of the Republic of France;

S. 1081. An act for the relief of Arshalouis Simeonian;

S. 1149. An act for the relief of Capt. Thomas J. McArdle;

S. 1613. An act for the relief of Matilda Kolich;

S. 1891. An act for the relief of Donald G. Coplan;

S. 2101. An act for the relief of Ourania Ben Blikas;

S. 2291. An act to authorize the erection of a plaque in honor of the late Honorable Sam D. McReynolds on or near the site of the Chickamauga Dam; and

S. 2500. An act to authorize the appointment of Elwood R. Quesada to the retired list of the Regular Air Force, and for other purposes.

The message also announced that the House had passed a bill (H.R. 9105) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes, in which it requested the concurrence of the Senate.

CIVIL FUNCTIONS APPROPRIATION BILL, 1960

Mr. JOHNSON of Texas. Mr. President, will my friend from New Mexico yield to me for a moment?

Mr. ANDERSON. I yield.

Mr. JOHNSON of Texas. Mr. President, the House has passed the public works appropriation bill (H.R. 9105) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes. The bill has been received at the desk. I ask unanimous consent that it be read a second time, that prints of it be made, and that it lie at the desk.

The PRESIDING OFICER. Is there objection to the request of the Senator from Texas?

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. I think I understand the request of the majority leader. The majority leader is requesting that the public works bill be printed and lie at the desk. This does not mean we are taking any action on the bill itself.

Mr. JOHNSON of Texas. No action in approval or disapproval.

Mr. MORSE. No action in approval or disapproval; that is for future discussion and debate.

The PRESIDING OFFICER. That is correct.

Mr. MORSE. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTEREST RATES ON E AND H SAVINGS BONDS

The Senate resumed the consideration of the bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes.

The PRESIDING OFFICER. The Senator from New Mexico has the floor.

Mr. ANDERSON. Mr. President, when somebody tries to say that the same ceiling should be applied to the E- and H-bonds, with a 10-year maturity, which applies to all of the other bonds which run more than 5 years, people cry out that this is some sort of a horrible limitation upon the Secretary of the Treasury and the President of the United States.

Mr. President, there is a little peculiarity in this presentation. The hearings before the House of Representatives, on page 13 at the bottom of the page, give some figures on the cost of this program. I asked at the completion of the very short hearings the Senate Finance Committee had what the cost would be, and I got no figures. We have no figures now as to what the cost would be. However, I find some figures in the House transcript of hearings. The statement of the Secretary of the Treasury is shown at the bottom of page 13.

> The new savings bond program is expected to add $30 to $35 million to the saving bond part of the budget cost of interest on the public debt for the fiscal year 1960.

It is said that the new savings bond program is expected to add $30 million to $35 million to the savings bond part of the budget cost of interest on the public debt for the fiscal year 1960. People would naturally assume that that is all it would cost, some $35 million.

There is no great problem about this matter. At page 9 of the House hearings it is shown that we have at the present time some $42½ billion worth of E- and H-bonds outstanding. Anybody who has been past the fifth grade in school arithmetic knows that one-half of a percent on $42½ billion is approximately $213 million a year. Anyone who thinks the cost will be $35 million a year is simply misleading himself.

That is what it would cost, Mr. President, if we only increased the interest rate to 3¾ percent, but the people who are resisting the amendment I have proposed must feel that the interest rate is going above 4¼ percent. If the interest rate goes as high as 4¼ percent, the cost would be $425 million a year. That is a substantial amount to be added to the burden of this country.

It is true that bonds are not cashed at a rapid enough rate so as to take out of the Treasury in the first year more than $30 million or $35 million, but everybody knows that interest accumulates. When the interest accumulates it will accumulate at the rate of $425 million a year, if the interest rate is raised to 4¼ percent. That is a long way beyond $35 million a year.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ANDERSON. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Is it not true that what the Senator's amendment would do would be to say to the Treasury Department, "If you are going to increase the cost of servicing these savings bonds by more than $425 million a year, come back to the Congress to get an authorization to do it."

Mr. ANDERSON. Yes. Exactly. It would also say to the Treasury Department, "If you are in a terrible hurry about the matter, you could come back by next January."

Surely the cost of servicing these savings bonds not yet sold, or with regard to which credit is not yet given, is not going above an annual rate of $425 million before next January.

The program calls for 3¾ percent interest, as stated by the Secretary of the Treasury not once but at least a dozen times. When we read the stories in every newspaper in the United States, it is indicated that the program is contemplated to add a half of 1 percent to the interest on the savings bonds of this country.

I say that a 4¼-percent ceiling is not going to be crippling, unless the Treasury Department plans to increase the cost of the program more than $425 million a year, as the Senator from Wisconsin has pointed out.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. ANDERSON. I am happy to yield to the Senator from Minnesota.

Mr. McCARTHY. The Senator recalls that in 1957 the Treasury Department asked us to increase the interest rates on E- and H-bonds, and at that time the Department was willing, finally, to accept an increase of the interest rate to 3.26 percent. The Department thought it could handle the program if Congress would fix the maximum amount, which was then recommended at 3.26 percent.

Mr. ANDERSON. The Senator is correct.

Mr. McCARTHY. The Department has given us no good reason why we should give an "open door," or an open end right to raise interest rates on E- and H-bonds.

Mr. ANDERSON. The Senator is correct. Always before, so far as I can remember, the Treasury Department has come to the Congress and has said, "We want a certain ceiling under which we can work. We hope you will put it high enough so that we can operate under it, and we will operate under it."

This is the first time, so far as I know, in the history of the country, when it has been asked that the President of the United States and the Secretary of the Treasury be given unlimited authority to raise the interest rates on bonds to any figure they may desire. No other President of the United States has had any such power. What is so tragic about the situation now is that we are asked to provide a completely unparalleled grant of authority.

A lot of people have talked about the Congress abdicating its responsibilities. This is a question of Congress abdicating its responsibilities in a field where the Treasury Department says, "We want authority to add to the burdens of the United States more than $425 million a year on one small class of security alone, which represents only one-sixth, or approximately one-seventh, of the national debt of the United States."

Mr. McCARTHY. Mr. President, will the Senator yield further?

Mr. ANDERSON. I am happy to yield.

Mr. McCARTHY. The Senator will recall that in the testimony of the Director of the Bureau of the Budget before the Committee on Finance, not on this issue but on the related issue with which the committee was dealing last week, the Director indicated the Bureau had underestimated the cost of interest payments for the next fiscal year by some $500 million.

Mr. ANDERSON. Five hundred million dollars; that is correct.

Mr. McCARTHY. If this request is granted, it would be necessary for a new estimate to be made of the increase.

Mr. ANDERSON. It would be $400 million more, or $200 million more, or whatever it may be.

Mr. McCARTHY. Whatever it may be.

Mr. ANDERSON. It would depend upon the interest rate put upon the bonds, yes.

The Director of the Bureau of the Budget came to Congress to explain why the budget is out of balance. The budget is now out of balance an extra $500 million because interest costs on the national debt went up that much.

As the able Senator from Louisiana [Mr. LONG] has pointed out to us, it is not simply the interest on the Federal debt which counts, but there is also interest on all the debts of all kinds in the country, which interest rates are raised because of the high rates of interest on Government bonds.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. ANDERSON. I will yield to the Senator from Louisiana, since I have mentioned his name.

Mr. LONG of Louisiana. The Senator from New Mexico knows that the public

debt and the private debt total about $880 billion.

Mr. ANDERSON. The Senator is correct.

Mr. LONG of Louisiana. This administration has been cooperating with those groups which want to raise the interest rates on everything. I regret to say the present proposal is only one step along that line.

The Senator knows as well as I do that the great difficulty in which we are involved is not simply one of trying to hold these interest rates in line, but involves many other aspects. We cannot achieve a reasonable goal unless the President and the Federal Reserve Board, as well as the Secretary of the Treasury, want to use their powers along the line of fiscal policy. Congress simply cannot deal with all of the difficult matters which are involved. There are questions regarding the supply of currency, the availability of currency, and the supply of credit in this country. There are simply too many details, which are too intricate, for Congress to deal with all of the technical problems. That is why we turn the matter over to the Federal Reserve Board.

So long as the present policy is being pursued, unless Congress does something to call a halt to it, there will be no limit to how much this will cost the public of this Nation. I personally regard the increases in the interest rates as a hidden tax on the masses of the people of this country.

The general rate has been raised by about 2 percent, I would say, speaking conservatively about that. At least it is being raised, let us say, 2 percent interest on $880 billion of public and private debt on top of interest rates that were prevailing when this administration took power. That works out to about $18 billion in hidden tax, and when we analyze it down and see who gets it, we can say that probably 80 percent of that represents a tax on the working classes, on the farmers and the working people of this country, for the benefit of those who have money loaned out at interest.

Mr. ANDERSON. Yes.

Mr. LONG of Louisiana. In many instances the people who are making the most money—and in most instances it works out that way—are those who are not lending their own money, but those who are lending someone else's money. Private insurance companies, those who own bank stock, those who in effect are working for somebody else's, are really making a tremendous profit; and those who are paying are the rank-and-file people, the farmers and the working people. They will ultimately pay this $17 billion or $18 billion in hidden tax.

That is how it looks to some of us. I believe the Senator believes somewhat along that line because he has offered his amendment.

Mr. ANDERSON. I surely do, and I have said time after time that we cannot suddenly raise the Government interest rates without the rates of all the banks and financial institutions going up. We pay an extremely heavy cost for it in the long run.

Mr. KERR. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Oklahoma.

Mr. KERR. I should like to ask the Senator a question. I should like to preface it with a statement that I am in thorough accord with anything to keep the interest rates down, although I am not in accord with the Senator's amendment.

I wish to correct the RECORD with respect to what the distinguished Senator from Louisiana has stated. He is one of the ablest men on the committee, and in the Senate. He referred to the total public and private debt as being $880 billion. I believe it is something under $775 billion total. I knew he would want the RECORD to reflect the accurate figure.

Mr. ANDERSON. I believe the total State, county, and municipal debt—I will not attempt to repeat it from memory; it was mentioned time after time in our hearings—was somewhere in the neighborhood of $880 million.

Mr. LONG of Louisiana. If I am wrong about it, I shall have to take it up with my assistants.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CLARK. I should like to commend my good friend from New Mexico for bringing up his amendment. I assure him that I will support it even though, if we had an administration which was really dedicated to keeping interest rates at a proper level, I am not sure that I would want to impose an interest ceiling on either long-term or short-term bonds or on savings bonds.

I wonder if the Senator does not agree with me that if we are going to continue to work to bring interest rates down, in view of the economic views of the present administration, it is going to be absolutely necessary to keep interest ceilings.

Mr. ANDERSON. Yes; I do. I would say to the Senator that I have no absolute assurance that the way to handle the national debt is to keep a ceiling on it of 4¼ percent. What I have been hopeful is that the Committee on Finance would have a very carefully planned and carefully conducted study made of this question early in the next congressional year, starting perhaps in January. We have had no real study made of this whole question. I attended, as did other members of the Finance Committee, the presentation that was made to us. There was no presentation that I heard which justified the taking off of a limit on these bonds. There was, on the contrary, a belief on the part of many of us that the 4¼-percent ceiling ought to be imposed. That matter was submitted to the Finance Committee. The Finance Committee voted against it by not too large a vote, but nonetheless it voted against it. I believe that was a serious mistake, because we say to the country that we believe in keeping a ceiling on a 7-year bond, on an 8-year bond, on a 9-year bond, and on a 20-year bond, but will not take it off on E- and H-bonds.

Mr. CLARK. Will the Senator yield further?

Mr. ANDERSON. I yield.

Mr. CLARK. The distinguished Senator from Louisiana [Mr. LONG] has had printed an amendment with which I am in complete accord, and it reads—it is short:

> It is the sense of the Congress that the President, the Secretary of the Treasury, and the Federal Reserve Board should use their powers to bring about a general reduction in the level of interest rate on public and private lending.

I wish that we could have an opportunity, in a Senate in which no advance commitments had been made, to debate that amendment. I would hope that that amendment would be carried by a substantial majority vote.

I realize the parliamentary situation is such that we cannot do that. Certain "gentlemen's agreements" have been made with respect to the proposed legislation. I am not a party to those agreements, but I, for one, will not try to set them aside. However, I wish the RECORD to show unequivocally that I would support the amendment of the Senator from Louisiana if I had a chance to do so. I hope that early in the next session we will have an opportunity to bring up the subject, and I hope at that time the entire Democratic Party—North, South, East, and West—will unite in an effort to drive these interest rates down and to persuade the Eisenhower administration that it has been done, it can be done again, and it must be done if our economy is to move forward the way it should.

Mr. LONG of Louisiana. Will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LONG of Louisiana. With reference to the statement of the distinguished and able Senator from Pennsylvania, the junior Senator from Louisiana had no knowledge of any commitments being made on anyone's part. However, I had in mind offering my amendment, and did offer it in the committee. I was informed that there were certain members on the committee who felt that there had been gentleman's agreements arrived at that we would not bring up this tight-money, high-interest-rate question.

The junior Senator from Louisiana had not been a party to such an understanding, but it did cost him a couple of votes—maybe more than two votes—in the committee when he offered his amendment, and for that reason he felt that if there had been some commitment he would not call his amendment up for the reason that he would like a chance to carry it on its merits, and he would hope that there would not be some commitments to vote against it, so that persons who might vote against it would at heart be in favor of it.

Mr. ANDERSON. May I say to the Senator from Louisiana that many of us felt very deeply that his amendment was a good amendment which might at an appropriate time be adopted. That is why I have said that early in the next session a study ought to be made. I should like to tell the Senate why I believe a study ought to be made early in the next session and why at that time his amendment would be extremely useful.

Until the Federal Reserve Board takes a substantial part in trying to handle the

situation we are never going to be able to do anything. The only thing that the ceiling does at the present time is to say to the Federal Reserve Board that it had better be careful as to how high it hikes the interest rate having in mind the problems of the Treasury, if the Federal Reserve Board plays fast and loose, the Treasury will have an interest rate which will make its burden extremely hard to carry.

Mr. LONG of Louisiana. The Senator from New Mexico and I generally share the same views on this matter. We are very much concerned about the Federal Reserve Board and the Treasury apparently using first one device and then another to keep driving up the interest rates when we feel they should be using every effort to bring them down.

Mr. ANDERSON. That is correct.

Mr. LONG of Louisiana. Some of us gain the impression that those who control the availability of credit in this country—and currency and credit for the purposes of which I am speaking are the same thing—are controlling both sides of the table, both the borrowing side and the lending side, and by virtue of that influence on the borrowing side of the table, they seem to be pushing up these interest rates far beyond what we think they ought to be. And it is my feeling and I believe it is the feeling of the Senator from New Mexico that much of our difficulty lies in the Federal Reserve Board. The Federal Reserve Board should be using its power to hold those interest rates down, but we feel that the President is using his power to urge the Federal Reserve Board to let the rates go up, and the Federal Reserve Board in turn is using Wall Street to let these interest rates go up.

The statement has been made that this is what the market would do to try to put it in layman's terms, it seems to me that it is a matter of the administration's saying, "We did not raise these interest rates. We turned it over to Wall Street and let them raise them."

I believe that is the way it is working.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. McCARTHY. The Senator may have discussed this point, but in the hearings the Treasury Department argued that if we should establish a ceiling it would tend to become a floor.

Mr. ANDERSON. Yes.

Mr. McCARTHY. The Senator is familiar with the record. I am sure he concurs in my opinion that this is the most ridiculous argument that has been made in support of this proposal.

Mr. ANDERSON. The witness from the Treasury made the flat statement in the committee that we should not establish a ceiling of 4¼ percent because it had been his experience that a ceiling tended to become a floor.

I have before me the last publication of Aubrey G. Lanston & Co., Inc., a service which I read regularly, because of its very effective reporting on Government bonds. This issue is dated September 8, 1959, which is about as recent as it is possible to get. The issue came out today. I would be happy to have the Treasury go through the list and find out if, while the 4¼-percent ceiling was in effect, it tended to become a floor. It certainly will not find any in the first category of maturities, ending December 31, 1959. The highest interest rate was 3⅜, but that was a bond that was not even under the ceiling.

In the 1960 category the highest rate is 3.34; but again, that is a bond that did not come under the ceiling. There are some 4 percent bonds; there is nothing at 4¼; nothing at 4¼ in 1961; nothing at 4¼ in 1962; and on we go. I challenged the representative of the Treasury to cite one long-term bond issue with respect to which the ceiling had become a floor. He could not do so.

Mr. McCARTHY. Will the Senator point out when the rate of 4¼ was first established as a ceiling?

Mr. ANDERSON. Nineteen hundred and eighteen.

Mr. McCARTHY. During World War I.

Mr. ANDERSON. Yes.

Mr. McCARTHY. So far as E- and H-bonds are concerned, the 3-percent rate was established in 1935.

Mr. ANDERSON. Yes.

Mr. McCARTHY. We did not reach the ceiling in that category until 1952.

Mr. ANDERSON. I believe that is correct. It was 2.90 for a long time.

We have exceeded the 4¼-percent limit in connection with certain bond issues, but they were 1-year and 4-year bonds issued a short time ago, in what I thought was the most unfortunate market in which we could have issued them, and at the most unfortunate time.

Mr. McCARTHY. They were issues on which there was no ceiling.

Mr. ANDERSON. That is correct.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MONRONEY. I should like to ask the distinguished Senator, with whom I agree completely, if it would not be a gross irresponsibility on the part of the Congress to remove any ceiling whatsoever on the long-term interest rate that can be paid by this administration, or by any succeeding administration.

Incidentally, the only newspaper I have been able to find that has correctly reported the bill from the House, which we have under consideration, is the Wall Street Journal, which frankly admits that the bill would give the President the right to pay whatever rate he finds is necessary to finance the sale of savings bonds.

My question is this: If the Treasury representatives—and I presume they testified formally before the distinguished Finance Committee—said that they wanted to issue savings bonds which would carry 3¾ percent interest, why did the committee bring out a bill with an unlimited ceiling? Why did it not establish some ceiling, at least as generous as that which the distinguished Senator from New Mexico proposes, to make it concurrent with the other long-term public debt ceiling of 4¼ percent?

Mr. ANDERSON. It is a curious thing, but if the Senator will go through the hearings he will not find much attention paid to the question of 3¾ percent. It is mentioned in the statement of the Secretary of the Treasury. It is assumed that that is what the program is. The House took the bill as presented, apparently noticing that there was no ceiling, but believing that the commitment of the Secretary of the Treasury bound him not to go beyond 3¾ percent. But when we presented the Secretary with a ceiling of 4¼ percent, one-half of 1 percent higher, he declined to accept it. So obviously they had no intention of observing a 3¾ percent ceiling. They did not want to be bound by it. They did not want to be bound by a 4¼-percent ceiling.

If we go up to 4¼ percent, as the Senator from Wisconsin pointed out, that is $425 million a year. We might not pay that out the first year, because not everyone would be cashing bonds, but $425 million a year would be the cost. It does not matter whether we have to wait a few years to pay it or not.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. McCARTHY. There is an additional reason why we should not grant the open-end authority which is asked for. The bill which the committee is recommending includes a non-recognition-of-gain provision, which if the holder of the bonds is willing to take advantage of it, should have the effect of depressing the interest which would have to be offered in order to get people to buy the bonds.

Mr. ANDERSON. I am not opposed to the carry-forward provision in the bill. I think it is a little sweetening, but justifiable sweetening. We want to tempt people to hold onto the savings bonds. We have $42 billion in them, and they are a very stable force in the whole bond market. By allowing a person to transfer the interest earnings without paying a tax, and postponing the tax, we make an attractive bond out of it.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr MONRONEY. Since there seems to be no logical explanation in the RECORD as to why the Secretary of the Treasury, appearing before the committee with a proposal to issue savings bonds at 3¾ percent, would be unhappy with the distinguished Senator's proposal to give him an extra one-half of 1 percent, which he asked for, I suggest that perhaps the real reason is the strange similarity to section 101 in the bill before us, which would allow the President to suspend any ceiling, to whatever extent he wished, when he found it to be in the national interest.

Does it not appear to the distinguished Senator that, in addition to the flexibility of increased interest rates up and down the line, if we give the department this language, which it carefully brought to us under the guise of a poor man's interest rate increases for his return, having done that in the month of September, in January the Treasury will come back with the same language and say, "This is identical with what you did for savings bonds. You suspended the 4¼ percent ceiling. You suspended the 3.26 ceiling. You

have broken the long-time precedent of Congress holding control of the interest rates on our bond issues."

Therefore, they will say that they need uniformity. They will say, "Just pass this tiny package, and we will put it all in the President's hands. He knows best. 'Papa fixes.' He can tell what interest rates we should pay."

Is not that a part of the reason why the Treasury today is fighting so hard for language which will be useful to it after January, when it resumes its grand push forward to reach the outer spaces of this earth's atmosphere in interest rates paid by the Federal Government on Government securities?

Mr. ANDERSON. After studying the subject for some time, that is the only conclusion I can reach. Certainly, they do not need 4¼ percent on savings bonds at this time, nor will they need 4¼ percent on savings bonds by next January. Therefore, they want to get language in this bill which can be a precedent for language in the future.

I have a little different theory. I believe that the Congress should take a great deal of time to study the problem. It should study it with great care and deliberation.

Recently, there has been released a report known as the Radcliffe report. The Radcliffe committee was appointed to study and report on the workings of the monetary system of Great Britain. In the Lanston report for August 31, there was this comment, which I should like to place in the RECORD:

> A most interesting document has just become available—the Radcliffe report. Two years and three months ago the Chancellor of the Exchequer of the British Government appointed a committee to study and report on the workings of the monetary system of Great Britain with the Right Honorable Lord Radcliffe, G.B.E. as chairman. The 339-page text (plus additional tabulations, etc.) is a noteworthy achievement as a text book on the British financial mechanism.

I do not say the conclusions of the Radcliffe report are completely provisions that ought to be adopted in the United States. From the little I have learned about it, the Radcliffe report supports some of the theories men who believe, as the Senator from Louisiana has indicated, the Federal Reserve Board out to work with the Treasury in trying to keep interest rates at some reasonable level. All I am trying to suggest is that when we pass upon the situation we ought to have in front of us information such as this. We ought to have the testimony of Treasury experts. We ought to take into consideration the two volumes of proceedings and testimony, in excess of 1,000 pages, the Senate Finance Committee achieved in its study of the financial condition of the United States. We should make a serious effort to find what the program of the country ought to be.

Instead of that we are being asked, without any testimony from the Treasury Department, to give the President unlimited authority and complete freedom in the setting of interest rates at any figure he desires, whether it be 10 or 20 percent. I know he is not going to set them at that figure, but this measure would give the President complete freedom. That is a wholly new concept, and I believe the Senate ought to take a close look at the measure before it abdicates the congressional right to fix interest rates.

The House not having learned about what the proposed legislation may lead to, or perhaps understanding it but not being worried about it, did pass the bill. If the Senate now passes it, we shall have put in the hands of the President complete authority to do as he wishes with the E- and H-bonds as far as interest is concerned, and I believe it is frightfully dangerous.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MONRONEY. I do not believe the Members of the House of Representatives understood. Certainly the able members of the press who covered the action in the House and the able members of the press in the Senate gallery who covered the report did not recognize that the proposed legislation embodied an unlimited ceiling and took the word of the Treasury in its testimony that we were merely considering an increase in the interest rates to 3¾ percent.

I have examined almost a dozen papers in the Marble Room today trying to find a definitive story stating what the issue was. I stated what I found in the Wall Street Journal. The financial writers in the Sunday issue of the New York Times, who are men of great reputation, interpreted the bill as being a means of raising the interest rate from 3¼ to 3¾. Other financial writers in Philadelphia and writers on the New York Herald Tribune have done the same thing. Consequently I believe even Senators who had read the papers believed this bill, until they read it section by section, would merely raise the ceiling from 3.26 to 3.34.

More than a casual 2-hour hearing before the Finance Committee behind closed doors should be afforded the proposed legislation before we break a precedent which has stood throughout the entire history of the United States. No President since George Washington has ever had the authority we are being asked to give the President, and we are asked to give it after only a brief 2-hour hearing and with the closing days of Congress facing us.

Mr. ANDERSON. I can only say to the Senator far less than 2 hours were spent on this subject. The subject of interest rates occupied about 15 minutes.

LEGISLATIVE PROGRAM—INTEREST RATES ON E AND H SAVINGS BONDS

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I should like to inquire of the majority leader with respect to what he foresees for the balance of the week and the possibility of adjournment at the weekend.

Mr. ANDERSON. I yield for the purpose stated without losing my right to the floor.

Mr. JOHNSON of Texas. Mr. President, the policy committee today cleared the following bills:

Calendar No. 812, S. 2454, to provide for the striking of medals in commemoration of the 100th anniversary of the Pony Express.

Calendar No. 819, S. 694, to provide Federal assistance for projects which will demonstrate or develop techniques and practices leading to a solution of the Nation's juvenile delinquency control problems.

Calendar No. 820, H.R. 7244, to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies.

Calendar No. 821, H.R. 8305, to amend the Federal Credit Union Act.

Calendar No. 822, H.R. 6579, to amend the Tariff Act of 1930 to provide for the temporary free importation of extracts, decoctions, and preparations of hemlock suitable for use for tanning.

Calendar No. 824, H.R. 6368, to amend the Tariff Act of 1930 to place certain pumice stone on the free list.

Calendar No. 826, H.R. 6733, for the relief of Paul & Beekman, Inc., and others.

Calendar No. 827, House Joint Resolution 281, authorizing and requesting the President to issue a proclamation with respect to the 1959 Pacific Festival, and for other purposes.

Calendar No. 828, Senate Resolution 169, concerning the desirability of holding an international exposition in the United States.

Calendar No. 829, H.R. 8464, to amend the act of October 24, 1951, to provide salary increases for the police for the National Zoological Park.

Calendar No. 830, H.R. 8593, to amend the act of June 23, 1949, as amended, to provide that telephone and telegraph service furnished Members of the House of Representatives shall be computed on a unit basis.

Calendar No. 831, House concurrent resolution 234, authorizing the printing of additional copies of the hearing entitled "Organization and Management of Missile Programs."

Calendar No. 832, House concurrent resolution 378, authorizing the printing of the 16th report of the Commission of Fine Arts as a House document.

Calendar No. 833; Senate resolution 170, to increase the amount of funds for the Committee on the Judiciary.

Calendar No. 834, Senate resolution 171, printing as a Senate document a "Letter to the President of the United States From the Committee To Study the U.S. Military Assistance Program."

Calendar No. 835, Senate resolution 175, to print additional copies of Senate report on "The Status of World Health."

Calendar No. 836, Senate resolution 176, providing additional funds for the investigation of health and medical research facilities.

Calendar No. 837, Senate resolution 177, providing additional funds for the Select Committee on Small Business.

Calendar No. 838, Senate resolution 178, authorizing the printing of the report entitled "Facility Needs—Soil and Water Conservation Research" as a Senate document.

Calendar No. 840, S. 857, to authorize the Administrator of General Services to convey certain lands in the State of Wyoming to the city of Cheyenne, Wyo.

Calendar No. 841, S. 47, to direct the Administrator of General Services to convey to the city of Mobile, Ala., all the right, title, and interest of the United States in and to certain land.

Calendar No. 842, Senate Joint Resolution 121, to permit certain real property heretofore conveyed to the board of supervisors of Louisiana State University to be used for general educational purposes.

Calendar No. 843, S. 1018, to authorize the donation of surplus property to certain agencies engaged in cooperative agricultural extension work, and for other purposes.

Calendar No. 844, House Joint Resolution 19, to authorize the issuance of a gold medal in honor of the late Prof. Robert H. Goddard.

Calendar No. 845, House Joint Resolution 493, making a technical correction in section 5136 of the Revised Statutes (relating to national banks).

Calendar No. 846, H.R. 163, to amend the Civil Service Retirement Act with respect to the crediting of service of U.S. Commissioners for purposes of such act.

Calendar No. 847, H.R. 5752, to provide for absence from duty by civilian officers and employees of the Government on certain days, and for other purposes.

Calendar No. 848, H.R. 2245, to amend subsection 432(g) of title 14, United States Code, to increase the limitation on basic compensation of civilian keepers of lighthouses.

Calendar No. 849, S. 2612, to amend the Small Business Act.

Calendar No. 850, H.R. 8599, to amend the Small Business Act, and for other purposes.

Mr. President, I understand that Calendar No. 849, S. 2612, and Calendar 850, H.R. 8599, are similar, and that either one of them may be taken up.

Calendar No. 851, S. 2611, to amend the Small Business Investment Act of 1958, and for other purposes.

Calendar No. 852, S. 2481, to continue the application of the Merchant Marine Act of 1936, as amended, to certain functions relating to fishing vessels transferred to the Secretary of the Interior, and for other purposes.

Calendar No. 853, H.R. 3610, to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works, and for other purposes.

Calendar No. 854, S. 155, to amend the Federal Property and Administrative Service Act of 1949, so as to permit donations of surplus property to libraries which are tax supported or publicly owned and operated.

Calendar No. 855, S. 1502, to provide for adjustments in the annuities under the Foreign Service retirement and disability system.

Calendar No. 856, S. 1696, for the relief of Wong Sue Chee.

Calendar No. 857, S. 1822, for the relief of Hirsh Marinski.

Calendar No. 858, S. 2129, for the relief of Mileva Lovric.

Calendar No. 859, S. 2319, for the relief of Serginsz Rudczenko.

Calendar No. 860, S. 2347, to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341f) to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution.

Calendar No. 861, S. 2321, for the relief of Bernardine Lovse (Nadica Lovse).

Calendar No. 862, S. 231, for the relief of Richard Peter Gustav Bredee and George Edward Bredee.

Calendar No. 863, H.R. 1665, for the relief of Mrs. Vassiliki P. Theodorou.

Calendar No. 864, H.R. 2946, for the relief of Cecil E. Finley.

Calendar No. 865, H.R. 2978, to amend section 1870 of title 28, United States Code, to authorize the district courts to allow additional peremptory challenges in civil cases to multiple plaintiffs as well as multiple defendants.

Calendar No. 866, H.R. 3801, for the relief of Harry and Lily Stopnitsky.

Calendar No. 867, H.R. 3816, for the relief of Mukhtar Mohammed.

Calendar No. 868, H.R. 4134, to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine and render judgment upon the claim, or claims, of Scotty James, of Sitka, Alaska.

Calendar No. 896, H.R. 5873, for the relief of Clara H. Hall.

Calendar No. 870, H.R. 7745, for the relief of Mrs. Willie Soher.

Calendar No. 871, H.R. 8277, for the relief of Harold William Abbott and others.

Calendar No. 872, S. Res. 182, referring S. 2496 to the Court of Claims.

Calendar No. 873, H.R. 7225, for the relief of Sylvester L. Gardner.

Calendar No. 874, H.R. 8461, to amend the act of September 2, 1958, establishing a Commission and Advisory Committee on International Rules of Judicial Procedure.

Mr. President, Calendar No. 875, Senate Resolution 180, and Calendar No. 876, Senate Resolution 181, are the resolutions concerning the Labor-Management Disclosure Act. They were submitted by the Senator from Illinois [Mr. DIRKSEN] and the Senator from Massachusetts [Mr. KENNEDY]. I move that they be stricken from the calendar.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to.

Mr. JOHNSON of Texas. The policy committee cleared the following bills:

Calendar No. 877, H.R. 2386, to direct the Administrator of General Services to convey to the city of Mobile, Ala., all the right, title, and interest of the United States in and to certain land.

Calendar No. 878, H.R. 6669, to amend the act of July 14, 1945, to provide that the Louisiana State University may use certain real property heretofore conveyed to it.

Calendar No. 879, H.R. 839, to approve an order of the Secretary of the Interior adjusting certain irrigation charges against non-Indian-owned lands under the Wapato Indian irrigation project, Washington.

Calendar No. 880, S. 2379, to donate to the Nez Perce Tribe of Idaho, 11.25 acres of Federal land in Idaho County, Idaho.

Calendar No. 881, H.R. 8587, to provide for the equalization of allotments on the Agua Caliente Reservation in California and for other purposes.

Calendar No. 882, S. 1352, to authorize enrolled members of the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., to acquire trust interests in tribal lands of the reservation and for other purposes.

Calender No. 883, S. 2085, to authorize the use of funds arising from a judgment in favor of the Kiowa, Comanche, and Apache Tribes of Indians in Oklahoma, and for other purposes.

Calendar No. 884, S. 2485, to authorize the sale of 40 acres of land owned by the Creek Tribe of Indians.

Calendar No. 885, S. 2596, to provide for the division of the tribal assets of the Catawba Indian Tribe of South Carolina among the members of the tribe and for other purposes.

Calendar No. 886, S. 2565, to amend the act of August 9, 1955 (69 Stat. 539), relating to leases of Indian lands.

Calendar No. 887, H.R. 5892, to provide for the establishment of Minute Man National Historical Park in Massachusetts and for other purposes.

Calendar No. 888, H.R. 6781, to authorize the Secretary of the Interior to acquire certain additional property to be included in the Independence National Historical Park.

Calendar No. 889, H.R. 1735, to provide for conveyance of certain real property of the United States in Yalobusha County, Miss., to W. A. Nolen and Wiley W. Walker.

Calendar No. 890, H.R. 4714, to quiet title and possession with respect to certain real property adjacent to the Rocky Mountain Arsenal, Denver, Colo.

Calendar No. 891, H.R. 7437, to authorize the use of funds arising from a judgment in favor of the Kiowa, Comanche, and Arapaho Tribes of Indians of Oklahoma, and for other purposes.

Calendar No. 892, H.R. 8514, to authorize the sale of 40 acres of land owned by the Creek Tribe of Indians.

Calendar No. 893, S. 910, to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes.

Calendar No. 894, H.R. 6249, to liberalize the tariff laws for works of art and other exhibition material, and for other purposes.

Calendar No. 895, H.R. 6128, to provide for the division of the tribal assets of the Catawba Indian Tribe of South Carolina among the members of the tribe and for other purposes.

Calendar No. 896, S. 2568, to amend the Atomic Energy Act of 1954, as amended, with respect to cooperation with States.

Calendar No. 897, S. 2569, to amend the Atomic Energy Act of 1954, as amended.

Calendar No. 898, S. 1892, to authorize the Secretary of Interior to construct, operate and maintain the Norman project, Oklahoma.

The Senator from New Mexico [Mr. ANDERSON] will be interested in those bills.

Then the following bills were cleared:

Calendar No. 899, H.R. 1778, to amend section 17(b) of the Reclamation Project Act of 1939.

Calendar No. 900, S. 2598, to amend the Federal Boating Act of 1958 to extend until January 1, 1961, the period when certain provisions of that act will take effect.

Calendar No. 901, H.R. 8728, to amend the Federal Boating Act of 1958 to extend for an additional year the period when certain provisions of that act will take effect.

Calendar No. 902, H.R. 7476, to extend for 2 additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution.

Calendar No. 903, S. 2286, to authorize the leasing of land on the Colorado River Indian Reservation, Ariz. and Calif., and for other purposes.

Calendar No. 904, H.R. 4857, to amend section 4233 of the Internal Revenue Code of 1954 to provide that the exemptions from the admissions tax for athletic games benefiting crippled or retarded children, shall apply where the participants have recently attended designated schools or colleges as well as where they are currently students.

Calendar No. 905, H.R. 8725, to amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes.

Calendar No. 906, S. 2061, to authorize the issuance of prospecting permits for phosphate in lands belonging to the United States.

Calendar No. 907, S. 2633, to amend the Foreign Service Act of 1946, as amended, and for other purposes.

Calendar No. 908, S. 1431, to provide for the establishment of a Commission on Metropolitan Problems.

Calendar No. 909, H.R. 6059, to provide additional civilian employees for the Department of Defense for purposes of scientific research and development and for other purposes.

Calendar Nos. 910 through 920 are private bills which will be taken up on the call of the calendar.

Cleared for action by motion are:

Calendar No. 921, S. 2168, to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine.

Calendar No. 922, H.R. 2449, to authorize the Secretary of the Army to lease a portion of Twin Cities Arsenal, Minn., to Independent School Distict No. 16, Minnesota.

Calendar No. 923, H.R. 2247, to authorize the conveyance of certain real property of the United States to the county of Sacramento, Calif.

Calendar No. 924, H.R. 8315, to authorize the Secretary of the Army to lease a portion of Fort Crowder, Mo., to Stella Reorganized Schools R–I, Missouri.

Calendar No. 925, H. Con. Res. 166, providing the approval of the Congress under the Strategic and Critical Materials Stock Piling Act, of the disposal of rough cuttable gem-quality diamonds, cut and polished diamonds, osmium, rhodium, ruthenium, and zircon concentrates from the national stockpile.

Calendar No. 926, H.R. 6269, to amend section 265 of the Armed Forces Reserve Act of 1952 to define the term "a member of a reserve component" so as to include a member of the Army or Air Force without specification of component.

Calendar No. 927, H.R. 8189, to improve the active duty promotion opportunity of Air Force officers from the grade of captain to the grade of major.

Calendar No. 928, S. 1806, to revise title 18, chapter 39, of the United State Code, entitled "Explosives and Combustibles."

Calendar No. 929, S. 2033, to amend the mining laws of the United States to provide for the inclusion of certain nonmineral lands in patents to placer claims.

Calendar No. 930, Senate Resolution 129, favoring continued efforts by all nations to strengthen cooperation in health and research activities.

Calendar No. 932, House Joint Resolution 403, granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency.

Calendar No. 933, S. 1886, to amend the Communications Act of 1934 with respect to community antenna television systems and certain rebroadcasting activities.

Calendar No. 936, H.R. 7125, to provide for a study of the feasibility of establishing the President Adams Parkway.

Calendar No. 937, S. 793, to amend title 23 of the United States Code in order to increase the amount authorized for bridges over Federal dams.

Calendar No. 938, S. 2362, to authorize the Secretary of the Army to convey to the city of Arlington, Oreg., certain lands at the John Day lock and dam project.

A housing bill has been reported by the Committee on Banking and Currency. We may take it up when we have concluded action on the bill now under consideration.

The public works appropriation bill has been passed by the House. It is at the desk. We may either call it up on motion or refer it to committee. A determination has not been made yet on that matter. The distinguished Senator from New Mexico [Mr. CHAVEZ] chairman of the Subcommittee on Civil Functions Appropriations, is waiting for me on the telephone now. We will try to make a decision on that question in the next few hours.

The committee will meet in a session at 7:30 this evening on the mutual security appropriation bill, in order to continue voting on amendments. I do not anticipate that it will be reported earlier than midnight. Under the rule, it would have to lie over for 3 days. So the earliest time when it could be considered would be 12:01 on Saturday morning. It is unlikely that the Senate will convene that early, but I am certain that we expect to spend Saturday and perhaps a part of Monday on the mutual security appropriation bill, if necessary.

ORDER FOR CALL OF CALENDAR ON WEDNESDAY

I should like to ask unanimous consent for a calendar call. I should like to have the calendar called at an early hour tomorrow. I have asked the members of the calendar committee, on both sides of the aisle, to be available. Some 50 bills have been reported from the Committee on the Judiciary today. They will not be available tomorrow, so it probably will be necessary to have another calendar call later in the week.

Mr. President, I ask unanimous consent that it be in order, after the conclusion of morning business tomorrow, to have a call of the calendar of bills to which there is no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS TOMORROW WITH A LIMITATION OF 3 MINUTES ON STATEMENTS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there be the usual morning hour tomorrow for the introduction of bills, petitions, and memorials and for the transaction of routine business, with a limitation of 3 minutes on statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Will the majority leader please identify the number of the bill with which the call of the calendar will start?

Mr. JOHNSON of Texas. Calendar No. 812.

Mr. DIRKSEN. Mr. President, will the Senator from Texas yield?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Texas yield to the Senator from Illinois?

Mr. JOHNSON of Texas. I yield to my friend, the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I may say to the majority leader that, together with many other Members, and like the shipwrecked sailor who was clinging desperately to a spar, I have been fondly clinging to the hope that before the week was out, we could terminate the session; and of course I have hoped that the 3-day rule in regard to appropriation bills would be waived.

If the report is filed tonight, and if there is no insistence on observing the rule, actually the bill could be taken up, not on Saturday, but on Wednesday or Thursday.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I do not have the floor, although I am willing to yield.

Mr. JOHNSON of Texas. I yield to the Senator from Oregon; and I also wish to comment on this point.

Mr. MORSE. Mr. President, I wish to comment on it, too.

I always like to assume responsibility for the things for which I am responsible, and I never like to have anyone else take responsibility for me.

I wish to assure the Senator from Illinois that the rule will not be waived, if it is within my power to prevent the waiving of the rule.

Mr. JOHNSON of Texas. Mr. President, a number of measures are in conference. I do not anticipate that we shall take any great length of time in dealing with the housing bill. I think we shall spend some time on the public works bill.

I know there are a number of general bills which we have agreed to bring up, such as the credit union bill and others, which will be brought up by way of motion.

I know that some of the others have been cleared by the policy committee.

Serious objection has been made to a number of bills which have been cleared by the policy committee.

I doubt that the Senate will take up all the bills I listed; but they have been cleared by the policy committee, because we were not sure whether we would have another meeting, and we wanted to announce to the Senate that those bills had been cleared for Senate consideration.

I do know that the Senate will consider the housing bill and the public works bill at an early date, shortly after the Senate completes its action on the pending bill; and we shall have a call of the calendar, and perhaps several of them; and at an early date we shall take action on the Executive Calendar.

Mr. DIRKSEN. Mr. President, will the majority leader yield further to me?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. I wonder whether the majority leader will care to speculate as to when the final curtain on this session might be brought down.

Mr. JOHNSON of Texas. I never have target hours or target dates. I believe we should remain here until we have done our job.

I have seen in the newspapers statements to the effect that the Congress is going to adjourn sine die on August 15, or on Labor Day, or on September 12; and some of them have predicted that we might even take a recess, and return a little later—or some have suggested that.

I think we should stay here until we finish our job.

For the information of any Senators who may interested, I state that I think it very unlikely that we can complete action on all the bills that have been listed and on the mutual security appropriation bill, and adjourn sine die Saturday night. I think we shall be here the early part of the following week, at the least, and that the end of the session will not come before then, at the earliest.

Mr. DIRKSEN. Is it correct to say that again and again and again we have hoped for adjournment, but it did not quite eventuate?

Mr. JOHNSON of Texas. That is correct.

Mr. MORSE. Mr. President, will the Senator yield further to me?

Mr. JOHNSON of Texas. I yield.

Mr. MORSE. I notice that the majority leader said he would not expect another meeting of the policy committee, or, in effect, that he was not contemplating that there would be another meeting of the policy committee. But that does not mean that the policy committee might not meet if there were——

Mr. JOHNSON of Texas. Not at all; if the Senate feels that any other bills which were reported should be considered, we frequently poll the committee or we frequently have meetings in the mornings or in the afternoons. As a matter of fact, when we met today, we took action on every bill on the calendar.

Mr. MORSE. I should like to say, most respectfully, and with complete humbleness, that I hold to the point of view that is shared by a few of my colleagues—although just how many, I do not know, or how much their number may increase in the days immediately ahead, I do not know—that we should take some action on aid to education or school legislation before we adjourn; and if I correctly understood the references which have been made to the calendar, that measure was not included in the group of bills listed by the majority leader.

This morning, the committee voted to have the McNamara bill reported and placed on the calendar.

I believe that bill is of such great importance to the Nation that the Congress should take some action on it.

Also, this morning, in the Labor Committee, we had a brief discussion about reporting a bill calling for amendments to the minimum wage law, in keeping with the main provisions of the Kennedy-Morse bill; and I have reason to believe that the Labor Committee in all probability will hold a meeting on that measure and will vote it either up or down in the next couple of days. We already have it out of the subcommittee.

My third point is that I believe we should make a valiant attempt, in the Senate, next week, to pass some proposed legislation in the rather controversial field of civil rights; I refer to measures dealing with the main provisions of the old title III of the 1957 bill, which was dropped from that bill.

Some of us are very much interested in those three subject matters.

All I can do is petition the policy committee and place myself at its mercy, from the standpoint of exercising its discretion—knowing that some of us have these very definite views in regard to action which we believe should be taken on these three matters, as a minimum, for a program, in addition to the items suggested by the majority leader.

But as I said on yesterday, in listing the measures on which I thought the Senate should take action, that was only a small part of the package I suggested.

Of course I shall do my best to encompass the maximum amount of proposed legislation that I think the Senate should pass.

Mr. JOHNSON of Texas. In connection with the education bill, it is my information that it has been ordered reported, but has not yet been reported, and that perhaps it will take some time for the report—including the supplemental views and the minority views—to be prepared.

Mr. CLARK. Mr. President, on that point will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. It is my understanding—and I hope the Senator from Oregon and the Senator from Michigan will correct me if I am in error—that the committee agreed today that the individual and minority views would be filed not later than Friday night.

Mr. JOHNSON of Texas. That is consistent with my information.

Furthermore, no civil rights bill is on the calendar. I cannot anticipate what action will be taken on minimum wages. But we can always consider any bills which are on the calendar.

Mr. McNAMARA. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. McNAMARA. If it is the desire of the majority leader that we do so, we can expedite the reporting of the education bill. But we shall have to wait until Friday to have the reports, as he understands.

But if it is his desire that we do so, we can have the bill before the Senate tomorrow, with the understanding that we would have to wait until Friday for the reports.

Mr. JOHNSON of Texas. That is a matter for the chairman of the committee to determine. I have no desire to interfere one way or another with the functioning of the committee.

Mr. McNAMARA. However, if that is what the Senator from Texas desires, we shall be glad to cooperate in that way.

Mr. JOHNSON of Texas. I do not insist; that matter is up to the committee.

Mr. CLARK. Mr. President, can the Senator from Texas advise me whether he thinks we can adjourn or should adjourn without extending the life of the Commission on Civil Rights?

Mr. JOHNSON of Texas. I think we shall get a chance to act on that matter in connection with the mutual security bill. As most Senators know, there is a supplemental appropriation request for $500,000 to continue the Civil Rights Commission. A point of order has been made against an appropriation that does not carry authority for the Commission. That point of order does lie, and has been sustained; and the chairman of the committee has been directed by the committee to give notice of an intention to move to suspend the rule, and then to include authority for the continuance of the Civil Rights Commission for 2 years; and then, if the rule is suspended by a two-thirds vote, to offer to the mutual security appropriation bill the amendment calling for the $500,000, as requested by the Bureau of the Budget.

Mr. CLARK. The Senator from Texas said "the committee." Does he mean the Appropriations Committee?

Mr. JOHNSON of Texas. Yes. The mutual security appropriation bill will come from the Appropriations Committee.

Mr. CLARK. Not the Judiciary Committee?

Mr. JOHNSON of Texas. No; I said the mutual security appropriation bill.

The Bureau of the Budget requested an appropriation of $500,000, in a supplemental estimate, and sent it to the Appropriations Committee; and the committee acted on it today, by raising the point of order that there was no authority for the Commission beyond November 8; and the committee then took action to direct the chairman of the Appropriations Committee, the Senator from Arizona [Mr. HAYDEN] to give notice of an intention to move to suspend the rule and, after proper notice is given, on Saturday that motion will be voted on; and if two-thirds vote in the affirmative, the rule will be suspended, and such proposed legislation will be attached to the appropriation bill, so as to authorize the Civil Rights Commission to exist for another 2 years.

Then, if the vote on that question is in the affirmative, the chairman of the committee will submit an amendment calling for an appropriation of $500,000 for the Commission for the next 2 years.

Mr. CHAVEZ. Mr. President——

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Illinois.

Mr. DIRKSEN. Just for the information of the Senate, I would like to inquire what the rest of the workload is for the evening.

Mr. JOHNSON of Texas. First, I would like to get the yeas and nays on the Anderson amendment.

The PRESIDING OFFICER. The yeas and nays on the Anderson amendment are requested.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Next, I would hope we could get a vote on this amendment at a reasonable hour. We cannot get a unanimous-consent agreement, I am sure, but I have observed that we have spent most of the day on this bill. I hope we can get a vote on the amendment. I am not aware that there are too many other amendments to be offered. We would like to conclude action on the bill tonight so we can take up the housing bill and the public works bill tomorrow.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes.

Mr. ANDERSON. I have tried to use some time speaking on the amendment, but there have been a good many interruptions. I will try to finish what I have to say in not more than 10 minutes. There are several other Senators, such as the junior Senator from Wisconsin and the junior Senator from Tennessee, who would like to speak.

Mr. JOHNSON of Texas. I wonder if I could get an indication as to how many Senators wish to speak on this amendment.

[Several Senators indicated a desire to speak on the amendment.]

Mr. MONRONEY. Mr. President, I would like to have 10 minutes.

Mr. JOHNSON of Texas. Would those who have indicated they wish to speak say they would like 10 or 15 minutes?

[Indications in the affirmative.]

Mr. JOHNSON of Texas. Senators should be on notice that we should be voting some time around 7:15 p.m.; perhaps a little earlier or a little later.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes.

Mr. MANSFIELD. Am I to understand from the colloquy which has ensued between the distinguished majority leader and the distinguished minority leader that there is no possibility of adjourning sine die this week, but there is a possibility of adjourning sine die some time between next Monday and Thursday?

Mr. JOHNSON of Texas. I am not going to set a target date or say what is possible or what is not possible. I am going to do as much as I can, as soon as I can, consistent with the desires of my colleagues. I am going to come in early and stay late. But anyone knows that when we have 120 bills, some of which require discussion, when we have such bills as the mutual security appropriation bill, the housing bill, and the civil functions bill, and when we have as many vetoes as we have had, we are going to have some discussion of this general situation. I do not see any possibility of adjourning this week, I will say to the Senator.

Mr. MANSFIELD. I want to say I thought we would adjourn around the first of the month. The minority leader thought we would adjourn around Labor Day. The majority leader has never said when we would adjourn. Perhaps we are getting toward that particular objective at this time.

Mr. JOHNSON of Texas. I am going to ask the Senate to stay here as long as it wants to stay and is willing to stay, to do the job that has to be done. That is as near as I will say about the date of adjournment.

Mr. DIRKSEN. I thank the distinguished Senator from New Mexico for yielding the time in order to have this colloquy.

Mr. JOHNSON of Texas. I appreciate the generosity of the Senator. We will have a call of the calendar following the morning hour tomorrow, and we will have a call of the Executive Calendar as well. I want all Members of the Senate to be on notice.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. ANDERSON. Mr. President, I want to say to the majority and minority leaders that it was no sacrifice to yield to them, because all through the assembly of Senators, there was a desire to find out what the program was and what bills were going to be called up. I appreciate the information very much.

Mr. KERR. Mr. President, will the Senator yield to me so that I may propound a question to the majority leader?

Mr. ANDERSON. I ask unanimous consent that I may do so.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KERR. Is it possible to get a unanimous-consent agreement on the pending business?

Mr. JOHNSON of Texas. I have explored that question for some time. I do not think it would be considered from a favorable viewpoint at this time.

Mr. ANDERSON. I will say to my able colleague, the Senator from Oklahoma, that I know he will be brief when he discusses this matter. I will try to be brief in discussing it. In that way we will probably proceed just as rapidly.

Mr. JOHNSON of Texas. There are five or six Senators on this side who have indicated a desire to speak on the amendment. I think it will be about 7:30 before we have a vote.

INTEREST RATES ON E AND H SAVINGS BONDS

The Senate resumed the consideration of the bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Has there ever been a time in our history when the President has been given unlimited power in this category of Government obligations?

Mr. ANDERSON. I have tried to have that question subjected to research, and others have. All come up with the same answer: Never has the President had such unlimited power. Perhaps our research was defective. It could have been, because it had to be hurriedly done. None of us knew this was going to be requested. So far as I have been able to ascertain, and I have made a conscientious check, and the Library of Congress has made a conscientious check, this power has never before been granted in the history of the Republic.

Mr. LONG of Louisiana. That seems to be the crucial point here, which I think has been overlooked.

I do not see how Congress can possibly justify, with very little argument, based on so little explanation, surrendering completely this power, when it has not been done before in history.

Of course, it happened in executive session, but I ask the Senator if it is not true that the question was asked of the Treasury whether there ever had been a time when the Congress surrendered to the Executive power to raise interest rates, without any ceiling at all. I believe the Treasury's answer was "No, there could not have been, because only

recently has the Executive had any discretion whatsoever to raise interest rates." The Congress used to fix the interest rate. It would pass a bill and fix the interest rate on a particular class of Government obligation. So this will be the first time we have ever just turned the power over to the Executive, without any restraints whatever, to raise interest rates on Government obligations.

Mr. ANDERSON. I will say to the Senator from Louisiana I am sure that is correct. That was the answer made by the Treasury. Heretofore, we have had bond issues, and the Congress has wirtten in the terms. That was done within the proper constitutional power of the Congress. That power is provided in the Constitution. That is what we are supposed to do. Only recently have we gotten the theory that we can turn everything over to the Treasury.

One of the principal reasons why the able Senator from Wyoming [Mr. O'MAHONEY] has been ill for a while is that he has felt so strongly on this question. He has expressed himself so forcefully on this question of constantly turning over to the Executive powers which the Executive does not have under the Constitution. Recently there was a bill before the Committee on Interior and Insular Affairs, and which was about to be agreed on. We received the strongest representations from the Senator from Wyoming [Mr. O'MAHONEY] because he does not believe Congress should turn over to the Executive powers which the Constitution placed in the hands of Congress—not reserved powers, but specifically put in the hands of Congress under the Constitution. This is an example of it.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. McCARTHY. I think we might have an answer to the question raised by the Senator from Louisiana, and get it quite effectively, if we read one of the remarks Mr. Stans made before our committee when he was testifying on the gas tax bill. The administration seems to be opposed to any kind of fixed point of reference. The question was raised by the junior Senator from Tennessee, after he had cited problems raised as a result of imposing the gas tax.

He turned to Mr. Stans and he said, "What about the problems?" Mr. Stans said, "We do not deal in problems; we deal in dimensions."

It seems to me we are now applying the theory of relativity to the fiscal problems of the Federal Government. If possible, we should get help from someone who pretends to understand the Republican administration. We should get some good Republican who understands and defends the administration and the Treasury Department, some good Republican who defends the philosophy of Mr. Stans, who will tell us what is meant when Mr. Stans says that the administration deals not in problems, but in dimensions.

I think the Senator from New Mexico raised a good question earlier when he said that by simple arithmetic the cost could be established. Evidently the administration is not using simple arithmetic. If we could get some definition of the dimension in which the administration deals—the first dimension, second dimension, third dimension, whatever dimension it may be—or of the state of relativity being applied to the fiscal theories of this country, we might be able to understand the administration's position on the bill.

Mr. ANDERSON. I will say to the Senator from Minnesota that I read the testimony of the Secretary of the Treasury, who said that it would cost $30 million to $35 million to the savings bond part of the budget cost of interest on the public debt for the fiscal year 1960.

A more simple answer would be, it seems to me, "We have $42½ billion worth of bonds, and if you raise the interest rate a half of 1 percent that would cost approximately $212 million per year."

If we raise the interest rate 1 percent, which my amendment would allow, it would be $425 million a year.

This is a statement which is cleverly written, I admit, which says that it would add $30 million to $35 million to the savings bond part of the budget cost of interest on the public debt for the fiscal year 1960. He is dealing in dimensions, not problems; I quite agree with the Senator from Minnesota.

Mr. MORSE. Mr. President will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Oregon.

Mr. MORSE. I should like to ask a question, but before I ask the question, if the Senator will permit, I should like to preface it with a brief comment.

Earlier this afternoon the Senator from Oklahoma [Mr. MONRONEY], the Senator from Wisconsin [Mr. PROXMIRE]—and now the Senator from Louisiana [Mr. LONG]—joined with the Senator from New Mexico in putting their fingers on what I think is the fatal weakness of the bill before the Senate, if we carry out what I consider to be our legislative trust and responsibility in the Senate.

As the Senators have pointed out, what we are being asked to do is to delegate our power to the President of the United States. If we do not agree to the Anderson amendment we will be delegating legislative authority to fix interest rates at the President's discretion.

Mr. President, I use my words with great care. If we do that as a Senate of the United States we shall move this Government of ours in the direction of an executive government rather than a government under a check and balance system where the legislature exercises its constitutional prerogatives checked by a President who has the right to veto the legislative process of the Congress.

What we really will be doing is undercutting the whole procedure in the Constitution of the United States, which provides for checks upon the power of the President, by giving him what amounts to a legislative function. If we can do that in this instance we can do it with respect to many other matters.

I wish to say, most respectfully, as the Senator from New Mexico pointed out, that has been the trend in recent years. So the Senator from New Mexico, in my opinion, is very sound in raising a basic question of constitutional theory on the floor of the Senate.

What is there about this problem which justifies the Senate in abdicating its constitutional prerogative and duty? I do not know of any emergency which would justify our doing that with respect to this subject matter. I warn my colleagues in the Senate that they will rue the day if they permit the administration to get by with this undercutting of the fabric of our Constitution itself, because that is what we would be doing, Mr. President.

I think the Senator from New Mexico is very correct in bringing our attention to the position taken by the man who I think is the greatest constitutional lawyer in this body, the Senator from Wyoming [Mr. O'MAHONEY]. The Senator from Wyoming has pleaded with us time and time again in recent years concerning the growing threat to the constitutional powers of the Congress of the United States. It is a very dangerous threat. Now is the time to come to grips with it.

I say most respectfully, I think we need to say to the President, "Mr. President, you are always free to exercise your veto power, but we are going to pass legislation which will carry out our constitutional right"—and I happen to think it is a duty—"to maintain the control over the fixing of interest rates." We should not "pass the buck," because of terrific business pressures which may be put on us at this time, to the President of the United States, and give him what amounts to arbitrary and unchecked power, so far as the interest-making decisions are concerned.

It is no answer to say to me, Mr. President, "Oh, we can come back at a later day and take away what we have given to the President."

Let us be realists. We know what happens in the operations of the Congress. We are always so busy with the new problems which confront us at every session of Congress that we like to forget about actions we have already taken. Those are actions of a past day, and we are concerned about the present.

I respectfully point out, and the RECORD will bear me out, there has to be the creation of some great public clamor, usually, to cause us to go back and repeal something we have already done.

We can imagine the people of this country coming to grips with and understanding this abstract problem of economics with which we are dealing. The administration knows how difficult it is, Mr. President, to get the public to understand the very technical implications of this problem. We have been elected, Mr. President, to carry out our trust, when we understand it. We do understand it. Every man in this body knows what he will be doing if he votes against the Anderson amendment. Every man knows he will be voting to give the President of the United States at least for the time being, and it is going to be for a long time, I respectfully say, an unchecked power over the fixing of interest rates in this country.

That is dangerous. It is dangerous from the standpoint of the welfare of the people of this country. I am going

to be no party to it. I hope the Senate will consider the matter long enough tonight to really ponder what it is doing, to give us the votes we need in order to place a check which, under the Constitution, it is our duty to place on the President of the United States with respect to this problem.

I am also fearful of the effect upon other interest rates, if we give this unchecked power to the President. To permit rates for savings bonds to go above the ceiling proposed by the Senator from New Mexico would, I believe, increase the upward pressure upon rates in mutual savings accounts and savings and loan accounts, which compete with savings bonds.

Eventually, we would be faced with overwhelming pressure to raise rates for marketable bonds. The least we should do to keep the lid on interest payments is to approve the pending amendment.

Mr. ANDERSON. There are two things in the current situation at which I believe Congress should take a look. It is true that very frequently these matters are not discussed in the meetings of the Finance Committee. Apparently they are not worrying many people. The situation occasionally does worry some of us who have been watching the Government bond market for a long time.

The newspapers of today, for example, record the fact that yesterday the Government paid 3.979 for its 13-week bills.

The Government of the United States goes into the money market every Monday and buys the money it needs for current purposes. It needed $1,200 million roughly when it went into the market yesterday. It got a bid of 3.979 and that, according to the newspaper I have in my hand, was a new 26-year high for the third consecutive issue of 13-week Treasury bills. The latest issue was sold at a price equivalent to an average yield of 3.979 percent. The previous similar issue drew a rate of 3.889 percent. The current rate is the highest since 4.229 percent, on a similar issue dated March 6, 1933, during the bank holiday period.

While it is not very nice to be reminded of a situation which existed during the bank holiday period, there is one interesting fact in connection with this rate. Here we have a situation where the Treasury 13-week bill rate has gone above the discount rate. That is a phenomenon in American finance. It is a very unusual situation. It has sometimes foreboded financial trouble. The people of this country would be well advised to pay a little attention to the fact that the Treasury 13-week bill rate is above the discount rate, which is now 3½ percent. I say this to warn the Senate, that this is no time to be fooling with a financial situation of this nature, trying to give unlimited power to the President which he has never had.

The Committee on Finance has released a publication entitled "Investigation of the Financial Condition of the United States." In that publication there appears a paragraph which reads as follows, at page 2192:

> Fifth, the present difficulty of selling long-term bonds is the result in no small part of the stock market boom; but note that at the end of 1958 for the first time in a generation stocks were yielding less than bonds and values were up above those justified by profit prospects; and hesitation in the rise of the stock market could easily improve the bond situation.

The important words in that statement are that for the first time in a generation stocks are yielding less than bonds.

It so happens that when we had the Secretary of the Treasury testifying in an investigation of the financial condition of the United States, Secretary Humphrey was asked some questions about this sort of situation. We had a very brief period in which that situation occurred, in 1956. I reminded him of some of the financial difficulties we have had. I reminded him that in 1873 we had very high interest rates and we had a panic shortly thereafter, and that built up to a peak in 1893, and then we had some troubles thereafter. Railroad bonds went to 4.1 percent. Commercial rates went up to 7.67.

Then we had bad financial troubles in 1907. The interest rates on railroads got very high again, much higher than usual. The commercial rate got to 6.66.

We had financial troubles in 1920. We had difficulties and we got into a great deal of financial trouble.

Then in 1929 we had a parallel situation when interest rates got very high.

Why is it that people are not worried about it, after having been through five or six panics, when we had this sort of trouble, even though it was called a depression in 1929? Why do we go through it round after round and never see the warnings?

I say that this accumulation of interest rates is dangerous to this country. People should be looking at it carefully. We can go through all the tables we have and we cannot find any reason why this rate needs to go to 4¼ percent. The witnesses who testified said they only wanted 3¾. The plan only called for 3¾. We give them a half percent above that. We give them twice as much as they said they would use. Then they tell us the difficulty they would be under.

All we have to do is pick up the Government bond list week after week and take a look at what is going on. If we want to buy a 1-year bond that has a high yield, we can buy a 2⅛ of November 15, 1960, at 97–14 to yield 4.37 percent.

We can buy a 2-year bond, November 15, 1961, for 95–6, yielding 4.85 percent; or a 3-year bond, October 1, 1962, which will yield 4.69 percent.

On down the line every one of these issues is about 4 percent, and the Treasury tells us, as soon as we give them this unlimited authority, "We are up against a tough market. We cannot sell these savings bonds, because a person can buy them for 1 year, 2 years, 3 years, 4 years, 5 years, and even 10 years, and a 10-year bond is equal to a December 15, 1965, bond which is selling at 82–12 with a yield of 4.68 percent.

A man does not need to buy an E-bond or an H-bond when he can buy a bond for 1, 2, 3, 5, or 10 years, any place he wants to go, and get from 4.50 to 4.92.

Treasury 2½s of 1961 were selling just a short time ago yielding 4.92—a terrific return.

When we get into competition with this, the Treasury will say, "Oh, 3¾, that is what we thought we would utilize, but now we find we need to go up to 4½, 4¾, 5 percent."

If they really believed they were going to stay at 3¾, they would let the rates stay there until next January, and then come to Congress and ask Congress, which has the right to fix these rates, to give them whatever rate they might require. However, that is something they do not want to do. Why is it? Simply because they want to make sure that they take away from Congress any control of the financial structure of the country, and place it in whose hands? Into the hands of the people who have been gradually raising these interest rates for a long, long time.

It was pointed out that the budget is partly out of balance. Other things have helped to unbalance it, but it is partly out of balance because $2 billion is the cost of handling the national debt. So we raise these E-bonds up to the limit permitted by my amendment. That adds $425 million, but it also has an effect on every other piece of Government paper.

There is only one reason why these Government bonds happen to have yields of 4.69 percent. That is because new bonds have been issued. So that depreciates the old ones.

What does it do to every purchaser of a Government bond? What does it do to the people who in good faith allowed payroll salary deductions to permit them to buy E-bonds? They realize now that if they start to buy bonds that are heavily depreciated, they have taken a very substantial loss.

It was not too long ago that people used to point proudly to the fact that Government bonds were the finest investment that one could go into, to put into widows' and orphans' trust funds. But no one says that now because we find Government bonds selling as low as 81, and they do not have to have a long maturity.

So I say that I am completely opposed, and I hope Congress will be completely opposed, to turn over to the executive branch the arbitrary power to set the interest rates anywhere it wants to without reference to Congress, where that power is properly lodged.

The fact that the discount rate is below the 13-week, 91-day, interest rate is a dangerous situation, a phenomenon in our financial structure which should warn us not to fool around with the bond market at this time. When the return rates cross, when the return rate from stocks goes below the yield rate of bonds, we have always had financial trouble, generally within 18 months thereafter. That is a well-established financial trend. No one seems to worry about it. If we allow the bond rate to go anywhere it will, the stock market will continue to rise, and hence stock yields will continue to go down. Generally there is financial trouble—and there is now. This is no time to fool with such a situation. It is no time to say that we should have unlimited rates on bond issues.

I do not believe the question was clearly presented to the House of Representatives. There is nothing in the debates that indicates that the membership generally understood that it was abdicating congressional responsibility in this field and turning it over to the executive department. There is nothing in the House report that would indicate that. There is nothing to that effect in the testimony of the Treasury Department witnesses before the House committee. The testimony was to the effect that, "We have a plan to raise the rate to 3¾ percent." Under these circumstances we ought to refuse to give unlimited power. We ought to establish a 4¼-percent limit, which is more than adequate to carry the Treasury until next January; and we should do it by the adoption of this amendment.

Mr. PROXMIRE. Mr. President, I enthusiastically support the Anderson amendment. I agree that most Senators have not had the opportunity to have the very vital importance of this amendment called to their attention.

It was interesting to note, in the colloquy that when various Members of the Senate who oppose the Anderson amendment were challenged to defend their position, that there was no very strong, clear reason for rejecting it. There was some vague notion that if we were to adopt the Anderson amendment it would be necessary for the Treasury to go to 4¼ percent instead of 3¾. This was never defended, just asserted.

It seems to me that the distinguished Senator from New Mexico answered it completely when he pointed out that, according to that line of reasoning, if there were no limit on the amount the Treasury could pay on bonds, there would be a tendency for the interest rate to go to infinity.

We must emphasize over and over again that this is a spending measure. It has the same effect on the Treasury as any kind of backdoor skip-the-Appropriations-Committee spending bill.

The Senator from New Mexico has stated—and I do not believe he can be successfully contradicted—that the effect of passing the bill, even with the Anderson amendment, would be to require the Treasury to spend $215 million a year eventually in additional interest on savings bonds. The Anderson amendment would limit the spending to $425 million a year. Without the Anderson amendment, the sky is the limit. Instead of putting our fiscal house in order, this measure would blow the roof off.

I think it is desirable, once again, that Senators who have an opportunity to do so should take a look at the majority report on this amendment, because on the second page of the majority report the first paragraph under the head of "General Statement" sets forth the history of savings bonds. It points out that the savings bond program was initiated in 1935. In that legislation the maximum permissible interest rate of 3 percent was established for savings bonds held until maturity.

There was no change in the statutory limit until 1957. It is true, as the report specifies, that in May of 1952 the Treasury did increase the yield of series E bonds to 3 percent, from 2.9 percent; but it was 22 years, from 1935 to 1957, before it was necessary for the Treasury to come to Congress and ask for an increase in the limitation on the amount the Treasury could pay on savings bonds.

Now the Treasury is coming back once again, 2 years later. I submit that no one can very well argue that the Anderson amendment would interfere with Treasury flexibility, because it provides for a full 1 percent increase at the discretion of the Secretary. The Treasury representatives say they want only one-half of 1 percent increase.

On the basis of conservative assumptions—even if we assume that interest rates are going up sharply—it would mean that the Treasury would not have to come back for a year, 2 years, or 3 years, very likely. It is certainly desirable for the Congress to pass upon any policy adopted by the Treasury which would push interest rates on savings bonds to a higher level than 4¼ percent.

A higher level than 4¼ percent would mean that the rest of the national debt would have to be financed at around 5 or even 6 percent. In 1957 the Treasury asked for 4¼ percent. At that time the statutory limit was 3 percent. The Treasury said that if the Congress would give it 4¼ percent, that would be satisfactory.

At that time the House passed a savings bond bill which provided for a 3½-percent limit, but the Senate decided that 3.26 percent should be the maximum limit.

I invite the attention of Senators to the committee report of the Finance Committee, submitted on April 10, 1957, in which the Finance Committee said why it felt at that time that a statutory limitation on savings bonds should be required. On page 2 of that committee report of April 10, 1957, the Senate Committee on Finance had this to say:

> Your committee held 3 days of hearings on this bill—

I interpolate that there were 2½ days more of hearings than were held on the bill this year. The chairman of the committee stated, I believe, that the only hearings that were held were when the administration witnesses came in and testified. The opponents of the increase apparently were not heard.

I read further from the 1957 report:

> during which attention was given both to the recent deterioration of the market for savings bonds and to the potentially harmful effects on the economy of a program of high interest rates. Your committee has amended the House bill to lower the maximum rate permissible on savings bonds to 3.26 percent, in lieu of 3½ percent. This will permit the Treasury to sell a $75 bond that will mature in 8 years and 11 months, for $100.

The committee further stated:

> It is believed that this change is desirable, for several reasons. If a 3½-percent limit is provided, there would be some expectation on the part of the public that the rate would in fact be raised, and this would tend to reduce sales of the 3¼-percent bonds. Furthermore, this adoption of this reduction of the limit to 3.26 percent expresses the opposition of the Congress to any increase in interest rates not absolutely essential in the interest of economic stability.

That was the statement of the Finance Committee in 1957. I wish to emphasize that statement, because I think it is unfortunate that the Finance Committee, in its report this year, did not take the same position and express the same opposition to an increase in interest rates.

The committee report in 1957 stated:

> The adoption of this reduction of the limit to 3.26 percent expresses the opposition of the Congress to any increase in interest rates not absolutely essential in the interest of economic stability.

The committee went on to say this:

> The Treasury has argued that there should be greater administrative flexibility in the Treasury to raise interest rates if redemptions of savings bonds again rise relative to sales. Your committee does not believe that the situation requires such delegation of authority to the executive since this deterioration of the market for savings bonds has in the past developed only slowly.

Mr. President, what has changed in the past 2 years, between 1957 and 1959, that should persuade the Finance Committee of the U.S. Senate they should now delegate to the Executive unlimited power to increase interest rates to whatever extent they wish to increase them? I submit there has been one development. It is not a new development but it has been reinforced. That is the consistent, clear-cut policy of the Eisenhower administration to attempt to increase interest rates at every opportunity.

If there is any fundamental economic policy difference between the Democratic Party, which is the majority party in Congress, and the Republican Party, it is that the Democratic Party said in its platform, and in the pronouncements of its leaders, and in the expressions of the Members of the Senate and the House that "we do not believe in high interest rates. We are a low interest rate party. We believe interest rates should be kept as low as they can be."

Since 1957 interest rates have soared. The executive branch of the Government has demonstrated it believes in higher and higher interest rates. Under these circumstances, I can see no reason why, 2 years after the Finance Committee issued a statement in which they say, "We must not delegate this authority; we do not agree with the House that they should go to 3½ percent," we should say now that we do not believe in high interest rates. We want the Executive to come before us and make a case whenever they wish to increase interest rates on savings bonds. That was the position of the Finance Committee in 1957.

I submit it was a wise and a defensible position, and I hope it is the position the Senate will take tonight in voting on the Anderson amendment.

The position of the Finance Committee is the same as the position of the chairman of the Finance Committee in 1957. The chairman was the distinguished Senator from Virginia [Mr. BYRD]. On

April 15th on the floor of the Senate he said:

First was the question of whether or not there should be greater flexibility for the Treasury to increase interest rates on savings bonds if inflationary pressure should build up in the future. The Treasury originally requested that the statute provide that the savings bond rate could be increased to 4¼ percent, even though they had only announced plans to sell a 3¼-percent bond. The House bill would raise the ceiling only to 3½ percent. The Finance Committee has further reduced the new ceiling to 3.26 percent, which will be adequate to sell the bonds described in the Treasury announcement of February 14. Let me say that the action of the Senate Finance Committee is an indication that the committee desires to discourage further increases in interest rates in financing Federal obligations. We felt strongly that the serious aspects of higher interest rates require that any further increase should be accompanied by a request for legislation. Experience in the past has indicated that the market for savings bonds declines only slowly enough in an inflationary period as to afford ample time for additional legislation.

Mr. President, I am sure the distinguished chairman of the Finance Committee, who is an extremely able and sincere man, felt that the situation warranted the statement this morning that in his judgment conditions had changed.

I submit that anybody who looks at page 4 of the committee report and examines what has happened with respect to cash sales of savings bonds and cash redemptions of savings bonds in 1957 as compared with 1959 will find the situation has not changed. Indeed it is almost exactly the same kind of situation.

It is also interesting to note the apparent pattern. After the Senate and the House adopted an increase in interest rates in 1957 on savings bonds there was no improvement. There was no increase in the sales of savings bonds. There was no reduction in redemption for a considerable period of time. It was only after an aggressive campaign was conducted by the Treasury Department throughout the country generally that the increase in sales and the decrease in redemptions took place.

In 1957, when there were much more careful and thorough hearings on this measure and the principles behind the measure, the Chairman of the Federal Reserve Board appeared and testified. He was asked by Mr. MILLS, the chairman of the House Ways and Means Committee, this question:

What merit is there to the thought that has been advanced by the lending and savings institutions of the country, commercial banks, building and loans, and mutual savings banks that there will be no opposition on their part to an increase from 3 to 3¼, but there would be cause for concern on their part in giving the Treasury discretionary authority to raise the interest rate on E-bonds to as high as 4¼ percent?

Mr. Martin, Chairman of the Federal Reserve Board, made a fairly long answer. I wish to call attention to the last paragraph of his answer:

I served in the Treasury for a couple of years and I happen to believe it would be wise to give them as much discretion as you gentlemen in your good judgment can see fit to give them without giving them blanket authority.

In other words, Federal Reserve Board Chairman Martin said, in effect when he was asked an explicit question, "Don't give them blanket authority. The Treasury should not have blanket authority to increase interest rates on savings bonds." That was a statement by the Chairman of the Federal Reserve Board, who has such enormous prestige here. He was saying that the Treasury should not have blanket authority to increase interest rates without limit. I submit that without the Anderson amendment that is exactly what the bill before the Senate does. I challenge any Member of the Senate to show that the bill does not provide blanket, carte blanche, unlimited, complete authority, in contradiction of the recommendation of the Chairman of the Federal Reserve Board when he was asked how much discretion the Treasury should have.

Mr. President, I have examined the Senate hearings and committee report and have looked through the hearings in the House, which were substantially more exhaustive than those in the Senate. I cannot find any justification from Secretary of the Treasury Anderson, Chairman of the Federal Reserve Board Martin, the committee report, issued under the name of the chairman of the Committee on Finance, from the proponents of the bill, or the outspoken opponents of the Anderson amendment, specifically, the Senator from Connecticut [Mr. BUSH], and the Senator from Utah [Mr. BENNETT], for providing unlimited, blank-check authority. There is no justification whatsoever.

There are plenty of arguments as to why interest rates on savings bonds must be increased, but that is beside the point. All of us agree that these interest rates have to go up. There is no question about it. We regret it, but it is a fact of life. They have to go up. But I say that the purpose of the Anderson amendment has been challenged by no one. There is no record of such a challenge in the hearings; there is none in the committee report; there has been no statement on the Senate floor.

If the Senate should reject the Anderson amendment and should pass the bill in its present form, there simply is no question that we shall be setting a clear precedent, so that next January or February, when the administration again asks for what President Eisenhower has insisted is so close to his heart that he is thinking of calling a special session for it—in other words, taking off the limit of 4¼ percent—the administration would say, "After all, you have done this for savings bonds; you have done it when 40 million bondholders are involved, and perhaps some 15 million or 20 million voters. Why not, if it is a matter of principle, do it for the institutions?"

Mr. President, there is no ready answer for that question.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MONRONEY. I am very much impressed by what the Senator from Wisconsin has said. This issue is of overriding importance. If the amendment of the Senator from New Mexico should be rejected, it would break a historic precedent going back to the time of George Washington. It will be like the breaking of the dike, and there may be a deluge of high interest rates from which the country can never recover. So it will be incumbent upon the Senate, particularly incumbent upon those who feel so strongly about this matter, if the Anderson amendment is rejected, to propose several other amendments.

Furthermore, we should make clear and definite that the Secretary of the Treasury and the President of the United States cannot issue 5 or 6 percent 20-year bonds in the guise of savings bonds, so that they will not arrive at their ultimate objective of having no ceiling whatever on the carrying of the public debt.

The research I have made indicates that if we fail to establish the ceiling on savings bonds, we shall leave the Treasury and the President—not only the present ones, but all those in the future—to decide as they wish, and Congress will finally have abdicated its historic power and control over the interest rates. Congress will then have surrendered that power, in totality, to any President or any Secretary of the Treasury, and will permit them to pay any rate of interest they may find to be in the national interest—and we may find it in the national interest to pay 5 percent or 8 percent for 20-year money, if they so desire.

This is an obligation Congress can never avoid; but once Congress loses this power, it may never recapture it.

Certainly the Congress should be concerned with the protection of that power, which it has on the basis of a 180-year precedent. Certainly Congress should be most concerned whenever it is proposed that it break that precedent and give the President the power to fix whatever rate of interest he may deem to be in the national interest; and certainly Congress should consider very carefully before it agrees to lose the control it has, as the people's branch of the Government, in determining what rate of interest shall be paid on such Government obligations—a power which the Congress, rather than the President, has held up to this very hour.

Mr. PROXMIRE. Mr. President, I thank the Senator from Oklahoma. He is entirely correct; and it seems to me that the Senate should pay very careful attention to the implications of his statement. I enthusiastically agree with what he has said.

Certainly the Senate should be on notice that if the Anderson amendment is rejected, it will be absolutely incumbent upon us to call the attention of the Senate and the attention of the country to the most important principle that is involved.

I have prepared some 50 amendments; and I expect to call up some of them, in the event the Anderson amendment is rejected, because this matter is not one of a trivial, technical provision of a bill. Instead, this matter affects all the people of the country. The principle involved is absolutely vital. Members of the Senate who favor this amendment have the duty of talking about this matter

very carefully, and of talking about it at great length, if necessary. That is we must talk for days, perhaps weeks, if the Anderson amendment fails.

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Does the Senator from Wisconsin yield to the Senator from Pennsylvania?

Mr. PROXMIRE. I yield.

Mr. CLARK. I find myself in complete accord with my friend, the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator from Pennsylvania.

Mr. President, the Senator from Oklahoma pointed out something which I think all of us often forget; and I refer particularly to Members on the other side of the aisle—namely, that this authority is not being requested only for the present occupant of the White House. If this authority is provided, it will apply to future Presidents, regardless of their policies or their attitudes.

All of us know that the present occupant of the White House will serve only another 16 months. However, the legislation now proposed will be permanent, and will affect and apply to any President of the United States, and will give any President this power.

Mr. President, in the last 25 years there have been exactly two occasions when it has been necessary for the Treasury to change the interest rate on savings bonds. Does it make any sense to say that the administration must have flexibility, no limitation on interest rates, so they wont have to run back to Congress under these circumstances? Why is it so difficult for the administration to make such requests of the Congress? As a matter of fact, the administration has come back only once to the Congress in 25 years—only in 1957—between 1935, when the first measure of this sort was passed, and the present time, 1959. Only once in that period has the administration requested that the Congress increase the interest rate on savings bonds.

Mr. President, I conclude by pointing out that the Chairman of the Federal Reserve Board has stated in the most unequivocal terms that an increase in the interest rate on savings bonds will have a direct and immediate effect on the interest rates on all other obligations throughout the country.

At this time I should like to read from the hearings, at page 35:

Mr. MILLS. Say you and I operate a building and loan association, and Congress does this. The first thing we notice, some of our depositors have taken their money out and are putting it into these bonds. Good or bad, I am not arguing one way or the other on the point. I am just trying to see what will happen.

Our natural reaction then would be to increase our interest to our depositors, and the only way we could do that would be to charge more interest on our loans, as I see it.

Does that make it more difficult then for you to provide satisfactory restraints on inflation?

Mr. MARTIN. If the overall level of savings rises it does not make our job more difficult.

Mr. MILLS. It makes it easier?

Mr. MARTIN. That is right.

Mr. MILLS. Are you saying then that this may well have the effect of increasing the overall rate of interest?

Mr. MARTIN. That is right.

Mr. MILLS. It would have that effect?

Mr. MARTIN. That is right.

Mr. President, a plainer or clearer statement could not have been made.

The Chairman of the Federal Reserve Board, who is charged by Congress with the administration of the monetary policy, has stated what will be the effect of an increase in the interest rate on savings bonds; he has said it will have an overall, national effect on other interest rates—and that the effect will be to increase them. All of us recognize that there must be some adjustments; but it is now proposed that the present administration have unlimited power to increase interest rates on savings bonds as much as it may wish—and all of us know that it wishes to increase them a very great deal. However, the Chairman of the Federal Reserve Board has said such an increase will have a nationwide effect, and that, as a result, all interest rates will tend to rise.

Mr. President, I earnestly hope the Anderson amendment is adopted, and I yield the floor.

Mr. MONRONEY. Mr. President, I agree completely with the distinguished Senator from Wisconsin that this is perhaps the most crucial issue to be before the Congress at this session.

I regret that the press of the Nation is at this time represented in the press gallery by only four members. That is most regrettable, because the story of this issue has not been properly covered. It has not been accurately reported; and the public itself, as well as the Members of the House and the Members of the Senate, are not aware that we are being asked to completely remove the historical congressional power of Congress to fix the maximum ceiling on the interest rate, on long-term obligations issued by the Government.

Such a suspension of a 180-year-old precedent is worthy of more than 1 hour of casual consideration by the Finance Committee. It is worthy of more than the casual reporting it has received, which has been 95 percent inaccurate, in the newspapers of the country. Except for the Wall Street Journal, all the newspapers which I have seen have reported that the pending bill provides that the interest rate on savings bonds may be increased from 3¼ percent to 3¾ percent. But that is a completely inaccurate report, because the bill provides that there shall be no ceiling, and permits any figure the President may find to be necessary in the national interest in order to expedite the sale of savings bonds; and, although the bill will affect only the interest rate on savings bonds, I find, upon careful study of the bill and of the statute being amended, that the Secretary of the Treasury will be able to decide what savings bonds are.

As a result, the efforts of the House and the Senate to guard very carefully against excessive interest rates can be set at naught. The interest rate increase is deserved by citizens who hold a few savings bonds of small denominations. But by means of this measure the Secretary of the Treasury could determine, by regulation, whether a $50 bond, or a $100 bond, or a $500 bond at 3¾ percent—the rate at which they have been advertised—was a "savings bond," or whether a $10,000, or a $100,000, or a $1 million bond was a "savings bond." Similarly, under the provisions of the bill, the Secretary of the Treasury might decide to issue them, not for 7 years, or 10 years, but for 15 years or 20 years, if he so desired, and at a rate of 10 percent.

So we are boxing ourselves in if we permit the erosion of congressional authority that has existed in the past and which the Congress has held against every President from George Washington on down.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to my distinguished colleague.

Mr. GORE. From conversations in the cloakroom and in the dining room, I have come to feel that there is considerable misunderstanding about the purport of the Anderson amendment, the effect of the Anderson amendment, and the contents and provisions of the pending bill. The Senator has just stated that the bill, as reported and as pending before the Senate, provides no ceiling whatsoever on interest rates for savings bonds, nor does it provide a definition of savings bonds.

Mr. MONRONEY. I am sorry to say to the Senator that it does not. It leaves to the discretion of the Secretary of the Treasury the determination of what a savings bond is. Any bond of not more than 20 years' maturity, of any denomination whatsoever, which is designated a savings bond has a ceiling unlimited in this "quickie" bill that is thrown in here in the closing days of the session, on a take-it-or-leave-it basis.

Mr. GORE. Will the Senator yield further?

Mr. MONRONEY. Yes.

Mr. GORE. Such definition and terms as "interest rates," as the Senator has mentioned, have been in the past characterized either as E- or H-bond issues. Is that correct?

Mr. MONRONEY. That is correct. We have carefully limited it, as the distinguished Senator knows, as to the interest rate, and we have jealously guarded control of these particular savings issues. But, as I read the bill, and as the experts have studied it, I find this bill is so cleverly drawn that, in spite of the fact that the House refused to provide unlimited ceilings on long-term Government bonds and sought to act on savings bonds, an avenue as wide as a barn door has been opened so the Secretary of the Treasury or the President—perhaps not this Secretary, perhaps not this President, but some future Secretary or some future President—can bypass the Congress completely as to ceilings, as to denominations, as to character of the bonds, and as to interest rates.

We find, on studying the bill, that the ceiling is unlimited, and as to the definition of savings bonds, it is up to the Secretary of the Treasury. The Secretary of the Treasury or the Presi-

dent has the right to finance any portion of the public debt, up to 20 years, at any rate he desires to pay, whether it be 3¼ percent, 4¼ percent, 5 percent, or 10 percent. The country will be bound by its sacred obligation to pay off at that interest rate, whether it continues for 20 years or not. We would bind future generations to the folly of a high interest rate policy that has been foisted on us by an administration in its dying day and permitted by a Democratic Party which seems to be faltering in the principles of Jefferson and Jackson for which it has stood for its long history.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from Pennsylvania.

Mr. CLARK. Does the Senator agree with me it is very important that the Anderson amendment should be adopted?

Mr. MONRONEY. I think it is so important, I will say to my colleague and friend, the senior Senator from Pennsylvania, that if the 4¼-percent limitation is not adopted, then the Senate should remain in session for whatever period of time is required for a thorough discussion and for consideration of many amendments, in order to try to prevent the complete erosion of congressional authority in this vital field. That authority has never been violated in our history, and I do not think it should be violated now, on the basis of a 1-hour hearing by the Finance Committee, without any public testimony from any source whatsoever.

Mr. GORE. Will the Senator yield further?

Mr. MONRONEY. I am happy to yield.

Mr. GORE. I am far more concerned with the present Secretary of the Treasury and the present President than I am with future ones.

Mr. MONRONEY. That would assume that we would elect a Democratic President who would be guided by the Jacksonian and Jeffersonian principle that interest rates are important; but, somehow, I wonder whether the Democratic Party and the Democratic leadership recognize the importance of interest rates in the historic position of our party.

Mr. GORE. Will the Senator yield further?

Mr. MONRONEY. I am happy to yield.

Mr. GORE. I am not so sure I share the assumption which the able Senator from Oklahoma has stated. I entertain the view that it would not be possible to have either another President or another Secretary of the Treasury who is as enthusiastically in favor of higher and higher interest rates as is the present administration.

Mr. MONRONEY. That is true, because everything that could be done to raise interest rates has been done by this administration, by Government edict.

Mr. GORE. Will the Senator yield further?

Mr. MONRONEY. I am happy to yield.

Mr. GORE. So the amendment proposed by the junior Senator from New Mexico is for the purpose of fixing a limit, and the limit proposed is 4¼ percent. Is that correct?

Mr. MONRONEY. That is correct; and it would make the rates uniform as to the limit now existing, and which has been in existence since 1918, on long-term Government bonds. The Treasury came before Congress and made its request, and the press bought what it said was the purpose of the bill by circulating throughout this Nation, to every newspaper reader, the story that there would be an increase in the interest rate from 3¼ to 3¾ percent; and now it is proposed to put in effect a limit of 4¼ percent, which provides a half of 1 percent leeway over what the Treasury itself asked for.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. MONRONEY. I am happy to yield to my colleague.

Mr. CLARK. Does not the Senator feel that the principle of low interest rates is one on which all good Democrats can agree, whether they come from the North, the East, the South, or the West?

Mr. MONRONEY. If there is any one single point of unity in the Democratic Party, it is on this principle, which has come down from the party's founding father, Thomas Jefferson, through the historic battle of Andrew Jackson against the vicious control of monetary policy by the Bank of the United States, and by the Biddles of Philadelphia, which great city my colleague has served.

Mr. CLARK. Unfortunately, the Biddles were all Republicans, except Francis Biddle.

Mr. MONRONEY. But this is the cornerstone of the Democratic principles. If I were a teacher of political science, and my students asked me the fundamental difference between the Republican Party and the Democratic Party, the one definition I could give would be that the Democratic Party historically has believed in high wages for people, for the farmers and the workers, but the Republican Party historically has believed in high wages for money. The one principle begets prosperity, when the wages of farmers and workingmen are good. The other policy begets depression. One can follow that trend through the long history of this country. The people of the country turn to the Democratic Party when they are in danger of a depression and calamity. They always turn to our great party because they know that in the prosperity of the many will there be sound economic conditions.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. MONRONEY. I am happy to yield.

Mr. CLARK. Does not the Senator think the sooner we can find out how many Democrats are prepared to support Democratic programs by voting for the Anderson amendment the better it will be, so that those of us who intend to see that this principle is either supported by adoption of the Anderson amendment—or there will be quite a lot of discussion about the bill—can have our minds made up as to what we should do next?

Mr. MONRONEY. I appreciate the question of the distinguished Senator from Pennsylvania. I would say that historically, in the votes of the past—and I believe the Senator has been keeping books on this—from two-thirds to three-fourths of the Democrats have consistently voted against interest rate increases, tight money policies, and the escalation of interest on Government-guaranteed securities. Two-thirds to three-quarters of the Democrats in the Senate have consistently expressed their party's traditional and historic belief in low interest rate policies.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. MONRONEY. Unfortunately, about one-third tc one-fourth of the Democrats in this body have joined with almost a solid 100 percent bloc of Republicans in a coalition to defeat a low interest rate policy.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. MONRONEY. I am happy to yield.

Mr. CLARK. I ask for the attention of Mr. Baker, as I ask the Senator this question: Would the Senator feel there would be any objection to my suggesting the absence of a quorum, so that we can find out how many Democrats will support the Democratic policy by having a quick vote on the Anderson amendment?

The Senator may not have been on the floor when the majority leader said he expected a vote on the Anderson amendment at about 7:20 p.m. Would the Senator object if I suggested the absence of a quorum?

Mr. MONRONEY. I would be happy to yield for the suggestion of the absence of a quorum.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, a parliamentary inquiry. Since the Senator from Oklahoma yielded for the suggestion of the absence of a quorum, does the Senator from Oklahoma still have a right to the floor?

Mr. President, I ask unanimous consent that the Senator from Oklahoma may retain his right to the floor, at the conclusion of the call of the roll.

The PRESIDING OFFICER. The request is out of order. The order for the quorum call has been entered. Unless there is a request to withdraw the order for the quorum call, the clerk will continue to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the Senator from Oklahoma losing his right to the floor.

Mr. MORSE. Mr. President, reserving the right to object, as one who is very desirous of saving the time of the Senate, I should like to suggest that we probably would save time by granting the request, so I shall not object.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, a parliamentary inquiry. How far has the call of the roll progressed?

The PRESIDING OFFICER. The Senator from Pennsylvania is out of order. An inquiry of that type cannot be made while the roll is being called.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue to call the roll.

The legislative clerk resumed the call of the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded in order that the Senator from New Jersey [Mr. CASE] may be recognized.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

AMENDMENT OF INTERSTATE COMMERCE ACT, RELATING TO DISCONTINUANCE OF CERTAIN OPERATIONS

Mr. CASE of New Jersey. Mr. President, out of order, on behalf of myself and Senators BUSH, DODD, JAVITS, KEATING, and NEUBERGER, I ask unanimous consent to introduce, for appropriate reference, a bill to amend section 13a(1) of the Interstate Commerce Act with respect to the discontinuance or change of operations of certain trains and ferries.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred.

The bill (S. 2659) to amend section 13a(1) of the Interstate Commerce Act with respect to the discontinuance or change of operations of certain trains and ferries, introduced by Mr. CASE of New Jersey (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

INTEREST RATES ON E AND H SAVINGS BONDS

The Senate resumed the consideration of the bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, when the quorum call was ordered I was saying that while the first section of the bill before us purports to deal only with saving bonds, it would amend sections of the code so that the Secretary of the Treasury or any future President would be unlimited as to interest rates as he now is in the matter of the denomination of savings bonds he might issue, and would be restricted only by a maximum 20-year maturity.

The bill would remove a ceiling which has been consistently maintained by the Congress against executive excesses through the long history of our country, from George Washington down to the present administration.

But we are proposing to open a door as wide as all outdoors, to provide for unlimited interest to be paid on long-term debt, by the passage of the bill before us.

If the amendment of the junior Senator from New Mexico is adopted we will effectively say that the 4¼ percent interest ceiling which has stood since 1918, in the days of World War I, will be effective not only with respect to long-term bonds, but also with respect to savings bonds.

The danger of executive excesses in paying interest has been recognized since the days of Thomas Jefferson. It was fundamental in the fight of Andrew Jackson against the throttling power of the Bank of the United States and the Biddles. It has been the crowning glory of the Democratic Party. If we forsake it on the basis of a 1-hour hearing before the Finance Committee, ostensibly to raise the interest ceiling from 3¼ to 3¾ percent, and buy the booby-trap that is before us, we shall be forsaking our constitutional duty.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield.

Mr. YARBOROUGH. First, I wish to pay my tribute to the distinguished Senator from Oklahoma for the leadership he has provided and for the research he has made, going back to the time of the first President, showing to the Senate and the people that the unlimited grant of fiscal power to the Executive is really an abdication of the fiscal responsibilities of Congress.

I thank the distinguished Senator for rendering this service to this body, our Government, and the people. But aside from the duty which each individual Senator owes to his conscience and to the people, I ask the Senator if he does not believe that the Democratic Party, as a party, owes an obligation to the people under our Republic. The Democratic Party, under its platform pledges going back to Thomas Jefferson, for generation after generation, has been the protector of the people in fiscal matters. Do we not as a party tonight owe a high obligation to protect the American people in this matter?

Mr. MONRONEY. I could not agree more completely, or disagree more completely with the theory that the way to lower interest rates is to raise interest rates, which is the theory that has been expounded here tonight.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CAPEHART. I would like to have the RECORD show that I think 100 percent the opposite. I believe that history may well prove that the result of our failure realistically to increase the interest rates on our bonds and other obligations may force the country into financial chaos. We would injure the very people Senators say they wish to protect.

I wish the RECORD to show that; and I wish the RECORD also to show that on this debate, and the action we may take here, may well depend whether this country has run-away inflation, whether we shall be forced off the gold standard, and have chaos in our fiscal affairs.

While Jefferson and others may have been right, conditions in those days were entirely opposite to what they are today. The facts today are that central banks and foreign people control the financial destiny of this country. That was not true under Jackson, but it is true today.

I plead with Senators, with tears in my eyes, to please permit the Treasury of the United States to set interest rates which are practical and realistic, and which will make certain that we do not throw the country off the gold standard.

Mr. MONRONEY. The Senator may think what he wishes, but I do not believe that the way to stop overeating is to order pie a la mode, or that the way to stop drinking is to have an extra pint of bourbon. I do not believe that the way to stop high interest rates is to raise interest rates. The Senator can believe what he wishes. Under Thomas Jefferson and Andrew Jackson what was paid for Government money was not one-thousandth as important as it is today, when the magnitude of the $300 billion public debt fixes interest rates for the entire Nation.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague from New Mexico, the author of the amendment now before us, which I hope all Senators will support.

Mr. ANDERSON. I may say to the Senator from Oklahoma that I was tremendously interested in the tear-wrung confession that we are going to get into financial trouble if we do not give the Treasury permission to correct the situation. We observe two financial circumstances which the Senator from In-

diana has rarely seen: First, the Treasury's 13-week bill rate is above the Treasury discount rate or Federal Reserve discount rate. That is a phenomenon which rarely happens. When the Senator talks about financial confusion, that is it because the discount rate is 3½ percent, and the 13-week bill rate was this very week, yesterday—Monday—3.979 percent. We have never heard of that happening in this country.

Second, the financial writers have been pointing out for a long time that when the two lines representing bond yields and stock yields cross, and the stock yield drops below the bond yield, we are always in for some financial trouble if we are not very, very careful. Yet the administration wants to exaggerate that and make the bond yield still greater in an effort to bring about financial stability.

We are in some financial trouble, and we are in it because of the tight money policy which has made it extremely difficult for business to operate. Most people are very conscious of that fact.

Mr. MONRONEY. I agree with the Senator from New Mexico. There were periods in our history when weak Presidents surrendered to the power of the money market. I have never seen a more abject surrender than that of the present President of the United States to the moneychangers of the Nation. Strong Presidents have resisted this power to dominate fiscal affairs by control of other people's money in the deposits in banks and insurance companies.

Now we see the power of the money market control. Even the Federel Reserve System, which was established as a safeguard for the people's interest, today has more concern with the profits which it makes on rediscount, the profits it makes through the tight money policy, than it has with the responsibility which the authors of the Federal Reserve System intended be exercised when they created this great institution, the Federal Reserve Board.

Let me illustrate that point. The Federal Reserve Board, if it has a duty at all, is supposed to provide a stable money supply and also to prevent the violent upswings and downswings in our monetary policy. Since 1955, the Federal Reserve Board has reduced its long-term bond holdings—that is, bonds running 5 years or more—by 37½ percent. Today, the long-term bond holdings of this great institution, the central bank of America, amount to only $900 million. Think of that—$900 million in long-term bonds. But the Federal Reserve Board tells us that the greater the amount of holdings in long-term bonds the greater the stability of the public debt.

The commercial banks, which the Federal Reserve Board, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation are supposed to advise, since 1955 have reduced their long-term bond holdings by 54.6 percent. The mutual savings banks and building and loan associations, which are supposed to provide a reservoir for savings, would be a wonderful market for our Federal bonds or long-term bonds, but they have reduced their long-term holdings by 26.2 percent.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MONRONEY. I will yield in a minute, when I have finished my statement.

The insurance companies, which use not their own money, but the savings of the little people of America, have reduced their holdings of long-term debt by 25.6 percent.

Then who is holding on to the long-term Government bonds? I will tell the Senate. It has been the little people of America, a part of the 185 million, who are buying bonds on the savings and payroll deduction basis. These are the people who have confidence in U.S. bonds. These are the people whom the amendment offered by the Senator from New Mexico is designed to protect. The amount of their holdings of individual savings bonds has declined only 6 percent from 1955 until now. They are the people who are the backbone of America.

This is where the emphasis is. When the moneychangers refused to buy the securities of the United States, the people came forward and said, "We will lend our savings by way of payroll deductions." Certainly; perhaps it is possible to hijack a higher interest rate out of Uncle Sam by political machinations or Federal Reserve action, or by other means. But the little people are pretty well satisfied to ride with Uncle Sam, because they think their investment is important, is vital to the long-term stability of our Nation.

Of the other groups I have mentioned, the Federal Reserve holdings are down 37.5 percent; commercial bank holdings are down 54.6 percent; building and loan association and mutual bank holdings are down 26.2 percent; and insurance company holdings are down 25.6 percent.

What has happened? The distinguished Senator from Indiana [Mr. CAPEHART] in the Committee on Banking and Currency has consistently supported increasing the interest rate of the Siamese twin of the Government bond, namely, the Government-insured mortgage, which is backed by the credit of the U.S. Government, and which has almost the same security as a Government bond. The distinguished Senator from Indiana [Mr. CAPEHART] and the agencies of Government have consistently asked for congressional authority to raise the interest ceiling on Government-insured mortgages. Obviously, the insurance companies are going to take their profit, the banks will take their profit, and the Federal Reserve will turn its back on Uncle Sam and will say, "We don't care what happens."

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CAPEHART. Why do people sell their long-term bonds, if it is not because the interest rate is much lower than it is on short-term bonds and on other securities?

Mr. MONRONEY. Because the Members of Congress are so unwise that we keep upping the rate on competing securities. The rate has gone upward since May 2, 1953, when the former chairman of the Committee on Banking and Currency raised the GI rate to what was then an all-time high. The FHA rate went from 4¼ to 4½ percent, in May 1953. On May 5, 1956, there was a VA increase from 4 to 4¼. On December 3, 1956, the rate on FHA mortgages was raised from 4½ to 5 percent. On August 5, 1957, the FHA rate was again raised from 5 to 5¼ percent. Then the VA rate was increased, to 4¾ on April 4, 1958, and to 5¼ on July 2, 1959.

It is an open secret, all over town, that when Congress leaves Washington, the rate on FHA mortgages will be raised from 5¼ to 5¾ percent. This will make the payment a man will have to make on his mortgage 6¼ percent, because of the one-half of 1 percent rate for insurance.

Mr. CAPEHART. Why does the Senator expect a man who saves money—the little fellow, the wage earner, the farmer, or anyone else who will save money—to lend his money to the Federal Government at a rate lower than he can get in a savings bank or on Federal mortgages, when everything he buys at the grocery store, at the clothing store, and at the automobile dealer's has gone up, up, and up?

Why does the Senator wish to impose a penalty on a man who is thrifty and saves his money? Why does not the Senator encourage such a person to save his money? Why not give him a little more interest, and thereby stop inflation and the inflationary spiral? Why does the Senator wish to penalize the thrifty person? Why does he want to penalize the little fellow who puts his money in savings banks and in E- and H-bonds? Why does the Senator want to penalize the thrifty person in the United States, the fellow who will save?

Mr. MONRONEY. The Treasury representatives came before us and said their plan was to raise the rate on E- and H-bonds—bonds held by the little fellow about whom the Senator is talking—from 3¼ to 3¾ percent.

The Senator from New Mexico said, "We will give you a limit of 4¼ percent, which is one-half percent more than the Treasury wants to pay the little fellow." But I am afraid that unless we impose a limit we will raise what we intend to be an umbrella for the little fellow, and find all the great banks, insurance companies, and masters of great wealth will be under the umbrella instead; and we shall then be paying through the nose—5 or 6 percent. Whatever rate the President thinks is necessary in order to get money, the Government will pay it. There will be no ceiling. It will be ceiling unlimited. That is Republican policy. There will be no rate too high to pay as rent for the money.

Mr. CAPEHART. The people who have their money in the savings banks are the little fellows; those who own the insurance policies are the little fellows; and those who receive dividends are the little fellows.

Mr. MONRONEY. But the ones who control that money are the big boys; and they only need to have 12 men in New

York to lunch to decide to raise the interest rate that will apply to the 170 million people of the Nation; and the Senator from Indiana knows it.

Mr. ANDERSON. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Oklahoma yield to the Senator from New Mexico?

Mr. MONRONEY. I yield.

Mr. ANDERSON. If there has to be protection for the little fellows at 3¾ percent, does any provision of the bill prevent that benefit from going to those who purchase luxuries, and who want to have the rate raised skyhigh? Does any provision of the bill prevent the Secretary of the Treasury from being extremely liberal, in the interest of those who hold large amounts of bonds?

Mr. MONRONEY. I have studied the bill. It would raise an umbrella under which the Secretary of the Treasury could issue $1 million bonds or $10 million bonds at any rate, provided they are not for more than 20 years' duration.

Mr. ANDERSON. Does the Senator from Oklahoma know of anything that is more inflationary than constantly spiraling, constantly rising interest rates?

Mr. MONRONEY. Of course they are most inflationary. There has already been a $500 million increase in the estimated cost of interest on the debt this year; and now we are asked to go on a Republican sleighride by permitting the interest rate to be raised to 8 or 10 percent.

We are told, on the one hand, that subsidies and price supports for the farmers are very bad, indeed. But, on the other hand, the Republican policy is to pay high price supports for money.

This is a high price support bill, and it will allow the President at his will to fix any interest rate ceiling he may desire.

Mr. CAPEHART. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. CAPEHART. I repeat that all over the country it is well recognized by all that the price of groceries has gone up and up, and the rent bills have gone up and up, and the mortgage charges have gone up and up, and all other costs and charges have gone up and up—all except the interest rate on savings bonds. Can the Senator from Oklahoma tell me one reason why a man who has the courage to save his money should not receive an increase in the interest rate that is paid to him on the savings bonds he purchased?

Mr. MONRONEY. I will state why. I read the figures only a moment ago. The little lenders who have been purchasing E- bonds and H-bonds held, as of May 1959, $47.2 billion worth. Does the Senator from Indiana know how many long-term Government bonds the insurance companies—the insurance companies that the Senator from Indiana is crying about—held?

Mr. CAPEHART. I am not crying about them.

Mr. MONRONEY. They held $3.2 billion worth. Those are the insurance interests the Senator from Indiana is crying about. But the insurance people have disregarded their obligation to help create a sound financial condition. They ran away from purchasing such bonds; they failed to do their duty.

Mr. CAPEHART. Why does the Senator from Oklahoma say they have run away from purchasing them?

Mr. MONRONEY. Because they can make more profits by investing in the insured mortgages on which the Senator from Indiana has helped increase the rates.

Mr. CAPEHART. Mr. President, the Senator from Oklahoma has answered his own question, and now he should sit down. In other words, he has pointed out that they can make more money, more profits, by investing in other securities.

Mr. MONRONEY. That is because this Congress and this administration have insured such mortgages, at higher rates; and those insured mortgages yield by far a greater return than the return which investors can obtain from Government bonds.

Mr. CAPEHART. Mr. President, I am opposed to increasing the interest rate on mortgages.

Mr. MONRONEY. Mr. President, the Senator from Indiana has introduced many bills for the purpose of increasing the interest rate on the mortgages insured by the FHA and for the purpose of increasing the interest rate on all other mortgages or securities which have been insured by the Government. I thought the Senator from Indiana is in favor of higher interest rates.

Mr. LAUSCHE. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I am glad to yield to the Senator from Ohio.

Mr. LAUSCHE. Earlier this afternoon, I pointed out to the Senate that from 1946 the commercial banks reduced their bond holdings from $96 billion to $63 billion—or, approximately $30 billion.

Mr. MONRONEY. The Senator from Ohio is talking about both long-term and short-term holdings; is he not?

Mr. LAUSCHE. Yes.

Mr. MONRONEY. The long-term holdings were much less. My figures show that in 1955, the long-term holdings amounted to $26.6 billion; but in May 1959, they amounted to only $12.1 billion—or a decrease of $14.5 billion, or a decrease of 54.6 percent.

Mr. LAUSCHE. My figures cover both the long-term and short-term holdings.

The Treasury bulletin of August 1959, shows that there are three segments of the economy that have reduced their holdings of Government bonds: first, the banks, which have reduced their holdings of Government bonds from $93 billion to $63 billion; second, the insurance companies, which have reduced their holdings of Government bonds from $24 billion to $12 billion; and, third, the savings and loan companies, which have reduced their holdings of Government bonds from $11 billion to $7 billion.

Mr. ANDERSON. Mr. President, will the Senator from Oklahoma yield briefly to me?

Mr. MONRONEY. I yield.

Mr. ANDERSON. The Senator from Ohio was using figures for the period from 1946 to the present time, whereas the Senator from Oklahoma was using figures for the period since 1956.

Mr. MONRONEY. Yes; and the Senator from Ohio has been using the figures for both long-term and short-term holdings, whereas I have been talking about the long-term holdings, which are comparable to the savings bonds.

Mr. ANDERSON. So the two sets of figures are not comparable.

Mr. LAUSCHE. I understand that.

The Senator from Oklahoma and I are in complete agreement that it is unpardonable for the banks and the insurance companies and the building and loan associations to reduce their holdings of Government bonds. They did so because of mercenary motivations; they wanted to make the largest profits they possibly could make. They decided they would make more money by investing their funds in other securities, rather than in Government savings bonds.

Mr. MONRONEY. Instead, they have invested in Government-insured mortgages and other securities which this Congress and this administration have been hasty to make available to them, at whatever rates they said they needed.

Mr. LAUSCHE. I pointed that out this afternoon.

It is very interesting to note that practically all of the other segments of the economy have increased their holdings of Government savings bonds. State and municipal governments hold substantially more than formerly. The Federal Government, through its trust funds—for example, the railroad retirement fund, the social security fund, and other funds—hold substantially more now; and individuals throughout the country hold more Government savings bonds in 1959 than they held in 1946.

Mr. MONRONEY. That is correct.

Mr. LAUSCHE. Mr. President, I commend the individual citizen for being willing to buy Government savings bonds, at a lesser profit than that he would have enjoyed if he had bought other securities. But, Mr. President, in my judgment, the banks, the insurance companies, and the building and loan associations have some answer to give to the people of the Nation.

Now I should like to ask my question of the Senator from Oklahoma:

Why have the banks, the insurance companies, and the building and loan associations reduced their holdings of Government savings bonds? If Government savings bonds were good investments and if they produced adequate profits in previous years, why have those classes of investors run away from Government savings bonds?

Mr. MONRONEY. Because the Government has been so gracious in dealing with the Siamese twins of Government bonds—namely, the Government-insured mortgages and other Government-insured securities. In the case of the latter types of investments, the Government has cycled up the interest rates; and thus the groups to which the Senator from Ohio has referred have decided that they would increase their profits by buying insured mortgages, on which the

Government has constantly raised the interest rates.

For example, on the 2d of July, the interest rate on Government-insured mortgages on GI housing increased from 4¾ percent to 5¼ percent. The Congress itself is helping to create this chaotic condition, by permitting the issuance of Government-insured mortgages which bear a much higher interest rate than do the savings bonds or the marketable bonds for the long-term Government debt.

In all my life I have never seen a worse example of fiscal mismanagement. There has been complete, abject surrender to the money markets of Wall Street and the insurance interests, who are investing in Government-insured mortgages and Government-insured securities, and are constantly demanding higher interest rates. In other words, the large investors have almost completely avoided their obligation to buy Government bonds, and they have created this situation. And now we are asked to break the historic pattern and precedent which has been in existence since 1918, as regards fixing the interest rates.

Mr. CAPEHART. Mr. President, will the Senator from Oklahoma yield, so that I may answer the able Senator from Ohio [Mr. LAUSCHE], for whom I have great respect?

Mr. MONRONEY. I yield.

Mr. CAPEHART. Why does the Senator expect a man who goes to the grocery store and finds the price of everything he buys has gone up and up and up, who finds that the cost of labor has gone up and up and up, who finds that the price of everything he buys has gone up and up and up, to lend money at the same interest rate, or less, than he did 25 or 30 years ago? Why is he not entitled to a little more interest rate, if he is thrifty enough to save money to lend to the insurance companies, to the banks, to the Federal Government, when everything else has gone up and up and up? Can anybody logically answer that question?

Mr. LAUSCHE. If the Senator from Indiana is asking me, I will say the answer inevitably is that we ought to have a higher interest rate.

Mr. CAPEHART. That is right.

Mr. ANDERSON. Mr. President, will the Senator from Oklahoma permit me to try to answer the question?

Mr. MONRONEY. Yes.

Mr. ANDERSON. I think one reason why the insurance companies and the banks have gotten out of the market is that most of them obtain the advice of investment counsel. I know some of the best investment counsel we can secure have advised us to get out of Government bonds, because they expected the higher interest rates would make it advisable to get into other investments, and that would help deteriorate the Government bond market to the point where those bonds would be selling at a very substantial reduction.

All one has to do is look at the Government bond quotations which come out day by day, or week by week if one subscribes to a special service, and he will see that the price of long-term Government bonds has gone down to the point where they can be bought for 80 or 81.

In short, while insurance companies and banks secure the advice of investment counsel, who have advised them to get out of Government bonds, the average individual, who does not have such advice, has stayed in the market and has taken the loss.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. LAUSCHE. I want to repeat what I said a moment ago, that the insurance companies, commercial banks, and mutual savings banks have their lifeblood supplied to them by the people of the United States. They owe to the country, over and above the ordinary individual, an obligation to be unselfish and patriotic. In my judgment, they have abdicated that responsibility. They are looking at their business operations solely from the standpoint of making money, and they may someday find themselves in the position where, by their very conduct, they will kill the institution that has provided them with the tremendous financial success that they have enjoyed.

Now this question to the Senator from Oklahoma: There are in the United States individuals holding H and long-term bonds in the aggregate sum of $65 billion as of this date. In 1946 they held $64 billion worth. The holdings of individuals has increased. The individual holds more than he held.

My question is, Why should not that individual get a higher interest rate than he has been getting? He has been patriotic. He has bought bonds. Yet we are asking him to invest his money at a lesser rate of interest than he could get if he put his money in private corporation bonds, in savings and loan deposits, in common stocks, and in many other investments.

Mr. MONRONEY. This is exactly what the amendment of the distinguished Senator from New Mexico will do. It will not only permit the Treasury to raise the interest rate, as they say they will, from 3¼ to 3¾ percent, but will allow them to raise it to 4¼ percent should that become necessary.

The concern for the little investor is a screen for the fact that for the big investor this administration has a policy of "Ceiling unlimited, opportunity grandiose, because the Republicans may be out after 1960, and we have got to make a killing while we can."

Even with the Treasury's proposal, because of the sliding elliptical increase, an investor, in buying E-bonds, under the new Treasury proposal of 3¾ percent, would receive only 1 percent interest if he held the bonds only 1 year. If he held it a few more years, the interest would increase to 2 percent. If he held the bonds until maturity, he would get 3¾ percent interest. That is not competitive with the 4 percent interest which building and loan associations give. The little guy can always be shortchanged, but they had better be good to the big guys, because they are the ones who feed the peanuts to the Republican elephant.

Mr. LAUSCHE. I want to be nice to the little fellow, and I want those citizens who have written to me to get higher interest rates. I get letters which state, "I hold E-bonds. I hold H-bonds. Why do you expect me to have my money in Government bonds at this comparatively low rate of interest when I could make more in other places?"

That is why I want to make certain that the individuals who have been unselfish, patriotic, and decent to the country shall be paid an adequate interest rate on their investment.

Mr. MONRONEY. That is why, I will say to the Senator, most of these individuals who are so patriotic have left their money in at 3¼ percent. I think it is about time we held their head a little above water and it is time to give them a little increase. It is not much. It will not compare with the rate of interest that the life insurance companies and commercial banks are getting on short-term Government investments, 4¾ percent. Let us hold their heads a little above water. That is all the Anderson amendment will do, but it will prevent the big guys from ganging up on the Government and saying to it, when it needs money, "Pay through the nose."

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MONRONEY. In just a moment. That is why we see the small people with $47,200 million invested in E- and H-bonds, and why we see the great insurance companies, which have been increasing their reserves by billions of dollars, getting out of the market, to the point where the insurance companies have only $5,800 million worth of Government bonds, against the $47 billion that the little guy has put in. That is why the mutual savings banks have only $4½ billion worth of bonds, against $47,200 million for the little man.

The little man manages his own affairs and investments, and he believes in Uncle Sam. Yet those who manage these vast insurance companies, who have no personal interest in the investments, and who manage $50 or $60 billion, have invested only $5,800 million in longtime securities as a means of defeating inflation in the United States. They can put only $5,800 million of all the money they control into long-term Government bonds.

Mr. RANDOLPH rose.

Mr. MONRONEY. I yield to my distinguished colleague from West Virginia.

Mr. RANDOLPH. Mr. President, I hope the persuasive Senator from Oklahoma will allow me to suggest that perhaps it is a truism rather than a generality to indicate that historically, then and now, the Democratic Party has been and is in favor of the men and women who live on Main Street rather than the individuals who perhaps preside over Wall Street.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to my friend.

Mr. CAPEHART. What does a man pay for a $100 E-bond?

Mr. MONRONEY. He will pay today $75.

Mr. CAPEHART. He pays $75 for it?

Mr. MONRONEY. That is correct.

Mr. CAPEHART. At the end of 10 years he will get $100?

Mr. MONRONEY. He will get the $100 a little sooner now. It takes about 8 years and a certain number of months.

Mr. CAPEHART. Approximately 10 years.

Mr. MONRONEY. No. It is 8 years and some months. There is a little difference. Perhaps the Senator wants to pay the man off in 10 years, but I think he ought to be paid off in about 7 years.

Mr. CAPEHART. Is it not a fact that the whole argument is over whether or not the holders of the E- and H-bonds, who are the savers of the Nation, the people who are thrifty, the people who save their money, because the cost of everything they purchase has gone up—the cost of groceries, the cost of clothing, the cost of shoes, the cost of automobiles, and labor, and everything else—are entitled to a larger interest rate? Is that not the whole problem? Is that not what the debate is all about?

Mr. MONRONEY. No. The debate concerns in part how much money this little man should receive. We give him 60 cents on a $100 bond the first year, under the present program. In 2 years it is $2.92. After 3 years it goes up considerably, and we give him $7.

I am ready to support the Williams proposal, which will provide almost a straight 4 percent interest, so that we will not shortchange the little people.

I do not believe that the insurance companies, the mutual savings banks, and the commercial banks are going to invest the little man's money and give him a great return. I am sure the Senator is aware that the interest rates have been skyrocketing. Has the Senator ever heard of anybody who has an insurance policy who has received any bonus because this close little coterie, which holds the vast billions of dollars of funds, has been able to yank interest rates up a little more?

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield.

Mr. ANDERSON. The Senator from Indiana asked the Senator if the whole issue was whether these people should get a little more interest. I do not think that is the issue at all.

The Treasury Department representatives testified before the House and the Senate committees that its plan was to increase the interest rate from 3.26 to 3¾ percent. Therefore, that is not the issue at all.

The issue is whether, in order to get the interest rate up to 3¾ percent, we are to give unlimited authority for the Treasury Department to fix rates on many other types of bonds at any rates it chooses, or whether we are to hold them to a ceiling of 4¼ percent.

The statement has been made repeatedly by people who have been visiting around that this is an argument as between 3¾ percent and 4¼ percent. It is not that at all.

According to the program of the administration, the holders of these bonds are going to be paid 3¾ percent interest. They might get even 4 percent interest. They might get even more than that.

The statement which has been made is that the Department ought to come to the Congress if it wants to go above the level of interest which it has a right to pay on the other bonds. The administration does not want to have to do that. The administration wants to have complete authority from the Congress, for 20 years, to establish any sort of interest rate it chooses. That is what is causing the argument.

Mr. CAPEHART. Is it not a fact that the gentleman, at the beginning, for the E bond pays only $75 for a $100 bond?

Mr. ANDERSON. Surely.

Mr. CAPEHART. The interest is on the $100, not on the $75.

Mr. ANDERSON. It still was only 2.90 percent. Now it is 3.25 percent. It will go up to 3.75 percent.

Mr. MONRONEY. The Senator's amendment would allow the interest rate to go to 4¼ percent, but we do not want to let it go as high as the moon.

Mr. CAPEHART. What we ought to do is permit the Secretary of the Treasury to set the interest rates on the bonds at rates which will be fair to the investors and which will insure the solvency of the United States, by permitting the bonds to be sold on a long-term basis. That is what we ought to do.

Mr. ANDERSON. The Senator from Oklahoma will recognize that the Treasury Department in its testimony before the Senate never asked for that authority on the E and H bonds.

Mr. MONRONEY. That is correct. Let me read from the statement of the Secretary of the Treasury.

Mr. BUSH. Mr. President, will the Senator yield on that point?

Mr. MONRONEY. I am happy to yield.

Mr. BUSH. I do not quite understand what the Senator meant if he said that the Treasury Department is not in favor of the removal of the ceiling on the long-term open market bonds. Is that what the Senator said?

Mr. MONRONEY. No.

Mr. ANDERSON. If the Senator had listened, he would not have to ask that question. That was not what I said.

Mr. BUSH. I merely wished to make sure.

Mr. ANDERSON. The Senator understands thoroughly what I said. If the Treasury Department wanted this authority so badly, why did it not come to the Senate and ask for it.

Mr. BUSH. Mr. President, if the Senator will permit me to make an observation, the Treasury Department did make a statement that it wanted it, before the House committee.

Mr. ANDERSON. I said, if the Treasury Department wanted it so badly from the Senate, why did it not ask the Senate for it? The Senator from Connecticut knows the Department never asked for it at all.

Mr. BUSH. I say to the Senator that the only reason the Department did not ask for it is that it felt, I am sure, when the Department representatives came before the Senator's committee, that it had to make a deal, where it could get as much of the loaf as it possibly could get. The Department saw the handwriting on the wall, exactly as the Senator can see it, and exactly the way I see it tonight. That is the only reason. That is the only reason the Treasury Department did not ask for it.

Mr. ANDERSON. My answer was, to the Senator from Indiana, who stated what Congress ought to do, that if the Congress ought to do it, the Treasury Department ought to come to the Senate and ask for it. This is not a volunteer organization.

Mr. BUSH. The Senator knows as well as I do—I put it into the RECORD today—the views of the Secretary of the Treasury on this subject, and what the President thinks about it. I put the President's statement of August 25 in the RECORD, and on September 3 the Secretary of the Treasury said the same thing. They both want the removal of the interest ceiling on the open market bonds, and they ought to have it.

Mr. MONRONEY. When the bill before us was before the House of Representatives we could find no explanation to the Ways and Means Committee as to why the Department wanted an unlimited ceiling, so that it could provide any interest rate the President might feel was necessary in the public interest to finance the sales of E- and H-bonds. We find nothing in the record to justify an unlimited ceiling. It was never mentioned. The witness was talking about a 3¾ percent ceiling on the interest on these bonds.

Even the press of the country, represented by those in the Senate and House press galleries, missed this point. Only one newspaper I have been able to find was sharp enough to pick up the fact that we were asked to give an unlimited ceiling for interest on E- and H-bonds. That newspaper was the Wall Street Journal.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. MONRONEY. I am happy to yield.

Mr. BUSH. There must have been something persuasive before the Committee on Finance, because the committee reported the bill favorably.

Mr. MONRONEY. The Senator well knows that the bill was written downtown and handed to the committees, as is the habit in such cases.

The distinguished chairman of the Committee on Finance was explaining the bill this morning, and said that the bill would raise the interest rate from 3¼ to 3¾ percent, and I had to ask the Senator to yield, to ask the question, "Would the section permit an unlimited ceiling on interest rates?" and the Senator had to admit that it would.

Mr. BUSH. Yes.

Mr. MONRONEY. There is nothing in the bill which mentions a 3¾-percent interest rate.

There is only one paragraph of the report of the Committee on Finance, which the committee happened to be willing to insert in a tailormade report by the House committee. That is the

only change I can find which was made by the Committee on Finance.

I think the Senate has an obligation to look at these things and not simply to rubberstamp the action of the House of Representatives.

On page 8, we find the only paragraph that differs from the House committee report.

I point out further that the Secretary of the Treasury stated in his testimony before the House Ways and Means Committee on June 10, 1959, in the hearings on the public debt ceiling and the interest rate ceiling on bonds, on page 4, the following:

> Let us look at some of the competitive phases of our problems. Federal Government programs to guarantee home mortgages for veterans and to provide FHA insurance on various types of mortgages have contributed to the unprecedented volume of homebuilding in America since World War II. But they have also fostered a marked improvement in the quality of mortgages as investments for the billions of dollars that Americans each year save out of their earnings—savings which they invest directly of which insurance companies, savings banks, savings and loan associations, or pension funds invest in their behalf.

In another paragraph the Secretary of the Treasury stated:

> There are a great many other debt obligations outstanding today which our Government also aids in one way or another, including securities issued by many Federal Government agencies, even though those securities are not actually guaranteed by the U.S. Government. While the volume of long-term Government-aided obligations has been growing—

I interpolate to say that in 1946 we had $117 billion of long-term U.S. Treasury bonds outstanding, and $6½ billion of what might be called the long-term Government-aided debt outstanding—

> Twelve years later—December 31, 1958—the $117 billion total of long-term Government bonds had shrunk to $65½ billion, while the $6½ billion Government-aided total had grown to $58½ billion—$55 billion of which is in FHA and VA mortgages alone.

This is the point I repeatedly returned to, and the distinguished Senator stated on the floor a year and a half ago, and stated on the floor last year, that if we would give them an increased interest rate, we would stop any necessity for it if we would just enact it.

We have the CONGRESSIONAL RECORD here before us, and I can read the whole colloquy. It was said that this was not going to mean higher interest rates for veterans or higher interest rates for FHA; but it always has. We have put the Government-insured and Government-aided bonds, the other Siamese twin, on an escalator. The real Government bond has ridden the escalator up just one step behind, and we have ourselves created the chaotic condition in which we find ourselves, with this administration and Congress continuing to raise interest rates because of the pressures we have from the money market that money ought to have a little higher wages; that money ought to be better paid; and threatening to go on strike if they do not have it. So we have this difficulty in financing the public debt because we have made more attractive the other Siamese twin, the Government-insured loan.

Mr. BUSH. Does the Senator think a mistake has been made with respect to increasing the attractiveness of the insured loan?

Mr. MONRONEY. I said on March 12, 1958, when we were talking about this subject:

> Does what the Senator from Pennsylvania has said illustrate the wisdom of the theory of throwing the baby off the sleigh, to the wolves? Or if the baby is thrown to the wolves, will the result merely be that the wolves will return, all the hungrier?

So we throw more babies off the sleigh. We have more and more demands for interest with each succeeding baby that is thrown off the sleigh.

I cannot subscribe to the policy that the way to reduce the fantastic increases in the cost of carrying the public debt, which is an increase of $2,500 million under this administration, which buys absolutely nothing, no arms, no hospitals, no schools, no medical research—$2,500 million for what Cal Coolidge used to call the rent on money. We have managed to raise our rent on money under this administration by astute Government action, by all of the agencies of the Federal Government, by $2,500 million during this administration, and it has gone up $500 million since January 1, when the Treasury and the Budget sent up their estimate for increased costs.

Mr. BUSH. May I ask the Senator; the Senator has been here all this time in the Senate——

Mr. MONRONEY. And I protested against every interest rate increase, which the Senator from Connecticut has supported. He won each round, and I lost each round.

Mr. BUSH. Does the Senator think that we made a big mistake?

Mr. MONRONEY. I believe the Senator is down to homecoming, when he is paying.

Mr. BUSH. The Senator has not heard my question. I wonder whether the Senator believes that we made a big mistake in creating a situation whereby the guaranteed obligations of the Government have mounted from $6 billion-plus up to upwards of $50 billion plus. Those are the figures the Senator quoted.

Mr. MONRONEY. They have gone from $6½ billion to $58½ billion, $55 billion of which is in FHA and the VA mortgages.

Mr. BUSH. That is right. I wonder if the Senator thinks that has been a mistake.

Mr. MONRONEY. No. I am against the increased rate. I think we should have had the courage to say, "These are Government-insured securities. It ought to be worth something to have Government insurance behind them."

We can borrow on the conventional market uninsured in Washington cheaper than we can borrow on FHA and GI.

Mr. BUSH. If the Senator would yield, I should like to follow his argument. It is very interesting. If I follow it closely, what he is saying is he does not favor this new offer of $55 billion of guaranteed obligations, and really we should have held the interest rate down.

Mr. MONRONEY. If we had held the interest rate down, we would have been able to sell them at a lower interest rate, and the GI's would have had housing for thousands of dollars cheaper. We would not have found ourselves in a self-created Government condition of competing with ourselves in the Government-insured mortgages.

Mr. BUSH. I would simply observe that if we had held the interest rate down on these Government-guaranteed obligations, they would have had to go into FNMA if that amount of obligations had been sold, because the open market would not have taken them.

Mr. MONRONEY. The open market would have taken them if the Senator and those who have raised the rate had not been so eager to rush forward and collect. The difference between a strong President and a weak President through history has been that a strong President will resist the demands of the money market and those who can control the finances and the resources of this country. I give the Senator the fact that Democratic Presidents historically have used the powers of Government to keep interest rates low and Republican Presidents historically have caved in at the first demand for higher interest rates.

Mr. BUSH. I congratulate the Senator on his statement about the Presidents of the United States. That is an appraisal I had not heard before.

Mr. MONRONEY. Perhaps the Senator is not familiar with the policies of Andrew Jackson and Thomas Jefferson. I am sure he is familiar with all the writings of Mr. Hamilton, who thought we ought to get all the interest that the money changers could ask for.

Mr. BUSH. In contrast, may I say to the Senator that I am one of Thomas Jefferson's most ardent supporters and admirers, and I bow to nobody in my admiration for his philosophy of government, specifically for his published statements and writings concerning the fiscal affairs of the United States.

Mr. MONRONEY. I am sorry the Senator does not endorse the writings of Jackson.

Mr. BUSH. I am not quite so familiar with them.

Mr. MONRONEY. I doubt the Senator from his experience in Wall Street would support anything that Jackson did.

Mr. BUSH. I would say to the Senator, "Do not be too sure." [Laughter.]

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. LAUSCHE. For the purpose of information, am I correct—and I direct this question to the experts on the floor—in my understanding that in the sale of short-term obligations and certificates, there is no interest limitation now in the law; that for obligations up to 5 years there is no limitation with respect to interest?

Mr. MONRONEY. That is correct. However, there has been a historic interest ceiling on long-term bonds from the beginning of our country. During the administration of George Washington, the Adamses, Jefferson, and all through the years we have had an interest rate ceiling put on by Congress. That is a part of the constitutional duties of Congress. Each bond issued was authorized by Congress. The interest rate it was to carry was voted by Congress. That was the situation until World War I, when we were having so much financing done that Congress decided to trust Carter Glass, the distinguished predecessor of the chairman of the committee and former distinguished Senator from Virginia and great Secretary of the Treasury, as well as coauthor of the Federal Reserve Act. During his incumbency as Secretary of the Treasury, in the renewed financing necessary in connection with World War I, Congress trusted Carter Glass as to the amount of bonds to be issued. At that time Congress fixed the ceiling at 4¼ percent. That is where the ceiling has been maintained all these years, unviolated, until this very hour, when, in the closing days of the session, with no more than a half hour of hearings before the Committee on Finance, without the Treasury pointing out any cause for going above the 3¾ percent on H-bonds we find that we will be violating something that no Congress before has ever violated, and we will be giving the President powers which no previous President has ever enjoyed.

Unless the amendment offered by the distinguished Senator from New Mexico limiting the ceiling to 4¼ percent, which is one-half percent more than the Treasury says it wants, is adopted, I believe we had better discuss the matter for a long time, so that posterity, as it looks down on the records of the Senate, will not say that we were stampeded in the closing hour of this session to violate a centuries-old tradition, but that the Congress preserved its powers and did not allow itself to be stampeded into hasty action.

I yield the floor.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. WILLIAMS of Delaware. Mr. President, on previous occasions I have strongly endorsed prompt action on the request of the Treasury Department to remove the present fictitious 4¼-percent ceiling on long-term Government bonds.

With long-term Government bonds selling in the open market at discount prices wherein an investor can get 4½ percent or higher, it is absurd for the Congress to maintain a 4¼-percent ceiling.

Certainly we do not want the Treasury Department to resort to selling Government bonds at a discount in order to bypass the 4¼-percent ceiling, nor do we want the Government to do all of its financing on a short-term basis. Either course would be highly inflationary.

We are confronted, however, with a situation here today wherein it will be impossible to consider the necessary legislation to raise this ceiling on long-term bonds, and the Finance Committee has agreed to confine this bill to an increase in the interest rates on savings bonds—E and H.

It is necessary that we place strong emphasis upon the need for financing a larger percentage of our national debt with the people through increased sales of savings bonds—series E and H. This would be far less inflationary than financing all our debt through the banks.

On July 31, 1959, the cash value of outstanding E and H bonds was $42,679 million, with $37,977 million being in series E bonds. The fact which gives all of us great concern, however, is that these savings bonds are presently being redeemed at a much faster rate than they are being sold.

In every month of 1959 redemptions of series E bonds have far exceeded the sales, with the figures for the month of July being the worst. In July 1959 sales were $297 million, or $24 million less than the sales for the same month in 1958, while during that month redemptions were $479 million, or $78 million higher than July 1958. Redemptions were $182 million higher than sales.

Sales of series E bonds for the full fiscal year ending June 30, 1959, were $3,688 million against redemptions for the same period of $4,889 million, or a loss of over $1 billion.

It is generally recognized that it is far less inflationary for the Federal Government to finance its debt with the people than with the banks; therefore, this trend is of serious concern to all.

As I pointed out in my earlier remarks, however, we must be realistic and recognize that there are reasons why the American people are cashing in series E bonds at a faster rate than they are buying them.

Those reasons are very simple and are, first, fear of inflation; and, second, investors can get a higher rate of interest by placing their savings in the banks or in other investments than they can in series E bonds.

At the present time series E bonds are paying only 3.26 percent interest, and unless the law is amended that is the highest rate permissible on this type of savings bond. The Treasury Department has sent a recommendation to the Congress that this permissible rate be raised to 3¾ percent. This is a step in the right direction, but I question that this will restore these bonds to their former popularity.

This trend, wherein redemptions of savings bonds are higher than the sales, must be reversed and this can only be accomplished by making these savings bonds the most attractive investment in America.

It is my opinion that we made a mistake when we departed from the standard 10-year maturity date for savings bonds. At the present time there are $38 billion outstanding series E bonds, some with 10-year maturity dates, others with 9 years and 8 months, and today they are being sold with an 8-year 11-month maturity date. The result is that investors holding these bonds are completely confused as to when they actually do come due.

My recommendations are that, first, these series E savings bonds be sold on a full 10-year maturity basis; second, they be sold at a price that will yield the investors 4 percent interest compounded annually; and, third, the redemption value of these bonds be placed on a higher graduated basis so that if they are cashed prior to the maturity date they would still give the investor all his principal plus a reasonable rate of interest.

I make these recommendations for the following reasons:

First I think the investors will like a 10-year bond better than one with an odd maturity date. It will be much easier for the investors to keep records of when their bonds come due, and it will be easier for them to plan their investment program.

Second to yield 4 percent interest compounded annually a 10-year $100 bond would be sold at $67.50. Bonds of other denominations would be priced in proportion. It is my personal opinion that investors would prefer buying a $100 bond for $67.50 with a 10-year maturity date rather than paying $75 for a $100 bond with maturity somewhere around 8½ years.

Third. I recommend a more attractive cash-in value for the bonds when redeemed prior to maturity. I do not think it is fair to this type of investor, who may through unexpected illness or misfortune be forced to redeem his bonds, to be required to lose practically all of the interest. For that reason I am recommending that the bonds be given a cash-in value which, while the investor would lose some of the interest, would always give him all of his principal plus the most of his interest. He would not be locked in his investment as under the present plan.

This more liberal redemption value plus a 4 percent interest rate, along with an understandable 10-year maturity date, will in my opinion make these bonds once again the safest and most attractive investment in America.

Why shouldn't these bonds be made more attractive? Remember they are being sold to the working people of America, and the Treasury Department has the authority to limit their sales to each individual.

Under my proposal these 10-year bonds would be sold at $67.50 for each $100 par value. Their cash redemption value would be increased $2.50 per year for each of the first 3 years, $3 per year for each of the next 3 years, and $4 per year for each of the last 4 years, or a maturity value of $100 with the redemption value broken down on a 6-month basis.

I concur with the Treasury Department that any increase we make in the rates applicable to the new series E and H bonds must be made effective on the same date for all outstanding series E and H bonds provided they are held to full maturity.

This could be done by making all outstanding series E and H bonds eligible for the new rate of interest on that portion of the unexpired term remaining after the effective date of the increased interest rate. Our failure to

take such action would encourage a wholesale cashing in of those bonds or investors would convert the old bonds to the new bonds with the higher interest rate, and this would defeat the purpose.

However, the increased interest rates would be applicable on the old bonds only for that portion of the unexpired term remaining after the effective date of this change and only provided the bond would be held to full maturity.

I am incorporating in the RECORD here today a chart embracing my suggestions for the new 10-year bond which I propose be sold at $67.50 for each $100 par value; and I would appreciate the Members of Congress and other interested parties examining this proposal and feeling free to make any suggestions.

I recognize that this suggestion may not be the perfect solution, but realizing that something must be done it is being advanced for consideration.

I ask unanimous consent to have printed at this point in the RECORD a table of this suggested 10-year 4 percent savings bond which would be sold at $67.50, $100 par value. The first column shows the proposed redemption value broken down in 6-month periods. The second column shows what the actual 4 percent interest compounded annually would represent. The third column is the suggested value of the bond at the end of each year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Savings bonds—10 years, 4 percent compounded annually

Proposed redemption value after bonds have been held—		(Actual) 4 percent interest compounded	Value end of each year	Annual increase
		[1] $67.50		
6 months	$68.75	2.70		
1 year	70.00	70.20	$70.00	
		2.80		
1 year 6 months	71.25			
2 years	72.50	73.00	72.50	$2.50
		2.92		
2 years 6 months	73.75			
3 years	75.00	75.92	75.00	
		3.03		
3 years 6 months	76.50			
4 years	78.00	78.95	78.00	
		3.15		
4 years 6 months	79.50			
5 years	81.00	82.10	81.00	$3.00
		3.28		
5 years 6 months	82.50			
6 years	84.00	85.38	84.00	
		3.41		
6 years 6 months	86.00			
7 years	88.00	88.79	88.00	
		3.55		
7 years 6 months	90.00			
8 years	92.00	92.34	92.00	
		3.69		
8 years 6 months	94.00			4.00
9 years	96.00	96.03	96.00	
		3.84		
9 years 6 months	98.00			
10 years (maturity)	100.00	99.87	100.00	

[1] Cost.

Mr. WILLIAMS of Delaware. Mr. President, I also ask unanimous consent to have printed in the RECORD a second chart showing the redemption value of the present series E bonds, which are sold at $75, for $100 par value, and bearing a maturity date of 8 years and 11 months.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Present series E bonds—Table of redemption values during each successive period after issue date

Maturity value	$100.00	
Issue price	75.00	
1st ½ year	75.00	
½ to 1 year	75.60	
1 to 1½ years	76.72	
1½ to 2 years	77.92	[1] $2.33
2 to 2½ years	79.24	
2½ to 3 years	80.60	
3 to 3½ years	82.00	
3½ to 4 years	83.40	
4 to 4½ years	83.84	
4½ to 5 years	86.28	[1] 2.90
5 to 5½ years	87.76	
5½ to 6 years	89.24	
6 to 6½ years	90.72	
6½ to 7 years	92.24	
7 to 7½ years	93.76	
7½ to 8 years	95.32	
8 to 8½ years	96.88	[1] 3.18
8½ years to 8 years and 11 months	98.44	
Maturity value (8 years and 11 months from issue date)	100.00	

[1] Average.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. ANDERSON]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KEFAUVER (when his name was called). On this vote I have a pair with the senior Senator from Wisconsin [Mr. WILEY]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from Montana [Mr. MURRAY], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference in Warsaw, Poland.

On this vote, the Senator from Arkansas [Mr. FULBRIGHT] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from Missouri would vote "yea."

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New York [Mr. JAVITS] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is detained on official business, and his pair has been previously announced.

On this vote, the Senator from New York [Mr. JAVITS] is paired with the Senator from South Dakota [Mr. CASE]. If present and voting, the Senator from New York would vote "yea," and the Senator from South Dakota would vote "nay."

The result was announced—yeas 45, nays 41, as follows:

YEAS—45

Aiken	Hayden	Mansfield
Anderson	Holland	Monroney
Bartlett	Humphrey	Morse
Bible	Jackson	Moss
Byrd, W. Va.	Johnson, Tex.	Muskie
Cannon	Johnston, S.C.	Neuberger
Chavez	Jordan	Pastore
Clark	Kennedy	Proxmire
Dodd	Langer	Randolph
Eastland	Long, Hawaii	Russell
Engle	Long, La.	Smathers
Ervin	McCarthy	Sparkman
Gore	McGee	Williams, N.J.
Green	McNamara	Yarborough
Hart	Magnuson	Young, Ohio

NAYS—41

Allott	Dirksen	Morton
Beall	Dworshak	Mundt
Bennett	Ellender	Prouty
Bridges	Fong	Robertson
Bush	Frear	Saltonstall
Butler	Goldwater	Schoeppel
Byrd, Va.	Hickenlooper	Scott
Capehart	Hruska	Smith
Carlson	Keating	Stennis
Carroll	Kerr	Talmadge
Case, N.J.	Kuchel	Thurmond
Cooper	Lausche	Williams, Del.
Cotton	McClellan	Young, N. Dak.
Curtis	Martin	

NOT VOTING—14

Case, S. Dak.	Hartke	Murray
Church	Hennings	O'Mahoney
Douglas	Hill	Symington
Fulbright	Javits	Wiley
Gruening	Kefauver	

So Mr. ANDERSON'S amendment was agreed to.

Mr. ANDERSON. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. MONRONEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Illinois [Mr. DOUGLAS],

the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from Montana [Mr. MURRAY], and the Senator from Missouri [Mr. SYMINGTON], are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE], and the Senator from Wyoming [Mr. O'MAHONEY], are absent because of illness.

I, further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business, attending the Interparliamentary Union Conference in Warsaw, Poland.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business, attending the Interparliamentary Union Conference at Warsaw, Poland. If present and voting he would vote "yea."

The Senator from New York [Mr. JAVITS] is absent on official business. If present and voting he would vote "yea."

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

The result was announced—yeas 86, nays 1, as follows:

YEAS—86

Aiken	Frear	Martin
Allott	Goldwater	Monroney
Anderson	Gore	Morse
Bartlett	Green	Morton
Beall	Hart	Moss
Bennett	Hayden	Mundt
Bible	Hickenlooper	Muskie
Bridges	Holland	Neuberger
Bush	Hruska	Pastore
Butler	Humphrey	Prouty
Byrd, Va.	Jackson	Proxmire
Byrd, W. Va.	Johnson, Tex.	Randolph
Cannon	Johnston, S.C.	Robertson
Capehart	Jordan	Russell
Carlson	Keating	Saltonstall
Carroll	Kefauver	Schoeppel
Case, N.J.	Kennedy	Scott
Chavez	Kerr	Smathers
Clark	Kuchel	Smith
Cooper	Langer	Sparkman
Cotton	Lausche	Stennis
Curtis	Long, Hawaii	Talmadge
Dodd	Long, La.	Thurmond
Dworshak	McCarthy	Williams, N.J.
Eastland	McClellan	Williams, Del.
Ellender	McGee	Yarborough
Engle	McNamara	Young, N. Dak.
Ervin	Magnuson	Young, Ohio
Fong	Mansfield	

NAYS—1

Dirksen

NOT VOTING—13

Case, S. Dak.	Hartke	O'Mahoney
Church	Hennings	Symington
Douglas	Hill	Wiley
Fulbright	Javits	
Gruening	Murray	

So the bill (H.R. 9035) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPROPRIATIONS FOR CIVIL FUNCTIONS, 1960

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of H.R. 9105, the civil functions appropriations bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 9105) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Louisiana [Mr. ELLENDER] to explain the bill.

Mr. President, may we have the yeas and nays ordered on the passage of the bill, so all Senators may know a vote is in prospect? This is the civil functions appropriation bill, as passed by the House, in which they have restored 67 new starts, but reduced appropriations by 2½ percent.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, the distinguished majority leader has stated what the House has done. I wish again to advise Senators that the bill is identical with the bill which the Senate passed a few weeks ago, and which was agreed to in conference. The only difference is that an across-the-board reduction of 2½ percent has been made on all projects, but that means that the 67 unbudgeted new projects that were added to the bill will remain in the bill in the same form in which it was agreed to in conference.

I wish also to state that the moneys for surveys and all other items will remain just as they were in the bill passed by the Senate and agreed to in conference a few weeks ago, with a reduction of 2½ percent.

Mr. President, I expect to demonstrate that the President has been ill advised on the effect of the increases in the bill originally presented to him. The President refers to 67 unbudgeted projects estimated eventually to cost over $800 million, of which 52 are Corps of Engineers projects and 15 are Bureau of Reclamation projects. Of the 52 Corps of Engineers projects there are 5 resumptions of construction having a total estimated cost of $218,550,000. The largest of these resumptions is the Allegheny River Reservoir, having a total estimated cost of $113 million.

In fiscal year 1958 the President recommended $1 million to initiate construction of the Allegheny River Reservoir. In fiscal year 1959 he recommended funds to continue that project. In the current fiscal year the President stated in his budget:

> It is anticipated that funds presently available will be sufficient to finance the Allegheny River Reservoir, Pa. and N.Y., in 1960, pending settlement of court action concerning the acquisition of lands required for the project.

Inasmuch as the legal problems in connection with this project were pending in the Supreme Court at the time the budget was submitted, it was not illogical to refrain from requesting additional funds for this project at that time. However, since the budget was submitted, the Supreme Court has denied a review of the case.

The Corps of Engineers testified that they could economically use additional funds for the construction of this project during fiscal year 1960, and the Congress recommended funds for that purpose. I do not believe that by any stretch of the imagination the Congress did violence to the President's program or incurred any future commitment. In fact, the President's 1960 budget contemplated expenditures for this project, and such expenditures are included in the President's estimated total expenditures of $1.1 billion mentioned in the veto message. Still, in the veto message this project is included as a new start and about $110 million is included in the $800 million future commitment which the message criticizes so severely.

I believe that the President's advisers are so confused that they have him muddled on his own program.

The resumptions added by the Congress are:

	Benefit-cost ratio	Total estimated Federal cost	Appropriation to date	Allowance
Arkansas: Beaver Reservoir [1]	1.1	$56,100,000	$1,291,000	$1,500,000
New York:				
Buttermilk Channel	N.A.	2,910,000	1,359,000	1,500,000
New York-New Jersey pierhead line	1.4	5,740,000	4,429,000	500,000
Ohio: Muskingum River Reservoir	N.E.	40,800,000	40,185,000	500,000
Pennsylvania: Allegheny River Reservoir [1]	1.3	113,000,000	2,733,000	1,400,000
Total		218,550,000	49,997,000	5,400,000

[1] Added by House.

When we eliminate the resumptions, we find that the future commitment is about $600 million instead of $800 million.

Mr. President, I know of no place except a classroom where a person can be 25 percent wrong and pass with a grade of 75 percent.

When you consider some of the other aspects of the veto message, I doubt if the President's advisers could pass even with a grade of 70 percent.

In the next paragraph we find the following statement:

> Without any of the unbudgeted projects provided for in this measure, 1960 expenditures for the Corps of Engineers and the Bureau of Reclamation will reach $1.1 billion—an all-time high and almost three-quarters again as much as the expenditure level in fiscal 1955.

The President's advisers may pick the periods they desire to compare and get one result; but if we take another period we come up with an entirely different conclusion. For instance, in fiscal year 1950 the President recommended $1.1 billion for the Corps of Engineers and the Bureau of Reclamation. In 1960 the President recommended $1.1 billion for these agencies. In the intervening 10 years the cost of construction, as reflected in the Engineering News-Record Cost of Construction Index, increased 66 percent. Therefore, in order to maintain a program equivalent to that of 1950, an appropriation of $1.8 billion would be required.

Let us consider some of the other factors that have changed in recent years. The latest period for which all of the comparable figures are available is 1950–58. During this period the national income increased 51 percent; the population increased 16.6 percent; and the appropriations for the Corps of Engineers and the Bureau of Reclamation were 9.6 percent below actual expenditures for 1950, and 25 percent below the budget request for 1950.

Considering the above paragraphs it is obvious that any straight dollar comparison is fallacious. The purchasing power of the dollar has decreased, while the population, which is a measure of the need, has increased.

Moving on to the next paragraph of the veto message, the President charges that over 200 unbudgeted starts have been added by the Congress during the last 4 years. In discussing this bill on a previous occasion the President has referred to the fact that his 1960 program included funds for 296 projects. Now, if the Congress had not added the 200 unbudgeted projects referred to by the President, we would probably have the Public Works program cut down to about the size his advisers would like. Considering the Corps of Engineers alone, the program for 1950 recommended funds for 312 projects. The program for 1960 recommended funds for 186 projects. The request included $61 million for the completion of 40 projects. If no new starts are added, there would be 146 projects in the program for 1961, 58 projects in 1963, and 29 projects in 1965.

Of the 186 projects in the Corps of Engineers program for 1960 as recommended by the President, 96 were added by the Congress during the past 4 years: of which 41 were initiated in 1959; 20 in 1958; 11 in 1957; and 24 in 1956.

Referring back to the number of projects, 40 of them would be completed with the funds requested in the President's program and the conference bill contemplates the resumption of 5 projects, reimbursement to local interests on 4 and the initiation of 43 new projects with a total future commitment of $380 million. Confining ourselves to actual facts, $380 million may sound pretty high; but when you consider that the amount appropriated for construction on Corps projects is about $735 million, you find that the future commitment in the conference bill for the Corps of Engineers was less than a half-year's construction. Obviously, if you don't feed new starts into the pipeline each year, the program is going to dry up.

Later on in the message the President states that "overspending in respect to water resources is hurtful to the United States and to the proper development of these resources themselves." Mr. President, both the Corps and the Bureau of Reclamation have testified to the need for these projects. There have been local interests from all parts of the country testifying to the need. Perhaps this testimony could be discounted on the basis of selfish needs of the area or the desire of these two great Federal agencies to maintain themselves in business. But Mr. President, in June of 1959 the Department of Commerce issued a report on water resource development. In that report it was pointed out that, taking the period 1954–75, there was a requirement for a total investment of $214.1 billion, of which $53.4 billion is Federal and $160.7 is non-Federal. Of the Federal investment, $28.2 billion is for navigation, flood control, hydroelectric power and irrigation. That means an average capital investment of $1.34 billion a year, which is about one-third above the alltime high of less than $1 billion for construction recommended for fiscal year 1960. It is apparent that the average for the remaining 15 years must be well in excess of the $1.3 billion 21-year average previously referred to if we are to meet the known water requirements which will be needed by 1975.

Water resource projects are never presented in their true light. They are capital improvements which pay dividends in one way or another to the American people. Navigation projects result in cheaper transportation and open up new areas in industrial and agricutural development. Flood control projects indirectly return benefits to the Federal Treasury. Flood damages are deductible in income tax filing. The water supply features of a project are fully reimbursable with interest. Power revenues are deposited directly into the Federal Treasury. For instance, from Corps of Engineers projects $74,983,894 was deposited in the Treasury in fiscal year 1958, of which $72,492,500 were from power revenues. The actual construction expenditures in that year were $529,989,985. About 13.6 of the funds expended in that year for construction were actually returned to the Treasury from projects previously completed.

I believe that the Congress is acting with responsibility in the field of water resources when it recommends a modest number of new starts, as it did in the public works appropriation bill this year. The bill vetoed by the President, as previously stated, provides for 43 new construction starts having a total future commitment of $380,030,000. These 43 projects have received careful consideration by both the House and Senate committees. I would like to call the attention of the Senate to one project in particular, the Gering-Mitchell Valley project in Nebraska. The Congressman from the district, in appearing before the committee, made the following statement:

> I feel that of all the projects that are under construction or about to be constructed, this one takes top priority in my district and is most critically and urgently in need of assistance.

Both of the Nebraska Senators testified before the committee that they had personally gone over the area, sometimes in the wake of destructive floods, and that it almost breaks one's heart to see the vast tracts of fertile, valuable land just dissolve into nothing each time a rain of any degree comes along. Their testimony was supported by that of local witnesses from the area. Both the House and Senate conferees were convinced of the urgent necessity of proceeding with construction on this project in fiscal year 1960. I cannot conceive of some anonymous bureaucrat convincing them that, and I quote from the veto message:

> By any sound test of urgency, these projects should not be started this year if we are to have a responsible Federal fiscal policy.

I am certain that the President has never been acquainted with the true facts in connection with this project or the other new starts provided for in the bill approved by the Congress.

If we believe in the future of this country and in an orderly development of its resources. I urge the passage of H.R. 9105, the public works appropriation bill for fiscal year 1960.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MORSE. The Senator from Louisiana and the other members of the committee are to be commended for the services they have performed for the Senate in the consideration of the bill. The committee has brought back a bill, which the Senator from Louisiana has now reported.

I think it is very important that we send this bill on its way to the White House at the earliest possible moment, so that the President can consider it. I trust he will sign the bill. In case he exercises bad judgment and does not sign the bill, we shall have time next week to consider the veto.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was read the third time.

Mr. DIRKSEN. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIRKSEN. Mr. President, there are 67 new starts in the civil functions appropriation bill. Fifty-two of those are under the jurisdiction of the Engineer Corps, and 15 under the jurisdiction of the Reclamation Bureau.

Of the 52 projects under the Army Engineers, 2 of them are not authorized,

1 is a repayment item, 1 is a lump sum item, and 15, according to the last report I have had, are not ready for construction.

With respect to those under reclamation, one is not authorized, six are on a small loan basis, and as to eight of them, construction could proceed.

I had hoped that perhaps a compromise could be arrived at. The question was discussed, I am frank to say, at the White House this morning. In fact, we had a long discussion with the President; and when he indicated his interest in the subject, as a matter of principle, he was very reluctant to accept the House version, even though there was a 2½ percent reduction in all projects.

The reason for the objection on the basis of principle is the impact there will be on future budgets. It might very well be said, of course, that the President will not be occupying the chair of Chief Executive after January 20, 1961, but that does not diminish his interest in the public well-being, or in the economy as such.

I thought the President was rather emphatic this morning in indicating that unless there was some modification of the bill, it probably would meet his disapproval. I am rather unhappy about that. I do not like to put words in the mouth of the President of the United States; but I am of the opinion that if the bill goes to the White House in its present form, it may, very conceivably, be subject to another veto.

I can understand the President's position. There has been some difference of opinion as to whether the impact in the future will be $500 million or $800 million, but the Budget Bureau advised me this afternoon that they felt quite certain of the figures they furnished to the President, which were used in his message of disapproval before.

So the only difference now is that the House has reduced the amounts involved by 2½ percent in the case of all projects, but the unbudgeted starts still remain in the bill.

I made the suggestion that perhaps if the new starts could be undertaken at the option of the President, with the understanding that every new start should be put into operation prior to June 30, 1961, that would meet with the favor of the White House. I am advised that probably it would. There came an alternative suggestion that did not seem to be agreeable; and then I made still another suggestion that I hoped would probably invite the approval of the President. It was indicated there were 20 projects of the 67 on which starts could be made even in the fiscal year 1960.

There were 20 more which could be put in the construction operation before June 30, 1961. That would account for a total of 40 out of 67 projects.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I will yield after I finish one more sentence.

With respect to the remaining 27 projects, they were to be diffused and distributed so that the impact on the budget would not be too great.

That seems to be an unacceptable proposal, but I felt that I ought to make that statement on the basis of the discussions we had this morning with the President of the United States, to make very clear to the Senate his feeling in the matter.

I yield to the Senator from Texas.

Mr. JOHNSON of Texas. When does the President's term expire?

Mr. DIRKSEN. After January 20, 1961, President Eisenhower will no longer exercise authority.

Mr. JOHNSON of Texas. By what authority, then, would he determine that we could have 20 additional projects after January 1961, and even into 1963?

Mr. DIRKSEN. The only authority of course, Mr. President, is a long-range view with respect to the orderly development of the resources of the country, and the impact of the program on future budgets.

Mr. JOHNSON of Texas. But President Eisenhower would not have anything to say about that, if he were no longer President. As I understood the proposal of the Senator from Illinois, it was that we would leave all 67 new starts in the bill, and the projects could be started at the discretion of the President, provided they were all started within 2 years.

Mr. DIRKSEN. That is correct.

Mr. JOHNSON of Texas. After the Senator from Illinois explained that to the chairman of the subcommittee of the Appropriations Committee dealing with civil functions, he countered with the suggestion that since the President would not be President for 24 months we would leave the 67 new starts in the bill, and leave the starting of them to the discretion of the President for the time that he will be President, or for the next 18 months. I understand that the Senator submitted that proposal.

Mr. DIRKSEN. That is correct.

Mr. JOHNSON of Texas. And that was not agreeable.

Mr. President, I would be willing to go along with, and I think the parties concerned in the House committee and the leadership would be willing to go along with, leaving the 67 unbudgeted starts in the bill, and leaving it within the President's discretion as to when to start them, provided he started them during his term of office. However, to leave it in his discretion to start them in some other President's term of office is stretching it a little bit too far.

If the Senator is willing to amend the bill by providing that we will leave it in the President's discretion for the rest of his term of office, then that would be perfectly acceptable, but we do not think that the outgoing President would have much discretion a year after he has left the job.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Indiana.

Mr. CAPEHART. What does the Senator means by "new starts" or "unbudgeted starts"? Perhaps I should know the answer, but I am not sure.

Mr. JOHNSON of Texas. There are 67 new construction projects which the House approved and which the Senate approved, which the Budget Director did not approve.

Mr. CAPEHART. Will they not be approved at some future time?

Mr. DIRKSEN. It is entirely likely that they will be.

Mr. JOHNSON of Texas. Congress has approved them already. It depends upon whose Budget Director is in charge.

Mr. CAPEHART. Why is the Budget Director's judgment better than the judgment of the Congress?

Mr. JOHNSON of Texas. We do not think it is. If we had relied on the judgment of the Budget Directors for the past century we would have had very little construction going on. We would have had no new starts.

Mr. CAPEHART. These are starts for future construction?

Mr. JOHNSON of Texas. That is correct. They would be made next year.

Mr. CAPEHART. Why does not the Congress have as much right to make new starts as has the Director of the Budget?

Mr. JOHNSON of Texas. We think the Congress not only has the right but has the obligation and the duty to do so, and Congress has been exercising that obligation and duty in the past few years.

Mr. DIRKSEN. Mr. President, it should be pointed out that since 1955 our expenditures in this field have jumped from $500 million to more than $1.1 billion a year, and they will jump in the future, on the basis of the impact of the new starts upon the budgets for 1961, 1962, and subsequent years.

The President of the United States must have a proper regard for the orderly development of our resources. The President must have a regard for our fiscal position. The President is to be complimented and commended for the fact that even though he will go out of office on the 20th of January 1961, he does not want to fasten upon some future President very heavy obligations in this field which will add up to an unbalanced budget.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. How can a President who is about to go out of office assure the Congress that he intends to do something after he has gone out of office?

Mr. DIRKSEN. He cannot do so, after he has gone out of office.

Mr. JOHNSON of Texas. That is what is proposed. It is 20 in fiscal year 1960; 20 in fiscal year 1961, after the President has been out of office 6 months; and another 27 after the President has been out of office 18 months.

Mr. DIRKSEN. The big point, Mr. President, is that the President of the United States is looking down the road. The President is not thinking merely of the 20th of January 1961, when he will go out of office, but he is thinking of his responsibilities in regard to the impact of the program upon future budgets in future years.

If some previous Presidents had had an equal regard, we would not have had

a budget out of balance by $9 billion when we came into office under President Eisenhower.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. But one of the first things we had to do was to take that budget and chop it apart.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I think there was excess of expenditures over estimated revenues of $9.7 billion.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. Does not the Senator think that we ought to do some chopping on the $12 billion budget which is out of balance now?

Mr. DIRKSEN. That budget is beyond us at the present time. The Senator is speaking now about the budget for the fiscal year 1959.

Mr. JOHNSON of Texas. Surely.

Mr. DIRKSEN. That is not true of the budget for fiscal year 1960.

Let me say, parenthetically, that I hope we will do a better job so far as expenditures are concerned in keeping the budget in balance in 1960, because I am not too sanguine about the prospects of having a balanced 1960 budget, when we look not at the appropriations but at the expenditures.

Mr. JOHNSON of Texas. How much over the budget estimate is the bill we are about to vote on?

Mr. DIRKSEN. Does the Senator refer to the bill which is before us now?

Mr. JOHNSON of Texas. I refer to the pending bill. How much is it over the budget estimate for this year?

Mr. DIRKSEN. I do not know.

Mr. JOHNSON of Texas. The Senator knows it is not anything over the budget estimate. It is about the same.

Mr. DIRKSEN. Yes.

Mr. JOHNSON of Texas. That is why every project was cut 2½ percent, so that we would meet the President half way and come down to the President's budget figure. We cannot have dictation by the Budget Director, saying, "Cut out this project, and that project; you can have only the projects the wisdom of the Budget Director may dictate."

Mr. DIRKSEN. Mr. President, if that logic prevails, instead of 67 projects why not provide 200? Why not put 300 projects in the bill? Instead of $1.1 billion, why not make it $2 billion? We could diffuse this program all over the country, as a matter of fact.

We have at once both a fiscal problem and the problem of developing the resources of the country. The President has been mindful of the problem, not only up to the end of his term, but for the years which will follow. That is the President's responsibility, as the Chief Executive, because in the period between now and the 20th of January 1961, we could very conceivably put a potential load upon future budgets which would insure an unbalanced budget for years to come. The President would be remiss in his duty indeed if he failed to measure up to his responsibility in that regard.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from North Carolina.

Mr. ERVIN. I should like to state a premise and then ask a question of my able and distinguished friend.

If these new projects are eliminated, North Carolina, instead of getting about $1.8 million, will receive only approximately $188,000, recommended by the President, out of the total budget of approximately $1.2 billion.

I should like to ask my able and distinguished friend from Illinois: If the President is looking down the road, will my friend ask the President to look down the road far enough to see North Carolina and to realize it is one of the 50 States of the Union?

Mr. DIRKSEN. I say to my distinguished friend from North Carolina that there are some unbudgeted projects for the State of Illinois in the bill. I have already heard by letter, telegram and telephone from people who are interested. The sacrifice Illinois must make will certainly be equivalent to that which will be made by the State of North Carolina.

This is not a case of taking a provincial interest and a provincial viewpoint. We must think in broad terms about the whole country. That is the President's responsibility.

After all, I can think in terms of the the benefits which will accrue to the State of Illinois. Others can think in terms of the benefits which will accrue to their States.

But the President is elected by all the people and must have a proper regard not only for the instant budget but for future budgets and for the proper development of these resources.

So I present to the Senate only what the discussion was this morning, and how deeply the President feels about this subject on the basis of principle. I am a little unhappy, of course, and would be unhappy if the President sought to veto this measure and then return it for such action as both branches of Congress might take.

Mr. MAGNUSON. Mr. President, will the Senator yield for one question?

Mr. DIRKSEN. I yield.

Mr. MAGNUSON. I think the Senator also should inform the American people, who may have some impression that Congress pulled these projects out of the air. These are all projects, are they not, which the Army Engineers have looked at? They have been authorized. They have a benefit-to-cost ratio in some cases of 2 to 1. They are not only bringing about conservation, but also producing taxes. I think the Senator should also inform the American people, on behalf of the President of the United States that the Committee on Appropriations is now considering the bill for mutual security. In that bill $739 million is provided for what we call defense support. It is nothing but public works in foreign countries.

I will not vote against that provision, but it seems to me the American people ought to have the benefit of some real facts and figures. Surely, if we can afford to vote $800 million, or close to it, for foreign public works, we can afford to have $800 million spent for development and conservation in this country for the creation of wealth which will pay taxes over a period of years. I think the American people ought to know that.

Mr. DIRKSEN. Of course, Mr. President, I am not insensible of that argument.

Mr. MAGNUSON. I am not saying it is an argument. I am saying that the American people ought to know that; and I am for both programs.

Mr. DIRKSEN. I should be most delighted, of course, to see that every American citizen is fully advised on that point, but I will not let it obscure the logic of the situation.

When we speak about these projects, we are thinking about the country as a whole in terms of its security, its defense, and its survival.

This is quite a different thing. We can come to grips with domestic projects at any time, but I present the argument to the Senate for whatever it is worth. Now let the Senate work its will on the bill.

Of course I know the overwhelming majority by which the bill in its present form passed the House. I would be the last to minimize it. The vote was 302 to 93. There is a 2½ percent cut in all the projects. That was not the important consideration at all in the discussions we had with those at high level as to the future of the bill. The whole question is one of unbudgeted starts and the impact upon future budgets; and on that point I believe I know pretty well what is in the President's mind.

I rest the case, Mr. President; and we can proceed to a vote.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending

the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New York [Mr. JAVITS] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

The result was announced—yeas 73, nays 15, as follows:

YEAS—73

Allott	Hayden	Morton
Anderson	Hickenlooper	Moss
Bartlett	Holland	Mundt
Bennett	Humphrey	Muskie
Bible	Jackson	Neuberger
Byrd, W. Va.	Johnson, Tex.	Pastore
Cannon	Johnston, S.C.	Proxmire
Capehart	Jordan	Randolph
Carlson	Kefauver	Robertson
Carroll	Kennedy	Russell
Chavez	Kerr	Schoeppel
Clark	Kuchel	Scott
Cooper	Langer	Smathers
Curtis	Lausche	Smith
Dodd	Long, Hawaii	Sparkman
Dworshak	Long, La.	Stennis
Eastland	McCarthy	Symington
Ellender	McClellan	Talmadge
Engle	McGee	Thurmond
Ervin	McNamara	Williams, N.J.
Fong	Magnuson	Yarborough
Frear	Mansfield	Young, N. Dak.
Gore	Martin	Young, Ohio
Green	Monroney	
Hart	Morse	

NAYS—15

Aiken	Byrd, Va.	Hruska
Beall	Case, N.J.	Keating
Bridges	Cotton	Prouty
Bush	Dirksen	Saltonstall
Butler	Goldwater	Williams, Del.

NOT VOTING—12

Case, S. Dak.	Gruening	Javits
Church	Hartke	Murray
Douglas	Hennings	O'Mahoney
Fulbright	Hill	Wiley

So the bill (H.R. 9105) was passed.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. ELLENDER. Mr. President, I move to lay on the table the motion to reconsider the vote by which the bill was passed.

The motion to lay on the table was agreed to.

Mr. CARROLL subsequently said: Mr. President, I hope the President will give serious consideration to the bill just passed by this body. In his last budget message, he said that although the cost of unbudgeted items will be relatively small in 1960—about $50 million—their ultimate cost will be more than $800 million. The facts are that more than $200 million of that amount is repayable. This amount will be returned to the Treasury as income from reclamation projects.

I say to the President and his advisers, with respect to the bill passed by the Senate tonight raising the rate of interest on savings bonds, that I think it would be worth while to take warning from the remarks of Sylvia Porter in her article entitled "Tight Money Is Back," published in the Washington Evening Star of May 25, 1959. Sylvia Porter said, in the first paragraph of that article:

> We are now reentering a cycle of tight money.

I remind Senators that this statement was made in May. I continue:

> This one will be, according to all reliable signals, the toughest in this Nation since the bank panic of the early 1930's.

Mr. President I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TIGHT MONEY IS BACK

(By Sylvia Porter)

We are now reentering a cycle of tight money.

This one will be, according to all reliable signals, the toughest in this Nation since the bank panic of the early thirties.

Already, the price of money—the level of interest rates—is the highest in a quarter-century and it is heading higher. Already, many loan applicants are finding it more difficult to get credit, and the clampdown will be rougher in the months ahead. Already, bonds carrying low coupons sold by the Treasury, States, cities, and corporations in the easy-money cycles of the past have sunk to record lows and are moving lower.

This is what tight money means: a period in which most borrowers must stand in line to get credit, in which many are turned down flat or granted only a part of the cash they want, and in which all who do get loans must pay heavily for them.

Tight money happens when the demand for credit tops the supply of money available in the Nation's pool for loans.

It happens when the economy goes into an upswing and as a result, businessmen want to borrow more to add goods to their shelves and expand their plants, homebuilders and homebuyers want to borrow more to finance houses, millions of consumers want to borrow more to buy cars, appliances and the like, States and cities want to borrow more for essential public works, etc.

It happened when the Federal Reserve System refuses to add enough money to the credit pool to take care of the increased loan demand because the Central Bank is convinced that if all who want to borrow can do so easily, the prosperity will become an inflationary boom.

The conditions I've described above have been emerging clearly for months, are now unmistakably dominating the money markets.

What will this cycle of tight money mean to you?

To homebuilders and homebuyers: Mortgage money is going to be the most expensive in years, and the stated cost of many mortgages is likely to be a lot less than the real cost. Although costs will vary from area to area there is no doubt the lid will be on mortgage money, and many homebuilders are simply not going to get the financing they need to go through with their plans.

To business borrowers: The highest-rated corporation cannot get a loan for less than 4½ percent today—and hidden extras are raising the effective borrowing rate to well over 5 percent. Less established, desirable borrowers are paying more, of course. Now, the probabilities are many loan applications will be cut, others will be refused.

To States and cities: Lenders are demanding 3½ percent and more even on the tax-exempt securities of the highest-grade municipalities. Increasing numbers of States and cities will find that the legal limits on what they can pay for money will bar them from borrowing.

To buyers on the installment plan: They'll pay more for loans on autos, appliances, etc. Although the real charges will be hidden in the small print and rates will vary violently, costs will be definitely up.

To corporations selling bonds: They'll be placing the fattest coupons in years on new bonds and be glad to get buyers for them.

To holders of outstanding bonds: Prices of bonds they bought in the past will be down because new bonds will be coming out with higher coupons.

To the Treasury: It'll pay more than 4 percent just for short-term loans of a year or less.

To banks: They'll make more on the high loan rates and fat coupons on new bonds, but they'll be in a squeeze too because they won't have sufficient cash to meet loan demands.

To savers: They'll gain because financial institutions will be paying higher rates to attract more and bigger savings accounts.

The tight money phase of 1959 to 19?? is shaping up even now as more restrictive than that of the summer of 1957, just before the recession of 1957-58. And that money pinch was brutal to countless hundreds of thousands.

Mr. CARROLL. Mr. President, I have before me another article written by Sylvia Porter, and published in the Washington Evening Star of September 8, 1959—this evening. It is entitled "Big Money Squeeze Begins." I read the first two paragraphs:

> A cycle of the tightest, hardest-to-get and most expensive money in a generation has just begun.
>
> A credit squeeze of a magnitude that will dwarf the pinch of prerecession 1957 and which will be beyond anything ever known by the majority of Americans is in the making.

I read the concluding paragraph:

> Other nations have known this sort of credit clamp down in modern times but this Nation hasn't. We have moved into an historic money squeeze.

Mr. President, I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BIG MONEY SQUEEZE BEGINS

(By Sylvia Porter)

A cycle of the tightest, hardest-to-get and most expensive money in a generation has just begun.

A credit squeeze of a magnitude that will dwarf the pinch of prerecession 1957 and which will be beyond anything ever known by the majority of Americans is in the making.

A test of the ability of the Federal Reserve System to brake the boom without breaking it through strict credit controls will be seen in this country this fall.

The financial institutions of the United States are facing a severe strain. The lid is being clamped on credit at a time when demands for the credit are soaring on every side to unprecedented peaks.

CREDIT TIGHTENED

Last week saw the unmistakable signal of a new turn in the credit screws. Here's what's going on:

(1) Leading corporations have been notified by their banks that from now on they must pay 5 percent for short-term loans. Simultaneously, their bank lenders are requiring them to maintain a specified percentage of the amount they borrow on deposit.

This requirement means the corporations won't have the full use of the cash for which they are paying 5 percent and it will raise the real cost of their loans to 6 percent or more.

(2) Any day now, banks will have to pay 4 percent for money they borrow from the Federal Reserve System to fill loan demands of their customers. At the same time, the Federal Reserve will screen banks applying for temporary loans with mounting care.

This will mean that even banks willing to pay the 4 percent rate won't be able to borrow large amounts for any length of time.

(3) Mortgage rates are climbing to and through the 6 percent mark, and in some areas they'll reach 7 and 8 percent even on sound conventional mortgages.

HOUSING FACES SCARCITY

More effective than the steep rate in flattening the upswing in housing will be the increasing scarcity of mortgage money.

(4) Installment loan rates will rise to all-time highs too, although the costs often will be hidden in the totals of the monthly payments asked. A definite factor in the price of new cars to millions of buyers this winter will be the rising cost of financing the cars.

(5) More and more States and cities will have to postpone major public works projects because they are prohibited from paying more than a certain interest rate for loans. In this period, the rates demanded on their loans will be above what they are allowed to pay.

(6) Many speculators will be pushed out of the money markets. With money so tight, lenders will be rationing credit—and they'll tend to favor old customers over new ones, a large, established borrower over a small, risky one.

(7) The Treasury will be paying 4 percent or more for 3-month loans, 4½ percent or more for 6-month money. There's no telling what it may have to pay for 1-year money next month.

Other nations have known this sort of credit clamp down in modern times but this Nation hasn't. We have moved into an historic money squeeze.

Mr. CARROLL. Mr. President, I ask unanimous consent that additional articles on the subject of the current credit squeeze also be printed in the RECORD, and that my entire remarks with these inclusions be printed immediately following the vote on the public works appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The articles and editorials are as follows:

[From the Wall Street Journal, June 3, 1959]

STIFFER INTEREST RATES—CRASH PROGRAM TO JUGGLE U.S. DEBT MAY HAVE IMPACT ON ALL BUSINESS—LIFTING CEILINGS ON FEDERAL BONDS MAY MAKE PRIVATE BORROWING MORE COSTLY—SWITCH AWAY FROM STOCKS?

(By Alan L. Otten and John A. Grimes)

WASHINGTON.—The Eisenhower administration is putting together an urgent program designed to help solve Uncle Sam's mounting debt problem by allowing the Treasury to pay higher interest rates on Government securities.

These proposals, which would be of broad significance to the general economy, may go to Congress this week. They would:

Eliminate, or at least increase, the 4¼ percent interest rate ceiling on marketable securities due in more than 5 years.

Remove, or at least raise, the 3¼ percent ceiling on Treasury savings bond interest rates.

Raise the debt ceiling itself to $290 billion or $295 billion. Under present law the debt limit drops on June 30 to $283 billion from the existing temporary limit of $288 billion.

TIGHT MONEY DEBATE

President Eisenhower's request, if current thinking is followed through, would intensify the congressional debate on what Democrats call the Government's tight money policy. But the best judgment in Congress yesterday was that, after all the shouting, the legislators will go along with some increase in the interest rate ceilings.

High officials insisted that no final decision has been reached on asking Congress for more leeway in fixing interest rates. But congressional leaders, after a secret White House meeting Monday night, agreed there was no doubt the administration, finally, has just about decided to ask Congress for higher interest rate limits.

If Congress approves and the Treasury then boosts the interest rates it offers on its securities, the impact could be broad:

Businessmen almost certainly would face higher bond borrowing costs; the Treasury competes directly with them for funds.

As interest rates rose on Treasury and corporate bonds, a growing number of investors might switch funds from the booming stock market into bonds.

Higher savings bond interest rates could stimulate lagging sales of these securities and perhaps induce banks and savings and loan associations to offer higher rates to savers.

Payment of higher interest rates would boost the Treasury's debt management costs, already a sizable budget item.

If the Treasury steps up sales of long-term securities, this action, like higher sales of savings bonds, would aid the administration's fight against inflation.

MORE LONG-TERM BONDS?

The administration's concern over inflation is one factor that is pushing it toward asking for higher interest rate ceilings. With higher ceilings, Treasury officials believe they would be able to sell substantial amounts of long-term securities to nonbank investors. In recent months, the Treasury has been relying chiefly on short-term issues, which are purchased largely by commercial banks.

When a nonbank investor buys a Government security, he pays for it by taking funds from his bank; the total money supply is unchanged. When a bank buys a U.S. security, it pays for it by setting up an account on its books for the Treasury. As the Treasury draws checks on this account to pay for goods and services, the money supply grows. If the money supply grows faster than the supply of available goods and services, the result is inflation.

Sales of more long-term securities also would benefit the Treasury in a highly practical way. As the average maturity of the debt increased, the Treasury would have to make fewer trips to the market to refinance existing securities. It also would have more control over the timing of new issues; with maturities spread further apart, the Treasury would find it easier to step into the market to refinance an issue in advance if it decided market conditions were favorable. The whole debt management job would be simplified.

COMPETITIVE FACTORS

The Treasury in recent months has had difficulty selling long-term securities for two reasons: Investors' worry over inflation and growing competition from stocks and corporate bonds. For example, underwriters today are offering to the public $50 million of Public Service Electric & Gas Co. 30-year bonds at a price to yield the investor 5 percent—well above the top yield available on Treasury bonds.

Many private investors have been buying stocks heavily in preference to either corporate or Government bonds. Such investors reason that inflation would push up the prices of stocks along with the value of all other property.

With business recovering the Treasury faces the prospect of increasing private competition for the lender's dollar. The Treasury also is running into growing competition from State and local borrowing on securities whose interest is free of Federal taxes. Interest on U.S. Government securities, of course, is taxed both by States and by Uncle Sam himself. Still another potent competitor for Treasury bonds is the Government-backed housing mortgage, which yields 5 percent or better.

If the Treasury offers long-term bonds at higher interest rates, the first result would be a drop in prices of existing Treasury bonds and a resulting rise in yields on such securities. "If the Treasury offers a 4½-percent long-term bond—and they'd have to offer at least that much to find many buyers—prices of other Treasury issues would fall by two to four points," predicts one New York City bond dealer.

"If the Treasury offers higher rates, businessmen will have no choice—they'll have to boost their rates if they want to sell any bonds," says a New York City banker.

"If the Treasury gets the authority, it will use it," says a New York bond market specialist. "I foresee a 4½-percent Government issue, and that will tend to boost yields throughout the bond market."

The competition between Government bonds and corporate bonds is direct. A rise in yields on Treasury bonds would induce many investors to buy such securities in preference to corporate bonds—unless there was a corresponding rise in yields on the corporate issues.

The competition between stocks and bonds is less direct, especially in a period such as the present when inflation fears are a major factor. But it is nonetheless present.

The stock market declined sharply yesterday on the news that the Government's interest ceilings might be lifted. The Dow-Jones industrial average fell 6.06 points from the previous close to 637.45. Brokers theorized that the selling pressure that pushed prices down yesterday came from investors and traders who were speculating on the impact of a boost in Government bond interest rates. According to the brokers, the investors and traders figure that higher Treasury interest rates would lead many investors to switch from stocks into bonds and thus put downward pressure on stock prices.

HIGHER YIELDS IN BONDS

Treasury bonds already offer higher yields than many common stocks. The most recent calculation showed that the 30 stocks comprising the Dow-Jones industrial average were selling to yield an average of about 3.14 percent, compared with the yield of well over 4 percent available on existing longer term Government bonds.

Before the Government offers long-term marketable bonds at higher interest rates, it should first boost the interest rate on savings bonds, many New York City bankers say. "The savings bond structure, which is very important to the economy, is teetering," says one banker. "If all that money slips away, what does the Treasury do then?"

Savings bonds outstanding at the end of April totaled $50.8 billion, down $1.4 billion from a year earlier. Savings bond redemptions for some time have been exceeding sales as individuals have found more profitable ways to invest their savings.

Many savings and loan associations are offering 3½ percent and more to savers, compared with the 3¼ percent rate on savings bonds. "If the Treasury boosted the savings bond rate," says one New York banker, "it could put some pressure on savings and loan associations and banks to boost their rates, too."

CUTTING THE DEBT

In addition to considering higher Treasury interest rates, President Eisenhower and his subordinates are thinking more and more of using any Treasury surplus to reduce the mammoth debt rather than to provide tax relief. To a lesser extent, this same sort

of sentiment shift is discernible in the House and Senate.

The switch to debt reduction can be gleaned between the lines of public pronouncements of Treasury Secretary Anderson, Budget Director Stans, and Mr. Eisenhower himself. Just recently, Mr. Stans raised the question, "When will we ever begin to reduce our $285 billion public debt" if it isn't done in these prosperous times?

To a large extent, the debt program explains the Administration's drive to balance the budget for the fiscal year that starts next July 1. And to some extent, it also accounts for the slowdown in Congress of Democratic determination to force the President to spend more than he wants to spend. Continued budget deficits would add to the Treasury's already heavy chores of refinancing present issues as they fall due.

The Treasury's idea of asking for a higher interest rate ceiling on marketable securities in itself indicates Mr. Anderson would like to begin selling long-term bonds again. But officials insisted yesterday that, even with complete freedom, they'd have no idea of a wholesale switch into long-term securities. And the Treasury, like any other borrower, likes to get its money as cheaply as possible. Interest rates on short-term securities are well below those on longer issues.

"We'll look largely at the short-term area for the next few months," remarks one Treasury official.

BEHIND THE PROPOSALS

A look at the Treasury's debt predicament explains the urgency behind the legislative proposals now being prepared. In calendar 1958 the Government had to borrow $19 billion in cash, in addition to issuing $50 billion of new marketable securities in exchange for maturing debt, excluding the regular weekly bill sales. Of this $69 billion, only $2.9 billion went into long-term bonds. So far this year the Treasury has borrowed $14 billion in cash, in addition to $14.1 billion to replace old securities. Of this $28.1 billion, only $1.5 billion has gone into long-term securities.

For the rest of this calendar year alone, the Treasury will have to borrow an estimated $10 billion just to bridge the gap between current expenses and tax revenues. In addition, about $29 billion—again excluding Treasury bills—comes due and has to be either paid off or refinanced.

Financial authorities, both in and out of the Government, agree the Treasury would be unable to borrow this kind of money without sticking largely to short-term securities.

When Mr. Eisenhower came into office in January 1953, one of his major financial aims was to tidy up the debt—to lengthen out maturities, for example, and to place more of the debt in nonbank hands. Candidate Eisenhower emphasized his debt aims during his 1952 campaign, including the debt problem in his summation of "the mess in Washington."

On June 30, 1953, a few months after Ike took office, the total debt stood at $266 billion. The average maturity of the marketable debt was 5 years and 4 months. Of the total $65.3 billion was to mature within 1 year. An additional $36.2 billion was to mature in 1 to 5 years.

On June 30 of this year, the debt is expected to total $285 billion. The average maturity of the marketable debt is now 4 years and 8 months, or 8 months shorter than when Mr. Eisenhower took over—and the Treasury is fighting to hold it there. Of the $285 billion, $76 billion will mature within 1 year. An additional $58.2 billion will come due in 1 to 5 years.

The Treasury insists it hasn't slipped backward quite so much when it comes to bank versus nonbank financing. On June 30, 1953, commercial banks held $58.8 billion, or 22 percent of the $266 billion. As of February 28, 1959, commercial banks held $66 billion of the outstanding total of $285.2 billion, or 24 percent.

[From the Washington Post, Aug. 24, 1959]

TIGHT MONEY LIKELY TO GET TIGHTER

(By Harold B. Dorsey)

Now that the House Ways and Means Committee has pigeonholed for the balance of this session legislation permitting the Treasury Department to issue Government bonds with an interest coupon higher than 4¼ percent, business analysts are trying to figure the consequent effects on business activity and the credit market.

Their analysis must start out with the fact that short-term credit is very tight. Small business borrowers are beginning to complain that their bankers are "pretty well loaded up," meaning a bank's ratio of loans to deposits is just about as high as the banker wants to see it go. And, as a generality, it may be noted that this ratio for the total of all the commercial banks at the end of July was at a high level.

It is against this current status of the banking system that business analysts have to project conditions, which must include a normal seasonal increase in the demand for bank credit between now and the end of the year, to finance harvests, Christmas inventories, and the higher rate of business activity that usually develops in the fall and winter.

On top of the already tight situation, plus the rising seasonal needs for short-term credit, we now have to superimpose the credit needs of the Federal Government. The latter is being forced to borrow in competition with business for the available supply of credit in the short-term and intermediate-term markets. Thus simple arithmetic strongly suggests that the present tight credit situation threatens to become extremely tight over the next several months.

The failure of Congress to give the Treasury Department more flexibility in solving its financing and refinancing problems is going to place a considerable penalty on legitimate business borrowers, large and small—but, as usual, more severely on the small rather than the large.

All of which presents some very difficult problems for the monetary authorities at the Federal Reserve. One of their primary responsibilities is to exercise credit controls in a fashion that will prevent an inflationary abuse of credit. In the past year they have been discharging that responsibility with excellent results and without retarding sound business expansion.

That reminds us that another primary function of the monetary authorities is to provide the economy with a bank credit base that will be sufficient to permit sound economic expansion. There probably is no group of men in the country that is more anxious to see a rising trend of business activity, providing, of course, that the prosperity does not contain those excesses which cause a boom-and-bust pattern.

It appears that the monetary authorities in the next several months must try to find a very delicate solution for a set of unusually rough problems. It would seem that they will have to ease credit policies to a sufficient extent to prevent the extreme tightness now indicated for the fourth quarter of the year, or else the soundly expanding economy might be threatened by a deficient supply of credit. Simultaneously, the Treasury Department's demands for credit will have to be handled in such fashion as to prevent an inflationary expansion of money supply, or we will be threatened with the development of a boom-and-bust pattern.

From a security market viewpoint, when credit is this tight it certainly is not bullish, and usually it is the reverse. The condition means: (1) that there are less funds readily available for buying securities, (2) it leads toward an increase in the relative yield attraction of bonds over stocks, and (3) it could have a dampening effect on business activity. In most earlier cycles, this combination has frequently led to downswings in both the trend of business and the trend of stock prices.

But in none of these earlier instances were the nonfinancial economic forces operating as strongly in the direction of sustained business activity as they are now. In those earlier instances, the tightness of the credit situation reflected the presence of an overexpanded economy and an abusive use of credit. The nonfinancial economic factors were set for a downswing to a much greater extent than they are now. Present indications suggest quite strongly that there will be a good snapback of business activity when present work stoppages are terminated. As a corollary, fourth-quarter earnings of a great many companies promise to be excellent.

In brief, the money situation is bearish, so far as common stocks are concerned, and the business situation is bullish. It was because the money situation had been bullish in the presence of a fairly severe inflation scare that high price-to-earnings ratios and low yields have been recorded in the stock market, especially for "quality" stocks and some of the extremely speculative issues. It is because the business and earnings situation for numerous cyclical groups of companies had been bearish that some of the stocks in this category do not appear to be high in relation to the earnings and dividend improvement now indicated by business prospects.

[From the IUD Bulletin, August 1959]

DANGER OF RECESSION SEEN AS MONEY BECOMES TIGHTER

If the president of the Chase National Bank is correct, major corporations will be paying at 5 percent for short-term bank loans this fall.

Some time this fall, the Federal Reserve is expected to hike the discount rate to 4 percent.

This will mean that the prime rate—the metropolitan banks' interest charge to the top corporations—will rise by at least a half percent from today's 4.5 percent level.

When this takes place, interest rates will be higher than at any time since the twenties. If they come—and the probability is that they will—these moves will be made in the name of fighting inflation.

Money is once again getting tight, and is expected to become still tighter. Already, the U.S. Treasury is paying 4.75 percent on 1-year notes because of lack of takers for long-term bonds which have a legal interest ceiling of 4.25 percent.

Because of this successful short-term refinancing operation of the Treasury, the immediate heat to remove the bond interest ceiling has been permitted to cool off. Nevertheless, the Treasury is continuing its drive for removal of the bond interest ceiling.

After a conference with Secretary of the Treasury Anderson, the House Ways and Means Committee last month agreed to remove from a proposed bill the interest ceiling, a "sense of Congress" resolution calling upon the Federal Reserve to hold down interest rates by lending moderate support to the Federal bond market.

The Federal Reserve and Treasury had fought this resolution on the grounds that such support for the bond market is inflationary. However, present short-term financing being practiced by the Treasury is considered by monetary experts to be far more inflationary in its impact than FRB support of the bond market. Short-term Treasury bills and notes have been called "kissin' cousins" to printing press money by many of these experts.

With tighter money, interest charges will rise still further and credit terms will become stiffer. This will mean fewer mortgage loans as well as higher interest charges for home buyers, less credit at greater cost to consumers and, inevitably, more bankruptcies for small business because of lack of credit.

Charges that administration-FRB monetary policies are leading to another recession are once again being raised upon the floor of Congress. Representative JAMES ROOSEVELT, Democrat, of California, demanded in one such address last month that there be a fullfledged congressional investigation of the Federal Reserve to determine if its tight-money policies are in the best interests of the Nation.

The California Congressman noted that joblessness is still high and said that "policies that further restrict economic growth can cause unemployment to snowball."

[From the Wall Street Journal, Sept. 8, 1959]

BUSINESS UPTURN LOSING ZIP, SAY BUYING AGENTS—SLOWING UPTREND IN OUTPUT AND ORDERS CONTINUED IN AUGUST, GROUP REPORTS—PRODUCTION IS "STILL GOOD"

NEW YORK.—While current business remains good and its relatively unaffected by the steel strike so far, the upturn from the 1958 recession "continues to lose its zip," according to a survey of purchasing agents.

Fewer of the men who buy for the Nation's top commercial and industrial concerns reported increases for August in production, new orders, inventories and employment than they did in July. Although the strikes in the steel and copper industries play a major part in this slowing of the uptrend, the survey, made monthly by the National Association of Purchasing Agents, noted that the slackening in the number of reporting rises in output and order receipts has been rather sharp since May. The steel strike began in mid-July; the copper walkouts started in August.

The general strike in the steel industry has had "very little effect" on 73 percent of the members answering the survey, while only 4 percent reported considerable impact. The report noted, however, that if the strike continues another month, it will bring sharper cutbacks in output.

While terming production figures "still good," the association said 31 percent of its members reported increases in output in August, down from 35 percent in July and as much as 60 percent in May. Orders also were still strong with 31 percent of the members reporting increases in August compared with 36 percent in July and 53 percent in May.

"Inventories, particularly of steel, tend to be lower than in previous months," the report stated. For the first time since last January, fewer members reported gains in inventories than declines. Of those reporting, 28 percent said their stockpiles fell in August, up from 16 percent in July, while 22 percent told of increases, down from 45 percent.

The association also said it had received "alarming" reports of "critical shortages" developing in naphthalene and anhydrides. Naphthalene is a byproduct of coke production, a preliminary phase in the making of steel, and phthalic and maleic anhydrides are made from it.

Prices were generally steady in August, the association said, and again the steel strike and its ultimate settlement play large roles. "Steel will set the pattern" of future price movements, the group stated. For August, 76 percent of the members said there had been no change in prices, up from 68 percent in July, while 23 percent told of small increases, compared with 25 percent the month before.

On employment, 63 percent of the reporting members said there was no change in their work forces between July and August. Still, only 26 percent reported improvement, exactly half the 52 percent so reporting the month before.

The report concluded with the observation that the recession-induced opposition to accumulating heavy inventories is continuing. "There is no evidence that strikes, temporary shortages, or the influx of lower priced imports have occasioned any change in this policy," it said.

Following is a comparison of delivery periods for purchases in August and July, 1959:

	Percent reporting				
	Immediate	30 days	60 days	90 days	6 months-1 year
August:					
Production materials	10	26	32	21	11
Maint., repair, pprtg., supplies	22	52	19	6	1
Capital expenditures	9	5	13	20	53
July:					
Production materials	5	28	33	24	10
Maint., repair, pprtg., supply	21	49	19	8	3
Capital expenditures	10	7	10	24	49

Mr. CARROLL. Mr. President, I desire to make a brief comment; then I shall be finished. I desired to cast my vote in favor of the administration's recent proposal to increase the interest rate to 3¾ percent on savings bonds E and H. I did not join with my colleagues who sought to establish a ceiling of 4¼ percent on savings bonds. I did not do so for a specific reason. By increasing the interest rate to 4¼ percent on E and H savings bonds we are surely laying a trap for ourselves in the months ahead on long-term bonds. We will certainly be faced with the prospect of raising to 5 or 5½ percent the interest rates on long-term bonds at tremendous cost to the taxpayer. That is one of the reasons why I could not go along with my colleageus on this side of the aisle on the Anderson amendment.

DEATH OF FORMER REPRESENTATIVE EDMUND P. RADWAN

Mr. KEATING. Mr. President, it is with a heavy heart that I report to the Senate the death of one of my former colleagues in the House of Representatives, the Honorable Edmund P. Radwan. He passed away last night and the news has come as a great shock to his many friends.

Ed was a Buffalonian in every way. He was born in Buffalo in 1911, was graduated from the University of Buffalo, and had practiced law in that city since 1935. Following service in World War II, he was elected to the New York State Senate, and in 1950 he was elected to the House of Representatives.

He served in the House of Representatives through the 83d, 84th, and 85th Congresses, before he was forced to retire because of ill health. He was a good friend and loyal supporter, with whom I enjoyed serving.

We stood shoulder to shoulder on many occasions on matters of mutual concern. He represented his district well and he always stood up for their interests with great integrity and skill. He served with special distinction on the Foreign Affairs Committee.

Ed Radwan was an able and conscientious legislator who exemplified the finest in public service. His retirement from Congress was a great loss to the House, and his death at this early age is a great loss to all who knew him.

His removal from our midst comes with special poignancy because he is survived by his wonderful wife and three daughters. They have my deepest sympathy, and I trust they can find some solace in knowing how highly all of us who were privileged to know Ed Radwan regarded him and how greatly he will be missed not only in Buffalo, but throughout New York State and Washington.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I announce that we do not expect any further votes this evening. We shall keep the Senate in session as long as necessary to accommodate individual Senators who have been so considerate as to withhold their speeches until we could have the yea-and-nay votes we have had this evening.

Early tomorrow we expect to act on the housing bill. We have already passed the housing bill twice this session and have voted on a veto once. The other body must act on the housing bill we passed, and it will probably go to conference before we adjourn. Therefore I shall move to consider the housing bill tonight and make it the unfinished business.

The Senate will meet tomorrow for a morning hour at 9:30, which will be followed by a calendar call. At the conclusion of the calendar call there will be brief statements on the housing bill. The Senator from Alabama [Mr. SPARKMAN] informs me that his statement on the bill will be quite brief. The Senator from Indiana [Mr. CAPEHART] feels that it will not take him too long to discuss the measure. The other members of the Banking and Currency Committee may wish to make brief statements. We hope to pass the housing bill sometime early tomorrow.

Mr. LONG of Louisiana. Mr. President, have conferees been named on the bill concerning the interest rate on series E and H U.S. savings bonds, which we passed today?

The PRESIDING OFFICER. The Chair informs the Senator from Louisiana that no conferees have been named.

Mr. LONG of Louisiana. Mr. President, I am hopeful the House will accept

the Senate bill, but if the House does not, it seems to me we should consider the fact that the Senate added a very significant amendment. That amendment applied a ceiling to interest rates in compliance with the traditional history of this country on the amount of interest which could be paid on the bonds. I refer to the Anderson amendment.

I note that not a single senior Member of the Senate on either side of the aisle voted for the Anderson amendment. This issue has come up before and it has been discussed.

It seems to me the majority of the conferees should express the majority will of the Senate if this measure goes to conference. I raise the question now because it is very important to the people of the country. The rules of the Senate require that the conferees who are named on behalf of the Senate should be Senators who will vote the will of the Senate. At least the majority of the conferees should be among those who so voted.

I went into a conference sometime ago as a minority member of the conference who had voted the will of the Senate, and I saw a Senator move to surrender the Senate position, even before the House conferees had been officially named.

I believe that when the Senate adopts amendments the Senate should follow the rules and see that the position taken by the Senate is represented by a majority of the conferees. I wish to make that position clear, Mr. President. I do not wish to obstruct the Senate, but I feel that if the House does not accept the Senate bill, the Senate conferees should represent the majority will of the Senate, as the rules require.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Is there not an order for the Senate to recess until 9:30 tomorrow morning?

The PRESIDING OFFICER. The order has been entered.

Mr. JOHNSON of Texas. It will be in order tomorrow, following the morning hour, to move to proceed to executive business at any time, will it not?

The PRESIDING OFFICER. It will be in order at any time.

Mr. JOHNSON of Texas. It is not necessary to have an adjournment?

The PRESIDING OFFICER. That is correct.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Delaware.

Mr. FREAR. Mr. President, the able and fine Senator from Louisiana has just made a remark about the conferees. I do not know who is to be appointed on the conference. I assume the conferees are appointed according to seniority. The junior Senator from Delaware may be one so appointed, and I wish to remind the Senator from Louisiana of the perseverence with which some of the Members of the Senate stood by an amendment on which he was one of the conferees not too long ago. I hope he will not level against the junior Senator from Delaware the charge which I think he was attempting to make.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, if the junior Senator from Louisiana had anything to say about it, we would build a pedestal in Washington for the junior Senator from Delaware.

Mr. JOHNSON of Texas. I announce that the Appropriations Committee is meeting on the mutual security bill downstairs, and its members should return to it as soon as possible.

HOUSING ACT OF 1959

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 952, S. 2654.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2654) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to, and the Senate proceeded to consider the bill.

THE AMERICAN SMALL TOWN

Mr. MUNDT. Mr. President, I rise today to speak a strong word of encouragement and support for a great and almost unprecedented and unparalleled institution known as the American small town. The term "small town," Mr. President, is a relative one. In the metropolitan east I have frequently heard communities upward of 50,000 people referred to as a small town, whereas in the rural States of America we sometimes refer to communities of less than 1,500 people as being "one of the biggest little cities in the world."

However, for purposes of the bill which I introduced on August 31 to establish a Commission on Problems of Small Towns, I proposed that a small town be designated as one having a population of less than 10,000 people in the last census. This Commission would, therefore, concentrate upon recommending solutions for communities of 10,000 or less, but it is obvious the suggested solutions and formulas of activity would be equally useful to many of our smaller cities ranging up to 50,000 or more in population.

Mr. President, I have been impressed as I have traveled abroad on three separate occasions on trips taking me into all countries of Europe, and parts of Africa, Asia, and the Western Hemisphere, by the fact that an American small town, whatever its size, is something unique in the world in which we live.

Especially is this so outside the English-speaking countries of the world. One finds cities, Mr. President, throughout the world to be pretty much alike. Each has its churches and cathedrals, each its educational institutions, each its beautiful public buildings and its lovely homes. Each has its theaters, its recreational places, its broad boulevards, its hustle and bustle and its crowded streets. Each also, unfortunately, has its areas of squalor and crime. But in traveling abroad, one finds that virtually only in America and a few other English-speaking areas of the world is there an institution such as our typical small town where one finds in a compact area many of the advantages and few of the disadvantages of life in any city in the world.

Our American small town has its well-staffed public schools, its convenient and comfortable churches, its business enterprises, its city hall, its recreational advantages. Our American small town maintains with pride a high school, a football and basketball team, a semipro baseball team, a marching band, and a fire department. Our American small town brings together the advantages of life in the country with the cozy neighborliness of a life in a community where one can belong to his Kiwanis or Rotary Club, his chamber of commerce, his church and lodge, in company with friends of his own choosing and with people who estimate the character of a man by what he is rather than by what he has.

One searches in vain, for example, in the smaller communities of other areas of the world for anything remotely resembling the civic clubs, commercial clubs, or chamber of commerce groups of a small American town. One looks without success for the rivalry and stimulating experience of competition among American small towns for laurels in the fields of athletics, forensics, musical productions, and civic progress. The hospitals, the homes for the aged, the armories, or community halls of our small towns are also entirely unique among the communities of the non-English speaking world.

Mr. President, on August 31 I introduced my bill to create a Commission to be known as the Commission on the Problems of Small Towns. Since then I have been both gratified and encouraged by the widespread support developing for this proposal. This would be a temporary Government Commission, Mr. President, comprised of 18 members to be appointed on the general formula used in selecting members of the Hoover Commission. It would make its report in a year or 18 months. It would serve without pay or without remuneration beyond expenses. It would be comprised of leaders in the areas where small towns exist and operate. It would deal exclusively with problems which no other Government commission has been created to analyze and study—the unique problems of our small American towns. It would report to Congress and the country with suggestions on how small towns can help themselves and how through cooperation with the Federal Government the Government in Washington could help small towns. This assistance through cooperative effort, Mr. President, would not be

one of direct financial assistance or Federal grants, but it could well come from more appropriate consideration by the Federal Government of the importance of our small towns through a wider dispersal of Federal procurement and in the location of Federal facilities. In fact, S. 2621 sets out in section 3 six specific areas in which such a Commission might benefit small towns.

Mr. President, we have had many commissions created or proposed to study the problems involved in big government; the problems of our metropolitan areas; farm problems; labor problems; educational problems, and the like. But no agency of Government, no research department, no commission of the Congress has been charged with the responsibility of finding facts and making recommendations of value to America's small towns.

Mr. CURTIS. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I am happy to yield.

Mr. CURTIS. What proportion of the people who live in towns and cities live in small towns as defined by the Senator's bill?

Mr. MUNDT. The proportion of people who live in small towns and cities is very great. The proportion of Americans living in communities of this size or less is well over 50 percent.

Mr. CURTIS. Is it not true that much of the attention on the part of the Federal Government has been directed toward the problems of the large cities having congestion and related problems, as contrasted with the problems faced by the great number of small towns to which the Senator from South Dakota refers?

Mr. MUNDT. The distinguished Senator from Nebraska is correct. All kinds of studies and all kinds of research projects have been conducted concerning the problems of the major metropolitan areas, but I have made careful research and have been unable to find that any other commission has made an overall study of the small towns.

The Senator realizes that in his great State of Nebraska, as in South Dakota, small towns play an important part in the economy of the various States.

Throughout history, Mr. President, the American small town has made magnificent and lasting contributions to the development of our American way of life. The existence of small towns has helped to contribute the necessary balances to check against the extremes and excesses in one direction or another which have plagued or destroyed other governments and countries. The small towns of America have been a great bastion for producing the freedoms of Americans at home and for preserving the great institutions of private ownership and competitive enterprise which have teamed up to make America great and to keep it strong.

Mr. President, more than 200 Members of the present House of Representatives and over half our sitting Senators were born in America's small towns. Twenty-eight of the 33 men who have been elevated to the highest office in the world—the Presidency of the United States—were born in these small towns. The annals of business and industry and the records of achievement in the professions are replete with evidence that America's small towns cradle and nourish many of our greatest leaders and most outstanding citizens.

However, Mr. President, just as changing times and the technical and industrial developments forming a part of America's march of progess have created problems in our cities, on our farms, in our industrial relationships, and in government, they have also created new challenges and new problems for America's small towns. Great transcontinental trunk highways have made it easier for people to bypass American small towns and move from one metropolitan center to another, without stopping to enjoy the inspiration and friendliness always available in these communities. The tendency of business institutions to become more concentrated in administration and greater in size has created new problems for the individual merchants and economic enterprises of America's small towns. Advancing costs of education, of government, of police protection, of communication, and transportation have all added to the problems of the progressive people of America's small towns. The switch of passenger and freight transportation away from railroads has necessitated the elimination of many railroad services, and the tremendous costs of adequate airport facilities have made them prohibitive for our small towns.

Mr. President, I ask unanimous consent that Senate bill 2621, the measure I have introduced, to create a Commission on the Problems of Small Towns, be printed at this point in the RECORD.

There being no objection, the bill (S. 2621) introduced by Mr. MUNDT on August 31, 1959, was ordered to be printed in the RECORD, as follows:

Whereas the small towns of America throughout our history have made significant and lasting contributions to the development of our American way of life; and

Whereas small town life as we know it in the United States is virtually a unique form of community living entirely nonexistent in many areas of the world; and

Whereas the continuance of our great complex of small towns is both desirable and essential to the economic, social, and political balance which enables the United States to avoid the extremes which have plagued many other governments and countries; and

Whereas wholesome family life, and adequate economic, educational and spiritual opportunity are nurtured and encouraged by thousands of small towns throughout the country; and

Whereas the march of technical and industrial development has produced changes in transportation facilities, patterns of economic activity, shifts in population, and other modern phenomena which have created new challenges and posed new problems to the progressive people living in America's small towns; and

Whereas small towns lack the research facilities and economic means to instigate constructive and comprehensive studies into the exact causes of their problems and the most productive remedies for them: Now, therefore

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF THE COMMISSION

SECTION 1. There is hereby established a Commission to be known as the Commission on the Problems of Small Towns (a small town being designated as having a population of less than ten thousand) hereinafter referred to as the "Commission".

MEMBERSHIP OF THE COMMISSION

SEC. 2 (a) The Commission shall be composed of eighteen members as follows:

(1) Six appointed from the Senate by the President of the Senate, three from the majority party and three from the minority party;

(2) Six appointed from the House of Representatives by the Speaker of the House of Representatives, three from the majority party and three from the minority party; and

(3) Six appointed by the President of the United States as follows:

(A) Two from among the heads of Federal departments and agencies;

(B) Two from among the Governors of States having problems affecting small towns, not more than one from the same political party; and

(C) Two from among the mayors of small towns in the United States, not more than one from the same political party.

(b) The members of the Commission shall select a Chairman from among such members from the Congress, and a Vice Chairman from among such members from the House of Congress other than that of the Chairman.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) Ten members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(e) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. 99).

DUTIES OF THE COMMISSION

SEC. 3. (a) The Commission shall make a full and complete investigation and study of Federal policies and programs relating to the needs and problems of the Nation's small-town areas for the purpose of determining—

(1) the present and prospective needs of the Nation's smalltown areas for public services, including but not limited to planning, highways, water resources, schools, recreation facilities, prevention of juvenile delinquency, municipal financing, and business expansion, including ways and means to induce new business to smalltown areas;

(2) capabilities of State and local governments to meet such needs;

(3) the extent to which the Federal Government is assisting small towns in meeting such needs;

(4) means for improved coordination of Federal, State, and local policies and programs that affect small towns;

(5) possibilities available to the Federal Government to assist small towns economically through a wider dispersal of Government procurement operations and in the location of Federal facilities;

(6) such other matters as may be of assistance in solving the various problems of, and promoting the social and economic well-being of, the Nation's smalltown areas.

(b) The Commission shall submit to the President and to the Congress on or before February 1, 1961, its findings and recommendations; and the Commission may also from time to time make to the President

such interim reports as the President may request or as the Commission deems appropriate.

(c) The Commission shall cease to exist six months after submission to the President of its final report and recommendations.

POWERS OF THE COMMISSION

SEC. 4. (a) The Commission or, on the authorization of the Commission, any two or more members thereof, may, for the purposes of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (2 U.S.C. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

(b) The Commission is authorized to secure from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this Act; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman, or the Vice Chairman when acting as Chairman.

APPROPRIATIONS, EXPENSES, AND PERSONNEL

SEC. 5. (a) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act.

(b) Members of the Commission shall receive no compensation for their services as such, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

(c) The Commission may appoint and fix the compensation of such employees as it deems advisable without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

(d) The Commission may procure, by contract or otherwise, the services of public or private organizations or institutions.

Mr. MUNDT. Mr. President, on the other hand, the march of industrial and technical advancement has not always been in conflict with the interests and growth and convenience of living of our small towns. Here families can be raised free from the temptations, the turmoil, and the disillusionments of life in the big city. Through air transportation, today a person can live in a remote small town in a rural area and, within a few hours' time, be visiting in a city, to enjoy its theaters, its opera, or its symphonies. The main street merchant or professional man can leave home in the morning, fly to a city, enjoy a big-league baseball game, and be home that evening. Television brings to those who live in our small towns the same public information panels, newscasts, dramatic programs, and high-grade entertainment that are available to people who live in the swank apartments of Chicago or in the plush apartments and hotels of New York City's Park Avenue.

AMERICA'S SMALL TOWNS ARE NOT RETREATING

In addition, Mr. President, no one should get the notion that America's small towns are on the retreat. Our small towns are here to stay. Our small towns are here to grow. While some have faltered and failed temporarily, others have made tremendous and gratifying advances. While some remain in status quo and neither expand nor increase in size, others have steadily forged ahead. Every State has its examples of small towns of equal size, where there is an apparent equality of economic opportunity; but some demonstrate that with the proper ingredients of vision, leadership, and financial support, they attain sustained and successful growth, while other towns within the same State apparently lack "that certain something" to get started with a new upsurge of growth.

What are those ingredients? What is it that enables some small towns within a State to succeed and to progress, while others apparently are falling back and are failing to resolve their problems? It is hoped, Mr. President, that the proposed Government Commission on the Problems of Small Towns will come up with reports and recommendations which will enable all of our smaller American communities to do successfully what some of them are doing presently; namely, to analyze their opportunities, reappraise their advantages, create new enterprise, attract more people and capital, and move forward into eras of happier living and more prosperous economic activity. In that connection, this Commission would be expected to develop recommendations of value to the community leaders and other citizens of our small towns.

One thing is clear, Mr. President: Small towns necessarily lack the expensive research facilities and the economic means to make these essential studies for themselves. In order to determine the exact cause of the problems confronting the fine Americans who live in our smaller communities, and to come up with the most helpful and productive remedies for solving them, some governmental commission, similar to the one I have proposed, seems to be essential. In an era when we are spending billions of dollars to help others in virtually every foreign country of the world to help themselves to move forward and upward, I think it highly appropriate to utilize the time and talent necessary to help identify and eliminate the specific problems confronting those who live in America's small towns and to help these sturdy citizens to develop new techniques, new formulas, and new approaches which will enable them to do for themselves the essential things required to protect their identities and to promote their future.

Actually, of course, the cost of a commission such as the one I propose would be highly insignificant, since the 18 members to be appointed by the President would serve without pay. However, its dividends could be very great. The commission would call upon experts in the fields of economics, sociology, education, industrial expansion, public administration, and associated functions, who would dedicate their studies and devote their efforts in helping to provide recommendations of value to the small towns which desire to perpetuate themselves and get ahead.

Mr. President, the small towns of America are big business to the United States. Let me cite a statistic or two to prove the point that the protection, perpetuation, and development of our small towns are of vital importance to all Americans. According to the 1950 national census, 51 percent of all our people lived in localities of 10,000 or less—as I indicated a few moments ago, in my response to a question which was asked me by the Senator from Nebraska [Mr. CURTIS]. Of the total number of 4,741 localities counted in that census, 73 percent, or 3,479, had 10,000 or less inhabitants. It follows clearly that anything that helps the growth, prosperity, stability, and the preservation of America's small towns as integral and healthy segments of our body politic is of significance to the country as a whole. As it is said of freedom, therefore, it can be said of America's small towns: The solution of their problems is everybody's business. America's small towns not only are big business in this country; their continued development is good business for all America.

Mr. President, I hopefully recommend to the consideration of the Senate the approval of my bill, S. 2621, to create a Commission on the Problems of America's Small Towns.

RELIEF OF AMERICAN MANUFACTURERS SERIOUSLY THREATENED BY FOREIGN COMPETITION

Mr. KEATING. Mr. President——

Mr. HUMPHREY. Mr. President, will the Senator from New York yield?

Mr. KEATING. Mr. President, there is no one whom I personally love more than I do my dear friend, the Senator from Minnesota. But I have been seeking the floor all day; and, in view of the circumstances in which I find myself, I must ask the Senator from Minnesota to wait until my brief remarks on a matter of great moment are completed.

Mr. HUMPHREY. Mr. President, it is only because of the charitable nature of my soul that I accede to the demand of the Senator from New York.

Mr. KEATING. Let me ask my dear friend, the Senator from Minnesota, how much time he will need.

Mr. HUMPHREY. No; Mr. President; I ask the Senator from New York please to proceed.

Mr. KEATING. I thank the Senator from Minnesota.

Mr. President, on behalf of myself, the Senator from Maryland [Mr. BEALL], the Senator from New Hampshire [Mr. COTTON], the Senator from Connecticut [Mr. DODD], the Senator from Pennsylvania [Mr. SCOTT], the senior Senator from Connecticut [Mr. BUSH], and the Senator from Massachusetts [Mr. SALTONSTALL] I introduced, for appropriate reference, a bill to equalize the conditions of competition between domestic industries

and foreign industries, with respect to the level of wages and the working conditions involved in the production of articles imported into the United States. I ask that this bill be printed at the end of my remarks, and that it lie on the table until Friday, September 11, in order that interested Members of the Senate may indicate their desire to cosponsor this measure.

Mr. President, I recognize full well that this bill will not be actively considered by the Senate, or by an appropriate committee, until the next session of Congress. Nevertheless, I believe there are a number of real advantages to introducing this bill at the present time. The problem with which this bill is concerned is highly complex, and, needless to say, very controversial. A good many of us recognize the need to take action that will deal effectively and fairly with the difficulties confronting American manufacturers faced with competition from manufacturers abroad whose labor costs are one-tenth of the prevailing American wages in the same industry. While many of us realize that some sort of appropriate action should be taken by the United States on behalf of American industries faced with this situation, there is very little agreement as to the most feasible and effective approach to this problem.

The bill which we are introducing today is intended to center attention on this vital problem. It represents what I believe to be a unique and little discussed approach to this dilemma. It is introduced at this particular time in the hope that, in the intervening months between now and January, considerable study and discussion will be undertaken by individuals and groups interested in this problem. Furthermore, it is hoped that this proposal will stimulate additional proposals, and in this way will result in a useful and careful analysis of the various possible alternative solutions.

Mr. President I should like briefly to analyse the problem with which this bill is concerned. Through the great and protracted efforts of many Americans in the late decades of the 19th century and the early decades of the 20th century, sweatshop labor conditions in the United States have been largely eliminated. This is a fact of which every American can be justifiably proud.

In the years since there was enacted in the country legislation prohibiting sweatshop labor conditions, foreign trade has expanded greatly. The result is that foreign industries wherein wages are low and labor conditions are unsatisfactory now compete actively with American industries in which such conditions are specifically prohibited. For example, if an employer in another country pays only 15 cents or 20 cents or 25 cents an hour in wages, he has a very significant advantage over his American counterpart, who must pay more than one dollar an hour, under the Federal law, and who, in most cases, as all of us know, pays considerably more than the one dollar an hour minimum wage. This is especially true if the foreign manufacturer also enjoys more lenient laws regarding labor conditions. By labor conditions, I refer to such matters as hours, work days per week, age of employees, and required hygienic facilities.

It is evident that the American manufacturer who is forced to compete under these circumstances is at a great disadvantage. This is especially true if, in his particular industry, wages represent a large part of the total production cost, as in the case of the manufacture of garments, cloth, sporting equipment, novelty items, toys, and certain small appliances. In such cases, the American manufacturer is, in a way, forced to subsidize the substandard conditions abroad in light of the fact that such conditions are illegal in the United States.

I recognize full well the great problems which any action to remedy this situation automatically create for American foreign policy. I recognize, too, the importance of American trade for every country of the free world. In this connection, I certainly agree that we must move cautiously and deliberately in this matter.

Mr. President, this proposed legislation is, I believe, a worthwhile step in the direction of a tenable solution to this problem. I hope that the recess period and the session to come will be marked by further steps in this direction on the part of the Congress and of all interested parties in this country, and, for that matter, on the part of all interested parties abroad.

The basic purpose of this bill is to establish the principle in the law that the differential in wages and working conditions between this Nation and a foreign competitor should be taken into account in America's foreign trade regulations and policies. Under the bill, this principle would be applied in all those cases in which such a differential is a major factor in the decline or threatened decline of an established American industry.

The procedures established in this bill provide that either the President or Congress can initiate action in those cases in which competition on the part of foreign industries, wherein low wages and substandard labor conditions prevail, seriously threatens domestic producers in the same industry. In addition, the representatives of an affected industry or of a union in an affected industry can file a petition for relief. Since it is the differences in labor costs and labor conditions which are the bases for action under this bill, it is through the Secretary of Labor that relief is obtained. The Secretary or his designee is empowered, upon an appropriate request or petition, to carry out a thorough investigation of any situation in which it is held that the differential in labor costs and conditions allows foreign producers to seriously threaten their American counterparts.

Mr. President, it is my opinion that the competitive conditions which are crucial to this legislation, namely, labor costs and conditions, can be determined and appraised on an objective basis. Both wages and labor conditions under this bill are defined in terms of the requirements imposed upon domestic industries under fair labor standards and minimum wage and hour legislation and under other Federal and State laws regarding wages and labor conditions. It is, of course, expected that the Labor Department's Bureau of Labor Statistics would play an important role in the investigation process described above.

Once an investigation is completed, the Secretary shall then recommend a suitable adjustment for the inequalities in competitive conditions in any situation in which it is established that wages and labor costs are sufficiently unequal to warrant relief. The President would then have 60 days in which to disapprove of the Secretary's proposal if he felt that it would be unwise on the basis of overriding foreign policy considerations. If he did not disapprove, the Secretary's recommendation would then go into effect.

Mr. President, the legislative proposal described above was inspired by a meeting which I sponsored that was held in Washington several weeks ago. The meeting was attended by several of our colleagues and by representatives of the clothing industry and of the Amalgamated Clothing Workers of America. All present were in agreement that the workers and employers in many sectors of the hard pressed garment industry are greatly in need of some sort of relief with regard to the serious threat posed by low-cost foreign imports. I personally came away from this meeting with the hope that serious and concentrated efforts on the part of Congress, the industry, and the unions involved, would produce a means by which suitable relief could be provided. Mr. President, I hope that this proposal, along with others which have already been made or are forthcoming, will stimulate constructive discussion and research, and will eventually result in an effective and tenable solution for this important problem.

Mr. President, I would be remiss in my obligations were I not to express my personal gratitude in the formulation of this proposed legislation for the aid extended to me by the counsel for the garment industry, particularly the men's clothing industry, and by the counsel of the Amalgamated Clothing Workers of America, both of whom have been very helpful in the preparation of this bill. However, I want to stress the fact that this bill is not limited to any one industry.

I sincerely believe that the formula prescribed in this bill represents a partial answer to the problem to which this bill is addressed. Many of us who consistently have been strong supporters of the reciprocal trade principle, but who have found that over the years, as our imports have increased and our exports have declined, find that we now face a somewhat different situation from that which we faced when the Trade Agreements Act was enacted.

Let me make it clear that I intend to continue to be a supporter of reciprocal trade, because I recognize the necessity for us to import goods into this country,

in order that we will, as a result, be able to pay for the goods which are exported from the United States. But the situation is considerably different at this time from what it was when the Reciprocal Trade Agreements Act was first enacted. I am hopeful that the formula which is presented in this proposed legislation, or some modification of it, may form the basis for constructive action by Congress next year to meet the situation which presently confronts us with respect to the inroads made by foreign manufacturers into certain established American industries.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and held at the desk, as requested by the Senator from New York.

The bill (S. 2663) to provide for equalizing the conditions of competition between domestic industries and foreign industries with respect to the level of wages and the working conditions in the production of articles imported into the United States, introduced by Mr. KEATING (for himself, Mr. BEALL, Mr. COTTON, Mr. DODD, Mr. SCOTT, Mr. BUSH, and Mr. SALTONSTALL), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Tariff Act of 1930 is amended by adding immediately following section 337 (unfair practices in import trade) the following new section:

"SEC. 337A 1. FINDINGS.—Sweatshop labor conditions in the United States are illegal and have been largely eliminated. However, the rapid expansion of American foreign trade in recent years, in effect, permits foreign industries in which substandard conditions exist to compete with American industries in which such practices are explicitly prohibited by law. As a result, many Amercan industries, especially those in which labor costs constitute a significant proportion of the total production cost, have been substantially damaged or are now threatened by such foreign competition. The following procedures are designed to provide relief for American industries which, while being prohibited by law from establishing sweatshop labor conditions, are threatened with extinction by foreign industries in which labor conditions (judged on the bases specified in the United States Fair Labor Standards Act of 1938) are substandard.

"2. PROCEDURES.—(a) Upon the request of the President, upon resolution of either House of Congress, or upon application of the representative of any domestic industry or employee organization adversely affected by imports of articles produced in any low-wage country or countries, the Secretary of Labor (hereinafter referred to as the 'Secretary') or his designee shall promptly make an investigation of any situation in which it appears that the differential in total labor costs allows foreign producers to take advantage of unequal competitive conditions in the light of the requirements imposed upon domestic industries under the Fair Labor Standards Act of 1938 and other Federal and State laws.

"(b) Should the Secretary find, as a result of his investigation, and upon examination of all relevant factors, that the labor cost differential in any such case should be equalized in order to afford relief to the domestic industry, he shall specify and declare such new or additional duty or duties as he shall determine will offset the disadvantage in competition with respect to the specified country or countries; and effective the day after date of issuance of an order to that effect there shall be levied, collected, and paid upon the articles enumerated in such order when imported into the United States from any such foreign country or countries such new or additional duty. Any such new or additional duty shall be put into effect provisionally and shall become finally effective 60 days after the date it provisionally goes into effect unless within such 60 days the President disapproves the action of the Secretary for reasons of overriding foreign policy considerations.

"(c) In determining whether the representative of any domestic industry or employee organization is qualified to make application under the provisions of this section the Secretary shall consider, among other factors, the standards of living in competing countries as measured by wages and the purchasing power of those wages in the light of the standards specified in the Fair Labor Standards Act of 1938.

"(d) A report shall be made and published upon the disposition of each request, application, or resolution under this section. The Secretary shall publish procedural regulations to give effect to the authority conferred upon him hereunder.

"(e) After investigation, finding, and declaration in the manner provided in the case of an order issued pursuant to subsection (b) of this section, any order or provision thereof may be suspended or terminated by the Secretary whenever he finds and declares that the circumstances requiring the order or provision thereof no longer exist or may be modified by the Secretary whenever he finds and declares that changed circumstances require such modification to carry out the purposes of this section."

SEC. 2. This Act shall enter into force as soon as practicable, on a date to be specified by the President in a notice to the Secretary of the Treasury following such negotiations as may be necessary to effect a modification or termination of any international obligations of the United States with which the amendment might conflict, but in any event not later than 180 days after the date of enactment of this Act.

INTEREST RATES

Mr. HUMPHREY. Mr. President, today the Senate considered the interest rate on series E and H U.S. savings bonds and acted favorably upon the amendment offered by the Senator from New Mexico [Mr. ANDERSON].

I voted for that amendment because I thought it was in the public interest, and because I felt it safeguarded the monetary and fiscal policy of our country, and represented a most constructive and salutary measure.

Mr. President, Tuesday the First National City Bank of New York raised its prime rate from 4½ percent to 5 percent. As my colleagues know, the prime rate is the fee which commercial banks charge to their biggest borrowers and those with the best credit ratings.

This act by the First National City Bank in New York touched off a wave of similar rate increases throughout the Nation. The newspapers tell the story and it is one which will affect directly and indirectly all of our people.

The Wall Street Journal has a headline story entitled: "Prime Rate Is Raised to 5 Percent From 4½ Percent by Major Banks—Key Short-Term Money Rates Up One-Quarter to Three-Eighth Point." And in a subhead it is reported: "Prime Rate Highest Since 1931—Heavy Loan Demand, Shortage of Funds Cited."

Another article from the Wall Street Journal has the following headline: "Treasury Issues Drop to New Lows Following Boost in Prime Rate"; "U.S. Bonds Offer Highest Average Yield Since 1932—Top-Grade Corporates Ease."

On the same page there is another article headed "Record U.S. Debt Passes $290 Billion, Still Rising." And the lead paragraph reads:

> Uncle Sam is deeper in debt than ever before in history, and is due to go even further in debt before the year is out.

I invite the attention of my colleagues to another story from the Wall Street Journal, entitled "Installment Credit Rise in July Was Biggest in 4 Years—Adjusted Gain of $500 Million Pushed Consumer Debt to Record $36.4 Billion."

I repeat, Mr. President, installment credit stands at more than $36.4 billion, an alltime record high, nearly $3.4 billion above the amount outstanding a year ago. When this administration came into office, installment credit was $19.4 billion. It has virtually doubled in a period of less than 7 years.

As a result of the administration's tight money policies, we see more and more of the American people's incomes going into payment of interest as a result of soaring interest rates to which I have referred. No single expenditure of the American people has risen as sharply under this administration as has the cost of borrowing money. And unfortunately, all signs point to the indisputable conclusion that interest rates are going to go even higher.

As the articles to which I have referred point out, the prime interest rate is now at the highest level since 1931, and Treasury issues are at the lowest point since 1932. This, of course, should come as no surprise to those who are familiar with the philosophy and the position of the GOP. It has clung stubbornly and tenaciously to the theory that tight money policies are in the best interest of the Nation, as being necessary to prevent inflation. The fact that this theory has been disproved in practice seems to make no impression on our good friends in the Republican Party.

During the period from the middle of 1954 until 1957, when interest rates were steadily rising due to the deliberate restriction in the supply of money, the administration argued that this was necessary in order to hold down the cost of living. Yet the record clearly shows that during this period prices did not remain stable, but they rose steadily and increasingly to new record highs. In 1956 and 1957, as a matter of fact, the rise in prices was one of the greatest in any peacetime period in our Nation's history.

Yet, the administration persists in its position that we must have a credit squeeze, in the meantime the interest rates are soaring and soaring. It will not be long until we see money rates reach the level which was established when Andrew Mellon was Secretary of the Treasury.

The fact of the matter is that the inflation which we have been experiencing in recent years under this administration has not been due to an excess supply of money. Quite the contrary. As my distinguished colleague, the junior Senator from Wisconsin, has pointed out, the supply of money in relation to the gross national product has in fact been declining in recent years and is now at the lowest level since the 1920's.

The most authoritative member of the Senate on the subject of monetary policy, the senior Senator from Illinois [Mr. DOUGLAS], has said that we are not in a period where there is an excess supply of money in relation to demand for goods and services. The rise in the cost of living is due rather to factors such as administered prices which are now being considered by the Joint Economic Committee under the able chairmanship of the senior Senator from Illinois.

This administration has argued that we cannot afford wage increases and that we should not raise the minimum wage because this will be inflationary. It tells us that we should not have firm farm price supports, and it argues that such supports contribute to inflation. But for some strange reason, the administration feels that increases in the cost of borrowing money, by some unusual manner of reasoning, are not inflationary. As a matter of fact, our Republican logicians argue that raising the price of money is actually anti-inflationary.

It has never ceased to amaze me, Mr. President, how vigorously this administration opposes proposals to benefit those less fortunate members of our society at the bottom of the economic ladder, while it is ever ready to lend a helping hand to those at the top. When we propose raising the minimum wage law, the administration says "No." When we propose public housing for low income families, the administration says "No." When we propose a program to provide housing for the elderly, the administration says "No." When we propose realistic farm price support programs for the family farmers, the administration says "No." But when it comes to the question of raising interest rates, which will directly benefit the wealthy segment of our society, the administration eagerly presses for approval.

It is time the American people who borrow money to buy a home, or to buy a car, or to buy furnishings, or to meet doctor bills, or to attempt to start a small business, realize just how much they are paying in the form of interest and who is responsible for the sharp and seemingly never-ending rise in the cost of money.

I have spoken out on this issue many times before. As a matter of fact, I called attention in 1953 to the inherent dangers of the administration's tight-money policy and what it would mean to America. I intend to continue to call the attention of the American people to what is involved in the administration's tight-money policies and to show how it affects each and everyone of us.

In conclusion, Mr. President, I ask unanimous consent that the articles from the Wall Street Journal of September 2 to which I have referred be printed at this point in the RECORD.

I also ask unanimous consent that the following articles from the Washington Post of September 2 be printed at this point in the RECORD: "U.S. Debt Tops $290 Billion"; "Installment Debt Reaches Alltime High"; "Prime Bank Rates Increased to 5 Percent"; "Stocks Tumble on Prime Rate Increase—U.S. Bonds Hit New Low."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal]

PRIME RATE IS RAISED TO 5 PERCENT FROM 4½ PERCENT BY MAJOR BANKS—KEY SHORT-TERM MONEY RATES UP ONE-FOURTH TO THREE-EIGHTHS POINT—PRIME RATE HIGHEST SINCE 1931—HEAVY LOAN DEMAND, SHORTAGE OF FUNDS CITED

Business borrowing costs surged upward along a broad front yesterday at First National City Bank of New York touched off a one-half percentage-point increase in the prime rate—the basic bank lending charge.

First National City raised the prime rate early yesterday to 5 percent from the 4½-percent rate which had been in effect since mid-May. The prime rate is the fee commercial banks charge for loans to their biggest borrowers with the best credit ratings. Other lending rates are scaled upward from the prime rate. The new rate is the highest in 28 years.

The move by the big New York City bank sparked these quick reactions:

A number of leading banks in New York City and in other major cities across the country promptly followed First National City's lead. Other banks which did not immediately follow the increase were expected to announce similar rate boosts soon.

SHORT-TERM RATES ALSO RISE

Key short-term money rates—bankers' acceptances and commercial paper—moved up by one-fourth percentage point to three-eights point. These increases followed another rise in yields on U.S. Treasury bills Monday. Treasury bills, whose yields climbed to the highest level in 26 years for the second week in a row, compete with bankers' acceptances and commercial paper for short-term investment funds.

A number of New York City banks also raised the lending rates to brokers and dealers for purchasing or carrying non-Government securities. This rate moved to 5 percent from 4½ percent early yesterday along with the prime rate.

The latest prime rate increase prompted speculation the Federal Reserve System might soon increase the discount rate—the fee charged member commercial banks on loans from the System. The discount rate was raised to its current 3½ percent from 3 percent in late May, about a week after the last prime rate boost.

Indications in Washington have been that the Federal Reserve would like to wait until the steel strike is settled before approving a higher discount rate. However, commercial banks, charging 5 percent to their customers, now will have an unusually wide spread between what they charge their customers and the 3½ percent rate they pay to borrow from the Federal Reserve.

Also, the rates on 13-week Treasury bills have been well above the 3½ percent discount rate for the past 2 weeks. The latest issue Treasury bills, for instance, sold Monday at a 3.889 percent yield, up from 3.824 percent a week earlier. The Federal Reserve prefers to keep the discount rate at or above the yields on Treasury bills to discourage banks from borrowing from the System at a lower rate in order to make a profit on the higher-yielding bills.

BOOST IS NO SURPRISE

The prime rate boost was not a surprise since banks have been squeezed between increasing demand for loans to businesses and a growing shortage of loanable funds. In addition, sagging bond prices in recent weeks have forced banks to take heavier losses on any sales of Government securities to raise money to lend, causing the banks to be reluctant to make such sales.

A prime rate change is traditionally started by a large New York City bank since out-of-town banks are usually reluctant to boost the rate for fear of driving away some of their bigger customers. The last previous prime rate change in May also was initiated by First National City.

Banks outside New York City were quick to join the trend to the 5 percent prime rate yesterday. Nearly all the Nation's largest commercial banks said they were following First National City's move.

One reason: Loan volume has been rising at a faster rate in many money centers outside New York than among the banking giants in New York itself. In the past year, for example, the total of commercial and industrial loans outstanding at New York City banks has increased 4 percent. But the increase in the same period has been 15 percent among west coast banks and 10 percent in the southeastern States. "This [rate increase] is overdue," commented Harold W. Scott, senior vice president of First Pennsylvania Banking & Trust Co. in Philadelphia. "If New York and Chicago [banks] had been affected by this loan demand the way we have, it would have happened 6 weeks ago."

And bankers in New York and elsewhere expect seasonal factors, such as credit needs to move crops to market and to stock up merchandise inventories for fall and Christmas business, to push up loan demand for the rest of the year. A possible settlement of the steel strike in coming weeks would give added impetus to a borrowing surge.

The Federal Reserve System, since early spring, has been tightening up on the amount of money banks have to lend, in line with the System's present policy of countering any inflationary tendencies in the economy.

The amount of money banks can lend is governed by their reserves—the percentage of deposits member banks are required to keep on deposit at Federal Reserve banks. On a given day some banks may have reserves that exceed their legal requirements while other banks may have to borrow from Federal Reserve banks to meet reserve requirements.

When total borrowings are greater than total excess reserves, it means the banking system as a whole has gone into debt to Federal Reserve banks to make some loans. Commercial banks as a whole this summer have been in debt to the System an average of $500 million, with borrowings (over and above excess reserves of some banks) reaching nearly $1 billion at times.

HIGHEST RATE SINCE 1931

At 5 percent, the prime rate is the highest since 1931. Until the early 1930's, bankers say, there was no posted prime rate as lending charges were negotiated between the banks and the borrowers. Lending charges generally were higher than 5 percent in the late 1920's. In 1929, for example, money market observers say it was not uncommon for a large corporate borrower to pay 6 percent on a loan.

Short-term interest rates other than bank rates also continued their upward climb yesterday following the rise in yields on Treasury bills and announcement of the higher prime rate.

Commercial paper dealers boosted their rates by ¼-percentage point on unsecured

promissory notes sold in the open market—the first ¼-point increase in almost a year. Previous rate changes in recent months had been ⅛-point at a time.

The new scale on so-called "open market" commercial paper ranges from 4⅜ percent on four-to-six month notes of leading industrial concerns to 4⅞ percent on those of lesser-known companies and smaller sales finance firms.

Several sales finance companies also announced boosts ranging from ¼-percentage point to ⅜-point on commercial paper which they issue and place directly with investors.

For most of the major sales finance firms, the new rate schedule on directly-placed paper is:

Maturities of 30 to 59 days, 3⅞ percent, up ¼ point; 60 to 89 days, 4⅛ percent, up ¼ point; 90 to 119 days, 4¼ percent; 120 to 149 days, 4⅜ percent; 150 to 179 days, 4½ percent, up ⅜ point, and 180 to 270 days, 4⅝ percent, up ⅜ point. Previously most paper maturing in 90 to 149 days had been grouped in one category, which had carried a 4-percent rate.

Finance firms announcing this increased scale included General Motors Acceptance Corp., CIT Financial Corp., Pacific Finance Corp., Associates Investment Co., International Harvester Acceptance Corp., General Electric Credit Corp., and General Finance Corp.

Sears Roebuck Acceptance Corp. said it was also increasing its rates by one-fourth point to three-eighths point, but it offers different categories of maturities. Its new rates are 4 percent on paper maturing in 30 to 59 days, 4⅜ percent on notes due in 60 to 149 days, and 4⅝ percent on paper due in 150 to 270 days.

Four dealers in bankers' acceptances raised their rates by one-eighth point early yesterday, but a fifth dealer, Salomon Bros. & Hutzler, boosted its rates by one-fourth point. Before the afternoon was over the other four firms had matched the one-fourth point increase.

The new bankers' acceptances scale is: For bills maturing in 30 to 90 days, 4 percent bid, 3⅞ percent offered; 91 to 120 days, 4⅛ percent bid, 4 percent offered; and 121 to 180 days, 4¼ percent bid, 4⅛ percent offered.

The scale was put into effect by Salomon Bros. & Hutzler; Briggs, Schaedle & Co., Inc.; First Boston Corp.; Discount Corp. of New York; and M. & T. Discount Corp.

Commercial paper is the money market term for two types of short-term borrowings, largely for seasonal needs. One type, so-called open-market paper, is sold by dealers for industrial "names" and smaller sales finance companies, usually to banks outside New York City. Since the last prime rate change in May, rates on this type of commercial paper have climbed by about seven-eighths percentage point to the highest level since the early 1930's.

The other type of commercial paper consists of notes of large sales finance companies which are sold directly to investors, often other corporations. Several sales finance firms said yesterday their new commercial paper scales were the highest since about 1932.

Bankers' acceptances generally are bills to finance the export, import and domestic storage or shipment of goods. A bank lends money in return for a note which it "accepts," thus placing its credit behind that of the borrowers. These bills then can be sold through dealers in the open market. Since mid-May, the time of the last prime rate increase, rates on bankers' acceptances have gone up about three-fourths percentage point. Dealers said, however, the present scale is still slightly under the high levels reached in the fall of 1957.

First National City announced the prime rate increase about 10:20 a.m. yesterday. Within a few minutes, Hanover Bank, Chase Manhattan Bank and Irving Trust Co., all of New York, and several banks in Philadelphia followed.

RATE RISE SPREADS

Before the day was over, the prime rate increase had spread to major banks in Boston, Cleveland, Kansas City, Dallas, Chicago, Pittsburgh, San Francisco, Los Angeles, Jacksonville, Atlanta, Detroit, Portland, and Seattle.

Other major New York City banks which quickly followed the increase were Morgan Guaranty Trust Co. of New York, Marine Midland Trust Co. of New York, United States Trust Co., Bank of New York, and Brown Brothers Harriman & Co.

Among the New York City banks that did not announce an immediate change in the prime rate were Chemical Corn Exchange Bank, New York Trust Co., Manufacturers Trust Co., and Bankers Trust Co.

Other banks across the country which announced increases include:

Philadelphia National Bank and First Pennsylvania Banking & Trust Co., Philadelphia; First National Bank of Boston; Cleveland Trust Co.; Republic National Bank and Mercantile National Bank, Dallas; First National Bank of Chicago; Continental Illinois National Bank & Trust Co. and Harris Trust & Savings Bank, Chicago; Mellon National Bank & Trust Co., Pittsburgh; Bank of America and American Trust Co., San Francisco; Security-First National Bank, Los Angeles; Citizens & Southern National Bank, Atlanta; Barnett National Bank, Jacksonville; Commerce Trust Co., Kansas City; First National Bank of Oregon and United States National Bank, Portland; and First National Bank, Seattle.

BOND MARKETS—TREASURY ISSUES DROP TO NEW LOWS FOLLOWING BOOST IN PRIME RATE—U.S. BONDS OFFER HIGHEST AVERAGE YIELD SINCE 1932—TOP-GRADE CORPORATES EASE

NEW YORK.—U.S. Government bonds plummeted to new lows yesterday, following news that commercial banks across the country were boosting their prime rate to 5 percent from 4½ percent. Investment-quality corporate issues gave up fractions. Tax-exempt State and local government securities were almost neglected, for the second consecutive session.

At yesterday's close, according to Government bond men, U.S. Treasury issues were offering investors the highest average yield since January 1932. The top return of 4.95 percent, based on the usual method of yield calculation, was being given by the 2½s of 1961. Even larger taxable-equivalent returns were being figured on some longer issues, selling at deep discounts from par, for investors in the higher income tax brackets.

The prime rate is the one commercial banks charge on loans to their biggest borrowers with the highest credit ratings. The new 5 percent annual charge for loans of this type is the highest since 1931. In the bond markets, prices decline when interest rates rise.

U.S. Treasury issues were trying to do a little better yesterday morning before the prime rate announcement, although the prime rate boost was not unexpected. Once the announcement came over the newstickers at midmorning, prices turned lower and a number of key issues ended the session with losses ranging to nearly half a point.

Commenting on yesterday's market, one Government bond dealer said: "Activity dried up. Nobody was buying anything and some selling developed after the prime rate change was announced."

Showing losses of fourteen thirty-seconds on the session were the 3¼s of 1985, which ended at 85^{18}/$_{32}$ bid, and 3½s of 1990, which ended at 87^{10}/$_{32}$ bid. At yesterday's close, the 3¼s were yielding the buyer 4.15 percent while the 3½s were offering a yield of 4.22 percent.

The Treasury's new 4¾ percent notes, due May 15, 1964, offered recently in exchange for securities that fell due August 1, ended the session unchanged at 100 bid. The companion 12½-month 4¾-percent notes eased one thirty-second to end at 100^{3}/$_{32}$ bid.

Investment-quality corporate bonds showing declines yesterday included Consumers Power Co. 4⅝s, which ended one-eighth easier at 96 bid, and Houston Lighting & Power 4⅞s, which were three-eighths lower at 97⅛ bid.

Small retail sales left the unsold balances of last week's major corporate offerings almost unchanged from Monday. General Motors Acceptance Corp.'s $125 million of new 5s being offered at par to yield 5 percent, were a little more than 85 percent sold. The $65 million of Pacific Gas & Electric Co. 5s, also placed on the market last week at par to yield 5 percent, were still about half sold.

Municipal bonds were unusually quiet. Several issues that reached the market in recent weeks continued to show large unsold balances, almost unchanged from those reported late Monday.

A "fair" reception was indicated for the $12.5 million of Los Angeles, Calif., various purpose bonds that came into the market yesterday.

Tax-exempt revenue bonds were lower on small turnover. Massachusetts Port Authority 4¾s were off one-half at 99¼ bid.

Secondary and more speculative railroad bonds were quiet and a shade easier.

RECORD U.S. DEBT PASSES $290 BILLION, STILL RISING

WASHINGTON.—Uncle Sam is deeper in debt than ever before in history, and is due to go even further in debt before the year is out.

Last Thursday, the latest day for which the Treasury has debt totals, the Government's direct and guaranteed debt topped the $290 billion mark for the first time. However, the public debt subject to the temporary legal $295 billion limit set by Congress earlier this year was a little lower—$289.9 billion. This is because a small portion of the debt taken on before World War I, is not subject to the legal ceiling.

However, the Treasury expects the amount subject to the legal limit to get close to $295 billion about mid-December. Then it will start going down, and is expected to be about $285 billion next June 30, the end of the fiscal year. At that time, the legal debt ceiling also drops back to $285 billion. Congress specified that the $295 billion ceiling was to be only temporary until then.

The Government's debt usually increases in the fall months, because the Treasury is paying out more money than it is receiving in taxes. During the first half of next year, the Treasury expects to be getting more income from taxes than it spends, and thus the debt would shrink to the $285 billion mark.

[From the Wall Street Journal, Sept. 2, 1959]

INSTALLMENT CREDIT RISE IN JULY WAS BIGGEST IN 4 YEARS—ADJUSTED GAIN OF $500 MILLION PUSHED CONSUMER DEBT TO RECORD $36.4 BILLION—AUTO CREDIT ROSE SHARPLY

WASHINGTON.—Consumer installment credit rose more in July on an adjusted basis than in any other month in nearly 4 years, the Federal Reserve Board reported.

Installment debt outstanding in July increased by a seasonally adjusted $500 million, officials said. This was the biggest monthly rise since an adjusted $518 million rise in September 1955. Extensions of new credit in July also reached a record for any month, gaining an adjusted $4.1 billion,

while repayment of old debt came to an adjusted $3.6 billion.

The increase in installment debt in July raised the total outstanding at the end of the month to a record of more than $36.4 billion, officials reported. This was nearly $3.4 billion above the amount outstanding July 31, 1958.

Outstanding auto credit in July rose an adjusted $227 million—the largest increase for any month this year. At the end of July, total auto credit outstanding was $15.8 billion. Other consumer goods credit and repair and modernization loans rose at about the same rate as in recent months. Personal loans outstanding rose by a record $123 million in July, on an adjusted basis.

Government economists rate the willingness of consumers to take on an increasing amount of installment debt as one of the prime factors in the business boom. Federal Reserve Board officials have commented that the consumers' demand for money for installment purchases also has been a factor in the tightening of credit.

Noninstallment credit in July—single-payment loans, charge accounts and service credit—went up $147 million on a seasonally adjusted basis, Federal Reserve Board officials reported. The increase brought the total outstanding at the end of the month to $10.8 billion, a rise of $958 million from a year ago.

Total consumer credit—installment and noninstallment—rose by a seasonably adjusted $647 million, officials added. This brought total consumer credit outstanding on July 31 to a record $47.3 billion, a rise of $4.3 billion from the amount outstanding a year ago.

Short- and intermediate-term consumer credit outstanding

[Estimates, in millions of dollars]

Type of credit	July 31, 1959	Change during July		
		Unadjusted	Seasonal adjustment	Year ended July 31, 1959
Installment credit, total	36,449	+639	+500	+3,375
Automobile paper	15,780	+361	+227	+1,213
Other consumer goods paper	9,183	+106	+120	+986
Repair and modernization loans	2,282	+42	+30	+221
Personal loans	9,204	+130	+123	+955
Noninstallment credit, total	10,807	−99	+147	+958
Single-payment loans	3,807	−35	+77	+434
Charge accounts	4,272	−46	+41	+345
Service credit	2,728	−18	+29	+179
Total consumer credit	47,256	+540	+647	+4,333

[From the Washington Post and Times Herald, Sept. 2, 1959]

U.S. DEBT TOPS $290 BILLION

The Treasury said yesterday the national debt now exceeds $290 billion for the first time in history.

As of Thursday, the gross public debt was $290,306 million. The portion subject to legal ceiling was $289,890 million. A small part of the debt, made up largely of obligations incurred before World War I, is not subject to the legal limit.

Treasury officials expected the debt to continue climbing until mid-December, when it will approach the temporary legal ceiling of $295 billions.

INSTALLMENT DEBT REACHES ALLTIME HIGH

The installment debts of all Americans increased $500 million in July to a record $36.5 billion, the Federal Reserve Board reported yesterday.

The month-to-month increase was the largest since September 1955, when installment credit increased by $518 million.

Consumers took on $4,102 million in new installment debts in July—more than in any other month on record. At the same time they paid off $3,602 million in old debts of this kind.

The Board said all these figures were adjusted for seasonal variations in credit movements.

Outstanding automobile credit rose $227 million in July, a bit more than in May and June but about the same as in April. Extensions of personal loans exceeded repayments by a record $123 million.

Outstanding noninstallment credit increased by $147 million, bringing the total to $10,807 million. The largest increase was in single payment loans.

PRIME BANK RATES INCREASED TO 5 PERCENT

NEW YORK, September 1.—Loans to business rose to their highest cost in 28 years today when commercial banks boosted the prime rate from 4½ to 5 percent. That is what banks charge their biggest customers with the best credit ratings. It is a basic money market charge because other interest rates are always scaled up from it.

The hike was followed by increases in dealer and finance commercial paper and bankers acceptances. Rates on broker and dealer loans also went up from 4½ to 5 percent.

The increase in the prime rate was started by First National City Bank of New York, second largest in the city and third in the Nation. The new rate was adopted almost immediately by Chase Manhattan Bank, largest in the city.

Other major banks in New York and around the country joined the parade. Not all, however, made the change effective immediately.

[Washington bankers, who usually take their cue from New York institutions, said they had the situation under study. It was generally understood they would raise their prime rate before long.]

The last increase in the prime rate was in May from 4 to 4½ percent.

"Seldom before has there been a situation in which an increase in the prime rate was so self-evident," said a spokesman for one of New York's big banks.

"Business demand for loans has been increasing at a record rate not only in New York but around the country," he said. "Correspondent banks from out of town have been calling us repeatedly in recent weeks to take a piece of this or that loan."

On its latest issue of Treasury bills, the Government had to pay an interest rate of 3.889 percent for 13-week bills and 4.468 percent for 26-week bills. That's a 26-year high for the 13-week bills and the highest for the 26-week category since they were started last December.

Many corporations, this bank spokesman said, found it cheaper to raise money through short-term bank loans at the old 4½-percent rate than to get it in the capital market through bond or stock flotations.

This put a tremendous squeeze on banks. In times of tight money banks normally secure funds for commercial loans by selling Government securities. In the past year, for instance, major New York banks reduced their holdings of Treasury securities from $8 billion to about $6 billion.

But Government bond market prices have fallen to historic lows in the past week or 10 days and any further sales of such securities by banks would mean heavy losses.

STOCKS TUMBLE ON PRIME RATE INCREASE—U.S. BONDS HIT NEW LOW

NEW YORK, September 1.—The stock market today tumbled to its worst loss in 3 weeks as leading banks boosted the prime interest rate charged to their biggest borrowers.

The news, because of its timing, came as a surprise to Wall Street. The trend to higher rates has been remorseless and unmistakable but a hike in the prime rate was not expected today.

The banks raised the interest rate to 5 percent from 4½ percent, effective immediately.

U.S. Government bonds lost as much as half a point today in the wake of the increase in the prime lending rate. Practically all Treasury issues were at new historic lows. The corporate market closed lower on moderate turnover.

Off 16/32 were the Victory 2½s of December 1972–67 at 81 16/32, the 3¼s of 1983–78 at 85 28/32, and the 4s of 1980 at 96 1/32 bid. All were at historic lows. The 3s of 1995 lost 1/32 at 82 20/32, while the 2½s of 1963 eased 2/32 at 91 24/32 bid. Trading was light and dealers said buyers were hard to find.

In the stock market, motors and steels, pacemakers yesterday because of glowing prospects, reeled backward and took the worst losses at the outset, dragging the rest of the market with them.

Some losses were clipped about midday but the downtrend could not be resisted and closing prices were about the day's worst. Wall Street has never made any secret of the fact that it dislikes high interest costs and anything that puts a crimp on borrowing money, whether for stock purchases or business expansion.

The Dow-Jones industrial average fell 8.51 to 655.90.

The Associated Press average of 60 stocks dropped $2 to $229, with the industrials down $3.10, the rails down $2.20, and the utilities down 30 cents. It was the worst break for the AP average since August 10, when it fell $4.10.

Volume expanded on the selloff, but only slightly. Turnover was 2,430,000 shares, compared with 2,140,000 yesterday.

The retreat was general, affecting most major groups, including oils, chemicals, rails, aircrafts, tobaccos, nonferrous metals, and electrical equipments.

Amid the general retreat, American Motors recovered from a drop of 1¼ and ended the day with a net gain of a point as the most active stocks. It was helped by reports of August sales and rumors it may hike the dividend. It closed at 48½ on turnover of 81,400 shares.

Youngstown Sheet, which has risen on stock split rumors, plummeted 6⅜. Texas Instruments dropped 6½. Brunswick-Balke, despite a 3-for-1 stock split proposal, fell 2⅛.

American Stock Exchange prices declined.

THE YOUTH CONSERVATION CORPS

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed in the RECORD a splendid editorial which was published in the Delano Eagle of Delano, Minn., in Wright

County, where Mrs. Humphrey and I have our home in a community very nearby, at Waverly, Minn.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE LEADING EDITORIAL

Eagle readers know that we are no political friend of our fellow Wright County citizen, Senator HUBERT HUMPHREY, although personally he is a very friendly and easy-to-know guy.

But we always believe in giving the devil his due and in this instance we are in wholehearted support of his Youth Conservation Act proposal.

S. 812 as introduced by Senator HUMPHREY would establish youth conservation camps, patterned after the depression days Civilian Conservation Corps, "to provide the opportunity for healthful training and employment of young men in carrying out such programs of conservation planned and designed by, and under the immediate supervision of, the various Government agencies charged with the responsibility of carrying out such programs; and to enable the governmental agencies charged with the responsibility of conserving and developing natural resources to accelerate programs planned by such agencies to fulfill such responsibility."

Youths between the ages of 16 and 21 would be eligible to join the corps with Indians given priority for any work to be performed on Indian reservations or lands adjacent thereto. Enrollment would be for 6 months but no one could reenroll for a period longer than 2 years.

Base pay would be $60 per month plus quarters, subsistence, and travel expense, clothing, medical expense, etc.

Enrollment would be limited to 50,000 youths the first year, 100,000 the second year and 150,000 each year thereafter.

The bill is designed to do two things, provide a place for those young people who are at loose ends, who do not know what to do and who presently are doing little more than getting into trouble, and to replenish our fast dwindling reserve of natural resources.

There is no question that a new CCC could absorb a large number of young fellows who are bordering on juvenile delinquency and from past experience we can conclude that most of them would be better for the training they would be getting in the forests and other conservation areas.

Neither is there any question about the need of this type of work being done throughout the United States. As a matter of fact we have a hunch that more of this work is needed in the United States than in some of the countries to whom we are sending millions of dollars for similar programs. Spending the money at home is only commonsense.

But we would like to go Senator HUMPHREY one better. We would like to propose the reactivation of the old Citizen's Military Training Camps which flourished in the 1920's. These camps were conducted at Army posts throughout the country for a period of a month to 6 weeks. During that time the trainees lived and were trained just like in Army boot camp. They were eligible to reenroll for a period of up to 4 years and as they came back each year they advanced in rank.

Such camps, conducted in the summer only, would serve to take a lot of young men off the streets. They would also serve as a means to provide the military training for those youths who wanted to go on to college and did not want to take 6 months off for military training as is now necessary. The camps would also be useful in providing additional training for the fledgling officers of the college ROTC units.

For years we have been sending an unceasing flow of money to foreign lands for very dubious purposes. A little of it spent at home, we believe, would provide far greater dividends.

For once, HUBERT, we are with you.

Mr. HUMPHREY. Mr. President, the editorial refers to S. 812, the bill to establish the Youth Conservation Corps.

I note that the editor of the newspaper, as he says very frankly in the editorial, is not generally a supporter of the senior Senator from Minnesota or the policies which the senior Senator from Minnesota votes for and espouses, but in this instance the editor praises the proposal in S. 812 and urges the passage of the bill.

I note the very last line of the editorial:

For once, HUBERT, we are with you.

I wish to say to the editor that I am extremely grateful that for once he is with me, and with me on such a solid and constructive proposal as the Youth Conservation Corps.

I invite the attention of my colleagues to the fact that in the State of New York, and particularly in the city of New York, the Governor, Mr. Rockefeller; the mayor; the chief of police of the city of New York; the juvenile authorities; the social workers; and leaders in church and civic life are all urging a program of the youth camps such as was outlined in the Youth Conservation Corps be established.

I shall not burden the RECORD with the numerous editorials and articles which have come to my attention in recent days and weeks in support of the Youth Conservation Corps type of proposal, but I will say that were there youth camps in America along the lines outlined in S. 812, youth camps which followed the proposal of the Youth Conservation Corps bill, there would not be nearly as many gang fights in New York or in any other place.

It is shocking to me that the Congress of the United States can be so very blind as to not take expeditious action upon a proposal which has passed the Senate, though by a close vote, and put it into effect. I regret that the administration seems to be able to close its eyes to what is happening throughout the Nation among some of our young people.

The prominent and responsible authorities in the field of juvenile activities, who are responsible for the guidance of our young people, as well as those who are responsible for our correctional institutions for juvenile delinquents, are calling out tonight, and have been calling out for weeks, for a Youth Conservation Corps, but the Bureau of the Budget says it is more important to save money than to save souls, to save lives, and to save bodies.

I hope the experiences of the city of New York will stimulate us to take the action we should. The things which have occurred are not peculiar to New York. New York is a well governed city, with a fine, responsible, socially conscious, honest, and effective mayor. The city of New York has a good police department. The city of New York is a well governed city. Like every other city, New York has its problems. One of the problems in city after city throughout this Nation is the problem regarding some of the young people who have organized themselves into what we call youth gangs, which engage in activities of an antisocial nature, which result in riots, violence, destruction of property, and injury to persons.

I am hopeful that the Youth Conservation Corps bill will be passed by the other body. I am hopeful that the President of the United States will put the prestige of his office, as well as his own personal prestige, behind the proposal. It is very important that something be done quickly, before it is too late to save many of these young people from the stigma of becoming criminals and delinquents. Mr. President, I believe one of the ways in which this can be done is the establishment of the Youth Conservation Corps.

I observe that my good friend the Senator from New York [Mr. KEATING] has returned to the Chamber. I know of no State which has a finer record in the field of social welfare and social service than the State of New York. My comments about youth gangs are intended in no way to be a reflection upon any city. It is true with regard to every city, with very few exceptions.

Instead of merely talking about our young people, instead of saying that the young people are doing wrong, and instead of worrying about how many more police we can put on the beat to try to control these youth gangs, why do we not employ people who are youth directors to take young men out to the forests, to the great outdoors, and let them do something constructive for our country?

I say to the Senate that we can save money, if saving money is what people are interested in primarily, with a Youth Conservation Corps.

The editorial I mentioned, and the hundreds of editorials I have received, tell the whole story of the importance of a youth conservation measure; and I am hopeful that those who occasionally glance at the RECORD, this great public document recording the debates and discussions and the speeches in the Congress of the United States, will take note of the fact that there is a way and that the answer is not another 1,800 policemen.

The answer is not to weep crocodile tears over gang wars. The answer is to get up and do what we know will be effective. Take these young men and give them gainful work to do. They are seething with energy. Let them help conserve our soil, our land, and our timber. Let them help work in the great out-of-doors, and we will have a better America and many better young people.

REPORT OF THE COMMISSION ON CIVIL RIGHTS

Mr. HUMPHREY. Mr. President, I address myself now to the subject matter which I had hoped to discuss earlier today, but because of the debate in the Senate on the interest rate policies of our Government I was foreclosed from

so doing. I refer to the report of the Commission on Civil Rights.

The report of the Commission on Civil Rights which was submitted to the President and to Congress this morning is, in my mind, a most encouraging document. I wish to commend the Civil Rights Commission for its courage, for its forthrightness, and for its vision.

To be accurate, I should refer in the plural to the documents submitted by the Commission. There is the full 600-page report, a 190-page abridgment, 4 volumes of hearings on voting, education, and housing, and, to come shortly I understand, a volume containing the reports of citizens' advisory committees that the Commission organized in 48 States.

I salute the Commission. Speaking as one Senator, I say "Well done." I express both a personal and an official "thank you" for the work which I believe has been almost beyond the call of duty.

I had hoped earlier tonight to have dinner with one of the most distinguished members of that Commission, Father Hesburgh, president of Notre Dame University. To the Chairman of the Commission and to every member I express my thanks and appreciation for the fine public service that has been performed.

None of us has had an opportunity to study in detail this mountain of material. It appears to be the most comprehensive such study ever undertaken by a Government agency. I have gone over the findings and recommendations of the Commission, which take up about 30 pages. These are most interesting and important.

When the President appointed three Commissioners from the South and three from the North some people predicted that the Commission would be unable to agree upon anything. But the Commissioners agreed unanimously on many of the findings and recommendations, as the Vice Chairman of the Commission, Dean Robert Storey, of Southern Methodist University Law School of Dallas, has stressed. The findings and recommendations on education and housing are unanimous as far as they go. All the findings and the first four recommendations on voting are unanimous. On the biggest and most controversial proposal—for the appointment of temporary Federal registrars to actually register citizens who are qualified to vote under State law but who are illegally denied their right to vote—there was agreement by five out of the six Commissioners.

The two southern members who supported this far-reaching recommendation explained why they did so. I think the words of these two respected southern leaders should be listened to with great attention.

We strongly believe—

Said Dean Storey, of Texas and former Gov. Doyle Carlton, of Florida—

in the right of every qualified citizen of the United States, irrespective of his color, race, religion, or national origin, to register, vote, and have his vote counted. We regard full protection of these rights of suffrage by both State and Federal Governments as necessary and proper (abridged report, p. 95).

While my friend John Battle did not go along with his colleagues on this particular remedial measure, he joined in the unanimous findings of fact on the discrimination against Negro voters and the denials of the right to vote shown in the Commission's Alabama hearings. He also joined in the Commission's unanimous finding that "many Americans, even today, are denied the franchise because of race," and that "this is accomplished through the creation of legal impediments, administrative obstacles, and positive discouragement engendered by fears of economic reprisal and physical harm." Abridged report at page 86.

It will be up to this Congress and to the President to do something about the facts thus unanimously found by this bipartisan Commission. The Commission's recommendations and lengthy documentation supporting these recommendations will need to be carefully studied. From a short perusal of the abridged report I can assure this body that there are facts here that can no longer be ignored in this country. I will cite only a few.

The most detailed example of the manner of denying Negroes their right to vote is to be found in the Commission's Alabama voting hearing, with its unanimous findings of fact. But some of the other instances given in the Commission's report are just as alarming. In one county in Georgia the chairman of the board of registrars denied registration to a Negro on the ground that in his reading test he had pronounced the word "equity" as "eequity"—abridged report at page 56. In Louisiana, registrars were instructed to require registrants to give a reasonable interpretation of the following clauses of the State constitution:

The legislature shall provide by law for change of venue in civil and criminal cases.

The exercise of the police power of the State shall never be abridged.

Prescription shall not run against the State in any civil matter (abridged report at p. 80).

I leave it to your judgment how many of our constituents, or for that matter how many of the nonlawyers in this body, would give an adequate interpretation of "change of venue" or "prescription" running against a State.

Fortunately, denials of the right to vote by reason of race or color are limited to a relatively small geographical area. The heart of the problem is to be found in the 16 counties where, according to the Commission's report, nonwhites constituted a majority of the voting age population in 1950 but not a single Negro is registered, and in the 49 other Negro majority counties with some but fewer than 5 percent of voting age Negroes registered—abridged report at page 45.

It is discouraging, however, to see how ineffective the previous measures adopted to remedy this situation have proved to be. The Commission notes that the provision for civil injunctive actions in the Civil Rights Act of 1957 has not been adequately tested, only three suits having been brought by the Department of Justice in the last 2 years—abridged report at pages 84–85. I would like to call special attention to the footnote of Commissioner George Johnson, one of the Republican members, on page 85 of the abridged report. Commissioner Johnson notes that the Civil Rights Act of 1957 authorizes the Attorney General to "institute a civil action or other proper proceeding for preventive relief" where "there are reasonable grounds to believe any person is about to engage in any act or practice which would deprive any other person" of the right to vote. Commissioner Johnson urged, and I join him in this, that the total absence of Negroes from the registration rolls in 16 Negro-majority counties and the presence of only a few Negroes registered in 49 other such Negro-majority counties warrants an investigation by the Department of Justice to see whether there are not "reasonable grounds" to institute such civil actions. In view of these facts, the record of only three suits by the Civil Rights Division of the Department of Justice in these last 2 years seems to me both incredible and inexcusable.

The Civil Rights Division of the Department of Justice has known of these hearings. It has been informed of the facts in the cases that have been investigated. The work of the Civil Rights Commission has been no secret. Yet the administration, with the authority of law, with all of its high pronouncements on civil rights, with the facts as evident as the nose on one's face, has instituted only three suits in the last 3 years in an effort to protect the voting rights of fellow citizens.

It seems to me that the administration has some explaining to do, and I urge that the Department of Justice take the action which the present law not only makes possible but literally directs in order to protect the great right, and to my mind the most important right, the most important political right, I should say, of a citizen, the right to vote.

However, I must agree with the Commission that "even if the Attorney General should bring civil suits for preventive relief in a larger number of districts where there are presently reasonable grounds to believe that persons are being deprived of their right to vote, there is little reason to believe that such litigation would afford adequate relief." As the Commission explains:

The burden of litigation involved in acting against each new evasion of the Constitution, county by county, and registrar by registrar, would be immense. Nor is there any presently available effective remedy for a situation where the registrars simply resign (abridged report at p. 85).

From all this the Commission finally concluded that "against the prejudice of registrars and jurors, the U.S. Government appears under present laws to be helpless to make good the guarantees of the U.S. Constitution."

That is why the Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from New Jersey [Mr. WILLIAMS], and other Senators have urged that the Department of Justice be given greater authority to institute proceedings to protect

the legal rights, the voting rights of citizens of the United States.

The Commission's report has laid the groundwork for legislative action to finally remedy this situation. The Commission's recommendation for temporary Federal registrars in cases of arbitrary denials of the right to vote, and the proposal by three members of the Commission for a constitutional amendment establishing universal suffrage and doing away with literacy or interpretation tests or poll taxes may at last provide the ingredients for a solution to this perennial problem.

I hope that action on these and other substantive civil rights measures will be taken early in the next session of this Congress.

I know that it may not be possible to take action in this session, but the 86th Congress has a political and moral responsibility to take action and at least to follow through on the recommendations of the Civil Rights Commission.

If we fail to act on this problem during the next session, it takes no crystal ball to see that these issues will be sharply before both national party conventions and before the people during the next national election. The surest way to prevent trouble at the national party conventions is to take constructive action in this Congress. In that way we can be assured that the respective political parties will be able to adopt resolutions and platforms consonant with the requirements and the needs of the time.

Meanwhile, we must now extend the life of the Commission.

We must extend the Commission because its works has just begun. It has more voting complaints to investigate. There are other States where it will need to hold voting hearings. It needs to complete and keep up to date its compilation of racial voting statistics, county by county. It needs to continue its studies of discrimination in housing and of the role played by Federal housing laws and policies. Particularly in education it needs to continue and extend its studies. It has made a worthwhile beginning here. I would particularly call attention to the two fundamental premises it unanimously adopted in its findings on education:

(1) The American system of public education must be preserved without impairment because an educated citizenry is the mainstay of the Republic and full educational opportunity for each and every citizen is America's major defense against the world threat to freedom.

(2) The constitutional right to be free from compulsory segregation in public education can be and must be realized, for this is a government of law, and the Constitution as interpreted by the Supreme Court is the supreme law of the land.

That three distinguished southerners should join the three northern members in accepting those fundamental premises is most heartening. I am also impressed by their unanimous statement that "the problem, therefore, is how to comply with the Supreme Court decision while preserving and even improving public education." They also state the hard fact which responsible citizens must face and act upon:

The ultimate choice of each State is between finding reasonable ways of ending compulsory segregation in its schools or abandoning its system of free public education (ibid.).

I was also happy to read the Commission's finding that "in many instances desegregation has been used by the local community as the occasion to raise its educational standards."

From these excellent starting points, the Commission can and should go on to become a valuable center for information on how local communities can comply with the constitutional requirement of desegregation and at the same time improve the educational standards of all students.

And beyond these studies in voting, education and housing, the Commission should take up and report upon the other questions of equal protection of the laws such as discrimination in employment, in the administration of justice, in public accommodations, in public transportation.

So let us promptly extend the Commission and during the next few months study its report in order to act promptly on its substantive recommendations in the next session. As Father Hesburgh, the president of Notre Dame and a member of the Commission, says in his closing statement in the Commission report, "no American can escape taking a stand on civil rights."

Each of us—

He says—

must choose to deepen the anguish of the problem, by silence and passivity, if nothing more, or must take a forthright stand on principles that give some hope of eventual solution.

I would like to close by quoting the central principle stated by Father Hesburgh, the principle that I hope this Congress and if not this administration, then let us make sure the next administration, will finally bring to full fruition in this land.

Civil rights—

Says Father Hesburgh—

are important corollaries of the great proposition, at the heart of Western civilization, that every human person is a res sacra, a sacred reality, and as such is entitled to the opportunity of fulfilling those great human potentials with which God has endowed every man.

Mr. President, the report of the Civil Rights Commission is most timely. It comes when we will be called upon within a few days to act upon, No. 1, a supplemental appropriation for the Civil Rights Commission and, I gather, No. 2, an extension of authority of the Civil Rights Commission. I wish the Senate to know that both of these are absolutely required. The work has just started. The beginnings are constructive and lend themselves to a helpful and decent solution of many of the grave problems which affect our country today in the field of human rights. I am pleased that we have made such splendid progress, and I am hopeful we shall continue on in this same constructive and responsible manner.

Mr. ALLOTT. I hope the Senator from Minnesota will not mind if I comment briefly on his speech, which I think is creditable.

As we study the civil rights issue I believe we can agree that one of the main things in the core of the problem which concerns us is to be sure that people have the right to exercise their franchise at the polls; and I agree wholeheartedly that we must act at this session of the Congress or we will have abrogated many of our responsibilities to our constituents. I feel just as deeply as he does about this issue, as he well knows, and I compliment him on calling the matter to the attention of the Senate.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ALLOTT. I am glad to yield.

Mr. HUMPHREY. Not only the voting record of the distinguished Senator from Colorado, as viewed by one on this side of the aisle, but the actions of the Senator from Colorado have demonstrated again and again his sincerity of purpose in the field of civil rights, as in many other areas. He has been a copartner, so to speak, in all the effort that has been made in Congress to enact effective civil rights legislation. I am hopeful that we will be able to continue that record this session and into the next.

Mr. ALLOTT. That is my wish, also, and I appreciate the kind remarks of the Senator from Minnesota.

WATER RIGHTS UNDER STATE LAWS

Mr. ALLOTT. Mr. President, I shall speak briefly on the subject of "Water Rights." What I have to say should be of interest to every Member of the Senate. Water rights mean rights to use water from natural flows for recognized beneficial purposes under whatever laws that apply within any State, whether under a riparian doctrine, or under the doctrine of priority of appropriation. These rights are property rights in this country and are in the category of real property. In some States both surface and ground water rights are granted pursuant to their laws.

Generally, rights to use water are appurtenant to land areas. Riparian rights attach to lands abutting natural bodies of water. In Eastern States such rights have always been recognized. In the 17 Western States—18 including Alaska—ownership or control is claimed by the States of all surface waters within their borders, subject, of course, to interstate compacts and interstate adjudications, but such ownership or control is for the sole purpose of granting permits to secure rights for beneficial uses and for the administration of those uses for the protection of all rights so acquired. The Western States all recognize the priority-of-appropriation doctrine. Priority in this sense implies that first in time constitutes the better right. Federal reclamation law adopts and requires compliance with these laws.

Western States have granted appropriative rights, with priorities dating back to 100 years, to more than 25 million acres of irrigated lands, to municipalities and to industries—for domestic and manufacturing purposes—and for the generation of electricity. All such rights vest in lands benefited by the application of water for agriculture, as in farms, and they vest in muncipal areas, and in places of use as at hydroelectric powerplants. A water right has a specific date of priority in time which attaches to a specific area or site. Neither points of diversion nor purposes and places of use may be changed if other users would be injured thereby. These qualities give appropriations both security and value with a definite status. This is necessary especially in the arid West where supplies rarely meet the demands.

The Committee on Interior and Insular Affairs in the Senate and the House have before them several types of bills which propose to require that the Government, its agencies, and its officials shall use, or let use be made of the waters from a Federal project only if such use is pursuant to State laws pertaining to the appropriation and administration of those water resources. I shall explain why such proposed legislation is before Congress. We are presently facing a situation where implications resulting from interpretations of decisions of the U.S. Supreme Court need our study and our most careful consideration. The appropriation, use, and controls of the water resources of the Western States have been and are excellent examples of highest administrative efficiency. The result is that billions of dollars are invested by private interests in the development of the waters of the West.

The Western States have relied for a century on Federal statutes dating from the act of July 26, 1866, granting rights-of-way to canal owners over public lands (14 Stat. 253). This and 29 additional statutes were listed in appendix B of a statement presented by Senator O'MAHONEY at the hearings before the House Interior Committee on July 20, 1959. The Senator from Wyoming also submitted appendixes A and C.

Mr. President, I ask unanimous consent that these appendixes be included in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, the appendixes may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. ALLOTT. Mr. President, the implications of these interpretations, which I mentioned, by some Federal departments, agencies, and officers, have resulted in claims by them that the Government is not bound, nor are any agencies or officials bound, by the laws of States relating to the uses of surface and ground waters. Two recent decisions of the Supreme Court when taken together have brought about this situation. We find in the Government those who still contend that the Government, first, is the owner of all waters in the Western States because it never ceded the waters to the States; and, second, is in full control of the waters of the Eastern States because of the navigability implications of the commerce clause of the Constitution. I shall discuss these claims in that order.

The third item in Senator O'MAHONEY's appendix B is from the Desert Land Act of March 3, 1877 (19 Stat. 377, as amended). It is apparent that the act severed all nonnavigable waters from the public lands of the United States and declared the sources of water supply to be available for appropriation for beneficial purposes. This was the opinion of the Supreme Court in 1935 in *California-Oregon Power Co.* v. *Portland Cement Co.* (295 U.S. 142).

The Desert Land Act followed and supplemented the acts of July 26, 1866, and July 9, 1870, granting rights-of-way to canal owner over public lands. Under the Desert Land Act water rights were required to be obtained in conformity with the laws of the States and the Territories.

Patents were issued by the United States under the terms of the Desert Land Act for thousands of acres over a long period of years. It was well known to the Government that such approved water supplies for the irrigation of those arid lands were from both navigable and nonnavigable sources. Those water rights have never been questioned. I wish to emphasize, however, that these rights derived from local authority and not from a Federal appropriative statute. We know as a matter of fact there was not such statute then—nor is there one now.

The records in the Bureau of Land Management, Department of the Interior, show final desert land entries to June 30, 1956, by States, as follows:

State or Territory	Entries	
	Number	Acres
California	6,122	1,108,014
Oregon	2,319	357,978
Washington	1,117	137,600
Arizona	2,242	480,070
Idaho	6,262	1,172,540
Nevada	947	177,965
Utah	3,209	495,894
Colorado	5,640	1,013,280
Dakota Territory	1	300
Montana	16,403	3,051,381
New Mexico	1,885	281,581
North Dakota	118	20,254
South Dakota	1,118	180,759
Wyoming	7,937	1,618,367
Grand total	[1] 55,320	[1] 10,095,983

[1] These figures are nearly identical to the patents issued.

Thus, and it must be conceded to have been a requirement of the act, water became appurtenant to the lands irrigated to a minimum area of 1,260,000 acres for the reason the rules required a minium of one-eighth of any legal subdivision entered was to be irrigated. I estimate that under the Desert Land Act about 5 million acres were actually reclaimed by irrigation. These lands still exercise their original rights to use water acquired pursuant to local laws. This fact, most assuredly, is contrary to the claim that the Federal Government could have rights in the West not derived pursuant to State water laws. It also refutes the claim that navigable waters were not subject to appropriation under State laws, because most of the approved water supplies were from navigable streams or their tributaries.

For Federal reclamation developments I refer to item 7 of Senator O'MAHONEY's appendix B. This is section 8 of the act of June 17, 1902 (32 Stat. 390), which is the first of several reclamation acts. It makes mandatory the requirement that the Secretary of the Interior shall follow the procedures of the States in securing rights to the use of water for irrigation. All 30 items in appendix B apply to the West. They show congressional consistency unmatched in any other field of statutory law.

Western Senators are familiar with section 1 of the Flood Control Act of 1944, better known by the title of "O'Mahoney-Millikin Amendment." This was an extraordinary declaration by the Congress of the broad principle stated in the preamble to the section. It declared that Congress recognized the interests and rights of States in planning and providing for the orderly use of the waters within their borders, and to protect present and future rights in the use of those waters. There is need for clarification here, however, because the declaration of policy also implies that the Federal Government has jurisdiction of a kind over the waters of the Nation. This jurisdiction is assumed under the several rivers and harbors acts and flood control acts as well as the Federal Power Act. It is through litigation concerning water resources development by the Corps of Engineers and by licensees under the Federal Power Act that the courts have defined navigation and flood control.

This brings me to the second claim to jurisdiction by certain agencies of the Government over the natural bodies of water—lakes and the perennial, intermittent, and ephemeral streams. The jurisdiction of the Government is, nevertheless, only that conferred by acts of Congress pursuant to permissive provisions of the Constitution.

The authorization of projects to improve navigation on our streams and to alleviate flood damage did not, in my opinion, include the granting of the authority stated in the Red River decision of the Supreme Court (313 U.S. 508). I ask unanimous consent that a paragraph from this decision be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

OKLAHOMA *v.* ATKINSON CO. (313 U.S. (508) 525 (1941)) (RED RIVER CASE) (POWERS OF CONGRESS)

We would, however, be less than frank if we failed to recognize this project as part of a comprehensive flood control program for the Mississippi itself. But there is no constitutional reason why Congress or the courts should be blind to the engineering prospects of protecting the Nation's arteries of commerce through control of the watersheds. There is no constitutional reason why Congress cannot, under the commerce power, treat the watersheds as a key to flood control on navigable streams and their tributaries. Nor is there a constitutional necessity for viewing each reservoir project in isolation from a comprehensive plan covering the entire basin of a particular river.

We need no survey to know that the Mississippi is a navigable river. We need no survey to know that the tributaries are generous contributors to the flood of the Mississippi. And it is common knowledge that Mississippi floods have paralyzed commerce in the affected areas and have impaired navigation itself. We have recently recognized that "flood protection, watershed development, recovery of the cost of improvements through utilization of power are * * * parts of commerce control" (*U.S.* v. *Appalachian Power Co., supra,* p. 426). And we now add that the power of flood control extends to the tributaries of navigable streams. For, just as control over the nonnavigable parts of a river may be essential or desirable in the interests of the navigable portions, so may the key to flood control on a navigable stream be found in whole or in part in flood control on its tributaries * * *. The exercise of the granted power of Congress to regulate interstate commerce may be aided by appropriate and needful control of activities and agencies which, though intrastate, affect that commerce.

(Cited at the end of the paragraph are *McCulloch* v. *Maryland,* 4 Wheat, 316, *U.S.* v. *Darby,* 312 U.S. 100.)

Mr. ALLOTT. Mr. President, in the best interests of all of our 50 States, we should study this situation before us. I think States and their subdivisions have rights and obligations to plan and control their water resources. I do not want all control and jurisdiction to lie in the Federal Government. Without acts of Congress there would be no navigation nor flood control works. I do not like the assumption that the commerce and property clauses of the Constitution may be cited as authority for navigation and flood control projects constructed by Federal agencies or under license from the Federal Power Commission. It should be stated, rather, that the acts of Congress authorizing such construction have given due regard to the protection of private properties and to local laws concerning water resources.

Nor do I want the Congress to sit idly by and see a decision, such as the Pelton Dam decision—349 U.S. 435—finalize the argument that local plans and controls are to be ignored where Federal reservations are used for water projects. And I do not concur with the First Iowa Co-op decision—328 U.S. 152—which was based on the Red River decision concerning the definition of navigable waters. I cannot agree with the implication existing in both of these decisions that Congress has granted jurisdiction in its several acts over the waters of the Nation—within all 50 States—to agencies of the Federal Government. That the Supreme Court has, in effect, so decided, is the reason we are compelled to consider remedial legislation.

Most of our States are now engaged in studies of their surface and ground waters. They are studying, in addition to the nature and extent of these resources, the laws needed to enable them to plan and manage these resources as well as to protect existing and future rights to put them to use. At present there is little evidence that they realize the limitations of the rights of the States to attain these objectives. I have tried to state the case as it now exists.

In the West we need immediate remedial legislation to restore to the people the security of their investment in a billion-dollar water development. These works were not constructed by Federal agencies. Nor were they paid for from Federal appropriations. S. 851, of which I am one of 16 sponsors, is legislation, I think, that we can now agree upon.

Appendix C, which is a part of exhibit 1, is a draft of substitute for S. 863, 85th Congress, submitted by Department of Interior with the concurrence of the Departments of Justice, Defense, Agriculture and the Bureau of the Budget. S. 851 is patterned after this appendix.

S. 851 provides security and recognition of all water rights under the laws of the States that have their sources of supply from waters that originate or traverse Federal reservations. In the West practically all of our perennial streams rise in national forest reservations. The enactment of this, or a similarly worded bill, would nullify all claims resulting from the Pelton Dam decision. I believe it would leave water rights, where Federal reservations are involved in any way, in the status we assumed them to have prior to that decision. I have indicated that I believe that in the Western States namely, in the priority-of-appropriation States, a decision similar to that in the First Iowa Co-op case might not have been handed down by the Supreme Court. History and practice alike support this view. We should, however, now consider the effect on private property of claims based on the Federal-reservation theory on the basis of the Pelton Dam decision.

The reservations with which we are concerned are those created by withdrawals of the public domain. Thirty of our fifty States were created out of the public lands of the United States. The 20 States which were never public land States are the Thirteen Original States and the following: Vermont, Maine, Kentucky, West Virginia, Tennessee, Texas, and Hawaii. I note that item 29 of Senator O'MAHONEY's appendix B is from an act affecting South Carolina, Georgia, Florida, and Alabama. The first two are honored members of the Thirteen Original States, the other two were created from the public domain. I think we may find it highly desirable to act together in the common objective of protecting the rights of our citizens to the use of water supplies where those rights are recognized by or acquired under the laws of our States.

EXHIBIT I

APPENDIXES AS SUBMITTED BY SENATOR JOSEPH C. O'MAHONEY AT HEARINGS BEFORE THE HOUSE INTERIOR COMMITTEE, JULY 20, 1959

APPENDIX A: FEDERAL CONSTITUTIONAL POWERS FURNISHING BASES FOR ACTIVITIES IN WATER RESOURCE DEVELOPMENTS

Article I, section 8 (commerce clause): "The Congress shall have power * * * to regulate commerce with foreign nations, and among the several States, and with the Indian tribes."

Article I, section 10 (compact clause): "No State shall, without the consent of Congress * * * enter into an agreement or compact with another State, or with a foreign power."

Article IV, section 3 (property clause): "The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States."

Article VI (supremacy clause): "This Constitution, and the laws of the United States which shall be made in pursuance thereof, and all treaties made, or which shall be made, under authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding."

APPENDIX B: PROVISIONS OF FEDERAL STATUTES IN RECOGNITION OF STATE LAW AS GOVERNING WATER RIGHTS

1. Section 9 of the act of July 26, 1866 (14 Stat. 253, 30 U.S.C., sec. 51 (1952)): "Whenever, by priority of possesson, rights to the use of water for mining, agricultural, manufacturing, or other purposes have vested and accrued, and the same are recognized and acknowledged by the local customs, laws, and the decision of courts, the possessors and owners of such vested rights shall be maintained and protected in the same; and the right-of-way for the construction of ditches and canals for the purposes herein specified is acknowledged and confirmed; but whenever any person, in the construction of any ditch or canal, injures or damages the possession of any settler on the public domain, the party committing such injury or damage shall be liable to the party injured for such injury or damage."

2. Section 17 of the act of July 9, 1870 (16 Stat. 218, 30 U.S.C., sec. 52 (1952)): "All patents granted, or homesteads allowed, shall be subject to any vested and accrued water rights, or rights to ditches and reservoirs used in connection with such water rights, as may have been acquired under or recognized by section 51 of this title." (Both the act of July 26, 1866, and July 9, 1870, are embodied in 43 U.S.C., sec. 661 (1952)).

3. Section 1 of the Desert Land Act of March 3, 1877 (19 Stat. 377, as amended, 43 U.S.C.A. sec. 321 (1958 Supp.)): "It shall be lawful for any citizen of the United States, or any person of requisite age 'who may be entitled to become a citizen, and who has filed his declaration to become such' and upon payment of 25 cents per acre—to file a declaration under oath with the officer designated by the Secretary of the Interior of the land district in which any desert land is situated, that he intends to reclaim a tract of desert land not exceeding one-half section, by conducting water upon the same, within the period of three years thereafter; *Provided, however,* That the right to the use of water by the person so conducting the same, on or to any tract of desert land of three hundred and twenty acres shall depend upon bona fide prior appropriation; and such right shall not exceed the amount of water actually appropriated, and necessarily used for the purpose of irrigation and reclamation; and all surplus water over and above such actual appropriation and use, together with the water of all lakes, rivers, and other sources of water supply upon the public lands and not navigable, shall remain and be held free for the appropriation and use of the public for irrigation, mining, and manufacturing purposes subject to existing rights."

4. Section 18 of the act of March 3, 1891 (26 Stat. 1101, as amended, 43 U.S.C. sec. 946 (1952)): "The right of way through the public lands and reservations of the United States is hereby granted to any canal ditch company, irrigation or drainage district formed for the purpose of irrigation or drainage, and duly organized under the laws of any State or Territory: *Provided,* That * * * the privilege herein granted shall not be construed to interfere with the control of water for irrigation and other purposes under authority of the respective States or Territories."

5. Act of February 26, 1897 (29 Stat. 599, 43 U.S.C. sec. 664 (19522)): "All reservoir sites reserved or to be reserved shall be open to

use and occupation under sections 946–949, inclusive of this title, and any State is authorized to improve and occupy such reservoir sites to the same extent as an individual or private corporation, under such rules and regulations as the Secretary of the Interior may prescribe: *Provided,* That the charges for water coming in whole or part from reservoir sites used or occupied under the provisions of this section shall always be subject to the control and regulation of the respective States and Territories in which such reservoirs are in whole or part situate."

6. Section 1 of the act of June 4, 1897 (30 Stat. 36, 16 U.S.C. sec. 481 (1952)): "All waters within the boundaries of national forests may be used for domestic, mining, milling, or irrigation purposes, under the laws of the State wherein such national forests are situated, or under the laws of the United States and the rules and regulations established thereunder."

7. Section 8 of the Reclamation Act of June 17, 1902 (32 Stat. 390, 43 U.S.C., secs 372, 383 (1952)): "Nothing in sections 372, 373, 381, 383, 391, 392, 411, 416, 419, 421, 431, 432, 434, 439, 461, 491, and 498 of this title shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State or Territory relating to the control, appropriation, use, or distribution of water used in irrigation, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of such sections, shall proceed in conformity with such laws, and nothing in such sections shall in any way affect any right of any State or of the Federal Government or of any landowner, appropriator, or user of water in, to, or from any interstate stream or the waters thereof: *Provided,* That the right to the use of water acquired under the provisions of this Act shall be appurtenant to the land irrigated, and the beneficial use shall be the basis, the measure, and the limit of the right."

8. Section 4 of the act of February 1, 1905 (33 Stat. 628, 16 U.S.C., sec. 524 (1952)): "Rights-of-way for the construction and maintenance of dams, reservoirs, waterplants, ditches, flumes, pipes, tunnels, and canals, within and across the national forests of the United States are granted to citizens and corporations of the United States for municipal or mining purposes, and for the purposes of the milling and reduction of ores, during the period of their beneficial use, under such rules and regulations as may be prescribed by the Secretary of the Interior, and subject to the laws of the State or Territory in which said forests are respectively situated."

9. Section 2 of the Warren Act of February 21, 1911 (36 Stat. 926, 43 U.S.C., sec. 524 (1952)): "In carrying out the provisions of the reclamation law, the Secretary of the Interior is authorized, upon such terms as may be agreed upon, to cooperate with irrigation districts, water-users' associations, corporations, entrymen, or water users for the construction or use of such reservoirs, canals, or ditches as may be advantageously used by the Government and irrigation districts, water-users' associations, corporations, entrymen, or water users for impounding, delivering, and carrying water for irrigation purposes: *Provided,* That nothing contained in this section or section 523 of this title shall be held or construed as enlarging or attempting to enlarge the right of the United States, under existing law, to control the waters of any stream in any State."

10. Section 11 of the act of December 19, 1913 (relating to Hetch-Hetchy), granting to the city and county of San Francisco certain rights-of-way over public lands and lands in Yosemite National Park and Stanislaus National Forest for the construction of works to bring water and power to San Francisco for domestic purposes and uses (38 Stat. 250):

"SEC. 11. That this Act is a grant upon certain express conditions specifically set forth herein, and nothing herein contained shall be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this Act, shall proceed in conformity with the laws of said State."

11. Sections 9(b) and 27 of the Federal Power Act of June 10, 1920: "9. Each applicant for a license under this chapter shall submit to the Commission—

"* * * * *

"(b) Satisfactory evidence that the applicant has complied with the requirements of the laws of the State or States within which the proposed project is to be located with respect to bed and banks and to the appropriation, diversion, and use of water for power purposes and with respect to the right to engage in the business of developing, transmitting, and distributing power, and in any other business necessary to effect the purposes of a license under this chapter." (41 Stat. 1068, 16 U.S.C., sec. 802(b)(1952)).

"27. Nothing contained in this chapter shall be construed as affecting or intending to affect or in any way to interfere with the laws of the respective States relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired therein." (41 Stat. 1077, 16 U.S.C., sec. 821 (1952)).

12. Section 18 of the Boulder Canyon Project Act of December 21, 1928 (45 Stat. 1065, 43 U.S.C., sec. 617q (1952): "Nothing herein shall be construed as interfering with such rights as the States now have either to the waters within their borders or to adopt such policies and enact such laws as they may deem necessary with respect to the appropriation, control, and use of waters within their borders, except as modified by the Colorado River Compact or other interstate agreement."

13. Section 3 of the Taylor Grazing Act of June 28, 1934 (48 Stat. 1270, as amended, 43 U.S.C., sec. 315b (1952)): "*Provided further,* That nothing in this chapter shall be construed or administered in any way to diminish or impair any right to the possession and use of water for mining, agriculture, manufacture, or other purposes which has heretofore vested or accrued under existing law validly affecting the public lands or which may be hereafter initiated or acquired and maintained in accordance with such law."

14. Section 4 of the act of August 28, 1937 (50 Stat. 870, 16 U.S.C., 590(u) (1952)): "As a condition to extending benefits under sections 590r–590x of this title to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of sections 590v–590x of this title, require—

"(1) The enactment of State and local laws providing for soil conserving land uses and practices, and the storage, conservation and equitable utilization of waters;

"(2) Agreements or covenants in regard to the maintenance and permanent use of such water, facilities or lands benefited by such facilities;

"(3) Contributions in money, services, materials or otherwise to any operations conferring such benefits."

15. Section 3 of the Water Conservation Act of August 11, 1939 (53 Stat. 1419, as amended, 16 U.S.C., sec. 590z–1(b) (2) (1952)): "No actual construction of the physical features of a project shall be undertaken unless and until—

"(2) the Secretary has found (i) that water rights adequate for the purposes of the project have been acquired with titles and at prices satisfactory to him, or that such water rights have been initiated and in his judgment can be perfected in conformity with State law and any applicable interstate agreements and in a manner satisfactory to him; and (ii) that such water rights can be utilized for the purposes of the project in conformity with State law and any applicable interstate agreements and in a manner satisfactory to him."

16. Section 14 of the Boulder Canyon Project Adjustment Act of July 19, 1940 (54 Stat. 779, 43 U.S.C., sec. 618m (1952)): "Nothing in this subchapter shall be construed as interfering with such rights as the States had on July 19, 1940, either to the waters within their borders or to adopt such policies and enact such laws as they deem necessary with respect to the appropriation, control, and use of waters within their borders, except as modified by the Colorado River compact or other interstate agreement."

17. Section 1 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 33 U.S.C., sec. 701–1 (1952)): "(a) The Chief of Engineers shall transmit a copy of his proposed report to each affected State, and, in case the plans or proposals covered by the report are concerned with the use or control of waters which rise in whole or in part west of the ninety-seventh meridian, to the Secretary of the Interior. Within ninety days from the date of receipt of said proposed report, the written views and recommendations of each affected State and of the Secretary of the Interior may be submitted to the Chief of Engineers. The Secretary of the Army shall transmit to the Congress, with such comments and recommendations as he deems appropriate, the proposed report together with the submitted views and recommendations of affected States and of the Secretary of the Interior. The Secretary of the Army may prepare and make said transmittal any time following said ninety-day period. The letter of transmittal and its attachments shall be printed as a House or Senate document.

"(b) The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in States lying wholly or partly west of the ninety-eighth meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the ninety-eighth meridian, of such waters for domestic, municipal, stock water, irrigation, mining, or industrial purposes.

"(c) The Secretary of the Interior, in making investigations of and reports on works for irrigation and purposes incidental thereto shall, in relation to an affected State or States (as defined in paragraph (a) of this section), and to the Secretary of the Army, be subject to the same provisions regarding investigations, plans, proposals, and reports as prescribed in paragraph (a) of this section for the Chief of Engineers and the Secretary of the Army. In the event a submission of views and recommendations, made by an affected State or by the Secretary of the Army pursuant to said provisions, sets forth objections to the plans or proposals covered by the report of the Secretary of the Interior, the proposed works shall not be deemed authorized except upon approval by an Act of Congress; and section 485h of title 43 and section 590z–1 of title 16 are amended accordingly."

18. Reservation (c) to the Mexican Water Treaty, United States Treaty Series No. 994 (59 Stat. 1265 (1945)): "(c) That nothing contained in the treaty or protocol shall be construed as authorizing the Secretary of State of the United States, the Commissioner of the United States section of the International Boundary and Water Commission, or the United States section of said Commission, directly or indirectly to alter or control the distribution of water to users within the

territorial limits of any of the individual States."

19. The National Parks Act of August 7, 1946 (60 Stat. 885, 16 U.S.C., sec. 17j–2 (1952)): "Appropriations for the National Park Service are authorized for—

"(g) Investigation and establishment of water rights in accordance with local custom, laws, and decisions of courts, including the acquisition of water rights or of lands or interest in lands or rights-of-way for use and protection of water rights necessary or beneficial in the administration and public use of the national parks and monuments."

20. Section 208 of the Act of July 10, 1952, authorizing suits against the United States in State courts for the adjudication of water rights (66 Stat. 560, 43 U.S.C., secs. 666 (a) and (c) (1952)): "(a) Consent is given to join the United States as a defendant in any suit (1) for the adjudication of rights to the use of water of a river system or other source, or (2) for the administration of such rights, where it appears that the United States is the owner of or is in the process of acquiring water rights by appropriation under State law, by purchase, by exchange, or otherwise, and the United States is a necessary party to such suit. The United States, when a party to any such suit, shall (1) be deemed to have waived any right to plead that the State laws are inapplicable or that the United States is not amenable thereto by reason of its sovereignty, and (2) shall be subject to the judgments, orders, and decrees of the court having jurisdiction, and may obtain review thereof, in the same manner and to the same extent as a private individual under like circumstances: *Provided*, That no judgment for costs shall be entered against the United States in any such suit.

"* * * * * *

"(c) Nothing in this section shall be construed as authorizing the joinder of the United States in any suit or controversy in the Supreme Court of the United States involving the right of States to the use of the water of any interstate stream."

21. Subsection 3(e) of the Submerged Lands Act of May 22, 1953 (67 Stat. 30, 43 U.S.C., sec. 1311(e) (1956 Supp.)): "Nothing in this chapter shall be construed as affecting or intended to affect or in any way interfere with or modify the laws of the States which lie wholly or in part westward of the ninety-eighth meridian, relating to the ownership and control of ground and surface waters; and the control, appropriation, use, and distribution of such waters shall continue to be in accordance with the laws of such States."

22. Subsection 3(c) of the act of July 28, 1954, to authorize the Secretary of the Interior to construct facilities for the Santa Margarita River Project, California (68 Stat. 577): "For the purposes of this Act the basis, measure, and limit of all rights of the United States of America pertaining to the use of water shall be the laws of the State of California: *Provided*, That nothing in this act shall be construed as a grant or a relinguishment by the United States of America of any of its rights to the use of water which it acquired according to the laws of the State of California either as a result of its acquisition of the lands comprising Camp Joseph H. Pendleton and adjoining naval installations, and the rights to the use of water as a part of said acquisition, or through actual use or prescription or both since the date of that acquisition, if any, or to create any legal obligation to store any water in De Luz Reservoir, to the use of which it has such rights, or to require the division under this Act of water to which it has such rights."

23. Section 4(4) of the Act of August 4, 1954 (68 Stat. 667, as amended, 16 U.S.C.A. 1004(4) (1958 Supp.)) relating to watershed protection and flood prevention: "The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

"* * * * * *

"(4) acquire, or provide assurance that landowners or water users have acquired, such water rights, pursuant to State law, as may be needed in the installation and operation of the work of improvement."

24. Section 4(b) of the act of July 23, 1955, providing for multiple use of the surface of tracts of public land (69 Stat. 368, 30 U.S.C., sec. 612(b) (1956 Supp.)): *"Provided further*, That nothing in sections 601, 603, and 611–615 of this title shall be construed as affecting or intended to affect or in any way interfere with or modify the laws of the States which lie wholly or in part westward of the ninety-eighth meridian relating to the ownership, control, appropriation, use, and distribution of ground or surface waters within any unpatented mining claim."

25. Section 7 of the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 109, 43 U.S.C.A., sec. 620f 1958 Supp.)): "Subject to the provisions of the Colorado River compact, neither the impounding nor the use of water for the generation of power and energy at the plants of the Colorado River storage project shall preclude or impair the appropriation of water for domestic or agricultural purposes pursuant to applicable State law."

26. Section 4 of the act of July 2, 1956, relating to the administration of section 9, subsections (d) and (e) of the Reclamation Act of 1939, (70 Stat. 483, 43 U.S.C.A., sec. 485h–4 (1958 Supp.)): "Nothing in this Act shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State relating to the control, appropriation, use, or distribution of water used in irrigation, or any vested right acquired thereunder, and the Secretary in carrying out the provisions of this Act, shall proceed in conformity with such laws, and nothing herein shall in any way affect any rights of any State or of the Federal Government or of any landowner, appropriator, or user of water in, to, or from any interstate stream or the waters thereof: *Provided*, That the right to the use of water acquired under the provisions of this Act shall be appurtenant to the land irrigated and beneficial use shall be the basis, the measure, and the limit of the right."

27. Section 4(b) of the Small Reclamation Projects Act of August 1956 (70 Stat. 1044, 43 U.S.C.A., sec. 422d(b) (1958 Supp.)): "Every such proposal shall include a showing that the organization already holds or can acquire all lands and interests in land (except public and other lands and interests in land owned by the United States which are within the administrative jurisdiction of the Secretary and subject to disposition by him) and rights, pursuant to applicable State law, to the use of water necessary for the successful construction, operation, and maintenance of the project and that it is ready, able, and willing to finance otherwise than by loan and grant under this Act such portion of the cost of construction (which portion shall include all costs of acquiring lands, interests in land, and rights to the use of water) as the Secretary shall have advised is proper in the circumstances."

28. Section 202 of the act of August 28, 1958, setting up a United States Study Commission to formulate a comprehensive plan for the development of certain Texas river basins (71 Stat. 1058):

"SEC. 202. In carrying out the purposes of this title it shall be the policy of Congress to—

"(1) recognize and protect the rights and interests of the State of Texas in determining the development of the watersheds of the rivers herein mentioned and its interests and rights in water utilization and control, as well as the preservation and protection of established uses."

1958 setting up a United States Study Com-

29. Section 2 of the act of August 28 mission to formulate a comprehensive plan for the development of certain streams in the States of South Carolina, Georgia, Florida, and Alabama (72 Stat. 1090):

"SEC. 2. In carrying out the purposes of this Act it shall be the policy of Congress to—

"(1) recognize and protect the rights and interests of the States in determining the development of the watersheds of the rivers herein mentioned and their interests and rights in water utilization and control, as well as the preservation and protection of established uses."

30. Section 1 of the act of December 24, 1942, authorizing the Secretary of Interior to purchase lands necessary to carry on water resource measurements (56 Stat. 1086, 43 U.S.C., 36b): "That the Secretary of the Interior may, on behalf of the United States and for use by the Geological Survey in gaging streams, acquire lands by donation or when funds have been appropriated by Congress by purchase or condemnation but not in excess of ten acres for any one stream-gaging station. For the same purpose the Secretary may obtain easements, licenses, rights-of-way, and leases limited to run for such a period of time or term of years as may be required for the effective performance of the function of gaging streams: *Provided*, That nothing in this Act shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State or Territory relating to the control, appropriation, use, or distribution of water used in irrigation or any vested right acquired thereunder and the Secretary of the Interior, in carrying out the provisions of this Act shall proceed in conformity with such laws and nothing in this Act shall in any way affect any right of any State or of the Federal Government or of any landowner, appropriator, or user of water in, to, or from any interstate stream or the waters thereof."

NOTE.—The House has passed H.R. 4483 amending the 1942 act by making its provisions applicable also to underground water storage. It is now pending before the Senate Committee on Interior and Insular Affairs.

APPENDIX C: DRAFT OF SUBSTITUTE FOR S. 863, 85TH CONGRESS, SUBMITTED BY DEPARTMENT OF INTERIOR WITH THE CONCURRENCE OF THE DEPARTMENTS OF JUSTICE, DEFENSE, AGRICULTURE, AND THE BUREAU OF THE BUDGET, WITH COMMENTS, MAY 13, 1958

SECTION 1. The withdrawal or reservation of surveyed or unsurveyed public lands, heretofore or hereafter established, shall not affect any right to the use of water acquired pursuant to State law either before or after the establishment of such withdrawal or reservation.

SEC. 2. Nothing in this Act shall be construed as:

(a) Modifying or repealing any provision of any existing Act of Congress requiring that rights of the United States to the use of water be acquired pursuant to State law, to the extent that such provisions are otherwise applicable.

(b) Permitting appropriations of water under State law which interfere with the provisions of international treaties of the United States.

(c) Affecting, impairing, diminishing, subordinating or enlarging (1) the rights of the United States or any State to waters under any interstate compact or existing judicial decree; (2) the obligations of the United States to Indians or Indian tribes, or any right owned or held by or for Indians or Indian tribes; (3) any water right heretofore acquired by others than the United States

under Federal or State law; (4) any right to any quantity of water used for governmental purposes or programs of the United States at any time from January 1, 1940, to the effective date of this Act; or (5) any right of the United States to use water hereafter lawfully initiated in the exercise of the express or necessarily implied authority of any present or future act of Congress or State law when such right is initiated prior to the acquisition by others of any right to use water pursuant to State law.

NOTICE OF MOTION TO SUSPEND RULE

Mr. HAYDEN. Mr. President, in accordance with rule XL of the Standing Rules of the Senate. I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 8385) making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1960, and for other purposes, the following amendment:

At the appropriate place in the bill insert the following:

Commission on Civil Rights, salaries and expenses. For an additional amount for "salaries and expenses," $500,000: *Provided*, That section 104(b) of the Civil Rights Act of 1957 is amended by striking out the words "two years" and inserting in lieu thereof "four years."

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CASE of New Jersey (for himself, Mr. BUSH, Mr. DODD, Mr. JAVITS, Mr. KEATING, and Mr. NEUBERGER):

S. 2659. A bill to amend section 13a(1) of the Interstate Commerce Act with respect to the discontinuance or change of operations of certain trains and ferries; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. CASE of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER:

S. 2660. A bill for the relief of Peter Zanelotti; to the Committee on the Judiciary.

By Mr. BARTLETT (for himself, Mr. GRUENING, Mr. LONG of Hawaii, and Mr. FONG):

S. 2661. A bill to amend title 23, United States Code, to provide for participation of Federal-aid highway funds in the construction of approach roads to ferry facilities on the Federal-aid systems; to the Committee on Interstate and Foreign Commerce.

By Mr. HUMPHREY:

S. 2662. A bill for the relief of Mrs. Garold Van Cannon; to the Committee on the Judiciary.

By Mr. KEATING (for himself, Mr. BEALL, Mr. COTTON, Mr. DODD, Mr. SCOTT, Mr. BUSH, and Mr. SALTONSTALL):

S. 2663. A bill to provide for equalizing the conditions of competition between domestic industries and foreign industries with respect to the level of wages and the working conditions in the production of articles imported into the United States; to the Committee on Finance.

(See remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 9:30 o'clock tomorrow morning.

The motion was agreed to; and (at 10 o'clock and 50 minutes p.m.) the Senate took a recess, under the order previously entered, until tomorrow, Wednesday, September 9, 1959, at 9:30 o'clock a.m.

HOUSE OF REPRESENTATIVES

TUESDAY, SEPTEMBER 8, 1959

The House met at 11 o'clock a.m.

Father James Lyons, St. Gertrude's Church, Chicago, offered the following prayer:

In the name of the Father and of the Son and of the Holy Ghost. Amen.

May the ideas and the ideals of St. Francis of Assisi be true of each of our Representatives today. St. Francis wrote:

"Lord, make me an instrument of Your peace. Where there is hatred, let me sow love; where there is injury, pardon; where there is doubt, faith; where there is despair, hope; where there is darkness, light; and where there is sadness, joy.

"O Divine Master, grant that I may not so much seek to be consoled as to console; to be understood as to understand; to be loved as to love; for it is in giving that we receive; it is in pardoning that we are pardoned; and it is in dying that we are born to eternal life."

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 435. Concurrent resolution declaring that the Congress does hereby express its deep realization and appreciation of the basic role that labor plays in our economy and of the contributions that American working men and women have made to America's well-being.

NEBRASKA MID-STATE UNIT IN THE MISSOURI RIVER BASIN PROJECT

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent that the Committee on Public Works be discharged from further consideration of the bill (H.R. 8985) to provide for the inclusion of the Nebraska Mid-State unit in the Missouri River Basin project, and that the bill be referred to the Committee on Interior and Insular Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

AUTHORIZING SALE AT MARKET PRICES OF CERTAIN AGRICULTURAL COMMODITIES

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2504) to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

Mr. HOEVEN. Mr. Speaker, reserving the right to object, will the gentleman explain the purpose of the legislation and the clarifying amendments which were agreed to in committee?

Mr. McGOVERN. Mr. Speaker, this legislation authorizes the Secretary of Agriculture when he determines that a drought or other emergency is sufficient to authorize the sale of Commodity Credit Corporation feed at the current support price. The original bill passed by the other body would authorize such sales at the "market price," but, as I pointed out before the House Committee on Agriculture, this provision would not accomplish the real purpose of the bill, which is to assist the farmers in an area where there is a feed shortage stemming from drought or other emergencies. Presumably, in a feed shortage area, market prices will rise—perhaps above the level now authorized for the sale of CCC feed. In that case the bill as passed by the Senate would be of no value at all.

My amendment, approved unanimously by the House Committee on Agriculture, can save drought-stricken farmers many thousands of dollars by permitting Government feed to be sold at the existing support level price.

This is sound legislation because it not only gives the Secretary additional authority to help farmers in drought areas, but it can reduce costly Government storages. After all, one of the purposes of a grain storage program is to have a reserve supply of feed in case of drought. I find it hard to understand why the Secretary of Agriculture is so reluctant to use the drought authority he now has.

The Department of Agriculture objected to a phase of the bill as it passed

the other body which permitted soil bank acres to be harvested in drought areas. We struck that title from the bill. Let me say that the soil bank emergency bill which the House passed yesterday is superior to the title which we removed from the pending bill. There are two or three other minor amendments that do not change the substance of the bill as reported by the committee.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Iowa.

Mr. HOEVEN. This legislation is permissive, and the Secretary is only authorized to act whenever the Governor of the State certifies that a particular need arises in his State?

Mr. McGOVERN. That is correct. I hope the House will not object to this bill needed by our farmers. We have greatly improved the measure as originally passed by the Senate. I trust that our action will be accepted by the other body and that Mr. Benson will use the additional authority which this bill gives him.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 407 of the Agricultural Act of 1949, the Secretary of Agriculture is authorized to sell at market prices, any wheat, corn, oats, barley, rye, or grain sorghums (hereafter referred to as feed grains), owned by the Commodity Credit Corporation, to provide feed for livestock in any area determined by him to be an emergency area under section 2.

SEC. 2. The Secretary may designate any area as an emergency area for the purposes of this Act if he determines that, as a result of flood, drought, hurricane, tornado, or other catastrophe there is a shortage of feed for livestock in such area.

SEC. 3. The Secretary shall not sell feed grains under this Act to any person unless he is satisfied that such person does not have, and is unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by him, and unless such person agrees to use the feed grains only for such livestock.

SEC. 4. Any person who fails to carry out an agreement entered into under section 3 with respect to any feed grains purchased under this Act, or who disposes of any such feed grains other than by feeding to livestock owned by him, shall be subject to a penalty equal to but not in excess of the market value of the feed grains involved, to be recovered by the Secretary in a civil suit brought for that purpose.

SEC. 5. Section 107(a)(3) of the Soil Bank Act is amended by inserting before the period at the end thereof a comma and the following: "and except that the Secretary may authorize the producer to harvest hay on such acreage if, after certification by the Governor of the State in which such acreage is situated of the need therefor, the Secretary determines that it is necessary to permit such harvesting in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster".

With the following committee amendments:

Page 1, line 5, strike out "market" and insert "current support".

Page 2, line 1, after "may," insert "after certification by the Governor of the State in which such area is situated of the need therefor,".

Page 2, line 5, strike out "or other catastrophe" and insert "earthquake, or other catastrophe including disease or insect infestation".

Page 2, line 22, after the word "purpose," insert "and in addition shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $1,000 or imprisonment for not more than one year."

Page 3, strike out section 5.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time and passed.

The title was amended so as to read: "An act to authorize the sale at current support prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes."

A motion to reconsider was laid on the table.

ADDITIONAL BUILDING FOR THE LIBRARY OF CONGRESS

The SPEAKER. The unfinished business is, Will the House suspend the rules and pass House Joint Resolution 352 authorizing a preliminary study and review in connection with proposed additional building for the Library of Congress?

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 324, nays 47, not voting 65, as follows:

[Roll No. 169]

YEAS—324

Abbitt	Bow	Cramer
Abernethy	Bowles	Curtin
Adair	Boykin	Curtis, Mass.
Albert	Boyle	Curtis, Mo.
Alexander	Brademas	Daddario
Alford	Bray	Davis, Ga.
Anderson, Mont.	Breeding	Davis, Tenn.
Andrews	Brock	Dawson
Arends	Brooks, La.	Dent
Ashley	Brooks, Tex.	Denton
Ashmore	Broomfield	Derounian
Aspinall	Brown, Ga.	Diggs
Auchincloss	Brown, Mo.	Dingell
Avery	Brown, Ohio	Dixon
Bailey	Burdick	Dollinger
Baker	Burke, Ky.	Donohue
Baldwin	Burke, Mass.	Dooley
Baring	Burleson	Dorn, N.Y.
Barr	Cahill	Downing
Barrett	Cannon	Doyle
Barry	Carnahan	Dwyer
Bass, N.H.	Casey	Edmondson
Bass, Tenn.	Celler	Elliott
Bates	Chamberlain	Everett
Beckworth	Chelf	Fallon
Belcher	Chenoweth	Farbstein
Bennett, Fla.	Chiperfield	Fascell
Bennett, Mich.	Church	Feighan
Bentley	Clark	Fenton
Betts	Coad	Fino
Blatnik	Coffin	Fisher
Boggs	Cohelan	Flood
Boland	Collier	Flynn
Bolling	Colmer	Flynt
Bonner	Conte	Fogarty
Bosch	Cook	Foley
	Corbett	Forand
Forrester	Lennon	Riley
Fountain	Levering	Rivers, Alaska
Frazier	Libonati	Rivers, S.C.
Frelinghuysen	Lindsay	Roberts
Friedel	Loser	Robison
Fulton	McCormack	Rodino
Garmatz	McCulloch	Rogers, Colo.
Gathings	McDowell	Rogers, Fla.
Gavin	McFall	Rogers, Mass.
George	McGinley	Rogers, Tex.
Glenn	McGovern	Rooney
Granahan	McIntire	Roosevelt
Grant	Macdonald	Rostenkowski
Green, Oreg.	Mack, Ill.	Roush
Green, Pa.	Mack, Wash.	Rutherford
Griffin	Madden	Santangelo
Griffiths	Magnuson	Saund
Gubser	Mahon	Schenck
Hagen	Mailliard	Schwengel
Halleck	May	Scott
Halpern	Meader	Selden
Hardy	Merrow	Shelley
Hargis	Metcalf	Shipley
Harmon	Meyer	Simpson, Ill.
Harris	Michel	Sisk
Hays	Miller, Clem	Slack
Healey	Miller, George P.	Smith, Iowa
Hébert	Mills	Smith, Kans.
Hechler	Mitchell	Smith, Miss.
Hemphill	Monagan	Smith, Va.
Henderson	Montoya	Spence
Herlong	Morgan	Springer
Hoffman, Ill.	Morris, N. Mex.	Steed
Hogan	Morris, Okla.	Stratton
Holland	Morrison	Stubblefield
Holt	Moss	Sullivan
Holtzman	Moulder	Teague, Tex.
Horan	Multer	Thomas
Hosmer	Murphy	Thompson, La.
Huddleston	Murray	Thompson, Tex.
Hull	Natcher	Thomson, Wyo.
Ikard	Nix	Thornberry
Inouye	Norblad	Toll
Irwin	Norrell	Trimble
Jackson	O'Brien, Ill.	Tuck
Jarman	O'Hara, Ill.	Udall
Jennings	O'Hara, Mich.	Ullman
Johnson, Calif.	Oliver	Vanik
Johnson, Colo.	Osmers	Van Zandt
Johnson, Md.	Ostertag	Vinson
Johnson, Wis.	Passman	Wainwright
Jonas	Pelly	Wallhauser
Jones, Ala.	Perkins	Walter
Karsten	Pfost	Wampler
Karth	Philbin	Watts
Kasem	Pilcher	Weis
Kastenmeier	Pirnie	Wharton
Kearns	Poff	Whitener
Kee	Porter	Whitten
Keith	Price	Widnall
Kelly	Prokop	Wier
Kilday	Pucinski	Williams
Kilgore	Quie	Willis
King, Calif.	Rabaut	Winstead
King, Utah	Rains	Withrow
Kirwan	Randall	Wolf
Kitchin	Ray	Wright
Kluczynski	Reece, Tenn.	Young
Knox	Rees, Kans.	Younger
Kowalski	Rhodes, Ariz.	Zablocki
Lane	Rhodes, Pa.	Zelenko
Lankford		

NAYS—47

Allen	Hoeven	Mumma
Andersen, Minn.	Hoffman, Mich.	Nelsen
	Jensen	O'Konski
Berry	Johansen	Preston
Budge	Lafore	Saylor
Bush	Laird	Scherer
Byrnes, Wis.	Landrum	Short
Cederberg	Langen	Siler
Cunningham	Latta	Simpson, Pa.
Dague	Lipscomb	Smith, Calif.
Devine	McMillan	Taber
Dorn, S.C.	Machrowicz	Teague, Calif.
Dowdy	Mason	Utt
Gross	Matthews	Weaver
Haley	Milliken	Wilson
Hiestand	Moore	

NOT VOTING—65

Addonizio	Canfield	Goodell
Alger	Carter	Gray
Anfuso	Cooley	Hall
Ayres	Daniels	Harrison
Barden	Delaney	Hess
Baumhart	Derwinski	Holifield
Becker	Dulski	Jones, Mo.
Blitch	Durham	Judd
Bolton	Evins	Keogh
Brewster	Ford	Kilburn
Broyhill	Gallagher	Miller, N.Y.
Buckley	Gary	Lesinski
Byrne, Pa.	Giaimo	McDonough

McSween	Pillion	Staggers
Marshall	Poage	Taylor
Martin	Powell	Teller
Minshall	Quigley	Thompson, N.J.
Moeller	Reuss	Tollefson
Moorhead	Riehlman	Van Pelt
O'Brien, N.Y.	St. George	Westland
O'Neill	Sheppard	Yates
Patman	Sikes	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Taylor against.
Mr. Keogh for, with Mr. Van Pelt against.
Mr. Yates for, with Mr. Kilburn against.

Until further notice:

Mr. Anfuso with Mr. Martin.
Mr. Addonizio with Mr. Baumhart.
Mr. Holifield with Mr. Becker.
Mr. Harrison with Mr. Broyhill.
Mr. Sheppard with Mr. Riehlman.
Mr. Sikes with Mr. Westland.
Mr. Moorhead with Mr. Miller of New York.
Mr. O'Neill with Mr. Alger.
Mr. Giaimo with Mrs. Bolton.
Mr. Gallagher with Mr. Judd.
Mr. Teller with Mr. Ayres.
Mr. Byrne of Pennsylvania, with Mr. Hess.
Mr. Dulski with Mr. Ford.
Mr. Hall with Mr. Tollefson.
Mr. Staggers with Mr. Minshall.
Mr. Thompson of New Jersey with Mr. Derwinski.
Mr. Delaney with Mr. Saylor.
Mr. Daniels with Mr. Pillion.
Mr. Evins with Mr. Goodell.
Mr. Moeller with Mr. Canfield.
Mr. Brewster with Mr. McDonough.
Mr. O'Brien of New York with Mrs. St. George.

The result of the vote was announced as above recorded.

The doors were opened.

SUSPENSION OF THE RULES

The SPEAKER. The unfinished business is, Will the House suspend the rules and agree to House Resolution 379?

The Clerk read the resolution, as follows:

Resolved, That it shall be in order for the Speaker at any time on Thursday, September 10, 1959, and at any time during the remainder of the week, to entertain motions to suspend the rules, notwithstanding the provisions of clause 1, rule XXVII.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

INCREASED PER DIEM ALLOWANCE FOR TRAVEL

The SPEAKER. The further unfinished business is, Will the House suspend the rules and pass the bill (H.R. 5196) to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes?

The Clerk read the title of the bill.

The question was taken; and on a division (demanded by Mr. HALLECK) there were—ayes 246, noes 68.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended was passed.

OVERSEAS DIFFERENTIALS AND ALLOWANCES ACT

The SPEAKER. The further unfinished business is, Will the House suspend the rules and pass the bill (H.R. 7758) to improve the administration of oversea activities of the Government of the United States, and for other purposes, as amended.

The question was taken; and on a division (demanded by Mr. JOHANSEN) there were—ayes 249, noes 71.

Mr. JOHANSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day.

The Clerk will call the first individual bill on the calendar.

PAGE A. WILSON

The Clerk called the bill (S. 36) for the relief of Page A. Wilson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Page A. Wilson, Major, United States Air Force, is hereby relieved of all liability for repayment to the United States of the sum of $1,718.80, representing the balance as of May 1, 1959, of overpayments of longevity pay paid to him as the result of his claiming membership in the Enlisted Reserve Corps of the Army for the period November 17, 1930, to September 8, 1933, which period was disallowed by the Air Force after the said Page A. Wilson had been paid on the basis of such period for over fourteen years, the said Page A. Wilson having believed such period had been verified a short time after it had been originally claimed by him.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, to the said Page A. Wilson, any sum or amounts received or withheld from him after May 1, 1959, on account of the overpayments referred to in the first section of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARSHALOUIS SIMEONIAN

The Clerk called the bill (S. 1081) for the relief of Arshalouis Simeonian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (6) of section 212(a) of the Immigration and Nationality Act, Arshalouis Simeonian may, if he is found to be otherwise admissible under the provisions of such Act, be issued a visa and be admitted to the United States for permanent residence, under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States, deems necessary to impose: *Provided,* That a suitable or proper bond or undertaking, approved by the Attorney General, shall be given by or on behalf of the said Arshalouis Simeonian in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such Act: *Provided further,* That this Act shall apply only to grounds for exclusion under paragraph (6) of section 212(a) of such Act known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MATILDA KOLICH

The Clerk called the bill (S. 1613) for the relief of Matilda Kolich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Matilda Kolich, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Vid A. Kolich, citizens of the United States: *Provided,* That the natural parents of Matilda Kolich shall not, come by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM J. BARBIERO

The Clerk called the bill (H.R. 7036) for the relief of William J. Barbiero.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William J. Barbiero, of Brooklyn, New York, the sum of $2,000. The payment of such sum shall be in full settlement of all the claims of William J. Barbiero against the United States for loss of earnings and damage to his property due to the deterioration in storage, as a result of delay on the part of agents of the United States in processing his petition for the return of his truck, the sole asset of his trucking business, which had been confiscated through no fault of his by agents of the United States Treasury on October 21, 1958: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike "$2,000" and insert "$300."

Page 1, line 8, strike "earnings."

Page 1, lines 9, 10, and 11, strike ", as a result of delay on the part of agents of the United States in processing his petition for the return."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES H. BIEDERMAN

The Clerk called the bill (H.R. 8761) for the relief of the estate of Charles H. Biederman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitations, the lapse of time, the limitations contained in sections 322 and 3774 of the Internal Revenue Code of 1939, or the defense of res adjudicata and particularly such a defense of res adjudicata with respect to the decision of the Tax Court of the United States entered August 26, 1948, pursuant to a stipulation entered into on August 16, 1948, by a guardian of Charles H. Biederman, jurisdiction is hereby conferred on the Court of Claims to hear, determine, and render judgment on the claim of the estate of Charles H. Biederman, deceased, for the overpayment of Federal income taxes of the said Charles H. Biederman for the taxable years 1936 and 1944, inclusive, together with the amounts of penalties and interest paid thereon.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OURANIA BEN BLIKAS

The Clerk called the bill (S. 2101) for the relief of Ourania Ben Blikas.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. WALTER. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Ourania Ben Blikas shall be held and considered to be the natural-born minor alien child of Mr. and Mrs. Ben John Blikas, citizens of the United States: *Provided,* That the natural mother of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPT. THOMAS J. McARDLE

The Clerk called the bill (S. 1149) for the relief of Capt. Thomas J. McArdle.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Captain Thomas J. McArdle, United States Air Force, a sum equal to the amount which he would have received under the Armed Forces Leave Act of 1946 if he had made timely application under such Act for compensation for unused accrued leave, the said Captain McArdle having failed to make application for such compensation because of the confidential nature of his assignment in the United States Air Force during the period allowed for filing under such Act.

The bill was orderd to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DONALD G. COPLAN

The Clerk called the bill (S. 1891) for the relief of Donald G. Coplan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Donald G. Coplan, Minneapolis, Minnesota, the sum of $500. Such sum represents reimbursement in the amount of the judgment and costs for which the said Donald G. Coplan was held liable and has paid as a result of a civil action in the court of the State of Minnesota. This civil action arose out of an accident which occurred on Octobr 4, 1955, between an automobile owned by the said Richard Vossen and a United States mail truck driven by the said Donald G. Coplan, a motor vehicle operator in the Minneapolis post office motor vehicle service: *Provided,* That no part of the amount appropriated in this Act shall be paid to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. PHILIP M. WHITNEY—DECORATION TENDERED BY FRANCE

The Clerk called the bill (S. 252) to authorize Col. Philip M. Whitney, U.S. Army, retired, to accept and wear the decoration tendered him by the Government of the Republic of France.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Colonel Philip M. Whitney, United States Army, retired, is authorized to accept and wear the decoration known as the Croix de Guerre with palm, and to accept any supporting documents tendered him by the Government of the Republic of France. The Secretary of State shall deliver such decoration and any such supporting documents to the said Colonel Philip M. Whitney.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF JOHN STEVE

The Clerk called the bill (H.R. 1540) for the relief of Edward F. Stefan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $11,506.21 to Edward F. Stefan, the brother of John Steve, CBM (PA), United States Naval Reserve, deceased, in full settlement of all claims against the United States. Such sum represents arrears of pay and allowances and the six months' death gratuity pay, which he would have been entitled to had he filed claim prior to the limitations of time after the death of his brother, the said John Steve, whose death was established on October 24, 1944: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5: Strike "$11,506.21" and insert "$10,181.41".

Page 1, line 6: Strike "Edward F. Stefan, the brother" and insert "the Estate".

Page 1, lines 9, 10, and 11: Strike "and the six months' death gratuity pay, which he would have been entitled to had he filed claim prior to the limitations of time after the death of his brother."

Page 2, line 3: Strike "in excess of 10 per centum thereof".

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill for the relief of the estate of John Steve."

A motion to reconsider was laid on the table.

MARGARET P. COPIN

The Clerk called the bill (H.R. 4546) for the relief of Margaret P. Copin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Civil Service Retirement Act, Mrs. Margaret P. Copin, Annandale, Virginia, shall be held and considered to have performed twenty years of service which is creditable for the purposes of such Act.

Any annuity payable by reason of this Act shall commence as of October 1, 1958.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PIONEER AIR LINES, INC.

The Clerk called the bill (H.R. 4965) for the relief of Pioneer Air Lines, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment, with such interest as the Court may determine, upon the claim of Pioneer Air Lines, Incorporated, against the United States for such sums as the court may find Pioneer Air Lines, Incorporated, to be legally or equitably entitled as a result of acts or failures to act by the Civil Aeronautics Board, including the decision rendered by the Civil Aeronautics Board in 1953 (docket numbered 5499) denying a mail pay subsidy increase which resulted in or was the occasion for damage to Pioneer Air Lines, Incorporated. The court, in reviewing the decision and the conduct of the Civil Aeronautics Board and its members, may enter judgment in favor of Pioneer Air Lines, Incorporated, to compensate it for such damage is it may find was caused or occasioned by all the circumstances surrounding the issuance of the Civil Aeronautics Board's decision and by the decision itself.

SEC. 2. Suit upon such claim may be instituted at any time within six months after the date of the enactment of this Act, notwithstanding the lapse of time, laches, or any other statute of limitations. Proceedings for the determination of such claim, appeals therefrom, and payment of any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under section 1491 of title 28 of the United States Code. Nothing in this Act shall be construed as an implication of liability on the part of the United States.

With the following committee amendment:

Strike all after the enacting clause and insert "That jurisdiction is hereby conferred upon the courts of appeals of the United States and the United States Court of Appeals for the District of Columbia to review the decision of the Civil Aeronautics Board in the case of Pioneer Air Lines, Incorporated (Docket Number 5499), including the orders of the Board dated March 13, 1953, and May 4, 1953.

"SEC. 2. A petition for review may be filed by Pioneer Air Lines, Incorporated, at any time within sixty days after the date of the enactment of this Act as of right and notwithstanding the expiration of a period of more than sixty days from the dates of said orders.

"SEC. 3. Except as provided in section 2 of this Act, any petition for review which may be filed by Pioneer Air Lines, Incorporated, shall be governed by the provisions of section 1006 of the Civil Aeronautics Act (49 U.S.C. 646)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAM J. BUZZANCA

The Clerk called the bill (H.R. 6712) for the relief of Sam J. Buzzanca.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sam J. Buzzanca, Birmingham, Alabama, the sum of $8,100. The payment of such sum shall be in full settlement of all claims of the said Sam J. Buzzanca against the United States for reimbursement to him of amounts paid by him to the United States for real property formerly belonging to W. H. Brown seized by the Internal Revenue Service and sold for unpaid taxes: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, change the period after "$8,100" to a comma and add the following: "upon conveyance to the United States of America by said Sam J. Buzzanca of all his right, title and interest in and to real property situated in McCalla, Alabama, all as described and set forth in a quitclaim deed dated July 7, 1955, to said Sam J. Buzzanca from George D. Patterson, District Director of Internal Revenue, filed in the office of the Judge of Probate, Tuscaloosa County, State of Alabama, August 18, 1955, and recorded in Deed Record book 370, page 71, and his signature and acknowledgment of all papers, instruments, documents and releases that may be required from him by the United States of America in acquiring said right, title and interest."

Page 1, line 6, after the word "The", insert "conveyance of said right, title and interest and the."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEAL E. ANDERSEN

The Clerk called the bill (H.R. 6885) for the relief of Neal Anderson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Neal Anderson, Stockton, California, the sum of $343.37. The payment of such sum shall be in full settlement of all claims of the said Neal Anderson against the United States for reimbursement of the amount required to be paid by him for the transportation of his household goods from the United States Air Force storage branch, Savannah, Georgia, to the Hamilton Air Force Base, California, under Government bill of lading numbered WX-8584605, dated April 22, 1953, following the receipt of orders dated March 9, 1953, directing his release from active duty as a captain in the United States Air Force Reserve: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike "Neal Anderson" and insert "Neal E. Andersen."

Page 1, line 7, strike "Neal Anderson" and insert "Neal E. Andersen."

Page 2, line 6, strike "in excess of 10 per centum thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill for the relief of Neal E. Andersen."

A motion to reconsider was laid on the table.

JOHN NAPOLI

The Clerk called the bill (H.R. 7260) for the relief of John Napoli.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Napoli, San Francisco, California, the sum of $46,141. Payment of such sum shall be in full settlement of all claims of the said John Napoli against the United States for personal injuries, loss of and damage to his personal property, and other loss and damage resulting from his activity in saving, courageously and with sacrifice of his own health and property, the lives of naval personnel in connection with the sinking of the United States ship Benevolence on August 25, 1950. The said John Napoli shall not be obligated to repay to the United States any sums heretofore paid to him on account of such injuries, loss, and damage: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike "$46,141" and insert "$25,000."

Page 2, lines 6 and 7, strike "in excess of 10 per centum thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM E. DULIN

The Clerk called the bill (H.R. 7932) for the relief of William E. Dulin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That William E. Dulin, Adelphi, Maryland, is hereby relieved of all liability to refund to the United States the sum of $565.90. Such sum is the aggregate amount of salary erroneously paid to the said William E. Dulin for the period beginning July 17, 1955, and ending September 20, 1958, but without knowledge of such error on his part, in connection with the reallocation of his civilian position at the United States Naval Gun Factory, Washington, District of Columbia, from grade 5 to grade 4 of the General Schedule of the Classification Act of 1949, as amended. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be allowed for the amount for which liability is relieved by this section.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said William E. Dulin, a sum equal to the aggregate of the amounts (if any) which have been repaid by him to the United States or which have been withheld by the United States from amounts otherwise due him from the United States, by reason of the liability of which he is relieved by the first section of this Act. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8: strike out "1955" and insert "1958."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

FATHER KENNETH M. RIZER

The Clerk called the bill (H.R. 7935) for the relief of Father Kenneth M. Rizer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $963 to Father Kenneth M. Rizer, of Norfolk, Virginia. Payment of such sum shall be in full settlement of all claims of Father Kenneth M. Rizer against the United States arising out of the collision which occurred at about 12:30 a.m., October 23, 1956, on Airport Parkway in Allegheny County, Pennsylvania, between a truck owned by the United States and being driven by a member of the United States Air Force and an automobile being driven by Father Kenneth M. Rizer. This claim is not cognizable under tort claims procedure as provided in title 28, United States Code: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS ELSIE ROBEY

The Clerk called the bill (H.R. 8110) for the relief of Miss Elsie Robey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Miss Elsie Robey, of Breckenridge, Michigan, the sum of $25,000. The payment of such sum shall be in full settlement of all the claims of Miss Elsie Robey against the United States arising out of an accident in Saginaw, Michigan, on May 31, 1943, in which she was struck by a United States Post Office truck and received severe and permanent injuries: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike "$25,000" and insert "$10,000."

Page 2, lines 1 and 2, strike "in excess of 10 per centum thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MACO WAREHOUSE CO.

The Clerk called the bill (H.R. 8801) for the relief of the Maco Warehouse Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Maco Warehouse Company, Stockton, California, the sum of $1,745.86. The payment of such sum shall be in full settlement of all claims of such company against the United States for the cost of certain alterations and repairs made by such company to certain premises leased from the United States under contract numbered DA(s)04–203–eng–211, dated June 23, 1950, for which costs such company has not been reimbursed. Such sum represents the difference between the total amount determined by the United States Court of Claims to be equitably due such company from the United States and the amount of a certain judgment ordered by such court to be entered in favor of the United States against such company. Such determination and judgment, and other findings of fact with respect to this matter, are contained in the congressional reference case styled Maco Warehouse Company California against The United States (No. Cong. 2–56), decided January 14, 1959. Such judgment in favor of the United States shall be held and considered to be satisfied upon acceptance by such company of the sum to be paid under this section.

SEC. 2. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARDY MANUFACTURING CORP.

The Clerk called the resolution (H. Res. 266) referring H.R. 7081 to the U.S. Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H.R. 7081) entitled, "A bill for the relief of the Hardy Manufacturing Corporation," together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections, and report to the House of Representatives at the earliest practicable date, giving findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable against the United States, and the amount, if any, legally or equitably owing by the United States to the claimant.

The resolution was agreed to, and a motion to reconsider was laid on the table.

APPOINTMENT OF ELWOOD R. QUESADA

The Clerk called the bill (S. 2500) to authorize the appointment of Elwood R. Quesada to the retired list of the Regular Air Force, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other law, the President alone is authorized to appoint Elwood R. Quesada, formerly a retired lieutenant general, United States Air Force, to the grade of lieutenant general on the retired list of the Regular Air Force, with the pay, allowances, emoluments, perquisites, rights, privileges, and benefits of an officer of his grade and length of service who was on that retired list on May 31, 1958. No pay, allowances, or other benefits shall become due as a result of the enactment of this act for any period before the effective date of his appointment under this act.

SEC. 2. The effective date of the appointment authorized by this act is the day after Elwood R. Quesada ceases to hold office as Administrator of the Federal Aviation Agency, or the day before the death of Elwood R. Quesada, whichever is earlier.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC WORKS APPROPRIATION BILL, 1960

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9105) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 30 minutes, half of that time to be controlled by the gentleman from Iowa [Mr. JENSEN] and half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. JENSEN. Mr. Speaker, I hope the gentleman from Missouri, the chairman of the committee, will revise his request and make it 1 hour, that is, 30 minutes on each side. Will the gentleman do that?

Mr. CANNON. Mr. Speaker, at the suggestion of the gentleman from Iowa, I ask unanimous consent that general debate be limited to 1 hour, half of the time to be controlled by the gentleman from Iowa and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 9105, with Mr. BOGGS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON. Mr. Chairman, it is not necessary to debate this bill again. It was thoroughly analyzed and discussed at the time it was passed by the House. It was again dissected and debated when it was reported back to the House from the Committee of Conference. And it was exhaustively debated and scrutinized when it was vetoed.

It is the identical bill vetoed by the President with the exception that there is an across-the-board reduction of 2½ percent.

But you will recall, the President did not object to the amount in the bill so the reduction of 2½ percent is not a matter in issue. Neither did he object to first start. His only objection was to unbudgeted construction.

All the Presidents except eight have exercised the right of veto. Jefferson did not veto a single bill during his two terms of office.

President Grover Cleveland was the first President to make a notable record in vetoing bills. He vetoed 414 bills—more than all previous Presidents combined. Of all the Presidents he was exceeded only by that great breaker of all records, Franklin D. Roosevelt, who vetoed 632 bills.

So the bill before us today does not present a single new issue. It is the same bill we debated before. It is the same bill we passed. It is the same bill the President vetoed.

Everyone is thoroughly conversant with the bill. Further exposition would be superfluous.

It is however a precedent breaker in one respect. It is the first vetoed bill in the history of the Congress ever reported back to the House still carrying in full the material objected to in the veto message. All former vetoed bills have either been reported back to the House and passed without the interdicted matter or have not been reported back at all.

Mr. Chairman, I reserve the balance of my time.

Mr. JENSEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, at the outset of my remarks I want to say that had our great President known all the facts relative to this bill, and had he received proper advice, which I am sure he did not receive, I am sure President Eisenhower would not have vetoed this bill. Every President, of course, has a perfect right to veto any bill he sees fit to veto.

I am sure the President did not know that 32 of the projects objected to in the veto message are urgently needed for flood control in order to protect life and property.

I have visited the sites of many of these projects where great floods have raged which have cost the lives of many people and caused property damage of hundreds of millions of dollars. In my home county, a year ago last July 2, a flood occurred which cost the lives of 19 of my friends in that county. Then, Mr. Chairman, last spring, I made two Lincoln Day speeches in Pennsylvania, at Sharon and at Meadville. There I saw with my own eyes the effects of those terrible floods that occurred in Pennsylvania last spring, driving thousands and thousands of people from their homes. This bill which the President vetoed carried money for the construction of a dam that would help control the devastating floods in that area.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I am glad to yield to the gentleman.

Mr. GAVIN. I have in my hand a report from the Department of Commerce, a flood damage report. The flood to which the gentleman refers occurred between January 21 and 25, 1959. The damage in western Pennsylvania was $18,082,199. For western Pennsylvania, including the Pittsburgh district it was $27,871,856, the most devastating, destructive floods that caused $28 million damage in western Pennsylvania in and around the Pittsburgh and Shenango districts.

Mr. JENSEN. I thank the gentleman.

Mr. Chairman, I do not hold our great President in any lower esteem because he vetoed this bill. I am sure he would not have done as President Truman did the day after Congress adjourned in 1947, when he froze 50 percent of the funds which Congress had just that session appropriated for the Army Engineers and the Bureau of Reclamation. The day after the Members of Congress were out of town the President took upon himself to freeze 50 percent of the funds which Congress had appropriated that year for flood control, irrigation, reclamation, hydroelectric power, river improvements and harbor improvements. Then immediately after the devastating flood in November 1947 the President unfroze the 50 percent and said that the Republican-controlled Congress had not appropriated enough money for flood control and he said they were responsible for the terrible floods that occurred.

President Eisenhower will not do that, I am sure.

Mr. Chairman, there are a few facts and figures I want to read into the RECORD that have not been brought out before. President Eisenhower in his budget message did not say he objected to new starts. There is not one word about new starts. He simply said he opposed unbudgeted construction items that were included in the bill.

In his own budget request to the Congress there were 27 new projects for which he asked planning money. There are your new starts. A new start is when you begin spending money for planning and advance engineering. That is as much a necessary part of building a project as is the actual moving of dirt and pouring of concrete.

If in a couple of years, because of the fact that Congress held down for one year appropriated funds to stop devastating floods in many of these areas, we lose many lives, millions of dollars worth of property and folks are driven from their homes, I am not going to have that on my conscience. You can if you

want to. That is every Member's own responsibility.

What did the House Committee accomplish? We brought this public works bill to the floor of the House exactly to the penny the amount that the President had requested in his budget and on final passage of that bill only 20 voted nay, while 380 voted yea, and it is noteworthy that the leaders on both sides of the aisle voted yea.

It is true that some new projects were included in the House bill. Yes, there were projects in that bill for districts represented by Democrats and Republicans alike. Many of my colleagues came to me and said "the flood problem out in my district is terrific and my people are concerned about it. They want the money to control those devastating floods."

Now the facts are, of course, when Members on the other side of the aisle put in projects in the districts of their Members it is very natural that Members on this side take the position that if you are going to put in projects for Members on your side of the aisle, we will have to try to match it to some degree at least, and we have included in the bill a number of worthy projects.

What happened when this bill went over to the Senate? That body increased our appropriations by $80 million. The House conferees battled for 2 days with the Senate conferees and we struck out 15 unbudgeted construction projects of the 30 which the Senate had added. Those 30 that they added would ultimately have cost $585,700,000. The final cost of the 15 unbudgeted projects which the House conferees were successful in striking from the Senate bill amounted to $460 million plus. We left only $125,600,000 in the conference report for unbudgeted projects which the Senate added to the House bill.

I am sure the President of the United States did not have those facts before him. He was a very busy man those days. He was arranging for his trip abroad to bring peace to the world and action on this bill was of lesser importance to President Eisenhower. But he had bad information from the Bureau of the Budget and from his other close associates. They claimed that the unbudgeted projects in this bill would ultimately cost over $800 million. The facts are they were over $300 million wrong, and let us not forget that on an average, from preliminary surveys to completed construction it takes 10 years.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Michigan.

Mr. KNOX. Following along the gentleman's statement, you speak of unauthorized projects and you speak of new starts. There are many projects that have been authorized by Congress. Work had been done on the projects, and then they were suspended. Do you consider that type of project as a new start?

Mr. JENSEN. No; indeed I do not.

Mr. KNOX. I thank the gentleman.

Mr. Chairman, will the gentleman yield further?

Mr. JENSEN. I will be happy to yield.

Mr. KNOX. Well, it is my understanding that the bill which is now before the committee provides for a 2½-percent cut in the overall appropriations which now would bring it within the budget amount as recommended in the President's budget; is that correct?

Mr. JENSEN. That is correct.

Mr. KNOX. If I recall properly, the gentleman from New York [Mr. TABER] offered a motion to refer the bill back to the committee with a 5-percent cut, when the bill was before the House.

Mr. JENSEN. The gentleman is correct. The motion to recommit included an amendment to reduce by 5 percent all projects but the smaller ones.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield for a correction?

Mr. JENSEN. I yield.

Mr. SMITH of Mississippi. I would like to call the attention of the gentleman to the fact that when he uses the term "unauthorized" he means "unbudgeted."

Mr. JENSEN. Unbudgeted, I beg your pardon. I will correct my remarks in that regard. However, there were some unauthorized projects in this bill, too, as far as that is concerned.

Referring back to the question of the gentleman from Michigan—when the full Committee on Appropriations marked up this bill I offered an amendment which provided that we should make an across-the-board cut of 5 percent on all projects amounting to $5 million or more. That amendment was defeated by an almost strict party vote. When the bill came to the floor, a similar amendment was offered by the gentleman from New York [Mr. TABER] in connection with his motion to recommit the bill. I shall offer an amendment to this bill today which will do just that. I shall offer an amendment which will reduce the bill by another 2½ percent in addition to the 2½ percent reduction which the bill provides now as it comes to the floor. That will bring it approximately $30 million below the President's budget request. I do that not only to save the $30 million, but also in the hope that it might forestall another Presidential veto.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I take it, then, that the gentleman means to endorse the principle of the pending bill.

Mr. JENSEN. Yes, with the 2½ percent additional over and above the 2½ percent by which it already has been reduced.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. KEARNS. Mr. Chairman, I should like to pay a special tribute to the gentleman from Iowa [Mr. JENSEN], having been in my district during those disastrous floods. And I should like to pay tribute to the entire Committee on Appropriations and the conferees for having the interests of the American people at heart and for trying to do a job that is really worth while. I know 428,000 people who are going to appreciate the gentleman's efforts and those of the committee.

Mr. JENSEN. I thank the gentleman.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. JONAS. The gentleman from Iowa stated that the $800 million figure cost figure was overstated by $300 million.

Mr. JENSEN. Over $300 million.

Mr. JONAS. I call the gentleman's attention to the fact that the distinguished Chairman of the House Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], put a table in the RECORD itemizing the projects and the total cost of the 67 unbudgeted projects comes to $800 million which is exactly the figure used in the President's veto message. Will the gentleman please clarify that apparent inconsistency.

Mr. JENSEN. Yes, I will. After those figures were put in the RECORD, the clerks of the Public Works Appropriations Committee went into the matter item-by-item and they brought out the facts and the figures which can be proven. The net cost after 1960 for the projects that have been added by the bill which the President vetoed would be $476,918,247.

Mr. JONAS. It is true, though, that the figures placed in the RECORD by the gentleman from Missouri [Mr. CANNON] agree with the $800 million figure given by the President?

Mr. JENSEN. I cannot help that. I am sure the gentleman from Missouri [Mr. CANNON], will now agree that the figures which the clerks have prepared are correct as I have stated.

Mr. THOMSON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. THOMSON of Wyoming. In reclamation, which is the part with which I am familiar, I point out to the gentleman from North Carolina that the Burns Creek project is unauthorized and cannot be constructed in any event, which takes away $45 million from the $206 million eventual cost to which the President objected. Furthermore the Trinity power project, which I do not think ever should have been in the bill is still left in the bill prepared to meet the President's objection and comes to $60 million. There is over $105 million off the $206 million cited by the President, in reclamation. When you take off the $17 million for the small loan projects which will all be constructed in 1 year, the eventual cost is $85 million instead of $206 million as stated in the veto message.

Mr. JENSEN. At this point, Mr. Chairman, I insert a summary of the 67 unbudgeted construction items in the veto message.

Summary of 67 unbudgeted construction items in veto message

Project	Number	Total estimated Federal cost
Total unbudgeted construction items	67	$804,526,600
Deduct:		
Unauthorized projects included in totals:		
Burns Creek, Idaho	1	−44,616,000
Kahului Harbor, Hawaii	1	−963,000
Gulf Intracoastal Waterway, channel to Port Mansfield	1	−3,446,060
Subtotal, unauthorized projects	3	−49,025,000
Projects that will be completed with 1960 appropriations:		
Dillingham Harbor, Alaska	1	−412,000
Redwood City Harbor, Calif	1	−1,380,000
Apalachicola Bay, Fla.:		
(a) Channel at East Point (reimbursement)	1	−39,100
(b) St. George Island (reimbursement)	1	−43,000
Algiers Cutoff, Jefferson Plaquemine Drainage District, Louisiana	1	−1,420,000
Boston Harbor (35 feet reserved channel)	1	−829,000
Pascagoula Harbor, Miss	1	−1,248,000
Buttermilk Channel, N.Y	1	−1,551,000
Port Aransas—Corpus Christie Waterway, channel to La Quinta, Tex. (reimbursement)	1	−959,000
Subtotal, projects completed in 1960	9	−7,881,100
Deduct—Continued		
Allegheny River Reservoir (present budget included carryover funds to resume construction when Supreme Court issue settled)	1	−$113,000,000
Trinity power facilities (recommended in veto message if partnership proposal not authorized)	1	−59,607,000
Reclamation loan program	6	−17,989,000
Total, above deductions	20	−246,602,100
Balance, veto list	47	557,924,500
Less:		
Appropriated through 1959		−10,147,253
Amount in bill for 1960		−33,076,000
Remaining cost after 1960	47	514,701,247
Budgeted projects stopped by Congress	−3	−37,783,000
Net cost after 1960	44	476,918,247

Of the 47 projects 32 are flood control, 7 are navigation, 7 are reclamation, and 1 is multipurpose.

Only 9 of the 47 projects have a cost in excess of $20,000,000, and only 2 of these exceed $50,000,000.

22 of the projects have a cost of less than $5,000,000; 33 of the 47 projects have a cost of less than $10,000,000.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. WALTER. I note in the report that the reduction is 2½ percent. Does that mean 2½ percent of the budget estimate or 2½ percent of the conference allowance?

Mr. JENSEN. That means 2½ percent of the total conference allowance.

Mr. CLEM MILLER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. CLEM MILLER. In view of the confusion over the authorized and unauthorized projects that are in this budget, I wonder if the gentleman would clarify the situation as to the unauthorized projects in this bill.

Mr. JENSEN. Yes, I shall do that right now. I shall put the whole story in the RECORD.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman.

Mr. HALLECK. We can all get time under the 5-minute rule, I understand. Did the gentleman have in mind yielding any time?

Mr. JENSEN. No one asked me for time.

Mr. HALLECK. I have not made any formal request; that is true.

Mr. JENSEN. Does the gentleman want some time yielded to him?

Mr. HALLECK. Yes; before this is over.

Mr. JENSEN. Continuing now with the list of unauthorized projects: Burns Creek, Idaho. The final total cost of that project would be $44,616,000.

The Kahului Harbor, Hawaii project, $963,000.

The Gulf Intracostal Waterway channel to Port Mansfield, $3,446,000. That is a total of $49,025,000, which represents the ultimate cost of the unauthorized projects in the bill, when they are completed.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. MAHON. Did not the bill provide that no funds could be expended for the unauthorized projects unless they were authorized by the Congress?

Mr. JENSEN. That is correct.

Permit me to say in closing that I challenge any Member of this House to match my record for economy. If there be such a Member, let him stand in his place and speak up.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. KIRWAN].

Mr. KIRWAN. Mr. Chairman, I am not here today to talk about why the President vetoed the bill. But I am here to try to tell you a little bit of the history of these things. When the first of the year came and this Congress went into session, the President sent word to the Congress that he wanted economy. Yet we have bought over $8 billion worth of minerals for the stockpile and over $4 billion worth are excess to our maximum defense needs. Nearly every general, admiral, and Air Force chief who comes before us tells us that the next war, if it comes, would last maybe only a few days or at best weeks. But, we have over $8 billion worth of minerals, enough to last many years, and we are still buying. The other day we voted to increase the tax on gasoline by 1 cent to provide more funds for highways. I voted for it. I am not condemning anyone who voted against it. But the gentleman from Wyoming will tell you that they are building cloverleafs costing millions in Wyoming where, if you see an automobile coming along, by golly you stop to see what State it is from. But nobody is objecting to that waste. And we have the surplus wheat situation which has cost millions. Yet when it comes to flood control, people are economy minded all of a sudden.

Take a look at the record on these projects. There are only two projects in this bill that are not authorized, and the funds cannot be spent until they are authorized. They were not put in there blindly. Every project in this will stand the acid test. The Army Engineers have approved them and the Public Works Committee that authorized them—not the appropriating committee, heard the testimony for weeks and put its okay on each project. They all have a good rating. But, did anybody in this Congress get any project ratings on the millions and millions of dollars we are sending abroad on public works? Do you even know what countries these projects are going to be built in?

We must remember that we also have a responsibility to take care of our own country. My colleague, the gentleman from Iowa, and I saw thousands being put out of their homes last January—families—with children being held in the arms of their parents in zero weather looking at the water coming in the second floor windows. The Budget Bureau sent people down there who had never seen a flood in their lives and yet we are expected to let them select the projects to go in this bill. It only costs $13 million to build that dam and reservoir that I have in mind, and it is not in my district. The local interests are paying half the cost. But the flood damage was $16 million—is that economy? The flood stopped all the industrial plants from operating. Mr. JENSEN saw the situation in Sharon, Pa. I went there too, and I saw it. But the Budget Bureau objects to our appropriating construction funds this year because it was not in their budget. Despite the flood they included this

project on the veto list. Some of their staff have never seen a flood and yet they send the budget up here and expect to tell us what we should do. I again repeat—we had better stop, look, and listen. I have told you many, many times on the floor of the House here that every dollar invested in America will come back 100 percent. It cannot fail, but all the money that is being invested all around the world—very little of that is going to come back home to do you any good. That is why I am asking you here today to accept this bill the way the committee has reported it to you.

Every project in the bill will stand the acid test. I urge everyone here to do something for your country. God gave us this country. God gave us the soil, the rocks, the mountains, the woods, the streams. Let us do a good job protecting and preserving them. Let this be one of the few times in history that we do something in and for America.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. It is a little difficult to understand why this bill should be called a pork barrel bill. In 1927 we had a flood in the lower Mississippi Valley that cost the economy of this Nation in excess of $1 billion and more importantly, cost 329 lives.

There are records available proving that for each dollar spent in the valley the return has been $4.50. On a national basis for each $1 spent in public works type projects there has been a return of $2.10. Those records are available to any of you.

Unless you start a project you can never complete one. If new projects have favorable cost-benefit ratios we should continue the new starts policy.

Now, for the benefit of the members of the committee who have been too busy to study the Foreign Operations Subcommittee hearings, I refer you to pages 940 and 941 of the hearings for 1960 on the foreign aid bill—the gentleman from New York [Mr. TABER] I am sure will recall this—you will see listed the different types of public works projects being carried on in other nations. So far as we can determine not one of those projects has ever received the careful planning and scrutiny of the Corps of Engineers, the Bureau of the Budget, or the Congress; nor has there ever been any cost-benefit ratio figure for these projects submitted to the committee. The foreign aid program contained 2,866 projects scattered all over the world. Approximately 1,000 of them have been abandoned.

If you will refer to page 1205 of the hearings you will discover that the witness told us that even after discontinuing some of the projects they still had in the neighborhood of 1,450 projects underway financed by the foreign aid appropriation bill.

You are talking now about a planned public works program, yet you will find the same administration that vetoed this bill is asking for a foreign aid bill where there are over 1,450 projects programed for expenditures in the same fiscal year.

If you will read the foreign aid hearings you will certainly find out that some of the people who are advocating cutting our own public works program—a properly planned program and where part of the cost is reimbursable—are urging appropriations in the foreign aid bill for public works projects in some 76 nations of the world.

We must be consistent. If we are to have no new starts in this country certainly we should have no new starts in the foreign aid bill.

Mr. Chairman, I ask unanimous consent to revise my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. JENSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, first of all I should like to make reference to the remarks of the gentleman from Iowa [Mr. JENSEN] about the return of our great President from his trip to Europe. I want to take this opportunity to say that the President is quite pleased with the results of that trip. He is mighty happy to be back. I personally feel that he has done much by the trip to promote the peace of the world and I think future actions on his part will be in the same line.

To say that his veto of this bill was not promoted by his own firm conviction is not right. His determination to veto this bill was made before he left for Europe and was made on his own responsibility.

As the chairman of the committee has pointed out, our President has used the veto sparingly, may I say, in comparison with some predecessors who have vetoed bills in great numbers. I do not think this is any abuse of the President's privilege.

The statements I have heard thus far, and particularly coming from the chairman of the committee, for whom I have the greatest respect, would seem to be inviting a veto.

I would like to read to you now, before you think this is too funny, what the chairman of the committee, the gentleman from Missouri, had to say when this bill was before the House last June. He said:

> Mr. Chairman, this is one of the important bills of the session. It is the bill which unbalances the budget.

He went on to say:

> But, Mr. Chairman, you know—and if you do not know—this bill demonstrates conclusively that it is not the national defense expenditures that unbalance the budget. It is the nondefense items that unbalance the budget.

Then he went on to say, speaking on this very bill:

> We cannot escape the responsibility for the situation as we find it today. Congress spent the money and increased the national debt and brought on the inflation. The responsibility is right here on this floor. We cannot offer an alibi. We cannot pass the buck. And the reason we can no longer sell bonds at 2 percent is because we have steadily and stubbornly and continuously refused to retrench expenditures and begin systematically and methodically to reduce the national debt and stop inflation. Congress did it and let no one try to make the people back home believe any different.

Then he said further what you may well take to heart because he made the speech that needed to be made on this floor. I did not have to make it.

> But this Congress has doubled the cost of breakfast, doubled the cost of school clothing. Ah; it comes home to you. Congress has increased the cost of living of every family in the district of every Member of this House.

Mr. Chairman, I hope an amendment will be offered to bring this bill in line with what the President requested. I think it is reasonable, I think it is right, and I think it is in the best interests of the country. I realize, of course, that many of our folks at home are for economy if you take the "me" out of it. I have experienced that. So have you. But there is only one way I know of to bring down the cost of the Government and that is to begin to cut the very things that the gentleman from Missouri talked about, and they are as true as true can be.

You have the votes to defeat this amendment that will be offered by the gentleman from New York [Mr. TABER]. You have the votes to do it, and you will do it. I do not know what the final action on the bill will be, but, in any event, I want the responsibility to rest just where it should.

As far as I am concerned I shall support the amendment. If it carries I shall vote for the bill. If it does not carry I am going to vote against the bill. I am going to follow the advice of the chairman of this great committee.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. RILEY].

Mr. RILEY. Mr. Chairman, I have asked for this time to refresh the minds of the members of the committee in regard to a few salient facts with reference to this appropriation bill.

For several months the subcommittee that handled this bill worked diligently screening the requests that were made and ascertaining the facts in regard to them. There were 1,150 witnesses who appeared before this subcommittee and gave testimony in regard to these projects. Seven or eight hundred of them came from all over the United States, many of them at their own expense, some of them supported by organizations that were interested in a particular project, to give testimony to the Congress.

Now, the first question I want to ask is this. Who has the best information in regard to this bill, the subcommittee that heard these witnesses, or the pencil-and-paper boys down at the Bureau of the Budget? Every project was carefully considered and every item in this bill was passed by both Houses of Congress and they weathered the conference. So, it represents the best thinking of both this body and the other body. And, I call your attention to this fact, that in the committee the other day they decided that they could not improve this bill over the bill that was presented before, except to bring it within

the dollar limit set by the Bureau of the Budget, in order to hold the budget within bounds. It is the same bill with everybody taking a little cut in order to bring it in line, and it represents, again I tell you, the best thinking of both this body and the other body.

Now, in regard to these new projects, budget requests are made up about a year before they are presented to the Congress. Now, I do not believe that even the omniscient Bureau of the Budget can anticipate emergencies and problems a year in advance. Unprecedented floods occurred in many of the States: Kentucky, Ohio, Pennsylvania, New York, and other States; one unprecedented and disastrous flood after the other. Do you think that this body should sit here and not take cognizance of that; not make some effort to prevent a recurrence? There is not a vetoed item in this bill that affects my State, but I am interested and the people of my State are interested in this Nation as a whole. I do not believe that Congress would be faithful to its trust if it did not recognize these emergencies that occur after the budget requests are made.

Now, about the future spending and future costs. Have you no faith in future Congresses? This Congress cannot bind another Congress if it wanted to. Those Congresses must assume their own responsibility and handle the problems as they arise before them.

Now, a whole lot has been said here this morning about economy. Let us see who is economical. Here is a recapitulation of the appropriation requests that were presented to this session of the Congress. And, what did the House do? They have cut $2,756,340,224 off of the requests submitted to them by the bureaus downtown. What happened? There was a stampede over to the other body, with the approval and blessing of the same Bureau of the Budget, to put those cuts back into the bill. Who is concerned about economy, the House or the Bureau of the Budget and the bureaucrats downtown? I do not think that we would be doing our duty if we did not give the proper consideration to the facts that were presented to us.

Mr. Chairman, in my opinion this is a well-considered bill, a fair bill, a reasonable bill, and I hope this House will approve it overwhelmingly.

Mr. CANNON. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, as a member of the Committee on Appropriations, I offered this motion to reduce each item 2½ percent and to retain the 67 new projects, after it became apparent that it would not be offered otherwise. I am not a member of the Public Works Subcommittee. I have no projects in this bill, present, past or future. I offered that motion because I think, and I thought then, that it is high time we took care of our own country. If the President and a majority of the Congress are going to have a foreign aid program of billions of dollars annually; if we are going to raise travel allowances for Federal employees, Federal pay; if we are going to increase benefits to veterans, and provide more inflated dollars to almost everything, if we are going to have all these other things, if we continue using appropriations to put money in the hands of people and thereby increase the national debt. I think that we owe it to our future and to our children to protect our own country, its soil and its natural resources. The President's veto would have us do all these other things at the expense of our own country.

These facts are argument, not against domestic public works but for them. May I say to you that the argument made as to how much we owe, and about the deficit, and all of that, is the strongest argument for giving attention to our own country that I can bring you. May I tell you that the strength of the dollars that we have, the ability to pay debts that we owe, for whatever it is worth, is dependent upon the country that stands behind it.

While I could say many fine things about the chairman of my committee and the ranking Republican member, and we can all second-guess the other fellow, but if I were running the Appropriations Committee, in the capacity of either one of them, the first bill on this floor each and every year would be Public Works. It is not bacon, not pork, but I would protect the base from which all these other things must be supported.

Mr. Chairman, money spent improving the Nation, preventing floods that cause damage of hundreds of millions of dollars—and preventing drought damage, improving harbors, is sound. Yes, I would look out for my country first, recognizing that it is the basis for everything. Then after we have looked after the factory and the home, I would see what else we were able to do. But unfortunately we do not do that. We follow the practice of appropriating for everything else under the sun, then when it comes to this bill, which supports the very foundation of our Nation, we are told we cannot afford to do that, we must let the Nation's resources go because we have committed ourselves to look after everybody else. Is such a course not ridiculous?

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTEN] has expired.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. HOLLAND].

Mr. HOLLAND. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOLLAND. Mr. Chairman the President of the United States by his veto of the public works program covering projects in the United States, has proven to the people of our country that he is more interested in public works that are being built in foreign countries than our own.

Millions of dollars have been given in foreign relief to the countries scattered all over the world to build dams, hydroelectric projects, schools, roads, and many other projects, at the cost of spending sufficient money to develop our own America.

I am in favor of and have voted to assist these underprivileged countries in improving their way of living. However, at the same time I believe we should invest in America, by developing our own resources, in improving our Nation, especially from the ravages of nature in the way of floods. The Commonwealth of Pennsylvania has suffered terrific losses over the years—not only have we had loss of life, and loss of property, but our industries have been affected also as they have been built along our rivers.

This second bill was entirely unnecessary. Republican Representatives in Pennsylvania who through partisan politics voted to sustain the President's veto, voted against their own State.

Today, we are making another try. We hope this time the President shall realize the projects are a must.

The wants of our own country should come first.

Members of Congress are well acquainted with what is necessary in their own districts and have spoken out twice in this session.

The President should listen.

Mr. SMITH of Iowa. Mr. Chairman, some people have interpreted the dispute between Congress and the President over the Public Works Bill as being one over whether it is inflationary or good to have a continuing expansion of public works projects; but, there is another question of great importance. That question is whether the President or the Congress should determine which projects shall be started or included in the money to be invested. This is basically a question of which form of government one believes in.

Under the parliamentary form of government used in England and many western countries, the head of government serves at the pleasure of the legislature and, therefore, would act according to the wishes of a majority of the peoples' elected representatives. In dictatorships which have legislatures, the legislature actually does as the head of government desires, down to the last word. This was the case in Germany after Hitler had whipped his legislative branch into line and is true in military dictatorships in many countries.

We in the United States have a combination of these forms in our government where the legislature has an absolute right to determine such policy as can pass by a two-thirds vote and has always been expected to determine by majority vote the details of legislation such as whether one public works project should be started before another one. If a couple of the President's advisers are to determine such things as this, then our Congress would be a mere rubber stamp, and we would in fact have the military dictatorship form of government rather than the American system. This is underscored in connection with the public works bill in view of the fact that the Administration has told some Congressmen that the determination of the inclusion or exclusion of projects in their Districts next year will be made upon

whether or not they support the President's position. This is making strictly one party politics the replacement for bipartisan consideration of the matter and strikes at the very root of the difference between a responsible legislative government and one where the legislature is a mere rubber stamp. Historically, basic rights have been trampled upon where legislatures became a mere rubber stamp. It is the fear of this military approach that has always made people in the United States reluctant to trust professional military men as the head of civilian departments.

The cherished American form of government and the reservation of protective authority in the peoples' legislative representatives is so basically important that we must never permit its erosion. It is a highly important part of this dispute over the public works bill, and I sincerely hope the President will consider the impact of his insistence upon infringing upon the responsibilities and rights of the legislative branch of government and using the powers of his office in derogation of the doctrine of separation of powers and the importance of this doctrine to our American way of life.

Mr. MOSS. Mr. Chairman, I wish to challenge emphatically the gentleman from Wyoming [Mr. THOMSON] in his contention in a letter circulated yesterday to Members of the House that Federal construction of the Trinity Power facilities in northern California should be struck from the public works money bill.

If the gentleman had studied the record of this Congress he would know that it is not going to agree to any misnamed partnership on the Trinity River project. I point out that the President himself recognized this fact in his recent veto message returning H.R. 7509 to the Congress without approval. The President's veto message stated that if the Congress continues its refusal to approve private construction of the Trinity Power facilities, a new public works appropriations bill should include funds to provide for Federal construction of these power facilities. He pointed out that the Trinity River Dam and Reservoir is now being built and it is essential that power facilities be in place when the reservoir is full.

The gentleman from Wyoming makes the same charges as the Secretary of the Interior did in past hearings before the House Interior and Insular Affairs Committee. I call his attention to the fact that on February 1, 1957, Secretary Seaton unequivocally reported that under the so-called P.G. & E. plan, the Central Valley project over a 50-year period would earn some $86 million more from the sale of falling water to the utility than it would earn by selling this power itself. This figure was proved to be in error and the Secretary thereupon upped it, on June 5, 1957, to $115 million. Then, in January 1958 in hearings before the House committee, Mr. Samuel Morris, an internationally famous engineer, challenged the $115 million figure and the Secretary of the Interior, like a prestidigitator with a hatful of rabbits, came up with a new figure—$139 million this time. Naturally, these figures were arrived at in close consultation with the Pacific Gas & Electric Co., and in fact, that corporation's unchecked figures were frequently utilized by the Interior Department in its arguments in favor of the partnership plan.

In a report prepared in April 1959 for the California Municipal Utilities Corp. by the Engineering Consultants, Inc., of Denver, Colo.—a highly competent firm of international reputation—it is disclosed that all the joint features of the Trinity will be completed and ready for operation on July 1, 1963, if the present construction schedule is followed.

It is the opinion of this firm of engineers which, incidentally, employs as its chief consultant L. N. McClellan, former chief engineer of the Bureau of Reclamation and the man responsible for the design of the Trinity project, that the joint features of Trinity could be completed a full year sooner than July 1, 1963, that is to say, on July 1, 1962, if ample funds for construction were made available by the Congress in fiscal years 1960, 1961, and 1962.

In this connection, Engineering Consultants, Inc., makes the following meaningful statement:

> When the joint features are completed, the Government will have an investment of about $200 million in the Trinity River project, exclusive of power features. The Bureau of Reclamation's own estimates show that the gross power revenues from the Central Valley project will amount to about $16,350,000 per year after the Trinity River division is in full operation. Without the Trinity powerplants, the gross power revenues will amount to approximately $10,500,000 per year.
>
> Consequently, about $5,500,000 in revenues would be lost to the project for each year that the power features of the Trinity project are delayed. It appears, therefore, that it would be most advantageous to the Federal Government to complete the remaining joint features of the project, and to have the power features also completed at the earliest practical date in order to minimize interest during construction, to reduce the Bureau's overhead and supervision costs, and to secure the $5,500,000 annual power revenues as soon as possible. In may be added, too, that in recent years construction costs have escalated about 5 percent per year, and there appears no immediate prospect that this trend will change. Early completion then would bring substantial savings to the Government.

The gentleman from Wyoming is completely mistaken in his contention that it would save taxpayers money if the Trinity power facilities were built as a partnership project.

For one thing, the Federal Government itself will be the principal customer for Trinity power to operate additional Central Valley pumps and to meet increasing power needs of numerous defense installations. So, it is a question of whether, through partnership with the Pacific Gas & Electric Co., a middleman profit should be taken out by the Federal production and Federal consumption of this commodity.

Incidentally, and contrary to the general conception, the Government gets a higher average return on its Central Valley project power sales to public agencies than it does on the sales to the Pacific Gas & Electric Co. In 1958, for example, the Pacific Gas & Electric Co. got most of the power, but the 25 public agency customers coughed up most of the money. The specific figures from a tabulation of power sales data furnished by the Bureau of Reclamation are:

	Energy sales (kilowatt-hours)	Net revenue to United States
Pacific Gas & Electric Co.	1,794,667,132	$5,387,690
25 public agencies	1,689,487,361	7,326,338

Of course, I readily admit that a large share of the power delivered to the Pacific Gas & Electric Co. was nonfirm, but nevertheless, overall, the Pacific Gas & Electric Co. got Central Valley project power at an average rate of 3 mills per kilowatt-hour while the public customers paid 4.34 mills.

The partnership proposal not only would deprive the people of California of the benefits of low cost public power, it would also put the State in a position of having to pay millions more for power to operate its own water plan.

This would be especially true in case of the proposed San Luis Reservoir on the west side of the Central Valley. In this planned project, power from Trinity is earmarked to run the pumps to hoist water from the Delta-Mendota Canal to the San Luis Reservoir, where the water would be stored for delivery to the San Joaquin Valley and southern California.

Under "partnership," the P.G. & E. would build the Trinity powerplants, generate the Trinity power and sell it to the San Luis project at the private utility's rates. It is easy to understand how this kind of "partnership" would be good for the P.G. & E., but how it would be good for the State of California and the Federal Government is difficult to comprehend.

Actually, if P.G. & E. were to get Trinity power, and if the Government then constructs the San Luis project, there would only be enough CVP power left for one preference customer—the Sacramento Municipal Utility District, which has a 40-year contract for 290,000 kilowatts. All other preference customers now receiving CVP power, and many Federal agencies would have to buy their power from the P.G. & E. at several times the rate they now pay. This certainly cannot by the wildest stretch of the imagination be considered economy in the operation of the Government.

It is regrettable that the gentleman from Wyoming has been misinformed about the P.G. & E. partnership deal. Far from saving the Federal Government money, it would be bad business for Uncle Sam.

Any illusory increased revenues the Federal Government is promised under the "partnership" plan could obviously be equaled or exceeded by a minor increase in the power rates of CVP. This could be done by the Federal Government, merely by adding its profit to the increased net revenue, without paying tribute to a private utility. However, it is the established policy of the Government not to realize a "profit" from power

sales. The established policy, in which I concur, is to sell power at a price which will fully reimburse the Treasury for costs involved and will at the same time furnish electric energy to consumers and Government installations at minimum cost to them.

PASCAGOULA, MISS., HARBOR PROJECT

Mr. COLMER. Mr. Chairman, there is an appropriation item in this bill in which I am very much interested. I refer to the appropriation of $1,242,000 for the Pascagoula, Miss., harbor project. If there is an item in the whole billion-dollar-plus bill that can be justified upon its merits, it is this item. This project is not my project alone. It is a project that every Member of this House should be interested in. It is just as much a part of the national defense as any item in the $40 billion defense appropriation bill passed earlier this session.

Mr. Chairman, I make this statement based on the following facts: The Ingalls Shipbuilding Corp., the largest single industry in Mississippi, is located at the mouth of the Pascagoula River in my home town of Pascagoula. This industry, employing some 6,000 to 11,000 people, is engaged, among other things, in the construction of naval craft for the Navy, and merchant vessels for our merchant marine. This yard, both in World Wars I and II was active in the construction of vessels necessary for the defense of this country. More specifically, Mr. Chairman, this yard now has under contract and construction two Polaris nuclear submarines. One conventional submarine has already been launched and two of the Polaris type now under construction will be launched and ready for sea trials before July 1, 1960.

Mr. Chairman, the simple fact is that the present depth of 22 feet of the harbor and channel is insufficient to get these important vessels, which require 30-foot depths, to sea. Time is of the essence. This work must be begun within the next 60 days; not within the next 6 months or a year.

The question has been raised as to why these vessels were authorized to be constructed at this yard in the first place. The answer is that the project contained in this bill was started in 1950 by a resolution introduced by me and approved by the House Committee on Public Works. This document calls for a review of the existing project of 22 feet looking to its modification to a depth of 30 feet. Furthermore, the Navy was assured prior to its award of these contracts that the project which had been authorized by the Congress in 1954—Public Law 780, 83d Congress—would be completed to a depth of 30 feet in ample time for the submarines to go to sea. Both the Navy, the Ingalls Shipbuilding Corp. officials and we in the Congress had every reason to believe that this would be done seasonably. In fact, the 1954 act to which I have just referred authorized the project subject to the final approval of the Corps of Army Engineers. The Army Engineers did approve it; but, unfortunately, before all of the final steps were taken in clearing the various branches of Government required, the report approving the project by the Engineers was not finally filed and printed until March 18 this year.

And here we have the crux of the situation. The report was not finally filed until after the President submitted his budget to the Congress. Immediately, I attempted to persuade the Bureau of the Budget to send a supplemental recommendation for this project to the Congress. On two occasions I personally called upon the Budget Director and on numerous occasions I contacted the Bureau by telephone and otherwise. Mr. Stans, the Budget Director, always agreed that this project was not only meritorious but that it had to be completed and that the necessary money had to be had this year. In fact, everyone whom we contacted, and we must have contacted at least 50 officials in both the executive and legislative departments, agreed that the project must be carried out and that the necessary funds had to be appropriated this year. In fairness, it should be stated that the Bureau of the Budget and the White House did attempt to cooperate in every way short of formally requesting the funds for the project of the Congress. At one stage, the White House even went so far as to direct the Navy to do this work out of its own funds. But, the Comptroller General ruled against this.

Mr. Chairman, during the hearings on the original appropriations bill this year I appeared together with several witnesses before the House Subcommittee on Appropriations for Public Works and urged the inclusion of the necessary funds for the project. The subcommittee was so impressed with the merits of and the necessity for the project that they included it in the original bill. The full Appropriations Committee approved this action, as did the House and the Senate. Subsequently, of course, as you know, the President vetoed the bill, and the project is in the new bill now before us. While it is true that the new bill carries a 2½ percent reduction, I am confident that the project can be completed.

So far I have discussed only the urgency because of the military aspects of the project. I should like, however, to point out that the domestic features of the bill are most important. Pascagoula is a rapidly growing city. It is an industrial city. Its population has more than trebled in the past two decades. There are several large industries that use this port. One, the H. K. Porter Co., which has recently constructed a multimillion-dollar industry there, is required to have the minerals-bearing vessels go to Mobile, Ala., and unload part of the cargo before they can bring the vessels through the port at Pascagoula to unload.

LOCAL CONTRIBUTION

Mr. Chairman, I doubt if there is a project in this bill or has been one in other bills where there has been a greater percentage of local contribution. First, I call your attention to the fact that this channel was dredged from the authorized 22 feet to 30 feet at a cost of nearly $1 million by local interests some 10 years ago. Second, an auxiliary channel leading to the Bayou Casotte development has just been completed within the last year at a depth of 30 feet at a cost in excess of $2 million by local interests. The Dog River Cut-Off, another part of this project, which, incidentally, was authorized by this Congress some 8 or 10 years ago, was dredged at a cost to local interests of $63,000.

In 1958 another $2 million was expended by local interests for terminal facilities. All in all, Jackson County and the city of Pascagoula, Miss., have expended more than $5 million for dredging and developing this port as its contribution.

But, this is not all. The State of Mississippi has within the past few weeks approved a $10 million bond issue in State aid for the development of the port.

Finally, Mr. Chairman, I return to the defense angle of this project. During the hearings on the project before the Public Works Subcommittee, I submitted to that committee and for the RECORD last April the following letters from Adm. Ralph E. Wilson and Rear Adm. A. G. Mumma, Department of the Navy, showing the necessity for prompt action:

DEPARTMENT OF THE NAVY,
OFFICE, CHIEF OF NAVAL OPERATIONS,
Washington, D.C., April 28, 1959.

Hon. WILLIAM M. COLMER,
House of Representatives,
Washington, D.C.

MY DEAR MR. COLMER: This is in response to your telephone inquiry concerning the Navy's interests in achieving safe navigation through the Pascagoula Channel.

The Navy has determined that the Ingalls Shipbuilding Corp. at Pascagoula, Miss., is an efficient commercial shipyard. Recognizing this essential factor in shipbuilding, a series of construction contracts have been concluded with the company, including some for deep-draft submarines.

Consequently we have a singular interest in continuity of restoration measures to the channel in order that safe navigation to a depth of 30 feet is assured from the Ingalls Shipbuilding Corp. to the Gulf of Mexico.

Sincerely yours,

RALPH E. WILSON,
Deputy Chief of Naval Operations
(Logistics).

DEPARTMENT OF THE NAVY,
BUREAU OF SHIPS,
Washington, D.C., April 29, 1959.

Mr. MONRO B. LANIER,
Ingalls Shipbuilding Corp.,
Pascagoula, Miss.

DEAR MR. LANIER: This letter is to provide information you requested pertaining to depths of the channel from your yard to the open sea.

In order to permit the Navy to conduct builders' and acceptance trials on four nuclear-powered submarines of the 588 and 593 class now under construction at your shipyard, the channel from your yard via Horn Island Pass to the Gulf of Mexico must have a minimum depth of 28 feet below mean low water. For complete safety of operations this depth should be 30 feet.

Sincerely yours,

A. G. MUMMA,
Rear Admiral, U.S. Navy,
Chief of Bureau.

Further, I call attention to the fact that the Assistant Secretary of the

Army, the Honorable Dewey Short, on September 3, 1959, wrote the Honorable Clarence Cannon, Chairman of the Full Committee on Appropriations, a letter urging the inclusion of this item in the new appropriations bill which we are today considering. The pertinent part of that letter follows:

1. Pascagoula Harbor, Miss.: Completion of this navigation project is necessary in order that nuclear submarines currently under construction at Pascagoula may have safe passage to undergo sea trials and to join the fleet. Funds must be available soon so that the dredging can be completed in time for sea trials that are now scheduled to take place in fiscal year 1960. The proposed amount for this project is $1,242,000.

Significantly, Secretary Short concluded the letter with this statement:

I am authorized by the Director of the Bureau of the Budget to state that such action would have the approval of the Bureau of the Budget.

Mr. Chairman, in these last days of the session, when nerves are frazzled and tempers are short, permit me to say that in spite of my intense interest in this project, which means so much to the economy of my section as well as to the defense of the country, I harbor no ill will toward anyone nor do I point the finger of criticism at anyone. While every person in official capacity, including Members of Congress, is agreed that this is a prime project and must be completed expeditiously, I recognize the formalities, and the so-called redtape that is encountered in these matters. I have great respect for the President's desire for a balanced budget. In fact, I have cooperated as fully as I could, not only this year, but in the years gone by, to that end. As I pointed out before, the administration recognizes the necessity for urgent action on this project. And, I can safely say that it is in favor of immediate action. We have all been caught here in the maze of governmental procedure.

Therefore, while this bill including this project will be passed by an overwhelming vote here today, I can only express the hope that this project will not encounter any further delays along the route which it must travel through the other body and Presidential action.

Mr. CANNON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated for the fiscal year ending June 30, 1960, for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, and for other purposes, namely.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Strike out all after the enacting clause and insert the following:

"TITLE I—CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

"Cemeterial expenses

"Salaries and Expenses

"For necessary cemeterial expenses as authorized by law, including maintenance, operation, and improvement of national cemeteries, and purchase of headstones and markers for unmarked graves; purchase of one passenger motor vehicle for replacement only; maintenance of that portion of Congressional Cemetery to which the United States has title, Confederate burial places under the jurisdiction of the Department of the Army, and graves used by the Army in commercial cemeteries; $9,194,000: *Provided,* That this appropriation shall not be used to repair more than a single approach road to any national cemetery: *Provided further,* That this appropriation shall not be obligated for construction of a superintendent's lodge or family quarters at a cost per unit in excess of $17,000, but such limitations may be increased by such additional amounts as may be required to provide office space, public comfort rooms, or space for the storage of Government property within the same structure: *Provided further,* That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services exclusively for the purposes of this appropriation.

"Rivers and harbors and flood control

"The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes:

"General Investigations

"For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, and when authorized by law, preliminary examinations, surveys and studies (including cooperative beach erosion studies as authorized in Public Law Numbered 520, Seventy-first Congress, approved July 3, 1930, as amended and supplemented), of projects prior to authorization for construction, to remain available until expended, $10,750,000: *Provided,* That $50,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

"Construction, General

"For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by law; detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction); and not to exceed $1,200,000 for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; to remain available until expended, $642,023,000: *Provided,* That no part of this appropriation shall be used for projects not authorized by law or which are authorized by a law limiting the amount to be appropriated therefor, except as may be within the limits of the amount now or hereafter authorized to be appropriated: *Provided further,* That none of the funds appropriated for 'Construction, General', in this Act shall be used on the project 'Missouri River, Kansas City to mouth', for any purpose other than bank stabilization work: *Provided further,* That $500,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

"Operation and Maintenance, General

"For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality, or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; financing the United States share of the cost of operation and maintenance of remedial works in the Niagara River; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; removal of obstructions to navigation; rescue work, and repair, or restoration of flood control projects threatened or destroyed by flood; and not to exceed $1,750,000 for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; to remain available until expended, $117,882,000.

"General Expenses

"For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers; activities of the Board of Engineers for Rivers and Harbors, the Beach Erosion Board, and the California Debris Commission; administration of laws pertaining to preservation of navigable waters; commercial statistics; and miscellaneous investigations; $12,640,000.

"Flood Control, Mississippi River and Tributaries

"For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a, 702g–1), to remain available until expended, $70,289,500.

"United States Section, Saint Lawrence River Joint Board of Engineers

"For necessary expenses of the United States section of the Saint Lawrence River Joint Board of Engineers, established by Executive Order 10500, dated November 4, 1953, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $100 per day for individuals; $40,000: *Provided,* That no part of these funds shall be obligated until agreement has been entered into, by the United States Government and the United States entity authorized to construct the power works in the International Rapids section of the Saint Lawrence River, providing for the reimbursement of the expenditures of the United States section of this Board by the construction entity.

"Administrative provisions

"Appropriations in this title shall be available for uniforms, or allowances therefor, as

authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131), and for printing, either during a recess or session of Congress, of survey reports authorized by law, and such survey reports as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress; and during the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed one hundred and seventy-six for replacement only) and hire of passenger motor vehicles.

"TITLE II—DEPARTMENT OF THE INTERIOR

"Bureau of Reclamation

"For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau, as follows:

"General Investigations

"For engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans; formulating plans and preparing designs and specifications for authorized Federal reclamation projects or parts thereof prior to initial allocation of appropriations for construction of such projects or parts; and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects; to remain available until expended, $4,788,710, of which $3,838,710 shall be derived from the reclamation fund and $500,000 shall be derived from the Colorado River development fund: *Provided*, That none of this appropriation shall be used for more than one-half of the cost of an investigation requested by a State, municipality, or other interest: *Provided further*, That $200,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Bureau of Reclamation.

"Construction and Rehabilitation

"For construction and rehabilitation of authorized reclamation projects or parts thereof (including power transmission facilities) and for other related activities, as authorized by law, to remain available until expended, $132,937,739, of which $95,000,000 shall be derived from the reclamation fund: *Provided*, That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power wheeling service contracts which include provision for service to Federal establishments and preferred customers, except those transmission facilities for which construction funds have been heretofore appropriated, those facilities which are necessary to carry out the terms of such contracts or those facilities for which the Secretary of the Interior finds the wheeling agency is unable or unwilling to provide for the integration of Federal projects or for service to a Federal establishment or preferred customer: *Provided further*, That not to exceed $25,000 of the funds appropriated in this paragraph shall be available for the construction of safety and public-use facilities at the Alamogordo Dam (Carlsbad project), New Mexico, which shall be nonreimbursable and nonreturnable.

"Operation and Maintenance

"For operation and maintenance of reclamation projects or parts thereof and of other facilities, as authorized by law; and for a soil and moisture conservation program on lands under the jurisdiction of the Bureau of Reclamation, pursuant to law, $29,131,000, of which $23,664,000 shall be derived from the reclamation fund and $2,030,000 shall be derived from the Colorado River dam fund: *Provided*, That funds advanced for operation and maintenance of reclamation projects or parts thereof shall be deposited to the credit of this appropriation and may be expended for the same objects and in the same manner as sums appropriated herein may be expended, and the unexpended balances of such advances shall be credited to the appropriation for the next succeeding fiscal year.

"Loan Program

"For loans to irrigation districts and other public agencies for construction of distribution systems on authorized Federal reclamation projects, and for loans and grants to non-Federal agencies for construction of projects, as authorized by the Acts of July 4, 1955, as amended (43 U.S.C. 421a–421d), and August 6, 1956 (43 U.S.C. 422a–422k), as amended (71 Stat. 48), including expenses necessary for carrying out the program, $220,000, to remain available until expended: *Provided*, That any contract under the Act of July 4, 1955 (69 Stat. 244), as amended, not yet executed by the Secretary, which calls for the making of loans beyond the fiscal year in which the contract is entered into shall be made only on the same conditions as those prescribed in section 12 of the Act of August 4, 1939 (53 Stat. 1187, 1197).

"General Administrative Expenses

"For necessary expenses of general administration and related functions in the offices of the Commissioner of Reclamation and in the regional offices of the Bureau of Reclamation, $4,400,000, to be derived from the reclamation fund and to be nonreimbursable pursuant to the Act of April 19, 1945 (43 U.S.C. 377); *Provided*, That no part of any other appropriation in this Act shall be available for activities or functions budgeted for the current fiscal year as general administrative expenses.

"Upper Colorado River Basin Fund

"For payment to the 'Upper Colorado River Basin fund', authorized by section 5 of the Act of April 11, 1956 (Public Law 485), $74,015,000; to remain available until expended.

"Special Funds

"Sums herein referred to as being derived from the reclamation fund, the Colorado River dam fund, or the Colorado River development fund, are appropriated from the special funds in the Treasury created by the Act of June 17, 1902 (43 U.S.C. 391), the Act of December 21, 1928 (43 U.S.C. 617a), and the Act of July 19, 1940 (43 U.S.C. 618a), respectively. Such sums shall be transferred, upon request of the Secretary, to be merged with and expended under the heads herein specified; and the unexpended balances of sums transferred for expenditure under the heads 'Operation and Maintenance' and 'General Administrative Expenses' shall revert and be credited to the special fund from which derived.

"Administrative Provisions

"Appropriations to the Bureau of Reclamation shall be available for purchase of not to exceed eighty-four passenger motor vehicles for replacement only, payment of claims for damage to or loss of property, personal injury, or death arising out of activities of the Bureau of Reclamation; payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interstate compacts without reimbursement or return under the reclamation laws; rewards for information or evidence concerning violations of law involving property under the jurisdiction of the Bureau of Reclamation; performance of the functions specified under the head 'Operation and Maintenance Administration', Bureau of Reclamation, in the Interior Department Appropriation Act, 1945; preparation and dissemination of useful information including recordings, photographs, and photographic prints; and studies of recreational uses of reservoir areas, and investigation and recovery of archeological and paleontological remains in such areas in the same manner as provided for in the Act of August 21, 1935 (16 U.S.C. 461–467): *Provided*, That no part of any appropriation made herein shall be available pursuant to the Act of April 19, 1945 (43 U.S.C. 377), for expenses other than those incurred on behalf of specific reclamation projects except 'General Administrative Expenses' and amounts provided for reconnaissance, basin surveys, and general engineering and research under the head 'General Investigations'.

"Allotments to the Missouri River Basin project from the appropriation under the head 'Construction and Rehabilitation' shall be available additionally for said project for those functions of the Bureau of Reclamation provided for under the head 'General Investigations' (but this authorization shall not preclude use of the appropriation under said head within that area), and for the continuation of investigations by agencies of the Department on a general plan for the development of the Missouri River Basin. Such allotments may be expended through or in cooperation with State and other Federal agencies, and advances to such agencies are hereby authorized.

"Sums appropriated herein which are expended in the performance of reimbursable functions of the Bureau of Reclamation shall be returnable to the extent and in the manner provided by law.

"No part of any appropriation for the Bureau of Reclamation, contained in this Act or in any prior Act, which represents amounts earned under the terms of a contract but remaining unpaid, shall be obligated for any other purpose, regardless of when such amounts are to be paid: *Provided*, That the incurring of any obligation prohibited by this paragraph shall be deemed a violation of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665).

"No funds appropriated to the Bureau of Reclamation for operation and maintenance, except those derived from advances by water users, shall be used for the particular benefit of lands (a) within the boundaries of an irrigation district, (b) of any member of a water users' organization, the payment of charges due under a contract entered into with the United States pursuant to laws administered by the Bureau of Reclamation.

"Not to exceed $225,000 may be expended from the appropriation 'Construction and rehabilitation' for work by force account on any one project or Missouri Basin unit and then only when such work is unsuitable for contract or no acceptable bid has been received and, other than otherwise provided in this paragraph or as may be necessary to meet local emergencies, not to exceed 12 per centum of the construction allotment for any project from the appropriation 'Construction and rehabilitation' contained in this Act shall be available for construction work by force account.

"Bonneville Power Administration

"Construction

"For construction and acquisition of transmission lines, substations, and appurtenant facilities, as authorized by law, $22,000,000, to remain available until expended.

"Operation and Maintenance

"For necessary expenses of operation and maintenance of the Bonneville transmission

system and of marketing electric power and energy, $10,250,000.

"Administrative Provisions

"Appropriations of the Bonneville Power Administration shall be available to carry out all the duties imposed upon the Administrator pursuant to law, including purchase of one aircraft for replacement only. Appropriations made herein to the Bonneville Power Administration shall be available in one fund, except that the appropriation herein made for operation and maintenance shall be available only for the service of the current fiscal year.

"Other than as may be necessary to meet local emergencies, not to exceed 12 per centum of the appropriation for construction herein made for the Bonneville Power Administration shall be available for construction work by force account or on a hired-labor basis.

"Southeastern Power Administration

"Operation and Maintenance

"For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, $735,000.

"Southwestern Power Administration

"Construction

"For construction and acquisition of transmission lines, substations, and appurtenant facilities, and for administrative expenses connected therewith, in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, $880,000, to remain available until expended.

"Operation and Maintenance

"For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, including purchase of not to exceed four passenger motor vehicles for replacement only $1,150,000.

"Continuing Fund

"Not to exceed $5,000,000 shall be available during the current fiscal year from the continuing fund for all costs in connection with the purchase of electric power and energy, and rentals for the use of transmission facilities.

"General provisions—Department of the Interior

"SEC. 201. Appropriations in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement or repair of buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

"SEC. 202. The Secretary may authorize the expenditure or transfer (within each bureau or office) of any appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior.

"SEC. 203. Appropriations in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by the Act of June 30, 1932 (31 U.S.C. 686): *Provided*, That reimbursements for cost of supplies, materials, and equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

"SEC. 204. No part of any funds made available by this Act to the Southwestern Power Administration may be made available to any other agency, bureau, or office for any purposes other than for services rendered pursuant to law to the Southwestern Power Administration.

"TITLE III—INDEPENDENT OFFICES

"Tennessee Valley Authority

"Payment to Tennessee Valley Authority Fund

"For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C., ch. 12A), including hire, maintenance, and operation of aircraft, and purchase (not to exceed two hundred for replacement only) and hire of passenger motor vehicles, $15,286,000, to remain available until expended.

"This Act may be cited as the 'Public Works Appropriation Act, 1960.'"

Mr. TABER (interrupting the reading). Mr. Chairman, in order to save time I will say that this amendment is the same as that which was reported by the subcommittee to the full Committee on Appropriations. I think, with that, we could agree to suspend with further reading, and I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, I want to get two or three things straightened out in connection with this bill before we get in too far. In this block of projects in dispute there are about 25 out of the 60 projects involved that have a benefit-cost ratio, if it is figured on an honest basis, that would not be as good as 1 to 1. In other words, all of these projects have a benefit-cost ratio submitted to the committee based upon a carrying charge of 2½ percent whereas we know that the carrying charge is wellnigh 4 percent on an average, and it is getting higher.

The projects that are in that block of projects that the President vetoed are in that category. There are so many of them that are ragged edged, so many of them that do not have a really good, honest benefit-cost ratio, that we ought not to get into them and we ought not to approve them. Some of them are projects that are not authorized at all. That figure would run to $75 million or $100 million. Of those projects that come to $800 million that were the cause of the President's veto, here is one with an ultimate cost of $50 million, with a benefit-cost ratio, the way the Engineers figure it, of 1.1 to 1.

Here is one—$50 million is the ultimate cost—with a benefit-cost ratio, the way the Engineers figure it out, of 1.1 to 1. But, actually, it would be less than even up.

Then there is another one. You can go down the list and you strike $113 million on another project.

Mr. CLEM MILLER. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. CLEM MILLER. Would the gentleman insert in the RECORD a list of these 20 and some odd projects which have this low cost-benefit ratio so that we can inspect the list?

Mr. TABER. Yes; I will do so.

The table follows:

Project	Benefit-cost ratio	Total estimated cost	Appropriation to date	Amount in H.R. 7509
Arkansas: Beaver	1.1	$56,100,000	$1,201,000	$1,500,000
Actual	.5			
Alaska: Dillingham	1.3	412,000	6,000	406,000
Actual	.6			
Mad River Reservoir	1.2	5,970,000	18,000	
Actual	.7			
Connecticut				
Florida:				
Apalachicola Bay	(1)	39,100		39,100
George Island	(1)	43,000		43,000
Intracoastal Waterway	(1)	6,860,000	370,000	600,000
Iowa	1.5	71,000,000	1,717,000	1,113,300
Actual	.9			
Kansas: Wilson Reservoir	1.2	18,100,000	259,000	500,000
Actual	.8			
Louisiana	(1)	1,420,000		1,420,000
Massachusetts: Westville Reservoir	1.1	2,450,000	328,000	
Actual	.7			

[1] Not available.

Mr. TABER. There are 13 more without a good benefit cost. I will supply a new table.

Mr. CLEM MILLER. I thank the gentleman.

Mr. TABER. There are a great number of other projects. There is a project for $113 million, that I mentioned a minute ago. There is another of $17 million and another one of $17 million, the two of them running right together. There are a lot of others besides that.

We ought to take care of, as far as we can, the people of the United States. And we do take of them, but we are getting into a situation where we do not seem to be able to take first things first at all. We do not seem to be able to realize it is absolutely necessary that we conserve our resources and get to the point where the tax receipts will come to enough to take care of the governmental expenses. That is why I am very leary of any appropriations that are not abso-

lutely necessary. That is why I believe we ought not to start off on a list of projects where we have to dribble along and dribble along and handle the thing in such a way that it will cost three and four times what it ought to, and to allow the engineers to make fools of the country as they have so many times in days gone by. I do not believe we ought to be too liberal with any of these things. I do not believe we ought to be too liberal with the foreign relief. I do not believe we ought to be too liberal with any of these projects for public buildings in our own territory or for these flood control projects which are not in such shape that they can be handled, and where the Engineers themselves do not know what the actual cost is going to be and where they do not have the thing far enough along or well enough organized so that they can give us an intelligent statement on them when they come up to see us.

Mr. MOORHEAD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MOORHEAD. What is the effect of the amendment on the Allegheny River Reservoir, Kinzua, Pa., where there were funds appropriated in past years and also this year?

Mr. TABER. The item for the Kinzua Reservoir is not in the amendment that I have offered. But that is one of these projects where it is absolutely impossible for them to proceed with anything beyond planning intelligently. They cannot do anything else but that and they can do that with what funds have been appropriated in years gone by. I would like to see this amendment adopted because it will end this picture. If we could do that we would have the thing in such shape that the President would be willing to sign the bill and I do not believe that we ought to present a bill to the President three or four times for his consideration.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. EDMONDSON. I thank the gentleman. Did I understand the able gentleman from New York a moment ago to state that one of the unbudgeted items last year in the chairman's list was not covered by this amendment, an unbudgeted item?

Mr. TABER. I did not say that.

Mr. EDMONDSON. The gentleman, as I understand, is dealing with these 67 unbudgeted new starts; is that correct?

Mr. TABER. That is correct.

Mr. EDMONDSON. I thank the gentleman.

Mr. TABER. I have never said anything different at all.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WEAVER. That was the point I wanted to make so everyone would know clearly what he was voting on and just what impact the gentleman's amendment would have.

Mr. TABER. That is it.

I do wish the Congress would get to the point where we had a different method of handling these projects other than this helter-skelter procedure that spreads them out all over the lot and where there is not enough money spent at any one place in any one quarter so that they can ever get anything done within a reasonable time and at a reasonable cost. That is the reason these things cost so much, because they are scattered all over the lot. I do not think we meet our responsibility to the people when we approach this thing from that viewpoint, and for that reason I offered this amendment.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

Mr. GAVIN. Mr. Chairman, I object. The two previous speakers not only had 5 minutes but had an additional 5 minutes.

Mr. CANNON. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WHITTEN. Mr. Chairman, while I was the sponsor of the pending bill, representing however, except for the 2½ percent reduction, the composite views of the House and Senate, I had only a few minutes in general debate due to the great demand for time; so I have taken this time to further explain my reasoning in offering this bill in the Appropriations Committee.

In the first place, if you do not pass this bill you leave it up to the Bureau of the Budget under any administration to determine all new projects, leaving it open to a handful of men to be purely political.

I have had no unhappy personal experiences with the present Budget Bureau under the Republican administration, though I was not proud of Dixon-Yates, because I have had no problems from my district before it; but I have had experience in prior years as an individual Congressman going down to the Bureau of the Budget trying to get them to do anything. I live adjacent to the Mississippi Delta and frequently have had to turn to the members of this subcommittee for what I knew was vital to that area, and yes, to the Nation.

I approached this problem in a fair way. After the President's veto, I made a motion that our committee invite the Director of the Bureau of the Budget and the Secretary of the Interior before our committee to see if they would promise us to be objective in next year's budget. It is generally accepted—I do not have any individual proof of this, but it is generally accepted that prior to this veto both of those gentlemen had a suite in the Congressional Hotel; and it was mighty easy for my Republican friends to see them under the circumstances where they were seeking your vote. But have you ever tried to see the Bureau of the Budget on your own? If you could have seen them very effectively these projects would have had Budget approval. Now, if it should prove to be as it is rumored that there are commitments that the Bureau of the Budget will include these projects in the next budget, then this talk about keeping them out of the bill because of future cost is purely political. I repeat again I tried to get these gentlemen before us to find out their attitude and to ask them if they would deal with this matter objectively. I was not successful.

In this same connection, I believe it was about three years ago, that this same Bureau of the Budget approved new initial starts in several Republican districts where there was a close contest and refused approval elsewhere. It did not work, but those gentleman tried.

Let me tell you what this Bureau of the Budget did when I had several matters up with that most estimable gentleman, the Secretary of Agriculture, Mr. Benson. A few years ago Secretary Benson, having opposed almost everything that was done to help agriculture, recommended—and, listen—the Bureau of the Budget approved $10 million in retroactive crop insurance out here trying to defeat a Maryland Congressman, a fine Republican whom I personally like. It did not work. At that time I told them you could take half that amount $5 million and elect a Republican in my district.

I am saying that we have an obligation to look after our country, and I am saying that, after study by the Corps of Engineers, a part of the Executive Department, it is up to the Congress after hours, days, and months of study and the testimony of 1,150 witnesses, to recommend the initiation of development in sections of this Nation. That is what the bill before us would do.

As chairman of the Agricultural Appropriation Subcommittee, I have had to recommend to you hundreds of millions of dollars in direct relief trying to alleviate the suffering and damage that had been done because we were not farsighted enough to spend in our own country first. It is an odd commentary that I make. I was standing here and figuring that if we had merely diverted 2 percent of what a majority of the Congress and the President have spent in foreign countries in the last 10 years, these projects would all be completed, because it figures $800 million.

Involved here is whether the Congress grant to the Bureau of the Budget, under any President, under any administration, the privilege of playing politics with the right to designate where you are going to start taking care of this country. I read the Washington papers regularly, and if you will look at them, we have the unhappy situation where the American press identifies everything that is not for the Potomac River, the District of Columbia and adjacent area, or for a foreign country, as pork in the

lap of some Congressman; and they indicate rotten "pork" at that. They are wrong, and that attitude is one of the great dangers this Nation faces today.

I have not any projects in this bill which are in my district, though I have some adjacent to me. I am not a disappointed Member, I did not ask for any for my district. However, when we spend a lot of time and money in harnessing our rivers, in trying to prevent floods, in trying to prevent droughts; when we try to save the millions of dollars we spend every year trying to alleviate suffering because we have been shortsighted, for the American press to say unless you spend it in the District of Columbia, adjacent thereto, or in foreign countries, it is pork for some Congressman, it is a sad day, yes, a dangerous day.

In 1956 I was in Russia, and may I say to you that Russia does not compare in overall strength with our Nation today, but they have the raw materials, they have this great country for development. As you go into the public parks of any city in Russia you will see on a large board, big as one end of this chamber, a big relief map, if you please, showing the rivers and streams, showing the 5-year plan that they are carrying out to strengthen Russia. Over here we are giving bonuses, billions in foreign aid, we are raising mileage payments, salaries, providing insurance, we are raising old-age pensions, the money for which is dependent on the land, the rivers, the natural resources of the United States of America. No, we take care of everybody in the world, with our money, then after we are committed to that we come in here and say: We have not enough money left to take care of the very foundation on which all of these other things are built, we must let the development, the protection from flood and drought in the United States go by the board for we cannot afford it.

I am not on this subcommittee, I will have nothing to do with it next year, but may I say something to the gentlemen on the Republican side—and this is no threat, but merely looking at the practical aspects of the situation. If a Member were to vote to delete the project deemed necessary to his area now, I could not help but believe he recognized it is not sound and that he would not want it next year, whatever the Bureau of the Budget may recommend.

When you go home and say: "I voted against this project because in Washington they wrote it up as pork barrel, in Washington they are trying to elect our distinguished minority leader Vice President; we wanted to strengthen the hand of the Bureau of the Budget." I do not believe you can explain to those folks who were badly in need of this work. You might get the minority leader to come out to speak, and he is a powerful speaker. You might get my good friend from New York to come out, too. One of the sad things I have had to live through is to see my good friend from New York opposing such projects in foreign aid. This year he opposed my efforts to even investigate the waste in the foreign aid program. To see him now opposing this American investment in our own country at the same time he opposes every effort to cut down foreign aid, is truly saddening.

I remember a few years ago when he was out to cut conservation of our soil in the Agricultural appropriation bill. At that time one of his Republican colleagues said to me: "Do not pay any attention to our friend. I know you love him as I do, but he honestly thinks all of the country west of Baltimore is Indian country, and he thinks you have to have a passport to go out there."

I have seen him try to break this bill down during the years. I am not saying I know, but I will tell you what I think; if the Republican Bureau of the Budget puts these projects in next year the Democrats will cut them out; when the Democrats put their projects in the President will cut them out, these areas of the country, represented by both sides get cut out. And my good friend from New York and a few on my side, will win both ways in reducing efforts at developing and protecting our own country, the supporting base of our financial system.

And the plant upon which we must depend if we are ever able to work out the money debt we have imposed on ourselves in the other programs.

My friends if we leave our children and our children's children, a fertile land, with our harbors improved, with our rivers harnessed, against flood and drought, with all our resources intact, they will make it fine, for they could set up a new financial system.

On the other hand if we paid off every nickel we owe, if we did it by letting our country go to pot, in future years this Nation could be like China and India, with little on which to build. We are wasting far too much money, but money spent on our country is not waste, it is merely common sense.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, several years ago the phrase "no new starts" was coined. That was back in 1945 and 1946. New starts were objected to because we were in World War II and then we were in the Korean war. We had a shortage of manpower, we had a shortage of labor, we had a shortage of all sorts of materials at that time. So it was practical and realistic that we not undertake any new starts. But, they have been carrying the no-new-start slogan right along up to 1959. It is about time we dismissed the thought of no new starts, because if we can make new starts all over the world, I cannot see any reason why we should not make a few new starts in this country of ours.

Now, it must be recalled that two previous authorization bills were vetoed, so that, I would say, set back the new starts 4 or 5 years. We had no new starts. So, I think it is about time that we gave some consideration to the situation existing in our own country.

Now, my very good and able friend, the gentleman from New York [Mr. TABER], referred to a project in which I am interested, as an $113 million item. I think they put that in the report just to get the amount up to the $800 million referred to. My project was not a new start. This project was not an unbudgeted project. But, to show you what they will resort to, the project that I am talking about was authorized in three acts—1936, 1938, and 1941. The project was authorized after the devastating floods in the Allegheny Valley, at Pittsburgh and western Pennsylvania, at a cost of $736 million property damage and 33 lives. Now, to show you that they do not know what they are talking about on this project—and if they are no more accurate with other projects than they are with this project this amendment is not in order—let me say this: Including fiscal year 1956, $241,000 was spent on planning for this project, and in 1956, for fiscal 1957, Congress appropriated $384,000 to complete the project report. Thus, $625,000 has been spent on the plans and specifications for the project that they are now trying to take out as a new start. So, it becomes evident they do not know what they are talking about. The project was under study for many years. No objections were voiced, at least, not to my knowledge, until the first appropriation of $1 million was made for fiscal 1958 for actual construction of the project. Then an additional $1 million for construction was appropriated for fiscal 1959 for the project, and the project was undertaken when litigation broke out with the Indians. A restraint was written into the fiscal 1959 report restricting the use of the money until such time as the Supreme Court acted. The Supreme Court acted on June 15, and they should have resumed the project, the construction, but no, an effort was made to reallocate the money appropriated and take it away for other projects. I am merely trying to show you that the people who are talking about items that ought to be deleted, do not fully understand, or do not want to understand, and how wrong they are in making an attempt to eliminate a project that was actually under construction. Then an attempt was made to require additional study of the project. They tried to study the project to death. Last year they spent another $75,000 for additional studies on five alternate plans. Already $700,000 has been spent in studying all phases and reports on the project. It is now and has been under construction; the moneys are appropriated. There is no reason why the U.S. engineers cannot proceed, but now an attempt is made to try to list it as an unbudgeted item and to delete it.

Now, if the rest of the items that are to be deleted are in the same category as the one I am talking about, certainly this amendment that is being offered here today should be voted down. To make a comparison I made inquiry concerning mutual security legislation and the various types of projects being considered. I also talked with Representative JENSEN and, if I am wrong, my very good and able friend, the gentleman from Iowa [Mr. JENSEN] can correct me. He said there was about $320 million for projects in the mutual security bill. Here is a list of some items in mutual security; and bear with me, because I think this is important. Here are just some of the

projects in the mutual security appropriation bill to be considered for some 12 countries:

Irrigation and drainage systems; improvement of water supplies; land and water resources development; fisheries development; hydroelectric power development; power transmission and distribution; water resources survey; harbor and shipping development; municipal water supply; flood control; land and water use improvement; highway and bridge construction; port and harbor improvement; irrigation development; improvement of rivers and harbors; water resources planning and development; irrigation services; power facilities; improvement of irrigation and water control; expansion of rural-urban water supply; rehabilitation of inland waterways.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. CORBETT. For the purpose of clarity and emphasis, I should like to ask the gentleman if he is telling the House that carryovers from previous appropriations that were authorized, and for which money was appropriated, and the bill signed by the President, would be wiped out by this amendment?

Mr. GAVIN. The amendment cites a list of projects and the project to which I refer and am interested in is on the list, so I presume that it would be taken out.

Mr. CORBETT. Was this provision to eliminate these carryover funds the result of subcommittee or full committee action or was it just written into the report?

Mr. GAVIN. I think my good friend the gentleman from Pennsylvania [Mr. FENTON] is more familiar with that, also my good friend the gentleman from Michigan [Mr. RABAUT], who when they found this language written into the report, to reprogram the money, vigorously protested to the committee. The first copy of this report—or committee print—was called to their attention, both members of the Public Works subcommittee, who—and if I am wrong and either gentleman is here—I see Mr. FENTON is here—I wish to be corrected—immediately protested this language in the report. It had not been considered by the subcommittee, nor was any action taken on it by the subcommittee. It had just been written into the report.

They protested the language and if I remember correctly, and were assured that it would be changed. When the committee report was issued, no change had been made. I called it to the attention of Mr. RABAUT who stated, "You must be mistaken," and I thought possibly I might be. However, after I investigated I found that the language had been written in and the language in the second report was just the same as the language in the first report. Certain persons were determined to take this project out and I was determined to keep it in.

Mr. CORBETT. The gentleman is saying that they are altering the law, the appropriation, by the simple action of somebody writing the report?

Mr. GAVIN. That is right.. Then when the bill came to the floor of the House, an amendment was offered to restore the $1,400,000 by Representative FENTON, which was accepted and then the gentleman from New York insisted the amendment be amended so another study could be made. This last amendment was legislation on an appropriation bill.

The Senate committee concurred in restoring the $1,400,000 but deleted the language calling for another study. That is right. We want to be fair in these matters. But after $700,000 had been spent on the project report and after the same committee appropriated $2 million for construction, they still wanted to make another study and write the project out. The gentleman from Missouri [Mr. CANNON] inserted a list of items to be deleted in the record of August 31 and right opposite this project it says "No. 2," and that refers to "Resumption of Construction." And now it is said it is an unbudgeted item. The gentleman from New York stated here today that these are unbudgeted items, that they are new starts, that they are this, that, and the other thing. Nobody knows what they are. So, if you are on the list, let me tell you right now you are out—at least, if you support this amendment offered by the gentleman from New York [Mr. TABER].

I just want to call attention to the fact that I am concerned about new starts. We are making new starts all over the world. The flood of January 21 to 25 in the Allegheny Valley this year in the western part of Pennsylvania cost $18 million. And in the Pittsburgh district $28 million and thousands of people were made homeless. This project is the key to the overall flood protection program of the Allegheny, Upper Ohio, Beaver, and Monongahela River basins. It will harness the water for useful purposes for several million people and prevent the devastating and destructive floods which are periodically visited on the Allegheny and Ohio River valleys. I appeal to you as I have never before appealed to you to reject this amendment.

Mr. HOFFMAN of Michigan. What the gentleman is getting is a dirty deal.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GAVIN] has expired.

The Chair recognizes the gentleman Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I would like to think that this is a nonpartisan bill. We can approach it as our constituents back home would like to have us approach it.

I see the distinguished minority leader, the gentleman from Indiana [Mr. HALLECK], on the floor, and also the beloved ranking minority member of the Committee on Appropriations, the gentleman from New York [Mr. TABER].

When we were considering the mutual security appropriation bill, a Republican Member, my good friend, the gentleman from Wyoming [Mr. THOMSON], offered an amendment providing that all projects on foreign countries would have to meet the same acid test as projects here in America, that these projects in foreign countries would have to qualify under the benefit-cost ratio that we have had in this country for so long.

This year the foreign aid bill will finance over 1,450 projects. That is in the RECORD. None of those projects has ever had adequate planning, nor has a benefit-cost ratio ever been approved for a single one of those projects, other than what some political bureaucrat saying with respect to it, "This will help us politically, it may do the country some good."

We hope when we go to conference on the foreign aid bill, that we may be able to hold the Thomson amendment in the bill. I believe inasmuch as we are practicing economy, that if the distinguished gentlemen who are so close to the Director of the Budget and our distinguished President would get the word downtown and also get the word to their friends of the other body who will be on the conference, to hold this amendment in the bill, and make all of the 1,450 foreign projects meet the same criteria that we have to meet here in America, we will, in my opinion, be able to save $700 million because, as I stated earlier, there is over $8 billion in that program. Most of that money, if it is not for personnel, which incidentally amounts to about 43,800 jobs, it goes to one of the 1,450 projects.

I hope you will get the word downtown and to the conferees on the other side to go along with the House conferees. If you do we will save some real money.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

Mr. GAVIN. Mr. Chairman, will the gentleman yield for a short observation?

Mr. Chairman, I just want to call the attention of the House in reference to my previous remarks that the gentleman from Pennsylvania [Mr. FENTON] and the gentleman from Michigan [Mr. RABAUT] wholeheartedly supported my project and did everything that was humanly possible to get the thing changed.

Mr. THOMSON of Wyoming. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. THOMSON of Wyoming to the amendment offered by Mr. TABER: Page 8, line 12 strike "$4,788,710", and insert in lieu thereof "$6,703,710, of which $1,915,000 shall be used for advance planning, to include collection of design data, designs and specifications, foundation explorations and associated activities on the Greater Wenatchee Division, Cedar Bluff, East Bench, Red Willow Dam, Smith Fork, Hammong and Seedskadee projects, and".

Mr. THOMSON of Wyoming. Mr. Chairman, I do not expect this amendment to carry because I do not think that the principal amendment, or any other amendments offered today, will carry. I know that there is a general understanding that all amendments will be voted down, whether they propose to take from or add to the bill.

In some respects, that is an unfortunate situation. It precludes amendments which I am satisfied would carry if considered on their merits.

This I will discuss later. But, if the pending substitute amendment is to be seriously considered, then it would be most necessary that my amendment to it be adopted so that in fairness, the unbudgeted projects for which construction money was provided in the original bill would be treated at least as favorably as the unbudgeted projects which would remain and for which advance planning and general investigation funds were provided in the vetoed bill. For a more detailed analysis of this and other items which I will mention, I respectfully refer the membership to my extensive statement made on last Friday, September 4, 1959, beginning at page 18176 of the RECORD.

I want to repeat again that I do not blame the President for this veto. At the time it was being considered, he was occupied with most important questions of foreign policy. As a matter of fact, when the veto was delivered, he was out of the country and had been for some time.

This did not permit those who really knew the true situation to consult with him or for him to consult with them. The President was denied the advice of the gentleman from Iowa [Mr. JENSEN], who has just spoken as ranking Republican member of the subcommittee which considered the bill, is best informed, and has time and again proved that he is really an economy Congressman, with his actions resulting in savings of billions of dollars of the taxpayers' money.

The veto of the bill is unfortunate and ill-considered, because it is based on wrong information. The real blame must rest on the shoulders of those who gave the President this wrong basic information, as reflected by his veto message.

The substitute amendment offered by the gentleman from New York, which is identical with the proposal made by the chairman of the committee in interpreting the veto message, points out just how wrong this information was. The effect of this substitute amendment would be to knock out all of the unbudgeted projects for which construction money was provided in the vetoed bill, but would leave in the general investigation and advance planning money for unbudgeted projects. The effect of this is not to cut spending in the long run, as the President stated his aim to be, and therefore there is no true economy in his veto.

Everyone familiar with the program knows that the real place that you make new starts is in general investigations and particularly in advance planning. The advance planning stages is when the people move in and set up their camps and prepare designs and specifications, and they are then ready to go ahead with the construction, which is the orderly next step. There is no economy, at that point, in making them move out and stay away a couple of years and then come back. We have already found, with regard to the military that we spend a good part of our money paying for people to travel around. The same would be true here, and that is no economy.

If we really wanted to make cuts, the items to be eliminated should be the general investigation and advance planning items. All the members of the Appropriations subcommittee have agreed in our committee meetings that that is the fact.

If this substitute were adopted, there would be left in the bill, purportedly at the President's request, 32 unbudgeted advance planning projects with an eventual cost of $450 million, as per the estimate of the Army Corps of Engineers. Furthermore, there would be 89 unbudgeted projects for general investigations left in the bill, at a total cost of somewhere between $1 and $2 billion. That is why I say it is not true economy. There are your real new starts, and those would be left in the bill, based upon the misinformation given to the President.

There is absolutely no justification for accelerating advance planning on projects, if we cannot afford to go ahead on those projects which we have on hand and which are ready for construction money. That would be throwing the taxpayers' money down the drain.

But at the least, we should in fairness treat the projects which are ready for construction money on an equal basis. The effect of my amendment would be to add $1,915,000 to the reclamation appropriation for advance planning on these projects. A similar amendment, to add $572,000 to the Corps of Engineers appropriation, would be required.

The veto message is further based upon misinformation because it charges a "tremendous expansion in government expenditures in just this one area," and infers that there has been a threefold increase in expenditures, which leads us to deficit spending and our fiscal problems of today. With regard to reclamation, which is of primary interest in the West as a means of developing our vital water resources, exactly the reverse is true. There has been approximately a one-third reduction in appropriations, as compared to the 1950 level. In 1949, there was appropriated for fiscal year 1950 $335.6 million, as compared to an appropriation for reclamation construction of $212.1 million in the vetoed bill, a drop of over $120 million, or more than 33⅓ percent. The amount appropriated for the total reclamation program in 1949 was $358.9 million, as compared to $256.7 million in the vetoed bill, or a total drop of over $100 million, representing almost a 33⅓ percent reduction.

I again point out to my Democrat friends that they should not try to make a political issue out of this, for it is one on which they would lose. The appropriations had in fact dropped to $177.7 million for construction and $206.4 million for total reclamation in 1952, the last year of the Truman administration. We should work to continue to meet this problem, just as we are doing on this bill.

The veto is further based upon misinformation because the message refers to 67 unbudgeted projects, with an eventual cost of over $800 million. This is misleading information. It includes six small loan projects for which no future appropriations are required. It includes the Burns Creek project in Idaho, which is unauthorized and therefore could not possibly be constructed. It includes the Trinity power project, which is still in this substitute as offered by the gentleman from New York.

Therefore, instead of 15 new starts with a total cost of over $200 million in future years, as inferred by the veto message, we have 7 new starts with a total cost of about $80 million in future years, to complete them. This would be spread out over a 10-year construction period, and could not possibly have the adverse effect upon future budgets as charged.

Similar adjustments must be made for the Corps of Engineers. Also, there must be offset the three projects which were recommended in the budget and on which construction was stopped. When these adjustments are made, we end up with less than 50 projects, with a total cost of about $500 million.

There are about 40 projects being completed in the coming fiscal year, with approximately the same total estimated cost. Therefore, the bill would not be expanding the construction appropriations in years ahead.

As I mentioned, I am satisfied that no amendments to this bill, either to put anything in or to take anything out, will be adopted. This is unfortunate, because there are two amendments which I had intended to offer, and which I believe would have been adopted if that decision had not been made and they could have been considered on their merits. Both of these amendments would have been to eliminate projects in the reclamation area which would have been true economy, and from the people with whom I have talked, I am satisfied that they could have carried, had they been considered on their merits.

At this point, I would like to point out that the true economy and savings to the taxpayers in the reclamation field have been accomplished principally by people like myself from reclamation areas, who have successfully fought to eliminate bad projects and to keep the rate of spending at a reasonable level. I would further point out to the executive that I will mention these projects because I think they point the way to how this bill can truly be brought in line with the President's objectives.

The first amendment which I would have offered would have been to reduce the appropriation by $487,500, because of the Burns Creek project situation. This is a bad project which should never be constructed. It is strictly a power project that would produce power at a cost of over 5.4 mills per kilowatt-hour, to be sold at 3.67 mills per kilowatt-hour, and would take millions of dollars from the true reclamation program. Actually, I do not think that it is particularly important whether this amendment is offered or not, except to bring the dollar figures into line. As the bill is presented, I do not believe that the project is included. The "Construction and Rehabilitation" reclamation appropriation on page 8 is "for construction and rehabilitation of authorized reclamation projects." This project is not authorized, and therefore is not included in the appropriation.

I would, though, point out to the Executive, that if they really want to accomplish some savings for the taxpayer,

then this project should receive their attention. Ironically enough, I was testifying before the House Interior Committee in opposition to this project which the Interior Department, with the approval of the Bureau of the Budget, was supporting, on the very day that the veto message was received. The House Interior Committee has passed the bill over for continuation of hearings next year, and I would suggest to the Executive that it might well review its position if it really wants to save the reclamation fund and the taxpayers some money.

The other amendment which, because of the situation prevailing, I will not offer is one to eliminate $2,354,625 for the Trinity power project. Here again, the President was given misinformation as to the importance of providing funds for the Trinity power facilities this year. The private utility company has stated in writing to the Secretary of the Interior that it will continue with the preparation of final designs and specifications, of required major equipment and engineering studies in collaboration with the Bureau of Reclamation engineers, and will make all of these available without charge to the Bureau. This is what the funds provided in this bill are designed to do. Mr. Dominy, the Commissioner of Reclamation, in response to a question asked by the chairman of the Senate Appropriations Committee, stated, "We could take over their designs without a measurable delay in completing this project." Here is a chance to really save the taxpayers some money. Besides that, what has happened on this bill clearly points up the need for construction of the Trinity power facilities as a partnership project.

The President is in error about the necessity for constructing these power facilities, because the effect of this would be to produce power at a cost of 8.9 mills to 9.6 mills per kilowatt-hour, which would be sold to SMUD—Sacramento Municipal Utility District—at a rate of 4.5 mills, or at a big loss. There is no point in hurrying to construct something that is going to operate at a loss.

Furthermore, over a period of 50 years this would result in a loss to the reclamation fund of $175 million. I would say to my friends who have felt they must support this project for other reasons that his veto brings quite sharply to our attention that, unless these funds are made available to reclamation, we are going to destroy the reclamation program. Furthermore, this project would result in the loss of Federal taxes over the 50-year period of $83 million, or a total loss to the taxpayers of the Nation of over $318 million.

If the parliamentary situation prevailing in committee had permitted my offering this amendment to eliminate these funds, I am satisfied that it would have carried. The Executive should not interpret the fact that it is left in this bill as a mandate to go ahead with the all-federal construction of the Trinity power project. If an amendment to eliminate the funds could be considered here on its merits, from the check that I have made, I believe that it would carry. Again, I respectfully suggest to the President that here is a real opportunity to save over $318 million for the reclamation fund and the taxpayers of the Nation, if he allows the private utility company to go ahead with preconstruction planning, and insists upon this being constructed as a partnership project.

At this point, I would like to point out something to those people on both sides of the aisle who are interested in the reclamation program. I think the veto of the public works appropriation bill establishes beyond a doubt the warning which I and several others have been sounding. If we want a continuing reclamation program on a sound basis, then the attempt to use it as a vehicle for bringing about all-Federal ownership of all power facilities at any cost must be met head-on and stopped.

The attempt to construct projects like the Burns Creek and the Trinity power project from reclamation funds does two things, both of which it is demonstrated will be a death blow to reclamation. In the first place, it robs the reclamation program of necessary construction funds for true reclamation projects. Furthermore, the reclamation program has been made possible, to a large extent, because of the philosophy of the 1906 amendment to the Reclamation Act which established the principle that when power is produced as an adjunct of a true reclamation project, then the surplus revenues will be used to assist reclamation. The effect of these projects and others like them, which will be coming along in increasing numbers, is to change that principle to say that power revenues will be used to subsidize power instead of to assist reclamation. Those who are truly interested in the future of reclamation must meet this challenge.

I will vote for the committee bill because it is necessary to a continuing sound and orderly water development program. I regret that the situation does not permit making it a better bill. This is true economy, for if we do not provide for the orderly development of our water resources, we will eventually have to have a crash program like the highway program now confronting us, which will end up with extravagance and deficit spending, at the expense of the taxpayers of the Nation.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

The question is on the amendment offered by the gentleman from Wyoming [Mr. THOMSON].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. CLEM MILLER.]

Mr. CLEM MILLER. Mr. Chairman, I take this time to speak of fat and pork barrel and to ask some pertinent questions. We hear so much of pork barrel and fat in this bill from the press of the country. From my experience I do not see how we are going to roll a pork barrel past the gentleman from Iowa, the gentleman from Missouri, and the gentleman from New York. This week has been a field day for editorial writers. Everything this week is pork barrel, and it seems to me they ought to get specific. So I address this question to anyone in this Chamber, particularly those who vote against the bill, who voted against overriding: Where is the pork barrel in this bill, or where was it in the previous bills?

I yield the balance of my time to anyone who can answer my question.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. CLEM MILLER. I yield.

Mr. FULTON. I thank the gentleman for yielding for I would like to ask a question. Do I understand in this bill that there are cancellations of previous appropriations, for example, the 1958–1959 appropriations for the project in the district of our good friend the gentleman from Pennsylvania [Mr. GAVIN]? A cutting out of previously authorized appropriations? Is that correct? Can the chairman or the gentleman from New York [Mr. TABER] answer?

Mr. CLEM MILLER. I ask again: Is there anyone here on this floor now who can answer me so we can give something specific to these editorial writers that they may present specific instances instead of these glittering generalities?

Mr. TABER. I say those cases that have such a low benefit-to-cost ratio that there is practically none. That is "pork."

Mr. CLEM MILLER. Can anyone else answer me?

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. CLEM MILLER. I yield.

Mr. GAVIN. You can rest assured if your project is in there you are out.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. CLEM MILLER. I yield.

Mr. ASPINALL. Mr. Chairman, under the statement just made by the ranking member of the great Committee on Appropriations, then there would be no elimination of the new projects from the Bureau of Reclamation, because each one of those projects has a fine benefit-to-cost ratio; so that answer does not go for the Bureau of Reclamation.

Mr. CLEM MILLER. I wish the gentlemen would give me an example of where there is any pork barrel in this bill. I wonder if the gentleman from Iowa can point out an example of where there is any pork barrel in this bill.

Mr. JENSEN. Since the gentleman mentioned "the gentleman from Iowa" I presume he meant me. I want to say I have never, since I have been a Member of this Congress, voted for what I would call a pork barrel bill.

Mr. CLEM MILLER. I thank the gentleman.

Mr. JENSEN. And I renew the challenge I made earlier when I asked if any Member of this House would stand in his place and say that Congressman JENSEN of Iowa has spent the money of the American people recklessly. If so, let him stand in his place and make his statement.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, in answer to my question and questions propounded by the gentleman from

Oklahoma [Mr. EDMONDSON], the ranking minority member of the Appropriations Committee has made it clear that money appropriated by previous Congresses and remaining unexpended for projects—and I refer particularly to the Allegheny River Reservoir project at Kinzua—it will be eliminated as a result of the veto and this proposed amendment.

Mr. Chairman, I consider this to be one of the most outrageous effects of the veto and this amendment. This Congress, and past Congresses, of the United States have appropriated money for the Allegheny River Reservoir. The veto apparently was intended only to affect new moneys, but this amendment affects not only money appropriated by this bill but also moneys appropriated by previous Congresses.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield.

Mr. CORBETT. Again we want to make crystal clear that this particular amendment will eliminate items previously appropriated for according to law beyond the bill which was vetoed. The veto as I understand only eliminated new money, not previously appropriated money; so this particular amendment is doubly vicious.

Mr. MOORHEAD. It is doubly vicious. I agree heartily with the gentleman from Pennsylvania.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I am one of those who voted to sustain the veto, but I certainly do not go so far as to throw out previously appropriated funds which as shown by the statement of the chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON], this last year was intended for the Allegheny Reservoir. For example, $1,333,000 of unused money from the 1958 appropriations are being canceled by this amendment that would otherwise have been there in spite of the veto.

Mr. MOORHEAD. I would like to add this. Allegheny River Reservoir is only in a technical sense a new start. The money has already been appropriated for the construction of this item, and construction would have started years ago. It would be well on the way to completion now except for a lawsuit that held up the use of this money. That lawsuit has terminated. There is no reason why we should not use this money and money previously appropriated.

This is an example of the outrageous effect of the amendment. I believe it should be soundly defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, when we passed the appropriation bill that the President vetoed I think practically every Member of the House was very happy, because they realized that that bill was the result of months of hearings and efforts by the subcommittee, a profound consideration by the House, and a committee of the other body and the other body itself. We felt that the bill was an honest and a fair bill to the people of all sections of our country in connection with matters of great importance to them, whether flood control protection, conservation, or any other of the activities that were involved in the appropriation bill that was vetoed.

I do not know of any appropriation bill that approximated greater satisfaction, any public works appropriation bill, in my 31 years in this body, than the one we sent to the President.

In the exercise of his judgment and following his constitutional authority, the President vetoed the bill. We exercised our constitutional authority and the veto was sustained by one vote. This bill is now before the House in the exercise of our constitutional responsibility. The President's power to veto stems from the Constitution, our power to try to pass over the veto stems from the Constitution, our power to consider the bill today also stems from the Constitution. I do not think the Constitution ever intended that the Congress of the United States should abdicate its constitutional authority to any President.

When the bill was vetoed the other day we heard talk of recrimination. I knew that on the Republican side there were many Members suffering, and I say this not politically but objectively, there were many of my Republican friends suffering keenly who voted to sustain the veto. We know they were hoping that the veto would be overridden, that there would be the two-thirds vote to override. They could play it both ways. They are suffering today. But the political suffering of this vote is not now. It is going to be in November of 1960. That is when all of these vetoes are going to be interpreted in political terms—not today or in the months ahead, but in November 1960. The old law of action and reaction will operate then. I would love to be a candidate in the district of some Members who voted to sustain the veto, particularly with projects located in that district. But now you have a chance to undo it. You have a chance to correct your error of a few days ago. We have not brought in a recriminatory bill, we are not striking out the projects that were located in districts represented by friends of mine on the Republican side. That would not be right, and I would not stand for it. They are human beings living in your districts, the same as human beings living in my district and other districts. They are Americans, too. We reported out a fair bill and an honest bill. We have treated them all alike, deducting 2½ percent to try to meet the objections of the President. And, we are exercising our constitutional power and our judgment in so doing. Now, if the President vetoes it again, that is his responsibility.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MCCORMACK. Oh, I am always glad to yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman is very fair in that regard, and I thank him for it. I want to say, first of all, that there has been no recrimination, I appreciate that, but I want to understand correctly, if I may, the gentleman's words about political reprisals in November of 1960.

Mr. MCCORMACK. Oh, I did not say political reprisals.

Mr. HALLECK. Let me conclude my question, please. Is the gentleman arguing that this sort of political consideration should govern in connection with a bill like this instead of a Member's own conviction about what he thinks is right?

Mr. MCCORMACK. What I said was that the veto and the vote will be considered politically in terms of November 1960. What is wrong with that? You are here because of politics. I am here because of politics. We are politicians. And, what is wrong with talking about the next election? Let me say to my friend from Indiana that it is Members on his side that are worried; not Members on my side that are worried.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. MCCORMACK. Of course, I am always glad to yield.

Mr. HALLECK. The gentleman has been here longer than I have.

Mr. MCCORMACK. By the way, there are a couple of projects right up there in Indiana, too; a couple of rivers right around the gentleman's district.

Mr. HALLECK. I understand. But, let me just say to the gentleman that in my time in politics—and I am a politician; I come from Indiana, and that comes natural, of course—but may I just say this, that I have found, in the long run, the best politics is to do right.

Mr. MCCORMACK. Ah, that is what we are doing in this bill. We are doing the right thing because we are treating everybody decent. There is no project taken out of this bill reported now that was not in the original bill. You might disagree with our judgment, but remember one thing, we are fair to every Member of the House.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 91, noes 216.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the reading of the remainder of the bill be dispensed with and that amendments shall be in order at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. Are there any points of order to the bill?

If not, the Chair will receive amendments.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 18, after line 19 insert:

"TITLE IV—GENERAL PROVISIONS

"SEC. 401. Each of the appropriations in this bill are hereby reduced by 2½ percent."

Mr. JENSEN. Mr. Chairman, I offered this amendment in the Public Works Subcommittee on Appropriations when the bill was marked up in the first instance. My amendment lost by an almost strict party vote. Then Mr. TABER offered it on the floor of the House in a motion to recommit and that lost. Now, in order to carry out my original intent to reduce the bill 5 percent across the board, I offer this amendment to reduce the bill an additional 2½ percent, which would make a 5 percent reduction on the original bill as it came from the conference committee. A 5 percent reduction can be lived with not only in construction funds, but also in planning funds and also in personnel funds which are provided in this bill.

A further reduction of 2½ percent would reduce the amount appropriated in this bill as it comes to the floor $30 million in round figures. Hence if the amendment is approved the bill would provide approximately $30 million below the President's budget request. I think it is very reasonable that we do this for two reasons. First, we should save this $30 million; and, second, it might encourage the President to sign the bill.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. WEAVER. It has been stated here that the President received considerable misinformation and poor advice when he vetoed this bill. Can the gentleman state whether he was ever consulted by the President on this matter?

Mr. JENSEN. No, not at all in connection with this bill.

Mr. WEAVER. Mr. Chairman, I did not want the gentleman to be blamed for the misinformation that was given the President.

Mr. JENSEN. I thank the gentleman. In the 17 years I have served on the Committee on Appropriations of the House of Representatives I have been very active in helping the economy-minded members on that committee, both Democrats and Republicans, to strike out all unnecessary and wasteful spending as we saw such waste in the bills. I yield to no man in this House of Representatives so far as an economy record is concerned, and I do not apologize for this bill. There are, as I said previously, a few projects in this bill that I would not have put in the bill. But as a whole it is a good bill. It is for the conservation and the preservation of our country, to stop destructive floods, and to save life and property.

Mr. CANNON. Mr. Chairman, we ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment, offered by the gentleman from Iowa [Mr. JENSEN].

The amendment was rejected.

Mr. ASPINALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, Interior Secretary Seaton's statement on the President's veto of the former public works appropriation bill has come to my attention, and I would like to make a few comments with respect to it.

Secretary Seaton, as a spokesman for the administration, in such release, voices his alleged friendship and support of a strong Federal reclamation program. I do not see how this claim can be made successfully by an administration spokesman in the face of such actions as the aforesaid veto and its accompanying message. In my opinion, this administration is just not being honest with the American people in purporting to favor a strong reclamation program on the one hand while refusing on the other hand to recommend adequate expenditures for such a program.

I renew the contention I have stated several times previously to this body that this administration has neglected without justifiable cause the reclamation program, and I submit that one needs only to examine the annual budget requests to confirm this statement. I submit further that it is due almost entirely to actions by the Congress, such as adding a few new starts, that the annual level of spending has been boosted a little, an insignificant amount in my opinion, in recent years.

How can Secretary Seaton justifiably say, as he did in his statement on the President's veto of the public works bill, "I am personally 100 percent in favor of a strong, continuing reclamation construction program" and in the same statement say, "I support without reservations the President's veto of the public works appropriation bill for 1960"? These statements are just not consistent.

Secretary Seaton also indicates his agreement with the President's statement that the former appropriation bill as delivered to the President ignored the necessity for an orderly development of America's water resources. With respect to the reclamation program, this is certainly not a constructive or factual statement. I have previously discussed before this body the studies which my staff and I have made to demonstrate that we can start the projects included in the bill which the President vetoed and additional projects annually without excessive pyramiding of future fund requirements.

Secretary Seaton says that he is for a progressive construction program, but how can a program be progressive unless we continue to add needed and feasible projects to take the place of those which are being completed and unless that program maintains its relative position with other Federal programs in an expanding economy?

There are two sets of figures in the Secretary's statement that I would like to refer to briefly. He states that the program envisioned by the vetoed bill would have required as a minimum $310 million in fiscal year 1961 and $296 million in fiscal year 1962. While I do not agree with these figures because of the studies I have made and I believe they can be reduced without adversely affecting efficient scheduling of construction, at this time I want to question whether they actually are unreasonably high in view of the fact that if the reclamation program had maintained a relative position in our overall Government spending that it held prior to World War II we would be spending about $370 million annually.

Secretary Seaton states that if the new starts included in the vetoed bill are initiated in fiscal year 1961 instead of 1960 our requirements would be approximately $275 million in fiscal year 1961 and $289 million in fiscal year 1962, and refers to these figures as much more realistic in the light of the overall Federal budget situation. Both these sets of figures are only someone's estimate as to the amounts that may be required to maintain an efficient construction schedule and I cannot understand this great importance that has been attached to them for the purpose of explaining the veto. They have no sounder basis than the estimates of future requirements developed in my study and therefore I maintain that Secretary Seaton's "realistic fund requirements" for fiscal year 1961 and for fiscal year 1962 could be adhered to even with the new starts in.

In summary, Mr. Chairman, what I am saying is that the administration and the Secretary of the Interior, while openly claiming to be strong supporters of the reclamation program, have, by the actions taken and statements made, done great damage to the program. Such actions amount to strangling the child immediately after its birth. Support for project authorizations does not indicate support of the program if the administration continues to refuse financial support for construction. There is no point in continuing to authorize projects if we are not going to build them. The information and data which is the basis for project authorizations soon becomes obsolete and out of date. With extended delays, quite correctly, the Committees on Appropriations ask for reviews and in some instances for reauthorization.

Mr. CANNON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, without amendment and with a favorable recommendation.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9105) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. CANNON. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question on the passage of the bill.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations for further consideration.

Mr. CANNON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. CANNON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 304, nays 93, not voting 38, as follows:

[Roll No. 170]

YEAS—304

Abernethy	Conte	Harris
Adair	Cook	Harrison
Addonizio	Corbett	Hays
Albert	Cramer	Healey
Alexander	Curtin	Hébert
Alford	Daddario	Hechler
Anderson, Mont.	Daniels	Hemphill
Andrews	Davis, Ga.	Henderson
Ashley	Davis, Tenn.	Herlong
Ashmore	Dawson	Hoeven
Aspinall	Delaney	Hogan
Avery	Dent	Holland
Bailey	Denton	Holtzman
Baker	Diggs	Horan
Baldwin	Dingell	Huddleston
Baring	Dixon	Hull
Barr	Dollinger	Ikard
Barrett	Donohue	Inouye
Bass, Tenn.	Dorn, S.C.	Irwin
Beckworth	Dowdy	Jarman
Belcher	Downing	Jennings
Bennett, Fla.	Doyle	Jensen
Bennett, Mich.	Durham	Johnson, Calif.
Betts	Edmondson	Johnson, Colo.
Boggs	Elliott	Johnson, Md.
Boland	Everett	Johnson, Wis.
Bolling	Fallon	Jones, Ala.
Bonner	Farbstein	Karsten
Bowles	Fascell	Karth
Boykin	Feighan	Kasem
Boyle	Fenton	Kastenmeier
Brademas	Fisher	Kearns
Bray	Flood	Kee
Breeding	Flynn	Kelly
Brewster	Fogarty	Kilday
Brock	Foley	Kilgore
Brooks, La.	Forand	King, Calif.
Brooks, Tex.	Forrester	King, Utah
Brown, Ga.	Fountain	Kirwan
Brown, Mo.	Frazier	Kitchin
Buckley	Friedel	Kluczynski
Budge	Fulton	Knox
Burdick	Gallagher	Kowalski
Burke, Ky.	Garmatz	Landrum
Burke, Mass.	Gary	Lane
Burleson	Gathings	Lankford
Bush	Gavin	Lennon
Byrne, Pa.	George	Levering
Cannon	Giaimo	Libonati
Carnahan	Granahan	Loser
Carter	Grant	McCormack
Casey	Gray	McDowell
Celler	Green, Oreg.	McFall
Chelf	Green, Pa.	McGinley
Chenoweth	Griffiths	McGovern
Chiperfield	Gubser	McMillan
Clark	Hagen	McSween
Coad	Haley	Macdonald
Coffin	Halpern	Machrowicz
Cohelan	Hardy	Mack, Ill.
Colmer	Hargis	Madden
	Harmon	Magnuson
Mahon	Pilcher	Smith, Iowa
Mailliard	Porter	Smith, Kans.
Matthews	Preston	Smith, Miss.
May	Price	Spence
Merrow	Prokop	Springer
Metcalf	Pucinski	Staggers
Meyer	Quigley	Steed
Miller, Clem	Rabaut	Stratton
Miller, George P.	Rains	Stubblefield
Mills	Randall	Sullivan
Mitchell	Rees, Kans.	Teague, Calif.
Moeller	Reuss	Teague, Tex.
Monagan	Rhodes, Ariz.	Thomas
Montoya	Rhodes, Pa.	Thompson, La.
Moore	Riley	Thompson, N.J.
Moorhead	Rivers, Alaska	Thompson, Tex.
Morgan	Rivers S.C.	Thomson, Wyo.
Morris, N. Mex.	Roberts	Thornberry
Morris, Okla.	Rodino	Toll
Morrison	Rogers, Colo.	Trimble
Moss	Rogers, Fla.	Udall
Moulder	Rogers, Mass.	Ullman
Multer	Rogers, Tex.	Vanik
Murphy	Rooney	Vinson
Murray	Roosevelt	Walter
Natcher	Rostenkowski	Wampler
Nix	Roush	Watts
Norblad	Rutherford	Weaver
Norrell	Santangelo	Whitener
O'Brien, Ill.	Saund	Whitten
O'Hara, Ill.	Schwengel	Wier
O'Hara, Mich.	Scott	Williams
O'Konski	Selden	Willis
Oliver	Shelley	Winstead
Passman	Sheppard	Wolf
Pelly	Shipley	Wright
Perkins	Siler	Yates
Pfost	Simpson, Ill.	Young
Philbin	Sisk	Zablocki
	Slack	Zelenko

NAYS—93

Abbitt	Dwyer	Nelsen
Alger	Fino	Osmers
Allen	Flynt	Ostertag
Andersen, Minn.	Frelinghuysen	Pillion
Arends	Glenn	Pirnie
Auchincloss	Goodell	Poff
Ayers	Griffin	Quie
Barry	Gross	Ray
Bass, N.H.	Halleck	Reece, Tenn.
Bates	Hiestand	Riehlman
Becker	Hoffman, Ill.	Robison
Bentley	Holt	Saylor
Berry	Hosmer	Schenck
Bosch	Jackson	Scherer
Bow	Johansen	Short
Broomfield	Jonas	Simpson, Pa.
Brown, Ohio	Judd	Smith, Calif.
Byrnes, Wis.	Keith	Smith, Va.
Cahill	Lafore	Taber
Cederberg	Laird	Tuck
Chamberlain	Langen	Utt
Church	Latta	Van Zandt
Collier	Lindsay	Wainwright
Cunningham	Lipscomb	Wallhauser
Curtis, Mass.	McCulloch	Weis
Curtis, Mo.	McIntire	Wharton
Dague	Mack, Wash.	Widnall
Derounian	Mason	Wilson
Devine	Meader	Withrow
Dooley	Michel	Younger
Dorn, N.Y.	Milliken	
	Mumma	

NOT VOTING—38

Anfuso	Hall	O'Brien, N.Y.
Barden	Hess	O'Neill
Baumhart	Hoffman, Mich.	Patman
Blatnik	Holifield	Poage
Blitch	Jones, Mo.	Powell
Bolton	Keogh	St. George
Broyhill	Kilburn	Sikes
Canfield	Lesinski	Taylor
Cooley	McDonough	Teller
Derwinski	Marshall	Tollefson
Dulski	Martin	Van Pelt
Evins	Miller, N.Y.	Westland
Ford	Minshall	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Poage for, with Mr. Ford against.

Mr. Jones of Missouri for, with Mr. Van Pelt against.

Mr. Keogh for, with Mr. Taylor against.

Mr. Anfuso for, with Mr. Kilburn against.

Mr. Baumhart for, with Mrs. Bolton against.

Mr. Holifield for, with Mr. Minshall against.

Mr. O'Neill for, with Mr. Miller of New York against.

Mr. Blatnik for, with Mr. Hess against.

Mr. Sikes for, with Mrs. St. George against.

Mr. Teller for, with Mr. Marshall against.

Mr. Dulski for, with Mr. McDonough against.

Until further notice:

Mrs. Blitch with Mr. Martin.

Mr. Barden with Mr. Tollefson.

Mr. Patman with Mr. Broyhill.

Mr. Gallagher with Mr. Canfield.

Mr. O'Brien of New York with Mr. Hoffman of Michigan.

Mr. Evins with Mr. Westland.

Mr. Lesinski with Mr. Derwinski.

Mr. HOSMER changed his vote from "yea" to "nay."

The vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

HON. DALE ALFORD DULY ELECTED TO THE 86TH CONGRESS

Mr. ASHMORE from the Committee on House Administration reported a privileged resolution (H. Res. 380, Rept. No. 1172) which was referred to the House Calendar and ordered to be printed.

Mr. ASHMORE. Mr. Speaker, I send to the desk a privileged resolution (H. Res. 380) relative to the investigation of the November 4, 1958, election in the Fifth Congressional District of Arkansas, and declaring that DALE ALFORD was duly elected to the 86th Congress, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas the Committee on House Administration has concluded its investigation of the election of November 4, 1958, in the Fifth Congressional District of Arkansas pursuant to House Resolution 1; and

Whereas such investigation reveals no cause to question the right of DALE ALFORD to his seat in the Eighty-sixth Congress; Therefore be it

Resolved, That DALE ALFORD was duly elected a Representative to the Eighty-sixth Congress from the Fifth Congressional District of Arkansas, and is entitled to a seat therein.

Mr. SCHENCK. Mr. Speaker, it is not my intention or purpose in my comments to enter into the discussion in any way as to the relative merits of either candidate to represent the Fifth Congressional District of Arkansas here in the House of Representatives. Such a decision rests completely, and properly so, in the hands and judgment of the qualified electors of that district.

The existence of rumors and statements attributed to various people, Mr. Speaker, alleging fraud and dishonesty in this election apparently indicated to to the gentleman from Massachusetts,

the Honorable JOHN W. MCCORMACK, the possibility that an objection might be made to the seating of the gentleman from Arkansas [Mr. ALFORD]. It will be recalled, Mr. Speaker, that House Resolution 1, presented by the gentleman from Massachusetts [Mr. MCCORMACK], was adopted here in the House of Representatives on January 7, 1959, and that under its provisions the final right of DALE ALFORD to a seat in the 86th Congress was referred to the Committee on House Administration on which I have the honor to serve as the ranking Republican member. Thus it became the duty of this committee, through its Subcommittee on Elections, to conduct a thorough, complete, and unbiased investigation into all factors, circumstances, records, and phases of this election. Therefore, I supported the motion made in the Committee on House Administration to authorize and order such an investigation.

The Subcommittee on Elections, Mr. Speaker, has made a very thorough and complete investigation. It has been assisted by a well-qualified staff and by expert consultants. The printed report of this subcommittee, Mr. Speaker, contains 217 pages and illustrates the thorough and unbiased way in which this investigation was made. I want to extend my appreciation and my thanks to the members of the subcommittee, its staff, and its consultants for the very able and thorough manner in which they did their work.

Mr. BURLESON. Mr. Speaker, the gentleman from Ohio [Mr. SCHENCK] has made a very fine statement and one in which I concur. The gentleman has been helpful and cooperative in this matter as well as the other members of the minority.

Mr. Speaker, I take full responsibility for what has heretofore, both on the RECORD and in private, been described as a delay in the consideration of this matter. However, the delay from January, at the time House Resolution 1 was adopted, to April, was not unusual. As a matter of fact, the Federal court in Little Rock, Ark., had the ballots impounded and not available for the subcommittee's inspection until after it was decided by the House Administration Committee to investigate the congressional election in the Fifth District.

Mr. Speaker, before this matter is closed I wish to compliment the Subcommittee on Elections of the Committee on House Administration for having performed in a highly responsible manner.

As everyone is aware, this matter has been charged with considerable emotion. Facing some unfavorable circumstances and difficulty the subcommittee proceeded with diligence and objectivity. It spent many hours of hard work. It spared no effort. The gentlemen on the committee traveled to Little Rock and worked on weekends and a holiday. An able and competent staff worked with them and rendered an indispensable service in determining facts and circumstances on which a correct conclusion could be reached.

The House owes the subcommittee chairman, the gentleman from South Carolina [Mr. ASHMORE], and members of his committee on both sides, a vote of thanks which can be shown by supporting their report and the resolution pending.

Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred seventy-five Members are present, a quorum.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. FULTON), there were—ayes 245, noes 5.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SCHENCK. Mr. Speaker, I ask unanimous consent to extend my remarks immediately preceding the vote on this question.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ADDITIONAL PROGRAM FOR SEPTEMBER 9

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MCCORMACK. Mr. Speaker, I want to advise the Members of the House that in addition to the other bills that the chairman of the Ways and Means Committee, the gentleman from Arkansas [Mr. MILLS], will call up under unanimous consent, probably tomorrow, there will be included the bill H.R. 8685, to amend the Internal Revenue Code of 1954 to provide for the Presidential appointment of a general counsel for Internal Revenue and to provide for the appointing of other officers for the Internal Revenue Service.

PROVIDING STANDARDS FOR THE ISSUANCE OF PASSPORTS

Mr. SELDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 9069) to provide standards for the issuance of passports, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 9069 with Mr. RILEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from Alabama [Mr. SELDEN], had 4 minutes remaining; the gentleman from Indiana [Mr. ADAIR], had 15 minutes remaining.

The Chair recognizes the gentleman from Indiana.

Mr. ADAIR. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, I requested time to speak on this vitally important legislation today because, as the records will show, I introduced the first bill in Congress on passport control just 2 days after the Supreme Court decision was rendered in the Kent against Dulles case on June 16, 1958. Several other bills of a similar nature were introduced in the weeks that followed, without any action being taken before adjournment of the 85th Congress.

I would be remiss if I did not thank my Illinois colleague, Mrs. CHURCH, for having relinquished her time to me, particularly so because I did not have the opportunity to personally testify before the subcommittee when I appeared for that purpose recently.

For fifteen months now we have lived with a Supreme Court decision which has virtually opened the gates to unlimited travel abroad by native-grown subversives, Communists, and fellow travelers. We spend billions of dollars of the taxpayers' money in this country to maintain the defense and security of these United States. A wide variety of legislation, good and bad, is brought before this Congress with a defense label and defense, to me, means nothing more than an investment in the security of every American who believes in our way of life. Yet there are those who are apparently reluctant to support this legislation which is as vital to the security of this Nation as any so-called defense program we might possibly consider.

One of the real advantages we have in our efforts to control or counter the Communist conspiracy within the United States is that our counterintelligence agents have been able to keep a watch on the Communists and fellow travelers. Through this close scrutiny they have been able to discover who enemy agents were, maintain a line upon Communists and equally close surveillance over them. Now, however, we must allow these fifth columnists to move abroad easily and often with a travel permit bearing the seal of the United States. Even under the protection of a Court decision and the clamor of the civil liberties advocates, it seems tragic to me that those who are charged with the responsibility of maintaining our security must stand by in forced idleness, frustrated because they are kept powerless by the law to act. Anyone who knows anything about communism and its fifth-column activities knows full well that the success of their operation depends upon their ability to get together without undue difficulty.

Certainly, we all believe in the principle of civil liberties. But, by the same token, I do not believe that we can risk the rights and the the securities of millions of Americans, who are paying dearly for the functions of our internal security in this country, to appease any conspirators who hide behind some impractical philosophy of which there is an abundance within a small but vocal group of our people these days. And in this regard may I say some of these ill conceived virtues become our sins of self-destruction. Just yesterday we heard the distinguished Chairman of the Committee on Un-American Activities, Mr. WALTER, point to some very significant

factors regarding the growth of communism and subversion in this country. Hence the responsibility of this Congress is as clear as crystal. In the interest of the security of millions of God-fearing, loyal Americans, who are entitled to every ounce of internal security we can provide, it is our duty to pass this legislation without further delay. We must legislate to spell out the positive intent of Congress to grant to the State Department such authority as is necessary to do this job so that we do not adjourn this year and again leave a vacuum in this vitally important area of our national security.

Mr. ADAIR. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, on June 16, 1958, the Supreme Court of the United States in the case of Rockwell Kent and Walter Briehl against the Secretary of State, rendered a decision, the effect of which is to completely nullify any control on a security basis in the issuance of passports.

In these two cases, the Secretary of State exercising the authority which has had the sanction of this Government since its founding, denied passports to two Communists in the interest of national security. The majority opinion of the Court, which struck down the authority of the Secretary of State, stems from this basic misconception of Communists and the Communist conspiracy:

> They are being denied their freedom of movement solely because of their refusal to be subjected to inquiry into their beliefs and associations.

The nub of this case, Mr. Chairman, is the misconception by a majority of the Court, that communism is merely a political philosophy or ideology. Notwithstanding the overwhelming evidence that Communism is a world conspiracy and that Communists are conspirators dedicated irrevocably to world revolution, the majority of the Court has yet to accept this elemental fact.

Several months after the decision was rendered in the Kent-Briehl case, the Committee on Un-American Activities conducted a series of public hearings on this very issue. The first witness who was interrogated was Mr. Harry Bridges, an international Communist agent, who, at the time of his interrogation by the committee, had just returned from Europe where he traveled on a U.S. passport for the purpose of conferring with other Communist agents with whom he worked out arrangements for intermeshing of his Communist-dominated Longshoremen. Bridges flatly stated to our committee that he would advocate a strike to impede the shipment of supplies to Formosa, if the U.S. Government were shipping supplies there in the event of our conflict with the Communists. Shortly after this committee session with Bridges, he left again on a U.S. passport to go to Tokyo to participate in an Asian dock conference consisting principally of representatives of Communist-led labor organizations.

Continuing this series of hearings, the Committee on Un-American Activities interrogated witness after witness who had been identified as hard-core agents of the international Communist conspiracy and who had procured passports to travel abroad in the interest of the conspiracy. Here are a few of the witnesses whom we interrogated:

William L. Patterson, general manager of the Communist Worker: Some several years ago, Patterson's passport was taken up by the State Department because he had violated the security restrictions which had been imposed on him in his travels to Iron Curtain countries. Immediately after the Kent-Briehl decision, Patterson procured a passport without any difficulty to use in the interest of the conspiracy.

Casimir T. Nowacki at one time had procured a passport under such circumstances that it was seized on the ship's gangplank by Department of State officials. After the Kent-Briehl case, this Communist was promptly issued a passport.

Dorothy Ray Friedman was identified in hearings of the committee in Boston by an FBI undercover agent as a Communist agent. Immediately after the Kent-Briehl decision she received a passport.

Fred Paul Muller, in 1956, was cited by the international Communist apparatus for doing "fine international work for the party." Immediately after the Kent-Briehl decision, Muller received a passport.

Arthur David Kahn, of New York, who, over the course of many years time, served as a member of the Communist conspiracy while serving with the OSS of the U.S. Government in Germany, and who had, on numerous occasions been refused U.S. passports on security grounds, was issued a passport promptly after the Kent-Briehl decision.

These are only a sampling, Mr. Speaker, of hundreds of cases in which passports have been issued to Communists to carry out their nefarious work in the interest of the international conspiracy. Incidentally, each of the witnesses whom I have mentioned invoked the fifth amendment right down the line in response to almost every question concerning their activities.

In the course of these hearings by the Committee on Un-American Activities, we received the testimony of John W. Hanes, Administrator, Bureau of Security and Consular Affairs of the Department of State.

Characterizing existing passport control as a "particularly dangerous hole in our defenses against the operations of the international Communist conspiracy," Mr. Hanes stated that at the present time the Department of State has no alternative but to issue passports upon demand to hard-core active Communist supporters.

Continuing, Mr. Hanes testified:

> I don't know exactly how many members the Communist Party of the United States now has—perhaps 15,000 or 20,000. But, however many there are, each and every party member as of today can get a passport from the Department of State, except in the rare instance that he happens to be ineligible for some other reason, such as being a fugitive from justice. This is a breach in our defenses which our enemies have been quick to take advantage of. Many persons with known Communist affiliations have applied for passports since the decision of the Supreme Court, some of them even though they have no present intention of going abroad.

Mr. ADAIR. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I oppose this bill. It sets up a chancellor's foot or, if you like, a secretary's foot in regard to who gets a passport or whose passport is revoked. It gives the President unlimited power to say who can go to particular areas of the world—unlimited power. It even gives the President the power to say that a committee of this Congress cannot go to a particular place in the world.

Mr. Chairman, I think the bill is unnecessary. I think it is dangerous. Are we afraid of the slurs, the criticisms, and the lies which Communists and Communist supporters will tell about us in other countries any more than we are afraid of the slurs and the criticisms and the lies they tell about us here in this country? Is our foreign policy so frail that we have to keep these people here? The gentleman from Kentucky [Mr. CHELF], yesterday said they should stay here and listen. Who is going to make them listen? We cannot make them listen. And, do we believe in the right of dissent? Are we a land of the free and a home of the brave? Or, are we afraid? I know that Soviet Russia would never allow its people to come over here and criticize its government, but the very fact that these people go overseas and speak against us is living proof of the strength of our system, of the right to dissent. We are not afraid. We are a strong Nation. We have powerful traditions. We love freedom; we love democracy. We do not need to tie our hands either as a Congress or as a people to get facts or to try to stop dissent. You will not stop dissent. The bill says that we do not want these couriers to go abroad. Read page 3 of the report. They admit that this bill will not cut off Communist communication. The couriers will get there anyway; they will go to South America. They will use diplomatic pouches.

Mr. Chairman, the bill is unnecessary. It is dangerous. It sets up a secretary's foot, a security standard that is meaningless, and it allows the President of the United States to say, in his wisdom, that the Congress cannot go out into all the world and get the facts that it needs through its own Members personally to make important legislative decisions. It is an unnecessary bill. It is a dangerous bill.

Mr. SELDEN. Mr. Chairman, I yield 4 minutes to the gentleman from Maine [Mr. COFFIN].

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from New York.

Mr. FARBSTEIN. Inasmuch as there seems to be some question as to the definition of the phrase "on the record" I would like to have the author of the bill inform the House whether or not the following reflects the intent of the House insofar as the foregoing phrase is con-

cerned: No passport shall be finally denied unless there is presented at a hearing and made a part of the record testimony sufficient to warrant denial of a passport. The entire record of the hearings shall be made available to the court on appeal.

Mr. SELDEN. Mr. Chairman, if the gentleman will yield, I will say to the gentleman from New York that he is correct, I think, in stating that the Department's position must stand on the record that is made at the administrative hearing. If the court ascertains that the record before it meets the requirements of law, then the Department's position will be sustained; otherwise the Department will be ordered to issue a passport, as I understand the legislation.

Mr. FARBSTEIN. I thank the gentleman.

Mr. CELLER. Mr. Chairman, if the gentleman will yield, would the gentleman from Alabama answer the question in a responsive way? The gentleman from New York asked whether or not the record would include testimony. He did not say anything about testimony. I would suggest that your answer be directed to the word "testimony." That is very important.

Mr. SELDEN. I would say to the gentleman from New York that the record would include what was brought before the administrative hearing, and that would go before the court on review.

Mr. CELLER. Will it include testimony, oral testimony, that might be given either for or against?

Mr. COFFIN. Is it not true that if there were oral testimony given at the hearing it would be part of the RECORD?

Mr. SELDEN. It would be in the RECORD, as I understand it.

Mr. COFFIN. I thank the gentleman. I was happy to yield for this question because in the discusion of this bill there has been a great deal of confusion as to how repressive or how dangerous this bill might be.

I join my other colleagues on the committee in thinking that we have done a remarkable job in preserving a judicial review of the record. I might as well continue on this theme because it comes very close to the heart of what many of the Members are interested in.

A passport case involves an investigation of an applicant. It involves the giving of evidence. And the State Department eventually will be called upon to say to itself whether it will or will not reveal the evidence that it has gathered and the source of this evidence on the record for the court and eventually for the applicant to see. We on the committee realize that many cases will result in the State Department's saying to itself, "Rather than reveal this evidence to the court and the applicant, we are just not going to push this case. We will let this passport be issued."

We on the committee have taken this as a calculated risk. We do feel the provision will result in the denial or the delay of many passports where such is justified. In other words, we think that in this case we have balanced quite fairly, as fairly as our ingenuity has permitted us, the rights of the individual and the right of this country to guard its national security.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. On this point?

Mr. HOLTZMAN. On that point, yes.

Mr. COFFIN. I yield.

Mr. HOLTZMAN. In other words, is the gentleman saying that in the event there is a denial, every part of the record including the testimony will be afforded to the traveler in an effort to review or to seek review?

Mr. COFFIN. That is the record that will be presented to the court.

Mr. HOLTZMAN. The court, yes.

Mr. COFFIN. Yes.

Mr. HOLTZMAN. Very good.

Mr. COFFIN. The gentleman is correct, that is my understanding and the understanding of the sponsor of the bill.

The CHAIRMAN. The time of the gentleman from Maine [Mr. COFFIN] has expired.

Mr. ADAIR. Mr. Chairman, I yield such time as he may require to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, during the hearings conducted by the Committee on Foreign Affairs, the need for legislation to grant the Secretary of State authority to deny passports to persons knowingly engaged in activities intended to further the international Communist movement was adequately illustrated and documented. The discussions in the House on this bill have further confirmed the fact that the Department of State needs reasonable authority to deny passports to supporters of the world Communist movement whose travel abroad is found to be detrimental to U.S. security.

The purpose of this bill is to grant such necessary authority, subject to specific delineation and delimitation. I am convinced that the bill accomplishes this purpose.

The basic problem which confronted the committee in drafting this bill was the inevitable conflict between the grant to the executive of the necessary authority and discretion to deny or revoke passports to individuals active in the international Communist movement and the necessity of protecting the liberties guaranteed to U.S. citizens by our Constitution.

The bill as reported by the committee succeeds in reconciling this fundamental conflict between the grant of authority and the protection of the rights of the individual. Such a reconciliation inevitably involves compromise. The bill does not give the Secretary of State sufficient authority to bring to an end all travel outside the United States by active supporters of world communism. On the other hand, it does give the Secretary authority he does not now possess and which will assist him in meeting the responsibility he faces in dealing with the present world situation.

Section 8 of the bill sets forth in detail specific measures for protecting the rights of the individual. First, it provides that no application for a passport can be denied or a passport revoked without a departmental hearing. The procedure for conducting such hearings will be pursuant to law and rules and regulations established by the Department of State. As a convenience to the applicant and to assure him an opportunity for a hearing the section includes a specific requirement that such hearings shall be held in the judicial district of the United States court in which the resident resides or is present at the time of his application, unless the applicant waives such requirement.

Finally, the section provides that the denial of a passport by the Department as a result of such hearing shall be subject to judicial review in the district courts of the United States. The words "on the record" were included in the section to make clear that the court can consider in reviewing a case only the information on the record. If such information is sufficient to meet the requirements of the law, the passport may be denied. Otherwise, the denial may be overruled by the court. This eliminates consideration by the court on review of undisclosed sources of information and of secret information. In other words, if the Department wishes to insure on review that denial of a passport will be sustained and such denial has been based on confidential information, the Department must decide whether or not it wishes to put all such information in the record at the time the record is being made.

Mr. Chairman, as a cosponsor of this important legislation I was happy to have played a part in the committee and House consideration of the bill. I congratulate and commend my distinguished colleague from Alabama, Mr. SELDEN, for his remarkable effort in steering this bill from introduction through passage. His perseverance, amiable personality, and outstanding ability were the primary factors in making possible consideration of this measure which was extremely difficult to write and get out of committee. It now represents a very genuine committee effort to amalgamate varying viewpoints into a much-needed law.

I close by commending our distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania, Dr. MORGAN. His leadership, fairness, and cooperation during lengthy committee sessions were a significant contribution to this effort.

Mr. Chairman, I urge overwhelming support of this bill.

Mr. ADAIR. Mr. Chairman, I yield the balance of the time on this side to the gentleman from California [Mr. JACKSON].

Mr. JACKSON. Mr. Chairman, the issues in controversy on the passport bill were clearly spelled out during the debate yesterday. I feel that the committee, and considering the magnitude of the problem involved, has produced a measure while not approved by all of the Members of this body, is nonetheless a workable program involving considerable compromise as between those who hold that there should be the strongest type of legislation to meet the problem posed by unrestricted travel abroad by Communists, and on the other hand, those who profess to see a loss of some

treasured rights of citizenship in any bill which might be passed.

As a member of the House Committee on Un-American Activities, the gentleman from California recently participated in hearings before that committee designed to determine the scope of the passport problem and the actual necessity for restoring to the Department of State some measure of authority in the regulation of the issuance of passports to those whose purpose in traveling in foreign countries is the embarrassment of the United States and its allies. Communist witness after Communist witness arrogantly invoked the provisions of the fifth amendment when questioned about the use of passports forced from the State Department following recent decisions of the Supreme Court. The gentleman from Ohio [Mr. SCHERER], on yesterday gave several examples of the type of travel this measure is designed to prevent. I should like to add another to the end that the membership of the House may understand clearly what type of travel is involved and by whom.

Hugh Hardyman, a resident of the city of Los Angeles at the time of the incident I am about to relate, was granted a passport for travel in the Far East. This in spite of the fact that Hardyman has a long and spectacular record of support of Communist causes. Armed with a valid U.S. passport for travel in certain specified countries, but not including Communist China and North Korea, Hardyman departed for the Far East. Upon his arrival he contacted, or was contacted by, agents of the Red China regime and, in violation of the provisions governing the issuance of his passport, he proceeded to Red China, where he made a series of broadcasts for Radio Peiping. In these broadcasts Hardyman accused the United States and its armed services of having engaged in bacteriological and gas warfare against the North Koreans and Chinese during the Korean operation. The charges were given the widest possible circulation throughout China and the rest of the Far East, and did irreparable damage to this country and its allies throughout that area.

On his previous record, Mr. Chairman, Hardyman should never have been issued a U.S. passport. It was a foregone conclusion that he would make every effort to undermine U.S. foreign policy in that vital area of the world, and lend whatever assistance he could to the Red Chinese propaganda effort. I do not concur with those who contend that the right to travel is an absolute right. As the gentleman from Virginia, Mr. POFF, pointed out on yesterday, the sovereign has a right to defend itself against the irresponsible or malicious acts of those who seek its overthrow.

A legislative body, representing, as this one does, some 170-odd million citizens, has a duty and a clear responsibility to insure that those who leave the shores of the United States for foreign countries do not go abroad for the purpose of subverting American institutions or doing violence to American foreign policy. Some of our colleagues here in the House profess to believe that their individual freedom of movement might conceivably be restricted by virtue of this legislation. While some might hope that this would prove to be the case, there is nothing in the bill to indicate that the legitimate travel, nay, even legitimate criticism, would in any manner be restricted if the measure were passed.

This country maintains a Military Establishment which costs us a staggering sum annually to keep in a state of instant readiness against military aggression. No matter how ready nor how well equipped our military forces may be, political subversion carried on by those whose allegiance is owed to foreign philosophies, can and does play an important role in the enemy's cold war strategy. It has been pointed out that the measure will not stop the travel of all Communist agents, nor will it put an end to propaganda spread by traitors to their own land, but it will restore, under reasonable safeguards clear to any reasonable man, the measure of authority required by the U.S. Secretary of State to prevent organized subversion by U.S. citizens traveling on valid U.S. passports.

A note of warning, Mr. Chairman. Many of us consider the provisions in the instant measure to be minimal in nature. Efforts will unquestionably be made to dilute the bill by amendments which will have the effect of maintaining the situation in status quo. I would urge the membership of the House to stay with the committee bill and resist any and all efforts to emasculate it by attempting to lay further restraints upon the Secretary, or adding to the criteria established in the bill for arrival at the decisions which must be made under its provisions.

The CHAIRMAN. The time of the gentleman from California has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 3, 1926 (44 Stat. 887), is hereby amended by adding at the end thereof the following:

"SEC. 5. The Congress finds that the international Communist movement, of which the Communist Party of the United States of America is an integral part, seeks everywhere to thwart United States policy, to influence foreign governments and peoples against the United States, and by every means, including force and violence, to weaken the United States and ultimately to bring it under Communist domination; that the activities of the international Communist movement constitute a clear, present, and continuing danger to the security of the United States; that travel by couriers and agents is a major and essential means by which the international Communist movement is promoted and directed; that a United States passport requests other countries not only to permit the holder to pass freely and safely, but also to give all lawful aid and protection to the holder, and thereby facilitates the travel of such holder to and in foreign countries; and that, in view of the history of the use of United States passports by supporters of the international Communist movement to further the purposes of that movement, the issuance of passports to any person described in section 6 is harmful to the security of the United States and therefore passports should be denied to such persons.

"SEC. 6. The Secretary of State is authorized to deny a passport to, or revoke the passport of, any person who is, or has been since January 1, 1951, a member of, or affiliated with, the Communist Party, or who knowingly engages or has engaged, since January 1, 1951, in activities intended to further the international Communist movement, as to whom it is determined that his or her activities or presence abroad would under the findings made in section 5 be harmful to the security of the United States. The Secretary of State shall not deny a passport to any person solely on the basis of membership in any organization, association with any individual or group, adherence to unpopular views, or criticisms of the United States or its domestic or foreign policies.

"SEC. 7. The Secretary of State may require, as a prerequisite to the issuance of a passport, that the applicant subscribe to and submit a written statement duly verified by his oath or affirmation whether he is presently, or has been since January 1, 1951, a member of the Communist Party or a supporter of the international Communist movement, and to state the circumstances of any such membership or to state his activities in support of the international Communist movement.

"SEC. 8. No application for a passport may be denied, and no passport may be revoked, under section 6 of this Act except after opportunity for a hearing. In the case of a denial, such hearing shall be held in the judicial district (as defined in section 451 of title 28, United States Code) in which the applicant resides or is present at the time of his application, unless the applicant waives such requirement. A denial or revocation of a passport pursuant to section 6 of this Act shall be subject to judicial review on the record in the district courts of the United States.

"SEC. 9. (a) A passport issued under this Act shall at all times remain the property of the United States. It shall be unlawful for any holder of a passport to refuse to surrender it upon proper demand by the Secretary of State or his authorized agent.

"(b) Whoever willfully violates subsection (a) of this section shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than $1,000.

"TITLE II—GEOGRAPHICAL LIMITATIONS; PENALTIES

"SEC. 201. (a) The President shall have the power, by appropriate annual declaration pursuant to subsection (b) of this section, to restrain the travel of all citizens and to limit the validity of all passports with respect to travel to the following places:

"(1) Countries with which the United States is at war;

"(2) Countries or areas where armed hostilities are in progress;

"(3) Countries or areas to which the President finds that travel must be restricted in the national interest either because the United States Government is unable to provide adequate protection to citizens traveling therein or because such travel would seriously impair the foreign relations of the United States.

"(b) In the event that the President determines the necessity of promulgating a general geographical restraint upon travel and the use of passports under subsection (a) of this section, he shall annually declare and publish such determination, stating specifically and in detail the reasons for the necessity of such action, and shall cause notice thereof to be stamped on each passport thereafter issued, renewed, or amended.

"(c) In the national interest the President, without stating his reasons, may make exceptions to any such general geographical

restraint for particular individuals or categories of persons.

"SEC. 202. (a) No citizen shall travel to any country or area as to which there is in effect, to his knowledge, a declaration made and published by the President under section 201.

"(b) Whoever willfully violates this section shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than $1,000."

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment on page 2, line 20, strike out the word "who".

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment on page 2, line 21, after "has" insert "knowingly".

The amendment was agreed to.

Mr. BENTLEY. Mr. Speaker, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 3, lines 23 and 24, after the word "review" strike out the words "on the record".

Mr. BENTLEY. Mr. Chairman, the words "on the record" contained in lines 23 and 24, page 3 of the legislation probably constitute the most controversial language in the entire bill which is before us. Those Members who were on the floor yesterday, or who read the RECORD of yesterday, will recall that there were almost as many interpretations of the phrase "on the record" as there were Members who spoke.

The purpose of the amendment would be to remove the phrase "on the record" so that there would be no question that when this matter comes before the courts as I presume it will at some subsequent date, there will be no question as to the interpretation of this particular phrase.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does the language after the word "review" in line 23 mean anything at all?

Mr. BENTLEY. Actually, I will say to the gentleman from Pennsylvania, that it was felt that judicial review would have to be held in a district court of the United States, and I presume that is where this would be reviewed—in any event, my personal belief is that the words "on the record" do not add anything to the legislation.

Mr. Chairman, the State Department has expressed substantial opposition to the inclusion of these words, and attempts were made in committee to remove them.

The State Department feels, and I think quite properly, that if these words remain in the bill it might very well require the Department of State in presenting its case before the district courts to reveal not only confidential information which would be used in determining the merits of the particular passport application, but also perhaps even the sources of this information.

I read, Mr. Chairman, from page 11 of the hearings. When the Administrator of the Department's Bureau of Security and Consular Affairs, Mr. Hanes, was requested for an interpretation on page 11, he said, referring to this particular provision, that "the phrase is a little obscure in its meaning, but we interpret this as very possibly effectively negating this section of the bill":

Now that provision is a little obscure in its meaning but we interpret this as very possibly effectively negating those sections of the bill which permit us to have some utilization of confidential information.

On page 49, the legal adviser of the State Department, Mr. Becker, referring to the same phrase, said, and I quote:

Mr. BECKER. I think those words "on the record" might be interpreted by the court as requiring us to furnish the confidential information that we had. I think our attitude as a matter of policy, nevertheless would have been to refuse to furnish it.

Mr. Chairman, it is obvious, I believe, that no one in the legislative branch of our Government can require the Secretary of State to go into court and spread upon the record the sources of confidential information, particularly if those sources happened to emanate from abroad. In other words, in effect, the State Department would be estopped in many of these cases and would be required to grant passports even in cases where it has clear-cut proof and evidence that the applicant had no right to the passport and was traveling abroad for purposes inimical to our national security and welfare.

Mr. Chairman, I have very carefully reviewed the committee report to see if the committee itself had any remarks to make regarding the interpretation of the phrase "on the record" and I find on page 4 of the committee print the following:

The committee has given careful consideration to the problems involved in the denial of passports on the basis of secret information, the nature and source of which are kept from the applicant to his detriment. The bill provides (sec. 8) that denial or revocation of a passport under section 6 shall be subject to judicial review on the record in the district courts of the United States.

* * * * *

Nevertheless, the committee is convinced that in order to protect the rights of the individual, the use of secret information must be carefully circumscribed even though as a result passports may be issued to persons who should not be permitted to leave the United States and who will abuse the benefits conferred by the possession of a valid U.S. passport.

I submit that the State Department in view of that interpretation of the language, will be estopped from pursuing many of these cases in court because of this particular phrase "on the record," for fear that confidential information and even confidential sources of information will have to be disclosed in open court, and rather than run that risk which would be prejudicial to the national security it would have to issue the passport.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Michigan offered this same amendment in committee. I am trusting to my memory. I believe he got three votes, certainly not more than three or four votes.

So the reason this phrase "on the record" is in the bill—very frankly, as I am sure the gentleman has been very honest in his presentation—is that if a person is denied a passport and appeals it that they shall have a chance to find out why it was denied in court. It is just as simple as that.

There is a lot of argument about whether or not those words are necessary or whether it would automatically if judicial review is granted require the disclosure of such information. I cannot answer that, but I certainly can say that by putting that language in the bill it makes it pretty clear that the record must be submitted.

The gentleman says that the State Department will have to divulge some confidential sources of information. Not at all. If the State Department in making a case, as the gentleman from the Un-American Activities Committee said, cannot submit the data on which they relied to support their decision, they can just issue the passport.

I think we are treading on a very serious borderline area here and I believe this may establish a precedent for years to come. That is, Do American citizens have the right to redress from wrongful acts in the courts?

The gentleman said these are the most controversial three words in the bill. I do not think they are. It may be controversial in the minds of a small minority in the committee. It may be controversial in the minds of a small minority of the members of the Committee of the Whole; but, in my opinion, it is crystal clear what this does. It simply reiterates that the hearings shall be on the record of the denial hearing down in the Department of State, nothing more nor less.

The gentleman from Pennsylvania makes the point that these words are unnecessary, that they do not mean anything. I am not prepared to debate that because I think we would be engaging in the exercise of semantics. I will say to the gentleman, brilliant attorney that he is, he will admit that the words "on the record" being in there certainly do not detract from the fact that the full record shall be the basis of the decision of the Court. That is all anybody is seeking, that is all anybody asks. I think it is a fundamental right of Americans. The matter was debated for parts of two sessions in the committee, and the overwhelming majority of the committee after study, after having exhaustive hearings, after listening to the testimony, decided this should be put in.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. BENTLEY. I do not think any of us want to withhold from the courts all the information upon which determination of the Department of State with respect to passport application is based,

but some of us have serious and legitimate views as to whether all information regarding the passport applicant should be spread upon the public records, regardless of where it comes from.

Mr. HAYS. I do not believe the gentleman was here yesterday. If I am wrong he may correct me. But he has read the RECORD because he is a careful student of whatever amendments he offers. He was at the hearings on the bill and I think the thing was made crystal clear yesterday when I quoted from an editorial appearing in the New York Times, stating, substantially, that you cannot deny a person a passport because you do not like the color of his hair. The editorial said further that if the Secretary of State has evidence he will have to trot it out.

I think that is fair enough. I do not like this idea of whispering about somebody, having someone say it is reported, or that it is rumored, or we have secret information. This is a serious business. If you deny a person a passport and it is sustained, you have blighted his character. Maybe it needs to be blighted. I do not say it should not be. But I do not think it should be done lightly, I do not think it should be done frivolously, and I think these words in there protect his rights to have his character cleared if it does not deserve a smudge.

Mr. WALTER. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. WALTER: On page 3, line 23, after the word "review" insert a period and strike out the balance of lines 23 and 24.

Mr. WALTER. Mr. Chairman, we have a great body of law on the administrative side that has been built up over a period of years. Starting with the turn of the century we developed the theory that the decision of an Administrator would not stand if that decision was capricious or arbitrary. Recently we enacted the Administrative Procedure Act in which we wrote the rule requiring substantial evidence to support a finding. We adopted the rule that was laid down in the case of Consolidated Edison Co. against National Labor Relations Board where the Court held there must be more than a mere scintilla of evidence.

In the Administrative Procedure Act we stipulate that this law shall be applicable unless it is specifically repealed. There is nothing in this statute that specifically repeals the provisions of the Administrative Procedure Act. So that if we insert a period after the word "review" and strike the rest of the sentence, which would make it read "A denial or revocation of a passport pursuant to section 6 of this Act shall be subject to judicial review," it means in the U.S. courts. Where else could there be a review of a decision of an administrative agency?

A review of what? A review of the record. Now, that record must contain substantial evidence to justify a finding that it would not be in the interest of the United States to issue a passport.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, the gentleman, as I have pointed out, knows a lot more about the law than I do. But, if what the gentleman says is true and all of this is guaranteed without the words in, then what is wrong with leaving the words in?

Mr. WALTER. Because I do not know what those words mean, actually, and I certainly do not think that we ought to do anything here that would disturb this great mass of administrative precedents that we have followed for so many years.

Mr. HAYS. Mr. Chairman, if the gentleman will yield further, the gentleman certainly knows what the words "in the District Court of the United States" mean, because he has already said, "Where else would you go?" and those words might be superfluous. The crux of the matter is that the gentleman says he does not know what the words "of the record" mean, but he went in his statement far enough to say that it meant of the record made on the hearing where the passport is denied. Now, that is all it is, is it not?

Mr. WALTER. It should be "of the record" not "on the record." Of course "on the record" means nothing, but "of the record" is language that, of course, is understood when there is an appeal taken from the finding of an administrative agency.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Oregon.

Mr. PORTER. What is being reviewed? Now, there will be a hearing before the agency, but there is nothing in this bill that says there will be a fair hearing in the sense of a hearing with due process of law, which would require an opportunity to be heard and cross-examine the witnesses and all of the other things.

Mr. WALTER. Well, I would hate to think that an officer of the Government would not give a citizen of the Government a fair hearing.

Mr. PORTER. As the Supreme Court requires; in other words, a hearing with due process of law, is that the gentleman's understanding?

Mr. WALTER. Of course.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. On the question of whether we are right in using the words "judicial review" do we mean review on appeal or do we mean review of the record, looking at it de novo?

Mr. WALTER. Of course, it would not be a hearing de novo. The appeal under the provisions of the APA is from the findings to the United States Court. That is the well-known procedure, and I do not think we ought to depart from those procedures certainly by using this very nebulous language.

Mr. FULTON. Why do we not do this? Why do we not put it under this act?

Mr. HAYS. Mr. Chairman, I rise in opposition to the substitute.

Mr. Chairman, I do not believe I will need to use 5 minutes, because actually the same argument that I used against the Bentley amendment is applicable to the substitute. But, I would like to reiterate one point I made. The gist of the argument of the distinguished gentleman from Pennsylvania was that these words are unnecessary. That is what he based his case on. Now, I am not sure whether they are unnecessary or not, but it certainly will not hurt anything by having them in there, because it makes the intent of the committee and the Congress perfectly clear. Now, why were they put in? Let me give you a little history of this, because those who are not members of the Committee on Foreign Affairs, may not be aware of this. When the Department of State first came up last year they asked for legislation which would permit them to deny a passport, and then they asked that if the person denied the passport took his case into court, would permit them to write a letter to the court and say, "The reasons we denied this are so sensitive that we cannot divulge them in court, and you will have to accept this." The law they wanted was to the effect, therefore, that the court decision would have to be on a certification from the Department of State. Now, I cannot conceive of too many people in the Congress wanting that. I asked the security secretary this question: I said, "Then, under your legislation, if I am critical on the floor of the House of some policy of the Department of State—" and remember, this could be under any kind of an administration, Republican or Democratic—"you could deny a passport and you could certify to the court that you did not want to come into court and give your reasons." He said, "Well, of course, we would not be capricious. We would not do that kind of thing." I said, "Now, it is not what you would or would not do. Could you do it?" And his answer was, "Well, yes, we could do it."

That is why the committee labored and perspired and worked and talked and came up with these words "on the record" to be sure that there would not be any capriciousness.

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. COFFIN. Is it not also true that there was a good deal of discussion as to various kinds of judicial review; whether the evidence would be on both a closed and open record, whether it would be considered in camera or considered not in camera, so that this phrase was deemed necessary by the committee this year, just as it was in the legislation which passed this body last year?

Mr. HAYS. The gentleman is exactly right. And I will say further that under the language as it is now written a man who is a known Communist and whose purpose in traveling abroad is to harm or destroy or embarrass the foreign policy of the United States, under this legislation could be denied a passport, and it could be sustained in the courts.

I ask that both amendments be defeated.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. BENTLEY. I should like to read from page 18449 of the RECORD where the gentleman from Ohio said the following. He said "that the record shall be complete and that the accused shall have the right to know who his accusers are, and he shall have the right to see the record on which the Secretary made his determination."

Would the gentleman carry that interpretation to the point where if a man's accusers happened to be secret sources in this Government or foreign friendly governments he would still demand that the accused have the right to know who they were?

Mr. HAYS. If the State Department could not convince the court without using that then I think the court would have the right to know that, absolutely.

Mr. BENTLEY. Would the accused have the right to know it?

Mr. HAYS. The court would determine that. I do not know what the court would decide in that case. But he would have to present the evidence and the court would decide.

Mr. BENTLEY. The gentleman used the words "on the record."

Mr. HAYS. My words yesterday mean what they say, that if the matter were presented to the court and they could not make their case, then they would have to confront him.

Mr. BENTLEY. I am trying to ask the gentleman whether the gentleman's phrase means that any evidence furnished the court has to be spread on the record for the benefit of the accused.

Mr. HAYS. If they cannot make their case without it; they will have to decide whether they can make their case with or without it.

Mr. MEYER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. MEYER. Is it not also true that if these three words were not in the bill it is quite probable that the committee would not have voted it out?

Mr. HAYS. I think that is a fair statement; yes.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to support the committee and hope that section 8 will remain intact. I am opposed to the amendment and the substitute amendment.

If I know anything about the history of this bill—I know a little about it, although I did not attend the executive sessions of the committee—I believe the committee was striving to have this bill impervious to the charge of its being unconstitutional.

We have to go back to the case of Kent against Dulles where the court said:

> The right to travel is a part of the liberty of which the citizen cannot be deprived without the due process of law of the fifth amendment.

I take it that the purpose of the words "on the record in the district courts of the United States" in lines 23 and 24 on page 3 of the bill and the word "hearing" in page 3, line 17 was to insure due process without which you would be back where you started and the act undoubtedly would be declared unconstitutional by the Supreme Court when the case reached it.

The Court also said very significantly:

> The right of exit is a personal right included within the word "liberty" as used in the fifth amendment. If that "liberty" is to be regulated, it must be pursuant to the lawmaking functions of the Congress.
>
> And if that power is delegated, the standards must be adequate to pass scrutiny by the accepted tests.
>
> Where activities of enjoyment, natural and often necessary to the well-being of an American citizen, such as travel, are involved, we will construe narrowly all delegated powers that curtail or dilute them.

Meaning those rights.

And since the Court will construe narrowly, if you take out the words "on the record in the district courts of the United States" there is a grave question in my own mind as to whether or not the Court would not throw this law out, if the bill passes, on the ground that it did not meet the due process test.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. BENTLEY. From the gentleman's remarks of yesterday I got the impression that he thought the words "on the record" were very difficult of interpretation and very vague and he went further and said he did not believe as the bill was presently written that it would satisfy the due process; is that correct?

Mr. CELLER. I admit that the language here is very, very vague. I would not have drawn the bill this way. It could be greatly improved upon. But, if you strike out the words "on the record" then you have something which does not meet the test of procedural due process. Therefore, I think it is quite essential that you preserve the words "on the record in the district courts of the United States."

Mr. BENTLEY. Mr. Chairman, I read from the gentleman's remarks where he said, "I cannot conceive how the Supreme Court's demand that there be due process is satisfied by this bill."

Mr. CELLER. I was speaking to the entire bill.

Mr. BENTLEY. Yes.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. HAYS. That is exactly, of course, what the gentleman from Michigan wants to do by his amendment, and I give him credit because he is frank enough to say so.

Mr. CELLER. That is why I am opposed to this amendment and why I am opposed to the substitute.

Mr. HAYS. Mr. Chairman, will the gentleman yield further?

Mr. CELLER. I yield.

Mr. HAYS. The gentleman had some doubts and the members of the committee yesterday told him what the intent of the committee was. I think his doubts were pretty well resolved, and I just hope that the gentleman from Michigan does not confuse him any further.

Mr. CELLER. I think the debate helped greatly all Members as to what these words mean. They did not satisfy me completely, but I suppose words are bound to mean different things to different people. We cannot avoid that.

Mr. HAYS. We tried very diligently to say what the intent was yesterday, and the gentleman made a contribution, as to that.

Mr. CELLER. I am very happy that the committee has improved upon the bill, particularly with reference to section 8. I hope the amendments do not prevail.

Mr. SELDEN. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Chairman, I yield that time back. I cannot talk in 2 minutes.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, I have spent some time studying this subject. I testified before the Foreign Relations Committee of the Senate and the Committee on Foreign Affairs of the House, and in each case I made this statement:

> Authority to use confidential information in the administrative process, under unprecise standards coupled with the power to delegate the authority to subordinates, and without full judicial review, can and probably will result in a breeding ground of arbitrariness in the course of which innocent people may, and probably will, suffer.

Mr. Chairman, I am in opposition to these amendments. I support the bill as it stands. I introduced my own bill, which is a middle ground, carefully drafted in some respects, and in some respects I think better than the committee bill. On the other hand, I think the committee bill is surprisingly good. I say surprisingly good because there was such a flood of restrictive proposals following the decisions of the Supreme Court in the Kent, Briehl and Dayton cases that I was fearful legislation would be reported out which would be highly restrictive in its nature. I think the committee is to be applauded in being virtually unanimous, with two or three exceptions, in their support of this bill. I also think Members of the committee did a splendid job on the floor of this Chamber yesterday when they did their utmost to clarify and to establish the legislative history on the subject we are now talking about, the matter of this amendment. In my view, although any number of members in this House may have different ideas from mine on various aspects as to how this problem should be handled, the committee on the whole has done an excellent job.

The right to travel, Mr. Chairman, is one of the most fundamental rights that we have. In my judgment it is a concomitant of, and conjoint with, the first amendment of the Constitution. A denial of a passport may, therefore, result

in violations of both the fifth and first amendments.

This bill, Mr. Chairman, gives to the Secretary of State the authority in this field which he needs. At the same time it provides the necessary safeguards for the rights and freedoms of the individual.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I am against both of the amendments that are pending on the ground that there is too little due process of law in this bill as it is, and this is certainly a very good time to see that there is fairness in the revocation or the denial of a passport.

You will remember I mentioned the "chancellor's foot" which is ancient satirical standard for equity cases. I said that there was a Secretary's foot provided in this bill. I point out to members of the committee that on page 2 at the bottom there is the phrase "be harmful to the security of the United States." I say to you that is a very vague and indefinite standard and that the Secretary could decide it on almost any basis in connection with security and then, therefore, this runs afoul the due process of law that is required by the Kent against Dulles case cited on page 3 of the report. There are not sufficient safeguards in the bill.

Under the paragraph "Area Restrictions" there are no limitations whatsoever. The President is given unlimited discretion to put areas of the world off limits and to allow whomever he pleases to go there. In that part of the bill there are no procedural restrictions whatsoever, but it gives to the President of the United States complete power to say who may go to these areas, and he may keep Members of this body and of the other body from going there if he does not want them to go. To my mind that is an unconscionable and unconstitutional surrender of our powers.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Chairman, according to the deliberations of the committee, a majority of the members came to the conclusion that the innocent were entitled to at least as much consideration as the guilty. I know that I, for one, felt that the denial of a passport would attach to the applicant opprobrium synonymous with treason. We felt that we should go into things very carefully before there was such a denial and that was the reason why we spent so much time in trying to determine what was the honest, the decent, and the proper thing to do. That was the reason that last year it was not until the very last week that we were able to reach any agreement on language, and that same language has been carried over until today.

Believe me, it was a considered opinion of the majority of the members of the committee that this language was included. We did not seek advantage for anyone, we just felt that that language that we had in the bill was language that could be understood by the State Department as well as by the court so that there would be justice under law.

Mr. Chairman, I think both amendments should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. COLLIER] for the 2 minutes.

Mr. COLLIER. Mr. Chairman, I take this time just to say that the question in my mind has since been answered, so I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. SELDEN] to close the debate.

Mr. SELDEN. Mr. Chairman, I rise in opposition to both the Bentley amendment and the Walter substitute.

Let us assume that the argument of the gentleman from Pennsylvania is correct, that is, the language stricken by the substitute amendment is unnecessary in that under law any administrative decision would be subject to judicial review on the record of the denial, nevertheless it would, I think, be unfortunate legislative history to strike these words from the bill, and I trust that these amendments will not be adopted.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The question was taken, and on a division (demanded by Mr. BENTLEY) there were—ayes 29, noes 98.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The amendment was rejected.

Mr. BENTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 3, line 24, after the word "record" insert "presented."

Mr. BENTLEY. Mr. Chairman, this amendment is very simple, in that it merely inserts the word "presented" after the words "on the record", so that section 8 would specifically spell out that the record which is being presented to the district courts for judicial review would only be that as presented by the Department of State. In other words, the language of the bill would read as follows:

A denial or revocation of a passport pursuant to section 6 of this Act shall be subject to judicial review on the record presented in the district courts of the United States.

The whole intent of the amendment, Mr. Chairman, is to give the Secretary of State some flexibility in deciding what he shall offer the court insofar as determination of a passport application is concerned.

I would hope the committee would see fit to adopt this one word amendment because I do not believe it would change anything and I think it would spell out a little clearer what the committee members themselves have stated as their actual intent in the use of the word "on the record." By that I mean only the records that would actually be presented in the district courts. I would hope that the committee will accept the amendment.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from New York.

Mr. CELLER. Could that conceivably mean that the Department of State would present only part of the record and withhold another part of the record?

Mr. BENTLEY. Of course it would. In that case the court would decide the case on the basis of the record which the Department actually presented to them.

Mr. CELLER. Under this practice the record which would be harmful to the applicant could be shown and that part of the record which would be helpful to the applicant would be withheld by the State Department?

Mr. BENTLEY. Yes. But I think that the court would have to make a decision on the basis of the evidence presented. I am certain the gentleman who is as anxious for protection of the rights of individuals as anyone would not insist that the Secretary of State send up sources of confidential information for the purpose of the court.

Mr. CELLER. What good would a record be if the Department of State could determine what shall go in the record and what shall not go in the record to go to the court?

Mr. BENTLEY. It would only refer to that part of the record which the administrative decision was based on.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Ohio.

Mr. HAYS. What the gentleman is trying to get at is this: He is trying to keep from forcing the Secretary of State to bring in a witness it does not want to. You cannot force him to do that anyway. In other words, if the Secretary of State does not want to present that evidence he does not have to and will probably lose his case. But he does not have to. By putting in this word you are cluttering up the intention, and you might even get into the absurd position that the gentleman from New York has described where you could send up derogatory information and hold back the other. You cannot make the Secretary of State present any testimony. His alternative he just loses the case and the fellow gets the passport.

Mr. BENTLEY. If the gentleman will permit me to continue, on that basis you cannot force the Secretary of State to send up any information he does not want to now.

Mr. HAYS. That is exactly what we are saying. Therefore, the gentleman's amendment is not necessary and it might lead to implications we do not want in the bill.

Mr. BENTLEY. I do not think so.

Mr. JACKSON. Mr. Chairman, I move to strike the requisite number of words.

I want to direct an inquiry to the author of the amendment and also to the chairman of the committee. I would like to know what the situation would be under the provisions of the bill as presently written if an individual known to the CIA or the Federal Bureau of Investiga-

tion to be a courier for the Communist Party makes application for a passport. I am assuming the the security agency involved knows a great deal about a group of Communist couriers of which the applicant is one. In developing the case the agency does not want at this time, or at the time of the application, to make public the information on the activities of the individual couriers. Under the bill as presently written would the Department of State, failing to send all of the information and conceivably making it available to the accused himself, be under the obligation to issue a passport?

Mr. BENTLEY. It would.

Mr. JACKSON. May I direct a question to the chairman of the committee or to the gentleman from Florida? Would that be the case under the circumstances I have outlined?

Mr. FASCELL. Mr. Chairman, if the gentleman will yield, if the Department was not able to make a case which met the requirements of this law on the record then, conceivably, on judicial review, they would be overruled if they denied the man a passport. That is the answer to the gentleman's question. But, there is nothing mandatory, if I may complete my statement, which would require the production of witnesses, documents, or anything else.

Mr. JACKSON. But upon refusal of the Secretary of State to issue the passport requested, that would not be true?

Mr. FASCELL. If he does not have evidence sufficient to meet the requirements of the law.

Mr. JACKSON. Assuming that he has the evidence. He has the evidence in front of him. I ask this not in a contentious spirit. I am trying to get an important point straightened out. Assuming there is evidence, abundant evidence, which has been furnished by the security agency and which deals with a widespread operation. For some good reason it is not desired to place the individual under arrest at the time, but rather continue surveillance of his activities, and that of others. The Secretary of State says to the Communist applicant "You are not going to get a passport," and the applicant seeks and obtains a judicial review. At this stage is the Secretary of State forced under the provisions of the bill to furnish the information which has been developed to the court?

Mr. FASCELL. He is not.

Mr. JACKSON. He is not?

Mr. FASCELL. No. He is not required to present the information.

Mr. BENTLEY. Then he has to issue a passport, though.

Mr. FASCELL. If there is no other evidence on the record which meets the requirements of the law, then conceivably he could be overruled.

Mr. JACKSON. I think the crux of the whole matter, as I see it, is in this point. Cases have occurred where it is not in the national interest of the United States to issue a passport, and at the same time the evidence, which may be far-reaching, should not be spread upon the public record.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Minnesota.

Mr. JUDD. The gentleman is right in saying this is the crux of the matter. The Secretary has got to weigh which is the greater danger to the United States: to allow a court to overthrow the administrative denial and order the passport issued because the Secretary has not given the court all the information he has, or to give all the information and thereby reveal important sources or channels of securing information. Which would be more dangerous to our security? Now, we recognize this is a loophole and that this bill will not stop all dangerous Communists from getting passports. But the bill protects the rights and reputation of every innocent citizen and we think it will stop a lot of dangerous Communists from getting passports. Furthermore we believe that a good many more will not apply for passports under this law because they cannot be sure what evidence the FBI and the State Department have on them and might reveal to the court and the public. Still more will hesitate to ask for a judicial review, because, knowing their own guilt, they will not want the Department to put on the record the information about them which they fear it may have. Thus it will deter applications of some as well as deny them to others. The desired end of preventing their misuse of passports to injure the security of our country will be achieved in either case.

Mr. JACKSON. I take this time because I think this point is very important. I think it is a point that is not entirely clear to all the Members of the House.

Mr. ADAIR. Mr. Chairman, if the gentleman will yield, I will say to the gentleman that this is illustrative of the fact that the committee did lean over backward in its efforts to protect the rights of the individual.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The amendment was rejected.

Mr. JUDD. Mr. Chairman, I move to strike out the last word, just to have a brief colloquy with my colleague on the committee, the distinguished gentleman from Maine [Mr. COFFIN]. I have spoken to him about this, because part of one statement he made yesterday, appearing in the RECORD on page 18451, should not, I think, be left without some amplification. It might give the courts a wrong impression as to the intent of the Congress, whereas I know that was not the gentleman's intention. He said:

> The State Department, when challenged, would have to divulge all of its information or none.

Now, I believe the gentleman is in agreement with what the gentleman from Ohio said yesterday in another place:

> He shall have the right to see the record on which the Secretary made his determination.

I am sure that is what the gentleman from Maine meant, that the Secretary will have to divulge not necessarily all the information he has, but all of the information on which he made his determination. In the man's file there may be mere gossip, or all sorts of unreliable derogatory material that came from whatever enemy or crackpot in the land. But such material was not the basis on which the Secretary made his determination that the person's activities or presence would be harmful to the Nation's security. He must reveal on judicial review the information he had which he considered valid and reliable and substantial, and on which he based his determination. Is that not the intent of the bill as the gentleman understands it?

Mr. COFFIN. Mr. Chairman, if the gentleman will yield, that is correct. The Secretary has to choose his ammunition to make his case. He has to elect from that material. He has no choice, however, but that between submitting to the court all of the evidence which constitutes the basis for the denial, or, if this would involve the revealing of critical data to the prejudice of future investigatory work, issuing the passport.

Mr. JUDD. I thank the gentlemen, because he is a very precise lawyer and a very influential Member of the Congress and I would not want his remark to stand as it appeared in the RECORD yesterday.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. HAYS. I should like to concur in that. I think we have tried to make it very clear that the Secretary is to send up only the information in the hearing and that the decision shall be based on that record.

Mr. JUDD. That is right.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. BENTLEY. As long as we are clarifying the intent of members of the committee, I should like to ask the gentleman from Illinois [Mr. O'HARA], when he said yesterday that nothing shall be withheld from the court, if his interpretation is the same as that of the gentleman from Maine?

Mr. JUDD. I should be glad to yield to the distinguished gentleman from Illinois for that purpose. I am sure the gentleman from Illinois had exactly the same thing in mind as did the gentleman from Ohio and the gentleman from Maine; is that not correct?

Mr. O'HARA of Illinois. Do I understand the gentleman is now yielding to me to answer the question?

Mr. JUDD. Yes, sir.

Mr. O'HARA of Illinois. What I had in mind in my statement of yesterday is that one who has been denied a passport is in the same position when he is taking his matter up on appeal as is one who had been convicted of a crime or a felony and who is carrying that matter up on appeal. That, briefly, is what I intended to convey and I did, as I understand it.

Mr. JUDD. I thank the gentleman.

Mr. FORRESTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am just a little amazed over this legislation. I intend to support this legislation but I do it with the frank realization that it is just a little better than nothing.

I am not content to fail to express myself as a lawyer and as a citizen concerning the situation we find ourselves in.

Mr. Chairman, one of the most unfortunate things that has happened in our country was the decision of the United States Supreme Court regarding the school segregation cases in 1954, because since that time it has caused so many good people to crawl in their shell and fail to realize the impact of the many Supreme Court decisions such as the Kent Passport case, which are utterly destroying all of the landmarks in this country. The truth is that the Kent against Dulles case, which was just referred to by the gentleman from New York, is one of those 5 to 4 decisions, and one of those men, the five men on that Court constituting the majority, destroyed every landmark in all of the law and all of the custom that had existed in this country from the very foundation up to that time, so far as passport law is concerned.

In the War Between the States the President had the right to deny passports and he has got it now. In World War I he had the right and he has got it now. President Wilson laid down the rule—and I do not see how any honest man could object to it—that a passport would be denied unless the person could prove that his travel would not prejudice the interests of this country.

This is a newfangled thing, this fool idea that you have got the right to travel anywhere and at all times, whether you are a Communist, or whether you want to strike at the vitals and want to destroy the country to which you owe your duty and your obligations and even your life.

I am amazed. You appropriate $40 billion for defense against communism and here you are taking up all of this time on this bill. Will you tell me whom you are defending? Do you think you are defending some really good Americans? Who do you think is going to be interfered with by legislation of this kind? It is the Kents, it is the Paul Robesons, it is the Communists, it is those who want to destroy us. They are not real loyal citizens.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. FORRESTER. I yield to the gentleman.

Mr. HAYS. You are asking whom we want to protect. I will say to the gentleman that there was an amendment offered in committee—at least someone said he was about to offer it—to include along with Communists, members of the White Citizens Councils, and I fought that amendment.

Mr. FORRESTER. I will tell you this. It was good that you did. The White Citizens Councils are mighty honorable men and you are going to thank God for them before this thing is over. I am tired of these pseudo-Americans. I am tired of these persons of dual citizenship.

You are either an American or you are not an American. I am tired of the people who are so solicitous of Communists.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. FORRESTER. I yield.

Mr. PORTER. Is the gentleman afraid that the foreign policy of the United States will be destroyed or hurt severely by what Communists or their supporters will say overseas any more than they can hurt us here in the United States by the exercise of their right of free speech?

Mr. FORRESTER. It is not a question of being afraid. Let me tell you something. You say a Congressman has the right to go to Russia. I say you have no such right if the President does not want you to go. I will tell you another thing. Thank God that such a principle or idea did not exist during World War I when I was in the Army as a private soldier because it might have been, if you had let them—this trash trying to go—go over there then, that I might not be here today and I might not be a Congressman today. I say you have no business over there. I do not want to go. I love this country so well, I never want to go over there. I am talking for keeps now. I will tell you another thing. You can go ahead and make weak laws, but thank God under the Constitution, the President of the United States has the right to defend this country, and if you will not defend it, I hope to God he will. The right to protect is an act of sovereignty, and you cannot take it away from him. I do not think you will get a President from down my way in my lifetime, but regardless, I will be with him every step of the way in trying to defend America.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. HAYS. Mr. Chairman, I said I would try to get the gentleman some more time, and if his cerebral continuity has not been interfered with too much and he can get back into high gear, I ask unanimous consent that he be given 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FORRESTER. Mr. Chairman, I appreciate that. I am always glad to get in high gear for my country. There are three things I never will be ashamed of. They are, the country I live in, the church I belong to; and the woman I married. I will defend them any time and any place.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. FORRESTER. I yield.

Mr. PORTER. I thought the gentleman had really made his point. But I did want to ask him if he thought, as a Member of the Congress, we had a duty to get all the facts we can before we make important decisions having to do with freedom and peace. Does the gentleman believe that?

Mr. FORRESTER. So far as a Congressman having the right to go to Russia, I think that statement is absolutely ridiculous—if you want to know what I honestly think.

Mr. MEYER. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MEYER: On page 1, line 5, strike out section 5, the entire section running to line 16 on page 2.

Mr. MEYER. Mr. Chairman, it would be a lot easier for me to sit down and not say anything. I do realize that my committee tried to come out with a good bill. I think in many ways they did. However, I feel we have been pushed by the claim of urgency and to a certain extent we have been panicked. Whereas this section has much in it that is true, and I believe that almost all of it is true, I do not believe it is a good section. I recall vividly the words of Thomas Jefferson when he, more or less, said that he had sworn eternal hostility to all forms of tyranny over the minds of men. I think if we are to join with Thomas Jefferson in swearing hostility to foreign tyranny, we must also swear hostility to tyranny here at home. There are dangers in this bill that can lead to tyranny.

I offered a couple of amendments when we were talking about this bill in the committee, and I feel that if we are going to be consistent and write a bill that specifically points to the Communist Party—and I assure you I am as much against it as anyone else—that if we are going to do a thing against a party that has not been outlawed and probably get into a situation where we are violating the Constitution, we might as well be consistent. We might as well say we are opposed to all groups, Communists, Fascists, or subversives of any kind. If we are going to do it we should do it and not beat around the bush. Therefore I think the language in this particular section is somewhat faulty in a constitutional sense.

We have already seen one of the motivating forces behind the drive to get a passport bill; I do not mean that it is the main one, but it is a contributory one. This is an attempt to strike again at the Supreme Court of the United States just because the Supreme Court does something some people perhaps do not agree with.

There was an editorial in a New York paper which was read in part. It all depends on how you read the editorial and how you want to read it. It is dated September 6:

The House Foreign Affairs Committee has passed a bill that would in some respects override last year's Supreme Court decision that the Secretary of State was not authorized to deny passports because of an applicant's associations or beliefs.

Then it goes on to say—depending on how you read, or how you think the editors intended it:

It is pleasant to note that under the bill's terms the Secretary of State may not deny a passport to any individual because of adherence to unpopular views or criticisms of the United States or its domestic or foreign policies.

That is a mild form of sarcasm or a general irony.

In regard to section 5 there was a time in our history when we could just as well have said about American citizens that if they sympathized with the British that they in turn would have been

somewhat like the Communists today, because the whole language of this section hinges around the word "security" and the British could have been said "in every way to be trying to thwart the United States policy," and so forth.

So I ask you, Why do we not try to use existing laws, rather than putting this type of language into the bill? Get the Communists or any people who are subverting our form of Government; put them in jail, if we can; handle them in whatever way we can under constitutional law, and try not to write provisions of this type.

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, I shall be glad to yield if I have time to my distinguished colleague from Florida [Mr. FASCELL], because I wanted to say some very complimentary words about him. I appreciate the kindness of the members of the Committee in permitting me this privilege of speaking against this amendment, because I am against it and I am for this bill.

I want sincerely to thank the members of this great Committee on Foreign Affairs for dealing with a very troublesome problem. I wanted to have just a few minutes because last year on July 21, Mr. Chairman, I had a special order, the second time I have asked for a special order in the House. I appealed to the House to consider passport legislation. I could not see then as I cannot see now how we can with one hand spend millions of dollars on the Voice of America on friendly propaganda, let us say, for our beloved country, and with the other hand we push traitors and Communists and plead with them to go abroad and allow them to have the advantages of forums about which we know not to spread their insidious misinformation about this land that we love.

And I tell you another thing, Mr. Chairman, that concerns me, and that is the 9,000 boys of America who each month come from the fields and the factories in the service of our beloved country; and then with another accent on our voice we say to the fellow travelers that although they have no sense of responsibility to America it is all right for them to go abroad and preach all kinds of false information.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I want to yield to the gentleman from Oregon because perhaps I can give him some information.

Mr. PORTER. I want to ask the gentleman if he does not believe that these people should have the right to spread their insidious propaganda in foreign lands? Does the gentleman also support legislation to stop them from spreading their insidious propaganda in the United States of America?

Mr. MATTHEWS. No, sir; I do not believe these people should have the right to spread their insidious propaganda in foreign lands because this is the difference, let me say to the gentleman. If you would give these Communists who travel abroad an opportunity to spread their propaganda where we have an opportunity to control it, where they do not have the privilege to spread their propaganda to all people, but just to a selected few who might be given to them for an audience, I think I would go along with the gentleman. Let us have the same rules of communication as we have in America. Is the gentleman so naive as to think for 1 minute that he could travel abroad and get before any forum other than the forum that the Communists wanted him to appear before?

Let me ask the gentleman that question.

Mr. PORTER. I do not know how naive I am, but I do believe that our Government is far enough advanced, our traditions are strong enough, so that we can allow these people to talk any place in the world and I do not think it will hurt our foreign policy and our basic traditions.

Mr. MATTHEWS. That is where the gentleman and I disagree 100 percent. My point of view is they are members of the international Communist conspiracy. This Government has declared the international Communist conspiracy as dedicated to the overthrow of our form of government. When they travel under this conspiracy or observe that conspiracy, I think it is something a little different from a friendly debate here on the floor of the House.

I want to say to the gentleman that I respect him. I do not intend this in any mean sense at all, but I just feel very deeply about this particular proposition.

Mr. PORTER. From discussion comes wisdom. Out of world discussion may come a broader kind of wisdom. Should we try to stultify discussion on a worldwide scale, even though we are handicapped, and undoubtedly we are, outside of the United States?

Mr. MATTHEWS. My answer to the gentleman is if the rules for communications were the same, this would be a different matter. We enjoyed seeing on TV the Vice President of the United States over in Russia when he was talking to Khrushchev. Perhaps Mr. Stevenson, or Mr. Kennedy, or Mr. Johnson could have done a better job. But I think the Vice President did a good job. How many people do you think in Russia saw that particular program? Do you think for one moment they had the same communications in Russia that we have here in the United States? Let me say to the gentleman that the forum in Russia was limited, the forum was motivated by only one reason and that reason was, What is best for Communist Russia?

Mr. ADAIR. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the amendment offered by the gentleman from Vermont if adopted would strike from the bill statements concerning the danger of communism. This House, and indeed both Houses of Congress, have on a number of occasions indicated an awareness of the dangers of communistic philosophy. This is simply restating, in connection with this legislation, the feeling of the House in this respect. Furthermore, that wording points out dangers that exist if we permit Communist couriers and agents to have United States passports and to travel freely. This is a basic and important part of this legislation. It should by all means remain in, and the amendment should be defeated.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Florida.

Mr. FASCELL. Will the gentleman not admit that the findings in section 5 are the framework within which the findings of section 6 are required to be made, and it is so stated in the language of the bill?

Mr. ADAIR. That is correct.

Mr. FASCELL. Therefore, if we strike out section 5, you would not have 6 delineated in the framework under which the finding in section 6 should be made?

Mr. ADAIR. Yes.

Mr. FASCELL. Therefore, is not the gentleman from Vermont as proponent of the amendment defeating the very argument which he has made?

Mr. ADAIR. I think that is true.

Mr. MEYER. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Vermont.

Mr. MEYER. Is it not true, then, if this argument is correct, and maybe it could be, that we should be consistent and make the language obtain or cover all groups or all people that might be subversive?

Mr. ADAIR. As has been pointed out, I may say to the gentleman, the bill before us does not attempt to meet all questions with respect to passport legislation. We are dealing with a specific problem. Therefore, my answer to the gentleman is that the wording should be limited to that specific problem.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Oregon.

Mr. PORTER. The gentleman spoke of the couriers and I suppose he means agents. The gentleman knows in the report on page 3 there are several statements to the effect that this bill will not stop it, we cannot stop the travel of these people to South America and other places, they can use forged passports. It is wrong to give the impression that this legislation will stop couriers and agents, even substantially.

Mr. ADAIR. No responsible speaker on behalf of this legislation has said that.

Mr. PORTER. The report says it.

Mr. ADAIR. We do not say it will stop all of it. I am sorry we cannot give that assurance. But we do have here legislation which will take a step in the direction of curtailing this kind of travel and that is all we indicate this bill does. It is a measure of control.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Ohio.

Mr. HAYS. It may not stop them, but it will slow them down. Nobody has ever said it will stop them, but it will make them go to lengths they do not have to go to now.

Mr. ADAIR. The gentleman is correct, and that is pointed out in detail in our report.

Mr. RIVERS of South Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if there was ever need for legislation to change a decision of the Supreme Court of the United States, it is now. This Court will go down in history as the most criticized since the dawn of this Republic. It has been the greatest force on earth in communism's progress in America. It has been a haven of refuge for the missionaries from Moscow. Mr. Speaker, since Earl Warren took the oath of office as Chief Justice, there has been a fantastic total of 39 cases dealing with communism. In all but nine of these cases verdicts have been rendered in favor of the Communists; verdicts have been rendered against the Departments of State and Justice, the Federal Bureau of Investigation, congressional committees, U.S. district and circuit courts, and the several States. It is inconceivable that everybody has been wrong except the Supreme Court and the Communists. That is the record. One of these cases caused the President of the United States to come screaming to Congress on July 7, 1958, urging us to pass legislation giving our Government power to deny passports "where their possession would seriously impair the conduct of the foreign relations of the United States or would be inimical to the security of the United States." The President also said the Secretary of State should be given "clear statutory authority to prevent Americans from using passports for travel to areas where there is no means of protecting them, or where their presence would conflict with our foreign-policy objectives or be inimical to the security of the United States." The President said he wished to emphasize the urgency of enacting such legislation.

Of course, the President is right, and legislation of this nature should be promptly enacted as an emergency measure.

The case in question involved Rockwell Kent. Kent applied for a passport to attend the World Council of Peace in Helsinki, Finland. The State Department knew all about Rockwell Kent. He had sponsored the Paris meeting of April 1949 and was a member of a delegation of the World Peace Congress which was accorded high official Soviet honors when it arrived on March 5, 1950. On this occasion Rockwell Kent spoke as follows:

> I must tell you that I am not an official representative of the American Government. To be quite honest I must declare that the present Government of America is not my Government and does not represent me.

The official organ of the World Peace Congress is a publication, In Defense of Peace. In the issue of In Defense of Peace for April 1950, page 1, Rockwell Kent is shown in a photograph attending a meeting of the World Peace Congress in Stockholm, March 15–19, 1950, in company with the Soviet whip of the Congress, writer Alexander Fadayev, who enjoyed the blessings of the Soviet system so intensely that he recently committed suicide.

The purposes of these world peace congresses and committees are clearly laid down in the Cominform—previously the Communist International—journal, For a Lasting Peace, for a People's Democracy for December 8, 1950, which declares that the Congress "will ruthlessly expose the warmongers, the aggressive foreign policy and reactionary home policy of the United States, the criminal war waged by the United States against Korea and its aggressive adventures against the Chinese People's Republic."

Bryn J. Hovde, an American scholar, who was roped into attending the Wroclaw meeting, has characterized the proceedings as follows:

> Every speech insulting the United States and glorifying the Soviets was wildly applauded. * * * After the first speech by the Soviet novelist, Fadayev, a speech which for vituperation was never excelled and which set the tone for the Congress.

At the Paris meeting in the spring of 1949, its Soviet Commissar Alexander Fadayev clearly described the Congress' attitude toward the nations within the Atlantic Defense Pact, including of course the United States. He said:

> We, the peoples of the world, shall punish you severely.

He lambasted the United States for its "feverish armament drive" and simultaneously lauded "our great Soviet country."

The Supreme Court knew all this, or at least could have known it and should have known it. But the Court's opinion does not show any such knowledge. The Court simply said Kent wanted to attend the World Council of Peace. Not a word, not even a footnote, to show the Court knew this was a Communist-manipulated gathering for world propaganda purposes.

Now, what kind of American is Rockwell Kent? From the time in 1933 that Rockwell Kent contributed $800 to the Communist Party, local arm of the Soviet international conspiracy, to the present, he has been unflagging and outspoken, in his devotion to the cause of the Soviet Union. When he appeared before the Senate Subcommittee on Government Operations on July 1, 1953, he was asked whether he was a member of the Communist Party. In reply he invoked the protection of the fifth amendment in refusing to answer. But time and again he has given public evidence of his allegiance to that subversive organization in coming out for the defense of its outstanding conspirators such as Earl Browder, William Weiner, Jacob Mindel, and the Communist leaders indicted and convicted under the Smith Act. During the infamous Stalin-Hitler pact, he joined in denouncing American war hysteria and was an honored official of the American peace mobilization which picketed the White House. After Hitler's attack on the Soviet Union, he suddenly executed an about-face and contributed his skill as an artist to the Calendar for Victory in 1942. Small wonder, then, that he has been highly acclaimed in the Soviet Union where his works have been prominently exhibited.

So terrible was this 5 to 4 decision by the Supreme Court that Mr. Justice Clark in writing the dissenting opinion said:

> But the Court then determines (1) that the Secretary's denial of passports in peacetime extended to only two categories of cases, those involving allegiance and those involving criminal activity, and (2) that the Secretary's wartime exercise of his discretion, while admittedly more restrictive, has no relevance to the practice which Congress can be said to have approved in 1952. Since the present denials do not involve grounds either of allegiance or criminal activity, the Court concludes that they were beyond the pale of congressional authorization. Both of the propositions set out above are vital to the Court's final conclusion. Neither of them has any validity: the first is contrary to fact, and the second to commonsense.

In other words, the dissenting opinion charged the Court with writing a false opinion. I know of nothing stronger one Justice could say about another.

This bill gives the President, through his Secretary of State, the power to question men of ill will like Robeson, Kent, Walter Briehl, Bridges, and the legion of other Communists and Communist sympathizers from giving aid and comfort to our enemies and misleading innocent peoples of the earth of the peaceful intentions of this Nation. If this bill is enacted, the Secretary can make an applicant for a passport put up or shut up. What less should be expected?

Mr. SELDEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to the bill close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. PORTER. I object, Mr. Chairman.

Mr. SELDEN. Mr. Chairman, I move that all debate on this amendment and all other amendments to the bill close in 30 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. SELDEN) there were—ayes 60, noes 92.

So the motion was not agreed to.

Mr. BENTLEY. Mr. Chairman, I move that all debate on the pending amendment and all amendments to the pending bill close in 15 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Michigan.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from Vermont.

Mr. HAYS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HAYS. I ask unanimous consent that the amendment be again reported so that we will know what we are voting on.

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from Vermont.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. MEYER: On page 1, line 5, strike out section 5 (the entire section) running to line 16 on page 2.

The question was taken; and on a division (demanded by Mr. JACKSON) there were—ayes 5, noes 124.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, in the closing few remarks I say that, I just hope that the good, which we hope can come from this bill, will materialize and that we will not be coming much closer to a police state. I, in my own mind, am sure that we are indeed coming that much closer to the police state. That is why I have fought this bill, even though I could see some good in it. If I am wrong, I will be very happy to be wrong. If I am right, then it will be too late anyhow.

Mr. Chairman, I believe most sincerely in what I have said to you. I believe that some day you all may realize this yourselves and that you will turn back.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, on this bill a Member should ask himself three questions:

First. Are you afraid of what our citizens can say abroad?

Second. Do you want to give the President unlimited power to say who can go to particular areas in the world?

Third. Do you want to be limited, as a Member of Congress, in your power to get facts that you need for the vital decisions you must make?

Mr. Chairman, I have an amendment at the Clerk's desk that I would like to have considered. It eliminates title II, which has to do with unlimited power to the President to declare certain areas of the world off limits with such exceptions as he may determine, again with unlimited discretion.

The CHAIRMAN. Does the gentleman from Oregon offer an amendment?

Mr. PORTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Oregon [Mr. PORTER].

The Clerk read as follows:

Amendment offered by Mr. PORTER: On page 4, line 8, strike out all of title II through line 18, on page 5.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, in spite of the fact that I think this bill could probably be improved, I think it is a good bill, and I think it is a sizable step in the right direction. I urge support of the bill. I hope there is a rollcall vote forthcoming.

Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BENTLEY. Mr. Chairman, the Clerk, I believe, has not yet read section 2; is that correct?

The CHAIRMAN. That is correct.

Mr. BENTLEY. I thank the Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. COFFIN].

Mr. COFFIN. Mr. Chairman, I have at the desk an amendment which has the approval of the chairman of the committee, the sponsor of the bill [Mr. SELDEN], and I thing a good many other Members. It is at the top of page 3 and would strike out lines 1 through 5 and would put in these words:

The Secretary of State shall not deny a passport to any person solely on the basis of membership in any organization or association with any individual or group.

That leaves in substantially lines 1, 2, and 3, and we avoid the implication that some Members have drawn that we think adherence to unpopular views or criticism of the United States or its policies is any evidence for exclusion. We all criticize, we all have unpopular views a dozen times a day, and we do not want the implication put in this bill that it constitutes any reason for a denial of a passport.

The CHAIRMAN. Does the gentleman offer the amendment?

Mr. COFFIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COFFIN: On page 3, strike out lines 1 through 5 and insert in lieu thereof the following: "The Secretary of State shall not deny a passport to any person solely on the basis of membership in any organization or association with any individual or group."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. COFFIN].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I am delighted at the action the Committee has just taken. Certainly, there should never come a time when the holding of unpopular views or the expression of criticism on the part of any American citizen as to our domestic policy should be considered as in any way something that is not within the inherent right of that individual. Mr. Chairman, I am delighted that the gentleman from Maine has offered this amendment. I hope the legislative history will clearly show that such views or criticisms cannot be held by the Department of State in any way to be a detrimental matter concerning any individual citizen of our country.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I feel that the Committee on Foreign Affairs, and today the House sitting as the Committee of the Whole, have functioned in the spirit truly symbolic of our democracy. There has been concession, there has been acceptance, and there has been the resolving of differences in reason and in tolerance, and a meeting of all minds in the making of a measure that in its entirety pleases no one but is acceptable to all. I feel very happy and proud that I am a member of the Foreign Affairs Committee and of this body.

In the debate yesterday and today, and there have been no discordant voices, we have established beyond any doubt whatsoever that the House of Representatives in passing the bill under consideration is denying to the Department of State the power to refuse a passport on secret evidence from undisclosed sources and which in its completeness is not produced for full judicial review when demanded.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I would like to call the attention of the House to the fact that the amendment of the gentleman from Maine does not go far enough. I favored his amendment to cut out as any basis or reason that the Secretary of State should deny a U.S. citizen a passport upon, the following words: adherence to unpopular news, or criticisms of the United States or its domestic or foreign policies. This is clearly an invasion of the liberties guaranteed to each U.S. citizen under the Constitution. I would further strike out the phrase "association with any individual or group," because I do not think that is a valid reason for denying a passport to a U.S. citizen solely on that ground or as a valid reason adding to other reasons, insufficient of themselves in total evidence, without the addition of this guilt by association clause. I strongly oppose this provision of the bill.

May I call the House's attention to line 11 on page 3, the phrase "or supporter of the international Communist movement." I believe under U.S. Supreme Court decisions that merely to be a supporter is not enough—there must be an act or action. I also call the House's attention to the language on page 2 line 18, "any person who is, or has been since January 1, 1956, a member of, or affiliated with, the Communist Party or knowingly engages or has knowingly engaged since January 1, 1951, in activities intended to further the international Communist movement," and so forth. This is much better language as far as statutory draftsmanship is involved.

I believe we must have the word "activities" in the language to stand up in court.

I favor passage of this bill to provide standards for the issuance of U.S. passports to protect our U.S. security.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I think this bill is one that gives to the Secretary of State the powers that are necessary and one that also goes as far as possible in writing a piece of legislation to guarantee the inherent right of the individual under the Constitution of the country.

I support the bill. I think the committee after long labor brought out a bill that the majority of the House can support.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Chairman, I am strongly in favor of the bill before us, to provide needed standards for the issuance of American passports.

This legislation is long overdue. Since the Kent and Dayton decisions were handed down by the Supreme Court last year, the State Department has had no authority to withhold passports even from persons known to be active Communists, and known to be working against the interests of our Nation.

Surely such a situation should not be permitted to continue even 1 day longer. It will be rectified by the bill before us. That is why I support this legislation, and that is why I hope that it will be enacted into law without delay.

An American passport is not an insignificant piece of paper. It carries with itself the prestige and the protection which our Government provides for its citizens. It also gives the bearer the right to return to our land. I see absolutely no reason for the issuance of such a document, with all of its rights and privileges, to any person who is known to be an active supporter of world communism.

Let us not forget that world communism is dedicated to the overthrow of our system of government. Communists despise our freedoms, our liberties, our way of life. Our Constitution, with its safeguards and protection for the rights of every man, woman, and child, is repugnant to them.

Why should we, therefore, bend over backward and extend the prestige and support of our Government—through the issuance of passports—to known Communists to aid them in their dirty work?

Mr. Chairman, I am in favor of H.R. 9069. I shall continue to support this legislation, and I sincerely hope that the House will approve it overwhelmingly.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, it has been said here that this bill gives the President unlimited power. Of course, that is not so. On the contrary, the bill very carefully spells out that the administration has to make certain specific determinations before it can act, determinations that have to stand up in court, which is a very different thing from unlimited power.

It was also said that this bill is not necessary and is a dangerous bill. On the contrary, confronted with the threat our country faces today this is a very necessary bill; and not to pass it would be exceedingly dangerous. I am sure it will be passed by an overwhelming majority of the House.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, I want to commend the committee for doing a very fine job. I differ with it only on one fundamental fact, and that goes to the very basis of my concept of this Government. I think it is one that is historically correct: that the citizens are the sovereign, that the state is the creature of the citizens. I feel at least in part this bill even as it is amended, puts sovereignty into the hands of the state, and in effect we say to the citizen, particularly with respect to title 2, that somehow his rights are less than that. If the sovereign citizen has the right to know that he may exercise his decision, then I do not see that we should give anyone the right to deprive him of the right to know what is going on.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, I am sure that the debate yesterday and today has disclosed that here is a bill which has been carefully and thoughtfully studied and worked out. It deserves the support of every Member of Congress, and I hope today that it may have the unanimous support of the Members of the House. It is good legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. Mr. Chairman, the bill before us grants to the Secretary of State the necessary authority to meet a situation that endangers the security of the United States. At the same time, the measure provides ample safeguards for the rights of the individual, including both administrative and judicial review.

I urge the defeat of all pending amendments and the adoption of H.R. 9069.

Mr. DOYLE. Mr. Chairman, the occurrence a few minutes ago wherein the gentleman from Maine [Mr. COFFIN] was instrumental in presenting to this membership the fact that on page 3, beginning at line 3 thereof, the following language: "adherence to unpopular views, or criticisms of the United States or its domestic or foreign policies.", was not appropriate to be continued in the final text which bill I hope will be approved, would make it untimely for me to take further time of the committee to present exactly the same viewpoint of the gentleman from Maine on that very same language. For, Mr. Chairman, adherence to unpopular views should never be improper in any group of American citizens. For, what is unpopular today may be very popular a year from today and vice versa.

Popularity of viewpoint should never be a test of whether or not a passport should issue to an applicant. The popularity of his views, or unpopularity of them, should never be a grounds of judgment by the Secretary of State as to his being entitled to a passport to a foreign country. In fact, dissent and disagreement on viewpoints is basic to arriving at honorable, sound decisions. And in like manner the real essence of sound legislation is constructive criticism of policies and procedures of our own beloved Nation in its domestic or foreign policy, or the administration of its agencies. Let us not be afraid to criticize. But, by saying this I do not mean to state that I am not in sympathy of condemnation of the United States, of its domestic and of its foreign policies such as emanate from the mouths of dedicated Communists and subversives. But, even though criticism comes habitually and systematically and with malice aforethought from their mouths, still these should not be grounds for denying a passport because no doubt we will all recognize that criticism is entirely allowable and constitutional under our constitutional form of government. Thank God it is so. Let us keep it so—forever.

I have often said that I will fight for the right of the man who differs with me to pray as he wishes, think as he wishes, write as he wishes, do as he wishes, providing he does the same within the four corners of the Constitution of the United States of America. By this I mean to say he must do it in accordance with established law.

Mr. REUSS. Mr. Chairman, of course the Executive has inherent power to protect our national security by our passport power, as by its other powers. I would favor legislation, such as that proposed by the gentleman from New York [Mr. CELLER], permitting the Secretary of State to deny a passport where he has reasonable grounds to believe that the applicant, while abroad, will transmit security secrets, or attempt to overthrow the Government of the United States.

But H.R. 9069, the bill before us, is a long way from containing the procedural safeguards which are necessary when we are legislating in the field of the rights of the individual. For example, section 7 authorizes the Secretary of State to require a passport applicant to submit a written statement under oath as to whether he has been "a supporter of the international Communist movement." President Eisenhower, in inviting Khrushchev to visit this country, was doing exactly what Khrushchev and international communism wanted him to do. If this bill became law, and Mr. Eisenhower thereafter applied for a passport and filed an affidavit of nonsupport, does section 7 make him guilty of perjury, and subject to its penalties? If words mean anything, it might. This and other examples of slovenly draftsmanship make it necessary for the appropriate committees to review this legislation before it is presented to the Members.

It has been pointed out during the debate that the other body will not consider this legislation at this session. There is thus plenty of time for the production of a bill that meets the needs of national security, without unduly injuring individual rights.

The Clerk read as follows:

SEC. 2. The first section of the Act of July 3, 1926 (44 Stat. 887; 22 U.S.C. 211a), is amended by striking out "that the Secretary of State may grant and issue passports" and inserting in lieu thereof the following:

"TITLE I—PASSPORTS

"SECTION 1. The Secretary of State may grant and issue passports".

Mr. SELDEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be

agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RILEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9069) to provide standards for the issuance of passports, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation the amendments be agreed to and that the bill as amended do pass.

Mr. SELDEN. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. PORTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 371, nays 18, not voting 46, as follows:

[Roll No. 171]

YEAS—371

Abbitt	Budge	Edmondson
Abernethy	Burdick	Elliott
Adair	Burke, Ky.	Everett
Addonizio	Burke, Mass.	Fallon
Albert	Burleson	Farbstein
Alexander	Bush	Fascell
Allen	Byrne, Pa.	Feighan
Andersen, Minn.	Byrnes, Wis.	Fenton
	Cahill	Fino
Andrews	Cannon	Fisher
Arends	Carnahan	Flood
Ashley	Casey	Flynt
Ashmore	Cederberg	Fogarty
Aspinall	Chamberlain	Foley
Auchincloss	Chelf	Forand
Avery	Chenoweth	Forrester
Ayres	Chiperfield	Fountain
Bailey	Church	Frazier
Baker	Clark	Frelinghuysen
Baldwin	Coad	Friedel
Baring	Coffin	Fulton
Barrett	Cohelan	Gallagher
Barry	Collier	Garmatz
Bass, N.H.	Colmer	Gary
Bass, Tenn	Conte	Gathings
Bates	Cook	Gavin
Becker	Corbert	George
Beckworth	Cramer	Giaimo
Belcher	Cunningham	Glenn
Bennett, Fla.	Curtin	Goodell
Bennett, Mich.	Curtis, Mass.	Granahan
Bentley	Curtis, Mo.	Grant
Berry	Daddario	Gray
Betts	Dague	Green, Pa.
Blatnik	Daniels	Griffin
Boggs	Davis, Ga.	Griffiths
Boland	Davis, Tenn.	Gross
Bolling	Dawson	Gubser
Bolton	Delaney	Hagen
Bonner	Dent	Haley
Bosch	Denton	Halleck
Bow	Derounian	Halpern
Bowles	Devine	Hardy
Boyle	Diggs	Hargis
Brademas	Dixon	Harris
Breeding	Dollinger	Harrison
Brewster	Donohue	Hays
Brock	Dooley	Healey
Brooks, La.	Dowdy	Hechler
Brooks, Tex.	Downing	Hemphill
Broomfield	Doyle	Henderson
Brown, Ga.	Dulski	Herlong
Brown, Ohio	Dwyer	Hoeven
Hoffman, Ill.	Meader	Roush
Hoffman, Mich.	Merrow	Rutherford
Hogan	Michel	Santangelo
Holland	Miller, Clem	Saund
Holt	Miller, George P.	Saylor
Holtzman		Schenck
Horan	Milliken	Scherer
Hosmer	Mills	Schwengel
Huddleston	Mitchell	Scott
Hull	Moeller	Selden
Ikard	Monagan	Shelley
Inouye	Montoya	Sheppard
Irwin	Moore	Shipley
Jackson	Moorhead	Short
Jarman	Morgan	Siler
Jennings	Morris, N. Mex.	Simpson, Ill.
Jensen	Morris, Okla.	Simpson, Pa.
Johansen	Morrison	Sisk
Johnson, Calif.	Moss	Slack
Johnson, Md.	Moulder	Smith, Calif.
Johnson, Wis.	Multer	Smith, Iowa
Jonas	Mumma	Smith, Kans.
Jones, Ala.	Murphy	Smith, Miss.
Judd	Murray	Smith, Va.
Karsten	Natcher	Spence
Karth	Nelsen	Springer
Kearns	Nix	Staggers
Kee	Norblad	Steed
Keith	Norrell	Stratton
Kelly	O'Brien, Ill.	Stubblefield
Kilday	O'Hara, Ill.	Sullivan
Kilgore	O'Konski	Taber
King, Calif.	Oliver	Teague, Calif.
King, Utah	Osmers	Teague, Tex.
Kirwan	Ostertag	Thomas
Kitchin	Passman	Thompson, La.
Kluczynski	Pelly	Thompson, Tex.
Knox	Perkins	Thomson, Wyo.
Kowalski	Pfost	Thornberry
Lafore	Philbin	Toll
Laird	Pilcher	Trimble
Landrum	Pillion	Tuck
Lane	Pirnie	Udall
Langen	Poff	Utt
Lankford	Preston	Vanik
Latta	Price	Van Zandt
Lennon	Prokop	Vinson
Levering	Pucinski	Wainwright
Libonati	Quie	Wallhauser
Lindsay	Quigley	Walter
Lipscomb	Rabaut	Wampler
Loser	Rains	Watts
McCormack	Randall	Weaver
McCulloch	Ray	Weis
McDowell	Reece, Tenn.	Wharton
McFall	Rees, Kans.	Whitener
McGinley	Rhodes, Ariz.	Whitten
McGovern	Rhodes, Pa.	Widnall
McIntire	Riehlman	Williams
McMillan	Riley	Willis
McSween	Rivers, Alaska	Wilson
Macdonald	Rivers, S.C.	Winstead
Machrowicz	Roberts	Withrow
Mack, Ill.	Robison	Wolf
Mack, Wash.	Rodino	Wright
Madden	Rogers, Colo.	Yates
Magnuson	Rogers, Fla.	Young
Mahon	Rogers, Mass.	Younger
Mailliard	Rogers, Tex.	Zablocki
Mason	Rooney	Zelenko
Matthews	Roosevelt	
May	Rostenkowski	

NAYS—18

Anderson, Mont.	Harmon	Porter
	Johnson, Colo.	Reuss
Barr	Kasem	Thompson, N.J.
Celler	Kastenmeier	Ullman
Dingell	Metcalf	Wier
Flynn	Meyer	
Green, Oreg.	O'Hara, Mich.	

NOT VOTING—46

Alford	Dorn, S.C.	Miller, N.Y.
Alger	Durham	Minshall
Anfuso	Evins	O'Brien, N.Y.
Barden	Ford	O'Neill
Baumhart	Hall	Patman
Blitch	Hébert	Poage
Boykin	Hess	Powell
Bray	Hiestand	St. George
Brown, Mo.	Holifield	Sikes
Broyhill	Jones, Mo.	Taylor
Buckley	Keogh	Teller
Canfield	Kilburn	Tollefson
Carter	Lesinski	Van Pelt
Cooley	McDonough	Westland
Derwinski	Marshall	
Dorn, N.Y.	Martin	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Evins with Mr. Martin.
Mr. Lesinski with Mr. Van Pelt.
Mr. Keogh with Mr. Westland.
Mr. Teller with Mr. Canfield.
Mr. O'Brien of New York with Mr. Derwinski.
Mr. Holifield with Mr. Baumhart.
Mr. Barden with Mr. Broyhill.
Mr. Powell with Mr. Minshall.
Mr. O'Neill with Mr. Miller of New York.
Mr. Patman with Mr. Alger.
Mr. Anfuso with Mr. Hess.
Mr. Sikes with Mr. Ford.
Mr. Cooley with Mrs. St. George.
Mr. Hall with Mr. Bray.
Mr. Brown of Missouri with Mr. Taylor.
Mr. Hébert with Mr. Kilburn.
Mr. Dorn of South Carolina with Mr. Hiestand.
Mr. Marshall with Mr. Dorn of New York.
Mr. Alford with Mr. Tollefson.
Mrs. Blitch with Mr. McDonough.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. SELDEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PROGRAM FOR SEPTEMBER 9

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader as to the program for tomorrow and the rest of the week, if he can give us any information.

Mr. McCORMACK. Tomorrow we will consider under unanimous consent the bills from the Ways and Means Committee I have heretofore announced.

In addition there are two resolutions from the Rules Committee in connection with traveling outside the continental United States by the Committee on Interstate and Foreign Commerce and the Committee on Public Works, and then the Alaska-Hawaii airport bill. They will come up tomorrow. That is all I know of now.

Projecting my mind beyond that, I see the housing bill, of course; then the mutual assistance conference report. Action might be taken Wednesday on the highway bill. It is on the Speaker's desk. We have a conference report on an agricultural bill that will be called up tomorrow.

Mr. HALLECK. I may say in connection with the highway bill that so far as I am concerned the Senate amendments are agreeable to me.

Mr. McCORMACK. I am glad to hear the gentleman say that. As far as I am concerned the Senate amendments are agreeable to me. I hope, as does the gentleman from Indiana, that the bill may be taken from the Speaker's desk

and the Senate amendments concurred in.

That is all I know of now.

Of course, everything has got to be more or less flexible.

SPECIAL CONSIDERATION OF CONFERENCE REPORTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that during the remainder of this week it shall be in order to consider conference reports the same day reported, notwithstanding the provisions of clause 2, rule XXVIII.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. BURLESON. Mr. Speaker, I ask unanimous consent to extend my remarks following those of the gentleman from Ohio [Mr. SCHENCK] on House Resolution 380.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PLAQUE HONORING THE LATE HONORABLE SAM McREYNOLDS

Mr. FRAZIER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2291) to authorize the erection of a plaque in honor of the late Honorable Sam D. McReynolds on or near the site of the Chickamauga Dam.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Sam D. McReynolds Memorial Committee is hereby authorized to place, at no cost to the United States, on or near the site of the Chickamauga Dam a suitable memorial plaque in honor and appreciation of the late Honorable Sam D. McReynolds, formerly a Member of the House of Representatives, for his contributions to the erection of such dam and for his interest in and contributions to the success of the Tennessee Valley Authority and the purposes for which such Authority was created. The suitability of the size, design, and exact location of such plaque shall be subject to the approval of the Board of Directors of the Tennessee Valley Authority.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FRAZIER. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

THE OREGON CAVES NATIONAL MONUMENT: A TRIBUTE IN COMMEMORATION OF ITS 50TH ANNIVERSARY

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, The Oregon Caves in my district deserve a tribute commemorating the 50th anniversary of having been proclaimed a national monument July 12, 1909.

The caves were discovered in August 1874 by Elijah Davidson. Stories of the discovery differ slightly. One is that Davidson wounded a bear and followed it into a mountain through a hole which is the main entrance to the cave. Another is that the wounded bear died near the cave beside a stream which Davidson followed because, to his surprise, it came out of the mountain. Oregonians and others take pride in noting that he was chasing the bear and not vice versa. That important event is memorialized by the name of Mount Elijah. Located in Josephine County, in one of the many picturesque, beautiful sections of the Siskiyou National Forest, the caves were called Josephine Caves.

In 1877 Frank N. Nickerson, of Kirby, Oreg., discovered four floors or levels to the caves, and several other labyrinths and entrances have since been found.

In 1884 two brothers explored parts of the caves and tried to acquire "squatters rights" and title by remaining near the cave's main entrance, but they gave up. So, later, did some California promoters who wanted the caves but they learned that the caves were in Oregon instead of California.

Under authority of the Antiquities Act of Congress of June 8, 1906, and on the recommendations of the Forest Service, President Taft proclaimed the Oregon Caves and 480 acres of land surrounding their main entrance a national monument. Jurisdiction over the area was transferred from the Forest Service, Department of Agriculture to the National Park Service, Department of the Interior, on August 10, 1933.

Millions of Americans and many persons from other lands have visited these caverns. They differ from other caves in the varieties, beauties, and mysteries of their incrustations.

A few special points of interest among the many whose names conjure up vivid mental pictures are: Paradise Lost, the Beehive, Dragon's Mouth, Niagara Falls, King's Palace, the White House, Yosemite Falls, Bridal Chamber, Bottomless Pit, the Catawampus, Heavenly Boudoir, Old Satan's Cradle, and Judicial Hall. There are about 40 additional interesting names for other entrancing scenes in these caverns.

Highly descriptive, near-poetic terms are needed to try and picture the multivaried aspects of these underground wonders.

Some descriptions have suggested that the limestone deposits which have turned to marble assume grotesque as well as pleasing shapes. Some of the upstanding stalagmites are grotesque, and some stalactites are fantastic, amber-colored pendants.

In many instances they have joined to form columns of shimmering beauty and frequently appear to be delightful, exquisite, miniature waterfalls. They look like draperies, stone flower gardens, clusters of column-like organ pipes, spectral statuary, or strange bric a brac. The ceilings and walls are usually frescoed elegantly. The walls have several coats of marble, each beautiful, but different in design.

The Oregon Caves National Monument has not, even yet, been explored thoroughly.

I do want to point out, too, that although the Forest Service transferred jurisdiction of the caves to the National Park Service more than 25 years ago, the agencies have cooperated in various ways. Earlier this year I learned from Regional Forester J. Herbert Stone, of Portland, that considerable recreational development in the vicinity of the Oregon Caves has been outlined. These areas will receive early examination in the Forest Service national forest outdoor recreation review program. I had contacted the Forest Service to learn what sort of development was being planned because the area attracts thousands of visitors.

Earlier I mentioned the graceful formations found in the Oregon Caves. It should be noted that the splendid natural oddities of the cave are of special interest because they have been formed in a tilted stratum of marble. And the interesting features of the area include rare species of plants and animals.

That famous western poet Joaquin Miller has described the caves as "The Marble Halls of Oregon." Through the years our marble halls in the Siskiyou Mountain area have become nationally known. The halls are open the year around and the Park Service tells me it expects that yearly attendance by 1966 will pass the 100,000 mark.

We Oregonians like to have visitors during this centennial year or any other year. While you are in Oregon take a day out to see the caves; I don't think you'll ever forget the visit.

THE LATE HONORABLE EDMUND P. RADWAN

Mr. DULSKI. Mr. Speaker I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, it is my sad duty to inform the House that the Honorable Edmund P. Radwan, a former Member of Congress who represented the 41st District of New York, passed away yesterday, September 7. Mr. Radwan was forced to retire at the end of his term last year due to illness, and we are all very saddened to learn of his passing. I want to extend my sincerest sympathy to his wife and family.

Mr. Speaker, I ask unanimous consent that all Members may be permitted to insert their remarks in the RECORD in regard to our late former colleague.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, it is with a feeling of great sadness that I pay final tribute to Ed Radwan.

After serving with distinction in the New York State Senate, he came to Congress in 1951 and, during the following 8 years, we all came to know him as an extremely capable, honest, and outstanding representative of his State's 41st district. During these years I was privileged to have Ed Radwan as a close associate and personal friend.

He was a man of excellent character and background. I often discussed important legislative matters with him and always profited by his insight and understanding. His ability has been, and will be, sorely missed.

My heart goes out to his lovely family, whom I have the pleasure of knowing. I hope it will comfort them somewhat to know that their beloved Ed will long be remembered by those who had the honor of serving with him.

Mr. PILLION. Mr. Speaker, it is with profound sadness that I rise to pay respect to the memory of our esteemed departed colleague from the State of New York, the late Honorable Edmund P. Radwan. It was my privilege and good fortune to have served with Congressman Radwan both in the New York State Legislature and in this Congress.

Congressman Radwan was a man of great political and personal courage. He had a keen and high sense of honor. Although it was conceded by everyone that he could have been reelected in this last campaign, Congressman Radwan chose not to seek reelection. This decision was based upon his belief that, due to his illness, he could not give his undivided service to his constituency.

In the State of New York, I can recall his courage and determination in fighting against a proposal to increase taxes in the year 1949. In Congress, Representative Radwan earned the respect of his colleagues for his sincerity and his adherence to principle.

Congressman Radwan was a dedicated public official with a deep sense of responsibility to his constituency and to the people of this Nation.

I extend my deepest sympathy to his family.

Mr. SANTANGELO. Mr. Speaker, it is with deep sorrow that I learned of the passing of my beloved and esteemed friend, Edmund P. Radwan. Our Maker called Mr. Radwan at the early age of 48 and we mourn his passing. I met Ed Radwan in 1947 when we served together as senators in the New York State Legislature. He was a senator from the great city of Buffalo where he was born and grew up. He was a dedicated servant and public officer. He was always vibrant, alive, and stimulating. His talents were recognized by his friends and neighbors who promoted him to Congress in 1951 to serve his country further.

Cities and places are just brick and mortar to be admired for their beauty and architecture. People give them meaning and make them come alive. On every occasion that I had a problem in Buffalo, I could always call upon Ed for assistance and he never failed me. Whenever I thought of Buffalo, I would think of Ed Radwan. During the past few years, Ed Radwan did not enjoy good health. He suffered, but made no complaints. When he realized that he could no longer render service to his people, he graciously stepped down to permit another more physically capable to take his place.

He was one of the most courageous men I ever knew. He suffered silently and stoically. He approached his Maker with composure and resignation. He has gone to the great beyond. Because on the way he touched me, I am richer in experience, I am wiser in judgment, and happier in thought. All who knew and met him on his journey through the corridor called "Life," share this feeling and sentiment.

He lives in the hearts of his wife, his three children, his friends, and his brother, Ralph. I extend to his family and those who love him my heartfelt sympathy.

Mr. ZABLOCKI. Mr. Speaker, I was deeply sorry to learn about the passing away of our former colleague from New York, the late Honorable Edmund P. Radwan.

I had the privilege of serving with Congressman Radwan on the Committee on Foreign Affairs. Through our close association over the years, I learned to respect him greatly for his integrity, for the soundness of his judgment, and for his devotion to his legislative duties. I know that many of my colleagues have shared my esteem for him. We are deeply moved by the sad news of his death.

It is indeed tragic that someone so young, so able, and having—to all appearances—the whole world in front of him, should have suffered so much and been called by his Maker in the prime of his life. The illness which ultimately led to Congressman Radwan's death had earlier forced him to resign from the Congress and to abandon the life of public service to which he had devoted himself with such vigor and devotion. That grievous misfortune was compounded by the ordeal of repeated surgeries which he had to undergo, and by great physical pain and suffering.

Although we cannot always understand the workings and designs of the divine providence, we must seek consolation today in the thought that the good Lord had called our late colleague to be among His very own.

I want to extend my deepest sympathy to Congressman Radwan's family and his friends. May the good Lord keep them in His special care during this time of their great sorrow and loss.

WEAKNESS IN THE BENSON FARM POLICIES

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, yesterday I took the House floor to tell as best I could some of the difficulties and anxieties that beset the American farmer. Today I want to discuss what I believe to be the weaknesses in Secretary Benson's approach to the farm problem. On tomorrow, I plan to take the floor for the third time this week to make some positive suggestions for improving our agricultural economy.

Let us get one central fact clear in our minds. The farm problem is not a matter of concern only to rural people. Our agricultural economy is so intertwined with the national economy, that any weakening of agriculture's position is a loss to every American. Let me say to my colleagues in the Congress who represent metropolitan areas that the welfare of your people is closely tied to the American farmer. Not only do our farm families provide you with the finest supply of food in the world but farm customers buy the products that keep your factories running.

Farmers, for example, use more steel each year than is consumed by the American automobile industry. When farm income drops, so do the sales of steel companies, farm machinery manufacturers, and auto companies. The Detroit auto worker and the Peoria farm machinery worker have as much at stake in a good farm program as does the farmer.

Of course, the wise farmer knows that his welfare is likewise tied to the buying power of the worker and the merchant in the city who consume the products of the farm. Those who divide and confuse the farmer, the worker, and the merchant do a grave injustice to all three of them. Together they comprise a three-legged stool that tumbles if any one of the legs is broken.

It is especially clear that the farm problem is closely tied to the economic well-being of the small businessman. Farm families purchase large quantities of groceries, shoes, clothing, washing machines, medicine, machinery, furniture, haircuts, gasoline, et cetera.

It has often been pointed out that the farmer creates new wealth from the soil. The rest of us depend so directly or indirectly upon that new wealth that we all suffer every time the farmer's income takes a dip. In fact, it is estimated that the farm dollar turns over six or seven times in its impact on the economy.

The Conference on Economic Progress report, prepared in December 1958, reached the conclusion that from one-fourth to one-half of our entire national production lag since the end of the Korean war in 1953 stems from depressed farm purchasing power. With farm income for the first 5 Benson years $12 billion less than the previous 5 years, the cash registers in towns and cities across the Nation have been slowed down.

Who can deny that the farm problem is America's problem—the problem of each one of us? It will take the best efforts of a great many of us to meet that problem successfully.

I am convinced that no proper answer to the difficulties of agriculture is to be found in the approaches recommended by Secretary Benson. He is doubtless a man of good character and sincere purpose, but he seems to be totally lacking in understanding of farmers and their problems. Since he took command of our agricultural programs in 1953, he has repeatedly made administrative rulings and exerted pressures that have aggravated rather than helped our farm economy. Nearly all of the major farm bills passed by the Congress in recent years have been vetoed by the President on the advice of Mr. Benson.

Many of us in the Congress were dismayed when the administration vetoed our wheat bill earlier this year. That bill would have reduced surplus wheat production by 480 million bushels, cut Government costs by $528 million, and protected the farmer's income. The bill was further improved on the floor when Congress accepted my amendment to place a $35,000 ceiling on the amount of price support loan that any one farmer could receive. Yet, the President vetoed this bill at Mr. Benson's insistence.

In a nutshell, Secretary Benson's program has consisted of lowering the farm price-support level to accomplish three objectives: First, reduction in farm surpluses; second, reduced Government costs; and third, reduced food prices to the consumer.

The policy has been an enormous failure on all three counts. The Secretary has cut farm prices to be sure, but in doing so he has sharply reduced farm income, driven many farm families from the land and most frustrating of all, instead of reducing surpluses, tax costs and food prices, the reverse has happened.

While farm income was falling, farm surpluses and farm program costs to the taxpayer have skyrocketed and food prices are up instead of down.

Here is the record based on Government statistics for the Benson administration from 1953 until the present:

Farm income down by one-fifth.

Farm purchasing power down by one-third.

Farm surpluses have quadrupled from $2.4 billion in 1953 to $9.1 billion in 1959.

Department of Agriculture budget now seven times greater than in 1952.

Food prices up 5 percent.

Four million Americans have left the farm. Instead of eliminating surplus production, the Benson policies have eliminated farmers whose farms have been incorporated in larger units. Many of these family size farms have been swallowed by vertical integration or corporation farming.

A year ago, the distinguished chairman of the House Committee on Agriculture [Mr. COOLEY] summarized the results of Secretary Benson's policies as follows:

> Since Mr. Benson began to bring down farm prices 5 years ago, farm income has dropped about $1 billion a year, the cost of farm programs has increased by about $1 billion a year, farm debt has climbed about $1 billion a year—and farm people have been leaving the farms at the rate of about 1 million a year.

No fair-minded person would argue that Secretary Benson is solely responsible for the current agricultural problem. The evidence is clear, however, that he is promoting a discredited theory which may sound convincing to those who preach it but which has disastrous consequences when applied.

The Benson theory is "the free market theory." According to this view, farmers are overproducing because of Government price supports; overproduction depresses farm income; take away firm price supports and farmers will balance supply with demand so that all will be well.

The only trouble with this "free market" or "supply and demand" theory when applied to agriculture is that every time it is applied it leads to economic disaster. Farmers have wryly observed that the law of supply and demand means that when there is a supply there is no demand.

When the farmer brings his produce into a free market, he is more often than not like a lamb going to slaughter. He has nothing to say about either the price he shall be paid for what he sells nor the price he himself will pay for the things that he must buy.

Before the advent of the Federal farm program which Mr. Benson has been gradually taking apart, farmers were taken for an economic ride each year by the speculators. During the marketing period following harvest, speculators enjoyed a hey-day as they watched the temporarily-flooded market sink. They would then move into the glutted market and buy low knowing that the farmer had to sell to pay his bills and his expenses. They could then sit back and wait for the market to rise before they unloaded at a neat profit.

We need not rely on theory to know how the "free market" would work in the absence of a Government farm program. We had such a market in the 1920's and early 1930's. During that period the stock market boomed to an all-time high in 1929. Industry was prospering. The farmer, however, saw his markets collapse in late 1920 and 1921 and from then on for the next decade he was in serious trouble.

All across rural America while prosperity reigned in the cities, farm families were forced to the walls, mortgages were foreclosed, mainstreet businesses and banks closed and everyone suffered.

That is why farm State Republicans and Democrats joined in demanding a program that would bring order out of chaos in our agricultural economy. Great champions of the farmer in Congress such as Norbeck, of South Dakota; Norris, of Nebraska; and LaFollette, of Wisconsin; tried unsuccessfully to convince Presidents Harding, Coolidge and Hoover that the Federal Government had a responsibility to meet the crisis in agriculture. Their efforts fell on deaf ears, however, with Coolidge typifying administration attitudes when he said:

> Farmers have always been poor and there isn't much that can be done about it.

It was this lack of administration understanding of agricultural people and their problems that led Norbeck, Norris and other farm State Republicans in the Congress to shift their support to the Democratic President, Franklin Roosevelt. Norris campaigned for the Democratic presidential candidate as early as 1928.

These men knew that in the absence of a national farm program, millions of individual farmers have no way of keeping supply and demand factors in balance. They can never know whether Mother Nature will bring drought, hailstorms, or bumper harvests.

Nor can the farmer know what the impact will be of shifts in production by other farmers, or a change in the pattern of international trade and foreign production. The farmer, for example, who might decide that a 10 percent cut in corn production would help stabilize prices, is powerless to do anything about his hunch if other millions of farmers should fail to act on the same impulse. Even then, in a free market, during the period when the crop is brought to market, the price would sink, giving the speculators their opportunity to profiteer on the farmer's toil.

It is only through a carefully planned farm program that supply and demand factors can be made effective.

The Federal farm program established in the 1930's and 1940's gave farmers an opportunity for the first time in American history to market certain basic commodities in an orderly and profitable manner. Under this program, farmers were assured price support loans up to 90 percent of the parity value of their crop, provided they complied with production limitations. The farmer paid interest on his loan, and had the option of either redeeming his stored commodities by paying off his loan or letting the Government keep the commodities. For 20 years, 1933–53, this program operated for six basic farm commodities. Not only did it stabilize farm production, marketing, and income, but at the end of two decades the Government, instead of subsidizing farmers, had actually made a $13 million profit.

Furthermore, there were no burdensome surpluses. The Government farm storages were a great blessing during World War II and the Korean war. Even in peacetime years, the surpluses were never larger than that needed for a national reserve.

There were, of course, weaknesses in the farm program. One basic weakness

was that it was never geared sufficiently to the needs of the smaller farmers. There was no graduated scale of acreage allotments and parity guarantees similar to the Federal income tax principle. As a result, acreage restrictions worked a hardship on the small producer. Likewise, big producers parlayed price support profits into investments in bigger and bigger farms that made it increasingly difficult for the little man to enlarge his holdings.

Another fundamental failure has been our slowness to convert our farm abundance into an effective foreign policy instrument in a world overrun with hungry inhabitants. There is something immoral about the constant deploring of farm surpluses while other human beings in Asia, Africa, and the Middle East are yearning for food. Indeed, there are hungry Americans here in the United States who ought to be benefiting from our surplus food.

But the lack of family farm considerations and an imaginative food for peace concept have not been the weaknesses that Secretary Benson has sought to correct.

Because of a deepseated prejudice against Government intervention in economic life, Secretary Benson set out in 1953 to dismantle the Federal farm program. Mr. Benson was not motivated by any desire to remedy the weakness of the program for the benefit of the small farmer. He was determined to do away with the entire program by a series of reductions in the farm price support level.

Mr. Benson's biggest error is the basic assumption that he could reduce farm production by reducing farm price supports. Each time that he has lowered farm price supports, production has gone up—not down.

The reason is clear. Farmers have high, fixed operating costs which can only be met by multiplying the volume of production times the price. If their prices are lowered, they have no recourse other than to increase their volume. This they have done in the case of every commodity following reductions in the price support level. Cuts in farm prices, combined with acreage cuts and rising costs, comprise a three-way pressure on farmers to increase the yield per acre as much as humanly possible. Scores of farmers have told me that Secretary Benson's policy of lower prices, combined with reduced acreage allotments, has forced the very surplus production it was supposed to prevent. Thus, the $2.4 billion in Government-held farm surplus of 1952 has mushroomed to $9.1 since Mr. Benson has been handling the program.

We have already seen that Benson has failed equally in his two other objectives—that of lowering food prices and reducing Government costs. During the years that Benson has been administering our farm program, each time he has lowered farm price supports, middlemen have simply widened their profit margins. Neither farmers nor consumers have benefited from lower farm prices.

Consider, for example, the case of bread. During the past 10 years the price of a bushel of wheat has declined 20 percent, but the cost of bread has increased 54 percent.

The record of failure is equally clear in the case of Mr. Benson's claim that his approach would lower costs of the farm program to the taxpayers. His policies, including his highly advertised soil bank, have been vastly more expensive than any previous farm program in our history.

The annual budget of the Department of Agriculture, prior to Secretary Benson, was approximately $1 billion. This year's fiscal budget has reached the astounding total of $7 billion.

A news item in the Washington Post of June 1, 1959 tells the story as follows:

> A Library of Congress study shows that Agriculture Department appropriations from 1862 to 1931 totaled $2.4 billion. From 1932 to 1953, expenditures were $25.2 billion. Since Benson took over in 1953, net budget expenditures have reached $31 billion. In other words, the present Secretary has spent more than all his predecessors combined.

Let us see briefly how this has happened. First of all, although there are 4 million less Americans engaged in farming today than in 1952, Mr. Benson has increased the number of employees in his Department from 67,406 in 1952 to 98,487 as of June 30, 1959—an increase of more than 31,000.

Second, price support losses by the Commodity Credit Corporation which formerly were either very small or actually net profits to the Treasury, have increased enormously in recent years.

The Department of Agriculture supported the prices of major storable crops for 20 years prior to 1953 and ended that 20-year period with a net profit of $13 million. During this same period, even with the price support losses on the perishable commodities included, the Government cost was only slightly above $1 billion. By contrast, Mr. Benson lost more than $4 billion during the first 5 years that he handled the price support program.

Because Mr. Benson has been protected by the big metropolitan press and friendly commentators, the shocking cost to the taxpayers of his policies is not generally known. Yet, the record is clear. He has lost more than four times as much in price support operations in 5 years as was lost in the 20 previous years by Secretaries who believed in the program they were administering and did their best to make it work rather than trying to prove it would not work.

Here are some of the other factors in the Benson financial record:

First. Interest charges in the Department of Agriculture have increased from $16 million in 1952 to $323 million in 1958.

Second. Storage and handling charges have gone from $73 million to $409 million.

Third. Transportation costs for moving Government commodities have risen from $45 million to $178 million.

Fourth. Administrative expenses for Mr. Benson's office have jumped from $15 million to $34 million.

Fifth. County office expenses have zoomed from $13 million to $50 million.

The biggest expense of all in the Benson years was his highly administered soil bank. That program has cost the taxpayers $2½ billion and has benefited only a small minority of our farm families. When Mr. Benson and his supporters in the Congress told us in 1956 that the soil bank was the answer to the farm problem, I publicly protested this false claim. "The soil bank may have certain conservation values, but it is a poor substitute for a strong price support program," I warned repeatedly during the months this new program was being advanced.

The soil bank was actually promoted by Secretary Benson in 1956 as an election-year scheme to get some quick cash into the pockets of farmers who had been hurt by his policies. The Secretary recommended that $1,200 million be paid out to farmers just before the 1956 election on the farmer's promise that he would take acreage out of production the following year. "I wonder what would have been the reaction of the press and the Nation if a Democrat had offered any such thing just before an election," observed Congressman WHITTEN, of Mississippi, chairman of the House Subcommittee on Agricultural Appropriations.

Although the Government has spent nearly $2½ billion on the soil bank, it has had little effect on reducing production. The acreage reserve costing $1¾ billion was junked by Congress this year after Mr. Benson publicly admitted his plan had not worked.

The conservation reserve of the soil bank, which remains, has some good features, but involves only a small fraction of the Nation's 4 million farmers—125,000 in 1957–58. It has cost three-quarters billion dollars to date, and we are committed under this program to some contracts running 10 or 15 years.

Here, too, the effect on production has been slight. Congressman WHITTEN reports that his committee investigations revealed that "all sorts of nefarious schemes were used, in some instances, to bilk the Treasury in connection with the program. Most of the lands rented had little real production history anyway." Chairman WHITTEN concluded, after an intense committee study of the soil bank, that its chief purpose was "to place in the hands of some farmers cash which they have lost under the policies of Secretary Benson."

Strangely enough, while pouring $2½ billion into the soil bank, Secretary Benson has tried to undercut such programs as the agricultural conservation program in which 1¼ million farmers participate. He has recommended cuts in the already small school lunch and milk program, has resisted efforts by the Congress to expand the use of our farm surpluses overseas, and for needy American families, and has strongly urged higher interest rates for our rural electric users.

The more I study Mr. Benson's record, the more convinced I become that he is a representative not of the farmers, but of the powerful and influential middlemen who process, store, transport, and handle the farmer's products.

I fully recognize that it is not enough simply to criticize Secretary Benson's policies. My purpose in doing so is my

conviction that any improved program must begin with a recognition of the mistakes that have been made in the recent past. I have given a great deal of time and thought to the farm problem in recent years and have discussed it with hundreds of farmers in my home State of South Dakota. The suggestions which I shall make tomorrow for improving our farm economy are offered in humble recognition of the fact that no one of us has any quick and easy solution to this tough national problem.

WORLD TRADE

Mr. BOGGS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS. Mr. Speaker, world trade, the flow of commerce between nations, is a subject of deep interest to me, my State and, indeed, to all the people of the United States and of the free world. We recognize how utterly impossible it would have been to attain the standards of living we enjoy were it not for the availability of the raw materials, the foodstuffs, the crafts, and the advanced manufactures other countries can offer us. We also know the contribution that U.S. exports have made to the standards of living and productive capacity of the countries with which we trade.

Since 1934, United States has worked through the reciprocal trade agreements program to encourage the flow of trade in recognition of the fact that through reciprocal trade we promote mutual cooperation. We have sought under the trade agreements program to remove artificial restrictions on trade and to develop sound rules for the conduct of trade between nations. To this end we have negotiated trade agreements such as the General Agreements on Tariffs and Trade under which we have lowered our tariffs on a reciprocal basis and have developed rules of trade policy designed to avoid discrimination and unfair trade practices.

Although I have been critical of some of the things that we have done, I believe that the United States has, on the whole, made a good record in its trade policy. We have also been realistic about the problems and needs of other countries. For example, during the postwar period of reconstruction and imbalance in trade we recognized, under the GATT, that countries suffering balance of payments and currency problems would have to resort to quota restrictions on imports in order to conserve their scarce foreign exchange. We recognized that, in particular, it was necessary in a dollar-short world for countries to limit their imports from the United States in order to husband their limited dollar resources.

The world economic picture has, however, changed from the condition that it was in only a few years ago. Economic recovery has taken place. National incomes and standards of living, particularly in the industrialized countries of the world, are on the rise. This improvement in the economic health of many countries has been reflected in an improvement in their foreign trade position. There is no longer today a problem of dollar shortage. With the accumulation of foreign exchange reserves and the expansion of export trade, many countries, particularly those of Western Europe, have been able to bring their currencies closer to full convertibility with the dollar.

Along with these developments there has also been substantial progress in the elimination of special restrictions against imports from the United States and the reduction of quota restrictions against imports generally.

A few weeks ago I wrote to the Under Secretary of State, the Honorable C. Douglas Dillon, requesting information on the progress that had been recorded in the first half of 1959 in dollar trade liberalization. In his reply Mr. Dillon noted the advances that had been made. His statement ended with the following paragraph:

> Despite the progress which has been made, however, a number of countries continue to discriminate against U.S. exports. In the coming months, the U.S. Government, through such forums as the General Agreement on Tariffs and Trade and the International Monetary Fund, and in bilateral discussions, will continue vigorous efforts—based upon the new financial situation which exists in international trade—to bring about further rapid elimination of dollar trade discrimination.

I welcome the progress that has already been made in the removal of artificial restrictions placed against U.S. exports. I applaud the vigorous efforts of our Government to this end and I am reassured by the commitment of our Government that it will try to accelerate the pace of progress in this field.

I think that it is very important to emphasize to our trading partners throughout the world the urgent necessity of taking additional and bold measures to eliminate, as soon as possible, the remaining discriminations against U.S. trade. Furthermore, in those countries that have achieved a measure of stability in their foreign trade which has permitted greater currency convertibility, I would hope that they, too, would soon eliminate all their remaining quota restrictions that have been imposed to protect their balance of payments. I recognize that many of the less-developed countries that have been faced with adverse trade conditions due to the low prices at which their products have been selling in world markets, may not be able to undertake such a fast pace of trade liberalization although I feel that, even in the case of these countries, discriminatory restrictions against U.S. goods are unwarranted.

I cannot emphasize too much that this is one of the most important issues in our foreign trade relations today. Involved is the question of honoring the GATT commitments and other trade agreement obligations that our trading partners have assumed. As I mentioned earlier, the GATT recognized that quantitive restrictions on trade may be necessary for balance of payment reasons. But the GATT also requires that these restrictions be removed as soon as the balance of payments situation permits. This is particularly true in the case of discriminatory restrictions. The removal of such restrictions therefore involves the integrity of the trade-agreements system which is essential for the orderly growth and expansion of world trade. It is likewise important for the development of a trading system in the free world that will bring the kinds of economic gains to all that we seek through trade.

Finally, and very importantly, our trading partners have in their power to make important decisions about their own trade policies which cannot fail to have important effects on the future course of United States trade policy.

I hope that through the consultations under GATT and the International Monetary Fund we will see an acceleration of the progress in trade liberalization and the removal of discriminatory restrictions and that our delegation to the XVth session of the contracting parties to the GATT which meets at the end of October will have good progress to report when those meetings are completed.

Mr. Speaker, under unanimous consent, I include in the RECORD materials on the subject that I have been discussing, including detailed information supplied to me by the Department of Commerce on the remaining restrictions against dollar imports in effect in various countries:

CORRESPONDENCE BETWEEN ACTING SECRETARY DILLON AND CONGRESSMAN BOGGS ON PROGRESS IN DOLLAR TRADE LIBERALIZATION

HALE BOGGS, chairman of the Subcommittee on the Administration of Foreign Trade Laws and Policy of the Committee on Ways and Means, wrote to Acting Secretary Dillon requesting a statement on actions taken by foreign governments to remove discriminatory restrictions against imports from the dollar area. The letter from Mr. BOGGS and Mr. Dillon's reply transmitting the information follow. As this correspondence indicates, the U.S. Government welcomes the progress made in dollar liberalization and intends to continue its vigorous efforts to achieve the elimination of quantitative restrictions and discrimination against imports from the United States.

JULY 13, 1959.

The Honorable C. DOUGLAS DILLON,
Under Secretary of State, U.S. Department of State, Washington, D.C.

DEAR DOUG: With the improvement in the balance-of-payments and foreign exchange positions of many of our trading partners, particularly those in Western Europe, and with the reduction in the U.S. export surplus, it has become increasingly important that the United States pursue aggressively the elimination of discriminatory restrictions imposed against dollar imports. I know that our Government has been working hard on this task, principally through the vehicle of the consultations on balance-of-payments import restrictions that have been going forward under the aegis of the General Agreement on Tariffs and Trade. This is an effort which deserves full support.

From time to time in the past, particularly in connection with the periodic extensions of the trade agreements legislations, the Department of State has issued reports on the progress of trade and currency liberalization, particularly with respect to dollar trade and payments. I think it would be very useful if this information could be brought up to date and made available to the Congress and the

American public. To a limited extent this has been done in the annual report of the President on the trade agreements program although the latest report covers only the development up to the close of calendar year 1958.

It would be particularly useful if information covering developments in trade and currency liberalization during the first half of 1959 were made available. It is my impression that noteworthy progress was recorded during the first half of this year, especially in Western Europe and that far from increasing restrictions against imports from the United States, the advent of the Common Market has, at least, for this brief period, brought with it a relaxation of such restrictions.

Sincerely yours,

HALE BOGGS.

JULY 25,1959.

The Honorable HALE BOGGS,
Chairman, Subcommittee on the Administration of Foreign Trade Laws and Policy, Committee on Ways and Means, House of Representatives.

DEAR HALE: I am enclosing a statement concerning the progress made during the first half of 1959 in eliminating dollar discrimination in international trade, which you requested in your letter of July 13, 1959. This progress has continued in the current month. Most recently, Ghana, Malaya, Nigeria, and Singapore have taken additional measures to liberalize their treatment of dollar goods.

In accordance with your suggestion that information on advances in trade and currency liberalization be made available to the public, the Department plans to release this statement to the press.

The U.S. Government will continue vigorous efforts to bring about further rapid elimination of discrimination against U.S. exports.

With best wishes,

Sincerely,

DOUGLAS DILLON,
Acting Secretary.

PROGRESS IN ELIMINATION OF DOLLAR DISCRIMINATION IN INTERNATIONAL TRADE DURING THE FIRST HALF OF 1959

In the past 6 months a number of the world's leading trading nations have taken important steps toward the removal of remaining discrimination in their treatment of imports from the United States and other countries of the dollar area. Among these nations are Argentina, Australia, Denmark, France, Germany, Italy, Japan, Malaya, the Netherlands, New Zealand, Norway, and the United Kingdom.[1]

This acceleration in the dismantling of discriminatory dollar trade controls during 1959 has occurred not only in the important trading nations listed above but also in North Borneo, Jamaica, British Guiana, British Honduras, and elsewhere. Its significance lies not only in the substantial trade opportunities which the liberalization moves will afford to U.S. exporters but also in the new international financial situation which the moves reflect.

The new financial situation is actually the result of dramatic measures taken by most Western European countries at the beginning of the year to establish nonresident convertibility for their currencies. In the opinion of the United States and many other countries these measures ended whatever financial logic may have existed in trade discrimination. Because of the convertibility actions, a merchant in South America, Africa, Asia, who receives British pounds sterling, German marks, Italian lire, or other convertible European currencies for his exports now earns currency which is as usable as the dollar in international trade and which, in fact, he can convert into dollars at will.

In Europe, Denmark, France, the Netherlands, and Norway took important steps to free their dollar imports early in the year. As a result of these measures Denmark, the Netherlands, and Norway now permit all products which can be imported without licensing restrictions from Western European countries to be imported freely from the United States as well. France, in removing controls on such dollar imports as cotton, copper, scrap iron, aluminum, and other raw and semifinished products, raised its dollar liberalization to the highest level since the end of the war. Germany, in the course of consultations under the General Agreement on Tariffs and Trade, has in the past 6 months announced the removal of a number of import restrictions and has undertaken a program for further liberalization over the next 3 years.

In the past few weeks, Italy and the United Kingdom announced new dollar liberalization measures which have narrowed, although not yet eliminated, discrimination against U.S. goods. In Italy restrictions were removed from such important products as tanned leather, gasoline and diesel engines, phonograph records, turbines, reactors, jets, most types of pumps, industrial heating and cooling equipment, machine tools, and a large variety of iron and steel products. In the United Kingdom, dollar restrictions were lifted June 8 on about 45 items, including fresh, frozen, and canned vegetables, cheese, eggs, honey, cereal breakfast foods, musical instruments, shoes, and household appliances. The United Kingdom also opened a number of its so-called global quotas[2] to U.S. exporters and increased dollar quotas for a number of imports, including automobiles.

Elsewhere in the world, the Government of New Zealand recently announced adjustments in its import quotas designed to remove inequalities which have remained from discriminatory restrictions of previous years, despite the largely nondiscriminatory form of New Zealand import restrictions adopted in 1958. In April, Australia abolished discriminatory licensing treatment of 330 dollar import items, among them agricultural machines, tractors, earthmoving equipment, diesel engines, locomotives, aircraft, scientific instruments, and motorcycles. Brazil has eliminated the distinction between dollar and European currencies in its exchange auctions. Japan has, for the most part, abandoned import allocations by currency areas, and a majority of the British colonial governments have followed the lead of the United Kingdom in removing many import controls which formerly discriminated against dollar goods.

Despite the progress which has been made, however, a number of countries continue to discriminate against U.S. exports. In the coming months, the U.S. Government, through such forums as the General Agreement on Tariffs and Trade and the International Monetary Fund, and in bilateral discussions, will continue vigorous efforts—based upon the new financial situation which exists in international trade—to bring about further rapid elimination of dollar trade discrimination.

[1] Just prior to issuing this statement, the Department of State received information that France had announced a further liberalization measure, and that Kenya, the Sudan, Trinidad, and Uganda also had reduced their discrimination against dollar products. These developments are in addition to those which occurred in Ghana, Malaya, Nigeria, and Singapore in July, as noted in Mr. Dillon's letter to Mr. BOGGS.

[2] Global quotas in theory, while limiting the total value or amount of imports, permit purchases from any country. In practice, a number of so-called global quotas permit imports only from a designated group of countries.

TRADE DISCRIMINATION AND CURRENCY CONVERTIBILITY

(Statement by W. T. M. Beale, chairman of the U.S. delegation, at the opening plenary of the 14th session of the contracting parties to the GATT, May 11, 1959)

Mr. Chairman, when the contracting parties agreed last fall to wait until this session to act on the review of import restrictions under articles XII and XVIII, all of us, I believe, had in mind no more than the advisability of providing additional time for improving the text. I know that we in the U.S. delegation did not expect that, within a few weeks after the end of the 13th session, the contracting parties would be able to add a new and important page to the review, namely, a report on fundamental changes in the international payments situation.

The changes in the situation to which I refer were, of course, brought about by the measures taken by a number of contracting parties in Europe and elsewhere to establish the external convertibility of their currencies. As the result of a series of dramatic and welcome actions that crowned the progress of several years, the currencies used to finance the bulk of world trade are now generally convertible into one another for nonresidents at official rates of exchange. All of the countries that acted applied their convertibility measures to current transactions, including trade, and some of them extended convertibility to the capital sector also. At the same time, the European Payments Union, with its provisions for automatic credit facilities, was liquidated; and the European Fund, with its provisions for discretionary credits repayable in gold, was put into operation along with the other arrangements provided for in the European Monetary Agreement.

These measures formally brought to an end the basic difference that had previously existed between the dollar area currencies, on the one hand, and sterling and many other currencies of continental Europe, on the other. In a broad and practical sense, the phrase "dollar area" broke out of its old geographic definition and came to include not only a few countries mainly concentrated in the Western Hemisphere but also the United Kingdom and a large part of the continent of Europe, as well as the countries in other parts of the world which are members of the currency areas centered in Europe.

The practical significance of these measures may be clarified by a few illustrations. Today, any country that earns sterling, for instance, is free to use it for financing its imports from any supplier in the world. Today, countries include in their published accounts of gold and convertible currency holdings their balances in the newly convertible currencies, such as the French franc and the deutsche mark. Today, a merchant in South America, Asia, or Africa who buys goods, whether in Europe or elsewhere, for Belgian francs, Italian lire, or Austrian schillings pays in currency that is, in fact, as usable as dollar currency.

In the new situation, the effect on Chile's or Norway's balance-of-payments position and monetary reserves of a given amount of foreign exchange expenditure is the same, whether the money is spent in Canada or Denmark. Similarly, the effect of a given amount of foreign exchange income is the same, whether it is received from the Dominican Republic or India. Thus we note that Brazil no longer has separate exchange auctions for the dollar and the so-called A.C.L. currencies but has a combined auction where dollars and the European convertible currencies are traded on the same basis. In short, the broad establishment of external convertibility has generally removed the substantive distinction that existed for two decades between the currencies of the

dollar countries and the currencies of other countries and thus has ended the relevance of this distinction to trade policy and to the appraisal of balance-of-payments and exchange reserve positions.

Before commenting in more detail on the implications for trade policy of the convertibility moves, I would like to refer to some of the considerations that appear to have made it possible for the European countries to move forward. First, the countries of Europe had, by and large, achieved a notable degree of financial stability and high levels of productive capacity and productivity. Secondly, although some of the less-developed countries as well as some of the industrialized countries had individual balance-of-payments problems, the general international payments situation was propitious. In this respect, may I point out that in the period following the postwar realinement of exchange rates—that is, in the 9 years from 1950 through 1958—the rest of the free world, as a result of transactions with the United States, increased its gold and liquid dollar reserves and working balances by almost $14 billion, or an average of about $1.5 billion a year. Other transactions, including official receipts of gold from new production, brought the increase to $18 billion for the period. Thirdly, there was the long-standing realization, reflected both in the articles of the Agreement of the International Monetary Fund and in the General Agreement on Tariffs and Trade, that inconvertibility and the trade restrictions that accompany it are costly obstacles to the economic allocation of resources, both nationally and internationally, and hence to economic growth and standards of living. Finally, but not least in importance, the governments which acted had the courage of their convictions.

When the convertibility measures were announced, Government officials and businessmen all over the world undoubtedly asked themselves the same question: What practical effect would these measures have on trade, investment, foreign exchange markets, and so on? To answer the question as it applies to trade, we must, of course, consider the relationship between convertibility and the principles of the general agreement.

The general agreement, in essence, is a cooperative venture of a group of nations designed to achieve common economic objectives under agreed trade rules for the benefit of all participants. It is natural that we should find running through an agreement of this character the historic principle of the most-favored-nation or, as we sometimes call it, the principle of nondiscrimination. The general agreement tolerates little deviation from this principle and defines in strict terms the situations in which discriminatory practices may be followed.

With regard to quantitative import restrictions, the provisions of the general agreement establish a close relationship between the balance-of-payments criterion and the privilege of departing from the rule of nondiscrimination. Thus, article XIV permits a contracting party to deviate from the rule of nondiscrimination in article XIII only with regard to import restrictions maintained to safeguard its balance of payments, that is, under articles XII or XVIII:B. Article XIV does not authorize the discriminatory application of restrictions maintained, for example, under article XI.

The character of the rules in the general agreement governing the discriminatory application of quantitative restrictions reflects the extraordinary balance-of-payments problems and shortages of monetary reserves that many countries experienced after the war. Few currencies were convertible when the general agreement was negotiated; and of course, supplies of convertible means of payment were short. In these circumstances, had the general agreement required absolute adherence to the rule of nondiscrimination, many countries might have found it necessary to limit their imports according to standards dictated by the availability of their least plentiful means of payment. In other words, article XIV was written to take account of peculiar balance-of-payment situations arising out of the inconvertibility of currencies and to allow for discriminatory import policies based on the proposition that, in the circumstances, increased imports from some suppliers would not endanger slender monetary reserves to the extent that imports from others might. The various formulas found in the article were all designed with this end in mind.

It may be noted that the formula utilized by most contracting parties that have resorted to article XIV is the one given in paragraph 1(b). This paragraph permits the discriminatory application of import restrictions only to the extent that discriminatory payments restrictions may be applied under article XIV of the fund agreement. The fund agreement, in turn, provides that members shall withdraw payments restrictions under article XIV no longer needed for balance-of-payments reasons.

In this context, the United States believes that the recent convertibility measures have created a new setting for commercial policy. As inconvertibility has given way to convertibility, so discrimination and bilateralism should now give way to nondiscrimination and multilateralism. This observation applies not only to a country whose balance of payments has been put on a convertible basis by its own convertibility measures; it applies in general to other countries also since, with sterling and other currencies of Western Europe added to the previous list of convertible currencies, the bulk of world exports is now being paid for with convertible currency. All countries, whether or not their currencies have been made convertible, are affected by the new convertibility situation; some because payments in their own currency are on a convertible basis; others because their foreign exchange income and payments are made in the form of the convertible currencies of other countries.

Discrimination in the application of import restrictions has taken various forms, for example:

The maintenance against some suppliers of restrictions on imports that have been liberalized—that is, freed of restraints—for other suppliers;

The maintenance against some suppliers of prohibitions on imports for which quotas have been opened for other suppliers;

The administration of quotas in a manner not in harmony with the central concept of article XIII, paragraph 2, which calls for a distribution of quotas aimed at a pattern of trade which might be expected to obtain in the absence of restrictions; deviations from this concept sometimes take the form of bilateral exchange of quota privileges not open to third countries; and, finally,

The application to the imports of some suppliers of procedural requirements that are not applied to like imports from others.

May I make a further comment with regard to the last situation. It has been said that certain regulations applicable to imports are merely formalities, not restrictions, and therefore do not constitute discriminatory import restrictions even though they are unevenly applied among exporting countries. We are not sure that this assertion is valid; but if it is, we should not forget that article I, paragraph 1, of the general agreement requires unconditional most-favored-nation treatment with respect to all rules and formalities in connection with importation and exportation.

The United States considers that the advent of convertibility has refuted whatever financial logic may have been found in trade discrimination. Convertibility should mean the rapid removal of the inequalities that have proved costly both to the countries whose export interests have felt the sharper edge of import restrictions and to the countries which have considered it necessary to apply import restrictions in a discriminatory way. May I repeat what the U.S. delegations to the meetings of the contracting parties have said many times: All import restrictions carry some economic cost, but discriminatory import restrictions are likely to be especially costly since they tend to divert from cheap sources to expensive ones the purchase of whatever volume of imports is permitted. Countries with the greatest need for foreign exchange—including the less developed countries, a number of which continue to have overall balance-of-payments difficulties—are least able to afford the extra costs that discriminatory import restrictions entail.

We have noted with appreciation the quick action taken by a number of countries following the establishment of convertibility to eliminate various discriminatory elements in their restrictive systems. Some of them have opened for non-European suppliers the liberalization lists that had been established for European suppliers. Others have put quotas on a nondiscriminatory basis. When the recent advances toward nondiscrimination are added to the advances of previous years, it is apparent that the contracting parties have moved a good part of the way toward the goal of nondiscrimination enunciated in the general agreement. But there is much left to be done, and we believe that the opportunity afforded by the new financial situation should be seized by all contracting parties that are still resorting to discriminatory import practices.

At the same time as progress has been made in the elimination of discrimination since the advent of convertibility in Europe, consideration has been given to new measures and arrangements that would have the effect of increasing the scope or intensifying the incidence of discriminatory import restrictions. The introduction of measures and arrangements of this kind would be a singularly disconcerting way of responding to the new convertibility situation. The United States believes that, at this juncture, the contracting parties can reasonably expect that changes in quantitative import restrictions will run in the direction of eliminating rather than expanding the impact of discrimination.

At this point, I wish to say a few words specifically about the trade interests of the United States in relation to the discriminatory import restrictions still in force. Over the years the United States has, I believe, approached the question of discrimination against its exports with a reasonable degree of understanding. We have cited the disadvantages and economic cost of discriminatory restrictions; we have encouraged their relaxation and removal; and we have pointed out—no doubt with vigor on occasion—particular restrictions that were proving to be specially harmful to our legitimate trade interests. Many of you have heard us expound the virtues of American bean-sorting machines, mild-cured salmon, honey, office equipment, automobiles, apples and pears, machine tools, bourbon whisky, and so on. But in doing this I do not believe that we have been unmindful of the serious problems faced by many contracting parties during the postwar period, and I know that we have not been unmindful of the resolute efforts made to solve them.

It is only too clear, however, that the period of postwar adjustment is behind us. The old arguments about the dollar shortage and the unique export position of U.S. goods have lost their relevance. The last 10 years have seen a remarkable growth of productive capacity and efficiency in many areas of the world. The revival of productive power in other countries has been revealed by their sales, not only in the United States, but also in other markets. American

producers and exporters can testify, from firsthand experience, to the revival of effective competition from oversea producers.

For some years, we in the U.S. Government have had to answer the following question put to us by American exporters: If a country is able to open its doors to goods produced in the countries of Europe and other areas, is there any good reason why it cannot open up its doors to like goods produced in the United States? Speaking plainly, I must say that in present circumstances, we do not believe that there is a persuasive answer to that question.

The periodic consultations now called for by the revised provisions of articles XII and XVIII–B will enable the contracting parties to examine systematically the remaining area of discrimination in the restrictions applied under those articles. The United States and the other countries whose exports have been affected by restrictions against the dollar area, will, of course, be highly interested in this aspect of the consultations. Discrimination does not affect dollar countries alone, however. When we speak of nondiscrimination we have in mind not only the interests of the Western Hemisphere dollar countries but the interests of others as well. All contracting parties stand to gain by the achievement of a fully multilateral trading system. We therefore look forward to the consultations, and the constructive encouragement they can give to the early elimination of discrimination, as a source of benefit to all contracting parties.

By the timely application of the logic of convertibility to their commercial policies, contracting parties will not only promote their immediate economic welfare but will also make a lasting contribution to the system of multilateral trade that they have been striving for so long to attain through the general agreement.

QUANTITATIVE IMPORT RESTRICTIONS MAINTAINED BY COUNTRIES PARTICIPATING IN THE GENERAL AGREEMENT ON TARIFFS AND TRADE

1. The general agreement prohibits the use of quantitative import restrictions by participating countries but allows certain exceptions to be made. These include controls necessary to protect human, animal or plant life or health; controls designed to prevent interference with certain types of domestic programs relating to agriculture or fisheries products; measures necessary to the protection of a country's security interests; and restrictions authorized for particular countries in exceptional circumstances; e.g., —. the U.S. section 22 waiver, the Belgian "hard core" waiver and the decision of the Contracting Parties permitting Germany to continue temporarily certain restrictions originally imposed for payments reasons.

2. By far the most important restrictions, however, from the standpoint of their effect on U.S. exports, have been those permitted for balance of payments reasons under articles XII and XVIII and the discriminatory application of these restrictions permitted under Article XIV.

3. Countries employing balance of payments restrictions are required to remove their restrictions as rapidly as conditions permit and a regular consultation procedure is provided to keep these controls under constant review. Countries operating under article XII are required to consult annually and those operating under article XVIII consult every two years.

4. In view of improved conditions in recent years the U.S. feels that progress in eliminating balance of payments restrictions can be accelerated. In particular, actions taken by a number of countries making their currencies convertible for nonresidents has virtually eliminated the financial justification for discrimination against U.S. goods. At present, of the 37 countries participating in the GATT, 25 maintain balance of payments restrictions and 21 maintain some distinctions as to source of supply, which usually means discrimination against U.S. goods. The current situation is as follows:

Countries maintaining restrictions under article XII: Australia, Austria, Denmark, Federation of Rhodesia and Nyasaland, Finland, France, Italy, Japan, New Zealand, Norway, Sweden, Union of South Africa,[3] United Kingdom.

Countries maintaining restrictions under article XVIII: Brazil, Burma, Ceylon,[4] Chile, Ghana, Greece, India, Indonesia,[3] Malaya, Pakistan,[3] Turkey, Uruguay.

5. The great variety of import controls in use and the frequency of changes in the various systems make it difficult to assess their effects or to compare different control systems. The most common form of quantitative restriction is administrative licensing, which to a large extent is operated on a case-by-case basis. Some countries have announced "prohibited lists" of goods for which licenses are normally not issued, while licenses for other goods are issued on an ad hoc basis. Some countries, notably those belonging to the Organization for European Economic Cooperation and the British Commonwealth have published liberalization lists; i.e., lists of goods for which no licenses are required or for which licenses are automatically issued. A country will usually have several such lists, each pertaining to imports from a different group of countries or currency area.

Comparison is difficult, however. One country might have a "prohibited list" while another country has none but simply does not, in practice, issue licenses for certain goods. One country might have a sizable liberalization list but restrict goods in the unliberalized sector severely, while another country has no liberalization list, but, in practice, issues licenses liberally across the board. A country might have a fairly long liberalization list but restrict goods in the nonliberalized sector severely, while another has a shorter list but issues licenses for nonliberalized goods rather freely.

There are, of course, many other types of restrictions. In some countries, foreign exchange is allocated annually, semiannually or even quarterly for imports from different sources of supply and frequently exchange is allocated among different classes of goods. A number of countries requires importers to make advance deposits ranging from a fraction of the value of the goods to be imported to many times their value. Deposits in excess of the value of the merchandise are usually refunded but the importer may have funds tied up in deposits for many months. In addition, in many countries, certain goods can be imported only by government agencies.

6. Table I, attached, shows the principal types of nontariff import restrictions employed by GATT countries and in a number of cases gives a rough indication of the severity of controls and the extent of discrimination. Table II indicates in a general way the types of commodities affected by these controls. Neither table is intended to be exhaustive. Annex I contains more detailed notes on restrictions employed by individual countries.

[3] Nondiscriminatory.

[4] Nondiscriminatory when importation is effected through registered Ceylonese traders.

TABLE I.—*Measures used by GATT countries to impose quantitative restrictions on imports*

(For each country only those procedures independently applied are included. If automatic approval is given to importers applying under one or more procedures if approval has been granted to import a commodity under another procedure, then the former procedure(s) are not included. For example, if a country requires both import and exchange licenses, and the latter are automatically provided for if the former is granted, then the latter procedure will not be mentioned.)

Country	Import licensing	Exchange licensing or permits	Exchange allocation or differential exchange rates	Prior deposits	Comments
Australia	X		X		No discrimination 90 percent of total imports. Import budget set once a year—850,000,000 pounds (U.S. $1,900,000,000).
Austria	X				
Benelux	X [1 2]				
Brazil			X [3]		The foreign exchange budget, established semiannually by the Government, sets the upper limit to imports. Separate auctions are held for convertible currencies, including dollars, and currencies of several countries with which Brazil has bilateral trade agreements.
Burma	X				
Canada	X [2]				Very few items subject to quotas.
Ceylon	X				Licenses for imports from the dollar area freely granted to registered traders of Ceylonese nationality.
Chile				X [3]	5 to 5,000 percent depending on essentiality of the imports.
Cuba	X [2 4]				Some internal taxes affect U.S. exports most adversely.
Denmark	X [1 3]				
Dominican Republic	X [2]				In addition, there are a 12-percent customs surtax, and internal consumption taxes on imports.
Federation of Malaya	X [1]				Only motor vehicles, radio receiving sets, and watches are discriminatorily licensed.
Finland	X				Some important U.S. exports are automatically licensed.
France	X				Internal taxes on large cars have a discriminatory effect.
Germany	X				
Ghana	X [4]				
Greece	X [3]				Many goods are not licensed for importation at all—in effect, prohibited. In addition heavy internal consumption taxes fall most heavily on imports.

See footnotes at end of table.

TABLE I—*Measures used by GATT countries to impose quantitative restrictions on imports*—Continued

(For each country only those procedures independently applied are included. If automatic approval is given to importers applying under one or more procedures if approval has been granted to import a commodity under another procedure, then the former procedure(s) are not included. For example, if a country requires both import and exchange licenses, and the latter are automatically provided for if the former is granted, then the latter procedure will not be mentioned.)

Country	Import licensing	Exchange licensing or permits	Exchange allocation or differential exchange rates	Prior deposits	Comments
Haiti	X [2]				A very few goods, usually controlled by most countries—firearms, explosives, tobacco, etc.
India	X				Deferred credit arrangements must be made in order to import most goods.
Indonesia	X [2]		X	X	Import surcharges are also imposed.
Italy	X				
Japan	X		X	X	Exchange budgets set twice yearly. Prior deposits very minimal impediment—usually not more than 1 percent of import price.
New Zealand	X				
Nicaragua				X [2]	Import licenses are automatically granted if prior deposit requirements are met.
Norway	X [1]				Discriminatory quotas apply only to automobiles.
Pakistan	X [2]				Licensing nondiscriminatory except for some commodities covered by bilateral trade agreements, under Public Law 480 financing, or agricultural commodity agreement with the United States.
Peru	X [2]				Automobiles are only items subject to quota restrictions.
Federation of Rhodesia and Nyasaland	X				Licenses rarely granted for items on the dollar area restricted list.
Sweden	X [1]				There remains only slight discrimination between dollar and nondollar imports.
Turkey	X [2]				Many goods are prohibited from importation.
Union of South Africa	X [2]				Imports of higher priced passenger cars are completely prohibited. Many goods not subject to import controls.
United Kingdom	X				Dollar tobacco imports limited to 61 percent of all tobacco imports.
Uruguay		X	X	X	Surcharges on some imports.

[1] Liberally granted.
[2] Nondiscriminatory application, or very little discrimination.
[3] Substantially discriminatory.
[4] Automatically granted.

TABLE II.—PARTIAL LIST OF GOODS UPON WHICH THERE IS DISCRIMINATORY RESTRICTION AGAINST U.S. EXPORTS

Austria: Cow's milk, certain dairy products, bread and coarse grains, livestock and meat products, sugar and tobacco, television sets, files, button blanks and buttons, metal and plastic skis, cosmetics, oil burners. Textiles—most woven piece goods, upholstery fabrics, cotton yarn and gauze, bed and furniture covers, shawls, scarves; handkerchiefs, and some carpets. Corn and wheat.

Australia: Complete automobiles and lumber.

Benelux: Fruits and vegetables, meat and meat products, dairy products and eggs, potatoes and seed grain, polished rice, methyl chloride, penicillin, automobiles. Netherlands, in addition: Coal, coke, women's stockings, petroleum and petroleum products, a few chemicals, nitrogenous fertilizers, penicillin, soup, nuclear products, sheet glass and glassware, bolts, nails and screws of iron, steel, and automobiles and chassis.

Brazil: All luxury goods and items produced in Brazil in sufficient quantity for domestic consumption. Fresh fruit and wheat by preferential bilateral agreement with Argentina and other items such as oils, ships, and fertilizers by bilateral barter arrangements with East bloc countries.

Burma: Capital and producer goods.

Italy: Milk and cream, grapes, seminola, most crude sugar, soap-making pastes, wines, sulfur, citric acid, crude calcium acetate, tetraethyl lead, certain printing machines and parts, motor vehicles and parts, and small motorcycles and parts, gold and jewelry. Almost all agricultural products and foodstuffs, including beverages and tobacco, explosives, unsensitized film, paper and paper products, textiles, parts of copper, aluminum, magnesium, lead and zinc, certain machines and very many parts of machines. In addition, plastic materials, vulcanized rubber, conveyor and drive belts, fiber glass products, tinplate, packaging machines, electric dishwashers, household refrigerators, power excavators, certain looms and other textile machinery, single-head industrial sewing machines, adding machines, certain calculators and certain cash registers, electric rotary motors and converters and vacuum cleaners, radio and TV receivers, fluorescent lamps, electric tubes, carbons and graphites for use in electricity, motors, picture cameras and sound production equipment, motion picture projectors, and sound recording apparatus, perforated magnetic film and sound pickups. Also meat and fish preparations, wheat, fats and oils, natural honey, food preparations containing cereals, flours and meals, including infant foods or containing vegetables, beverages, including all alcoholic beverages and pharmaceutical products and automobiles for which the present annual quota is $1.6 million.

Canada: Butter, butterfat, cheddar cheese, and dried skim milk. An import quota of 4 million pounds a year for turkeys which is nondiscriminatory. However, the United States is sole foreign supplier of turkeys. Also wheat, wheat flour, and wheat starch; oats, including ground, crushed, and rolled and meals and barley, including ground, crimped meal and flour. Also secondhand automobiles and secondhand aircraft imports are embargoed. Also there are import controls over natural gas and fissionable products and over alcoholic beverages by the various Provinces (States).

Ceylon: Consumer goods, such as radios, refrigerators, automobiles, photographic instruments, and textiles and manufactures.

Chile: All goods require import deposits, depending upon essentiality of the merchandise. These are applied in a nondiscriminatory manner, except for countries with which Chile has compensation agreements.

Cuba: Foodstuffs, beverages, certain office equipment, toilet articles, electrical appliances, photographic equipment, certain automotive chassis, chinaware, and luxury goods are subject to import licenses although these have been granted automatically so far and have had no restrictive effect on Cuban imports. Registration taxes on cars are applicable on an increased scale, depending on the value of the car, which has the effect of being discriminatory on U.S. automobiles. Other restrictive taxes include 15 percent on photographic films and a 20 percent tax on cameras, projectors, and automobiles having a value between $2,300–$3,000 and a 30 percent tax on automobiles with a value of over $3,000. The automobile taxes are in addition to the registration taxes for automobiles previously mentioned.

Denmark: Packaged rice and tobacco manufactures.

Dominican Republic: Rice, wheat, wheat products, sugar products, edible oils, except olive oil, lard and lard products, a 12 percent customs surtax on all imports, internal consumption taxes on hundreds of commodities including many U.S. manufactures.

Federation of Malaya: Motor vehicles, radio receiving sets and watches (the assumption is that these items will be freely licensed).

Finland: Many goods, including chemical raw materials for the pharmaceutical and forest products industries. Many U.S. consumer goods such as refrigerators, washing machines, hand tools, fabrics, yarns, and other textile materials.

France: Hundreds of machinery, industrial equipment, and manufactured consumer goods. Various types of manmade fibers, industrial and laboratory electrical furnaces and ovens, certain types of calculating machines, accounting machines, various chemicals, bearings of all kinds, much electrical and electronic equipment, and various types of machine tools. Dollar automobiles and whisky are treated less favorably in import licensing from the dollar area than from the nondollar area. In addition, though nondiscriminatory, the internal tax on cars is particularly high on those over 16 horsepower.

Germany: Fresh and frozen meats, lard, dairy products, wheat, rye and barley, oats, corn, grain meals, vegetable fats and oils, and fish oils. In addition, vegetable preparations and fruits in small containers, apple juice and pear juice, fresh apples and pears, honey and some dairy products. Also textiles and ceramics. The principal discrimination against U.S. goods is found in meat (bovine) leather. Also, a recently imposed temporary duty on coal imports above a certain duty-free import quota, although nondiscriminatory in application, strongly affects German imports of U.S. coal.

Greece: Textiles, motor vehicles, and certain luxury products, including fur, gold and silver articles, watches and perfumery products. Very rarely licensed are over 50 classes of mechanical equipment considered adequately manufactured in Greece, including a wide variety of agricultural machinery implements, hoisting equipment, power pumps, electric motors, diesel motors, gasoline engines, and generators, all up to 20 horsepower, certain textile machinery and equipment, electric fans, and a variety of other goods. Quotas on tires and tubes, electrical equipment, steel sheets, frozen meat, lumber,

coal, woodpulp, and newsprint discriminate against all countries with which Greece does not have clearing agreements. (Greece does not have a clearing agreement with the United States.) Greece requires prior import deposits of 70 to 140 percent and on textiles up to 280 percent. Heavy consumption taxes fall primarily on imports, among them 25 percent on tires and tubes, 45 percent on air conditioners, 20 percent on washing machines, 35 percent on shoes, 40 percent on cameras, 45 percent on elevators, and 25 percent on photographic paper and unexposed film.

Haiti: Firearms, ammunition, explosives, tobacco, matches, and wheat. Internal tax on wheat flour.

India: All goods. Especially motor vehicles.

Indonesia: All goods. Some goods in bilateral trade agreements are favored.

Japan: All commercial imports must be licensed. Cowhides, beef tallow, lard, soybeans, copper scraps, steel scrap, and pig iron. Also automobiles, industrial and household type sewing machines, band instruments, office equipment, television sets, air conditioners, refrigerators, whisky, fountain pens, and mechanical pencils, fresh blue fin and big-eye tuna, shrimp, and salted salmon eggs.

New Zealand: Practically all imports require import licenses. The principal items from the United States subject to possible discriminatory licensing treatment are: motor vehicles and parts, tractors, engines and parts, sewing machines. Artificial jewels, tire cord fabrics, most textile piece goods, timber, plywood, plastic materials, and synthetic rubber.

Nicaragua: All goods are subject to prior deposits. The size of the prior deposit and the length of time between the making of a prior deposit, and the time of issuing of import license are dependent on the essentiality of the imports.

Norway: Consumer goods. Passenger automobiles.

Pakistan: Luxury goods. Only certain standard makes of automobiles may be imported into Pakistan and all automobiles valued at over $1,155 are prohibited from importation.

Peru: Automobiles. 4,500 vehicles for 1959.

Turkey: All goods are subject to global import quotas. Many goods are prohibited from importation. These are primarily consumer goods and semiluxury products, such as refrigerators; and luxury products such as larger automobiles. Also in the prohibited class are products under state monopoly such as alcoholic and tobacco products.

Federation of Rhodesia and Nyasaland: Over 100 tariff items. Among those for which dollar quotas have been allocated are wheat, piece goods for clothing manufactures, commercial and passenger motor vehicles, stoves, washing machines and refrigerators. Among the goods which are effectively prohibited from importation are many food items such as cheese, jams and macaroni; products of secondary industries such as bags and sacks, hats and clothing and many other consumer and semiindustrial items, among them outer garments, cotton piece goods, hosiery, clothing, electrical machinery and appliances, not industrial, office machines, radios and gramaphones and the like, and bottled and canned soup.

Sweden: Some agricultural, fishery, and a very small number of industrial products.

Union of South Africa: Most imports are subject to license from all countries. Some consumer goods, such as periodical magazines of the pulp variety, jukeboxes and pin tables are effectively not permitted importation. Also cars, exceeding $2,240 in cost are not allowed importation. In effect this latter imposition most adversely affects U.S. exports of automobiles.

United Kingdom: Scientific instruments, certain photographic apparatus and equipment, certain fresh and canned fruit, certain paper and board. Fresh fish, meats, textiles. A number of machinery items including air and gas compressors, and exhausters, dredging equipment, gas and chemical plants, lifting, hauling and transportation equipment, machinery pumps, refrigerators and refrigerating machinery, welding machinery. Valves and tubes, X-ray apparatus. In addition, cotton, tobacco, aircraft, petroleum products and also tobacco and seasonal restrictions on fresh grapefruit.

Uruguay: All goods are subject to import restrictions depending upon the essentiality of the goods in question. The restrictions are more or less levelly applied.

ANNEX I

IMPORT RESTRICTIONS ON U.S. EXPORTS

AUSTRALIA

Australia revised substantially its import licensing regulations on August 1, principally by raising the level of overall imports and by easing the discrimination against dollar goods.

The new regulations authorized an increase in overall annual imports from $1,792 million to $1,904 million, or $112 million, and eased or removed dollar discrimination on about 90 percent of total imports. The principal products remaining subject to a modified form of discrimination are complete motor vehicles and lumber, which constitute a large proportion of the 10 percent of imports still subject to discriminatory licensing. (U.S. exports of motor vehicles and lumber to Australia in 1958 were valued at $12.4 million, and $5.5 million, respectively.)[5]

Almost all other imports into Australia from the United States will be favorably treated one way or another under the amended licensing categories which, provide for new exemptions from licensing, increased quotas, and participation by new importers. Many products are still subject to import licensing, but such licenses once granted may now be used to import the items authorized from any source of supply including the United States. (Prepared by: British Commonwealth Division, Office of Economic Affairs, Bureau of Foreign Commerce, Department of Commerce, August 20, 1959.)

AUSTRIA

Description of import restrictions

The Austrian foreign trade law provides that all goods enumerated in several appended lists must be exported or imported under license. By means of these lists imports are divided into two major categories, for licensing purposes: liberalized goods and controlled goods. Liberalized goods may be imported pursuant to a so-called general license consisting of a general, published authorization under which individual permits need not be obtained, while controlled goods require an individually validated import license for each shipment. Dependent upon the nature of the goods, application for license must be submitted to the Ministry of Trade and Reconstruction or its field office, to the Ministry of Agriculture and Forestry, or the Ministry of the Interior for approval. The decision of the competent Ministry may be made dependent upon the opinion of an interested trade association, to which the application will be referred for comment.

In allocating licenses to importers account is taken of price, quality, the market situation, the availability of comparable products, and the capacity and status of the importers concerned. Sometimes a comprehensive quota may be granted to an individual firm by means of a general license for the importation of a particular commodity during a limited period of time. On other occasions imports may be subject to certain so-called global quotas which apply either to imports from all sources or to imports from GATT countries and members of the OEEC. For such imports, licenses generally are granted on a pro rata basis. And in other cases reference may be made to the shares of imports of importers in a previous period, but other factors may also be taken into account.

In cases where import licenses are granted there appears to be no unreasonable amount of redtape or bureaucratic delay. The unknown and arbitrary feature of Austria's licensing procedures is the criteria employed in determining what licenses will be granted and to whom.

Exchange regulations which complement the foreign trade law do not restrict payments for imports from countries with which payments are arranged in freely convertible currencies, and from Greece and Turkey. Imports from these countries, among which is the United States, may be paid for in Austrian schillings or in any other freely convertible currency.

Special systems of control and regulation which aim mainly at stabilizing internal prices are in effect for some imports of agricultural products. There are, for example, special marketing laws for cow's milk and certain dairy products, bread and coarse grains, livestock and meat products, and a State price-fixing arrangement for sugar. Generally, price stabilization schemes involve deficiency payments or surcharges on imports depending on whether the price of the imported product is above or below a predetermined price or price margin. Hence, approval for importing commodities within the purview of autonomous agricultural marketing boards must first be received before the import license application may be submitted to the appropriate Ministry for final decision.

Austria's only state trading agency is its Tobacco Monopoly, which is that country's sole importer of tobacco and tobacco products. It tends to favor Near East sources but during postwar years has been obliged to purchase substantial quantities of American tobacco for blending in order to meet consumer preferences sufficiently to maintain sales volume.

Bilateral trade agreements with seven Soviet bloc countries, Chile, Cuba, Egypt, India, Indonesia, Israel, Morocco, Pakistan, Spain, Uruguay, and Yugoslavia are other significant means by which Austria restricts imports. Some of these agreements establish import quotas for goods still subject to individually validated import licenses. Some provide that import licenses will be granted without restriction. And others contain only indicative lists of commodities without fixed quotas.

U.S. commodities against which restrictions are effective

In September 1958, the Austrian cabinet decided to increase liberalization of Austria's

[5] It will be noted that there have been substantial imports of these two items from the United States. Whether or not the removal of discriminatory licensing on motor vehicles and lumber would result in increased imports of these products from the United States would depend largely on the competitive position of such products in the Australian market. There would possibly be some increase in the imports from the United States of lower-priced motor vehicles, particularly those made by Studebaker and American Motors, the so-called independents who presently do not have manufacturing or assembly facilities in Australia. The principal suppliers of lumber to Australia at present are Canada and the United States. However, Canada receives certain duty preferences in Australia on motor vehicles and lumber which might tend to benefit Canada more than the United States if dollar licensing discriminations were removed.

imports from the United States and Canada from 40 to 44 percent (based on 1953 trade with the United States and Canada in private account). This measure, the Austrians declared, would substantially eliminate discrimination in the industrial sector between the licensing treatment accorded Austrian imports from the OEEC area and that accorded imports from the United States and Canada—except for certain textile items which would continue to require licenses for dollar imports. The new list of liberalized commodities, originally promised for November 15, 1958, remains unpublished and there are as yet no positive indications when it will be issued. The Austrian authorities have announced that, in the interim (presumably dating from September 1958) dollar imports of items which will appear on the promised list are to be licensed freely—resulting in de facto liberalization for these items.

Restrictions remain in effect on a long list of U.S. commodities. Included are most agricultural products, some textiles, and relatively few manufactured finished goods, such as television sets, files, button blanks, metal and plastic skis, oil burners, and cosmetics.

Restrictions that are discriminatory against U.S. goods

Discriminatory restrictions against U.S. goods are clearly evident in the agricultural and textile sectors and for some commodities in the industrial sector. While Austria has liberalized about 79 percent of agricultural imports from the OEEC area (1952 base), only 4.5 percent of imports of similar commodities have been liberalized from the United States and Canada (1953 base). Playing a major role in preserving this discrimination is Austria's reliance on bilateral trade agreements, which favor imports of agricultural products from East European and bloc countries. Austrian officials feel that these agreements are needed to protect Austria's export markets. Since the bloc has been either unable or unwilling to supply Austria with acceptable imports other than certain agricultural products, especially grains, to balance its trade deficits, the Austrians are fearful that if Austria's quotas for these products are filled by American commodities, the deficits with the East would remain unresolved. In the textile sector, Austrian officials say that continued Austrian discrimination against certain textile imports reflects world conditions in the textile industry and that restrictions against dollar imports are essential to protect the domestic textile industry which simply cannot compete against the American industry and its lower prices. Some of the textiles on which discriminatory restrictions are expected to remain are most woven piece goods, upholstery fabrics, cotton yarn and gauze, lace bed and furniture covers, shawls, scarves, handkerchiefs, and some carpets. And in the industrial sector, continued discriminatory restrictions are expected inter alia on metal and plastic skis, television sets, and plastic buttons and button blanks.

BELGIUM-LUXEMBOURG

Description of import restrictions

The licensing system of the Belgium-Luxembourg Economic Union (BLEU) has its legal basis in a number of laws passed in these countries which empower the two Governments to control under a common system their import, export, and transit trade. As a result of a simplification of the BLEU licensing procedures effected in October 1957, and subsequently amended, at present only 160 tariff positions, out of several thousand positions and subpositions, are wholly or partly subject to import licensing including the items under the so-called "Benelux global quotas." Most commodities imported into BLEU, therefore, are subject only to the ordinary customs documentation, which includes an avis d'importation (notice of importation) for the purpose of informing the Belgo-Luxembourg Exchange Institute of completed transactions. BLEU controls over imports from both dollar and nondollar sources are identical. In a few cases where licenses are required, they are almost always granted, except for agricultural commodities.

U.S. commodities against which restrictions are effective

Global Benelux quotas exist on a small number of items. These quotas are subdivided into two parts, one of which applies to imports from common market countries and the other to imports from third countries, including the United States. The commodities concerned are: Completely polished rice for human consumption, castor oil other than crude, certain fatty acids, methyl chloride, penicillin, wooden packing cases, fish nets, and new and used automobiles.

Although the United States has particular interest in polished rice, methyl chloride, penicillin, and automobiles, the Benelux countries have stated that the size of the quotas satisfies normal import requirements. There have been no complaints by U.S. exporters about the size of these quotas.

In addition to the global quotas, the BLEU maintains import restrictions on some agricultural products for which BLEU obtained a waiver from GATT in 1955. These products include: Fruits and vegetables, subject to seasonal controls, meats and meat products, dairy products and eggs, potatoes and seed grain.

The above restrictions are applied equally to imports from the United States and third countries.

Restrictions that are discriminatory against U.S. goods

There has, however, been some Belgian interference with the importation of U.S. coal in connection with the current coal crisis in Belgium. At the behest of the Belgian Government, Belgian importers of U.S. coal have privately negotiated with U.S. shippers to reduce the size of coal contracts and to stretch out deliveries of coal beyond the time called for in coal contracts.

BRAZIL

Nontariff restrictions against imports from the United States

Because Brazil currently is faced with a shortage of foreign exchange, a strictly enforced system of exchange controls has been established. The nontariff restrictions against imports are aimed in general at protecting Brazil's balance of payments position and are usually effected through exchange controls.

The amount of foreign exchange to be offered for imports is established in a semiannual foreign exchange budget. The exchange control system of Brazil permits the importation of almost any goods desired, on the basis of open competitive bidding at weekly public auctions for exchange commitment certificates which entitle the holder to apply for foreign exchange cover for imports. Exchange commitment certificates having been obtained, the necessary import license or certificate is automatically issued. The total amount of exchange offered at auction each week is limited. There are two categories of commodities for exchange auction purposes—the general and the special. The largest portion of exchange available for import is allocated to the auction for general category goods, which include those items considered essential to the economy of Brazil. A relatively small amount of exchange is offered for imports of special category goods, which include all items not specifically included in the general category list, and in general include items produced in Brazil in sufficient quantities for domestic consumption and all luxury or nonessential goods.

Exchange is offered at separate auctions for convertible currencies and for various bilateral agreement currencies. Because of the greater demand for convertible currencies and as a result of competitive bidding, the cost of such currencies usually is higher than the cost of other currencies in the same category. The Brazilian authorities set minimum auction rates for all the various nonconvertible currencies, however, to reduce the differences in cost between them and convertible currencies. Exchange commitment certificates for bilateral currencies are auctioned in accordance with the availabilities of such currencies, and import licenses are generally limited to specific commodities and to the individual quotas specified in Brazil's trade agreement with the respective country.

Certain essential imports such as petroleum, wheat, books, newsprint, and government imports, are affected through preferential exchange rates, within specific exchange quotas in the semiannual exchange budget. The preferential exchange rate, however, is the same for all currencies.

Through a bilateral agreement with Argentina, foreign exchange for imports of fresh fruit is negotiated on the free market. Because the free market rate is much lower than the average exchange rate for the special exchange category, in which fruit is classified, this may be considered a discriminatory practice.

The importation of wheat is restricted to purchases by the Brazilian Government, and for the most part is in accordance with a bilateral agreement with Argentina.

Although private barter arrangements are generally not allowed under existing regulations, the Government of Brazil has been entering into barter arrangements, usually with countries outside of the convertible currency area, such as the exchange of coffee or cacao for Russian oil, Polish ships, East German fertilizers, and the like.

Although such discriminatory practices as the fruit and wheat agreements and the barter arrangements give competitors, especially in nonconvertible currency countries, certain advantages as against U.S. suppliers, the total amount of convertible currencies offered for imports is always used. It is doubtful to what degree a reduction of such practices would increase U.S. exports to Brazil, because of the Brazilian balance of payments deficit, unless Brazil reduced exchange controls and allowed commercial imports on the free market.

BURMA

Burma has recently taken steps to eliminate one important feature of her restrictive licensing policy toward dollar imports. Heretofore, almost all Burmese open general licenses have been restricted in validity to imports from nondollar resources. In addition, imports of capital goods not covered by open general licenses have been rigidly screened by various foreign exchange control boards which restricted capital goods imports (mainly imported for us by Government agencies) to nondollar sources. As a consequence, purchases from the dollar area were limited largely to imports of specialized machinery or equipment needed for development purposes and not procurable elsewhere or to U.S. agricultural products imported under Public Law 480 agreements.

Since early 1959, the Burmese Government has indicated that numerous items covered by open general licenses may now be imported also from the dollar area. This move has increased the possibility of selling U.S. goods in the Burmese market except to the limited extent in which some commodities eligible for this liberalized treatment may already be subject to special treatment under Burma's reparations agreement with Japan or under clearing agreements which Burma

has with various Sino-Soviet bloc countries. There is also a strong possibility that the foreign exchange control authorities will now take a more liberal attitude toward the purchase from dollar countries of capital goods and other items not covered under general licenses.

CANADA

Summary of present import restrictions imposed by Canada—material for speech by Assistant Secretary Kearns

Canada eliminated foreign exchange licensing in 1951 and has only a few items subject to quantitative controls. There is no discrimination against the United States.

There are some quotas arising out of the agricultural price support system. (Cf. Annex 1.)

The permanent statutory embargo on the import of oleomargarine, which arises from agricultural protectionism in some provinces, handicaps imports vis-a-vis production in other provinces, but it is of long standing and is not too much removed in purpose from our own import control on butterfat.

The customs tariff prohibits the importation of used or second-hand automobiles and used motor vehicles of all kinds manufactured prior to the year in which importation is sought. Second-hand aircraft imports, regardless of the year of manufacture, are also embargoed.

In view of the size of the Canadian market vis-a-vis the United States, these would not seem to be prohibitions the Assistant Secretary would want to make a case on. Canada would be too vulnerable.

The control over the import of natural gas would also seem unsuitable for publicity purposes because of the relation of the item to the continental supply picture. The import control on fissionable products may ultimately be important in the protective sense but it is not now.

Imports of alcoholic beverages are controlled by license of the provinces which have a monopoly of sale. Most provinces are willing to give hotels and clubs permits to import but the provincial liquor board stores will carry only token quantities because of the alleged small demand. There is only a small import but it is difficult to state the reasons precisely. Some of our States have similar monopoly practices in whiskey sales. There is apparently some discrimination in provincial taxation of imported beer. Wine imports from the United States are discriminated against by the tariff preference to Commonwealth suppliers. (Prepared by British Commonwealth Division, Bureau of Foreign Commerce, August 20, 1959.)

Annex 1.—Canadian import restrictions on price supported agricultural products

At the present time there is a virtual embargo on commercial imports of butter, butterfat, cheddar cheese, and dried skim milk with imports in small quantities for personal use, permitted under general license. An import quota of 1 million pounds per quarter has been established for turkeys but this total of 4 million pounds a year is considably below the 13 million pounds imported from the United States in 1956, the last complete year during which imports were unrestricted. The restrictions affect only the United States as the United States has been Canada's sole foreign supplier of turkeys.

Wheat, wheat flour, and wheat starch; oats, including ground, crimped, crushed, rolled, and meal; and barley, including ground, crimped, meal, and flour are subject to import licensing by the Canadian Wheat Board, which is the Government marketing agency for these grains produced in the prairie Provinces. Imports are small but in view of the competitive strength of Canadian production cannot be said to be directly reduced by the restriction.

CEYLON

Ceylon's import control policies have been directed toward the regulation of the country's imports in the light of its balance-of-payments position, the protection of domestic industries, and the diversion of the country's trade into the hands of Ceylonese nationals.

While most goods may be imported into Ceylon either under open general license or general import license from most countries of the world, a substantial number of items require an individual import license if imported from the dollar area. Ceylonese traders are issued licenses freely for all goods under license from the dollar area but non-Ceylonese firms are issued limited licenses based on their past trade. In the case of new products, the latter firms must rely upon ad hoc import licenses, which are often difficult to obtain.

Most of the goods under individual import license from the dollar area are considered consumer goods, such as radios, refrigerators, automobiles, photographic instruments, and textiles and manufactures.

CHILE

The only nontariff restriction imposed by Chile is a requirement that importers must place a prior import deposit ranging from 5 to 5,000 percent of the value of the importation, depending on the essentiality of the merchandise. The import deposit is made prior to the importation of the goods and is retained by the Central Bank for a period of 30 or 90 days, again depending on the essentiality of the goods. In general, the import deposits are highest on consumer and luxury goods, and those goods that are produced by Chilean industry in sufficient quantities. The import deposit system, in general, is applied without discrimination, the only exception being that in regard to imports emanating from countries with which Chile has compensation agreements the import deposit may be waived.[6]

Apart from the import deposit requirement, the only other restrictions on imports into Chile are the import duties, sanitary and other public health requirements, etc.

CUBA

Cuba does not employ any direct discriminatory trade restrictions against U.S. goods. In February of this year, a selected list of approximately 187 commodities were placed under import control. Importers require import licenses from the Monetary Stabilization Fund for those commodities shown on the list, and such imports must be financed by letter of credit only within 30 days after the issuance of the license. Those regulations have not yet been applied in a restrictive manner, other than the requirement of financing by letter of credit. The list covers a wide range of commodities, including foodstuffs, beverages, certain office equipment, toilet articles, electrical appliances, photographic equipment, certain automotive chassis, chinaware and luxury goods.

The new tax reform law provides for certain internal taxes which are of a discriminatory nature as regards U.S. goods. One is the automobile annual registration tax which ranges from $29 to $5,000 for the first year of registration, the amount of the tax depending on the value of the auto. The minimum tax of $29 applies to autos having a value of up to $1,500; this would exclude all U.S.-origin autos, but would apply to automobiles from practically all other automobile manufacturing countries. Cars having a value of $1,501 to $2,300 are subject to a tax of $75; from $2,651 to $3,000, a tax of $500 is payable; and over $3,000, the first year registration tax will amount to $5,000. This legislation will undoubtedly have a restrictive effect on American car imports in favor of English, German, and French autos.

Other restrictive taxes include the new internal consumption taxes provided for in the new law on manufactured goods not made in Cuba for example, there is a 15 percent tax on photographic film, 20 percent tax on such items as cameras, projectors, and automobiles having a value between $2,300 and $3,000, and a 30 percent tax on autos with a value of over $3,000. Items not classified in the consumption tax schedule are subject to a 10 percent tax which would cover a wide range of American goods not manufactured in Cuba.

The import licensing requirements, as mentioned previously, do not appear to have had any restrictive effect on imports of U.S. goods up to the present time. Because of the proximity of Cuba and frequent sailings, it would also appear that the letter of credit requirement on imports of the commodities on the controlled list, has not had a significant restrictive effect on imports since bank credit has reportedly been available.

DENMARK

Denmark maintains import controls on a limited number of agricultural and industrial products. Licenses are granted for non-liberalized goods either on a regional quota basis or by individual license on a case-by-case basis.

On April 1, 1959, Denmark increased its dollar liberalization from 70 to 88 percent (on the basis of 1953 imports), eliminating all discrimination against dollar goods in the liberalized sector of Danish import trade.

In general, Danish import regulations have more restrictive effect on consumer goods than on commodities used by industry. Among the goods against which restrictive measures are effective are packaged rice and tobacco manufactures. Rice, except rice in retail packages, may be imported freely. Denmark has required an import license for rice in retail packages since 1932, effective for all countries. Cigarettes are still among the products subject to import license from all sources. Tobacco products, including cigarettes, may not be imported into Denmark for internal consumption. Imports of tobacco products for internal consumption are not expected to be liberalized in the near future.

Effective March 1, 1959, the same liberalized list was applied to the OEEC and the dollar areas. Technically, there is no discrimination in import licensing between the two areas. However, the regionalized quotas do not apply to the dollar area, and the purchase of those commodities from the dollar area requires an individual import license, which is granted provided price and quality conditions make the import desirable.

DOMINICAN REPUBLIC

The Dominican Republic does not employ any discriminatory import restrictions on U.S. products. Quantitative restrictions were imposed on milk (in all forms) in September 1958 but they were relaxed in June 1959 by the granting of import quotas to importers on a historical basis. Milk imports from the United States have not been significant.

Import licenses are required for few commodities, including rice, wheat and wheat products, sugar products, edible oils (except olive), lard and lard products. Rice imports are negligible; wheat and wheat flour imports are principally from the United States (about 65 percent of total).

An internal consumption tax was established on 55 different commodity classifications, including many manufactured goods which are generally imported from the United States. The internal consumption tax ranges from 5 to 15 percent ad valorem on most commodities while the remaining

[6] Compensation agreements calling for payment clearance through accounts established with the respective Central Banks exist with Argentina, Brazil, Bolivia, Ecuador, Spain, and Yugoslavia. Also, clearing agreements exist between the Chilean Nitrate Corporation (Covensa), an autonomous government agency, and Denmark, Sweden, France, and Egypt.

are taxed on a specific basis. The tax is applicable to imported commodities only. Since some of the items covered by the list are not manufactured domestically, the tax is discriminatory against imports. The internal consumption tax is an import restrictive tax.

A customs surtax of 12 percent is imposed on all imports and exports. As it applies to commodities not manufactured in the Dominican Republic, the surtax is restrictive in nature.

There are no exchange restrictions.

FINLAND

Under the import control procedures which the Finnish Government maintains for balance-of-payments reasons goods subject to import licensing requirements may be divided into two main categories (1) imports which are licensed automatically or without quantitative restrictions (2) goods which are licensed under a global quota system. In addition certain commodities such as chemical raw materials for the pharmaceutical and forest products industries are licensed according to existing need.

Import licenses are issued automatically for certain specified goods which may be imported from (1) countries with which Finland still has bilateral trade agreements (2) from the dollar area (3) from those sterling area countries which remain outside the free list system. Certain goods, which for technical reasons have been designated for automatic licensing, are licensed automatically when they are imported from and originate in free list countries and sterling area countries outside the free list system. Under global quota licensing only certain quotas are open for dollar area participation.

On April 10, 1959, further relaxation of restrictions on imports from the dollar area were undertaken. Additional global quotas were opened to dollar imports and licensing of dollar imports without quantitative restriction was administratively extended to a broad range of commodities.

In the latest relaxation there have been important gains in items in which the United States is interested, e.g., dried fruits, auto parts, raw materials, additives, and production materials for the food industry; raw and other materials for the chemical industry.

The Finnish import restriction effectively limits imports of many U.S. consumer goods, especially such durables as refrigerators, washing machines, handtools, and fabrics, yarns, and other textile materials.

The disparity between treatment accorded United States and Western European imports has been reduced rapidly over the last few years.

FRANCE

At the present time, France's principal import regulatory instrument is the quota restriction, implemented through a licensing system. All nonliberalized goods require an import license, which, if granted, automatically assures the importer of access to the necessary foreign exchange.

Internal taxes affecting U.S. imports may be considered significant deterrents to importation in only a limited number of instances. For example, an automobile tax applies to cars; it is particularly high on cars of over 16 horsepower, and thus principally affects U.S. automobiles.

The French import licensing system has restricted the French market for imports of U.S. machinery, industrial equipment, and manufactured consumer goods of all kinds.

There are two main areas of discrimination against U.S. exports currently in effect. One is the significant disparity between the OEEC and dollar liberalization lists. The other is discrimination in the administration of the licensing system for nonliberalized products. Although a percentage comparison may not be completely accurate because of different base years involved some idea of the difference in liberalization existing is given by the fact that to date France has freed approximately 93 percent of OEEC imports from quantitative restrictions, but only about 60 percent of dollar goods. Products liberalized for import from OEEC countries but as yet still under license from the United States include, for example, various types of manmade fibers; industrial and laboratory electric furnaces and ovens; certain types of calculating machines; accounting machines; various chemicals; bearings of all kinds; much electrical and electronic equipment; and various types of machine tools.

Each request for an import license for nonliberalized goods is considered on a case-by-case basis and the decision as to whether to grant a particular license is made by French authorities after considering the essentiality of the goods to the French economy, availability in the local market and other factors. Except for a few items (automobiles, whisky, e.g.) the size of quotas is not disclosed by the French Government. Dollar automobiles and whisky are treated less favorably than are similar items from nondollar areas. The licensing authorities in the past, however, have tended to grant licenses more liberally for goods from France's Common Market partners and other OEEC countries than from the United States. This has affected U.S. machinery and equipment and many consumer durable goods, such as radios, television sets, etc.

FEDERAL REPUBLIC OF GERMANY

Description of import restrictions

German import restrictions, other than those maintained for sanitary reasons, operate through a system of import licensing which differentiates among imports from three broad areas, to each of which a list of license-free commodities is applied. List A countries are those of the OEEC area; list B countires are the so-called "other soft currency area"; and list C countries are those effecting payments in dollars—the so-called dollar area countries.

A larger number of commodities have consistently appeared in list A than in lists B and C. This difference, representing a more liberal licensing treatment toward imports from OEEC countries than from all other countries including the dollar area, has been termed the discriminatory gap. At the 14th session of the GATT in June 1959, Germany undertook a program to liberalize imports from all areas in several steps, beginning in July 1959 and continuing on January 1, 1960, December 31, 1960, and July 1, 1961, with a reexamination of the status of the program in July 1962. At the same time Germany identified a list of items, primarily textiles, which could not presently be scheduled for liberalization but which would be the subject of continuing consultations looking toward specific dates for liberalization. Germany was also authorized by the GATT to maintain import controls for 3 years on various agricultural items (marketing law items) subject to domestic agricultural support programs, and was permitted to restrict imports of neat leather, imitation pearls and jute fabrics for 5 years (the so-called hard-core waiver) under progressively expanding quotas. The same GATT session authorized de facto liberalization (unlimited global import tenders) for certain agricultural items.

U.S. commodities against which restrictions are effective

The principal U.S. commodities against which German import restrictions are effective are included in the list of marketing law items, which are subject to state trading and domestic agricultural support programs. These include fresh and frozen meats, lard, dairy products, wheat, rye, barley, oats, corn, grain meals, vegetable fats and oils, and fish oils. Outside the marketing laws, but subject to continuing restrictions, are vegetable preparations and fruits in small containers, apple juice and pear juice, fresh apples and pears, honey, and some dairy products.

The industrial sector, except for about 50 low-cost Asian items—textiles and ceramics—is substantially covered by specific schedules for future liberalization.

Restrictions that are discriminatory against U.S. goods

The principal discrimination against U.S. goods is found in neat (bovine) leather which has been made the subject of a 5-year hard core GATT waiver under progressively expanding quotas. This waiver was obtained because of fear of the effects of competition from U.S. neat leather.

A recently-imported temporary duty on coal imports above a certain duty-free import quota strongly affects German imports of U.S. coal. This measure was taken in the context of rapidly increasing stockpiles of German domestically mined coal which posed serious economic and political problems.

GHANA

Summary

Ghana maintains a system of trade controls which in theory discriminates against U.S. imports in the sense that licenses are required for most dollar imports while nondollar imports are freely permitted under open general license. However, in practice licenses are issued as a matter of routine upon application. Some dollar imports are decontrolled entirely.

Description of control system

Ghana's trade control legislation is modeled after the United Kingdom's trade control system with specific import licenses being required for dollar purchases. The intent of the screening in the past (prior to independence) was to restrict dollar purchases to essential goods not available in soft currency countries. Since independence, the system has been maintained because the Government, as an economy dependent on cocoa, wished to retain a control system on foreign trade "in the event an emergency arose."

However, in practice the control system of Ghana has been so liberally administered that there has been no difficulty in importing U.S. products into Ghana. There have been no known instances where import licenses for dollar goods have been refused within the past 18 months. As a matter of fact, Ghanian officials have pointed out that with additional sales efforts purchases of dollar goods, including luxury items, could be significantly increased.

Import restrictions of Ghana

In July 1959 Ghana announced decontrols on several significant categories of goods, by permitting the importation under open general license of motor vehicles and spare parts, cash registers and parts, tractors and parts, earth moving machinery and parts, newsprint, salmon and salmon trout, in addition to wheat flour which was previously decontrolled.

GREECE

Although more than three-quarters of imports into Greece are free from licensing and exchange controls, Greece restricts imports of both freed and licensed items by requiring advance deposits, by denying in-bond privileges to a number of items, and by application of heavy-consumption taxes.

Three categories of goods remain subject to licensing controls. The first includes textiles, motor vehicles and certain luxury products (fur, gold and silver articles, watches and perfumery products).

The second covers over 50 classes of mechanical equipment considered adequately manufactured in Greece (including a wide

variety of agricultural machinery and implements; hoisting equipment; power pumps, electric motors, diesel motors, gasoline engines and generators, all up to 20 horsepower; certain textile machinery and equipment; electric fans and a variety of other goods). For all practicable purposes, products included in this category are prohibited since licenses are seldom issued.

The third category consists of nine commodities which are subject to global quotas which are not applicable to countries with which Greece has clearing agreements. Under quota controls are tires and tubes, electrical equipment, steel sheets, frozen meat, lumber, coal, woodpulp, and newsprint.

For virtually all items imported by sight draft, a deposit of either 70 or 140 percent of the cost, insurance, and freight invoice value is required and all such items are denied in-bond privileges, precluding partial delivery to importers. For textiles the advance deposit was recently increased to 280 percent with a simultaneous increase in duty.

Heavy consumption taxes, in theory applicable to both imports and domestic goods but in reality levied on imports alone in absence of domestic production, also have a restrictive effect. Tires and tubes are taxed at 25 percent, air-conditioners 45 percent, washing machines 20 percent, cheese 35 percent, cameras 40 percent, elevators 45 percent, and photographic paper and unexposed film 25 percent.

The depressive effect of Greek restrictions on imports is difficult to measure except that goods considered adequately manufactured in Greece and subject to licensing are prohibited for all practical purposes. Quota controls do not appear to have affected U.S. trade in tires and tubes and no complaints have been received about the licensing of vehicles.

While there is no discrimination specifically directed at U.S. goods, importers of U.S. goods are at a disadvantage since duties and taxes are levied on cost, insurance, and freight value making transportation costs a heavier factor in landed cost than is the case for competing European goods. Similarly, importers of goods requiring advance deposits have higher financing costs when importing from the United States because of the longer time interval between ordering and arrival of goods.

Net effect of all restrictions is incalculable since total imports into Greece have increased every year since 1952 with the result that in 1958 imports of $565 million were 63 percent above 1952. Imports from the United States have fluctuated widely, depending on the level of aid and Public Law 480 shipments.

HAITI

Import licenses are required only for the importation of firearms, ammunition, explosives, tobacco, matches, and wheat.

Foreign and domestic sales and purchases of tobacco and matches are controlled by the Haitian Regie du Tabac et des Allumettes, the Government tobacco and match monopoly.

Haiti is signatory to the International Wheat Agreement and a license is necessary for wheat grain or wheat flour imported under the agreement. There are no restrictive regulations relative to the importation of wheat or wheat flour outside the agreement. There is also an internal tax imposed upon wheat flour, which combined with the import duty on wheat flour makes the importation of this item into Haiti prohibitive, not only for U.S. flour but for flour from other sources as well.

None of these restrictions are technically discriminatory against the United States as compared with other countries nor are they imposed more severely upon U.S. goods than upon imports from third countries.

INDIA

While India continues to maintain a tight overall restriction of imports which limits foreign purchases largely to capital goods or other commodities satisfying a strict criteria of essentiality, it has reduced considerably the disparity which formerly favored "soft currency" imports over dollars goods. Until recent years, imports of dollar goods were limited essentially to specialized types of goods and equipment not procurable from other sources because of quotas which specified the sterling area as the only permissible source of imports of other types of merchandise. This requirement was enforced because of India's obligations under her sterling bloc participation and because of India's relatively favorable sterling position.

Now, however, the range of potential dollar imports has been widened considerably by an enlargement of the number of individual commodities which can be imported from either general (dollar area) or sterling sources and by the ruling that even where import quotas are shown only for sterling areas, a percentage of the quota may be used for purchase from the dollar area. For example, India now permits importers to use at least 50 percent of the value of "soft currency" licenses for imports from the dollar area and also provides that importers desiring to utilize a higher proportion of licenses for dollar imports may be permitted to do so under certain circumstances. Licenses with a face value of less than 5,000 rupees (1 rupee equals US$0.21) can be utilized to the full extent for imports from the dollar area.

With the adoption of this more liberalized treatment of dollar area imports, there is only one other remaining major nontariff procedure which in effect discriminates against U.S. exports. This is the limitation of imports of (completely C.K.D.) automobile, bus, and truck units to manufacturers in India (both foreign and domestically owned) which have approved plans for progressive manufacture of those vehicles in India. No American companies were willing to agree to a phased program leading to full-scale manufacture of such vehicles in India.

It might be noted, also, that with a view to conserving foreign exchange expenditures on capital goods imports, the Indian Government has been requiring for the past 2 years that importers arrange to purchase many categories of capital goods through deferred credit arrangements. Since April 1959, the Government has imposed this procedure even more strictly and now permits imports of many types of capital goods only if covered by long-term credits or by equity investments. This requirement is imposed with no intention of discrimination as between currency areas but to the extent that American suppliers find it more difficult to furnish long-term credit or equity investment than some principal competitors, it could indirectly limit the scope for U.S. exports to India.

INDONESIA

Indonesian regulations do not provide for quotas or discrimination as to country of origin of goods. However, there is some administrative screening of import applications with a view to fulfilling tentative bilateral trade agreement commitments and restricting the overall amount of foreign currencies allocated for imports.

Imports must be paid for by coverage with export certificates, the cost of which has been officially maintained at 332 percent of the rupiah's nominal value (i.e., 37.8 rupiah per U.S. dollar). Goods for importation are classified into six priority groupings ranging from highly essential to luxury. For each group, an additional import surcharge, expressed as a percentage of the c. & f. value of the goods (from 0 to 175 percent), is fixed. The classifications are subject to continual review and there are frequent transfers of individual goods from one group to another. Large advance deposits must be paid by importers at the time import applications are submitted.

Some imports are restricted to Government-controlled companies. For example, rice, textiles, cement, tinplate, raw cotton, cotton and rayon yarns, paper, flour, and fertilizers can only be imported by designated companies which are controlled by the Government.

ITALY

Description of import restrictions

These vary according to currency area. For the OEEC area and since, June 9, 1959, for the dollar area, so-called "negative" lists name the items that are subject to quantitative restrictions and individual import license. All items not on those lists are free of quantitative restrictions and in the case of the OEEC countries require no license. In that of the dollar area, they still require a license as a matter of form. Goods on the aforementioned negative lists are licensed on an ad hoc basis within quota limitations. The negative dollar-area list of goods subject to individual license is very long, including about 45 percent of the Italian tariff positions. The OEEC negative list amounts to a bit more than 1 percent of the same. There is a free list of imports from certain non-dollar and non-OEEC countries with which payments are settled in transferable lire through clearing accounts in accordance with multilateral payments agreements. Imports from other countries are effected, as a rule, on the basis of global compensation.

U.S. commodities against which restrictions are effective

The 45 percent of Italian tariff positions (3,006 items or sub items of 6,785) still subject to quantitative restrictions, that is, to license on an ad hoc basis include almost all agricultural products and foodstuffs, including beverages, and tobacco; explosives; unsensitized film; paper and paper products; textiles; products of copper, aluminum, magnesium, lead and zinc; certain machines and very many parts of machines, and other categories of goods of varying export possibility and interest with respect to Italy.

Many of the dollar-area liberalized items have little or no trade significance for the United States. Many of the items not liberalized as of June 9, 1959, the effective date of the latest and very considerable extension of Italy's dollar-area liberalization, are, however, freely licensed and their inclusion on the negative list (of items still de jure subject to quantitative restrictions) is no real barrier to the U.S. export trade. Again, many of the items not liberalized have little or no importance in real trade, actual or potential, so far as the United States is concerned.

Among the more important U.S. export commodities against which Italian restrictions are effective and are real barriers to our export trade we may mention, in addition to the many parts of machines for which the license requirement is perhaps more of a nuisance than a barrier, the following as examples: Certain plastic materials (condensation, polymerization, and copolymerization products), especially regenerated cellulose, cellulose acetate plastics, and vulcanized fiber; valcanized rubber conveyer and drive belts, fiberglass products, tinplate (which is not even licensed in Italy from the United States except on a temporary basis to be made into cans for good export); packaging machines; electric dishwashers; household refrigerators; power excavators; certain printing machines; certain looms and other textile machinery; single-head industrial sewing machines; adding machines; certain calculators; cash registers (except keyboard models with over five totalisators, etc.); electric rotary motors and converters; vacuum cleaners; radio and TV receivers; fluorescent

lamps; electric tubes; carbons and graphites for use in electricity (about which complaints of refusal to license have been received; motors; picture cameras and sound reproduction equipment (except 8 mm.); motion picture projectors; sound recording apparatus (except with discs and plastic belts), playbacks, and combined recording and playback sets; perforated magnetic film and sound pickups.

In addition to the above items, on most of which the United States has obtained direct tariff concessions from Italy under the GATT, certain agricultural items of interest, some of them likewise the object of direct Italian GATT concessions to the United States, may be mentioned in addition to wheat (which is imported by the Italian Government Federconsorzio (Farmers Cooperative Confederation)—e.g., meat and fish preparations; fats and oils; natural honey; food preparations containing cereals, flours and meals (including infant foods) or containing vegetables; beverages, including all alcoholic beverages; pharmaceutical products.

Restrictions that are discriminatory against U.S. goods

Discrimination against United States and other dollar goods is obvious and its measure indicated by the fact that the dollar negative list comprises about 45 percent of the Italian separate tariff (statistical) classifications or 3,006 of the 6,785 positions, while the OEEC negative list includes only slightly over 1 percent of the same or 71 items or subitems of the 5,237 old tariff positions in which that OEEC list is stated. We have mentioned under the preceding heading, some of the important U.S. products affected under the list by this discrimination. Automobiles may be added to this list (the present licensing quota for U.S. cars amounting to $1.6 million). It is doubtful, however, how many more American cars could be sold in Italy at the present time, due to high tariffs, taxes, operation and maintenance costs. However, at such time as smaller American cars are produced in number, the present restriction, if maintained, could well be a real barrier of considerable importance.

JAPAN

The Japanese Government has utilized its exchange and import licensing controls to accord priority for the importation of foodstuffs, raw materials and machinery for essential industries and to minimize or completely prohibit the importation of other types of goods. In recent years decided progress has been made in reducing discrimination against dollar area goods and in liberalizing payments.

The most important features of the Japanese restrictive system are licensing requirements for all commercial imports, mandatory surrender of all exchange earnings, and the allocation of foreign exchange for imports under semiannual foreign exchange budgets. Although Japan has moved away from bilateral open-account trade and payments arrangements (only those with the Republic of China, Republic of Korea and Greece are currently in effect) these agreements which in 1955 numbered 25, have been, in varying degrees, discriminatory toward the United States. In addition to these open-account agreements, Japan has concluded approximately 30 bilateral trade and financial arrangements many of which have not been made public. There has been a tendency to favor countries with whom agreements were in effect in granting licenses for imports of certain products in order to fulfill the terms of the agreement even if the same or similar commodities were available at lower prices from the dollar area.

Allocations for imports under the exchange budgets come under two broad systems of licensing—the Automatic Approval (AA) system and the Fund Allocation (FA) system.

Under the AA system licenses for listed commodities from specified areas are issued freely upon application at any time so long as the total amount appropriated for the system in the exchange budget has not been exhausted. While the discrimination by currency area on imports under the AA system has been progressively reduced there were in the most recent exchange budget (April-September 1959) 10 commodities which still could not be imported under this system from the dollar area. Of these the following are of considerable importance to U.S. trade: (1) Cowhides, (2) beef tallow, (3) lard, (4) soybeans, (5) copper scrap, (6) steel scrap, and (7) pig iron. Most of these commodities are licensed for import from the dollar area under the FA system, described in the next paragraph, whereby individual licenses are issued. In most instances the United States is Japan's major supplier.

Under the FA system quantitative limits for specific commodities are set in the semiannual foreign exchange budgets against which individual import licenses are issued. With few exceptions, where consideration is given to trade commitments, imports under the FA system are now on a global basis and are nondiscriminatory. The FA system has been liberalized to the point where almost 95 percent of the total budget under this system is on a global licensing basis.

Although a large portion of Japan's exchange allocations are made on a global basis this is not true with regard to many consumer goods and certain types of machinery and equipment. The issuance of import licenses, especially for the dollar area, and the United States in particular, for items considered "nonessential" or for which there is adequate domestic production are held to a minimum. It appears that such licenses that are issued serve to fulfill commitments under formal bilateral agreements and more recently under special deals worked out with a number of countries. Among the commodities subject to such restrictions which are important to U.S. trade are: Automobiles, industrial and household type sewing machines, band instruments, office equipment, television sets, air conditioners, refrigerators, whisky, fountain pens and mechanical pencils, fresh blue fin and big eye tuna, shrimp and salted salmon eggs.

In spite of these restrictions Japan is in 1959, as in 1957, our second best customer after Canada, taking U.S. exports valued at $438 million in the first half of 1959.

FEDERATION OF MALAYA

The Federation of Malaya has greatly liberalized its import licensing system this year. The most recent step removes restrictions on the direct import of all goods from the dollar area effective August 1. (This move followed initial liberalization action effective January 1.)

In addition to removing restrictions on direct imports, the Federation's latest action also dropped the requirement of special licenses for imports from the dollar area, thus placing imports from the dollar area on the same basis as imports from Western Europe (that is, most goods may now be imported under open general license). Dollar exchange is now freely obtainable by Malayan importers for all goods from the United States.

With the most recent changes the Federation of Malaya has wiped out all but a residue of discrimination. Specific licenses are still required for motor vehicles, radio receiving sets, and watches from nonsterling areas whereas they are admitted under open general license from the sterling area. The presumption, however, is that imports of these three items from nonsterling sources (including the United States) will be freely licensed, since this was the treatment which has been accorded such imports from Western Europe.

NETHERLANDS

1. The Netherlands requires import licenses for only approximately 120 products out of several thousand tariff items. This requirement is applicable to all countries, including the United States. Most of these products are subject to Netherlands or Benelux global quotas. Import licenses, where still required, are usually granted liberally. The European Division has received no complaints from U.S. exporters that either the licensing system or the quotas have limited their trade with the Netherlands. It is possible that quotas may be expanded to permit additional imports from the United States and other countries. Both the import licensing system and the quotas appear sufficient to accommodate U.S. exporters.

2. The commodities subject to the above licensing requirements include certain animals, poultry, meats, eggs, dairy products, rice, margarine, fresh fruits and vegetables, coal and coke, women's stockings, crude petroleum and petroleum products, a few chemicals, nitrogenous fertilizer, penicillin, soap, nuclear products, sheet glass and glassware, bolts, nails, and screws of iron or steel, and automobiles and chassis. Crude petroleum, petroleum products, and women's stockings are among the principal products subject to import licensing requirements but not subject to quotas.

3. These restrictions do not discriminate against U.S. goods.

NEW ZEALAND

Practically all imports into New Zealand require import licenses obtained by importers in advance of shipment. The 1959 Import Licensing Schedule released in October 1958, although providing for a substantial reduction in total imports from 1958 levels, liberalized the licensing of dollar goods mainly through the establishment of global quotas. Only 59 items out of a schedule of 1,050 items do not necessarily receive the same licensing treatment when they come from dollar countries or nondollar sources. These items, however, covered from 25 to 33⅓ percent of U.S. exports to New Zealand in calendar years 1956 through 1958.

Most imports from dollar sources receive nondiscriminatory licensing treatment. Licenses are granted in accordance with established percentage global quotas for specified items or on an individual merit basis with no regard to the country of origin. The principal items from the United States remaining subject to possible discrimination licensing treatment are: motor vehicles and parts; tractors, engines, and parts; sewing machines; artificers' tools; tire cord fabrics; most textile piece goods; timber; plywood; plastic materials; and synthetic rubber.[7]

[7] The complete removal of discriminatory licensing treatment for all dollar imports would most likely increase New Zealand imports of the above-mentioned goods from the United States. Substantial imports of U.S. motor vehicles, tractors, timber, and artificers' tools have continued for years despite discriminatory restrictive licensing treatment because of the need for such essential products and the relative inability to obtain these products in the types and quality desired from other sources. U.S. exports of the newer products i.e., tirecord fabric, plywood, plastic materials, and synthetic rubber for which new sources of supply are being found in the nondollar area are seriously affected by the discriminatory licensing treatment accorded these items. These products are generally subject to low rates of duty with little or no margin of preference. The elimination of discriminatory licensing treatment for these commodities coming from the United States would provide equal opportunities for the sale of such goods in New Zealand and probably increase the U.S. exports of these goods to New Zealand.

(Prepared by British Commonwealth Division Office of Economic Affairs, Bureau of Foreign Commerce, Department of Commerce, August 20, 1959.)

NICARAGUA

For all practical purposes, Nicaragua's nontariff barriers to imports are limited to the import licensing system which is an adjunct of the country's exchange control regulations. However, under this system, licenses are granted for any and all products provided importers meet deposit requirements. Quantitative quotas do not exist, and there is no discrimination as to country of origin.

Briefly, Nicaragua classifies imports into three categories or lists: List 1, so-called essentials; list 2, lesser essentials; and list 3, items considered nonessential. There is no deposit requirement for items in list 1. But, for lists 2 and 3, importers in order to obtain necessary exchange authorizations, or import licenses, must deposit in a Nicaragua bank 100 percent of the c.i.f. value of the proposed import. In the case of list 2 goods, licenses are issued within 48 hours of making the deposit; for list 3 item, licenses are issued 30 days after deposit is made.

This particular system, in effect since mid-1955, has undergone several major revisions, all aimed at further checking imports to conserve foreign exchange. Yet, the level of Nicaragua's imports over this period has not been materially affected, though a higher level of imports possibly would have been achieved if such restrictions had not been in force. Doubtless, the requirement of a 100 percent deposit for items in lists 2 and 3, and the 30-day license-wait for the latter, tend to impede imports of affected items. However, lack of time and peculiarities of Nicaraguan statistical practices make impossible a determination of the percent of total imports represented by each of the three lists.

Nicaragua's imports in 1955 amounted to $69.6 million; inched down to $68.8 million in 1956 (a year in which various adverse factors prevailed); rose to $80.9 million in 1957; and slipped to $77.9 million in 1958. The year 1958 was one of slower business activity in Nicaragua due to various factors including declining prices for coffee and cotton, its major exports. Whether the decline in imports was due to tightening of licensing requirements,[8] or to reduced business activity is problematical. Quite likely both had a bearing, but we incline to the opinion that the business decline was mainly responsible.

Nicaraguan imports from the United States have declined from $45.4 million in 1955 (65.2 percent of total) to $42.8 million in 1958 (54.9 percent of total). This fall is due not to the effects of the country's licensing system, since discrimination by country of origin does not exist, but reflects the post World War II return to a more normal trade pattern.

In short, Nicaragua's licensing system undoubtedly impedes the importation of items from the United States (and elsewhere), although import licenses are freely granted so long as importers meet deposit requirements. The extent to which U.S. exports are affected is very difficult to assess. However, this division has received no complaints from U.S. exporters on this point for some years.

NORWAY

On January 1, 1959, Norway established a list of goods subject to import license to replace the OEEC and dollar import free lists in use prior to this time. At the same time the license list was made the same for both OEEC and dollar commodities. This action followed the introduction of limited convertibility on December 29, 1958. On July 1, 1959, the Norwegian Government removed additional commodities from license control. By this action 91.7 percent (based on 1953 private trade) of Norway's imports from the dollar area was liberalized.

Even though a varied list of products are still subject to import license the operation of the import control system has been rather liberal during the recent period. The limiting effects on U.S. commodities has been chiefly in the field of consumer goods. One of the more outstanding U.S. export commodities seriously affected by the import restriction is passenger automobiles. Although import quotas have been established for passenger automobiles of Western European origin no participation has been granted U.S. vehicles. A limited number of passenger automobiles have been permitted entry under a small separate global taxicab quota.

PAKISTAN

All imports into Pakistan are under individual license and are rigidly controlled. In fixing the import policy for each licensing period (January–June and July–December), the foreign exchange available, both earned and from aid sources, is estimated and import licenses are issued on the basis of this estimate. Since the military takeover in October 1958, the Government has followed a policy of restricting the importation of nonessentials and has stressed the importation of raw materials, spare parts, and other commodities considered essential for the development of the country. So-called luxury goods have been largely excluded from the importable list.

Import licenses are normally valid for imports from any country in the world. From time to time, however, portions of the quotas established for some commodities have been reserved for single-country licensing under bilateral trade agreements, agricultural commodity agreements with the United States, or certain third-country transactions financed by U.S. economic aid.

One measure which involves some discrimination against goods from the United States, however, is the standardization of the makes of automobiles which may be imported into Pakistan and a ban on imports of automobiles with a cost and freight value of over 5,500 rupees ($1,155).

PERU

The only nontariff restriction imposed by Peru is a quota limitation on imports of automobiles. This quota is applied on a nondiscriminatory basis and is applied for balance-of-payments reasons. The quota is based on imports of automobiles into Peru in 1953; for the year 1959 the quota amounts to 4,500 vehicles.

Apart from the automobile quota, the only other restrictions are the import duties, sanitary requirements, and the usual documentation and consular fees.

FEDERATION OF RHODESIA AND NYASALAND

Summary

The Federation, a self-governing colony within the British Commonwealth, has maintained a system of import controls designed to restrict the level of imports from the dollar area. Although some dollar trade liberalization has occurred, decontrol measures to date have been much less extensive than those introduced by the United Kingdom and Dependent Overseas Territories, e.g. Nigeria. This in spite of the fact that the Federation has traditionally had a favorable balance of trade with the United States. As a result the United States has operated under a serious handicap in maintaining its position in this market.

Nevertheless the United States ranked third as a source of supply to the Federation in 1957. Of total Federation imports of $497 million the United States supplied $29 million being preceded only by the United Kingdom ($183 million) and the Union of South Africa ($152 million). Of total Federation exports in 1957 of $437 million the United States took $44 million, here also being third preceded only by the United Kingdom ($206 million) and the Union of South Africa ($47 million).

Method of restriction

The Federation, as a member of the sterling area, continues to pursue an import control policy designed to restrict imports from the dollar area to those items considered to be essential to the economy and to those not readily available from soft currency areas. This it has accomplished by requiring that certain goods when imported from the United States have a specific import license. These certain goods are included in a restricted list which contains over 100 tariff items. Special import licenses are not ordinarily issued for these items and thus the restricted list is used in effect as a prohibited list. The Federation has allocated dollar quotas for several items on the restricted list. These are: wheat, piece goods for clothing manufacturers, commercial and passenger motor vehicles, and stoves, washing machines, and refrigerators.

Goods from the United States which are not contained in the restricted list may be imported into the federation without restriction under an open general license. There are not separate provisions for foreign exchange licensing and the issuance of an import license either special or open general assures the U.S. exporter that dollar exchange will be made available to consummate the transaction.

All imports from the sterling countries are freely permitted without licensing restrictions or requirements, as are imports from the OEEC countries. Goods imported from non-OEEC, GATT countries require an individual license, but this is usually issued as a formality.

The United States therefore may compete on an equal footing for the market in the federation for those goods which are not on the restricted list, but is completely excluded from the market for those items which are included thereon.

Exports against which restrictions are effective

It is not possible to characterize so extensive a restricted list briefly. This list contains many food items, such as cheese, jams, and macaroni; products of secondary industry such as bags and sacks, hats, and clothing; and many, many others. These items do all have one trait in common, they are readily available from the sterling and nondollar areas.

Among those goods included in the restricted list which have the greatest potential for U.S. export trade are: outer garments; cotton piece goods; hosiery; other clothing; electrical machinery and appliances, not industrial; office machines; radiogramophones and the like; and bottled and tinned fruit.

SWEDEN

Sweden maintains import license control over certain agricultural, fishery, and a very small number of industrial products. In general, the Swedish Government licenses freely commodities still subject to import licenses so that the system has little or no limiting effect on U.S. exports to Sweden.

There are a limited number of commodities, chiefly in the field of agriculture and fisheries, which are subject to import license from the dollar area only. This technical discrimination has no true limiting effect on tariffs.)

TURKEY

Turkey's import system, established after institution of an economic stabilization program in August 1958, established quarterly global import quotas for essential equipment and supplies. Goods not on the quota lists cannot be imported and are in the category

[8] Imposition of 30-day wait for list 3 licenses, November 1957, and raising of deposit for list 2 items from former 50 percent to 100 percent, May 1958.

of prohibited goods though more and more products are being included on the quota lists. Prohibited goods include goods available in Turkey; consumer goods and semiluxury products such as refrigerators, and luxury products such as larger automobiles. Also in the prohibited class are products under state monopoly such as alcoholic and tobacco products.

Distribution of quotas is done without any evident discrimination with the exception that priority treatment is accorded applications for import quotas from clearing agreement countries (mainly Soviet bloc) with which Turkey holds large balances. Amounts of quota are dictated by available exchange.

In the past 4 months a wide variety of parts, raw materials, and equipment have been freed from quota control and can be imported merely by applying for exchange.

UNION OF SOUTH AFRICA

Summary

The Union of South Africa maintains a system of import controls which, though nondiscriminatory, restricts the total global level of imports from all countries. For some goods (such as automobiles and nondurable consumer goods) restrictions tend to have a more adverse impact on imports from the United States than from other countries. However on balance, Union import controls have tended to become less serious as a trade impediment in the sense that (a) controls apply equally to all countries, (b) the South African Government's policy has been to liberalize controls and to permit a higher level of global imports as their global balance of payments positions improved. (Nonetheless as a matter of policy, as trade controls have been liberalized, emphasis has been placed increasingly on protective tariffs.)

Import control system

1. Most imports are subject to license from all countries. Exceptions are a small group of commodities or manufactures in short supply (the so-called "Free List") and other goods of minor importance such as gifts under £5 in value and commercial samples.

2. Licenses are granted either on an automatic quota basis or on a basis of "reasonable requirement" as indicated by the importer's application.

(a) The quota system applies mainly to consumer goods which in turn are divided into two groups "A" and "B." The A groups are the more "essential" consumer items and quotas (i.e., exchange allocation to importers calculated on a percentage of their past trade in a base period) are higher than for group B goods. Within the "B" category are certain goods for which no licenses are issued, as a matter of policy. Such goods traditionally have included periodical magazines of the "pulp" variety, i.e., comic books, detective, science fiction, etc.; jukeboxes and pin tables. At the end of 1958, because of "excessive" imports of luxury motor cars, the Union prohibited cars exceeding £800 f.o.b. in cost. This action does not specify countries of origin but in practice hits the United States harder than other countries.

(b) "Reasonable requirements" licenses: Such licenses apply to imports of most capital goods and industrial raw materials. For such goods, individual applications are made by importers and the Government-stated policy has been to approve applications on a basis of meeting "importers reasonable requirements to maintain stocks for current sales and/or consumption." No distinction is made between country of importation in granting applications.

The criteria of "reasonable requirements" seems to have been liberally interpreted by Government authorities and there has been no evidence that U.S. trade has been more adversely affected than that of other countries.

UNITED KINGDOM

I. Balance of payments restrictions

The United Kingdom's recent dollar liberalization move on June 8 represented another substantial step in the implementation of a longstanding United Kingdom policy to remove quantitative restrictions on its dollar trade and to reduce discrimination against dollar goods as the dollar balance-of-payments situation permits. The latest measures fulfill the undertaking of the British Government at the Montreal Commonwealth and Economic Conference last September to make a start in 1959 with the removal of import controls on as wide a range of dollar consumer goods and foodstuffs as possible.

At the time of the Montreal announcement in September 1958, virtually all raw materials, machinery, and basic foodstuffs had been freed of control and the dollar liberalization percentage stood at 73. (Based on the OEEC formula using 1953 as the base year.) The further relaxations in June this year brought this figure to over 90 percent, according to British Government estimates, although it probably is not that high. (The comparable percentage for OEEC countries is 94.)

The most important fact about the step taken by Britain to free its dollar import trade is that it eliminated a substantial area of discrimination in the operation of its controls against goods originating in dollar countries. This was accomplished in several ways. Restrictions on a wide range of dollar consumer goods and foodstuffs which were already free on importation from Western Europe, were removed and controls on a few items which had required licenses both from the dollar and Western Europe areas were lifted. Global quotas which were open only to imports from Western Europe and certain other nondollar countries were extended to dollar area imports (and increased for the purpose), and the dollar quotas on automobiles and most types of fruit were increased.

As a result of the slackening of British import controls, a number of U.S.-made commodities are no longer subject to limited shpiments under the British token import plan.

Token plan arrangements, which have been in effect since 1946, have enabled eligible U.S. firms to export to the United Kingdom token shipments of specified goods whose import from dollar sources was otherwise generally prohibited by the British Government. Many commodities covered by BTIP were among those affected by the British liberalization. Those which were freed from British import controls on June 8 were simultaneously deleted from the token plan list.

U.S. exporters of such items as canned soups and vegetables, sugar confectionery, shoes and other leather products, wood manufactures, domestic glassware, paints, toilet preparations, rubber products, and sporting weapons and ammunition are no longer required to apply to the Bureau of Foreign Commerce for BTIP quota shares before making shipment to the United Kingdom.

The token plan will however continue to apply through the rest of 1959, to commodities which next year become part of the so-called British global quota system. In this category are hosiery, sports equipment, toys and games, stationery and office supplies, cutlery, costume jewerly, and paper products. It will also continue to apply to other products not affected by the liberalization measures. These include certain textiles and apparel, pharmaceuticals, certain photographic apparatus, etc.

Dollar Items Still Subject to Discriminatory Controls

The items remaining on the United Kingdoms dollar negative list are the ones which still require individual licenses if imported from the dollar area (as opposed to WE, for instance). This means that applications for licenses are filed with the Board of Trade and licenses are granted on the merits of the individual case.

A measure of the surviving discriminations against dollar goods is revealed in the dollar negative list which covers a number of goods which have been traditionally important in the United States-United Kingdom trade and which, on the basis of representations from U.S. industry, remain potentially important. These include fresh fish; meats; certain fresh fruits; textiles; photographic and projection equipment, including cameras and films; a number of machinery items (air and gas compressors and exhausters; dredging equipment; gas and chemical plant; lifting, hauling, and transporting machinery; pumps; refrigerators and refrigerating machinery; welding machinery); values and tubes; X-ray apparatus. Some of these items are being imported in fairly substantial quantities in spite of licensing restrictions, however, permission to import being granted usually where the items are not alternatively available from domestic sources. Licensing controls continue to be maintained on some of our principal traditional exports to the United Kingdom market, such as cotton, tobacco, aircraft, petroleum products, etc., but trade in these goods continues at a high level regardless of licensing requirements. A special kind of discrimination affects the U.S. share of the United Kingdom market in tobacco, however, and this is discussed below under part II.

II. Other restrictions discriminating against U.S. Exports

1. Mixing Regulations on Tobacco

Tobacco imports from the dollar area are limited by a Board of Trade directive to manufacturers to limit their use of dollar tobaccos to 61 percent of their combined usings of light and oriental tobaccos. This is in supplement to a purchase agreement between British manufacturers and Rhodesian tobacco growers, under Board of Trade sponsorship, in effect with modifications since 1948, whereby British manufacturers guarantee to purchase a minimum quantity of Rhodesian tobacco annually (90 m. pounds, for 1959).

These measures discriminate against the U.S. tobacco trade since they have had the effect of raising the percentage of leaf tobacco of Commonwealth origin used by British manufacturers to the point where the proportion of the market now held by the Commonwealth and the United States respectively, is about 50–50, whereas in the prewar period the Commonwealth share was about 21 percent contrasted to the U.S. share of 77.5 percent.

2. Seasonal Restrictions on U.S. Grapefruit

Imports of fresh grapefruit under quota from the dollar area are only permitted importation during the period April 1–September 30. This limitation effectively precludes imports of Florida and Texas grapefruit. The United Kingdom's intention in setting up the quota on a seasonal basis was to protect the British West Indies citrus industry by providing it with an assured market in the United Kingdom, but in practice, Israel has been the chief beneficiary of the seasonal restriction, thus defeating the British Government's avowed purpose of assisting the British West Indies industry. (Prepared by: British Commonwealth Division, Office of Economic Affairs, Bureau of Foreign Commerce, Department of Commerce, August 20, 1959.)

URUGUAY

Imports into Uruguay are largely controlled through the process of foreign exchange licensing. However, it should be un-

derstood that the greatest obstacle facing U.S. exports to this country is the lack of dollars. The serious shortage of dollars reached such a point in 1957 that the Government was obliged to issue a decree on November 28 of that year greatly intensifying import restrictions. More recently, however, by decree of June 30, 1959, a new policy was initiated which shifted a large number of imports from the controlled financial market into the free exchange market, despite the continued serious shortage of exchange.

Basic import controls are somewhat complex. Imports are classified according to essentiality into first category goods which enter under the controlled-market rate (peso 2.10=$1.00), following approval by the Export-Import Control Board; and second and third category goods, subject to prior permits issued on the basis of exchange quotas established by the Export-Import Control Board. The free-commercial market rate (peso 4.11=$1.00), is applicable to goods in the second and third categories plus a surcharge.

The basic rate of exchange is 1.519 pesos to the dollar, a rate which is allowable for only several items, including imports of newsprint, matrices, and printing inks. The recently accentuated lack of foreign exchange, however, has led to inability of importers to obtain exchange at this rate, with the consequent severe shortage of newsprint.

Under the import regulations of Uruguay, exchange is issued according to its availability and, on this basis, the countries of origin and the currencies involved have been divided into two groups, A and B. For imports from group A countries, exchange may be obtained from the Banco de la Republica only if the country of origin involved is one of a group including Soviet bloc states, Brazil, France, Israel, Italy, Spain, Switzerland, and Yugoslavia and if the currency involved is either agreement dollars, external pounds sterling, or payments agreement Swiss francs.

For imports from group B countries appropriate exchange may be obtained from the Banco de la Republica 180 days after shipment. Group B countries include the United States and others not listed under group A. Switch operations involving these two country groupings are allowed, provided approval is obtained from the exchange authorities of the group A country, the exchange of which is being used.

Among essential items included in the first category which can be imported at the 2.10 rate might be mentioned fuel (except gasoline), some essential foodstuffs, a few raw materials, drugs, antibiotics, pharmaceuticals, seeds, products to combat agricultural and animal disease, materials for the press, tools, machinery and articles required by agriculture and the livestock industry.

As a result of the Government's action of June 30, 1959, noted above, importers are now in a position to increase imports from the United States, although such importers will be obliged to purchase scarce foreign exchange on the free market exchange which currently is costing between 10.50 and 11.00 pesos to the dollar. Consequently, selling prices in Uruguay for imported articles will be substantially increased.

Uruguayan imports from the United States in 1938 totaled $5 million, in 1948–50 averaged $40 million annually and reached a peak of $83 million in 1951. They ranged between $43 million in 1952 and $49 million in 1957, and dropped to $22 million in 1958. During the first half of 1959 U.S. exports to Uruguay amounted to $12 million.

Despite the sharp drop of exports to Uruguay from the United States recently, no specific complaints from American exporters as to discrimination have been received. Likewise no complaints regarding the treatment of any particular commodities included as GATT concessions have been noted.

[From Foreign Commerce Weekly, Aug. 24, 1959]

MANY COUNTRIES FREE IMPORTS, OTHERS TIGHTEN CONTROLS IN 1959

Rapid progress in dollar liberalization during the first 6 months of 1959 was made by most European countries, by British Commonwealth members, and by the United Kingdom dependent territories.

A few countries in Asia, the Near East, and Africa moved to liberalize dollar imports. Most other countries either maintained the status quo or intensified their import restrictions.

Latin American countries on the whole increased their licensing limitations and other measures, although these were usually not directly discriminatory against the United States. But a countertrend was seen in Central America, where Nicaragua and Guatemala enacted more liberal import regulations.

WESTERN EUROPE RELAXES RESTRICTIONS

During the first half of 1959, most OEEC countries continued to liberalize additional imports from the dollar area. Iceland and Portugal, however, took no actions in the dollar liberalization field, and Greece intensified restrictions on many dollar goods.

The United Kingdom abolished import licensing of a wide range of dollar goods on June 8, approaching closely in its treatment of dollar imports the treatment it accords imports from OEEC countries. Germany liberalized additional items and advanced the schedule of planned liberalizations to conform with GATT rulings. The Netherlands announced that it no longer found it necessary to restrict imports for balance-of-payments reasons, and virtually eliminated its few remaining import restrictions on dollar goods.

Italy announced liberalization of a substantial number of additional goods of interest to U.S. exporters, bringing its dollar liberalization percentage up to 85. France took liberalization steps which brought its dollar liberalization percentage up to over-60, expanded annual import quotas for a number of U.S. products, and eliminated the requirement of a license to import liberalized commodities. Denmark increased its dollar liberalization percentage to 88, and eliminated discrimination against dollar goods in the liberalized sector of its trade, while Norway revised its customs procedures to eliminate the formality of applying for a license to import liberalized goods. Turkey freed from import licensing 160 categories of raw materials, machinery, and spare parts. Greece, however, on March 1 and April 7 increased licensing controls and import quota restrictions on a wide array of goods.

UNITED KINGDOM TAKES LEAD IN COMMONWEALTH

In the first half of 1959 the British Commonwealth and oversea territories, as a whole, continued the accelerated rate of import liberalization and removal of discrimination against dollar goods initiated by the United Kingdom after the Commonwealth Trade and Economic Conference of last September in Montreal, Canada.

The United Kingdom, after bringing the dollar liberalization percentage to 75 and removing controls on dollar machinery and plant imports in September 1958, took another major step on June 8, 1959, in abolishing import licensing of a wide range of goods.

Australia, while not increasing its overall volume of authorized imports, increased from 50 to 70 the percentage of total imports freed from licensing discrimination against the dollar area.

Canada increased its quota for imports of turkeys from the United States.

New Zealand increased its allocation for private imports allowable in 1959 to $588 million, increased quotas of some raw materials and a wide range of consumer goods and removed some items from the list of prohibited imports. An additional $56 million was added to the list of imports allowable for 1959 and global quotas for various consumer and industrial items were increased.

The Union of South Africa announced in May a supplemental exchange allocation for consumer goods. Allocations, however, were still below those of 1958.

Nigeria lifted import controls on a long list of commodities from the dollar area early in the year and further expanded the list on July 1. Uganda and Tanganyika, in the first quarter, relaxed their controls on imports of commodities from the dollar area and later Kenya followed by introducing an open general license for a wide range of goods, permitting unrestricted imports of these items from the dollar area. Malta also liberalized an extensive list of goods to the dollar area and Aden relaxed import controls on dollar goods and freed for importation many goods previously prohibited.

In the Western Hemisphere, Jamaica, Trinidad, Barbados, and British Guiana liberalized import controls to a degree similar to that of the United Kingdom during the first part of this year. In June, British Guiana announced a sweeping liberalization of controls on dollar imports, to become effective July 1. In July corresponding steps were taken by Jamaica, British Honduras, St. Lucia, and Barbados, also effective as of July 1.

In the Pacific, North Borneo, Sarawak, Brunei, Western Samoa, and Fiji also followed the lead of the United Kingdom in liberalizing imports and reducing discrimination against dollar goods.

LATIN AMERICA RAISES SOME RESTRICTIONS

The first 6 months of 1959 generally marked an intensification of import restrictions on the part of Latin American countries (except for some in Central America), although most countries continued their policies of not discriminating directly against U.S. exports in their import restrictions.

In addition to import-licensing restrictions, Latin American countries intensified their use of prior deposit requirements, exchange allocations, tie-in quotas, and surcharges.

Argentina abolished discrimination against dollar imports last December 30 and replaced the official dollar exchange rate by a free exchange market. However, Argentina enlarged its list of commodities requiring surcharges ranging up to 300 percent and prior deposits ranging up to 500 percent of c. and f. value of imported items.

Brazil, after most Western European countries had made their currencies externally convertible, merged the foreign exchange auctions of these currencies with the dollar auctions, thus allowing importers to purchase any convertible currency at a single auction, and eliminating the previous preferential rates at which some European currencies were sold (relative to dollars).

In April the Chilean Government authorized the President to establish additional taxes on imports of merchandise of up to 200 percent of c.i.f. value, and at the same time to gradually abolish the import deposit system. The 2-percent tax, however, on the sale of foreign exchange was abolished.

Colombia, in May, removed some items on the list of prohibited imports and imposed a higher rate of duty on them. Surcharges for imports of many agricultural products were retained and cocoa was added to the list.

Cuba established import licensing controls on 197 luxury and semiluxury items on February 9. A few of these items were removed from such licensing on March 11, but in the same month Cuba required rice importers to buy certain quantities of domestic rice with every foreign purchase, and placed profit limitations on the resale of imported rice, and a special tax on it.

The Dominican Republic, in April, increased surtaxes on imports from 10 to 12 percent, and in June established an internal consumption tax ranging from 5 to 15 percent of an item's value.

Mexico placed numerous categories of goods on a list requiring prior import permits. In addition, a decree of January 29 required Government agencies and corporations to acquire all possible purchases from local production.

Paraguay established an exchange surcharge of 5 percent of the c.i.f. value of imports except for goods originating in adjacent countries and Uruguay.

Peru, in April, established additional surcharges of from 10 to 25 percent of c.i.f. value on imports of a wide range of goods. In addition, internal taxes were increased on various categories of luxury goods.

Uruguay extended for the fifth time the period during which imports were limited to the barest essentials. It also increased surcharges on imports of many nonessential items and increased exchange rates for imports of many essential goods by abolishing the previous preferential rate granted for their purchase.

Venezuela announced in January that as of May 13 the Venezuelan Government and Government-owned or controlled establishments were to be prohibited from purchasing foreign goods when local goods priced up to 25 percent higher than the duty-paid costs of similar imported articles are available.

In Central America some moves toward more liberal trade policies were recorded. In April, Nicaragua shifted 21 industrial and miscellaneous items to the essential import list from lower priority lists. These items will no longer require a 100-percent prior deposit.

Guatemala, in January, freed most foreign goods from import prohibitions, licensing, and tie-in quotas.

LITTLE CHANGE MADE IN NEAR EAST CONTROLS

Some Near East countries liberalized their import policies, while others intensified restrictions.

In Iraq a new import program was introduced which for the first time since 1941 does not discriminate between soft and hard currency areas as to sources of imports. Besides categories of prohibited and limited imports, an unlimited import category was set up. Importers may apply for import licenses to purchase goods permitted for importation from any area.

Syria, on the other hand, increased its restrictions. Import licenses were no longer being granted for many commodities, including various textile and iron and steel manufacturers. Other commodities may be imported only from Arab League states, from states maintaining a trade balance with Syria—Communist China and Soviet-bloc countries—and from states with which the Syrian balance of trade was favorable in 1957—Italy, France, Denmark, and Greece. The goods included under this area discrimination policy include some leather and fur products, textile manufactures, paper products, construction materials, and iron and steel products.

Saudi Arabia, on May 14, lifted import prohibitions on automobiles but increased duty rates on higher-priced cars.

FAR EAST COUNTRIES CUT DOLLAR DISCRIMINATION

In the Far East, India liberalized import allocations on industrial raw materials, but cut quotas of less essential items. Overall foreign exchange allocations remained at $378 million for the year.

Following the establishment of external convertibility of sterling, the Government of Burma, a member of the sterling area, removed restrictive references to the dollar area from all import licenses. While currency restrictions stemming from bilateral, multilateral, reparations, barter, and Public Law 480 agreements are still in effect, U.S. exporters are now able to compete fully for the remainder of Burma's imports.

The Indonesian Ministry of Trade has established exclusive import rights for eight Government-controlled companies for the following essential commodities: textiles, cement, tinplate, raw cotton, cotton weaving yarns and rayon yarns, paper, reinforced concrete, steel and wire, jute gunny bags, and wheat flour. Private companies no longer will be permitted to import these commodities, in addition to the previously import-controlled rice, cloves, cambrics, and fertilizers.

Another measure further restricts the amount of credit that foreign exchange banks may supply to private importers. In addition, the advance deposit which must be paid by importers at the time they submit their import applications was raised, effective April 15, from 133⅓ to 230 percent of c. and f. value of the import (at the parity rate of 11.40 rupiah per U.S. dollar).

The Japanese Government announced an import budget of $2,398.7 million for the first half of its fiscal year 1959, $300 million greater than for the first half of fiscal 1958 and the third largest in the postwar period.

Of this amount, $1,940 million was for commodity imports and the remainder for invisible payments.

Japan abolished the distinction between dollars and sterling in the foreign exchange budget so that imports may be paid for in any hard currency irrespective of the origin of the goods. At the same time, Japan increased the number of items automatically approved for import on a global basis.

Pakistan in January set up three foreign exchange accounts for importing: One for essential imports including petroleum products, coal, drugs, and metals; one for Government account; and one for use of those exporters who earn foreign exchange. On the last list were placed some 219 items importable under open general license. This latter list was reduced in April by 30 items, but the Government announced in June that this list would again be increased to 201 items for July-December. Both general and special import licenses generally will be valid for worldwide procurement, without discrimination against dollar goods.

The Thai Government has freed from individual import licensing meat, fresh, frozen, or in other forms; and coconut and other vegetable oils.

Vietnam reduced surcharges on purchases of dollar exchange by its importers. This move reduced discrimination in favor of French goods by bringing landed prices of imports more in line with those from France.

The Governments of Singapore and the Federation of Malaya, on January 1, liberalized dollar imports by adding 23 categories of goods to the list of items for which import licenses would be freely issued for direct import from the United States. Included in the list were items of interest to U.S. exporters, i.e., agricultural machinery, pharmaceuticals, truck/bus tires, canned and powdered milk.

GHANA AND SUDAN ALSO FREE IMPORTS

In Africa, in addition to the dollar liberalization steps taken by the British territories, Ghana decontrolled several dollar import categories, including motor vehicles, and the Sudan, as of July 1, placed most goods on open general license. Goods still not liberalized by the Sudan include certain agricultural and bakery products, textiles and leather products, certain dyes and soaps, timber and timber manufactures, engines, vehicles, hardware, and a wide range of notions.

THE POWERFUL NEW YORK TIMES JOINS THE CHORUS OF THOSE URGING ACTION IN CONGRESS TO EXTEND THE DEADLINE FOR THE NAVY'S "TOMBSTONE" PROMOTION LAW

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, some weeks ago, the gentleman from Alabama [Mr. HUDDLESTON], the gentleman from California [Mr. WILSON], and I introduced similar bills to extend the final, cutoff date for the so-called tombstone promotion law in the three sea services, which has been in effect for 34 years but which is now scheduled to expire on November 1. The action of Congress in bringing this longstanding law to such an abrupt end has worked great hardship on hundreds of loyal naval, Marine Corps, and Coast Guard officers who by their courage proved to be the real combat heroes of World War II. Certainly they deserve to be accorded more consideration by this Congress than was extended through the hasty "tombstone" cutoff date.

I was delighted to see that within the past few days the great newspaper, the New York Times, which has a much-deserved reputation for editorial fairness and insight, has now joined the swelling chorus of those who believe that this cutoff date should be extended, in line with the bills which my colleagues and I, both in this body and in the other body, have introduced.

Under leave to extend my remarks I am happy to include this editorial from the New York Times of September 4, 1959, in the hope that Members of the House and Members of the body at the other end of the Capitol will reconsider their decision, and will pass this legislation before the 1st session of the 86th Congress adjourns sine die.

The editorial follows:

DILEMMA FOR NAVAL OFFICERS

One of the byproducts of an act to provide improved opportunity for promotion in the Navy has created a servicewide dilemma which has no recent precedent. The President in signing the act to force the early retirement of a wartime "hump" in the Navy officer corps (chiefly in the rank of captain) noted the inequity of a provision tacked on to the basic law and urged Congress to provide more time.

The debatable provision repeals as of November 1 of this year a law which dates back to 1925 and, as amended, provided upon retirement for the honorary promotion to the next higher rank of all Navy and Marine Corps officers who received combat decorations in World War II. This law, known to the Navy as the tombstone promotion bill—since the advancement was honorary only and carried no increase in pay—may or may not have been a good law. The fact remains that hundreds of officers who have retired since World War II have been advanced a grade on the retired list under its provisions. Some 1,300 officers on active duty in the Navy are similarly eligible for such a promo-

tion upon retirement—but now only to November 1.

The problem caused by the November 1 deadline has already been graphically illustrated. In the first 3 days after the President signed the act 55 officers requested retirement. The irony of the situation is that many of these requests were not from officers at whom the basic act was aimed—those who had failed in the past for selection for promotion—but from young officers whose names had not yet been considered by flag rank selection boards. Obviously, many in the Navy feel that their future in the service is uncertain at best.

In any case a decent lapse of time to allow all officers to give adequate consideration to a decision which will fundamentally affect their lives is only right. Congress should, as the President noted, "promptly accord them such additional time"; if possible, at least a year.

ONLY A NATIONAL LOTTERY CAN EASE FISCAL PAINS

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, as we approach the end of this session of Congress we find, most regretfully, that our national fiscal problems keep getting worse instead of better. We note, with profound disappointment, that this Government ended its 1959 fiscal year in the red to the tune of over $12½ billion. That is the excess of money the Government spent that it did not have.

Needless to say, this kind of deficit spending means a bigger national debt which is now almost $285 billion and another increase in interest payments on this gigantic national obligation.

Mr. Speaker, I feel certain that the average American taxpayer does not know that the payments we make on the interest alone amounts to a staggering $7½ billion a year. This is almost as much money as we appropriate to run the Labor, Interior, Health, Education, and Welfare, and State Departments and for public works and military construction.

What about the future? Does the Government's budget picture look any better? I regret to say that the outlook is very dark. The odds are that another budget deficit is likely despite the President's attempts to produce a balanced budget for this new fiscal year. Again, this can only mean a further increase in our national debt and a jump of possibly $½ billion more in interest payments.

Mr. Speaker, what does this mean to our hard-pressed taxpayers? Simply this—all hopes for tax relief in the foreseeable future are gone unless this Congress is prepared to remove the blinders, wipe out hypocrisy, and face the fiscal facts of life.

As I have said repeatedly, there is only one avenue of relief open—a national lottery. If we are sincere in our interest in solving this growing fiscal problem and in extending a measure of tax relief to our taxpayers, then we must have the courage to tap a new source of revenue which a national lottery can produce, voluntarily and painlessly. This would be the best and only substitute for taxation.

Mr. Speaker, let me assure my colleagues in this House that by supporting my national lottery bill they will not be urging a gambling bill but rather a revenue-raising measure which can and will easily pump into the U.S. Treasury $10 billion a year in new additional money.

Mr. Speaker, a national lottery can produce this tremendous revenue which can be used to reduce our national debt and thereby ease the extreme pressure of interest payments and, at the same time, provide Mr. and Mrs. Taxpayer with a sorely needed tax cut.

Can anyone suggest a better cure for easing the severe pains of this growing fiscal headache?

THE LATE ANDREW JACKSON MAY

The SPEAKER. The Chair recognizes the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Speaker, the death of Andrew Jackson May, who ably represented Kentucky in this House for 16 years, marks the passing of one of the pioneers in the economic development of eastern Kentucky.

I knew "Jack," as his friends and neighbors called him, from the time I was a schoolboy. Among his neighbors, he was best known as a sober, industrious, and successful attorney and businessman. His activity and vision in the successful development of the Big Sandy Valley coalfields contributed substantially to the wealth of that valley. His climb from a rural schoolteacher to an outstanding attorney who became a successful coal operator was rapid.

In 1930, on the second try, he was elected to Congress, and in 1938 he became chairman of the House Military Affairs Committee. In this position, he was responsible for a substantial portion of the policies which expanded our Army to an effective fighting unit in World War II. The country should be grateful that a man of Jack May's ability and effectiveness was found in that important chairmanship at that time. As chairman of this committee, he was a major contributor to the program now known as the GI bill of rights.

His last years were spent back in his old home at Prestonsburg, Ky., where he resumed the practice of law, which continued well beyond the proverbial age of threescore and ten. In fact, he was on an active basis well into his 85th year.

Jack May was an individual who loved his family. His wife, Julia Mayo May, preceded him in death in the 1940's. He leaves surviving two children, a daughter, Mrs. Olga May Latta, and a son, Robert May, both of Prestonsburg, Ky.

His neighbors and the Nation have suffered a loss with the passing of Andrew Jackson May. My heartfelt sympathy is extended to his family.

Mr. WATTS. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Kentucky.

Mr. WATTS. Mr. Speaker, it is my sad duty to have to call the attention of the House that on last Sunday, September 6, one of its former Members, the Honorable Andrew Jackson May, of Prestonsburg, Ky., passed away at the age of 84 years.

During the latter days of his service here, Mr. May served as chairman of the House Military Affairs Committee.

Born of pioneer stock in the backwoods section of Beaver Creek, Floyd County, Ky., his childhood was spent in an atmosphere of meagerness, destitute of almost the minimum of material wealth required to provide for the absolute necessities. However, from his parents, and the demands of his environments, his was the good fortune to inherit an overabundance of self-reliance, self-dependability, and love for his fellow-man. From these he forged a plan of life emphasizing the need of self-preparation and humanitarian services.

As teacher, lawyer, and Congressman he served his people. Early in his days, he commenced responding to the needs of his people as teacher in the mountain schools. His efforts were not confined to the classrooms, nor to teacher services as is normally understood. His lot was to educate the children in the classrooms by day, and the parents in their homes at night. In addition, he was their counselor and adviser for all their economic and domestic problems. He was their doctor, their pastor, their lawyer, their nurse, and their teacher.

Because of his humanitarian traits, his love for his neighbor, and his services, Jack May became an institution throughout the whole of eastern Kentucky. Throughout his lifetime, for all, regardless of stature, there was time to hear their problems, and, for all, his was the hand ready to lend help, succor, and assistance.

For this unending special service to them, the compensation when measured by material wealth was inconsequential. But, in its stead, there flowed in an endless stream, an intangible wealth of far greater significance—a deep-rooted love and affection on the part of all who knew him. A love grounded in confidence. A confidence that was never disturbed—an allegiance that never faltered. No greater success can be achieved by anyone.

Jack May, a friend to all—all that knew him, loved him.

To his own family, and to all eastern Kentuckians whom he adopted as his own, I extend my deepest sympathy.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Speaker, Andrew Jackson May and I were elected to the 72d Congress in 1930. I served with him in the seven succeeding Congresses and for a long part of that time we lived in the same hotel. He was a man of great capacity; he was industrious and he was exceedingly active in discharging his duties as a Member of Congress. He became the chairman of the Committee on Military Affairs where he rendered excellent service and was the author of

legislation that gave his country strength to enter the great struggle for the freedom of the world.

He was a devoted father and husband, and his family reciprocated that devotion to a remarkable degree. He was a genial and kindly man, and he had many sincere and loyal friends.

To his family I extend my sincere sympathy.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, my late friend and former colleague, Jack May, served in this body for many years, and he did so with distinction and with great courage.

He was chairman of the Committee on Military Affairs at a very important period in our Nation's history. Many important bills prior to World War II came out of his committee of vital concern to our country and to the defense of our country.

Hitler was on the scene then just the same as Khrushchev and the Communist menace is on the scene today. In those days there was the Ruhr, there was Austria, there was Sudetenland, Czechoslovakia, and there was the pact at Munich. We all know that was the road of hope on the part of countries in Europe but, as a matter of fact, it was the road of appeasement and the road to war.

We now observe the aggressions in Laos taking place.

Jack May served as chairman of the powerful Committee on Military Affairs in an important period in our Nation's history. He was always dependable. We had emotional legislation in those days just the same as we have now. We had the doubters. Those of us who fought for legislation to prepare our country for war were called warmongers, just as today if you talk against the dangers of communism people will look at you and say you are for war. Our people have been lulled into a state of apathy and of complacency.

Many bills came out of Jack May's committee by a close vote. Mr. May was a great chairman. The country could always depend on him, and the leadership of the House was always aware of the fact that Jack May was fighting for the best interests of our country.

Those are the things we have to remember, that is the part of his life that should be known publicly, acknowledged and dramatized.

On the floor he fought for the passage of many bills against great odds. For example, extension of the Selective Service Act just prior to Pearl Harbor, which passed this House by one vote, 203 to 202.

It was under his leadership as chairman of the committee that that bill passed. Jack May was a great Congressman and a great American. He served his country well in the Halls of Congress. I am deeply sorry at his passing, and I extend to his son and daughter my heartfelt sympathy in their great loss and sorrow.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would be remiss if I did not pay tribute and thanks to the gentleman from Kentucky, the late Mr. May, for his tremendous work as chairman of the former Committee on Military Affairs. I had a number of defense measures that I was very much interested in, measures that Mr. May fought for. He was instrumental in the passage of the continuation of the draft and the passage of the WAAC bill, which was not an easy bill to pass, but he stood by it and fought for it. I often talked with him on defense matters. He always cooperated. There were many other measures that Mr. May took an active interest in. The country was in great danger and he fought constantly, day after day and month after month, to see that our defenses were strong. Those who were serving in the Congress at that time will remember the intense anxiety we all felt and our great responsibility. I could see the great strain that Mr. May was under. Those of us in the Congress realize what it meant and what he went through. Feelings ran high and many were hurt. There were Members who were battling against some of the defense measures. I believe many lives were saved because of his and committees' work.

My deepest sympathy goes to his family. They are very fine and I know they are very proud of his contribution to his country.

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 10 legislative days in which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FAILURE TO ENFORCE THE ANTIDUMPING ACT

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I have today joined in cosponsoring with the distinguished chairman of the Committee on Ways and Means legislation which was requested by the Treasury Department which is cited as the Customs Administrative Act of 1959.

I would take the occasion of the introduction of this legislation to comment on another urgent customs consideration, namely the manner in which our Antidumping Act is being administered.

It will be recalled that in section 5 of the Customs Simplification Act of 1956—Public Law 927, 84th Congress—the Congress called upon the Secretary of the Treasury to make a review of the operation and effectiveness of the Antidumping Act and pursuant to such review to report back to the Congress with recommendations for legislative improvement of the act. Pursuant to that action the Congress last year gave legislative approval to legislation—Public Law 85-630—which amended "the Antidumping Act so as to provide for greater certainty, speed, and efficiency in its enforcement." During the past 12 months I have seen no evidence of any greater speed or efficiency in the administration of the act or its enforcement. The only certainty that I have noticed with respect to the act is the certainty given to foreign producers who dump their products in our domestic market that they will not be held accountable for their action by having the provisions of the Antidumping Act apply against them.

Indeed, Mr. Speaker, not only in the last 12 months but in recent years I have become increasingly alarmed over the fact that the intended purpose of the act—the protection of American industry from dumping—is not being carried out and in fact I seriously doubt that anybody is even trying to carry it out. The Department of the Treasury has failed to withhold with reasonable promptness appraisements in accordance with the act where dumping exists. Furthermore, the Treasury Department has been undertaking to find justification for admitted price differentials for reasons that are neither enumerated nor contemplated by the act.

With the passage of the amendments to the Antidumping Act in the last session of the Congress, it was represented to the Congress that as amended the act would become an effective remedy to deter and prevent dumping of foreign merchandise in the United States and to protect the jobs of our American workers. If my information is correct, the Treasury Department in its administration of the act has thwarted these intended results.

Mr. Speaker, I realize that these are serious charges that I am making, but I would welcome the presentation of any evidence that would disprove that these charges are founded on fact.

This is a matter of serious importance to all Americans, and I believe it is incumbent on the Congress and on the responsible officials of the Treasury to determine whether or not the purposes for which the act and the recent amendments were passed are being nullified by administrative interpretation, if not by administrative indifference. I intend to see that this result is accomplished.

DEMOCRATIC INFLATIONISTS HAMPER DEBT MANAGEMENT

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, on July 16, 1959, the press quoted the Democratic House leadership to the effect that the House would "sit and wait" with respect to the President's request of June 8, 1959, for legislation to remove interest rate ceilings that encumber economical and efficient public debt management. The President's re-

quest dealt with an urgent national issue which was subsequently deemed by the President to be the most important legislative matter to come before the Congress during this session of Congress. The President was not seeking to raise interest rates; he was seeking authority to fund the debt at the lowest possible cost to the American people and to avoid inflationary short-term financing.

The promise of "sit and wait inaction" by the Democratic leadership has tragically proved to be the Democratic policy in the House on this matter. With blind indifference to the fact of a $290 billion public debt, to the fact of the inflationary consequence of restricting Government financing to the short-term money market, and to the fact of a need to refinance approximately $80 billion in maturing obligations in the next 12 months, the Democratic leadership has refused to give to the President and to the Secretary of the Treasury the necessary legislative tools to accomplish economical debt operations.

The Democratic "sit and wait" policy delayed any definitive House action on the legislative request of the administration until Friday, September 4, in the midst of the closing days of this session. At that time, 13 weeks after the original legislative request was made, the Democratic leadership consented to the House consideration of a bill, H.R. 9035, which pertained only to the statutory ceiling on series E and H bonds and which ignored the more important, from the standpoint of debt management, 4¼-percent ceiling on marketable bonds. The political decision to act on the savings bond aspect of this problem was made to save the Democratic House majority from criticism by the voters who hold series E and H bonds. Legislative action on these savings bonds could not politically abide the earlier sit and wait decision of the Democratic leadership, but that leadership reaffirmed its same sit and wait policy on marketable bonds.

As the Republican Members pointed out on page 31 in the supplemental views of the committee report that accompanied H.R. 9035:

> Under the majority proposal the Congress runs the risk of misleading the public. We offer them, on the one hand, the assurance by the Congress of a more adequate yield on their patriotic investment in series E and H bonds. But by restricting Treasury refinancing to the short-term money market, we could well be fanning the fires of inflation with the consequence that at maturity these savings bonds would be redeemed at a higher yield but with an inflation eroded dollar.

The Republican Members of the House in the motion to recommit gave the entire House membership opportunity to repudiate the Democratic leadership decision to sit and wait. Our motion to recommit with instructions would have had the effect of including in the bill authority for the Executive to exceed the 4¼-percent ceiling on marketable bonds. This motion was rejected by virtually a straight party-line vote. Accordingly, there can be no question of the party responsible for refusing to act as well as the party responsible for the inflationary consequences.

The able economic and financial writer, Mr. Harold B. Dorsey, has written an excellent, analytical article on the refusal of the Democratic majority to approve legislation giving to the Treasury the latitude and flexibility in debt management necessary to minimize cost of the debt and to reduce the impact of Government financing on our private enterprise economy. I will include Mr. Dorsey's article as a part of my remarks at this point:

ECONOMIC VIEW—LEGISLATORS HURT THOSE THEY PROFESS TO PROTECT

(By Harold B. Dorsey)

The penalty of financial stringency imposed upon millions of small businesses and individual borrowers was symbolized last week by the increase from 4½ to 5 percent in the interest rates which commercial banks charge their "prime" customers. The interest rate charged for money loaned by the banks to other borrowers will now scale upward from 5 instead of from 4½ percent.

There can be little doubt that the failure of Congress to pass legislation that would permit more flexibility to the Treasury Department in its financial operations is closely associated with the rising interest rates. As prospects for this legislation diminished there seemed to be a corollary increase in interest rates. Then when it was announced that the House Ways and Means Committee had pigeonholed this legislation for the balance of the session, interest rates rose sharply.

On Monday of last week the Treasury Department had to pay the highest interest rate for its 91-day borrowings since the bank holiday in March 1933. And Government bond prices declined again to the lowest levels since the early 1930's. The interest yield for most outstanding Government bonds is now well in excess of the 4¼-percent ceiling which Congress has refused to lift.

Only a few months ago it was considered to be only a fantastic possibility that Congress might force the Treasury Department to borrow all of its money in the short-term and intermediate-term market. Now that the fantasy seems to have become a fact, it is clear that this competition of the Government for short-term credit, in competition with all of the other kinds of borrowers, is causing an extremely tight credit situation.

One might logically ask: Why has there been so much weakness in market prices for longer term Government bonds? The answer is that the congressional attitude on this subject strongly suggests encouragement for inflation. Few lenders want to lend their money for a long period of time if there is such a clear threat that they are going to be paid back in depreciated dollars.

At any rate, we stand today with some of these financial factors in an unusually critical condition. Furthermore, the arithmetic suggests that this condition is going to get worse between now and the end of the year. The Treasury Department has $8.9 billion of debt maturing in November to refinance and it has to raise several billions of dollars of new cash in the next few months. This substantial demand for credit has been forced into the short-term credit market.

In addition, many businesses have to increase their borrowing between now and the end of the year to carry harvests and to carry their Christmas inventories. More bank credit will be needed after the steel strike has been settled to finance the anticipated snapback in business activity.

When we pile these additional demands for credit on top of the present unusually tight situation, we do not end up with a very pretty picture. Somebody is going to get hurt. In the first place, the implied inability of small business people to borrow money for their seasonal needs is a painful matter. In addition, millions of people who borrow for their personal needs are being forced to pay higher interest rates—if they can find the credit at any interest rate.

And as if that were not enough damage, all of the rest of us are being penalized by the needlessly higher interest rates which our Government is having to pay for its borrowed money.

It is very difficult to understand why Congress has not been able to recognize these painful effects that are resulting from their amateurish efforts to tamper with the Nation's delicate credit mechanism. Is it possible that those Congressmen who are blocking the legislation to give the Treasury Department more flexibility fail to comprehend the painful effects of their inaction? If they had not been able to anticipate that their inaction would cause the Treasury Department to pay the highest interest rate on its borrowings since the bank holiday 26 years ago, then all they have to do now is look in the newspapers and find that that is the fact. If they had been advised that this kind of thing could not happen, then they should, at least belatedly, recognize the ignorance of their advisers. The facts that have already been developed prove that ignorance.

The weird part of this whole thing is that the suffering is most serious for the millions of people whom these Congressmen profess to be protecting, while it is helping the profits of the comparatively few for whom numerous Congressmen have frequently expressed criticism—the bankers. Even the latter realize that they will ultimately suffer by the distress that is being imposed on all of the others.

There is only one respect in which I would possibly disagree with Mr. Dorsey's knowledgeable conclusions. He implies that we may be helping the bankers by adding to their profits. I am inclined to disagree with Mr. Dorsey's conclusion on this point because of my belief that higher banker charges for interest on loans will have to be offset by higher banker costs paid as interest on savings. Competition among banks and other financial institutions will tend to prevent the occurrence of even a temporary windfall to the banker.

Another excellent article on the subject of debt management and interest rates appeared in the September 1959 monthly letter of the First National City Bank of New York. I will include that article as a part of my remarks at this point:

THE CONTROVERSY OVER INTEREST RATES

Through the sultry summer, debate continued over the President's urgent request, made June 8, for removal of old statutory limits on interest rates payable on U.S. Treasury bonds. The President wanted to raise the rate payable on savings bonds (now limited to 3.26 percent) to 3¾ percent and to pay more than 4¼ percent if necessary to sell marketable Treasury bonds. The Treasury is blocked off from placing bonds due after 5 years because they could not be sold in today's market within the 4¼ percent legal limit, which was set back in 1918. Meanwhile, savers' dissatisfaction with the current 3¼-percent rate on savings bonds is reflected in the growing excess of redemptions over new sales, involving a steady drain on Treasury cash.

The President's proposal encountered bitter resistance from liberals who pressed for an amendment stating it to be the sense of Congress that the Federal Reserve should buy more U.S. securities, of varying maturities, to assist in the economical and

efficient management of the public debt. The House Ways and Means Committee, which had the responsibility of clearing a bill, worked patiently to amend the proposed sense-of-Congress amendment into a reasoned statement of economic and debt management policies that could satisfy everyone.

The committee August 12 tentatively approved a bill which suspended rate limits on Treasury bonds for a 3-year period and which rewrote the sense-of-Congress amendment in language acceptable to Secretary of the Treasury Robert B. Anderson and Federal Reserve Board Chairman William McC. Martin. But opposition in other quarters led the committee to shelve the measure for the present session of Congress. As a result of this stalemate, the Treasury will have to concentrate its borrowings within a 5-year maturity limit, paying whatever rates may be required. In this area no rate limits apply.

Selling only obligations due within 5 years—as the Treasury perforce must do—gives an extra upward impulse to shorter term rates and moreover builds the volume of near-term Treasury obligations. As the situation stands at the beginning of September, no less than 73 percent of the marketable public debt is due within 5 years. This means that the Treasury, to meet maturities, must be constantly coming to the market to refinance itself, interfering with the freedom and flexibility of Federal Reserve credit policy, and involving problems of digestion of successive new offerings. It would be better for everyone concerned if more of the debt were in the hands of long-term investors, put away in the box for years.

The book, of course, is not closed on the rate problem. Sooner or later the Treasury must have authority to manage the debt in an orderly way.

Meanwhile, it could turn out that the liberals are being penny wise and pound foolish. If the effect is to give fresh impulse to inflationary psychology, savers and investors may demand higher rates. Every irresponsible fiscal action has a cost in interest charges.

WHY HIGHER RATES?

The upward push in interest rates over the past year has been a result of increased borrowing demands from all sides: from the Federal Government financing a peacetime record deficit; from State and local governments raising money for roads, schools, and other local improvements; from homebuilders putting up new houses; from individuals buying new cars; from industry financing record-high production and payrolls. The interest rate rise that began in June 1958 was unexpectedly rapid—though so also was the return of booming business conditions and inflationary psychology.

It is a pity in retrospect that the Congress did not act promptly upon the President's recommendation inasmuch as market conditions favorable to bond offerings developed during the summer. In part this reflected the reassurance investors felt in the President's masterful statement of debt management fundamentals and veto of another big housing bill, as well as feelings that stocks were high and bonds relatively cheap. The supply of new corporate and municipal issues temporarily declined, and an opening was created for bond financing. The Treasury must have discretionary authority to take advantage of such situations in a timely way.

The President's proposal, documented by the Treasury Department, spelled out what seemed quite obvious: something had to be done to stem the rising tide of savings bond redemptions and permit the Federal Government to continue flotations from time to time of bonds in the long-term investment market.

Stalwart opposition, however, was voiced in speeches on the floors of Congress and in hearings conducted by the congressional Joint Economic Committee on the subject of "Employment, Growth, and Price Levels." Trenchant in their criticisms were three members of the committee, Senator PAUL DOUGLAS, of Illinois, chairman, Congressman WRIGHT PATMAN, of Texas, and Congressman HENRY REUSS, of Wisconsin.

Their proposals for Federal Reserve support of the Government bond market were vigorously opposed by Treasury Secretary Anderson and Chairman Martin. Mr. Martin stated that:

"Under present conditions, I am convinced that this amendment, when stripped of all technicalities, and regardless of whether the language is permissive or mandatory, will cause many thoughtful people both at home and abroad to question the will of our Government to manage its financial affairs without recourse to the printing press. To me this is a grave matter.

"We are here dealing with trust and confidence which is the keystone of sound currency. Therefore, I must oppose this proposal as vigorously as possible."

TRICK SOLUTIONS

Liberal opinion is reopening the Pandora's box of tricks studied and rejected before the bond market was unpegged in 1951.

As early as June 4 Congressman REUSS proposed a resolution citing the rise in interest costs on the national debt, urging greater reliance on purchase or retention of Government obligations by the Federal Reserve banks, and also asking the Federal Reserve System to explore methods of raising bank reserve requirements as an anti-inflationary tool.

The use of the Federal Reserve to create cheap money while placing special restraints on private lenders and borrowers apparently has a considerable following in neoliberal circles. It is part of the prescription for progress advocated in a new pamphlet put out by the Conference on Economic Progress (CEP), an organization led by Leon H. Keyserling and supported by a number of trade union leaders. In a speech on July 16, Congressman PATMAN called the attention of the House to the following passage in the CEP pamphlet which bears the title "Inflation—Cause and Cure":

"The so-called tight-money policy is both repressive and inflationary. The Federal Reserve System should resume sufficient support of the Government bond market to stabilize interest rates at lower levels, and to facilitate the management of the national debt.

"The inflation attributed to such policies during wartime was due to other causes. If necessary, the Federal Reserve System can counteract any inflationary effect of bond support by lifting bank reserve requirements.

"A more selective system of credit controls should be instituted. The overall tight credit approach restrains those activities which are in need of expansion, long before it touches those which need restraint. It is also hurtful to economic growth."

Congressman PATMAN commended the CEP study which he said cuts through all the mystical fog and gobbledygook which have been built up around the tight-money and high-interest policies. The fog and gobbledygook in the CEP pamphlet translates into an effort to deal with inflation by insuring an unlimited supply of cheap money for Government to spend while empowering Government to dictate to the people how much or little they may be permitted to borrow and spend.

Of critical importance in the unpegging of the U.S. bond market in March 1951 was a special study undertaken by a subcommittee of the Joint Economic Committee in the winter of 1949–50. This subcommittee, presided over by Senator DOUGLAS, stated that:

"As a long-run matter, we favor interest rates as low as they can be without inducing inflation, for low interest rates stimulate capital investment." But Senator DOUGLAS' report went on to say:

"We believe that the advantages of avoiding inflation are so great and that a restrictive monetary policy can contribute so much to this end that the freedom of the Federal Reserve to restrict credit and raise interest rates for general stabilization purposes should be restored even if the cost should prove to be a significant increase in service charges on the Federal debt and a greater inconvenience to the Treasury in its sale of securities for new financing and refunding purposes."

SENATOR DOUGLAS' VIEWS

In the recent controversy Senator DOUGLAS has not repudiated these findings, nor has he specifically endorsed the Patman-Keyserling idea of raising cash reserve requirements of the commercial banks to offset the inflationary influence of Federal Reserve bond purchases. Senator DOUGLAS supported legislation enacted in July to make the existing system of member bank reserve requirements more logical and equitable.

The passage of this legislation by heavy majorities in both Houses of Congress, following careful study by their Banking and Currency Committees, indicated how little following there is for proposals to tie commercial banking lending power up in knots to cheapen credit supply for Government.

Senator DOUGLAS, however, joined in opposing removal of the bond rate limit, in pressing for a larger money supply, in urging Federal Reserve bond purchases, and in proposing that the Federal Reserve Board in the future should provide increased credit for a growing economy by Federal Reserve purchases of Government securities rather than by easements of cash reserve requirements applicable to the 6,279 member banks of the Federal Reserve System.

Senator DOUGLAS' view on the bond rate limit, as expressed in a major Senate speech on June 8, was that the pressure on money rates was temporary and that the Treasury should finance itself with obligations due within 5 years where no rate limits are applicable. The trouble with simply suspending bond offerings is that passage of time is constantly shortening public debt maturities. Too little of the debt is funded at long-term. The Treasury needs to keep in contact with the long-term investment market by periodic new issues.

Congressmen, including Mr. REUSS, had been critical of the Treasury for not having put more of the debt into long-term form. The trouble is that there always have been reasons to be mustered why long-term offerings should not be made. In times of boom it is held to be too expensive. In times of business recession the fear is that Federal bond offerings will cut into the supply of funds for stimulation of homebuilding. The incredible result is that, over 13 years, the U.S. Treasury has put out only five issues of bonds due after 20 years Even though the Federal Government has the largest debt, and the largest needs for funding debt, other borrowers have been allowed something like a monopoly claim on long-term investment funds. In 1953 the Treasury was scolded for paying 3¼ percent on 30-year bonds; the Treasury would be saving money today if more had been sold.

QUANTITY OF MONEY

In commending a larger money supply, Senator DOUGLAS took the point of view that inflationary hazards are being exaggerated. It is difficult to say exactly how much money is just right since—as Senator DOUGLAS recognizes—the rate of turnover changes. But it is broadly true that whenever business is booming, and people generally are anxious to borrow and spend more, there are

risks of inflation as well as complaints of money scarcity. There is a speed-up in the rate of turnover, or velocity, which permits an unchanged money supply to handle increased expenditures. The general approach followed at the Federal Reserve has been to feed the money supply in periods of business recession and to hold back in periods of boom.

The last week of May the Joint Economic Committee under Senator DOUGLAS' chairmanship held hearings with a group of economists to explore the influence on prices of changes in the effective supply of money.

There was no general agreement on the proper rate of increase in the money supply or, for that matter, as to what money is and what should be included in measuring the money supply. Dr. John G. Gurley of the Brookings Institution pointed out that interest-bearing liquid assets, analogous to money, have been rising more rapidly than money supply, measured in the conventional way as paper currency, coin, and checking account deposits owned by the "public."

The previous chart illustrates the faster growth of interest-bearing liquid assets which holders may consider as "money in the bank" or the equivalent thereof.

As pointed out by Secretary Anderson and Chairman Martin, the build-up to new peaks in the outstanding volume of Treasury bills and other short-dated obligations represents an enlargement of the inflationary potential. Hence the importance not only of rebalancing the Federal budget but also of putting out long-dated bonds at every reasonable opportunity.

FEDERAL RESERVE BOND PURCHASES

Senator DOUGLAS, in urging Federal Reserve bond purchases, endorsed the view of the Federal Reserve Bank of New York that the Federal Reserve should drop its so-called bills only policy and intervene less infrequently in the U.S. bond market in periods of weakness. Wrapped up in this issue are thorny questions of the circumstances in which the Federal Reserve is warranted in intervening to maintain an orderly market, to help take up new Treasury security issues, and to influence or regulate conditions in the bond market in the interests of general economic stability. Whatever can be said for less infrequent bond transactions on the part of the Federal Reserve Banks, there is one vital benefit out of leaving the market free: the Treasury has a base from which to gage the receptivity of the market to new issues.

What disturbed many people was the emphasis given to Federal Reserve purchases of bonds. It seemed to be forgotten that the problem is to enlarge the investment market for U.S. bonds, not to reduce that market by drawing them off into the vaults of the Federal Reserve banks. A great deal of time was devoted by the Joint Economic Committee to the presentation of a thesis pressed by Congressman REUSS, that the Government could save itself some interest expense in this way, since the greater part of the Federal Reserve banks' net earnings are paid back to the Treasury. There is hardly any folly greater than operating a central bank of issue to see how much profit it can amass. The sky is the limit as long as people are amenable to depreciation in the value of their currency.

RESERVE REQUIREMENTS AGAIN

In hearings of the Joint Economic Committee July 27, Senator DOUGLAS pressed Chairman Martin to agree that Federal Reserve purchases of Government securities are no more inflationary than equivalent reductions in cash reserve requirements of member banks. Actually, the Federal Reserve has used both methods to allow greater liberality in extension of credit during periods of business recession. Federal Reserve holdings of U.S. Government securities right now are at a record peak. Bank reserve requirements, while eased in 1953–54 and 1958, remain considerably above the standard levels stated in the Federal Reserve Act.

The Federal Reserve Board has not raised cash reserve requirements since the bond market was unpegged in 1951. It is safe to increase the requirements, only when, as during the gold inflow of 1934–41, there is an uncontrollable excess of idle funds in the market. When, as now, the banks are under strain, a demand that they raise more cash to hold idle would quite simply panic the bond market. The problems the Treasury already has in financing itself would be compounded by forced bank selling on a falling market. These would hardly seem to be legitimate objectives for public policy.

Looking to the future, Congressman REUSS argued that the Federal Reserve, if not actually raising reserve requirements, should refrain from reductions. Thus, he would supply all additional needs for credit over the years through the purchases of Government securities by the Federal Reserve banks, helping the Federal Treasury through its share in Federal Reserve bank profits.

Congressman THOMAS B. CURTIS of Missouri, in an exchange with Congressman REUSS on the House floor, offered a "better way to try to keep interest rates down." Pointing out that "really what has driven interest rates up and has created this situation of debt management is the great size of the Federal debt and the budget deficits," Mr. CURTIS went to the heart of the matter:

"You can help by keeping these appropriation bills down. They are getting larger all the time. That is what you can do if you are really interested in keeping interest rates down. Otherwise, I can tell you, you are just talking a lot of nonsense and about a lot of useless monetary shifting, because it is the size of the Federal debt that has caused the trouble in managing it. This causes high interest rates. This creates the pressures that result in inflation."

BANK PROFITS AND INTEREST RATES

There is a common misconception, as noted by Treasury Secretary Anderson in an interview with U.S. News & World Report, that banks gain a great deal from rising interest rates. For one thing, banking is a highly competitive business, with competition not only among the thousands of banks subject to Federal law but also thousands of other financial institutions of diverse sorts, foreign as well as domestic.

Like other people, bankers have had increased expenses to face, more offices to open, and rapid growth in items handled. Increased interest rates themselves are not an unmixed blessing. When interest rates rise it is because banks are short of money to lend, because deposits are harder to get and hold, because higher rates must be paid on interest-bearing deposits, and because losses must be incurred when investments are sold to make room for more loans.

"Easy-money" advocates, looking back to 1947 when 91-day Treasury bills were pegged at ⅜ percent, can speak of bill yields (recent 3 to 3¾ percent) as having risen ten times. But dividends on bank stocks have shown no such rise. As a matter of fact the dividend return on bank capital funds has been among the most sluggish "interest rates" of all, moving up only from 3.3 percent in 1947 to 4.1 percent in 1958.

Bank profits, measured as a return on capital funds, have quite consistently hung around 8 or 8½ percent ever since 1947. The average for the past ten years, 1949–58, has been 8.3 percent, on the low side as business enterprise goes. For example, the average for manufacturing corporations over this period was 13.4 percent.

It is interesting to note that the peak profit rate for banks in modern history, nearly 11 percent, was attained in 1945 when profits on security transactions were virtually guaranteed by the pegging practice Congressman PATMAN wants to put back in force. His scheme to have the Federal Reserve purchase 2½-percent Treasurys to drive them back to par would give capital recoveries or gains to banks, though the biggest profits no doubt would accrue to speculators.

Bank profits in the aggregate, and also bank capital accounts, have risen since the war parallel with the rise in gross national product. Bank supervisory authorities keep urging banks to build capital funds faster. It takes more profits to support more capital funds.

Meanwhile, in terms of total assets, the commercial banks have lost ground relative to other classes of financial institutions. Dr. Gurley, in his testimony before the Joint Economic Committee, referred to this as a result of "controls"—something the "liberals" would increase. Banks need to share in economic growth, build profits and capital funds, if they are to strengthen their ability to serve the people. It is impossible to conceive of a vigorous free enterprise system where banks have their lending power sterilized to support cheap government borrowing.

PRESIDENT'S PLEA

President Eisenhower, in a strongly worded message August 25, expressed "grave disappointment" at the failure of Congress to remove "artificial limitations" on interest rates. He urged reconsideration, stressing that "no issue of greater importance has come before this session of Congress":

"We have worked tirelessly for a balanced budget. We need this balance so that we can avoid the deficits that lead to higher prices, to a rising cost of living, and to an eating away of the value of the billions of dollars that thrifty and farsighted Americans have saved. But congressional inaction on our debt management proposal could do much to offset the progress we have made toward fiscal responsibility.

* * * * *

"The vital interest of all Americans is at stake because excessive reliance on short-term financing can have grave consequences for the purchasing power of the dollar. The issuance of a large amount of short-term Treasury debt would have an effect not greatly different from the issuance of new money. Because these securities are soon to be paid off, their holders can treat them much like ready cash."

The President went on to emphasize that the Treasury must have the capacity to finance the Government's requirements in free credit markets without artificial restrictions:

"Let me state plainly as I can that this is not legislation to increase interest rates. This administration is not in favor of high interest rates. We always seek to borrow as cheaply as we can without resorting to unsound practices. * * *

"* * * To prohibit the Treasury from paying the market price for long-term money is just as impracticable as telling the Defense Department that it cannot pay the fair market price of equipment. The result would be the same in either case; the Government could not get what it needs.

* * * * *

"The issue * * * is whether we are going to demonstrate responsibility in the management of our Federal debt. Ours is the richest economy in the world. We have a large public debt, but we can certainly handle it soundly and efficiently if we remove the artificial obstacles to borrowing competitively in the free market.

"By adopting the administration's proposals the Congress would be demonstrating to people at home and abroad that we have the determination to preserve our financial integrity and to protect our currency."

Mr. Speaker, when the able and distinguished Secretary of the Treasury appeared before the Committee on Ways and Means on June 10, 1959, in behalf of the administration's legislative request on this subject, Secretary Anderson stated that he was appearing in behalf of legislation that was in the best interests of 177 million Americans. It is to be regretted that the Democratic Party has seen fit to disregard those best interests in favor of an irresponsible political decision to sit and wait.

NIKITA KHRUSHCHEV

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. COAD] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. COAD. Mr. Speaker, we are all aware of two widely separated but closely related facts:

First. That Mr. Nikita Khrushchev is due to arrive in the United States on September 15 for the announced purpose of a peace visit, coming here at the request and invitation of President Eisenhower.

Second. That the little country of Laos is undergoing the siege of international Communist attack. The tempo and the activities of the Communist attack against Laos and southeastern Asia in general are increasing, and the general condition and status of peace is rapidly deteriorating. The entire situation is becoming one of grave concern in this general area.

Mr. Speaker, the Soviet Premier, Nikita Khrushchev, is the head of international communism. As such, he has it within his power to continue or to stop the Laos conflict. The attempt may be to argue that this is not his direct concern, but I am sure that none of us is so naive as to think other than that he has a direct line of authority in this matter.

With this general condition, it is obvious that if President Eisenhower continues in his invitation to Nikita Khrushchev to make his announced visit as a proposed peace mission while the Laosian situation continues to deteriorate because of Communist infiltration and attack, then even before the visit has taken place, he has been taken in by Communist strategy. Therefore, I have today written the President, suggesting that he should immediately make it plain to the Soviet Premier that he should either renounce, denounce, and stop the Laosian disturbance, or the invitation on the part of the President be withdrawn forthwith.

I am certain, Mr. Speaker, that the American people can readily see the hoax of the Soviet scheme if their Premier is here spouting words of peace while his henchmen are killing the innocent victims of the small, independent, and underdeveloped countries of southeast Asia.

RUSSIAN DICTATOR KHRUSHCHEV

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DULSKI. Mr. Speaker, the official invitation extended by President Eisenhower to the Russian dictator Khrushchev to visit our country this month has created grave and widespread concern among our people. The general confusion which has followed this invitation, caused by the uncertainty as to what this visit is expected to accomplish for the cause of free men has added to this concern. The ambiguous public speeches made by the Vice President since his return from Moscow has added immeasurably to this confusion.

Each year the citizens of Buffalo celebrate Polish Day. This is natural because of the very large numbers of Americans of Polish extraction who reside in Buffalo and the Niagara frontier. This year Polish Day was celebrated in Buffalo on Sunday, August 30. A very significant and forthright address was delivered on this occasion by the principal speaker, Mr. Henry J. Osinski, a prominent Buffalo banker and civic figure.

Mr. Osinski is eminently qualified by background and experience to address himself to the questions involved in the official visit to the United States by Khrushchev. He has held and now holds many positions of public trust. He has been a leader in charitable, civic, cultural, educational, and community activities in Buffalo. His experiences in the field of foreign affairs are extensive. From 1945 to 1949 he served as chief of mission to Poland for American relief to Poland. While directing this great American relief and rehabilitation program in Poland, he served as Chairman of the Council of Foreign Voluntary Agencies in Poland, representing 23 nations of the free world. The New York Times, in an editorial dated February 22, 1947, paid tribute to his skill and representative American leadership during his years of charitable work in Poland. I point out these accomplishments of Mr. Osinski to emphasize that we have people in our country who know the methods of Russian Communists from firsthand experience and who, at this time of grave concern for the future of mankind, do not hesitate to face up to reality.

Mr. Speaker, under unanimous consent I include with my remarks the penetrating analysis given by Mr. Osinski in his address, "Poland Will Be Free but Not Through Khrushchev":

POLAND WILL BE FREE BUT NOT THROUGH KHRUSHCHEV

(Address by Henry J. Osinski, Aug. 30, 1959, Buffalo, N.Y.)

Polish Day in Buffalo has long been one in which Polish Americans and their many friends on the Niagara frontier have gathered in the spirit of the American picnic festival. It is a day set aside for renewing old friendships and making new friends while having a good time in the process. That is the spirit of our gathering today.

It is appropriate on this occasion however that we pause for a few minutes to observe the sad fact that in a few days we will have reached the 20th anniversary of the outbreak of World War II. I say this because Poland was the first victim, the first free and independent nation to be overrun by the dual tyrannies of nazism and Russian communism. At this very moment we are told that the overriding question of our times is "War or Peace?" The civilized world is again faced with the demands of the dictator who has delivered an ultimatum—an ultimatum to the leader of the free world to either submit to his demands or face a hot war. All this comes within the short span of 20 years since the outbreak of World War II and but 14 years since the defeat of the Axis alliance.

There is an ominous parallel between the events of today and the events which preceded the outbreak of World War II. A review of these events, forgotten by most people and unknown to many others, can help us to understand better the crisis of our times and to judge the wisdom or lack thereof exercised by our national leaders in meeting this crisis.

In the early thirties of this century a prophet of tyranny arose in Germany, trumpeting loudly what he called a superior way of life, the wave of the future. He predicted that his distorted concepts of life would conquer the world and build an empire which would last a thousand years. A new elite class was nurtured by this dictator as he seized absolute control of the German nation and turned her industries into full scale production of the instruments of war. That dictator was Adolph Hitler and his theory of life and government was nazism.

Soon after he seized power in Germany, Hitler began a cold war against all his European neighbors. First there was the Ruhrland; he took that territory without opposition. Then came his threats against Czechoslovakia which led to the Munich Conference on September 29, 1938. Here it was that Neville Chamberlain, the British leader, conceded the right of Nazi Germany to tear away pieces of territory from Czechoslovakia. He returned to London after this appeasement of the tyrant to proclaim the empty promise of "peace in our times." This event followed the Austrian Anschluss wherein Hitler seized and occupied by force that free and independent nation. Then following this Hitler turned his attention to Poland, opening up a barrage of propaganda, provocations against the Poles and manufactured incidents to justify his intentions to conquer that brave and democratic stronghold of Western civilization. But here he found a people who could not be scared by the tyrant's threat, a people who would fight for their right to exist as a free nation.

Thus thwarted in his plan of world conquest, he turned to diplomacy as a tool of aggression. He found a ready and willing partner in Stalin, then the leader of the Russian Communists. The Russians had had designs on Poland for centuries; they were ever fearful that the highly cultivated Poles and their dedication to freedom and individual liberty would inoculate the masses of the Russian Empire with this same spirit. It was clear to Hitler that the Russians would share with him the common objective of destroying the Polish nation. Without such an agreement it would have been impossible for either of these tyrants to advance their imperial plans.

Consequently, on August 23, 1939, the Nazis and the Russians entered into a secret agreement, now generally called the Molotov-Ribbentrop Pact. Through this pact the Nazis and the Russians divided up Europe into spheres of control and military occupation. A secret protocol to this pact called for the partition of Poland and the ceding

of the Baltic States to the Soviet Union. Thus the Russians were a full party to upsetting the balance of power in Europe which up until then had prevented the outbreak of World War II. By this pact the Russians assumed equal responsibility and guilt with the Nazis for the outbreak of the war. Without such a pact there would likely have been no war because without the Russians as his partners in evil Hitler could not have conquered Poland.

When the Nazis launched their war of aggression against Poland on September 1, 1939, they had as their full partners the Russian Communists. History records the manner in which the Nazis invaded from the west and the Russians from the east to place heroic Poland and her people on the anvil of tyranny. Fighting on two fronts against overwhelming odds, it is little wonder that brave Poland fell victim to the Nazi-Russian plot.

It is significant to note that preceding the signing of the Molotov-Ribbentrop pact, the Russians and the Nazis were carrying on secret trade negotiations. These negotiations were started on July 22, 1939, and through them the groundwork was laid for the political discussions which led to the Molotov-Ribbentrop pact. Thus we learn a lesson on how the Russians use the tempting prospects of trade as a tool to their political objectives. In this there should be a special lesson for those American industrialists who are tempted by the siren songs of Mikoyan and Kozlov, made when they visited our country a few months ago.

It is the same Russian Communists who share the guilt with Hitler and his Nazi followers for starting World War II who today are issuing ultimatums to the leaders of the free world. Stalin is dead but his current successor, Khrushchev, as a leader of the Communist conspiracy, then, as now, is equally guilty. No amount of propaganda, no efforts to purify this international criminal can erase from him and the Communist movement the guilt which attaches to him and his followers for launching World War II. The hundreds of thousands of Gold Star Mothers who lost their sons in that war will not forget this undeniable fact of history. Nor will the many thousands of veterans of that war who were maimed or crippled fighting for freedom and justice forget this truism. Every American should remember that it was the Russian Communists, with Khrushchev as one of their leaders, who robbed us of peace with justice and freedom for all nations following the cessation of hostilities. No American of Polish origin will ever forget that it was the Russian despots who were guilty of the Katyn Forest massacre, the Moscow-provoked uprising of the Polish Home Army at Warsaw which exposed these Polish patriots to slaughter by the Nazis while the Red Army rested and watched with cynical amusement from the other side of the Vistula River. These are the thoughts which occupy our minds as we contemplate the strange request of Vice President NIXON that we treat this international criminal Khrushchev with consideration and respect during his unwelcome visit to our country this month. How far have we drifted from our great American ideals and moral values that we should be asked publicly to pay tribute to this individual whose hands drip with the blood of the martyrs in freedom's cause? Such a request reflects moral and political bankruptcy and exposes the desperation of weak-willed men who know not the free spirit and moral strength of their fellow Americans.

It is fair to ask what lies behind the official invitation to Khrushchev to visit our country. We have been told by the Vice President that such a visit would allow Khrushchev to gain an accurate estimate of our strength and remove from his mind misconceptions about our country. No one but the most naive accepts this as an answer to the sudden, strange, and secret moves which led up to the invitation. To suggest that Khrushchev is not fully informed about the United States is to flirt with disaster. With his vast network of spies and informers and the many Russians visiting our country, he has the facts. They were able to steal the atom bomb secret, an example of how much they know about us. In fact recent events indicate Khrushchev knows more about our country than NIXON.

There can be no doubt that the secret talks the Vice President had with Khrushchev while he was campaigning in Moscow played a major part in the decision to submit to Khrushchev's demands that he be accorded special tribute by our country. This may explain why the Vice President has refused to disclose what took place, what was decided during these secret talks. Many Members of Congress have called for a full public disclosure by the Vice President of his secret talks with Khrushchev. To date all the American people have been allowed to hear and see are skillfully arranged propaganda films on the Vice President's conducted tour. Our television networks have been flooded with these films since the arrival of the Vice President in Moscow. Until the Vice President makes a full, public disclosure of his talks and agreements with Khrushchev, the shadow of another Yalta will hang heavy over his future.

In the visit to the United States by the Russian leader Khrushchev, who I repeat is the same individual who has been issuing Hitler-like ultimatums to the free world, we can also see the prospects of another Munich. During the past 2 years Khrushchev has been engaged in a desperate effort to force the free world alliance to accept a status quo. That is, to recognize as permanent the Russian occupation of all the once free nations of central and eastern Europe, including Poland. He has hinted that this is the price he is asking for a settlement of the Russian-provoked Berlin crisis

How similar this is to the events which led up to the Munich Conference, the results of which encouraged Hitler to believe the democracies were weak and decadent, that they would not stand up for their rights. Recall that Hitler was wooing England and France at the same time he was making all-out preparations for war. When he made threatening speeches and demands about territories contiguous to Germany, the Munich Conference was arranged to find some means of coexistence with him. At that time some people were saying that it is better to talk than to fight. When Chamberlain led the forces of appeasement to and in that Conference he provided Hitler with the public proof he needed that his plans were unstoppable, that he represented the wave of the future. Hitler got what he wanted from that Conference. While Chamberlain was assuring the British people of "peace in our times," Hitler was winning more followers to his cause and breaking down the will of others to resist his terror and despotism. It was not long thereafter that he felt strong enough to launch World War II with his Russian allies.

In this connection allow me to point out that Khrushchev can gain recognition for his demands on a status quo by several methods. He can reach an agreement with the Washington administration which, while making no specific mention of status quo, will have the same overall effect. He can also win his point through default by President Eisenhower. That is, if the issue is not brought out publicly in the context of a sharp and full rejection by President Eisenhower during the time Khrushchev is here in our country. Failure by President Eisenhower to take overt and public action on this question will hand to Khrushchev the political victory he seeks through his visit to our country. This is a certainty in mid-20th century diplomacy, controlled as it is by mass media propaganda and manipulation.

For the President or a White House spokesman to claim that Khrushchev's visit is of a social character, or that no discussions will be held on the basic issue of freedom or slavery will do nothing more than increase the black clouds of suspicion which now hang heavy over this entire affair. The American people will not be deceived by such ivy league chatter. Our friends and allies in the world will be shaken in their confidence in our history policy of "open covenants openly arrived at." Our proven allies behind the Bolshoi and Bamboo curtains will, after our disgraceful behavior during the Hungarian freedom revolution, be plunged into another era of despair.

The Captive Nations Week resolution passed by Congress during July raised the morale of freedom's cause in every quarter of the world. On both sides of the Bolshoi and Bamboo curtains American prestige was raised to that respectable level which it enjoyed following the courageous action taken in Korea, during the Berlin blockade and the Greek-Turkey crisis. The leaders of the Russian Communist conspiracy, particularly Khrushchev, believed and screamed over this rededication by Congress of freedom's cause. Then, unwittingly, the President, Vice President NIXON, and Secretary of State Herter turned their backs on this victory for human freedom by inviting Khrushchev to visit our country. I know this was an unwitting action because I am sure President Eisenhower feels as strong about freedom and justice as we do. However, this action does point up the dangerous confusion which exists in the conduct of our foreign affairs and national security programs. It appears the policymakers in Washington have not yet identified the enemy or if they have they refuse to believe he is serious in his boasts that he will "bury us."

In this atmosphere of confusion which grips official Washington the grave danger exists that Khrushchev will make many serious miscalculations about the aspirations and intentions of the American people. With the hammer and sickle being flown alongside of the flag of freedom in Washington, with our President riding in a parade of welcome with the symbol of tyranny, with our police protecting this sly despot, with certain elements of Washington social life fawning over this leader of slavery—what prospects are there that he will leave our beloved country with other than the state of mind which Hitler gained at Munich? With the army of Russian propagandists who will accompany him; photographers, motion picture specialists, and closed-minded reporters—one can only imagine the manner in which Khrushchev's triumphant march in the land of the free will be communicated to the people of the world. His will be the journey of purification the cleansing of sins without repentence, the granting of respectability without a crumb of merit and—badly needed prestige to offset his most recent crimes in Tibet and Laos.

The picture of Neville Chamberlain, with umbrella in hand, calling our "Peace in our times" is one that free men will not soon forget. The terrible price mankind paid for that allusion, that escape from reality, rests heavy upon the hearts and minds of the common man throughout the world. Peace in our times can never be the peace, the dreadful and enforced peace, of human slavery. That is the challenge which confronts us as free people. This has been and remains the real issue involved in all our struggles with the Russian Communists. No visit of Khrushchev, no amount of wishful thinking and no amount of national television shell game can erase it from the anvil of decision.

We see the plight of Poland today with heavy hearts. The first victim of combined Nazi-Russian aggression, she remains the

victim of Russian occupation. Her people know the peace of slavery just as her people prepare for the day when Poland will regain her rightful place in the family of civilized nations. They remain true to freedom's cause, courageous in the face of tyranny and despotism, certain in the knowledge that justice shall govern the peace sought by all mankind.

Poland will be free—not by an act of Khrushchev and company, but despite them and those who are willing to kowtow to the tyrant.

UNION LABEL WEEK

The SPEAKER pro tempore (Mr. SANTANGELO). Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, regardless of the type of employment in which an individual is engaged—lawyer, engineer, office employee, factory worker—his standard of living depends upon the purchasing power of all working people. And this applies even if a person is in business for himself.

This week, September 7–13, the AFL–CIO is observing Union Label Week, as a dramatic reminder to all Americans that one of the most effective ways to help protect our living standards is to be certain that products purchased are union-made and that establishments we patronize offer union services.

This can easily be done by looking for the union label on all products the consumer buys, by patronizing business establishments which display the shop card or service button—the distinctive symbols of free trade unionism.

Union Label Week is a tribute to labor-management relations and an attestation of the benefits which all Americans, employers, employees, and the general public derive from dedication to high standards.

That is why this week is so significant. The lifeblood of America's economy is its production force—the working men and women of the Nation. Yesterday was their day. This is their week. It should be all America's. And, what more fitting a day to launch Union Label Week than Labor Day.

The event, I should point out, is a voluntary one. Governors and mayors of States and cities across the Nation have proclaimed September 7 through 13 as Union Label Week.

This year's observance has particular significance inasmuch as it falls on the 50th anniversary of the union label and service trades departmnet of the AFL–CIO.

In a letter to Joseph Lewis, secretary-treasurer of the department, George Meany, AFL–CIO president stated:

> It is with great pride that I salute the union label and service trades department on the observance of its 50th anniversary of service in the promotion of the union label, shop card, and service button and hereby preclaim Union Label Week to be observed from September 7 through 13.
>
> The union label and service trades department is performing a notable trade union function by calling to the attention of the general public the high quality of union label merchandise and the excellence of union service.
>
> The union label on a product means that it was made under decent working conditions by workers paid a good living wage. The union label is the hallmark of decency and democracy in the marketplace.
>
> Every trade unionist, by insisting on union label goods when buying from their merchants and informing their friends and neighbors of the value of buying union-made goods, are helping not only themselves but every union and every union member.

And the significance of the week was summed up extremely well and perceptively by William Schnitzler, secretary-treasurer of the AFL–CIO, when he stated:

> As a trade unionist I know that the union label, the shop card, and the service button are marks of pride that union workers have in the job they do in turning out the Nation's finest products.
>
> As a citizen—

Schnitzler continued—

> I recognize the economic and practical value of buying union-made goods and services because the union label tells me, as a consumer, that the products or service bears the stamp of approval of the people who know it best—the workers themselves. The union label tells all consumers at a glance that the product is made under decent working conditions by workers paid a good wage.

The occasion of Union Label Week is a golden opportunity for union members everywhere to publicize the tremendous purchasing power that is represented by the union-earned dollars of organized workers.

I am pleased to pay tribute to the concept of Union Label Week and the great body of men and women who have given it such significance. It is a week, the celebration of which can not only make union members proud, but all Americans who have worked together in the great effort to achieve a richer, fuller life in our beloved country.

THE CIVIL RIGHTS BILL

The SPEAKER pro tempore (Mr. SANTANGELO). Under previous order of the House, the gentleman from New York [Mr. LINDSAY] is recognized for 45 minutes.

Mr. LINDSAY. Mr. Speaker, I should like to speak for a little while on the subject of civil rights. There has been a great deal of speculation about the civil rights bill on which the Judiciary Committee, of which I am honored to be a member, has been working and which it has reported out. There is a great deal of asking as to why there is not a civil rights bill on the floor right now with adjournment only a matter of days away. There have been charges and countercharges made. I am not going to engage in speculation. I am going to make it unmistakably clear, however, that I for one want a civil rights bill. I want the bill that we in the Judiciary Committee sweated over this session for a long period of time and reported out. I not only want that bill, but I want some improvements to it, specifically, the addition of three matters which are not included in the bill but which should have been. I will have more to say about that in just a moment.

Even so, the bill as it stands, or rather sits in the Rules Committee, is a good bill and it is badly needed. The only thing I can categorically say on the subject of "Where Is Our Civil Rights Bill?" is that it reposes deep down in the Rules Committee which is controlled 2 to 1 by the majority side of this House. Say what you will, speculate all you want to, but the fact remains that there are eight Democratic votes on the Rules Committee as opposed to four Republican votes and today we have not got a bill.

Mr. Speaker, I for one am delighted that the distinguished chairman of the Judiciary Committee has seen fit to initiate discharge proceedings to get the bill out of the Rules Committee. The discharge petition is on the Speaker's desk and I hope and trust that it will be signed as soon as possible by every Member of Congress familiar with and interested in this subject.

This is not a subject that we can play politics with. It is one that requires determination and action. So let us take whatever step is necessary to give us a bill. Is this too much to ask?

Let us talk about the bill just a little bit. Mr. Speaker, this bill is a moderate, balanced approach to several of the most urgent civil rights problems. Title I makes it a misdemeanor, not a felony, to obstruct court orders. Title II will permit Federal authorities to assist in the apprehension of those who have wilfully bombed or destroyed by fire any building or other real or personal property or who flees to avoid testifying in criminal proceedings relating to such acts.

Introduced into the hearings was a chart of bombings and attempted bombings of recent years, which chart shows close to 100 such incidents in every area of the United States.

Title III is a necessary supplement to part 4 of the Civil Rights Act of 1957 which prohibits threats or intimidation designed to prevent persons from exercising their right to vote. The new proposal would implement Federal enforcement of this protection by requiring State election officials to retain for 2 years voting and registration records for all Federal elections and to make them available for examination by the Attorney General of the United States.

Title IV of the bill would extend the life of the Civil Rights Commission scheduled presently to expire this month until September 1961. The need for a full-time study and investigation of alleged denials of equal protection of the laws in every corner of the country has been demonstrated.

I approve of the strict impartial and reasonable approach of the Commission, which has conducted significant investigations in both North and South. Its services are still needed. On this date, Mr. Speaker, just today, the Commission issued its report, a copy of which I have here in the Chamber. I have not had an opportunity as yet to study the report except for a cursory examination of the findings and recommendations of the Commission in the field of voting, housing, and education. At this time I am compelled to comment on some of

the intemperate statements presently being made as to the work of the Commission. Realizing that men will certainly differ, as certainly they have a right to in their commentary on this report, it strikes me that we should allow ourselves full opportunity to study with more care the Commission's report before commenting so hastily.

I, for one, have awaited the completion of this document, and I intend to devote careful study to it. My preliminary examination leads me to the conclusion that it is fair and comprehensive, and I extend to the members of the Commission my congratulations for their diligence in discharging this difficult duty, which has been placed upon them by the Congress.

The Commission has been objective in getting all of the facts. The hearings, one of which was held in my own city of New York, did not function as a protagonist forum and their aim has been a dispassionate evaluation and appraisal of the facts, so that reason can be brought to bear.

In this framework I am pleased to note from my brief examination of the report that many of the views and findings of the Committee on the Judiciary of this House coincide with those of the Commissioners who have gone into these matters a good deal more thoroughly. This further motivates my desire to see the enactment of the civil rights bill.

One of the significant provisions of that bill is that extending the life of the Commission and it is, of course, immediately necessary. The Commission's examination of these problems must not be allowed to terminate with the job only half done. Furthermore, let every Member realize that the Commission has shown in this report that none of us from any section of the country is without sin on the subject of civil rights. And more importantly the requirement for the complete picture in this objective framework is necessary so that the Congress may provide all Americans with the equality of opportunity that our Constitution requires.

Mr. Speaker, perhaps the most important thing I could say in the brief time I have tonight is not so much what the civil rights bill that the Committee on the Judiciary reported out does, but rather what it does not do. I stated that the bill was good, as it stands, and that it is desirable and necessary and should be enacted. This is so. But there are three things that the bill does not do that I should like to bring to the attention of the House. The original bill reported out by the subcommittee contains three titles which did not survive the full committee's deliberation. In my opinion, the most important of these was title VIII, the so-called technical assistance program. This title represents a sensible, fair, and effective approach to the problems that may accompany the initial stages of school desegregation. It is a recognition of Government responsibility to share in the solution of such problems. The Secretary of Health, Education, and Welfare, Mr. Flemming, testified before the subcommittee and gave a very good description of what the program would do. It is somewhat technical, but suffice to say it is designed to help those States which have inaugurated desegregation programs to get by the difficult period of transition. Carrying out their duty to comply, of course, with the rulings of the Supreme Court and other Federal courts, these States and communities are required to make adjustments which may impose temporary, but yet serious, financial and education burdens on their existing school system. Under this technical assistance provision, which is not in the committee bill at the present time—and I may say parenthetically here that under the discharge petition, the committee bill would be subject to amendment—Federal grants would be available to pay half the costs borne by local educational agencies for providing additional nonteaching professional services, which may be required by them in handling their desegregation programs. This would include various things such as supervisory workers, administrative personnel, pupil placement officers, social workers, visiting teachers, and so forth.

One very important comment that I should like to make at this point, Mr. Speaker, is that these funds are on a matching basis, thereby embodying the fundamental principle that Federal grants should be on a matching basis wherever possible.

Secondly, grants would not be made available except at the request of the local community. In other words, if a local community, which is subject to a State plan of desegregation or a local plan would like Federal assistance, it may come forward and ask for it. I was not a Member of Congress during the debate on and passage of the 1957 Civil Rights Act. But I followed the discussions closely and I had been with the Department of Justice when the act was drafted in the Department of Justice. It was argued then, incorrectly, that the legislation was severe, that it was interference with a local matter, that it was punitive. Those same discussions have been repeated in connection with the present legislation. It is argued that this is the long arm of the Federal Government telling one-third of the country how they should comport themselves. But here is the answer to that: This is a moderate bill. Criminal provisions are deemphasized; civil provisions are emphasized; and here in title 8 we have proposed a helpful, constructive step. The Federal Government says "We share in this burden, and the entire country shares in this burden because the entire country naturally shares the unhappiness that is caused any time there is a denial of equal protection of the laws."

In the closing moments, I should just like to comment briefly on two other matters which are not contained in the committee bill: One is the so-called title 3 provision. This provision, Mr. Speaker, is one which will give the Attorney General of the United States the power to initiate civil injunctive proceedings against individuals depriving a person of the equal protection of the laws by reason of race, color, religion, or national origin, upon the Attorney General's receiving a complaint from such person so alleging and upon the Attorney General's certification that the person could not obtain legal protection by his own efforts.

In addition title 3 would authorize the Attorney General to seek injunctive relief against any person hindering Federal or State officials from according equal protection of the laws, or from carrying out court decrees, and upon complaint received, to seek injunction against individuals who, under color of State authority seek to deprive persons of rights guaranteed by the 14th amendment. This provision, Mr. Speaker, broadens out the safeguards which the Congress gave to every man and woman in the act of 1957 with respect to the right to vote. What the Congress felt called upon to say at that time was that no person shall be denied the right to vote because of race, color, or creed. What this proposal seeks to do is to broaden the civil injunctive remedy that was provided for that particular constitutional guarantee. It is illogical to say that you may have statutory powers in respect of one right but not in respect of others.

No particular constitutional guarantee stands in any higher status than any other. If it is important to guarantee the right to vote it is certainly important to guarantee every other constitutionally protected right.

Lastly, the committee bill did not include a very important provision which the Secretary of Labor felt very strongly about, and that is the so-called title VI. This also was included in this subcommittee bill as it was reported out by the subcommittee, and it would give legislative sanction to the President's Committee on Government Contracts. This Committee under executive sanction policies Government contracting practices to promote the elimination of discrimination in employment based on race, creed, color, or national origin in the performance of Government contracts.

Secretary Mitchell, the Secretary of Labor, said in the hearings:

> If a Commission of this type is to do its job fully and effectively, its basis in law should be clear and unequivocal. If the task of Government to advance equal job opportunities is worth doing, it is worth doing right, and it is worth doing with the full weight of Congress behind it. An agency of this kind should be strengthened with congressional approval (hearings, p. 322, Mar. 12, 1959).

I concur in that statement, Mr. Speaker.

Mr. Speaker, in closing, I should like to say that, if we do not have a civil rights bill in this 1st session of the 86th Congress, I, for one, will be deeply disappointed. I am fully prepared to stay here as long as necessary in order to complete our work on civil rights. I understand that under the rules of the House, assuming we are on the eve of adjournment, that even should we get the necessary number of signatures on the discharge petition it will be too late for the bill to come to the floor of the House by that procedure. I do not know. Should we not take action on this matter

now, it is important that it become the first order of business in January.

Again, I do not wish to speculate as to why we do not have a bill, what has happened to it, why it is buried in the Rules Committee, but I do say the majority of the House must face up to the fact that the Rules Committee is controlled on a 2-to-1 basis by the majority; and, if a civil rights bill of the kind I have been talking about is not brought to the floor of this House, then I think we will have to assess the responsibility accordingly.

Mr. TOLL. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to my good friend, the gentleman from Pennsylvania.

Mr. TOLL. I want to compliment the gentleman from New York for his fine analysis of the civil rights bill and on the fact he is urging the Members of the House to sign the discharge petition that is on the Speaker's desk.

I want to say that I am as unhappy as he is about the deletion of titles III, VI, and VIII. I had a bill myself on title VI. I hope that the gentleman's argument and presentation today in connection with the civil rights bill is persuasive to the point that members of his party will join others and sign the petition on the Speaker's desk.

I call the gentleman's attention to the fact that the Declaration of Independence, which was signed in 1776 starts out with a preamble that all men are created equal, that they are endowed, by their Creator, with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness.

In a similar way, amendment 14 of the Constitution provides:

> All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

I would say that the civil rights bill reaffirms the provisions of the Declaration of Independence and the provisions of amendment 4 to the Constitution. I hope that all Members of the House on both sides of the aisle will reaffirm their belief in these provisions of the Declaration of Independence and march up to the rostrum tomorrow and sign the petition to discharge the Rules Committee from further consideration of the rule.

Mr. LINDSAY. I thank the gentleman for his comment. His point is very much in order.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I would like to take this opportunity to associate myself with the remarks of my friend and distinguished colleague from New York [Mr. LINDSAY]. To my mind there is no more important challenge remaining for the Congress this year than the enactment of an effective civil rights bill. It would be nothing less than tragic if we allowed parliamentary tactics to thwart legislative action on this vital issue.

I have always been deeply convinced that we have a solemn obligation to those we represent, and, indeed, to the Nation as a whole, to protect and preserve our form of government and to ensure to every American that the dignity of the individual under a framework of law will be forever preserved and guaranteed.

Our Constitution is the lasting evidence of this conviction and we in Congress are entrusted to uphold and defend that Constitution—particularly the rights of all Americans, irrespective of color, race, religion, or national origin.

Continuous vigilance is essential if we are to uphold these principles, particularly in this day when we are faced with the supreme challenge from those forces in the world which are dedicated to the destruction of the human values in which we believe so deeply.

My own parents, who emigrated to these shores at the turn of the century in search of these very liberties, have instilled in me since my childhood a deep appreciation of such great human values. Therefore I cannot remain indifferent when qualified segments of our citizenry are denied the right to vote, or when under color of law citizens are deprived of equal opportunity to be educated to the full extent of their abilities, or to seek employment within their talents, or when American citizens are deprived of adequate and decent housing befitting simple human dignity.

Mr. Speaker, I want to draw particular attention to the additional views of my distinguished colleague the gentleman from New York [Mr. LINDSAY] and of the gentleman from New Jersey [Mr. CAHILL] in the report of the Judiciary Committee on H.R. 8601. They show that the problem is truly national in scope and that if the denial of equal protection of the laws occurs in one local community, the fiber of our national community is weakened. I join with Mr. LINDSAY and Mr. CAHILL in subscribing to the majority report on H.R. 8601, but with them I feel that title VIII, the so-called technical assistance provisions, which were excluded from the clean bill, should be approved by the Congress. We must show a proper spirit of understanding and cooperation with those communities in America which face serious problems of readjustment as a result of the Supreme Court's school desegregation decision.

It is because of my deep feeling in these matters that I signed the discharge petition to bring H.R. 8601 to the floor for debate and vote. Despite the fact that this is an extraordinary parliamentary method, one which should be used only in rare instances, I was convinced that legislation designed to protect the very foundations of this Nation should receive full and timely discussion here in open forum.

I believe that if we take full cognizance of our oaths to uphold the Constitution, the theme of which is "liberty with justice for all," then we cannot adjourn this session of Congress without approving adequate and fair legislation to meet the great proven need.

Mr. LINDSAY. I thank my good friend the gentleman from Massachusetts for his comments.

HYPROCRISY AND CIVIL RIGHTS

The SPEAKER pro tempore (Mr. SANTANGELO). Under previous order of the House, the gentleman from Pennsylvania [Mr. MOORHEAD] is recognized for 20 minutes.

Mr. MOORHEAD. Mr. Speaker, first I should like to commend my very good friend the gentleman from New York [Mr. LINDSAY] for his able support of the civil rights bill and the discharge petition.

I also wish to commend by colleague the gentleman from Pennsylvania [Mr. TOLL] and the gentleman from Massachusetts [Mr. CONTE] for their support of this legislation.

All of these gentlemen have by their actions in this session of Congress given great support to this type of legislation.

Contrary to my very good friend and colleague the gentleman from New York [Mr. LINDSAY] I would like to speculate a little bit on why we may not have civil rights legislation on the floor of the House during this session.

Mr. Speaker, a glaring hypocrisy marks the closing days of this session of Congress.

The hypocrisy is this: Those who clamored loudest for a so-called bill of rights for labor are trying to see to it that Congress adjourns without enacting legislation protecting the genuine Constitution-rooted civil rights of millions of Americans.

Responsible commentators charge there is an unholy alliance at work; that support for the administration's tough labor bill was purchased only in return for an agreement to block civil rights.

A document now on the Speaker's desk will prove whether or not this unholy alliance exists. The document I refer to is the Celler civil rights discharge petition. The signatures on this petition will give us a truer picture about this coalition or unholy alliance than any charges I might make.

Practical politics tells us that most Members from the South in either party will not sign this petition. Years of tradition and deeply imbedded patterns of social thought preclude this.

The American people, however, can and do realistically expect Members from the North and West of both parties to sign the petition. I predict a great majority of Democratic Members from these areas will sign it, but will this be true of Republican Members from the North and West?

It should be, for the petition proposes to bring before the House substantially the civil rights program supported by the administration. On many other occasions this year we have seen the solidarity which the Republican leadership can muster in this House and one wonders

whether this same leadership and solidarity will be exerted on behalf of civil rights.

If a majority of Republicans from the North and West do not sign the petition the American people will be entitled to draw one of two conclusions—either, first, the Republican Party, despite protestations to the contrary, is really opposed to civil rights legislation, or second, the Republican Party, in a shabby deal, has bargained away any effective support it might otherwise have given civil rights this year as part of the price of obtaining support for the administration's tough labor bill.

If the latter is true, the coalition will have been effective, but at a dreadful price.

Who will pay this price?

Primarily it will be the millions of Negroes in America, the very people we are supposed to be trying to help.

The Negro will pay it as he continues to be denied the opportunity for an adequate education. He will pay it again as he continues to be denied his right to vote and, along with millions of Americans in other minority groups, he will pay it through continued discrimination in employment based upon race, creed, and national origin.

Another group who will pay the price for the coalition's handiwork will be those Americans who have seen the synagogues and temples of their faith bombed in senseless acts of violence which Federal authorities cannot now prosecute or prevent as efficiently as would be the case were a strong antibombing law now on the statute books.

No new purpose would be accomplished here by listing these bombings or recalling the dishonor roll of the places where mob violence has closed schools. These events are already inscribed indelibly upon the conscience of America and in the minds of other people whom we must face daily in the conduct of world affairs.

These things have created a false impression of America for, in reality, our national history, despite occasional regressions, has been one of progress toward wider enjoyment by more and more of our citizens of those civil rights without which there can be no real life of freedom.

The 1954 Supreme Court decision outlawing segregation in public schools was an important step in this direction, as was the enactment of the act of 1957 which created the Civil Rights Commission.

Both the decision and the creation of the Commission bespoke a principle. They put us as a nation on record as fostering real civil rights for many millions of Americans who do not now enjoy them as fully as they must.

Now we must take another step. We must enact a broad law giving substance to civil rights.

We have such a bill if we will pass it. I refer to H.R. 3147 as amended by a judiciary subcommittee after extensive hearings. The bill's nine titles combine to give us a balanced, moderate approach to our most urgent problem in the civil rights field.

Briefly, these titles covered obstruction of court orders in school desegregation cases; flight to avoid prosecution for destruction of educational or religious structures; authorization to the Attorney General to institute civil proceedings to protect the right to equal protection of the law; preservation of Federal election records; extension of the Civil Rights Commission for 2 years; creation of a commission on equal job opportunity on projects under Government contracts; provision for the education of children of members of the Armed Forces; provision for grants to assist States and local educational agencies to effect desegregation; and a general separability clause.

The full committee, in approving a clean bill, H.R. 8601, deleted three of these titles: the one authorizing the Attorney General to institute civil proceedings to protect civil rights; the one creating a commission on equal job opportunity on Government contracts, and the one providing grants to assist State and local educational agencies to effect integration.

This is the bill bottled up in the Rules Committee and the one a majority of the Members of this House should insist be brought upon the floor.

Once on the floor, the bill should be amended to restore authority for the Attorney General to institute civil proceedings on behalf of individuals being denied their civil rights and the provision creating a commission on equal job opportunity.

Enact a law containing these seven substantive points and Congress will have made a major contribution in the civil rights field.

Title I of H.R. 8601 would make it a Federal offense to willfully use force or threat of force to obstruct or impede court orders for school desegregation purposes.

In the opinion of the Justice Department there is doubt as to whether existing authority of Federal courts is sufficient to impose effective sanctions against members of a mob. The objective of this proposal is to remove that doubt.

Title II makes it a felony to move in interstate or foreign commerce to avoid prosecution for the destruction of educational and religious structures. Upon conviction for such destructive acts, this provision would make it a crime to cross State lines in a flight to avoid confinement. Flight to avoid testifying in such cases would also be punishable under this provision.

A bombing is one of the most difficult crimes to investigate. Most often the instrument of the crime, the bomb, destroys many of the clues. Here is an area of crime requiring highly skilled scientific detection.

The antibombing provision proposed in this section would make it easier for the Federal Bureau of Investigation to step quickly into such cases, thus bringing to bear the most skilled crime detection personnel at our command.

Title III of H.R. 8601 will require the preservation for 2 years of records in elections for Federal offices. Such preservation is vital if we are to provide more effective protection of the right of all qualified citizens to vote.

Title IV would extend the Civil Rights Commission for 2 more years. Unless this is done, the Commission's statutory life will expire.

Title V, providing for education of children of members of the Armed Forces, recognized the serious responsibility of the Federal Government for the education of children of military personnel.

These men and their families have no real choice of schools for their children. They must move their families from base to base, depending upon military requirements.

For example, the closing of the public schools in Norfolk, Va., involved 2,500 school-age children whose parents were on active military duty in the area. Of this 2,500, only 250 lived on military bases. These were the only ones for whom the Federal Government could have provided schooling had the schools remained closed.

The committee-approved bill would deal with this problem by empowering the U.S. Commissioner of Education to make arrangements for the education of children of members of the Armed Forces on active duty, whether or not residing on military bases, when the schools which usually provide public education are made unavailable to these children through closing by the State or local government.

I referred a few moments ago to H.R. 3147, the bill approved by this Civil Rights Subcommittee. Among the provisions deleted from this measure was its widely publicized title III which would have authorized the Attorney General to institute injunctive proceeding on behalf of individuals who have been denied civil rights.

This provision is, perhaps, the most important step we can take now in the civil rights field and should be restored to H.R. 8601 if we are successful in bringing the latter to the floor with a discharge petition.

This is important because the people most frequently victimized by denial of civil rights are the people least able to pursue their own legal remedies.

These are the people who live in fear and coercion. They most often lack the resources to go to court themselves and have nowhere to turn if not to the protection of the Federal Government.

Another section deleted from the bill and which should be restored is the one creating a commission for equal job opportunities in work covered by Government contracts.

More than civil rights are involved here because discrimination in employment on the basis of race, creed, and national origin hurts not only the individual jobseeker. Such discrimination prevents full and effective use of our national work force and, in so doing, injures the entire economy.

These seven substantive points will give us a balanced civil rights program.

I urge my colleagues to sign the discharge petition so H.R. 8061 can be brought to the floor and there, after inclusion of the two provisions I have just

mentioned, passed to give us a meaningful civil rights bill.

What Congress does on civil rights at this time will tell the world whether civil rights are to fall victim to cynical government-by-coalition, or whether we can act on civil rights with statesmanship.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from New York.

Mr. LINDSAY. I have listened with a great deal of interest to my very good friend from Pennsylvania, for whom I have the utmost respect as well as friendship. It is a fact, is it not, that there are two Democrats for every Republican in the House of Representatives? It is a matter of simple mathematics. If the Democrats want a civil rights bill, all they have to do is to snap their fingers and get it out; is that not true?

Mr. MOORHEAD. No, that is not true. I beg to differ with the gentleman. We all recognize that in the South of this country there is prejudice against civil rights. I believe that to get a bill out we must have a majority of the Members from outside of the South. I do not believe that any Republican Member from the South or any Democratic Member from the South would sign this petition. We must rely on Members from other parts of the country from both sides of the aisle. I hope that a majority of the Members on your side of the aisle will sign the petition.

Mr. LINDSAY. That is very interesting, because I am always puzzled by the double standard that seems to be used on the Democratic side of the aisle. We are Republicans over here, and we own up to our deficiencies as well as take credit for the things we do well. But on the Democratic side of the aisle it seems that all of a sudden the Democrats are disowning a chunk of their own party. I do not see how it is possible for a marriage, such as you obviously have over on your side of the aisle, to be a faithful marriage if occasionally one party to the marriage is going to be unfaithful to the other. What I am saying is that you may not have the best of everything at all times and you cannot be one happy family under the label Democratic Party for all things and then all of a sudden take a powder when it comes to responsibility for this subject.

Mr. TOLL. Mr. Speaker, will the gentleman yield to me to answer that question?

Mr. MOORHEAD. I yield to the gentleman from Pennsylvania.

Mr. TOLL. Mr. Speaker, I happen to be a member of the Committee on the Judiciary and a member of the subcommittee that considered the civil rights bill. My learned and distinguished friend from New York was present at the committee meeting when the civil rights bill was voted upon. I am quite sure that he saw who voted for it and who voted against it. I would like to inquire whether it is not true that members of his party not only from the South but from the North ignored the request of the President of the United States who stood here on the rostrum and submitted his recommendations for the bill which was introduced by Mr. McCULLOCH from the minority side, containing specifically the recommendations of the President. They, in their own judgment, ignored his recommendations, their party leader. I want to know whether that constitutes solidarity and unanimity and such consolidation of effort that it can be distinguished from that to which he has pointed on the Democratic side.

Mr. MOORHEAD. Mr. Speaker, I yield to the gentleman from New York to answer that question.

Mr. LINDSAY. I should be glad to. In the Judiciary Committee there were members from the North, Democratic and Republican, who voted against some measures, and for other measures. My distinguished colleague knows perfectly well who they are. All I am saying is that there are two Democrats for every Republican on that committee and if the Democrats wanted to get a bill out that included all of the administration's recommendations, all they needed to do was to vote "aye."

Mr. TOLL. Mr. Speaker, will the gentleman yield so I may ask just one more question?

Mr. MOORHEAD. I yield.

Mr. TOLL. Can the gentleman from New York, who represents the minority side, indicate the great support of the minority side for the President whose bill was reported out of the committee by marching up to the aisle tomorrow and getting signatures on the petition to discharge of at least half of his Members?

Mr. LINDSAY. We shall see what signatures are on the discharge petition. I firmly expect that there will be an overwhelming number of Members from both sides of the aisle. I, of course, will assume that there will be two Democrats for every Republican who will sign that discharge petition. There have to be. There are two gentlemen on that side for every one on this side.

Mr. MOORHEAD. Mr. Speaker, I would like to suggest to the gentleman from New York that in making my predictions I am also predicting that those Members from his side of the aisle who come from the South will not sign this petition. This is a regional problem. My remarks were partly political, I will concede, and were designed to help you possibly in goading a few more Members on your side, and I hope some more Members on my side, to sign the petition. I think the objective of all three of us who have carried on this colloquy is primarily to do everything we can to get this discharge petition signed so that as soon as possible, this session we hope, and if not, as early as possible in the next session, we will have civil rights legislation to work on.

Mr. LINDSAY. Hear! Hear!

MUTUAL COOPERATION AMONG NATIONS OF THE WORLD

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, the total challenge of the present demands of the United States and of the free world a complete and total response. If mankind is to shed the enervating scourges of poverty, ignorance and disease which have exacted their toll socially, economically and politically for so many ages, every resource at its command must be employed unreservedly and unstintingly. In a world drawn inexorably together by technology at an ever-increasing pace, common effort and cooperation are the only sensible responses to universal problems.

Pooled knowledge, skill, and resources offer incalculable benefits. Not only can a vastly enlarged program of assault against the ancient enemies of mankind be framed, but in the process lies the best chance for the growth of increased understanding, mutual respect, and a sharing of values among the peoples of the world the irrefragable rudiments of a just and lasting peace.

Mr. Speaker, since May, a bill designed to stimulate and advance mutual cooperation among the nations of the world has been languishing before the Interstate and Foreign Commerce Committee. Senate Joint Resolution 41, the world health bill, has yet to be considered by the full committee. In these closing days of the 1st session of the 86th Congress there is still time for reporting this bill to the floor of the House so that the Members may have an opportunity to act on it and send it to the President for signature. If, unfortunately, the committee does not act, I sincerely trust and fervently hope that the issue will to keep alive during the recess period of the House, and that the full committee will make this bill the first order of business when Congress reconvenes in January.

Surely the world of medicine has never recognized national boundaries nor petty rivalries. It is a force which throughout history has bound men together—where a victory by one nation constitutes a triumph for mankind. Are we, through inaction, to suffer another missed opportunity to forge a fundamental component of peace? Must this crucial era witness another "lost chance" because of our insufficient vision and concern?

Senate Joint Resolution 41 has the full support of many of our leading citizens—General Bradley; Dr. Detlev Bronk, president of the Rockefeller Institute for Medical Research and president of the National Academy of Sciences; and Dr. Howard Rusk, chairman, department of physical medicine and rehabilitation, New York University Bellvue Medical Center.

It is designed to bring together the skills and resources of the health experts of this country and the knowledge and capabilities of experts of other nations in a world attack on the unsolved problems of disease and disability which know no national boundaries.

It would create a National Institute for International Health and Medical Research to be organized within the existing National Institutes of Health. It authorizes the Surgeon General of the U.S. Public Health Service, under the general supervision and direction of the

Secretary of Health, Education, and Welfare, to encourage, support, and cooperate in the planning and conduct of research, experiments, and studies relating to the causes, diagnoses, treatment, control, and prevention of physical and mental diseases and impairments of man. Such research, studies, and experiments may be carried on in the United States or in foreign nations. It also authorizes the encouragement and support by the Surgeon General of the international exchange of knowledge in these vital fields.

The bill, in essence, offers a positive program for the furthering of man's knowledge in the cause of health and the betterment of all mankind.

For such a purpose, its authorization of $50 million annually is exceedingly modest indeed.

With its provisions for exchange of knowledge and techniques, for aid to hospitals, universities, and laboratories which further its objectives, and, provisions for loaning equipment, improving facilities and cooperating with world health groups, it offers a medium for cooperation among all nations, including the U.S.S.R. and other Communist countries.

Should these nations refuse to share in the effort, it would only demonstrate their callous disregard for human welfare. But, the way would be open to them, and the means available for joining in a program for the benefit of all peoples.

The cause of peace demands total employment of every possible resource. This bill can provide us with an opportunity to construct a fabric of mutual cooperation leading to greater understanding among nations.

As one of the sponsors of the resolution in the House, I strongly urge that the bill be reported out. If it is deemed wise to amend it, such can be done. The vital thing is to secure its enactment. On this theme, under unanimous consent, I insert in the RECORD at this point in my remarks an editorial from the New York Times of August 23, advocating action on the bill this session:

THE HEALTH FOR PEACE BILL

Some of the arguments now advanced against bringing out of the House committee, where it has stayed since May, the health-for-peace bill do not ring entirely true. It is now urged in some quarters that there may be administration opposition unless the basis for the control of funds to set up an international medical research institute is modified. And if there is administration opposition, it is argued, there will be a formidable body of adverse votes if and when the measure ever comes to the floor of the House.

Presumably the form in which the measure passed the Senate by an overwhelming vote is acceptable to the House. But those in control of the measure now, although they say they favor it, are fearful of a presumptive administration attitude that would hurt its chances. Therefore, it may be deemed more expedient to do nothing.

There is one way to find out. Report out the measure, now, favorably. Put it to a vote. Adopt it, and then see what the administration attitude is. No one has had the temerity to suggest that a veto is even a remote possibility, since the measure stemmed from President Eisenhower's own recommendations. If the administration wishes to suggest some amendments at a later date they can be debated in due course, and if they are found desirable they can be adopted.

The important thing now is to avoid killing a vital measure by the simple technique of inaction. That need not be done, and the risk of it is far greater than that of any administration disapproval of details.

The world health bill, Mr. Speaker, can be a potent instrument of peace and good will.

WE MUST PRESERVE OUR HISTORICAL SITES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. CURTIN] is recognized for 10 minutes.

Mr. CURTIN. Mr. Speaker, we all recognize the desirability and the need for the extending of our highway system to serve better the requirements of a rapidly growing nation. Especially is this a compelling consideration in this era of continually increasing travel by motor. Creation of new transportation routes and expansion of existing roadways is essential to the defense, the commerce, the convenience and the productive strength of America.

Unfortunately, however, there have been a number of regrettable incidents where Federal highway building has tended to fail to take into proper account the importance of protecting intrinsic historical values. Several such instances have occurred in the Eighth Pennsylvania District which I have the honor and privilege to represent.

Bucks County and Lehigh County, which together comprise this district, have a common heritage. Both are rich in history. I shall not take the time of my colleagues to point out that the Nation was born on Pennsylvania soil and preserved there, and that the Bucks-Lehigh area includes some of America's best known, best loved landmarks. It was Rudyard Kipling, in his tribute to the Keystone State, who wrote, "The things that truly last when men and times have passed, they're all in Pennsylvania this morning."

Let us be agreed that the preservation of these historic spots which are a treasured part of our American scene is in keeping with a rising awareness of the essential urgency of holding intact for future generations these enduring reminders of events that shaped the course of our Nation's growth.

We are dealing not with a stodgy preoccupation with history, nor an obscure exercise in a pointless remembrance of things past. Rather, we are acknowledging the vibrant truth that to this soil were brought ideals of universal suffrage and religious toleration that took root in the American Colonies and which today distinguish the United States in the eyes of the world.

Certain it is that history and progress are in no way incompatible. Actually, the two have a proper affinity. Thomas Jefferson said, "History, by apprising men of the past, will enable them to judge of the future." James A. Garfield pointed out that "History is but the unscrolled scroll of prophecy." An ancient Greek penned that "History is philosophy learned by example."

Mr. Speaker, millions of Americans share a common feeling of reverence for history that transcends boundaries or geographical areas. I have cited my own District in Pennsylvania merely as an example. There are many other such areas in every part of our Nation which have their own unique and distinctive claim to history acquired over the years. I believe that the people of America have a mutual philosophy that history is indeed the witness of the times, the light of truth. Its use is to give practical value to the present hour—especially in these days when our American way of life is contesting with Communistic dogmas all over the world.

For these reasons, I have introduced a bill—H.R. 3459—which would amend the act of August 21, 1935, to provide for a determination of whether certain sites, buildings, or other objects are of national historical significance, and to prohibit the use of Federal funds for highway purposes which damage or destroy national historical sites, buildings or other objects.

The measure which I have proposed would require the Secretary of the Interior, on receipt of a petition, or petitions, from what he determines to be a sufficient number of interested persons of the affected area, to determine whether a proposed highway project will seriously damage a historical site, building or object of national significance. The Secretary's investigative scope would be confined, it should be emphasized, to projects proposed by a State or political subdivision of a State which is to be financed in whole or in part with Federal funds. The Secretary of the Interior would be permitted to conduct an investigation that would include, but not be limited to, holding public hearings at convenient locations, or affording the opportunity for such hearings. All this would be done in cooperation with local interests.

This phrase, "in cooperation with local interests," is an integral, meaningful part of the bill. It is intended to give recognition to the rights of local citizens. It is designed to prevent the overriding of the prerogatives of local people. One of the ever-present dangers of any massive program, be it highway building or anything else, is the possibility that authority to condemn property in the so-called public interest may be misused or subverted by thoughtless enforcement of power.

H.R. 3459 specifies that whenever the Secretary of the Interior determines that a site, building, or object is of national historical significance, he shall "forthwith" determine whether or not the proposed highway project will seriously damage or destroy such a site. If he comes to the conclusion that such damage would result, he notifies the Secretary of Commerce of his determination. The Secretary of Commerce, once notified to this effect, would not approve the expenditure of Federal funds for such a project. If the project prior to such notification had been so approved, no further expenditure of Federal funds

would be made after the notification date. This latter stipulation is provided for in section 2 of my bill by amending chapter 3 of title 23 of the United States Code.

Mr. Speaker, there can hardly be any taking issue with the significance of protecting America's historical shrines. While the record shows a minimum of incidents where highway construction financed in whole or part with Federal funds has threatened damage or destruction of historical spots, there have been enough such incidents to underscore the wisdom of and the need for this Congress to enact legislation to prevent such occurrences in the future. The real remedy that this bill aims to achieve will be found in its provision for spelling out specific procedures by which local citizens alarmed and disturbed by a threat to history's honored shrines would be allowed to petition for a hearing and an investigation of their reasons for taking such a view. With this, there can be no quarrel, surely. This is not to say that such protests will always be determined to be valid and just. Interpretations of history's values and meanings are assuredly varied. But this bill would guarantee the right of local people to be heard in defense of what they sincerely believe to be a peril to a site, building or other object of national significance. And that is what we are here primarily concerned with.

Mr. Speaker, the approval of this legislation would, I am sure, be welcomed by every local, regional, State and national historical group in the country, and by all people who have a profound respect for the earnest dignity of history.

LAOS, A TIME FOR REEVALUATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. WOLF] is recognized for 10 minutes.

Mr. WOLF. Mr. Speaker, I wish to commend to the attention of the Congress the remarks of Senator MANSFIELD which appear on page 18306 of the CONGRESSIONAL RECORD. His remarks are a factual, dispassionate analysis of the current problem facing the world in Laos. Senator MANSFIELD points out, and I certainly agree that military involvement in the Lao area should be as a last resort, not as an immediate reaction.

The current Lao problem raises certain questions in the minds of those who are familiar with our southeast Asia policy. For example, Senator MANSFIELD asks what "effect the vast increase in American officials in Laos from a total of two State Department people in 1953 when I first visited the country to the hundreds at the present time, representing numerous executive agencies—what effect this sprawling growth has had on the development of our policies, our relations and our deepening involvement with that country." Indeed, it would be very sad if the United States, because of bad administration and communication between the various branches of our Government, the Central Intelligence Agency, ICA, the State Department have acted as a catalyst for crisis in this area. It is about time that the administration reaffirmed the long standing historical fact that the Department of State should make foreign policy for the United States, not the various subsidiary or auxiliary agencies which have a much too important hand in the way our foreign policy is conducted.

Senator MANSFIELD raised two other questions which are food for thought regarding the Lao crisis. It should be remembered that in 1955, under the Geneva accords on Indochina a truce was arranged between the rebels who held the northern provinces of Sam Neua and Phong Saly and the Royal Lao Government. The truce was kept for 3 years by the presence of a peace team which included Poland, India, and Canada. At the insistence of the Royal Lao Government the peace team was withdrawn after an accord was reached between the Lao Government and the rebel leaders. Mr. MANSFIELD raises the question as to whether the peace team should have been withdrawn before there was an actual stable, peaceful, and politically sound situation in Laos.

The final question raised by Senator MANSFIELD concerns foreign aid to this area. A short while ago we heard statements by the administration that the hundreds of millions of dollars that we are spending in Laos has had the effect of keeping stability in and communism out. This, we find today, is not the case.

I firmly believe that now is the time to reevaluate two basic situations which bear on each other. We must change our foreign policy administration so that there is no more overlapping, undercutting, and contradictory decisions made by a host of different departments of our executive operating at cross purposes.

We must reconstruct our Far Eastern policy so that our efforts, the billions we have spent and the freedom of millions of Asians will not be sacrificed by haphazard policies and bumbling administration.

We must ask ourselves whether the policies we are pursuing in this area are for the good of the area or for what a certain few conceive of as being our interest in that area.

The present difficulty in Laos offers the United States an important chance to make our position quite clear; we will not tolerate aggression, but we will see that international agreements such as the Geneva accord are assiduously carried out. I am hopeful that the U.S. delegation to the United Nations will be instructed to take this position.

THE KHRUSHCHEV VISIT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. GALLAGHER] is recognized for 5 minutes.

Mr. GALLAGHER. Mr. Speaker, the decision by the President of the United States to invite the Premier of the Soviet Union, Mr. Khrushchev, to visit this country was reached, I am certain, after long and careful deliberation.

Evidence of increasing hostility to Mr. Khrushchev's being received in this country, as a distinguished guest, and accorded all the honors of a visiting head of state, and the possibility that there may be outward demonstrations of this hostility, is a matter of grave concern to the Government. Violent demonstrations could undo all that the President hopes to achieve for peace by his face-to-face talks with the Soviet Premier.

Many of us have grave reservations as to the wisdom of inviting Mr. Khrushchev to the United States, but the President has made his decision, in an honest endeavor to do everything possible to bring about a just peace and to lessen the possibility of war. The decision having been made, we must support him in his action.

There is need to recognize that Mr. Khrushchev represents many things which we, as Americans, hate and despise. He is the leader of evil forces that are ruthless and unmerciful in stamping out freedom. Forces that have enslaved nations and sent millions to tortured deaths. Despite a tendency to improved relations with the Soviet, we should be mindful that there is no change in the Communist philosophy nor has the Communist objective of world domination been in the least altered.

For those who have felt the whiplash of Communist tyranny, we will grieve as we watch Mr. Khrushchev's welcome. Our memory shall be tortured by the thoughts of the freedom-loving people living under the Communist yoke in captive nations.

The invitation to the Soviet Premier to come to America involves grave diplomatic risks of which, I am sure, the President is well aware.

The Communist dictator riding with President Eisenhower down Pennsylvania Avenue in an open car, waving to the thousands who will line the streets, and with the Soviet and American flags flying side by side in the background will make the greatest single propaganda picture in history. There is no estimating, in terms of Madison Avenue, the dollar value of this one picture as it will be used by the Communist propagandists throughout the world. It is disconcerting to realize the effect of such a picture as it will be displayed in the captive countries and in those countries where the fight against communism is very real and very hot.

We must realize that the story of Mr. Khrushchev's visit and the manner of his reception will be reported in his country and in the captive nations in a controlled press, and, without doubt, the polite reception by the American public will be reported in the papers of those countries as "America's howling and enthusiastic welcome for the Soviet Premier."

Mr. Khrushchev is interested not in peace, unless it be peace on his terms; he is interested in propaganda and this he shall reap in abundance, and we shall unfortunately and regrettably help him accomplish this.

The President is fully aware of all these implications; he has weighed the risks involved and has elected to receive Mr. Khrushchev. Our duty is to support him in this decision, no matter what our

personal feelings. The conduct and responsibility in the field of foreign affairs rests with him. This is not the time for political dissension for the decision once made becomes the policy of the United States. In the contest with international communism, we must support our Government. This alone is the issue—regardless how inviting the prospects for demogogic dissent.

Our conduct during the visit of the Soviet Premier might be guided by these facts:

That personally the President himself may find his duty in this instance distasteful and, indeed, he risks humiliation during unpredictable Mr. Khrushchev's stay here or when Mr. Eisenhower visits Russia.

That Mr. Khrushchev is being welcomed here not as a friend or wartime comrade, but merely as the formal representative of a foreign state.

That being host to a representative of a foreign government, with which we maintain diplomatic relations, requires that certain protocol be observed, this should not be interpreted as anything more than standing on ceremony.

The suggestion that I would like to make is that Mr. Khrushchev be received with polite restraint and that any display of hostility be discouraged. In this regard we might take a lesson from the citizens of Poland, a captive land, who received Mr. Khrushchev on a recent visit in just this manner. Theirs was an example we might best follow—to welcome the Communist leader with a polite lack of enthusiasm.

H.R. 8627, A BILL TO AMEND THE FEDERAL RESERVE ACT TO PROVIDE FOR THE RETIREMENT OF FEDERAL RESERVE BANK STOCK AND THE SUBSTITUTION OF INTEREST-BEARING DEPOSITS IN LIEU THEREOF

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. MULTER] is recognized for 10 minutes.

Mr. MULTER. Mr. Speaker, my bill, H.R. 8627, a bill to amend the Federal Reserve Act to provide for the retirement of Federal Reserve bank stock and the substitution of interest-bearing deposits in lieu thereof, is intended to clarify the status of Federal Reserve System member banks.

Every national bank must be a member of the Federal Reserve System. State banks may or may not be members, as they choose. Even after they join, they are always free to withdraw. The stock ownership feature of the Federal Reserve System has been the subject of much discussion, speculation, and misinterpretation over a period of years.

Upon becoming members of the System, banks subscribe for the capital stock of the Federal Reserve bank in their district in an amount equal to 6 percent of their capital and surplus. One-half of this subscribed amount must be paid in and the remainder is subject to call. This investment in stock varies with the amount of capital and surplus of each member bank. Only one-half of the 6-percent subscription has ever been paid into the Federal Reserve banks.

The balance of 3 percent of the funds subscribed are not needed by the System, because up to now, these capital stock funds have not been used by the System in its operations. At the end of 1956, about one-third of $1 billion representing such stock, were on deposit with all Federal Reserve banks, while the total resources of the System ran into the tens of billions of dollars.

The relationship of Federal Reserve bank stockholders to the Federal Reserve System is quite different from that of any stock company or bank. It is indeed not stock, even though so-called and even though it yields to the member banks a 6-percent annual "dividend."

The owners of the stock have no claim on the earnings of the bank beyond that annual payment.

The money paid in by member banks to the Federal Reserve is not used in any operation of the System—that is, it is not invested in Government bonds or securities. The creation of credit by the Federal Reserve banks is limited by gold reserve requirements and is entirely independent of the capital of the banks. The paid-in stock funds are completely idle. They were not intended to and do not serve the purpose of capital. So eminent an authority as the late Dr. Emanuel Goldenweiser, Director of Research and Statistics for the Federal Reserve Board 1919–46, stated in 1952 that he regarded the stock of the Federal Reserve banks as an appendix, useless and unnecessary, which might very well be removed in any revision of the banking system. Further, he called the technical fact that the Federal Reserve banks are owned by the member banks "a piece of atavistic remnant of the philosophy of the Federal Reserve Act when it was enacted."

The members of the Federal Reserve Board have repeatedly reasserted the fact before congressional committees and elsewhere that the U.S. Government owns the Federal Reserve banks, that the commercial bank members of the Federal Reserve System do not own them, have no proprietary interest therein, and that the use of the word "stock" is a misnomer. H.R. 8627, which I introduced on August 11, would amend the Federal Reserve Act to provide for the retirement of Federal Reserve bank stock and the substitution of interest-bearing deposits in lieu thereof.

It is my conviction that this bill recognizes the basic relationship which in actual fact exists between the member banks and the Federal Reserve System.

Stockholding implies proprietary interest in an organization, and in no practical or technical sense may it be asserted that the commercial banks of this country which are members of the Federal Reserve System possess a proprietary interest in that System. They do not control the policies of the Federal Reserve banks.

The stock held by member banks has none of the attributes, rights or privileges of capital stock.

The banks holding the stock cannot sell it, vote it or hypothecate it. Upon joining the System they must make the required deposit and upon leaving the System that sum must be returned and their stock certificate is canceled.

Banks desiring in the future to become members of the Federal Reserve System would, in accordance with the provisions of this bill, obtain a certificate of membership in the System, rather than subscribing and paying for stock. When a member bank voluntarily liquidates or leaves the System, following passage of this legislation, it would have its membership in the System extinguished and the certificate of membership canceled.

Under the provisions of this bill, every member bank will maintain on deposit with the Federal Reserve bank of its district a sum equal to 3 percent of its paid-up capital stock and surplus, and may, when such action is deemed necessary by the Board of Governors, be required to deposit an additional sum not exceeding 3 percent of its paid-up capital and surplus. Any bank which is issued a certificate of membership will maintain on deposit with the Federal Reserve bank of its district an amount equal to six-tenths of 1 percent of its total deposit liabilities, subject to semiannual adjustment on the same percentage basis, and in accordance with the rules and regulations prescribed by the Board of Governors of the System.

The changeover from member bank stockholding to deposits would be achieved under this bill by canceling and retiring currently held stock and paying or crediting the former owner the par value of such stock, plus interest at the rate of one-half of 1 percent per month from the date of the last dividend. Each former holder of stock would be issued a certificate of membership in a Federal Reserve bank and in the Federal Reserve System. Member banks would thereby become depositors, which in point of fact they have been and are, rather than stockholders, which they have been in terminology only. As depositors they will receive interest on their deposits rather than an annual dividend as stockholders.

The interest-saving aspect of the bill should be noted. The new interest rate paid member bank depositors would be the lowest current discount rate charged by the Federal Reserve Bank at which the deposit is made, plus one-half of 1 percent. The present dividend rate is 6 percent. As of June 30, 1959, the countrywide prevailing rate in all Federal Reserve districts was 3½ percent, thus making the current interest rate which would apply to these deposits, 4 percent under this bill's provisions.

Attacks have been made against the stock ownership arrangement by the assertion that a privately owned banking system is issuing money in defiance of the clear declaration of the Constitution that only the Congress is endowed with such a privilege. This attack is made in connection with the issue of Federal Reserve notes.

All Federal Reserve notes issued in connection with monetary operations are obligations of the U.S. Government, and are not drawn on any funds derived from member bank sources. This accusation can be based on nothing in fact

except the titular stockholding in the System by member banks.

No member banks' capital stock paid into the System are used in any financial operations of the System. Nor do the Reserve banks act as agencies for the investment of member bank funds.

Many political implications have been drawn in the past from the tenuous connection between member bank "stockholding" and "ownership" of the Federal Reserve banks. This bill would correct the belief that because member banks receive a stock certificate from a Federal Reserve bank, they are, therefore, owners of the System.

Among others, Chairman Martin of the Federal Reserve Board has stated that perhaps the most significant purpose of the stockholding provision is to make member banks feel that they are active participants in the affairs of their Reserve banks—for example, they help to elect two-thirds of the directors for their regional bank. This right to vote for directors, however, is not governed, limited or fixed by the banks' stockholdings. Those voting rights and privileges as set forth in the Federal Reserve Act, are dependent on membership in the system and not on the stock held. This bill would in no way detract from the privilege of member banks to elect six of the nine directors of a Federal Reserve bank.

Perhaps the most persuasive feature of H.R. 8627 is that terminology and relationships within the Federal Reserve System will be clearly and aptly redefined. As a consequence, the Federal Reserve System will be reinstated to the position which it was intended to fulfill—that of a banking system carrying out its operations as an agency of the U.S. Government and under the surveillance and support of the U.S. Congress.

The stocks of the member banks of the system will become deposits bearing interest. The misunderstandings and misinterpretations arising from such doubtful terms as "stockholders" and "ownership of the Federal Reserve System by commercial banks" will be eliminated. This bill represents a facing up to the facts in the matter of the proprietorship of the Federal Reserve System.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HALPERN (at the request of Mr. DOOLEY), for 10 minutes, today.

Mr. MULTER (at the request of Mr. LIBONATI), for 10 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. WOLF (at the request of Mr. LIBONATI), for 10 minutes, today.

Mr. GALLAGHER (at the request of Mr. LIBONATI), for 5 minutes, today.

Mr. DULSKI (at the request of Mr. LIBONATI), for 1 hour, on September 10.

Mr. MULTER (at the request of Mr. LIBONATI), for 1 hour, on September 10.

Mrs. ROGERS of Massachusetts, for 10 minutes, tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. TABER, to revise and extend remarks made in Committee of the Whole and include a table.

Mr. WHITTEN, to revise and extend remarks made in Committee of the Whole and to include extraneous matter.

Mr. THOMSON of Wyoming, to revise and extend his remarks made in Committee of the Whole and to include extraneous matter.

Mr. CHELF.

Mr. COFFIN, to revise and extend the remarks he made in general debate on the passport bill and include extraneous matter.

Mr. HECHLER and include extraneous matter.

Mr. MACK of Illinois and to include extraneous matter.

Mr. FASCELL and to include extraneous matter.

(At the request of Mr. DOOLEY, and to include extraneous matter, the following:)

Mr. DAGUE.

Mr. BRAY.

Mr. JENSEN, to revise and extend his remarks made in Committee on H.R. 9105 and to include extraneous matter and tables.

(At the request of Mr. LIBONATI, and to include extraneous matter, the following:)

Mr. CELLER in two instances.

Mr. CARTER.

Mr. MACDONALD.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p.m.) the House adjourned until tomorrow, Wednesday, September 9, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1362. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

1363. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies, and for other purposes"; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KEOGH: Committee on Ways and Means. H.R. 8318. A bill to amend the Internal Revenue Code of 1954 to exempt bicycle tires and tubes from the manufacturers excise tax on tires and tubes; with amendment (Rept. No. 1171). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASHMORE: Committee on House Administration. House Resolution 380. Resolution relative to the investigation of the November 4, 1958, election in the Fifth Congressional District of Arkansas, and declaring that DALE ALFORD was duly elected to the 86th Congress; without amendment (Rept. No. 1172). Ordered to be printed.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 1173. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS:

H.R. 9133. A bill to amend Public Law No. 177, 62d Congress, approved June 4, 1912; to the Committee on Interior and Insular Affairs.

By Mr. CARTER:

H.R. 9134. A bill to provide a new pension program for veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. EVINS:

H.R. 9135. A bill to provide for the conveyance of certain real property of the United States to the city of Tullahoma, Tenn., and certain other real property of the United States to the State of Tennessee; to the Committee on Armed Services.

By Mr. FLOOD:

H.R. 9136. A bill to amend the Internal Revenue Code of 1954 to provide credit against income tax for an employer who employs older persons in his trade or business; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 9137. A bill to provide for an averaging taxable income; to the Committee on Ways and Means.

H.R. 9138. A bill amending title II of the Social Security Act to permit certain children to receive benefits thereunder on the basis of the wages and self-employment income of an individual who has stood in loco parentis with respect to them for at least 5 years preceding his death; to the Committee on Ways and Means.

By Mr. MOULDER:

H.R. 9139. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease and desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. OSMERS:

H.R. 9140. A bill to amend section 8(b)(4) of the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. SAUND:

H.R. 9141. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. SISK:

H.R. 9142. A bill to provide for payment for lands heretofore conveyed to the United States as a basis for lieu selections from the public domain, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FOLEY:

H.R. 9143. A bill to amend the District of Columbia Credit Unions Act; to the Committee on the District of Columbia.

By Mr. LANE:

H.R. 9144. A bill to provide that only certain official naval motor vehicles shall be allowed toll-free passage across the Mystic River Bridge; to the Committee on Armed Services.

By Mr. MACK of Illinois:

H.R. 9145. A bill to amend subchapter IV of chapter 15 of title 38, United States Code, to provide pension for the widows and children of veterans awarded the Medal of Honor; to the Committee on Veterans' Affairs.

By Mr. MILLS:

H.R. 9146. A bill to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H.R. 9147. A bill to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes; to the Committee on Ways and Means.

H.R. 9148. A bill to amend section 201 of the Social Security Act to revise certain provisions relating to the management and investment of the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund, and for other purposes; to the Committee on Ways and Means.

H.R. 9149. A bill to revise and improve the financing of the administrative and loan fund provisions of the employment security program, and for other purposes; to the Committee on Ways and Means.

By Mr. KING of Utah:

H.R. 9150. A bill to establish a commission to conduct an impartial and scientific study and investigation to determine the effects on the public health of the practice of adding various chemicals to water supplies and food products; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLIKEN:

H.R. 9151. A bill to provide that compensation of an individual for services performed while engaged in commerce, or as an officer or employee of the United States, shall be subject to State and local income taxes only in the State and political subdivision in which such individual is domiciled, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILBIN:

H.R. 9152. A bill to authorize the waiver of certain restrictions on appointment of cadets to the U.S. Air Force Academy; to the Committee on Armed Services.

By Mr. MILLS:

H.J. Res. 521. Joint resolution making technical corrections in certain provisions of title II of the Social Security Act, as amended by the Social Security Amendments of 1958; to the Committee on Ways and Means.

By Mr. REUSS:

H.J. Res. 522. Joint resolution directing the Secretary of Health, Education, and Welfare to conduct certain studies and investigations relating to water pollution, and for other purposes; to the Committee on Public Works.

By Mr. KING of Utah:

H.J. Res. 523. Joint resolution to prohibit officers and employees of the United States from treating communal water supplies with fluoride compounds, until a report from the Commission on Food and Water Contamination shall have been submitted to the Congress of the United States; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BARING: Joint Resolution No. 20 of the Assembly of the State of Nevada memorializing the President and the Congress of the United States to appropriate funds to complete the unoiled portion of Route 8–A of the State highway system from a point beginning 10 miles west of Denio, Nev., west to the California State line; to the Committee on Appropriations.

Also, Joint Resolution No. 5 of the Senate of the State of Nevada memorializing the President and the Congress of the United States to define, and to cause the Attorney General of the United States to issue an opinion defining, the rights of State legislatures and agencies in enacting statutes and promulgating rules and regulations which apply to State agencies administering Federal grants-in-aid; to the Committee on Government Operations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H.R. 9153. A bill for the relief of Kwanghan Kim and his wife, Duksung Hyun Kim; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 9154. A bill for the relief of Otto Bagai; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H.R. 9155. A bill for the relief of Stanley J. Moraski; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

275. The SPEAKER presented a petition of the president, Free World Committee, Chicago, Ill., relative to requesting that the Congress of the United States shall lead our people in study and understanding of those principles of freedom which our first Congress proclaimed, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

West Virginia Is Getting Shortchanged

EXTENSION OF REMARKS

OF

HON. KEN HECHLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 8, 1959

Mr. HECHLER. Mr. Speaker, over the past weeks I have stood repeatedly before this House and cited statistic after depressing statistic to bear out my contention that my State of West Virginia has been woefully neglected in the distribution of Defense Department sites, employment, and contracts.

My State, despite its many advantages, ranks a dead last among the 50 States in Defense Department spending and payroll, civilian and military. This, I submit, is an unfair situation.

Now, Mr. Speaker, I have compiled other figures which indicate that the Defense Department is not alone in its discrimination against my State—where unemployment remains shockingly high and where jobs are desperately needed.

Apparently the Commerce Department has a similar disregard for the needs and rights of West Virginia. I have here a list of Commerce Department employment in each of the 50 States, and the proportion of the total population which this employment represents.

Can you imagine where West Virginia stands? Again, at the very bottom of the heap.

West Virginia, with only 37 Commerce Department employees, has only .00184 of 1 percent of its total population on the Department's payroll.

I do not think one single Member of this House can fail to agree that this shocking story of abuse and discrimination deserves to be given fullest distribution.

When I was pointing out how the Defense Department has discriminated against West Virginia, I admitted that certain States were better suited than others for defense purposes. But I felt that, despite this fact, the evidence was clear that West Virginia had, indeed, been shortchanged.

By the same token, I am not suggesting that the Commerce Department install the headquarters of its Maritime Administration or its Coast and Geodetic Survey in a landlocked State such as West Virginia.

However, I am at a loss to explain how equally landlocked Idaho, with barely a fourth West Virginia's population, rates exactly five times as many Commerce employees, or how an inland State like Colorado, with less than two-thirds as many people, merits exactly 10 times as many.

I can say that some regional offices would seem ideally suited for the Mountain State. But apparently the Commerce Department has not even considered locating these facilities in West Virginia.

For example, my State is highly air-conscious, since the mountainous terrain makes other forms of transportation difficult. Yet there is not one single Civil Aeronautics Administration employee in the entire State.

In the field of business and defense services, which could be a godsend to assist industries and communities in overcoming the effects of a lingering recession, there is not one Commerce Department employee in the entire State. This division, which offers facilities and assistance so sorely needed, is not represented in the State where it possibly could do the most good.

Mr. Speaker, I do not ask needless favors for West Virginia. I do ask for equal treatment and fairplay.

I believe that it is becoming more and more evident that many departments of

our Government, which ought to be concerned with helping stricken areas, have instead callously turned their backs on West Virginia, and until something is done to rectify this situation, I intend to keep bringing these disturbing statistics into the open.

Department of Commerce employees by States

	Number of employees	Total (1950) population	Employees as percent of population
Alaska	1,077	128,643	0.8372
Maryland	2,884	2,343,001	.123
Nevada	80	160,083	.0499
Oregon	686	1,521,341	.045
Louisiana	1,056	2,683,516	.0393
Idaho	185	588,637	.0314
Colorado	370	1,325,089	.0279
Virginia	882	3,318,680	.0265
Washington	474	2,378,962	.0199
Wyoming	51	290,529	.0175
Montana	103	591,024	.0174
North Carolina	604	4,061,929	.0149
Utah	102	688,862	.0148
Indiana	504	3,934,224	.0128
Kansas	219	1,905,299	.0114
California	1,179	10,586,223	.0111
Arizona	80	749,587	.0106
Alabama	271	3,061,743	.0088
Florida	240	2,771,305	.0086
Missouri	338	3,954,653	.0085
New Mexico	53	681,187	.0077
Tennessee	250	3,291,718	.0075
North Dakota	45	619,636	.0073
South Dakota	47	652,740	.0072
Texas	531	7,711,194	.0068
New York	947	14,830,192	.0063
Nebraska	76	1,325,510	.0057
Delaware	18	318,085	.0056
New Jersey	268	4,835,329	.0055
Vermont	20	377,747	.0052
Georgia	175	3,444,578	.0051
Maine	45	913,774	.0049
Minnesota	128	2,982,483	.0042
New Hampshire	20	533,242	.0037
Massachusetts	172	4,690,514	.0036
Oklahoma	72	2,233,351	.0032
Illinois	278	8,712,176	.00319
Rhode Island	25	791,896	.00316
South Carolina	64	2,117,027	.0030
Mississippi	65	2,178,914	.0029
Arkansas	54	1,909,511	.0028
Connecticut	55	2,007,280	.0027
Ohio	211	7,946,627	.0026
Pennsylvania	269	10,498,012	.0025
Michigan	158	6,371,766	.0024
Iowa	62	2,621,073	.0023
Wisconsin	70	3,434,575	.00204
Hawaii	10	499,794	.002
Kentucky	57	2,944,806	.00191
West Virginia	37	2,005,553	.00184

Participation of Hodgenville, Ky., in the Abraham Lincoln Sesquicentennial

EXTENSION OF REMARKS
OF
HON. FRANK CHELF
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 8, 1959

Mr. CHELF. Mr. Speaker, I want to comment upon the participation of Hodgenville, Ky., in the Abraham Lincoln Sesquicentennial this year.

The birthplace of Lincoln is located near this enterprising town whose fine officials and citizens have taken a great part in the celebration of this outstanding event. The progressive, cooperative spirit which pervades this community and with which its splendid citizens are imbued has prompted them to be significant participants in this event of national importance and magnitude. Their unselfish dedication to this cause elicits the admiration of all who love our country and its great leaders.

The Abraham Lincoln Birthplace Land Corp. devised a brilliant and imaginative plan by which the section of the Lincoln birthplace farm not owned by the Abraham Lincoln National Historical Park is being released to schools, historical societies, prominent citizens, and individuals for their private ownership as historical heirlooms. In the words of the corporation:

> This property has been divided into square foot sections to allow as many as possible to share in this wealth of American heritage * * * a treasure with national significance which can be passed from generation to generation with a pride of ownership second to none.

The truth of this is borne out by the fact that the deed which was issued to me, giving me actual ownership in 1 square foot, section No. A–202, parcel A, of the original Lincoln birthplace land, is framed and hanging in a prominent place in my office here in Washington.

These planners are to be congratulated upon their wisdom and foresight in finding such a unique and interesting way to perpetuate the knowledge, understanding, and love of Abraham Lincoln.

As their Congressman representing the Fourth Congressional Kentucky District, I take pride in giving recognition to all of those wonderful citizens of Larue County, Ky., who have had a part, large or small, during this Lincoln Sesquicentennial Year, in paying homage and tribute to the Great Emancipator. Truly it is an honor to be able to serve such "salt of the earth" people here in the House of Representatives.

Veteran Kicked Out as Temporary Rural Mail Carrier

EXTENSION OF REMARKS
OF
HON. PETER F. MACK, JR.
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 8, 1959

Mr. MACK of Illinois. Mr. Speaker, a few months ago the people living on Rural Route 2, Brighton, Ill., in my home county of Macoupin, were saddened by the death of Mr. Rolland Ingham, who had served as their rural mail carrier for 32 years.

Before his death Mr. Ingham had appointed Mr. Eugene Arban as substitute carrier. Judging from numerous letters that I have received in the last week, Mr. Arban was a popular choice. For example, Mr. and Mrs. H. L. Krueger wrote, "We feel that Mr. Arban will be just as good in the next 32 years as Mr. Ingham was in the 32 years past."

It appears, however, that Mr. Arban will not get the opportunity to continue his good service to the people of Rural Route 2, not even as temporary carrier. Although Mr. Arban was named temporary carrier after Mr. Ingham's death, he suddenly was shifted back to the substitute position, effective September 5, and a man with no previous postal experience was appointed temporary carrier.

Mr. Speaker, while this procedure may have been legal, I believe most of my colleagues will agree that it is very unusual for political pressure to be brought to bear in the appointment of a temporary carrier. Normally, the substitute carrier continues as temporary carrier until the permanent carrier is appointed.

Mr. Speaker, I do not question the Republican administration's power to direct the appointment of a temporary carrier. I do wonder, however, that political intrigue should penetrate so far down into our postal system as to take away a few months' work from a man who has faithfully performed the task to the satisfaction of everyone on his route. It is especially remarkable when it is considered that the man so unceremoniously deprived of this temporary position is a combat veteran of World War II. Eugene Arban was a member of a bomber crew in the Pacific and suffered during 5 months' imprisonment by the Japanese. He returned to become a useful citizen of the Brighton community. He has served as commander of his American Legion post and as a member of his church's governing board. He also is active in chamber of commerce and masonic activities.

This Senseless Highway Killing

EXTENSION OF REMARKS
OF
HON. PAUL B. DAGUE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 8, 1959

Mr. DAGUE. Mr. Speaker, with the delivery of our paper this morning we were confronted with the fact that over 400 of our citizens were killed on our highways over the Labor Day weekend. This senseless slaughter was due in great part to selfish disregard of the rights of others and points up the fact that the human element is the prime factor in highway accidents.

On the other hand, many people who died on the highways in the last few days would be alive if the manufacturers of automobiles had undertaken to build into their product a few simple safety devices that would protect front seat occupants from the inevitable impact with dash and windshield which causes so many fatal injuries.

Over the weekend I had the privilege of a demonstration of a patented device which operates on the front seat in the event of a collision with another car. The seat is so constructed that upon impact it tilts the passenger backward at an angle of some 30 degrees and thereby protects him from those head and chest injuries which in almost every collision are the lot of the unprotected front seat passenger.

The demonstration was arranged by an old friend of mine and at its conclusion I asked him to write me a letter

briefly summarizing the advantages of such an appliance which he did as follows:

COATESVILLE, PA., *September 5, 1959.*
The Honorable PAUL DAGUE,
House of Representatives,
Washington, D.C.

DEAR SIR: I am writing this letter to inform you, and Members of Congress, of the greatest invention to prevent automobile injury since the four-wheel brake.

This is the first major breakthrough in the field of packaging the passenger.

This device operates on impact in a head-on collision. At thirty-one one-thousandths of a second the leading edge of the front seat rises 20 degrees. When inertia takes place the seat rises another 10 degrees and moves forward approximately 6 inches. By this motion the seat absorbs all the whiplash and inertia that is trying to throw the passenger through the windshield or against the dashboard and the steering column.

There are three great advantages to this device. The first is that it eliminates all personalities. The passenger does not have to hook up or turn on anything. The device is completely automatic. The second is it eliminates whiplash, which is the common cause of death in automobile accidents. The third is, it also protects the passengers in the front seat in a rear-end collision. The device snaps the locks and lets the seat scoop the passengers forward, so the shoulders are not rigid and there is no snap permeated to the spinal column.

I would like very much to see this device receive its rightful recognition in saving lives.

Sincerely yours,
HERMAN M. BREUNINGER.

In this connection I think it important to emphasize that I have no interest whatsoever in this device or its promotion other than that which stems from an abiding concern in the development of any mechanism that will reduce the number of deaths resulting from collision on our highways.

Incidentally, it occurs to me that our House Committee on Interstate and Foreign Commerce might properly investigate the appliance in question and I am sure that a demonstration could be arranged which should prove convincing and might lead to its utilization, in the first instance, on public vehicles at all levels of government. The ultimate goal will not be reached, however, until this device, or a similar accessory, is installed on all automobiles at the factory.

One Hundredth Anniversary of Our Oil Industry

EXTENSION OF REMARKS
OF
HON. DANTE B. FASCELL
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 8, 1959

Mr. FASCELL. Mr. Speaker, certainly the oil industry's growth in this country has been a close parallel to and indicative of the great progress which we as a nation have made during the last century.

The tremendous importance of this industry to our security and economy has been demonstrated time and again over the past years since the discovery of oil in our country in 1859. This year the oil industry is celebrating its 100th anniversary; and in my own State of Florida, the last week in August was proclaimed as Oil Centennial Week in Florida. At the end of last year, there were 11 oil-producing wells in our State. Many celebrations and special events were planned to demonstrate the importance of the industry to local communities and the State and to express the feelings of good will which exists in Florida toward representatives of the industry.

Excerpts From Address of Senator Symington, Delivered at French Lick, Ind.

EXTENSION OF REMARKS
OF
HON. LYNDON B. JOHNSON
OF TEXAS
FOR
HON. VANCE HARTKE
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Tuesday, September 8, 1959

Mr. JOHNSON of Texas (for Mr. HARTKE). Mr. President, on Saturday, August 29, most of the leaders of the Democratic Party in my home State, and members of the Indiana Democratic Editorial Association gathered at French Lick, Ind., to hear an inspiring address by our distinguished colleague, the junior Senator from Missouri [Mr. SYMINGTON]. I would like to share his outstanding remarks with my colleagues and therefore ask unanimous consent to have a report of his address printed in the CONGRESSIONAL RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

FRENCH LICK, IND., August 29.—"The American people should demand from this administration a fair return on their tax dollar through the more efficient organization and management of the three Federal agencies which use most of the taxpayers' money," Senator STUART SYMINGTON, Democrat, of Missouri, said here tonight.

The Missouri Senator stated, "The record of many hearings before the Congress this year shows that billions of dollars annually could be saved in the Defense Department alone if that Department were organized in recognition of the nuclear-space age, instead of drifting along on the basis of tradition.

"Introduction of businesslike administration in the Department of Agriculture, plus sound fiscal management throughout the executive branch, would also cut out a great deal of misused tax money."

To support his conclusions about waste in Government, Senator SYMINGTON cited facts and figures. "Including estimates for this fiscal year," he said, "the total spending for the Department of Agriculture amounts to $34.9 billion just since 1952. This is more money than was spent by all the previous Secretaries of Agriculture put together, in the history of that Department."

The Senator added that "in 1958 the administrative costs alone of the price support program were 10 times as much as they were in 1952."

Senator SYMINGTON referred to the unsoundness of continuing to accumulate such large inventories. "Government investment in farm commodities," he said, "has increased from $2.5 billion in 1952, to $9 billion this year, and at the present rate of increase will amount to over $12 billion by this time next year."

Turning to the question of financial management, SYMINGTON said he was "seriously concerned with the mounting national debt, particularly with the increasing cost to the taxpayer of servicing that debt.

"The Treasury Department has failed to follow the well-established principle of debt management, namely, borrow at the lowest possible interest rates, and spread the maturity dates as evenly as possible over the following years."

The Senator cited a number of examples drawn from the official records of the Treasury Department during the past 3 years. He said, "Last March the Treasury Department offered a 4-percent 12-year bond, of which the public offered to buy $1.5 billion worth. Strange as it may seem, the Treasury accepted only $619 million of this subscription.

"Just a year prior to that, investors offered to buy at least $6 billion worth of a 3-percent 8½-year bond, and the Treasury decided to sell only $1½ billion.

"Based on these and similar illustrations," the Senator said, "I have come to the conclusion that the taxpayer would be paying at least a billion dollars a year less for interest alone, if the Treasury Department had acted as a good banker for the people's money."

Senator SYMINGTON said, "By far the largest source of saving of the taxpayers' money could come from a reorganization of the Defense Department. Service rivalries, duplication of weapons systems, and the multiplicity of separate forces without centralized commands result in the waste of billions of dollars every year."

A Sectional Analysis of the Civil Rights Bill, H.R. 8601

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 8, 1959

Mr. CELLER. Mr. Speaker, I have prepared a sectional analysis of my civil rights bill, H.R. 8601, which has been reported to the House. The analysis follows:

A SECTIONAL ANALYSIS OF THE CIVIL RIGHTS BILL, H.R. 8601

TITLE I (OBSTRUCTION OF COURT ORDERS)

Section 101 of the bill proposes to amend chapter 73 of title 18 of the United States Code with respect to obstruction of court orders in school desegregation cases. Accordingly, it amends that title by adding at the end of the chapter a new section. The measure would make it a Federal offense to willfully use force or threats of force to obstruct or impede court orders for school desegregation purposes; upon conviction, the offender could be punished by a fine of not more than $1,000 or imprisonment for not more than 60 days or both.

It further provides that other injunctive or civil relief against the type of conduct made criminal by this proposal is not to be

denied on the grounds that such conduct is a crime. In this regard, provision is made that any fine or imprisonment imposed for the violation of such an injunction shall not be in addition to that imposed for a violation of this section.

It further provides for the exemption of the acts of the student, officer, or employee of a school when the act is done at the direction of or is subject to discipline by an officer of the school.

TITLE II (FLIGHT TO AVOID PROSECUTION FOR DAMAGING OR DESTROYING ANY BUILDING OR OTHER REAL OR PERSONAL PROPERTY)

The proposal would make it a felony, punishable by a fine of not more than $5,000 or imprisonment of not more than 5 years or both, to move in interstate or foreign commerce, to avoid local prosecution, custody, or confinement after conviction for willfully damaging or destroying or attempting to damage or destroy by fire or explosive any building, structure, facility, vehicle, dwelling house, synagogue, church, religious center, or educational institution, public or private. Flight to avoid testifying in criminal proceedings relating to such offenses would likewise be punishable.

TITLE III (FEDERAL ELECTION RECORDS)

Section 301 would require the retention and preservation for a period of 2 years of any general, special, or primary election records involving candidates for Federal office. The Federal offices are the Office of the President, Vice President, presidential elector, Member of the Senate, Member of the House of Representatives, or Resident Commissioner of Puetro Rico. It would include all records and papers in the possession of election officers relating to application, registration, payment of poll tax, or any other act requisite to voting in such elections. Provision is made, however, that where such records are required by State law to be deposited with a custodian, such election records may be so deposited and the duty of retention and preservation then devolves upon that custodian. A willful failure to retain and preserve the records is made an offense punishable by a fine of not more than $1,000 or imprisonment for not more than 1 year or both.

Section 302 provides that any person, whether or not an officer of election or custodian, willfully steals, destroys, conceals, mutilates, or alters any of the records required to be retained and preserved shall be fined not more than $1,000 or imprisoned not more than 1 year or both.

Section 303 provides that such records as required to be preserved by this title shall, upon the written demand of the Attorney General or his representative to the party having custody, possession, or control of them shall be made available for inspection, reproduction and copying by the Attorney General or his representative. Demand, however, must contain a statement of the basis and the purpose therefor.

Section 304 provides that when a demand is made by the Attorney General, the record shall be produced either at the principal office of the person upon whom the demand is made or at the office of the U.S. attorney in the district in which the records and papers are located.

Section 305 provides that unless ordered by a court of the United States, neither the Attorney General nor his representative nor any employee of the Department of Justice should disclose any record or paper produced pursuant to this title except to the Congress and any of its committees, governmental agencies, or in the presentation of a case or proceeding before a court or grand jury.

Section 306 provides that in the event of nonproduction, jurisdiction would be conferred upon the Federal district courts to resolve any dispute which might arise in connection with the exercise of the authority conferred upon the Attorney General by this title including appropriate process to compel the production of the record or paper.

Section 307 defines the term "officer of election" to include any person who under color of the law performs or is authorized to perform any function, duty, or task with any application, registration, payment of poll tax or other act requisite to voting at any one of the enumerated elections at which votes are cast for candidates for the specified Federal offices.

TITLE IV (CIVIL RIGHTS COMMISSION EXTENDED FOR 2 YEARS)

Section 401 would extend the life of the Civil Rights Commission for an additional 2 years. Under the Civil Rights Act of 1957, the Commission is required to submit its final report not later than September 9, 1959. Provision is made in this section also for an interim report to be submitted to the President and the Congress not later than September 1, 1959.

Section 402 of title IV would remove any doubt as to the authority of the members of the Commission to administer oaths.

Section 403 would amend the Civil Rights Act of 1957, section 105(a), by deleting the words "in accordance with Civil Service and Classification Laws" and inserting "without regard to the provisions of the Civil Service Laws and the Classification Act of 1945, as amended."

TITLE V (EDUCATION OF CHILDREN OF MEMBERS OF THE ARMED FORCES)

Title V would amend Public Laws 815 and 874, 81st Congress, as amended, which authorize Federal payments to school districts which provide free public education to children whose parent resides or works on Federal property which is not subject to State or local taxation.

Section 6(a), Public Law 874, now requires the Commissioner of Education to make arrangements to provide free public education for children residing on Federal property if the State and its subdivisions may not spend tax revenues for their education or if no local public educational agency is able to provide suitable free public education for them.

Section 501 of the bill would amend section 6(a) to permit the Commissioner to make arrangements also for children of members of the Armed Forces on active duty, whether or not residing on Federal property, where the schools usually provide free public education for them are made unavailable to them by official action of State or local governmental authority and no local public educational agency is able to provide them with suitable free public education.

Subsection (b) of 501 provides complementary amendments to section 6(d) of Public Law 874. The existing provision permits the Commissioner, when he makes the arrangements for provision of education for the federally connected children, to make such arrangements only with a local educational agency or with the Federal agency having jurisdiction over the property on which they reside. Where this new category of children of Armed Forces personnel are involved, arrangements could also be made with the head of the Federal department or agency having jurisdiction over the parents of some or all of the children.

Section 6(d) of Public Law 874 limits the arrangements to those which provide for the use of either facilities situated on Federal property or facilities belonging to a local educational agency. The amendment provided in subsection (b) of section 501 would make this limitation inapplicable where the Commissioner is required to make these arrangements for the new category of children.

Section 502 of title V of the bill amends Public Law 815, 81st Congress, as amended. The proposal of the bill would authorize the Commissioner of Education to acquire possession of any school building constructed with the aid of Federal funds after the enactment of the proposed amendments contained in this section, when the local educational agency which owns the building is no longer using it for free public education and the Commissioner needs the building to provide education for children of military personnel or for other children who reside on Federal property. While the school remains in Federal possession, the Commissioner would pay the local district a rental fee proportionate to its share of the cost of constructing the building.

Section 6(b), Public Law 815, 81st Congress, as amended, now requires applications of local educational agencies for the approval of construction projects, which must be filed before the agencies may receive payments to help finance such projects, to contain or be supported by various assurances relating to the authority of the local agency, and other relevant matters. The amendment proposed in section 502 of the bill would add to this provision the requirement of an assurance that any facilities constructed with aid under this law, the application for which is approved after the enactment of the bill, will be made available to the Commissioner in case they are not being used to provide free public education and that the Commissioner needs them to provide facilities for the education of children who reside on Federal property or whose parent is on active duty with the Armed Forces. Subsection (b) of section 502 would amend section 10 of Public Law 874.

Subsection (b) of section 502 would amend section 10 of Public Law 815. Existing law now requires the Commissioner to make arrangements for the constructing or otherwise providing the minimum facilities necessary for the education of children who will be residing on Federal property at the end of the next fiscal year if the State and its subdivisions may not spend tax revenues for their education or if no local educational agency is able to provide suitable free public education for them.

Section 502(b) of the bill would amend this section to permit the Commissioner to make such arrangements to provide, on a temporary basis, such facilities for children of the members of the Armed Forces on active duty, whether or not residing on Federal property, where the schools usually providing free public education for them are made unavailable to them by official action of State or local governmental authority and no local educational agency is able to provide them with suitable free public education.

Section 502(c) of the bill further amends section 10 of Public Law 815 by adding a new subsection which authorizes the Commissioner of Education to take possession of facilities constructed with the aid of funds provided for by Public Law 815, under an application approved after the enactment of the bill, if they are not being used for free public education and are needed by the Commissioner, as minimum facilities necessary for the children residing on Federal property or children of the Armed Forces personnel on active duty. Possession would be taken under the terms and conditions prescribed in regulations of the Commissioner of Education. Payment by the Commissioner of a reasonable rental on the portion of the facilities financed with non-Federal funds would be required. Provision is also made for the return of those facilities to the school district when the district reopens those schools and makes them available to the federally connected children or when the Commissioner no longer needs the facilities for direct Federal operation purposes. However, the best interests of the federally connected children, the objectives of this proposal, and the commitments to the per-

sonnel employed in the direct Federal operation would be factors to be considered in determining the appropriate time for the return of the facilities.

TITLE VI (SEPARABILITY)

Section 601 merely provides that if any provision of this act is held invalid, the remainder of the act shall not be affected thereby.

A New Pension Bill for Veterans of World War I

EXTENSION OF REMARKS
OF

HON. STEVEN V. CARTER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 8, 1959

Mr. CARTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to make a statement in support of a new pension bill for the benefit of veterans of World War I that I introduced today in the House.

As you know, these veterans are arriving at an advanced age in life and are being forced into retirement because of age, disability, and various other reasons. If it is not already the case, they are upon the threshold, as a group, of facing their waning years of retirement and old age without earning capacity to offset the steadily increasing costs of living. As is the case with all our veterans, we owe this group of men our national gratitude. It appears possible, through such proposals as I have included in my bill, to assist our World War I veterans in their old age on the mutual basis of need and reward.

It would be difficult to determine just how many veterans of World War I are already receiving some form of public assistance through State and local agencies. There are also undoubtedly certain sums of tax money being deducted on a personal exemption basis by the persons on whom many of these veterans have become dependent. These are considerations which should be, and I am confident will be, taken into account in any hearings held on a bill such as I am proposing.

My bill does away with requirements which presently exist to the effect that a veteran must be totally and permanently disabled in order to receive a nonservice-connected pension, even the liberal construction of such requirements. A World War I veteran would automatically qualify for a pension under my bill upon reaching the age of 62 years, regardless of the degree of any disability he might have or the status of his employability, provided his income fell within the maximum limitations prescribed in the bill. This would correct one of the greatest and most glaring deficiencies in our present veteran's pension regulations. To demonstrate, let me quote from Report No. 537 of the Committee on Veterans' Affairs, of which I have the privilege to be a member. This was the committee report accompanying H.R. 7650, which has since become Public Law 86-211.

In addition, the committee has been studying the adjudication of non-service-connected disability pension cases and has reached the conclusion that VA regulations and their current applications are inadequate as they apply to the cases of certain veterans who have high disability and advanced age. In some of the cases examined by the committee, the VA has denied pensions to veterans on the basis that the veteran is employable, notwithstanding the fact that these veterans were above age 60, had high disability, in some instances, from 40 to 80 percent, and were earning far less than the amounts specified by the income limits.

It was noted that VA commonly denies employability in the case of certain farmers, despite the fact that the farmers are old and severely disabled. The denial is on the basis that the farmer is employable even though the farmer's income is very low and the farm which he controls is very small and occupies only a small part of his time.

It is recommended and expected that the Veterans' Administration will review its regulations as they relate to employability of veterans with advanced age and high disability to assure that these elderly veterans with high disability, who are meeting the income limits, will not be denied pensions on the basis of employability when they are not working a substantial part of the time at a gainful occupation.

Therefore, Mr. Speaker, my bill will serve to eliminate that area of administrative discretion which the Committee on Veterans' Affairs feels has resulted in many unfair and inequitable decisions made by the VA in pension matters.

The text of the bill follows:

H.R. 9134

A bill to provide a new pension program for veterans of World War I

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that a substantial number of veterans of World War I are in need of assistance today. It is therefore the purpose of this Act, as an indication of the appreciation of the United States for the service rendered by such veterans, to provide benefits, based upon the need therefor, to this meritorious group, as a reward for such service.

SEC. 2. (a) Subchapter II of chapter 15 of title 38, United States Code, is amended by adding at the end thereof the following:

"§ 513. World War I veterans

"(a) The Administrator shall pay to each veteran of World War I who meets the service requirements of section 521 of this title, and who has attained the age of 62 years, a pension at a rate prescribed by this section.

"(b) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of his spouse) and has no child, pension shall be paid at the monthly rate set forth in column II of the following table opposite the veteran's annual income as shown in column I:

Column I		Column II
Annual income		
More than—	but Equal to or less than—	
$600	$600	$140
1,200	1,200	100
	1,800	50

"(c) If the veteran is married and living with or reasonably contributing to the support of his spouse, or has a child or children, pension shall be paid at the monthly rate set forth in column II, III, or IV of the following table opposite the veteran's annual income as shown in column I:

Column I		Column II	III	IV
Annual income				
More than—	but Equal to or less than—			
$1,000	$1,000	$140	$145	$150
2,000	2,000	110	110	110
	3,000	75	75	75

"(d) If the veteran is in need of regular aid and attendance, the monthly rate payable to him under subsection (b) or (c) shall be increased by $70.

"(e) The Administrator shall deny or discontinue payment of pension under this section when the corpus of the veteran's estate is such that under all the circumstances, including consideration of the veteran's income, it is reasonable that some part of the corpus be consumed for the veteran's maintenance."

(b) The analysis of such chapter 15 is amended by inserting immediately below

"512. Spanish-American War veterans."

the following:

"513. World War I veterans."

SEC. 3. Section 521 of title 38, United States Code, is amended by adding at the end thereof the following:

"(c) Where a World War I veteran has been granted pension under section 513 of this title, pension may not thereafter be paid to him under this section."

Schedule of Hon. William G. Bray for the Seventh Congressional District of Indiana

EXTENSION OF REMARKS
OF

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 8, 1959

Mr. BRAY. Mr. Speaker, in order to discuss the problems, interests, and wishes of the people of the Seventh Congressional District, I will meet interested persons at the various post offices in accordance with the following schedule:

Monday, October 26:
9 a.m., Oakland City.
10:15 a.m., Somerville.
11 a.m., Mackey.
12 noon, Fort Branch.
1:30 p.m., Owensville.
2:45 p.m., Haubstadt.
3:45 p.m., Buckskin.
5 p.m., Princeton.
Tuesday, October 27:
8 a.m., Francisco.
9 a.m., Patoka.
10 a.m., Hazleton.
10:30 a.m., Decker.
11:30 a.m., Vincennes.
2 p.m., Monroe City.
3 p.m., Wheatland.
4 p.m., Bruceville.
Wednesday, October 28:
8:30 a.m., Emison.
9:30 a.m., Oaktown.

10:30 a.m., Freelandville.
11:30 a.m., Ragsdale.
1:30 p.m., Bicknell.
2:30 p.m., Edwardsport.
3:15 p.m., Westphalia.
4 p.m., Sandborn.
Thursday, October 29:
9:30 a.m., Indian Springs.
10:30 a.m., Shoals.
11:30 a.m., Loogootee.
1:30 p.m., Alfordsville.
2:30 p.m., Burns City.
3:30 p.m., Crane.
Wednesday, November 4:
8:30 a.m., Harmony.
9 a.m., Knightsville.
10:30 a.m., Carbon.
11 a.m., Brazil.
1:30 p.m., Staunton.
2:30 p.m., Cory.
3:30 p.m., Poland.
Thursday, November 5:
9:30 a.m., Bowling Green.
10:30 a.m., Centerpoint.
11:30 a.m., Clay City.
1:30 p.m., Coal City.
2:30 p.m., Patricksburg.
3:30 p.m., Spencer.
Friday, November 6:
9 a.m., Freedom.
10 a.m., Gosport.
11 a.m., Quincy.
1:30 p.m., Eminence.
2:30 p.m., Hall.
3:30 p.m., Monrovia.
Monday, November 9:
8:30 a.m., Harrodsburg.
9:30 a.m., Smithville.
10:15 a.m., Clear Creek.
11:15 a.m., Stanford.
12:15 p.m., Bloomington.
2:30 p.m., Unionville.
3:30 p.m., Ellettsville.
4:30 p.m., Stinesville.
Tuesday, November 10:
9 a.m., Solsberry.
10 a.m., Owensburg.
11 a.m., Koleen.
12 noon, Bloomfield.
1:30 p.m., Doans.
2:15 p.m., Scotland.
3:15 p.m., Newberry.
4 p.m., Switz City.
Thursday, November 12:
8:30 a.m., Worthington.
9:30 a.m., Jasonville.
10:30 a.m., Coalmont.
11:30 a.m., Midland.
12:30 p.m., Linton.
2 p.m., Marco.
3 p.m., Lyons.
Monday, November 16:
9 a.m., Farmersburg.
10 a.m., Shelburn.
11 a.m., Hymera.
12 noon, Sullivan.
2 p.m., Fairbanks.
3 p.m., Graysville.
Tuesday, November 17:
9:30 a.m., Merom.
10 a.m., New Lebanon.
11 a.m., Paxton.
12 noon, Carlisle.
2 p.m., Pleasantville.
3 p.m., Dugger.
Thursday, November 19:
9 a.m., Odon.
10 a.m., Elnora.
11 a.m., Plainville.
12 noon, Washington.
2 p.m., Montgomery.
3 p.m., Cannelburg.
Friday, November 20:
8:30 a.m., Trafalgar.
9:30 a.m., Nineveh.
10:30 a.m., Edinburg.
11:30 a.m., Franklin.
1:45 p.m., Needham.
2:30 p.m., Whiteland.
3:30 p.m., Greenwood.
4:30 p.m., Bargersville.
Monday, November 23:
9 a.m., Morgantown.
10 a.m., Centerton.
11 a.m., Brooklyn.
12 noon, Mooresville.
2:30 p.m., Paragon.
3:30 p.m., Martinsville.

Labor-Management Reform Legislation

EXTENSION OF REMARKS
OF

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 8, 1959

Mr. MACDONALD. Mr. Speaker, during the closing days of this session of Congress action was taken on a labor-management reform bill. It is my hope that the President will sign this labor reform bill into law at the earliest possible moment.

When the subject of labor-management reform legislation came before the House last month for consideration I supported the bill that was favorably reported out of the House Education and Labor Committee, the so-called Elliott bill. This bill was designed to do away with abuses of union power that were exposed by the McClellan committee. These abuses included unwarranted secondary boycotting, blackmail, extortion, and picketing. It was also designed to protect the union members from being victimized by unscrupulous leaders and the general public from labor racketeers.

During the last few days of this controversy. I was pressured by both extremes to vote against the committee bill. Some pressure came from those antilabor elements who wanted a punitive law against all unions, other pressure came from those who wanted no bill at all. I felt that it was my responsibility as a Representative of all the people in my district, to resist pressure from both extremes and to support an effective and fair bill which would drive the hoodlums out of power without hurting honest, law-abiding unions.

I stated at that time that if the Landrum-Griffin bill were to pass in its entirety, Massachusetts and the whole New England area would suffer economically. It was my judgment that many of the measures included in the Landrum-Griffin bill were designed solely to prevent the unionization of plants in the South. While this bill paid lipservice to driving racketeers out of the labor movement, it seemed to me that their real intent was to prevent any organizational drives by legitimate unions in the presently nonunionized South.

As you probably know, many of the Southern States now run ads in our papers asking industry to come south, where there is cheaper electric power furnished by public utilities, such as TVA, local tax rebates, and subunion pay scales. The committee bill, which I favored, was stringent, and would have driven out the hoodlums and racketeers while still giving opportunity for legitimate unions to operate all over the country as they do in New England.

I could not understand why plant operators in New England should pay high union wages and have to compete with low wage scales in nonunion Southern States.

I, therefore, voted on three separate rollcalls against the Landrum-Griffin bill. However, I also stated at the time that if the House and Senate conferees would agree on a fair and effective labor reform bill, I would be happy to vote for it. It seemed to me that was the only way we could have labor reform legislation that would serve the best interests of our entire country, labor and management alike.

I was, therefore, pleased that the conference report substantially adopted the Kennedy-Elliott bill and supported the position of such a bill against both extremes. In other words, the conference report as passed by the House and Senate was closer to the Kennedy-Elliott bill than any other bill, and, of course, that bill was patterned after the original Kennedy-Ives bill.

Without going into all the major changes made in the Landrum-Griffin bill by the conference committee, I would like to point out that the following changes safeguarding the rights of the trade union movement and the workingmen which comprise these unions were made upon the insistence of the Kennedy-led Senate conferees:

First. Subcontracting: The legality of restricting subcontracting in the garment industry in order to keep out sweatshops was established.

Second. Consumer appeals: The right to publicize nonunion goods to consumers, without causing a secondary work stoppage, is recognized in the conference agreement. Employees will also be entitled to publicize, without picketing, the fact that a wholesaler or retailer sells goods of a company involved in a labor dispute. All appeals for a consumer boycott would have been barred by the House bill.

Third. Organizational picketing: The conference report preserves the right to engage in organizational picketing provided that a petition for an election is filed within a reasonable time not to exceed 30 days. Unless the union won the election, the picketing would have to cease. The House bill would have virtually banned organizational picketing.

Fourth. Organizational picketing: The right to engage in purely informational picketing without filing a petition for an election is secured provided that the picketing does not halt the pickup or delivery of goods or the rendition of services by the employees of other employers.

Fifth. Primary strikes: The conference report recognizes the right to en-

gage in primary strikes and primary picketing, thereby eliminating the danger that the House bill would sometimes invalidate such picketing.

Sixth. Defense to picketing: Although the conference agreement contains a prohibition upon picketing an employer who has a contract with another union, language was added to the House bill which would make it a defense to show that the General Counsel had issued a complaint charging the employer with unlawfully dominating, maintaining, or assisting the other union.

Seventh. Union liability for damage suits: The section imposing liability on labor unions for damages in the case of unlawful organizational picketing was eliminated.

Eighth. Federal-States jurisdiction—No man's land: The conference report permits the States to take jurisdiction over labor cases over which the Board currently refuses to assume jurisdiction. Under the House bill the NLRB could have refused jurisdiction over additional cases. The Board's present jurisdictional standards are broader than they have ever been, thus insuring more unions and employers protection of the act.

Ninth. Economic strikers: The House bill contained no provision permitting economic strikers to vote in representation elections. The conference provision permits strikers to vote in representation elections within 1 year after the commencement of a strike.

Tenth. Struck work: The conference report preserves existing law on the question of the right of labor to refuse to work on struck goods. The House bill would have limited this right.

Eleventh. Bonding: The conference report places a $500,000 limitation on amount of bond required to be taken by a union officer; the House bill had no such limitation.

Twelfth. Elections: The conference report makes the Secretary of Labor responsible for bringing suits in a Federal court to remedy improper elections. The House bill would have provided that individual members could bring suits in U.S. district courts to overturn improper elections.

Thirteenth. Membership lists: The House bill gave candidates for union office the right to inspect and copy from membership lists in union shops. Conference report restricts this to one inspection 30 days prior to an election without right to copy.

Fourteenth. Employer reporting: Conference strengthened immeasurably employer reporting section 203 which was meaningless in the House bill.

With these 14 measures incorporated in the conference report that were not contained in the original Landrum-Griffin bill, I voted for passage of the conference report.

Mr. Speaker, I am confident that this conference report on the labor-management reform bill that has passed the Congress will protect union members and legitimate union activity in the overwhelming percentage of cases. At the same time it will eliminate the overpublicized so-called racketeering which has come from a very small percentage of the labor movement which led to a public demand for this action. I am, therefore, pleased that I could support this sound and effective labor reform measure.

Address by Senator Long at Graduation Exercises, Loyola University

EXTENSION OF REMARKS
OF
HON. RUSSELL B. LONG
OF LOUISIANA
IN THE SENATE OF THE UNITED STATES
Tuesday, September 8, 1959

Mr. LONG of Louisiana. Mr. President, one of the finest honors which has ever been conferred upon me was the action by Loyola University of the South recently when the faculty of that institution presented me with an honorary doctor of laws degree.

Mr. President, I ask unanimous consent that my address on that occasion may be printed in the RECORD.

Mr. MORSE. Mr. President, reserving the right to object—and I shall not object—will the Senator from Louisiana permit me to extend him my hearty congratulations for this deserved honor?

Mr. LONG of Louisiana. I thank the Senator very much. I doubt whether I deserve the honor, but I am flattered.

Mr. MAGNUSON. Mr. President, I, too, wish to extend my congratulations to the Senator.

Mr. LONG of Louisiana. I thank the Senator from Washington.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR RUSSELL B. LONG BEFORE GRADUATION EXERCISES OF LOYOLA UNIVERSITY, MAY 27, 1959

It is indeed an honor to share the platform with your Congressman HALE BOGGS, and speak to you tonight.

Inasmuch as Congressman BOGGS will not have the opportunity to speak tonight, permit me to say that he is undoubtedly one of the great leaders of the National Congress. If we are ever successful in making order out of the chaos that exists in the field of foreign trade, for example, it will be in large measure due to his enlightened leadership. The contribution of HALE BOGGS to the improvement of our National Government has been great indeed, but with each additional year he becomes more effective, more competent, more productive. All Louisiana is proud of your Congressman.

And now speaking for myself, it seems but a short time ago that I was receiving a bachelor of arts degree from my old alma mater. Time flies and things happen in a hurry after you graduate from college. May I be excused for failing to remember what the principal speaker said on the night that I graduated. I cannot recall a word of it.

The night was hot, I had plans for the evening. I wanted to get it over with. Let us hope that my experience was not in that respect a forerunner of yours tonight.

Yet on that June night of 1940, almost every man and woman in the class could have told you then and could tell you now some of the things that our President Franklin D. Roosevelt was saying over radio that year.

He told us that our generation had a rendezvous with destiny. It was true.

We were not of the maturity or experience to become the heads of government and immediately provide the top leadership, but we had the good judgment to help the Nation choose good leaders and we played a part in deciding which direction American policy would take.

Few of us were privileged to make command decisions, but we supported those decisions. We provided the workers, soldiers, officers to make those command decisions successful.

Our generation saw America emerge as the greatest Nation on the face of the earth, and the leader for all free peoples.

We learned how to attain full employment for our millions of workers who had suffered a cruel depression. We discovered many of the secrets of the Diety and made them available for the service of mankind.

We struggled successfully against totalitarian dictators, we were able to preserve the freedom of mankind in many parts of this planet.

Yet in spite of the best we could do, the dangers and the challenges will be even greater for you. Unless your generation measures up to those challenges, then the next 20 years will see world leadership pass from this Nation just as the last 20 years saw it come to us.

Such a result could spell disaster for this planet.

You will be in all respects equal to the task, and your achievements will be greater than those of my day if you can do two things, simple to say, difficult to achieve.

First by working in the right direction.

Second, by trying very hard to get there.

It has been my impression that most of our difficulties in this world and in this Nation exist because there are a lot of people working in the wrong direction.

You will be surprised to discover how many of them there are, and how powerful some of those people are.

Most of them do not think of themselves as doing anything wrong. Most of them are the victims of misunderstanding, on the one hand, or shortsightedness on the other.

Yet such people make it twice as hard for us to get good results. Some of them actually succeed in doing things that hurt their Nation notwithstanding their honorable intentions.

A few years ago, one of our best known Washington cartoonists, Herbert Block, better known as Herblock, published a volume of cartoons demonstrating his philosophy of life. He illustrated vividly one point that some of us never forgot.

Most U.S. Senators work hard, but many of them are working in the wrong direction. Herblock gives this illustration:

"Suppose I am a working man who is in need of a home for his family, and suppose my Senator is fighting against legislation which would help me to get a better deal. Then I am no better off because he is working hard. I would be better off if he had stayed in bed."

More than 30 years ago, a boy by the name of Roy Riegels played center for California's Golden Bears. He made what was perhaps the most famous run in the history of the Rose Bowl. It was a long run—just 6 inches short of 70 yards—but that was not what made it famous. The world remembers that run and remembers Roy Riegels because he ran in the wrong direction.

There is no reason to discuss here how Roy Riegels happened to make this mistake. The fact is that he did do it and that it typifies in this one memorable act out of a lifetime of acts, the many public officials, businessmen, and leaders in all walks of life, who all too frequently head out in the wrong

direction—and who often refuse, as Riegels did, to listen to the shouts of their teammates who know they have gone wrong.

Roy Riegels may have lost his direction temporarily, but he did not lose his courage. He played a lot more good football the next year. He was elected captain of the team.

When statesmen are going in the wrong direction it is even harder to persuade them to turn around and reverse their field. It is hard for a man to be certain that he is wrong; frequently it might actually be popular. It might actually appear to offer personal profits although the results may be bad for the Nation or for the world. A man might stick to his direction even when he realizes that what he is doing is resulting in more harm than good.

It is for these reasons that we should be fulsome in our praise of a man with the humility to admit his mistake and change his direction. The moral being: If you can't be right, at least be humble.

This misdirection applies to people on all sides. It applies to the businessman who selfishly demands things which are bad law from a legislator. It applies equally to the legislator who is more interested in serving again than he is in serving well.

So let me say this to the men of Loyola who officially take their place in the great arena of the world tonight.

When the great Scorekeeper marks your record down, be certain that all of your yardage was in the right direction. Or, at least, be certain that you tried to reverse your field before you scored for the wrong side.

Now a word about this thing of trying hard enough—time and again statesmanship is failing this Nation and this world because men who know what is right are not doing enough about it.

A great number of us feel that we are not maintaining sufficient armed strength to save this Nation in the event that we are forced to fight. Some of us were successful recently in offering an amendment to a bill appropriating money for the various departments of Government, stating specifically that no further reduction should be made in the strength of the Army or in the strength of the Marine Corps.

Those who represented the U.S. Senate, in conferring with the House of Representatives, threw in the towel on this issue in short order. When Members of the House of Representatives refused to discuss the matter, the Senators on the conference committee were quick to take "no" for an answer.

Some of us tried to force those who represented the Senate on the conference committee to go back and fight again for the position taken by the U.S. Senate. We lost, but we tried and we tried hard. If Senators who offered excuses for failure had voted with us rather than offer those excuses, we would have won. We will try again this year, and again next year. If we try long enough and hard enough we will prevail.

In dealing with other branches of our Government, we have frequently found that a Federal administrator can make a law work out the way it should work if he determines to reach that result. If he does not want it to work out he can find a thousand reasons why the law cannot succeed. The same thing is equally true of your Representatives in Congress, your Governor, your State legislature, your mayor, and your city council.

As a Member of the Senate of the United States, I have at times kidded other Senators about the excuses that some of them offer for their failure to vote for a matter which they admit to be in the national interest. It is either "too hot" or "too cold"; or perhaps a line from the recently popular song could better describe it: "It's the right time, it's the right place, but it's the wrong face."

At the moment, our Nation is failing to make itself understood among the 1 billion people of the world living in countries which are opposed to communistic slavery. The prevailing view of the ordinary people of the United States and the prevailing view of the people throughout the world toward our foreign aid program is that the program is of benefit to the unscrupulous politicians. Many persons in Government as well as the vast majority of the little people around the world feel that the program should be reformed. The trouble is that there are too many people who take a defeatist attitude about the matter. They are not trying hard enough.

Then, let us consider for a moment the actual problem of mankind's hope for survival due to the threat of all-out thermonuclear war over Berlin, Germany, Korea, or other trouble spots.

How much has actually been achieved in working out some sort of an arrangement to assure that literally billions of innocent people are not exterminated in an atomic war?

How much is being achieved in making sure that the possible causes of war are reduced?

What has been done to assure that there will be some limitation of the battle area and that the combat forces will be confined to those limits should war occur?

What has been done to limit the size of nuclear weapons and to control the testing which is polluting the atmosphere of this earth?

Very little. Yet the Russians have as much interest in survival as we do.

We cannot forever excuse our failures by blaming it all on the other fellow. Sometime we should approach these international conferences with the understanding mutually that both sides will be condemned for failure to come back with some sort of agreement.

Certainly one of two things must be wrong: Either the approach has not been right or the effort has not been sufficiently determined.

We must try again, reconsider our approach, and try harder.

When statesmanship fails the people perish. Statesmanship cannot succeed without steadfastness to a worthy purpose. It cannot succeed without tireless effort.

The flags of this Nation have been at half mast for the past 3 days out of respect to the late John Foster Dulles, former Secretary of State. In a number of ways, I differed with Mr. Dulles. I never disagreed with his purpose.

One thing everyone will forever admire about John Foster Dulles. He gave us everything he had. He drove himself to his grave fighting for a foreign policy which he had helped to shape. Any failure of his policy could not exist because the man failed to fight for it.

This may sound like simple words of advice, but I believe you will find that this advice will bring you a successful and satisfying future if you follow it.

First, be sure you are heading in the right direction and then give it all you've got.

Weapons of Free Men

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, September 8, 1959

Mr. HUMPHREY. Mr. President, it was with the deepest regret that I was forced to inform the commander in chief of the Veterans of Foreign Wars, Mr. John W. Mahan, that I could not be with him in Los Angeles to speak before the Veterans of Foreign Wars' annual convention on September 2 because of pressing business in the Senate.

I had hoped to pay tribute to the splendid work of the Veterans of Foreign Wars and its ladies auxiliary and to pay particular tribute to the leadership of Commander in Chief Mahan, Senior Vice Commander Louis G. Feldmann—who has now been unanimously elected as the new commander in chief—Ted Connell, the new senior vice commander, and Robert E. Hansen of South St. Paul, Minn., newly elected junior vice commander in chief.

The leadership of these men has been extraordinary, and they deserve the congratulations of every American for their work in behalf of American veterans and their families, a strong national defense, and a vigorous community welfare program.

Mr. President, I ask unanimous consent that the address entitled "The Weapons of Freemen," which I had prepared for delivery on September 2, 1959, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE WEAPONS OF FREEMEN

Commander Mahan, officers of the Veterans of Foreign Wars of the United States, delegates and distinguished guests, it is an honor to be asked to address this splendid group of men who have given so much for the country we all love, who have served our country overseas, and who continue to serve at the community, the State, and the national level.

The Veterans of Foreign Wars of the United States and their auxiliary are a great power for good in this Nation of ours. I have had the privilege of seeing your effective efforts in my own State of Minnesota. I have seen the good work you have done for young people, for better, cleaner, more healthful communities. I have watched the enthusiasm and vigor with which you roll up your sleeves and go to work on a project. In fact, in just a few days, one such project will be completed, with the dedication of the Veterans of Foreign Wars Cancer Research Institute at the University of Minnesota, to stand as a symbol of all that is unselfish, public spirited, and generous among the men and women who make up your great and vital organization.

I have always admired the way in which the Veterans of Foreign Wars has been able to work tirelessly and effectively in behalf of veterans and their dependents, and at the same time give leadership and impetus to constructive proposal to help all our people.

So during this session, we saw your leadership working ceaselessly to secure a new Senate Committee on Veterans Affairs—which we should have—and at the same time working for a desperately needed balance in our Armed Forces, for urgently needed modernization of our conventional forces, for more airlift and close air support.

I have seen your splended commander in chief and my admired and respected friend John Mahan, giving personal leadership not only to the cause of improved veterans and widows pensions, but also to the cause of preventing that tragic and senseless waste of young lives which we know as juvenile delinquency.

I count it my great good fortune to have as my friend and valued consultants not only Jack Mahan, but also your dedicated and respected director of legislative affairs, Omar Ketchum, the officers of the Minnesota department such as Department Commander Don Otte and Minnesota's brilliant

national councilman, Bob Hansen. The advice of men like these is not only welcome, but sought after.

And it is because of the great respect and admiration I hold for you men and your great organization that I wish to speak to you of a very serious matter this morning.

There is an old British saying: "Beware the hug of the bear." I hope that every American will remember those words when the Chairman of the Supreme Council of the Soviet Union begins what could become a spectacular Soviet success in his visit to the United States this month.

For Premier Nikita Khrushchev is a new kind of bear, so far as the history of Russian leadership is concerned. He is clever, able, forceful and vigorous—and dangerous. He kisses babies, he shakes hands, he is disarming in his manner.

But his mighty Soviet war machine is not disarming.

The Russian Premier is above all else a political man. He seems to prefer to outsmart his opponents, to trick them, to undercut them, to outmaneuver them. He can and has used force—as in Hungary—to work his will. He is shrewd, tenacious, and tough. He has survived forty years of purges, secret police, and all the other terrifying trappings of the Communist police state. He has either buried all his principal opponents, or set them to watching the machinery in obscure corners of the Soviet Union.

He would rather talk us into something than go to war about it. He would rather outsmart us, out maneuver us, out produce us, and out last us than to take the awful risks of a nuclear exchange.

The President of the United States has invited the Soviet Premier to visit this country. I support that invitation. And I support the President's visit to the Soviet Union.

The President has said that he hopes this exchange of visits with Mr. Khrushchev will "help create better understanding between the United States and (Russia) * * * and will promote the cause of peace."

I hope so. I truly hope so.

Khrushchev's visit to the United States may help to free him from some of the misconceptions about this Nation that he now has. It may help to convince him that the United States is stronger, wealthier and more unified than his own propaganda artists have painted us. Most of all I hope that he is able to see a Nation and a people who have worked hard, and who are working hard, to overcome great and serious problems, who are capable of enormous bursts of energy and of sustaining a high pitch of effort for years on end.

I hope he will have time to discover that ours is not a Nation of lotus eaters, not a people of soft touches. I think it is imperative that he understand that here in America there is an ever sharper and stronger competitive spirit than that which drives the men in the Kremlin.

And when he comes, let us meet him with the courtesy that is bred of strength and confidence in ourselves. We are his hosts. Let us listen to him, let us hear what he has to say.

But being courteous, we can also be candid.

Being pleasant, we can also be persuasive.

Mr. Khrushchev should feel the spirit of this people as well as see the face of our land. It will be both instructive and enlightening, I think, that the Soviet leader should hear and see precisely what the American people think and believe.

He should hear—without any shouting, discourtesy or demonstration—that Americans are ready to cooperate with the Soviet Union in every constructive way—but that we are opposed to the brutality, the oppression, the cruelty of Soviet imperialism. He should discover that the American people—not just what his propagandists call U.S. ruling circles—are passionately united in their belief that man must be free to choose his own way of government, that no nation has a right to rule another, and that freedom of speech, of movement, of assembly, of religion are not just words in a book but rather are articles of a living faith and component parts of our social order. He must see that our people actually believe these are the God-given rights of men and women everywhere. He must know that free men are prepared to struggle harder, more stubbornly, more tenaciously, and more effectively than the forces of communism. He must learn that we are prepared to live and die for these rights. We have before and are prepared to do it again.

It will be a tragic mistake if our people are led to expect too much from the forthcoming exchange of visits, if they are permitted to believe that with perhaps a new era of diplomatic courtesy, the underlying struggle with the forces of world communism has come to an end.

Yes, let us be prepared to talk, to negotiate, to confer. And let us have unfailing patience. Under the shadow of a nuclear holocaust, let us earnestly and sincerely search for a way to reduce tensions, to minimize the chances of a terrible explosion into outright war, to persuade our opponents that it is in their own best interests to resist the temptation to turn to force.

But even as our President and the Soviet Premier are talking in the White House or the Kremlin, the two worlds they represent will be colliding at a thousand points. Today the forces lock together in the great city of West Berlin and in the wild back-country of Laos. Yesterday they were joined in Tibet, Budapest, and Korea. Tomorrow?? Who knows about tomorrow?

We are engaged in a total struggle—far and away more than a question of mere military force. In this kind of struggle—economic, political, diplomatic, intellectual, scientific, cultural—everything counts. Tanks are important. So are teachers. Missiles are vital—so is money. Atom bombs are weapons—so are airways, oil pipelines, and sea lanes. Trained divisions are required—but no less do we require doctors, dentists, and diplomats—the best we have, the best we can train, are needed to strengthen our own society, and to go out to represent us in Asia and Africa and Latin America.

Underlying it all is the yawning gulf between two societies—one which gives no importance to freedom and the dignity of the human person and the other whose very roots strike down to the bedrock of the Judaeo-Christian heritage. With all its internal contradictions, the free world yet stands for the worth of the individual and a moral law.

I, for one, shall not be content to write off half the world as irretrievably lost to the dark forces that deny men and women the light of truth and the warmth of dignity and freedom.

If, then, we are soberly determined to carry on the struggle, then we should beware of falling into two grievous errors:

First, there is the danger that we may see only one narrow area of the struggle and overlook others equally important. If we become preoccupied with the military threat, we may forget the Soviet diplomatic, political, and economic onslaught. Equally dangerous is the tendency to see the struggle solely in terms of economics and politics, and to ignore the powerful military forces that confront us.

A second danger is the temptation to adopt the tactics and values of the adversary. It is said that we must fight fire with fire. In a sense this is true. We need missiles, jetplanes, and ships to defend ourselves against missiles, bombers, and submarines. We need men to fight men. We must develop an international economic strategy to counter the Communist economic offensive. We need the Voice of America to correct the distortions of Radios Moscow and Peking. In this sense we must fight fire with fire.

But we can never permit ourselves to forget that we are free men and that we can use these weapons only as free men use them. Communists have no such inhibitions. They can use their weapons with no holds barred, no qualms of conscience. If Radio Moscow lies about us and our objectives, it is not the part of free men to retaliate by lying about the Soviet Union. Russia can exploit her allies and send her tanks to crush a popular uprising in Hungary. But free men must respect the integrity of their allies and accept their criticism of our policies.

Yes, free men and tyrants may possess the same weapons, but they use them in a different way and for different purposes. Herein lies the fundamental moral distinction between the free world and the Communist world.

To meet the many-sided Communist challenge the arsenal of free men must furnish many weapons, not the least of which is the weapon of an effective diplomacy. Diplomacy is the art of bargaining, of fighting for what you believe by peaceful means at the conference table.

To be effective, a diplomat must speak from a position of strength. As Carl Sandburg once said, "The cockroach is always wrong when it argues with the chicken."

To go to the negotiating table weak or divided is to invite disaster.

The United States will not be able to negotiate an honorable settlement of the Berlin issue unless we are strong and determined, and unless our strength is reinforced by the strength of our NATO allies.

Negotiation is not a substitute for a strong defense. But negotiation is the indispensable handmaiden of military strength. Our willingness to negotiate is not a sign of weakness, but an indication that we want to explore every honorable path to prevent war on the one hand or capitulation to tyranny on the other.

I support the forthcoming two-power talks. I have supported all our efforts to negotiate with the Russians since the end of World War II. To be sure, we have not yet been successful in settling the German problem or in achieving an effective arms control agreement, but on the other hand have avoided a nuclear war, and not one square inch of Western Europe has been taken by the Soviet Union.

Just as diplomacy is no substitute for military strength, the instruments of modern war are no substitute for negotiation.

I am deeply concerned about our present military posture—as is the Veterans of Foreign Wars. We are a powerful nation. We have many strong and reliable allies. We have the capacity for massive retaliation, although this capacity would be severely limited by a massive surprise attack.

Unfortunately, however, our capacity for retaliation, which serves as a deterrent to any hostile power, is not yet matched by our capacity to deal with limited aggression. We do not have near the balanced forces capable of dealing with all likely military contingencies. We are weak on mobility. We are weak on the tactical weapons and manpower required to rebuff a local assault. Our weakness in these areas tends to invite adventurous nibbling from the rim of the Communist world.

In the passion and determination to balance the budget, our military posture has been thrown off balance. In a desire to get a "bigger bang for a buck," the budget-cutters have tempted Russia to run a bigger risk with their ruble.

Civil defense, for example, has been almost criminally neglected. Yet a realistic survival program is critical in a balanced defensive posture. A solid civilian defense effort would add substantially to our deterrent strength.

Let me illustrate what I mean. According to competent experts a medium-sized nuclear attack on the United States today would kill at least 50 million persons, most of them as radiation casualties.

A comprehensive shelter program to protect against radioactive fallout could save as many as half of these victims. In other words, such a civilian survival program could strengthen our country by 25 million survivors in the event of a surprise nuclear attack. This is no small factor in the military calculations of a potential aggressor, to say nothing of the humanitarian values involved.

If a fallout shelter program could save 25 million American lives, and if it would serve as an additional deterrent to nuclear attack, why has our Government not embarked upon it?

The answer we are given is: "It costs too much." Well, how much would it cost? According to Rand Corp. studies and the Gaither committee report, a shelter program of this magnitude could be accomplished in 5 years with an annual expenditure of less than 10 percent of our present defense budget.

At present the administration is content with a voluntary, do-it-yourself, shelter-building program. How can we expect State governments, local authorities, and individual citizens to take civilian defense seriously when their own national government does not even require that shelters be included in new Federal buildings or in federally assisted construction?

Our military and diplomatic weapons would be as weak reeds without a strong economic underpinning. And here, though we are strong, we can be caught napping. Soviet production today is about 40 percent as great as U.S. production. But she is gaining—and fast. Her economy is growing at a rate of 7 to 9 percent. That is approximately three times as fast as our rate of growth.

In the realm of economics, world war III has already started. Premier Khrushchev has repeatedly boasted that the Soviet Union would overtake the United States and eventually win the world to communism by economic, rather than military, means.

"We declare war upon you in the peaceful field of trade," said Khrushchev on November 22, 1957. This boast cannot be lightly dismissed. Soviet sputniks and lunik should have shattered any remaining illusions we once entertained about Russia's technological backwardness.

Furthermore, the Soviet Union has launched a worldwide economic offensive. The two main weapons in her ruble war are trade and aid, which she frankly regards as instruments of her large political purposes. She has succeeded in penetrating strategic countries in the Middle East and in southeast Asia. By her "no holds barred" economic tactics, she was able to precipitate a serious Cabinet crisis in Finland. I was in Helsinki when it happened, and I know what I'm talking about.

We must meet this competition by increasing our aid and investment program abroad substantially, and by moving hard to make better use of our tremendous reserves of real wealth in the form of American-produced food and fiber.

You can't talk democracy and freedom effectively to a family lacking food, health, shelter, and economic opportunity. The battle for men's minds cannot even begin until at least partial victory is won over poverty, disease, and illiteracy.

In the efforts to help the newly emerging nations of Asia and Africa and Latin America to help themselves, American capital is vital—an important weapon of free men. Through the World Bank, our Development Loan Fund, and the promising International Development Association, our capital can merge with West Europe's increasing capital reserves to support economic growth in the uncommitted areas of the world.

One of the greatest of all our weapons in this vast struggle is that agricultural abundance which some consider a burden and a curse. Yet, if Mr. Khrushchev had our surplus of farm production, what would he not be able to achieve in the world.

Food and fiber in the hands of free men can accomplish enormous good. I have seen the way American food speaks for us. It is eloquent in pleading the American way of life—from Barcelona to Athens, to Calcutta and Seoul, Korea.

The food for peace program which I have urged for years, and which is now before the Senate, would permit us to use in greater measure our supplies of grain, milk, and cotton in constructive works of peace overseas. With food and fiber we could build hospitals, schools, and laboratories. We would take our food and fiber surplus production out of the storage bins and put it to work in the great world struggle.

The idea for a White Fleet first suggested to me almost 2 years ago by Cmdr. Frank Manson of the Navy—and on which we have worked together ever since—struck me as a most useful and dramatic way of carrying out one part of an expanded American foreign policy based on the works of peace. Yes, we could very well afford to provide a fleet of ships to help carry out technical assistance programs, particularly in the field of public health, along the coasts of Asia, Africa, and Latin America. And we could in so doing provide for disaster relief on a much greater scale, and much more quickly and effectively than we have provided in the past.

The deeds of a White Fleet would also speak eloquently of the American mind and the American heart.

It is significant that 34 of my fellow Senators joined me in introducing the White Fleet resolution, and that Congressman ED EDMONDSON, of the House side, was joined by many of his colleagues.

The White Fleet could take its place among the peaceful weapons of free men. To heal the sick, to feed the hungry, to cloth the naked, to rescue the distressed, to teach the illiterate * * * here are noble goals firmly rooted in the long American tradition. Pain, hunger, want, and illiteracy—these are worthy enemies—against which we should pit ourselves even if no Communist leader threatened to dominate the world. How much more vital it is, then, that we should throw our resources into the work of overcoming these evils.

Can we afford these great efforts?

How can we afford not to make them?

This magnificently endowed country of ours, this vast productive capacity, this free society which permits the energies of so many men and women to flow into the national effort can and will produce what is necessary to win the world struggle.

It will require planning, it will require decision making, but I am convinced that by voluntary planning, and if necessary sacrifice, our people and our free world allies can outproduce, outwork, and outmatch, and outfight anything that the Communists can put up against us.

And America can do this without becoming a garrison state—a modern Sparta. Indeed, we have the resources to become a modern Athens—rich in the arts of peace, strong in our arms and in our purpose.

A free people cannot expect to survive automatically. It is not written in the stars that because a society is free it will continue forever. Just because we are friendly and openhearted, the leader of the Soviet bloc cannot be expected to let us alone.

Th truth is that we cannot live without leadership, without purpose, without courage.

Edmund Burke, the great 18th century English statesman, warned us long ago when he said, "Evil triumphs when good men fail to act." We must act—but action requires purpose and leadership.

It is clear that we have nothing to fear if we go boldly into the future, if we produce leadership wise enough to understand our dangers, bold enough to face them and plan their defeat, imaginative enough to rally our people to the task and the battle.

Tenth Anniversary of Chancellor Adenauer

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 8, 1959

Mr. CELLER. Mr. Speaker, September 15, 1959, marks the 10th anniversary of the leadership of Chancellor Adenauer. President Eisenhower has recently visited with him and paid him a tribute of respect and honor.

Out of rubble and ruins, the Chancellor and his Cabinet have built a strong republic, which is orientated westward and has done all and sundry to buckle itself as a stanch ally to the United States and Western democracies.

There is no doubt that West Germany, under the guidance of her leaders like Chancellor Adenauer and President Heuss, Foreign Minister Brentano, Economic Minister Erhard, and others, has realized that the mark of Cain was upon the Germans because of the terrors of Hitler and nazism. They worked feverishly to wipe out that strain and have succeeded in reestablishing West Germany as a liberal nation in the liberal world, dedicated to the principles of individual freedom and democracy.

A look at the map will reveal in realistic fashion that Germany in the heart of Europe must always be a buffer state on the flank of a free and democratic Europe. We do well to strengthen Germany by our insistence that East and West Germany be made one Germany. We do well to assure the world that we will never let Berlin down; that Berlin, now an island in a Communist sea, must be integrated into a unified Germany.

It is worthy of comment also, that Chancellor Adenauer, President Heuss and his successor, Dr. Heinrich Luebke, and the other praiseworthy officials of Germany have made, and are making restitution to the Jews in Israel and other Jews, whose property and valuables were filched from them by Hitler and his cutthroat bandits. That restitution, of course, cannot bring back the 6 million dead, but it can go a great way in the court of public opinion to show that Germany wishes to be rehabilitated, that Germany is repentant and that Germany is expiating her wrongs.

We all, therefore, hail Chancellor Adenauer on his 10th anniversary and present our compliments to President Heuss and his able successor in the Presidency, Heinrich Luebke. We present our compliments also to Foreign Minister Brentano, and Economic Minister Erhard for work well done.

Labor, the Strong, Vital Force of Our Nation, Is the Thrust Born in the Hearts, the Minds, and the Hands of the Worker

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Tuesday, September 8, 1959

Mr. RANDOLPH. Mr. President, Labor Day in West Virginia, as is true throughout most of the United States, is a holiday truly dedicated in numerous appropriately located communities to the honoring of the men and women who toil that America be strong and remain free.

It was my privilege to have participated in one Labor Day eve observance at Morgantown, September 6, when I was dinner host to the executive committee for Labor Day celebration events in Morgantown, Monongalia County, and a public reception which followed.

My brief remarks on that occasion were a prelude to and extracts from two addresses I had the honor of delivering in areas of southern West Virginia on Labor Day. The first was the annual celebration at Harris Memorial Park, Smithers, Fayette County at noon, under the auspices of the upper Kanawha Valley local unions. The other event was the United Mine Workers' annual Labor Day celebration at Comfort, Boone County.

Several thousand persons were in attendance for each of these traditional programs in the largest bituminous coal producing State. The workers, whether members of organized unions or toilers in unorganized activities, were all accorded honors of the day.

Mr. President, I ask unanimous consent that the speech which I delivered at these celebrations be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN ADDRESS BY SENATOR JENNINGS RANDOLPH, LABOR DAY, SEPTEMBER 7, 1959, AT UPPER KANAWHA VALLEY LOCAL UNIONS' ANNUAL LABOR DAY CELEBRATION, HARRIS MEMORIAL PARK, SMITHERS, FAYETTE COUNTY, W. VA., AND UNITED MINE WORKERS' ANNUAL LABOR DAY CELEBRATION, COMFORT, BOONE COUNTY, W. VA.

Ladies and gentlemen, members of the United Mine Workers, and friends, I am grateful for this opportunity to join with you in celebration of the one day of the year set aside for commemoration of the men and women of American labor.

"Labor Day differs," said Samuel Gompers, "in every essential from the other holidays of any country." Fifty years ago, the father of the American trade union movement stated that "all other holidays are in a more or less degree connected with conflicts and battles of man's prowess over man, of strife and discord for greed and power, of glories achieved by one nation over another. Labor Day * * * is devoted to no man, living or dead; to no sect, race, or nation."

This is the occasion on which we pause in the course of our own labors to acknowledge the sweat and toil of the men and women who created much that we see about us. It is fitting, too, that Labor Day should have come to be acknowledged in the manner that it has. The product of no Executive fiat, no act of Congress—except for the District of Columbia—the acceptance of Labor Day itself is an expression of the free and voluntary character of the American trade union movement.

First propounded in 1882 by Peter J. McGuire, a carpenter in New York, every State has independently adopted the day which, in the words of Mr. McGuire, "shall be labor's—an occasion devoted to the industrial spirit, the great vital force of every nation."

This vital force is the thrust born in the hearts, the minds, and the hands of the worker. It is this force which has built railroads to span the continent and raised buildings to scrape the sky; it has built and manned our factories and gone into the bowels of the earth for fuel to fire them. All of these are the product of the efforts and dreams of the American worker.

In thus pausing to survey the achievements and reckon the gains of American labor, it is therefore appropriate for us to recall some of the milestones in the union movement. Some of you here have your own milestones—the struggles to achieve recognition, the victories and defeats of organization. You also recall the grim days of the depression. And for many of you, I am sure, the road has seemed long and arduous, a road along which you have been guided by hope, but on which you have met also with the face of despair.

But in the history of man and in the history of labor, 75 or 100 years is not a very long time in which to create a new institution. And let us not ignore the fact that the trade union movement is indeed just that—a new and compelling social institution in mankind's history. Only 50 years ago Prof. William Graham Sumner was still preaching to the bright young men at Yale University the doctrine that "every experiment only makes it more clear that for men to band together * * * instead of being a remedy for disappointment * * * is only a way of courting new calamity."

This was the typical and mistaken response of the conventional wisdom of the period when Samuel Gompers and a handful of other union leaders met in Pittsburgh in 1881 to form the Federation of Organized Trade and Labor Unions. Five years later this organization was succeeded by the American Federation of Labor—the same year as the Haymarket riot in Chicago. Since that time the history of American labor has been a chronicle of the march toward an ever broadening realization of the dictum of Mr. Justice Holmes that "liberty of contract begins where equality of bargaining power begins."

It is a record marked in its early stages by bitter and last-ditch struggles of management to resist the recognition of unions. The uses of injunctions, "yellow dog" contracts, and private labor spies live still in the memories of many union leaders and rank and file workers.

It was only 89 years ago that the first written contract was signed between coal operators and coal miners. Less than 70 years ago—in 1890, to be precise—and within the lifetime of the dynamic and dedicated leader, John L. Lewis—the United Mine Workers of America organized formally. While it was not until some 30 years later, in 1922, that the UMWA won its famous case against the Coronado Coal Co., in which the Supreme Court declared that a strike was not a conspiracy in restraint of trade.

Though organized labor made slow but steady gains from the 1880's to the 1930's, its security was not assured until the arrival of the New Deal under the leadership of President Franklin Delano Roosevelt. And I am happy to have had a part in those exciting times as one of the original members of the F.D.R. team in the Congress. For, it was our passage of the National Industrial Recovery Act, the Fair Labor Standards Act, and the National Labor Relations Act, which, for the first time, established national policy protecting the right of workers to organize and to elect their representatives for collective bargaining.

These are only some of the high points of labor's progress. The record has not been unmarked by violence on the part of both labor and management—we have had the Haymarket riots, the Pullman strikes, and Little Steel strikes. But in spite of the occasional eruptions of violence—in spite of the sometimes ruthless actions of reprisal—the chief mark of the American labor movement has been its use of legal and democratic methods to forge social and economic advancement.

The free American labor movement has confounded the Marxist dogma of class antagonism and has refuted the Marxist prophecies of blood and iron. Here, working within the framework of a cooperative capitalism, American labor most clearly distinguishes itself from many of its counterpart movements in Europe.

The goal of the trade union movement in the United States has not been to inflame the jealous passions of the dispossessed and the "have nots" against the "haves," but to seek a more abundant life for all. Karl Marx—blinded by his own sense of being an outcast—failed to see this; and present-day Marxist leaders—blinded by their own dogma of Marx and Lenin also fail to see this.

The wisdom of American labor's use of peaceful, legal, and democratic methods is apparent to us today. For organized labor has finally—in many areas—achieved full partnership with capital in the American productive system. With this increase in power, working men and women have won new rights. But these rights carry new responsibilities as well.

And the first responsibility is that which goes with all power—the obligation to use one's strength wisely for the benefit of the general good. This position—you know and I know—has not been universally and consistently upheld by all of our present-day labor leaders. This can be said also for the use and the abuse of power by some management leaders.

Our Founding Fathers wisely recognized that power is inherently dangerous. Therefore, they sought to disperse political authority as widely as possible within the Federal structure of government and between the Federal and State Governments. As our civilization has become more complex and our society more centralized the same problems of the distribution of political and economic power have developed within nongovernmental institutions. Parallel to this development there has grown the need to erect and maintain democratic safeguards against the misuse and abuse of power throughout the range of American life—in the great communications media, in industry, and to a lesser extent, in labor.

I speak quite candidly on the subject of the labor-management reform bill recently reported by the Senate-House conference committee, accepted by the Senate, and awaiting House action, probably today or tomorrow. I was a member of this committee and participated for 12 days in the exacting business of its deliberations. At the outset I had determined that I would vote for those reform measures which had been revealed to be necessary by the Senate Rackets Investigating Committee, but that I would not associate myself with any punitive or repressive provisions which would restrict the legitimate rights of organized labor. I held as firmly as possible to that position, as did my Senate Democratic colleagues.

The bill as reported admittedly will not please every one. It does not fully satisfy

me. But it is doubtful that any law passed by the representative legislative process will ever be acceptable to all because, in such issues as these, there are as many points of view as there are parties to the discussion. But democracy is the art of the possible—and in this instance we have done all that could be accomplished within the latitude afforded by the differing versions passed by the two Houses of the Congress.

There has been much exaggerated talk at both extremes regarding Senate and House actions on labor-management legislation. And though it may take time to assess its impact, this I can state from knowledge based upon intimate study and contact with its preparation: It is a measure aimed at eliminating the racketeer element from honest labor and restoring democratic safeguards to those unions where they have been lost. These accomplishments can be brought about under the terms of the legislation without destroying the hard-won and legitimate rights of organization and collective bargaining.

In discussing the conference report in the Senate on Wednesday of last week, I said: I toiled to prepare a report which would be restrictive where necessary but would not be repressive to the legions of loyal labor so vital to the strength of our country.

At this point I state emphatically that, in my opinion, the conference chairman, Senator JOHN F. KENNEDY, of Massachusetts, spoke with complete accuracy when he informed the Senate, also on Wednesday, when he said:

"There were serious shortcomings in the reform bill which passed the House, and the conferees on the Democratic side, the Senator from Michigan [Mr. MCNAMARA], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Oregon [Mr. MORSE] shared my view that we could not under any circumstances have voted for the Landrum-Griffin bill. While many Members of the Senate hold an opposite view, if the Landrum-Griffin bill had come to the floor of the Senate in the form in which it passed the House * * * all the Senators would have regretted it finally. * * * And when we view the significant provisions of the Landrum-Griffin bill, one after another, we must admit they go far beyond reform. They go into an area which would limit what we all would consider legitimate activities of men and women who bargain collectively."

But I do not choose to inflate out of its proper proportions the importance of the issue of so-called labor reform. Whatever the merits of the issue, the problem has not been one in the great body of the institution of trade unionism. This has always been, and remains so today, a movement necessary to the welfare and strength of a democratic system.

My concern for the welfare of organized labor in America goes deeper than the issue of reform. In these closing minutes I would like to address what seems to me a more fundamental issue—more fundamental for the labor unions and for the welfare of American democracy. I refer now to the loss of what might be called a "sense of mission." And I do not use the term lightly.

For the trade unions have always acted their best—as has the United States itself—when imbued with a sense of mission—a mission to perform not for themselves alone but for all Americans. This was the lesson of the life of Samuel Gompers. It was from this sense of mission that the unions fought for gains for all Americans—for free public schools, child labor laws, minimum wages, workmen's compensation, social security, and a host of other advances which have been to the benefit of all American citizens.

Thus have the trade unions always best served themselves when they have served the American heritage, when their actions have been charged by the belief that they could create a future of greater worth and human dignity. This belief—this belief in the possibilities of man and the dignity of labor—has shaped the destiny of America.

American labor, led by the trade unions, is today a full participant in that destiny. But if we are to live up to the fulfillment of America we must live beyond the preoccupations of our particular job or craft. This is a responsibility which one cannot defer to his political or union leaders. It is an obligation which rests upon the individual heart and will of each of us.

"The American journey has not ended," stated Archibald MacLeish. "America is never accomplished, America is always still to build; for men, as long as they are truly men, will dream of man's fulfillment." This is the mission to which we must again rededicate ourselves; this is the mission which Samuel Gompers saw with such clarity.

Thus, as citizens and as workers, it is up to each of us to rekindle the faith in the American future, and to live with a renewed vision of the possibilities of man. We Americans have reason thus to live; whether we have the will depends upon the individual heart. And if we do so live, our work, whatever its nature, will be ennobled in its service to the greater benefit of man.

SENATE

WEDNESDAY, SEPTEMBER 9, 1959

(Legislative day of Saturday, September 5, 1959)

The Senate met at 9:30 o'clock a.m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal Spirit, in whom alone is the strength of our hearts and the hope of our world, in this our morning prayer we would open our faltering lives in penitence to Thy waiting might and to Thy cleansing grace. For the living of these days grant us wisdom for the problems we face, insight for these troubled times, and vision which sets its gaze on far horizons.

In the midst of events so staggering and colossal that as individuals on the confused world stage we appear so puny and inadequate, O God, who sittest above the flood of man's insanity, lift us into the only greatness we will ever know by using us, earthen vessels though we be, as the channels of thy purpose and intent. So may we serve the present age as we fulfill our high calling in Christ Jesus, our Lord. Amen.

REPORT OF A COMMITTEE SUBMITTED DURING RECESS

Under authority of the order of the Senate of May 21, 1959,

Mr. HAYDEN, from the Committee on Appropriations, on September 8, 1959, reported favorably, with amendments, the bill (H.R. 8385), making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1960, and for other purposes, and submitted a report (No. 981) thereon, which report was printed.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, we made a great deal of progress yesterday in the Senate, and I am hoping for progress today. I see no prospects for adjournment by this weekend. We have more than 100 bills for the Senate to consider. Dozens of them will have to be called up by motion and are of a general nature.

I should like to call to the attention of the Senate some very important facts. When Congress is moving rapidly, no measure becomes law until it has passed both Houses and either been signed by the President or passed over his veto. There are several loose ends which must be tied together.

We in the Senate are interested in passing laws, not just going through the motions. There are many steps which must be taken before we can be satisfied that the public business has been concluded and fully transacted.

However, I do wish to inform the Senate that I believe we are heading for a very constructive record, and I hope the closing days of Congress will be productive.

If necessary, we will have another meeting of the policy committee later in the week to consider any other bills that may have been reported from the committees, if the committees meet today.

Mr. President, a parliamentary inquiry. We had an order yesterday that we will have the usual morning hour, with a limitation of 3 minutes on statements. Is that correct?

The VICE PRESIDENT. The Senator is correct.

Mr. JOHNSON of Texas. I understand the housing bill is the pending business.

The VICE PRESIDENT. The Senator is correct.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President

of the United States submitting sundry nominations, and withdrawing the nomination of Earl J. Thompson to be postmaster at O'Fallon, Ill., which nomination messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

AGREEMENTS FORMULATED AT UNITED NATIONS CONFERENCE ON LAW OF THE SEA—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from certain agreements formulated at the United Nations Conference on the Law of the Sea, transmitted to the Senate today by the President of the United States, and that the message, with the accompanying documents, be referred to the Committee on Foreign Relations, and printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of each of the following agreements: (1) convention on the territorial sea and the contiguous zone; (2) convention on the high seas; (3) convention on fishing and conservation of the living resources of the high seas; (4) convention on the Continental Shelf; and (5) optional protocol of signature concerning the compulsory settlement of disputes; which agreements were formulated at the United Nations Conference on the Law of the Sea, held at Geneva from February 24, 1958, to April 27, 1958, and were dated at Geneva on April 29, 1958. The conventions, which were open for signature from April 29, 1958, until October 31, 1958, and the optional protocol, which was open for signature from the same date and continues open indefinitely, were signed on behalf of the United States of America on September 15, 1958, and have been signed on behalf of a number of other states.

I transmit also, for the information of the Senate, the report which the Acting Secretary of State has addressed to me in regard to this matter, together with the enclosures thereto.

In the event that the Senate advises and consents to ratification of the convention on fishing and conservation of the living resources of the high seas, it is requested that it enter an understanding in its resolution of advice and consent as follows:

Resolved (two-thirds of the Senators present concurring therein) That the Senate advise and consent to the ratification of Executive —, 86th Congress, 1st session, an agreement entitled "Convention on Fishing and Conservation of the Living Resources of the High Seas" adopted by the United Nations Conference on the Law of the Sea at Geneva on April 29, 1958.

It is the understanding of the Senate, which understanding inheres in its advice and consent to the ratification of this agreement, that such ratification shall not be construed to impair the applicability of the principle of "Abstention," as defined in paragraph A.1. of the documents of record in the proceedings of the conference above referred to, identified as A/CONF.13/C.3/L69, 8 April 1958.

DWIGHT D. EISENHOWER.

(Enclosures: (1) Report of the Acting Secretary of State; (2) commentaries; (3) certified copies of agreements of April 29, 1958; (4) certified copy of final act of the conference, together with annexed resolutions.)

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *September 9, 1959.*

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

James H. Blumer, for permanent appointment as ensign in the Coast and Geodetic Survey; and

Alvin T. Durgin, Jr., and sundry other persons, for appointment in the U.S. Coast Guard.

The VICE PRESIDENT. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

U.S. DISTRICT JUDGE

The Chief Clerk read the nomination of Leonard P. Walsh to be U.S. district judge for the District of Columbia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEPARTMENT OF THE TREASURY

The Chief Clerk read the nomination of David A. Lindsay to be General Counsel for the Department of the Treasury.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of Norman A. Kreckman to be Collector of Customs.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEPARTMENT OF DEFENSE

The Chief Clerk read the nomination of J. Vincent Burke, Jr., to be General Counsel of the Department of Defense.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

IN THE NAVY

The Chief Clerk read sundry nominations in the Navy.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

IN THE MARINE CORPS

The Chief Clerk read sundry nominations in the Marine Corps.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

U.S. CIRCUIT JUDGE

The Chief Clerk read the nomination of Henry J. Friendly to be U.S. circuit judge for the second circuit.

Mr. JOHNSON of Texas. Mr. President, I wish to commend the committee for its thorough and prompt action in connection with the nominations which we are about to consider.

I have had numerous representations concerning Judge Friendly. I understand he is one of the most capable lawyers in the country, and I am very happy to see that the committee has seen fit to report his nomination. I hope he will be unanimously confirmed.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. YARBOROUGH subsequently said: Mr. President, if the distinguished majority leader will yield for a minute, I wish to comment briefly about the services of a veteran judge of the U.S. Court of Appeals for the Second Circuit; Harold R. Medina, now retired, whose place on that court is to be taken by Judge Friendly, whose nomination is being confirmed today. I am proud of the service which Judge Medina rendered for our Government and the American people. He presided in one of the most difficult trials in the history of Anglo-American jurisprudence, where almost intolerable pressures were put upon him. He presided with dignity, fairness, and with great credit to himself and to the bench and to the governmental forces which placed him upon the bench. He is a great credit to the American people, to our concepts of freedom and liberty under the law, and to the fairness of our system of jurisprudence.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. MORSE. I wish to associate myself with the remarks of the Senator from Texas [Mr. YARBOROUGH] with respect to Judge Medina. I think he is one of the great jurists of all time. He is a man who recognized that law is a living force and not a dead hand. I think the contribution he has made to American jurisprudence will be his great monument in the legal history of the United States.

Mr. DODD subsequently said: Mr. President, as one of the Senators who approved in committee the confirmation of Mr. Friendly as a judge of the Second Circuit Court of Appeals, I wish to say

that everything I know about Mr. Friendly indicates that he is an excellent lawyer and a man of good character. I feel he has the basic qualifications to make an able judge of the second circuit.

However, Mr. President, I think it is also necessary and proper to point out that the administration has again violated the sound career policy that should govern judicial appointments by appointing a man with no judicial experience to the second highest court in the Nation.

Many lawyers in the second circuit are disappointed because of the failure to promote Judge Irving R. Kaufman, recognized as one of the most brilliant and able members of our Federal judiciary, to the post which has been given to Mr. Friendly. Judge Kaufman is a man of such preeminent competence, character, and judicial experience that his promotion to the court of appeals is long overdue.

The latest bypassing of Judge Kaufman is a serious blow to the development of a Federal judiciary system based on merit and experience on the bench. I hope the fact that Judge Kaufman tried the Rosenberg atomic spy case has had nothing to do with the unexplainable delay in giving him a well-deserved promotion to the Second Circuit Court of Appeals.

U.S. DISTRICT JUDGE

The Chief Clerk read the nomination of Harold K. Wood to be U.S. district judge for the eastern district of Pennsylvania.

Mr. JOHNSON of Texas. Mr. President, the distinguished Senators from Pennsylvania both have talked to me about Judge Wood. They represent him as a judge of the very highest caliber. The Senators from Pennsylvania [Mr. CLARK and Mr. SCOTT] have been very anxious to see this nomination considered.

The Judiciary Committee has one of the heaviest dockets of any committee in the Senate, but I hope that before we conclude this session it will clear its calendar completely.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of William A. M. Burden to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Henry E. Stebbins to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

U.S. CIRCUIT JUDGES

The Chief Clerk read the nomination of Bailey Aldrich to be U.S. circuit judge for the first circuit.

Mr. JOHNSON of Texas. Mr. President, both Massachusetts Senators [Mr. SALTONSTALL and Mr. KENNEDY] are very much interested in having this vacancy filled. They represent that Judge Aldrich is a man of the highest qualifications. He has been unanimously reported by the Judiciary Committee after following the procedures of that committee. I hope that his nomination will be acted upon favorably.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Phillip Forman to be U.S. circuit judge for the third circuit.

Mr. JOHNSON of Texas. The very able Senators from New Jersey [Mr. CASE and Mr. WILLIAMS] have talked to me about Judge Forman. They have had a number of letters in connection with his appointment. I hope the Senate will act favorably on his nomination.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Paul C. Weick to be U.S. circuit judge for the sixth circuit.

Mr. MORSE. Mr. President, I should like to call the attention of the Senate to the fact that Paul C. Weick will be taking the bench which has been occupied with great distinction and great honor to the law by a great judge, Florence E. Allen, who is retiring.

We all recall, I am sure, when this great woman was appointed to the bench. It attracted national attention, and rightly so. The predictions at that time were that she would make a great judicial record. Such a record has been made. I thought that this word noting her record should be placed in the RECORD at the time that her successor to the bench is confirmed in the Senate today.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

U.S. DISTRICT JUDGES

The Chief Clerk read the nomination of Fred Kunzel to be U.S. district judge for the southern district of California.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of George L. Hart, Jr., to be U.S. district judge for the District of Columbia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Anthony Julian to be U.S. district judge for the district of Massachusetts.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Lloyd F. MacMahon to be U.S. district judge for the southern district of New York.

THE VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Charles M. Metzner, to be U.S. district judge for the southern district of New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Joe J. Fisher, to be U.S. district judge for the eastern district of Texas.

Mr. JOHNSON of Texas. Mr. President, Judge Fisher is an elected district judge in Texas. He is a person of the finest character. He is a man of considerable experience in the law. He is a dedicated public servant. I believe him to be extremely well qualified.

Yesterday my colleague and I had an opportunity to present Judge Fisher to the Judiciary Committee, where he was examined and subsequently recommended for confirmation unanimously. He is a native of Texas. He has been county attorney, district attorney, district judge, and he is presently serving as district judge. All of the counties of his district will be in the eastern district of Texas, which he will now serve as Federal judge.

I yield to my colleague, who has known him practically all of his life.

Mr. YARBOROUGH. Mr. President, I thank the distinguished majority leader for yielding to me for a moment of comment on the nomination of Joe J. Fisher as district judge for the eastern district of Texas. The eastern district of Texas is the oldest of the four districts in my State. It is the district in which I was born and reared. Traditionally it has had a line of very distinguished and able judges, among them Gordon Russell, a relative of the distinguished Senator RICHARD RUSSELL.

Mr. Fisher served in that district as county attorney by election of the people and as district attorney for 8 years by election of the people. He is now serving a 4-year term as State district judge by election of the people, having served 3 years in that office.

Having worked for a long time with people in that district, Judge Fisher knows their problems and I am confident he will bring to the Federal bench a knowledge of the legal problems in the district which few people possess. He has had 15 years of public service in that district.

I have known him for more than 20 years. He has been a diligent and faithful public official, and I am confident he will fulfill the duties of the office of U.S. district judge with credit to himself and family, with honor to his State, and with fidelity to the great Government he serves.

Mr. MANSFIELD. Has the nomination of Judge Fisher been confirmed?

The VICE PRESIDENT. Without objection, the nomination is confirmed.

JUDGE OF THE DISTRICT OF GUAM

The Chief Clerk read the nomination of Eugene R. Gilmartin, to be a judge for the district court of Guam.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

The Chief Clerk read sundry nominations of judges of the municipal court for the District of Columbia.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations of these judges be confirmed en bloc.

The VICE PRESIDENT. Is there objection to the request of the Senator from Texas?

Mr. MORSE. Mr. President, I wish to take a moment to comment on these nominations. They were considered yesterday in the District of Columbia Committee, and I was privileged to recommend each one of the nominees. As a member of the District of Columbia Committee of the Senate I am somewhat familiar with the problems of our municipal court. We must keep in mind the fact that the municipal courts probably have the closest contact with the American people so far as the administration of justice is concerned, and these men who have been appointed and recommended by the District of Columbia Committee for the municipal court of the District of Columbia deserve our high commendation.

I am familiar with the work of Judge Smith and Judge Kronheim. Both of those men have already brought distinction to the bench. I am sure our former colleague in the Congress, DeWitt S. Hyde, will demonstrate our confidence in his judicial temperament and his legal ability, and will grace the bench of the District of Columbia municipal court with great distinction.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

U.S. PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations for appointment in the U.S. Public Health Service.

Mr. JOHNSON of Texas. I ask unanimous consent that the nominations be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

NOMINATIONS REPORTED FAVORABLY AND PLACED ON THE VICE PRESIDENT'S DESK

The Chief Clerk proceeded to read sundry nominations reported favorably and placed on the Vice President's desk.

Mr. JOHNSON of Texas. I ask unanimous consent that the nominations be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations will be confirmed en bloc.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations confirmed today.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the votes by which all nominations were confirmed today.

Mr. KUCHEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMENDATIONS OF JUDICIAL CONFIRMATIONS

Mr. JAVITS. Mr. President, I wish to make a statement about the judges of the U.S. courts in New York whose nominations have just been confirmed. It will be noted there are three on the calendar.

The nomination of Judge Friendly has been confirmed as a judge for the circuit court of appeals. The nominations of Judge Charles M. Metzner and Judge Lloyd F. MacMahon have both been confirmed for the district court.

Mr. President, New York is very proud of these nominations.

We have one additional nomination pending, that of John O. Henderson, to be district judge in the western district of New York. His nomination has received a hearing in committee, and we hope very much that his nomination may be confirmed before the end of the session.

The reason for our expression of pride in the confirmation of the nomination of these judges is that we consider these men to be truly representative of New York and to be men of outstanding distinction.

I wish to say a word first about Henry Friendly. It took a very long time to get a judge to replace the very great Judge Harold Medina, who has been properly lauded on the floor this morning.

It might interest the Senate to know I studied for the bar under Harold Medina when I first took the bar examination in New York in 1926. He was then one of the brightest legal minds it has ever been my privilege to encounter. He showed to the whole world in the Communist trials how great a judge can be in terms of serving the public interest and doing justice even in an unpopular cause, and yet seeing that the public interest prevailed.

Mr. President, in Mr. Friendly's case, he started with the greatest promise. He was, as I understand, the brightest student who ever graduated from the Harvard Law School. Throughout his professional career he has been a leader at the bar. He has made the law his life in a real sense.

Mr. President, I think the congratulations in respect to the nomination of Mr. Friendly go perhaps to those who influenced him and convinced him that he ought to be a judge, and to the President of the United States who named him, because this is, I believe, an appointment sheerly based upon the merit and the quality of the man.

I know of my own knowledge it is uniquely true in the case of Henry Friendly that the office sought the man. The President himself was tremendously impressed with his qualifications, and we have promise of a career judge of the highest order. We waited quite a long time for Mr. Friendly to be confirmed. Whatever may have been the reasons for the delay, they are now washed out by the happy event of his confirmation, and I am very happy on the part of the State of New York to congratulate him and I think really congratulate the United States on getting such a distinguished servant.

Mr. President, in the case of Charles Metzner and Lloyd MacMahon, they are younger men with whom I have had the opportunity to work in political fields as well as in communal and civic fields. Both are men of extremely high quality. Charles Metzner is one of our young, active members of the bar who is deeply concerned with the problems of New York. He has shown in his whole life, and particularly in political life, morality, dignity, skill, and integrity. I have seen Charles Metzner at first hand in these respects. We have here a young man, which is good for a bench which is as busy as that of the Southern District of New York. He will make a great judge.

In the case of Lloyd MacMahon I had a similar experience. I was closely associated with him. I worked with Lloyd MacMahon in the "Citizens for Eisenhower and NIXON," in which he was a very distinguished leader and there, too, his qualities of heart, mind, skill, and ability were borne out in his distinguished legal practice in New York. I think we will be proud of him as a judge.

He is replacing Lawrence E. Walsh, who is Deputy Attorney General of the United States and a young New Yorker of whom we are extremely proud and who is covering himself with honors in his very exacting job of assisting Attorney General Rogers in Washington. Indeed, I am happy to say a word about the talents of Lawrence Walsh today, because we sort of begin to take things for granted when a man does so many fine things in the place of his chief, as does Ed Walsh, as we call him in New York.

I think Attorney General Rogers is to be congratulated for the wisdom with which he has picked his chief assistant.

Mr. President, I wish to speak a word about William A. M. Burden, whose nomination to be Ambassador to Belgium was confirmed by the Senate today. Again, Mr. Burden is a New Yorker with whom I have a personal friendship of very long standing. He is a man who has devoted a great part of his life, as an extremely successful businessman, to the public interest. He is a man of rare tact and discretion, and who has tremendous contacts throughout the world.

Like Ambassador Zellerbach, Ambassador Whitney, Ambassador Houghton, and other distinguished leaders in industry, of whom we are so properly proud, and who have been appointed to the diplomatic corps, I believe Mr. Burden will prove to be a real boon and benefit to the United States.

I conclude by expressing again the pride of New York in this galaxy—and it is that this morning—of distinguished New Yorkers who have attained, with the gracious consent of the Senate, such very high office.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. COOPER. I wish to join in complimenting Mr. William A. M. Burden, of New York. I, too, have known him for a long time, and I agree with the statement of the Senator from New York that Mr. Burden will make a distinguished Ambassador from the United States to Belgium.

Mr. JAVITS. Mr. President, some days ago I placed in the RECORD a box score or a record showing the delay in acting on the nominations to judgeships. With this whole group of confirmations this morning, I think justice must be done where it is due. Tremendous strides are being made in coming abreast of the problems. I ask unanimous consent that revised box score, which shows a very much better record, may be printed as a part of my remarks in respect to the nominations of judges confirmed this morning.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Box score on judgeships

DISTRICT JUDGES

No.	Name, State and date of reference	Office	Subcommittee and date of reference	Committee action	Committee report	Confirmed
1	Henley,[1] J. Smith (Arkansas) Jan. 17, 1959.	U.S. district judge for eastern district of Arkansas.	Eastland, Johnston, and Hruska; Public hearing Aug. 26, 1959.	Aug. 31, 1959, approved.	Sept. 1, 1959.	Sept. 2, 1959.
2	Robson, Edwin A. (Illinois) Jan. 17, 1959.	U.S. district judge of the northern district of Illinois.	Feb. 21, 1959, Messrs. Eastland, Johnston, and Hruska. Apr. 21, public hearing (recorded).	Apr. 27, 1959, approved.	Apr. 28, 1959 (by Mr. Dirksen).	Apr. 29, 1959.
3	Hart, George L., Jr., (District of Columbia) Jan. 17, 1959.	U.S. district judge for District of Columbia.	Feb. 18, 1959, Messrs. Eastland, Johnston, and Hruska, Apr. 21, public hearing (recorded).	Sept. 8, 1959, approved.	Sept. 8, 1959.	Sept. 9, 1959.
4	Gilmartin, Eugene R. (Rhode Island), Jan. 17, 1959.	U.S. judge for the District Court of Guam.	Feb. 21, 1959, Messrs. Eastland, Johnston, and Hruska, Aug. 19, public hearing.	do.	do.	Do.
5	Gordon, Walter A. (California), Jan. 17, 1959.	Judge of the U.S. District Court for the Virgin Islands.	Feb. 21, 1959, Messrs. O'Mahoney, Hennings, Carroll, Hruska, and Keating, public hearing scheduled Aug. 26.	Aug. 31, 1959.	Sept. 1, 1959.	Sept. 2, 1959.
6	Tucker, John G. (Texas), Feb. 12, 1959.	U.S. district judge for the eastern district of Texas.	Feb. 21, 1959, Messrs. Eastland, Johnston, and Hruska.			Aug. 3, 1959, nomination withdrawn by the President.
7	Crocker, Myron D. (California), Feb. 16, 1959.	U.S. district judge for the southern district of California.	Feb. 21, 1959, Messrs. Eastland, Johnston, and Hruska, June 18, 1959, public hearing (recorded).			
8	Kunzel, Fred (California), Feb. 16, 1959.	U.S. district judge for the southern district of California.	Feb. 21, 1959, Messrs. Eastland, Johnston, and Hruska, June 17, 1959, public hearing (recorded).	Sept. 8, 1959.	Sept. 8, 1959.	Sept. 9, 1959.
9	Kilkenny, John F. (Oregon), Feb. 19, 1959.	U.S. district judge for the district of Oregon.	Feb. 21, 1959, Messrs. Eastland, Johnston, and Hruska, June 15, 1959, public hearing (recorded).	July 27, 1959, approved.	July 27 (by Mr. Dirksen).	July 28, 1959.
10	Julian, Anthony (Massachusetts), Feb. 26, 1959.	U.S. district judge for the district of Massachusetts.	Mar. 2, 1959, Messrs. Eastland, Johnston, and Hruska, May 4, 1959, public hearing (recorded).	Sept. 8, 1959, approved.	Sept. 8, 1959.	Sept. 9, 1959.
11	Walsh, Leonard P. (District of Columbia), Feb. 26, 1959.	U.S. district judge for the District of Columbia.	Mar. 2, 1959, Messrs. Eastland, Johnston, and Hruska, June 17, 1959, public hearing (recorded).	Sept. 2, 1959.	Sept. 2, 1959 (by Mr. Eastland).	Do.
12	Wood, Harold K. (Pennsylvania), Mar. 2, 1959.	U.S. district judge for the eastern district of Pennsylvania.	Mar. 2, 1959, Messrs. Eastland, Johnston, and Hruska, July 8, 1959, public hearing (recorded).	Sept. 7, 1959, approved.	Sept. 7, 1959.	Do.
13	MacMahon, Lloyd F. (New York), Mar. 10, 1959.	U.S. district judge for the southern district of New York.	Mar. 18, 1959, Messrs. Eastland, Johnston, and Hruska, June 24, 1959, public hearing (recorded).	Sept. 8, 1959, approved.	Sept. 8, 1959.	Do.
14	Metzner, Charles M. (New York), Apr. 15, 1959.	do.	May 5, 1959, Messrs. Eastland, Johnston, Hruska, June 16, 1959, public hearing (recorded).	do.	do.	Do.
15	Bartels, John R. (New York), Apr. 20, 1959.	U.S. district judge for the eastern district of New York.	May 5, 1959, Messrs. Eastland, Johnston, Hruska, June 4, 1959, public hearing (recorded).	July 27, 1959, approved.	July 27, 1959 (by Mr. Keating).	July 28, 1959.
16	Sweigert, William T. (California) Apr. 23, 1959.	U.S. district judge for northern district of California.	May 5, 1959, Messrs. Eastland, Johnston, Hruska, public hearing scheduled Aug. 25, 1959.			
17	Field, John A. (West Virginia), May 11, 1959.	U.S. district judge for the southern district of West Virginia.	July 29, 1959, Messrs. Eastland, Johnston, Hruska, Aug. 3, 1959, public hearing (recorded).	Aug. 10, approved.	Aug. 11, 1959 (by Mr. Eastland).	Aug. 12, 1959.
18	Powell, Charles L. (Washington), May 26, 1959.	U.S. district judge for eastern district of Washington.	June 3, 1959, Messrs. Eastland, Johnston, Hruska, June 10, 1959, public hearing (recorded).	June 15, 1959, approved.	June 15, 1959 (by Mr. Eastland).	June 16, 1959.
19	Dalton, Ted (Virginia), July 21, 1959.	U.S. district judge for western district of Virginia.	July 22, 1959, Messrs. Eastland, Johnston, Hruska, Aug. 3, 1959, public hearing (recorded).	Aug. 10, 1959.	Aug. 11, 1959 (by Mr. Eastland).	Aug. 11, 1959.
20	Weinman, Carl A. (Ohio), July 28, 1959.	U.S. district judge for southern district of Ohio.	Aug. 5, 1959, Messrs, Eastland, Johnston, Hruska, public hearing, Aug. 17, 1959.	Aug. 31, 1959, approved.	Sept. 2, 1959.	Sept. 2, 1959.
21	Butler, Algernon L. (North Carolina), July 28, 1959.	U.S. district judge for eastern district of North Carolina.	Aug. 11, Eastland, Johnston, Hruska; public hearing Aug. 11, 1959.	Aug. 26, 1959.	Aug. 27, 1959, Mr. Johnston.	Aug. 28, 1959.
22	Paul, Charles F. (West Virginia), Aug 3, 1959.	U.S. district judge for northern district of West Virginia.	Aug. 5, 1959, Messrs. Eastland, Johnston, Hruska.			
23	Young, Gordon E. (Arkansas), Aug. 18, 1959.	U.S. district judge for eastern district of Arkansas.	Sept. 18, 1959, McClellan, Ervin, Hruska; public hearing Aug. 26, 1959.	Aug. 31, 1959.	Sept. 2, 1959.	Sept. 2, 1959.
24	Kalbfleish, Gerald E. (Ohio), Aug. 21, 1959.	U.S. district judge for northern district of Ohio.	Eastland, Johnston, Hruska; public hearings Sept. 9, 1959.			
25	Henderson, John O. (New York), Aug. 21, 1959.	U.S. district judge for western district of New York.	Aug. 3, 1959, Eastland, Johnston, Hruska, public hearings Sept. 8, 1959.			
26	Timbers, William H. (Connecticut), Aug. 27, 1959.	U.S. district judge for district of Connecticut.				
27	Fisher, Joe (Texas), Sept. 7, 1959.	U.S. district judge for the eastern district of Texas.		Sept. 8, 1959, approved.	Sept. 8, 1959, reported.	Sept. 9, 1959.

[1] Renominated Aug. 18 for eastern and western districts.

Box score on judgeships—Continued

CIRCUIT JUDGES

No.	Name, State and date of reference	Office	Subcommittee and date of reference	Committee action	Committee report	Confirmed
1	Boremen, Herbert S. (West Virginia), Jan. 20, 1959.	U.S. circuit judge, 4th circuit.	Feb. 21, 1959, Eastland, Johnston, Hruska, June 10, public hearing (recorded).	June 15, 1959, approved.	June 15, 1959 (by Mr. Eastland).	June 16, 1959.
2	Forman, Philip (New Jersey).	U.S. circuit judge for 3d circuit.	Feb. 21, 1959, Eastland, Johnston, Hruska, June 18, 1959, public hearing (recorded).	Sept. 8, 1959, approved.	Sept. 8, 1959	Sept. 9, 1959.
3	Cecil, Lester L. (Ohio), Feb. 17, 1959.	U.S. circuit judge for the 6th circuit.	Feb. 21, 1959, Eastland, Johnston, Hruska, Apr. 28, 1959, public hearing (recorded).	July 13, 1959, approved.	July 13, 1959 (by Mr. Eastland).	July 15, 1959.
4	Aldrich, Bailey (Massachusetts), Feb. 26, 1959.	U.S. circuit judge for 1st circuit.	Mar. 2, 1959, Eastland, Johnston, Hruska, May 4, 1959, public hearing (recorded).	Sept. 8, 1959, approved.	Sept. 8, 1959	Sept. 9, 1959.
5	Castle, Latham (Illinois), Feb. 26, 1959.	U.S. circuit judge for 7th circuit.	Mar. 2, 1959, Eastland, Johnston, Hruska, Apr. 21, 1959, public hearing (recorded).	Apr. 27, 1959, approved.	Apr. 28, 1959 (by Mr. Dirksen).	Apr. 29, 1959.
6	Friendly, Henry J. (New York), Mar. 10, 1959.	U.S. circuit judge for 2d circuit.	Mar. 11, 1959, Dodd, Hennings, Dirksen. Public hearing scheduled Aug. 25.	Sept. 7, 1959, approved.	Sept. 7, 1959	Sept. 9, 1959.
7	Weick, Paul C. (Ohio), Aug. 5, 1959.	U.S. circuit judge for 6th circuit.	Aug. 20, 1959, Eastland, Hruska, Johnston, hearings Aug. 27, 1959.	Sept. 8, 1959, approved.	Sept. 8, 1959	Do.
8	Blackmun, H. A. (Minnesota), Aug. 18, 1959.	U.S. circuit judge for 8th circuit.				
9	Smith, Joseph J. (Connecticut), Aug. 27, 1959.	U.S. circuit judge for 2d circuit.				
10	Merill, Charles (Nevada)	U.S. circuit judge for 9th circuit.	Aug. 31, 1959, Eastland, Johnston, Hruska; public hearings, Sept. 8, 1959.			

Mr. KUCHEL. Mr. President, in the confirmation of the nomination of the Honorable Fred Kunzel, of California, to be U.S. district judge for the southern district of California, there has been added to the Federal judiciary a distinguished lawyer whose entire lifetime has prepared him for honorable judicial service. Fred Kunzel is an able member of the California bar and of the American bar. He is a family man, respected as a lawyer and as a fellow citizen in the city which he lives.

Fred Kunzel served his country as a member of the Armed Forces in World War I and again in World War II. I am very glad to see the action which the Senate has taken in the confirmation of his nomination which was sent to us by the President of the United States.

Mr. YARBOROUGH. Mr. President, I think I would be remiss if I allowed the occasion of the confirmation of the nomination of Joe J. Fisher, of Texas, to be U.S. district judge for the eastern district of Texas to pass without commenting briefly upon the able judge whom he succeeded, Lamar Cecil.

Lamar Cecil was a classmate of mine at the University of Texas. We were not on the same side of the political fence, so I can judge him with unprejudiced eyes. He was one of the finest, most impartial, most dispassionate judges the eastern district of Texas has ever seen, and the district has traditionally had able judges.

The district judges who preceded him included Gordon Russell, a close relative of the distinguished senior Senator from Georgia [Mr. RICHARD RUSSELL].

We have had serve that district, due to the early date at which it was settled, a long line of people of great distinction in our State. Lamar Cecil was second to none in the ability which he brought to the bench and in the fine judicial impartiality he displayed there.

If the newly confirmed judge, Joe Fisher, can hold up the standards set by Lamar Cecil, the people and the Government will be well served in that area.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

PROPOSED APPROPRIATION, FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION (S. Doc. No. 55)

A communication from the President of the United States, transmitting a proposed appropriation for the fiscal year 1960, in the amount of $150,000, for the Franklin Delano Roosevelt Memorial Commission (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

PROPOSED PROVISIONS PERTAINING TO FISCAL YEAR 1960, DEPARTMENT OF COMMERCE (S. Doc. No. 54)

A communication from the President of the United States, transmitting, for the consideration of the Congress, proposed provisions pertaining to the fiscal year 1960, for the Department of Commerce (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO USE OF CERTAIN PROPERTY BY STATE DISTRIBUTION AGENCIES

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies, and for other purposes (with an accompanying paper); to the Committee on Government Operations.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered, granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

STATUS OF PERMANENT RESIDENCE FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Legislature of the territory of Guam; to the Committee on Interior and Insular Affairs:

CERTIFICATION OF ADOPTION OF A RESOLUTION

This is to certify that Resolution 123, "relative to expressing the heartfelt and sincere appreciation of the people of Guam to

the Honorable JAMES E. MURRAY, chairman of the Senate Committee on Interior and Insular Affairs, for his excellent grasp of the problems of the territory of Guam, and for his willingness to assist the people of Guam," was on the 22d day of June 1959, duly and regularly adopted.

A. B. WON PAT,
Speaker.

Attested:

V. B. BAMBA,
Legislative Secretary.

RESOLUTION 123

Resolution relative to expressing the heartfelt and sincere appreciation of the people of Guam to the Honorable JAMES E. MURRAY, chairman of the Senate Committee on Interior and Insular Affairs, for his excellent grasp of the problems of the territory of Guam, and for his willingness to assist the people of Guam

Whereas the Honorable JAMES E. MURRAY, chairman of Interior and Insular Affairs Committee of the United States Senate, has always been willing, courteous, and sympathetic to the problems of the territory of Guam; and

Whereas the honorable Senator has always been courteously receiving and otherwise lending a sympathic ear to the problems of Guam, by arranging conferences and appointments for the Honorable A. B. Won Pat, speaker of the Fifth Guam Legislature; and

Whereas during the recent trip of the Speaker, A. B. Won Pat, to Washington, the honorable Senator was especially kind, and courteous, and as well sponsored or authored legislation beneficial to the territory of Guam, including; particularly, the introduction of a bill to provide the territory of Guam with a resident commissioner to the United States Congress, and did also look into the matter of the dual wage system as practiced by the United States Navy here on Guam and other matters of concern to the territory; and

Whereas the people of Guam are cognizant to the various matters aforesaid, all of which are beneficial to the territory of Guam: Now, therefore, be it

Resolved, That the Fifth Guam Legislature does hereby on behalf of the people of Guam express its heartfelt and sincere appreciation and gratitude to the Honorable JAMES E. MURRAY for his many and varied assistance in introducing legislation and other matters beneficial to the territory of Guam; and be it further

Resolved, That the speaker certify to and the legislative secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Honorable JAMES E. MURRAY, Senator from Montana, chairman of the Senate Committee on Interior and Insular Affairs; to the Presiding Officer of the United States Senate, and to the Governor of Guam.

A. B. WON PAT,
Speaker.
V. B. BAMBA,
Legislative Secretary.

INCREASED PENSION FOR HOLDERS OF CONGRESSIONAL MEDAL OF HONOR—LETTER

Mr. HUMPHREY. Mr. President, on July 22 of this year I introduced the bill, (S. 2422) to increase from $10 a month to $100 a month the pension payable to holders of the Congressional Medal of Honor. My bill would also have permitted payment of such pension to any recipient of this distinguished award, regardless of his age.

As my colleagues know, under the present law no one may receive the $10 per month special pension unless they are 65 years of age or over.

I recently received a letter in support of my bill. It was a most unusual letter in that it was signed by seven recipients of the Congressional Medal of Honor.

These courageous patriots in their letter to me pointed out that they are frequently invited to speak at various patriotic functions throughout the country, and that such requests are indeed a heavy financial burden for them to bear. Frequently these gentlemen have found it necessary to decline the invitations, despite the fact that they would be more than happy to attend if it were possible for them to do so financially.

Needless to say, if these Congressional Medal of Honor winners were to receive a special monthly pension of $100 a month, it would be of great help for them to appear at various functions of veterans groups and other organizations.

I ask unanimous consent, Mr. President, that this letter be printed in the RECORD, and be referred to the Committee on Finance which has my bill before it for consideration.

There being no objection, the letter was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

AUGUST 11, 1959.

Hon. HUBERT E. HUMPHREY,
U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: The undersigned, all of whom are recipients of the Congressional Medal of Honor, offer you their sincere thanks, for introducing S. 2422: "Increased rate of special pension for holders of the Medal of Honor award."

Your address concerning the merits of the bill, will, we know, be very deeply appreciated by all who will benefit by the legislation.

As you so ably pointed out, "there can be no price tag on valor." As we understand your presentation of the case, your bill recognizes extraordinary services in action but is not to be construed as compensation for courage. That is the way it should be.

May we respectfully call to your attention, that it is our honest belief that no recipient of the medal considers himself a hero. Rather, we believe that God was especially good to us in that he endowed us with a little extra something, when we needed it most. It is our sincere belief that those who made the supreme sacrifice, in action, against an enemy of the United States of America, are the only servicemen entitled to the citation, "Above and beyond the call of duty."

Therefore, we believe we have these obligations to our sacred dead: To be of service to our beloved country, without qualification, at all times; to be constantly on the alert for any acts of subversiveness and to support all those who fight it; to promote and teach Americanism whenever we have the opportunity of doing so.

To this end, your bill if enacted, would be invaluable to us, in that it would supply the means for us to carry out our beliefs as set forth in the preceding paragraph.

As it is now, Congressional Medal of Honor recipients are constantly invited to attend and speak at patriotic functions in all parts of the country. It follows, that because of distances and lack of finances, we are forced to decline. As a result, two things happen: One, we are deprived of the opportunity of helping to bolster an important patriotic rally. Two, the impression is immediately created that we are indifferent, or worse, that we are playing hard to get. Whereas the truth is we are always anxious to cooperate in any such endeavor. Strangely enough, the vast majority of our citizens are under the impression that our Government has awarded us anywhere between $150 and $250 per month. They naturally think that under the circumstance, we should accept any invitation extended to us.

A bill, similar to yours, has been introduced in the Senate several times in the past few years, after having passed the House unanimously. Unfortunately, they died in the Finance Committee, without the full membership of the Senate body being given the opportunity to vote on the proposed legislation. We have full confidence Senator, that you will see to it that your bill does not meet the same fate.

Again thanking you for your kind and sincere efforts in our behalf, we are

Respectfully yours,

Stephen R. Gregg, Bayonne, N.J.; Thomas J. Kelly, New York, N.Y.; John W. Meagher, Jersey City, N.J.; Richard W. O'Neill, Bronxville, N.Y.; Nicholas Oresko, Tenafly, N.J.; Charles W. Shea, Plainview, Long Island, N.Y.; Charles A. MacGillivary, Braintree, Mass.

Mr. HUMPHREY. I am hopeful, Mr. President, that the Committee on Finance will give very careful consideration to this measure. The cost involved is nominal. There are 314 persons living today who have been awarded the Congressional Medal of Honor. It is estimated that the first year's cost under my bill would be approximately $376,000.

I was disappointed, although not greatly surprised, that the Bureau of the Budget has objected to this bill. I have come to expect such action from the Bureau of the Budget. I am confident, however, that the eloquent letter to which I have referred will be more than ample rebuttal to the opposition of the administration.

RESOLUTION OF VETERANS OF FOREIGN WARS COMMENDING SENATORS CANNON AND KEATING

Mr. BIBLE. Mr. President, at the 60th national convention of the Veterans of Foreign Wars of the United States a number of resolutions were adopted. Among the resolutions adopted was Resolution No. 243, commending my able and distinguished junior colleague from Nevada [Mr. CANNON] and the able and distinguished Senator from New York [Mr. KEATING] for their fine work in serving as a special subcommittee of the Senate Committee on Rules and Administration to consider the need for a standing Senate committee on veterans' affairs. I ask unanimous consent that this resolution be printed in the RECORD at this point as a part of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 243

Resolution Commending Senator HOWARD CANNON, of Nevada, and Senator KENNETH KEATING, of New York

Whereas Senator HOWARD CANNON, of Nevada, and Senator KENNETH KEATING, of New York, were appointed as a special subcommittee of the Senate Committee on Rules and Administration to consider the question and need for a standing Senate Committee on Veterans' Affairs; and

Whereas this special Senate subcommittee, after exhaustive hearings and investigation, favorably recommended to the full Senate Committee on Rules and Administration the creation of a nine-member standing Senate Committee on Veterans' Affairs; and

Whereas the creation of a Senate Veterans Affairs Committee has been a major objective in the legislative program of the Veterans of Foreign Wars for many years: Now, therefore, be it

Resolved by the 60th National Convention of the Veterans of Foreign Wars of the United States, That we commend and thank Senator HOWARD CANNON, of Nevada, and Senator KENNETH KEATING, of New York, for devotion to their assignment as a special Senate subcommittee, and their favorable recommendation which was made on the true findings of the hearings, without prejudice or favor.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

H.R. 3254. An act for the relief of Thomas Forman Screven, Julia Screven Daniels, and May Bond Screven Rhodes (Rept. No. 982); and

H.R. 5733. An act for the relief of Park National Bank (Rept. No. 983).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

H.R. 8911. An act to provide for the presentation by the United States of a statue of Gen. George Washington to the people of Uruguay, and for other purposes (Rept. No. 984).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with an amendment:

S. 2231. A bill to amend the joint resolution providing for membership and participation by the United States in the Inter-American Children's Institute, formerly known as the American International Institute for the Protection of Childhood, as amended (Rept. No. 990).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 2632. A bill to assist the States of New Jersey and Delaware in developing a strain of oysters resistant to causes which threaten the oyster industry on the east coast (Rept. No. 985);

H.R. 3792. An act to admit the vessel *John F. Drews* to American registry and to permit its use in the coastwise trade while it is owned by Merritt-Chapman & Scott Corp., of New York (Rept. No. 986);

H.R. 5004. An act authorizing and directing the Secretary of the Interior to undertake continuing research on the biology, fluctuations, status, and statistics of the migratory marine species of game fish of the United States and contiguous waters (Rept. No. 987);

H.R. 5431. An act to provide a further increase in the retired pay of certain members of the former Lighthouse Service (Rept. No. 988);

H.R. 6067. An act to amend section 4544 of the Revised Statutes of the United States to provide that, if the money and effects of a deceased seaman paid or delivered to a district court do not exceed in value the sum of $1,500, such court may pay and deliver such money and effects to certain persons other than the legal personal representative of the deceased seaman (Rept. No. 989); and

S. Con. Res. 75. Concurrent resolution favoring active participation by Federal agencies in the Fifth International Congress of High-Speed Photography to be held in Washington, D.C., in 1960.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BIBLE (for himself and Mr. CANNON):

S. 2664. A bill to establish the Great Basin National Park, in Nevada, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 2665. A bill to establish a people's program for peace, to provide for investments in peace through the United Nations, to permit deductions from personal income taxes for payments made thereto, and for other purposes; to the Committee on Foreign Relations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S. 2666. A bill for the relief of Cloe Magnoni (Cloe Elmo) and Giovanni Magnoni; to the Committee on the Judiciary.

By Mr. FONG (for himself and Mr. LONG of Hawaii):

S. 2667. A bill to amend the Agricultural Act of 1949, as amended, in order to provide a price support program for coffee produced in the State of Hawaii; and

S. 2668. A bill to provide a price support program for coffee produced in the State of Hawaii based upon a moving 5-year average of the prices received by the producers of such coffee; to the Committee on Agriculture and Forestry.

By Mr. BARTLETT (for himself and Mr. GRUENING):

S. 2669. A bill to extend the period of exemption from inspection under the provisions of section 4426 of the Revised Statutes granted certain small vessels carrying freight to and from places on the inland waters of southeastern Alaska; to the Committee on Interstate and Foreign Commerce.

By Mr. DODD:

S. 2670. A bill for the relief of Jamil and Anwer Abdullah; to the Committee on the Judiciary.

By Mr. COOPER:

S. 2671. A bill to exempt from taxation certain property of the American War Mothers, Inc.; to the Committee on the District of Columbia.

S. 2672. A bill to amend the definition of the term "child" as defined in title 38 of the United States Code so as to include in such definition a child who, after attaining age 18 and while a member of the veterans' household, became permanently incapable of self-support; to the Committee on Finance.

AMENDMENT OF LEGISLATIVE REORGANIZATION ACT OF 1946, RELATIVE TO MEETINGS AND ADJOURNMENTS OF CONGRESS

Mrs. SMITH submitted the following concurrent resolution (S. Con. Res. 77); which was referred to the Committee on Rules and Administration as follows:

Resolved by the Senate (the House of Representatives concurring), That section 132 of the Legislative Reorganization Act of 1946 is amended to read as follows:

"SEC. 132. (a) Effective with the second session of the Eighty-sixth Congress, in each even-numbered year in which the two Houses have not adjourned sine die by August 15, they shall stand adjourned on that date, or on the next preceding day of session, until 12 o'clock meridian on November 15 in that year, or the following Monday if November 15 falls on Saturday or Sunday; and in each odd-numbered year in which the two Houses have not adjourned sine die by August 1, they shall stand adjourned on that date, or on the next preceding day of session, until 12 o'clock meridian on November 1 in that year, or the following Monday if November 1 falls on Saturday or Sunday.

(b) The consent of the respective Houses is hereby given to an adjournment of the other for the period specified in the first section of this resolution."

GREAT BASIN NATIONAL PARK, NEV.

Mr. BIBLE. Mr. President, on behalf of my colleague the distinguished junior Senator from Nevada [Mr. CANNON] and myself, I introduce, for appropriate reference, a bill providing for the establishment of the Great Basin National Park in White Pine County in eastern Nevada.

Last year I introduced proposed legislation providing for a survey to be made to determine the region's feasibility as a national park. As a result of the survey, the Advisory Board on National Parks recommended to the Secretary of Interior that this area, known locally as the Wheeler Peak-Lehman Caves region, be included in the national parks system.

Mr. President, the interest and enthusiasm generated by the prospect of having this region designated as a national park, are by no means confined to my native State. Nature lovers and outdoor enthusiasts from many sections of the country have evinced more than passing interest in this proposal. On the home front, prominent Nevadans, including two former Governors, have joined in forming the Nevada Foundation for a National Park, and are vitally concerned with the passage of this legislation.

This scenic wonderland covers approximately 147,000 acres of the Snake Range and extends from the sagebrush desert up through the various life zones, and includes a small but active glacier on Wheeler Peak, 13,063 feet above sea level.

The favorable recommendation from the Advisory Board on National Parks followed an extensive study made by Dr. Adolph Murie, an internationally known naturalist. Dr. Murie established the following three reasons why this Nevada area is suitable for a national park:

First. The spectacular view of mountain ranges and valleys across the central Great Basin, combined with natural park areas of forests, streams and lakes appropriate for camping, picnicking, hiking and exploration of nature, are in themselves of national park caliber.

Second. The area includes half a dozen splendid stands of bristlecone pines, believed to be the oldest living things on earth.

Third. The Wheeler area is the superb example of Great Basin country, illustrating well the geological process of basin-and-range formation, having good examples of various types of rock and geologic structure and illustrating the representative Great Basin vegetation and wildlife.

After concluding his ecological study, Dr. Murie commented that it would be

a crying shame if this area were not set aside with full national park status for the enjoyment and inspiration of the people of the United States.

As any of my illustrious colleagues who have national parks within their States well know, the scenic and scientific attractions are a steady magnet for visitors from other States. To the uninitiated, Nevada is sometimes pictured as a barren and desolate wasteland, a slander that this beautiful national park would effectively destroy.

Mr. President, I have high hopes that the Secretary of Interior will add his recommendation to that of the Advisory Board on National Parks. I am equally confident that Congress will look with favor upon this great region and properly elevate it to the status of a National Park, to take its rightful place alongside similar beauty spots in this wonderful land of America.

In conclusion, Mr. President, I would like to have printed in the RECORD, following my remarks, an article by Darwin Lambert, editor of the Ely (Nev.) Daily Times. Mr. Lambert, who has been the moving spirit in the creation of this park, is an acknowledged authority on the region. His article, which appeared in the Nevada State Journal, in Reno, on May 10, 1959, follows.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the article will be printed in the RECORD.

The bill (S. 2664) to establish the Great Basin National Park, in Nevada, and for other purposes, introduced by Mr. BIBLE (for himself and Mr. CANNON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The article presented by Mr. BIBLE is as follows:

WHEELER PEAK PARK ENDORSED

(By Darwin Lambert)

Establishment of Great Basin National Park in the Wheeler Peak-Lehman Caves area of eastern Nevada is now within reach as a result of endorsement by the Advisory Board on National Parks in session at Shenandoah National Park, Va., on April 28.

The Board considered the geological and ecological aspects of a 150,000-acre "sky island" in the heart of the Great Basin Desert of "national significance," making it suitable for preservation under the National Park Service. This superb scenic land, extending from shadscale and sagebrush desert up through the various life zones to a high alpine zone typical of the far north, was recommended to the Secretary of the Interior as representative of the many Great Basin mountain ranges, hence needed to represent this strange geographic province in the park system.

The report on which the decision was based, compiled by the regional office of the National Park Service in San Francisco through field studies and research during the last 6 months, speaks eloquently of majestic and extraordinary scenery and numerous special features. The area includes a small but active desert-bound glacier in the deep cirque of Wheeler Peak (13,063 feet above sea level), of timberline forests of immense bristlecone pines (the species recently found to include the oldest living things on earth, older even than the giant sequoias), of a limestone arch big enough to cover a six-story building.

The idea of a real national park in this remote territory, least populous of any place in the United States outside of Alaska, made up of features not known to any but a few rugged adventurers until 3 years ago, was considered when first put forward an impossible dream.

Just how does this "sky island" in the desert aspire to full national park status? Fred Packard, former executive secretary of the National Park Association, after exploring the area for 2 days, put it this way: "The Wheeler area has a greater variety of outstanding scenery than any existing national park."

Naturalists and other park authorities who have had more time for observations and research go into more detail. The Wheeler sky-country and adjacent desert, they say, add up to the superb example of the high Great Basin land, illustrating majestically the geologic process of basin-and-range formation and showing remarkable combinations of Great Basin vegetation and wildlife. In a distance of only 5 miles on some parts of the steep slope, it is possible to go from shadscale desert, through the pinon-juniper belt, the aspen-yellow pine belt, the spruce-fir country, and the ancient bristlecones of timberline to vast alpine expanses on the rocky peaks and ridges.

From Wheeler Park itself, good binoculars or a telescope reach to the Sierra Nevada mountains in one direction and the Wasatch range of Utah in the other, across the innumerable alternating ranges and valley basins from which no rivers reach the sea.

The half dozen weird and ancient forests of bristlecone pines are given by some authorities as reason enough in themselves for national park status. Not yet adequately explored, these high forests have already disclosed gnarled monsters up to 35 feet in trunk circumference, along with young and healthy trees which demonstrate that the species, in danger of dying out in parts of the bristlecone habitat elsewhere, will survive here.

Finally, those who know the area well, describe it as outstandingly scenic—in places, out of this world. Along with the scientific reasons for national park status, there are the spectacular views of pinnacles and crags, extensive evergreen forests accented by aspens, vistas of vast arid valleys, and ideal hiking and horseback riding country of meadows, lakes, streams, deep canyons surrounded by cliffs—all arranged in such a way as to make interpretation by the naturalist division of the Park Service both easy and impressive to large numbers of park visitors.

Great Basin National Park Association, with headquarters in Ely, Nev., has members now in more than a dozen States. Relatively little opposition has appeared to the park proposal, but since a national park can only be created by act of Congress, there is need for all possible support from individuals and groups in order to make the once impossible dream come true.

A Forest Service plan involving the letting out of sites for summer homes and commercial developments around the fringes of a central scenic area, well within the proposed national park, has been suspended temporarily pending outcome of the park proposal. But there is a real upsurge of interest in taking up land for private ownership in the vicinity, and action to save this remarkable wild country for the enjoyment and inspiration of the people for all time should now be taken promptly, while the situation is favorable.

Mr. BIBLE. Mr. President, I yield to my colleague the junior Senator from Nevada [Mr. CANNON].

Mr. CANNON. Mr. President, I wish to join my good friend and colleague, the distinguished senior Senator from Nevada [Mr. BIBLE] in his introductory remarks on a bill to establish a national park in Nevada's White Pine County.

As he has stated, the Advisory Board on National Parks has recommended that the Wheeler Peak-Lehman Caves area be designated as the Nation's 31st national park. They concluded that:

> The proposed area contains on assemblage of resources which in total, warrant addition as a unit to the national park system.

Although perhaps little known, the proposed site is outstanding in scenery, vegetation, and geology. Wheeler Peak, with an elevation of 13,063 feet, is the second highest mountain in the State, and is the culminating point of the Giant Snake range.

At the east base of Wheeler Peak, is the Lehman Caves National Monument, a 1-square-mile area preserving exceptional limestone caverns. High on the north side of Wheeler Peak is the Matthes Glacier, the only known body of moving ice in the entire great basin region.

The area also includes towering rock formations, natural arches, and groves of huge twisted bristlecone pine, oldest trees in the world. There are also several jewel-like lakes in the area, including the scenic Stella Lake.

All these outstanding features combine to make the area suitable for designation as a national park. As such, it could serve our citizens as a site for nature study and appreciation, hiking, horseback riding, boating, picnicking, overnight camping, and for general sightseeing.

I would like to assure those who hold bona fide interests in the area that those interests will be given full consideration.

I have joined with my colleague in introducing this proposed legislation in order that Congress may make possible the preservation for future generations of these impressive attractions. Thank you, Mr. President.

PEOPLE'S PROGRAM FOR PEACE

Mr. HUMPHREY. Mr. President, I am today introducing for appropriate reference a bill which will allow taxpayers to claim tax credits amounting to no more than 2 percent of their Federal income tax for contributions made to a special fund for United Nations Investments in Peace, which would support programs of technical assistance and economic development. This bill is identical to S. 4181, which I introduced in the 85th Congress.

I have long been advocating an increase in economic and technical assistance to those nations needing it, under the auspices and directions of the United Nations. I have also urged incentives to encourage channeling of more of our private capital into such investments for peace. Clearly, it is to the advantage of our private industries to do so. With the current economic interdependence of the nations of the world, it is obvious that a strong world economy is of tremendous importance in strengthening and bolstering our own.

Under the terms of the bill, contributions to this fund shall be made not by the various governments, but rather by the people themselves. It is my hope

that if such a fund is established, freedom-loving people throughout the world will make contributions and in so doing aid in promoting a person-to-person participation in international economic development.

As spelled out in section 3(a) this fund for United Nations investments in peace would be used solely "for the support, by way of loans, grants, or direct expenditures, either directly through the United Nations or through any of its specialized agencies of projects which would increase the food supply, health, educational, and technical skills, and the general social and economic welfare of those nations which need such assistance including the cultural exchange of persons, supplementing and supporting to the maximum extent possible the United Nations expanded programs of technical assistance and the activities carried out under the Special United Nations Fund for Economic Development."

To encourage maximum contributions to the fund on the part of our own citizens, this bill provides an income tax credit. It is estimated that, if everyone contributed, $700 million would be collected in the United States alone.

Mr. President, I strongly urge passage of this bill as an important, positive step in the direction of world peace and prosperity.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2665) to establish a people's program for peace, to provide for investments in peace through the United Nations, to permit deductions from personal income taxes for payments made thereto, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Foreign Relations.

AMENDMENT OF ACT OF JULY 17, 1952—AMENDMENTS

Mr. COTTON submitted amendments, intended to be proposed by him, to the bill (S. 2282) to amend the act of July 17, 1952, which were ordered to lie on the table and be printed.

AUTHORIZATION FOR SECRETARY OF THE ARMY TO LEASE A PORTION OF TWIN CITIES ARSENAL, MINN.—AMENDMENTS

Mr. MORSE submitted amendments, intended to be proposed by him to the bill (H.R. 2449) to authorize the Secretary of the Army to lease a portion of Twin Cities Arsenal, Minn., to Independent School District No. 16, Minnesota, which were ordered to lie on the table and be printed.

AUTHORIZATION FOR SECRETARY OF THE ARMY TO LEASE A PORTION OF FORT CROWDER, MO.—AMENDMENTS

Mr. MORSE submitted amendments, intended to be proposed by him, to the bill (H.R. 8315) to authorize the Secretary of the Army to lease a portion of Fort Crowder, Mo., to Stella Reorganized Schools R–I, Missouri, which were ordered to lie on the table and be printed.

DESIRABILITY OF HOLDING AN INTERNATIONAL EXPOSITION IN THE UNITED STATES—AMENDMENT

Mr. JAVITS (for himself and Mr. KEATING) submitted an amendment, intended to be proposed by them, jointly, to the resolution (S. Res. 169) concerning the desirability of holding an international exposition in the United States, which was ordered to lie on the table and to be printed.

AMENDMENT OF SECTION 8(B)(4) OF NATIONAL LABOR RELATIONS ACT — ADDITIONAL COSPONSORS OF BILL

Under authority of the order of September 3, 1959, the names of Senators YOUNG of Ohio, CARROLL, DOUGLAS, ENGLE, MCCARTHY, and PROUTY were added as additional cosponsors of the bill (S. 2643) to amend section 8(b)(4) of the National Labor Relations Act, as amended, introduced by Mr. KENNEDY (for himself, Mr. KUCHEL, and Mr. MCNAMARA) on September 3, 1959.

PRINTING OF SUPPLEMENTARY OR MINORITY VIEWS ON REPORTS OF SMALL BUSINESS COMMITTEE SUBSEQUENT TO SINE DIE ADJOURNMENT

Mr. SPARKMAN. Mr. President, the Senate Small Business Committee has received permission from the Senate to file four reports during the sine die adjournment of the first session of this Congress. Two other such requests will be made in the next day or so. I ask unanimous consent that any supplementary or minority views attached to any of these six reports may also be received and printed.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. JOHNSON of Texas:

Letters by him addressed to Senator MURRAY, chairman, Committee on Interior and Insular Affairs, and Hon. Fred A. Seaton, Secretary of the Interior, with respect to Padre Island, Tex.

PRIVILEGE OF THE FLOOR TO MEMBERS OF STAFF OF COMMITTEE ON BANKING AND CURRENCY

Mr. FREAR. Mr. President, I ask unanimous consent that additional members of the staff of the Committee on Banking and Currency be permitted to have the privilege of the floor today during the debate on S. 2654, the housing bill.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF FOREIGN SERVICE ACT OF 1946

Mr. MANSFIELD. Mr. President, after consultation with the majority and minority leaderships, the distinguished chairman of the Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT], and due to the fact that the bill would not be considered on the call of the calendar, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 907, S. 2633.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2633) to amend the Foreign Service Act of 1946, as amended, and for other purposes.

Mr. MORSE. Mr. President, reserving the right to object, I wonder if the Senator from Montana will take a minute to tell us the purpose of the bill. Then I will be in a position to make my decision.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Arkansas [Mr. FULBRIGHT], the chairman of the Committee on Foreign Relations, and the Senator primarily responsible for this much-needed legislation for that purpose. The bill was reported by that committee unanimously.

Mr. FULBRIGHT. Mr. President, S. 2633 would make numerous changes in the administration of the Foreign Service of the United States and the Department of State. With a few exceptions, the bill consists of amendments to the Foreign Service Act of 1946, as amended. Although many of the amendments are largely of a technical nature, there are also some substantive amendments; but a great many of them are technical.

A new class structure for Foreign Service staff officers and employees is provided. The Foreign Service retirement and disability system is liberalized in conformity with certain principles already in effect with respect to the civil service retirement system. Improvements are made in the legislation pertaining to the recruitment and training of Foreign Service officers. Functional and geographic area specialization by such officers is encouraged. An increase of $100 million, $50 million of which is in foreign currencies, in the authorization of appropriations for the Foreign Service buildings fund, largely for office space for U.S. missions overseas, is approved.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MORSE. The comments of the Senator from Arkansas refresh my memory of the bill. I have no objection to its being considered, but I hope the Senator from Arkansas and the Senator from Montana will make a full statement in regard to its purport, because I think it is important that a legislative history

be made on the floor of the Senate with respect to the bill. It is my opinion that the bill is of a nature which will involve a considerable amount of administrative interpretation, and I think the Senator from Arkansas and the Senator from Montana are best qualified to make the legislative history. I hope they will take a few minutes to explain the bill.

Mr. MANSFIELD. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. The bill provides for the first substantial changes in the Foreign Service Act of 1946 since the amendments of 1956 were enacted. It will be recalled that the amendments of 1956 added two classes to the Foreign Service officer schedule, raised a numerical ceiling on lateral entry into the Foreign Service officer category, increased from 30 to 35 the number of years of service credit for computing retirement benefits for Foreign Service officers, broadened the authority to operate commissaries and mess services, increased medical benefits, and authorized the establishment of recreational facilities overseas.

Mr. President, I ask unanimous consent that various aspects relating to committee action be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

COMMITTEE ACTION

With a few exceptions, all of the provisions of S. 2633 are taken from the following bills:

1. S. 443, Mr. GREEN (by request), January 17, 1959, to amend the Foreign Service Act of 1946, as amended, and for other purposes.

2. S. 1243, Mr. SALTONSTALL (for himself and Mr. MANSFIELD), March 2, 1959, to amend the Foreign Service Act of 1946, as amended, to establish standards of foreign language proficiency for the Foreign Service of the United States, and for other purposes. S. 1243 is the same as S. 3552 of the 85th Congress (SALTONSTALL) on which the Committee on Foreign Relations held an executive hearing on May 27, 1958.

3. S. 2232, Mr. FULBRIGHT (by request), February 16, 1959, to repeal section 12 of the act of June 26, 1884, prohibiting a charge or collection of fees by consular officers for official services to American vessels and seamen, and to repeal the provision in the act of June 4, 1920, authorizing the free issuance of passports to seamen.

4. S. 2233, Mr. FULBRIGHT (by request), June 23, 1959, to amend the Foreign Service Act of 1946, as amended.

5. S. 1044, Mr. FULBRIGHT (by request), February 16, 1959, to amend the Foreign Service Buildings Act of 1926, as amended.

A public hearing on S. 1243 was held on April 16, 1959, and public hearings on the remaining bills were held on July 6 and 15, 1959. The committee marked up the bills on August 27 and 28 and on the latter day ordered favorably reported an original bill combining the five bills.

MAIN PROVISIONS OF THE BILL

A good many provisions of the bill are of a minor technical, clarifying, or perfecting nature. The other provisions make important changes or innovations in the law pertaining to the Foreign Service and the Department of State. These provisions are summarized, explained, and justified below. References to the "act" in the discussion below mean the Foreign Service Act of 1946, as amended.

1. Section 2—New class structure for Foreign Service staff personnel: Section 2 of the bill would revise section 415 of the act so as to reduce the number of classes of Foreign Service staff personnel from 22 classes to 10 classes. This change in class structure complements the change in the structure of the Foreign Service officer category which was made in 1956. Classes 15 through 22 under the old staff structure have not been used for some time. A smaller number of classes has proved to be adequate in differentiating the duties and responsibilities of typical jobs carried out by staff personnel overseas. These jobs are primarily in the secretarial, technical, and custodial categories.

The salaries of the top three classes in the new staff schedule are the same as the salaries of classes 3, 4, and 5, respectively, of the Foreign Service officer salary schedule. Information as to the cost and numbers of Foreign Service staff personnel involved in this change is shown below in connection with the discussion of the temporary provisions providing for the conversion of staff employees from the old class structure to the new structure (sec. 51).

2. Section 2—Employment of staff personnel overseas at less than the rates prescribed for Foreign Service staff officers and employees: Section 2 of the bill would also add a new subsection (b) to section 415 of the act which would authorize the Secretary of State administratively to prescribe salaries less than those given in the statutory schedule for Foreign Service staff employees in those cases abroad where it is desirable to employ U.S. citizens locally in a foreign country who are not available or are not qualified for transfer to other posts.

Two examples may illustrate the occasion for the use of this proposed new authority. There are cases where a person living in a foreign country may possess U.S. citizenship, for instance by reason of having been born in the United States during a visit of his parents here, and yet he may in all other respects be a typical native of the foreign country. The U.S. mission may wish to employ such a person in a minor capacity and would not wish to pay him higher than the prevailing local rates for the kind of work involved merely because he happened technically to be an American citizen and entitled as such to the statutory Foreign Service staff salary. A second example concerns the frequent instance when a U.S. mission wishes to hire the wife, for instance, of a resident U.S. businessman to do clerical work in the mission. Such persons may be very useful to the mission yet would not be available for entrance into the regular Foreign Service staff category and subject to transfer from post to post. In using the proposed new authority in this latter category of cases the committee cautions against abuse of the authority by paying Americans, who would merit a salary at or near the statutory schedule of a regular Foreign Service staff officer, at unreasonable rates below the statutory schedule.

3. Section 6—Classification of Foreign Service officer positions in the Department of State: Section 6 of the bill amends section 441 of the act relating to the classification of positions. The existing position classification distinction between the categories of Foreign Service officer and Foreign Service staff officer is removed. Secondly, the Secretary is authorized to classify positions in the Department in accordance with Foreign Service standards without regard to the Classification Act of 1949, as amended. Up to the present time the Secretary has been designating certain positions in the Department as Foreign Service positions and classifying them under the Classification Act without clear legislative authority. He has been doing so under an arrangement embodied in an exchange of letters between the House Committee on Government Operations and the Civil Service Commission (see H. Rept. No. 1673, 83d Cong.). Some 1,500 positions in the Department now have a dual designation of "Foreign Service officer position" together with a grade level established under the Classification Act. Under the new language of section 441 of the act the Secretary may designate positions, including new positions, without such a grade level under the Classification Act. Under the new arrangement no grade allocation will be necessary unless the position is to be filled by a non-Foreign Service person.

The committee wishes to take this occasion to comment on the evidence which has been accumulating for some time that the Department of State has gone too far in carrying out the recommendations of the Wriston report calling for additional positions in the Department of State to be designated as Foreign Service officer positions. Evidence has been brought to the attention of the committee regarding the International Educational Exchange Service (IES), the Bureau of Intelligence and Research (INR), and the Policy Planning Staff (S/P) constituting three examples of the committee's concern.

The work of the International Educational Exchange Service is painstaking and specialized. The work of the Bureau of Intelligence and Research is scholarly, specialized, and requires long familiarity with narrowly defined masses of material. The work of the Policy Planning Staff requires senior specialists, for instance officers skilled in military planning who must work closely with their opposite numbers in the Department of Defense. The characteristic of much of the work of these three bureaus in the Department of State is that long continuity of service is highly desirable. Typical assignments of Foreign Service officers to these bureaus are for 2-year periods. These periods are long enough perhaps for the Foreign Service officer to become familiar with the work but not long enough for him to make an effective contribution. Moreover, the nature of the work is frequently so different from that which a Foreign Service officer is accustomed to doing overseas that many officers dislike such assignments and fail to put forth their best effort.

The committee is by no means of the opinion that no Foreign Service officer should be assigned to the aforementioned bureaus in the Department of State—these bureaus have been given merely as examples of the problem. The committee is of the opinion, however, that too many positions in these bureaus and others like them in the Department have been designated as Foreign Service officer positions. The committee has requested by December 1, 1959, a detailed report reviewing the original designation of Foreign Service officer positions throughout the Department pursuant to the Wriston program and discussing any changes in such designations which may have occurred since. The comment of the Department is requested on the views of the committee just set forth.

4. Section 7—Compensation for alien employees: Section 7 of the bill would revise section 444 of the act, pertaining to compensation for alien employees hired overseas, in two principal respects. First, the principle in existing law of compensating alien employees according to the rule "equal pay for equal responsibility" is being replaced by the policy of paying local employees in accordance with "prevailing wage rates and compensation practices for corresponding types of positions in the locality to the extent consistent to the public interest." The existing language has proved difficult to implement in certain countries where, for instance, women are not paid the same wages as men for the

same work. Although the U.S. missions would prefer to follow nondiscriminatory wage policies in these instances, it is sometimes offensive to foreign governments and upsetting to local conditions to do so.

The second change in section 444 is the deletion of the requirement that the Board of the Foreign Service advise the Secretary on the salary schedules for oversea local (alien) employees. It has proved unnecessary and impractical to obtain the advice of the Board on such matters.

5. Section 7—Permission for other Government agencies to use authority available to the Department of State in their employment of aliens overseas: Section 7 of the bill would add new language to section 444 of the act which would authorize U.S. Government agencies performing functions abroad to administer local employee programs in accordance with the applicable provisions of the Foreign Service Act. The purpose of the provision is to facilitate uniform employment practices abroad by all U.S. Government agencies. The committee considered designating the Secretary of State as the single official of the Government empowered to prescribe wage scales for local employees but upon being presented with evidence that voluntary cooperation among the agencies is now working satisfactorily, the committee recommends leaving the existing practice the way it is.

6. Section 8—Extra pay for courier duty: Section 8 of the bill would introduce a new section 447 into the act which would permit the Secretary to establish rates of extra pay not to exceed 15 percent of basic salary for persons assigned to duty as couriers. It appears clear to the committee that courier duty is a duty analogous to the various kinds of hazardous duty in the armed services and certain civilian agencies which is compensated for by extra pay. Department of State couriers spend long hours flying as part of their duties and many have sustained injury and some have been killed in this service. The proposed maximum of 15 percent extra pay does not seem to the committee to be excessive due to the fact that hazardous duty pay in the armed services ranges from a minimum of 17 percent to a maximum of 64 percent depending upon the rank of the person and the duty involved.

7. Section 9—Policy on language and other qualifications for the assignment of chiefs of mission and Foreign Service officers in foreign countries: Section 9 of the bill would add a new section 500 to the act stating the policy that chiefs of mission and Foreign Service officers shall have to the maximum practical extent a knowledge of the language, culture, history, and institutions of the countries in which they are to serve.

Probably the only reason this policy is not now a part of the Foreign Service Act is that it was thought to be self-evident. The policy is, however, either not self-evident or else implementation of the policy has failed in a disturbing number of cases. Such failure is inexcusable on the part of the U.S. Government. The richest country in the world can afford to employ, train, and send well-qualified Foreign Service officers wherever they are needed. The importance of their work demands no less.

The committee continues to be disappointed from time to time about nominations for ambassadorial posts. There are too many nominees, career and noncareer, who are merely so-so, not bad enough to reject but not really first rate.

Whether or not the policy statement in the proposed section 500 becomes a part of the law, the Committee on Foreign Relations intends to continue its practice of measuring nominees for chiefs of mission against the standard expressed in the new section 500 and will apply the standard with increasing particularity.

7. Section 10(b)—Appointments of new Foreign Service officers directly to class 7: Section (b) of the bill will add a new subsection (b) to section 516 of the act which would permit the appointment of Foreign Service officers directly to class 7 when, in the opinion of the Secretary, their age, experience or other qualifications make such an appointment appropriate. This provision will take care of the infrequent instances where graduate students having more than the usual amount of training or experience could expect higher starting salaries than afforded by class 8 appointments if they accepted jobs in private industry or other Government agencies. Under the new section 516(b) they could be given the higher salaries of class 7. The Department of State intends to limit these appointments to candidates who (1) are at least 28 years old; (2) have a record of graduate training or employment which clearly demonstrates extra ability; (3) have a modern foreign language competency. The committee endorses these standards in the proposed regulations of the Department.

8. Section 11(b)—Previous Government service as a prerequisite to lateral entry: Section 11(b) of the bill would revise section 517 of the act by removing the existing ceiling on lateral appointments of persons to the Foreign Service officer category. Lateral entry refers to the appointment of persons at an intermediate class in the Foreign Service officer category, depending on the age and experience of the appointee. Now that the so-called Wriston personnel integration program has been completed, the number of lateral entrants should depend simply upon the needs of the Service as determined by the Secretary.

The number of persons entering the Foreign Service officer category laterally will not change from current rates in all probability because the committee bill retains the requirement of 3 or 4 years, depending on age, of previous service in a Government agency as a prerequisite to lateral entry. The committee wishes to make sure that additional personnel or specialists needed urgently in the Service can be employed as the needs of the Service require, but it is convinced that the best way to bring such persons into the Service is by giving Foreign Service Reserve officer appointments to those coming directly from private life or by permitting the lateral entry directly to the Foreign Service officer category of those having previous Government experience. Thus, under either of these routes the Foreign Service will be able to maintain its career nonpartisan features and the Secretary of State will not be troubled by outside pressure to insert inexperienced persons into the Foreign Service officer group.

9. Section 12(b)—Reappointment of an officer who has left the Foreign Service: Section 12(b) of the bill would amend section 520(a) of the act by removing the present requirement that Foreign Service officers who resign and later ask reinstatement must have served continuously in the Government between the time of leaving the Foreign Service and the time of reappointment to the Service. It sometimes happens that an officer is obliged to resign from the Service through no fault of his own. If for instance his wife should become ill and unable to accompany him on foreign assignments, the committee believes that the President should have authority to reappoint such officers to the Service when they again become able to serve. The rationale behind the requirement of previous Government service, discussed immediately above in connection with lateral entry, would seem to be inapplicable to cases arising under section 520(a) of the act because in those cases the persons involved have already been Foreign Service officers and have fulfilled all of the requirements for such appointment.

10. Section 14—Limited and probationary appointments for staff officers: Section 14 of the bill would revise section 531 of the act so as to clarify the authority of the Secretary of State to make temporary, limited, and other types of appointments of staff officers and employees as the needs of the Service require. The new section also makes it clear that the Secretary may terminate at any time and without regard to the provisions of any other law staff officers appointed for temporary or limited service or who occupy probationary status.

The customary probationary period for staff officers is 2 years, and the Department will not specify longer periods. The usual reason for termination of temporary, limited, or probationary employees is that there is not sufficient work for such employees to do or that the specific work for which they were employed has ended. The Secretary's discretion is, however, not limited to such reasons. In the case of persons on probationary status, he may terminate their employment if their work is not satisfactory or if for various reasons they appear not to be suitable for foreign assignments. If, however, the Department's reason for terminating a staff officer on temporary, limited, or probationary appointment is the person's supposed misconduct, that is, conduct reflecting adversely on the integrity or character of the person, then the new version of section 531 requires that such person be given a hearing in accordance with the provisions of section 637 of the act.

11. Section 16(a)—Elimination of salary differential for a Foreign Service officer who is assigned to a position in Washington designated as a "Foreign Service officer position": Section 16(a) of the bill adds a new sentence to section 571 of the act which would eliminate any salary differential being paid to a Foreign Service officer who occupies a position in the Department which is also designated as a "Foreign Service officer position" and which carries a higher salary than the officer's Foreign Service salary. The former policy, allowing the Foreign Service officer to collect the difference, is inconsistent with the Foreign Service theory of appointment to a class and not to a particular job. Authority will continue to pay such a differential if an officer or employee of the Service is assigned to a position in the Department that is not so designated. Thus the salary differential—the difference between the officers's salary and the salary of the position which he occupies—would continue to be paid in those cases in which the position is in a Government agency other than the Department of State or a position not also designated as a "Foreign Service officer position" within the Department of State.

12. Section 16(c)—Housing allowance for officers on assignment in Washington: Section 16(c) of the bill would add a new section 571(e) to the act granting a differential applied to basic salaries of 8 to 13 percent, according to the number of dependents, in the case of Foreign Service officers assigned to duty in the United States between assignments abroad and Foreign Service officers of class 7 or 8 assigned to duty here prior to duty abroad.

This new provision is designed to give the same kind of financial assistance to Foreign Service officers assigned to Washington as has long been afforded to military personnel in the same circumstances. Foreign Service personnel coming to Washington for a relatively short time have many additional expenses, largely relating to housing, than employees who live here all the time. Foreign Service officers are now receiving a transfer allowance and hotel expenses while locating more permanent housing, but these allowances meet only a small part of their extra expenses. The proposed additional al-

lowance is fixed at an amount which may be expected to meet about one-half of typical housing costs while on duty in the United States.

13. Section 18—Foreign-language knowledge a prerequisite to assignment: Section 18 of the bill would introduce a new section 578 in the act which would require the Secretary to designate every Foreign Service officer position in a foreign country whose incumbent should have a useful knowledge of a language of the country. After a 5-year period to allow for increased training in foreign languages, each position so designated would be filled only by a qualified person. The Secretary would be able to make exceptions to this requirement for individuals or when special or emergency conditions existed.

One of the most common and justified criticisms of the Foreign Service today is the low level of language competency throughout the Service. The facts are familiar that 70 percent of new Foreign Service officers come into the Service without a knowledge of any foreign language. Fifty percent of officers already in the Service lack a knowledge of any foreign language. The figure on deficiencies in the more difficult languages are not available, but the committee has no reason to think the figures are any better with respect to them.

Language competence in the Foreign Service is primarily a function of money and people. With adequate appropriations and adequate numbers of intelligent officers, any desired level of language competence can be obtained. The committee intends that foreign-language competence be raised substantially, not for its own sake, but based on actual needs in U.S. missions overseas. The committee expects that the designation of Foreign Service officer positions abroad requiring language competence shall be based largely on the recommendations of the mission chief without regard to current budgetary targets. The Department of State estimates that the implementation of the proposed new section 578 will cost about $250,000 per year over a 5-year period. This would seem to be a small price when measured against the urgent need.

14. Section 19—In-class promotions of Foreign Service officers: Section 19 of the bill would amend section 625 of the act so as to eliminate a possible conflict between the policy of that section relating to in-class promotions of Foreign Service officers and the policy of the Government Employees' Incentive Awards Act (title III, Public Law 763, 83d Cong.) authorizing cash awards for superior service. The committee believes that while the cash-awards program is excellent, the special needs of the Foreign Service make it appropriate to award within-class increases for certain kinds of excellence, such as the learning of unusual foreign languages on an officer's own initiative.

15. Section 20—Relationship between promotions and functional and geographic area specialization: Section 20 of the bill would add a new section 626 to the act expressing the policy that more functional and geographic area specialization is needed in the Foreign Service and prohibiting such specialization from prejudicing promotions of officers up through class 1 in the Service.

The traditional assignment policy in the Foreign Service has been based on the premise that an officer is not fully qualified to be a mission chief unless he has had service in each of four or five main geographic areas in the world. It may be as a result of such a policy that the Government is short of topnotch specialists in some of these great geographic areas.

Existing assignment policy with regard to functional specialization appears to result in an officer having 2 or 3 years' experience in six or eight different types of work. The committee is concerned lest this policy result in developing an officer who is a jack of all trades and master of none.

With respect to geographic specialization the committee would like to see a situation in which incoming officers would be assured that most of their careers would be devoted to one of the larger geographic areas. They could then concentrate on the languages, culture, and problems of the area and develop outstanding excellence. For example, after an appropriate period of brief orientation assignments, an officer might specialize in Arabic and in the problems of the great area lying between Morocco and Pakistan and spend the greater part of his career in assignments which would take him alternately to that area, to Washington, to some third area country having important ties with that area.

With regard to functional specialization the committee believes that it would be better for a Foreign Service officer to concentrate on one field of work—say economic matters or administration—for a substantial part of his career until he reaches the level of, say deputy chief of mission, at which point he would have the choice of finishing his career as a senior specialist or taking on broader executive responsibilities and look forward to promotion to the levels of career minister or career ambassador.

The committee expects that the precepts given to promotion panels and the instructions given to assignment panels will be revised in accordance with the policy laid down in the new section 626.

16. Section 24—Accelerated selection-out benefits: Section 24 of the bill amends section 634(b)(1) of the act to authorize the Secretary in special instances to combine the installments of severance payment to which an officer is entitled when he is retired early from the Foreign Service in accordance with section 633 of the act. The usual thing would be for the selection-out benefits to be paid in three annual installments but the change in section 634(b)(1) will permit the Secretary in his discretion to accelerate the payments where the officer has an unusual financial need. These payments will be made from the Foreign Service retirement and disability fund.

17. Section 27—Consolidated separation for cause provision: Section 27 of the bill combines in a revision of section 637(a) of the act several provisions of the act relating to separation for unsatisfactory performance of duty, misconduct and malfeasance. The Secretary is given complete discretion to separate Foreign Service officers, Foreign Service Reserve officers, and Foreign Service staff personnel for such "cause as will promote the efficiency of the Service." This phrase, which is applicable to the Civil Service, is taken from the Lloyd-La Follette Act of 1912. Although the Secretary has complete discretion in defining causes for dismissal which will promote the efficiency of the Service, the revised section requires that officers separated under it shall be given a hearing by the Board of the Foreign Service and requires the establishment of such cause at such hearing. An officer may waive his right to a hearing. Foreign Service officers of class 8 or other officers in a probationary status or serving under limited or temporary appointments have a right to a hearing only in cases where the reason for their proposed separation from the Service is misconduct. Section 637(a) as it is amended deals with separations on a case-by-case basis. The language of the section could not be the basis for a general reduction in force.

18. Section 27—Extension of deferred annuity rights to persons separated from the Service for cause: Section 27 of the bill would amend section 637(b) of the act to provide that an officer separated from the Service for cause may receive a refund of his contributions to the Foreign Service retirement and disability fund, with interest, or he may elect to receive a deferred annuity payable when he reaches the age of 60. The committee approved this change but inserted a clause providing that a deferred annuity would not be available in cases where the Secretary determines that separation was based in whole or in part on the ground of disloyalty to the United States.

Under the present law certain officers separated for unsatisfactory performance of duty may receive an immediate limited annuity. Officers separated for misconduct are entitled merely to a refund of their contributions to the fund. The committee agrees (except as to disloyalty cases) with the view of the Department of State that, even though an officer may be separated for cause, after he has served at least 5 years he should not be denied the annuity benefit which he has earned by reason of his contributions and his period of satisfactory service.

19. Section 28—Termination of service of Reserve officers and staff officers with limited appointments: Section 28 of the bill would insert a new section 638 in the act which would permit the Secretary notwithstanding any other law to terminate at any time the service of any Reserve officer or staff officer serving under a limited appointment. This is the same principle as is contained in revised section 531 of the act discussed above under section 14 of the bill. The committee inserted a provision regarding separations for misconduct in the proposed new section 638 similar to that contained in revised section 531.

A special problem under the proposed new section 638 arises by reason of the concern of a certain group of 45 officers under limited Reserve appointments that the new authority may be used to terminate their employment. They accepted Foreign Service Reserve officer status at the encouragement of the Department of State. The committee inserted, with the concurrence of the Department, a provision which will insure that these officers will be retired when their limited appointments run out but not before.

20. Section 30—Longevity increases for Foreign Service staff employees: Section 30 of the bill would add a new subsection 642(b) to the act which would authorize the Secretary to establish a system of longevity increases for staff personnel. The Classification Act included the principle of longevity increases some years ago.

Work performed by staff personnel is highly essential but its nature is such as to contain inherent limitations on opportunities for promotion in some categories of work. In addition the staff group now includes a substantial number of older employees who were unable to qualify for various reasons under the Wriston program for lateral entry into the Foreign Service officer category. There is therefore something of a morale problem within this segment of the Foreign Service staff group which can be alleviated by the enactment of the proposed new subsection 642(b).

Longevity increases will not be automatically awarded; they will be given in recognition of both longevity and performance. The longevity periods will be established by the Secretary by regulation.

21. Section 31—Orientation and language training for wives of U.S. Government employees in anticipation of assignment overseas: Section 31 of the bill would add a new sentence to section 701 of the act giving the Secretary authority to provide orientation and language training to wives of Government employees in anticipation of assignment of such employees abroad. The Department of State has been giving such training on a space-available basis for some time but the practice ought to be specifically

authorized by law. The Department asked for authority to train "dependents" of employees but the committee limited the authority to "spouses," and inserted the phrase "to the extent that space is available" in order to keep such training to reasonable numbers.

22. Section 32(b)—Alien language teachers for the Foreign Service Institute: Section 32(b) of the bill would add a new subsection 704(e) to the act permitting the Secretary to employ aliens for the Foreign Service Institute either by appointment to the staff on a full- or part-time basis or by contract for services. This proposed authority would apply both in the United States and abroad because the Foreign Service Institute operates several language training schools overseas. The new authority is essential because, of course, it is sometimes difficult to find American citizens sufficiently well qualified to provide instruction in esoterc languages and other specialized subjects taught at the Foreign Service Institute. The authority to employ by contract is essential since some language teachers are available in the United States for only short periods of time and because some Institute courses are given periodically.

23. Section 32(b)—Monetary incentives for proficiency in esoteric languages: Section 32(b) of the bill also would add a new subsection 704(f) to the act which would authorize the Secretary to provide special monetary incentives to encourage the acquisition or retention of proficiency in esoteric foreign languages or other special abilities needed in the Service. The committee believes this new authority is necessary but desires that it be employed very cautiously. The term "esoteric foreign languages" certainly does not include such languages as French, German, Spanish, and Italian, which many Americans have an opportunity to learn. In the administration of a language incentives program language proficiency must be tested frequently and standards of competency must be kept high.

The "special abilities" which are to be encouraged are not the traditional skills expected of Foreign Service officers nor the ordinary academic disciplines which reasonably well educated officers bring with them into the Service.

24. Section 33(b)—Transfer of Foreign Service staff officers to the Foreign Service retirement system: Section 33(b) of the bill adds a new subsection 803(c) to the act providing for mandatory participation in the Foreign Service retirement and disability system of certain staff officers and employees. The proposed subsection 803(c)(1) would provide for the automatic transfer of Foreign Service staff officers with at least 10 years' service from the civil service retirement system to the Foreign Service retirement system. Their contributions to the civil service retirement fund would be automatically transferred and they would be required to make no additional contribution and they would get no refund as a result of the shift from one retirement system to the other.

The new subsection 803(c)(1) recognizes the fact that Foreign Service staff personnel serve overseas under the same conditions as Foreign Service officers who, under the Foreign Service retirement and disability system, are required to retire at age 60 (rather than age 70 as under the civil service system) because of the rigors of some foreign climates and the burdens of moving periodically to new working and living situations.

The new subsection 803(c)(2) provides for retirement on a gradual scheduled basis over a 5-year period of staff personnel who are above the mandatory retirement age at the time they become participants in the system. This new early retirement provision will not go into effect until 1 year after the other provisions of the bill go into effect. Subsection 803(c)(2) would involuntarily retire a group of some 400 older staff officers who would not have been required to retire for periods up to 10 years longer if they were permitted to stay under the civil service retirement system. The committee understands that most of the persons in this group welcome the new provisions but there are some who may have failed to make adequate financial provisions for such involuntary early retirement and who are therefore adversely affected.

These 400 older staff officers constitute, in the view of the Department, a "hump problem" analogous in many ways to that dealt with recently by the Congress in legislation pertaining to the Navy. The Department of State believes that it would be in the interest of the Service to accelerate the retirement of these 400 staff officers, most of whom have been unable to qualify for lateral appointment as Foreign Service officers because they were too old.

Because it is in the interest of the Government that retirement of these persons be accelerated the committee decided that their financial problems should be eased by the Government. The committee inserted a provision in the bill which would give to such involuntary retirees the same kind of financial aid as is given to Foreign Service officers who are selected out. Involuntary retirees would receive, in addition to their retirement benefits, one-twelfth of a year's salary for each year's service not exceeding a total of 1 year's salary. This amount would be payable in a lump sum at the time of retirement. The Department of State estimates that this temporary provisions, over the 5 years that it will operate, will cost approximately $676,000, which will be paid out of the Foreign Service retirement and disability fund, no appropriation being required.

It appears possible that some members of this group of involuntary retirees may not have knowledge of this possibility. The committee urges the Department to disseminate information about this matter widely so that persons affected can take appropriate steps to minimize any adverse financial consequences which can be foreseen.

25. Section 35—Increase from 5 to 6½ percent in Foreign Service personnel contributions to the retirement fund and matching contributions by the Government to the fund: Section 35 of the bill would amend section 811 of the act to place the financing of the Foreign Service retirement and disability fund on the same basis as the civil service retirement system. It would increase the rate of contribution to the Foreign Service retirement and disability fund from 5 to 6½ percent of basic salary. It would also provide a matching contribution to the fund from the appropriation for Foreign Service salaries.

The cost of the proposed matching contribution to the fund will be $2.5 million per year. The Department of State has been getting annual appropriations for the fund averaging $1.5 million for the last 4 years. There were no payments to the fund out of appropriations for several years prior to that. The fund's potential liabilities therefore exceed its assets and the proposed $2.5 million annual matching contribution will enable the fund to restore financial balance.

26. Section 36(a)—Benefits for survivors of Foreign Service officers: Section 36(a) of the bill would revise sections 821(b) and 821(c) of the act to provide benefits for surviving spouses and children of participants in the Foreign Service retirement system like the benefits provided for survivors of participants in the civil service retirement system.

The proposed changes in section 821 will increase survivor benefits at a reduced cost to the participant. The proposed formula for computing a joint and survivorship annuity under which the retiring officer elects to receive a reduced annuity and, upon death, an annuity for a wife or a husband, and the proposed formula for computing annuities for surviving dependent children are similar to those now in the civil service retirement system. The following example from pages 234–235 of the hearings will illustrate the advantages to the participant of the proposed formula over the existing formula.

Average salary for highest 5 years of service	$10,000
Annuity (2 percent times 30 years of service)	6,000
EXISTING	
Maximum survivor annuity	2,500
Cost to officer	1,250
Officer's reduced annuity	4,750
Maximum surviving annuity payable to a dependent child	0
PROPOSED	
Maximum survivor annuity	3,000
Cost to officer (2½ percent of $2,400 equals $60; 10 percent of $3,600 equals $360)	420
Officer's reduced annuity	5,580
Maximum surviving annuity payable to a dependent child:	
With surviving parent	600
With no surviving parent	720

The change in section 821(b) also eliminates a so-called gambling provision from existing law which now permits the participants to accept a further reduction of 5 percent of the spouse's annuity in order to provide for restoration of the full annuity if the spouse predeceases the participant. This gambling provision is not based on sound actuarial principles.

Benefits for surviving children of participants in the Foreign Service retirement and disability system are being provided for the first time in this bill. They have long been available under the civil service retirement system.

27. Section 37(a)—Return to duty of person recovered from disability: Section 37(a) of the bill would amend section 831(b) of the act relating to disability annuitants. Three principle changes are made: First, the provisions on annual examinations of disability annuitants are made more strict; second, new authority is given to permit the return to active duty in the Service of a disability annuitant who recovers sufficiently; third, the Secretary is given authority to establish by regulation a board of physicians who will advise him with regard to disability annuitants.

28. Section 39—The right to a deferred annuity of person who voluntarily leaves the Foreign Service after 5 years: Section 39 of the bill would add a new section 834 to the act which will permit a participant in the Foreign Service retirement system, upon voluntary separation from the Service after 5 years, to choose either to have his contributions to the fund returned to him with interest or to leave his contribution in the fund and receive a deferred annuity, based on his years of service and salary at the time of his separation, commencing at age 60. Similar deferred annuities are provided under the civil service retirement system.

29. Section 46—Amount of permissible earnings by Foreign Service annuitants who are reemployed by the Federal Government: Section 46 of the bill would add a new section 872 to the act dealing with the question of the limit on earnings of an annuitant if he returns to a Government job. Under present law a Foreign Service retiree who is reemployed in the Federal Government must forfeit his annuity during such reemployment. Under the civil service retirement system, a retired employee may be reemployed by the Government and continue to

receive his full annuity, plus the difference, if any, between the annuity and the salary of the position to which he is appointed.

Unfortunately, in view of the committee, the provisions of the Civil Service Retirement Act place the Federal Government in an unfavorable position to compete with private industry in obtaining the services of retired Federal personnel whose reemployment would benefit the Government. This is because such persons when hired in private industry may keep their annuities and receive the full amount of the salary in private industry.

The committee recommends the adoption of the new section 872 which would entitle a retired Foreign Service employee to receive the salary of a position to which he may be appointed plus so much of his annuity which, when combined with such salary, does not exceed the highest salary which such employee was entitled to receive when he retired from the Foreign Service. The committee believes that this provision will be more fair to retired personnel and will be in the public interest.

30. Section 48—Clarification of authority to lend Foreign Service employees oversea household furniture: Section 48 of the bill would amend section 812 of the act so as to make it clear that the Secretary of State may lend furniture, such as chairs and tables as distinguished from equipment such as refrigerators, to Foreign Service employees overseas for use in personally owned or leased residences. The purpose of this provision, thus amended, is to save shipping costs. Certain oversea missions have established pools of furniture which can be loaned to employees, thus saving the cost of shipping such furniture from the United States or from some other distant Foreign Service post.

31. Section 49—Clarification of authority to ship Foreign Service employees' vehicles: Section 49 of the bill would amend section 913 of the act so as to substitute "motor vehicles or replacement thereof" for the word "automobiles." The Comptroller General has ruled that "automobiles" does not mean motorcycles or motor scooters. Since it would be cheaper for the Government to transport motorcycles and motor scooters than automobiles, the committee believes that it would be advantageous to broaden the scope of section 913. The committee expects the Department in administering section 913 to establish by regulation some reasonable limit on the number of motor vehicles which may be transported for Foreign Service personnel within appropriate periods of time.

The committee urges the Department of State to give further study to the matter of transportation of vehicles overseas for the official use of U.S. missions. It suggests, for example, that greater use be made of motor vehicles built in the country of the mission since road or other conditions are frequently such as to make locally built cars more appropriate and, certainly, less expensive than American cars, counting the transportation costs from the United States. In circumstances warranting transportation of American cars overseas for official use, the committee believes that small American cars are just as useful and less offensive to foreign sensibilities than the larger American cars.

32. Section 51—Conversion table from the present Foreign Service staff class and salary schedule to the schedule established by section 2 of the bill: Section 51 of the bill contains temporary provisions providing for an orderly and equitable transfer of Foreign Service staff officers and employees from their present classes and salaries to the new classes and salaries prescribed by the revised section 415 of the act. Under the conversion scheme no Foreign Service staff person will have a reduced salary. The numbers of persons involved in this transfer in each class and the average salary adjustment in the various classes are shown in the following table taken from page 209 of the hearings:

Present FSS class	Number on rolls Dec. 31, 1958	Conversion to new schedule: Class	Conversion to new schedule: Number	Average per annum salary adjustment [1]	Total cost
FSS-1	30	FSS-1	30	$155	$4,666
FSS-2	24	FSS-1	15	204	3,060
		FSS-2	9	67	605
FSS-3	33	FSS-2	33	120	3,970
FSS-4	35	FSS-2	17	222	3,770
		FSS-3	18	132	2,380
FSS-5	50	FSS-3	50	147	7,360
FSS-6	69	FSS-3	19	169	3,210
		FSS-4	50	122	6,115
FSS-7	72	FSS-4	72	47	3,415
FSS-8	164	FSS-5	164	35	5,705
FSS-9	323	FSS-5	37	100	3,700
		FSS-6	286	95	27,080
FSS-10	538	FSS-6	171	136	23,220
		FSS-7	367	80	29,370
FSS-11	922	FSS-7	922	18	16,740
FSS-12	938	FSS-8	938	30	28,580
FSS-13	445	FSS-9	445	28	12,355
FSS-14	1	FSS-10	1	15	15
Total	3,644		3,644	51	186,660

[1] The average salary adjustment has been rounded off to the nearest dollar. Consequently multiplying the average per annum adjustment by the number of individuals does not exactly equal the total cost which has been computed on the basis of actual salary adjustments.

33. Section 52—Authority to use taxicabs in lieu of Government vehicles in certain cases: Section 52 of the bill would amend section 11 of Public Law 885, 84th Congress (70 Stat. 890) by making it possible for the chief of a diplomatic mission to approve the use of taxicabs, in addition to Government-owned vehicles, for the transportation of Government employees from their residence to the office and return when public transportation facilities other than taxicabs are unsafe or not available. The committee understands that the use of taxicabs will be authorized typically in those cases where the use of Government-owned vehicles necessitates the use of chauffeurs and makes this form of transportation more costly than the use of taxicabs.

34. Section 53—Exclusion from gross income for tax purposes of disability annuity payments: Section 53 of the bill would amend section 104(a) of the Internal Revenue Code of 1954 to exempt disability annuities from Federal income tax. This change is consistent with provisions of the Internal Revenue Code relating to disabilities annuities payable to other Government employees by the Bureau of Employees Compensation. The change is favored by the Treasury.

35. Section 54—Elimination of free official services and passports for American vessels and seamen respectively: Section 54 of the bill would amend section 12 of the act of June 26, 1884 (22 U.S.C. 1186) which now prohibits the charging of fees by consular officers for official services to American vessels and seamen. The Department will establish a reasonable schedule of fees for such services, and give reasonable notice to the parties affected, but it will not make a charge for services required by law or services which are primarily in the public interest.

Section 54 also amends section 1 of chapter 223 of the act of June 4, 1920 (22 U.S.C. 214) by eliminating free passports to American seamen. No objection was registered with the committee to this change and the original reason for the provision has long since passed.

36. Section 55—Increase in the authorization of appropriations for the foreign buildings program of the Department of State: Section 55 of the bill would add a new subsection (c) to section 4 of the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 295) which would increase by $100 million (of which $50 million represents foreign currencies) appropriations authorized for the purpose of erecting office buildings and other buildings needed by U.S. missions overseas.

The Department of State presented to the committee a detailed plan for a 5-year building program which was set forth beginning on page 125 of the hearings on S. 1044. Some members of the committee have seen the architectural plans and models for many of the structures which are to be built pursuant to this 5-year plan. The committee commends the Department for the excellence of these plans.

Mr. FULBRIGHT. Mr. President, the bill is a very long and involved bill. I find it very difficult to pick out of it any particular item. I call attention to one particular feature the committee added which was not in the bill as it came from the administration. It was a statement, really, of policy upon functional and geographic area specialization.

I may say that since the committee reported the bill, the Deputy Under Secretary of State for Administration, Mr. Henderson, telephoned to me, personally, and stated that he thought this provision would result in a very great improvement in the policy of the bill.

Mr. MORSE. Mr. President——

Mr. FULBRIGHT. Mr. President, I may say to the Senator from Oregon that, as can be seen, the report on the bill is very full. But if there are any questions which he would like to ask, I shall certainly try to answer them.

Mr. MORSE. Mr. President, I do not need to ask the Senator from Arkansas or the Senator from Montana any questions.

As a member of the Foreign Relations Committee I was an ardent supporter of the bill. But one of the points which I thought should be made today in establishing the legislative history of the bill calls for a statement in regard to some of the purposes and intents of the committee in bringing the bill to the floor of the Senate.

It is true, as will be seen by examining the bill, that its first part has to do with technical matters in regard to salary equalizations and classifications.

But I should like to have Senators turn for a moment to page 8 of the committee report, where we start coming to grips, by means of the bill, with what in my judgment is one of the great needs for improvement in our Foreign Service in connection with which our distinguished chairman [Mr. FULBRIGHT], as well as the Senator from Montana [Mr. MANSFIELD] have had much to say in the past—and quite correctly so—about the need to improve the language capabilities and facilities of our Foreign Service officers.

On page 8 of the committee report will be found a discussion of section 18 of the bill, "Foreign Language Knowledge a Prerequisite to Assignment." This is an excellent provision of the bill; and I ask unanimous consent that there be printed at this point in the RECORD, as

part of my comments on the bill, the part of page 8 of the committee report which deals with section 18.

There being no objection, the excerpt from the report (No. 880) was ordered to be printed in the RECORD as follows:

13. Section 18—Foreign language knowledge a prerequisite to assignment: Section 18 of the bill would introduce a new section 578 in the act which would require the Secretary to designate every Foreign Service officer position in a foreign country whose incumbent should have a useful knowledge of a language of the country. After a 5-year period to allow for increased training in foreign languages, each position so designated would be filled only by a qualified person. The Secretary would be able to make exceptions to this requirement for individuals or when special or emergency conditions existed.

One of the most common and justified criticisms of the Foreign Service today is the low level of language competency throughout the Service. The facts are familiar that 70 percent of new Foreign Service officers come into the Service without a knowledge of any foreign language. Fifty percent of officers already in the Service lack a knowledge of any foreign language. The figure on deficiencies in the more difficult languages are not available but the committee has no reason to think the figures are any better with respect to them.

Language competence in the Foreign Service is primarily a function of money and people. With adequate appropriations and adequate numbers of intelligent officers, any desired level of language competence can be obtained. The committee intends that foreign language competence be raised substantially—not for its own sake—but based on actual needs in U.S. missions overseas. The committee expects that the designation of Foreign Service officer positions abroad requiring language competence shall be based largely on the recommendations of the mission chief without regard to current budgetary targets. The Department of State estimates that the implementation of the proposed new section 578 will cost about $250,000 per year over a 5-year period. This would seem to be a small price when measured against the urgent need.

Mr. MORSE. Then, Mr. President, I suggest that Senators turn to page 11 of the report which deals with section 31, "Orientation and language training for wives of U.S. Government employees in anticipation of assignment overseas."

I believe it is often overlooked that when we send a Foreign Service officer abroad, we frequently do not send him alone; usually his family accompanies him. The members of his family are also, in effect, ambassadorial agents of the people of the United States to that foreign government.

I believe we have been too much inclined to take the families as a matter of course, and not to be of the assistance to them which I believe we very often could be, in order to make them more capable of serving the Foreign Service needs of our people abroad.

Section 31 of the bill, is, in my opinion, a very important one; and I wish to commend the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Montana [Mr. MANSFIELD] and the Senator from Montana who conducted some of these hearings—in regard to this particular section of the bill. I believe that any money our Government spends in regard to anything it does to be of assistance to the spouses and dependents of our employees abroad will be money well spent.

Section 32(b) deals with "Alien language teachers for the Foreign Service Institute." In my judgment, that is exceedingly important. If we are to train these people in foreign languages, I believe we should be willing to build up the sort of teacher training that the bill calls for.

I ask unanimous consent to have printed as part of my remarks in the RECORD the portion of page 11 of the committee report which deals with topics 21 and 22, to which I have just now referred.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

21. Section 31, Orientation and language training for wives of U.S. Government employees in anticipation of assignment overseas: Section 31 of the bill would add a new sentence to section 701 of the act giving the Secretary authority to provide orientation and language training to wives of Government employees in anticipation of assignment of such employees abroad. The Department of State has been giving such training on a space-available basis for some time but the practice ought to be specifically authorized by law. The Department asked for authority to train "dependents" of employees but the committee limited the authority to "spouses," and inserted the phrase "to the extent that space is available" in order to keep such training to reasonable numbers.

22. Section 32(b), Alien language teachers for the Foreign Service Institute: Section 32(b) of the bill would add a new subsection 704(e) to the act permitting the Secretary to employ aliens for the Foreign Service Institute either by appointment to the staff on a full- or part-time basis or by contract for services. This proposed authority would apply both in the United States and abroad because the Foreign Service Institute operates several language training schools overseas. The new authority is essential because, of course, it is sometimes difficult to find American citizens sufficiently well qualified to provide instruction in esoteric languages and other specialized subjects taught at the Foreign Service Institute. The authority to employ by contract is essential since some language teachers are available in the United States for only short periods of time and because some Institute courses are given periodically.

Mr. MORSE. Mr. President, as the Senator from Arkansas [Mr. FULBRIGHT] has said, other parts of the bill deal with equalization in regard to some of the salary schedule problems and classifications, highly technical in nature. They speak for themselves, and do not require any comment.

Mr. President, I wish to commend the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Montana [Mr. MANSFIELD] for the fine work they have done in connection with the bill.

I believe the bill is of sufficient importance to be passed—as I am sure it will be—following a quorum call.

However, Mr. President, I now understand that the acting majority leader would like to have a quorum call following the passage of this bill. I believe I would have to agree that probably no Member of the Senate who would come to the floor of the Senate would in any way be opposed to a bill of the merit of this one. So at this time I withhold my suggestion of the absence of a quorum; but I wish to have a quorum call immediately following the passage of the bill.

Mr. MANSFIELD. Mr. President, I will say to the Senator from Oregon that I do not know of any Member who is in opposition to the bill, which was reported unanimously from the Foreign Relations Committee.

Mr. MORSE. Yes. I merely wish to say that, regardless of whether any Member agrees or disagrees in regard to the bill, I believe it very important in these closing days of the session that transactions in regard to important pieces of proposed legislation not be conducted without giving notice, by means of quorum calls.

However, I agree that this measure is very obviously desirable of enactment, and does have the unanimous support of the Foreign Relations Committee; and, therefore, I withhold the suggestion of the absence of a quorum.

Mr. MANSFIELD. I thank the Senator from Oregon.

The VICE PRESIDENT. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2633) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Service Act Amendments of 1959".

SEC. 2. Section 415 of the Foreign Service Act of 1946, as amended, is amended to read as follows:

"SEC. 415. (a) There shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees. The per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$11,660	$11,990	$12,320	$12,650	$12,980	$13,310	$13,640
"Class 2	9,900	10,175	10,450	10,725	11,000	11,275	11,550
"Class 3	8,140	8,415	8,690	8,965	9,240	9,515	9,790
"Class 4	7,006	7,225	7,450	7,675	7,900	8,125	8,350
"Class 5	6,150	6,350	6,550	6,750	6,950	7,150	7,350
"Class 6	5,300	5,500	5,700	5,900	6,100	6,300	6,500
"Class 7	4,650	4,800	4,950	5,100	5,250	5,400	5,550
"Class 8	4,200	4,350	4,500	4,650	4,800	4,950	5,100
"Class 9	3,750	3,900	4,050	4,200	4,350	4,500	4,650
"Class 10	3,500	3,600	3,700	3,800	3,900	4,000	4,100

"(b) Notwithstanding the provisions of paragraph (a) of this section, the Secretary may, under such regulations as he may prescribe, fix the salary at lesser rates than those prescribed by this section for the applicable class of staff officers or employees who are recruited abroad and who are not available or are not qualified for transfer to another post."

SEC. 3. Section 416 of such Act is amended to read as follows:

"SEC. 416. (a) A person appointed as a staff officer or employee shall receive basic salary at one of the rates of the class to which he

is appointed which the Secretary shall, taking into account his qualifications and experience and the needs of the Service, determine to be appropriate for him to receive.

"(b) Whenever the Secretary determines that the needs of the Service warrant the appointment of staff officers or employees in a particular occupational group uniformly at a rate above the minimum rate of the applicable class, he may adjust the basic salary of any staff officer or employee in the same class and occupational group who is receiving less than such established rate."

SEC. 4. Section 417 of such Act is amended by striking out "(b)" in the first sentence.

SEC. 5. Section 431 of such Act is amended by striking out in the first sentence of paragraph (a) the phrase "the termination of time spent on authorized leave, whichever shall be later," and inserting in lieu thereof the phrase "upon termination of his service in accordance with the provisions of paragraph (b) of this section,"; and by amending paragraph (b) of this section to read as follows:

"(b) The official services of a chief of mission shall not be deemed terminated by the appointment of a successor but shall continue until he has relinquished charge of the mission and for such additional period as may be determined by the Secretary, but in no case shall such additional period exceed fifty days, including time spent in transit. During such period the Secretary may require him to render such services as he may deem necessary in the interests of the Government."

SEC. 6. Section 441 of such Act and the heading to such section are amended to read as follows:

"CLASSIFICATION OF POSITIONS IN THE FOREIGN SERVICE AND IN THE DEPARTMENT

"SEC. 441. (a) Under such regulations as he may prescribe, and in order to facilitate effective management, the Secretary shall classify all positions in the Service at posts abroad, excluding positions to be occupied by chiefs of mission, and in the case of those occupied by Foreign Service officers, Reserve officers, and staff officers and employees, he shall establish such positions in relation to the classes established by sections 412, 414, and 415, respectively. Positions occupied by alien employees and consular agents, respectively, shall be allocated to such classes as the Secretary may establish by regulation.

"(b) Under such regulations as he may prescribe, the Secretary may, notwithstanding the provisions of the Classification Act of 1949, as amended (5 U.S.C. 1071 and the following), classify positions in or under the Department which he designates as Foreign Service Officer positions to be occupied by officers and employees of the Service, and establish such positions in relation to the classes established by sections 412, 414, and 415."

SEC. 7. Section 444 of such Act and the heading to such section are amended to read as follows:

"COMPENSATION PLANS FOR ALIEN EMPLOYEES

"SEC. 444. (a) The Secretary shall, in accordance with such regulations as he may prescribe, establish compensation plans for alien employees of the Service: *Provided*, That such compensation plans shall be based upon prevailing wage rates and compensation practices for corresponding types of positions in the locality, to the extent consistent with the public interest.

"(b) For the purpose of performing functions abroad, other Government agencies are authorized to administer alien employee programs in accordance with the applicable provisions of this Act."

SEC. 8. Section 446 of such Act and the heading to such section are amended to read as follows:

"ADMINISTRATIVE ESTABLISHMENT OF HAZARDOUS DUTY PAY FOR CERTAIN CATEGORIES OF OFFICERS AND EMPLOYEES

"SEC. 446. The Secretary may, under such regulations as he may prescribe, establish rates of salary differential, not exceeding 15 per centum of basic salary, for officers or employees of the Service while they are assigned for duty as couriers."

SEC. 9. Title V of such Act is amended by adding at the beginning thereof the following new section:

"POLICY

"SEC. 500. It is the policy of the Congress that chiefs of mission and Foreign Service officers appointed or assigned to serve the United States in foreign countries shall have, to the maximum practicable extent, among their qualifications, a useful knowledge of the principal language or dialect of the country in which they are to serve, and knowledge and understanding of the history, the culture, the economic, and political institutions, and the interests of such country and its people."

SEC. 10. (a) The heading to section 516 of such Act is amended to read as follows: "ADMISSION TO CLASS 7 OR 8".

(b) Section 516 of such Act is amended by striking out "SEC. 516" and inserting in lieu thereof "SEC. 516. (a)" and by adding at the end thereof a new paragraph (b) which shall read as follows:

"(b) The Secretary may furnish the President with the names of those persons who have passed such examinations and are eligible for appointment as Foreign Service officers of class 8, whom he recommends for appointment directly to class 7 when in his opinion, their age, experience, or other qualifications make such an appointment appropriate."

SEC. 11. (a) Section 517 of such Act is amended by striking out the words "A person who has not served in class 8" which appear at the beginning of the first sentence, and inserting in place thereof the following: "A person who has not been appointed as a Foreign Service officer in accordance with section 516 of this Act".

(b) Section 517 of such Act is further amended by striking out the second and third sentences of such section.

SEC. 12. (a) The heading to section 520 of such Act is amended by striking out the phrase "REINSTATEMENT AND RECALL" and substituting in lieu thereof the phrase "REAPPOINTMENT, RECALL, OR REEMPLOYMENT".

(b) The first sentence of paragraph (a) of section 520 of such Act is amended by inserting a period after the word "Service" where it appears for the third time, and by striking out the remainder of that sentence.

(c) Paragraph (b) of section 520 of such Act is amended to read as follows:

"(b) The Secretary may recall any retired Foreign Service officer temporarily to duty in the Service whenever he shall determine such recall is in the public interest."

(d) Section 520 of such Act is further amended by adding at the end thereof a new paragraph (c) which shall read as follows:

"(c) Notwithstanding the provisions of title 5, United States Code, section 62, and title 5, United States Code, section 715a, a Foreign Service officer heretofore or hereafter retired under the provisions of section 631 or 632 or a Foreign Service staff officer or employee hereafter retired under the provisions of section 803 shall not, by reason of his retired status, be barred from employment in Federal Government service in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer."

SEC. 13. Section 528 of such Act is amended by striking out in the second sentence of such section the phrase "subsection (d), section 7, of the Classification Act of 1923" and substituting in lieu thereof the phrase "the Classification Act of 1949".

SEC. 14. Section 531 of such Act is amended to read as follows:

"SEC. 531. The Secretary may, under such regulations as he may prescribe, appoint staff officers and employees on the basis of qualifications and experience. The Secretary may make provisions for temporary, limited, and such other types of appointment as he may deem necessary. He is authorized to establish appropriate probationary periods during which newly appointed staff officers or employees, other than those appointed for temporary or limited services shall be required to serve. The Secretary may terminate at any time, without regard to the provisions of section 637, or the provisions of any other law, staff officers or employees appointed for temporary or limited service and staff officers or employees who have not completed probationary periods, except that if such separation is by reason of misconduct the provisions of section 637 shall be applicable."

SEC. 15. Section 532 of such Act is amended to read as follows:

"SEC. 532. Under such regulations as he may prescribe, the Secretary may assign a staff officer or employee to any post or he may assign him to serve in any position in which he is eligible to serve under the terms of this or any other Act. A staff officer or employee may be transferred from one post to another by order of the Secretary as the interests of the Service may require."

SEC. 16. (a) Section 571 of such Act is amended by striking out paragraphs (a), (b), (c), and (d), and the heading to such section, and inserting in lieu thereof the following:

"ASSIGNMENTS TO ANY GOVERNMENT AGENCY OR INTERNATIONAL ORGANIZATION

"SEC. 571. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty in any Government agency, or in any international organization, international commission, or international body, such an assignment or combination of assignments to be for a period of not more than four years, except that under special circumstances the Secretary may extend this four-year period for not more than four additional years.

"(b) If a Foreign Service officer shall be appointed by the President, by and with the advice and consent of the Senate, or by the President alone to a position in any Government agency, any United States delegation or mission to any international organization, in any international commission, or in any international body, the period of his service in such capacity shall be construed as constituting an assignment within the meaning of paragraph (a) of this section and such person shall not, by virtue of the acceptance of such an assignment, lose his status as a Foreign Service officer. Service in such a position shall not however, be subject to the limitations concerning the duration of an assignment contained in that paragraph.

"(c) If the basic minimum salary of the position to which an officer or employee of the Service is assigned pursuant to the terms of this section is higher than the salary such officer or employee is entitled to receive as an officer or employee of the Service, such officer or employee shall, during the period such difference in salary exists, receive the salary and allowances of the position in which he is serving in lieu of his salary and allowances as an officer or employee of the Service. Any salary paid under the provisions of this section shall be the

salary on the basis of which computations and payments shall be made in accordance with the provisions of title VIII. No officer or employee of the Service who, subsequent to the effective date of the Foreign Service Act Amendments of 1959, is assigned to, or who, after June 30, 1960, occupies a position in the Department that is designated as a Foreign Service Officer position, shall be entitled to receive a salary differential under the provisions of this paragraph."

(b) Paragraph (e) of section 571 of such Act is amended by striking the phrase "with heads of Government agencies" where it appears in the second sentence and by redesignating the paragraph as "(d)".

(c) Section 571 of such Act is amended by adding at the end of such section a new paragraph (e) which shall read as follows:

"(e) Any Foreign Service officer or employee assigned to duty in the continental United States between assignments abroad, and any Foreign Service officer of class 7 or 8 assigned to duty in the continental United States prior to assignment abroad shall receive, during the course of such period of assignment, a differential applied to basic salary of 8 per centum if without dependents, 11 per centum if with one to three dependents, and 13 per centum if with more than three dependents to assist in defraying the cost of quarters."

SEC. 17. Section 575 of such Act is amended by striking out all after the word "accordance" and inserting in lieu thereof the phrase "with the appropriate provisions of titles III and IX of Public Law 402, Eightieth Congress (62 Stat. 7 and 13; 22 U.S.C. 1451–1453, 1478 and 1479)."

SEC. 18. Title V of such Act is further amended by adding at the end thereof the following new section:

"FOREIGN LANGUAGE KNOWLEDGE PREREQUISITE TO ASSIGNMENT

"SEC. 578. The Secretary shall designate every Foreign Service officer position in a foreign country whose incumbent should have a useful knowledge of a language or dialect common to such country. After December 31, 1963, each position so designated shall be filled only by an incumbent having such knowledge: *Provided,* That the Secretary or Deputy Under Secretary for Administration may make exceptions to this requirement for individuals or when special or emergency conditions exist. The Secretary shall establish foreign language standards for assignment abroad of officers and employees of the Service, and shall arrange for appropriate language training of such officers and employees at the Foreign Service Institute or elsewhere."

SEC. 19. Section 625 of such Act and the heading of such section are amended to read as follows:

"WITHIN-CLASS SALARY INCREASES OF FOREIGN SERVICE OFFICERS AND RESERVE OFFICERS

"SEC. 625. Any Foreign Service officer or any Reserve officer, whose services meet the standards required for the efficient conduct of the work of the Service and who shall have been in a given class for a continuous period of nine months or more, shall, on the first day of each fiscal year, receive an increase in salary to the next higher rate for the class in which he is serving. Without regard to any other law, the Secretary is authorized to grant to any such officer additional increases in salary, within the salary range established for the class in which he is serving, based upon especially meritorious service."

SEC. 20. Title VI of such Act is amended by inserting after section 625 the following new section and the heading thereto:

"RELATIONSHIP BETWEEN PROMOTIONS AND FUNCTIONAL AND GEOGRAPHIC AREA SPECIALIZATION

"SEC. 626. The achievement of the objectives of this Act requires increasing numbers of Foreign Service officers to acquire functional and geographic area specializations and to pursue such specializations for a substantial part of their careers. Such specialization shall not in any way inhibit or prejudice the orderly advancement through Class 1 of any such officer in the Foreign Service."

SEC. 21. The heading "PART D—SEPARATION OF FOREIGN SERVICE OFFICERS FROM THE SERVICE" under title VI of such Act is amended to read as follows: "PART D—SEPARATION OF OFFICERS AND EMPLOYEES FROM THE SERVICE".

SEC. 22. Section 631 of such Act and the heading to such section are amended to read as follows:

"FOREIGN SERVICE OFFICERS WHO ARE CAREER AMBASSADORS OR CAREER MINISTERS

"SEC. 631. Any Foreign Service officer who is a career Ambassador or a career Minister, other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and consent of the Senate, shall upon reaching the age of sixty-five, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, he may extend such an officer's service for a period not to exceed five years."

SEC. 23. Section 632 of such Act and the heading to such section are amended to read as follows:

"FOREIGN SERVICE OFFICERS WHO ARE NOT CAREER AMBASSADORS OR CAREER MINISTERS

"SEC. 632. Any Foreign Service officer, other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and consent of the Senate, who is not a career Ambassador or a career Minister shall, upon reaching the age of sixty, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, he may extend such an officer's service for a period not to exceed five years."

SEC. 24. Subparagraphs (1) and (2) of paragraph (b) of section 634 of such Act are amended to read as follows:

"(1) one-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate, payable without interest, from the Foreign Service Retirement and Disability Fund, in three equal installments on the 1st day of January following the officer's retirement and on the two anniversaries of this date immediately following: *Provided,* That in special cases, the Secretary may in his discretion accelerate or combine the installments; and

"(2) a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest as provided in section 841(a), except that in lieu of such refund such officer, if he has at least five years of service credit toward retirement under the Foreign Service Retirement and Disability System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a), may elect to receive retirement benefits on reaching the age of sixty in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 or 5 and who has elected to receive retirement benefits dies before reaching the age of sixty, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 6 or 7 and who has elected to receive retirement benefits dies before reaching the age of sixty, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest as provided in section 841(a), shall be paid in accordance with the provisions of section 841(b)."

SEC. 25. Section 635 of such Act and the heading to such section are amended to read as follows:

"FOREIGN SERVICE OFFICERS RETIRED FROM CLASS 7 OR 8

"SEC. 635. Any Foreign Service officer in class 7 who is appointed under the provisions of section 516(b) and any Foreign Service officer in class 8 shall occupy probationary status. The Secretary may terminate his service at any time."

SEC. 26. Section 636 of such Act is amended by striking out the phrase "Any Foreign Service officer" and inserting in lieu thereof the phrase "Any participant in the Foreign Service Retirement and Disability System".

SEC. 27. (a) Paragraphs (a), (b), (c), and (d) of section 637 of such Act and the heading to such section are amended to read as follows:

"SEPARATION FOR CAUSE

"SEC. 637. (a) The Secretary may, under such regulations as he may prescribe, separate from the Service any Foreign Service officer, Reserve officer, or staff officer or employee, on account of the unsatisfactory performance of his duties, or for such other cause as will promote the efficiency of the Service, with reasons given in writing, but no such officer or employee shall be so separated until he shall have been granted a hearing by the Board of the Foreign Service and the unsatisfactory performance of his duties, or other cause for separation, shall have been established at such hearing, unless he shall have waived in writing his right to a hearing. The provisions of this section shall not apply to Foreign Service officers of class 8 or any other officer or employee of the Service who is in a probationary status or whose appointment is limited or temporary, except when separation is by reason of misconduct.

"(b) Any participant in the Foreign Service Retirement and Disability System separated under the provisions of paragraph (a) of this section shall receive a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest, as provided in section 841(a) except that in lieu of such refund such officer may (except in cases where the Secretary determines that separation was based in whole or in part on the ground of disloyalty to the United States) if he has at least five years of service credit toward retirement under this System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a), elect to leave his contributions in the Fund and receive an annuity, computed as prescribed in section 821 commencing at the age of sixty years. In the event that an officer who has elected under the provisions of this section to receive a deferred annuity dies before reaching the age of sixty, his contributions to the Fund, with interest, shall be paid in accordance with the provisions of sections 841 and 881.

"(c) Any officer or employee of the Service separated under the provisions of paragraph (a) of this section who is not a participant in the Foreign Service Retirement and Disability System shall be entitled only to such benefits as shall accrue to him under the retirement system in which he is a participant.

"(d) Any payments made in accordance with the provisions of paragraph (b) of this section shall be made out of the Foreign Service Retirement and Disability Fund."

SEC. 28. Section 638 of such Act and the heading to such section are amended to read as follows:

"TERMINATION OF LIMITED APPOINTMENTS OF FOREIGN SERVICE RESERVE OFFICERS AND STAFF OFFICERS AND EMPLOYEES

"SEC. 638. Notwithstanding the provisions of this or any other law, the Secretary may, under such regulations as he may prescribe, terminate at any time the services of any Reserve officer or staff officer or employee serving under limited appointment, except that, if the termination is because of misconduct, the provisions of section 637 shall be applicable. This section shall not modify the conditions of employment of, and shall not be applicable to, staff officers who accepted Reserve officer appointments during the period from September 1, 1958, through December 31, 1958."

SEC. 29. Section 641 of such Act is amended to read as follows:

"SEC. 641. All promotions of staff officers and employees to a higher class shall be made at a higher salary on the basis of performance and merit in accordance with such regulations as the Secretary may prescribe."

SEC. 30. Section 642 of such Act and the heading thereto are amended to read as follows:

"WITHIN CLASS AND LONGEVITY SALARY INCREASES

"SEC. 642. (a) Under such regulations as the Secretary may prescribe, any staff officer or employee whose services meet the standards required for the efficient conduct of the work of the Service shall receive an increase in salary at periodic intervals to the next higher salary rate for the class in which he is serving. Without regard to any other law the Secretary is authorized to grant any such officer or employee additional increases in salary within the salary range established for the class in which he is serving, based upon specially meritorious service.

"(b) Under such regulations as the Secretary may prescribe, any staff officer or employee who has attained the maximum salary rate prescribed by section 415 for the class in which he is serving may be granted from time to time an additional salary increase beyond the maximum salary rate for his class in recognition of longevity and proficiency in the Service. Each such salary increase shall be equal to the maximum salary rate increase of the applicable class and no person shall receive more than four such salary increases while serving in the same class."

SEC. 31. Section 701 of such Act is amended by adding at the end thereof the following: "The Secretary may also provide to the extent that space is available therefor appropriate orientation and language training to spouses of officers and employees of the Government in anticipation of the assignment abroad of such officers and employees. Other agencies of the Government shall wherever practicable avoid duplicating the facilities of the Institute and the training provided by the Secretary at the Institute or elsewhere."

SEC. 32. (a) Paragraph (a) of section 704 of such Act is amended by striking out "1923" in the two places where it appears and inserting in lieu thereof "1949".

(b) Section 704 of such Act is amended by adding at the end of such section new paragraphs (e) and (f) which shall read as follows:

"(e) The Secretary may, under such regulations as he may prescribe, in the absence of suitably qualified United States citizens, employ persons who are not citizens of the United States by appointment to the staff of the Institute either on a full- or part-time basis or by contract for services in the United States or abroad at rates not in excess of those provided by the Classification Act of 1949, as amended (5 U.S.C. 1071).

"(f) The Secretary may, under such regulations as he may prescribe, provide special monetary or other incentives not inconsistent with this Act to encourage Foreign Service personnel to acquire or retain proficiency in esoteric foreign languages or special abilities needed in the Service."

SEC. 33. (a) Section 803(b)(2) of such Act is amended to read as follows—

"(2) have paid into the Fund a special contribution for each year of such service in accordance with the provisions of section 852(b)."

(b) Section 803 is further amended by adding at the end thereof a new paragraph (c) which shall read as follows:

"(c)(1) In accordance with such regulations as the President may prescribe, any Foreign Service staff officer or employee appointed by the Secretary of State who has completed at least ten years of continuous service in the Department's Foreign Service, exclusive of military service, shall become a participant in the System and shall make a special contribution to the Fund in accordance with the provisions of section 852.

"(2) Any such officer or employee who, under the provisions of paragraph (c)(1) of this section, becomes a participant in the System, shall be mandatorily retired for age during the first year after the effective date of this section if he attains age sixty-four or if he is over age sixty-four; during the second year at age sixty-three; during the third year at age sixty-two; during the fourth year at age sixty-one, and thereafter at age sixty.

"(3) Any officer or employee who becomes a participant under the provisions of paragraph (c)(1) of this section, who is age sixty-one or over on the effective date of this section, and who is retired mandatorily under the provisions of paragraph (c)(2) of this section, shall receive, in addition to retirement benefits under section 821, one-twelfth of a year's salary at his then current rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate, payable without interest, from the Fund, at the time of his retirement."

SEC. 34. Section 804 of such Act is amended to read as follows:

"SEC. 804. (a) Annuitants shall be persons who are receiving annuities from the Fund on the effective date of this Act and all persons, including surviving wives and husbands, widows, dependent widowers, children, and beneficiaries of participants or annuitants who shall become entitled to receive annuities in accordance with the provisions of this Act, as amended, or in accordance with the provisions of section 5 of the Act of May 1, 1956 (70 Stat. 125).

"(b) When used in this title the term—

"(1) 'Widow' means the surviving wife of a participant who was married to such participant for at least two years immediately preceding his death or is the mother of issue by such marriage.

"(2) 'Dependent widower' means the surviving husband of a participant who was married to such participant for at least two years immediately preceding her death or is the father of issue by such marriage, and who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such participant.

"(3) 'Child' means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support. In addition to the offspring of the participant and his or her spouse the term includes (a) an adopted child, and (b) a stepchild or recognized natural child who received more than one-half of his support from the participant."

SEC. 35. Section 811 of such Act is amended to read as follows:

"SEC. 811. (a) Six and one-half per centum of the basic salary received by each participant shall be contributed to the Fund for the payment of annuities, cash benefits, refunds, and allowances. An equal sum shall also be contributed from the respective appropriations or fund which is used for payment of his salary. The amounts deducted and withheld from basic salary together with the amounts so contributed from the appropriation or fund, shall be deposited by the Department of State in the Treasury of the United States to the credit of the Fund.

"(b) Each participant shall be deemed to consent and agree to such deductions from basic salary, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which he shall be entitled under this Act, notwithstanding any law, rule, or regulation affecting the individual's salary."

SEC. 36 (a) Paragraphs (a), (b), and (c) of section 821 of such Act are amended to read as follows:

"SEC. 821. (a) The annuity of a participant shall be equal to 2 per centum of his average basic salary for the highest five consecutive years of service, for which full contributions have been made to the Fund, multiplied by the number of years, not exceeding thirty-five, of service credit obtained in accordance with the provisions of sections 851, 852, and 853. However, the highest five years of service for which full contributions have been made to the Fund shall be used in computing the annuity of any participant who serves as chief of mission and whose continuity of service as such is interrupted prior to retirement by appointment or assignment to any other position determined by the Secretary to be of comparable importance. In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, shall not be counted.

"(b) At the time of retirement, any married participant may elect to receive a reduced annuity and to provide for an annuity payable to his wife or her husband, commencing on the date following such participant's death and terminating upon the death of such surviving wife or husband. The annuity payable to the surviving wife or husband after such participant's death shall be 50 per centum of the amount of the participant's annuity computed as prescribed in paragraph (a) of this section, up to the full amount of such annuity specified by him as the base for the survivor benefits. The annuity of the participant making such election shall be reduced by 2½ per centum of any amount up to $2,400 he specifies as the base for the survivor benefit plus 10 per centum of any amount over $2,400 so specified.

"(c)(1) If an annuitant dies and is survived by a wife or husband and by a child or children, in addition to the annuity payable to the surviving wife or husband, there shall be paid to or on behalf of each child an annuity equal to smallest of: (i) 40 per centum of the annuitant's average salary divided by the number of children; (ii) $600; or (iii) $1,800 divided by the number of children.

"(2) If an annuitant dies and is not survived by a wife or husband but by a child or children, each surviving child shall be paid an annuity equal to the smallest of: (i) 50 per centum of the annuitant's average salary divided by the number of children; (ii) $720; or (iii) $2,160 divided by the number of children."

(b) Section 821 of such Act is further amended by adding new paragraphs (d), (e), and (f) which shall read as follows:

"(d) If a surviving wife or husband dies or the annuity of a child is terminated, the annuities of any remaining children shall be recomputed and paid as though such wife, husband, or child had not survived the participant.

"(e) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the first day of the next month after the participant dies and such annuity or any right thereto shall be terminated upon death, marriage, or attainment of the age of eighteen years, except that, if a child is incapable of self-support by reasons of mental or physical disability, the annuity shall be terminated only when such child dies, marries, or recovers from such disability.

"(f) At the time of retirement an unmarried participant may elect to receive a reduced annuity and to provide for an annuity equal to 50 percentum of the reduced annuity payable after his or her death to a beneficiary whose name shall be designated in writing to the Secretary. The annuity payable to a participant making such election shall be reduced by 10 per centum of an annuity computed as provided in paragraph (a) of this section and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the retiring participant, but such total reduction shall not exceed 40 per centum. No such election of a reduced annuity payable to a beneficiary shall be valid until the participant shall have satisfactorily passed a physical examination as prescribed by the Secretary. The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the first day of the next month after the participant dies. Upon the death of the surviving beneficiary all payments shall cease and no further annuity payments authorized under this paragraph shall be due or payable."

SEC. 37. (a) Paragraphs (a), (b), and (c) of section 831 of such Act are amended to read as follows:

"(a) Any participant who has five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with provisions of section 851 or 852(a)(2), and who becomes totally disabled or incapacitated for useful and efficient service by reason of disease, illness, or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the Secretary, be retired on an annuity computed as prescribed in section 821. If the disabled or incapacitated participant has less than twenty years of service credit toward his retirement under the System at the time he is retired, his annuity shall be computed on the assumption that he has had twenty years of service, but the additional service credit that may accrue to a participant under this provision shall in no case exceed the difference between his age at the time of retirement and the mandatory retirement age applicable to his class in the Service.

"(b) In each case, the participant shall be given a physical examination by one or more duly qualified physicians or surgeons designated by the Secretary to conduct examinations, and disability shall be determined by the Secretary on the basis of the advice of such physicians or surgeons. Unless the disability is permanent, like examinations shall be made annually until the annuitant has reached the statutory mandatory retirement age for his class in the Service. If the Secretary determines, on the basis of the advice of one or more duly qualified physicians or surgeons conducting such examinations, that an annuitant has recovered to the extent that he can return to duty, the annuitant may apply for reinstatement or reappointment in the Service within one year from the date his recovery is determined. Upon application the Secretary shall reinstate any such recovered disability annuitant in the class in which he was serving at time of retirement, or the Secretary may, taking into consideration the age, qualifications, and experience of such annuitant, and the present class of his contemporaries in the Service, appoint him or, in the case of an annuitant who is a former Foreign Service Officer, recommend that the President appoint him, by and with the advice and consent of the Senate, to a class higher than the one in which he was serving prior to retirement. Payment of the annuity shall continue until a date six months after the date of the examination showing recovery or until the date of reinstatement or reappointment in the Service, whichever is earlier. Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the Fund. If the annuitant fails to submit to examination as required under this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.

"(c) If a recovered disability annuitant whose annuity is discontinued is for any reason not reinstated or reappointed in the Service, he shall be considered to have been separated within the meaning of section 834 as of the date he was retired for disability and he shall, after the discontinuance of the disability annuity, be entitled to the benefits of that section or of section 841(a) except that he may elect voluntary retirement in accordance with the provisions of section 636 if he can qualify under its provisions."

(b) Section 831 of such Act is further amended by adding new paragraphs (d) and (e) which shall read as follows:

"(d) No participant shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself under the Federal Employees' Compensation Act of September 7, 1916, as amended, covering the same period of time. This provision shall not bar the right of any claimant to the greater benefit conferred by either Act for any part of the same period of time. Neither this provision nor any provision of the Act of September 7, 1916, as amended, shall be so construed as to deny the right of any person to receive an annuity under this Act by reason of his own services and to receive concurrently any payment under such Act of September 7, 1916, as amended, by reason of the death of any other person.

"(e) Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the Act of September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the Secretary of Labor, shall be refunded to the Department of Labor, to be paid into the Federal Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to the Department of Labor the amount representing such computed payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Department for reimbursement to such Fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the Secretary of Labor shall determine, whenever he finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding."

SEC. 38. Section 832 of such Act is amended to read as follows:

"SEC. 832. (a) In case a participant dies and no claim for annuity is payable under the provisions of this Act, his contributions to the Fund, with interest at the rates prescribed in sections 841(a) and 881(a), shall be paid in the order of precedence shown in section 841(b).

"(b) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), dies before separation or retirement from the Service and is survived by a widow or a dependent widower, as defined in section 804, such widow or dependent widower shall be entitled to an annuity equal to 50 per centum of the annuity computed in accordance with the provisions of paragraph (e) of this section and of section 821(a). The annuity of such widow or dependent widower shall commence on the date following death of the participant and shall terminate upon death of the widow or dependent widower, or upon the dependent widower's becoming capable of self-support.

"(c) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), dies before separation or retirement from the Service and is survived by a wife or a husband and a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 821(c)(1). The child's annuity shall begin and be terminated in accordance with the provisions of section 821(e). Upon the death of the surviving wife or husband or termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though such wife or husband or child had not survived the participant.

"(d) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), dies before separation or retirement from the Service and is not survived by a wife or husband, but by a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 821(c)(2). The child's annuity shall begin and terminate in accordance with the provisions of section 821(e). Upon termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though that child had never been entitled to the benefit.

"(e) If, at the time of his or her death, the participant had less than twenty years of service credit toward retirement under the System, the annuities payable in accordance with paragraph (b) of this section shall be computed in accordance with the provisions of section 821 on the assumption he or she has had twenty years of service, but the additional service credit that may accrue to a deceased participant under this provision shall in no case exceed the difference between his or her age on the date of death and the mandatory retirement age applicable to his or her class in the Service. In all cases arising under paragraphs (b), (c), (d), or (e) of this section, it shall be assumed that the deceased participant was qualified for retirement on the date of his death."

SEC. 39. A new section 834 is hereby added to such Act as follows:

"DISCONTINUED SERVICE RETIREMENT

"SEC. 834. (a) Any participant who voluntarily separates from the Service after obtain-

ing at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), may, upon separation from the Service or at any time prior to becoming eligible for an annuity, elect to have his contributions to the Fund returned to him in accordance with the provisions of section 841, or to leave his contributions in the Fund and receive an annuity, computed as prescribed in section 821, commencing at the age of sixty years.

"(b) If a participant who has qualified in accordance with the provisions of paragraph (a) of this section to receive a deferred annuity commencing at the age of sixty dies before reaching the age of sixty his contributions to the Fund, with interest, shall be paid in accordance with the provisions of sections 841 and 881."

SEC. 40. Section 841 of such Act is amended to read as follows:

"SEC. 841. (a) Whenever a participant becomes separated from the Service without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the total amount of contributions from his salary with interest thereon at 4 per centum per annum, compounded annually at the end of each fiscal year through June 30, 1959; semiannually as of December 31, 1959; annually thereafter as of December 31, and proportionately for the period served during the year of separation including all contributions made during or for such period, except as provided in section 881, shall be returned to him.

"(b) In the event that the total contributions of a retired participant, other than voluntary contributions made in accordance with the provisions of section 881, with interest at 4 per centum per annum compounded annually as is provided in paragraph (a) of this section added thereto, exceed the total amount returned to such participant or to an annuitant claiming through him, in the form of annuities, accumulated at the same rate of interest up to the date the annuity payments cease under the terms of the annuity, the excess of the accumulated contributions over the accumulated annuity payments shall be paid in the following order of precedence, upon the establishment of a valid claim therefor, and such payment shall be a ban to recovery by any other person:

"(1) To the beneficiary or beneficiaries designated by the retired participant in writing to the Secretary;

"(2) If there be no such beneficiary, to the surviving wife or husband of such participant;

"(3) If none of the above, to the child or children of such participant and descendants of deceased children by representation;

"(4) If none of the above, to the parents of such participant or the survivor of them;

"(5) If none of the above, to the duly appointed executor or administrator of the estate of such participant;

"(6) If none of the above, to other next of kin of such participant as may be determined by the Secretary in his judgment to be legally entitled thereto.

"(c) No payment shall be made pursuant to paragraph (b)(6) of this section until after the expiration of thirty days from the death of the retired participant or his surviving annuitant."

SEC. 41. Section 851 of such Act is amended to read as follows:

"SEC. 851. For the purposes of this title, the period of service of a participant shall be computed from the effective date of appointment as a Foreign Service officer, or, if appointed prior to July 1, 1924, as an officer or employee of the Diplomatic or Consular Service of the United States, or from the date he becomes a participant under the provisions of this Act, as amended, but all periods of separation from the Service and so much of any leaves of absence without pay as may exceed six months in the aggregate in any calendar year shall be excluded, except leaves of absence while receiving benefits under the Federal Employees' Compensation Act of September 7, 1916, as amended, and leaves of absence granted participants while performing active and honorable military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States."

SEC. 42. (a) Paragraphs (a), (b), and (c) of section 852 of such Act are amended to read as follows:

"(a) A participant may, subject to the provisions of this section, include in his period of service—

"(1) civilian service in the executive, judicial, and legislative branches of the Federal Government and in the District of Columbia government, prior to becoming a participant; and

"(2) active and honorable military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States.

"(b) A person may obtain prior civilian service credit in accordance with the provisions of paragraph (a)(1) of this section by making a special contribution to the Fund equal to 5 per centum of his basic annual salary for each year of service for which credit is sought subsequent to July 1, 1924, and prior to the effective date of the Foreign Service Act Amendments of of 1959, and at 6½ per centum thereafter with interest compounded annually at 4 per centum per annum to the date of payment. Any such person may, under such conditions as may be determined in each instance by the Secretary, pay such special contributions in installments.

"(c)(1) If an officer or employee under some other Government retirement system, becomes a participant in the System by direct transfer, such officer or employee's total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be transferred to the Fund effective as of the date such officer or employee becomes a participant in the System. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the System.

"(2) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall be required to make contributions in addition to those transferred, for periods of service for which full contributions were made to the other Government retirement fund, nor shall any refund be made to any such officer or employee on account of contributions made during any period to the other Government retirement fund, at a higher rate than that fixed by section 811 of this Act for contributions to the Fund.

"(3) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall receive credit for periods of service subsequent to July 1, 1924, for which a refund of contributions has been made, or for which no contributions were made to the other Government retirement fund. A participant may, however, obtain credit for such prior service by making a special contribution to the Fund in accordance with the provisions of paragraph (b) of this section."

(b) Section 852 of such Act is further amended by adding at the end thereof new paragraphs (d) and (e) which shall read as follows:

"(d) No participant may obtain prior civilian service credit toward retirement under the System for any period of civilian service on the basis of which he is receiving or will in the future be entitled to receive any annuity under another retirement system covering personnel of the Government.

"(e) A participant may obtain prior military or naval service credit in accordance with the provisions of paragraph (a)(2) of this section by applying for it to the Secretary prior to retirement or spearation from the Service. However, in the case of a participant who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of a participant who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in line of duty during an enlistment or employment as provided in Veterans Regulation Numbered 1(a), part I, paragraph I, or is awarded under chapter 67 of title 10 of the United States Code, the period of such military or naval service shall be included. No contributions to the Fund shall be required in connection with military or naval service credited to a participant in accordance with the provisions of paragraph (a)(2) of this section."

SEC. 43. Such Act is amended by adding after section 854 a new section as follows:

"RECOMPUTATION OF ANNUITIES OF CERTAIN FORMER PARTICIPANTS

"SEC. 885. The annuity of each former participant under the System, who retired prior to July 28, 1956, and who at the time of his retirement had creditable service in excess of thirty years, shall be recomputed on the basis of actual years of creditable service not in excess of thirty-five years. Service which was not creditable under the System on the date a former participant retired, shall not be included as creditable service for the purpose of this recomputation. The annuities payable to such persons shall, when recomputed, be paid at the rates so determined, but no such recomputation or any other action taken pursuant to this section shall operate to reduce the rate of the annuity any such person is entitled to receive under the System."

SEC. 44. The heading "PART H—OFFICERS REINSTATED IN THE SERVICE" under title VIII of such Act is amended to read as follows: "PART H—ANNUITANTS RECALLED, REINSTATED OR REAPPOINTED IN THE SERVICE OR REEMPLOYED IN THE GOVERNMENT".

SEC. 45. Section 871 of such Act is amended and a heading is added thereto as follows:

"RECALL

"SEC. 871. Any annuitant recalled to duty in the Service in accordance with the provisions of section 520(b) or reinstated or reappointed in accordance with the provisions of section 831(b) shall, while so serving, be entitled in lieu of his annuity to the full salary of the class in which he is serving. During such service, he shall make contributions to the Fund in accordance with the provisions of section 811. The amount of his annuity when he reverts to his retired status shall be recomputed in accordance with the provisions of section 821."

SEC. 46. A new section 872 is hereby added to such Act as follows:

"REEMPLOYMENT

"SEC. 872. (a) Notwithstanding any other provision of law, any officer or employee of the Service, who has retired under this Act, as amended, and is receiving an annuity pursuant thereto, and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis, shall be entitled to receive the salary of the position in which he is serving plus so much of his annuity payable under this Act, as amended, which when combined with such salary does not exceed

during any calendar year the highest basic salary such officer or employee was entitled to receive under sections 412 or 415 of the Act, as amended, on the date of his retirement from the Service. Any such reemployed officer or employee who receives salary during any calendar year in excess of the maximum amount which he may be entitled to receive under this paragraph shall be entitled to such salary in lieu of benefits hereunder.

"(b) When any such retired officer or employee of the Service is reemployed, the employer shall send a notice to the Department of State of such reemployment together with all pertinent information relating thereto and shall cause to be paid, by transfer or otherwise, to the Department of State funds necessary to cover gross salary, employer contributions, and gross lump sum leave payment relating to the employment of the reemployed officer or employee. The Department of State shall make to and on behalf of the reemployed officer or employee payments to which he is entitled under the provisions of paragraph (a) of this section, and shall make those withholding and deductions authorized and required by law.

"(c) In the event of any overpayment under this section the Secretary of State is authorized to withhold the amount of such overpayment from the salary payable to such reemployed officer or employee or from his annuity."

SEC. 47. (a) So much of paragraph (a) of section 881 of such Act as precedes subparagraph (1) thereof is amended to read as follows:

"(a) Any participant may, at his option and under such regulations as may be prescribed by the President, deposit additional sums in multiples of 1 per centum of his basic salary, but not in excess of 10 per centum of such salary, which amounts together with interest at 3 per centum per annum, compounded annually at the end of each fiscal year through June 30, 1959; semiannually as of December 31, 1959; annually thereafter as of December 31, and proportionately for the period served during the year of his retirement, including all contributions made during or for such period, shall, at the date of his retirement and at his election, be—"

(b) Paragraph (c) of section 881 of such Act is amended by deleting the word "annually" and inserting in lieu thereof the phrase "as is provided in paragraph (a) of this section", and by changing the words "withdrawal from active service" at the end of such paragraph to "separation from the Service".

SEC. 48. Section 912 of such Act is amended by changing the heading thereto to read "LOAN OF HOUSEHOLD FURNISHINGS AND EQUIPMENT" and by inserting between the words "with household" the word "basic" and by inserting between the words "household equipment" the phrase "furnishings and".

SEC. 49. Section 913 of such Act and the heading thereto is amended to read as follows:

"TRANSPORTATION OF MOTOR VEHICLES

"SEC. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned motor vehicle or replacement thereof in any case where he shall determine that water, rail, or air transportation of the motor vehicle or replacement thereof is necessary or expedient for any part or of all the distance between points of origin and destination."

SEC. 50. (a) Section 1021 of such Act is amended by inserting the phrase "the Department including" immediately prior to the phrase "the Service" wherever it appears in this secton.

(b) Section 1021(a) is further amended by striking out the phrase "if recommended by the Director General" and inserting in lieu thereof the phrase "at the discretion of the Secretary".

SEC. 51. Foreign Service staff officers and employees receiving basic salary immediately prior to the effective date of this Act at one of the rates provided by section 415 of the Foreign Service Act of 1946, as amended, shall be transferred to the new classes established by section 415 of such Act, as amended, and shall receive basic salary on and after the effective date of this Act, as follows:

Present class and salary rate of sec. 415 of the Foreign Service Act of 1946, as amended (1958)			Corresponding new class and salary rate of sec. 415 of the Foreign Service Act of 1946, as amended by this act			Amount of adjustments
Class	Step	Rate	Class	Step	Rate	
FSS-1	5	$13,160	FSS-1	6	$13,310	$150
	4	12,830		5	12,980	150
	3	12,480		4	12,650	170
	2	12,120		3	12,320	200
	1	11,770		2	11,990	220
FSS-2	5	12,120	FSS-1	3	12,320	200
	4	11,770		2	11,990	220
	3	11,485	FSS-2	7	11,550	65
	2	11,205		6	11,275	70
	1	10,920		5	11,000	80
FSS-3	5	11,165	FSS-2	6	11,275	110
	4	10,885		5	11,000	115
	3	10,600		4	10,725	125
	2	10,320		3	10,450	130
	1	10,030		2	10,175	145
FSS-4	5	10,230	FSS-2	3	10,450	220
	4	9,945		2	10,175	230
	3	9,665	FSS-3	7	9,790	125
	2	9,380		6	9,515	135
	1	9,095		5	9,240	145
FSS-5	6	9,600	FSS-3	7	9,790	190
	5	9,315		6	9,515	200
	4	9,030		5	9,240	210
	3	8,815		4	8,965	150
	2	8,610		3	8,690	80
	1	8,395		2	8,415	20
FSS-6	6	8,755	FSS-3	4	8,965	210
	5	8,540		3	8,690	150
	4	8,325	FSS-4	7	8,350	25
	3	8,120		6	8,125	5
	2	7,905		6	8,125	220
	1	7,690		5	7,900	210
FSS-7	6	8,050	GSS-4	6	8,125	75
	5	7,840		5	7,900	60
	4	7,630		4	7,675	45
	3	7,415		3	7,450	35
	2	7,200		2	7,225	25
	1	6,990		1	7,000	10
FSS-8	6	7,350	FSS-5	7	7,350	----------
	5	7,140		6	7,150	10
FSS-8	4	6,925	FSS-5	5	6,950	25
	3	6,710		4	6,750	40
	2	6,495		3	6,550	55
	1	6,285		2	6,350	65

Present class and salary rate of sec. 415 of the Foreign Service Act of 1946, as amended (1958)			Corresponding new class and salary rate of sec. 415 of the Foreign Service Act of 1946, as amended by this act			Amount of adjustments
Class	Step	Rate	Class	Step	Rate	
FSS-9	6	$6,650	FSS-5	4	$6,750	$100
	5	6,435	FSS-6	7	6,500	65
	4	6,220		6	6,300	80
	3	6,005		5	6,100	95
	2	5,795		4	5,900	105
	1	5,585		3	5,700	115
FSS-10	7	6,175	FSS-6	6	6,300	125
	6	5,970		5	6,100	130
	5	5,755		4	5,900	145
	4	5,540	FSS-7	7	5,550	10
	3	5,400		6	5,400	----------
	2	5,260		6	5,400	140
	1	5,115		5	5,250	135
FSS-11	7	5,500	FSS-7	7	5,550	50
	6	5,355		6	5,400	45
	5	5,215		5	5,250	35
	4	5,070		4	5,100	30
	3	4,930		3	4,950	20
	2	4,790		2	4,800	10
	1	4,650		1	4,650	----------
FSS-12	7	5,025	FSS-8	7	5,100	75
	6	4,890		6	4,950	60
	5	4,745		5	4,800	55
	4	4,605		4	4,650	45
	3	4,460		3	4,500	40
	2	4,320		2	4,350	30
	1	4,180		1	4,200	20
FSS-13	7	4,580	FSS-9	7	4,650	70
	6	4,440		6	4,500	60
	5	4,295		5	4,350	55
	4	4,155		4	4,200	45
	3	4,010		3	4,050	40
	2	3,870		2	3,900	30
	1	3,730		1	3,750	20
FSS-14	7	4,155	FSS-9	4	4,200	45
	6	4,010	FSS-10	7	4,100	90
	5	3,870		5	3,900	30
	4	3,730		4	3,800	70
	3	3,585		2	3,600	15
	2	3,445		1	3,500	55
	1	3,300		1	3,500	200
FSS-15	All step rates and below.		FSS-10	1	3,500	5

SEC. 52. Section 11 of Public Law 885, Eighty-fourth Congress (70 Stat. 890), is hereby amended by inserting after the phrase "Government-owned vehicles" the phrase "or taxicabs" and by inserting after the phrase "public transportation facilities" the phrase "other than taxicabs".

SEC. 53. (a) Paragraph (4) of section 104(a) of the Internal Revenue Code of 1954 (26 U.S.C. 104(a)(4)) (relating to the exclusion from gross income of compensation for injuries and sickness) is hereby amended to read as follows:

"(4) amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country or in the Coast and Geodetic Survey or the Public Health Service, or as a disability annuity payable under the provisions of section 831 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1081; 60 Stat. 1021)."

(b)(1) Section 402(a) of the Internal Revenue Code of 1954 (relating to the taxability of a beneficiary of an employee's trust) is hereby amended as follows:

(a) By striking out in the first sentence of paragraph (1) thereof "paragraph (2)" and inserting in lieu thereof "paragraphs (2) and (3)", and

(b) By redesignating paragraph (3) thereof as paragraph (4) and by inserting after

paragraph (2) thereof the following new paragraph:

"(3) The amount includible under this subsection as the gross income of a nonresident alien individual with respect to a distribution made by the United States in respect of services performed by an employee of the United States shall not exceed an amount which bears the same ratio to the amount includible in gross income without regard to this paragraph as the aggregate compensation paid by the United States to such employee for such services and includible in gross income under this subtitle or prior income tax laws bears to the aggregate compensation paid by the United States to such individual whether or not includible in gross income."

(2) Subsection (d) of section 871 of the Internal Revenue Code of 1954 (relating to the tax imposed on nonresident alien individuals) is hereby amended to read as follows:

"(d) CROSS REFERENCE.—

"(1) For doubling of tax on citizens of certain foreign countries, see section 891.

"(2) For taxability of amounts paid by the United States to certain nonresident alien employees or their beneficiaries, see section 402(a)(3)."

SEC. 54. (a) Section 12 of the Act of June 26, 1884 (23 Stat. 56; 22 U.S.C. 1186), is hereby repealed.

(b) The second proviso of section 1 of chapter 223 of the Act of June 4, 1920, as amended (41 Stat. 750; 22 U.S.C. 214), is further amended by striking out the phrase "or to seamen,".

SEC. 55. Section 4 of the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 295), is amended by adding at the end thereof the following new subsection:

"(c) For the purpose of carrying into effect the provisions of this Act there is hereby authorized to be appropriated, in addition to amounts previously authorized, an amount not to exceed $100,000,000, of which $50,000,000 shall be available exclusively for payments representing the value in whole or in part, of property or credits in accordance with the provisions of the Act of July 25, 1946 (60 Stat. 663). Sums appropriated pursuant to this authorization shall remain available until expended."

SEC. 56. The following headings and sections in the Foreign Service Act of 1946, as amended, are hereby repealed:

(1) Section 442 of such Act and the heading thereto.

(2) Section 525 of such Act and the heading thereto.

(3) Section 576 of such Act and the heading thereto.

(4) Section 577 of such Act and the heading thereto.

(5) Sections 651 and 652 of such Act and the headings thereto, including Part F—Separation of Staff Officers and Employees.

SEC. 57. Notwithstanding the provisions of this Act, existing rules and regulations of or applicable to the Foreign Service of the United States shall remain in effect until revoked or rescinded or until modified or superseded by regulations made in accordance with the provisions of the Foreign Service Act of 1946, as amended by this Act, unless clearly inconsistent with the provisions of this Act or the provisions so amended.

SEC. 58. (a) The provisions of this Act shall become effective as of the first day of the first pay period which begins one month after the enactment of this Act, except as provided in paragraphs (b), (c), and (d) of this section.

(b) The provisions of paragraphs (c)(1) and (c)(2) of section 803 of the Foreign Service Act of 1946, as amended by section 33(b) of this Act, shall become effective on the first day of the first month which begins one year after the date of enactment of this Act, except that any Foreign Service staff officer or employee, who at the time this Act becomes effective meets the requirements for participation in the Foreign Service Retirement and Disability System, may elect to become a participant in the System before the mandatory provisions become effective. Such Foreign Service staff officers and employees shall become participants effective on the first day of the second month following the date of their application for earlier participation.

(c) The amendments made by section 53 of this Act shall be effective with respect to taxable years ending after the date of enactment of this Act.

(d) The amendment made by section 43 of this Act shall take effect on the first day of the first month which begins more than thirty days after the date of enactment of this Act.

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. FULBRIGHT. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

REPORT OF THE COMMISSION ON CIVIL RIGHTS

Mr. SPARKMAN. Mr. President, has the morning hour been concluded?

The VICE PRESIDENT. No; the morning hour is only beginning.

Mr. SPARKMAN. Mr. President——

The VICE PRESIDENT. The Senator from Alabama.

Mr. SPARKMAN. Mr. President, have I been recognized, and do I now have the floor?

The VICE PRESIDENT. Yes.

Mr. SPARKMAN. Mr. President, just 2 years ago, upon the recommendation of President Eisenhower, and over the strong objections of a great number of Senators—among whom I am proud to be numbered—the so-called Civil Rights Act was passed.

This bill was conceived in antisouthern emotion; and, despite all its self-serving declarations of high principle and purpose, we who opposed it warned that its inevitable results would involve a threat to the very foundation of our Republic—the Constitution of the United States—and the principle upon which even the Constitution was framed—the sovereign rights of the several States. But our warnings went unheeded, Mr. President. However, subsequent events have vindicated our judgment.

We have seen the Federal Government endeavor to expand even the great powers granted it under the act, so as to have a sovereign State knuckle under to the preconceived notions of the Department of Justice in respect to the State's administration of its own laws.

We have seen the Executive add his fuel to a blazing fire of racial discord kindled by the iniquitous decision by the U.S. Supreme Court in May 1954.

We have seen a continued deterioration of race relations. Where there was cooperation, there is now conflict. Where there was progress, there is now destruction.

If this tragic circumstance does not convince the skeptic, then let him read the recommendations which the Civil Rights Commission created by the so-called Civil Rights Act released yesterday.

The Commission has advocated the enactment of a law whereby when nine people in a political subdivision of a State feel that they have not been registered to vote soon enough—without specifying when, or under what circumstances, the application shall be made—the President of the United States shall have authority to appoint a so-called temporary registrar to register persons to vote in Federal elections, and to continue in that office so long as the President shall desire.

Such a proposal is in direct conflict with the Constitution of the United States. It should be well known to the members of the Commission, and it certainly is well known to the Senate, that the States have long been held to have broad power to determine the conditions under which the right of suffrage may be exercised. *Lassiter* v. *North Hampton County Board of Education*, 360 U.S. 45; *Pope* v. *Williams*, 193 U.S. 621, 633; *Mason* v. *Missouri*, 179 U.S. 328, 335.

Article I, section 2, of the Federal Constitution, in its provision for the election of the House of Representatives; and the 17th amendment, in its provision for the election of Senators, provide that officials shall be chosen by the people. Each provision goes on to state that "the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature."

Moreover, the right to vote "refers to the right to vote as established by the laws and constitution of the State."—*McPherson* v. *Blacker*, 146 U.S. 1, 39.

The members of this Commission would be well-advised to read the case of *Pope* v. *Williams*, 193 U.S. 621, 632:

> The privilege to vote in any State is not given by the Federal Constitution, or by any of its amendments. It is not a privilege springing from citizenship of the United States. * * * It may not be refused on account of race, color, or previous condition of servitude, but it does not follow from mere citizenship of the United States. In other words, the privilege to vote in a State is within the jurisdiction of the State itself, to be exercised as the State may direct, and upon such terms as to it may seem proper, provided, of course, no discrimination is made between individuals in violation of the Federal Constitution.

Notwithstanding the clear wording and intent of the Federal Constitution as uniformly interpreted by the courts, this Commission seeks to have the Congress turn over to the Federal Government the process of registering voters in the various States for Federal elections. It seeks to undermine the entire fabric of our systems of government and asks this Congress to violate deliberately the Constitution.

It is no mere happenstance that the conduct of elections has been left to the States. The concept is basic, the one to serve as a check upon the other. The importance of this doctrine has been stressed by the Supreme Court in innumerable cases. It is well expressed in *Guinn* v. *United States*, 238 U.S., 347. There, the Supreme Court characterized the power of the State governments over suffrage as one "which has belonged to

those governments from the beginning and without the possession of which power the whole fabric upon the division of State and national authority under the Constitution and the organization of both governments would rest would be without support and both the authority of the Nation and the State would fall to the ground."

These are strong words. Unquestionably, they were not lightly spoken. The power of the States over suffrage, which must include the power to register voters, is undoubtedly, as the Supreme Court said it was, basic to the foundations of our Government.

These Commissioners ask us to destroy our system of government and to turn the matter of voter registration over to the President of the United States. No one could have imagined that even this Commission would have made such a proposal. To call it devastating is to use an understatement. For this proposal would allow nine temporarily frustrated applicants for registration to undermine the plenary power which the Constitution has accorded the States over all elections, State and Federal.

It is inconceivable that this Congress will continue in existence a Commission which operates in this fashion.

These Commissioners tell us that the Founding Fathers were wrong; that the Supreme Court has been wrong throughout our history in holding that the plenary powers of State governments over the suffrage was essential to the continued existence of both State and national authority under the Constitution; and that this Congress should overturn it all and allow complete Presidential control over the election machinery of the various States in Federal elections at the behest of nine frustrated applicants. As for me, I propose to abide by the Constitution and to leave suffrage, and the regulation of it, where it has always belonged. Nor can I in good conscience support the continued existence of a Commission which advocates that the Federal system be torpedoed.

CALL OF THE ROLL

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

Mr. BIBLE. Mr. President, would the Senator withhold that request to let me introduce a bill and make a short statement on it?

Mr. MORSE. I had an understanding with the acting majority leader that immediately following the passage of the foreign service bill, we would have a call for a quorum. The Senator from Alabama [Mr. SPARKMAN] was not aware of that, and he obtained the floor. I am sorry, but I am going to have a quorum call, as my understanding calls for.

I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Cannon	Johnson, Tex.
Bartlett	Engle	Keating
Bible	Fulbright	Kuchel
Byrd, W. Va.	Javits	Mansfield
Morse	Sparkman	Williams, Del.
Pastore	Talmadge	Yarborough
Proxmire	Thurmond	
Russell	Wiley	

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGS] is absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Aaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], and the Senator from Missouri [Mr. O'MAHONEY] are absent because of illness.

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The VICE PRESIDENT. A quorum is not present.

Mr. JOHNSON of Texas. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. ALLOTT, Mr. BEALL, Mr. BENNETT, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. BYRD of Virginia, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CHAVEZ, Mr. CLARK, Mr. COOPER, Mr. COTTON, Mr. CURTIS, Mr. DIRKSEN, Mr. DODD, Mr. DOUGLAS, Mr. DWORSHAK, Mr. EASTLAND, Mr. ELLENDER, Mr. ERVIN, Mr. FONG, Mr. FREAR, Mr. GOLDWATER, Mr. GORE, Mr. GREEN, Mr. HART, Mr. HAYDEN, Mr. HICKENLOOPER, Mr. HILL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON of South Carolina, Mr. JORDAN, Mr. KEFAUVER, Mr. KENNEDY, Mr. KERR, Mr. LANGER, Mr. LAUSCHE, Mr. LONG of Hawaii, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MARTIN, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MCGEE, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORTON, Mr. MOSS, Mr. MUNDT, Mr. MURRAY, Mr. MUSKIE, Mr. NEUBERGER, Mr. PROUTY, Mr. RANDOLPH, Mr. ROBERTSON, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mr. SCOTT, Mr. SMATHERS, Mr. SMITH, Mr. STENNIS, Mr. SYMINGTON, Mr. WILLIAMS of New Jersey, Mr. YOUNG of North Dakota, Mr. YOUNG of Ohio entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). A quorum is present.

CONSTRUCTION OF FACILITIES FOR GORGAS MEMORIAL LABORATORY

Mr. HILL. Mr. President, a message has come from the House on Senate bill 2219, for the construction of facilities for the Gorgas Memorial Laboratory.

This bill is an administration bill, supported by the administration. I consulted with the distinguished majority leader, the Senator from Texas, about the bill at the time it was passed. He was very much interested in its passage.

This morning I consulted with the assistant minority leader, the Senator from California [Mr. KUCHEL], about the amendment which the House placed on the bill.

All those in favor of the bill are interested in having the amendment agreed to and that the bill may be passed and sent to the President for signature.

I ask that the Chair lay the message before the Senate.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2219) to authorize appropriations for construction of facilities for the Gorgas Memorial Laboratory, to increase the authorization of appropriations for the support thereof, and for other purposes, which was, on page 2, lines 4 and 5, strike out "from time to time such sums as the Congress may find necessary" and insert "not to exceed $250,000".

Mr. MORSE. Mr. President, will the Senator from Alabama give a brief explanation of the amendment?

Mr. HILL. The bill as drafted and passed by the Senate provided that appropriations could be made by Congress for construction in connection with the Gorgas Memorial Laboratory. The House amendment placed a ceiling of $250,000 on the cost of construction.

I have consulted with the officials of the Gorgas Memorial Laboratory, more particularly former Representative Thatcher of Kentucky, the author of the bill in the House of Representatives, establishing the Gorgas Memorial Laboratory. The amendment is agreeable to him and to the representatives of the Gorgas Memorial Laboratory and to all those who are interested in passing the bill.

Mr. MORSE. Mr. President, will the Senator yield for a question.?

Mr. HILL. I yield.

Mr. MORSE. I understand that the officials and the interested parties with whom the Senator from Alabama has talked, have stated that an appropriation of $250,000 at this time would meet their immediate construction needs, and that in the future, as they might need more money, they would be in a position to ask Congress for additional money.

Mr. HILL. That would be so.

Mr. MORSE. I remember the bill. We discussed it in our committee. Will the Senator make a brief statement for the record as to what the bill proposes over and above providing funds for building additional facilities for this great Laboratory, which has already done such fine work?

Mr. HILL. It also raises the authorization for an appropriation for the maintenance and operation of the Laboratory from $150,000 a year to $250,000 a year. The House did not in any way change that provision of the bill.

Mr. MORSE. That is the point I wish to bring out. We are not in any way interfering with the authorization called for by the bill or for an increase in the operating funds of this Laboratory, because, as the work of our committee shows, that is also of immediate concern to the Laboratory, as is the need for additional facilities.

Mr. HILL. That was indeed of immediate concern. The House amendment

does not in any way affect the authorization for the funds for operation and maintenance. It deals only with this matter of construction, and it was thought that the $250,000 would meet the present and immediate needs, and then, as the Senator from Oregon has so well suggested, if there are additional needs, there can be further legislation.

Mr. MORSE. Mr. President, I wish to make this additional comment: I hope the Senate will concur in the House amendment. I think it should be said, in tribute to the Senator from Alabama, that this is another one of the bills dealing with the great health problems which confront this country. It is another monument to the record of the distinguished Senator from Alabama in the field of public health.

Mr. HILL. I thank the Senator from Oregon for his very kind remarks. No one has worked more closely or cooperated more fully with the Senator from Alabama than has the distinguished Senator from Oregon.

Mr. MORSE. I appreciate that remark.

Mr. HILL. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, we do not have all the reports dealing with bills on the calendar. Today there will be a calendar call through Order No. 938. There will be other bills reported today and tomorrow, and I assume for the next several days.

I should like to inform the Senate that it is planned to have another calendar call tomorrow, and other calendar calls later this week and next week, if that is necessary.

Mr. President, I ask unanimous consent that there be a call of the calendar following the morning hour tomorrow, for the consideration of measures on the calendar to which there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there be the usual morning hour tomorrow, for the introduction of bills and the transaction of other routine business, with the usual limitation of 3 minutes on statements in connection therewith.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TO 9:30 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate takes a recess today it stand in recess until 9:30 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMERICA'S ECONOMIC ACHIEVEMENT

Mr. WILEY. Mr. President, according to many of the newspapers, and some of the mail, it appears that after the so-called labor reform bill was passed a considerable amount of abuse was heaped upon Members of Congress who voted for that bill. Previous to the vote I received probably two-thirds as many communications from labor as I received from management, and I am sure that I did not read more than 1 percent of them. This bill, as all legislation is, was a compromise. When you get Senators like KENNEDY and GOLDWATER to agree, the bill cannot be so bad. In fact, I feel it is a good bill, one that will be beneficial to both labor and management, but especially beneficial to the public. The national welfare needed this bill.

It is interesting to note that Senators who have been among the leading friends of labor have not replied to the abuse. I am sure the rank and file of labor remember how we were abused for the Taft-Hartley bill. Who gave us such abuse? I shall not spend much time on that question.

There is a great deal of misunderstanding abroad on many matters. I hold in my hand the monthly letter of the First National City Bank of New York. Beginning on page 104 there appears an article headed "The Hundred Largest Salesmen." The article refers to America's economic achievement as resting "on the initiative of entrepreneurs working under free institutions and seeking to discover and satisfy human wants."

I ask unanimous consent to have the article to which I have referred printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HUNDRED LARGEST SALESMEN

America's economic achievement rests on the initiative of entrepreneurs working under free institutions and seeking to discover and satisfy human wants. Our method of progress has been to realize efficiencies of large-scale production and distribution. Ironically, the companies that succeed best and grow from small beginnings to great size frequently come under political attack. Yet it is the choice of the consumer that makes a company big and it is the ballot box in the marketplace that decides which firm is entitled to grow on the merits of its products.

Competition for the consumer's dollar covers the entire range of goods and services, and the American consumer has close to a billion dollars a day to spend. Market potentials become quite fabulous for well-designed new products, effectively promoted to attract the consumer's favor.

There are, on the basis of figures for 1958, 45 corporations with sales levels beyond the billion-dollar mark. The 100 largest nonfinancial corporations, as shown in the accompanying list, had sales or revenues of $142 billion.

Manufacturing companies make up 74 of the 100 largest and had combined sales of $107 billion. Among the 74 manufacturers are 14 petroleum producing and refining companies with sales of $27 billion and three automobile manufacturers with $16 billion.

Completing the group are 17 retail and wholesale trade companies with sales or revenues of $23 billion, 5 railroad systems with $4 billion, and 4 public utilities with $9 billion.

There are no life memberships in the "100 largest clubs." The members face the constant threat of being displaced by other organizations which are more aggressive or whose industries are growing faster. In a growing economy a company must go ahead to hold its place.

Numerous changes in the list over the years illustrate the dynamic character of American business. For example, even during the short space of 3 years since the previous similar tabulation in this letter (September 1956: "Where the Money Goes") there have been eight changes. Displaced from the list were producers of steel, glass, two aircraft, and four nonferrous metals. Their places were taken by producers of chemicals, soap, and petroleum, three food chains, and two public utilities.

Total sales or revenues, 100 largest U.S. nonfinancial corporations as reported for year 1958

[In millions of dollars]

MANUFACTURING	
Allied Chemical Corp	639
Allis-Chalmers Manufacturing Co	535
Aluminum Co. of America	758
American Can Co	1,038
American Cyanamid Co	539
American Metal Climax	542
American Tobacco Co	1,104
Armco Steel Corp	884
Armour & Co	1,853
Atlantic Refining Co	552
Bendix Aviation Corp	625
Bethlehem Steel Corp	2,024
Boeing Airplane Co	1,712
Borden Co	919
Borg-Warner Corp	535
Burlington Industries	653
Caterpillar Tractor Co	586
Chrysler Corp	2,175
Cities Service Co	1,030
Colgate-Palmolive Co	534
Continental Can Co	1,085
Continental Oil Co	602
Distillers Corp.—Seagrams	706
Douglas Aircraft Co	1,210
Dow Chemical Co	714
E. I. du Pont de Nemours & Co	2,003
Eastman Kodak Co	846
Firestone Tire & Rubber Co	1,065
Ford Motor Co	4,174
General Dynamics Corp	1,513
General Electric Co	4,156
General Foods Corp	1,056
General Mills	546
General Motors Corp	9,614
B. F. Goodrich Co	702
Goodyear Tire & Rubber Co	1,372
Gulf Oil Corp	2,793
Inland Steel Co	661
International Business Machine Corp	1,187
International Harvester Co	1,117
International Paper Co	920
International Telephone & Telegraph Corp	703
Jones & Laughlin Steel Corp	657
Liggett & Myers Tobacco Co	556
Lockheed Aircraft Corp	966
Monsanto Chemical Co	556
National Dairy Products Corp	1,457
National Distillers & Chemical Corp	526
National Steel Corp	545
North American Aviation	909
Olin Mathieson Chemical Corp	610
Phillips Petroleum Co	1,073
Procter & Gamble Co	1,299
Radio Corp. of America	1,176
Republic Steel Corp	918
R. J. Reynolds Tobacco Co	1,147
Shell Oil Co	1,674
Sinclair Oil Corp	1,202
Socony Mobil Oil Co	2,933
Sperry Rand Corp	995
Standard Oil Co. of California	1,689

Total sales or revenues, 100 largest U.S. nonfinancial corporations as reported for year 1958—Continued

[In millions of dollars]

MANUFACTURING—Continued	
Standard Oil Co. (Indiana)	1,882
Standard Oil Co. (New Jersey)	7,712
Sun Oil Co	724
Swift & Co	2,648
Texaco, Inc	2,476
Tidewater Oil Co	553
Union Carbide Corp	1,316
United Aircraft Corp	1,204
United States Rubber Co	871
United States Steel Corp	3,472
Western Electric Co	2,183
Westinghouse Electric Corp	1,913
Wilson & Co	685
TRADE	
Allied Stores Corp	645
American Stores Co	875
Anderson, Clayton & Co	797
Federated Department Stores	653
First National Stores	532
Food Fair Stores	736
Great A. & P. Tea Co	5,096
Kroger Co	1,776
McKesson & Robbins	615
May Department Stores Co	543
Montgomery Ward & Co	1,092
National Tea Co	794
J. C. Penney Co. (13 months)	1,411
Safeway Stores	2,226
Sears, Roebuck & Co	3,743
Winn-Dixie Stores	598
F. W. Woolworth Co	879
TRANSPORTATION	
Atchison, Topeka & Sante Fe	609
New York Central RR	772
Pennsylvania RR	905
Southern Pacific Co	673
Union Pacific RR	545
PUBLIC UTILITY	
American Telephone & Telegraph Co	6,917
Consolidated Edison Co. of New York	577
General Telephone & Electric Corp	552
Pacific Gas & Electric Co	536

TWENTY-ONE THOUSAND DOLLAR INVESTMENT PER EMPLOYEE

To develop $142 billion of sales, the 100 largest nonfinancial companies used men, machines, and money on a big scale. They employed some 6.5 million workers and used total assets of $136 billion. Net property account covering land, buildings, and equipment was carried at $77 billion (after deducting depreciation and depletion of $51 billion) while the remainder consisted mostly of current assets—receivables, inventories, cash, and marketable securities.

These assets made a capital investment of approximately $21,000 per employee as an overall average, but the industry figures vary widely. For manufacturing companies the average was $20,000, but ranged from as low as $7,000 for aircraft up to $60,000 for petroleum. For the largest trade companies the investment averaged $8,000, for the telephone systems $32,000, for railroads $38,000, and for electric and gas utilities $98,000.

Such heavy capital investment can be supplied only by pooling of resources by large numbers of investors, individual and institutional. The 100 largest companies report 10.2 million registered shareholders. There were more than 50,000 shareholders each reported by 57 companies, with the Bell Telephone System alone having 1,625,000. Crowded annual meetings attest the widening distribution of corporate ownership, as well as more active interest being shown by investors. More shareholders than employees are reported by 62 of these big companies, many of the employees are shareholders also.

These figures on registered shareholders for the group include duplication to the extent that the same person often holds stock in more than one company in the list. At the same time, however, many names are nominees or trustees acting for large numbers of individuals and for banks and brokers. A vast number of people have a beneficial interest in the stock of these enterprises through mutual fund investments and insurance and pension reserves.

These companies had 2.2 billion shares of common stock outstanding at the year end, while the book net assets or shareholders' equity, including preferred stock, aggregated $87 billion. Long-term debt amounted to $25 billion, while current liabilities stood at $23 billion.

SPENDING THE SALES DOLLAR

While the sales departments of the 100 largest companies last year were chalking up $142 billion of sales, other departments in the same companies were busy disposing of the receipts.

Disposition of receipts by the 100 largest U.S. nonfinancial corporations in the year 1958

	Total (millions)	Percent of receipts
Total receipts from sales, revenues, etc	$141,610	100.0
Costs:		
Costs of goods and services purchased from others, etc	77,009	54.4
Wages, salaries, and labor benefits [1]	37,682	26.6
Provision for depreciation and depletion	6,550	4.6
Interest paid	1,001	.7
Income taxes	5,942	4.2
Other Federal, State, local, and foreign taxes [2]	5,494	3.9
Total costs of operations	133,678	94.4
Net income	7,932	5.6
Preferred and common dividends paid	5,130	3.6
Retained in the business	2,802	2.0

[1] Partly estimated, on basis of payrolls reported by companies representing 82 percent of the total employment of the group.

[2] Tax figures charged as costs are exclusive of various sales and excise taxes collected from customers, such as gasoline and oil $3,527,000,000, automobiles $1,202,000,000, tires $220,000,000, and telephone messages $581,000,000.

Costs of goods and services purchased from others, the largest category of expense, amounted to $77 billion or 54 cents of the sales dollar.

Wages, salaries, and other employee benefits came to $38 billion. This was 27 cents of the sales dollar, and represented an average of $5,800 per employee.

Provision for depreciation and depletion of properties came to 4.6 cents per dollar of receipts, while interest on borrowed money took seven-tenths of 1 cent.

Federal and other income taxes totaled $5.9 billion, while other Federal, State, local, and foreign taxes came to $5.5 billion. Total direct taxes of $11.4 billion took, on the average, 8 cents out of every sales dollar. This illustrates what a major item taxes have become in the cost of doing business and therefore in everyone's cost of living.

In addition to tax figures charged as costs, there were, as indicated in the footnote to the table, various sales and excise taxes collected from customers amounting to over $5 billion.

Total expenses and taxes paid or accrued absorbed 94.4 cents of the sales dollar, leaving net profit of 5.6 cents.

PERCENTAGES OF TOTAL RECEIPTS OF 100 LARGEST NONFINANCIAL CORPORATIONS IN 1958 REMAINING AFTER DEDUCTIONS OF MAJOR EXPENSES AND DIVIDENDS

	Percent
After purchases	45.6
After payrolls	19.0
After interest and depreciation	13.7
After taxes	5.6
After dividends	2.0
Total receipts	100.0

Dividend payments to preferred and common shareholders amounted to 3.6 cents of the sales dollar.

This left a balance retained in the business for financing growth of only $2.8 billion or 2 cents per sales dollar. This was far short of covering the requirements of new capital absorbed by these companies last year. Outlays for new or expanded plant and equipment came to $10.7 billion, against which depreciation and depletion charges were $6.6 billion, making an increase in net property account of $4.1 billion. Other assets absorbed $2.6 billion, net.

To meet these capital demands required not only retained earnings and sale of some additional stock, but also increases in long-term debt to the tune of $1.9 billion.

Mr. WILEY. The article shows, among other things, that there is $21,000 invested for each employee. It shows also the percentage of the proceeds of sales which goes to the stockholder. This is all along the line of throwing light upon the situation, in order to avoid more misunderstanding.

I now turn to the consideration of another subject for the next 3 minutes, "The question of food spread." From time to time, public attention is directed to the fact that although the prices of farm products have come down a little, none of the decline has filtered through to the consumers. This particular statement shows that no one in particular is benefiting. The only problem is that the farmer is not getting his fair share. So I place this statement in the RECORD, because in the last days of our Senate session it is well that we consider some facts, so that when we get out on the hustings, and begin to talk, the people will be able to have the record and refer to what the actual facts are in this connection.

I may say that the particular facts which are cited are very illuminating.

Mr. President, I ask unanimous consent that that part starting at page 105 and continuing to page 107, where the subject "Depreciating Money" begins, also be printed as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. WILEY. Mr. President, the other subject, entitled "Depreciating Money," is also one which might very well be placed in the RECORD. I ask unanimous consent that it be printed following my remarks.

There being no objection, the article was ordered to be printed in the RECORD.

(See exhibit 2.)

EXHIBIT 1

FOOD PRICE SPREADS

From time to time public attention is directed to the fact that although prices of farm-produced foods have come down, little or none of this decline has filtered through to the consumer. A common complaint takes the form of a question: "Why can't the housewife benefit from the farmer's increased productivity and efficiency?" There is often the implication that somebody—usually the much-maligned middleman—is making too much money.

The old subject of "food price spreads"—the difference between what the farmer gets for his raw product and what the consumer pays at the grocery store—was revived early in June following release of a House Agriculture Committee report entitled "Food Cost Trends."

This report points out that retail food prices advanced 20 percent between 1947–49 and 1958 while farm prices declined 8 percent. It goes on to note that consumers purchased about 20 percent more farm-produced foods at retail last year than they did in 1947–49. But farmers received only 15 percent more income from the larger volume. During this same period, the amount consumers paid for food middlemen's marketing and processing charges rose 44 percent.

Citing the $15.9 billion increase in the retail store cost of farm produced food from 1947–49 to 1958, the report states that $13.5 billion, or 84 percent, was absorbed by marketing agencies and processors—the middlemen. Only $2.4 billion, or 16 percent, went to farmers.

Other evidence of widening food price spreads is provided by U.S. Department of Agriculture monthly estimates of the farm value and retail cost of a typical "market basket" of farm-food products purchased by an urban clerical worker's family.

In 1958 this family paid $1,065 for the same kinds and quantities of food purchased in the 1947–49 period for $940—an increase of 13 percent. Meanwhile, the farmer last year received only $427 of these expenditures, an 8-percent drop from the $466 received in the 1947–49 period.

In other words, the farmer's share of the consumer's food dollar fell from 50 percent in 1947–49 to 40 percent last year. So far this year his share has declined a bit more—to 39 percent.

CONVENIENCE FOODS

Before analyzing what's behind widening food spreads, it is important to note that spread performs useful marketing and service functions. As the Grocery Manufacturers of America, Inc., puts it: "Without spread, our steak would be standing in an Iowa feed lot, our cranberry sauce would be in a bog on Cape Cod, and our citrus juice would be on trees in Florida or California."

Today's consumer insists on a variety of fresh fruits and vegetables all year around. For example, if a Boston housewife wants to pay the price, she can get air-freighted fresh strawberries for her shortcake in December. In addition, there is the growing demand for groceries with built-in maid service. It is estimated that today's modern supermarket offers some 7,000 items—85 percent of which are processed and prepackaged.

The housewife wants her spinach chopped and frozen, her chicken cut upon and ready to fry, her beef steaks cubed, her sausage precooked, her potatoes sliced into french fries, her hams cooked and boneless, her rolls ready to pop into the oven. She demands a variety of prepared mixes which will produce everything from cakes and cookies to puddings and pie crusts just by adding water.

What makes these convenience foods so popular, of course, is that they transfer much of the time and work involved in meal preparation from the kitchen to the manufacturer's plant. It is estimated that a few years back it took 5½ hours a day to prepare meals for a family of four. Today, using convenient foods, the job can be done in only 1½ hours.

Some observers, including farm leaders, food industry people, and Government officials, have attributed widening price spreads, in large measure, to the increasing use of convenience foods. For instance, a 1953 study by the Agriculture Department showed that 1 day's fully home-prepared meals for a family of four cost $4.90 while the same meals from fully prepared, ready-to-serve foods cost $6.70—37 percent more.

In July 1958, however, an Agriculture Department survey showed that food servicing conveniences increase the consumer's food bill by only a little over one-half of 1 percent. Specifically, for each $100 spent for groceries, the consumer paid only 61 cents for built-in maid service.

Surveying 52 unserviced foods and the equivalent quantity of serviced foods in Washington, D.C., the Department's researchers found that 28 of the highly processed foods cost more than the unprocessed items. For six items the cost was the same. For 18 foods, the highly processed forms—e.g., shelled and frozen shrimp, chopped and frozen spinach, instant tea—the cost was less than for the unprocessed ones.

Processing in some cases gives foods longer life, shrinks their bulk, prevents waste, and cuts costs of shipping, handling, and storage. An outstanding example is concentrated orange juice which the Department analysts found priced at a little over half as much as the equivalent of orange juice in whole oranges. Moreover, servicing increases demand for some foods and the greater volume permits lower prices.

Thus, the Agriculture Department concludes in its recent survey, "* * * the growth of the processed and prepared foods industry does not appear to have been the major factor in the increase in the marketing bill."

ARE PROFITS TO BLAME?

If the Agriculture Department's contention that convenience items generally add little to grocery bills is accepted, why have food prices risen so sharply during the past decade in the face of falling prices for farm products?

Middlemen's profiteering often gets the blame. If this were the case, however, the big profits would show up in earnings reports.

The table below, based on public reports, shows the net profit margins in cents per sales dollar of leading food corporations for the past decade. Except for meatpacking, which is unchanged, every category showed a smaller profit margin in 1958 than in 1949. Among food producers and processors, sugar shows the highest average for the decade—4.1 percent profit on sales. Retail grocery chains' profit amounted to 1.3 percent. These compare with the 10-year average for all reporting manufacturing corporations of 6.1 percent.

Net profit margins [1] as percentage of sales of leading food corporations

Year	Food producing or processing						Retail grocery chains
	Baking	Dairy products	Meatpacking	Sugar	Other food	Total	
1949	5.2	3.2	0.5	4.4	4.8	2.5	1.6
1950	5.0	3.0	.8	5.5	5.1	2.8	1.7
1951	3.5	2.2	.6	6.2	3.6	2.1	1.1
1952	3.6	2.1	.4	4.4	3.1	1.9	1.0
1953	3.5	2.2	.7	2.3	3.3	2.0	1.1
1954	3.3	2.5	.4	2.9	3.7	2.2	1.2
1955	3.4	2.5	.8	3.2	4.0	2.5	1.2
1956	3.3	2.6	.9	3.7	4.2	2.7	1.4
1957	3.4	2.5	.5	4.9	3.9	2.6	1.4
1958	3.2	2.6	.5	3.5	4.2	2.6	1.4
Av.	3.7	2.5	.6	4.1	4.0	2.4	1.3

[1] Net profit margins after taxes include income from investments and other sources as well as from sales.

In view of the middlemen's profit record, it is necessary to look elsewhere for the causes of rising food prices. Most important is the steady increase in costs of moving crops from the farm to the dinner table. Labor, transportation, supplies, equipment, fuel and power, taxes, advertising and the like have all gone up.

The following table shows how the major costs making up the farm-retail spread in the Agriculture Department's market basket have increased:

Breakdown of farm food market basket

Item	1947–49	1958	Change
Retail value	$940	$1,065	+$124
Farm value	466	427	−39
Farm-retail spread	474	638	+164
Components of spread:			
Labor cost	211	295	+84
Rail and truck transportation	53	80	+27
Other business expenses	179	223	+44
Federal corporate income taxes	12	20	+8
After-tax profits of processors and distributors	19	20	+1

Source: Calculated from U.S. Department of Agriculture reports.

In any consideration of food prices one final point remains to be noted: the cost of Federal farm programs. For these, the citizen pays in two ways. He pays in higher prices for food. He pays again in Federal taxes. These are a real part of the grocery bill even though they don't show up on the tape at the supermarket.

EXHIBIT 2

DEPRECIATING MONEY

Continuing our practice of recent years, we present below a table showing the depreciation of money in 35 countries over the period 1948–58.[1] The decline in buying power is measured in each case by the rise in the official cost of living or consumer price index.

Depreciation of money

	Indexes of value of money [1]			Annual rate of depreciation (compounded)		
	1948	1953	1958	1948–53	1953–58	1948–58
				Pct.	Pct.	Pct.
Portugal	100	99	94	.2	1.0	.6
Switzerland	100	96	90	.8	1.3	1.1
Belgium	100	94	87	1.2	1.5	1.3
Ecuador	100	89	86	2.2	.8	1.5
Germany	100	93	84	1.5	1.9	1.7
India	100	92	84	1.7	1.7	1.7
United States	100	90	83	2.1	1.5	1.8
Venezuela	100	85	83	3.1	.6	1.8
Pakistan	100	89	81	2.2	1.9	2.1
Canada	100	84	78	3.4	1.5	2.5
Italy	100	85	76	3.1	2.4	2.8
Denmark	100	81	69	4.1	3.1	3.6
South Africa	100	77	67	5.1	2.6	3.9
The Netherlands	100	78	66	5.0	3.1	4.0
Sweden	100	77	65	5.1	3.4	4.3
United Kingdom	100	77	65	5.1	3.4	4.3
Norway	100	74	63	5.8	3.1	4.5
New Zealand	100	75	63	5.7	3.4	4.6
Japan	100	63	57	9.0	1.7	5.4
Spain	100	79	56	4.7	6.5	5.6
Turkey	100	88	51	2.4	10.3	6.4
Finland	100	64	50	8.6	4.7	6.7
France	100	60	49	9.7	3.8	6.8
Australia	100	56	49	10.8	2.8	6.9
Greece	100	63	48	8.9	5.3	7.1
Mexico	100	71	47	6.6	7.8	7.2
Colombia	100	68	45	7.4	7.9	7.7
Peru	100	60	44	9.7	5.8	7.8
Austria	100	49	43	13.2	2.6	8.1
Uruguay	100	71	41	6.6	10.6	8.6
Brazil	100	62	26	9.2	15.9	12.6
Argentina	100	31	14	20.9	14.4	17.7
Chile	100	39	5	17.1	33.2	25.6
Paraguay	100	8	4	39.0	14.7	27.9
Bolivia	100	23	1	25.6	47.5	37.6

[1] Measured by rise in official cost of living or Consumer Price Index.

NOTE.—Depreciation computed from unrounded data.

This year, for the first time, the 10-year span is subdivided into 5-year periods. It is

[1] See p. 143 of the December 1956 issue of this letter for the 1946–56 record and p. 71 of the June 1958 issue for the 1947–57 experience.

interesting to note that two out of three countries experienced a slower rate of depreciation during 1953–58 than in the earlier 5-year period. This reflects more normal conditions (the earlier years included the Korean war); a growing awareness of the dangers of accepting inflation as a way of life; and the increasing effectiveness of restrictive monetary and fiscal policies in preventing inflationary excesses.

FORTHCOMING VISIT OF PREMIER NIKITA KHRUSHCHEV TO THE UNITED STATES

Mr. JOHNSTON of South Carolina. Mr. President, last month, when it was announced that the President of the United States and the Premier of Soviet Russia would exchange visits to this country and Russia, I asked President Eisenhower to make certain that Mr. Khrushchev would be shown the greatest military armada ever displayed by this Nation. The reason I suggested this was that I know, and every other American knows, that Mr. Khrushchev, or any other Russian leader, understands nothing but force.

Mr. President, since that time I have pondered the question, and I still believe that Mr. Khrushchev should be shown this display of military might. Actually, I oppose the Russian Premier's visit in toto. However, I believe there is something extremely important that President Eisenhower can show Mr. Khrushchev when he comes to America, in addition to showing him our military strength.

Mr. President, that other thing is the religious side of the American way of living. I deeply believe that Mr. Khrushchev should be taken to church with President Eisenhower and his family in order that he may understand that we Americans realize and appreciate the fact that our strength, our fascinating standard of living, our joys, and our pleasures, are gifts of God Almighty and that we go to church to thank Him for these blessings.

I think if Mr. Khrushchev realizes that Americans do not believe themselves to be total masters of their own destiny, but that we are children of God trying, as best we can, to bring about God's will on this earth, which primarily is brotherly love and peace, then Mr. Khrushchev will have learned something which neither he nor any other dictator has ever been able to understand about America.

Mr. President, it is never too late for any sinner to repent, and if a visit to some church in America would disturb Mr. Khrushchev's conscience to the point that he would even question the wrongs of his past acts, then we may really accomplish something for world peace. I know there are skeptics among us who would say it would be a "waste of time" or that it would be "an insult to the church" to have Mr. Khrushchev attend Sunday services, but we must remember that the lowly struggling Christians converted some of the most hardened Roman Caesars.

Le us give Mr. Khrushchev some light when he is here. Perhaps he will see that the light of God will always project over might, although at times the road may be rough.

Mr. President, I sincerely hope the President of the United States will take Mr. Khrushchev to church when he is here.

Mr. HUMPHREY. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUMPHREY. I commend the Senator from South Carolina for the constructive and, I believe, very hopeful suggestion which he has made. The record should show that Mr. Khrushchev's parents were brought up in the faith of the Russian Orthodox Church. In fact, during my visit with the Soviet dictator, he reminded me of that. Khrushchev says he is a confirmed atheist. I guess he is. But I surely agree with the Senator from South Carolina that if Mr. Khrushchev really wants to see the United States of America, and see it all, he should attend a service in a church.

I read in the newspaper the other day that Khrushchev would like to see not only the beautiful buildings in Washington, but also the slums. It is expected that he will see our farms and factories. Some persons have suggested that he see our military installations. I join with the Senator from South Carolina in saying that the strength of our Nation is not merely in its factories, fields, and military installations; the strength of America is to be found in the deep, abiding faith of our millions of people who worship and believe in God, and who take their religion seriously.

I do not think Mr. Khrushchev would really have a picture of America without at least coming in contact with the spiritual power which is a fundamental part of our strength. Whether it will do any good or not, no one can predict. But as the Senator from South Carolina has said, the great Caesars of the Roman era were just as dictatorial, just as tyrannical, and exercised the same degree of power. Yet they were, some of them, finally brought under the influence of the great Christian church and were moved by the religious spirit.

Mr. JOHNSTON of South Carolina. I am glad to have the remarks of the Senator from Minnesota, because I truly believe that if we trust in God, we will win.

PROPOSAL FOR YEAR-LONG SESSIONS OF CONGRESS

Mr. MORSE. Mr. President, on September 3 an Associated Press dispatch was published in the newspapers of my State, setting forth some views expressed by the distinguished senior Senator from Minnesota [Mr. HUMPHREY]. Not only do I find myself in complete agreement with the statement of the Senator from Minnesota, but in view of the position which I have taken parliamentarywise in the Senate in recent days, this article, published in the Oregon press, in recent days, is of great interest to me. The article, I am pleased to report, was called to my attention by several of my friends and supporters in Oregon.

I shall read a paragraph or two of it under the 3-minute rule, with appropriate deletions in accordance with the rules. It is a very fine statement, and I commented on it to the Senator from Minnesota last night. He assured me he would have no objection to my placing this very sound position, as I believe it to be, of the Senator from Minnesota in the RECORD. I told him I would like to do so; he did not suggest it to me. The article reads, in part:

Opposing a leadership drive for an early adjournment, Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, said today Congress ought to "grow up" and hold yearlong sessions.

HUMPHREY, an aspirant for the 1960 Democratic presidential nomination, said he is against a proposal for unusual Saturday and Labor Day sessions in a drive to get Congress out of town by September 12.

"My view is that Congress ought to grow up to its responsibilities and recognize that the times demand that it stay on the job throughout the year," HUMPHREY said in an interview.

"We could provide opportunities at stated periods for members to go home without missing rollcall votes and we could give them an opportunity to live at least a few weeks of family life.

"This would avoid the annual rush for adjournment, when a lot of bad legislation gets passed that wouldn't have a chance at any other time. If Senators can spend more than 7 days discussing a bill for the diversion of Lake Michigan water, we can stay around long enough to take sensible action on needed legislation."

HUMPHREY said that if JOHNSON hopes to get Senate action next week on a stripped down civil rights bill, he is entertaining "a vain hope." HUMPHREY said he will be ready with controversial amendments any time the issue is brought to the floor.

I only say "Amen" to the sentiments expressed by the senior Senator from Minnesota.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The time available to the Senator from Oregon, under the 3-minute limitation, has expired.

Mr. HUMPHREY. Mr. President, let me say that not only did I make the statements as reported in the article, but I wish to compliment the reporter, for his report is thoroughly accurate. The leadership asked me what I thought about weekend sessions. I said I was opposed to them. I bowed to the will of the majority, but I expressed my point of view.

In the 3 minutes available to me, let me state that I feel it is time Congress reexamined its procedures in terms of its sessions. Every 2 years there is a congressional election, so it is quite obvious the congressional session cannot continue all year, every year. But every other year, between election years, Congress, after convening in January, can continue in session, according to the Reorganization Act, to July 31, and at that time Congress would take a recess to September 15, or whatever date might be decided upon. Then, during the recess, we would have an opportunity to visit with our constituents. That would not

be a vacation but would be part of our work. We could then take a vacation, and thereafter could reconvene, to complete our legislative program.

As a family man, I find our present procedure a little discomforting, I represent the State of Minnesota, not the District of Columbia. Some of the Humphreys ought to be back in Minnesota occasionally; so, Mrs. Humphrey and the children go home, for the purpose of at least maintaining a homestead in our State. They remain there until September, then return here in September—at which time I go to Minnesota. Certainly this is a poor way to promote family life; and I do not believe it makes for good legislation. Quite frankly, I get ornery when Mom is away that long.

So, Mr. President, I think we should revise our schedule. My children are growing up, and I am getting old in this job. Furthermore, there are younger Members of the Senate and they are deserving of a program which will enable them to work here, then have a vacation and do a little traveling, and then return here for further legislative work.

I so suggest, and I am prepared to support such a move.

COMMUNIST ATTACKS ON LAOS

Mr. LAUSCHE. Mr. President, my purpose is to make a few remarks about the Lao situation, in the hope that they will reach the Russian people.

The President of the United States, in working toward the achievement of peace, extended to Khrushchev an invitation to come to our country. There has been wide divergence of opinion on the merits of the invitation. There are many, however, who felt that no stone should be left unturned in working to achieve peace.

We now are confronted with the shocking situation that while Khrushchev is figuratively on his way to the United States, there are rather clear evidences that the Communists have provoked the disorders and the attacks which have been foisted upon the Lao people.

It appears that, on August 30, at five different points, attacks were made from the North Vietnamese border into Laos; and the evidences show that some months before those attacks were made, the head of the Lao Government visited Khrushchev. From that time on, there began a dissemination of propaganda provoking trouble in Laos.

Now we have seen a shocking spectacle at the United Nations: When a motion was made to send investigators to Laos, with a view to establishing the facts in regard to what provoked the disorders, the Soviet Government's representatives voted against the motion.

The great difficulty lies in the fact that we are a member of the SEATO agreement, and under that agreement we have an obligation to Laos—namely, if we are called upon to protect Laos against attack or invasion, we are obligated to do so.

My plea is made now to the Russian people. We should let them know that, in this instance, while Khrushchev is figuratively on his way to the United States, and is professing to promote peace, he is actively engaged in disturbance and in provocation that might lead to world disorder. It is meaningless for us to make this plea to the Soviet government; but I believe that the Soviet people, the Russians, who are good in purpose, and want peace, should know of this betrayal.

The PRESIDING OFFICER. The 3 minutes available to the Senator from Ohio have expired.

Mr. LAUSCHE. May I have an additional 2 minutes? I so request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio? Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, throughout the satellite nations and throughout Soviet Russia, word is circulated about Khrushchev's professions of devotion to the attainment of peace. The Russian people probably do not know what has been done in Laos, but they should know. It is my hope that, in some way, through the available means of communication, there will be delivered to the people of the satellite countries and to the Russian people this message of the betrayal of the honest efforts to achieve peace.

It is one thing to talk about peace; it is another to work and act for it. I submit that Khrushchev's acts are completely contradictory of his words.

As I have stated, I hope that this message will in some way reach the people of Soviet Russia.

STEPPING UP POLICIES THAT GO "OVER THE HEADS" OF OBSTRUCTIONIST COMMUNIST LEADERS TO DOMINATED PEOPLE

Mr. WILEY. Mr. President, in view of the remarks of my distinguished friend from Ohio [Mr. LAUSCHE] and in view of the forthcoming visit of Premier Khrushchev, I believe it is time to take a brief look at Communist activities and policies around the world. I am sure when Khrushchev comes here, the President and he are going to have a showdown. That is the very purpose of their having the proposed talks.

As an example of the strangely contradictory policies of the Communist nations, we find that they are temporarily holding aloft the "dove of peace" in Europe; by contrast, they are brandishing the sword of aggression in Asia.

The question, then, is how we can most effectively deal with such a twisting tortuous Communist policy line.

Overall, I believe the East-West struggle—a complex one—will be won by a many-faceted approach to the challenges, including an effective presentation to the "mind" of the world of free ideas, ideals, and goals.

Unfortunately, the Iron and the Bamboo Curtains have acted as a wall against greater understanding and accommodation of views between the Western World and the people under Communist domination.

Recent events, however, provide strong evidence that a most effective way to reduce East-West tensions may well be stepped-up effort for more direct contacts on the people-to-people level. From all indications, those under Communist domination are hungering for a closer look at, and better understanding of, our way of life.

During the Nixon-to-Moscow trip, for example, the Vice President received warm greetings from the Soviet people. The U.S. exhibit in Moscow, according to reliable reports, also made a tremendous impression upon the millions of visitors who viewed the display of exhibits delineating the U.S. way of life. For whatever its value, even Tass, the Soviet News Agency, expressed approval of our exhibit.

Perhaps the greatest obstruction to easing East-West tensions continues to be the Communist leadership itself. For a variety of self-serving reasons, the Communist ruling clique—only 4 to 6 percent of the population in the Soviet Union, and about 2 percent in Red China—continues to stir up trouble, create tension, and act in ways that threaten war, whereas peace could otherwise be accomplished policywise. Those engaged in the Communist conspiracy appear to find it necessary to foster chaotic, strife-riddled, high-tension conditions, rather that a peaceful climate—in which they may fear—and rightly so, I believe—that their military, economic, social and political theories would "die on the vine."

From a review of the growth of communism in the world, it is apparent that people do not accept it voluntarily; rather, it is imposed upon them either by coups, revolutions, or military aggression, after which control is maintained by military force.

In view of that background, it still appears to be extremely doubtful that the Communists are likely to adhere to peaceful policies, except for temporary periods in which they may serve their own purposes.

In negotiations with the Communists, however, the free world has the right—in fact, it is a necessity—to require that the protestations of "peace" by such leaders as Khrushchev be "backed up" by their acts.

The recent aggressions in Asia—including the invasion of Tibet, the violation of the India-Chinese border, aggression in Laos—provide more evidence that, while Communist leaders spout "words of peace" in one part of the world, they embark on troublemaking campaigns in other areas that threaten peace.

Because of this kind of policy line by the ruling Communists, it would appear to be of special value to expand, wherever possible, the direct contacts with people behind the Iron and Bamboo Curtains.

In effect, this would "take us over the heads" of the Communist leaders, directly to the people. In the long run, such action may accomplish more than long - winded, unfruitful discussions around a conference table. Insofar as such conferences serve to stave off greater tensions or war itself, however, we must continue to meet with the Communists to discuss issues with them and try to reach agreements, if at all possible, that will prevent existing differences

from "swelling," and perhaps eventually erupting into a world conflagration.

As a major example of people-to-people contacts, the upcoming exchange of visits by President Eisenhower and Premier Khrushchev will provide a significant opportunity for the President—respected, admired, and beloved abroad, as well as at home—to be directly in touch with the Russian people. The Eisenhower trip, if taken, I believe, will demonstrate that, despite the barrage of misleading Communist propaganda, during the post-World War II era, the Russian people still are friendly to the United States; that they are interested in our way of life; that they want more consumer goods for better living for more people—as we have them—and that they, themselves, are sincerely dedicated to peace, not war.

On the opposite side of the coin, I am confident that Khrushchev will have relatively little persuasive impact on the American people.

Consequently, our policies and programs, insofar as possible, can, and should, I believe, be directed to more effective people-to-people contacts with the masses under Communist domination. In the long run, the effort may make a valuable contribution to a peaceful solution to world problems.

Illustrating the interest of the Russian people in learning of our way of life, recently, there have been significant reviews published of the effectiveness of the U.S. exhibit, for example, in portraying our way of life to the Russian people. These included the following articles: First, from the Milwaukee Journal, "U.S. Exhibit Did Well in Reaching Soviets," and second, "Tass Calls U.S. Show in Moscow Success," from the Christian Science Monitor.

I request unanimous consent to have the articles printed at this point in the body of the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal, Sept. 6, 1959]

U.S. EXHIBIT DID WELL IN REACHING SOVIETS—STUDY OF REACTIONS OF VISITORS TO THE SHOW FINDS IT GOT ACROSS AMERICAN IDEAS

Moscow, U.S.S.R.—The U.S. Government has given itself a B-plus in popularity and an A-plus in communicating ideas to the Russians at the American national exhibition in Moscow, which closed last week.

This is the verdict of a critical report card on the exhibit, which will be studied by Washington. The analysis rates the effectiveness of the many displays and also analyzes the feelings and reactions of Russians to the first direct American propaganda effort inside the Soviet Union.

The critique, conducted since the opening of the fair on July 25, has been prepared under supervision of Ralph K. White, Chief of the Communism Analysis Division of the Office of Research and Analysis of the U.S. Information Agency. White is a psychologist who has specialized in public opinion and psychological causes of war.

WATCHED THE CROWDS

He interviewed the guides and workers at the exhibit, watched the crowds, analyzed comment on books, studied Russians' preferences on voting machines and questions asked of the electronic answering machine and collected hundreds of random comments overheard on the fairgrounds.

His report and additions that will be made by General Manager Harold C. McClellan can be fairly summarized as follows:

The exhibit enjoyed a "moderate success" in popularity with 2,700,000 visitors. But in communicating the ideas the Americans would like to communicate to the Russian people its success was "simply tremendous."

GUIDES HELPED CAUSE

The 75 guides and other Russian-speaking specialists who spoke daily to Russian visitors and answered their questions about the exhibit were lauded by White. Their personal presentations considerably increased the good will of the United States. While not all they said was believed, their presence offered many Russians their first chance to hear the American side of things.

The exhibit successfully suggested that the United States was a middle-of-the-road country with elements of social security, unemployment benefits, and educational opportunities for ambitious youngsters of all strata.

The "Family of Man" photograph exhibition was first in total impact. The intelligent young Russians whom Americans want most to reach favored this exhibit. (The picture exhibit, a camera testament to mankind, was created from 503 photographs by Edward Steichen, famed New York photographer and a former Milwaukeean.)

PHOTOS MOVED STUDENTS

There is evidence that while the general public was most taken with color television and automobiles, students preferred the "Family of Man." The photo show had a quality of depth that moved the Russians, whereas cars and television caused more impersonal admiration.

Washington will receive the following advice about future exhibitions in the Soviet Union:

1. At a similar exhibit the number of guides ought to be doubled.

2. Circarama, the 360° film travelog, satisfied the Russians' evident desire for travel abroad. There should be at least two or more such films to satisfy the greater proportion of visitors.

MORE TECHNICAL DISPLAY

3. Russians' expectations of more technical displays might be met by having three or four times as many machines in motion, providing much more technical information about existing displays, such as air conditioners and business machines, displaying scientific demonstrations and showing films of American industrial processes.

4. There should be clear dual emphasis on luxury and average items instead of the equivocal in-between approach of the first show.

5. There should be just as much emphasis on consumer goods but a half dozen instead of two dozen cars might be sufficient. The architecture display should be dropped or drastically improved and half the number of toys and sporting goods would suffice.

6. While abstract paintings were important to demonstrate freedom of expression, nearly all abstract sculpture encountered disinterest or hostility.

[From the Christian Science Monitor, Sept. 5, 1959]

TASS CALLS U.S. SHOW IN MOSCOW SUCCESS

Moscow.—The U.S. national exhibition in Moscow closed September 4 after a popular and sometimes controversial summer showing of American wares and ways of living. Among other things, it was the scene of the famous Nixon-Khrushchev kitchen debate.

The Soviet news agency Tass called the exhibit a success. It reported more than 2 million persons visited the show during its 43 days. An American official put the attendance at 2,700,000 Soviet citizens.

Closing ceremonies included the lowering of the United States and Soviet flags at the exhibit's main entrance in Sokolniki Park, 15 minutes by subway from downtown Moscow.

The Soviet press has sharply criticized the exhibition in its opening stages and Soviet officials banned some of the books put on display.

SHOW'S EMPHASIS CRITICIZED

Other Soviet critics said the show put too much emphasis on consumer goods and everyday living and not enough on industrial and scientific accomplishments. A cement floor pulverized into dust storms under the tramping of thousands of feet and had to be replaced.

But the criticism simmered down and kind words began to appear. Tass even expressed the hope this would not be the last such exhibit.

Harold C. McClellan, a San Marino, Calif., paint company executive, who directed the exhibition, said he is happy at what has been accomplished.

"No one at this point can realize the exhibit's impact, but the fact that 2,700,000 Russians crowded the area and got their first look at the American people and their accomplishments must have had an important result," he declared.

CONGRESSMEN TAKE TOUR

Scores of thousands of visitors jammed the exhibition grounds on the last day despite bad weather.

They paid special attention to a model of an American earth satellite, cars, radios, and electrical equipment.

The exhibition staff expressed hope that this exhibit, the first of its kind, would be followed by others.

After the exhibition closed it was toured by a group of U.S. Congressmen who had arrived in Moscow earlier in the day. The exhibit was opened July 24 by Vice President RICHARD M. NIXON. It was on opening day that Mr. NIXON and Soviet Premier Nikita S. Khrushchev had their running verbal duel—part of it caught on TV sound tape—in the kitchen of the American model home.

Mr. Khrushchev paid another visit to the show September 3. On his earlier visit he had expressed praise for some parts of the show and criticized others.

On the last tour, the Soviet leader declared it would have been a better exhibit if U.S. officials had asked him what to display.

Work crews will refurbish the golden aluminum dome, the center of the exhibition, and the glass display pavilion.

They will be turned over to Soviet officials September 15 under an agreement that brought the exhibit here in exchange for the recent Soviet display in New York.

Soviet and American officials are negotiating the disposition of other parts of the display, including the model American home.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 2504) to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1540. An act for the relief of the estate of John Steve;

H.R. 4965. An act for the relief of Pioneer Air Lines, Inc.;

H.R. 6712. An act for the relief of Sam J. Buzzanca;

H.R. 6885. An act for the relief of Neal E. Andersen;

H.R. 7260. An act for the relief of John Napoli;

H.R. 7758. An act to improve the administration of overseas activities of the Government of the United States, and for other purposes;

H.R. 7932. An act for the relief of William E. Dulin;

H.R. 8110. An act for the relief of Miss Elsie Robey;

H.R. 8761. An act for the relief of the estate of Charles H. Biederman; and

H.R. 9069. An act to provide standards for the issuance of passports, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H.R. 9105) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes, and it was signed by the Vice President.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 1540. An act for the relief of the estate of John Steve;

H.R. 4965. An act for the relief of Pioneer Air Lines, Inc.;

H.R. 6712. An act for the relief of Sam J. Buzzanca;

H.R. 6885. An act for the relief of Neal E. Andersen;

H.R. 7260. An act for the relief of John Napoli;

H.R. 7932. An act for the relief of William E. Dulin;

H.R. 8110. An act for the relief of Miss Elsie Robey; and

H.R. 8761. An act for the relief of the estate of Charles H. Biederman; to the Committee on the Judiciary.

H.R. 7758. An act to improve the administration of overseas activities of the Government of the United States, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 9069. An act to provide standards for the issuance of passports, and for other purposes; to the Committee on Foreign Relations.

CRACKING DOWN ON OBSCENE MAIL

Mr. KEATING. Mr. President, the abuse of the mails by certain entrepreneurs in pornographic material has aroused the proper ire of a great many Americans. Postmaster General Summerfield has mounted a great offensive against the barons of obscenity, and his efforts have drawn strong support all over the country.

Effective and laudable as may be the Post Office Department's vigorous efforts to rid our mails of offensive material, that crusade is not enough. Congress also must play a part. I am confident Congress will, before long, enact sound and reasonable laws to help the Government crack down on those who would contaminate the minds of our young people with filthy material.

The newspapers of America and their columnists deserve a great deal of credit for the manner in which they have publicized the dangers of obscene mail and the magnitude of the problem. In a syndicated article published this morning, Roscoe Drummond, the able student of government and public morality, has pointed up some of the outstanding facets of the pornography business. Since this is the first of several columns, I look forward to reading its supplements.

I hope Mr. Drummond's comments will be read carefully by every Member of the Senate and the House, as well as many Americans. I ask unanimous consent that his column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OBSCENITY IN MAILS—OFFENSE AGAINST SOCIETY COMPOUNDED THREEFOLD

(By Roscoe Drummond)

There is good reason to be wrathfully aroused by the massive abuse of the mails to sell obscenity to teenage boys and girls.

Let's not allow ourselves to be distracted from the main problem by a side debate on "Lady Chatterly's Lover." The courts have ruled it mailable and most people, I think, will be willing to go the extra mile to guard against capricious Government censorship.

But there is no issue of capricious Government censorship in dealing with the calculated commercial corruption of youth by the mail-order filth racket.

It is no valid use of free speech to yell "fire" in a theater.

It is no valid use of free speech to engage in a conspiracy to teach the overthrow of the Government by force.

It is no valid use of free speech to promote for profit the overthrow of the morals and moral fiber of the Nation's young people.

Have no doubt about it, today the mail-order sales of pornographic literature, obscene pictures, and erotic equipment have become big business and is helping to produce big crime.

The purpose of this column is to show something of the magnitude of this offensive, corrupt and corrupting enterprise. Later columns will deal with what is being done and what more can be done to destroy it.

By conservative estimate the gross revenue from this filthy business runs to half a billion dollars a year—and probably much more.

The Inspection Service of the Post Office Department estimates that as many as 1 million children this year will be on the receiving end of this terrible racket—at least 1 of every 35 children in the country.

The obscenity business focuses its attention more and more on the Nation's children—teenage boys and girls mostly, but even younger. They flush this pornographic material into the unsuspecting hands of many young people through the family mailbox.

At first it reaches most children unsolicited. The pornographic peddlers are like dope peddlers. First, they slyly get the young people hooked with the drug—the obscenity drug—and then work to make them regular customers.

It is the purveyors who seek out the children, not the children who first seek out the purveyors. They buy lists from standard sources. They advertise innocent items, like model airplane parts, toys, stamps. The child sends for these things and the dealer in obscenity has the name to use for his evil traffic. Soon the child is receiving solicitations through the mails.

All this adds up to an offense against society compounded threefold. There is the baited trap to catch young people. There is the pattern of progression by which children are lured to increase their depravity. And later it becomes an addiction which leads to and increases juvenile delinquency.

And when crime becomes profitable business, the racketeers begin to take over as they are now elbowing into the merchandising of obscenity.

Thus, criminals are begetting criminals, nurturing and nourishing them. All these are the reasons why Postmaster General Arthur Summerfield needs and deserves the support of every church organization, every parent, every civic leader to help smother this awful business.

THOUGHTFUL EDITORIALS FROM THE SPORTING NEWS

Mr. KEATING. Mr. President, the August 26, 1959, edition of the Sporting News—that great publication which is must reading for dyed-in-the-wool sports lovers—contains two thoughtful editorials dealing with recent developments involving our national pastime of baseball.

In the first editorial the Sporting News points out the great challenge which lies ahead of Branch Rickey and his partners as they attempt to get the Continental League off the ground and into operation. Although I do not entirely share the paper's pessimism about the chances for success of the third major league, its comments deserve study by all who are concerned with this latest forward step in baseball.

I certainly share the Sporting News' high regard for Mr. Rickey, and wish him well as he faces the toughest task of his illustrious career.

In another editorial, the Sporting News incisively points out the great shortcoming of the sports bill recently reported by the Antitrust Subcommittee to the Senate Judiciary Committee. I agree that any such measure, if it is to be fair and complete, must include baseball within its purview.

I call attention particularly to the last paragraph, which reads as follows:

Baseball needs specific congressional exemption from the antitrust laws—not necessarily a blanket exemption, but assurance that those rules without which it could not survive as a unique sport business are beyond attack. We hope the friends of the game will keep pressing for that type of legislation.

Mr. President, I assure the lovers of baseball that I am their friend and I shall continue to work for legislation which will recognize the fine record and necessary practices of our national pastime. I will continue to strive for a bill which will do equal justice to all our great professional team sports.

Mr. President, I hope the thoughtful comments of the Sporting News, par-

ticularly in the light of the high regard held for this publication and the expertise it brings to these issues, will be read very carefully by a wide audience. I ask unanimous consent to have these two editorials printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Sporting News, Aug. 26, 1959]

TRAILBLAZER RICKEY FACES TOUGHEST TASK

Branch Rickey will be 78 years old in December, but the club owners of the newly-organized third major, the Continental League, obviously believe the Mahatma is young enough to cope with at least one more challenge before he calls it a career.

Certainly nobody could have brought to the office of president of the fledgling circuit a record of longer experience or greater resourcefulness in dealing with baseball problems. Even the all-important question confronting the newcomers—where will they find their players?—hardly can be expected to unnerve the man who founded the farm system as we know it.

The St. Louis Cardinals of Branch's younger days were in a similar quandary. They couldn't outbid the wealthy owners for young talent. But their astute front-office chief hit on the most satisfactory of all replacement plans. He grew his own future stars, setting an example which was widely followed, in spite of the opposition of the first commissioner, Kenesaw M. Landis.

Sticking firmly to his proven methods, he moved to Brooklyn and established another dynasty. During this span, he also broke baseball's unofficial but effective color line, thus opening the big league gates for scores of athletes who needed only the opportunity to prove themselves as talented as any others in the game.

Rickey's youth movement at Pittsburgh was not a quick success, but he provided the nucleus of the club which no longer is the doormat of the National League. And all the while he remained one of baseball's most profound students, one of its most eloquent orators, one of its stanchest defenders against attack or criticism.

Rickey is a great name in baseball. We do not share his optimism about the future of the Continental League, but we hope his presidency of that circuit will bring new distinction to an already impressive list of honors.

[From the Sporting News, Aug. 26, 1959]

KEFAUVER PROPOSAL FALLS SHORT

Senator ESTES KEFAUVER and fellow sponsors of the measure which would exempt professional football, basketball, and hockey from the antitrust laws may have valid reasons for omitting baseball from their suggested legislation.

It is true the national pastime has territorial and television complications which do not affect the fall and winter sports. Since KEFAUVER'S committee could not devise a bill which it believed would cover all sports fairly, the Tennessean left baseball under the famous umbrella of the Holmes and subsequent Supreme Court rulings and moved for corresponding protection of the others.

As far as baseball is concerned, however, the new proposal solves no problems. The Sporting News hoped for a law which would spell out antitrust exemptions for such structural features as the reserve clause and any others necessary to prevent a jungle struggle for survival.

We believed such action not only would answer many troublesome questions, but would end for all time the necessity of baseball going into court to defend itself against expensive antitrust suits.

Oh yes, there were such suits in spite of that Holmes precedent and later findings which declined to overthrow it. The simple fact is that the game's top executives lived for years in almost paralyzing fear of the day when another set of Justices might overthrow their favored status.

Presumably, they still must struggle with such worries. As long as there is one disgruntled player and one lawyer willing to present his case, there will be one attempt to test the durability of that umbrella. Baseball could win a thousand favorable decisions, and still be distressed, if not ruined, by the costs.

Baseball needs specific congressional exemption from the antitrust laws—not necessarily a blanket exemption, but assurance that those rules without which it could not survive as a unique sport-business are beyond attack. We hope the friends of the game will keep pressing for that type of legislation.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. KEATING. I yield.

Mr. LAUSCHE. Can the Senator tell us the situation as to S. 2425, to which the Senator from New York [Mr. KEATING] has offered an amendment?

Mr. KEATING. The bill came before the Committee on the Judiciary at its last meeting, and was put over until the next meeting.

Mr. LAUSCHE. The Senator from New York is offering an amendment to that bill which will give some protection to the minor leagues——

The PRESIDING OFFICER (Mr. BIBLE in the chair). The time of the Senator has expired.

Mr. KEATING. Mr. President, I ask unanimous consent to have 1 additional minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KEATING. The Senator from New York has faced the possibility that no bill will come out of the committee if his amendment is offered in the committee. Therefore it is his plan to discuss his amendment, and not press it in the committee, but bring it up on the floor when the bill comes before the Senate.

Mr. LAUSCHE. I thank the Senator very much.

VISIT BY PREMIER KRUSHCHEV

Mr. ALLOTT. Mr. President, in a few days Mr. Khrushchev, from Russia, will be in this country. No one knows at the present time what the dispositions will be. Various questions have been raised by Mr. Khrushchev's intended entrance into this country.

First of all, regardless of how bitter people may feel, or how people may feel about Mr. Khrushchev, I hope that he will be treated with decorum and outward courtesy at all times while he is a guest of our country.

What I fear more than anything else with respect to the Khrushchev visit is that the people of America will forget essentially what kind of a man he is. He is a clever man, as all those who have talked with him say over and over. I think we should not forget this.

Even though many people would like to believe there is a cleavage developing between Red China and Russia, we should not forget there is nothing yet to prove this is a cleavage of any distinction.

The Lao situation today follows the complete pattern which Russia has followed since World War II, in putting on a bit of pressure at one point, going as far as it can, releasing the pressure there, and putting on pressure at another point. All I have to do to remind Senators of this is to recall the successive incidents in the Near East, the successive Quemoy incidents, and the successive pressures in Vietnam and in the Far East.

So while we will greet this man formally and give him all the courtesies due a head of state, let us not forget what he is. Let us not permit the American people to forget for a moment what kind of man he is. Let us not forget we are not going to change his character, and we are not going to change the course of history by his visit, except in a very small perceptible degree, perhaps.

Only if the American people become "starry eyed" about this visit do we have anything to fear from the visit. If we keep realities about us and remember what kind of man Mr. Khrushchev is, if we remember what communism stands for, and if we remember the history of the last 15 years, we have nothing to fear from the visit.

Mr. President, I desire to address myself to another subject.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 3 minutes on another subject.

PORNOGRAPHIC LITERATURE

Mr. ALLOTT. Mr. President, last week I went to the office of the Postmaster General and saw some of the very modern machines which are being used to speed up our postal system. While I was at the office I went into a room, at the Postmaster General's insistence, which he had locked off, in which he had collected various pornographic materials which are sent through the mails.

I cannot say that I was simply shocked, for I was disgusted. In fact, I felt like retching in that room where the materials were contained.

This experience has been so recent for me that I do not know exactly what we can do about the matter. I will say one thing: If we have to have a special session of the Senate, or an executive session of the Senate, next January, we ought to have it and we ought to make every Member of the Senate look at that filth which is being purveyed to the children of this country, as well as to grownups. If we do not find a way of putting real teeth in the laws concerning this material, there is something wrong with us as Americans and as Members of the Senate.

Mr. KEATING. Mr. President, will my distinguished friend yield to me?

Mr. ALLOTT. I yield.

Mr. KEATING. My friend probably knows that by a conservative estimate the gross revenue from this filthy traffic has reached the amount of a half billion dollars a year. This filth is being poured into the homes of our children, when they write for some toy, or model airplane or other item, which though legitimately advertised, merely serves as bait to attract an inquiry. Then these "characters" send the children this scum. It is simply flooding the homes of this country. The Post Office Department estimates that a million children will receive this rotten material this year. That amounts to 1 of every 35 children in the country.

Mr. ALLOTT. I agree with the Senator entirely. He is correct. The business is quite big. I appreciate the Senator's comments.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. It seems to me there would be no objection whatsoever to legislation in this field, if the Senator would introduce a bill.

The PRESIDING OFFICER. The Senator from Colorado has 1 minute remaining.

Mr. LONG of Louisiana. I would be happy to vote for such a bill. My guess is that whatever the Senator thinks should be done to tighten up the law in this matter would receive a unanimous vote of the Senate.

Mr. ALLOTT. I know the Members will not enjoy it, but I hope every Member of the Senate will see this material.

Mr. President, I desire to speak on another subject.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 3 minutes on another subject.

Mr. NEUBERGER subsequently said: Mr. President, I was present in the Chamber earlier today when the distinguished Senator from New York [Mr. KEATING] and the distinguished Senator from Colorado [Mr. ALLOTT] made some references to the very unfortunate, shabby, and shocking purveyance of pornographic and obscene literature through the U.S. mails.

As a member of the Committee on Post Office and Civil Service I went with the chairman of that committee—and the very able ranking member of the committee [Mr. CARLSON], who is now present in the Chamber, for the purpose of viewing some of the disgraceful exhibits. They were disgusting. I share the views of the Senator from New York and the Senator from Colorado.

I had intended to place in the RECORD the very excellent column by Roscoe Drummond in the Washington Post of September 9, which commends the Postmaster General for his efforts to tighten the laws so as to make possible—we hope—driving much of this material from the mails, and particularly from the hands of children, who can be adversely influenced by it psychologically for the rest of their lives.

I wish to add one further word. A great deal of this material, particularly the very disgraceful and degrading films, is purchased by some very important organizations in the United States for so-called "smokers," and such materials are displayed to some of the leading adults in many communities in the United States.

Thus, this traffic is also the problem of local law enforcement officers, as well as of the Postmaster General, the Congress, and the executive arm of Government. Once again it is demonstrated that we in the Congress will not be able to accomplish our goal of eliminating these obscene materials unless we have effective local law enforcement.

The problem is somewhat similar to some of the situations developed by the McClellan committee. They were not problems peculiar to trade unions, in many essentials. They were problems involving arson, murder, assault, and other dreadful crimes, which have been prohibited by the criminal codes of our States and country for many decades, and by civilized society all over the world for centuries.

Unless we have better local law enforcement, both by U.S. attorneys and local district attorneys, we shall not be able to accomplish our purposes in this respect.

SENATE RULES

Mr. ALLOTT. Mr. President, the Senator from Minnesota [Mr. HUMPHREY] a few minutes ago spoke about methods of reforming, perhaps, the times and occasions when the Senate would meet. I can join in regard to much of what the Senator says, because, the way the Senate meets, those who have families are placed in a very serious situation, where they are separated from their families and families are broken up. I think we should take a very good look at the way the sessions are handled.

I also wish to suggest, Mr. President, that the occasions of the last few days have brought forth to me very clearly and plainly that the rules of the Senate—particularly rule XXII, with respect to the closing off of debate—which were adopted many years ago, which were amended in 1949, and again amended in 1959, need to be reconsidered. There has now come a time in the Senate of the United States when the entire business of the Senate, the whole will of the Senate, the will of the overwhelming majority of the Senate—even the will of the American people—can be thwarted by the delaying tactics which are available to an individual Member under the rules.

I have been one of those who has fought against a too strict cloture rule. I shall continue to do so, and I shall fight for rules which will protect minorities in the Senate. But I am no longer going to fight for a rule—and I will fight to change the rule—which permits the entire Senate to be abused by one man.

TRIBUTE TO CONGRESS

Mr. CHAVEZ. Mr. President, I hope the Members of this body who are present will listen carefully. In New Mexico we have a television station, KOAT-TV, channel 7. On September 15 Mr. Phil Close closed the night television broadcast with the following editorial concerning Congress:

> In closing tonight, this food for thought. Along about this time of the year, the people as a group, and the press in general, begin to get a little impatient with Congress. Senators are accused of dragging their feet, Congressmen are often accused of clamping the lid on important legislation. However, if for just 1 day, every person in the Nation could read the complete CONGRESSIONAL RECORD, it would make one thing clear. The boys in Washington may take a while to get things accomplished, but a great deal of research and thinking goes into their final decrees. The RECORD is full of very enlightening reasoning by men supporting both sides of any controversy. And the choice of which side to take can sometimes be tough. Generally speaking, though, Congress as a body does an excellent job in keeping the wheels of Government going. The proof of this is that the wheels have never stopped, and look good for the next three or four centuries, at least.

THE RAILROAD SITUATION AND THE TRANSPORTATION ACT OF 1958

Mr. CAPEHART. Mr. President, a few days ago the senior Senator from New Hampshire [Mr. BRIDGES] delivered a significant and timely speech in the Senate about the railroad situation and the failure of the Transportation Act of 1958 to remedy the ills that beset the hard-pressed railroad industry.

I fear that the old saw about the weather, that is, "Everyone talks about it, but no one does anything about it," might well apply to the railroad situation.

I had hoped, as I am sure other Senators did, when in 1958 we passed the bill known as the Transportation Act of 1958, to which subject the Senator from Florida [Mr. SMATHERS], the Senator from Kansas [Mr. SCHOEPPEL], and the other Senators had given so much thought and attention, that we had at least made one step forward toward the relief of the railroads. Perhaps that is not so.

Studies of transportation problems are now being made under the direction of the Committee on Interstate and Foreign Commerce, and by the Department of Commerce, at the request of the President. It is hoped that out of these studies will come further recommendations to assure the Nation of adequate transportation facilities.

Few industries have had more to do with the development of America, and with welding the States together, than the transportation industry. As said by the Senator from New Hampshire the other day, we began to regulate the railroads many years ago when it was believed they had a monopoly of transportation. Not so today. In this year of our Lord, 1959, the railroads are handling less than 4 percent of the intercity passenger miles, and less than 50 percent of the intercity ton miles of freight. The erosion process has been aided and abetted by billions of dollars spent by the Federal Government, the States and municipalities on the devel-

opment of water, air and highway transportation. We have continued to impose more and more regulations on the railroads and more and more taxes, until the twin burden, regulations and taxes, has in some instances become almost unbearable. Fortunately, under the able leadership of the Governor of New York, that State is trying to do something about the tax burden. So is its sister State of New Jersey.

There are, however, a dozen or more bills pending in the Senate and the House to impose more and more regulations upon the railroad industry. Bills to regulate hours of service, the operation of track motor cars, the making of accident reports, to give the Interstate Commerce Commission more power to prescribe standards of maintenance for track, equipment, signals, and the like are pending. Another bill, S. 1789, would give the Commission more power over per diem charges—the rental paid one railroad to another for the use of freight cars. Congress, earlier this year, enacted legislation imposing an additional burden of more than $100 million a year on the industry in the way of increased railroad retirement and unemployment insurance taxes for railroad employees. That burden under the sliding scale of increasing those taxes, will eventually rise to more than one quarter billion dollars per year. How long can this go on? This Nation in World War I and again in World War II, saw how vital are the railroads in wartime. Members of the subcommittee of the House Armed Services Committee, after hearings recently held, have expressed concern about the ability of the railroads to do another such fine job as they did in World War II, if we should have another emergency.

The time has come, Mr. President, when we must stop imposing more and more burdens upon the railroad industry. The time has come when we must give the able men who run the railroads more freedom to operate their railroads as other businesses are operated. The railroad industry is one of our largest employers of labor, one of the Nation's largest taxpayers, one of the largest purchasers of the products of American industry and agriculture. The time has come when we must stop treating the railroads as the stepchild of American industry. True, in days when the railroad industry was growing, when ribbons of steel were being laid across the prairies of my native Middle West to link the industrial East with the golden West to make America, there may have been a few robber barons. Those days are long since past. Let us not continue to heap coals upon the heads of the men who run America's railroads today, for the sins of those in the industry perpetrated long before anyone within the sound of my voice sat here.

I join the Senator from New Hampshire in expressing the hope that out of the studies currently under way, will come recommendations for legislation that will more nearly equalize the competition between our agencies of transportation. I hope for legislation that will give to the railroads a plain, old-fashioned, American, square deal to which every man and woman, yes, every industry, is entitled, and with less than which no one should be satisfied. We need the railroads in peacetime and in time of war. Let us stop imposing further regulations upon them. What the railroad industry needs now is less regulation, not more.

THE LABOR-MANAGEMENT REFORM BILL

Mr. GOLDWATER. Mr. President, I ask unanimous consent that a summary of the action taken by the conference on the labor reform legislation which appears on pages 17326 and 17327 of the CONGRESSIONAL RECORD of August 28, 1959, which I had inserted, and which is a comparison of the first of six titles of the Landrum-Griffin bill, be reprinted in the body of the RECORD, and that there be added thereto a summary analysis of the conference agreement on title VII.

There being no objection, the summaries were ordered to be printed in the RECORD, as follows:

SUMMARY OF THE ACTION TAKEN BY THE CONFEREES ON LABOR REFORM LEGISLATION

Definitions: Adopted the House language, which includes definitions of "Secretary," "officer, agent, shop steward, or other representative," and "district court of the United States," not contained in the Senate bill.

Title I—Bill of rights for union members: Senate bill required the union member to exhaust reasonable hearing procedures within the union not exceeding a period of 6 months before instituting legal or administrative proceedings against the union or its officers. House provision required only a 4 months' waiting period. Conference adopted House provision.

Right to copies of collective bargaining agreements: Failure to make copies available to employees and members covered by collective bargaining agreements made a crime by Senate bill. House provision enforced by injunction actions brought by Secretary of Labor in Federal courts. Conference adopted House provision.

Title II—Reporting by unions: Both bills require detailed union organizational and financial reports. Conference adopted House language which required every union to adopt a constitution and bylaws and which contained no exemption for small unions. Conference also adopted Senate provision requiring union financial reports to be in such categories as the Secretary of Labor may prescribe.

Union officers and employees conflict-of-interest reports: Senate bill required conflict-of-interest reports from every officer and employee receiving more than $5,000 a year in wages, salary, expenses, and allowances from the union. House provision required filing of conflict-of-interest reports from union officers and employees regardless of amount received from the union. Conference adopted House provision.

Reporting by employers: Senate bill required reports from employers and labor relations consultants on certain payments or loans to unions or union officers and employees and on expenditures for activities designed to persuade employees to exercise or not to exercise their rights. House bill would require these reports where the expenditures were for the purpose of interfering with, coercing or restraining employees in the exercise of their rights. Conference adopted compromise language requiring: (1) a report from an employer of any expenditure where an object thereof is to interfere with, restrain, or coerce employees in the exercise of their rights; (2) a report from an employer and a labor relations consultant of any agreement or arrangement whereby the labor relations consultant undertakes activities to persuade employees in the exercise of their rights.

Attorney-client communications: House provision gave both attorney and client an exemption from reporting any privileged communication. Senate bill gave this exemption to the attorney. Conference adopted Senate provision.

Reports made public information: House bill made reports public information whereas Senate bill also gave Secretary authority to use reports as basis for compilation of studies and statistical reports. Conference adopted Senate provision.

Criminal provision: House bill made violations of title II a crime whereas Senate bill also made violations of rules and regulations issued by Secretary a crime. Conference adopted House provision.

Commissioner of Labor reports: Senate bill provided for Commissioner of Labor reports. No provision in House bill. Conference adopted House provision.

Non-Communist affidavits: Senate bill requires affidavits to be filed by employers and union officers. No provision in House bill. Conference adopted House provision.

Title III—Trusteeships: Both bills substantially the same. Trusteeships under House provision presumed valid for period of 18 months whereas Senate bill provided only 12 months. Conference adopted House provision.

Title IV—Elections: Senate bill required union to comply with reasonable requests of candidates for union office to mail campaign literature under union auspices at candidates expense, but preserved privacy of membership lists. House provision gave candidates right to inspect and copy list of members where there is a union shop. Conference adopted Senate provisions and House provision with respect to inspection.

Removal of union officers: House bill provides removal procedures where union constitution does not provide an adequate procedure for removal of union officers guilty of serious misconduct. Senate bill provides removal procedures even where there is an adequate procedure in union constitution but it is not being followed. Conference adopted Senate provision.

Title V—Codes of ethical practices: Senate bill contains such a code. Not in House bill. Conference adopted House provision.

Title V—Safeguards for unions: Both bills impose a fiduciary responsibility upon union officers. House bill also gives union member right to sue union officer for breach of fiduciary responsibility. Not contained in Senate bill. Conference adopted House provision.

Bonding: Senate bill provides for blanket bonding of union officers and employees handling union funds with a maximum bond of $250,000. House bill required personal bonding not to exceed $500,000 and prohibited placing of bond with surety company in which any officer or employee had an interest. Conference adopted House provision.

Loans to union officers: Senate bill prohibited unions from making loans to its officers in excess of $1,500, whereas House had $2,500. Conference adopted $2,000.

Holding union office: Senate bill prohibited convicts and persons violating titles II and III from holding union office. House bill extended prohibition to Communists and ex-Communists, but disqualification removed if citizen's rights restored or Justice Department Parole Board approves such person's service as an officer. House bill also extends prohibition to labor relations consultants and employer associations. Conference adopted House provision.

Summary analysis of conference agreement as to title VII, Taft-Hartley amendments

	House bill (Landrum-Griffin)	Senate bill (Kennedy-Ervin)	Conference agreement
I. No man's land	State labor boards and courts could assume jurisdiction and apply State law as to cases declined by NLRB. (Administration recommendation.)	State boards only (12 States) could take jurisdiction—and apply Federal law—to cases declined by NLRB.	Adopts House provision in full. Adds provision to assure that NLRB will continue to take cases falling under its standards as of Aug. 1, 1959; and allows Board to delegate to its regional directors certain powers in representation cases.
II. Hot cargo agreements	Bans all hot cargo agreements	Bans only hot cargo agreements with motor carriers subject to pt. II of Interstate Commerce Act.	Adopts House provision with modification as to application in garment and construction industries.
III. Other secondary boycotts	1. Closes loophole which permitted secondary boycott through coercion applied directly against secondary employer (instead of his employees).	No provision	Adopts House provision.
	2. Closes loophole which permitted secondary boycott by inducing employees individually (rather than in concert).	do	Do.
	3. Closes loophole which permitted secondary boycotts involving railroads, municipalities, and governmental agencies because their employees were not "employees" under definition in the act.	do	Do.
	4. Prohibits secondary customer picketing at retail store which happens to sell product produced by manufacturer with whom union has dispute.	do	Adopts House provision with clarification that other forms of publicity are not prohibited; also clarification that picketing at primary site is not secondary boycott.
IV. Organizational picketing	1. After an election, bans picketing for 12 months.	Same, except 9 months	Adopts House provision.
	2. Bans picketing when another union certified or lawfully recognized.	Same	Same.
	3. Before election, restricts picketing to reasonable time not to exceed 30 days.	No provision	Adopts House provision.
	4. Before election, restricted picketing unless union could show 30 percent interest among employees.	do	Substitutes mandatory election procedure. Informational picketing which does not affect deliveries or service is not banned.
	5. Provides for enforcement through mandatory injunction obtained through NLRB, and/or suit for damages.	Discretionary injunction by NLRB. Union could delay issuance of injunction and continue picketing by charging employer with unfair labor practices.	Mandatory injunction; no damage suit; union can charge unfair practices but cannot block injunction except in limited situations under sec. 8(a)(2).
V. Other provisions:			
1. Voting by economic strikers	Employer could not petition during economic strike for election for 1 year.	Economic strikers could vote without limitation.	Can vote during period of 1 year after strike commences.
2. Prehire, building and construction industry.	Sec. 702. Administration provision	Broader provision. Sec. 702	Adopts Senate provision.
3. General Counsel, vacancy	Sec. 704	Same	Same.
4. Priority handling of certain unfair labor charges.	Sec. 706	Same	Same.
5. Common situs, building and construction industry.	No provision	No provision	Dropped.

TRIBUTE TO SENATOR MARGARET CHASE SMITH, OF MAINE

Mr. BRIDGES. Mr. President, unfortunately I was not present on the floor of the Senate recently when the acting minority leader [Mr. KUCHEL] paid a most highly deserved tribute to our gallant and gracious senior Senator from Maine [Mrs. SMITH]. On Monday evening, September 7, the senior Senator from California commemorated MARGARET CHASE SMITH's accomplishment of participating, that day, in her 700th consecutive yea-and-nay vote.

I wish to join in tribute to this remarkable demonstration of public service. Any Senator in this body would treasure such a record of steady, industrious service; and I am sure the people of Maine themselves are pleased and grateful for being so well represented.

Although a Senator from the State of New Hampshire, which I am proud to serve, I was born, reared, and educated in Maine, and I am happy that my home State is represented in the Senate in this conscientious, able manner.

All of us in the Senate express our appreciation for Mrs. SMITH's presence and her labors on behalf of the people of the State of Maine and our Nation, which, with high-principled devotion, she so effectively serves.

The PRESIDING OFFICER. Is there further morning business?

WORLD PEACE

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon is recognized for 3 minutes in the morning hour.

Mr. MORSE. Mr. President, I have received a letter from the pastor of the Trinity Methodist Church of Toledo, Oreg., dated August 17, 1959. I shall read only the first paragraph of the letter, and then I ask unanimous consent that the entire letter and the resolutions appertaining thereto be printed in the RECORD:

I write to inform you of the resolutions on world peace made by the annual Oregon Conference of the Methodist Church which met May 26–31 of this year in Medford, Oreg. This conference consisted mainly of one ministerial and one lay delegate from 170 churches representing approximately 50,000 members. The statements were developed in the following way.

The Conference Committee on World Peace which meets throughout the year studied, wrote and proposed a number of resolutions. These were printed in a study booklet which was sent out about 6 weeks preceding the conference meeting to all delegates to be studied. The conference when it met was divided into sections, one of which discussed and amended these proposed resolutions. They were then taken before the total conference for any further discussion and voted upon. As a result of this process, the following resolutions were made and we request that you give them your careful consideration.

There being no objection, the letter and resolutions were ordered to be printed in the RECORD, as follows:

TRINITY METHODIST CHURCH,
Toledo, Oreg., August 17, 1959.

Hon. WAYNE MORSE,
Senate Office Building, Washington, D.C.

MY DEAR MR. MORSE: I write to inform you of the resolution on world peace made by the annual Oregon conference of the Methodist Church which met May 26–31 of this year in Medford, Oreg. This conference consisted mainly of one ministerial and one lay delegate from 170 churches representing approximately 50,000 members. The statements were developed in the following way. The conference committee on world peace which meets throughout the year studied, wrote, and proposed a number of resolutions. These were printed in a study booklet which was sent out about 6 weeks preceding the conference meeting to all delegates to be studied. The conference when it met was divided into sections, one of which discussed and amended these proposed resolutions. They were then taken before the total conference for any further discussion and voted upon. As a result of this process, the following resolutions were made and we request that you give them your careful consideration:

"War is absurd. It is absurd politically because modern weapons assure the annihilation of the human community. War is irrational for it never solves the problems of the race; it compounds them. War is indefensible. God's action in Christ is to reconcile men with each other and with Him, and war tears apart the human community and alienates man from God.

"Though the cry of the human community is universal in the demand that war be ended and peace be spread across the face of the earth, there is little agreement as to method of accomplishment.

"Our faith teaches us that security is not to be found in postures of defense, no matter how powerful, but in constructive relationships with our fellow man and with God. Therefore, we say "no" to all who flout the love of Christ, to the defender of injustice in the name of order, to those who sow the seeds of war or urge war as inevitable. We say "yes" to all that conforms to the love of Christ, to those who are the peacemakers and who hope, struggle, and suffer for the cause of men.

"From this perspective we offer the following resolutions:

"1. The United Nations: We believe that the United Nations and its agencies should be supported, strengthened, and improved. Moreover, if these facilities are to become most effective, the United Nations, with membership open to all nations must be given sufficient authority to enact, interpret, and enforce world law against aggression and war.

"2. United Nations membership: We believe that the United Nations in its work for peace and disarmament is weakened by the absence of any government. We, therefore, urge the State Department of the United States, the Oregon annual conference, and the national board of world peace of the Methodist Church to seek interchange of ideas with all governments and nations including encouragement of trade and passage of press and church representatives both ways behind all curtains, and we urge our U.S. State Department to support the admission of any nation into the United Nations that meets the requirements of the charter of the United Nations.

"3. Political freedom: We believe in self-government, and the participation in political processes by all persons within a nation.

"4. Disarmament: The United States should assume greater initiative toward bringing national armaments under U.N. inspection and control in a process directed toward their consequent reduction, limitation and eventual abolition.

"5. Nuclear power: We are totally opposed to the resumption of nuclear-weapon testing under any circumstances. We take this stand for the following reasons:

"Nuclear testing can continue only if we accept the proposition that some genetic and somatic damage from radiation is socially tolerable. We believe that Christian love means that any damage to any persons is socially intolerable. Particularly is this true when it appears that much of this damage would occur in persons who are not citizens of the testing nations. The argument that damage may occur to a small percentage (0.01 percent to 0.04 percent) of world population is irrelevant. Such a percentage means 125,000 to 4 million people, many of whom will suffer 100 to 200 years from now. To continue testing is to perpetrate a 'folly in thoughtlessness' and in irresponsibility. (Source of statistical information: The U.N. Scientific Committee on the Effects of Atomic Radiation quoted in Consumers Report, March 1959, vol. 24, No. 3.)

"We are gratified by progress that is being made in the development of nuclear energy for peaceful purposes and urge its further development.

"6. Peacetime conscription: We urge the abolition of peacetime conscription.

"7. World economic development: We support the statement of the Council of Bishops (Cincinnati, Nov. 13, 1958): 'To lay firm foundations of peace, we give hearty endorsement to such foreign policy endeavor as the Hoover European program of relief, the Marshall plan, atoms for peace, a lowering of trade barriers, a strengthening of such other mutual aid programs as those dealing with technical assistance and the development of natural resources for nations in rapid social and economic change and urge that we labor untiringly for the independence of colonies and satellite nations.'

"8. Military support or dictatorship: Since the Methodist Church has been a strong supporter of democracy and freedom, and since other nations of the world interested in democracy and freedom, have looked to the United States of America as an example, we urge our Congressmen and our State Department to discontinue military support of dictatorships."

Sincerely,

The Reverend VERNON A. GROVES,
Secretary of Committee on World Peace, Oregon Conference of the Methodist Church.

EDITORIAL COMMENT ON SENATOR MORSE

Mr. MORSE. Mr. President, we are so accustomed as Senators to welcome the introduction of material into the RECORD which may be favorable to us that seldom are we fair enough to grant the same consideration to material that is not very favorable. Therefore, I ask unanimous consent that there be printed in the RECORD as a part of my remarks an editorial which appeared in the Washington Post of September 8, 1959, entitled "Hair Shirt," which is none too complimentary to the senior Senator from Oregon.

I have no intention of commenting upon the editor's value judgments. I am perfectly willing to let my record speak for itself and leave them to their own opinion.

I ask unanimous consent that the editorial may appear at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HAIR SHIRT

Senator MORSE droned on yesterday while the Senate fumed. Until he relented to permit work on the surplus crop disposal bill, about the only point of agreement between him and the leadership was his statement that he is "not a candidate for a popularity contest in the Senate." Yet the Oregon maverick's harassing tactics did serve to demonstrate graphically his essential point: the absurdity of the congressional rush to get out of town before Mr. Khrushchev arrives.

It would be unthinkable for Congress to adjourn before completing action on badly needed legislation apart from the surplus disposal bill; civil rights, including extension of the Civil Rights Commission; the gasoline tax increase; a new public works bill; the foreign aid appropriation; stopgap housing authority; at least a minimal corrective on bond interest rates. These measures are too important for lick-and-promise consideration.

A perfectly simple remedy has long been advocated. That is for Congress to recess in July, permit Members to take a well-earned vacation with their families, and then reconvene for a cleanup session in October. It is too late, of course, for such a solution this year. The next best thing would be to adopt Senator SMATHERS' suggestion of a recess now, with a further session in the fall. This would at least give Members an excuse to get away before Mr. Khrushchev descends, if they are determined to run from him; and it would permit interested legislators to remain and meet with Mr. Khrushchev in the Senate Foreign Relations Committee.

In his annoying way Senator MORSE has been pricking the Senate's conscience. If Senators are exasperated with him, they ought to be even more exasperated with themselves.

Mr. MORSE. Mr. President, the editorial was the basis for some press inquiry this morning as to my course of action in view of certain comments that have already been made on the floor.

Let me say to the Senate that I still stand ready and willing at all times to vote to adopt the Morse antifilibuster resolution in the Senate. This would return the Senate to true majority rule with full protection of minority rights. I have never varied from that.

Mr. President, my course of action in the parliamentary situation which has confronted us in recent days has been to follow the rules, and to follow the rules in no way that, in my judgment, would impede the giving of consideration to legislation that is ready for action. I have demonstrated that time and time again. However, Mr. President, I insist that the whole Senate give consideration to such legislation.

As I said to the press this morning and repeat now, I intend to continue to do what I can to apply the rules of the Senate in a way that I believe will assure the careful consideration of legislation in these closing days of the session.

As an old horseman I know that it is impossible to lead a horse to water and make him drink, but it is possible to lead a horse to water. All I propose to do is to make available to the Senate its own rules if it wishes to drink the nourishment thereof.

I will always be found on the side of those who desire to improve these rules because they sorely need improving. I hope that by calling attention to their application it may be helpful in improving them.

Let me make one thing very clear, as I did to the press this morning. The press used the word "relenting." It is not my word. I have no intention of relenting in my opposition to unanimous-consent agreements to limit debate and fixing the time to vote, now or next year or any other time. On some rather extraordinary occasion when it is demonstrated to me that the public interest dictates agreement to such a request, I will agree.

Mr. President, I am convinced that the practice we have adopted in the Senate of doing most of our business by way of unanimous-consent agreements limiting debate and fixing the time to vote is not in the public interest, and as long as the rules are what they are, I intend to object to any such request.

RESUMPTION OF DISARMAMENT NEGOTIATIONS

Mr. HUMPHREY. Mr. President, reports in the press on September 8 indicate that general disarmament negotiations will be resumed within the next few

months. A four-power communique issued by the United States, the United Kingdom, France, and the Soviet Union states that a special disarmament committee will be established as—

"A useful means of exploring through mutual consultation avenues of possible progress toward such agreements and recommendations on the limitation and reduction of all types of armaments and armed forces under effective international controls."

I believe that this move on the part of the four powers is to be heralded and praised. Disarmament negotiations have been suspended since 1957 and their resumption as indicated by this announcement is an opportunity to make progress toward a dimunition of the pace of the armaments race in which the major powers of the world are now engaged.

The new disarmament committee will be composed of 10 nations, 5 of which will be Western nations and 5 of which will be Soviet bloc nations. The Western Powers will consist of the United States, the United Kingdom, France, Canada, and Italy. The Soviet bloc nations will be represented by the Soviet Union, Poland, Czechoslovakia, Bulgaria, and Rumania.

With the exception of the United States and Canada all of the nations on the new disarmament committee are European or are partly European. This may appear to give the membership of the committee an unbalanced geographical composition. But this composition, with the exception of the exclusion of Red China, does reflect the existing power situation in the world today. If there is to be any progress in the field of arms control these are the nations that will be primarily involved. I do not wish to dwell long on the subject of the exclusion of Red China from these talks. But I wish to warn my colleagues that if we are to make substantial progress in the area of arms control, particularly in the area of the control and reduction of conventional weapons and manpower, it will be dangerous for the free world if prohibitions and limitations on the Western Powers and the Soviet Union do not also apply to Red China.

The announcement of the resumption of the disarmament negotiations has brought some criticism to the effect that the United Nations has been bypassed as the proper forum through which disarmament negotiations should be conducted. I sympathize with the concern expressed by many of my friends that the United Nations must not be ignored, but instead must eventually be brought into the disarmament picture. The four-power communique, however, recognizes the role of the United Nations. The communique states:

> The United Nations Charter recognizes that disarmament matters are of worldwide interest and concern. Accordingly, ultimate responsibility for general disarmament measures rests with the United Nations.
>
> The setting up of the disarmament committee in no way diminishes or encroaches upon the United Nations responsibilities in this field.

Furthermore, the Secretary General of the United Nations in his report on the work of the United Nations for the past year also indicated that the new disarmament committee was not necessarily a bypassing of the United Nations. His report recognized that ultimate responsibility for disarmament measures continues to rest with the United Nations, but that a committee outside of the United Nations could deal with the problem. The committee should report its findings and its recommendations, if any, to the United Nations Disarmament Commission.

The new disarmament committee contains an equal number of Western and Soviet nations. It has been feared by some that the granting of equal representation to the Soviet bloc sets an unfortunate precedent. I believe, Mr. President, that the composition of the new committee, with the exception I have noted above, reflects the power situation existing in the world today.

Questions of proper procedures and the appropriate number of nations to be represented are not of primary concern. The most important question is: Can progress be made? Can some accomplishment derive from this procedure? I believe the world does not wish to have procedures block the possibility of progress in the field of arms control. At the same time I would not wish to have my remarks interpreted as favoring in all cases negotiations based on the principle of parity, that is an equal number of Soviet bloc and Western nations.

There will be many questions, indeed there are many questions, in which the parity concept would be false. There are 82 members of the United Nations. In many cases their interests cannot be divided into two main groups: that of interests of the Soviet bloc and interests of the free Western Powers. In many cases the interests will be more diverse than this and the negotiations involved must reflect this diversity. In fact many of the important disputes existing in the world today and pending before the United Nations stem from problems of the Middle East, Africa, and southeast Asia. If arms control proposals were to be considered as solutions or partial solutions for some of these disputes the nations of Asia, Africa, and the Middle East would have to be represented.

Considering all these factors I continue to believe that we must rejoice in the decisions to resume general disarmament negotiations. Let us hope that the proposals advanced and the spirit in which negotiations are conducted will be conducive to producing harmonious and positive results.

In conclusion, Mr. President, I wish to make one further point. This is the need for proper preparation on the part of our Government as we proceed to enter into these negotiations. I have introduced an amendment to the mutual security appropriation bill, which will probably be before us tomorrow, which would enable the Government to be better prepared in the area of arms control. I regret that the amendment was not accepted in committee, although I appeared and testified on it. This amendment would provide the Department of State with $400,000 to make or contract for special studies in the field of arms control.

These studies would be concerned to a large degree with problems of control and inspection to accompany specific arms control proposals. Many of these studies could not be completed prior to the resumption of the disarmament negotiations shortly after the first of the year. But, they would help the Government in its preparation for the continuing negotiations that would undoubtedly follow.

I wish to take this opportunity to thank those Senators who have seen fit to cosponsor this amendment with me. They are Senators HART, CLARK, MURRAY, MANSFIELD, MOSS, CHURCH, NEUBERGER, DOUGLAS, ENGLE, CASE of South Dakota, and BUSH. Many other Senators wrote me their intentions of support for the amendment although for various reasons they did not ask to be cosponsors.

By adopting this amendment the Senate can emphasize the need to make progress in the arms control area. We can demonstrate our conviction that the Government must be well prepared for the negotiations and discussions to be held in the months ahead.

ADEQUATE REGULATIONS TO PROTECT THE PUBLIC AGAINST TRANSPORTATION OF HIGH EXPLOSIVES

Mr. NEUBERGER. Mr. President, passage of S. 1806, which I hope will occur today, is of special significance to my State. On August 7, 1959, a truckload of explosives was accidently detonated in the heart of the city of Roseburg, Oreg. Thirteen persons died in that explosion and property damage has been estimated at $12 million.

The people of Roseburg are now rebuilding their shattered city, repairing the twisted and torn structures which housed their families and their businesses. This bill will not help them replace their lost loved ones or their homes. But it may help prevent another community from suffering a similar tragedy.

Mr. President, I publicly urged enactment of this bill on August 8, 1959, the day immediately following the Roseburg catastrophe.

Following the action of the Senate Committee on Interstate and Foreign Commerce in reporting the bill, I wrote Senate Majority Leader LYNDON B. JOHNSON asking his cooperation to insure early consideration of S. 1806 so that both Houses of Congress might have an opportunity to act upon it during this session. The majority leader assured me of his full support.

I believe that it is the minimum step which Congress should take to protect Americans against the obvious dangers involved in movement of explosives by motor carriers. I know other members of the Oregon delegation feel the same way.

The Interstate Commerce Commission is currently holding hearings in Roseburg as part of its investigation of that disaster. I am pleased that the ICC is

carrying out a thorough study of this incident. On the day of the explosion I wired Mr. Kenneth H. Tuggle, Chairman of the Interstate Commerce Commission, asking for a complete investigation. From such a review may come facts which will aid in further protecting the general public.

In this connection, I recently wrote to Mr. Tuggle to suggest that the ICC embark on a study of the degree of risk to public safety involved in movement of explosives by truck versus other forms of transportation. I ask unanimous consent that the text of my letter, together with a portion of the Senate report summarizing the provisions of S. 1806, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the letter and excerpt were ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
September 2, 1959.

Hon. KENNETH H. TUGGLE,
Chairman, Interstate Commerce Commission, Washington, D.C.

DEAR MR. CHAIRMAN: The recent disaster in Roseburg, Oreg., has again focused public attention on the dangers inherent in transportation of explosives. While we cannot alter the result of that catastrophe, the knowledge of what occurred there should serve as a goad to action to help prevent such a future happening.

In this connection, I announced publicly on August 8 my support of S. 1806, which would strengthen legislation designed to protect the public against hazards involved in transportation of explosives and other dangerous substances. I am hopeful that the 86th Congress will approve this bill.

However, it seems to me that several other areas should be investigated to determine whether or not congressional action might be desirable to increase public safety with respect to movement of explosives. Two points come to mind:

1. It has been suggested to me that the Roseburg incident dramatizes the special risk connected with the conveyance of explosives by motor vehicle. While it is not clear that the extent of the loss of life and property damage caused by the Roseburg explosion would have been substantially less if the explosives had been loaded on a railroad car sided at a local spur, it has been pointed out to me that it is nevertheless true that transportation of explosives by highway exposes the general public to greater danger through proximity than does transportation by rail, water, or air.

The argument advanced is this:

Trucks share the highways and streets with the general public, including passenger cars, buses, and pedestrians. Alongside these byways are hotels, schools, hospitals, stores, and homes occupied by people. An accident to an explosives-laden truck is likely automatically to involve other motor vehicles or bystanders along the highway right-of-way.

On the other hand, railroads possess their own private rights-of-way. Tugs and barges travel on rivers and streams which rarely are close to buildings or structures occupied by large numbers of people. Neither form of transportation rubs hubcaps with cars and trucks.

Trucks are subject only to the control of their drivers. They are exposed to normal road hazards and the vagaries of other drivers and motor vehicles. The fuel which propels trucks is immediately adjacent to its cargo.

An analogy is suggested between a freight elevator and a passenger elevator in a hotel or office building. Where would a lethal cargo of live explosives be transported? The answer is obvious: the freight elevator. This might not be complete insurance against a tragedy, because an explosion in a freight elevator could do great damage. Yet it is evident that the explosion would be far more perilous to human life if it occurred in a loaded passenger elevator.

From this reasoning it follows that limitation of movement of explosives by motor vehicle would be in the public interest.

In reviewing this general suggestion, I have noted several general objections. For instance, prohibition of conveyance of explosives by truck would mean that areas served by no other form of transportation would have no way of obtaining needed shipments of this commodity. Restriction of movement of trucks would necessitate detailed consideration of each shipment and situation to determine availability of other forms of transportation, route to be followed, travel time, and other factors. Limitation of amounts carried in a single load, to decrease the magnitude of risk, runs into the difficulty of coping with the varying nature of different explosives whose efficacy cannot be judged by a single simple uniform weight or size standard, in addition to raising the question of the value in terms of safety of numerous small loads with increased exposure versus one large load with greater destructive potential.

Despite these factors, it seems to me that it would be a beneficial project for the Commission to review the question of method of transportation of explosives with a view to advising Congress as to whether or not it would be desirable for the Federal Government to enact legislation dealing with the type of conveyance employed to carry explosives.

Such a study might include examination of feasibility and desirability of such ideas as prohibition of transportation of explosives on highways except where other appropriate transportation is not available, use of escort vehicles preceding and following trucks, designation of specific routes, regulation of the hours during which explosives might be trucked most safely, prior notification of route and time schedules, outlawing of mixed cargoes, limitation of amounts of explosives which may be carried in a single load, restriction of trucking of explosives to short hauls, and other methods which might increase safety.

I am aware of the fact that the proposal which I advance is not based on a new suggestion. The Commission has, of course, received similar appeals in the past. However, I am convinced that a detailed study in depth is called for, and I hope that the Commission will see fit to embark upon such an investigation.

2. It has been suggested to me that increased authority in the area of regulation, inspection, and enforcement, with addition of personnel necessary to carry out such enlarged functions, could be a significant aid to prevention of incidents involving loss of life and property due to accidental detonation of explosives in transit by motor vehicle.

I would be most interested in learning from the Commission of any areas, other than those covered in S. 1806, where the ICC believes that further grants of authority would accomplish this purpose, and the extent to which available personnel should be increased so as to insure that existing laws and regulations and any recommended additions are efficiently and effectively implemented.

I trust that the Commission will give the two points which I have raised serious consideration and that I will receive a report from the ICC supplying me with pertinent data related to this request and indicating the views of the organization with respect to amendment of Federal law which might appear advisable in the public interest.

With best wishes, I am

Sincerely,

RICHARD L. NEUBERGER,
U.S. Senator.

SUMMARY OF PROVISIONS OF S. 1806

I. INTRODUCTION

The purpose of this bill is to revise and bring up to date the provisions of the Transportation of Explosives Act (18 U.S.C. 831–835). The bill would bring the transportation of radioactive materials and etiologic agents under the jurisdiction of the Interstate Commerce Commission and would extend the penalties for violations of the Transportation of Explosives Act, now applicable only to common carriers, to private and contract carriers. The bill is similar to S. 1491, 85th Congress, which was passed by the Senate in 1957. Exhaustive hearings were held by the Surface Transportation Subcommittee on S. 1491.

II. PURPOSES OF THE BILL

The Transportation of Explosives Act was enacted in 1908 and while it has served its purpose well, it now needs revision in many respects. There has been a tremendous increase in the transportation of dangerous articles following the increase in the production of radioactive materials and etiologic agents. This act in its present form does not provide for regulations for the transportation of etiologic agents; neither does the act specifically cover radioactive materials. The Interstate Commerce Commission has prescribed regulations for such materials by classifying them as poisons. Etiologic agents such as live viruses, bacteria, and the like are not poisons, so there is some question as to whether the Commission has the authority to prescribe regulations on such commodities. This bill would correct this situation and would place the transportation of these articles squarely within the jurisdiction of the Commission.

As justification for enactment of a bill which would promote safety in the transportation of explosives and dangerous articles, one has only to compare the change in traffic conditions since passage of the Transportation of Explosives Act. In 1900, or about the time this act was passed, there were only about 8,000 motor vehicle registrations within the United States. Today there are over 68 million such registrations. The Institute of Makers of Explosives estimated that in 1957 about 612 million pounds of commercial explosives moved by motor vehicles in long-distance hauls from manufacturing plants.

In its present form the Transportation of Explosives Act applies to common carriers only and violations of its provisions are subject to maximum penalties of $10,000 or 10 years imprisonment or both. On the other hand, the very same violations when committed by private or contract carriers are prosecuted under section 222(a) of the Interstate Commerce Act which carries a maximum penalty of only $500. The bill would therefore remove this anomaly and would extend the provisions of the Explosives Act to include contract and private carriers.

The dangers inherent in explosives and other dangerous articles transported in intrastate commerce are equally as great as when transported in interstate commerce. To meet this fact, the bill would extend the present provisions relating to packing, marking, and so forth, to shippers tendering such articles to interstate carriers irrespective of whether the shipments are destined for movement in interstate, intrastate, or foreign commerce, and to all shipments of dangerous articles including intrastate shipments handled on interstate vehicles or commingled

with interstate traffic. The bill would further extend the provisions of this act to include all for-hire carriers of passengers by land, and the present exemption of specific quantities of various articles would be changed so as to authorize the Commission to prescribe the kind, amounts, and conditions under which such articles may be so transported.

The bill would amend present provisions of the act relating to the marking of packages to include the tendering of such articles to any carrier by land or water and to any person carrying such articles upon any interstate carrier by land, including private as well as common and contract carriers.

The Explosives Act prohibits the transportation of nitroglycerin or other like explosives by common carriers but there is no such prohibition against the transportation of such commodities by contract or private motor carriers. This bill would not restrict to any particular class of carriers or persons the transportation of these dangerous commodities or of radioactive materials or etiologic agents, but would strictly limit and regulate their transportation by providing that they shall not be transported except under such rules and regulations as the Commission shall prescribe. This restriction or limitation is needed in view of the heavy traffic conditions and the increased volume of explosives being transported.

Prosecution for violations of the Commission's transportation of explosives regulations has been extremely difficult because of the requirement in section 835 of the act that violators must have knowledge that they violated the Commission's regulations. While the committee believes that every reasonable precaution should be taken to provide for punishing those violating a statute whose purpose is to promote safety, the creation of an absolute liability is deemed too stringent. These violations often do not arise from any affirmative intent but result more from neglect when the law requires care, or from inaction or indifference when the law imposes a duty to act (*Boyce Motor Lines* v. *U.S.*, 342 U.S. 337).

Whatever the intent of the violator, the potential danger to society remains the same whether the violation is brought about by haphazard indifference, careless conduct, or is prompted by an evil purpose. Certainly a person standing in responsible relation to a public danger should be charged with the knowledge if he is aware that certain rules and regulations exist for the furtherance of safety. A plea of ignorance of the terms of these regulations, if an awareness of the existence of the regulations exists, should not permit him to escape responsibility for failure to observe rules established to promote safety in the handling of dangerous articles.

Your committee, therefore, rather than establishing absolute liability in this instance prefers to somewhat limit the liability by amending section 834(f) of the bill so as to provide that any person "being aware that the Interstate Commerce Commission has formulated regulations for the safe transportation of explosives and other dangerous articles," who violates such regulations shall be subject to the penalties of fine or imprisonment as provided in the act. Thus, those who are in a position to be on notice that Interstate Commerce Commission regulations should be observed for the handling of explosives and other dangerous articles are made subject to penalties for failure to observe such regulations.

This bill would include in the definition of "person" a partnership, thus bringing a partnership within the provisions of the Commission's explosives regulations. This change is considered necessary because the Supreme Court has sustained a lower court's holding that a partnership is not a legal entity for the purposes of criminal liability under regulations of the Interstate Commerce Commission (*U.S.* v. *American Freightways Co.*, 352 U.S. 1020, decided Mar. 4, 1957).

INTEREST RATES ON E AND H SAVINGS BONDS

Mr. BYRD of Virginia. Mr. President, in connection with House bill 9035, a bill to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. BIBLE in the chair) appointed Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. WILLIAMS of Delaware, and Mr. CARLSON conferees on the part of the Senate.

THE NEW WEST

Mr. McGEE. Mr. President, most of us are mindful of the ever-growing interest in questions which affect the West. I mean the Western States of the United States. This is reflected, sometimes unfortunately, on the TV screens. It is reflected in the political uprising which has been sweeping the West in recent years. It is reflected in the economy as it concerns resource development in the West.

On August 29, 1959, the Washington Post and Times Herald published another interesting article on the new West. This is becoming a popular subject for writers, particularly in the East. I found this particular article, entitled "Magnolias Losing Out to Sagebrush," written by Malvina Lindsay, to be so interesting that I shared it with my colleagues nearby at the time, letting them read it for themselves. Apparently they found the article so intriguing that they passed it around to others. It has come back to my desk only this morning, some two weeks later.

Because of their interest in it, as well as my own, I thought that perhaps the few Senators who had not seen the article firsthand might enjoy reading it. Therefore, Mr. President, I ask unanimous consent that the article, entitled "Magnolias Losing Out to Sagebrush," written by Malvina Lindsay, and published in the Washington Post and Times Herald of August 29, 1959, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAGNOLIAS LOSING OUT TO SAGEBRUSH

(By Malvina Lindsay)

"You know, I like the West." The remark may have seemed a little patronizing to me, a former midwesterner, but there were stars in the eyes of the returned easterner who made it.

One meets such persons everywhere. They have been on vacation to see in reality the open plains, the towering mountains, the winding trails along hazardous gorges that have become familiar to them through television Westerns. In the wake of recent earthquakes, new tourists were trooping into Yellowstone Park as others left.

The West has been a constant magnet to Americans through the years as a source of fortune and adventure. "Lem Hayes," my grandmother would exclaim. "Oh, yes, I remember him. When I was a young girl he came by our house one night to say goodby. He was going west. He brought his fiddle and he played and sang, 'My Little Maggie May' ". She would then sigh. "So many of the young men used to go west."

In more recent years the older people have been going west, seeking havens for retirement. And families, rather than young men, have struck out for western areas where things are on the move.

Now the West is also a growing source of nostalgia. Its dramatization on stage (one New York musical had four Buffalo Bills), on screen, above all, on television; its dominance in magazine pictures and print; its lure for vacationists, including those from overseas, indicate it may be displacing the ante bellum South as the main front of this country's golden age folklore.

I once asked a French writer who had been connected with the translation and publication in France of "Gone With the Wind" how she accounted for the popularity there of this Civil War novel. "One reason," she said, "is because it portrays a favorite American golden age—your ante bellum period—that is somewhat similar to one of ours, the romantic and colorful era of Louis XIV. We always identify ourselves with the fortunate, leisured people of such times."

But recently I have wondered if the ante bellum picture—despite all the Civil War interest—wasn't beginning to fade a little. Like many other Americans I have long felt its emotional grip. Portrayals of white pillared mansions among live oaks with dripping Spanish moss swaying in the wind, still do things to me. But an imagined vista of the Rockies does more. I think an even greater number of Americans have the same experience, especially if they must fight traffic in car or on foot and listen to the din of juke boxes or of neighbors' televisions.

Historian Walter Prescott Webb may contend that the history and culture of the West have been scant and arid because of the dominance of the desert. But to today's Americans its adventure, its quietude and, above all, its elbow room have become a precious treasure of the imagination.

One main reason for this is that, as the 20th Century Fund pointed out in a recent report, the "feeling of being crowded * * * is the almost universal experience of today's citizen." The American especially clings to his dream of open country and clear land. This, according to the fund, has resulted in our big urban sprawl, and is causing a sad waste of the land that is left to us.

As population, technology, industry, and modern living impinge further on our space, we will cling all the more to our idealized home on the range. As our lives become outwardly more uniform, we will cherish the more the freewheeling, adventurous days of the Old West. In our inner eye the sagebrush may crowd out the magnolia.

It is frequently said that the West has been ruined. It is true that in some overcrowded national parks natural beauty has been despoiled by tourists on wheels and by commercial exploitation. And two-gun cowboys on bucking broncos may have given place to cavalcades of motor cars. But at least the landscape is still there with its open, beckoning sense of space. There is much beauty left, but if Americans want to retain this in other forms than home movies, memory and folklore, they will need to see that their Government is vigilant in its protection.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 4546. An act for the relief of Margaret P. Copin;

H.R. 5196. An act to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes;

H.R. 7036. An act for the relief of William J. Barbiero;

H.R. 7935. An act for the relief of Fr. Kenneth M. Rizer;

H.R. 8801. An act for the relief of the Maco Warehouse Co.; and

H.J. Res. 352. Joint resolution to authorize preliminary study and review in connection with proposed additional building for the Library of Congress.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred as indicated:

H.R. 4546. An act for the relief of Margaret P. Copin; to the Committee on Post Office and Civil Service.

H.R. 5196. An act to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes; to the Committee on Government Operations.

H.R. 7036. An act for the relief of William J. Barbiero;

H.R. 7935. An act for the relief of Fr. Kenneth M. Rizer; and

H.R. 8801. An act for the relief of the Maco Warehouse Co.; to the Committee on the Judiciary.

H.J. Res. 352. Joint resolution to authorize preliminary study and review in connection with proposed additional building for the Library of Congress; to the Committee on Public Works.

CALL OF THE CALENDAR

The PRESIDING OFFICER (Mr. BIBLE in the chair). Is there further morning business? If not, morning business is closed.

Mr. MANSFIELD. Mr. President, I ask that there now be the call of the calendar heretofore ordered by the Senate.

The PRESIDING OFFICER. Under the order previously entered, the call of the calendar will take place automatically as the next business of the Senate.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Beall	Bush
Allott	Bennett	Butler
Anderson	Bible	Byrd, Va.
Bartlett	Bridges	Byrd, W. Va.
Cannon	Holland	Mundt
Capehart	Hruska	Murray
Carlson	Humphrey	Muskie
Carroll	Jackson	Neuberger
Case, N.J.	Javits	Pastore
Chavez	Johnson, Tex.	Prouty
Clark	Johnston, S.C.	Proxmire
Cooper	Jordan	Randolph
Cotton	Keating	Robertson
Curtis	Kefauver	Russell
Dirksen	Kennedy	Saltonstall
Dodd	Kerr	Schoeppel
Douglas	Kuchel	Scott
Dworshak	Langer	Smathers
Eastland	Lausche	Smith
Ellender	Long, Hawaii	Sparkman
Engle	Long, La.	Stennis
Ervin	McCarthy	Symington
Fong	McClellan	Talmadge
Frear	McGee	Thurmond
Fulbright	McNamara	Wiley
Goldwater	Magnuson	Williams, N.J.
Gore	Mansfield	Williams, Del.
Green	Martin	Yarborough
Hart	Monroney	Young, N. Dak.
Hayden	Morse	Young, Ohio
Hickenlooper	Morton	
Hill	Moss	

The PRESIDING OFFICER (Mr. BIBLE in the chair). A quorum is present.

THE CALENDAR

The PRESIDING OFFICER. Under the order, the Senate will now proceed to the call of the calendar; and the first measure on the calendar will be stated.

MEDALS IN COMMEMORATION OF THE FOUNDING OF THE PONY EXPRESS

The bill (S. 2454) to provide for the striking of medals in commemoration of the 100th anniversary of the founding of the pony express was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

CONFEREES ON THE GOVERNMENT BONDS INTEREST RATE BILL

Mr. LONG of Louisiana. Mr. President, reserving the right to object—and I shall not object to consideration of this bill—let me say that last night I made the point that I thought the conferees on the interest rate bill should represent the majority view of the Senate on the Anderson amendment on the interest rates.

I have discussed this matter with the Senator from New Mexico [Mr. ANDERSON] and the other members of the committee. The Senator from New Mexico is satisfied with the conferees, in connection with the amendment; and, therefore, I shall not raise the point I mentioned last night.

MEDALS IN COMMEMORATION OF THE FOUNDING OF THE PONY EXPRESS

The PRESIDING OFFICER. Is there objection to the present consideration of Calendar No. 812, Senate bill 2454?

There being no objection, the bill (S. 2454) to provide for the striking of medals in commemoration of the 100th anniversary of the founding of the pony express was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the commemoration of the one hundredth anniversary of the founding of the Pony Express, which was founded and operated by the Russell, Majors, and Waddell Company between Saint Joseph, Missouri, and Sacramento, California, in the years 1860–1861, the Secretary of the Treasury is authorized and directed to strike and furnish to the National Pony Express Centennial Association not more than five hundred thousand medals with suitable emblems, devices, and inscriptions to be determined by the National Pony Express Centennial Association subject to the approval of the Secretary of the Treasury. The medals shall be made and delivered at such times as may be required by the Association in quantities of not less than two thousand, but no medals shall be made after December 31, 1961. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 2. The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

SEC. 3. The medals authorized to be issued pursuant to this Act shall be of such size or sizes and of such metals as shall be determined by the Secretary of the Treasury in consultation with such Association.

MEDALS IN COMMEMORATION OF THE 100TH ANNIVERSARY OF STATEHOOD OF KANSAS

The bill (S. 2431) to provide for the striking of medals in commemoration of the 100th anniversary of statehood of the State of Kansas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in commemoration of the one hundredth anniversary of statehood of Kansas, the Secretary of the Treasury is authorized and directed to strike and furnish to the Kansas Centennial Commission not more than twenty thousand medals of either silver or bronze or both, of a suitable size and with suitable emblems, devices, and inscriptions to be determined solely by the Secretary of the Treasury. The medals shall be made and delivered at such times as may be requested by the commission in quantities of not less than twenty-five hundred, but no medals shall be made after December 31, 1961. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 2. (a) The Secretary of the Treasury shall cause such medals to be struck and furnished at no less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

(b) Upon authorization from the Kansas Centennial Commission, the Secretary of the Treasury shall cause duplicates in silver or bronze or both of such medal to be coined and sold, under such regulations as he may prescribe at a price sufficient to cover the cost thereof (including labor).

BILL PASSED OVER

The bill (S. 2578) to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes, was announced as next in order.

Mr. KEATING. Over, Mr. President, by request.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF FEDERAL HOME LOAN BANK ACT

The bill (S. 2517) to amend section 7 of the Federal Home Loan Bank Act, as amended, was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. ENGLE obtained the floor.

Mr. ROBERTSON. Mr. President, will the Senator from California yield to me?

Mr. ENGLE. I yield.

Mr. ROBERTSON. The law provides that the new States of Alaska and Hawaii, as would all other States, each would have one representative on the Board of the Home Loan Bank of San Francisco. This bill would provide additional members so as not to deprive the State of California of its present representation.

We understand there is no objection in San Francisco to this provision; and no objection in regard to the bill was voiced in our committee.

Mr. MORSE. Mr. President, will the Senator from California yield?

Mr. ENGLE. I yield.

Mr. MORSE. I understand that the entire purpose of the bill is to provide Alaska and Hawaii with representation on the Board. Is that correct?

Mr. ROBERTSON. The present law provides for at least one representative from each State, but it was felt that California, which has approximately two-thirds of the share accounts, should not be deprived of any of its present representation, which would be the result of Alaskan and Hawaiian statehood, if this bill does not pass.

Mr. MORSE. Very well; I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2517) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 7 of the Federal Home Loan Bank Act, as amended, is hereby amended by striking out the language in the first sentence after the first colon and inserting in lieu of the matter so stricken the following: "*Provided,* That the Board may by regulation increase the number of elective directors of any Federal home loan bank having a district which includes five or more States to a number not exceeding thirteen, but any additional elective directors shall be apportioned as nearly as may be practicable in the same manner and order as is provided for the apportionment of elective directors under subsections (c) and (d) hereof: *Provided further,* That there shall not be less than one nor more than three elective directors from any of the States in any district in which the number of elective directors is increased."

SEC. 2. Subsection (b) of said section 7 is hereby amended by adding thereto at the end thereof the following sentence: "In the case of any district in which the Board has by regulation increased the number of elective directors pursuant to subsection (a) the Board may by regulation provide for an additional number of directors to be appointed and to hold office as provided in the first sentence of this subsection, but the total number of appointive directors shall not exceed one-half the total number of elective directors in such district: *Provided,* That the term of the initial incumbent of any office established pursuant to this sentence shall expire at the end of the fourth calendar year beginning with the calendar year current at the time of his appointment, except that the Board may provide for any such initial incumbent a shorter term expiring at the end of a calendar year."

BILL PASSED OVER

The bill (S. 2402) to clarify the authority of the Postmaster General to provide for the expeditious, efficient, and economical transportation of mail, and for other purposes, was announced as next in order.

Mr. ENGLE. Over as not calendar business.

The PRESIDING OFFICER. The bill will go over.

JUVENILE DELINQUENCY CONTROL PROBLEMS—BILL PASSED OVER

The bill (S. 694) to provide Federal assistance for projects which will demonstrate or develop techniques and practices leading to a solution of the Nation's juvenile delinquency control problems was announced as next in order.

Mr. KEATING. Mr. President, I am personally in favor of this measure, but I feel it may be open to certain amendments and therefore should go over as not being proper calendar business.

The PRESIDING OFFICER. The bill will go over as not being proper calendar business.

Mr. MORSE subsequently said: I agree with the Senator from California that Calendar No. 819, S. 694, is not appropriate calendar business on unanimous consent; but it is very important business, in my judgment, for the Senate to transact before it adjourns, and I hope that the leadership of the Senate will schedule the bill for treatment by motion.

This morning, in the morning hour, there was considerable amount of discussion about some of the problems relating to the youth of our country. I think the pornographic material that is being fed into the channels of mail transportation in this country is polluting the minds of our youth. I happened to sit on the committee that handled the juvenile delinquency bill. I give assurance to my colleagues here in the Senate that this bill has nationwide support from juvenile delinquency authorities. We would like to have a broader bill than this. It is a bill that has been cut down considerably. But even this bill is better than nothing. We ought to get started on this program.

I certainly hope, before we adjourn, this juvenile delinquency bill will be brought up by motion, and if objection be made, that it be voted up or down.

Mr. JAVITS subsequently said: Mr. President, I wish to join my colleague from Oregon in everything he has said, and to emphasize the vital struggle we are having in our large cities, like my city of New York, to deal with juvenile delinquency and the need to have national leadership in this struggle. I hope very much the leadership will give us a chance to act on this bill before we adjourn.

BILL PASSED OVER

A bill (H.R. 7244) to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies was announced as next in order.

Mr. ENGLE. Over as not calendar business.

The PRESIDING OFFICER. The bill will go over.

AMENDMENT OF FEDERAL CREDIT UNION ACT

A bill (H.R. 8305) to amend the Federal Credit Union Act was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KEATING. Mr. President, may we have an explanation of the bill?

The PRESIDING OFFICER. An explanation of the bill is requested.

Mr. SPARKMAN. Mr. President, H.R. 8305 would rewrite the entire Federal Credit Union Act. In doing so, it would make a number of changes in the act in order to bring it up to date and to reflect the current status of the credit union movement.

In the committee's report on H.R. 8305 we pointed out the phenomenal growth in credit unions, particularly Federal credit unions, during the 25 years since Senator Morris Sheppard appeared before the Banking and Currency Committee and successfully urged the enactment of the Federal Credit Union Act. As the report shows, in 1935 savings in all credit unions were less than $50 million. Now the figure is $3.9 billion. Federal credit unions have grown from 772, with 119,000 members and $2 million of assets at the end of 1935, to 9,030 credit unions, with 5,209,912 members and over $2 billion of assets.

This growth proves beyond question that credit unions have found an important and significant place in the Nation's financial structure. They have performed the function of providing a convenient, safe, and remunerative form of savings; and they have also provided a convenient and economical form of borrowing for their members.

This demonstration of their ability to handle savings and loans effectively makes it appropriate to consider a further expansion of their lending functions, and it also makes it appropriate

to consider whether rearrangements in their administrative procedures could make them even more effective than they now are.

It was because of these developments that on April 23 of this year I introduced S. 1786, which would have revised the Federal Credit Union Act extensively. When the House of Representatives passed H.R. 8305, the Senate took that bill under consideration, held hearings on it and on Senator McCARTHY's S. 1985 and my S. 1786. After careful consideration the committee reported out H.R. 8305. H.R. 8305 would make a number of changes in the present law:

First. It would increase the maximum maturity of a loan from 3 years to 5 years. The Director of the Bureau of Federal Credit Unions would be authorized to require that loans be amortized. He could not, however, require by regulation more frequent amortization than once a year. This would not, of course, prevent the credit union itself from requiring quarterly or monthly amortization if it saw fit.

Second. It would increase the unsecured loan limit from $400 to $750. The House had recommended the unsecured loan limit be increased to $1,000, but the committee felt that an increase from $400 to $750 was sufficient for the time being.

Third. It would authorize Federal credit unions to cash checks or to write checks and money orders, and to charge reasonable fees for doing so. These services would, however, be limited to members.

Fourth. It would permit space in a Federal building to be used by State or Federal credit unions if 95 percent of the members are or were at the time of joining Federal employees and members of their families.

Fifth. It would include Federal credit unions within the criminal laws, prohibiting robbery and related crimes.

In addition, H.R. 8305 would make a number of changes in the administrative provisions of the Federal Credit Union Act in order to enable them to operate more effectively. The supervisory committee would be chosen and might be suspended by the board of directors instead of by the members. The credit committee might appoint loan officers, who might be paid. The board of directors might appoint an executive committee to handle some of its activities and it might appoint a membership officer. The board of directors, rather than the members, would declare dividends.

The committee made two changes in the bill as it passed the House. One of these I have already mentioned—changing the maximum unsecured loan limit to $750. The other change made by the committee relates to the question of central credit unions. The Credit Union National Association urged that the Federal Credit Union Act authorize the establishment of Federal central credit unions, which Federal credit unions and their officers might join. This was opposed by the Bureau of Federal Credit Unions and the administration generally. The House did not approve the proposal, but instructed the Director of the Bureau of Federal Credit Unions to submit a draft of legislation providing for such unions. Under the circumstances, the Senate committee felt that it was inappropriate to ask for a draft of legislation. Instead, the committee amended the bill to instruct the Director to make a study of the desirability of these central credit unions and to submit a report of this study by April 15, 1960, along with its recommendations for legislation.

H.R. 8305, as amended by the committee, is a sound and effective bill. It will enable the Federal credit unions to perform their functions even more effectively than they are now doing. I urge that it be enacted this session.

Mr. KEATING. I thank the distinguished Senator from Alabama for the explanation. I have no objection to the present consideration of the bill.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with amendments on page 15, line 8, after the word "of", to strike out "$1,000" and insert "$750"; in line 9, after the word "over", to strike out "$1,000" and insert "$750", and on page 30, after line 2, to strike out:

SEC. 3. The Director of the Bureau of Federal Credit Unions shall submit to the Congress on or before January 15, 1960, a draft of legislation providing for federally chartered central credit unions.

And, in lieu thereof, to insert:

SEC. 3. The Director of the Bureau of Federal Credit Unions shall make a study of the desirability of providing for federally chartered central credit unions, and shall submit to the Secretary of Health, Education, and Welfare, for transmission to the Congress on or before April 15, 1960, a report of the results thereof and such recommendations for legislation thereon as the Director deems appropriate.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF TARIFF ACT OF 1930

The bill (H.R. 6579) to amend the Tariff Act of 1930 to provide for the temporary free importation of extracts, decoctions, and preparations of hemlock suitable for use for tanning was considered, ordered to a third reading, read the third time, and passed.

PLACING OF CERTAIN PUMICE STONE ON FREE LIST

The bill (H.R. 6368) to amend the Tariff Act of 1930 to place certain pumice stone on the free list was considered, ordered to a third reading, read the third time, and passed.

DISCHARGE OF JUDICIARY COMMITTEE FROM CONSIDERATION OF S. 2391, THE CIVIL RIGHTS BILL—RESOLUTION PASSED OVER

The resolution (S. Res. 174) to discharge the Committee on the Judiciary from the further consideration of the bill (S. 2391) to extend the Commission on Civil Rights and to provide further means for securing and protecting the right to vote, was announced as next in order.

Mr. THURMOND. I object.

The PRESIDING OFFICER. The resolution will go over.

Mr. JAVITS. Mr. President, I wish to make a short statement on Senate Resolution 174, Calendar No. 825.

The PRESIDING OFFICER. If the Senator will reserve his right to object on the next bill, he will be able to make a statement on Senate Resolution 174, which will appear at that place in the RECORD.

The bill (H.R. 6733) for the relief of Paul & Beekman, Inc., and others was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, reserving the right to object, I wish to make a statement with respect to Calendar No. 825, Senate Resolution 174, to discharge the Judiciary Committee from further consideration of S. 2391, which was submitted by me and the Senator from New Jersey [Mr. CASE] on August 25.

There was no hidden motive behind this resolution on our part. The plain fact was, and is, that with the discharge resolution pending on the Calendar, the Senate and the leadership is armed with one more legitimate method it can utilize, should it wish, to call up the civil rights bill.

I believe the right to consider a civil rights bill should be afforded, although doing it may require unusual procedure in the days ahead, just as it did in 1957.

On January 20, 1959, I think the majority leader himself sounded the note, at least for me, and I think for many others who feel as I do, when he said the Senate will provide in the civil rights field the leadership that the American people yearn for.

Mr. President, there are several courses which are open to the majority leadership. The resolution which has been passed over on the call of the calendar can be taken up by motion. I refer to the discharge resolution.

In addition, a bill as to which civil rights amendments have been printed can be taken up by motion. There are two such bills which are now on the calendar. Amendments have been offered by the Senator from Missouri [Mr. HENNINGS] and by my colleague [Mr. KEATING].

Third, if the House passes a civil rights bill and sends it to the Senate, the bill can be taken up for immediate consideration by motion, as was done in 1957.

Mr. President, I do not know which of these alternatives the Senate majority leadership will choose. Should none of these be chosen, then those of us who are pledged to the passage of meaningful and adequate civil rights legislation will have available to us two courses of action.

First, we can propose a civil rights amendment to any bill which may be pending before the Senate. We can move to set aside whatever business is pending before the Senate and to replace it with the discharge resolution.

There has been a great deal of speculation about the calling up of a civil rights bill at this session of Congress. I would say that the speculation is premature. A number of things will have to happen before the situation can be clear.

For one thing, the life of the Civil Rights Commission needs to be extended. This opportunity will come before the Senate in regard to consideration of the Mutual Security appropriation bill. The Senator from Arizona (Mr. HAYDEN) has already given notice that he will make a motion to suspend the rules.

I wish to point out that while it is a highly desirable thing to extend the life of the Civil Rights Commission, that is not, in and of itself, meaningful civil rights legislation.

For another thing, those of us who favor a meaningful civil rights bill—and such a bill should now give effective weight to the findings of the Federal Civil Rights Commission, which have recently been published—must determine what is the best plan for obtaining our objective.

Neither of these two things which I have mentioned is as yet clarified. One thing is clear to me, however. The specter of extended debate has now been pretty well exorcised from these proceedings, because those of us who favor a civil rights bill, in common with many other Senators, have already lost the time for summer vacations with our children and families, because of the sheer volume of work of the calendar. If the circumstances dictate that we must remain in session for some more weeks or months in the cause of an equal opportunity for all citizens, I believe that will be cheerfully accepted by a majority of the Senate.

Mr. MORSE. Mr. President, I wish to associate myself with the remarks of the Senator from New York [Mr. JAVITS] in regard to the course of action he recommends to the Senate with respect to proposed civil rights legislation.

Mr. President, I ask unanimous consent that the remarks which I made during the morning hour in regard to the Civil Rights Commission be transposed for printing at this point in the RECORD, in connection with the discussion of Calendar No. 825.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? Without objection, it is so ordered.

REPORT OF THE CIVIL RIGHTS COMMISSION

Mr. MORSE. Mr. President, in view of the comments which have been made in the Senate and in the press with regard to the Civil Rights Commission, I wish to raise my voice briefly today in high commendation of the work of the Civil Rights Commission, and the report just filed with the President of the United States.

We will have an adequate opportunity, I believe, before this session adjourns sine die, for a rather full discussion of the legislative future of the Civil Rights Commission. I think it is particularly proper, in defense of the Civil Rights Commission and its report, to place at this point in the RECORD section 4 of Article I of the Constitution of the United States, which reads:

> The times, places and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

I think that is particularly apropos in view of another section of the Constitution, which I shall read in a moment. Before doing that, I shall read from Article II, section 1 of the Constitution, the second paragraph of which reads:

> Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress: but no Senator or Representative, or person holding an office of trust or profit under the United States, shall be appointed an elector.

The fifth paragraph of section 1, article II, reads:

> The Congress may determine the time of choosing the electors, and the day on which they shall give their votes; which day shall be the same throughout the United States.

Then, we have that great protection of the right of franchise in the United States emblazoned to the glory of this Republic in the 15th amendment, section 1, which reads as follows:

> The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

Section 2 of the 15th amendment reads:

> The Congress shall have power to enforce this article by appropriate legislation.

Mr. President, I commend the Civil Rights Commission for taking the sound constitutional stand it in effect has taken by pointing out to the American people once again that the Constitution means exactly what it says and that the 15th amendment means exactly what it says, namely, that in this country there shall be no denial of full voting privileges to anyone in Federal elections because of race, color, or creed. Congress has not only the constitutional right but also the clear duty to pass such legislation as may be necessary and appropriate to guarantee first-class voting privileges to all citizens of the United States.

Mr. KEATING. Mr. President, I shall not detain the Senate long. I spoke on this subject in the morning hour, pointing out the fear or the suspicion which was growing in the minds of some that the extension of the Civil Rights Commission might be considered a civil rights bill. It would be nothing of the kind. It would not be a compliance with the representations made that we would have an opportunity to pass on a meaningful civil rights bill at this session of Congress.

Mr. President, I ask unanimous consent that my earlier remarks, made in the morning hour, may be printed in the RECORD at this point, since it is a more appropriate spot.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. KEATING. Mr. President, on a final subject, the distinguished Senator from Alabama [Mr. SPARKMAN] is as good a friend, I hope, as I have in this body. I admire him. I respect him. I often find myself in agreement with him.

I, however, am in violent disagreement with the statements which he made here this morning with regard to the report of the Civil Rights Commission. I was distressed to hear these statements made by such an able and influential Senator and one who has been honored by the majority party with the second highest gift within their power to bestow.

I have a high regard for every sovereign State of this Nation. I would feel very bad were I to violate the rules of the Senate which require that no Senator shall speak ill of another sovereign State. The records, however, of the Civil Rights Commission have revealed that in one of the counties in the Senator's State 25 Negroes claimed that the board of registrars had unlawfully refused to put their names on the voting lists. The registrars refused to testify when inquiry was made. They resigned when the Attorney General sued to compel the registration of apparently qualified Negroes under the Civil Rights Act of 1957. As a result, there was nobody to sue. New registrars were named, and they have refused to serve out of fear that they would have to register Negroes.

Mr. President, as I view it, that is a situation which requires legislative correction. This report of the Civil Rights Commission is not an extreme document. It is, in fact, moderate and balanced. In some respects it had unanimous approval. In several important respects it had the approval of five of the six members. Yet it is now being subjected to violent and unbridled attack.

This morning's Washington Post had an excellent editorial on this subject entitled "Conscience of the Nation." There was only one sentence in it which disturbed me. It stated:

> For the moment, however, the effect of the report is to relieve the pressure on Congress for a comprehensive civil rights bill.

It is my hope that it will not be considered that we are getting a civil rights bill this session if we do nothing more than extend the life of the Commission. That should follow as a matter of course. It is not, in my judgment, any compliance with the representations that were made to us, that a bill to protect the voting and other rights of our citizens would be brought before us in this session, simply to give us an opportunity to vote on the extension of the Civil Rights Commission.

There is a very great furor being built up, and I may be forgiven, I hope, Mr. President, if I voice a suspicion that in some quarters it may be felt that the extension of the Commission may be made a big enough issue to stop any further action in this field; and to that I protest.

Mr. President, I ask unanimous consent to have printed in the RECORD, fol-

lowing my remarks, the editorial to which I referred, entitled "Conscience of the Nation."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONSCIENCE OF THE NATION

One striking effect of the Civil Rights Commission report is to make the House and Senate bills to bolster civil rights look pallid by comparison. Both houses have been balking over mild, narrow, and halting steps toward the elimination of discriminatory treatment on grounds of race. The Commission which Congress created to act as a sort of conscience to the Nation in this sphere has looked at the problem objectively and come in with sweeping proposals that would go far toward wiping out the disfranchisement of minorities instead of inching toward improvements.

We doubt that either the recommended constitutional amendment or the drastic proposals for temporary Federal registration officials in localities where state or local officials fail in their duty can be enacted at the present time. But they serve to focus national attention on the problem. The report itself gives further extended emphasis to the fact that the Negro is disfranchised in many parts of the South. By inaction the country has brought about "a partial repudiation of our faith in the democratic system."

The proposed constitutional amendment would wipe out all state control over voter qualifications, except age, and length of local residence. In effect it would establish universal suffrage, except for persons legally confined, without any educational or other requirements that could be twisted into discriminatory devices in administration. This is open to the familiar objection of Federal encroachment on state prerogatives; moreover, it won the support of only three of the Commission's six members. It would, of course, require a two-thirds vote in Congress.

As a practical matter, therefore, attention is likely to be centered on the proposal for temporary Federal registration of voters where that becomes necessary to prevent inexcusable disfranchisement. This suggestion grew out of the actual situation that has developed in some counties since the Commission began its work, and it is given additional cogency by the fact that five of the six members support it.

In Macon County, Ala., the CRC heard 25 Negroes who claimed that the board of registrars had unlawfully refused to put their names on the voting rolls. The registrars refused to testify. They also resigned so that when the Attorney General sued to compel the registration of apparently qualified Negroes, under the Civil Rights Act of 1957, there was no one to sue. New registrars were named and refused to serve out of fear that they would have to register Negroes.

Obviously this situation, and others like it, are intolerable. The result is not merely to deny Negroes the right to vote in Alabama and some other Southern States but also to taint elections for the Presidency and Members of Congress. In these circumstances temporary Federal registration of voters would be perhaps the most potent lever by which to induce local officials to put their own houses in order.

For the moment, however, the effect of the report is to relieve the pressure on Congress for a comprehensive civil rights bill. New legislation must now be shaped in the light of the Commission's findings and recommendations in the fields of education and housing as well as voting. The imperative for this session is to continue the work of the Commission. Without action, the CRC would be a dead duck in 60 days, and Congress would be in the position of having stopped its investigative work because it has been forthright in its findings and recommendations. Regardless of how much opposition arises, therefore, continuation of the CRC as a going concern seems to us imperative.

Mr. SPARKMAN subsequently said: Mr. President, I ask for the attention of the distinguished Senator from New York [Mr. KEATING], the acting minority leader.

A few minutes ago the Senator made reference to a situation in one of the counties in Alabama—specifically Macon County, Ala.—in which persons resigned from positions as registrars and other persons declined to serve.

Mr. President, the situation was brought about by the actions of the Civil Rights Commission and by their effort to have a ruling in court that a person serving as registrar could not resign, or if he attempted to resign, that he would continue to be liable for the acts of the board during the time he was a member of the board of registrars, and continuing through the future.

Let it be said that in every decision—and there were several of them in the Federal courts of the United States—the contentions of the Civil Rights Commission were turned down and decisions were made upholding the State of Alabama.

It is because of such decisions that the Civil Rights Commission now is trying to have Federal registrars go down into the States to register voters—commissars sent out from Washington into the distant provinces to serve as registrars at the grassroots where basic democracy lies. I say it is not only time to scorn such recommendations of the Commission, but it is time to kill that Commission. I shall certainly do my best to bring that about.

Mr. DOUGLAS subsequently said: Mr. President, I ask that the statement I am about to make be printed in the RECORD at the point where the comments of other Senators on Calendar No. 825, Senate Resolution 174, are reported.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. I hope the Committee on the Judiciary will report, in the concluding days of the session, a substantial civil rights bill.

I remind the Senate and the country that both political parties and a substantial majority of the individual Members of both the House and the Senate are committed to some effective action; and certainly the Judiciary Committee should give to the Senate the benefit of its study and recommendations.

The Judiciary Committee has certainly had an adequate time to do this. Bills on civil rights have been under consideration by the Judiciary Committee for at least 6 months. The Senator from Missouri [Mr. HENNINGS] has reported the dilatory action of the Judiciary Committee in considering various civil rights measures; and in default of action by the Judiciary Committee the Senate has not only the right, but the duty, by some such step as the Senator from New York [Mr. JAVITS] proposed, to bring such civil rights legislation to the floor for action.

I will support Senate Resolution 174, submitted by the Senator from New York [Mr. JAVITS] and the Senior Senator from New Jersey [Mr. CASE] to discharge the Committee on the Judiciary from further consideration of Senate bill 2391, a bill to extend the Commission on Civil Rights, and to provide further for securing the protection of the right to vote.

I hope that a large majority of the Senate will support such a move, and I hope the necessary action—either in the form of the Senator's discharge resolution or by the other routes outlined by him in his remarks—will be taken at the appropriate time.

I emphasize, however, that we cannot fulfill our obligations to the American people in this field by the passage of any watered-down, token legislation, which fails to deal with the most grievous denials, of constitutional rights today.

I have read the report of the President's Commission on Civil Rights, which was issued yesterday, and which appeared in the press this morning. I was pleasantly surprised by the report. I had not had very high expectations for the work of the Commission up to that time. In my judgment the report is an excellent one.

I wish to call attention to a few points in that report which tend to be neglected. The first point is that the Commission finds that the Voting Rights Act of 1957, which we passed 2 years ago, has not resulted in the addition of a single vote by the Negro population of the country. It has been a complete dead letter, and the Department of Justice has failed to enforce the act.

The second point I wish to emphasize is that the Commission points out that compliance with public school desegregation decisions of the Supreme Court has distinctly slowed. There has been very little progress in the past year; and the report which has just been issued analyzing developments when schools opened this fall, which report comes from a responsible reporting service in Nashville, Tenn., shows that there has been very little progress this September.

The Civil Rights Commission points out what some of us have been contending for a long time, namely, that the job of obtaining compliance with the principles of the 14th and 15th amendments should not be left entirely to the courts, but that the Congress and the President, and the whole executive branch have a responsibility in this field.

I feel this most intensely. I believe that the recommendations of the Commission are sound and well established.

The discharge resolution submitted by the Senator from New York and the Senator from New Jersey relates to Senate bill 2391, which, with pending amendments submitted by the Senator from Missouri [Mr. HENNINGS], includes the constructive proposals of Senate bill 810, which was sponsored by 17 Members of this body, and was designed to help give effect to the decisions of the Supreme Court relating to public education. It

also contains other significant proposals to protect the voting rights and other constitutional rights of American citizens. The bill and pending amendments thus constitute meaningful legislation that would deal constructively with major problems I have mentioned.

Mr. President, the conscience of our Nation and the conscience of the Senate should not allow us to ignore the pressing need to protect human rights and human dignity today. Therefore, let us resolve that at the earliest possible date we shall grasp this nettle, this opportunity, to help our country to carry out its constitutional guarantees of equal justice for all our citizens.

We can do this either by the discharge route, proposed by the Senator from New York [Mr. JAVITS], or by other available means to bring such a measure to the floor of the Senate.

I hope very much that the leaders of both political parties in this body will agree to a date certain when these matters may be raised, debated, and voted upon by the Senate.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "A Hopeful Approach," which was originally printed in Progressive magazine for June 1959 and which cogently points out the need for the passage of legislation like that proposed in S. 810.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A HOPEFUL APPROACH

Few issues confronting the 86th Congress carry so great a challenge to advance our well-being at home and our stature abroad as the issue of civil rights. The whole world—a majority of whose inhabitants are colored—will be watching this month and next as the legislative body of the most powerful democracy on earth seeks to forge new legal instruments designed to open the doors of equal opportunity to the one-tenth of its people currently consigned to the status of second-class citizens.

There will be skirmishes in Congress in many sectors of the field of civil rights, but none will be so important as the major battle to provide legislative direction and executive leadership in the struggle to integrate the public schools of the land.

It is now 5 years since the U.S. Supreme Court, by unanimous judgment, outlawed segregation in the public schools. The latest survey by the reliable Southern Education Reporting Service showed that in the 17 Southern and border States and the District of Columbia about 473,000 Negro pupils—of whom 75 percent are in Missouri, Maryland, and the District of Columbia—are in districts where some desegregation at least has been started in elementary or high schools. But only 148,500 of these are reported to be attending mixed schools.

In a fair number of communities, ranging from larger cities, like Louisville, Baltimore, and Washington, to tiny towns in Texas there has been a heartening effort to live up to constitutional obligations with speed, efficiency, and good will. Perhaps the most dramatic recent advance occurred in Virginia. The crumbling of massive resistance in the face of court decisions resulted in the desegregation of a dozen schools, but the number of Negro children admitted to previously all-white schools—17 in Norfolk, 9 in Alexandria, 4 in Arlington, and 21 in Warren County (with no white pupils)—was disappointingly small.

The rate of progress on the college level has been somewhat more encouraging. As of last fall, 114 of the 202 formerly all-white public colleges in 13 of the 17 Southern and border States were willing to accept Negroes. More than 2,000 Negroes were reported to be enrolled in these schools.

All this adds up to a measure of progress, but a pitifully small one 5 years after the Supreme Court's celebrated decisions. It would be comforting to count these as gains toward a goal if they were part of a continuing process. But this is not the case. In substantially more than two-thirds of the 2,900 biracial school districts in the South there has been no progress at all. Ten million children, Negro and white, go to school in the 2,100 districts in which there has been no start whatever toward desegregation. In six States—Alabama, Florida, Georgia, Louisiana, Mississippi, and South Carolina—there has been no desegregation, and the advances in North Carolina, Tennessee, and Virginia have been quite feeble.

All in all, the South's record of compliance with the mandate of the Supreme Court has been a dismal one. No one, of course, expected integration to become an accomplished fact in 5 years, but it was not too much to hope that a reasonable start would be made in most of the southern school districts. Instead there has been open defiance, violence, and the enactment of scores of measures designed to make enforcement of the Court order impossible.

Hearings before congressional committees on a variety of civil rights bills have disclosed a shocking lawlessness in official circles. Southern governors, attorneys general, and other State officials refused, without exception, to acknowledge that the 14th amendment, as interpreted in the Supreme Court's school desegregation cases, is the law of the land. They came before the committees of Congress not to plead for time to effectuate an orderly transition to integration without Federal pressure, but to defy the law and to insist they would never comply. Typical was the testimony of Gov. John Patterson, of Alabama. "The citizens of Alabama," he said, "will not tolerate or support an integrated school system. They will scrap their public school system rather than submit to the integration of the races."

Southern State officials have sought to nurture among their constituents the belief that decisions of the Supreme Court are not the law of the land and can be disobeyed with impunity. They have succeeded in large measure because the other two branches of Federal Government have failed completely to support the judiciary. The Eisenhower administration, fatally weakened by the President's commitment to inaction, has done virtually nothing to enforce the law. Congress, paralyzed by the power of its southern bloc, has made no contribution toward winning southern acceptance of the rulings of the judiciary.

The pressure for congressional action to promote compliance in the face of increasing official southern arrogance has been growing steadily in recent years. The result has been the introduction of three sets of bills in this session of Congress—one by the administration, another by Senator Majority Leader LYNDON JOHNSON, and the third by Senator PAUL H. DOUGLAS, Illinois Democrat, and 16 other Senators from both parties.

The Eisenhower and Johnson proposals seem to us pitifully inadequate. The heart of the President's program is a provision that would make it a criminal offense to use force or threats of force to interfere with court orders in school cases. This, surely, is a worthy purpose, but it deals only with interference by force or threats, not in any way with the simple refusal of State and local officials to comply with the law. Moreover, it applies only to such use of force in situations where there are court orders, not to situations where mob leaders are acting against school authorities seeking peaceful desegregation on their own initiative without benefit of a court ruling. And finally, the President's proposal contains no provision empowering the Attorney General of the United States to seek injunctions against those who would deny the equal protection of laws.

The legislation advanced by Senator JOHNSON, the Senate's chief apostle of that curious kind of surrender known by its disciples as moderation, seems to us an even more timorous approach to the problem. The Johnson measure would establish a Community Relations Service dedicated to conciliation of racial disputes. Here, again, is a worthy purpose, but there is nothing in the record to suggest that Southern State officials are prepared to exchange defiance for conciliation. Nor is there anything in the Johnson measure to indicate that it seeks more than the restoration of peaceful relations. There is nothing, for example, to indicate that peaceful relations should be restored in accordance with the law of the land. In fact, there is nothing in the Johnson proposal to suggest that the Supreme Court decision is the law of the land; on the contrary, its principal provisions seem to say that one can haggle with the law in pursuit of a bargain that settles for something less than the letter and spirit of the law.

Far different from the administration and Johnson bills in outlook and approach is the measure sponsored by Senator DOUGLAS and 16 of his colleagues. This bill, S. 810, would go a long way toward ranging Congress and the Executive alongside the Supreme Court in accepting the legal and moral responsibility for upholding the constitutional rights enunciated in the 14th amendment. Moreover, by providing Government with the tools of technical, financial, and legal assistance, the Douglas measure would no longer leave the sole burden of initiating the moves to sustain the constitutional right to integrated education upon the shoulders of relatively poor, weak, and increasingly hard-pressed individuals, who must act in the face of hostile threats and unyielding local resistance.

The principal provisions of the Douglas bill are:

1. The declaration that the Federal Government accepts the legal and moral responsibility for implementing the constitutional requirements for desegregation.

2. Provision is made for vitally needed Federal technical and financial assistance and Federal leadership to States and local communities whose schools are still segregated. Primary emphasis is placed on such affirmative aids as the gathering and distribution of helpful data and surveys, the holding of conferences, the establishment of advisory councils, and the making available of specialists' services, with authorized appropriations up to $2,500,000 per year for 5 years.

The bill also authorizes grants to State and local units of government to meet the costs of additional measures required by desegregation while at the same time assisting in the maintenance of existing educational standards, including grants for employment of additional teachers, inservice or short-course teacher training, construction or enlargement of school facilities, and replacement of withdrawn State funds. Appropriations of up to $40 million a year for 5 years are authorized for these purposes.

Moreover, by an extended procedure requiring local consultation and participation,

the Secretary of Health, Education, and Welfare is also authorized to propose desegregation plans.

There is no blackjack in S. 810. The bill's authorized assistance provisions can operate only if the local community agrees and requests aid, and the desegregation plan sections can be effective, short of lengthy court proceedings, only if the community accepts them.

3. The most controversial feature of the Douglas bill is its provision for Federal legal assistance in securing equal protection of the laws, especially where private parties are unable to vindicate the constitutional rights of school children. This part of the bill seeks to enact the principle of part III stricken from last year's civil rights bill after a bitter battle. It would authorize the Attorney General to file civil suits to prevent denials in equal protection cases because of race, color, religion, or national origin.

This last provision is urgently needed, Senator DOUGLAS pointed out, "because without it the weakest, the poorest, and those most subject to intimidation or coercion are required to fight their case with their own resources against the legal talent, power, legislation, and economic resources which a State opposed to desegregation can throw into the breach. Because of the antibarratry laws [which make it a penal offense in some Southern States for anyone to offer financial or legal assistance for court actions to interested parties suing to protect their constitutional rights], the anti-NAACP laws, school placement laws, and the multitude of other barriers thrown up to resist the law of the land, the scales of justice can only be evenly balanced if these legal and economic burdens of enforcement are borne in part by the Federal Government, whose duty it is to enforce the law.

"To require, as is now the case, that this burden be placed solely on the backs of the fathers and mothers of Negro children in areas which are overwhelmingly hostile to them is to apply that concept of justice made famous by Anatole France's remark that the 'law in its majestic equality forbids the rich as well as the poor to sleep under bridges, to beg in the streets, and to steal bread.' "

The Douglas bill's authorization for the Attorney General to seek injunctive relief is hemmed in with a variety of safeguards designed to provide recalcitrant southern communities with their day in court—and more. Moreover, there is nothing novel about the use of the injunction to secure compliance with law. Unfair labor practices, national emergency strikes, antitrust law violations, wage-and-hour law infractions, defense production act violations, and scores of others affecting both personal and public rights—more than 45 in all—are reached by similar actions under existing laws.

Here, in the Douglas bill, are the ingredients of a hopeful approach to one of the most compelling problems facing our country. The measure recognizes the deep roots of resistance in the South, in social custom and practice. That is why its emphasis is on a transition to compliance with the law in a reasonable, conciliatory, and affirmative manner, with special stress placed on a maximum of cooperation and agreement between Federal and local governments and a considerable measure of Federal aid for communities bent on adhering to the law with a minimum of dislocation. Assistance and prevention are the keynote themes of the bill, not penalties and restrictions. In fact, there is no criminal section in the bill.

Here, in the Douglas bill, is an opportunity for Americans of good will to join together in working toward a creative solution to a controversy which has produced bitterness and despair for so many years. It is no cure-all, to be sure, but it represents a helpful beginning which would advance our well-being here at home and our honor and stature throughout the world. We urge readers of the Progressive who share our judgment to do everything in their power to support S. 810—by notifying their Senators and Representatives, by writing letters to their local newspapers, and by mobilizing the organizations to which they belong in support of this measure.

Mr. DOUGLAS. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD excerpts from a very excellent report on school desegregation by the Southern Regional Council, a fine body in the South, having as members citizens from both races.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM A BACKGROUND REPORT ON SCHOOL DESEGREGATION FOR 1959–60 BY THE SOUTHERN REGIONAL COUNCIL, ATLANTA, GA.

Nineteen hundred and fifty-eight-nineteen hundred and fifty-nine was a year in which a steadily growing body of southerners discovered that the old slogans and old passions were inadequate for the present needs of southern society. While the political spokesmen of the South kept up the attack on school desegregation by saying the familiar things about racial differences and States rights, new issues appeared more meaningful to many of their constituents. For them, the basic issue had become the defense of the public schools. As was demonstrated in both Little Rock and Virginia, this was a cause which for a large number of southerners transcended in importance the question of segregation versus desegregation.

The closing of schools in Little Rock, Charlottesville, Front Royal, and Norfolk affected 16,300 youths. Through hastily organized private schools, correspondence courses, and the generosity of other public-school systems, the majority of these were educated in some fashion. About 1,800, however, got no schooling.[1]

Looking back on 1958–59, the fifth school year after the Supreme Court's decision in the School Segregation cases, one can take note of the major developments and in doing so raise the question as to which of them were the most significant of the future. The educational derailment of the 16,000 young people will certainly have consequences, but they are of the kind about which one can only conjecture. To the minds of some, the fact that southerners showed enough firmness of resolve to shut down schools will seem the crucial revelation of the year. Others will believe that the capitulation of the Virginia State government and the reopening of the schools there in February 1959 was a more prophetic indication of the South's next direction. There must be still other observers who think that the primary fact about 1958–59 was that for the first year in three there was no violence around the schools, no use of troops.

1. THE PRESENT SITUATION

At the end of the 1958–59 school year no desegregation had occurred in the public schools of six States. These were Alabama, Florida, Georgia, Louisiana, Mississippi, and South Carolina.

In the remaining five States of the old Confederacy varying degrees of resistance had been manifested in the years after 1954 and by 1959 had held desegregation to minimal levels. The record was as follows:

	Desegregated districts [1]	Negroes in desegregated schools
Arkansas	8 of 228	80
North Carolina	4 of 174	14
Tennessee	3 of 142	82
Texas	[2] 125 of 722	[2] 3,250
Virginia	4 of 128	30

[1] The number given is the total number of districts with biracial populations; the full number of school districts in Arkansas is 422; in Tennessee, 153; in Texas, 1,646; in Virginia, 129. All of North Carolina's school districts are biracial. Throughout the discussion here and in the next several pages, statistics are derived, principally, from the Statistical Summary of the Southern Education Reporting Service, 6th printing, May 15, 1959.
[2] Estimated.

Excepting Texas, only 206 Negro youths were, in 1958–59, in attendance with white pupils in the 11 States of the South; 45 of these were in the federally owned schools of Oak Ridge (Tennessee). An additional 21 Negroes attended the high school of Front Royal (Virginia); as no white pupils were with them, they are not included in the Virginia count.

In the District of Columbia and in the other States where segregation was legally practiced in the schools prior to 1954, official policies, supported by decisive elements of public opinion, have assisted desegregation. Over the first 5 years, the principal, if less publicized, accomplishment of the Supreme Court's decision is the thousands of children of these areas whose education has been without racial separation.

	Desegregated districts [1]	Negroes in desegregated schools
Delaware	12 of 51	5,727
District of Columbia	1 of 1	67,020
Kentucky	123 of 175	11,492
Maryland	21 of 23	24,089
Missouri	211 of 243 [2]	[3]
Oklahoma	170 of 250	[2] 7,000
West Virginia	43 of 43	[2] 10,000

[1] Biracial in population. Since 1954, Missouri has not kept statistics by race. The estimate of the number of Negroes in desegregated schools in Oklahoma is from the "Statistical Summary," 5th printing, Oct. 15, 1958.
[2] Estimated.
[3] Not available.

In these places, officials have given leadership to desegregation. In North Carolina, Tennessee, Texas, sometimes in Arkansas, and now in Virginia, officials and governments have dedicated themselves to as little desegregation as is legally necessary. In the six States of the deep South, the governmental policy has been one of complete defiance. There is good evidence that Florida is not as adamant as the other deep South States, no one of which, for that matter, has yet had to face the legal crisis which induced Virginia to accept some desegregation, and which has brought 2 years of turmoil to Little Rock.

These 11 States—those which have complied under duress and those which are as yet completely segregated—began in the interval between the 1954 decision of the Supreme Court and the 1955 implementing order to erect their legislative defenses. Indeed, some law-making had begun earlier than 1954. It has continued into 1959. By 1959, however, it had become apparent which legislative measures might reasonably be expected to avoid or limit desegregation, and which ones were clearly useless or merely ebullient, blustering diversions. Although a legislature might, even in 1959, appropriate $500,000 for an advertising campaign to sell the southern way of life (vetoed by the

[1] The figures given in this paragraph are those of Mr. Arthur S. Flemming, Secretary of Health, Education, and Welfare, June 22, 1959.

Governor, Collins of Florida), most efforts to maintain segregation were more serious. The days of interposition, of resolutions demanding the impeachment of Supreme Court justices, of nullification of the 14th and 15th amendments, of bold claims for the States' police powers, were ended, though their fruits will remain on the statute books as memorials of the times: future generations of South Carolinians will, in all likelihood, continue subject to the law of 1958 which requires for the Confederate flag the same sanctity of treatment as for the Stars and Stripes.

But these things have been the fuss and feathers of the resistance. By 1959, four legislative policies had been selected, or had survived, as the principal opposition to desegregation. The further or more rapid advance of educational equality will encounter these, and the decisive legal cases and political contests of the next year or more will revolve about them. They are:

1. Pupil placement laws: These are intended to prevent or minimize desegregation through assigning children to particular schools on the basis of social and psychological criteria, which do not include race. That the result may be little different is demonstrated by the record of the Virginia Pupil Placement Board, which has assigned nearly 420,000 children during 30 months, without sending even one to a school attended by the other race. Some form of pupil placement law has been enacted by Alabama, Arkansas, Florida, Mississippi, North Carolina, Tennessee, Texas, and Virginia.[2] The Supreme Court would not declare the Alabama law unconstitutional on its face, though it stated that the application of the law could make it so. North Carolina's administration of the law has so far survived two challenges in Federal courts. The Virginia law is being disregarded in Arlington, Charlottesville, and Norfolk.

Georgia and South Carolina have no pupil placement laws; the Louisiana placement law was voided by a Federal court in 1956.

2. School closing laws: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Virginia have statutes which require or authorize the closing of schools, either by State or local authorities, to prevent their desegregation; Texas (as do Florida and Virginia) has a so-called Little Rock statute providing for school closure in the event of the use of Federal force. Only Tennessee has refrained from setting up any legal machinery for an educational shutdown. The decision of the three-man Federal district court in Virginia last January made the price of schoolclosing extremely high. In effect, the court ruled that a State could not shut the schools in one locality while leaving open other schools in the State (*James* v. *Almond*). The June decision in Little Rock (*Aaron* v. *McKinley*), is to much the same point: the laws under which the Little Rock high schools closed were ruled to be an evasion of constitutional rights.

Still to be decided is the legality of a complete, statewide abandonment of public education. Needless to say, it is a decision which all can hope will never have to be reached.

3. Private school plans: Private schools have two possible uses in the segregationists' strategy: (a) to assume the whole function of education if the public schools are closed; (b) to provide a segregated education for some, most, or all white children if the public schools are desegregated. There seems to be general agreement that (a) a large-scale private school plan cannot work without State financial aid; and (b) the only form such aid might legally take would be direct tuition grants to the students.

Some sort of private school plan, with tuition grants, has been enacted in Alabama, Arkansas,[3] Georgia, Louisiana, North Carolina and Virginia.

4. Harassment of the NAACP: A mass of legislation has been passed to curb the activities of the NAACP. Old barratry laws have been reinvigorated, membership and financial statements have been required, legislative investigating committees and special commissions have been created and set to work. One important result has been that, for the first time in our history, the Supreme Court has declared and affirmed the freedom of association as a constitutional right (*NAACP* v. *Alabama,* 357 U.S. 449).

Though certainly there have been differences of degree of vigor with which the legislatures have enacted, the committees have investigated, and the executives have prosecuted, 10 of the Southern States have sought by legislative action to cripple the NAACP's ability to operate within their boundaries. The one exception is North Carolina. The aim of this legislation has been to block Negro entrance to the courts by enfeeblement of the NAACP; regardless of whether this has been achieved, much of the NAACP's energies and money have been diverted to defending itself rather than combating segregation.

These four devices—pupil placement, school closings, private schools, and NAACP harassment—are the chosen last defense of segregation. One of them, school closing, is so destructive in its potential consequences as to represent an immediate threat to the national interest.

In the main, southern public opinion has acquiesced in these actions.

This, however, must be said with clear explanation. The official policies of defiance and obstruction have been, beyond any doubt, almost unanimously opposed by one-quarter of the South's citizens; i.e., the Negroes. They have likewise been publicly combated by a small group of white liberals, by many clergymen, and by a small but distinguished group of editors. Especially during the past year, a large and still growing number of white southerners—often called moderates—who had previously been silent, have voiced their dislike of the consequences of the resistance measures, although so far their protests have been confined largely to the school closing laws.

With these qualifications, it can be said that the Governors and legislators of the Southern States have, since 1954, acted with the endorsement of effective public opinion. The climate of opinion in the South between early 1955 and the fall of 1958, and the southern political spokesmen, reciprocally reenforced each other and fashioned something akin to a regional conformity of speech. Massive resistance created, and in turn was sustained by, a massive orthodoxy, first broken by the reaction of Virginians to the school closings of September 1958. Throughout the South, the spectacle of closed schools has been a catalyst to dissent and protest; as a result, open public discussion of the wisdom of resistance now exists and grows, in every State of the South with the possible exceptions of Alabama, Mississippi, and South Carolina.

2. DEVELOPMENTS OF 1958–59

For a long time, poeple have spoken and written of the "process of desegregation." The word "process" implies change that more or less moves from its own momentum, that keeps going unless it is stopped. The year 1958–59, as have the other since 1954, showed that the word does not describe what is happening in the South. The political and social leaders of the region have demonstrated again, as in the past, that they will not succumb, in their racial policies, to a "process." Desegregation is not a change which—at least in this generation—will spread through its own momentum; it is not a "process," but a "campaign" which has to be continuously reenforced. Like any campaign, desegregation has had and will have its "battles," which will be determined by the relative strength of the parties.

Events in Arkansas and Virginia dominated the news in 1958–59. No historian will dispute the newspapers' judgment of their importance. If, as seems likely, they can be gaged as defeats for southern resistance to national authority, there is still the question of whether the Arkansas and Virginia struggles represent Gettysburg and Vicksburg—turning points midway through a long fight—or whether they were episodes in a Wilderness Campaign, just before Appomattox. Probably the realistic answer is that they were Gettysburg and Vicksburg, and that the southern crisis has still a long course to run.

The point is worth making because many persons outside the South have not understood it, and consequently have anticipated too much too soon. The breakdown of the massive structure of resistance in Virginia, despite all the careful planning of Senator BYRD and his political associates, will not mean the end of the South's travail. What happened in Virginia last year is of the greatest importance, probably even larger in impact than the dispatch of troops to Little Rock in 1957. But it does not mark the end of a crisis which has tired the spirits of a region and rubbed raw the nerves of its people, both white and colored. With or without the valued leadership of Virginia, other States will undoubtedly employ the statutory devices described in the last section: pupil placement, school closings, and tuition grants. Furthermore, the segregationists can be expected to maintain and to enlarge a counterattack on the sources of strength of those who are trying to bring about a reform of southern racial policies.

In short, reform did not proceed automatically when the cork of "separate but equal" was pulled from the constitutional bottle. It will now proceed automatically because the State government in Virginia made a strategic retreat.

The segregationists have another hope that reform will not go forward at all. From any realistic view it is a last-straw yearning. But the South has always included a lot of people who can recognize a straw for what it is, and still trust all their weight to it. The events of 1958–59 in Arkansas and Virginia forced the recognition that for the South there are only three alternatives; desegregation; the abolition of public schools; or the near miracle of a disintegration of the pressures for reform.

By counter-offensive against the supporters of desegregation, the present southern political and social leadership will do what it can to bring off the miracle. Unless the signs of the time are in mad disarray, it will not succeed. But the endeavor will bring damage to many persons and institutions, and values which stand in its path, and Americans of all sections ought to be alert to the threat.

To date, the attack by Negroes on legally compelled segregation has been supported strongly by the Federal courts, by American public opinion outside the South, and by religious leaders. Without these allies, the campaign for desegregation would not have progressed. Were these supports to be sufficiently weakened, desegregation would halt.

The southern political and social leadership has shown its awareness of these facts

[2] After Mar. 1, 1960, localities in Virginia may choose to be independent of the State pupil placement board.

[3] Declared unconstitutional by a U.S. district court on June 18, 1959. Governor Faubus has announced that the State will appeal.

by (a) joining every move in Congress to limit the power of the Supreme Court; (b) using whatever propaganda means it can find to reach northern public opinion (e.g. the Carleton Putnam letter reprinted in scores of nonsouthern newspapers) and to disparage the NAACP; and (c) strong local resistance to the social ministry of the clergy, including in too many places outright persecution. The first two of these counter-moves received special employment during 1958–59, and the third continued in unabated force. Were any to succeed, the pace of desegregation would be measurably slowed. Were they all to succeed, desegregation would stop; this is an unlikely prospect, but not an impossible one, and it is the one last, faintly realistic hope which the segregation leaders have, after the happenings of 1958–59 in Arkansas and Virgina.

Little Rock

The chief results of the past year in Arkansas are (1) a stronger, more explicit statement of law by the Supreme Court; (2) a growing disenchantment in the city of Little Rock with extremist leadership; and (3) a quiet but widespread resolve in communities throughout the South that "Little Rock will not happen here."

Increasingly, people in the South spoke and thought of the Little Rock situation as a "mess"; from the viewpoint of the conservative segregationists, Little Rock came to seem a botch; moderates were discovering in it a stern, and chastening, object lesson. Arkansas could never, in the white southerner's manner of looking at his society and its traditions, occupy the place of authoritative leadership which Virginia has filled. Massive resistance there was led by the sort of men whom a conservative region feels honored to follow. The point is worth emphasizing, because in a controversy which is in large measure an issue of emotions, white southerners lost another emotional reassurance when Virginia abdicated its leadership. The void could not be filled by Arkansas, where, as a matter of fact, by May Governor Faubus was appealing over television to the "good, honest, hard-working people of the lower and middle classes" to support him against the "charge of the Cadillac brigade of wealthy and prominent leaders."

As in Virginia, the harassment of the NAACP ramified in Arkansas into threats against the civil liberties of some white persons, particularly teachers. The Arkansas tendency here, as in other respects, however, was to run to extremes, and the result was the first clear electoral defeat for Governor Faubus. On May 5, his three adherents on the Little Rock School Board, in the absence of the three moderate members, purged 44 teachers from the Little Rock schools. The reaction was swift and pained. The Council of Parent-Teacher Associations (white) was followed by the Committee To Stop This Outrageous Purge (STOP), formed by 179 prominent businessmen, in petitioning for the recall of the three officers. Segregationists promptly petitioned for the recall of the other three board members, and the election was held May 25. The Governor publicly and repeatedly asked for the retention of his three friends, all of whom were recalled, while the other three were retained: the voting was close in all six elections.

The recall was the first clearcut instance of popular unwillingness to follow the Governor. During the preceding 10 months, Arkansas had demonstrated to the rest of the South—and the region was not wholly inattentive—that defiance of national law and the bitter-end defense of segregation carried with it the potential for one-man rule. Mr. Faubus had been renominated for an unprecedented third term on July 29, 1958, in the Democratic primary. From the largest turnout in Arkansas' history, he carried 70 percent of the vote and all 75 counties. In the special session of the legislature in late August, his legislative program of stronger resistance was passed as he presented it, with only one dissenting vote. In the election of September 27, a plebiscite held to approve or disapprove his closing of the schools, the second largest vote in Little Rock's history gave its endorsement by better than 2½ to 1. And in the congressional election in November, Representative Brooks Hays, who in the July primary had been renominated easily, was unseated by the write-in candidacy of the Governor's choice, Dr. DALE ALFORD. Although Representative Hays carried 4 of the 6 counties in the district, he lost Little Rock by 1,400 votes and the whole of Pulaski County by 5,500; even if allegations which have been made of irregularities are subsequently verified, the ALFORD write-in vote was startlingly impressive against a man of Hays' popularity and prestige.

The election of Representative ALFORD may have been, however, the high point of the Governor's success. On November 7, in one of the first serious local challenges he had received since he closed Central High in September 1957, the Arkansas Education Association passed a strong resolution, concluding with the statement "the public school system is not expendable." (Immediately, the legislative council, an interim group of the State legislature, ordered its Committee on Subversion in Education to "investigate.") Even earlier, prior to the September plebiscite, the Women's Emergency Committee To Open Our Schools had been formed, and 63 Little Rock lawyers had publicly advised the people that the Governor's plan to operate private schools with public money was probably unconstitutional.

After the ALFORD triumph, the uninterrupted ascendancy began to be checked. In the Little Rock school board election in December, required because of the resignation of the besieged and frustrated old board, a slate of moderates sponsored by businessmen ran against a slate of uncompromising segregationists. Three of each were elected, creating the impasse which led to the recall election 6 months later. The Governor had publicly attacked the whole moderate ticket. Beginning early in 1959, first through their chamber of commerce, and then through STOP, Little Rock businessmen took a stand for an open, free public school system. And in the regular legislative session in the spring of 1959, the Governor got almost, but this time not quite, all he asked for, and in contrast to the special session in August, was actually turned down on one measure.

The stiffening of local opposition was caused in part by the growing feeling that the administration was irresponsible and oppressive; but there were other reasons as well. The business community especially had become apprehensive over the effects of the controversy on the local economy. Not a single new business had located in Little Rock since the first school closing in September 1957, and reports of economic stagnation were frequent. The whole city, moreover, grew tired of the wearying load of its own notoriety, and concerned with the hardship being imposed on its children. And finally, there were the Federal courts, and a spreading popular awareness that they, and not the Governor, represented the "immovable object".

This had been put into some doubt when, on June 20, 1958, Judge Lemley of the U.S. District Court allowed the resegregation of Little Rock schools until January 1961. Within two months he had been overruled by a higher court; and when that decision was appealed to the Supreme Court, the judgment, on September 12 and 29, was the firmest statement of law yet read to the South. The Court held that neither violence nor its threat were sufficient grounds for postponing desegregation; and it made clear that all State officers were legally bound to uphold the Constitution as the Supreme Court interpreted it.

"The constitutional rights of respondents are not to be sacrificed or yielded to the violence and disorder which have followed upon the actions of the Governor and legislature. As this Court said some 41 years ago in a unanimous opinion in a case involving another aspect of racial segregation: "It is urged that this proposed segregation will promote the public peace by preventing race conflicts. Desirable as this is, and important as is the preservation of the public peace, this aim cannot be accomplished by laws or ordinances which deny rights created or protected by the Federal Constitution." *Buchanan* v. *Warley* (245 U.S. 60, 81). Thus law and order are not here to be preserved by depriving the Negro children of their constitutional rights. The record before us clearly establishes that the growth of the Board's difficulties to a magnitude beyond its unaided power to control is the product of State action. Those difficulties, as counsel for the Board forthrightly conceded on the oral argument in this Court, can also be brought under control by State action.

* * * * *

"In short, the constitutional rights of children not to be discriminated against in school admission on grounds of race or color declared by this Court in the Brown case can neither be nullified openly and directly by State legislators or State executives or judicial officers, nor nullified indirectly by them through evasive schemes for segregation whether attempted "ingeniously or ingenuously." (*Smith* v. *Texas*, 311 U.S. 128, 132.)

* * * * *

"It follows that the interpretation of the 14th amendment enunciated by this Court in the Brown case is the supreme law of the land, and article VI of the Constitution makes it of binding effect on the States 'anything in the constitution or laws of any State to the contrary notwithstanding.' Every State legislator and executive and judicial officer is solemnly committed by oath taken pursuant to article VI, 3 'to support this constitution.'

"No State legislator or executive or judicial officer can war against the Constitution without violating his undertaking to support it.

"It is, of course, quite true that the responsibility for public education is primarily the concern of the States, but it is equally true that such responsibilities, like all other State activity, must be exercised consistently with Federal constitutional requirements as they apply to State action. * * * State support of segregated schools through any arrangement, management, funds, or property cannot be squared with the amendment's command that no State shall deny to any person within its jurisdiction the equal protection of the laws. The right of a student not to be segregated on racial grounds in schools so maintained is indeed so fundamental and pervasive that it is embraced in the concept of due process of law."

Two further Federal decisions have deepened the Little Rock dilemma. An injunction, issued March 7, ended the distribution of State money to the private schools which had been established after Governor Faubus, on September 12, 1958, closed the city's four high schools. On June 18, 1959, a three judge district court declared unconstitutional the school closing and tuition grant laws.

For Governor Faubus, a year which had begun grandly, with a thundering reelection and a judicial retreat, had ended with frustration. There was no discernible next move which he could take without jeopardizing his administration. But the rules of chess do not apply in politics, and the stalemate in which the Governor had been put by the Federal courts and the voters of Little Rock

did not mean for him a drawn game, but the prelude to either surrender or reckless defiance. On June 24, Governor Faubus stated that the Federal Government would need "live ammunition" to carry out the desegregation orders in Little Rock, and that he would do nothing to curb mob violence if it came. From an unpredictable man, responsible southerners might still hope for a soberer second thought.

Virginia

In Virginia also, the most obvious result of the State's legislative resistance to the Supreme Court was the strengthening of the Federal judicial commands.

The white senior and junior high schools of Norfolk were closed by Governor Almond September 27, 1958 after the last litigious gambit against the admission of 17 Negroes had been played. Along with other closed schools of the State, they reopened on February 2, following decisions on January 19 by both Federal and State courts. The Virginia Supreme Court of Appeals ruled that the State was obligated by its own constitution to maintain a public school system. A three judge Federal district court held that Virginia, by operating schools throughout most of the State while not so doing in Norfolk, was unconstitutionally discriminating against the people—white and colored—of Norfolk. On January 27, a Federal district court prevented the city council from cutting off local funds for the schools.

Lane High and Venable Elementary Schools in Charlottesville were closed by the Governor on September 19, 1958, in the face of a court order to desegregate. An order the next month laid down the principle that public school teachers could not teach in private segregated schools. The schools reopened on February 2, 1959, on a segregated basis, but after approval by the Federal judge (and endorsement by the NAACP) of a plan for desegregation in September.

In Warren County, 1 of 17 Virginia counties with no Negro secondary school, the Federal court enjoined segregation and the high school was closed under the massive resistance laws on September 12. When it reopened, the white pupils were kept away by their parents and 21 Negro youths were the entire student body.

On September 27, 1958, the Arlington County schools were directed to admit four Negroes in February. They entered in that month, as did nine Negroes in the city of Alexandria, which had been ordered in February 1959 to desegregate. In March, the county school board was ordered to reexamine other applications which had been denied. The court of appeals found that Negro applicants were being subjected to placement tests not applicable to the white children; on July 25, in a further stage of the same litigation, a district court ordered 12 rejected applicants admitted because they met the criteria in effect for white children. No violence or disorder has accompanied any instance of desegregation in Virginia.

A Federal district court decision on August 4, 1958, postponing desegregation in Prince Edward County until 1965, was overruled on May 5, 1959, and desegration ordered for September. The county has since decided to close its schools and end all local educational functions.

For Virginia, 1958–59 meant a hardening of the Federal judicial stand. There were two other results of potentially equal importance. One was the emergence of popular protest against the consequences of massive resistance. A second was the dramatic change in the State's executive and legislative policies.

In June 1958 the Arlington (County) Organizing Committee to Preserve Public Schools was formed. Similar committees appeared in the other troubled localities; they merged in November into the Virginia Committee for Public Schools, with chapters throughout the State. Its membership rose to 25,000 and it came to exert a pronounced influence on public policy. The membership of the Virginia Council on Human Relations, a prosegregation organization associated with the Southern Regional Council, grew to 1,400.

The indignation and uneasiness which these groups felt was working also in other quarters. November 11, 1958, is an important date in the chronicle of the past year, because on that day Mr. James J. Kilpatrick, editor of the Richmond News-Leader, and the intellectual champion of massive resistance, made a speech in which he recommended "new weapons and new tactics," recognized that there might be some desegregation, and endorsed local option. The next morning the influential Richmond Times-Dispatch urged the Governor to appoint a commission to plot a new policy for the State.

More spectacular was the change of Governor Almond. On January 20, the day following the Federal and State court decisions, he spoke over radio and television, calling upon Virginians "to stand firmly with me in this struggle."

"The people of Virginia through their elected representatives and by registering their convictions in the exercise of their franchise have repeatedly made it crystal clear that they cannot and will not support a system of public education on a racially integrated basis. I make it equally clear that I cannot and that I will not break faith with them."

A week later, on January 28, Governor Almond addressed the special session of the General Assembly. He appeared then as the leader in "new tactics," which turned out to be the old principles of law compliance, public education, and local option. A commission was appointed, chaired by Senator Perrow. New policies for the State were set and, by the narrowest of margins, enacted in May 1958 by the legislature. The recent State elections in Virginia have somewhat improved the legislative majority of a governor who within a few days changed from one of the South's most articulate voices of resistance to the acknowledged political leader of moderate opinion.

The general shape of the new legislation in Virginia, resulting from the Perrow Commission recommendations, may be described as local option, which means that only the locality through its own initiative and decision can close its schools; by the same token, no locality can be forced by the State to do so. Tuition grants are now available for any child desiring for any reason to attend a private school.

Thus did Virginia in February change course. The results of the old were tougher Federal judicial decrees, the loneliness of defeat, and chaotic schooling for the children of Charlottesville, Front Royal, and Norfolk. The results of the new course, tried since February, have been quiet, more or less normal, schools. The new course may also provide for the traditional South new leadership and a new but recognizable image of itself as it ought to be; if so, the Virginia experience will have been of incalculable importance.

PAUL & BEEKMAN, INC.

The bill (H.R. 6733) for the relief of Paul & Beekman, Inc., and others was considered, ordered to a third reading, read the third time, and passed.

NINETEEN HUNDRED AND FIFTY-NINE PACIFIC FESTIVAL

The joint resolution (H.J. Res. 281) authorizing and requesting the President to issue a proclamation with respect to the 1959 Pacific Festival, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

RESOLUTION PASSED OVER

The resolution (S. Res. 169) concerning the desirability of holding an international exposition in the United States, was announced as next in order.

Mr. KEATING. Over, Mr. President.

The PRESIDING OFFICER. The resolution will be passed over.

SALARY INCREASES FOR POLICE OF NATIONAL ZOOLOGICAL PARK—BILL PASSED OVER

The bill (H.R. 8464) to amend the act of October 24, 1951, to provide salary increases for the police for the National Zoological Park, was announced as next in order.

Mr. KEATING. Over by request, Mr. President

The PRESIDING OFFICER. The bill will be passed over, by request.

Mr. MORSE. Mr. President, I should like to speak for a moment regarding Calendar No. 829. I appreciate the fact that the Senator from New York objected to consideration of the bill by request. I hope that in some way, somehow, any differences in respect to the bill can be ironed out before adjournment of the Congress.

So long as we assume the obligation which we assume of functioning as the Government of the District of Columbia, we have an obligation to see to it that we are fair and decent to the people who do not have any representation, except our representation by proxy, so to speak.

This is not a monumental piece of proposed legislation The bill does not involve great sums of money. However, it does involve a question of being fair to a few policemen at the National Zoological Park who have only us to look to in getting fair treatment.

I trust, Mr. President, that we shall, on another call of the calendar, or, if necessary, by motion, pass the bill, because, Mr. President, we should never overlook the fact that we have the duty to do the right thing by the people who find themselves in the position of these policemen.

Mr. KEATING. Mr. President, will the distinguished Senator yield to me?

Mr. MORSE. I have finished.

Mr. KEATING. I assure the distinguished Senator I have no personal objection to the bill. My objection was made solely in my representative capacity as chairman of the Republican calendar committee. My preferences as to places to visit are: First, the Senate of the United States; second, the ball park; third, the zoo. I enjoy the zoo very much. I wish to be protected properly while I am at the zoo, and I will support the bill when it is considered by the Senate.

Mr. MORSE. I do not think the Senator from New York heard my comment that I recognized he made the objection by request.

COMPUTATION OF TELEPHONE AND TELEGRAPH SERVICE ON A UNIT BASIS FOR MEMBERS OF THE HOUSE

The bill (H.R. 8593) to amend the act of June 23, 1949, as amended, to provide that telephone and telegraph service furnished Members of the House of Representatives shall be computed on a unit basis was considered, ordered to a third reading, read the third time, and passed.

PRINTING OF ADDITIONAL COPIES OF HEARING ENTITLED "ORGANIZATION AND MANAGEMENT OF MISSILE PROGRAMS"

The concurrent resolution (H. Con. Res. 234) authorizing the printing of additional copies of the hearing entitled "Organization and Management of Missile Programs," was considered and agreed to.

PRINTING AS HOUSE DOCUMENT 16TH REPORT OF COMMISSION OF FINE ARTS

The concurrent resolution (H. Con. Res. 378) authorizing the printing of the 16th report of the Commission of Fine Arts as a House document was considered and agreed to.

INCREASE OF FUNDS FOR THE COMMITTEE ON THE JUDICIARY

The resolution (S. Res. 170) to increase the amount of funds for the Committee on the Judiciary was considered and agreed to, as follows:

Resolved, That S. Res. 59, Eighty-sixth Congress, agreed to February 2, 1959 (authorizing an investigation of the administration of the national security law and matters relating to espionage), is hereby amended by striking out "$224,000" and inserting in lieu thereof "$239,000".

PRINTING AS SENATE DOCUMENT LETTER TO THE PRESIDENT FROM THE PRESIDENT'S COMMITTEE TO STUDY THE U.S. MILITARY ASSISTANCE PROGRAM

The resolution (S. Res. 171) authorizing the printing as a Senate document a "Letter to the President of the United States From the President's Committee To Study the U.S. Military Assistance Program" was considered and agreed to, as follows:

Resolved, That a "Letter to the President of the United States From the President's Committee To Study the United States Military Assistance Program and the Committee's Final Report," and the President's letter of transmittal of that report, dated August 20, 1959, be printed with illustrations as a Senate document.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT ON "THE STATUS OF WORLD HEALTH"

The resolution (S. Res. 175) to print additional copies of Senate report on "The Status of World Health," was announced as next in order.

Mr. PROUTY. Over, Mr. President.

The PRESIDING OFFICER. The resolution will be passed over.

Mr. PROUTY subsequently said: I ask unanimous consent that the Senate return to the consideration of Calendar No. 835, Senate Resolution 175. Inadvertently, I believe, I objected to its consideration when it was called previously. I did not intend to have it go over.

The PRESIDING OFFICER. The resolution will be stated.

The LEGISLATIVE CLERK. A resolution (S. Res. 175) to print additional copies of Senate report on "The Status of World Health."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 175) was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Committee on Government Operations two thousand additional copies of Senate Report Numbered 161, Eighty-sixth Congress, first session, entitled "The Status of World Health."

ADDITIONAL FUNDS FOR INVESTIGATION OF HEALTH AND MEDICAL RESEARCH FACILITIES

The resolution (S. Res. 176) providing additional funds for the investigation of health and medical research facilities was considered and agreed to, as follows:

Resolved, That S. Res. 42, Eighty-sixth Congress, agreed to February 3, 1959 (authorizing the Committee on Government Operations to make a complete study of all matters pertaining to international activities of Federal executive branch departments and agencies in the field of health and medical research), is hereby amended by striking out "$45,000" and inserting in lieu thereof "$55,000".

ADDITIONAL FUNDS FOR THE SELECT COMMITTEE ON SMALL BUSINESS

The resolution (S. Res. 177) providing additional funds for the Select Committee on Small Business was considered and agreed to, as follows:

Resolved, That in discharging the duties imposed upon it by S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, as amended, the Select Committee on Small Business is authorized to expend the sum of $10,000 from the contingent fund of the Senate in addition to any other moneys available to the committee for such purpose. The authority contained in this resolution shall expire January 31, 1960.

PRINTING OF REPORT ENTITLED "FACILITY NEEDS—SOIL AND WATER CONSERVATION RESEARCH" AS SENATE DOCUMENT

The resolution (S. Res. 178) authorizing the printing of the report entitled "Facility Needs—Soil and Water Conservation Research" as a Senate document was considered and agreed to, as follows:

Resolved, That the report of the findings of the working group appointed by the Secretary of Agriculture, entitled "Facility Needs—Soil and Water Conservation Research," be printed as a Senate document.

CONVEYANCE OF CERTAIN LANDS TO THE CITY OF CHEYENNE, WYO.—BILL PASSED OVER

The bill (S. 857) to authorize the Administrator of General Services to convey certain lands in the State of Wyoming to the city of Cheyenne, Wyo., was announced as next in order.

Mr. KEATING. Mr. President, over, by request.

The PRESIDING OFFICER. The bill will be passed over, by request.

Mr. MORSE. Mr. President, I should like to make a request with regard to the objection to consideration of the bill. I should like to ask that the objection be withheld long enough for me to make a brief statement on the bill, so that it will be in the RECORD for future consideration.

The PRESIDING OFFICER. Does the Senator from New York withhold his objection?

Mr. KEATING. I am glad to withhold my objection, Mr. President.

Mr. MORSE. Mr. President, S. 857 would authorize the Administrator of the General Services Administration to convey certain veterans hospital lands in the city of Cheyenne to the State of Wyoming without consideration.

The land proposed to be conveyed was originally given to the Veterans' Administration by the city of Cheyenne without consideration in order that a veterans' hospital might be constructed on the site. The original conveyance consisted of a 600-acre tract.

In 1948, 431 acres was reconveyed to the city of Cheyenne without consideration because the additional acres were determined not to be necessary for hospital purposes.

In July 1955 the Veterans' Administration reported an additional 90.2 acres as excess property. Sixty and two-tenths acres of the surplus land were reconveyed to the city for airport purposes.

S. 857 covers the remaining 30 acres that had been declared excess property in 1955. Cheyenne city officials have stated that the 30 acres would be utilized for park and recreational facilities.

Mr. President, I have no objection to this bill because the Morse formula is inapplicable. This bill falls squarely within the principle of the Roseburg Veterans Hospital case which I discussed in the Senate last August in connection with the dispute over the Lillie Moore land transfer. My discussion of the Roseburg Veterans Hospital reconveyance appears in the RECORD, volume 104, part 12, on page 16214.

Inasmuch as the city conveyed the land in question to the Federal Government without consideration, it is only fair that the Federal Government should reconvey any lands that are no longer necessary for the purposes for which the original conveyance to the Government was made.

Mr. President, I hope the bill will eventually pass.

The PRESIDING OFFICER. Does the Senator from New York renew his objection?

Mr. KEATING. Mr. President, I ask that the bill go over, by request.

The PRESIDING OFFICER. The bill will be passed over, by request.

CONVEYANCE OF CERTAIN LAND TO THE CITY OF MOBILE, ALA.

The bill (S. 47) to direct the Administrator of General Services to convey to the city of Mobile, Ala., all the right, title, and interest of the United States in and to certain land was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ENGLE. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Calendar No. 877, H.R. 2386, an identical bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 2386) to direct the Administrator of General Services to convey to the city of Mobile, Ala., all the right, title, and interest of the United States in and to certain land.

The PRESIDING OFFICER. Is there objection to the present consideration of the House bill?

Mr. MORSE. Mr. President, in 1939, the United States conveyed the customhouse property to the city of Mobile, Ala., for public purposes at 50 percent of appraised value.

The city of Mobile now desires to obtain the property free of any Federal reversionary interest.

S. 47 as originally introduced called for a gratuitous conveyance of the remaining interest of the United States. However, as reported by the Senate Government Operations Committee, the bill directs the Administrator of the General Services Administration to convey to the city of Mobile, at the current fair market value, all the right, title and interest of the United States in this property.

The committee amendment eliminates any Morse formula problem. I have no objection to the passage of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H.R. 2386) was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Senate bill S. 74 will be indefinitely postponed.

USE OF CERTAIN REAL PROPERTY FOR GENERAL EDUCATIONAL PURPOSE, LOUISIANA UNIVERSITY

The joint resolution (S.J. Res. 121) to permit certain real property heretofore conveyed to the board of supervisors of Louisiana State University to be used for general educational purposes was announced as next in order.

Mr. ENGLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 878, H.R. 6669, an identical bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 6669) to amend the act of July 14, 1945, to provide that the Louisiana State University may use certain real property heretofore conveyed to it.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MORSE. In the interest of saving time, I ask unanimous consent that there be printed at this point in the RECORD a statement of mine with respect to this bill and an explanation of the fact that it does not violate the Morse formula.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

The Louisiana Rural Rehabilitation Corporation was the owner of 3,113 acres which was subsequently transferred to the Secretary of Agriculture, as trustee, pursuant to an agreement of 1937 between the corporation and the United States. The agreement obligated the Secretary of Agriculture to administer the assets of the corporation "for rural rehabilitation purposes in the State of Louisiana."

Public Law 41 of the 82d Congress authorized the conveyance of the entire tract to Louisiana State University for general educational purposes. However, Public Law 41 provided that 25 acres should be transferred to the parish of Rapides for use in holding livestock and agricultural expositions.

Senate Joint Resolution 121 would authorize release of the 25-acre restriction so that the entire tract would be restored to the State university for educational purposes in accordance with the proposal contained in Public Law 41.

The resolution does not violate the Morse formula because it merely implements the trust arrangement for the benefit of the cestui of the trust.

The PRESIDING OFFICER. Is there objection to the present consideration of the House bill?

There being no objection, the bill (H.R. 6669) was considered, ordered to a third reading, read the third time, and passed.

DONATION OF SURPLUS PROPERTY TO CERTAIN AGENCIES

The bill (S. 1018) to authorize the donation of surplus property to certain agencies engaged in cooperative agricultural extension work, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PROUTY. Mr. President, I wonder if we could have an explanation of the bill.

The PRESIDING OFFICER. An explanation is called for. The Chair recognizes the Senator from Mississippi.

Mr. STENNIS. Mr. President——

The PRESIDING OFFICER. Before the Senator from Mississippi proceeds, the Chair will again insist that the Senate be in order. We make much better progress in going through a lengthy calendar if we have order. The Senator will not proceed until we do have order.

The Senator from Mississippi may proceed.

Mr. STENNIS. I thank the Presiding Officer.

Mr. President, the Senator from Alaska [Mr. GRUENING] presided at the hearings on this bill. He is detained somewhere. I would rather have him make the explanation.

However, the actual operation of the bill as presented by the committee is very limited and covers only a situation in which the Post Office Department has excess furniture, and similar supplies, and when it has already permitted the Extension Service located in that post office building to have the use of the surplus property.

In such a case the bill permits the Post Office Department to transfer the ownership and title of that property now in use and in the possession of the Extension Service to the Extension Service.

The only reason why legislation on the subject is necessary is that the Extension Service does not qualify as a Federal agency; otherwise, they could receive this property under present law.

The bill itself is limited to the narrow confines of furniture or utilities of that kind already being used in the post office building; in other words, it confirms the loan and the title.

A more far-reaching effect is coming into being in a ruling of the executive branch of the Government, qualifying the Extension Service as an agency being engaged in educational work, and thus making it eligible for certain limited amounts of furniture.

The committee unanimously reported the bill. The subcommittee also was unanimous in its report.

Mr. PROUTY. Has the Senator any estimate of the cost involved?

Mr. STENNIS. I do not know that there is available any particular estimate of cost or value. Only secondhand property is involved. It is already out of use by the Post Office Department. It is located in the post office building and it is being used by the Extension Service. Technically, it cannot be transferred to the Extension Service. The bill would permit such a transfer.

Mr. PROUTY. I thank the Senator for his explanation. I have no objection.

Mr. MORSE. Will the Senator yield for a question?

Mr. STENNIS. I am glad to yield.

Mr. MORSE. In my opinion, this is a good bill. That opinion is based on an understanding which I wish the Senator to check. As I understand, the bill would have uniform application. It does not single out any particular town or any particular beneficiary, but is to be a uniform policy.

Mr. STENNIS. Yes; it is nationwide in its application, but it applies only to transfers or loans of the property concerned which have already been made.

Mr. MORSE. The uniform principle makes it a very sound piece of legislation. Next, I understand it is to apply to the future as well as to the past. Is that correct?

Mr. STENNIS. The bill itself will have no application to the future. As I understand, under a new policy in the executive department, the Extension Service is made eligible for the transfer of such property to it in the future, as an educational institution or agency. That will dispense with the need for legislation on the subject in the future.

Mr. MORSE. That is the point I wish to make.

Mr. STENNIS. That policy is more far reaching than the bill.

Mr. MORSE. I approve of the bill.

Mr. STENNIS. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding any provision of the Federal Property and Administrative Services Act of 1949, as amended, or any other law, the Postmaster General and the Administrator of General Services are hereby authorized and directed to transfer, as soon as practicable after date of enactment hereof, without cost, to any State or county agency engaged in cooperative agricultural extension work pursuant to the Act of May 8, 1914, as amended (7 U.S.C. 341–348), for the use of such agency, all right, title, and interest in and to any office equipment, materials, books, or other supplies (whether or not capitalized in a working capital fund established under section 405 of the National Security Act of 1947, as amended, or any similar fund) which have heretofore been assigned for use to any such State or county agency by the Post Office Department or the General Services Administration, respectively.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize and direct the transfer of certain personal property to State and county agencies engaged in cooperative agricultural extension work."

ISSUANCE OF GOLD MEDAL IN HONOR OF THE LATE PROFESSOR ROBERT H. GODDARD

The joint resolution (H.J. Res. 19) to authorize the issuance of a gold medal in honor of the late Professor Robert H. Goddard was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. ROBERTSON. Mr. President, the Senate Banking and Currency Committee was unanimous in reporting House Joint Resolution 19, to authorize the Congress to present an appropriate gold medal to the family of the late Dr. Robert H. Goddard. For this purpose the Secretary of the Treasury is authorized and directed to strike the medal. The selection of suitable emblems and inscriptions for the medal, and the presentation to Dr. Goddard's family, would be made by the chairmen of the House Committee on Science and Astronautics and the Senate Committee on Aeronautical and Space Sciences, in behalf of the Congress.

Duplicate medals in bronze would be coined and sold by the Secretary of the Treasury.

Mr. President, it is entirely fitting that we should thus honor the memory of this American genius. His pioneering work in the development of rockets laid the basic groundwork for all of today's missiles and satellites.

It should be a great inspiration to all Americans—and especially our young boys and girls—that this dedicated man, working virtually alone and unnoticed, through sheer determination and devotion to his country, built the foundation for developments which are having, and will have a profound effect on the history of the world.

Mr. President, I ask unanimous consent to have placed in the RECORD at this point a biography of Dr. Goddard and a summary of his achievements.

There being no objection, the biography and summary were ordered to be printed in the RECORD, as follows:

BIOGRAPHY OF ROBERT HUTCHINGS GODDARD

Physicist; born in Worcester, Mass., October 5, 1882. Education: bachelor of science degree, Worcester Polytechnic Institute, 1908; master of arts degree, Clark University, 1910, doctor of philosophy degree, 1911, doctor of science degree, 1945. Married Esther Christine Kisk, June 21, 1924. Instructor, Worcester Polytechnic Institute, 1909–11, Princeton University, 1912–13; instructor and fellow in physics, 1914–15, assistant professor, 1915–19, professor, 1919–43, Clark University, also director of the physical laboratories. Leave of absence, 1930–32 and 1934–42, engaged in rocket research, under Daniel and Florence Guggenheim Foundation grants; director of research, Bureau of Aeronautics, Navy Department, 1942–45; consulting engineer, Curtiss-Wright Corp., 1943–45. Served as director of research, U.S. Signal Corps, Worcester Polytechnic Institute, and Mount Wilson Observatory, Calif., World War, 1918. Member of board of directors, American Rocket Society; fellow of the American Association for the Advancement of Science; member of the American Physical Society, American Meteorological Society, Institute of the Aeronautical Sciences, National Aeronautic Association, Geophysical Union, Sigma Xi, Sigma Alpha Epsilon. Home: Mescalero Ranch, Roswell, N. Mex., and Worcester, Mass. Died August 10, 1945.

SUMMARY OF ACHIEVEMENTS OF DR. ROBERT HUTCHINGS GODDARD

1. Dr. Robert Hutchings Goddard is the man whose 30 years of almost singlehanded research launched the age of rockets and guided missiles as surely as the Wright brothers launched the age of aircraft.

2. He left around 200 patents, many of them basic, in the field of rocketry and jet propulsion. There were also 22 volumes of painstaking records of his experiments and theories.

3. Dr. Goddard was the first and only rocket pioneer who was American and he was the first to undertake rocket research in the concrete sense.

4. As early as 1907 Dr. Goddard made what is believed to be the first suggestion for a gyrostabilizer for airplanes, a form of stabilizer which proved effective and was generally adopted.

5. During his early years he developed the mathematical principles of rocket motors and flight, and built and shot the world's first gyrocontrolled rocket.

6. In 1912 he began serious development of a problem which proved a lifelong interest, that of the theory and construction of single and multiple charge rockets, using dry and liquid fuel, for attainment of high altitudes.

7. Dr. Goddard was the first to develop a general theory of rocket action, including the important optimum velocity principle, showing that a rocket is not only a projectile but a motor of highest efficiency and greatest potentialities.

8. In 1914 he was granted two U.S. patents which are still basic to rocketry; the rocket nozzle designed for maximum thrust, and a combustion chamber and fuel system which covered the step-rocket principle. He used smokeless powder in the new nozzle and combustion chamber design, which burned at a high efficiency of 60 percent with exhaust velocity of over 6,000 feet per second. Thirty-five years after the firing of the test step-rocket the U.S. Army applied the same principles in a two-stage rocket which reached 250 miles above White Sands Proving Grounds.

9. By 1918 progress was such that he devised an exhaust jet designed so as to practically eliminate inefficiency in functioning, and in test shots a jet of burning exhaust gas achieved a velocity of 7,920 feet per second.

10. On the verge of World War I he offered the military a rocket weapon, new and adaptable. Dr. Goddard was working on the problem of housing the fuel for the rocket and methods to feed the fuel into the combustion chamber. Early in 1918 he demonstrated rockets at the Aberdeen Proving Grounds, showing a novel recoilless rocket launcher. The first successful military rocket was 1 inch in diameter and 18 inches long, propelled by a stick of solid nitroglycerine one-half inch in diameter, launched from a light tube about 4½ feet long. The military lost interest when World War I ended before the rockets could be put into mass production and the plans and models were safely stored away, to be reclaimed and launched as the bazooka in the Second World War.

11. About 6 months after leaving the military missile work Dr. Goddard reported on his work, and included tables of starting weights of rockets designed to attain altitudes of over 400 miles. The report was completed in May 1919 and published by Smithsonian Institute late in 1919 as a report on a "Method of Reaching Extreme Altitudes."

12. On March 16, 1926, with a few experts from Smithsonian watching, he tested a motor and rocket. The rocket went up and covered 184 feet at a speed of about 60 miles per hour. Historically this feat was without equal as it was the world's first liquid-fuel rocket ascent.

13. July 17, 1929, he set a rocket on a 60-foot launching tower he had constructed near Auburn, Mass. In the rocket nose, the instrument section, he had placed a barometer, a thermometer and a camera focused on the two measuring instruments, with the shutter release attached to a tripping device that would eject a parachute when the rocket reached its peak altitude and the camera would record the instrument readings at the highest flight point. The rocket rose 90 feet and nosed over and traveled horizonally 171 feet and returned to earth, the instruments unbroken and safe.

14. He was one of the great pioneers of rocketry, beginning when almost nobody had an inkling of the potentials of rockets and by the end of his career he had completed the groundwork on all essential features of

modern aerodynamically shaped liquid-propelled rockets. Almost singlehandedly he developed rocketry from a vague dream to one of the most significant branches of modern engineering. His scientific writings include "A Method of Reaching Extreme Altitudes" (1919), "On the Efficient Utilization of Solar Energy" (1929), and "Liquid-Propellent Rocket Development" (1936), as well as several articles for scientific publications.

In the course of his pioneering work, Dr. Goddard—

Was first to develop a rocket motor using liquid fuels (liquid oxygen and gasoline), anticipating the German V–2's about 15 years.

Was first to develop and shoot a liquid-fuel rocket (March 16, 1926, at Auburn, Mass.).

Was first to shoot a liquid-fuel rocket faster than the speed of sound (1935, near Roswell, N. Mex.)

First developed gyro steering apparatus for rockets, about 10 years before the Germans did it.

First used vanes in the blast of the rocket motor for steering rockets.

Received the first U.S. patent on the idea of multistage rockets.

First explored mathematically the practicality of using rocket power to reach high altitudes, and to shoot to the moon.

Was first to develop in detail the mathematical theory of rocket propulsion and rocket flight.

First proved, by actual test, that a rocket will work in a vacuum; that it needs no air to push against.

Developed and demonstrated the basic idea of the bazooka during World War I (1918), though his plans lay unused in the U.S. Army files until they were put to use in World War II.

First developed pumps suitable for rocket fuels, self-cooling rocket motors, variable-thrust rocket motors, practical rocket landing devices, and scientifically forecast jet-driven airplanes, rocketborne mail and express, and travel in space.

Mr. ENGLE. Mr. President, on behalf of the distinguished majority leader, the Senator from Texas [Mr. JOHNSON], I ask unanimous consent to have printed in the RECORD at this point a statement prepared by him.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSON OF TEXAS

As chairman of the Aeronautical and Space Sciences Committee, I heartily concur in the recommendation of my good friend from Virginia, the distinguished chairman of the Banking and Currency Committee, to authorize the issuance of a gold medal in honor of the late Dr. Robert Hutchings Goddard.

This award would honor the memory of the man whose 30 years of dedicated research developed rocketry from a vague dream to one of the most significant branches of modern science.

Dr. Goddard's almost singlehanded research launched the age of rockets and guided missiles as surely as the Wright brothers launched the age of aircraft. The accomplishments of this American pioneer are a mirror image of the development of rocketry.

Dr. Goddard left a priceless heritage of scientific achievement to his fellowmen, holding almost 200 patents in the field of rocketry and jet propulsion, including the first U.S. patent on the idea of multistage rockets. He left 22 volumes of painstaking records of his experiments and mathematical theories of rocket propulsion and rocket flight.

A few examples will serve to illustrate Dr. Goddard's foresight and accomplishment. In 1918 he demonstrated the first successful military rocket—which was to become decades later the famed bazooka of World War II. In 1926 he launched the world's first liquid-fuel rocket. He was the first to develop a rocket motor using liquid fuels, anticipating the German V–2 rockets of World War II by about 15 years. In 1935 he was the first to shoot a liquid-fuel rocket faster than the speed of sound.

Dr. Goddard served his country with distinction with the Signal Corps in World War I and with the Navy in World War II.

It is indeed fitting that the recognition now given to Dr. Goddard's work by scientists the world over should also be publicly acknowledged by his country.

I commend the distinguished chairman and members of the Banking and Currency Committee for their recommendation that this recognition should take place.

I join them in their belief that a gold medal to honor Dr. Goddard would be a fitting recognition.

The PRESIDING OFFICER. The question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 19) was ordered to a third reading, was read the third time, and passed.

CORRECTION OF SECTION 5136 OF THE REVISED STATUTES

The joint resolution (H.J. Res. 493) making a technical correction in section 5136 of the Revised Statutes (relating to national banks) was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The bill (H.R. 163) to amend the Civil Service Retirement Act with respect to the crediting of service of U.S. Commissioners for purposes of such act was considered, ordered to a third reading, read the third time, and passed.

Mr. JOHNSTON of South Carolina. Mr. President, the Civil Service Retirement Act extends coverage to U.S. Commissioners whose fees total $3,000 in each of 3 consecutive years.

Prior to July 1, 1945, the Government was on a 6-day week. U.S. Commissioners who have no fixed hours or days of duty were required to work 313 days to obtain 1 year of credit for retirement purposes—365 days minus 52 Sundays equals 313.

H.R. 163 provides that since July 1, 1945, U.S. Commissioners will receive credit at the rate of 1 year for each 260 days of service—52 weeks times 5 days each equals 260.

The effect of this change in law is to place the few U.S. Commissioners who qualify for credit on essentially the same basis as other Federal employees who since 1945 have been on a basic 5-day week or a 260-day year.

ABSENCE FROM DUTY BY CIVILIAN OFFICERS AND EMPLOYEES ON CERTAIN DAYS

The bill (H.R. 5752) to provide for absence from duty by civilian officers and employees of the Government on certain days, and for other purposes, was announced as next in order.

Mr. PROUTY. Mr. President, I wonder if we may have an explanation of the bill by the distinguished Senator from South Carolina [Mr. JOHNSTON].

Mr. JOHNSTON of South Carolina. Mr. President, this legislation does not establish any new or additional legal holidays. It does not give any Federal employee any right, privilege, or benefit not clearly intended under existing law. It will cause no interference or delay in the operations or services of any Government department or agency. The bill merely closes a gap in the law which has continued largely due to oversight and has been brought to special attention because, under existing law, hundreds of thousands of Federal employees would have received, except for a Presidential Executive order, only 6 days off to observe legal holidays in 1959 instead of the eight legal holidays which they had a right to expect and which many other Federal workers received because of variations in their workweeks and without the Presidential Executive order. Similar loss of holiday time off will recur in later years from time to time, by reason of the calendar days on which certain holidays happen to fall in such years. In short, the loss of holidays may be said to be due to accident of the calendar which was not taken into consideration when the Congress laid down the policy of eight legal holidays each year for Federal employees.

This legislation is recommended by the committee with full recognition that certain essential Government services must be provided for the workdays on which employees will be excused to observe legal holidays. Service to business and the public by the postal establishment, for instance, must be maintained, not only as a matter of public convenience and necessity but, also, to prevent the disruption of orderly and expeditious movement of the mails and overloading of storage facilities which would result were post offices and other facilities to be closed down on such days. These and similar necessary Government functions will not be interrupted as a result of this legislation. Management, of course, will take all possible measures to provide adequate service at a minimum cost through appropriate assignment of employees, the granting of compensatory time off where suitable, and careful planning of work schedules.

Mr. PROUTY. In other words, this measure would place in the law what the President already has authority to do?

Mr. JOHNSTON of South Carolina. Yes. He did it this year. There will not be another such instance for about 2 years.

Mr. PROUTY. I have no objection.

The PRESIDING OFFICER. Is there objection to present consideration of House bill 5752?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

INCREASE IN LIMITATION ON BASIC COMPENSATION OF CIVILIAN KEEPERS OF LIGHTHOUSES

The bill (H.R. 2245) to amend subsection 432(g) of title 14, United States

Code, to increase the limitation on basic compensation of civilian keepers of lighthouses was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2612) to amend the Small Business Act was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 8599) to amend the Small Business Act, and for other purposes, was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2611) to amend the Small Business Investment Act of 1958, and for other purposes, was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

APPLICATION OF MERCHANT MARINE ACT OF 1936 TO CERTAIN FUNCTIONS RELATING TO FISHING VESSELS

The bill (S. 2481) to continue the application of the Merchant Marine Act of 1936, as amended, to certain functions relating to fishing vessels transferred to the Secretary of the Interior, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to permit the efficient execution of functions relating to the issuance of Federal ship mortgage insurance on fishing vessels, pursuant to the Merchant Marine Act of June 29, 1936, as amended (49 Stat. 1985; 46 U.S.C., 1952 edition, sec. 1271 and the following), which functions relating to fishing vessels have been transferred to the Secretary of the Interior pursuant to the Fish and Wildlife Act of 1956, the Secretary of the Interior hereafter may exercise authority comparable to the authority of the Secretary of Commerce under the said Merchant Marine Act of 1936, including, but not limited to, the authority contained in the amendment to such Act of July 15, 1958 (72 Stat. 358).

Mr. LAUSCHE subsequently said: Mr. President, I ask unanimous consent that the Senate return to a discussion of Calendar No. 852, S. 2481.

The PRESIDING OFFICER. Without objection, the Senate will return to the consideration of Calendar No. 852, S. 2481.

Mr. LAUSCHE. Mr. President, is this the bill in which it is intended to give to the fishing industry subsidies provided by the Merchant Marine Act?

Mr. ENGLE. Mr. President, that is not the purpose of this bill. Another bill on the calendar has that purpose, and that bill was passed over.

Mr. LAUSCHE. I thank the Senator from California.

Mr. KEATING. Mr. President, I suggest, since the Senate has returned to the consideration of Calendar No. 852, S. 2481, that I did not object to its consideration. But I do have a request from the Senator that it go over for the purpose of being taken up on motion, on the ground that it is not calendar business. So I ask unanimous consent that the vote by which the bill was passed be reconsidered.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be placed on the calendar.

BILLS PASSED OVER

The bill (H.R. 3610) to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works and for other purposes, was announced as next in order.

Mr. KEATING. Over, not Consent Calendar business.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 155) to amend the Federal Property and Administrative Service Act of 1949, so as to permit donations of surplus property to libraries which are tax supported or publicly owned and operated, was announced as next in order.

Mr. KEATING. Over, not Consent Calendar business.

The PRESIDING OFFICER. The bill will be passed over.

ADJUSTMENTS IN ANNUITIES UNDER THE FOREIGN SERVICE RETIREMENT SYSTEM

The Senate proceeded to consider the bill (S. 1502) to provide for adjustments in the annuities under the Foreign Service retirement and disability system, which had been reported from the Committee on Foreign Relations, with an amendment, to strike out all after the enacting clause and insert:

That (a) The annuity of each retired officer who, on August 1, 1959, is receiving or entitled to receive an annuity from the Foreign Service Retirement and Disability Fund, based on service which terminated on or before July 31, 1959, shall be increased by 10 per centum.

(b) The annuity otherwise payable from the Foreign Service Retirement and Disability Fund to each survivor annuitant who, on August 1, 1959, is receiving or entitled to receive an annuity based on service which terminated on or before July 31, 1959, shall be increased by 10 per centum.

(c) The increases provided by subsections (a) and (b) of this section shall take effect on the first day of the first month which begins more than thirty days after the date of enactment of this Act.

SEC. 2. The annuity of each retired officer who, on or after August 1, 1959, is receiving or entitled to receive an annuity from the Foreign Service Retirement and Disability Fund, based on service which terminated on or after August 1, 1959, shall be increased on the first day of the first month which begins more than thirty days after the date of enactment of this Act or on the commencing date of annuity, whichever is later, in accordance with the following schedule:

If annuity commences between:	Annuity shall be increased by—
September 1, 1959 and June 30, 1960	6 per centum
July 1, 1960 and June 30, 1961	4 per centum
July 1, 1961 and June 30, 1962	2 per centum

SEC. 3. The annuity of any survivor annuitant who, on or after August 1, 1959, is receiving or entitled to receive an annuity from the Foreign Service Retirement and Disability Fund, based on service which terminated on or after August 1, 1959, shall be increased on the first day of the first month which begins more than thirty days after the date of enactment of this Act or on the commencing date of annuity, whichever is later, in accordance with the following schedule:

If annuity commences between:	Annuity shall be increased by—
September 1, 1959 and June 30, 1960	6 per centum
July 1, 1960 and June 30, 1961	4 per centum
July 1, 1961 and June 30, 1962	2 per centum

SEC. 4. No increase provided by the foregoing provisions of this Act shall be computed on any additional annuity purchased with voluntary contributions pursuant to the provisions of section 881 of the Foreign Service Act of 1946, as amended.

SEC. 5. Nothing contained in Public Law 85-882 shall operate to increase any annuity which commences on or after September 1, 1959.

SEC. 6. Section 5 of Public Law 503, Eighty-fourth Congress, is amended to read as follows:

"SEC. 5. In any case where a participant under the Foreign Service retirement and disability system died before August 29, 1954, leaving a widow who is not entitled to receive an annuity under the system and who is not receiving benefits under the Federal Employees' Compensation Act, the Secretary of State is authorized and directed to grant such widow an annuity of not to exceed $2,400 per annum."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a brief statement in support of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SPARKMAN

S. 1502 seeks to do two things. First, it would provide a 10-percent increase in the annuities of retired Foreign Service officers and their survivors. Second, it would increase from $1,200 to $2,400 per year the amount of a gratuity which the Secretary of State is authorized to pay to widows of Foreign Service officers who have died leaving such widows without annuities under the Foreign Service retirement system, provided such widows are not receiving benefits under the Federal Employment Compensation Act.

Mr. President, this bill is very much needed. We are all aware of the adverse effect which inflation has upon retired people generally. Retired Government employees are no exception. Several cost-of-living increases in annuities of retired Government personnel have been made during the last few years. Retired Foreign Service officers have sometimes shared in these cost-of-living increases and sometimes not. At the moment retired Foreign Service personnel lag some 10 percent behind other civilian retired people in the receipt of these cost-of-living increases. S. 1502 will place retired Foreign Service personnel and their survivors in the same relative position as retired civil service employees. Mr. President, I regret that this bill will not fully

carry out the intent of Congress when it enacted the Foreign Service retirement and disability system. That system aimed at providing comfortable pensions for retired Foreign Service personnel. Inflation has frustrated that legislation objective and the 10-percent increase obtained in this bill will not fully undo the damage.

The original version of this 1502 would have gone a long way toward meeting the objective of the Foreign Service retirement system because it would have tied annuities of persons who have already retired to the annuities of those retiring now. There was objection to this and we have had to settle for less. The 10-percent across-the-board increase is fully supported by the administration.

I shall conclude, Mr. President, in quoting from the recommendation from the Committee on Foreign Relations on S. 1502.

"The Committee on Foreign Relations recommends that the Senate move to repair some of the damage done by inflation to the orderly and adequate retirement system previously established by law for Foreign Service personnel. Upward adjustment of 10 percent in Foreign Service annuities will place retired Foreign Service officers on a par with retired civil service employees. The committee accordingly recommends that the Senate approve S. 1502, as amended."

WONG SUE CHEE

The bill (S. 1696) for the relief of Wong Sue Chee was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Strike out all after the enacting clause and insert: "That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Wong Sue Chee shall be held and considered to be the minor alien child of Eddie Huie, a citizen of the United States."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HIRSH MARINSKI

The bill (S. 1822) for the relief of Hirsh Marinski was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Hirsh Marinski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MILEVA LOVRIC

The bill (S. 2129) for the relief of Mileva Lovric was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mileva Lovric shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

SERGIUSZ RUDCZENKO

The Senate proceeded to consider the bill (S. 2319) for the relief of Sergiusz Rudczenko.

Mr. MORSE. Mr. President, I should like to have the attention of my junior colleague. I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On the first page, line 3, strike out "section 212 (a)(6)" and insert in lieu thereof "sections 212(a)(6) and 212(a)(15)".

On page 2, lines 3 and 4, strike out "this exemption shall apply only to a ground" and insert in lieu thereof the following: "these exemptions shall apply only to grounds".

At the end of the bill add the following new section:

"SEC. 2. Notwithstanding any other provisions of law, any condition or control which the Attorney General may deem necessary to impose pursuant to the provisions of the first section of this Act shall not be grounds for precluding the classification of Sergiusz Rudczenko as an immigrant under section 203(a)(1) of the Immigration and Nationality Act.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. EASTLAND The amendment is acceptable, but the Immigration Service informs me that the bill is adequate as it is, and that the amendment would serve no purpose.

Mr. MORSE. The communications which I have received are to the effect that the bill is not adequate as it stands.

Mr. EASTLAND. The Immigration Service has informed the Immigration Subcommittee that the bill is adequate.

Mr. MORSE. Let me read to the Senator an excerpt from a letter which I have received from the Immigration and Naturalization Service, dated September 8, 1959.

The American Ambassador to Poland informed you on July 10, 1959, that an immigrant visa under the first preference portion of the quota for Poland will not be issued because of the beneficiary's inability to go to work at his profession while hospitalized, plus the possibility that the beneficiary may be excludable as likely to become a public charge. Therefore, it appears that the enactment of S. 2319 in its present form will not assure the beneficiary's admission to this country. As the son of a U.S. citizen, the beneficiary is entitled to fourth preference quota status under the quota for Poland with a registration date of November 12, 1958. According to the latest available information, immigrant visas are being issued to such aliens with a registration date prior to January 1, 1958. The district director of this Service at Portland, Oreg., has been instructed to advise and assist Mr. Rudczenko's father in filing a fourth preference visa petition for the beneficiary.

I shall ask to have placed in the RECORD a letter from the man's counsel, who asks for such an amendment. I am offering it only by request.

I wish now to read a paragraph from another communication, from the Ambassador to Poland:

If a private bill were passed in his behalf with the understanding that he would have to enter a sanitarium upon his arrival in the United States, he would no longer be entitled to first preference status since he would be unable to go to work.

The amendment which I have been asked to offer would cover this problem. The immigration authorities have told me that the amendment would clear up the entire situation.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. EASTLAND. I should like to have the record show that the Immigration Service has informed the subcommittee of the letter which the Senator has received from the Ambassador to Poland. When the bill was reported on the 31st of August, the subcommittee was informed officially that the bill was adequate. We will accept the amendment, but I think the record should show that the subcommittee was informed officially on the 31st of August that the bill was adequate as it was.

Mr. MORSE. I do not question that. I only point out that, as of September 8, the Immigration authorities expressed to me a completely contrary position, and suggested that the amendment would help.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter dated July 10, which I received from the Ambassador to Poland; my letter to the chairman of the committee, dated July 30; my letter to the attorney for the individual involved, dated July 30; a letter which I received from the attorney, dated September 5; and a letter which I received from the Commissioner of Immigration dated September 8, in support of my amendment.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN EMBASSY,
Warsaw, Poland, July 10, 1959.

The Honorable WAYNE MORSE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MORSE: I refer to your letter of July 1, 1959, regarding the immigrant visa case of Mr. Sergiusz Rudczenko, son of Mr. and Mrs. Mileti Rudczenko, of Portland. Mr. Rudczenko and his family are applicants under the first-preference portion of the Polish quota and they are being sponsored by Gotteland & Koczarski, architects, 325 Second and Cherry Building, Seattle, Wash.

Mr. Rudczenko was born in Brzesc nad Bugiem, Poland, on August 16, 1930. He is presently residing at Narutowicza 35/8, Lodz, Poland. On January 26, 1955, he married Irena Markiewicz, who was born in Pruzana, Poland, on October 1, 1933. They have a daughter, Malgorzata, who was born in Lodz, Poland, on January 21, 1956. Neither Mr. Rudczenko nor his wife were previously married.

Mr. Rudczenko is a building engineer and he graduated from the Evening School of

Engineering in Lodz, Poland, in 1955. He was found ineligible to receive a visa to the United States as of January 2, 1959, under section 212(a)(6) of the Immigration and Nationality Act because of pulmonary tuberculosis. His application can be reconsidered in January 1960.

If a private bill were passed in his behalf with the understanding that he would have to enter a sanatorium upon his arrival in the United States, he would no longer be entitled to first-preference status, since he would be unable to go to work. He and his family would then have to be considered under the nonpreference portion of the Polish quota, with a registration date of November 12, 1958, the date on which the first-preference visa petition was filed in their behalf. At the present time, the nonpreference portion of the Polish quota is heavily oversubscribed and the Embassy is unable to issue visas to applicants in this category who were registered after June 30, 1947.

If the private bill authorizes the issuance of visas to this family ahead of their turn on the quota waiting list, the possibility would still arise as to their ineligibility under section 212(a)(15) of the Immigration and Nationality Act as persons who are likely to become public charges, since no information has been submitted to the Embassy as to how Mr. Rudczenko's sanatorium expenses would be met and how his wife and child would be supported until such time as he would be released from the sanatorium and would be able to work to support his family.

I wish to assure you that if a private bill is passed which takes care of all the disqualifications mentioned above, the Embassy would process this family's visa application as expeditiously as possible.

Your continued interest has been noted.

Very truly yours,

JACOB D. BEAM,
Ambassador.

JULY 30, 1959.

Re S. 2319.
Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

DEAR SENATOR EASTLAND: In June of this year Mr. Samuel M. Suwol, an attorney of Portland, Oreg., discussed with me the problems that have been experienced by Mr. Sergiusz Rudczenko in obtaining admission for permanent residence in the United States.

On July 1, I wrote to Mr. Suwol advising of my interest in the matter and informing him that before taking further action I would await the report from the American Consul at Warsaw, as well as the receipt of affidavits to be supplied by Mr. Rudczenko's sponsors. However, on the same date—July 1, 1959—Senator NEUBERGER introduced a bill for the relief of Sergiusz Rudczenko, S. 2319.

In response to my request, Ambassador Beam replied to my inquiry concerning the status of Mr. Rudczenko's case. A copy of the Ambassador's letter, dated July 10, is enclosed.

The statement appearing on page 2 of the Ambassador's report, with reference to possible ineligibility of Mr. Rudczenko and his family under section 212(a)(15) of the Immigration and Nationality Act, caused me a great deal of concern. For this reason, I discussed the case with legislative counsel. After thoroughly reviewing the matter legislative counsel advised that the adoption of the enclosed amendment to the bill S. 2319 would eliminate any obstacle that might exist under section 212(a)(15) if the proposed relief bill should be enacted.

I urge your serious consideration to the inclusion of the amendment set forth on the attached page.

Sincerely yours,

WAYNE MORSE.

JULY 30, 1959.

Re S. 2319.
Mr. SAMUEL M. SUWOL,
Attorney at Law,
Portland, Oreg.

DEAR MR. SUWOL: Supplementing my letter of July 10, I enclose a copy of a report addressed to me by Ambassador Beam with respect to the immigration status of Mr. Sergiusz Rudczenko.

You will note that on page 2 of the Ambassador's report, the possible application of section 212(a)(15) of the Immigration and Nationality Act is discussed. I was concerned over the possibility that, if the bill was not amended to correct the specific matter, a problem of some consequence might confront Mr. Rudczenko at some time in the future. Therefore, after consultation with legislative counsel, I wrote to Senator EASTLAND suggesting the inclusion of my amendment to S. 2319. A copy of my letter to Senator EASTLAND and a copy of the proposed amendment are enclosed.

If you have any questions or comments concerning the amendment, I shall be glad to hear from you. In the meantime, I shall be pleased to do everything possible to obtain speedy enactment of legislation to assist Mr. Rudczenko and his family.

With kindest regards,

Sincerely,

WAYNE MORSE.

PORTLAND, OREG., *September 5, 1959.*
Re Sergiusz Rudczenko, S. 2319.
Hon. WAYNE MORSE,
U.S. Senator from Oregon,
Washington, D.C.

DEAR MR. SENATOR: Thank you for your kind letter and copy of Report No. 842 of Senate Judiciary Committee on S. 2319.

The thing that troubles me is the following: "Reports favorably thereon without amendment."

As you have written me and the memo from Ambassador Beam indicates, the effect of the passage of the bill without the amendment you proposed would forfeit the first preference status of this young man.

Would you then be so kind as to submit the amendment on the floor of the Senate so that this young man will not lose his first preference? If he loses his first preference he won't be able to come in.

Cordially,

SAM SUWOL.

U.S. DEPARTMENT OF JUSTICE,
IMMIGRATION AND
NATURALIZATION SERVICE,
Washington, D.C., September 8, 1959.
Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: This refers to your interest in the case of Sergiusz Rudczenko, beneficiary of S. 2319, 86th Congress.

S. 2319 would waive the provision of the Immigration and Nationality Act which excludes from admission into the United States aliens who are afflicted with tuberculosis in any form, or with leprosy, or any dangerous contagious disease, and would authorize the issuance of a visa and the beneficiary's admission into the United States for permanent residence, if he is otherwise admissible under that act. It would also direct that his admission be under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the U.S. Public Health Service, Department of Health, Education, and Welfare, may deem necesary to impose. The bill would further require that a bond be deposited to insure that the beneficiary shall not become a public charge. It limits the exemption granted the beneficiary to a ground for exclusion known to the Department of State or the Department of Justice prior to the date of its enactment.

The American Ambassador to Poland informed you on July 10, 1959, that an immigrant visa under the first preference portion of the quota for Poland will not be issued because of the beneficiary's inability to go to work at his profession while hospitalized, plus the possibility that the beneficiary may be excludable as likely to become a public charge. Therefore, it appears that the enactment of S. 2319 in its present form will not assure the beneficiary's admission to this country. As the son of a U.S. citizen, the beneficiary is entitled to fourth preference quota status under the quota for Poland with a registration date of November 12, 1958. According to the latest available information, immigrant visas are being issued to such aliens with a registration date prior to January 1, 1958. The district director of this Service at Portland, Oreg., has been instructed to advise and assist Mr. Rudczenko's father in filing a fourth preference visa petition for the beneficiary.

Sincerely,

J. M. SWING,
Commissioner.

Mr. EASTLAND. We accept the amendment.

Mr. NEUBERGER. Mr. President, like the distinguished chairman of the Judiciary Committee, I was also informed by the Immigration Service that the amendment offered by my colleague was not necessary to the purposes of the bill. However, like the chairman of the committee, I have no objection whatsoever to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of sections 212(a)(6) and 212(a)(15) of the Immigration and Nationality Act, Sergiusz Rudczenko may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *Provided further,* That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

SEC. 2. Notwithstanding any other provisions of law, any condition or control which the Attorney General may deem necessary to impose pursuant to the provisions of the first section of this Act shall not be grounds for precluding the classification of Sergiusz Rudczenko as an immigrant under section 203(a)(1) of the Immigration and Nationality Act.

ACQUISITION OF LAND IN VICINITY OF ANY FEDERAL PENAL INSTITUTION

The bill (S. 2347) to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341f) to authorize the Attorney General to acquire land in

the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341f) is amended by inserting the words "or in the vicinity of" immediately following the words "adjacent to".

Mr. ENGLE subsequently said: Mr. President, I ask unanimous consent that the Senate reconsider the vote by which Calendar No. 860, S. 2347, was passed, for the purpose of considering the House bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Chair informs the Senator from California that the House bill is not at the desk. The Parliamentarian has advised the Chair that there is no House bill on this subject at the desk.

Mr. ENGLE. I withdraw my request.

The PRESIDING OFFICER. The Senator from California withdraws his request.

The bill (S. 2347) was ordered to be engrossed for a third reading, read the third time, and passed.

BERNARDINE LOVSE (NADICA LOVSE)

The Senate proceeded to consider the bill (S. 2321) for the relief of Bernardine Lovse (Nadica Lovse), which had been reported from the Committee on the Judiciary, with an amendment in line 8, after the word "natural", to strike out "parents" and insert "mother", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Bernardine Lovse (Nadica Lovse), shall be held and considered to be the natural-born alien child of Andy Hocevar and Jennie Hocevar, citizens of the United States: *Provided,* That the natural mother of the said Bernardine Lovse (Nadica Lovse) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RICHARD PETER GUSTAV BREDEE AND GEORGE EDWARD BREDEE

The Senate proceeded to consider the bill (S. 231) for the relief of Richard Peter Gustav Bredee and George Edward Bredee, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, in the administration of the immigration and nationality laws, Patricia Crouse Bredee shall be held and considered to have resided in and to have been physically present in the United States for a period of five years after she had attained the age of sixteen years.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Patricia Crouse Bredee."

BILL PASSED OVER

The bill (H.R. 1665) for the relief of Mrs. Vassiliki P. Theodorou was announced as next in order.

Mr. PROUTY. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

Mr. PROUTY subsequently said: Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 863, H.R. 1665, which was previously passed over.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 1665) for the relief of Mrs. Vassiliki P. Theodorou.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. PROUTY. Mr. President, I have no objection to the bill.

The PRESIDING OFFICER. The objection is withdrawn.

The bill was ordered to a third reading, read the third time, and passed.

CECIL E. FINLEY

The bill (H.R. 2946) for the relief of Cecil E. Finley was considered, ordered to a third reading, read the third time, and passed.

Mr. PROUTY subsequently said: Mr. President, I ask unanimous consent that the Senate reconsider the vote by which Calendar No. 864, H.R. 2946, was passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROUTY. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

ADDITIONAL PEREMPTORY CHALLENGES IN CIVIL CASES

The bill (H.R. 2978) to amend section 1870 of title 28, United States Code, to authorize the district courts to allow additional peremptory challenges in civil cases to multiple plaintiffs as well as multiple defendants was considered, ordered to a third reading, read the third time, and passed.

HARRY AND LILY STOPNITSKY

The bill (H.R. 3801) for the relief of Harry and Lily Stopnitsky was considered, ordered to a third reading, read the third time, and passed.

MUKHTAR MOHAMMED

The bill (H.R. 3816) for the relief of Mukhtar Mohammed was considered, ordered to a third reading, read the third time, and passed.

SCOTTY JAMES, OF SITKA, ALASKA

The bill (H.R. 4134) to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine and render judgment upon the claim, or claims, of Scotty James, of Sitka, Alaska, was considered, ordered to a third reading, read the third time, and passed.

CLARA H. HALL

The bill (H.R. 5873) for the relief of Clara H. Hall was considered, ordered to a third reading, read the third time, and passed.

MRS. WILLIE SOHER

The bill (H.R. 7745) for the relief of Mrs. Willie Soher was considered, ordered to a third reading, read the third time, and passed.

HAROLD WILLIAM ABBOTT AND OTHERS

The Senate proceeded to consider the bill (H.R. 8277) for the relief of Harold William Abbott and others, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 10, after the initials "A. D.", to strike out "Smith" and insert "Smirch".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

RESOLUTION PASSED OVER

The resolution (S. Res. 182) referring to S. 2496 to the Court of Claims was announced as next in order.

Mr. PROUTY. Over, Mr. President.

The PRESIDING OFFICER. The resolution will be passed over.

SYLVESTER L. GARDNER

The Senate proceeded to consider the bill (H.R. 7225) for the relief of Sylvester L. Gardner, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 15, after the word "Act", to strike out "in excess of 10 per centum thereof".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ADVISORY COMMITTEE ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE

The bill (H.R. 8461) to amend the act of September 2, 1958, establishing a Commission and Advisory Committee on

International Rules of Judicial Procedure was considered, ordered to a third reading, read the third time, and passed.

ADJUSTMENT OF CERTAIN IRRIGATION CHARGES AGAINST NON-INDIAN-OWNED LANDS

The bill (H.R. 839) to approve an order of the Secretary of the Interior adjusting certain irrigation charges against non-Indian-owned lands under the Wapato Indian Irrigation project, Washington, was considered, ordered to a third reading, read the third time, and passed.

DONATION OF CERTAIN LAND TO THE NEZ PERCE TRIBE OF IDAHO

The Senate proceeded to consider the bill (S. 2379) to donate to the Nez Perce Tribe of Idaho, 11.25 acres of Federal land in Idaho County, Idaho, which had been reported from the Committee on Interior and Insular Affairs, with an amendment in line 4, after the word "land", to insert "and improvements thereon", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the right, title, and interest of the United States in the following-described land and improvements thereon, formerly known as the Kamiah Day School Reserve, is hereby declared to be held by the United States of America in trust for the Nez Perce Tribe: South half east half north half, east half south half, east half west half south half of lot 11, section 7, township 33 north, range 4 east, Boise meridian, in Idaho County, Idaho, containing 11.25 acres.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MORSE subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD a statement by me on Calendar No. 880, Senate bill 2379.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

S. 2379 would authorize the gratuitous conveyance of 11.25 acres of Federal land situated in what is known as the Kamiah Reserve.

The property would be used by the Indians for the benefit of the tribal membership.

The conveyance is not subject to objection under the Morse Formula; it represents a carrying out of trust obligations with respect to our American Indians.

EQUALIZATION OF ALLOTMENTS ON THE AGUA CALIENTE RESERVATION, CALIF.

The bill (H.R. 8587) to provide for the equalization of allotments on the Agua Caliente Reservation in California, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

ACQUISITION OF TRUST INTERESTS IN TRIBAL LANDS

The Senate proceeded to consider the bill (S. 1352) to authorize enrolled members of the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., to acquire trust interests in tribal lands of the reservation, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, at the beginning of line 4, to strike out "Fort Berthold"; in line 6, after the word "authorized", to insert "notwithstanding the provisions of the constitution of the Three Affiliated Tribes", and on page 2, line 4, after the word "owner", to insert "or in the name of the individual Indian owner without restriction, as determined by the Secretary of the Interior"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, with the consent of the Tribal Business Council, of the Three Affiliated Tribes of the Fort Berthold Reservation, North Dakota, is hereby authorized, notwithstanding the provisions of the constitution of the Three Affiliated Tribes, to dispose of tribal lands within the boundaries of such reservation to any enrolled member of the Three Affiliated Tribes of the Fort Berthold Reservation upon such terms and conditions as the Secretary may prescribe. Title to any land conveyed under this Act shall be taken in the name of the United States in trust for the individual Indian owner, or in the name of the individual Indian owner without restriction, as determined by the Secretary of the Interior.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize enrolled members of the Three Affiliated Tribes of the Fort Berthold Reservation, North Dakota, to acquire tribal lands of the reservation, and for other purposes."

USE OF FUNDS IN FAVOR OF THE KIOW, COMANCHE, AND APACHE TRIBES IN OKLAHOMA

The bill (S. 2085) to authorize the use of funds arising from a judgment in favor of the Kiow, Comanche, and Apache tribes of Indians in Oklahoma, for the purposes, was announced as next in order.

Mr. ENGLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 891, H.R. 7437, an identical House bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 7437) to authorize the use of funds arising from a judgment in favor of the Kiow, Comanche, and Arapaho Tribes of Indians of Oklahoma, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2085 is indefinitely postponed.

SALE OF CERTAIN LAND OWNED BY THE CREEK TRIBE OF INDIANS

The bill (S. 2485) to authorize the sale of 40 acres of land owned by the Creek Tribe of Indians was announced as next in order.

Mr. ENGLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 892, H.R. 8514, an identical bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 8514) to authorize the sale of 40 acres of land owned by the Creek Tribe of Indians.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2485 is indefinitely postponed.

DIVISION OF TRIBAL ASSETS OF THE CATAWBA INDIAN TRIBE OF SOUTH CAROLINA

The bill (S. 2596) to provide for the division of the tribal assets of the Catawba Indian Tribe of South Carolina among the members of the Tribe and for the purposes, was announced as next in order.

Mr. ENGLE. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 895, H.R. 6128, an identical bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 6128) to provide for the division of the tribal assets of the Catawba Indian Tribe of South Carolina among the members of the tribe, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to third reading, read the third time, and passed.

The PRESIDING OFFICER. Senate bill 2596 is indefinitely postponed.

LEASING OF INDIAN LANDS

The bill (S. 2565) to amend the act of August 9, 1955 (69 Stat. 539), relating to leases of Indian lands, was announced as next in order.

Mr. ANDERSON. Mr. President, on the calendar, as No. 940, is the bill, H.R. 6672, which includes subject matter in S. 2565. I ask unanimous consent that the Senate proceed to consider H.R. 6672, and that the language in H.R. 6672 be stricken and that the language of S. 2565 be substituted therefor, and that the Senate pass the House bill as thus amended.

Mr. KEATING. Mr. President, may I inquire of the distinguished Senator from New Mexico whether calendar 940, H.R. 6672, is an identical bill?

Mr. ANDERSON. It is not.

Mr. KEATING. It has been represented to us that the call of the calendar

would be terminated at No. 938. Therefore, the bills following that number are bills which we have not had an opportunity to consider. Another calendar call will be held tomorrow morning, and if it would be satisfactory to the Senator from New Mexico, I suggest that we take the House bill up at that time.

Mr. ANDERSON. I prefer to pass the Senate bill. I was merely trying to expedite matters in the final few days. If we could pass the House bill as amended by the Senate language, we could immediately go to conference.

Mr. KEATING. I have no objection to the Senate bill. If the Senator does not intend to object in any way, I think that would be satisfactory.

Mr. ANDERSON. I think it fair to say that I thought the decision to terminate the call of the calendar at No. 938 was based upon the fact that reports on bills following that number were not available. The House report on Calendar No. 940, H.R. 6672, is available.

Calendar No. 940, House bill 6672, is available. The House bill relates to only one tribe, whereas the Senate bill relates to three tribes.

Mr. KEATING. The House bill is available; but the members of the calendar committee have not had an opportunity to examine it—or, more properly, I should say the staff has not had an opportunity to do so. Therefore, I did not wish to pass on a measure which I should have examined.

Mr. ANDERSON. I only wish to make plain that I believe we should strike out all after the enacting clause of the House bill, and substitute the language of the Senate bill, so that the language of Calendar No. 886, Senate bill 2565, will be before the Senate.

Mr. KEATING. In other words, use the House bill number, but the Senate bill text; is that the Senator's proposal?

Mr. ANDERSON. Exactly.

Mr. ENGLE. Mr. President, reserving the right to object, let me inquire of the Senator from New Mexico whether he intends to ask that the language of the House bill be inserted in the Senate bill, in lieu of the present text of the Senate bill.

Mr. ANDERSON. No; I intend to move that all after the enacting clause of the House bill be stricken out, and that the text of the Senate bill be inserted, in lieu thereof.

Mr. ENGLE. Then I object.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 940, House bill 6672; and if that consent is given, I shall ask that all after the enacting clause of the bill be stricken out, and that the text of Senate bill 2565, Calendar No. 886, as proposed to be amended, be inserted, in lieu thereof.

Mr. ENGLE. However, the Senate bill relates to three tribes, whereas the House bill relates to only one tribe.

I understand that the chairman of the House Committee on Indian Affairs wishes to hold hearings on the Seminole Tribe, which is covered by the Senate bill.

I do not wish to obstruct the taking of action on the Senate bill, but I do not want to see the House bill included in the package and then have the entire package fail of enactment. I make this statement because the chairman of the House committee has given us to understand that he will not be willing to have the House proceed with the package bill until his committee has held hearings on the Seminole Tribe.

Mr. ANDERSON. The Senator from California was formerly, when he was a Member of the House, chairman of the House Committee on Indian Affairs. He was its chairman for a long time, and he is familiar with the practice there.

Our purpose is to have both bills go to conference and then see what the conferees will do.

The chairman of the House committee certainly would be a member of the conference committee, and at that time he could make such suggestions as he might wish to make.

Mr. ENGLE. That is true. However, inasmuch as the chairman of the House Committee on Indian Affairs has already said he would not be willing to proceed with the bill relating to the Seminoles without holding hearings, we would make a conference on that bill impossible, and, in that event, we would have lost our opportunity to have a bill on this subject enacted into law.

Mr. KEATING. Mr. President, will the Senator from California yield to me?

Mr. ENGLE. I yield.

Mr. KEATING. Apparently the Senator from New Mexico is a three-tribe man, not a one-tribe man.

I believe I share his views in regard to being a three-tribe man, not a one-tribe man.

I prefer the language of the Senate bill, and I have no objection to that bill.

Mr. ENGLE. I have no objection, either.

Mr. KEATING. Then why not have the Senate pass the Senate bill, and have it go to conference; and if the conference breaks up, that will not be our problem.

Mr. ANDERSON. Precisely.

I merely say that in the conference there may be objection to including in the bill the provisions in regard to the Seminole Tribe.

But I understand there was no objection to the position taken here in regard to House bill 6672; and I certainly have no objection to it.

Then we would succeed with respect to taking action in regard to two of the tribes, even though we might not succeed in taking action in regard to the Seminoles.

Mr. KEATING. Mr. President, the Senator from New Mexico is always a strong conferee, and it would not be likely that he would recede from the position taken by the Senate. But if he found that he had to do so, we would still succeed in taking action in regard to two of the three tribes.

Mr. ENGLE. I understand there is no objection insofar as the Navajos are concerned.

Mr. ANDERSON. That is correct.

Of course, my interest in having a conference in this connection is that in the conference the conferees might succeed in taking action in regard to two of the three tribes, whereas otherwise, at this late date, we might not accomplish anything in this connection.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of Calendar No. 940, House bill 6672.

Mr. ENGLE. I withdraw my objection.

Mr. ANDERSON. Mr. President, a parliamentary inquiry: Is it understood that the action we propose is that all after the enacting clause of House bill 6672 be stricken out, and that there be inserted, in lieu thereof, the text of Senate bill 2565, Calendar No. 886? I do not wish there to be any misunderstanding by my good friend, the Senator from California.

Mr. ENGLE. That is what I understood.

Mr. ANDERSON. And my request is to strike out all after the enacting clause of the House bill, and to insert, in lieu thereof, the text of Senate bill 2565, as proposed to be amended.

Mr. ENGLE. That is my understanding. I also understand that if the bill goes to conference and if there is objection to the inclusion of the provisions in regard to the Seminoles, the Senator from New Mexico, as one of the conferees, will be willing to drop out the provisions in regard to the Seminoles, and to include only the provisions in regard to the Navajos and the Agua Calientes, and to have the bill with the inclusion of those provisions go to the White House.

Mr. ANDERSON. That is my agreement; I have made that statement publicly, and I will stand by it.

Mr. ENGLE. Very well; I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico?

There being no objection, the Senate proceeded to consider the bill (H.R. 6672) to authorize longer term leases of Indian lands on the Agua Caliente (Palm Springs) Reservation.

Mr. ANDERSON. Mr. President, I ask unanimous consent that all after the enacting clause of House bill 6672 be stricken out, and that the text of Calendar No. 886, Senate bill 2565, as proposed to be amended by the committee, be inserted in lieu thereof.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 6672) was read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2565 will be indefinitely postponed.

MINUTE MAN NATIONAL HISTORICAL PARK, MASS.—BILL PASSED OVER

The bill, H.R. 5892, to provide for the establishment of Minute Man National

Historical Park, in Massachusetts, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. ENGLE subsequently said: Mr. President, I ask unanimous consent that the vote by which House bill 5892 was passed be reconsidered; and that the Senate return to the consideration of that bill.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. ENGLE. Mr. President, I interpose objection to consideration of the bill at this time; and I ask that the bill go over, as not being calendar business.

Mr. SALTONSTALL. Mr. President, I have talked to the Senator from California. I understand that he will not object if the bill is brought up by motion, following the calendar.

Mr. ENGLE. That is correct. Personally, I have no objection at all to the bill.

Mr. SALTONSTALL. Very well.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

ACQUISITION OF CERTAIN PROPERTY TO BE INCLUDED IN THE INDEPENDENCE NATIONAL HISTORICAL PARK

The bill (H.R. 6781) to authorize the Secretary of the Interior to acquire certain additional property to be included in the Independence National Historical Park was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN PROPERTY TO W. A. NOLEN AND WILEY W. WALKER IN YALOBUSHA COUNTY, MISS.

The bill (H.R. 1735) to provide for conveyance of certain real property of the United States in Yalobusha County, Miss., to W. A. Nolen and Wiley W. Walker was announced as next in order.

Mr. MORSE. Mr. President, reserving the right to object—although I shall not object—I ask unanimous consent that a statement which I have prepared in regard to the bill, in connection with the Morse formula, be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

H.R. 1735 is designed to do equity on behalf of persons in possession of certain public lands under color of title.

According to Senate Report No. 858, the 40-acre tract in question was taken by the State of Mississippi for alleged delinquent taxes in 1933, and was deeded by the State to predecessors in interest of Messrs. Nolen and Walker.

Nolen and Walker have been in possession and have improved the property, particularly through the planting of pine seedlings.

The report of the Department of the Interior indicates it has no objection to the proposed conveyance, provided the claimants meet the terms and conditions of the Color of Title Act.

H.R. 1735, as passed by the House of Representatives, contains the color of title provision.

In view of the fact that the bill is designed to do equity and to bring the case within the provisions of the color of title law, the proposed transfer is not objectionable under the Morse formula.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill.

There being no objection, the bill (H.R. 1735) was considered, ordered to a third reading, read the third time, and passed.

QUIET TITLE AND POSSESSION TO CERTAIN REAL PROPERTY

The bill (H.R. 4714) to quiet title and possession with respect to certain real property adjacent to the Rocky Mountain Arsenal, Denver, Colo., was announced as next in order.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared on this bill, in regard to the relationship of the bill to the Morse formula.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

This bill is designed to remove a cloud on a title of 10 acres of land inadventently included by the United States in a declaration of taking of certain land in the 1940's for use as the Rocky Mountain Arsenal, Colo.

In view of the fact that the Government has no interest in this land, no violation of the Morse formula is involved.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H.R. 4714) was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 910) to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes, was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MORSE subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD, in connection with Calendar No. 893, Senate bill 910, four letters which I have received from county judges in Oregon, in support of the bill.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

YAMHILL COUNTY,
COUNTY COURT,
McMinnville, Oreg., August 27, 1959.

Hon. WAYNE MORSE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MORSE: I would like to take this opportunity to urge your support of S. 910 dealing with payment in lieu of taxes and urge you to contact the following members of the Senate Government Operations Committee: MCCLELLAN, of Arkansas, chairman; JACKSON, of Washington; ERVIN, of North Carolina; HUMPHREY, of Minnesota; GRUENING, of Alaska; MUNDT, of South Dakota; CURTIS, of Nebraska; CAPEHART, of Indiana; and MUSKIE, of Maine.

Sincerely yours,

GUY SHUMWAY,
Commissioner.

JOSEPHINE COUNTY, OREG.,
COUNTY COURT,
Grants Pass, Oreg., March 3, 1959.

Hon. WAYNE MORSE,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: It has been called to the attention of the Josephine County Court that Senator HUMPHREY, of Minnesota, has introduced Senate bill 910 which provides for payment in lieu of taxes on Government property at the local level.

We have discussed this bill and are certainly in favor of the provisions of the bill. I am sure that you are fully aware of the problems that local government have when called upon to give the ordinary local services—school, road, street lighting, sewage disposal, local law enforcement—all that are necessary at the local level with only part of the property on the local tax base.

We hope that you will see fit to actively support this bill and see that it is passed at this session of Congress.

With kindest personal regards.

Very truly yours,

RAYMOND A. LATHROP,
County Judge.

HOOD RIVER COUNTY COURT,
Hood River, Oreg., February 13, 1959.

The Honorable WAYNE MORSE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MORSE: We need all the support we can get on Senate bill 910. Any assistance you can give will be appreciated.

Sincerely yours,

GEORGE W. KRIEG,
County Commissioner.

BAKER COUNTY,
Baker, Oreg., February 10, 1959.

Hon. WAYNE MORSE,
U.S. Senator for Oregon,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: I would appreciate very much if you would take a few minutes of your time and look at S. 910 bill. This is the bill that has to do with payments in lieu of taxes.

The Association of Oregon Counties has been the leader in trying to get a payments-in-lieu-of-taxes bill enacted. In recent years the National Association of County Officials has also supported this measure.

If this bill is one that you could support, I would appreciate if you would do so. If this bill is to your liking, I am sure it will lend tremendous influence to it if you cosponsor it.

Any help that you could give us in this matter would be greatly appreciated.

Sincerely,

LLOYD REA,
County Judge.

BILLS INDEFINITELY POSTPONED

The bill (H.R. 6249) to liberalize the tariff laws for works of art and other exhibition material, and for other purposes, was announced as next in order.

Mr. KEATING. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. ENGLE. Mr. President, will the Senator from New York yield to me?

Mr. KEATING. I yield.

Mr. ENGLE. The language of this bill is already covered by a bill which presently is at the White House, and we understand it will be signed by the President.

I would ask unanimous consent that this bill be indefinitely postponed, and also that Calendar No. 765, which deals with a similar matter, likewise be indefinitely postponed.

Mr. KEATING. Is this the bill which was discussed at such length and with such vigor and enthusiastic oratory, in connection with the subject of wood moldings?

Mr. ENGLE. Yes; and the Senator from New Mexico also participated in that debate.

Let me say that our meritorious provision in that bill was stricken out by means of an amendment of the distinguished Senator from Texas [Mr. YARBOROUGH], although over our vigorous protests. Nevertheless, that provision was stricken out of the bill.

The bill is now at the White House. Therefore, this bill is unnecessary.

The PRESIDING OFFICER. Without objection, House bill 6249 will be indefinitely postponed.

Mr. ENGLE. I make the same request in regard to Calendar No. 765.

The PRESIDING OFFICER. Without objection, Calendar No. 765, House bill 4576, to suspend for a temporary period the duty on book bindings and covers imported by certain institutions, will likewise be indefinitely postponed.

BILL PASSED OVER

The bill (S. 2568) to amend the Atomic Energy Act of 1954, as amended, with respect to cooperation with States, was announced as next in order.

Mr. ENGLE. By request, I ask that this bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. ANDERSON. Mr. President, let me say that I think I concur with the position of the Senator from California, in that the bill may not be calendar business.

The able Senator from Iowa [Mr. HICKENLOOPER], formerly a member of the Joint Committee on Atomic Energy, and I have discussed this matter many times. The Senator from Iowa thought it might be possible to have the bill passed during the call of the Consent Calendar.

I have no objection to the attitude taken by the able Senator from California. I only suggest that there might be some question whether the next measure on the calendar would also need to go over.

Mr. ENGLE. I have no personal objection; but I have received from another Senator a request that the bill go over.

Mr. ANDERSON. I recognize that; and I have no criticism of the action taken.

AMENDMENT OF ATOMIC ENERGY ACT OF 1954

The Senate proceeded to consider the bill (S. 2569) to amend the Atomic Energy Act of 1954, as amended, which had been reported from the Committee on Atomic Energy, with amendments, on page 1, line 3, after the word "That", to strike out "section 91 of the Atomic Energy Act of 1954, as amended, is amended by adding the following subsection d.:

"'d. Notwithstanding any other provision of this Act, in the event there is a delivery to the Department of Defense, pursuant to subsection b. (1) of this section, or manufacture, production, or acquisition by the Department of Defense, pursuant to subsection b. (2) of this section, in accordance with a directive issued by the President under subsection b. of this section, the President may, to the extent he deems necessary in the national interest, authorize the Department of Defense to establish and prescribe standards or instructions applicable to special nuclear material or atomic weapons so delivered or atomic weapons or utilization facilities so manufactured, produced, or acquired, in order to protect health and minimize danger to life or property.'"; on page 2, at the beginning of line 7, to strike out "SEC. 2. Subsection" and insert "subsection", and at the beginning of line 11, to change the section number from "3" to "2"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection 161 m. of the Atomic Energy Act of 1954, as amended, is amended by striking out "Section 103 or 104" and inserting in lieu thereof "Section 103, 104, 53 a. (4), or 63 a. (4)".

SEC. 2. Section 163 of the Atomic Energy Act of 1954, as amended, is amended by inserting after the words "from receiving compensation" the following words "from a source other than a nonprofit educational institution".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ANDERSON. Mr. President, I ask unanimous consent that I may file a statement in connection with this bill, which may be helpful in understanding it, and I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AMENDMENTS TO SECTION 161 AND SECTION 163—STATEMENT BY SENATOR ANDERSON

S. 2569 is a bill recommended by the Joint Committee on Atomic Energy to make two minor amendments to the Atomic Energy Act of 1954, as amended. The purpose of the amendments is explained in the committee report (S. Rept. No. 871) which also includes as an appendix, a statement by AEC Chairman John A. McCone, indicating the reasons why the AEC had requested these amendments.

As indicated by the committee amendments, the Joint Committee deleted section 1 of the bill because the committee concluded that more consideration is needed by the AEC and the Department of Defense on the subject matter covered by the original section 1. The two agencies have been requested to review the subject of their respective responsibilities for safety of nuclear materials, atomic weapons, and military reactors under the control of the Department of Defense and to present a report to the Joint Committee for further consideration during the next session of Congress.

Section 1 of the bill as reported out (original sec. 2) amends subsection 161m of the Atomic Energy Act to authorize the Commission to enter into agreements for the performance of certain services by the Commission with material licensees, as well as with facility licensees, as presently authorized by the act. Mr. McCone testified that it would be a convenience both to the industry and to the Commission if the Commission could enter into such agreements with material licensees, or fuel suppliers.

Section 2 of the bill as reported out (sec. 3 of the original bill) amends section 163 of the act to provide that members of AEC advisory committees, particularly the General Advisory Committee, will not be subject to conflict of interest statutes merely because of compensation received from nonprofit educational institutions.

The reasons for the recommended amendments, as well as the AEC statement in support thereof, are set forth in the committee report.

Mr. President, I urge all members to pass this bill, as amended by the Joint Committee.

BILL PASSED OVER

The bill (S. 1892) to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma, was announced as next in order.

Mr. KEATING. Over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF RECLAMATION PROJECT ACT OF 1939—BILL PASSED OVER

The bill (H.R. 1778) to amend section 17(b) of the Reclamation Project Act of 1939 was announced as next in order.

Mr. KEATING. Over.

Mr. ANDERSON. Mr. President, I wonder if the Senator from New York will withhold his objection for just a moment. This bill may not be calendar business. I merely desire to say that year after year after year, time after time after time, we have presented this measure, every 2 or 3 years. This is certainly as nonpolitical a bill as I have seen. We have trusted Secretaries of the Interior and, without exception, they have handled the trust in admirable fashion. I will not question the Senator from New York if he thinks it is not calendar business. I only say we do this every 2 or 3 years. It occurred to the Committee on Interior and Insular Affairs it might be well to do this once and for all, and forget it. The Secretary concurs in that viewpoint. The Bureau of the Budget concurs in that viewpoint. I hope the Senator from New York will not be constrained to object, although I would agree with him in advance this might not be regarded as calendar business.

Mr. KEATING. I simply want to say I do not feel too strongly, personally, about it, and I know that this is legislation requested by the Department of the Interior, but it would make permanent the 1939 statute, which has been extended from time to time, the latest extension expiring December 31, 1960.

By taking this action to make it permanent, a measure of control over the Interior Department in exercising its present temporary authority may well be lost. Therefore, it seems to me that serious consideration should be given to an amendment to provide a simple extension of authority up to a further fixed period of time.

If the Senator from New Mexico felt disposed to amend the bill before us for a 2- or 3-year extension, I would have no objection. Otherwise I feel it is a measure which should have discussion by being called up by motion, which is not possible at this stage of the proceedings.

Mr. ANDERSON. Of course the Senator from New York is well within his rights in objecting. We tried to short-circuit the time on the floor by making this proposal. I have no authority to change the terms of the bill. I therefore recognize the objection of the Senator as being valid.

Mr. KEATING. I have no objection to the measure being called up for consideration by motion today or any other time, but I do not think it is proper calendar business.

The PRESIDING OFFICER. Objection is heard. The bill will be passed over.

AMENDMENT OF FEDERAL BOATING ACT OF 1958

The Senate proceeded to consider the bill (S. 2598) to amend the Federal Boating Act of 1958 to extend until January 1, 1961, the period when certain provisions of that act will take effect, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments, on page 1, line 5, after the word "thereof", to strike out "January 1, 1961" and insert "April 1, 1961"; in line 9, after the word "thereof", to strike out "January 1, 1961" and insert "April 1, 1961", and on page 2, line 3, after the word "thereof", to strike out "January 1, 1961" and insert "April 1, 1961"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (8) of subsection (c) of section 3 of the Federal Boating Act of 1958 is amended by striking out "April 1, 1960," and inserting in lieu thereof "April 1, 1961,".

(b) Subsection (b) of section 11 of the Federal Boating Act of 1958 is amended by striking out "April 1, 1960." and inserting in lieu thereof "April 1, 1961.".

(c) Section 12 of the Federal Boating Act of 1958 is amended by striking out "April 1, 1960," and inserting in lieu thereof "April 1, 1961.".

The amendments were agreed to.

Mr. ENGLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 901, H.R. 8728, which is a similar House bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8728) to amend the Federal Boating Act of 1958, to extend for an additional year the period when certain provisions of that act will take effect.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 8728).

Mr. ENGLE. Mr. President, I move to amend H.R. 8728 by striking out all after the enacting clause and inserting in lieu thereof the language of S. 2598 as amended. I do that because, although they are practically identical bills, an error was made in the House bill, and for that reason we want to pass the House bill with the Senate language.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time. The bill (H.R. 8728) was passed.

The PRESIDING OFFICER. Without objection, Senate bill S. 2598 is indefinitely postponed.

AIR POLLUTION

The Senate proceeded to consider the bill (H.R. 7476) to extend for 2 additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution.

Mr. KUCHEL. Mr. President, there is an amendment at the desk which represents the text of the air-pollution legislation as it passed the Senate several months ago. The amendment is offered on behalf of the able senior Senator from New Mexico, the able senior Senator from Oklahoma, and myself, all of whom desire, if there is no objection by the calendar committees, to substitute the language of the previously passed Senate bill for the language of the House bill. I shall be glad to discuss it.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. ENGLE. I desire to join my colleague in this amendment. The House passed a simple extension of the act. The Senate bill is a much more comprehensive and a much better worked-out piece of legislation. We desire to substitute the language of the Senate bill which previously passed the Senate, and send the bill back to conference.

Mr. KUCHEL. I thank the Senator.

Mr. President, all of us recognize the merit of the Air Pollution Control Act which was enacted in 1955. This act authorized a program for research and technical assistance to obtain data and to devise and develop methods for control and abatement of air pollution. The Secretary of Health, Education, and Welfare, and the Surgeon General of the Public Health Service, were charged with the responsibility of its administration.

In April of this year, this body approved Senate bill 441, as amended, extending the present 5-year act for a period of 4 years and increased the authorization for annual appropriations from $5 million to $7.5 million. A short time ago the other body approved H.R. 7476, extending the act 2 additional years with no change in the authorized appropriations of $5 million a year.

Both committees clearly recognized that air pollution is a national problem and, as yet, still unsolved. While substantial progress toward solution has been made on all levels of government and industry, the committees were fully aware that the problem of air pollution will remain with us for a good many years to come, notwithstanding the effective and outstanding work already accomplished under the auspices of this act.

Mr. President, I believe there is no doubt in this body that it is in the national interest to continue the Air Pollution Control Act. Both committees after intensive study were of this opinion. The only question remaining then is the term of this continuance.

This is not a partisan issue. This is not a sectional nor an economic issue. This is in the nature of a scientific problem. We must look to the scientists, the air pollution experts, if we are to arrive at a reasoned logical answer.

What say the scientists? Dr. Theodore Bauer, of the Department of Health, Education, and Welfare, in his testimony before a subcommittee of the Interstate and Foreign Commerce Committee of the House of Representatives on May 19, 1959, made the following observations:

1. That, to date, the development of air pollution problems has outpaced the accumulation of scientific knowledge needed to deal with them.

2. In the future it appears inevitable, in addition to increasing urbanization, that new technology will produce greater potential for total air pollution, both in quantity and in variety.

3. Continued research and application of its results will be needed to keep abreast of these problems.

4. The air pollution program authorization should be extended without any specific termination date.

I am not a scientist, but these observations and recommendations of the Department of Health, Education, and Welfare make good sense. Research in any field should not be unduly hampered if it is to be of maximum effectiveness. Some types of projects take years to complete. By definition, basic, original research is incompatible with a time boundary. The breakthrough may come tomorrow, next year, 5 years, 50 years, or never. Air pollution and its solution involves this type of research and study.

Therefore, it follows that we should use a "maximum" type of approach rather than a "minimum" type in extending this act. If the Congress desires reports from time to time, this can be accomplished by other means.

It would be most foolish, and contrary to the national interest, to force the Department of Health, Education, and Welfare and the Surgeon General to observe a 2-year deadline in planning and executing research and study projects.

Likewise with the trend towards greater urbanization of our population and the increasing incidence of air pollution we should liberalize the amount of funds to be expended toward the solution of one of modern civilization's most vexing problems. The Senate Public Works

Committee and the Senate as a body recognized this need. In addition, the increase provided by S. 441 acknowledged the fact that our dollar buys less today than it did 5 years ago.

Mr. President, at the very least we should insist upon the enactment of S. 441. To do less would be a tragic disservice to the great majority of our people who live and work in the cities of America.

The PRESIDING OFFICER. The amendment offered by the Senator from California for himself and other Senators will be stated.

The CHIEF CLERK. It is proposed on page 1 to strike out lines 3 through 8 and insert in lieu thereof the following:

That section 5 of the Act of July 14, 1955 (42 U.S.C. 1857(d)), is amended—

(1) by striking out "(a)" after "SEC. 5.",

(2) after $5,000,000 in the first sentence insert a comma and the following "and for each of the four fiscal years during the period beginning July 1, 1960, and ending June 30, 1964, not to exceed $7,500,000",

(3) by inserting "for surveys and studies and" before "for research" in clauses (1) and (2) of such first sentence, and

(4) by striking out "by the Surgeon General" in the last sentence.

SEC. 2. Such Act is further amended by adding at the end thereof the following new section:

"SEC. 8. It is hereby declared to be the intent of the Congress that any Federal department or agency having jurisdiction over any building, installation or other property shall, to the extent practicable and consistent with the interests of the United States and within any available appropriations cooperate with the Department of Health, Education, and Welfare, and with any interstate agency or any State or local government air pollution control agency in preventing or controlling the pollution of the air in any area insofar as the discharge of any matter from or by such property may cause or contribute to pollution of the air in such area."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time. The bill was read the third time, and passed.

The title was amended so as to read: "An act to extend the duration of the Federal air pollution control law, and for other purposes."

LEASING OF LAND ON THE COLORADO RIVER INDIAN RESERVATION, ARIZ. AND CALIF.

The Senate proceeded to consider the bill (S. 2286) to authorize the leasing of land on the Colorado River Indian Reservation, Ariz. and Calif., and for other purposes.

Mr. KUCHEL. Mr. President, I have an amendment pending at the desk, which I should like to call up.

The PRESIDING OFFICER. The amendment offered by the Senator from California will be stated.

The CHIEF CLERK. It is proposed on page 1, line 8, immediately after the word "reservation", to insert "which are located within Arizona".

Mr. GOLDWATER. Mr. President——

Mr. KUCHEL. I shall be glad to make a brief explanation of the bill.

Mr. GOLDWATER. I think the Senator should.

Mr. KUCHEL. The able junior Senator from Arizona has sponsored the bill now before us to authorize the Secretary of the Interior to execute leases on the lands of the Colorado River Indian Reservation in both Arizona and California.

The Colorado River apparently, over the years, has meandered from one location to another, and I think it is probably true there is a question of what property constitutes Government-owned land and what properties constitute privately owned land.

The Palo Verdi Irrigation District, located on the California side of the Colorado River, objects to that part of the bill dealing with the land located in California and urges that in those instances where there may be a dispute as to the ownership of the property involved simply quieting title by legal action is available to the Government and the private landowners to resolve the dispute.

I have spoken to my friend from Arizona. He will accept the amendment.

Mr. GOLDWATER. Mr. President, there is some dispute over the ownership of the land. In fact, there is an intimation that the owners will go to the Supreme Court on a question concerning the waters of the river. I have no objection to accepting the amendment. While the land is Indian land, it is not too close to the river and not much of it has been developed. It will be very helpful if the bill is passed by both Houses.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, until a determination has been made of the beneficial ownership of the lands on the Colorado River Reservation, Arizona and California, that were set apart by the United States for the Indians of the Colorado River and its tributaries, the Secretary of the Interior is authorized to lease any unassigned lands on the reservation which are located within Arizona and to approve leases made by the holders of assignments heretofore made, for such uses and terms as are authorized by the Act of August 9, 1955 (59 Stat. 539), and by the Act of May 11, 1938 (52 Stat. 347). Income received from such leases of unassigned lands may be expended or advanced by the Secretary for the benefit of the Colorado River Indian tribes and their members. Income received from such leases of assigned lands may be expended or advanced by the Secretary for the benefit of the assignee.

The title was amended so as to read: "An Act to authorize the leasing of certain land in Arizona which comprises a part of the Colorado River Indian Reservation, and for other purposes."

EXEMPTIONS FROM ADMISSIONS TAX BENEFITING CRIPPLED CHILDREN

The bill (H.R. 4857) to amend section 4233 of the Internal Revenue Code of 1954 to provide that the exemptions from the admissions tax for athletic games benefiting crippled or retarded children, shall apply where the participants have recently attended designated schools or colleges as well as where they are currently students, was considered, ordered to a third reading, read the third time, and passed.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD an explanation of H.R. 4857.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF H.R. 4857

This bill amends two of the exemptions from the admissions tax to provide that in determining whether an athletic game is played between students from elementary or secondary schools, or colleges, where the proceeds inure to a hospital for crippled children, or an exempt organization operated exclusively for the benefit of retarded children, the term "student" is to include anyone who was a student at the school or college within the 8 months immediately before the athletic game. This will make the exemption available for all-star and other similar benefit games even though the game is played shortly after the end of the school or college year. This is to be effective for amounts paid on or after the date of enactment. The bill, which is favored by the Treasury Department, was reported unanimously by your committee.

CHANGES IN CERTAIN EXCISE TAX LAWS

The bill (H.R. 8725) to amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD an explanation of H.R. 8725.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF H.R. 8725 WHICH MAKES TECHNICAL CHANGES IN CERTAIN EXCISE TAX LAWS

(1) It deletes from the tax on jewelry "coral" when sold as a stone and not as a part of a piece of mounted jewelry.

(2) It makes it clear that the exemptions from the retailers, manufacturers, communications, and transportation-of-persons taxes for nonprofit educational organizations include parochial schools which are merely an activity of a church as well as those which are separate educational organizations. It also makes a similar modification in the case of the exemption for nonprofit educational organizations in the case of the admissions tax.

(3) It modifies the exemption from the club dues tax presently available in the case of capital improvements. This exemption is to be available for payments for capital

improvements, whether made in connection with the dues tax or the initiation tax, which are spent for the construction or reconstruction within the 3 year period after the club receives the amount from the member. In addition, the exemption is to be available with respect to furnishings and fixtures for the use of the facility constructed or reconstructed.

(4) It restores the exemption, in the case of the communications taxes, formerly provided for common carriers and communication companies in the case of leased wires now classified as general telephone service which connect two stations for which a toll charge would otherwise be made.

(5) It modifies the documentary stamp tax applicable to transfers to make it apply in the case of stock rights or warrants on the basis of the value of the rights or warrants rather than on the basis of the value of the underlying stock.

(6) It reduces from $250 to $10 the occupational tax applicable to so-called claw, crane, or digger machines used at carnivals or fairs where the charge is not in excess of 10 cents, the merchandise prizes provided have a value of not more than $1 and the machines are activated by a nonelectrical mechanism.

FURTHER DETAILED EXPLANATION OF H.R. 8725 WHICH MAKES TECHNICAL CHANGES IN CERTAIN EXCISE TAX LAWS

1. Deletion of coral from the list of semiprecious stones subject to the 10 percent jewelry tax

Before the enactment of the Excise Tax Technical Changes Act of 1958 there was included in the base of the 10 percent retail tax on jewelry and related items "pearls, precious and semiprecious stones, and imitations thereof." However, the Excise Tax Technical Changes Act of 1958 deleted the reference to "precious and semiprecious stones, and imitations thereof" and substituted a specific list of stones which are subject to tax.

Among the stones specifically listed in the 1958 act was coral. However, it has been found that although some coral is sold for use as a gem, most of it is sold as ornamentation of fish bowls. In addition, coral has a relatively small value unless combined with mountings or settings. In view of this the Ways and Means Committee omitted coral from the list of stones subject to tax.

Necklaces, or other articles of adornment, containing coral, will continue to be taxable, however, under another provision of the tax on jewelry.

This change is to become effective as of the beginning of the first month starting more than 10 days after the date of enactment of this bill.

2. Certain nonprofit educational organizations

The Excise Tax Technical Changes Act of 1958 provided an exemption for nonprofit educational organizations in the case of retailers' excises, manufacturers' excises, the taxes on communications services and the tax on the transportation of persons.

Under the 1958 act these exempt nonprofit educational organizations were defined as educational organizations described in section 503(b)(2) of the code which are exempt from income tax under section 501(a). Section 503(b)(2) of the code refers to "an educational organization which normally maintains a regular faculty and curriculum and normally has a regular enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on."

Questions have been raised as to whether the reference to educational organizations in this definition covers parochial schools which are merely an activity of a church and not separate corporate entities. In accord with the general view of the intent of Congress, the Treasury took the position that the exemption for nonprofit educational organizations did cover these parochial schools. The bill amends the code on this point so that it clearly reflects this position.

The code also contains an exemption from the admissions taxes for educational institutions described in section 503(b)(2) which are exempt from income tax under section 501(a). Although this was not provided by the 1958 act, the Ways and Means Committee, for purposes of consistency and uniformity in excise tax administration, added a clause specifically including within this exemption schools carried on as an activity of other exempt religious, educational, charitable, etc., organizations, in the same manner as in the case of the other taxes.

The amendments relating to the changes made by the Technical Changes Act of 1958 are made as of the general effective date for title I of that act, namely, January 1, 1959.

The amendment to the admissions tax exemption is to be effective as of the beginning of the first month starting more than 10 days after the date of enactment of this bill.

3. Exemption for capital improvement in the case of the club dues tax

In the case of the 20 percent club dues tax, the Excise Tax Technical Changes Act of 1958 provided an exemption for assessments for capital improvements. Operating experience under this exemption has suggested to the Treasury the desirability of several refinements in this exemption.

First, reference to exemptions only for assessments for capital improvements has limited the application of the exemption to dues, since the term "dues" is defined as including any assessment. This prevents an exemption for initiation fees, even though the amounts collected are used for the construction or reconstruction of otherwise qualifying capital improvements. As a result, the bill provides an exemption for amounts paid for dues or membership fees or as initiation fees (instead of referring only to assessments since this only covers dues).

Second, the exemption is not available in the case of assessments for furnishings and equipment since such amounts are not the facility being constructed or reconstructed. This has presented problems to the Treasury in trying to allocate assessments between the nontaxable portion for construction and the taxable portion for furnishings and fixtures, particularly when the club itself does not know in advance how the assessment will be divided. Therefore, the bill provides an exemption, not only in the case of the construction or reconstruction of a facility, but also for furnishings or equipment (including installation charges) for such a facility. To qualify, the furnishings or equipment must be necessary for use of the facility upon the completion of the work. For example, this would include required furniture, drapes, carpeting, refrigerators, etc., for a new facility, or for any portion of an existing facility which is reconstructed.

Third, there is no indication in the present exemption as to how long after the payment of the assessment the construction or reconstruction may occur, or how specific the plans must be for this construction or reconstruction. As a result, the exemption is limited by the bill to amounts spent within 3 years after the date of payment by the club member. The tax on amounts not so spent becomes payable immediately after the expiration of the 3-year period, and in this case is payable by the club rather than the member. The shift in the incidence of the tax is provided because of the problem which would otherwise be presented in attempting to trace back to members of the club 3 years earlier.

These changes are made effective for amounts paid on or after the first day of the first month beginning more than 10 days after the date of enactment of this bill.

4. Exemption for certain telephone lines used by common carriers, or communications companies

The Excise Tax Technical Changes Act of 1958 made a major revision in the terminology and definitions of the taxable types of communications services.

One of the former taxable categories was "leased wire, teletypewriter, or talking circuit special service." Most of this old category is now in what is called wire mileage service. However, a portion now appears in the category known as general telephone service.

Formerly, leased wires were included in local telephone service when they were entirely within a local exchange area. The 1958 act, however, dropped this distinction and instead included in general telephone service, service which may be connected to a telephone exchange. As a result, "general telephone service" now includes some of the leased wire services beyond a local exchange area.

The problem with which the bill is concerned relates to the exemption previously provided for "leased wire, teletypewriter, or talking circuit special services" in the case of common carriers (such as the railroads, airlines, and trucking companies) and telephone, telegraph, and radio broadcasting companies. The exemption for these carriers or communication companies was continued by the 1958 act for those services classified as "wire mileage service." It is not available, however, for the wire services classified as general telephone services. The denial of this existing exemption was not intended in the 1958 act and the bill therefore corrects this oversight.

The bill deals with this problem by providing an exemption for any telephone line constituting general telephone service used by a common carrier, telephone or telegraph company, or radio company in the conduct of its business. However, this new exemption is available only if the telephone line connects stations between any two of which there would be a toll charge in the case of the usual telephone service. This limitation is in lieu of the former restriction to the effect that not all of the leased wire could be in a local exchange area for the exemption to be available.

These changes are made effective as if they had been enacted as a part of the Excise Tax Technical Changes Act of 1958 at the time of its enactment and thus is effective back to January 1, 1959. This will assure continuity of the exemption applicable to leased wire services.

5. Measure for documentary stamp transfer tax in the case of stock rights on warrants

Before the passage of the Excise Tax Technical Changes Act of 1958, the documentary stamp transfer tax in the case of stock was based primarily on the par or face value of the certificates or shares. The 1958 act changed this to a tax of 4 cents per $100 based on the actual value of the shares.

A problem has arisen with this "actual value" tax in the case of stock rights and warrants. The statute imposes a tax on the "rights to subscribe for or to receive" shares or certificates of stock. However, the only tax base referred to in the statute is the actual value of the certificates or of the shares. As a result, the Treasury has held that in the case of the transfer of rights to

subscribe for, or to receive, stock, the tax is based, not on the value of the rights sold, but rather on the value of the underlying shares of stock to be acquired upon the exercise of the rights. Thus, the tax imposed in the case of stock rights or warrants may be several times the tax which would result from taxing the value of the rights or warrants.

The discrimination referred to can be illustrated by an example. Assume a person sells for $1,000 a block of 100 warrants to buy a specific stock at $20 a share. Assume further that the stock is then selling for $29 a share with the result that the 100 shares of stock underlying the warrants have a value of $2,900. Under present law at a rate of 4 cents per $100 of this value, this means a stamp tax of $1.16 on the block of 100 warrants. However, if the tax were based on the value of the warrants, namely, the $1,000, rather than the value of the stock, the tax would be 40 cents or about a third of the tax now imposed.

The bill corrects this problem by basing the tax in the case of "rights to subscribe for or to receive" shares or certificates on the actual value of the "rights" rather than on the actual value of the shares or certificates.

This change is to be effective as of the first day of the first month beginning more than 10 days after the date of enactment of this bill.

6. Gaming devices commonly known as claw, crane, and digger machines

Under present law an occupational tax of $10 per year is levied with respect to a music or amusement machine or with respect to certain 1-cent vending machines dispensing merchandise prizes with a retail value of not more than 5 cents. Other slot or gaming machines are subject to an occupational tax of $250 per year per machine.

Included in with the gaming machines are certain so-called claw, crane, and digger machines. The bill provides that these claw, crane, or digger machines are to be subject to a $10 a year tax, instead of the regular $250 gaming machine tax, if the following four conditions are met:

(1) The charge for each operation of the machine is not more than 10 cents;

(2) The prizes dispensed by the machine are merchandise with a retail value of not more than $1, there is no advertisement to the effect that any prize other than that dispensed by the machine is offered, and no such other prize is given;

(3) The device is activated by a crank and has a nonelectrical mechanism; and

(4) The device is not operated other than in connection with carnivals or county or State fairs.

This amendment is made effective for periods beginning after June 30, 1960.

Mr. JAVITS. Mr. President, with regard to Calendar No. 905, I have an amendment at the desk which proposes to allow a tax exemption, as a charitable contribution, for contributions made privately to the United Nations Children's Emergency Fund, provided that the contributions were actually used for the Fund's purposes in the United States or any of its possessions.

Mr. President, this has no relation, obviously, to the text of the bill. It was hoped, in view of the lateness of the session, that the amendment might be attached to the bill in order to carry the idea over to the House of Representatives.

Mr. President, we have been unable to obtain reports from the appropriate Government departments, particularly the Treasury Department. I am informed by the chairman of the Committee on Finance that this is a desirable and needed bill, and hence I shall not press my amendment and I shall not press any objection.

Mr. President, I wish to invite to the attention of the Senate what is really a pretty shameful proposition. If an individual American makes a contribution to the United Nations Children's Emergency Fund, one of the most humanitarian and heartfelt causes on earth, that contribution is not tax deductible because the law does not cover the Fund.

Mr. President, the entire amount involved is estimated at about $10,000 a year. The reason why we have not yet heard from the Treasury Department is that the Treasury Department is troubled about various charitable contributions which go for eleemosynary and philanthropic purposes abroad. I do not know how the Treasury Department is going to resolve that problem.

There are a great number of extremely desirable causes to which Americans ought to be permitted to contribute, which do good work abroad. However, I point out with respect to UNICEF, the contributions are to be used in the United States. It would be sheer "mumbo jumbo" to say that UNICEF ought to organize an American charitable corporation. In addition, that might discourage gifts which would go from Americans directly to UNICEF.

Mr. President, I shall not seek to hold up action on Calendar No. 905. That would be unfair. My great affection for the chairman of the committee and my great reliance on his views dictate that I not do so. I simply want to have this matter before the Senate. I believe I shall have the cooperation of a great many members of the Committee on Finance, and I hope of the Treasury Department, in order to be able to do this highly desirable thing at the earliest possible date.

The PRESIDING OFFICER. Is there objection to the consideration of H.R. 8725?

There being no objection, the bill (H.R. 8725) was considered, ordered to a third reading, read the third time, and passed.

ISSUANCE OF PROSPECTING PERMITS FOR PHOSPHATE

The bill (S. 2061) to authorize the issuance of prospecting permits for phosphate in lands belonging to the United States, was announced as next in order.

Mr. HOLLAND. Mr. President, I have no objection whatever to passage of the bill. In fact, I think it is a good thing for prospecting for phosphate to go forward on the public lands of the United States, particularly in the Western areas where there are great deposits and where the deposits ought to be better utilized for the service of our whole Nation.

However, we have problems in our State not on the public lands but on lands which at one time belonged to the United States, as to which reservations have been made of phosphate and mineral rights. Those problems are of various kinds. For instance, in some cases there have been residential developments on those lands, and there is still no easy method of getting quitclaim deeds or any surrender of the phosphate rights of the United States. In other cases, there have been relatively small acreages which have been mined all the way around. There is no chance to return to them, so the phosphate values have been lost. There are other problems which I shall not take the time of the Senate to relate for the record.

I understand that the Committee on Interior and Insular Affairs is quite conversant with the fact that we have these problems and has every intention of making a special study of them early next year, with the hope of reporting proposed legislation which will make possible various solutions, as the facts may require.

I have conferred on this matter with my distinguished friend the junior Senator from Utah [Mr. Moss], one of the authors of the pending bill, and I should like to ask the Senator for the record whether my understanding is correct that his able committee is instigating a study of the subject which I have mentioned, the subject of phosphate and mineral reservations in Florida, with the hope of bringing forward early next year proposed legislation which will make it possible for us to solve those problems to the advantage both of the Nation and of the private owners of the surface rights?

Mr. MOSS. Mr. President, I assure the distinguished Senator from Florida that the Committee on Interior and Insular Affairs does intend to conduct a study early next year in an attempt to find a solution for the problems presented by the Senator from Florida.

The bill presently under consideration applies only to public lands, and would not affect the situation described by the distinguished Senator. We recognize that there is a problem because of the reservation of the mineral rights by the Federal Government in many lands in Florida and in other areas. I assure the Senator we will go forward with hearings and find a solution to that problem as soon as possible.

Mr. HOLLAND. Mr. President, I thank my distinguished friend. I am thoroughly satisfied with the bill. I want to make it clear that we in Florida are in support of the pending measure.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2061) to authorize the issuance of prospecting permits for phosphate in lands belonging to the United States, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That (a) section 9 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, 440), as amended (30 U.S.C. 211), is further amended by the insertion of an (a) at the beginning of the section and by the addition of the two following subsections:

"(b) Where prospecting or exploratory work is necessary to determine the existence or workability of phosphate deposits in any

unclaimed, undeveloped area, the Secretary of the Interior is authorized to issue, to any applicant qualified under this Act, a prospecting permit which shall give the exclusive right to prospect for phosphate deposits, including associated minerals, for a period of two years, for not more than two thousand five hundred and sixty acres; and if prior to the expiration of the permit the permittee shows to the Secretary that valuable deposits of phosphate have been discovered within the area covered by his permit, the permittee shall be entitled to a lease for any or all of the land embraced in the prospecting permit.

"(c) Any phosphate permit issued under this section may be extended by the Secretary for such an additional period, not in excess of four years, as he deems advisable, if he finds that the permittee has been unable, with reasonable diligence, to determine the existence or workability of phosphate deposits in the area covered by the permit and desires to prosecute further prospecting or exploration, or for other reasons warranting such an extension in the opinion of the Secretary."

(b) Section 12 of the Mineral Leasing Act (41 Stat. 437, 441), as amended (30 U.S.C., sec. 214), is further amended by the insertion of the words "or permit" immediately after the word "lease" wherever it appears.

(c) The ninth sentence of section 27 of the Mineral Leasing Act (41 Stat. 437, 448), as amended (30 U.S.C., sec. 184), is further amended by the insertion of the words "or permits" immediately after the words "phosphate leases".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1431) to provide for the establishment of a Commission on Metropolitan Problems, was announced as next in order.

Mr. KEATING. Over, Mr. President, by request.

The PRESIDING OFFICER (Mr. Moss in the chair). The bill will be passed over.

The bill (H.R. 6059) to provide additional civilian employees for the Department of Defense for purposes of scientific research and development, and for other purposes, was announced as next in order.

Mr. KEATING. Mr. President, over, by request.

The PRESIDING OFFICER. The bill will be passed over.

MRS. GLADYS M. ELLISON

The bill (H.R. 2301) for the relief of Mrs. Gladys M. Ellison was considered, ordered to a third reading, read the third time, and passed.

LORETTA F. OSSORIO

The bill (H.R. 5357) for the relief of Loretta F. Ossorio was considered, ordered to a third reading, read the third time, and passed.

MRS. LOURENE O. ESTES

The bill (H.R. 6335) for the relief of Mrs. Lourene O. Estes was considered, ordered to a third reading, read the third time, and passed.

NANCY MAE FLOOR

The bill (H.R. 6546) for the relief of Nancy Mae Floor was considered, ordered to a third reading, read the third time, and passed.

JOHN I. STRONG

The bill (H.R. 7744) for the relief of John I. Strong was considered, ordered to a third reading, read the third time, and passed.

RICHARD C. LONG

The bill (H.R. 7857) for the relief of Richard C. Long was considered, ordered to a third reading, read the third time, and passed.

EVERET BUMGARDNER

The bill (H.R. 8196) for the relief of Everet Bumgardner was considered, ordered to a third reading, read the third time, and passed.

LAWRENCE M. FURTADO

The bill (H.R. 8197) for the relief of Lawrence M. Furtado was considered, ordered to a third reading, read the third time, and passed.

MARTIN ACKERMAN

The bill (H.R. 8198) for the relief of Martin Ackerman was considered, ordered to a third reading, read the third time, and passed.

JAMES J. MANNING

The bill (H.R. 8199) for the relief of James J. Manning was considered, ordered to a third reading, read the third time, and passed.

JOSEPH H. CORNELL

The bill (H.R. 8310) for the relief of Joseph H. Cornell was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2168) to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine, was announced as next in order.

Mr. ENGLE. Over, Mr. President, by request.

Mr. PROUTY. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

LEASING A PORTION OF TWIN CITIES ARSENAL, MINN.—BILL PASSED OVER

The bill (H.R. 2449) to authorize the Secretary of the Army to lease a portion of Twin Cities Arsenal, Minn., to Independent School District No. 16, Minnesota, was announced as next in order.

Mr. ENGLE. Over, Mr. President, by request.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MORSE. Mr. President, will the Senator withhold his request for a moment?

Mr. ENGLE. Mr. President, I withhold the request.

Mr. MORSE. Mr. President, I send to the desk an amendment and ask to have it printed and lie on the table, for consideration when the bill is considered by the Senate.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the desk.

Mr. MORSE. Mr. President, I wish to make a brief statement about the bill.

Mr. President, H.R. 2449 would authorize the Secretary of the Army to lease, without consideration and for a 2-year period, to Independent School District No. 16, Minnesota, certain space in one of the buildings at the Twin Cities Arsenal, Minneapolis.

In 1950, the Army leased the building for $12,000 per annum, less $1,000 estimated for maintenance. The building is now occupied by the district on a 5-year lease beginning July 1, 1958, revocable at will by the Secretary of the Army.

The Senate Armed Services Committee has been advised that the district cannot afford the present rent payment. In fact, a letter from the Secretary of the Army to the chairman of the House Armed Services Committee, dated May 8, 1959, indicates that the school district concluded the most it could pay was $2,500 per annum.

The Secretary of the Army opposes H.R. 2449 since it would provide relief for one school district alone.

H.R. 2449, as reported by the Senate Armed Services Committee, violates the Morse formula.

My amendment would provide for the payment of 50 percent of the fair market value of the leasehold interest.

I think that is fair, Mr. President. If it is legislative assistance which is needed in order to pay the rent, which is a fair rent, Mr. President—particularly made more fair by my amendment, which would provide for only 50 percent of the value of the leasehold interest—I suggest they should turn to legislative bodies in the State of Minnesota and not to the Federal legislative body.

The PRESIDING OFFICER. Does the Senator from California renew his request?

Mr. ENGLE. Mr. President, I ask that the bill be passed over, by request.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE OF CERTAIN PROPERTY TO THE COUNTY OF SACRAMENTO, CALIF.

The bill (H.R. 2247) to authorize the conveyance of certain real property of the United States to the county of Sacramento, Calif., was announced as next in order.

The PRESIDING OFFICER. Is there objection to present consideration of the bill?

Mr. MORSE. Mr. President, I ask unanimous consent that a brief statement on the bill be printed in the RECORD at this point.

I wish to point out that the bill involves, in a way, the exchange of services. I am satisfied from the financial accounting which has been submitted to me that the Federal Government will get a fair trade out of the proposed exchange. If the Federal Government had to build the sewage facilities which the county proposes to give it in this exchange, the Federal Government would have to pay much more than it could possibly get from the sale of the Government facilities. I am satisfied, after having made very careful search into the money values involved that the Federal Government is not losing by this exchange.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

This bill would authorize the Secretary of the Air Force to convey the Camp Kohler sewage treatment plant to Sacramento County without consideration.

Senate Report No. 896 indicates that the plant was constructed during World War II at a cost of $128,770 to the Government.

The report does not clearly indicate the Federal benefits involved in this gratuitous transfer, other than the agreement of the county (sec. 3 of H.R. 2247) to process without charge to the Government all sewage and waste water from two installations at the Camp Kohler Annex.

No monetary value is placed on this service.

The Department of the Air Force advised me in a telephone conversation today that the value of the sewage service to be rendered by the county is $1,100 per annum.

Inasmuch as a public use is involved, the Morse formula would require payment of 50 percent of fair appraised market value of the property to be transferred.

The depreciated value of the facility that originally cost $128,770 would be offset in a relatively short period of time by the $1,100 annual sewage service to be rendered by the county. This service would be of unlimited duration.

The $485,000 in improvements to the sewage plant was added by the county pursuant to the terms of a written lease entered into in 1955.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 8315) to authorize the Secretary of the Army to lease a part of Fort Crowder, Mo., to Stella Reorganized Schools R–I, Missouri, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PROUTY. Over.

Mr. MORSE. If the Senator will withhold his objection for just a moment——

Mr. PROUTY. I withhold my objection.

Mr. MORSE. Mr. President, H.R. 8315, as reported by the Senate Armed Services Committee, would authorize the Secretary of the Army to lease, without consideration and for a period of 2 years, a portion of Fort Crowder, Mo., to the Stella Reorganized Schools R–I. The Fort Crowder space covered by the bill would be occupied by the school. The district is in the process of erecting a new school building to replace one that was destroyed by fire. The space would be used during the construction of the new building.

Report No. 897 indicates that the Army requires $6,200 a year rental and that this is fair market rental.

Regardless of the appealing circumstances, the bill, in its present form, violates the Morse formula. In view of the public purpose of the proposed lease arrangement, 50 percent of fair-appraised lease value should be paid by the district.

I submit an amendment at this time, so that it may be printed and be available when the bill comes up again.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. MORSE. Mr. President, my amendment offers a very fair adjustment. It means that all of us as Federal taxpayers would be contributing 50 percent of the fair lease rental value. I think that public bodies in the State of Missouri ought to be willing to contribute the other 50 percent.

Mr. PROUTY. I ask that the bill go over.

The PRESIDING OFFICER. The bill will go over.

DISPOSAL OF DIAMONDS AND OTHER GEMS

The concurrent resolution (H. Con. Res. 166) providing the approval of the Congress under the Strategic and Critical Materials Stock Piling Act, of the disposal of rough cuttable gem-quality diamonds, cut and polished diamonds, osmium, rhodium, ruthenium, and zircon concentrates from the national stockpile, was considered and agreed to.

DEFINITION OF TERM "A MEMBER OF A RESERVE COMPONENT"

The bill (H.R. 6269) to amend section 265 of the Armed Forces Reserve Act of 1952 to define the term "a member of a reserve component" so as to include a member of the Army or Air Force without specification of component was considered, ordered to a third reading, read the third time, and passed.

IMPROVEMENT OF ACTIVE DUTY PROMOTION OPPORTUNITY

The bill (H.R. 8189) to improve the active duty promotion of Air Force officers from the grade of captain to the grade of major, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. PROUTY. Mr. President, I should like to have an explanation of the bill.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, members of the Armed Services Committee, of which I have the honor to be a member, have unanimously recommended passage of this bill. Its purpose is to authorize an additional 3,000 majors by making an exception to the Officers Grade Limitation Act.

This proposed legislation will permit Reserve captains now on active duty to be promoted to the grade of major. Unless it is passed, the Air Force will be confronted with an imbalance and perhaps a sensitive morale problem by June 30, 1961, when there will be 6,400 Reserve captains who have completed 14 or more years of active duty.

There has been adequate testimony before the committee on the part of the Defense Department and the Air Force regarding the necessity for the men who would be granted relief through passage of this amendment. Most of the officers covered by this legislation are performing a vital mission in the Strategic Air Command. Others are serving on special air missions or as pilots in the Military Air Transport Service.

The Officers Grade Limitation Act permits the Air Force at this time to have only 23,000 officers serving in the grade of major. This has inhibited the promotion of many, many Reserve captains who have fully demonstrated that they have earned a promotion and who have many years of competent service behind them, yet are prevented from becoming majors because of the Limitation Act. The Air Force states that the situation would be corrected by the passage of this bill and that the additional number of majors is necessary and fully justified.

Since those officers who will be affected by this legislation now hold the grade of major in the Reserves, they will qualify for retirement pay in this grade. Therefore, there is no increased retirement cost envisioned under the terms of H.R. 8189.

The Air Force has estimated the cost for the next 2 years of this bill at approximately $3 million. While it is recommended by the Department of Defense, and the Bureau of the Budget has no objection, the intent of the bill will be accomplished within the present fiscal framework that the Air Force is operating under.

This is a simple act, Mr. President, and will operate only for 2 years. It has been given full hearing and full review by the members of the Armed Services Committee, and I respectfully urge its passage by the Senate.

I point out further that under the law as it now exists captains in the Regulars are required to be either advanced to the rank of major or released from the service at the end of 14 years. Therefore the Regulars are required to be advanced, while the regulation does not apply to the Reserves. As a result of the limitation, the Reserves are not eligible for promotion because of the limitation on numbers, even though they are eligible in every other respect. The pending bill would merely permit these 14-year service Reserve officers to be promoted to the grade of major, and would do away with an inequitable situation and satisfy a

need which the Air Force has testified exists.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. SALTONSTALL. Is it not correct to say that the principal evidence before the committee was that this was an emergency situation because the Air Force had all these Reserve captains, and only 40 percent of them had any chance of being promoted to major? They testified that if the bill were passed and the act applied for 2 years, it would create 3,000 vacancies and would permit 80 percent, instead of 40 percent, of those Reserve captains to be given a chance to be promoted to major. We felt that it was a fair temporary measure and would clear up the situation in 2 years.

Mr. CANNON. The Senator is absolutely correct. Reserve officers now in the long-term 14-year captain category have only a 40 percent opportunity of promotion. The passage of the bill would raise that percentage opportunity to 80 percent. It is very important to note that the Defense Department and the Air Force say that these men are urgently needed. They are men who should not be released from the service.

Mr. SALTONSTALL. It is a question not only of fairness to the men involved but also a question of morale for the whole Reserve Air Force.

Mr. CANNON. The Senator is correct.

Mr. GOLDWATER. Mr. President, I am very glad that there is an opportunity to discuss this general problem briefly on the floor of the Senate. First I wish to commend the distinguished Senator from Nevada for the part he has played in the subcommittee on this matter.

Earlier, in August, I inspected two of my Air National Guard outfits. One of the most serious problems we face there is wrapped up in the problem presented by the bill. It must be met some day. In my outfits there are captains who have been flying since World War II. Groups are commanded by majors. They could not be promoted because of the Reserve Act.

Many of the captains we are talking about, as was brought out by evidence, are pilots of B–47's. This is a responsibility which calls for at least the grade of major. This subject applies very strongly to the morale of the Armed Services. It is not right to ask a man to assume responsibilities of higher command when he knows he will wind up as a captain doing that job.

I certainly hope that there will be no objection to this bill. This action is long overdue. I think the committee should pursue this question next year, with the idea of arriving at some solution of the problems which exist in the other grades in the commissioned ranks. This is a good step forward. As a Reserve officer, I thank my friend from Nevada [Mr. CANNON], who is also a Reserve officer, and will be interested in this measure.

Mr. CANNON. Mr. President, I thank the Senator for pointing up this very important problem. The chairman of the committee has already announced that hearings will be held next year on the problems which the Senator has specifically mentioned in connection with the Air National Guard officers.

Mr. PROUTY. Mr. President, I felt that an explanation should be placed in the RECORD. That was my only reason for asking for it. I have no objection to the passage of the bill.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill (H.R. 8189) was ordered to a third reading, read the third time, and passed.

EXPLOSIVES AND COMBUSTIBLES

The Senate proceeded to consider the bill (S. 1806) to revise title 18, chapter 39, United States Code, entitled "Explosives and Combustibles," which had been reported from the Committee on Interstate and Foreign Commerce with amendments, on page 2, line 6, after the word "as", to strike out "defined" and insert "those terms are used"; in line 23, after the word "a", where it appears the second time, to strike out "Territorial" and insert "Territory"; in line 25, after the word "States.", to strike out "The term 'United States', as used herein means all the States and the District of Columbia. For the purpose of this Act, the District of Columbia shall be deemed to be a State." and insert "The term 'United States' means all the States and the District of Columbia."; on page 3, after line 4, to insert:

"State" includes the District of Columbia.

And in line 20, after the word "the", to insert "Interstate Commerce"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18 of the United States Code, chapter 39, sections 831–835, inclusive, entitled "Explosives and Combustibles", as amended, is hereby amended to read as follows:

"CHAPTER 39—EXPLOSIVES AND OTHER DANGEROUS ARTICLES

"Sec.
831. Definitions.
832. Transportation of explosives, radioactive materials, etiologic agents, and other dangerous articles.
833. Marking packages containing explosives and other dangerous articles.
834. Regulation by Interstate Commerce Commission.
835. Administration.

"§ 831. Definitions

"As used in this chapter—

"Unless otherwise indicated, 'carrier' means any person engaged in the transportation of passengers or property, by land, other than pipelines, as a common, contract, or private carrier, or freight forwarder as those terms are used in the Interstate Commerce Act, as amended, and officers, agents, and employees of such carriers.

" 'Person' means any individual, firm, copartnership, corporation, company, association, or joint-stock association, and includes any trustee, receiver, assignee, or personal representative thereof.

" 'For-hire carrier' includes common and contract carriers.

" 'Shipper' shall be construed to include officers, agents, and employees of shippers.

" 'Interstate and foreign commerce' means commerce between a point in one State and a point in another State, between points in the same State through another State or through a foreign country, between points in a foreign country or countries through the United States, and commerce between a point in the United States and a point in a foreign country or in a Territory or possession of the United States, but only insofar as such commerce takes place in the United States. The term 'United States' means all the States and the District of Columbia.

" 'State' includes the District of Columbia.

" 'Detonating fuzes' means fuzes used in military service to detonate the explosive charges of military projectiles, mines, bombs, or torpedoes.

" 'Fuzes' means devices used in igniting the explosive charges of projectiles.

" 'Fuses' means the slow-burning fuses used commercially to convey fire to an explosive combustible mass.

" 'Fusees' means the fusees ordinarily used on steamboats, railroads, and motor carriers as night signals.

" 'Radioactive materials' means any materials or combination of materials that spontaneously emit ionizing radiation.

" 'Etiologic agents' means the causative agent of such diseases as may from time to time be listed in regulations governing etiologic agents prescribed by the Interstate Commerce Commission under section 834 of this chapter.

"§ 832. Transportation of explosives, radioactive materials, etiologic agents, and other dangerous articles

"(a) Any person who knowingly transports, carries, or conveys within the United States any dangerous explosives, such as and including dynamite, blasting caps, detonating fuses, black powder, gunpowder, or other like explosive, or any radioactive materials, or etiologic agents, on or in any passenger car or passenger vehicle of any description operated in the transportation of passengers by any for-hire carrier engaged in interstate or foreign commerce, by land, shall be fined not more than $1,000 or imprisoned not more than one year, or both; and, if the death or bodily injury of any person results from a violation of this section, shall be fined not more than $10,000 or imprisoned not more than 10 years, or both: *Provided, however,* That such explosives, radioactive materials, or etiologic agents may be transported on or in such car or vehicle whenever the Interstate Commerce Commission finds that an emergency requires an expedited movement, in which case such emergency movements shall be made subject to such regulations as the Commission may deem necessary or desirable in the public interest in each instance: *Provided further,* That under this section it shall be lawful to transport, on or in any such car or vehicle, small quantities of explosives, radioactive materials, etiologic agents, or other dangerous commodities of the kinds, in such amounts, and under such conditions as may be determined by the Interstate Commerce Commission to involve no appreciable danger to persons or property: *And provided further,* That it shall be lawful to transport on or in any such car or vehicle such fusees, torpedoes, rockets, or other signal devices as may be essential to promote safety in the operation of any such car or vehicle on or in which transported. This section shall not prevent the transportation of military forces with their accompanying munitions of war on passenger-equipment cars or vehicles.

"(b) No person shall knowingly transport, carry, or convey within the United States liquid nitroglycerin, fulminate in bulk in dry condition, or other similarly dangerous explosives, or radioactive materials, or etiologic agents, on or in any car or vehicle of any description operated in the transportation of passengers or property by any carrier engaged in interstate or foreign commerce, by land, except under such rules

and regulations as the Commission shall specifically prescribe with respect to the safe transportation of such commodities. The Commission shall from time to time determine and prescribe what explosives are 'other similarly dangerous explosives', and may prescribe the route or routes over which such explosives, radioactive materials, or etiologic agents shall be transported. Any person who violates this provision, or any regulation prescribed hereunder by the Interstate Commerce Commission, shall be fined not more than $1,000 or imprisoned not more than one year, or both; and, if the death or bodily injury of any person results from a violation of this section, shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

"(c) Any shipment of radioactive materials made by or under the direction or supervision of the Atomic Energy Commission or the Department of Defense which is escorted by personnel specially designated by or under the authority of the Atomic Energy Commission or the Department of Defense, as the case may be, for the purpose of national security, shall be exempt from the requirements of sections 831–835 of this chapter and the rules and regulations prescribed thereunder. In the case of any shipment of radioactive materials made by or under the direction or supervision of the Atomic Energy Commission or the Department of Defense, which is not so escorted by specially designated personnel, certification upon the bill of lading by or under the authority of the Atomic Energy Commission or the Department of Defense, as the case may be, that the shipment contains radioactive materials shall be conclusive as to content, and no further description shall be necessary or required; but each package, receptacle, or other container in such unescorted shipment shall on the outside thereof be plainly marked 'radioactive materials,' and shall not be opened for inspection by the carrier.

"§ 833. Marking packages containing explosives and other dangerous articles

"Any person who knowingly delivers to any carrier engaged in interstate or foreign commerce by land or water, and any person who knowingly carries on or in any car or vehicle of any description operated in the transportation of passengers or property by any carrier engaged in interstate or foreign commerce, by land, any explosive, or other dangerous article, specified in or designated by the Interstate Commerce Commission pursuant to section 834 of this chapter, under any false or deceptive marking, description, invoice, shipping order, or other declaration, or any person who so delivers any such article without informing such carrier in writing of the true character thereof, at the time such delivery is made, or without plainly marking on the outside of every package containing explosives or other dangerous articles the contents thereof, if such marking is required by regulations prescribed by the Interstate Commerce Commission, shall be fined not more than $1,000 or imprisoned not more than one year, or both; and, if the death or bodily injury of any person results from the violation of this section, shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"§ 834. Regulations by Interstate Commerce Commission

"(a) The Interstate Commerce Commission shall formulate regulations for the safe transportation within the United States of explosives and other dangerous articles, including radioactive materials, etiologic agents, flammable liquids, flammable solids, oxidizing materials, corrosive liquids, compressed gases, and poisonous substances, which shall be binding upon all carriers engaged in interstate or foreign commerce which transport explosives or other dangerous articles by land, and upon all shippers making shipments of explosives or other dangerous articles via any carrier engaged in interstate or foreign commerce by land or water.

"(b) The Commission, of its own motion, or upon application made by any interested party, may make changes or modifications in such regulations, made desirable by new information or altered conditions. Before adopting any regulations relating to radioactive materials the Interstate Commerce Commission shall advise and consult with the Atomic Energy Commission.

"(c) Such regulations shall be in accord with the best-known practicable means for securing safety in transit, covering the packing, marking, loading, handling while in transit, and the precautions necessary to determine whether the material when offered is in proper condition to transport.

"(d) Such regulations, as well as all changes or modifications thereof, shall, unless a shorter time is specified by the Commission, take effect ninety days after their formulation and publication by the Commission and shall be in effect until reversed, set aside, or modified.

"(e) In the execution of sections 831–835, inclusive, of this chapter the Commission may utilize the services of carrier and shipper associations and may avail itself of the advice and assistance of any department, commission, or board of the Federal Government, and of State and local governments, but no official or employee of the United States shall receive any additional compensation for such service except as now permitted by law.

"(f) Any person who, being aware that the Interstate Commerce Commission has formulated regulations for the safe transportation of explosives and other dangerous articles, violates any such regulation shall be fined not more than $1,000 or imprisoned not more than one year, or both; and, if the death or bodily injury of any person results from such violation, shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"§ 835. Administration

"(a) The Interstate Commerce Commission is authorized and directed to administer, execute, and enforce all provisions of sections 831–835, inclusive, of this chapter, to make all necessary orders in connection therewith, and to prescribe rules, regulations, and procedure for such administration, and to employ such officers and employees as may be necessary to carry out these functions.

"(b) The Commission is authorized to make such studies and conduct such investigations, obtain such information, and hold such hearings as it may deem necessary or proper to assist it in exercising any authority provided in sections 831–835, inclusive, of this chapter. For such purposes the Commission is authorized to administer oaths and affirmations, and by subpena to require any person to appear and testify, or to appear and produce documents, or both, at any designated place. No person shall be excused from complying with any requirement under this paragraph because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (49 U.S.C. 46), shall apply with respect to any individual who specifically claims such privilege. Witnesses subpenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(c) In administering and enforcing the provisions of sections 831–835, inclusive, of this chapter and the regulations prescribed thereunder the Commission shall have and exercise all the powers conferred upon it by the Interstate Commerce Act, including procedural and investigative powers and the power to examine and inspect records and properties of carriers engaged in transporting explosives and other dangerous articles in interstate or foreign commerce and the records and properties of shippers to the extent that such records and properties pertain to the packing and shipping of explosives and other dangerous articles and the nature of such commodities."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. NEUBERGER. Mr. President, I am sure I speak for other Members of the Oregon delegation in expressing appreciation to the distinguished chairman of the Senate Committee on Interstate and Foreign Commerce [Mr. MAGNUSON] for reporting this bill so promptly, after a very tragic disaster occurred at Roseburg, Oreg., where a truck loaded with high explosives blew up in the heart of the city. It caused great loss of life and property.

The two Senators from Oregon and the Representative from the Fourth District of Oregon, the Honorable CHARLES O. PORTER, made a representation to the Senator from Washington [Mr. MAGNUSON] about the urgency of reporting this bill, to tighten the regulations of the Interstate Commerce Commission governing the transportation of high explosives, radioactive materials, viruses, and other cargoes which can be dangerous to human health and life.

The Senator from Washington acted promptly, and the result is the early passage of the bill.

I also desire to express my gratitude to the able majority leader, who, upon hearing from Members of the Oregon delegation, scheduled the bill for consideration so early.

While this bill will not accomplish miracles, I feel that it will add some protection to the American people, who are endangered when high explosives are carried on routes of transportation which are shared with the general traveling public.

However, I do believe that the Interstate Commerce Commission should give further thought to the possibility of encouraging the transportation of high explosives by such alternative means of transportation—particularly by barge and rail—as are not shared with private automobiles traveled in by the American public.

Mr. MORSE. Mr. President, I wish to join in the views expressed by my colleague.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter dated August 25, 1959, which I wrote to the chairman of the Committee on Interstate and Foreign Commerce [Mr. MAGNUSON].

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 25, 1959.

Re S. 1806.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR MAGGIE: Last Wednesday in the Senate I discussed in some detail the terrible

disaster that struck Roseburg, Oreg., in the early morning hours of August 7. Although the facts have not been formally compiled and announced by the Interstate Commerce Commission as yet, the reports I have received indicate that the Roseburg disaster was caused by the explosion of a dynamite and ammonium nitrate-laden truck which had been parked beside a building in the heart of the business section of Roseburg during the evening of August 6. A fire which broke out in the building adjacent to the truck is said to have caused the explosion.

Before I made my speech in the Senate on August 19, you will recall that I talked to you about the bill, S. 1806, to revise the Transportation of Explosives Act, which you introduced in the Senate on April 27, 1959. At that time, you indicated that you consider this legislative proposal to be of an urgent nature and that you would cooperate in obtaining its early consideration in the Senate Committee on Interstate and Foreign Commerce. Let me say to you that the people of Roseburg, Oreg., and residents of every city in the Nation owe you a deep debt of gratitude for having introduced S. 1806 and for expressing your willingness to obtain early action in committee.

In my opinion, this legislative proposal is one of the most important items now pending in the Congress. The safety of hundreds of thousands of people over the length and breadth of the Nation is closely related to the protection that will be afforded through the passage of this bill. Not for a moment would I disparage the excellent record made by the carriers who haul large quantities of explosives daily without causing loss of life or property, but I am firmly convinced that the amendment is required as a deterrent to the few who may be indifferent to the safety of others in the transportation of explosives.

S. 1806 contains a number of important provisions but the most significant, in my opinion, are those which make the full power and authority of the Interstate Commerce Commission under the Transportation of Explosives Act and the maximum penalties of the act applicable to contract and private carriers as well as to common carriers.

As pointed out in Senate Report No. 281 of the 85th Congress, the Transportation of Explosives Act, adopted nearly 50 years ago, needs revision in many respects in order that it may effectively and efficiently regulate the transportation of dangerous explosives and other materials of hazardous nature. Transportation media and systems of today are far more intricate and complicated than they were 50 years ago when the Transportation of Explosives Act was put on the statute books. But the point I wish to emphasize particularly is the fact that the transportation of explosives by contract and private carriers involves just as much potential danger to the people of our Nation as does the transportation of these materials by common carriers.

What was said in 1957 in Senate Report No. 281 with respect to the penalties for violations of the Transportation of Explosives Act is germane today. I quote from page 2 of that report:

"In its present form the Transportation of Explosives Act applies to common carriers only and violations of its provisions are subject to maximum penalties of $10,000 or 10 years imprisonment or both. On the other hand, the very same violations when committed by private or contract carriers are prosecuted under section 222(a) of the Interstate Commerce Act which carries a maximum penalty of only $100. The bill would therefore remove this anomaly and would extend the provisions of the Explosives Act to include contract and private carriers."

The above-quoted comments applied to the bill, S, 1491, which was reported favorably by the Senate Committee on Interstate and Foreign Commerce on May 2, 1957. S. 1806, which you introduced this year, seeks to accomplish the same objectives as S. 1491 of the 85th Congress.

As an aside, I should point out that you and Senator SMATHERS are to be commended for having brought S. 1491 to the floor of the Senate in 1957 and for having achieved its passage in the Senate. Had the House responded as did the Senate in 1957, the Roseburg disaster might never have occurred.

The facts as reported to me concerning the Roseburg explosion indicate that a truck operating as a private carrier by the Pacific Powder Co., of Tenino, Wash., was loaded with approximately 6 tons of high explosives consisting of dynamite and ammonium nitrate. The truck reached Roseburg early in the evening of August 6 and was parked for the night, with the brakes securely fixed and the cab locked. It was left unattended in the heart of the business district of Roseburg. The building near which the truck was parked caught fire, and the firemen who were called to the scene recognized immediately the danger inherent in a truckload of explosives standing beside a burning building. According to the story as it was told to me, the firemen tried to move the truck by the use of a jeep equipped with a winch but they were unable to tow the truck because of its firmly set brakes. The explosion which ensued almost immediately caused at least 16 deaths, resulted in more than 52 cases of severe injury, and brought about millions of dollars of property damage losses.

Had your amendment to the Transportation of Explosives Act, as envisaged in S. 1806, been on the statute books on August 7, 1959, the terrible Roseburg disaster of August 7 might never have occurred. I say this in all sincerity because the very effectve penalties applicable to common carriers instead of relatively minor penalties applicable to private and contract carriers would have had tremendous deterrent effects against the parking of the truck and its explosive contents unattended in the early hours of August 7. Had S. 1806 been on the statute books, the company shipping the explosives would have been subject to a potential maximum penalty of $10,000 and possible maximum imprisonment of 10 years for its officials instead of a relatively nominal penalty.

It is imperative that no time be lost in enacting S. 1806 because every day and every night in numerous parts of the United States private and contract carrier trucks are carrying explosives capable of inflicting enormous injury, such as that which was inflicted in the Roseburg case, and are endangering the people in heavily populated communities.

I would be the first to concede that the enactment of S. 1806 and the more rigid safety requirements it involves, may cost shippers of explosives more money than they now spend in shipping by private and common carriers. However, when human lives and enormous property values are at stake, I am not for a moment impressed by the so-called increased cost argument. The few pennies of additional cost that will be involved in the shipment of each unit of explosives will, in my opinion, be far outweighed by the savings of lives and property in consequence of the more rigid safety requirements inherent in S. 1806.

Bearing in mind the intense and prolonged suffering of scores of human beings who were injured in the Roseburg disaster; the anguish of those who perished in this catastrophe, and the distress of the surviving relatives and friends of those whose lives were lost, I have no patience with those who suggest that S. 1806 would involve some additional cost to shippers and users of explosives. Nor am I impressed with the arguments of those who insist that passage of S. 1806 will put them out of business. When human lives are at stake, I intend to work for the preservation of those lives even though higher transportation costs may be involved. I hope we are not at the point in America where we are placing the existence of certain types of business above the value of human lives.

For the foregoing reasons, I feel that the passage of S. 1806 is a "must" for this session of the Congress. The people of Roseburg, Oregon, the State of Oregon and, indeed, the entire Nation will be grateful to you for everything you can do to bring about the early passage in committee and in the Senate of S. 1806, which is of such great importance to the protection of human life.

With appreciation and best personal regards,

Sincerely,

WAYNE MORSE.

Mr. MORSE. I point out to the Senate that a bill in practically the same form was passed by the Senate in 1957. At that time action was not taken in the House; but I believe that in view of the tragic event which occurred in Roseburg, Oreg., with regard to the explosion of the truck loaded with high explosives, with great loss of life and property, the chances are that the bill will quickly pass the House. At least, I hope the leadership of the House will give it immediate attention.

INCLUSION OF CERTAIN NONMINERAL LANDS IN PATENTS

The Senate proceeded to consider the bill (S. 2033) to amend the mining laws of the United States to provide for the inclusion of certain nonmineral lands in patents to placer claims, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 7, after the word "is", to strike out "used or occupied" and insert "needed"; in line 10, after the word "claim", to insert "and is used or occupied by the proprietor for such purposes"; on page 2, line 5, after the word "exceed", to strike out "ten" and insert "five", and, in the same line, after the word "acres", to strike out "for each individual claimant,"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2337 of the Revised Statutes of the United States (30 U.S.C. 42) is amended (1) by adding "(a)" after "SEC. 2337.", and (2) by adding at the end thereof a new subsection as follows:

"(b) Where nonmineral land is needed by the proprietor of a placer claim for mining, milling, processing, beneficiation, or other operations in connection with such claim, and is used or occupied by the proprietor for such purposes, such land may be included in an application for a patent for such claim, and may be patented therewith subject to the same requirements as to survey and notice as are applicable to placers. No location made of such nonmineral land shall exceed five acres, and payment for the same shall be made at the rate applicable to placer claims which do not include a vein or lode."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COOPERATION IN HEALTH AND RESEARCH ACTIVITIES

The Senate proceeded to consider the resolution (S. Res. 129) favoring continued efforts by all nations to strengthen cooperation in health and research activities, which had been reported from the Committee on Foreign Relations, with amendments, on page 2, line 3, after the word "welfare", to insert "and"; in line 4, after the word "Foundation", to strike out "the National Academy of Sciences and National Research Council,"; on page 3, line 1, after the word "and", to strike out "such" and insert "in cooperation with", and in line 2, after the word "bodies", to insert "such as the National Academy of Sciences and the National Research Council"; so as to make the resolution read:

Resolved, That it is the sense of the Senate that the President of the United States, acting through the Department of Health, Education, and Welfare, and the National Science Foundation, and in cooperation with other official and private bodies, such as the National Academy of Sciences and the National Research Council, as he deems appropriate, should (1) continue U.S. initiative in seeking to strengthen international cooperation in health and research efforts and, in connection therewith, (2) invite the medical profession of the United States, and other professions and organizations concerned with the healing arts and the life sciences, to develop plans and programs in cooperation with the scientific community of other nations toward declaration and observance of an International Public Health and Medical Research Year.

The amendments were agreed to.

The resolution, as amended, was agreed to.

The preamble was agreed to.

BILL PASSED OVER

The bill (H.R. 8437) to provide for the reinstatement and validation of U.S. oil and gas lease BLM 028500, was announced as next in order.

Mr. ENGLE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

COMPACT BETWEEN NEW YORK AND NEW JERSEY FOR CREATION OF TRANSPORTATION AGENCY

The Senate proceeded to consider the joint resolution (H.J. Res. 403) granting the consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency, which had been reported from the Committee on the Judiciary with amendments on page 19, after line 10, to strike out:

(b) The consent of Congress granted under this resolution shall terminate not later than June 30, 1961.

After line 12, to strike out:

(c) All "concurrent legislation" amending or supplementing this compact, as that term is defined and understood in the compact shall be submitted to Congress for its consent before such legislation becomes effective.

After line 16, to insert:

(b) Any long-range plan, when adopted by concurrent legislation of the compacting states, shall be submitted to Congress for its consent before such long-range plan becomes effective.

And, after line 20, to insert:

(c) Any concurrent legislation enacted by the compacting states amending or supplementing this compact shall be submitted to Congress for its consent before such legislation becomes effective, except that this subsection shall not apply to article 4.6 of this compact.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

The preamble was agreed to.

BILL PASSED OVER

The bill (S. 1886) to amend the Communication Act of 1934 with respect to community antenna television systems and certain rebroadcasting activities was announced as next in order.

Mr. ENGLE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MANSFIELD subsequently said: Mr. President, I desire to ask the Senator from Rhode Island [Mr. PASTORE] a question relative to Calendar No. 933, S. 1886, the bill to amend the Communications Act of 1934 with respect to community antenna television systems and certain rebroadcasting activities, which was introduced by the distinguished Senator from Utah [Mr. Moss] and the distinguished senior Senator from Montana [Mr. MURRAY]. What has been the disposition of the bill?

Mr. PASTORE. So far as I know, it has been objected to by request. I think it is a bill which requires consideration as soon as the Senate can get to it. As a matter of fact, I should have thought the majority leader would give the bill some preference and call it up on motion.

Mr. MANSFIELD. Is there not a possibility that Calendar 950, S. 2653, a similar bill introduced by the distinguished Senator from Rhode Island [Mr. PASTORE] himself, could also be brought up at the same time, so that the various problems connected with the television industry in my own State of Montana, especially, and in the Rocky Mountain region generally, could be given the consideration which is their due, and to which the people of that area are entitled?

Mr. PASTORE. Originally, S. 1886 was introduced as an omnibus bill. We divided it into two bills, one to apply to the booster stations, in which I think the Senator from Montana is primarily interested. Then we reported as a separate bill the portion dealing with the so-called community antenna system which included consideration of S. 2303 dealing with the same subject. The booster bill is noncontroversial. I do not see how anyone could object to that. By this bill the Federal Communications Commission may grant licenses in cases where construction has already occurred. This is with reference to certain homemade booster stations to bring television reception where made difficult by the topography of the particular area.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. FULBRIGHT. The only question which has been raised was raised by me. I was requested to have the delay until the question could be resolved as to whether or not the bill requires the FCC to establish sound engineering standards to protect all other media of communications.

Mr. PASTORE. The Commission would be required to do so, but before they could act or would grant a license, they would have to make certain that there was conformance with certain standards and regulations which they themselves would promulgate.

Mr. FULBRIGHT. So as to prevent interference with other media of communications.

Mr. PASTORE. Naturally, if there was anything against the public interest or which created harmful interference, the Commission would not grant the license.

Mr. FULBRIGHT. The only reason I requested that the bill go over temporarily was so that we might establish the proper legislative history.

Mr. PASTORE. If that is the only objection, then we might simply call the bill up on motion and pass it, because, as I said before, it is a noncontroversial bill, so far as I know. But the other bill may be controversial.

I may say to the Senator from Montana that so far as the second bill is concerned, the bill having to do with community antenna systems, it could be controversial. I do not think it could be passed on the Consent Calendar.

Mr. MANSFIELD. But the Senator from Rhode Island and the other members of his committee are in favor of both bills, are they?

Mr. PASTORE. I am in favor of both bills.

Mr. MANSFIELD. Will the Senator and his committee do their best to get both bills before the Senate?

Mr. PASTORE. That is right. But I think we ought to pass the booster bill this afternoon.

Mr. MANSFIELD. I assume that with the leadership on both sides of the aisle concurring, and with the approval of the Senator from Arkansas, at the next call of the calendar, which may be tomorrow or the next day, at least one of the bills could be called up, and then the other could be called up at the earliest opportunity.

Mr. PASTORE. That is correct. I subscribe to that course of action.

PRESIDENT ADAMS PARKWAY

The bill (H.R. 7125) to provide for a study of the feasibility of establishing the President Adams Parkway was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 793) to amend Title 23 of the United States Code in order to increase the amount authorized for bridges over Federal dams was announced as next in order.

Mr. PROUTY. Mr. President, I ask that the bill go over, on the ground that it is not proper calendar business.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE OF CERTAIN LANDS AT THE JOHN DAY LOCK, OREGON

The bill (S. 2362) to authorize the Secretary of the Army to convey to the city of Arlington, Oreg., certain lands at the John Day lock and dam project was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That whenever the Secretary of the Army determines that any land within the corporate limits of the city of Arlington, Oregon, acquired for construction of the John Day lock and dam as authorized by the River and Harbor Act of May 17, 1950 (64 Stat. 163, 167), is no longer required for project purposes, he is authorized and directed, subject to the further provisions of this Act, to convey to the city of Arlington all right, title, and interest of the United States therein.

SEC. 2. Any conveyances made pursuant to this Act shall be (A) at market value as determined by the Secretary of the Army in accordance with the formula set forth in section 3 of this Act; (B) upon terms and conditions determined by the said Secretary to be in the public interest; and (C) subject to reservations and restrictions determined by the said Secretary to be necessary for the development, maintenance, or operation of the John Day lock and dam project.

SEC. 3. The market value of any property conveyed under this Act shall be equal to the price for which the land was acquired by the United States, adjusted to reflect (A) any increase in the value thereof resulting from improvements placed thereon by the United States, excluding, however, any enhancement in value resulting from the construction of the John Day lock and dam; or (B) any decrease in the value thereof resulting from (1) any reservation, exception, restriction, or condition to which the conveyance is made subject; and (2) any damage to the land caused by the United States.

SEC. 4. The Secretary of the Army may delegate any authority conferred upon him by this Act to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

SEC. 5. The proceeds from any conveyance made under this Act shall be covered into the Treasury of the United States as miscellaneous receipts.

SEC. 6. This Act shall terminate six years after the date of its enactment.

Mr. MORSE. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a letter dated September 4, 1959, which I addressed to the distinguished Senator from New Mexico [Mr. CHAVEZ], chairman of the Committee on Public Works.

There being no objection the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 4, 1959.

Hon. DENNIS CHAVEZ,
Chairman, Senate Public Works Committee, Washington, D.C.

DEAR DENNIS: It is my understanding that the Senate Public Works Committee will soon have under consideration S. 2362, to authorize the Secretary of the Army to convey certain lands within the John Day lock and dam project to the city of Arlington, Oreg.

I am pleased to be a sponsor of S. 2362 because for several years I have been working closely with Arlington in its efforts to bring about an orderly and efficient relocation of an important section of the city. This relocation is necessary because within a few years the reservoir of the John Day Dam will inundate a sizable portion of the present city of Arlington.

After extensive consultations with the Corps of Engineers, the general plan of relocation, as proposed by Mayor Harford, received the approval of the Chief of Engineers, and discussions concerning implementation of the plan were then undertaken with the District Engineer in Walla Walla, Wash.

According to Brigadier General Person, Assistant Chief of Engineers for Civil Works, the relocation plan is feasible and proper and constitutes a reasonable solution to the corps' land acquisition program at Arlington. I have studied this matter carefully and I agree fully with the views expressed by the corps concerning this project.

S. 2362 was introduced after thorough consultation with officials of the Department of the Army and staff members of the offices of the Oregon Senators and that of Congressman ULLMAN. The plan was modeled generally after a plan that passed the Senate and became law in August 1956. This bill to which I refer was H.R. 9770 of the 84th Congress, which became Public Law 902. It is, of course, reassuring to have a precedent of this type, but even if no precedent were in existence, it is my opinion that the merits of the proposed relocation plan to be undertaken by the city of Arlington are completely ample to justify prompt passage of S. 2362 by the Congress.

Passage of this bill will provide the legal means whereby Arlington, through repurchase of land and carefully planned development of an area adjacent to the Columbia River to be filled by the Corps of Engineers, can bring into being a waterfront area and other city developments that will be sources of pride to present future residents of the city.

The bill protects the taxpayer of the United States through assurance of payment of fair market value, as prescribed in the language of sections 2 and 3. Passage of the bill would be in the interest not only of the city of Arlington, but of the people of the United States.

With best personal regards.

Sincerely,

WAYNE MORSE.

Mr. MORSE. It will be noted, as I pointed out to the Senator from New Mexico in the letter, that the bill protects the taxpayers of the United States through assurance of payment of fair market value, as prescribed in the language of sections 2 and 3. The passage of the bill is in the interest not only of the city of Arlington, but of the people of the United States.

I wish to add, in behalf of the residents of the Arlington area, that I appreciate, as I know my colleague does, the passage of this bill, because it will be of great help to the people in that part of my State.

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point pertinent excerpts from the report of our Committee on Public Works.

There being no objection, excerpts from the report (No. 912) were ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to authorize the Secretary of the Army to convey to the city of Arlington, Oreg., at market value as determined by the Secretary, any lands within the corporate limits of said city acquired for construction of John Day lock and dam and no longer required for project purposes.

GENERAL STATEMENT

The John Day lock and dam is located on the Columbia River about 215 miles above its mouth and 3 miles downstream from the mouth of John Day River. The project was authorized by the Flood Control Act approved May 17, 1950, in accordance with the plan presented in House Document No. 531, 81st Congress. The project provides for a dam, powerplant, fish ladders, navigation lock, and other necessary appurtenant facilities.

The project will provide 500,000 acre-feet of flood-control storage, a power installation consisting initially of 12 units of 109,000 kilowatts each, a total of 1,308,000 kilowatts, and will provide a slack water pool about 75 miles long extending upstream to McNary lock and dam. The total estimated cost is $387 million. The project is under construction.

Arlington, Oreg., is located on the left bank of the Columbia River at mile 242, on Alkali Canyon, a short tributary entering the Columbia River from the south. The Flood Control Act of 1944 authorized a flood-control project consisting of improvement of 3,000 feet of Alkali Canyon through the city and necessary bridges. The construction of the John Day lock and dam, with the level of the John Day Pool, eliminated the need for the flood-control project on Alkali Canyon. No work was done on the project, having an estimated cost of $513,000.

The plan for the John Day lock and dam contemplated either raising the level of a portion of the city of Arlington, or flooding and relocating it. The city has a population of about 1,000 persons, and is the commercial center for a large farming and ranching area. Because raising the city is considered more economical, the Corps of Engineers proposes to acquire fee title to all the lands within the project area, remove the improvements, place fill on those lands that will not be permanently inundated, and make the area available for reuse in place. Land acquisition is scheduled to commence in the fall of 1959.

The city of Arlington, in anticipation of the project accomplishment as outlined, has established protective zoning with the view to having the areas of the new city redeveloped. Land adjacent to the city is steep, inaccessible, and undesirable for municipal purposes. The Chief of Engineers will arrange with the city of Arlington for the preservation or replacement of city owned or operated structures or facilities, including roads and utilities. These relocated facilities will be installed after the level of the city has been raised by the filling operation and in accordance with the overall plan adopted by the city.

When all of the relocation work has been accomplished, the United States will no longer require fee title to the property, although flowage easements may be necessary

in some ports. In the absence of any other Federal agency requirement for the property, the remainder would be excess and reported to the General Services Administration for transfer or disposal. The city officials fear that if the property is disposed of by the GSA, other parties might obtain the property for a use not desired by the city.

S. 2362 would provide for conveyance of the property to the city of Arlington. The city could obtain all the property at one time, lay it out in lots of its desired size, and resell the lots in accordance with State laws.

The bill contains safeguards for the Federal Government by obtaining market value for the land and imposing necessary reservations and restrictions. The provisions of the act will terminate within 6 years, which provides assurance that there will be no large increase in market value between the time the land was acquired by the United States and the time of its sale to the city of Oregon.

The committee believes that enactment of S. 2362 would provide a means for the city of Arlington to participate in carrying out the more economical plan of the project authorization. It would require no additional funds, but rather would permit recovery of some Federal costs. The committee therefore recommends enactment of S. 2362.

The favorable comments of the Secretary of the Army on S. 2362 are as follows:

DEPARTMENT OF THE ARMY,
Washington, D.C.

Hon. DENNIS CHAVEZ,
Chairman, Committee on Public Works, U.S. Senate.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of the Army with respect to S. 2362, 86th Congress, a bill to authorize the Secretary of the Army to convey to the city of Arlington, Oreg., certain lands at the John Day lock and dam project.

The Department of the Army interposes no objection to the above-mentioned bill, the purpose of which is stated in its title.

The Chief of Engineers, under the supervision of the Secretary of the Army, initiated construction of the John Day lock and dam on the Columbia River as authorized by the River and Harbor Act of May 17, 1950 (64 Stat. 163, 167), as outlined in House Document 531, 81st Congress. The plan for this project, as set forth in the House document, contemplates either raising the level of the city of Arlington, Oreg., or flooding and relocating it. Because raising the city is considered to be more economical, the Corps of Engineers proposes to acquire fee title to all and lands that would be within the project area, remove the improvements, place fill on those lands that will not be permanently inundated, and make the area available for reuse in place. Land acquisition will commence in the fall of 1959.

The city of Arlington, in anticipation of project accomplishment as outlined above, has established protective zoning with the view to having the areas of the new city redeveloped. In accordance with the authority of section 2 of the Flood Control Act of June 26, 1938 (52 Stat. 1215, 1216), and of section 111 of the act of July 3, 1958 (72 Stat. 297, 303), the Chief of Engineers will arrange with the city of Arlington for the preservation or replacement of city owned or operated structures or facilities including roads and utilities. These relocated facilities will be installed after the level of the city has been raised by the filling operation and in accordance with the overall plan adopted by the city.

When all of the relocation work has been accomplished the United States will no longer require fee title to the property, although flowage easements may be necessary in some parts. In the absence of any other departmental requirement for the property, the remainder would be excess and reported to General Services Administration for transfer or disposal in accordance with the Federal Property and Administrative Services Act (63 Stat. 367). It is the purpose, however, of the above-mentioned bill to provide for the conveyance of the property to the city of Arlington.

If the entire city were being relocated, the municipality would have complete control of its redevelopment. City officials say that raising the city is actually the same as "relocating it in place" and that they should be afforded identical control in the redevelopment of the city after the fill has been put in place. They have expressed a fear that they would be unable to do this if the property is reported excess, for disposal through General Services Administration, inasmuch as others might intervene and obtain property for a use not desired by the city. The pending bill is designed, therefore, to permit the municipality to step in and acquire all of the land from the United States at one time. Thereafter, having laid it out in lot sizes of its own choosing, the city proposes to resell the property under conditions determined by it in accordance with Oregon law.

The bill contains sufficient safeguards for the benefit of the project by permitting the Secretary of the Army to impose necessary reservations and restrictions. In addition, the Government in the sale would obtain market value, which is defined by the bill as being the price which the United States paid for the property, adjusted to reflect any increase in value because of Government constructed improvements or any decrease in value caused by damage or the imposition of restrictions in the conveyance. Relative to this point, it is the opinion of the Department of the Army that the placement of the fill material on the land will not, in itself, constitute an improvement since the placement of the fill is required by the project as a project expense.

By providing, in section 6, that the act shall terminate 6 years after it is enacted, the bill contains necessary assurances, in the use of the valuation formula, that there will not have been any large increase in market value of the property between the time of its acquisition by the United States and its sale to the city. At the same time this provision precludes a situation in which the United States would be unable to dispose of the land in any other manner if agreement could not be reached with the city of Arlington in a reasonable time.

Inasmuch as the bill would provide a means for the city of Arlington to participate in carrying out the more economical plan envisioned by the project authorization, this Department interposes no objection to its enactment.

Enactment of this measure will have no effect on the budgetary requirements of the Department of the Army.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,
WILBER M. BRUCKER,
Secretary of the Army.

ACQUISITION OF LAND IN THE VICINITY OF FEDERAL PENAL INSTITUTIONS

Mr. ENGLE. Mr. President, I ask unanimous consent to revert to the consideration of Calendar No. 860, Senate bill 2347.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ENGLE. Mr. President, I ask unanimous consent that the vote by which Senate bill 2347 was passed be reconsidered.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ENGLE. Mr. President, since reporting S. 2347, a bill to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341f), to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution, on Monday, August 31, 1959, the House has passed H.R. 7571, which has been referred to and is now pending before the Committee on the Judiciary.

An examination of the House-passed bill discloses that it is identical to the Senate bill.

Mr. President, I ask that the committee be discharged from further consideration of H.R. 7571 and that it be substituted for consideration in lieu of S. 2347.

The PRESIDING OFFICER. Without objection, the Committee on the Judiciary is discharged from the consideration of House bill 7571.

The House bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7571) to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341f), to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution.

The PRESIDING OFFICER. Is there objection to the consideration of House bill 7571?

There being no objection, the Senate proceeded to consider the bill which was read twice by its title.

Mr. ENGLE. Mr. President, the bill authorizes the Attorney General to acquire land "in the vicinity of" any Federal penal or correctional institution when authorized in an appropriation or other law. The present law permits such acquisition only "adjacent to" such institution. The broadened authority is desirable particularly for the acquisition of prison farm land.

The bill has been requested by the Department of Justice.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill (H.R. 7571) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2347 will be indefinitely postponed.

LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS, LA FERIA DIVISION

Mr. ANDERSON. Mr. President, I move that the Committee on Interior and Insular Affairs be discharged from the further consideration of House bill 4279 and Senate bill 1026.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico.

The motion was agreed to.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the Senate pro-

ceed to the consideration of House bill 4279.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 4279) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, La Feria division.

The PRESIDING OFFICER. Is there objection to the present consideration of the House bill 4279?

There being no objection, the Senate proceeded to consider the bill; which was read twice by its title.

Mr. ANDERSON. Mr. President, H.R. 4279, as passed by the House with amendments, came before the Senate on a motion to discharge the Committee on Interior and Insular Affairs from further consideration of the measure. This proposal was logical since the committee on August 12 held an extended hearing on the companion bill, S. 1026, sponsored by the distinguished majority leader, Senator LYNDON JOHNSON, and endorsed by his colleague, Senator YARBOROUGH.

Because of the urgency of the authorization for the rehabilitation of the La Feria division of the lower Rio Grande rehabilitation project to save water and protect the system, it is felt that prompt authorization of the La Feria development is imperative. The chairman of the committee, the distinguished senior Senator from Montana [Mr. MURRAY], concurred in the motion to discharge the committee from further consideration of H.R. 4279.

The authorized cost of the La Feria development is $6 million repayable in 35 years—15 years less than the permissible period allowed under the Small Projects Act. The relatively small area in excess of 160 acres is required to pay interest on the acreage in excess. Only 11 farms in the district exceed 160 acres in area.

The district embraces 27,000 acres. The facilities require modernization and improvement in the interest of efficient, economical operation. Rehabilitation of the system will save, it is estimated, 15,000 acre-feet of water annually. Rehabilitation will also result in a saving of $65,000 annually in operation and maintenance costs.

The rehabilitation extends to the district's diversion, distribution, and drainage system. The benefit-cost ratio is 5 to 1.

A proposal for rehabilitation of the system was defeated at the first election. On reconsideration, the water users endorsed the proposal and the entire board of directors of the district appeared before our committee in support of the proposal. Full opportunity was given opponents to present their objections.

The La Feria development is also endorsed by the Department of the Interior and the Bureau of the Budget.

Mr. JOHNSON of Texas. Mr. President, H.R. 4279 is a companion and identical bill to the bill which I introduced, S. 1026, authorizing the rehabilitation under the reclamations laws of the facilities of the La Feria Water Control and Improvement District at La Feria, Tex. The proposed plan calls for rehabilitation of the existing irrigation and drainage works of the district, which, though capable of serving the entire 27,000 acre of irrigable land in the district, require modernization and improvement for efficient and economical operation.

The plan of rehabilitation is designed to permit more economical operation and maintenance of the district's irrigation works, to provide more efficient water deliveries, to reduce distribution system losses, and to reduce flooding of lands in some areas by repair and improvement of the district's irrigation and drainage system. It involves a small increase in water storage, repair or replacement of deteriorated existing canal lining, installation of concrete lining or pipes in most of the presently unlined laterals of the irrigation system, rehabilitation or replacement of deteriorated or inadequate irrigation and drainage structures, an increase in drainage pumping capacity, cleaning and clearing of all earth canals and drains, and construction of access roads for maintenance purposes along all open canals, laterals, and drains.

Mr. President, this rehabilitation work is urgently needed for the conservation of Texas' precious water resources, and the cooperation of the Senate in expediting the consideration of this bill will be greatly appreciated.

In view of the fact that there is no Senate committee report on this bill, I ask unanimous consent that the appropriate portions of the report of the House Committee on Interior and Insular Affairs be printed at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

PURPOSE

H.R. 4279, introduced by Representative KILGORE, would authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the La Feria division of the lower Rio Grande rehabilitation project, Texas, thereby permitting more economical operation and maintenance of the district's irrigation works, providing more efficient water deliveries, reducing distribution system losses, and reducing the flooding of lands in some areas.

BACKGROUND AND NEED

The La Feria Water Control and Improvement District is one of the 37 water control and improvement districts in the lower Rio Grande Valley, a highly developed agricultural area where crop production is almost entirely dependent upon irrigation from flows of the Rio Grande. These flows are partially regulated by Falcon Dam which was constructed by the International Boundary and Water Commission under the terms of the 1945 treaty with Mexico. Most of the diversion and distribution system now serving lands in the La Feria division has been in continuous operation for over 40 years. These facilities, capable of serving the district's entire irrigable area of about 27,000 acres, require modernization and improvement for efficient economical operation and to save for beneficial use waters now being lost through the presently inefficient system.

It is estimated that rehabilitation of the works of the La Feria division will permit the saving of some 15,000 acre-feet of water annually that is now lost through seepage and other waste. The committee was advised that 2 acre-feet out of every 3 diverted into the system are lost. With the constantly increasing use of Rio Grande water for irrigation, this rehabilitation can be a vital factor in the future in assuring the La Feria division of an adequate supply of water. Rehabilitation of the works also will result in an annual saving of $64,000 in operation and maintenance costs.

PLAN OF DEVELOPMENT

The report of the Department of the Interior on the plan of rehabilitation for the La Feria division was transmitted to the Congress on May 4, 1959, and is being printed as House Document 128. The plan provides for a general rehabilitation of the district's diversion, distribution, and drainage systems. The river pumping plant and relift pumping plant would be completely overhauled. The plan also provides for repair or replacement of deteriorated existing canal lining, installation of concrete lining or pipes in most of the presently unlined laterals of the irrigation distribution system, rehabilitation or replacement of deteriorated or inadequate irrigation drainage structures, cleaning and clearing of all earth canals and drains, and construction of access roads for maintenance purposes along all open canals and drains.

COMMITTEE AMENDMENTS

As introduced, H.R. 4279 provided that the act of July 4, 1955, under which the construction of distribution systems may be undertaken by the contracting water users' organization with funds advanced by the Government, would apply to the La Feria division. Testimony before the committee brought out the fact that the local district actually wanted to do only part of the rehabilitation work and not the complete distribution system as provided in the abovementioned act. Therefore, at the request of the author of the bill and with the understanding that the Department of the Interior had no objection, the committee deleted the reference to the act of July 4, 1955, and cited instead the act of October 7, 1949, the Rehabilitation and Betterment Act, under which the local district can perform any part of the rehabilitation work. The committee also deleted language in the bill referring to a variable payment formula in connection with the repayment requirement. Legislation was enacted in the 85th Congress providing general authority for incorporating a variable repayment plan in repayment contracts and the inclusion of this language in specific project bills is undesirable.

ECONOMIC ASPECTS

The estimated construction cost of the rehabilitation work is $6 million and this full amount is allocated to irrigation. Under the provisions of the bill, the La Feria district would be required to repay the full amount within a 35-year period with interest on that part which is attributable to furnishing benefits to ownerships in excess of 160 acres. The district has agreed to these repayment arrangements.

Economic studies of the proposed rehabilitation project indicate that the benefits from this development would exceed the cost by a ratio of 5 to 1.

AGRICULTURAL ASPECTS

Fruits and vegetables and some cotton are the principal crops grown in the La Feria district. With respect to ownerships, the average size farm is approximately 80 acres. There are only 11 farms out of 1,868 with acreage exceeding 160 acres and the largest one is 361 acres.

COMMITTEE CONCLUSIONS AND RECOMMENDATION

The Committee on Interior and Insular Affairs concludes that the La Feria division has engineering and economic feasibility and

that the cost can be repaid by the district in the period specified. The committee also concludes that the rehabilitation work is needed immediately and recommends that H.R. 4279 be enacted.

DEPARTMENT'S REPORT

The report of the Department of the Interior recommending the enactment of H.R. 4279 follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 22, 1959.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. ASPINALL: A report has been requested from this Department on H.R. 4279, a bill to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, La Feria division.

We recommend that H.R. 4279 be enacted with the amendment hereafter set out.

Our planning report on the La Feria division was transmitted to the Speaker of the House on May 4 and was referred to your committee. If enacted, H.R. 4279 would, in effect, provide the means of carrying out the recommendations made in that report.

The proposed plan calls for rehabilitation of the existing irrigation and drainage works of the La Feria Water Control and Improvement District, Cameron County No. 3. Those works, though capable of serving the entire 27,000 acres of irrigable land in the district, require modernization and improvement for efficient and economical operation.

The plan of rehabilitation, therefore, is designed to permit more economical operation and maintenance of the district's irrigation works, to provide more efficient water deliveries, to reduce distribution system losses, and to reduce flooding of lands in some areas by repair and improvement of the district's irrigation and drainage system. It involves a small increase in water storage, repair or replacement of deteriorated existing canal lining, installation of concerete lining or pipes in most of the presently unlined laterals of the irrigation system, rehabilitation or replacement of deteriorated or inadequate irrigation and drainage structures, an increase in drainage pumping capacity, cleaning and clearing of all earth canals and drains, and construction of access roads for maintenance purposes along all open canals, laterals, and drains. H.R. 4279 calls specifically for the applicability to the La Feria division of the act of July 4, 1955 (69 Stat. 244) under which the construction of distribution systems may be undertaken by the contracting water users' organization itself with funds advanced by the Government.

The total estimated construction cost of the proposed plan of rehabilitation for the La Feria division is about $6 million on the basis of January 1959 prices. The entire cost is allocable to irrigation and, with the exception of $9,500 already contributed by the district toward investigation costs, is reimbursable. Under the provisions of the bill the district would be required to repay this cost within a 35-year period. The amortization capacity of the district lands is ample for repayment of the estimated construction costs by the water users within a period of 35 years.

The proposed plan for rehabilitation of the La Feria division has engineering feasibility and is economically justified. On the basis of a 35-year period of analysis, the evaluated annual direct benefits were estimated to exceed annual costs in the ratio of about 1.4 to 1.

H.R. 4279 would provide, in lieu of the excess lands provisions of the Federal reclamation laws, for the payment of interest by the owners of excess land similar to the requirement of section 5(c)(2) of the Small Reclamation Projects Act of 1956 (70 Stat. 1044), as amended. An identical provision is contained in the act of April 7, 1958 (72 Stat. 83), relating to the Mercedes division of this same lower Rio Grande rehabilitation project.

In view of the current construction cost estimate of $6 million, we recommend the substitution of the expression "the sum of $6 million (January 1959 costs)" for "the sum of $5,750,000 (July 1958 costs)" in line 13, page 3.

We should like at this time to bring to your attention a correction which ought to be made at an appropriate time in the act of April 7, 1958 (72 Stat. 82), the Mercedes division authorizing legislation. In section 1 of that act, reference is made to "the lower Rio Grande reclamation project." The proper reference, as it is correctly stated in the title of that act and in section 1 of H.R. 4279, is "lower Rio Grande rehabilitation project."

A statement of the information called for by Public Law 801, 84th Congress, is attached.

The Bureau of the Budget has advised that there would be no objection to the submission of this report to your committee.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

Estimated additional man-years of civilian employment and expenditures for the 1st 5 years of proposed new or expanded programs

	1960	1961	1962	1963	1964
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive	1	1	1	1	1
Clerical	1	1	1	1	1
Stenographic	1	1	1	1	1
Total, executive direction	3	3	3	3	3
Administrative services and support:					
Accountant	1	1	1	1	1
Clerical	2	3	3	3	3
Property management	1	1	1	1	1
Records maintenance	0	1	1	1	1
Total, administrative services and support	4	6	6	6	6
Substantive (program):					
Engineering aids	6	7	7	7	7
Engineers	12	15	18	20	18
Total, substantive	18	22	25	27	25
Total, estimated additional man-years of civilian employment	25	31	34	36	34
Estimated additional expenditures:					
Personal services	$155,000	$190,000	$210,000	$220,000	$210,000
All other	345,000	1,010,000	1,290,000	1,480,000	867,662
Total estimated additional expenditures	500,000	1,200,000	1,500,000	1,700,000	1,077,662

Mr. JOHNSON of Texas. Mr. President, I express gratitude to the distinguished Senator from New Mexico [Mr. ANDERSON] for his diligent work in connection with the La Feria bill, which has just been presented. Except for him, the committee would not have made the progress it has made. I am certain that the relief afforded by the bill would not have been forthcoming. I express the gratitude of myself, my colleague [Mr. YARBOROUGH], and the citizens of my State for the work which the Senator from New Mexico has done in this connection.

I urge that the bill be passed.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill (H.R. 4279) was ordered to a third reading, read the third time, and passed.

WRIGHT BROTHERS DAY

Mr. JOHNSON of Texas. Mr. President, I move that the Committee on the Judiciary be discharged from the further consideration of House Joint Resolution 513, designating the 17th day of December 1959, as Wright Brothers Day, and that the Senate proceed to consider it at this time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution is before the Senate and is open to amendment. If there be no amendment to be offered, the question is on the third reading, and passage of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

CONSTRUCTION OF NORMAN PROJECT, OKLAHOMA

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 898, Senate bill 1892, and I call this motion to the attention of the Senator from New Mexico.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1892) to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs,

with amendments, on page 2, at the beginning of line 2, to strike out "preservation and propagation" and insert "conservation and development"; after line 7, to insert:

The Secretary may enter into suitable contracts with municipal organizations, or other organizations as defined in section 2, Reclamation Project Act of 1939 (38 Stat. 1187), to undertake with non-Federal financing the construction of pumping plants, pipelines, and other conduits, or of any of such works, for furnishing water for municipal, domestic, and industrial use, and to advance to such organizations during the construction period funds to cover an appropriate share of the costs thereof attributable to furnishing water to Tinker Air Force Base.

At the beginning of line 20, to strike out "thereof in accordance with the methods used in determining the allocations made on page XI and table 4, page 25, Document Numbered 420, Eighty-fifth Congress, second session, but with appropriate adjustments for changes in actual cost of construction, under the following conditions:" and insert "thereof in accordance with the following conditions:"; on page 3, at the beginning of line 2, to strike out "preservation and propagation" and insert "conservation and development"; at the beginning of line 12, to insert "under the provisions of the Federal reclamation laws, and to the extent appropriate, under the Water Supply Act of 1958"; in line 19, after the word "and", to insert "notwithstanding the provisions in the Water Supply Act of 1958 relating to the rate of interest"; on page 6, line 8, after the word "project", to strike out "for recreation, as set forth in House Document Numbered 420, Eighty-fifth Congress, second session" and insert "for minimum basic recreational facilities as determined by the Secretary", and after line 18, to insert a new section, as follows:

SEC. 9. The second sentence of section 5(f) of the Act entitled "An Act to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes", approved April 11, 1956 (70 Stat. 109) is amended to read as follows: "Such interest rate shall not exceed the average rate of interest, computed as of the end of the calendar month next preceding the date on which such advance is made, borne by all outstanding interest-bearing marketable public debt obligations of the United States which mature fifteen or more years from the date of their issuance, and by adjusting such average rate of interest to the nearest one-eighth of 1 per centum."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to construct, operate and maintain the Norman Federal reclamation project, Oklahoma, in accordance with the Federal reclamation laws (Act of June 17, 1902, and Acts amendatory thereof or supplemental thereto), except so far as those laws are inconsistent with this Act, for the principal purposes of storing, regulating, and furnishing water for municipal, domestic, and industrial use, and for controlling floods, and, as incidents to the foregoing for the additional purposes of regulating the flow of the Little River, providing for the conservation and development of fish and wildlife, and of enhancing recreational opportunities. The Norman project shall consist of the following principal work: A reservoir on Little River near Norman, Oklahoma, pumping plants, pipelines, and other conduits for furnishing water for municipal, domestic, and industrial use.

The Secretary may enter into suitable contracts with municipal organizatons, or other organizations as defined in section 2, Reclamation Project Act of 1939 (38 Stat. 1187), to undertake with non-Federal financing the construction of pumping plants, pipelines, and other conduits, or of any of such works, for furnishing water for municipal, domestic, and industrial use, and to advance to such organizations during the construction period funds to cover an appropriate share of the costs thereof attributable to furnishing water to Tinker Air Force Base.

SEC. 2. In constructing, operating, and maintaining the Norman project, the Secretary shall allocate proper costs thereof in accordance with the following conditions:

(a) Allocations to flood control, recreation, and the conservation and development of fish and wildlife and water supply for Tinker Air Force Base shall be nonreturnable.

(b) Allocations to municipal water supply, including domestic, manufacturing, and industrial uses, with the exception of that for Tinker Air Force Base, shall be repayable to the United States by the water users through contracts with municipal corporations, or other organizations as defined by section 2, Reclamation Project Act of 1939 (53 Stat. 1187), and title III of the Flood Control Act of 1958 under the provisions of the Federal reclamation laws, and to the extent appropriate, under the Water Supply Act of 1958. Such contracts shall be precedent to the commencement of construction of any project unit affecting the individual municipalities, and shall provide for repayment of constructon costs allocated to municipal water supply in not to exceed fifty years from the date water is first delivered for that purpose, and notwithstanding the provisions in the Water Supply Act of 1958 relating to the rate of interest, payments of said construction cost shall include interest on unamortized balances of that allocation at a rate equal to the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term securities outstanding on the date of this Act and adjusted to the nearest one-eighth of 1 per centum: *Provided,* That the water users' organization be responsible for the disposal and sale of all water surplus to its requirements, and that the revenues therefrom shall be used by the organization for the retirement of project debt payment, payment of interest, and payment of operation and maintenance cost.

(c) Upon the completion of the payment of the water users' construction cost obligation, together with the interest thereon, the water users shall have a permanent right to the use of that portion of the project allocable to municipal water supply purposes.

SEC. 3. Contracts may be entered into with the water users' organization pursuant to the provisions of this Act without regard to the last sentence of subsection (c) of section 9 of the Reclamation Project Act of 1939.

SEC. 4. The Secretary is authorized to transfer to the project water users the care, operation, and maintenance of the works herein authorized, and, if such transfer is made, to deduct from the obligation of the water users the reasonable capitalized equivalent of that portion of the estimated operation and maintenance cost of the undertaking which, if the United States continues to operate the project, would be allocated to flood control and fish and wildlife purposes. Prior to taking over the care, operation, and maintenance of said works, the water users' organization shall obligate itself to operate them in accordance with criteria specified by the Secretary of the Army with respect to flood control and the Secretary of the Interior with respect to fish and wildlife: *Provided,* That operation and maintenance and replacement cost of furnishing water supply to Tinker Air Force Base, as contemplated in the plan of development, shall be provided by an appropriate agreement between the Secretary of Defense and the water users' organization.

SEC. 5. Construction of the Norman project herein authorized may be undertaken in such units or stages as in the opinion of the Secretary best serves the project requirements and the relative needs for water of the several municipal users. Repayment contracts negotiated in connection with each unit or stage of construction shall be subject to the terms and conditions of section 2 of this Act.

SEC. 6. The Secretary may, upon conclusion of a suitable agreement with any qualified agency of the State of Oklahoma or a political subdivision thereof for assumption of the administration, operation, and maintenance thereof at the earliest practicable date, construct or permit the construction of public park and recreational facilities on lands owned by the United States adjacent to the reservoirs of the Norman project, when such use is determined by the Secretary not to be contrary to the public interest, all under such rules and regulations as the Secretary may prescribe. No recreational use of any area to which this section applies shall be permitted which is inconsistent with the laws of the State of Oklahoma for the protection of fish and game and the protection of the public health, safety, and welfare. The Federal costs of constructing the facilities authorized by this section shall be limited to the nonreimbursable costs of the Norman project for minimum basic recreational facilities as determined by the Secretary.

SEC. 7. Expenditures for the Norman Reservoir may be made without regard to the soil survey and land classification requirements of the Interior Department Appropriation Act, 1954 (43 U.S.C. 390a).

SEC. 8. There are hereby authorized to be appropriated such sums as may be required to carry out the purposes of this Act.

SEC. 9. The second sentence of section 5(f) of the Act entitled "An Act to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes", approved April 11, 1956 (70 Stat. 109) is amended to read as follows: "Such interest rate shall not exceed the average rate of interest, computed as of the end of the calendar month next preceding the date on which such advance is made, borne by all outstanding interest-bearing marketable public debt obligations of the United States which mature fifteen or more years from the date of their issuance, and by adjusting such average rate of interest to the nearest one-eighth of 1 per centum."

Mr. ANDERSON. Mr. President, I wish to suggest that the Senator from Oklahoma [Mr. KERR] also can make an explanation of the bill. However, I may say that this is a project which has been very carefully considered by the Subcommittee on Reclamation and by the full Committee on Interior and Insular Affairs. It relates to a municipal water supply project. The benefit-cost ratio is extremely attractive. The committee was happy to report the bill favorably at the request of the Senator from Oklahoma.

Mr. KERR. Mr. President, the bill provides for the construction of a multiple-purpose project in the area of Oklahoma City, Norman, Midwest City, Del City, and Tinker Air Force Base.

The bill provides for the allocation of costs, and sets out that the reimbursable costs will be repaid in 50 years with interest to the Federal Government.

The fish and wildlife benefits and flood control projects will be nonreimbursable.

Tinker Air Force Base, which is one of the largest installations the Air Force has in the world, is set up on the basis that more than half of the cost will be reimbursable by the water industry.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma, and for other purposes."

CLAIMS FOR CERTAIN MOVING COSTS RESULTING FROM ANY PUBLIC WORKS PROJECT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 718, H.R. 4656.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 4656) to amend section 401(b) of the act of July 14, 1952, to permit applications for moving costs resulting from any public works project to be filed either 1 year from the date of acquisition or 1 year following the date of vacating the property.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. BIBLE. Mr. President, I have an amendment at the desk which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

SEC. 2. The amendment made by this Act shall take effect as of January 1, 1959.

Mr. BIBLE. Mr. President, I have discussed the bill with the distinguished Senator from Washington [Mr. JACKSON], who signed the report from the Committee on Armed Services. The bill was unanimously reported by that committee. Likewise, I discussed the bill with the distinguished Senator from Mississippi [Mr. STENNIS], and the chairman of the full Committee on Armed Services, the distinguished Senator from Georgia [Mr. RUSSELL].

The bill concerns a matter of interest to the two Senators from Kentucky. I have discussed it with both of them. They have assured me that the amendment is agreeable to them. It is simply to correct an inequity which was called to our attention after the bill had been considered in committee.

Mr. COOPER. Mr. President, I ask unanimous consent to insert in the body of the RECORD, at a point before the vote by which the Senate agreed to H.R. 4656, a statement on the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR COOPER ON H.R. 4656

I wish to comment briefly on H.R. 4656 which is identical to S. 1100 which was introduced by my colleague, Senator MARTIN, and myself. This bill would extend the time within which the Federal Government may pay the moving expenses of owners and tenants of land acquired for public works projects. Under existing law application must be made within 1 year following the date of acquisition of title to the property by the Federal Government. H.R. 4656 would require application for moving expenses to be made within 1 year following the date of acquisition or 1 year following the date the property is vacated, whichever is later.

This bill is, of course, of general applicability to all projects undertaken by the military departments. I must say, however, that it has been brought to my attention as a result of the relocation problems arising out of the construction of Barkley Dam and Reservoir in western Kentucky. The normally difficult problem of relocation has been aggravated in this instance by the fact that in the case of two communities—Kuttawa and Eddyville—parts of both communities will be under water. A part of the population must leave their homes; the remainder will stay. Because of the Barkley construction schedule it is obvious that there will be a long period of time between the date the Government acquires title to the property and the date present occupants are required to leave. The Government's normal policy of permitting occupancy of property acquired for reservoir purposes on a nominal rental basis, makes it almost certain that most of the displaced people in these two communities will not vacate the property within 1 year after the date the Government has acquired title to the property. This bill would permit the Federal Government to pay the moving costs (up to 25 percent of the value of the property acquired) as it presently is authorized to do, but would not require the displaced people to vacate their property within a year after acquisition of title to the property in order to be reimbursed for the cost of moving. All of us recognize that there are immeasurable benefits to the Nation, to a river valley and to the immediate area, whenever a large reservoir is constructed on one of our Nation's great rivers. However, it is equally clear that many landowners whose property is taken, who are forced to abandon a community in which their families have lived for generations, and whose businesses are shattered, can never be adequately compensated for their loss. As I have said, the situation in these two communities is particularly acute and I am hopeful that at least this small measure of relief can be afforded these citizens of Kuttawa and Eddyville in western Kentucky, and those who presently or in the future find themselves in similar situations.

I understand that the distinguished senior Senator from Nevada, Mr. BIBLE'S, amendment to the bill has been cleared with the chairman of the Armed Services Committee and the chairman of the subcommittee which handled this bill, and that there is no objection to it. Certainly I have no objection to the amendment proposed by the Senator from Nevada and I hope that the bill, as amended, will be approved by the Senate and that the House of Representatives will accept the Senate version.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

ENTRY OF CERTAIN RELATIVES OF U.S. CITIZENS

Mr. JOHNSON of Texas. Mr. President, I understand that we are awaiting copies of the report on Calendar No. 990, H.R. 5896. I want to be certain they are available before we proceed to consider the bill.

Mr. President, I now move that the Senate proceed to the consideration of Calendar No. 990, H.R. 5896, the so-called immigration bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MORSE. Mr. President, I ask for an explanation of the bill.

Mr. EASTLAND. Mr. President, this bill reclassifies certain close relatives of U.S. citizens and aliens lawfully admitted for permanent residence in the United States. Such reclassification will expedite the reuniting of certain families. The bill also provides for the granting of nonquota status to certain close relatives of U.S. citizens or aliens lawfully admitted for permanent residence who were registered on a quota waiting list prior to December 31, 1953, and in whose behalf petitions were approved prior to January 1, 1959. Approximately 57,000 aliens will benefit from this provision.

This legislation is in accordance with the recognized principle of avoiding separation of family units. However, no change is made in the Immigration and Nationality Act relating to the basic formula for the establishment of quotas.

Mr. PASTORE. Will the Senator yield.

Mr. EASTLAND. I yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I feel that because of the interest that I have had in this bill, H.R. 5896, I should not let this occasion pass without thanking the chairman of the Senate Judiciary Committee, Mr. EASTLAND, for his unfailing consideration in bringing this humanitarian measure to the floor of the Senate. My appreciation goes also to the majority leader [Mr. JOHNSON], for scheduling this bill which can give us all a touch of pride in our America in these days when the eyes of the world are upon us and the hearts of the world are anxious about America's attitude toward them.

I would be remiss if I did not also praise the clear and active thinking of Congressman WALTER of Pennsylvania whose wisdom and workmanship is the very foundation of this bill. I was proud to collaborate with him.

His experience and judgment have given us a bill which will unite families—an equitable bill fashioned sincerely in the American mold that makes for the sanctity of the family and the security of the home.

The PRESIDING OFFICER (Mr. Moss in the chair). The question is on agreeing to the committee amendments.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendments were considered and agreed to, as follows:

On page 2, line 3, after the word "the", to strike out "brothers or" and insert "brothers"; in line 4, after the word "sisters", to strike out "or the"; in line 14, after the word "than", to strike out "the effective date of the said Act" and insert "December 31, 1953,"; in line 18, after the word "and", where it appears the second time, to strike out "the unmarried son or daughter under twenty-one years of age of the beneficiary of such petition" and insert "the children of such alien,"; in line 21, after the word "be", to strike out "a nonquota immigrant" and insert "nonquota immigrants"; in line 23, after the word "issued", to strike out "a nonquota immigrant visa" and insert "nonquota immigrant visas"; on page 3, after line 3, to strike out:

"SEC. 5. (a) The first sentence of section 205(b) of the Immigration and Nationality Act (66 Stat. 180) is hereby amended to read:

"'(b) Any citizen of the United States claiming that any immigrant is his spouse or child and that such immigrant is entitled to a nonquota immigrant status under section 101(a)(27)(A), or any citizen of the United States claiming that any immigrant is his parent or unmarried son or unmarried daughter and that such immigrant is entitled to a quota immigrant status under section 203(a)(2), or any alien lawfully admitted for permanent residence claiming that any immigrant is his spouse or his unmarried son or his unmarried daughter and that such immigrant is entitled to a quota immigrant status under section 203(a)(3), or any citizen of the United States claiming that any immigrant is his brother or sister or his married son or his married daughter and that such immigrant is entitled to a preference under section 203(a)(4) may file a petition with the Attorney General.'"

And, in lieu thereof, to insert:

"SEC. 5. (a) Section 205(b) of the Immigration and Nationality Act (66 Stat. 180) is hereby amended to read:

"'(b) Any citizen of the United States claiming that any immigrant is his spouse or child and that such immigrant is entitled to a nonquota immigrant status under section 101(a)(27)(A), or any citizen of the United States claiming that any immigrant is his parent or unmarried son or unmarried daughter and that such immigrant is entitled to a quota immigrant status under section 203(a)(2), or any alien lawfully admitted for permanent residence claiming that any immigrant is his spouse or his unmarried son or his unmarried daughter and that such immigrant is entitled to a quota immigrant status under section 203(a)(3), or any citizen of the United States claiming that any immigrant is his brother or sister or his married son or his married daughter and that such immigrant is entitled to a preference under section 203(a)(4) may file a petition with the Attorney General. No petition for quota immigrant status or a preference in behalf of a son or daughter under paragraphs (2), (3), or (4) of section 203(a) of the Immigration and Nationality Act shall be approved by the Attorney General unless the petitioner establishes that he is a parent as defined in section 101(b)(2) of the Immigration and Nationality Act of the alien in respect to whom the petition is made. The petition shall be in such form and shall contain such information and be supported by such documentary evidence as the Attorney General may by regulations prescribe. The petition shall be made under oath administered by any individual having authority to administer oaths, if executed in the United States, but, if executed outside the United States, administered by a consular officer.'"

On page 5, after line 9, to strike out:

"(c) From and after the date of enactment of this Act no petition for immigrant status under paragraph (2), (3), or (4) of section 203(a) of the Immigration and Nationality Act (66 Stat. 178–179) may be approved by the Attorney General unless the petitioner is the spouse or the natural parent or the brother or the sister of the alien in respect of whom the petition is made. Aliens who are the beneficiaries of immigrant status under paragraph (4) of the said section pursuant to petitioners heretofore approved by the Attorney General on the ground that they are the adopted sons or adopted daughters of United States citizens shall remain in that status notwithstanding the provisions of section 1 of this Act, unless they acquire a different immigrant status pursuant to a petition hereafter approved by the Attorney General."

And, in lieu thereof, to insert:

"(c) Aliens who have been granted a preference under paragraph (4) of section 203(a) of the Immigration and Nationality Act pursuant to petitions heretofore approved by the Attorney General on the ground that they are the adopted sons or adopted daughters of United States citizens shall remain in that status notwithstanding the provisions of section 1 of this Act, unless they acquire a different immigrant status pursuant to a petition hereafter approved by the Attorney General."

And on page 6, line 20, after the word "amended", to insert a colon and *"Provided further,* That, upon his application for an immigrant visa, and for his admission into the United States, the alien is found to have retained his relationship to the petitioner, and status, as established in the approved petition."

The PRESIDING OFFICER. The question now is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 5896) was read the third time, and passed.

PAULINE D. KIMBROUGH

Mr. JOHNSON of Texas. Mr. President, I have a number of formal requests to make.

First I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 667.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 667) for the relief of Pauline D. Kimbrough, which was, in line 5, strike out "$6,367.20," and insert "$5,577.89,".

Mr. JOHNSON of Texas. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AMENDMENT OF CODE RELATING TO PROHIBITION OF MISUSE BY CERTAIN AGENCIES OF NAMES, ETC., TO INDICATE FEDERAL AGENCY

Mr. JOHNSON of Texas. Mr. President, I ask the Chair to lay before the Senate the message from the House on the bill, S. 355, to amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies or private detective agencies of names, emblems, and insignia to indicate Federal agency.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 355) to amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies or private detective agencies of names, emblems, and insignia to indicate Federal agency, which was, on page 2, line 11, strike out "$10,000" and insert "$1,000".

Mr. JOHNSON of Texas. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

ANNIBALE GIOVANNI PELLEGRINI

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 640.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 640) for the relief of Annibale Giovanni Pellegrini, which was, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Annibale Giovanni Pellegrini, shall be eligible for a visa as a nonimmigrant temporary visitor: Provided, That the administrative authorities find that the said Annibale Giovanni Pellegrini is coming to the United States for the purpose of adoption by Mr. and Mrs. Mose G. Quilici, citizens of the United States, and that he is found otherwise admissible under the immigration laws. In the event the adoption of the said Annibale Giovanni Pellegrini by the said Mr. and Mrs. Mose G. Quilici does not occur within the time necessary to conclude final adoption proceedings under the laws of the State in which the said Annibale Giovanni Pellegrini is to be adopted, he shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event the adoption of the said Annibale Giovanni Pellegrini by the said Mr. and Mrs. Mose G. Quilici shall occur, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Annibale Giovanni Pellegrini as of the date of the payment by him of the required visa fee: *Provided further,* That the natural parent of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Mr. JOHNSON of Texas. Mr. President, on July 6 the Senate passed S. 640, to grant to a minor child to be adopted by U.S. citizens the status of a nonquota immigrant. On September 1 the bill passed the House of Representatives with an amendment to provide for the temporary admission of the minor child

to the United States, with provision for and adjustment of his status to that of an alien lawfully admitted for permanent residence, if he is promptly adopted under the laws of the State where he is to reside.

This amendment is acceptable, and I move that the Senate concur in the House amendment to S. 640.

The motion was agreed to.

KATHARINA HOEGER

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 1171.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1171 for the relief of Katharina Hoeger, which was to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond which may have issued in the case of Katharina Hoeger. From and after the date of the enactment of this Act, the said Katharina Hoeger shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. JOHNSON of Texas. Mr. President, on June 12, the Senate passed S. 1171, to grant the status of permanent residence in the United States to the 66-year-old beneficiary. On September 1, the House of Representatives passed S. 1171, with an amendment to provide merely for cancellation of outstanding deportation proceedings.

The amendment is acceptable; and I move that the Senate concur in the House amendment to S. 1171.

The motion was agreed to.

MARGUERITE FUELLER

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 1837.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1837) for the relief of Marguerite Fueller, which was, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Marguerite Fueller. From and after the date of the enactment of this Act, the said Marguerite Fueller shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. JOHNSON of Texas. Mr. President, on July 15, the Senate passed S. 1837, to grant the status of permanent residence in the United States to the 62-year-old beneficiary. On September 1, the House of Representatives passed S. 1837, with an amendment to provide merely for cancellation of outstanding deportation proceedings.

I move that the Senate concur in the House amendment to S. 1837.

The motion was agreed to.

NASSIBEH MILDRED MILKIE

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 977.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 977) for the relief of Nassibeh Mildred Milkie, which was, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Nassibeh Mildred Milkie shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

Mr. JOHNSON of Texas. Mr. President, on June 12 the Senate passed S. 977, to provide for restoration of U.S. citizenship to a native of the United States and citizen of Lebanon. On September 1, the House of Representatives passed S. 977, with an amendment to grant the beneficiary the status of permanent residence in the United States. The beneficiary must then proceed to naturalization under the regular immigration laws.

The amendment is acceptable; and I move that the Senate concur in the House amendment to S. 977.

The motion was agreed to.

MRS. PAULA DEML

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 1627.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1627) for the relief of Mrs. Paula Deml, which was, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Paula Deml. From and after the date of the enactment of this Act, the said Mrs. Paula Deml shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. JOHNSON of Texas. Mr. President, on July 24, the Senate passed S. 1627, to grant the status of permanent residence in the United States to a 68-year-old native and citizen of Yugoslavia. On September 1, the House of Representatives passed S. 1627, with an amendment to provide merely for cancellation of outstanding deportation proceedings.

The amendment is acceptable; and I move that the Senate concur in the House amendment to S. 1627.

The motion was agreed to.

JULIA MYDLAK

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 464.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 464) for the relief of Julia Mydlak, which was, on page 1, strike out line 3 down through and including "available" in line 11, and insert "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Julia Mydlak. From and after the date of the enactment of this Act, the said Julia Mydlak shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued".

Mr. JOHNSON of Texas. Mr. President, on July 24, the Senate passed S. 464, to grant the status of permanent residence in the United States to a 70-year-old native and citizen of Poland, on September 1, the House of Representatives passed S. 464, with an amendment to provide merely for cancellation of deportation proceedings in behalf of the beneficiary.

The amendment is acceptable; and I move that the Senate concur in the House Amendment to S. 464.

The motion was agreed to.

AMENDMENT OF RECLAMATION PROJECT ACT OF 1959

Mr. JOHNSON of Texas. Mr. President, the Senator from New Mexico [Mr. ANDERSON] has to leave the floor in a few minutes. Before he leaves, he wishes to move the consideration of one of the bills which was passed over during the call of the calendar. It is Calendar No. 899, House bill 1778, which was reported from the Committee on Interior and Insular Affairs.

I understand the bill has been cleared on the minority side. The report (No. 873) on the bill is available, and was filed on September 2.

I move that the Senate proceed to the consideration of House bill 1778.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 1778) to amend sec. 17(b) of the Reclamation Project Act of 1939, which had been reported from the Committee on Interior and Insular Affairs with amendments on page 2, line 18, after the word "such", to insert "amendatory"; in line 24, after the word "contract", to strike out "arrangements'." and insert "arrangements."; and on page 3, after the amendment just above stated, to insert "The Secretary shall report to the Congress all deferments granted under this subsection.".

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill passed be reconsidered.

Mr. ANDERSON. I move to lay on the table the move to reconsider.

The motion was agreed to.

EXTENSION AND AMENDMENT OF HOUSING AND URBAN RENEWAL LAWS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 952, Senate bill 2654.

Mr. MORSE. Mr. President, let me inquire what bill this is.

Mr. JOHNSON of Texas. It is the housing bill; and we are returning to it.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2654) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to inform the Senate that additional bills will be added to the calendar, but the Senate will not consider any bills on the calendar if the reports on them are not available.

The reason why we have not considered, today, some of the bills already on the calendar, is that the reports were received too late. But we shall call up those bills before the end of the session.

We believe that consideration of the housing bill will not take an undue length of time, inasmuch as the Senate has already passed two housing bills at this session, and took action in an attempt to pass one of them despite the veto.

Following the housing bill, we plan to have the Senate take up Calendar No. 853, House bill 3610, to amend the Federal Water Pollution Control Act, to increase grants for construction of sewage treatment works, and for other purposes. I am informed that the debate on that bill will not take too long today.

If my information is correct, we then plan to have the Senate take a recess at an early hour today.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7629) to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. FORAND, Mr. KING of California, Mr. SIMPSON of Pennsylvania, and Mr. MASON were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 36. An act for the relief of Page A. Wilson;

S. 252. An act to authorize Col. Philip M. Whitney, U.S. Army, retired, to accept and wear the decoration tendered him by the Government of the Republic of France;

S. 825. An act to revise eligibility requirements for burial in national cemeteries, and for other purposes;

S. 1081. An act for the relief of Arshalouis Simeonian;

S. 1149. An act for the relief of Capt. Thomas J. McArdle;

S. 1164. An act to authorize the appointment of a commissioner for Grand Canyon National Park, Ariz.;

S. 1613. An act for the relief of Matilda Kolich;

S. 1891. An act for the relief of Donald G. Coplan;

S. 1973. An act to extend the validity of the passport to 3 years;

S. 2101. An act for the relief of Ourania Ben Blikas;

S. 2291. An act to authorize the erection of a plaque in honor of the late Honorable Sam D. McReynolds on or near the site of the Chickamauga Dam;

S. 2390. An act to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park;

S. 2500. An act to authorize the appointment of Elwood R. Quesada to the retired list of the Regular Air Force, and for other purposes; and

S.J. Res. 25. Joint resolution to change the name of Roosevelt Dam, Reservoir, and Power Plant in Arizona to Theodore Roosevelt Dam, Lake, and Power Plant.

EXTENSION AND AMENDMENT OF HOUSING AND URBAN RENEWAL LAWS

Mr. SPARKMAN obtained the floor.

Mr. MORSE. Mr. President, will the Senator from Alabama yield, so that I may suggest the absence of a quorum?

Mr. SPARKMAN. Does the Senator from Oregon think a quorum call should be had at this time?

Mr. MORSE. Yes; before the Senate acts on the housing bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President——

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SPARKMAN. Mr. President, this is the sixth time during this session of Congress that I have requested the Senate to support housing legislation recommended by a majority of the Committee on Banking and Currency. I recommended approval of S. 57, the conference report on that bill, and the enactment of S. 57 after it had been disapproved by the President. I recommended the enactment of a compromise bill, S. 2539, and I recommended its enactment after the President's disapproval. I now request the Senate to approve S. 2654—the third housing bill during this session—and a further compromise to accommodate the President.

During debate on the question of approving S. 2539 after it had been vetoed by the President, I stated my sincere belief that the vote on that question would be the last opportunity which Senators would have to vote on comprehensive housing legislation during this session of the Congress. Within a short time after the Senate sustained the President's veto on S. 2539, the chairman of the Committee on Banking and Currency, the Senator from Virginia [Mr. ROBERTSON], called a meeting of the committee to convene on the following day. The discussion on the question of housing legislation which took place in that committee meeting, and subsequent discussions involving the leadership on both sides of the aisle in both Houses of the Congress, and involving representatives of the executive branch of the Government, persuaded me that it might be possible to make certain changes in S. 2539 which would be acceptable to all parties concerned. These changes were considered yesterday in a meeting of the Committee on Banking and Currency, and S. 2654 was agreed to in the committee by a vote of 13 for, and 0 against—1 Senator voting "present," and another Senator being absent. Although I cannot agree that S. 2654 is as good a bill as was S. 2539 or S. 57, I support the new bill and I urge my colleagues to do likewise.

S. 2654 is substantively identical with S. 2539 with the following changes:

First. S. 2539 authorized appropriations of $50 million for a new program of direct loans to colleges and universities for the construction of classrooms and related educational facilities. The President opposed this new program, and it does not appear in S. 2654.

Second. S. 2539 contained new authorization for urban renewal loans and grants of $650 million, with a provision that $100 million was available at the President's discretion to be used to make certain that the applications of smaller cities would not be turned down for lack of funds. The President opposed this provision on grounds that it implied a direction to commit all of the funds during a 1-year period. In order to meet the President's objection, S. 2654 retains the $650 million total authorization, but provides that $350 million will become available upon enactment, and $300 million will become available on July 1, 1960. The special discretionary fund to accommodate the needs of smaller cities is not contained in the new bill because the committee believes that the needs of cities of all sizes can be satisfied without a special fund.

Third. S. 2539 increased the FHA general insurance authorization by $8 billion, but provided that any portion of this increase which remained unused on October 1, 1960, would lapse. The President objected to this provision and requested that the FHA receive unlimited authority to insure mortgage loans. The committee does not believe that the FHA should receive unlimited authorization; but in an attempt to accommodate the President, the aforementioned date of October 1, 1960, does not appear in S. 2654. Consequently, the new bill increases the FHA general insurance authorization by $8 billion and permits this amount to remain available until used.

For the information of the Senate and for others who are concerned with legislative history of public laws, I will state my understanding of the legislative history of this bill. Senators will note that the report on S. 2654—Senate Report No. 924—contains specific comment, other than a section-by-section summary, only upon those items which represent differences between S. 2654 and S. 2539. Likewise, the report on S. 2539—Senate Report No. 715—contained specific comment only upon those items which represented differences between S. 2539 and S. 57. Consequently, it is my understanding that the legislative history of S. 2654 will be represented by the pertinent statements which appear in the reports of the Banking and Currency Committee on S. 57—Senate Report No. 41, on S. 2639—Senate Report No. 715, and on S. 2654—Senate Report No. 924.

Mr. President, as I said earlier, this is the sixth time during this session of Congress that we have dealt with a housing bill; and if I may say so, including the bill last year, which was the basis for the whole matter, it is the seventh time. I therefore feel it requires very little discussion today, and I hope we can act on the bill quickly.

Let me say that we seriously considered the President's veto message and considered each point of it. For some time it appeared we might not be able to get any bill at all. However, there soon developed a situation for which I have been pleading over a long time, and that is a cooperative spirit. We had a fine spirit of cooperation as between the two parties in both the Senate and the House of Representatives, and as between the two Houses, and with the representatives of the White House. Working in that way, we had little difficulty in agreeing upon some changes in the bill that had been vetoed, and with those changes we bring the bill to the Senate today.

Basically, the bill is the same bill that was vetoed, with one exception, namely, we eliminated the provision relating to college classrooms. It appeared that the President was more strongly set against that provision than any other.

The President made several objections to various parts of the bill, but that is the only complete deletion or basic change that is made in the measure.

We made a couple of other changes which might be represented as being more for clarification purposes than for anything else. We made it clear that the $650 million provided for urban renewal did not mean what the President interpreted it to mean, as shown in his veto message—that is, that it was to be only a 1-year program—and we did it by making it clear that it would be at least a 2-year program. We did that by making $350 million immediately available on passage of the bill, and $350 million additional available on July 1, 1960.

That clearly shows it is at least a 2-year program and not confined to 1 year. The original measure was not confined to 1 year, but the President interpreted it so.

Mr. CLARK. Mr. President, will the Senator yield at that point?

Mr. SPARKMAN. I yield.

Mr. CLARK. Is it not the view of the Senator from Alabama that we are going to have to write another housing bill next year?

Mr. SPARKMAN. Yes. I will say something about that a little later.

Mr. President, another clarifying matter had to do with the FHA. Personally, I doubt that it made much difference whether we had a cutoff date on the new FHA authorization or not. By the way, the President objected to that. After all, the amount of authorization we make available to FHA will determine the length of time FHA can function.

Those are the only changes. One of them is a substantive change, leaving off the college classrooms. The other two are simply clarifying changes.

I will say, in slight elaboration of my answer to the Senator from Pennsylvania, I am confident that there will be a housing bill next year. As the Senator will recall, I stated at the meeting of the full committee I was confident of that, even after we removed the cutoff date for the new FHA authorization.

First of all, I am certain in my own mind that FHA will require additional insurance authorization. We will have to act on that in the next session of Congress. In my opinion the amount of authorization we give now will carry FHA to about October 1, or perhaps October 31 of next year, if we have normal housing activity, such as we are having at the present time.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. It is entirely possible the authorization might run out earlier?

Mr. SPARKMAN. It is. Last year the FHA estimated the $4 billion we gave them was sufficient to run for the whole year, but it ran out in less than 3 months.

By the way, we are taking away from the FHA, in the bill, the right to issue further letters of intent or to make those agreements to insure. That is what the FHA has been running on since October 31 of last year.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. PROXMIRE. As I understand the situation, the Senator is not relying on this entirely.

Mr. SPARKMAN. No.

Mr. PROXMIRE. While it is very likely that a new housing bill will be necessary because of the FHA authorization, I presume there are other reasons why the Senator from Alabama feels there will be a housing bill next year?

Mr. SPARKMAN. Yes. The Senator from Alabama is going to enumerate them. I think there are three which are very apparent. Goodness knows how many others may show up.

First. I think the FHA will have to have additional authorization.

Second. I am quite certain that the college dormitory program will require additional funds before the year expires. We are providing $250 million in the bill. That amount simply will not be sufficient to run the program beyond 1 year.

Third, and very important, the title I home improvement program, which is a very popular program all over the country, has an expiration date under the bill of October 1, 1960. Certainly we are not going to let title I, home improvement, lapse. We would have to report a bill to extend that program even if we did not have these other things to consider.

I think everyone can rest assured there will be a housing bill next year to take care of these and other needs which may develop.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Florida.

Mr. SMATHERS. Does the bill still contain the valuable addition with respect to housing for the elderly?

Mr. SPARKMAN. The bill contains that provision. No deletion was made in that respect.

The Senator will recall, that was the subject of one of the strong objections of the President. I do not know exactly what will happen, but I can visualize some of the columnists in the press reporting that the President has won a great victory.

I wish to say, Mr. President, this measure is the kind of measure we ought to have when there are differences between the legislative and the executive. This is a compromise. The legislative branch conceded with regard to the college classrooms. The executive conceded with regard to housing for the

elderly. Those were two points as to which there was strong objection by the President.

Mr. SMATHERS. I wish to commend the Senator for keeping that particular provision in the bill. In our State of Florida, where we have a predominance of elderly people, certainly there is no provision quite so important as that one. I wish to congratulate the able chairman of the subcommittee. I know the passage of the bill will accomplish a great deal of good for our State.

Mr. SPARKMAN. I feel it will, and I am glad the President was willing to concede on that point.

I point out, another thing to which the President had strong objection was the section on public housing. The President has conceded on that, and it remains in the bill.

I could point out other matters. In brief, however, only the three changes I mentioned are made in the bill which was vetoed. I am glad we have been able to work the bill out in a package form as we have.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Colorado.

Mr. CARROLL. I commend the distinguished Senator from Alabama. I know this has been a very tedious and a very difficult fight for him. It is my regret we are not going to provide for the college classrooms. In my State there is a strong demand from many private colleges throughout the State for that. Under the circumstances, we can treat the subject on another occasion.

The housing for the elderly is very important to Colorado, also. That provision is in the bill, as I understand it, as it was in the previous bill.

Mr. SPARKMAN. That is correct. It is unchanged.

Mr. CARROLL. What about the provison relating to municipalities and urban renewal.

Mr. SPARKMAN. That remains unchanged.

Mr. CARROLL. Is the same period of time provided to recoup the previous expenditures?

Mr. SPARKMAN. The provision remains unchanged.

Mr. CARROLL. I thank the Senator.

Mr. SPARKMAN. The only change with reference to urban renewal is a change in form rather than in substance. We make it clear that it is not a 1-year program, as the President thought it was, as shown by his message. The President was mistaken, because we purposely left off the date. In this case we have spelled it out to be a 2-year program, in order that it might be certain. That is the only change in urban renewal, which, as I say, is one of form rather than substance.

Mr. CARROLL. I thank the Senator from Alabama.

Mr. CLARK. Mr. President, will the Senator yield at that point?

Mr. SPARKMAN. I yield.

Mr. CLARK. I agree that in form this is a 2-year program for urban renewal. I, for one, am going to take a very careful look at the program next session, to see to what extent the 2-year program we have spelled out is adequate.

Mr. SPARKMAN. Certainly. I agree with the Senator from Pennsylvania.

Mr. CLARK. If, as I suspect, it is an inadequate program, I shall certainly press for an additional grant authorization for urban renewal for fiscal year 1961.

Mr. SPARKMAN. The Senator knows I have said from the beginning that $350 million a year is the minimum requirement. Of course, the longer we wait about getting it, the bigger the backlog that piles up. We have provided less than $350 million a year. We have provided $650 million for the 2 years.

Mr. President, this bill represents a give and take as between the Executive and the legislative branch. I am glad to urge its approval.

Mr. President, I ask unanimous consent to have printed as a part of my remarks a section-by-section summary of the bill as reported.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION SUMMARY OF S. 2654 AS REPORTED

Short title

The first section of the bill provides that the act may be cited by its short title—"Housing Act of 1959."

TITLE I—FHA INSURANCE PROGRAMS

Property improvement loans

Section 101: Amends section 2(a) of the National Housing Act to extend for 1 year (until October 1, 1960) FHA's home improvement and modernization insurance program.

Section 203 sales housing mortgage insurance

Section 102: (a)(1) Amends section 203(b) of the National Housing Act to increase the maximum amount of an insured mortgage covering a one-family residence from $20,000 to $22,500, and to $25,000 in case of a two-family residence.

(2) Amends section 203(b) to provide a new downpayment schedule for FHA section 203 sales housing as follows:

Valuation:	Downpayment (percent)
Up to $13,500	3
$13,500 to $18,000	10
Over $18,000	30

(3) Amends section 203(b) to permit FHA to accept VA construction inspections (as basis for application of full loan-to-value ratio) in connection with its mortgage insurance program on sales housing.

(b) Amends section 203(b) to make a nonoccupant mortgagor (builder or realtor) eligible for mortgage insurance in the same amount as that available to an owner-occupant under that section, in order to facilitate trade-in financing and avoid duplicate closing costs, if he places 15 percent of the mortgage amount in escrow to be applied to reduce the mortgage should no purchaser be found within 18 months. Under existing law, the mortgage of a nonoccupant is limited to 85 percent of the mortgage which an owner-occupant could obtain.

Low-cost housing in outlying areas

Section 103: Amends section 203(i) of the National Housing Act (relating to low-cost housing in outlying areas) to increase the maximum mortgage which may be insured under that section from $8,000 to $9,000, and to make eligible mortgages on existing housing as well as mortgages on new construction, with a reduced loan-to-value ratio (90 percent instead of 97 percent) for existing housing less than 1 year old which was not subject to FHA or VA inspection during construction. Removes $100 million insurance authorization limitation for "farm" homes insured under section 203(i).

Section 207 rental housing insurance

Section 104: Amends section 207 of the National Housing Act (the regular rental housing program) to increase from $12.5 million to $20 million the maximum amount of a mortgage which may be insured under that section.

(b) Increases dollar limits (per room and per unit) on FHA sec. 207 program as follows:

	Present law		New	
	Per room	Per unit if under 4 rooms	Per room	Per unit if under 4 rooms
Garden type	$2,250	$8,100	$2,500	$9,000
Elevator type	2,700	8,400	3,000	9,400
Increase for high-cost areas	1,000		1,250	

Also amends section 207 to increase the mortgage limits for trailer courts or parks from $1,000 to $1,500 per space, and from $300,000 to $500,000 per mortgage.

(c) Amends section 207 to increase the maximum interest rate for mortgages insured under that section from 4½ percent to 5¼ percent.

(d) Adds a new subsection (r) to section 207 authorizing the Commissioner to require mortgagors on housing hereafter insured under that section or any other provision of the National Housing Act to agree to pay a service charge (in lieu of insurance premiums) if the mortgages are later assigned to FHA.

(e) Amends section 207 to delete all provisions relating to housing for elderly persons, since the bill (in title II) establishes a new FHA program of mortgage insurance for elderly persons' housing.

Cooperative housing insurance

Section 105: (a) Amends section 213 to increase from $12.5 million to $20 million the maximum amount of a mortgage on cooperative housing which may be insured under that section.

(b) Amends section 213 to increase mortgage limits per room and per unit as follows:

	Present law		New	
	Per room	Per unit	Per room	Per unit
Garden type:				
Nonveteran	$2,250	$8,100	$2,500	$9,000
Veteran	2,375	8,550	2,500	9,000
Elevator type:				
Nonveteran	2,700	8,400	3,000	9,400
Veteran	2,850	8,900	3,000	9,400
High-cost-area increase	1,000		1,250	

Also amends section 213 to increase the maximum loan ratio from 85 to 90 percent of replacement cost for investor-sponsored cooperatives and from 90 (95 percent if 50 percent of cooperators are veterans) to 97 percent of replacement cost for other cooperatives.

(c) Amends section 213 to permit community facilities to be included in sales-type housing mortgages and to permit both community and commercial facilities (permitted by existing law only for management-type cooperatives) to be included in mortgages for investor-sponsored type cooperatives.

(d) Amends section 213 to increase the maximum interest rate for cooperative housing mortgages from 4½ to 5¼ percent, and the maximum interest rate for mortgages on individual dwellings replacing an original sales-type cooperative project mortgage from 5 to 5¾ percent.

(e) Amends section 213 to extend the cooperative housing program to existing structures acquired by management-type cooperatives.

Mortgage ceilings for Alaska, Guam, and Hawaii

Section 106: Amends section 214 of the National Housing Act to provide that the 50 percent higher mortgage amount which the FHA Commissioner, at his discretion, may allow in Alaska, Guam, and Hawaii, may be applied to high-cost-area mortgage amounts in the programs where such high-cost-area provisions pertain.

General mortgage insurance authorization

Section 107: Amends section 217 of the National Housing Act to increase FHA's general mortgage insurance authorization by $8 billion upon enactment. Also amends section 217 to prohibit obligation of the insurance fund by any means other than contracts of insurance or bona fide commitments to insure.

Repeal of obsolete provision

Section 108: Repeals section 218 of the National Housing Act, an obsolete provision, which permitted the transfer of application fees from the FHA section 608 program to the section 207 regular rental housing program.

Housing in urban renewal areas

Section 109: (a)(1) Amends section 220 of the National Housing Act (urban renewal housing) to increase the maximum mortgage amount which may be insured by FHA on sales housing, as follows: From $20,000 to $22,500 on one-family homes, from $20,000 to $25,000 on two-family homes, and from $27,500 to $30,000 on three-family homes.

(2) Amends section 220 to provide a new downpayment schedule on FHA section 220 sales housing as follows:

Valuation:	Downpayment (percent)
Up to $13,500	3
$13,500 to $18,000	10
Over $18,000	30

(3) Amends the section 220 sales housing provisions to permit a nonoccupant mortgagor to obtain a mortgage in the same amount as that available to an owner-occupant by placing 15 percent of the mortgage amount in escrow to be applied to the reduction of the mortgage if no purchaser is found within 18 months, the same as was done in the section 203(b) sales housing program by section 102(b) of the bill.

(b) Amends the rental housing provisions of section 220 to increase from $12.5 million to $20 million the maximum amount of a mortgage which may be insured thereunder.

(c) Amends section 220 to increase mortgage limits (per room and per unit) in multifamily projects as follows:

	Existing law		New	
	Per room	Per unit	Per room	Per unit
Garden type	$2,250	$8,100	$2,500	$9,000
Elevator type	2,700	8,400	3,000	9,400
High-cost-area increase	1,000	-------	1,250	-------

(d) Amends section 220 to permit exterior land improvements (as defined by FHA Commissioner) to be included in the mortgage without being computed as a part of the per room or per unit cost limitation.

(e) Amends section 220 to permit the inclusion of such nondwelling facilities as the FHA Commissioner deems adequate to serve the needs of the occupants of the project and of other housing in the neighborhood.

Relocation housing

Section 110: (a) Amends section 221 of the National Housing Act (relocation housing) to extend the benefits of the program to any family displaced within the environs of a community that has a workable program; also authorizes the construction of relocation housing in the environs of such community provided the civil jurisdiction in the environs requests such mortgage insurance.

(b) Amends section 221(d) to increase the maximum mortgage amount for a single-family residence from $10,000 to $12,000 in high-cost areas. Makes eligible for mortgage insurance 2-, 3-, and 4-family dwellings which meet FHA minimum property standards and appropriate State and local housing ordinances or regulations.

(c)(1) Amends section 221(d) to increase the dollar amount limitations per family unit in multifamily projects from $10,000 to $12,000 in high-cost areas.

(2) Amends the existing rental housing program for nonprofit organizations in section 221(d) to provide that the maximum loan ratio (which is 100 percent under existing law and would not be changed by the bill) shall be based on replacement cost in the case of new construction and on value in the case of rehabilitation projects, instead of on value in both cases as provided by existing law.

(3) Amends section 221(d) to establish a new rental housing program for profit organizations similar to the section 220 rental housing program. The maximum loan ratio for mortgages under the new program would be 90 percent of replacement cost in the case of new construction and 90 percent of value in the case of rehabilitation projects; and the Federal Housing Commissioner would be authorized to require the mortgagor to be regulated or restricted as to rents or sales charges, capital structure, rate of return, and methods of operation. The maximum mortgage amount and dollar limitation per family unit would be the same as for nonprofit organizations.

(d) Permits inclusion of commercial and community facilities as necessary to serve occupants.

(e) Conforming amendment.

(f) Amends section 212(a) of the National Housing Act to make the labor standards provisions of that section applicable to rental housing projects constructed by profit organizations with mortgage insurance under section 221.

Servicemen's housing mortgage insurance

Section 111: Amends section 222(b) of the National Housing Act (mortgage insurance for servicemen) to (1) permit the benefits of section 222 in the insurance of mortgages meeting the requirements of section 203(i), and (2) increase the maximum insurable mortgage from $17,100 to $20,000, and in the case of the insurance of mortgages meeting the requirements of section 203(i) establish a maximum of $9,000.

Cost certification

Section 112: Amends section 227 of the National Housing Act to revise the cost-certification requirements affecting FHA section 221, and new sections 231 and 810, in accordance with amendments made by other sections of this bill.

Voluntary termination of insurance

Section 113: Amends title II of the National Housing Act by adding a new section 229 to authorize the FHA Commissioner to terminate any mortgage insurance contract covering a one- to four-family home upon request of the mortgagor and mortgagee (and upon payment of an appropriate termination charge) without the technical necessity of paying off the mortgage.

Avoidance of foreclosure

Section 114: (a) Amends title II of the National Housing Act by adding a new section 230 to authorize the FHA Commissioner to acquire any mortgage covering a one- to four-family dwelling which is insured under that act and is in default, for the purpose of avoiding foreclosure.

(b) Amends section 204(a) of the National Housing Act to authorize the Commissioner, where a default is due to circumstances beyond the mortgagor's control and will probably be corrected within a reasonable period, to extend the time for curing the default and to agree that if the mortgage is subsequently foreclosed any interest thereafter accruing will be paid (in the debentures) to the mortgagee.

Mortgage insurance for nursing homes

Section 115: This section adds to title II of the National Housing Act a new section 232 establishing a program of FHA mortgage insurance for nursing homes.

(a) Declares that it is the purpose of the new section to assist in the provision of urgently needed nursing homes.

(b) Contains definitions of terms used in the section. The term "nursing home" would mean a proprietary facility (i.e., a facility privately owned and operated for profit) which is licensed or regulated by the State (or a political subdivision thereof where there is no State licensing law) for the accommodation of convalescents and other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services; such care or services would be prescribed by, or performed under the general direction of, persons licensed by State law to provide it.

(c) Authorizes the Federal Housing Commissioner to insure mortgages on new or rehabilitated nursing homes and to make commitments for such insurance prior to the execution of such mortgages or disbursement thereon.

(d) Sets forth the conditions on which the Commissioner may insure mortgages covering nursing homes under the new program. Any such mortgage would have to be executed by a mortgagor approved by the Commissioner; and the Commissioner could require the mortgagor to be regulated or restricted as to charges and methods of operation and, if the mortgagor is a corporation, as to capital structure and rate of return. Any such mortgage would be limited in amount to $12.5 million, and to 75 percent of the estimated value of the property. The maximum interest rate would be 6 percent of the outstanding principal balance (exclusive of premium charges for insurance), and the maturity would be determined by the Commissioner.

Also provides that no mortgage may be insured under the new program unless the Commissioner has received a certification of the need for the nursing home from the State agency which has been designated under title VI of the Public Health Service Act to survey the need in the State for the construction of hospitals and for the furnishing of hospital, clinic, and similar services, and certification that there are reasonable standards of licensure and methods of operation of such homes.

(e) Authorizes the Commissioner to permit the release of a part or parts of the mortgaged property from the lien of any mortgage insured under the program.

(f) Makes the provisions of section 207 of the National Housing Act, which relate to premiums and payment of insurance, applicable to mortgages covering nursing homes under the new section 232.

Section 201(b) of the bill makes the prevailing-wage requirements of the Davis-

Bacon Act applicable to the construction of nursing homes financed with insurance under the new section 232, except where services of laborers and mechanics are donated.

Technical amendments

Section 116: Makes various amendments in the National Housing Act to add necessary cross-references between section 204 of that act (relating to payment of insurance) and the other six insurance programs (the title I property-improvement program, the sec. 213 cooperative housing program, the sec. 220 sales housing program, the sec. 221 relocation housing program, the sec. 222 servicemen's housing program, and the sec. 809 program for civilian housing at defense installations) to which the section 204 procedures apply.

Inclusion of conveyance costs in debentures

Section 117: Amends section 204(k) of the National Housing Act to permit the Federal Housing Commissioner to include certain costs of conveying property to FHA in the debentures issued to mortgagees under any of the title II sales housing programs and under the title VI and title IX programs.

Investment insurance

Section 118: Removes mortgage insurance authority ceiling under title VII of the National Housing Act.

Legal notifications sent by mail

Section 119: Amends section 512 of the National Housing Act to provide that certain legal notifications sent by the FHA Commissioner shall be considered legal notice if properly mailed to the last known address.

TITLE II—HOUSING FOR THE ELDERLY

Under this title are two programs: (1) an FHA insurance program and (2) a direct loan program to assist in providing rental housing for elderly families and individuals.

FHA insurance program

Section 201: Adds a new section 231 to the National Housing Act to provide a new mortgage insurance program for the elderly. The program would be for both nonprofit and profitmaking sponsors and for new and rehabilitated structures. Maximum insurable mortgage would be $12.5 million, or $50 million for sponsors which are public or quasi-public instrumentalities.

Dollar limits would be as follows:

	Per unit
Garden type	$9,000
Elevator type	9,400

High-cost-area increase of $1,250 per room.

Loan ratios would be:

(a) New construction, 100 percent of replacement cost for nonprofit mortgagors and 90 percent of replacement cost for profitmaking mortgagors.

(b) Existing construction, 100 percent of value for nonprofit mortgagors and 90 percent of value for profitmaking mortgagors.

Interest rate on new program would not exceed 5½ percent. Maturity to be prescribed by FHA Commissioner. Not less than 50 percent of dwelling units for elderly (defined as any person, married or single, who is 62 years of age or more).

Applies Davis-Bacon Act except where laborers and mechanics donate their services to nonprofit corporation.

Loan program

Section 202: Under this section, the Housing and Home Finance Administrator would be authorized to make loans to private nonprofit corporations to construct, rehabilitate, or convert structures providing rental housing and related facilities for elderly families and elderly persons (including land acquisition and site improvement).

(a) (1) States that it is the purpose of the section to assist private nonprofit corporations to provide housing and related facilities for elderly families and elderly persons.

(2) Authorizes the Administrator to make loans to carry out such purpose, but provides that no such loan may be made unless the corporation shows that it cannot secure the necessary funds from other sources upon terms and conditions equally as favorable as those applicable to loans from the Administrator.

(3) Limits any such loan to 98 percent of the total development cost of the construction as determined by the Administrator, with a maximum maturity of 50 years. Such a loan would bear interest at a rate not more than the higher of (*a*) 2¾ percent or (*b*) the total of ¼ percent added to the average annual interest rate on all interest-bearing obligations of the United States.

(4) Authorizes the appropriation of $50 million as a revolving fund from which the Administrator would make loans under this section, limiting to $5 million the amount which may be outstanding from the revolving fund at any one time for related facilities (defined as indicated below).

(b) Confers upon the Administrator the same functions, powers, and duties as are vested in him for purposes of the college housing program under the Housing Act of 1950. Under the authority granted to the Administrator under this section, he would have power to make necessary rules and regulations, sue and be sued, deal in various ways with any property acquired or held by him, obtain insurance against loss, modify the terms and conditions of loan contracts (which may contain such covenants, conditions, and provisions as he deems necessary), and contract without advertising in certain cases, and his operations under the program would be generally subject to the Government Corporation Control Act.

(c) (1) and (2) Prohibit the use of housing constructed under the new program for transient or hotel purposes while the loans made under this section for such construction are still outstanding. The Administrator would define the term "transient or hotel purposes," but rental for any period less than 30 days would, in any event, constitute use for such purposes.

(3) Requires that all persons employed in the construction of housing under the new program be paid at not less than the prevailing wage rate in the locality, as determined in accordance with the Davis-Bacon Act, except in the case of persons who voluntarily donate their services without full compensation in order to lower construction costs.

(d) Defines terms used in the section. The term "elderly families" would mean families the head of which (or his spouse) is 62 years of age or over, and the term "elderly persons" would mean persons who are 62 years of age or over. The term "corporation" would be limited to private, nonprofit corporations which are approved by the Administrator as to financial responsibility. The term "related facilities" would include cafeterias or dining halls, community rooms or buildings, infirmaries and health facilities, and other essential service facilities.

TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

Increase in mortgage ceilings

Section 301: Amends section 302(b) of the National Housing Act to increase the maximum mortgage which FNMA may purchase from $15,000 to $20,000 in the case of mortgages purchased under the secondary market operation and from $15,000 to $17,500 in the case of mortgages purchased under the special assistance function. Under the bill these limits would not be applicable to mortgages insured under section 220. Under the bill (as under existing law) these limits do not apply to mortgages insured under section 803 of the National Housing Act or to mortgages covering housing located in Alaska, Guam, or Hawaii.

Financing of existing construction

Section 302: Amends section 304(a) of the National Housing Act to permit FNMA to make advance commitments to purchase mortgages in its secondary market operations on existing construction. This is now permitted only for new housing.

Fees and charges under special assistance function; renewal of commitments

Section 303: (a) Amends section 305(b) of the National Housing Act to repeal certain statutory limitations presently applicable to the fees and charges imposed in connection with the purchase of mortgages under FNMA's special assistance function, and to give FNMA discretion to determine such fees and charges as well as the purchase price of such mortgages.

(b) Requires that FNMA renew any special assistance commitments issued prior to August 27, 1958, if hardship would otherwise occur and if failure to deliver the mortgage prior to extension was beyond control of the mortgage seller. Terms of renewed commitment cannot be less favorable than the terms of the original commitment.

Comparative housing mortgages

Section 304: Amends section 305(e) of the National Housing Act to increase the special support fund for section 213 cooperative housing mortgages by a total of $25 million. Of this increase, $12.5 million would be earmarked for mortgages on consumer cooperatives and the other $12.5 million for mortgages on builder-sponsor cooperatives.

Investments by FNMA

Section 305: Amends sections 304(b), 306 (b), and 310 of the National Housing Act to authorize FNMA to invest its excess funds in obligations which are lawful investments for fiduciary, trust, or public funds, as well as in obligations issued or guaranteed by the United States.

FNMA purchase of mortgages held by HHFA

Section 306: Amends section 306 of the National Housing Act to authorize FNMA to purchase (pursuant to commitments or otherwise), service, and sell any mortgages offered to it by the Housing and Home Finance Agency or a constituent unit or agency thereof.

TITLE IV—URBAN RENEWAL

Statewide planning

Section 401: Amends section 101(b) of the Housing Act of 1949 to direct the Housing and Home Finance Administrator to give particular encouragement to the utilization of local public agencies which are established by States to operate on a statewide basis in behalf of smaller communities undertaking or proposing to undertake urban renewal programs, subject to local governmental approval, whenever the utilization of such agencies would promote the slum clearance and urban renewal program.

Clarifying amendments

Section 402: Amends section 102 of the Housing Act of 1949 to make it clear that loan contracts under that section may cover the total cost (including interest payments) of financing definitive loans to local public agencies.

Early land acquisition and clearance

Section 403: Amends section 102(a) of the Housing Act of 1949 to authorize the HHFA Administrator to permit land acquisition and slum clearance prior to the signing of a loan and grant contract, provided (1) local law permits such early acquisition and clearance (2) land acquired under this procedure shall not be disposed of until the urban renewal plan is approved by the local

community, or the community has consented to the disposal, and (3) the loan made to finance acquisition and clearance is secured in a manner satisfactory to the Administrator.

Urban renewal loan authorization

Section 404: Amends section 102(e) of the Housing Act of 1949 to provide for a more realistic method of determining the extent of use of borrowing authority, thereby providing sufficient authority for the administrator to enter into the loan contracts that are anticipated in the foreseeable future, without the necessity of increasing the statutory limitation on borrowing authority.

Grant authorization

Section 405: Amends section 103 of the Housing Act of 1949 (1) to provide an additional grant authorization of $350 million upon enactment and an additional $300 million on July 1, 1960; (2) to authorize the use of urban renewal grant funds to repay Treasury loans made to finance urban planning advances which are now uncollectible because of cancellation of the project; (3) to provide that where urban renewal assistance may be granted to a locality or local public agency within the applicable dollar amount and percentage limitations prescribed by title I of the 1949 act, the amount of such assistance shall not otherwise be restricted, except on the basis of (1) urgency of need and (2) feasibility, as determined by the Administrator; and (4) to authorize the Administrator to make grants for plans for community renewal programs. Such a grant could not exceed two-thirds of the cost of the planning.

Public improvements by Federal agencies

Section 406: Amends section 105(b) of the Housing Act of 1949 to facilitate public improvements involving the Federal Government and the District of Columbia in connection with urban renewal projects.

Public disclosure by redevelopers

Section 407: Amends section 105 of the Housing Act of 1949 to provide that before any commitments can be made for disposition of land to an urban-renewal developer he shall disclose, and the local public agency shall make public, a prospectus setting forth the names of the redeveloper's officers and principal members, investors, shareholders, and other interested parties, the estimated cost of the redevelopment, and the estimated rentals or sales prices of the proposed housing.

State loan ceiling

Section 408: Amends section 106(e) of the Housing Act of 1949 to eliminate the provision in existing law that not more than 12½ percent of the total loan authorization may be obligated in any one State; but does not alter the 12½-percent State limitation on grant authorization.

Relocation payments

Section 409: Amends section 106(f) of the Housing Act of 1949 to authorize relocation payments when the displacement is a result of any governmental activity in an urban-renewal area, or of programs of voluntary repair and rehabilitation; increases from $100 to $200 the maximum amount of relocation payments to individuals and families; and increases from $2,500 to $3,000 the maximum amount of relocation payments to business establishments.

Hotels and other transient housing

Section 410: Amends section 106 of the Housing Act of 1949 to prohibit hotels and other transient housing from being constructed in an urban-renewal area unless the community obtains a competent independent analysis of local supply of such housing and determines that there is a need for such housing.

Low-rent housing in urban renewal areas

Section 411: Amends section 107 of the Housing Act of 1949 to facilitate the development of federally, State, or locally assisted low-rent housing in urban renewal areas by providing that where land to be acquired as part of an urban renewal project is to be used in whole or in part for low-rent public housing, it shall be made available to the public housing agency at a price equal to the fair value to a private redeveloper of rental housing in the community with similar physical characteristics and the amount of such price shall be included as part of the development cost of the low-rent housing project. The local contribution in the form of tax exemption or tax remission required under the public housing law with respect to any such project shall be accepted as a local grant-in-aid under the urban renewal program.

Planning requirements

Section 412: Amends section 110(b) of the Housing Act of 1949 to authorize the HHFA Administrator to expedite urban renewal projects by permitting him to omit or to simplify present detailed requirements for the urban renewal plan.

Nonresidential development

Section 413: Amends section 110(c) of the Housing Act of 1949 to permit up to 20 percent of the future capital grant authorization to be used for areas which are not predominantly residential, and which are not to be redeveloped for predominantly residential uses, even if such areas do not include a substantial number of slum dwellings as presently required.

Noncash grants-in-aid

Section 414: (a) Amends section 110(d) of the Housing Act of 1949 to provide that improvements and facilities that are otherwise eligible may be credited as local grants-in-aid to urban renewal projects provided their commencement does not precede the signing of the loan and grant contract for the project by more than 3 years.

(b) Waives the requirement in section 110(d) of the Housing Act of 1949 for communities whose projects could not obtain Federal recognition during the period from July 1, 1957, through December 31, 1957, because of limitations on the HHFA Administrator to make capital grants or to reserve funds. Under existing law, such Federal recognition is required to enable the local community to include local activities and facilities as noncash grants-in-aid.

Credit for interest payments

Section 415: Amends section 110(e) of the Housing Act of 1949 to authorize the HHFA to include interest on advances by a city (local public funds) as an item of gross project cost for an urban renewal project.

Uniform date

Section 416: Amends section 110(g) of the Housing Act of 1949 to make uniform the date for determining the application of the going Federal rate of interest under urban renewal contracts.

Technical

Section 417: Makes conforming amendments.

Urban renewal areas involving colleges

Section 418: Adds a new section 112 to the Housing Act of 1949 to (1) remove "predominantly residential" requirement in areas involving an educational institution; (2) permit credit toward the locality's one-third share of expenditures made by the educational institution in purchasing property and in clearing the property; (3) permit the expenditure to be counted toward a community's local share provided the expenditure is made no more than 5 years prior to the signing of the loan and grant contract for the urban renewal project.

Urban planning

Section 419: (1) Rewrites existing law (sec. 701 of the Housing Act of 1954) to provide that grants-in-aid for planning assistance may be made to State planning agencies, or in the absence of any such agency, to an agency or instrumentality of a State government designated by the Governor and approved by the Administrator; State planning agencies for statewide and interstate comprehensive planning; official State, metropolitan, and regional planning agencies empowered under State and local law or interstate compact to perform metropolitan or regional planning; and official governmental planning agancies for areas where rapid urbanization has resulted or is expected to result from establishment or increased activity of Federal installation.

(2) Extends urban planning to include municipalities of less than 50,000 population; counties of less than 50,000 population; groups of adjacent communities with common planning problems having population of less than 50,000; and cities, other municipalities, and counties suffering from a catastrophe which the President declares a major disaster.

(3) Authorizes an additional appropriation of $10 million for the program.

(4) Authorizes the Administrator to encourage, in areas embracing several municipalities or political subdivisions, planning on a unified metropolitan basis and to provide technical assistance for planning and for solution of problems.

Investment by banks in long-term obligations of local public agencies

Section 420: Amends paragraph seventh of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), to permit National and State member banks of the Federal Reserve System to purchase or underwrite long-term obligations of local public agencies if such obligations are secured by an agreement with the Urban Renewal Administration. Section 5136 now permits banks to purchase and underwrite such obligations if they are short term (up to 18 months).

TITLE V—LOW-RENT PUBLIC HOUSING

Declaration of policy

Section 501: Amends section 1 of the U.S. Housing Act of 1937 to add the following policy objectives: To make adequate provision for larger families and for families consisting of elderly persons, and to vest in local housing authorities responsibility for the establishment of rents and eligibility requirements (subject to the approval of the Public Housing Administration).

Central administrative office facilities

Section 502: Amends section 2(5) of the U.S. Housing Act of 1937 to permit a local public housing agency to furnish administrative facilities to the local urban renewal agency, at economic rent, in localities where the public housing agency and the local public agency operate as separate legal entities but with a common administrative staff.

Rents and income limits

Section 503: (a) Amends section 2(1) of the U.S. Housing Act of 1937 to remove the existing requirement that rents be at least 20 percent of family income less certain deductions, providing instead that rents and income limits shall be fixed by the local public agency, subject to PHA approval, taking into consideration the rent-paying ability of the family and the financial stability and solvency of the project.

(b) Amends section 15(7)(b) of the 1937 act to reduce the "gap" between rental in the private market and rents for low-rent housing, in the case of families displaced by public action, from 20 percent to 5 percent.

Minimum age for admission of single persons and elderly families to low-rent projects

Section 504: Amends section 2(2) of the U.S. Housing Act of 1937 to make the age requirements for admission to and occupancy of low-rent housing for elderly single persons and families conform to the age requirements generally applicable for benefits under title II of the Social Security Act (65 for men, 62 for women, and 50 for disabled persons).

Authorization

Section 505: Amends section 10(i) of the U.S. Housing Act of 1937 to authorize the reuse of previous allocations for low-rent housing which are under annual contribution contract but will not be built, and also provides new contract authority for additional dwelling units; except that the total additional contract authority shall in no case exceed 37,000 units.

Extension of waiver in case of veterans and servicemen

Section 506: Amends section 15(8)(b) of the U.S. Housing Act of 1937 by extending from March 1, 1959, to October 1, 1961, the time that veterans or servicemen, or families thereof, may have a priority for admission to low-rent housing projects.

Payment for services

Section 507: Amends section 15 of the U.S. Housing Act of 1937 to authorize local public housing agencies utilizing public services and facilities of a municipality or other governmental agency for which separate charges are made to pay such charges (in the same amounts as would be charged private persons similarly situated) without the necessity of any amendment to the annual contributions contract.

TITLE VI—COLLEGE HOUSING

Housing loans

Section 601: Amends section 401(d) of the Housing Act of 1950 to increase the revolving fund for college housing loans by $250 million (the present ceiling is $925 million). Of the $250 million increase, $25 million is reserved for "other educational facilities," increasing the reservation for this purpose from $100 million to $125 million, and $25 million is reserved for student-nurse and intern housing facilities, increasing the reservation for this purpose from $25 million to $50 million.

Prevailing wage scale

Section 602: Provides for the prevailing wage scale under the Davis-Bacon Act to be applicable to all construction financed with college housing loans except for services voluntarily donated.

Cooperative college housing

Section 603: (a) Amends section 404(b) of the Housing Act of 1950 to provide that nonprofit student housing cooperative corporations established for the sole purpose of providing housing for students (or students and faculty) shall be eligible to receive college housing loans.

(b) Amends section 401 of such act to require that the note securing any such loan to a student housing cooperative corporation be cosigned by the educational institution where the cooperative is located. Under this amendment, title to the housing constructed with any such loan would vest in the educational institution in the event of the dissolution of the cooperative.

TITLE VII—ARMED SERVICES HOUSING

Extension of program; increase in maturity; reduction in certain insurance premiums; labor standards

Section 701: (a) Amends section 803(a) of the National Housing Act to extend the armed services housing mortgage insurance program until October 1, 1961.

(b) Amends section 803(b)(3) to increase from 25 to 30 years the maximum maturity of mortgages insured under this program.

(c) Amends section 803(b)(3) to permit the inclusion of nondwelling facilities to serve the occupants.

(d) Amends section 803(c) to permit the insurance premium on a Wherry Act project acquired by the Defense Department to be reduced below the present minimum of one-half of 1 percent.

(e) Further amends section 803 by adding a new subsection (k) which requires, as a condition of mortgage insurance under the present program, that the principal contractor or contractors engaged in the construction of the project involved certify that the laborers and mechanics employed on the project are being paid time and one-half for overtime employment.

Military housing (Wherry Act) and regular rental housing at military bases

Section 702: (a) Amends section 404(a) of the Housing Amendments of 1955 to authorize the Secretary of Defense to acquire section 207 rental housing completed before July 1, 1952, which is situated adjacent to a military installation and was certified as necessary military housing, in the same way that he is authorized under present law to acquire Wherry housing.

(b) Amends section 404(b) of the Housing Amendments of 1955 to provide that the Secretary of Defense must acquire all of the section 207 rental housing of the type described above which is located at a military installation where section 803 housing is being constructed. This same requirement already applies under existing law to Wherry housing.

(c) Amends section 407(f) of the Military Construction Act of August 30, 1957, to provide that neither Wherry housing nor section 207 rental housing shall be declared substandard because the units in such housing do not meet the minimum floor-area requirements prescribed for other military housing.

Deposits in Wherry project condemnation cases

Section 703: Amends section 404(c) of the Housing Amendments of 1955 to provide that in condemnation proceedings on Wherry projects, in those cases where the sponsor or owner had not certified the cost of the project to FHA by August 10, 1959, and the Secretary of Defense or his designee accordingly has the duty of determining the amount to be deposited with the courts for the estimated compensation to be paid, such determination shall be made "with a view to accurately estimating the equity of the sponsor or owner."

Defense housing for impacted areas

Section 704: (a) Amends title VIII of the National Housing Act by adding a new section 810 to authorize the FHA Commissioner to insure mortgages on single-family and multifamily projects (not to exceed 5,000 units), the need for which is certified by the Secretary of Defense. Insurance would be on an "acceptable risk" rather than an "economic soundness" basis. The projects would be held for rental for a period of not less than 5 years unless released by the military for sale. Priority in rental or sale is given to military personnel and essential civilian personnel of the armed services as evidenced by certification issued by the Secretary of Defense.

(b) Amends section 808 of the National Housing Act to make applicable the provisions of section 227 of the National Housing Act (cost certification).

(c) Amends section 212(a) of the National Housing Act to make applicable the prevailing wage requirements of the Davis-Bacon Act.

TITLE VIII—MISCELLANEOUS

Surveys of public works planning

Section 801: Amends section 702 of the Housing Act of 1954 to authorize the Administrator to use during any fiscal year up to $50,000 from the section 702 revolving fund to conduct surveys of the status and current volume of State and local public works planning and surveys of estimated State and local public works requirements.

Disposal of Passyunk and Newport war housing projects

Section 802: (a) Extends by 2 years the period during which military personnel (and civilians employed in defense activities) may continue to occupy the Passyunk war housing projects, which are presently owned by the Housing Authority of Philadelphia pursuant to section 406 of the Housing Act of 1956, with occupancy preference and without regard to their income.

(b) Amends section 406 of the Housing Act of 1956 to provide a similar 2-year extension in the case of the housing project which was conveyed to the Housing Authority of Newport, R.I., under that section.

Farm housing research

Section 803: Amends section 603(c) of the Housing Act of 1957 to extend the farm housing research program for 2 additional years (until June 30, 1961), and to authorize appropriations of $100,000 during such additional period.

Hospital construction

Section 804: Amends section 605 of the Housing Act of 1956 so as to extend through June 30, 1960, the authority granted by that section for loans and grants to public and nonprofit agencies for hospital construction under the Defense Housing and Community Facilities and Services Act of 1951, where applications for such assistance were filed before June 30, 1953, and denied solely because of lack of funds. An appropriation of $7,500,000 would be authorized for each of the fiscal years ending June 30, 1960, and June 30, 1961.

Purchase of participating interests by savings and loan associations

Section 805: (a) Amends section 5(c) of the Home Owner's Loan Act of 1933 to permit a savings and loan association to use 20 percent of its assets to purchase participating interests in first mortgages on one- to four-family homes without regard to the existing area restriction, subject to the limitation that the agregate of such participations plus all outstanding loans made and participations purchased by the association under the existing exception from such restriction may not at any time exceed 30 percent of its assets.

(b) Further amends section 5(c) of such act to provide that participating interests in FHA or GI mortgages shall not be taken into account in determining the amount of loans which a savings and loan association may make within any of the percentage limitations contained in that section (the existing 20 percent limit on loans made without regard to the $35,000 and 50-mile restrictions, the new 20 percent limit on the purchase of participations, and the 30 percent combined limit).

(c) Further amends such section 5(c) to permit an insured savings and loan association to invest an amount not exceeding at any one time 5 percent of its withdrawable accounts in loans to finance the acquisition and development of land for primarily residential usage.

Voluntary Home Mortgage Credit Program

Section 806: Amends section 610 of the Housing Act of 1954 to extend the Voluntary Home Mortgage Credit Program until October 1, 1961.

Defense housing projects

Section 807: Amends section 606 of the act entitled "An act to expedite the provision of housing in connection with national defense and for other purposes", approved October 14, 1940, to permit the commingling of Lanham Act and low-rent project funds and the use of all residual receipts for reduction of any Federal annual contributions contracts under the consolidated contract.

Disposal of project

Section 808: Authorizes the PHA Commissioner to modify terms and conditions of a contract, if he deems it in the public interest, relating to the Southmore Mutual Housing Corp, of South Bend, Ind., with respect to the sale of that corporation of a Lanham Act war housing project.

Real estate loans by national banks

Section 809: Adds to section 203 of the National Housing Act a new subsection (j) providing that mortgage loans insured under that section shall not be taken into account in applying the existing limitations (contained in sec. 24 of the Federal Reserve Act) on the total amount of real estate loans which a national bank may make in relation to its capital and surplus or its time and savings deposits.

Mr. SPARKMAN. Mr. President, I yield the floor.

Mr. JAVITS. Mr. President, I should like to lay before the Senate, so that it will be of record, the information we have with respect to the relocation of people who are displaced from urban renewal sites or from road construction operations.

Mr. SPARKMAN. Mr. President, may I ask the Senator, to what page is he referring?

Mr. JAVITS. I will refer to page 20 of the report, section 409, headed "Relocation Payments."

I shall of course not seek any amendment to the bill. I have not been on the floor during the presentation of the Senator from Alabama, and I do not know whether the Senator from Alabama has been properly lauded, but if he has not been he should be. I think if we have a housing bill as a result of the work of this session it will be heavily attributable to the distinguished Senator from Alabama, who attacked the problem with patience, notwithstanding his own irritation, which I think was quite just, as to the course the whole affair took. The Senator has surmounted every difficulty and has brought the whole situation into balance, to the point that at long last this tremendous effort will not be wasted.

I believe that was the real danger, that this tremendous job of an omnibus bill upon which so much labor had been expended and on which so many people had expressed themselves, would go down the drain, because we had passed merely an extension of the fundamental aspects of the act in deference to the President's veto and then had to come back next year and do the whole job over again, with all of the frustrations and difficulties which that implies.

I should like to say that I believe the whole country will be grateful to the Senator from Alabama for having somehow or other carried the matter through to what looks now, if all the signs in the sky do not get out of order, to be a happy and fine solution.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JAVITS. Certainly.

Mr. SPARKMAN. First of all, I should like to express my thanks for his very kind remarks.

I particularly want to emphasize something that the Senator from New York has just stated. It is a matter that is easily overlooked. It is easy for people to think about public housing and urban renewal and FHA insurance, four or five big things in the bill like that, but as the Senator well knows, there are hundreds of items in the bill which would usually be overlooked. They are important items and, as I have said, probably 90 percent of them were requested by the administration.

I believe the Senator makes a good point, that it is a good thing for us to get together with give and take in order to have all of the numerous matters which are covered in the bill.

Mr. JAVITS. May I say to the Senator, too, because housing has been a kind of nonpartisan effort, that the way the Senator from Alabama has handled the matter should work out very agreeably for the President also. I should have been rather unhappy to leave the President in the position where, because of his honest convictions, with which I disagree and with which the Senator from Alabama also disagrees, with respect to the financial aspects of the proposed legislation, all of us, including the administration, would have ended up with the dust in our mouths of merely a bare extension, and with all of the fruitful effort having gone down the drain.

I wish to address myself to only one of the very fruitful aspects of the bill and put it on the agenda for the future. I refer to the question of relocation payments.

We have a very grave problem in New York City, with thousands of families displaced, and with relocation a really serious problem, involving a tremendous amount of family and human difficulty.

I am delighted to say that, together with other Senators, like the Senator from Pennsylvania [Mr. CLARK], who is on the floor, I had something to do with the subject. The committee has endeavored to give more liberal understanding to the relocation problem.

My information, which comes to me from James Felt, the distinguished chairman of the city planning commission of my home city, a very eminent city planner and housing expert, is that we must still do some very basic and material things to help solve the relocation problem. For example, it is felt that this whole matter of relocation ought to figure into basic project costs.

As I said, I shall not disturb with any amendments the balance which we have attained. However, I mention this subject just by way of recording certain unfinished business and putting it on our agenda both before the committee and the Senate. It is a very grave difficulty, about which I shall have the privilege of presenting to the committee detailed information from the experience of the city of New York.

Mr. CLARK. Mr. President, when the President vetoed the last housing bill it was my view that we in Congress had walked the extra mile to meet the President, but found when we got there that he had turned his back on the cities of America. I felt there was little point in making another effort to pass a housing bill.

In this view I was joined by the distinguished junior Senator from Alabama [Mr. SPARKMAN], who heads the Subcommittee on Housing of the Committee on Banking and Currency, and to whom all credit should go for the fact that we are today debating, and will shortly pass, the same housing bill in substance that we passed 3 times before.

I do not believe—and he will answer for himself—that the junior Senator from Alabama would have undertaken the great task of bringing another housing bill to the floor if he had not been substantially encouraged in that effort by emissaries of the President, who indicated that if certain minor changes were made in the bill previously vetoed, another such bill would be signed.

I commend the President and his emissaries for making those overtures, and I commend the Senator from Alabama for responding to them. However, let me say to my friends of the press that this bill represents no victory for the President. I agree with the Senator from Alabama that to some extent it is a compromise; but if anybody has been defeated in connection with this legislation, if the bill should be signed, it is certainly not the Congress of the United States.

In substance, with a number of minor changes, this is the bill which almost passed Congress as the Housing Act of 1958. I will not review the detailed history of the legislation, but I am sure that if the members of the press gallery can see how big and how thick the bill which I hold in my hand is, and if they realize that only three minor changes have been made in the bill which was vetoed a short time ago, and how relatively few changes that bill made in the bill which originally passed the Senate as S. 57, it will be difficult indeed for them to write dispatches which will carry headlines above them: "President Scores Another Victory Over Congress."

Mr. President, three changes have been made in the bill in deference to the wishes of the President. The first was to eliminate the expiration date of October 1, 1960, on the writing of additional FHA mortgage insurance. That is a change not of substance, but in form. What we did was to include the same additional authorization of $8 billion for FHA insurance that was in the vetoed bill, but to eliminate the termination date of October 1, 1960, which limited the availability of this $8 billion. The result of the change which we have made is a little hard to determine, but in all likelihood it means that FHA insurance will run out on or about October 1, 1960, just as it would have if that change had not been made. Of the $8 billion in additional insurance which the bill authorizes, as did the previous bill, over $5 billion will be used up immediately on taking up informal agreements to insure already made by FHA, and these agreements are declared in the bill to be il-

legal in the future. So they cannot play that trick again.

That will leave $3 billion of additional insurance authorization, which the FHA and the staff of the Committee on Banking and Currency estimate will carry FHA program from July 1, 1960, to, at the very latest, February 1, 1961.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield in order that we may have the yeas and nays ordered on the Housing bill before too many Senators leave the Chamber?

Mr. CLARK. I am glad to yield.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. President, I ask for the yeas and nays on the housing bill.

The yeas and nays were ordered.

Mr. CLARK. The second change which has been made in the bill as a result of the President's objection eliminates a provision for loans for college classrooms. All this means, however, is that there are some purists on the other side of the aisle, and the President himself and his advisers, who feel that while it is all right to build college dormitories and college dining rooms, it is all wrong to build college laboratories, college libraries, and college classrooms with the aid of low-interest Federal loans.

These purists also suggested that if we wanted this program we should bring it out of the Committee on Labor and Public Welfare, as aid to education.

We have made a minor concession to the President. We are going to put this program in an aid to education bill. The aid to education bill has been ordered reported by the Committee on Labor and Public Welfare, but I doubt if it can be passed this session. However, undoubtedly we shall take it up early in the next session. When we do, members of the Committee on Labor and Public Welfare have agreed that they will help each other with amendments to improve the bill as it came from the committee.

One of the amendments I shall urge—and I hope the majority of my colleagues will go along—will be to provide in that bill for loans for college classrooms, college laboratories, and college libraries.

We must always remember that the President himself has advocated a program of $500 million of grants for aid for college classrooms and other academic facilities, so it seems to me highly unlikely that he could object to a $50 million program for loans if it comes to him next year as a part of the Federal aid to education bill, as I am quite hopeful it will.

So, in effect, the second concession we have made to the President is that we have agreed to take that provision out of this particular bill. I am quite confident that we will put something like it, or something better, in another bill, which will pass next year.

The final change which we made in this bill as compared with the earlier bill, the final concession we made at the behest of the President, is that, instead of making $550 million of urban renewal available immediately, with an extra $100 million at the discretion of the President if he should find that small cities were being shortchanged—which, of course, they are not, so we would never have to use the $100 million—we have added $100 million to the urban renewal program, and brought it up to $650 million; and we have said that the second $300 million may not be used until July 1, 1960.

At the snail's pace at which the Urban Renewal Administration operates in this regard, it probably cannot process more than $300 million of urban renewal applications during the next 6 or 8 months, so while in form this is said to be a 2-year urban renewal program, in fact, it is a 9-month urban renewal program.

As I stated earlier, in the colloquy with the Senator from Alabama [Mr. SPARKMAN], if we find next year that our expectations as to the speed with which the Urban Renewal Administration can do its job are not correct, and that applications can be processed more quickly—as we think they could be and should be—then I believe we shall have a bill next year which will increase the amounts of urban renewal grant authorizations.

I say again that as a practical matter, this is pretty much the bill that was vetoed twice. I say again that I commend the President's advisers for having made the first approach to the Congress, indicating that they would be willing to take this bill. I think they made a wise retreat. I think they have done the sensible thing. I think they have walked at least half the extra mile back in our direction. I suspect they regret the action they took earlier.

I give all credit to the White House and to the Republican leadership in the House for having come to us and indicated that this bill would be signed with so few changes.

I believe it is desirable for the record to run over briefly the points in the President's veto message and see to what extent this bill meets them.

The President objected in his veto message, first, to the fact that we set an expiration date next fall on the new loan insurance authorization of the Federal Housing Administration. To meet that objection we took the expiration date out, but we made sure that the FHA authorization will run out next fall anyway.

The next objection of the President is that the bill went too far, in that it called for spending more than $1¾ billion of the taxpayers' money, and that was too much. In my judgment the President of the United States vastly overestimated the spending which that bill would call for. Whether he did or did not, we have not reduced that amount.

The next objection of the President was that this was a 1-year bill which called for Federal spending at virtually the same rate as the earlier bill, which he vetoed. This is still a 1-year bill, but by the exercise of semantics we have made the urban renewal program look as though it were a 2-year program, so that objection has not been met either.

The President further objected in his veto message that the bill involved starting two new programs. One of them was loans for college classrooms, laboratories, and libraries, and the other the loan program for elderly housing, both at low interest rates.

In deference to the President we have taken the college classroom provision out of the bill. As I pointed out earlier, a similar provision—and I hope a better provision—will be in the Federal aid to education bill next year.

The President objected to the program for the elderly. With deep regret we have been unable to meet him on this objection. We all know that the present FHA program for elderly housing takes care of only the well-to-do elderly people. The program for housing moderate income or low income elderly people has accordingly been kept in the bill.

The President objected to the authorization of 37,000 units of public housing. We have been unwilling to accept that rejection, and the authorization remains in the bill. Most Senators know that a minimum of 37,000 units of public housing is essential in order to take care of families which will have to be relocated in safe and sanitary housing under existing law, because of slum clearance, highway, and other governmental programs.

The President then said that this was not the kind of housing legislation that is needed at this time; yet the present bill is the same kind of housing legislation as the earlier bill.

The President in his veto message recommended a housing bill which would contain six provisions. I shall discuss each of them very briefly.

First, a provision which would remove the ceiling on FHA mortgage insurance authority. I have already mentioned what we did in that connection. We changed the form, but not the substance.

Second, extension of the FHA program for insurance of property improvement loans. We have the same provision for extension in this bill that we had in the earlier bill, to which the President objected.

Third, a reasonable authorization for urban renewal grants. That, I think, we have done again, as I have explained. We have also provided authorization for college housing loans as the President suggested. We did not change that item at all. Also, we have not adjusted the interest rate on college housing loans, although the President so requested. We made no change there.

The President asked us to extend the voluntary home mortgage credit program, and that we have done in every bill we have passed.

Finally, the President, asked us to adjust upward the statutory interest rate ceilings governing mortgages insured under FHA's regular rental and cooperative housing programs. We made no change in this program, with respect to the interest provision, from the earlier bill.

So although I was somewhat depressed when the veto message came down a short while ago, I am now much encouraged. I think we have a bill which is substantially the same bill as the two which were vetoed. Yet we have the assurance this time, I believe, that the bill will be signed.

Again, I express appreciation to the President and his advisers, both in Congress and elsewhere, for their very fair-minded rightabout-face; for their indication of a willingness to cooperate with Congress; and finally for what appears to be their ultimate realization that the bills which passed the Senate and the House earlier were in the national interest.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. WILLIAMS of New Jersey. I am happy, again, to commend the Senator from Pennsylvania for the clarity of his thought on the issue in the comprehensive way he has dealt with the unfortunate veto, and his analysis of what we now are finally doing.

I wonder if the Senator would agree with me that the use of the veto this year and the philosophy which has prompted it might well afford an opportunity for a very interesting study by a scholar, perhaps a master of political science who is striving for a doctorate in political science.

Mr. CLARK. I agree with the Senator thoroughly. I think it might also be a good subject for one who is seeking a doctor of philosophy in psychology.

Mr. WILLIAMS of New Jersey. To that I would agree also. We might include the veto of the civil functions appropriation bill and the statement by the President that all 67 new starts represent good, necessary resource development—but not now.

As to the housing bill, the President did not say he was against housing for the elderly. He favors it—but not this way.

He certainly said that he is not opposed to classrooms and Federal assistance for building facilities at colleges—but again, not this way.

Certainly the President is not opposed to a program of urban renewal, but he insisted that it be too little over too long a period.

We see this theme running through today's vetoes. I wonder if a scholar might not run this philosophy and thought even farther back into history. I remember hearing so vividly so often during the depression the phrase: "Prosperity is just around the corner"—the attitude of "all tomorrow, but today nothing."

Mr. CLARK. I could not agree more with the distinguished Senator from New Jersey. I think he has stated very succinctly the problem which confronts us today and which will continue to confront us until January 1961.

It is said, although I do not know whether it is true, that some scholars read the CONGRESSIONAL RECORD. Personally, I am a little skeptical about that. But if they do, perhaps they will pick up the suggestion of the Senator from New Jersey, and we will have some bright young men and women down here trying to get Ph. D.'s in these interesting subjects.

Mr. McCARTHY. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. McCARTHY. I think it might help to clear up the discussion to observe that what is being recommended is fairly implied in the philosophy of dynamic conservatism, in which one tries as hard as he can to keep things exactly as they are.

Mr. CLARK. This is another way of saying: A Republican looks at his party.

Mr. McCARTHY. Well, one Republican looked at his party. But, certainly, it would follow from this that the Republicans should be opposed to any new starts, would it not, Mr. Clark?

Mr. CLARK. I think so.

Mr. McCARTHY. If that is where they stopped, we would not be so disturbed—at least speaking for myself. But I have been bothered by the recent policy of new stops.

Mr. CLARK. I think the Senator from Minnesota is quite correct. We are beginning to have a lot of stops. We are coming to be like a local train instead of an express.

Mr. YARBOROUGH. Mr. President, I compliment the distinguished Senator from Alabama for his leadership on the housing bill. He has worked long, diligently, and against great obstacles, having had two modest housing bills vetoed this year. With great patience and with the submergence of his own personal feelings, he has returned to the committee and worked until he has brought out still a third housing bill.

The tragedy of this housing bill is that the main guns of the administration have been trained upon a small appropriation for education in the bill. Out of a bill appropriating more than a billion dollars, only $50 million was provided for the building of college classrooms and providing equipment for them.

In the United States last year there were 3¼ million college students. This year there will be 3¾ million. By 1965 there will be almost 5 million. If we project the increase at the present rate, and assume that there will be no increase in the percentage of young people who go to college—and perish the thought that there will be no increase—there will be almost 5 million young people in college by 1965, and more than 6 million by 1970, which is almost double last year's rate; nearly double in just 12 years.

Colleges lack the resources to build enough classrooms, to obtain equipment, and to properly staff them. It is in the national interest that our young people have an opportunity to be educated.

I should like to read a few lines from an article entitled "Not 1 in 10 a College Graduate," written by Sylvia Porter, and published in the Temple, Tex., Telegram of September 7, 1959. The writer of the article points out that but 7.3 percent of our population aged 20 years and over is a college graduate. This means that not even 1 of every 10 Americans can claim this level of schooling today.

Every day, now, we are reading in the newspapers about the reopening of schools. We see pictures and posters depicting the back-to-school movement. Everyone is having a back-to-school movement except the Federal Government. The back-to-school movement ought to be a part of our national economy and policy. But the President vetoed a billion dollar housing bill because it contained an item which provided for the lending of $50 million for the building of college classrooms in which to train the Nation's young people.

Miss Porter has written a very perceptive column. She points out that we are making only a little headway in stepping up the percentage of people who go to school. We are doing a little to improve our lagging educational system. She says that while half of the people will have had more than 12 years of schooling by 1970, half of them will have had less than 12 years. At the present time, when we compute the education of American adults, their average amount of schooling is 10 and a fraction years. By 1970, that figure will be pulled up, Miss Porter points out, to 12 years. That means that half the population will be above the 12-year figure, or high school graduates, and half below it.

The article states:

> You may be awed by the projection that there will be 11 million college graduates in 1970 against 8 million in 1960 and only 6 million in 1950.
>
> And, of course, the educational pattern is improving.

That is pointed out in the column. The older people, who have not been to school, are dying, and the younger ones have attended school for a longer period of time. Miss Porter continues:

> But to me the percentages are scant comfort. For what might have been an adequate educational pattern in 1950 won't be an adequate one in 1960, and it'll be even less adequate in 1970.

A great many youngsters drop out of high school; or, if they finish high school, they do not go to college because they cannot afford to do so.

Mr. President, when the Government refused to lend money to colleges to build classrooms, the only recourse the colleges have left is to raise the tuition rates.

Since 1952, the average tuition rate in American colleges has gone up 71 percent. Many students cannot afford to pay such rates simply because they do not have the money to do so. Only a small percentage of the American people have the resources to send their children through college.

It has been said that any boy who has ambition can work his way through college. It is not true, because the classrooms are not there, the dormitories are not there, and the opportunities are not there. I believe it is a fine thing for students to work their way through college if they are in a position to do so. I did. But providence bestowed upon me a physical constitution which made me about as "strong as an ox." The physical effort did not hurt me, but I had classmates who were working their way through college and who developed tuberculosis because of the physical strain combined with their effort to pass their courses of study. They have already passed out of this life.

I say that burden should not be put on every young man who desires a college education. We should not say,

"Well, if you are not physically strong enough to hold down a job and go to college, you will not get an opportunity to develop your brain."

It is a well-known fact that people with poor physical constitutions sometimes have the highest order of mental ability, and they, too, can add much to this Nation's welfare if their mental capabilities be developed.

It is said, however, that we should see if a student is strong enough to work his way through college, and that if he is not, he does not need to attend college.

Mr. President, we should place more emphasis on the brainpower of this country. Admiral Rickover pointed out after his trip to Russia that he was not so much afraid of Russian missiles as he was of their efficient educational system.

Dr. Teller, the acknowledged inventor of the H-bomb, in a statement a few weeks ago pointed out that under the Russian educational system, Russia will lead us in science in 10 years if we do not do something to improve the American education system, and the opportunities people will have to be educated.

The article by Sylvia Porter continues:

The progress isn't good enough. The progress isn't fast enough. And you may have noticed that here I've mentioned only the quantity of education in America. I haven't even touched on the quality of it.

Mr. President, in bare quantity alone, we are lacking in schools for students to attend. We are robbing this generation of young Americans of the opportunity we owe to them in a democracy, and that we owe to ourselves as a people to defend this country.

The administration has squandered hundreds of millions of dollars on experimental projects that did not pan out. If an experimental missile or a nuclear seaplane is estimated to cost $100 million, $200 million, $500 million, we declare the sky is the limit. We make the experiment, regardless of cost, or of failure.

But education is no experiment, it is no gamble, it always pays off.

We voted about $45 billion in this session of the Congress for national defense. We voted about $39½ billion to the Defense Department alone in one year, and over $2,600 million to the Atomic Energy Commission, mainly because of its work in national defense. That is over $42 billion. We are about to vote over $3 billion more for foreign aid. But when we ask for $50 million to lend to colleges—not to give to them but lend it—the administration says, "The main vice of this bill is Federal aid to education in the worst way." And this, in face of the acknowledged fact that the safety of our Nation is dependent upon the level of education of our people.

How is it Federal aid in the worst way? Because it was money proposed to be lent? The President advocated grants of $500 million to colleges for building. If lending is the undesirable feature, why did not the administration say, "Remove the loan feature and give the colleges $50 million to build their classrooms"? I would vote for that. That is what we need. This is a measly start by an administration which has turned its back on the safety of America, by turning its back on the education of American youth.

I do not care how many gadgets have been constructed at the rate of $40 billion a year; they alone will not give us security. When our country will not educate its youth, it removes part of America's ability to preserve its liberties. Those who take that position are shortsighted beyond belief.

We have never had an administration in the history of this country which showed as little concept of what is needed for the safety of the American people, the education of the people. Presidents George Washington and Thomas Jefferson and Presidents who have followed them have recognized our educational needs.

Mr. President, I ask unanimous consent to insert following my remarks a column appearing in the Temple, Tex., Telegram of September 7, 1959, entitled "Your Money's Worth—Not 1 in 10 a College Graduate," by Sylvia Porter.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YOUR MONEY'S WORTH

(By Sylvia Porter)

NOT 1 IN 10 A COLLEGE GRADUATE

Are you a high school graduate? If so, only about 4 out of every 10 Americans aged 15 years and over can say the same at the beginning of this new school term in September 1959.

Are you a college graduate? If so, you're in that minor 7.3 percent of our population aged 20 years and over—meaning not even 1 of every 10 Americans can claim this level of schooling today.

Are you impressed by the pictures and news stories which traditionally appear in September, emphasizing how many millions of youngsters are pouring into our schools?

If so, perhaps you'll be less impressed when you read that the average schooling of Americans runs to only 10.8 years today, and even by 1980 the average is expected to be up to only 12 years—meaning that while half of our people will have had more than 12 years of schooling, half will have had less.

These are the back-to-school weeks when debate about our educational system always reaches a seasonal peak. In search for some not-so-obvious facts, therefore I've been digging into a recently completed study of educational attainment in our land by the Bureau of Census.

In this study are the first projections ever made by the Census Bureau of our educational levels in 1960, 1970, and 1980. The Census Bureau's underlying assumption is that "There will be no unusual political or economic conditions and no extreme changes in educational practices in this country that might seriously affect patterns of educational attainment."

Thus, the projections aren't just predictions; they are patterns based on foreseeable population growth and trends in schooling.

If you are an American who believes that ours is the best of all possible educational systems in the best of all possible economies, you may get pleasure from the projection that there will be 70 million high school graduates in 1970 against 52 million in 1960 and only 38 million in 1950. You may be awed by the projection that there will be 11 million college graduates in 1970 against 8 million in 1960 and only 6 million in 1950.

And, of course, the educational pattern is improving—reflecting not only the fact that there are more of us to be educated but also the fact that more of us are staying in school longer and our uneducated older folks are dying off.

But to me the percentages are scant comfort. For what might have been an adequate educational pattern in 1950 won't be an adequate one in 1960, and it'll be even less adequate in 1970.

We will need fewer and fewer unskilled workers in America in this coming decade, fewer and fewer ordinary farmers. We'll need millions more professionals, trained white-collar workers, craftsmen and technicians.

You don't need anyone to prove this to you. Look at any modern office or factory and see the complicated equipment, recognize that what appears complex today will seem simple 10 years from today. Think of the demands of the space age, the ever-mounting competition from nations which concentrate far more than we do on education.

The prospect that by 1970, 48 percent of us will have graduated from high school and 8½ percent from college doesn't please me. It scares me. The projection that by 1970 half of my sex will have completed high school and 6½ percent will have finished college doesn't warm my heart. It makes me wonder whether women will be able to fill the jobs that will be opening for them in this next decade.

So many youngsters drop out of high schools and don't go on to college because they can't afford to remain in school or go on.

And while we've made some strides in financing of education in recent years, the dimensions of the challenge are dramatized by the very statistics supposedly measuring our progress.

The progress isn't good enough. The progress isn't fast enough. And you may have noticed that here I've mentioned only the quantity of education in America. I haven't even touched on the quality of it.

Mr. YARBOROUGH. Mr. President, in the Washington Post this morning, Wednesday, September 9, there is a well written column by Bill Gold, which he writes each day under the caption "The District Line." The title of this particular article is, "Have You Completed Your Education?"

Mr. Gold comments on the Ford Foundation Fund for Adult Education and its findings. Among other things there is pointed out in this article what the Ford Foundation has found in its research study. Mr. Gold states in his column:

The American people should vastly increase the financial support of schools, colleges, and universities. We must pay our teachers and educators much more. We can afford to do so. We cannot afford not to do so.

Mr. President, this is the finding of the experts on what America should do to help improve education.

The American people should vastly increase the financial support of schools, colleges, and universities. We must pay our teachers and educators much more. We can afford to do so. We cannot afford not to do so.

The administration has turned its back on the welfare of contemporary America on all levels when it says, "We will have no new starts in education."

The Education Office of the Government has found out this fall there will be a teacher shortage of about 195,000 schoolteachers. Where do we train schoolteachers? In colleges. We train them in colleges which are overcrowded now and lacking sufficient dormitories and classrooms. The Government says we have a shortage of 195,000 teachers and more than 130,000 classrooms; the same Government says, "The worst part of this bill is trying to build the buildings and train schoolteachers to educate American children."

I wish to pay further tribute to the distinguished junior Senator from Alabama because twice this session he has brought a bill out of committee with provisions for building classrooms in colleges. He has come to the closing days of the Senate exhibiting great patience since the first housing bill was passed in February. He has worked month after month trying to do something about the education status of America, and I personally feel tremendously encouraged by the fact that we have in this body a Senator who has worked month after month and week after week trying to do something about the greatest governmental need in America today, which is to improve the education of our people.

Mr. Gold's column continues:

The principal educational task of schools is to discipline and enlighten the minds of its students—to teach them how to think; to communicate—

Mr. President, we need more people to communicate to the President's advisers. But we have to have the people educated well enough to receive communications, too, because communication is not sufficient; the ability to understand the communications received is important, too. The newspapers and magazines of America and the educators and scientists cry out louder than anyone else about the lack of education in America. We lack adequate educational opportunities, both quantitatively and qualitatively, and yet the administration never seems to have awakened to the real danger that this shortage is America's greatest danger.

And Mr. Gold continues—

to analyze, criticize and decide—

Mr. President, we could well interpolate there, "and make correct decisions." This opposition to college classrooms is a wrong decision. It is wrong in national goals. It is wrong in lack of foresight.

The article reads—

to cultivate their curiosity and to release their powers of creativity—

How do we develop people to cultivate their curiosity and to release their powers of creativity? Our colleges are the best places to do so. It may be done in many ways. It may be done by the self-education by many people. But colleges have proved to be the best places we have for obtaining these badly needed mental developments on a national scale—

to be familiar with basic facts and ideas; to learn how to learn. We should improve the opportunities for all people to continue their liberal education after they become adults.

Mr. President, I am pointing out this as a national need. This is not a frill.

I wish to point out that democracy is not just the natural way of life of governments. It has been relatively short periods of history of the human race that they have lived under free institutions like ours, and we are the only great Nation that has ever been this large physically with a vast population which has had a democratic form of government. That democracy can survive only by the intense education of the people to make it survive.

So in Mr. Gold's article it points out—

The preservation and improvement of free institutions demand that able people exercise public leadership, and that they be well prepared for that leadership.

To a layman like me, what this boils down to is this. Education is the key to a meaningful life, and to fulfill our potential as individuals and as a free Nation, it is necessary to do a better job of educating ourselves and our leaders.

Only then will our children inherit the educational climate which is their due.

Yes, a new school year has begun, and it is indeed a day of rejoicing—for those who have not yet stopped learning.

So far as the opportunity of increasing college facilities is concerned, the President's message is black crepe on the door of higher education in America.

Mr. President, I ask unanimous consent that there be printed in full at the conclusion of my remarks the column "The District Line," by Bill Gold, from the Washington Post of today.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. YARBOROUGH. Mr. President, I wish I could be as optimistic as the distinguished senior Senator from Pennsylvania in expressing the hope that we can put this item in another bill, but after seeing the adamant opposition of the administration month after month to any support for education by this Government, to any activity to expand the educational opportunities for the youth of America, I am not so optimistic that we shall get past this administration any bill that will improve the educational opportunities for the youth of this land.

To me, it is not a minor matter to cut out the $50 million item, small as the amount is, for college classrooms, because inclusion of the provision could start a course that would lead to better opportunities for the education of many of our youth.

I shall see the bill passed without that item included with deep regret and with the realization that the administration has missed the vital key to the happiness, welfare, and education of the American people in the next generation.

However, it was not the fault of the Senate that it occurred. Great credit is due to the distinguished Senator from Alabama for working for many months and for having put in the bill this provision in an effort to try to do something about education. It is to his credit that he has worked this long and hard and has brought to the Senate a bill with as much educational benefit as there is in this bill.

EXHIBIT 1

[From the Washington Post, Sept. 9, 1959]

THE DISTRICT LINE—HAVE YOU COMPLETED YOUR EDUCATION?

(By Bill Gold)

More than 150,000 children began a new school year in Washington's suburbs yesterday. Some 116,000 go back to school in the District today. It's a time of rejoicing for many parents. They're happy to turn over their children to a communal baby-sitting service, in the vague hope that if a youngster is fed into one end of the educational machinery and kept there for a sufficient number of years, he will automatically emerge from the other end an educated person.

The feeling among these parents is: "I completed my education when I finished school; now I want my child to complete his education." The concept of education as a lifelong process escapes them.

This notion is prevalent enough to give serious concern to educators. Eight years ago, the Ford Foundation established the Fund for Adult Education. This week the fund published a report titled "Education for Public Responsibility." Its purpose is to expand educational opportunities for leaders, and young men and women who will soon be leaders, in all fields of American life. Some excerpts from that report are worth noting:

"Parents should pay primary attention to the home as the most important of all educational institutions, and should not relinquish its basic roles to the schools.

"Adults should seek in all other ways—through churches, youth organizations, community agencies, businesses, labor unions, local governments, books, magazines, newspapers, radio, television, films, etc.—to make these influences educative for good. They should do so not only for the sake of young people, but also for the sake of their own continuing education as responsible adults.

"The American people should vastly increase the financial support of schools, colleges and universities. We must pay our teachers and educators much more. We can afford to do so. We cannot afford not to do so.

"The principal educational task of schools is to discipline and enlighten the minds of its students—to teach them how to think; to communicate; to analyze, criticize, and decide; to cultivate their curiosity and to release their powers of creativity; to be familiar with basic facts and ideas; to learn how to learn.

"We should improve the opportunities for all people to continue their liberal education after they become adults.

"Many parents have unwittingly abdicated their responsibilities for giving their children opportunities to realize sound values, emotional stability, and spiritual and intellectual growth. Parents cannot assign these responsibilities to other institutions. If they are neglected, done poorly or done wrongly, the best that other institutions can hope to do is to repair.

"Parents cannot hope to train children as they would a household pet. To educate their children properly, they must educate themselves as well.

"Most urgently, we should improve and expand educational opportunities for those who bear public responsibilities—particularly those younger leaders who are emerging.

"The preservation and improvement of free institutions demand that able people exercise public leadership, and that they be well prepared for that leadership.

"Leaders have few opportunities to prepare for greater effectiveness except those provided 'on the job,' through often unnecessary trial and sometimes calamitous error."

To a layman like me, what it boils down to is this: Education is the key to a mean-

ingful life. He who thinks his education was complete on the day he finished school is an ignoramus. If we vote for backslappers and baby kissers rather than for men and women who have been properly trained for leadership, we will get the kind of government we deserve.

To fulfill our potential as individuals and as a free nation, it is therefore necessary to do a better job of educating ourselves and our leaders.

Only then will our children inherit the educational climate which is their due.

Yes, a new school year has begun, and it is indeed a day of rejoicing—for those who have not yet stopped learning.

Mr. SPARKMAN. Mr. President, I express my appreciation to the junior Senator from Texas for the wonderful discourse he has given us on the need for college classrooms, which we all acknowledge. May I also say I am grateful to him for the kind words he has had to say about me.

A few days ago I ran across an article entitled "A Second United States in 40 Years," the point of the article being that 40 years from now the population of the United States will be double what it is today. I wonder if many of us stop to consider what that means in the way of the education facilities that will be required. We are discussing a housing bill. Let us think what that population increase means in terms of housing. There are 48 million houses in the United States today. Over the period of 40 years, which may be the life of a mortgage, we shall need 48 million more houses. That is a lot of houses. That many houses are necessary just to take care of the population increase.

Assuming those houses can be used for 50 years, and while I do not know for sure, I think it is a reasonable assumption, it means we shall have to replace 2 percent of the houses every year. That means 960,000 houses a year will be needed for replacement only. This is in addition to the need for over 1 million units each year to take care of the increase in population. Put the two needs together, and the figure amounts to well over 2 million, to say nothing of the need to replace houses that are destroyed by reason of storms, fire, and so forth.

In other words, we are dealing with legislation that will provide for the construction of about 1,300,000 houses a year, if the economy stays good; but in a few years' time we are going to have to build at the rate of over 2 million houses a year.

The Senator from Texas has well described some of our unpreparedness to take care of the children that are coming along and the young adults who want a college education. At the rate we are going, we are not prepared today to take care of seeing to it that American families can live in decent homes. It poses a real challenge.

I repeat the expression of my deep appreciation to the Senator from Texas for discussing this matter.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. YARBOROUGH. I thank the distinguished Senator from Alabama for adding the information to the discussion he has given of the bill as to the projected population for the next 40 years. I point out that the computation of the estimated number of college students for 1970 is more than 6 million, nearly double the present number, but does not include any increase in the percentage of our people who will be attending colleges. The Census Bureau finds that according to the trend of American occupations and the way the American people will earn their living, indisputably within the next 10 years there will be demands for a higher percentage of professional men, a higher percentage of scientists, a higher percentage of white-collar workers, and a smaller percentage of so-called common laborers, because of the mechanization of industry and because of the advances of technology.

Each year a smaller percentage of our population is working in farm labor or common labor. The ditch digger is one example. One seldom sees a ditch digger any more. Ditches are dug by machines built and operated by skilled personnel.

So with the constantly increasing percentage of our American people whose work requires college training, we must step up the number of persons who go to college, in addition to the requirements of the population increase, which will mean in 40 years a requirement of double the present number of college dormitories and college classrooms, even aside from the changing nature of the way the people earn their livelihood.

I am glad the people of my State have given me the opportunity to serve in a body which has men like the distinguished Senator from Alabama, men who are trying to do something about making adequate preparations for the maintenance of democracy at home and the training for leadership in a world that is on fire with an autocracy which seeks to turn back the pages of history to despotism. We are the bright light of democracy, but in order for us to remain the bright light of democracy, we have to have something besides a pistol on our hip. We have to know how to work for the people for the advancement of all mankind.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Dirksen	Javits
Allott	Dodd	Johnson, Tex.
Anderson	Douglas	Johnston, S.C.
Bartlett	Dworshak	Jordan
Beall	Eastland	Keating
Bennett	Ellender	Kefauver
Bible	Engle	Kennedy
Bridges	Ervin	Kerr
Bush	Fong	Kuchel
Butler	Frear	Langer
Byrd, W. Va.	Fulbright	Lausche
Cannon	Goldwater	Long, Hawaii
Capehart	Gore	Long, La.
Carlson	Green	McCarthy
Carroll	Hart	McClellan
Case, N.J.	Hayden	McGee
Chavez	Hill	McNamara
Clark	Holland	Magnuson
Cooper	Hruska	Mansfield
Cotton	Humphrey	Martin
Curtis	Jackson	Monroney
Morse	Randolph	Symington
Morton	Robertson	Talmadge
Moss	Russell	Thurmond
Mundt	Saltonstall	Wiley
Murray	Schoeppel	Williams, N.J.
Muskie	Scott	Williams, Del.
Neuberger	Smathers	Yarborough
Pastore	Smith	Young, N. Dak.
Prouty	Sparkman	Young, Ohio
Proxmire	Stennis	

The PRESIDING OFFICER. A quorum is present. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

Mr. MORSE. Mr. President, a parliamentary inquiry. What did the Chair say? I did not hear what the Chair said.

The PRESIDING OFFICER. The Senate will be in order. A quorum is present. The bill is open to amendment.

Mr. MORSE. Mr. President, I wish to speak very briefly on the new housing bill.

I recognize the legislative position in which the Senate finds itself. It is whether or not we are to have any housing bill at all or whether we should take the President's veto to the people and let them determine in due course of time and in the exercise of their right of franchise their approval or disapproval of the President's course of action.

The matter of what Congress should do in the fact of a veto trend is a subject about which reasonable men can have very many honest differences. I am not too sure what our course of action should be. I believe we presented to the President, in our previous housing bill, as we did in our public works bill, legislation that is in the public interest.

The President under the Constitution has the duty as well as the right to veto any legislation which, in his executive judgment, is not in the public interest. Then we have the checking right of overriding it if we have the votes.

Mr. President, we get to the point where, after we are unable to garner a sufficient number of votes to override a veto, we must decide for ourselves how far we should go in compromising our own views as to what should be voted by way of a housing bill, and then we take it back to the people for their check under this great system of checks and balances of ours, in this instance exercised at the ballot boxes.

As the Senator from Virginia and the Senator from Alabama know, after the last veto I said I was not so sure but that perhaps we had just better adjourn without passing a housing bill and go back and talk it over with our constituents. The President has authority to reconvene Congress in a special session, if he wants to, during the fall period. It may be that if we let these vetoed bills remain without any further compromises on our part, go back home and talk to the people of the country, they may make clear that the President ought to call a special session of Congress. We could proceed then, after we have had these conferences with the people, to decide whether we want to compromise any further.

I have studied the latest bill which the committee has brought forth, and I am inclined to vote for it in spite of its

shortcomings. I wish to make it perfectly clear on the record that I am not moved to vote for it at all because of any rumor, true or false, that this one the President may sign. I will never vote in the Senate by giving any weight whatsoever to whether the President will or will not sign a piece of legislation. I do not believe in voting on legislation under any veto threat.

It does not make any difference to me whether the President will sign or will not sign any piece of legislation. I vote for it if I think it is legislation for which I ought to vote.

I expect any President to carry out his executive duty of vetoing a bill if he believes it is not in the public interest.

So I have decided, Mr. President, that I will vote for this attempt on the part of the Senate to come forward with another housing bill.

This new housing bill, I am informed by the committee, has three major differences from the last one. First, it omits the $50 million fund for college classroom loans, about which I shall speak in a moment. Second, it stretches the money for urban renewals or slum clearance over a 2-year period. The previous bill provided $650 million for 1 year. The pending bill provides that amount over a 2-year period. The Senator from Alabama [Mr. SPARKMAN] told me in a conference I had with him that actually the $650 million allowance in the previous bill was not limited to 1 year, but was to be spent as it could be spent, in accordance with a time schedule that would be developed in connection with the projects themselves. Therefore, I do not think that this objection of the President in the first place had any particular merit, and I am at a loss to understand in what way this change in the time period by specifically providing that it shall be $650 million for a 2-year period makes a great deal of difference.

In the third place, this bill contains no expiration date on FHA authority. The committee put an expiration date of October 1, 1960, into the previous housing bill because it thought FHA should come to Congress regularly for review, and I understand that was for new money. The White House thinks there should not be any limit on FHA authorization. While I have a serious question about that, Mr. President, from the standpoint of good legislative procedure because I am a great one to believe in review and checks, or, rather, checks by review.

The great strength of our governmental system is that we find year after year, throughout the whole system, checks upon the exercise of judgment by the administrators of the Government. We have much to say about the principle that this is a Government of law and not of men. If we are going to prevent that statement from becoming just a politician's platitude, it is important, whenever we pass legislation which provides for the rendering of a judgment which affects the interest and rights of others, that we see to it we have also written into the legislation a check upon the person who exercises the judgment, by way of a review of the discretion that is granted to him.

So, Mr. President, I say to the Senator from Alabama, that I much prefer the bill in its original form.

I believe that in keeping with the system of checks, it would have been better to have retained the limit on FHA authorizations, but I do not believe that removal of it is fatal to the bill, although I do not like the governmental policy implied in it.

The committee advises me that the $8 billion FHA authorization bill will, under normal housing activity, run out by the end of next summer, probably by the end of August, thus necessitating a new housing bill without the expiration date. Of course, if housing starts to slow down, the money might not run out by then.

I should like to have the Senator from Alabama check me on this point and, if I am wrong, rise and correct me. As I understand, even with this bill, we probably will be running out of money for the projects anticipated in the relatively near future—if not by next August, certainly in the next 14 or 15 months. So the problem we are dealing with here will be before us again in the form of new legislation. We hope that by that time the political climate in the country will have so changed that we may have a chance of getting a better bill through the Congress at that time. Is that a fair statement?

Mr. SPARKMAN. The Senator is correct. I enumerated earlier, when the Senator was temporarily out of the Chamber, at least three grounds which I thought would absolutely require a new bill next year. One of them is the one which the Senator has been discussing, the need of FHA for additional insurance authorization; second, college housing; third, title I, home improvement, expires October 1, 1960; and certainly we are not going to let that die out.

Mr. MORSE. I thank the Senator.

I understand that the President's other two objections raised in his veto message are not met in the bill before the Senate, and I am glad they are not. They were objections to direct loans to nonprofit groups for housing for the elderly, and to the 37,000 new public housing starts. Both those remain in the bill. If they had not remained in the bill, under no circumstances could I possibly have voted for the bill, because I think they are vital.

I must hold my nose and swallow hard to stand the smell of this bill with the classroom feature out of the bill. The Senator from Texas [Mr. YARBOROUGH] and the Senator from Pennsylvania [Mr. CLARK] have made great arguments in debate in support of the classroom feature. I have discussed it before, and will not repeat myself today.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CLARK. The Senator is a distinguished member of the Committee on Labor and Public Welfare. He knows that we have recently reported a Federal aid to education bill. I wonder if the Senator would be inclined to join with me and several other members of the Committee on Labor and Public Welfare in having a college classroom, laboratory, and library amendment attached to that bill when it comes before the Senate.

Mr. MORSE. I will cosponsor it with the Senator from Pennsylvania. It is of vital importance. If we cannot have it in this bill, we should try to get it in the education bill. I know that I violate no confidences, but I wish to give credit where credit is due. The Senator from Indiana [Mr. CAPEHART] and I were discussing the problem, and he pointed out to me that under the old housing program loans were made for college dining rooms and for dormitories. Those of us who have lived and worked on campuses know that a college dining room may very well be in the same building where there are classrooms, depending upon what kind of housing plan exists on a given campus. I think we are drawing the line pretty fine when we permit loans for dining rooms and for bedrooms, but not for classrooms. All those physical facilities are necessary in order to have a college really operate. I think it is a pretty technical distinction, and an unrealistic distinction on the part of the President of the United States, in respect to the way colleges are operated, when he picks out the classroom item, so sorely needed by so many colleges, and says, "I will veto the bill, in part because that provision is in it."

Mr. CLARK. I think it is important to make the record clear, that the issue involves not only classrooms, important as they are. It involves also libraries, without which higher education cannot be conducted.

Mr. MORSE. And laboratories.

Mr. CLARK. And laboratories, without which science cannot be taught. All those things make it possible for American education to move forward at the speed which is essential if we are to meet the challenge to Western civilization.

Mr. MORSE. Without which, dining rooms and bedrooms in a college dormitory would not be of much value. There would be no students if there were not classrooms, libraries, and laboratories to use in obtaining an education.

Mr. CLARK. It is more important to help a college student while he is awake than while he is asleep.

Mr. MORSE. I made this point in passing, to show how poorly the President was advised by those who advised him on his veto message in the first place.

I have received a telegram in regard to this bill from C. Henry Bacon, Jr., president of the Douglas Fir Plywood Association, of Tacoma, Wash., urging that every effort be made to pass a housing bill before adjournment. He points out that "the effect of a slowdown in home construction will be serious for every plywood manufacturer and employee because of our great dependence on home building."

I ask unanimous consent that the telegram be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

TACOMA, WASH., *September 5, 1959.*
Senator WAYNE MORSE,
U.S. Senate,
Washington, D.C.

Regret to learn housing bill has been vetoed. On behalf of the 40,000 employees and 123 manufacturers in the fir plywood industry on the west coast our industry has asked me to urge you to bend every effort to pass a housing bill before adjournment. The effect of a slowdown in home construction will be serious for every plywood manufacturer and employee because of our great dependence on homebuilding.

C. HENRY BACON, Jr.,
Persident, Douglas Fir Plywood Association.

Mr. MORSE. I received a telegram from Gene W. Rossman, executive director of the Housing Authority of Portland, Oreg. I shall read only a portion of it, because the first part is personal, and even my modesty compels me not to read it. The portion of the telegram which I wish to read is as follows:

Fight for Oregon's rights for decent, safe, and sanitary public housing for our senior citizens of low income. Here is a principle that cannot be compromised, that transcends partisan politics and that urgently needs the continuing and steadfast support of the Congress. Review RHE results of our recent survey in Portland. Don't let our low income oldsters down.

The telegram is signed by Gene W. Rossman, executive director of the Housing Authority of Portland.

I am pleased to say—and I shall so notify Mr. Rossman—that the Senator from Alabama [Mr. SPARKMAN] assures me that the provisions in this bill for elderly housing are identical with the provisions for that purpose in the bill which was vetoed by the President.

The survey to which Mr. Rossman refers in the telegram relates to a survey of living conditions for elderly people in the city of Portland. The results are comparable to the results to be found in any city in the United States of like size. They disclose some very alarming conditions. They disclose that many of our old people are living in quarters of which we as a society should be ashamed.

To think we would tolerate a social condition which requires these grand old people, because of the lack of an income, to live under these conditions is to the shame of this Nation. When we are fighting in the Senate for housing for elderly persons, we are simply seeking to live up to what is a clear moral responsibility of this Government, because governments, too, as well as individuals, have moral responsibilities.

So I am pleased to say to Mr. Rossman that the housing provisions for elderly persons remain in the bill. Likewise, I am pleased to notify him, in this statement on the floor today, that the 398 units reserved for Portland in the previous bill likewise, remain in the bill, so far as public housing is concerned.

Mr. President, I hope that when we come back next year we will recognize that we have not finished with housing legislation, but that with the passage of this bill, and, we hope, with its signature by the President, we will then proceed to provide additional housing legislation which will do much more for the elderly, which will do much more for the low income people who need more public housing, and will do much more for the students of America by way of the passage of a housing bill in line with the legislation we have previously passed, but which unfortunately was unwisely vetoed.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ALLOTT. Mr. President, do I understand correctly that the Senator from Oregon requested a quorum call a while ago and insisted on a live quorum?

Mr. MORSE. Oh, yes; I requested it.

Mr. ALLOTT. May I inquire if it was the speech which we have just heard that the majority of the Members of the Senate were called from hearings to listen to, or if it was for some other business?

Mr. MORSE. I am sure the Senator from Colorado would agree with me that nothing could be gained by the Senator from Colorado and the Senator from Oregon engaging in a discussion of the subject matter he has raised. The Senator from Colorado knows that the Senator from Oregon was within his parliamentary rights. The Senator from Oregon is already aware of the fact that the Senator from Colorado is not very happy about the fact that the Senator from Oregon is exercising his rights.

I may say to the Senator from Colorado that I have more important things to do than to engage in personal exchanges with the Senator from Colorado.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MORSE. I do not yield, because the purpose of the inquiry of the Senator from Colorado is perfectly obvious, and I do not intend to clutter the CONGRESSIONAL RECORD with such a discussion. I refuse to yield.

Mr. ALLOTT. I may comment, in answer to the Senator from Oregon, that he is certainly perfectly aware of and willing to use the rules of the Senate, but he is also able to use the good graces of other persons.

Last evening he departed the Senate Chamber, and I asked the acting majority leader, the distinguished Senator from Montana [Mr. MANSFIELD], if a unanimous-consent request would be in order. The Senator from Montana said no; that he had promised the Senator from Oregon that he would protect him on unanimous-consent requests, because the Senator from Oregon had some personal matters he wanted to attend to. I wish the Senator from Oregon had been as considerate of the rights of other Senators.

Mr. MORSE. Mr. President, I simply want the RECORD to show that I went to the washroom on the occasion mentioned by the Senator from Colorado.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD] and the Senator from Missouri [Mr. HENNINGS] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

On the vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Indiana [Mr. HARTKE]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from Indiana would vote "yea."

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. HENNINGS], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on offical business, attending the Interparliamentary Union Conference at Warsaw, Poland.

The result was announced—yeas 86, nays 7, as follows:

YEAS—86

Aiken	Goldwater	Mansfield
Allott	Gore	Martin
Anderson	Green	Monroney
Bartlett	Hart	Morse
Beall	Hayden	Morton
Bennett	Hickenlooper	Moss
Bible	Hill	Mundt
Bridges	Holland	Murray
Bush	Hruska	Muskie
Butler	Humphrey	Neuberger
Byrd, W. Va.	Jackson	Pastore
Cannon	Javits	Prouty
Capehart	Johnson, Tex.	Proxmire
Carlson	Johnston, S.C.	Randolph
Carroll	Jordan	Robertson
Case, N.J.	Keating	Saltonstall
Chavez	Kefauver	Schoeppel
Clark	Kennedy	Scott
Cooper	Kerr	Smathers
Dirksen	Kuchel	Smith
Dodd	Langer	Sparkman
Douglas	Lausche	Symington
Dworshak	Long, Hawaii	Wiley
Ellender	Long, La.	Williams, N.J.
Engle	McCarthy	Williams, Del.
Ervin	McClellan	Yarborough
Fong	McGee	Young, N. Dak.
Frear	McNamara	Young, Ohio
Fulbright	Magnuson	

NAYS—7

Cotton	Russell	Talmadge
Curtis	Stennis	Thurmond
Eastland		

NOT VOTING—7

Byrd, Va.	Gruening	Hennings
Case, S. Dak.	Hartke	O'Mahoney
Church		

So the bill (S. 2654) was passed.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. SPARKMAN. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

REDEFINING CITIZENSHIP QUALIFICATIONS FOR U.S. SHIPPING CORPORATIONS

Mr. JOHNSON of Texas. The minority leader has asked me whether I would outline as nearly as I could the program for the remainder of the day.

First, I shall move that the Senate proceed to the consideration of Calendar No. 734, House bill 6888. After that bill is made the pending business, I shall make a brief statement.

Mr. President, I now move that the Senate proceed to the consideration of Calendar No. 734, House bill 6888.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 6888) to amend section 4132 of the Revised Statutes, section 37 of the Merchant Marine Act, 1920, section 2 of the Shipping Act, 1916, and section 905(c) of the Merchant Marine Act, 1936, as amended.

Mr. JOHNSON of Texas. Mr. President, I think that the consideration of this bill will take only a minute. It was passed over during the call of the calendar, because of a question which was desired to be asked of the Senator from California.

After acting on this bill, we shall proceed to the consideration of Calendar No. 933, Senate bill 1886, to amend the Communications Act of 1934 as regards community television systems. Objection was made to consideration of that bill during the call of the calendar. That objection has been withdrawn; and we think consideration of the bill will take only a few minutes.

Then we shall have the Senate consider the conference report on House bill 4002, to authorize the use of Great Lakes vessels on oceans. The Senator from California [Mr. ENGLE] will submit that report. There is some controversy about it, and we expect debate for approximately 15 or 20 minutes with the Senator from Delaware. Then we shall have a yea-and-nay vote on the question of agreeing to that conference report.

Then we shall proceed to consider the antipollution bill. We are informed that there will not be a great deal of debate on it.

Then we shall have completed our work for the day.

Mr. LAUSCHE. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. LAUSCHE. Does the Senator from Texas expect there will be a yea-and-nay vote on the antipollution bill?

Mr. JOHNSON of Texas. Let me ask the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Oklahoma [Mr. KERR] whether they expect to have a yea-and-nay vote taken on that bill.

Mr. CHAVEZ. I do not think it will be necessary.

Mr. JOHNSON of Texas. I would say "yes." At any rate, that bill is not now the pending business.

Mr. LAUSCHE. I wish to point out that I am not urging it.

Mr. JOHNSON of Texas. I understand.

Is the Senator from Delaware [Mr. WILLIAMS] in the Chamber?

Mr. SCOTT. Mr. President, I have spoken to the Senator from Delaware, and have agreed to make a statement which will be satisfactory to him.

Mr. JOHNSON of Texas. Very well; I yield to the Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I understand that the Senator from California [Mr. ENGLE] will explain the bill.

Mr. President, I would prefer, if the majority leader has no objection, for the Senator from California to explain the bill. Then I should like to make certain comments. May I ask the Senator from California to explain the bill?

Mr. ENGLE. Mr. President, the purpose of the bill (H.R. 6888) is to resolve a difference of interpretation between the Federal Maritime Administration and the Bureau of Customs with respect to the term "citizen of the United States" as it is used in section 2 of the Shipping Act, 1916, and in the vessel documentation laws, by redefining the term.

The net effect of the amendments to the act which the bill embodies would be to include in the definition "citizen of the United States" corporations, excepting those under title VI of the Merchant Marine Act of 1936, as amended, which meet the stock ownership requirements of section 2 of the Shipping Act of 1916, which are organized under the laws of the United States or of any State thereof, and which have some alien directors, but not so many as to make possible a lawful meeting of the board of directors without a majority of the directors present being citizens of the United States.

At the present time, if a corporation has one foreign director, that corporation cannot engage in financing American ships under our maritime laws. For instance, the Metropolitan Life Insurance Co. is considered ineligible for participating in financing of U.S.-flag vessels on mortgages or loans because it has an alien director, and therefore it could not have a preferred mortgage or be entitled to any control of a vessel by virtue of any default under a mortgage. The Metropolitan Life Insurance Co. has one Canadian director.

The amendment would provide that any of these corporations can have alien directors on their boards of directors provided the number is not sufficient so that the alien directors could be a majority of a quorum. In other words, the bill limits the number of alien directors to a minority. Let us assume that there were nine members of a board of directors. Five could be a quorum, and therefore only two could be foreign directors.

The purpose of that amendment, let me say to my friend from Pennsylvania and to my friend from Maryland as well, is to retain the basic ownership of these ships and their financing in American hands, but not to preclude a great financial institution like the Metropolitan Life Insurance Co. from having one or two alien directors, if the number of the foreign directors would not constitute more than a minority of a quorum. That is all there is to the amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. PASTORE. Last year Congress passed the so-called Bowaters bill which became Public Law 85–902. Public Law 902 expressly authorizes corporations which do not qualify as "citizens of the United States" to engage in the operation in the domestic trades of the United States of company-owned barges, and so forth, if certain specified standards are met.

The Senate report on H.R. 6888 emphasizes that the question of ownership of corporations is not affected to the slightest degree by the provisions of the bill (H.R. 6888).

May I ask if H.R. 6888 curtails in any way the authority granted to noncitizen corporations under Public Law 85–902, which applies only to barges and non-self-propelled vessels and self-propelled vessels of less than 500-gross tons? My question is, and I emphasize it by repetition, Will the ownership of such corporations be affected in the slightest degree by the provisions of this bill?

Mr. ENGLE. No. The question has been raised as to whether H.R. 6888 affects in any way Public Law 85–902, adopted by the last Congress. In the course of the hearings, this question was discussed, and it was found that H.R. 6888 in no way amends public Law 85–902. In other words, in order to establish clearly the legislative history of this act, I want to make the statement now that it was not the intention of the committee, by the passage of H.R. 6888, to affect the provisions of that previous law.

Mr. WILLIAMS of Delaware. Mr. President, in view of the answer of the Senator to the last question, he has cleared up the objection I had. I thank him for making the record.

Mr. SCOTT. Mr. President, I shall be very brief. The question of ownership of corporations is not affected to the slightest degree by the provisions of the bill. The modification of corporation citizenship requirements will not make possible noncitizenship control of vessels documented and operating under the U.S. flag, nor will it relax in any way the citizenship requirements applying to corporations operating under an operating-differential contract with the Federal Maritime Board.

As the Senator from California has said, if there are alien members on a board of directors, and if six, for example, constitute a quorum, the alien membership would be limited to a minority of a quorum, which would be no more than two.

Mr. ENGLE. The Senator is correct.

Mr. SCOTT. Therefore, I urge the passage of the bill.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill (H.R. 6888) was ordered to a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ENGLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF COMMUNICATIONS ACT OF 1934

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of order No. 933, S. 1886.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 1886) to amend the Communications Act of 1934 with respect to community antenna television systems and certain rebroadcasting activities.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Mr. FULBRIGHT. Mr. President, I do not wish to object, but I want to explain that in the exchange I had with the Senator from Rhode Island at the time this bill was called up, with regard to the minimum standards that will be required by the Federal Communications Commission, the Senate made quite clear the effect of the bill and the intention of the committee. That clears up the objection I had to the bill. I have no objection.

Mr. PASTORE. Mr. President, I think much of the confusion would be eliminated if we corrected the title, and I therefore move that the title be amended to read "A bill to amend the Communications Act of 1934, with respect to certain rebroadcasting activities."

The PRESIDING OFFICER. Will the Senator withhold his motion until the bill is passed?

Mr. MANSFIELD. Mr. President, for the purpose of the record, I should like to inquire whether it is the intention of the Committee on Interstate and Foreign Commerce, as soon as it is feasible, to bring up Calendar No. 950, Senate bill 2653, to amend the Communications Act of 1934 to establish jurisdiction in the Federal Communications Commission over community antenna systems.

Mr. PASTORE. Yes, within the limits of the time allotted in the situation in which we find ourselves.

Mr. President, I ask unanimous consent that an explanation of the bill may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF S. 1886, AMENDING THE COMMUNICATIONS ACT OF 1934 SO AS TO PERMIT CERTAIN REBROADCASTING ACTIVITIES

S. 1886, as amended, contains two sections, each affecting the so-called booster or rebroadcasting situation. One of the provisions would amend section 318 of the Communications Act so as to clarify the present statutory requirements concerning radio operators of equipment used in rebroadcast operations, and the other section would amend section 319 of the Communications Act so as to enable the Federal Communications Commission to consider licensing booster stations engaged in rebroadcasting programs if such boosters were constructed on or before the enactment of this bill.

It should be clearly understood that the Federal Communications Commission presently has adequate authority to adopt regulations authorizing booster operations. The Commission has had the question of adopting regulations for boosters under consideration for a number of years. On April 14 it announced that after its study of the various problems posed by the use of boosters in the VHF band that it believed that if it were to adopt regulations that certain minimum requirements should be imposed upon the operation of VHF boosters. Then it proceeded to recommend two amendments to the Communications Act that are being considered in this bill. The Chairman of the Federal Communications Commission, in his appearance before the committee, indicated that the Commission was holding up action with regard to regulations on VHF boosters until Congress enacted this legislation.

Basically, S. 1886, as amended, would amend two sections of the Communications Act:

(a) Under section 318 of the Communications Act the actual operation of transmitting equipment is licensed under the Communications Act and any operation thereof must be carried on only by persons holding operators' licenses issued by the Federal Communications Commission. At present the Commission is given discretion to waive that requirement for certain named activities. The FCC believes that it is enough for a licensed operator, particularly where booster equipment is concerned in smaller communities and in mountainous terrain, to turn the equipment on and have it operated under his general control without the need of his personal attendance. In order to accomplish this objective the Commission urges that section 318 be amended so as to remove the explicit requirement that transmitting equipment of boosters be operated by licensed operators. Section (1) of S. 1886 would grant this discretion to the Commission and limit the authority for waiving the operator requirements to those engaged solely in the function of rebroadcasting the signals of television broadcast stations.

(b) Under section II of S. 1886 section 319 of the Communications Act would be amended so as to enable the Federal Communications Commission to consider licensing booster stations engaged in rebroadcasting television programs if such stations were constructed on or before the enactment of this bill.

The FCC holds that under the present provisions of section 319 it would be unable to issue licenses to those boosters that are now on the air if those facilities had been constructed before the Commission granted licenses. Under this long standing construction of section 319 of the Communications Act the Commission contends it would be prohibited from authorizing the use of boosters if such boosters were constructed prior to the grant of a construction permit. Accordingly, under this legislation the Commission will be given the discretion, if it finds that the public interest, convenience and necessity will be served thereby, to waive the requirement of a construction permit for a booster that is engaged solely in rebroadcasting television signals if such booster was constructed on or before the enactment of this bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to proceed to the consideration of the bill.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, to strike out all after the enacting clause and insert:

That section 318 of the Communications Act of 1934 (47 U.S.C. 318) is amended by striking out "(3) stations engaged in broadcasting, and" and insert in lieu thereof the following: "(3) stations engaged in broadcasting (other than those engaged solely in the function of rebroadcasting the signals of television broadcast stations), and".

SEC. 2. Section 319(d) of the Communications Act of 1934 (47 U.S.C. 319(d)) is amended by inserting after the period at the end thereof the following: "If the Commission finds that the public interest, convenience, and necessity would be served thereby, it may waive the requirement of a permit for construction of a station that is engaged solely in rebroadcasting television signals if such station was constructed on or before the date of enactment of this Act."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. ALLOTT. Mr. President, I should like to make an inquiry of the Senator from Rhode Island before the bill passes. I have just gotten a copy of the amendment. Will the Senator from Rhode Island inform me what it does?

Mr. PASTORE. Under the present provisions of section 318 of the Communications Act the actual operation of all transmitting equipment in any station licensed under the act must be operated by persons holding an operator's license issued by the FCC. At present, the Commission is given discretion to waive that requirement except for certain named categories. In recent years the art of transmitting has advanced tremendously and the Commission believes that it should have greater statutory latitude as to the requirements of operators of transmitting equipment engaged in rebroadcasting.

For instance, at present the Commission contends that section 318 requires an operator to be in personal attendance whereas in those situations involving the booster operation the testimony before your committee establishes it is enough for the operator to turn the equipment on, have it operated under his general control, but not be in personal attendance. This is particularly true of the transmitters engaged solely in rebroadcasting such as the boosters in small communities in mountainous terrain, especially out West. It was felt that section 318 prohibits this type of an operation. The amendment herein reported would grant the FCC limited discretion in waiving the operator requirement to those engaged solely in the function of rebroadcasting the signals of television broadcasting stations.

The FCC's original request urged broad discretion which would have permitted the Commission to waive the radio operator requirement for regular broadcast stations as well as for boosters. Your committee feels this request was too broad and that the hearing record would not support such a proposal and therefore limited the discretion being

granted to the Commission by the bill herein reported to those operations engaged solely in the function of rebroadcasting the signals of television broadcasting stations. In other words, the discretion to waive the explicit requirement concerning the operation of transmitting equipment in accordance with section 318 is being granted to the FCC, but it is limited to that equipment used in booster operations.

The second proposal contained in this bill as reported by your committee concerns section 319 of the Communications Act. Under the present provisions of section 319 the FCC holds that it would be unable to issue licenses to those boosters that are now on the air since those facilities were constructed before the Commission granted such facility licenses. Under the long-term provisions of section 319 of the act the Commission contends it would be prohibited from authorizing the use of boosters if such boosters were constructed prior to the grant of a construction permit. The bill would amend section 319 so as to give the FCC sufficient discretion, if it finds that the public interest, convenience, and necessity would be served thereby, to waive the requirement of a construction permit for a booster that is engaged solely in rebroadcasting television signals if such booster was constructed on or before the enactment of this legislation.

Mr. ALLOTT. I thank the Senator.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 1886) was passed.

The title was amended so as to read: "An act to amend the Communications Act of 1934, with respect to certain rebroadcasting activities."

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MINUTE MAN NATIONAL HISTORICAL PARK, MASS.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 887, H.R. 5892.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 5892) to provide for the establishment of Minute Man National Historical Park in Massachusetts, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. SALTONSTALL. Mr. President, this bill has the support of my colleague from Massachusetts, and the support of Representatives McCORMACK and ROGERS of Massachusetts in the House. There is a unanimous report in favor of establishing the Minute Man National Park, which will make it possible for the national park to be established on the route which was taken in Massachusetts from Lexington to Concord at the time of the start of the War of the Revolution.

This is a good bill. It authorizes appropriations, when made.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. MORSE. I think it is a good bill, but I have one question regarding why there was objection to the bill earlier today.

Mr. SALTONSTALL. Mr. President, I cannot hear the Senator. Will the Senator please speak a little louder?

The PRESIDING OFFICER. The Senator will suspend. It has become almost impossible to conduct business in the Senate.

The Senate will be in order.

The Senator from Oregon may proceed.

Mr. MORSE. I think the bill is a good bill. I think the RECORD should show why there was objection to consideration of the bill earlier today, as well as the Senator's answer to the objection.

Mr. SALTONSTALL. There was really no objection to the bill today. The Consent Calendar committee felt the authorization in the bill exceeded the limit of authorization which should be passed on the call of the calendar. There was no objection filed, either from the Republicans or the Democrats, as to considering the bill before the Senate.

Mr. MORSE. I think it is important to clear that up for the RECORD.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill (H.R. 5892) was ordered to a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ENGLE. Mr. President, I move to lay that motion on the table.

Mr. KERR. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONSTRUCTION OF SEWAGE TREATMENT WORKS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 853, H.R. 3610.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 3610) to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works and for other purposes.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

Mr. JOHNSON of Texas. If the Senator does not mind, I should like to have the motion acted on first.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, the Senator from California desires to have a conference report considered. We would order the yeas and nays on the bill now, and then have the bill temporarily laid aside.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

USE OF GREAT LAKES VESSELS ON OCEANS—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, the Senator from California desires to present a conference report which we think will take not over 20 minutes to consider. We want to have a yea-and-nay vote on the conference report.

If the Senator from Delaware will explain to me what he wants to have a yea-and-nay vote on, we can have it ordered.

Mr. WILLIAMS of Delaware. Mr. President, under the parliamentary situation we would have to have a yea-and-nay vote on the question of agreeing to the conference report. If the conference report is rejected, I shall offer a motion that new conferees be appointed with instructions to insist upon the Senate amendment.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the question of agreeing to the conference report.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. I wish to notify all Senators that we expect to vote in approximately 20 minutes, if Senators can keep within their planned schedules.

Mr. LAUSCHE. Mr. President, will the Senator from Texas please repeat that statement?

Mr. JOHNSON of Texas. We hope to have a vote on the conference report in about 20 or 25 minutes, if Senators can keep within their estimated schedules.

Mr. LAUSCHE. I thank the Senator very much.

The PRESIDING OFFICER. The Senate will be in order, so that we may proceed with the business of the Senate expeditiously.

The Senator from California is recognized.

Mr. ENGLE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4002) to authorize the use of Great Lakes vessels on the oceans. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 10, 1959, p. 19000, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ENGLE. Mr. President, the House bill permitted vessels purchased from the United States for exclusive use on the Great Lakes—including the St. Lawrence River and Gulf—and their connecting waterways to be operated in

any trades and any manner permitted other vessels documented under the laws of the United States notwithstanding the Merchant Ship Sales Act of 1946.

The Senate amendment, which struck all after the enacting clause, adopted provisions substantially the same as the House bill as title I and added as title II a prohibition against the issuance of any ticket or pass for free or reduced rate of transportation to any official or employee of the U.S. Government or any member of his family traveling on a ship sailing under the American flag in foreign commerce or in commerce between the United States and its territories or possessions, with certain exceptions. The Senate amendment provided a penalty for violation of title II.

In short, Mr. President, the House bill as it came to the Senate was a very limited bill, simply freeing these vessels which had been purchased for use on the Great Lakes so that they could go into ocean waters.

When the bill came to the floor of the Senate, after having been reported by the committee in the form passed by the House, there was added on the floor of the Senate an amendment offered by the Senator from Delaware to prohibit the issuance of free or reduced rate transportation to officials or employees of the Federal Government. That was the bill which went to conference, with the added title, title II, in dispute.

The managers on the part of the House disagreed with title II of the Senate amendment on the grounds that it is not germane to the bill. Moreover, the proposed provision is both extremely broad and complicated in its scope. Its effect on existing law and existing procedures and practices within the various Government departments which would be affected is unknown. A bill (S. 1114) is presently pending before the Senate Interstate and Foreign Commerce Committee which is intended to cover the objectives of the amendment. A similar bill (H.R. 4945) is pending before the Committee on Merchant Marine and Fisheries in the House. Departmental reports on the House bill point to numerous difficulties which would arise if the bill were enacted as proposed by this Senate amendment. If the objectives of the amendment are desirable, they should be appropriately considered after full hearings to determine the need for corrective legislation.

As a consequence, Mr. President, the Senate conferees receded from the position of the Senate and accepted the bill as originally passed by the House. The bill presently before the Senate, in the conference report, is the bill passed by the House committee, passed by the House itself, and passed by the Senate committee; with the amendment which was added on the floor of the Senate as title II stricken from it.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. ENGLE. I am glad to yield to the Senator from Illinois.

Mr. DOUGLAS. As I understand the situation, neither the House bill nor the Senate version contained any requirement that food commodities had to be shipped from Atlantic ports in American vessels.

Mr. ENGLE. It did not. It was a very simple bill.

Mr. DOUGLAS. Therefore, the attempt of the Atlantic coast cities to throttle the St. Lawrence Seaway is not encompassed in the bill. That attempt was turned back by the action of the Senate in rejecting the amendment of the Senator from Maryland [Mr. BUTLER] Monday evening. No similar provision has been attached to this bill?

Mr. ENGLE. I will say to my distinguished friend from Illinois, that is not what was added on the Senate floor.

Mr. DOUGLAS. I understand. It is not an issue?

Mr. ENGLE. No; it is not.

Mr. DOUGLAS. Even if the conference report were to be rejected, the status of the St. Lawrence Seaway would not be affected.

Mr. ENGLE. The status of the St. Lawrence Seaway is not involved. The only question which is involved is whether these vessels, which were purchased from the United States for exclusive use on the Great Lakes, will now be permitted to engage in oceangoing traffic.

Added to the bill was the amendment offered by the Senator from Delaware, which was stricken in the conference.

I would be glad to yield to my friend from Delaware, or to yield the floor.

Mr. WILLIAMS of Delaware. Mr. President, I should like to have the floor.

Mr. ENGLE. Mr. President, I yield the floor.

Mr. WILLIAMS of Delaware. I ask that the conference report be rejected. Under the parliamentary situation, the only manner in which the Senate can get a vote to insist upon its amendment is first to reject the conference report. If the conference report is rejected, I would immediately make a motion that new conferees be appointed with instructions to insist upon the Senate amendment.

I might say in the beginning that I have no objections to that which is attempted to be accomplished by the bill itself. It would merely provide authority to take one of these passenger ships out of the Great Lakes during the winter months and use it along the Atlantic coast. However, I do believe the conferees made a mistake when they eliminated the amendment which would have prohibited subsidized trips for any Government official. This proposal has been considered by committees and Congress time and time again. It merely gets down to the point: Do we want to place the same restrictions on the merchant marine as Congress in previous years placed on the railroads and airlines; namely, that they cannot offer Government officials in either the executive or legislative branch free or subsidized trips on ocean liners?

I will read the amendment as approved by the Senate:

> That no common carrier by water subject to the Shipping Act of 1916, as amended; the Merchant Marine Act of 1936, as amended; or any other Act; shall directly or indirectly issue any ticket or pass for the free or reduced-rate transportation to any official or employee of the United States Government (military or civilian) or to any member of their immediate families, traveling as a passenger on any ship sailing under the American flag in foreign commerce or in commerce between the United States and its Territories and possessions;

Certain exceptions are made in the amendment which would provide for the authority of the U.S. Government in the transportation of its military personnel or civilian personnel whose transportation is being paid by the U.S. Government.

These were put in the original amendment upon the request of these Departments.

This amendment would in no way restrict the right of any agency of the Government to contract for such shipping; that is, when the Government is paying for all of that transportation. The bill has been amended to clear up the objection of the Post Office Department wherein it might conflict with their right to put postal employees on a ship.

I have copies of letters here from numerous agencies of the Government, addressed to the chairman of the committee, all stating that they have no objection to the passage of the amendment as approved by the Senate.

This legislation is meritorious, and it is very much needed. I regret that the House conferees refused to accept this proposal.

The American merchant marine is subsidized by the American taxpayers to a very large extent. I will not get into an argument whether it is too much or too little, but no one will dispute the fact that this industry is subsidized. We vote on those subsidies. Certainly we cannot say that the amendment is not germane because this particular ship with which we are dealing here was subsidized to almost the *n*th degree.

I call attention to the fact that when these ships first went in the Great Lakes by an act of Congress, there were six vessels involved. They were ships from our war surplus fleet. Three vessels, costing the American taxpayers $4,000,000, $4,600,000, and $4,500,000 apiece, were sold to a Great Lakes company for an average cost of $82,000 each. Good ships, even though they were used ships, which cost $4 million sold for $62,000, $87,000, and $97,000, respectively.

There were three other vessels which cost the American taxpayers $7,733,000, $7,802,000, and $9,125,000.

Those same three vessels, which cost the American taxpayers a total of more than $24 million, were sold for use on the Great Lakes for an average price of $102,944. Although they were a part of our reserve fleet they were good ships. Certainly no man will say that is not subsidy by the American taxpayers.

I believe it is high time that we in Congress, who vote on these subsidies and who authorize these low sales, should enact this legislation and remove ourselves from criticism. I am not inferring that decisions are influenced by these free trips or subsidized trips, but we are subject to criticism and question. We should adopt restrictions that no man in any executive agency of the Government or in Congress will be in a

position where he could accept from any shipping company free or subsidized transportation.

This is the same restriction which now legally applies to railroads and the airlines.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Do I understand correctly that the prohibition to which the Senator from Delaware is referring is now applicable to railroads and air carriers?

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. As I understand, the Senator from Delaware is of the opinion that if that prohibition is sound when applied to railroads and air carriers, it is also sound when applied to the American merchant marine. Is that correct?

Mr. WILLIAMS of Delaware. That is correct. It should be applied also to the merchant marine. It should be applied even more so to the merchant marine because the American merchant marine is subsidized to an even larger extent than are the other forms of transportation.

Mr. LAUSCHE. Am I correct in my understanding that the most liberal recipients of Government subsidies are the owners of American merchant marine ships?

Mr. WILLIAMS of Delaware. That is correct. I might say that under the existing circumstances under which the American merchant marine is trading in international waters in competition with international companies, we must subsidize our shipping companies, because otherwise they could not compete with foreign competition because of the differential in labor costs. However, I do feel that we have gone too far in granting these subsidies. But whether we have or have not is not the question here today. We who determine the amount of that subsidy should not place ourselves in the position of accepting free transportation.

This subsidized transportation to Government employees and their families is not being offered for nothing. Let us be realistic.

Let us not forget that it was only a few months ago that there was a great deal of criticism expressed in the Senate with respect to an official in the executive branch of the Government who, it was disclosed, accepted hotel accommodations which were paid for by some taxpayer. I joined in that criticism and said that it was wrong—but was it any more wrong than for an employee of the Government to allow a shipping company to subsidize his or his family's vacation with a free trip to Europe or for a subsidized trip around the world? Don't forget we vote on the rate of the subsidy for the shipping companies and determine the amount that they are to get.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Does the Senator understand that there is now pending a bill to further liberalize the subsidies paid to the American merchant marine?

Mr. WILLIAMS of Delaware. Yes. I shall join the Senator from Ohio in opposing it. I think we have gone too far in this field. I recognize there are those who earnestly believe in increasing them, however, nevertheless, I do believe that we should not put ourselves in the position where someone could say that our vote may have been influenced by an offer of a free trip.

I do not charge that this has been done, but again I remind the Senate that we only recently joined in criticizing an official of the executive branch for accepting subsidized hotel facilities. Let us live by our own code.

As evidence that the shipping companies do offer these free or reduced rate trips rather freely I cite a personal example.

A few years ago when I was a member of the Senate Committee on Interstate and Foreign Commerce and when we were holding public hearings on a bill which had been endorsed enthusiastically by practically every segment of the American shipping industry—I will not go into the merits of the bill—officials of the American merchant marine directed a letter to the chairman of our committee extending through the chairman to every member of the committee, including myself, an offer of a free trip to any place where ships sail under the American flag. The offer included the whole family.

I denounced this at that time and said it was highly improper even to make such an offer to Senators who were in a position to vote on a bill in which they had a financial interest.

There is no argument about the fact that such a letter was written. There are other Members of the Senate now who were members of the committee at that time, who will remember, I am sure, that such a letter was received. From that time on I have been advocating a law which would prohibit the offering or acceptance of such free trips.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. The Senator from Delaware is urging a sound proposal, and I shall support him.

Mr. WILLIAMS of Delaware. I thank the Senator from Ohio. It is long past the time when we in Congress should recognize the fact that this situation should be corrected and that we must remove ourselves from any possible criticism which could be directed against us if we did not do so. I do not intend to debate the matter further. I am perfectly willing to vote. The choice is clear. If we are in favor of eliminating subsidized trips on the part of any Government official, either in the legislative branch of the Government or in the executive branch, we should vote "No" on the conference report and then instruct the conferees to insist on the Senate amendment. I hope the conference report will be rejected.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PROXMIRE. I enthusiastically support the position of the Senator from Delaware. As I understand, the opponents of the position taken by the Senator from Delaware argue that if the Senator is sustained in his position, it would kill the bill. It is my understanding that it would not kill the bill. The Senator from Delaware supports the bill with the amendment to which he has referred, and he is convinced that it would not kill the bill, but that the bill would still be alive and could easily be rereferred to the conference committee and then passed.

Mr. WILLIAMS of Delaware. Certainly it would not kill the bill. I am in favor of the bill. I have no objection to the bill. All we are asking is that the House accept this amendment, and the bill can become law. By rejecting the conference report all that we will be doing is insisting on the Senate amendment.

Mr. HART. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. HART. May I ask if the proposal the Senator seeks to add to the bill as an amendment has ever been presented on its own merits by him or anyone else?

Mr. WILLIAMS of Delaware. Yes, indeed, and hearings have been held by the committee. However, I regret it has not been reported by the committee. This proposal has been before the Senate on numerous occasions over the past several years.

I hope today we can approve this much needed legislation. Again, I point out that this can only be accomplished under the existing parliamentary situation by just rejecting the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Hawaii [Mr. LONG] are absent on official business.

I also announce that the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Conference at Warsaw, Poland.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Alaska [Mr. GRUENING], the Senator for Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending

the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Utah [Mr. BENNETT], the Senator from Indiana [Mr. CAPEHART], and the Senator from Arizona [Mr. GOLDWATER] are detained on official business.

The result was announced. Yeas 53, nays 34, as follows:

YEAS—53

Anderson	Hart	Morton
Bartlett	Hill	Moss
Beall	Holland	Murray
Bible	Humphrey	Pastore
Bridges	Jackson	Randolph
Bush	Johnson, Tex.	Russell
Butler	Johnston, S.C.	Saltonstall
Byrd, W. Va.	Jordan	Scott
Chavez	Kefauver	Smathers
Clark	Kennedy	Sparkman
Cotton	Kerr	Stennis
Eastland	Long, La.	Symington
Ellender	McCarthy	Talmadge
Engle	McGee	Thurmond
Ervin	McNamara	Williams, N.J.
Fulbright	Magnuson	Yarborough
Gore	Mansfield	Young, N. Dak.
Green	Monroney	

NAYS—34

Aiken	Dworshak	Mundt
Allott	Fong	Muskie
Byrd, Va.	Frear	Neuberger
Cannon	Hickenlooper	Prouty
Carlson	Hruska	Proxmire
Carroll	Javits	Schoeppel
Case, N.J.	Keating	Smith
Cooper	Kuchel	Wiley
Curtis	Langer	Williams, Del.
Dirksen	Lausche	Young, Ohio
Dodd	Martin	
Douglas	Morse	

NOT VOTING—13

Bennett	Gruening	McClellan
Capehart	Hartke	O'Mahoney
Case, S. Dak.	Hayden	Robertson
Church	Hennings	
Goldwater	Long, Hawaii	

So the conference report was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the conference report was agreed to.

Mr. FULBRIGHT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE COAL INDUSTRY

Mr. MORTON. Mr. President, the year 1959 may prove to be a most significant one in the history of the American coal industry—a $5 billion business. It is an industry upon which almost 2 million Americans depend for a livelihood, and an industry upon which this Nation has long depended for the major share of its energy requirements in both wartime and peacetime.

Many, perhaps, have become aware this year for the first time that coal is a product essential to our national security. Russia, using coal as a weapon, produced a record 529 million tons of coal last year. For the first time, Russia produced more coal than the United States and did so by about 125 million tons.

The 86th Congress has given much considerate attention to the problems of the coal industry, and a number of my distinguished colleagues have risen in support of efforts to revitalize the production and marketing of coal.

Coal production last year amounted to 405 million tons, almost 100 million tons below 1957 and about 231 million tons under the record year of 1947. It is no secret that the coal industry has lagged behind other major industries since the end of World War II. This lag is of great concern to the country, not only because of its effect on employment and the economy generally, but because, as I have indicated, the prosperity and stability of this industry is essential and vital to national security.

Last February, the five major groups which are concerned with the production, transportation and use of coal formed an organization to help coal—the National Coal Policy Conference. This organization is composed of the coal producers, the United Mine Workers of America, 30 coal-carrying railroads, some of the major coal-burning electric utilities, and the Nation's principal coal equipment manufacturers.

The objectives of the National Coal Policy Conference are to sell more coal profitably, to find new uses for coal and to discourage uneconomical marketing practices in the marketing of various fuels, including coal, natural gas, and oil.

The coal slump coincides with a most paradoxical development. In this period of inflation, the price of coal has remained remarkably stable. In 1948, the price of coal at the mine averaged $4.99 per ton. In 1958, it averaged $5, an increase of 1 cent per ton in 10 years, an unparalleled record.

In the area of wages, the fact is that while the price of coal at the mine has remained stable, the average income of the American coal miner rose from $23.88 a week in 1939 to $115 per week in December of 1958. Hourly wages of miners have increased from $1.94 in 1949 to $3.26 today, an increase of 68 percent. Yet, the price line on coal itself has been held because the American coal miner is producing 78 percent more coal than he did a decade ago.

Coal qualifies, in my opinion, as our No. 1 anti-inflation commodity. Its price and productivity record is unmatched, and the principal reason for coal's price stability has been the industry's remarkable increase in productivity.

Before World War II, American coal mines were producing less than 5 tons per day per man, but by 1948 the rate of production had climbed to about 6½ tons per day per man. By 1954, production jumped to an average of 9½ tons for each miner employed, and last year the official records show that the net tons per man were 11.32 tons per shift. The rate of productivity is continuing to mount as more efficient methods are developed. It is approximately six times that of any other country in the world, since the average in other coal-producing nations, including Russia, is less than 2 tons per day.

To achieve such an astonishing record, management and labor in our American mines agreed on mechanization even though this meant the displacement of some workers. Industry leadership recognized that adjustments in production techniques were urgently needed if coal were to compete and survive.

The coal industry has withstood some economic body blows which could have spelled catastrophe for an industry with less vitality. Less than 15 years ago, the coal industry was powering the Nation's locomotives and selling the railroads more than 125 million tons of coal each year. The dieselized railways of today buy less than 4 million tons a year, and railway consumption is still declining.

Just as the diesel engine took over coal's largest customer during the past decade, so have oil and gas displaced coal for heating homes, apartment houses, and small businesses. The movement of coal through retail yards dropped from nearly 100 million tons in 1946 to approximately 34 million tons last year, a loss of 66 percent.

Despite these lost markets, the coal industry, largely through labor and management cooperation, has not only held its place as the No. 1 anti-inflation commodity but has made impressive gains in some other markets, principally in the production of electric power. Last year, for instance, coal supplied 68 percent of the fuel consumed by steam electric-generating plants in the United States.

That was more than twice as much as oil and natural gas combined, according to the National Coal Association. Electric utilities consumed 155.7 million tons of coal in 1958, an increase of 128.7 million tons over the year 1933. Even including hydroelectric power from such giant projects as Grand Coulee and Hoover Dams, coal produced 53.4 percent of all electricity generated by the power utilities, or more than all other fuels and water power combined.

In contrast with coal's 68 percent of the steam power generating market, oil supplied 8 percent and natural gas 24 percent. In areas where coal competes with other fuels, coal held 84 percent of the market, oil 5 percent and gas 11 percent. Thus, it can be concluded that coal is beginning an economic comeback through productivity and economy in such important fields as the production of electric power.

In the 38 States where coal furnished significant amounts of electric utility fuel, it produced heat at a cost of 27.3 cents per million British thermal units, while oil cost 39 cents, and natural gas 25 cents. In this same area, coal was 4 cents a ton cheaper in 1958 than in 1952, while an equivalent amount of gas cost $1.24 more and oil 86 cents more.

Still, coal production was down nearly 100 million tons last year, and the coal industry in my State of Kentucky and other States is sadly depressed. The displacement of coal is a serious matter, especially from the national security point of view. In time of war, or a similar national emergency, coal would be called upon to supply, and quickly, much more tonnage than it is now producing. During World War II the industry was required to produce and the railroads to transport 158 million more tons of coal each year as oil imports were sharply curtailed by enemy operations. There is every reason to assume that the requirement for coal during a similar crisis

would be even greater now than in the past.

Reliable witnesses before several congressional committees have expressed doubt that unless conditions in the coal and railway industries improve, there is a grave question whether emergency requirements of production and transportation could be met.

The coal industry probably has a production capacity of 520 million tons annually. Statistics given to the Office of Civil Defense Mobilization by the coal industry are to the effect that at least 630 million tons of coal would be required during the third year of a major war. This assumes no conversions and, in view of our experience in the last war, is unrealistic.

Assuming that 110 million tons beyond the 520-million-ton present annual capacity would be required in the event of war, this would require an additional expenditure of from $600 million to $1 billion. With the earnings record of the coal industry since World War II—dismal indeed—the additional hundreds of millions of dollars necessary to capital expansion will not be forthcoming unless the coal situation improves dramatically.

Approximately 3 years is required to develop a typical deep modern mine, and the additional 110 million tons would be hard to come by in the event of war. Even then, the 110-million-ton estimate may be too conservative. The extent to which the coal industry will be able to fulfill its emergency obligations will to a large degree depend on the measure of prosperity and stability it attains under normal conditions.

Certain actions this year have pointed the industry in this direction. The President imposed mandatory quotas on the previously unrestricted importation of residual oil for vital reasons of national security and economy, and the Congress has looked with favor on the creation of a broad and effective program of coal research and development. Resolutions have been introduced in both branches of the Congress to establish a joint committee to make recommendations for a national fuels policy. Adoption of the purpose embodied in Senate Concurrent Resolution 73, which I am pleased to cosponsor, would be in the best interest of fair play for all the major fuel industries and in the best interests of our Nation as a whole.

Undoubtedly, the key to our future lies in the wise and efficient use of our fuel resources. All experts seem to agree that coal will loom increasingly large in the energy picture of the future, with some predicting a consumption potential of 800 million tons by 1975. Various coal interests claim that oil and natural gas are being used unwisely; that is, they are competing with coal in areas which should be reserved to coal because of its economy and abundance. There is enough coal to last a thousand years, while our domestic reserves of oil and gas, relatively speaking, are limited to only a few years. It is true that additional supplies of oil and gas are being discovered each year, but this may not continue indefinitely. The coal reserves have already been discovered.

There is little question that atomic energy will be a most important source of power for civilian uses in the years to come. However, there seems to be no doubt at present that atom-produced electricity costs a great deal more than electricity from coal, oil, and gas. This is borne out by our own experience and apparently by the experience of the Russians who have indicated that they are meeting their growing power demands by conventional coal-produced electricity.

From all evidence available, it would appear that the Soviet Union is doing everything possible to nurture, to expand, and to utilize to the fullest her coal industry. Coal is not only this Nation's No. 1 anti-inflation commodity, it is perhaps the most potent weapon in our military and economic arsenal. It is a commodity which Russia is using with ever-greater emphasis in her mammoth effort to overtake this country industrially, militarily, and in world trade and commerce.

Unless the coal industry of the United States can retain its present markets and develop new ones, so that the standards of price, production, and productivity can be profitably maintained, the Iron Curtain countries will surely take from us the dominant position as a supplier of coal which we enjoy in the world today. Authorities have told me that America mines coal so efficiently that we could normally undersell in any market anywhere. They say that in competition with other coal-producing countries, provided there is no imposition of artificial conditions such as political considerations, restrictive trade barriers, or barter arrangements, our coal industry can hold its own.

I was interested in the comment contained in a Department of the Interior publication earlier this year which said that Poland and the Soviet Union may be expected to become stronger competitors of the United States in the Western European market as far as steam coal and anthracite are concerned. While exports from the United States to Europe and other continents declined in 1958, exports of Russian and Polish coal were on the increase. Although the American coal industry could have outsold the Iron Curtain producers, because of mechanization, price stability, and productivity, dictator nations have an advantage.

Most of the coal exports from Russia and the Soviet world to free Europe move on bilateral trade agreements involving the exchange of commodities. In comparison, shipments from the United States are based on dollar purchases. The Russian Government formerly took the greater part of Poland's exportable coal. Now, through rapidly expanding mechanization and the number and increased size of her mines, Poland is permitted to use a good part of her coal for barter.

For instance, in 1957 the coal producers of this country sold Argentina 914,000 tons of coal but only 216,000 tons in 1958, a loss of almost 700,000 tons in a market which had been considered traditionally firm. U.S. coal was displaced by Polish coal. I am told that Argentina pays about $2 more per ton for Polish coal, which incidentally is inferior to American grades, but the payments are in commodities.

Another case of discrimination against American coal occurred early this year in West Germany when the Bonn government clamped a prohibitive tariff of $4.76 a ton, a virtual embargo, on our coal. As a result, our 15 million ton German market of 1958 may well drop to between 4½ to 5 million tons this year. The loss of our export markets is already coming into sharp focus. In 1957, American coal exports reached an all-time high of 81 million tons; then a year later, in 1958, it dropped to 53 million tons, a loss of about 35 percent. This means a reduction in coal output valued at about $140 million at the mine mouth; a loss of railroad revenue in excess of $100 million; an incalculable loss of coal industry jobs and payroll.

Despite the inroads into this industry's basic health, coal has an amazing vitality. It has kept itself competitive despite many hard blows in the past, and it has now organized to combat its problems systematically, vigorously, and effectively. The National Coal Policy Conference is unique in character. It includes some of the country's foremost industrial and labor leaders who already have come forward with the suggestion for a national fuels policy, a constructive and statesmanlike proposal.

The question of "Why a National Fuels Policy?" has been answered in compelling fashion by the conference, and I ask unanimous consent that this purposeful statement be inserted in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WHY A NATIONAL POLICY?

The national interest today requires industry, labor, and Government to work together for a national fuels policy. We have none.

Yet, the United States is faced by a serious fuel and energy problem. The availability of an adequate and assured supply of energy is basic to our national security. A continuing expansion of reliable supplies at reasonable cost is necessary to national growth, increasing prosperity, and the advance of a society and technology based on energy use.

A national fuels policy can only be achieved if the Nation looks at its energy resources as a whole, recognizing the interrelationships between the various fuels; if it takes economic and technical advantage of the flexibilities in distribution and use, drawing on each source for its most efficient and desirable contribution; if it refuses to countenance discriminatory competition, or the stifling of the further development of a competitive fuel; if it promotes long-term availablity of a reliable energy supply at a reasonable cost by sensible policies of fuel conservation, development and distribution.

Today our national legislation and Government policies treat fuels in separate compartments. The Natural Gas Act treats gas without reference to oil or coal. Government policies on imports, tax, and national defense all too frequently treat one fuel without reference to another. Atomic energy is a subsidized national development, while the coal industry, ignored, seeks not subsidies, but fair play.

Mr. MORTON. The industry clearly recognizes what its problems are and what it must achieve along the road back, but it harbors no doubts that recovery will be attained if it receives the proper attention and encouragement to which it is entitled.

THE CONDUCT OF FOREIGN AFFAIRS

Mr. FULBRIGHT. Mr. President, I know that Senators are bone-tired after 8 months of hard work, and we are now under the strain of night sessions before adjournment. When time to clear up unfinished business is running out, Members are due an explanation about why I have asked for the floor when my comments will not deal with any specific bill pending in this Chamber.

My explanation involves two matters.

First, all around the world, a tangle of hopes and fears have been aroused by the imminent start of the exploratory talks between the President of the United States and the Prime Minister of the Soviet Union. To be sure, in the course of his recent visit to Europe, the President tried, on several public occasions, to bring the character of his meeting with Mr. Khrushchev into its proper focus. But human nature being what it is, it is likely that the realities of the picture may again be distorted the moment the Soviet Prime Minister sets foot on American soil. In the circumstances, it seemed to me that something might be gained in the cause of understanding if there was another address from the Senate floor, spoken to our friends abroad, in line with what the President from his preeminent position has already told them.

Secondly, and more importantly from an American standpoint, from the instant we adjourn, the whole conduct of the Federal Government, except for its judicial aspects, will pass exclusively into the hands of the Executive, where it will remain until Congress reconvenes in January. This is unavoidable. But it is worth noting how often in the past, fateful things occurred during such intervals of Presidential government.

It was during such a period in 1956 when the tragedy of the Suez War came to a head. Again in 1957, it was at such a time when the Russians shook the world by firing their first sputnik into outer space. And in 1958, it was in this interval when the crisis in the Formosa Straits mounted hourly.

I am not saying by indirection that the whole world is due to fall apart between now and January 1960. I am not saying that the Executive, following a secret time schedule, awaits the adjournment of Congress each year and then willfully invites the onset of a crisis. Any insinuation to that effect is nonsense, which the Republican Members of this Chamber would rightly resent, as I resented such insinuations when I heard them made at a time when a Democrat President sat in the White House.

What I am saying is in no way sensational. It is simply to note a possibility based on past experience. The possibility is that, when we reconvene 4 months from now, the affairs of the Nation may bear but little resemblance to the state of those affairs as we will presently leave them. In the circumstances, it seems worthwhile to lay down a few reference points from which we can get our bearings 4 months hence, when we return to Washington and undertake our customary judgment of how Presidential government has handled the Nation's affairs.

In what I shall say on either point—on the Eisenhower-Khrushchev visits, and on the impending operations of Presidential government—it is decidedly not my object to interfere with the responsibilities of the Executive, or to pester it with ominous threats, or to set off false alarm bells, just for the fun of it.

It is anticonstitutional for one arm of the Government by its meddling to deny the second arm the effective power it needs in the discharge of its responsibilities, while blaming, not itself, but that second arm, if the result is a miscarriage of national policy. I say it is anticonstitutional, because of what it does to the operations of public opinion as a controlling force over both the Executive and the Legislature. With power lodged in one place and responsibility in a second place, it is almost impossible for public opinion to track down and identify the real author of a national misfortune. Seeing the misfortune plainly enough, but torn by mutual accusations about who is to be blamed for it, public opinion inevitably becomes cynical about our whole system of constitutional government.

Indeed, the chief motive and the unifying theme in my remarks is the urgent need to reunite power and responsibility in the conduct of our foreign relations. And by power, I mean not only the legalistic aspects of the word, but the whole family of tangible and intangible things that make for national strength.

Right here, there is a second point that should be made quite clear. I for one, do not believe that there is any simple formula which would solve the many difficulties confronting us abroad if only the Legislature and the Executive, singly or jointly, could discover it and embrace it.

Such a notion encourages the false belief that any particular course of action which eases an immediate crisis is the wisest course. In actual fact, the easiest course, as Mr. Neville Chamberlain's experience at Munich bears witness, can in the long run be disastrous.

The notion that we can discover an easy formula can blind us to the truth that a hard and difficult line of action in which we may be engaged is the right line to pursue. It can blind us to the fact that hard work and persistence, despite all intermediate dangers and crises, can eventually lead us to the goal we have set for ourselves.

Furthermore, a belief in simple solutions encourages the false notion that every major problem confronting us abroad is subject to our exclusive control, and that if it is not brought under our control, it must be because of an error in policy. Meanwhile, from the same cause, we fail to look at the actual difficulties inherent in some of our problems. We fail to see that many of them have a motion of their own; that they will not await the pleasure of what we or the Russians want to do about them in our own good time.

And finally, a belief in simple solutions almost invariably is the father of a moralistic outlook on the political problems of foreign affairs. And this outlook in turn inevitably leads in one of two destructive directions. In one direction, the moralistic approach assumes that anyone who is in fundamental disagreement with us is totally evil, and, hence, we ought to use total force as the only way in which to deal effectively with total evil. In the second direction, when it becomes apparent that the moralistic approach has not solved a single political problem, the sanction is present to withdraw into isolationism, on the argument that the whole world is corrupt, and that only if we cut off all contact with it, can we preserve our own purity.

I mention these dangers by way of a forewarning against the shock of disillusion which may follow the illusions now gathering around the imminent exchange of visits between President Eisenhower and Prime Minister Khruschev.

The Members of this body know that I have long favored such exchanges. I have not changed my mind about them. But I should like to reemphasize as I have stressed many times on previous occasions, that exchanges of this sort solve nothing of themselves. They are merely a procedure, supplementary to the regular diplomatic channels, a procedure whereby national chief executives can discuss whatever it is they want to discuss.

Common sense should tell us that we do not serve the moral values we all want to uphold, if, on moral grounds, we foreclose our right to meet our adversary and talk to him in a civil way. Common sense should tell us something else.

If the Russian Prime Minister should come to look at an Iowa cornfield and say nice things about it, or if an American President should go to look at the Bolshoi Ballet and say even nicer things about it, the exchange of compliments about valued national things will not solve the question of a divided Germany or of how to make a start on nuclear disarmament. It will not bring the world as much as 1 inch closer to the conditions that make for real peace. Yet, for a variety of reasons, there has taken hold in some quarters the belief that it is by such simple solutions that the world will rescue itself from the peril of destruction hanging over it.

If we manage to avoid in the period lying directly ahead the misguided belief in simple solutions, then I believe we may avoid the dangers that the cold war poses for all humanity.

As for myself, I believe that the national means to scale down the scope and the dangers of the cold war were, and are, at hand. I believe that such national means have not been, and are

not now, being fully utilized. I believe that unless there is this full utilization, a thousand exchanges of visits between the heads of states, or a thousand summit meetings between the great powers, will not only be useless, but worse than useless. They will be useless, because nothing is more dangerous than to arouse great hopes by splendid pageants, while denying oneself access to the material means that can sway the outcome of concrete cases in dispute.

In Europe, for example, I suppose we ought to find some satisfaction in the fact that the Berlin crisis, for all practical purposes, is presicely where it was last January. In the sense that the Russians have not yet laid their hands on anything they were not entitled to have, I suppose this represents progress. But it should be remembered that they still have available all the options which they had last winter, just as the Chinese Communists have all the options they had when the shooting in the Formosa Straits was last in the news. But even if we regard the case of Berlin as a standoff thus far, the strength of the Soviet Union in the meantime has been increasing; and the strength of the West, relatively speaking, has been decreasing.

I am not talking solely about military strength; I am also talking about industrial capacity and population skills. So long as this situation persists, time favors the Soviet Union, and works against the United States. And may I add that a comment of this sort is not a betrayal of an American national secret to the Russians on the eve of Mr. Khrushchev's visit. He knows the secret already, and has proclaimed it over and again in his public utterances.

It remains for us to inform him, not by words alone, but by the resolution of our deeds, that there is nothing inevitable about the Soviet Union closing the gap between her strength and ours. America has a tremendous reserve of strength that would enable us to outstrip the Russians in any competitive realm, provided there is present the leadership to call out that full strength.

As things now stand, however, the Soviets profit not only from their own energy, but also from our apathy. Here, let me add that we, too, frequently pay the Soviets an undeserved compliment in crediting them with diabolical cleverness. They are not smarter than anyone else. At critical moments in their history, they have, in their own doctrinaire way, stumbled into fantastic blunders that the lowliest precinct captain in an American city would have warned against. The advantage they have is that they simply work harder. Not that Americans do not work. They do work hard, but too often on a wrong order of national priorities.

We cannot count on the possibility that our wrong order of priorities will be made over into a right order, because of what might occur inside the Soviet Union. We are entitled to hope, of course, that evolutionary changes in the political outlook of the Soviet people and government may result from economic changes within the Soviet Union. But this change, if it does occur at all, will be decades—perhaps generations—in coming. In the meantime, there is the problem of how we survive and prevail under the conditions of the foreseeable future where the growing industrial might of the Soviet Union will augment its already formidable military might, and its already formidable capacity to export capital and technicians in an across-the-board competition with our own.

If we are to survive and prevail, the place to begin is by closing a policy gap. We speak of foreign policy or domestic policy, but we very rarely speak of national policy. What the Russians have, and what we lack, is a national policy. And this policy gap, in its long-term implications, is more dangerous than the missile gap.

This policy gap most clearly manifests itself in national decisions as to the allocation of resources. It is frequently pointed out, by those who take a complacent view, that the United States far outproduces the Soviet Union. This is true, but the use that is made of productive capacity is of at least equal importance with the size of the capacity. On this score, there is no ground for complacency. The Russians devote a far larger proportion of their resources to defense, to education, and to the other things which really matter in the cold war and which would be decisive in a hot war. It will not do us any good to outproduce them in color TV sets if they outproduce us in missiles. It will not do us any good to train more advertising copywriters if they train more nuclear physicists. It will not do us any good to train more tax lawyers if they train more diplomats. If we put cement into backyard swimming pools, and they put it into factories, who has improved his position more?

In making decisions on the allocation of resources, the Russians have a considerable advantage over us because of the difference in the decisionmaking process in the two countries. There, it is centralized in a few men. Here, in its basic aspects, it involves all the people.

The American body politic is rather poorly organized for effective decisionmaking. I am not talking about the day-to-day kinds of decisions which are made in the various Government departments and in the National Security Council. Rather, I am talking about the multitude of decisions which are made by individuals on such things as prices, wages, consumer spending, and the use of savings. Even the structure of our Government is such that the decisions as to whether we have an adequate school system, for example, is dispersed throughout thousands of localities.

We have traditionally taken it as an article of faith that this decentralization not only safeguards the democratic process, but also results in the most efficient use of resources. I do not question this as long as it is applied within fairly narrow economic limits. If it is extended, all inclusively, to that realm of high national policy where economic and political considerations merge, it results in either national paralysis or national chaos. Some things can best be done—or can only be done—by the Federal Government, which is itself, of course, a Government of divided, or decentralized powers. It was silly, even in the 18th century, to expect the several States to provide effective armed forces for the national defense; hence the constitutional provision for Federal responsibility in this field. All I am saying is that if we now want to change substantially the allocation of resources in the United States—if we want more cement in factories and less in swimming pools, if we want more steel in schools and less in automobiles—the only way we can bring this about is by action of the Federal Government. I think we ought to bring it about. But unless the temper of the country is changed by action from below, or by leadership from on top, the general support necessary to bring it about will not be present. This is another way of saying that we will be unable to bring to any council table the evidence of the material means we need to persuade the Russians that it is in their own interest to negotiate the terms of a real peace.

It is about time, I think, that we Americans recovered our traditional capacity to be outraged about ourselves. For if any people in human history had the means to win out over a willful adversary, yet failed to use its natural strength, we are that people. This country has the natural, the industrial, and the human resources to do almost anything it wants to do—provided it passionately wants to. It is nonsense to say we cannot afford it. During World War II, we devoted between 40 and 50 percent of our gross national product, which at that time was something less than half what it is today, to the purposes of the war; and at the same time provided food, clothing, and shelter for ourselves at a comfortable level, and a great part of our allies. Yet now, when the total budget of the Federal Government amounts to less than one-sixth of our gross national product, we are told we cannot afford it. This is plainly not so. What the people who say this mean is that they do not want to pay for it.

If we are to put our full strength to use, there are a number of things we need to do, all of them expensive. For example, but in no particular order of importance:

We need to spend not just a little more, but a great deal more, on our public school system.

We need to arm ourselves better with both conventional and advanced weapons.

We need to improve Strategic Air Command bases so as to make them less vulnerable to surprise thermonuclear attack.

We need to put our program of foreign development loans on a long-term basis and give it adequate financial resources.

We need an adequate, serious program of building civil defense shelters. Our neglect in this field has been shameful, and may be fatal.

I do not know how much all of these things would cost. I do know we can afford them if we decide we want them badly enough.

If we were seriously to undertake all of these things; the Kremlin would be a great deal more impressed than it is likely to be by evidence of our determination to balance the budget.

But fiscal stability and an adequate response to the Soviet threat need not be considered as mutually exclusive alternatives.

The public arguments which we hear for a balanced budget are all predicated on the unspoken assumption that the budget must be balanced at the level of revenues yielded by the existing tax structure operating upon the existing level of production. This, of course, is only one side of the argument. It could equally well be argued that the budget should be balanced at the level of expenditures required by compelling national interests, and that the tax structure should be revised upward accordingly. This perhaps takes more courage, but it also makes more sense.

Yet, in this situation, we find such timidity in the White House that the President remarks to a group of reporters—with authority to attribute the statement to him indirectly—that he thinks "any substantial increase in Federal taxes would lead to such public resentment there would be widespread flouting of the tax laws similar to prohibition laxity." What a sad commentary this is upon the caliber of American leadership. If the Presidential fear were well founded, it would be an even sadder commentary on the American people themselves. But I do not think it is well founded.

It is significant that in the same conversation, the President referred to his concern over the trend in some corporations to hire bright young executives, not for their business imagination or managerial talents, but for their ability to spot tax loopholes. This may well be the case, but we should remember that such loopholes as exist are in the President's own inadequate tax bill of 1954.

The bulk of the American people are not looking for tax loopholes, and would not find any if they were. The tax loopholes benefit primarily big-business interests. They offer no relief for the little people of this country. Their taxes are withheld from their paychecks, without so much as a by-your-leave. They cannot afford the high-priced tax lawyers whose clients fill the air with so much caterwauling about national bankruptcy at the same time their stockholdings reach new highs in value nearly every day, until very recently.

It is a strange thing that the President who has so little faith in the American people paying their taxes is the same man who wrote, in his mutual security message to Congress:

> It is not the goal of the American people that the United States should be the richest Nation in the graveyard of history.

I do not understand how a person could hold both views. It is no wonder that the public is confused about our place in the world and what needs to be done.

As a result of the experience of the last 5 years, when one political party has controlled the executive branch and the other party the Congress, it has become increasingly clear that the American system of government centers in the Presidency. Although the President cannot compel action, action nevertheless rarely occurs, especially in matters of foreign relations, unless some impetus, or at least some support, comes from the White House. The President is the only elected official who has constitutional responsibilities in this field and who represents all the people. He is the only one with sufficient prestige to command the attention of the whole country.

How has he used that prestige in this session?

Has he used it to arouse the country to greater exertions? He has not.

The White House has continued its politically lucrative career, begun in January 1953, of concocting and selling tranquilizer pills that benumb the critical faculties of the Nation.

Has the President used his prestige to secure from the Congress the full arsenal of means he needs if America's purposes are to be successfully advanced around the world? He has done nothing of the sort.

He has used the full power of the Presidency to check the initiative started in the Congress to give him those means. Worse still, he and his agents have gone out of their way to anathematize as reckless spenders those Members of the Congress who felt that in perilous times bold measures, all contributory to national strength, were a categorical imperative.

In the whole history of the Presidency, with the possible exceptions of Herbert Hoover and James Buchanan, the performance of President Eisenhower, in this respect, stands on a bizarre plain of its own. I do not for a moment doubt that he is passionately dedicated to the search for peace. I do not for a moment doubt that he is a man whose personal charm is a great natural resource of the Nation. But I have the uneasy feeling that it is going to take more than very good intentions, and more than personal charm, to make any appreciable dent on Mr. Khrushchev or on the problems of the cold war that may crop up in the next 4 months.

Nothing would please me more than to have things work out in ways that would require my confessing 4 months from now that my apprehensions were unfounded. In any case, I have spoken my piece. And so has the President in his various messages to the Congress. Most of us wanted to give him a stronger hand to play with. He asked for, indeed demanded, a weaker hand. The responsibility for the result is now his. In the 4 months ahead, let us keep our eyes clearly focused on how he plays his hand. And, in the meantime also, let us hope that the age of miracles is still with us.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the majority whip.

Mr. MANSFIELD. Mr. President, I wish to commend the distinguished Senator from Arkansas, the chairman of the Committee on Foreign Relations, for the forthrightness and the candor of the speech he has delivered in the Senate this afternoon. I think we could do well with more speeches of that nature and with fewer happy headlines, which seem to be afflicting the press of the country at this time. I am delighted the President has had a successful trip to Western Europe, but I am not delighted over the headlines, which seem to indicate that all is well with the world, that all our troubles are buried and done away with.

I wish to commend the Senator for sounding a clarion call, trying to bring home the facts to the American people, trying to bring home to the Senate and to the Congress as a whole that during the adjournment, which will be upon us shortly, there will develop a hiatus, and the responsibility of the President will be increased tremendously. Some of the results which may be achieved then will bode either good or ill for the welfare of our country.

As the Senator said, or at least implied, we wish the President every possible success in his visit with Mr. Khrushchev and in the difficult moments which face him in the months ahead. I am sure, as the Senator indicated, the President should know the Congress stands ready to support him to the best of its ability in the field of foreign affairs at all times, provided the President assumes the leadership which is inherent in the office he holds.

Mr. FULBRIGHT. I thank the Senator from Montana for his remarks.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, in this morning's newspaper there was advance notice of the address to be made by the Senator from Arkansas. I sent to the office of the distinguished Senator to get a copy, and I read it. In my opinion, there has been no more important address delivered in the Senate since I have been a Member of this body. What the Senator talks about not only concerns the future of the free world but also what must be done if we are going to maintain our security and our freedom.

I congratulate the able Senator for the message he has given the Senate and the American people.

I should like to ask the Senator a question, if I may. Does the Senator not, in effect, state that unless our policies are changed, so that we can increase our strength—not only physical strength, but also economic and, technological strength, and strength to achieve success in our psychological efforts—all that can result is that the Soviets and their Chinese allies will rapidly assume a position in the world which will definitely affect our future security?

Mr. FULBRIGHT. That is exactly the point I was trying to make. Perhaps I can rephrase it.

What impelled me to speak about this matter now is that I have advocated and I do approve of these visits. However, I read the press accounts about these visits—the visit of the Vice President to Russia, and the visit of the President to Europe—and the length to which the press goes makes one think that all our

problems are solved. I fear those accounts will be misinterpreted, although I still think this is a proper procedure to follow.

I will say that I first had in mind the President's reluctance to support the Committee on Foreign Relations in its recommendations to the Senate in the field of foreign aid, specifically in regard to the Development Loan Fund, which the administration refused to support. Now in the foreign aid field the whole program has been drastically cut, because of lack of support from the President and his party.

We have to couple that with recent domestic developments. The steel strike is now going into its 56th day, or something like that.

We have to couple it with the failure to make proper demands upon the country, in my opinion. It all seems to me to present a very weak picture in support of whatever the President wishes to say in his negotiations. I think we are creating the impression that everything is going fine. It is not going fine at all.

The President does not have the weapons, either in the field of economic assistance or in the field of military assistance, that he should have, I think, and especially is that true in the foreign aid field.

The Senator from Missouri is himself a far greater authority in the field of armaments than I. As a matter of fact, in this field I consider my authority to be the Senator, ratl er than basing conclusions solely upon my own judgment. I have heard many of the Senator's speeches.

Mr. SYMINGTON. The Senator is very kind, but I do not think he is accurate.

Mr. FULBRIGHT. I think the Senator has made a great contribution in this field.

To sum it up, this country has tremendous possibilities, but the President and the executive department is not asking the country to do what it ought to do and what it is quite able to do.

In a sense the steel strike results from a feeling of overproduction. Is that not a fine thing to have occurred, to have this strike right in the midst of a period when we are having trouble develop in Laos, for example, or trouble in Tibet, and the many signs of impending difficulty with expanding communism? In a sense, these are probing operations, designed to see how determined we are. If we do not have the proper tools and weapons to meet them, we will not be determined.

Mr. SYMINGTON. Mr. President, there is no question about that, and I am going to talk about the steel strike tomorrow.

So far we have lost the production of 17 millions tons of steel, and I believe that the reference of the distinguished Senator from Arkansas to the importance of doing something about this matter and not talking about it is most timely and constructive.

I, too, am for these visits, but I hope that the American people will not be lulled by them into further complacency and a further false sense of security.

Does the able Senator remember a play, in which Maude Adams had the leading part, entitled "Chanticler"?

Mr. FULBRIGHT. I do not quite remember it. I am not sure that I saw it.

Mr. SYMINGTON. I remember a review of the play by Norman Hapgood, years ago, in which he said that charm was no substitute for a rooster. Would not the Senator agree that might be pertinent to what is going on today?

Mr. FULBRIGHT. I think exactly that. I do not begrudge the President his charm. I only regret that he is unwilling to demand an adequate effort on the part of this country to do what it is quite able to do. I think Americans would be much happier if they were doing more nearly what they can do. I believe the American people feel we are marking time and are not really exerting ourselves, and I do not mean just here in the Senate; I mean in the country as a whole.

Mr. SYMINGTON. Summing this up, what the Senator is saying is that he is very grateful that we have a head of state who is a very attractive and intelligent gentleman, but he would hope that the President would try to back up his ability to get along with people by taking the necessary steps so that we can negotiate economically, technologically, militarily, and psychologically, from a position of relative strength; and that the President would take these steps instead of following current policies which can only mean that in the not too distant future we will be conducting negotiations from a position of relative weakness.

Would the Senator agree?

Mr. FULBRIGHT. The Senator is quite right; and I suggest one further thought. Is it just a coincidence or not that the President began to veto bills which Congress brought out at about the time when the steel strike took place? It was bruited about that the strike was really a kind of little friendly arrangement, that it started as the summer vacations were about to begin, that the companies had all the steel they needed anyway to carry over a period, and this was a kind of little friendly arrangement between labor and management. I do not know whether it was or not. It is beginning to look pretty serious to me. I was not in on any such arrangement, but if there was, it was a silly arrangement, because we need the steel. The world needs it. Whether or not General Motors needs it because of their automobiles I do not know, but there is a need for steel in the free world.

There is need for all the production that we can have, if it is properly distributed in an orderly fashion, to strengthen the free world. The Laotians certainly need something right now. We are trying belatedly to give them some assistance, and I approve of that too. The Indians are needing assistance too on their borders. I mean, there are plenty of places where it is needed, but just as we began to get vetoes, saying, "Well, you do not need so many houses, you do not need public works, you do not need this or that," the whole economy began to draw back.

As I said, I had to revise my speech. When I first wrote it the stock market was reaching a new high every day. However, by the time I got around to delivering it it began to reach a new low every day for the last few days.

The whole economy seems to be turning around. I believe it reflects the attitude of the President. He is fearful of moving on. He does not want to move. He wants to clamp down and hold down housing, public works, and everything else, to a low level.

He did not want to support the committee on foreign aid. I realize the subject is controversial. I know that many of my colleagues do not approve of it as much as I do. The President is the one national official who can afford to ignore local projects and the competition of local projects, but he too undercut the committee and did not support the committee in its efforts to give him a strong bill with a real Development Loan Fund and with the continuity which everyone agrees it needs to make it effective.

So I think this atmosphere of restriction, of holding down our economy, is being reflected now throughout the whole country. These things get to moving. It is mysterious how depressions or recessions develop. Everything at the moment is at a standstill or moving down.

Mr. SYMINGTON. Will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. SYMINGTON. I again congratulate the Senator from Arkansas. There will not be any answer from the other side of the aisle to his masterful presentation of our position in the world because there is no answer to it. The Senator has been logical and he has been direct. I hope that everyone will read his talk and see the predicament we are getting into as a result of the actions or lack of actions on the part of the administration in the domestic and foreign fields.

Mr. FULBRIGHT. I appreciate the Senator's hopes, but he knows that everybody will not read it, because it is unpleasant, and it will not be printed in very many places outside of the CONGRESSIONAL RECORD.

Mr. SYMINGTON. That does not detract from its basic value.

Mr. MORSE. Will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MORSE. The Senator from Arkansas, who is one of my colleagues on the Foreign Relations Committee, has made a very able speech. It is because of such statesmanship as exhibited by that speech that he finds the cooperation he receives from all of us on the Foreign Relations Committee.

I am very glad that he mentioned, among other things, the plight that confronts us in regard to the steel strike. Of course, much of the steel that is being lost from production now could have been used in these new starts that the President has vetoed, or in the public works program. It could have been used for new housing, and, of course, it could

have been used for these projects abroad which would have developed the economic productive power of the very people whom we have got to win over to the cause of freedom if freedom is to survive. I speak particularly of Southeast Asia and Africa.

Mr. FULBRIGHT. I appreciate the remarks of my colleague. The Committee on Foreign Relations can be very proud of the legislation it has reported, regardless of how it has finally fared.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum. It is our purpose to take up the water pollution bill, upon which the yeas and nays have been ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSTRUCTION OF SEWAGE TREATMENT WORKS

The Senate resumed the consideration of the bill (H.R. 3610) to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works and for other purposes.

Mr. CHAVEZ. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Is there objection?

Mr. McNAMARA. Mr. President, reserving the right to object, I understand that the text of the bill will then be considered original text, and will be open to amendment.

Mr. CHAVEZ. That is correct.

Mr. McNAMARA. With that reservation, I do not object.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico? The Chair hears none; and the amendments are agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 1, line 10, after the word "exceeding", to strike out "$500,000" and insert "$400,000"; on page 2, line 15, after the word "share", to strike out "and the total of all the amounts so determined shall be the maximum amount of the grant which may be made under this section on account of such project" and insert "except that for the purposes of this proviso the $400,000 limitation provided in this clause shall be $250,000 and the total of all the amounts so determined shall not be in excess of $500,000"; in line 25, after the word "year", to insert "following that"; on page 3, at the beginning of line 19, to strike out $100,000,000" and insert "$80,000,000"; in line 20, after the word "thereof", to strike out "$1,000,000,000" and insert "$800,000,000"; after line 21, to strike out:

"(4) Section 6 is further amended by adding at the end thereof the following new subsection:

"'(f) The Surgeon General shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on projects for which grants are made under this section shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality, as determined by the Secretary of Labor, in accordance with the Act of March 3, 1931, as amended, known as the Davis-Bacon Act (46 Stat. 1494; 40 U.S.C., secs. 276a through 276a 5).'"

And, on page 4, after line 8, to strike out:

"SEC. 2. Within one year after the enactment of this Act the Secretary of Health, Education, and Welfare shall submit a written report to the Congress on the activities and future plans of the Federal water pollution control program, including construction, enforcement, research, and State services."

Mr. CHAVEZ. Mr. President, in my opinion this is as important a bill as has ever been presented to this body. No people in the country know more about its importance than do the good people of the District of Columbia and surrounding areas in Maryland and Virginia.

Mr. RANDOLPH. And West Virginia.

Mr. CHAVEZ. Water pollution is becoming quite a problem.

In recognition of the growing problem of water pollution, the Congress in 1948 passed Public Law 845, the Water Pollution Control Act. In 1956 the Congress extended and improved the Federal water pollution control program by passing Public Law 660, the Federal Water Pollution Control Act. The 1956 act continued the Federal role of cooperative programs with the States through research, technical assistance and financial aid, including for the first time grants to municipalities to assist in building needed sewage treatment plants and interstate enforcement.

H.R. 3610, as reported, would increase the construction grants from $250,000 to $400,000 for individual projects. It provides that no grant of more than $250,000 shall be approved for a project in any State until all previously filed qualified applications from that State and political subdivisions thereof for grants not exceeding $250,000 have been approved. The bill would allow municipalities to join together to build joint treatment facilities with the $400,000 limitation being $250,000 and the total amount allotted shall not be in excess of $500,000. The bill provides for an annual authorization of $80 million instead of the present $50 million and a total authorization of $800 million instead of the present $500 million. The bill also provides for reallocation of funds in the event States are unable to utilize funds allotted under the formula now in effect.

Federal funds in the amount of $140 million have been appropriated through fiscal year 1959 with $131.6 million granted to municipalities. With this grant 1,583 projects costing $685.2 million are being constructed. An additional $45 million is being appropriated for fiscal year 1960, thus, a total appropriation of $185 million has been made. If the full $80 million is appropriated there would result a stimulation in the construction of sewage treatment works of about $416.5 million annually as contrasted with a present annual rate of about $240 million which would be an increase of 73 percent over the present rate.

With reference to the figures I have announced, there is very little difference of opinion. There is a difference of opinion as to the application of the formula in the bill. I know that some Senators—even members of the committee—will submit certain amendments, which I believe should be included in the bill.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McNAMARA. Mr. President, on behalf of the Senator from Minnesota [Mr. McCARTHY], the Senator from Pennsylvania [Mr. CLARK], the Senator from Oregon [Mr. NEUBERGER], the Senator from West Virginia [Mr. RANDOLPH], and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following:

(f) the Surgeon General shall take such action as may be necessary to assure that all laborers and mechanics employed by the contractors or subcontractors on projects for which grants are made under this section shall be paid wages at rates not less than those prevailing on the same type of work in similar construction in the immediate locality, as determined by the Secretary of Labor, in accordance with the act of March 3, 1931, as amended, known as the Davis-Bacon Act (46 Stat. 1494; 40 U.S.C. sec. 276a through sec. 276a5).

Mr. McNAMARA. Mr. President, I have a very brief statement.

My amendment is the traditional Davis-Bacon amendment—that already is in effect in virtually all Federal grant construction programs.

It provides that employees working on Federal grant projects under the terms of this bill must be paid wages that prevail on similar construction in the immediate locality.

It does not seek to bring big city wages to rural areas or vice versa.

This amendment was contained in the bill as passed by the House and was struck out as a Senate committee amendment.

In my opinion this was an error, since it violates longstanding practices of insuring prevailing wages in legislation of this nature.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan for himself and other Senators.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McCARTHY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated.

The CHIEF CLERK. On page 2, line 15, it is proposed to retain the language in linetype to line 18, and strike out "Except for the purposes of this proviso, the $400,000 limitation provided in this clause shall be $250,000 and the total

of all amounts so determined shall not be in the excess of $500,000;" through line 21.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota.

Mr. McCARTHY. Mr. President, I believe that this amendment would take care of a difficulty which is largely technical, although it does involve some substance.

The bill which the committee reported provides that if two or three communities combine and establish one facility, the amount for any one is limited to $400,000; but the language goes beyond that, with the following provision, which I seek to strike out by my amendment. The bill reported by the committee reads:

Except that for the purposes of this proviso, the $400,000 limitation provided in this clause shall be $250,000 and the total of all the amounts so determined shall not be in excess of $500,000.

In other words, if three communities were to act together, no one could be permitted more than $250,000, and the total amount could not exceed $500,000. This would mean that two communities acting together could not get more than $500,000, whereas acting separately, they could get up to $800,000. This might very well establish a situation in which they would spend $400,000 on two separate facilities.

At the time the bill was drawn and we had technical advice, the idea was to bear out the purposes which the distinguished Senator from Minnesota has in mind. However, after further study it appears that we did not carry out the purposes we had in mind. Hence, I feel that in justice to all concerned, in order to carry out the purposes of the bill, the amendment should be agreed to.

The language of the bill which precedes the language to which I have referred is this:

Provided further, That, in the case of a project which will serve more than one municipality, the Surgeon General shall, on such basis as he determines to be reasonable and equitable, allocate to each municipality to be served by such project its share of the estimated reasonable cost of such project, and shall then apply the limitations provided in this clause (2) to each such share as if it were a separate project to determine the maximum amount of any grant which could be made under this section with respect to each such share.

It seems to me that this limitation is really not called for.

Mr. ALLOTT. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. ALLOTT. The Senator from Minnesota offered an amendment which I myself was about to offer. I wonder if he would mind my joining with him as a cosponsor of the amendment.

Mr. McCARTHY. I am very happy to have the Senator do so.

Mr. ALLOTT. It seems to me that the language of the bill would result in a very inequitable situation and would clearly discourage joint action to control water pollution by communities. I understand very well what the committee, in exercising its good judgment, was trying to do. However, the bill would give a citizen living in one community in a State a very large share of the Federal contribution, whereas a citizen who happened to live in a large community which was in a cluster of communities would be limited to a very small amount. I should like to give a specific example of how that would work.

At present, the city of Denver is contemplating joining in a sewage treatment project with the cities of Arvada and Aurora. If the cities join in the venture, Denver's project, which will cost $14 million, will be limited to a governmental contribution of $250,000, which is 1.8 percent.

Aurora's project would cost $600,000. Aurora would be given $180,000 and would thus get a contribution of 30 percent.

Arvada, which has a project costing $3 million, would be limited to $250,000 and would get 8.3 percent.

So if the cities operate jointly, the range in the amounts the Federal Government will contribute will be between 1.8 percent and 30 percent.

On the other hand, if the cities build the projects individually, Denver's project, costing $14 million, would receive a maximum of $100,000, or 2.9 percent. Aurora's $600,000 project would get $180,000, or 30 percent. Arvada's project which would cost $3 million, would get $400,000, or 13 percent.

It seems to me that if the language of the bill remains, it will simply accentuate the great differences between the burden which the individual has to bear, depending on the community in which he lives, and it certainly discourages joint efforts which I believe should be encouraged.

Mr. McCARTHY. The Senator from Colorado is quite correct. He has described a situation which exists in many parts of the country.

Mr. JORDAN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. JORDAN. Is not one of the purposes of the bill to aid small communities which lose taxable income and values to a greater extent than larger cities lose taxable income and values?

Mr. McCARTHY. I think that is a secondary purpose. The primary purpose is to aid all municipalities in solving the problem of water pollution.

Mr. KERR. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. KERR. If the Senator from North Carolina will look at line 2, page 2, he will find the language:

Provided further, That no grant of more than $250,000 shall be approved for a project in any State until all previously filed qualified applications from that State and political subdivisions thereof for grants not exceeding $250,000 have first been approved.

Mr. JORDAN. I saw that.

Mr. KERR. In other words, one community or a union of two or more would not be eligible for assistance until after all the eligible applications for $250,000 in the State had been taken care of.

Mr. McCARTHY. The protection which the Senator from North Carolina is concerned about is already built into the bill.

Mr. CHAVEZ. Since the origin of the program, it has been the idea in committees and in Congress that every community in a State, no matter how small it might be, could participate in the program.

Mr. JORDAN. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

Mr. PROUTY. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 25, it is proposed to strike out "at the end of the fiscal year following that" and insert in lieu thereof the following: "within six months following the end of the fiscal year."

Mr. PROUTY. Mr. President, under the House language, the sums allotted to a State, which are not obligated at the end of the fiscal year for which they were allotted, can be reallotted by the Surgeon General to other States.

In the committee, I offered an amendment which would extend the time to 2 years, because of the difficulty being experienced by some of the smaller States not utilizing the money. However, I have been advised by the Department of Health, Education, and Welfare that the funds, if not obligated within the 2-year period, would revert to the Treasury. In other words, I think that a substantial amount of money might be unused and would have to be turned back to the Treasury.

My amendment gives the smaller States, or any State, up to 18 months in which to utilize those funds. The amendment has the approval of the chairman of the Committee on Public Works and of other Senators, as well.

Mr. CHAVEZ. The amendment now being offered is one which was submitted by the Senator from Maine [Mr. MUSKIE]. The Senator from Vermont is but clarifying what the Senator from Maine had in mind when he offered his amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I have had no objection to the amendments offered to the bill, but I must voice my opposition to the bill as such.

Mr. KERR. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KERR. May we have the third reading of the bill?

Mr. DIRKSEN. That is perfectly all right.

The PRESIDING OFFICER. Are there further amendments? If not, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed for a third reading and the bill to be a read a third time.

The bill was read the third time.

Mr. DIRKSEN. Mr. President, roughly 2 years ago, when this program was begun, Congress authorized $50 million a year for 10 years, or an aggregate of $500 million. I am not insensitive of the fact that communities have taken advantage of the program.

What is before us at present is a proposal to raise the ante from $50 million to $80 million a year, for a total of $800 million. That would be a normal increase of $300 million over what was authorized in the first instance.

The Federal Government shall undertake 30 percent of the cost of these projects, roughly. But my objection of the program is simply that, in the first place, there is no State matching. It is astonishing to me that communities, large and small, can come to the Federal Government and ask for money, while the State of which they are political subdivisions does not call for a contribution for this kind of facility.

My second objection is that the Department of Health, Education, and Welfare has interposed its objection to the program and has made it very clear before the House committee, and I believe its objection is set forth in the House report.

Third, the Bureau of the Budget is opposed to the bill because of this kind of burden and this kind of impact upon future expenditures.

Last night, when we were discussing the so-called public works bill, I made the point that here was a charge on the budget for years to come. Someone countered and asked, "Why should the President of the United States be concerned beyond the 20th of January 1961?"

Mr. President, the President of the United States would be a strange creature indeed if he had no concern for his country in the days and years to come. I think it is circumspection and a commendable solicitude on his part when the President thinks down the road of the years, because no matter who occupies 1600 Pennsylvania Avenue, such concern by the one who occupies that office is entirely proper.

This measure would add materially to the budget, and would result in an additional tax upon the revenues and the income of the country.

This proposal would result in a very long-term burden upon this country. Under present circumstances, the fiscal condition of the country being what it is, and in view of the uncertain conditions which confront us at the present time, I will not vote to add such a charge to the budget.

The international bankers are going to meet in Washington on the 28th of September. One cannot read a speech made by the President of the Swiss Central Bank or one made by some of the other bankers who have some doubts about the willingness of this country to sacrifice and put its fiscal affairs in order, without having a deep and abiding concern about the fiscal future of our own country. So we ought to be cautious, indeed, about putting these extra burdens upon the country.

Next, I submit this program would be a lure. Nobody has better expressed that view than has the distinguished Senator from Oregon [Mr. NEUBERGER] in the very short supplemental views he filed. I need read only one short sentence from them:

> Availability of funds would stimulate additional applications.

Mr. President, nothing is surer than that. Available funds would be the lure; and then communities—without State matching, without a dollar of State funds—would say to the Federal Treasury officials, "We will take from the Treasury 30 percent of the cost of the project."

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. NEUBERGER. The Senator from Illinois mentioned my name. I shall appreciate it if he will yield to me.

Mr. DIRKSEN. First, will the Senator from Oregon state whether the quotation I gave is from his supplemental views?

Mr. NEUBERGER. Yes; and I wrote them myself, and I am still quite willing to subscribe to them.

A few days ago the Senator from Illinois was asking the Senate to act in such a way as to jeopardize the relations of our country with Canada—to solve the sewage disposal problems of the largest city in his State—Chicago. I wonder whether the Senator from Illinois has ever walked along a river in the Northwest and has seen thousands and thousands of fish choked to death by waste from papermills or by offal and excretion from cities? If he has seen fish runs which, some 150 years ago, in the days of Lewis and Clark——

Mr. DIRKSEN. I ask the Senator from Oregon to stop. He need go no further.

Mr. NEUBERGER. Just think of all the streams that have been choked by sewage.

Mr. DIRKSEN. I will answer the Senator by saying the city of Chicago spent $400 million on sewage treatment plants, and did not ask the Federal Government for a single dollar. What does the Senator from Oregon [Mr. NEUBERGER] have to say about that?

Mr. NEUBERGER. I have this to say: In this country the industrial wealth is concentrated in a handful of States. Compare the per capita incomes in some of the States with those in the industrial States which produce all the automobiles, television sets, and other consumer goods. The rivers to which I refer flow past very small communities which have low assessed valuations and very small tax bases. Certainly it is in the national interest for all taxpayers to help preserve these rivers and our water supplies, which have been fast dwindling.

Mr. KERR. Mr. President, will the Senator from Illinois let me answer my friend?

Mr. DIRKSEN. I yield to the Senator from Oklahoma.

Mr. KERR. I think we ought to include in the bill—if it is not already in it—a provision for Chicago to get $400,000 under this bill.

Mr. DIRKSEN. That question, I say to my distinguished friend, is not before us at the present time. But the city of Chicago bonded itself to spend $400 million on sewage treatment plants, and did not come as a suppliant to the Federal Treasury, seeking an outlay.

Permit me now to answer the distinguished Senator from Oregon.

Mr. President, long ago—it was 30 years ago—I was on the city council, as commissioner of finance, of a little town of 10,000. I remember when the geological and water survey of our State issued an order that the towns had to stop dumping sewage into the rivers. As a member of the city council, I said, "All right; we will accept that responsibility, and we will handle that problem on our own."

I could not sell that to that particular city council. Of course, no one who is in his right mind ought to run for election to the office of councilman more than once, because by the time he finishes clearing out the ashes in the alleys and removing the water from cellars, providing fire protection, and all the rest, he will have accumulated so many enemies that he should not run for election again.

However, I had the pleasure of seeing the day come when my twin brother succeeded me on the city council, and then the council did that job on their own. The council did not march to Washington and ask the U.S. Treasury for 30 percent of the cost of the project.

Mr. NEUBERGER. There must be some wise reason for this program, because no country in the history of the world has polluted its rivers, and destroyed its fish and wildlife with that pollution, in so short a period of time and over so vast an area as has the United States. That is the real reason why we have this program of grants-in-aid before us today.

Mr. DIRKSEN. Why do not the municipalities and States undertake to pay a larger share of the cost?

Mr. NEUBERGER. Because they do not have the revenue with which to pay.

Mr. McCARTHY. Will the Senator from Illinois yield on this point?

Mr. DIRKSEN. I yield very briefly.

Mr. McCARTHY. I do not believe the Senator would want the RECORD to show that the municipalities do not make great contributions in connection with projects of this type. Whereas the Federal Government has put up $131.6 million, that amount of money has been matched by municipalities which have pledged $553 million.

Mr. DIRKSEN. Mr. President, here is the answer to that point: The report of the Senate committee indicates that 79 percent of this program is based on applications from towns of less than 10,000 people; and the towns and cities with less than 10,000 have the best credit of any municipalities in the United States.

Mr. CHAVEZ. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield to the distinguished chairman of the committee.

Mr. CHAVEZ. Among the applications from those municipalities and communities are two pages full of applications from the State of Illinois.

Mr. DIRKSEN. Mr. President, let me say to the distinguished chairman of the committee that I had a meeting in Peoria, with 24 mayors. All of them represented cities along the Illinois River. One by one they asked, "Will you vote for a proposal of this sort"?

I replied, "No; I will not."

So that is the answer. This bill includes authorizations of $3 million for communities in Illinois; but my answer is still "No," because I believe our municipalities are in a position and in fiscal condition to undertake this work without being attached to the strings of the Federal Treasury, with the resultant impairment and vitiation of their independence of action.

So that is the answer. I told those mayors just that. I told it to them before election day; and if they did not like it, they could go to the polls and could vote me out of the U.S. Senate. But they did not do so.

All I have to say is this: If the Congress makes all this money available, without a requirement for State matching funds, then, after all those lures have been held out, imagine the great number of cities which would apply for these Federal funds. In that connection, let us consider the situation as described by our distinguished friend from Oregon, when he said—and this bears repeating—in his brief supplemental views, which he signed:

Availability of funds would stimulate additional applications.

"Come one, come all, the dough is here."

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. NEUBERGER. The Senator has done me the honor twice to quote me. I must say I appreciate this tribute.

I would wish for no better monument than to help contribute to plans around the country to somehow restore the desecration which we have inflicted on the rivers and lakes of what we inherited as a pristine, pure continent. The people who are going to be most outraged by the attitude of the Senator from Illinois are the people who will come in the future, after the Senator from Illinois and I have passed from the Chamber, and after almost everybody else has passed from here. Some rivers are so fouled now that they are nothing but open sewers. Many of the people who live on these rivers and associated communities do not have adequate resources to have an effective program.

Mr. DIRKSEN. The delightful Senator from Oregon has the most artful and ingenious way of begging the question of anyone I have seen. All I have said is that this is a burden which ought to be shared by the States, in larger measure by the municipalities. The Senator talks about the pristine conditions, the primeval streams, the murmuring pines and the hemlocks, and the wallowing fish—and I like to catch some of them up on the Potomac, near Leesburg, when I can.

What has that got to do with the assault upon the Federal Treasury, when there is no matching by the States and the municipalities, particularly those under 10,000, which are in infinitely better fiscal shape than is the Federal Government, with a two hundred ninety-five thousand million dollar debt. I say "two hundred ninety-five thousand million." That is $295 billion, but it scares me more than if I say "thousand million," I say to my colleague the Senator from California [Mr. KUCHEL]. [Laughter.]

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. EASTLAND. Will the Senator agree that this is a field in which there is no question of race, religion, or national origin?

Mr. DIRKSEN. I do not know how we could get a civil rights bill into this measure. [Laughter.]

Mr. EASTLAND. It is free from it.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to my old chairman of House days, who was the chairman of the District of Columbia Committee, and the unofficial mayor of Washington; and I served in that capacity once, myself. So I yield to him.

Mr. RANDOLPH. I am grateful for my friend's yielding once again to me. I just feel impelled to say we never had a more capable and courageous chairman of the House District Committee than the minority leader. I feel that way about it.

Mr. DIRKSEN. And my friend from West Virginia.

Mr. RANDOLPH. I wonder if I might ask the Senator from Illinois if he objected originally and during the period of reenactment of the legislation for Federal aid to airports of the United States.

Mr. DIRKSEN. I did my very best to facilitate what I call "Operation Retreat and Fallback." We finally fell back from approximately $569 million to $257 million.

Mr. RANDOLPH. I speak not as of the current situation, but as of the initiation of the Federal Aid to Airports Act.

Mr. DIRKSEN. I do not know. The acceleration of it is such that I have a difficult time to keep up with these things that move along the boulevard of life. So my friend will have to excuse me if my memory fails me a little bit in that respect.

Mr. RANDOLPH. I want to question my friend further and say that program is a program of Federal and local cooperation, and the States have never been called upon for matching funds in that important effort. I doubt if it is appropriate to raise the question on this important matter to indicate that we should never have Federal funds funneled to the States, or communities in the States.

Mr. DIRKSEN. My friend forgets that the income from the airport restaurants and all the facilities goes not to the States, but to the municipalities. That is quite a different thing.

Mr. RANDOLPH. Mr. President, this program is a vital one, and needs to be continued and expanded. It is valuable to West Virginia and my home city of Elkins is participating in a sewage treatment project. Other communities are eager to qualify for Federal aid in this effort. They supply 70 percent of the cost.

Pure water accrues to communities through sewage treatment, thereby improving conditions for good health and giving desired recreational advantages to our people. It is a cooperative effort through the use of local and Federal funds.

Industry can expand by adequate water resources and recreational activities can be enhanced by this forward-moving plan.

The Senate Public Works Committee had tentatively set an increase at $60 million but I argued for $80 million and the committee bill contains that amount. The House bill provided $100 million annually for this purpose.

I also sponsored the compromise figure which I hope will be overwhelmingly accepted by the Senate as the aggregate of all annual grants to States to be allowed under the Federal Water Pollution Control Act. The House had passed its bill with the overall figure of $1 billion. The Senate Committee on Public Works initially recommended cutting this figure back to $600 million, but recommended to the Senate my amendment of $800 million as a total.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. NEUBERGER. Why is there such a profound difference, so far as local control is concerned, between a community or a town putting up over two-thirds of the cost of a plant to clean up its nearby rivers while the Federal Government puts up one-third, and the Federal Government putting up 90 percent of the cost of a highway and the States 10 percent?

Mr. DIRKSEN. Roads are interstate in character.

Mr. NEUBERGER. What about rivers? Does a river stop at a State line? Who stops it?

Mr. DIRKSEN. It is primarily navigable rivers that are interstate. This is not limited to navigable rivers at all.

Mr. NEUBERGER. It is limited to any river.

Mr. DIRKSEN. It is limited to a creek, a run, a stream that would not even float a rowboat.

Mr. NEUBERGER. State lines are artificial.

Mr. DIRKSEN. How far does the Senator want to go? Let us take the country over, under the wing of the Federal Government. Let the sky be the limit. Let us bankrupt the Federal institution. Have done with it.

Mr. NEUBERGER. The Senator from Illinois is shifting the scenery. Let us get back on the issue. What is the difference between the Federal Government putting up 90 percent of the cost of a highway and putting up only 30 percent of the cost of a sewage pollution control program?

Mr. DIRKSEN. When I was a barefoot kid I used to wade in a stream that was ankle deep. I thought it was wonderful. But I never thought it had the slightest relationship to the Federal Treasury and to the Nation's Capital.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to my friend from New Mexico.

Mr. CHAVEZ. May I say the origin of such a thing was not a little creek in Illinois. It was the Ohio River. It was the cities of Cincinnati and Louisville. Since my friend wants to cry so much about the taxpayers' money, why not cry about spending the taxpayers' money to build a plant to do away with sewage pollution in a foreign country. Would he cry about that?

Mr. DIRKSEN. The Senator wants to intermix the whole issue of survival, defense, and national security with a purely domestic issue. I will not go down that dead-end road.

Mr. CHAVEZ. I think more of the American people than I do of all the foreigners.

Mr. NEUBERGER. Mr. President——

Mr. CLARK. Mr. President——

Mr. MANSFIELD. Mr. President, I call for the regular order.

SEVERAL SENATORS. Vote! Vote!

Mr. CLARK. Mr. President——

Mr. DIRKSEN. Mr. President, I thought I had the floor. Does my esteemed and personable friend from Philadelphia wish the floor?

Mr. CLARK. I thought the minority leader had yielded the floor. I regret the intrusion.

Mr. DIRKSEN. I yield to the Senator from Oregon.

Mr. NEUBERGER. The Senator from Illinois has stated that the Senator from New Mexico has brought into the discussion a question of survival. I wonder if he thinks the question of natural resources has anything to do with our survival?

Mr. DIRKSEN. Oh, that is an academic question, Mr. President. [Laughter.]

I will say to my friend, perhaps I started in the wrong generation. Perhaps I am not the spending type, who comes to Washington every time there is an ill or a malady to be cured.

When I grew up I suppose the only contact we ever had with the Federal Government was the fact that there was a post office in town. We did not know anything about the Agricultural Adjustment Administration, the Interior Department, social security, and all the rest.

Mr. ELLENDER. Foreign aid.

Mr. MAGNUSON. Foreign aid. [Laughter.]

Mr. DIRKSEN. But this is the way things happen today.

Mr. NEUBERGER. Mr. President, will the Senator yield for a personal question?

Mr. DIRKSEN. Mr. President, to whom am I yielding?

Mr. MAGNUSON. The Senator is yielding to foreign aid.

Mr. DIRKSEN. Mr. President, as soon as I find out I will yield.

Mr. MANSFIELD. Mr. President, I must ask that the rights of the Senator from Illinois be protected. The Senator has the floor and I ask for the regular order.

Mr. DIRKSEN. I thank the Senator.

The PRESIDING OFFICER. The Senate will be in order.

Mr. McCARTHY. Mr. President, will the Senator yield to me for a question?

Mr. NEUBERGER. Mr. President——

Mr. DIRKSEN. Mr. President, I cannot answer more than one or two questions at one time. [Laughter.]

Does my friend from Oregon have a question?

Mr. NEUBERGER. I would like to ask the Senator, if it is not too personal, what is the age of the distinguished Senator?

Mr. DIRKSEN. I did not hear the Senator's question.

Mr. NEUBERGER. What is the age of the distinguished Senator, if that is not too personal a question?

Mr. DIRKSEN. The Senator from Illinois will be 64 very shortly.

Mr. NEUBERGER. That means the very able Senator from Illinois was growing up at the time when Gifford Pinchot and Theodore Roosevelt were using Federal funds to save our forests, our lands, our lakes, and our wild life.

I would suggest, if the Senator wants a prototype for the speech he is making in the Senate tonight, he should read the speeches delivered in this Chamber denouncing Gifford Pinchot and Theodore Roosevelt for their recklessness with the public purse in seeking to save the relatively little which remained of our original forests, uplands, soil, and so forth.

So the Senator did live in an age when able men from his own political party used funds from the Federal Treasury to save our natural resources.

Mr. DIRKSEN. Mr. President, I do not have to remember those denunciations. I came up at the knee of a widowed mother, one of many children. When I was young I went to school in overalls. We made it on our own. We paid our taxes. My mother was an immigrant mother. She did not look to the dome in Washington for help, even though our father was removed when I was only 5 years of age. We did not come supplicating Uncle Sam for assistance in those days.

Mr. NEUBERGER. And I ask, "Who said you did?"

Mr. DIRKSEN. We believed in frugality and thrift.

Nobody said so, but what the Senator is trying to do is to pin upon me, I think, some kind of peculiar perversity.

Mr. NEUBERGER. No.

Mr. DIRKSEN. Apparently that was a part of the age, when people made it on their own.

Mr. NEUBERGER. The Senator pinned it on himself. [Laughter.]

Mr. DIRKSEN. It is exactly that simple.

The Senator from Oregon grew up in the spending age, when it was very easy to talk about resources, streams, forests, and dead fish. [Laughter.]

And let Uncle Sam pay for it. Yes. We did not look to Washington. We made it on our own. We paid our taxes. They were not as high as they are today, but we did not quarrel too much about them, because, after all, there was a sense of frugality in those days

The point I make tonight is that this is a program calling for an $800 million charge upon the Federal Treasury for the next 10 years, with no State matching. The Senator is saving money for the State of Oregon, if the State does not have to match money with the Federal Government.

Mr. NEUBERGER. The local communities will do it.

Mr. DIRKSEN. Yes; but where is the State?

Mr. NEUBERGER. What is the difference whether a local community does it or the State does it?

Mr. DIRKSEN. Thirty percent.

Mr. NEUBERGER. It is all right for a State to put up 10 percent of the cost of a highway.

Mr. DIRKSEN. As if the State of Oregon does not want to take its responsibilities so far as the streams are concerned.

I do not know about my State's position. I have not asked my Governor. But I know that I will accept the responsibility for matching for my State, before I come to Washington to ask Bob Anderson to dole money out of the Federal Treasury for this purpose.

Mr. NEUBERGER. As long as the Senator has mentioned the State of Oregon——

Mr. DIRKSEN. I yield.

Mr. NEUBERGER. I will inform him about the position of the State of Oregon.

Mr. DIRKSEN. I hope the State is in good fiscal condition. [Laughter.]

Mr. NEUBERGER. I received a telegram from the distinguished Republican Governor, asking not for $80 million but for $100 million. [Laughter].

Mr. DIRKSEN. Oh, my friend, I simply have to say that there are Republicans who are unregenerate and unreconstructed and who embrace evil just as there are Democrats who do. [Laughter.]

I do not apologize for Governor Hatfield for one moment for sending the telegram. That simply shows the weakness of a Governor, when he supplicates the President. [Laughter.]

My Governor did not send me a telegram.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. Did the Senator's Governor send him a telegram, too? [Laughter.]

Mr. HUMPHREY. He did not have to. He knew I knew the right thing to do.

Mr. DIRKSEN. He was sure.

Mr. HUMPHREY. He was positive. [Laughter.]

Mr. DIRKSEN. He was positive the Senator would do the right thing. [Laughter.]

Mr. HUMPHREY. Yes.

Mr. President, I want to defend the Governor of Oregon. I am tired of hearing Republicans denouncing Republicans. [Laughter.] The Governor of Oregon is a fine young man.

Mr. DIRKSEN. He certainly is.

Mr. NEUBERGER. Is it not possible that Oregon's rivers are worth a little more saving than Illinois' rivers? [Laughter.]

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. DIRKSEN. Well, that could be true.

I will say to the Senator, when I was a chemistry student in high school I understood that a molecule of water was made up of hydrogen and oxygen, and I do not suppose there is any difference in the water whether it is in the State of Oregon or in the State of Illinois. Water is water, wherever we find it.

I am as much interested in cleaning the streams as anybody, but I do not want to vote the paternal line tonight in the U.S. Senate, which is the greatest free, independent, undominated legislative body left in the world, and say to Uncle Sam, "We are going to commit you to spend $800 million for clean streams, rivers, runs, creeks—anything that has a drop of water, if it has any relation to pollution."

How right was that man for whom we built the memorial on the Tidal Basin, Thomas Jefferson, when he said that when we look to this Capital for a decision as to when we shall reap and when we shall sow it will not be too long before the liberties of the people are in jeopardy.

Mr. NEUBERGER. The Senator talks about Thomas Jefferson. Does the Senator know that Thomas Jefferson was denounced in the United States—not in this Chamber, but in the U.S. Senate—for spending $2,500 to send the first Americans west?

Mr. DIRKSEN. What in God's name has that got to do with clean streams? [Laughter.]

I would like to know. [Laughter.]

Mr. President, I pause. I want to find out what $25,000——

Mr. MANSFIELD. Two thousand five hundred dollars.

Mr. DIRKSEN. In the days of the great sage of Monticello, used to send people west, has to do with a charge of $800 million upon the Federal Treasury, which is opposed by the Department of Health, Education, and Welfare, opposed by the Bureau of the Budget and—I think I can tell Senators tonight—opposed by the President of the United States.

Mr. HUMPHREY. Whu-up!

Mr. MAGNUSON. Vote.

Mr. HUMPHREY. Will the Senator please give us the quotation on that?

Mr. DIRKSEN. The Senator can take it from me, I will say to my friend from Minnesota.

Mr. HUMPHREY. At one time I heard the Senator say he had authority from the administration for a 3-year extension of Public Law 480, and they pulled the rug not only out from under the Senator from Illinois, but it also slipped from under my feet and from under the Senate.

I believe the Senator from Illinois. I want the Senator to know I really believe him.

Mr. DIRKSEN. Let me clarify it for my friend.

Mr. HUMPHREY. I would like to have a little documentation, one of those "ibid's", a little footnote. [Laughter.]

Mr. DIRKSEN. All I have to say to my friend from Minnesota is exactly what was said on the occasion when Caesar lay prostrate, "The ides of March have come, but not gone."

They have not acted on it. The Senator from Illinois was on his back and not in the Chamber when they were dealing with Public Law 480. But the Senator said last night that there would be a vote of the public works appropriation bill in its form, and there was a veto.

Mr. HUMPHREY. The Senator has, at times, prophetic vision, I will say. [Laughter.]

Mr. DIRKSEN. He has no prophecies; he simply knows.

Mr. HUMPHREY. I doubt whether the Senator has a revelation. [Laughter.]. That was what I was worried about a moment ago.

Mr. DIRKSEN. No.

Mr. HUMPHREY. The Senator does make a good argument, though. I realize it is not particularly relevant to the matter of stream pollution, but simply to add to the general confusion; it is always good to have the Republican leader take exception to the position of a Republican Governor and use a Democratic President as his evidence. [Laughter.]

I really feel that we have come all the way around the horn here and we have made the complete circuit, and with that I have a sneaking suspicion that there are enough votes here to pass the water pollution control bill.

Mr. DIRKSEN. If there is anyone who is an expert in the field of calculated confusion, it will be my distinguished friend from Minnesota.

Mr. HUMPHREY. I say to the Senator, mine is not calculated; it is natural. [Laughter.]

Mr. DIRKSEN. I think it is. I think it is.

I am not disposed to prolong this matter. I have spoken my piece. I have assigned the reasons why I am opposed to the bill. I say that here is an $800 million charge upon the Federal Government. There are no State matching funds here. The Department of Health, Education, and Welfare is opposed. The Budget Bureau is opposed. I think I can say with reasonable certainty that the President is opposed.

I believe there is an awful lure when we set up money like this with no State matching. Eleven minority Members in the House filed a minority report against the bill.

Finally, 79 percent of the communities which would benefit have populations of under 10,000, and if anybody is in good fiscal shape, it is the communities of that size.

Finally, since my friend from Oregon is on his feet, I must repeat again, because this ought to be inscribed in granite, not only on memorials here but I think in schoolrooms and in lodge halls, wherever people gather, the words of my distinguished friend from Oregon, "Availability of funds will stimulate additional applications. Send them in, folks. The dough is here. The sky is the limit."

I yield the floor.

Mr. KERR. Mr. President, I should like to answer one question asked by my distinguished friend from Illinois.

I should like to say, first, that it was with deep regret that I learned he had been in the hospital; but if he suffered no ill effects from it, I must say that the demonstration here today has been so delightful, so entrancing, that if it was not too unpleasant an experience, I for one am not unhappy that he spent a few days in the hospital, and if a return visit would bring him back again in the same marvelous and wonderful shape that he is in here tonight, I just want to suggest to him the possibility to do it more frequently. [Laughter.]

The Senator from Illinois said that most of the money would go to communities of under 10,000 population, and that is true. Then he said something about the condition of the folks there, and I could not tell whether he said fiscal or physical, but either way I am sure that he understands that there is pollution there. It is just a matter of understanding what the situation is.

He asked what the $2,500 or $25,000 provided by Thomas Jefferson to enable people to go West had to do with pollution. If the condition of the Potomac River today is any indication of the environment in which they were accustomed to live, it may be that their going West is what started the pollution which has brought this problem to such a drastic and critical situation it is in today, and that may have had more to do with it, I would say to the Senator from Illinois, than we have been aware.

He criticized the Senator from Oregon about something that he intimated. I do not believe the Senator from Oregon indicated that the Senator from Illinois was a relic of another day. I do not think he had anything like that in mind.

However, I want to say to my good friend from Illinois that he dated himself. He said, "I know that I came up in another day and another generation." I want to say that I think it was a great day and a great generation that gave us such a fine gentleman as the distinguished Senator from Illinois.

Mr. McCARTHY. Mr. President, will the Senator yield at that point?

Mr. KERR. Yes.

Mr. McCARTHY. I do not think we want the RECORD to show that any of us thought that the Senator from Illinois was born in the wrong generation, as he indicated and no one protested. We would want to make the point, however, that we do not want him to persist on living in the generation in which he was born.

Mr. KERR. I must say that if he wants to do that, that is his privilege; and who are we to deny it to him? I do not want to insist on his going along in the tremendous surge of progress, and I would say this to my great friend from Illinois. If he does not want to go along with the great surge of progress, if he does not want to be a part of this onrushing civilization, let him sit by the side of the road, but not try to stop the others. Let them go on.

We will maintain communication one way or another; and in the tremendous transportation facilities which we have, if the urge ever comes for him to catch up, we will give him a special conveyance so that he may catch up with us.

He said that when he was a boy the only contact he had with the Federal Government was through the local postmaster. That is the difference between

the Senator from Illinois and me. I could not even contact the Federal Government through the local postmaster, because I did not belong to his party. I remember the story of the fellow who, after a candidate had gotten through a harangue, got up and said, "I would not vote for you if you were St. Peter himself." The candidate said, "Of course you would not. You would not live in the precinct where you could." [Laughter.]

The Senator talked about the language of the Senator from Oregon, saying that this would entice or persuade local communities to apply to participate in this program. That is the purpose of the program. The purpose of this program is to dramatize the need for elimination of pollution.

The Senator from Illinois talked about it being a State problem because many of our rivers were not navigable. That is true, but there is no pollution in any stream in this country which is not interstate in character. There are no streams but that they make their contribution to the flowage that eventually finds its way into interstate streams.

We look at the mighty Mississippi River. I have been to its source in the great State of Minnesota, Itaska Park. It is no wider than from here to the Presiding Officer, and but 12 inches deep. I have taken my children there nearly every summer, and now have started with my grandchildren to show them that phenomenon and let them wade across the great Mississippi River. Then I have sought to describe to them its course as it finds its way through lakes and valleys in that great State of the North, how it receives contributions from the waters of the Red River of the North, how as it moves on south the waters of the Illinois and its tributaries pour into it, and then how the "Big Muddy," with its surging, rolling volumes of water, enters the channel of the Mississippi and goes on down to where the old Ohio comes in, with its volume, after having accumulated the waters of a great basin, now the "Ruhr" of our Nation, the greatest industrial workshop on this earth.

Then the clear waters of the Tennessee, and on down to where the Arkansas enters, and then the turbid waters of the old Red River of the South, until the Mississippi becomes the Father of Waters.

Why talk about pollution not being interstate in character? Why talk about the Mississippi not being interstate in character? It represents the union of all the waters between the two great ranges of mountains; and if there is pollution at the source, it comes on down with it.

This program was designed for a growing nation, to dramatize the problem and provide the incentive for each community to meet its problem of abating pollution, in order that it may not become interstate in character.

Senators talk about matching. The Federal Government does not put up 70 percent of this money and the local community 30 percent. The Federal Government puts up not to exceed 30 percent, and the local community puts up 70 percent. That is what the situation is.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. MORSE. I have been waiting to hear that point made. The situation is perfectly clear from the committee report. We hear much talk about "Why do not the municipalities pay for this program?" It is called a grant-in-aid program. It is one under which the local communities put up 70 percent and the Federal Government 30 percent.

For the reasons which the Senator from Oklahoma is pointing out, and for a few I shall mention later, I believe this is a sound Federal program, dealing with a Federal interest in clean water in the United States.

Mr. KERR. The authorities in the Census Bureau tell us that the population of our country will double in 40 years. They tell us that by the year 2050 there will be a billion people in the United States. If that mighty host of people are to develop an industrial economy that will support that kind of population, it will have to be on the basis of a complete conservation of our water supplies; and the most important element of overall conservation is in the abatement of pollution.

If a nation in its right mind had to choose between having an industrial economy with constantly increasing pollution, or live without the industrial economy and have no pollution, for the sake of the health and welfare of the people they would have to choose the latter. If we are to move into an age in which there will be 350 million people in this country in the lifetime of some of those now in this Chamber, it must be on the basis of that degree of conservation of water which will result in the abatement of pollution. It is to encourage such a program and such an end, as the Senator from Oregon has said, that it is sought to increase this authorization. Applications are coming in at a rate far in excess of the $80 million a year; and it is the hope of the committee that the bill may be approved.

Mr. MORSE. Mr. President, I shall not speak more than 5 minutes.

I completely share the views of my colleague, as expressed in his supplemental views added to the committee report.

I think it needs to be recapitulated that we are not dealing with a local problem alone. We are dealing with a problem which involves a Federal interest. The purity of the water of this country is a matter of great concern to to the people all over the country.

It has been said by someone that a civilization rises and falls with the level of its water table. It is also true that we cannot pollute the streams of the Nation and not find the Nation as a whole suffering irreparable damage.

As the distinguished Senator from Oklahoma has said, we are dealing with the great river systems of the country, much of which is already polluted. We could almost throw a stone into the filthiest river in the world, from the standpoint of size. This river, the Potomac, flowing through the Capital of the United States, contains about 12 feet of sludge at some points.

There is no excuse for permitting that kind of destruction to one of the great resource values in this country. One of the great riches in this country is in our streams. My colleague is right when he points out the importance of keeping the streams pure for the benefit of the people of the country as a whole. As has been brought out by the Senator from Oklahoma, this is a program under which the local municipalities put up about 70 percent and the Federal Government about 30 percent.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KERR. The Federal Government puts up not to exceed 30 percent; and if the over-all project is of sufficient stature, the Federal Government does not contribute anywhere near 30 percent.

Mr. MORSE. The Senator is correct.

There is a problem that has not been mentioned in this discussion, and that is the existing water rights under water-right laws in the various States. Those rights cannot be destroyed.

Unfortunately, in some instances those rights give a vested interest in pollution. What we must do is to obtain the cooperation of municipalities in a program in which those rights would be waived. I do not believe we have done a very good job of persuading municipalities—small municipalities in particular—to see that they have a public duty to stop pollution. They have some pretty important vested legal rights, if we go into the question of water-right law; and in my judgment we shall need a program such as this to encourage municipalities to waive those rights and to develop an antipollution program such as is needed. I make a plea from the standpoint of the national interest. The taxpayers of the entire country have a responsibility, too, and ought to be willing to contribute the small percentage share which the program calls for.

Before I close, I point out—and I am for it—the millions of dollars we spend for sewage disposal under our foreign aid program; and we should. I think it is one of the best ways to help build the economic power of the people we are trying to win over to the cause of freedom.

I asked for pertinent information from the staff of the Foreign Relations Committee. I find, to give one specific example, that the American taxpayers are paying practically all the cost of an entire sewage disposal system in Saigon and Vietnam. I am not opposing it. But if we can build an entire sewage disposal works for Saigon, we can certainly appropriate the relatively small amount of money for which this bill calls, to help some of our own communities develop adequate sewage disposal plants.

I think it would be unfortunate in the course of this debate if a word were not spoken in tribute to a great Representative from Minnesota, Representative JOHN A. BLATNIK, who in recent years has done such great work in connection

with the whole pollution control program, and who, so far as the House is concerned, is entitled to be singled out as one whose leadership in this field has been noteworthy.

I remember 3 years ago, I think it was, I was invited to a conference of municipalities of the Southern States which was held at Raleigh, N.C., to discuss the Blatnik law and to discuss with the municipal officials who had come to that conference problems which confronted them with respect to effectuating and implementing the so-called Blatnik law.

It was very gratifying to me to see the interest which those municipal leaders from all over the South showed at the conference at Raleigh, N.C. It was very inspiring to listen to the tributes they paid to Representative BLATNIK, of Minnesota, as the author of the first of the antipollution bills.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. I had hoped to say a word about our friend from the Eighth Congressional District of Minnesota. JOHN BLATNIK has been a true leader in this effort for Federal legislation in the field of water pollution control.

Some 3 years ago I had the privilege of introducing in the Senate a bill on which the first action was taken in the House. In this particular instance, for the extension of the law, I was privileged again to introduce the bill in the Senate while Representative BLATNIK introduced a similar bill in the House.

I know of no man who has more wholeheartedly, enthusiastically, and constructively made proposals relating to water pollution control or stream pollution control than Representative BLATNIK. He knows this subject inside and out. He is respected throughout the Nation for it. I am delighted that his bill is now before the Senate and will be acted upon.

This is a subject which has been close to my heart, not only as a public official, but as a private citizen, as well. I live in a State where water is very important, where we are very sensitive to stream and lake pollution. Having lived in Washington for better than 10 years, I am not only sensitive to it; I have become almost desensitized by the pollution in the Potomac River, a river which stands as a national disgrace and as an example to the whole world that somehow or other the Capital of the United States under the governing body which is Congress, cannot seem to cleanse its own river and its own streams.

Mr. MORSE. Mr. President, again I say that the $100 million increase for which my colleague [Mr. NEUBERGER] asked was reasonable. A strong case could have been made for an even larger sum. We ought to vote for this bill on the basis of what I think is the undeniable fact that there is a Federal interest in this problem, and that all the taxpayers of the country have a share of the responsibility of seeking to help solve the problem. The formula proposed by the bill is certainly a reasonable one, when the Federal Government is asked to contribute 30 percent or less of the cost of a particular project, as the Senator from Oklahoma has suggested. I note from the report on page 2 that the bill would authorize:

(1) Grants for projects in the amount of 30 percent of the reasonable cost thereof or $400,000, whichever is the smaller, with the provision that no grant of more than $250,000 shall be approved for a project in any State until all previously filed qualified applications from that State and political subdivisions thereof for grants not exceeding $250,000 have first been approved.

Mr. CLARK. Mr. President, I shall not speak more than 3 minutes. I associate myself with the comments made in support of the bill by the Senator from Oklahoma [Mr. KERR], and the two Senators from Oregon [Mr. MORSE and Mr. NEUBERGER].

Ever since 1905, the Commonwealth of Pennsylvania has been trying to clean up its streams. For several years it has been making a substantial contribution out of State funds for that purpose. In each of the past 2 bienniums, State appropriations have been $3,200,000. In this biennium, Governor Lawrence has asked for $4,680,000.

Pennsylvania has led all other States during the past 5 years in total expenditures for sewage treatment. Of the total, $157 million spent in the Commonwealth, $5,204,902 came from Federal funds in the 3 fiscal years the program has been in effect.

In spite of the State and local efforts, 52 percent of the sewered communities have no treatment plants, and 30 percent of the waste-producing industries still do not treat their waste before dumping it into the rivers and streams.

The Federal Government has a role to play in preserving one of our most important natural resources. There is great danger that the program itself will be killed. That would make little sense at a time when more areas of the country are getting on the "clean streams" bandwagon and the Nation is beginning to make progress on its water pollution program.

Mr. President, the Harrisburg Evening News is one of the leading Republican newspapers of Pennsylvania. I ask unanimous consent that an editorial entitled "Clean-Stream Program Faces Crippling Blow in Congress," published in the Evening News of June 20, 1959, be printed at this point in the RECORD.

I hope the bill will pass.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CLEAN-STREAM PROGRAM FACES CRIPPLING BLOW IN CONGRESS

House passage of a bill to double Federal grants to communities constructing sewage plants is setting the stage for a congressional showdown with President Eisenhower.

This water pollution control authorization bill would increase the total grants from $50 million to $100 million a year. Individual payments would stay at the 30 percent maximum contribution, but the cutoff point for aid to any one community would rise from $250,000 to $500,000. It also would up the overall 10-year program passed in 1956 from $500 million to $1 billion.

If the Senate goes along, the bill sent to the White House will be diametrically opposed to the President's proposal. He wants the Federal Government to get out of the act entirely, leaving it all to State and local governments. The administration program calls for a cut to $20 million this next fiscal year and nothing at all for 1961.

Even a defeated GOP effort to amend the House bill to provide a 25–25–50 percent matching fund deal for Federal, State and municipal governments wouldn't have meshed with the President's stated position.

Pennsylvania has more than a passing interest in this program, which could face a Presidential veto.

Ever since 1905, our State has been fighting to clean up its streams. In 1945 and 1953 the program was beefed up with State funds to help Commonwealth communities plan and operate sewage treatment facilities. In each of the past two biennia, State appropriations have been $3,200,000. This biennium, Governor Lawrence has asked for $4,680,000.

Harrisburg's own long-delayed sewage treatment plant, now nearing completion, received the maximum $250,000 in aid from Uncle Sam and $29,231.43 in State aid for planning. A $7 million sewage authority bond issue is financing the local project. Harrisburg may be eligible for additional State funds to help operate the plant, depending on our relative financial need and the number of other communities in the Commonwealth competing for a share of the appropriation.

What does the Federal program's continuation mean to Pennsylvania?

Our State has led all others during the past 5 years in total expenditures for sewage treatment. Of the total $157 million spent in the Commonwealth, $5,204,902.43 came from Federal funds in the 3 fiscal years the program has been in effect. That's 4.6 percent of all Federal funds available. Under the new House bill, Pennsylvania might receive as much as $4,200,000 a year to aid new treatment plant construction.

This boost to water purification in the Commonwealth still is needed. Despite our State effort, 52 percent of our sewered communities have no treatment plants and 30 percent of waste-producing industries still don't treat their waste before dumping it into our rivers and streams.

It has been one of Dr. Maurice K. Goddard's persistent themes that good water in Pennsylvania means not only better health but better industrial growth. The State secretary of forests and waters points at a map of the Commonwealth and makes his point by showing how the worst of our polluted streams coincide with our chronically depressed areas.

President Eisenhower need not take a Pennsylvania cabinet official's word for it. His own Secretary of Agriculture, Ezra Taft Benson, warned only a month ago that America must stop wasting water or there won't be enough to meet our needs. Water usage will double in the next 25 years, experts predict. The worst form of water waste is the careless pollution of existing supplies.

The Federal Government has a role to play in preserving one of our most important natural resources. Certainly, the States should play a financial part in maintaining the health and future economic welfare of its people, as Pennsylvania has. And the localities can be expected to continue shouldering the main burden of the costs.

But, in arguing over a formula or a philosophy, there is great danger the program itself will be killed. That would make little sense at a time when more areas of the country are getting on the "clean streams" bandwagon and the Nation is beginning to make progress on its water pollution problem.

Mr. NEUBERGER. Mr. President, in my discussion with the able minority

leader, I referred to the position taken by the Governor of Oregon, the Honorable Mark O. Hatfield. I ask unanimous consent to have printed at this point in the RECORD two messages I received from Governor Hatfield, of Oregon, dated, respectively, April 22, 1959, and July 22, 1959, urging the full amount authorized in the Federal Water Pollution Control Act.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OFFICE OF THE GOVERNOR,
Salem, Oreg., April 22, 1959.

Hon. RICHARD L. NEUBERGER,
Senate Office Building, Washington, D.C.

DEAR SENATOR NEUBERGER: I am sincerely concerned over the proposed reduction in appropriations for Federal grants for the construction of sewage treatment works during the 1959–60 fiscal year. Funds authorized under the provisions of the Federal Water Pollution Control Act have proven most helpful to the stream purification program in Oregon by providing an incentive for many communities to undertake the construction of remedial works needs to abate pollution of public waters. A number of these communities such as Cannon Beach, Drain, Fairview, Government Camp, Pilot Rock, Rainier, Tigard, and Weston would have found it extremely difficult, if not impossible, to finance their sewerage projects without the assistance of a Federal grant.

During the 3 fiscal years (1957–59) that funds have been available for construction grants in Oregon, 23 projects have been undertaken at a total cost of approximately $7,700,000; the Federal share of this cost was approximately $1,400,000. Awaiting to be allocated is an additional $560,000 for projects estimated to cost $4,900,000.

Our needs for the next 3 fiscal years beginning with 1960 are for 48 projects having a total cost of over $14 million, with the Federal share being approximately $3 million. This matter was discussed at the last meeting of the Committee on Natural Resources on April 16, and that committee recommended the continuation of Federal grants for the construction of sewage treatment works with the full amount of appropriations authorized under the Federal Water Pollution Control Act.

I urge you to take such measures as you may deem appropriate to assure that appropriations are made to the full extent authorized by law so that the construction grant program can be continued and the backlog of needed sewage treatment work projects can be reduced.

Sincerely,

MARK O. HATFIELD, *Governor.*

SALEM, OREG., *July 22, 1959.*

Hon. RICHARD L. NEUBERGER,
Senate Office Building, Washington, D.C.:

Urge you support favorable action on H.R. 3610, scheduled for hearing. Passage of this bill would greatly aid Oregon in its program for cleaning up streams. Cy Everts reports large backlog of applications for grants for vitally needed sewage plant construction. H.R. 3610 can be the instrument whereby sewage pollution in our State and elsewhere can be virtually eliminated within 10 years.

MARK O. HATFIELD, *Governor.*

Mr. NEUBERGER. Mr. President, inasmuch as the Senator from Illinois was critical of the supplemental views which I submitted as a member of the Senate Committee on Public Works, I think it only fair that my views should appear in full at this point in the RECORD. I ask unanimous consent that that may be done.

There being no objection, the supplemental views were ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL VIEWS OF RICHARD L. NEUBERGER

I voted for an increase to $100 million of the annual appropriation authorization for Federal water pollution control grants. This is the figure voted by the House of Representatives. While the $80 million yearly ceiling approved by the majority of the Senate Public Works Committee is a substantial rise, I do not consider it adequate, in view of existing need.

Water is a vital resource. Population growth and industrial expansion are creating new demands for water. Pollution decreases the usable supply.

Pollution of water destroys fish and wildlife resources. Polluted streams, rivers, ponds, and lakes ruin sport and commercial fishing. Recreational activities are eliminated by contaminated waterways. Health hazards are created by the existence of water pollution. Property values are threatened.

Results achieved by water pollution control legislation approved by Congress in 1956 are impressive. Operation of the program has proved effective. But more funds are needed.

Today there exists a backlog of 1,267 projects, with a total estimated cost of $800 million, including a Federal share of $123 million under present law. Availability of funds would stimulate additional applications. Government officials in my own State of Oregon estimate that for the next 3 fiscal years requirements for 48 projects will total over $14 million, with the Federal share amounting to about $3 million. Twenty-three projects have already been undertaken in Oregon. It is expected that this high level of demand for construction of sewage-treatment plants will continue for a number of years.

For these reasons, I believe that the annual authorization figure should be increased to $100 million.

RICHARD L. NEUBERGER.

Mr. NEUBERGER. Mr. President, I see the Senator from Alaska [Mr. BARTLETT] on his feet. The Senator from Alaska is chairman of the Subcommittee on Fisheries of the Committee on Interstate and Foreign Commerce. He and his able colleague [Mr. GRUENING], and the two Senators from Oregon share somewhat the same responsibility—namely, to help protect the streams which contain really the last truly great fish runs that have survived civilization's encroachment in the United States.

I cannot speak for the senior Senator from Alaska, and I do not know what he is about to say. But the grants in aid for water pollution control are, in my opinion, absolutely necesary to the survival of the fisheries in Alaska and in the other States of the Pacific Northwest, especially Oregon, Washington, and Idaho.

I regretted that the Senator from Illinois [Mr. DIRKSEN] made light and made jest of our references to the protection of these natural resources. It is very easy to ridicule or to poke fun at anything. I think one of the real responsibilities of the U.S. Government is to help States and local communities to protect the Nation's natural resources. Foremost among those resources are our rivers and streams and our fisheries and our wildlife.

Mr. BARTLETT. Mr. President, I concur wholeheartedly in the statement made by the distinguished junior Senator from Oregon. I express appreciation now for his supplemental views. I hope that the enactment of the proposed legislation will not only stimulate additional applications from affected communities, but will also create a situation in which funds will be made available for the treatment of water pollution.

What the junior Senator from Oregon has said about the need for keeping the streams of the Nation clean and clear for fish is ever so true.

I should like to add a word of commendation to what has been said by other Senators concerning the effective pioneering work performed in this important area by Representative BLATNIK, of Minnesota. For myself, in addition to a multitude of other reasons, I may say that ever since I went sailing on the Potomac a few days ago at the invitation of a friend, I have waited impatiently to cast an affirmative vote for this bill.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Missouri [Mr. HENNINGS], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I also announce that the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Conference at Warsaw, Poland.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Louisiana [Mr. ELLENDER], the Senator from Alaska [Mr. GRUENING], the Senator from the Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business, attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The result was announced—yeas 61, nays 27, as follows:

YEAS—61

Aiken	Cannon	Dodd
Allott	Carroll	Douglas
Anderson	Case, N. J.	Engle
Bartlett	Chavez	Ervin
Beall	Clark	Fulbright
Bible	Cooper	Gore
Byrd, W. Va.	Cotton	Green

Hart	Long, Hawaii	Pastore
Hayden	Long, La.	Prouty
Hill	McCarthy	Proxmire
Holland	McGee	Randolph
Humphrey	McNamara	Smathers
Jackson	Magnuson	Smith
Javits	Mansfield	Sparkman
Johnson, Tex.	Martin	Symington
Johnston, S.C.	Monroney	Williams, N.J.
Jordan	Morse	Yarborough
Kefauver	Moss	Young, N. Dak.
Kennedy	Mundt	Young, Ohio
Kerr	Muskie	
Langer	Neuberger	

NAYS—27

Bennett	Eastland	McClellan
Bridges	Fong	Morton
Bush	Frear	Robertson
Butler	Goldwater	Saltonstall
Byrd, Va.	Hickenlooper	Schoeppel
Carlson	Hruska	Scott
Curtis	Keating	Stennis
Dirksen	Kuchel	Thurmond
Dworshak	Lausche	Williams, Del.

NOT VOTING—12

Capehart	Gruening	O'Mahoney
Case, S. Dak.	Hartke	Russell
Church	Hennings	Talmadge
Ellender	Murray	Wiley

So the bill (H.R. 3610) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHAVEZ. Mr. President, I move that the Senate insist on its amendments, request a conference with the House on the disagreeing votes thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CHAVEZ, Mr. KERR, Mr. MCNAMARA, Mr. MARTIN, and Mr. COOPER conferees on the part of the Senate.

ORDER FOR CALL OF CERTAIN MEASURES ON CALENDAR TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be a call of the calendar tomorrow, starting with order No. 939, H.R. 47, to amend the Internal Revenue Code of 1954.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of Senators, that we shall call up by motion the following measures:

Calendar No. 581, S. 2026, to establish an Advisory Commission on Intergovernmental Relations.

Calendar No. 591, Senate Concurrent Resolution 11, a concurrent resolution to invite friendly and democratic nations to consult with India.

Calendar No. 710, S. 2449, to extend the International Wheat Agreement Act of 1949.

Calendar No. 761, H.R. 5067, to repeal section 217 of the Merchant Marine Act, 1936, as amended.

Calendar No. 811, S. 2467, to authorize the development of plans and arrangements for the provision of emergency assistance, and the provision of such assistance, to repatriated American nationals without available resources, and for other purposes.

Calendar No. 840, S. 857, to authorize the Administrator of General Services to convey certain lands in the State of Wyoming to the city of Cheyenne, Wyo.

Calendar No. 849, S. 2612, to amend the Small Business Act.

Calendar 851, S. 2611, to amend the Small Business Investment Act of 1958, and for other purposes.

Calendar No. 852, S. 2481, to continue the application of the Merchant Marine Act of 1936, as amended, to certain functions relating to fishing vessels transferred to the Secretary of the Interior, and for other purposes.

Calendar No. 854, S. 155, to amend the Federal Property and Administrative Service Act of 1949, so as to permit donations of surplus property to libraries which are tax supported or publicly owned and operated.

Calendar No. 899, H.R. 1778, to amend section 17(b) of the Reclamation Project Act of 1939.

Mr. President, I do not anticipate there will be any great controversy about those measures.

Then we plan to call up by motion, when we shall have completed the measures I have just listed, the following bills, on which some debate is expected:

Calendar No. 596, S. 1697, the Mutual Defense Assistance Control Act of 1951.

Calendar No. 669, S. 2282, to amend the act of July 17, 1952.

Calendar No. 815, S. 2578, to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes.

Calendar No. 819, S. 694, to provide Federal assistance for projects which will demonstrate or develop techniques and practices leading to a solution of the Nation's juvenile delinquency control problems.

Calendar No. 820, H.R. 7244, to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies.

Calendar No. 828, S. Res. 169, concerning the desirability of holding an international exposition in the United States.

Calendar No. 896, S. 2568, to amend the Atomic Energy Act of 1954, as amended, with respect to cooperation with States.

Calendar No. 908, S. 1431, to provide for the establishment of a Commission on Metropolitan Problems.

Mr. President, we expect to meet at 9:30 a.m. and have a morning hour and a call of the calendar, and then proceed to the consideration of the bills I have just listed.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 581, Senate bill 2026.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2026) to establish an Advisory Commission on Intergovernmental Relations.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported by the Committee on Government Operations with an amendment.

VETO OF CIVIL FUNCTIONS APPROPRIATIONS BILL

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Montana.

Mr. MANSFIELD. I understand, from reports in the press, that the President has for the second time vetoed the civil functions appropriation bill. May I ask the distinguished majority leader, if the veto is overridden in the House, which I understand will vote on it tomorrow, what will the procedure be in this body?

Mr. JOHNSON of Texas. It depends upon when the House acts. If the House should act and should override the veto——

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. Let there be order in the Senate. We will not proceed until the Senate is in order.

The Senator from Texas may proceed.

Mr. JOHNSON of Texas. Mr. President, I do not know what time the veto message is expected in the House. Of course, the House will have to act first. I should expect that the veto message will be received around 12 o'clock, and the House will act by about 1 o'clock. If that estimate is correct, we should have the veto message in the Senate sometime between 1 and 2 o'clock.

We have had a pretty thorough discussion of the civil functions appropriation bill this year, when we passed it and when we repassed it. We had a good deal of discussion last night.

I am not going to ask for a unanimous-consent agreement, but I am going to express the hope that the Members of the minority and of the majority can tentatively agree on about how much time they will need to discuss the veto message, so that all Members may know about what time to expect to vote, so that we will protect both sides.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend and colleague.

Mr. DIRKSEN. Speaking only for the minority leader, it will require about 3 minutes for me to summarize what I said last night on this bill with respect to the veto.

Mr. JOHNSON of Texas. Mr. President, the distinguished minority leader is always effective. He rarely consumes very much time. I hope that the Democrats will emulate the minority leader

and not speak very long themselves. If so, we should be able to have a vote by 3 or 4 o'clock.

I should like to be able to assure Senators that we will have a vote by that time, but due to the uncertainty as to the time the message will arrive at the House, due to the uncertainty as to the time of action in the House, due to the uncertainty as to when the matter will come to the Senate, and due to the uncertainty as to how long Senators will speak, I am unable to give any assurance. However, if Senators will cooperate with me, we will move to proceed to consider the veto message as soon as it arrives at the Senate. We will restrain ourselves as much as possible under the circumstances, and then proceed to a vote. I am very hopeful we can reach a vote before 3 o'clock.

Does that answer the Senator's inquiry?

Mr. MANSFIELD. Yes, indeed. I thank the majority leader.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend from Oregon.

Mr. MORSE. I do not think I misunderstood the Senator from Texas. When the Senator was reading off the list of bills he was going to have considered tomorrow he named one, and he said, I think——

Mr. HOLLAND. Mr. President, we cannot hear the distinguished Senator.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MORSE. I think the Senator referred to the Mutual Defense Security Act.

Mr. JOHNSON of Texas. No. The mutual security bill cannot come before the Senate before Saturday morning, under the rule.

Mr. MORSE. I understand that. What bill was it the Senator mentioned?

Mr. JOHNSON of Texas. The bill to establish an Advisory Commission on Intergovernmental Relations.

The concurrent resolution to invite friendly and democratic nations to consult with India.

The bill to extend the International Wheat Agreement Act of 1949.

The bill to repeal section 217 of the Merchant Marine Act, 1936, as amended.

The bill to authorize the development of plans and arrangements for the provision of the emergency assistance, and the provision of such assistance, to repatriated American nationals without available resources, and for other purposes.

Mr. MORSE. I think the Senator referred to the Mutual Defense Alliance Control Act.

Mr. JOHNSON of Texas. That is a bill to amend the Mutual Defense Assistance Control Act of 1951.

Mr. MORSE. I simply wanted to make sure I heard the Senator correctly.

Mr. JOHNSON of Texas. I understand the Senator is reviewing the hearings and the report on the mutual security bill.

Mr. MORSE. That is correct.

Mr. JOHNSON of Texas. We do not expect to consider that bill until Saturday. We expect to come in early Saturday and discuss the bill. I have been informed by some of my colleagues on both sides of the aisle that they expect to have a number of amendments to offer, and that there will be a rather extended discussion. I have said to all who have inquired that I doubt we can conclude the discussion on Saturday. I hope we can conclude it and perhaps adjourn sine die on Monday.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend from New Hampshire.

Mr. COTTON. The distinguished majority leader knows that the junior Senator from New Hampshire rarely takes much time, and certainly does not want to add to the burdens and the difficulties of the leadership.

Mr. JOHNSON of Texas. I understand that, and I appreciate it more than the Senator knows.

Mr. COTTON. I note that the distinguished majority leader mentioned S. 2282 as a bill which he anticipates might be involved in some controversy, which might be considered by the Senate. I think in fairness the junior Senator from New Hampshire should say the Senator's statement is an understatement. There may be considerable controversy, at some length, about the bill.

Mr. PASTORE. Mr. President, will the Senator yield? Is that the freight car bill?

Mr. COTTON. No. That is the bill which encourages the Federal Government to participate in helping one State tax another State. It is a question of the big States against the little States, and though the discussion of the bill may not be as long as that with regard to Lake Michigan, it will take a little while.

Mr. CASE of New Jersey. Mr. President, will the Seantor yield?

Mr. JOHNSON of Texas. I appreciate very much the information from the Senator from New Hampshire. I have great respect for the Senator's judgment. While the policy committees on both sides of the aisle have cleared the measure for discussion, I will bear in mind the Senators' admonition.

I now yield to the Senator from New Jersey.

Mr. CASE of New Jersey. I do not want to delay the Senate or the majority leader. I join with the Senator from New Hampshire. I am sure I join both Senators from New Hampshire in strong opposition to the bill.

Mr. KEATING. Mr. President, I wish to say to the distinguished majority leader that while I differ with my distinguished friends from New Hampshire and New Jersey with regard to the particular bill, for the information of our leader, in order to give us all the proper guidance, I desire to inform him that Calendar No. 828 is a resolution concerning the desirability of holding an international exposition in the United States. It is a resolution reported by the distinguished chairman of the Committee on Foreign Relations. It may require considerable and extended debate, because there are many cities in the United States which are interested in or which might be interested in this proposition.

I wish to say simply that it may be necessary, in the light of the interests of the city of New York, in the State which I have the honor to represent, to debate that resolution for an extended period of time. In order that the majority leader may be informed as to the program, I thought in fairness it would be a proper thing to tell him that at this point.

Is the majority leader able to tell us, for the guidance of the rest of us, the position of the distinguished Senator from Oregon on some of this proposed legislation?

Mr. SCHOEPPEL. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. KEATING. Does the Senator anticipate discussing some of these matters at length?

Mr. JOHNSON of Texas. Mr. President, I realize perhaps more than any Member in this Chamber how effectively New York State is represented in this body by my friends the junior Senator and senior Senator from New York.

I have taken up Calendar No. 828 with the policy committee. We believe it should be scheduled for consideration. We anticipate that the New York Senators and any other Senators who desire will discuss it and offer any amendments they may care to offer. I have no deep prejudice in the matter one way or the other. If it is felt, after a reasonable amount of discussion, that no action should be taken, then I would be glad to abide by the will of the majority in the Senate.

Mr. President, I am not in a position to state the attitude of the Senator from Oregon on many of these bills. I can only say that, after consultation with the minority leader, both policy groups have cleared these bills as possible for consideration. We will consider them in due time. Some of them may never be brought before the Senate. If we have an opportunity we will make motions to have the Senate consider them. If the bills require extended discussion, we will have to be realists and act accordingly.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KEATING. I wish to say to my distinguished friend, the majority leader, he has many friends in the city of New York, I assure him. The city of New York feels it is the best qualified city to hold the international exposition. I hope that we may be able in the debate to convince the Senator from Texas, our distinguished majority leader, that he should support the city of New York in the herculean efforts which it is making to obtain this fine international exposition. New York was previously a host to such an exposition, I believe with great success, to the great enjoyment of all peoples throughout the world.

I must say I am in quite violent disagreement with my dear and distinguished friend from Arkansas regarding the procedure which he is following.

I understand that in the other body there is a very great likelihood that tomorrow a resolution will be passed which will designate the city of New

York, our greatest city, our metropolis, the cultural and financial center of the world, as the city where this exposition should be held, and I hope that we will have an opportunity to present our views with reference to it.

Mr. DIRKSEN. Is this a boost or a confession?

Mr. KEATING. This is a simple statement by the junior Senator from New York.

Mr. JAVITS. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. First of all I wish to say to the junior Senator from New York that he is very generous and persuasive, and I shall await with interest the argument he advances. I reciprocate his friendship, and I shall be pleased to hear his proposal.

Mr. JAVITS. I had hoped that we could work out some solution to the problems raised by Senate Resolution 169. I am willing to try to do that by consideration of the matter on the floor. I do think, if an opportunity were afforded, it would be possible to do so. There seem to be very essential differences, not in intent but in language, between the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from New York [Mr. KEATING] and myself.

I, too, look with some concern upon listing this resolution with many, many other resolutions on which it is expected there will be relatively little debate.

Mr. JOHNSON of Texas. No, no; that resolution is listed among those on which we expect debate.

Mr. JAVITS. I do not want to use the naughty words "extended debate." Therefore I shall just say that thorough debate will be required on the resolution. We have some fundamental differences as to what the resolution means. I shall do my utmost in presenting my views, and I hope that my colleague from Arkansas will, in his usual open-minded way, consider the points which we make, in an effort to reconcile those differences. I hope they will be reconciled. I would much rather come to an agreement on the matter than engage in a long harangue on the subject.

Mr. JOHNSON of Texas. I assure the Senator that I shall do all I can to approach the matter with an open mind and with no prejudices.

Mr. MORSE. Mr. President, will the Senator from Texas yield so that I may reply to the Senator from New York?

Mr. JOHNSON of Texas. First I wish to reply.

Mr. MORSE. I thought the Senator from Texas had finished.

Mr. JOHNSON of Texas. I shall follow with interest the arguments advanced tomorrow. First, I wish to say that the Senator from New York is a very persuasive advocate.

I hope the Senator from Arkansas and the Senator from New York can get together and find some area of agreement. I have great respect and affection for the Senator from Arkansas, and I know that he will be glad to meet anyone halfway in the matter. I do not wish to pass judgment on this legislation tonight. I merely wish to give notice that when it is called up, we expect some extended debate on it, so that Members will be on notice.

Mr. MORSE. In view of the fact that the Senator from New York [Mr. KEATING] asked for my point of view, I wish to say that I consider the discussion of the last 10 minutes between the Senator from New Hampshire [Mr. COTTON] and the two Senators from New York to be complete proof and unanswerable support of the position I have taken, that all these important matters should be considered very carefully, thoroughly, and fully. I wish to thank these Senators for the support they indirectly gave me in my argument that we need to stay in session until all these matters are fully discussed.

I have been asked what my part is going to be in this particular matter. For the most part, I shall sit and listen, but there are some measures the majority leader read off on which I shall speak at some length.

Mr. SCOTT. Mr. President, in view of all the talk about various cities, I should like to say a good word for Philadelphia and Pittsburgh.

Mr. KEATING. And Erie.

Mr. SCOTT. And Erie. I should like to have the virtues of Pennsylvania cities considered as places of meeting, and places of friendship. The city of Philadelphia is the City of Brotherly Love. The city of Pittsburgh is the City of Amiability. The city of Erie is a city situated on a lake where men and women enjoy a happy life amid pleasant surroundings. I hope Pennsylvania communities will be considered in the course of the colloquy, and perhaps a compromise can be reached which will center, as other compromises have centered, upon a Pennsylvania community which is worthy of the honor.

Mr. JOHNSON of Texas. I thank the Senator from Pennsylvania. He knows I have great affection and admiration for him.

Mr. HUMPHREY. Mr. President, I hesitate to use the term "compromise" because it is frequently looked upon as an unsavory term. I assure the Senate that if the term "compromise" is used in its most positive connotation, the place Senators are talking about is the Twin Cities.

MEDICAL EXCHANGES WITH IRON CURTAIN COUNTRIES

Mr. HUMPHREY. Mr. President, one of the most important ways of reaching the minds and hearts of the peoples of the world is through the medium of medical exchanges.

Medicine has always been international and must remain so.

Unfortunately, however, the Iron Curtain and the Bamboo Curtain have constituted high barriers against the free exchange of medical knowledge and specialists.

Over a period of time, I have been in contact with the Department of State toward helping to lower barriers on both sides.

I have not hesitated to point out, that, by and large, it is the Soviet Union and principally, Red China which are responsible for the barriers.

The United States has reacted and retaliated against Moscow's and Peking's policies. The Department of State has, in many instances, followed a severely restrictive visa policy. As a result of that policy, many international medical Congresses which might have been held within our borders have been held elsewhere.

PEKING'S RESPONSIBILITY FOR ITS MEDICAL ISOLATION

Meanwhile, the possibility of even minimal Western medical relations with mainland China has diminished because of Peiping's own cruel and reckless actions.

At the present time, we see that Peiping seems less concerned than ever with reactions from the conscience of mankind.

Its actions in Tibet, at India's northern borders and now, its possible involvement with Vietminh forces in the aggression on Laos constitutes a self-indictment in the eyes of mankind.

Thus, Peiping intensifies its moral and legal isolation from the rest of the world. The Bamboo Curtain becomes thicker and higher by Peiping's own choice. But the Bamboo Curtain does not stop germs or viruses from crossing to and fro.

Two years ago, the Asian flu epidemic started in mainland China. Eighty million Americans were struck by it. No one knows how many members of our Armed Forces stationed in the Far East, alone, may have been struck by virus-borne diseases which may have started on the mainland.

No man can now foresee the amount of illness which may occur in the future anywhere in the world because the Bamboo Curtain restricts medical knowledge. At present it prevents contact with one-fourth of the human race living in an area the size of the United States.

This area is now almost a medical vacuum, so far as the rest of the world is concerned.

DR. SHANNON'S FORTHRIGHT TESTIMONY

All over the world, medical scientists are distressed over this vacuum. The foremost single authority in the U.S. Government on medical research problems, Dr. James Shannon, able Director of the National Institutes of Health, testified briefly on this subject before the International Health Subcommittee on July 16, 1959. He spoke as a man of science with honesty, with clarity, with objectivity in one of the finest scientific presentations which I have been privileged to hear.

Let it be clearly noted that Dr. Shannon addressed himself solely to the medical-scientific phases of the problem. He noted with great care:

> There are grave foreign policy issues involved here which cannot be treated lightly.

Those foreign policy issues are basically the concern of the President and of the Department of State. That is why I have repeatedly contacted the Department.

This is not a new problem.

Our Senate International Health Study has now been proceeding in its fact-finding efforts for a year. And, I may

say, it has done so with dispatch and with the broadest possible coverage.

From all over the United States and from international quarters as well, we have received medical suggestions on behalf of at least the start of an effort to try to penetrate the Bamboo Curtain through the medium of the healing arts.

This is the sentiment which I present today.

MY OPPOSITION TO RECOGNITION OF RED CHINA

But let there be no misinterpretation of my position.

I have denounced with all the strength at my command Peking's repeated violations of international law. I do not believe that those violations can be ignored by mankind or that her aggression can be rewarded.

I believe, in particular, that the situation which has been allowed to develop in Laos may prove fraught with danger to the cause of collective security against aggression.

LONG-RANGE ISSUE OF UNIVERSALITY OF SCIENCE

But this Laos issue of great urgency and gravity does not eliminate a longer range issue.

This latter issue is, whether or not medical science will become truly universal or whether that concept will merely be an empty platitude, so far as one-fourth of the human race is concerned.

Unfortunately, the Department of State by its restrictive visa policies has failed to seize the initiative on this issue and has merely sat back in a policy of retaliation.

DO NOT PUT ISSUES UNDER THE RUG

To change that policy especially at the present critical time, is obviously a matter of greatest difficulty.

Yet, I believe, that the day must eventually come when the healing arts are separated to the greatest possible extent from the politics and policies of the cold war.

I do not believe that the question of medical contacts should therefore be "shoved under the rug," even in the face of a problem such as the crisis in Laos, as some people might urge.

PROPOSED WORLD HEALTH ORGANIZATION VISIT TO CHINA

How can the present medical impasse be broken? One way, it seems to me, is by having the World Health Organization, representing 90 nations of the world proposed to the Peiping government that an International World Health Organization team be allowed to enter the Chinese mainland on a preliminary visit. Such a team could consist of Americans in part. But it should have ample representation of scientists of other nations. A team of virus experts would probably represent as good a specialty to begin with, under present circumstances. If the Peiping government accepted, and if the visit were thereafter made, there might be additional dicussions in Peiping as to the possibility of further two-way visits.

This should not be an American program, however. It should be an international program. I am convinced that other nations are ready, willing and eager to see such a program attempted, if the United States signifies that it has no objection.

The effort should be made on a step by step basis, exercising great caution, and discretion to help prevent Red China's misuse of humanitarian interest in the Western World for Peking's own propaganda purposes.

Whether this suggestion is or is not adopted, it at least signifies America's sincere interest in the universality of science.

EXCHANGE OF LETTERS AND EXCERPTS OF JULY 16 HEARING

So as to provide the fullest possible clarity on this subject, I ask unanimous consent that the text of my exchange of correspondence with the Department of State be printed in the body of the RECORD at this point, to be followed by excerpts from the July 16 hearing before the Senate Government Operations Subcommittee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JULY 20, 1959.

Hon. CHRISTIAN A. HERTER,
Secretary of State,
Department of State,
Washington, D.C.

MY DEAR MR. SECRETARY: I would appreciate receiving a report, bearing upon present U.S. Government policy in the granting of temporary visas for medical scientists from the Soviet Union and Soviet orbit countries, including Mainland China.

As you know, I serve as chairman of an international health study. Over a period of many months, reports have come to this subcommittee's attention to the effect that U.S. policy concerning visas has been to some extent limiting fruitful scientific exchange between our own and other countries.

The reports may be summarized as follows:

1. Bona fide medical scientists seeking to come over on exchange programs or otherwise in research visits have, on occasion, been denied visas.

2. Partially as a result, certain international medical congresses have not been held in the United States, but have been shifted to other locations abroad.

As regards individual cases, I cite a report as to Prof. Nicholas Blochin, director, Institute of Experimental Pathology and Therapy of Cancer, Moscow. When I visited Moscow, he told me of visa difficulties he had previously experienced. I would appreciate a report specifically on the record of visa actions with regard to Professor Blochin.

Overall reports indicate, I may say, that present U.S. policies fortunately represent a considerable improvement over the visa-granting situation years ago.

In any event, I, for one, believe that, to the greatest possible extent, medical teamwork throughout the world should be divorced from policy matters involved in the cold war. The fullest possible exchange of (a) qualified medical scientists, (b) medical literature, (c) medical instrumentation, (d) supplies and materials, and (e) exhibits, should take place.

For the good of mankind and for maintenance of the United States' position in world science, the United States should eagerly seek, in my judgment, an optimum number of International Medical Congresses and foreign nationals' attendance at those Congresses within the United States itself.

I should like now to hear from the Department as to its present position on these matters, specifically affecting the USSR, all other countries of Eastern Europe and other Soviet orbit countries, including Mainland China.

You will recall a note from me, forwarding an inquiry from a Minnesota medical publication, regarding possible exchange of medical literature with Mainland China. My present inquiry is much broader, however.

I ask, for example, specifically what the Department's position is and would be as regards (a) possible American medical scientists' visits to Mainland China (assuming they were able to secure visas from Peking), and (b) reciprocal visits of scientists, representing the Peking Government.

Strongly opposed as I am to recognition of the Peking Government, I nevertheless believe that the overall health of the world should not be sacrificed, if only in part, because of a deplorable vacuum existing as to medical information in that vast area of the world.

Let me conclude by stating that, of course, I do not believe that responsibility for relative lack of exchange and information should be assumed by anyone as resting basically with the United States. On the contrary, the policy of the Soviet Union and orbit countries themselves, particularly Peking, appears, by and large, to have been restrictive and arbitrary in an extreme and contrary to the international traditions of the life and other sciences. Fortunately, the Soviet Union has been relatively easing restrictions in recent times, as you know.

I shall be looking forward to the pleasure of hearing from you.

With best wishes, I am,

Sincerely,

HUBERT H. HUMPHREY,
Subcommittee Chairman.

DEPARTMENT OF STATE,
Washington, D.C., August 18, 1959.

The Honorable HUBERT H. HUMPHREY,
U.S. Senate

DEAR SENATOR HUMPHREY: On August 5, 1959, I acknowledged the receipt of your letter of July 20 requesting a report on U.S. visa policy regarding medical scientists from Soviet-bloc countries. I am now in a position to answer the questions raised in your letter.

You asked for a report on visa action with regard to Prof. Nicholas Blokhin (Blochin). The Visa Office of the Department has informed me that their records do not indicate that he was ever denied a visa. The records do, however, show that Professor Blokhin was issued a visa on September 19, 1957, to permit him to tour the United States as a member of a Soviet public health mission. Another visa was recently issued to him so that he could come to the United States as a member of a Soviet tourist group. I note in the New York Times of August 7 (p. C–7) that Professor Blokhin gave a press conference at New York on August 6 in connection with the Soviet exhibition.

The Department has no information indicating that international medical congresses have been moved from the United States to other countries because of U.S. visa policies. The Department can cite several international medical conferences which have been held in the United States in 1958–59. As you know, in May 1958, the World Health Organization met at Minneapolis and all countries belonging to the WHO were represented. Also in May, 1958, a World Conference on Gastroenterology was held in Washington, with medical scientists from Hungary, Poland, Rumania and the Soviet Union in attendance. An international conference on live polio vaccine was held in Washington this past June. Several other international medical

conferences are scheduled to be held in the United States in the near future, including one in Washington on nutrition and one in Chicago on medical education.

With regard to a general statement of the Department's visa policy concerning medical scientists coming from Soviet-orbit countries, it is best to consider the case of scientists coming from countries like the Soviet Union with which the United States maintains diplomatic relations separately from persons coming from unrecognized countries or regimes. The fundamental policy of the Department in handling visa applications is of course contained in the Immigration and Nationality Act, as amended. While it is likely that the majority of professional persons applying for visas in countries such as the Soviet Union or Czechoslovakia will be found to be ineligible for visas under section 212(a)(28) of the act, it is the policy of the Department to promote increased contacts between American scientists and their counterparts from the Soviet-bloc countries of Eastern Europe with which we have relations. The Department takes this policy into account in recommending to the Attorney General that a waiver of the excluding provision of law be granted under section 212(d)(3), if it appears that the internal security of the United States would not be jeopardized thereby.

As you know, the Department of State in the case of the Soviet Union in particular wishes to see a two-way exchange of scientists and scientific information and this policy, of course, applies to the medical profession. Soviet medical scientists attended not only the several international medical congresses cited above, but also the Macy Conference on the Central Nervous System at Princeton, N.J., in February 1959, and a conference on Inhibition in the Central Nervous System in Duarte, Calif., in May 1959. Furthermore, one Soviet and several Polish, Czech, and Rumanian specialists have come to the United States as WHO Fellows. No American has applied to go to countries of the Soviet bloc as a WHO fellow.

I believe that the record indicates that the United States has not been remiss in issuing visas to medical scientists from Soviet-bloc countries with which the United States maintains diplomatic relations.

During the last 8 years, 12 symposia on medical or related subjects have been held in the Soviet Union and U.S. scientists attended most of them. Since 1957, 41 medical meetings have been held in the Soviet Union. Two of them were sponsored by international organizations and four American scientists attended these two meetings. In 1961, a biochemical meeting will be held there and in 1962 a cancer meeting is scheduled. It is expected that U.S. scientists will attend both of these meetings. In addition to these meetings, at least 90 American medical men have traveled in the Soviet Union either in groups or singly.

You may be interested to know that the eight medical exchanges provided for in the U.S.-U.S.S.R. exchange agreement will be completed by the end of the year. The current American draft for the extension of the exchange agreement suggests that in furthering the fight against diseases the Soviet medical authorities conclude a comprehensive subagreement with the U.S. Public Health Service to facilitate cooperation in many fields of medical research.

However, any exchange of visits of medical scientists between the United States and Communist China must be evaluated in the light of basic U.S. policy objectives. A fundamental aspect of U.S. policy is a decision not to authorize travel of American citizens to the China mainland, even in cases like this where, if normal conditions existed, worthwhile results might be achieved. Obviously normal conditions do not exist. An important factor is that in the absence of diplomatic relations with Communist China, it is not possible for the Government to provide the normal and customary protection to Americans traveling on the China mainland. In addition, the Chinese Communists have consistently maltreated Americans and continue to hold American citizens in jail as political hostages, despite their pledge of September 10, 1955, to release them expeditiously.

Our policy prohibiting travel to the China mainland is also made necessary by the attempts of the Chinese Communists to use the establishment of cultural relations with the United States as a means of gaining respectability and acceptance in the family of nations. Travel of certain U.S. citizens to mainland China has been zealously promoted by the Communists as a step in this direction. Nevertheless, Peiping in any case would probably not issue visas to these American scientists. The Chinese Communist practice has been to grant entry permits only to those Americans who directly or indirectly serve their political and propaganda interests. While they have admitted only 1 of the designated representatives of 31 accredited American news-gathering organizations, they have welcomed without hesitation many Americans who traveled there in violation of passport restrictions: for example, Anna Louise Strong, Virginius Frank Coe, and the 42 "students."

As for visits to the United States by medical scientists from Communist China, the immigration laws governing the ineligibility of persons applying from the Soviet bloc would also apply. It should be emphasized that the law, embodying the intent of the Congress, requires that whenever the exception of a waiver is made, each individual case must be examined at the time of the visa application in the light of the national interest and the prevailing circumstances. However, no Chinese Communist has applied for an American visa since Peiping sent a deputation to the United Nations in November 1950 in connection with charges of aggression.

In the matter of the exchange of medical information with Communist China, there exists considerable scope within the framework of present Government regulations. With the appropriate licenses American individuals and institutions can import from Hong Kong and other places such as London a wide variety of Chinese Communist medical publications for bona fide research purposes. In particular, the National Library of Medicine (and its predecessor, the Armed Forces Medical Library) has for several years imported a substantial volume of Chinese Communist medical journals, books, and monographs which are available to the public.

I hope this information will be helpful to the International Health Study.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

SEPTEMBER 2, 1959.

Hon. WILLIAM MACOMBER,
Assistant Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. MACOMBER: With regard to the Department's detailed response of August 18 to my letter of July 20, I would like to make these points:

There are many able health-minded and other officials in the Department of State. In the August 18 letter, they have, understandably tried to make the best presentation out of what is, in my judgment, the Department's past unsatisfactory record on visas for foreign scientists.

Fortunately, that record, has greatly improved recently. But in the record remain a series of incontrovertible mistakes in the form of the previous slamming of the door on certain eminent foreign physicians. This regrettable "closed door" pattern again manifested itself in the case which I cited in the Senate on August 21. This pattern has harmed the cause of medical science. It has undermined the prestige of the United States.

In the letter, the Department basically chooses to ignore obvious facts which are familiar to every serious student of international medical congresses. If the Department blandly asserts "it has no information * * * that international medical congresses have been moved from the United States * * *" it is simply because it chooses to be blind and deaf to widespread information to the contrary which is readily available.

Here is an analysis of the location of major international medical meetings in the 1954-59 period. This analysis which I had asked the subcommittee staff to make shows this: Although the United States possesses the greatest medical profession and research effort in the world, it has been host to but 19 out of 163 international medical congresses within its borders in the past 5 years. Many of these have been comparatively small meetings of modest-size organizations.

In fairness to the Department, let it be noted that wholly aside from U.S. visa policy, many other factors have been responsible for most of the big medical congresses taking place in Europe. But one factor, according to almost all reports which have reached me, has definitely been our past restrictive visa policy. A single embarrassing case, much less a multitude, has irritated countless foreign scientists and has made them wary of applying for a U.S. visa.

With regard to the case of Professor Blochin, I would like now to secure from the Department a brief summary of the record of visa actions concerning him—i.e., exact dates of application and approval and a summary of the principal circumstances involving any delay. I am well aware, of course, that he recently attended the Soviet exposition in New York.

Finally, let me affirm that the Department makes a very sound case that Communist China is basically responsible for its own isolation from the world. Peiping's brutal violations of international law, its own misuse of visitors' entry for purposes of misleading propaganda, its latest outrages in Asia repel all thinking men everywhere.

The result is that not even minimal medical relations exist with Mainland China. That means lack of medical contact with diseases affecting one-fourth of the human race, living on 3.2 million square miles, diseases capable of being transmitted elsewhere—to India, south Asia, across the Pacific and around the world.

We must never forget that for 2 precious months, because of lack of communication, the world was utterly ignorant of the outbreak in mainland China of a new virus causing what came to be known as Asian flu. The lack of warning during those 2 months delayed preparation of our vaccine. The result was that tens of millions of people were perhaps needlessly struck by Asian flu despite Herculean efforts in the vaccines' speedy preparation and innoculation. The next time, a virus or other epidemic originating on the mainland may not be as mild. The result could be infinitely more serious to the world. This judgment has been confirmed to the International Health Subcommittee by executive branch, WHO and other specialists.

Now, in response, perhaps to my own and other suggestions, mainland China medical publications are being imported and translated here, at long last.

In this connection, let me quote from the August 17, 1959, issue of Time in an article on an important new British discovery

on trachoma. This disease, together with infectious conjunctivitis, affects 400 million people throughout the world, as stated in our own Senate Report No. 161, 86th Congress. Time reports:

"Surprisingly, it was in the Chinese Medical Journal (which prints a lot of unscientific Communist quackery) that major progress was reported. T'ang Fei'Fan and colleagues in Peiping described scrupulously conducted experiments in which they grew generations of the virus in fertilized eggs, gave it to monkeys, which got something like trachoma."

This is simply an illustration of how medical discoveries can and should leap ideological boundaries. But mere exchange of publications is not enough.

There is no substitute for direct visits inside the mainland by competent American and other foreign medical scientists, any more than there is a substitute for mainland China physicians seeing for themselves the situation of medical science elsewhere in the world.

The Department of State chooses to tie up (a) the medical relations problem with Peiping with (b) the overall political problems of the United States and Red China. Red China is responsible for tying these up, too.

Indeed, it is Red China which carries the overwhelming blame. It alone is guilty of literally subordinating everything to its cruel, military-political policies. We, with a clean record against aggression, have retaliated through our restrictive, passport-visa policy.

But, is there no way out of this stalemate—which results in mainland China remaining almost a medical vacuum, so far as the rest of international science is concerned?

Can the Department suggest no imaginative means by which the medical needs of humanity can somehow be dissociated from political disputes. Cannot the healing arts be divorced from cold war tactics, at least on America's part?

Certainly, the American medical profession takes a broader view in principle than does the State Department. Let me quote from Dr. Gunnar Gundersen, now past president of the American Medical Association. In testifying before Chairman LISTER HILL and the Senate Committee on Labor and Public Welfare on February 25, 1959, Mr. Gundersen stated:

"Worldwide progress in medicine can continue in the future only through the free exchange of ideas between medical scientists in all countries.

"Last June at the presidential inaugural ceremony of the American Medical Association, at which time I was inaugurated I titled my address 'Physicians to the World.' If you will permit me, I would like to quote a few of the concluding lines from that address:

" 'In medical science there are no secrets, no Iron Curtains, no cold war. * * * Medicine exists to save life, not destroy it.' "

Dr. Gundersen rightly believes in the principle that medicine should penetrate the Iron and Bamboo Curtains. Does the Department propose to delay indefinitely in seeking to penetrate the latter curtain?

Apparently, the Department chooses to rely on the excuse of Red China's overall obnoxious tactics. The Department might, however, recall these words of the President of the United States. In his message on the state of the Union, January 9, 1958, President Eisenhower asked all peoples to join in the war against disease. His speech included with these passages:

"WORKS OF PEACE

"My last call for action is not primarily addressed to the Congress and people of the United States. Rather, it is a message from the people of the United States to all other peoples especially those of the Soviet Union.

"This is the spirit of what we Americans would like to say:

" 'In the last analysis, there is only one solution to the grim problems that lie ahead. The world must stop the present plunge toward more and more destructive weapons of war, and turn the corner that will start our steps firmly on the path toward lasting peace.

" 'Our greatest hope for success lies in a universal fact: The people of the world, as people, have always wanted peace and want peace now.

" 'The problem, then, is to find a way of translating this universal desire into action.

" 'This will require more than words of peace. It requires works of peace.'

"Now, may I try to give you some concrete examples of the kind of works of peace that might make a beginning in the direction.

"Another kind of work of peace is cooperation on projects of human welfare. For example, we now have it within our power to eradicate from the face of the earth that age-old scourge of mankind—malaria. We are embarking with other nations in an all-out, 5-year campaign to blot out this curse forever. We invite the Soviets to join with us in this great work of humanity.

"Indeed, we would be willing to pool our efforts with the Soviets in other campaigns against the diseases that are the common enemy of all mortals—such as cancer and heart disease.

"If people can get together on such projects, is it not possible that we could then go on to a full-scale cooperative program of science for peace?"

Does or does this not apply to 625 million mainland Chinese?

Of course, the United States cannot afford to ignore the overall past and future policies of the Peiping Government. Peiping has thrown every conceivable roadblock in the way of even minimal exchanges. These roadblocks have been piled still higher through its recent foul actions in Tibet and its violations of India's borders, grave matters which can hardly be ignored.

Let it be known, in no uncertain terms that I continue to oppose recognition of Red China or any action which might be construed as reward for her infamy.

Normal relations with Red China may, therefore, be years or decades away. But, cannot we, in the interim, through perhaps, contacts by the World Health Organization at least try to find some new approach for medical science's own relations with the China mainland? That does not imply that Peiping would be receptive to any suggestions.

On the contrary, Peiping seems absorbed in a policy of reckless troublemaking which deliberately outrages the conscience of the world. But that is no reason for us to abandon the concept of penetrating the Bamboo Curtain. It is, instead, reason for us being especially firm and careful in this, as in other respects, in dealing with Peking.

What I am in effect pleading for is bold U.S. initiative—action, not more talk—in making medical science truly international, truly universal. It seems to me we have much to gain and little to lose from seizing the initiative, by at least making specific offers of medical visits, assuming certain strict conditions are met, instead of sulking and sitting back, as we are now doing.

So, the question remains whether the United States will continue to follow a policy of retaliation as regards passports and visas, and thereby help, in this instance, to preserve Red China as a medical vacuum, so far as the rest of the world is concerned.

With kindest wishes, I am,

Sincerely,

HUBERT H. HUMPHREY.

EXCERPTS OF TRANSCRIPT OF HEARING ON JULY 16, 1959, BEFORE SUBCOMMITTEE OF SENATE COMMITTEE ON GOVERNMENT OPERATIONS INTERNATIONAL HEALTH STUDY—TESTIMONY OF DR. JAMES SHANNON

* * * * *

4. I must repeat what has been frequently said, that a basic condition of progress in science is free and unrestricted interchange amongst scientists and in their communication. Fortunately in the medical sciences we have been singularly free of overriding security issues which have imposed their troublesome restraints in other scientific areas. Nevertheless, we are now faced with the desirability of enlarging our scientific relationships with Iron Curtain countries and we are at the present moment denied any insight into the state of research in the health sciences in the other nonrecognized regimes. In fact, we face the prospect, if these problems are not solved, of the loss of the present U.S. position as the primary center of world progress in the medical sciences. I realize there are grave foreign policy issues involved here which cannot be treated lightly. Nevertheless, we are approaching the situation where the only neutral ground upon which a complete cross section of the world's scientists can meet to discuss their scientific endeavors is Moscow. This, to me, is close to the ultimate in absurdity.

A resolution of many of these policy problems will be difficult and troublesome because, as I have indicated, international scientific activity will inevitably expand and scientific interchange, collaboration in research, will become more extensive and more complex.

As I have mentioned, the United States and its governmental and nongovernmental scientific programs in the health sciences will occupy an important role in this development.

Generally speaking we have arrived, that is, we in the United States have arrived at a position in respect to world science where we have acquired a grave responsibility as a result of our achievements and our scientific capability. This responsibility is, as I have mentioned, to utilize our skills and resources in advancing the progress of science and the cause of human health both in our own interests and the interests of all people.

* * * * *

Senator GRUENING. I have listened to Dr. Shannon's very excellent presentation, and I have just one question.

On page 14 you say "we are approaching the situation where the only neutral ground upon which a complete cross section of the world's scientists can meet and discuss their scientific endeavors is Moscow." You say this would be the "ultimate in absurdity."

Why is that the only place where a complete cross section of the world scientists can meet?

Dr. SHANNON. It is primarily over the problem of visa trouble. There is a developing science in Red China at the present time. We would like to know what that is. A Red Chinese scientist can't obtain a visa to attend a scientific meeting in the United States, at least not very simply. We in turn can't obtain visas to roam around the laboratories in Red China to find out what is going on there.

To a lesser extent, this involves the Iron Curtain countries. True, the Russians can come, but there are restrictions upon their entering this country and what they can do after they arrive. This, as I say, obtains in the Iron Curtain countries.

They come under a feeling of not being wanted, of not belonging, if you will, to a scientific community that has developed in response to the immediate environment, because of the restrictions imposed upon them.

Quite contrary to that, as a world center, Moscow will accept any scientist from any

part of the world with relatively little, if any, restrictions on his attendance, or entrance.

In other words, as long as there exist restrictions of this sort, all of Western science is available to the Russians. Very little of Eastern science is available in the United States. It amounts to that, sir.

The only place—I shouldn't say that, because many of the countries will allow the Red Chinese, the Russians or the Iron Curtain countries to convene. But I am talking now about the developing centers of gravity in world science, one around the Russian sphere, one around the U.S. sphere; one permitting free congregation of scientists, the other not.

Senator GRUENING. Wouldn't the Chinese scientists be able to come to London?

Dr. SHANNON. Yes, but London is not developing as one of the centers of gravity in this sphere of science.

Senator GRUENING. That is a very depressing presentation, I would say, if our policies prevent the spread and interchange of scientific knowledge. I think that is something we ought to think very seriously about and see if we can't get a change of policy in this field.

Senator HUMPHREY. Senator GRUENING, when Mr. Cahn and I were at the World Health Organization, we heard a story there about the Asian flu epidemic. It was really very revealing as to how policy decisions in the field of foreign policy affect medical and other scientific knowledge.

We alluded to that in the report on the World Health Organization trip. That committee print has been published as a result of our notes and discussions. I think, as I recall it, that there was a lag of several weeks of knowledge in the world outside of Red China as to the development of the flu epidemic on the mainland. That lag prevented us from developing the vaccine as soon as we could have. Thereby, of course, the lag in time made possible much more illness, death, and, of course, considerable economic loss.

I recall that the way the epidemic was finally discovered was through reports via commerce. And there was a doctor, if memory serves me correctly, who had been educated in an American medical school, and who had friends outside the Communist bloc, one of those friends being in the World Health Organization, who sent information from Red China, to the outside, about the flu epidemic taking place in Red China. That epidemic was already spreading all over the world. But nobody knew from whence it emanated, where its central point was. Only by the good fortune of friendship did they overcome the road blocks of diplomatic policy. And we were able to track it down and to get at it and to develop a strain of vaccine that would do something about it.

You may recall we discussed this.

Dr. SHANNON. This was generally the way we were able to get strains and have specific knowledge of the disease, its characteristics, and its potential hazard, when it spilled out of Red China to Hong Kong and then into Manila. Those were our primary contacts with the disease.

If you take the geographical masses on half a sphere and paint over in red the so-called Red countries, you will realize that we have a tremendous area. Geopoliticians call this the central land mass. This is as important for an understanding of the genesis and spread of disease as it is for the genesis and spread of political philosophies and their impressions on other countries.

We are in relative ignorance of the happenings in this total area at the present time. This, I think, is bad.

Senator GRUENING. Nevertheless, the Asian flu came to our shores without passports or visas.

Dr. SHANNON. As a matter of fact, sir, we helped, because it came back with some of our own forces, too.

Senator GRUENING. I have no further questions.

Senator MUSKIE. May I ask at that point, Dr. Shannon: You speak about our ignorance of the genesis and spread of disease in this great land mass. Are you referring only to Red China, or also to Russia?

Dr. SHANNON. I am referring to Russia, too, and I can give you an example.

Senator MUSKIE. Recognition, then, is not the whole answer?

Dr. SHANNON. No; it is not only recognition of disease, but knowledge of what is being done with disease.

Let me give you a devastating example of this. The most serious epidemic disease in the early years of Korea was a disease, hemorrhagic fever, which was a completely new disease. Our physicians knew nothing about it. They had never seen it. Yet this was the one serious epidemic disease that carried a mortality rate of 20 to 30 percent.

In the early days, it was killing more people than were being killed by the Reds. The Army did a superb job in getting investigative teams into the field, pulling out civilians and developing combined units, and brought the mortality rate down rather quickly to 3 or 5 percent—I can furnish the figure for the record—and developed a concept on how the disease was transmitted. It was obviously some sort of insect-borne host. After much toil and trouble, I think they had the disease very well under control by the time the Korean conflict ended.

It turned up after the war with the first Russian visitor we had a professor from Moscow and some of his colleagues, that they had been studying and had definite information back as far as 1942 and 1943—1941 to 1943. They had recognized the disease in the late 1930's. The Russians don't publish vital statistics on disease. They don't give the mortality rate, they don't know what goes on.

Had we the knowledge of this disease as an important infectious disease, had we knowledge of its mode of transmission, we could have protected for that area. We could have looked for it and known it was there before we went in there and we would not have had the attack rate we had, nor would we have had the great mortality rate.

So when we say that you can't cut off a large segment of the world from the standpoint of medical knowledge and produce the type of protection that is essential to us as citizens within this country and to our nationals when they go outside, whether civilians or armed forces, this is not an expression of opinion, this is a fact.

Senator MUSKIE. When I listened to your prepared statement on this point, immediately the suggestion came to mind that perhaps political recognition is the answer to this problem, and that is what I was referring to earlier, and it is not.

Dr. SHANNON. I don't think that is it. I think that our greatest hope is through very strong support of the World Health Organization as a neutral body wholly outside the political sphere, which brings into its orbit some of the countries that have opposing political views. They can work faster in this area than can we as an individual government in a bilateral way. I think for this reason, if no other, we should support the activities of the World Health Organization to the hilt.

I think that when it comes to communications, exchange of scientists, the ability of scientists to move and exchange ideas, then I think this is something we have to do bilaterally. We can't get outside help for that, although even here the World Health Organization would be helpful.

Now, in the several conferences I have had in Geneva, called to discuss serious disease on a worldwide basis, the Russians have attended. They are as free and open in their discussions around the conference table as are our own scientists in this country. This constitutes a new ground for the purpose of discussion that has no substitute. That is why I say we have a strong responsibility to support this organization to the hilt, not only in its service programs but as it goes forward into a broadening research program.

Again I would say there are certain things we can do at home, too.

Senator MUSKIE. Are the Soviets inclined to cooperate in the program of the World Health Organization?

Dr. SHANNON. I think they are. They have given every indication that they are. In the executive committee last February, I believe, when the concept of broadening the World Health Organization program on research was first discussed, the strongest proponent was the Soviet—when I say "strongest," as strong as any proponent was the Soviet member. I think they, as we, can't move as rapidly, perhaps, as they would like. The Soviet representative at the World Health Assembly that discussed this did not have instructions, nor did many countries have instructions for their delegates, because the proposed program of research reached the countries too late, just before the people took off, so that the delegate came wholly uninstructed.

But I think on the basis of the comments of the Soviet representative at the executive committee, World Health Conference, we have every reason to believe that they are fully behind it.

Senator MUSKIE. To the extent that they will allow free entry to field research teams?

Dr. SHANNON. This remains to be seen. I think this will have to be on an individual case basis. I hope that within a year we will be able to come back and tell you, and say "yes."

Senator MUSKIE. You haven't had occasion to face that question yet?

Dr. SHANNON. No, sir; we have not.

Senator HUMPHREY. It is true, however, that there has been active participation by Iron Curtain countries in these conferences; has there not?

Dr. SHANNON. There has.

DAV SERVES KANSANS

Mr. SCHOEPPEL. Mr. President, another distinction has recently been conferred upon my home State of Kansas by the election of a longtime personal friend of mine, Bill H. Fribley, to the eminent position of national commander of the DAV—Disabled American Veterans—the only congressionally chartered association composed exclusively of America's disabled defenders dedicated to the program of extending much needed rehabilitation services to, by, and for our country's veterans and for their survivors and dependents.

Bill Fribley has been a member of the Kansas Legislature during the last 11 years, and is its able speaker pro tempore. He has long been active in the American Legion. As an overseas veteran of World War II, he is also a member of the VFW. Severely wounded by shell fragments, which resulted in the complete removal of his left arm and shoulder, he spent 25 months in U.S. Army hospitals in Europe and in this country.

Bill Fribley—his first name is actually Bill, not William—is the third Kansan to have become the national commander

of a congressionally chartered veterans' organization. He was preceded by our good mutual friend, Harry Colmery, who, in 1936, was elected as national commander of the American Legion, and by Wayne Richards, who, in 1953, was elected as commander in chief of the VFW. They were all "doers."

Before being elected national commander of the DAV, at its national convention in Miami Beach, Fla., August 17–21, 1959, Bill Fribley had served during the previous year as its national senior vice commander, and before that as a DAV national committeeman, first having gained much experience in various capacities in his own Sunflower chapter as Kansas DAV department legislative chairman and department commander.

Bill Fribley's leadership of the DAV nationally, will, I feel confident, be accompanied by continued DAV growth in membership and in constructive legislative and rehabilitation activities, with particular emphasis upon suitable useful employment of all disabled veterans—as well as of other employable handicapped Americans—utilizing their remaining abilities toward their own self-sustainment to convert them into assets in their own communities, and as willing taxpayers for the continued development of our country.

First things first, for America's war wounded and disabled veterans, and for their dependents and survivors, will be advocated throughout America, by Bill Fribley as national commander of the DAV.

Commander Fribley has revealed some very interesting facts to me about an exceptional record of vital rehabilitation services freely extended to thousands of Kansas citizens, which have not been sufficiently appreciated by those who have benefited thereby, directly, and indirectly.

DAV SETUP

Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have since then benefited every compensated disabled veteran. Presently, the DAV national adjutant is John E. Feighner in Cincinnati, Ohio; the national legislative director is Elmer M. Freudenberger; the national director of claims is Cicero F. Hogan; and the national director of employment relations is John W. Burris, all of whom are located at the DAV National Service Headquarters, 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veterans' organizations. Nevertheless, since shortly after its formation in 1920, the DAV National Headquarters, located at 5555 Ridge Avenue, Cincinnati, Ohio, has maintained a full-time, trained, national service officers staff to assist veterans with their problems. They are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C.

They have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert to the problems of other less informed claimants.

DAV SERVICES IN KANSAS

The DAV national service officer in Kansas is Mr. Floyd R. Mauk, located at the VA Center, 5500 East Kellogg, Wichita. The department commander is Mr. Oscar S. McMinn, of Independence, and the department adjutant is Mr. George P. Bartley, of Topeka.

There are three Veterans' Administration hospitals maintained in Kansas in which the DAV has nationally authorized representatives on the voluntary service advisory committee: Mr. Robert H. Dawson, 1901 South Elizabeth, Wichita, Kans., at the 252-bed GM hospital in Wichita, and Mr. John L. Strand, 305 West 13th Street, Topeka, Kans., at the 1,250-bed NP hospital at Topeka. There is also a 791-bed GM hospital at Wadsworth.

During the last fiscal year, the VA paid out $73,084,000 for its veteran program in Kansas, including $16,629,211 in disability compensation—about 20 percent of all VA expenditures—to its 15,741 service-disabled veterans, thereby furnishing substantial purchasing power in all Kansas communities.

DAV SERVICE ACCOMPLISHMENTS IN KANSAS

An outstanding record of personalized service activities and accomplishments of the DAV national service officer, in behalf of Kansas veterans and dependents during the last 10 fiscal years, is revealed by the following statistics:

Claimants contacted	20,290
Claim folders reviewed	16,908
Appearances before rating boards	5,020
Compensation increases obtained	1,040
Service connections obtained	445
Nonservice pensions	332
Death benefits obtained	245
Total monetary benefits obtained	$596,473.59

Bill Fribley points out that these figures do not include the accomplishments of other DAV national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, and in its three district offices, handling death and insurance cases.

During the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32; and in central office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Kansas veterans, their dependents, and their survivors.

SERVICE BEYOND STATISTICS

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted DAV service officers in person, by telephone, and by letter.

Pertinent advice was furnished by them to all disabled veterans—only about 10 percent of whom are DAV members—their dependents, their survivors and others, in response to varied claims for service connection, disability, compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guaranty loans for homes, farms and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment, to utilize their remaining abilities, civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents a different problem. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible.

A VA Claims and Rating Board can obviously not grant favorable action merely based on the opinions, impressions, or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

Acting as judge and jury, the VA cannot also prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award benefits, provided for under the laws administered by it, only under certain conditions.

Every expert national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional, factual evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence.

The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations, and schedule of disability ratings.

No national service officer of any veterans' organization, I feel certain, ever uses his skill, except in behalf of worthy claimants with justifiable claims.

More claims have been denied than have been allowed—because most claims are not properly prepared. As pointed out by the DAV assistant national director of claims, Chester A. Cash, a much higher percentage of those claims which have been prepared and presented with the aid of a DAV national service officer are eventually favorably acted upon, than is the case of those claimants who have not given their powers of attorney to any such special advocate.

RESULT IN LOSSES

Another fact not generally known is that, under the overall review of claims

inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year.

Most of these unfortunate claimants were not represented by the Disabled American Veterans or by any other veterans' organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. Every disabled veteran in Kansas is urged, therefore, to give his power of attorney to the national service officer of the DAV—or of some other veterans' organization, or of the American Red Cross—just as a protective measure.

COSTS OF EXTENDING SERVICE

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

METHODS OF PROVIDING SERVICE

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project in thus furnishing them with useful, gainful employment.

Incidentally, without checking as to whether they had previously sent in a donation, more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 4,256 of whom during the last 8 years were Kansas residents.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations, and various religious, fraternal, and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations—the United Spanish War Veterans, the American Legion, the Veterans of Foreign Wars, the AMVETS, the Military Order of the Purple Heart, and the Disabled American Veterans. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV. If eligible, I would certainly be proud to be a life member of the service-giving Disabled American Veterans—the DAV.

THE JOURNAL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Journal for September 5, 7, and 8, be approved without reading.

Mr. MORSE. Mr. President, what was the request of the Senator from Texas?

Mr. JOHNSON of Texas. I asked unanimous consent that the Journals of the previous days be approved without reading.

Mr. MORSE. I object.

Mr. JOHNSON of Texas. The Senator objects?

Mr. MORSE. I object.

PRINTING OF ADDITIONAL COPIES OF REPORT ENTITLED "RIO GRANDE INTERNATIONAL STORAGE DAMS PROJECT—REPORT ON PROPOSED DIABLO DAM AND RESERVOIR"

Mr. JOHNSON of Texas. Mr. President, I submit a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution for the printing as a Senate document of 1,500 additional copies of the report entitled "Rio Grande International Storage Dams Project—Report on Proposed Diablo Dam and Reservoir."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 189) was considered and agreed to, as follows:

Resolved, That the report entitled "Rio Grande International Storage Dams Project—Report on Proposed Diablo Dam and Reservoir", prepared by the United States section of the International Boundary and Water Commission, United States and Mexico, dated September 1958, be printed with illustrations as a Senate document.

SEC. 2. There shall be printed one thousand five hundred additional copies of such Senate document for use of the Members of the Senate.

PAYMENTS TO LOCAL GOVERNMENTS ACT OF 1959

Mr. HRUSKA. Mr. President, the growth of our Federal Government into giant size in these recent years has resulted in a curious mixture of benefits and detriments.

There are those who constantly and persistently work for enlarged scope of Federal activities, and even larger appropriations and jurisdiction for existing activities. They do so on the belief that governmental activities are better executed on a national rather than on a State or local basis. There are those who adhere to the time-tested principle that the Federal Government should be resorted to only in such cases where it is demonstrated that any given problem cannot be properly administered on a State or local level. These folk believe that the harms of increased size and activity of the national Government outbalance those things which might be considered good therein.

Whatever the merits of this basic conflict may be, there is one aspect in which we find great harm flowing from the ever-increasing activities of the Federal Government. This is in those instances where the National Government acquires a great deal of property in any given location. The immediate result of such action is to remove that property from the local tax rolls. Often this means a great burden and hardship upon all of the local taxing authorities, such as: cities, school districts, county government, special assessment districts of local nature, and the like.

For years, the fact of such burden and hardship has been recognized. Its impact is painful and the reaction of those who are hurt is vocal and direct. In recent years, such property acquisitions are greater and greater, so that the consciousness of the bad result has increased considerably.

Many organizations and individuals have protested and proposed remedies, the National Association of County Officials being one of the most persistent, and one of the most competent champions of seeking proper corrective measures.

Lack of progress is attributed somewhat to the difficulty of arriving at a formula which will be practical, and which will be within reasonable limitations insofar as avoiding undue restriction on Federal Government activities and functions. For example, it should be clear that any property acquired for purposes which have been historically considered normal governmental activities should not be included in any bill providing for payment in sums in lieu of taxes. Thus, any land acquired for post offices, penitentiaries, hospitals, Government offices, and so on are generally regarded as exempt from efforts to pass laws in this field.

On the other hand, real estate of industrial or commercial character falls in a different class. Usually it is found to be used in connection with some national defense or armament activity, but not always. But even if it were possible to classify such property in a practical way, the fixing of a date after which such real estate would be acquired and subjected to payments in lieu arises as a difficult problem.

Earlier this session, the Senator from Nebraska entered his name as a cosponsor of S. 910, the so-called Payments to Local Governments Act of 1959. Admittedly it is a bill of experimental nature and with very limited purview.

In brief, the authorization will provide for three categories under which payments may be made in lieu of taxes. The first relates to special assessments under certain specified conditions; the second relates to real property in the custody or control of taxable persons pursuant to a lease, contract, or permit executed by a Federal agency, if such property were

owned by a taxable person; and the third relates to real property first acquired by the Federal Government after June 30, 1950, and which is devoted to or held for predominantly commercial or industrial use. Applications are filed with a bipartisan Federal Board for Payments to Local Governments, which Board will pass upon the merits of the claim and will determine the amount to be paid.

In addition to that, the Board would be required to conduct a comprehensive study of the problems arising out of Federal immunity from local real and personal property taxes. Within 2 years it would be required to submit recommendations for the future treatment of the Government's real and personal properties in respect to local tax laws.

The bill is moderate in its reaches. While it is experimental, it is headed in the right direction toward a mature and sound program for payments in lieu of taxes.

Mr. President, the bill has been favorably reported by the Committee on Government Operations to which it has been referred.

The U.S. Treasury Department responded to the request of the chairman of that committee, the Honorable JOHN L. MCCLELLAN, for that Department's views on the bill.

In its letter reply, the Department points out that only last year there were four separate decisions of the U.S. Supreme Court bearing upon the requirement of the Government's contractors and leaseholders to pay local taxes on the possession or use of Federal real or personal property in their custody. In at least some of these situations, it is stated that the economic burden of the local taxes is on the Federal Government.

These decisions have changed the constitutional and fiscal relationships existing between the Federal Government and the States. Congressional legislation may be required for the purpose of defining the status of the Government's properties under State and local tax laws. It is reported that this field is currently under study by the Federal agencies concerned. Until that study is completed, it will not be clear what additional laws will be required.

In his letter of reply, David A. Lindsay, then Assistant to the Secretary of Treasury states, in this regard:

> Nonetheless, since the bill, S. 910, embodies principles the Department regards sound for a temporary program of payments in lieu of taxes on real properties in the possession of the Government, and would provide machinery for the ultimate development of permanent legislation in an area of vital interest to local governments, the Department does not counsel that its enactment be further delayed. It therefore supports enactment of S. 910, reserving the right to recommend such additional legislation as is deemed necessary with respect to the tax status of the Government's properties in the hands of contractors and leasees.

Mr. President, this favorable report from the Department of Treasury is good news. Mr. B. F. Hillenbrand, executive director of the National Association of County Officials, hails it as a major breakthrough.

It is a milestone and a vast step forward toward an equitable and practical solution of a vexatious and difficult problem.

Mr. President, the Senator from Nebraska is aware that the workload of the Senate is heavy and that individual Members are greatly burdened with many tasks, particularly in the closing days of a congressional session.

Nevertheless, it is my earnest hope that the Senate will be afforded an early opportunity to consider the bill, S. 910, which has been favorably reported by the Government Operations Committee.

The enactment of a law along these lines is long overdue. In large measure the faith in local Government's ability to retain its virility and strength will be demonstrated by the promptness with which we as a Congress will respond to the need for action.

CENTENNIAL OBSERVANCE OF ATTACK BY JOHN BROWN AND HIS RAIDERS ON HARPERS FERRY, W. VA.

Mr. BYRD of West Virginia. Mr. President, in a few weeks, the eyes of history-conscious Americans are going to be turned toward my State, as a city in the eastern panhandle marks the 100th anniversary of an event that shook our Nation in the turbulent days prior to the Civil War.

I am speaking of the famous attack on Harpers Ferry by John Brown and his raiders, which occurred on the 16th of October in the year 1859.

In commemoration of this occasion, the people of Harpers Ferry and Jefferson County, W. Va., have set aside 4 days of next month—the 15th, 16th, 17th and 18th—as a period for a centennial observance. Under the sponsorship of an organization known as the Harpers Ferry Area Foundation, an elaborate 4-day program has been arranged to emphasize the historical significance of this period. An impressive historical drama has been written for the observance, and many other activities have been planned to commemorate the raid which often has been credited with "lighting the fuse" of the War Between the States.

I take this opportunity, Mr. President, to offer an invitation to all Washingtonians and other interested Americans to visit nearby Harpers Ferry during the 4-day observance. I think it will be a very rewarding experience, one which will demonstrate the colorful historical heritage of this area of our Nation.

Mr. President, I desire to recall a bit of the drama of that flamboyant occurrence which is to be commemorated. Much has been written, over the years, of the story of the fiery-eyed abolitionist, John Brown, and of his wild career of slave freeing, which was brought to an end at Harpers Ferry. Thousands have called him a redeemer and a prophet of God; thousands have called him a madman. I am not capable of judging him, but I know that this much is certain: His attack on Harpers Ferry, W. Va., was a highly significant event that served to crystallize much of the intense feeling that existed in our country at that time.

A brief summary of the occurrence is contained in these sentences from an advertisement by the Baltimore & Ohio Railway:

> Harpers Ferry, W. Va., the town at the junction of the Potomac and Shenandoah Rivers, and where three States—Maryland, Virginia, and West Virginia—meet. It was a key railroad and canal center; and in 1859 it possessed a U.S. arsenal and rifle factory. This town presented an ideal setting for the dramatic and historical happenings of John Brown's stormy career as a rabid abolitionist. John Brown's raid occurred on the night of October 16, 1859, and, in the skirmish at Harpers Ferry, the B. & O. right-of-way was the scene of the first fighting, and two railroad employees were the first casualties. To quell the uprising, a detachment of 90 marines, under Col. Robert E. Lee, was sent to the scene. The abolitionist leader and his followers were captured after a pitched battle, and John Brown was tried and executed in nearby Charles Town, W. Va., on December 2, 1859. While the insurrection was a failure and was promptly suppressed, it was, no doubt, one of the chief factors that hastened the outbreak of the Civil War.

Mr. President, that is a brief, factual account of the John Brown raid. But a more elaborate telling of the story is necessary to fully convey the intense drama which unfolded as the event took place.

I am sure that the Senate is familiar, by now, with my penchant for prose and poetry. So I ask indulgence as I recite a few random lines from one of the greatest Civil War poems, "John Brown's Body," by Stephen Vincent Benét. In the 33d page of the epic, it begins—

They reached the Maryland bridge of Harpers Ferry
That Sunday night. There were twenty-two in all,
Nineteen were under thirty, three not twenty-one. * * *
These were some of the band. For better or worse
They were all strong men. * * *
They tied up the watchmen and took the rifle-works.
Then John Brown sent a raiding party away
To fetch in Colonel Washington from his farm.
The Colonel was George Washington's great-grand-nephew,
Slave-owner, gentleman-farmer, but, more than these,
Possessor of a certain fabulous sword
Given to Washington by Frederick the Great.
They captured him and his sword and brought them along
Processionally.
The act has a touch of drama,
Half costume-romance, half unmerited farce.
On the way, they told the Washington slaves they were free,
Or free to fight for their freedom.
The slaves heard the news
With the dazed, scared eyes of cattle before a storm.
A few came back with the band and were given pikes,
And, when John Brown was watching, pretended to mount
A slipshod guard over the prisoners.
But, when he had walked away, they put down their pikes
And huddled together, talking in mourning voices.
It didn't seem right to play at guarding the Colonel
But they were afraid of the bearded patriarch
With the Old Testament eyes. * * *
Meanwhile, there was casual firing.

A townsman named Boerley was killed, Meanwhile, the train
Passed over the bridge to carry its wild news
Of abolition-devils sprung from the ground
A hundred and fifty, three hundred, a thousand strong
To pillage Harpers Ferry, with fire and sword.
Meanwhile the whole countryside was springing to arms.
The alarm-bell in Charles Town clanged "Nat Turner has come!
Nat Turner has come again, all smoky from Hell,
Setting the slave to murder and massacre!"
The Jefferson Guards fell in. There were boys and men.
They had no uniforms but they had weapons.
Old squirrel-rifles, taken down from the wall,
Shotguns loaded with spikes and scraps of iron.
A boy dragged a blunderbuss as big as himself.
They started for the Ferry. * * *
Of course they were cut off. The whole attempt
Was fated from the first.
Just about noon
The Jefferson Guards took the Potomac Bridge
And drove away the men Brown posted there.
There were three doors of possible escape
Open to Brown. With this, the first slammed shut.
The second followed it a little later
With the recapture of the other bridge
That cut Brown off from Kagi and the arsenal
And penned the larger body of the raiders
In the armory. * * *
When the drunken day
Reeled into night, there were left in the engine-house
Five men, alive and unwounded, of all the raiders. * * *
There was no light, there. It was bitterly cold.
A cold chain of lightless hours that slowly fell
In leaden beads between two fingers of stone.
Outside, the fools and the drunkards yelled in the streets,
And, now and then, there were shots. The prisoners talked
And tried to sleep. * * *
Outside the blackened East
Began to tarnish with a faint, grey stain
That caught on the fixed bayonets of the Marines.
Lee of Virginia, Light Horse Harry's son,
Observed it broaden, thinking of many things,
But chiefly wanting to get his business done,
A curious, wry, distasteful piece of work
For regular soldiers. * * *
Brown watched them come. One hand was on his carbine.
The other felt the pulse of his dying son.
"Sell your lives dear," he said. The rifle-shots
Rattled within the bricked-in engine-room
Like firecrackers set off in a stone jug,
And there was a harsh stink of sweat and powder.
There was a moment when the door held firm.
Then it was cracked with sun.
Brown fired and missed.
A shadow with a sword leaped through the sun.
"That's Ossawattomie," said the tired voice
Of Colonel Washington.
The shadow lunged
And Brown fell to his knees.
The sword bent double,
A light sword, better for parades than fighting,
The shadow had to take it in both hands
And fairly rain his blows with it on Brown
Before he sank.
Now two Marines were down,
The rest rushed in over their comrades' bodies,
Pinning one man of Brown's against the wall
With bayonets, another to the floor.
Lee, on his rise of ground, shut up his watch.
It had been just a quarter of an hour
Since Stuart gave the signal for the storm,
And now it was over.
All but the long dying.

Mr. President, that terrible drama, which took place at Harpers Ferry, W. Va., a century ago, has long since assumed its place in the colorful historical heritage of America. That day is gone forever—October 16, 1859. The fierce passions that burned like lumps of coal in the breasts of men; the fiery words that galvanized those passions into bold and reckless action; the clash of steel on steel, the terrifying din of battle, and the awful, tomblike silence which followed, as the day the night—all these are gone. John Brown's men and the men of Lee—vanquished and victor—all have gone.

The dead are silent. Passionless and still
They lie in dreamless slumber, robed in peace.
They will not stir though raging armies fill
The air with frightful clamor. The sweet release
Of death has soothed their anguish. They have found
Within that timeless land the secrets men
Have sought since time begun. They are not bound
By fetters forged or race or creed * * * and when
The frantic living join the quiet dead
We, too, shall learn that in that gentle dust
All flesh is kin; within that narrow bed
There is no room for hate or fear or lust * * *
The living plague the gods with selfish cries;
The dead are silent—the dead are wise!

Mr. President, this is a part of our glorious heritage. And I believe that it is right that we should preserve this heritage and reflect upon it through observances such as that which is to take place in Harpers Ferry next month.

I repeat the invitation for all who wish to visit during this event. It is my understanding that special railway excursions are to be provided from several cities, during the 4 days of the centennial.

I wish to conclude my statement, Mr. President, by asking that three pertinent items be reprinted in the CONGRESSIONAL RECORD, as part of my remarks. The first is another portion of the Baltimore & Ohio Railway advertisement I mentioned previously, which tells of Harpers Ferry becoming a national monument. The second is a portion of a letter from the Honorable Cecil H. Underwood, Governor of West Virginia, to the people of Harpers Ferry. And the third is an account from a special centennial brochure which tells of the development of the Harpers Ferry National Monument. I ask unanimous consent that they be reprinted in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[Excerpt from advertisement]

Of the many places that were in a constant state of seige during the Civil War, Harpers Ferry suffered most heavily. The record of the Civil War disaster, from 1861 to 1865, was responsible for Harpers Ferry and the surrounding area becoming a historical landmark. * * * The thrilling history, of which it has been the scene, and the beauty of the surrounding Shenandoah Valley area add to the enjoyment and interest of the visitor today. It is located on the main line of the Baltimore & Ohio Railroad, 55 miles west of Washington, D.C. * * * The U.S. National Park Service established Harpers Ferry as a national monument in May 1955 and many historic landmarks are now in process of restoration.

[Excerpt from Governor's letter]

Just prior to the great civil conflict a century ago, the eyes of the world focused on Harpers Ferry. The legend of John Brown has lived with us for 100 years, and will linger into the years ahead. It is indeed fitting that an observance should be staged to recognize the centennial of such a historic event.

Even before the days of George Washington and Thomas Jefferson, this region had been known for its scenic beauty and dignified culture. It enjoys this same reputation today, and I am sure your city will continue to be an important gateway to West Virginia.

History has left its imprint here too. Located in this vicinity are many of the historical points which draw thousands of visitors to our State each year. This vital area has helped to make tourism one of West Virginia's industries.

[Excerpt from centennial brochure]

HARPERS FERRY NATIONAL MONUMENT

The interest of the Nation centered for a few days on Harpers Ferry, W. Va., in 1859. This year, a hundred years later, there is again special national interest in this historic site.

Authorized by act of Congress in 1944 a unit of the National Park Service of the Department of the Interior is being developed here in part to reflect the national interest in and national significance of the historic 1859 event. John Brown by his bold, but abortive stroke against slavery widened the breach which had been developing for a number of years between the North and South.

The mission 66 program of the National Park Service is designed to meet the anticipated needs of the visitors to all the areas of the Park Service in 1966. As part of this program at Harpers Ferry National Monument two major objectives have been reached. Primary source materials relating to the life and activities of John Brown which had been collected will be of increasing value to an understanding and interpretation of that man. Also, a temporary branch museum has been activated to tell objectively the story of John Brown.

The facts concerning this controversial figure have been so clouded by biased accounts in the hundred years since his death that it was considered necessary to collect pertinent primary data. This information incorporated in the interpretive program of the monument provides a sound basis of historical accuracy in retelling the John Brown story.

Although there are numerous places where parts of it are told, it was felt that Harpers Ferry National Monument was a logical location in which to recount the broader story

of Brown's whole life with special emphasis on the climatic chapters at Harpers Ferry and Charles Town. This is the basis for and nature of the John Brown Story Branch Museum at Harpers Ferry National Monument. Here you will find information on his early life, business activities, travels, and planning; the raid and subsequent trial and execution.

The John Brown raid is only one aspect of the planning and development of Harpers Ferry National Monument. The early history of the town, arms manufacturing, growth as a transportation center, and the Civil War are interesting segments of the town's history. A special research team has collected a vast quantity of primary source material on the physical history of the town. Based on the results of this work the pre-Civil War buildings will be authentically restored to their 1859–65 appearance. Although authorized primarily as a historical monument, there are scenic and natural history values that are not being overlooked.

The development of Harpers Ferry National Monument is based on a well-balanced approach to full visitor enjoyment. The research files are available to scholars, students of history, and casual visitors alike; the monument is available to any who may be interested in human or natural history. The monument as a national possession is available now and in the future will be more adequately prepared to provide for the needs and desires of all who wish to take time to enjoy an American heritage.

Mr. SCOTT. Mr. President, will the Senator from West Virginia yield?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Does the Senator from West Virginia yield to the Senator from Pennsylvania?

Mr. BYRD of West Virginia. Mr. President, I gladly yield to my colleague and friend, the Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I congratulate the Senator from West Virginia on the statement he has made as a member of the Civil War Bicentennial Commission.

I was very much pleased to note that—with his usual tact—at various times in his remarks he referred to the Civil War, and at other times to the War Between the States.

Not a word that he read from Stephen Vincent Benét is unfamiliar to me. In fact, in my perhaps uninformed approach to American literature, I believe that book comes more nearly to being the great American novel than any other book yet written. I have read it again and again, and I have listened over and over to the recordings of its words.

I believe—and I am sure the distinguished Senator from West Virginia will agree with me—that every day there is heard in this land and in this Senate Chamber the long, quavering, mournful sigh of the expiring life of John Brown, and the voice of that strange man, part fanatic, part religionist, part idealist; perhaps wrong, perhaps right, but a man who set a nation to self-examination which has not yet ended, by any means; a man whose voice was raised, and will not die. The sound of his voice sweeps across our land from boundary to boundary, from shore to shore, and challenges the conscience of America, and says to us that, somehow, some day, this good land, with its heritage, may yet find the solution to its problems—to the problem to which John Brown and his adherents gave their allegiance, and to all the other problems which affect the American kind.

Mr. President, I conclude by repeating my thanks to the distinguished Senator from West Virginia for the splendid contribution he has made and for his references to the celebration which is to take place at Harpers Ferry.

Mr. BYRD of West Virginia. Mr. President, I thank my colleague and friend from my neighboring State of Pennsylvania, who has contributed in his usual eloquent and fine manner to this discussion.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, September 9, 1959, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 36. An act for the relief of Page A. Wilson;

S. 252. An act to authorize Col. Philip M. Whitney, U.S. Army, retired, to accept and wear the decoration tendered him by the Government of the Republic of France;

S. 825. An act to revise eligibility requirements for burial in national cemeteries, and for other purposes;

S. 1081. An act for the relief of Arshalouis Simeonian;

S. 1149. An act for the relief of Capt. Thomas J. McArdle;

S. 1164. An act to authorize the appointment of a commissioner for Grand Canyon National Park, Ariz.;

S. 1613. An act for the relief of Matilda Kolich;

S. 1891. An act for the relief of Donald G. Coplan;

S. 1973. An act to extend the validity of the passport to 3 years;

S. 2101. An act for the relief of Ourania Ben Blikas;

S. 2500. An act to authorize the appointment of Elwood R. Quesada to the retired list of the Regular Air Force, and for other purposes;

S. 2291. An act to authorize the erection of a plaque in honor of the late Honorable Sam D. McReynolds on or near the site of the Chickamauga Dam;

S. 2390. An act to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park; and

S.J. Res. 25. Joint resolution to change the name of Roosevelt Dam, Reservoir, and Power Plant in Arizona to Theodore Roosevelt Dam, Lake, and Power Plant.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until tomorrow at 9:30 a.m.

The motion was agreed to; and (at 8 o'clock and 10 minutes p.m.), under the order previously entered, the Senate took a recess until tomorrow, Thursday, September 10, 1959, at 9:30 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 9 (legislative day of September 5), 1959:

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Estelle S. Killough, Ramer, Ala., in place of N. W. Hill, retired.

ARKANSAS

Everett L. Hall, Hazen, Ark., in place of L. A. Tyson, resigned.

CONNECTICUT

Philo J. Perham, Amston, Conn., in place of S. G. Turshen, deceased.

FLORIDA

Richard E. Sapp, Green Cove Springs, Fla., in place of A. V. Prevatt, retired.

GEORGIA

Robert L. White, Trenton, Ga., in place of E. L. Raulston, retired.

ILLINOIS

Glenn E. Jones, Bulpitt, Ill., in place of M. N. Ceyte, deceased.

Christian M. Willman, Jr., Deerfield, Ill., in place of J. J. Welch, retired.

Robert F. Baker, Oakwood, Ill., in place of E. R. Chestnut, resigned.

INDIANA

Harry R. Shidaker, Bremen, Ind., in place of H. G. Carbiener, retired.

Robert W. Jackson, Fountain City, Ind., in place of F. L. Scarce, retired.

Mary L. Butler, Pershing, Ind., in place of C. E. Rodenberg, deceased.

Ernest D. Chambers, Springport, Ind., in place of W. C. Bunner, deceased.

Lowell W. Rush, Windfall, Ind., in place of M. E. Martin, transferred.

IOWA

Ruth C. Matthias, Readlyn, Iowa, in place of H. F. Diekmann, retired.

KANSAS

Rex N. Shewmake, Baxter Springs, Kans., in place of I. T. Hocker, retired.

KENTUCKY

Mary F. Hill, Stone, Ky., in place of J. S. May, retired.

LOUISIANA

John T. Baldwin, Jr., Bernice, La., in place of M. M. Baldwin, retired.

MASSACHUSETTS

Robert G. Wood, Bass River, Mass., in place of E. L. Dunham, retired.

James A. Stowell, Marion, Mass., in place of A. L. Little, deceased.

MINNESOTA

Hardin H. Kindler, Lynd, Minn., in place of A. H. Roloff, retired.

MISSISSIPPI

James E. Brewer, Cascilla, Miss., in place of Mary Bloodworth, retired.

Kirby M. Graves, Sr., Roxie, Miss., in place of J. C. Graves, Jr., transferred.

NEW JERSEY

Stanford B. Tidaback, Newton, N.J., in place of M. N. Strader, retired.

NEW YORK

Mae M. Gibbs, East Nassau, N.Y., in place of P. J. Marsh, resigned.

Roy E. Jenne, Hermon, N.Y., in place of A. E. Cook, deceased.

Hazel M. Carr, Lisbon, N.Y., in place of E. E. Jones, deceased.

Dorann E. Oldenburg, West Lebanon, N.Y., in place of R. E. Watkins, resigned.

NORTH CAROLINA

John O. Gettys, Ellenboro, N.C., in place of W. C. Stockton, resigned.

James D. Cobb, Lumber Bridge, N.C., in place of D. G. Clifton, declined.

NORTH DAKOTA

Clifford W. Hackett, Sarles, N. Dak., in place of C. L. George, retired.

OHIO

Irven E. Scott, Kinsman, Ohio, in place of J. W. Fulton, Jr., resigned.

Charles R. Scott, Lodi, Ohio, in place of V. A. Miner, retired.

OKLAHOMA

Virgil W. Morris, Gotebo, Okla., in place of C. B. Bolar, transferred.

OREGON

Martha H. Anderson, Gardiner, Oreg., in place of V. A. Grubb, deceased.

PENNSYLVANIA

Stanley H. Ward, East McKeesport, Pa., in place of G. J. Hoke, deceased.

Robert C. Yeagley, Holtwood, Pa., in place of A. E. LeFever, resigned.

Leonard Farkas, Hostetter, Pa., in place of C. R. Andros, resigned.

Donald J. Hart, Laughlintown, Pa., in place of I. M. Ziders, retired.

William G. Fultz, Jr., Mammoth, Pa., in place of J. M. Tarosky, removed.

Miller L. Kerr, New Castle, Pa., in place of W. R. Hanna, deceased.

Henry H. Arnold, Robertsdale, Pa., in place of Margaret Truax, resigned.

Preston L. Allison, Shrewsbury, Pa., in place of Marea Stover, retired.

Edgar F. Benner, State College, Pa., in place of R. J. Miller, retired.

TENNESSEE

Thurman L. Jackson, St. Joseph, Tenn., in place of G. M. Bryan, retired.

Robert A. Emerson, Saulsbury, Tenn., in place of E. L. Goddard, deceased.

TEXAS

Charles O. Onstead, Sr., Ennis, Tex., in place of G. H. Barney, Sr., retired.

Wilbur W. Mueller, Flatonia, Tex., in place of W. J. Bludworth, retired.

John H. Garrett, Lone Star, Tex., in place of A. C. Mestayer, resigned.

Viola D. Hamby, Wimberley, Tex., in place of Rena Snodgrass, retired.

VIRGINIA

Richard L. Wingfield, Appomattox, Va., in place of E. L. Smith, retired.

John R. Pritchard, Jr., Emporia, Va., in place of R. M. Owen, deceased.

Ollie M. Brooks, Red Ash, Va., in place of B. E. Short, removed.

WISCONSIN

Harry V. Cooper, Patch Grove, Wis., in place of Grace Harper, deceased.

William P. Taylor, Rhinelander, Wis., in place of L. M. Byrns, retired.

Earl J. Murray, Webster, Wis., in place of R. D. Fahland, retired.

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law.

FIRST LIEUTENANT TO CAPTAIN

Line of the Air Force

Abbott, Richard W., 46852A.
Abney, Kenneth L., 28633A.
Abney, Maurice R., 31013A.
Abolila, Paul A., 31300A.
Acton, John C., Jr., 53249A.
Adams, Harry C., 46202A.
Adams, Jarvis M., 3d, 46826A.
Adams, Jimmie R., 47029A.
Adams, William T., 30756A.
Adler, Gerald J., 30926A.
Aiken, Donald W., 25395A.
Aitken, Edward D., 30971A.
Akers, Harry R., Jr. 46961A.
Akitt, William J., 31056A.
Albright, Howard W., 53307A.
Albritton, Bobby G., 31297A.
Alder, John J., 31162A.
Alderete, Edward M., 30957A.
Aldrich, John P., 30662A.
Alexander, Edwin A., 53351A.
Alexander, Fernando, 28666A.
Alexander, Gerald F., 30727A.
Alexander, John R., Jr., 31191A.
Alford, James A., 45989A.
Alisouskas, Vincent F., 46367A.
Alldredge, Gordon D., 47027A.
Allen, Dan C., 30809A.
Allen, David E., 24977A.
Allen, Neyland F. Jr., 31136A.
Allen, Robert H., 27139A.
Aller, Robert O., 24978A.
Allison, Alan H., 31034A.
Allison, Cecil L., 31244A.
Amos, Louie W., 31084A.
Amos, William H., 30862A.
Anderegg, Charles R., 53255A.
Anderson, Arden A., 53205A.
Anderson, Gerald W., 28763A.
Anderson, Howard H., 30605A.
Anderson, Hugh P., 46295A.
Anderson, Jack K., 30820A.
Anderson, Phillip E., 46164A.
Anderson, Richard S., 30863A.
Anderson, Robert L., 30981A.
Anderson, William E., 31088A.
Andrada, Thiophilos, 27911A.
Andrews, John J., 46620A.
Andrews, Lewis S., 3d, 24980A.
Andrichak, Stephen J., 53198A.
Anthony, James I., 53348A.
Apel, Frank J., Jr., 31141A.
Appleby, Ivan D., 46689A.
Arbuckle, Robert V., 30715A.
Archer, Robert G., 31046A.
Arkle, Elmer D., 31170A.
Armani, Harry V., 31206A.
Armstrong, Donald C., Jr., 45841A.
Armstrong, Elmer L., 45813A.
Armstrong, Larry D., 46119A.
Armstrong, Wallace O., 53405A.
Arndt, Robert F., 45846A.
Arnold, Ned D., 46058A.
Artean, Donald K., 28760A.
Arthur, James R., 31228A.
Arthurs, Raymond W., 46545A.
Ascher, Wolf D., 46570A.
Ash, Rolland S., 45800A.
Assalone, Thomas E., 30832A.
Atherton, Thomas L., 53192A.
Austin, Hugh S., 53325A.
Autry, Robert C., Jr., 31231A.
Axley, John H., 24981A.
Babinski, John D., 47057A.
Bacchieri, Leo R., 46779A.
Bachman, Stanley L., 24982A.
Backus, George N., 30728A.
Badenhop, John C., 53236A.
Bailey, Clentis W., 46223A.
Bailey, Franklin E., 30814A.
Bailey, Robert W., 29533A.
Bain, Wilfred C., 30755A.
Baird, Leslie G., 30864A.
Baisden, James K., 28682A.
Baker, Charles C., 30821A.
Baker, Donald G., 24983A.
Baker, Jack L., 46309A.
Baker, James D., 28708A.
Baker, John D., 24984A.
Baker, Leonard K., 24985A.
Baker, Paul R., 46485A.
Bakies, Vincent P., 46270A.
Balcom, Paul R., 30928A.
Bales, John E., 46955A.
Balfe, Paul J., 28817A.
Balliles, Roy K., 31064A.
Ball, Daniel A., 28782A.
Ball, Fred R., Jr., 27862A.
Ball, Robert, 28743A.
Ballantyne, James, 3d, 27871A.
Ballard, William T., 30729A.
Ballinger, Walter A., 30812A.
Baltz, Frederick M., 46760A.
Barbero, Charles J., 46815A.
Barchiesi, Chester A., 24987A.
Bard, Richard D., 46869A.
Barker, Charles D., 46078A.
Barker, Robert R., 27949A.
Barker, Thomas H., Jr., 30778A.
Barkley, Gene A., 30810A.
Barlow, Earl C., 53267A.
Barner, Almer L., Jr., 53219A.
Barnes, Jerome R., 53356A.
Barnes, Kyle D., Jr., 28983A.
Barnes, Richard E., 45996A.
Barnett, Robert W., 31021A.
Baron, John C., 30608A.
Barrett, John O., 46377A.
Barrett, Lis S., Jr., 30790A.
Barrett, Sam B., 24988A.
Barrow, Floyd P., Jr., 24989A.
Bartalo, Anthony J., 53409A.
Barthello, Marc S., Jr., 28775A.
Barton, Robert B., 30639A.
Base, Robert L., 46571A.
Basinet, David J., 30625A.
Bass, Seymour R., 30833A.
Bassett, Charles A., 2d, 31222A.
Bateman, Thomas S., 28664A.
Bates, Kent S., 31012A.
Bath, Jack Jr., 28742A.
Batten, John M., 28677A.
Battle, Benjamin R., 24991A.
Beardsley, William H., 30974A.
Bearman, Richard S., 24992A.
Beason, James L., 30632A.
Beaucond, Robert T., 24993A.
Beaudoin, Jean P., 30817A.
Beaumont, Warren E., 27965A.
Becker, Thomas T., Jr., 46114A.
Becklin, Lynn H., 46550A.
Beiderbecke, Henry A., 24994A.
Belgau, Stephen A., 24995A.
Bell, Tommy I., 30690A.
Bell, William R., 24996A.
Bellamy, Richard E., 47042A.
Below, Howard D., 46870A.
Benbow, Donald N. 28780A.
Bendel, Eugene W., 31301A.
Bennett, Carmi I., 46452A.
Bennett, Charles F., 24997A.
Bennett, James R., 27150A.
Bennett, Jeff D., 30925A.
Bennett, Rex W., 27958A.
Bennett, Robert B., 28674A.
Bennett, Walter R., 31126A.
Bennington, James H., 46825A.
Beran, George W., 46379A.
Bergquist, George E., Jr., 30691A.
Bergschneider, Ethan A., 25406A.
Bergstrom, Vernon M., 30749A.
Berry, Bobby J., 30951A.
Berte, Allen E., 31275A.
Berthelot, Joseph A., 27136A.
Besley, Richard D., 46895A.
Best, Charles A., 24998A.
Betbeze, Gerald B., 30852A.
Betts, Richard L., 53328A.
Beveridge, Robert B., 24999A.
Bevier, Richard, 53354A.
Bevivino, Thomas R., 31278A.
Beyke, Joseph E., 46007A.
Biancardi, Andrew P., 31039A.
Bicknell, Robert S., 25000A.
Bigelow, Dwight E., Jr., 28783A.
Bigwood, Thomas P., 46252A.
Bingaman, Harold W., 30779A.
Birdsell, Ted P., 53344A.
Bishop, Charles E., 25001A.
Bishop, Joe D., 30952A.
Bissell, Schuyler, 46079A.
Bissinger, Fred A., 46711A.
Black, Byron E., 46376A.
Black, Doyce R., 46753A.
Black, Harley S., 28627A.
Black, James A., 27867A.
Black, Odell S., 46375A.
Black, Robert B., 31375A.
Blair, Jacky C., 31302A.
Blake, James E., 45994A.
Blake, John M., 28777A.
Blake, Marlin R., 46148A.
Blake, Thomas A., 28634A.
Blakeman, Helen J., 46224W.

Blanchard, Russell H., 30712A.
Blankenship, Henry J., 46039A.
Bleier, Robert W., 28746A.
Blessing, James J., 53394A.
Blocker, Clarence B., 46572A.
Blount, John E., Jr., 45981A.
Blout, Harry D., 46781A.
Blue, Patrick H., 45982A.
Bofenkamp, Richard L., 46706A.
Boggie, Edwin D., 30865A.
Bogoslofski, Bernard J., 46616A.
Bohannon, Charles L., 31303A.
Bohlke, Charles D., 48891A.
Bohn, Lowell F., 28623A.
Bohrer, Leroy P., 31204A.
Bonar, Vernon G., 46008A.
Bonfiglio, Eugene A., 47053A.
Bonham, Larry D., 46622A.
Bonifer, Arthur J., Sr., 30866A.
Boothby, Lloyd W., 25003A.
Borgersen, Carl I., 46009A.
Borgman, Louis H., 45838A.
Bornkessel, Donald A., 53265A.
Bornstein, Joseph B., 25004A.
Borrell, Charles M., 25005A.
Boswell, Richard D., 28800A.
Boudreau, Carlton F., 46697A.
Boughton, Alain G., 27933A.
Bouley, Richard C., 31220A.
Bourland, William C., 30963A.
Bowdish, Charles G., 25007A.
Bowen, John E., 31274A.
Bowersox, Ralph H., 30831A.
Bowles, Ben D., 46265A.
Bowles, William B., 45742A.
Bowling, Charles M., 25008A.
Bowling, George K., 31144A.
Bowman, George P., Jr., 45759A.
Bowman, Jack P., 46623A.
Boyd, Willis A., 53390A.
Boykin, Luke H., Jr., 46495A.
Boyle, Charles A., 30946A.
Bracher, Arch V., 53366A.
Brachtenbach, Leo, 25009A.
Bradley, James H., 30919A.
Bradley, Philip O., 53291A.
Bradley, Preston E., 46177A.
Brage, Carl W., 31189A.
Brake, James L., 53374A.
Brammer, Robert L., 46962A.
Branch, Harold P., 45888A.
Brandeberry, James R., 46532A.
Brannen, Richard L., 27832A.
Brazile, Floyd J., 46791A.
Breedon, Joseph H., 45942A.
Brehm, Fred E., 46963A.
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Villaret, Albert L., 25308A.
Vincent, Gerald J., 47017A.
Vincent, Lewis J., 46608A.
Vinopal, William J., 46683A.
Violette, Ronald L., 47034A.
Vitale, Anthony M., 31024A.
Vitton, John J., Jr., 53282A.
Vivacqua, Alexander P., 45921A.
Voegtli, William Y., 31086A.
Vogel, Stephen J., 25309A.
Vogt, Donald A., 25310A.
Von Hausen, William W., 25311A.
Vontersch, George L., 28781A.
Vorhies, James W., 30781A.
Vosper, Frederick J., 46527A.
Vredenburgh, Michael S., 30949A.
Wackym, Fred N., Jr., 53345A.
Waddle, Dannie T., Jr., 46641A.
Wadley, James L., Jr., 46225A.
Wadsworth, Dean A., 27132A.
Wagner, Frank H., 46111A.
Wakham, Elvin J., 46548A.
Wakitsch, Harold E., 25312A.
Walborn, Chester A., 27154A.
Walbrecht, Donald A., 30954A.
Walden, Aaron O., 31269A.
Waldron, David L., 25313A.
Waldron, Donald J., 28773A.
Walker, John T., 46903A.
Walker, Robert E., 31338A.
Walker, William K., 45951A.
Wallace, Charles B., 46227A.
Wallace, James L., 29367A.
Walsh, Donald R., 31113A.
Walter, Kenneth L., 46239A.
Walters, James R., Sr., 31270A.
Walters, Neil I., 28684A.
Waltman, Gerald, 28766A.
Ward, Glen C., 45971A.
Ward, James W., 53396A.
Ward, Jarvis D., 46041A.
Ward, Kenneth A., 24640A.
Ward, Robert C., 29529A.
Ware, Joseph M., 31070A.
Warner, Milton J., Jr., 45822A.
Warton, Gerald B., 30904A.
Watkins, Gardner M., 30710A.
Watkins, Jack L., 30643A.
Watkins, James A., 53372A.
Watnee, Lloyd H., Jr., 46821A.
Watson, Barney T., 45743A.
Watson, Everett B., 28648A.
Watson, James F., 46441A.
Watson, John F., Jr., 28719A.
Watts, Robert E., 46818A.
Waxman, Saul, 28761A.
Waynick, Thomas A., 46766A.
Ways, Robert K., 46859A.
Weatherly, Archie L., 46176A.
Weaver, Joseph B., 45792A.
Webb, Marion S., Jr., 30607A.
Webber, James H., 27149A.
Weber, Kenneth L., 28725A.
Weber, Randall W., 53352A.
Weber, Robert R., 45957A.
Webster, Carl R., 53180A.
Webster, James B., 46053A.
Webster, Robert R., 45968A.
Weeks, Allen R., 46283A.
Weeks, Roger M., 31123A.
Weers, Douglas L., 46252A.
Weickhardt, Arthur F., 31337A.
Weidel, Eugene L., 45941A.
Weidlich, William M., 46993A.
Weidner, Charles H., 28690A.
Wienstein, Gerald E., 25317A.
Weir, Charles B., 27886A.
Weissler, Edwin M., 30789A.
Welch, Henry O., Jr., 27918A.
Welch, William J., Jr., 46529A.
Wells, James P., 28619A.
Wells, John A., 31216A.
Wells, Robert L., 53150A.
Welsh, James C., 25318A.
Wendt, Donald R., 46549A.
Wendt, Frederick W., 27945A.
Wenning, Jack H., 30966A.
Wenzel, Donald F., 46034A.
Wesbrook, Richard L., 45833A.
Wessen, Donald E., 53261A.
West, Bobby P., 31038A.
West, Herman G., 30683A.
Westberg, John W., 31225A.
Westberry, James H., 27901A.
Wester, Ruric H., Jr., 28795A.
Westerfield, Luther, Jr., 31334A.
Westermeier, James T., 25319A.
Westfall, Bernard L., 46405A.
Westling, Laverne A., 29391A.
Weston, Elton L., 47018A.
Westphal, Curtis D., 30688A.
Wetesnik, Charles W., 46494A.
Whaley, John R., 46780A.
Wheeler, George H., 46035A.
Wheeler, Harold P., Jr., 25320A.
Wheeler, Joe F., 46073A.
Whipple, Alvin G., 27887A.
Whisenhunt, Henry L., 53336A.
White, Harold R., 46459A.
White, John, 28655A.
White, Philip J., 30689A.
White, William R., 27145A.
Whitely, Ronald E., 46430A.
Whitham, Charles R., 31171A.
Whitlatch, Wayne E., 25383A.
Whitlow, Homer F., 46880A.
Whitmore, James R., 45793A.
Whitson, Arthur E., 46524A.
Whittemore, Albert B., 25321A.
Wickersham, Alan R., 46525A.
Wicklund, Robert A., 30932A.
Wiegand, Karl L., 28704A.
Wieland, Paul L., 28610A.

Wight, Frank R., 29520A.
Wilcoxson, Billy J., 31132A.
Wilder, William J., 53211A.
Wiley, Ray H., 46286A.
Wilfong, Charles E., 46358A.
Wilkins, Claud A., 46042A.
Wilkinson, James A., Jr., 30920A.
Wilkinson, Joseph E., 3d, 53239A.
Williams, Charles O., 47026A.
Williams, Gordon R., 27961A.
Williams, Jewell A., 53342A.
Williams, Joe C., 25323A.
Williams, Leslie B., Jr., 31335A.
Williams, Robert Q., 30944A.
Williams, Stuart J., 25451A.
Williams, Thomas H., Jr., 46500A.
Williams, Wayne E., 30747A.
Williams, William P., 30905A.
Williamson, Don I., 46788A.
Williamson, Harry W., Jr., 53188A.
Williford, G. B., Jr., 28617A.
Willis, James R., 31354A.
Willis, John R., 45915A.
Willman, Ray L., 46106A.
Wilson, Andrew F., 46036A.
Wilson, Artman H., 46353A.
Wilson, DeLeon, Jr., 46860A.
Wilson, Frank, Jr., 46932A.
Wilson, Harold E., 46614A.
Wilson, James R., 53362A.
Wilson, Noel E., Jr., 24644A.
Wilson, Philip G., 30808A.
Wilson, Raymond D., 53319A.
Winemiller, William E., 27137A.
Winkels, Dennis W., 53308A.
Winkler, Serge T., 25423A.
Winn, Charles B., 2d, 45808A.
Winner, Richard L., 31256A.
Wise, James C., Jr., 47010A.
Wiseman, Dean D., 31137A.
Witt, Raymond J., 27943A.
Woika, Robert C., 46514A.
Wold, James W., 28717A.
Wolfe, Edward R., 31361A.
Wolfe, Robert K., 46438A.
Womack, Jack G., 46609A.
Wondrack, Walter M., 24691A.
Wood, Horace E., Jr., 46746A.
Wood, Milton B., 28720A.
Woodbury, John B., 31339A.
Wooddy, George W., 31243A.
Woodman, Philip C., 52331A.
Woods, James W., 46101A.
Woolverton, Buel W., 46679A.
Worobetz, Nestor, 45916A.
Worsham, George M., 31253A.
Wren, James L., 46354A.
Wright, Charles R., 31197A.
Wright, Dwayne P., 31198A.
Wright, Gary G., 53206A.
Wright, George R., 53194A.
Wright, John L., 31343A.
Wright, Marvin M., 46610A.
Wright, Merle L., 31114A.
Wright, Richard W., 46163A.
Wright, Robert S., 46431A.
Wynne, Harry J., 45923A.
Yale, John W., 25325A.
Yanke, Alvin L., 31272A.
Yasuhara, Thomas H., 46307A.
Yates, Earnie A., 31201A.
Yates, Elmer L., Jr., 30636A.
Yeager, Roland E., 45516A.
Yeschek, Robert L., 45760A.
Yirka, Robert C., 46631A.
Yoder, Ira L., Jr., 29379A.
Yoder, Tommy J., 31158A.
York, Robert L., Jr., 31115A.
Young, Allan L., 46264A.
Young, Gerould A., 46995A.
Young, James F., 30654A.
Young, James F., 46611A.
Young, Keith R., 45993A.
Young, Pearce H., Jr., 53321A.
Young, Virgil L., 53184A.
Yow, Frank L., Jr., 53158A.
Zaring, Harlan G., 53217A.
Zdunczyk, Richard J., 46612A.
Zeitner, Charles M., 46226A.
Zellmer, Milton E. L., 25327A.
Ziegler, John M., 29373A.
Ziff, Irwin R., 31069A.
Zimmerman, Dale H., 46136A.
Zoerlein, Ralph W., 28671A.
Zuhars, Raymond H., Jr., 53341A.
Zumstein, Donald G., 28758A.

MEDICAL CORPS

Adamson, Godfrey D., Jr., 51335A.
Ball, George, 49688A.
Branam, George E., 51346A.
Carden, Norman L., 49698A.
Carlson, Elmer C., 51343A.
Cowan, William R., 51337A.
Dahnke, George H., 51351A.
Darling, Richard M., 51340A.
Dennis, Lebaron W., 54944A.
Dewitt, Harvey J., 54942A.
Drummond, Jack N., 49687A.
Earp, William L., 51349A.
Eason, John R., 51344A.
Enders, Lawrence J., 55726A.
Gabriel, Arthur N., 51008A.
Goodman, Thomas A., 55215A.
Grigg, Kenneth A, 49696A.
Guillebeau, James G., 49692A.
Gustavson, Warner H., 49697A.
Hagood, Clyde O., Jr., 51566A.
Halsell, John T., 3d, 49685A.
Hinds, Manuel J. A., 49689A.
Houglum, Oris B., 49694A.
Karlin, Leonard J., 51348A.
Kobs, Tracy L., 51009A.
Ledbetter, Edgar O., 51565A.
Lucas, Richard N., 51341A.
Mattson, Richard H., 51336A.
McBain, John K., 51568A.
Minners, Howard A., 49693A.
Nelson, Maynard, 49695A.
Norfleet, Robert G., 3d, 49691A.
Olson, Robert L., 55212A.
Onkey, Richard G., 51345A.
O'Toole, Robert V., Jr., 51339A.
Phelps, Herschel R., Jr., 51342A.
Pratt, Kenneth L., 49690A.
Rasch, James R., 54941A.
Singleton, William P., 55214A.
Smith, Lawrence R., 51334A.
Stern, Louis H., 49686A.
VanMuyden, Wim F., 51338A.
Woodhead, David M., 54943A.

DENTAL CORPS

Barad, Leonard R., 49711A.
Best, Harvey T., Jr., 31964A.
Blackman, Ronald B., 32388A.
Burke, Casper H., 51579A.
Burns, Donald L., 32385A.
Collins, Edward E., 32378A.
Croce, Raymond A., 32384A.
Culler, Max B., 32377A.
Drazek, Leonard J., 32394A.
Edwards, Jack, 32373A.
Fike, Robert A., 32370A.
Ford, Albert W., 32366A.
Ford, James E., 55218A.
Foreman, Thomas A., 32398A.
France, Charles C., Jr., 32368A.
Gibson, William A., Jr., 51578A.
Greco, George W., 32380A.
Hamrick, Joseph E., 32372A.
Hancock, Richard B., 32402A.
Hull, Caleb A., 51577A.
Isbell, Gerald M., Jr., 49710A.
Jordan, Jack E., 32396A.
Kampsen, Thomas R., 32383A.
Klinger, Roger E., 54946A.
Larson, Donald B., 51010A.
Mansolillo, Arthur L., 32389A.
McCorkle, Hutson E., 49712A.
Muth, Eugene R., 51581A.
Myers, Donald R., 32381A.
Orzolek, Louis M., Jr., 32369A.
Patteson, William R., 32379A.
Richey, Jerry D., 32367A.
Rue, Roland H., 32401A.
Rymarz, Frank P. R., 32371A.
Schreiber, John M., 32390A.
Spettel, Wilbur R., Jr., 32393A.
Stanford, Duane W., 32374A.
Strand, Harvey A., 32403A.
Swiatkowski, Donald G., 32376A.
Thompson, Robert B., 32382A.
Titterington, Wesley P., 32391A.
Tolman, Dan E., 51580A.
Weinacker, Karl, 32399A.

VETERINARY CORPS

Ellison, Patrick D., 55207A.
Hoffman, Rudolf A., 51129A.
Pebley, Earl C., 51133A.
Smith, Richard E., 51126A.
Williams, Joe T., 51130A.
Yarbrough, George M., 51125A.
Ziegler, Ralph F., 51132A.

MEDICAL SERVICE CORPS

Anthony, Leonard S., 49054A.
Baddour, Robert A., 49070A.
Baird, Joseph A., Jr., 28005A.
Blakely, Robert A., 49063A.
Brown, Norris S., 49055A.
Buchwald, Frank C., 49064A.
Carden, John C., 49065A.
Crews, James M., Jr., 29511A.
Darling, Charles L., 32484A.
Edwards, Robert M., 32486A.
Fiocca, George L., 55348A.
Hall, Giles W., 49059A.
Hames, Eugene F., 49069A.
Hazel, James H., 49068A.
Hoffman, John E., Jr., 49062A.
Holder, William L., 49056A.
Hopper, Halbert J., 32488A.
Hunt, Joe E., Jr., 49061A.
Kamrass, Eugene J., 49057A.
Lapresto, Jasper, Jr., 49034A.
Loban, Corlys D., 55346A.
Lykins, Wheeler, 49060A.
Martin, Everett E., 49058A.
McNey, Thomas J., 55349A.
Parsons, Frank R., Jr., 27539A.
Powell, Charles H., 32485A.
Robertson, William J., 49040A.
Seefelt, Edward R., 49067A.
Siefarth, Ernest H., 55345A.
Suchenski, Richard C., 32489A.
Thomas, Horace D., 55347A.
Thomas, Russell J., 32487A.
Volkenant, John J., 32483A.
Williams, Benjamin H., 27656A.
Winney, Charles W., 49066A.

NURSE CORPS

Berge, Barbara J., 32462W.
Citro, Marian L., 54955W.
Corrigan, Jean A., 26670W.
Davis, Betty M., 32467W.
Feistel, Barbara V., 29515W.
French, Adele C., 51596W.
Hara, Chikako J., 32466W.
Herring, Shirley J., 32464W.
Hunt, Marilyn, 55386W.
Jones, Mary L., 49728W.
Keeley, Margaret R., 54954W.
Ladner, Goldie M., 49727W.
Mace, Laura I., 51380W.
Migliorino, Jean M., 32465W.
Monroe, Beverly W., 32603W.
Parker, Fay D., 54956W.
Ricco, Blanche A., 32463W.
Richey, Elsie V. T., 32461W.
Rideout, Helen M., 54957W.
Sailer, Irene C., 49726W.
Shealy, Katherine I., 29350W.
Snavley, Joyce M., 55876W.
Sullivan, Rosemary, 51382W.
Toth, Beatrice N., 29351W.
Truitt, Ernestine S., 32468W.
Vino, Jane M., 55385W.
Voght, Elizabeth C., 32602W.
Walsh, Virginia M., 55877W.
Wellman, Crescentia C., 55824A.

MEDICAL SPECIALIST CORPS

Bobo, Carolyn E., 29353W.
Neuhardt, Ernestine, 29516W.

CHAPLAIN

Arinder, Robert N., 48694A.
Baker, Charles A., 48701A.
Bell, Roscoe E., 55182A.
Bergeron, Robert E., 55186A.
Berry, John F., 55188A.
Boyd, William A., 55181A.
Calkins, Raymond J., 48550A.
Campbell, William W., 55187A.

Castellani, John J., 55194A.
Cmiel, John C., 55189A.
Colson, Zack, 55190A
Cortese, Patrick S., 55196A.
Cox, Porter B., 55195A.
Cruze, James A., 48691A.
Davis, Paul D., 55191A.
Edwards, Oakley E., 48706A.
Friske, John C., 48693A.
Guthrie, Wiley, C., 48690A.
Hampe, Philip R., 55184A.
Harlow, James D., 55193A.
Heide, Edwin G., 55178A.
Hendricks, Robert E., 48704A.
Henn, Carl W., 48705A.
Hermanson, Sheldon E., 48703.
Johnshoy, Norman C., 48699A.
Kelley, Leonard D., 48695A.
Klaric, George M., 48651A.
Kopelke, William F., 55183A.
Ledoux, Louis V., 55199A.
Lesko, John P., 55185A.
Naughton, John T., 55198A.
O'Leary, Cornelius P., 55180A.
Paulson, Wayne E., 48702A.
Sauer, Harold R., 48708A.
Smith, Jasper J., 48707A.
Tang, Theodore M., 48692A.
Thearle, Christian J., 48700A.
Viise, Michael G., 55179.
Walker, Jan C., 55192A.
Wasinger, Francis R., 55197A.
Zellers, Lawrence A., 48698A.

(NOTE.—Dates of rank of all officers nominated for promotion will be determined by the Secretary of the Air Force.)

CONFIRMATIONS

Executive nominations confirmed by the Senate September 9 (legislative day of September 5), 1959:

DIPLOMATIC AND FOREIGN SERVICE

William A. M. Burden, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

Henry E. Stebbins, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

DEPARTMENT OF THE TREASURY

David A. Lindsay, of New York, to be General Counsel for the Department of the Treasury.

DEPARTMENT OF DEFENSE

J. Vincent Burke, Jr., of Pennsylvania, to be General Counsel of the Department of Defense.

DEPARTMENT OF THE NAVY

Rear Adm. Paul D. Stroop, U.S. Navy, to be Chief of the Bureau of Naval Weapons in the Department of the Navy for a term of 4 years.

COLLECTOR OF CUSTOMS

Norman A. Kreckman, of Rochester, N.Y., to be collector of customs, with headquarters at Rochester, N.Y.

U.S. CIRCUIT JUDGES

Henry J. Friendly, of New York, to be U.S. circuit judge for the second circuit.

Bailey Aldrich, of Massachusetts, to be U.S. circuit judge for the first circuit.

Phillip Forman, of New Jersey, to be U.S. circuit judge for the third circuit.

Paul C. Weick, of Ohio, to be U.S. circuit judge for the second circuit.

U.S. DISTRICT JUDGES

Leonard P. Walsh, of the District of Columbia, to be U.S. district judge for the District of Columbia.

Fred Kunzel, of California, to be U.S. district judge for the southern district of California.

George L. Hart, Jr., of the District of Columbia, to be U.S. district judge for the District of Columbia.

Anthony Julian, of Massachusetts, to be U.S. district judge for the district of Massachusetts.

Lloyd F. MacMahon, of New York, to be U.S. district judge for the southern district of New York.

Charles M. Metzner, of New York, to be U.S. district judge for the southern district of New York.

Harold K. Wood, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania.

Joe J. Fisher, of Texas, to be U.S. district judge for the eastern district of Texas.

JUDGE OF THE DISTRICT COURT OF GUAM

Eugene R. Gilmartin, of Rhode Island, to be judge for the District Court of Guam for a term of 8 years.

MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

John Lewis Smith, Jr., of the District of Columbia, to be chief judge of the municipal court of the District of Columbia, for the term of 10 years.

DeWitt S. Hyde, of Maryland, to be associate judge of the municipal court for the District of Columbia for the term of 10 years.

Milton S. Kronheim, Jr., of the District of Columbia, to be associate judge of the municipal court for the District of Columbia for the term of 10 years (serving in this office under an appointment which expired March 29, 1959).

U.S. PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

To be senior assistant surgeons

Joseph A. Barnes — J. Donald Hawthorne
Robert N. Butler — Albert Kapikian
Lawrence F. Dietlein, Jr. — Roger W. O'Gara
Louis Gillespie, Jr. — Donald C. Walsh

To be senior assistant dental surgeon

Robert O. Wolf

To be assistant dental surgeon

Rex A Warnick

To be senior scientist

Fay M. Hemphill

For permanent promotion:

To be senior assistant sanitary engineer

James H. McDermott

For appointment:

To be senior assistant scientists

Lyle C. Kuhnley — George R. Healy
Sotiros D. Chaparas — Conrad E. Yunker

To be assistant scientist

Kenneth O. Phifer

To be senior assistant health service officers

Virginia Pence — Claudia B. Galiher
William B. Parsons

To be assistant health service officers

Don M. Hufhines — Charles P. Froom

For permanent promotion:

To be senior assistant surgeons

James S. Sullivan — Paul G. Belau
Paul N. Vann — Donald E. McMillan
Joseph O. Dean, Jr. — Norris D. Buchmeyer
Charles A. Peterson

For appointment:

To be junior assistant sanitary engineer

Phillip E. Searcy

To be assistant pharmacist

Donald B. Hare

IN THE ARMY

The following-named officer for reappointment to the active list of the Regular Army of the United States, in the grade indicated, from the temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be major general

John Taylor Lewis, O7000.

The following-named officer for advancement on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

John Taylor Lewis, O7000.

The officers named herein for promotion as Reserve commissioned officers of the Army to the grades indicated, under the provisions of title 10, United States Code, section 3384:

To be major generals

Brig. Gen. William Edwards Blake, O295362.
Brig. Gen. Gilbert William Embury, O233743.
Brig. Gen. John Simon Gleason, Jr., O398999.
Brig. Gen. Edward Foster Griffin, O198652.
Brig. Gen. Fernando C. Mencaccy, O278275.
Brig. Gen. Clarence Harris Pease, O355161.
Brig. Gen. George Weaks Trousdale, .O189048.
Brig. Gen. Loren Gregory Windom, O275591.

To be brigadier generals

Col. John Alvin Dunlap, O325757, Artillery.
Col. Herbert Barnard Eagon, O266877, Infantry.
Col. Will Esbitt, O291450, Infantry.
Col. Oliver Henry Gibson, O262499, Adjutant General's Corps.
Col. Robert Louis Hughes, O387135, Infantry.
Col. James Hugh Kidder, O248043, Medical Corps.
Col. Noble Owen Moore, O397127, Artillery.
Col. Richard John Quigley, O400101, Infantry.
Col. Frederick August Schaefer III, O434728, Infantry.
Col. Charles Goldsmith Stevenson, O233309, Adjutant General's Corps.

The officers named herein for appointment as Reserve commissioned officers of the Army to the grades indicated, under the provisions of title 10, United States Code section 593(a):

To be major generals

Brig. Gen. George Hilton Butler, O186922.
Col. Henry Vance Graham, O398163.
Col. Edwin Weston Heywood, O384274.
Col. Daniel Sylvester Tuttle Hinman, O313290.

The following-named officers for appointment in the Regular Army of the United States to the grades indicated, under the provisions of title 10, United States Code sections 3284, 3306, and 3307.

To be major generals

Maj. Gen. Walter Bernard Yeager, O29464.
Maj. Gen. William Everett Potter, O17098.
Maj. Gen. Ralph Robert Mace, O17578.
Maj. Gen. Derrill McCollough Daniel, O29500.

To be major general, Medical Corps

Maj. Gen. Jack William Schwartz, O17823.

To be brigadier general

Col. Raymond Russell Ramsey, O29470.

To be brigadier generals, Medical Corps

Brig. Gen. Francis Willard Pruitt, O17812.
Brig. Gen. Carl Willard Tempel, O18284.
Maj. Gen. Thomas James Hartford, O18330.

The following-named officers under the provisions of title 10, United States Code, section 3066, to be assigned to positions of importance and responsibility designated by the President under subsec. (a) of sec. 3066, in rank as follows:

To be lieutenant generals

Maj. Gen. Emerson Charles Itschner, O15516, Chief of Engineers, U.S. Army.

Maj. Gen. John Honeycutt Hinrichs, O17174, Chief of Ordnance, U.S. Army.

Maj. Gen. Robert Frederick Sink, O16907, U.S. Army.

Maj. Gen. Leonard Dudley Heaton, O16960, The Surgeon General, U.S. Army.

The nominations of Gasper V. Abene and 316 other officers for promotion in the Regular Army of the United States, which were confirmed today, were received by the Senate on August 17, 1959, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Gasper V. Abene, shown on page 16033, and ending with the name of Carlisle C. Dusenbury, shown on page 16034.

IN THE AIR FORCE

The nominations of LeRoy C. Pierce and 45 other officers for appointment in the Regular Air Force, which were confirmed today, were received by the Senate on August 21, 1959, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD of that date under the caption "Nominations," beginning with the name of LeRoy C. Pierce, which appears on page 16798, and ending with the name of William F. Ring.

IN THE NAVY

The following-named officers of the line and staff corps of the Navy for temporary promotion to the grade indicated, subject to qualification therefor as provided by law:

LINE

To be rear admirals

Samuel B. Frankel	Joseph A. Jaap
William T. Nelson	Louis A. Bryan
Edward A. Wright	Allen M. Shinn
Edwin B. Hooper	Alfred R. Matter
Henry A. Renken	Richard S. Craighill
Morris A. Hirsch	Daniel F. Smith, Jr.
Charles B. Brooks, Jr.	Thomas F. Connolly
William B. Sieglaff	Waldemar F. A. Wendt
Joseph W. Leverton, Jr.	Edwin S. Miller
	Bernard M. Strean
James C. Dempsey	Francis J. Blouin
John W. Byng	Arthur R. Gralla
Joseph D. Black	John J. Hyland
Andrew J. Hill, Jr.	Henry L. Miller
Frederick J. Becton	John M. Lee
Francis T. Williamson	Robert E. McC. Ward
Frederick J. Brush	Rhodam Y. McElroy, Jr.
Floyd B. Schultz	

MEDICAL CORPS

To be rear admirals

Cecil L. Andrews	James L. Holland
Cecil D. Riggs	

SUPPLY CORPS

To be rear admirals

James S. Dietz	Herschel J. Goldberg

CIVIL ENGINEER CORPS

To be rear admirals

Norman J. Drustrup	James R. Davis

The nominations of Albert W. Dewey and 244 other officers for appointment in the Navy and Marine Corps, which were confirmed today, were received by the Senate on August 13, 1959, and may be found in the Senate proceedings of the CONGRESSIONAL RECORD under the caption "Nominations," beginning with the name of Albert W. Dewey appearing on page 15822, and ending with the name of David P. Zeterberg, which is shown on page 15823.

IN THE MARINE CORPS

Lt. Gen. Vernon E. Megee, U.S. Marine Corps, to be placed on the retired list with the grade of lieutenant general pursuant to the provisions of title 10, United States Code, section 5233.

The following-named officers of the Marine Corps to be placed on the retired list with the grade indicated, pursuant to the provisions of title 10, United States Code, section 5233:

To be lieutenant generals

Edwin A. Pollock Merrill B. Twining

WITHDRAWAL

Executive nomination withdrawn from the Senate September 9 (legislative day, September 5), 1959:

POSTMASTER

Earl J. Thompson, to be postmaster at O'Fallon in the State of Illinois.

HOUSE OF REPRESENTATIVES

WEDNESDAY, SEPTEMBER 9, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

II Timothy 2: 3: *Thou therefore endure hardness, as a good soldier of Jesus Christ.*

Almighty God, with a humble spirit and a contrite heart we are now earnestly beseeching Thee that daily we may have a vivid experience of Thy nearness unto us.

Help us to be more responsive to the influence and guidance of Thy Holy Spirit wherever we find ourselves confronted by hardships and heartaches.

Purge our souls from those aspirations which are alien to the mind and contrary to the will of our blessed Lord.

May nothing dull our capacities for whatever service Thou hast ordained and appointed us to render in our day and generation.

In Christ's name we offer our petition. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9105. An act making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9035. An act to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2219. An act to authorize appropriations for construction of facilities for the Gorgas Memorial Laboratory, to increase the authorization of appropriations for the support thereof, and for other purposes.

INTERNATIONAL SITUATION

Mr. ANDERSON of Montana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. ANDERSON of Montana. Mr. Speaker, I think it is unfortunate that certain reporters such as Mr. Colegrove and Drew Pearson have selected a time such as this to attack our position in Laos and Vietnam. Their dreary and outdated dredging up of old criticisms serves the purposes of the Communists well, but makes no contribution toward a solution of our problems in that part of the world.

It seems to me that in view of the need for a unified position with our allies in southeast Asia, we would do better to listen to such reporters as Ernest K. Lindley, of Newsweek, and Mr. Joseph Alsop, whose columns are published in the Washington Post. Where some reporters have looked only for sensationalism, Mr. Lindley and Mr. Alsop have visited southeast Asia and viewed the situation there openmindedly and objectively. They have analyzed developments in the Communist aggression in Laos and attempted subversion in Vietnam.

They face up to realities as they point to the difficulties of meeting communism in the jungles and uncharted country that abound.

Most importantly, though, they acknowledge our obligation and responsibility—yes, and our opportunity, to help contain and repel the Communist aggression in southeast Asia.

I am today inserting in the CONGRESSIONAL RECORD the analysis by Ernest K. Lindley which appears in the current Newsweek and the column by Mr. Joseph Alsop which appeared in yesterday's Washington Post.

I spent some little time in Laos, Vietnam, and other parts of southeast Asia last fall. I was tremendously impressed by the accomplishments of our mutual assistance program, by the dedicated and effective anticommunism of the governments of both Laos and Vietnam, and by the competence of our American representatives there.

In the light of my own on-the-ground observations, I feel that the presentations of Mr. Lindley and of Mr. Alsop are thoroughly sound. I hope all my colleagues will turn to the RECORD and read these two thoughtful and constructive articles.

NICHOLAS PETRULLI

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I believe it advisable to clarify certain errors which crept into the press reports relating to the renunciation of U.S. citizenship by one Nicholas Petrulli, of Valley Stream, N.Y., during his visit to Moscow.

Our nationality laws traditionally recognize the right to voluntary expatriation. Under the law presently in effect, section 349(a)(6) of the Walter-McCarran Act, a citizen of the United States, whether by birth or naturalization, loses his U.S. citizenship by "making a formal renunciation of nationality before a diplomatic or consular officer of the United States in a foreign state." It appears that Nicholas Petrulli has made such a formal renunciation at the U.S. Embassy at Moscow, in due form as prescribed by regulations promulgated by the Secretary of State. Under the law, his voluntary act of expatriation is final and there is nothing the Department of State has to do except to issue a written certificate of loss of U.S. nationality.

The press has raised the matter of Petrulli's return to the United States, pointing out that he apparently regrets his action and wants to return to the United States. Under the law, he may return to this country as an alien immigrant if eligible under all the applicable provisions of the Immigration and Nationality Act.

Pursuant to section 202(a)(3) of the Immigration and Nationality Act, Nicholas Petrulli, as an alien born in the United States, will be chargeable to the immigration quota of the country of which he is a citizen, or if he is not a citizen or subject of any country, then he will have to come under the quota of the country in which he resides—Soviet Russia in his case. If the press dispatches reporting that Petrulli is married to a citizen of the United States are true, then his wife could file in his behalf a petition requesting the Attorney General to grant him nonquota immigrant status on the ground that he is the spouse of a U.S. citizen.

THE STEEL STRIKE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, in view of the fact that the steel strike has extended such a long time that the AFL–CIO has given a million dollars to assist the strikers, and there is so much unemployment, especially in my State of Michigan, it would seem to be time that the President might well make a request of Mr. McDonald as to whether he is agreeable to hold a secret vote to determine whether the members of the steelworkers' organization would like the strike continued or would prefer to accept the last offer of the company.

There would seem to be no reason why the strike should continue and unemployment spread further than it has.

COMPETITION FROM JAPAN

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, under the so-called Reciprocal Trade Act, farm exports for the 12-month period preceding July 31 of this year fell below agricultural imports; in other words, foreigners are shipping more agricultural products into this country than are being exported. This has contributed to the $1 billion loss in net farm income in the first 6 months of this year.

I also learn in an article by Victor Riesel, newspaper columnist, that Japan is getting ready to import into the United States large quantities of $50 television sets, $19 transistor radios, and men's ready-to-wear suits at $15 to $20 f.o.b. ports of entry.

Mr. Speaker, I suggest that Mr. James B. Carey, president of the AFL–CIO Electrical Workers' Union, instead of spending his time threatening Members of Congress with political extinction, might better devote his time and efforts to working for the members of his union in trying to protect them against Japan's 10-cent-an-hour labor.

AMENDING FEDERAL-AID HIGHWAY ACT

Mr. BUCKLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, after line 15, insert:

"SEC. 104. PARKWAYS.

"For the purpose of carrying out the provisions of section 4(b) of the Federal-Aid Highway Act of 1958 (72 Stat. 93), there is hereby authorized to be appropriated for the construction, reconstruction, and improvement of parkways, authorized by Acts of Congress, on lands to which title is vested in the United States, the additional sum of $2,000,000 for the fiscal year ending June 30, 1960."

Page 2, after line 15, insert:

"SEC. 105. NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAY MILEAGE STUDY FOR ALASKA AND HAWAII.

"The Secretary of Commerce is authorized and directed to make a study of the need for the extension of the National System of Interstate Highways within the States of Alaska and Hawaii, and report the results of such study to the Congress within ten days subsequent to January 4, 1960. The report shall include recommendations as to the approximate routes and mileages thereof which should be included in such system within those States."

Page 2, after line 15, insert:

"SEC. 106. EXEMPTION FROM NATIONAL STANDARDS OF CERTAIN AREAS ADJACENT TO THE INTERSTATE SYSTEM.

"That subsection (b) of title 23, section 131 of the United States Code is amended by striking therefrom the following language: 'Upon application of the State, any such agreement may, within the discretion of the Secretary of Commerce consistent with the national policy, provide for excluding from application of the national standards segments of the Interstate System which traverse incorporated municipalities wherein the use of real property adjacent to the Interstate System is subject to municipal regulation or control, or which traverse other areas where the land use is clearly established by State law as industrial or commercial:' and substituting therefor the following language: 'Agreements entered into between the Secretary of Commerce and State highway departments under this section shall not apply to those segments of the Interstate System which traverse commercial or industrial zones within the presently existing boundaries of incorporated municipalities wherein the use of real property adjacent to the Interstate System is subject to municipal regulation or control, or which traverse other areas where the land use, as of the date of approval of this Act, is clearly established by State law as industrial or commercial:'."

Page 2, after line 15, insert:

"SEC. 107. EMERGENCY RELIEF.

"(a) That section 125 of title 23, United States Code, is amended to read as follows:

"'§ 125. Emergency relief

"'(a) An emergency fund is authorized for expenditure by the Secretary, subject to the provisions of this section and section 120, for the repair or reconstruction of highways, roads, and trails which he shall find have suffered serious damage as the result of disaster over a wide area, such as by floods, hurricanes, tidal waves, earthquakes, severe storms, landslides, or other catastrophes in any part of the United States. The appropriation of such moneys, not to exceed $30,000,000, as may be necessary for the initial establishment of this fund and for its replenishment on an annual basis is authorized. Pending such appropriation or replenishment the Secretary may expend from any funds heretofore or hereafter appropriated for expenditure in accordance with the provisions of this title, including existing Federal-aid appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriations herein authorized when made.

"'(b) The Secretary may expend funds from the emergency fund herein authorized for the repair or reconstruction of highways on the Federal-aid highway systems, including the Interstate System, in accordance with the provisions of this chapter. Except as to highways, roads, and trails mentioned in subsection (c) of this section, no funds shall be so expended unless the Secretary has received an application therefor from the State highway department, and unless an emergency has been declared by the Governor of the State and concurred in by the Secretary.

"'(c) The Secretary may expend funds from the emergency fund herein authorized, either independently or in cooperation with any other branch of the Government, State agency, organization, or person, for the repair

or reconstruction of forest highways, forest development roads and trails, park roads and trails, and Indian reservation roads, whether or not such highways, roads, or trails are on any of the Federal-aid highway systems.'"

"(b) Subsection (f) of section 120 of title 23, United States Code, is amended to read as follows:

"'(f) The Federal share payable on account of any repair or reconstruction provided for by funds made available under section 125 of this title shall not exceed 50 per centum of the cost thereof, except that the Federal share payable on account of any repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, and Indian reservation roads may amount to 100 per centum of the cost thereof, whether or not such highways, roads, or trails are on any Federal-aid highway system. Any project agreement for which the final voucher has not been approved by the Secretary on or before the date of this Act may be modified to provide for the Federal share authorized herein.'"

Page 2, after line 15, insert:

"SEC. 108. INCREASE IN AMOUNT AUTHORIZED FOR BRIDGES OVER FEDERAL DAMS.

"That subsection (d) of section 320 of title 23, United States Code, entitled 'Highways', is amended by striking out '$10,000,000' and inserting in lieu thereof '$13,000,000'."

Page 3, line 2, strike out "September" and insert "October".

Page 3, line 10, strike out "September" and insert "October".

Page 4, line 5, strike out "September" and insert "October".

Page 4, line 16, strike out "November 30" and insert Dcember 31".

Page 5, line 4, strike out "1951" and insert "1961".

Page 7, line 17, after "distributor," insert "and a dealer selling gasoline exclusively to producers of gasoline,".

Page 8, line 3, strike out "is registered and bonded" and insert "elects to register and give a bond".

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks in the RECORD at this point on the highway bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, there are two aspects of the bill to raise gasoline taxes and apportion funds to the highway trust fund which I find particularly objectionable.

One aspect is failing to fulfill the obligation to the States. The States were promised certain funds for this program but after these States became obligated on road contracts they are now being told under this bill that the Federal Government will only forward 80 percent of the sum that was promised. This is the first time since 1916 that the Federal Government has refused to fulfill a grant-in-aid promise.

While refusing to give the States the amount that was promised, the bill then proceeds to absorb the source of funds the States would use to make up the shortage. Iowa and many States depend primarily upon gasoline taxes as a source of highway funds and, while leaving the States short of funds to pay their highway contracts, this bill raises the Federal gasoline tax and thus absorbs the very kind of revenue the States use to replenish such a shortage.

Under the House rules, alternatives could not be presented unless the House bill was defeated or the Senate amended the bill. The Senate, by a vote of 43 to 40, failed to amend the bill in such a manner that there would be no shortage in the funds due the States. I voted "no" on original passage in protest against failing in our obligation to the States and against absorbing the source of revenue States like Iowa use to make up such a shortage and to encourage and support the drive to amend the bill in the Senate.

The Federal Government is already receiving $1,483 million more in sales and excise taxes from automotive users than is going into the highway fund; yet an additional sales tax is relied upon as the sole source of additional revenue. It was well understood that enough "no" votes would produce an alternative bill.

Since the amendment failed in the Senate by a vote of 43 to 40, there is no need to carry the fight further at this time in connection with this particular bill; but I still protest the Federal Government ever failing to fulfill a promise to the States and hope something can still be done in another bill to correct this situation.

CONSTRUCTION OF A RAIL TRANSIT CROSSING ACROSS THE BAY OF SAN FRANCISCO

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8171) amending the act of February 20, 1931, as amended, with respect to a rail transit crossing across the bay of San Francisco.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. GROSS. Mr. Speaker, reserving the right to object, does this bill provide for any Federal expenditure, and if so, how much?

Mr. BLATNIK. This provides no Federal expenditure and there is no cost to the Federal Government.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 2 of the Act entitled "An Act granting the consent of Congress to the State of California to construct, maintain, and operate a bridge across the Bay of San Francisco from the Rincon Hill district in San Francisco by way of Goat Island to Oakland", approved February 20, 1931, as amended, is amended to read as follows:

"(b) The State of California is authorized to fix, charge, and collect tolls for the use of such bridge to pay the costs of engineering, planning, constructing, reconstructing, making alterations, additions, betterments, improvements, and extensions (including reasonable interest, financing, and refunding costs, and suitable reserves), and the costs of maintaining, repairing, and operating of not to exceed two additional highway crossings and one rail transit crossing across the Bay of San Francisco and their approaches. The State of California is also authorized to fix, charge, and collect tolls for the use of such additional highway crossing or highway crossings. After a fund shall have been provided from the tolls collected for the use of the bridge referred to in the first section of this Act and from tolls charged for the use of such additional highway crossing or highway crossings sufficient to pay all costs referred to in clauses (2) and (3) of subsection (a) and also all costs of such additional highway crossing or highway crossings, such rail transit crossing, and their approaches (including the costs of all reconstruction, alterations, additions, betterments, improvements, and extensions thereof and all interest, financing, and refunding costs, and suitable reserves), such bridge and such additional highway crossing or highway crossings shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be adjusted so as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of such bridge and such additional highway crossing or highway crossings and their approaches, under economical management. An accurate record of the costs of such bridge, such highway crossing or highway crossings, such rail transit crossing, and their approaches, the expenditures for maintaining, repairing, and operating such bridge and such additional highway crossing or highway crossings and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. Nothing herein shall impair or limit the full power and authority of the State of California or any public body in such State to provide for the use of such rail transit crossing and the fixing, charging, and collection of fares and charges in connection with the transportation of goods or passengers by means of such rail transit crossing."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE WAUKEGAN PORT DISTRICT

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 5738) to authorize the Secretary of the Army to transfer to the Waukegan Port District the commitment of the city of Waukegan, Ill., to maintain a public wharf in Waukegan Harbor on land conveyed to the city in 1914, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, does this one cost any money?

Mr. BLATNIK. There is no expenditure involved.

Mr. HOFFMAN of Michigan. Does the gentleman have any more that will not cost anything, any other bills that do not cost anything?

Mr. BLATNIK. For the moment I do not have any.

Mrs. CHURCH. Mr. Speaker, this is a simple bill, and I am very grateful to

the gentleman from Minnesota for bringing it up at this time. H.R. 5738 would merely authorize and direct the Secretary of the Army, or his designee, to accept the reconveyance from the city of Waukegan, Ill., of certain property which was transferred to the city by deed on August 17, 1914, from the then Secretary of War; and at the same time convey said property to the Waukegan Port District without payment of monetary consideration therefor, but subject to those conditions under which the original conveyance in 1914 was made to the city of Waukegan. These conditions involve commitment by the port district, its successors and assigns, to assume the city's obligation under the August 17, 1914, deed to maintain a public wharf and continuing right-of-way in connection therewith.

It is further provided that in the event that the property is not used for the above-mentioned purpose, title thereto shall, at the option of the Secretary of the Army, revert to the United States of America for immediate entry thereon.

In other words, Mr. Speaker, this measure involves reconveyance of land from the city of Waukegan to the U.S. Government and further conveyance from the U.S. Government to the Waukegan Port District.

May I briefly point out that under the 1914 deed, the Secretary of War, under authority of an act of Congress of June 13, 1902, conveyed to the city of Waukegan 4.6 acres of land comprised of a portion of the area previously donated by the city and partially of accreted lands. At the present time, a port district, authorized by the State of Illinois, has been formed in Waukegan and has taken over the responsibility previously carried out by the city for the harbor. It is anticipated that development of this important natural harbor will permit the city and the surrounding area to take advantage of the great opportunities for expansion of traffic and industry resulting from the development of the St. Lawrence Seaway and the deepening of connecting channels in the Great Lakes. The city of Waukegan, which recently enjoyed its centennial celebration, is growing rapidly in population, commerce, and industry—involving rapidly expanding use of the harbor. In order to permit the new port district to function properly and effectively, the city of Waukegan has already transferred to it certain properties and lands, including land immediately adjacent to that property previously conveyed to the city by the United States. However, the city could not convey, without this authorization, that land to the port district because of the restriction in the original deed from the United States.

The Committee on Public Works agrees that the transfer of this land, as provided by this present legislation, would be in the interest of good management, inasmuch as otherwise the port district will be deprived of complete control over all of the land and facilities needed in its future operations. Such complete control, in the words of the committee "will facilitate and enhance the use of Waukegan Harbor."

Mr. Speaker, may I point out that the measure carries no cost to the Federal Government; and that it has the approval of the Bureau of the Budget and the Department of the Army.

I express the hope that this measure, H.R. 5738, will be passed unanimously.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, or his designee, is hereby authorized and directed to (1) accept a reconveyance from the city of Waukegan, Illinois, of that property transferred to the city by deed from the Secretary of War dated August 17, 1914, and (2) simultaneously convey said property to the Waukegan Port District without payment of monetary consideration therefor, but subject to those conditions the Secretary deems necessary in the public interest, including the assumption by the port district, its successors and assigns, of the city's obligation under the August 17, 1914, deed to maintain a public wharf on the property described therein: *Provided,* That in the event the property is not used for the aforementioned purpose, title thereto shall, at the option of the Secretary of the Army, revert to the United States of America which shall have the right of immediate entry thereon.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NARCOTICS MANUFACTURING ACT OF 1960

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 529) to discharge more effectively obligations of the United States under certain conventions and protocols relating to the institution of controls over the manufacture of narcotic drugs, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Mr. Speaker, reserving the right to object, do I understand that the gentleman has a series of bills, all of them coming out of the Ways and Means Committee unanimously?

Mr. MILLS. Yes; each and every one of them came from the committee unanimously. They were listed in the RECORD a few days ago. The majority leader stated at that time that we would at this time call up a number of bills, and he gave the number, the author, and the purpose of each bill. It developed with respect to one of them at least that there was objection, so that particular bill will not be called up. So far as the others are concerned, we have heard of no objection.

Mr. GROSS. They do not involve any substantial spending?

Mr. MILLS. No. Our committee is not on that side of the ledger. It is on the other side, and our proposals are on the other side.

Mr. HOFFMAN of Michigan. The gentleman's committee is just on the side of additional taxation?

Mr. MILLS. We are trying to do something to reduce taxes.

Mr. HOFFMAN of Michigan. I am sure that would be popular.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Narcotics Manufacturing Act of 1959."

NECESSITY FOR LEGISLATION

SEC. 2. The enactment of this Act is necessary for the following reasons:

(1) The Congress has long recognized that the manufacture, distribution, and use of narcotic drugs for nonmedical and nonscientific purposes endangers the health of the American people and threatens the general welfare. The Congress has enacted laws and the Senate has approved international conventions designed to establish effective control over domestic and international traffic in narcotic drugs.

(2) Until recently, most narcotic drugs were made from natural raw materials such as the opium poppy and the coca leaf, produced in limited areas of the world. In practice, control over the production of narcotic drugs could therefore be achieved by national and international restrictions over the production and shipment of these raw materials and their use to manufacture narcotic drugs.

(3) In recent years, however, technological advances have resulted in the development of new types of narcotic drugs, produced synthetically from a variety of generally available raw materials. As a result, controls over the production of narcotic drugs can no longer be maintained solely by controls relating to the opium poppy and the coca leaf.

(4) The United States has joined with other nations in executing international conventions intended to establish suitable controls over production, shipment, and use of all narcotic drugs. These conventions are not self-executing, and the obligations of the United States thereunder must be performed pursuant to appropriate legislation.

(5) In order (a) to discharge more effectively the international obligations of the United States, (b) to promote the public health, safety, and welfare, (c) to regulate interstate and foreign commerce in narcotic drugs, and (d) to safeguard the revenue derived from taxation of narcotic drugs, the Congress finds it necessary to enact a statute for the licensing and control of the manufacture of all narcotic drugs.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(a) The term "1931 convention" means the Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, concluded at Geneva, July 13, 1931, and entered into force with respect to the United States of America, July 9, 1933, as amended by the protocol signed at Lake Success on December 11, 1946.

(b) The term "1948 protocol" means the protocol bringing under international control drugs outside the scope of the convention of July 13, 1931, for limiting the manufacture and regulating the distribution of narcotic drugs (as amended by the protocol signed at Lake Success on December 11, 1946), signed at Paris, November 19, 1948, and entered into force with respect to the United States of America, September 11, 1950.

(c) The term "Secretary or his delegate" means the Secretary of the Treasury, or any officer, employee, or agency of the Treasury

Department duly authorized by the Secretary (directly or indirectly by one or more redelegations of authority) to perform the function mentioned or described in the context.

(d) The term "person" includes an individual, partnership, corporation, association, trust, or other institution or entity.

(e) The term "narcotic drug" means narcotic drug as defined in section 4731(a) of the Internal Revenue Code of 1954, as amended by section 4 of this Act.

(f) The term "manufacture" means the production of a narcotic drug, either directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis.

(g) The term "basic class of narcotic drug" means any one of the following classes of narcotic drugs and any additional class or classes of narcotic drugs (other than crude opium or coca leaves), by whatever trade name designated, as may be defined from time to time by the Secretary or his delegate in accordance with section 6 of this Act:

1. Opium, powdered, granulated, or deodorized, or tinctures or extracts of opium.
2. Mixed alkaloids of opium and their salts.
3. Morphine and its salts.
4. Codeine and its salts.
5. Thebaine and its salts.
6. Narcotine and its salts.
7. Papaverine and its salts.
8. Cotarnine and its salts.
9. Narceine and its salts.
10. Ethylmorphine and its salts.
11. Apomorphine and its salts.
12. Nalorprine (N-allylnormorphine) and its salts.
13. Hydromorphone (dihydromorphinone) and its salts.
14. Metopon (methyldihydromorphinone) and its salts.
15. Dihydrocodeine and its salts.
16. Hydrocodone (dihydrocodeinone) and its salts.
17. Oxycodone (dihydrohydroxycodeinone) and its salts.
18. Cocaine and its salts.
19. Ecgonine and its salts.
20. Pethidine (meperidine, isonipecaine) (1-methyl-4-phenylpiperidine- 4 - carboxylic acid ethyl ester) and its salts.
21. Alphaprodine (alpha-1, 3-dimethyl-4-phenyl-4-propionoxypiperidine) and its salts.
22. Methadone (amidone) (6-dimethylamino-4, 4-diphenyl-3-heptanone) and its salts.
23. Isomethadone (isoamidone) (6-dimethylamino-5-methyl-4, 4-diphenyl-3-hexanone) and its salts.
24. Levorphan and racemorphan (3-hydroxy-N-methylmorphinan) and their salts.
25. Levomethorphan and racemethorphan, (3-methoxy-N-methylmorphinan) and their salts.
26. Anileridine (Ethyl 1-[2-(p-amino phenyl(-ethyl]-4-phenyl piperidine-4-carboxylate) and its salts.

(h) The term "net disposal" means the quantity of a basic class of narcotic drug, sold, exchanged, given away, used in the production of another basic class of narcotic drug for which the manufacturer is licensed, or otherwise disposed of (as such or contained in or combined with other drugs compounded by the manufacturer of such basic class) by the manufacturer during a stated period, less the quantity of any such basic class of narcotic drug returned to the manufacturer by a customer and any quantity sold or transferred to another licensed manufacturer of the same basic class of narcotic drug.

(i) The term "narcotic precursor" means a substance other than a narcotic drug which the Secretary or his delegate has found, after due notice and opportunity for public hearing—

(1) is an immediate chemical precursor of a narcotic drug;

(2) is produced primarily for use in the manufacture of a narcotic drug; and

(3) is used, or is likely to be used, in the manufacture of a narcotic drug by persons other than persons licensed to manufacture such narcotic drug.

AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

SEC. 4. (a) Subsection (a) of section 4731 of the Internal Revenue Code of 1954 is amended to read as follows:

"(a) NARCOTIC DRUGS.—The words 'narcotic drugs' as used in this part shall mean any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

"(1) Opium, isonipecaine, coca leaves, and opiate;

"(2) Any compound, manufacture, salt, derivative, or preparation of opium, isonipecaine, coca leaves, or opiate;

"(3) Any substance (and any compound, manufacture, salt, derivative, or preparation thereof) which is chemically identical with any of the substances referred to in clauses (1) and (2);

except that the words 'narcotic drugs' as used in this part shall not include decocainized coca leaves or extracts of coca leaves, which extracts do not contain cocaine or ecgonine."

(b) Subsection (g) of section 4731 of the Internal Revenue Code of 1954 is amended to read as follows:

"(g) OPIATE.—The word 'opiate' as used in this part shall mean any drug (as defined in the Federal Food, Drug, and Cosmetic Act (52 Stat. 1041, sec. 201(g); 21 U.S.C. 321)) or other substance found by the Secretary or his delegate and proclaimed by the Secretary or his delegate to have been so found in the Federal Register, after due notice and opportunity for public hearing, to have an addiction-forming or addiction-sustaining liability similar to morphine or cocaine or to be capable of conversion into a drug having such addiction-forming or addiction-sustaining liability, where in the judgment of the Secretary or his delegate, the relative technical simplicity and degree of yield of such conversion create a risk of improper use of the drug. The Secretary or his delegate is authorized to issue necessary rules and regulations for carrying out the provisions of this subsection, and to confer or impose upon any officer or employee of the Treasury Department whom he shall designate or appoint, the duty of conducting any hearing authorized hereunder. The Secretary or his delegate is authorized to withdraw any previous finding that a drug or other substance is an 'opiate' whenever he determines that such previous finding was erroneous, and upon publication of such determination in the Federal Register, the particular drug or other substance shall cease to be an opiate. For purposes of the foregoing provision the Secretary or his delegate may consider any action taken pursuant to article 3 of the 1948 protocol."

NOTIFICATIONS, FINDINGS, AND DECISIONS UNDER THE 1948 PROTOCOL

SEC. 5. (a) Before a notification may be sent on behalf of the United States to the Secretary General of the United Nations, under article 1 of the 1948 protocol, that a drug is considered liable to the same kind of abuse and productive of the same kind of harmful effects as the drugs specified in article 1, paragraph 2, of the 1931 convention, such drug shall have been found by the Secretary or his delegate to be an "opiate," as defined in section 4731(g) of the Internal Revenue Code of 1954, as amended by section 4(b) of this Act, and so proclaimed in accordance with the procedure prescribed by section 4731(g) as amended.

(b) Upon receipt by the United States of a finding or decision made pursuant to article 1 or article 2 of the 1948 protocol that a certain drug is capable of producing addiction or conversion into a drug capable of producing addiction and that the appropriate provisions of the 1931 convention shall apply to such drug, such finding or decision shall be transmitted to the Secretary or his delegate. The Secretary or his delegate shall cause such finding or decision to be published in the Federal Register unless such drug has already been determined to be an opiate under the procedure prescribed by section 4731(g) of the Internal Revenue Code of 1954, as amended by section 4 of this Act. From the time of such publication, such drug shall be an opiate to the same extent as if the procedure prescribed by section 4731(g) of the Internal Revenue Code of 1954, as amended by section 4 of this Act, had been followed with respect to such drug.

(c) If the finding or decision so received and published in the Federal Register relates to a drug which has not previously been determined to be an opiate under the procedure prescribed by section 4731(g) of the Internal Revenue Code of 1954, as amended by section 4 of this Act, any person in the United States interested in the domestic manufacture and distribution of such drug for medical and scientific purposes may submit to the Secretary or his delegate written data, views, and argument opposed to such finding or decision. Such written data, views, and argument shall be transmitted to the Secretary General of the United Nations for consideration by the World Health Organization or the Commission on Narcotic Drugs of the United Nations, as the case may be, under article 3 of the 1948 protocol. If thereafter the United States receives a revised finding or decision, under article 3 of the 1948 protocol, that such a drug is not capable of producing addiction or conversion into a drug capable of producing addiction and that the provisions of the 1931 convention shall not apply to such drug, such revised finding or decision shall be transmitted to the Secretary or his delegate, who shall cause such revised finding or decision to be published in the Federal Register within ninety days of receipt thereof by the Secretary or his delegate. From the time of such publication, such drug shall cease to be an opiate, unless the Secretary or his delegate has theretofore initiated an opiate procedure under section 4731(g) of the Internal Revenue Code of 1954, as amended by section 4 of this Act.

(d) Upon receipt by the United States of a revised finding or decision under article 3 of the 1948 protocol (except a revised finding or decision to which subsection (c) applies) that a drug (theretofore subject to the Federal narcotic laws as an opiate) is not capable of producing addition or conversion into a drug capable of producing addiction and that the provisions of the 1931 convention shall not apply to such drug, the revised finding or decision shall be transmitted to the Secretary or his delegate. The Secretary or his delegate may, in his discretion, publish the revised finding or decision in the Federal Register and, from the time of such publication, such drug shall cease to be an opiate. If the revised finding or decision is not so published in the Federal Register, the said drug shall continue to be an opiate.

MODIFICATION OF LIST OF BASIC NARCOTIC DRUGS

SEC. 6. The Secretary or his delegate, upon his initiative or upon the petition of any interested person shall have the power by rule made on the record after opportunity for hearing, to alter classifications set forth in section 3(g) by adding to, subtracting from, or further defining such classifications or any one or more of them, on the basis of

their chemical structure and content and addiction liability or convertibility into an addicting drug. No new basic class shall be added unless with respect to any drug or drugs falling within such class the Secretary or his delegate shall have determined that such drug is a narcotic drug as defined by section 4731 of the Internal Revenue Code of 1954, as amended by section 4 of this Act, or has caused a finding or decision to be published in the Federal Register pursuant to section 5 of this Act. For purposes of this subsecton, the Secretary or his delegate may consider changes in classification established by the World Health Organization or its successor in function.

RESTRICTIONS ON THE MANUFACTURE OF NARCOTIC DRUGS

SEC. 7. (a) Except as otherwise provided in this Act, it shall be unlawful for any person to manufacture any narcotic drug unless—

(1) such narcotic drug falls within a basic class of narcotic drugs established by or pursuant to this Act, and

(2) such person holds a currently effective license and manufacturing quota with respect to such basic class of narcotic drug issued pursuant to section 8 of this Act.

(b) The omission of a narcotic drug from the classification established pursuant to section 3(g) shall not be construed to permit the manufacture of such narcotic drug, the intent of this Act being to limit the manufacture of narcotic drugs in the United States to those narcotic drugs established under this Act as a basic class of narcotic drugs or as a member of a basic class of narcotic drugs. The fact that the Secretary or his delegate shall have—

(A) determined that a drug is a narcotic drug as defined by section 4731 of the Internal Revenue Code of 1954, as amended by section 4 of this Act, or

(B) caused a finding or decision with respect to any drug or other substance to be published in the Federal Register pursuant to section 5 of this Act, shall not require the Secretary or his delegate to add such narcotic drug to the classifications set forth in section 3(g) or to grant a manufacturing quota for such narcotic drug, if the Secretary or his delegate shall determine that it is contrary to the public health and safety to permit the manufacture of such drug within the United States.

(b) It shall be unlawful for any person (1) to manufacture or attempt to manufacture any narcotic drug, or (2) to knowingly permit the manufacture of any narcotic drug, in or upon any place owned, leased, occupied, used or controlled by him unless he (or the lessee, tenant, or other occupant as the case may be) is the holder of a license and quota for the manufacture during the period in question of such narcotic drug in accordance with the provisions of sections 3(g), 8, and 11 of this Act; and it shall be unlawful for the holder of any such quota to manufacture during the period for which the quota is applicable any quantity of such narcotic drug in excess of the amount authorized by such quota.

LICENSES TO MANUFACTURE NARCOTIC DRUGS

SEC. 8. (a) Every person who manufactures a basic class or classes of narcotic drug shall, on or before January 1, 1958, if then already engaged in such manufacture, or otherwise before engaging in such manufacture, obtain from the Secretary or his delegate a license or licenses for the appropriate basic class or classes of narcotic drug. There shall be a separate license for the manufacture of each basic class of narcotic drug. In determining whether to issue a license for a particular basic class of narcotic drug to a particular applicant, the Secretary or his delegate shall be governed by the following factors—

(1) maintenance of effective controls against the diversion of the particular basic class or narcotic drug and of narcotic drugs compounded therefrom into other than legitimate medical and scientific channels through limitation of manufacture of the particular basic class of narcotic drug to the smallest number of establishments which will produce an adequate and uninterrupted supply of narcotic drugs of or derived from such basic class of narcotic drugs for medical and scientific purposes, consistent with the public interest; and

(2) compliance with the obligations undertaken by the United States pursuant to the 1931 convention and the 1948 protocol; and

(3) promotion of technical advances in the art of manufacturing narcotic drugs and the development of new narcotic drug products; and

(4) the applicant's education moral character and reputation, the applicant's past drug manufacturing experience and the quality of his products, his technical competence, the existence in the applicant's establishment of adequate safeguards against diversion of narcotic drugs into other than legitimate medical and scientific channels; and

(5) such other factors as may be relevant to and consistent with the public interest.

(b) Registration pursuant to section 4722 of the Internal Revenue Code of 1954, shall be a prerequisite to the issuance of any license under this section. Licenses shall be in such form as the Secretary or his delegate shall prescribe and shall continue in effect subject only to annual renewal of registration unless revoked pursuant to section 9 of this Act or voluntarily surrendered. Issuance of a license pursuant to this section shall not entitle the licensee to perform any act with respect to narcotic drugs as to which the consent or approval of the Secretary or his delegate is required by the provisions of this or any other Act.

(c) Issuance of a license for the manufacture of any one basic class of narcotic drug shall not entitle the holder thereof to manufacture for sale, distribution, or other use any other basic class of narcotic drug.

(d) Notwithstanding the foregoing provisions of this section, the Secretary or his delegate shall authorize any person registered as a manufacturer or as a person engaged in research under section 4722 of the Internal Revenue Code of 1954, who meets the standards for licensing under subsection (a)(4) of this section 8, whether or not such person actually holds a license under subsection (a), to produce such limited quantities as the Secretary or his delegate may specify of any narcotic drug, except crude opium or coca leaves, whether or not a basic class for such drug has been established under section 3(g) of this Act, exclusively for research in the development of manufacturing processes for the drug, or for chemical, pharmacological or medical testing of such drugs, for fitness for medical or scientific use and for determination of its suitability for general manufacture and distribution for medical or scientific use. Such person shall make such reports as the Secretary or his delegate may require relating to the quantities of narcotic drug manufactured and to use and disposal of such quantities of such narcotic drug. Such quantities of such narcotic drug may be disposed of only in accordance with the regulations of the Secretary or his delegate. Any authorization made under this subsection (d) shall be subject to revocation or suspension in accordance with the procedure set forth in section 9 of this Act.

(e) In issuing or refusing to issue manufacturing licenses pursuant to this section, the Secretary or his delegate shall act in conformity with the procedure prescribed by section 5 of the Administrative Procedure Act and the Secretary or his delegate shall be deemed to constitute "the agency" for purposes of compliance with sections 7 and 8 of such Act. Each licensee of the basic class of narcotic drug with respect to which a license is sought to be obtained shall be deemed a person entitled to notice within the meaning of section 5(a) of the Administrative Procedure Act.

REVOCATION OR SUSPENSION OF LICENSES

SEC. 9. (a) Any license issued pursuant to section 8 of this Act may be revoked by the Secretary or his delegate in the licensee—

(1) has been convicted of violating or conspiring to violate any laws of the United States or of any State where the offense involves any activity or transaction with respect to narcotic drugs; or

(2) has violated or failed to comply with any duly promulgated regulation of the Secretary or his delegate relating to narcotic drugs, and such violation or failure to comply reflects adversely on the licensee's reliability and integrity with respect to narcotic drugs.

In the case of a licensee holding more than one license issued pursuant to section 8 of this Act, revocation may be in the discretion of the Secretary or his delegate extended to all licenses held by such licensee.

(b) Before revoking any license pursuant to subsection (a), the Secretary or his delegate shall serve upon the licensee an order to show cause why an order of revocation should not be issued. Any such order to show cause shall contain a statement of the basis thereof, and shall call upon such licensee to appear before the Secretary or his delegate at a time and place stated in the order, but in no event less than thirty days after the date of receipt of such order, and give evidence upon the matter specified therein. The Secretary or his delegate may in his discretion suspend any license simultaneously with the issuance of an order to show cause, in cases where he finds that the public health, safety, or interest require such suspension. Such suspension shall continue in effect until the conclusion of any revocation proceeding, including judicial review thereof, unless sooner withdrawn by the Secretary or his delegate, or dissolved by a court of competent jurisdiction. Every hearing held pursuant to this section shall be conducted in accordance with section 5 of the Administrative Procedure Act and the Secretary or his delegate shall be deemed to constitute "the agency" for purposes of compliance with sections 7 and 8 of such Act. If after hearing, default, or waiver thereof by the licensee, the Secretary or his delegate determines that an order of revocation should issue, he shall issue such order, which shall include a statement of his findings and the grounds and reasons therefor and shall specify the effective date of the order, and he shall cause such order to be served on the licensee. In any case where a hearing is conducted pursuant to the provisions of this section both the burden of proceeding with the introduction of evidence and the burden of proof shall be upon the Secretary or his delegate. Proceedings under this section shall be independent of, and not in lieu of, criminal prosecution or other proceedings under this Act or any other law of the United States.

AUTHORITY TO SEIZE NARCOTIC DRUGS, ORDER FORMS, AND TAX STAMPS

SEC. 10. In the event of the suspension or revocation of a license obtained under section 8, all narcotic drugs owned or possessed by such person at the time of suspension or at the effective date of the revocation order, as the case may be, whether or not taxes have been paid on such narcotic drugs, together with all unused order forms or narcotic tax stamps owned or possessed by such person, may at the discretion of the Secretary or his

delegate be placed under seal and no disposition made until the time for taking an appeal has elapsed or until all appeals have been concluded. Upon a suspension or revocation order becoming final all narcotic drugs, tax stamps, and order forms shall be forfeited to the Government.

MANUFACTURING QUOTAS FOR BASIC CLASSES OF NARCOTIC DRUGS

SEC. 11. (a) For the purpose of fixing manufacturing quotas under this section and in order to carry out the treaty obligations of the United States, the Secretary or his delgate shall make determinations of the total quantity of each basic class of narcotic drug necessary to be manufactured during each calendar year to provide for the estimated medical and scientific needs of the United States, for lawful export requirements, and for establishment and maintenance of reserve stocks.

(b) In fixing individual manufacturing quotas for any basic class of narcotic drug for a calendar year pursuant to this section, or at any time after fixing such individual quotas, the Secretary or his delegate shall limit or reduce such individual quotas to the extent necessary to prevent the aggregate of such individual quotas from exceeding the amount of the determination of the Secretary or his delegate under subsection (a). In any such limitation or reduction pursuant to this subsection the quota of each licensed manufacturer of such basic class of drug shall be limited or reduced in the same proportion as the limitation or reduction of the aggregate of such quotas. However, if any licensee, before the issuance of a limitation or reduction in quota, has manufactured in excess of his quota so limited or reduced, the amount of such excess shall be subtracted from such licensee's manufacturing quota for the following year.

(c) On or before June 1 of each year, upon application therefor by a person having a license to manufacture a basic class of narcotic drug, the Secretary or his delegate shall fix a manufacturing quota for such calendar year for such basic class of narcotic drug for such person. Subject to the provisions of subsections (a) and (b), such quota shall be sufficient to cover the applicant's estimated disposal, inventory, and other requirements for the calendar year as determined by the Secretary or his delegate, who shall take into account the applicant's current disposal rate, the trend of such disposal rate during the preceding calendar year, the applicant's production cycle and inventory position, the economic availability of raw materials, yield and stability problems, emergencies such as strikes and fires, and other factors. Subject to the provisions of subsections (a) and (b), such quota shall not be less than the sum of—

(1) such licensed manufacturer's net disposal of such basic class of narcotic drug during the immediately preceding calendar year or the average of the three immediately preceding calendar years in which such manufacturer produced such basic class of narcotic drug, whichever is greater; and

(2) one-half of such manufacturer's net disposal of such basic class of narcotic drug during the immediately preceding calendar year;

less such manufacturer's inventory of such basic class of narcotic drug on December 31 of the preceding calendar year.

(d) During the period from January 1 until a manufacturing quota for such calendar year is fixed pursuant to subsection (c), any licensed manufacturer entitled to receive a quota for any basic class of narcotic drug under subsection (c) may manufacture a provisional quota of not more than 75 per centum of whichever of the following is greater—

(1) such manufacturer's net disposal of such basic class of narcotic drug during the 12 months immediately preceding September 30 of the preceding calendar year; or

(2) twelve times such manufacturer's average monthly net disposal of such basic class of narcotic drug for the 33 months immediately preceding September 30 of the preceding calendar year;

or such higher or lower percentage as the Secretary or his delegate may from time to time for good cause direct. Any higher or lower percentage so directed shall apply to the provisional quotas of all licensed manufacturers for such basic class of narcotic drug.

(e) The Secretary or his delegate shall, on application therefor, and subject to the provisions of subsections (a) and (b), fix a quota for any licensed manufacturer of a basic class of narcotic drug who has not manufactured such basic class of narcotic drug during one or more of the three immediately preceding calendar years, in an amount adequate to cover such manufacturer's reasonably anticipated requirements for the current calendar year.

(f) At any time during the calendar year any licensed manufacturer who has applied for or received a manufacturing quota for a basic class of narcotic drug may apply for an increase in such quota, to meet his estimated disposal, inventory, and other requirements during the remainder of such calendar year. In passing upon such application the Secretary or his delegate shall take into consideration any occurrences since the filing of such manufacturer's initial quota application that may require an increased manufacturing rate by such manufacturer during the balance of such calendar year. In passing upon such application the Secretary or his delegate may also take into consideration the amount, if any, by which the determination of the Secretary or his delegate under subsection (a) exceeds the aggregate of the quotas of all manufacturers under this section, and the equitable distribution of such excess among other manufacturers.

EXCEPTION FROM APPLICABILITY OF LICENSE AND QUOTA PROVISIONS

SEC. 12. Notwithstanding any other provisions of this Act—

(1) no license or quota shall be required for the manufacture of such quantities of narcotic drugs as incidentally but necessarily result from the manufacturing process used for the manufacture of a basic class of narcotic drug duly licensed under this Act; and

(2) no license or quota shall be required for the manufacture of such quantities of narcotic drugs as incidentally but necessarily result from the manufacture of any substance which is not a narcotic drug.

Unless such incidentally but necessarily resulting narcotic drug shall have been determined to be nonaddicting by the Secretary or his delegate, it may (apart from being used in the process of producing a narcotic drug for which license and quota are held) be retained or disposed of only in such manner as may be prescribed or authorized by the Secretary or his delegate.

REGULATION WITH RESPECT TO PERSONS WHO MANUFACTURE NARCOTIC PRECURSORS

SEC. 13. Persons who manufacture, compound, package, sell, deal in, or give away any narcotic precursor shall keep such records and make such reports with respect to such narcotic precursor as the Secretary or his delegate shall by regulation prescribe. The Secretary or his delegate may advise the Congress whether in his opinion the manufacture and distribution of narcotic precursors threaten to result in the diversion of narcotic drugs into other than legitimate medical and scientific channels and whether in his judgment further legislation with respect to narcotic precursors is necessary or desirable.

CERTAIN PROCEDURES FOR JUDICIAL REVIEW

SEC. 14. Every final decision of the Secretary or his delegate under sections 3(1), 6, 8, 9, 11(c), 11(e), 11(f) of this Act shall be subject to judicial review as provided by and in the manner prescribed in Public Law 901, Eighty-first Congress, approved December 29, 1950.

AMENDMENT TO LAW WITH RESPECT TO EXPORTATION OF NARCOTIC DRUGS

SEC. 15. Section 6 of the Act entitled "An Act to prohibit the importation and use of opium for other than medicinal purposes", approved February 9, 1909, as amended (21 U.S.C. 182), is amended to read as follows.

"SEC. 6. (a) No person subject to the jurisdiction of the United States Government shall export or cause to be exported from the United States, or from territory under its control or jurisdiction, any narcotic drug to any other country except—

"(1) to a country which has ratified and become a party to the International Opium Convention of 1912 for the Suppression of the Abuses of Opium, Morphine, Cocaine, and Derivative Drugs, or to the International Opium Convention signed at Geneva on February 19, 1925, any narcotic drugs derived directly or indirectly from crude opium or coca leaves; or

"(2) to a country which has ratified and become a party to the Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs concluded at Geneva July 13, 1931, and entered into force with respect to the United States of America July 9, 1933, as amended by the protocol signed at Lake Success on December 11, 1946, and the protocol bringing under international control drugs outside the scope of the convention of July 13, 1931, for limiting the manufacture and regulating the distribution of narcotic drugs (as amended by the protocol signed at Lake Success on December 11, 1946) signed at Paris November 19, 1948, and entered into force with respect to the United States of America September 11, 1950, any narcotic drugs not derived directly or indirectly from crude opium or coca leaves;

and in the instance of (1) and (2) then only if—

"(1) such country has instituted and maintains in conformity with the respective conventions, a system which the Secretary of the Treasury or his delegate deems adequate, for the control of imports of narcotic drugs;

"(2) the narcotic drug is consigned to a holder of such permits or licenses as may be required under the laws of the country of import; and

"(3) there is furnished to the Secretary or his delegate proof deemed adequate by him that the narcotic drug is to be applied exclusively to medical and scientific uses within the country to which exported, that it will not be reexported from such country, and that there is an actual need for the narcotic drug for medical and scientific uses within such country.

"(b) The exceptions contained in subsection (a) shall not apply to smoking opium or opium prepared for smoking, the exportation of which is absolutely prohibited.

"(c) Notwithstanding the provisions of subsection (a), the Secretary or his delegate may authorize the exportation of any narcotic drug (including crude opium and coca leaves) to a country which has ratified and become a party either to the 1912 convention, the 1925 convention, or the 1931 convention and supplementing protocols of 1946 and 1948, if the particular drug is to be applied to a special scientific purpose in the country of destination and the authorities of such country will permit the importation of the particular drug for such purpose.

"(d) The Secretary of State shall request all foreign governments to communicate

through the diplomatic channels copies of the laws and regulations promulgated in their respective countries which prohibit or regulate the importation and shipment in transit of any narcotic drug and, when received, shall advise the Secretary or his delegate thereof."

AUTHORIZING IMPORTATION OF NARCOTIC DRUGS AS TO CERTAIN PERSONS

SEC. 16. Notwithstanding the provisions of this Act or any other law, the Secretary or his delegate may in his discretion authorize the importation of any narcotic drug or drugs (including crude opium or coca leaves) for delivery to officials of the United Nations, of the Government of the United States, or of any of the several States, or to any person licensed or qualified to be licensed under section 8 of this Act, for scientific purposes only.

ENFORCEMENT AND AUTHORITY TO DELEGATE FUNCTIONS

SEC. 17. It shall be the duty of the Secretary or his delegate to enforce the provisions of this Act, and he is hereby authorized to make, prescribe, and publish all necessary rules and regulations for carrying out its provisions, including but not limited to rules and regulations for the prevention of unlawful diversion of narcotic drugs, and to confer or impose any of the rights, privileges, powers, and duties conferred or imposed upon him by this Act upon such officers or employees of the Treasury Department as he shall designate or appoint.

PENAL PROVISIONS

SEC. 18. (a) Any person who violates any of the provisions of this Act shall be guilty of a felony, and, upon conviction thereof, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

(b) Any person who willfully makes, aids, or assists in the making of, or procures, counsels, or advises in the preparation or presentation of, a false or fraudulent statement in any application made pursuant to this Act shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than $2,000 or imprisoned for not more than one year, or both.

PROCEDURE AND PRESUMPTIONS

SEC. 19. It shall not be necessary to negative any exemptions set forth in this Act in any complaint, information, indictment, or other writ or proceeding laid or brought under this Act and the burden of proof of any such exemption shall be upon the person claiming its benefit. In the absence of proof by such person that he is the duly authorized holder of an appropriate license or quota issued under this Act, he shall be presumed not to be the holder of such license or quota and the burden of proof shall be upon him to rebut such presumption.

APPLICABILITY OF ACT

SEC. 20. The provisions of this Act shall apply to the several States, the District of Columbia, the Territory of Alaska, the Territory of Hawaii, the Canal Zone, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and the other insular territories and possessions of the United States.

SEPARABILITY OF INVALID PROVISIONS

SEC. 21. If any provision of this Act, or the application of such provision to any circumstances, shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

With the following committee amendments:

Page 1, line 5, strike out "1959" and insert "1960".

Page 3, line 1, strike out "(a)" and insert "(A)".

Page 3, line 2, strike out "(b)" and insert "(B)".

Page 3, line 3, strike out "(c)" and insert "(C)".

Page 3, line 4, strike out "(d)" and insert "(D)".

Page 3, line 15, strike out "America July" and insert "America, July".

Page 6, line 5, strike out "racemethorphan," and insert "race-methorphan".

Page 6, after line 8, insert:

"27. Phenazocine (2'-Hydroxy-5, 9-dimethyl-2-(2-phenylethyl)-6, 7-Benzomorphan) and its salts."

Page 8, strike out line 5 and all that follows through line 5 on page 9, and insert the following:

"(g) OPIATE.—

"(1) IN GENERAL.—The word 'opiate' as used in this part shall mean any drug (as defined in the Federal Food, Drug, and Cosmetic Act (52 Stat. 1041, sec. 201(g); 21 U.S.C. 321)) or other substance found by the Secretary or his delegate and proclaimed by the Secretary or his delegate (after considering the technical advice of the Secretary of Health, Education, and Welfare, or his delegate, on the subject) to have been so found in the Federal Register, after due notice and opportunity for public hearing, to have an addiction-forming or addiction-sustaining liability similar to morphine or cocaine or to be capable of conversion into a drug having such addiction-forming or addiction-sustaining liability, where, in the judgment of the Secretary or his delegate, the relative technical simplicity and degree of yield of such conversion create a risk of improper use of the drug or other substance.

"(2) TERMINATION.—The Secretary or his delegate is authorized to withdraw any previous finding that a drug or other substance is an 'opiate' whenever (after considering the technical advice of the Secretary of Health, Education, and Welfare, or his delegate, or the subject) he determines that such previous finding was erroneous, and upon publication of such determination in the Federal Register, the particular drug or other substance shall cease to be an opiate. For purposes of the foregoing provision the Secretary or his delegate may consider any action taken pursuant to article 3 of the 1948 protocol as defined in section 3(b) of the Narcotics Manufacturing Act of 1960.

"(3) REGULATIONS, ETC.—The Secretary or his delegate is authorized to issue necessary rules and regulations for carrying out the provisions of this subsection, and to confer or impose upon any officer or employee of the Treasury Department whom he shall designate or appoint, the duty of conducting any hearing authorized hereunder.

"(4) CROSS REFERENCE.—

"For treatment of certain drugs as being, or ceasing to be, opiates for purposes of this part, see section 5 of the Narcotics Manufacturing Act of 1960."

Page 9, immediately before line 6, insert the following:

"(c) Subsection (a) of section 4702 of the Internal Revenue Code of 1954 is amended to read as follows:

"'(a) EXCEPTIONS FROM CERTAIN PROVISIONS AUTHORIZED FOR PREPARATIONS OF NO ADDICTIVE QUALITY OR OF MINOR ADDICTIVE QUALITY.—

"'(1) If the Secretary or his delegate, either upon his own motion or upon the application of an interested party, after consideration of the report and recommendations of an advisory committee appointed under paragraph (4) of this subsection, and after due notice and opportunity for hearing, finds that a pharmaceutical preparation containing a narcotic drug combined with other active or inactive ingredients—

"'(A) either possesses no addiction-forming or addiction-sustaining liability, or does not possess an addiction-forming or addiction-sustaining liability sufficient to warrant imposition of all of the requirements of this part, and

"'(B) does not permit the recovery of a narcotic drug having such an addiction-forming or addiction-sustaining liability, with such relative technical simplicity and degree of yield as to create a risk of improper use;

the Secretary or his delegate may except such pharmaceutical preparation to the extent consistent with the obligations undertaken by the United States pursuant to the Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, concluded at Geneva, July 13, 1931, and entered into force with respect to the United States of America, July 9, 1933, as amended by the protocol signed at Lake Success on December 11, 1946, and the protocol bringing under international control drugs outside the scope of the convention of July 13, 1931, for limiting the manufacture and regulating the distribution of narcotic drugs (as amended by the protocol signed at Lake Success on December 11, 1946), signed at Paris, November 19, 1948, and entered into force with respect to the United States of America, September 11, 1950, and with the public health, safety, and welfare, from any or all of the requirements imposed by this part, other than those requirements imposed by sections 4721, 4722, 4724(a), and 4732, and from any or all of the requirements imposed by section 6 of the Act entitled "An Act to prohibit the importation and use of opium for other than medicinal purposes", approved February 9, 1909, as amended by section 15 of the Narcotics Manufacturing Act of 1960.

"'(2) In excepting any pharmaceutical preparation under paragraph (1), the Secretary or his delegate may, in his discretion, apply any or all of the following requirements:

"'(A) Such pharmaceutical preparation shall be manufactured, sold, distributed, given away, dispensed, or possessed as a medicine and not for the purpose of evading the intentions and provisions of this subpart and subpart C;

"'(B) Any manufacturer, producer, compounder, or vendor (including dispensing physicians) of such pharmaceutical preparation, lawfully entitled to manufacture, produce, compound, or vend such pharmaceutical preparation, shall keep such records relating to such pharmaceutical preparation as the Secretary or his delegate shall deem necessary;

"'(C) Every person so possessing or disposing of such pharmaceutical preparation shall register as required in section 4722 and, if he is not paying a tax under section 4721 shall pay a special tax of $1 for each year, or fractional part thereof, in which he is engaged in such occupation, to the official in charge of the collection district in which he carries on such occupation as provided in subpart C.

"'(3) If the Secretary or his delegate shall subsequently determine, after due notice and opportunity for hearing, that a pharmaceutical preparation to which such exceptions have been made applicable possesses a degree of addiction liability, or permits recovery of a narcotic drug having a degree of addiction liability, that results in abusive use of such exceptions, he is authorized to withdraw and revoke such exceptions in whole or in part.

"'(4) Whenever the Secretary or his delegate shall, on his own motion, determine that there may exist reasonable evidence to support a finding in accordance with paragraph (1) of this subsection, or whenever an interested party makes an application for such a finding, the Secretary or his delegate shall thereupon appoint an advisory committee of experts. At least one member of such an advisory committee shall be selected by the Secretary or his delegate, one by the interested party making the application, if any, one by the Surgeon General of the (United States) Public Health Service, and one by

the Commissioner of the (United States) Food and Drug Administration. The Secretary or his delegate shall submit to such advisory committee the application of the interested party, if any, and any other available data. As soon as practicable thereafter, the advisory committee shall, after independent study of the material submitted to it by the Secretary or his delegate and other data available to it, certify a report and recommendations to the Secretary or his delegate with respect to the pharmaceutical preparation involved.

"'(5) After consideration of the report and recommendation of the advisory committee, and after due notice and opportunity for hearing, the Secretary or his delegate shall either make the finding provided for in paragraph (1) of this subsection and grant such exceptions as he deems appropriate, or determine that the evidence does not support such a finding and deny the application, if any.'"

Page 9, line 18, after the word "amended" and before the period insert "by section 4(b) of this Act".

Page 9, line 19, strike out "Upon" and insert in lieu thereof the following: "With respect to any drug which is or may be used for medical or scientific purposes and to which the 1931 convention does not apply, and which is liable to the same kind of abuse and productive of the same kind of harmful effects as the drugs specified, in article 1, paragraph 2 of the 1931 convention, upon".

Page 9, line 21, strike out "a certain" and insert "any such".

Page 9, line 22, insert "of" after the word "or".

Page 12, line 20, strike out "subsection" and insert "section".

Page 13, line 10, before the word "The" insert "(b)".

Page 13, line 18, strike out "(A)" and insert "(1)".

Page 13, line 21, strike out "(B)" and insert "(2)".

Page 13, line 23, strike out the word "shall" and all that follows through line 7 on page 14, and insert the following: "shall not require the Secretary or his delegate to add such narcotic drug to the classifications set forth in section 3(g) or to grant a manufacturing quota for such narcotic drug, if the Secretary or his delegate shall determine that it is contrary to the public health and safety to permit the manufacture of such drug within the United States."

Page 14, line 8, strike out "(b)" and insert "(c)".

Page 14, line 24, strike out "1958" and insert "1960".

Page 26, line 14, after "1950" and before the period insert "(5 U.S.C., secs. 1031–1042)".

Page 27, line 11, strike out "Geneva July" and insert "Geneva, July".

Page 27, line 12, strike out "America July" and insert "America, July".

Page 27, line 21, strike out "America September" and insert "America, September".

Page 27, line 25, strike out "(1)" and insert "(A)".

Page 28, line 5, strike out "(2)" and insert "(B)".

Page 28, line 8, strike out "(3)" and insert "(C)".

Page 31, lines 5 and 6, strike out "the Territory of Alaska, the Territory of Hawaii,".

Page 31, after line 15, insert the following:

"EFFECTIVE DATE

"SEC. 22. With the exception of section 8(a), this Act shall take effect on January 1 of the year following the date of its enactment. Section 8(a) shall take effect on the date of enactment of this Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, this bill, H.R. 529, which was introduced by our colleague on the Committee on Ways and Means, the Honorable FRANK KARSTEN, is designed to give full effect to treaty obligations of the United States to limit exclusively to medical and scientific purposes the manufacture of narcotic drugs and to require that such manufacture be restricted to persons and premises that have been licensed for the purpose. It is also designed to amend the Narcotic Drugs Import and Export Act (21 U.S.C. 171–185) to bring the regulation of exports in conformity with current treaty obligations, and to permit the importation and exportation of certain narcotic drugs for scientific research purposes.

The Committee on Ways and Means is unanimous in urging the enactment of H.R. 529 as amended.

Favorable reports were received on this legislation from the Treasury Department and the Department of State.

As Members will recall, legislation similar to this bill was brought before the House on August 22, 1957 in the 1st session of the 85th Congress and passed the House unanimously. Certain problems developed in the Senate on that particular legislation. Since that time it is my understanding, and the Committee on Ways and Means was so advised, that the problems were all agreeably worked out, and the bill which is now before the House, H.R. 529, was reported unanimously by the Committee on Ways and Means.

Mr. Speaker, this is important and meritorious legislation and I commend it to the House of Representatives. I have confidence that if this legislation is enacted it will be of further assistance to the agencies which are charged with administering our narcotic control laws and treaties, and will be beneficial to the citizens of our Nation.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the legislation which has just passed the House has as its meritorious purpose the more effective participation by the United States under certain conventions and protocols providing for controls over narcotic drugs.

The bill establishes a comprehensive system of licensing and control over the manufacture, distribution, and use of both natural and synthetic narcotic drugs. It is my understanding that the legislation has been considered by and received approval of the pharmaceutical industry and also has been approved by the executive departments concerned with this subject. The Committee on Ways and Means was unanimous in reporting this legislation to the House.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MILLS. Mr. Speaker, in order to conserve time, I ask unanimous consent that the gentleman from Pennsylvania, the author of all of these bills except one that will be called up today, and I may be permitted to extend our remarks immediately following the passage of the bill; and in the case of the one exception that the gentleman from Missouri may have permission to extend his remarks following the passage of H.R. 529.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

TAX ON ISSUANCE OF SHARES BY INVESTMENT COMPANIES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6132) relating to the rate of tax on the issuance of shares or certificates of stock by regulated investment companies, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 4301 of the Internal Revenue Code of 1954 (relating to imposition of documentary stamp tax on original issue of shares or certificates of stock) is amended by inserting before the period at the end thereof the following: "; except that such rate shall be 4 cents instead of 10 cents in the case of shares or certificates issued by a corporation to which subchapter M of chapter 1 applies for the taxable year during which such share or certificate is issued".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to shares and certificates issued after the date of the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, this bill, H.R. 6132, was unanimously reported by the Committee on Ways and Means.

Under present law the documentary stamp tax on original issues of stock is levied at the rate of 10 cents per $100 of actual value. The documentary stamp tax on stock transfers, on the other hand, is levied at the rate of 4 cents per $100 of actual value.

Regulated investment companies which operate as open-end mutual investment companies, however, do not usually provide for the trading of their securities. Instead they issue new securities to those desiring to buy their stock, and redeem the stock of those desiring to sell. As a result they pay a 10-cents-per-$100 issuance tax on transactions which to others would result in a transfer tax of 4 cents per $100 of actual value.

H.R. 6132 provides that the issuance tax in the case of qualifying regulated investment companies is to be imposed at the rate of 4 cents per $100 of actual value, rather than the 10-cent rate otherwise applicable. This is to be effective for stock sold after the date of enactment of this bill.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation was unanimously reported by the Committee on Ways

and Means. The bill relates to the rate of tax on the issuance of shares or certificates of stocks by regulated investment companies.

Under present law the stamp tax on original issues of stock is 10 cents per $100 of actual value. On the other hand the stamp transfer tax is levied at the rate of 4 cents per $100 of actual value. Regulated investment companies generally do not provide for the trading of their securities. Instead, they issue new securities to those persons who desire to buy their stock and redeem the stock of those desiring to sell. Because of the new issuance of stock to new purchasers—instead of transferring already issued stock—such transactions are subject to the stock issuance tax at the 10-cent rate.

H.R. 6132 would alleviate this problem by providing that the issuance tax in the case of qualified regulated investment companies would be imposed at the rate of 4 cents per $100 of actual value.

TAX ON CERTAIN LAMINATED TIRES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6785) to amend section 4071 of the Internal Revenue Code of 1954 so as to fix a tax of 1 cent per pound of certain laminated tires produced from used tires, which was reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4071(a) of the Internal Revenue Code of 1954 (relating to tax on tires and tubes) is amended—

(1) by inserting after "other tires" in paragraph (2) the following "(other than laminated tires to which paragraph (5) applies)"; and

(2) by adding after paragraph (4) the following new paragraph:

"(5) Laminated tires (not of the type used on highway vehicles) which consist wholly of scrap rubber from used tire casings with an internal metal fastening agent, 1 cent a pound."

(b) The amendment made by subsection (a) shall apply with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this Act.

With the following committee amendment:

Page 2, after line 7, insert:

"(c) Section 209(c)(1)(E) of the Highway Revenue Act of 1956 (relating to transfer to the Highway Trust Fund of amounts equivalent to certain taxes) is amended by striking out 'section 4071(a) (1), (2), and (3)' and inserting in lieu thereof 'section 4071(s) (1), (2), (3), and (5)'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, this bill, H.R. 6785, which was introduced by our colleague on the Committee on Ways and Means, the Honorable JAMES B. FRAZIER, was unanimously reported by the Committee on Ways and Means. The principal provisions of the bill may be briefly summarized as follows:

H.R. 6785 provides a tax of 1 cent a pound in the case of the sale of "laminated" tires not of the type used on highway vehicles if the tires consist wholly of scrap rubber from used tire casings and have an internal metal fastening agent. This is in lieu of the 5-cents-a-pound tax which otherwise would apply.

A "laminated" tire consists of a series of rubber pads—cut from scrap rubber tires—held together by a metal band on which the pads are threaded in a manner to form a complete circle. These tires are used for off-highway purposes where the terrain is rough or where there is the hazard of puncture in the case of pneumatic tires. They are used primarily on lifts, cranes, payloaders, weed cutters, and similar types of industrial and farm equipment.

This amendment is to be effective as of the beginning of the first month starting more than 10 days after the date of enactment of this bill.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, under present law there is imposed a tax of 8 cents a pound in the case of tires of the type used on highway vehicles and a tax of 5 cents a pound in the case of other tires. It has been brought to the attention of the Committee on Ways and Means that the existing tax provisions on tires impose a particular hardship on a relatively recent development in a tire product known as laminated tires. These tires are used essentially for off-highway purposes and because they are particularly heavyweight the tax becomes unusually burdensome.

To correct this inequity the bill which has just been approved by the House would provide a tax of 1 cent a pound in the case of the sale of laminated tires not of the type used on highway vehicles if the tire consists wholly of scrap rubber from used tire casings and has an internal metal fastening agent.

The Committee on Ways and Means was unanimous in favorably reporting this legislation to the House.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. ROBERTS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ROBERTS. Mr. Speaker, I rise in support of H.R. 6785, to fix a 1-cent-per-pound tax on certain laminated tires produced from used tires.

I have for some time been interested in this matter and have supported all along the efforts of the gentleman from Tennessee [Mr. FRAZIER] to correct an inequitable situation in which the current 5-cent-per-pound tax is imposed on laminated tires.

Members should understand what laminated tires are.

These tires are the type used off the highway in rough terrain, as in farm equipment or certain industrial equipment. They are not pneumatic tires and do not perform the same functions as pneumatic tires. They can only be used on slow-moving equipment traveling about 10 to 15 miles per hour.

Laminated tires are made of segments of scrap tires joined together by an internal metal band. The scrap tires used to make laminated tires have already been taxed at the rate of 5 cents a pound. To impose another 5 cents a pound tax on laminated tires is to impose double taxation. This puts those manufacturers who must pay the laminated tire tax at the present rate under a tremendous burden, particularly when it is realized that most of these manufacturers are small businessmen who have only a small profit margin.

These manufacturers are forced to pass this heavy tax burden on to their consumers. Many of these consumers are farmers, and this is one of the reasons why our farmers are laboring under disadvantageous conditions.

It is certainly not fair to continue to impose the same tax upon the extremely heavy laminated tires that is imposed on the relatively lighter pneumatic tires.

The tax rate provided under H.R. 6785 is, I believe, eminently fair and one with which the manufacturers can live.

I urge passage of the bill.

Mr. FRAZIER. Mr. Speaker, I am very pleased that this bill which I introduced, H.R. 6785, was reported unanimously by the Committee on Ways and Means and has passed the House of Representatives. The bill should be of assistance to young and growing small businesses. I am pleased to state that in my area there are those who engage in this business of manufacturing laminated tires, and I sincerely trust that this legislation, which has now passed the House of Representatives and which I hope will be speedily considered by the Senate, will relieve a hardship with respect to this matter, and should involve no cost to the Government.

COVERAGE FOR YEARS BEFORE 1951 UNDER SOCIAL SECURITY

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5920) to amend title II of the Social Security Act to provide that an individual who had maximum earnings for a year before 1951 shall be credited with four quarters of coverage for such year—with certain exceptions—in the same manner as is provided for years after 1950, which was reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 213(a)(2)(A) of the Social Security Act is amended to read as follows: "In the case of any individual

who was paid, in a calendar year prior to 1951, $3,000 or more in wages, each quarter of such year (excepting any quarter after the quarter in which such individual died, and excepting any quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period)) shall be deemed a quarter of coverage."

SEC. 2. (a) The amendment made by the first section of this Act shall apply only with respect to monthly insurance benefits under title II of the Social Security Act for months after the month in which this Act is enacted, and with respect to lump-sum death payments under such title II in the case of deaths occurring after the date of the enactment of this Act.

(b) The Secretary of Health, Education, and Welfare, notwithstanding section 215(f)(1) of the Social Security Act, shall recompute the primary insurance amount of any individual who is entitled to monthly insurance benefits under title II of such Act for the month in which this Act is enacted (or whose survivors are entitled on the basis of his wages and self-employment income to monthly insurance benefits under title II of such Act for such month) and who in any calendar year before 1951 was paid the maximum wages includible (for that year) under title II of such Act as then in effect but was credited with less than four quarters of coverage, upon application filed by such individual or one of such survivors, taking into account in such recomputation the amendment made by the first section of this Act. No recomputation under this subsection shall be regarded as a recomputation under section 215(f) of the Social Security Act. Any such recomputation shall be effective for and after the twelfth month before the month in which such application is filed but in no case for any month before the month following the month in which this Act is enacted.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That section 213(a)(2) of the Social Security Act is amended by striking out all that precedes clause (iii) of subparagraph (B) and inserting in lieu thereof the following:

"'(2) The term "quarter of coverage" means a quarter in which the individual has been paid $50 or more in wages (except wages for agricultural labor paid after 1954) or for which he has been credited (as determined under section 212) with $100 or more of self-employment income, except that—

"'(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;

"'(ii) if the wages paid to any individual in any calendar year equal $3,000 or more in the case of a calendar year before 1951, or $3,600 in the case of a calendar year after 1950 and before 1955, or $4,200 in the case of a calendar year after 1954 and before 1959, or $4,800 in the case of a calendar year after 1958, each quarter of such year shall (subject to clause (i)) to be a quarter of coverage;'.

"SEC. 2. (a) Except as provided in subsection (b), the amendment made by the first section of this Act shall apply only in the case of monthly benefits under title II of the Social Security Act, and the lump-sum death payment under section 202 of such Act, based on the wages and self-employment income of an individual—

"(1) who becomes entitled to benefits under section 202(a) or 223 of such Act on the basis of an application filed after the month in which this Act is enacted; or

"(2) who is (or would, but for the provisions of subsection (f)(6) of section 215 of the Social Security Act, be) entitled to a recomputation of his primary insurance amount under subsection (f)(2)(A) of such section 215 on the basis of an application filed after the month in which this Act is enacted; or

"(3) who dies without becoming entitled to benefits under subsection (a) of such section 202 or under such section 223, and (unless he dies a currently insured individual but not a fully insured individual (as those terms are defined under section 214 of the Social Security Act)) without leaving any individual entitled (on the basis of his wages and self-employment income) to survivor's benefits or a lump-sum death payment under such section 202 on the basis of an application filed prior to the month following the month in which this Act is enacted; or

"(4) who dies after the month in which this Act is enacted and whose survivors are (or would, but for the provisions of subsection (f)(6) of such section 215, be) entitled to a recomputation of his primary insurance amount under subsection (f)(4)(A) of such section 215; or

"(5) who dies prior to the month following the month in which this Act is enacted and (A) whose survivors are (or would, but for the provisions of subsection (f)(6) of such section 215, be) entitled to a recomputation of his primary insurance amount under subsection (f)(4)(A) of such section 215, and (B) on the basis of whose wages and self-employment income no individual was entitled to survivor's benefits or a lump-sum death payment under such section 202 on the basis of an application filed prior to the month following the month in which this Act is enacted (and no individual was entitled to such a benefit, without the filing of an application, for the month in which this Act is enacted or any month prior thereto); or

(6) who files an application for a recomputation under subparagraph (B) of section 102(f)(2) of the Social Security Amendments of 1954 after the month in which this Act is enacted and is (or would, but for the fact that such recomputation would not result in a higher primary insurance amount, be) entitled to have his primary insurance amount recomputed under such subparagraph; or

"(7) who dies and whose survivors are (or would, but for the fact that such recomputation would not result in a higher primary insurance amount for such individual, be) entitled, on the basis of an application filed after the month in which this Act is enacted, to have his primary insurance amount recomputed under the provisions of subparagraph (B) of section 102(f)(2) of the Social Security Amendments of 1954.

(b) The amendment made by the first section of this Act shall also be applicable in the case of applications for disability determinations under section 216(i) of the Social Security Act filed after the month in which this Act is enacted.

"(c) Notwithstanding any other provision of this section, in the case of any individual who would not be a fully insured individual under section 214(a) of the Social Security Act except for the enactment of this Act, no benefits shall be payable on the basis of his wages and self-employment income for any month prior to the month following the month in which this Act is enacted."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the bill H.R. 5920 which was introduced by my colleague, Hon. ALBERT H. BOSCH, amends title II of the Social Security Act to change the rule for crediting quarters of coverage on the basis of maximum creditable wages paid in years before 1951 to conform to the rule applied in the case of maximum creditable earnings in years after 1950. Under present law, generally, a person who was paid the maximum amount of creditable wages in a calendar year before 1951 is deemed to have a quarter of coverage in each quarter following his first quarter of coverage of such year. Under the bill, a person who was paid the maximum amount of creditable wages in a calendar year before 1951 would be deemed to have a quarter of coverage in each quarter of such year without regard to when he received his first quarter of coverage. In general, the change would be effective in the case of applications for benefits or specified benefit recomputations filed after the month in which the bill is enacted, and in the case of applications for determinations of disability filed after such month of enactment.

The committee report which accompanied the bill discusses the effect of the bill and comments as to the possible number of cases involved.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, under present law an individual who receives the maximum creditable wages for OASI coverage is given credit for four quarters of coverage regardless of when in the year the wages were earned. However, present law contains a discrimination with respect to wages earned in a calendar year before 1951 in that an individual earning the maximum creditable amount is only given credit for those quarters of coverage which include the period of his first income in the calendar year and the quarters subsequent thereto. Thus, for example, an individual who earned the maximum creditable amount after June 1949 and had no creditable earnings in that calendar year prior to that period would receive credit for only two quarters of coverage.

This discrimination has served to preclude some individuals from qualifying for old-age and survivors insurance coverage.

The bill, H.R. 5920, would correct this discrimination by permitting such an individual to obtain four quarters of coverage under circumstances such as I have just described. This legislation was unanimously reported by the Committee on Ways and Means.

Mr. BOSCH. Mr. Speaker, this bill amends title II of the Social Security Act to provide that an individual who had maximum earnings for a year before 1951 shall be credited with 4 quarters of coverage for such year in the same manner as is provided for years after 1950.

The bill would change the rule in the present Social Security Act for crediting quarters of coverage on the basis of maximum creditable wages paid in years before 1951 to conform to the rule for maximum creditable earnings in years

after 1950. Under present law, a person who was paid the maximum amount of creditable wages in a calendar year before 1951 is deemed to have a quarter of coverage in each quarter following his first quarter of coverage of such year. Under this bill, a person who was paid the maximum amount of creditable wages in a calendar year before 1951 would be deemed to have a quarter of coverage in each quarter of such year without regard to when he received his first quarter of coverage. The change would be effective for months after the month in which the bill is enacted and would be applicable both to people who were then already on the benefit roles and to future beneficiaries, on the basis of applications filed at any time after enactment.

If this bill is enacted, the Department of Health, Education, and Welfare reports that a small number of people who do not have enough quarters of coverage to be fully insured under the present provisions of law would be credited with enough additional quarters of coverage to become insured for benefits. In other words the law is simplified because the same rules for crediting quarters of coverage would apply to all years in which a person had maximum creditable earnings, whether those years occurred before 1951 or after 1950.

A relatively small number of present beneficiaries who had earned the maximum creditable amount of wages in one or more years before 1951 might have their benefits increased somewhat by enactment of the bill. These generally would be people who were not fully insured at age 65 or 62 years for women but who worked beyond that age and earned enough quarters of coverage to become insured at a later date. In a small number of these cases such a person may be credited with enough additional quarters of coverage before 1951 to be insured at an earlier date than under present law.

The people most likely to be helped by enactment of the bill would be people who would otherwise be uninsured.

INCOME TAX TREATMENT OF CERTAIN DEALERS' RESERVES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8684) to amend the Internal Revenue Code of 1954 to provide for deferral of taxation of amounts withheld by a bank or finance company from a dealer in personal property to secure obligations of the dealer, until such time as such amounts are paid to or made available to the dealer, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, (a) subpart B of part II of subchapter E of chapter 1 of the Internal Revenue Code of 1954 (relating to taxable year for which items are included in gross income) is amended by adding at the end thereof the following new section:

"SEC. 456. AMOUNTS CREDITED TO DEALER'S RESERVES

"(a) EXCLUSION OF AMOUNTS CREDITED TO DEALER'S RESERVES. A taxpayer engaged in the trade or business of holding tangible personal property for sale to customers who—

"(1) computes taxable income on the accrual method of accounting;

"(2) in the ordinary course of his trade or business, sells articles on credit and receives as the whole or part payment of the purchase price, the customer's conditional sales contract, note, or other evidence of indebtedness; and

"(3) then in the ordinary course of his trade or business sells or otherwise disposes of such conditional sales contracts, notes, or other evidences of indebtedness to a bank or a finance company, may

elect, under regulations prescribed by the Secretary or his delegate, to exclude from gross income that part of the consideration derived from the sale of other disposition of customer's conditional sales contracts, notes, or other evidences of indebtedness which is credited to the taxpayer's account by the bank or finance company, during the taxable year, and which is held by the bank or finance company to secure any obligation of the taxpayer to the bank or finance company.

"(b) LIMITATION.—The amount excluded by reason of subsection (a) shall not exceed, in the aggregate, in any taxable year, the lower of $30,000 or 5 percent of the total value of the customer's conditional sales contracts, notes, or other evidences of indebtedness with respect to which the bank or finance company has a right to withhold an amount to secure the obligations of the taxpayer to the bank or finance company.

"(c) REFERRED AMOUNTS TO BE TAKEN INTO INCOME.—Amounts excluded from gross income by reason of subsection (a) shall be included in gross income in the taxable year in which such amounts are paid to, or otherwise made available for withdrawal by the bank or finance company to the taxpayer."

(b) TECHNICAL AMENDMENT.—The table of sections for subpart B of part II of subchapter E of chapter 1 is amended by adding at the end thereof the following:

"Sec. 456. Amounts credited to dealers."

SEC. 2. EFFECTIVE DATE.—The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1956.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Dealer Reserve Income Adjustment Act of 1959'.

SEC. 2. PERSONS TO WHOM THIS ACT APPLIES.

"This Act shall apply to any person who, for his most recent taxable year ending on or before June 22, 1959—

"(1) computed taxable income under an accrual method of accounting.

"(2) treated any dealer reserve income, which should have been taken into account (under the accrual method of accounting) for such taxable year, as accruable for a subsequent taxable year, and

"(3) before July 1, 1960, makes an election under section 3(a) or 4(a) of this Act.

"SEC. 3. ELECTION TO HAVE SECTION 481 APPLY.

"(a) GENERAL RULE.—If—

"(1) for the year of the change (determined under subsection (b)), the treatment of dealer reserve income by any person to whom this Act applies is changed to a method proper under the accrual method of accounting (whether or not such person initiated the change),

"(2) such person makes an election under this subsection, and

"(3) such person does not make the election provided by section 4(a),

then, for purposes of section 481 of the Internal Revenue Code of 1954, the change described in paragraph (1) shall be treated as a change in method of accounting not initiated by the taxpayer.

"(b) YEAR OF CHANGE, ETC.—In applying section 481 of the Internal Revenue Code of 1954 for purposes of this section, the "year of the change" in the case of any person is—

"(1) except as provided in paragraph (2), the first taxable year ending after June 22, 1959, or

"(2) the earliest taxable year (whether the Internal Revenue Code of 1954 or the Internal Revenue Code of 1939 applies to such year) for which—

"(A) on or before June 22, 1959—

"(i) the Secretary of the Treasury or his delegate issued a notice of deficiency, or a written notice of a proposed deficiency, with respect to dealer reserve income, or

"(ii) such person filed with the Secretary or his delegate a claim for refund or credit with respect to dealer reserve income, and

"(B) the assessment of any deficiency, or the refund or credit of any overpayment, whichever is applicable, is not prevented by the operation of any law or rule of law.

For purposes of this section, section 481 of such Code shall be treated as applying to any year of the change to which the Internal Revenue Code of 1939 applies.

"SEC. 4. ELECTION TO HAVE SECTION 481 NOT APPLY; PAYMENT IN INSTALLMENTS.

"(a) GENERAL RULE.—If a person to whom this Act applies makes an election under this subsection, then for purposes of chapter 1 of the Internal Revenue Code of 1954 (and the corresponding provisions of prior law) a change in the treatment of dealer reserve income to a method proper under the accrual method of accounting shall be treated as not a change in method of accounting in respect of which section 481 of the Internal Revenue Code of 1954 applies. Any election under this subsection shall apply to all taxable years ending on or before June 22, 1959 (whether the provisions of the Internal Revenue Code of 1954 or the corresponding provisions of prior law apply), for which the assessment of any deficiency, or for which refund or credit of any overpayment, whichever is applicable, is not prevented by the operation of any law or rule of law.

"(b) ELECTION TO PAY TAX IN INSTALLMENTS.—

"(1) ELIGIBILITY.—If the net increase in tax (as defined in paragraph (2)) which results solely from the effect of the election provided by subsection (a) exceeds $2,500, then the taxpayer may elect (at the time the election is made under subsection (a)) to pay in two or more (but not to exceed 10) equal annual installments any portion of such net increase which (on the date of such election) is unpaid.

"(2) NET INCREASE IN TAX DEFINED.—For purposes of this section, the term 'net increase in tax' means the amount (if any) by which—

"(A) the sum of the increases in tax (including interest) for all taxable years to which the election applies and which is attributable to the election, exceeds

"(B) the sum of the decreases in tax (including interest) for all taxable years to which the election applies and which is attributable to the election.

For purposes of this paragraph, interest for the period before the date of the election shall be computed as provided in chapter 67 of the Internal Revenue Code of 1954 (or

the corresponding provisions of prior revenue laws).

"(c) DUE DATE FOR INSTALLMENTS.—If an election is made under subsection (b), the first installment shall be paid on or before the date prescribed by section 6151(a) of the Internal Revenue Code of 1954 for payment of the tax for the taxable year in which the election was made, and each succeeding installment shall be paid on or before the date which is one year after the date prescribed by this subsection for payment of the preceding installment.

"(d) EFFECT OF SUBSEQUENT REDETERMINATION OF TAX.—

"(1) REDETERMINATION.—If—

"(A) the taxpayer makes an election under subsection (b), and

"(B) there is a redetermination of the taxpayer's tax for any taxable year to which the election provided by subsection (a) applies,

then the net increase in tax (as defined in subsection (b)(2) shall be redetermined.

"(2) EFFECT OF INCREASE.—If the redetermination described in paragraph (1)(B) results in an increase in the net increase in tax (as defined in subsection (b)(2)), the resulting increase shall be prorated to all the installments. The part of such resulting increase so prorated to any installment the date for payment of which has not arrived shall be collected at the same time as, and as a part of, such installment. The part of such resulting increase so prorated to any installment the date for payment of which has arrived shall be paid upon notice and demand from the Secretary of the Treasury or his delegate.

"(3) EFFECT OF DECREASE.—

"For treatment of a decrease in the net increase in tax as the result of a redetermination described in paragraph (1)(B), see section 6403 of the Internal Revenue Code of 1954 (relating to overpayment of installment).

"(e) SUSPENSION OF INTEREST.—

"(1) IN GENERAL.—If an election under subsection (a) applies and there is a net increase in tax (as defined in subsection (b)(2)), no interest shall be imposed on any underpayment (and no interest shall be paid on any overpayment) attributable to such election for the period beginning on the date of such election and ending on the date prescribed by section 6151(a) of the Internal Revenue Code of 1954 for payment of the tax for the taxable year in which the election was made.

"(2) NO INTEREST DURING INSTALLMENT PERIOD.—If an election under subsection (b) applies, no interest shall be imposed for the period on or after the date fixed for payment of the first installment unless payment of unpaid installments is accelerated under subsection (f) or (g).

"(3) INTEREST WHERE PAYMENT IS ACCELERATED.—If payment is accelerated under subsection (f) or (g), interest determined in accordance with the provisions of section 6601 of the Internal Revenue Code of 1954 on the entire unpaid tax shall be payable—

"(A) if payment is accelerated under subsection (f), from the date of notice and demand provided by such subsection to the date such tax is paid, or

"(B) if payment is accelerated under subsection (g), from the date fixed for paying the unpaid installment to the date such tax is paid.

"(f) TERMINATION OF INSTALLMENT PAYMENT PRIVILEGE.—The extension of time provided by this section for payment of tax shall cease to apply, and any unpaid installments shall be paid upon notice and demand from the Secretary of the Treasury or his delegate, if—

"(1) in the case of a taxpayer who is an individual, he dies or ceases to engage in the trade or business in respect of which the election under subsection (b) applies,

"(2) in the case of a taxpayer who is a partner, the entire interest of such partner is transferred or liquidated or the partnership ceases to engage in the trade or business in respect of which the election under subsection (b) applies, or

"(3) in the case of a taxpayer which is a corporation, the taxpayer ceases to engage in the trade or business in respect of which the election under subsection (b) applies, unless the unpaid portion of the tax payable in installments is required to be taken into account by the acquiring corporation under section 5(d).

"(g) FAILURE TO PAY INSTALLMENT.—If any installment under this section is not paid on or before the date fixed for its payment by this section (including any extension of time for payment of such installment), the unpaid installments shall be paid upon notice and demand from the Secretary of the Treasury or his delegate.

"(h) SUSPENSION OF RUNNING OF PERIODS OF LIMITATION.—The running of the periods of limitation provided by section 6502 of the Internal Revenue Code of 1954 (or corresponding provision of prior law) for the collection of any amount of tax payable in installments under this section shall be suspended for the period of any extension of time for payment granted under this section.

"SEC. 5. DEFINITIONS; SPECIAL RULES.

"(a) DEALER RESERVE INCOME.—For purposes of this Act, the term 'dealer reserve income' means that part of the consideration derived by any person from the sale or other disposition of customers' sales contracts, notes, and other evidences of indebtedness (or derived from customers' finance charges connected with such sales or other dispositions) which is—

"(1) attributable to the sale by such person to such customers, in the ordinary course of his trade or business, of real property or tangible personal property, and

"(2) held in a reserve account, by the financial institution to which such person disposed of such evidences of indebtedness, for the purpose of securing obligations of such person, obligations under such evidences of indebtedness, or both.

"(b) FINANCIAL INSTITUTION.—For purposes of this Act, the term 'financial institution' means any person regularly engaged in the business of acquiring evidences of indebtedness of the kind described in subsection (a).

"(c) OTHER TERMS; APPLICATION OF OTHER LAWS.—Except where otherwise distinctly expressed or manifestly intended, terms used in this Act shall have the same meaning as when used in the Internal Revenue Code of 1954 and all provisions of law shall apply with respect to this Act as if this Act were a part of such Code.

"(d) ACQUIRING CORPORATION.—In the case of the acquisition of assets of a corporation by another corporation in a distribution or transfer described in section 381(a) of the Internal Revenue Code of 1954, the acquiring corporation shall, for purposes of this Act, be treated as if it were the distributor or transferor corporation.

"(e) REGULATIONS.—The Secretary of the Treasury or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this Act, including regulations relating to—

"(1) the application of the provisions of this Act in the case of partnerships, and

"(2) the manner in which the elections provided by this Act are to be made."

The committee amendment was agreed to.

The bill was ordered to be engrossed, and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the bill which the House just passed was introduced by our colleague on the Committee on Ways and Means, the Honorable FRANK IKARD, and was unanimously reported by the committee. I may say here that I also had a bill pending before our committee on this subject.

As is more fully explained in the committee report on this bill, it deals with the time of reporting of dealer reserves. The usual dealers' reserve arises from the sale of customers' installment paper to finance companies. The way in which these reserves arise can be illustrated by an example of an automobile dealer, a business where dealer reserves have been used quite widely. Initially the dealer sells a car to a customer, accepting his note together with a cash downpayment and trade-in as the selling price of the car. The customer then executes a note, usually on forms supplied by a finance company, and the dealer then sells the installment paper to the finance company in return for a partial payment to him by the finance company of the face amount of the paper. The finance company, however, reserves, or holds back, a portion of the balance due the dealer and in addition may set aside a portion of the finance charge on the paper otherwise due the dealer. Losses incurred by the finance company may be charged against these dealers' reserves, either the portion sometimes referred to as the "holdback" or the amount attributable to a division of the finance charge between the finance company and the dealer. In addition, if a customer pays off his note ahead of time this also may be charged against these reserves, in this case usually against the finance charge portion.

In transactions of this general type the question is whether this reserve is income to the dealer in the year of the sale of the article and the sale of the installment paper to the finance company or, on the other hand, is income to the dealer only when he actually receives the reserved amount in cash from the finance company.

The Supreme Court on June 22, 1959, in Commissioner against Hansen, Commissioner against Glover, and Baird against Commissioner, held in these cases that the specific reserves involved were properly reportable as income when "the dealers acquired a fixed right to receive the amounts so retained by the finance companies." These cases held that dealer reserve income is to be reported at the time it is properly accruable, or in general at the time of the sale of the installment paper where this immediately follows the sale of the property. However, many dealers following any of the numerous circuit court decisions to the contrary, have not reported this income until the reserves were withdrawn by the dealers from the finance companies.

In view of this, H.R. 8684 provides two alternative methods for paying the tax due on the income which has not previously been reported. First, it provides that such amounts can be treated as required changes in methods of accounting. In general this means that the reserves built up prior to 1954 need not

be reported for tax purposes, and that only the excess of the current balance over the 1954 balance in the reserve is to be reported. A second alternative provided permits the computation of the deficiencies—or overassessments—which would arise if the income had been reported in the proper years, and then the sum of these amounts—plus interest up to the time of selecting this alternative—may be paid in 10 annual installments, generally beginning in 1961.

Mr. Speaker, as I have said, this legislation was unanimously reported by the committee. It is designed to relieve a hardship situation and thus is very meritorious legislation.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation pertains to the timing of reporting for tax purposes with respect to dealer reserves and provides transitional rules to bring the reporting of dealer reserve income into conformity with proper accounting methods.

A dealer reserve is a byproduct of installment sales methods of merchandising that arises from the scale of customers' installment paper to finance companies. The finance company holds back a reserve of the balance due from the customer to the dealer. This reserve is to provide indemnification of the finance company for bad credit risks with the dealer eligible to receive the reserve or a portion thereof at the time the obligation is discharged. The Supreme Court has held that these reserves constitute income to the dealer when he acquired a fixed right to receive the amounts so retained by the finance company. The actual fact is that because of diversity of court holdings on this subject there has been great uncertainty in the business community as to the proper way in which dealer reserves should be treated for tax purposes.

The Committee on Ways and Means in acting on this legislation has approved the concept that dealer reserve income should be reported on a proper accrual accounting basis. Recognizing that undue taxpayer hardship might result from requiring a transition to be made in one year, the bill as amended by the Committee on Ways and Means provides two alternative methods for paying the tax due on the income which has not been previously reported. The bill provides as one alternative that amounts that have not been previously reported can be treated as required changes in accounting method with the result that reserves built up prior to 1954 need not be reported and that only the excess of the current balance over the 1954 balance is to be reported. The second alternative provided under H.R. 8684 would allow the computation of the deficiencies or overassessments which would arise if the income had been reported in the proper years and then the total of these amounts with interest up to the time of selecting the alternative may be paid in 10 annual installments beginning in 1961.

Mr. Speaker, the legislation which has just passed the House was reported unanimously by the Committee on Ways and Means.

CREDITS AGAINST UNEMPLOYMENT TAX—MERGED CORPORATIONS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6482) relating to the credits against the unemployment tax in the case of merged corporations, which was reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3302 of the Internal Revenue Code of 1954 is hereby amended by adding at the end thereof the following new subsection:

"(d) SUCCESSOR EMPLOYER. If a corporation (hereinafter referred to as successor employer) acquires substantially all of the properties of another corporation (hereinafter referred to as the predecessor) in connection with a statutory merger or consolidation of the two corporations, and if the predecessor during the calendar year in which such merger or consolidation occurs does not qualify as an employer (as defined in section 3306(a)) but is required to pay contributions with respect to such year into the unemployment fund of any State, then, for the purpose of determining for the successor employer the credits against tax allowed under subsections (a) and (b) for the calendar year in which such merger or consolidation took place, the predecessor and the successor employer shall be considered as one person for such year."

(b) The amendment made by subsection (a) to the Internal Revenue Code of 1954 shall be effective as if it were a part of such Code on the date of its enactment. Such amendment shall also be applicable for the purposes of section 1601 of the Internal Revenue Code of 1939, in the same manner as if a corresponding amendment to the provisions of such section 1601 had been a part of section 201(a) of the Social Security Act Amendments of 1950.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That (a) section 3302 of the Internal Revenue Code of 1954 (relating to credits against tax imposed by Federal Unemployment Tax Act) is amended by adding at the end thereof the following new subsection:

"'(d) SUCCESSOR EMPLOYER.—Subject to the limits provided by subsection (c), if—

"'(1) a corporation (hereinafter referred to as the successor) acquires properties of one or more other corporations (each of which is hereinafter referred to as the predecessor) in connection with a statutory merger or consolidation of the corporations (within the meaning of section 368(a)(1)(A)), and

"'(2) the predecessor is not an employer for the calendar year in which such merger or consolidation took place,

then, for the calendar year in which such merger or consolidation took place, in addition to the credits allowed under subsections (a) and (b), the successor may credit against the tax imposed by section 3301 for such year the credits which (without regard to subsection (c)) would have been allowable to the predecessor under subsections (a) and (b) and this subsection for such year if the predecessor had been an employer.'

"(b) The amendment made by subsection (a) shall apply with respect to the calendar year 1955 and each calendar year thereafter. Provisions having the same effect as the provisions added to the Internal Revenue Code of 1954 by such amendment shall be deemed to be included in the Internal Revenue Code of 1939 and shall apply with respect to the tax imposed by section 1600 of such Code for the calendar years 1951 through 1954."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, this bill, H.R. 6482, which was introduced by our colleague on the committee, the Honorable JAMES B. UTT, amends the provisions of the Internal Revenue Code relating to the unemployemnt tax. The bill may be summarized as follows: At present a corporation, which within the first 20 weeks of the year is merged or consolidated in a second corporation, is not treated as an employer for purposes of the Federal unemployment tax but generally is so considered for most State unemployment compensation taxes. As a result, the first corporation usually must pay the State tax in such cases, and then the second corporation must pay the full Federal tax but cannot obtain the credit usually available for the State tax paid by the first. This faulty operation of the credit for State taxes is overcome in the bill by permitting the same credit to the second corporation in such cases for the State taxes paid by the first as if this first corporation had been the employer.

The amendment which is made by H.R. 6482 applies to taxable years beginning after December 31, 1950.

This bill was reported unanimously by your committee.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I have joined with the distinguished chairman of the Committee on Ways and Means in urging House support of the legislation which has just passed the House relating to the unemployment tax. Under existing law a corporation which is merged or consolidated in a second corporation within the first 20 weeks of the year is not treated as an employer for purposes of the Federal Unemployment Tax Act but is generally so considered for most State unemployment compensation taxes. As a consequence the first corporation usually must pay the State tax and the second corporation is required to pay the Federal tax but cannot avail itself of the tax credit available with respect to State taxes paid by the first corporation. The bill, H.R 6482 would correct this deficiency by allowing to the second corporation the same credit for the State taxes paid by the first corporation as if the latter had been the employer.

FREE IMPORTATION OF CERTAIN SEAWEEDS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5887) to amend the Tariff Act of 1930 to place ground, powdered, or granulated seaweeds on the

free list, which was reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 1722 of the Tariff Act of 1930 (19 U.S.C. sec. 1201, par. 1722) is amended by adding after "not specially provided for" a semicolon and the following: "but including ground, powdered, or granulated seaweeds, no matter what the degree of fineness".

SEC. 2. The amendment made by the first section of this Act shall apply in the case of articles entered for consumption, or withdrawn from warehouse for consumption, after the date of enactment of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That (a) paragraph 1722 of the Tariff Act of 1930 (19 U.S.C., sec. 1201, par. 1722) is amended by inserting before the period at the end thereof the following: "; and seaweeds not further manufactured than ground, powered, or granulated".

"(b) Paragraph 1540 of such Act (19 U.S.C., sec. 1001, par. 1540) is amended by inserting immediately after 'if manufactured or dyed' the following: '(except as provided in paragraph 1722)'.

"SEC. 2. The amendments made by the first section of this Act shall apply only in the case of articles entered for consumption, or withdrawn from warehouse for consumption, on or after thirty days after the date of the enactment of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, this bill, H.R. 5887, which was introduced by the gentleman from Massachusetts, the Honorable HASTINGS KEITH, was unanimously reported by the Committee on Ways and Means. The bill provides for an amendment to the Tariff Act of 1930 to place ground, powdered, or granulated seaweeds on the free list. At present, ground, powered, or granulated seaweeds are dutiable under paragraph 1540 of the Tariff Act of 1930 at a rate of 5 percent ad valorem. Such seaweeds are used by domestic processors to produce an end product in the form of a powdered extractive used in foods and other products. The ground, powdered, or granulated seaweeds constitute raw materials for such domestic processes. Duty-free treatment, as provided for in H.R. 5887, would reduce the raw materials' costs for these domestic processors.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the legislation that has just passed the House would place ground, powdered, or granulated seaweeds on the free list for tariff purposes. The seaweed that is covered by this legislation is used primarily by domestic processors in producing certain thickening ingredients for food preparations. Mr. Speaker, the Committee on Ways and Means was unanimous in reporting this legislation to the House.

INTERNAL REVENUE CODE—RELATING TO POSSESSIONS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5547) to amend certain provisions of the Internal Revenue Code of 1954 relating to possessions of the United States, which was reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 932(b) of the Internal Revenue Code of 1954 (relating to the Virgin Islands) is amended by adding at the end thereof the following new sentence: "Tax liability incurred to the Virgin Islands pursuant to this title, as made applicable in the Virgin Islands by such Act, or pursuant to section 28(a) of the Revised Organic Act of the Virgin Islands, approved July 22, 1954 (48 U.S.C. 1642), shall not be reduced or remitted in any way, directly or indirectly, whether by grant, subsidy, or other similar payment, by any law enacted in the Virgin Islands."

With the following committee amendment:

Strike out all after the enacting clause and insert: "That (a) subpart D of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 (relating to possessions of the United States) is amended by adding at the end thereof the following new section:

"'SEC. 934. LIMITATION ON REDUCTION IN INCOME TAX LIABILITY INCURRED TO THE VIRGIN ISLANDS.

"'(a) GENERAL RULE.—Tax liability incurred to the Virgin Islands pursuant to this subtitle, as made applicable in the Virgin Islands by the Act entitled "An Act making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes", approved July 12, 1921 (48 U.S.C. 1397), or pursuant to section 28(a) of the Revised Organic Act of the Virgin Islands, approved July 22, 1954 (48 U.S.C. 1642), shall not be reduced or remitted in any way, directly or indirectly, whether by grant, subsidy, or other similar payment, by any law enacted in the Virgin Islands, except to the extent provided in subsection (b) or (c).

"'(b) EXCEPTION FOR CERTAIN DOMESTIC AND VIRGIN ISLANDS CORPORATIONS.—In the case of a domestic corporation or a Virgin Islands corporation, subsection (a) shall not apply (if the information required by subsection (d) is supplied) to the extent such corporation derived its income from sources without the United States if the conditions of both paragraph (1) and paragraph (2) are satisfied:

"'(1) THREE-YEAR PERIOD.—If 80 percent or more of the gross income of such corporation (computed without the benefit of section 931) for the 3-year period immediately preceding the close of the taxable year (or for such part of such period immediately preceding the close of such taxable year as may be applicable) was derived from sources within the Virgin Islands; and

"'(2) TRADE OR BUSINESS.—If 50 percent or more of the gross income of such corporation (computed without the benefit of section 931) for such period or such part thereof was derived from the active conduct of a trade or business within the Virgin Islands.

For the purposes of this subsection, all amounts received by such corporation within the United States, whether derived from sources within or without the United States, shall be considered as being derived from sources within the United States.

"'(c) EXCEPTION FOR CERTAIN RESIDENTS OF THE VIRGIN ISLANDS.—Subsection (a) shall not apply in the case of an individual citizen of the United States who is a bona fide resident of the Virgin Islands during the entire taxable year (if the information required by subsection (d) is supplied), to the extent his income is derived from sources within the Virgin Islands (except that subsection (a) shall apply in the case of amounts received for services performed as an employee of the United States or any agency thereof).

"'(d) REQUIREMENT TO SUPPLY INFORMATION.—Subsections (b) and (c) shall apply only in the case of persons who supply (at such time and in such manner as the Secretary or his delegate may by regulations prescribe) such information as the Secretary or his delegate may by regulations prescribe for purposes of determining the applicability of such subsections.

"(b) The table of sections for such subpart D is amended by adding at the end thereof the following:

"'Sec. 934. Limitation in reduction in income tax liability incurred to the Virgin Islands.'"

"SEC. 2. (a) Subchapter C of chapter 11 of the Internal Revenue Code of 1954 (relating to miscellaneous estate tax provisions) is amended by adding at the end thereof the following new section:

"'SEC. 2209. CERTAIN RESIDENTS OF POSSESSIONS CONSIDERED NONRESIDENTS OF THE UNITED STATES.

"'A decedent who was a citizen of the United States and a resident of a possession thereof at the time of his death shall, for purposes of the tax imposed by this chapter, be considered a "nonresident not a citizen of the United States" within the meaning of that term wherever used in this title, but only if such person acquired his United States citizenship solely by reason of (1) his being a citizen of such possession of the United States, or (2) his birth or residence within such possession of the United States.'

"(b) The table of sections for subchapter C of chapter 11 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

"'Sec. 2209. Certain residents of possessions considered nonresidents not citizens of the United States.'

"SEC. 3. Section 2106(a)(3) of the Internal Revenue Code of 1954 (relating to exemption in determining taxable estate of nonresidents not citizens) is amended to read as follows:

"'(3) EXEMPTION.—

"'(A) GENERAL RULE.—An exemption of $2,000.

"'(B) RESIDENTS OF POSSESSIONS OF THE UNITED STATES.—In the case of a decedent who is considered to be a "nonresident not a citizen of the United States" under the provisions of section 2209, the exemption shall be the greater of (i) $2,000, or (ii) that proportion of the exemption authorized by section 2052 which the value of that part of the decedent's gross estate which at the time of his death is situated in the United States bears to the value of his entire gross estate wherever situated.'

"SEC. 4. (a) Section 2501 of the Internal Revenue Code of 1954 (relating to imposition

of gift tax) is amended by redesignating subsection (c) to be subsection (d) and by adding after subsection (b) the following new subsection:

"'(c) CERTAIN RESIDENTS OF POSSESSIONS CONSIDERED NONRESIDENTS NOT CITIZENS OF THE UNITED STATES.—A donor who is a citizen of the United States and a resident of a possession thereof shall, for purposes of the tax imposed by this chapter, be considered a "nonresident not a citizen of the United States" within the meaning of that term wherever used in this title, but only if such donor acquired his United States citizenship solely by reason of (1) his being a citizen of such possession of the United States, or (2) his birth or residence within such possession of the United States.'

"(b) Section 2501(a) of such Code is amended by striking out 'nonresident who is not a citizen of the United States and' and inserting in lieu thereof 'resident not a citizen of the United States'.

"SEC. 5. (a) The amendments made by the first section of this Act shall apply to tax liability incurred with respect to taxable years beginning on or after January 1, 1959.

"(b) The amendments made by sections 2 and 3 of this Act shall apply with respect to estates of decedents dying after the date of the enactment of this Act.

"(c) The amendment made by section 4 of this Act shall apply with respect to gifts made after the date of the enactment of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, H.R. 5547 which was unanimously reported by the Committee on Ways and Means deals with two basic subjects. The first is concerned with the extent to which income tax liability incurred to the Virgin Islands can be reduced by grants, subsidies, or other similar payments. The second is concerned with the application of U.S. estate and gift taxes to residents of U.S. possessions who are also citizens of the United States by reason of citizenship in the possession.

First, the bill provides that income tax liability incurred to the Virgin Islands may be reduced by grants, subsidies, or similar payments in the case of corporations only if they are United States or Virgin Islands corporations, and in general only if in the past 3 years they have derived 80 percent of their income from sources within the Virgin Islands and 50 percent from the active conduct of a trade or business. Where such conditions are met the income tax liability of the corporations may be reduced only with respect to their income from sources without the United States. In the case of individuals, the bill provides that tax liability may be reduced only in the case of citizens of the United States—whether or not also citizens of the Virgin Islands—only if they are bona fide residents of the Virgin Islands for the entire year. Where these conditions are met the tax liability of the individuals may be reduced only with respect to income from sources within the Virgin Islands. These amendments are to apply to tax liability for taxable years beginning on or after January 1, 1959.

Second, the bill provides that the estate and gift taxes are to apply to those who are U.S. citizens only by reason of citizenship in a U.S. possession and who are residents of a U.S. possession at the time they die or make a gift, in the same manner as in the case of those who are nonresidents not citizens of the United States. In general this means that they are to be subject to estate or gift tax only with respect to property situated in the United States—but not in the case of property situated in the possessions or elsewhere. The estate and gift tax amendments are to apply to estates of decedents dying after, or gifts made after, the date of enactment of this bill.

As I indicated, this bill was reported unanimously by the Committee on Ways and Means and is supported by the Treasury Department.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation amends certain provisions of the Internal Revenue Code pertaining to possessions of the United States and specifically relates to income taxation and estate and gift taxes affecting residents of the Virgin Islands.

The bill provides that income tax liability due to the Virgin Islands may be offset by grants, subsidies, or similar payments in the case of corporations only if they are U.S. or Virgin Islands corporations. To qualify for this treatment the bill requires that such corporation must for the past 3 years have derived 80 percent of its income from Virgin Island sources and 50 percent from the act of conduct for trade or business. A limitation is provided that where such conditions are met, the corporate tax liability may be reduced only with respect to income from sources without the United States.

In the case of individual taxpayers the bill would allow tax liability to be reduced in the case of citizens of the United States only if they are bona fide residents of the Virgin Islands for the entire year and then only with respect to income from sources within the Virgin Islands.

The bill also provides that estate and gift taxes are to apply to those U.S. citizens who have attained citizenship only by reason of their citizenship in a possession and who reside in a U.S. possession at the time of their death or at the time they make a gift in the same manner as in the case of those who are nonresidents not citizens of the United States. This change will have the effect of subjecting such persons to estate and gift taxes only with respect to property situated in the United States.

The Committee on Ways and Means was unanimous in favorably reporting this legislation to the House.

SUPPLEMENTAL UNEMPLOYMENT BENEFIT TRUSTS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8229) to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts, which was reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 501(c) of the Internal Revenue Code of 1954 (relating to exemption from tax on corporations, certain organizations, etc.) is amended by adding after paragraph (16) the following new paragraph:

"(17) Trusts under plans providing exclusively for the payment of supplemental unemployment compensation benefits, including related termination benefits, if any, to a designated class or classes of employees, if no part of the net earnings of such trust inures (other than through such payments) to the benefit of any private shareholder or individual."

SEC. 2. The amendment made by the first section of this act shall apply only with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That section 501(c) of the Internal Revenue Code of 1954 (relating to exemption from tax on corporations, certain organizations, etc.) is amended by adding after paragraph (16) the following new paragraph:

"'(17) (A) A trust or trusts forming part of a plan providing for the payment of supplemental unemployment compensation benefits, if—

"'(i) under the plan, it is impossible, at any time prior to the satisfaction of all liabilities with respect to employees under the plan, for any part of the corpus or income to be (within the taxable year or thereafter) used for, or diverted to, any purpose other than the providing of supplemental unemployment compensation benefits,

"'(ii) such benefits are payable to employees under a classification which is set forth in the plan and which is found by the Secretary or his delegate not to be discriminatory in favor of employees who are officers, shareholders, persons whose principal duties consist of supervising the work of other employees, or highly compensated employees, and

"'(iii) such benefits do not discriminate in favor of employees who are officers, shareholders, persons whose principal duties consist of supervising the work of other employees, or highly compensated employees. A plan shall not be considered discriminatory within the meaning of this clause merely because the benefits received under the plan bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of the employees covered by the plan.

"'(B) In determining whether a plan meets the requirements of subparagraph (A), any benefits provided under any other plan shall not be taken into consideration, except that a plan shall not be considered discriminatory—

"'(i) merely because the benefits under the plan which are first determined in a nondiscriminatory manner within the meaning of subparagraph (A) are then reduced by any sick, accident, or unemployment compensation benefits received under State or Federal law (or reduced by a portion of such benefits if determined in a nondiscriminatory man-manner), or

"'(ii) merely because the plan provides only for employees who are not eligible to receive sick, accident, or unemployment com-

pensation benefits under State or Federal law the same benefits (or a portion of such benefits if determined in a nondiscriminatory manner) which such employees would receive under such laws if such employees were eligible for such benefits, or

"'(iii) merely because the plan provides only for employees who are not eligible under another plan (which meets the requirements of subparagraph (A)) of supplemental unemployment compensation benefits provided wholly by the employer the same benefits (or a portion of such benefits if determined in a nondiscriminatory manner) which such employees would receive under such other plan if such employees were eligible under such other plan, but only if the employees eligible under both plans would make a classification which would be nondiscriminatory within the meaning of subparagraph (A).

"'(C) A plan shall be considered to meet the requirements of subparagraph (A) during the whole of any year of the plan if on one day in each quarter it satisfies such requirements.

"'(D) The term "supplemental unemployment compensation benefits" means only—

"'(i) benefits which are paid to an employee because of his involuntary unemployment (whether or not temporary) resulting directly from a reduction in force, the discontinuance of a plant or operation, or other similar conditions, and

"'(ii) sick and accident benefits subordinate to the benefits described in clause (i).'

"SEC. 2. (a) Subsection (a) of section 503 of the Internal Revenue Code of 1954 (relating to denial of exemption to organizations engaged in prohibited transactions) is amended—

"(1) by revising paragraph (1) to read as follows:

"'(1) GENERAL RULE.—

"'(A) An organization described in section 501(c)(3) which is subject to the provisions of this section shall not be exempt from taxation under section 501(a) if it has engaged in a prohibited transaction after July 1, 1950.

"'(B) An organization described in section 501(c)(17) which is subject to the provisions of this section shall not be exempt from taxation under section 501(a) if it has engaged in a prohibited transaction after September 4, 1959.

"'(C) An organization described in section 401(a) which is subject to the provisions of this section shall not be exempt from taxation under section 501(a) if it has engaged in a prohibited transaction after March 1, 1954.', and

"(2) by striking out 'section 501(c)(3)' in paragraph (2) and inserting in lieu thereof section 501(c)(3) or (17)'.

"(b) Subsection (b) of such section 503 is amended by striking out 'section 501(c)(3)' and inserting in lieu thereof 'section 501(c)(3) or (17)'.

"(c) Subsection (d) of such section 503 is amended by striking out 'section 501(c)(3)' and inserting in lieu thereof 'section 501(c)(3) or (17)'.

"(d) Subsection (h) of such section 503 is amended—

"(1) by striking out 'section 401(a)' in the heading and inserting in lieu thereof 'section 401(a) and section 501(c)(17)', and

"(2) by striking out 'section 401(a)' in such subsection and inserting in lieu thereof 'section 401(a) or section 501(c)(17)'.

"SEC. 3. (a) Subsection (a)(2) of section 511 of the Internal Revenue Code of 1954 (relating to imposition of tax on unrelated business income of charitable, etc., organizations) is amended—

"(1) by striking out 'and (6)' in the heading of subparagraph (A) and inserting in lieu thereof '(6), and (17)', and

"(2) by striking out 'or (6)' in the first sentence of subparagraph (A) and inserting in lieu thereof '(6), or (17)'.

"(b) Subsection (b) of such section 511 is amended by striking out 'section 501(c)(3)' in paragraph (2) and inserting in lieu thereof 'section 501(c)(3) or (17)'.

"SEC. 4. Section 513(b)(2) of the Internal Revenue Code of 1954 (relating to the definition of unrelated trade or business) is amended by striking out 'section 401(a)' and inserting in lieu thereof 'section 401(a), or section 501(c)(17),'.

"SEC. 5. Section 514(c) of the Internal Revenue Code of 1954 (relating to business leases) is amended by adding at the end thereof the following new paragraph:

"'(8) TRUSTS DESCRIBED IN SECTION 501(c)(17).—

"'(A) In the case of a trust described in section 501(c)(17), or in the case of a corporation described in section 501(c)(2), all of the stock of which was acquired before September 5, 1959, by a trust described in section 501(c)(17), any indebtedness incurred by such trust or such corporation before September 5, 1959, in connection with real property which is leased before September 5, 1959, and any indebtedness incurred by such trust or such corporation on or after such date necessary to carry out the terms of such lease, shall not be considered as an indebtedness with respect to such trust or such corporation for purposes of this subsection.

"'(B) In the application of paragraph (1), if a trust described in section 501(c)(17) forming part of a supplemental unemployment compensation benefit plan lends any money to another trust described in section 501(c)(17) forming part of the same plan, such loan shall not be treated as an indebtedness of the borrowing trust, except to the extent that the loaning trust—

"'(i) incurs any indebtedness in order to make such loan,

"'(ii) incurred indebtedness before the making of such loan which would not have been incurred but for the making of such loan, or

"'(iii) incurred indebtedness after the making of such loan which would not have been incurred but for the making of such loan and which was reasonably foreseeable at the time of making such loan.'.

"SEC. 6. (a) Except as provided in subsection (b), the amendments made by this Act shall apply to taxable years beginning after December 31, 1958.

"(b) In the case of loans, the amendments made by section 2 of this Act shall apply only to loans made, renewed, or continued after September 4, 1959."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, this bill which was introduced by our colleague, the gentleman from Michigan, the Honorable VICTOR A. KNOX, provides a new exempt category for income tax purposes in the case of trusts providing for the payment of supplemental unemployment compensation benefits. These may be the only benefit payments made by the trusts, or may be payments made together with subordinate sick or accident benefits—but not retirement or death benefits. This exempt category differs from the category, already under existing law, under which some of these trusts obtain exemption, in that the new provision does not require the supplemental unemployment benefit trust to obtain at least 85 percent of their income from employers or employees—and not from investment income.

The so-called nondiscriminatory provisions of present law applying to qualified pension, profit-sharing, and stock-bonus plans are in general made applicable to the trusts qualifying under the new exemption category. In addition, the "prohibited transaction" provisions, and "unrelated business income" provisions—including the business lease provisions—of present law are made applicable to the new exemption category.

In general this new exemption is to apply to taxable years beginning after December 31, 1958.

This bill, to which the Treasury Department does not object, is being reported unanimously by your committee.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation which has just passed the House was unanimously reported by the Committee on Ways and Means. In addition I believe it may be properly said that the Treasury Department recognizes the need for legislation in this area.

Supplemental unemployment benefit programs have become an important part of employee compensation and employee security in the United States. Generally speaking, the purpose of such plan is to provide in effect an employment related source of income to a worker during the time that he may be temporarily laid off or in the terminal phase of his employment. The plans are for the most part the result of collective bargaining negotiations and are financed by payments made by the employer to a trust.

The income which these trusts earn on employer contributions which is in excess of current trust expenditures has been generally regarded as being tax exempt. However, the provision of the Internal Revenue Code that conditions the tax-exempt status, section 501(c)(9), requires that 85 percent or more of the trust income in a year must consist of employer-employee contributions.

Experience with such trusts has progressed so that investment income of some of the trusts has grown to the point where it exceeds the 15-percent limitation on noncontribution income. The purpose of H.R. 8229 is to provide tax-exempt status for trusts providing unemployment-compensation benefits even though investment and other income may exceed the 15-percent limitation.

The Committee on Ways and Means in approving this legislation adopted certain restrictions for qualification as a supplemental unemployment benefit trust eligible for this special treatment. Among those restrictions is a requirement that the trust must be essentially established for the purpose of providing supplemental unemployment-compensation benefits with certain other types of benefit payments allowable but specifically excluding retirement or death benefits. It is to be noted that through the collective-bargaining processes certain of these supplemental unemployment benefit plans have been developed to include the retirement and death benefit payments. These plans have also been ruled on by the Internal Revenue Service as coming within the requirements of the Internal Revenue

Code for tax-exempt status. The fact that collective bargaining will be involved in any adjustments to make these plans conform to the new statute and the fact that existing plans have heretofore had the approva lof the Internal Revenue Service gives me cause to hope that time will be allowed for making any adjustments in plans having retirement or death benefits as a feature of their program and also that the Congress and the Treasury Department will give consideration to further appropriate liberalizations in this area. It should be realized that these plans have useful social and economic purposes that are accomplished by private enterprise thus avoiding any need for governmental action in this area.

Mr. KNOX. Mr. Speaker, an important recent development in industrial labor relations that has given to the employed individual greater economic security in times of temporary layoff is the guaranteed annual wage. These guaranteed annual wage agreements generally arise through collective bargaining processes and provide what are known as supplemental unemployment benefits to a worker in addition to the unemployment compensation he receives under the Federal-State program.

The financing for the payment of supplemental unemployment benefits is usually arranged under a funded trust which is created by employer contributions at a specified amount per hour of work.

Under ruling by the Internal Revenue Service these supplemental unemployment benefit trusts have been held tax exempt under section 501(a) of the Internal Revenue Code if they qualify for income tax exemption by the application of section 501(c)(9). One of the qualifications under this later Code reference is the requirement that 85 percent or more of the income of the trust consist of amounts collected from members and from the employer for the sole purpose of making supplemental unemployment benefit payments and meeting expenses. As these trusts have accumulated corpus, their earnings on investments have become an increasingly greater part of their total income. As a result it is becoming difficult for such trusts to meet the 85-percent limitation in that more than 15 percent of their income is represented by investment income.

H.R. 8229 would correct the impact of the 85-percent limitation by providing a new exempt category under the Internal Revenue Code for supplemental unemployment benefit trusts. Trusts qualifying under this new category will not be required to obtain a minimum of 85 percent of their income from employer-employee contributions. In addition to unemployment benefits, these trusts will be allowed to pay benefits with respect to sickness or accidents but will be precluded from paying retirement or death benefits.

Mr. Speaker, I believe that this legislation will be an important step in abetting these trusts in serving a useful social purpose. To the extent that our private enterprise economy is able to provide security for our citizens it lessens the demands on Government for governmental programs to accomplish these same objectives. As a consequence I believe this legislation has a very meritorious purpose. It is my intention to observe the operation of this proposed change in the law, and if we find that further liberalization in this important area is necessary, I will sponsor legislation to that end.

TAX TREATMENT OF NONREFUNDABLE CAPITAL CONTRIBUTIONS TO FNMA

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7947) relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association, which was reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by adding at the end thereof the following new subsection:

"(d) NONREFUNDABLE CAPITAL CONTRIBUTIONS TO FEDERAL NATIONAL MORTGAGE ASSOCIATION.—For purposes of this subtitle, whenever the fair market value of Federal National Mortgage Association stock issued pursuant to section 303(c) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716), on the date of issue, shall be less than the amount of the capital contributions evidencing such stock, the difference shall be treated by the initial holder of the stock as ordinary and necessary expenses paid or incurred during the taxable year in carrying on a trade or business."

SEC. 2. (a) Part IV of subchapter O of chapter 1 of the Internal Revenue Code of 1954 (relating to special rules as to basis of property) is amended by redesignating section 1054 as 1055, and by inserting after section 1053 the following new section:

"SEC. 1054. CERTAIN STOCK OF FEDERAL NATIONAL MORTGAGE ASSOCIATION.

"The basis of stock to which section 162 (d) applies, which constitutes capital assets) shall be the amount of the capital contributions evidencing such stock or the fair market value of such stock on the date of issue, whichever is less."

(b) The table of sections for such part IV is amended by striking out the last line and inserting in lieu thereof the following:

"Sec. 1054. Certain stock of Federal National Mortgage Association.

"Sec. 1055. Cross references."

SEC. 3. The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by redesignating subsection (d) as subsection (e), and by inserting after subsection (c) the following new subsection:

"'(d) CAPITAL CONTRIBUTIONS TO FEDERAL NATIONAL MORTGAGE ASSOCIATION.—For purposes of this subtitle, whenever the amount of capital contributions evidenced by a share of stock issued pursuant to section 303(c) of the Federal National Mortgage Association Charter Act (12 U.S.C., sec. 1718) exceeds the fair market value of the stock as of the issue date of such stock, the initial holder of the stock shall treat the excess as ordinary and necessary expenses paid or incurred during the taxable year in carrying on a trade or business.'

"SEC. 2. (a) Part IV of subchapter O of chapter 1 of the Internal Revenue Code of 1954 (relating to special rules as to basis of property) is amended by redesignating section 1054 as 1055, and by inserting after section 1053 the following new section:

"'SEC. 1054. CERTAIN STOCK OF FEDERAL NATIONAL MORTGAGE ASSOCIATION.

"'In the case of a share of stock issued pursuant to section 303(c) of the Federal National Mortgage Association Charter Act (12 U.S.C., sec. 1716), the basis of such share in the hands of the initial holder shall be an amount equal to the capital contributions evidenced by such share reduced by the amount (if any) required by section 162(d) to be treated (with respect to share) as ordinary and necessary expenses paid or incurred in carrying on a trade or business.'

"(b) The table of sections for such part IV is amended by striking out the last line and inserting in lieu thereof the following:

"'Sec. 1054. Certain stock of Federal National Mortgage Association.

"'Sec. 1055. Cross references.'

"SEC. 3. The amendments made by the first section and section 2 of this Act shall apply with respect to taxable years beginning after December 31, 1958."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, this bill, H.R. 7947, which was introduced by our colleague on the Committee on Ways and Means, the gentleman from Texas, the Honorable FRANK IKARD, was unanimously reported by the Committee on Ways and Means. The principal provisions of the bill may be briefly summarized as follows:

Financial institutions selling mortgage paper to the Federal National Mortgage Association must subscribe to stock of the Association in an amount equal to 2 percent of the mortgages sold. This stock, however, has been selling on the market at substantially less than the issuance price.

H.R. 7947 provides that where Federal National Mortgage Association stock is purchased under these conditions, any excess of the issuance price over the fair market value on the date of issuance is to be treated as an ordinary and necessary business expense in the year of purchase rather than as a part of the cost of acquiring the stock. This treatment is to be available for taxable years beginning after December 31, 1958.

At this point, Mr. Speaker, I wish to emphasize that in making the statutory change involved in the bill, it is not intended that any inferences shall be drawn as to the tax treatment accorded FNMA stock before the enactment of this provision.

The Treasury Department has interposed no objections to the enactment of this bill.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the Act rechartering the Federal National Mortgage Association in 1954 as an agency of the Housing and Home Finance Agency provided that the Association was to accumulate capital funds by requiring mortgage sellers to purchase nonrefundable capital contributions from the Association. Institutions selling mortgage paper to the FNMA are required to subscribe to stock of the Association in an amount equal to 2 percent of the mortgages sold to the Association. This stock has a market price considerably under the issuance price. This disparity has raised problems with respect to the tax treatment provided for the stock which must be purchased by the taxpayer when he sells mortgage paper to FNMA.

H.R. 7947 would provide that when FNMA stock is purchased under these conditions the excess of the issuance price over the fair market value on the date of issue is to be treated as an ordinary and necessary business expense in the year of purchase rather than as a part of the cost of acquiring the stock.

This legislation was reported unanimously by the Committee on Ways and Means.

LIMITATION ON DEDUCTION OF EXPLORATION EXPENDITURES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4251) to amend the Internal Revenue Code of 1954 so as to remove the 4-year limitation on deduction of exploration expenditures, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 615 of the Internal Revenue Code of 1954 (relating to deduction of exploration expenditures) is amended—

(1) by striking out subsection (c) thereof; and

(2) by redesignating subsection (d) thereof as subsection (c).

(b) The amendments made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1958.

With the following committee amendments:

Strike out all after the enacting clause and insert: "That subsection (c) of section 615 of the Internal Revenue Code of 1954 (relating to the deduction of exploration expenditures) is amended to read as follows:

"'(c) LIMITATION.—

"'(1) IN GENERAL.—This section shall not apply to any amount paid or incurred to the extent that it would, when added to the amounts which have been deducted under subsection (a) and the amounts which have been treated as deferred expenses under subsection (b), or the corresponding provisions of prior law, exceed $400,000.

"'(2) AMOUNTS TAKEN INTO ACCOUNT.—For purposes of paragraph (1), there shall be taken into account amounts deducted and amounts treated as deferred expenses by—

"'(A) the taxpayer, and

"'(B) any individual or corporation who has transferred to the taxpayer any mineral property.

"'(3) APPLICATION OF PARAGRAPH (2)(B).—Paragraph (2)(B) shall apply with respect to all amounts deducted and all amounts treated as deferred expenses which were paid or incurred before the latest such transfer from the individual or corporation to the taxpayer. Paragraph (2)(B) shall apply only if—

"'(A) the taxpayer acquired any mineral property from the individual or corporation under circumstances which make paragraph (7), (8), (11), (15), (17), (20), or (22) of section 113(a) of the Internal Revenue Code of 1939 apply to such transfer;

"'(B) the taxpayer would be entitled under section 381(c)(10) to deduct expenses deferred under this section had the distributor or transferor corporation elected to defer such expenses; or

"'(C) the taxpayer acquired any mineral property from the individual or corporation under circumstances which make section 334(b), 362 (a) and (b), 372(a), 373(b)(1), 1051, or 1082 apply to such transfer.'

"SEC. 2. The amendment made by the first section of this Act shall apply only with respect to taxable years beginning after the date of the enactment of this Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Internal Revenue Code of 1954 with respect to the limitation on the deduction of exploration expenditures."

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, H.R. 4251, which removes the 4-year limitation on deduction of exploration expenditures and which substitutes an overall limitation of $400,000 while retaining the existing limitation of $100,000 per year, was introduced by our colleague on the Committee on Ways and Means, the gentleman from Tennessee, the Honorable HOWARD BAKER, and was reported unanimously by the committee.

As Members will recall, under present law an annual exploration expenditure deduction of up to $100,000 is allowed for no more than 4 years. This bill removes the 4-year limitation and substitutes an overall limitation of $400,000. However, the limitation of $100,000 per year remains.

Exploration expenditure deductions may be taken—currently or deferred and taken when the product is sold—for expenditures made in exploring for ore or mineral deposits—but not for oil or gas prior to the development stage of the mineral deposit.

This change is to be effective for taxable years beginning after the date of enactment of this act.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the legislation which has just passed the House, H.R. 4251, amends existing law to provide a more equitable application of the limitation on the deductibility of exploration expenses.

Under existing law, provision is made for an annual exploration expenditure deduction of up to $100,000 for not more than 4 years. This legislation, which was sponsored by our distinguished colleague, the gentleman from Tennessee [Mr. BAKER], would remove the 4-year limitation and substitute in lieu thereof an overall limitation of $400,000 with further provision that the deduction in no one year could exceed $100,000.

Existing law has tended to discriminate against smaller producers in that many such producers do not expend the anual amount of $100,000 and are precluded from taking the deduction for more than 4 years. The modification provided by H.R. 4251 would permit them an additional period of time in which to incur and deduct such exploration expenditures. The Committee on Ways and Means was unanimous in ordering this legislation reported to the House.

CHIEF COUNSEL FOR THE INTERNAL REVENUE SERVICE

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8685) to amend the Internal Revenue Code of 1954 to provide for the Presidential appointment of a General Counsel for Internal Revenue, to provide for the appointment of other officers for the Internal Revenue Service, and for other purposes, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

"SEC. 7801. AUTHORITY OF DEPARTMENT OF THE TREASURY

"(a) Powers and Duties of Secretary. Except as otherwise expressly provided by law, the administration and enforcement of this title shall be performed by or under the supervision of the Secretary of the Treasury.

"(b) Office of General Counsel for the Department. There shall be in the Department of the Treasury the office of General Counsel for the Department of the Treasury, and the annual rate of basic compensation of that office shall be $21,000. The General Counsel for the Department of the Treasury shall be appointed by the President, by and with the advice and consent of the Senate. The General Counsel for the Department of the Treasury shall be the chief law officer of the Department and shall perform such duties as may be prescribed by the Secretary. The Secretary may appoint, without regard to the provisions of the civil service laws, and fix the duties of not to exceed five Assistant General Counsels for the Department of the Treasury. The Secretary may also appoint and fix the duties of such other

attorneys in the office of the General Counsel for the Department of the Treasury as he may deem necessary.

"(c) GENERAL COUNSEL FOR INTERNAL REVENUE.—The office of General Counsel for Internal Revenue is hereby created in the office of the General Counsel for the Department of the Treasury, and the annual rate of basic compensation of the office so created shall be $20,500. The General Counsel for Internal Revenue shall be appointed by the President, by and with the advice and consent of the Senate. The General Counsel for Internal Revenue shall be the chief law officer for the Internal Revenue Service and shall perform such duties as may be prescribed by the Secretary. The Secretary may appoint, without regard to the provisions of the civil service laws, and fix the duties of a principal assistant to the General Counsel for Internal Revenue, who shall serve as Deputy General Counsel for Internal Revenue and whose annual rate of basic compensation shall be $19,000, and not to exceed five Assistant General Counsels for Internal Revenue, whose annual rates of basic compensation shall be $18,500. The Secretary may also appoint and fix the duties of such other attorneys in the office of the General Counsel for Internal Revenue as he may deem necessary.

"(d) FUNCTIONS OF DEPARTMENT OF JUSTICE UNAFFECTED. Nothing in this section shall be considered to affect the duties, powers, or functions imposed upon, or vested in, the Department of Justice, or any officer thereof, by law existing on May 10, 1934."

SEC. 2. APPOINTMENT OF DEPUTY COMMISSIONER AND ASSISTANT COMMISSIONERS

Section 7802 of the Internal Revenue Code of 1954 (relating to Commissioner of Internal Revenue) is amended by adding at the end thereof the following new sentence: "The Secretary may appoint, subject to the civil service laws, and fix the duties of a principal assistant to the Commissioner of Internal Revenue, who shall serve as Deputy Commissioner of Internal Revenue and whose annual rate of basic compensation shall be $19,000, and not to exceed six Assistant Commissioners of Internal Revenue, whose annual rates of basic compensation shall be $18,500."

SEC. 3. TECHNICAL AMENDMENTS

(a) Section 106(b)(9) of the Federal Executive Pay Act of 1956 (5 U.S.C., sec. 2205(b)(9) is amended by adding "and the Department of the Treasury" after "Department of Justice".

(b) Section 107(a) of the Federal Executive Pay Act of 1956 (5 U.S.C., sec. 2206(a)) is amended by striking out paragraph (20) thereof.

(c) Section 7452 of the Internal Revenue Code of 1954 (relating to representation of parties) is amended by striking out "Assistant General Counsel of the Treasury Department serving as Chief Counsel of the Internal Revenue Service, or the delegate of such Chief Counsel," and inserting in lieu thereof "General Counsel for Internal Revenue or his delegate".

(d) Section 8023 of the Internal Revenue Code of 1954 (relating to additional powers to obtain data) is amended as follows:

(1) By striking out "(including the Assistant General Counsel of the Treasury Department serving as the Chief Counsel of the Internal Revenue Service)" in subsection (a) thereof and inserting in lieu thereof "or the Office of the General Counsel for Internal Revenue".

(2) By striking out "(including the Assistant General Counsel of the Treasury Department serving as the Chief Counsel of the Internal Revenue Service)" in subsection (b) thereof and inserting in lieu thereof ", the Office of the General Counsel for Internal Revenue".

SEC. 4. EFFECTIVE DATES

(a) Except as otherwise provided in this Act, the amendments made by this Act shall take effect on the date of the enactment of this act.

(b) The amendment made by section 3(a), and the increase in the compensation of the General Counsel for the Department of the Treasury pursuant to the amendment made by section 1, of this act shall take effect as of the first day of the first pay period which begins after the date of the enactment of this act.

(c) The amendment made by section 3(b) of this act shall take effect when the Deputy Commissioner first appointed pursuant to the amendment made by section 2 of this act qualifies and takes office.

(d) The amendments made by section 3 (c) and (d) of this act shall take effect when the General Counsel for Internal Revenue first appointed pursuant to the amendment made by section 1 of this act qualifies and takes office.

SEC. 5. SAVINGS PROVISIONS

(a) Each of the following offices and positions, and the powers and duties thereof, shall continue to exist until such time as the officer or employee first appointed to the corresponding office or position (as determined by the Secretary of the Treasury) established by the amendments made by this act qualifies and takes office:

(1) Assistant General Counsel of the Treasury Department serving as Chief Counsel of the Internal Revenue Service;

(2) Each Assistant Chief Counsel;

(3) Deputy Commissioner of Internal Revenue; and

(4) Each Assistant Commissioner of Internal Revenue.

(b) Each office and position referred to in subsection (a) is hereby abolished effective as of the time the officer or employee first appointed to the corresponding office or position (as determined by the Secretary of the Treasury) qualifies and takes office.

(c) Except as provided in subsection (b), this Act shall not be construed as terminating the employment of any officer or employee of the Department of the Treasury employed on the day before this Act is enacted. For purposes of the last sentence of section 7803(a) of the Internal Revenue Code of 1954, as amended by this Act, references to the General Counsel for Internal Revenue shall be treated as references to the Chief Counsel of the Internal Revenue Service until such time as the General Counsel for Internal Revenue first appointed pursuant to the amendment made by section 1 of this Act qualifies and takes office.

With the following committee amendments:

Strike out all after the enacting clause and insert the following:

"SECTION 1. CHIEF COUNSEL FOR THE INTERNAL REVENUE SERVICE ETC.

"Section 7801 of the Internal Revenue Code of 1954 (relating to the authority of the Department of the Treasury) is amended to read as follows:

"'SEC. 7801. AUTHORITY OF THE DEPARTMENT OF THE TREASURY.

"'(a) POWERS AND DUTIES OF SECRETARY.—Except as otherwise expressly provided by law, the administration and enforcement of this title shall be performed by or under the supervision of the Secretary of the Treasury.

"'(b) OFFICE OF GENERAL COUNSEL FOR THE DEPARTMENT.—

"'(1) GENERAL COUNSEL.—There shall be in the Department of the Treasury the office of General Counsel for the Department of the Treasury. The General Counsel shall be appointed by the President, by and with the advice and consent of the Senate. The General Counsel shall be the chief law officer of the Department and shall perform such duties as may be prescribed by the Secretary.

"'(2) ASSISTANT GENERAL COUNSELS.—The President is authorized to appoint, by and with the advice and consent of the Senate, an Assistant General Counsel who shall be the Chief Counsel for the Internal Revenue Service and shall receive basic compensation at the annual rate of $19,000. The Chief Counsel shall be the chief law officer for the Internal Revenue Service and shall perform such duties as may be prescribed by the Secretary. The Secretary may appoint, without regard to the provisions of the civil service laws, and fix the duties of not to exceed five other assistant General Counsels.

"'(3) ATTORNEYS.—The Secretary may appoint and fix the duties of such other attorneys as he may deem necessary.

"'(c) FUNCTIONS OF DEPARTMENT OF JUSTICE UNAFFECTED.—Nothing in this section shall be considered to affect the duties, powers, or functions imposed upon, or vested in, the Department of Justice, or any officer thereof, by law existing on May 10, 1934.'

"SEC. 2. TECHNICAL AMENDMENTS.

"(a) Section 7452 of the Internal Revenue Code of 1954 (relating to representation of parties before the Tax Court) is amended by striking out 'Assistant General Counsel of the Treasury Department serving as Chief Counsel of the Internal Revenue Service, or the delegate of such Chief Counsel,' and inserting in lieu thereof 'Chief Counsel for the Internal Revenue Service or his delegate'.

"(b) Section 8023 of the Internal Revenue Code of 1954 (relating to additional powers of the Joint Committee to obtain data) is amended as follows:

"(1) By striking out '(including the Assistant General Counsel of the Treasury Department serving as the Chief Counsel of the Internal Revenue Service)' in subsection (a) thereof and inserting in lieu thereof 'or the office of the Chief Counsel for the Internal Revenue Service'.

"(2) By striking out '(including the Assistant General Counsel of the Treasury Department serving as the Chief Counsel of the Internal Revenue Service)' in subsection (b) thereof and inserting in lieu thereof ', the office of the Chief Counsel for the Internal Revenue Service'.

"SEC. 3. EFFECTIVE DATES.

"(a) Except as otherwise provided in this Act, the amendments made by this Act shall take effect on the date of the enactment of this Act.

"(b) The amendments made by section 2 of this Act shall take effect when the Chief Counsel for the Internal Revenue Service first appointed pursuant to the amendment made by section 1 of this Act qualifies and takes office.

"SEC. 4. SAVING PROVISIONS.

"(a) The position of the Assistant General Counsel serving as Chief Counsel of the Internal Revenue Service shall continue to exist until such time as the Chief Counsel for the Internal Revenue Service first appointed pursuant to the amendment made by section 1 of this Act qualifies and takes office, and at such time such position is hereby abolished.

"(b) Except as provided in subsection (a), this Act shall not be construed to abolish, terminate, or otherwise change, any office or position, or the appointment or employment of any officer or employee, existing immediately preceding the enactment of this act, but the same shall continue unless and until changed by lawful authority.

"(c) Any delegation of authority made pursuant to Reorganization Plan Numbered

26 of 1950 or Reorganization Plan Numbered 1 of 1952, including any redelegation of authority made pursuant to any such delegation of authority, and in effect immediately preceding the enactment of this Act shall, notwithstanding the amendment made by section 1 of this Act, remain in effect unless distinctly inconsistent or manifestly incompatible with such amendment. The preceding sentence shall not be construed as limiting in any manner the power to amend, modify, or revoke any such delegation or redelegation of authority."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Internal Revenue Code of 1954 to provide for the Presidential appointment of a Chief Counsel for the Internal Revenue Service, and for other purposes."

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 8685, as amended by the Committee on Ways and Means, is to provide that the Assistant General Counsel for the Treasury Department who is to be the Chief Counsel for the Internal Revenue Service is to be appointed by the President, by and with the advice and consent of the Senate. The present office which this new office replaces, Assistant General Counsel serving as Chief Counsel of the Internal Revenue Service, is filled by an appointee of the Secretary of the Treasury. The basic compensation rate of the new officer is to be $19,000 per annum.

This legislation is favored by the Treasury Department, and the Committee on Ways and Means was unanimous in recommending its enactment.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, it is my personal view that one of the most important offices we have in the Federal Government is the Office of Chief Counsel of the Internal Revenue Service. The occupant of that office is the principal legal officer in the Internal Revenue Service and is responsible for the activities of one of the most vital and largest legal operations in the country.

The manner in which this office is run has a very substantial influence on a taxpayer's relations with, and attitude toward our Federal Government generally and specifically the functioning of our voluntary system of taxpayer compliance as well as the collection of involuntary payments for tax liability. The Committee on Ways and Means in favorably reporting H.R. 8685 has taken what I regard as a significant step in giving proper recognition to the importance of this office by providing that the office shall be filled by an individual who is appointed by the President by and with the advice and consent of the Senate. The bill would also provide a modest increase in compensation.

I have described this legislation as representing only a significant step in giving proper recognition to this office because I am personally convinced that other action must be taken by the Congress to provide more adequately for the important offices in the Internal Revenue Service both in the Commissioner's office and in the Chief Counsel's office. The value of such legislative changes would serve importantly to facilitate the administration of our tax laws. Such changes would, in my judgment, also give deserved recognition to outstanding career service people now selflessly and ably performing their great responsibilities. Such changes would also abet the recruitment of new personnel for training and the retention in the Service of trained personnel. It is significant to note that the Internal Revenue Service is one agency of our Government in which the so-called "expertise" must come from within the agency and cannot be employed on a consultant basis or through the awarding of contracts to private enterprise where higher paid personnel can do the job as is possible in many other undertakings by the Government.

Accordingly, Mr. Speaker, I have supported this legislation on the basis of its representing this important first step and in doing so I also express the hope that we can accomplish further improvements in this area that I have discussed today in the not too distant future. I am confident that in seeking such objectives we will continue to have the cooperation of the responsible officials in the Treasury Department and the Internal Revenue Service.

In closing, Mr. Speaker, I would pay tribute to an outstanding example of the type of public servant I have been referring to in these brief remarks. Arch M. Cantrall, Esq., was appointed Chief Counsel of the Internal Revenue Service in January 1958. To accept this position he was required to make very substantial personal sacrifices and leave a thriving law practice in Clarksburg, W. Va. Mr. Cantrall resigned as Chief Counsel on August 31, 1959, "for personal and business reasons." During his tenure in office Mr. Cantrall served with great professional competence as a lawyer and proved himself to be an able administrator. Through his ability and all-around fitness for the position he gained the respect of all who associated with him as well as added to the stature of the position he filled. I know that I speak the unanimous view of the membership of the Committee on Ways and Means when I express regret that he has found it necessary to return to his home in Clarksburg. I wish him well as he resumes his private practice in his home community.

AMENDING HOUSE RESOLUTION 56, 86TH CONGRESS

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 360 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That House Resolution 56, Eighty-sixth Congress, is amended as follows: On page 4, in line 1, after the word "States" and before the comma insert the following: "(and any subcommittee thereof, consisting of not more than six members may sit and act during the present Congress at such times and places outside the United States)".

The resolution was agreed to.

A motion to reconsider was laid on the table.

ATTENDING INTERNATIONAL MEETINGS RELATING TO ROADS AND HIGHWAYS

Mr. SMITH of Virginia. By direction of the Committee on Rules I call up House Resolution 368 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the next to the last paragraph of H. Res. 91, Eighty-sixth Congress, as amended, is amended by inserting immediately before the period at the end thereof a comma and the following: "except that the committee may attend international meetings relating to roads and highways wherever held".

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 1, line 4, strike out "except that the committee" and insert "except that two subcommittees thereof, not exceeding six members each and not exceeding two staff members each".

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISCRETIONARY FUNDS FOR ALASKA AND HAWAII

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2208) to provide that Alaska and Hawaii be eligible for participation in the distribution of discretionary funds under section 6(b) of the Federal Airport Act.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 2208, with Mr. BLATNIK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HARRIS. Mr. Chairman, this bill, which comes from the other body, was considered by the Subcommittee on Transportation and Aeronautics and

after conducting hearings that subcommittee reported the bill to the full committee. The full Committee on Interstate Commerce considered the report of the subcommittee, and reported the bill which is now before the House for consideration.

This bill makes Alaska and Hawaii eligible for allocations from the discretionary fund provided for by section 6 (b) of the Federal Airport Act, which sets aside 25 percent of the funds made available annually to the States for distribution by the Administrator without regard to State boundaries.

The act makes $60 million a year available for Federal aid to airports in the 48 States in the Union on May 13, 1946, when the Federal Airport Act became law, so that we have $45 million distributed to these 48 States under a formula based on area and population, while $15 million goes into the Administrator's discretionary fund. Under terms of the amended act, only the 48 States in the Union on May 13, 1946, share in this discretionary fund.

Under the amendment passed in 1955, Alaska was given $1,350,000 a year and Hawaii $750,000. That allocation was continued in the stopgap airport legislation enacted earlier this year. The pending bill would not change that. It would not make any more Federal funds available for aid to airports. All this bill proposes is to permit Alaska and Hawaii to compete with the other 48 States when the Administrator makes allocations from the discretionary fund.

It was explained in the hearing that additional construction will be needed for jet operations at Anchorage, Fairbanks, and Honolulu. If this bill is passed the FAA can consider these needs along with the needs of other airports when allocations are made from the discretionary fund.

To transfer funds now available for Hawaii and Alaska to the State fund and treat Alaska and Hawaii as States in the allocation of funds would reduce the allocations to 41 other States. Under that arrangement, Alaska's share would be $3,720,949, while Hawaii's apportionment would be cut from $750,000 a year to $117,649.

To increase the amount available to the States to a point where no State would lose by treating Alaska and Hawaii as States would mean an increase of $11 million a year. This is opposed by the administration.

The House on March 19 passed legislation to expand the Federal airport program and treat Alaska and Hawaii as States in the allocation of funds. When the conferees were unable to reach an agreement on S. 1, the bill to increase Federal aid to airports, we extended the existing Federal airport program for 2 years at the rate of $63 million a year, with Alaska and Hawaii receiving $1,350,000 and $750,000 a year, respectively, rather than being treated as States under section 6(a) of the Federal Airport Act. This worked seriously to the disadvantage of Alaska from the standpoint of apportionment of funds.

The Bureau of the Budget and Federal Aviation Agency favor enactment of this legislation.

There should not be too much controversy regarding this very laudable proposed legislation. In order that it may be explained by the chairman of the subcommittee who heard the testimony and reported the bill, I yield 10 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, earlier this session the House passed legislation, as all of us know, to extend the Federal Airport Act and accord Alaska and Hawaii equal treatment with other States in the Union. When the conferees on S. 1, to extend the airport program, were unable to agree, legislation was enacted and approved to extend the Federal airport program for fiscal 1960 and 1961 at the rate of $63 million a year, with Alaska and Hawaii treated, as in the past, as special areas, receiving specific allocations rather than being given apportionments as States under the formula provided in section 6(a) of the Federal Airport Act, which would have resulted in a substantial increase in Federal funds available for projects in Alaska.

In signing legislation to extend the then Federal airport program—Public Law 86–72—on June 29, 1959, the President made the following statement:

> One other feature of the bill requires prompt corrective action by the Congress. Because Alaska is treated as a Territory under the bill it will be entitled to less than half the funds it would receive as a State.

The legislation herewith reported is an effort to correct this situation, in a partial way, without increasing the total obligational authority made available to the Administrator.

The purpose of this legislation is to make Alaska and Hawaii eligible to receive allocations from the discretionary funds provided for by the Airport Act. This is necessary because the stopgap legislation extending the Federal aid to airports program does not treat Alaska and Hawaii as States.

No additional Federal obligational authority is made available for airport construction in this legislation. Allocations of discretionary funds to Hawaii and Alaska, if any, would be made by the Administrator of the Federal Aviation Agency out of obligational authority made available by existing law. That means, of course, Alaska and Hawaii—under this legislation—will be eligible to receive discretionary funds. However, in receiving such, they must compete with the other 48 States on a competitive basis.

The legislation you have before you is supported by the Federal Aviation Agency. It has the approval of the Bureau of the Budget. Not a single witness testified in opposition to the legislation.

Under existing law, the Administrator is authorized to incur contract obligations of $60 million during each of the fiscal years 1960 and 1961 for airport construction grants in the 48 States which were in the Union on May 13, 1946, the original date of the Federal Airport Act.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. BENNETT of Michigan. The purpose of this legislation is to give Alaska as much money as it would have gotten had it been treated as a State under the Federal Airport Act.

Mr. WILLIAMS. Not altogether, no.

Mr. BENNETT of Michigan. What is the purpose of the legislation?

Mr. WILLIAMS. If Alaska should be brought in under the State allocation formula, it would receive approximately twice as much as it will receive under the present setup. The purpose of this is to treat Alaska and Hawaii who are not now eligible to receive allocations under the discretionary fund, to permit them to participate in the same manner as if they were States which, of course, they are.

Mr. BENNETT of Michigan. In other words, Alaska being treated as a Territory under present law receives $1,350,000, and if Alaska were treated as a State, it would receive three-million-seven-hundred-and-some-odd-thousand dollars.

Mr. WILLIAMS. That is right. Under the State allocation formula.

Mr. BENNETT of Michigan. Why does the gentleman object or does he object to treating Alaska as a State for the purposes of this bill, for all purposes, and thereby give them all the money they need?

Mr. WILLIAMS. Personally, I would have no objection to treating Alaska as a State for all purposes except for the fact that if Alaska is treated as a State under the allocation formula, as I understand it according to the figures that were made available to the other body, it would be necessary to increase the appropriation by $11 million in order not to deprive any of the States of their present allocation.

Mr. BENNETT of Michigan. I think the gentleman is in error about that because, if you use the present money that Congress made available, namely, $63 million for each of the next 2 years, you could treat Alaska as a State and use the discretionary money you want to give to make it a State, to offset the amount the other States might lose by treating Alaska as a State.

Mr. WILLIAMS. I do not quite understand the gentleman.

Mr. BENNETT of Michigan. What this bill does is to provide that since Alaska only gets $1,350,000 under present law that the Administrator can take $2½ million of the discretionary money and give it to Alaska.

Mr. WILLIAMS. Yes, the Administrator can do that, but there is nothing in this bill that would compel him to do so. It must be presumed that he will allocate these discretionary funds according to priority, in line with the intent of the basic legislation.

Mr. BENNETT of Michigan. If you take $2,500,000 of the discretionary money and give it to Alaska that means $2,500,000 less is available to the other

49 States, so the thing is about the same either way, moneywise.

Mr. WILLIAMS. I am sure all of that will be explained to the satisfaction of the House. I understand from the information given to the Senate committee that in order for the States not to have their present allocations reduced it would be necessary to increase the authorization for the next 2 years by $11 million. If Alaska were treated as a State under this legislation they would receive somewhere in the vicinity of twice as much money under the allocation formula.

By the same token, I am told that Hawaii will receive less than a quarter of what she would receive under the formula.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. ROGERS of Texas. The fact is that the original bill treated Alaska and Hawaii as Territories. It was amended in the committee to make States out of Alaska and Hawaii insofar as the airport bill was concerned.

Mr. WILLIAMS. The gentleman means the original legislation?

Mr. ROGERS of Texas. The original legislation.

Mr. WILLIAMS. That is correct.

Mr. ROGERS of Texas. When we passed the House bill there were 50 States instead of 48. On the ground that the same amount of money had to be divided by 50 rather than 48, it would tend to cut the amount of money each of the States would get.

Mr. WILLIAMS. That is correct.

Mr. ROGERS of Texas. That was the situation we got into in the Senate, was it not?

Mr. WILLIAMS. Quite right.

Mr. ROGERS of Texas. Let me say that it was my amendment that made States out of Alaska and Hawaii in this legislation. I think that after we study the situation and after the conferees have acted on it that we ought to go ahead, since this other bill passed, and let Alaska and Hawaii participate in this discretionary fund so they can meet their airport needs; and, as the gentleman well knows, I was not one who was here advocating statehood for either of these Territories.

Mr. WILLIAMS. The gentleman knows I, also, opposed statehood in both cases.

Mr. ROGERS of Texas. That is right; but since we have taken them in and they are States I think it is our responsibility to see that they do have ample funds to operate their airport program.

Mr. WILLIAMS. I quite agree with the gentleman.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. HARRIS. I want to further clarify what the problem is here and bear out further what our colleague from Texas [Mr. ROGERS] has said.

In order that the membership may understand just what this legislation is, the fact is that the conferees of the two bodies could not agree on the extension of the airport program for the 4 years—originally a 5-year program—and the conferees broke up so far apart they could not agree on it. Then there was stopgap legislation extending the then present airport program for a period of 2 years.

That was approved by the other body; it was approved by this body, and it became law—just a mere extension of the program which had been in effect for the last 4 years, in order that it would not die completely. That 2-year program is now underway, and if there should be any further changes in the present law than the mere extension of the authority here to permit Alaska and Hawaii to participate in the discretionary fund it would disrupt the allocations which have already been made to the other 48 States of the Union. We are trying to correct the situation in this manner. Is that not the understanding of the gentleman as to what this legislation does and the reason for it?

Mr. WILLIAMS. That is all this legislation does.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield for a correction?

Mr. WILLIAMS. I yield briefly.

Mr. BENNETT of Michigan. It is true, as the chairman said, that to treat Alaska as a State would disrupt the allocation formula; but it is also true that this bill authorizes giving Alaska $2,500,000 discretionary money, which means that you have $2,500,000 less to give to the other 49 States.

Mr. WILLIAMS. That is merely an assumption that the gentleman has drawn.

Mr. BENNETT of Michigan. Read the report.

Mr. WILLIAMS. This permits Alaska and Hawaii to compete for discretionary funds on the same basis as do the other 48 States of the Union.

Mr. BENNETT of Michigan. My understanding is——

Mr. WILLIAMS. I decline to yield further, Mr. Chairman. The gentleman will have time of his own in which to present his views.

Since legislation admitting Hawaii and Alaska as States became law after 1946 when this Act was originally passed, they are not eligible for discretionary funds under existing law. This contract obligational authority is distributed according to the provisions of section 6 of the Federal Airport Act, 75 percent, or $45 million being allocated to the 48 States which were in the Union on May 13, 1946, under a formula based on area and population, and 25 percent or $15 million going into a fund to be allocated among these 48 States at the discretion of the Administrator, without regard to State boundaries.

In addition to the $60 million fund available for distribution to the 48 States mentioned, the present law provides $3 million a year for fiscal 1960 and fiscal 1961 for projects in special areas, which include Alaska and Hawaii, which receive $1,350,000 and $750,000 per year respectively.

Hearings on this legislation were held on August 12, 1959, by the Subcommittee on Transportation and Aeronautics. A representative of the Federal Aviation Agency appeared in support of the legislation. Several other witnesses appeared, including representatives of the Air Transport Association, the Association of Local Transport Airlines, and several others. No one appeared in opposition.

In the hearings the committee was told that extensive airport improvements which cannot be provided with Federal funds available under present law are needed both in Alaska and in Hawaii. Enactment of this legislation will enable the Administrator to consider the need for aid to these projects from the discretionary fund made available to it.

Mr. BENNETT of Michigan. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I favor the objectives sought to be accomplished by this bill, but I am opposed to the means by which they are sought to be accomplished, because we have a makeshift arrangement which continues to treat as Territories, areas which are now States. There is no sound basis for treating Alaska and Hawaii as Territories in one part of the Federal Airport Act and as States in another part. They are States and they should be treated as such for all purposes.

I was one of those who voted against statehood for Alaska and Hawaii, but I am a firm believer in their right now that they are States to accept all of the advantages which accrue through statehood and be willing to accept any disadvantages which might accrue therefrom.

When the House committee dealt with this legislation, and we considered it for some months, we concluded that Alaska and Hawaii should be treated as States, and put them in the bill, which the House passed on that basis. It is true that the conferees could not agree and that we had to settle for a 2-year extension of the present law which treats Alaska and Hawaii as Territories.

Mr. Chairman, I would like to have the chairman of our committee explain why it is necessary to have these two States now treated partly as States and partly as Territories. I do not object to Alaska getting the full share that it deserves, the full share to which it is entitled, and the amendment which I shall offer is the amendment which was adopted by our committee when the original bill was passed. It will treat all States, including Alaska and Hawaii, on a fair and equal basis.

The chairman of our committee wants Alaska to get the $3,750,000 that she needs, but he does not want her to get it as a State. He wants her to get it partly as a Territory, and partly as a State.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Arkansas.

Mr. HARRIS. If what the gentleman suggests were to be agreed to, would it not, in fact, be failing to keep faith with

the States when we agreed to the 2-year stopgap legislation earlier in the year?

Mr. BENNETT of Michigan. Not at all.

Mr. HARRIS. If what the gentleman says were to be agreed to, would it not either make it necessary to increase the total annual authorization or else reduce the announced allocation to more than 40 States of the Union which have already been allocated to for this present year? Is that not true?

Mr. BENNETT of Michigan. No.

Mr. HARRIS. Well, I suggest that it is.

Mr. BENNETT of Michigan. The bill authorizes that $2.5 million be taken out of the discretionary fund and be given to Alaska. This reduces the discretionary funds available to other States if this measure were not passed. The additional which Alaska gets either as a State or Territory has to come from funds which would otherwise go to the other States.

Mr. HARRIS. Well, the gentleman made a statement that is not correct.

Mr. BENNETT of Michigan. I decline to yield further, Mr. Chairman.

Mr. HARRIS. The bill does not say that.

Mr. BENNETT of Michigan. If the gentleman will read the report, that is what the FAA testified. If it is not the basis of this bill to give Alaska discretionary money, then what is the purpose?

Mr. HARRIS. The purpose is to give the Administrator authority to determine whether he will use the discretionary fund. That is the purpose of it.

Mr. BENNETT of Michigan. Certainly the Administrator has said that they need some $2 million over and above what they will get as a territory to complete their airport program, and this is one way of giving it to them. You take $2.5 million out of the discretionary fund for Alaska and you take that much away from the other 49 States, and you come out at exactly the same point. I will illustrate. We are dealing here with $63 million. Three million dollars of that is in a fund for the territories. Fifteen million dollars is in a discretionary fund which the Administrator may spend in any State he sees fit. Forty-five million dollars is in a fund that is apportioned under a formula to all States. Now, what the gentleman from Arkansas is proposing is to treat Alaska as a Territory, which makes them eligible only to $1,375,000, and then treat them as a State for the purpose of giving them discretionary money, and he says in so doing that he will save money for the other 49 States. Now, that is absolutely not true. We only have $63 million, and the question is whether you give Alaska the money directly or whether you do it in a devious way; treating them in one paragraph as a Territory but in another as a State.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Minnesota.

Mr. WIER. As I understand your position with reference to this discretionary fund that the Administrator has, you said that this bill was set up for him to investigate, and if he found the need, he could allocate the amount of money involved here. Now, that to me means that it could be possible, if either Alaska or Hawaii would get what the bill calls for.

Mr. BENNETT of Michigan. Technically, that is true. The bill does not require they should give Alaska any specific amount, but the intent of the bill—if you will read the hearings, and the Administrator having so testified is that the $1,350,000 Alaska gets as a Territory is not sufficient to meet her needs. This is admitted by the Federal Aviation Agency, and the reason this gimmick is put in here is to give the Administrator the right to make up the difference out of discretionary funds which would otherwise be divided among the other States.

Mr. RIVERS of Alaska. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Alaska.

Mr. RIVERS of Alaska. The amount they would get is $1,350,000.

Mr. BENNETT of Michigan. According to the figures I have from the FAA, the amount you would get as a State is $3,720,000.

Mr. WIER. That is the answer I wanted. Are you sure that this bill would make it mandatory on the Administrator to see that you got the funds?

Mr. BENNETT of Michigan. If the gentleman will permit, my amendment will give Alaska the amount she is entitled to as a State. It will give Hawaii the amount she is entitled to as a State, in all portions of the Federal Airport Act. There is no reason for saying that this is a makeshift operation. It can be handled fairly and equitably by giving them full statehood status for all purposes under the Airport Act.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. The gentleman said that under the present setup Alaska will receive $1,350,000. It does not participate in the discretionary fund.

Mr. BENNETT of Michigan. Yes.

Mr. WILLIAMS. If Alaska should be treated as a State, as the gentleman apparently intends, that would mean all the way across the board for the purpose of making them eligible as a State for an allocation under the formula and also making them eligible for participation in the discretionary fund. That means that Alaska will receive, instead of $1,350,000, $3 million and some. That means that you are going to have to redistribute the allocations among all the States, which will reduce 41 State allocations proportionately.

In addition to that, you are going to have Alaska participating in the discretionary fund, further making less money available to the other States in the Union. I do not know how the gentleman can figure that Alaska and Hawaii both can be brought in under the proposal without the other 48 States suffering thereby.

Mr. BENNETT of Michigan. Mr. Chairman, the truth of the matter is that they will not suffer if Alaska comes in as a State because she will get all the money that she needs for this program. The purpose of this is to give Alaska additional money out of the discretionary fund which means that there would be that much less discretionary fund for other States. The direct way to do this is to give them statehood. Suppose it does adversely affect some other State. Does that mean that you are not supposed to recognize the sovereignty of the States that have been admitted to the Union?

Mr. HEMPHILL. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. HEMPHILL. I see in the report on page 3, a letter from the Executive Office of the President indicating that the legislative program of the President approves this legislation. Is the administration taking a different position now?

Mr. BENNETT of Michigan. The administration approved this legislation as long as it did not require any additional money. They do not care whether it is allocated out of the discretionary fund or whether it is allocated otherwise. The administration appeared before our committee initially and asked that both Hawaii and Alaska be treated as States; the gentleman knows that.

Mr. HEMPHILL. It seems to me that the administration approved the very language we have in the bill.

Mr. BENNETT of Michigan. I do not know what page of the report the gentleman is reading from.

Mr. HEMPHILL. Page 4 of the committee report.

Mr. BENNETT of Michigan. The administration has no objection to this bill. They initially asked that Alaska and Hawaii be treated as States. They do not object to their being treated as States now and they do not object to my amendment.

Mr. HEMPHILL. If the administration approved the present language, what is the necessity of the gentleman's amendment?

Mr. BENNETT of Michigan. The purpose of my amendment is to treat Alaska and Hawaii as the other 48 States.

Mr. HEMPHILL. Is that the idea of the gentleman from Michigan or the administration?

Mr. BENNETT of Michigan. I am speaking for myself, not for the administration.

Mr. HEMPHILL. I thank the gentleman very much.

Mr. BENNETT of Michigan. Mr. Chairman, I reserve the balance of my time.

Mr. HARRIS. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Chairman, I think we all are in agreement as to what should be done in this situation. I find myself in a very strange position because for 7 years I vigorously opposed statehood for both Alaska and Hawaii, but I was overruled and in the final analysis this House, made up of

Representatives from all States of this Nation took Hawaii and Alaska in as States. I thought at that time that they should be treated as States. Whether I won or lost in the fight for statehood they were States on an equal basis with the other 48 States.

What we are saying to them if we do not pass this bill, is that, "You are States but you may not participate as a State in this airport fund." When the House passed the airport bill we had a provision in it that Alaska and Hawaii were to be treated as States. They shared in the fund. There would have been a reallocation of the fund. When the other body passed that bill they did not put them in. When the conferees had to fight this battle out, they brought the bill back with only the 48 States to participate in this fund. Why did they knock out Alaska and Hawaii? They did it because it would cut down on the amount of money available to the other States, that each of the other States would get. There was a failure, in my opinion, in responsibility in this whole picture. But that is exactly what happened, whether we like it or whether we do not like it. What we did at that time was to cut Alaska and Hawaii out of participation in 75 percent of this airport money even though they were States on an equal footing with the other 48 States.

Unless we include them in the discretionary fund by the passage of this bill, we are going to say to Alaska and Hawaii, even though you are States on equal footing in all respects, we are not going to let you participate in the other 25 percent of this fund—the discretionary part. The gentleman from Michigan pointed out he thought they ought to participate as States, and I think all of us do. The situation has come up like this. There was, I guess, a good faith commitment to the 48 States for this stopgap program over a 2-year period to pay this money. Some of the Representatives, and I am sure some of the Senators, thought that since this commitment had been made, it would not be fair to give the States less money than they had anticipated receiving. Hence Alaska and Hawaii were cut out, so that the States could divide the money in 48 parts rather than 50 parts. Now Alaska and Hawaii are merely asking, by this bill to be allowed to participate in the discretionary fund, which is one-third the size of the original fund. Mind you, we cannot undo what has already been done because we have to be practical about it. We are in the closing days of this session. There is no time to make changes that have already been passed upon. The fact of the matter is simply this. We cannot change what has already been done. Alaska and Hawaii have been cut out of the big fund. I say what we ought to do is to face this problem realistically and let them come in under the discretionary fund and leave it to the discretion of the administrator of the Federal Aviation Administration to distribute these funds. Pass this bill and be fair with the two new States.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I think the Members of the House ought to realize there is only one pie to be cut up. It does not make any difference how you cut this pie. Whether you take money out of the discretionary fund and give it to Alaska or take funds out of the 48 States and give it to Alaska, and then take money out of the discretionary fund and replenish the funds for the States, the results are exactly the same. I want to know if that is true. I would like to ask the chairman if that is not true.

Mr. RIVERS of Alaska. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield.

Mr. RIVERS of Alaska. I would like to endeavor to answer that question for the gentleman. I know a misunderstanding arises because you have said that the total amount of money for all of the States would remain the same. That is true when you add the discretionary fund to the regular funds for regular allotments. But what the committee chairman said is that the proposal of the gentleman from Michigan [Mr. BENNETT] would cut down on the share of each State within the regular allotments, if Alaska and Hawaii were included in the $45 million fund. That is true enough as far as the regular allotments are concerned. It would cut down on each of the other States under the regular fund to make up the amounts that Alaska and Hawaii would get from that fund. Of course, in that case Alaska and Hawaii would not need any of the discretionary money, so the overall amount available to the States is the same.

The point is that certain States that would lose on the amount that is available for them under the present allocation system might not have priority projects, and the discretionary fund money can only be allotted on the priorities established by the Administrator bearing on national importance and other factors.

Mr. YOUNGER of California. Will the gentleman from Alaska agree to this? You have certain money. Fifteen million dollars in the discretionary fund; is that not true?

Mr. RIVERS of Alaska. That is right.

Mr. YOUNGER of California. If you take, in round numbers, $2 million out of the discretionary fund and give it to Alaska, it would amount to exactly the same thing as if you took $2 million out of the discretionary fund and made it up to the shortage in the 48 States.

Mr. RIVERS of Alaska. Yes, but it would not be reapportioned back to the 48 States to exactly restore their respective losses which they would suffer under the pending amendment.

Mr. YOUNGER of California. The discretionary fund can be apportioned among the 48 States to make up what was taken out of the discretionary fund to give to Alaska and the total remains absolutely the same.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER of California. I am glad to yield to the gentleman from Mississippi.

Mr. WILLIAMS. We have had a compilation made of State apportionments as they are now set up and as they would be set up if Alaska and Hawaii were brought in on the allocation as States.

The State of California would presently receive $2,734,099 and would lose $102,937 if Alaska and Hawaii were brought in as States for allocation purposes.

Mr. YOUNGER. That is right.

Mr. WILLIAMS. It is impossible to determine whether they would receive one red penny of the discretionary money, as the gentleman well knows, because we do not know whether they would come in for any priority or not.

Let us take the State of Michigan, for instance.

Michigan received $1,654,594, but if the gentleman's amendment is adopted, if I understood it correctly, they would lose $63,133; and there is no way to know whether they will participate at all in the discretionary funds whether his amendment is adopted or not.

Mr. YOUNGER. And you have already stated to the House that there is no commitment on the part of the Administrator to give to Alaska any of the money out of the discretionary fund.

Mr. WILLIAMS. That is right. They must compete for this money along with the other States.

Mr. YOUNGER. What we are doing is to make sure that Alaska does have this money and not leave it to the judgment of the Administrator for Alaska to get the funds that she is entitled to as a State.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield.

Mr. HARRIS. The gentleman is aware of the fact that the discretionary fund is 25 percent of the total authorized State program and lies within the discretion of the Administrator. He must administer it by giving priority to those preferential airports in accordance with the act.

Mr. YOUNGER. That is perfectly true, and in his discretion he has a perfect right to give to the 48 States any money that he has to take away from them to give to Alaska. The same amount of money is there; every State will get the amount of money it is entitled to, but we will be honest, we will be treating Alaska and Hawaii as States; I think we ought to reach a time pretty soon when we recognize that these two former Territories are no longer Territories. They are States and they should be treated as States.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield.

Mr. ROGERS of Texas. The Senate refused to agree to that once this year in the other bill.

Mr. YOUNGER. It makes no difference what they agreed to. We are trying to write a correct bill.

Mr. ROGERS of Texas. But what we have been doing is just what we did before. The Senate refused to agree to it then. What we are doing is simply saying to Alaska and Hawaii that they are not going to participate in the 75 percent and we are going to deny them the right to participate in the other 25 percent.

Mr. YOUNGER. We are not doing that at all. We have a discretionary fund there and they can have the funds they need.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, may I say in the beginning that I will not yield until I have made by statement. Then I shall be happy to yield.

Mr. HARRIS. Will the gentleman yield to me that I may yield him additional time?

Mr. SPRINGER. I shall be very happy to yield for that purpose.

Mr. HARRIS. Mr. Chairman, I yield the gentleman 3 additional minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for 8 minutes.

Mr. SPRINGER. May I say to the House that both sides, the gentleman from Michigan and the gentleman from California, the gentleman from Arkansas, and the gentleman from Mississippi are all trying to be intellectually honest about this bill. I think this is one thing that has not been brought out clearly to the House. When Hawaii came in trying to get justice in this whole airport picture they tried to bring in a bill which would have some chance of passage in this Congress. The only way in which they could do it and get into the discretionary fund was not to insist that they were a State under the allotment plan because whatever they took for their regular allotment as a State would automatically reduce the other States.

It has been stated by the gentleman from California that it would be possible for the Administrator to make that up out of the discretionary fund. May I say to the gentleman from California that that is exactly true, but how many of the 48 States here today are going to vote for Alaska and Hawaii to be States and rely upon the Administrator to make that up out of the discretionary fund? I do not think there are many here who will be willing to vote for such a proportionate plan when their States are bound to lose dollars under it.

Alaska should come in under a practical program whereby each of the States would not get reduced under this regular allotment. And may I say to my colleagues it is the only way this bill can be passed. If you make Alaska and Hawaii States under this bill then the fund has to be divided by a greater number. As soon as the Members understand that their regular allotment is going to be reduced and they have no assurance that the regular allotment is going to be made up out of the discretionary fund by the Administrator, they will be against this bill.

When this thing comes up 2 years from now I will not support any bill, may I say to the Representatives from Alaska and Hawaii, and I am the ranking Republican on this Subcommittee on Transportation and Aeronautics, unless they are made a State. There can be no reason 2 years from now why they should not be considered as a State and share with everyone else proportionately in accordance with what it should have been back in February when we passed the first bill. I think that is the practical reason today why you have to support this kind of bill if you are going to bring Alaska and Hawaii into the discretionary fund.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. The point the gentleman is making is that the States are not going to be willing to give up something sure, that they already have nailed down, for something that they might or might not get, depending on the whims of the FAA Administrator?

Mr. SPRINGER. If the Administrator saw fit to do it, he could make up the difference. On the other hand, may I say that the law requires him to give priority to those projects which he believes have priority.

In listening to all the testimony, as I did, this bill was the only way I saw whereby we could have a bill for which every Member vote and know at the same time he was going to receive the money which is regularly allotted to him under the law.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Iowa.

Mr. GROSS. What will be the outcome if this bill is not enacted into law?

Mr. SPRINGER. If the bill is not enacted, it would mean Hawaii could not take from the discretionary fund, and the Administrator has made it very clear that he believes they ought to be able to share in the discretionary fund.

Mr. GROSS. The gentleman has named one of the two States.

Mr. SPRINGER. It is true as to both Alaska and Hawaii.

Mr. GROSS. It is true as to both of them?

Mr. SPRINGER. Yes.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Arkansas.

Mr. HARRIS. The gentleman has also stated, as we have heretofore, and I again want to emphasize to make it abundantly clear to the House, that when this Congress approved the bill extending the act for a 2-year period—we are already in the first year—we said to the States, all 48 States, you will receive for this 2-year period identically under the formula you have been getting the last 4 years. Is that true?

Mr. SPRINGER. That is true.

Mr. HARRIS. This is an effort to permit the Administrator in his discretion to give relief if priority requires it to Alaska and Hawaii for projects in those two States?

Mr. SPRINGER. That is true.

Mr. HARRIS. It keeps faith with what the Congress said it would do for the other 48 States?

Mr. SPRINGER. I think the implication of what the chairman said is true. This should be added: Your committee did a good job back in February on this bill. It put Alaska and Hawaii in as States. It was only when we went to conference that the fundamental bill was changed. Our committee supported Alaska and Hawaii as States, and that applies to Members on both sides of the aisle, but when we came to this situation we are faced with now, I do not see how we can do justice to Alaska and Hawaii and at the same time keep the allotments that you are going to have for each one of the States except by this bill.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from California.

Mr. YOUNGER. The gentleman made the statement that there is no assurance on the part of the Administrator that he will pay to the States the amount of money from their allotment out of the discretionary fund. I would like to ask the gentleman whether he has a pledge from the Administrator that he will give Alaska the difference between the $1,300,000 and the $3 million to which they are entitled?

Mr. SPRINGER. I certainly did not, and I would not expect the Administrator to give that to me. I may say the Administrator ought to give it where he believes the need is greatest, in accordance with the law, and if that is Alaska he should give it.

Mr. YOUNGER. So that the Administrator has the same discretion either way, whether he takes the money out of the discretionary fund and gives it to the States or to Alaska. He has that discretion?

Mr. SPRINGER. He does.

Mr. YOUNGER. Also, under this bill the gentleman is saying that the 48 States are pledged; that they are entitled to so much money.

Mr. SPRINGER. I do not say "pledged." I think it was generally understood they were going to get this much money.

Mr. YOUNGER. The gentleman said something about a pledge.

Mr. SPRINGER. I did not say "pledge." I do not think the Administrator pledged them, but I think it was generally understood he would go along with that.

Mr. YOUNGER. We also to that extent said there would be $15 million to be in the discretionary fund?

Mr. SPRINGER. Yes. I think that is the way it is working out, too.

Mr. YOUNGER. No. It will be $2 million short.

Mr. SPRINGER. I do not think it will be short at all. The Administrator still retains full discretion as to the entire $15 million.

Mr. HARRIS. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I would just like to add my words of praise to the chairman of the subcommittee, the chairman of the full committee, and to the ranking minority member of the subcommittee which heard the evidence

in this case. I sat through all the hearings, and I think it was pretty unanimous that this was the logical way to correct the situation which developed through no fault of the Congress. If the original bill as passed by this House had been allowed to stand, Hawaii and Alaska would have been treated as States, would have received their allotments, and also been eligible for discretionary funds.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I will be glad to.

Mr. WILLIAMS. I am pleased that the gentleman mentioned that the chairman of the subcommittee and the ranking minority member of the subcommittee were in accord on this legislation. I might say further that the subcommittee vote to report this to the full committee was unanimous. Not only were the chairman and the ranking member in favor of the legislation, but there was no opposition expressed to the legislation by any member of the subcommittee.

Mr. STAGGERS. The chairman of the subcommittee is correct in that.

This bill was passed by our committee unanimously and then reported to the full committee, which was so ably discussed by the gentleman from Illinois [Mr. SPRINGER]. So, in the light of the members who heard the testimony, I would say that the Congress should lend some weight to that and certainly should vote for the bill, because if we vote for the amendment, we are certainly taking a chance with what money might come into my own State of West Virginia and the other States of the Nation. We have an airport that needs extension and expansion at the university at Morgantown, a city into which today we do not have railroad service and not too good road service. Consequently, it is essential and necessary that the airport be expanded. There are many other airports throughout West Virginia and the country that need additional extension and expansion. So I say let this money come out of the discretionary funds.

CIVIL AIRLINES IN NATIONAL DEFENSE

Mr. HARRIS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Chairman, the proper role of the Military Air Transport Service and of the Nation's airlines in meeting the transportation needs of the Department of Defense has been a matter of controversy for some time. The controversy has centered in the Appropriation Committees of both bodies, but has been a matter for consideration also in the Armed Services Committee, in the House Military Operations Subcommittee headed by our able colleague, Mr. HOLIFIELD, and it has also been a matter of concern to many of us on the Committee on Interstate and Foreign Commerce.

In view of the fact that the matter has been settled for this session of Congress at least insofar as the appropriations are concerned, it seems desirable to take a fresh look at the problem when we are not under pressure for immediate decisions in the light of appropriation requests.

Sadly there have been some implications that, to even discuss MATS, or to propose a review of any part of its activity and the adverse impact this may have on others, is in some way unpatriotic. It has been implied that, to raise such a question may be considered an attack on our national security. In this connection, I would like very much to associate myself with the thoughtful remarks made by Mr. MAHON, the distinguished chairman of the Defense Appropriations Subcommittee, when he made his masterful presentation of the Defense appropriation bill and pointed out that—

> While the committee was concerned and interested in saving money, the primary consideration of the committee was saving civilization and the United States of America and lives of the people of this country.

He went on to say:

> I do not think there is anybody in this Congress who wants, in the name of economy or budget balancing, to impair the defense position of the United States.

Certainly that is a philosophy we all can and should subscribe to. I might point out that Mr. MAHON also pointed out in that same presentation:

> We tell the Air Force that we will deny the $50 million which it requested for cargo jets. We were aware that at this time in the Department of Defense efforts are being made to assign more of this cargo work to civil air carriers. So we made some reductions there.

Obviously, the committee pondered the MATS request very carefully, and concluded that it was in the national interest not to authorize this major capital investment. Later, when a second request was partially approved by the other body without having been considered further by our own Appropriations Committee, there has been some inference that those who questioned it were acting improperly.

Let us see what is involved here. First I would like to emphasize that I do not pretend to be as well informed on national defense matters as the members of the Appropriations Committees. I do believe that we can properly claim to have some experience and knowledge of international commerce, and the requirements, as well as the problems, faced by our great international air carriers that carry not only people and property but also our flag to all parts of the globe.

As to the military aspect, I do believe that we should seek to guarantee the largest possible airlift at the lowest possible cost to the taxpayer, that this requires a close working partnership between the military and the commercial carriers.

I have heard, and it makes sense to me, that MATS, because of its emphasis on a commercial-type airline operation, is not able and would not be able in time of national emergency to concentrate on meeting immediately the combat airlift requirements because its airplanes would be scattered all over the globe.

It seems clear that when MATS is so dedicated to conducting a regular airline operation that it must have 480 stewardesses, it can hardly be standing by ready for emergency response in the same fashion as the Strategic Air Command.

The House Military Operations Subcommittee headed by Mr. HOLIFIELD, has devoted many hours of study to this problem. The committee pointed out that—

> It becomes a proper subject of inquiry to ascertain how far MATS is departing from its defense role when it engages in commercial-type operations.

Then the subcommittee went on to conclude that—

> MATS has developed into a worldwide air transport system, moving military cargo and passengers on regularly scheduled routes and competing heavily with the civil carriers engaged in international air transportation.

And there is the question that has come to concern me in this matter and has led me to suggest that we must thoughtfully review this entire problem. For whatever reasons, the present operations of the Military Air Transport Service are adversely affecting the growth and progress of our international air carriers. It would be the same thing if the Army insisted on building raliroad tracks parallel to the right-of-ways of our existing commercially owned and operated railroads. Or if the Navy was not willing to depend so heavily, and I might add wisely, on the U.S. commercial shipping fleet.

There is no question but that MATS has a very definite role in providing hard core military airlift. It has a definite mission but it can and should perform that mission without strangling private enterprise and crippling civil aviation.

Our international civil air transport system is vital to our national interest in peace or war. These U.S.-flag airlines were certificated by the Civil Aeronautics Board with their value to national defense as one of the factors given important consideration. However, the airlines can only perform as we require them to perform if they are encouraged to improve, to develop, and to invest for constant progress. Certainly the decisions of the State Department in bilateral negotiations can well affect the economic health of these carriers and I regret to say that Government policy has not always been as responsible in this area as it has needed to be.

Although 7 out of 10 air passengers between the United States and foreign countries are U.S. citizens, the share of this traffic carried by U.S. airlines has fallen from 98 percent in 1941 to 75 percent in 1949, to 60 percent today. Shall we in Congress stand idly by while this percentage drops lower and lower every year—as happened to our merchant marine in the past?

In order to correct the situation which the merchant marine once faced—not only competition from foreign ships but also our own Navy—Congress found it necessary to take legislative action limiting the Navy's competition. Similar type legislation with respect to MATS has

been proposed and bills to this effect are pending in our committee.

Another major reason for the reduction in traffic carried by our U.S.-flag carriers, of course, has been the fact that 40 foreign airlines now draw on the U.S. market compared to 22 in 1949.

Before I touch on some of these questions it might well be wondered just how important all this is—that is, just what is the impact on the commercial airlines of the MATS insistence on operating an airline of its own.

Of all the scheduled airline traffic moving between the continental United States and all international, oversea, Alaskan and Hawaiian points—85 percent of the cargo and mail and 40 percent of the passengers are handled by MATS. As you can see, MATS competition is extensive.

Taking the North Atlantic as an example, U.S.-flag certificated airlines carry about 17 percent of the cargo, MATS handles 62 percent, and foreign-flag carriers move about 21 percent.

As a further illustration of how the activities of MATS are impairing the growth of our civil air transport system I would like to call your attention to the difficulties that arise from the way in which the policy of competitive bidding is carried out.

Recently MATS let $24 million worth of domestic military support transportation by competitive bidding. This traffic was awarded for movement in World War II aircraft. In fact, and this is almost hard to believe, one of the contracts actually specified that post-World War II aircraft were not acceptable.

It is difficult for me to understand the value of this policy. In the first place it is clearly in the interest of the Defense Establishment to make certain that carriers are encouraged to develop ever more modern fleets to provide the best possible airlift reserve in case of national emergency. A contract policy such as I described above will hardly help to produce that. In addition the Department of Defense usually asks for competitive bids for commercial air transportation even though the traffic is going to move directly over the routes of air carriers certificated by the Civil Aeronautics Board and the President.

If, on the other hand, the Defense Department will implement a policy, and MATS will practice it, of encouraging the U.S.-flag airlines then we will not only be able to bolster the economic strength of these airlines but we will also guarantee that there is a growing quantity of the best and most modern air transports, for cargo and for passengers, available to the Nation in time of crisis.

These scheduled airlines have responded already to the need for increased cargo lift, a worthy effort that should be met by a sound policy on the part of the Government. It is interesting to note that Assistant Secretary of Defense Perkins McGuire has declared:

> Our study currently of the overall airlift situation indicates that continuity of the overseas logistic pipeline must be assured if we are to take recurring cold war crises in our stride. Such an assurance would be possible only if the airline industry possessed the capacity to perform an overseas air logistic support function and the continued availability of this capacity to the Department of Defense during periods of emergency were assured.
>
> The possibility of disruption can certainly be minimized through the development of an appropriate U.S. civil air cargo lift capacity and its use by military in peacetime for routine logistic support.

The airlines expect, during the next year and a half, to add 15 CL–44's, a Canadian-built freight airplane and 26 DC–7 airfreighters. A U.S. international airline has ordered 12 Lockheed 207 airfreighters ideally suited for maintenance of the overseas logistic pipeline that the Department of Defense has described as so important. Another carrier has ordered four turboprop Argosies for domestic operation. Without question this is an impressive response.

It must be remembered that these new airplanes, specially tailored for cargo, could be available for national defense purposes whether we face cold war, limited war, or total war. And I might add, without any capital investment on the part of the taxpayer and yet just as useful for the Nation as if the Government had to pay directly for them.

But more than airplanes, the airlines have been moving forward in a positive way, for which they should be commended, to provide administrative and economic answers to the problems posed by the national defense requirements.

The four U.S.-flag certificated international transatlantic and transpacific airlines responded to Defense Department requests and asked the Civil Aeronautics Board to permit them to work out detailed plans and arrangements with the Department of Defense to expand the peacetime commercial airlift of military cargo and personnel, establish reduced and reasonable rates for military air transportation, and provide airlift for any emergency.

I was pleased to note that the Civil Aeronautics Board just recently granted approval for the carriers under certain conditions, to go forward with their discussions looking toward development of an economical plan for the movement of Defense Department traffic. I feel confident that such a program will result in the movement of Government traffic at a lower cost to the taxpayers than the continuation of the MATS scheduled operations will permit, and at the same time, provide the Nation with a greater airlift capability.

I am confident that the study of the so-called MATS problem which the Appropriation Committees have determined to undertake will find an answer to the problem which will lead to adequate appropriations for MATS in the field of research and modernization for its strategic role.

In closing, let me again commend the gentleman from California [Mr. HOLIFIELD] for the very constructive contributions which his committee has made through its searching examination of this problem. His report, which has just been issued, contains many enlightening details about the MATS airline operation and the destructive effects of MATS competitive bidding practices in the procurement field.

As a result of these efforts, it is my hope that MATS will be given the opportunity to fulfill its proper hard-core military role and the airlines will be allowed to provide the day-in and day-out military airlift that is required. I am certain that if the Department of Defense will establish a firm policy along these lines, the airlines, the Air Force, and the Nation will gain.

Mr. BENNETT of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. SCHENCK].

Mr. SCHENCK. Mr. Chairman, the proper operation of the Military Air Transport Service is of grave concern to all of us. Those problems in connection with the justifiable need and the provision for necessary and suitable equipment to be used by well-qualified personnel should be given careful study in the establishment of a comprehensive policy. Some reference and discussion of these matters, it seems to me, Mr. Chairman, is inescapable in connection with the pending legislation having to do with the allocation of funds by the Federal Aviation Agency for assistance in airport construction in both Alaska and Hawaii.

There is little question in my own mind, Mr. Chairman, but that the existence and use of our Military Air Transport Service is completely essential as a vital part and important component of our Armed Forces. Thus I feel, Mr. Chairman, that MATS should be provided with the type of equipment necessary and staffed by well-trained personnel to move armed services personnel and equipment quickly and efficiently wherever and whenever necessary.

The need and reasons, Mr. Chairman, for a strong, well-trained, fully and adequately equipped National Defense Department of sufficient size and ability is fully recognized by everyone especially during times of worldwide tensions. Such Armed Forces must be prepared to move and operate by land, by sea, and through the air if we are to properly protect and defend our American way of life against all those counter forces that might seek to destroy us.

Thus proper preparation and the ability and the will to perform promptly are necessary functions of our Armed Forces. The recognition of our ability and determination by all other nations and the fact that we have never been an aggressor Nation gives the greatest assurance that we will not need to use our might.

It has always seemed to me, Mr. Chairman, that we can compare these needs to the needs of our local community fire departments. I think we each recognize and support the expenditure of public funds for a well equipped, adequately trained, and fully manned local fire department which is ready, willing, and able to respond in the event of any emergency. Each of us is better off, each is safer, and it is of little cost to us by comparison if our local fire departments never need to leave their engine houses. Yet when we need them, we really want them available and ready. Thus I have always felt, Mr. Chairman,

that the various branches of our Armed Forces in our U.S. Department of Defense have a responsibility for our Nation's protection and safety somewhat comparable to the local responsibilities of our local fire departments. My comments, Mr. Chairman, are, therefore, in no way meant to minimize the importance of the components of our Defense Department but instead are intended to make some effort to draw a line of demarcation between the use of such facilities for their primary purpose and use as compared to using them in competition with private enterprise.

I am sure we all recognize, Mr. Chairman, that the taxes necessary to pay the cost of all of our governmental operations and projects at all levels, local, State, and national, can come from only one source—the people themselves. One of two systems must be used. In one, the Government owns everything, receives all the benefits of whatever natural resources it has, receives any and all profits, and doles back to its citizens in food, shelter, clothing, earnings, products and services, whatever the Government wants or decrees its people shall have. This is the exact opposite and extreme from our American way of life. Here in these United States we glorify the individual, protect the cherished freedoms that have been made so precious bacause they have been earned, and proudly boast of our American way of life and our free enterprise system. Yet we also endanger these very precious freedoms and opportunities when we make taxes confiscatory and perhaps even place the Government in competition with private enterprise. Competitive services and production taking legitimate opportunities away from private enterprise may well "kill the goose that lays the golden egg" because there will be no profits and earnings upon which taxes can be levied to support governmental operations. Great care, therefore, Mr. Chairman, must be used to keep public services in balance and not unduly interfere with and make unprofitable the continued development of our free enterprise system.

By way of comparison, it would seem wrong to me, Mr. Chairman, for any local fire department passenger car to be used to transport other local governmental officials from one place to another and thus take such a car away from its appointed use and purpose. It would be similarly wrong, Mr. Chairman, for a local fire department utility-type truck to haul materials of various kinds between sections of a city. Such a program would be hard to defend unless the cost of such transportation by other privately owned and operated cars and trucks is fantastically higher and out of line or is entirely unavailable. It would seem especially difficult, Mr. Chairman, to justify regularly scheduled trips by such publicly owned vehicles unless, of course, there is no other privately owned transportation system available or the cost of using such privately owned system is entirely out of line and beyond reason.

Some information and an editorial relating to transportation by air has recently come to my attention, Mr. Chairman. It is my understanding that there are four commercial U.S. airlines, and perhaps there are more, which have regularly scheduled flights from the United States to various other oversea airports and that these flights are in turn connected up with other flights to other points. It is my understanding, Mr. Chairman, that these four U.S. airlines do not receive any subsidy from our Federal Government for their operations and that they each do make a profit in spite of the fact that their rates are competitive. It would seem to be a mistake, Mr. Chairman, if the profitable and proper operation of these scheduled oversea airlines is interfered with by unwise use of MATS flights made entirely at the expense of all the taxpayers of our Nation. It would, therefore, seem most wise to me if this entire matter could be fully and completely reviewed by the representatives of the commercial airlines and the proper and appropriate officials of the U.S. Air Force in a conference sponsored and supervised by the Civil Aeronautics Board. The complete report of such a conference should then be referred to the Congress for appropriate action by it and its committees.

A comment in the Journal of Commerce dated September 2 is responsible in part, Mr. Chairman, for my comments on these matters at this time; and, under unanimous consent, I include this article in my remarks for the information and benefit of the Members:

BUSINESS IN THE AIR

Four years ago the Hoover Commission concluded a study of military air transport operations with the pointed comment that the Government could save itself considerable sums of money by shipping via commercial airlines a substantial volume of the international military traffic then being carried on planes of the Military Air Transport Service.

MATS was in no way discouraged. As traffic manager, forwarding agent and prime carrier for all oversea air transportation of the Department of Defense, it subsequently enjoyed a lusty growth. Today it operates more than 400 transport aircraft, employing stewardesses, publishing its own tariffs, collecting fares and shipping charges from the other three services and qualifying with no trouble at all as the biggest air service in the free world.

In fiscal 1960 it expects to run up 404 million passenger miles and over a billion ton miles of cargo. No airline can match that.

There would be nothing very wrong with this picture if the bulk of this brisk traffic were moving to and from distant bases not serviced by commercial airlines; or if it required special types of equipment airlines are in no position to provide; or if MATS were providing all this service a good deal more cheaply than anyone else could.

Unfortunately, however, the MATS operation meets none of these three conditions. The bulk of its service—nearly 90 percent—parallels existing scheduled air routes. The bulk of the equipment it uses in these services is more suitable for peacetime than wartime usage, especially as regards its passenger craft. And far from being cheaper than commercial services, MATS' operating costs and schedules are relatively high.

In the circumstances it is hardly surprising that the MATS operation is under fire. The American oversea airlines don't like it; they are getting 150 million passenger miles and 70.8 million ton miles of cargo from MATS, but consider that falls far short of what they should be getting. Federal Air Agency Administrator Quesada agrees; and so, in principle, anyway, does the Department of Defense itself. Why, then, does MATS still operate what amounts very largely to a huge commercial service?

One reason may be found in the effective lobbying conducted by the Air Force in behalf of MATS. But beyond this several other arresting reasons have been advanced.

One is that MATS aircrews need the training afforded them in flying these transport services, and that since they would be flying anyway, the savings possible through transferring this business to airlines would be illusory. This argument looks better on paper than it does in practice, as evidenced by figures which show a much heavier usage of aircraft flying these particular services than of other MATS aircraft which in no way compete with airlines.

Another is that in emergencies, such as that arising out of last year's crisis in Lebanon, MATS has found it necessary to pay high rates for the use of commercial aircraft, even when following its tradition of seeking bids for such services. This is doubtless true, but it does not take into account the fact that American airlines operating overseas have offered to enter into long-term contracts with MATS that would rule out a repetition of such experiences in the future.

We think it would be better for MATS, for the Defense Department, for airlines, for the aircraft industry, and for shippers if a good deal of the MATS traffic that could be handled by airlines were transferred to the commercial services. And there is a good deal more involved in such a transfer than the principle of keeping government out of competition with private business.

It would be better for MATS because it would permit this important service to concentrate on its real mission, the provision of a strategic transport to the armed services. This would mean a somewhat smaller MATS, but one stocked up with the kind of equipment most needed in emergencies rather than commercial equipment requiring conversion. It would also insure MATS of a reserve of efficient commercial planes far longer than the airlines can supply now.

The crucial consideration is that, given a firm assurance of a larger chunk of military business, the airlines could commit themselves to buy not only new passenger planes, but advanced types of cargo carriers equipped with rear loading devices and other new technological improvements that would ultimately cut down sharply on present handling costs. Three cargo carriers have already ordered such craft, but more are necessary to provide a really efficient and balanced air transport system.

Initially, the airlines may require some assistance in financing new equipment commitments on the order. But ultimately they, rather than the Government, would bear the cost, and the beneficial results of this more economical air transport system could be made available to everyone, including aircraft manufacturers, including shippers and including—in times of calm or in times of high emergency—the Department of Defense itself.

Mr. BENNETT of Michigan. Mr. Chairman, I yield myself 2 minutes.

I do not want to belabor this matter, Mr. Chairman. I do want to call attention to the fact that if Alaska is to be treated as this bill intends she be treated, then $2½ million to $3 million must be taken out of the discretionary fund. That much less money will be available

to the other 49 States. There is not any other mathematical way to fix this up. And if this is not the intent of the bill, if it is not the intent to assure Alaska the $3,700,000 instead of the $1,350,000 that is in the present law then what is the purpose of the legislation?

The Administrator said to the subcommittee that heard this testimony that if this bill was passed he would take care of their needs, and their needs are $3,700,000. Otherwise this bill is just an idle gesture and I am sure it is not intended to be that. You have only so much pie to cut, $63 million to be exact. You can give the money to Alaska as a State or you can give it to her as a Territory. But if she remains a Territory and the Administrator makes up what is intended to be made up to meet her needs, out of the discretionary fund, then there is that much less money available to the 49 States, and so you come out exactly the same way, so far as the distribution of funds is concerned.

Mr. RIVERS of Alaska. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. RIVERS of Alaska. I was going to point out that Alaska's estimate of need in addition to the $1,350,000 would be about $1¼ million per year if we are successful in establishing priority for extending some runways for jet travel, and the $60 million that the gentleman speaks of or a total of $63 million is for each of 2 years, is it not, the extended life of the program. So Alaska would be getting each one of those 2 years, if successful in establishing a priority, double the $1¼ million.

Mr. BENNETT of Michigan. Let me ask the gentleman this question. He represents the great State of Alaska. Would he rather have his State get $1,350,000 as a Territory or would he rather have it get $3,720,000 as a State?

Mr. RIVERS of Alaska. I would rather have the original House bill which would include us for the full amount. I do not want to take the risk of getting nothing, in the interest of backing up the theory of being a State, at this particular point. I am in favor of a practical solution and I think this bill is the practical solution.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I just want to correct the record, I think the gentleman from West Virginia [Mr. STAGGERS], if I am not mistaken, made the statement that this bill came out of the full committee unanimously.

Mr. STAGGERS. If I said that, I was mistaken; I meant the subcommittee which heard all of the evidence, heard all the witnesses and who I thought were competent to judge.

Mr. YOUNGER. I thank the gentleman.

Mr. BENNETT of Michigan. Mr. Chairman, I yield back the balance of my time.

Mr. HARRIS. Mr. Chairman, I yield the balance of the time to the gentleman from Alaska [Mr. RIVERS].

Mr. RIVERS of Alaska. Mr. Chairman, all that I had outlined to say has already been said. Members have come and gone, some have not heard all of what has been said, some have heard part of it. Accordingly I will summarize.

Let us get back to the practical approach at this time and consider why it is not feasible to adopt the amendment proposed by the gentleman from Michigan, Mr. BENNETT, which would enable Alaska and Hawaii to share in the principal airport fund, without appropriating more money. The original Senate bill and the original House version acted upon early in this session would have included Alaska and Hawaii for an amount of money equivalent to what they would have obtained as States under the regular formula. But as we know the original legislation did not become law because the conferees failed to agree, so at that point we were without an airport program. Then as a stopgap measure the Senate quickly acted to extend the 1956 Federal Airport Act for a 2-year period. That was concurred in by the House and became the law. In 1956 Alaska and Hawaii were both Territories, so by extending the 1956 act Alaska and Hawaii were carried forward as Territories, which cut in half the amounts to which they would have been entitled as States.

I might say at that point Alaska was a State and Hawaii was on the verge of becoming a State. Explaining the transition becomes a little involved. But inasmuch as those earlier airport bills designed to cover the coming 4-year period authorized a larger appropriation than is presently available, nobody was objecting to having Alaska included for the full amount or Hawaii included for the full amount to which they would have been entitled as States. But when we went back to the $60 million a year, plus $3 million which was allocated for Alaska, Hawaii, Puerto Rico, and the Virgin Islands, your two new States were back in the Territorial category as to the amount of money concerned.

We from Alaska and Hawaii have taken the position that we do not want to ask our colleagues in this Congress to divide with us under the regular allocation of funds at their expense. We do not want to ask any of the Members to put us under the formula at a decrease of the amounts to which each of them or each of their respective States would be entitled under the allocation formula. I think we would be foolish if we did. I could not expect a majority of the Members to vote for cutting down the amounts presently available, under existing law, for their respective States.

Alaska has what might be called a high priority program. That is, it is of importance to the Federal Government as well as to Alaska. Foreign airlines are coming over the polar route and over the great circle route, from Denmark, the Netherlands, Japan, and France, and they are refueling at Anchorage, Alaska. Northwest Airlines is flying to and from the Orient via Anchorage. Alaska is at the hub of this intercontinental air commerce. It will soon be at the hub of flights between the east coast of the United States and both Europe and the Orient.

The Federal Government wants Alaska to extend its runways for jet use because all of these airlines have scheduled bringing in full jet service by 1961, in the fall of that year. Alaska, which has recently taken over the 17 civil airports heretofore operated by the Federal Government in Alaska, which the Federal Government insisted should be done, has already started its preliminary work to get the runway extensions at Fairbanks and Anchorage constructed on schedule. The Federal Government wants us to get them through on schedule. So we have assumed our responsibility. I want to make it perfectly clear that we do not want to be retained in the twilight zone of territoriality under the Airport Aid Act or under any other act. But, as a practical proposition, and under the circumstances, and being reasonable men, we are willing to take something less than an equal footing at the present time, asking only to be made eligible to participate in the discretionary fund for this year and next year, and then with the risk and with the gamble that our priority will be high enough to obtain the money needed to complete the runway extension program in the interest of the National Government as well as in the interest of the State.

So, Mr. Chairman, I urge the passage of the bill.

I certainly subscribe to the remarks of Mr. HARRIS, chairman of the committee, and of Mr. WILLIAMS, chairman of the subcommittee, and to what the gentleman from Illinois [Mr. SPRINGER] said. In conclusion, we are not here as a State or Territory, but we are here insisting that when this legislation is brought up again, and the airport act will be up again in the next year and one-half or two, because the present setup expires in 2 years from the day that we renewed it, Alaska and Hawaii will be absolutely insisting on full participation. The complicated formula will have to be rewritten so that it will cover the entire 50 States and not just 48 States. To administer a change at this time such as would be brought about by the proposed amendment would, as the chairman, Mr. HARRIS, said, disrupt the present allocation and the formula for the older 48 States, in connection with which there is taken into account population, area, public lands, and so on.

So I urge, Mr. Chairman, that we turn down the amendment and pass the bill.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (2) of section 6(b) of the Federal Airport Act (69 Stat. 442, 49 U.S.C. 1105) is amended to read as follows:

"(2) Such discretionary fund shall be available for such approved projects in the several States, Alaska, and Hawaii as the Administrator may deem most appropriate for carrying out the national airport plan, regardless of the location of such projects. The Administrator shall give consideration,

in determining the projects for which such fund is to be so used, to the existing airport facilities in the several States, Alaska, and Hawaii, and to the need for or lack of development of airport facilities in the several States, Alaska, and Hawaii."

With the following committee amendment:

Strike out all after the enacting clause and insert: "That paragraph (2) of section 6(b) of the Federal Airport Act (49 U.S.C., sec. 1105(b)(2)) is amended to read as follows:

"'(2) Such discretionary fund shall be available for such approved projects in the several States, Alaska, and Hawaii as the Administrator may deem most appropriate for carrying out the national airport plan, regardless of the location of such projects. The Administrator shall give consideration, in determining the projects for which such fund is to be so used, to the existing airport facilities in the several States, Alaska, and Hawaii, and to the need for or lack of development of airport facilities in the several States, Alaska, and Hawaii.'"

Mr. BENNETT of Michigan. Mr. Chairman, I offer a substitute amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Michigan as a substitute for the committee amendment: Page 2, strike out lines 6 through 18, inclusive, and insert in lieu thereof the following: "That section 2(a) of the Federal Airport Act, as amended (49 U.S.C., sec. 1101(a)), is amended as follows:

"(1) In paragraph (7), strike out 'Alaska, Hawaii, or Puerto Rico and' and insert in lieu thereof 'Puerto Rico, or'.

"(2) In paragraph (12), strike out 'on May 13, 1946' and insert in lieu thereof 'on August 22, 1959'.

"SEC. 2. The third sentence of section 3(a) of such Act, as amended (49 U.S.C., sec. 1102(a)), is amended by striking out 'Alaska, Hawaii,'.

"SEC. 3. Section 5 of such Act, as amended (49 U.S.C., sec. 1104), is amended as follows:

"(1) The first sentence of subsection (a) is amended by striking out 'June 30, 1959, June 30, 1960, and June 30, 1961' and inserting in lieu thereof 'and June 30, 1959, and the sum of $62,100,000 for each of the fiscal years ending June 30, 1960, and June 30, 1961'.

"(2) In subsection (b), insert '(1)' immediately after '(b)'.

"(3) In the first sentence of subsection (b), strike out 'June 30, 1959, June 30, 1960, and June 30, 1961' and insert in lieu thereof 'and June 30, 1959'.

"(4) In the third sentence of subsection (b), strike out 'subsection' and insert 'paragraph'.

"(5) At the end of such subsection (b), add the following new paragraph:

"'(2) For the purpose of carrying out this Act with respect to projects in Puerto Rico and the Virgin Islands, there are hereby authorized to be obligated by the execution of grant agreements pursuant to section 12 the sum of $900,000 for each of the fiscal years ending June 30, 1960, and June 30, 1961. Each such authorized amount shall become available for obligation beginning July 1 of the fiscal year for which it is authorized and shall continue to be so available until so obligated. Of the sum of $900,000 authorized by this paragraph for each of the fiscal years ending June 30, 1960, and June 30, 1961, the sum of $600,000 shall be available for projects in Puerto Rico and the sum of $300,000 shall be available for projects in the Virgin Islands.'

"SEC. 4. Section 7 of such Act, as amended (49 U.S.C., sec. 1106), is amended as follows:

"(1) Strike out 'in Alaska, in Hawaii, or'.

"(2) Amend the section heading to read as follows:

"'AVAILABILITY OF FUNDS FOR PROJECTS IN PUERTO RICO AND THE VIRGIN ISLANDS'

"SEC. 5. Section 9(c) of such Act, as amended (49 U.S.C., sec. 1108(c)), is amended by striking out 'Alaska, Hawaii, Puerto Rico and' and inserting 'Puerto Rico or'.

"SEC. 6. Section 10(c) of such Act, as amended (49 U.S.C., sec. 1109(c)), is amended as follows:

"(1) Strike out 'Alaska and'.

"(2) Amend the subsection heading to read as follows:

"'Projects in the Virgin Islands'

"SEC. 7. (a) The amendments to the Federal Airport Act made by this Act shall take effect as of July 1, 1959."

Mr. HARRIS. Mr. Chairman, I make a point of order against the proposed or alleged substitute for the committee amendment.

The committee amendment is applicable only to paragraph 2 of section 6(b) of the Federal Airport Act affecting the discretionary fund only.

The amendment proposed by the gentleman from Michigan which he alleges is a substitute amendment is not a substitute for this amendment; it is an amendment to the entire Airport Construction Act. The bill confines itself to the States. The alleged substitute goes far beyond what is intended under the proposed amendment.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard on the point of order?

Mr. BENNETT of Michigan. Briefly.

The CHAIRMAN. The Chair will recognize the gentleman.

Mr. BENNETT of Michigan. The effect of this amendment is to treat the Territories as States under the act. The committee bill treats them as States for the purpose of getting them discretionary funds under the act, treating them as States on that basis.

The amendment was drawn after careful consideration by the legislative counsel. I maintain it is germane.

The CHAIRMAN. The bill before the House deals with paragraph 2 of section 6(b). The substitute deals with other portions of the act and also deals with Puerto Rico and the Virgin Islands, which are not in the present act. The point of order is well taken, and the Chair sustains the point of order.

The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BLATNIK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2208) to provide that Alaska and Hawaii be eligible for participation in the distribution of discretionary funds under section 6(b) of the Federal Airport Act, pursuant to House Resolution 373, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BENNETT of Michigan. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 309, nays 75, not voting 51, as follows:

[Roll No. 172]

YEAS—309

Abbitt	Donohue	Johnson, Md.
Abernethy	Dooley	Johnson, Wis.
Albert	Dorn, N.Y.	Jonas
Alexander	Dorn, S.C.	Jones, Ala.
Alford	Dowdy	Judd
Allen	Downing	Karsten
Anderson, Mont.	Doyle	Karth
Andrews	Dulski	Kasem
Ashmore	Dwyer	Kastenmeier
Aspinall	Edmondson	Kearns
Auchincloss	Elliott	Kee
Avery	Everett	Keith
Ayres	Fallon	Kelly
Bailey	Farbstein	Kilday
Baker	Fascell	Kilgore
Baldwin	Feighan	King, Calif.
Baring	Fenton	King, Utah
Barr	Fino	Kirwan
Barrett	Fisher	Kitchin
Barry	Flood	Kluczynski
Bass, N. H.	Flynn	Kowalski
Bass, Tenn.	Flynt	Landrum
Bates	Fogarty	Lane
Beckworth	Foley	Langen
Belcher	Forand	Lankford
Bennett, Fla.	Forrester	Lennon
Berry	Fountain	Levering
Blatnik	Frelinghuysen	Libonati
Boggs	Friedel	Lindsay
Boland	Fulton	Loser
Bonner	Gallagher	McCormack
Bowles	Garmatz	McDowell
Boykin	Gary	McFall
Boyle	Gathings	McGinley
Brademas	George	McGovern
Breeding	Giaimo	McSween
Brewster	Glenn	Macdonald
Brock	Goodell	Machrowicz
Brooks, La.	Granahan	Mack, Ill.
Brooks, Tex.	Grant	Mack, Wash.
Brown, Ga.	Gray	Madden
Buckley	Green, Oreg.	Magnuson
Burdick	Green, Pa.	Mahon
Burke, Ky.	Griffiths	Mailliard
Burke, Mass.	Gross	Mason
Burleson	Hagen	Matthews
Bush	Haley	May
Byrne, Pa.	Halpern	Merrow
Cahill	Hardy	Metcalf
Cannon	Hargis	Meyer
Carnahan	Harmon	Michel
Casey	Harris	Miller, Clem
Chelf	Harrison	Miller, George P.
Clark	Hays	Mills
Coad	Healey	Mitchell
Coffin	Hébert	Moeller
Colmer	Hechler	Monagan
Cook	Hemphill	Montoya
Corbett	Herlong	Moorhead
Cramer	Hogan	Morgan
Curtin	Holland	Morris, N. Mex.
Curtis, Mass.	Holtzman	Morris, Okla.
Daniels	Horan	Morrison
Davis, Ga.	Hosmer	Moss
Dawson	Huddleston	Moulder
Delaney	Hull	Multer
Dent	Ikard	Murphy
Denton	Inouye	Murray
Diggs	Irwin	Natcher
Dingell	Jarman	Nelsen
Dixon	Jennings	Nix
Dollinger	Johnson, Calif.	Norrell
	Johnson, Colo.	

O'Brien, Ill.	Rodino	Thompson, N.J.
O'Hara, Ill.	Rogers, Colo.	Thompson, Tex.
O'Hara, Mich.	Rogers, Fla.	Thomson, Wyo.
O'Konski	Rogers, Tex.	Thornberry
O'Neill	Rooney	Toll
Oliver	Roosevelt	Trimble
Osmers	Rostenkowski	Tuck
Passman	Roush	Udall
Patman	Rutherford	Ullman
Pelly	Santangelo	Vanik
Perkins	Saund	Vinson
Pfost	Scott	Wainwright
Philbin	Selden	Wallhauser
Pilcher	Sheppard	Walter
Poff	Shipley	Wampler
Porter	Short	Watts
Preston	Sisk	Whitener
Price	Slack	Whitten
Prokop	Smith, Iowa	Widnall
Pucinski	Smith, Miss.	Wier
Quie	Smith, Va.	Williams
Quigley	Spence	Willis
Rabaut	Springer	Wilson
Rains	Staggers	Winstead
Randall	Steed	Withrow
Reuss	Stratton	Wolf
Rhodes, Pa.	Stubblefield	Wright
Riley	Sullivan	Yates
Rivers, Alaska	Teague, Tex.	Young
Rivers, S.C.	Thomas	Zablocki
Roberts	Thompson, La.	

NAYS—75

Adair	Griffin	Ostertag
Alger	Gubser	Pillion
Andersen, Minn.	Halleck	Pirnie
	Henderson	Ray
Arends	Hess	Rees, Kans.
Becker	Hiestand	Rhodes, Ariz.
Bennett, Mich.	Hoeven	Riehlman
Bentley	Hoffman, Ill.	Robison
Betts	Holt	Rogers, Mass.
Bolton	Jackson	Saylor
Bosch	Jensen	Schenck
Broomfield	Johansen	Schwengel
Brown Ohio	Knox	Siler
Budge	Lafore	Simpson, Ill.
Byrnes, Wis.	Laird	Smith, Calif.
Cederberg	Latta	Smith, Kans.
Chamberlain	Lipscomb	Taber
Chenoweth	McCulloch	Teague, Calif.
Chiperfield	McIntire	Utt
Church	Martin	Van Zandt
Collier	Meader	Weaver
Conte	Miller, N Y.	Weis
Cunningham	Milliken	Wharton
Dague	Moore	Younger
Derounian	Mumma	
Devine	Norblad	

NOT VOTING—51

Addonizio	Daddario	Marshall
Anfuso	Davis, Tenn.	Minshall
Ashley	Derwinski	O'Brien, N.Y.
Barden	Durham	Poage
Baumhart	Evins	Powell
Blitch	Ford	Reece, Tenn.
Bolling	Frazier	St. George
Bow	Gavin	Scherer
Bray	Hall	Shelley
Brown, Mo.	Hoffman, Mich.	Sikes
Broyhill	Holifield	Simpson, Pa.
Canfield	Jones, Mo.	Taylor
Carter	Keogh	Teller
Celler	Kilburn	Tollefson
Cohelan	Lesinski	Van Pelt
Cooley	McDonough	Westland
Curtis, Mo.	McMillan	Zelenko

So the bill was passed.

The Clerk announced the following pairs:

Mr. Daddario with Mr. Baumhart.
Mr. Addonizio with Mr. Taylor.
Mr. Keogh with Mr. Scherer.
Mr. Shelley with Mr. Minshall.
Mr. O'Brien of New York with Mr. Kilburn.
Mr. Brown of Ohio with Mr. Hoffman of Michigan.
Mr. Anfuso with Mr. Ford.
Mr. Cohelan with Mr. Curtis of Missouri.
Mr. Evins with Mr. Bow.
Mr. Zelenko with Mr. Broyhill.
Mr. Hall with Mr. Simpson of Pennsylvania.
Mr. Lesinski with Mr. Van Pelt.
Mr. Holifield with Mr. McDonough.
Mr. Sikes with Mr. Derwinski.
Mr. Teller with Mr. Bray.
Mr. Powell with Mr. Westland.
Mr. McMillan with Mr. Tollefson.
Mr. Celler with Mr. Reece of Tennessee.
Mr. Carter with Mrs. St. George.
Mr. Frazier with Mr. Gavin.
Mr. Barden with Mr. Canfield.

Mr. HALLECK changed his vote from "yea" to "nay."

Mr. BAKER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

THE ATLAS MISSILE

Mr. WILSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WILSON. Mr. Speaker, the defense of our country was again bolstered today with the announcement by the U.S. Air Force that the Atlas missile was successfully fired at Vandenberg Air Force Base in California. The firing was accomplished by an Air Force team specially trained for this vital mission.

Today's Atlas firing gives the United States our first operational intercontinental ballistic missile. This is a demonstration of American ingenuity and ability to come from behind. It is a remarkable accomplishment in view of the fact that we lagged far behind Russia in this field a few years ago. Today's firing further justifies action by the Congress this year in expanding the number of Atlas squadrons from 9 to 17.

It is altogether significant that this successful flight of the Atlas comes shortly after the Mercury test of last evening. As you know, the Atlas will be one of the primary propulsion units for the "Man in Space" program, and although the second stage of the Mercury shot failed to fire, the reentry of the nose cone gave us much valuable information for future space experiments.

May I take this opportunity to extend congratulations to the Air Force and to Convair, the prime contractor who developed and built the Atlas missile.

INTEREST RATES ON SERIES E AND H U.S. SAVINGS BONDS

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MILLS, HORAN, KING of California, SIMPSON of Pennsylvania, and MASON.

AMENDING MINERAL LEASING ACT

Mr. ASPINALL submitted a conference report and statement on the bill (S. 2181) to amend the Mineral Leasing Act of February 25, 1920.

THE 1964 WORLD'S FAIR

Mr. MILLS. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds to make an announcement on behalf of the majority leader.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the majority leader asked me to advise the membership that the House joint resolution relating to the World's Fair in 1964 will be scheduled for consideration tomorrow under suspension of the rules.

EXTENSION OF REFINANCING LOAN AUTHORITY

Mr. GRANT. Mr. Speaker, I call up the conference report on the bill (H.R. 7629) to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and for other purposes, and ask unanimous consent that the statement of the Managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1141)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7629) to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 17 of the Bankhead-Jones Farm Tenant Act, as amended, is amended (1) by striking out 'June 30, 1959' and inserting 'June 30, 1961' and (2) by striking out of the second sentence the words 'livestock and farm equipment' and inserting in lieu thereof the words 'other assets'."

That the House recede from its disagreement from the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows: Amend the title so as to read: "An act to extend section 17 of the Bankhead-Jones Farm Tenant Act for two years and for other purposes".

And the Senate agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
G. M. GRANT,
CHARLES B. HOEVEN,
PAUL B. DAGUE,
Managers on the Part of the House.

ALLEN J. ELLENDER,
SPESSARD. L. HOLLAND,
HERMAN E. TALMADGE,
GEORGE D. AIKEN,
KARL E. MUNDT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference of the two Houses on the amendment of the Senate to the bill (H.R. 7629) to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The bill as passed by the House struck out the termination date of section 17 of the Bankhead-Jones Farm Tenant Act (authorizing the making of loans for refinancing of farm real estate mortgages) and made certain improvements in the language of the section to provide clearly that growing or recently harvested crops would be included in computing a farmer's assets under the provisions of the section.

The Senate amendment extended the effective date of section 17 from June 30, 1959, to June 30, 1961, and did not make the change in language which was included in the House bill.

The substitute agreed to by the conferees and herewith reported retains the improving language of the House bill relating to assets and agrees with the Senate amendment in extending the authority under the section for only two years.

HAROLD D. COOLEY,
W. R. POAGE,
GEORGE M. GRANT,
CHARLES B. HOEVEN,
PAUL B. DAGUE,
Managers on the Part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CIVIL RIGHTS COMMISSION

Mr. PRESTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PRESTON. Mr. Speaker, as authorized by law, the U.S. Commission on Civil Rights has today made a final and comprehensive report to Congress on its activities, findings, and recommendations. As if concerned more with the publicity of its work than fulfilling its legal obligation to report to Congress its findings, advance information on this report was made available to the press a week ago and I have since been reading in the newspapers and the CONGRESSIONAL RECORD excerpts of the report. My copy has been in my hands only a few hours during which time I have devoted considerable time to studying its findings and recommendations.

It was my hope that the Commission would present a fair and unbiased report, but I have found that its shocking recommendations are basically anti-South and are a throwback to the Reconstruction era. From a perusal of the 200-page abridged version of the report it is apparent that what the Commission recommends in a nutshell is a planned society—one regulated completely by the Federal Government. If followed, its suggestions would, in my opinion, create more discord in racial relations that have been strained to an explosive point as a result of the U.S. Supreme Court decisions. I hope my colleagues from areas outside the South will study this report carefully and see for themselves that the recommendations are not generally supported by facts but are the same proposals that have been advocated repeatedly over the years by the social do-gooders. At a time when we need to remain strong and united at home to meet the grave threats to us from abroad, I urge my colleagues from the North and West to consider the cleavage in our national ranks that could result from following the course set fourth by the Commission. The recommendations would require legislation extending far beyond the most intemperate court decisions. They call for Federal legislation in fields which are, by their very nature, best left to the individual States.

It is noteworthy at this point, I think, to emphasize that many of its recommendations call for new and broader powers of the Commission if its life is extended by this Congress. This is not surprising to me because it seems every time we create any new agency within the Federal Government it immediately adopts as its prime objective a justification of its perpetuation and growth.

The Commission's report contains findings and recommendations concerning civil rights in voting, education, and housing. Especially in the fields of voting and education, the report is in general a denouncement of our pattern of segregation in the Southern States. My own State of Georgia, by implication at least, is held up to the rest of the Nation and the world as a place where minorities are treated unfairly in these particular fields. Yet when the Commission presented its budget before a House Appropriations Subcommittee, on which I have the pleasure of serving, Chairman Hannah, in answers to my questions, testified to the good relations existing in Georgia between the whites and nonwhites in the fields of voting and housing. In fact, Chairman Hannah testified that on the date of the hearings, April 30, 1959, the Commission had received only 17 complaints of all kinds from Georgia while at the same time a total of 51 had been received from New York State. This statistic is not meant as any criticism of the State of New York but is used merely for a comparison.

Beginning on page 1204 of the hearings of the Subcommittee on Departments of State and Justice, the Judiciary, and Related Agencies Appropriations appears the following testimony:

CONCLUSION ON HOUSING IN ATLANTA

Mr. PRESTON. Dr. Hannah, what conclusions did you reach in Atlanta about housing? (The Commission had held hearings in Atlanta.)

Mr. HANNAH. Well, sir, we concluded that there was a story in Atlanta that could well be told to the country. Of course, there is some pretty poor Negro housing in Atlanta, as there is poor housing for Negroes and white folks in other sections of the country, but the Atlanta story is a very interesting story and the progress that has been made in providing an opportunity for Negroes to acquire middle-class, and high-class housing—while it is true they are segregated in areas—they have some very fine communities. This has been a cooperative effort worked out voluntarily by the Negroes and the white people and the city leaders and the mayor and so on.

Frankly, I was surprised and pleased at what we found in the housing area in Atlanta, not because you happen to be a native of Georgia, but there is a better opportunity provided for middle-class and high-class housing for at least some of those Negroes in Atlanta than in many cities in my part of the country. (Dr. Hannah is from Michigan.)

GENERAL LACK OF REGISTERING AND VOTING PROBLEM IN GEORGIA

Mr. PRESTON. Have you found generally in the State of Georgia that the Negro population has no problem about registering and voting?

Mr. HANNAH. Well, from personal investigation, certainly in Atlanta and in many other areas that were brought into our discussions there, that is true.

I think there were some indications that perhaps there were some of the isolated rural areas where that might not be true, but I have no firsthand knowledge of that. It is my general impression the voting situation in Georgia is pretty good and getting much better.

Mr. PRESTON. In my own district there are one or two counties which have more Negro registered voters than white.

Mr. HANNAH. The Congressman recognizes that there are many counties in the South with large populations of Negroes where there is not even one registered.

Mr. PRESTON. You would not find that to be true in Georgia.

Mr. HANNAH. That is correct.

Mr. PRESTON. Georgia is one of the most progressive States in the Union, and one of the most liberal States in the Union.

Mr. HANNAH. I believe that is right. There is a good deal of discussion about this county-unit system in Georgia, but the complaining was done by whites, not by the Negroes.

Mr. PRESTON. We have a similar system in the electoral college.

Since my exchange with Dr. Hannah during the Appropriations Subcommittee hearings did not mention educational facilities in Georgia, I would like to mention here that Georgia has just completed a statewide school building program costing more than $200 million. Percentagewise the Negro children profited more from these new schools than the whites. Not only is every Negro child provided equal educational opportunities in Georgia but he generally acquires this education while in classrooms more modernistic in design, newer, and more comfortable than a white child. We hope that some day we can build schools equally as modern and comfortable for our white children.

I have briefed the Commission's major recommendations and followed them by my criticism as follows:

I. VOTING

1. Recommended that the Bureau of the Census be authorized and directed to undertake, in connection with the census of 1960 or at the earliest possible time thereafter, a nationwide and territorial compilation of registration and voting statistics which shall include a count of individuals by race, color, and national origin who are registered, and a determination of the extent to which such inviduals have voted since the prior decennial census.

Mr. Speaker, in the Commission's own words, this recommendation is based not on information but on a lack of information as to whether citizens are being denied the right to register and vote. Stating that there is a general deficiency of information pertinent to the phenomenon of nonvoting, the Commission makes this comment: "The lack of this kind of information presents real difficulties in any undertaking such as this Commission's." The Commission operated last fiscal year on a budget of $777,000 to gather the very type of information that it now wants the Census Bureau to gather for it. If, during its existence, it has not uncovered evidence that citizens generally are being denied the right to vote, then the Commission should be content. The recommendation can serve no useful purpose but would lead to harassing tactics by Federal authority over the State officials who are charged with supervising the voting machinery.

2. Recommended that the Congress require that all State and territorial registration and voting records shall be public records and must be preserved for a period of 5 years, during which time they shall be subject to public inspection, provided that all care be taken to preserve the secrecy of the ballot.

This recommendation is based on the Commission's alleged findings that lack of uniform provision for the preservation and public inspection of all records pertaining to registration and voting hampers and impedes investigation of alleged denials of the right to vote by reason of race, color, religion, or national origin.

Mr. Speaker, we all know that our election machinery is operated in accordance with State laws and our State legislatures did not write these statutes for the convenience of a Federal agency that wants to pry into our internal affairs. I do not see that it is a proper function of our voting officials to be required under color of Federal law to provide massive records prescribed by the Civil Rights Commission.

3. Recommended that the Civil Rights Act of 1957 be amended so that it shall be a prohibition for any person or group to be denied the opportunity to register, vote, and have that vote counted in an election of a national officeholder.

This recommendation is based on the assumption that boards of registrars deny persons the right to register to vote. While the Commission held hearings in two areas where it was alleged that this occurred, the Commission failed to show that boards of registrars in any part of the country make this a general practice. Furthermore, any person denied the right to register has a redress in court.

4. Recommended that the Civil Rights Commission itself be authorized to apply directly to an appropriate U.S. district court for an order enforcing a Commission subpena issued in cases of contumacy or refusal to obey same.

The Commission apparently is not satisfied with its advisory powers and now wants wide new authority so that it can go into court at the slightest provocation, thereby bypassing the Justice Department, which already has similar powers.

5. Recommended that the President of the United States may appoint a Federal registrar where nine or more individuals (by affidavit) allege they have been denied the right to register to vote on account of race, etc. (Special dissent by Commissioner Battle.)

I think Commissioner Battle, who dissented from the above recommendation, properly did so. He stated:

I concur in the proposition that all properly qualified American citizens should have the right to vote, but I believe the present laws are sufficient to protect that right, and I disagree with the proposal for the appointment of a Federal registrar which would place in the hands of the Federal Government a vital part of the election process so jealously guarded and carefully reserved to the States by the Founding Fathers.

II. EDUCATION

1. Recommended that Congress authorize the Commission to act as a clearinghouse on information for public-school desegregation.

Mr. Speaker, the Commission states that one of the reasons this recommendation is made is because many school districts "have been confused and frustrated by apparent inconsistencies in decisions of lower Federal courts" relating to school integration. I am glad to see the Commission admit that the court decisions have caused confusion and frustration in this field, because that is what some of us here in Congress have been trying to get across all along. This Commission was not created to implement the Court decision of May 17, 1954, but it now seeks to become an arm of the Supreme Court.

2. Recommended that the Office of Education of the Department of Health, Education, and Welfare, in cooperation with the Bureau of the Census and Department of Commerce, conduct an annual school census to show the number and race of all students enrolled in all public educational institutions in the United States. Such data would be compiled by States, by school districts, and by individual institutions of higher education within each State.

Mr. Speaker, the information which the Commission seeks with this recommendation already is available in every State educational office in the Nation.

III. HOUSING

1. Recommended that an appropriate biracial committee or commission on housing, with investigatory, mediatory, and conciliatory powers, be established in all cities and States with substantial nonwhite populations.

This recommendation is entirely unnecessary and is a further invasion of the right of local communities to make their own determinations consistent with local conditions and traditions.

2. Recommended that the President by Executive order state the constitutional objective of equal opportunity in housing. Also that the Civil Rights Commission be requested to continue to study and appraise the policies of Federal housing agencies, to prepare and propose plans to bring about the end of discrimination in all federally assisted housing and to make appropriate recommendations.

This recommendation is a clear duplication of activity already engaged in by the executive branch through its housing agencies. It would further enable one commission of the Government to superimpose its policies upon another executive agency of the Government. This recommendation illustrates how far afield the Commission has gone.

3, 4, 5, and 6. Four recommendations involve the Federal Housing Administration, the Veterans' Administration, the Housing and Home Finance Agency, and the Public Housing Authority.

If all the Commission's recommendations in the field of housing are carried out, it would virtually deprive Southern States of the right to participate in any of the programs administered by the Federal housing agencies.

And, now, Mr. Speaker, the Commission wants to extend its life. For what good, may I ask?

What a pity that sectionalism has dulled the judgment of so many in high places.

MASSACHUSETTS DAIRY INDUSTRY

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the independent dairy farmers and the consumers of Massachusetts are threatened by a proposal that would make them captives of the 19 New England cooperative associations.

The Agricultural Marketing Agreement Act of 1937, under the impact of the depression, sought uniformity as a means of stabilizing the price of milk. The danger of monopoly control was implicit in the original act. The cooperatives and the big distributors have been inching toward absolute control over the production and price of milk ever since 1937.

You do not see many cows in the Massachusetts countryside today. The smaller dairy farms have been forced out of business by the big milk companies that want to concentrate production in Vermont, New Hamphire, and Maine, under conditions that will give them full control. The independent dairy farmers and the consumers are the victims of this growing monopoly.

The intent is hidden in the vague and disarming language of these proposals to be considered at a public hearing to be held in the Federal building, Boston, Mass., on September 9.

Proposal No. 11 appears innocent enough on the surface. It reads:

Amend the producer-handler definition in sections 904.2(i), 996.2(i), and 99.2(i) of the Greater Boston, Springfield, and Worcester orders, respectively, to limit its application to a person (1) whose own farm production does not exceed 1,075 pounds on a daily average during the month and whose only source of supply for fluid milk products is milk of his own farm production and packaged fluid milk products from pool plants, or (2) whose sole source of supply for fluid milk products is milk of his own farm production. (Proposed by the New England Milk Producers' Association; Northern Farms Cooperative, Inc., and Maine Dairymen's Association, Inc.)

Commenting on "sole source of supply" in the above definition, a leading dairy farmer in my district, whose family has been in this business for generations says:

There is no such animal. We all have to buy once in a while—cream, butter, milk, etc.

This deceptive definition limits the application of "producer-handler" under (2) to circumstances that do not exist.

Proposed amendment No. 11 will force producer-dealers—farmers who produce and process their own milk—to equalize with other producers in the Boston pool. This proposal says that any farmer who produces and sells over 500 quarts of milk daily will have to enter the pool.

If we are not recognized as a producer-handler, we are automatically in the pool—

Says the dairy farmer—

and are assessed about 1½ cents per quart. We produce 3,000 quarts daily. Our bill, therefore, would be about $15,000 yearly. Who will be affected by Proposal No. 11? Every farmer who produces and sells his own milk, except those who handle less than 500 quarts and who do not buy any other milk, cream, or dairy products. Who is behind this proposal? The large dealers who seek to eliminate the smaller producer-dealers. This proposal would put many farmers out of business. It would also:

Discourage agriculture in Massachusetts.

Throw agricultural employees out of work.

Favor the Vermont, New Hampshire, and Maine farmers.

Eliminate competition.

Discourage young farmers from entering the field.

Give more power to the monopolies who who have already driven thousands of small Massachusetts farmers out of business.

This dairyman speaks for the many small farmers in Massachusetts that we need to help supply our own milk needs without having all supplies eventually shipped in from other States. And I speak for the Massachusetts consumers in asking the Secretary of Agriculture not to approve of proposal No. 11 which encourages monopolistic control and higher prices that are detrimental to the public interest.

PLIGHT OF THE CLOTHING INDUSTRY IN THE UNITED STATES

Mr. BARRETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BARRETT. Mr. Speaker, Japan is just about to completely destroy the clothing industry in the United States.

For the past 2 years I have been carefully checking her exports of ready-made clothing because of the steady decline of the clothing industry here in America. Production is at an alltime low and thousands of men and women are unemployed because domestic manufacturers are losing many of their contracts to foreign nations. This is a grave injustice to our working people in the industry and I appeal for your support in protecting them by expressing your opposition to the President.

In 1957 Japan, as a beginning, exported 55 readymade woolen men's suits and 24,598 pairs of ladies slacks and men's trousers to the States. The following year she increased her production and shipped 7,395 suits and 158,081 pairs of pants. During January and February of this current year, she exported to our shores 949 suits and 28,590 pairs of assorted trousers. As you can see, her production is increasing at such a rapid pace that I seriously doubt that we will be able to purchase American made union clothing within the next 10 years.

Today I received an up-to-date report on Japan's export of clothing to us and was amazed to learn that she shipped approximately 4,000 suits during the first 6 months of 1959. According to estimates, the Japanese expect to make 3,000 suits each month for the remainder of this year. In addition, she expects to send to the States between 2.4 and 3 million pairs of trousers.

Based on these facts, is it any wonder the American clothing industry is in a slump? We certainly cannot compete in a market where campetitive foreign prices are far below our minimum standards—and it would be grossly unfair to expect our men and women to work for a few pennies a day like the Japanese are doing.

Mr. Speaker, we are supposed to be living in the land of opportunity where everyone has the right to earn a living. It appears to me that we are giving this opportunity to everyone, except Americans.

WHAT WILL CONGRESS DO ABOUT "THE INVITATION TO KHRUSHCHEV?"

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, "Desecration Day" is now only a few days away, and the clock ticks on.

To the watchful and waiting world, the silence of Congress is interpreted as an endorsement of "the invitation to Khrushchev."

I do not believe that the Congress has been taken in by this psychological error of far-reaching consequences.

As representatives of the American people, I believe that we should speak up for them. The mail coming to our offices clearly shows their revulsion and their anger at the proposal that we should be courteous to this assassin of freedom right in our own homeland.

While we hesitate, time is running out.

If we fail to act before September 15, history will freeze the fact that we did not have the courage to speak up for freedom.

Someone has proposed that Congress should invite Khrushchev to address the Congress and advise us how to promote world peace.

This suggestion is an insult to our self-respect.

The American people will denounce and repudiate any person in public life who advocates moral surrender.

What then will Congress do about the invitation to Khrushchev?

Shall it adjourn in order to avoid embarrassment to itself?

That would be running away from its responsibilities.

Shall it stay in session to spread upon the record the life and crimes of Khrushchev and communism?

That would be defensive at best.

What we need is positive action, consistent with American principles, ideals, and courage. For too long have we been the victims of our own caution and timidity. We have forfeited initiative to the Communists, permitting them all the advantages of action, to which we have feebly responded by counteraction.

The invitation to Khrushchev is the latest and most painful illustration of the gear-slipping reaction of the United States to the wearing-down pressures of communism.

Retreat two steps, advance one step, retreat two steps.

By alternating the carrot with the stick over a period of 2 years, Khrushchev has finally forced an invitation from the White House.

The administration, concerned with the material costs of maintaining the security of the free world, becomes impatient. It thinks it can prevail upon Khrushchev to desist from aggression, both direct and indirect, and to agree to mutual disarmament that will "enable the Russan people, like ourselves, to enjoy more of the fruits of their labor."

Khrushchev smiles, as he detects a weakening of our will and our stamina.

"The Americans are not aware of it, but we are conditioning them to make those concessions that, under the guise of promoting peace, will be exploited by us for the advantage of communism."

The resolution by the Congress designating the third week of July as Captive Nations Week was contradicted, less than a month later, by the invitation to Khrushchev.

How is Congress going to correct this impression of moral surrender?

Khrushchev believes that our silence means consent.

Again I stress the imperative need for action by the Congress.

We have the opportunity through the resolution which I have introduced, stating our unyielding opposition to any recognition, actual or implied, of Communist enslavement of the captive nations. The language of the July resolution only

expressed sympathy. The present one commits us to work for the peaceful liberation of the satellite states.

Where does Congress stand on this declaration of freedom for all?

By voting for this firm resolution we can recover the world respect and the self-respect that was lost through the invitation to Khrushchev.

PLAN NOW FOR THE EXPLOSION IN COLLEGE ENROLLMENTS

Mr. DIXON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DIXON. Mr. Speaker, earlier this year I introduced H.R. 5467 to authorize the appropriation of $2½ million to enable States to inventory their higher education facilities, projects, future enrollments, and plan methods of meeting these expanding needs.

I introduced a similar bill in the last Congress and hope the Congress will enact a measure of this type because the benefits will be enormous relative to the cost which is minor.

The first benefit is that it will stimulate study and then action by the States to meet their own college needs. This will keep the financing and control of our State institutions primarily in the hands of the States. On the other hand, if we allow the explosion of college enrollments to arrive without adequate planning, the pressures for Federal aid as a primary solution will be enormous.

The second advantage is that advance planning can help us preserve a democratic higher education system. It has been estimated that if we don't step up the construction of college buildings by 1970 college gates will be closed to one out of three young people who want to attend. As an indication of the magnitude of the enrollment explosion, during this past year we had something over 3 million students enrolled in colleges. Yet an almost unbelievable 7,254,176 will be enrolled by 1975, assuming that the percentage of college-age people attending college continues to grow at the same rate it has over the past 20 years—the College Blue Book, 1959, page 919.

In my own State of Utah, for example, there are 31,544 people enrolled in college. This is 64 percent of the population of the State between the ages of 18 and 21—far and away the highest percentage of any State in the Union. If this percentage increases at only one-sixth the rate of its annual increase over the past decade, it will give us a college enrollment in 1975 of 67,646, considerable more than twice our present enrollment.

It is entirely possible that these enrollment projections for the Nation could be conservative. For example, about one-half of the top quarter of America's high school graduates now attend college. Consider this fact in comparison with the growing recognition of the value of a college education combined with the increasing ease of financing a college education. It becomes evident that the percentage of people attending college could expand even faster in the future than it has in the past.

The third major benefit which comes from promoting immediate planning by the States is the fact that necessity is the mother of invention, and early public discussion of striking future needs for our colleges will create a climate favoring beneficial innovations in college teaching and administration. Naturally immediate advanced planning will allow the States time to experiment with novel methods of greatly increasing the productivity of teachers and facilities.

The fourth major benefit which would result from this early planning would be the fact that there would be time for the coordination and exchange of plans and ideas among the States. This would multiply the effectiveness and benefits received from these new ideas.

Some examples of the areas where changes must be explored are:

First. Making better use of present facilities. There can be no justification for continuing the luxury of holding nearly all classes in the morning hours. There are universities where any time after 2 o'clock in the afternoon you could shoot a gun in virtually any direction from the center of the campus with little prospect of hitting anyone. Some studies indicate that on a 45-hour week basis existing classrooms are utilized not more than 50 percent of the time. I would like to illustrate that this poor utilization can be changed. The Brigham Young University in Utah has increased its enrollment from 5,000 to approximately 12,000 students in 8 years. They have spent $30 million on new building, but at the same time they have started scheduling full class loads from 7 a.m. to 5 p.m. It is revolutionary to see almost every classroom on the campus filled at 7 by early rising students, yet their scheduling has been so effective that now 95 percent of all of their classrooms are utilized between the hours of 7 a.m. to 5 p.m.

Second. Low interest classes will have to be reevaluated. Some studies indicate that some one-third to one-half of all classes total in enrollment about 10 students or less. In some colleges there is a tendency for curriculum to be based more on the particular interests of the teachers than student demands. While there will be some small classes, obviously, to fill specific needs, many classes with only 3, 4, or 5 students can easily be dropped and the teacher shifted to classes which are in greater demand and where he is more productive.

Third. Plans to expand and use our college facilities over the summer. Some professional schools have succeeded in developing full year-round utilization of their classroom space.

Fourth. We must expand the productivity of our educators through the assistance of technological devices. For example, Weber High School in my home county in Utah has established a television circuit which enables them to utilize a large auditorium which is saving them from building 10 additional classrooms. They are confident that by selecting outstanding teachers they can give the benefits of high quality teaching to many more students through the TV circuit.

Several parts of the country are now experimenting with teaching machines of different types wherein a student is tested after each major segment of the lecture, and if he cannot show by answering correctly multiple choice question that he understood that portion of the lecture, it is repeated for him. This has enormous advantage over a classroom lecture which may leave behind many confused students. At the same time, of course, the warmth and personal contact of the teacher can never be entirely replaced by machines. However, some striking preliminary results are emerging. For example, because of the ability of a machine to insist that a point be thoroughly understood before it moves on, 14 fifth graders who took arithmetic instruction by machine averaged twice as high on their scores as 14 comparable fifth graders who were taught by normal methods.

Alexander Schure, the president of the New York Institute of Technology, has suggested "a good college teacher should be worth $15,000 a year—present national average $6,630—and he would be if his productivity were increased, with the routine clerical drudgery of testing absorbed, and with basic content taught by these machines."

Fifth. In addition to all of the technological devices and improved utilization of present facilities new facilities will also have to be built. By advanced planning States can develop the best arrangements for new junior colleges, new branches of existing universities, adding 13th and 14th grades to high schools, creating new technological institutes, and expanding existing campuses.

The States can surely best meet their needs by advanced research and planning rather than by trying to meet the problem of the college enrollment explosion as it takes place. Passage of my bill, H.R. 5467, will help insure this advance preparation.

POST OFFICE DRIVERS OF LYNN, MASS.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, an example of good citizenship, responsible behavior and real devotion to duty was given in a most practical manner by the drivers of post office vehicles in Lynn, Mass.

The post office drivers of Lynn proved that safety on the highways is possible of attainment and set a goal for all drivers to attain.

These careful and considerate drivers, exposed to daily traffic hazards, menace of poor and reckless drivers, inclement weather, treacherous roads and an exacting schedule of operations, received from the National Safety Council first place award for the Commonwealth of Massachusetts and placed 24th in rank for all of the United States for safe and accident-free driving.

Most of us know that postal employees generally constitute an efficient, earnest, and capable corps of Government employees. The award, of which I am justifiably proud, also illustrates that they are responsible and exemplary.

Postmaster Thomas A. Wilkinson and his safety officer, Augustus A. Rossi, are to be complimented as well as the 16 vehicle drivers, recipients of the safe driver awards, who made this distinguished record possible by at least 36 months of vehicle operation without a preventable accident. Due acclaim must be given to the drivers, Alfred C. Hill, Harold C. Kingman, Carl G. Olson, Franklin M. Hathaway, Leonard J. Warren, Joseph Martel, David K. Willson, William C. Taylor, Lawrence Greene, Vincent Regan, Earl E. Shaw, Albert H. Drake, John R. Pasquale, Roderick P. Roberts, Joseph H. Hallissey, Zygmunt W. Skranda, and for safe driver awards for less than 36 months to Charles G. Tournas, Edward A. Nadeau, and John J. Gronin.

FREEDOM OF THE PRESS AND TARIFF NEWS COVERAGE

The SPEAKER. Under the previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 20 minutes.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, on July 30 of this year I made some remarks on freedom of the press on the floor here and I was joined by a number of colleagues who felt as I did about the failure of the metropolitan press to give proper coverage to the so-called protectionist side of the tariff and trade question over the years.

In the course of the discussion there was inserted in the RECORD correspondence relating to this subject between Mr. O. R. Strackbein, chairman of the Nation-Wide Committee on Import-Export Policy and Mr. J. Russell Wiggins, president of the American Society of Newspaper Editors and executive editor of the Washington Post.

The Strackbein letter was in the nature of a strong complaint about press bias in reporting the news arising from the great controversy over the tariff and trade agreements. He charged that the case of the protectionist forces had been given to the country through the newspapers in fragmentary and wholly inadequate fashion in contrast to the full coverage given the freer trade side.

He asked that his complaint be placed before a committee of the Society of Newspaper Editors. This was denied by Mr. Wiggins on the grounds that there was no provision for a committee that was authorized to hear such complaints.

Having failed to gain satisfaction in that direction Mr. Strackbein has now offered a cash payment of $2,000 to Mr. Wiggins or the society if they can answer a list of questions in relation to the tariff and trade question, with citation of newspaper sources for their information. The questions are designed, not to test the level of information possessed by those to whom they were submitted, but rather to probe the newspaper coverage. No answer would be valid without citation of a newspaper, date, page, and column in which the information could be found.

The usual way of checking news coverage includes measuring the number of column inches of space devoted to a subject and this has considerable merit. The question, however, is sometimes raised whether news can be tested by quantity. The test here devised gets at the substance of the news and should be a more thorough probe than that provided by merely counting the space.

The questions formulated by Mr. Strackbein relate to the various subjects that have developed during the course of the tariff controversy under the trade agreements program, such as extent of tariff reductions by the United States compared with other countries; the origin and status of GATT—General Agreement on Tariffs and Trade; the ITO—International Trade Organization; OTC—the Organization for Trade Cooperation; CRI—Committee for Reciprocity Information; import quotas; the escape clause; the peril point; State Department domination of our foreign trade; loss of power by Congress over the regulation of foreign commerce; and similar aspects that should have been as newsworthy on the one side as the other.

The inquiry seeks to establish to what extent the news of the day as carried in the newspapers reflected the two sides of the debate, and how well the public could have been informed on the protectionist side of the subject had it read the newspapers.

The allegation is that the newspapers fell far short of their function of informing the public without fear or favor in this controversy, so that the readers could have reached a sound conclusion by exercising their judgment on the merits of the issue.

Under leave to extend my remarks, I include the proposal made by Mr. Strackbein in the RECORD at this point. This will include his covering letter to Mr. Wiggins and the list of questions submitted for answer.

I also offer for the RECORD immediately following the foregoing the reply of Mr. Wiggins and Mr. Strackbein's reply to him.

THE NATIONWIDE COMMITTEE ON IMPORT-EXPORT POLICY,
Washington, D.C., August 26, 1959.

Mr. J. RUSSELL WIGGINS,
President, American Society of Newspaper Editors, Washington, D.C.

DEAR MR. WIGGINS: Although you expressed yourself in your last letter (July 15) to me as being bored with my correspondence and as considering me a nuisance I feel compelled to write you again since you are the only president of ASNE. In ordinary circumstances pride would perhaps prevent my further imposition on you; but these are not ordinary circumstances; and personal feelings, I think, should be left to one side.

You will recall making much of the fact that I had not submitted to you evidence in support of my complaint against the failure of the metropolitan press to present adequately the protectionist point of view in the tariff and trade news over a period of years.

My first letter, dated June 18 (see CONGRESSIONAL RECORD of July 30) made certain charges. It was not intended as offering evidence. I sought to ascertain what would be the reception accorded such charges before detailing them; and as it turned out I was soon enlightened. You said you disagreed with my allegations and that there was therefore nothing to discuss. Thereafter you wondered why I did not submit evidence to you. I thought you had prejudged the case and asked you for the names of members of any committee that might receive evidence. You said there was no such committee.

There is a committee of ASNE known as the Freedom of Information Committee; and I have been in touch with them.

The purpose of this letter is, however, somewhat different. Its purpose will reveal itself as it unfolds.

You have said that you disagree with my charges. I am fully convinced that my complaint was fully justified and that the facts will sustain the allegations.

How then go about verifying my charges?

One method would be to count the relative amount of space devoted by leading newspapers to each side of the tariff and trade issue over the past 10 or 12 years. This can be done; and I have not a shadow of a doubt of the showing. However, the question would quickly be raised whether news can properly be judged quantitatively. Also, the failure of the press would not thus be related to the substance of the complaint.

I have considered this problem from various angles and have come to the conclusion that one of the best methods of resolving the question of news coverage of the tariff and trade problem during the postwar period is to run a test of what should have been in the news, if the news was to be unbiased, and then to ascertain whether the newspapers actually carried balanced reports on the question You will recall that my charge was not that the newspapers had devoted too little space to the tariff and trade controversy as a whole, but that the protectionist side had been badly slighted.

In order to cover the various vital parts of the controversy the general subject has been broken down into its principal elements for more ready identification and tracing through the news columns. It will thus be much easier to determine whether the issues as they have arisen on various vital aspects of the question have been covered by the newspapers.

The answers to some of the questions set forth will be obvious. Some of the answers, moreover, cannot go far astray where a choice of numbers is supplied.

The following proposal is offered to yourself and to the members of the Freedom of Information Committee of the American Society of Newspaper Editors:

1. A cash payment of $2,000 will be made by me to anyone of the group just mentioned if he himself or in combination with other members of the group supplies a correct answer to the attached list of questions, provided that newspaper citations are given in support of each answer. These citations must give the name of the newspaper or newspapers, the date of the issue, the page number and the column in which the news item is found. At least three metropolitan newspapers, not necessarily the same in successive answers, must be cited for each answer.

2. The passing grade for entitlement to the payment of the $2,000 will be 75 percent. Only one payment will be made. It will be drawn on my personal account.

3. The judge will be a referee, not of a newspaper profession or occupation, but mutually agreed to by yourself or the Freedom of Information Committee and the undersigned.

4. Correct answers that are not supported by newspaper citations as set forth above will count as zero.

5. No restriction is placed on the help that may be enlisted to obtain answers and citations from newspaper files. I shall be glad to supply dates for many of the events covered by the questions so that the newspaper search may be greatly reduced.

6. Trade journals, magazines, or newsletters do not qualify as newspapers. Only daily newspapers publishing a minimum of 6 days a week will be considered.

7. The closing date of this offer is October 15, 1959. All submittals must be in my hands on or before that date.

Since the test of this inquiry is newspaper coverage of the subject the easily answerable character of some of the questions is immaterial since credit for the answer depends upon verification from newspaper files. This is not a test of knowledge.

Sincerely yours,

O. R. STRACKBEIN,
Chairman.

QUESTIONS DESIGNED TO TEST NEWS COVERAGE OF THE TARIFF AND TRADE ISSUE

1. THE TARIFF AND OTHER TRADE BARRIERS

(a) Was the average protective effect of our tariff in 1958 less than its average level during the period from 1931–35 by 70 percent, 75 percent, 80 percent? What was the principal cause of this great reduction?

(b) Do other leading trading nations rely principally on tariffs for the regulation of their foreign trade? If not, what other devices are principally used?

(c) Have the practices of other countries in the widespread use of nontariff restrictions been denounced in this country? In Congress? When? By whom?

(d) Is the use of quotas, exchange controls, import licensing systems and similar restrictions employed by other countries permitted under the provisions of the General Agreement on Tariffs and Trade?

(e) Is the United States as free as other countries today to employ import quotas, import licenses, or other nontariff devices to restrict imports? If not, why not?

(f) Is the United States in violation of the general agreement as a result of quotas imposed on imports of certain agricultural products?

(g) Has the United States been granted a waiver on these quotas by GATT? If so, by what authority does GATT permit the United States to regulate its imports?

2. IMPORT QUOTAS

(a) Are import quotas a means of regulating foreign commerce? If so, what restraints have been placed on our use of them?

(b) Under the General Agreement on Tariffs and Trade (GATT) are we free to impose import quotas without violating the terms of the agreement? To what extent?

(c) What percentage of our imports may we regulate by quotas without violating GATT? Fifteen percent, 20 percent, 25 percent? (Select the nearest percentage.)

(d) How did GATT gain its authority to grant the United States a waiver, permitting us to use import quotas?

(e) Has this question been raised in Congress? If so, on what grounds? By whom?

(f) Has any general import quota legislation been proposed in Congress within the past 5 years? If so, who introduced the legislation? What has been the general character of such proposals? What is the present status of such legislation?

(g) Would such legislation restore to Congress its right to legislate import quotas without violating international commitments made by the Department of State?

(h) Has Congress lost its power to regulate foreign commerce without at the same time violating our trade agreements? If not, explain how Congress might act to preserve its right and power to act freely.

(i) May the Tariff Commission recommend the imposition of import quotas? How often has it done so? Were its recommendations in violation of GATT?

(j) What was the result of these recommendations of the Commission?

3. ITO, GATT, OTC

(a) The charter of the International Trade Organization (ITO) was sent to Congress by President Truman as (1) a treaty, (2) an executive agreement, (3) other, in 1950?

(b) What progress toward approval of the ITO was made in Congress?

(c) Why did the President withdraw the charter from Congress?

(d) Was the ITO to be a specialized agency of the United Nations?

(e) The United States, which does about 20 percent of the world's trade, would have had how many votes in the ITO: 1, 5, 10, 20?

(f) What congressional committee made a detailed examination of the ITO charter?

(g) What was to be the relationship of the ITO to the General Agreement on Tariffs and Trade (GATT)?

(h) Was the general agreement, signed in 1947, submitted to Congress, as (1) an executive agreement, (2) a treaty, or (3) what other disposition was made of it?

(i) Was the question of relationship between the ITO and GATT raised as a serious question under a thorough, prolonged and searching examination in Congress? By whom? What was the principal concern?

(j) In what position did the demise of the ITO leave GATT? If ITO was to administer GATT but the ITO failed to gain the approval of Congress, where did this leave GATT in point of legitimacy?

(k) In what respect did the Organization for Trade Cooperation (OTC), the articles of which were signed by the United States in 1955, duplicate the ITO charter that failed before Congress?

(l) In what respects could the OTC have converted itself into a veritable replica of the ITO and the OTC been approved?

(m) In what manner were the articles of agreement of the OTC amended by the Ways and Means Committee to overcome the strong objections to them? Did the committee succeed in its amendments in overcoming the objections that the OTC could through its relationship to GATT come into a position of depriving Congress of its power to regulate our foreign commerce?

(n) In 1956 the Ways and Means Committee reported the OTC resolution; but the legislation did not reach the floor. Why in the succeding Congress did the committee fail to report the resolution at all?

(o) What were the principal objections urged against approval of the OTC?

(p) Why has the General Agreement on Tariffs and Trade never been sent to Congress for approval, even though it now exercises many of the functions proposed for the ill-fated ITO and OTC?

(q) Has this question been raised in Congress? When? What was the resolution that called for submission of GATT to Congress? What was the reply of the Department of State?

(r) Has the general agreement been approved by Congress indirectly?

4. REGULATION OF FOREIGN COMMERCE

(a) Under the Constitution what branch of the Government is empowered to regulate the foreign commerce of the United States: (1) the executive branch, (2) the judicial branch, or (3) the legislative branch?

(b) What are the constitutional means of regulating foreign commerce: (1) tariffs, (2) import quotas, (3) import licenses, (4) exchange controls, (5) bills of lading, (6) quarantines, (7) executive orders? (Select five.)

(c) Does Congress today have full and untrammeled power to regulate our foreign commerce? If not, what restrictions hamper its freedom?

(d) Has the State Department participated in the regulation of our foreign commerce during the past 15 years? If so, how?

(e) Does State Department participation in this function interfere with or curtail the power and responsibility of Congress?

(f) Does the Department of Commerce regulate our foreign commerce? If so, how?

(g) Has the Department of Commerce arranged for foreign restrictions on exports to the United States? If so, with what countries? In what manner? By what authority? Was Congress consulted?

(h) Has any widespread dissatisfaction been expressed over the part played by the executive branch in the regulation of foreign commerce? What have been the principal grounds of objection? Where and how have these objections been expressed? By whom?

5. EXECUTIVE ASSURANCES

(a) Name the three Presidents who have given solemn assurances since 1934 that no American industry would be jeopardized or seriously injured by the trade agreements program. What did each one say on this subject at various times?

(b) To whom were these assurances made: (1) Congress, (2) House Ways and Means Committee, (3) Senate Finance Committee, (4) the public; or all four?

(c) Did the several Secretaries of State, Assistant or Under Secretaries of State, and sundry other Cabinet officials also make such promises to the Ways and Means Committee and the Senate Finance Committee in public hearings? If so, were these assurances made only in passing or were they made under prolonged and detailed questioning by members of both committees during successive hearings on the extension of the trade agreements program?

(d) To what extent was the escape clause referred to as a dependable safeguard against injury by these executive witnesses when they appeared before the congressional committees: (1) extensively, (2) very extensively, (3) most extensively?

6. THE ESCAPE CLAUSE

(a) What was the origin of the escape clause of the trade agreements program: (1) administrative, (2) executive, or (3) legislative? Or a combination of these?

(b) By whom is it administered: (1) an independent agency, (2) the President? Or both?

(c) Has there been widespread dissatisfaction over its administration? If so, what has been the nature of the complaint? By whom and where expressed?

(d) Has the administration of the escape clause fulfilled the numerous executive assurances to domestic industry?

(e) How many cases have come before the Tariff Commission under the escape clause: 90, 95, 100?

(f) In how many of these cases has the Tariff Commission recommended a remedy against injury to the President: 25, 30, 32?

(g) In how many of these cases did the President grant relief: 9, 10, 11?

(h) In how many of the latter did the President dilute the Tariff Commission's recommendation: 7, 8, 9? Has this record been regarded as failing to honor the Presidential assurances? By whom?

(i) Has Congress at any time amended the escape clause to strengthen its provisions in behalf of domestic industry in keeping with the executive assurances? How many times: 3, 4, 5?

(j) Have these amendments produced any visible or recognizable difference in the Presidential rejection of Tariff Commission recommendations? Has public attention

been called to the virtual nullification of such legislation by the Executive?

(k) How many unanimous Commission recommendations have been rejected or set aside by the White House: 6, 8, 9?

(l) Is there any bill before Congress today relating to the escape clause? If so, what does it propose? What is its status?

7. PERIL POINT

(a) What is the "peril point" in trade agreements terminology? To what peril does it relate and how was the peril point concept given form?

(b) What is its relation to the escape clause? To GATT? Is it recognized by GATT?

(c) Who makes peril point findings? Have such findings been honored?

(d) Has any attempt been made to repeal the peril point legislation? Did it succeed? Was the legislation subsequently reenacted? Has it since been challenged in the Senate? What was the vote?

(e) Is the peril point regarded as giving effect to the numerous executive assurances that domestic industry was not to be seriously injured? If so, by whom?

8. CRI

(a) What is the Committee for Reciprocity Information?

(b) What is its functions?

(c) Does it have statutory standing? Does it speak for Congress?

(d) Have numerous and bitter complaints been expressed over its methods? If so, where have these complaints been lodged? Have the procedures of the committee been altered as a result of these complaints?

(e) Is there any connection between Congress and the CRI? Or do its reports go only to the trade agreement negotiating teams? Does it represent only executive departments?

(f) May the recommendations of the CRI override the peril point findings of the Tariff Commission, which is an agency of Congress?

9. GENERAL

(a) In the disposition made of congressional authority over the tariff and the regulation of foreign commerce since 1934, has the separation of governmental powers been violated? Has this question been seriously raised and debated? When? Where?

(b) What branch of the Government in actual practice regulates the foreign commerce of the United States today? Has this issue been raised seriously? When? Where?

(c) Is the responsiveness of Congress to the electorate in the matter of injury from import competition destroyed if Congress has lost its function of regulating foreign commerce? Has this allegation been raised as a serious objection in Congress and elsewhere?

(d) Has it been charged that State Department influence, exerted through the presidency, has raised foreign policy considerations above the welfare of domestic industry? Where? When? Seldom or frequently?

(e) Has the State Department abridged the power of Congress to legislate freely toward the regulation of foreign commerce:

(1) Through provisions inserted in trade agreements:

(a) By agreeing in the General Agreement on Tariffs and Trade to renounce the use of import quotas?

(b) By binding tariff rates at agreed levels?

(c) By agreeing not to put a tariff on items on the free list?

(d) By threatening trade reprisals?

(Select 3.)

(2) Through congressional abdication?

(3) Through usurpation of power?

Have objections been leveled against these practices? When? Where? How frequently?

BROOKLINE, MASS., *September 1, 1959.*

O. R. STRACKBEIN,
Committee on Import-Export Policy, Washington, D.C.

DEAR MR. STRACKBEIN: Your recent letters were forwarded to me here where I have been on vacation.

Thank you for your comments on the Washington Post. I am glad you finally are persuaded that there is no ASNE committee created to sit in judgment on newspapers, but I am sorry that you felt obliged to infer that I lied when I said no such committee existed. The Freedom of Information Committee, of course, has no such function.

I will lay before the board of the ASNE when it meets in October your proposal of August 26. It seems to me most doubtful that the ASNE would engage in such an operation, involving staff and facilities that we do not possess but I shall lay the matter before them.

Sincerely,

J. R. WIGGINS.

SEPTEMBER 3, 1959.

Mr. J. RUSSELL WIGGINS,
President, American Society of Newspaper Editors, Washington, D.C.

DEAR MR. WIGGINS: I am happy to have your letter of September 1 in response to mine of August 26 in which I made a proposal to you as president of the American Society of Newspaper Editors.

Let me say that I had no intent to infer that you were lying when you said the ASNE had no committee before which a complaint such as that contained in my letter of June 18 could be laid. I simply was amazed and said in effect "There must be such a committee." This was an expression of incredulity, not over your veracity but over the absence of such a committee. I added that, "Perhaps this is what is wrong." To that I will say "Amen."

My understanding is that your Freedom of Information Committee is supposed to see to it that the government, Federal, State or local, does not suppress information that the public is entitled to. This is a commendable office. You, I believe will agree, on reflection, that we the readers have an equal right to try to see to it that the newspapers themselves do not suppress or distort what we are entitled to know.

In any case, I note with satisfaction that you will lay my proposal before the ASNE board in October. For this action I thank you.

Sincerely yours,

O. R. STRACKBEIN,
Chairman.

Mr. Speaker, it is heartening to know that Mr. Wiggins has now agreed to submit the proposal to the board of the American Society of Newspaper Editors. I am sure that they will give the matter the serious attention and consideration to which it is entitled.

I am sure that many of us will be greatly interested in the disposition made of the complaint.

GEN. LEMUEL C. SHEPHERD, JR.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. THOMPSON] is recognized for 20 minutes.

Mr. THOMPSON of Texas. Mr. Speaker, in a few days a distinguished soldier will be retired from the active service of the U.S. Armed Forces for a second time. He is Gen. Lemuel C. Shepherd, Jr., former Commandant of the U.S. Marine Corps, and presently Chairman of the Inter-American Defense Board. I find with great interest that it is not only those of us who have served in the Marines with General Shepherd who appreciate his qualities. I have just read the views of Father Joseph F. Thorning, associate editor of World Affairs, concerning the general. He expresses so well my own sentiments that I can do no better on this occasion than to read into the RECORD Father Thorning's article. The Father and I join in wishing General Shepherd well in his new retirement. We are consoled by the thought that his leadership, military acumen, and wise counsel will continue to be available to the American people on a moment's notice. The article follows:

GEN. LEMUEL C. SHEPHERD, JR., U.S. MARINE CORPS, RETIRES AS CHAIRMAN OF THE INTER-AMERICAN DEFENSE BOARD AFTER 3½ YEARS AT THE HELM OF THIS INTERNATIONAL HEMISPHERIC ORGANIZATION

After having completed a long and distinguished career in which he already had attained the highest position within his profession, that of Commandant of the U.S. Marine Corps, Gen. Lemuel C. Shepherd, Jr., USMC, was recalled to active duty by President Eisenhower in 1956 to assume the chairmanship of the Inter-American Defense Board, a position he has held continuously during the last 3½ years and which he now relinquishes as of September 15, 1959. General Shepherd has discharged these duties with singular merit and distinction, not only to the advantage of the member nations accredited to this international hemispheric defense organization but also to the advantage of our own defense posture within the hemisphere, thus reflecting great credit upon the leadership of the United States and its Armed Forces in this delicate military-diplomatic field.

The Inter-American Defense Board was formed in 1942 during the third meeting of Foreign Ministers of the American Republics in Rio de Janeiro as a temporary World War II defense measurement. Subsequently, in 1948, as a result of the IX Inter-American Conference at Bogotá, the Board was given permanent status with the mission of preparing for the collective self-defense of the hemisphere against aggression.

While the composition of this organization is international in character and consists of high-ranking military representatives of the 21 American Republics of the hemisphere, the chairmanship, in accordance with the regulations of this international organization, must be provided by that nation, which the member nations have decided should be the headquarters for this organization. Since its activation in 1942, the headquarters for the Inter-American Defense Board has been in Washington, D.C., by desire of the member nations and it is for this reason that the chairmanship must be held by an officer of the U.S. Armed Forces. The U.S. Armed Forces, in turn, rotate this chairmanship within the Services. General Shepherd was recalled to active duty in 1956 to fill out the Navy's term, and will now return to retirement on September 15.

During the 3½ years in which the chairmanship of this important international military organization has been under the stewardship of General Shepherd it can be said that significant progress in the inter-American defense field has been accomplished. Within the period of his stewardship an increased awareness by the 21 American Republics of the mission of the IADB has been attained, which in turn is reflected by a considerable increase of Board activities and recommendations on defense matters to member nations. This increased

awareness and emphasis placed on IADB activities by the Latin American member nations can be attributed in great part to General Shepherd's personal approach to the highest ranking defense officials of the member nations comprising the IADB.

It can be said without contradiction that he has personally visited most if not all of the key defense personalities of the hemisphere. His sincere approach, dynamic nature, and personal empathy for Latin American defense problems as well as his personal fame as a soldier are such that he has been granted personal interviews by most of the Latin American Presidents during his term of office. During all of these visits General Shepherd has been tireless in expounding the values of Latin American solidarity and the need for hemisphere defense against agression and against the Communist international conspiracy. He has reiterated the merits of the democratic ideals which have been the heritage of this hemisphere since the days of Simon Bolivar, San Martin, Artigas, and our own George Washington. This personal approach (presenting hemisphere defense matters directly to the member nations of the hemisphere by personal visits and personal briefings) has indeed paid off in the fostering of mutual understandings. As a result the highest caliber professional military men of our sister Republics comprise the roster of the Inter-American Defense Board. In many instances these military representatives have been recalled to their nations from duty with the IADB to assume the highest positions in the military organizations or governmental structure of our sister American Republics, thus attesting to the stature of the military representatives which our Latin American neighbors send to this organization. Much of this can be attributed to General Shepherd's unceasing work.

In the military and technical field, General Shepherd has reorganized the general staff of the IADB at present under the very able directorship of Brig. Gen. William K. Skaer, of the U.S. Air Force. As an example of the considerable increase in the tempo of IADB activities hereunder listed some of the Board's accomplishments during the last work year:

(a) Over and above the permanent-time work schedule of this organization, there were a total of 42 sessions of the Council of Delegates in which far-reaching defense recommendations were concluded to include:

A revised estimate of the situation.

Resolutions for standardization of procedures.

A standard terminology manual.

A plan for the interchange of classified military information between the member nations.

Plans for the defense of inter-American shipping.

A general outline for the establishment of an inter-American defense college.

(b) In support of this basic program of the Board, the following activities were held:

A series of 27 presentations of a political and technical nature.

Twenty-four intelligence and special briefings were presented by the staff.

A total of 12 visits were made to installations within the United States with the purpose of orienting Board members on modern procedures of defense.

The IADB also visited Ecuador and Colombia as guests of the respective governments during this last year.

General Shepherd and his staff have just concluded a trip to South American nations and to Mexico with the purpose of briefing these Latin American governments on the accomplishments of the IADB and to obtain their support for future projects.

The IADB received many distinguished Latin American visitors on official visits to the United States.

In summary, it can be said with all modesty that the program carried out by the Inter-American Defense Board during this past year is one for which General Shepherd can be justly proud.

It is, therefore, with a sense of regret that another chapter in the outstanding career of a great soldier comes to an end. This sense of loss was ably expressed by the Council of Delegates of the IADB when, in a unanimous resolution, they requested of the U.S. Armed Forces that General Shepherd remain on as Chairman. It is regrettable that the exigencies of the services were such that this was not possible.

PUBLIC WORKS BILL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I desire to announce to the Members of the House that in the event the President should veto the public works bill, and if that message comes up this afternoon or tomorrow morning, it will be the first order of business tomorrow.

HEALTH OF THE AMERICAN PEOPLE

The SPEAKER. Under previous order of the House, the gentleman from Utah [Mr. KING] is recognized for 30 minutes.

Mr. KING of Utah. Mr. Speaker, I am greatly concerned over America's health, and this concern now prompts me to take the floor of this great legislative body, to say what I think needs to be said. America's health is in danger, and if the warning signals apparent to all are not heeded, we risk physical and mental deterioration, and inevitable capitulation to the virile and more rugged peoples of the world.

It is true that life expectancy from birth in America has increased from a span of 47 years in 1900 to 65 years for males and 72 years for females, in 1959. In other words, if we could designate such a thing as an average boy baby, that baby could expect to live some 18 years longer if he were born in 1959 than he could have expected, had he been born in 1900. It is also true that this average boy baby will probably grow to be 2 or 3 inches taller than his grandfather, and perhaps a little heavier. These statistics, which are generally known, lead to the false impression that we are a more healthy, robust, and virile generation of people than were our ancestors. This increase in longevity, however, results from the impressive advances made in obstetrics and pediatrics, which have considerably reduced the rate of infant mortality. We have also made phenomenal progress in controlling the spread of contagious diseases, through a better understanding and elimination of their causes.

However, it should be noted that the set of statistics which shows that our life expectancy has jumped from 47 years to 65 years, also shows that once a man has reached the age of 63, the chances of his life being substantially prolonged are no better now than they were 50 years ago, and the chance of his life being cut short by one of the well-known chronic degenerative diseases is substantially higher than it was 50 years ago.

In May 1955, Dr. Paul White and Dr. Norman Jolliffe, eminent scholars in their field, reported to Congress that the United States was one of the most unhealthy countries in the world in regard to coronary heart disease. The incidence of heart disease among men from 45 to 65 years, they said, was two to three times higher in the United States than in England, France, Germany, Italy, or Spain.

In a paper in the New York State Medical Journal, dated September 15, 1955, Dr. Jolliffe continued his report by stating that "although in America today, life expectancy at birth is near the best of any civilized country in the world, at the age of 40, life expectancy is near the bottom."

On July 24, 1957, Dr. W. Coda Martin, president of the American Academy of Nutrition, appeared, and testified before the Subcommittee on Health and Science, of the House Committee on Interstate and Foreign Commerce. During the course of his testimony, Dr. Martin submitted a copy of his report on the "Health of the Nation," for incorporation into the record. This report showed that according to the Cancer Institute, the incidence of cancer in the United States is growing alarmingly every year. Today one person out of every three in this country will probably develop cancer in some form before he dies. In 1940, the estimate was only one out of four. It was noted that there has been a sharp upturn in the number of occurrences of cancer among children. In 1923, cancer among children was a rarity. Today, cancer in children and babies, at birth, is a frequent occurrence. Recently, Boston opened the first hospital in the United States exclusively for the treatment of children with cancer. It is estimated that there are 500,000 new cases each year at all ages.

The fact of the progressive deterioration of the condition of our health has been confirmed, according to the above report, by various scientifically conducted health surveys on groups of apparently healthy people. A checkup of 500 business executives, for example, whose average age was 48 years, at the University Hospital at Ann Arbor, Mich., revealed that 41 percent of them suffered from physical diseases of which they were not aware, and 77 percent of these healthy men had some form of physical abnormality. Only 23 percent were in good physical health.

Dr. Martin, in his testimony before the above subcommittee, made the further statement:

This health problem is not confined to the older age group. In 1953, Draft Director Lewis B. Hershey stated that the Nation

may be "out of manpower" in the next 2 to 3 years, if the present physical standards are not lowered.

At that time, 1,700,000 men out of 4 million examined were rejected as unfit for service. Since then, rejections have reached to approximately 52 percent.

If I were to continue to itemize and tabulate the dreary statistics covering allergic diseases, nervous disorders, arteriosclerosis and degenerative heart diseases, arthritis, epilepsy, and all of the other gloomy categories of human woes and ailments, I would come to the conclusion that well over half of our entire population is afflicted with some type of a chronic disease.

I must acknowledge that I lay no claim to special insight into the answers to this frightening problem. There are many gifted scientists who have spent their entire adult lives in exploring the fields of pathology, and who avoid dogmatism on the matter of causation.

Nevertheless, from what study I have done, and basing my opinion solely upon the conclusions of dedicated men of science who do qualify as experts, I am convinced that the contaminatives, additives, and toxic chemical compounds taken into the human body in connection with our regular food and drink, are in large measure responsible for the deplorable deterioration of our national health.

I have neither the ability, nor the space, to brief the abundance of technical literature available on this subject. Perhaps I may quote again, however, from the above-referred-to report of Dr. Martin, as reported in the subcommittee hearings of July 24, 1957.

There are many approaches to the prevention and treatment of such complex diseases, but there appears to be one common denominator as the basic cause of degenerative diseases. That one factor is malnutrition.

Referring specifically to the chemicals which are added to the foods we eat, Dr. Martin said:

I also believe that the absorption of these toxic chemicals—and there are 704 different chemical compounds used in foods, and 150 of them have never been adequately checked for their toxic effects on humans—over a long period of time can cause serious tissue damage, which inevitably terminates in a degenerative disease. Many of these chemicals, although apparently nontoxic, have no nutritional value and do not serve a useful purpose for the consuming public. Their continued use, therefore, constitutes a calculated risk to human health, if not life itself. The first line of defense must be to protect the health of the consumer; otherwise, the long-range calculated risk is that this country will become a Nation of invalids, weak in body and mind. * * *

The human body can utilize only natural foods as nourishment and survive. Chemicals are not food elements. Therefore, they can produce only negative or harmful results, even though they are by scientific analysis nontoxic. It is then only a question of how much harm they will produce, when used to replace essential food elements in our diets.

When the American housewife wheels her cart around the supermarket, she is only dimly aware, if at all, that it is almost impossible for her to purchase any article of food that has not had chemicals, bleaches, preservatives, additives, dyes, adulteratives, and other foreign substances added to it. She very likely does not know that many of those chemicals, whose function it is to increase eye-appeal, have never been tested by the Food and Drug Administration, and that although the latter lists many of them as "probably safe," there also are many additives about which it knows absolutely nothing, and that it will not be able, at the present rate of investigation to adequately test these additives for many years to come. By that time, there will likely be a brand-new crop of chemical compounds to take their place. Until last year, the law was so worded that any new chemical compound which was not a known poison, could be added to any food for consumption, and the burden then fell upon the Food and Drug Administration to prove that these foreign substances were deleterious to human health. This proof was difficult to adduce, from a legal point of view, even when immediate toxicity could be demonstrated. But it was almost impossible to do when the toxicity of the chemical compound was of such a nature that it could not be detected until after the expiration of many years. Because of the outstanding work of the Delaney Commission, the food additive amendment was passed last year which requires food processors to submit to the FDA the results of their tests on new chemical compounds. But the law is still filled with loopholes.

It seems to me that it takes only a slight leap of the imagination on the part of the American housewife to grasp the proposition that where the incidence of degenerative diseases such as cancer, arteriosclerosis, and degenerative heart disease suddenly increases, and apparently for no known reason, and where it is shown that contemporaneously with such increase there occurs a phenomenal increase in the total amount of chemical compounds consumed, then there may well exist a causal connection between these two phenomena. I am quite aware of the fallacy of oversimplification, and I fully recognize the probability of a multiplicity of causes in any phenomenon as complex as disease. What I do say, however, is that the ever-increasing scientific evidence renders it highly probable that the invariable concurrence of disease and body contamination by the consumption of toxic chemicals is more than coincidental.

It is apparent that this entire subject requires a thorough investigation. The health, and maybe even the very survival, of the American Nation is at stake. Our laws on nutrition are loose and inadequately drawn. Public knowledge is fragmentary, and riddled with misinformation and discarded dogmas. The means of disseminating information on this subject are inadequate.

My illustrious colleague from New York, the Honorable JAMES J. DELANEY, has pioneered in this field for many years, and has uttered many strong words on this vital subject. I commend this distinguished gentleman for his well-known work, and offer to join hands with him in his efforts. The American people owe him a debt of gratitude. The work of his outstanding Commission in 1952 made a significant contribution on the basis of which subsequent legislation has been enacted.

Since 1952, when the Delaney Commission concluded its investigation, a flood of new chemical combinations have come on the market.

I feel that a further investigation is urgent. I am convinced that the whole field of chemical additives should be made a subject of continuing investigation.

A bill has just been signed into law to investigate the effect of chemical sprays on fish and wildlife, and yet we spend almost nothing to investigate the effect of chemicals on human beings.

Mr. Speaker, on September 8, I introduced a bill, H.R. 9150, designed to create a nonpartisan commission to further investigate the entire subject of food and beverage contamination. I have recommended that this Commission be appointed strictly on a nonpartisan basis; that it be patterned after the Hoover Commission, composed of nine experts in the field of toxicology, nutrition and biochemistry. Three of these men will be appointed by the President of the United States, three of them by the majority and minority leaders of the Senate, and three by the Speaker and minority leader of the House. It will be the function of these men, assisted by their staff, to thoroughly investigate this matter of food chemicals and additives. There are many legitimate points of view in the world, and all points of view on this subject should have full opportunity to be heard. Their findings should represent the combined wisdom of all of the great minds in this and other countries, in the field of nutrition. This should therefore be the most authentic and authoritative voice on the subject in all the world. The report will carry with it such recommendations as the Commission feels impelled to make, and Congress would do well to give careful consideration thereto.

There has been much said about the matter of fluoridation of drinking water. As in the case of food additives, there is a plenitude of controversial literature on the subject. I, personally, feel strongly that because of the great controversy which accompanies the use of fluorides in drinking water, it would behoove this Nation to await a thorough investigation of the entire matter before further promoting this practice. It is my desire that the Commission of which I speak should also investigate the scientific concept of fluoridation of water. It is true that there have been other bodies and commissions which have investigated this question before, but many of them have been motivated by a desire to prove, either that fluoridation is good or that it is bad. Too often the investigation has

been conducted in a spirit of partisanship. I propose that the investigation be made by a commission that has not prejudged the issues in any way, but that is interested only in ascertaining the true facts. It seems to me that the findings of such a commission will be authoritative throughout the country, and will help to guide the thinking of the many municipalities who are confronted by the problem of fluoridation.

And so, the American Nation has come a long way from the days when it was content to sit down and eat humble fare, transmitted to the kitchen direct from the hand of its Creator, touched only by the magic of nature's inscrutable chemistry—simple food, unpampered, and undevitalized. The rugged life and simple diet of the American pioneer have gone. We have replaced them with the unwholesome living of the modern sophisticate. America would do well to reread the admonition of the Apostle Paul to the Corinthians: "Know ye not that ye are the temple of God, and that the Spirit of God dwelleth in you? If any man defile the temple of God, him shall God destroy; for the temple of God is holy, which temple ye are"—I Corinthians 3: 16, 17.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. KING of Utah. I yield to my distinguished colleague from Iowa.

Mr. WOLF. The gentleman from Utah again is to be congratulated. I am pleased that he is introducing legislation in this particular field—the question of food additives. I think the gentleman has delved now into one of the very important, very basic fields. I wish it were possible to have a far larger audience than just this body of Congress.

As one who represents a farm State and naturally is concerned with the production of food, we want folks to get the best food possible and so I am glad the gentleman has gone into this subject.

May I ask this question? How many chemicals are being used today that have not been thoroughly tested by any agency as to their poisonous effects in the diet, when used as food? Can the gentleman answer that question?

Mr. KING of Utah. Yes. The figures brought out before the subcommittee investigating health and food additives were, according to the evidence, some 704 chemical compound additives are being used and that at least 150 of these have not yet received the unqualified approval of the Food and Drug Administration. Some of these the Food and Drug Administration has indicated are probably acceptable, but many of them definitely have not received the seal of approval in any way. They are one big question mark.

Mr. WOLF. Will the gentleman tell me, if he can, how involved is the procedure of testing various additives?

Mr. KING of Utah. The procedure, of course, becomes very complex and sometimes requires a great amount of time. It is not a matter of going into the laboratory and coming out a day or two later with the answer. These tests must be carried on over a period of many years and even many generations. That, of course, is the heart of the real problem. You cannot tell for a certainty after 1 year or 5 years or 10 years that a particular food is or is not toxic in its effect.

Mr. WOLF. If the gentleman will yield further. In my opinion the immediate consideration many times is taken and discussed, but beyond the immediate consideration, the long-term heredity effect is one that, it would seem, most often, is overlooked.

Mr. KING of Utah. That is correct.

Mr. WOLF. This is one thing that worries me. Just yesterday—and I was horrified to learn this—I discovered that they are using formaldehyde, a poison, in milk that is being served on the tables of many of our families in America. It is being used as a preservative for milk. This really shocked me. I had always thought of formaldehyde being used to preserve museum pieces and laboratory specimens. I did not realize that we were preserving our foods, the foods that we are putting into our stomachs to enhance our own body health, by the use of formaldehyde.

Speaking more generally, Mr. Speaker, I am afraid that the problem of food additives and food preservatives and other chemicals of this kind are indicative of much that is wrong with American society today. Americans buy things today, not necessarily because they are needed, but rather because they are pressured into buying by high-powered advertising and other forms of huckstering. One of the tricks that is used by the advertisers is the use of coloring to make products attractive to the prospective buyer. Many times the coloring that is used can do actual harm to the product, and consequently, to the consumer.

We are fast becoming a society that cares more about packaging and show than usefulness and value. I believe that, when it is the case that our citizens are being endangered physically by this state of affairs, it is the duty of our Government to do all in its power to call to the attention of the American people this problem and to seek means to guard against it.

Mr. KING of Utah. I believe the average housewife would be amazed, as she pushed her little cart around the giant shopping center, the grocery store, or food market, if she knew the extent of chemical compounds which had been added to foods which she buys.

Mr. WOLF. Mr. Speaker, again I should like to congratulate the gentleman on the work he is doing in this field. I hope he will be given support by other Members of Congress. I know that several of us have expressed an interest in this field. My wife has done quite a little work with the Pure Food and Drug Administration here in our office, gathering information together. I am happy to see the gentleman delving into this field. I hope we can seriously get on with this work and, for this reason, with the gentleman's permission, I would like to cosponsor this needed legislation.

Mr. KING of Utah. I appreciate the comments of my distinguished colleague, the gentleman from Iowa. May I say I would be happy to have his help by sponsoring and supporting my two bills.

Mr. MEYER. Mr. Speaker, will the gentleman yield?

Mr. KING of Utah. I am glad to yield to my colleague, the gentleman from Vermont.

Mr. MEYER. I have been very interested for quite a few years in the subject that the gentleman has so ably been discussing. I would like to inquire if his bill would also take into account different methods by which these chemicals can enter into our food supplies other than by the direct addition of the chemicals to the water supply or to the food that we eat. For instance, we know that a tomato is not always a tomato; that is, it is not always the same, but varies according to the various soils on which the tomato may be grown and with the chemicals that are added to those soils either by way of fertilizers or poisons. If we take tomatoes from different areas and analyze them in the laboratory, we find their chemical composition vastly different.

I just wonder if the gentleman's bill would take this matter into account, because some of the problems we may be having may also be coming from this direction.

Mr. KING of Utah. I appreciate the contribution of my colleague from Vermont. I agree that the work of this Commission should be broad enough to include the subject matter the gentleman has suggested, also the matter of the effect of the use of insecticides upon food. There is a vast amount of controversial literature on that subject. I believe this Commission should also come forth with findings on that so we can have some sort of authoritative statement on what is the evidence for it and what is not; and to my knowledge at this time there is no such authoritative statement available that we can turn to with any degree of confidence. For that reason we have so much confusion on this general subject.

Mr. MEYER. Mr. Speaker, will the gentleman yield further?

Mr. KING of Utah. I yield.

Mr. MEYER. This does not mean to condemn the use of chemical fertilizers or insecticides. What we want to do is separate what is good from what is bad and, therefore, it does require the research in which the gentleman is interested.

Mr. KING of Utah. Very definitely.

TRIBUTE TO DR. KIRK PORTER

The SPEAKER. Under the previous order of the House the gentleman from

Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, I rise to speak in honor of a man who has devoted his life to the study and teaching of the institutions and principles of the Government which we represent today. For more than 40 years, Dr. Kirk H. Porter, of the State University of Iowa, has been known as a leading professor and author in the field of political science. He has taught thousands of our young people the importance of knowing well the responsibility of citizenship. Now, at the age of 68, it is my understanding, he is retiring from an active role as head of the department of political science of that great university which is in my district.

While I am sure that many of us here today are aware of at least some of Professor Porter's contributions in the field of education and political science, I feel that they are of such extent and worth as to merit the attention of the Congress and all who subscribe to and chance to read the CONGRESSIONAL RECORD. While it will be impossible, in a single speech, to do justice to such a distinguished career, it affords me great pleasure to briefly review that career with you, Mr. Speaker, and with our colleagues.

Kirk Porter was born April 7, 1891, in Waukegan, Ill. He is the son of Jeremiah and Alice Porter. He grew up to become a brilliant student at the University of Michigan, and received his bachelor of arts degree from that institution in 1914, and his master's degree in political science in 1916. In 1918, but 2 years later, Professor Porter received his doctorate in political science from the University of Chicago. He then embarked upon the long and notable career with which we are concerned today. It is interesting to note that at this early age, his doctorate thesis "A History of Suffrage in the United States," was considered of such significance that it was published as a textbook in 1918.

In that same year, Dr. Porter joined the faculty of Kansas State Teachers College at Emporia, Kans., as an associate professor of political science, where he served ably until being called to the State University of Iowa as an assistant professor in 1919. On June 12, 1923, he married Irene Gray, and they have two children, Carolyn Alice, and Marjorie Jean.

In 1925, Dr. Porter was elevated to the position of associate professor of political science at the State University of Iowa, and during this time he was the author of two textbooks, "County and Township Government in the United States," published in 1922, which may be said to be the first definitive work in that area, and "National Party Platforms," published 2 years later, in 1924.

In 1928, only 3 years after his elevation to the position of associate professor, he was made a full professor of political science. In 1934, he was the author of yet another textbook "State Administration." In 1940 Dr. Porter was called to head the department of political science at the State University of Iowa, and has served in that capacity for 19 years.

In addition to his widely used textbooks, Dr. Porter has been frequently called to write articles and editorials for newspapers throughout the Midwest and has been widely quoted as an authority in State, county, and municipal government, constitutional law and history, and political parties. Further, he has been a frequent and avidly sought after contributor to professional and technical journals such as the National Municipal Review, the American Political Science Review, and the Bulletin of the American Association of University Professors. Of particular note, it seems to me, as an indication of the importance attached to this man's views, is the fact that he has been invited, and has, on several occasions, contributed monographs for the Iowa Law Review, an honor usually accorded only to distinguished members of the bench and bar, and to professors of law.

During his days as a student he was an active member of Alpha Tau Omega fraternity and has, while a professor, served that organization as a trusted and respected adviser. In addition, he has been an active member of the National Municipal League, American Political Science Association, American Association of University Professors, American Association of International Law, American Academy of Political and Social Sciences, the American Society for Public Administration, and Professors of Midwest Political Science Association.

In order that the academic nature of his life might not lead him too far from the paths of practicality and reality, Dr. Porter has maintained his contacts with both political parties and has regularly attended their meetings on both the State and National levels. At the same time, because he considered it necessary to enable him to analyze and assess our political institutions with academic detachment, he has refrained from active participation in the political arena, yet from the thousands of Professor Porter's students, have come Governors of States, Congressmen, State legislators, and public officials of almost every designation. It is, Mr. Speaker, impossible for us to assess adequately the impact of this brilliant and learned scholar and teacher. His textbooks and many articles are but one indication of his contribution to this most important aspect of our Nation; the lives and services of his students are by far the greatest indication, and certainly a far greater tribute to his genius than we can ever pay.

For four decades Dr. Porter has taught, counseled, and inspired our young people to seek more than that which is merely patently obvious. He has taught them to look beyond the political bickerings and seeming absurdities of our governmental institutions to the true and meaningful goals of our way of life, and to analyze critically the means we adopt to attain those goals. He has taught them, by example, to ignore the obvious and the trivial, and to look deeper. In a word, sir, he has inspired them to always seek truth. The end products of this man are his former students, who stand in living testimony to his own example.

The words of Dewey B. Stuit, dean of the College of Liberal Arts at the State University of Iowa, are perhaps relevant here; he states:

> Professor Porter has always stressed excellence in teaching, and has himself been a prime example to his contemporaries of that philosophy. In addition to his teaching and administrative activities, he has taken an interest in, and contributed greatly to, the affairs of the liberal arts college and the university as a whole, as demonstrated by his membership and service on many committees; for example, the executive and curriculum committees of the college of liberal arts, and the board of student publications. During the 40 years of his association with the State University of Iowa, and in large part through the vision and energy of Professor Porter, the department of political science has grown from a small unit to a major department in the college of liberal arts, with its influence being felt not only on the campus, but throughout the State and beyond.

Dr. Virgil Hancher, president of the State University of Iowa, has this to say about Dr. Porter:

> Prof. Kirk Porter has been a distinguished and respected member of our political science faculty for 40 years and has served as its head since 1940.
>
> His course on political parties has been held in high regard by many generations of students at the State University of Iowa and he has imparted to them his own deep faith and conviction that good citizenship involves a knowledge of and interest in the affairs of government.
>
> Professor Porter is an astute observer of the American political scene and has taught and written on this subject in a colorful, interesting, and unbiased manner.

Humble in philosophy and demeanor, yet forceful in analysis and presentation; independent of mind, but always able to cooperate with his colleagues and associates; brilliant and erudite, yet ever willing to take time with even the most discouraging student, Dr. Kirk H. Porter stands as an example of a great modern educator. Mr. Speaker, long ago, in the early and formative stages of our great Republic, Thomas Jefferson said that the greatest safeguard of a democracy is an enlightened populace. I submit, sir, that in this day when we are engaged in a life struggle with an enormous and hostile power, that these words ring out with more truth and clarity than ever before in our history, and that not only we of the State of Iowa, but every one of us here today owes a great debt to this scholarly and brilliant professor, and to his colleagues. They who instruct our youth in the ways and traditions of our Government have not provided us with a faster missile nor a more powerful bomb; their efforts have, rather, been directed toward that science dedicated to the basic premise that mankind can find a better way; a way, through government and by laws, to avoid the dreadful holocaust that would

surely follow the use of these awesome weapons of modern warfare.

In truth, we cannot even begin to analyze the extent or assess the worth of this man's devotion to a lifetime of study and teaching, for if the product of a genius such as Dr. Kirk H. Porter is his students, it must follow that any analysis thereof must be predicated upon the contributions of those students. Ultimately then, I suppose we can only say that Professor Porter's contributions are very great, and that our debt to him is of corresponding magnitude. I know how inadequate these words must be, and yet no matter how we refine and enlarge upon that simple statement, we cannot today come any nearer to a more accurate evaluation.

Mr. Speaker, the following are just a few of the people who have come under the influence of this great teacher at the University of Iowa to whom it is my pleasure to pay tribute today. The contributions and influence of these people are in themselves an eloquent testimony to the greatness and to the important contributions of this man.

Jay J. Sherman, past head of Department of Political Science, Wayne University.

Carl H. Erbe, professor, political science, Iowa State Teachers College.

Herbert C. Cook, professor, political science, Iowa State University.

Herman H. Trachsell, head, Department of Political Science, University of Wyoming.

Harry W. Voltner, head, Political Science Department, De Paul University.

Roy V. Sherman, head, Political Science Department, University of Akron.

David W. Knepper, head, Political Science Department, University of Houston.

Waldo Webber, head, Political Science Department, Western Michigan University.

Dorothy Schaffter, Library of Congress.

Ethan P. Allen, head, Political Science Department, University of Kansas.

Sam M. Houston, head, extension division, UCLA.

Francis Wilcox, Assistant Secretary of State in charge of U.N. affairs.

Erma Plaehn, professor, political science, Iowa State Teachers College.

Orville B. Alexander, head, Political Science Department, Southern Illinois University.

Jack T. Johnson, vice president, Hofstra College.

John Haefner, professor, social science, State University of Iowa.

H. E. Kelso, professor, political science, State University of Iowa.

Russell Ross, professor, political science, State University of Iowa.

Ross C. Bieler, professor, political science, Miami University.

David C. Scott, professor, political science, Southwest Missouri State College.

Max W. Turner, professor, political science, Southern Illinois University.

Roger Hargrave, former administrative assistant to Congressman JOHN A. BLATNIK.

James C. Lien, professor, political science, Long Beach State College.

Michael D. Zenor, director, research, Institute Public Affairs, State University of Iowa.

Karl Swanson, professor, political science, Washington State University.

Ivan Richardson, professor, political science, Kansas State College.

Christian Christiansen, professor, political science, Colorado State University.

Robert Goostree, professor, political science, George Washington University.

Leo Hoegh, former Governor of Iowa and now Director, Office of Civil and Defense Mobilization.

BOURKE B. HICKENLOOPER, former governor of Iowa and now U.S. Senator.

Melvin Synhorst, secretary of state for the State of Iowa.

Norman Erbe, attorney general for the State of Iowa.

Mr. Speaker, my consideration of the contribution which this one great educator has made leads me to discuss, in more general terms, my concern over the place which political science and the other social sciences occupy in our current affairs. In no way would I depreciate or minimize the contributions which the physical scientists are making—my purpose is rather to point out that we must extend to the social scientists the same kind of appreciation and support that we are lavishing on the physical sciences.

It is becoming clearer every day that our national program of advancing research and development in nuclear physics—to choose the most striking example—is producing so many and such serious problems in the field of human relations that actual survival of the race has come to depend, not on producing more inventions, but on immediately devising some means of using those we have for the salvation and not the destruction of mankind. That puts a special responsibility or challenge to the politicians and the political scientists—that the nuclear physicists do not have and cannot accept. It is of course going too far to say that physical science has got us into this precarious state, and that it is up to social science to get us out of it, but such an overstatement is occasionally heard and there is at least a germ of truth in it. I think that there is ample justification for the belief that the basic difficulties in our troubled world today have been produced by our failure to solve certain problems in human relations rather than from lack of progress in the physical sciences, and for the belief that the tremendous advances in the latter field have intensified, if not actually produced, many of the difficulties in the former. Scientific discoveries and their applications are increasing much more rapidly than is our invention of methods of political, social and economic control to meet the new situations, both domestic and worldwide, produced by this scientific revolution.

There is, however, some evidence that we are developing a better appreciation of the need to encourage a rapid advance in political science, economics, and other social sciences. May I cite a few examples that have come to my attention, without my having made any thorough search for them. I think that they are encouraging but unfortunately, that they do not indicate anything like the necessary action under the circumstances.

On May 24, 1959, the President's Science Advisory Committee—which incidentally does not contain a single social scientist—released a statement entitled "Education for the Age of Science." In many parts of this excellent report there are sections which clearly show that these top scientists are well aware of the imperative need for general education—not merely scientific education—in the present era which they call an age of science. May I quote a few paragraphs:

A modern educational system should not only sharpen the intellectual capacities and curiosities of each new generation, should not only extract the essential core from ever-accumulating stores of knowledge, should not only find ways to produce new leaders equipped to add to these stores and to create all the new tools that the civilization requires; it must also produce citizens and leaders who will know how to use the knowledge and tools to advance social and cultural life.

We ought not to speak of our educational tasks solely in terms of buildings or budgets or even of curricula. These, indeed, are necessary means to the end. But we must think of the end itself. The end is clear: to introduce the growing child, the youth and the adult to the best and most essential elements of the intellectual and cultural experience of previous generations; to do this in such a way that we stimulate curiosity and encourage each individual to look forward, not backward, to develop his own talents to their maximum, and to continue this development throughout his life.

Alfred North Whitehead said in 1916:

"In the conditions of modern life the rule is absolute: The race which does not value trained intelligence is doomed. Not all your heroism, not all your social charm, not all your wit, not all your victories on land or at sea, can move back the finger of fate. Today we maintain ourselves. Tomorrow science will have moved forward yet one more step, and there will be no appeal from the judgment which will then be pronounced on the uneducated."

This is even more forcibly apparent in 1959 than it was in 1916. It follows that we must educate more, and especially we must educate better, scientists and engineers. But this is not enough. We must have trained specialists, in many fields. Even then we would not be successful if, having such specialists, the American people were merely to applaud and reward them for their contributions while still thinking of them as useful strangers, dimly understood and more feared than admired. Hence, we must also cultivate a widespread dedication to, and respect for, learning in all fields, and a deep understanding between the public and the experts.

This is a most reassuring statement coming, as it does, from an officially established committee of eminent scientists with the express concurrence of the

President of the United States. But it is not a new concept, induced by the unheralded appearance of a Soviet satellite in the sky. The University of Iowa, Iowa City, Iowa, whose constituency I have the honor of representing, has always been dedicated to the philosophy of producing "citizens and leaders who will know how to use the knowledge and tools to advance social and cultural life"—it has always aimed to "cultivate a widespread dedication to and respect for learning in all fields and a deep understanding between the public and the experts."

In the early 1900's, Dr. Benjamin Franklin Shambaugh established at the University of Iowa one of the earliest departments of political science in the United States, and he dedicated his life to teaching government to the young people of Iowa, with precisely the purposes in view that the President's committee now states so well. One of Dr. Shambaugh's students was Dr. Virgil Hancher, now president of the university—another was Dr. Kirk H. Porter. To use only these two political scientists as examples is to pass over hundreds of other students of political science who have gone out from the university imbued with the same spirit. They are to be found in all parts of Iowa; they have gone to other States; many of them are in Washington in Congress, on congressional staffs, and in the executive branch of the Government; and in all parts of the world are university of Iowa graduates who had the benefit of studying the government of their country under Dr. Porter and his predecessors and present colleagues.

The magnitude of the influence of such a department of political science and of such a teacher as Dr. Porter can never be measured—not even by his students, nor in my judgment would it be possible to overestimate it. The force of a new hydrogen bomb can be measured accurately—but what is the measure of force of a lifetime of teaching government? That question cannot be answered, but the effort to seek its answer results in establishing a sound perspective and the highest respect for the university professor of political science.

I mentioned a few minutes ago that I had noticed several evidences of an increasing appreciation of the need for strengthening the study of government and for putting to practical use the results of such study, and I have cited one of the most important of these examples. May I call your attention to a few more?

Philip Stoddard Brown in an article discussing the Center for Advanced Studies which the Brookings Institution is establishing in Washington—Washington Post, November 10, 1958—wrote, in part, as follows:

> Even though Washington has far more economists and political scientists than any other city in the world, it has no adequate meeting places for conferences, lectures, and the informal exchange of ideas. Even though Congress, the Supreme Court, and the many regulatory agencies and lending institutions are in Washington, most of the social-science research groups formed in recent years have been set up elsewhere. Even the Social Science Research Council, that has been located here, has moved to New York.
>
> No Government institute for social studies, no transcendently great university, no dominant private organization, such as the National Bureau of Economic Research, that might serve as a host for smaller groups, has developed here.
>
> What Washington has long been needing is a public-affairs institute of distinguished scholars, operating on a broad front and possessing a fine library (that other organizations could share), dining and conference rooms, offices for visiting professors and a place where advanced students and young Government employees could study and get guidance.
>
> The Brookings Institution, to be sure, has served as a central meeting place, but only to a limited extent. It has always had to maneuver and improvise every few years to keep a small staff together. Even so, under Dr. Harold G. Moulton's presidency, that bridged the long depression and war years, Brookings did bring students of public affairs together on many occasions and did turn out many first-rate studies.
>
> Now, after much advance planning by Dr. Robert D. Calkins, president since 1952, Brookings has undertaken a $13 million expansion program. Of this, $6.2 million has been received from the Ford Foundation and $1.2 million will help finance a $4 million, eight-story building on Massachusetts Avenue, to be completed by mid-1960. The balance will be expended over a 10-year period and cover about half the million-dollar-a-year budget that Brookings hopes to enjoy.
>
> The new Center for Advanced Studies that Brookings has in view will offer 30 fellowships a year and a number of 1- and 2-year research professorships. It will bring together public officials, businessmen, and professional people for public conferences and off-the-record meetings "when the occasion is right"; it will arrange lectures, seminars, and study groups. For these purposes, the building will provide 10 conference rooms, 7 dining rooms, a cafeteria, a big library and 75 or so small offices for fellows and visiting scholars.
>
> By its own greatly expanded program of studies and by making its facilities available to others, there is a possibility that Brookings might become an intellectual center for all students of public affairs in Washington. By affecting a sort of loose federation of many local organizations in this field, it might even become a university (in the European sense) for social studies. By encouraging new relationships with legislators and Government officials on the one hand, and businessmen on the other, it might in time become very influential.

Another new venture was undertaken about 4 years ago in Palo Alto, Calif., known as the Center for Advanced Study in the Behavioral Sciences. The Ford Foundation by an original grant of $3½ million and later grants of $5 million has supported the center. In 1958 and 1959 it paid the salaries and traveling expenses of 49 fellows who were to spend the year dealing with general and specific problems, in seminars and individual research and thought. The 49 scholars, 3 of whom were doctors of medicine and the remainder doctors of philosophy, were chosen from almost 4,500 nominations made by research centers and universities. There is no faculty for the center and the scholars pursue their own research projects independently. Dr. Ralph W. Tyler, the president and executive director, is quoted as saying that it would be safe to conclude that some of the findings of scholars in the first 4 years had been used by Government agencies, including the Department of State. He cited the work of one group representing Germany, Israel, England, Sweden, and the United States which had agreed that international conflict could not be eliminated but that it could be regulated. Other subjects under consideration dealt with factors in the mental health field and with problems of underdeveloped countries. Dr. Tyler said that the primary influence of the experience of each fellow at the center will be reflected in his future research and the training of other researchers as he resumes his regular activities in his home institution, and that 184 of the scholars who have completed fellowships at the center have added substantially to their lists of scholarly publications.

As a third example, Harvard University received in 1959 a grant of $285,000 from the Rockefeller Foundation to continue support of a research and training program in science and public policy which had been started in 1958. This program, which will extend through 1962 and 1963, includes research into the broad range of studies involved in the financing and administration of scientific research, and—of particular interest in the present connection—in the interrelations of science and public policy. The students admitted to the program will be selected primarily from among candidates who have had a number of years of experience in Government or in research positions, and who seek to prepare themselves to deal with public policy issues at a higher level of responsibility.

In conclusion I want to give some attention to the National Science Foundation and its support of the social sciences—a subject which has been under discussion since the time when the establishment of the Foundation was first considered. Without taking time for full explanation of the reasons for the decision, it may be said that until recent years the Foundation furnished very little support for the social sciences during a period when its grants for the physical and life sciences have steadily increased. Many have been highly critical of the Foundation because its support of social sciences has constituted such a small part of its program. Since 1953 there has been an Advisory Panel for Social Sciences, and in August 1954, the Foundation approved a limited program of support of the social sciences, but did not establish a new administrative division to carry out the limited program which was being developed on an exploratory basis. The Foundation's annual report for 1955 described the new program and contained this statement:

> The study of the role of the Foundation, and of the Federal Government generally, with respect to social science research is continuing. In pursuing its responsibilities with

respect to national science policy, scientific and technical manpower, assessment of the status of science, study of the impact of science on social welfare, promotion of international relations in science and the improvement of the exchange of scientific information, the Foundation has necessarily had to exploit the techniques, methods, and concepts of the social sciences.

In addition to staff surveys, the Foundation had utilized the facilities and technical skills of many research agencies, both public and private:

It is not surprising, therefore, although it is little realized, that the National Science Foundation is, among Federal agencies, one of the major supporters of extramural social science research.

In the annual reports for 1956, 1957, and 1958 the Foundation included statistics indicating that only a very few grants for research in the social sciences had been made and that little of its funds had been expended on them. On August 1, 1957, a unified social science research program was established as an outgrowth of the 4-year study of the Foundation's responsibilities in this area. It replaced the program designated as convergent fields of natural and social sciences previously conducted by other research divisions. The only fields covered by the new program were anthropological sciences, sociological sciences, economic sciences, and the history and philosophy of science. Political science was conspicuous by its absence. In fiscal 1958 the Foundation made a total of 1,120 grants of which 49 were in the fields just named. The total grants for the latter were for about $726,000 out of a total of about $19,115,000.

In March 1959 a further step was taken in the Foundation's support of basic social science research. The Office of Social Sciences was established with Dr. Henry Riecken as its head and an Advisory Committee for the Social Sciences composed of eight distinguished social scientists. No statement was made indicating a strengthening of the existing program either in terms of financial support or of broadening the area of research beyond the four fields named above. It should also be noted that the National Science Board contains no members representing the social sciences.

As I have said, there is continual objection to this very slight support of social sciences by the Foundation. Nearly every year when its appropriations are under consideration in the Congress these objections are voiced, but to date they have not been particularly effective. This fact is demonstrated by the statistics of financial obligations by all departments and agencies of the Federal Government for research in the various fields. The estimates for fiscal 1959 indicated a total of $1,107,000,000. More than $700 million was used for physical sciences—$346 million for life sciences—$46 million for social sciences. During the past 3 fiscal years no shift in the relative importance of support for social science was shown—that is, about 4 percent of total funds have been obligated for them.

A recent report of the National Science Foundation, from which these financial facts were taken, contains a definition of "social sciences" which indicates a broadening of viewpoint as to the fields which it is appropriate for the Foundation to assist. I quote the definition:

Social sciences are those sciences directed toward an understanding of the behavior of individuals as members of a group. These include such sciences as cultural anthropology, economics, history, political science [please note this addition], social psychology, sociology, etc. In addition to work done in disciplines or subjects traditionally considered as being social sciences, there is also included work done in other disciplines or subjects where the work is undertaken primarily for the purpose of understanding human behavior.

Now that the National Science Foundation has established the Office of Social Sciences and has accepted a comprehensive definition of its scope, can we hope for increased financial support for this type of research? That will depend on many factors. For example, will Congress undertake to increase its present small appropriations? Will the public, including the social scientists, demand such congressional action? Would the agencies of the Federal Government use the results of the research thus supported? I strongly urge that these questions be given serious attention. The great foundations are endowing advanced schools and institutes and centers of research into the social sciences, including political science, as I have shown. This is a hopeful sign, but the Federal Government seems to be lagging and, in my opinion, we are so desperately in need of research in this area that immediate steps should be taken to meet the need. The colleges and universities, even with aid from individuals and foundations and other nongovernmental sources, have not been, and are not now, able to conduct the necessary basic research in the physical sciences and thus require Federal assistance, and it seems very clear to me that the social sciences are in exactly the same condition, that their present support is inadequate, and that Congress must come to the rescue on behalf of the national welfare.

Research and teaching the science of government must be put in a position of equality with research and teaching of the physical sciences, as apparently is not the case today. The two sciences are complementary—neither is the more important, neither must be given priority. No university would be willing to make the choice of weakening its department of chemistry or its department of government, at the expense of the other. We need both kinds of scientists in research, in teaching, and in public and private employment. We need to have citizens who can understand the problems of today's civilization, a civilization in which rapidly advancing technology is accompanied by rapidly changing political policies, demanding that the citizen be competent to understand both kinds of problems involved in this intricate interrelationship. It will do little good to be the first on the moon if we cannot solve the pressing human problems arising out of international tensions—science cannot be substituted for sound policy.

THE CAROLINA ISRAELITE

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the gentleman from Colorado [Mr. JOHNSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. JOHNSON of Colorado. Mr. Speaker, one of the brilliant essayists of our time is Harry Golden, who publishes a most unlikely paper called the Carolina Israelite.

This wonderful monthly contains a marvelous mixture of recollections of days past, insight into the habits and foibles of the human race, whimsy, and other humor, scintillating analytical reporting, and keen editorial comment.

In the current issue Harry Golden's penetrating comments with respect to the election of 1960 ought to be must reading for every Democrat. Under unanimous consent I extend my remarks to include Harry Golden's editorial:

THE ELECTION OF 1960

For the Democrats: If the candidate is not an out-and-out Liberal, the Republicans will knock our brains out.

If Senators Olin Johnston and Strom Thurmond, of South Carolina, and former Gov. Marvin Griffin, of Georgia, and Senator James Eastland, of Mississippi, vote for the adoption of the civil rights plank in the Democratic Party platform of 1960, RICHARD NIXON or Nelson Rockefeller will beat our brains out. The Democratic candidate won't know he is running; that is how bad it will be.

The 8 years of the Eisenhower administration have proved to be a digestive period for the legislation enacted during the Roosevelt and Truman New and Fair Deals. The two Republican administrations have not touched a hair on the New Deal head; in fact they have actually expanded and improved some of the Rooseveltian social legislation. And by 1960 the American people will be ready for new social legislation. This legislation will encompass (1) civil rights, (2) health, (3) education, (4) housing.

In the past there have been some exceptions, but in the main, the American people voted for the authentic man. If a Conservative Democrat runs against a Republican, the people will take the Republican. If a Liberal Republican runs against a Democrat, the people will take the Democrat; viz, John W. Davis versus Calvin Coolidge; Wendell Willkie versus Franklin D. Roosevelt.

The American people as a whole are becoming more mature about civil rights, which is why more injustices appear in the newspapers. There is a growing desire to

provide guards against, and redress for, injustice. If you spit on a Negro high school student in Tennessee or North Carolina her picture is on page 1 of every newspaper in the world, with week-long special features in the Communist press of Russia, the Far East, and satellite countries, as well as in the entire "neutralist" press of the world. The American people are learning: We need more than military bases and missiles. Read the editorials out of India, Ghana, Kenya, Ceylon, and Jakarta, and you will not find a sentence about foreign aid, military bases or electrical appliances. The editorials are about first-class citizenship and human dignity. Civil rights have become important to the world and to America. Thus people have begun to worry about the rights of the Mexican wetbacks, hounded and exploited in the Southwest; about the rights of millions of Negroes who cannot vote and are not allowed to compete for employment on a fair basis; about the rights of all Americans to move about as free men and participate in the public facilities of our society. These are the things watched by the uncommitted nations—and we must gain the confidence and trust of these uncommitted nations or lose the world. It is as simple as that.

There is a growing concern about health and its cost. The average family can pay off the refrigerator and the car (which keeps the economy's head above water) and in some cases the average family pays off the mortgage—but it never pays off an operation. One major operation and they are in debt for life. It is a bottomless pit.

As for Federal aid to education, Admiral Rickover and Mr. Conant have stated the case brilliantly in their recent publications. Listen to them, for they are not only patriots but experts. The United States needs now an additional 150,000 classrooms, and this is only an emergency measure. Our crash program must attract thousands of intelligent teachers from the new generation of men and women. We cannot simply ask them to become teachers by saying we need them, we must persuade them not to enter private industry but instead the teaching professions. We do this by raising salaries. The only way we can accomplish this is by a vast program of Federal aid to education.

Since the time of King Solomon housing has been the key to the happiness of a country. Good housing lends stability to the state. But in each of our large cities thousands of people wander the streets looking for a place to live. In New York City they use subterfuges: "Let's tell the renting agent we are Spanish," says the wife, "not Puerto Rican." In hundreds of other cases the wife, who has a lighter skin sees the agent to obtain the lease while her darker colored husband hangs back. If we instituted a program of one million housing units in the next 10 years, it would take care only of the newlyweds living with their parents and others who live doubled up; it would not begin to take care of the million new citizens born each year.

The best thing the Democrats could hope for in 1960 is the prospect of nationwide employment. God forbid that we should win because of the human misery of millions. The hope for full employment levels a focus upon these other problems: the Democrats must not win out of desperation on the part of the public, nor to point up the need for a crisis government, but rather to strengthen the democratic way of life and help us win the world.

Only a liberal candidate and a liberal platform can capture and win the imagination of America and the world in 1960. If we get less than an out-and-out liberal candidate on the Democratic ticket, the highly resourceful Mr. NIXON, or Mr. Rockefeller will show us that one of them is indeed the man of destiny.

STUDENT OF MISSOURI RIVER DEVELOPMENT PRAISES SLACK-WATER NAVIGATION SURVEY

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. MCGOVERN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MCGOVERN. Mr. Speaker, the editor of the Huron Plainsman, a longtime student of Missouri River problems, has given strong endorsement to the slack water navigation survey which was recently approved by the House Committee on Public Works. Mr. Robert Lusk, editor of the Huron paper, has properly recognized such a survey as a breakthrough for a more effective use of Missouri River water. The people of South Dakota are especially concerned about water use problems this year because we are experiencing a severe drought that makes us particularly aware of the vital importance of water in our economy.

I include at this point in the RECORD the Huron Plainsman editorial of September 8.

MCGOVERN PROPOSAL IS A GOOD ONE

Representative GEORGE MCGOVERN'S proposal calling for slack water navigation on the Missouri River between Yankton and St. Louis is a good one for several reasons.

The House Subcommittee on Rivers and Harbors, by voting favorably on Representative MCGOVERN'S resolution calling for a survey of the possibilities for such slack water navigation, showed it thinks the idea has merit.

The South Dakota Legislator, pleased with the committee's action, said: "I regard the committee's approval of my proposal a most significant breakthrough in better utilization of Missouri River water."

South Dakotans will agree with that conclusion.

Under the slack water plan, a system of dams and locks would be built along the river to slow its flow and to trap water in relatively small stretches of river to form a continuous chain of navigable lakes.

This would allow barge navigation without the huge releases of water necessary to maintain a navigable, free-flowing channel.

It would be advantageous to the barge operators, providing them with a relatively current-free and extremely stable channel.

Power generation would be improved, too.

Under present conditions, water is held back during the winter months, when it is most needed for power generation, so that it will be available for release during the summer months when the needs for navigation are the greatest while the need for power generation lessens.

The slack water plan would stop the wasteful releases of water that work against maximum power generation and, at the same time, imperil the future of irrigation.

When irrigation is developed to the fullest, the water which has been rushing down river to float barges will be even more sorely needed in the upper basin.

The development of the Oahe irrigation project will be accompanied by increased domestic uses as the irrigation canals make water available to cities and villages as well as to farms.

There are other slack water benefits, too, such as improved management of sediment and bank erosion, major problems in the Missouri basin project.

Down-river interests would find they would benefit because of the diminution of the existing possibility that downstream navigation ultimately will be curtailed because of increased consumptive uses of water upstream.

It isn't difficult to see the wisdom of Representative MCGOVERN'S proposal not only as an economic measure but as a water conservation measure as well.

There isn't much sense in shooting a lot of water down the river to float barges when, by exercising a litle horsesense and ingenuity, the water can be used for power generation, irrigation, and domestic purposes as well as for navigation.

SUGGESTION FOR A MORE SENSIBLE FARM PROGRAM

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. MCGOVERN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MCGOVERN. Mr. Speaker, on Monday of this week I took the floor to discuss some of the problems which beset our farm families. On the following day I pointed out what I believe to be the weaknesses in the farm program which we are now following under the administration of Secretary Benson. Today, I want to discuss what I believe might constitute the rough outline for a more rational Federal farm program.

Anyone who searches for a satisfactory solution to the problems of agriculture is made keenly aware of the fact that there is widespread disagreement among farm organizations as to the proper remedy. This disagreement coupled with the sharp differences of opinion between the present administration and the Congress has delayed any acceptable solution to our agricultural problem.

Any major problem will produce differences of opinion, however, and we have not let such differences stand in the way of progress in the past. Indeed, we cannot afford as a Nation to delay much longer the establishment of an improved farm program. How can a great Nation ignore a condition which depresses the income of our food producers to a level only half that enjoyed by city dwellers? How can we ignore the pile-up of farm surpluses to the tune of $9 billion at an annual cost of $1 billion in storage and handling charges? How

can we turn our backs on the outstretched hands of hungry millions overseas and our own undernourished here in the United States when vast quantities of food are deteriorating in Government bins? How can we close our eyes to the cost-price squeeze that is forcing farm families to sell out to corporation farm operators and integrated agriculture? How, for example, can my business constituents in South Dakota regard their future with security knowing that farm families are leaving the farms in South Dakota at the rate of one thousand per year for the past 5 years, many of them looking for work in the large cities where unemployment is already a problem. I feel a special concern for the young farmers who began farming after the Korean War when prices were high and their hopes for the future were even higher. These families were hit the hardest by the price depressing policies of Mr. Benson, tight money, and rising costs of operation. They did not have sufficient reserves to survive the squeeze between falling farm prices and rising costs of operation. What is our suggestion to these farmers?

To raise these questions is to recognize that the crisis in agriculture is more than an economic crisis; it is a moral crisis, as well.

GUIDELINES TO A BETTER AGRICULTURAL PROGRAM

More than a year and a half ago, the gentleman from California, Congressman ROOSEVELT, and I sent a letter to the Members of Congress in which we suggested four major factors which we believed any new farm program must recognize. I believe that those four guidelines are even more apparent today as criteria for an improved agricultural program. In setting forth the conditions of an acceptable new program, we said:

First. It must be of maximum benefit to the family-size farmers who makes up the great bulk of our rural population.

Second. It must not raise food costs to city consumers.

Third. It must not be unreasonably costly to the Federal Treasury as is the case with our present disorganized and poorly planned program.

Fourth. In view of our position as a leading world power, a Federal farm policy should be related to our opportunities and responsibilities abroad.

Mr. Speaker, it has seemed to me for years that the No. 1 weakness in our national farm policy has been our slowness in recognizing that agricultural abundance if properly used can be a great asset both at home and abroad. The amazing efficiency of the American farmer which is the envy of the world can be a mighty instrument in strengthening our economy at home and building good will and peace abroad.

I cannot believe that an all wise Providence intended America to let her abundant agricultural production become a curse that depresses the income of the hard-working men and women who make that abundance possible. To do so is to ignore the parable of the slothful servant who was condemned by his master because he hid his talent in the ground.

We all know that in a world where most of the people are hungry, our chief adversary, Mr. Khrushchev would love to have control of America's food surpluses to use in his international operations. Why then have we been so slow to recognize the potentiality of our amazing farm production?

Early in this session of the Congress I introduced a resolution—House Concurrent Resolution 60—entitled the "Food for Peace Resolution," calling upon the Congress to make vastly greater use of our food reserves as an instrument of peace and freedom. We have made some progress in that direction under Public Law 480, but much more can be done in the months ahead. The following is the text of my food-for-peace resolution which I include at this point in the CONGRESSIONAL RECORD:

HOUSE CONCURRENT RESOLUTION 60

Whereas the abundance of food and fiber produced by the American farmer is the marvel of the world; and

Whereas most of the people of the world are undernourished; and

Whereas the American people historically have been concerned with the well-being of other peoples; and

Whereas in many nations of the free world vital economic development programs are retarded and political stability is threatened by an inadequate supply of food; and

Whereas the remarkable bounty of the free American farmer has resulted in accumulations of farm commodities for which there is insufficient domestic demand; and

Whereas the Congress seeks to reduce unnecessary expenditures, including, where possible, those for commodity storage and for foreign assistance; and

Whereas the Soviet bloc has publicly challenged the United States and her allies to economic competition in demonstrating before the world the viability of their respective economic system: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that an agricultural abundance is one of America's greatest assets for raising living standards and promoting peace and stability in the free world; and that Congress favors action to resolve the paradox of American agricultural surpluses and world food needs by more fully utilizing the resources of the American farmer as an integral part of the United States foreign assistance program.

SEC. 2. This concurrent resolution may be cited as the "Food for Peace Resolution".

There is also an urgent need for greater use of our farm surpluses here at home. Two-thirds of our schoolchildren are not included in the school lunch program and there are still 17 million Americans who are undernourished. One reason for the inadequacy of our domestic food use program is the fact that it is under the jurisdiction of the Department of Agriculture which is already under fire for its heavy budget. Actually our domestic food distribution program should be under the Department of Health, Education, and Welfare. This Department is not only better suited to carry on a humanitarian food distribution program, but it would eliminate some of the budgetary criticisms of the Department of Agriculture that are now hurting the farmer's chances for a stronger program.

The gentleman from Massachusetts, Senator KENNEDY, and I are the cosponsors of legislation—H.R. 7473 and S. 1884—that would transfer the food distribution program to the Welfare Department and expand the use of farm-produced foods among needy American families.

To accomplish the purposes of a comprehensive agricultural program designed to meet the needs of farm families and the Nation as a whole, the gentleman from Minnesota, Senator HUMPHREY, and I have cosponsored a challenging program—H.R. 8597 and S. 2502—which we believe is entitled to the thoughtful consideration of every American. Both Senator HUMPHREY and I were born in small South Dakota towns in the rural heartland of America. We have devoted a large share of our time and energy in public life studying the farm problem and talking with farmers in our home States and across the country. We believe that our legislation should be given full-scale hearings when the Congress returns next January and that it may point the way to a better agricultural economy in the best interest of farmers and city dwellers alike.

There follows the full text of our bill which I strongly urge every Member of Congress and every citizen to study. I am most anxious to receive suggestions from my colleagues and from my fellow South Dakotans as to possible improvements in this legislation before we begin hearings next year.

Under unanimous consent to extend my remarks, I include the text of the bill at this point in the CONGRESSIONAL RECORD.

H.R. 8597

A bill to provide for the development of a comprehensive family farm program, to bring the production of agricultural commodities into balance with demand therefor, to enable farmers to secure fair prices, to better utilize agricultural abundance in the Nation's interest at home and abroad, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Farm Program Development Act".

TITLE I—POLICY OBJECTIVE

SEC. 101. The objective of this Act is to provide for the orderly development of a comprehensive family farm income and supply stabilization program that will (1) assure consumers in the United States an adequate, varied, and nutritious supply of food, fiber, and timber in the immediate future and in years to come, (2) bring the supply of farm products into balance with requirements for domestic use and export, (3) enable farmers who are willing to participate in and cooperate with orderly marketing and production adjustment programs for agricultural commodities to secure fair prices that will enable them to secure returns on their labor and invested capital comparable to earnings in comparable nonfarm occupations, and (4) better utilize the Nation's abundance of food and fiber products in support of United

States international policies by assisting people in underdeveloped countries of the world to develop their economies, to modernize and expand their training and educational systems, and to avoid famine and malnutrition.

TITLE II—DOMESTIC FOOD AND NUTRITION PROGRAM

SEC. 201. (a) The Secretary of Agriculture (hereinafter called the Secretary) is authorized and directed to formulate annually and submit to the Congress on or before February 1 of each year a domestic food and fiber program for the United States, both immediate and long range, together with budgetary estimates for carrying out such program in the first year and in subsequent years of operation.

(b) Any food and fiber program submitted by the Secretary pursuant to subsection (a) shall include provisions for—

(1) expanding and liberalizing the national school lunch program (carried out under the National School Lunch Act) and the special milk program for children (carried out under the Act of July 1, 1958 (72 Stat. 276));

(2) a food allotment program under which the nutritional needs of low income persons, the unemployed, the aged, and the handicapped will be more adequately fulfilled; and

(3) a national security reserve of food and fiber products designed to protect people of the United States against charges of such products in the event of war or other national emergency.

TITLE III—INTERNATIONAL FOOD AND FIBER PROGRAM

SEC. 301. (a) The Secretary is authorized and directed to cause a study to be made for the purpose of determining the annual fiber, food, and nutritional deficiency in the world and submit a report of such study to the Congress annually on or before February 1 of each year. He shall include in such report—

(1) recommendations as to the fair and feasible share of that deficiency which should be met from food products produced in the United States;

(2) recommendations for making food and fiber products produced in the United States available to aid in meeting such deficiency; and

(3) estimates of the annual cost of carrying out such program.

(b) The program specified in subsection (a) shall be planned as a long-term program in order to facilitate the effective use of food products made available in the recipient countries. Such program shall be planned in such a manner as to be consistent with the international objectives of the United States and so as not to interfere with the commercial trading activities of friendly exporting countries; but planned so as to afford maximum economic benefit to the recipient countries.

TITLE IV—ADJUSTING SUPPLY AND DEMAND

SEC. 401. (a) Whenever the Secretary determines that the supply of any agricultural commodity exceeds effective demand at a fair price, he shall establish for each such farm commodity a farm commodity program development committee to be composed of representative producers of such commodity. Each such committee shall be composed of members elected from their own number by the producers of such commodity and shall be established and operated in accordance with regulations prescribed by the Secretary.

(b) Whenever any such farm commodity program development committee recommends it, the Secretary is authorized to conduct a referendum of the producers of such commodity to determine whether they favor a national marketing quota for such commodity as outlined by the Secretary after the consultation and guidance of the commodity committee. If two-thirds or more of the producers voting in any such referendum vote in favor of such a program, the Secretary shall submit to the Congress a national marketing program for the commodity concerned in conformity with principles hereafter outlined in this title, together with estimates of the annual costs of each such program.

(c) The national marketing quota for any marketing year in the case of any farm commodity for which a marketing program is effectuated pursuant to subsection (b) shall be an amount of such commodity which will move in domestic and foreign markets in such marketing year, as determined by the Secretary, at a fair price for such commodity, taking into account the amount of such commodity to be utilized pursuant to any program effected under title II and III of this Act.

(d) With respect to any national marketing quota program submitted to the Congress under subsection (a), the Secretary shall—

(1) establish the necessary production adjustment and orderly marketing control procedures for the commodities concerned, including the necessary incentives or penalties to effect compliance with the program;

(2) establish procedures for transferring sales quotas among producers in the same area, and among different areas; and

(3) utilize, as may be necessary for the effective administration of such program, any alternative income stabilization methods, individually or in combination, including but not limited to crop loans, marketing premium payments, marketing agreements, marketing orders, surplus diversion purchases, purchase agreements, export incentive payments, export equalization payments, stabilization pools, or income deficiency or compensatory payments direct to farmers, in order to achieve the fair price objectives of this legislation at the lowest possible cost to consumers and taxpayers: *Provided, however,* That in no instance shall any individual farm operator receive total Government payments of more than $5,000 for such purposes in any one marketing year, or more than $25,000 in crop loans.

(e) The term "fair price" as used in this section means, with respect to any commodity, the price which will yield returns on capital and labor (on representative family farms) comparable to nonfarm earnings, as determined by the Secretary on the basis of costs and returns collected and published annually by the United States Department of Agriculture for typical family-operated commercial farms.

(f) If the Secretary determines that the fair price for any commodity encourages competition from synthetics or tends to otherwise significantly reduce domestic consumption or export of such commodity, or in the case of oilseeds the products thereof, he may allow the commodity to move through the market at a competitive price and pay the difference between the competitive price and the fair price as a compensatory payment directly to the producer.

(g) Unless any such marketing program submitted to the Congress under provisions of this title is disapproved by joint resolution of the Congress after sixty days after submission by the Secretary, it shall be placed into operation; and all other previously existing price support provisions for such commodity shall be suspended for the period for which such program is in effect.

(h) The Secretary shall use funds of the Commodity Credit Corporation for the purposes of implementing this title.

TITLE V—LONG-TERM AGRICULTURAL PROGRAM

SEC. 501. (a) In order to facilitate the adjustment of the supply of agricultural commodities to the demand therefor and to effect a healthy and balanced growth in agriculture, the Secretary is authorized and directed to formulate and submit to the Congress, within six months after the enactment of this Act, a comprehensive program dealing with long-term adjustments in agriculture in the United States, together with a long-term budget setting out the estimated costs of carrying out such program.

(b) Any program submitted by the Secretary pursuant to subsection (a) shall include, but not be limited to—

(1) plans for an expanded agricultural resources conservation program, including incentives to encourage land-use adjustment and temporary retirement of land not needed for production;

(2) plans for a review and appraisal of the total research effort, public and private, in the field of agriculture with a view to determining the need for increased research in the production patterns, marketing, and uses of agricultural production.

TITLE VI—LOW PRODUCTION FARMS

SEC. 601. (a) The Secretary is authorized and directed (1) to review and report to the Congress the progress of the rural development program in solving the production and income problems of low production and low income family farms, and (2) to submit to the Congress, within six months after the date of the enactment of this Act, further recommendations for dealing more effectively and more rapidly with these problems, and (3) to submit estimates of the costs of carrying out such recommendations.

(b) The Secretary shall, with respect to any recommendation submitted pursuant to subsection (a), consider, but not be limited by—

(1) the use of increased supervised credit to help speed farm reorganization and to help achieve more efficient sized and better organized farm units;

(2) the establishment of special services, including individual farm and home management guidance;

(3) the feasibility of payment of special grants to assist families with poor economic futures in agriculture who may desire to seek more gainful opportunities; and

(4) better protection for the benefit of families or persons who gain their living primarily as hired farm workers; and

(5) stimulation of further industrial development in underdeveloped rural areas; and

(6) the desirability of extending the United States Employment Service to rural areas and providing counseling service to people living in rural areas.

COMMUNIST AGGRESSION IN THE FAR EAST

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 40 minutes.

Mr. FLOOD. Mr. Speaker, I call your attention to current Communist aggressions in the Far East. Fighting is going on in Laos. India is being threatened all along her borders. Formosa is still smoldering. Is our friend and true ally Pakistan next?

Let us focus for the moment on Laos. The invasion of Laos is clearly indicative of the Communist intentions to continue their piecemeal assault on the free world. They are content apparently to spread their control over free peoples in small bite-sized pieces that will not generate enough interest or resentment in the rest of the free world to start a general war. This most recent act of aggression is designed to take over some 91,000 square miles of territory and to impose the Communist will on some 1,650,000 people.

This is not an isolated example of the Communist plan for gaining control of the world; this is just another Lebanon, Hungary, Tibet, or Formosa set in another locale. In all of these recent attempts to subjugate small nations, or to keep them under subjugation, the only failures that the Communists have suffered have been in those instances where they were met with organized force. This was the case in Lebanon and in Formosa. In Hungary and in Tibet, where forces were not capable of resisting, the people lost their freedom, their identity, and their very lives.

This obvious pattern of aggression should point out very clearly to us the necessity for maintaining a strong Army and Marine Corps. Only by being prepared to meet the Communists on the ground and by clearly indicating to them our willingness to meet them will this piece by piece attrition of the free world be halted.

The question arises, are we ready for Laos? On the 26th of August one of our distinguished Representatives from the State of New York [Mr. STRATTON] stated in this assembly that we should send the Marines to Laos as we did to Lebanon to stop this Communist nibbling. I agree with him, in principle, but I question our ability to actually accomplish such a feat. In the case of the Marines, who are charged with establishing beachheads and with short range operations in the proximity of those beachhead areas, they would be hard put to it to sustain themselves for any period of time in Laos which could only be supplied by air. The fact that Laos is literally surrounded by Vietnam, China, Burma, Thailand, and Cambodia immediately indicates that any force employed in that area must be capable of waging sustained land combat and that any resupply or reinforcement must be through the air. The Army, of course, is charged with providing this type of force. However, even if the Army were sent to Laos, it would be necessary to transport them there by air and to resupply and reinforce them by air during the time that they remained in the area.

This opens another problem area: The problem of finding sufficient numbers and sufficient types of troop carrying and cargo carrying aircraft to transport and support any considerable force that might be sent to Laos. The fact remains that the Air Force is not, as presently organized and equipped, prepared to provide the necessary transportation and resupply aircraft to maintain a force large enough to accomplish anything in Laos or any other area that lies some 6,000 to 7,000 miles away. This fact becomes all the more alarming when you consider the very possible situation that could develop if we went into Laos and then had to send other forces to other threatened spots. Quite frankly, we could not, without extensive mobilization, support these widespread forces.

To me, the answer to our dilemma is obvious and simple. First, we must strengthen our ground forces, the Army and the Marines, and thus provide the necessary armed strength to effectively counter these repeated Communist encroachments. The Army should be increased in size to a minimum of 925,000 men; the Marines should be increased in size to a minimum of 200,000 men. Both of these forces should be provided with modern arms and equipment so that the manpower odds against them could be reduced by the use of more effective weapons. Then our Military Air Transport Service must be strengthened and modernized. The Air Force, which has the responsibility of transporting and resupplying by air those elements of our strategic reserve who must be rapidly deployed in the event of war, must be given the means to provide this service. And finally, and probably most important, the Department of Defense must be enjoined to utilize any funds authorized to provide the stronger Army, the stronger Marine Corps, and the more effective Air Transport Service we know is required.

To do otherwise is to stand idly by and watch our friends in the free world swallowed up by creeping communism. Our only other alternative as presently organized might well be at some future date, general war. This we must avoid.

STRENGTH AND MODERNIZATION OF THE ARMY

Mr. FLOOD. Mr. Speaker, daily I become more and more concerned with the ability of our Armed Forces to defend the Nation. Throughout the current session of Congress we have had a steady parade of our best military experts appear before us and sound the warning. I have watched the world situation steadily worsen with threats being directed at Europe and the Middle and Far East. And with all this, I fail to see where we have taken the dynamic action required to prepare our Armed Forces for the tasks they must ultimately face.

I have no doubt that our Strategic Air Force is being maintained at a level of readiness that will deter all-out nuclear war. This I recognize as a must. But what is happening to our ground combat forces—the Army and Marines. From where I stand I see nothing but a steady deterioration in strength and modernization. This is in the face of constant limited war threats all over the globe.

Since June 30, 1953, the strength of the Army has dropped from 1,500,000 officers and men and 20 divisions to 861,964 officers and men and only 15 divisions. I am told that one more division will be dropped from the roles in 1960. For the life of me I cannot see why this is allowed to happen when the very existence of our Nation and of our friends in the free world is under constant attack.

What about our enemy. What has he been doing during this same period. It must be abundantly clear that the Soviet Union and Red China are maintaining tremendous ground armies capable of initiating wars all along the perimeter of the free world. As these armies steadily increase their effectiveness and ours declines, Communist power relative to ours must certainly grow. Moscow is bound to become more adventuresome and more difficult to deal with. I am convinced that the Soviets understand diplomacy based on power and power alone. They will not fail to take advantage of any and all weaknesses that we might develop.

With our ground combat strength steadily declining—what are we doing to offset the overwhelming numerical superiority now facing us? Time after time General Taylor clearly informed us of the requirements for modernization of the Army. I am afraid we have become mesmerized by the glamor of great bombers, ballistic missiles, and missile-launching submarines which tend to overshadow the very real and hard fact that the Communists have pursued a continuous buildup and modernization of forces. So we learn that our Army and Marines are equipped with rifles adopted 23 years ago and automatic rifles and machineguns of World War I vintage.

Now the Army has not been standing still. Its vigorous research and development program has produced the most modern and efficient small arms and other ground and air equipment. However, the rate of production for these badly needed items is a mere trickle. If the present production rate is maintained it will be well into the middle of the 1970's before our troops can be reequipped. The Army has gone on record, stating very clearly, that $15 billion is needed over a period of 5 years to modernize our present forces. This requires a start of $2.8 billion in 1960 of which $1.4 is required just for replacement of wornout equipment. Despite this, the Army has been given slightly over $1 billion for procurement in 1960. I fail to see progress here. We only find ourselves in the predicament of not having the clear conventional ground capability either to keep a local crisis from spreading into general war, or to handle more than one crisis at any given time.

Gentlemen, I feel I must sound the warning. Unless we take immediate and positive steps to build up the numerical strength of our ground combat forces and furnish them modern equipment, we can expect to face Communist inspired crises one after the other. Each will leave the free world weaker than before until we are faced with no alternative but all-out war with its attendant annihilation.

COMMUNIST TRIPLE THREAT: CIA FINDINGS

Mr. FLOOD. Mr. Speaker, over a period of many months, I have endeavored,

by means of addresses and statements to the House, to present to the Nation an adequate picture of the turmoil to the south of us, especially in the strategic Caribbean area and with particular emphasis on the security of the Panama Canal.

The preparation of these addresses inevitably involved studies of the operations of the international Communist conspiracy, which has long had for one of its prime objectives the wresting of control of the Panama Canal from the United States.

Thus, I read with the keenest interest in the September 7, 1959, issue of the U.S. News & World Report an extremely able address on the workings of the extensive Communist organization by Gen. C. P. Cabell, Deputy Director of the Central Intelligence Agency, which he gave on August 21, 1959, before the National Security Commission of the American Legion in Minneapolis, Minn.

To make General Cabell's informative address more generally available, especially to State and Federal security agencies of the United States and to those of other nations of the Western Hemisphere, I quote the full text:

WHAT THE CIA HAS LEARNED ABOUT THE COMMUNIST THREAT

(By Gen. C. P. Cabell, Deputy Director of the Central Intelligence Agency)

My purpose is to discuss the nature of the Communist threat. The threat of communism is long-term and many-sided. There must be no blinders on us when we are looking at the nature and magnitude of this threat.

The objective of communism is abundantly clear. The Communists want to rule the world. They want to abolish free society. They have, in fact, announced their intent of world domination. And let me solemnly assure you that they are determined to carry out their intention. They have an integrated offensive directed from Moscow which combines military, political, psychological, economic, cultural, and subversive forces. Their strategy is to infiltrate and absorb; undermine and replace; subvert and take over—all, if possible, without war.

We hear much about Soviet power and progress. The Soviets seek to make themselves appear as the star of the future. They seek to maintain the offensive and to place the free peoples of the world on the defensive.

Now, there is no doubt that the Soviet Union has made a significant advance in its economic base. The Soviets have also moved forward in scientific and technical fields by concentrating their resources on selected high-priority programs. Soviet advances in the scientific and technical fields are likely to continue and with greater frequency. We recognize these things. We hope that the standard of living of the peoples of the Soviet Union, and of other countries presently under Communist domination, can be materially improved as a result of this natural economic and scientific development. But it is hard to understand why the Soviets use their increasing future capability in the form of a presently existing threat to the peoples of the free world and, at the same time, mouth the words of peace. The inconsistency in this propaganda tactic makes it clear that they seek to intimidate the West into accepting their one-sided position of hands off their spheres of influence, with Communist open house in our back yard.

They rattle their future missiles in an effort to scare off any unwelcome intruder. Their spokesman has promised to "bury us"; later, when called on this, he added, "in peaceful competition."

You and I know that, in the thinking of the Communists, there is no condition. Their strategy is to boast of scientific, economic, and military strength in such a way as to make it appear that they have tomorrow's capability today. While the Communists speak of peace, their strategy clearly calls for them to continue those actions which keep the cold-war conflict alive and worldwide. At the same time, they would like, if possible, to minimize Western strength in any given area. Thus, in considering the threat of communism, we must take into account this strategy of mass psychological conditioning—the Soviet attempt to monopolize the initiative—the Soviet desire to place free peoples on the defensive—and the Soviet-zone concept of hands off.

ON THE WEST, A THREE-PRONGED ATTACK

The Communists are currently involved in a triple-threat attack on the West. The first wing of this attack is the direct, overt, official action by the Soviet Government. Here we see military, political, diplomatic, and economic weapons employed.

One of the most menacing techniques of this approach—and one which will be with us for a long, long time—is seen in the Communist economic offensive. In this field we find the handmaiden of Communist subversion. Here the target of the Communists is primarily the newly developing nations of the world. These countries offer fertile fields for Communist economic coercion.

Today there are around 2 billion people living in poor, undeveloped areas of Asia, Africa, the Near East, and some of the Americas. Life is at a low economic level. These people have every right to improve their status. They have every right to live in freedom. In their human aspirations they are not different from us. Therefore, there is a terrific pressure for tangible results quickly. The Soviets—and, in fact, the entire Sino-Soviet bloc—are attempting to pass themselves off as the foremost examples of crash economic progress. They are out to get the credit for filling the immediate desires of these newly developing areas.

But—and this is the big hooker—while they are at it, the Communists not only try to assume control of the resources of these countries but also attempt to control the minds and souls of the peoples in the areas. The Communists want nations to become increasingly dependent economically upon the Communist bloc. The stage is then set for ultimate Communist takeover. As it is developing, Afghanistan is one case in point, Finland is another.

After World War II the Soviet Union firmly tied the Finish economy to its own. In 1958, when the Finns began efforts to move closer to the West, the Soviet Union reacted swiftly by canceling orders, cutting off needed petroleum and wheat supplies, and refusing to negotiate further trade agreements.

This economic pressure was buttressed with internal subversion by Finnish Communists. Communist-inspired propaganda, press and radio took hold. As a result, the democratic coalition in Finland was forced to fall. It was replaced by a Government less opposed to Moscow's goals. Just recently, Pravda has begun to denounce Finnish plans for association with the little free-trade area. Also, the Communist Party of Finland, directed from Moscow, has begun to make accusations against the Government, charging President Kekkonen with being involved in a conspiracy aimed at securing membership in an association which would be dominated by the Western Powers.

It will be interesting to see whether further pressure from the Soviet Union will take place to discourage little Finland's agrarian Government from making progress by economic association with areas which are non-bloc-controlled.

This kind of Communist economic machination is clearly representative of the nature of the Communist threat with its ultimate objective of what the Soviets call a world socialist system. This term "socialism" is only a sugar-coated word the Bolsheviks use to describe communism when they do not want to alarm the unwary. In this connection, we find them using recently a new phrase, "the socialist commonwealth of nations." I predict that we are going to see a lot more use of their term "commonwealth." By subtle analogy with the British Commonwealth, the Communists wish to convey that same image of unfettered association, free from any domination. The peoples who may be tempted to participate in the "Soviet Commonwealth" are given the promise of true national independence. But Hungary, Tibet, and others give the lie to this hope.

On the bright side, many of the countries in the Middle East and southeast Asia have begun to appreciate the traplike character of Communist economic and political friendship. Their leaders have begun to speak out and identify communism for what it really is. The Communists have for years been trying to avoid this kind of judgment, justifying and fuzzing up their machinations by offering promises of Utopia—but the question, "For whose benefit?" is increasingly being asked by an awakening world.

We have a recent example of this awakening in the so-called neutralist country of India. In April 1956, the people of the large state of Kerala, in India, elected a Communist state government. But what happened? Less than a month ago the people of this same state demonstrated so violently against the Communist malfeasances, and particularly their efforts to move in and control the free school system, that the Indian Government, already startled by what it had seen in Tibet, found it the better part of wisdom to move in on the Communists.

The central Government dismissed their administration and took over the running of the Kerala state government pending new elections. The ousting of the Communist government has given a serious setback to the Communist Party's prestige throughout India. Most segments of Indian public opinion have applauded the Government's move.

ATTACK NO. 2: UNDERCOVER OPERATIONS

The second wing of the Communist triple-threat attack is seen in their subversive programs. Here I refer to the covert, or undercover, operations of the Communist Party in all countries. This subversive activity is being undertaken on such a wide scale that today it is at least as dangerous as the military threat.

The Communists have developed a network of subversive bases in all major countries of the world. From these bases they are now operating an offensive designed to cut down and overthrow the democratic institutions and governments of the host and neighboring countries. They are operating from these subversive bases without permission of the host country. In spite of this fact, the Communists clamor about American military bases abroad. Our bases are defensive. They are there with the permission of the duly constituted governments of the areas.

Their presence, in many cases, strengthens the economy of the countries in which they

are located and certainly strengthens the defenses of these countries. But, by contrast, the subversive bases of communism represent an inherent part of the Communist scheme and, let me reiterate, are on the attack with every means at their disposal. Lest you think this is an overstatement, a hard look at Communist behavior in the countries of our neighbors to the south provides interesting documentation.

The Communists have long interfered in the internal affairs of the Latin American Republics. They have consistently abused diplomatic privileges. In Mexico and Argentina, the Soviet Union has interfered in trade-union activities to a point of offending the national sovereignty of these countries. In these countries the Communist Party of the Soviet Union, through representatives in certain Soviet Embassies, has given guidance and financial support in clandestine manner to the Communist Parties in a host of surrounding countries.

On a regional scale the Communist Party of the Soviet Union has been guiding Latin American Communists in their preparation of a "Congress of Latin American Peoples." The guidance calls for complete concealment of the Communist instigation and initiation of the congress. It provides for the deception of the peoples of Latin America and for the deception of specific patriotic, progressive, non-Communist public figures whom the Communists are seeking to trick into sponsoring the congress. The Communists' aim is to undermine the amity and cooperation of the member-peoples of the Organization of American States, thus weakening the defense of their freedom. This aim of that congress is to be disguised under the wholesome purpose of defending the internal resources of the Latin American countries.

Latin American Communists, in ever-increasing numbers, are being trained in the Soviet Union in the techniques of gaining state power, leading to the establishment of Communist dictatorships. Their training is clandestine from beginning to end. The trainees are aided in obtaining illegal travel documents in defiance of their own and other governments in order to travel to the training sites within the Soviet Union. They are being taught to exploit the honest and legitimate national aspirations of genuine political parties, labor movements, and other democratic institutions.

The Communist Party of the Soviet Union also gives specific direction on what Latin-American Communist Party action should be. For example, the Communist Party of Cuba, called "the Popular Socialist Party," has been given guidance on how to penetrate and exploit the government of Fidel Castro. Primary targets for Communist penetration in Cuba are the agrarian reforms, trade-unions, and the army. These targets of the Communist Party of the Soviet Union are so important that, back in May of this year, they sent under alias to Cuba a Soviet intelligence officer, Vadim Kotchergin, as a member of a Soviet trade-union delegation. His assignment was to give guidance to Cuban Communists. Kotchergin has since returned to Moscow.

MAKING A TOOL OF LABOR

One of the Soviet's primary instruments in Latin America is the Confederation of Workers of Latin America, with headquarters in Mexico. This confederation is the regional liaison bureau of the World Federation of Trade Unions (WFTU), which has headquarters in Prague, but is controlled from Moscow.

Soviet financial aid is given regularly to the Confederation of Workers of Latin America via the World Federation of Trade Unions. The union's officials maintain both open and secret contact with the Soviet Embassy in Mexico City. The union provides trade-union cover—an appearance of legality and legitimacy—for Latin-American Communists in obtaining illegal documentation for travel to Moscow for consultation. The head of the Confederation of Workers of Latin America, Vicente Lombardo Toledano, abuses his diplomatic passport by placing its immunity and privileges at the service of the international Communist movement for clandestine purposes.

While this kind of subversive activity takes place, we find the Soviets piously making overtures of peace toward the legitimate free trade-unions, not only in Latin America but all over the free world. They seek more fraternal exchange between the Communist labor bodies and the organized free trade-unions—all in the interest of peace. But, in responding, consideration must be given to the kind of continuing subversive activity that I have just referred to as taking place in Latin America.

Free men subscribe to the fundamental human rights specified in the United Nations Charter. The Communists do not. In the trade-union field, free unions permit their workers the right of freedom of association and organization, the right of genuine collective bargaining, and the right to strike. The Communists do not. Indeed, their subversive apparatus is diametrically opposed to those freedoms. In the free world, individuals and organizations are permitted to advocate and develop democratic institutions. In the Communist world, this permission is missing.

The Chinese Communists are also showing an increasing interest in Latin-American matters. The Chinese Communists are spreading the concept that China should be the model for social and economic revolution in Latin America. They point out the alleged similarities between the two areas. They are seeking trade and cultural relationships with various Latin-American countries. They are interested in establishing diplomatic relations where possible.

In support of their general programs, the Chinese Communists are engaged in various specific activities in Latin America. They are disseminating propaganda both by mail and by Spanish-language radio programs directed at the area. They are establishing a newspaper in Cuba under the direction of personnel of the New China News Agency sent from China. Other representatives of the New China News Agency, which is an arm of the Chinese Communist Party's propaganda department, have toured various Latin-American countries. Activities in the cultural field are carried on by societies to promote Chinese culture, and these societies are particularly active in Chile, Cuba, Mexico, Brazil, Argentina, and Uruguay.

For leaders of Latin-American Communist parties, the Chinese also have begun offering training courses. If, indeed, the Communists seek the peace they talk about, why is the training of a free-world Communist cadre at the highest party schools in the Soviet Union and in China permitted, encouraged, and subsidized? Why are they planning to expand their already considerable and expensive training programs to embrace every existing Communist Party?

Communist efforts at subversion of lawfully established governments reach out to all countries. They employ a host of methods timed to suit their purpose. Let me select a few examples of going Communist activities which are today sufficiently aggravated to have bubbled to the surface.

In Laos, a small free country in what was formerly known as Indochina, we find Communist subversion, propaganda, penetration, and force. In Iraq, we find Communist subversion, propaganda, penetration, and at least an incitement to murder. In Iran, we find the most vehement of Communist propaganda supporting their subversive campaigns.

Communist propaganda from the Soviet Union has heaped abuse and vilification upon the Government of Iran collectively and upon the Shah of Iran, the Prime Minister, and other Iranian officials. They seek to force Iran into a change of policy. They seek to split Iran away from other nations of the free world with which she has voluntarily alined herself. Iran, on her part, has firmly pointed out that, while desiring to be friendly with the Soviet Union, she has no intention of modifying her association with other free and like-minded nations.

If time permitted I could go on and cite you many other going examples of Communist subversive activities.

ATTACK NO. 3: FRONT ORGANIZATIONS

In addition to the diplomatic, economic, political, and military actions of the Soviet Union and Communist China and the subversive activities of the Communists directed from Moscow and Peiping, there is a third aspect of the Communists' triple-threat attack. This third aspect involves the use of a host of Communist-front organizations.

These fronts are part of the Communist international propaganda and subversive apparatus. They have appealing and irreproachable names, such as the World Peace Council and the World Federation of Trade Unions. Right here in the United States, our own Attorney General's list of subversive organizations contains the names of hundreds of Communist-front organizations. In nearly all other countries of the world, there are comparable organizations which exist to serve the goals of international communism. Soviet leaders are spending, directly or indirectly, hundreds of millions of dollars annually on these Communist-front activities. The technique is to grasp some popular cause and set up a mass public organization ostensibly to promote that cause. Actually, the purpose is to develop political subversion. These fronts are used as a way of recruiting unwitting people of good will and harnessing their idealistic feelings to serve Communist objectives.

WHEN COMMUNISTS RAN INTO TROUBLE

Communist efforts through international front groups to soften up the free world by portraying the Soviets as paragons of peace and friendship do not go unchallenged. Here I am talking about challenging deeds as well as words. A recent example of this is the Seventh World Youth Festival held in Vienna from July 26 through August 4. I am sure that many of you have read about this event.

This was the first time that the Communists have dared to hold their world youth festival outside of the Iron Curtain. They hoped by so doing to establish respectability for the festival. They wanted to demonstrate that they could operate in the free world as readily as behind the Iron Curtain, and they might well have got away with it except for some resolute and clear-eyed persons who exposed the fraudulence of Soviet claims.

Reports show that the Vienna festival was marked by dissension and violence. Many who had come accepting the word of the festival sponsors that this would be opportunity for youth from all over the world to exchange views and improve understanding among people had their eyes opened for them. Free world groups had arranged to distribute books and other literature which

are not available behind the Iron Curtain. When they attempted to do so, they were beaten up and their literature was seized and, in one case, even burned. The Communists had to take strenuous, and often crude, measures to see that dissenting views were not permitted expression at the various seminars.

Delegations from the Soviet Union, Communist China, and the satellite countries were subjected to rigid discipline and were closely guarded from free contact with free-world delegates. In fact, they were herded in and out of buses and shuttled from one place to another in most obvious fashion. These things tended to show up the ugliness of the Communists. Certainly the implications of this cannot have been lost on the many persons attending from Africa, Asia, and Latin America.

The people of Austria, and of Vienna itself, were not taken in by the propaganda of the festival organizers. All Austrian youth and student groups other than the Communists protested from the beginning against the holding of the festival in Vienna, and boycotted it. The populace was cool and indifferent to the "circus" taking place in their city, and the newspapers of Vienna gave the festival very little coverage.

The Communists tried to deceive the delegates and the world in many ways. But such tactics backfired. For example, in one case a high official of the ruling party of the Government of Ghana protested vigorously against the use of the flag of his country at the festival. He said that Ghana was not represented as a participant or observer and that the so-called Ghana delegation which marched in the opening parade consisted in fact of Nigerians.

Not the least of the headaches of the festival organizers came from Americans. Throughout the 10-day event, the American delegation of about 350 persons was split. A majority of them protested the rigging under which festival officials refused to accept the results of a democratic vote in the delegation.

The Communists refused to give proper credentials to the duly elected majority. Apparently the festival officials were well aware that this majority was anti-Communist and that it would remain critical of the undemocratic management of the festival. At the end, the suppressed majority issued a statement denouncing the festival "as a tool for the advancement of world communism." According to the New York Times of August 5, the work of this majority rebel faction proved to be a "minor disaster" for the Communist organizers.

A Communist leader has piously said: "It is very good for youth from different countries and of different political convictions to come together. * * * The desire of the youth to meet as often as possible to exchange opinions so as to know and to understand one another better must be welcomed and encouraged in every way." But what happened when people did attempt "to exchange opinions" and to "understand one another better?" The Communist steamroller and goon squads went into operation. In the process the Communist organizers were forced to show their true colors—which are hardly those of peace and friendship.

I could give you many examples of the ways in which the Communists operate. It is clear that their strategy is designed to spread communism throughout the world by any means—moral or immoral, legitimate or illegitimate, overt or covert. They have long-range programs which are tied directly to the Kremlin. The resources they have to work with—political, economic, military, and subversive—are increasingly significant. They do not want hot war with the United States if it is possible to avoid it. Their primary emphasis for the future is in their economic and political subversive activities.

These activities are continuous—regardless of whether we get smiling faces from the Kremlin or ugly scowls, or veiled threats, or missile rattling. Their merry-go-round has made a complete circle. There is always the brass ring for those who want to grab it and get the free ride, but the ride turns out to be costly.

HOW UNITED STATES CAN DEFEND ITSELF

It has not been my purpose—nor has there been time—to include a look at the other side of the coin, that is, what we might and should be doing to overcome this Communist threat. Just let me say that there is another side to the coin, as exemplified by the Vienna festival episode. In the paraphrased words of my chief, Mr. Allen Dulles, who is Director of Central Intelligence:

"Our defense lies not in compromise but in understanding and firmness, in a strong and ready deterrent military power, in the marshaling of our economic assets with those of other free countries of the world to meet Communist methods of economic penetration, and finally, in the unmasking of Communist subversion.

"If they succeed and we fail, it will only be because of our complacency and because they have devoted a far greater share of their power, skill, and resources to our destruction than we have been willing to dedicate to our own preservation."

CENTRAL AMERICAN UNION

Mr. FLOOD. Mr. Speaker, in an address to the House of Representatives on August 12, 1959, I gave a brief summary of the history of a Central American Federation from its beginning on July 1, 1823 to the present.

It is indeed gratifying that among the communications received about that short statement is a moving letter dated August 20, 1959, from President M. Ydígoras Fuentes of the Republic of Guatemala.

I am sure that all thoughtful Americans, South as well as North, who read the President's letter will appreciate the evident dedication of President Ydígoras Fuentes and other statesmen of Central America for the establishment of their long cherished union.

The letter follows:

GUATEMALA, *August 20, 1959.*

Congressman D. J. FLOOD,
House of Representatives,
Washington, D.C., U.S.A.

DEAR CONGRESSMAN FLOOD: Indeed, the idea of the Central American Federation whose history you so concisely and brilliantly pictured for your fellow Congressmen has never died among our peoples and statesmen and it is only our economic conditions which have been mostly, the unsurpassable barriers to the realization of that great desire ever alive in the heart of true Central American citizens.

That is why, we who are unionists in mind and soul and in a position to contribute with our grain of sand, have fervently advocated to the establishment and development of a common market system among our countries—and farther if possible—in order to reconstruct our broken Federation and to secure the bonds of lasting friendships with other nations.

Through these lines I wish to convey to you my sincerest thanks for mentioning my endeavors in the Congress of the United States of America, and for the courtesy of sending me the clipping of the CONGRESSIONAL RECORD with your very interesting talk.

Once more, accept my compliments and very cordial regards.

Sincerely,

M. YDÍGORAS FUENTES,
President of the Republic.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SCHERER (at the request of Mr. ROBISON), for today on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PORTER, for 30 minutes, tomorrow.

Mr. CURTIN (at the request of Mr. ROBISON) for 10 minutes, on tomorrow, September 10, 1959.

Mr. FLOOD (at the request of Mr. MACK of Illinois), for 10 minutes, on each of four subjects today; to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. OLIVER and include extraneous matter.

Mr. HECHLER and include extraneous material.

Mr. HOFFMAN of Michigan in two instances and to include certain relevant material.

Mr. BETTS.

Mr. SCHENCK, to revise and extend his remarks on the airport bill and to include extraneous matter and an editorial.

Mr. HÉBERT and to include extraneous matter.

Mr. WRIGHT in three instances and to include extraneous matter.

Mr. DORN of New York (at the request of Mr. ROBISON) and to include extraneous matter.

(At the request of Mr. ASPINALL, and to include extraneous matter, the following:)

Mr. BRADEMAS.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 9105. An act making appropriations for civil functions administered by the De-

partment of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 36. An act for the relief of Page A. Wilson;

S. 252. An act to authorize Col. Philip M. Whitney, U.S. Army, retired, to accept and wear the decoration tendered him by the Government of the Republic of France;

S. 825. An act to revise eligibility requirements for burial in national cemeteries, and for other purposes;

S. 1081. An act for the relief of Arshalouis Simeonian;

S. 1149. An act for the relief of Capt. Thomas J. McArdle;

S. 1164. An act to authorize the appointment of a commissioner for Grand Canyon National Park, Ariz.;

S. 1613. An act for the relief of Matilda Kolich;

S. 1891. An act for the relief of Donald G. Coplan;

S. 1973. An act to extend the validity of the passport to 3 years;

S. 2101. An act for the relief of Ourania Ben Blikas;

S. 2291. An act to authorize the erection of a plaque in honor of the late Honorable Sam D. McReynolds on or near the site of the Chickamauga Dam;

S. 2390. An act to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park;

S. 2500. An act to authorize the appointment of Elwood R. Quesada to the retired list of the Regular Air Force, and for other purposes; and

S.J. Res. 25. Joint resolution to change the name of Roosevelt Dam, Reservoir, and Power Plant in Arizona to Theodore Roosevelt Dam, Lake, and Power Plant.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 539. An act for the relief of Mrs. Joyce Lee Freeman;

S. 669. An act to authorize the Secretary of Agriculture to convey certain lands to the Bethel Baptist Church of Henderson, Tenn.;

S. 696. An act for the relief of Mrs. Annie Voisin Whitley;

S. 1071. An act for the relief of Nettie Korn and Manfred Korn;

S. 1298. An act for the relief of Concetta Meglio Meglio;

S. 1392. An act for the relief of Isabel M. Menz;

S. 1557. An act for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim;

S. 1650. An act for the relief of Edmund A. Hannay;

S. 1667. An act for the relief of the widow of Col. Claud C. Smith;

S. 1792. An act for the relief of Lilia Alvarez Szabo;

S. 1915. An act for the relief of Chung Ching Wei;

S. 1921. An act to exempt from taxation certain property of the United Spanish War Veterans, Inc., in the District of Columbia;

S. 1958. An act to amend section 12 of the act of March 5, 1915, to clarify types of arrestment prohibited with respect to wages of U.S. seamen;

S. 2021. An act for the relief of Irene Milios;

S. 2027. An act for the relief of William James Harkins and Thomas Lloyd Harkins;

S. 2050. An act for the relief of Leokadia Jomboski;

S. 2081. An act for the relief of Yadwiga Boczar;

S. 2102. An act for the relief of Irene Wladyslawa Burda; and

S. 2238. An act for the relief of Kenzo Hachtmann, a minor.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 9105. An act making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

ADJOURNMENT

Mr. ASPINALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 51 minutes p.m.) the House adjourned until tomorrow, Thursday, September 10, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1364. A letter from the Administrator, Small Business Administration, transmitting a report reflecting estimated obligations by principal activities of the Small Business Administration for the period January 1 through June 30, 1959, pursuant to the Small Business Act of 1958; to the Committee on Banking and Currency.

1365. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, relative to the cases of Gloria E. Wendling de Bado Herran A-10583005 and Carlos Kenneth Bado A-10583014 and requesting that they be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPINALL: Committee of conference. S. 2181. An act to amend the Mineral Leasing Act of February 25, 1920 (Rept. No. 1174). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H.R. 9156. A bill to establish the Great Basin National Park, in Nevada, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HIESTAND:

H.R. 9157. A bill to amend title 13 of the United States Code to provide for the collection and publication of foreign commerce and trade statistics and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RIVERS of Alaska:

H.R. 9158. A bill to amend title 23, United States Code, to provide for participation of Federal-aid highway funds in the construction of approach roads to ferry facilities on the Federal-aid systems; to the Committee on Public Works.

By Mr. ADDONIZIO:

H.R. 9159. A bill to provide for the holding of public hearings in connection with the approval by the Comptroller of the Currency of the establishment of new national banks or national bank branches and for judicial review; to the Committee on Banking and Currency.

H.R. 9160. A bill to provide for a more varied representation of the country's banking interests on the Board of Directors of the Federal Deposit Insurance Corporation; to the Committee on Banking and Currency.

By Mr. COFFIN:

H.R. 9161. A bill to amend the Internal Revenue Code of 1954 to provide funds for educational purposes by providing increased incentives for private giving through the allowance of a tax credit for charitable contributions to institutions of higher education; to the Committee on Ways and Means.

By Mr. WILSON:

H.R. 9162. A bill to amend the Tariff Act of 1930, insofar as it applies to Customs District 25, to increase from $10 to $30 the maximum amount of administrative exemption from customs duties (on articles for personal or household use) which is available to individuals who return from visits to foreign countries before they can qualify for the regular statutory exemption; to the Committee on Ways and Means.

By Mr. GRIFFIN (by request):

H. Con. Res. 436. Concurrent resolution authorizing and requesting the President to proclaim a Good Neighbor Day during 1959; to the Committee on the Judiciary.

By Mr. DAWSON:

H. Res. 381. Resolution providing for printing of additional copies of House Report 1121; to the Committee on House Administration.

By Mr. HIESTAND:

H. Res. 382. Resolution concerning the desirability of holding an international exposition in the United States; to the Committee on Foreign Affairs.

By Mr. SHEPPARD:

H. Res. 383. Resolution concerning the desirability of holding an international exposition in the United States; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOWNING:

H.R. 9163. A bill for the relief of Matsuyo Ishida Montgomery; to the Committee on the Judiciary.

By Mr. FARBSTEIN:
H.R. 9164. A bill for the relief of Zlatko Brnabich; to the Committee on the Judiciary.

By Mr. PROKOP:
H.R. 9165. A bill for the relief of Aurora Giordano; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:
H.R. 9166. A bill for the relief of Rosetta Sutton Roberts; to the Committee on the Judiciary.

By Mr. SHEPPARD:
H.R. 9167. A bill to provide for the enrollment of certain persons as Indians of California; to the Committee on Interior and Insular Affairs.

By Mr. THOMPSON of New Jersey:
H.R. 9168. A bill for the relief of Carmina Paolina Sabatucci; to the Committee on the Judiciary.

By Mr. WILSON:
H.R. 9169. A bill for the relief of Diomey S. Pondoc; to the Committee on the Judiciary.

By Mr. CONTE:
H.R. 9170. A bill for the relief of John J. Finn, Jr.; to the Committee on the Judiciary.

By Mr. FINO:
H.R. 9171. A bill for the relief of Cassim Mohammed Jadwat; to the Committee on the Judiciary.

By Mr. WALTER:
H. Res. 384. Resolution opposing the granting of permanent residence in the United States to Fu Sheng Cheng and Fu-Mei Lin; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

276. The SPEAKER presented a petition of Jodie Aldridge, Nashville, Tenn., respectfully requesting that the law be repealed that created the Civil Rights Commission, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Our New Labor Law: What It Is and How It Came About

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1959

Mr. HOFFMAN of Michigan. Mr. Speaker, the remedial labor legislation recently enacted was designed to and will first, to a great extent, protect the right of union members to participate in union policy. To know for what purpose the dues and special assessments exacted from them through the checkoff are spent. It will give them a greater opportunity to elect union officials and, thereafter, control their activities.

Second. It will in certain circumstances permit the union shop which compels the applicant for a job to join the union, pay initiation fees, and dues.

Third. It will somewhat limit secondary boycotts, picketing to force employees to join unions.

Fourth. It supplements the Hobbs amendment to the Anti-Racketeering Act, which, if properly enforced, will prevent extortion and racketeering.

It does not make antitrust and monopoly laws applicable to union activities. This is necessary if nationwide strikes and tieups are to be prevented.

It fails to prevent strikes in public utilities, which in the past have, and in the future may, prevent the supply of necessities such as light, water, food to whole communities.

It fails to prevent forcing employees to make involuntary contributions for the establishment of policies to which they are opposed.

Overall, it is a good bill and will work out for the benefit of practically everyone.

WHO FORCED ITS ENACTMENT?

An amusing situation has come about because of the effort of so many to claim credit for the law's enactment.

In truth and in fact, as everyone familiar with the situation knows, we now have the law on the books because the people, learning through the publicity given the McClellan committee's hearings so much of what has been happening, and many, finally realizing how they were adversely affected, demanded that their representatives provide a remedy.

We have the law today because of aroused public sentiment. The result is very encouraging because it shows that, when the people really take an interest in their Government and insist, their representatives get up into the collar and do what the home folks want.

West Virginia Is Getting Shortchanged

EXTENSION OF REMARKS
OF
HON. KEN HECHLER
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1959

Mr. HECHLER. Mr. Speaker, in yesterday's CONGRESSIONAL RECORD, at page 18661, I furnished State-by-State figures on employees of the Department of Commerce, relating them to the population of each of the 50 States in the Union. This record, compiled from official figures supplied by the Department of Commerce itself, reveals that my State of West Virginia ranks absolutely last in the relationship of Commerce Department employees to State population.

We have only 37 employees of the great Department of Commerce within our State, Mr. Speaker—a mere 37 out of a department with some 25,000 employees of whom almost two-thirds are located outside of the District of Columbia and within the 50 States.

Today, one out of every eight able-bodied workers in West Virginia is unemployed. There is no blinking at this stark fact. There are those who have accused me of advertising West Virginia in an adverse light for bringing out this fact, but neither the State of West Virginia nor the Nation can afford to stick its head into the sand and wish the problem would go away. Of course, the solution is to attract more and diversified industries, and believe me we have been making some fine progress along these lines in recent years: the construction and expansion of the Kaiser Aluminum plant at Ravenswood, the Goodyear plant at Apple Grove, and the projected Montocatini Chemical plant in Wayne County, to mention only a few.

But industry does not automatically settle and build plants on those tracts best suited for their products, labor supply, transportation, and resources. Frequently the assistance of Federal officials, working in conjunction with State and local leaders, cause an industry to decide on one spot rather than another. Now I submit that the Department of Commerce, by its prejudice against West Virginia in the number of its employees in the State, is loading the dice against West Virginia in industrial development.

The Department of Commerce maintains a Business and Defense Services Administration with field offices in 33 States. Not one of these 33 offices is located in the State of West Virginia, which sorely needs an office of this nature. Huntington, W. Va.—with a population of 86,353 according to the 1950 census—would be the ideal location for such a field office. Let us examine some of the cities in which these 33 field offices have been located. Perhaps these cities have been selected on account of the size of the city. If this be the case, then why is one of the 33 field offices located in Greensboro, N.C., with a population of 74,389 according to the last census? Or Cheyenne, Wyo., with a population of 31,935? Or Charleston, S.C., with a population of 70,174? Or Reno, Nev., with a population of 32,497? Each of these cities mentioned is exceeded by Huntington, W. Va., in population; yet Huntington and the entire State of West Virginia are deprived of a single field office. This further weights the scales of disadvantage against West Virginia when it comes for assistance in business development.

It is all very well for people to say: "All business development depends ultimately on community initiative." Of course community initiative is the most important single factor, and no community can attract and foster industrial development if its schools, roads, resources, and leadership are inferior. But

when you do have a high-spirited community, with lots of able people, and which after years of work has made the community and its resources highly attractive, why handicap them because they are in a State to which the Department of Commerce gives an absolute minimum of assistance?

It seems to me that from the standpoint of improving the national economy, the Department of Commerce should not concentrate on making wealthy States wealthier, but should try to be of greater assistance to those States like West Virginia where the potentialities for future industrial development are greatest, and where the labor supply is high and readily available. Yet what do these 37 employees of the Department of Commerce in West Virginia do? They are employed by the Bureau of Public Roads in Charleston, and the Weather Bureau in Charleston, Huntington, and Parkersburg. This is small comfort for a State working hard against odds to develop and expand its industry.

Not long ago, my hometown of Huntington, W. Va., was selected by an expert jury as an All-America City. Huntington worked for this award. Its citizens sacrificed a great deal to build up the city to meet higher standards—economic, political, and cultural. The city voted special levies to improve its services to all the people. It built a fine new airport with the aid of individual and community contributions. Yet the specter of unemployment still stalked the city, and it worked hard to attract new industry and provide job opportunities for its younger people. Of what earthly justification is all of this blood, sweat and tears if the Federal Government turns around and uses the money of the taxpayers of West Virginia to help other and richer States expand their industries? I say, Mr. Speaker, that is not only downright unfair but it is high time we blow the whistle on that kind of misapplication of the people's money.

Let us look at this whole problem in perspective and in a constructive spirit, Mr. Speaker. To develop the Nation's economy to make a stronger America, do not throw the weight of the Federal Government against certain States and areas like West Virginia where there is a good labor supply, natural resources, transportation, and markets.

Give West Virginia an even break—that is all we ask. Stop making us cover 25 yards instead of 10 when we make a first down.

Report to the People of the 12th Congressional District of New York

EXTENSION OF REMARKS
OF
HON. FRANCIS E. DORN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1959

Mr. DORN of New York. Mr. Speaker, each year it has been my custom to submit to the people of the 12th Congressional District of New York, whom I have the honor to serve, a questionnaire setting forth various questions which will be considered by the Congress of the United States in its deliberations.

I appreciate the fine response to the questionnaire and am gratified to say that the people of the 12th Congressional District of New York are intensely interested in their Government and are willing to take time to participate in it by expressing their opinions and advice to their Representative in the Congress.

The following is the questionnaire and the results in percentages:

[In percent]

	Yes	No	No opinion
1. Do you approve of the President's policy of moderate government?	71	18	11
If "no" should he turn to the right (10 percent), left (6 percent), no opinion (84 percent).			
2. Do you favor a continuation of our present foreign policy?	68	21	11
(a) Continuing foreign military aid?	76	15	9
(b) Continuing foreign economic aid?	66	26	8
(c) Maintaining our forces in Berlin?	83	10	7
(d) Our defense of Quemoy and Matsu?	70	20	10
(e) Our defense of Formosa?	78	13	9
3. Do you favor ending of nuclear bomb tests?	40	53	7
4. Do you believe that past "summit meetings" have served the best interests of the United States?	31	56	13
Do you favor:			
5. Reduction of the Federal debt before reducing taxes?	78	18	7
6. Reduction in nondefense Government spending if existing functions are curtailed?	64	29	7
If "yes" would you suggest cutting foreign aid (16 percent), farm subsidies (28 percent), public works (14 percent), highways (10 percent), veterans' aid (13 percent), slum clearance (11 percent), others (8 percent).			
7. Raising minimum wage to $1.25 per hour?	67	26	7
8. Requiring registration of pension and welfare funds of labor unions and disclosure of financial transactions involving them?	93	4	3
9. The enactment of a strong civil rights program to enforce the voting rights of all citizens?	80	13	7
10. Making it a Federal crime to bomb churches, synagogues, or schools?	89	8	3
11. Further reduction in the age at which persons shall be eligible for social security benefits?	60	37	3
12. An increase in social security benefits?	70	26	4
13. Direct Federal grants to States for education?	56	38	6
14. More liberal credit and lower interest rates for small business?	77	17	6

The response to the questionnaire by thousands of residents of our district has been of great assistance to me in carrying out their wishes. Many persons who answered the questions also submitted comments on other issues and suggestions for solutions to some of the problems of the day.

They are the people who elected me to represent them in the Congress of the United States. If there is any way in which I can be of service to them I hope they will not hesitate to call upon me. During recess both my Washington and Brooklyn offices remain open. I have a competent staff and my services and theirs are available to my constituents. I want them to know that even when Congress is not in session I am on the job.

The Labor Reform Bill

EXTENSION OF REMARKS
OF
HON. JAMES C. OLIVER
OF MAINE
IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1959

Mr. OLIVER. Mr. Speaker, in voting against the Landrum-Griffin so-called labor reform bill and the 90 percent Landrum-Griffin conference agreement, I voted to prevent retrogressive developments in the trade union movement which are certain to cause more far-reaching adverse results to the American economy and democracy, itself, than have been disclosed by the McClellan committee, in its many months of antiracketeering investigations.

It seems to me almost inevitable under the provisions of this law, that the clean, legitimate small unions of this Nation will have no future because of the roadblocks against their growth and expansion, written into this law. Expensive legal and accounting requirements will force these unions to merge or to become absorbed by the powerful and big international organizations.

It also seems inevitable that the dedicated, honest leaders of small unions will be forced out of office by the persecution and prosecution with criminal sanctions which are certain to stem from planned incidents in union meetings by stooges of management, drunks, and agitators, including Communists; such a vacuum in leadership will be filled by racketeers and hoodlums, the very same type of leadership which this law is supposed to destroy. A few examples of such probable incidents are as follows:

First. One member, among hundreds, is not given the floor at a union meeting because the chair understood the debate to be closed; the speaker had exhausted his time; or the speaker acted in a disorderly fashion; or for a dozen other reasons which are well-founded, but possibly illegal under the statute.

Second. One member, among hundreds, did not receive adequate notice of a union election, due to a misaddressed envelope.

Third. Union dues are increased, pursuant to arrangements for a secret ballot election, but the ballot of one member among hundreds, was marked in an open area where it was observed by others.

Fourth. A hand was raised to nominate a local union officer at a local union meeting, but the chair overlooked it.

Fifth. A charge, upon which a member is disciplined, after due notice and a fair hearing, is held not to be as specific as some judge may subsequently determine.

Sixth. The involved, intricate and confusing internal government and financial reports which the officers—most of whom are unschooled as well as unpaid—are required to file, prove to be inaccurate, due perhaps to an error in arithmetic.

It, furthermore, seems inevitable to me that any such developments, involving the destruction of clean leadership and the absorption of small unions by large powerful unions will naturally result in the next attack, by the U.S. Chamber of Commerce and National Manufacturers Association on the trade union movement, being directed against the bigness of unions. This attack, after sufficient public demand has been generated, will have antitrust controls over labor as its goal. Another objective already being discussed by President Canham of the U.S. Chamber of Commerce is a so-called national right-to-work law.

In short, Mr. Speaker, the pattern is clearly indicated. The great industrial and financial giants of America are determined to be the political giants, as well. They will, then, have the package, all wrapped up. Complete control of America by the forces of conservatism and even reactionaryism will be the inevitable result of the weakening of trade unionism.

To document my viewpoint with regard to this detrimental trend for small unions, Mr. Speaker, I am including in my remarks the following newspaper story by Wilfrid C. Rodgers in the Boston Daily Globe of September 7, 1959:

[From the Boston Daily Globe, Sept. 7, 1959]

LABOR REFORM BILL HIKES COSTS OF RUNNING UNIONS—MEMBERS GET MORE SAY BUT MUST PAY

(By Wilfrid C. Rodgers)

Passage of the labor reform bill by Congress will have two almost immediate effects on individual union members:

1. Gives them a bigger voice in union affairs.

2. Makes bigger dues almost automatic in many unions.

The bigger voice in union affairs was given members by legislative law in an effort to get rid of crooks in the labor movement.

The bigger dues will be assessed on members because of an economic law—the labor bill pushes up the cost of doing business for unions and the members have to pay these costs through dues.

Why the increased costs for unions?

Every time the Federal Government passes labor relations laws it costs unions more to operate.

It started for most unions with passage of the Wagner Act. There were no complaints from union officials on this score, however, because to them the Wagner Act was the "magna carta of labor."

It opened a whole new field of organizing and brought in new union members by the thousands.

It also opened a new legal field for lawyers—labor relations.

Until the Wagner Act, the Nation's labor laws depended upon what State you were in. The State courts were supreme.

A strike declared legal by a court in New York could well be—and often was—declared illegal in Massachusetts.

In effect, with the passage of the Wagner Act, the Federal Government said to the States:

"When it comes to interstate commerce we'll make the laws on labor relations and enforce them. You keep your hands off."

This was the way things operated during the New Deal and through much of the Truman administration.

The National Labor Relations Board administered the Wagner Act with appeals from its decisions going to the Supreme Court.

Then came the Taft-Hartley Act.

One Boston labor leader sums it up this way:

"The Wagner Act meant a union had to have a lawyer. The Taft-Hartley meant you had to have two. And the labor reform bill means we'll have to have three lawyers and a corps of certified public accountants."

The labor reform bill now has placed a large segment of labor relations cases back in the hands of State courts or State administrative boards.

The reason for this was the so-called no man's land.

At first the NLRB took jurisdiction over any firm that was even closely connected to interstate commerce.

If the firm, its products or its raw materials crossed State lines, the NLRB took charge.

Then business became heavy. The NLRB complained it couldn't carry the entire load. It set up standards, usually stating that only firms doing a certain amount of gross business interstate, were eligible to use the NLRB.

This reduced the amount of work for the NLRB but meant chaos for some small businesses and small unions.

STATES COULDN'T ACT

Because the Wagner Act said the Federal Government would handle the interstate commerce disputes, the Supreme Court held that even if the NLRB declined jurisdiction, State courts or State administrative bodies couldn't touch the disputes.

The labor reform bill now says that if the NLRB declines to handle the case, the firms or unions involved can go into the State courts.

The rub comes—so far as labor is concerned—when the labor reform bill says that State law will govern the State court in acting on the cases.

State courts have been mostly out of the labor relations business since New Deal days. Except for a small handful of States, no attempt has been made by legislatures to keep State laws up to date on labor relations.

Why should they, when labor relations mostly was in the hands of the Federal Government?

BABY WAGNER ACT

In Massachusetts there exists a Baby Wagner Act. This created a State labor board which did for intrastate business what the NLRB did for interstate business.

Now the State labor board will have jurisdiction over those cases turned down by the NLRB. (This board was almost eliminated during the budget-cutting sessions of the legislature on the grounds it didn't have enough business to do.)

In Maine, however, there is no State labor board, so cases declined by the NLRB in that State will be thrown into the State courts.

Already unions and management are preparing for legislative tugs of war over this issue.

The unions will press for State labor boards where they don't exist and State statutes governing labor relations.

To comply with the financial reporting provisions of the labor reform bill, unions will have to spend money for certified public accountants. (Many already do.)

The touchy part of this provision of the bill, to labor leaders, is that if the financial reports aren't correct the union officers can be thrown into jail.

SMALL UNIONS AFFECTED

Since small unions—with less than 300 members—aren't exempt from these reporting provisions, union leaders anticipate trouble getting members to run for office.

Most of these officers receive little if any pay; most aren't experienced in making financial reports.

To induce members to run for office, some locals may have to make the position salaried.

Other locals may well be forced into merging with other small locals in their area who belong to the same international.

In this manner, two, three, or even four small locals could merge into one and pay but one bill for lawyers and accountants rather than three or four such bills.

Trouble is that some of the very men the labor reform bill aims at getting out of the labor movement, such as James R. Hoffa, have been trying to merge these small locals for years without too much success.

Dumping three small locals—that the international doesn't control—into one big local that it does, resulted in many abuses the labor reform bill hoped to eliminate.

Proponents of the bill, however, hope that giving individual members a bigger voice in union affairs they will use it and rid labor of some of the corruption exposed by the McClellan committee.

Padre Island, Tex.

EXTENSION OF REMARKS

OF

HON. LYNDON B. JOHNSON

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Wednesday, September 9, 1959

Mr. JOHNSON of Texas. Mr. President, in recent years there has been increasing concern at the rapid rate at which our Nation's natural shoreline areas have been vanishing.

One of the greatest of these areas, embracing the longest undeveloped shorelines area in the United States, is Padre Island which stretches for 117 miles along Texas gulf coast.

In an effort to assure timely action by the Federal Government in preserving this priceless heritage for the public good, I recently joined with my distinguished colleague from Texas [Mr. YARBOROUGH] and two able Members of the Texas delegation in the House [Mr. KILGORE and Mr. YOUNG] in addressing letters to the distinguished Senator from Montana [Mr. MURRAY], the chairman of the Committee on Interior and Insular Affairs, as well as the Honorable Fred A. Seaton, Secretary of the Interior.

In the interest of apprising others in the great potential of Padre Island, I ask unanimous consent, Mr. President, that

both these letters be printed in the CONGRESSIONAL RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SEPTEMBER 2, 1959.

Hon. JAMES E. MURRAY,
Chairman, Senate Committee on Interior and Insular Affairs, Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: As you are well aware there has been increasing concern in recent years over the rapid rate at which the natural shoreline areas of the United States have been vanishing. It is generally recognized that unless the Federal Government acts soon to preserve for the American people some of the few remaining areas of shoreline wilderness, this aspect of our heritage will have disappeared forever.

The Committee on Interior and Insular Affairs currently has under consideration a number of bills which would authorize the establishment of shoreline park areas, including S. 4 introduced by Senator YARBOROUGH, which would specifically authorize the establishment of a national park at Padre Island, Tex. Other bills would authorize the acquisition of shoreline areas, and though they are broad enough in scope to permit development at Padre Island, its selection would not be assured under the terms of these bills.

The purpose of this letter is to urge your committee to conduct hearings on the question of establishing a national shoreline area on Padre Island and to report to the Senate legislation which would insure the preservation of this natural wonder. Padre Island, stretching 117 miles along the Texas gulf coast, is the longest remaining undeveloped beach area in the Nation. Here at Padre Island the United States has its last opportunity to preserve a substantial length of beach area in its natural state.

The National Park Service has conducted a full investigation of the potentialities of Padre Island, and both the Park Service and the Interior Department's Advisory Board on National Parks, Historic Sites, Buildings, and Monuments have recognized the opportunity at Padre Island and have strongly recommended the establishment of a national shoreline area here. If Padre Island is to be preserved for future public use and enjoyment, action must be taken soon. Otherwise, the island will follow other shoreline areas into conventional commercial beach development.

We believe that the Congress must enact authorizing legislation soon if this beautiful wilderness is to be preserved. If at all possible, Congress should act on the matter next year. Therefore, we respectfully request that your committee hold hearings on this question between the adjournment of the present session of Congress and the commencement of the next session. If the committee does hold these hearings we recommend that the committee visit the area for on-the-spot hearings in order that its members will personally appreciate the wonders of nature found at Padre Island.

We are most anxious that the Congress act on this matter soon, and we know that if the members of your committee would visit Padre Island and report their impressions to the Senate, the early establishment of a national shoreline area at Padre Island would be assured.

Sincerely,

LYNDON B. JOHNSON,
U.S. Senator.
RALPH YARBOROUGH,
U.S. Senator.
JOE M. KILGORE,
Member of Congress.
JOHN YOUNG,
Member of Congress.

U.S. SENATE,
OFFICE OF THE DEMOCRATIC LEADER,
Washington, D.C., September 2, 1959.

Hon. FRED A. SEATON,
Secretary of the Interior, Interior Building, Washington, D.C.

MY DEAR MR. SECRETARY: On April 27, 1959, you transmitted to each of us a copy of a field report by the National Park Service on the proposal to establish a national shoreline area on Padre Island, Tex.

We were and are extremely impressed with this report. It is apparent that the National Park Service's investigation of the potentialities of Padre Island as a shoreline area was extremely thorough, and the need for immediate action to preserve this beautiful area for the people of America is fully demonstrated by this report.

Both the National Park Service and the Advisory Board on National Parks, Historic Sites, Buildings and Monuments have recommended the establishment of a national shoreline area on Padre Island. But to our knowledge the Interior Department has not approved this proposal nor has the Department recommended that the Congress enact legislation which would insure that a national shoreline area be established on Padre Island.

This is one of the Nation's last opportunities to preserve a substantial segment of our shoreline in its wilderness state. Padre Island, stretching 117 miles along the Texas gulf coast, embraces the longest undeveloped beach remaining in America. Thousands of acres of Padre Island are still in a natural state providing many miles of spacious beaches and lovely dunes. If these can be preserved, American families in the future will be assured of the opportunity to enjoy the natural beauty of the island as well as the recreational benefits the wonderful Padre Island beaches can bring. But if this is to come about, action must be taken now. Otherwise, the opportunity will have been lost, and the natural beauty of Padre Island will have given way to conventional commercial beach uses.

We strongly urge you to take immediate action to implement the recommendations of the National Park Service and the Advisory Board on National Parks, Historic Sites, Buildings and Monuments that a national shoreline area be established on Padre Island. We ask that Padre Island be officially designated by the Department of the Interior as a suitable location for such a national shoreline area, and that the Department immediately recommend to the Congress that it enact legislation which will specifically authorize the establishment of a national shoreline area on Padre Island.

Sincerely,

LYNDON B. JOHNSON,
U.S. Senator.
JOE M. KILGORE,
Member of Congress.
RALPH YARBOROUGH,
U.S. Senator.
JOHN YOUNG,
Member of Congress.

Systematic Retirement of the National Debt

EXTENSION OF REMARKS
OF
HON. JIM WRIGHT
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1959

Mr. WRIGHT. Mr. Speaker, the National Federation of Independent Business has polled its entire membership on my bill creating a systematic retirement of the national debt. This poll included more than 130,000 independent businessmen all over the Nation, and the result of the poll shows an overwhelming 86 percent in favor of the bill.

Only 10 percent expressed doubt about the efficacy of the proposition and 4 percent expressed no opinion.

This overwhelming endorsement resulting from this actual poll of small businessmen throughout the Nation corresponds with the general enthusiasm I have encountered in the public at large in favor of this proposal to retire the national debt on a systematic basis.

Another Korea?

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1959

Mr. HOFFMAN of Michigan. Mr. Speaker, the folly of surrendering our independence to any international organization is becoming increasingly obvious.

Possibly no one could conceive of a finer thought or program than that of bringing permanent peace to the world, improving the living conditions of all people wherever found, bringing prosperity and security to everyone. That might be the thought which took us into United Nations, NATO, and other international organizations.

The idea back of our entanglement in foreign affairs, and you will recall that Washington warned against it, may be somewhat similar to that entertained by those who attempted to build the tower of Babel. That failed, we are told, because of the confusion of tongues.

Since then human nature has remained much the same.

A "ONE WORLD ORGANIZATION"

We now find that, by joining United Nations and NATO, we are committed to a policy, wherever in the world what we are pleased to call a free nation is invaded or imposed upon by the Communists, of sending not only money and supplies, but our young men to fight in a war in which we are not directly interested.

Because of our previous commitments to our so-called allies, we became involved in Korea, and the cost in lives and suffering was enormous.

An extremely unfortunate result of our joining these foreign organizations is that so far, and evidently in the future, we—our people—will be forced to bear an undue part of the cost, both in treasure and in lives.

It is extremely difficult for the young women and the young men of America of today to see why they should be forced into the armed services, into a program of intensive training and ultimately to fight and die at the call of some foreign

group which has no real interest in the future of our country.

Today, whether our young men and, perhaps, our young women, because of our membership in U.N. are taken from their homes and sent to fight in Laos depends upon what the Security Council of the United Nations decides. For years, we have poured millions into Laos.

We have sent billions upon billions taken from our taxpayers to bolster not only the independence and integrity of other countries, but to make them active and efficient competitors of our industry.

Certainly, we believe in charity, in being helpful, and that has been our record since the beginning of our Nation, but, in my judgment, of far more importance is a policy which will enable us to remain independent, in control of our own destiny, to make secure the future of our own people.

Why not do a little serious thinking on the issue of how far can we weaken ourselves, and are we justified in imposing burdens upon our own folks to aid others?

The present demand is that, if we are better acquainted with the people of other nations, there will be less contention. Perhaps so. But history shows that the nations of the Old World—neighbors, it might be said—have always been on the verge of war with each other.

Helpful to others? Yes. But not at the cost of our own independence.

Prohibition's Ally

EXTENSION OF REMARKS

OF

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1959

Mr. HÉBERT. Mr. Speaker, at the very outset of these remarks I want to get one thing straight—I am not a prohibitionist.

Perhaps it is not necessary for me to reaffirm my strong antiprohibition sentiments but I wanted to repeat them to make certain that what I am going to say will not be distorted or misinterpreted. It is because I am so strongly opposed to prohibition that I am compelled to bring to the attention of the House the things which I am going to say as a warning not to allow prohibition to sneak up on us on our blind side as it did once before.

There were those before the advent of the "noble experiment" who thought it couldn't happen, but it did happen.

There are those now who think that prohibition cannot happen again, but it can if those of us who are so strong against it do not recognize what is going on about us and do something about it.

When Oklahoma recently went wet it was pointed out that only one State in the Union, Mississippi, remained "legally dry."

A real eye opener would be to tabulate the counties of the several States and find out how many are "legally dry" especially in some recognized wet States and have become so since the repeal of prohibition.

The prohibitionists have never ceased their fight to return this country to the dry calendar. They are still about their business and are taking every advantage of situations and conditions which will lend themselves to an argument in favor of the return of prohibition, first on a local option basis and then on a nationwide scale.

Let us look the facts right straight in the eye.

I, personally, make no secret of the fact that I consider myself a pretty fair "country two-fisted drinker" and have demonstrated it on many an occasion through the years. The fact that I can hold my own is something with which I had nothing to do. I just happened to be born that way. I am not allergic to alcohol but there are many things to which I am allergic and to which other people are not allergic.

Some people are allergic to the effects of one of the greatest miracle drugs of our times—penicillin. They had nothing to do with it, they were born that way.

Some people are allergic to dust through no fault of their own; others to weeds or grass or vegetables.

And some people are simply allergic to alcohol.

Let us be sensible about this whole business and face the facts of life and do something realistic about it.

Recent developments here in the District of Columbia cause me to wonder whether the words of an old epigram of unknown authorship which reads "God looks after fools, drunkards, and the United States" are being taken too literally. My particular concern at this moment is with the measures which are being taken in the District to effect the scientific treatment and rehabilitation of alcoholics. Some of you will recall that I was the author of a bill to establish an alcoholic clinic in the District of Columbia to do something to help and rehabilitate excessive and compulsive drinkers here in Washington. This bill—Public Law 347—was approved by the 80th Congress on August 4, 1947. Now, after nearly 12 years have passed, I am dismayed to find that we are still a long way from accomplishing the purposes of this act which had the unanimous approval of the Congress. I beg your indulgence for a few moments to bring you up to date on the problem of alcoholism generally and specifically in the District of Columbia; to tell you something about the shortcomings and weaknesses in the District program for the alleviation of alcoholism, and to outline for you some further steps which must be taken to strengthen the alcoholic rehabilitation program and increase its effectiveness.

In spite of the fact that there is some lack of agreement as to the exact size and nature of the problem of alcoholism no one disagrees that it is a serious problem here and elsewhere in the United States. Some consider it a sin, others a vice, and there are those who think of it as a disease or a symptom of a disease. In some circles there is no distinction made between so called social drinking on the one hand and outright "alcoholism" on the other. Most people agree that there are "problem drinkers." The more precise definition of such individuals in terms of the psychiatrists and the behavior scientists is a person who has a chronic behavioral disorder manifested by repeated drinking of alcoholic beverages in excess of his dietary needs and the social standards of the community and to an extent that interferes with the drinker's health or his social or economic functioning.

Applying a definition of this kind, it has been estimated that there are nearly 5 million alcoholics in the United States, only a small proportion of which are found on skid row. For instance, it has been estimated that there are 1½ million alcoholics employed in business and industry. It has been estimated that alcoholism results in an annual economic loss to industry of $1 billion through accidents, work spoilage, and absenteeism. In the District of Columbia it is said that there are nearly 50,000 alcoholics, for an average of 7.8 percent of every 100,000 adults. It has been definitely proven that the sale of alcohol in the District of Columbia is over twice the amount per capita as elsewhere in the country. Here it is 4.6 gallons per capita per year. In the country as a whole it is less than 2 gallons. These are some of the facts which have caused medical authorities to recognize alcoholism as a major public health problem.

Happily, experience has shown that alcoholics can be helped and rehabilitated. The integration of scientific knowledge and treatment techniques into community programs offers a means of controlling and preventing this devastating condition. During the past 15 years, 38 States and the District of Columbia have enacted legislation authorizing specific programs on alcoholism and establishing provisions to attack the problem through research, treatment, and education. Thirty-two of these programs have specific services for treatment and rehabilitation, and the District of Columbia is among these. These programs operate a total of 122 alcoholic clinics. In 1956 these agencies expended over $3 million on a total of nearly 23,000 cases. Unfortunately, many programs have been hampered by inadequate funds.

Now, let us take a brief look at the alcoholism picture here in the District. More than 1,600 chronic alcoholics are admitted to the psychiatric service of the District of Columbia General Hospital each year. These patients remained in the hospital for an average period of three days. Each year, about 1,000 alcoholics voluntarily share the limited resources at the Alcoholic Rehabilitation Clinic which is operated by the Department of Public Health. Perhaps the most grievous figure is that of the number of persons who are arrested by the Metropolitan police for intoxication. For instance, in the year 1956 there were 40,000 arrests for intoxication, 16,000 of which resulted in prison commitment. Consider for a moment that

the average daily drunk population in the District prisons exceeds 1,200.

I have it on good authority that if one totals up the cost of handling chronic alcoholics by police, courts, prisons, the Clinic and hospitals, in the District, it is found to be nearly $2 million a year. The saddest part of the whole business is the inadequacy of present methods. Obviously, a program which spends so much on arresting and jailing alcoholics offers little to the so-called "social alcoholic" who, when arrested, ordinarly forfeits collateral and is released to his family, going unnoticed until he is again arrested. By the same token, a program of this kind has little to offer the "skid row chronic alcoholic" who has no home, family or other social ties in the community and whose rehabilitation requires intensive treatment rather than imprisonment. As presently managed in the District, alcoholism results in overworked police and courts, overcrowded prisons, and only very limited treatment and rehabilitation. There is no better indicator of the ineffectiveness of the program than the high rate of recidivism among those arrested for intoxication. One study showed that 68 percent of those arrested were repeaters, many having a record of 12 prior arrests for the same offense.

Unfortunately, very little has been done to reverse the growing trend of drunk arrests so that the problem of alcoholism in the District continues relatively unabated. All of this is a source of grave personal disappointment to me since I had high hopes that the passage of Public Law 347 would offer some relief from this unsatisfactory situation. You will recall that this act provided that the Commissioners of the District of Columbia be authorized and directed to establish clinic and hospital facilities for the treatment and study of chronic alcoholics who become known to the Municipal Court for the District of Columbia. As originally conceived, the alcoholic clinic established by this act was to have resources and personnel to enable it to carry on an effective treatment, rehabilitation and education program, and to permit it to effect close liaison with the courts, hospitals and other agencies concerned with the management of alcoholism. The act stipulated that 10 percent of the annual fees for licenses for the manufacture or sale of alcoholic beverages were to be permanently appropriated to carry out the purposes of the act.

Now I must report to you the sad fact that we have fallen far short of realizing the constructive and vitally important aims of the act. For some time now, the Alcoholic Rehabilitation Clinic, which is the keystone of the program, has been severely handicapped by lack of funds and personnel. Although the 1958 annual report of Public Health Service Advisory Council for the District of Columbia indicates death rates from cirrhosis of the liver—which is correlated with alcoholism—was much higher than for several diseases including tuberculosis, the investment of funds for combating alcoholism remains pitifully small compared with money spent on these other ailments. The clinic program, which opened in 1950, with a budget in the neighborhood of $100,000 has subsequently had its funds drastically reduced when the portion of the license fees allotted for its operation was cut to 6 percent.

Although more than $10 million was collected in taxes on liquor in 1958 in the District of Columbia, less than $70,000 was devoted to salvaging the victims of alcoholism through the clinic program. It seems almost inconceivable to me that an alert Board of Commissioners and the public could have permitted this to have happened. I am even more concerned about the apparent apathy which permits this most unsatisfactory arrangement to continue. I ask you, How may a program of this kind be expected to grow and increase in effectiveness when its appropriations are so drastically reduced?

Let me tell you how this has affected the staffing pattern at the Alcoholic Rehabilitation Center. I am advised that its full-time staff now consists of two psychiatrists, three social workers, three clerks, and one psychologist. Physical examinations are conducted by a physician who visits the clinic on a part-time basis. Since there is no provision for an administrative officer, one of the full-time psychiatrists must devote a good portion of his time to the purely administrative responsibilities of the clinic. In addition, the clinic does not have any health educator on its staff nor does it have any nurses or occupational therapists.

It is only through the dedicated spirit of this limited staff that any good results are obtained with the thousand or so patients seen annually by the clinic. To give you an idea of the kind of results obtained at the clinic, I would like to tell you about one of their cases. This man, who voluntarily applied for treatment, was 40 years old at the time of his admission. He was married and had a young son. Employed as a taxi operator, this man was known to be an intelligent and capable person who was strongly critical of himself because of his lack of achievement. His drinking began as a teenager and he observed that it helped him to overcome his timidity when with other people. By the age of 29 he had had an episode of delirium tremens during which he attempted suicide. When he came to the clinic, he had reached the point that he was unable to control his drinking which caused him to be incapable of working nearly a third of the time. In spite of his wife's effort to supplement the family income, they were hard pressed to meet their obligations.

At the clinic, this man participated in group therapy sessions and also underwent treatment with the drug antabuse. Although he showed some improvement under these treatments, he did not attain continuing sobriety until he was placed under individual psychiatric treatment. This treatment enabled him to gain a better understanding of himself, enhancing his confidence in himself and enabling him to deal with his underlying fears and anxieties without returning to the excessive use of alcohol. The clinic staff points with pride to the fact that this man has now remained completely sober for the past 5½ years. His homelife with his family is greatly improved and he is employing his leisure time in constructive activities. His wife is grateful to the clinic for their help and the patient is finding new happiness in his increased self-esteem and self-confidence.

It should be readily apparent that increasing the number of psychiatrists, psychologists, and social workers will permit the treatment activities to be expanded and will also permit more intensive efforts with those who come to the clinic for help. It is doubtful that the clinic will accomplish much in the way of education and the promotion of temperance until at least one health educator is placed on the staff.

But these are only some of the immediate needs of the program. In addition, the inpatient hospital facilities for alcoholics must be expanded. The present practice of hospitalizing alcoholics for a brief 5-day-or-so drying-out period and then sending them out into the streets without any followup accomplishes very little in the way of rehabilitation. Expansion of the clinic staff and facilities would make it possible to offer followup treatment to alcoholics after they have been discharged from the hospital. This should greatly improve the results obtained.

Under present conditions, the clinic often must improvise arrangements for the care of alcoholics who are in need of hospital care, which is not available. More hospital beds for alcoholic patients are urgently needed to remedy this unsatisfactory situation.

The establishment of a halfway house facility would also add greatly to the strength of the program. Such a facility would provide a situation for the continued care of patients who are well enough to be out of the hospital, but still require some degree of formal supervision.

Let me emphasize again my belief that we have a grave responsibility to take some action to increase the resources for the treatment and rehabilitation of alcoholics in this city. We must insure adequate clinical facilities for their diagnosis and treatment. When adequate facilities for the medical diagnosis and treatment of alcoholism are available, the stigma of alcoholism will no longer be a problem; public support will have been gained. Adequate facilities must include resources for education and for the dissemination of information and the coordination of all of the various agencies and activities which are, and should be, concerned with this problem. We must enlist the complete cooperation of the medical profession as well as that of the law enforcement people and all social agencies concerned. Also, expansion of treatment facilities should go hand in hand with research. A treatment program incorporating all that we know will be the best place in which to learn what we do not know and what more we need to know. Research should follow such an activity and, in fact, be a part of it.

In urging this action I am not speaking as "teetotaler" or a "blue nose" or "killjoy." I am simply presenting for the attention of Congress and action by the District Commissioners an inescapable health problem demanding attention and constructive action. Here is a case where "one man's meat is another man's poison." Senseless efforts to sweep it under the rug spell only disappointment and disaster. Let us begin to chip away at it straightforwardly and intelligently. We have appropriated this year upward of $221,584,000 for cancer, heart disease, mental illness, and a dozen other of mankind's killers. I am all for that but also I am for making at least a token effort to do something about a public health problem as baffling and widespread as any for which we have appropriated so much.

Address by Senator Eugene J. McCarthy on "The Family and Political Action" at the Annual Convention of the Christian Family Movement at the University of Notre Dame

EXTENSION OF REMARKS
OF

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1959

Mr. BRADEMAS. Mr. Speaker, there are few Americans who can discuss with such wisdom and dedication the role of politics and politicians in a democracy as the distinguished junior Senator from Minnesota, the Honorable EUGENE J. MCCARTHY.

Senator MCCARTHY has been a high school teacher and a university professor. For 10 years he served with great distinction as a Member of the House of Representatives. He speaks with deep understanding and experience of the responsibility of the Christian in political life.

Last month, on August 29, 1959, Senator MCCARTHY delivered a fine address on "The Family and Political Action" at the 11th Annual Convention of the Christian Family Movement held on the campus of the University of Notre Dame, Notre Dame, Ind.

Other distinguished speakers at this convention, which was attended by more than 2,500 persons, including 750 married couples, included Roman Catholic Archbishop Albert G. Meyer, of Chicago; the Reverend Robert C. Hartnett, S.J., former editor of the weekly magazine America; and Stephen A. Mitchell, former chairman of the Democratic National Committee.

Mr. Speaker, I should like at this point in the RECORD to include excerpts from Senator MCCARTHY's address:

THE FAMILY AND POLITICAL ACTION

(Excerpts from address of Senator EUGENE J. MCCARTHY at the Christian Family Movement Convention, University of Notre Dame, Notre Dame, Ind., August 29, 1959)

Nineteen hundred and sixty is a national election year. When the polls close on November 8, the voters of the United States will have chosen thousands of State and local officials. They will also have elected 437 Members of the House of Representatives, one-third of the 100 Members of the U.S. Senate, and a President of the United States.

Next year will be a year of intensive political activity. Candidates, their supporters, party officials, and party organizations will be busy trying to convince the voters of the merits of their causes.

Through the media of mass communication, the newspapers, the radio, and television, political discussion and political personalities will come into the homes of America. The home, rather than the public square, the street corner, or the picnic grounds has become the principal arena of political controversy.

It is no longer possible for the citizen to avoid politics or to set it apart for special times and places. Neither is it possible any longer to isolate children and young people from politics. It remains to be seen whether or not these changes in place and methods of political action will improve our democracy.

Certainly it is desirable that citizens be politically aware. In a democratic state, all citizens have political power. That power can be exercised well only if all citizens, or at least a majority, are wise; that is, are intelligent and informed and are men of good will.

Modern techniques of communication and of influence have proved excellent tools for the demagogue and the tyrant. The challenge is to use them to improve government and thus to promote the common good.

Parents have a very special responsibility to develop right attitudes and to advance the political education of children. This responsibility is of special importance because of the significance of citizen participation in politics in a democracy, and because of the fact that politics can no longer be excluded from the home or the young people protected from it.

For adults enjoying full citizenship, issues and personalities are important as a basis for the practical political decisions which must be made. Issues and personalities will be important to children in an election year also. It is wholly natural for them to be interested in political personalities and in controversial issues. For children and young people, however, who are not yet qualified for direct or full participation in political action, the development of right attitudes toward democracy, government, and politics is even more important. In an election, parents have an opportunity to lead the young people of the Nation away from the popular disposition to be cynical regarding politics and government.

There is no disputing the fact that the conduct of some public officials in the United States has been disgraceful. Many have shown a shocking lack of any sense of moral responsibility. Others have been found holding to standards which are extremely personal, flexible, and generally inadequate. The facts in these cases should not be withheld or glossed over. It is essential, however, that they be presented accurately, without exaggeration and without unwarranted general applications.

Children should not be brought up believing that the holders of public office are generally venal and corrupt. They should not be conditioned to the careless use of expressions such as "pork barrel" and "feeding at the public trough" in relation to public service, and should be discouraged from using terms of opprobrium without deliberation and distinction. They should not be led to look upon politics as a necessary evil at best, or as a field in which the ordinary standards of truth and decency do not apply and need not be honored. They should be brought to realize that political party activity is not necessarily unbecoming or degrading.

Not every citizen has an obligation at all times to participate intensively in party activities, but every citizen should realize the need for political parties and for party activities. History demonstrates clearly the need for party politics in democratic government. In America party factions preceded the adoption of the Constitution itself.

Parents should be careful to educate children to an understanding of the importance of the political party in our system of government, and to bring them to realize that good government depends on good political parties. By their own example, as well as by word, they should show the young people that a political party is not merely a propaganda instrument, not a private club, nor an organization which protects one's own job or which provides a job in return for the payment of dues and the performance of party services.

Rather, a political party is an organization made up of a disciplined group of citizens seeking to influence government or to gain control of it in order to govern not only for the majority, but for all according to the determination of the majority within the limits set by custom, law, and constitution.

In order to prevent disillusionment, young people should, of course, learn that politics is part of a real world. Political choices must be made in actual historical situation, affected, therefore, by ignorance, prejudice, and bad will. They should know that political officials often cannot make the ideal choice, but must adjust decisions to circumstances.

Truth will prove the best antidote for cynicism, which is an especially dangerous attitude when it prevails among the young. It destroys the base for an attack on real and different problems in politics, as in other fields.

This danger is clearly shown in one of the novels of Charles Williams, the great English writer of novels dealing with the conflict between good and evil. Mr. Williams shows the great advantage which can be given to evil by the loss of public belief in politics. The consequence of this loss of faith in Mr. William's novel was the acceptance of a completely amoral leader who capitalized on the cynicism of the people and come to power because of it.

An election year provides the best of times in which to develop in children and young people a clearer understanding of the real meaning and implications of democracy; of impressing upon them the fact that democracy does not simplify life, but rather that it complicates it by adding the responsibility of government to other responsibilities.

It is further complicated when we consider that democracy seeks to establish an order based not only upon justice, but upon justice and freedom; that is, not only an order of justice prescribed and forced on people, but determined by them and freely accepted.

An election year provides the best of times in which to develop in our children and young people understanding and respect for the purposes, institutions and procedures of democratic government, and to lay the foundations upon which we can erect in the United States a firm tradition of the privilege and responsibility of citizenship and of public service.

It is not sufficient merely to undertake to humanize and sanctify our individual lives. Neither is it sufficient to humanize and sanctify the institution of the family alone. Over and above this, it is essential to humanize and sanctify social institutions such as the neighborhood, the class to which one belongs, the business and professional community, leisure time activities, means of communication, and political institutions.

For as Cardinal Suhard has stated: "Each of them constitutes both an area of living and reality which is independent of the individuals of which it is made up (and one can say also independent of the family units which make it up) or over whom it holds away."

Although it is true that the social order exists for the persons who make it up, and in a secondary sense also exists for the family, it is nonetheless correct to say that society—that is, civilization itself—requires salvation.

Neither the salvation of persons, nor the salvation of the family can be accomplished without a humanization and sanctification; that is, a Christianization of all essential institutions which make up the social order.

Schedule of Meetings, Eighth Ohio District

EXTENSION OF REMARKS

OF

HON. JACKSON E. BETTS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1959

Mr. BETTS. Mr. Speaker, the best way for a Congressman to secure the views of his constituents is by personal interview. For this reason, I plan to visit the county seats in the Eighth Ohio District this year, as I have each year in the past. If anyone has any problems or views in connection with the Federal Government, I will be pleased to have him come in and discuss them with me.

I shall be at the commissioner's office in the courthouses at the following places on the following dates from 9 a.m. to 4 p.m.:

Monday, October 5, Bucyrus; Tuesday, October 6, Tiffin; Wednesday, October 7, Tiffin; Friday, October 9, Upper Sandusky; Tuesday, October 13, Marion; Wednesday, October 14, Marion; Thursday, October 15, Mount Gilead; Friday, October 16, Kenton.